

MARKET STUDY

Property:
Northway
128 Wilson Avenue
Galax, Galax City, Virginia 24333



Type of Property:
Affordable Multifamily Development
Family
Renovation

Date of Report:
March 12, 2020

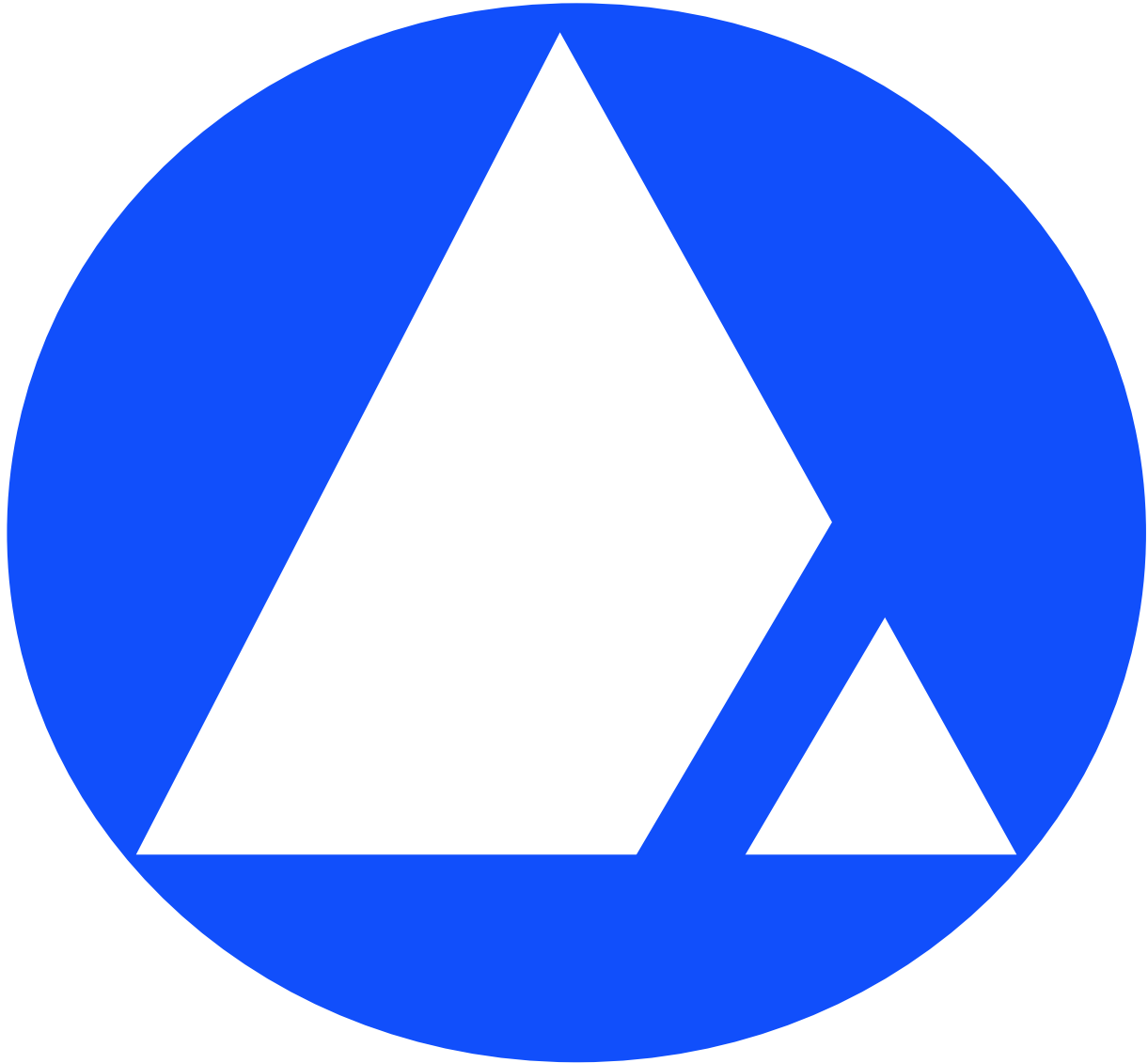
Effective Date:
March 12, 2020

Date of Site Visit:
December 2, 2019

Prepared For:
Ms. Samantha Brown
Community Housing Partners
4915 Radford Avenue #300
Richmond, Virginia 23230
Phone: 804-343-7201 x 2015 | Cell: 804-614-2682
E-mail: sbrown@chpc2.org

Prepared By:
Allen & Associates Consulting, Inc.
P.O. Box 79196
Charlotte, North Carolina 28271
Phone: 704-905-2276 | Fax: 704-220-0470
E-mail: jcarroll@allenadvisors.com

AAC File Number:
19-184





Allen & Associates Consulting, Inc.
P.O. Box 79196
Charlotte, North Carolina 28271
Phone: 704-905-2276 | Fax: 704-220-0470
E-mail: jcarroll@allenadvisors.com

March 12, 2020

Ms. Samantha Brown
Community Housing Partners
4915 Radford Avenue #300
Richmond, Virginia 23230

Re: Northway

Dear Ms. Samantha Brown:

The subject property, known as Northway, is an existing affordable multifamily development located at 128 Wilson Avenue in Galax, Virginia (MAP # 46-164). The subject property consists of 72 revenue-producing units originally constructed in 1973 and renovated in 2004. The sponsor has proposed to renovate the property with an allocation of tax credits. The subject property is an open age community.

The subject property is proposed to consist of 72 revenue-producing units including 1, 2 and 3-bedroom garden apartments. A total of 36 units are proposed to be income restricted to 50% of AMI; a total of 36 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 60 units are proposed to benefit from project-based rental assistance. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with VHDA, National Council for Housing Market Analyst (NCHMA) guidelines and the Uniform Standards of Professional Practice (USPAP). The completion of this report involved a site visit, interviews with local property managers, and the collection of market data through discussions with persons knowledgeable of the local real estate market.

The purpose, intended use, and function of the report is to assess the marketability of the subject property for tax credit application purposes. This report should not be used for any other purposes without the express written permission of Allen & Associates Consulting.

The report has been generated for the benefit of our client Community Housing Partners. VHDA is named as an additional user of the report. No other person or entity may use the report for any reason whatsoever without our express written permission.

A summary of our findings and conclusions is found in the following pages. The conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.

To the best of our knowledge, this report presents an accurate evaluation of market conditions for the subject property as of the effective date of this report. While the analysis that follows is based upon information obtained from sources believed to be reliable, no guarantee is made of its accuracy.

Feel free to contact us with any questions or comments.

Respectfully submitted:
ALLEN & ASSOCIATES CONSULTING

A handwritten signature in blue ink, appearing to read "Jeff Carroll", is positioned above the printed name.

Jeff Carroll

EXECUTIVE SUMMARY

The following is a summary of our key findings and conclusions with respect to the subject property:

Project Description

The subject property, known as Northway, is an existing affordable multifamily development located at 128 Wilson Avenue in Galax, Virginia (MAP # 46-164). The subject property consists of 72 revenue-producing units originally constructed in 1973 and renovated in 2004. The sponsor has proposed to renovate the property with an allocation of tax credits. The subject property is an open age community.

Proposed Unit Mix

The subject property is proposed to consist of 72 revenue-producing units including 1, 2 and 3-bedroom garden apartments. A total of 36 units are proposed to be income restricted to 50% of AMI; a total of 36 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 60 units are proposed to benefit from project-based rental assistance. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

Proposed Unit Configuration						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	UA	Net Rent
1BR-1BA-536sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$531	\$87	\$444
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$531	\$87	\$444
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No	1	\$437	\$87	\$350
1BR-1BA-593sf / 60% of AMI / 60% of AMI	Yes	No	2	\$437	\$87	\$350
1BR-1BA-598sf / 60% of AMI / 60% of AMI	Yes	No	4	\$437	\$87	\$350
2BR-1BA-777sf / 50% of AMI / 40% of AMI	Yes	Yes	4	\$635	\$99	\$536
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes	16	\$635	\$99	\$536
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	2	\$549	\$99	\$450
2BR-1BA-767sf / 60% of AMI / 60% of AMI	Yes	Yes	16	\$635	\$99	\$536
2BR-1BA-777sf / 60% of AMI / 60% of AMI	Yes	Yes	3	\$635	\$99	\$536
2BR-1BA-887sf / 50% of AMI / 50% of AMI	Yes	Yes	6	\$655	\$99	\$556
2BR-1BA-887sf / 60% of AMI / 60% of AMI	Yes	No	1	\$549	\$99	\$450
3BR-1.5BA-940sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$771	\$121	\$650
3BR-1.5BA-952sf / 60% of AMI / 60% of AMI	Yes	Yes	8	\$771	\$121	\$650
3BR-1.5BA-940sf / 60% of AMI / 60% of AMI	Yes	No	2	\$671	\$121	\$550
Total/Average			72	\$627	\$101	\$526

Site Description

The subject property includes an irregular-shaped parcel consisting of approximately 6.38 acres and approximately 100 feet of road frontage.

A total of 97 parking spaces are planned for this development (87 regular / 10 accessible / 1.35 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.5 to 2.0 spaces per unit for projects like the subject. Public transportation is found in the area.

Additional Considerations:

Zoning	R-3. Legal, conforming use.
Environmental	1973 construction. Potential lead and asbestos.
Topography	No issues detected.
Flood	Zone X. Outside the 100-year flood zone.
DDA Status	Galax City, Virginia. Not designated as a Difficult to Develop Area.
QCT Status	Tract 701.01. Not designated as a Qualified Census Tract.
Access	Fair. Located off a lightly-traveled road.
Visibility	Fair. Located off a lightly-traveled road.

In our opinion, the site is suitable for development.

Neighborhood Description

In our opinion, the subject property has a fair location relative to competing properties with respect to neighborhood characteristics.

In our opinion, the subject property has a very good location relative to competing properties with respect to area amenities.

Additional Considerations:

Crime	Higher crime rates than market average.
Schools	Lower graduation rates than market average.
Average Commute	Longer commute than market average.

In our opinion, the neighborhood is suitable for development.

Primary Market Area

We defined the primary market area by generating a 30-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

The primary market area includes a population of 52,676 persons and covers a total of 772.9 square miles, making it 31.4 miles across on average.

We estimate that up to 20 percent of demand will come from areas outside of the primary market area.

Demographic Characteristics

We anticipate moderate population and household growth for the market area. Renter households are anticipated to increase modestly as well. Finally, we anticipate that rents will grow with CPI over the next few years. Additional details follow:

Population	Market area population currently stands at 52,676 and is projected to grow 0.2 percent this year.
Households	Market area households currently stand at 22,170 and is projected to decline 0.0 percent this year.
Renter Households	Market area renter households currently stand at 5,388 and is projected to decline 0.3 percent this year.
Renter Tenure	Market area renter tenure currently stands at 24.3 percent.
Rent Growth	Market area rents have grown 2.51% annually since 2010.

Regional Economic Outlook

We anticipate moderate economic growth for the region. Additional details follow:

Est Employment	Regional establishment employment currently stands at 39,497 and is projected to grow 1.7 percent this year.
Civ Employment	Regional civilian employment currently stands at 36,497 and is projected to decline 0.5 percent this year.
Empl by Industry	Regional establishment employment currently stands at 39,984. The data suggests that State and Local Government is the largest employment category accounting for 14.8% of total regional employment. Manufacturing is the second largest category accounting for 14.1% of total employment. Retail Trade is the third largest category accounting for 12.9% of total employment. Health Care and Social Assistance is the fourth largest category accounting for 11.2% of total

employment. Accommodation and Food Services is the fifth largest category accounting for 8.1% of total employment.

Top Employers The top employers include: (1) Hutchinson Sealing Systems Inc (3530 employees); (2) Vaughan-Bassett Furniture Co (700 employees) and; (3) Parkdale Mills (550 employees).

Layoffs/Expansions Major employers are currently hiring; none reported any pending layoffs.

Supply Analysis

Our analysis includes a total of 22 confirmed market area properties consisting of 716 units. The occupancy rate for these units currently stands at 91 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

The following tables summarize our findings for this market area:

Grand Total				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	10	173	9	95%
Restricted	5	126	54	57%
Subsidized	7	417	3	99%
Total	22	716	66	91%

Stabilized				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	10	173	9	95%
Restricted	3	74	3	96%
Subsidized	2	176	1	99%
Total	15	423	13	97%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	1	1	0	100%
Subsidized	2	103	2	98%
Total	3	104	2	98%

Pipeline				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	1	51	51	0%
Subsidized	2	98	0	100%
Total	3	149	51	66%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	0	0	0	0%
Subsidized	1	40	0	100%
Total	1	40	0	100%

Most Comparable Properties

An overview of the market rate comparables selected for purposes of our analysis follows. The properties we consider to be the best comparables are highlighted for the reader's reference.

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
001	Birchwood Apartments	60	97%	1990	na	Market Rate	Family	17.81
003	Brookstone Court	39	90%	1999	na	Market Rate	Family	2.78
006	Colonial Heights Apartments	6	100%	1991	2015	Market Rate	Family	11.45
021	Ivywood Apartments	10	80%	1988	na	Market Rate	Family	0.96
024	Larkspur Apartments	18	89%	1987	na	Market Rate	Family	0.48
029	Madison Street Apartments	12	92%	1971	2012	Market Rate	Family	0.62
031	Midtown Apartments	30	100%	1997	na	Market Rate	Family	0.72
043	Stuart Drive Apartments	4	100%	1994	na	Market Rate	Family	10.94
044	Walnut Hill Apartments	10	100%	1975	2007	Market Rate	Family	1.32

An overview of the restricted rent comparables selected for purposes of our analysis follows. The properties we consider to be the best comparables are highlighted for the reader's reference.

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
005	Cassell Pines Apartments	18	100%	2006	na	Restricted	Family	18.18
009	Freedom Lane	24	100%	2017	na	Restricted	Family	18.72
017	High Meadows Townhomes	60	97%	2008	na	Restricted	Family	17.83
019	Hillcrest Apartments	14	100%	1979	2013	Restricted	Family	11.22
023	Jefferson Union	24	100%	2012	na	Restricted	Family	18.13
027	Longview Apartments	46	100%	1985	na	Restricted	Family	18.25
030	Melton's Run Apartments	48	98%	2004	na	Restricted	Family	2.35
041	Southridge Apartments ~ Farr	8	100%	2000	na	Restricted	Family	19.30

Achievable Rents

In the following table we present our concluded achievable rents and rent advantage for the subject property:

Unit Type / Income Limit / Rent Limit	Achievable Rents			Units	Achievable	Proposed	Advantage
	HOME	Subsidized					
1BR-1BA-536sf / 50% of AMI / 40% of AMI	Yes	Yes		2	\$500	\$444	11.2%
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes		3	\$500	\$444	11.2%
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No		1	\$365	\$350	4.1%
1BR-1BA-593sf / 60% of AMI / 60% of AMI	Yes	No		2	\$365	\$350	4.1%
1BR-1BA-598sf / 60% of AMI / 60% of AMI	Yes	No		4	\$365	\$350	4.1%
2BR-1BA-777sf / 50% of AMI / 40% of AMI	Yes	Yes		4	\$580	\$536	7.6%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes		16	\$580	\$536	7.6%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No		2	\$465	\$450	3.2%
2BR-1BA-767sf / 60% of AMI / 60% of AMI	Yes	Yes		16	\$580	\$536	7.6%
2BR-1BA-777sf / 60% of AMI / 60% of AMI	Yes	Yes		3	\$580	\$536	7.6%
2BR-1BA-887sf / 50% of AMI / 50% of AMI	Yes	Yes		6	\$600	\$556	7.3%
2BR-1BA-887sf / 60% of AMI / 60% of AMI	Yes	No		1	\$475	\$450	5.3%
3BR-1.5BA-940sf / 50% of AMI / 40% of AMI	Yes	Yes		2	\$695	\$650	6.5%
3BR-1.5BA-952sf / 60% of AMI / 60% of AMI	Yes	Yes		8	\$695	\$650	6.5%
3BR-1.5BA-940sf / 60% of AMI / 60% of AMI	Yes	No		2	\$555	\$550	0.9%
Total / Average				72	\$566	\$526	7.1%

Our analysis suggests an average achievable rent of \$566 for the subject property. This is compared with an average proposed rent of \$526, yielding an achievable rent advantage of 7.1 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

NCHMA Demand Analysis

In the following tables we present our concluded demand, capture rate, penetration rate and absorption period estimates for the subject property using the NCHMA demand methodology:

Unit Type / Rent Type / Income Limit	Vac Units at Market Entry	Gross Demand	Vacant & Pipeline Units	Capture Rate Gross	Capture Rate Net	Penetration Rate	Absorption Pd (Mos)
1-Bedroom / Subsidized / 50% of AMI	2	1,826	0	0.1%	0.1%	2.5%	<1
1-Bedroom / Restricted / 50% of AMI	1	711	0	0.1%	0.1%	0.7%	<1
1-Bedroom / Restricted / 60% of AMI	3	974	8	0.3%	0.3%	1.6%	1
2-Bedroom / Subsidized / 50% of AMI	22	2,185	1	1.0%	1.0%	9.4%	2
2-Bedroom / Restricted / 50% of AMI	1	452	0	0.2%	0.2%	3.8%	<1
2-Bedroom / Restricted / 60% of AMI	1	849	25	0.1%	0.1%	5.7%	<1
3-Bedroom / Subsidized / 50% of AMI	5	2,206	0	0.2%	0.2%	2.2%	<1
3-Bedroom / Restricted / 60% of AMI	1	552	8	0.2%	0.2%	2.7%	<1

Project-Wide Gross Capture Rate	1.3%
Project-Wide Net Capture Rate	1.3%
Project-Wide Penetration Rate	14.3%
Stabilized Occupancy	97%
Project-Wide Absorption Period	2 mos

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 2 months of absorption and an average absorption rate of 20.0 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods significantly.

VHDA Demand Analysis

In the following table we present our concluded capture rate and absorption period estimates for the subject property using the VHDA demand methodology:

Project-Wide Capture Rate - LIHTC Units	4.4%
Project-Wide Capture Rate - Market Units	0.0%
Project-Wide Capture Rate - All Units	4.4%
Project-Wide Absorption Period (Months)	2 mos

Conclusion

In conclusion, the subject property appears to be feasible from a market standpoint. Because of the demonstrated depth of demand in this area and the current occupied status of the subject property, we do not believe the renovation of this property will have an adverse impact on existing projects in the market area. The units appear to be priced appropriately and we anticipate a rapid lease-up after renovation.

Northway
128 Wilson Avenue
Galax, Virginia 24333

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Minimum Income	\$2,983			\$14,983	\$14,983				\$2,983
Maximum Income	\$32,700			\$30,300	\$39,240				\$39,240
New Rental Households	7			3	4				14
(+)									
Existing Households - Overburdened	625			232	369				1,226
(+)									
Existing Households - Substandard Housing	197			73	117				387
(+)									
Elderly Households - Likely to Convert to Rental Housing									
(+)									
Existing Qualifying Tenants - To Remain After Renovation	31			1	4				36
(+)									
Total Demand	860			309	494				1,663
(-)									
Supply (Directly Comparable Vacant Units Completed or in Pipeline in PMA)	1				41				42
(=)									
Net Demand	859			309	453				1,621
Proposed Units	60			3	9				72
Capture Rate	7.0%			1.0%	2.0%				4.4%
Absorption Period (Months)	2 mos			2 mos	2 mos				2 mos

TABLE OF CONTENTS

PROJECT OVERVIEW.....	PAGE 12
IMPROVEMENT DESCRIPTION & ANALYSIS.....	PAGE 20
SITE DESCRIPTION & ANALYSIS.....	PAGE 26
NEIGHBORHOOD DESCRIPTION & ANALYSIS.....	PAGE 32
SUBJECT PROPERTY PHOTOS.....	PAGE 38
MARKET AREA.....	PAGE 41
ECONOMIC OUTLOOK.....	PAGE 45
DEMOGRAPHIC CHARACTERISTICS.....	PAGE 51
SUPPLY ANALYSIS.....	PAGE 59
RENT COMPARABILITY ANALYSIS.....	PAGE 85
NCHMA DEMAND ANALYSIS.....	PAGE 136
VHDA DEMAND ANALYSIS.....	PAGE 162
VHDA DEMAND ANALYSIS (UNSUBSIDIZED).....	PAGE 176
APPENDIX.....	PAGE 187

PROJECT OVERVIEW

Project Description

The subject property, known as Northway, is an existing affordable multifamily development located at 128 Wilson Avenue in Galax, Virginia (MAP # 46-164). The subject property consists of 72 revenue-producing units originally constructed in 1973 and renovated in 2004. The sponsor has proposed to renovate the property with an allocation of tax credits. The subject property is an open age community.

Select project details are summarized below:

Project Description	
Property Name	Northway
Street Number	128
Street Name	Wilson
Street Type	Avenue
City	Galax
County	Galax City
State	Virginia
Zip	24333
Units	72
Year Built	1973
Project Rent	Restricted
Project Type	Family
Project Status	Prop Rehab
Financing Type	Tax Credit

Scope of Renovation

The subject property is currently in fair condition. The sponsor has proposed to rehabilitate the subject property to bring it up to “like new” condition using tax credit financing. The contemplated rehabilitation scope includes roof, parking lot, landscape, appliance, cabinet, HVAC and tile repairs and/or replacement. Tenants will be temporarily displaced as renovation progresses for this property.

Construction and Lease-Up Schedule

We anticipate a 13-month construction period for this project. Assuming a March 1, 2021 closing, this yields a date of completion of April 1, 2022. Our demand analysis (found later in this report) suggests a 2-month absorption period. This yields a date of stabilization of June 1, 2022.

Unit Configuration

The subject property currently consists of 72 revenue-producing units including 1, 2 and 3-bedroom garden apartments. A total of 36 units are currently income restricted to 50% of AMI; a total of 36 units are currently income restricted to 60% of AMI; no units are currently set aside as market rate units; a total of 60 units currently benefit from project-based rental assistance. The subject property currently stands at 97% occupancy. The current rent and income restrictions will remain in place for the next 14 years.

Current Unit Configuration										
BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
1	1.0	536	Garden/Flat	50%	50%	Yes	Yes	2	\$487	\$444
1	1.0	540	Garden/Flat	50%	50%	Yes	Yes	3	\$487	\$444
1	1.0	540	Garden/Flat	60%	60%	Yes	No	1	\$373	\$330
1	1.0	593	Garden/Flat	50%	50%	Yes	No	2	\$373	\$330
1	1.0	598	Garden/Flat	60%	50%	Yes	No	4	\$373	\$330
2	1.0	767	Garden/Flat	50%	50%	Yes	Yes	16	\$611	\$536
2	1.0	777	Garden/Flat	50%	50%	Yes	Yes	3	\$611	\$536

2	1.0	777	Garden/Flat	50%	50%	Yes	No	1	\$490	\$415
2	1.0	777	Garden/Flat	60%	50%	Yes	Yes	20	\$611	\$536
2	1.0	777	Garden/Flat	60%	50%	Yes	No	1	\$490	\$415
2	1.0	887	Garden/Den	60%	50%	Yes	Yes	6	\$622	\$556
2	1.0	887	Garden/Den	60%	50%	Yes	No	1	\$506	\$440
3	1.5	940	Garden/Flat	50%	50%	Yes	Yes	8	\$790	\$710
3	1.5	952	Garden/Flat	50%	50%	Yes	No	1	\$535	\$455
3	1.5	952	Garden/Flat	60%	50%	Yes	Yes	2	\$790	\$710
3	1.5	952	Garden/Flat	60%	50%	Yes	No	1	\$535	\$455
Total/Average		778						72	\$598	\$528

The subject property is proposed to consist of 72 revenue-producing units including 1, 2 and 3-bedroom garden apartments. A total of 36 units are proposed to be income restricted to 50% of AMI; a total of 36 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 60 units are proposed to benefit from project-based rental assistance. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

Proposed Unit Configuration										
BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
1	1.0	536	Garden/Flat	50%	40%	Yes	Yes	2	\$531	\$444
1	1.0	540	Garden/Flat	50%	50%	Yes	Yes	3	\$531	\$444
1	1.0	540	Garden/Flat	50%	50%	Yes	No	1	\$437	\$350
1	1.0	593	Garden/Flat	60%	60%	Yes	No	2	\$437	\$350
1	1.0	598	Garden/Flat	60%	60%	Yes	No	4	\$437	\$350
2	1.0	777	Garden/Flat	50%	40%	Yes	Yes	4	\$635	\$536
2	1.0	777	Garden/Flat	50%	50%	Yes	Yes	16	\$635	\$536
2	1.0	777	Garden/Flat	50%	50%	Yes	No	2	\$549	\$450
2	1.0	767	Garden/Flat	60%	60%	Yes	Yes	16	\$635	\$536
2	1.0	777	Garden/Flat	60%	60%	Yes	Yes	3	\$635	\$536
2	1.0	887	Garden/Den	50%	50%	Yes	Yes	6	\$655	\$556
2	1.0	887	Garden/Den	60%	60%	Yes	No	1	\$549	\$450
3	1.5	940	Garden/Flat	50%	40%	Yes	Yes	2	\$771	\$650
3	1.5	952	Garden/Flat	60%	60%	Yes	Yes	8	\$771	\$650
3	1.5	940	Garden/Flat	60%	60%	Yes	No	2	\$671	\$550
Total/Average		779						72	\$627	\$526

Income & Rent Limits

The subject property is operated subject to certain income restrictions. The following table gives the applicable income limits for this area:

Income Limits						
HH Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
1.0 Person	\$12,720	\$16,960	\$21,200	\$25,440	\$29,680	\$33,920
2.0 Person	\$14,550	\$19,400	\$24,250	\$29,100	\$33,950	\$38,800
3.0 Person	\$16,350	\$21,800	\$27,250	\$32,700	\$38,150	\$43,600
4.0 Person	\$18,180	\$24,240	\$30,300	\$36,360	\$42,420	\$48,480
5.0 Person	\$19,620	\$26,160	\$32,700	\$39,240	\$45,780	\$52,320
6.0 Person	\$21,090	\$28,120	\$35,150	\$42,180	\$49,210	\$56,240
7.0 Person	\$22,530	\$30,040	\$37,550	\$45,060	\$52,570	\$60,080
8.0 Person	\$24,000	\$32,000	\$40,000	\$48,000	\$56,000	\$64,000

Source: HUD; State Housing Finance Agency

The income limits found above were based (in part) on HUD's published median household income for the area. The table below shows how this statistic has increased/decreased over the past several years:

Historical Median Income		
Year	\$	Change
2008	\$47,100	2.4%
2009	\$49,700	5.5%
2010	\$49,000	-1.4%
2011	\$45,100	-8.0%
2012	\$45,700	1.3%
2013	\$47,000	2.8%
2014	\$47,100	0.2%
2015	\$45,700	-3.0%
2016	\$44,900	-1.8%
2017	\$44,800	-0.2%
2018	\$47,300	5.6%
2019	\$50,500	6.8%

Source: HUD

The subject property is operated subject to certain rent restrictions. The following table gives the maximum housing expense (net rent limit + tenant-paid utilities) for this area:

Maximum Housing Expense						
Unit Type	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
0 Bedroom	\$318	\$424	\$530	\$636	\$742	\$848
1 Bedroom	\$340	\$454	\$568	\$681	\$795	\$909
2 Bedroom	\$408	\$545	\$681	\$817	\$953	\$1,090
3 Bedroom	\$472	\$630	\$787	\$945	\$1,102	\$1,260
4 Bedroom	\$527	\$703	\$878	\$1,054	\$1,230	\$1,406

Source: HUD

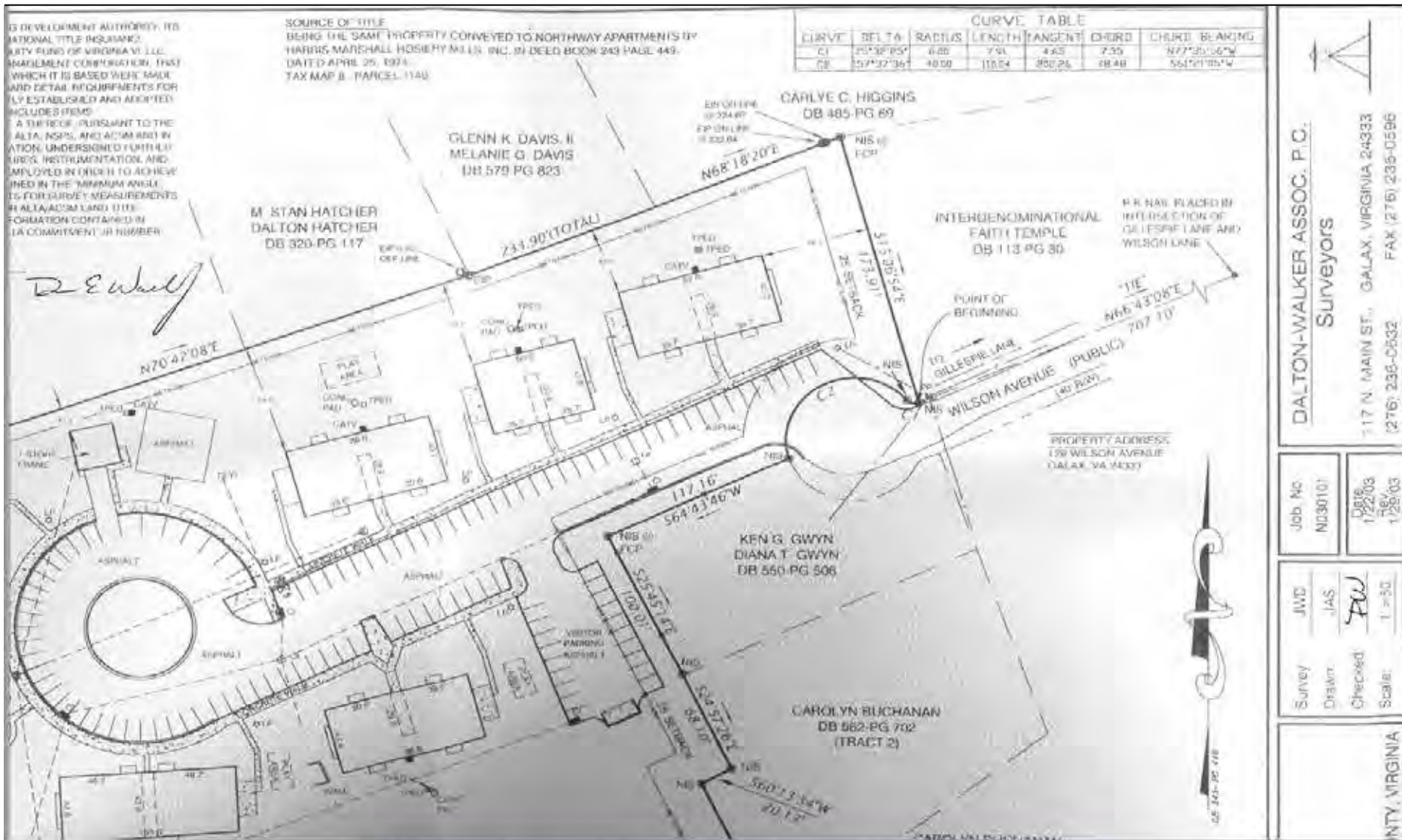
The following table sets forth the gross fair market rents (net fair market rents + tenant-paid utilities) that would apply to any Section 8 voucher recipients or any units benefiting from HOME financing at the subject property:

Fair Market Rents	
Unit Type	Gross Rent
0 Bedroom	\$482
1 Bedroom	\$627
2 Bedroom	\$714
3 Bedroom	\$1,004
4 Bedroom	\$1,073

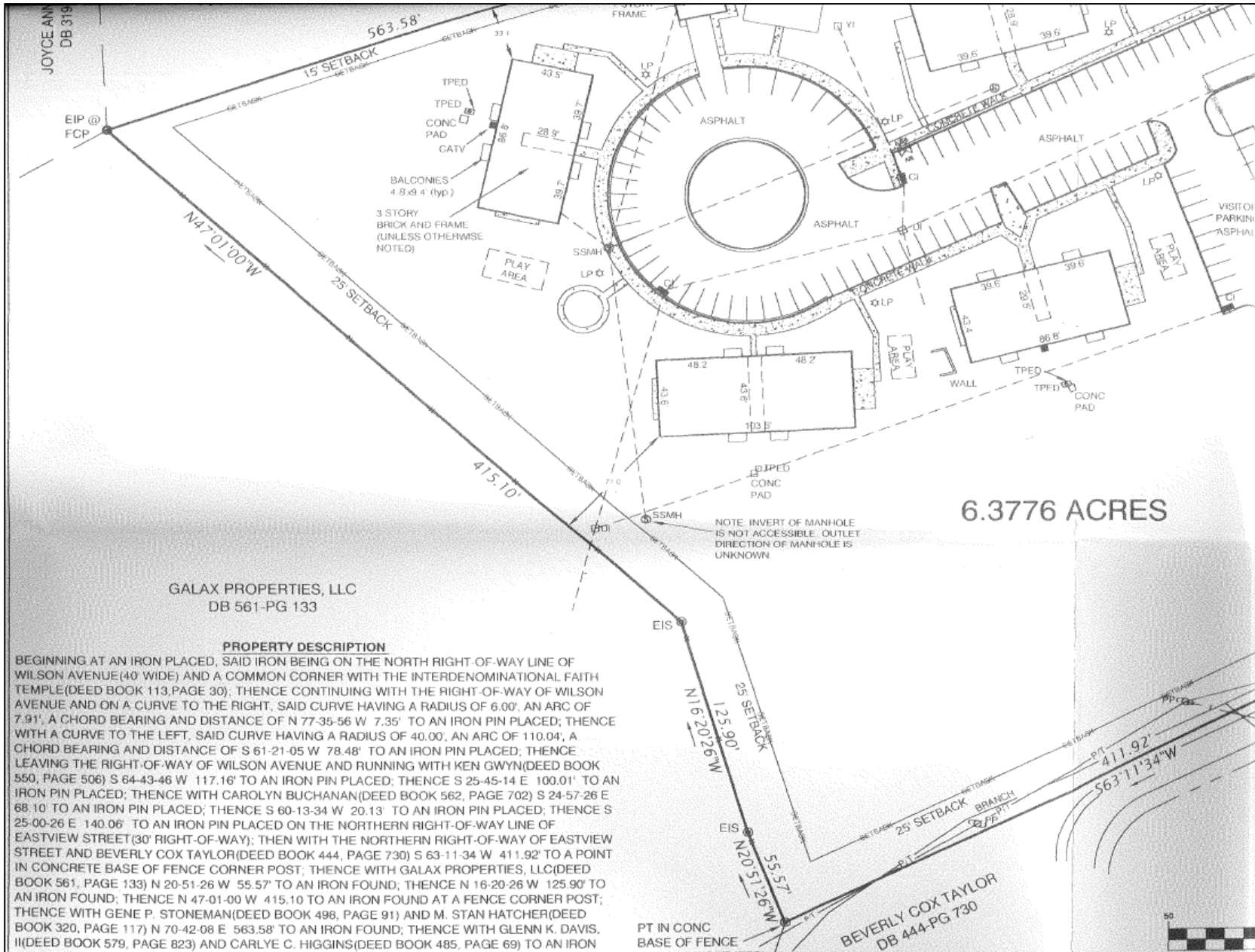
Source: HUD



Survey (Continued)



Survey (Continued)



IMPROVEMENT DESCRIPTION & ANALYSIS

Our improvement analysis includes an evaluation of the following factors with respect to the subject property: (1) Building Features; (2) Unit Features; (3) Project Amenities, (4) Utility Configuration; and (5) Useful Life Analysis.

Building Features

The subject property is proposed to consist of 72 revenue-producing units in 6 residential buildings and 1 non-residential building. The development is proposed to include approximately 56,050 square feet of net rentable area and 69,443 square feet of gross building area.

Additional information regarding the subject property's major building systems is found below.

Foundation - Concrete Slab, Basements, Crawl Spaces, etc.

The subject property includes slab on grade foundations.

Structural Frame - Floor, Wall, Roof Structural Systems, etc.

The subject property is constructed with wood frame surfaced with plywood. Floor/ceiling assemblies consist of wood joists & plywood or concrete subfloors. Roof assemblies consist of wood trusses & plywood sheathing.

Exterior Wall - Exterior Finishes, Doors, Windows, Exterior Stairs, etc.

The subject currently includes fiber cement siding & brick veneer, horizontal sliding vinyl frame double pane windows, steel clad insulated flat-panel unit entry doors, and sliding glass patio doors. The sponsor proposes to replace the siding, windows and exterior doors as part of the planned renovation. Six panel unit entry doors are proposed after renovation.

Roof - Sheathing, Coverings, Warranties, Gutters & Downspouts, Soffit & Fascia, etc.

The subject includes gabled asphalt shingle roofs. The sponsor proposes to replace the roofs as part of the planned renovation.

Vertical Transportation - Elevator, Interior Stair Systems

None.

Plumbing - Sanitary, Storm, Sewer, Fixtures, Domestic Hot Water

Domestic water piping is constructed of CPVC pipe and fittings. Wastewater lines consist of PVC pipe and fittings. Potable hot water is supplied via individual electric hot water heaters. The sponsor proposes to replace the water heaters as part of the planned renovation.

HVAC - Heating, Air Conditioning, Ventilation

The subject property currently includes individual interior-mounted electric heat, individual exterior-mounted a/c compressors with interior-mounted air handlers. New HVAC systems are proposed as part of the planned renovation.

Electrical and Communications - Distribution, Aluminum Wiring, etc.

Buildings receive electrical power from exterior pad-mounted transformers. Electrical service to units consists of 120/240V AC with 100 amps available for each panel. Electrical wiring is made of copper. Properly grounded, three-prong outlets are found in each dwelling unit. The outlets located in the wet areas are Ground Fault Circuit Interrupter (GFCI) outlets. Surface-mounted fluorescent & LED fixtures are proposed after renovation.

Fire Suppression

The subject property is not currently equipped with an NFPA-13 fully automatic fire suppression (sprinkler) system. However, hard-wired smoke detectors with battery backup are found in each bedroom area. The sponsor proposes to replace the smoke detectors as part of the planned renovation.

Unit Features

The subject property currently contains 72 revenue-producing units including 68 regular units and 4 accessible units including 144 bedrooms, 72 full bathrooms and 12 half bathrooms.

The subject property is proposed to contain 72 revenue-producing units including 64 regular units and 8 accessible units, including 144 bedrooms, 72 full bathrooms and 12 half bathrooms.

Additional information regarding the subject property's unit features is found below.

Walls / Ceilings / Interior Doors

Subject property units include 8 foot ceilings, painted gypsum wallboard & ceilings, wood hollow-core flat panel interior doors and wood hollow-core flat panel closet doors. The sponsor proposes to replace the interior doors as part of the planned renovation. Wood solid-core flat panel doors are planned post renovation.

Floor Covering

Floor covering currently consists of vinyl sheeting in the entryways, bathrooms & kitchens along with wall-to-wall carpeting in the living areas & bedrooms. The sponsor proposes to replace the flooring as part of the planned renovation. Luxury vinyl plank throughout the entire unit is proposed post renovation.

Kitchens

Kitchens currently include electric four-top ranges, range hoods, frost-free refrigerators, wood cabinets, laminated countertops and stainless steel sinks. The sponsor proposes to replace the appliances, cabinets and countertops as part of the planned renovation. Dishwashers are planned post renovation.

Bathrooms

Bathrooms currently include composite wood vanities, cultured marble countertops, porcelain sinks & toilets, along with porcelain tubs & ceramic tile surrounds. The bathrooms also include exhaust fans and other accessories. The sponsor proposes to replace these components as part of the planned renovation. Fiberglass tubs & surrounds are planned post renovation.

Project Amenities

A discussion of the development's project amenities is found below.

Site & Common Area Amenities

A BBQ area, business/computer center, community center, picnic area, and playground are currently found at the subject property.

Parking

Open parking is found at the subject property.

Laundry

Central laundry facilities are currently found at the subject property.

Security

Security patrols are currently found at the subject property.

Services

No additional services are currently found at the subject property.

Tables comparing the subject property's amenities to that of the most comparable properties are found at the end of this section.

Utility Configuration

The subject property currently includes electric heat, electric cooking and electric hot water. All utilities - with the exception of cold water, sewer and trash - are currently paid by the resident.

The sponsor has proposed a utility configuration change as part of the planned renovation. All utilities - with the exception of trash - are proposed to be paid by the resident.

In the table that follows we compare the subject's proposed utility allowances (also known as tenant paid utilities) to the estimated allowances using the HUD Utility Schedule Model:

Utility Allowances										
BR	BA	SF	Unit Type	Inc Lmt	Rnt Lmt	HOME	Subs	Units	UA	HUD UA
1	1.0	536	Garden/Flat	50% of AMI	40% of AMI	Yes	Yes	2	\$87	\$101
1	1.0	540	Garden/Flat	50% of AMI	50% of AMI	Yes	Yes	3	\$87	\$101
1	1.0	540	Garden/Flat	50% of AMI	50% of AMI	Yes	No	1	\$87	\$101
1	1.0	593	Garden/Flat	60% of AMI	60% of AMI	Yes	No	2	\$87	\$101
1	1.0	598	Garden/Flat	60% of AMI	60% of AMI	Yes	No	4	\$87	\$101
2	1.0	777	Garden/Flat	50% of AMI	40% of AMI	Yes	Yes	4	\$99	\$115
2	1.0	777	Garden/Flat	50% of AMI	50% of AMI	Yes	Yes	16	\$99	\$115
2	1.0	777	Garden/Flat	50% of AMI	50% of AMI	Yes	No	2	\$99	\$115
2	1.0	767	Garden/Flat	60% of AMI	60% of AMI	Yes	Yes	16	\$99	\$115
2	1.0	777	Garden/Flat	60% of AMI	60% of AMI	Yes	Yes	3	\$99	\$115
2	1.0	887	Garden/Den	50% of AMI	50% of AMI	Yes	Yes	6	\$99	\$115
2	1.0	887	Garden/Den	60% of AMI	60% of AMI	Yes	No	1	\$99	\$115
3	1.5	940	Garden/Flat	50% of AMI	40% of AMI	Yes	Yes	2	\$121	\$156
3	1.5	952	Garden/Flat	60% of AMI	60% of AMI	Yes	Yes	8	\$121	\$156
3	1.5	940	Garden/Flat	60% of AMI	60% of AMI	Yes	No	2	\$121	\$156
Total/Average								72	\$101	\$120

The HUD utility allowances are a good measure of the energy costs for a given property. Our analysis suggests that the proposed utility allowances are lower than those established using the HUD model.

Tables comparing the subject property's utility configuration to that of the most comparable properties are found at the end of this section. Outputs from the HUD Utility Schedule Model are also found there.

Useful Life Analysis

The subject property was originally constructed in 1973 and is currently in fair condition. In our opinion, the subject has a remaining useful life & remaining economic life of 20 years in its current condition. Assuming the scope of work described above, we anticipate a remaining useful life & remaining economic life of 50 years after renovation. Finally, we estimate a post-renovation effective age of 10 years for this project.

In the course of completing this study, we rated the condition of the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). We also evaluated the actual and effective ages of the subject and select comparables. A table summarizing our findings is found below:

		Actual Age Effective Age Condition			Rank		
		Rating					
Key	Project Name	Actual Age	Effective Age	Property Condition	Actual Age	Effective Age	Property Condition
Sub	Northway	1973	2009	4.00	17	7	4
001	Birchwood Apartments	1990	2000	3.25	11	12	11
003	Brookstone Court	1999	2005	3.50	7	8	8
005	Cassell Pines Apartments	2006	2010	4.00	4	3	4
006	Colonial Heights Apartments	1991	1995	2.75	10	14	15
009	Freedom Lane	2017	2015	4.50	1	1	1
017	High Meadows Townhomes	2008	2010	4.00	3	3	4
019	Hillcrest Apartments	1979	2012	4.50	15	2	1
021	Ivywood Apartments	1988	2005	3.50	12	8	8
023	Jefferson Union	2012	2010	4.25	2	3	3

024	Larkspur Apartments	1987	2005	3.25	13	8	11
027	Longview Apartments	1985	1995	2.50	14	14	17
029	Madison Street Apartments	1971	2010	3.50	18	3	8
030	Melton's Run Apartments	2004	2005	4.00	5	8	4
031	Midtown Apartments	1997	2000	3.00	8	12	13
041	Southridge Apartments - Family	2000	1985	2.50	6	18	17
043	Stuart Drive Apartments	1994	1990	2.75	9	17	15
044	Walnut Hill Apartments	1975	1995	3.00	16	14	13

Source: Allen & Associates; Sponsor

		Amenities																			
Key	Project Name	Site & Common Area Amenities																			
		Ball Field	BBQ Area	Billiards Game Rm	Business Comp Ctr	Car Care Center	Community Center	Elevator	Fitness Center	Gazebo	Hot Tub Jacuzzi	Herb Garden	Horseshoes	Lake	Library	Movie Media Ctr	Plenic Area	Playground	Pool	Sauna	Sports Court
Sub	Northway	no	yes	no	yes	no	yes	no	no	no	no	no	no	no	no	yes	yes	no	no	no	no
001	Birchwood Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
003	Brookstone Court	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
005	Cassell Pines Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
006	Colonial Heights Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
009	Freedom Lane	no	no	no	no	no	yes	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no
017	High Meadows Townhomes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	yes	no
019	Hillcrest Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
021	Ivywood Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
023	Jefferson Union	no	yes	no	no	no	no	no	yes	no	yes	no	no	no	no	yes	no	no	no	no	no
024	Larkspur Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
027	Longview Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	no
029	Madison Street Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
030	Melton's Run Apartments	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	yes	yes	no	no	no	no
031	Midtown Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
041	Southridge Apartments - Family	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
043	Stuart Drive Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
044	Walnut Hill Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no

Key	Project Name	Unit Amenities						Kitchen Amenities					Air Conditioning				Heat				
		Blinds	Ceiling Fans	Carpeting	Fireplace	Patio Balcony	Storage	Stove	Refrigerator	Disposal	Dishwasher	Microwave	Central	Wall Units	Window Units	None	Central	Wall Units	Baseboards	Boiler Radiator	None
Sub	Northway	yes	no	yes	no	some	no	yes	yes	no	yes	no	yes	no	no	yes	no	no	no	no	no
001	Birchwood Apartments	yes	no	yes	no	yes	yes	yes	yes	yes	yes	no	yes	no	no	yes	no	no	no	no	no
003	Brookstone Court	yes	no	yes	no	yes	no	yes	yes	no	yes	no	yes	no	no	yes	no	no	no	no	no
005	Cassell Pines Apartments	yes	no	no	no	yes	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no	no
006	Colonial Heights Apartments	yes	yes	yes	no	yes	no	yes	yes	no	no	no	yes	no	no	yes	no	no	no	no	no
009	Freedom Lane	yes	no	yes	no	yes	no	yes	yes	no	yes	no	yes	no	no	yes	no	no	no	no	no
017	High Meadows Townhomes	yes	yes	yes	no	no	no	yes	yes	yes	yes	no	yes	no	no	yes	no	no	no	no	no
019	Hillcrest Apartments	yes	some	yes	no	no	no	yes	yes	no	no	no	yes	no	no	yes	no	no	no	no	no
021	Ivywood Apartments	yes	some	yes	no	yes	no	yes	yes	no	some	no	yes	no	no	yes	no	no	no	some	no
023	Jefferson Union	yes	no	yes	no	yes	no	yes	yes	yes	yes	no	yes	no	no	yes	no	no	no	no	no
024	Larkspur Apartments	yes	no	yes	no	yes	no	yes	yes	no	yes	no	yes	no	no	yes	no	no	no	no	no
027	Longview Apartments	yes	no	yes	no	yes	yes	yes	yes	no	no	no	yes	no	no	yes	no	no	no	no	no
029	Madison Street Apartments	yes	yes	yes	no	no	no	yes	yes	no	no	no	yes	no	no	yes	no	no	no	no	no
030	Melton's Run Apartments	yes	some	yes	no	yes	no	yes	yes	some	some	no	yes	no	no	yes	no	no	no	no	no
031	Midtown Apartments	yes	no	yes	no	yes	no	yes	yes	no	no	some	no	yes	no	no	yes	no	no	no	no
041	Southridge Apartments - Family	yes	no	yes	no	yes	no	yes	yes	no	yes	no	yes	no	no	yes	no	no	no	no	no
043	Stuart Drive Apartments	no	no	yes	no	no	no	yes	yes	no	no	no	no	no	no	yes	no	no	yes	no	no
044	Walnut Hill Apartments	yes	no	yes	no	yes	no	yes	yes	no	no	no	yes	no	no	yes	no	no	no	no	no

Key	Project Name	Parking					Laundry				Security					Services					
		Garage	Covered Parking	Assigned Parking	Open Parking	None	Central	W/D Units	W/D Hookups	Call Buttons	Controlled Access	Courtesy Officer	Monitoring	Security Alarms	Security Patrols	After School	Concierge	Hair Salon	Health Care	House-keeping	Meals
Sub	Northway	no	no	no	yes	no	yes	no	no	no	no	no	no	no	yes	no	no	no	no	no	no
001	Birchwood Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
003	Brookstone Court	no	no	no	yes	no	no	no	yes	no	no	no	no	no	no	na	na	na	na	na	na
005	Cassell Pines Apartments	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
006	Colonial Heights Apartments	no	no	yes	yes	no	no	yes	no	no	no	no	no	no	na	na	na	na	na	na	na
009	Freedom Lane	no	no	no	yes	no	no	yes	no	some	no	no	no	no	no	no	no	yes	no	no	no
017	High Meadows Townhomes	no	no	no	yes	no	no	yes	no	no	no	no	yes	no	no	no	no	no	no	no	no
019	Hillcrest Apartments	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
021	Ivywood Apartments	no	no	no	yes	no	no	no	yes	no	no	no	no	no	na	na	na	na	na	na	na
023	Jefferson Union	no	no	no	yes	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no
024	Larkspur Apartments	no	no	no	yes	no	no	no	yes	no	no	no	no	no	na	na	na	na	na	na	na
027	Longview Apartments	no	no	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
029	Madison Street Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	na	na	na	na	na	na	na
030	Melton's Run Apartments	no	no	no	yes	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
031	Midtown Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no
041	Southridge Apartments - Family	no	no	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
043	Stuart Drive Apartments	no	no	no	yes	no	no	no	no	no	no	no	no	no	na	na	na	na	na	na	na
044	Walnut Hill Apartments	no	no	no	yes	no	no	no	yes	no	no	no	no	no	na	na	na	na	na	na	na

Source: Allen & Associates; Sponsor

		Utilities																						
Key	Project Name	Tenant-Paid											Owner-Paid											
		Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash	Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash	
Sub	Northway	no	yes	no	yes	yes	yes	no	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes
001	Birchwood Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes
003	Brookstone Court	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
005	Cassell Pines Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
006	Colonial Heights Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	
009	Freedom Lane	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
017	High Meadows Townhomes	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	yes	
019	Hillcrest Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
021	Ivywood Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	
023	Jefferson Union	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
024	Larkspur Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
027	Longview Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	yes	yes	yes	yes	
029	Madison Street Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	yes	
030	Melton's Run Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	yes	
031	Midtown Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	yes	no	yes	yes	yes	yes	yes	
041	Southridge Apartments - Family	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	yes	
043	Stuart Drive Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	
044	Walnut Hill Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	

Source: Allen & Associates; Sponsor

HUD Utility Schedule Model Output					
	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Heat - Gas	12	14	17	19	21
Heat - Elec	12	14	17	19	21
Cooking - Gas	3	4	6	8	9
Cooking - Elec	3	4	6	8	9
Other Electric	13	15	21	27	33
Air Conditioning	0	0	0	0	0
Hot Water-Gas	9	10	13	16	19
Hot Water-Elec	9	10	13	16	19
Water	29	29	29	43	59
Sewer	29	29	29	43	59
Trash	12	12	12	12	12

Source: Local Utility Providers; HUD

SITE DESCRIPTION & ANALYSIS

Our assessment of the site included an evaluation of the following factors with respect to the subject property: (1) Survey; (2) Site Plan; (3) Nuisances, Hazards, Detrimental Influences & Environmental; (4) Topography; (5) Flood Zone; (6) Difficult to Develop Area Status; (7) Qualified Census Tract Status; and (8) Traffic Patterns, Access & Visibility.

Survey

A survey for the subject property was provided to the analyst for review. Current surveys should be evaluated to ascertain whether there are any easements encumbering the subject property. Our review/inspection suggested that the site is currently encumbered by standard utility easements that do not adversely affect its marketability and that the site is serviced by municipal utilities.

Site Plan

A site plan for the subject property was not provided to the analyst for review. Site plans are necessary to analyze the site improvements, parking configuration, internal traffic flow, location of building improvements and landscaping improvements for the subject property. The developer did provide us with a description of the development's site features. A summary of these features is found below.

Acres / Lot Shape / Frontage

The subject property includes an irregular-shaped parcel consisting of approximately 6.38 acres and approximately 100 feet of road frontage.

Zoning

According to the sponsor, the subject property is currently zoned R-3. It is our understanding that the current zoning for the subject is a legal, conforming use.

Parking / Streets / Curbs / Sidewalks

A total of 97 parking spaces are planned for this development (87 regular / 10 accessible / 1.35 spaces per unit). Privately-owned parking areas are planned for the subject property. We normally see 1.5 to 2.0 spaces per unit for projects like the subject. Public transportation is found in the area.

Dumpsters / Dumpster Enclosures

The subject includes 3 publicly-owned dumpsters.

Landscaping / Perimeter Fence / Retaining Walls / Entry Sign

Trees, shrubs & lawns are found at the subject property. A perimeter fence is not found at the subject property. Retaining walls are not found at this property. One unlighted entry sign is found at this property.

Stormwater Management / Site Lighting / Water Service / Wastewater Service

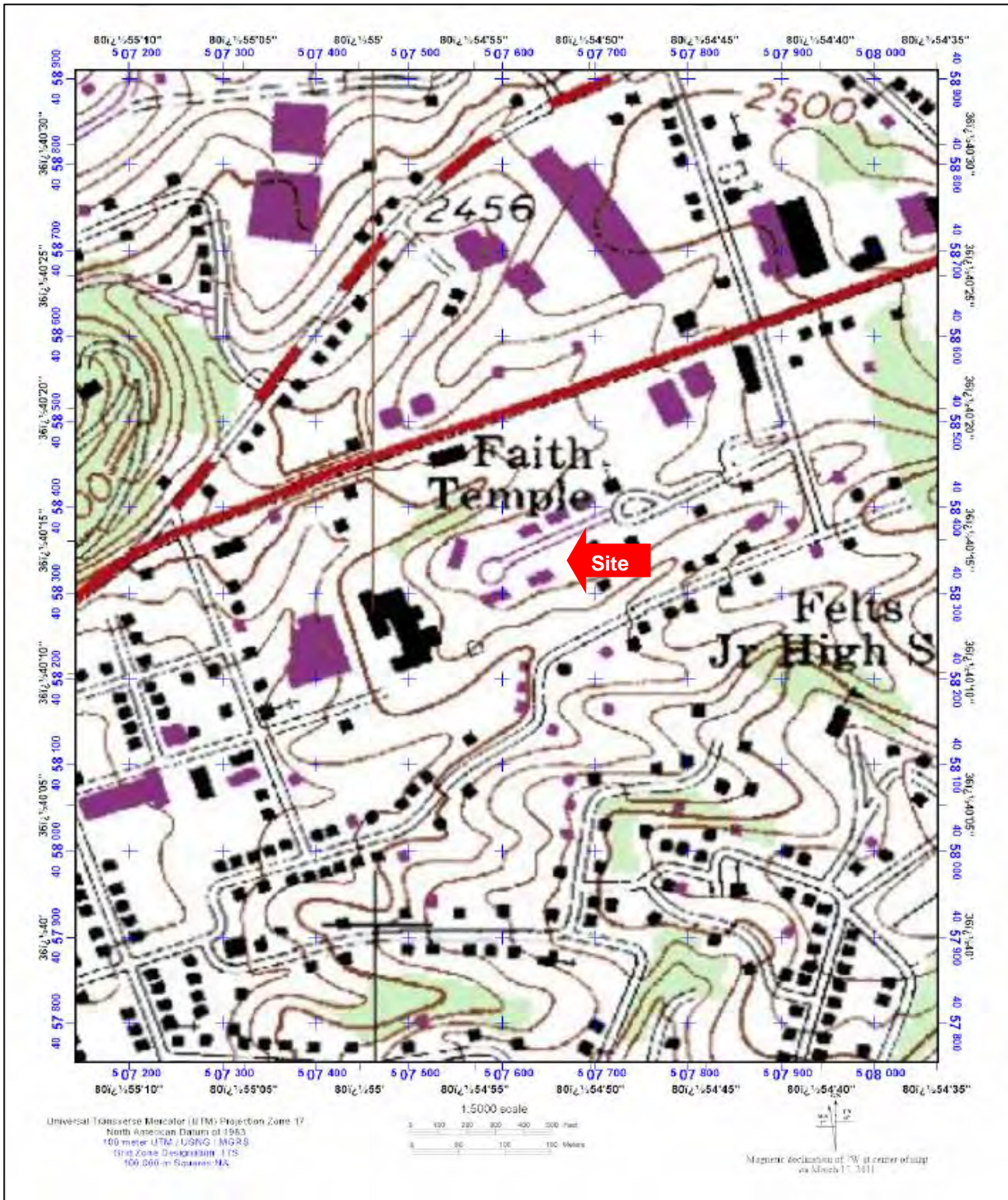
Stormwater management consists of catch basins and concrete pipe connecting to a public system. Site lighting consists of publicly-owned HID poles. Domestic water service to buildings consists of ductile iron pipe connecting to a public system. Wastewater service to buildings consists of PVC pipe connecting to a public system.

Nuisances, Hazards, Detrimental Influences & Environmental

We did not observe any nuisances, hazards, detrimental influences or recognized environmental conditions on our inspection of the subject property. The subject property was originally constructed in 1973, prior to the 1978 ban on lead and asbestos containing construction materials. Consequently, we recommend that the sponsor obtain a comprehensive environmental assessment from a qualified professional.

Topography

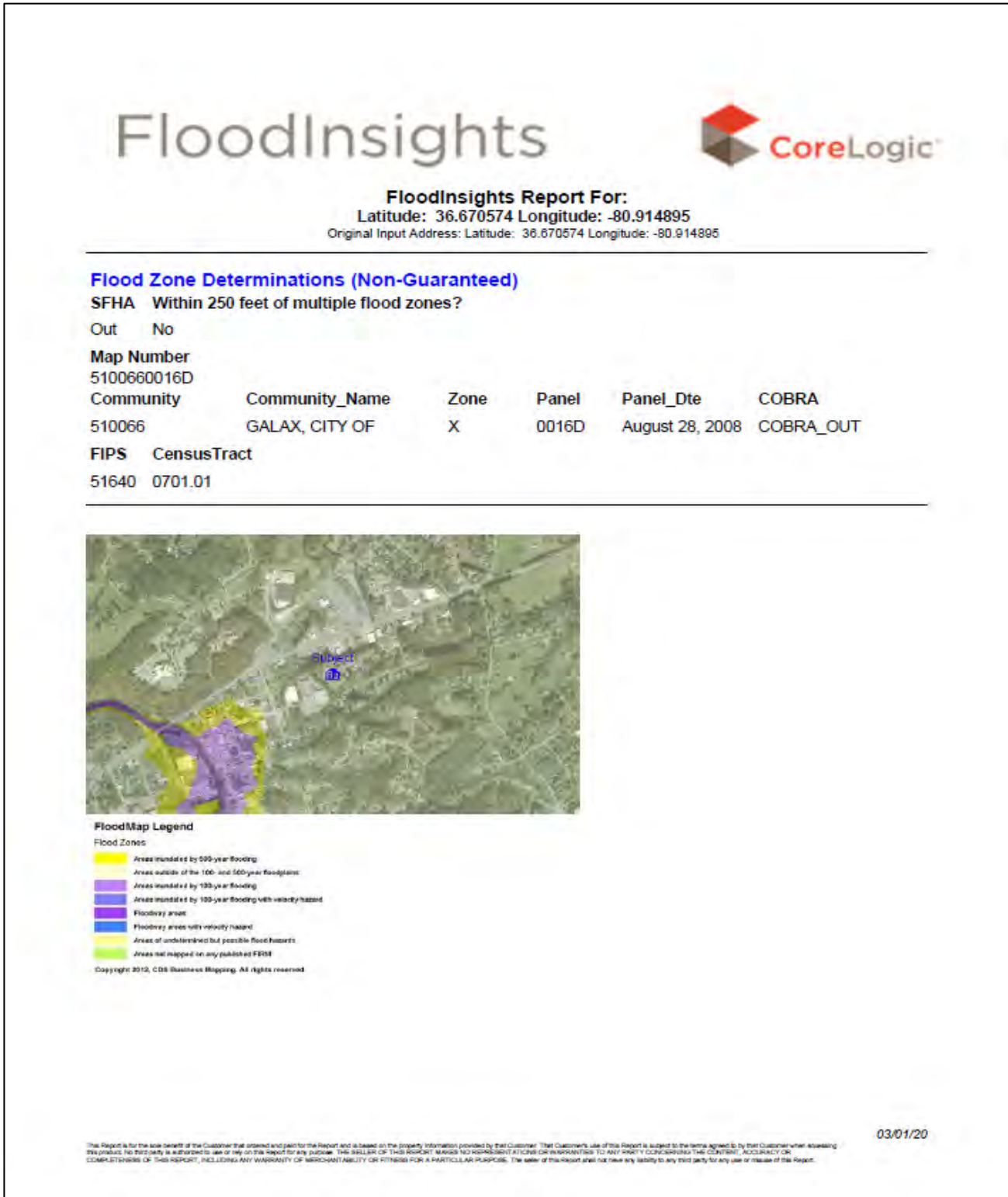
The USGS map showing the topography of the subject property and surrounding area is found below:



The topographic map shows that the site is flat and drains to adjacent properties to the west. In our opinion, there do not appear to be any topographic issues with respect to the subject property.

Flood Zone

The map showing the location of the subject property relative to nearby areas prone to flooding (identified in purple) is found below:



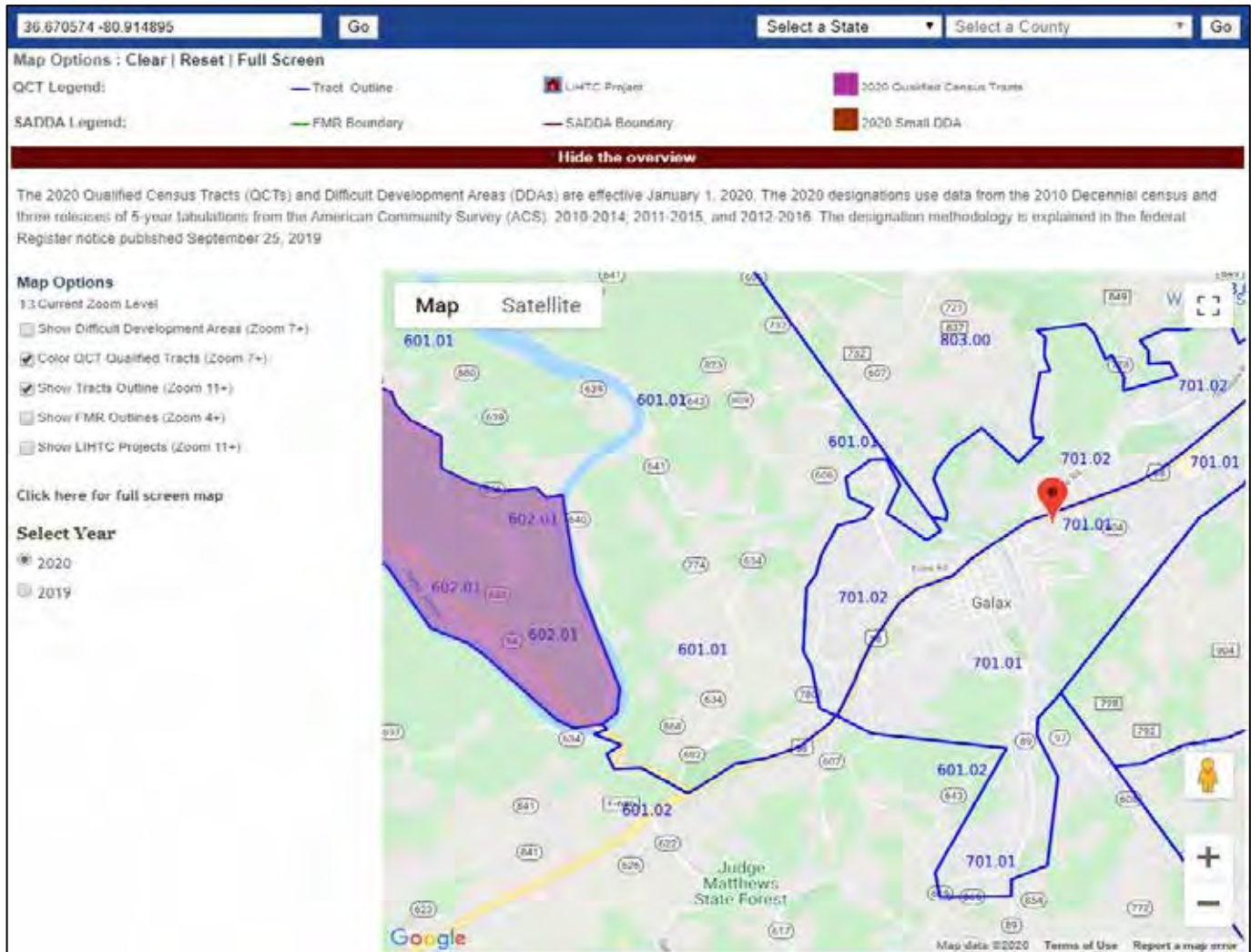
According to FEMA map number 5100660016D dated August 28, 2008, the subject property is located in Zone X. This is an area that is identified as being located outside the 100-year flood zone.

Difficult to Develop Area Status

The subject property is located in Galax, Virginia - an area that is not designated as a Difficult to Develop Area. Consequently, the subject property does not appear to qualify for special DDA funding under state and federal programs.

Qualified Census Tract Status

The federal government has identified census tracts throughout the United States that include high concentrations of low-income households and substandard housing units. These areas, known as Qualified Census Tracts, qualify for special funding under various state and federal programs. A QCT map showing the location of the subject property is found below:



The subject property is located in Census Tract 701.01 - an area that is not designated as a Qualified Census Tract. Consequently, the subject property does not appear to qualify for special QCT funding under state and federal programs.

Traffic Patterns, Access & Visibility

A traffic map identifying the subject property is found below:



Access

The subject property is located on Wilson Avenue, approximately 3 blocks south of US 58 in Galax, Virginia. Wilson Avenue is a lightly-traveled east-west road carrying a limited volume of traffic. We did not observe any road or infrastructure improvements taking place in the immediate vicinity of the subject property. In our opinion, therefore, accessibility is fair by virtue of the location of the subject property relative to existing streets and thoroughfares.

Visibility

The subject property is visible from Wilson Avenue with limited frontage and a limited volume of drive-by traffic. Consequently, in our opinion visibility is fair by virtue of the exposure of the subject property to existing drive-by traffic volumes.

In the course of completing this study, we rated the access and visibility for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). A table summarizing our findings is found below:

Access & Visibility					
Rating				Rank	
Key	Project Name	Access	Visibility	Access	Visibility
Sub	Northway	2.00	2.00	18	17
001	Birchwood Apartments	3.00	3.00	5	5
003	Brookstone Court	3.00	2.75	5	10
005	Cassell Pines Apartments	2.25	2.00	17	17
006	Colonial Heights Apartments	3.00	2.75	5	10
009	Freedom Lane	3.50	3.50	2	2
017	High Meadows Townhomes	3.25	3.50	3	2
019	Hillcrest Apartments	2.50	2.50	15	14
021	Ivywood Apartments	3.00	2.75	5	10
023	Jefferson Union	3.00	2.75	5	10
024	Larkspur Apartments	3.00	3.00	5	5
027	Longview Apartments	2.50	2.50	15	14
029	Madison Street Apartments	3.25	3.50	3	2
030	Melton's Run Apartments	3.00	3.00	5	5
031	Midtown Apartments	3.00	3.00	5	5
041	Southridge Apartments ~ Family	4.00	4.00	1	1
043	Stuart Drive Apartments	3.00	2.50	5	14
044	Walnut Hill Apartments	3.00	3.00	5	5

Source: Allen & Associates

NEIGHBORHOOD DESCRIPTION & ANALYSIS

Neighborhood

Our assessment of the neighborhood includes an evaluation of the following factors with respect to the subject property: (1) Life Cycle; (2) Surrounding Properties; (3) Economic Characteristics; (4) Crime Rates; (5) Educational Attainment; and (6) Commuting Patterns.

Life Cycle

Neighborhoods are sometimes thought to evolve through four distinct stages:

- Growth – A period during which the area gains public favor and acceptance.
- Stability – A period of equilibrium without marked gains or losses.
- Decline – A period of diminishing demand.
- Revitalization – A period of renewal, redevelopment, modernization, and increasing demand.

Based on our evaluation of the neighborhood, the subject property is located in an area that appears to be in the stability stage of its life cycle. Modest population growth is anticipated for the next several years.

Surrounding Properties

The subject property is located in Galax, Virginia. The immediate area consists of a variety of land uses.

Commercial in good condition is located to the north and west of the subject property; single family in fair condition is located to the south and east. Neighboring land uses appear to be complimentary to the use of the subject property. The condition of the neighboring single family appears to be inferior to the contemplated post-renovation condition of the subject property.

Surrounding property uses are summarized in the table found below:

Surrounding Properties		
Direction	Use	Condition
North	Commercial	Good
South	Single Family	Fair
East	Single Family	Fair
West	Commercial	Good

Source: Allen & Associates

Economic Characteristics

The subject property is located in an area with average household incomes of \$10,724 (in 2015 dollars); this is compared with \$30,037 for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with median cash rents of \$541 (in 2015 dollars); this is compared with \$520 for the most comparable properties included in this analysis.

Finally, the subject property is located in an area with median single family home values of \$88,700 (in 2015 dollars); this is compared with \$117,061 for the most comparable properties included in this analysis.

Crime Rates

The subject property is located in an area with personal crime rates of 14.2%. Personal crime includes offenses such as rape, murder, robbery and assault. Our research suggests that the average personal crime rate for the most comparable properties stands at 5.4%.

In addition, the subject property is located in an area with property crime rates of 9.6%. Property crimes include offenses such as burglary, larceny and theft. Our research suggests that the average property crime rate for the most

comparable properties stands at 6.9%.

Please note: The crime statistics included in this analysis are historical area-wide figures. These statistics make no consideration for changing demographics or the implementation of an affirmative crime prevention program at the subject property.

Educational Attainment

The subject property is located in an area with high school graduation rates of 59.5%; this is compared with 77.2% for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with college graduation rates of 8.1%; this is compared with 16.4% for the most comparable properties included in this analysis.

Commuting Patterns

The subject property is located in an area with an average drive to work of 32.6 minutes; this is compared with 23.3 minutes for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with an average of 0.84 vehicles per household; this is compared with 1.44 vehicles per household for the most comparable properties included in this analysis.

Conclusion

In our opinion, the subject property has a fair location relative to competing properties with respect to neighborhood characteristics.

Proximity to Area Amenities

Our assessment included an evaluation of the proximity of various amenities to the subject and the most comparable properties. We looked at the following amenities in our analysis: (1) Banks; (2) Grocery; (3) Emergency Clinics; (4) Pharmacies; and (5) Discount Stores.

A listing of some of the area amenities is found below. An amenity map is found in the following pages:

Proximity to Area Amenities		
Amenity	Name	Miles
Bank	Carter Bank & Trust	0.1 mi NE
Grocery	Grant's Supermarket	0.3 mi N
Emergency Clinic	Carilion Clinic Family Medicine	0.3 mi N
Pharmacy	CVS Pharmacy	0.4 mi SW
Discount Store	Roses Discount Store	0.3 mi N
Elementary School	Providence Elementary School	0.8 mi SW
Middle School	Felts Junior High School	0.3 mi SE
High School	Galax High School	1.2 mi SW
Bus Stop	Northway Apartments	0.1 mi SW

Source: Google Maps

Carter Bank & Trust, Grant's Supermarket, CVS Pharmacy, and Roses Discount Store are all located less than 1.0 miles away from the subject property. Carilion Clinic is located 0.3 miles away.

Number of Area Amenities

We utilized Microsoft Streets & Trips to evaluate the subject and the most comparable properties with respect to the number of amenities in the immediate area.

- Microsoft Streets & Trips identified 7 banks within 2.0 miles of the subject property. The subject is ranked 10 out of the 18 properties included in this analysis.
- A total of 8 grocery stores are in the vicinity of the subject property. The subject is ranked 9 for the area.
- A total of 2 hospital are in the vicinity of the subject property. The subject is ranked 2 for the area.
- A total of 3 pharmacies are in the vicinity of the subject property. The subject is ranked 9 for the area.
- A total of 23 shopping centers are in the vicinity of the subject property. The subject is ranked 9 for the area.

Nearest Area Amenities

We utilized Microsoft Streets & Trips to evaluate the subject and the most comparable properties with respect to the nearest area amenities.

- According to Microsoft Streets & Trips, the nearest bank is 0.14 miles away from the subject property. The subject is ranked 5 out of the 18 properties included in this analysis.
- The nearest grocery store is 0.11 miles away from the subject property. The subject is ranked 3 for the area.
- The nearest hospital is 0.47 miles away from the subject property. The subject is ranked 2 for the area.
- The nearest pharmacy is 0.43 miles away from the subject property. The subject is ranked 13 for the area.
- The nearest shopping center is 0.12 miles away from the subject property. The subject is ranked 4 for the area.

Conclusion

In our opinion, the subject property has a very good location relative to competing properties with respect to area amenities.

Tables comparing the subject property's proximity to area amenities to that of the most comparable properties is found on the next page. Maps showing the proximity of the subject property to area amenities and area employers is also found in the following pages.

In the course of completing this study, we rated the neighborhood and the proximity to area amenities for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). The tables on the following pages give these ratings.

Neighborhood Ratings

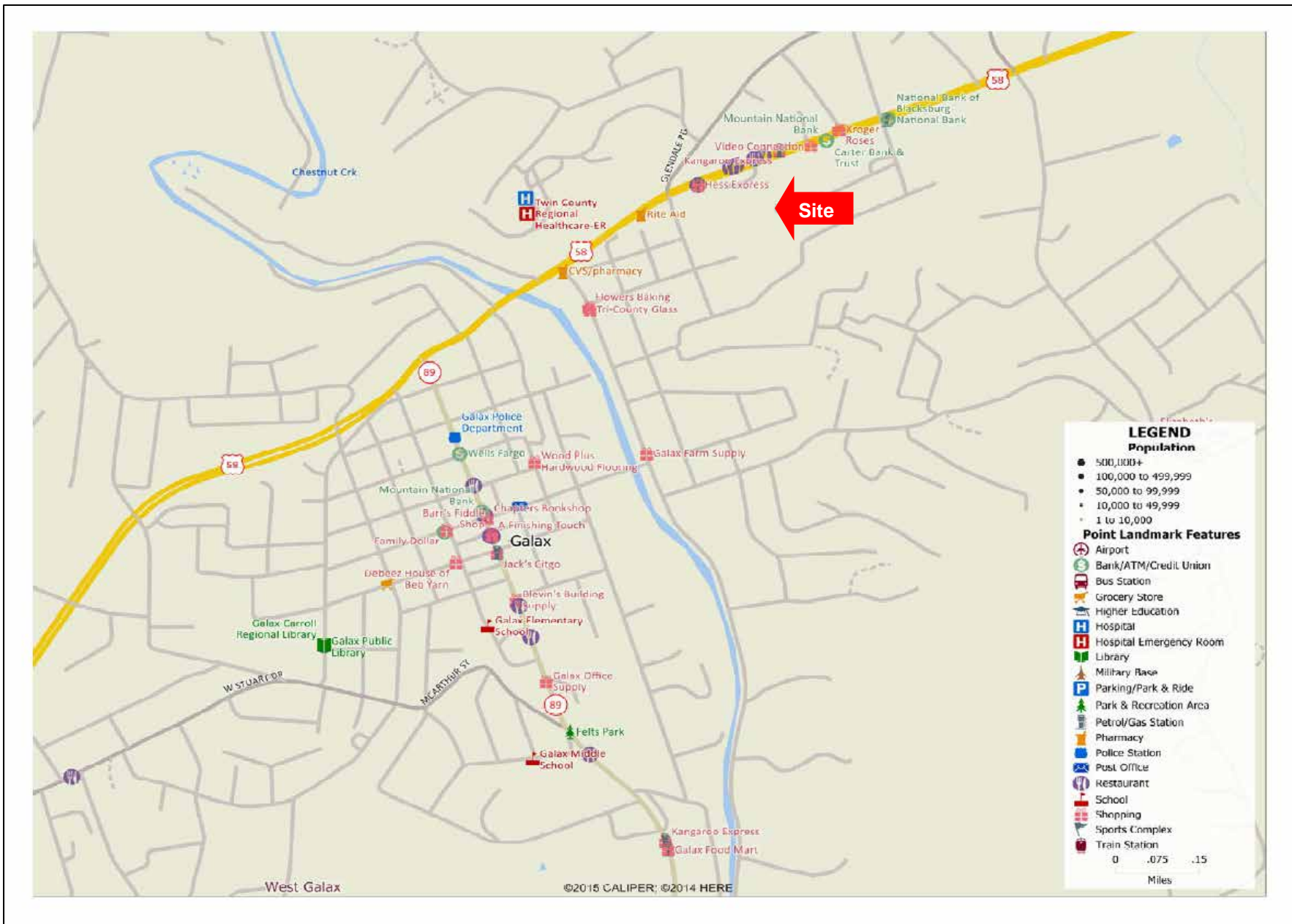
		Rating									Rank (1 = Property with Highest Rating)									Final Rating (1-5 Scale)
		Surrounding Area			Crime Rates		Education		Commute	Surrounding Area			Crime Rates		Education		Commute			
Key	Project Name	Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute	Avg HH Income (2015)	Med Cash Rent (2015)	Med SF Value (2015)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute			
Sub	Northway	\$10,724	\$541	\$88,700	14.2%	9.6%	59.5%	8.1%	32.56	17	7	13	17	15	17	16	17	2.00		
001	Birchwood Apartments	\$35,977	\$554	\$143,100	4.2%	14.9%	71.3%	28.0%	24.09	5	6	6	10	18	14	5	11	3.50		
003	Brookstone Court	\$37,900	\$661	\$115,200	1.3%	1.9%	80.7%	15.4%	25.03	4	3	10	2	4	9	8	13	4.30		
005	Cassell Pines Apartments	\$33,622	\$494	\$159,900	3.9%	9.4%	86.5%	28.5%	18.68	7	11	2	6	11	2	1	3	4.40		
006	Colonial Heights Apartments	\$34,417	\$478	\$117,900	3.7%	2.8%	79.2%	13.0%	20.40	6	15	8	5	6	10	10	8	3.90		
009	Freedom Lane	\$33,622	\$494	\$159,900	3.9%	9.4%	86.5%	28.5%	18.68	7	11	2	6	11	2	1	3	4.40		
017	High Meadows Townhomes	\$33,622	\$494	\$159,900	3.9%	9.4%	86.5%	28.5%	18.68	7	11	2	6	11	2	1	3	4.40		
019	Hillcrest Apartments	\$24,683	\$495	\$99,400	2.9%	1.0%	77.0%	10.7%	27.35	14	10	12	4	3	11	11	15	3.40		
021	Ivywood Apartments	\$17,407	\$603	\$85,300	6.1%	8.5%	69.1%	10.3%	31.58	16	4	15	15	9	15	12	16	2.50		
023	Jefferson Union	\$27,292	\$239	\$105,700	5.5%	9.0%	73.0%	9.4%	16.06	12	18	11	13	10	13	14	1	3.00		
024	Larkspur Apartments	\$25,938	\$382	\$46,400	4.4%	2.8%	75.8%	8.3%	19.24	13	16	18	11	5	12	15	7	2.80		
027	Longview Apartments	\$33,622	\$494	\$159,900	3.9%	9.4%	86.5%	28.5%	18.68	7	11	2	6	11	2	1	3	4.40		
029	Madison Street Apartments	\$10,724	\$541	\$88,700	14.2%	9.6%	59.5%	8.1%	32.56	17	7	13	17	15	17	16	17	2.00		
030	Melton's Run Apartments	\$39,097	\$497	\$120,200	0.8%	0.8%	85.1%	13.0%	26.71	3	9	7	1	1	6	9	14	4.30		
031	Midtown Apartments	\$17,644	\$314	\$55,400	10.3%	7.8%	60.9%	4.2%	23.34	15	17	17	16	8	16	18	10	2.10		
041	Southridge Apartments - Family	\$47,167	\$799	\$200,500	5.8%	10.8%	87.1%	25.2%	22.48	1	1	1	14	17	1	6	9	4.30		
043	Stuart Drive Apartments	\$31,429	\$598	\$83,600	2.8%	0.9%	82.4%	9.6%	24.97	11	5	16	3	2	8	13	12	3.80		
044	Walnut Hill Apartments	\$45,785	\$681	\$117,400	5.1%	6.6%	82.6%	18.5%	17.67	2	2	9	12	7	7	7	2	4.50		

Proximity to Area Amenities

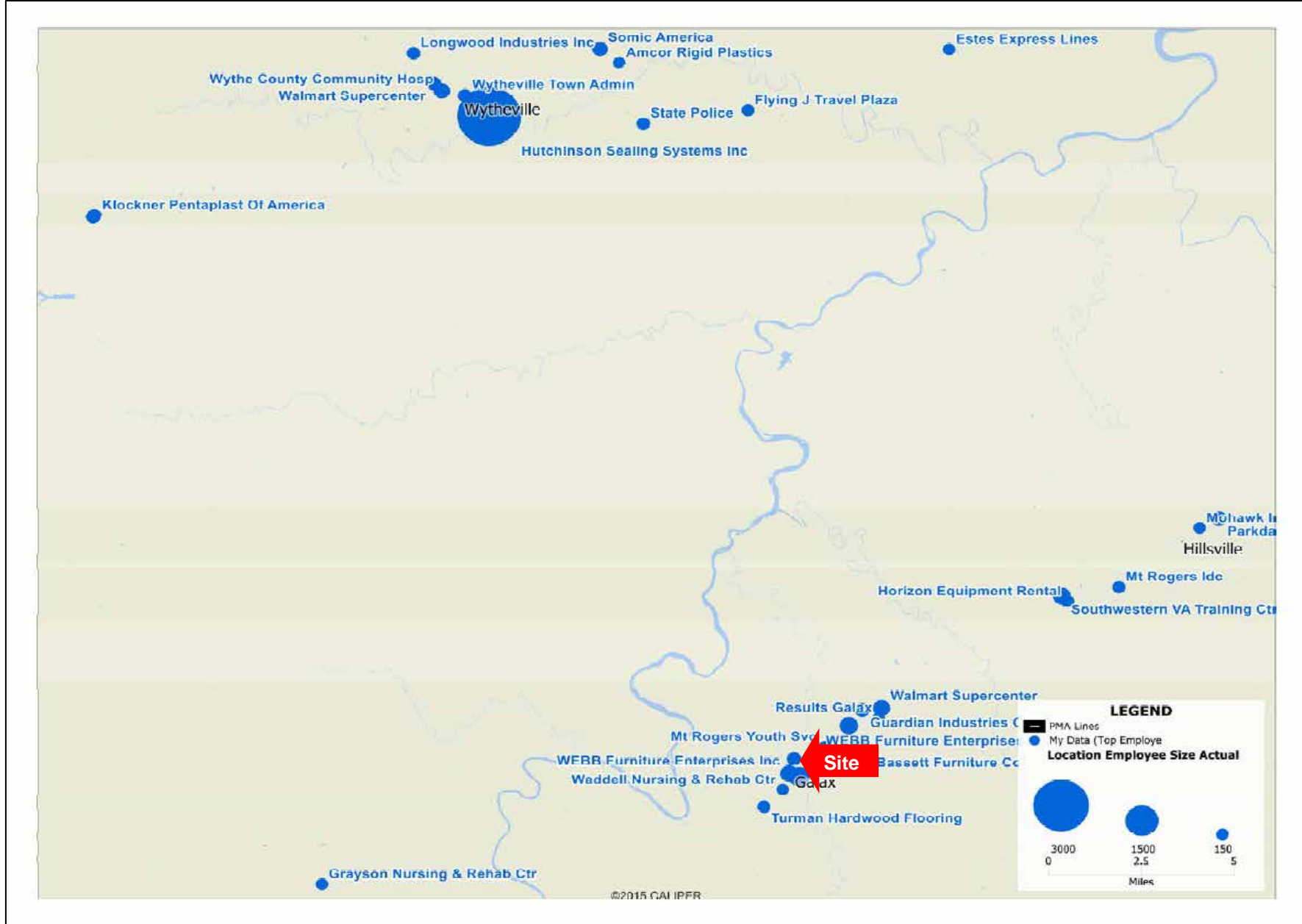
		Rating									Rank (1 = Property with Highest Rating)									Final Rating (1-5 Scale)
		Number within 2.0 miles of Property					Nearest to Property, Miles				Number within 2.0 miles of Property					Nearest to Property, Miles				
Key	Project Name	Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital	Banks	Grocery	Hospital	Pharmacy	Shopping Center	Shopping Center	Grocery	Hospital			
Sub	Northway	7	8	2	3	23	0.1	0.1	0.5	10	9	2	9	9	4	3	2	4.50		
001	Birchwood Apartments	13	11	2	5	28	0.2	0.3	1.8	6	6	2	6	6	7	11	12	3.60		
003	Brookstone Court	4	5	0	2	16	0.4	0.4	3.3	17	17	14	16	14	14	13	15	2.00		
005	Cassell Pines Apartments	14	13	2	6	30	0.3	0.3	1.8	2	2	2	2	5	11	10	11	3.90		
006	Colonial Heights Apartments	5	6	0	3	12	0.1	0.1	12.2	11	14	14	9	16	2	5	18	3.40		
009	Freedom Lane	14	13	2	6	32	0.4	0.4	1.2	2	2	2	2	2	16	16	8	3.90		
017	High Meadows Townhomes	12	11	1	4	23	0.2	0.2	2.0	7	6	13	7	9	7	7	13	3.60		
019	Hillcrest Apartments	5	7	0	3	12	0.3	0.3	12.0	11	12	14	9	16	9	9	17	2.50		
021	Ivywood Apartments	5	6	2	2	17	0.1	0.1	0.6	11	14	2	16	13	5	4	4	3.10		
023	Jefferson Union	14	13	2	6	32	0.3	0.4	1.1	2	2	2	2	2	10	13	7	3.90		
024	Larkspur Apartments	8	9	2	4	28	0.4	0.4	0.9	9	8	2	7	6	12	12	6	3.20		
027	Longview Apartments	14	13	2	6	31	0.4	0.2	1.6	2	2	2	2	4	12	6	10	4.50		
029	Madison Street Apartments	5	8	2	3	19	0.2	0.2	0.4	11	9	2	9	11	6	7	1	3.80		
030	Melton's Run Apartments	4	5	0	2	16	0.4	0.4	2.9	17	17	14	16	14	15	15	14	2.00		
031	Midtown Apartments	5	8	2	3	18	0.1	0.1	0.5	11	9	2	9	12	3	2	3	4.30		
041	Southridge Apartments - Family	9	6	2	3	25	0.5	1.4	1.4	8	14	2	9	8	17	18	9	2.30		
043	Stuart Drive Apartments	5	7	0	3	12	0.1	0.1	11.7	11	12	14	9	16	1	1	16	3.30		
044	Walnut Hill Apartments	29	55	4	14	91	0.7	0.7	0.9	1	1	1	1	1	18	17	5	3.30		

Source: US Census; Claritas; Google Maps

Proximity to Area Amenities



Proximity to Area Employers



SUBJECT PROPERTY PHOTOS

Photos of the subject property and the surrounding area are found below:



Subject Property



Looking North From Entrance



Looking South From Entrance



Looking East From Entrance



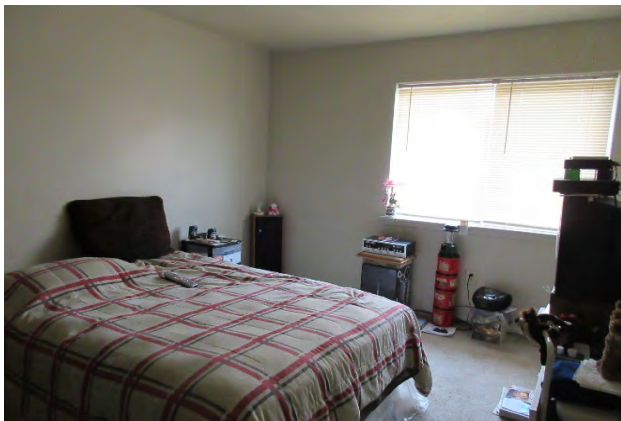
Looking West From Entrance



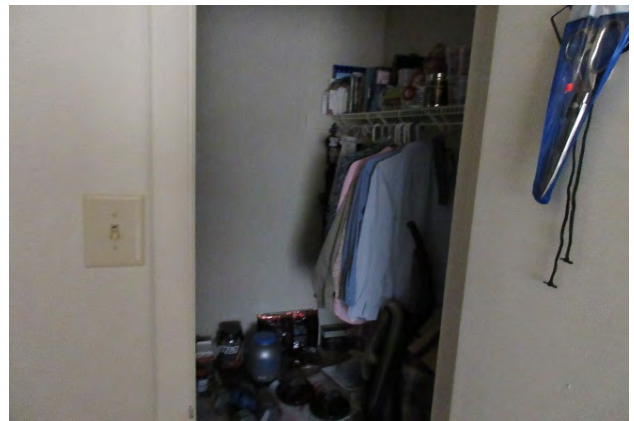
Typical Family Room



Typical Kitchen



Typical Bedroom



Typical Closet



Typical Bathroom



Utility Room



Laundry Area



Office



Community Room



Playground



Picnic



Mail Kiosks

MARKET AREA

Overview

Market areas are influenced by a variety of interrelated factors. These factors include site location, economic, and demographic characteristics (tenure, income, rent levels, etc.), local transportation patterns, physical boundaries (rivers, streams, topography, etc.), census geographies, and the location of comparable and/or potentially competing communities.

In areas where the county seat is the largest city, centrally located, and draws from the entire county, the county may be the market area. In the case where there are potentially competing communities in one county, the market area may be part of the county. In fact, the market area could include portions of adjacent counties. In this case, a combination of county subdivisions may be used to define the market area. In urban or suburban areas, the market area will be adjacent to the site extending to all locations of similar character with residents or potential residents likely to be interested in the project. In this case, county subdivisions, townships, or a combination of census tracts may be used to define the market area.

Allen & Associates recently conducted a series of property management interviews to better understand market areas and resident moving patterns for multifamily properties. Our study suggested that markets may be classified into the following general categories: urban, suburban and rural. Renters in urban markets are typically willing to move 5 to 10 minutes when looking for a new apartment. Our research also shows that renters in suburban markets are normally willing to move 10 to 15 minutes when looking for a new place to live. Renters in rural markets are typically willing to move 15 to 20 minutes when looking for a new apartment. We considered these general guidelines in our evaluation of the subject property.

Our study suggested that secondary market areas were generally a function of whether the proposed development was family or elderly. Our research suggested that secondary market demand for family properties ranged from 10 to 30 percent. Secondary market demand for elderly properties ranged from 10 to 50 percent. Although seniors move less frequently than younger renters, they are often willing to move longer distances when looking for housing. We considered these general secondary market guidelines in our evaluation of the subject property.

Our primary and secondary market area definitions are found below.

Primary Market Area

We defined the primary market area by generating a 30-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

Primary market area, drive time and existing multifamily maps are found in the following pages. The primary market area included all or part of the following census tracts:

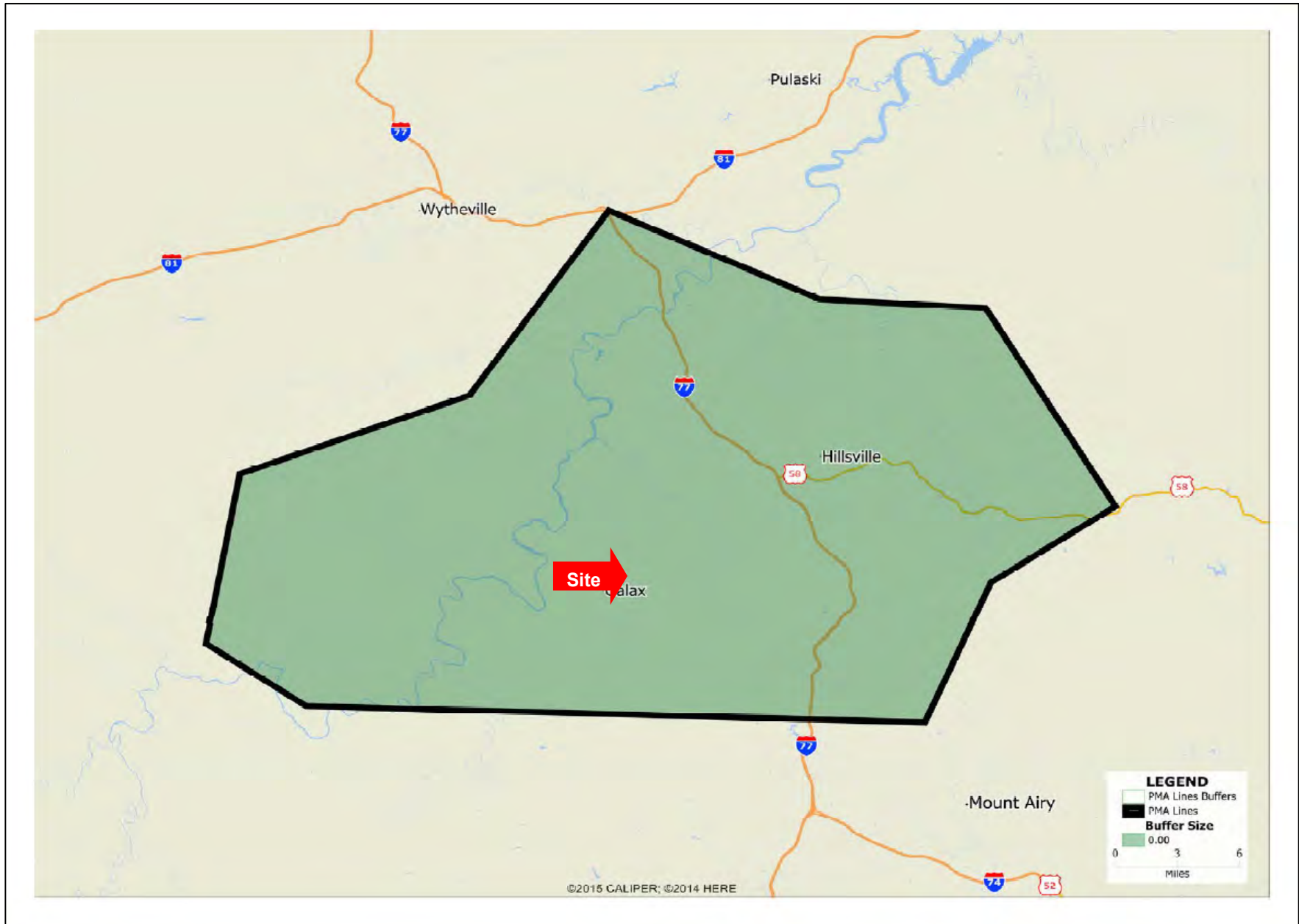
Census Tract	County	State
51035080100	Carroll County	Virginia
51035080200	Carroll County	Virginia
51035080300	Carroll County	Virginia
51035080400	Carroll County	Virginia
51035080500	Carroll County	Virginia
51035080601	Carroll County	Virginia
51035080602	Carroll County	Virginia
51077060101	Grayson County	Virginia
51077060102	Grayson County	Virginia
51077060201	Grayson County	Virginia
51077060202	Grayson County	Virginia
51155210500	Pulaski County	Virginia
51197050401	Wythe County	Virginia
51197050402	Wythe County	Virginia
51640070101	Galax city	Virginia
51640070102	Galax city	Virginia

The primary market area includes a population of 52,676 persons and covers a total of 772.9 square miles, making it 31.4 miles across on average.

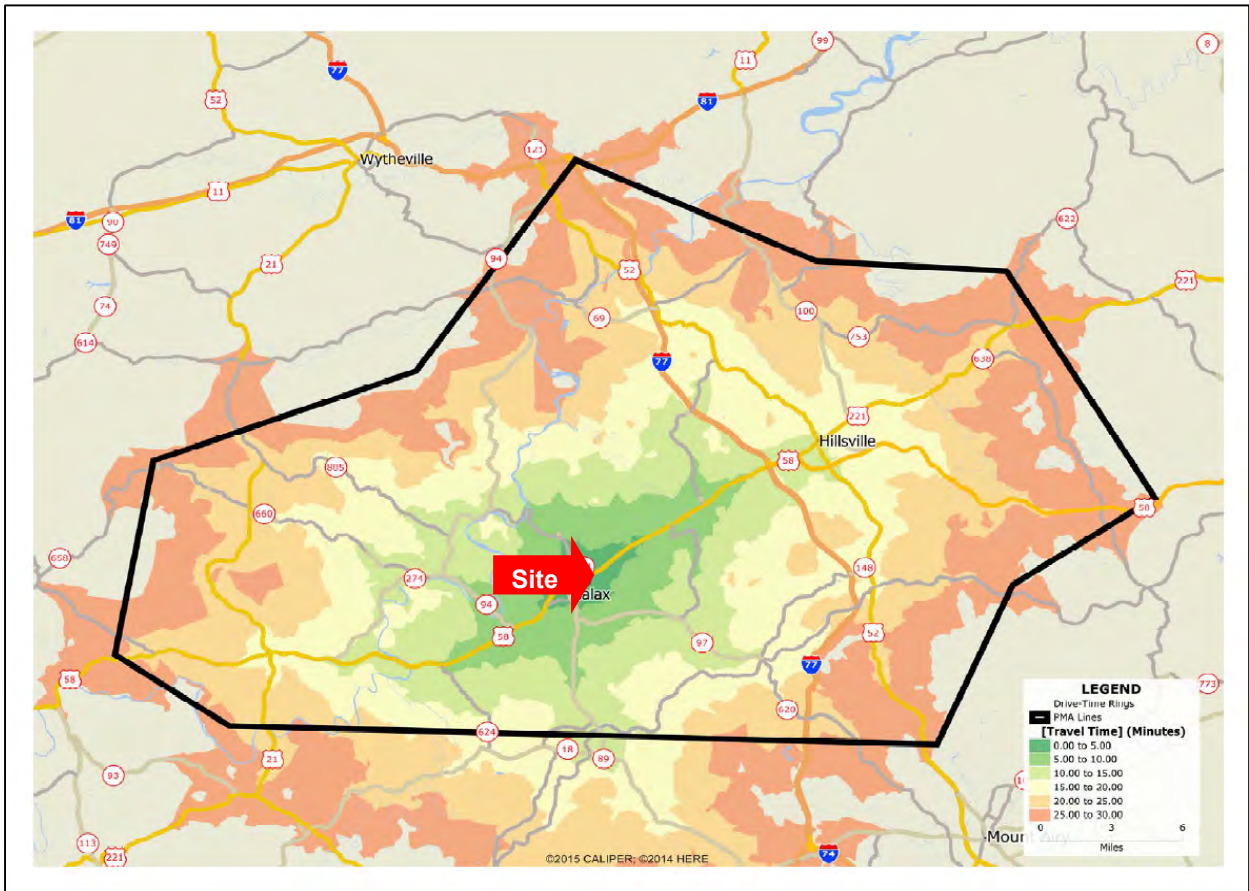
Secondary Market Area

We estimate that up to 20 percent of demand will come from areas outside of the primary market area.

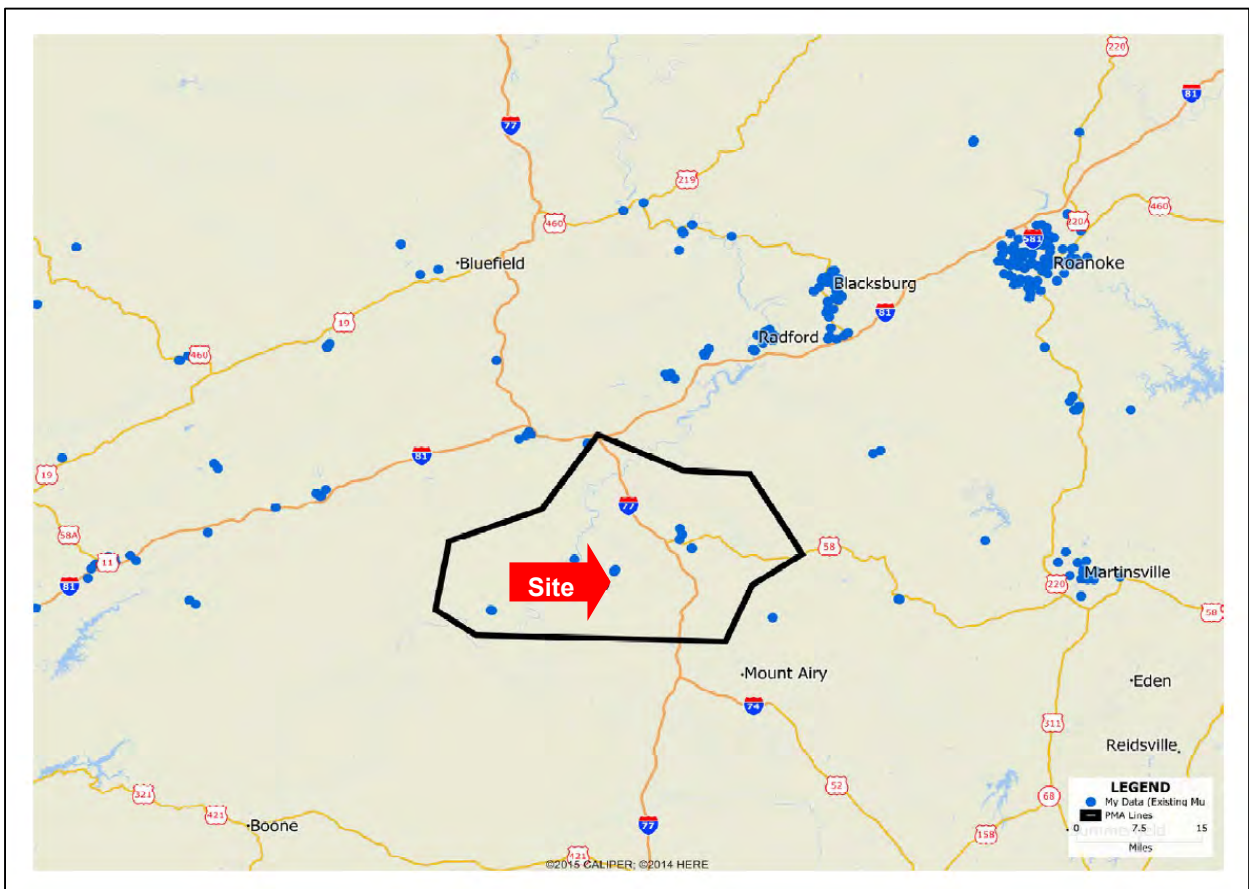
Market Area



Drive Time

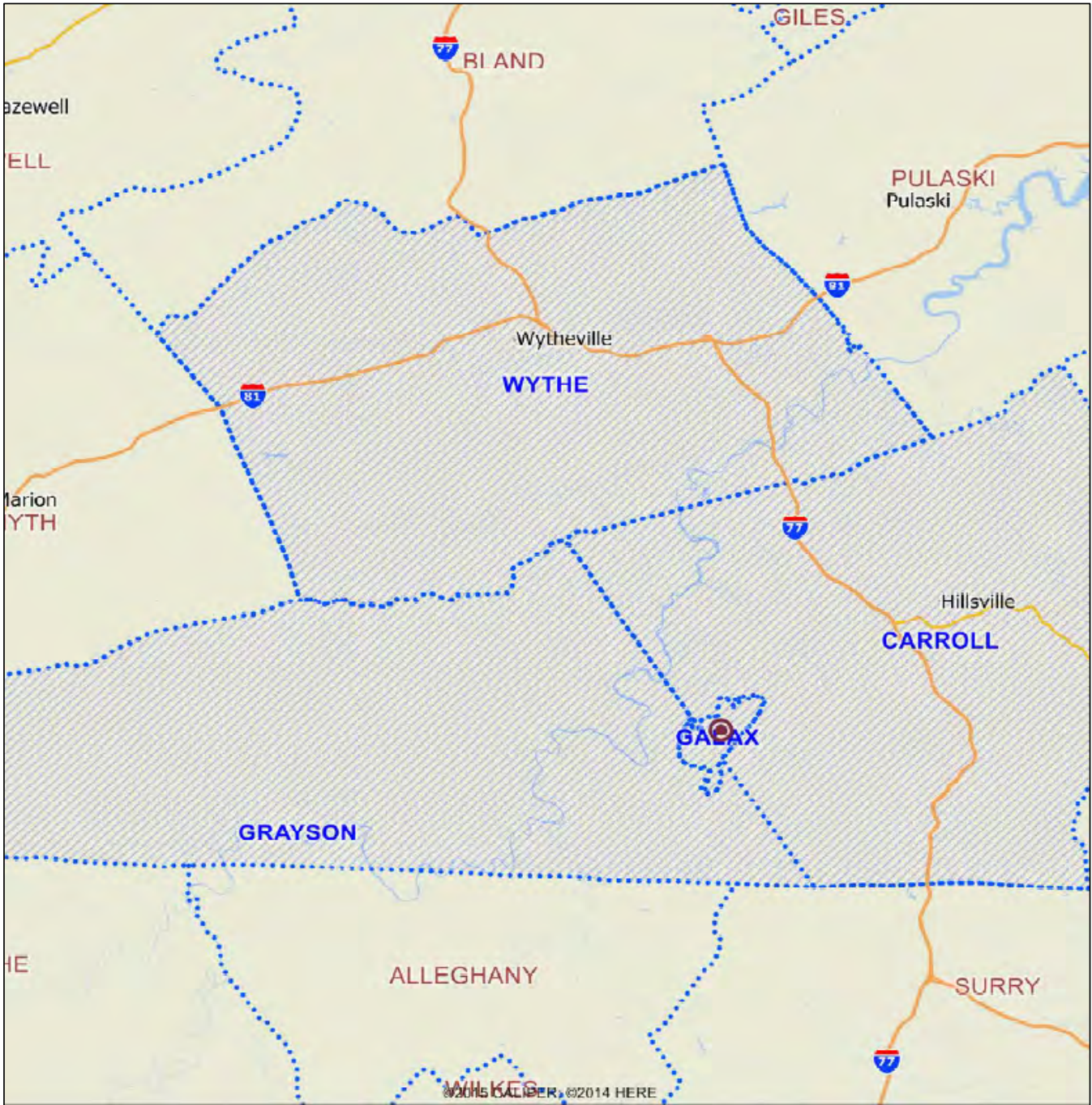


Existing Multifamily



ECONOMIC OUTLOOK

In this section we conduct an analysis of the regional economy. For purposes of our analysis, we define the region as Galax City, Carroll, Grayson, and Wythe Counties, Virginia. A map depicting the Region is found below.



Employment by Industry

The Bureau of Labor Statistics (BLS) tracks establishment employment by major industry. In the table below we present the current breakdown and percent distribution. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Establishment Employment			
Industry	Region	Reg %	US %
Farm Employment	2,819	7.1%	1.3%
Forestry, Fishing, Related Activities And Other Employment	645	1.6%	0.5%
Mining Employment	161	0.4%	0.7%
Utilities Employment	55	0.1%	0.3%
Construction Employment	1,696	4.2%	5.5%
Manufacturing Employment	5,638	14.1%	6.7%
Wholesale Trade Employment	695	1.7%	3.6%
Retail Trade Employment	5,164	12.9%	10.3%
Transportation And Warehousing Employment	832	2.1%	3.5%
Information Employment	224	0.6%	1.7%
Finance And Insurance Employment	1,179	2.9%	5.3%
Real Estate And Rental And Lease Employment	1,207	3.0%	4.7%
Professional And Technical Services Employment	949	2.4%	6.9%
Management Of Companies And Enterprises Employment	29	0.1%	1.3%
Administrative And Waste Services Employment	1,666	4.2%	6.0%
Educational Services Employment	276	0.7%	2.4%
Health Care And Social Assistance Employment	4,468	11.2%	11.6%
Arts, Entertainment, And Recreation Employment	460	1.2%	2.2%
Accommodation And Food Services Employment	3,242	8.1%	7.5%
Other Services, Except Public Administration Employment	2,217	5.5%	5.8%
Federal Civilian Government Employment	206	0.5%	1.4%
Federal Military Employment	251	0.6%	0.9%
State And Local Government Employment	5,905	14.8%	9.8%
Establishment Employment	39,984	100.0%	100.0%

Source: W&P Economics

Regional establishment employment currently stands at 39,984. The data suggests that State and Local Government is the largest employment category accounting for 14.8% of total regional employment. Manufacturing is the second largest category accounting for 14.1% of total employment. Retail Trade is the third largest category accounting for 12.9% of total employment. Health Care and Social Assistance is the fourth largest category accounting for 11.2% of total employment. Accommodation and Food Services is the fifth largest category accounting for 8.1% of total employment.

Economists generally classify employment two ways: basic and non-basic. Basic employment, which is considered to be the engine of a local economy, includes industries that rely on external factors to fuel demand. For instance, mining, logging and manufacturers are frequently considered basic employers. Goods for these industries are shipped outside the location where they are produced. Non-basic employers depend largely on local demand and usually employ local workers. For example, grocery stores and restaurants are sometimes considered non-basic employers.

The Location Quotient (LQ) technique is the most common method of identifying basic industries for a given economy. The LQ technique compares the share of workers in each industry of a given economy with that of a larger reference economy. If the number of workers in the given economy is greater than that of the reference economy, these are considered to be basic industries because they fill needs beyond those of the reference community.

In the table above we highlight the basic industries for the region. The distribution of employment in these industries exceeds that for the United States. These basic industries represent about 23,413 employees or about 58.6% of total regional employment. These are the industries that drive the regional economy.

Earnings by Industry

The Bureau of Labor Statistics (BLS) tracks average earnings by major industry. In the table below we present the current breakdown and rank. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Average Earnings (2009 \$)		
Industry	Earnings	Rank
Farm Employment	\$3,711	23
Forestry, Fishing, Related Activities And Other Employment	\$27,819	14
Mining Employment	\$26,497	15
Utilities Employment	\$76,655	1
Construction Employment	\$31,089	11
Manufacturing Employment	\$44,352	6
Wholesale Trade Employment	\$36,447	10
Retail Trade Employment	\$24,734	17
Transportation And Warehousing Employment	\$46,209	5
Information Employment	\$37,071	9
Finance And Insurance Employment	\$25,841	16
Real Estate And Rental And Lease Employment	\$12,476	21
Professional And Technical Services Employment	\$39,699	8
Management Of Companies And Enterprises Employment	\$70,862	2
Administrative And Waste Services Employment	\$21,741	18
Educational Services Employment	\$17,261	19
Health Care And Social Assistance Employment	\$40,536	7
Arts, Entertainment, And Recreation Employment	\$12,448	22
Accommodation And Food Services Employment	\$16,777	20
Other Services, Except Public Administration Employment	\$28,783	12
Federal Civilian Government Employment	\$68,519	3
Federal Military Employment	\$28,701	13
State And Local Government Employment	\$47,418	4
Establishment Employment	\$31,815	

Source: W&P Economics

The data suggests that Utilities is the highest paid industry averaging \$76,655 per employee. Management of Companies is the second highest paid industry averaging \$70,862 per employee. Federal Civilian Government is the third highest paid profession averaging \$68,519 per employee. State and Local Government is the fourth highest paid industry averaging \$47,418 per employee. Transportation is the fifth highest paid category averaging \$46,209 per employee. These figures are compared with regional Average Earnings of \$31,815 per employee.

The highlighted industries represent basic industries for the region. Average earnings for these basic industries comes to \$27,468 or 13.7% lower than average for the region.

Top Employers

The table below gives a listing of the region's top employers. The data comes from InfoUSA and includes a primary industry description for each employer.

Top Employers				
Name	Employees	SIC Code	Industry Description	Location Type
Hutchinson Sealing Systems Inc	3,530	3053-02	Gaskets-Manufacturers	0
Vaughan-Bassett Furniture Co	700	2599-01	Furniture-Manufacturers	0
Parkdale Mills	550	2281-02	Yarn-Spinning Mills (Mfrs)	Branch
Southwestern VA Tr Ctr Ep	500	8011-01	Physicians & Surgeons	0
Walmart Supercenter	450	5311-02	Department Stores	Branch
Wythe County Community Hosp	375	8062-02	Hospitals	Subsidiary
Somic America	340	3714-01	Automobile Parts & Supplies-Mfrs	-
Klockner Pentaplast Of America	320	3081-02	Plastics-Fabrics/Film & Etc Producer	Branch
Guardian Industries Corp	300	3211-01	Glass-Manufacturers	Branch
Walmart Supercenter	285	5311-02	Department Stores	-

Source: InfoUSA

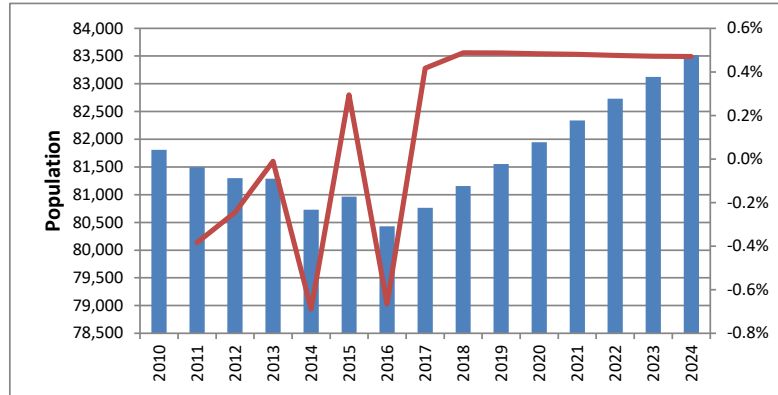
The top employers include: (1) Hutchinson Sealing Systems Inc (3530 employees); (2) Vaughan-Bassett Furniture Co (700 employees) and; (3) Parkdale Mills (550 employees).

Population

In this section we present population data for the region. The table and graph below show historic data since 2010. The historic data comes from the US Census; the forecast comes from Woods & Pool Economics.

Population Forecast		
Year	Pop	Growth %
2010	81,811	
2011	81,497	-0.4%
2012	81,297	-0.2%
2013	81,289	0.0%
2014	80,729	-0.7%
2015	80,967	0.3%
2016	80,429	-0.7%
2017	80,764	0.4%
2018	81,158	0.5%
2019	81,553	0.5%
2020	81,947	0.5%
2021	82,341	0.5%
2022	82,733	0.5%
2023	83,124	0.5%
2024	83,515	0.5%

Source: US Census; W&P Economics



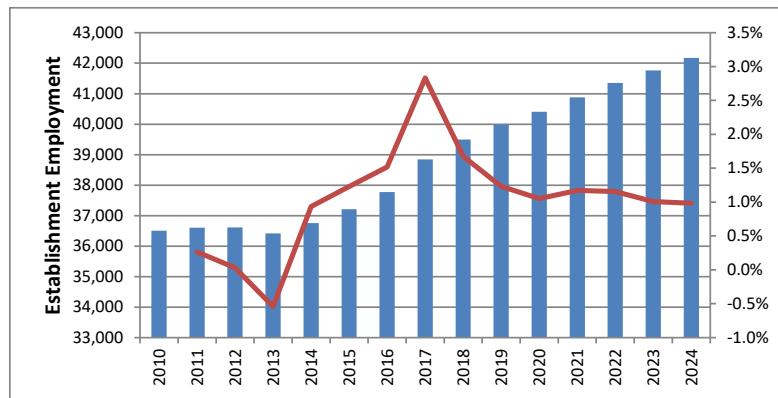
Population decreased from 81,811 in 2010 to 81,158 in 2018 and is anticipated to increase to 83,515 in 2024.

Establishment Employment

In this section we present establishment employment data for the region. The table and graph below show historic data since 2010. The historic data comes from the Bureau of Labor Statistics (BLS); the forecast comes from Woods & Pool Economics.

Establishment Employment Forecast		
Year	Est Emp	Growth %
2010	36,509	
2011	36,605	0.3%
2012	36,617	0.0%
2013	36,419	-0.5%
2014	36,760	0.9%
2015	37,212	1.2%
2016	37,777	1.5%
2017	38,847	2.8%
2018	39,497	1.7%
2019	39,984	1.2%
2020	40,405	1.1%
2021	40,878	1.2%
2022	41,350	1.2%
2023	41,766	1.0%
2024	42,177	1.0%

Source: BLS; W&P Economics



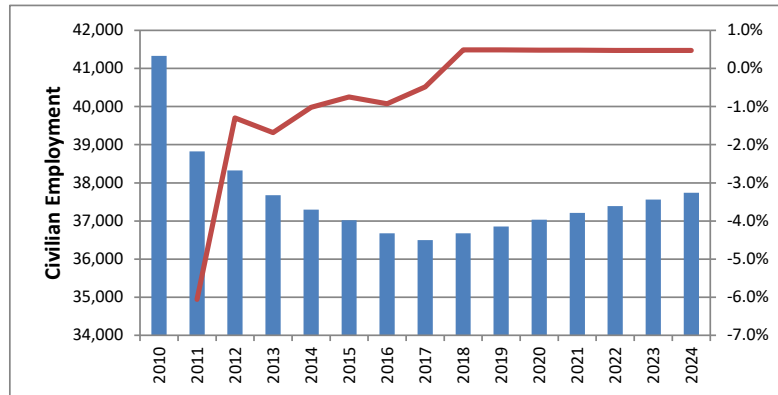
Establishment employment increased from 36,509 in 2010 to 39,497 in 2018 and is anticipated to increase to 42,177 in 2024.

Civilian Employment

In this section we present civilian employment data for the region. The table and graph below show historic data since 2010. The historic data comes from the Bureau of Labor Statistics (BLS); the forecast utilizes data from Woods & Pool Economics.

Year	Civ Emp	Growth %
2010	41,331	
2011	38,827	-6.1%
2012	38,324	-1.3%
2013	37,678	-1.7%
2014	37,295	-1.0%
2015	37,015	-0.7%
2016	36,674	-0.9%
2017	36,497	-0.5%
2018	36,675	0.5%
2019	36,853	0.5%
2020	37,031	0.5%
2021	37,209	0.5%
2022	37,387	0.5%
2023	37,563	0.5%
2024	37,740	0.5%

Source: BLS; W&P Economics



Civilian employment decreased from 41,331 in 2010 to 36,675 in 2018 and is anticipated to increase to 37,740 in 2024.

Labor Force and Unemployment

In this section we take a look at the labor force and unemployment. The table below shows civilian employment, unemployment and labor force statistics for the region since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center.

Year	Civ Emp	Unemp	Lab Force	Unemp Rate
2010	41,331	4,760	36,571	11.5%
2011	38,827	3,819	35,007	9.8%
2012	38,324	3,242	35,082	8.5%
2013	37,678	3,161	34,517	8.4%
2014	37,295	2,564	34,731	6.9%
2015	37,015	2,034	34,981	5.5%
2016	36,674	1,974	34,699	5.4%
2017	36,497	1,651	34,846	4.5%
2018	36,675	1,290	35,385	3.5%

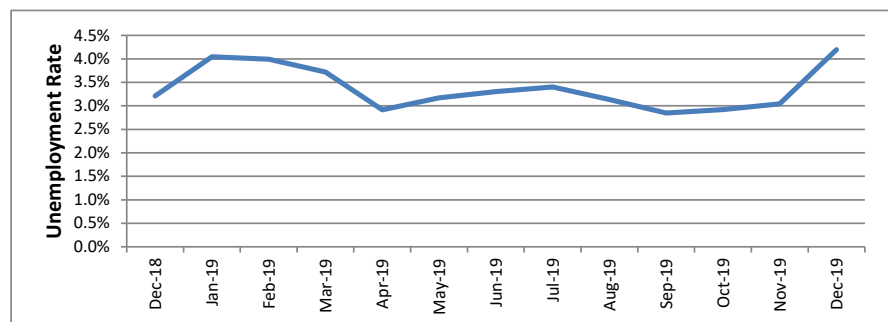
Source: BLS; Texas A&M Real Estate Center

Unemployment decreased from 4,760 in 2010 to 1,290 in 2018. The unemployment rate decreased from 11.5% in 2010 to 3.5% in 2018.

The table and graph below show the unemployment rate for the region for the past 12 months.

Month	Unemp Rate
Dec-18	3.2%
Jan-19	4.0%
Feb-19	4.0%
Mar-19	3.7%
Apr-19	2.9%
May-19	3.2%
Jun-19	3.3%
Jul-19	3.4%
Aug-19	3.1%
Sep-19	2.8%
Oct-19	2.9%
Nov-19	3.0%
Dec-19	4.2%

Source: TAMU



The Unemployment Rate for the Region came in at 3.2% in December 2018 and 4.2% in December 2019.

Building Permits

In this section we look at building permits. The table and graph below show historical data for the region since 2000. The data set comes from the US Census.

Building Permits				
Year	1 Family	2-4 Family	5+ Family	Total
2000	373	8	30	411
2001	346	2	20	368
2002	350	8	54	412
2003	276	14	5	295
2004	320	6	14	340
2005	385	20	6	411
2006	403	17	0	420
2007	394	11	61	466
2008	239	0	0	239
2009	198	0	0	198
2010	166	2	15	183
2011	141	5	7	153
2012	150	0	11	161
2013	142	6	11	159
2014	144	6	10	160
2015	106	6	0	112
2016	60	28	0	88
2017	61	2	0	63
2018	74	0	19	93

Source: US Census

Building permits for the region increased from 295 in 2003 to 466 in 2007, before decreasing to 63 in 2017 and increasing to 93 in 2018.

Conclusion

We anticipate very modest economic growth accompanied by very modest population growth for the region over the next several years.

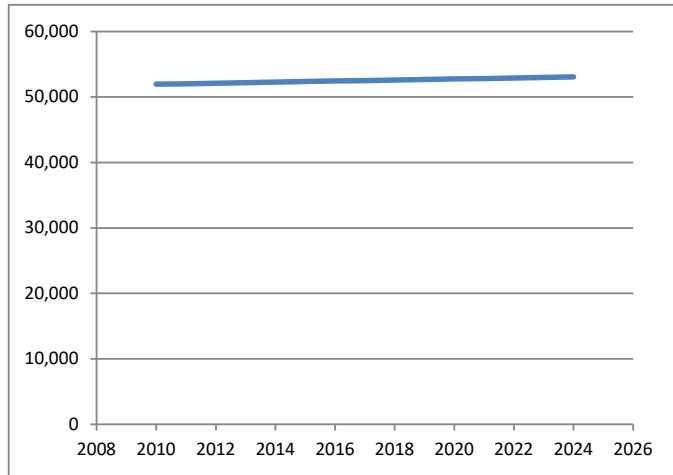
DEMOGRAPHIC CHARACTERISTICS

Population

In the table below we give the 2010-2024 Caliper Corporation population projection for the Market Area.

Population Forecast		
Year	Population	Growth %
2010	51,966	-
2011	51,992	0.1%
2012	52,084	0.2%
2013	52,176	0.2%
2014	52,267	0.2%
2015	52,359	0.2%
2016	52,438	0.2%
2017	52,517	0.2%
2018	52,597	0.2%
2019	52,676	0.2%
2020	52,755	0.2%
2021	52,834	0.2%
2022	52,914	0.2%
2023	52,993	0.2%
2024	53,073	0.2%

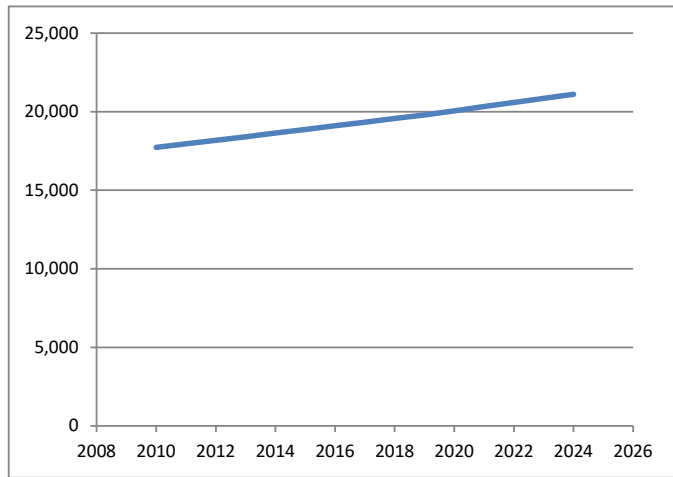
Source: Caliper; Allen & Associates



In the table below we give the 2010-2024 Caliper Corporation 55+ population projection for the Market Area.

55+ Population Forecast		
Year	Population	Growth %
2010	17,728	-
2011	17,951	1.3%
2012	18,177	1.3%
2013	18,406	1.3%
2014	18,638	1.3%
2015	18,870	1.2%
2016	19,102	1.2%
2017	19,334	1.2%
2018	19,566	1.2%
2019	19,798	1.2%
2020	20,060	1.3%
2021	20,322	1.3%
2022	20,584	1.3%
2023	20,846	1.3%
2024	21,108	1.3%

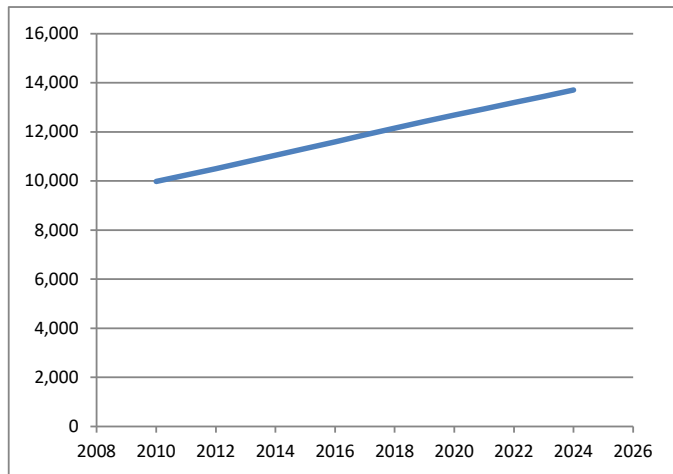
Source: Caliper; Allen & Associates



In the table below we give the 2010-2024 Caliper Corporation 65+ population projection for the Market Area.

65+ Population Forecast		
Year	Population	Growth %
2010	9,982	-
2011	10,238	2.6%
2012	10,501	2.6%
2013	10,770	2.6%
2014	11,046	2.6%
2015	11,323	2.5%
2016	11,599	2.4%
2017	11,875	2.4%
2018	12,152	2.3%
2019	12,428	2.3%
2020	12,684	2.1%
2021	12,940	2.0%
2022	13,196	2.0%
2023	13,452	1.9%
2024	13,708	1.9%

Source: Caliper; Allen & Associates

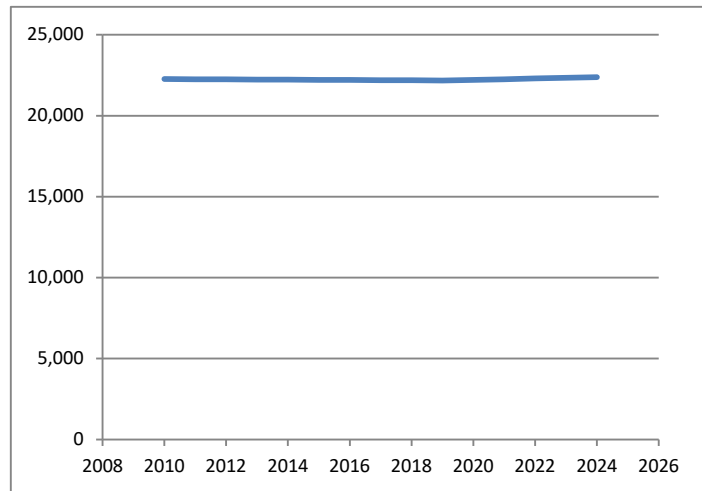


Households

In the table below we give the 2010-2024 Claritas household projection for the Market Area.

Household Forecast		
Year	Households	Growth %
2010	22,263	-
2011	22,253	0.0%
2012	22,242	0.0%
2013	22,232	0.0%
2014	22,222	0.0%
2015	22,212	0.0%
2016	22,201	0.0%
2017	22,191	0.0%
2018	22,181	0.0%
2019	22,170	0.0%
2020	22,212	0.2%
2021	22,253	0.2%
2022	22,295	0.2%
2023	22,336	0.2%
2024	22,378	0.2%

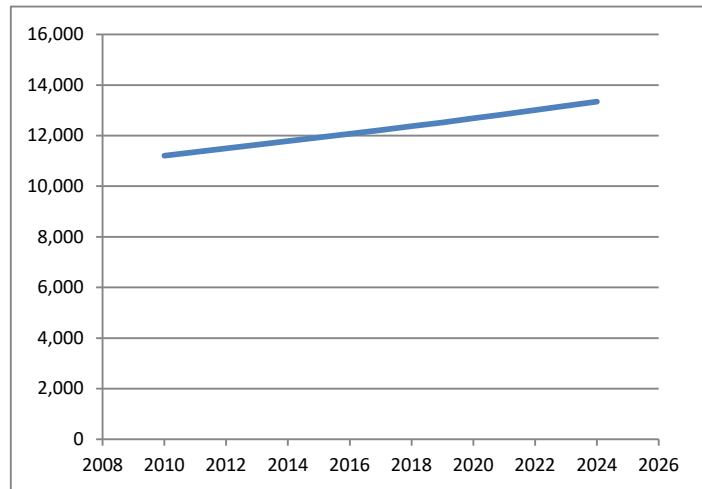
Source: Claritas; Allen & Associates



In the table below we give the 2010-2024 Claritas 55+ household projection for the Market Area.

55+ Household Forecast		
Year	Households	Growth %
2010	11,207	-
2011	11,348	1.3%
2012	11,491	1.3%
2013	11,635	1.3%
2014	11,782	1.3%
2015	11,929	1.2%
2016	12,075	1.2%
2017	12,222	1.2%
2018	12,368	1.2%
2019	12,515	1.2%
2020	12,681	1.3%
2021	12,846	1.3%
2022	13,012	1.3%
2023	13,178	1.3%
2024	13,343	1.3%

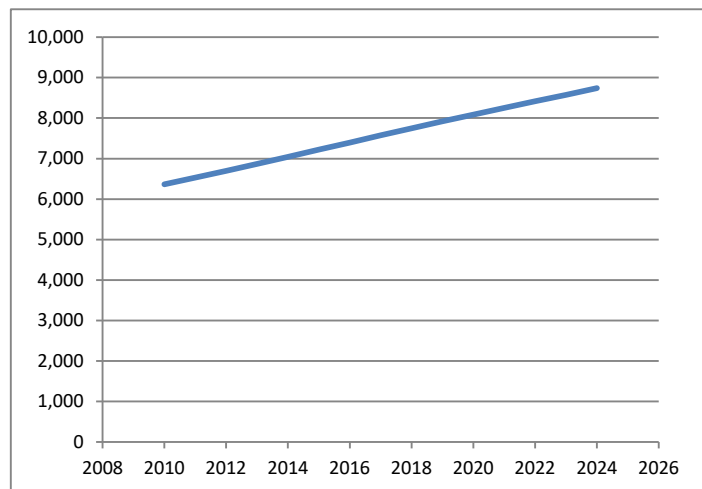
Source: Claritas; Allen & Associates



In the table below we give the 2010-2024 Claritas 65+ household projection for the Market Area.

65+ Household Forecast		
Year	Households	Growth %
2010	6,365	-
2011	6,528	2.6%
2012	6,696	2.6%
2013	6,867	2.6%
2014	7,044	2.6%
2015	7,220	2.5%
2016	7,396	2.4%
2017	7,572	2.4%
2018	7,748	2.3%
2019	7,925	2.3%
2020	8,088	2.1%
2021	8,251	2.0%
2022	8,414	2.0%
2023	8,577	1.9%
2024	8,741	1.9%

Source: Claritas; Allen & Associates

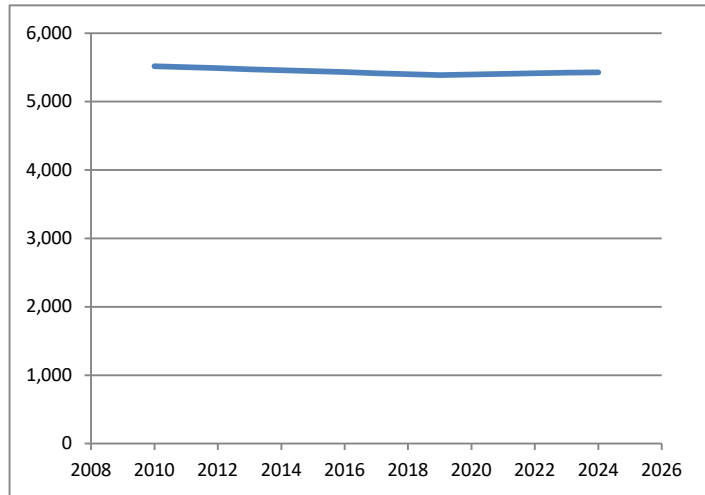


Renter Households

In the table below we give the 2010-2024 Claritas renter household projection for the Market Area.

Renter Household Forecast		
Year	Households	Growth %
2010	5,517	-
2011	5,503	-0.3%
2012	5,488	-0.3%
2013	5,474	-0.3%
2014	5,460	-0.3%
2015	5,445	-0.3%
2016	5,431	-0.3%
2017	5,416	-0.3%
2018	5,402	-0.3%
2019	5,388	-0.3%
2020	5,396	0.2%
2021	5,404	0.2%
2022	5,413	0.2%
2023	5,421	0.2%
2024	5,430	0.2%

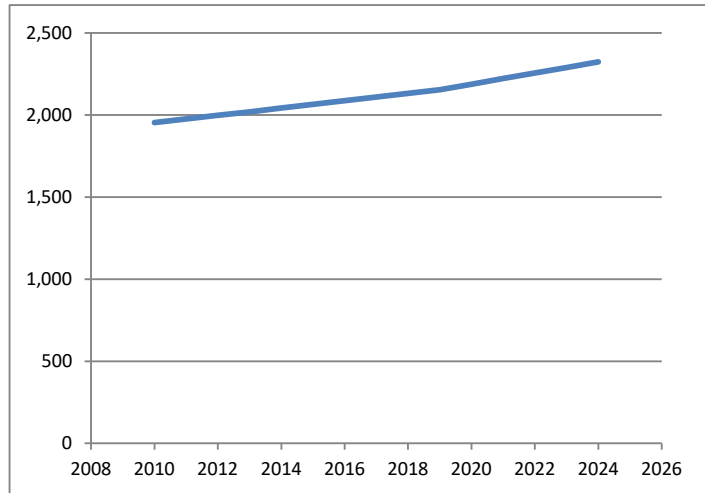
Source: Claritas; Allen & Associates



In the table below we give the 2010-2024 Claritas 55+ renter household projection for the Market Area.

55+ Renter Household Forecast		
Year	Households	Growth %
2010	1,954	-
2011	1,976	1.1%
2012	1,997	1.1%
2013	2,020	1.1%
2014	2,042	1.1%
2015	2,064	1.1%
2016	2,087	1.1%
2017	2,109	1.1%
2018	2,131	1.1%
2019	2,154	1.0%
2020	2,188	1.6%
2021	2,222	1.6%
2022	2,256	1.5%
2023	2,290	1.5%
2024	2,324	1.5%

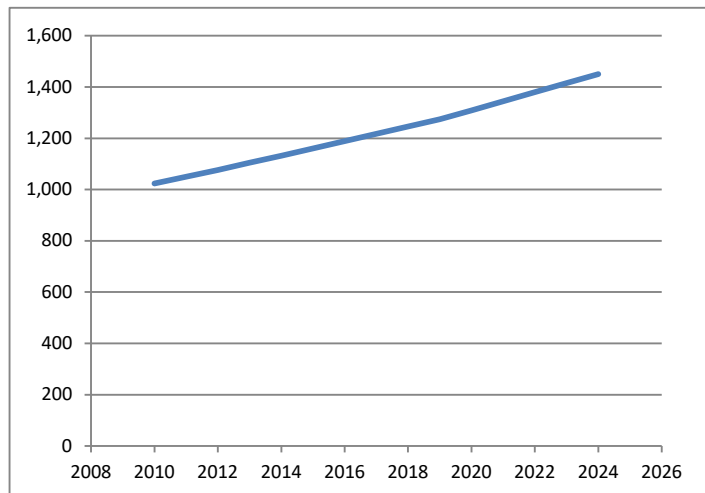
Source: Claritas; Allen & Associates



In the table below we give the 2010-2024 Claritas 65+ renter household projection for the Market Area.

65+ Renter Household Forecast		
Year	Households	Growth %
2010	1,024	-
2011	1,050	2.6%
2012	1,077	2.6%
2013	1,104	2.6%
2014	1,132	2.6%
2015	1,161	2.5%
2016	1,189	2.4%
2017	1,217	2.4%
2018	1,245	2.3%
2019	1,274	2.3%
2020	1,309	2.8%
2021	1,344	2.7%
2022	1,379	2.6%
2023	1,415	2.6%
2024	1,450	2.5%

Source: Claritas; Allen & Associates



Household Income

The following table shows the current distribution of household incomes for the Market Area. The data set comes from Claritas and Ribbon Demographics.

2020 \$		Households, by Income, by Size						
Min	Max	2020 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	1,076	495	165	98	16	8	1,857
\$10,000	\$19,999	2,089	941	227	97	59	22	3,435
\$20,000	\$29,999	1,198	1,235	345	143	153	72	3,146
\$30,000	\$39,999	559	1,440	367	220	164	84	2,834
\$40,000	\$49,999	396	914	452	138	87	40	2,026
\$50,000	\$59,999	285	710	436	333	42	20	1,827
\$60,000	\$74,999	366	958	458	359	18	7	2,165
\$75,000	\$99,999	182	809	559	480	148	77	2,255
\$100,000	\$124,999	168	456	203	309	109	56	1,301
\$125,000	\$149,999	106	249	149	48	56	23	631
\$150,000	\$199,999	73	146	58	97	35	10	419
\$200,000	more	58	149	37	46	21	6	317
Total		6,556	8,501	3,456	2,367	908	424	22,212

The following table shows the current distribution of 55+ household incomes for the Market Area.

2020 \$		55+ Households, by Income, by Size						
Min	Max	2020 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	706	259	49	16	6	2	1,037
\$10,000	\$19,999	1,801	637	31	3	6	1	2,480
\$20,000	\$29,999	911	950	103	69	14	7	2,053
\$30,000	\$39,999	394	922	115	83	14	6	1,534
\$40,000	\$49,999	266	679	181	13	14	4	1,157
\$50,000	\$59,999	188	540	173	34	5	0	940
\$60,000	\$74,999	306	656	167	54	12	5	1,200
\$75,000	\$99,999	153	654	142	60	38	18	1,064
\$100,000	\$124,999	113	321	44	41	8	3	529
\$125,000	\$149,999	82	184	50	12	14	5	347
\$150,000	\$199,999	51	107	31	8	2	0	199
\$200,000	more	48	64	10	9	7	2	140
Total		5,018	5,971	1,097	402	140	53	12,681

The following table shows the current distribution of 65+ household incomes for the Market Area.

2020 \$		65+ Households, by Income, by Size						
Min	Max	2020 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	423	132	19	6	2	0	582
\$10,000	\$19,999	1,376	347	8	2	2	0	1,736
\$20,000	\$29,999	682	765	77	65	3	0	1,592
\$30,000	\$39,999	281	672	58	45	2	0	1,057
\$40,000	\$49,999	168	418	113	3	3	0	705
\$50,000	\$59,999	106	291	55	11	4	0	468
\$60,000	\$74,999	241	391	77	47	6	3	766
\$75,000	\$99,999	130	338	60	15	25	11	579
\$100,000	\$124,999	64	120	14	3	2	1	204
\$125,000	\$149,999	45	113	28	3	2	1	192
\$150,000	\$199,999	26	62	11	5	1	0	106
\$200,000	more	37	47	7	5	3	0	100
Total		3,581	3,697	528	211	55	16	8,088

Source: Claritas & Ribbon Demographics

Renter Household Income

The following table shows the current distribution of renter household incomes for the Market Area. The data set comes from Claritas and Ribbon Demographics.

2020 \$		2020 Households							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total	
\$0	\$9,999	594	259	95	70	11	6	1,035	
\$10,000	\$19,999	794	254	101	45	19	5	1,217	
\$20,000	\$29,999	354	241	162	26	80	38	901	
\$30,000	\$39,999	194	263	137	85	69	33	781	
\$40,000	\$49,999	128	61	115	24	15	6	349	
\$50,000	\$59,999	27	76	31	79	11	2	225	
\$60,000	\$74,999	67	102	50	34	3	0	256	
\$75,000	\$99,999	62	16	50	36	39	20	222	
\$100,000	\$124,999	44	66	15	10	18	14	166	
\$125,000	\$149,999	41	19	17	21	11	3	112	
\$150,000	\$199,999	30	22	11	6	5	0	74	
\$200,000	more	14	27	5	6	5	0	57	
Total		2,348	1,406	788	442	286	125	5,396	

The following table shows the current distribution of 55+ renter household incomes for the Market Area.

2020 \$		2020 Households							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total	
\$0	\$9,999	325	43	24	9	3	0	404	
\$10,000	\$19,999	643	91	17	3	2	0	756	
\$20,000	\$29,999	172	87	15	3	4	0	281	
\$30,000	\$39,999	99	35	12	5	3	0	154	
\$40,000	\$49,999	50	25	9	4	4	0	93	
\$50,000	\$59,999	21	63	17	4	4	0	109	
\$60,000	\$74,999	57	21	26	3	2	0	109	
\$75,000	\$99,999	45	7	13	5	14	6	90	
\$100,000	\$124,999	41	25	10	6	1	0	83	
\$125,000	\$149,999	29	13	8	2	4	1	57	
\$150,000	\$199,999	16	8	5	3	1	0	34	
\$200,000	more	10	3	0	3	2	0	18	
Total		1,508	423	156	51	43	7	2,188	

The following table shows the current distribution of 65+ renter household incomes for the Market Area.

2020 \$		2020 Households							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total	
\$0	\$9,999	172	7	4	3	2	0	189	
\$10,000	\$19,999	440	29	8	2	2	0	482	
\$20,000	\$29,999	146	62	7	2	3	0	220	
\$30,000	\$39,999	58	21	7	3	2	0	92	
\$40,000	\$49,999	31	13	4	2	3	0	53	
\$50,000	\$59,999	17	7	9	4	3	0	40	
\$60,000	\$74,999	48	14	8	2	0	0	72	
\$75,000	\$99,999	35	3	5	3	13	6	65	
\$100,000	\$124,999	17	14	4	2	1	0	39	
\$125,000	\$149,999	15	9	2	1	0	0	28	
\$150,000	\$199,999	9	1	2	2	1	0	15	
\$200,000	more	7	2	0	3	2	0	14	
Total		995	184	62	30	32	6	1,309	

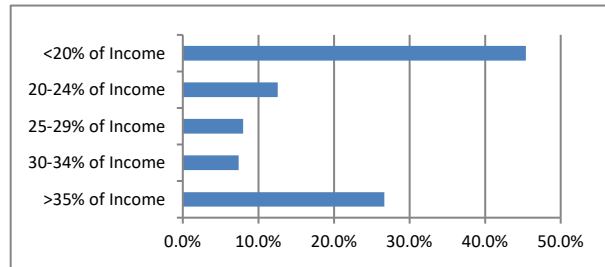
Source: Claritas & Ribbon Demographics

Overburdened Renter Households

The following tables give overburdened renter household data for the Market Area. The data set comes from the U.S. Census Bureau.

Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	45.4%
20-24% of Income Spent on Housing	12.6%
25-29% of Income Spent on Housing	8.0%
30-34% of Income Spent on Housing	7.4%
>35% of Income Spent on Housing	26.7%
Total	100.0%

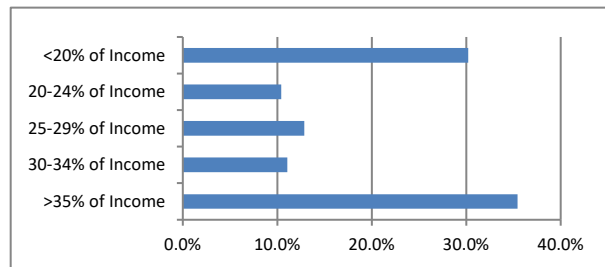
Source: U.S. Census Bureau



Our research suggests that 26.7 percent of the renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 34.1 percent of the renter households are overburdened to 30 percent of income.

55+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	30.2%
20-24% of Income Spent on Housing	10.4%
25-29% of Income Spent on Housing	12.9%
30-34% of Income Spent on Housing	11.1%
>35% of Income Spent on Housing	35.4%
Total	100.0%

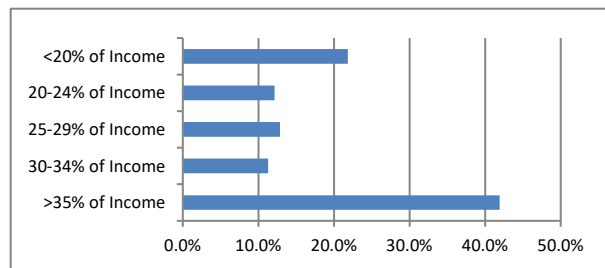
Source: U.S. Census Bureau



Our research suggests that 35.4 percent of the 55+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 46.5 percent of the 55+ renter households are overburdened to 30 percent of income.

65+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	21.8%
20-24% of Income Spent on Housing	12.1%
25-29% of Income Spent on Housing	12.9%
30-34% of Income Spent on Housing	11.3%
>35% of Income Spent on Housing	41.9%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 41.9 percent of the 65+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 53.2 percent of the 65+ renter households are overburdened to 30 percent of income.

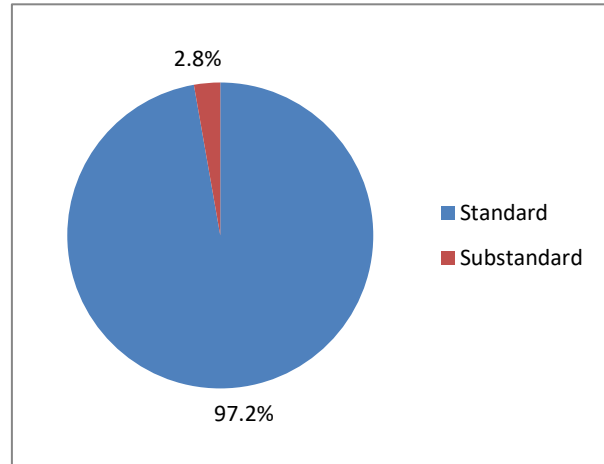
Owner Substandard Units

The U.S. Census Bureau defines substandard housing units as follows: (1) Units without complete plumbing; or (2) Units with 1.00 or more persons per room.

The following tables give owner substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

Owner Substandard Units	
	% of Total
1.00 persons per room or less	97.2%
1.01 to 1.50 persons per room	1.2%
1.51 persons per room or more	0.2%
Complete Plumbing	98.7%
1.00 persons per room or less	1.3%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	1.3%
Standard	97.2%
Substandard	2.8%
Total	100.0%

Source: U.S. Census Bureau



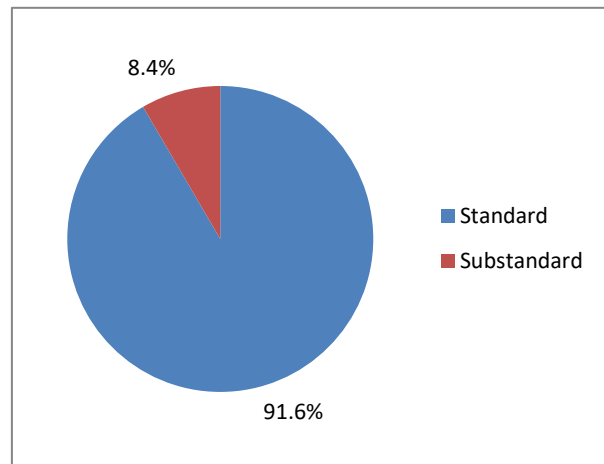
Our research suggests that 2.8 percent of occupied owner housing units in the market area are substandard.

Renter Substandard Units

The following tables give renter substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

Renter Substandard Units	
	% of Total
1.00 persons per room or less	91.6%
1.01 to 1.50 persons per room	3.7%
1.51 persons per room or more	1.6%
Complete Plumbing	96.9%
1.00 persons per room or less	3.1%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	3.1%
Standard	91.6%
Substandard	8.4%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 8.4 percent of renter owner housing units in the market area are substandard.

Owner Movership

The following tables give owner household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

Owner Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Owner to Owner	2.0%	3.1%	4.0%	3.9%	4.2%	4.6%	5.4%	3.3%
Owner to Renter	1.9%	1.7%	3.1%	2.9%	2.9%	4.4%	6.7%	2.4%
Owner Movership Rate	3.8%	4.8%	7.1%	6.9%	7.1%	9.0%	12.1%	5.7%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an owner movership rate of 5.7 percent.

Elderly Owner Movership, by Size								
AHS Survey								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Owner to Owner	2.0%	2.8%	2.3%	1.6%	3.1%	1.0%	3.7%	2.4%
Owner to Renter	1.7%	0.8%	1.4%	2.1%	0.6%	2.6%	0.0%	1.2%
Owner Movership Rate	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly owner movership rate of 3.7 percent.

Renter Movership

The following tables give renter household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

Renter Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Renter to Renter	9.0%	20.0%	28.3%	34.0%	34.3%	37.2%	57.4%	20.3%
Renter to Owner	2.2%	8.2%	8.3%	10.6%	11.6%	9.0%	10.6%	6.4%
Renter Movership Rate	11.1%	28.2%	36.6%	44.6%	46.0%	46.2%	68.0%	26.7%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests a renter movership rate of 26.7 percent.

Elderly Renter Movership, by Size								
AHS Survey								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Renter to Renter	7.4%	6.6%	7.2%	7.6%	6.0%	7.8%	0.0%	7.1%
Renter to Owner	0.6%	1.4%	0.7%	0.4%	2.0%	0.2%	8.0%	0.9%
Renter Movership Rate	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly renter movership rate of 8.0 percent.

SUPPLY ANALYSIS

In conducting our analysis, we began by attempting to compile a list of every multifamily property with 10 or more units in the market area. We included conventionally-financed multifamily communities as well as properties financed by the local housing authority and the state housing finance agency in our listing. We even included properties financed by and/or subsidized by USDA and/or HUD. Finally, we included properties that are either proposed or currently under construction. The result was a listing of projects with 10 or more units - whether existing, under construction, or proposed - for this area. Our rental property inventory listing is found in the pages that follow.

A map showing the location of the properties included in the rental property inventory is found in the pages that follow. Properties identified with red pushpins have 100 percent market rate units (market rate properties), properties identified with yellow pushpins have a mixture of market rate / restricted / subsidized units (restricted properties), and properties identified with blue pushpins have 100 percent project-based rental assistance (subsidized properties).

After accounting for any unconfirmed properties and any properties that are located outside the defined market area, we arrived at a list of confirmed market area properties. This was the listing of properties upon which our analysis is based. In our opinion, the properties included on this list give a credible picture of market conditions as of the effective date of this report. This listing is found in the pages that follow.

Our next step was to compile a master list of unrestricted market rate rent comparables from the listing of confirmed properties. We eliminated any properties which were either under construction, being renovated, in lease up, or which were unstabilized for one reason or another. We identified market rate properties of similar age and condition to the subject property. If we were unable to identify a sufficient number of market rate comparables in the market area, we included market rate properties from outside the market area. If we were still unable to identify a sufficient number of market rate comparables, we included rent restricted properties - provided, however, that the rents charged at these properties were below statutory limits and similar to the rents charged at the market rate properties in the market area (suggesting that these rent restricted properties were *de facto* market rate properties).

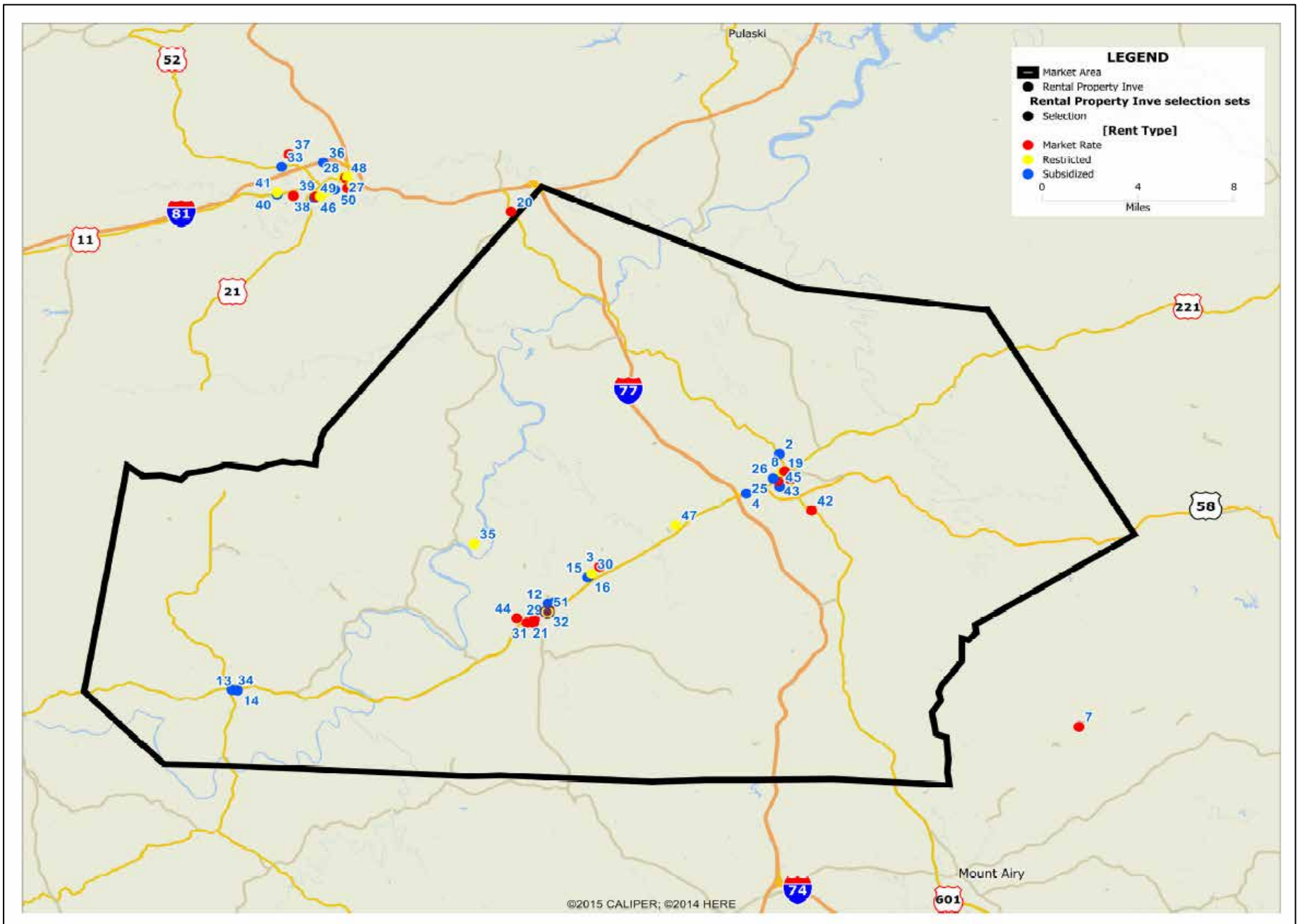
Finally, we compiled a master list of restricted rent comparables from the listing of confirmed properties. We used the same approach described above for unrestricted market rate properties.

The resulting master lists of rent comparables and accompanying locator maps are found in this section as well. Detailed write-ups for the properties included on these lists are found in the Appendix. We include write-ups for *all* of the rent comparables identified on our master lists, regardless of whether they ended up being selected as one of the *best* rent comparables. We did this for two reasons: (1) To be transparent; and (2) To provide the reader with context regarding our selection process.

The balance of this section includes a breakdown of confirmed market area properties by rent type, project status, year built, and financing source. We also include a rent, unit mix, and amenity summary for confirmed market area properties. Finally, we provide summary of vouchers, concessions, and waiting lists for the properties included in this report.

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	Birchwood Apartments	36.9469	-81.0650	1990	na	Market Rate	Family	Stabilized	Conventional	60	2	96.7%
002	Briarleigh Court Apartments	36.7735	-80.7405	1991	na	Subsidized	Elderly	Stabilized	Tax Credit	40	1	97.5%
003	Brookstone Court	36.7000	-80.8756	1999	na	Market Rate	Family	Stabilized	Conventional	39	4	89.7%
004	Carroll House Apartments	36.7477	-80.7654	na	na	Subsidized	Family	Special Needs	HUD	12	1	91.7%
005	Cassell Pines Apartments	36.9544	-81.0650	2006	na	Restricted	Family	Stabilized	Tax Credit	18	0	100.0%
006	Colonial Heights Apartments	36.7571	-80.7322	1991	2015	Market Rate	Family	Stabilized	Conventional	6	0	100.0%
007	Country Place Apartments	36.5955	-80.5155	1978	2016	Market Rate	Family	Stabilized	Conventional	9	2	77.8%
008	Cranberry Apartments	36.7622	-80.7366	1975	na	Market Rate	Family	Stabilized	Conventional	36	0	100.0%
009	Freedom Lane	36.9596	-81.0754	2017	na	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
010	Galax Community Apartments	36.6770	-80.9092	na	na	Subsidized	Family	Unconfirmed	HUD	10	0	100.0%
011	Galax Manor Apartments	36.6770	-80.9092	na	na	Subsidized	Family	Unconfirmed	HUD	10	0	100.0%
012	Glendale Apartments	36.6759	-80.9144	1982	na	Subsidized	Family	Stabilized	HUD	68	1	98.5%
013	Grayson Manor Apartments	36.6195	-81.1477	1998	na	Subsidized	Elderly	Stabilized	Tax Credit	32	1	96.9%
014	Grayson Manor Apartments	36.6195	-81.1477	1998	2015	Subsidized	Elderly	Duplicate	Tax Credit	32	1	96.9%
015	Harmony House Apartments	36.6930	-80.8846	1993	2016	Subsidized	Elderly	Prop Rehab	Tax Credit	40	0	100.0%
016	Harmony Village Apartments	36.6933	-80.8839	1989	2017	Subsidized	Family	Prop Rehab	Tax Credit	42	0	100.0%
017	High Meadows Townhomes	36.9492	-81.0616	2008	na	Restricted	Family	Stabilized	Tax Credit	60	2	96.7%
018	Hillcrest Apartments	36.7615	-80.7389	1979	na	Market Rate	Family	Duplicate	Conventional	13	4	69.2%
019	Hillcrest Apartments	36.7615	-80.7389	1979	2013	Restricted	Family	Stabilized	Bond	14	0	100.0%
020	Ron Hughes - Lavender Rd	36.9315	-80.9422	2009	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
021	Ivywood Apartments	36.6633	-80.9303	1988	na	Market Rate	Family	Stabilized	Conventional	10	2	80.0%
022	Jefferson Place (and Byrd Hill)	36.9451	-81.0796	na	1990	Restricted	Family	Unconfirmed	Tax Credit	2	0	100.0%
023	Jefferson Union	36.9416	-81.0854	2012	na	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
024	Larkspur Apartments	36.6761	-80.9086	1987	na	Market Rate	Family	Stabilized	Conventional	18	2	88.9%
025	Laurel Ridge Apartments	36.7576	-80.7451	1978	na	Subsidized	Family	Stabilized	HUD	56	0	100.0%
026	Laurel Ridge Apartments	36.7576	-80.7451	1980	2019	Subsidized	Family	Prop Rehab	Tax Credit	56	0	100.0%
027	Longview Apartments	36.9540	-81.0684	1985	na	Restricted	Family	Stabilized	RD	46	0	100.0%
028	Longview Village Apartments	36.9538	-81.0668	1991	na	Subsidized	Elderly	Stabilized	Tax Credit	44	0	100.0%
029	Madison Street Apartments	36.6655	-80.9247	1971	2012	Market Rate	Family	Stabilized	Conventional	12	1	91.7%
030	Melton's Run Apartments	36.6955	-80.8817	2004	na	Restricted	Family	Stabilized	Tax Credit	48	1	97.9%
031	Midtown Apartments	36.6632	-80.9253	1997	na	Market Rate	Family	Stabilized	Conventional	30	0	100.0%
032	Northway	36.6706	-80.9149	1973	2004	Restricted	Family	Stabilized	Tax Credit	72	2	97.2%
033	Northwinds Apartments	36.9608	-81.1146	1978	2014	Subsidized	Family	Stabilized	Tax Credit	144	3	97.9%
034	Penn Court Apartments	36.6198	-81.1518	1983	na	Subsidized	Family	Stabilized	RD	48	0	100.0%
035	Riverview Elderly Housing	36.7149	-80.9700	1989	2013	Restricted	Elderly	Stabilized	Tax Credit	32	0	100.0%
036	Rolling Hills Townhomes	36.9637	-81.0833	1983	na	Subsidized	Family	Stabilized	RD	14	0	100.0%
037	Ron Hughes Apartments, Construction & I	36.9690	-81.1090	2012	na	Market Rate	Family	Stabilized	Conventional	3	0	100.0%
038	Ron Hughes Apts, Construction a& Mini S	36.9414	-81.0888	2001	na	Market Rate	Family	Unconfirmed	Conventional	3	0	100.0%
039	S & K Apartments	36.9419	-81.1058	1980	na	Market Rate	Family	Unconfirmed	Conventional	8	0	100.0%
040	Southridge Apartments ~ Elderly	36.9428	-81.1179	na	2000	Subsidized	Elderly	Stabilized	Tax Credit	12	0	100.0%
041	Southridge Apartments ~ Family	36.9441	-81.1181	2000	na	Restricted	Family	Stabilized	Tax Credit	8	0	100.0%
042	Stable Inn Apartments	36.7367	-80.7163	1965	na	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
043	Stuart Drive Apartments	36.7560	-80.7416	1994	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
044	Walnut Hill Apartments	36.6664	-80.9379	1975	2007	Market Rate	Family	Stabilized	Conventional	10	0	100.0%
045	Westview Terrace Apartments	36.7523	-80.7404	1980	na	Subsidized	Family	Unconfirmed	HUD	48	0	100.0%
046	Westwood Apartments	36.9406	-81.0898	1982	2011	Subsidized	Family	Stabilized	Tax Credit	36	0	100.0%
047	Woodlawn School Apartments	36.7270	-80.8185	1917	2019	Restricted	Family	Prop Rehab	Tax Credit	51	51	0.0%
048	Wythe Housing	36.9538	-81.0668	na	na	Market Rate	Elderly	Non-Inventory	Tax Credit	0	0	0.0%
049	Wythe Supervised Apartments	36.9406	-81.0898	1997	na	Subsidized	Family	Special Needs	Other	4	0	100.0%
050	Wytheville Commons Apartments	36.9459	-81.0747	na	na	Subsidized	Family	Unconfirmed	HUD	10	0	100.0%
051	Northway	36.6706	-80.9149	1973	2020	Restricted	Family	Prop Rehab	Tax Credit	72	2	97.2%



Rental Property Inventory, Unconfirmed

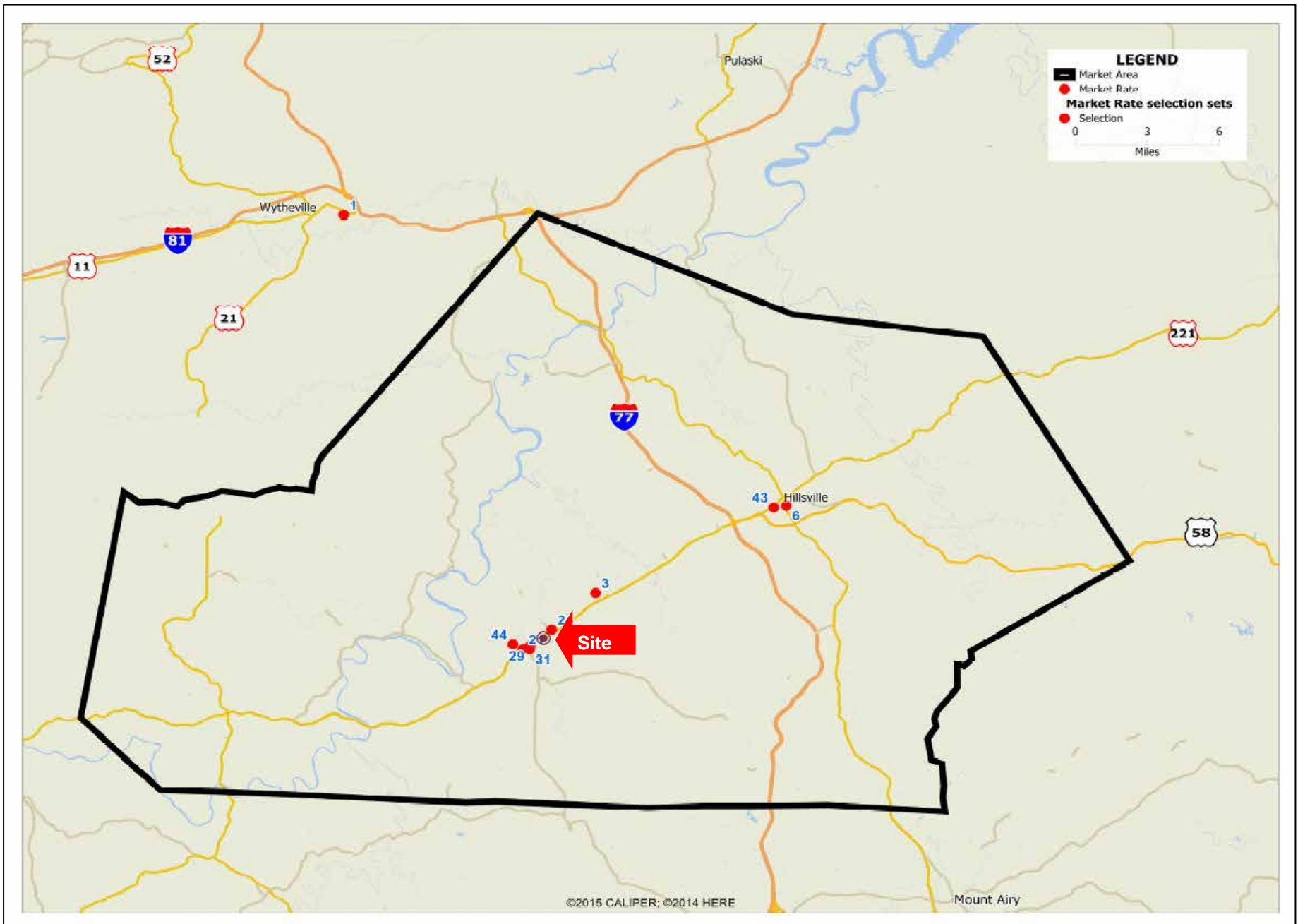
Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
010	Galax Community Apartments	36.6770	-80.9092	na	na	Subsidized	Family	Unconfirmed	HUD	10	0	100.0%
011	Galax Manor Apartments	36.6770	-80.9092	na	na	Subsidized	Family	Unconfirmed	HUD	10	0	100.0%
020	Ron Hughes - Lavender Rd	36.9315	-80.9422	2009	na	Market Rate	Family	Unconfirmed	Conventional	0	0	0.0%
022	Jefferson Place (and Byrd Hill)	36.9451	-81.0796	na	1990	Restricted	Family	Unconfirmed	Tax Credit	2	0	100.0%
038	Ron Hughes Apts, Construction a& Mini St	36.9414	-81.0888	2001	na	Market Rate	Family	Unconfirmed	Conventional	3	0	100.0%
039	S & K Apartments	36.9419	-81.1058	1980	na	Market Rate	Family	Unconfirmed	Conventional	8	0	100.0%
045	Westview Terrace Apartments	36.7523	-80.7404	1980	na	Subsidized	Family	Unconfirmed	HUD	48	0	100.0%
050	Wytheville Commons Apartments	36.9459	-81.0747	na	na	Subsidized	Family	Unconfirmed	HUD	10	0	100.0%

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
002	Briarleigh Court Apartments	36.7735	-80.7405	1991	na	Subsidized	Elderly	Stabilized	Tax Credit	40	1	97.5%
003	Brookstone Court	36.7000	-80.8756	1999	na	Market Rate	Family	Stabilized	Conventional	39	4	89.7%
006	Colonial Heights Apartments	36.7571	-80.7322	1991	2015	Market Rate	Family	Stabilized	Conventional	6	0	100.0%
008	Cranberry Apartments	36.7622	-80.7366	1975	na	Market Rate	Family	Stabilized	Conventional	36	0	100.0%
012	Glendale Apartments	36.6759	-80.9144	1982	na	Subsidized	Family	Stabilized	HUD	68	1	98.5%
013	Grayson Manor Apartments	36.6195	-81.1477	1998	na	Subsidized	Elderly	Stabilized	Tax Credit	32	1	96.9%
015	Harmony House Apartments	36.6930	-80.8846	1993	2016	Subsidized	Elderly	Prop Rehab	Tax Credit	40	0	100.0%
016	Harmony Village Apartments	36.6933	-80.8839	1989	2017	Subsidized	Family	Prop Rehab	Tax Credit	42	0	100.0%
019	Hillcrest Apartments	36.7615	-80.7389	1979	2013	Restricted	Family	Stabilized	Bond	14	0	100.0%
021	Ivywood Apartments	36.6633	-80.9303	1988	na	Market Rate	Family	Stabilized	Conventional	10	2	80.0%
024	Larkspur Apartments	36.6761	-80.9086	1987	na	Market Rate	Family	Stabilized	Conventional	18	2	88.9%
026	Laurel Ridge Apartments	36.7576	-80.7451	1980	2019	Subsidized	Family	Prop Rehab	Tax Credit	56	0	100.0%
029	Madison Street Apartments	36.6655	-80.9247	1971	2012	Market Rate	Family	Stabilized	Conventional	12	1	91.7%
030	Melton's Run Apartments	36.6955	-80.8817	2004	na	Restricted	Family	Stabilized	Tax Credit	48	1	97.9%
031	Midtown Apartments	36.6632	-80.9253	1997	na	Market Rate	Family	Stabilized	Conventional	30	0	100.0%
032	Northway	36.6706	-80.9149	1973	2004	Restricted	Family	Stabilized	Tax Credit	72	2	97.2%
034	Penn Court Apartments	36.6198	-81.1518	1983	na	Subsidized	Family	Stabilized	RD	48	0	100.0%
035	Riverview Elderly Housing	36.7149	-80.9700	1989	2013	Restricted	Elderly	Stabilized	Tax Credit	32	0	100.0%
042	Stable Inn Apartments	36.7367	-80.7163	1965	na	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
043	Stuart Drive Apartments	36.7560	-80.7416	1994	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
044	Walnut Hill Apartments	36.6664	-80.9379	1975	2007	Market Rate	Family	Stabilized	Conventional	10	0	100.0%
047	Woodlawn School Apartments	36.7270	-80.8185	1917	2019	Restricted	Family	Prop Rehab	Tax Credit	51	51	0.0%

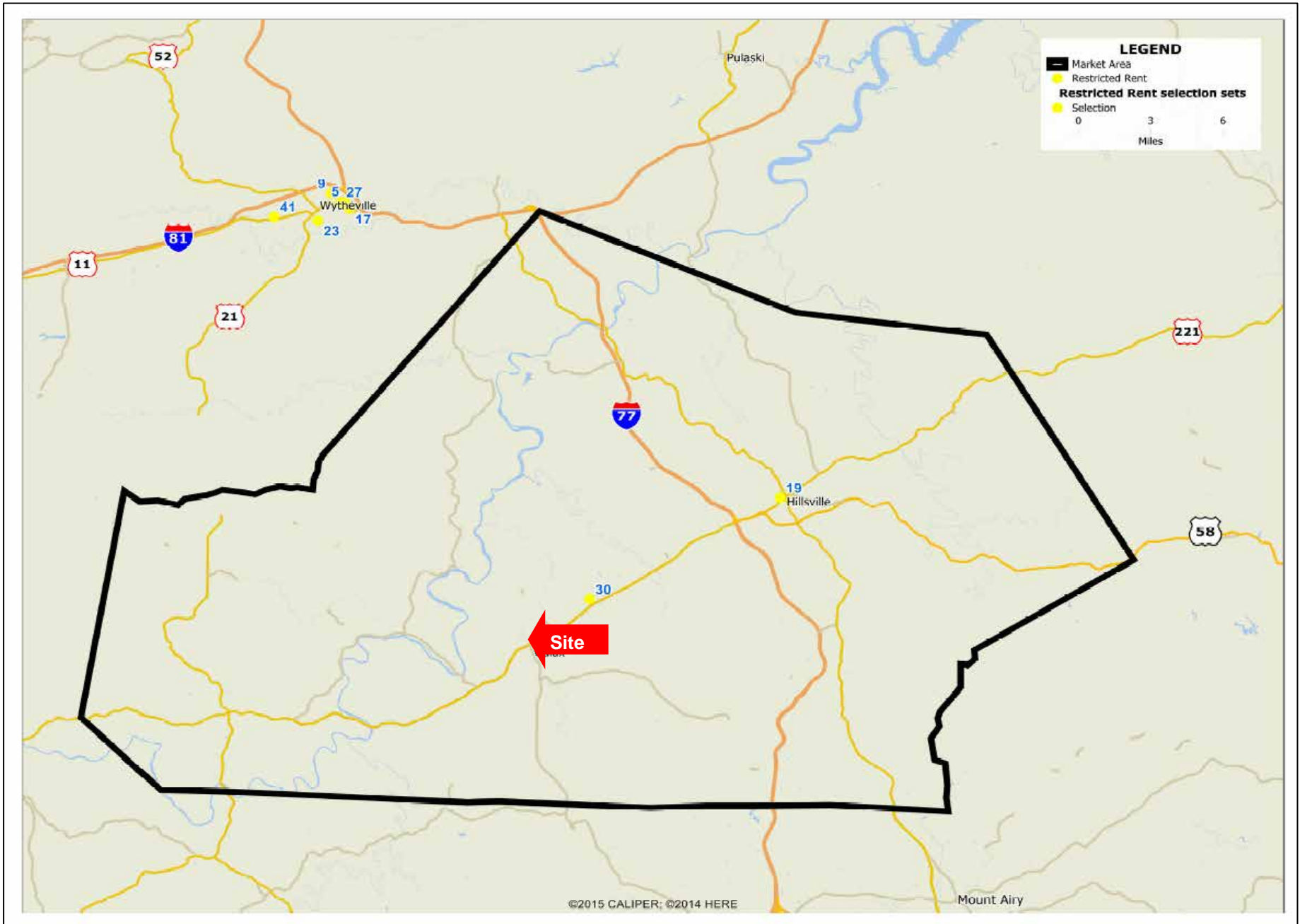
Master List of Market Rate Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	Birchwood Apartments	36.9469	-81.0650	1990	na	Market Rate	Family	Stabilized	Conventional	60	2	96.7%
003	Brookstone Court	36.7000	-80.8756	1999	na	Market Rate	Family	Stabilized	Conventional	39	4	89.7%
006	Colonial Heights Apartments	36.7571	-80.7322	1991	2015	Market Rate	Family	Stabilized	Conventional	6	0	100.0%
021	Ivywood Apartments	36.6633	-80.9303	1988	na	Market Rate	Family	Stabilized	Conventional	10	2	80.0%
024	Larkspur Apartments	36.6761	-80.9086	1987	na	Market Rate	Family	Stabilized	Conventional	18	2	88.9%
029	Madison Street Apartments	36.6655	-80.9247	1971	2012	Market Rate	Family	Stabilized	Conventional	12	1	91.7%
031	Midtown Apartments	36.6632	-80.9253	1997	na	Market Rate	Family	Stabilized	Conventional	30	0	100.0%
043	Stuart Drive Apartments	36.7560	-80.7416	1994	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
044	Walnut Hill Apartments	36.6664	-80.9379	1975	2007	Market Rate	Family	Stabilized	Conventional	10	0	100.0%



Master List of Restricted Rent Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
005	Cassell Pines Apartments	36.9544	-81.0650	2006	na	Restricted	Family	Stabilized	Tax Credit	18	0	100.0%
009	Freedom Lane	36.9596	-81.0754	2017	na	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
017	High Meadows Townhomes	36.9492	-81.0616	2008	na	Restricted	Family	Stabilized	Tax Credit	60	2	96.7%
019	Hillcrest Apartments	36.7615	-80.7389	1979	2013	Restricted	Family	Stabilized	Bond	14	0	100.0%
023	Jefferson Union	36.9416	-81.0854	2012	na	Restricted	Family	Stabilized	Tax Credit	24	0	100.0%
027	Longview Apartments	36.9540	-81.0684	1985	na	Restricted	Family	Stabilized	RD	46	0	100.0%
030	Melton's Run Apartments	36.6955	-80.8817	2004	na	Restricted	Family	Stabilized	Tax Credit	48	1	97.9%
041	Southridge Apartments ~ Family	36.9441	-81.1181	2000	na	Restricted	Family	Stabilized	Tax Credit	8	0	100.0%



Rental Property Inventory, Confirmed, Inside Market Area, by Rent Type

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by rent type:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Market Rate		10	10
Restricted	1	4	5
Subsidized	3	4	7
Total	4	18	22

Total Units			
	Elderly	Family	Total
Market Rate		173	173
Restricted	1	125	126
Subsidized	143	274	417
Total	144	572	716

Vacant Units			
	Elderly	Family	Total
Market Rate		9	9
Restricted		54	54
Subsidized	2	1	3
Total	2	64	66

Occupancy Rate			
	Elderly	Family	Total
Market Rate		95%	95%
Restricted	100%	57%	57%
Subsidized	99%	100%	99%
Total	99%	89%	91%

Source: Allen & Associates



Our analysis includes a total of 22 confirmed market area properties consisting of 716 units. The occupancy rate for these units currently stands at 91 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

Confirmed market area properties break down by rent type and tenure as shown in the tables above.

Rental Property Inventory, Confirmed, Inside Market Area, by Project Status

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by project status:

Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Total Properties					Total Properties				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	2	1		3	Stabilized	2	3	10	15
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab	1			1	Prop Rehab	2	1		3
Unstabilized					Unstabilized				
Subtotal	1			1	Subtotal	2	1		3
Total	3	1		4	Total	4	4	10	18

Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	103	1		104	Stabilized	176	74	173	423
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab	40			40	Prop Rehab	98	51		149
Unstabilized					Unstabilized				
Subtotal	40			40	Subtotal	98	51		149
Total	143	1		144	Total	274	125	173	572

Vacant Units					Vacant Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	2			2	Stabilized	1	3	9	13
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab					Prop Rehab		51		51
Unstabilized					Unstabilized				
Subtotal					Subtotal		51		51
Total	2			2	Total	1	54	9	64

Source: Allen & Associates

Our survey includes a total of 18 stabilized market area properties consisting of 527 units standing at 97 percent occupancy.

Our survey also includes a total of 4 market area properties consisting of 189 units that are not yet stabilized. Unstabilized units (also referred to as pipeline units) include vacant units in lease up, construction, rehabilitation, proposed new construction, and units with proposed renovation plans.

Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Occupancy Rate					Occupancy Rate				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	98%	100%		98%	Stabilized	99%	96%	95%	97%
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation				
Prop Const					Prop Const				
Prop Rehab	100%			100%	Prop Rehab	100%	0%		66%
Unstabilized					Unstabilized				
Subtotal	100%			100%	Subtotal	100%	0%		66%
Total	99%	100%		99%	Total	100%	57%	95%	89%

Source: Allen & Associates

Occupancies of stabilized market area properties broken out by occupancy type (elderly or family) and rent type (subsidized, restricted or market rate) are found below:



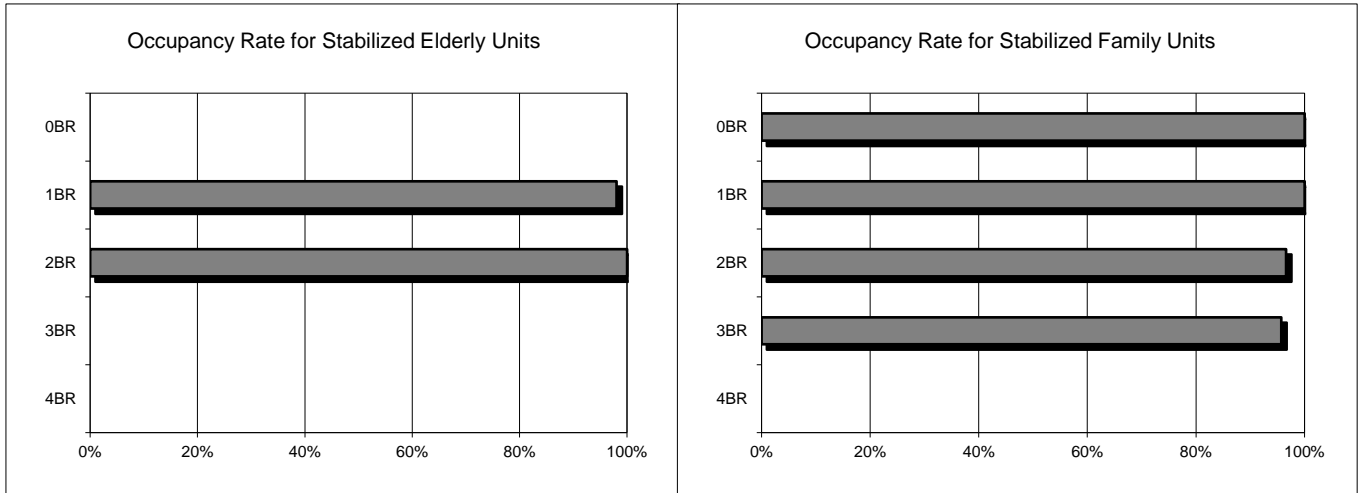
Our research suggests the following occupancy levels for the 104 stabilized elderly units in this market area:

- Subsidized, 98 percent (103 units in survey)
- Restricted, 100 percent (1 units in survey)
- Market Rate, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 423 stabilized family units in this market area:

- Subsidized, 99 percent (176 units in survey)
- Restricted, 96 percent (74 units in survey)
- Market Rate, 95 percent (173 units in survey)

Occupancy rates for stabilized market area properties broken out by occupancy type (elderly or family) and unit type are found below (supporting data is found in the pages that follow):



Our research suggests the following occupancy levels for the 104 stabilized elderly units in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 98 percent (103 units in survey)
- 2-Bedroom, 100 percent (1 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 423 stabilized family units in this market area:

- 0-Bedroom, 100 percent (8 units in survey)
- 1-Bedroom, 100 percent (57 units in survey)
- 2-Bedroom, 97 percent (265 units in survey)
- 3-Bedroom, 96 percent (93 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Rental Property Inventory, Confirmed, Inside Market Area, 0-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								1	1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								1	1
Total								1	1

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								8	8
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal								8	8
Total								8	8

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								100%	100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total								100%	100%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 1-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	3			1					4
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	1								1
Unstabilized									
Subtotal	1								1
Total	4			1					5

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	2			2	1				3
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	2		1		1				4
Unstabilized									
Subtotal	2		1		1				4
Total	4		1	2	2			3	12

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	102			1					103
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	40								40
Unstabilized									
Subtotal	40								40
Total	142			1					143

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	17			4	5				31
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	26		2		8				36
Unstabilized									
Subtotal	26		2		8				36
Total	43		2	4	13			31	93

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	2								2
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	2								2

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab			2		8				10
Unstabilized									
Subtotal			2		8				10
Total			2		8				10

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	98%			100%					98%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	100%								100%
Unstabilized									
Subtotal	100%								100%
Total	99%			100%					99%

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%			100%	100%			100%	100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	100%		0%		0%				72%
Unstabilized									
Subtotal	100%		0%		0%				72%
Total	100%		0%	100%	38%			100%	89%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 2-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	1								1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	1								1

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	3			3	3			8	17
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	2		1		1				4
Unstabilized									
Subtotal	2		1		1				4
Total	5		1	3	4			8	21

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	1								1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	1								1

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	125			16	23			101	265
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	58		2		24				84
Unstabilized									
Subtotal	58		2		24				84
Total	183		2	16	47			101	349

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	1				1			7	9
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab			2		24				26
Unstabilized									
Subtotal			2		24				26
Total	1		2		25			7	35

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%								100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%								100%

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	99%			100%	96%			93%	97%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	100%		0%		0%				69%
Unstabilized									
Subtotal	100%		0%		0%				69%
Total	99%		0%	100%	47%			93%	90%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 3-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	3			2	2			4	11
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	1		1	1	1				4
Unstabilized									
Subtotal	1		1	1	1				4
Total	4		1	3	3			4	15

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	34			20	6			33	93
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	9		2	5	8				24
Unstabilized									
Subtotal	9		2	5	8				24
Total	43		2	25	14			33	117

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized				2				2	4
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab			2	5	8				15
Unstabilized									
Subtotal			2	5	8				15
Total			2	7	8			2	19

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%			90%	100%			94%	96%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	100%		0%	0%	0%				38%
Unstabilized									
Subtotal	100%		0%	0%	0%				38%
Total	100%		0%	72%	43%			94%	84%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 4-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	1								1
Unstabilized									
Subtotal	1								1
Total	1								1

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	5								5
Unstabilized									
Subtotal	5								5
Total	5								5

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab	100%								100%
Unstabilized									
Subtotal	100%								100%
Total	100%								100%

Source: Allen & Associates

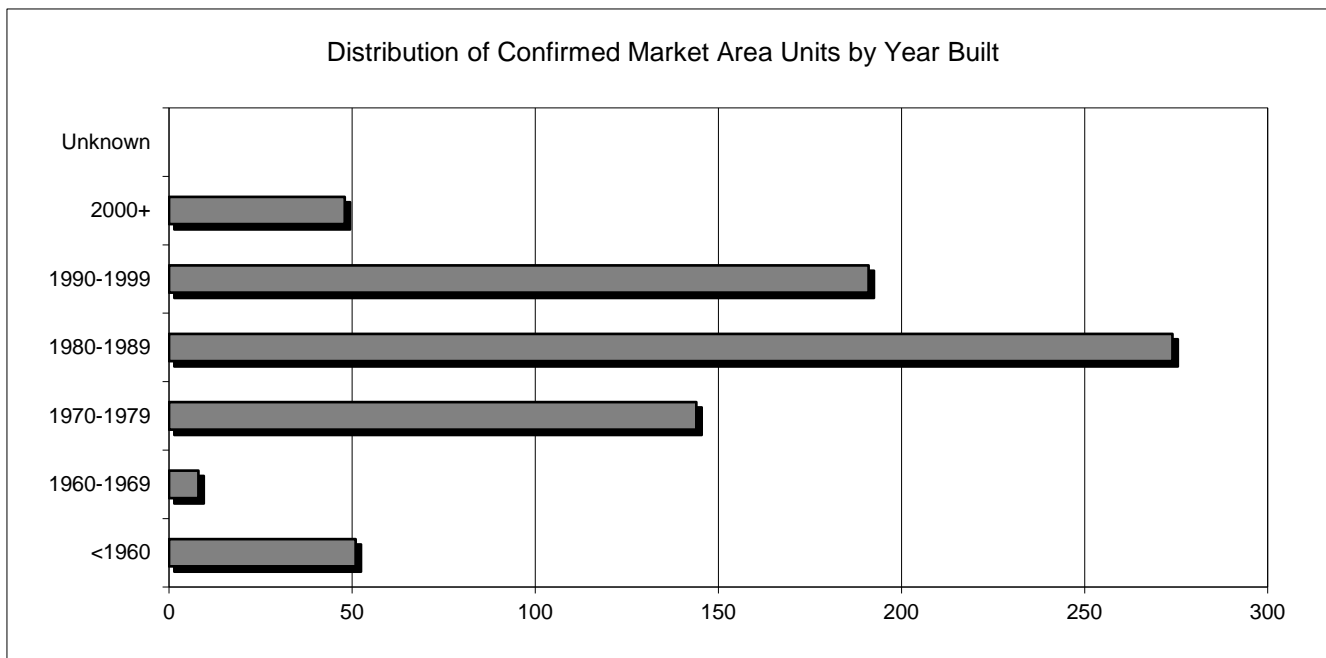
Rental Property Inventory, Confirmed, Inside Market Area, by Year Built

The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by year built:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
<1960		1	1
1960-1969		1	1
1970-1979		5	5
1980-1989	1	6	7
1990-1999	3	4	7
2000+		1	1
Unknown			
Total	4	18	22

Total Units			
	Elderly	Family	Total
<1960		51	51
1960-1969		8	8
1970-1979		144	144
1980-1989	32	242	274
1990-1999	112	79	191
2000+		48	48
Unknown			
Total	144	572	716

Source: Allen & Associates



Our research suggests that of the 22 confirmed market area properties (716 units) included in this report, 1 property (51 units) was constructed before 1960, 1 property (8 units) was constructed between 1960 and 1969, 5 properties (144 units) between 1970 and 1979, 7 properties (274 units) between 1980 and 1989, 7 properties (191 units) between 1990 and 1999, and 1 property (48 units) after 2000. In addition, 0 properties (0 units) had an unknown date of construction.

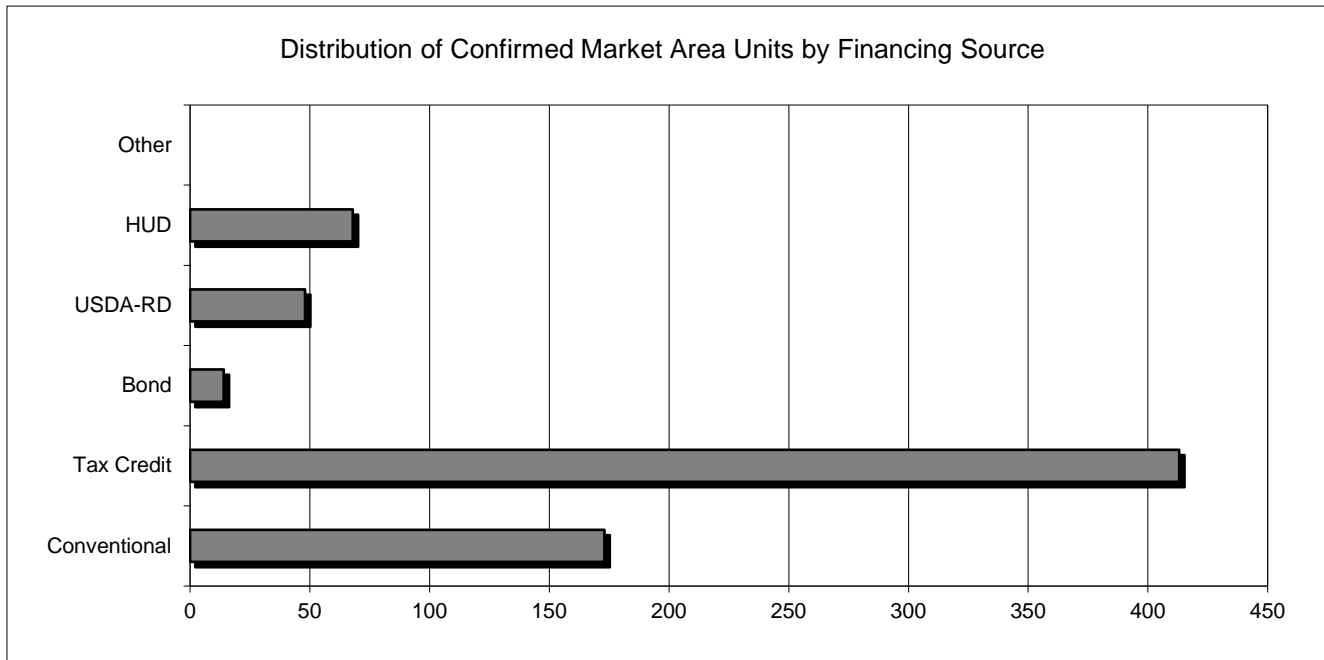
Rental Property Inventory, Confirmed, Inside Market Area, by Financing Source

The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by financing source:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Conventional		10	10
Tax Credit	4	5	9
Bond		1	1
USDA-RD		1	1
HUD		1	1
Other			
Total	4	18	22

Total Units			
	Elderly	Family	Total
Conventional		173	173
Tax Credit	144	269	413
Bond		14	14
USDA-RD		48	48
HUD		68	68
Other			
Total	144	572	716

Source: Allen & Associates



Our research suggests that of the 22 confirmed properties in the market area, 10 properties (consisting of 173 units) are conventionally financed, 9 properties (consisting of 413 units) include tax credit financing, 1 property (consisting of 14 units) is bond financed, 1 property (consisting of 48 units) is exclusively USDA-RD financed, and 1 property (consisting of 68 units) is exclusively HUD financed.

The average project size for this market area is 33 units. The smallest projects are bond financed, averaging 14 units in size. The largest projects are exclusively HUD financed, averaging 68 units in size.

Rental Property Inventory, Confirmed, Inside Market Area, Rent Summary

The following tables and graphs provide a summary of the rents charged at confirmed market area properties broken out by unit type:

Rental Property Inventory, Confirmed, Inside Market Area

Rents									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	-	-	-	\$294	\$294	\$294
1-Bedroom	\$342	\$565	\$464	\$330	\$430	\$371	\$335	\$625	\$453
2-Bedroom	\$413	\$725	\$543	\$415	\$515	\$451	\$348	\$715	\$545
3-Bedroom	\$473	\$850	\$689	\$455	\$580	\$506	\$360	\$725	\$613
4-Bedroom	\$950	\$950	\$950	-	-	-	-	-	-

Unit Size

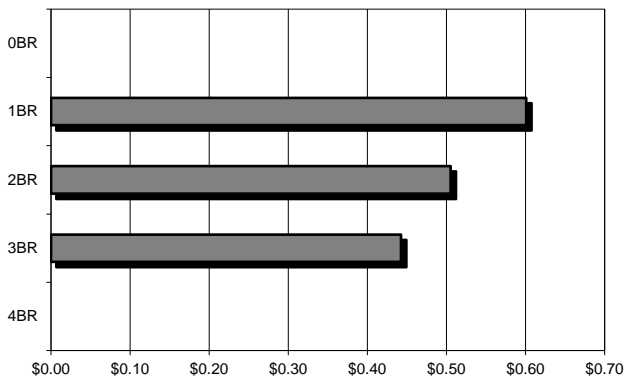
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	-	-	-	500	500	500
1-Bedroom	538	700	616	576	714	618	600	700	658
2-Bedroom	788	1,085	925	766	1,100	893	771	1,156	985
3-Bedroom	942	1,273	1,103	952	1,362	1,144	1,083	2,000	1,335
4-Bedroom	1,488	1,488	1,488	-	-	-	-	-	-

Rent per Square Foot

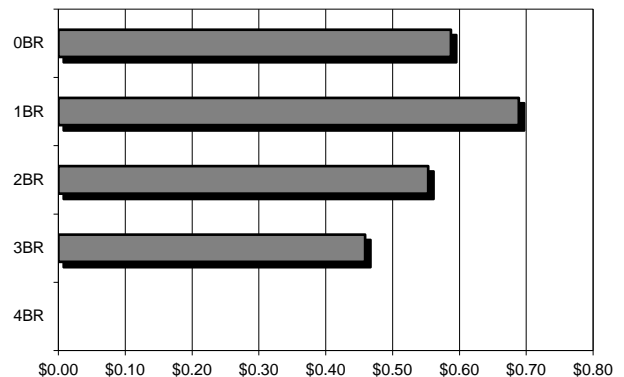
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	-	-	-	-	-	-	\$0.59	\$0.59	\$0.59
1-Bedroom	\$0.64	\$0.81	\$0.75	\$0.57	\$0.60	\$0.60	\$0.56	\$0.89	\$0.69
2-Bedroom	\$0.52	\$0.67	\$0.59	\$0.47	\$0.54	\$0.51	\$0.45	\$0.62	\$0.55
3-Bedroom	\$0.50	\$0.67	\$0.62	\$0.43	\$0.48	\$0.44	\$0.33	\$0.36	\$0.46
4-Bedroom	\$0.64	\$0.64	\$0.64	-	-	-	-	-	-

Source: Allen & Associates

Rent per Square Foot for Restricted Units



Rent per Square Foot for Market Rate Units



Our research suggests the following average rent levels for confirmed restricted rent units:

- 0-Bedroom, not applicable
- 1-Bedroom, \$0.60 per square foot
- 2-Bedroom, \$0.51 per square foot
- 3-Bedroom, \$0.44 per square foot
- 4-Bedroom, not applicable

Our research suggests the following average rent levels for confirmed market rate units:

- 0-Bedroom, \$0.59 per square foot
- 1-Bedroom, \$0.69 per square foot
- 2-Bedroom, \$0.55 per square foot
- 3-Bedroom, \$0.46 per square foot
- 4-Bedroom, not applicable

A detailed listing of rents and floor areas for confirmed market area properties by unit type and income target is found in the following pages.

Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

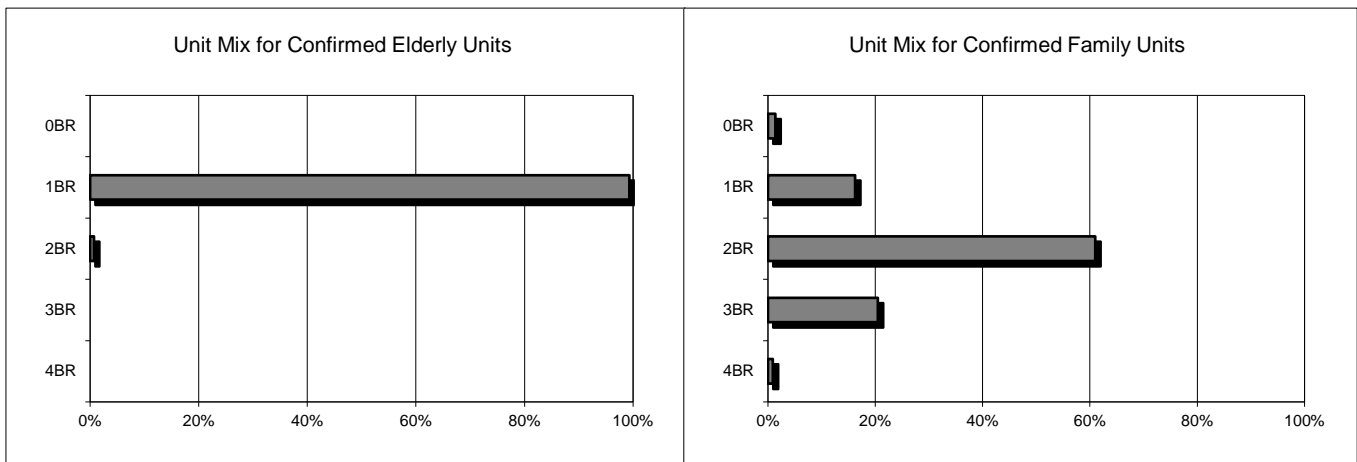
In the tables and graphs found below we present a breakdown of unit mix for confirmed market area properties broken out by occupancy type (elderly or family):

Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

Elderly					Family				
Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom					0-Bedroom			8	8
1-Bedroom	142	1		143	1-Bedroom	43	19	31	93
2-Bedroom	1			1	2-Bedroom	183	65	101	349
3-Bedroom					3-Bedroom	43	41	33	117
4-Bedroom					4-Bedroom	5			5
Total	143	1		144	Total	274	125	173	572

Elderly					Family				
Unit Mix					Unit Mix				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom					0-Bedroom			5%	1%
1-Bedroom	99%	100%		99%	1-Bedroom	16%	15%	18%	16%
2-Bedroom	1%			1%	2-Bedroom	67%	52%	58%	61%
3-Bedroom					3-Bedroom	16%	33%	19%	20%
4-Bedroom					4-Bedroom	2%			1%
Total	100%	100%		100%	Total	100%	100%	100%	100%

Source: Allen & Associates



Our research suggests the following unit mix for the 144 confirmed elderly units located in this market area:

- 0-Bedroom, not applicable (0 units in survey)
- 1-Bedroom, 99 percent (143 units in survey)
- 2-Bedroom, 1 percent (1 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following unit mix for the 572 confirmed family units located in this market area:

- 0-Bedroom, 1 percent (8 units in survey)
- 1-Bedroom, 16 percent (93 units in survey)
- 2-Bedroom, 61 percent (349 units in survey)
- 3-Bedroom, 20 percent (117 units in survey)
- 4-Bedroom, 1 percent (5 units in survey)

Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary

In the table found below we present a summary of amenities found at confirmed market area properties:

Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary			
Building Type		Air Conditioning	
1 Story	9%	Central	77%
2-4 Story	91%	Wall Units	9%
5-10 Story	0%	Window Units	0%
>10 Story	0%	None	14%
Project Amenities		Heat	
Ball Field	0%	Central	82%
BBQ Area	32%	Wall Units	9%
Billiards	0%	Baseboards	9%
Bus/Comp Ctr	9%	Radiators	0%
Car Care Ctr	0%	None	0%
Comm Center	41%		
Elevator	14%	Parking	
Fitness Center	9%	Garage	0%
Gazebo	14%	Covered	0%
Hot Tub/Jacuzzi	0%	Assigned	5%
Horseshoe Pit	0%	Open	100%
Lake	0%	None	0%
Library	9%		
Movie Theatre	5%	Laundry	
Picnic Area	36%	Central	59%
Playground	27%	W/D Units	9%
Pool	0%	W/D Hookups	27%
Sauna	0%		
Sports Court	5%	Security	
Walking Trail	0%	Call Buttons	18%
		Cont Access	5%
		Courtesy Officer	0%
		Monitoring	0%
		Security Alarms	0%
		Security Patrols	5%
Unit Amenities		Services	
Blinds	95%	After School	0%
Ceiling Fans	9%	Concierge	0%
Upgraded Flooring	95%	Hair Salon	0%
Fireplace	0%	Health Care	5%
Patio/Balcony	50%	Linens	0%
Storage	5%	Meals	0%
		Transportation	9%
Kitchen Amenities			
Stove	100%		
Refrigerator	100%		
Disposal	18%		
Dishwasher	32%		
Microwave	0%		

Source: Allen & Associates

Our research suggests that 9 percent of confirmed market area properties are 1 story in height, 91 percent are 2-4 stories in height, 0 percent are 5-10 stories in height, and 0 percent are over 10 stories in height. In addition, surveyed properties benefit from the following project amenities: 9 percent have a business/computer center, 41 percent have a community center, 9 percent have a fitness center, 27 percent have a playground, and 5 percent have a sports court.

Our research also suggests that the following unit amenities are present at surveyed properties: 95 percent have blinds, 95 percent have carpeting, 50 percent have patios/balconies, and 5 percent have outside storage. Surveyed properties also include the following kitchen amenities: 100 percent have a stove, 100 percent have a refrigerator, 18 percent have a disposal, 32 percent have a dishwasher, and 0 percent have a microwave.

In addition, 82 percent of confirmed market area properties have central heat while 77 percent have central air. Our research also suggests that 100 percent of surveyed properties have open parking. A total of 59 percent of area properties have central laundry facilities, while 27 percent have washer/dryer hookups, and 9 percent have washer/dryer units in each residential unit.

A total of 18 percent of confirmed market area properties have call buttons, 5 percent have controlled access, and 0 percent have security alarms.

It is also our understanding that the majority of confirmed market area properties provide cable access.

Finally, in the following pages we provide a summary of vouchers, concessions and waiting lists for the confirmed market area properties included in this report. We also include any absorption information we have uncovered as part of our research.

Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy	Concessions	Vouchers	Abs Rate	Waiting List
002	Briarleigh Court Apartments	36.7735	-80.7405	1991	na	Subsidized	Elderly	Stabilized	Tax Credit	40	1	97.5%	0%	0%	-	2 people
003	Brookstone Court	36.7000	-80.8756	1999	na	Market Rate	Family	Stabilized	Conventional	39	4	89.7%	0%	3%	-	-
006	Colonial Heights Apartments	36.7571	-80.7322	1991	2015	Market Rate	Family	Stabilized	Conventional	6	0	100.0%	0%	0%	-	no
008	Cranberry Apartments	36.7622	-80.7366	1975	na	Market Rate	Family	Stabilized	Conventional	36	0	100.0%	0%	0%	-	-
012	Glendale Apartments	36.6759	-80.9144	1982	na	Subsidized	Family	Stabilized	HUD	68	1	98.5%	0%	0%	-	10 people
013	Grayson Manor Apartments	36.6195	-81.1477	1998	na	Subsidized	Elderly	Stabilized	Tax Credit	32	1	96.9%	0%	0%	-	1 person
015	Harmony House Apartments	36.6930	-80.8846	1993	2016	Subsidized	Elderly	Prop Rehab	Tax Credit	40	0	100.0%	0%	0%	-	-
016	Harmony Village Apartments	36.6933	-80.8839	1989	2017	Subsidized	Family	Prop Rehab	Tax Credit	42	0	100.0%	0%	0%	-	-
019	Hillcrest Apartments	36.7615	-80.7389	1979	2013	Restricted	Family	Stabilized	Bond	14	0	100.0%	0%	0%	0.82	-
021	Ivywood Apartments	36.6633	-80.9303	1988	na	Market Rate	Family	Stabilized	Conventional	10	2	80.0%	0%	0%	-	-
024	Larkspur Apartments	36.6761	-80.9086	1987	na	Market Rate	Family	Stabilized	Conventional	18	2	88.9%	0%	0%	-	no
026	Laurel Ridge Apartments	36.7576	-80.7451	1980	2019	Subsidized	Family	Prop Rehab	Tax Credit	56	0	100.0%	0%	0%	-	11 people
029	Madison Street Apartments	36.6655	-80.9247	1971	2012	Market Rate	Family	Stabilized	Conventional	12	1	91.7%	0%	8%	-	no
030	Melton's Run Apartments	36.6955	-80.8817	2004	na	Restricted	Family	Stabilized	Tax Credit	48	1	97.9%	0%	31%	-	6 people
031	Midtown Apartments	36.6632	-80.9253	1997	na	Market Rate	Family	Stabilized	Conventional	30	0	100.0%	0%	0%	-	-
032	Northway	36.6706	-80.9149	1973	2004	Restricted	Family	Stabilized	Tax Credit	72	2	97.2%	0%	7%	-	25 people
034	Penn Court Apartments	36.6198	-81.1518	1983	na	Subsidized	Family	Stabilized	RD	48	0	100.0%	0%	0%	-	13 people
035	Riverview Elderly Housing	36.7149	-80.9700	1989	2013	Restricted	Elderly	Stabilized	Tax Credit	32	0	100.0%	0%	0%	-	12 people
042	Stable Inn Apartments	36.7367	-80.7163	1965	na	Market Rate	Family	Stabilized	Conventional	8	0	100.0%	0%	0%	-	-
043	Stuart Drive Apartments	36.7560	-80.7416	1994	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%	0%	0%	-	-
044	Walnut Hill Apartments	36.6664	-80.9379	1975	2007	Market Rate	Family	Stabilized	Conventional	10	0	100.0%	0%	0%	-	no
047	Woodlawn School Apartments	36.7270	-80.8185	1917	2019	Restricted	Family	Prop Rehab	Tax Credit	51	51	0.0%	-	0%	-	-

RENT COMPARABILITY ANALYSIS

In this section we develop restricted and unrestricted market rent conclusions for the subject property on an "as if complete & stabilized" basis. Our analysis begins with an evaluation of unrestricted market rents.

Unrestricted Rent Analysis

In this section we develop an unrestricted market rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was an unrestricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized market rate properties as comparables for purposes of our rent comparability analysis.

Comparables with restricted rents are used when a sufficient number of market rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

Rent Comparables, Market Rate, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

Rent Comparability Grids

Our analysis employed the use of rent comparability grids and resulted in an unrestricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.

Rental Property Inventory, 1-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
001	Birchwood Apartments	1990	na	Market Rate	Family	Stabilized								\$465
003	Brookstone Court	1999	na	Market Rate	Family	Stabilized								
006	Colonial Heights Apartments	1991	2015	Market Rate	Family	Stabilized								
007	Country Place Apartments	1978	2016	Market Rate	Family	Stabilized								\$300
008	Cranberry Apartments	1975	na	Market Rate	Family	Stabilized								\$335
021	Ivywood Apartments	1988	na	Market Rate	Family	Stabilized								
024	Larkspur Apartments	1987	na	Market Rate	Family	Stabilized								
029	Madison Street Apartments	1971	2012	Market Rate	Family	Stabilized								
031	Midtown Apartments	1997	na	Market Rate	Family	Stabilized								\$625
037	Ron Hughes Apartments, Construction & I	2012	na	Market Rate	Family	Stabilized								
042	Stable Inn Apartments	1965	na	Market Rate	Family	Stabilized								
043	Stuart Drive Apartments	1994	na	Market Rate	Family	Stabilized								\$400
044	Walnut Hill Apartments	1975	2007	Market Rate	Family	Stabilized								

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
001	Birchwood Apartments	1990	na	Market Rate	Family	Stabilized								\$579
003	Brookstone Court	1999	na	Market Rate	Family	Stabilized								\$624
006	Colonial Heights Apartments	1991	2015	Market Rate	Family	Stabilized								\$550
007	Country Place Apartments	1978	2016	Market Rate	Family	Stabilized								\$394
008	Cranberry Apartments	1975	na	Market Rate	Family	Stabilized								\$348
021	Ivywood Apartments	1988	na	Market Rate	Family	Stabilized								\$513
024	Larkspur Apartments	1987	na	Market Rate	Family	Stabilized								\$525
029	Madison Street Apartments	1971	2012	Market Rate	Family	Stabilized								\$550
031	Midtown Apartments	1997	na	Market Rate	Family	Stabilized								\$715
037	Ron Hughes Apartments, Construction & I	2012	na	Market Rate	Family	Stabilized								\$800
042	Stable Inn Apartments	1965	na	Market Rate	Family	Stabilized								
043	Stuart Drive Apartments	1994	na	Market Rate	Family	Stabilized								
044	Walnut Hill Apartments	1975	2007	Market Rate	Family	Stabilized								\$535

Source: Allen & Associates

Rental Property Inventory, 3-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
001	Birchwood Apartments	1990	na	Market Rate	Family	Stabilized								
003	Brookstone Court	1999	na	Market Rate	Family	Stabilized								\$685
006	Colonial Heights Apartments	1991	2015	Market Rate	Family	Stabilized								
007	Country Place Apartments	1978	2016	Market Rate	Family	Stabilized								
008	Cranberry Apartments	1975	na	Market Rate	Family	Stabilized								\$360
021	Ivywood Apartments	1988	na	Market Rate	Family	Stabilized								\$680
024	Larkspur Apartments	1987	na	Market Rate	Family	Stabilized								\$725
029	Madison Street Apartments	1971	2012	Market Rate	Family	Stabilized								
031	Midtown Apartments	1997	na	Market Rate	Family	Stabilized								
037	Ron Hughes Apartments, Construction & N	2012	na	Market Rate	Family	Stabilized								
042	Stable Inn Apartments	1965	na	Market Rate	Family	Stabilized								
043	Stuart Drive Apartments	1994	na	Market Rate	Family	Stabilized								
044	Walnut Hill Apartments	1975	2007	Market Rate	Family	Stabilized								

Source: Allen & Associates



Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with an adjusted sample standard deviation (a statistical measure of variability) of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample standard deviation of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded adjusted sample standard deviations of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variability because any other adjustment yields a higher adjusted sample standard deviation. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to minimize the adjusted standard deviation for our data set. We evaluated a total of 62 variables in 22 categories (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

Concessions

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

Tenant-Paid Utilities

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

Technology

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$0.

Adjustment	Technology		Concluded
	Survey	Range	
Cable	\$0	\$50	\$0
Internet	\$0	\$50	\$0

Bedrooms

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$90 per bedroom.

Bedrooms			
Adjustment	Survey Range		Concluded
Bedrooms	\$0	\$200	\$90

Bathrooms

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$20 per bathroom.

Bathrooms			
Adjustment	Survey Range		Concluded
Bathrooms	\$0	\$100	\$20

Square Feet

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.10 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.00	\$2.00	\$0.10

Visibility

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in visibility ratings between the subject and the comparables.

Visibility			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

Access

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in access ratings between the subject and the comparables.

Access			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

Neighborhood

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

Area Amenities

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$30 per point for differences in amenity ratings between the subject and the comparables.

Area Amenities			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$30

Median Household Income

Our analysis also included an adjustment for median household income for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.0000 per dollar of median household income.

Median Household Income			
Adjustment	Survey Range		Concluded
Med HH Inc	\$0.0000	\$0.0000	\$0.0000

Average Commute

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 per each minute of commute.

Average Commute			
Adjustment	Survey Range		Concluded
Avg Commute	\$0.00	\$0.00	\$0.00

Public Transportation

Our analysis also included an adjustment for the existence of public transportation within walking distance of each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 for public transportation.

Public Transportation			
Adjustment	Survey Range		Concluded
Public Trans	\$0.00	\$0.00	\$0.00

Personal Crime

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$0	\$0

Condition

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$10 per point for differences in condition ratings between the subject and the comparables.

Condition			
Adjustment	Survey Range		Concluded
Rating	\$10	\$50	\$10

Effective Age

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$1.00 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$1.00

Project Amenities

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$2
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$2
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$2
Elevator	\$10	\$100	\$10
Fitness Center	\$2	\$10	\$2
Gazebo	\$2	\$10	\$2
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$2
Library	\$2	\$10	\$2
Movie Theatre	\$2	\$10	\$2
Picnic Area	\$2	\$10	\$2
Playground	\$2	\$10	\$2
Pool	\$2	\$10	\$2
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$2
Walking Trail	\$2	\$10	\$2

Unit Amenities

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

Unit Amenities			
Adjustment	Survey Range		Concluded
Blinds	\$2	\$10	\$2
Ceiling Fans	\$2	\$10	\$3
Carpeting	\$2	\$10	\$2
Fireplace	\$2	\$10	\$2
Patio/Balcony	\$2	\$10	\$2
Storage	\$10	\$50	\$10

Kitchen Amenities

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

Kitchen Amenities			
Adjustment	Survey Range		Concluded
Stove	\$2	\$10	\$2
Refrigerator	\$2	\$10	\$2
Disposal	\$2	\$10	\$2
Dishwasher	\$2	\$10	\$2
Microwave	\$2	\$10	\$2

Parking

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$50 per month for garages; covered parking was valued at \$20; assigned parking was valued at \$10; open parking was valued at \$0; no parking was valued at \$0.

Parking			
Adjustment	Survey Range		Concluded
Garage	\$50	\$200	\$50
Covered	\$20	\$100	\$20
Assigned	\$10	\$50	\$10
Open	\$0	\$0	\$0
None	\$0	\$0	\$0

Laundry

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$5 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$5.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$5
W/D Units	\$10	\$50	\$10
W/D Hookups	\$5	\$25	\$5

Security

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

Security			
Adjustment	Survey Range		Concluded
Call Buttons	\$2	\$10	\$2
Controlled Access	\$2	\$10	\$2
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 1BR-1BA-598sf

The development of our rent conclusion for the 1BR-1BA-598sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 9 properties. We selected the 19 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 19 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-05	Northway	1BR-1BA-598sf	\$350	\$0	\$350	-	\$0	\$350	-
001-01	Birchwood Apartments	1BR-1BA-600sf	\$465	\$0	\$465	\$114	-\$3	\$462	1
001-02	Birchwood Apartments	2BR-1BA-800sf	\$555	\$0	\$555	\$210	-\$99	\$456	6
001-03	Birchwood Apartments	2BR-1BA-850sf	\$580	\$0	\$580	\$215	-\$104	\$476	7
001-04	Birchwood Apartments	2BR-2BA-1000sf	\$615	\$0	\$615	\$250	-\$139	\$476	9
003-01	Brookstone Court	2BR-1.5BA-1000sf	\$624	\$0	\$624	\$278	-\$76	\$548	15
003-02	Brookstone Court	3BR-2BA-1100sf	\$685	\$0	\$685	\$375	-\$173	\$512	18
006-01	Colonial Heights Apartments	2BR-1.5BA-1050sf	\$550	\$0	\$550	\$289	-\$52	\$498	16
021-01	Ivywood Apartments	2BR-1.5BA-800sf	\$500	\$0	\$500	\$237	-\$17	\$483	8
021-02	Ivywood Apartments	2BR-1.5BA-1200sf	\$525	\$0	\$525	\$277	-\$57	\$468	14
021-03	Ivywood Apartments	3BR-2BA-2000sf	\$680	\$0	\$680	\$498	-\$196	\$484	19
024-01	Larkspur Apartments	2BR-1.5BA-1156sf	\$525	\$0	\$525	\$260	-\$125	\$400	11
024-02	Larkspur Apartments	3BR-2BA-1156sf	\$725	\$0	\$725	\$347	-\$212	\$513	17
029-01	Madison Street Apartments	2BR-1BA-900sf	\$550	\$0	\$550	\$192	-\$56	\$494	5
031-01	Midtown Apartments	1BR-1BA-700sf	\$625	\$0	\$625	\$138	-\$60	\$565	4
031-02	Midtown Apartments	2BR-1BA-1000sf	\$715	\$0	\$715	\$258	-\$180	\$535	10
043-01	Stuart Drive Apartments	1BR-1BA-600sf	\$400	\$0	\$400	\$115	\$114	\$514	2
043-02	Stuart Drive Apartments	1BR-1BA-600sf	\$400	\$0	\$400	\$115	\$114	\$514	2
044-01	Walnut Hill Apartments	2BR-1.5BA-1000sf	\$535	\$0	\$535	\$266	-\$28	\$507	12
044-01	Walnut Hill Apartments	2BR-1.5BA-1000sf	\$535	\$0	\$535	\$266	-\$28	\$507	12
	Adjusted Rent, Minimum					\$400			
	Adjusted Rent, Maximum					\$565			
	Adjusted Rent, Average					\$495			
	Adjusted Rent, Modified Average					\$497			
	Rent, Concluded					\$500			

Our analysis suggests a rent of \$500 for the 1BR-1BA-598sf units at the subject property.

In our opinion, the 1BR-1BA-600sf units at Birchwood Apartments (Property # 001), the 1BR-1BA-600sf units at Stuart Drive Apartments (Property # 043), the 1BR-1BA-700sf units at Midtown Apartments (Property # 031), the 2BR-1BA-900sf units at Madison Street Apartments (Property # 029), and the 2BR-1.5BA-800sf units at Ivywood Apartments (Property # 021) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$87	\$43	\$44
Condition	\$10	4.00	2.50	-\$15
Effective Age	\$1.00	2009	1995	-\$14
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$13
Adjusted Rent, Minimum				\$413
Adjusted Rent, Maximum				\$578
Adjusted Rent, Average				\$508
Adjusted Rent, Modified Average				\$510
Rent, Concluded, As Is				\$515

Our analysis suggests an "as is" rent of \$515 for the 1BR-1BA-598sf units at the subject property.

Comparable	Subject	1		2		3		4		5		
Property-Unit Key	Sub-05	001-01		021-01		029-01		031-01		043-02		
Unit Type	1BR-1BA-598sf	1BR-1BA-600sf		2BR-1.5BA-800sf		2BR-1BA-900sf		1BR-1BA-700sf		1BR-1BA-600sf		
Property Name	Northway	Birchwood Apartments		Ivywood Apartments		Madison Street Apartments		Midtown Apartments		Stuart Drive Apartments		
Address	128 Wilson Avenue	395 Chapman Road		100 Ivywood Drive		200 Madison Street		303 N Main Street		843 W Stuart Drive		
City	Galax	Wytheville		Galax		Galax		Galax		Hillsville		
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia		
Zip	24333	24382		24333		24333		24333		24343		
Latitude	36.67057	36.94692		36.66330		36.66548		36.66319		36.75597		
Longitude	-80.91490	-81.06502		-80.93026		-80.92466		-80.92531		-80.74158		
Miles to Subject	0.00	17.81		0.96		0.62		0.72		10.94		
Year Built	1973	1990		1988		1971		1997		1994		
Year Rehab	2020	na		na		2012		na		na		
Project Rent	Restricted	Market Rate		Market Rate		Market Rate		Market Rate		Market Rate		
Project Type	Family	Family		Family		Family		Family		Family		
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		
Phone	(276) 236-8991	(276) 228-5985		(276) 233-4706		276-236-2225		(276) 238-8154		(276) 728-9323		
Effective Date	28-Feb-20	23-Dec-19		02-Dec-19		02-Dec-19		20-Dec-19		03-Dec-19		
<u>Project Level</u>												
Units	72	60		10		12		30		4		
Vacant Units	2	2		2		1		0		0		
Vacancy Rate	3%	3%		20%		8%		0%		0%		
<u>Unit Type</u>												
Units	4	12		4		12		15		1		
Vacant Units	0	1		0		1		0		0		
Vacancy Rate	0%	8%		0%		8%		0%		0%		
Street Rent	\$350	\$465		\$500		\$550		\$625		\$400		
Concessions	\$0	\$0		\$0		\$0		\$0		\$0		
Net Rent	\$350	\$465		\$500		\$550		\$625		\$400		
	<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	
Tenant-Paid Utilities	TPU	\$87	\$43	-\$44	\$127	\$40	\$115	\$28	\$0	-\$87	\$113	\$26
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$90	1	1	\$0	2	-\$90	2	-\$90	1	\$0	1	\$0
Bathrooms	\$20	1.00	1.00	\$0	1.50	-\$10	1.00	\$0	1.00	\$0	1.00	\$0
Square Feet	\$0.10	598	600	\$0	800	-\$20	900	-\$30	700	-\$10	600	\$0
Visibility	\$0	2.00	3.00	\$0	2.75	\$0	3.50	\$0	3.00	\$0	2.50	\$0
Access	\$0	2.00	3.00	\$0	3.00	\$0	3.25	\$0	3.00	\$0	3.00	\$0
Neighborhood	\$0	2.00	3.50	\$0	2.50	\$0	2.00	\$0	2.10	\$0	3.80	\$0
Area Amenities	\$30	4.50	3.60	\$27	3.10	\$42	3.80	\$21	4.30	\$6	3.30	\$36
Median HH Income	\$0.0000	\$10,724	\$35,977	\$0	\$17,407	\$0	\$10,724	\$0	\$17,644	\$0	\$31,429	\$0
Average Commute	\$0	32.56	24.09	\$0	31.58	\$0	32.56	\$0	23.34	\$0	24.97	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	14.2%	4.2%	\$0	6.1%	\$0	14.2%	\$0	10.3%	\$0	2.8%	\$0
Condition	\$10	4.00	3.25	\$8	3.50	\$5	3.50	\$5	3.00	\$10	2.75	\$13
Effective Age	\$1.00	2009	2000	\$9	2005	\$4	2010	-\$1	2000	\$9	1990	\$19
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Playground	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	no	\$2
Ceiling Fans	\$3	no	no	\$0	some	\$0	yes	-\$3	no	\$0	no	\$0
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	some	yes	-\$2	yes	-\$2	no	\$0	yes	-\$2	no	\$0
Storage	\$10	no	yes	-\$10	no	\$0	no	\$0	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	yes	-\$2	no	\$0	no	\$0	no	\$0	no	\$0
Dishwasher	\$2	yes	yes	\$0	some	\$2	no	\$2	no	\$2	no	\$2
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	some	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	yes	\$0	no	\$5	yes	\$0	yes	\$0	no	\$5
W/D Units	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
W/D Hookups	\$5	no	no	\$0	yes	-\$5	no	\$0	no	\$0	no	\$0
Call Buttons	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Indicated Rent		\$500	\$462		\$483		\$494		\$565		\$514	

Rent Conclusion, 2BR-1BA-777sf

The development of our rent conclusion for the 2BR-1BA-777sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 9 properties. We selected the 19 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 19 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-10	Northway	2BR-1BA-777sf	\$536	\$0	\$536	-	\$0	\$536	-
001-01	Birchwood Apartments	1BR-1BA-600sf	\$465	\$0	\$465	\$233	\$93	\$558	15
001-02	Birchwood Apartments	2BR-1BA-800sf	\$555	\$0	\$555	\$114	-\$3	\$552	2
001-03	Birchwood Apartments	2BR-1BA-850sf	\$580	\$0	\$580	\$119	-\$8	\$572	4
001-04	Birchwood Apartments	2BR-2BA-1000sf	\$615	\$0	\$615	\$154	-\$43	\$572	7
003-01	Brookstone Court	2BR-1.5BA-1000sf	\$624	\$0	\$624	\$182	\$20	\$644	12
003-02	Brookstone Court	3BR-2BA-1100sf	\$685	\$0	\$685	\$279	-\$77	\$608	18
006-01	Colonial Heights Apartments	2BR-1.5BA-1050sf	\$550	\$0	\$550	\$169	\$44	\$594	11
021-01	Ivywood Apartments	2BR-1.5BA-800sf	\$500	\$0	\$500	\$117	\$79	\$579	3
021-02	Ivywood Apartments	2BR-1.5BA-1200sf	\$525	\$0	\$525	\$157	\$39	\$564	8
021-03	Ivywood Apartments	3BR-2BA-2000sf	\$680	\$0	\$680	\$378	-\$100	\$580	19
024-01	Larkspur Apartments	2BR-1.5BA-1156sf	\$525	\$0	\$525	\$164	-\$29	\$496	10
024-02	Larkspur Apartments	3BR-2BA-1156sf	\$725	\$0	\$725	\$251	-\$116	\$609	17
029-01	Madison Street Apartments	2BR-1BA-900sf	\$550	\$0	\$550	\$72	\$40	\$590	1
031-01	Midtown Apartments	1BR-1BA-700sf	\$625	\$0	\$625	\$238	\$36	\$661	16
031-02	Midtown Apartments	2BR-1BA-1000sf	\$715	\$0	\$715	\$162	-\$84	\$631	9
043-01	Stuart Drive Apartments	1BR-1BA-600sf	\$400	\$0	\$400	\$210	\$210	\$610	13
043-02	Stuart Drive Apartments	1BR-1BA-600sf	\$400	\$0	\$400	\$210	\$210	\$610	13
044-01	Walnut Hill Apartments	2BR-1.5BA-1000sf	\$535	\$0	\$535	\$146	\$68	\$603	5
044-01	Walnut Hill Apartments	2BR-1.5BA-1000sf	\$535	\$0	\$535	\$146	\$68	\$603	5
	Adjusted Rent, Minimum					\$496			
	Adjusted Rent, Maximum					\$661			
	Adjusted Rent, Average					\$591			
	Adjusted Rent, Modified Average					\$593			
	Rent, Concluded					\$580			

Our analysis suggests a rent of \$580 for the 2BR-1BA-777sf units at the subject property.

In our opinion, the 2BR-1BA-900sf units at Madison Street Apartments (Property # 029), the 2BR-1BA-800sf units at Birchwood Apartments (Property # 001), the 2BR-1.5BA-800sf units at Ivywood Apartments (Property # 021), the 2BR-1.5BA-1000sf units at Walnut Hill Apartments (Property # 044), and the 2BR-1.5BA-1050sf units at Colonial Heights Apartments (Property # 006) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$99	\$75	\$24
Condition	\$10	4.00	2.50	-\$15
Effective Age	\$1.00	2009	1995	-\$14
Dishwasher	\$2	yes	no	-\$2
Adjustments				-\$7
Adjusted Rent, Minimum				\$489
Adjusted Rent, Maximum				\$654
Adjusted Rent, Average				\$584
Adjusted Rent, Modified Average				\$586
Rent, Concluded, As Is				\$575

Our analysis suggests an "as is" rent of \$575 for the 2BR-1BA-777sf units at the subject property.

Comparable	Subject	1		2		3		4		5		
Property-Unit Key	Sub-10	001-02		006-01		021-01		029-01		044-01		
Unit Type	2BR-1BA-777sf	2BR-1BA-800sf		2BR-1.5BA-1050sf		2BR-1.5BA-800sf		2BR-1BA-900sf		2BR-1.5BA-1000sf		
Property Name	Northway	Birchwood Apartments		Colonial Heights Apartments		Ivywood Apartments		Madison Street Apartments		Walnut Hill Apartments		
Address	128 Wilson Avenue	395 Chapman Road		190 Virginia Street		100 Ivywood Drive		200 Madison Street		101 Fires Road		
City	Galax	Wytheville		Hillsville		Galax		Galax		Galax		
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia		
Zip	24333	24382		24343		24333		24333		24333		
Latitude	36.67057	36.94692		36.75713		36.66330		36.66548		36.66641		
Longitude	-80.91490	-81.06502		-80.73222		-80.93026		-80.92466		-80.93787		
Miles to Subject	0.00	17.81		11.45		0.96		0.62		1.32		
Year Built	1973	1990		1991		1988		1971		1975		
Year Rehab	2020	na		2015		na		2012		2007		
Project Rent	Restricted	Market Rate		Market Rate		Market Rate		Market Rate		Market Rate		
Project Type	Family	Family		Family		Family		Family		Family		
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		
Phone	(276) 236-8991	(276) 228-5985		(276) 233-7302		(276) 233-4706		276-236-2225		(276) 233-4706		
Effective Date	28-Feb-20	23-Dec-19		02-Dec-19		02-Dec-19		02-Dec-19		02-Dec-19		
<u>Project Level</u>												
Units	72	60		6		10		12		10		
Vacant Units	2	2		0		2		1		0		
Vacancy Rate	3%	3%		0%		20%		8%		0%		
<u>Unit Type</u>												
Units	3	18		6		4		12		10		
Vacant Units	1	0		0		0		1		0		
Vacancy Rate	33%	0%		0%		0%		8%		0%		
Street Rent	\$536	\$555		\$550		\$500		\$550		\$535		
Concessions	\$0	\$0		\$0		\$0		\$0		\$0		
Net Rent	\$536	\$555		\$550		\$500		\$550		\$535		
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	
Tenant-Paid Utilities	TPU	\$99	\$57	-\$42	\$127	\$28	\$127	\$28	\$115	\$16	\$127	\$28
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$90	2	2	\$0	2	\$0	2	\$0	2	\$0	2	\$0
Bathrooms	\$20	1.00	1.00	\$0	1.50	-\$10	1.50	-\$10	1.00	\$0	1.50	-\$10
Square Feet	\$0.10	777	800	-\$2	1050	-\$27	800	-\$2	900	-\$12	1000	-\$22
Visibility	\$0	2.00	3.00	\$0	2.75	\$0	2.75	\$0	3.50	\$0	3.00	\$0
Access	\$0	2.00	3.00	\$0	3.00	\$0	3.00	\$0	3.25	\$0	3.00	\$0
Neighborhood	\$0	2.00	3.50	\$0	3.90	\$0	2.50	\$0	2.00	\$0	4.50	\$0
Area Amenities	\$30	4.50	3.60	\$27	3.40	\$33	3.10	\$42	3.80	\$21	3.30	\$36
Median HH Income	\$0.0000	\$10,724	\$35,977	\$0	\$34,417	\$0	\$17,407	\$0	\$10,724	\$0	\$45,785	\$0
Average Commute	\$0	32.56	24.09	\$0	20.40	\$0	31.58	\$0	32.56	\$0	17.67	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	14.2%	4.2%	\$0	3.7%	\$0	6.1%	\$0	14.2%	\$0	5.1%	\$0
Condition	\$10	4.00	3.25	\$8	2.75	\$13	3.50	\$5	3.50	\$5	3.00	\$10
Effective Age	\$1.00	2009	2000	\$9	1995	\$14	2005	\$4	2010	-\$1	1995	\$14
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Playground	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$3	no	no	\$0	yes	-\$3	some	\$0	yes	-\$3	no	\$0
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	some	yes	-\$2	yes	-\$2	yes	-\$2	no	\$0	yes	-\$2
Storage	\$10	no	yes	-\$10	no	\$0	no	\$0	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	yes	-\$2	no	\$0	no	\$0	no	\$0	no	\$0
Dishwasher	\$2	yes	yes	\$0	no	\$2	some	\$2	no	\$2	no	\$2
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	yes	\$0	no	\$5	no	\$5	yes	\$0	no	\$5
W/D Units	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
W/D Hookups	\$5	no	no	\$0	no	\$0	yes	-\$5	no	\$0	yes	-\$5
Call Buttons	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Indicated Rent	\$580	\$552		\$594		\$579		\$590		\$603		

Rent Conclusion, 2BR-1BA-887sf

The development of our rent conclusion for the 2BR-1BA-887sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 9 properties. We selected the 19 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 19 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-12	Northway	2BR-1BA-887sf	\$450	\$0	\$450	-	\$0	\$450	-
001-01	Birchwood Apartments	1BR-1BA-600sf	\$465	\$0	\$465	\$244	\$104	\$569	16
001-02	Birchwood Apartments	2BR-1BA-800sf	\$555	\$0	\$555	\$120	\$8	\$563	3
001-03	Birchwood Apartments	2BR-1BA-850sf	\$580	\$0	\$580	\$115	\$3	\$583	2
001-04	Birchwood Apartments	2BR-2BA-1000sf	\$615	\$0	\$615	\$143	-\$32	\$583	7
003-01	Brookstone Court	2BR-1.5BA-1000sf	\$624	\$0	\$624	\$171	\$31	\$655	12
003-02	Brookstone Court	3BR-2BA-1100sf	\$685	\$0	\$685	\$268	-\$66	\$619	18
006-01	Colonial Heights Apartments	2BR-1.5BA-1050sf	\$550	\$0	\$550	\$158	\$55	\$605	11
021-01	Ivywood Apartments	2BR-1.5BA-800sf	\$500	\$0	\$500	\$124	\$90	\$590	4
021-02	Ivywood Apartments	2BR-1.5BA-1200sf	\$525	\$0	\$525	\$146	\$50	\$575	8
021-03	Ivywood Apartments	3BR-2BA-2000sf	\$680	\$0	\$680	\$367	-\$89	\$591	19
024-01	Larkspur Apartments	2BR-1.5BA-1156sf	\$525	\$0	\$525	\$153	-\$18	\$507	10
024-02	Larkspur Apartments	3BR-2BA-1156sf	\$725	\$0	\$725	\$240	-\$105	\$620	15
029-01	Madison Street Apartments	2BR-1BA-900sf	\$550	\$0	\$550	\$61	\$51	\$601	1
031-01	Midtown Apartments	1BR-1BA-700sf	\$625	\$0	\$625	\$249	\$47	\$672	17
031-02	Midtown Apartments	2BR-1BA-1000sf	\$715	\$0	\$715	\$151	-\$73	\$642	9
043-01	Stuart Drive Apartments	1BR-1BA-600sf	\$400	\$0	\$400	\$221	\$221	\$621	13
043-02	Stuart Drive Apartments	1BR-1BA-600sf	\$400	\$0	\$400	\$221	\$221	\$621	13
044-01	Walnut Hill Apartments	2BR-1.5BA-1000sf	\$535	\$0	\$535	\$135	\$79	\$614	5
044-01	Walnut Hill Apartments	2BR-1.5BA-1000sf	\$535	\$0	\$535	\$135	\$79	\$614	5

Adjusted Rent, Minimum	\$507
Adjusted Rent, Maximum	\$672
Adjusted Rent, Average	\$602
Adjusted Rent, Modified Average	\$604
Rent, Concluded	\$600

Our analysis suggests a rent of \$600 for the 2BR-1BA-887sf units at the subject property.

In our opinion, the 2BR-1BA-900sf units at Madison Street Apartments (Property # 029), the 2BR-1BA-850sf units at Birchwood Apartments (Property # 001), the 2BR-1.5BA-800sf units at Ivywood Apartments (Property # 021), the 2BR-1.5BA-1000sf units at Walnut Hill Apartments (Property # 044), and the 2BR-1.5BA-1050sf units at Colonial Heights Apartments (Property # 006) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$99	\$66	\$33
Condition	\$10	4.00	2.50	-\$15
Effective Age	\$1.00	2009	1995	-\$14
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$2
Adjusted Rent, Minimum				\$509
Adjusted Rent, Maximum				\$674
Adjusted Rent, Average				\$604
Adjusted Rent, Modified Average				\$606
Rent, Concluded, As Is				\$600

Our analysis suggests an "as is" rent of \$600 for the 2BR-1BA-887sf units at the subject property.

Comparable	Subject	1		2		3		4		5		
Property-Unit Key	Sub-12	001-03		006-01		021-01		029-01		044-01		
Unit Type	2BR-1BA-887sf	2BR-1BA-850sf		2BR-1.5BA-1050sf		2BR-1.5BA-800sf		2BR-1BA-900sf		2BR-1.5BA-1000sf		
Property Name	Northway	Birchwood Apartments		Colonial Heights Apartments		Ivywood Apartments		Madison Street Apartments		Walnut Hill Apartments		
Address	128 Wilson Avenue	395 Chapman Road		190 Virginia Street		100 Ivywood Drive		200 Madison Street		101 Fires Road		
City	Galax	Wytheville		Hillsville		Galax		Galax		Galax		
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia		
Zip	24333	24382		24343		24333		24333		24333		
Latitude	36.67057	36.94692		36.75713		36.66330		36.66548		36.66641		
Longitude	-80.91490	-81.06502		-80.73222		-80.93026		-80.92466		-80.93787		
Miles to Subject	0.00	17.81		11.45		0.96		0.62		1.32		
Year Built	1973	1990		1991		1988		1971		1975		
Year Rehab	2020	na		2015		na		2012		2007		
Project Rent	Restricted	Market Rate		Market Rate		Market Rate		Market Rate		Market Rate		
Project Type	Family	Family		Family		Family		Family		Family		
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		
Phone	(276) 236-8991	(276) 228-5985		(276) 233-7302		(276) 233-4706		276-236-2225		(276) 233-4706		
Effective Date	28-Feb-20	23-Dec-19		02-Dec-19		02-Dec-19		02-Dec-19		02-Dec-19		
<u>Project Level</u>												
Units	72	60		6		10		12		10		
Vacant Units	2	2		0		2		1		0		
Vacancy Rate	3%	3%		0%		20%		8%		0%		
<u>Unit Type</u>												
Units	1	18		6		4		12		10		
Vacant Units	0	1		0		0		1		0		
Vacancy Rate	0%	6%		0%		0%		8%		0%		
Street Rent	\$450	\$580		\$550		\$500		\$550		\$535		
Concessions	\$0	\$0		\$0		\$0		\$0		\$0		
Net Rent	\$450	\$580		\$550		\$500		\$550		\$535		
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	
Tenant-Paid Utilities	TPU	\$99	\$57	-\$42	\$127	\$28	\$127	\$28	\$115	\$16	\$127	\$28
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$90	2	2	\$0	2	\$0	2	\$0	2	\$0	2	\$0
Bathrooms	\$20	1.00	1.00	\$0	1.50	-\$10	1.50	-\$10	1.00	\$0	1.50	-\$10
Square Feet	\$0.10	887	850	\$4	1050	-\$16	800	\$9	900	-\$1	1000	-\$11
Visibility	\$0	2.00	3.00	\$0	2.75	\$0	2.75	\$0	3.50	\$0	3.00	\$0
Access	\$0	2.00	3.00	\$0	3.00	\$0	3.00	\$0	3.25	\$0	3.00	\$0
Neighborhood	\$0	2.00	3.50	\$0	3.90	\$0	2.50	\$0	2.00	\$0	4.50	\$0
Area Amenities	\$30	4.50	3.60	\$27	3.40	\$33	3.10	\$42	3.80	\$21	3.30	\$36
Median HH Income	\$0.0000	\$10,724	\$35,977	\$0	\$34,417	\$0	\$17,407	\$0	\$10,724	\$0	\$45,785	\$0
Average Commute	\$0	32.56	24.09	\$0	20.40	\$0	31.58	\$0	32.56	\$0	17.67	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	14.2%	4.2%	\$0	3.7%	\$0	6.1%	\$0	14.2%	\$0	5.1%	\$0
Condition	\$10	4.00	3.25	\$8	2.75	\$13	3.50	\$5	3.50	\$5	3.00	\$10
Effective Age	\$1.00	2009	2000	\$9	1995	\$14	2005	\$4	2010	-\$1	1995	\$14
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Playground	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$3	no	no	\$0	yes	-\$3	some	\$0	yes	-\$3	no	\$0
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	some	yes	-\$2	yes	-\$2	yes	-\$2	no	\$0	yes	-\$2
Storage	\$10	no	yes	-\$10	no	\$0	no	\$0	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	yes	-\$2	no	\$0	no	\$0	no	\$0	no	\$0
Dishwasher	\$2	yes	yes	\$0	no	\$2	some	\$2	no	\$2	no	\$2
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	yes	\$0	no	\$5	no	\$5	yes	\$0	no	\$5
W/D Units	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
W/D Hookups	\$5	no	no	\$0	no	\$0	yes	-\$5	no	\$0	yes	-\$5
Call Buttons	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Indicated Rent	\$600	\$583		\$605		\$590		\$601		\$614		

Rent Conclusion, 3BR-1.5BA-952sf

The development of our rent conclusion for the 3BR-1.5BA-952sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 9 properties. We selected the 19 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 19 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-15	Northway	3BR-1.5BA-952sf	\$525	\$0	\$525	-	\$0	\$525	-
001-01	Birchwood Apartments	1BR-1BA-600sf	\$465	\$0	\$465	\$373	\$189	\$654	18
001-02	Birchwood Apartments	2BR-1BA-800sf	\$555	\$0	\$555	\$249	\$93	\$648	12
001-03	Birchwood Apartments	2BR-1BA-850sf	\$580	\$0	\$580	\$244	\$88	\$668	11
001-04	Birchwood Apartments	2BR-2BA-1000sf	\$615	\$0	\$615	\$238	\$53	\$668	9
003-01	Brookstone Court	2BR-1.5BA-1000sf	\$624	\$0	\$624	\$267	\$115	\$739	14
003-02	Brookstone Court	3BR-2BA-1100sf	\$685	\$0	\$685	\$184	\$18	\$703	3
006-01	Colonial Heights Apartments	2BR-1.5BA-1050sf	\$550	\$0	\$550	\$209	\$140	\$690	8
021-01	Ivywood Apartments	2BR-1.5BA-800sf	\$500	\$0	\$500	\$188	\$174	\$674	6
021-02	Ivywood Apartments	2BR-1.5BA-1200sf	\$525	\$0	\$525	\$198	\$134	\$659	7
021-03	Ivywood Apartments	3BR-2BA-2000sf	\$680	\$0	\$680	\$239	-\$5	\$675	10
024-01	Larkspur Apartments	2BR-1.5BA-1156sf	\$525	\$0	\$525	\$249	\$66	\$591	13
024-02	Larkspur Apartments	3BR-2BA-1156sf	\$725	\$0	\$725	\$156	-\$21	\$704	2
029-01	Madison Street Apartments	2BR-1BA-900sf	\$550	\$0	\$550	\$155	\$135	\$685	1
031-01	Midtown Apartments	1BR-1BA-700sf	\$625	\$0	\$625	\$377	\$131	\$756	19
031-02	Midtown Apartments	2BR-1BA-1000sf	\$715	\$0	\$715	\$267	\$11	\$726	14
043-01	Stuart Drive Apartments	1BR-1BA-600sf	\$400	\$0	\$400	\$322	\$306	\$706	16
043-02	Stuart Drive Apartments	1BR-1BA-600sf	\$400	\$0	\$400	\$322	\$306	\$706	16
044-01	Walnut Hill Apartments	2BR-1.5BA-1000sf	\$535	\$0	\$535	\$187	\$163	\$698	4
044-01	Walnut Hill Apartments	2BR-1.5BA-1000sf	\$535	\$0	\$535	\$187	\$163	\$698	4
	Adjusted Rent, Minimum					\$591			
	Adjusted Rent, Maximum					\$756			
	Adjusted Rent, Average					\$687			
	Adjusted Rent, Modified Average					\$688			
	Rent, Concluded					\$695			

Our analysis suggests a rent of \$695 for the 3BR-1.5BA-952sf units at the subject property.

In our opinion, the 2BR-1BA-900sf units at Madison Street Apartments (Property # 029), the 3BR-2BA-1156sf units at Larkspur Apartments (Property # 024), the 3BR-2BA-1100sf units at Brookstone Court (Property # 003), the 2BR-1.5BA-1000sf units at Walnut Hill Apartments (Property # 044), and the 3BR-2BA-2000sf units at Ivywood Apartments (Property # 021) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$121	\$80	\$41
Condition	\$10	4.00	2.50	-\$15
Effective Age	\$1.00	2009	1995	-\$14
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$10
Adjusted Rent, Minimum				\$601
Adjusted Rent, Maximum				\$766
Adjusted Rent, Average				\$697
Adjusted Rent, Modified Average				\$698
Rent, Concluded, As Is				\$705

Our analysis suggests an "as is" rent of \$705 for the 3BR-1.5BA-952sf units at the subject property.

Comparable	Subject		1		2		3		4		5	
Property-Unit Key	Sub-15		003-02		021-03		024-02		029-01		044-01	
Unit Type	3BR-1.5BA-952sf		3BR-2BA-1100sf		3BR-2BA-2000sf		3BR-2BA-1156sf		2BR-1BA-900sf		2BR-1.5BA-1000sf	
Property Name	Northway		Brookstone Court		Ivywood Apartments		Larkspur Apartments		Madison Street Apartments		Walnut Hill Apartments	
Address	128 Wilson Avenue		42 Brookstone Court		100 Ivywood Drive		160 Larkspur Lane		200 Madison Street		101 Fires Road	
City	Galax		Galax		Galax		Galax		Galax		Galax	
State	Virginia		Virginia		Virginia		Virginia		Virginia		Virginia	
Zip	24333		24333		24333		24333		24333		24333	
Latitude	36.67057		36.69997		36.66330		36.67613		36.66548		36.66641	
Longitude	-80.91490		-80.87556		-80.93026		-80.90857		-80.92466		-80.93787	
Miles to Subject	0.00		2.78		0.96		0.48		0.62		1.32	
Year Built	1973		1999		1988		1987		1971		1975	
Year Rehab	2020		na		na		na		2012		2007	
Project Rent	Restricted		Market Rate		Market Rate		Market Rate		Market Rate		Market Rate	
Project Type	Family		Family		Family		Family		Family		Family	
Project Status	Prop Rehab		Stabilized		Stabilized		Stabilized		Stabilized		Stabilized	
Phone	(276) 236-8991		(276) 233-4706		(276) 233-4706		(276) 233-4706		276-236-2225		(276) 233-4706	
Effective Date	28-Feb-20		02-Dec-19		02-Dec-19		02-Dec-19		02-Dec-19		02-Dec-19	
<u>Project Level</u>												
Units	72		39		10		18		12		10	
Vacant Units	2		4		2		2		1		0	
Vacancy Rate	3%		10%		20%		11%		8%		0%	
<u>Unit Type</u>												
Units	2		10		2		9		12		10	
Vacant Units	1		0		1		1		1		0	
Vacancy Rate	50%		0%		50%		11%		8%		0%	
Street Rent	\$525		\$685		\$680		\$725		\$550		\$535	
Concessions	\$0		\$0		\$0		\$0		\$0		\$0	
Net Rent	\$525		\$685		\$680		\$725		\$550		\$535	
	<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>
Tenant-Paid Utilities	TPU	\$121	\$70	-\$51	\$168	\$47	\$70	-\$51	\$115	-\$6	\$127	\$6
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$90	3	3	\$0	3	\$0	3	\$0	2	\$90	2	\$90
Bathrooms	\$20	1.50	2.00	-\$10	2.00	-\$10	2.00	-\$10	1.00	\$10	1.50	\$0
Square Feet	\$0.10	952	1100	-\$15	2000	-\$105	1156	-\$20	900	\$5	1000	-\$5
Visibility	\$0	2.00	2.75	\$0	2.75	\$0	3.00	\$0	3.50	\$0	3.00	\$0
Access	\$0	2.00	3.00	\$0	3.00	\$0	3.00	\$0	3.25	\$0	3.00	\$0
Neighborhood	\$0	2.00	4.30	\$0	2.50	\$0	2.80	\$0	2.00	\$0	4.50	\$0
Area Amenities	\$30	4.50	2.00	\$75	3.10	\$42	3.20	\$39	3.80	\$21	3.30	\$36
Median HH Income	\$0.0000	\$10,724	\$37,900	\$0	\$17,407	\$0	\$25,938	\$0	\$10,724	\$0	\$45,785	\$0
Average Commute	\$0	32.56	25.03	\$0	31.58	\$0	19.24	\$0	32.56	\$0	17.67	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	14.2%	1.3%	\$0	6.1%	\$0	4.4%	\$0	14.2%	\$0	5.1%	\$0
Condition	\$10	4.00	3.50	\$5	3.50	\$5	3.25	\$8	3.50	\$5	3.00	\$10
Effective Age	\$1.00	2009	2005	\$4	2005	\$4	2005	\$4	2010	-\$1	1995	\$14
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Playground	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$3	no	no	\$0	some	\$0	no	\$0	yes	-\$3	no	\$0
Carpeting	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	some	yes	-\$2	yes	-\$2	yes	-\$2	no	\$0	yes	-\$2
Storage	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Dishwasher	\$2	yes	yes	\$0	some	\$2	yes	\$0	no	\$2	no	\$2
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	no	\$5	no	\$5	no	\$5	yes	\$0	no	\$5
W/D Units	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
W/D Hookups	\$5	no	yes	-\$5	yes	-\$5	yes	-\$5	no	\$0	yes	-\$5
Call Buttons	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Indicated Rent		\$695	\$703		\$675		\$704		\$685		\$698	

Unrestricted Market Rent Conclusion

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were an unrestricted property:

Unrestricted Market Rent Conclusion						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market	Proposed	Advantage
1BR-1BA-536sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$500	\$444	11.2%
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$500	\$444	11.2%
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No	1	\$500	\$350	30.0%
1BR-1BA-593sf / 60% of AMI / 60% of AMI	Yes	No	2	\$500	\$350	30.0%
1BR-1BA-598sf / 60% of AMI / 60% of AMI	Yes	No	4	\$500	\$350	30.0%
2BR-1BA-777sf / 50% of AMI / 40% of AMI	Yes	Yes	4	\$580	\$536	7.6%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes	16	\$580	\$536	7.6%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	2	\$580	\$450	22.4%
2BR-1BA-767sf / 60% of AMI / 60% of AMI	Yes	Yes	16	\$580	\$536	7.6%
2BR-1BA-777sf / 60% of AMI / 60% of AMI	Yes	Yes	3	\$580	\$536	7.6%
2BR-1BA-887sf / 50% of AMI / 50% of AMI	Yes	Yes	6	\$600	\$556	7.3%
2BR-1BA-887sf / 60% of AMI / 60% of AMI	Yes	No	1	\$600	\$450	25.0%
3BR-1.5BA-940sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$695	\$650	6.5%
3BR-1.5BA-952sf / 60% of AMI / 60% of AMI	Yes	Yes	8	\$695	\$650	6.5%
3BR-1.5BA-940sf / 60% of AMI / 60% of AMI	Yes	No	2	\$695	\$550	20.9%
Total / Average			72	\$588	\$526	10.5%

Our analysis suggests an average unrestricted market rent of \$588 for the subject property. This is compared with an average proposed rent of \$526, yielding an unrestricted market rent advantage of 10.5 percent. Overall, the subject property appears to be priced at or below unrestricted market rents for the area.

We selected a total of 9 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 93 percent.

Occupancy rates for the selected rent comparables are broken out below:

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom								97%
2-Bedroom								92%
3-Bedroom								90%
4-Bedroom								
Total								93%

Occupancy rates for all stabilized market area properties are broken out below:

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								100%
1-Bedroom	98%			100%	100%			100%
2-Bedroom	99%			100%	96%			93%
3-Bedroom	100%			90%	100%			94%
4-Bedroom								
Total	99%			95%	97%			95%

HUD conducts an annual rent survey to derive Fair Market Rent estimates for an area. Based on this, 2-bedroom rents for the area grew from \$571 to \$700 since 2010. This represents an average 2.5% annual increase over this period.

Fair market rent data for the area is found below:

Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2007	\$453	\$502	\$602	-	-	-
2008	\$483	\$535	\$641	6.6%	6.6%	6.5%
2009	\$502	\$557	\$668	3.9%	4.1%	4.2%
2010	\$515	\$571	\$685	2.6%	2.5%	2.5%
2011	\$530	\$588	\$705	2.9%	3.0%	2.9%
2012	\$488	\$541	\$649	-7.9%	-8.0%	-7.9%
2013	\$528	\$626	\$847	8.2%	15.7%	30.5%
2014	\$520	\$617	\$835	-1.5%	-1.4%	-1.4%
2015	\$542	\$643	\$870	4.2%	4.2%	4.2%
2016	\$569	\$658	\$945	5.0%	2.3%	8.6%
2017	\$549	\$633	\$886	-3.5%	-3.8%	-6.2%
2018	\$596	\$684	\$966	8.6%	8.1%	9.0%
2019	\$611	\$700	\$994	2.5%	2.3%	2.9%

Source: HUD

Unrestricted Market Rent Conclusion, As Is

In the table found below we summarize the market rents for the subject property units on an "as is" basis, assuming that the subject were an unrestricted property:

Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market	Proposed	Advantage
1BR-1BA-536sf / 50% of AMI / 50% of AMI	Yes	Yes	2	\$515	\$444	13.8%
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$515	\$444	13.8%
1BR-1BA-540sf / 60% of AMI / 60% of AMI	Yes	No	1	\$515	\$330	35.9%
1BR-1BA-593sf / 50% of AMI / 50% of AMI	Yes	No	2	\$515	\$330	35.9%
1BR-1BA-598sf / 60% of AMI / 50% of AMI	Yes	No	4	\$515	\$330	35.9%
2BR-1BA-767sf / 50% of AMI / 50% of AMI	Yes	Yes	16	\$575	\$536	6.8%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$575	\$536	6.8%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	1	\$575	\$415	27.8%
2BR-1BA-777sf / 60% of AMI / 50% of AMI	Yes	Yes	20	\$575	\$536	6.8%
2BR-1BA-777sf / 60% of AMI / 50% of AMI	Yes	No	1	\$575	\$415	27.8%
2BR-1BA-887sf / 60% of AMI / 50% of AMI	Yes	Yes	6	\$600	\$556	7.3%
2BR-1BA-887sf / 60% of AMI / 50% of AMI	Yes	No	1	\$600	\$440	26.7%
3BR-1.5BA-940sf / 50% of AMI / 50% of AMI	Yes	Yes	8	\$705	\$710	-0.7%
3BR-1.5BA-952sf / 50% of AMI / 50% of AMI	Yes	No	1	\$705	\$455	35.5%
3BR-1.5BA-952sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$705	\$710	-0.7%
3BR-1.5BA-952sf / 60% of AMI / 50% of AMI	Yes	No	1	\$705	\$455	35.5%
Total / Average			72	\$589	\$528	10.3%

Restricted Rent Analysis

In this section we develop a restricted market rent conclusion and an achievable rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was a restricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized restricted rent properties as comparables for purposes of our rent comparability analysis.

Comparables with market rents are used when a sufficient number of restricted rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

Rent Comparables, Restricted Rent, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

Rent Comparability Grids

Our analysis employed the use of rent comparability grids and resulted in a restricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.

Rental Property Inventory, 1-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
005	Cassell Pines Apartments	2006	na	Restricted	Family	Stabilized			\$324		\$378			
009	Freedom Lane	2017	na	Restricted	Family	Stabilized	\$433				\$433			
017	High Meadows Townhomes	2008	na	Restricted	Family	Stabilized				\$419				
019	Hillcrest Apartments	1979	2013	Restricted	Family	Stabilized				\$395				
023	Jefferson Union	2012	na	Restricted	Family	Stabilized	\$404			\$404				
027	Longview Apartments	1985	na	Restricted	Family	Stabilized							\$522	
030	Melton's Run Apartments	2004	na	Restricted	Family	Stabilized								
032	Northway	1973	2004	Restricted	Family	Stabilized	\$444			\$330	\$330			
035	Riverview Elderly Housing	1989	2013	Restricted	Elderly	Stabilized	\$430			\$430				
041	Southridge Apartments ~ Family	2000	na	Restricted	Family	Stabilized								

Source: Allen & Associates

Rental Property Inventory, 2-Bedroom Units

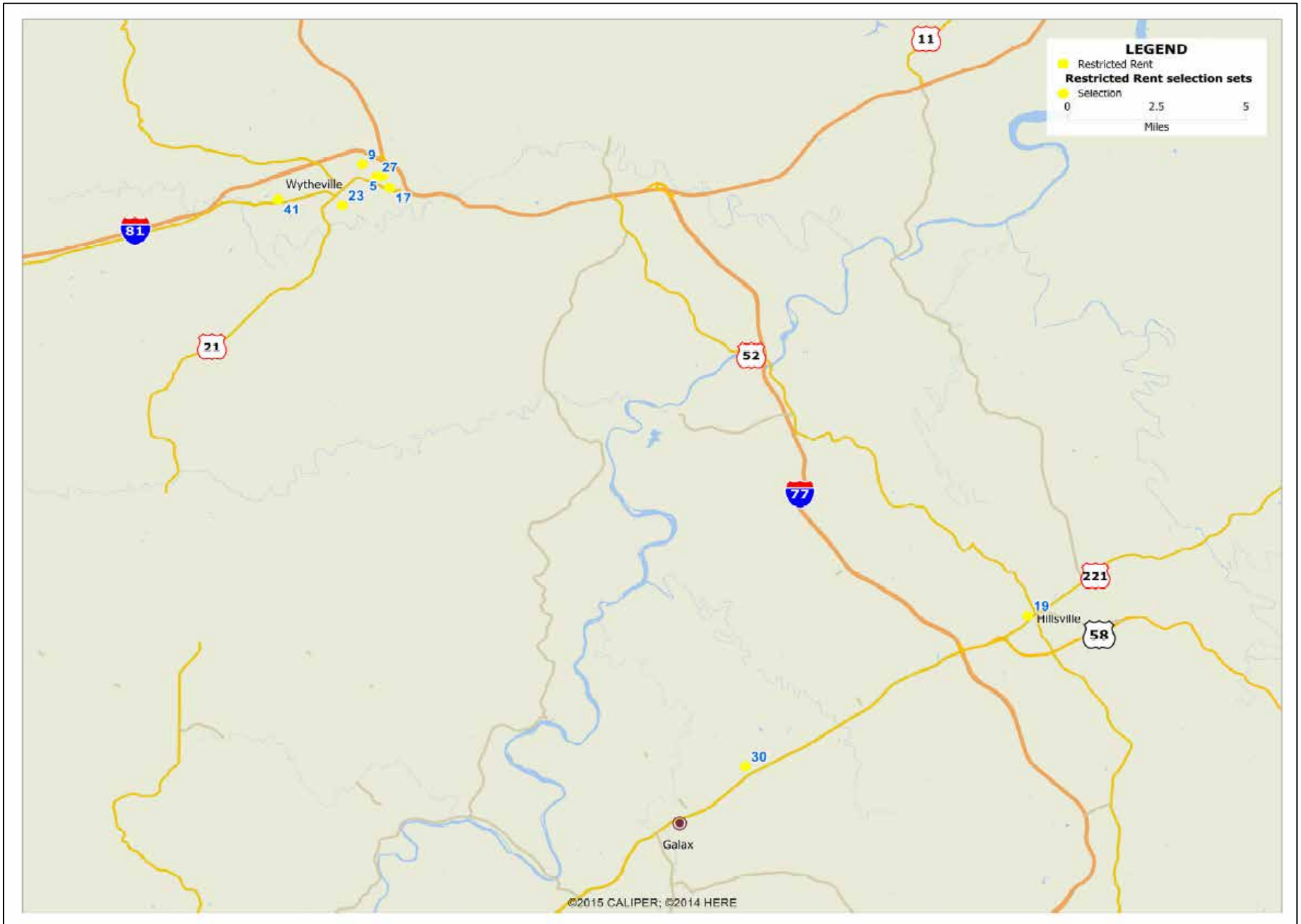
Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
005	Cassell Pines Apartments	2006	na	Restricted	Family	Stabilized					\$493			
009	Freedom Lane	2017	na	Restricted	Family	Stabilized	\$569				\$569			
017	High Meadows Townhomes	2008	na	Restricted	Family	Stabilized					\$619			
019	Hillcrest Apartments	1979	2013	Restricted	Family	Stabilized				\$440	\$440			
023	Jefferson Union	2012	na	Restricted	Family	Stabilized	\$487			\$487				
027	Longview Apartments	1985	na	Restricted	Family	Stabilized							\$560	
030	Melton's Run Apartments	2004	na	Restricted	Family	Stabilized				\$470	\$515			
032	Northway	1973	2004	Restricted	Family	Stabilized	\$539			\$415	\$428			
035	Riverview Elderly Housing	1989	2013	Restricted	Elderly	Stabilized								
041	Southridge Apartments ~ Family	2000	na	Restricted	Family	Stabilized								

Source: Allen & Associates

Rental Property Inventory, 3-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
005	Cassell Pines Apartments	2006	na	Restricted	Family	Stabilized								
009	Freedom Lane	2017	na	Restricted	Family	Stabilized								
017	High Meadows Townhomes	2008	na	Restricted	Family	Stabilized				\$700	\$700			
019	Hillcrest Apartments	1979	2013	Restricted	Family	Stabilized								
023	Jefferson Union	2012	na	Restricted	Family	Stabilized								
027	Longview Apartments	1985	na	Restricted	Family	Stabilized								
030	Melton's Run Apartments	2004	na	Restricted	Family	Stabilized				\$535	\$580			
032	Northway	1973	2004	Restricted	Family	Stabilized	\$710			\$455	\$455			
035	Riverview Elderly Housing	1989	2013	Restricted	Elderly	Stabilized								
041	Southridge Apartments - Family	2000	na	Restricted	Family	Stabilized					\$544			

Source: Allen & Associates



Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with an adjusted sample standard deviation (a statistical measure of variability) of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample standard deviation of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded adjusted sample standard deviations of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variability because any other adjustment yields a higher adjusted sample standard deviation. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to minimize the adjusted standard deviation for our data set. We evaluated a total of 62 variables in 22 categories (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

Concessions

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

Tenant-Paid Utilities

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

Technology

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$0.

Adjustment	Technology		Concluded
	Survey	Range	
Cable	\$0	\$50	\$0
Internet	\$0	\$50	\$0

Bedrooms

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$85 per bedroom.

Bedrooms			
Adjustment	Survey Range		Concluded
Bedrooms	\$0	\$200	\$85

Bathrooms

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$90 per bathroom.

Bathrooms			
Adjustment	Survey Range		Concluded
Bathrooms	\$0	\$100	\$90

Square Feet

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.05 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.00	\$2.00	\$0.05

Visibility

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$20 per point for differences in visibility ratings between the subject and the comparables.

Visibility			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$20

Access

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in access ratings between the subject and the comparables.

Access			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$0

Neighborhood

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$20 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$20

Area Amenities

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$20 per point for differences in amenity ratings between the subject and the comparables.

Area Amenities			
Adjustment	Survey Range		Concluded
Rating	\$0	\$100	\$20

Median Household Income

Our analysis also included an adjustment for median household income for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.0000 per dollar of median household income.

Median Household Income			
Adjustment	Survey Range		Concluded
Med HH Inc	\$0.0000	\$0.0000	\$0.0000

Average Commute

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 per each minute of commute.

Average Commute			
Adjustment	Survey Range		Concluded
Avg Commute	\$0.00	\$0.00	\$0.00

Public Transportation

Our analysis also included an adjustment for the existence of public transportation within walking distance of each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 for public transportation.

Public Transportation			
Adjustment	Survey Range		Concluded
Public Trans	\$0.00	\$0.00	\$0.00

Personal Crime

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$0	\$0

Condition

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$10 per point for differences in condition ratings between the subject and the comparables.

Condition			
Adjustment	Survey Range		Concluded
Rating	\$10	\$50	\$10

Effective Age

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$1.00 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$1.00

Project Amenities

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$8
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$2
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$2
Elevator	\$10	\$100	\$10
Fitness Center	\$2	\$10	\$2
Gazebo	\$2	\$10	\$2
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$2
Library	\$2	\$10	\$2
Movie Theatre	\$2	\$10	\$2
Picnic Area	\$2	\$10	\$8
Playground	\$2	\$10	\$10
Pool	\$2	\$10	\$2
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$10
Walking Trail	\$2	\$10	\$2

Unit Amenities

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

Unit Amenities			
Adjustment	Survey Range		Concluded
Blinds	\$2	\$10	\$2
Ceiling Fans	\$2	\$10	\$10
Carpeting	\$2	\$10	\$10
Fireplace	\$2	\$10	\$2
Patio/Balcony	\$2	\$10	\$2
Storage	\$10	\$50	\$12

Kitchen Amenities

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

Kitchen Amenities			
Adjustment	Survey Range		Concluded
Stove	\$2	\$10	\$2
Refrigerator	\$2	\$10	\$2
Disposal	\$2	\$10	\$2
Dishwasher	\$2	\$10	\$2
Microwave	\$2	\$10	\$2

Parking

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$50 per month for garages; covered parking was valued at \$20; assigned parking was valued at \$10; open parking was valued at \$0; no parking was valued at \$0.

Parking			
Adjustment	Survey Range		Concluded
Garage	\$50	\$200	\$50
Covered	\$20	\$100	\$20
Assigned	\$10	\$50	\$10
Open	\$0	\$0	\$0
None	\$0	\$0	\$0

Laundry

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$5 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$15.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$5
W/D Units	\$10	\$50	\$10
W/D Hookups	\$5	\$25	\$15

Security

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

Security			
Adjustment	Survey Range		Concluded
Call Buttons	\$2	\$10	\$2
Controlled Access	\$2	\$10	\$2
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$10
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 1BR-1BA-598sf

The development of our rent conclusion for the 1BR-1BA-598sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 8 properties. We selected the 19 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 19 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-05	Northway	1BR-1BA-598sf	\$350	\$0	\$350	-	\$0	\$350	-
005-02	Cassell Pines Apartments	1BR-1BA-720sf	\$378	\$0	\$378	\$156	-\$38	\$340	2
005-03	Cassell Pines Apartments	2BR-1.5BA-1124sf	\$493	\$0	\$493	\$298	-\$180	\$313	11
009-02	Freedom Lane	1BR-1BA-729sf	\$433	\$0	\$433	\$168	-\$52	\$381	3
009-05	Freedom Lane	2BR-1.5BA-980sf	\$569	\$0	\$569	\$329	-\$175	\$394	12
017-01	High Meadows Townhomes	1BR-1BA-777sf	\$419	\$0	\$419	\$203	-\$57	\$362	6
017-02	High Meadows Townhomes	2BR-1.5BA-1122sf	\$619	\$0	\$619	\$385	-\$169	\$450	13
017-03	High Meadows Townhomes	3BR-2BA-1300sf	\$700	\$0	\$700	\$558	-\$274	\$426	16
017-04	High Meadows Townhomes	3BR-2BA-1300sf	\$700	\$0	\$700	\$558	-\$274	\$426	16
019-01	Hillcrest Apartments	1BR-1BA-576sf	\$395	\$0	\$395	\$170	-\$10	\$385	5
019-02	Hillcrest Apartments	2BR-1BA-827sf	\$440	\$0	\$440	\$251	-\$93	\$347	8
019-03	Hillcrest Apartments	2BR-1BA-827sf	\$440	\$0	\$440	\$251	-\$93	\$347	8
023-02	Jefferson Union	1BR-1BA-703sf	\$404	\$0	\$404	\$122	-\$56	\$348	1
023-05	Jefferson Union	2BR-1.5BA-958sf	\$487	\$0	\$487	\$262	-\$196	\$292	10
027-01	Longview Apartments	1BR-1BA-655sf	\$522	\$0	\$522	\$170	-\$54	\$468	4
027-02	Longview Apartments	2BR-1BA-825sf	\$560	\$0	\$560	\$245	-\$129	\$431	7
030-02	Melton's Run Apartments	2BR-2BA-1100sf	\$515	\$0	\$515	\$406	-\$160	\$355	14
030-04	Melton's Run Apartments	3BR-2BA-1237sf	\$580	\$0	\$580	\$533	-\$217	\$363	15
041-01	Southridge Apartments ~ Family	3BR-2BA-1350sf	\$491	\$0	\$491	\$618	-\$184	\$307	18
041-02	Southridge Apartments ~ Family	3BR-2BA-1450sf	\$561	\$0	\$561	\$623	-\$189	\$372	19
	Adjusted Rent, Minimum					\$292			
	Adjusted Rent, Maximum					\$468			
	Adjusted Rent, Average					\$374			
	Adjusted Rent, Modified Average					\$373			
	Rent, Concluded					\$365			

Our analysis suggests a rent of \$365 for the 1BR-1BA-598sf units at the subject property.

In our opinion, the 1BR-1BA-703sf units at Jefferson Union (Property # 023), the 1BR-1BA-720sf units at Cassell Pines Apartments (Property # 005), the 1BR-1BA-729sf units at Freedom Lane (Property # 009), the 1BR-1BA-576sf units at Hillcrest Apartments (Property # 019), and the 1BR-1BA-777sf units at High Meadows Townhomes (Property # 017) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$87	\$43	\$44
Condition	\$10	4.00	2.50	-\$15
Effective Age	\$1.00	2009	1995	-\$14
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$13
Adjusted Rent, Minimum				\$305
Adjusted Rent, Maximum				\$481
Adjusted Rent, Average				\$387
Adjusted Rent, Modified Average				\$386
Rent, Concluded, As Is				\$380

Our analysis suggests an "as is" rent of \$380 for the 1BR-1BA-598sf units at the subject property.

Comparable	Subject	1		2		3		4		5		
Property-Unit Key	Sub-05	005-02		009-02		017-01		019-01		023-02		
Unit Type	1BR-1BA-598sf	1BR-1BA-720sf		1BR-1BA-729sf		1BR-1BA-777sf		1BR-1BA-576sf		1BR-1BA-703sf		
Property Name	Northway	Cassell Pines Apartments		Freedom Lane		High Meadows Townhomes		Hillcrest Apartments		Jefferson Union		
Address	128 Wilson Avenue	360 Cassell Road		468 Peppers Ferry Road		1550 E Main Street		211 Hillcrest Street		535 S 12th Street		
City	Galax	Wytheville		Wytheville		Wytheville		Hillsville		Wytheville		
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia		
Zip	24333	24382		24382		24382		24343		24382		
Latitude	36.67057	36.95441		36.95960		36.94915		36.76150		36.94160		
Longitude	-80.91490	-81.06504		-81.07535		-81.06159		-80.73886		-81.08542		
Miles to Subject	0.00	18.18		18.72		17.83		11.22		18.13		
Year Built	1973	2006		2017		2008		1979		2012		
Year Rehab	2020	na		na		na		2013		na		
Project Rent	Restricted	Restricted		Restricted		Restricted		Restricted		Restricted		
Project Type	Family	Family		Family		Family		Family		Family		
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		
Phone	(276) 236-8991	(276) 228-6515		(276) 228-6515		(276) 200-3214		(276) 228-6280		(276) 228-6515		
Effective Date	28-Feb-20	09-Dec-19		09-Dec-19		02-Dec-19		02-Dec-19		09-Dec-19		
<u>Project Level</u>												
Units	72	18		24		60		14		24		
Vacant Units	2	0		0		2		0		0		
Vacancy Rate	3%	0%		0%		3%		0%		0%		
<u>Unit Type</u>												
Units	4	2		5		10		2		4		
Vacant Units	0	0		0		0		0		0		
Vacancy Rate	0%	0%		0%		0%		0%		0%		
Street Rent	\$350	\$378		\$433		\$419		\$395		\$404		
Concessions	\$0	\$0		\$0		\$0		\$0		\$0		
Net Rent	\$350	\$378		\$433		\$419		\$395		\$404		
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	
Tenant-Paid Utilities	TPU	\$87	\$71	-\$16	\$98	\$11	\$121	\$34	\$43	-\$44	\$60	-\$27
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$85	1	1	\$0	1	\$0	1	\$0	1	\$0	1	\$0
Bathrooms	\$90	1.00	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0
Square Feet	\$0.05	598	720	-\$6	729	-\$7	777	-\$9	576	\$1	703	-\$5
Visibility	\$20	2.00	2.00	\$0	3.50	-\$30	3.50	-\$30	2.50	-\$10	2.75	-\$15
Access	\$0	2.00	2.25	\$0	3.50	\$0	3.25	\$0	2.50	\$0	3.00	\$0
Neighborhood	\$20	2.00	4.40	-\$48	4.40	-\$48	4.40	-\$48	3.40	-\$28	3.00	-\$20
Area Amenities	\$20	4.50	3.90	\$12	3.90	\$12	3.60	\$18	2.50	\$40	3.90	\$12
Median HH Income	\$0.0000	\$10,724	\$33,622	\$0	\$33,622	\$0	\$33,622	\$0	\$24,683	\$0	\$27,292	\$0
Average Commute	\$0	32.56	18.68	\$0	18.68	\$0	18.68	\$0	27.35	\$0	16.06	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	14.2%	3.9%	\$0	3.9%	\$0	3.9%	\$0	2.9%	\$0	5.5%	\$0
Condition	\$10	4.00	4.00	\$0	4.50	-\$5	4.00	\$0	4.50	-\$5	4.25	-\$3
Effective Age	\$1.00	2009	2010	-\$1	2015	-\$6	2010	-\$1	2012	-\$3	2010	-\$1
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$8	yes	no	\$8	no	\$8	yes	\$0	no	\$8	yes	\$0
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	no	\$2	yes	\$0	no	\$2	no	\$2	no	\$2
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	no	\$0	yes	-\$2	no	\$0	no	\$0	yes	-\$2
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$8	yes	no	\$8	no	\$8	yes	\$0	no	\$8	yes	\$0
Playground	\$10	yes	no	\$10	no	\$10	no	\$10	no	\$10	no	\$10
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$10	no	no	\$0	no	\$0	yes	-\$10	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$10	no	no	\$0	yes	\$0	yes	-\$10	some	\$0	no	\$0
Carpeting	\$10	yes	no	\$10	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	some	yes	-\$2	yes	-\$2	no	\$0	no	\$0	yes	-\$2
Storage	\$12	no	yes	-\$12	no	\$0	no	\$0	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	yes	-\$2	no	\$0	yes	-\$2	no	\$0	yes	-\$2
Dishwasher	\$2	yes	yes	\$0	yes	\$0	yes	\$0	no	\$2	yes	\$0
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	no	\$5	no	\$5	no	\$5	no	\$5	no	\$5
W/D Units	\$10	no	yes	-\$10	yes	-\$10	yes	-\$10	no	\$0	yes	-\$10
W/D Hookups	\$15	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Call Buttons	\$2	no	no	\$0	some	\$0	no	\$0	no	\$0	yes	-\$2
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$10	no	no	\$0	no	\$0	yes	-\$10	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Indicated Rent	\$365	\$340		\$381		\$362		\$385		\$348		

Rent Conclusion, 2BR-1BA-777sf

The development of our rent conclusion for the 2BR-1BA-777sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 8 properties. We selected the 19 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 19 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-10	Northway	2BR-1BA-777sf	\$536	\$0	\$536	-	\$0	\$536	-
005-02	Cassell Pines Apartments	1BR-1BA-720sf	\$378	\$0	\$378	\$250	\$44	\$422	9
005-03	Cassell Pines Apartments	2BR-1.5BA-1124sf	\$493	\$0	\$493	\$216	-\$98	\$395	5
009-02	Freedom Lane	1BR-1BA-729sf	\$433	\$0	\$433	\$238	\$30	\$463	8
009-05	Freedom Lane	2BR-1.5BA-980sf	\$569	\$0	\$569	\$223	-\$93	\$476	7
017-01	High Meadows Townhomes	1BR-1BA-777sf	\$419	\$0	\$419	\$267	\$25	\$444	10
017-02	High Meadows Townhomes	2BR-1.5BA-1122sf	\$619	\$0	\$619	\$279	-\$87	\$532	13
017-03	High Meadows Townhomes	3BR-2BA-1300sf	\$700	\$0	\$700	\$452	-\$192	\$508	16
017-04	High Meadows Townhomes	3BR-2BA-1300sf	\$700	\$0	\$700	\$452	-\$192	\$508	16
019-01	Hillcrest Apartments	1BR-1BA-576sf	\$395	\$0	\$395	\$276	\$72	\$467	12
019-02	Hillcrest Apartments	2BR-1BA-827sf	\$440	\$0	\$440	\$170	-\$12	\$429	2
019-03	Hillcrest Apartments	2BR-1BA-827sf	\$440	\$0	\$440	\$170	-\$12	\$429	2
023-02	Jefferson Union	1BR-1BA-703sf	\$404	\$0	\$404	\$217	\$26	\$430	6
023-05	Jefferson Union	2BR-1.5BA-958sf	\$487	\$0	\$487	\$180	-\$114	\$373	4
027-01	Longview Apartments	1BR-1BA-655sf	\$522	\$0	\$522	\$270	\$28	\$550	11
027-02	Longview Apartments	2BR-1BA-825sf	\$560	\$0	\$560	\$163	-\$47	\$513	1
030-02	Melton's Run Apartments	2BR-2BA-1100sf	\$515	\$0	\$515	\$300	-\$78	\$437	14
030-04	Melton's Run Apartments	3BR-2BA-1237sf	\$580	\$0	\$580	\$427	-\$135	\$445	15
041-01	Southridge Apartments ~ Family	3BR-2BA-1350sf	\$491	\$0	\$491	\$512	-\$102	\$389	18
041-02	Southridge Apartments ~ Family	3BR-2BA-1450sf	\$561	\$0	\$561	\$517	-\$107	\$454	19
		Adjusted Rent, Minimum				\$373			
		Adjusted Rent, Maximum				\$550			
		Adjusted Rent, Average				\$456			
		Adjusted Rent, Modified Average				\$455			
		Rent, Concluded				\$465			

Our analysis suggests a rent of \$465 for the 2BR-1BA-777sf units at the subject property.

In our opinion, the 2BR-1BA-825sf units at Longview Apartments (Property # 027), the 2BR-1BA-827sf units at Hillcrest Apartments (Property # 019), the 2BR-1.5BA-958sf units at Jefferson Union (Property # 023), the 2BR-1.5BA-980sf units at Freedom Lane (Property # 009), and the 2BR-1.5BA-1122sf units at High Meadows Townhomes (Property # 017) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$99	\$75	\$24
Condition	\$10	4.00	2.50	-\$15
Effective Age	\$1.00	2009	1995	-\$14
Dishwasher	\$2	yes	no	-\$2
Adjustments				-\$7
Adjusted Rent, Minimum				\$366
Adjusted Rent, Maximum				\$543
Adjusted Rent, Average				\$449
Adjusted Rent, Modified Average				\$448
Rent, Concluded, As Is				\$460

Our analysis suggests an "as is" rent of \$460 for the 2BR-1BA-777sf units at the subject property.

Comparable	Subject	1		2		3		4		5		
Property-Unit Key	Sub-10	009-05		017-02		019-03		023-05		027-02		
Unit Type	2BR-1BA-777sf	2BR-1.5BA-980sf		2BR-1.5BA-1122sf		2BR-1BA-827sf		2BR-1.5BA-958sf		2BR-1BA-825sf		
Property Name	Northway	Freedom Lane		High Meadows Townhomes		Hillcrest Apartments		Jefferson Union		Longview Apartments		
Address	128 Wilson Avenue	468 Peppers Ferry Road		1550 E Main Street		211 Hillcrest Street		535 S 12th Street		7 Longview Drive		
City	Galax	Wytheville		Wytheville		Hillsville		Wytheville		Wytheville		
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia		
Zip	24333	24382		24382		24343		24382		24382		
Latitude	36.67057	36.95960		36.94915		36.76150		36.94160		36.95398		
Longitude	-80.91490	-81.07535		-81.06159		-80.73886		-81.08542		-81.06839		
Miles to Subject	0.00	18.72		17.83		11.22		18.13		18.25		
Year Built	1973	2017		2008		1979		2012		1985		
Year Rehab	2020	na		na		2013		na		na		
Project Rent	Restricted	Restricted		Restricted		Restricted		Restricted		Restricted		
Project Type	Family	Family		Family		Family		Family		Family		
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		
Phone	(276) 236-8991	(276) 228-6515		(276) 200-3214		(276) 228-6280		(276) 228-6515		(276) 228-6673		
Effective Date	28-Feb-20	09-Dec-19		02-Dec-19		02-Dec-19		09-Dec-19		02-Dec-19		
<u>Project Level</u>												
Units	72	24		60		14		24		46		
Vacant Units	2	0		2		0		0		0		
Vacancy Rate	3%	0%		3%		0%		0%		0%		
<u>Unit Type</u>												
Units	3	7		20		9		8		30		
Vacant Units	1	0		1		0		0		0		
Vacancy Rate	33%	0%		5%		0%		0%		0%		
Street Rent	\$536	\$569		\$619		\$440		\$487		\$560		
Concessions	\$0	\$0		\$0		\$0		\$0		\$0		
Net Rent	\$536	\$569		\$619		\$440		\$487		\$560		
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	
Tenant-Paid Utilities	TPU	\$99	\$117	\$18	\$156	\$57	-\$42	\$63	-\$36	\$83	-\$16	
Cable	\$0	no	no	\$0	no	\$0	\$0	no	\$0	no	\$0	
Internet	\$0	no	no	\$0	no	\$0	\$0	no	\$0	no	\$0	
Bedrooms	\$85	2	2	\$0	2	\$0	\$0	2	\$0	2	\$0	
Bathrooms	\$90	1.00	1.50	-\$45	1.50	-\$45	1.00	\$0	1.50	-\$45	1.00	\$0
Square Feet	\$0.05	777	980	-\$10	1122	-\$17	827	-\$3	958	-\$9	825	-\$2
Visibility	\$20	2.00	3.50	-\$30	3.50	-\$30	2.50	-\$10	2.75	-\$15	2.50	-\$10
Access	\$0	2.00	3.50	\$0	3.25	\$0	2.50	\$0	3.00	\$0	2.50	\$0
Neighborhood	\$20	2.00	4.40	-\$48	4.40	-\$48	3.40	-\$28	3.00	-\$20	4.40	-\$48
Area Amenities	\$20	4.50	3.90	\$12	3.60	\$18	2.50	\$40	3.90	\$12	4.50	\$0
Median HH Income	\$0.0000	\$10,724	\$33,622	\$0	\$33,622	\$0	\$24,683	\$0	\$27,292	\$0	\$33,622	\$0
Average Commute	\$0	32.56	18.68	\$0	18.68	\$0	27.35	\$0	16.06	\$0	18.68	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	14.2%	3.9%	\$0	3.9%	\$0	2.9%	\$0	5.5%	\$0	3.9%	\$0
Condition	\$10	4.00	4.50	-\$5	4.00	\$0	4.50	-\$5	4.25	-\$3	2.50	\$15
Effective Age	\$1.00	2009	2015	-\$6	2010	-\$1	2012	-\$3	2010	-\$1	1995	\$14
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$8	yes	no	\$8	yes	\$0	no	\$8	yes	\$0	no	\$8
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	yes	\$0	no	\$2	no	\$2	no	\$2	no	\$2
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	yes	-\$2	no	\$0	no	\$0	yes	-\$2	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$8	yes	no	\$8	yes	\$0	no	\$8	yes	\$0	no	\$8
Playground	\$10	yes	no	\$10	no	\$10	no	\$10	no	\$10	yes	\$0
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$10	no	no	\$0	yes	-\$10	some	\$0	no	\$0	no	\$0
Carpeting	\$10	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	some	yes	-\$2	no	\$0	no	\$0	yes	-\$2	yes	-\$2
Storage	\$12	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$12
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	no	\$0	yes	-\$2	no	\$0	yes	-\$2	no	\$0
Dishwasher	\$2	yes	yes	\$0	yes	\$0	no	\$2	yes	\$0	no	\$2
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	no	\$5	no	\$5	no	\$5	no	\$5	no	\$5
W/D Units	\$10	no	yes	-\$10	yes	-\$10	no	\$0	yes	-\$10	no	\$0
W/D Hookups	\$15	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$15
Call Buttons	\$2	no	some	\$0	no	\$0	no	\$0	yes	-\$2	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Indicated Rent	\$465	\$476		\$532		\$429		\$373		\$513		

Rent Conclusion, 2BR-1BA-887sf

The development of our rent conclusion for the 2BR-1BA-887sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 8 properties. We selected the 19 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 19 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-12	Northway	2BR-1BA-887sf	\$450	\$0	\$450	-	\$0	\$450	-
005-02	Cassell Pines Apartments	1BR-1BA-720sf	\$378	\$0	\$378	\$255	\$49	\$427	9
005-03	Cassell Pines Apartments	2BR-1.5BA-1124sf	\$493	\$0	\$493	\$211	-\$93	\$400	5
009-02	Freedom Lane	1BR-1BA-729sf	\$433	\$0	\$433	\$244	\$36	\$469	8
009-05	Freedom Lane	2BR-1.5BA-980sf	\$569	\$0	\$569	\$218	-\$88	\$481	6
017-01	High Meadows Townhomes	1BR-1BA-777sf	\$419	\$0	\$419	\$273	\$31	\$450	10
017-02	High Meadows Townhomes	2BR-1.5BA-1122sf	\$619	\$0	\$619	\$274	-\$82	\$537	11
017-03	High Meadows Townhomes	3BR-2BA-1300sf	\$700	\$0	\$700	\$447	-\$187	\$513	16
017-04	High Meadows Townhomes	3BR-2BA-1300sf	\$700	\$0	\$700	\$447	-\$187	\$513	16
019-01	Hillcrest Apartments	1BR-1BA-576sf	\$395	\$0	\$395	\$282	\$78	\$473	13
019-02	Hillcrest Apartments	2BR-1BA-827sf	\$440	\$0	\$440	\$170	-\$6	\$434	2
019-03	Hillcrest Apartments	2BR-1BA-827sf	\$440	\$0	\$440	\$170	-\$6	\$434	2
023-02	Jefferson Union	1BR-1BA-703sf	\$404	\$0	\$404	\$223	\$32	\$436	7
023-05	Jefferson Union	2BR-1.5BA-958sf	\$487	\$0	\$487	\$174	-\$108	\$379	4
027-01	Longview Apartments	1BR-1BA-655sf	\$522	\$0	\$522	\$276	\$34	\$556	12
027-02	Longview Apartments	2BR-1BA-825sf	\$560	\$0	\$560	\$164	-\$42	\$518	1
030-02	Melton's Run Apartments	2BR-2BA-1100sf	\$515	\$0	\$515	\$295	-\$73	\$442	14
030-04	Melton's Run Apartments	3BR-2BA-1237sf	\$580	\$0	\$580	\$422	-\$130	\$451	15
041-01	Southridge Apartments ~ Family	3BR-2BA-1350sf	\$491	\$0	\$491	\$506	-\$96	\$395	18
041-02	Southridge Apartments ~ Family	3BR-2BA-1450sf	\$561	\$0	\$561	\$511	-\$101	\$460	19
		Adjusted Rent, Minimum				\$379			
		Adjusted Rent, Maximum				\$556			
		Adjusted Rent, Average				\$461			
		Adjusted Rent, Modified Average				\$461			
		Rent, Concluded				\$475			

Our analysis suggests a rent of \$475 for the 2BR-1BA-887sf units at the subject property.

In our opinion, the 2BR-1BA-825sf units at Longview Apartments (Property # 027), the 2BR-1BA-827sf units at Hillcrest Apartments (Property # 019), the 2BR-1.5BA-958sf units at Jefferson Union (Property # 023), the 2BR-1.5BA-980sf units at Freedom Lane (Property # 009), and the 2BR-1.5BA-1122sf units at High Meadows Townhomes (Property # 017) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$99	\$66	\$33
Condition	\$10	4.00	2.50	-\$15
Effective Age	\$1.00	2009	1995	-\$14
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$2
Adjusted Rent, Minimum				\$381
Adjusted Rent, Maximum				\$558
Adjusted Rent, Average				\$463
Adjusted Rent, Modified Average				\$463
Rent, Concluded, As Is				\$475

Our analysis suggests an "as is" rent of \$475 for the 2BR-1BA-887sf units at the subject property.

Comparable	Subject	1		2		3		4		5		
Property-Unit Key	Sub-12	009-05		017-02		019-03		023-05		027-02		
Unit Type	2BR-1BA-887sf	2BR-1.5BA-980sf		2BR-1.5BA-1122sf		2BR-1BA-827sf		2BR-1.5BA-958sf		2BR-1BA-825sf		
Property Name	Northway	Freedom Lane		High Meadows Townhomes		Hillcrest Apartments		Jefferson Union		Longview Apartments		
Address	128 Wilson Avenue	468 Peppers Ferry Road		1550 E Main Street		211 Hillcrest Street		535 S 12th Street		7 Longview Drive		
City	Galax	Wytheville		Wytheville		Hillsville		Wytheville		Wytheville		
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia		
Zip	24333	24382		24382		24343		24382		24382		
Latitude	36.67057	36.95960		36.94915		36.76150		36.94160		36.95398		
Longitude	-80.91490	-81.07535		-81.06159		-80.73886		-81.08542		-81.06839		
Miles to Subject	0.00	18.72		17.83		11.22		18.13		18.25		
Year Built	1973	2017		2008		1979		2012		1985		
Year Rehab	2020	na		na		2013		na		na		
Project Rent	Restricted	Restricted		Restricted		Restricted		Restricted		Restricted		
Project Type	Family	Family		Family		Family		Family		Family		
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		
Phone	(276) 236-8991	(276) 228-6515		(276) 200-3214		(276) 228-6280		(276) 228-6515		(276) 228-6673		
Effective Date	28-Feb-20	09-Dec-19		02-Dec-19		02-Dec-19		09-Dec-19		02-Dec-19		
<u>Project Level</u>												
Units	72	24		60		14		24		46		
Vacant Units	2	0		2		0		0		0		
Vacancy Rate	3%	0%		3%		0%		0%		0%		
<u>Unit Type</u>												
Units	1	7		20		9		8		30		
Vacant Units	0	0		1		0		0		0		
Vacancy Rate	0%	0%		5%		0%		0%		0%		
Street Rent	\$450	\$569		\$619		\$440		\$487		\$560		
Concessions	\$0	\$0		\$0		\$0		\$0		\$0		
Net Rent	\$450	\$569		\$619		\$440		\$487		\$560		
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	
Tenant-Paid Utilities	TPU	\$99	\$117	\$18	\$156	\$57	-\$42	\$63	-\$36	\$83	-\$16	
Cable	\$0	no	no	\$0	no	\$0	\$0	no	\$0	no	\$0	
Internet	\$0	no	no	\$0	no	\$0	\$0	no	\$0	no	\$0	
Bedrooms	\$85	2	2	\$0	2	\$0	\$0	2	\$0	2	\$0	
Bathrooms	\$90	1.00	1.50	-\$45	1.50	-\$45	1.00	\$0	1.50	-\$45	1.00	\$0
Square Feet	\$0.05	887	980	-\$5	1122	-\$12	827	\$3	958	-\$4	825	\$3
Visibility	\$20	2.00	3.50	-\$30	3.50	-\$30	2.50	-\$10	2.75	-\$15	2.50	-\$10
Access	\$0	2.00	3.50	\$0	3.25	\$0	2.50	\$0	3.00	\$0	2.50	\$0
Neighborhood	\$20	2.00	4.40	-\$48	4.40	-\$48	3.40	-\$28	3.00	-\$20	4.40	-\$48
Area Amenities	\$20	4.50	3.90	\$12	3.60	\$18	2.50	\$40	3.90	\$12	4.50	\$0
Median HH Income	\$0.0000	\$10,724	\$33,622	\$0	\$33,622	\$0	\$24,683	\$0	\$27,292	\$0	\$33,622	\$0
Average Commute	\$0	32.56	18.68	\$0	18.68	\$0	27.35	\$0	16.06	\$0	18.68	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	14.2%	3.9%	\$0	3.9%	\$0	2.9%	\$0	5.5%	\$0	3.9%	\$0
Condition	\$10	4.00	4.50	-\$5	4.00	\$0	4.50	-\$5	4.25	-\$3	2.50	\$15
Effective Age	\$1.00	2009	2015	-\$6	2010	-\$1	2012	-\$3	2010	-\$1	1995	\$14
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$8	yes	no	\$8	yes	\$0	no	\$8	yes	\$0	no	\$8
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	yes	\$0	no	\$2	no	\$2	no	\$2	no	\$2
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	yes	-\$2	no	\$0	no	\$0	yes	-\$2	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$8	yes	no	\$8	yes	\$0	no	\$8	yes	\$0	no	\$8
Playground	\$10	yes	no	\$10	no	\$10	no	\$10	no	\$10	yes	\$0
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$10	no	no	\$0	yes	-\$10	some	\$0	no	\$0	no	\$0
Carpeting	\$10	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	some	yes	-\$2	no	\$0	no	\$0	yes	-\$2	yes	-\$2
Storage	\$12	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$12
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	no	\$0	yes	-\$2	no	\$0	yes	-\$2	no	\$0
Dishwasher	\$2	yes	yes	\$0	yes	\$0	no	\$2	yes	\$0	no	\$2
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	no	\$5	no	\$5	no	\$5	no	\$5	no	\$5
W/D Units	\$10	no	yes	-\$10	yes	-\$10	no	\$0	yes	-\$10	no	\$0
W/D Hookups	\$15	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$15
Call Buttons	\$2	no	some	\$0	no	\$0	no	\$0	yes	-\$2	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Indicated Rent	\$475	\$481		\$537		\$434		\$379		\$518		

Rent Conclusion, 3BR-1.5BA-952sf

The development of our rent conclusion for the 3BR-1.5BA-952sf units is found below.

Our analysis included the evaluation of a total of 19 unit types found at 8 properties. We selected the 19 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 19 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-15	Northway	3BR-1.5BA-952sf	\$525	\$0	\$525	-	\$0	\$525	-
005-02	Cassell Pines Apartments	1BR-1BA-720sf	\$378	\$0	\$378	\$411	\$161	\$539	17
005-03	Cassell Pines Apartments	2BR-1.5BA-1124sf	\$493	\$0	\$493	\$270	\$18	\$511	4
009-02	Freedom Lane	1BR-1BA-729sf	\$433	\$0	\$433	\$399	\$147	\$580	16
009-05	Freedom Lane	2BR-1.5BA-980sf	\$569	\$0	\$569	\$240	\$24	\$593	2
017-01	High Meadows Townhomes	1BR-1BA-777sf	\$419	\$0	\$419	\$384	\$142	\$561	15
017-02	High Meadows Townhomes	2BR-1.5BA-1122sf	\$619	\$0	\$619	\$289	\$30	\$649	5
017-03	High Meadows Townhomes	3BR-2BA-1300sf	\$700	\$0	\$700	\$291	-\$75	\$625	6
017-04	High Meadows Townhomes	3BR-2BA-1300sf	\$700	\$0	\$700	\$291	-\$75	\$625	6
019-01	Hillcrest Apartments	1BR-1BA-576sf	\$395	\$0	\$395	\$437	\$189	\$584	19
019-02	Hillcrest Apartments	2BR-1BA-827sf	\$440	\$0	\$440	\$325	\$105	\$545	10
019-03	Hillcrest Apartments	2BR-1BA-827sf	\$440	\$0	\$440	\$325	\$105	\$545	10
023-02	Jefferson Union	1BR-1BA-703sf	\$404	\$0	\$404	\$378	\$143	\$547	14
023-05	Jefferson Union	2BR-1.5BA-958sf	\$487	\$0	\$487	\$233	\$3	\$490	1
027-01	Longview Apartments	1BR-1BA-655sf	\$522	\$0	\$522	\$431	\$145	\$667	18
027-02	Longview Apartments	2BR-1BA-825sf	\$560	\$0	\$560	\$319	\$69	\$629	9
030-02	Melton's Run Apartments	2BR-2BA-1100sf	\$515	\$0	\$515	\$309	\$39	\$554	8
030-04	Melton's Run Apartments	3BR-2BA-1237sf	\$580	\$0	\$580	\$266	-\$18	\$562	3
041-01	Southridge Apartments ~ Family	3BR-2BA-1350sf	\$491	\$0	\$491	\$351	\$15	\$506	12
041-02	Southridge Apartments ~ Family	3BR-2BA-1450sf	\$561	\$0	\$561	\$356	\$10	\$571	13
		Adjusted Rent, Minimum				\$490			
		Adjusted Rent, Maximum				\$667			
		Adjusted Rent, Average				\$573			
		Adjusted Rent, Modified Average				\$572			
		Rent, Concluded				\$555			

Our analysis suggests a rent of \$555 for the 3BR-1.5BA-952sf units at the subject property.

In our opinion, the 2BR-1.5BA-958sf units at Jefferson Union (Property # 023), the 2BR-1.5BA-980sf units at Freedom Lane (Property # 009), the 3BR-2BA-1237sf units at Melton's Run Apartments (Property # 030), the 3BR-2BA-1300sf units at High Meadows Townhomes (Property # 017), and the 3BR-2BA-1350sf units at Southridge Apartments ~ Family (Property # 041) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Tenant Paid Utilities	0	\$121	\$80	\$41
Condition	\$10	4.00	2.50	-\$15
Effective Age	\$1.00	2009	1995	-\$14
Dishwasher	\$2	yes	no	-\$2
Adjustments				\$10
Adjusted Rent, Minimum				\$500
Adjusted Rent, Maximum				\$677
Adjusted Rent, Average				\$583
Adjusted Rent, Modified Average				\$582
Rent, Concluded, As Is				\$565

Our analysis suggests an "as is" rent of \$565 for the 3BR-1.5BA-952sf units at the subject property.

Comparable	Subject	1		2		3		4		5		
Property-Unit Key	Sub-15	009-05		017-04		023-05		030-04		041-01		
Unit Type	3BR-1.5BA-952sf	2BR-1.5BA-980sf		3BR-2BA-1300sf		2BR-1.5BA-958sf		3BR-2BA-1237sf		3BR-2BA-1350sf		
Property Name	Northway	Freedom Lane		High Meadows Townhomes		Jefferson Union		Melton's Run Apartments		Southridge Apartments - Family		
Address	128 Wilson Avenue	468 Peppers Ferry Road		1550 E Main Street		535 S 12th Street		13 Meltons Run Lane		1910 W Lee Highway		
City	Galax	Wytheville		Wytheville		Wytheville		Galax		Wytheville		
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia		
Zip	24333	24382		24382		24382		24343		24382		
Latitude	36.67057	36.95960		36.94915		36.94160		36.69547		36.94412		
Longitude	-80.91490	-81.07535		-81.06159		-81.08542		-80.88167		-81.11808		
Miles to Subject	0.00	18.72		17.83		18.13		2.35		19.30		
Year Built	1973	2017		2008		2012		2004		2000		
Year Rehab	2020	na		na		na		na		na		
Project Rent	Restricted	Restricted		Restricted		Restricted		Restricted		Restricted		
Project Type	Family	Family		Family		Family		Family		Family		
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		
Phone	(276) 236-8991	(276) 228-6515		(276) 200-3214		(276) 228-6515		(276) 238-1030		(276) 228-6515		
Effective Date	28-Feb-20	09-Dec-19		02-Dec-19		09-Dec-19		05-Dec-19		09-Dec-19		
<u>Project Level</u>												
Units	72	24		60		24		48		8		
Vacant Units	2	0		2		0		1		0		
Vacancy Rate	3%	0%		3%		0%		2%		0%		
<u>Unit Type</u>												
Units	2	7		20		8		5		2		
Vacant Units	1	0		1		0		0		0		
Vacancy Rate	50%	0%		5%		0%		0%		0%		
Street Rent	\$525	\$569		\$700		\$487		\$580		\$491		
Concessions	\$0	\$0		\$0		\$0		\$0		\$0		
Net Rent	\$525	\$569		\$700		\$487		\$580		\$491		
<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	
Tenant-Paid Utilities	TPU	\$121	\$117	-\$4	\$190	\$69	\$63	-\$58	\$185	\$64	\$186	\$65
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$85	3	2	\$85	3	\$0	2	\$85	3	\$0	3	\$0
Bathrooms	\$90	1.50	1.50	\$0	2.00	-\$45	1.50	\$0	2.00	-\$45	2.00	-\$45
Square Feet	\$0.05	952	980	-\$1	1300	-\$17	958	\$0	1237	-\$14	1350	-\$20
Visibility	\$20	2.00	3.50	-\$30	3.50	-\$30	2.75	-\$15	3.00	-\$20	4.00	-\$40
Access	\$0	2.00	3.50	\$0	3.25	\$0	3.00	\$0	3.00	\$0	4.00	\$0
Neighborhood	\$20	2.00	4.40	-\$48	4.40	-\$48	3.00	-\$20	4.30	-\$46	4.30	-\$46
Area Amenities	\$20	4.50	3.90	\$12	3.60	\$18	3.90	\$12	2.00	\$50	2.30	\$44
Median HH Income	\$0.0000	\$10,724	\$33,622	\$0	\$33,622	\$0	\$27,292	\$0	\$39,097	\$0	\$47,167	\$0
Average Commute	\$0	32.56	18.68	\$0	18.68	\$0	16.06	\$0	26.71	\$0	22.48	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	14.2%	3.9%	\$0	3.9%	\$0	5.5%	\$0	0.8%	\$0	5.8%	\$0
Condition	\$10	4.00	4.50	-\$5	4.00	\$0	4.25	-\$3	4.00	\$0	2.50	\$15
Effective Age	\$1.00	2009	2015	-\$6	2010	-\$1	2010	-\$1	2005	\$4	1985	\$24
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$8	yes	no	\$8	yes	\$0	yes	\$0	yes	\$0	no	\$8
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	yes	\$0	no	\$2	no	\$2	yes	\$0	yes	\$0
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	no	yes	-\$2	no	\$0	yes	-\$2	no	\$0	no	\$0
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$8	yes	no	\$8	yes	\$0	yes	\$0	yes	\$0	no	\$8
Playground	\$10	yes	no	\$10	no	\$10	no	\$10	yes	\$0	no	\$10
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Ceiling Fans	\$10	no	no	\$0	yes	-\$10	no	\$0	some	\$0	no	\$0
Carpeting	\$10	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	some	yes	-\$2	no	\$0	yes	-\$2	yes	-\$2	yes	-\$2
Storage	\$12	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	no	no	\$0	yes	-\$2	yes	-\$2	some	\$0	no	\$0
Dishwasher	\$2	yes	yes	\$0	yes	\$0	yes	\$0	some	\$2	yes	\$0
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	no	\$5	no	\$5	no	\$5	yes	\$0	no	\$5
W/D Units	\$10	no	yes	-\$10	yes	-\$10	yes	-\$10	no	\$0	no	\$0
W/D Hookups	\$15	no	no	\$0	no	\$0	no	\$0	yes	-\$15	yes	-\$15
Call Buttons	\$2	no	some	\$0	no	\$0	yes	-\$2	no	\$0	no	\$0
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Indicated Rent	\$555	\$593		\$625		\$490		\$562		\$506		

Restricted Market Rent Conclusion

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were a restricted property:

Restricted Market Rent Conclusion				
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market
1BR-1BA-536sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$365
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$365
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No	1	\$365
1BR-1BA-593sf / 60% of AMI / 60% of AMI	Yes	No	2	\$365
1BR-1BA-598sf / 60% of AMI / 60% of AMI	Yes	No	4	\$365
2BR-1BA-777sf / 50% of AMI / 40% of AMI	Yes	Yes	4	\$465
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes	16	\$465
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	2	\$465
2BR-1BA-767sf / 60% of AMI / 60% of AMI	Yes	Yes	16	\$465
2BR-1BA-777sf / 60% of AMI / 60% of AMI	Yes	Yes	3	\$465
2BR-1BA-887sf / 50% of AMI / 50% of AMI	Yes	Yes	6	\$475
2BR-1BA-887sf / 60% of AMI / 60% of AMI	Yes	No	1	\$475
3BR-1.5BA-940sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$555
3BR-1.5BA-952sf / 60% of AMI / 60% of AMI	Yes	Yes	8	\$555
3BR-1.5BA-940sf / 60% of AMI / 60% of AMI	Yes	No	2	\$555
Total / Average			72	\$464

Our analysis suggests an average restricted market rent of \$464 for the subject property.

We selected a total of 8 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 99 percent.

The occupancy rate of the selected rent comparables is broken out in the tables below:

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom	100%		100%	100%	100%		100%	
2-Bedroom	100%			100%	98%		100%	
3-Bedroom				97%	97%			
4-Bedroom								
Total	100%		100%	99%	98%		100%	

Occupancy rates for all stabilized market area properties are broken out below:

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								100%
1-Bedroom	98%			100%	100%			100%
2-Bedroom	99%			100%	96%			93%
3-Bedroom	100%			90%	100%			94%
4-Bedroom								
Total	99%			95%	97%			95%

Rents at rent restricted properties tend to move with median household incomes for an area. Given HUD's published median incomes, we were able to derive 1, 2 and 3-bedroom 60% of AMI rent limits for the subject's primary market area. According to our analysis, maximum 2-bedroom rents for the area grew from \$662 to \$682 since 2010. This represents an average 0.3% annual increase over this period.

Maximum tax credit rent data for the area is found below:

Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2007	\$517	\$621	\$718	-	-	-
2008	\$530	\$636	\$735	2.5%	2.4%	2.4%
2009	\$559	\$671	\$775	5.5%	5.5%	5.4%
2010	\$551	\$662	\$764	-1.4%	-1.3%	-1.4%
2011	\$507	\$609	\$704	-8.0%	-8.0%	-7.9%
2012	\$514	\$617	\$713	1.4%	1.3%	1.3%
2013	\$529	\$635	\$733	2.9%	2.9%	2.8%
2014	\$530	\$636	\$735	0.2%	0.2%	0.3%
2015	\$514	\$617	\$713	-3.0%	-3.0%	-3.0%
2016	\$505	\$606	\$700	-1.8%	-1.8%	-1.8%
2017	\$504	\$605	\$699	-0.2%	-0.2%	-0.1%
2018	\$532	\$639	\$738	5.6%	5.6%	5.6%
2019	\$568	\$682	\$788	6.8%	6.7%	6.8%

Source: HUD

Restricted Market Rent Conclusion, As Is

In the table found below we summarize the market rents for the subject property units on an "as is" basis, assuming that the subject were a restricted property:

Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market
1BR-1BA-536sf / 50% of AMI / 50% of AMI	Yes	Yes	2	\$380
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$380
1BR-1BA-540sf / 60% of AMI / 60% of AMI	Yes	No	1	\$380
1BR-1BA-593sf / 50% of AMI / 50% of AMI	Yes	No	2	\$380
1BR-1BA-598sf / 60% of AMI / 50% of AMI	Yes	No	4	\$380
2BR-1BA-767sf / 50% of AMI / 50% of AMI	Yes	Yes	16	\$460
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$460
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	1	\$460
2BR-1BA-777sf / 60% of AMI / 50% of AMI	Yes	Yes	20	\$460
2BR-1BA-777sf / 60% of AMI / 50% of AMI	Yes	No	1	\$460
2BR-1BA-887sf / 60% of AMI / 50% of AMI	Yes	Yes	6	\$475
2BR-1BA-887sf / 60% of AMI / 50% of AMI	Yes	No	1	\$475
3BR-1.5BA-940sf / 50% of AMI / 50% of AMI	Yes	Yes	8	\$565
3BR-1.5BA-952sf / 50% of AMI / 50% of AMI	Yes	No	1	\$565
3BR-1.5BA-952sf / 60% of AMI / 50% of AMI	Yes	Yes	2	\$565
3BR-1.5BA-952sf / 60% of AMI / 50% of AMI	Yes	No	1	\$565
Total / Average			72	\$466

Achievable Rent Conclusion

The next step in our analysis is to develop an achievable rent conclusion for the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering market rents, program rent limits, and any other applicable rent restrictions on the subject property.

Our analysis begins by establishing the applicable program rent limits for the subject property. Program rent limits include any applicable LIHTC and FMR rent limits. LIHTC rent limits typically apply to units benefitting from tax credit and/or bond financing. The LIHTC rent limits for applicable units at the subject property follow:

LIHTC Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
1BR-1BA-536sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$454	\$87	\$367
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$568	\$87	\$481
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No	1	\$568	\$87	\$481
1BR-1BA-593sf / 60% of AMI / 60% of AMI	Yes	No	2	\$681	\$87	\$594
1BR-1BA-598sf / 60% of AMI / 60% of AMI	Yes	No	4	\$681	\$87	\$594
2BR-1BA-777sf / 50% of AMI / 40% of AMI	Yes	Yes	4	\$545	\$99	\$446
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes	16	\$681	\$99	\$582
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	2	\$681	\$99	\$582
2BR-1BA-767sf / 60% of AMI / 60% of AMI	Yes	Yes	16	\$817	\$99	\$718
2BR-1BA-777sf / 60% of AMI / 60% of AMI	Yes	Yes	3	\$817	\$99	\$718
2BR-1BA-887sf / 50% of AMI / 50% of AMI	Yes	Yes	6	\$681	\$99	\$582
2BR-1BA-887sf / 60% of AMI / 60% of AMI	Yes	No	1	\$817	\$99	\$718
3BR-1.5BA-940sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$630	\$121	\$509
3BR-1.5BA-952sf / 60% of AMI / 60% of AMI	Yes	Yes	8	\$945	\$121	\$824
3BR-1.5BA-940sf / 60% of AMI / 60% of AMI	Yes	No	2	\$945	\$121	\$824
Total / Average			72	\$734	\$101	\$633

Our analysis suggests an average net LIHTC rent limit of \$633 for 72 applicable units at the subject property.

FMR rent limits typically apply to units benefitting from HOME funds. The FMR rent limits for applicable units at the subject property follow:

FMR Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
1BR-1BA-536sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$627	\$87	\$540
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$627	\$87	\$540
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No	1	\$627	\$87	\$540
1BR-1BA-593sf / 60% of AMI / 60% of AMI	Yes	No	2	\$627	\$87	\$540
1BR-1BA-598sf / 60% of AMI / 60% of AMI	Yes	No	4	\$627	\$87	\$540
2BR-1BA-777sf / 50% of AMI / 40% of AMI	Yes	Yes	4	\$714	\$99	\$615
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes	16	\$714	\$99	\$615
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	2	\$714	\$99	\$615
2BR-1BA-767sf / 60% of AMI / 60% of AMI	Yes	Yes	16	\$714	\$99	\$615
2BR-1BA-777sf / 60% of AMI / 60% of AMI	Yes	Yes	3	\$714	\$99	\$615
2BR-1BA-887sf / 50% of AMI / 50% of AMI	Yes	Yes	6	\$714	\$99	\$615
2BR-1BA-887sf / 60% of AMI / 60% of AMI	Yes	No	1	\$714	\$99	\$615
3BR-1.5BA-940sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$1,004	\$121	\$883
3BR-1.5BA-952sf / 60% of AMI / 60% of AMI	Yes	Yes	8	\$1,004	\$121	\$883
3BR-1.5BA-940sf / 60% of AMI / 60% of AMI	Yes	No	2	\$1,004	\$121	\$883
Total / Average			72	\$748	\$101	\$647

Our analysis suggests an average net FMR rent limit of \$647 for 72 applicable units at the subject property.

Units benefitting exclusively from tax credits and/or bond financing are subject to LIHTC rent limits. Units benefitting

from HOME funds in addition to tax credit and/or bond financing are subject to the lesser of LIHTC rent limits or FMR rent limits. Units benefitting from project-based rental assistance are normally limited to unrestricted market rent. With these parameters in mind, the following table sets forth the concluded program rent limits for applicable units at the subject property:

Program Rent Limits							
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	LIHTC	FMR	Market	Program
1BR-1BA-536sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$367	\$540	\$500	\$500
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$481	\$540	\$500	\$500
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No	1	\$481	\$540	-	\$481
1BR-1BA-593sf / 60% of AMI / 60% of AMI	Yes	No	2	\$594	\$540	-	\$540
1BR-1BA-598sf / 60% of AMI / 60% of AMI	Yes	No	4	\$594	\$540	-	\$540
2BR-1BA-777sf / 50% of AMI / 40% of AMI	Yes	Yes	4	\$446	\$615	\$580	\$580
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes	16	\$582	\$615	\$580	\$580
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	2	\$582	\$615	-	\$582
2BR-1BA-767sf / 60% of AMI / 60% of AMI	Yes	Yes	16	\$718	\$615	\$580	\$580
2BR-1BA-777sf / 60% of AMI / 60% of AMI	Yes	Yes	3	\$718	\$615	\$580	\$580
2BR-1BA-887sf / 50% of AMI / 50% of AMI	Yes	Yes	6	\$582	\$615	\$600	\$600
2BR-1BA-887sf / 60% of AMI / 60% of AMI	Yes	No	1	\$718	\$615	-	\$615
3BR-1.5BA-940sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$509	\$883	\$695	\$695
3BR-1.5BA-952sf / 60% of AMI / 60% of AMI	Yes	Yes	8	\$824	\$883	\$695	\$695
3BR-1.5BA-940sf / 60% of AMI / 60% of AMI	Yes	No	2	\$824	\$883	-	\$824
Total / Average			72	\$633	\$647	\$595	\$595

Our analysis suggests an average program rent limit of \$595 for 72 applicable units at the subject property.

Now that we have established program rent limits, we are in a position to develop an achievable rent conclusion for the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering unrestricted and restricted market rents, program rent limits, and any other applicable rent restrictions on the subject property. The following table summarizes our findings:

Achievable Rents									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
1BR-1BA-536sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$500	\$500	\$365	\$500	\$444	11.2%
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	Yes	3	\$500	\$500	\$365	\$500	\$444	11.2%
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No	1	\$481	\$500	\$365	\$365	\$350	4.1%
1BR-1BA-593sf / 60% of AMI / 60% of AMI	Yes	No	2	\$540	\$500	\$365	\$365	\$350	4.1%
1BR-1BA-598sf / 60% of AMI / 60% of AMI	Yes	No	4	\$540	\$500	\$365	\$365	\$350	4.1%
2BR-1BA-777sf / 50% of AMI / 40% of AMI	Yes	Yes	4	\$580	\$580	\$465	\$580	\$536	7.6%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	Yes	16	\$580	\$580	\$465	\$580	\$536	7.6%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	2	\$582	\$580	\$465	\$465	\$450	3.2%
2BR-1BA-767sf / 60% of AMI / 60% of AMI	Yes	Yes	16	\$580	\$580	\$465	\$580	\$536	7.6%
2BR-1BA-777sf / 60% of AMI / 60% of AMI	Yes	Yes	3	\$580	\$580	\$465	\$580	\$536	7.6%
2BR-1BA-887sf / 50% of AMI / 50% of AMI	Yes	Yes	6	\$600	\$600	\$475	\$600	\$556	7.3%
2BR-1BA-887sf / 60% of AMI / 60% of AMI	Yes	No	1	\$615	\$600	\$475	\$475	\$450	5.3%
3BR-1.5BA-940sf / 50% of AMI / 40% of AMI	Yes	Yes	2	\$695	\$695	\$555	\$695	\$650	6.5%
3BR-1.5BA-952sf / 60% of AMI / 60% of AMI	Yes	Yes	8	\$695	\$695	\$555	\$695	\$650	6.5%
3BR-1.5BA-940sf / 60% of AMI / 60% of AMI	Yes	No	2	\$824	\$695	\$555	\$555	\$550	0.9%
Total / Average			72	\$595	\$588	\$464	\$566	\$526	7.1%

Our analysis suggests an average achievable rent of \$566 for the subject property. This is compared with an average proposed rent of \$526, yielding an achievable rent advantage of 7.1 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

Finally, assuming no rent subsidies, we arrive at the following achievable rents for units at this property:

Achievable Rents, No Rent Subsidies

Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
1BR-1BA-536sf / 50% of AMI / 40% of AMI	Yes	No	2	\$367	\$500	\$365	\$365	\$444	-21.6%
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No	3	\$481	\$500	\$365	\$365	\$444	-21.6%
1BR-1BA-540sf / 50% of AMI / 50% of AMI	Yes	No	1	\$481	\$500	\$365	\$365	\$350	4.1%
1BR-1BA-593sf / 60% of AMI / 60% of AMI	Yes	No	2	\$540	\$500	\$365	\$365	\$350	4.1%
1BR-1BA-598sf / 60% of AMI / 60% of AMI	Yes	No	4	\$540	\$500	\$365	\$365	\$350	4.1%
2BR-1BA-777sf / 50% of AMI / 40% of AMI	Yes	No	4	\$446	\$580	\$465	\$446	\$536	-20.2%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	16	\$582	\$580	\$465	\$465	\$536	-15.3%
2BR-1BA-777sf / 50% of AMI / 50% of AMI	Yes	No	2	\$582	\$580	\$465	\$465	\$450	3.2%
2BR-1BA-767sf / 60% of AMI / 60% of AMI	Yes	No	16	\$615	\$580	\$465	\$465	\$536	-15.3%
2BR-1BA-777sf / 60% of AMI / 60% of AMI	Yes	No	3	\$615	\$580	\$465	\$465	\$536	-15.3%
2BR-1BA-887sf / 50% of AMI / 50% of AMI	Yes	No	6	\$582	\$600	\$475	\$475	\$556	-17.1%
2BR-1BA-887sf / 60% of AMI / 60% of AMI	Yes	No	1	\$615	\$600	\$475	\$475	\$450	5.3%
3BR-1.5BA-940sf / 50% of AMI / 40% of AMI	Yes	No	2	\$509	\$695	\$555	\$509	\$650	-27.7%
3BR-1.5BA-952sf / 60% of AMI / 60% of AMI	Yes	No	8	\$824	\$695	\$555	\$555	\$650	-17.1%
3BR-1.5BA-940sf / 60% of AMI / 60% of AMI	Yes	No	2	\$824	\$695	\$555	\$555	\$550	0.9%
Total / Average			72	\$600	\$588	\$464	\$462	\$526	-13.8%

DEMAND ANALYSIS

Overview

In this section we evaluate demand for the subject property using the recommended demand methodology promulgated by the National Council of Housing Market Analysts (NCHMA). For purposes of this analysis, we define demand as the number of income-qualified renter households (by household size and unit type) that would qualify to live at the subject property at the lesser of the developer's proposed rents or achievable rents.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

2020 \$		Renter Households, by Income, by Size							
Min	Max	2022							
		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total	
\$0	to \$9,999	596	260	95	71	11	6	1,039	
\$0	to \$19,999	1,393	515	196	115	30	11	2,259	
\$0	to \$29,999	1,748	757	358	142	110	49	3,163	
\$0	to \$39,999	1,943	1,020	495	227	179	82	3,946	
\$0	to \$49,999	2,071	1,082	610	251	194	88	4,296	
\$0	to \$59,999	2,098	1,158	641	330	205	90	4,523	
\$0	to \$74,999	2,165	1,261	692	364	208	90	4,780	
\$0	to \$99,999	2,227	1,277	742	400	248	109	5,002	
\$0	to \$124,999	2,270	1,342	757	410	265	123	5,169	
\$0	to \$149,999	2,311	1,361	775	432	277	126	5,281	
\$0	to \$199,999	2,341	1,383	786	438	282	126	5,355	
\$0	or more	2,356	1,410	791	444	287	126	5,413	

Source: ESRI & Ribbon Demographics

Our analysis includes an estimate of demand along with capture rate and penetration rate estimates. Capture rates were computed two ways: (1) On a gross basis (the number of proposed units divided by qualified demand) and (2) On a net basis (the number of proposed units divided by qualified demand minus competing & pipeline units). Penetration rates are defined as the number of proposed units plus competing & pipeline units divided by income-qualified demand. In the following pages we provide detailed listings of competing & pipeline units in the market area broken by unit type.

Competing & Pipeline Units, 1-Bedroom Units

Overview							Total Units							Vacant Units									
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt	Sub	30%	40%	50%	60%	70%	80%	Mkt	
003	Brookstone Court	1999	na	Market Rate	Family	Stabilized																	
006	Colonial Heights Apartments	1991	2015	Market Rate	Family	Stabilized																	
008	Cranberry Apartments	1975	na	Market Rate	Family	Stabilized								12									
012	Glendale Apartments	1982	na	Subsidized	Family	Stabilized																	
016	Harmony Village Apartments	1989	2017	Subsidized	Family	Prop Rehab	12																
019	Hillcrest Apartments	1979	2013	Restricted	Family	Stabilized			2														
021	Ivywood Apartments	1988	na	Market Rate	Family	Stabilized																	
024	Larkspur Apartments	1987	na	Market Rate	Family	Stabilized																	
026	Laurel Ridge Apartments	1980	2019	Subsidized	Family	Prop Rehab	14																
029	Madison Street Apartments	1971	2012	Market Rate	Family	Stabilized																	
030	Melton's Run Apartments	2004	na	Restricted	Family	Stabilized																	
031	Midtown Apartments	1997	na	Market Rate	Family	Stabilized								15									
032	Northway	1973	2004	Restricted	Family	Stabilized	5		2	5													
034	Penn Court Apartments	1983	na	Subsidized	Family	Stabilized	12																
042	Stable Inn Apartments	1965	na	Market Rate	Family	Stabilized																	
043	Stuart Drive Apartments	1994	na	Market Rate	Family	Stabilized								4									
044	Walnut Hill Apartments	1975	2007	Market Rate	Family	Stabilized																	
047	Woodlawn School Apartments	1917	2019	Restricted	Family	Prop Rehab			2	8							2					8	
Total							43		2	4	13			31			2						8

Source: Allen & Associates

Competing & Pipeline Units, 2-Bedroom Units

Overview							Total Units								Vacant Units								
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt	Sub	30%	40%	50%	60%	70%	80%	Mkt	
003	Brookstone Court	1999	na	Market Rate	Family	Stabilized								29									4
006	Colonial Heights Apartments	1991	2015	Market Rate	Family	Stabilized								6									
008	Cranberry Apartments	1975	na	Market Rate	Family	Stabilized								12									
012	Glendale Apartments	1982	na	Subsidized	Family	Stabilized	48								1								
016	Harmony Village Apartments	1989	2017	Subsidized	Family	Prop Rehab	30																
019	Hillcrest Apartments	1979	2013	Restricted	Family	Stabilized				3	9												
021	Ivywood Apartments	1988	na	Market Rate	Family	Stabilized								8									1
024	Larkspur Apartments	1987	na	Market Rate	Family	Stabilized								9									1
026	Laurel Ridge Apartments	1980	2019	Subsidized	Family	Prop Rehab	28																
029	Madison Street Apartments	1971	2012	Market Rate	Family	Stabilized								12									1
030	Melton's Run Apartments	2004	na	Restricted	Family	Stabilized				12	12												
031	Midtown Apartments	1997	na	Market Rate	Family	Stabilized								15									
032	Northway	1973	2004	Restricted	Family	Stabilized	45			1	2											1	
034	Penn Court Apartments	1983	na	Subsidized	Family	Stabilized	32																
042	Stable Inn Apartments	1965	na	Market Rate	Family	Stabilized																	
043	Stuart Drive Apartments	1994	na	Market Rate	Family	Stabilized																	
044	Walnut Hill Apartments	1975	2007	Market Rate	Family	Stabilized								10									
047	Woodlawn School Apartments	1917	2019	Restricted	Family	Prop Rehab				2	24											2	24
Total							183		2	16	47			101	1		2					25	7

Source: Allen & Associates

Competing & Pipeline Units, 3-Bedroom Units

Overview							Total Units							Vacant Units									
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt	Sub	30%	40%	50%	60%	70%	80%	Mkt	
003	Brookstone Court	1999	na	Market Rate	Family	Stabilized								10									
006	Colonial Heights Apartments	1991	2015	Market Rate	Family	Stabilized																	
008	Cranberry Apartments	1975	na	Market Rate	Family	Stabilized								12									
012	Glendale Apartments	1982	na	Subsidized	Family	Stabilized	20																
016	Harmony Village Apartments	1989	2017	Subsidized	Family	Prop Rehab																	
019	Hillcrest Apartments	1979	2013	Restricted	Family	Stabilized																	
021	Ivywood Apartments	1988	na	Market Rate	Family	Stabilized								2									1
024	Larkspur Apartments	1987	na	Market Rate	Family	Stabilized								9									1
026	Laurel Ridge Apartments	1980	2019	Subsidized	Family	Prop Rehab	9																
029	Madison Street Apartments	1971	2012	Market Rate	Family	Stabilized																	
030	Melton's Run Apartments	2004	na	Restricted	Family	Stabilized				19	5							1					
031	Midtown Apartments	1997	na	Market Rate	Family	Stabilized																	
032	Northway	1973	2004	Restricted	Family	Stabilized	10			1	1							1					
034	Penn Court Apartments	1983	na	Subsidized	Family	Stabilized	4																
042	Stable Inn Apartments	1965	na	Market Rate	Family	Stabilized																	
043	Stuart Drive Apartments	1994	na	Market Rate	Family	Stabilized																	
044	Walnut Hill Apartments	1975	2007	Market Rate	Family	Stabilized																	
047	Woodlawn School Apartments	1917	2019	Restricted	Family	Prop Rehab				2	5	8						2	5	8			
Total							43		2	25	14			33			2	7	8				2

Source: Allen & Associates

Demand Estimate, 1-Bedroom, Subsidized, 50% of AMI

In this section we estimate demand for the 1-Bedroom / Subsidized / 50% of AMI units at the subject property. Our analysis assumes a total of 5 units, 2 of which are anticipated to be vacant on market entry in 2022. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Subsidized
Income Limit	50% of AMI
Total Units	5
Vacant Units at Market Entry	2

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$87
Gross Rent	\$87
Income Qualification Ratio	35%
Minimum Qualified Income	\$249
Months/Year	12
Minimum Qualified Income	\$2,983

Renter Households, by Income, by Size								
2022								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	596	260	95	71	11	6
\$0	to	\$19,999	1,393	515	196	115	30	11
\$0	to	\$29,999	1,748	757	358	142	110	49
\$0	to	\$39,999	1,943	1,020	495	227	179	82
\$0	to	\$49,999	2,071	1,082	610	251	194	88
\$0	to	\$59,999	2,098	1,158	641	330	205	90
\$0	to	\$74,999	2,165	1,261	692	364	208	90
\$0	to	\$99,999	2,227	1,277	742	400	248	109
\$0	to	\$124,999	2,270	1,342	757	410	265	123
\$0	to	\$149,999	2,311	1,361	775	432	277	126
\$0	to	\$199,999	2,341	1,383	786	438	282	126
\$0	or	more	2,356	1,410	791	444	287	126

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,429	612	0	0	0	0
HH Below Minimum Income	149	65	0	0	0	0
Subtotal	1,280	547	0	0	0	0

Demand Estimate 1,826

Our analysis suggests demand for a total of 1,826 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 1-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2022. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	1
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$350
Utilities	\$87
Gross Rent	\$437
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,249
Months/Year	12
Minimum Qualified Income	\$14,983

Renter Households, by Income, by Size									
2022									
	2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	596	260	95	71	11	6
	\$0	to	\$19,999	1,393	515	196	115	30	11
	\$0	to	\$29,999	1,748	757	358	142	110	49
	\$0	to	\$39,999	1,943	1,020	495	227	179	82
	\$0	to	\$49,999	2,071	1,082	610	251	194	88
	\$0	to	\$59,999	2,098	1,158	641	330	205	90
	\$0	to	\$74,999	2,165	1,261	692	364	208	90
	\$0	to	\$99,999	2,227	1,277	742	400	248	109
	\$0	to	\$124,999	2,270	1,342	757	410	265	123
	\$0	to	\$149,999	2,311	1,361	775	432	277	126
	\$0	to	\$199,999	2,341	1,383	786	438	282	126
	\$0	or	more	2,356	1,410	791	444	287	126

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,429	612	0	0	0	0
HH Below Minimum Income	955	375	0	0	0	0
Subtotal	474	237	0	0	0	0

Demand Estimate 711

Our analysis suggests demand for a total of 711 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 1-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 6 units, 3 of which are anticipated to be vacant on market entry in 2022. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	6
Vacant Units at Market Entry	3

Minimum Qualified Income	
Net Rent	\$350
Utilities	\$87
Gross Rent	\$437
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,249
Months/Year	12
Minimum Qualified Income	\$14,983

Renter Households, by Income, by Size								
2022								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	596	260	95	71	11	6
\$0	to	\$19,999	1,393	515	196	115	30	11
\$0	to	\$29,999	1,748	757	358	142	110	49
\$0	to	\$39,999	1,943	1,020	495	227	179	82
\$0	to	\$49,999	2,071	1,082	610	251	194	88
\$0	to	\$59,999	2,098	1,158	641	330	205	90
\$0	to	\$74,999	2,165	1,261	692	364	208	90
\$0	to	\$99,999	2,227	1,277	742	400	248	109
\$0	to	\$124,999	2,270	1,342	757	410	265	123
\$0	to	\$149,999	2,311	1,361	775	432	277	126
\$0	to	\$199,999	2,341	1,383	786	438	282	126
\$0	or	more	2,356	1,410	791	444	287	126

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	\$42,180	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,571	733	0	0	0	0
HH Below Minimum Income	955	375	0	0	0	0
Subtotal	616	358	0	0	0	0

Demand Estimate 974

Our analysis suggests demand for a total of 974 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 2-Bedroom, Subsidized, 50% of AMI

In this section we estimate demand for the 2-Bedroom / Subsidized / 50% of AMI units at the subject property. Our analysis assumes a total of 45 units, 22 of which are anticipated to be vacant on market entry in 2022. Our analysis assumes a 35% income qualification ratio and 4-person households.

Unit Details	
Target Population	Family Households
Unit Type	2-Bedroom
Rent Type	Subsidized
Income Limit	50% of AMI
Total Units	45
Vacant Units at Market Entry	22

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$99
Gross Rent	\$99
Income Qualification Ratio	35%
Minimum Qualified Income	\$283
Months/Year	12
Minimum Qualified Income	\$3,394

Renter Households, by Income, by Size								
2022								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	596	260	95	71	11	6
\$0	to	\$19,999	1,393	515	196	115	30	11
\$0	to	\$29,999	1,748	757	358	142	110	49
\$0	to	\$39,999	1,943	1,020	495	227	179	82
\$0	to	\$49,999	2,071	1,082	610	251	194	88
\$0	to	\$59,999	2,098	1,158	641	330	205	90
\$0	to	\$74,999	2,165	1,261	692	364	208	90
\$0	to	\$99,999	2,227	1,277	742	400	248	109
\$0	to	\$124,999	2,270	1,342	757	410	265	123
\$0	to	\$149,999	2,311	1,361	775	432	277	126
\$0	to	\$199,999	2,341	1,383	786	438	282	126
\$0	or	more	2,356	1,410	791	444	287	126

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,429	612	309	142	0	0
HH Below Minimum Income	179	78	29	21	0	0
Subtotal	1,250	534	281	121	0	0

Demand Estimate 2,185

Our analysis suggests demand for a total of 2,185 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 2-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 2 units, 1 of which are anticipated to be vacant on market entry in 2022. Our analysis assumes a 35% income qualification ratio and 4-person households.

Unit Details	
Target Population	Family Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	2
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$450
Utilities	\$99
Gross Rent	\$549
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,569
Months/Year	12
Minimum Qualified Income	\$18,823

Renter Households, by Income, by Size									
2022									
	2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	596	260	95	71	11	6
	\$0	to	\$19,999	1,393	515	196	115	30	11
	\$0	to	\$29,999	1,748	757	358	142	110	49
	\$0	to	\$39,999	1,943	1,020	495	227	179	82
	\$0	to	\$49,999	2,071	1,082	610	251	194	88
	\$0	to	\$59,999	2,098	1,158	641	330	205	90
	\$0	to	\$74,999	2,165	1,261	692	364	208	90
	\$0	to	\$99,999	2,227	1,277	742	400	248	109
	\$0	to	\$124,999	2,270	1,342	757	410	265	123
	\$0	to	\$149,999	2,311	1,361	775	432	277	126
	\$0	to	\$199,999	2,341	1,383	786	438	282	126
	\$0	or	more	2,356	1,410	791	444	287	126

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,429	612	309	142	0	0
HH Below Minimum Income	1,273	477	181	108	0	0
Subtotal	155	135	129	34	0	0

Demand Estimate 452

Our analysis suggests demand for a total of 452 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 2-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2022. Our analysis assumes a 35% income qualification ratio and 4-person households.

Unit Details	
Target Population	Family Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	1
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$450
Utilities	\$99
Gross Rent	\$549
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,569
Months/Year	12
Minimum Qualified Income	\$18,823

Renter Households, by Income, by Size									
2022									
	2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	596	260	95	71	11	6
	\$0	to	\$19,999	1,393	515	196	115	30	11
	\$0	to	\$29,999	1,748	757	358	142	110	49
	\$0	to	\$39,999	1,943	1,020	495	227	179	82
	\$0	to	\$49,999	2,071	1,082	610	251	194	88
	\$0	to	\$59,999	2,098	1,158	641	330	205	90
	\$0	to	\$74,999	2,165	1,261	692	364	208	90
	\$0	to	\$99,999	2,227	1,277	742	400	248	109
	\$0	to	\$124,999	2,270	1,342	757	410	265	123
	\$0	to	\$149,999	2,311	1,361	775	432	277	126
	\$0	to	\$199,999	2,341	1,383	786	438	282	126
	\$0	or	more	2,356	1,410	791	444	287	126

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	\$42,180	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,571	733	392	193	0	0
HH Below Minimum Income	1,273	477	181	108	0	0
Subtotal	297	256	211	85	0	0

Demand Estimate 849

Our analysis suggests demand for a total of 849 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 3-Bedroom, Subsidized, 50% of AMI

In this section we estimate demand for the 3-Bedroom / Subsidized / 50% of AMI units at the subject property. Our analysis assumes a total of 10 units, 5 of which are anticipated to be vacant on market entry in 2022. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Subsidized
Income Limit	50% of AMI
Total Units	10
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$121
Gross Rent	\$121
Income Qualification Ratio	35%
Minimum Qualified Income	\$346
Months/Year	12
Minimum Qualified Income	\$4,149

Renter Households, by Income, by Size								
2022								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	596	260	95	71	11	6
\$0	to	\$19,999	1,393	515	196	115	30	11
\$0	to	\$29,999	1,748	757	358	142	110	49
\$0	to	\$39,999	1,943	1,020	495	227	179	82
\$0	to	\$49,999	2,071	1,082	610	251	194	88
\$0	to	\$59,999	2,098	1,158	641	330	205	90
\$0	to	\$74,999	2,165	1,261	692	364	208	90
\$0	to	\$99,999	2,227	1,277	742	400	248	109
\$0	to	\$124,999	2,270	1,342	757	410	265	123
\$0	to	\$149,999	2,311	1,361	775	432	277	126
\$0	to	\$199,999	2,341	1,383	786	438	282	126
\$0	or	more	2,356	1,410	791	444	287	126

Maximum Allowable Income						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	Yes	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,429	612	309	142	127	0
HH Below Minimum Income	238	104	38	28	4	0
Subtotal	1,190	508	271	114	123	0

Demand Estimate 2,206

Our analysis suggests demand for a total of 2,206 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 3-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 3-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 2 units, 1 of which are anticipated to be vacant on market entry in 2022. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	2
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$550
Utilities	\$121
Gross Rent	\$671
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,917
Months/Year	12
Minimum Qualified Income	\$23,006

Renter Households, by Income, by Size									
2022									
	2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
	\$0	to	\$9,999	596	260	95	71	11	6
	\$0	to	\$19,999	1,393	515	196	115	30	11
	\$0	to	\$29,999	1,748	757	358	142	110	49
	\$0	to	\$39,999	1,943	1,020	495	227	179	82
	\$0	to	\$49,999	2,071	1,082	610	251	194	88
	\$0	to	\$59,999	2,098	1,158	641	330	205	90
	\$0	to	\$74,999	2,165	1,261	692	364	208	90
	\$0	to	\$99,999	2,227	1,277	742	400	248	109
	\$0	to	\$124,999	2,270	1,342	757	410	265	123
	\$0	to	\$149,999	2,311	1,361	775	432	277	126
	\$0	to	\$199,999	2,341	1,383	786	438	282	126
	\$0	or	more	2,356	1,410	791	444	287	126

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	\$42,180	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	Yes	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,571	733	392	193	172	0
HH Below Minimum Income	1,500	588	245	123	54	0
Subtotal	71	145	148	70	118	0

Demand Estimate 552

Our analysis suggests demand for a total of 552 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, Subsidized

In this section we account for income-band overlap and develop a demand estimate for the subsidized units at the subject property.

Renter Households, by Income, by Size								
2022								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	596	260	95	71	11	6
\$0	to	\$19,999	1,393	515	196	115	30	11
\$0	to	\$29,999	1,748	757	358	142	110	49
\$0	to	\$39,999	1,943	1,020	495	227	179	82
\$0	to	\$49,999	2,071	1,082	610	251	194	88
\$0	to	\$59,999	2,098	1,158	641	330	205	90
\$0	to	\$74,999	2,165	1,261	692	364	208	90
\$0	to	\$99,999	2,227	1,277	742	400	248	109
\$0	to	\$124,999	2,270	1,342	757	410	265	123
\$0	to	\$149,999	2,311	1,361	775	432	277	126
\$0	to	\$199,999	2,341	1,383	786	438	282	126
\$0	or	more	2,356	1,410	791	444	287	126

Demand Estimate, Subsidized						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	\$21,200	\$24,250	-	-	-	-
Maximum Income, 2BR	\$21,200	\$24,250	\$27,250	\$30,300	-	-
Maximum Income, 3BR	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	\$2,983	\$2,983	-	-	-	-
Minimum Income, 2BR	\$3,394	\$3,394	\$3,394	\$3,394	-	-
Minimum Income, 3BR	\$4,149	\$4,149	\$4,149	\$4,149	\$4,149	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$2,983	\$2,983	\$3,394	\$3,394	\$4,149	-
HH Below Upper Income	1,429	612	309	142	127	0
HH Below Lower Income	149	65	29	21	4	0
Subtotal	1,280	547	281	121	123	0

Demand Estimate 2,351

Our analysis suggests demand for a total of 2,351 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Restricted, 50% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 50% of AMI at the subject property.

Renter Households, by Income, by Size								
2022								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	596	260	95	71	11	6
\$0	to	\$19,999	1,393	515	196	115	30	11
\$0	to	\$29,999	1,748	757	358	142	110	49
\$0	to	\$39,999	1,943	1,020	495	227	179	82
\$0	to	\$49,999	2,071	1,082	610	251	194	88
\$0	to	\$59,999	2,098	1,158	641	330	205	90
\$0	to	\$74,999	2,165	1,261	692	364	208	90
\$0	to	\$99,999	2,227	1,277	742	400	248	109
\$0	to	\$124,999	2,270	1,342	757	410	265	123
\$0	to	\$149,999	2,311	1,361	775	432	277	126
\$0	to	\$199,999	2,341	1,383	786	438	282	126
\$0	or	more	2,356	1,410	791	444	287	126

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$21,200	\$24,250	-	-	-	-	-
Maximum Income, 2BR	\$21,200	\$24,250	\$27,250	\$30,300	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$14,983	\$14,983	-	-	-	-	-
Minimum Income, 2BR	\$18,823	\$18,823	\$18,823	\$18,823	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$14,983	\$14,983	\$18,823	\$18,823	-	-	-
HH Below Upper Income	1,429	612	309	142	0	0	
HH Below Lower Income	955	375	181	108	0	0	
Subtotal	474	237	129	34	0	0	

Demand Estimate

873

Our analysis suggests demand for a total of 873 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

Renter Households, by Income, by Size								
2022								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	596	260	95	71	11	6
\$0	to	\$19,999	1,393	515	196	115	30	11
\$0	to	\$29,999	1,748	757	358	142	110	49
\$0	to	\$39,999	1,943	1,020	495	227	179	82
\$0	to	\$49,999	2,071	1,082	610	251	194	88
\$0	to	\$59,999	2,098	1,158	641	330	205	90
\$0	to	\$74,999	2,165	1,261	692	364	208	90
\$0	to	\$99,999	2,227	1,277	742	400	248	109
\$0	to	\$124,999	2,270	1,342	757	410	265	123
\$0	to	\$149,999	2,311	1,361	775	432	277	126
\$0	to	\$199,999	2,341	1,383	786	438	282	126
\$0	or	more	2,356	1,410	791	444	287	126

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$25,440	\$29,100	-	-	-	-	-
Maximum Income, 2BR	\$25,440	\$29,100	\$32,700	\$36,360	-	-	-
Maximum Income, 3BR	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$14,983	\$14,983	-	-	-	-	-
Minimum Income, 2BR	\$18,823	\$18,823	\$18,823	\$18,823	-	-	-
Minimum Income, 3BR	\$23,006	\$23,006	\$23,006	\$23,006	\$23,006	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$14,983	\$14,983	\$18,823	\$18,823	\$23,006	-	-
HH Below Upper Income	1,571	733	392	193	172	0	0
HH Below Lower Income	955	375	181	108	54	0	0
Subtotal	616	358	211	85	118	0	0

Demand Estimate 1,388

Our analysis suggests demand for a total of 1,388 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Project-Level

In this section we account for income-band overlap and develop a project-level demand estimate for the subject property.

Renter Households, by Income, by Size								
2022								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	596	260	95	71	11	6
\$0	to	\$19,999	1,393	515	196	115	30	11
\$0	to	\$29,999	1,748	757	358	142	110	49
\$0	to	\$39,999	1,943	1,020	495	227	179	82
\$0	to	\$49,999	2,071	1,082	610	251	194	88
\$0	to	\$59,999	2,098	1,158	641	330	205	90
\$0	to	\$74,999	2,165	1,261	692	364	208	90
\$0	to	\$99,999	2,227	1,277	742	400	248	109
\$0	to	\$124,999	2,270	1,342	757	410	265	123
\$0	to	\$149,999	2,311	1,361	775	432	277	126
\$0	to	\$199,999	2,341	1,383	786	438	282	126
\$0	or	more	2,356	1,410	791	444	287	126

Demand Estimate, Project-Level							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, Subsidized	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	-	-
Maximum Income, 30% of AMI	-	-	-	-	-	-	-
Maximum Income, 40% of AMI	-	-	-	-	-	-	-
Maximum Income, 50% of AMI	\$21,200	\$24,250	\$27,250	\$30,300	-	-	-
Maximum Income, 60% of AMI	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	-	-
Maximum Income, 70% of AMI	-	-	-	-	-	-	-
Maximum Income, 80% of AMI	-	-	-	-	-	-	-
Maximum Income, Market Rate	-	-	-	-	-	-	-
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	-	-
Minimum Income, Subsidized	\$2,983	\$2,983	\$3,394	\$3,394	\$4,149	-	-
Minimum Income, 30% of AMI	-	-	-	-	-	-	-
Minimum Income, 40% of AMI	-	-	-	-	-	-	-
Minimum Income, 50% of AMI	\$14,983	\$14,983	\$18,823	\$18,823	-	-	-
Minimum Income, 60% of AMI	\$14,983	\$14,983	\$18,823	\$18,823	\$23,006	-	-
Minimum Income, 70% of AMI	-	-	-	-	-	-	-
Minimum Income, 80% of AMI	-	-	-	-	-	-	-
Minimum Income, Market Rate	-	-	-	-	-	-	-
Minimum Qualified Income	\$2,983	\$2,983	\$3,394	\$3,394	\$4,149	-	-
HH Below Upper Income	1,571	733	392	193	172	0	0
HH Below Lower Income	149	65	29	21	4	0	0
Subtotal	1,422	668	364	172	168	0	0

Demand Estimate 2,792

Our analysis suggests project-level demand for a total of 2,792 size- and income-qualified units in the market area.

Capture Rates

In this section, we summarize our demand conclusions and estimate the capture rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

Subject Property Units (Total)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	5			1	6				12
2BR	45			2	1				48
3BR	10				2				12
4BR									
Tot	60			3	9				72

Subject Property Units (Vacant at Market Entry)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	2			1	3				6
2BR	22			1	1				24
3BR	5				1				6
4BR									
Tot	29			2	5				36

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

Gross Demand									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	1,826			711	974				3,511
2BR	2,185			452	849				3,486
3BR	2,206				552				2,758
4BR									
Tot	2,351			873	1,388				2,792

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by gross demand. Underwriters often utilize capture rate limits of 10 to 25 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Gross Demand)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	0.1%			0.1%	0.3%				0.2%
2BR	1.0%			0.2%	0.1%				0.7%
3BR	0.2%				0.2%				0.2%
4BR									
Tot	1.2%			0.2%	0.4%				1.3%

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by

unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

Vacant Competing & Pipeline Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR					8				8
2BR	1				25				26
3BR					8				8
4BR									
Tot	1				41				42

The next step in our analysis is to subtract the number of vacant competing & pipeline units from gross demand to arrive at a net demand estimate for the subject property units. As described earlier, unit-level net demand estimates are found in the body of the chart found below; project-level net demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level net demand may not add up to project-level net demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level net demand.

Net Demand (Gross Demand - Vacant Competing & Pipeline Units)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	1,826			711	966				3,503
2BR	2,184			452	824				3,460
3BR	2,206				544				2,750
4BR									
Tot	2,350			873	1,347				2,750

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by net demand. A capture rate in excess of 20 percent is considered excessive using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	0.1%			0.1%	0.3%				0.2%
2BR	1.0%			0.2%	0.1%				0.7%
3BR	0.2%				0.2%				0.2%
4BR									
Tot	1.2%			0.2%	0.4%				1.3%

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

Penetration Rates

In this section, we summarize our demand conclusions and estimate the penetration rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

Subject Property Units (Total)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	5			1	6				12
2BR	45			2	1				48
3BR	10				2				12
4BR									
Tot	60			3	9				72

Subject Property Units (Vacant at Market Entry)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	2			1	3				6
2BR	22			1	1				24
3BR	5				1				6
4BR									
Tot	29			2	5				36

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

Gross Demand									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	1,826			711	974				3,511
2BR	2,185			452	849				3,486
3BR	2,206				552				2,758
4BR									
Tot	2,351			873	1,388				2,792

The next step in our analysis is to tabulate the number of competing & pipeline units in the market area by unit/income type. This information will be used to derive our penetration rate estimate for the subject property. A table showing the distribution of competing & pipeline units is found below.

Competing & Pipeline Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	43			4	13				60
2BR	183			16	47				246
3BR	43				14				57
4BR									
Tot	269			20	74				363

The next step in our analysis is to compute inclusive supply for the market area by unit/income type. Inclusive

supply will be taken into account in our penetration rate estimate for the subject property. For purposes of this estimate, inclusive supply consists of vacant subject property units plus competing & pipeline units.

Inclusive Supply (Subject Property Units + Competing & Pipeline Units)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	45			5	16				66
2BR	205			17	48				270
3BR	48				15				63
4BR									
Tot	298			22	79				399

The next step in our analysis is to compute the penetration rate for the project. For purposes of this computation, penetration rate is defined as inclusive supply divided by gross demand. A penetration rate in excess of 100 percent is considered excessive using this methodology. Our estimates are presented below:

Penetration Rates (Inclusive Supply / Gross Demand)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	2.5%			0.7%	1.6%				1.9%
2BR	9.4%			3.8%	5.7%				7.7%
3BR	2.2%				2.7%				2.3%
4BR									
Tot	12.7%			2.5%	5.7%				14.3%

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

Absorption Period

In this section, we estimate the absorption period for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	5			1	6			
2BR	45			2	1			
3BR	10				2			
4BR								

Subject Property Units (Vacant at Market Entry)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	2			1	3			
2BR	22			1	1			
3BR	5				1			
4BR								

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Our analysis uses the unit-level demand estimates derived previously.

Gross Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	1,826			711	974			
2BR	2,185			452	849			
3BR	2,206				552			
4BR								

The next step in our analysis is to apply an annual growth & movership rate to derive an annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

Annual Growth & Movership Rate	
Growth	0.2%
Movership	26.7%
Total	26.8%

Growth & Movership Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	490			191	262			
2BR	587			121	228			
3BR	592				148			
4BR								

The next step in our analysis is to account for secondary market area migration in our annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

Secondary Market Area	
	20%

Growth & Movership Estimate

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	613			239	327			
2BR	733			152	285			
3BR	740				185			
4BR								

The next step in our analysis is to estimate fair share, or the proportion of growth and movership that we would expect the subject property to capture. The fair share analysis is used extensively in single-family, multifamily, commercial, and retail market studies. The books entitled Market Analysis for Valuation Appraisals (1994, Appraisal Institute) and Market Analysis and Highest & Best Use (2005, Appraisal institute) provide a good overview of this technique and its application to a variety of property types.

Based on our review of the subject and competing properties, along with their relative conditions/locations, we arrive at the following fair share estimates for the various unit/income types at the subject property.

Competing Properties

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								1
1BR	4		1	2	2			3
2BR	5		1	3	4			8
3BR	4		1	3	3			4
4BR	1							

Fair Share

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	20.0%			10.0%	10.0%			
2BR	20.0%			10.0%	10.0%			
3BR	20.0%			10.0%	10.0%			
4BR								

Applying the concluded fair share estimates to annual growth & movership and dividing by twelve yields the following monthly absorption rate estimates for the various unit/income types at the subject property.

Monthly Absorption Rate Estimate

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	10.2			2.0	2.7			
2BR	12.2			1.3	2.4			
3BR	12.3				1.5			
4BR								

The next step in our analysis is to estimate stabilized occupancy by unit/income type for the subject property. These estimates, which were based on data previously presented in the supply analysis and rent comparability analysis sections of this report, are found below.

Rental Property Inventory, Confirmed, Inside Market Area, Family, Stabilized Occupancy

	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								100%
1BR	100%			100%	100%			100%
2BR	99%			100%	96%			93%
3BR	100%			90%	100%			94%
4BR								

Occupancy Rate, Select Comparables								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	100%		100%	100%	100%		100%	97%
2BR	100%			100%	98%		100%	92%
3BR				97%	97%			90%
4BR								

Concluded Stabilized Occupancy Rate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	97%			97%	97%			
2BR	97%			97%	97%			
3BR	97%			97%	97%			
4BR								

Applying the stabilized occupancy rate estimates to the number of vacant subject property units at market entry, yields the number of occupied units by unit/income type at stabilization as set forth below.

Occupied Units at Stabilization								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	2			1	3			
2BR	21			1	1			
3BR	5				1			
4BR								

Dividing the number of occupied units at stabilization by the monthly absorption rate yields an absorption period estimate by unit/income type for the various units at the subject property. Underwriters often utilize absorption period limits of 12 to 18 months for projects similar to the subject property. Our absorption period estimates are found below.

Absorption Period (Months to Stabilization)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	<1			<1	1			
2BR	2			<1	<1			
3BR	<1				<1			
4BR								

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 2 months of absorption and an average absorption rate of 20.0 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

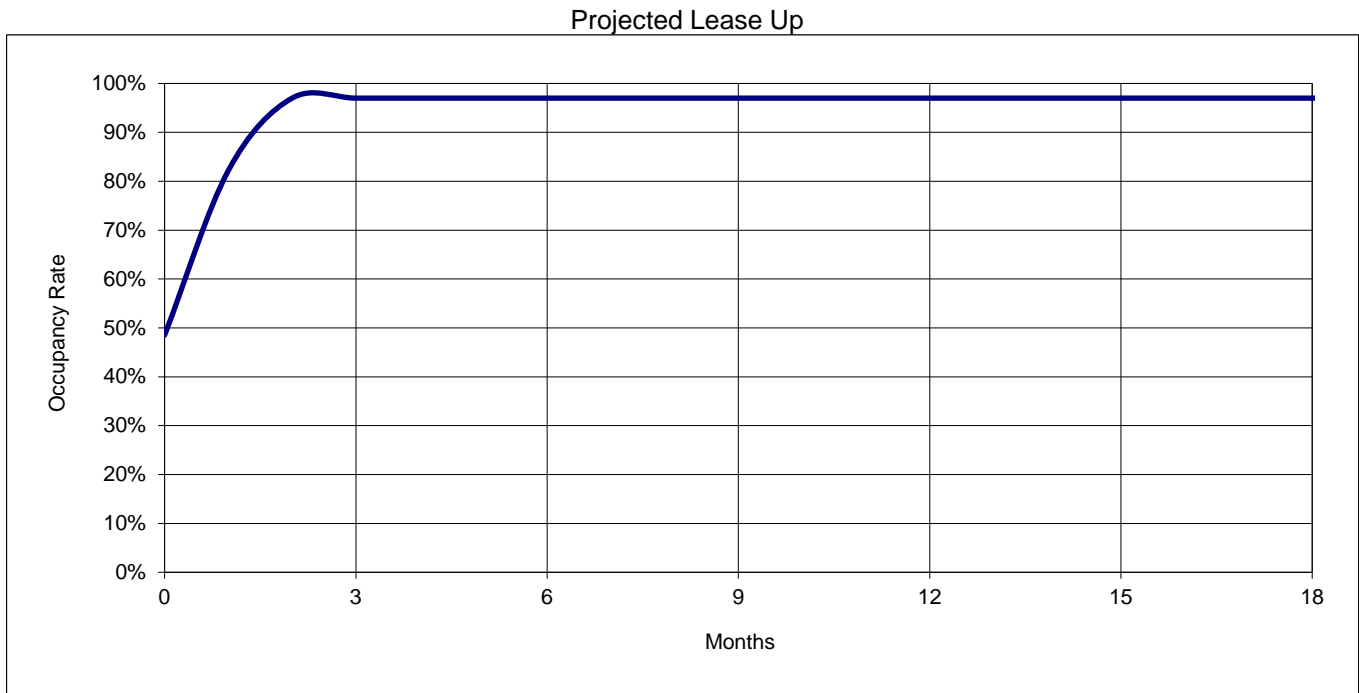
Absorption rates for multifamily properties depend on a variety of factors: (1) The competitive environment in which the property resides; (2) The pricing of the subject property units relative to competing units, (3) The presence of rent or income restrictions at the subject property; and (4) The availability of any rent concessions or rental assistance at the subject property. Subsidized properties normally lease up at a rate of 15-20 units per month. Unsubsidized properties with rent and income restrictions typically fill at a rate of 5-10 units per month. Market rate properties normally lease up at a rate of 10-15 units per month.

As part of our analysis, we inquired about the absorption history for every property we surveyed. The following list summarizes our findings:

Key	Project	Built	Renovated	Rent Type	Occ Type	Tot Units	Ab Rte
019	Hillcrest Apartments	1979	2013	Restricted	Family	14	0.8
023	Jefferson Union	2012	na	Restricted	Family	24	24.0

Absorption Analysis

In this section, we analyze the anticipated lease up for the subject property. We begin our analysis by taking the the absorption period conclusions from the previous section and restating them graphically as illustrated below.



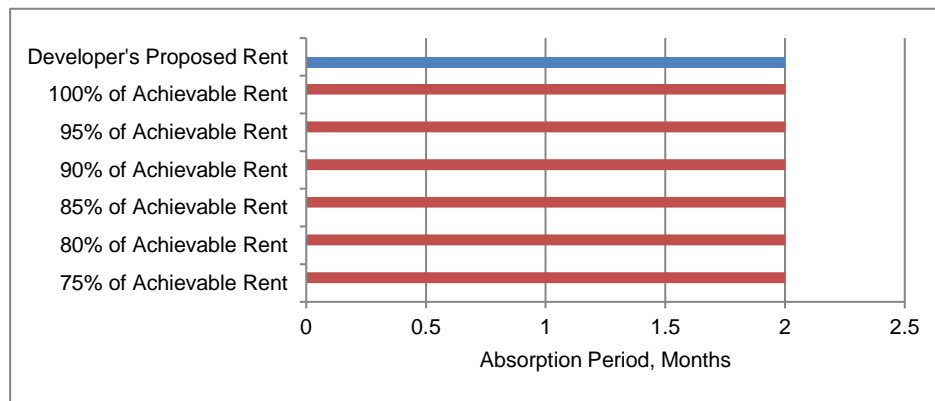
Our analysis suggests that the subject property will achieve 70 percent occupancy in 0 months, 80 percent occupancy in 0 months, and 90 percent occupancy in 1 months. We anticipate that the subject property will stabilize at 97 percent occupancy in 2 months.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods significantly.

Sensitivity Analysis

We also explored the relationship between rent level, capture rates, penetration rates, and absorption period. For purposes of this analysis, we forecasted demand and fill rates at 75%, 80%, 85%, 90%, 95% and 100% of achievable rent (derived earlier in this report). Our analysis is summarized below:

Scenario	Capture Rate	Penetration Rate	Absorption
Developer's Proposed Rent	1.3%	14.3%	2 months
100% of Achievable Rent	1.3%	14.3%	2 months
95% of Achievable Rent	1.3%	14.3%	2 months
90% of Achievable Rent	1.3%	14.3%	2 months
85% of Achievable Rent	1.3%	14.3%	2 months
80% of Achievable Rent	1.3%	14.3%	2 months
75% of Achievable Rent	1.3%	14.3%	2 months



Our analysis suggests the following relationship between rent levels and fill rates: At the developer's proposed rent we anticipate a 2-month absorption period; at 100% of achievable rent we anticipate a 2-month absorption period; at 75% of achievable rent we anticipate a 2-month absorption period.

VHDA DEMAND ANALYSIS

Overview

In this section we evaluate demand for the subject property using the VHDA demand methodology. For purposes of this analysis, we define VHDA demand as the number of new income-qualified and existing income-qualified overburdened and substandard renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents. Our analysis accounts for any rent subsidies for the subject property.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

2020 \$		Renter Households, by Income, by Size							Total
		2020							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person		
\$0	to \$9,999	594	259	95	70	11	6	1,035	
\$0	to \$19,999	1,389	513	195	115	30	11	2,252	
\$0	to \$29,999	1,742	755	357	141	110	49	3,153	
\$0	to \$39,999	1,937	1,017	494	226	179	81	3,934	
\$0	to \$49,999	2,065	1,078	609	250	194	87	4,283	
\$0	to \$59,999	2,091	1,155	639	329	205	89	4,509	
\$0	to \$74,999	2,158	1,257	690	363	208	89	4,765	
\$0	to \$99,999	2,220	1,273	740	399	247	109	4,987	
\$0	to \$124,999	2,263	1,338	755	409	264	123	5,153	
\$0	to \$149,999	2,304	1,357	772	430	276	125	5,265	
\$0	to \$199,999	2,334	1,379	783	436	281	125	5,339	
\$0	or more	2,348	1,406	788	442	286	125	5,396	

Source: ESRI & Ribbon Demographics

Demand Estimate, 1-Bedroom, Subsidized, 50% of AMI

In this section we estimate demand for the 1-Bedroom / Subsidized / 50% of AMI units at the subject property. Our analysis assumes a total of 5 units, 2 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Subsidized
Income Limit	50% of AMI
Total Units	5
Vacant Units at Market Entry	2

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$87
Gross Rent	\$87
Income Qualification Ratio	35%
Minimum Qualified Income	\$249
Months/Year	12
Minimum Qualified Income	\$2,983

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,424	610	0	0	0	0
HH Below Minimum Income	149	65	0	0	0	0
Subtotal	1,276	545	0	0	0	0

Demand Estimate 1,821

Our analysis suggests demand for a total of 1,821 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 1-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	1
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$350
Utilities	\$87
Gross Rent	\$437
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,249
Months/Year	12
Minimum Qualified Income	\$14,983

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,424	610	0	0	0	0
HH Below Minimum Income	952	373	0	0	0	0
Subtotal	473	237	0	0	0	0

Demand Estimate 709

Our analysis suggests demand for a total of 709 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 1-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 6 units, 3 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	6
Vacant Units at Market Entry	3

Minimum Qualified Income	
Net Rent	\$350
Utilities	\$87
Gross Rent	\$437
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,249
Months/Year	12
Minimum Qualified Income	\$14,983

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	\$42,180	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,566	731	0	0	0	0
HH Below Minimum Income	952	373	0	0	0	0
Subtotal	614	358	0	0	0	0

Demand Estimate 971

Our analysis suggests demand for a total of 971 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 2-Bedroom, Subsidized, 50% of AMI

In this section we estimate demand for the 2-Bedroom / Subsidized / 50% of AMI units at the subject property. Our analysis assumes a total of 45 units, 22 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 4-person households.

Unit Details	
Target Population	Family Households
Unit Type	2-Bedroom
Rent Type	Subsidized
Income Limit	50% of AMI
Total Units	45
Vacant Units at Market Entry	22

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$99
Gross Rent	\$99
Income Qualification Ratio	35%
Minimum Qualified Income	\$283
Months/Year	12
Minimum Qualified Income	\$3,394

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,424	610	308	141	0	0
HH Below Minimum Income	178	78	29	21	0	0
Subtotal	1,246	532	280	120	0	0

Demand Estimate 2,178

Our analysis suggests demand for a total of 2,178 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 2-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 2 units, 1 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 4-person households.

Unit Details	
Target Population	Family Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	2
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$450
Utilities	\$99
Gross Rent	\$549
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,569
Months/Year	12
Minimum Qualified Income	\$18,823

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,424	610	308	141	0	0
HH Below Minimum Income	1,270	475	180	108	0	0
Subtotal	155	135	128	33	0	0

Demand Estimate 451

Our analysis suggests demand for a total of 451 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 2-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 1 units, 1 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 4-person households.

Unit Details	
Target Population	Family Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	1
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$450
Utilities	\$99
Gross Rent	\$549
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,569
Months/Year	12
Minimum Qualified Income	\$18,823

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	\$42,180	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,566	731	391	192	0	0
HH Below Minimum Income	1,270	475	180	108	0	0
Subtotal	296	256	211	84	0	0

Demand Estimate 847

Our analysis suggests demand for a total of 847 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 3-Bedroom, Subsidized, 50% of AMI

In this section we estimate demand for the 3-Bedroom / Subsidized / 50% of AMI units at the subject property. Our analysis assumes a total of 10 units, 5 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Subsidized
Income Limit	50% of AMI
Total Units	10
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$121
Gross Rent	\$121
Income Qualification Ratio	35%
Minimum Qualified Income	\$346
Months/Year	12
Minimum Qualified Income	\$4,149

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	Yes	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,424	610	308	141	127	0
HH Below Minimum Income	238	104	38	28	4	0
Subtotal	1,187	506	270	113	123	0

Demand Estimate 2,199

Our analysis suggests demand for a total of 2,199 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 3-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 3-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 2 units, 1 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	2
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$550
Utilities	\$121
Gross Rent	\$671
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,917
Months/Year	12
Minimum Qualified Income	\$23,006

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	\$42,180	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	Yes	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,566	731	391	192	172	0
HH Below Minimum Income	1,495	586	244	123	54	0
Subtotal	71	145	148	69	118	0

Demand Estimate 551

Our analysis suggests demand for a total of 551 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, Subsidized

In this section we account for income-band overlap and develop a demand estimate for the subsidized units at the subject property.

Renter Households, by Income, by Size								
2020								
	2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Demand Estimate, Subsidized						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Income, 0BR	-	-	-	-	-	-
Maximum Income, 1BR	\$21,200	\$24,250	-	-	-	-
Maximum Income, 2BR	\$21,200	\$24,250	\$27,250	\$30,300	-	-
Maximum Income, 3BR	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	-
Maximum Income, 4BR	-	-	-	-	-	-
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	-
Minimum Income, 0BR	-	-	-	-	-	-
Minimum Income, 1BR	\$2,983	\$2,983	-	-	-	-
Minimum Income, 2BR	\$3,394	\$3,394	\$3,394	\$3,394	-	-
Minimum Income, 3BR	\$4,149	\$4,149	\$4,149	\$4,149	\$4,149	-
Minimum Income, 4BR	-	-	-	-	-	-
Minimum Qualified Income	\$2,983	\$2,983	\$3,394	\$3,394	\$4,149	-
HH Below Upper Income	1,424	610	308	141	127	0
HH Below Lower Income	149	65	29	21	4	0
Subtotal	1,276	545	280	120	123	0

Demand Estimate 2,344

Our analysis suggests demand for a total of 2,344 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Restricted, 50% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 50% of AMI at the subject property.

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$21,200	\$24,250	-	-	-	-	-
Maximum Income, 2BR	\$21,200	\$24,250	\$27,250	\$30,300	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$14,983	\$14,983	-	-	-	-	-
Minimum Income, 2BR	\$18,823	\$18,823	\$18,823	\$18,823	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$14,983	\$14,983	\$18,823	\$18,823	-	-	-
HH Below Upper Income	1,424	610	308	141	0	0	0
HH Below Lower Income	952	373	180	108	0	0	0
Subtotal	473	237	128	33	0	0	0

Demand Estimate

870

Our analysis suggests demand for a total of 870 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

Renter Households, by Income, by Size								
2020								
	2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$25,440	\$29,100	-	-	-	-	-
Maximum Income, 2BR	\$25,440	\$29,100	\$32,700	\$36,360	-	-	-
Maximum Income, 3BR	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$14,983	\$14,983	-	-	-	-	-
Minimum Income, 2BR	\$18,823	\$18,823	\$18,823	\$18,823	-	-	-
Minimum Income, 3BR	\$23,006	\$23,006	\$23,006	\$23,006	\$23,006	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$14,983	\$14,983	\$18,823	\$18,823	\$23,006	-	-
HH Below Upper Income	1,566	731	391	192	172	0	0
HH Below Lower Income	952	373	180	108	54	0	0
Subtotal	614	358	211	84	118	0	0

Demand Estimate 1,384

Our analysis suggests demand for a total of 1,384 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate

In this section, we derive our overburdened demand and capture rate estimates for the subject property. Our analysis, which begins with the income-qualified renter household estimates developed above, is found below.

Income Qualified Renter Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	2,344			870	1,384			

The next step in our analysis is to account for 2 years of growth to estimate the demand stemming from new income qualified rental households. Our estimates are found below.

Annual Renter Household Growth Rate								
0.2%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	7			3	4			

The next step in our analysis is to estimate existing demand stemming from income-qualified overburdened renter households in this market area. Our estimates are found below.

Overburdened Renter Households								
26.7%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	625			232	369			

The next step in our analysis is to estimate existing demand stemming from income-qualified substandard renter households in this market area. Our estimates are found below.

Substandard Renter Households								
8.4%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	197			73	117			

The next step in our analysis is to account for elderly homeowners likely to convert to rental housing. This component may not comprise more than 20 percent of total demand. Our estimates are found below.

Elderly Homeowners Likely to Convert to Rental Housing								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								

The next step in our analysis is to account for existing qualifying tenants likely to remain after renovation. Our estimates are found below.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	60			3	9			
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	31			1	4			

The next step in our analysis is to tally up total demand for the subject property. Our estimates are found below.

Total Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	860			309	494			

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

Vacant Competing & Pipeline Units								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	1				41			

The next step in our analysis is to subtract the number of vacant competing & pipeline units from total demand to arrive at a net demand estimate for the subject property. Our estimates are found below.

Net Demand (Total Demand - Vacant Competing & Pipeline Units)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	859			309	453			

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the total number of subject property units divided by net demand. Underwriters often utilize capture rate limits of 10 to 20 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	7.0%			1.0%	2.0%			

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	4.4%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	4.4%
Project-Wide Absorption Period (Months)	2 months

Please note: Project-wide capture rate estimates do not account for income band overlap at the project level.

VHDA DEMAND ANALYSIS (UNSUBSIDIZED)

Overview

In this section we evaluate demand for the subject property using the VHDA demand methodology, assuming that all units are unsubsidized. For purposes of this analysis, we define VHDA demand as the number of new income-qualified and existing income-qualified overburdened and substandard renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents. Subsidized units are assumed to be priced at achievable rents.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

2020 \$		Renter Households, by Income, by Size							Total
		2020							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person		
\$0	to \$9,999	594	259	95	70	11	6	1,035	
\$0	to \$19,999	1,389	513	195	115	30	11	2,252	
\$0	to \$29,999	1,742	755	357	141	110	49	3,153	
\$0	to \$39,999	1,937	1,017	494	226	179	81	3,934	
\$0	to \$49,999	2,065	1,078	609	250	194	87	4,283	
\$0	to \$59,999	2,091	1,155	639	329	205	89	4,509	
\$0	to \$74,999	2,158	1,257	690	363	208	89	4,765	
\$0	to \$99,999	2,220	1,273	740	399	247	109	4,987	
\$0	to \$124,999	2,263	1,338	755	409	264	123	5,153	
\$0	to \$149,999	2,304	1,357	772	430	276	125	5,265	
\$0	to \$199,999	2,334	1,379	783	436	281	125	5,339	
\$0	or more	2,348	1,406	788	442	286	125	5,396	

Source: ESRI & Ribbon Demographics

Demand Estimate, 1-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 6 units, 3 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	6
Vacant Units at Market Entry	3

Minimum Qualified Income	
Net Rent	\$350
Utilities	\$87
Gross Rent	\$437
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,249
Months/Year	12
Minimum Qualified Income	\$14,983

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,424	610	0	0	0	0
HH Below Minimum Income	952	373	0	0	0	0
Subtotal	473	237	0	0	0	0

Demand Estimate 709

Our analysis suggests demand for a total of 709 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 1-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 1-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 6 units, 3 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 2-person households.

Unit Details	
Target Population	Family Households
Unit Type	1-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	6
Vacant Units at Market Entry	3

Minimum Qualified Income	
Net Rent	\$350
Utilities	\$87
Gross Rent	\$437
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,249
Months/Year	12
Minimum Qualified Income	\$14,983

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	\$42,180	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,566	731	0	0	0	0
HH Below Minimum Income	952	373	0	0	0	0
Subtotal	614	358	0	0	0	0

Demand Estimate 971

Our analysis suggests demand for a total of 971 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 2-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 28 units, 14 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 4-person households.

Unit Details	
Target Population	Family Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	28
Vacant Units at Market Entry	14

Minimum Qualified Income	
Net Rent	\$450
Utilities	\$99
Gross Rent	\$549
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,569
Months/Year	12
Minimum Qualified Income	\$18,823

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,424	610	308	141	0	0
HH Below Minimum Income	1,270	475	180	108	0	0
Subtotal	155	135	128	33	0	0

Demand Estimate 451

Our analysis suggests demand for a total of 451 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 2-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 2-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 20 units, 10 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 4-person households.

Unit Details	
Target Population	Family Households
Unit Type	2-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	20
Vacant Units at Market Entry	10

Minimum Qualified Income	
Net Rent	\$450
Utilities	\$99
Gross Rent	\$549
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,569
Months/Year	12
Minimum Qualified Income	\$18,823

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	\$42,180	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,566	731	391	192	0	0
HH Below Minimum Income	1,270	475	180	108	0	0
Subtotal	296	256	211	84	0	0

Demand Estimate 847

Our analysis suggests demand for a total of 847 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 3-Bedroom, Restricted, 50% of AMI

In this section we estimate demand for the 3-Bedroom / Restricted / 50% of AMI units at the subject property. Our analysis assumes a total of 2 units, 1 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Restricted
Income Limit	50% of AMI
Total Units	2
Vacant Units at Market Entry	1

Minimum Qualified Income	
Net Rent	\$525
Utilities	\$121
Gross Rent	\$646
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,846
Months/Year	12
Minimum Qualified Income	\$22,149

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	\$35,150	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	Yes	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	0	610	308	141	127	0
HH Below Minimum Income	0	561	227	120	46	0
Subtotal	0	48	81	21	81	0

Demand Estimate 231

Our analysis suggests demand for a total of 231 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, 3-Bedroom, Restricted, 60% of AMI

In this section we estimate demand for the 3-Bedroom / Restricted / 60% of AMI units at the subject property. Our analysis assumes a total of 10 units, 5 of which are anticipated to be vacant on market entry in 2020. Our analysis assumes a 35% income qualification ratio and 5-person households.

Unit Details	
Target Population	Family Households
Unit Type	3-Bedroom
Rent Type	Restricted
Income Limit	60% of AMI
Total Units	10
Vacant Units at Market Entry	5

Minimum Qualified Income	
Net Rent	\$555
Utilities	\$121
Gross Rent	\$676
Income Qualification Ratio	35%
Minimum Qualified Income	\$1,931
Months/Year	12
Minimum Qualified Income	\$23,177

Renter Households, by Income, by Size								
2020								
2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	\$42,180	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	Yes	Yes	Yes	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,566	731	391	192	172	0
HH Below Minimum Income	1,495	586	244	123	54	0
Subtotal	71	145	148	69	118	0

Demand Estimate 551

Our analysis suggests demand for a total of 551 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

Demand Estimate, Restricted, 50% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 50% of AMI at the subject property.

Renter Households, by Income, by Size								
2020								
	2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Demand Estimate, Restricted, 50% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$21,200	\$24,250	-	-	-	-	-
Maximum Income, 2BR	\$21,200	\$24,250	\$27,250	\$30,300	-	-	-
Maximum Income, 3BR	-	\$24,250	\$27,250	\$30,300	\$32,700	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$21,200	\$24,250	\$27,250	\$30,300	\$32,700	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$14,983	\$14,983	-	-	-	-	-
Minimum Income, 2BR	\$18,823	\$18,823	\$18,823	\$18,823	-	-	-
Minimum Income, 3BR	-	\$22,149	\$22,149	\$22,149	\$22,149	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$14,983	\$14,983	\$18,823	\$18,823	\$22,149	-	-
HH Below Upper Income	1,424	610	308	141	127	0	
HH Below Lower Income	952	373	180	108	46	0	
Subtotal	473	237	128	33	81	0	

Demand Estimate

951

Our analysis suggests demand for a total of 951 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate, Restricted, 60% of AMI

In this section we account for income-band overlap and develop a demand estimate for the units restricted to 60% of AMI at the subject property.

Renter Households, by Income, by Size								
2020								
	2020	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	594	259	95	70	11	6
\$0	to	\$19,999	1,389	513	195	115	30	11
\$0	to	\$29,999	1,742	755	357	141	110	49
\$0	to	\$39,999	1,937	1,017	494	226	179	81
\$0	to	\$49,999	2,065	1,078	609	250	194	87
\$0	to	\$59,999	2,091	1,155	639	329	205	89
\$0	to	\$74,999	2,158	1,257	690	363	208	89
\$0	to	\$99,999	2,220	1,273	740	399	247	109
\$0	to	\$124,999	2,263	1,338	755	409	264	123
\$0	to	\$149,999	2,304	1,357	772	430	276	125
\$0	to	\$199,999	2,334	1,379	783	436	281	125
\$0	or	more	2,348	1,406	788	442	286	125

Demand Estimate, Restricted, 60% of AMI							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$25,440	\$29,100	-	-	-	-	-
Maximum Income, 2BR	\$25,440	\$29,100	\$32,700	\$36,360	-	-	-
Maximum Income, 3BR	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$25,440	\$29,100	\$32,700	\$36,360	\$39,240	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$14,983	\$14,983	-	-	-	-	-
Minimum Income, 2BR	\$18,823	\$18,823	\$18,823	\$18,823	-	-	-
Minimum Income, 3BR	\$23,177	\$23,177	\$23,177	\$23,177	\$23,177	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$14,983	\$14,983	\$18,823	\$18,823	\$23,177	-	-
HH Below Upper Income	1,566	731	391	192	172	0	0
HH Below Lower Income	952	373	180	108	54	0	0
Subtotal	614	358	211	84	118	0	0

Demand Estimate 1,384

Our analysis suggests demand for a total of 1,384 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

Demand Estimate

In this section, we derive our overburdened demand and capture rate estimates for the subject property. Our analysis, which begins with the income-qualified renter household estimates developed above, is found below.

Income Qualified Renter Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				951	1,384			

The next step in our analysis is to account for 2 years of growth to estimate the demand stemming from new income qualified rental households. Our estimates are found below.

Annual Renter Household Growth Rate								
0.2%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				3	4			

The next step in our analysis is to estimate existing demand stemming from income-qualified overburdened renter households in this market area. Our estimates are found below.

Overburdened Renter Households								
26.7%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				253	369			

The next step in our analysis is to estimate existing demand stemming from income-qualified substandard renter households in this market area. Our estimates are found below.

Substandard Renter Households								
8.4%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				80	117			

The next step in our analysis is to account for elderly homeowners likely to convert to rental housing. This component may not comprise more than 20 percent of total demand. Our estimates are found below.

Elderly Homeowners Likely to Convert to Rental Housing								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot								

The next step in our analysis is to account for existing qualifying tenants likely to remain after renovation. Our estimates are found below.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				36	36			
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				18	18			

The next step in our analysis is to tally up total demand for the subject property. Our estimates are found below.

Total Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				354	508			

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

Vacant Competing & Pipeline Units								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				7	41			

The next step in our analysis is to subtract the number of vacant competing & pipeline units from total demand to arrive at a net demand estimate for the subject property. Our estimates are found below.

Net Demand (Total Demand - Vacant Competing & Pipeline Units)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				347	467			

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the total number of subject property units divided by net demand. Underwriters often utilize capture rate limits of 10 to 20 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot				10.4%	7.7%			

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	8.8%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	8.8%
Project-Wide Absorption Period (Months)	2 months

Please note: Project-wide capture rate estimates do not account for income band overlap at the project level.

RENT COMPARABLES, MARKET RATE

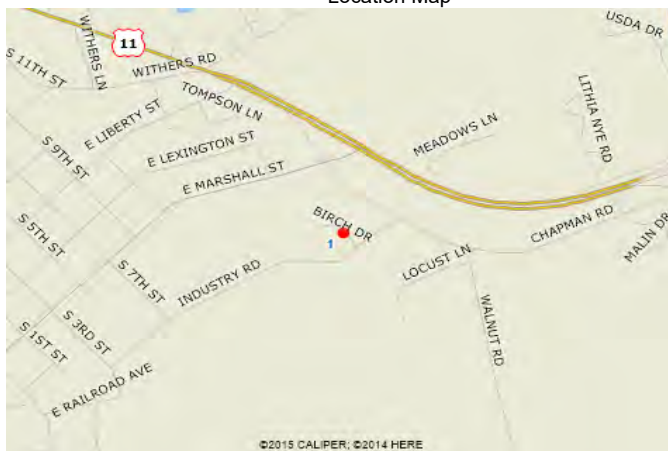
Project Information

Property Name	Birchwood Apartments
Street Number	395
Street Name	Chapman
Street Type	Road
City	Wytheville
State	Virginia
Zip	24382
Phone Number	(276) 228-5985
Year Built	1990
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.9469
Longitude	-81.0650
Nearest Crossroads	na
AAC Code	19-184 001

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Darlene, Management
Phone Number	(276) 228-5985
Interview Date	23-Dec-19
Interviewed By	DFR

2BR range due to increased size units. Property rehabs as needed.
 Property adds \$10 per month for 2nd person so the rents shown assume there is a second person in the units.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	600	Garden/Flat	Mar	Mar	No	No	12	1	\$465		\$465	\$43	\$508
2	1.0	800	Garden/Flat	Mar	Mar	No	No	18		\$555		\$555	\$57	\$612
2	1.0	850	Garden/Flat	Mar	Mar	No	No	18	1	\$580		\$580	\$57	\$637
2	2.0	1000	Garden/Flat	Mar	Mar	No	No	12		\$615		\$615	\$57	\$672
Total / Average		815						188	60	\$557		\$557	\$54	\$611

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.50	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.60	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.25	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Birchwood Apartments is an existing multifamily development located at 395 Chapman Road in Wytheville, Virginia. The property, which consists of 60 apartment units, was originally constructed in 1990 with conventional financing. All units are set aside as market rate units. The property currently stands at 97 percent occupancy.

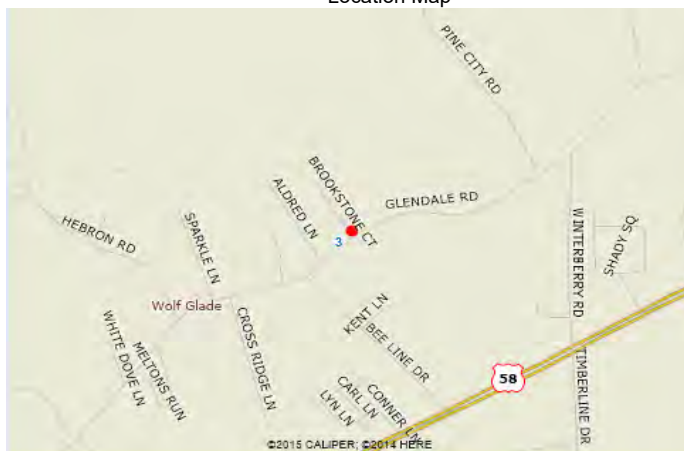
Project Information

Property Name	Brookstone Court
Street Number	42
Street Name	Brookstone
Street Type	Court
City	Galax
State	Virginia
Zip	24333
Phone Number	(276) 233-4706
Year Built	1999
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month + \$50
Other Fees	\$30
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	1
Latitude	36.7000
Longitude	-80.8756
Nearest Crossroads	2.5 miles NW of Rt. 58
AAC Code	19-184 003

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Myra, Manager
Phone Number	(276) 233-4706
Interview Date	02-Dec-19
Interviewed By	JS

2017 new metal roofs, 5 units new balconies with possible covers and storage areas. There are no new apartments or businesses nearby. Contact advised that businesses in the area are not closing or laying off employees.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	1000	Townhome	Mar	Mar	No	No	29	4	\$624		\$624	\$57	\$681
3	2.0	1100	Townhome	Mar	Mar	No	No	10		\$685		\$685	\$70	\$755
Total / Average		1,026						39	4	\$640		\$640	\$60	\$700

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.75	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.30	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.00	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Brookstone Court is an existing multifamily development located at 42 Brookstone Court in Galax, Virginia. The property, which consists of 39 apartment units, was originally constructed in 1999 with conventional financing. All units are set aside as market rate units. The property currently stands at 90 percent occupancy.

Project Information

Property Name	Colonial Heights Apartments
Street Number	190
Street Name	Virginia
Street Type	Street
City	Hillsville
State	Virginia
Zip	24343
Phone Number	(276) 233-7302
Year Built	1991
Year Renovated	2015
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.7571
Longitude	-80.7322
Nearest Crossroads	Off Rt 52
AAC Code	19-184 006

Photo



Location Map



Interview Notes

Person Interviewed	s. Amy Semones, Co Manager
Phone Number	(276) 233-7302
Interview Date	02-Dec-19
Interviewed By	JS

In 2015 property put new roofs and flooring in most of the townhomes. There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	1050	Townhome	Mar	Mar	No	No	6		\$550		\$550	\$127	\$677
Total / Average		1,050						6		\$550		\$550	\$127	\$677

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.75	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.90	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.40	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	2.75	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	yes	no
Open	yes	yes
None	no	no
Comp vs. Subject	Superior	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Colonial Heights Apartments is an existing multifamily development located at 190 Virginia Street in Hillsville, Virginia. The property, which consists of 6 apartment units, was originally constructed in 1991 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

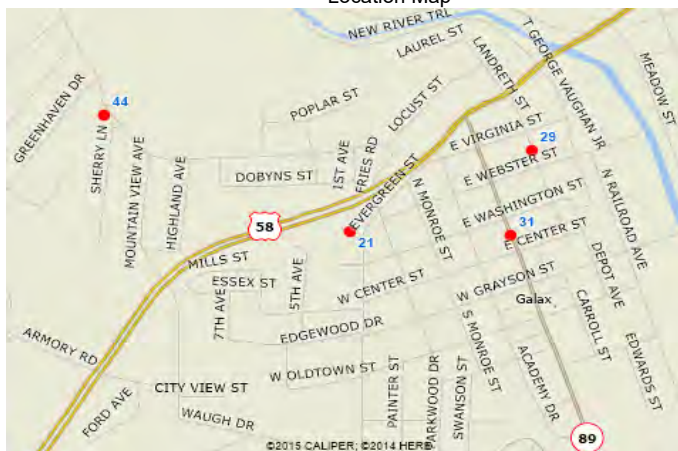
Project Information

Property Name	Ivywood Apartments
Street Number	100
Street Name	Ivywood
Street Type	Drive
City	Galax
State	Virginia
Zip	24333
Phone Number	(276) 233-4706
Year Built	1988
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month + \$50
Other Fees	\$30
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.6633
Longitude	-80.9303
Nearest Crossroads	Off West Stuart St.
AAC Code	19-184 021

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Myra, Management
Phone Number	(276) 233-4706
Interview Date	02-Dec-19
Interviewed By	JS

1 - 2BR unit was renovated due to fire in 2013. Rent range due to larger units. 2013 new metal roofs. Property has some remodeled 2BR units renting @ \$550.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	800	Townhome	Mar	Mar	No	No	4		\$500		\$500	\$127	\$627
2	1.5	1200	Townhome	Mar	Mar	No	No	4	1	\$525		\$525	\$127	\$652
3	2.0	2000	Townhome	Mar	Mar	No	No	2	1	\$680		\$680	\$168	\$848
Total / Average		1,200						10	2	\$546		\$546	\$135	\$681

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.75	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.50	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.10	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	some	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	some	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Ivywood Apartments is an existing multifamily development located at 100 Ivywood Drive in Galax, Virginia. The property, which consists of 10 apartment units, was originally constructed in 1988 with conventional financing. All units are set aside as market rate units. The property currently stands at 80 percent occupancy.

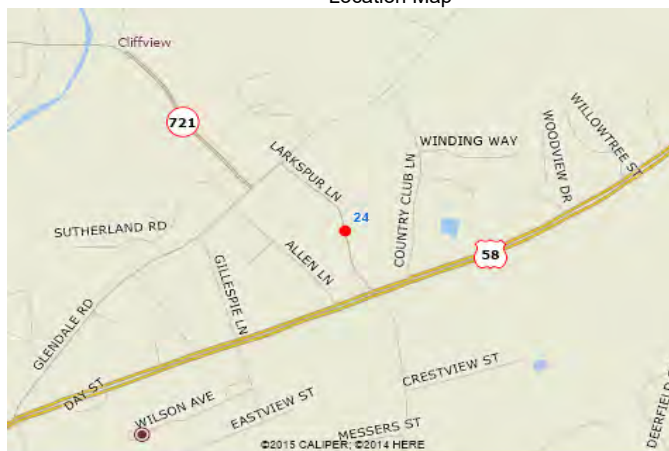
Project Information

Property Name	Larkspur Apartments
Street Number	160
Street Name	Larkspur
Street Type	Lane
City	Galax
State	Virginia
Zip	24333
Phone Number	(276) 233-4706
Year Built	1987
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month + \$50
Other Fees	\$30
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.6761
Longitude	-80.9086
Nearest Crossroads	800 feet northwest of Rt. 58
AAC Code	19-184 024

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Myra, Management
Phone Number	(276) 233-4706
Interview Date	02-Dec-19
Interviewed By	JS

Contact advised that the 2BR units must pay all utilities including water/sewer/trash. The 3BR units include water/sewer/trash are paid by management. Management built the 3BR units in 2009. 2017 repaved and striped parking lot. Between 2017 and 2019 2 - 2BR units were renovated and rent for \$550.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	1156	Townhome	Mar	Mar	No	No	9	1	\$525		\$525	\$57	\$582
3	2.0	1156	Townhome	Mar	Mar	No	No	9	1	\$725		\$725	\$70	\$795
Total / Average		1,156						18	2	\$625		\$625	\$64	\$689

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.80	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.20	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.25	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Larkspur Apartments is an existing multifamily development located at 160 Larkspur Lane in Galax, Virginia. The property, which consists of 18 apartment units, was originally constructed in 1987 with conventional financing. All units are set aside as market rate units. The property currently stands at 89 percent occupancy.

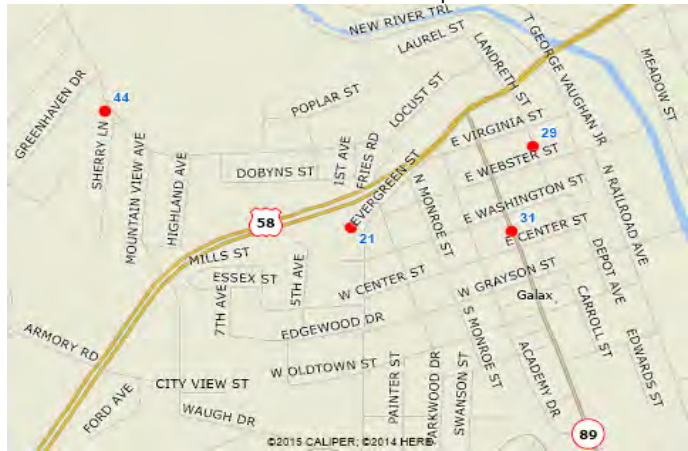
Project Information

Property Name	Madison Street Apartments
Street Number	200
Street Name	Madison
Street Type	Street
City	Galax
State	Virginia
Zip	24333
Phone Number	276-236-2225
Year Built	1971
Year Renovated	2012
Minimum Lease	12
Min. Security Dep.	1 month = \$50
Other Fees	\$30
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	1
Latitude	36.6655
Longitude	-80.9247
Nearest Crossroads	na
AAC Code	19-184 029

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Myra, Manager
Phone Number	(276) 236-2225
Interview Date	02-Dec-19
Interviewed By	JS
Property completely renovated in 2012. Rent range due to unit location.	

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.0	900	Garden/Flat	Mar	Mar	No	No	12	1	\$550		\$550	\$115	\$665
Total / Average		900						12	1	\$550		\$550	\$115	\$665

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.25	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.00	2.00
Comp vs. Subject	Similar	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.80	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2009
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	no	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Madison Street Apartments is an existing multifamily development located at 200 Madison Street in Galax, Virginia. The property, which consists of 12 apartment units, was originally constructed in 1971 with conventional financing. All units are set aside as market rate units. The property currently stands at 92 percent occupancy.

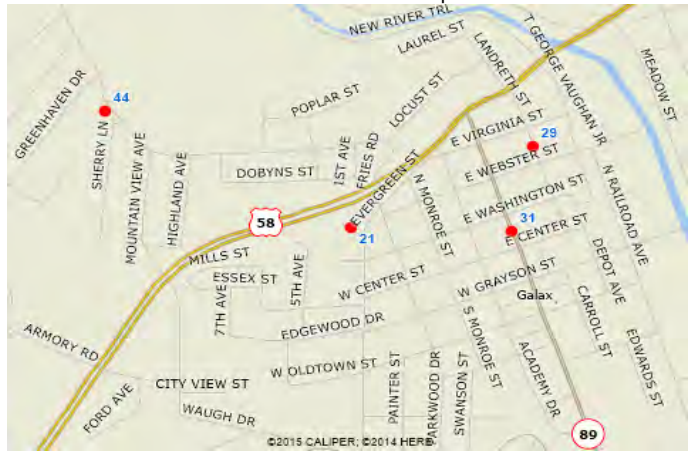
Project Information

Property Name	Midtown Apartments
Street Number	303
Street Name	N Main
Street Type	Street
City	Galax
State	Virginia
Zip	24333
Phone Number	(276) 238-8154
Year Built	1997
Year Renovated	na
Minimum Lease	na
Min. Security Dep.	\$200
Other Fees	na
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.6632
Longitude	-80.9253
Nearest Crossroads	off Route 58
AAC Code	19-184 031

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Dave Burdette, Manager
Phone Number	(276) 238-8154
Interview Date	20-Dec-19
Interviewed By	DFR

Mr. Burdette advised he pays all the heat, water & sewer bills so he had to increase rents the first time in 5 years and doesn't plan to increase anymore for another 5 years. Management would not participate in our December, 2019 survey of this property, therefore the information in this report reflects our October, 2017 survey of this property. Rents and

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	700	Garden/Flat	Mar	Mar	No	No	15		\$625		\$625		\$625
2	1.0	1000	Garden/Flat	Mar	Mar	No	No	15		\$715		\$715		\$715
Total / Average		850						200		\$670		\$670		\$670

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	no	yes
Cooking-Electric	no	yes
Other Electric	no	yes
Air Cond	no	yes
Hot Water-Electric	no	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.10	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.30	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2000	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Upgraded Flooring	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	some	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	no	yes
Wall Units	yes	no
Window Units	no	no
None	no	no
Comp vs. Subject	Inferior	

Heat		
Amenity	Comp	Subj
Central	no	yes
Wall Units	yes	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Inferior	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Midtown Apartments is an existing multifamily development located at 303 N Main Street in Galax, Virginia. The property, which consists of 30 apartment units, was originally constructed in 1997 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Stuart Drive Apartments
Street Number	843
Street Name	W Stuart
Street Type	Drive
City	Hillsville
State	Virginia
Zip	24343
Phone Number	(276) 728-9323
Year Built	1994
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$20
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.7560
Longitude	-80.7416
Nearest Crossroads	Off Oak Street
AAC Code	19-184 043

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Victoria, Receptionist
Phone Number	(276) 728-9323
Interview Date	03-Dec-19
Interviewed By	JS

These units are above retail space. In 2019 the contact advised these units have been renovated, although she could not give a date.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	600	Garden/Flat	Mar	Mar	No	No	3		\$400		\$400	\$113	\$513
1	1.0	600	Garden/Flat	Mar	Mar	No	No	1		\$400		\$400	\$113	\$513
Total / Average		600						202	4	\$400		\$400	\$113	\$513

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.80	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.30	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	2.75	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1990	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	no	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	no	some
Storage	no	no
Comp vs. Subject	Inferior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	no	yes
Wall Units	no	no
Window Units	no	no
None	yes	no
Comp vs. Subject	Inferior	

Heat		
Amenity	Comp	Subj
Central	no	yes
Wall Units	no	no
Baseboards	yes	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Inferior	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Stuart Drive Apartments is an existing multifamily development located at 843 W Stuart Drive in Hillsville, Virginia. The property, which consists of 4 apartment units, was originally constructed in 1994 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

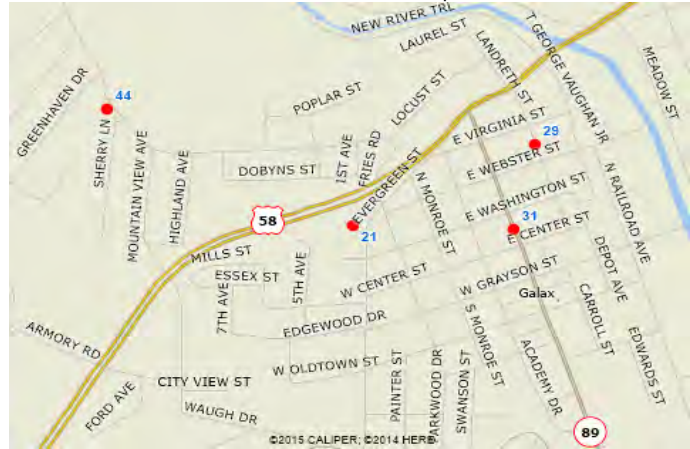
Project Information

Property Name	Walnut Hill Apartments
Street Number	101
Street Name	Fires
Street Type	Road
City	Galax
State	Virginia
Zip	24333
Phone Number	(276) 233-4706
Year Built	1975
Year Renovated	2007
Minimum Lease	12
Min. Security Dep.	1 month + \$50
Other Fees	\$30
Waiting List	no
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.6664
Longitude	-80.9379
Nearest Crossroads	Sherry Lane
AAC Code	19-184 044

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Myra, Management
Phone Number	(336) 760-8100
Interview Date	02-Dec-19
Interviewed By	JS

In 2007, new roofs were added along with windows. 2016 renovated one unit due to flooding. 2017 new metal roofs, repaved and striped parking lot. In 2017 3 units were remodeled and now rent for \$550.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	1.5	1000	Townhome	Mar	Mar	No	No	10		\$535		\$535	\$127	\$662
Total / Average		1,000				204		10		\$535		\$535	\$127	\$662

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.30	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Walnut Hill Apartments is an existing multifamily development located at 101 Fires Road in Galax, Virginia. The property, which consists of 10 apartment units, was originally constructed in 1975 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

RENT COMPARABLES, RESTRICTED RENT

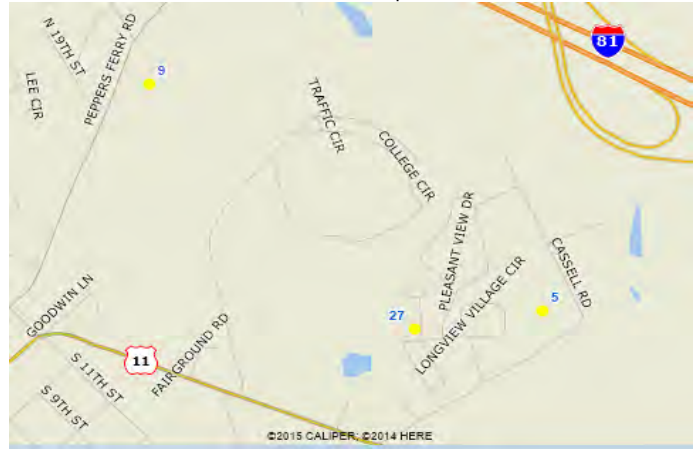
Project Information

Property Name	Cassell Pines Apartments
Street Number	360
Street Name	Cassell
Street Type	Road
City	Wytheville
State	Virginia
Zip	24382
Phone Number	(276) 228-6515
Year Built	2006
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	
Waiting List	57 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2004 Tax Credit
Vouchers	11
Latitude	36.9544
Longitude	-81.0650
Nearest Crossroads	Off Main Street
AAC Code	19-184 005

Photo



Location Map



Interview Notes

Person Interviewed	Missy Delby, Housing Authority
Phone Number	(276) 228-6515
Interview Date	09-Dec-19
Interviewed By	JS

2004 TC's awarded for construction of this property without project base rental assistance. Also manages Jefferson Union, Southridge, and Freedom Lane.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	720	Garden/Flat	40%	40%	YES	No	4		\$324		\$324	\$71	\$395
1	1.0	720	Garden/Flat	60%	60%	No	No	2		\$378		\$378	\$71	\$449
2	1.5	1124	Garden/Flat	60%	60%	No	No	12		\$493		\$493	\$79	\$572
Total / Average		989						207		\$443		\$443	\$76	\$519

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.00
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.25	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.40	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.90	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.00
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2009
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	no	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Cassell Pines Apartments is an existing multifamily development located at 360 Cassell Road in Wytheville, Virginia. The property, which consists of 18 apartment units, was originally constructed in 2006 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

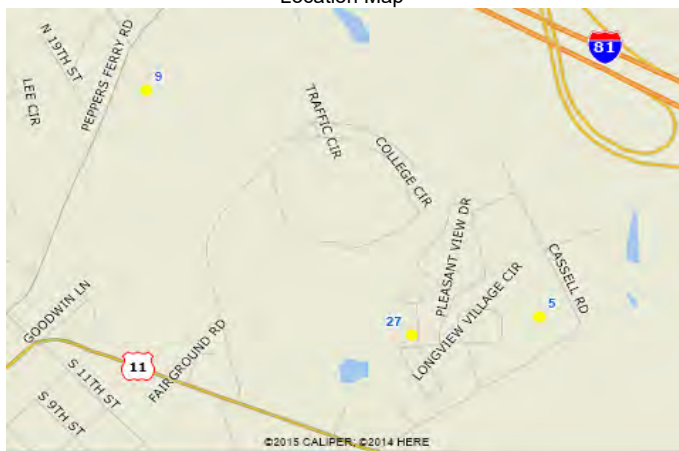
Project Information

Property Name	Freedom Lane
Street Number	468
Street Name	Peppers Ferry
Street Type	Road
City	Wytheville
State	Virginia
Zip	24382
Phone Number	(276) 228-6515
Year Built	2017
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 Month
Other Fees	no
Waiting List	700+ people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2015 Tax Credit
Vouchers	4
Latitude	36.9596
Longitude	-81.0754
Nearest Crossroads	Peppers Ferry Rd & N 19th St
AAC Code	19-184 009

Photo



Location Map



Interview Notes

Person Interviewed	Missy Delby, Housing Authority
Phone Number	(276) 228-6515
Interview Date	09-Dec-19
Interviewed By	JS

Awarded 2014 Non Comp TC's(Carry Over 2015) for construction of this property with 12 units of project based rental assistance available to tenants. Rental assistance is provided through TC Residual Operational Funds for tenants who do not have HUD Section 8 voucher. Property is adjacent to county administrative offices with fitness center, library &

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	729	Duplex	50%	40%	Yes	Yes	5		\$433		\$433	\$98	\$531
1	1.0	729	Duplex	60%	50%	Yes	No	5		\$433		\$433	\$98	\$531
2	1.5	980	Garden/Flat	50%	40%	Yes	Yes	2		\$569		\$569	\$117	\$686
2	1.5	980	Garden/Flat	50%	40%	Yes	Yes	5		\$569		\$569	\$117	\$686
2	1.5	980	Garden/Flat	60%	50%	Yes	No	7		\$569		\$569	\$117	\$686
Total / Average		875						209		\$512		\$512	\$109	\$621

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.40	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.90	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.50	4.00
Comp vs. Subject	Superior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2015	2009
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	yes	no
Hot Tub/Jacuzzi	no	no
Herb Garden	yes	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Wooden	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	some	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	yes	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Superior	

Freedom Lane is an existing multifamily development located at 468 Peppers Ferry Road in Wytheville, Virginia. The property, which consists of 24 apartment units, was originally constructed in 2017. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

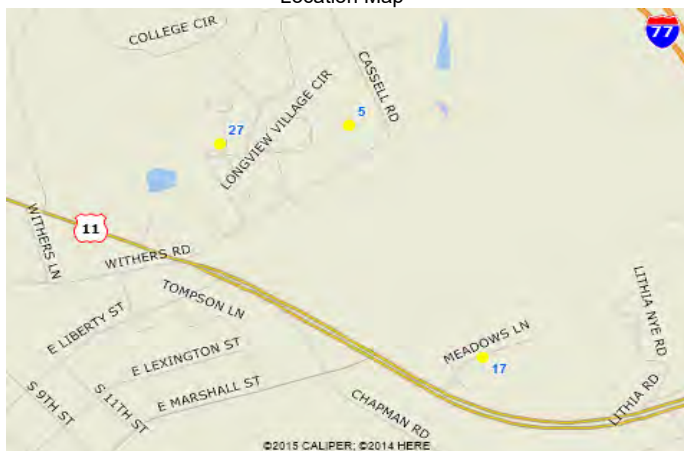
Project Information

Property Name	High Meadows Townhomes
Street Number	1550
Street Name	E Main
Street Type	Street
City	Wytheville
State	Virginia
Zip	24382
Phone Number	(276) 200-3214
Year Built	2008
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$25
Waiting List	12 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2006 Tax Credit
Vouchers	20
Latitude	36.9492
Longitude	-81.0616
Nearest Crossroads	na
AAC Code	19-184 017

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Patrick, Management
Phone Number	(276) 200-3214
Interview Date	02-Dec-19
Interviewed By	JS

2006 TC's awarded for construction of this property without project base rental assistance. In 2019, contact said he believes all 3BR units are at 60% Income Limits.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	777	Garden/Flat	50%	50%	No	No	10		\$419		\$419	\$121	\$540
2	1.5	1122	Garden/Flat	60%	60%	No	No	20	1	\$619		\$619	\$156	\$775
3	2.0	1300	Townhome	50%	50%	No	No	10		\$700		\$700	\$190	\$890
3	2.0	1300	Townhome	60%	60%	No	No	20	1	\$700		\$700	\$190	\$890
Total / Average		1,154						211	60	\$626		\$626	\$167	\$793

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.25	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.40	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.60	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.00
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2009
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	yes	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	no	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	yes	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

High Meadows Townhomes is an existing multifamily development located at 1550 E Main Street in Wytheville, Virginia. The property, which consists of 60 apartment units, was originally constructed in 2008 . This property is currently operated as a rent restricted property. The property currently stands at 97 percent occupancy.

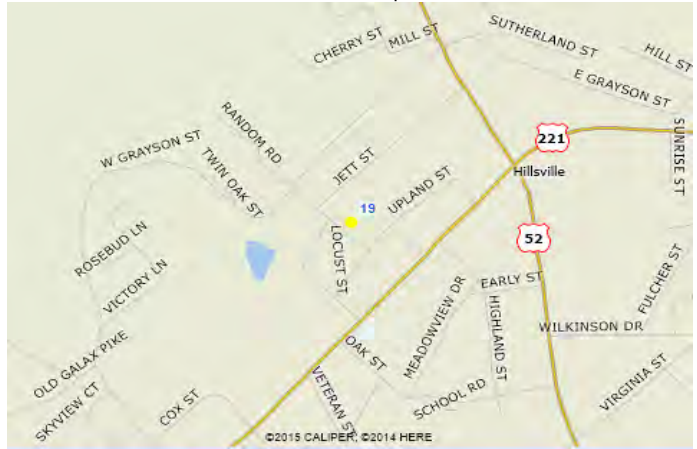
Project Information

Property Name	Hillcrest Apartments
Street Number	211
Street Name	Hillcrest
Street Type	Street
City	Hillsville
State	Virginia
Zip	24343
Phone Number	(276) 228-6280
Year Built	1979
Year Renovated	2013
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$25
Waiting List	na
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2013 Bond
Vouchers	
Latitude	36.7615
Longitude	-80.7389
Nearest Crossroads	na
AAC Code	19-184 019

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Jodi, HOPE
Phone Number	(276) 228-6280
Interview Date	02-Dec-19
Interviewed By	JS

HOPE recently purchased this market rate property and just finished rehab with 2013 VHDA Bond, SPARC & DHCD HOME Funds. Bond Application indicates property will target "rural, transitional and special needs". Laundry room converted to HC unit.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	576	Garden/Flat	50%	50%	yes	No	2		\$395		\$395	\$43	\$438
2	1.0	827	Garden/Flat	50%	50%	yes	No	3		\$440		\$440	\$57	\$497
2	1.0	827	Garden/Flat	60%	60%	yes	No	9		\$440		\$440	\$57	\$497
Total / Average		791						213	14	\$434		\$434	\$55	\$489

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.40	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.50	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.50	4.00
Comp vs. Subject	Superior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2012	2009
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	some	no
Upgraded Flooring	yes	yes
Fireplace	no	no
Patio/Balcony	no	some
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	no	no
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Hillcrest Apartments is an existing multifamily development located at 211 Hillcrest Street in Hillsville, Virginia. The property, which consists of 14 apartment units, was originally constructed in 1979. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

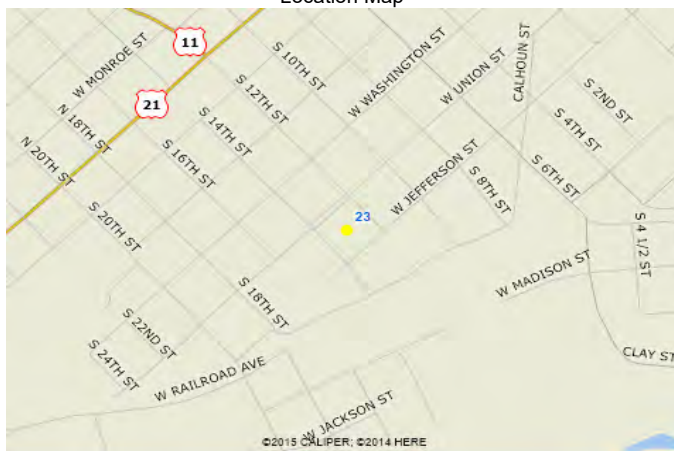
Project Information

Property Name	Jefferson Union
Street Number	535
Street Name	S 12th
Street Type	Street
City	Wytheville
State	Virginia
Zip	24382
Phone Number	(276) 228-6515
Year Built	2012
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 Month
Other Fees	
Waiting List	58 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2011 Tax Credit
Vouchers	16
Latitude	36.9416
Longitude	-81.0854
Nearest Crossroads	Jefferson & S 14th Street
AAC Code	19-184 023

Photo



Location Map



Interview Notes

Person Interviewed	Missy Delby, Housing Authority
Phone Number	(276) 228-6515
Interview Date	09-Dec-19
Interviewed By	JS

2011 Non Comp TC's awarded for construction of this property with 12 units of project based rental assistance (sticky vouchers) available to tenants. Rental assistance is provided through TC Residual Operational Funds for tenants who do not have HUD Section 8 voucher. Also manages Cassell Pines, Freedom Lane, and Southridge.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	703	Garden/Flat	40%	40%	Yes	Yes	4		\$404		\$404	\$60	\$464
1	1.0	703	Garden/Flat	50%	50%	No	No	4		\$404		\$404	\$60	\$464
2	1.5	958	Garden/Flat	40%	40%	Yes	Yes	7		\$487		\$487	\$63	\$550
2	1.5	958	Garden/Flat	40%	40%	No	Yes	1		\$487		\$487	\$63	\$550
2	1.5	958	Garden/Flat	50%	50%	No	No	8		\$487		\$487	\$63	\$550
Total / Average		873						215	24	\$459		\$459	\$62	\$521

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.75	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.00	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.90	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.25	4.00
Comp vs. Subject	Superior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2010	2009
Comp vs. Subject	Superior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	yes	no
Hot Tub/Jacuzzi	no	no
Herb Garden	yes	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	yes	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Bamboo	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Superior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	yes	no
W/D Hookups	no	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	yes	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Jefferson Union is an existing multifamily development located at 535 S 12th Street in Wytheville, Virginia. The property, which consists of 24 apartment units, was originally constructed in 2012 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

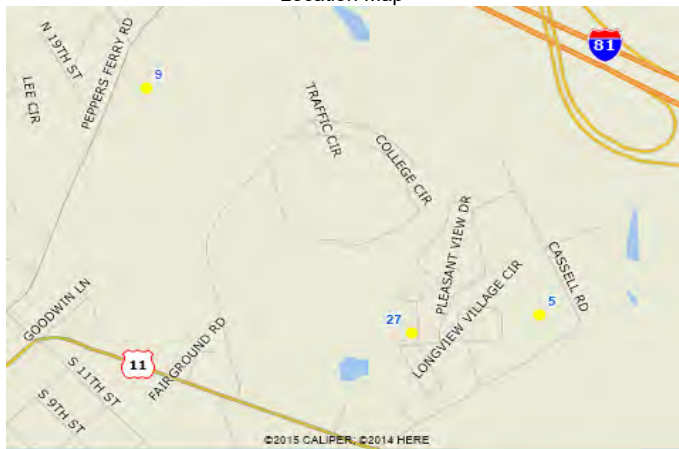
Project Information

Property Name	Longview Apartments
Street Number	7
Street Name	Longview
Street Type	Drive
City	Wytheville
State	Virginia
Zip	24382
Phone Number	(276) 228-6673
Year Built	1985
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$200
Other Fees	\$25
Waiting List	6 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	RD
Vouchers	
Latitude	36.9540
Longitude	-81.0684
Nearest Crossroads	na
AAC Code	19-184 027

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Rhonda Rollyson, Manager
Phone Number	(276) 228-5985
Interview Date	02-Dec-19
Interviewed By	JS

RD property without project base rental assistance units. Contact advised tenants paying over Basic Rent, although she was unable to provide overages.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	655	Garden/Flat	80%	80%	No	No	16		\$522		\$522	\$65	\$587
2	1.0	825	Garden/Flat	80%	80%	No	No	30		\$560		\$560	\$83	\$643
Total / Average		766						217		\$547		\$547	\$77	\$624

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	yes
Sewer	no	yes
Trash	no	no
Comp vs. Subject	Superior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.40	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.50	4.50
Comp vs. Subject	Similar	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	2.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	yes
Playground	yes	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

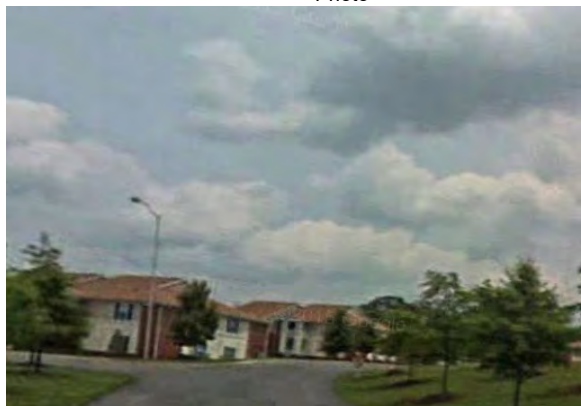
Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Longview Apartments is an existing multifamily development located at 7 Longview Drive in Wytheville, Virginia. The property, which consists of 46 apartment units, was originally constructed in 1985. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

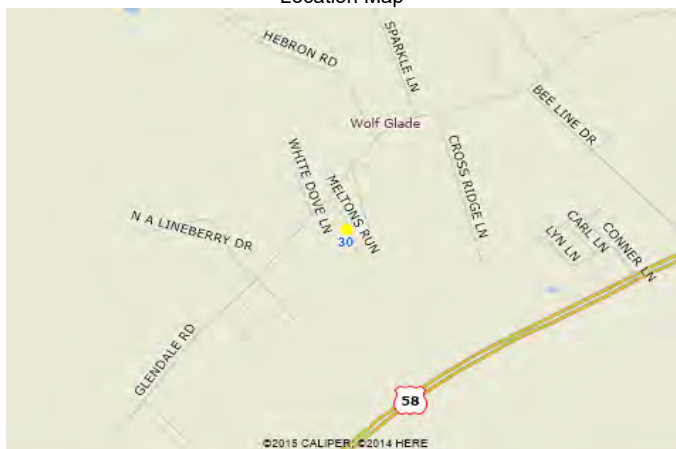
Project Information

Property Name	Melton's Run Apartments
Street Number	13
Street Name	Meltons Run
Street Type	Lane
City	Galax
State	Virginia
Zip	24343
Phone Number	(276) 238-1030
Year Built	2004
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$12
Waiting List	6 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	2002 Tax Credit
Vouchers	15
Latitude	36.6955
Longitude	-80.8817
Nearest Crossroads	off Glendale Road
AAC Code	19-184 030

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Terry, Manager
Phone Number	(276) 238-1030
Interview Date	05-Dec-19
Interviewed By	JS

2002 TC's awarded for construction of this property without project based rental assistance.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
2	2.0	1100	Garden/Flat	50%	50%	No	No	12		\$470		\$470	\$150	\$620
2	2.0	1100	Garden/Flat	60%	60%	No	No	12		\$515		\$515	\$150	\$665
3	2.0	1237	Garden/Flat	50%	50%	No	No	19	1	\$535		\$535	\$185	\$720
3	2.0	1237	Garden/Flat	60%	60%	No	No	5		\$580		\$580	\$185	\$765
Total / Average		1,169						219		\$518		\$518	\$168	\$686

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.00	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.30	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.00	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	4.00	4.00
Comp vs. Subject	Similar	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	2005	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	yes
Playground	yes	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	some	no
Upgraded Flooring	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	some	no
Dishwasher	some	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Superior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Melton's Run Apartments is an existing multifamily development located at 13 Meltons Run Lane in Galax, Virginia. The property, which consists of 48 apartment units, was originally constructed in 2004 . This property is currently operated as a rent restricted property. The property currently stands at 98 percent occupancy.

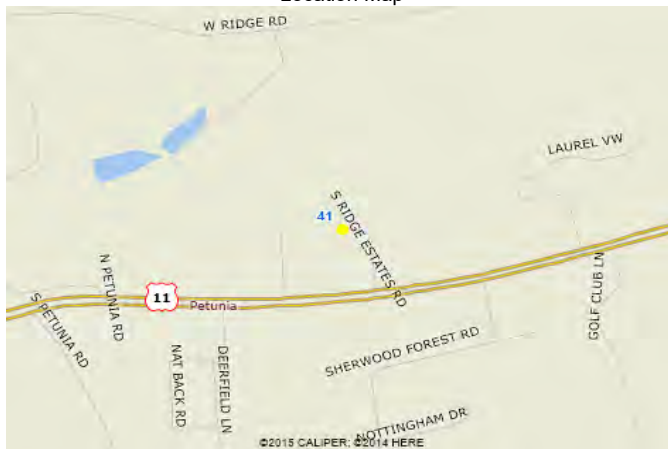
Project Information

Property Name	Southridge Apartments ~ Family	
Street Number	1910	
Street Name	W Lee	
Street Type	Highway	
City	Wytheville	
State	Virginia	
Zip	24382	
Phone Number	(276) 228-6515	
Year Built	2000	
Year Renovated	na	
Minimum Lease	12	
Min. Security Dep.	1 month	
Other Fees		
Waiting List	66 people	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	2000	Tax Credit
Vouchers	4	
Latitude	36.9441	
Longitude	-81.1181	
Nearest Crossroads	na	
AAC Code	19-184	041

Photo



Location Map



Interview Notes

Person Interviewed	Missy Delby, Housing Authority	
Phone Number	(276) 228-6515	
Interview Date	09-Dec-19	
Interviewed By	JS	

2000 TC's awarded for construction of this property without project based rental assistance. Please refer to survey sheet Southridge Elderly for information on PBRA units directly in front of these buildings. Also manages Cassell Pines, Freedom Lane, and Jefferson Union. Contact advised possible renovations in 2020.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
3	2.0	1350	SFD	60%	60%	No	No	2		\$491		\$491	\$186	\$677
3	2.0	1450	SFD	60%	60%	No	No	6		\$561		\$561	\$186	\$747
Total / Average		1,425						221	8	\$544		\$544	\$186	\$730

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	yes
Sewer	yes	yes
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	4.00	2.00
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	4.00	2.00
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.30	2.00
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.30	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	2.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1985	2009
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	yes
Billiard/Game	no	no
Bus/Comp Ctr	no	yes
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	no
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	yes
Playground	no	yes
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	yes	yes
Fireplace	no	no
Patio/Balcony	yes	some
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	no
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Similar	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	yes	no
Comp vs. Subject	Similar	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	yes
Comp vs. Subject	Inferior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Southridge Apartments ~ Family is an existing multifamily development located at 1910 W Lee Highway in Wytheville, Virginia. The property, which consists of 8 apartment units, was originally constructed in 2000 . This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The title to the subject property is merchantable, and the property is free and clear of all liens and encumbrances, except as noted.
- No liability is assumed for matters legal in nature.
- Ownership and management are assumed to be in competent and responsible hands.
- No survey has been made by the appraiser. Dimensions are as supplied by others and are assumed to be correct.
- The report was prepared for the purpose so stated and should not be used for any other reason.
- All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
- No responsibility is assumed for information supplied by others and such information is believed to be reliable and correct. This includes zoning and tax information provided by Municipal officials.
- The signatories shall not be required to give testimony or attend court or be at any governmental hearing with respect to the subject property unless prior arrangements have been made with the client.
- Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- The legal description is assumed to be accurate.
- This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with
- This analysis specifically assumes that the subject property is operated as described in this report.
- This analysis specifically assumes that the subject property is constructed/rehabilitated as described in this report.
- This analysis specifically assumes that the subject property is financed as described in this report.
- This analysis specifically assumes the timing set forth in this report.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- I made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification. Debbie Rucker (Allen & Associates Consulting) assisted in compiling the data used in this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Members of the Appraisal Institute.
- I am presently licensed in good standing as a Certified General Real Estate Appraiser in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia, allowing me to appraise all types of real estate.

Respectfully submitted:

ALLEN & ASSOCIATES CONSULTING, INC.



Jeff Carroll

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 the proposed rental units.
- 3) To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by the 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.



Jeff Carroll

March 12, 2020

Date

NCHMA MARKET STUDY INDEX

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

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

NCHMA MARKET STUDY INDEX

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

Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	Section 11
32	Affordability analysis with capture rate	Section 11
33	Penetration rate analysis with capture rate	Section 11
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	Section 11
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	Section 10
36	Precise statement of key conclusions	Executive Summary
37	Market strengths and weaknesses impacting project	Executive Summary
38	Product recommendations and/or suggested modifications to subject	Executive Summary
39	Discussion of subject property's impact on existing housing	Executive Summary
40	Discussion of risks or other mitigating circumstances impacting subject	Executive Summary
41	Interviews with area housing stakeholders	Appendix
Other Requirements		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	NA

MISCELLANEOUS



QUALIFICATIONS

Allen & Associates Consulting is a real estate advisory firm specializing in affordable housing. Practice areas include low-income housing tax credits, tax-exempt bond transactions, HUD assisted and financed multifamily, USDA-RD assisted and financed properties, public housing, historic tax credits, conventional multifamily, and manufactured housing. Services include development consulting, rent comparability studies, market analysis, feasibility studies, appraisals, capital needs assessments, and utility studies.

Allen & Associates Consulting and its sister organization Allen & Associates Appraisal maintain offices in Charlotte, North Carolina and Detroit, Michigan, respectively. Allen & Associates is approved to provide its services throughout the United States.

The following is a listing of key personnel for Allen & Associates Consulting:

Jeffrey B. Carroll

Jeffrey B. Carroll is President of Allen & Associates Consulting. Since 2000, Mr. Carroll has completed over 3000 development consulting assignments in 46 states. Major projects include:

- *Market Feasibility* - Completed market studies for 13 proposed tax credit apartment developments on behalf of the Georgia Department of Community Affairs. The portfolio included 5 family and 8 senior communities. Our analysis identified the 4 best deals for the housing finance agency to consider funding.
- *Valuation* - Developed a disposition plan for a 30-property portfolio of apartments on behalf of a private owner. The 921-unit portfolio (located in MD, DE, PA and VA) was valued at \$23 million. Our client relied on our valuations and advice to maximize sales proceeds for the portfolio.
- *Capital Needs Assessments* - Completed capital needs assessments for an 8-property portfolio of RD-financed apartments on behalf of a private developer. The portfolio (located in FL) included 6 family and 2 senior communities. Our client utilized our assessments to develop a scope of work for the proposed acquisition and renovation of the 214-unit portfolio.
- *Utility Allowance Studies* - Completed utility allowance studies for a portfolio of tax credit apartments on behalf of a large national owner/developer. The portfolio (located in CT, DC, IL, IN, MA, NC, OH, PA and VA) included 31 properties. Our client utilized our research to maximize rents and net operating income for the portfolio.
- *Underwriting* - Conducted a financial review on behalf of a local housing authority for the proposed redevelopment of a vacant historic textile mill into loft apartments. Our client had been asked to issue \$4 million in tax-exempt bonds for

the \$15 million project. Our assistance in underwriting the transaction resulted in the green light for the development.

Mr. Carroll is a certified general appraiser, licensed to appraise real estate in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina and Virginia. Mr. Carroll is also a designated member of the Appraisal Institute (MAI).

Mr. Carroll is a peer-reviewed member of the National Council of Housing Market Analysts, where he served on the Executive Committee and chaired the Data and Ethics Committees.

In addition, Mr. Carroll has also served as a market study reviewer for the Georgia and Michigan housing finance agencies.

Mr. Carroll has written articles on affordable housing, development, property management, market feasibility, and financial analysis for Urban Land magazine, The Journal of Property Management, Community Management magazine, Merchandise magazine, HousingThink, and a publication of the Texas A&M Real Estate Research Center known as Terra Grande.

Mr. Carroll has conducted seminars on affordable housing, development, property management, market feasibility, and financial analysis for the American Planning Association, Community Management magazine, the Georgia Department of Community Affairs, the Manufactured Housing Institute, the National Association of State and Local Equity Funds, the Virginia Community Development Corporation, and the National Council of Affordable Housing Market Analysts.

Mr. Carroll is also an experienced developer and property manager. His experience includes the development of tax credit apartment communities, conventional market rate apartments, manufactured home communities, and single-family subdivisions. He has also managed a portfolio of apartment complexes and manufactured home communities.

The following is a summary of Mr. Carroll's relevant educational background:

Clemson University, Bachelor of Science Degree	
Major in Engineering	
Minor Concentration in Economics	1983
Harvard University, Master's Degree in Business Administration	
Major in General Management	
Minor Concentration in Economics and Real Estate	1988
Appraisal Institute	
Qualifying Education for Licensure	2001
Continuing Education for Licensure & MAI Designation	2020
ASTM International	
Property Condition Assessments E2018.01	September 2006

The Institute for Professional and Executive Development Tax Credit Property Disposition	October 2007
National Council of Affordable Housing Market Analysts Semi-Annual Meeting & Continuing Education	2002 - 2014
U.S. Department of Housing and Urban Development Utility Allowance Guidebook	September 2007
MAP Training & Certification	September 2007
USDA Rural Development Capital Needs Assessment Provider Training	September 2007
Accessibility Standards Training	September 2007

Mr. Carroll, who was awarded a scholarship on the Clemson University varsity wrestling team, has served as an assistant coach for a local high school wrestling team. Mr. Carroll resides in Charlotte, North Carolina with his wife Becky and his two children, Luke and Brittany.

Debbie Rucker

Debbie Rucker is an analyst with Allen & Associates Consulting, coordinating market research for the company. Mrs. Rucker has worked on over 2000 assignments and has conducted over 40,000 rent surveys.

Mrs. Rucker was also responsible for compiling the database of detailed information on of every tax credit and tax-exempt bond transaction in Virginia, North Carolina, South Carolina, Georgia, Florida, and Texas since 1999.

The following is a summary of Mrs. Rucker’s relevant educational background:

National Council of Affordable Housing Market Analysts Semi-Annual Meeting & Continuing Education	September 2005
Semi-Annual Meeting & Continuing Education	October 2006
Carolinas Council for Affordable Housing Spectrum C ³ P Certification	October 2008

Mrs. Rucker is active in her church and helps run a local judo club. Mrs. Rucker is the mother of three and resides in Weddington, North Carolina.

Michael W. Lash

Michael W. Lash is President of Lash Engineering, an engineering firm located in Charlotte, North Carolina that works closely with Allen & Associates Consulting on utility allowance studies and other specific engagements. Since 1981, Mr. Lash has completed hundreds of assignments including the design of industrial, commercial, multifamily, and single family developments. Mr. Lash is an expert in the design of utility systems, including wastewater and storm water treatment facilities.

Mr. Lash is a certified professional engineer, licensed in the states of Kansas, Louisiana, North Carolina, South Carolina, and Virginia. Mr. Lash graduated from Louisiana Tech University in Civil Engineering in 1981 and has conducted seminars on advanced wastewater treatment, storm water quality treatment and automated engineering drafting and design with Eagle Point Software.

Mr. Lash is active in his church and volunteers his time teaching karate at a local martial arts academy. Mr. Lash resides in Charlotte, North Carolina with his wife and three children.



FY 2020 FAIR MARKET RENT DOCUMENTATION SYSTEM

The FY 2020 Carroll County-Galax city, VA HUD Nonmetro FMR Area FMRs for All Bedroom Sizes

Final FY 2020 & Final FY 2019 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2020 FMR	\$482	\$627	\$714	\$1,004	\$1,073
FY 2019 FMR	\$470	\$611	\$700	\$994	\$1,004

Carroll County-Galax city, VA HUD Nonmetro FMR Area is a non-metropolitan county.

Fair Market Rent Calculation Methodology

[Show/Hide Methodology Narrative](#)

Fair Market Rents for metropolitan areas and non-metropolitan FMR areas are developed as follows:

1. 2013-2017 5-year American Community Survey (ACS) estimates of 2-bedroom adjusted standard quality gross rents calculated for each FMR area are used as the new basis for FY2020 provided the estimate is statistically reliable. For FY2020, the test for reliability is whether the margin of error for the estimate is less than 50% of the estimate itself and whether the ACS estimate is based on at least 100 survey cases. HUD does not receive the exact number of survey cases, but rather a categorical variable known as the count indicator indicating a range of cases. An estimate based on at least 100 cases corresponds to a count indicator of 4 or higher.

If an area does not have a reliable 2013-2017 5-year, HUD checks whether the area has had at least minimally reliable estimate in any of the past 3 years, or estimates that meet the 50% margin of error test described above. If so, the FY2020 base rent is the average of the inflated ACS estimates.

If an area has not had a minimally reliable estimate in the past 3 years, the estimate State for the area's corresponding metropolitan area (if applicable) or State non-metropolitan area is used as the basis for FY2020.

2. HUD calculates a recent mover adjustment factor by comparing a 2017 1-year 40th percentile recent mover 2-bedroom rent to the 2013-2017 5-year 40th percentile adjusted standard quality gross rent. If either the recent mover and non-recent mover rent estimates are not reliable, HUD uses the recent mover adjustment for a larger geography. For metropolitan areas, the order of geographies examined is: FMR Area, Entire Metropolitan Area (for Metropolitan Sub-Areas), State Metropolitan Portion, Entire State, and Entire US; for non-metropolitan areas, the order of geographies examined is: FMR Area, State Non-Metropolitan Portion, Entire State, and Entire US. The recent mover adjustment factor is floored at one.
3. HUD calculates the appropriate recent mover adjustment factor between the 5-year data and the 1-year data and applies this to the 5-year base rent estimate.

4. Rents are calculated as of 2018 using the relevant (regional or local) change in gross rent Consumer Price Index (CPI) from annual 2017 to annual 2018.
5. All estimates are then inflated from 2018 to FY2020 using a trend factor based on the forecast of gross rent changes through FY2020.
6. FY2020 FMRs are then compared to a State minimum rent, and any area whose preliminary FMR falls below this value is raised to the level of the State minimum.
7. FY2020 FMRs may not be less than 90% of FY2019 FMRs.

The results of the Fair Market Rent Step-by-Step Process

1. The following are the 2017 American Community Survey 5-year 2-Bedroom Adjusted Standard Quality Gross Rent estimate and margin of error for Carroll County-Galax city, VA HUD Nonmetro FMR Area.

Area	ACS ₂₀₁₇ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent	ACS ₂₀₁₇ 5-Year 2-Bedroom Adjusted Standard Quality Gross Rent Margin of Error	Ratio	Sample Size Category	Result
Carroll County-Galax city, VA HUD Nonmetro FMR Area	\$531	\$36	$\frac{\$36}{\$531} = 0.068$	2	2 < 4 Check for reliable local ACS estimates from previous years

ACS ₂₀₁₇ 5-year Estimate	ACS ₂₀₁₇ 5-year Error	ACS ₂₀₁₇ 5-year Estimate Minimally Reliable?	ACS ₂₀₁₆ 5-year Estimate	ACS ₂₀₁₆ 5-year Error	ACS ₂₀₁₆ 5-year Estimate Minimally Reliable?	ACS ₂₀₁₅ 5-year Estimate	ACS ₂₀₁₅ 5-year Error	ACS ₂₀₁₅ 5-year Estimate Minimally Reliable?
\$531	\$36	$\frac{\$36}{\$531} = 0.068$	\$526	\$46	$\frac{\$46}{\$526} = 0.087$	\$518	\$34	$\frac{\$34}{\$518} = 0.066$

Since 3 of 3 ACS estimates are minimally reliable, the base rent is the average of those estimates, with each estimate first inflated to 2017 dollars (not shown).

Area	FY2020 Base Rent
Carroll County-Galax city, VA HUD Nonmetro FMR Area	\$540

2. A recent mover adjustment factor is applied based on the smallest area of geography which contains Carroll County-Galax city, VA HUD Nonmetro FMR Area and has an ACS₂₀₁₇ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5.

Area	ACS ₂₀₁₇ 1-Year Adjusted Standard Quality	ACS ₂₀₁₇ 1-Year Adjusted Standard Quality Recent-Mover Gross	Ratio	Sample Size Category	Result
------	------------------------------------------------------	-------------------------------------------------------------------------	-------	----------------------	--------

	Recent-Mover Rent Margin of		Gross Rent Error		
Carroll County-Galax city, VA HUD Nonmetro FMR Area – 2 Bedroom	N/A	N/A	N/A	N/A	No ACS ₂₀₁₇ 1-Year 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent Produced For Carroll County-Galax city, VA HUD Nonmetro FMR Area
Carroll County-Galax city, VA HUD Nonmetro FMR Area – All Bedroom	N/A	N/A	N/A	N/A	No ACS ₂₀₁₇ 1-Year All Bedroom Adjusted Standard Quality Recent-Mover Gross Rent Produced For Carroll County-Galax city, VA HUD Nonmetro FMR Area
Virginia Non-metropolitan Portion – 2 Bedroom	\$675	\$27	0.04	5	0.04 < .5 5 ≥ 4 Use ACS ₂₀₁₇ 1-Year Non-metropolitan Portion 2-Bedroom Adjusted Standard Quality Recent-Mover Gross Rent

The smallest area of geography which contains Carroll County-Galax city, VA HUD Nonmetro FMR Area and has an ACS₂₀₁₇ 1-year Adjusted Standard Quality Recent-Mover estimate with a Margin of Error Ratio that is less than .5 and with a sufficient number of sample cases is the Virginia Non-metropolitan Portion.

3. The calculation of the relevant Recent-Mover Adjustment Factor for Carroll County-Galax city, VA HUD Nonmetro FMR Area is as follows:

ACS ₂₀₁₇ 5-Year Area	ACS ₂₀₁₇ 5-Year 40th Percentile Adjusted Standard Quality Gross Rent	ACS ₂₀₁₇ 1-Year 40th Percentile Adjusted Standard Quality Recent-Mover Gross Rent
Virginia Non-metropolitan Portion – 2 Bedroom	\$629	\$675

Area	Ratio	Recent-Mover Adjustment Factor
Carroll County-Galax city, VA HUD Nonmetro FMR Area	$\frac{\$675}{\$629} = 1.073$	1.0731 ≥ 1.0 Use calculated Recent-Mover Adjustment Factor of 1.0731

4. The calculation of the relevant CPI Update Factors for Carroll County-Galax city, VA HUD Nonmetro FMR Area is as follows: HUD updates the 2017 intermediate rent with the ratio of the annual 2018 local or regional CPI to the annual 2017 local or regional CPI to establish rents as of 2018.

	Update Factor	Type
CPI Update Factor	1.0299	Region CPI

5. The calculation of the Trend Factor is as follows: HUD forecasts the change in national gross rents from 2018 to 2020 for each CPI area and Census Region. This makes Fair Market Rents "as of" FY2020.

Trend Factor	Trend Factor Type
1.0513	Region

6. The FY 2020 2-Bedroom Fair Market Rent for Carroll County-Galax city, VA HUD Nonmetro FMR Area is calculated as follows:

Area	ACS2017 5-Year Estimate	Recent-Mover Adjustment Factor	Annual 2017 to 2018 CPI Adjustment	Trending 1.0513 to FY2020	FY 2020 2-Bedroom FMR
Carroll County-Galax city, VA HUD Nonmetro FMR Area	\$540	1.0731	1.0299	1.0513	\$540 * 1.073 * 1.0299 * 1.0513=\$627

7. In keeping with HUD policy, the preliminary FY 2020 FMR is checked to ensure that is does not fall below the state minimum.

Area	Preliminary FY2020 2-Bedroom FMR	FY 2020 Virginia State Minimum	Final FY2020 2-Bedroom FMR
Carroll County-Galax city, VA HUD Nonmetro FMR Area	\$627	\$714	\$627 ≤ \$714 Use Virginia minimum of \$714

8. Bedroom ratios are applied to calculate FMRs for unit sizes other than two bedrooms.

Click on the links in the table to see how the bedroom ratios are calculated.

FY 2020 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2020 FMR	\$482	\$627	\$714	\$1,004	\$1,073

9. The FY2020 FMR must not be below 90% of the FY2019 FMR.

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY2019 FMR	\$470	\$611	\$700	\$994	\$1,004
FY2019 floor	\$423	\$550	\$630	\$895	\$904
FY 2020 FMR	\$482	\$627	\$714	\$1,004	\$1,073
Use FY2019 floor for FY2020?	No	No	No	No	No

Final FY2020 Rents for All Bedroom Sizes for Carroll County-Galax city, VA HUD Nonmetro FMR Area

The following table shows the Final FY 2020 FMRs by bedroom sizes.

Final FY 2020 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Final FY 2020 FMR	\$482	\$627	\$714	\$1,004	\$1,073

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

Permanent link to this page: http://www.huduser.gov/portal/data_sets/fmr/fmrs/FY2020_code/2020summary.odn?&year=2020&fmrtype=Final&selection_type=county&fips=5164099999

Select a different area

Press below to select a different county within the same state (same primary state for metropolitan areas):

- Accomack County, VA
- Albemarle County, VA
- Alexandria city, VA
- Alleghany County, VA
- Amelia County, VA

Select a new county

Press below to select a different state:

Select a new state

Select a Final FY 2020 Metropolitan FMR Area:

Abilene, TX MSA

Select Metropolitan FMR Area

[HUD Home Page](#) | [HUD User Home](#) | [Data Sets](#) | [Fair Market Rents](#) | [Section 8 Income Limits](#) | [FMR/IL Summary System](#) | [Multifamily Tax Subsidy Project \(MTSP\) Income Limits](#) | [HUD LIHTC Database](#) |

Prepared by the [Program Parameters and Research Division](#), HUD. Technical problems or questions? [Contact Us](#).



If you would like to engage Novogradac & Company LLP to calculate the rent & income limits for your property, please contact Thomas Stagg at thomas.stagg@novoco.com.

Click on the icons below to view historical charts.

Program and Location Information

Affordable Housing Program	IRS Section 42 Low-Income Housing Tax Credit (LIHTC)
Year (1)(2)	2019 (effective 04/24/19)
State	VA
County	Galax city
MSA	Carroll County-Galax city, VA HUD Nonmetro FMR Area
Persons / Bedroom	1.5 Person / Bedroom
4-person AMI 	\$50,500
National Non-Metropolitan Median Income (3)(4)	\$60,600
Hold Harmless (6)	You have indicated that your project qualifies as a rural area under the 2008 Housing Act (using USDA's determination of rural) and is therefore eligible for the national non-metropolitan income and rent floor.
Placed in Service Date (7)	You have indicated that your project was placed in service prior to 05/14/2010 and is therefore eligible to have its income and rent limit held harmless beginning with the 2009 limits. Prior to 01/01/2009.

HUD Published Income Limits for 2019 (with no adjustments)

Display Income Limits

Hide Income Limits

		Section 8			
		MTSP 50%	Extremely Low	Very Low	Low
		Charts			
1 Person		\$20,100	\$12,490	\$20,100	\$32,150
2 Person		\$23,000	\$16,910	\$23,000	\$36,750
3 Person		\$25,850	\$21,330	\$25,850	\$41,350
4 Person		\$28,700	\$25,750	\$28,700	\$45,900
5 Person		\$31,000	\$30,170	\$31,000	\$49,600
6 Person		\$33,300	\$33,300	\$33,300	\$53,250
7 Person		\$35,600	\$35,600	\$35,600	\$56,950
8 Person		\$37,900	\$37,900	\$37,900	\$60,600
9 Person		\$40,200	N/A ⁽¹⁰⁾	\$40,200	\$64,250
10 Person		\$42,500	N/A ⁽¹⁰⁾	\$42,500	\$67,950
11 Person		\$44,750	N/A ⁽¹⁰⁾	\$44,750	\$71,600
12 Person		\$47,050	N/A ⁽¹⁰⁾	\$47,050	\$75,300

LIHTC Income Limits for 2019
(Based on 2019 National Non-Metropolitan Median Income)

	Charts	60.00%	20.00%	30.00%	40.00%	50.00%	70.00%	80.00%	140.00%
1 Person		25,440	8,480	12,720	16,960	21,200	29,680	33,920	35,616
2 Person		29,100	9,700	14,550	19,400	24,250	33,950	38,800	40,740
3 Person		32,700	10,900	16,350	21,800	27,250	38,150	43,600	45,780
4 Person		36,360	12,120	18,180	24,240	30,300	42,420	48,480	50,904
5 Person		39,240	13,080	19,620	26,160	32,700	45,780	52,320	54,936
6 Person		42,180	14,060	21,090	28,120	35,150	49,210	56,240	59,052
7 Person		45,060	15,020	22,530	30,040	37,550	52,570	60,080	63,084
8 Person		48,000	16,000	24,000	32,000	40,000	56,000	64,000	67,200
9 Person		50,880	16,960	25,440	33,920	42,400	59,360	67,840	71,232
10 Person		53,820	17,940	26,910	35,880	44,850	62,790	71,760	75,348
11 Person		56,700	18,900	28,350	37,800	47,250	66,150	75,600	79,380
12 Person		59,640	19,880	29,820	39,760	49,700	69,580	79,520	83,496

LIHTC Rent Limits for 2019
(Based on 2019 National Non-Metropolitan Median Income)

Bedrooms (People)	Charts	60.00%	20.00%	30.00%	40.00%	50.00%	70.00%	80.00%	FMR	HOME Low Rent	HOME High Rent
Efficiency (1.0)		636	212	318	424	530	742	848	470	470	470
1 Bedroom (1.5)		681	227	340	454	568	795	909	611	538	611
2 Bedrooms (3.0)		817	272	408	545	681	953	1,090	700	646	700
3 Bedrooms (4.5)		945	315	472	630	787	1,102	1,260	994	746	936
4 Bedrooms (6.0)		1,054	351	527	703	878	1,230	1,406	1,004	832	1,004
5 Bedrooms (7.5)		1,163	387	581	775	969	1,357	1,551		918	1,112

Before using the numbers from the Rent & Income Limit Calculator[®], we strongly recommend that you check with the applicable state housing agency to verify that the state agrees with the numbers. The numbers round down to the nearest \$1.

This Rent & Income Limit Calculator[®] does not calculate low-income housing tax credit (LIHTC) limits greater than 50% LIHTC or 60% LIHTC limits, depending on the minimum set-aside elected with the IRS on Form 8609 in accordance with Internal Revenue Code Section 42(i)(3)(A). In other words, if the 20/50 minimum set-aside was elected then 50% LIHTC is the maximum rent calculated and allowed to qualify as a tax credit unit; or if the 40/60 minimum set-aside was elected then 60% LIHTC is the maximum allowed to qualify as a tax credit unit.

[Revenue Ruling 89-24](#) require that the LIHTC rent & income levels start their calculations with the HUD published very low-income (VLI) amounts because the HUD published VLI amounts include certain HUD adjustments, such as high housing cost for high FMR areas to increase income, and state non-metropolitan median income to provide a floor for income limits. The result is that many counties have VLI amounts that are different than 50% of the AMI published by HUD (the 4-person AMGI we have shown above). The Novogradac Rent & Income Calculator[®] starts by default with the HUD published VLI amounts in accordance with [Revenue Ruling 89-24](#).

(1) The rent and income limits for each year are effective beginning with the effective date shown above. There is a grace period for 45 days to implement the new rent and income limits, which means that the old limits can be relied upon for 45 days after the effective date of the new limits. For example income limits effective 12/04/2012, can be relied on until 1/17/2013. For more information, see [Revenue Ruling 94-57](#).

[IRS LIHC Newsletter #48](#) and [IRS LIHC Newsletter #50](#) clarify that for projects placed in service during the 45-day grace period, the owner may choose the new or the old income limits. For example, if a project was placed in service on 1/8/2013 and the 2012 income limits are higher than the 2013 income limits, an owner may use the higher income limits from 2012 to income qualify tenants and set rents accordingly because the project was placed in service with the 45-day grace period.

Please note, the Rent & Income Limit Calculator[®] does not apply a 45-day grace period automatically. The user needs to indicate that the placed in service date and/or gross rent floor date occurred 45 days earlier (in the prior HUD Fiscal Year) if they want to apply the 45-day rule under [Revenue Ruling 94-57](#) that allows owners to rely on the prior year. Therefore, projects that were placed in service during the 45-day grace period, and want to use the prior year, should select that they were placed in service as of the prior year. For example, if a project placed in service on 1/8/2013, and the project wanted to use the 45-day grace period, the user should select that their project was in service prior to 12/4/2012. Similarly, projects that have a gross rent floor effective as of the carryover allocation date (or reservation letter date for bond projects) during the 45-day grace period, and want to use the prior year, should select that the gross rent floor was effective as of the prior year. For example, if a project received a carryover allocation letter on 1/8/2013, and the owner did not elect placed in service date as the gross rent floor, and the project wanted to use the 45-day grace period, the user should select that their gross rent floor was effective prior to 12/4/2012.

(2) For HUD FY 2013 HUD originally issued income limits on December 4, 2012 then issued revised income limits on December 11, 2012. In [IRS LIHC Newsletter #50](#), the IRS has stated that the effective date for the revised FY 2013 income limits is December 4, 2012. Based on this guidance, the Rent & Income Limit Calculator[®] uses December 4, 2013 for the effective date for the revised FY 2013 limits. Please see [IRS LIHC Newsletter #50](#) for more detail.

(3) An area may lose its rural area status. There is no clear guidance that a project is held harmless at the national non-metropolitan income limits when an area loses its rural status. The Rent & Income Limit Calculator[®] assumes that a project that is not indicated as rural in the current year was also not rural in the prior year, and therefore, does not receive hold harmless treatment based on the prior year national non-metro amount.

Please consult your state agency and tax advisor for further clarification.

(4) USDA may change their determination of what projects qualify as rural during the course of a year. Please periodically check with USDA to determine the continued rural eligibility of your project.

The national non-metropolitan median income has been adjusted for household size based on the family size adjustments outlined in the HUD Briefing Materials and as shown in each year's [HUD FAQ](#). The IRS did not specify whether or not to round to the nearest \$50, however, the Rent & Income Limit Calculator[®] will round to the nearest \$50 in accordance with the methodology referenced in HUD Briefing Materials.

(5) A project uses HERA Special if income was determined prior to 1/1/2009 and the project is in a HERA Special county. A project's income limits are held harmless at the prior year income limits if income was determined in the prior year or earlier and the income limits have decreased. Please note that the IRS has informally indicated that the definition of "determined" for purposes of the HERA Special and MTSP Hold Harmless income limits means that a project was placed in service. Please see [IRS LIHC Newsletter #35](#) for more information about "determined" and

projects with buildings that were placed in service before and after HUD income limit effective dates. Therefore, projects placed in service prior to 1/1/2009 are generally eligible for HERA Special. Please see footnote 7 for information about acquisition/rehabilitation projects.

(6) Internal Revenue Code Section 142(d)(2)(i) indicates that hold harmless applies on a calendar year. The Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the HUD Fiscal Year. For example, the 2009 calendar year means the HUD Fiscal Year from 3/19/2009 through 5/13/2010. In other words, the Rent & Income Limit Calculator© assumes that "calendar year" in the hold harmless rule means the highest income level achieved during any HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that a rural project will receive hold harmless treatment at the national non-metro amount based on the prior year national non-metro amount if the national non-metro median income were to fall from year to year. If a rural project qualifies for HERA Special and the HERA Special is higher than the national non-metro, then the HERA Special amount will be used. Please note that the IRS has not issued guidance that specifically allows hold harmless treatment at the national non-metro amount for rural projects, however, Internal Revenue Code 42(g)(4) by reference to Internal Revenue Code 142(d)(2)(E) implies that hold harmless treatment would apply at the national non-metro amount for rural projects. Please consult your tax advisor for further clarification.

(7) Please note that for acquisition/rehabilitation projects, the IRS guidance indicates that income and rent limits are determined at the later of the acquisition date or when management begins income-qualifying households in the project. For example, if a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households in 2011 then the project would be considered placed in service in 2011 for income and rent purposes. If a project was acquired in 2011, the rehabilitation was placed-in-service in 2012, and management began income-qualifying households when the rehabilitation placed-in-service in 2012, then the project would be considered placed in service in 2012 for income and rent purposes. Please see [IRS LIHC Newsletter #35](#) for more detail. Please consult your tax advisor for further clarification.

(8) [Revenue Procedure 94-57](#) gives guidance on the gross rent floor election.

Tax credit projects without bond financing:

"The Internal Revenue Service will treat the gross rent floor in section 42(g)(2)(A) as taking effect on the date an Agency initially allocates a housing credit dollar amount to the building [generally referred to as the 42M letter] under section 42(h)(1). However, the Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that made the allocation to the building no later than the date on which the building is placed in service."

Tax credit projects with bond financing:

"The Service will treat the gross rent floor as taking effect on a building's placed in service date if the building owner designates that date as the date on which the gross rent floor will take effect for the building. An owner must make this designation to use the placed in service date and inform the Agency that issued the determination letter to the building no later than the date on which the building is placed in service."

(9) The Rent & Income Limit Calculator© assumes all buildings in a project have a rent floor effective date under [Revenue Procedure 94-57](#) in the same HUD Fiscal Year. However, if your buildings have rent floor effective dates under [Revenue Procedure 94-57](#) in different HUD Fiscal Years, then you should run the calculator separately for each group of buildings in a particular HUD Fiscal Year.

The Rent & Income Limit Calculator© assumes that different AMGI limits (40%, 35%, 30%, etc.) chosen by the user will also have a rent floor election under [Revenue Procedure 94-57](#) from the same HUD Fiscal Year that applies to the federal level of 50% or 60%.

(10) The Consolidated Appropriations Act of 2014 changed how the 30% income limit is calculated. The 30% limit, which is now called the extremely low income limit, is determined by taking the greater of the 30% income limit as calculated by HUD or the poverty level as determined by the Department of Health and Human Services, which is then capped at the 50% Very Low Income Limit ('VLI') published by HUD. HUD has only published the data up to 8 people. For household sizes above 8 people please visit the following website:
<https://www.huduser.gov/portal/datasets/mtsp.html>

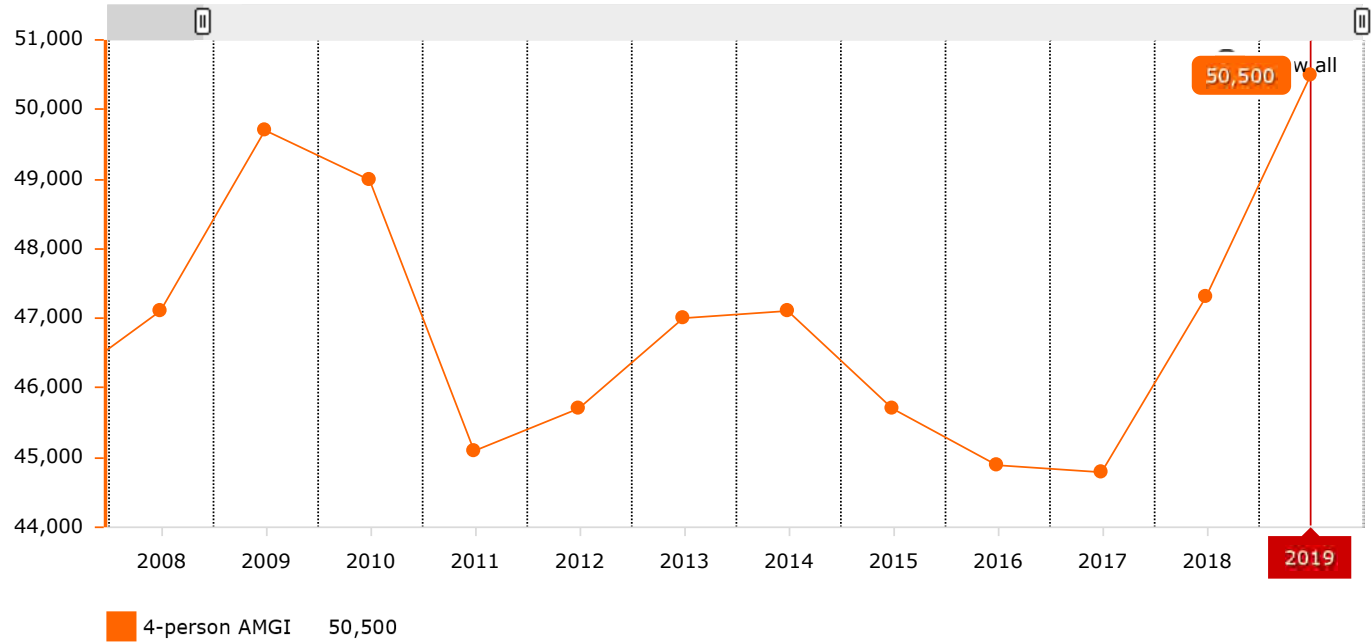
Terms of Use:

Utility allowances are inputted by the user and are not reviewed or verified by Novogradac & Company LLP. Novogradac & Company LLP provides no assurance of the accuracy of the particular results you may obtain from the Rent & Income Limit Calculator©; which is designed only to be a quick reference tool and is no substitute for professional tax and accounting advice. The Rent & Income Limit Calculator© should not be used for any final financial decisions. IRS guidelines and actual HUD amounts should be used for any final decisions. Novogradac & Company LLP does not guarantee the accuracy of the amounts shown above. As

consideration for your use of this tool, free of any requirement to pay any related monetary compensation to Novogradac & Company LLP, you agree to hold Novogradac & Company LLP harmless from any damages and claims related to use of the Rent & Income Limit Calculator©. If you do not agree with the terms of this paragraph, you may not use the Rent & Income Limit Calculator©.

© 1996-2019 Novogradac & Company LLP - All Rights Reserved.

chart by amcharts.com



Display: 4-person AMGI

Average Increase (AMGI): 0.8%/year

Close Window

Certificate of Membership

Allen & Associates Consulting Inc.
Is a Member Firm in Good Standing of



National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
8/1/2019 to 7/31/2020



Thomas Amdur
Executive Director, NH&RA