

**NEED AND DEMAND ANALYSIS**  
**FOR THE**  
**OAKLAND POINTE APARTMENTS**  
**IN**  
**WILLIAMSBURG/JAMES CITY COUNTY, VIRGINIA**

**Prepared for**  
**Oakland Pointe, LP**  
**for submission to**  
**the Virginia Housing Development Authority**

**VHDA Application: 2020 - C- 08**

As of February 22, 2020

**T Ronald Brown: Research & Analysis**

P.O. Box 18534  
Asheville, NC 28814  
919.233.0670

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## TABLE OF CONTENTS

A. EXECUTIVE SUMMARY .....	Page 1
B. INTRODUCTION AND SCOPE OF WORK .....	Page 3
C. PROJECT DESCRIPTION .....	Page 5
E. MARKET AREA DEFINITION .....	Page 16
F. EMPLOYMENT AND ECONOMY.....	Page 18
G. DEMOGRAPHIC CHARACTERISTICS .....	Page 25
H. COMPETITIVE ENVIRONMENT .....	Page 33
J. LOCAL PERSPECTIVE OF RENTAL HOUSING MARKET.....	Page 74
L. OTHER REQUIREMENTS.....	Page 76

## LIST OF TABLES

Table 1 - Distance to Neighborhood and Community Amenities .....	Page 14
Table 2 - Total Employment .....	Page 18
Table 3 - Employment, by sector .....	Page 19
Table 4 - Unemployment trends .....	Page 20
Table 5 - Major Employers.....	Page 21
Table 6 - Wages by Industry Sector .....	Page 22
Table 7 - Commuting Data .....	Page 23
Table 8 - Commuting Patterns .....	Page 24
Table 9 - Population Trends .....	Page 25
Table 10 - Household Trends.....	Page 26
Table 11 - Age Distribution .....	Page 27
Table 12 - Household Size.....	Page 28
Table 13 - Tenure .....	Page 29
Table 14 - Household Income.....	Page 30
Table 15 - Household Income, Renter Households.....	Page 31
Table 16 - Residential Construction Since 2000.....	Page 32
Table 17 - Market Rate Properties.....	Page 34
Table 18 - Income Limits .....	Page 64
Table 19 - Rents and Income Targeting.....	Page 65
Table 20 - Qualifying Income Ranges.....	Page 66
Table 21 - Renter Household Income and Rent-overburdening .....	Page 68
Table 22 - Demand Calculations .....	Page 70
Table 23 - Capture Rates.....	Page 71

## A. EXECUTIVE SUMMARY

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

The Oakland Pointe Apartments are to be located to the east side of Oakland Drive, to the south of the Richmond Road, in northern James City County, to the north of Williamsburg. There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location, other than any imposed by topography.

Of the 119 units proposed, 12 will be targeted at 30 percent of the median, 12 will be targeted at 40 percent, 38 will be targeted to households with incomes up to 50 percent of the median, with 49 targeted at 60 percent of the median, and with eight units targeted at 80 percent of the median (and therefore applying income averaging). Thus, the apartments qualify for low income housing tax credit status. There will be 13 rent-assisted units.

In James City County, employment grew from 32,172 in 2009 to 36,069 in 2018 - a net increase of 3,897 jobs over that period.

For James City County, the most recent annual unemployment rate is 2.9 percent, down from 3.5 percent the previous year. The rate was 6.3 percent in 2010.

The market area for the proposed development is northern and central portions of James City County, Williamsburg, and adjacent portions of York County.

The population of the market area is projected to increase from 61,977 in 2010, to 75,154 in 2020, and to 83,084 in 2025. The number of households is projected to increase, from 23,215 in 2010 to 29,049 in 2020, to 32,584 in 2025. The number of renter households is projected to increase from 7,060 in 2010 to 8,905 in 2020, and to 10,029 in 2025.

There is a significant number of apartment complexes throughout the market area for the proposed development, as defined. These include USDA/Rural Development properties (some with tax credit rehabilitations), three unsubsidized tax credit properties, and various market rate complexes.

Based on our survey, there is a market-wide occupancy rate of 98.3 percent for tax credit properties. The occupancy level for the more than 3,200 market rate units in stabilized properties is seen to be 96.3 percent. Overall, the occupancy level for all properties in the market area for the proposed development is seen to be 96.8 percent.

The total net need for tax credit units such as is proposed in the James City County area by 2025 is calculated to be for 2,529 units. Given the calculated need, the proposed 119-unit development amounts to 4.7 percent of the need, as calculated.

Consideration of the capture rate (4.7 percent) and the (2.6 percent) affordability analysis capture rate and (12.9 percent) penetration rate suggests that the proposed development is marketable, as proposed.

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

The proposed development will not have an impact on existing housing in the area.

The proposed development is considered marketable and can be developed as proposed.

## B. INTRODUCTION AND SCOPE OF WORK

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

The report is prepared for Oakland Pointe, LP, for submission to the Virginia Housing Development Authority.

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

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

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

The site of the proposed apartments was visited (on February 22, 2020)

The site was visited by T. Ronald Brown.

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

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

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

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

**Submitted, and attested to, by:**

T. Ronald Brown, President  
T. Ronald Brown: Research & Analysis  
P.O. Box 18534  
Asheville, North Carolina 28814  
919. 233.0670 or 919.612.5328

A handwritten signature in dark ink, appearing to read "T. Ronald Brown", with a long horizontal flourish extending to the right.

Date: February 26, 2020

**C. PROJECT DESCRIPTION**

The Oakland Pointe Apartments will comprise 119 units - 71 two- bedroom units and 48 three-bedroom units. The project is new construction.

The project is to be configured as follows:

	<u>Units</u>	<u>sq. ft</u>	<u>Rent</u>	<u>Targeting*</u>
2 bedroom/2 bath	6	956	\$400	less than 30 percent
2 bedroom/2 bath	10	968	\$500	less than 40 percent **
2 bedroom/2 bath	24	968 -985	\$750	less than 50 percent
2 bedroom/2 bath	25	985	\$925	less than 60 percent
2 bedroom/2 bath	6	985	\$1,200	less than 80 percent
3 bedroom/2 bath	6	1,112	\$450	less than 30 percent
3 bedroom/2 bath	2	1,118	\$625	less than 40 percent
3 bedroom/2 bath	3	1,118	\$740	less than 50 percent **
3 bedroom/2 bath	11	1,118	\$850	less than 50 percent
3 bedroom/2 bath	24	1,118	\$1,025	less than 60 percent
3 bedroom/2 bath	2	1,118	\$1,300	less than 80 percent

\* percentage of area median income

\*\* rent-assisted

Of the 119 unit total, there will be twelve units targeted at 30 percent of the median, 12 units targeted at 40 percent of the median, 38 units targeted to households with incomes up to 50 percent of the median, 49 units targeted at 60 percent of the median, and eight units will be targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status. Given that the project will include units targeted to households with incomes in excess of 60 percent of the local area median income, income averaging is applied. Thus, the average target income, overall, cannot exceed 60 percent of the median.

It is understood that rental assistance will be made available for 13 units.

Utilities (excluding water/sewer and trash collection) will be paid by the tenant - utility allowances are: \$107 for the two--bedroom units and \$128 for the three -bedroom units. Based on information supplied by the developer, the proposed apartments will meet energy-saving standards, both for construction and for appliances provided.

The property will feature five, three -story, buildings and will have a brick exterior. Common area and site amenities include a multi-purpose room and laundry.

There are 279 parking spaces.

Representative architectural drawings are set out on the following pages.

It is understood that the construction program would commence in April 2021 and would be completed within 12 months, or so.



Site plan





Rendering



D. LOCATION

The Oakland Pointe Apartments are to be located to the east side of Oakland Drive, to the south of the Richmond Road (US 60), in northern James City County, to the north of Williamsburg. Adjacent properties include a church and undeveloped land.





View onto property



View from site to Oakland Drive



View south on Oakland Drive, at site



View towards Richmond Rd., from Oakland Dr



View east on Richmond Rd., at property



View west on Richmond Rd., at Oakland Dr

The site is located on Oakland Drive at the Richmond Road (US 60). Access to the site is very good.

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

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

The site is off the Richmond Road (US 60) a major east-west route serving the area. The site is within one and one-half miles of Interstate 64.

As noted, the site is well-located with respect to the Jefferson Highway has a significant concentration of shopping and other services which serve the area either on it or easily accessible from it. Thus, for example, the site is within one mile of, for example, a Food Lion grocery store, a CVS drugstore, and a Farm Fresh store in the vicinity of the intersection of the Richmond Road and Croaker Road, to the east. The site is within five miles of a Wal-mart supercenter, off the Humersline Parkway.

The Norge Elementary School and the Toano Middle are within one and one-half miles of the site. The Warhill High School is within three- and one-fourth miles of the site.

The Sentara Medical Center and associated medical services are located four and one-half miles from the site of the proposed development.

The site is within one half miles of the Norge Post Office, and is less than one mile from the James City County Public Library.

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

Table 1 - Distance to Neighborhood and Community Amenities

<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	Richmond Road/US 60	0.1
	Interstate 64	1.5
Public Transportation	WATA Route 9 (Toano)	0.6
Retail - Grocery	Farm Fresh	0.8
	Food Lion	0.4
Retail - Other	Wal-mart	4.7
Pharmacies	Rite- Aid	0.5
Bank	C & F Bank	0.4
Schools	Norge Elementary School	1.2
	Toano Middle School	1.1
	Warhill High School	3.7
Library	James City County Library	0.8
Post Office	Norge Post Office	0.5
Hospital	Sentara Hospital	4.5

Source: T.Ronald Brown: Research & Analysis

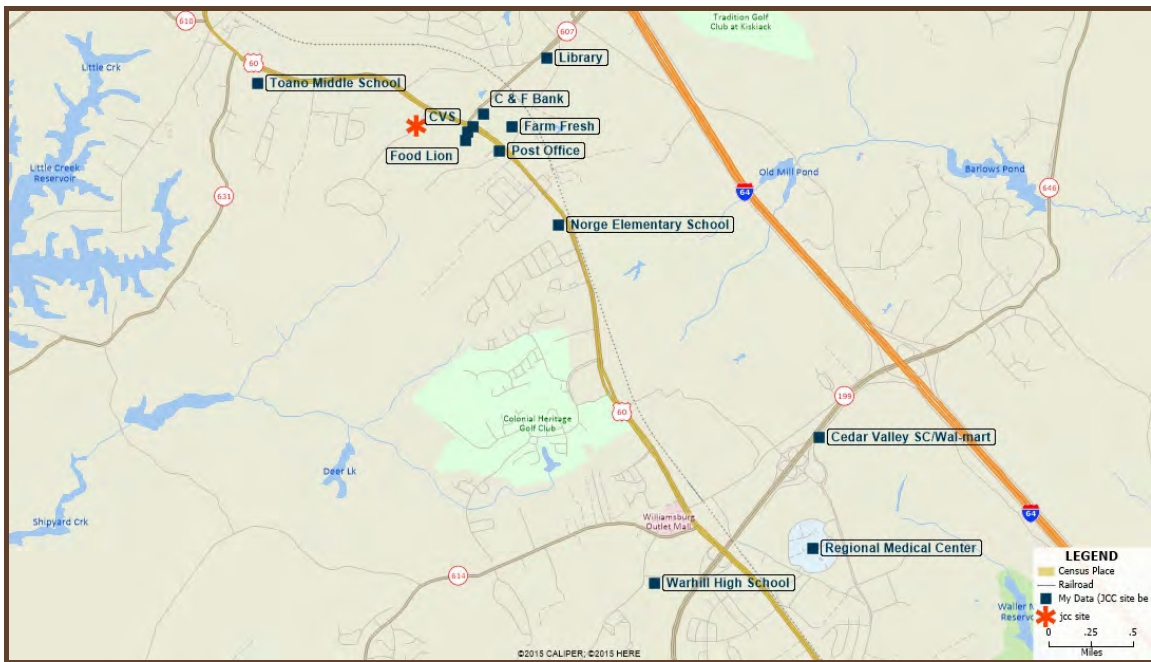
Public transportation is available on the WATA system, with stops at the Richmond Road/Croaker Road intersection.

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

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



Location map

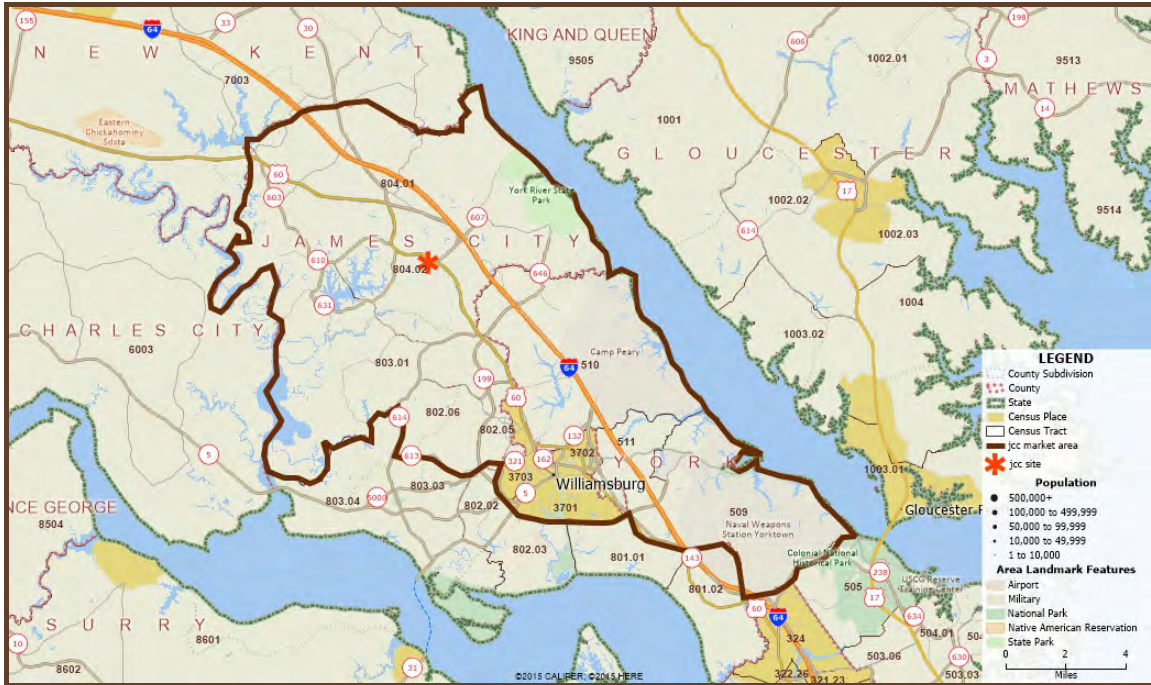


## E. MARKET AREA DEFINITION

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

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

The proposed development is located in north central James City County, adjacent to York County, not far north of the City of Williamsburg on the Virginia Peninsula in eastern Virginia. The market area for the proposed development is defined as northern and central portions of James City County, Williamsburg, and adjacent portions of York County, as defined by several census tracts. This area is focused on the site of the proposed development and extends to an approximately six- to 13-mile hinterland. The market area, as defined, therefore is that which constitutes the area adjacent to the site of the proposed development and extends to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project



F. EMPLOYMENT AND ECONOMY

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

Employment trends

Employment trends for James City County are illustrated in the table, below. Employment in 2009 was 32,172. Since then, employment has grown - to 36,069 in 2018 - an increase of 3,897 jobs (a net increase of 12.1 percent over that period).

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Table 2 - Total Employment

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		Change over previous year	
		<u>number</u>	<u>percent</u>
2009	32,172		
2010	32,243	71	0.2
2011	32,605	362	1.1
2012	32,988	383	1.2
2013	33,696	708	2.1
2014	34,588	892	2.6
2015	34,284	-304	-0.9
2016	34,812	528	1.5
2017	35,875	1,063	3.1
2018	36,069	194	0.5

Source: Virginia Labor Market Information

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Employment trends, by sector

Information on employment, by industry for James City County in 2017 and 2018 (the most recent annualized data) is set out in Table 2, below. From this it is seen that, with respect to employment, the largest subsectors were accommodation and food services, health care, and retail trade which employed 12.3 percent, 15.3 percent, and 12.6 percent of the total.

Table 3 - Employment, by sector

	2017		2018		pct change
	number	percent	number	percent	
Accommodation and Food services	3,705	12.1	3,811	12.3	2.9
Administrative and Waste services	1,124	3.7	1,094	3.5	-2.7
Agriculture, Forestry, etc	26	0.1	30	0.1	15.4
Arts, Entertainment, Recreation	4,627	15.1	n/a	n/a	n/a
Construction	1,531	5.0	1,512	4.9	-1.2
Educational services	1,987	6.5	1,986	6.4	-0.1
Financial and Insurance	412	1.3	437	1.4	6.1
Health Care and Social Assistance	4,294	14.0	4,739	15.3	10.4
Information	195	0.6	263	0.9	34.9
Management	1,010	3.3	1,037	3.4	2.7
Manufacturing	1,878	6.1	1,833	5.9	-2.4
Mining	n/a	n/a	n/a	n/a	n/a
Other Services	711	2.3	763	2.5	7.3
Professional and Technical services	1,385	4.5	1,390	4.5	0.4
Public Administration	800	2.6	792	2.6	-1.0
Real estate	817	2.7	652	2.1	-20.2
Retail trade	4,008	13.1	3,906	12.6	-2.5
Transp. and Warehousing	n/a	n/a	n/a	n/a	n/a
Unclassified	39	0.1	76	0.2	94.9
Utilities	n/a	n/a	n/a	n/a	n/a
Wholesale trade	825	2.7	701	2.3	-15.0
<b>Total</b>	<b>30,683</b>		<b>30,926</b>		<b>0.8</b>

Source: Virginia Labor Market Information

Unemployment trends

Unemployment trends for James City County are illustrated in the table, below. Rates for Virginia and for the U.S as a whole are also shown, for reference. Here it is seen that the current unemployment rate is 2.9 percent, down from 3.5 percent the previous year. The rate was 6.3 percent in 2010.

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Table 4 - Unemployment trends

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	James City County	Virginia	U.S.
2009	5.4%	3.9%	5.8%
2010	6.3%	6.7%	9.3%
2011	6.1%	7.1%	9.6%
2012	5.7%	6.6%	8.9%
2013	5.3%	6.1%	8.1%
2014	4.9%	5.7%	7.4%
2015	4.3%	5.2%	6.2%
2016	3.9%	4.5%	5.3%
2017	3.5%	4.1%	4.9%
2018	2.9%	3.8%	4.4%

Source: Virginia Labor Market Information

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Major Employers

The major employers in the Williamsburg area are listed in Table 5, below. Here it is seen that the largest single employers include the local school systems, Busch Gardens, the College of William and Mary, Colonial Williamsburg, Wal Mart, and the York County government - each of which employs more than 1,000 persons.

Table 5 - Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Employees</u>
<u>James City County</u>		
Busch Entertainment Corp.	Amusement, etc	1000+
Williamsburg James City County School Board	Educational Services	1000+
Wal Mart	General Merchandise Stores	1000+
County of James City	Local Government	500 to 999
Riverside Regional Medical Center	Hospitals	500 to 999
Eastern State Hospital	Hospitals	500 to 999
Kingsmill Resort And Spa	Accommodation	500 to 999
Anheuser-Busch Inc	Beverage and Tobacco Product Manufacturing	250 to 499
Williamsburg Landing	Nursing and Residential Care Facilities	250 to 499
Avid Medical	Merchant Wholesalers, Durable Goods	250 to 499
Jamestown Yorktown Foundation	Museums, Historical Sites, etc	250 to 499
Williamsburg Plantation	Real Estate	250 to 499
Mastercorp Inc	Administrative and Support Services	250 to 499
<u>City of Williamsburg</u>		
College of William and Mary	Educational Services	1,000+
Colonial Williamsburg Foundation	Museums, Historical Sites, etc	1,000+
Colonial Williamsburg Hotel	Accommodation	500 to 999
Sentara Healthcare	Hospitals	500 to 999
ADP Technology Services, Inc.	Professional, Scientific, Technical Services	250 to 499
<u>York County</u>		
York County School Board	Educational Services	1,000+
County of York	Local Government	1,000+
Wal Mart	Private	500 to 999
U.S. Department of Defense	Federal Government	500 to 999
Great Lakes Services LLC	Accommodation	250 to 499
Guest Service Company of	Private	250 to 499
Wyndham Vacation Ownership Inc	Real Estate	250 to 499
Kroger	Food and Beverage Stores	250 to 499

Source: Virginia Labor Market Information

Virginia Economic Development Partnership reports no jobs lost in recent years. With respect to expansions, the Virginia Economic Development Partnership similarly reports no new recent job announcements.

The proposed development is not located in a market - such as a resort area - that would need housing for employees in such a specific market, although, as noted, the tourism industry is significant.

Wages by Industry Sector

Information on wages, by employment sector, for James City County is set out in Table 6, below. Here, average wages show some variation - both between sectors and also over time - with average wages increasing by 3.3 percent between 2017 and 2018.

Table 6 - Wages by Industry Sector

	2017	2018	pct change
Accommodation and Food services	\$392	\$444	13.3
Administrative and Waste services	\$696	\$701	0.7
Agriculture, Forestry, etc	\$332	\$303	-8.7
Arts, Entertainment, Recreation	\$310	n/a	n/a
Construction	\$925	\$914	-1.2
Educational services	\$759	\$785	3.4
Financial and Insurance	\$1,513	\$1,601	5.8
Health Care and Social Assistance	\$769	\$851	10.7
Information	\$628	\$849	35.2
Management	\$1,350	\$1,312	-2.8
Manufacturing	\$1,239	\$1,247	0.6
Other Services	\$524	\$526	0.4
Professional and Technical services	\$1,280	\$1,293	1.0
Public Administration	\$961	\$989	2.9
Real estate	\$980	\$839	-14.4
Retail trade	\$405	\$424	4.7
Transp. and Warehousing	n/a	n/a	na
Unclassified	\$738	\$495	-32.9
Utilities	n/a	n/a	n/a
Wholesale trade	\$774	\$821	6.1
Total	\$695	\$718	3.3

Source: Virginia Labor Market Information



Commuting patterns

With respect to commuting, data from the American Community Survey, 49.0 percent of workers resident in Williamsburg were employed there. The average driving time to work for residents of Williamsburg was 20.0 minutes.

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Table 7 - Commuting Data

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	<u>number</u>	<u>percent</u>
Total Workers	5,889	100.0
Worked in Place of residence	2,886	49.0
Worked in County of residence	2,886	49.0
Worked outside Place of residence	3,003	51.0
Worked outside County of residence	3,003	51.0
Mean travel time to work (minutes)	20.0	

Source: 2014 to 2018 American Community Survey; T.Ronald Brown: Research & Analysis

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The most recent Census data for commuting patterns for persons who live and/or work in the wider Williamsburg area are illustrated, below.

Here it is seen that many persons who work in James City County commute into the County from, for example, Williamsburg and Newport News and York , Gloucester, and New Kent Counties. Likewise, many residents of James City County commute to work in Williamsburg , Newport News and York County.

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Table 8 - Commuting Patterns

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<u>Place of work</u>	<u>Place of Residence</u>	<u>Number of Workers</u>
James City County	James City County	12,749
James City County	Gloucester County	1,152
James City County	New Kent County	1,317
James City County	York County	2,114
James City County	Newport News	3,441
James City County	Williamsburg	1,315
York County	James City County	3,786
Hampton	James City County	1,352
Newport News	James City County	3,561
Williamsburg	James City County	5,047

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

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

G. DEMOGRAPHIC CHARACTERISTICS

Population and Household Trends

In 2000, the population of James City County was 48,102, and in 2010 the population was recorded as 67,009. Population projections for James City County are provided by the Virginia State Data Center. Based on these data, the population of the area is projected to be 78,016 by 2020, and to be around 84,817 by 2025.

In 2000, the population of the market area was 43,649, and in 2010 the population was recorded as 61,977. Population projections for the market area are based on the average of several small area population projection techniques using census tract trends for 2000 to 2010 in James City County and York County, corrected for the official State Data Center numbers, and the official projections for the City of Williamsburg. Based on these data, the population of the area is projected to be 75,154 by 2020, and to be around 83,084 by 2025.

Information on population trends and changes between 2000 and 2025 are set out in Table 9, below.

Table 9 - Population Trends

	Williamsburg	Market Area	James City County
2000	11,998	43,649	48,102
2010	14,067	61,977	67,009
2020	15,463	75,154	78,016
2025	16,217	83,084	84,817
absolute change			
2000-2010	2,069	18,328	18,907
2010-2020	1,396	13,177	11,007
2020-2025	754	7,930	6,801
annual change			
2000-2010	207	1,833	1,891
2010-2020	140	1,318	1,101
2020-2025	151	1,586	1,360

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

Projections of the number of households for Williamsburg, the market area, and for James City County are set out in Table 10, below.

In 2000, there were 19,003 households in James City County and 26,860 in 2010. Based on the population projections set out, above, there will be around 31,499 households in 2020 and 34,367 in 2025.

There were 15,814 households in the market area in 2000 and 23,215 in 2010. Projections show around 29,049 and 32,584 households in 2020 and 2025, respectively.

Table 10 - Household Trends

	Williamsburg	Market Area	James City County
2000	3,619	15,814	19,003
2010	4,570	23,215	26,860
2020	5,411	29,049	31,499
2025	5,889	32,584	34,367
absolute change			
2000-2010	951	7,401	7,857
2010-2020	841	5,834	4,639
2020-2025	478	3,535	2,868
annual change			
2000-2010	95	740	786
2010-2020	84	583	464
2020-2025	96	707	574

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

Population and household characteristics

Age distribution

The distribution of the population, by age, for Williamsburg, the market area, and James City County is set out in Table 11, below. These data are from the 2010 Census. Here it is seen that the median age of the population of Williamsburg was 23.8 years, and that for James City County was recorded as 44.9 years. The estimated median age for the market area is around 38.3 years. The relatively low average age for Williamsburg reflects the student population there.

Table 11 - Age Distribution

	Williamsburg		Market Area		James City County	
	number	percent	number	percent	number	percent
Under 5 years	433	3.1	3,144	5.1	3,461	5.2
5 to 9 years	366	2.6	3,358	5.4	3,852	5.7
10 to 14 years	364	2.6	3,557	5.7	4,295	6.4
15 to 19 years	2,337	16.6	5,353	8.6	4,120	6.1
20 to 24 years	3,887	27.6	6,296	10.2	3,350	5.0
25 to 29 years	1,024	7.3	3,514	5.7	3,278	4.9
30 to 34 years	600	4.3	3,067	4.9	3,113	4.6
35 to 39 years	449	3.2	3,303	5.3	3,735	5.6
40 to 44 years	473	3.4	3,788	6.1	4,398	6.6
45 to 49 years	500	3.6	4,199	6.8	5,045	7.5
50 to 54 years	553	3.9	4,006	6.5	4,929	7.4
55 to 59 years	549	3.9	3,779	6.1	4,754	7.1
60 to 64 years	654	4.6	3,992	6.4	4,809	7.2
65 to 69 years	597	4.2	3,575	5.8	4,393	6.6
70 to 74 years	474	3.4	2,677	4.3	3,312	4.9
75 to 79 years	378	2.7	2,020	3.3	2,578	3.8
80 to 84 years	225	1.6	1,307	2.1	1,823	2.7
85 years and over	205	1.5	1,081	1.7	1,764	2.6
55 and older	3,082	21.9	18,431	29.7	23,433	35.0
65 and older	1,879	13.4	10,660	17.2	13,870	20.7
median	23.8		38.3 *		44.9	

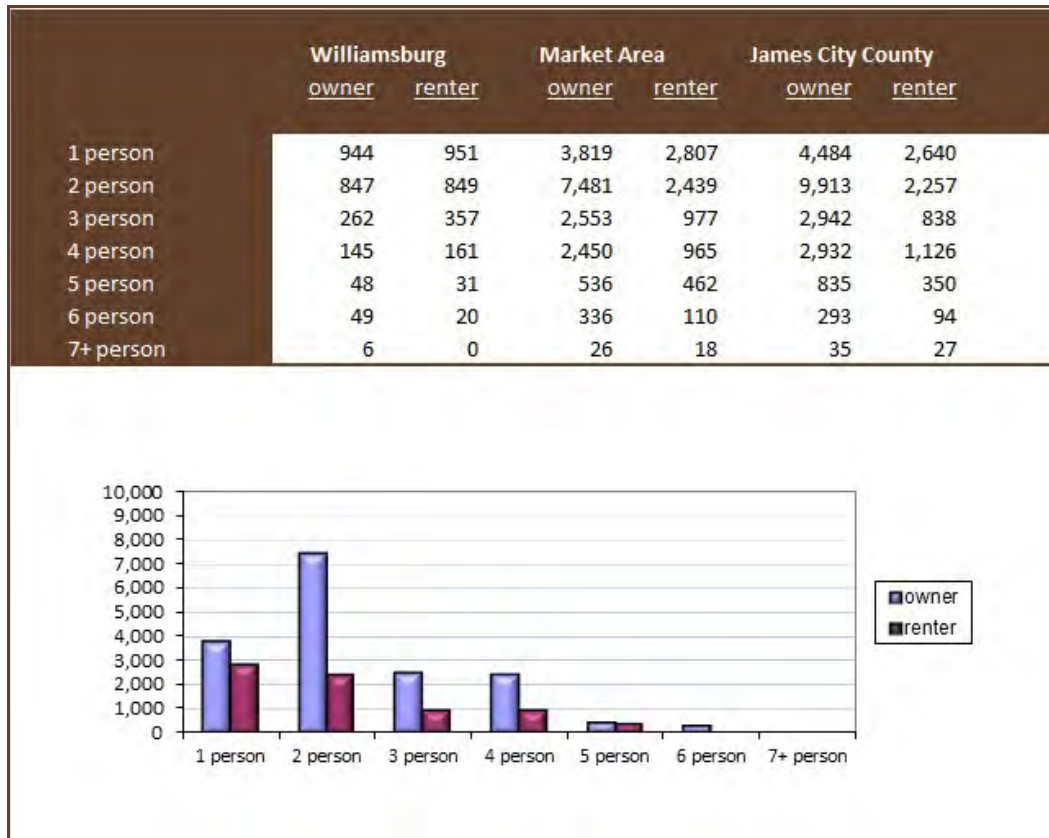
\* estimate

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

Household size

Table 12 below, sets out household size, by tenure, for households in Williamsburg, the market area, and James City County.

Table 12 - Household Size



Source: 2014 to 2018 American Community Survey; T.Ronald Brown: Research & Analysis

Tenure

Table 13, below, sets out the number and proportion of owner and renter households for Williamsburg, the market area, and James City County. In the years beyond 2010, the tenure proportions are based on 2000 to 2010 tenure trends. In 2010, 56.3 percent of households in Williamsburg were renters, 30.4 percent of households in the market area were renters, and 23.9 percent in James City County were renters.

Table 13 - Tenure

<b>Williamsburg</b>			persons per	Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	11,998	3,619	3.32	1,602	44.3	2,017	55.7
2010	14,067	4,570	3.08	1,997	43.7	2,573	56.3
2020	15,463	5,411	2.86	2,333	43.1	3,078	56.9
2025	16,217	5,889	2.75	2,523	42.8	3,366	57.2
<b>Market Area</b>			persons per	Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	43,649	15,814	2.76	11,043	69.8	4,771	30.2
2010	61,977	23,215	2.67	16,155	69.6	7,060	30.4
2020	75,154	29,049	2.59	20,144	69.3	8,905	30.7
2025	83,084	32,584	2.55	22,555	69.2	10,029	30.8
<b>James City County</b>			persons per	Owner-occupied		Renter-occupied	
	<u>population</u>	<u>households</u>	<u>household</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
2000	48,102	19,003	2.53	14,640	77.0	4,363	23.0
2010	67,009	26,860	2.49	20,429	76.1	6,431	23.9
2020	78,016	31,499	2.48	23,634	75.0	7,865	25.0
2025	84,817	34,367	2.47	25,604	74.5	8,763	25.5

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

Income Distribution

The distribution of household incomes for Williamsburg, the market area, and James City County are set out in Table 14, below. These figures are taken from the 2014 to 2018 American Community Survey, and as such are subject to the limitations imposed by this source.

The median household income for Williamsburg is around \$56,163, and that for James City County as a whole is seen to be \$83,048. The median income for the market area is estimated at \$74,611.

Table 14 - Household Income

	Williamsburg		Market area		James City County	
	number	percent	number	percent	number	percent
less than \$10,000	505	11.1	1,409	5.8	1,067	4.0
\$10,000 to \$14,999	146	3.2	624	2.6	649	2.4
\$15,000 to \$19,999	126	2.8	690	2.9	849	3.2
\$20,000 to \$24,999	248	5.4	1,045	4.3	1,169	4.3
\$25,000 to \$29,999	213	4.7	966	4.0	987	3.7
\$30,000 to \$34,999	167	3.7	484	2.0	541	2.0
\$35,000 to \$39,999	242	5.3	1,007	4.2	1,006	3.7
\$40,000 to \$44,999	110	2.4	1,024	4.2	1,279	4.8
\$45,000 to \$49,999	293	6.4	988	4.1	812	3.0
\$50,000 to \$59,999	400	8.8	1,857	7.7	1,973	7.3
\$60,000 to \$74,999	328	7.2	2,254	9.3	2,642	9.8
\$75,000 to \$99,999	584	12.8	3,747	15.5	4,188	15.6
\$100,000 to \$124,999	385	8.4	2,848	11.8	3,329	12.4
\$125,000 to \$149,999	119	2.6	1,098	4.5	459	1.7
\$150,000 to \$199,999	256	5.6	1,994	8.3	2,585	9.6
\$200,000 or more	442	9.7	2,098	8.7	3,348	12.5
median income	\$56,163		\$74,611 *		\$83,048	

\* estimate

Source: 2014 to 2018 American Community Survey; T.Ronald Brown: Research & Analysis



Renter Income

The distribution of household incomes for renter households for Williamsburg, the market area, and James City County are set out in Table 15, below. These figures are also taken from the 2013 to 2017 American Community Survey.

The median household income for Williamsburg is around \$37,694, and that for James City County as a whole is seen to be \$45,789. The median income for the market area is estimated at \$44,561.

Table 15 - Household Income, Renter Households

	Williamsburg		Market area		James City County	
	number	percent	number	percent	number	percent
less than \$10,000	460	19.4	1,074	13.8	750	10.2
\$10,000 to \$19,999	195	8.2	737	9.5	705	9.6
\$20,000 to \$34,999	394	16.6	1,231	15.8	1,254	17.1
\$35,000 to \$49,999	431	18.2	1,328	17.1	1,248	17.0
\$50,000 to \$74,999	345	14.6	1,241	16.0	1,267	17.3
\$75,000 to \$99,999	239	10.1	960	12.3	894	12.2
\$100,000 or more	305	12.9	1,207	15.5	1,214	16.6
#REF!	\$37,694		\$44,561 *		\$45,789	

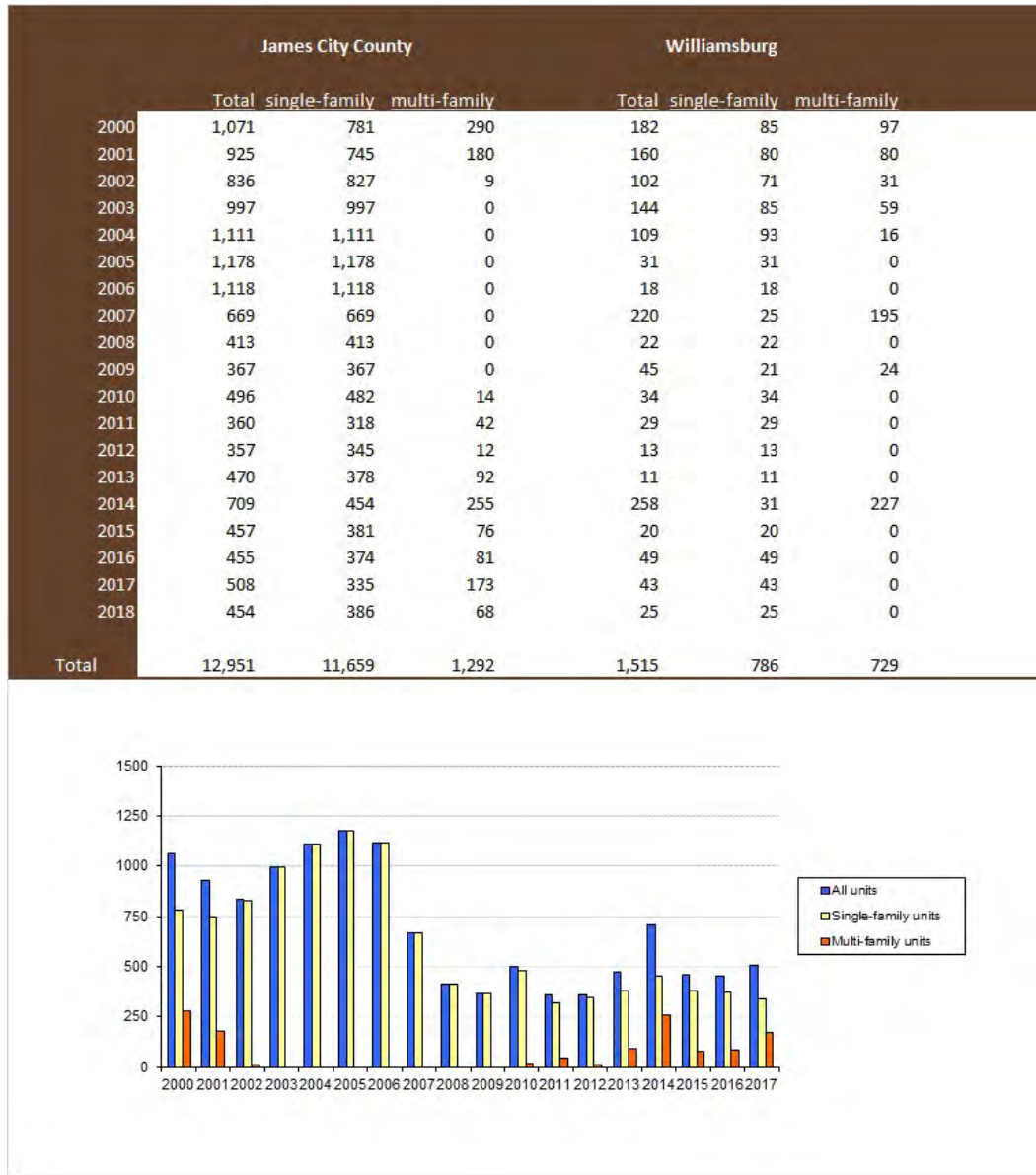
\* estimate

Source: 2014 to 2018 American Community Survey; T.Ronald Brown: Research & Analysis

Building permit trends

Table 16 below gives details of residential construction in Williamsburg and James City County since 2000. Where the data exist, it can be seen that a total of 1,515 units were added in Williamsburg, and 12,951 units were added in throughout James City County - of which 1,292 were multi-family units. No data exist for the market area.

Table 16 - Residential Construction Since 2000



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

## H. COMPETITIVE ENVIRONMENT

There are a significant number of apartment complexes throughout the market area for the proposed development, as defined. These include some USDA/Rural Development properties (some with tax credit rehabilitations), three unsubsidized tax credit properties, and various market rate complexes. Where useful information was provided to us, this is presented, below.

Based on information from VHDA, the following are the significant unassisted (non-elderly) properties that has been financed with tax credits in the market area for the proposed development.

Longhill Grove (170 units)

Rolling Meadows (200 units - financed as new construction in 1992 and 1995, and subsequently rehabilitated in 2013)

Station at Norge (104 units)

The Longhill Grove Apartments opened in 2004 and offer 84 two-bedroom (two bath) units of around 1,000 square feet, and 86 three bedroom units of 1,274 square feet. Rents are \$946 and \$1,060, respectively. Currently one unit is reported to be vacant, with typical occupancy stated to be 95 percent, or better.

Rolling Meadows has 150 two-bedroom (two bathroom) units which rent for \$994, and 50 three-bedroom units which are available for \$1,140. There are four vacant units at this property (98 percent occupancy).

The newest tax credit property in the market is also the closest to the site of the proposed development. This is the 104-unit Station at Norge Apartments. There, rents for the 72 two-bedroom (two bathroom) units range from \$605+ to \$960, with a rent range of \$905 to \$1,100 for the 32 three-bedroom units. There are three vacant units reported at this property at present - with a reported typical occupancy level of around 97 to 98 percent.

The subsidized apartment stock in the market area comprises the Burnt Ordinary, Lafayette Square, Lafayette Village, and Powhatan Apartments - which comprise a total of 346 units, developed through the USDA/Rural Development rural rental housing program, and date from the 1980's. We were unable to obtain current (basic and market) rent and occupancy data for two these properties. The Burnt Ordinary complex is reported to be fully occupied.

The various market rate properties comprise properties that range in size from 100 to 267 units, and date between 1967 and 2018. Occupancy varies between 92 and 100 percent - with many complexes 95 percent occupied, or higher. Rent ranges vary, depending on the age of the property, location, the features and amenities offered, and physical condition.

The newest project is seen to be Aura at Arbordale, located on Bulifants Boulevard, off the Mooretown Road. The property opened very recently, and will offer a total of 289 units: of which 99 are available and 26 of which are occupied. One bedroom units at this location rent from \$1,212 to \$1,387, and two-bedroom units rent from \$1,399 to \$1,695. Three-bedrooms are available form \$1,699 to \$1,783.

Another new market rate complex - the Apartments at Kelton Station are under construction on Lightfoot Road.

Based on our survey, there is a market-wide occupancy rate of 98.3 percent for tax credit properties. The occupancy level for the more than 3,200 market rate units is seen to be 96.3 percent. Overall, the occupancy level for all properties in the market area for the proposed development is seen to be 96.8 percent.

In order to try to determine market rents we focused on several potentially comparable, stabilized, market-rate properties (focusing on location, bedroom mix, unit sizes, etc). The projects used are the following.

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Table 17 - Market Rate Properties

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<u>Property</u>	<u>Year built</u>	<u>Two-bedroom rents</u>	<u>Three-bedroom rents</u>
Founders Village	2014	\$1,216-1,636	\$2,025-2,929
Monticello at Powhatan	2001	\$1,414-1,844	\$1,709-2,269
Spotswood Commons	2002	\$1,340-1,380	\$1,550
Steeplechase on the Lake	1987	\$1,325-1,380	\$1,535
Sterling Manor	2008	\$1,652-1,785	

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

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The location, rent levels, unit size, age, features, and amenities were analyzed in order to try to establish an estimate of market rent levels for the subject property. Following this approach we have determined that, all things being equal, these market rate properties suggest a rent of around \$1,356 for a two-bedroom unit, and \$1,584 for a three-bedroom unit.

These rents are seen to significantly above the proposed 40 percent, 50 percent, and 60 percent rents at the proposed development - and likewise are as much as 13.0 and 21.9 percent above the 80 percent rents for the two- and three-bedroom units, respectively.

The various complexes surveyed are summarized as follows.

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Aura at Arbordale	market	2020	289	273	5.5
Aura at Quarterpath	market	2015	228	15	93.4
Burnt Ordinary	USDA/RD	1989	80	0	100.0
Clinton Garden	market	1986	80	0	100.0
Colonial Towne	market	1970	148	3	98.0
Conway Gardens	market	1969	200	3	98.5
Country Club	market	1971	100	5	95.0
Elan Williamsburg	market	2018	198	16	91.9
Founders Village	market	2014	247	4	98.4
Grand Village	market	1972	128	7	94.5
Lafayette Square	USDA/RD	1989	106	n/a	n/a
Lafayette Village	USDA/RD	1984	112	n/a	n/a
<b>Longhill Grove</b>	<b>LIHTC</b>	<b>2004</b>	<b>170</b>	<b>1</b>	<b>99.4</b>
Merrimac Crossing	market	1975	253	4	98.4
Monticello at Powhatan	market	2001	267	21	92.1
Parkway	market	1974	148	3	98.0
Pointe at New Town	market	2007	265	11	95.8
Powhatan	USDA/RD	n/a	48	n/a	n/a
Regency at Longhill	market	1985-2000	224	0	100.0
<b>Rolling Meadows</b>	<b>LIHTC</b>	<b>1993</b>	<b>200</b>	<b>4</b>	<b>98.0</b>
Spring Roads	market	1967	114	0	100.0
Spottswood Commons	market	2002	212	2	99.1
<b>Station at Norge</b>	<b>LIHTC</b>	<b>2007</b>	<b>104</b>	<b>3</b>	<b>97.1</b>
Steeplechase on the Lake	market	1987	220	4	98.2
Sterling Manor	market	2008	191	8	95.8
Stratford at Williamsburg	market	1973	156	5	96.8
Woods of Williamsburg	market	1975	125	10	92.0

Report for the Oakland Pointe Apartments in Williamsburg/James City County, Virginia

	0 br/1ba			1 br/1ba		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
Oakland Pointe						
Aura at Arbordale				91	756-895	\$1,212-1,387
Aura at Quarterpath				72	782-1,063	\$1,199-1,334
Burnt Ordinary				32	450	boi
Clinton Garden				20	712	\$830
Colonial Towne				16	642	\$890
Conway Gardens				41	685	\$915
Country Club				12	650	\$875-904
Elan Williamsburg				80	595-902	\$1,350-1,425
Founders Village				4	784	\$1,135-1,500
Grand Village				16	710	\$840
Lafayette Square				20	550	boi
Lafayette Village				32	550	boi
<b>Longhill Grove</b>						<b>\$946</b>
Merrimac Crossing				58	850-925	\$855
Monticello at Powhatan				54	900	\$1,199-1,299
Parkway				61	900	\$938-1,034
Pointe at New Town				106	768-864	\$1,102-1,369
Powhatan						
Regency at Longhill				42	700-916	\$845-955
<b>Rolling Meadows</b>						
Spring Roads	8	432	825	5	681	\$860
Spottswood Commons				68	797-897	\$1,095-1,105
<b>Station at Norge</b>						
Steeplechase on the Lake				88	680-798	\$1,095-1,190
Sterling Manor				119	751-1,076	\$1,346-1,652
Stratford at Williamsburg				32	550	\$839
Woods of Williamsburg				21	655	\$917-1,008

Report for the Oakland Pointe Apartments in Williamsburg/James City County, Virginia

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Oakland Pointe				71	984	\$400-1,200
Aura at Arbordale				165	1,010-1,202	\$1,399-1,695
Aura at Quarterpath				124	1,339-1,530	\$1,355-1,435
Burnt Ordinary	48	598	boi			
Clinton Garden	52	982	\$950			
Colonial Towne	104	862-987	\$940-1,140			
Conway Gardens	144	1,025	\$1,025			
Country Club	76	756	\$859-909			
Elan Williamsburg	4	902-1,065	\$1,635	14	1,232-1,263	\$1,620-1,850
Founders Village	n/a	812-918	\$1,216-1,426	n/a	1,104-1,152	\$1,295-1,636
Grand Village	88	840	\$895-1,000			
Lafayette Square	56	775	boi			
Lafayette Village	80	775	boi			
<b>Longhill Grove</b>				<b>84</b>	<b>1,000</b>	<b>\$946</b>
Merrimac Crossing	171	1,000-1,125	\$960-1,075			
Monticello at Powhatan				135	1,240-1,370	\$1,141-1,844
Parkway	25	1,050	\$1,098-1,104	30	1,100	\$1,154-1,160
Pointe at New Town				159	1,143-1,515	\$1,329-1,554
Powhatan	48	n/a	boi			
Regency at Longhill				164	900-1,147	\$995-1,1605
<b>Rolling Meadows</b>				<b>150</b>	<b>1,000</b>	<b>\$1,140</b>
Spring Roads	92	964	\$985			
Spottswood Commons				96	1,180-1,200	\$1,340-1,380
<b>Station at Norge</b>				<b>72</b>	<b>975</b>	<b>\$605-960</b>
Steeplechase on the Lake	18	837	\$1,325	96	934-1,048	\$1,345-1,380
Sterling Manor				72	1,119-1,264	\$1,652-1,785
Stratford at Williamsburg	124	800	\$944-1,074			
Woods of Williamsburg	80	1,085	\$893-1,111			

Report for the Oakland Pointe Apartments in Williamsburg/James City County, Virginia

	3 br/1-1½ ba			3 br/2 ba +		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
Oakland Pointe				48	1,118	\$450-1,300
Aura at Arbordale				33	1,321-1,328	\$1,699-1,783
Aura at Quarterpath				32	1,340-1,354	\$1,690
Burnt Ordinary						
Clinton Garden				8	1,271	\$1,100
Colonial Towne	38	1,257-1,261	\$1,100-1,185			
Conway Gardens	15	1,162	\$1,200			
Country Club	12	1,000	\$1,365-1,416			
Elan Williamsburg						
Founders Village				n/a	1,597	\$2,025-2,929
Grand Village	24	1,260	\$1,050-1,200			
Lafayette Square	30	1,000	boi			
Lafayette Village						
<b>Longhill Grove</b>				<b>86</b>	<b>1,274</b>	<b>\$1,060</b>
Merrimac Crossing				24	1,300-1,425	\$1,150-1,175
Monticello at Powhatan				78	1,600-1,900	\$1,609-2,269
Parkway				32	1,400	\$1,335-1,497
Pointe at New Town						
Powhatan						
Regency at Longhill				18	1,339-1,439	\$1,235-1,315
<b>Rolling Meadows</b>				<b>50</b>	<b>1,320</b>	<b>\$1,140</b>
Spring Roads	9	1,124	\$1,098			
Spottswood Commons				48	1,473	\$1,550
<b>Station at Norge</b>				<b>32</b>	<b>1,185</b>	<b>\$905-1,100</b>
Steeplechase on the Lake				18	1,073	1,535
Sterling Manor						
Stratford at Williamsburg						
Woods of Williamsburg	24	1,085	\$1,169-1,246			





**Aura at Arbordale**

Location: 401 Bulifants Boulevard, Williamsburg  
 Year built: 2020

Total units: 289  
 Typical occupancy: n/a

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	91	165	33
Unit size (sq. ft.):	756-895	1,010-1,202	1,321-1,328
Rent:	\$1,212-1,387	\$1,399-1,695	\$1,699-1,783
Rent/sq. ft.:	\$1.37	\$1.27	\$1.25
Vacant units: in lease-up - 26 units of 99 available are occupied			

Management: Bonaventure Realty Group (Lisa - 757.818.9080 [2/26])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+)-ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Aura at Quarterpath**

Location: 4050 Battery Boulevard, Williamsburg  
 Year built: 2015

Total units: 228  
 Typical occupancy: 94-96%

	<u>1 br/1½ ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	72	124	32
Unit size (sq. ft.):	782-1,063	1,069-1,187	1,340-1,354
Rent:	\$1,199-1,334	\$1,339-1,530	\$1,555-1,690
Rent/sq. ft.:	\$1.37	\$1.27	\$1.25
Vacant units:	15, overall		

Management: Bonaventure Realty Group (Brooks - 757.238.5073 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Burnt Ordinary**

Location: 3301 Toano Drive, Toano  
 Financing: USDA/RD § 515  
 Year built: 1989

Total units: 80  
 Rental assistance: n/a  
 Typical occupancy: 98%

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>
Units:	32	48
Unit size (sq. ft.):	450	598
Basic rent:	\$619	\$664
Market rent:	\$785	\$844
Vacant units: 0, overall		

Management: TM Associates (757.566.1771 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Clinton Garden**

Location: 1342 S.Mount Vernon Ave., Williamsburg  
 Year built: 1986

Total units: 80  
 Typical occupancy: 100%

	<u>1 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>3 br/2 ba</u>
Units:	20	52	8
Unit size (sq. ft.):	712	982	1,271
Rent:	\$820	\$950	\$1,100
Rent/sq. ft.:	\$1.15	\$0.97	\$0.87
Vacant units: 0, overall			

Management: Lawson Enterprises (Allison - 757.229.6047 [2/5])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+(+) ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer  
 Hook-up  Wood floor  Fireplaces  Patios/balconies



**Colonial Towne**

Location: 327 Merrimac Trail, Williamsburg  
 Year built: 1970

Total units: 148  
 Typical occupancy: 97%

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>3 br/1½ ba</u>	<u>3 br/1½ ba</u>
Units:	16	72	32	16	12
Unit size (sq. ft.):	642	862	987	1,257	1,261
Rent:	\$890	\$940-970	\$1,090-1,140	\$1,100-1,130	\$1,165-1,185
Rent/sq. ft.:	\$1.39	\$1.11	\$1.13	\$0.89	\$0.93
Vacant units: 3, overall					

Management: Drucker and Falk (Tanya - 757.229.5518 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Conway Gardens**

Location: 7500 Conway Drive, Williamsburg  
 Year built: 1969

Total units: 200  
 Typical occupancy: 99%

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>
Units:	41	144	15
Unit size (sq. ft.):	685	1,025	1,162
Rent:	\$915	\$1,025	\$1,200
Rent/sq. ft.:	\$1.34	\$1.00	\$1.03
Vacant units: 3, overall			

Management: Drucker and Falk (Christian - 757.229.4432 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+)  
 ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Country Club**

Location: 201 Tam O'Shanter Blvd., Williamsburg  
 Year built: 1971

Total units: 100  
 Typical occupancy: 93%

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>
Units:	12	76	12
Unit size (sq. ft.):	650	756	1,000
Rent:	\$875-904	\$859-909	\$1,365-1,416
Rent/sq. ft.:	\$1.37	\$1.18	\$1.39
Vacant units: 5, overall			

Management: PRG Real Estate (Jasmine - 757.707.8094 [2/7])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+ ) ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Elan Williamsburg**

Location: 100 Whitworth Way, Williamsburg  
 Year built: 2018

Total units: 198  
 Typical occupancy: n/a

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>2 br/2 ba</u>
Units:	80	4	114
Unit size (sq. ft.):	595-902	902-1,065	1,232-1,263
Rent:	\$1,350-1,425	\$1,635	\$1,620-1,850
Rent/sq. ft.:	\$1.85	\$1.66	\$1.39
Vacant units: 16, overall			

Management: Greystar (Cherae - 757.378.0479 [1/29])  
 Telephone: on site  management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+)  
 ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies





**Founders Village**

Location: 2800 Ben Franklin Circle, Williamsburg  
 Year built: 2014

Total units: 247  
 Typical occupancy: 95%

	<u>1 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>2 br/2½ ba</u>	<u>3 br/3½ ba</u>
Units:	n/a	n/a	n/a	n/a
Unit size (sq. ft.):	784	812-918	1,104-1,152	1,597
Rent:	\$1,135-1,500	\$1,216-1,426	\$1,295-1,636	\$2,025-2,929
Rent/sq. ft.:	\$1.68	\$1.52	\$1.35	\$1.55
Vacant units: 4, overall				

Management: Preferred Apartment Communities (Stephanie - 757.847.9620 [1/31])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+ ) ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Grand Village**

Location: 53 Mal Mae Court, Williamsburg  
 Year built: 1972

Total units: 128  
 Typical occupancy: 97%

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>
Units:	16	88	23
Unit size (sq. ft.):	710	840	1,260
Rent:	\$840	\$895-1,000	\$1,050-1,200
Rent/sq. ft.:	\$1.18	\$1.13	\$0.89
Vacant units: 7, overall			

Management: Starrock Management ( 757.229.0358 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+ ) ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer  
 Hook-up  Wood floor  Fireplaces  Patios/balconies



**Longhill Grove**

Location: 3800 Hill Grove Lane, Williamsburg  
 Year built: 2004

Total units: 170  
 Typical occupancy: 95%+

	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	84	86
Unit size (sq. ft.):	1,000	1,274
Rent:	\$946*	\$1,060*
Rent/sq. ft.:	\$0.95*	\$0.83*
Vacant units: 1, overall		

Management: Capreit (Salina - 757.258.0089 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies

\*Tax credit



**Merrimac Crossing**

Location: 159 Merrimac Trail, Williamsburg  
 Year built: 1975

Total units: 253  
 Typical occupancy: 98%

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/1½ ba</u>	<u>2 br/1½ ba</u>	<u>3 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	57	1	153	18	22	2
Unit size (sq. ft.):	850	925	1,000	1,125	1,300	1,425
Rent:	\$855	n/a	\$960	\$1,075	\$1,150	1,175
Rent/sq. ft.:	\$1.01	n/a	\$0.96	\$0.96	\$0.88	0.82
Vacant units: 4, overall						

Management: Frontier Management (Debbie - 757.229.6050 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer  
 Hook-up  Wood floor  Fireplaces  Patios/balconies



**Monticello at Powhatan**

Location: 3500 Carriage House Way, Williamsburg  
 Year built: 2001

Total units: 267  
 Typical occupancy: 90-95%

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>
Units:	54	54	27	54
Unit size (sq. ft.):	900	1,240	1,300	1,370
Rent:	\$1,199-1,199	\$1,414-1,684	\$1,414-1,674	\$1,494-1,864
Rent/sq. ft.:	\$1.39	\$1.25	\$1.19	\$1.22
	<u>3 br/2 ba</u>	<u>3 br/2½ ba</u>	<u>3 br/2½ ba</u>	
Units:	54	18	6	
Unit size (sq. ft.):	1,600	1,700	1,900	
Rent:	\$1,609-1,969	\$1,819	\$2,269	
Rent/sq. ft.:	\$1.12	\$1.07	\$1.19	

Vacant units: 21, overall

Management: Signature Management (Vivian - 757.220.0444 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Parkway**

Location: 416 Merrimac Trail, Williamsburg  
 Year built: 1974

Total units: 148  
 Typical occupancy:

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	61	25	30	32
Unit size (sq. ft.):	900	1,050	1,100	1,400
Rent:	938-1,034	\$1,098-1,104	\$1,154-1,160	\$1,335-1,497
Rent/sq. ft.:	\$1.10	\$1.05	\$1.05	\$1.01
Vacant units: 3, overall				

Management: Mission Rock Residential (Sabina - 757.707.1590 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+)  
 ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Pointe at New Town**

Location: 4375 New Town Avenue, Williamsburg  
 Year built: 2007

Total units: 265  
 Typical occupancy: 98%

	<u>1 br/1 ba</u>	<u>1 br/1½ ba</u>	<u>2 br/2½ ba</u>	<u>2 br/2½ ba</u>	<u>2 br/2½ ba</u>	<u>2 br/2½ ba</u>
Units:	62	44	66	40	5	48
Unit size (sq. ft.):	768	864	1,143	1,152	1,332	1,515
Rent:	\$1,102	\$1,369	\$1,369	\$1,329	\$1,554	\$1,517
Rent/sq. ft.:	\$1.43	\$1.58	\$1.20	\$1.15	\$1.17	\$1.00
Vacant units: 11, overall						

Management: Greystar (Felicity - 757.565.7767[1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+ ) ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer  
 Hook-up  Wood floor  Fireplaces  Patios/balconies



**Regency at Longhill**

Location: 5302 Lane Place Drive, Williamsburg  
 Year built: 1985-2000

Total units: 224  
 Typical occupancy: 99%

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>
Units:	12	24	6	100
Unit size (sq. ft.):	700	816	916	900
Rent:	\$845	\$900	\$955	\$995
Rent/sq. ft.:	\$1.21	\$1.10	\$1.04	\$1.11
	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	36	28	12	6
Unit size (sq. ft.):	1,047	1,147	1,339	1,439
Rent:	\$1,080	\$1,160	\$1,235	\$1,315
Rent/sq. ft.:	\$1.03	\$1.01	\$0.92	\$0.91

Vacant units: 0, overall

Management: Owner Managed (Donna - 757.229.8886 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies





**Rolling Meadows**

Location: 4906 Grand Stand Drive, Williamsburg  
 Year built: 1993

Total units: 200  
 Typical occupancy: 97%

	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	150	50
Unit size (sq. ft.):	1,000	1,320
Rent:	\$994*	\$1,140*
Rent/sq. ft.:	\$0.99*	\$0.86*
Vacant units: 4, overall		

Management: Grady Management (Tanya - 757.229.9629 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+)  
 ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies

\* tax credit



**Spring Roads**

Location: 1400 N.Mount Vernon Ave., Williamsburg      Total units: 134  
 Year built: 1967      Typical occupancy: 100%

	<u>0 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>
Units:	28	5	92	9
Unit size (sq. ft.):	432	681	964	1,124
Rent:	\$825	\$860	\$985	\$1,098
Rent/sq. ft.:	\$1.90	\$1.26	\$1.02	\$0.98
Vacant units: 0, overall				

Management: Lawson Enterprises (Allison -757.229.6047 [2/5])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer  
 Hook-up  Wood floor  Fireplaces  Patios/balconies



**Spotswood Commons**

Location: 100 Glenburnie Road, Williamsburg  
 Year built: 2002

Total units: 212  
 Typical occupancy: 93-95%

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	8	60	48	48	48	48
Unit size (sq. ft.):	797	897	872	1,180	1,200	1,473
Rent:	\$1,095	\$1,105	\$1,165	\$1,340	\$1,380	\$1,550
Rent/sq. ft.:	\$1.37	\$1.23	\$1.34	\$1.14	\$1.15	\$1.05
Vacant units: 2, overall						

Management: Dolben Company (Ashley - 757.476.7000 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+) ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Station at Norge**

Location: 7721 Croaker Road, Williamsburg  
 Year built: 2007

Total units: 104  
 Typical occupancy: 97-98%

2 br/2 ba      3 br/2 ba

Units:	72	32
Unit size (sq. ft.):	975	1,185
Rent:	\$605-780-960*	\$905-1,100
Rent/sq. ft.:	\$0.80*	\$0.85*

Vacant units: 3, overall

Management: Ripley-Heatwole (Precious - 757.476.6016 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer  
 Hook-up  Wood floor  Fireplaces  Patios/balconies

\* tax credit



**Steeplechase on the Lake**

Location: 3700 Steeplechase Drive, Williamsburg  
 Year built: 1987

Total units: 220  
 Typical occupancy: 97%

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>	<u>3 br/2 ba</u>
Units:	56	32	18	72	24	18
Unit size (sq. ft.):	680	798	837	934	1,048	1,073
Rent:	\$1,095-1,135	\$1,150-1,190	\$1,325	\$1,345-1,365	\$1,380	\$1,535
Rent/sq. ft.:	\$1.64	\$1.47	\$1.58	\$1.45	\$1.32	\$1.43
Vacant units: 4, overall						

Management: Somerset Apartments (Kathy - 757.253.2466 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+)  
 ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Sterling Manor**

Location: 151 Sterling Manor Drive, Williamsburg  
 Year built: 2008

Total units: 191  
 Typical occupancy: 92 % ±

	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>	<u>2 br/2 ba</u>
Units:	65	44	10	36	36
Unit size (sq. ft.):	751	859	1,076	1,119	1,264
Rent:	\$1,346	\$1,350	\$1,652	\$1,652	\$1,785
Rent/sq. ft.:	\$1.79	\$1.57	\$1.54	\$1.48	\$1.41
Vacant units: 8, overall					

Management: Pegasus Management (Devon - 757.564.2260 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+ ) ceilings  High-end kitchen  Washer/Dryer   
 Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Stratford at Williamsburg**

Location: 100 Stratford Road, Williamsburg  
 Year built: 1973

Total units: 156  
 Typical occupancy: 98%

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>
Units:	32	124
Unit size (sq. ft.):	550	800
Rent:	\$839	\$944-1,074
Rent/sq. ft.:	\$1.53	\$1.26
Vacant units: 5, overall		

Management: Thalhimer (Andrea - 757.565.2200 [1/29])  
 Telephone: on site  / management  site visit  other

Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'+ ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



**Woods of Williamsburg**

Location: 110 Dehaven Court, Williamsburg  
 Year built: 1975

Total units: 125  
 Typical occupancy: n/a

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>	<u>3 br/1½ ba</u>
Units:	21	80	24
Unit size (sq. ft.):	655	895	1,085
Rent:	\$917-1,008	\$893-1,111	\$1,169-1,246
Rent/sq. ft.:	\$1.47	\$1.12	\$1.13
Vacant units: 10, overall			

Management: Mission Rock Residential (Shannon - 757.790.4024 [1/29])  
 Telephone: on site  management  site visit  other

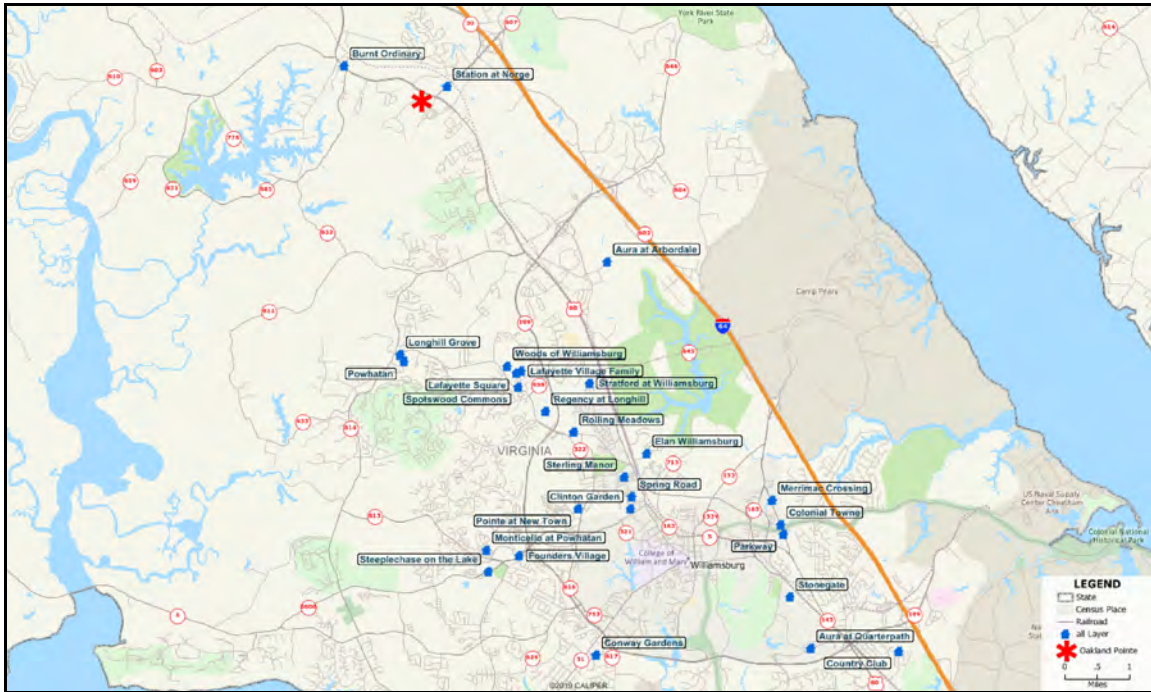
Utilities in rent: Water/Sewer  Trash  Heat  Electricity

Amenities: Club House/Community Room  Fitness center  Pool  Tennis  Playground   
 Business Center  Controlled access/Security/gated  Elevator  Garages  Storage  Laundry

Unit features: Microwave  Dishwasher  9'(+ ) ceilings  High-end kitchen  Washer/Dryer  Washer/Dryer Hook-up  Wood floor  Fireplaces  Patios/balconies



Location of Existing Apartments



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

Demand Analysis

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

Income is a key variable in the analysis of housing markets. Of the 119 units proposed, 12 will be targeted at 30 percent of the median, 12 will be targeted at 40 percent, 38 will be targeted to households with incomes up to 50 percent of the median, with 49 targeted at 60 percent of the median, and with eight units targeted at 80 percent of the median (and therefore applying income averaging). Thus, the apartments qualify for low income housing tax credit status. There will be 13 rent-assisted units.

The HUD income limits for James City County (the Virginia Beach-Norfolk-Newport News MSA) are set out below. The median income for James City County in 2019 is \$79,300 - having been \$75,000 in 2018, and \$67,900 in 2009. This represents a 5.7 percent increase over the previous year, and a 16.8 percent increase over the last decade (or an average of 1.56 percent per year).

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

Table 18 - Income Limits and Maximum Housing Costs

Income Limits					
	<u>30 percent</u>	<u>40 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
1 person	\$16,680	\$22,240	\$27,800	\$33,360	\$44,480
2 person	\$19,050	\$25,400	\$31,750	\$38,100	\$50,800
3 person	\$21,420	\$28,560	\$35,700	\$42,840	\$57,120
4 person	\$23,790	\$31,720	\$39,650	\$47,580	\$63,440
5 person	\$25,710	\$34,280	\$42,850	\$51,420	\$68,560
6 person	\$27,600	\$36,800	\$46,000	\$55,200	\$73,600

Maximum Housing Costs					
	<u>30 percent</u>	<u>40 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
2 bedroom	\$536	\$714	\$893	\$1,071	\$1,428
3 bedroom	\$619	\$825	\$1,031	\$1,238	\$1,650

Source: HUD

Information as to rents and income targeting are set out in Table 19, below

Table 19 - Rents and Income Targeting

income targeting					
	<u>30 percent</u>	<u>40 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
2 bedroom	6	10	24	25	6
3 bedroom	6	2	14	24	2

proposed rents					
	<u>30 percent</u>	<u>40 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
2 bedroom	\$400	\$560	\$750	\$925	\$1,200
3 bedroom	\$450	\$625	\$850	\$1,025	\$1,300

proposed rents as a proportion (%) of maximum					
	<u>30 percent</u>	<u>40 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
2 bedroom	97.2	94.9	97.6	97.7	92.0
3 bedroom	99.6	95.0	98.4	95.7	87.7

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$124 and \$167 for the two-, and three-bedroom units, respectively

From the table above, it can be seen that housing expenses at the proposed apartments effectively fall at around 97 to 100 percent of the maximum allowable for the units targeted at 30 percent of the median. The rents are around 95 percent of the maximum at the 40 percent level (where the rent for the two-bedroom units is adjusted to be equivalent to the unassisted three-bedroom units). Rents for the units at 50 and 60 percent of the median area seen to be between 96 and 98 percent of the maximum, with those at the 80 percent level seen to be between 88 and 93 percent of the maximum at that level. Rents at or near the maximum allowable will serve to constrain the market.

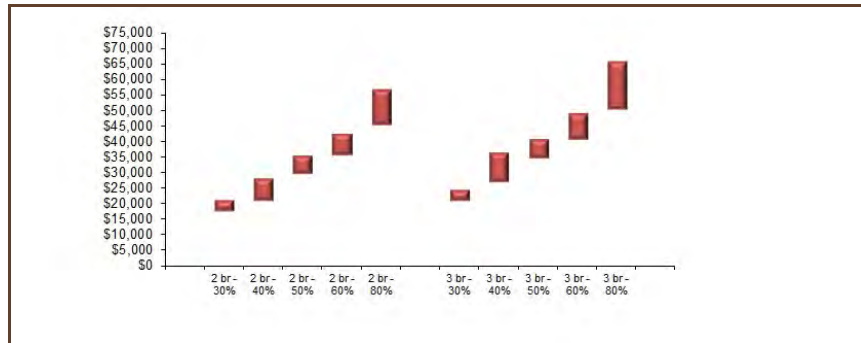
Qualifying income ranges are a function of the income needed to afford the proposed units and the mandated upper income limits. There is no official lower income limit for the proposed apartments. However, for the purposes of this report it is assumed that tenants will pay no more than 35 percent of their income on housing costs (rent and utilities). The upper limits are a function of household size - based on a standard of one and one-half persons per bedroom. The qualifying income limits for one- and four bedroom units are based on the proposed rents level relative to the maximum allowable. In the case where units are rent assisted, the maximum rent is used

Table 20 - Qualifying Income Ranges

qualifying income ranges		
	30 percent	
	lower	upper
2 bedroom	\$17,966	\$21,420
3 bedroom	\$21,154	\$24,750
	40 percent	
	lower	upper
2 bedroom	\$23,451	\$28,560
3 bedroom	\$27,154	\$36,965
	50 percent	
	lower	upper
2 bedroom	\$29,966	\$35,700
3 bedroom	\$34,869	\$41,250
	60 percent	
	lower	upper
2 bedroom	\$35,966	\$42,840
3 bedroom	\$40,869	\$49,500
	80 percent	
	lower	upper
2 bedroom	\$45,394	\$57,120
3 bedroom	\$50,297	\$66,000

Source: Applicant; T Ronald Brown: Research & Analysis

The various qualifying income ranges, by bedroom mix and income targeting are illustrated, below. This shows that the qualifying income ranges for the units at 30 percent, 40 percent, 50 percent, and 60 percent levels are quite narrow - reflecting the fact that rents are at or near the maximum allowable. Any gaps and/or overlaps between these target income ranges will necessarily be taken into consideration in our calculations.



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

Table 21 - Renter Household Income and Rent-overburdening

Income	All Renters		Overburdened Renters	
	Number	Percent	Number	Percent
Up to \$10,000	1,074	13.8	766	24.5
\$10,000 - \$19,999	737	9.5	567	18.2
\$20,000 - \$34,999	1,231	15.8	840	26.9
\$35,000 - \$50,000	1,328	17.1	616	19.7
\$50,000 - \$75,000	1,241	16.0	0	9.5
\$75,000 - \$100,000	960	12.3	26	0.8
\$100,000 and over	1,207	15.5	11	0.4
Total	7,778		3,121	

Source: 2014 to 2018 American Community Survey; T.Ronald Brown: Research & Analysis

As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2014 to 2018 - and not for a specific year.

From this table it can be seen that 13.8 percent of the market area renter households have incomes less than \$10,000, and a further 9.5 percent have incomes between \$10,000 and \$20,000. Around 15.8 percent of renters are seen to be in the \$20,000 to \$35,000 income range. Around 41 percent of all renters are rent-overburdened. This table also illustrates how rent-overburdened households are concentrated in the lower income groups.

Based on the income ranges set out in Table 20 and the income distribution set out in Table 21, it is found that between 4 percent and 8 percent of renter households are in the qualifying income ranges for units at the 30 percent, 40 percent, 50 percent, or 60 percent target ranges, with 10.5 percent qualifying for units at the 80 percent level.

Projections of need and demand are based upon a 2020 to 2025 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 13, a total of 1,124 new rental units are needed between 2020 and 2025. A total of 430 units will be for households eligible for the proposed project, overall.

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

Our calculations show that there will be a total of as many as 3,838 renter households in the qualifying income range in the project market area. These figures have to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area the incidence of rent-overburdening is found using the most recent American Community Survey data. Here, the incidence of rent-overburdening, by target income range, is applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments. Here, this is seen to amount to 1,983 renters, overall.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. These replacements are based on a two-year loss of 1.2 percent of rental units detailed in the 2016 Edition of "Components of Inventory Change" published by HUD. Based on the number of rental units in the project market area, this translates to a need for an additional 117 units, total.

Total demand is therefore seen to amount to 2,383 units. These figures are based on a 2020 to 2025 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. No directly comparable projects have been added in the project market area over the projection period, nor have any others been funded or are under construction. As noted earlier, the Powhatan Terrace Apartments are not located in the market area for the proposed development. The net need is therefore for 2,383 units.

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

Table 22 - Demand Calculations

	30 percent	40 percent	50 percent	60 percent	80 percent	total *
(i) income eligible new renter households	48	78	75	90	118	430
(ii) income eligible existing renter households	429	695	669	801	801	3,838
(iii) existing households, likely to move	312	478	380	527	527	1,983
(iv) need from obsolete housing	13	21	20	24	32	117
Total demand (i)+(iii)+(iv)	373	577	475	641	586	2,529
Supply	0	0	0	0	0	0
Net demand	373	577	475	641	586	2,529

\* Excluding gap/overlap

Totals may not add due to rounding

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 27 percent of the total, two-bedroom units should account for 44 percent of the total, and three-bedroom units should account for 25 percent of the total with four- or more bedroom units accounting for 4 percent.

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



Table 23 - Capture Rates

	30 percent	40 percent	50 percent	60 percent	80 percent	total *
<b>Total demand</b>						
1 bedroom	123	190	156	211	193	831
2 bedroom	162	250	206	278	254	1,096
3 bedroom	75	116	95	128	117	506
4 bedroom	14	22	18	24	22	95
<b>Total</b>	<b>373</b>	<b>577</b>	<b>475</b>	<b>641</b>	<b>586</b>	<b>2,529</b>
<b>Supply</b>						
1 bedroom	0	0	0	0	0	0
2 bedroom	0	0	0	0	0	0
3 bedroom	0	0	0	0	0	0
4 bedroom	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net demand</b>						
1 bedroom	123	190	156	211	193	831
2 bedroom	162	250	206	278	254	1,096
3 bedroom	75	116	95	128	117	506
4 bedroom	14	22	18	24	22	95
<b>Total</b>	<b>373</b>	<b>577</b>	<b>475</b>	<b>641</b>	<b>586</b>	<b>2,529</b>
<b>Units proposed</b>						
1 bedroom	0	0	0	0	0	0
2 bedroom	6	10	24	25	6	71
3 bedroom	6	2	14	24	2	48
4 bedroom	0	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>12</b>	<b>38</b>	<b>49</b>	<b>8</b>	<b>119</b>
<b>Capture rates</b>						
1 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2 bedroom	3.7%	4.0%	11.7%	9.0%	2.4%	6.5%
3 bedroom	8.0%	1.7%	14.7%	18.7%	1.7%	9.5%
4 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>3.2%</b>	<b>2.1%</b>	<b>8.0%</b>	<b>7.6%</b>	<b>1.4%</b>	<b>4.7%</b>

\* Excluding gap/overlap

Totals may not add due to rounding

Source: T. Ronald Brown: Research & Analysis

The capture rates for the proposed rent-assisted units using the proposed assisted rents and utility allowances are seen to be 4.7 percent for the ten two-bedroom units at 40 percent (calculated as per market study guidelines assuming that no assistance is available, and using the appropriate rents and utility allowances). The corresponding capture rate for the three three-bedroom units at 50 percent of the median is 3.6 percent.

Given the calculated need, the proposed 119-unit development amounts to 4.7 percent of the total net need.

The capture rate, by bedroom, is determined to be 6.5 percent for the 71 two-bedroom units, and 9.5 percent for the 48 three-bedroom units.

The 12 units at 30 percent of the median amount to 3.2 percent of demand at that level, with 12 units at 40 percent of the median accounting for 2.1 percent of demand. The capture rates for units at 50 percent, 60 percent, and 80 percent of the median are seen to be 8.0 percent, 7.6 percent, and 1.4 percent, respectively.

The capture rates presented above are considered reasonable for this property.

## Affordability Analysis

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

The minimum income is that associated with the rent for the least expensive unit offered, and the upper limit is based on the 80 percent limit (the highest target income range) for the largest unit size, by number of bedrooms. Here, the lower income is seen to be that for the proposed two-bedroom units that will be targeted to households at the 30 percent level. That is, \$390 per month. Given a \$107 utility allowance and a 35 percent rent-to-income ratio, the lower qualifying income is seen to be \$17,040. The upper income is \$62,400. Based on the income data set out in Table 21, there are found to be as many as 4,674 renter households in that range. Thus, the proposed 119-unit development corresponds to a 2.5 percent affordability analysis capture rate.

## Penetration rate.

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

The lower income limit for this analysis is the income needed to afford the least expensive competitive unit in the market (or the rent for the least-expensive proposed unit, if lower), and the upper income limit is the upper income limit for the competitive units (or the proposed units, if higher). Our survey of the existing, competitive inventory, shows that the lowest two bedroom units are those for the more deeply targeted units at the proposed development. Thus, given the rents for the proposed development, the target income range for this market is that for the proposed development. That is, from \$17,040 to \$62,400. Thus, there are as, noted, 4,674 qualifying renter households in the market area. It is seen that 119 new units are proposed, and there are three existing comparable tax credit properties, and no projects under construction or funded for future construction. These properties - Longhill Grove, Rolling Meadows, and the Station at Norge - amount to a total of 474 comparable units, plus the proposed 119 units, yields 593 units. Thus, the penetration rate - as defined - amounts to 12.7 percent.

## Summary

Consideration of the capture rate (5.0 percent) and the (2.5 percent) affordability analysis capture rate and (12.7percent) penetration rate suggests that the proposed development is marketable, as proposed.

## J. LOCAL PERSPECTIVE OF RENTAL HOUSING MARKET

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

As noted, property managers are a major source of information for a project such as that proposed (their contact details are provided as part of the rental survey set out in the previous pages). The site manager at Rolling Meadows, Tanya, stated that the area could accommodate another tax credit complex, and that it would rent-up well. In 2019, Stan, the then manager at the Station at Norge, stated that the area could absolutely use a new tax credit project - he noted that there is a definite need for affordable housing in the area: Precious, the current manager, agrees.

#### K. ANALYSIS/CONCLUSIONS

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

The proposed development is considered marketable and should be accepted in this market.

The proposed rents, particularly those set to be affordable to households at 30 percent and 40 percent of the median will offer a significant market rent advantage.

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

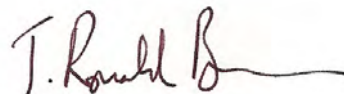
It is our recommendation that, based upon our analysis, the proposed apartments should be developed as proposed, and that the project should be awarded low income housing tax credits. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined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

L. OTHER REQUIREMENTS

Statement and signature

I affirm the following:

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



Market Analyst

Date : February 26, 2020

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

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

## Analyst Qualifications

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

The President of the firm is T. Ronald Brown. He has 35 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced around 3,000 studies in at least 20 states, predominantly in the Southeast.

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

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

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



List of sources

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

The U.S. Census - 2000 and 2010, and the American Community Survey (2014-2018)

Virginia Housing Development Authority

U.S. Department of HUD

U.S. Department of Agriculture

Virginia State Data Center/Weldon Cooper Center for Public Service

Virginia Employment Commission

Virginia Economic Development Partnership

James City County

U.S. Bureau of Labor Statistics

HUDUSER (e.g., SOCDs building permits database)

Market study checklist

<b>A. Executive Summary</b>		Pages
Executive Summary		1-2
<b>B. Scope of Work</b>		
Scope of Work		3-4
<b>C. Project Description</b>		
Unit mix inc. bedrooms, bathrooms, sq. footage, rents and Income targeting		5
Utilites (and utility sources) included in rent		5
Target market/population description		5
Project description inc. unit features and community amenities		5
Date of construction/preliminary completion		5
Scope of work, existing rents, and existing vacancies (rehabilitation)		5
<b>D. Location</b>		
Concise description of the site and adjacent parcels		9
Site photos/maps		9-11
Map of community services		14
Site evaluation/neighborhood inc. visibility, accessibility and crime		12-13
<b>E. Market area</b>		
Market area description		15
Market area map		16
<b>F. Employment and Economy</b>		
Employment trends		17
Employment by sector		18
Unemployment rates		19
Major employers/employment centers and proximity to site		20
Recent or planned employment expansions/reductions		21
<b>G. Demographic Characteristics</b>		
Population and household estimates and projections		24-25
Area building permits		31
Population and household characteristics inc. income, tenure, and size		26-30
For senior or special need projects, data specific to target market		n/a
<b>H. Competitive Environment</b>		
Comparable property profiles and photos		38-61
Map of comparable properties		62
Existing rental housing evaluation inc. vacancy and rents		34-37
Comparison of subject to comparable properties		35-37
Discussion of availability and cost of other affordable housing options		n/a
Rental communities under construction, approved, or proposed		32,68
Data specific to target market (senior/special needs)		n/a
<b>I. Affordability, Demand, and Penetration Rate Analysis</b>		
Estimate of demand		63-71
Affordability analysis, with capture rate		72
Penetration rate analysis with capture rate		72
<b>J. Analysis/Conclusions</b>		
Absorption rate and estimated stabilized occupancy for subject		74
Evaluation of proposed rent levels, inc estimate of market rent		74
Precise statement of key conclusions		74
Market strengths and weaknesses impacting project		74
Product recommendations and/or suggested modifications to subject		74
Discussion of subject property's impact on existing housng		74
Discussion of risks or other mitigating circumstances impacting subject		74
Interviews with area housing stakeholders		73
<b>K. Other Requirements</b>		
Certifications		75-76
Statement of qualifications		77
Sources of data not otherwise identified		78

## MARKET STUDY TERMINOLOGY

The following presents the accepted definitions of various terms typically found in real estate market studies. These definitions are typically followed unless reviewing agency requirements differ.

**Absorption period** - the period of time necessary for a newly constructed or renovated property to achieve the *stabilized level of occupancy*. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the *stabilized level of occupancy* has a signed lease. Assumes a typical premarketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

**Absorption rate** - the average number of units rented each month during the *absorption period*.

**Acceptable rent burden** - the rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

**Achievable rents** - See *Market Rent, Achievable Restricted Rent*.

**Affordable housing** - housing affordable to low or very low-income tenants.

**Amenity** - tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.

**Annual demand** - the total estimated demand present to the market in any one year for the type of units proposed.

**Assisted housing** - housing where federal, state or other programs *subsidize* the monthly costs to the tenants.

**Bias** - a proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.

**Capture rate** - the percentage of age, size, and income qualified renter households in the *primary market area* that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The *Capture Rate* is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the *primary market area*. See also: penetration rate.

**Comparable property** - a property that is representative of the rental housing choices of the subject's *primary market area* and that is similar in construction, size, amenities, location, and/or age. Comparable and *competitive* properties are generally used to derive market rent and to evaluate the subject's position in the market.

**Competitive property** - a property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

**Comprehensive market study** - NCHMA (the National Council of Housing Market Analysts) defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'

**Concession** - discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).

**Demand** - the total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

**Effective rents** - contract rent less concessions.

**Household trends** - changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.e. at marriage or separation), changes in average household size, and net *migration*.

**Income band** - the range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically is pre-defined by specific program requirements or by general market parameters.

**Infrastructure** - services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

**Market advantage** - the difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.  $(\text{market rent} - \text{proposed rent}) / \text{market rent} * 100$

**Market analysis** - a study of real estate market conditions for a specific type of property.

**Market area** - See primary market area.

**Market demand** - the total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand. A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.

**Market rent** - the rent that an apartment, without rent or income restrictions or rent subsidies, would command in the *primary market area* considering its location, features and amenities. Market rent should be adjusted for *concessions* and owner paid utilities included in the rent.

**Market study** - a comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.

**Marketability** - the manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

**Market vacancy rate, economic** - percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.

**Market vacancy rate, physical** - average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.

**Migration** - the movement of households into or out of an area, especially a *primary market area*.

**Mixed income property** - an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50%, and 60%).

**Mobility** - the ease with which people move from one location to another.

**Move-up demand** - an estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to new tax credit properties.

**Multi-family** - structures that contain more than two housing units.

**Neighborhood** - an area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

**Net rent (also referred to as contract rent or lease rent)** - Gross rent less *tenant paid utilities*.

**Penetration rate** - The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed with six months of the subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market \* 100, see also: capture rate.

**Pent-up demand** - a market in which there is a scarcity of supply and vacancy rates are very low.

**Population trends** - changes in population levels for a particular area over a specific period of time – which is a function of the level of births, deaths, and net *migration*.

**Primary market area** - a geographic area from which a property is expected to draw the majority of its residents.

**Programmatic rents** - See *restricted rents*.

**Project based rent assistance** - rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

**Redevelopment** - the redesign or rehabilitation of existing properties.

**Rent burden** - gross rent divided by adjusted monthly household income.

**Rent burdened households** - households with *rent burden* above the level determined by the lender, investor, or public program to be an acceptable rent-to-income.

**Restricted rent** - the rent charged under the restrictions of a specific housing program or subsidy.

**Restricted rent, achievable** - the rents that the project can attain taking into account both market conditions and rent in the *primary market area* and income restrictions.

**Saturation** - the point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.

**Secondary market area** - the portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.

**Special needs population** - specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs population include: substance abusers, visually impaired person or persons with mobility limitations.

**Stabilized level of occupancy** - the underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

**Subsidy** - monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's *contract rent* and the amount paid by the tenant toward rent.

**Substandard conditions** - housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

**Target income band** - the *income band* from which the subject property will draw tenants.

**Target population** - the market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.

**Tenant paid utilities** - the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

**Turnover period** - 1. An estimate of the number of housing units in a market area as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period.  $\text{Housing units with new occupants} / \text{housing units} * 100$  2. The percent of occupants in a given apartment complex that move in one year.

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

**Unrestricted rents** - rents that are not subject to *restriction*.

**Unrestricted units** - units that are not subject to any income or rent restrictions.

**Vacancy period** - the amount of time that an apartment remains vacant and available for rent.

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

Other Terms

The following terms are also to be found in professional market studies - here, this information is drawn from various sources including HUD, the Census Bureau, and the Urban Land Institute.

**Area Median Income (AMI)** - 100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

**Attached housing** - two or more dwelling units connected with party walls (e.g. townhouses or flats).

**Basic rent** - the maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

**Below Market Interest Rate program (BMIR)** - Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

**Census tract** - a small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

**Central Business District (CBD)** - the center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

**Community Development Corporation (CDC)** - entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

**Condominium** - a form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

**Contract rent** - 1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).

**Difficult Development Area (DDA)** - an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.



**Detached housing** - a freestanding dwelling unit, typically single-family, situated on its own lot.

**Elder or senior housing** - housing where (1) all units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

**Extremely low income** - person or household with income below 30% of the Area Median Income adjusted for household size.

**Fair Market Rent (FMR)** - the estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally set FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50<sup>th</sup> percentile of rents.

**Garden apartments** - apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.

**Gross rent** - the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

**High-rise** - a residential building having more than ten stories.

**Household** - one or more people who occupy a housing unit as their usual place of residence.

**Housing unit** - house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

**Housing Choice Voucher (Section 8 Program)** - federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households in the use of the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

**Housing Finance Agency (FHA)** - state or local agencies responsible for financing housing and administering assisted housing programs.

**HUD Section 8 Program** - federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the contract rent and a specified percentage of tenants' adjusted income.

**HUD Section 202 Program** - federal program which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3)

nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

**HUD Section 811 Program** - federal program which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.

**HUD Section 236 Program** - federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

**Income limits** - maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits each year for 30% median. Very low income (50%), and low income (80%), for households with 1 through 8 people.

**Low income** - person or household with gross household income below 80% of Area Median Income adjusted for household size.

**Low income housing tax credit** - a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.

**Low rise building** - a building with one to three stories.

**Metropolitan Statistical Area (MSA)** - a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities have a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

**Mid-rise** - a building with four to ten stories.

**Moderate income** - person or household with gross household income between 80 and 120 percent of area median income adjusted for household size.

**Public Housing or Low Income Conventional Public Housing** - HUD program administered by local (or regional) Housing Authorities which serves low- and very-low income households with rent based on the same formula used for HUD Section 8 assistance.

**Qualified Census Tract (QCT)** - any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60% of the area median income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credit may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.

**Rural Development (RD) market rent** - a monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. The rent is the maximum rent that a tenant can pay at an RD Property.

**Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program)** - federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

**Single-family housing** - a dwelling unit, either attached or detached, designed for use by one household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

**State Data Center (SDC)** - a state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of the census data.

**Tenant** - one who rents real property from another.

**Tenure** - the distinction between owner-occupied and renter-occupied housing units.

**Townhouse (or Row House)** - single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.

**Very low income** - person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

**Zoning** - classification and regulation of land by local governments according to use categories (zones); often also includes density designations.