

Market Feasibility Analysis

One University Family
4500 University Drive
Fairfax, Fairfax County, Virginia 22030

Prepared For

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Authorized User

Virginia Housing Development Authority (VHDA)
601 S. Belvidere Street
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Effective Date

July 9, 2019
Updated March 6, 2020

Job Reference Number

20-134 CR



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Market Study Certification

NCHMA Certification

This certifies that Gregory Piduch, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Fairfax, Virginia on July 9, 2019. This report is prepared as an update to the original study. All data within this study was updated and is true and accurate as of March 6, 2020 though the site analysis/evaluation is reflective of our original site inspection.

Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

VHDA Certification

I affirm the following:

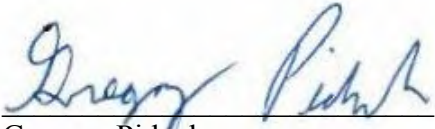
1. I have made a physical inspection of the site and market area
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any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

Certified:



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I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Fairfax, Virginia. This study was initiated by Ms. Stephanie Marcus of SCG Development and complies with the guidelines of the Virginia Housing Development Authority (VHDA). This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The Site PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. Site PMAs are not defined by radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors that include, but are not limited to:

- A detailed demographic and socioeconomic evaluation.
 - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns.
 - A drive-time analysis to the site.
 - Personal observations of the field analyst.
 - An evaluation of existing housing supply characteristics and trends.
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property. Given the complexity of the LIHTC market, there might be multiple comparable properties.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the proposed development. An in-depth evaluation of those two property types provides an indication of the potential of the proposed development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the proposed project opens and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- We conduct an analysis following VHDA and NCHMA market study guidelines of the subject project's required capture of the number of income-appropriate households within the Site PMA. This analysis is conducted on a renter household level and a market capture rate is determined for the subject development. This capture rate is compared with acceptable capture rates for similar types of projects to determine whether the subject development's capture rate is achievable. In addition, Bowen National Research also compares all existing and planned LIHTC housing within the market to the number of income-appropriate households. The resulting penetration rate is evaluated in conjunction with the project's capture rate.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item-by-item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit.

C. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- U.S. Department of Labor
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- U.S. Department of Housing and Urban Development (HUD)

D. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of data sources to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of SCG Development or Bowen National Research is strictly prohibited.

II. Executive Summary

This report evaluates the market feasibility of the proposed 120-unit One University Family rental community to operate as a Low-Income Housing Tax Credit (LIHTC) project in Fairfax, Virginia. Based on the findings contained in this report, it is our opinion that a market exists for the proposed subject development, assuming it is constructed and operated as outlined in this report.

The following is a summary of key findings from our report:

Project Concept

The subject project involves the new construction of the 120-unit One University Family rental community at 4500 University Drive in Fairfax, Virginia. The project will be developed using Low-Income Housing Tax Credits (LIHTC) and will target lower-income family households earning up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI). A total of 51 units (all targeting households earning up to 30% and 40% of AMHI) will receive Project-Based Rental Assistance (PBRA). A total of 46 of the PBRA units will be issued through the Rental Assistance Demonstration (RAD) program while the five (5) remaining PBRA units will be issued through the Fairfax County Redevelopment and Housing Authority (FCRHA). This subsidy will allow tenants of these units to pay up to 30% of their income towards rent. The proposed project is expected to be complete in August 2023. Additional details regarding the project are included in *Section III* of this report.

Site Evaluation

The proposed site is located west of the intersection of University Drive and Ox Road (State Route 123) in Fairfax, Virginia. The site currently comprises existing rental housing and an office space which is anticipated to be demolished prior to the development of the subject project. The site is surrounded by single-family homes and additional residential dwellings, George Mason University and its facilities, and a variety of local businesses and services. The surrounding area consists of moderate to heavy traffic patterns; however, access to arterial roads and public transportation is easy and the area is pedestrian friendly. The site is expected to be visible to passerby traffic along both University Drive and Ox Road (State Route 123). The nearest essential community services, including shopping, employment, public safety and medical care are located within 2.0 miles of the site and can be easily accessed using the nearby roads and public bus stops. Overall, the site's surrounding land uses and proximity to community services should positively contribute to its overall marketability. A detailed site evaluation is included in *Section IV*.

Primary Market Area

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Fairfax Site PMA includes all of Fairfax, Vienna, Burke and Merrifield, as well as portions of Oakton and Springfield, Virginia and some of the surrounding areas of Fairfax County. The boundaries of the Site PMA generally include U.S. Highway 50, Rugby Road, State Route 672, the Vienna city limits, Wolftrap Road and Madron Lane to the north; Interstate 495 to the east; State Route 644, State Route 643 and Burke Lake Road to the south; and State Route 286, State Route 620 and State Route 645 to the west. A map of the Site PMA is included in *Section IV* on *page 12*.

Demographic Overview

Demographic growth is projected for the Fairfax Site PMA between 2020 and 2025, both in terms of population and household growth. This is a trend which has been ongoing since 2000. With the exception of the 45 to 64 age group, household growth will occur among all age cohorts, demonstrating ongoing demand for both family- and senior-oriented housing alternatives. Renter households comprise nearly one-third (32.3%) of the overall household base and are projected to increase by 205 households, or 0.6% between 2020 and 2025. More than 35,000 renter households are projected for the market through 2025. Nearly 40.0% of all renter households are projected to earn less than \$75,000 in 2025. The preceding factors and additional demographic data contained in this report are good indications of ongoing demand for affordable rental product such as that proposed for the subject site. Additional demographic information regarding the Site PMA is included in *Section IV* of this report, beginning on *page 13*.

Economic Summary

The labor force within the Fairfax Site PMA is relatively well-balanced as no single industry segment represents more than 15.1% of the total labor force. The area also offers a good variety of occupations in terms of wage/ salary, though it is of note that nearly one-third (33.2%) of the total labor force within the Site PMA is comprised within the Education Services, Retail Trade, and Accommodation & Food Services industries. Typically, these industry segments offer lower wage positions conducive to affordable housing alternatives such as that proposed for the subject site.

The economy within the City of Fairfax is considered strong and has shown signs of improvement within both total employment and unemployment rates over the past several years. Notably, the employment base has increased each year since 2015 and at a rate outpacing statewide averages during this time period. The unemployment rate within the city is also very low at 2.1% through the end of 2019, more than three full percentage points lower than that reported in 2009. Based on the preceding factors and considering the numerous announcements of new and/or expanding

businesses within the Fairfax area, we expect the local economy will remain strong for the foreseeable future. Additional economic information is included in *Section IV* of this report, beginning on *page 18*.

Housing Supply Analysis

We identified and telephone surveyed 17 conventional rental housing projects containing a total of 5,544 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.6%, a good rate for rental housing. Each rental housing segment surveyed is summarized in the following table.

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|----------------------------------|-------------------|-------------|--------------|----------------|
| Market-Rate | 13 | 5,020 | 135 | 97.3% |
| Tax Credit | 1 | 270 | 0 | 100.0% |
| Tax Credit/Government-Subsidized | 2 | 154 | 0 | 100.0% |
| Government-Subsidized | 1 | 100 | 0 | 100.0% |
| Total | 17 | 5,544 | 135 | 97.6% |

All rental housing segments surveyed are performing at a high level as each reports an overall occupancy rate of 97.3% or higher. Notably, the affordable (i.e. Tax Credit and/or government-subsidized) segments surveyed all report overall occupancy rates of 100.0%. This is a clear indication of strong demand for affordable rental product in this market.

Comparable/Competitive Tax Credit Analysis

The proposed subject project will offer studio through four-bedroom units targeting general-occupancy (family) households earning up to 30%, 40%, 50%, and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, the property will also offer some units which will operate with Project-Based Rental Assistance (PBRA) allowing tenants to pay up to 30% of their income towards housing costs. However, for the purpose of this Tax Credit analysis, we only select non-subsidized LIHTC properties as comparables for the subject property as they represent the most accurate comparison of non-subsidized LIHTC rents in the market.

Within the Fairfax Site PMA, we identified and surveyed two non-subsidized general-occupancy LIHTC properties which offer unit types similar to those proposed for the subject property. These properties are expected to compete with the subject project and have therefore been included in our comparable/ competitive analysis.

Due to the limited supply of comparable LIHTC product within the Site PMA, we also identified and surveyed comparable product outside the Site PMA but within the immediately surrounding areas of Chantilly, Falls Church, and Springfield. While these properties won't be directly competitive with the subject project due to their location, they will provide a good additional base of comparison for the subject project and have thus been included in our comparable analysis.

The five comparable LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in *Section XI, Comparable Property Profiles*.

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|--|--------------------------|-------------|-----------|------------------|--------------|--|
| Site | One University Family | 2023 | 120 | - | - | - | Families; 30%, 40%, 50% & 60% AMHI & PBRA |
| 13 | Residences at Government Center I & II | 2016 | 270 | 100.0% | 4.9 Miles | 10 HH | Families; 50% & 60% AMHI |
| 16 | West Wood Oaks | 1972 | 54 | 100.0% | 1.0 Miles | None | Families; 50%, 60%, & 95% AMHI & Sec 8 |
| 901 | Coralain Gardens | 1964 / 2007 | 106 | 100.0% | 7.4 Miles | None | Families; 50% & 60% AMHI |
| 902 | Fields of Chantilly | 2001 | 360 | 98.9% | 10.7 Miles | None | Families; 60% AMHI |
| 903 | Springfield Crossing | 2001 | 347 | 100.0% | 11.5 Miles | None | Families; 60% AMHI |

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

HH - Households

The five LIHTC projects have a combined occupancy rate of 99.6%, which is reflective of just four (4) vacant units at Fields of Chantilly (Map ID 902). The four remaining properties are all 100.0% occupied, demonstrating strong and likely pent-up demand for family-oriented LIHTC product in the market and region. The subject project will help alleviate a portion of this pent-up demand.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

| | | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | | | |
|----------|--|---|---|--|---|------------------|--------------|
| Map I.D. | Project Name | Studio | One-Br. | Two-Br. | Three-Br. | Four-Br. | Rent Special |
| Site | One University Family | \$1,275/60% (4) | \$682/30% (11)* \$1,138/50% (2) \$1,365/60% (3) | \$819/30% (11)* \$1,092/40% (5)* \$1,365/50% (7) \$1,638/60% (53) | | \$1,056/30% (4)* | - |
| 13 | Residences at Government Center I & II | \$1,049/50% (5/0) \$1,262/60% (6/0) | \$1,144/50% (32/0) \$1,371/60% (49/0) | \$1,360/50% (76/0) \$1,633/60% (86/0) | \$1,545/50% (6/0) \$1,861/60% (10/0) | - | None |
| 16 | West Wood Oaks | - | \$1,052/50% (4/0)* \$1,157/60% (16/0) \$1,961/95% (3/0) | \$1,287/50% (6/0)* \$1,384/60% (25/0) | - | - | None |
| 901 | Coralain Gardens | \$1,041/50% (15/0) \$1,254/60% (15/0) | \$1,129/50% (18/0) \$1,356/60% (18/0) | \$1,348/50% (20/0) \$1,621/60% (20/0) | - | - | None |
| 902 | Fields of Chantilly | - | - | \$1,593/60% (288/4) | \$1,797/60% (72/0) | - | None |
| 903 | Springfield Crossing | - | - | \$1,596- \$1,599/60% (331/0) | \$1,829/60% (16/0) | - | None |

*Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)
900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents are competitive with those reported among similar unit types at the comparable LIHTC properties surveyed. This will contribute to the subject's marketability within the Fairfax market, particularly when considering the newness and anticipated quality of the subject development relative to the existing comparable LIHTC product surveyed in the area.

It is also important to reiterate that 51 of the 120 subject units will operate with Project-Based Rental Assistance (PBRA) which will allow tenants of these units to pay up to only 30% of their income towards rent. This will further ensure the subject property represents a value and is marketable within the Fairfax Site PMA.

Additionally, one of the comparable LIHTC properties located in the Site PMA, West Wood Oaks (Map ID 16) reported a rent increase of 5% over the past year. This is a further indication of the strength of the LIHTC rental market within the Fairfax area, particularly when considering the strong occupancy rate maintained at this property following this rent increase.

An in-depth analysis of the Fairfax rental housing market within the Site PMA is included in *Section V* of this report.

Achievable Market Rent

Based on the Rent Comparability Grids included in *Section VI* of this report, it was determined that the present-day achievable market rents for units similar to the proposed subject development are as follows:

| Bedroom Type | % AMHI | Proposed Collected Rent | Achievable Market Rent | Market Rent Advantage |
|--------------|--------|-------------------------|------------------------|-----------------------|
| Studio | 60% | \$1,191 | \$1,710 | 30.4% |
| One-Br. | 30% | \$578* | \$1,780 | 67.5% |
| One-Br. | 50% | \$1,034 | \$1,780 | 41.9% |
| One-Br. | 60% | \$1,261 | \$1,780 | 29.2% |
| Two-Br. | 30% | \$688* | \$2,425 | 71.6% |
| Two-Br. | 40% | \$961* | \$2,425 | 60.4% |
| Two-Br. | 50% | \$1,234 | \$2,425 | 49.1% |
| Two-Br. | 60% | \$1,507 | \$2,425 | 37.9% |
| Three-Br. | 30% | \$789* | \$2,570 | 69.3% |
| Four-Br. | 30% | \$872* | \$2,730 | 68.1% |

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under subsidized program exceeds maximum allowable LIHTC rent limit. Tenants of these units will pay 30% of income towards rent.

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject rents are expected to be perceived as a significant value within the Fairfax market as they represent market rent advantages ranging from 29.2% to 71.6% depending upon unit type. In fact, the subject units at the 30% and 40% AMHI levels will represent even greater values than those reflected by the market rent advantages in the preceding table as these units will operate with Project-Based Rental Assistance (PBRA) allowing tenants to only pay up to 30% of their income towards rent rather than the proposed LIHTC rents illustrated in the preceding table.

Capture Rate Estimates

The following is a summary of our demand calculations assuming the subject property operates as anticipated, *with a project-based subsidy*:

| Demand Component | Percent of Median Household Income – With Subsidy | | | | Overall (\$0-\$65,520) |
|-----------------------------|---|-------------------------|------------------------------|------------------------------|------------------------|
| | 30% AMHI (\$0-\$42,240) | 40% AMHI (\$0-\$43,680) | 50% AMHI (\$38,983-\$54,600) | 60% AMHI (\$43,680-\$65,520) | |
| Net Demand | 5,637 | 4,477 | 1,800 | 2,195 | 7,214 |
| Proposed Units | 46 | 5 | 9 | 60 | 120 |
| Proposed Units / Net Demand | 46 / 5,637 | 5 / 4,477 | 9 / 1,800 | 60 / 2,195 | 120 / 7,214 |
| Capture Rate | = 0.8% | = 0.1% | = 0.5% | = 2.7% | = 1.7% |

Utilizing this methodology, capture rates below 30% are considered achievable, though capture rates below 20% are considered ideal. As such, the subject’s overall subsidized capture rate of 1.7% is low and achievable within the Fairfax Site PMA. Thus, a deep base of potential support exists for the subject project. This is particularly true when considering the high occupancy rates and waiting lists maintained among existing comparable LIHTC properties surveyed in the market.

Penetration Rate Calculations

The 314 existing and 120 planned (senior) non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$23,383 to \$78,660. The following summarizes the market penetration rate calculation for the subject project based on data included in the Demographic Characteristics and Trends section of this report.

| | Market Penetration |
|---|--------------------|
| Number of LIHTC Units (Proposed and Existing) | 554 |
| Income-Eligible Renter Households – 2023 | / 11,249 |
| Overall Market Penetration Rate | = 4.9% |

It is our opinion that the 4.9% penetration rate for the LIHTC units, both existing and proposed, is low and achievable. This is particularly true when considering the high occupancy rates reported among existing LIHTC product and the general lack of LIHTC product currently available within the Fairfax Site PMA.

A detailed analysis of our demand estimates, including estimates for the property in the unlikely event the project-based subsidy was lost, is included in *Section VII*.

Absorption Estimates

It is our opinion that the 120 LIHTC units proposed for the subject site will reach a stabilized occupancy of 95% within seven months of opening. This absorption rate is based on an average monthly absorption rate of approximately 16 to 17 units per month.

These absorption projections assume a 2023 opening date. A different opening may impact the absorption potential (positively or negatively) for the subject project. Further, these absorption projections assume the project will be built as outlined in this report and will provide a project-based subsidy to 51 of the 120 proposed units.

Should the Project-Based Rental Assistance (PBRA) subsidy not be secured, and the property had to operate exclusively under the LIHTC guidelines at the proposed rent levels evaluated throughout this report, the subject project would likely experience an extended absorption period. This is due to the more limited demographic base for the property in the market as the property would no longer be capable of targeting households earning below \$23,383.

III. Project Description

| | |
|--------------------|---|
| Project Name: | One University Family |
| Location: | 4500 University Drive, Fairfax, Virginia 22030 (Fairfax County) |
| Census Tract: | 4405.02 |
| Target Market: | Family |
| Construction Type: | New Construction |
| Funding Source: | LIHTC |

The subject project involves the new construction of the 120-unit One University Family rental community at 4500 University Drive in Fairfax, Virginia. The project will be developed using Low-Income Housing Tax Credits (LIHTC) and will target lower-income family households earning up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI). A total of 51 units (all targeting households earning up to 30% and 40% of AMHI) will receive Project-Based Rental Assistance (PBRA). A total of 46 of the PBRA units will be issued through the Rental Assistance Demonstration (RAD) program while the five (5) remaining PBRA units will be issued through the Fairfax County Redevelopment and Housing Authority (FCRHA). This subsidy will allow tenants of these units to pay up to 30% of their income towards rent. The proposed project is expected to be complete in August 2023. Additional details of the proposed project are as follows:

| Proposed Unit Configuration | | | | | | | | | |
|-----------------------------|--------------|-------|--------|-------------|----------|----------------|-------------------|------------|---------------------------------|
| Total Units | Bedroom Type | Baths | Style | Square Feet | % AMHI | Program Rents | | | |
| | | | | | | Collected Rent | Utility Allowance | Gross Rent | Max. Allowable LIHTC Gross Rent |
| 4 | Studio | 1.0 | Garden | 550 | 60% | \$1,191 | \$84 | \$1,275 | \$1,275 |
| 11 | One-Br | 1.0 | Garden | 600 | 30%/PBRA | \$590* | \$104 | \$694 | \$682 |
| 2 | One-Br | 1.0 | Garden | 600 | 50% | \$1,034 | \$104 | \$1,138 | \$1,138 |
| 3 | One-Br | 1.0 | Garden | 600 | 60% | \$1,261 | \$104 | \$1,365 | \$1,365 |
| 11 | Two-Br | 2.0 | Garden | 950 | 30%/PBRA | \$688* | \$131 | \$819 | \$819 |
| 5 | Two-Br | 2.0 | Garden | 950 | 40%/PBRA | \$1,534* | \$131 | \$1,665 | \$1,092 |
| 7 | Two-Br | 2.0 | Garden | 950 | 50% | \$1,234 | \$131 | \$1,365 | \$1,365 |
| 53 | Two-Br | 2.0 | Garden | 950 | 60% | \$1,507 | \$131 | \$1,638 | \$1,638 |
| 20 | Three-Br | 2.0 | Garden | 1,075 | 30%/PBRA | \$851* | \$157 | \$1,008 | \$946 |
| 4 | Four-Br | 2.0 | Garden | 1,300 | 30%/PBRA | \$1,076* | \$184 | \$1,260 | \$1,056 |
| 120 | Total | | | | | | | | |

Source: SCG Development

AMHI – Area Median Household Income (Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area; 2019)

PBRA – Project-Based Rental Assistance

*Proposed Contract Rents (Tenants to pay 30% of income towards rent)

Note that tenants residing within the 51 units with PBRA will effectively pay up to 30% of their adjusted gross household income towards gross rent due to the presence of the subsidy. The maximum allowable LIHTC gross rents ranging from \$682 to \$1,092 are the programmatic limits for units targeting households earning up to 30% and 40% of AMHI. However, these limits would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy. Nonetheless, as some of the proposed contract rents under the PBRA program are above these maximum allowable limits, we have evaluated these unit types assuming maximum allowable LIHTC rent limits throughout this report.

| Building/Site Information | |
|---------------------------|-----------------------------|
| Residential Buildings: | One (1) four-story building |
| Building Style: | Elevator-served |
| Community Space: | Integrated throughout |
| Acres: | 10.8 |

| Construction Timeline | |
|-----------------------|--------------------|
| Original Year Built: | Not Applicable |
| Construction Start: | Third Quarter 2021 |
| Begin Preleasing: | June 2023 |
| Construction End: | August 2023 |

| Unit Amenities | | |
|--|--|---|
| <ul style="list-style-type: none"> • Electric Range • Refrigerator w/Icemaker • Garbage Disposal • Dishwasher • In-Unit Washer/Dryer Machines | <ul style="list-style-type: none"> • Central Air Conditioning • Walk-In Closet • Patio/Balcony • Emergency Call System | <ul style="list-style-type: none"> • Carpet/Tile/Composite/Laminate Floors • Window Blinds • Controlled Access/Key Fob • Ceiling Fans |

| Community Amenities | | |
|--|---|--|
| <ul style="list-style-type: none"> • Bike Racks/Storage • Car Charging Station • On-Site Management • Community Room • Game Room/Billiards • Community Wide Wi-Fi • Dog Park • Underground Parking Garage (384 Spaces) | <ul style="list-style-type: none"> • Computer Center • Elevator • Common Patio • Fitness Center • Hiking/Walking Trail • CCTV/Cameras • Dog Wash | <ul style="list-style-type: none"> • Copy/Print/Fax • Laundry Room • Courtyard • Picnic Area with Grills • Playground • Gated Parking • Package Receiving |

| Utility Responsibility | | | | | | | |
|------------------------|----------|-----------|----------|------------------|------------|--------|----------|
| | Heat | Hot Water | Cooking | General Electric | Cold Water | Sewer | Trash |
| Paid By | Tenant | Tenant | Tenant | Tenant | Tenant | Tenant | Landlord |
| Source | Electric | Electric | Electric | | | | |

FLOOR AND SITE PLAN REVIEW:

Floor and site plans were not provided for the subject project for review at the time this report was prepared. Information provided at the time of this analysis, however, indicates that the subject property will include studio through four-bedroom garden-style units located within a four-story elevator-equipped building. These unit types will appeal to a wide demographic base in terms of household size. The subject units will range in size from 550 to 1,300 square feet, with the two-bedroom and larger units including two (2.0) bathrooms and the studio and one-bedroom units offering one (1.0) bathroom. Each unit will come well-equipped in terms of unit amenities and will feature a full kitchen appliance package and dedicated laundry area with in-unit washer/dryer appliances.

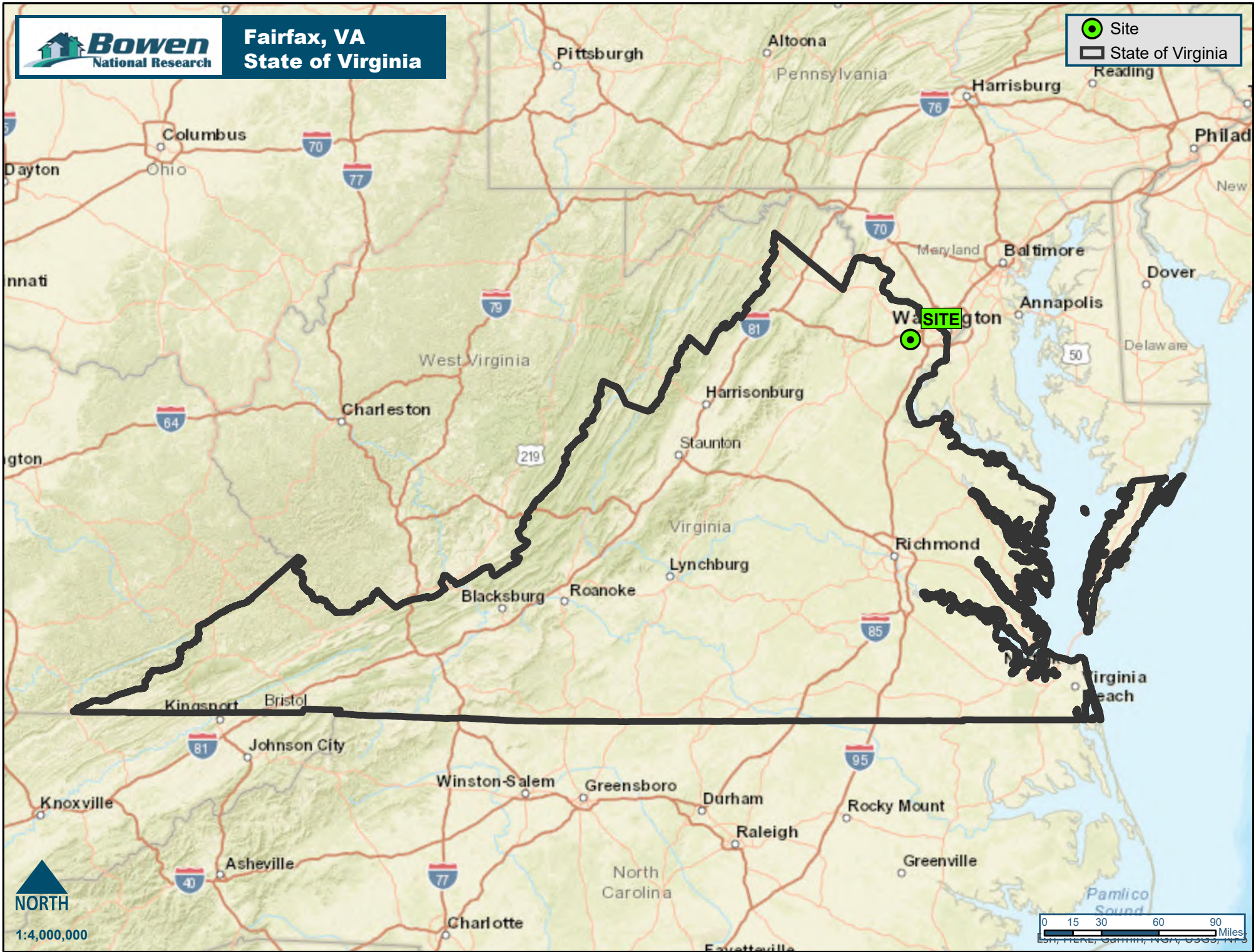
In addition to the subject's residential units, the property will feature an array of community amenities integrated throughout the property. This will further enhance marketability of the subject project. Overall, the subject property appears to be marketable in terms of overall design. Nonetheless, an in-depth comparable/competitive analysis is included in *Section V* to better determine the competitive position and overall marketability of the subject project within the Fairfax market.

A state map, an area map and a site neighborhood map are on the following pages.



Fairfax, VA State of Virginia

● Site
▭ State of Virginia



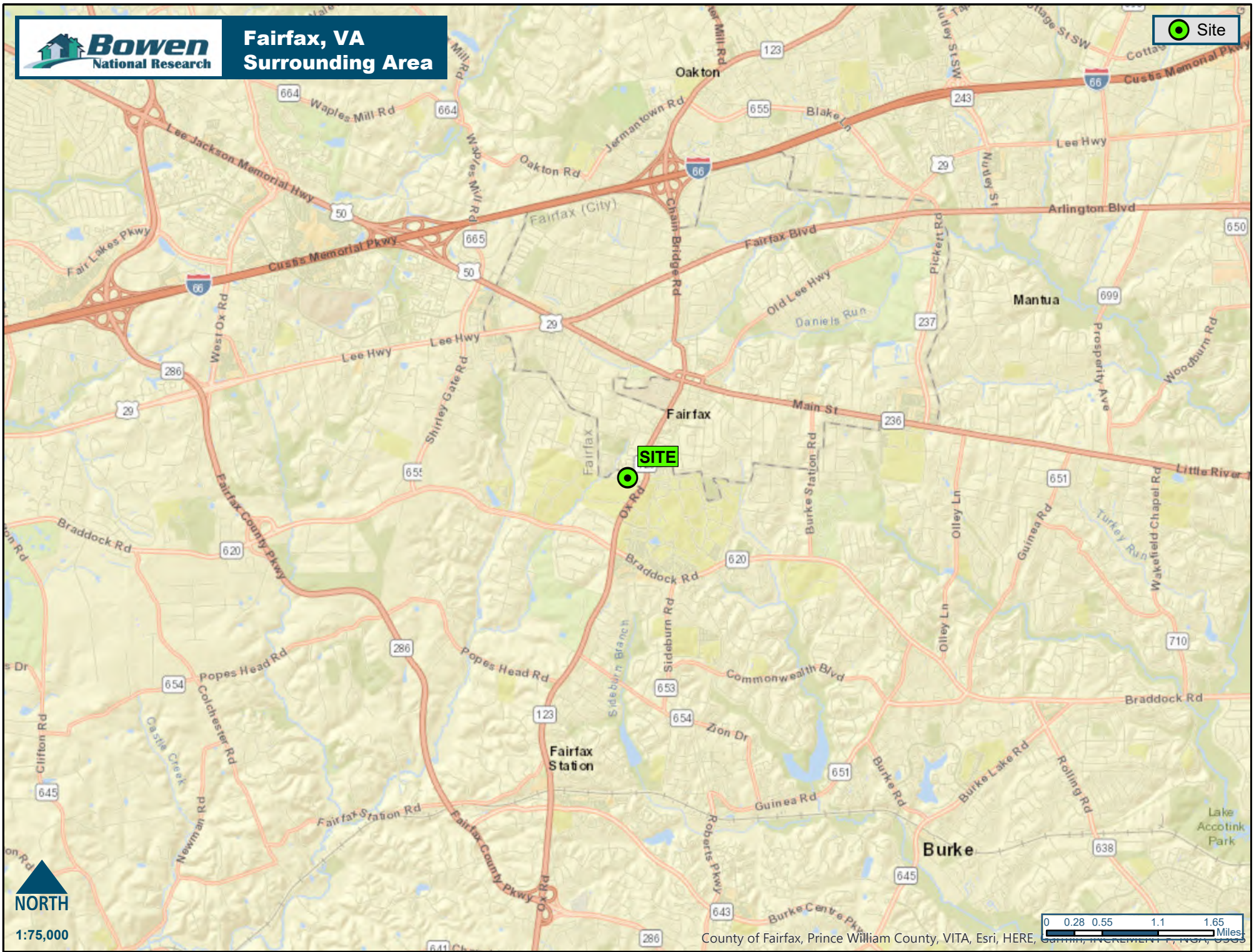
NORTH
1:4,000,000

0 15 30 60 90 Miles



Fairfax, VA Surrounding Area

Site



1:75,000

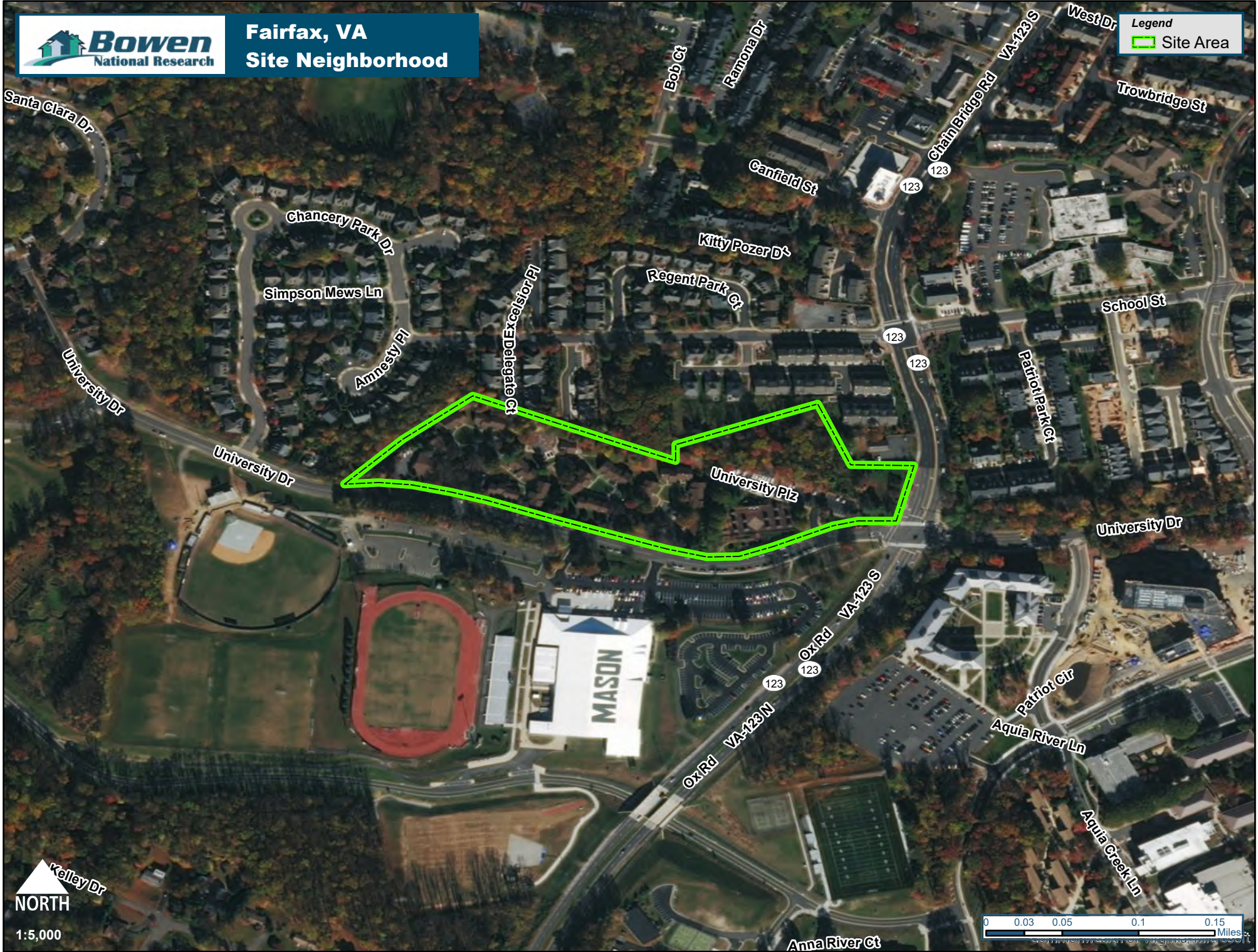


County of Fairfax, Prince William County, VITA, Esri, HERE, Garmin, INCREMENT P, NOAA, USGS



Fairfax, VA Site Neighborhood

Legend
Site Area



NORTH
1:5,000

0 0.03 0.05 0.1 0.15 Miles

IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The proposed site is currently comprised of an existing multifamily property located west of the intersection of University Drive and State Route 123 in the central portion of Fairfax, Virginia. Note the existing property located at the subject site will be demolished and redeveloped as part of the proposed subject development. It is of note that as this is an update to the original market study conducted by Bowen National Research in July of 2019, we have not revisited the site at the time of this analysis. We have assumed that the surrounding land uses and other characteristics of the subject site have remained unchanged since the time of our original site evaluation conducted July 9, 2019. The following is the original site evaluation conducted in July of 2019.

2. SURROUNDING LAND USES

The proposed site is located within an established, mixed-use portion of Fairfax. Surrounding land uses include George Mason University and affiliated athletic facilities, single-family homes and a variety of community services and local businesses. Adjacent land uses are detailed as follows:

| | |
|----------------|---|
| North - | The northern boundary is defined by a neighborhood of single-family homes in excellent condition. Continuing north is a mixed-use area that includes for-sale townhomes, condominiums and single-family homes, restaurants, additional community services and local government buildings. Extending north is State Route 236 and other businesses and services in the downtown Fairfax area that extend toward U.S. Highway 50. |
| East - | The eastern boundary is defined by Ox Road (State Route 123), a four-lane arterial with moderate to heavy traffic. East of State Route 123 is George Mason University followed by single-family homes. |
| South - | The southern boundary is defined by University Drive, a two-lane road with light traffic patterns. George Mason University athletic facilities are located on the south side of University Drive. Continuing south are single-family homes in good condition and Braddock Road (State Route 620), a four-lane arterial with moderate to heavy traffic. South of State Route 620 is the University Mall shopping plaza and additional single-family homes. |

West -

The western boundary is defined by single-family homes in excellent condition. Residential neighborhoods, in addition to wooded land, continue west.

The subject site is located within an established, mixed-use area of Fairfax. Surrounding land uses primarily consist of single-family homes and additional residential buildings, George Mason University and its accompanying facilities, and the local businesses and services of Fairfax. Surrounding buildings and residences all appear to be well-maintained and in good or better condition. The proximity of public transportation, community services and nearby university is considered beneficial to the targeted site population. Overall, the subject property is expected to fit well with the surrounding land uses which will contribute to the overall marketability of the subject site. Photographs of the site can be found in *Section VIII* of this report.

3. VISIBILITY AND ACCESS

The subject site is proposed to maintain frontage along University Drive to the south and Ox Road (State Route 123) to the east. The property is expected to be visible to traffic in all directions along the aforementioned roadways. Signage placed along State Route 123 and/or State Route 620 would enhance site visibility, especially during initial lease-up of the subject development. The proximity to George Mason University and the area's high traffic patterns will also contribute to visibility and enhance awareness of the subject property. As the site currently stands, existing tree lines that serve as buffers to adjacent single-family homes are located to the north and west and limit visibility of the subject property from these directions. It is recommended, however, that these buffers remain as part of the proposed development, as they do not appear to have any adverse impact on the overall visibility of the subject site.

The subject site is located west of the intersection of University Drive and Ox Road (State Route 123), a relatively heavily-traveled area within proximity of public transportation and various arterial roadways. Within 1.0 mile of the site are State Routes 123 and 620, which experience moderate to heavy traffic patterns that increase and can become congested during peak commute times. The location of George Mason University, its surrounding facilities and shopping opportunities contributes to the high traffic patterns. However, various traffic lights/signals are present within the immediate site area, helping to mitigate potential traffic delays. Walking paths and sidewalks are also present along all surrounding roadways to aid pedestrian traffic. Site ingress and egress are expected to occur along University Drive to the south, which experiences lighter traffic patterns than the surrounding roadways. Public transit is also readily

available within the area with services such as CUE Bus and Fairfax Connector providing bus stops throughout the surrounding area, with the nearest being just 0.3 miles east of the site. Overall, access is considered good.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

| Community Services | Name | Driving Distance From Site (miles) |
|---|--|---|
| Major Highways | State Route 123 State Route 620 State Route 236 | 0.1 East 0.7 South 1.0 Northeast |
| Public Bus Stop | CUE Bus Fairfax Connector | 0.2 East 0.3 East |
| Major Employers/ Employment Centers | George Mason University INOVA Health System | 0.2 East 0.4 Northeast |
| Convenience Store | A Plus Royal Gas & Auto Service Tiger Mart | 1.0 South 1.0 Northeast 1.6 South |
| Grocery | Giant Food Safeway ALDI | 1.0 South 1.3 Northeast 1.8 Northwest |
| Discount Department Store | T.J. Maxx | 1.2 Northeast |
| Shopping Center/Mall | University Mall Main Street Marketplace Courthouse Plaza Shopping Center | 0.9 South 1.2 Northeast 1.3 Northeast |
| Schools: Elementary Middle/Junior High High College | Oak View Elementary Frost Middle School Woodson High School George Mason University | 1.6 Southeast 3.4 East 2.6 East 0.2 East |
| Hospital | INOVA Emergency Care Center Star Family Medicine | 0.4 Northeast 1.3 Northeast |
| Police | Fairfax City Police Department | 1.8 Northeast |
| Fire | Fairfax Volunteer Fire Department | 1.0 Northeast |
| Post Office | U.S. Post Office | 1.2 North |
| Bank | BB&T MainStreet Bank United Bank | 0.8 Northeast 0.9 Northeast 1.0 South |
| Senior Center | Little River Glen Senior Center | 3.3 East |
| Recreational Facilities | EagleBank Arena George Mason Center for the Arts University Mall Theatres | 0.9 Southeast 1.0 Southeast 1.1 South |
| Gas Station | Sunoco Royal Gas & Auto Service Exxon | 1.0 South 1.0 Northeast 1.6 Northeast |
| Pharmacy | Giant Pharmacy Walgreens CVS | 1.0 South 1.2 Northeast 1.3 Northeast |

(Continued)

| Community Services | Name | Driving Distance From Site (miles) |
|--------------------|---|------------------------------------|
| Restaurant | Bernie's Delicatessen | 0.3 Northeast |
| | Pho Bahn Mi & Grill | 0.3 Northeast |
| | Subway | 0.3 East |
| Day Care | George Mason Childhood Development Center | 0.5 East |
| | Teddy Bear Day Care & Preschool | 1.0 South |
| | Main Street Child Development Center | 1.4 East |
| Community Center | Stacy C. Sherwood Community Center | 1.7 Northeast |
| Church | Bible Way Church | 0.2 Northeast |
| | One God Ministry | 0.4 Northeast |
| Library | City of Fairfax Regional Library | 1.3 Northeast |
| Golf | Country Club of Fairfax | 1.4 South |
| Park | Providence Park | 0.9 North |
| | Fairfax Villa Park | 1.6 Northwest |

The subject site is within 2.0 miles of all essential services, including shopping, dining, employment, education and recreational, public safety and medical facilities. The surrounding services can be accessed via sidewalks and walking paths, the surrounding arterial roads or public transportation. CUE Bus and Fairfax Connector are among the local bus services and the nearest stops are within 0.3 mile of the site. Additionally, State Routes 123, 620 and 236 can be accessed within 1.0 mile.

Most notably, George Mason University and its buildings and facilities surround the site to the east and the south. The university offers a wide range of employment, recreational and educational opportunities. Approximately 1.0 mile south of the site is University Mall shopping plaza, which includes Giant Foods grocery and pharmacy, numerous restaurants, a movie theater, day care center and additional services. Approximately 1.0 mile north is downtown Fairfax and its variety of services, shopping centers and entertainment options. Public transit provides transportation to these areas and throughout Northern Virginia.

The Fairfax Fire and Police departments are within 2.0 miles of the site and the nearest emergency medical center, INOVA Emergency Care Center, is only 0.4 mile from the site. Fairfax County Public Schools serve the site area and all applicable attendance schools can be accessed within approximately 3.0 miles. Overall, the site's proximity to community services is should positively contribute to its overall marketability.

5. OVERALL SITE EVALUATION

The proposed site is located west of the intersection of University Drive and Ox Road (State Route 123) in Fairfax, Virginia. The site currently comprises existing rental housing and an office space which is anticipated to be demolished prior to the development of the subject project. The site is surrounded by single-family homes and additional residential dwellings, George Mason University and its facilities, and a variety of local businesses and services. The surrounding area consists of moderate to heavy traffic patterns; however, access to arterial roads and public transportation is easy and the area is pedestrian friendly. The site is expected to be visible to passerby traffic along both University Drive and Ox Road (State Route 123). The nearest essential community services, including shopping, employment, public safety and medical care are located within 2.0 miles of the site and can be easily accessed using the nearby roads and public bus stops. Overall, the site's surrounding land uses and proximity to community services should positively contribute to its overall marketability.

6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk for the Site ZIP Code is 95, with an overall personal crime index of 47 and a property crime index of 102. Total crime risk for Fairfax City is 63, with indexes for personal and property crime of 33 and 67, respectively.

| | Crime Risk Index | |
|-----------------------|------------------|--------------|
| | Site Zip Code | Fairfax City |
| Total Crime | 95 | 63 |
| Personal Crime | 47 | 33 |
| Murder | 53 | 12 |
| Rape | 125 | 85 |
| Robbery | 53 | 47 |
| Assault | 33 | 19 |
| Property Crime | 102 | 67 |
| Burglary | 38 | 22 |
| Larceny | 126 | 84 |
| Motor Vehicle Theft | 51 | 32 |

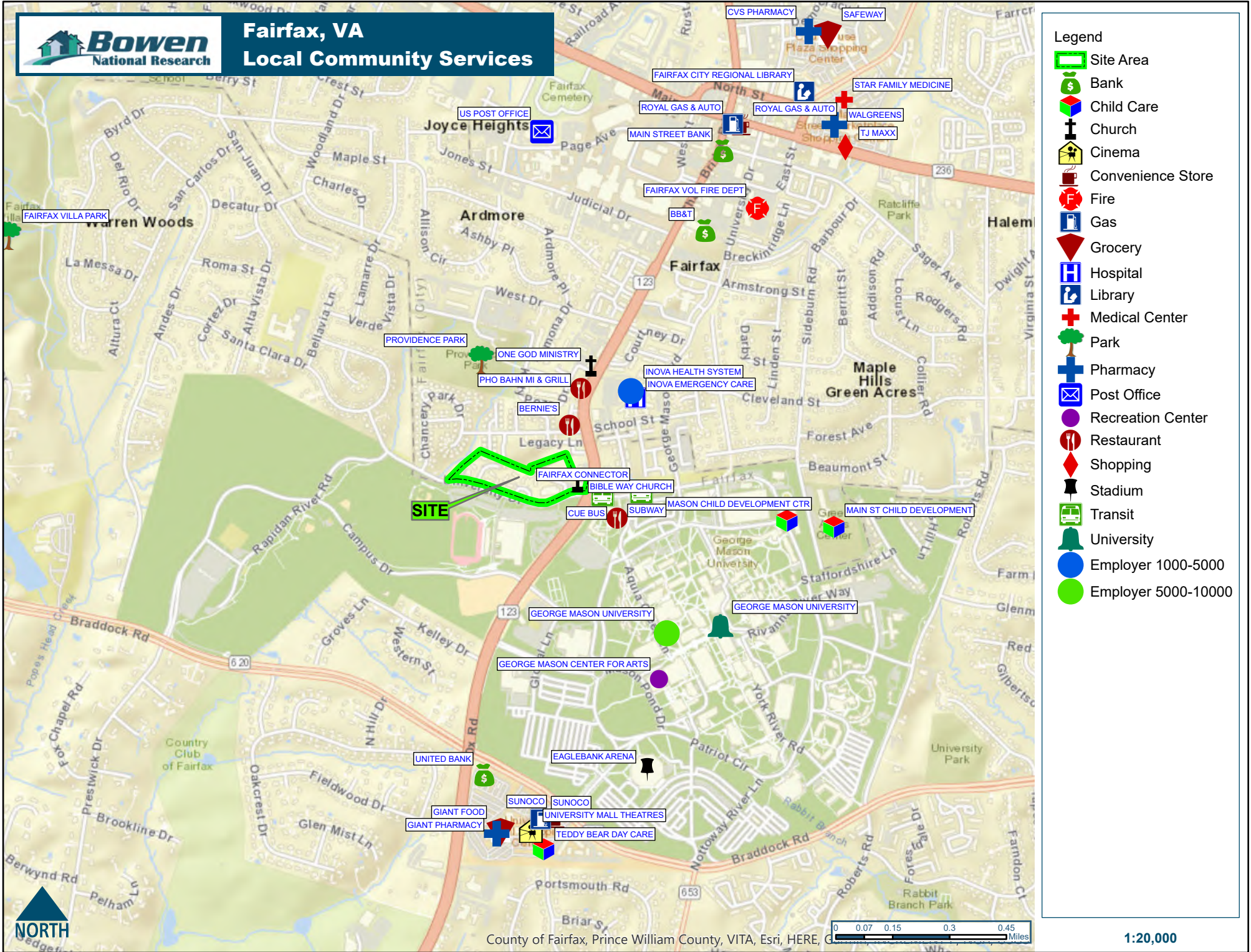
Source: Applied Geographic Solutions

The Site Zip Code crime index (95) is higher than that reported for the City of Fairfax (63) but is lower than the national average of 100. A crime index of 95 is also considered to be relatively low for a densely populated and established area such as the subject site location. Based on the preceding factors and considering the generally high occupancy rates of surveyed properties, it is likely that there is a low perception of crime within the Fairfax area. This will contribute to the subject's overall marketability.

Maps illustrating the location of community services and crime risk are on the following pages.



Fairfax, VA Local Community Services

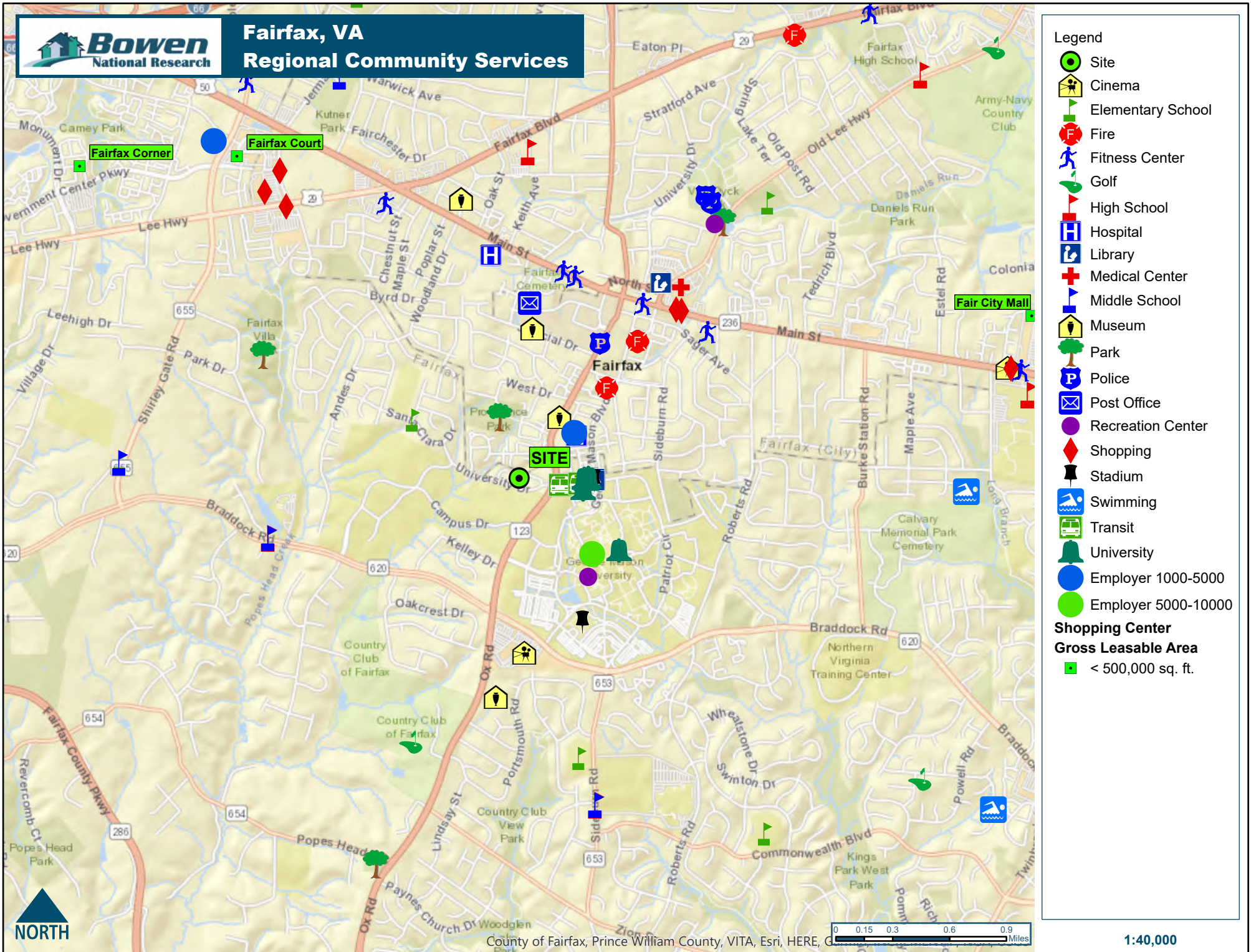


- Legend**
- Site Area
 - Bank
 - Child Care
 - Church
 - Cinema
 - Convenience Store
 - Fire
 - Gas
 - Grocery
 - Hospital
 - Library
 - Medical Center
 - Park
 - Pharmacy
 - Post Office
 - Recreation Center
 - Restaurant
 - Shopping
 - Stadium
 - Transit
 - University
 - Employer 1000-5000
 - Employer 5000-10000





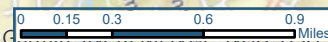
Fairfax, VA Regional Community Services



- Legend**
- Site
 - Cinema
 - Elementary School
 - Fire
 - Fitness Center
 - Golf
 - High School
 - Hospital
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Post Office
 - Recreation Center
 - Shopping
 - Stadium
 - Swimming
 - Transit
 - University
 - Employer 1000-5000
 - Employer 5000-10000
 - Shopping Center**
 - Gross Leasable Area**
 - < 500,000 sq. ft.



County of Fairfax, Prince William County, VITA, Esri, HERE, G



1:40,000



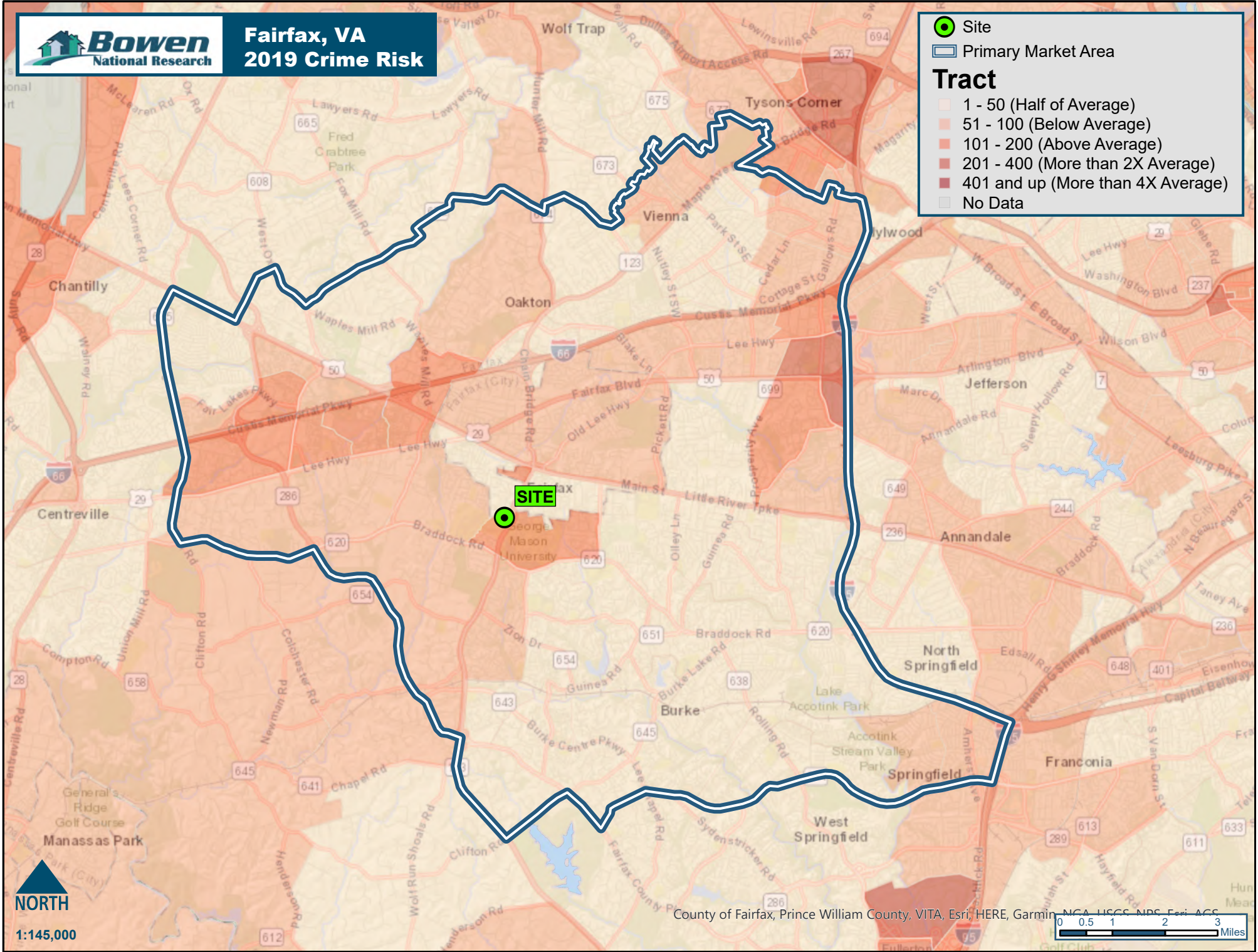
Fairfax, VA 2019 Crime Risk

Site

Primary Market Area

Tract

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



NORTH
1:145,000

County of Fairfax, Prince William County, VITA, Esri, HERE, Garmin, NGA, USGS, NPS, Esri, ACS
 Miles

B. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Fairfax Site PMA was determined through interviews with area leasing and real estate agents, planning officials, economic development representatives and the personal observations of our analysts at the time of our original site visit. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Fairfax Site PMA includes all of Fairfax, Vienna, Burke and Merrifield, as well as portions of Oakton and Springfield, Virginia and some of the surrounding areas of Fairfax County. The boundaries of the Site PMA generally include U.S. Highway 50, Rugby Road, State Route 672, the Vienna city limits, Wolftrap Road and Madron Lane to the north; Interstate 495 to the east; State Route 644, State Route 643 and Burke Lake Road to the south; and State Route 286, State Route 620 and State Route 645 to the west.

The following are summaries of interviews conducted at the time of our original analysis which helped confirm the boundaries of the Fairfax Site PMA:

- Michelle Lingenfelter is the Community Manager at West Wood Oaks. Ms. Lingenfelter stated that the majority of support for her property comes locally from Fairfax, Burke and other immediately surrounding areas of Fairfax County. Ms. Lingenfelter noted that she does receive some support from areas such as Manassas, Chantilly, Springfield and Falls Church; however, residents in these areas are more likely to commute from their current locations or move to other areas of the county. The individuals at her property typically grew up in the area or have friends and family nearby. Ms. Lingenfelter confirmed the boundaries of the Site PMA.
- Shirley Garcia is the Assistant Property Manager at Little River Glen, a senior-restricted property. Ms. Garcia noted that while she does receive some support from Springfield and Centerville, the majority of tenants are local to the surrounding areas of Fairfax County. Ms. Garcia said that many individuals move out of nearby homes or were previously living with their children or other family. Ms. Garcia expects that the proposed site would also attract most of its tenants from the surrounding area and confirmed the boundaries of the Site PMA.

- Pamela Sines is the Property Manager at The Field of Falls Church, which is located in Falls Church, Virginia outside of the Site PMA. Ms. Sines stated that residents of Falls Church would be more apt to stay in their current location or would relocate to the Arlington or Alexandria areas if they chose to leave their current living situation. Ms. Sines said that Falls Church residents enjoy the sense of community the city provides, and that Fairfax County is a separate school district, further limiting support from these areas. Ms. Sines added that the people living in Vienna and Merrifield would be more interested in moving further into Fairfax County. Ms. Sines also confirmed the Site PMA.

A small portion of support may originate from some of the outlying areas of Fairfax, such as Chantilly, Centerville, Manassas, Annandale, Falls Church and/or portions of Springfield. However, households in these areas have convenient access to their own community services and housing options, resulting in less of a need to relocate. Additionally, public transportation is easily available throughout Fairfax County, allowing households currently outside of the Site PMA to commute to and from the area if needed. Due to these factors and considering the densely populated nature of the Site PMA, we anticipate the majority of support will originate from within the boundaries of the Fairfax Site PMA. We have not considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.

C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2020 (estimated) and 2025 (projected) are summarized as follows:

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2020 (Estimated) | 2025 (Projected) |
| Population | 257,143 | 289,703 | 306,623 | 314,879 |
| Population Change | - | 32,560 | 16,920 | 8,256 |
| Percent Change | - | 12.7% | 5.8% | 2.7% |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Fairfax Site PMA population base increased by 32,560 between 2000 and 2010. This represents a 12.7% increase over the 2000 population, or an annual rate of 1.2%. Between 2010 and 2020, the population increased by 16,920, or 5.8%. It is projected that the population will increase by 8,256, or 2.7%, between 2020 and 2025.

The Site PMA population bases by age are summarized as follows:

| Population by Age | 2010 (Census) | | 2020 (Estimated) | | 2025 (Projected) | | Change 2020-2025 | |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 73,393 | 25.3% | 72,132 | 23.5% | 70,613 | 22.4% | -1,519 | -2.1% |
| 20 to 24 | 19,660 | 6.8% | 19,661 | 6.4% | 19,274 | 6.1% | -387 | -2.0% |
| 25 to 34 | 42,983 | 14.8% | 44,002 | 14.4% | 45,958 | 14.6% | 1,956 | 4.4% |
| 35 to 44 | 42,173 | 14.6% | 43,353 | 14.1% | 47,099 | 15.0% | 3,746 | 8.6% |
| 45 to 54 | 45,580 | 15.7% | 40,797 | 13.3% | 39,807 | 12.6% | -990 | -2.4% |
| 55 to 64 | 35,447 | 12.2% | 40,749 | 13.3% | 39,258 | 12.5% | -1,491 | -3.7% |
| 65 to 74 | 18,085 | 6.2% | 28,071 | 9.2% | 30,958 | 9.8% | 2,887 | 10.3% |
| 75 & Over | 12,382 | 4.3% | 17,858 | 5.8% | 21,912 | 7.0% | 4,054 | 22.7% |
| Total | 289,703 | 100.0% | 306,623 | 100.0% | 314,879 | 100.0% | 8,256 | 2.7% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, over 55% of the population is expected to be between 25 and 64 years old in 2020. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

Household trends within the Fairfax Site PMA are summarized as follows:

| | Year | | | |
|------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2020 (Estimated) | 2025 (Projected) |
| Households | 92,142 | 104,188 | 110,098 | 112,966 |
| Household Change | - | 12,046 | 5,910 | 2,868 |
| Percent Change | - | 13.1% | 5.7% | 2.6% |
| Household Size | 2.79 | 2.78 | 2.71 | 2.71 |

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Fairfax Site PMA, households increased by 12,046 (13.1%) between 2000 and 2010. Between 2010 and 2020, households increased by 5,910 or 5.7%. By 2025, there will be 112,966 households, an increase of 2,868 households, or 2.6% over 2020 levels. This is an increase of approximately 574 households annually over the next five years.

The Site PMA household bases by age are summarized as follows:

| Households by Age | 2010 (Census) | | 2020 (Estimated) | | 2025 (Projected) | | Change 2020-2025 | |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 25 | 3,112 | 3.0% | 3,095 | 2.8% | 3,245 | 2.9% | 150 | 4.8% |
| 25 to 34 | 17,166 | 16.5% | 16,815 | 15.3% | 17,612 | 15.6% | 797 | 4.7% |
| 35 to 44 | 21,136 | 20.3% | 21,239 | 19.3% | 22,334 | 19.8% | 1,095 | 5.2% |
| 45 to 54 | 24,854 | 23.9% | 21,347 | 19.4% | 20,483 | 18.1% | -864 | -4.0% |
| 55 to 64 | 19,955 | 19.2% | 21,953 | 19.9% | 20,635 | 18.3% | -1,318 | -6.0% |
| 65 to 74 | 10,449 | 10.0% | 15,422 | 14.0% | 16,553 | 14.7% | 1,131 | 7.3% |
| 75 to 84 | 5,507 | 5.3% | 7,424 | 6.7% | 8,786 | 7.8% | 1,362 | 18.3% |
| 85 & Over | 2,009 | 1.9% | 2,801 | 2.5% | 3,316 | 2.9% | 515 | 18.4% |
| Total | 104,188 | 100.0% | 110,098 | 100.0% | 112,966 | 100.0% | 2,868 | 2.6% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Household growth is projected within most age cohorts between 2020 and 2025, though the 45 to 64 age cohort is projected to decline during this time period. Nonetheless, the relatively large household bases within each age cohort is a good indication of ongoing demand for both general-occupancy and senior-oriented housing alternatives within the Fairfax Site PMA.

Households by tenure are distributed as follows:

| Tenure | 2010 (Census) | | 2020 (Estimated) | | 2025 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 74,887 | 71.9% | 74,573 | 67.7% | 77,235 | 68.4% |
| Renter-Occupied | 29,301 | 28.1% | 35,524 | 32.3% | 35,729 | 31.6% |
| Total | 104,188 | 100.0% | 110,097 | 100.0% | 112,964 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2020, homeowners occupied 67.7% of all occupied housing units, while the remaining 32.3% were occupied by renters. This is considered a good share of renter households and represents a good base of potential renter support in the market for the subject development. The number of renter households is projected to increase by 205, or 0.6%, between 2020 and 2025.

The household sizes by tenure within the Site PMA, based on the 2020 estimates and 2025 projections, were distributed as follows:

| Persons Per Renter Household | 2020 (Estimated) | | 2025 (Projected) | | Change 2020-2025 | |
|------------------------------|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 10,081 | 28.4% | 10,155 | 28.4% | 74 | 0.7% |
| 2 Persons | 10,130 | 28.5% | 10,200 | 28.5% | 70 | 0.7% |
| 3 Persons | 6,252 | 17.6% | 6,287 | 17.6% | 35 | 0.6% |
| 4 Persons | 5,685 | 16.0% | 5,672 | 15.9% | -13 | -0.2% |
| 5 Persons+ | 3,375 | 9.5% | 3,415 | 9.6% | 40 | 1.2% |
| Total | 35,524 | 100.0% | 35,729 | 100.0% | 205 | 0.6% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

| Persons Per Owner Household | 2020 (Estimated) | | 2025 (Projected) | | Change 2020-2025 | |
|-----------------------------|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 13,953 | 18.7% | 14,525 | 18.8% | 573 | 4.1% |
| 2 Persons | 24,871 | 33.4% | 25,580 | 33.1% | 709 | 2.9% |
| 3 Persons | 14,635 | 19.6% | 15,176 | 19.6% | 541 | 3.7% |
| 4 Persons | 13,811 | 18.5% | 14,450 | 18.7% | 639 | 4.6% |
| 5 Persons+ | 7,304 | 9.8% | 7,504 | 9.7% | 201 | 2.7% |
| Total | 74,573 | 100.0% | 77,235 | 100.0% | 2,662 | 3.6% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

More than half (56.9%) of all renter households are one- and two-person households, a good indication of strong demand for smaller rental units within this market. Nonetheless, as approximately 43.0% of all renter households are three-person or larger, demand also exists for larger unit sizes such as three- and four-bedroom units.

3. INCOME TRENDS

The distribution of households by income within the Fairfax Site PMA is summarized as follows:

| Household Income | 2010 (Census) | | 2020 (Estimated) | | 2025 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$10,000 | 2,261 | 2.2% | 2,937 | 2.7% | 2,921 | 2.6% |
| \$10,000 to \$19,999 | 3,067 | 2.9% | 2,279 | 2.1% | 2,053 | 1.8% |
| \$20,000 to \$29,999 | 3,301 | 3.2% | 3,122 | 2.8% | 2,978 | 2.6% |
| \$30,000 to \$39,999 | 5,192 | 5.0% | 3,571 | 3.2% | 3,304 | 2.9% |
| \$40,000 to \$49,999 | 5,392 | 5.2% | 3,981 | 3.6% | 3,856 | 3.4% |
| \$50,000 to \$59,999 | 6,318 | 6.1% | 4,644 | 4.2% | 4,517 | 4.0% |
| \$60,000 to \$74,999 | 9,066 | 8.7% | 7,509 | 6.8% | 7,219 | 6.4% |
| \$75,000 to \$99,999 | 14,187 | 13.6% | 12,974 | 11.8% | 13,005 | 11.5% |
| \$100,000 to \$124,999 | 14,038 | 13.5% | 13,609 | 12.4% | 13,812 | 12.2% |
| \$125,000 to \$149,999 | 11,296 | 10.8% | 11,793 | 10.7% | 12,084 | 10.7% |
| \$150,000 to \$199,999 | 14,785 | 14.2% | 17,712 | 16.1% | 19,182 | 17.0% |
| \$200,000 & Over | 15,285 | 14.7% | 25,967 | 23.6% | 28,034 | 24.8% |
| Total | 104,188 | 100.0% | 110,097 | 100.0% | 112,964 | 100.0% |
| Median Income | \$105,895 | | \$125,899 | | \$130,831 | |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$105,895. This increased by 18.9% to \$125,899 in 2020. By 2025, it is projected that the median household income will be \$130,831, an increase of 3.9% over 2020.

The following tables illustrate renter household income by household size for 2010, 2020 and 2025 for the Fairfax Site PMA:

| Renter Households | 2010 (Census) | | | | | |
|------------------------|---------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 448 | 389 | 242 | 228 | 129 | 1,436 |
| \$10,000 to \$19,999 | 554 | 445 | 276 | 261 | 148 | 1,684 |
| \$20,000 to \$29,999 | 495 | 437 | 271 | 256 | 145 | 1,605 |
| \$30,000 to \$39,999 | 696 | 692 | 430 | 406 | 230 | 2,453 |
| \$40,000 to \$49,999 | 677 | 672 | 418 | 395 | 223 | 2,385 |
| \$50,000 to \$59,999 | 685 | 713 | 443 | 419 | 237 | 2,497 |
| \$60,000 to \$74,999 | 991 | 1,020 | 634 | 599 | 339 | 3,582 |
| \$75,000 to \$99,999 | 1,339 | 1,413 | 878 | 830 | 469 | 4,929 |
| \$100,000 to \$124,999 | 836 | 891 | 554 | 523 | 296 | 3,100 |
| \$125,000 to \$149,999 | 673 | 717 | 445 | 421 | 238 | 2,494 |
| \$150,000 to \$199,999 | 414 | 444 | 276 | 261 | 147 | 1,542 |
| \$200,000 & Over | 431 | 458 | 284 | 269 | 152 | 1,594 |
| Total | 8,239 | 8,292 | 5,151 | 4,867 | 2,751 | 29,301 |

Source: ESRI; Urban Decision Group

| Renter Households | 2020 (Estimated) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 637 | 523 | 323 | 294 | 174 | 1,951 |
| \$10,000 to \$19,999 | 503 | 352 | 217 | 198 | 117 | 1,386 |
| \$20,000 to \$29,999 | 538 | 472 | 291 | 265 | 157 | 1,725 |
| \$30,000 to \$39,999 | 572 | 509 | 314 | 286 | 170 | 1,850 |
| \$40,000 to \$49,999 | 553 | 552 | 341 | 310 | 184 | 1,940 |
| \$50,000 to \$59,999 | 731 | 611 | 377 | 343 | 204 | 2,266 |
| \$60,000 to \$74,999 | 1,135 | 1,007 | 622 | 565 | 336 | 3,665 |
| \$75,000 to \$99,999 | 1,590 | 1,715 | 1,059 | 963 | 572 | 5,898 |
| \$100,000 to \$124,999 | 1,079 | 1,243 | 767 | 698 | 414 | 4,202 |
| \$125,000 to \$149,999 | 947 | 1,073 | 662 | 602 | 357 | 3,642 |
| \$150,000 to \$199,999 | 716 | 845 | 521 | 474 | 282 | 2,838 |
| \$200,000 & Over | 1,080 | 1,227 | 757 | 688 | 409 | 4,161 |
| Total | 10,081 | 10,130 | 6,252 | 5,685 | 3,375 | 35,524 |

Source: ESRI; Urban Decision Group

| Renter Households | 2025 (Projected) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 610 | 488 | 301 | 271 | 163 | 1,834 |
| \$10,000 to \$19,999 | 451 | 298 | 183 | 165 | 100 | 1,197 |
| \$20,000 to \$29,999 | 501 | 428 | 264 | 238 | 143 | 1,573 |
| \$30,000 to \$39,999 | 519 | 433 | 267 | 241 | 145 | 1,604 |
| \$40,000 to \$49,999 | 499 | 502 | 309 | 279 | 168 | 1,757 |
| \$50,000 to \$59,999 | 738 | 574 | 354 | 319 | 192 | 2,178 |
| \$60,000 to \$74,999 | 1,088 | 954 | 588 | 531 | 320 | 3,481 |
| \$75,000 to \$99,999 | 1,612 | 1,739 | 1,072 | 967 | 582 | 5,971 |
| \$100,000 to \$124,999 | 1,107 | 1,296 | 799 | 721 | 434 | 4,356 |
| \$125,000 to \$149,999 | 993 | 1,124 | 693 | 625 | 376 | 3,811 |
| \$150,000 to \$199,999 | 808 | 969 | 597 | 539 | 324 | 3,237 |
| \$200,000 & Over | 1,229 | 1,396 | 861 | 777 | 467 | 4,731 |
| Total | 10,155 | 10,200 | 6,287 | 5,672 | 3,415 | 35,729 |

Source: ESRI; Urban Decision Group

Demographic Summary

Demographic growth is projected for the Fairfax Site PMA between 2020 and 2025, both in terms of population and household growth. This is a trend which has been ongoing since 2000. With the exception of the 45 to 64 age group, household growth will occur among all age cohorts, demonstrating ongoing demand for both family- and senior-oriented housing alternatives. Renter households comprise nearly one-third (32.3%) of the overall household base and are projected to increase by 205 households, or 0.6% between 2020 and 2025. More than 35,000 renter households are projected for the market through 2025. Nearly 40.0% of all renter households are projected to earn less than \$75,000 in 2025. The preceding factors and additional demographic data contained in this report are good indications of ongoing demand for affordable rental product such as that proposed for the subject site.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

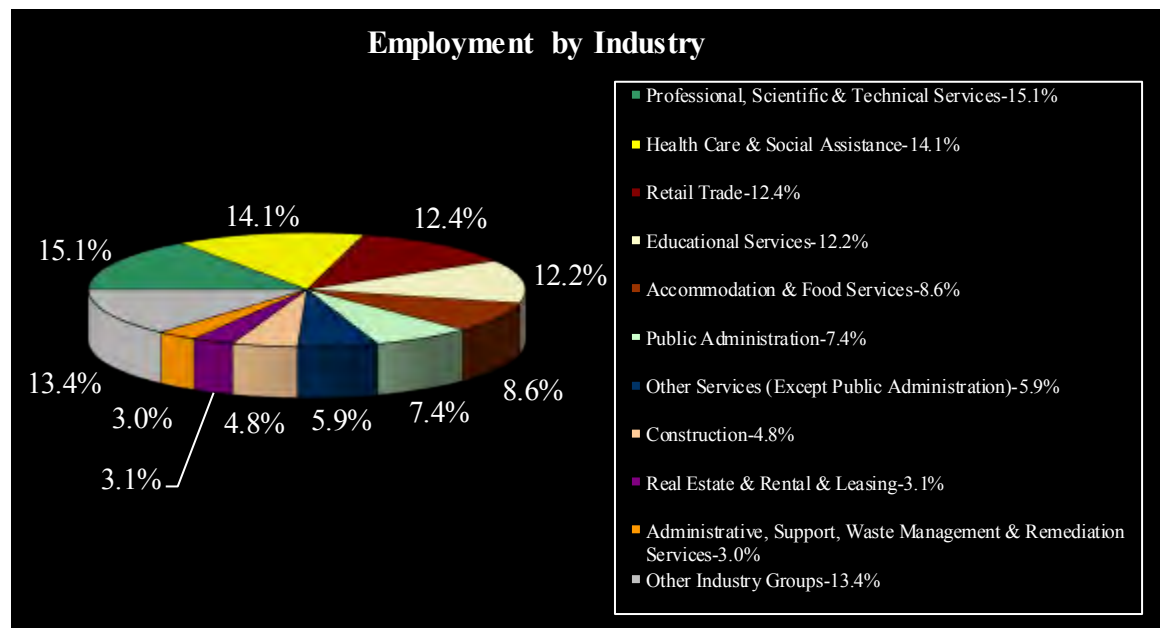
The labor force within the Fairfax Site PMA is based primarily in four sectors. Professional, Scientific & Technical Services (which comprises 15.1%), Health Care & Social Assistance, Retail Trade and Educational Services comprise nearly 54% of the Site PMA labor force. Employment in the Fairfax Site PMA, as of 2020, was distributed as follows:

| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|----------------|---------------|----------------|---------------|-------------|
| Agriculture, Forestry, Fishing & Hunting | 8 | 0.1% | 25 | 0.0% | 3.1 |
| Mining | 3 | 0.0% | 10 | 0.0% | 3.3 |
| Utilities | 3 | 0.0% | 19 | 0.0% | 6.3 |
| Construction | 745 | 6.6% | 8,004 | 4.8% | 10.7 |
| Manufacturing | 205 | 1.8% | 3,422 | 2.1% | 16.7 |
| Wholesale Trade | 178 | 1.6% | 2,555 | 1.5% | 14.4 |
| Retail Trade | 1,170 | 10.4% | 20,553 | 12.4% | 17.6 |
| Transportation & Warehousing | 117 | 1.0% | 2,228 | 1.3% | 19.0 |
| Information | 315 | 2.8% | 4,637 | 2.8% | 14.7 |
| Finance & Insurance | 598 | 5.3% | 4,608 | 2.8% | 7.7 |
| Real Estate & Rental & Leasing | 518 | 4.6% | 5,108 | 3.1% | 9.9 |
| Professional, Scientific & Technical Services | 1,635 | 14.6% | 25,076 | 15.1% | 15.3 |
| Management of Companies & Enterprises | 13 | 0.1% | 129 | 0.1% | 9.9 |
| Administrative, Support, Waste Management & Remediation Services | 450 | 4.0% | 4,943 | 3.0% | 11.0 |
| Educational Services | 356 | 3.2% | 20,179 | 12.2% | 56.7 |
| Health Care & Social Assistance | 1,250 | 11.1% | 23,366 | 14.1% | 18.7 |
| Arts, Entertainment & Recreation | 209 | 1.9% | 2,654 | 1.6% | 12.7 |
| Accommodation & Food Services | 785 | 7.0% | 14,239 | 8.6% | 18.1 |
| Other Services (Except Public Administration) | 1,261 | 11.2% | 9,795 | 5.9% | 7.8 |
| Public Administration | 248 | 2.2% | 12,237 | 7.4% | 49.3 |
| Nonclassifiable | 1,166 | 10.4% | 1,953 | 1.2% | 1.7 |
| Total | 11,233 | 100.0% | 165,740 | 100.0% | 14.8 |

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Washington-Arlington-Alexandria Metropolitan Statistical Area (MSA) are compared with those of Virginia in the following table:

| Typical Wage by Occupation Type | | |
|--|-------------------------------------|-----------|
| Occupation Type | Washington-Arlington-Alexandria MSA | Virginia |
| Management Occupations | \$149,960 | \$140,300 |
| Business and Financial Occupations | \$94,770 | \$85,110 |
| Computer and Mathematical Occupations | \$107,760 | \$102,430 |
| Architecture and Engineering Occupations | \$104,620 | \$90,700 |
| Community and Social Service Occupations | \$60,840 | \$50,570 |
| Art, Design, Entertainment and Sports Medicine Occupations | \$81,620 | \$59,950 |
| Healthcare Practitioners and Technical Occupations | \$96,330 | \$81,840 |
| Healthcare Support Occupations | \$35,220 | \$32,680 |
| Protective Service Occupations | \$59,210 | \$47,880 |
| Food Preparation and Serving Related Occupations | \$29,120 | \$24,280 |
| Building and Grounds Cleaning and Maintenance Occupations | \$32,410 | \$28,060 |
| Personal Care and Service Occupations | \$31,570 | \$27,580 |
| Sales and Related Occupations | \$46,230 | \$41,140 |
| Office and Administrative Support Occupations | \$45,670 | \$39,030 |
| Construction and Extraction Occupations | \$51,820 | \$45,530 |
| Installation, Maintenance and Repair Occupations | \$56,200 | \$50,540 |
| Production Occupations | \$42,640 | \$38,390 |
| Transportation and Moving Occupations | \$42,780 | \$38,200 |

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

Most annual blue-collar salaries range from \$29,120 to \$81,620 within the Washington-Arlington-Alexandria MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$110,688. Most occupational types within the Washington-Arlington-Alexandria MSA have slightly higher typical wages than the state of Virginia's typical wages.

The ten largest employers within the *City of Fairfax* comprise a total of 2,746 employees and are summarized as follows:

| Employer Name | Business Type | Total Employed |
|-------------------------------|--------------------------|----------------|
| City of Fairfax | Government | 406 |
| The Wackenhut Corporation | Security Guard Service | 399 |
| Ted Britt Ford Sales | Automotive Dealer | 389 |
| Zeta Associates | Software Company | 280 |
| Fairfax Nursing Center | Healthcare | 266 |
| Catholic Diocese of Arlington | Religious Organization | 252 |
| Inova Health System | Healthcare | 238 |
| Inova VNA Home Care | Healthcare | 224 |
| Dominion Virginia Power | Electric Utility Company | 146 |
| Fairfax Volkswagen, Honda | Automotive Dealer | 146 |
| Total | | 2,746 |

Source: Virginia Employment Commission & City of Fairfax Staff (November 2018)

According to a representative with the City of Fairfax Economic Development, the City of Fairfax economy is improving. The following are summaries of some notable economic development activity within the City of Fairfax.

- Scout on the Circle located at 9500 Fairfax Boulevard in Fairfax is a currently under construction mixed-use development. The developer, Combined Properties, is constructing 400 market-rate units. Six percent of the units will be affordable. The property will also consist of 29,000 square feet of small-shop retail and 54,000 square feet for a grocer. Pre-leasing is to begin during the first quarter of 2020. Estimated completion is sometime during the third quarter of 2020.

- Moxley (also known as Fairfield at Gateway) located at 11101 and 11091 Fairfax Boulevard and 11160 Lee Highway in Fairfax is a currently under construction mixed-use development. The developer, Fairfield Residential, is constructing 403 residential units, 24 of which will be affordable housing. The affordable units are not expected to operate under the LIHTC program. The property will also consist of 21,249 square feet of commercial space. Court-Appointed Special Advocates (CASA), a non-profit, will occupy 4,000 square feet of office space, and the other 17,249 square feet will be for a restaurant, retail and office space. Estimated completion is anticipated for 2021.
- Point 50, located at 10334 Fairfax Boulevard in Fairfax is a currently under construction shopping center. The developer, Regency Centers, is demolishing and redeveloping the existing 75,000 square-foot Fairfax Shopping Center into 48,000 square feet of commercial space. Whole Foods 365 grocery will occupy 30,000 square feet with the remaining 18,000 square feet to be for retail and restaurants.
- Paul VI, located at 10675 Fairfax Boulevard and 10600 and 10606 Cedar Avenue in Fairfax is currently a planned mixed-use development. The developer, IDI Group Companies, plans to redevelop the Paul VI High School site. The redevelopment will have 20,000 square feet of commercial retail space and 24,000 square feet of commercial office space. The property will also consist of 266 for-sale residential units which will include 115 townhomes, seven (7) single family homes, and 144 condominiums. Construction is expected to start this year (2020), if the project is approved.
- Boulevard Marketplace, located at 10120 Fairfax Boulevard in Fairfax is currently a planned development. The developer, JDC Boulevard, LLC, plans to replace a 3,500 square-foot bank with 5,100 square feet of general retail space. City council approved the project in 2017 though the site plan is still under review.
- Warwick Zamin, located at 10540 Warwick Avenue in Fairfax is currently a planned development. The developer, Reza Tahbaz, plans to redevelop the existing building into a 3,000 square-foot office building.

The ten largest employers within the *Fairfax County* area are summarized in the following table:

| Employer Name | Business Type | Total Employed |
|-------------------------------|--------------------------------|----------------|
| Fairfax County Public Schools | Education | 24,715 |
| Federal Government | Government | 24,080 |
| Fairfax County Government | Government | 12,552 |
| Inova Health System | Healthcare | 7,000-10,000 |
| George Mason University | Education | 5,000-9,999 |
| Booz-Allen Hamilton | Business Management Consultant | 5,000-9,999 |
| Federal Home Loan Mortgage | Real Estate Agency | 5,000-9,999 |
| Capital One | Bank | 5,000-9,999 |
| General Dynamics | Manufacturer | 5,000-9,999 |
| Northrop Grumman | Aerospace Company | 2,500-4,999 |

Source: County of Fairfax, Virginia – Comprehensive Annual Financial Plan (2018)

According to a representative with the Fairfax County Economic Development Authority, the Fairfax County economy is improving. The following are summaries of some notable economic development activity within Fairfax County.

- Capital One, now located at 1680 Capital One Drive in McLean at Tysons Corner in Fairfax County is currently expanding in phases. Phase I, Capital One’s new headquarters is approximately 940,500 square feet of office space and 25,000 square feet of retail space that opened in December 2018. Phase II will consist of an 80,000 square-foot Wegmans grocery store, two restaurants (Davio’s and an upscale Northern Italian restaurant), a corporate hotel, and 125,000 square-foot mixed-use Capital One Center which will include a 1,500-seat auditorium, 300-seat multi-use room, classrooms, and a large outdoor terrace. Wegmans is expected to open in late summer 2020 and the hotel, Capital One Center, Davio’s and retail is expected to open the second half of 2021. Phase III will consist of approximately 850,000 square feet of office space and 36,000 square feet of retail space. Completion is expected in the first quarter of 2023.
- Refraction, located in the Reston Town Center, announced in November 2018 plans for expansion. The company plans to invest \$1 million to move into around 25,000 square feet of office space and launch a new program called the apprenticeship. The project is expected to create 800 jobs through 2023.

- Appian, a low-code and business process management platform provider, to be located in Valo Park in Fairfax County announced in April 2018 plans to expand. The company plans to invest \$28.4 million to move into a 785,000 square-foot multi-tenant campus. The project is expected to create 600 jobs through 2023.
- 1901 Group, a provider of IT services for the public and private sectors announced in November 2018 plans for expansion. The company plans to invest \$4 million to expand its corporate offices in Fairfax County and its operations center headquartered in Montgomery County. The project is expected to create 225 jobs in Fairfax County and 580 jobs in Montgomery County by 2021.
- Zantech IT Services, Inc announced in March 2019 plans to expand its corporate offices to the Tysons area. The company plans to invest \$317,853 and create 120 jobs.
- KPMG LLP, a tax and audit advisory firm, to be located at 8301 Greensboro Drive in McLean at the new Boro development is currently relocating its International Drive headquarters. The project was completed in fall 2019 and is expected to create 500 jobs through 2022.
- Excivity, a developer of custom software and hardware located at 14020 Thunderbolt Place, Suite 100 in Chantilly announced in July 2018 plans to expand. The company plans to invest approximately \$392,000 and lease an additional 7,000 square feet of office space creating 45 jobs.
- Virginia Tire & Auto located in Tysons Corner opened at the end of 2019, creating about 20 jobs.
- The Winery at Bull Run located at 15950 Lee Highway in Centerville announced in August 2018 plans to expand. The company invested \$1.7 million in new equipment and to construct an 8,000 square-foot production facility. The project created 38 jobs.
- College Board located at 11955 Democracy Drive in Reston Town Center in Fairfax County announced in May 2018 plans to lease an additional 74,000 square feet. The expansion created 120 jobs.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on February 26, 2020 and according to the Virginia Employment Commission there have been two WARN Notices reported for the City of Fairfax over the past 18 months. Below is a table summarizing these notices.

| WARN Notices | | | | |
|-------------------------|---------------------------------------|------|-------------|----------------|
| Company | Location | Jobs | Notice Date | Effective Date |
| MV Transportation, Inc | Fairfax | 186 | 04/30/2019 | 06/30/2019 |
| Advanced Digestive Care | Fairfax, Herndon, Sterling, Chantilly | 90 | 07/03/2018 | 09/01/2018 |

2. EMPLOYMENT TRENDS

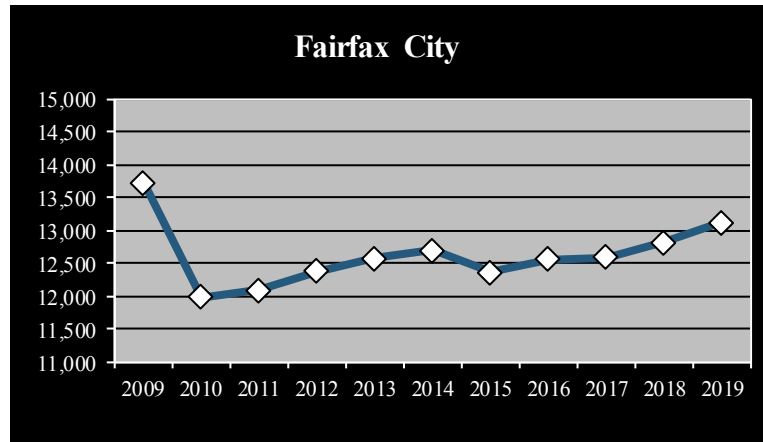
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

Excluding 2019, the employment base has increased by 1.0% over the past five years in Fairfax City, less than the Virginia state increase of 4.7%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for the City of Fairfax, the state of Virginia and the United States.

| Year | Total Employment | | | | | |
|------|------------------|----------------|--------------|----------------|---------------|----------------|
| | Fairfax City | | Virginia | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2009 | 13,722 | - | 3,842,516 | - | 140,696,560 | - |
| 2010 | 11,974 | -12.7% | 3,860,386 | 0.5% | 140,469,139 | -0.2% |
| 2011 | 12,087 | 0.9% | 3,934,326 | 1.9% | 141,791,255 | 0.9% |
| 2012 | 12,376 | 2.4% | 3,967,987 | 0.9% | 143,621,634 | 1.3% |
| 2013 | 12,563 | 1.5% | 3,995,182 | 0.7% | 145,017,562 | 1.0% |
| 2014 | 12,687 | 1.0% | 4,019,470 | 0.6% | 147,313,048 | 1.6% |
| 2015 | 12,349 | -2.7% | 4,028,801 | 0.2% | 149,564,649 | 1.5% |
| 2016 | 12,553 | 1.7% | 4,069,395 | 1.0% | 151,965,225 | 1.6% |
| 2017 | 12,580 | 0.2% | 4,151,746 | 2.0% | 154,271,036 | 1.5% |
| 2018 | 12,813 | 1.9% | 4,209,651 | 1.4% | 156,328,502 | 1.3% |
| 2019 | 13,112 | 2.3% | 4,289,132 | 1.9% | 158,521,046 | 1.4% |

Source: Department of Labor; Bureau of Labor Statistics

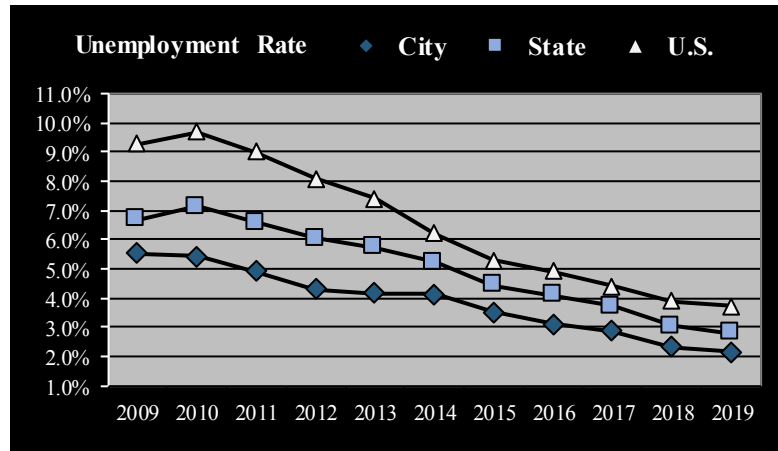


As the preceding illustrates, the City of Fairfax employment base has increased each year since 2015. Specifically, the employment base has increased by 763 jobs, or 6.2%, since 2015, through 2019. Employment growth within the City of Fairfax has generally outpaced that reported for the state of Virginia as a whole over the past several years.

Unemployment rates for the City of Fairfax, the state of Virginia and the United States are illustrated as follows:

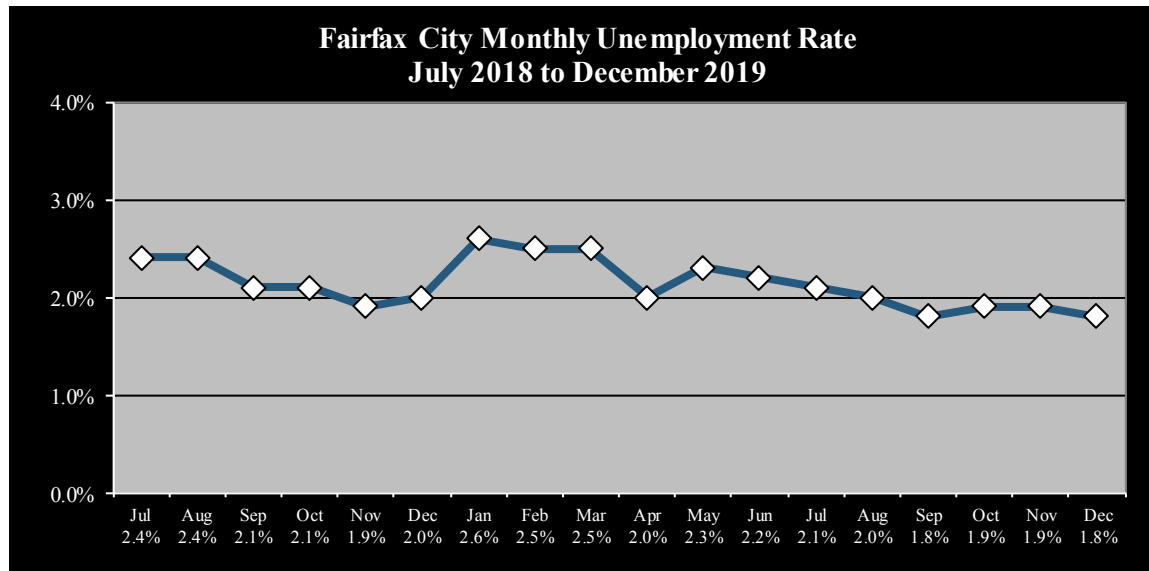
| Year | Unemployment Rate | | |
|------|-------------------|----------|---------------|
| | Fairfax City | Virginia | United States |
| 2009 | 5.5% | 6.7% | 9.3% |
| 2010 | 5.4% | 7.2% | 9.7% |
| 2011 | 4.9% | 6.6% | 9.0% |
| 2012 | 4.3% | 6.0% | 8.1% |
| 2013 | 4.2% | 5.7% | 7.4% |
| 2014 | 4.1% | 5.2% | 6.2% |
| 2015 | 3.5% | 4.4% | 5.3% |
| 2016 | 3.1% | 4.1% | 4.9% |
| 2017 | 2.9% | 3.7% | 4.4% |
| 2018 | 2.3% | 3.0% | 3.9% |
| 2019 | 2.1% | 2.8% | 3.7% |

Source: Department of Labor, Bureau of Labor Statistics



The unemployment rate in the City of Fairfax has declined each of the past ten years. Since 2009, the unemployment rate has declined by more than three full percentage points and has been consistently below both state and national averages.

The following table illustrates the monthly unemployment rate in the City of Fairfax for the most recent 18-month period for which data is currently available.



The monthly unemployment rate within the City of Fairfax has generally remained between 2.0% and 3.0% over the past 18-month period but has been below 2.0% since September of 2019.

In-place employment reflects the total number of jobs within the city/county regardless of the employee's city/county of residence. The following illustrates the total in-place employment base for the City of Fairfax.

| In-Place Employment Fairfax City | | | |
|----------------------------------|------------|--------|----------------|
| Year | Employment | Change | Percent Change |
| 2009 | 20,088 | - | - |
| 2010 | 19,877 | -211 | -1.1% |
| 2011 | 19,509 | -368 | -1.9% |
| 2012 | 19,731 | 222 | 1.1% |
| 2013 | 19,490 | -241 | -1.2% |
| 2014 | 19,664 | 174 | 0.9% |
| 2015 | 19,567 | -97 | -0.5% |
| 2016 | 19,227 | -340 | -1.7% |
| 2017 | 19,200 | -27 | -0.1% |
| 2018 | 19,714 | 514 | 2.7% |
| 2019* | 19,770 | 56 | 0.3% |

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in the City of Fairfax to be 153.9% of the total City of Fairfax employment. This means that the City of Fairfax has more employed persons coming to the city from other cities/counties for work (daytime employment) than those who both live and work there.

3. ECONOMIC FORECAST

The labor force within the Fairfax Site PMA is relatively well-balanced as no single industry segment represents more than 15.1% of the total labor force. The area also offers a good variety of occupations in terms of wage/salary, though it is of note that nearly one-third (33.2%) of the total labor force within the Site PMA is comprised within the Education Services, Retail Trade, and Accommodation & Food Services industries. Typically, these industry segments offer lower wage positions conducive to affordable housing alternatives such as that proposed for the subject site.

The economy within the City of Fairfax is considered strong and has shown signs of improvement within both total employment and unemployment rates over the past several years. Notably, the employment base has increased each year since 2015 and at a rate outpacing statewide averages during this time period. The unemployment rate within the city is also very low at 2.1% through the end of 2019, more than three full percentage points lower than that reported in 2009. Based on the preceding factors and considering the numerous announcements of new and/or expanding businesses within the Fairfax area, we expect the local economy will remain strong for the foreseeable future.

4. COMMUTING PATTERNS

Based on the American Community Survey (2013-2017), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

| Mode of Transportation | Workers Age 16+ | |
|------------------------|-----------------|---------|
| | Number | Percent |
| Drove Alone | 117,221 | 71.1% |
| Carpooled | 14,309 | 8.7% |
| Public Transit | 16,674 | 10.1% |
| Walked | 3,670 | 2.2% |
| Other Means | 2,589 | 1.6% |
| Worked at Home | 10,406 | 6.3% |
| Total | 164,869 | 100.0% |

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Over 71% of all workers drove alone, 8.7% carpooled and 10.1% used public transportation. Given the subject site serves low-income households and is within walking distance of a public bus stop, we anticipate a higher than normal share of site residents' use of public transportation.

Typical travel times to work for the Site PMA residents are illustrated as follows:

| Travel Time | Workers Age 16+ | |
|----------------------|-----------------|---------|
| | Number | Percent |
| Less Than 15 Minutes | 20,539 | 12.5% |
| 15 to 29 Minutes | 47,866 | 29.0% |
| 30 to 44 Minutes | 43,840 | 26.6% |
| 45 to 59 Minutes | 21,252 | 12.9% |
| 60 or More Minutes | 20,966 | 12.7% |
| Worked at Home | 10,406 | 6.3% |
| Total | 164,869 | 100.0% |

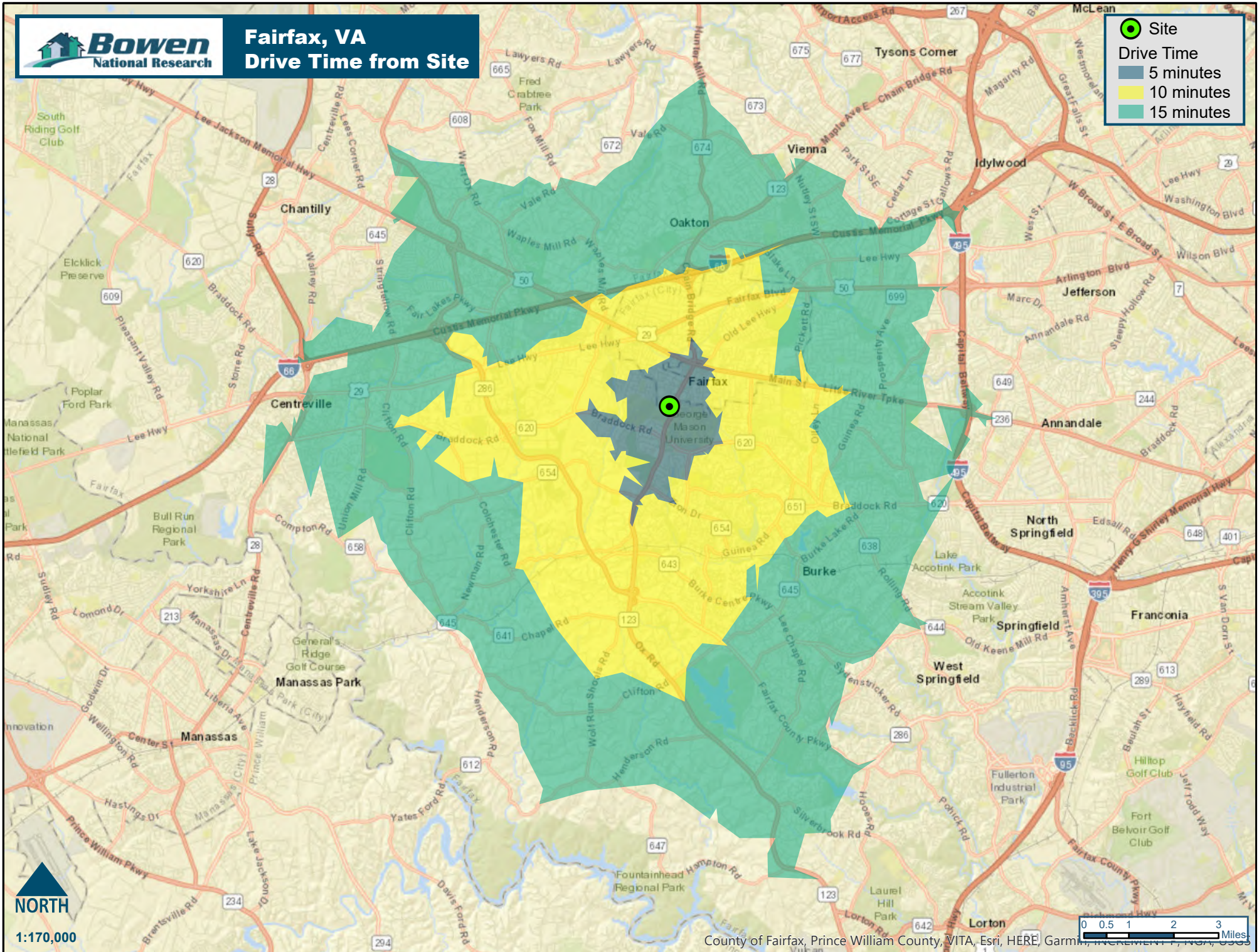
Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 30-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.



Fairfax, VA Drive Time from Site

● Site
Drive Time
■ 5 minutes
■ 10 minutes
■ 15 minutes



NORTH
1:170,000



V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Fairfax Site PMA in 2010 and 2019 (estimated) are summarized in the following table:

| Housing Status | 2010 (Census) | | 2019 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 104,188 | 96.4% | 109,524 | 96.8% |
| Owner-Occupied | 74,887 | 71.9% | 74,041 | 67.6% |
| Renter-Occupied | 29,301 | 28.1% | 35,483 | 32.4% |
| Vacant | 3,883 | 3.6% | 3,635 | 3.2% |
| Total | 108,071 | 100.0% | 113,159 | 100.0% |

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2019 update of the 2010 Census, of the 113,159 total housing units in the market, 3.2% were vacant. This is considered a low vacancy rate and is indicative of a well-performing housing market within the Fairfax Site PMA. Nonetheless, we have conducted a Phone Survey of Conventional Rentals to better determine the strength of the long-term rental housing market within the Fairfax Site PMA.

Conventional Apartments

We identified and telephone surveyed 17 conventional rental housing projects containing a total of 5,544 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.6%, a good rate for rental housing. Each rental housing segment surveyed is summarized in the following table.

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|----------------------------------|-------------------|-------------|--------------|----------------|
| Market-Rate | 13 | 5,020 | 135 | 97.3% |
| Tax Credit | 1 | 270 | 0 | 100.0% |
| Tax Credit/Government-Subsidized | 2 | 154 | 0 | 100.0% |
| Government-Subsidized | 1 | 100 | 0 | 100.0% |
| Total | 17 | 5,544 | 135 | 97.6% |

All rental housing segments surveyed are performing at a high level as each reports an overall occupancy rate of 97.3% or higher. Notably, the affordable (i.e. Tax Credit and/or government-subsidized) segments surveyed all report overall occupancy rates of 100.0%. This is a clear indication of strong demand for affordable rental product in this market.

The following table summarizes the breakdown of market-rate and non-subsidized Tax Credit units surveyed within the Site PMA.

| Market-Rate | | | | | | |
|----------------------------|-------|--------------|---------------|------------|-------------|-------------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Studio | 1.0 | 118 | 2.4% | 0 | 0.0% | \$1,945 |
| One-Bedroom | 1.0 | 1,834 | 36.5% | 54 | 2.9% | \$1,893 |
| One-Bedroom | 1.5 | 24 | 0.5% | 0 | 0.0% | \$2,026 |
| Two-Bedroom | 1.0 | 715 | 14.2% | 17 | 2.4% | \$2,054 |
| Two-Bedroom | 2.0 | 1,871 | 37.3% | 47 | 2.5% | \$2,346 |
| Two-Bedroom | 2.5 | 88 | 1.8% | 0 | 0.0% | \$3,000 |
| Three-Bedroom | 2.0 | 370 | 7.4% | 17 | 4.6% | \$2,756 |
| Total Market-Rate | | 5,020 | 100.0% | 135 | 2.7% | - |
| Tax Credit, Non-Subsidized | | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Studio | 1.0 | 11 | 3.5% | 0 | 0.0% | \$1,262 |
| One-Bedroom | 1.0 | 100 | 31.8% | 0 | 0.0% | \$1,371 |
| Two-Bedroom | 1.0 | 25 | 8.0% | 0 | 0.0% | \$1,384 |
| Two-Bedroom | 2.0 | 162 | 51.6% | 0 | 0.0% | \$1,633 |
| Three-Bedroom | 2.0 | 16 | 5.1% | 0 | 0.0% | \$1,861 |
| Total Tax Credit | | 314 | 100.0% | 0 | 0.0% | - |

The market-rate units are 97.3% occupied and the Tax Credit units are 100.0% occupied, indicative of strong demand for each type of non-subsidized rental product in this market. Also note the median gross Tax Credit rents which are significantly lower than the median gross rents reported for similar unrestricted market-rate units. These lower gross rents along with the 100.0% occupancy rate are good indications that non-subsidized Tax Credit product represents a significant value within the Fairfax Site PMA.

The following is a distribution of units surveyed by year built for the Site PMA:

| Year Built | Projects | Units | Vacancy Rate |
|--------------|----------|-------|--------------|
| Before 1970 | 1 | 502 | 4.4% |
| 1970 to 1979 | 2 | 288 | 1.7% |
| 1980 to 1989 | 2 | 804 | 3.1% |
| 1990 to 1999 | 4 | 1,486 | 3.9% |
| 2000 to 2009 | 2 | 734 | 1.4% |
| 2010 to 2014 | 3 | 1,250 | 1.2% |
| 2015 | 0 | 0 | 0.0% |
| 2016 | 1 | 270 | 0.0% |
| 2017 | 0 | 0 | 0.0% |
| 2018 | 0 | 0 | 0.0% |
| 2019 | 0 | 0 | 0.0% |
| 2020* | 0 | 0 | 0.0% |

*As of January

As the preceding illustrates, age of product does not appear to have a direct correlation to occupancy rates as rental product surveyed is highly occupied, regardless of age. Nonetheless, the newness of the subject project is expected to enhance its overall marketability within the Fairfax market.

We rated each property surveyed on a scale of "A" through "F". All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

| Market-Rate | | | |
|---------------------------|----------|-------------|--------------|
| Quality Rating | Projects | Total Units | Vacancy Rate |
| A | 1 | 440 | 1.1% |
| A- | 1 | 483 | 1.2% |
| B+ | 3 | 1,018 | 2.4% |
| B | 5 | 2,224 | 3.4% |
| B- | 3 | 855 | 2.9% |
| Non-Subsidized Tax Credit | | | |
| Quality Rating | Projects | Total Units | Vacancy Rate |
| B+ | 1 | 270 | 0.0% |
| B | 1 | 44 | 0.0% |

The non-subsidized Tax Credit properties surveyed are all of relatively good condition as indicated by the quality ratings assigned by our analyst. The subject project is expected to have an excellent quality finish upon completion which will enhance its marketability.

Government-Subsidized

The unit distribution of the government-subsidized projects surveyed within the Site PMA (both with and without Tax Credits) is summarized as follows.

| Subsidized Tax Credit | | | | | |
|------------------------------------|-------|------------|---------------|----------|-------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| One-Bedroom | 1.0 | 4 | 3.6% | 0 | 0.0% |
| Two-Bedroom | 1.0 | 56 | 50.9% | 0 | 0.0% |
| Three-Bedroom | 2.0 | 50 | 45.5% | 0 | 0.0% |
| Total Subsidized Tax Credit | | 110 | 100.0% | 0 | 0.0% |
| Government-Subsidized | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| One-Bedroom | 1.0 | 100 | 100.0% | 0 | 0.0% |
| Total Subsidized | | 100 | 100.0% | 0 | 0.0% |

The subsidized units, both with and without Tax Credits, are 100.0% occupied, demonstrating strong and likely pent-up demand for such product in the market. This is further indication of the ongoing demand for affordable rental product within the Fairfax Site PMA.

A complete survey of all conventional apartments we surveyed, as well as an apartment location map, is included in *Section XII, Phone Survey of Conventional Rentals*.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

The proposed subject project will offer studio through four-bedroom units targeting general-occupancy (family) households earning up to 30%, 40%, 50%, and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, the property will also offer some units which will operate with Project-Based Rental Assistance (PBRA) allowing tenants to pay up to 30% of their income towards housing costs. However, for the purpose of this Tax Credit analysis, we only select non-subsidized LIHTC properties as comparables for the subject property as they represent the most accurate comparison of non-subsidized LIHTC rents in the market.

Within the Fairfax Site PMA, we identified and surveyed two non-subsidized general-occupancy LIHTC properties which offer unit types similar to those proposed for the subject property. These properties are expected to compete with the subject project and have therefore been included in our comparable/competitive analysis.

Due to the limited supply of comparable LIHTC product within the Site PMA, we also identified and surveyed comparable product outside the Site PMA but within the immediately surrounding areas of Chantilly, Falls Church, and Springfield. While these properties won't be directly competitive with the subject project due to their location, they will provide a good additional base of comparison for the subject project and have thus been included in our comparable analysis.

The five comparable LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in *Section XI, Comparable Property Profiles*.

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|--|--------------------------|-------------|-----------|------------------|--------------|--|
| Site | One University Family | 2023 | 120 | - | - | - | Families; 30%, 40%, 50% & 60% AMHI & PBRA |
| 13 | Residences at Government Center I & II | 2016 | 270 | 100.0% | 4.9 Miles | 10 HH | Families; 50% & 60% AMHI |
| 16 | West Wood Oaks | 1972 | 54 | 100.0% | 1.0 Miles | None | Families; 50%, 60%, & 95% AMHI & Sec 8 |
| 901 | Coralain Gardens | 1964 / 2007 | 106 | 100.0% | 7.4 Miles | None | Families; 50% & 60% AMHI |
| 902 | Fields of Chantilly | 2001 | 360 | 98.9% | 10.7 Miles | None | Families; 60% AMHI |
| 903 | Springfield Crossing | 2001 | 347 | 100.0% | 11.5 Miles | None | Families; 60% AMHI |

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

HH - Households

The five LIHTC projects have a combined occupancy rate of 99.6%, which is reflective of just four (4) vacant units at Fields of Chantilly (Map ID 902). The four remaining properties are all 100.0% occupied, demonstrating strong and likely pent-up demand for family-oriented LIHTC product in the market and region. The subject project will help alleviate a portion of this pent-up demand.

The following table identifies the comparable LIHTC properties that accept Housing Choice Vouchers as well as the approximate number and share of units occupied by residents utilizing Housing Choice Vouchers:

| Map I.D. | Project Name | Total Units | Number of Vouchers | Share of Vouchers |
|----------|--|-------------|--------------------|-------------------|
| 13 | Residences at Government Center I & II | 270 | N/A | - |
| 16 | West Wood Oaks | 54 | 12 | 22.2% |
| 901 | Coralain Gardens | 106 | N/A | - |
| 902 | Fields of Chantilly | 360 | N/A | - |
| 903 | Springfield Crossing | 347 | N/A | - |
| Total | | 54 | 12 | 22.2% |

900 Series Map IDs are located outside the Site PMA

*Tax Credit units only

N/A – Number not available (units not included in total)

As the preceding table illustrates, only one property was able/willing to provide the share of voucher support they are currently receiving. Specifically, there are a total of approximately 12 voucher holders residing at the one comparable property for which this information was available. This comprises 22.2% of the 54 total LIHTC units offered at this property. This is considered a typical share of voucher support and is a good indication that LIHTC product in the area does not rely heavily on support from voucher holders. Based on the preceding analysis it can also be concluded that the gross rents at these properties are achievable and will serve as accurate benchmarks with which to compare the subject project.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | | | Rent Special |
|----------|--|---|---|--|---|------------------|--------------|
| | | Studio | One-Br. | Two-Br. | Three-Br. | Four-Br. | |
| Site | One University Family | \$1,275/60% (4) | \$682/30% (11)* \$1,138/50% (2) \$1,365/60% (3) | \$819/30% (11)* \$1,092/40% (5)* \$1,365/50% (7) \$1,638/60% (53) | \$946/30% (20)* | \$1,056/30% (4)* | - |
| 13 | Residences at Government Center I & II | \$1,049/50% (5/0) \$1,262/60% (6/0) | \$1,144/50% (32/0) \$1,371/60% (49/0) | \$1,360/50% (76/0) \$1,633/60% (86/0) | \$1,545/50% (6/0) \$1,861/60% (10/0) | - | None |
| 16 | West Wood Oaks | - | \$1,052/50% (4/0)* \$1,157/60% (16/0) \$1,961/95% (3/0) | \$1,287/50% (6/0)* \$1,384/60% (25/0) | - | - | None |
| 901 | Coralain Gardens | \$1,041/50% (15/0) \$1,254/60% (15/0) | \$1,129/50% (18/0) \$1,356/60% (18/0) | \$1,348/50% (20/0) \$1,621/60% (20/0) | - | - | None |
| 902 | Fields of Chantilly | - | - | \$1,593/60% (288/4) | \$1,797/60% (72/0) | - | None |
| 903 | Springfield Crossing | - | - | \$1,596- \$1,599/60% (331/0) | \$1,829/60% (16/0) | - | None |

*Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)
900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents are competitive with those reported among similar unit types at the comparable LIHTC properties surveyed. This will contribute to the subject's marketability within the Fairfax market, particularly when considering the newness and anticipated quality of the subject development relative to the existing comparable LIHTC product surveyed in the area.

It is also important to reiterate that 51 of the 120 subject units will operate with Project-Based Rental Assistance (PBRA) which will allow tenants of these units to pay up to only 30% of their income towards rent. This will further ensure the subject property represents a value and is marketable within the Fairfax Site PMA.

Additionally, one of the comparable LIHTC properties located in the Site PMA, West Wood Oaks (Map ID 16) reported a rent increase of 5% over the past year. This is a further indication of the strength of the LIHTC rental market within the Fairfax area, particularly when considering the strong occupancy rate maintained at this property following this rent increase.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market and region are compared with the subject development in the following tables:

| Map I.D. | Project Name | Square Footage | | | | |
|-------------|--|----------------|------------|-------------|---------------|--------------|
| | | Studio | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| Site | One University Family | 550 | 600 | 950 | 1,075 | 1,300 |
| 13 | Residences at Government Center I & II | 541 - 581 | 648 - 717 | 857 - 1,010 | 1,169 - 1,200 | - |
| 16 | West Wood Oaks | - | 690 - 805 | 805 | - | - |
| 901 | Coralain Gardens | 500 | 650 | 750 | - | - |
| 902 | Fields of Chantilly | - | - | 944 - 1,052 | 1,237 | - |
| 903 | Springfield Crossing | - | - | 978 - 1,100 | 1,288 | - |

900 Series Map IDs are located outside the Site PMA

| Map I.D. | Project Name | Number of Baths | | | | |
|-------------|--|-----------------|------------|------------|------------|------------|
| | | Studio | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| Site | One University Family | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 |
| 13 | Residences at Government Center I & II | 1.0 | 1.0 | 2.0 | 2.0 | - |
| 16 | West Wood Oaks | - | 1.0 | 1.0 | - | - |
| 901 | Coralain Gardens | 1.0 | 1.0 | 1.0 | - | - |
| 902 | Fields of Chantilly | - | - | 1.0 - 2.0 | 2.0 | - |
| 903 | Springfield Crossing | - | - | 1.0 - 2.0 | 2.0 | - |

900 Series Map IDs are located outside the Site PMA

The proposed development will be competitive with the existing LIHTC projects in the market and region based on unit size (square footage) and the number of baths offered.

The following tables compare the appliances and the unit and project amenities of the subject site with existing Tax Credit properties in the market and region.

| Tax Credit Unit Amenities by Map ID | | | | | | | |
|-------------------------------------|-------------------------|--------|----|-----|-----|-----|---|
| | Site** | 13 | 16 | 901 | 902 | 903 | |
| Appliances | Dishwasher | X | X | X | X | X | X |
| | Disposal | X | X | X | X | X | X |
| | Icemaker | X | X | | | | |
| | Microwave | | | | | | |
| | Range | X | X | X | X | X | X |
| | Refrigerator | X | X | X | X | X | X |
| | No Appliances | | | | | | |
| Unit Amenities | AC-Central | X | X | X | X | X | X |
| | AC-Other | | | | | | |
| | Balcony | X | | X | X | X | X |
| | Deck / Patio | X | | X | X | X | X |
| | Basement | | | | | | |
| | Ceiling Fan | X | S | | | | S |
| | Controlled Access | X | X | X | | | |
| | E-Call System | X | | | | | |
| | Fireplace | | | | | S | S |
| | Furnished | | | | | | |
| | Security System | | | | | | |
| | Sunroom | | | | | | |
| | W/D Hookup | | | | | | X |
| | W/D | X | X | S | | X | O |
| | Walk-In Closet | X | | | | | |
| | Window Treatments | X | X | X | X | X | X |
| | Flooring | Carpet | X | X | | X | X |
| Ceramic Tile | | X | X | | | | |
| Composite (VCT)(LVT) | | X | | | | | |
| Hardwood | | | | X | | | |
| Finished Concrete | | | | | | | |
| Vinyl | | | | | | X | |
| Wood Laminate / Plank | | X | X | | | | X |
| Upgraded | Premium Appliances | | | | | | |
| | Premium Countertops | | | | | | |
| | Premium Cabinetry | | | | | | |
| | Premium Fixtures | | | | | | |
| | High Ceilings | | | | | | |
| | Vaulted Ceilings | | | | | | |
| | Crown Molding | | | | | | |
| | Oversized Windows | | | | | | |
| Parking | Attached Garage | | | | | | |
| | Detached Garage | | | | | | |
| | Surface Lot | | | X | X | X | X |
| | Carport | | | | | | |
| | Property Parking Garage | X | X | | | | X |
| | Podium Parking | | | | | | |
| | No Provided Parking | | | | | | |

** Proposed Site(s): One University Family

X = All Units, S = Some Units, O = Optional with Fee

* Details in Comparable Property Profile Report

Tax Credit Property Amenities by Map ID

| | Site** | 13 | 16 | 901 | 902 | 903 | |
|------------------------|-------------------------|----|----|-----|-----|-----|---|
| Bike Racks / Storage | X | X | | | | | |
| Business Center * | X | | | | X | X | |
| Car Care * | X | | | | | | |
| Common Patio | X | | | | | | |
| Community Garden | | | | | | | |
| Community Space | Activity / Craft Room | | | | | | |
| | Chapel | | | | | | |
| | Clubhouse | | | | X | X | |
| | Conference Room | | | | | | |
| | Community Kitchen | | | | | | |
| | Community Room | X | | | | | |
| | Dining Room - Private | | | | | | |
| | Dining Room - Public | | | | | | |
| | Rooftop Lounge | | | | | | |
| | Study Lounge | | | | | | |
| | TV Lounge | | X | | | | |
| | Concierge Service * | X | | | | | |
| | Convenience Amenities * | | | | | | |
| Courtyard | X | X | | | | | |
| Covered Outdoor Area * | | | | | | | |
| Elevator | X | X | | | S | | |
| Laundry Room | X | | X | X | | | |
| Meals | | | | | | | |
| On-Site Management | X | X | X | X | X | X | |
| Pet Care * | X | X | | X | | | |
| Recreation | Basketball | | | | X | | |
| | Bocce Ball | | | | | | |
| | Firepit | | | | | | |
| | Fitness Center | X | X | | X | X | |
| | Grill | X | X | X | X | | |
| | Game Room - Billiards | X | X | | | | |
| | Hiking - Walking Trail | X | | | | | |
| | Hot Tub | | | | | | |
| | Library | | | | | | |
| | Media Room / Theater | | | | | | |
| | Picnic Table / Area | X | X | X | X | | |
| | Playground | X | X | | X | X | |
| | Putting Green | | | | | | |
| | Racquetball | | | | | | |
| | Shuffleboard | | | | | | |
| | Sports Court | | | | | | |
| | Swimming Pool - Indoor | | | | | | |
| | Swimming Pool - Outdoor | | X | | X | X | X |
| | Tennis | | | | | | |
| Volleyball | | | | | | | |
| Security | CCTV | X | | | | | |
| | Courtesy Officer | | | | | | |
| | Gated Community | | | | | | |
| | Gated Parking | X | | | | | |
| | Police Substation | | | | | | |
| | Social Services * | | | | | | |
| | Storage - Extra | O | O | | | | |
| | Water Feature | | | | | | |
| WiFi | X | | | | | | |

** Proposed Site(s): One University Family

X = All Units, S = Some Units, O = Optional with Fee

* Details in Comparable Property Profile Report

The subject's proposed amenity package is comprehensive and superior to those offered among the comparable LIHTC properties surveyed. Notably, the inclusion of premium features such as but not limited to in-unit washer/dryer appliances, computer center, car charging station, TV lounge, firepit area, fitness center, pet stations, and game/billiards room, is expected to enhance marketability of the property and will likely create a competitive advantage for the property. The subject project does not appear to lack any amenities that would adversely impact its marketability within the Fairfax market.

Comparable/Competitive Tax Credit Summary

A relatively limited supply of comparable/competitive LIHTC product was identified within the Fairfax Site PMA, as only two such properties were surveyed. Thus, three additional comparable properties were surveyed outside the Site PMA in the surrounding areas. All five properties surveyed currently report occupancy rates of 98.9% or higher, with four of the five reporting at 100.0% occupancy. Thus, there is clearly strong demand for such product in the market and surrounding region.

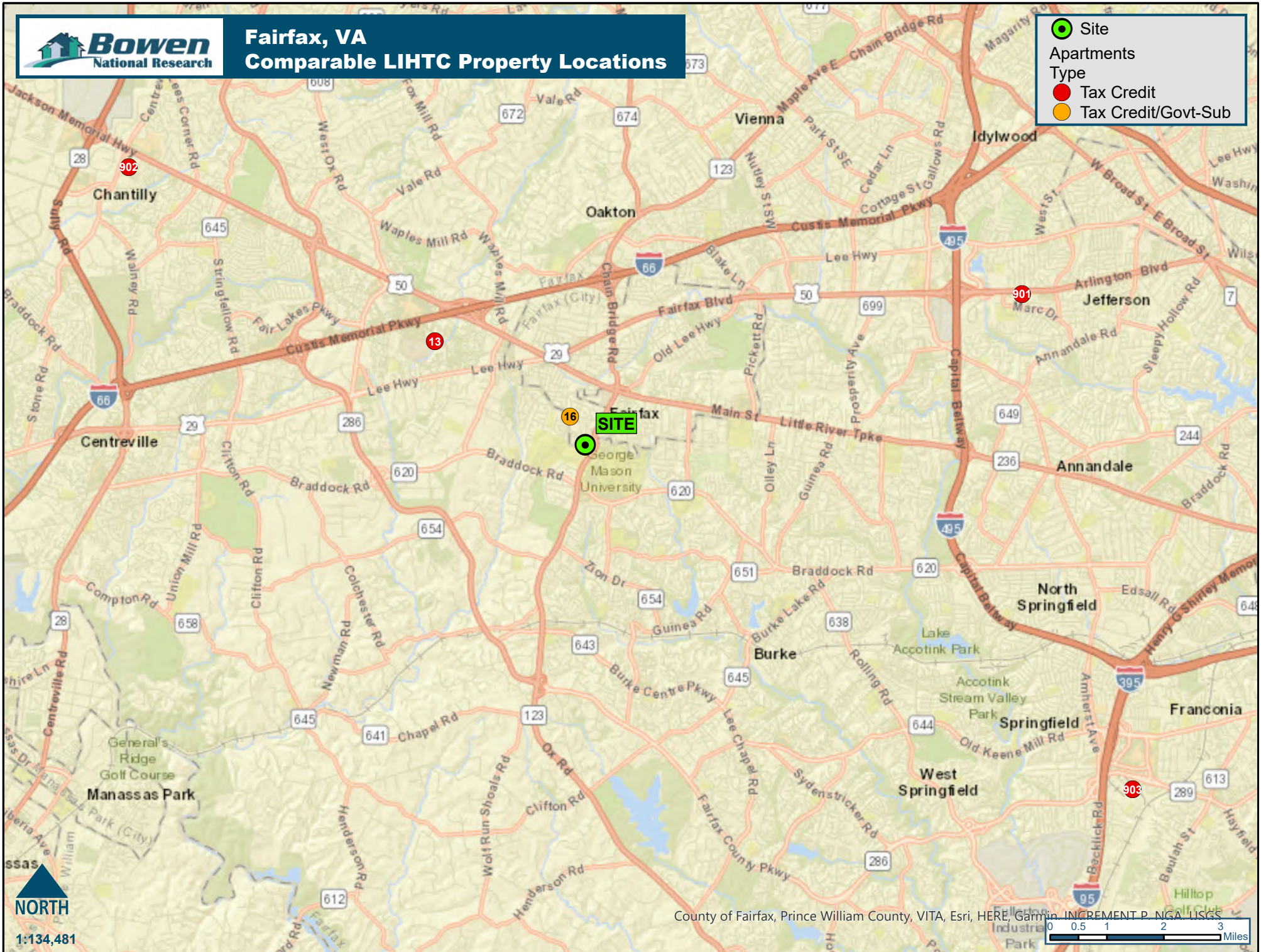
The subject property will be very competitive with existing product, both in terms of price point (gross rent) and overall design (unit square footage and number of bathrooms). The property will also feature a robust unit and community amenity package which is expected to create a competitive advantage for the property. Overall, the subject property is considered marketable as proposed and is not expected to have any adverse impact on future occupancy rates among existing comparable LIHTC product given the strong demand for such product in this market.

A map depicting the location of the comparable LIHTC projects in relation to the subject project is included on the following page.



Fairfax, VA Comparable LIHTC Property Locations

- Site
- Apartments Type
- Tax Credit
- Tax Credit/Govt-Sub



NORTH

1:134,481

County of Fairfax, Prince William County, VITA, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



C. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with planning representatives and extensive online research, it was determined that there are six rental housing projects planned or under construction within the Site PMA. These developments are summarized as follows:

- Scout on the Circle located at 9500 Fairfax Boulevard in Fairfax is a currently under construction mixed-use development. The developer, Combined Properties, is constructing 400 market-rate units consisting of 133 studio units at 445 square feet, 134 one-bedroom units at 703 square feet, and 133 two-bedroom units at 1,003 square feet. Six percent of the units will be affordable. The affordable units are not expected to operate under the LIHTC program. Units will have premium appliances, full-size washers and dryers, large walk-in closets and a private outdoor terrace or balconies for select units. There also will be a swimming pool, outdoor courtyards, grills, fire pits, café, fitness center, business center, billiards room, shuffleboard, outdoor ping pong table, and dog parks. The property will also consist of 29,000 square feet of small-shop retail and 54,000 square feet for a grocer. Pre-leasing is to begin during the first quarter of 2020. Estimated completion is third quarter of 2020.
- Moxley (also known as Fairfield at Gateway) located at 11101 and 11091 Fairfax Boulevard and 11160 Lee Highway in Fairfax is a currently under construction mixed-use development. The developer, Fairfield Residential, is constructing 403 residential units consisting of 43 studio units, 179 one-bedroom units, 169 two-bedroom units, and 12 three-bedroom units; 24 of these units will be affordable housing. The affordable units are not expected to operate under the LIHTC program. There also will be a swimming pool and dog park. The property will also consist of 21,249 square feet of commercial space. Court-Appointed Special Advocates (CASA), a non-profit, will occupy 4,000 square feet of office space, and the other 17,249 square feet will be for restaurant, retail and office space. Estimated completion is 2021.
- Scholar Yard (also known as Capstone Collegiate), to be located at 3807 University Drive in Fairfax, is a planned development. The developer, Capstone Collegiate Communities, LLC, plans to replace an existing office park to construct 275 market-rate units of off-campus student housing consisting of one-, two-, and four-bedroom fully furnished units providing housing for up to 825 students. The property will also include 737 parking spaces, of which 680 will be in a parking garage and 57 spaces will be on-street. City Council approved the comprehensive plan in December 2018. Estimated completion is July 2021.

- Breezeway Redevelopment, to be located along Fairfax Boulevard, Walnut, Cedar, and Oak Avenue in Fairfax is a currently proposed community. The developer, Pulte Homes, plans to redevelop the existing Breezeway Motel with 50 rooms, Fairfax Gardens Apartments with 38 units, and four single family homes into 74 townhomes which will include eight Live/Work units. As of February 2020, the application is still under review.
- Layton Hall Apartments, located at 10320 Layton Hall Drive in Fairfax, is an existing 110-unit community. Courtland Homes plans to redevelop and replace the current units with 360 market-rate units. Plans were approved in 2012, though no construction has ever taken place.
- One University is a planned 10-acre property located adjacent to the campus of George Mason University in Fairfax. The senior portion of the project will include 120 affordable, independent housing units, while the family portion (subject site) will include 120 affordable multifamily units. The property will also include 333 student housing units. Demolition of the current property is expected to start in summer 2021. Estimated completion is late 2023.

Considering the unit types to be offered and target populations of rental product currently in the development pipeline, we do not anticipate any direct competitive overlap with the proposed subject development. Thus, these properties have not been considered in our demand estimates included in *Section VII*.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

The anticipated occupancy rates of the existing comparable/competitive Tax Credit developments in the Site PMA during the first year of occupancy at the subject project are as follows:

| Map I.D. | Project | Current Occupancy Rate | Anticipated Occupancy Rate Through 2023 |
|----------|--|------------------------|---|
| 13 | Residences at Government Center I & II | 100.0% | 95.0% + |
| 16 | West Wood Oaks | 100.0% | 95.0% + |

The two comparable LIHTC properties surveyed in the Site PMA both report strong occupancy rates of 100.0%. Given the strong occupancy rates reported among these properties, as well as the comparable product surveyed outside the Site PMA, there is clearly pent-up demand for additional LIHTC product in this market. Further, our demand estimates included in *Section VII* demonstrate significant demand for LIHTC product similar to that proposed for the subject site and offered among the existing LIHTC properties surveyed. Based on the preceding factors, we do not anticipate the development of the subject project having any adverse impact on future occupancy rates among the existing comparable LIHTC product in the market. In fact, we expect the subject project will help alleviate a portion of the pent-up demand for affordable LIHTC product within the Fairfax Site PMA.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value within the Site PMA was \$564,918. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$564,918 home is \$3,399, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|-----------|
| Median Home Price - ESRI | \$564,918 |
| Mortgaged Value = 95% of Median Home Price | \$536,672 |
| Interest Rate - Bankrate.com | 4.5% |
| Term | 30 |
| Monthly Principal & Interest | \$2,719 |
| Estimated Taxes and Insurance* | \$680 |
| Estimated Monthly Mortgage Payment | \$3,399 |

*Estimated at 25% of principal and interest

In comparison, the collected non-subsidized Tax Credit rents for the subject property range from \$1,033 to \$1,507 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is at least \$1,892 more than the cost of renting at the subject project. Considering the substantially higher cost of homeownership in this market, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

We identified seven market-rate properties within the Fairfax Site PMA that we consider most comparable to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The proposed subject development and the seven selected properties include the following:

| Map I.D. | Project Name | Year Built | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | | | | |
|-------------|----------------------------------|-------------|-------------|-----------|---------------------------|---------------|---------------|---------------|--------------|
| | | | | | Studio | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| Site | One University Family | 2023 | 120 | - | 4 (-) | 16 (-) | 76 (-) | 20 (-) | 4 (-) |
| 1 | Apts. at Regent's Park | 1997 | 552 | 93.5% | - | 166 (91.0%) | 332 (94.9%) | 54 (92.6%) | - |
| 2 | Avalon Dunn Loring Apts. | 2011 | 440 | 98.9% | 44 (100.0%) | 264 (99.6%) | 132 (97.0%) | - | - |
| 4 | Camden Fair Lakes | 1998 | 530 | 98.5% | - | 158 (99.4%) | 319 (98.1%) | 53 (98.1%) | - |
| 5 | Camden Fairfax Corner | 2005 | 488 | 98.4% | 68 (100.0%) | 205 (99.5%) | 190 (97.9%) | 25 (88.0%) | - |
| 9 | Lerner Falls at Flint Hill Apts. | 2008 | 246 | 99.2% | - | 74 (98.6%) | 148 (100.0%) | 24 (95.8%) | - |
| 10 | Lincoln at Fair Oaks | 1998 | 284 | 95.1% | - | 85 (95.3%) | 170 (95.9%) | 29 (89.7%) | - |
| 14 | Ridgewood by Windsor | 2010 | 483 | 98.8% | 6 (100.0%) | 145 (98.6%) | 290 (99.0%) | 42 (97.6%) | - |

Occ. - Occupancy

The seven selected market-rate projects have a combined total of 3,023 units with an overall occupancy rate of 97.4%. None of the comparable properties has an occupancy rate below 93.5%. These occupancy rates are good indications that the selected market-rate properties are well-received and will offer a good base of comparison for the subject project within the Fairfax Site PMA.

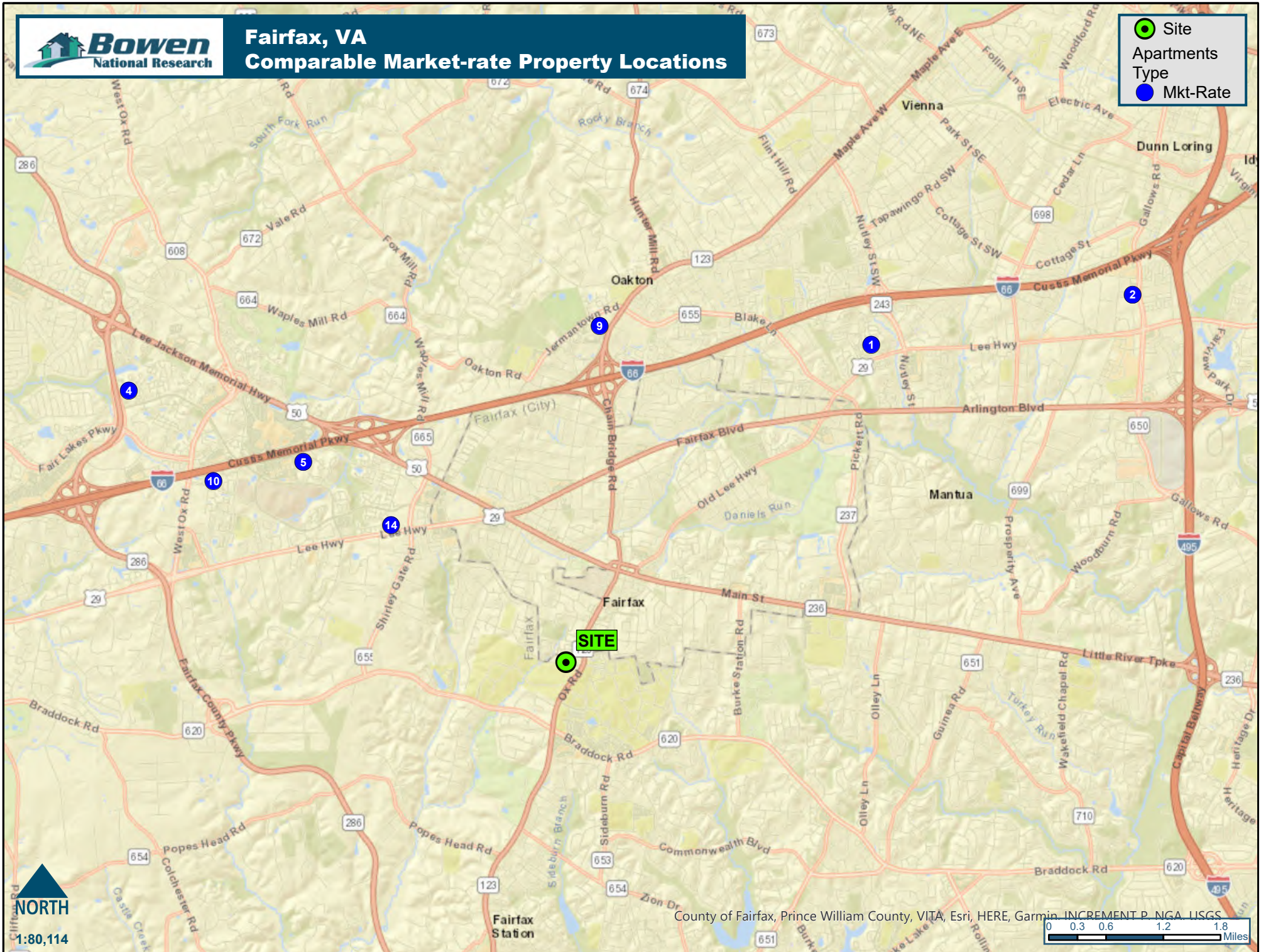
The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development. A map depicting the location of the selected market-rate properties in relation to the subject site is also included in the following pages.





Fairfax, VA Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



NORTH
1:80,114

County of Fairfax, Prince William County, VA, Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.3 0.6 1.2 1.8 Miles

Rent Comparability Grid

Unit Type → **STUDIO**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | | |
|-----------------------|------------------------------------|--------------------------|---------------|-------------------------------|---------------|----------------------|---------------|--|--|
| One University Family | | Avalon Dunn Loring Apts. | | Camden Fairfax Corner | | Ridgewood by Windsor | | | |
| 4500 University Drive | | 2750 Gallows Rd. | | 4245 Summit Corner Dr | | 4211 Ridge Top Rd. | | | |
| Fairfax, VA | | Vienna, VA | | Fairfax, VA | | Fairfax, VA | | | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | | |
| 1 | \$ Last Rent / Restricted? | \$1,600 | | \$1,849 | | \$1,500 | | | |
| 2 | Date Surveyed | Feb-20 | | Jan-20 | | Feb-20 | | | |
| 3 | Rent Concessions | None | | None | | None | | | |
| 4 | Occupancy for Unit Type | 100% | | 100% | | 100% | | | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,600 | 3.45 | \$1,849 | 2.84 | \$1,500 | 2.65 | | |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | | |
| 6 | Structure / Stories | EE/4 | | EE/4 | | EE/4,6 | | | |
| 7 | Yr. Built/Yr. Renovated | 2023 | \$12 | 2005 | \$18 | 2010 | \$13 | | |
| 8 | Condition/Street Appeal | E | | G | \$15 | E | | | |
| 9 | Neighborhood | G | (\$10) | E | (\$10) | G | | | |
| 10 | Same Market? | Yes | | Yes | | Yes | | | |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | | |
| 11 | # Bedrooms | STUDIO | | STUDIO | | STUDIO | | | |
| 12 | # Baths | 1 | | 1 | | 1 | | | |
| 13 | Unit Interior Sq. Ft. | 550 | \$63 | 650 | (\$74) | 567 | (\$13) | | |
| 14 | Patio/Balcony | Y | \$5 | Y | | Y | | | |
| 15 | AC: Central/Wall | C | | C | | C | | | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | | |
| 17 | Microwave/Dishwasher | N/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | | |
| 18 | Washer/Dryer | W/D | | W/D | | W/D | | | |
| 19 | Floor Coverings | C/T/V/L | | C/T/V | | C/W/T | | | |
| 20 | Window Treatments | Y | | Y | | Y | | | |
| 21 | Secured Entry | Y | \$3 | Y | | Y | | | |
| 22 | Garbage Disposal | Y | | Y | | Y | | | |
| 23 | Ceiling Fan/Storage | Y/N | \$5 | Y/N | | N/N | \$5 | | |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | | |
| 24 | Parking (\$ Fee) | P-GAR | \$40 | P-GAR | | P-GAR | | | |
| 25 | On-Site Management | Y | \$5 | Y | | Y | | | |
| 26 | Security Features | Y | \$5 | Y | | N | \$5 | | |
| 27 | Community Space | Y | \$5 | Y | | Y | | | |
| 28 | Pool/Recreation Areas | F/S/WT | (\$7) | P/F | (\$4) | P/F/MT | (\$7) | | |
| 29 | Computer/Business Center | Y | | Y | | Y | | | |
| 30 | Picnic Area/Grills | Y | \$3 | Y | | Y | | | |
| 31 | Playground | Y | \$3 | N | \$3 | N | \$3 | | |
| 32 | Social Services | N | | N | | N | | | |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | | |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 37 | Other Electric | N | | N | | N | | | |
| 38 | Cold Water/Sewer | N/N | | N/N | | N/N | | | |
| 39 | Trash/Recycling | Y/N | \$11 | N/N | \$11 | N/N | \$11 | | |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | | |
| 40 | # Adjustments B to D | 11 | 3 | 3 | 4 | 4 | 3 | | |
| 41 | Sum Adjustments B to D | \$149 | (\$22) | \$36 | (\$93) | \$26 | (\$25) | | |
| 42 | Sum Utility Adjustments | \$11 | | \$11 | | \$11 | | | |
| | | Net | Gross | Net | Gross | Net | Gross | | |
| 43 | Net/ Gross Adjmts B to E | \$138 | \$182 | (\$46) | \$140 | \$12 | \$62 | | |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | | |
| 44 | Adjusted Rent (5+ 43) | \$1,738 | | \$1,803 | | \$1,512 | | | |
| 45 | Adj Rent/Last rent | | 109% | | 98% | | 101% | | |
| 46 | Estimated Market Rent | \$1,710 | \$3.11 ← | Estimated Market Rent/ Sq. Ft | | | | | |

Rent Comparability Grid

Unit Type →

ONE-BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|------------------------|--------------|-------------------------------|--------------|-----------------------|--------------|----------------------------------|--------------|----------------------|--------------|
| One University Family | | Apts. at Regent's Park | | Avalon Dunn Loring Apts. | | Camden Fairfax Corner | | Lerner Falls at Flint Hill Apts. | | Ridgewood by Windsor | |
| 4500 University Drive | | 9333 Clocktower Pl. | | 2750 Gallows Rd. | | 4245 Summit Corner Dr | | 10520 Rosehaven St. | | 4211 Ridge Top Rd. | |
| Fairfax, VA | | Fairfax, VA | | Vienna, VA | | Fairfax, VA | | Fairfax, VA | | Fairfax, VA | |
| Data | | Data | | Data | | Data | | Data | | Data | |
| on | | on | | on | | on | | on | | on | |
| Subject | | Subject | | Subject | | Subject | | Subject | | Subject | |
| A. Rents Charged | | Data | | Data | | Data | | Data | | Data | |
| 1 | \$ Last Rent / Restricted? | \$1,819 | | \$1,775 | | \$1,759 | | \$1,741 | | \$1,825 | |
| 2 | Date Surveyed | Jan-20 | | Feb-20 | | Jan-20 | | Jan-20 | | Feb-20 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 91% | | 100% | | 99% | | 99% | | 99% | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,819 | 2.71 | \$1,775 | 3.15 | \$1,759 | 2.52 | \$1,741 | 2.29 | \$1,825 | 2.54 |
| B. Design, Location, Condition | | Data | | Data | | Data | | Data | | Data | |
| 6 | Structure / Stories | EE/4 | | WU/5 | | EE/4 | | WU/3,4 | | EE/4,6 | |
| 7 | Yr. Built/Yr. Renovated | 2023 | \$26 | 2011 | \$12 | 2005 | \$18 | 2008 | \$15 | 2010 | \$13 |
| 8 | Condition/Street Appeal | E | \$15 | E | | G | \$15 | G | \$15 | E | |
| 9 | Neighborhood | G | | E | (\$10) | E | (\$10) | G | | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | Yes | | Yes | |
| C. Unit Equipment/ Amenities | | Data | | Data | | Data | | Data | | Data | |
| 11 | # Bedrooms | 1 | | 1 | | 1 | | 1 | | 1 | |
| 12 | # Baths | 1 | | 1 | | 1 | | 1 | | 1 | |
| 13 | Unit Interior Sq. Ft. | 600 | (\$46) | 564 | \$24 | 698 | (\$64) | 761 | (\$105) | 719 | (\$78) |
| 14 | Patio/Balcony | Y | | N | \$5 | Y | | Y | | Y | |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | N/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) |
| 18 | Washer/Dryer | W/D | | W/D | | W/D | | W/D | | W/D | |
| 19 | Floor Coverings | C/T/V/L | | C/L | | C/T/V | | C/V | | C/W/T | |
| 20 | Window Treatments | Y | | Y | | Y | | Y | | Y | |
| 21 | Secured Entry | Y | \$3 | N | \$3 | Y | | Y | | Y | |
| 22 | Garbage Disposal | Y | | Y | | Y | | Y | | Y | |
| 23 | Ceiling Fan/Storage | Y/N | \$5 | N/N | \$5 | Y/N | | Y/N | | N/N | \$5 |
| D. Site Equipment/ Amenities | | Data | | Data | | Data | | Data | | Data | |
| 24 | Parking (\$ Fee) | P-GAR | LOT/\$0 \$30 | NONE | \$40 | P-GAR | | LOT/\$0 | \$30 | P-GAR | |
| 25 | On-Site Management | Y | | N | \$5 | Y | | N | \$5 | Y | |
| 26 | Security Features | Y | \$5 | N | \$5 | Y | | N | \$5 | N | \$5 |
| 27 | Community Space | Y | | N | \$5 | Y | | Y | | Y | |
| 28 | Pool/Recreation Areas | F/S/WT | (\$4) | P/F/S | (\$7) | P/F | (\$4) | WT/MT | \$5 | P/F/MT | (\$7) |
| 29 | Computer/Business Center | Y | | Y | | Y | | Y | | Y | |
| 30 | Picnic Area/Grills | Y | | N | \$3 | Y | | Y | | Y | |
| 31 | Playground | Y | | N | \$3 | N | \$3 | Y | | N | \$3 |
| 32 | Social Services | N | | N | | N | | N | | N | |
| E. Utilities | | Data | | Data | | Data | | Data | | Data | |
| 33 | Heat (in rent?/ type) | N/E | N/G | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | N/E | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | N/G | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | N/G | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | N | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | N/N | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash/Recycling | Y/N | Y/N | N/N | \$11 | N/N | \$11 | Y/N | | N/N | \$11 |
| F. Adjustments Recap | | Pos | | Neg | | Pos | | Neg | | Pos | |
| 40 | # Adjustments B to D | 6 | 3 | 11 | 3 | 3 | 4 | 6 | 2 | 4 | 3 |
| 41 | Sum Adjustments B to D | \$84 | (\$55) | \$110 | (\$22) | \$36 | (\$83) | \$75 | (\$110) | \$26 | (\$90) |
| 42 | Sum Utility Adjustments | | | \$11 | | \$11 | | | | \$11 | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$29 | \$139 | \$99 | \$143 | (\$36) | \$130 | (\$35) | \$185 | (\$53) | \$127 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$1,848 | | \$1,874 | | \$1,723 | | \$1,706 | | \$1,772 | |
| 45 | Adj Rent/Last rent | | 102% | | 106% | | 98% | | 98% | | 97% |
| 46 | Estimated Market Rent | \$1,780 | \$2.97 ← | Estimated Market Rent/ Sq. Ft | | | | | | | |

Rent Comparability Grid

Unit Type →

TWO-BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|------------------------|---------------|--------------------------|---------------|---------------------------------|---------------|----------------------------------|---------------|----------------------|---------------|
| One University Family | | Apts. at Regent's Park | | Avalon Dunn Loring Apts. | | Camden Fairfax Corner | | Lerner Falls at Flint Hill Apts. | | Ridgewood by Windsor | |
| 4500 University Drive | | 9333 Clocktower Pl. | | 2750 Gallows Rd. | | 4245 Summit Corner Dr | | 10520 Rosehaven St. | | 4211 Ridge Top Rd. | |
| Fairfax, VA | | Fairfax, VA | | Vienna, VA | | Fairfax, VA | | Fairfax, VA | | Fairfax, VA | |
| A. Rents Charged | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$2,547 | | \$2,400 | | \$2,589 | | \$2,200 | | \$1,970 | |
| 2 | Date Surveyed | Jan-20 | | Feb-20 | | Jan-20 | | Jan-20 | | Feb-20 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 95% | | 97% | | 98% | | 100% | | 99% | |
| 5 | Effective Rent & Rent/ sq. ft | \$2,547 | 2.32 | \$2,400 | 2.69 | \$2,589 | 2.49 | \$2,200 | 2.04 | \$1,970 | 1.93 |
| B. Design, Location, Condition | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | EE/4 | | WU/5 | | EE/4 | | WU/3,4 | | EE/4,6 | |
| 7 | Yr. Built/Yr. Renovated | 2023 | \$26 | 2011 | \$12 | 2005 | \$18 | 2008 | \$15 | 2010 | \$13 |
| 8 | Condition/Street Appeal | E | \$15 | E | | G | \$15 | G | \$15 | E | |
| 9 | Neighborhood | G | | E | (\$10) | E | (\$10) | G | | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | Yes | | Yes | |
| C. Unit Equipment/ Amenities | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | 2 | | 2 | |
| 12 | # Baths | 2 | | 2 | | 2 | | 2 | | 2 | |
| 13 | Unit Interior Sq. Ft. | 950 | (\$84) | 892 | \$33 | 1040 | (\$51) | 1078 | (\$73) | 1023 | (\$42) |
| 14 | Patio/Balcony | Y | | N | \$5 | Y | | Y | | Y | |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | N/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) |
| 18 | Washer/Dryer | W/D | | W/D | | W/D | | W/D | | W/D | |
| 19 | Floor Coverings | C/T/V/L | | C/L | | C/T/V | | C/V | | C/W/T | |
| 20 | Window Treatments | Y | | Y | | Y | | Y | | Y | |
| 21 | Secured Entry | Y | \$3 | N | \$3 | Y | | Y | | Y | |
| 22 | Garbage Disposal | Y | | Y | | Y | | Y | | Y | |
| 23 | Ceiling Fan/Storage | Y/N | \$5 | N/N | \$5 | Y/N | | Y/N | | N/N | \$5 |
| D. Site Equipment/ Amenities | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | P-GAR | | LOT/\$0 | \$30 | NONE | \$40 | P-GAR | | LOT/\$0 | \$30 |
| 25 | On-Site Management | Y | | Y | | N | \$5 | Y | | N | \$5 |
| 26 | Security Features | Y | \$5 | N | \$5 | Y | | N | \$5 | N | \$5 |
| 27 | Community Space | Y | | Y | | N | \$5 | Y | | Y | |
| 28 | Pool/Recreation Areas | F/S/WT | (\$4) | P/F | (\$7) | P/F | (\$4) | WT/MT | \$5 | P/F/MT | (\$7) |
| 29 | Computer/Business Center | Y | | Y | | Y | | Y | | Y | |
| 30 | Picnic Area/Grills | Y | | Y | \$3 | Y | | Y | | Y | |
| 31 | Playground | Y | | Y | \$3 | N | \$3 | Y | | N | \$3 |
| 32 | Social Services | N | | N | | N | | N | | N | |
| E. Utilities | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash/Recycling | Y/N | | Y/N | \$11 | N/N | \$11 | Y/N | | N/N | \$11 |
| F. Adjustments Recap | Pos | Neg | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 6 | 3 | 11 | 3 | 3 | 4 | 6 | 2 | 4 | 3 |
| 41 | Sum Adjustments B to D | \$84 | (\$93) | \$119 | (\$22) | \$36 | (\$70) | \$75 | (\$78) | \$26 | (\$54) |
| 42 | Sum Utility Adjustments | | | \$11 | | \$11 | | | | \$11 | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | (\$9) | \$177 | \$108 | \$152 | (\$23) | \$117 | (\$3) | \$153 | (\$17) | \$91 |
| G. Adjusted & Market Rents | Adj. Rent | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$2,538 | | \$2,508 | | \$2,566 | | \$2,197 | | \$1,953 | |
| 45 | Adj Rent/Last rent | | 100% | | 105% | | 99% | | 100% | | 99% |
| 46 | Estimated Market Rent | \$2,425 | | \$2.55 | | ← Estimated Market Rent/ Sq. Ft | | | | | |

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|------------------------|---------------|-------------------------------|---------------|------------------------|---------------|------------------------|---------------|----------------------|---------------|
| One University Family | | Apts. at Regent's Park | | Camden Fair Lakes | | Camden Fairfax Corner | | Lincoln at Fair Oaks | | Ridgewood by Windsor | |
| 4500 University Drive | | 9333 Clocktower Pl. | | 12565 Summit Manor Dr. | | 4245 Summit Corner Dr. | | 12167 Lincoln Lake Way | | 4211 Ridge Top Rd. | |
| Fairfax, VA | | Fairfax, VA | | Fairfax, VA | | Fairfax, VA | | Fairfax, VA | | Fairfax, VA | |
| A. Rents Charged | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$2,692 | | \$2,733 | | \$2,849 | | \$2,408 | | \$2,655 | |
| 2 | Date Surveyed | Jan-20 | | Feb-20 | | Jan-20 | | Jan-20 | | Feb-20 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 93% | | 98% | | 88% | | 90% | | 98% | |
| 5 | Effective Rent & Rent/ sq. ft | \$2,692 | 2.04 | \$2,733 | 2.08 | \$2,849 | 2.25 | \$2,408 | 1.91 | \$2,655 | 2.07 |
| B. Design, Location, Condition | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | EE/4 | | WU/3,4 | | EE/4 | | WU/3,4 | | EE/4,6 | |
| 7 | Yr. Built/Yr. Renovated | 2023 | \$26 | 1998 | \$25 | 2005 | \$18 | 1998 | \$25 | 2010 | \$13 |
| 8 | Condition/Street Appeal | E | \$15 | G | \$15 | G | \$15 | G | \$15 | E | |
| 9 | Neighborhood | G | | G | | E | (\$10) | G | | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | Yes | | Yes | |
| C. Unit Equipment/ Amenities | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 3 | | 3 | | 3 | | 3 | | 3 | |
| 12 | # Baths | 2 | | 2 | | 2 | | 2 | | 2 | |
| 13 | Unit Interior Sq. Ft. | 1075 | (\$127) | 1314 | (\$124) | 1265 | (\$98) | 1260 | (\$96) | 1285 | (\$109) |
| 14 | Patio/Balcony | Y | | Y | | Y | | Y | | Y | |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | N/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) |
| 18 | Washer/Dryer | W/D | | W/D | | W/D | | W/D | | W/D | |
| 19 | Floor Coverings | C/T/V/L | | C/V/L | | C/T/V | | C/L | | C/W/T | |
| 20 | Window Treatments | Y | | Y | | Y | | Y | | Y | |
| 21 | Secured Entry | Y | \$3 | N | \$3 | Y | | N | \$3 | Y | |
| 22 | Garbage Disposal | Y | | Y | | Y | | Y | | Y | |
| 23 | Ceiling Fan/Storage | Y/N | \$5 | N/Y | | Y/N | | N/N | \$5 | N/N | \$5 |
| D. Site Equipment/ Amenities | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | P-GAR | | LOT/\$0 | \$30 | P-GAR | | LOT/\$0 | \$30 | P-GAR | |
| 25 | On-Site Management | Y | | Y | | N | \$5 | Y | | Y | |
| 26 | Security Features | Y | \$5 | N | \$5 | Y | | N | \$5 | N | \$5 |
| 27 | Community Space | Y | | Y | | Y | | Y | | Y | |
| 28 | Pool/Recreation Areas | F/S/WT | (\$4) | P/F/L | (\$7) | P/F | (\$4) | P/F/J | (\$7) | P/F/MT | (\$7) |
| 29 | Computer/Business Center | Y | | Y | \$3 | Y | | Y | | Y | |
| 30 | Picnic Area/Grills | Y | | Y | | Y | | Y | | Y | |
| 31 | Playground | Y | | Y | \$3 | N | \$3 | Y | | N | \$3 |
| 32 | Cable/Internet Svcs Included | N/N | | N/N | | Y/Y | (\$126) | N | | N | |
| E. Utilities | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/G | | N/E | | N/G | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/G | | N/E | | N/G | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | | N/N | | Y/Y | (\$78) | N/N | | N/N | |
| 39 | Trash/Recycling | Y/N | | Y/N | | N/N | \$11 | N/N | \$11 | N/N | \$11 |
| F. Adjustments Recap | Pos | Neg | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 6 | 3 | 8 | 4 | 3 | 4 | 6 | 3 | 4 | 3 |
| 41 | Sum Adjustments B to D | \$84 | (\$136) | \$89 | (\$262) | \$36 | (\$117) | \$83 | (\$108) | \$26 | (\$121) |
| 42 | Sum Utility Adjustments | | | | (\$78) | \$11 | | \$11 | | \$11 | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | (\$52) | \$220 | (\$251) | \$429 | (\$70) | \$164 | (\$14) | \$202 | (\$84) | \$158 |
| G. Adjusted & Market Rents | Adj. Rent | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$2,640 | | \$2,482 | | \$2,779 | | \$2,394 | | \$2,571 | |
| 45 | Adj Rent/Last rent | | 98% | | 91% | | 98% | | 99% | | 97% |
| 46 | Estimated Market Rent | \$2,570 | \$2.39 ← | Estimated Market Rent/ Sq. Ft | | | | | | | |

Rent Comparability Grid

Unit Type → **FOUR-BEDROOM**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|------------------------|---------------|-------------------------------|---------------|------------------------|---------------|------------------------|---------------|----------------------|---------------|
| One University Family | | Apts. at Regent's Park | | Camden Fair Lakes | | Camden Fairfax Corner | | Lincoln at Fair Oaks | | Ridgewood by Windsor | |
| 4500 University Drive | | 9333 Clocktower Pl. | | 12565 Summit Manor Dr. | | 4245 Summit Corner Dr. | | 12167 Lincoln Lake Way | | 4211 Ridge Top Rd. | |
| Fairfax, VA | | Fairfax, VA | | Fairfax, VA | | Fairfax, VA | | Fairfax, VA | | Fairfax, VA | |
| A. Rents Charged | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$2,692 | | \$2,733 | | \$2,849 | | \$2,408 | | \$2,655 | |
| 2 | Date Surveyed | Jan-20 | | Feb-20 | | Jan-20 | | Jan-20 | | Feb-20 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 93% | | 98% | | 88% | | 90% | | 98% | |
| 5 | Effective Rent & Rent/ sq. ft | \$2,692 | 2.04 | \$2,733 | 2.08 | \$2,849 | 2.25 | \$2,408 | 1.91 | \$2,655 | 2.06 |
| B. Design, Location, Condition | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | EE/4 | | WU/3,4 | | EE/4 | | WU/3,4 | | EE/4,6 | |
| 7 | Yr. Built/Yr. Renovated | 2023 | \$26 | 1998 | \$25 | 2005 | \$18 | 1998 | \$25 | 2010 | \$13 |
| 8 | Condition/Street Appeal | E | \$15 | G | \$15 | G | \$15 | G | \$15 | E | |
| 9 | Neighborhood | G | | G | | E | (\$10) | G | | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | Yes | | Yes | |
| C. Unit Equipment/ Amenities | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 4 | \$50 | 3 | \$50 | 3 | \$50 | 3 | \$50 | 3 | \$50 |
| 12 | # Baths | 2 | | 2 | | 2 | | 2 | | 2 | |
| 13 | Unit Interior Sq. Ft. | 1300 | (\$10) | 1314 | (\$7) | 1265 | \$18 | 1260 | \$21 | 1289 | \$6 |
| 14 | Patio/Balcony | Y | | Y | | Y | | Y | | Y | |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | N/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) |
| 18 | Washer/Dryer | W/D | | W/D | | W/D | | W/D | | W/D | |
| 19 | Floor Coverings | C/T/V/L | | C/V/L | | C/T/V | | C/L | | C/W/T | |
| 20 | Window Treatments | Y | | Y | | Y | | Y | | Y | |
| 21 | Secured Entry | Y | \$3 | N | \$3 | Y | | N | \$3 | Y | |
| 22 | Garbage Disposal | Y | | Y | | Y | | Y | | Y | |
| 23 | Ceiling Fan/Storage | Y/N | \$5 | N/Y | | Y/N | | N/N | \$5 | N/N | \$5 |
| D. Site Equipment/ Amenities | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | P-GAR | \$30 | LOT/\$0 | \$30 | P-GAR | | LOT/\$0 | \$30 | P-GAR | |
| 25 | On-Site Management | Y | | Y | | N | \$5 | Y | | Y | |
| 26 | Security Features | Y | \$5 | N | \$5 | Y | | N | \$5 | N | \$5 |
| 27 | Community Space | Y | | Y | | Y | | Y | | Y | |
| 28 | Pool/Recreation Areas | F/S/WT | (\$4) | P/F/L | (\$7) | P/F | (\$4) | P/F/J | (\$7) | P/F/MT | (\$7) |
| 29 | Computer/Business Center | Y | | Y | \$3 | Y | | Y | | Y | |
| 30 | Picnic Area/Grills | Y | | Y | | Y | | Y | | Y | |
| 31 | Playground | Y | | Y | \$3 | N | \$3 | Y | | N | \$3 |
| 32 | Cable/Internet Svcs Included | N/N | | N/N | | Y/Y | (\$126) | N | | N | |
| E. Utilities | Data | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/G | | N/E | | N/G | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/G | | N/E | | N/G | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | | N/N | (\$100) | N/N | | N/N | | N/N | |
| 39 | Trash/Recycling | Y/N | | Y/N | | N/N | \$11 | N/N | \$11 | N/N | \$11 |
| F. Adjustments Recap | Pos | Neg | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 7 | 3 | 9 | 4 | 5 | 3 | 8 | 2 | 6 | 2 |
| 41 | Sum Adjustments B to D | \$134 | (\$19) | \$139 | (\$145) | \$104 | (\$19) | \$154 | (\$12) | \$82 | (\$12) |
| 42 | Sum Utility Adjustments | | | | (\$100) | \$11 | | \$11 | | \$11 | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$115 | \$153 | (\$106) | \$384 | \$96 | \$134 | \$153 | \$177 | \$81 | \$105 |
| G. Adjusted & Market Rents | Adj. Rent | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$2,807 | | \$2,627 | | \$2,945 | | \$2,561 | | \$2,736 | |
| 45 | Adj Rent/Last rent | | 104% | | 96% | | 103% | | 106% | | 103% |
| 46 | Estimated Market Rent | \$2,730 | \$2.10 ← | Estimated Market Rent/ Sq. Ft | | | | | | | |

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are as follows:

| Bedroom Type | % AMHI | Proposed Collected Rent | Achievable Market Rent | Market Rent Advantage |
|--------------|--------|-------------------------|------------------------|-----------------------|
| Studio | 60% | \$1,191 | \$1,710 | 30.4% |
| One-Br. | 30% | \$578* | \$1,780 | 67.5% |
| One-Br. | 50% | \$1,034 | \$1,780 | 41.9% |
| One-Br. | 60% | \$1,261 | \$1,780 | 29.2% |
| Two-Br. | 30% | \$688* | \$2,425 | 71.6% |
| Two-Br. | 40% | \$961* | \$2,425 | 60.4% |
| Two-Br. | 50% | \$1,234 | \$2,425 | 49.1% |
| Two-Br. | 60% | \$1,507 | \$2,425 | 37.9% |
| Three-Br. | 30% | \$789* | \$2,570 | 69.3% |
| Four-Br. | 30% | \$872* | \$2,730 | 68.1% |

*Reflective of maximum allowable LIHTC rent limit as proposed contract rent under subsidized program exceeds maximum allowable LIHTC rent limit. Tenants of these units will pay 30% of income towards rent.

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject rents are expected to be perceived as a significant value within the Fairfax market as they represent market rent advantages ranging from 29.2% to 71.6% depending upon unit type. In fact, the subject units at the 30% and 40% AMHI levels will represent even greater values than those reflected by the market rent advantages in the preceding table as these units will operate with Project-Based Rental Assistance (PBRA) allowing tenants to only pay up to 30% of their income towards rent rather than the proposed LIHTC rents illustrated in the preceding table.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.



1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were adjusted by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have an excellent appearance and quality finish once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. Some of the selected properties are located in more desirable neighborhoods than the subject project in terms of overall quality, access/visibility, and/or proximity to area services. As such, we have made an adjustment to account for differences in neighborhood desirability among these projects and the subject project.
11. None of the selected properties offer four-bedroom units. In these instances, we have utilized the next most comparable floor plan (three-bedroom) as a comparable for the subject's four-bedroom units. Positive adjustments of \$50 were applied to reflect the inclusion of an additional bedroom at the subject project.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package similar to the selected properties. We have made, however, adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-31. The proposed project offers a comprehensive project amenities package which is relatively competitive with those offered among most of the comparable market-rate properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.

32. One of the selected properties includes the cost of cable and internet in the monthly rent. These services are part of a \$137 flat fee charged by the property for cable, internet, and trash collection. Based on the utility allowance schedule provided by the Virginia Housing Development Authority (VHDA) for the Fairfax area, trash collection is an \$11/month expense. Thus, we have made a \$126 adjustment to this property to reflect the added value of the inclusion of cable/internet.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property as needed. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project's potential.

Under the Low-Income Housing Tax Credit program (LIHTC), household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area, which has a median four-person household income of \$121,300 for 2019. The subject property will be restricted to households with incomes of up to 30%, 40%, 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

| Household Size | Targeted AMHI Maximum Allowable Income | | | |
|----------------|--|----------|----------|----------|
| | 30% | 40% | 50% | 60% |
| One-Person | \$25,500 | \$34,000 | \$42,500 | \$51,000 |
| Two-Person | \$29,130 | \$38,840 | \$48,550 | \$58,260 |
| Three-Person | \$32,760 | \$43,680 | \$54,600 | \$65,520 |
| Four-Person | \$36,390 | \$48,520 | \$60,650 | \$72,780 |
| Five-Person | \$39,330 | \$52,440 | \$65,550 | \$78,660 |
| Six-Person | \$42,240 | \$56,320 | \$70,400 | \$84,480 |

1. Maximum Income Limits

The largest proposed units (four-bedroom) at the subject site are expected to house up to six-person households. However, the subject's proposed four-bedroom units will only be offered at the 30% AMHI level. As such, the maximum allowable income at the subject site is **\$65,520**, which is based on a three-person household earning up to 60% of AMHI for the subject's two-bedroom units.

2. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to VHDA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while elderly projects have a 40% rent-to-income ratio.

The proposed subject project will effectively offer Project-Based Rental Assistance (PBRA) to 51 (42.5%) of the 120 proposed units. This subsidy will allow the property to target households earning as little as \$0, which has been considered in our demand estimates.

The non-subsidized LIHTC units proposed for the subject property will be restricted to households earning up to 50% and 60% of AMHI and have a lowest gross rent of \$1,138. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$13,656. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$39,017**.

In the unlikely event the PBRA subsidy was lost and the property had to operate exclusively under the LIHTC guidelines, the proposed LIHTC units will have a lowest gross rent of \$682, assuming the subject’s one-bedroom units at 30% of AMHI operate at the maximum allowable LIHTC rent limit. Utilizing the same methodology as above, this results in a minimum annual household income requirement of **\$23,383**.

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate range required to live at the proposed project with units built to serve households at 30%, 40%, 50% and 60% of AMHI, both with and without the presence of PBRA, is as follows:

| Unit Type | Income Range | |
|-------------------------------------|--------------|----------|
| | Minimum | Maximum |
| Tax Credit (Limited to 30% of AMHI) | \$23,383 | \$42,240 |
| Tax Credit (Limited to 40% of AMHI) | \$37,440 | \$43,680 |
| Tax Credit (Limited to 50% of AMHI) | \$39,017 | \$54,600 |
| Tax Credit (Limited to 60% of AMHI) | \$43,714 | \$65,520 |
| Overall Tax Credit without Subsidy | \$23,383 | \$65,520 |
| Overall Project with Subsidy | \$0 | \$65,520 |

B. CAPTURE RATE CALCULATIONS

Per VHDA market study requirements, analysts are required to use net demand in calculating capture rates and the absorption period. Net demand is determined by subtracting the supply of vacant comparable units in the PMA, completed or pipeline, from Total Demand. Total Demand includes New Renter Household Growth and Demand from Existing Households (defined below).

The following are the demand components as outlined by Virginia Housing Development Authority (VHDA):

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2020 as the base year and projecting forward to 2023, per VHDA guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. Demand estimates for proposals for elderly developments must be derived from household population age 65 and older. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*
 - a) **Rent overburdened households, if any, within the age group, income groups and renters targeted for the proposed development.** *“Overburdened” is defined by VHDA as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 57.5% to 90.7% of households, depending upon income level, within the site PMA, are considered to be rent overburdened.

- b) **Households in substandard housing (i.e. overcrowded and/or lack of plumbing:** *Must be age and income group appropriate. Analysts must use their knowledge of the market area and the proposed development to determine if demand from this source is realistic. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 5.7% of all households within the Site PMA are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

- c) **Elderly Homeowners likely to convert to rental housing:** *This component may not comprise more than 20% of total demand. The analyst must provide a narrative describing how these numbers were derived. Analysts are encouraged to be conservative in this regard.*

Not applicable as subject property will not specifically target seniors.

- d) **Existing qualifying tenants likely to remain after renovations:** *This component of demand applies only to existing developments undergoing rehabilitations.*

The sum of demand from rental household growth and demand from all components of existing households will constitute total demand.

C. DEMAND/CAPTURE RATE CALCULATIONS

As detailed in *Section V* of this report, we identified and surveyed two comparable/competitive LIHTC properties within the Site PMA. Combined, these properties report an occupancy rate of 100.0%. As such, we have not included any directly comparable/competitive supply units in our demand estimates as there are no additional directly comparable LIHTC projects which have been recently allocated Tax Credits or that are currently in the development pipeline within the Site PMA.

The following is a summary of our demand calculations. Note we have provided two separate scenarios. The first assumes the property will operate with the project-based subsidy available to a portion of the subject units while the second scenario assumes the unlikely event that the property did not secure the subsidy and had to operate exclusively under the LIHTC guidelines. Also note that since the subject units at the 40%, 50% and 60% AMHI levels will be comprised of studio to two-bedroom units, our demand estimates for these unit types have been limited to three-person and smaller households.

| Demand Component | Percent of Median Household Income – With Subsidy | | | | Overall (\$0-\$65,520) |
|--|---|----------------------------|---------------------------------|---------------------------------|---------------------------|
| | 30% AMHI (\$0-\$42,240) | 40% AMHI (\$0-\$43,680) | 50% AMHI (\$39,017-\$54,600) | 60% AMHI (\$43,714-\$65,520) | |
| Demand from New Rental Households (Age- and Income-Appropriate) | 6,900 - 7,347 = -447 | 5,448 - 5,784 = -336 | 2,271 - 2,379 = -108 | 3,538 - 3,650 = -112 | 9,654 - 10,180 = -526 |
| + | | | | | |
| Demand from Existing Households (Rent Overburdened) | 7,347 X 77.1% = 5,665 | 5,784 X 77.5% = 4,483 | 2,379 X 74.5% = 1,772 | 3,650 X 57.5% = 2,099 | 10,180 X 70.3% = 7,160 |
| + | | | | | |
| Demand from Existing Households (Renters in Substandard Housing) | 7,347 X 5.7% = 419 | 5,784 X 5.7% = 330 | 2,379 X 5.7% = 136 | 3,650 X 5.7% = 208 | 10,180 X 5.7% = 580 |
| + | | | | | |
| Demand from Existing Households (Elderly Homeowner Conversion) | N/A | N/A | N/A | N/A | N/A |
| + | | | | | |
| Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations) | N/A | | | | |
| = | | | | | |
| Total Demand | 5,637 | 4,477 | 1,800 | 2,195 | 7,214 |
| - | | | | | |
| Supply (Directly Comparable Vacant Units Completed or in the Pipeline) | 0 | 0 | 0 | 0 | 0 |
| = | | | | | |
| Net Demand | 5,637 | 4,477 | 1,800 | 2,195 | 7,214 |
| Proposed Units | 46 | 5 | 9 | 60 | 120 |
| Proposed Units / Net Demand | 46 / 5,637 | 5 / 4,477 | 9 / 1,800 | 60 / 2,195 | 120 / 7,214 |
| Capture Rate | = 0.8% | = 0.1% | = 0.5% | = 2.7% | = 1.7% |
| Total Absorption Period | 3 Months | 1 Month | 2 Months | 7 Months | 7 Months |

N/A-Not Available

| Demand Component | Percent of Median Household Income – LIHTC Only | | | | |
|--|---|---------------------------------|---------------------------------|---------------------------------|--------------------------------|
| | 30% AMHI (\$23,383-\$42,240) | 40% AMHI (\$37,440-\$43,680) | 50% AMHI (\$39,017-\$54,600) | 60% AMHI (\$43,714-\$65,520) | Overall (\$23,383-\$65,520) |
| Demand from New Rental Households (Age- and Income-Appropriate) | 3,193 - 3,425 = -232 | 832 - 889 = -57 | 2,271 - 2,379 = -108 | 3,538 - 3,650 = -112 | 6,231 - 6,544 = -313 |
| + | | | | | |
| Demand from Existing Households (Rent Overburdened) | 3,425 X 90.7% = 3,106 | 889 X 88.9% = 790 | 2,379 X 74.5% = 1,772 | 3,650 X 57.5% = 2,099 | 6,544 X 75.6% = 4,949 |
| + | | | | | |
| Demand from Existing Households (Renters in Substandard Housing) | 3,425 X 5.7% = 195 | 889 X 5.7% = 51 | 2,379 X 5.7% = 136 | 3,650 X 5.7% = 208 | 6,544 X 5.7% = 373 |
| + | | | | | |
| Demand from Existing Households (Elderly Homeowner Conversion) | N/A | N/A | N/A | N/A | N/A |
| + | | | | | |
| Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations) | N/A | | | | |
| = | | | | | |
| Total Demand | 3,069 | 784 | 1,800 | 2,195 | 5,009 |
| - | | | | | |
| Supply (Directly Comparable Vacant Units Completed or in the Pipeline) | 0 | 0 | 0 | 0 | 0 |
| = | | | | | |
| Net Demand | 3,069 | 784 | 1,800 | 2,195 | 5,009 |
| Proposed Units | 46 | 5 | 9 | 60 | 120 |
| Proposed Units / Net Demand | 46 / 3,069 | 5 / 784 | 9 / 1,800 | 60 / 2,195 | 120 / 5,009 |
| Capture Rate | = 1.5% | = 0.6% | = 0.5% | = 2.7% | = 2.4% |
| Total Absorption Period | 4 Months | 1 Month | 2 Months | 7 Months | 9 Months |

N/A-Not Available

Utilizing this methodology, capture rates below 30% are considered achievable, though capture rates below 20% are considered ideal. As such, the subject's overall subsidized capture rate of 1.7% is low and achievable within the Fairfax Site PMA. Likewise, the subject's capture rate in the unlikely event the property was to operate exclusively under the LIHTC guidelines without the project-based subsidy is also low and achievable at 2.4%. Thus, a deep base of potential support exists for the subject project under either scenario. This is particularly true when considering the high occupancy rates and waiting lists maintained among existing comparable LIHTC properties surveyed in the market.

D. PENETRATION RATE CALCULATIONS

The 314 existing and 120 planned (senior) non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$23,383 to \$78,660. The following summarizes the market penetration rate calculation for the subject project based on data included in the Demographic Characteristics and Trends section of this report.

| | Market Penetration |
|---|---------------------------|
| Number of LIHTC Units (Proposed and Existing) | 554 |
| Income-Eligible Renter Households – 2023 | / 11,249 |
| Overall Market Penetration Rate | = 4.9% |

It is our opinion that the 4.9% penetration rate for the LIHTC units, both existing and proposed, is low and achievable. This is particularly true when considering the high occupancy rates reported among existing LIHTC product and the general lack of LIHTC product currently available within the Fairfax Site PMA.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

Despite multiple attempts, we were unable to receive a response from local housing authority representatives regarding the current status of the Housing Choice Voucher program within the Fairfax area. However, based on data obtained at the time of our last survey of the Fairfax market in July of 2019, there are approximately 5,104 Housing Choice Voucher holders within the housing authority's jurisdiction, and nearly 2,000 people on the waiting list for additional Vouchers. The waiting list was closed as of July 2019. Annual turnover within the voucher program was estimated at 240 households. This reflects the continuing need for Housing Choice Voucher assistance.

If the rents do not exceed the payment standards established by the local housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Fairfax County Department of Housing and Community Development, the local payment standards, as well as the proposed subject gross rents, are summarized in the following table.

| Bedroom Type | Payment Standards | Proposed Tax Credit Gross Rents (AMHI) |
|---------------|-------------------|--|
| Studio | \$1,602 | \$1,275 (60%) |
| One-Bedroom | \$1,650 | \$682 (30%/PBRA) \$1,138 (50%) \$1,365 (60%) |
| Two-Bedroom | \$1,877 | \$819 (30%/PBRA) \$1,092 (40%/PBRA) \$1,365 (50%) \$1,638 (60%) |
| Three-Bedroom | \$2,436 | \$946 (30%/PBRA) |
| Four-Bedroom | \$2,977 | \$1,056 (30%/PBRA) |

PBRA – Project-Based Rental Assistance; rents reflective of maximum allowable LIHTC rents as proposed contract rents under PBRA exceed these limits

As the preceding table illustrates, all of the proposed LIHTC gross rents are below the local payment standards. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections. Note, however, that only the subject’s non-subsidized units will be able to accommodate voucher holders.

F. ABSORPTION PROJECTIONS

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 120 LIHTC units proposed for the subject site will reach a stabilized occupancy of 95% within seven months of opening. This absorption rate is based on an average monthly absorption rate of approximately 16 to 17 units per month.

These absorption projections assume a 2023 opening date. A different opening may impact the absorption potential (positively or negatively) for the subject project. Further, these absorption projections assume the project will be built as outlined in this report and will provide a project-based subsidy to 51 of the 120 proposed units. Changes to the project’s rents, amenities, floor plans, location, subsidy availability, or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project’s initial lease-up period.

Should the Project-Based Rental Assistance (PBRA) subsidy not be secured, and the property had to operate exclusively under the LIHTC guidelines at the proposed rent levels evaluated throughout this report, the subject project would likely experience an extended absorption period. This is due to the more limited demographic base for the property in the market as the property would no longer be capable of targeting households earning below \$23,383. In this unlikely scenario we would expect the subject project would reach a stabilized occupancy rate of 95% within nine months of opening. This is based on an average monthly absorption rate of approximately 12 to 13 units per month.

VIII. Local Perspective (Interviews)

We conducted numerous interviews with local sources familiar with the Fairfax area and the housing, economic and/or demographic characteristics that impact the need for affordable housing. These include, but are not limited to, interviews with local planning and building department representatives, local chamber of commerce and/or economic development officials, housing authority representatives, local real estate professionals and/or apartment managers.

Summaries of key interviews regarding the need for affordable rental housing within the area follow. Note, some of these interviews were conducted at the time of our original report in July of 2019.

- According to Erick Wood, Associate Director with Fairfax County Department of Housing and Community Development, there is a need for more affordable housing for families because it is important to the economic vitality of communities. Mr. Wood continued to state that Northern Virginia has one of the most expensive housing markets and it's often difficult for working families to find housing within their budget.
- Jason Sutphin, Division Chief with Fairfax Community Development, stated there is a need for more affordable housing for both families and seniors, per their housing data statistics. Mr. Sutphin continued to explain that they have a comprehensive plan to address affordable housing needs.
- According to Catherine Riley, Interim President with Fairfax County Economic Development, there is a need for affordable housing for families, seniors, and workforce because it would be difficult to maintain the stable economy if there are not affordable places for residents to live. Ms. Riley further stated that more affordable housing would continue to improve the economy, as many graduating college students are needing work and affordable housing in the metro area.
- Michelle Lingenfelter, Community Manager at West Wood Oak Apartments, believes that there is a need for affordable housing for both families and seniors. Regarding seniors, she noted that even some of the Tax Credit rents are in a difficult income range, as many seniors are either living on social security and cannot afford those rents or happen to be over-qualified but cannot afford market rents. She also addressed the need for multifamily housing, stating that occupations such as teachers, firefighters and other public service professionals have a difficult time affording housing in the county in which they serve. Ms. Lingenfelter believes that Tax Credit housing at the 60% or 80% AMHI limits would be the most helpful.

IX. Analysis & Conclusions

Based on the findings of this report, a market exists for the subject property and the project is considered marketable as proposed.

The subject property will offer studio through four-bedroom units targeting households earning up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI), with the 30% and 40% units offering a project-based subsidy. This will allow the property to appeal to a wide demographic base thus enhancing its overall marketability within the Fairfax market.

A relatively limited supply of comparable/competitive LIHTC product is offered within the Site PMA as only two such properties were identified/surveyed in the market. Both of these properties are 100.0% occupied, similar to two of the three additional comparable properties surveyed outside the Site PMA. These are clear indications of strong and likely pent-up demand for LIHTC product within the market/region. The subject project will help alleviate a portion of this pent-up demand. The property is also very competitive in terms of price point (gross rent) and overall design, which will enhance its marketability within the Fairfax market. In addition, the subject's proposed rents also represent strong market rent advantages of at least 29.2%, further indicating the subject project will represent a value within the Fairfax Site PMA.

In addition to being competitively positioned, the subject project will also be well supported demographically, as more than 35,000 renter households are projected to exist in the market through 2025. This deep base of demographic support is further evident by the subject's low capture rate of 1.7%.

In conclusion, the subject property is considered marketable as proposed and is expected to be met with positive demand within the Fairfax market. Given the strong occupancy rates of existing affordable product surveyed, general lack of LIHTC product, and deep base of demographic support, we do not anticipate the subject project having any adverse impact on future occupancy rates among existing comparable LIHTC properties in this market.

X.

SITE PHOTOGRAPHS



View of site from the north



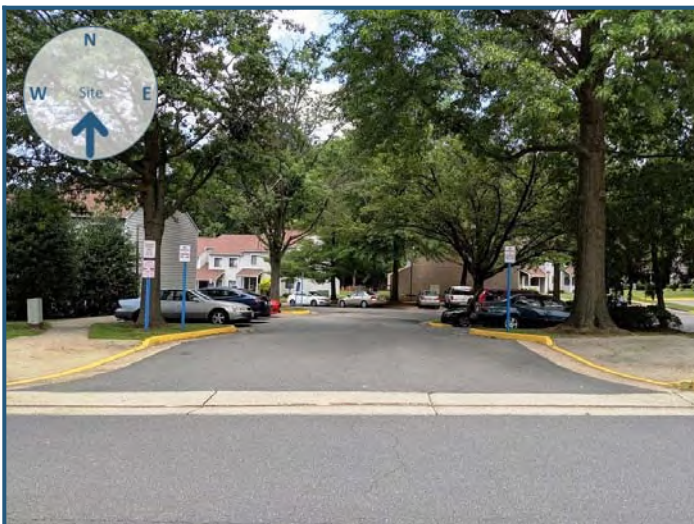
View of site from the northeast



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest



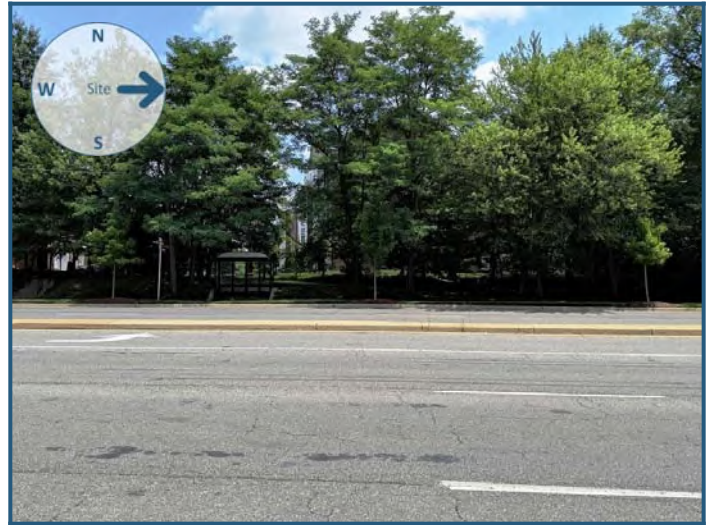
View of site from the northwest



North view from site



Northeast view from site



East view from site



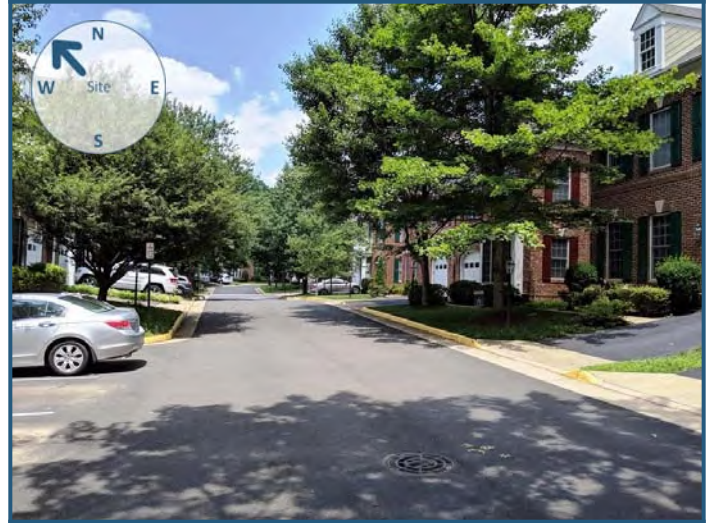
Southeast view from site



South view from site



Southwest view from site



Northwest view from site



Streetscape: North view of St. Edwards Place



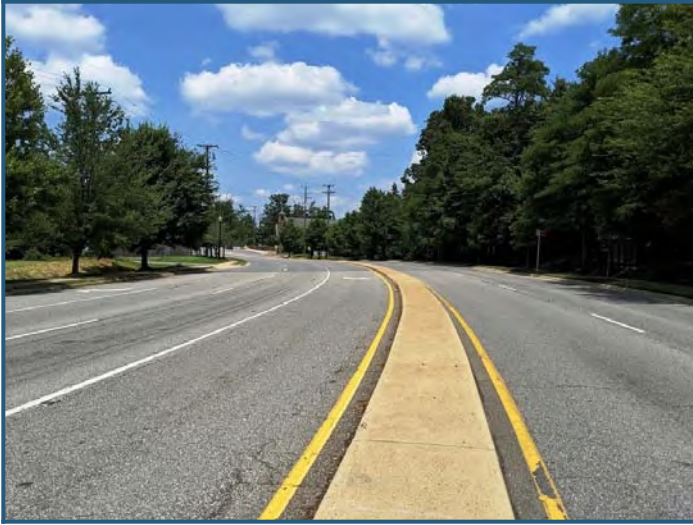
Streetscape: North view of St. Johns Place



Streetscape: East view of University Drive



Streetscape: West view of University Drive



Streetscape: North view of Ox Road



Streetscape: South view of Ox Road

XI.

COMPARABLE
PROPERTY PROFILES

1 Apts. at Regent's Park 4.1 miles to site



Address: 9333 Clocktower Pl., Fairfax, VA 22031
 Phone: (703) 352-0300 Contact: Alyia (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 552 Year Built: 1997
 Vacant Units: 36 *AR Year:
 Occupancy: 93.5% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist:
 Rent Special:

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B/B

Notes: Accepts HCV; Rents range based on amenities, upgrades & floorplan; Rents change daily



Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Fireplace; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite, Vinyl, Wood Laminate / Plank)

Property Amenities: Business Center (Computer, Copy); Car Care (Car Vacuum, Car Wash); Clubhouse; Concierge Services (Package Receiving); Elevator; On-Site Management; Recreation Areas (Fitness Center, Picnic Table / Area, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|-------------------|------|
| 1 | 1 | G | 166 | 15 | 671 - 874 | \$2.71 - \$2.35 | \$1,819 - \$2,050 | 0% |
| 2 | 1 - 2 | G | 332 | 17 | 1,055 - 1,098 | \$2.16 - \$2.56 | \$2,283 - \$2,810 | 0% |
| 3 | 2 | G | 54 | 4 | 1,320 | \$1.98 - \$2.10 | \$2,610 - \$2,773 | 0% |

* Adaptive Reuse

2 Avalon Dunn Loring Apts. 6.4 miles to site



Address: 2750 Gallows Rd., Vienna, VA 22180
 Phone: (703) 844-3003 Contact: Becka (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 440 Year Built: 2011 Ratings
 Vacant Units: 5 *AR Year: Quality: A
 Occupancy: 98.9% Yr Renovated: Neighborhood: A
 Turnover: Stories: 5 Access/Visibility: A/A
 Waitlist:
 Rent Special:

Notes: Does not accept HCV; Rent range due to floorplan & floor level

Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; W/D; Window Treatments; Flooring (Carpet, Wood Laminate / Plank);
 Premium Appliances; Premium Countertops; Premium Cabinetry; Premium Fixtures

Property Amenities: Business Center (Computer, Copy); TV Lounge; Concierge Services (Package Receiving); Restaurant, Store; Courtyard; Recreation Areas
 (Fitness Center, Game Room-Billiards, Outdoor Swimming Pool); Extra Storage

Parking Type: Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------------|-----------------|-------------------|------|
| 0 | 1 | G | 44 | 0 | 464 - 704 | \$3.45 - \$2.27 | \$1,600 | 0% |
| 1 | 1 | G | 264 | 1 | 564 - 801 | \$3.15 - \$2.43 | \$1,775 - \$1,950 | 0% |
| 2 | 2 | G | 132 | 4 | 892 - 1,263 | \$2.69 - \$2.02 | \$2,400 - \$2,550 | 0% |

* Adaptive Reuse

4 Camden Fair Lakes 7.1 miles to site



Address: 12565 Summit Manor Dr., Fairfax, VA 22033
 Phone: (866) 718-0361 Contact: Suzy (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 530 Year Built: 1998
 Vacant Units: 8 *AR Year:
 Occupancy: 98.5% Yr Renovated:
 Turnover: Stories: 3,4
 Waitlist:
 Rent Special:

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B/B+

Notes: Does not accept HCV; Rents change daily



Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Fireplace; W/D; Window Treatments; Flooring (Carpet, Vinyl, Wood Laminate / Plank); Premium Appliances; Premium Countertops; Premium Cabinetry; Premium Fixtures; Crown Molding; Oversized Windows

Property Amenities: Car Care (Car Vacuum, Car Wash); Clubhouse; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Outdoor Swimming Pool); Extra Storage; Water Feature

Parking Type: Attached Garage; Detached Garage; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|-------------------|------|
| 1 | 1 | G | 158 | 1 | 780 | \$2.47 | \$1,923 | 0% |
| 2 | 1 | G | 114 | 3 | 871 | \$2.28 | \$1,983 | 0% |
| 2 | 2 | G | 130 | 2 | 1,019 - 1,024 | \$2.08 - \$2.12 | \$2,123 - \$2,173 | 0% |
| 2 | 2 | L | 24 | 0 | 1,239 | \$1.85 | \$2,293 | 0% |
| 2 | 2 | T | 51 | 1 | 1,455 | \$1.86 | \$2,713 | 0% |
| 3 | 2 | G | 53 | 1 | 1,314 | \$2.08 | \$2,733 | 0% |

* Adaptive Reuse

5 Camden Fairfax Corner 5.1 miles to site



Address: 4245 Summit Corner Dr, Fairfax, VA 22030
 Phone: (703) 266-6088 Contact: Daniel (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 488 Year Built: 2005
 Vacant Units: 8 *AR Year:
 Occupancy: 98.4% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist:
 Rent Special:

Ratings
 Quality: B+
 Neighborhood: A
 Access/Visibility: B+/B

Notes: Does not accept HCV



Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; Controlled Access; Fireplace; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Ceramic Tile, Vinyl)

Property Amenities: Business Center (Computer, Copy); Car Care (Car Vacuum, Car Wash); Community Room; Elevator; On-Site Management; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Outdoor Swimming Pool); Gated Community; Extra Storage; WiFi

Parking Type: Surface Lot; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|-------------------|------|
| 0 | 1 | G | 68 | 0 | 650 - 860 | \$2.84 - \$2.18 | \$1,849 - \$1,879 | 0% |
| 1 | 1 | G | 187 | 1 | 698 - 1,104 | \$2.52 - \$1.59 | \$1,759 | 0% |
| 1 | 1.5 | T | 18 | 0 | 950 - 1,163 | \$2.00 - \$1.63 | \$1,900 | 0% |
| 2 | 2 | G | 176 | 4 | 1,040 - 1,390 | \$2.49 - \$1.86 | \$2,589 | 0% |
| 2 | 2.5 | T | 14 | 0 | 1,163 | \$2.15 - \$2.24 | \$2,500 - \$2,600 | 0% |
| 3 | 2 | G | 25 | 3 | 1,265 - 1,442 | \$2.25 - \$1.98 | \$2,849 | 0% |

* Adaptive Reuse

9 Lerner Falls at Flint Hill Apts. 3.4 miles to site



Address: 10520 Rosehaven St., Fairfax, VA 22030
 Phone: (703) 337-0957 Contact: Mathew (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 246 Year Built: 2008
 Vacant Units: 2 *AR Year:
 Occupancy: 99.2% Yr Renovated:
 Turnover: Stories: 3,4
 Waitlist:
 Rent Special: \$300 off 1st month rent

Ratings
 Quality: B+
 Neighborhood: B+
 Access/Visibility: A/B+

Notes: HCV (1 unit); Rents change daily

Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; Controlled Access; W/D; Window Treatments; Flooring (Carpet, Vinyl); Premium Countertops; High Ceilings

Property Amenities: Business Center (Computer); Car Care (Car Vacuum, Car Wash); Clubhouse; Concierge Services (Dry Cleaning, Package Receiving); Cafe / Coffee Bar; Recreation Areas (Firepit, Grill, Hiking-Walking Trail, Media Room / Theater, Picnic Table / Area, Playground)

Parking Type: Detached Garage; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|---------|------|-------|--------|---------------|-----------------|-------------------|------|
| 1 | 1 | G | 68 | 1 | 761 - 1,049 | \$2.29 - \$1.69 | \$1,741 - \$1,771 | 0% |
| 1 | 1.5 | G | 6 | 0 | 971 - 1,049 | \$2.10 - \$1.94 | \$2,036 | 0% |
| 2 | 2 - 2.5 | G | 148 | 0 | 1,078 - 1,602 | \$2.04 - \$1.78 | \$2,200 - \$2,850 | 0% |
| 3 | 2 | G | 24 | 1 | 1,602 | \$1.89 | \$3,028 | 0% |

* Adaptive Reuse

10 Lincoln at Fair Oaks 5.8 miles to site



Address: 12167 Lincoln Lake Way, Fairfax, VA 22030
 Phone: (703) 449-8900 Contact: Bri (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 284 Year Built: 1998
 Vacant Units: 14 *AR Year:
 Occupancy: 95.1% Yr Renovated:
 Turnover: Stories: 3,4
 Waitlist:
 Rent Special:

Ratings
 Quality: B+
 Neighborhood: B
 Access/Visibility: B/B



Notes: Does not accept HCV; Rent range due to amenities, upgrades, floorplan & unit location; Rents change daily

Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Fireplace; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Business Center (Computer, Copy, Fax); Car Care (Car Vacuum, Car Wash); Clubhouse; Concierge Services (Package Receiving); On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Hot Tub, Picnic Table / Area, Playground, Outdoor Swimming Pool)

Parking Type: Detached Garage; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|-------------------|------|
| 1 | 1 | G | 85 | 4 | 709 - 893 | \$2.29 - \$2.48 | \$1,625 - \$2,215 | 0% |
| 2 | 2 | G | 170 | 7 | 1,070 - 1,114 | \$1.83 - \$2.05 | \$1,960 - \$2,285 | 0% |
| 3 | 2 | G | 29 | 3 | 1,260 | \$1.80 - \$2.02 | \$2,270 - \$2,545 | 0% |

* Adaptive Reuse

13 Residences at Government Center I & II 4.9 miles to site



Address: 11851 Monument Dr., Fairfax, VA 22030
 Phone: (703) 865-0100 Contact: Maggie (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 270 Year Built: 2016 Ratings
 Vacant Units: 0 *AR Year: Quality: B+
 Occupancy: 100.0% Yr Renovated: Neighborhood: A
 Turnover: Stories: 5 (w/Elev) Access/Visibility: B+/A
 Waitlist: 10 HH;
 Rent Special:

Notes: Tax Credit; Accepts HCV; Preleasing 9/2016, opened 12/2016, stabilized occupancy 6/2017



Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D; Window Treatments; Flooring (Carpet, Ceramic Tile, Wood Laminate / Plank)

Property Amenities: Bike Racks / Storage; TV Lounge; Courtyard; Elevator; On-Site Management; Dog Wash, Pet Stations; Recreation Areas (Fitness Center, Grill, Game Room-Billiards, Picnic Table / Area, Playground, Outdoor Swimming Pool); Extra Storage

Parking Type: Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|----------------|------|
| 0 | 1 | G | 5 | 0 | 541 - 581 | \$1.78 - \$1.66 | \$964 | 50% |
| 0 | 1 | G | 6 | 0 | 541 - 581 | \$2.18 - \$2.03 | \$1,177 | 60% |
| 1 | 1 | G | 32 | 0 | 648 - 717 | \$1.59 - \$1.44 | \$1,029 | 50% |
| 1 | 1 | G | 49 | 0 | 648 - 717 | \$1.94 - \$1.75 | \$1,256 | 60% |
| 2 | 2 | G | 76 | 0 | 857 - 1,010 | \$1.41 - \$1.20 | \$1,210 | 50% |
| 2 | 2 | G | 86 | 0 | 857 - 1,010 | \$1.73 - \$1.47 | \$1,483 | 60% |
| 3 | 2 | G | 6 | 0 | 1,169 - 1,200 | \$1.16 - \$1.13 | \$1,360 | 50% |
| 3 | 2 | G | 10 | 0 | 1,169 - 1,200 | \$1.43 - \$1.40 | \$1,676 | 60% |

* Adaptive Reuse

14 Ridgewood by Windsor 4.0 miles to site



Address: 4211 Ridge Top Rd., Fairfax, VA 22030
 Phone: (703) 383-3996 Contact: greg (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 483 Year Built: 2010
 Vacant Units: 6 *AR Year:
 Occupancy: 98.8% Yr Renovated:
 Turnover: Stories: 4,6 (w/Elev)
 Waitlist:
 Rent Special:

Ratings
 Quality: A-
 Neighborhood: B+
 Access/Visibility: A/A

Notes: Does not accept HCV; Rents change daily



Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Controlled Access; W/D; Window Treatments; Flooring (Carpet, Ceramic Tile, Hardwood); Premium Countertops

Property Amenities: Business Center (Computer, Copy, Fax); Clubhouse; Concierge Services (Package Receiving); Elevator; On-Site Management; Pet Stations; Recreation Areas (Fitness Center, Grill, Media Room / Theater, Picnic Table / Area, Outdoor Swimming Pool)

Parking Type: Surface Lot; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|-------------------|------|
| 0 | 1 | G | 6 | 0 | 567 - 607 | \$2.65 - \$2.47 | \$1,500 | 0% |
| 1 | 1 | G | 145 | 2 | 719 - 937 | \$2.54 - \$1.95 | \$1,825 | 0% |
| 2 | 2 | G | 290 | 3 | 1,023 - 1,135 | \$1.93 | \$1,970 - \$2,185 | 0% |
| 3 | 2 | G | 42 | 1 | 1,285 - 1,289 | \$2.07 - \$2.17 | \$2,655 - \$2,799 | 0% |

* Adaptive Reuse

16 West Wood Oaks 1.0 miles to site



Address: 10726 West Dr., Fairfax, VA 22030
 Phone: (703) 273-6609 Contact: Michelle (By Phone)
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 54 Year Built: 1972 Ratings
 Vacant Units: 0 *AR Year: Quality: B
 Occupancy: 100.0% Yr Renovated: Neighborhood: B
 Turnover: Stories: 3 Access/Visibility: B/B-
 Waitlist:
 Rent Special:



Notes: Tax Credit (44 units); HUD Section 8 & Tax Credit (10 units); HCV (12 units)

Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash
 Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Controlled Access; W/D; Window Treatments; Flooring (Hardwood)
 Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Grill, Picnic Table / Area)
 Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 1 | 1 | G | 4 | 0 | 690 | \$1.43 | \$986 | 50% |
| 1 | 1 | G | 16 | 0 | 690 | \$1.58 | \$1,091 | 60% |
| 1 | 1 | G | 3 | 0 | 805 | \$2.35 | \$1,895 | 95% |
| 2 | 1 | G | 6 | 0 | 805 | \$1.49 | \$1,201 | 50% |
| 2 | 1 | G | 25 | 0 | 805 | \$1.61 | \$1,298 | 60% |

* Adaptive Reuse

901 Coralain Gardens 7.4 miles to site



Address: 7435 Arlington Blvd, Falls Church, VA 22042
 Phone: (703) 573-1030 Contact: Sol (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 106 Year Built: 1964
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2007
 Turnover: Stories: 2,3
 Waitlist:
 Rent Special:

Ratings
 Quality: B-
 Neighborhood: B
 Access/Visibility: B/A

Notes: Tax Credit; Accepts HCV



Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Window Treatments; Flooring (Carpet)

Property Amenities: Laundry Room; On-Site Management; Pet Stations; Recreation Areas (Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 0 | 1 | G | 15 | 0 | 500 | \$2.02 | \$1,010 | 50% |
| 0 | 1 | G | 15 | 0 | 500 | \$2.45 | \$1,223 | 60% |
| 1 | 1 | G | 18 | 0 | 650 | \$1.67 | \$1,086 | 50% |
| 1 | 1 | G | 18 | 0 | 650 | \$2.02 | \$1,313 | 60% |
| 2 | 1 | G | 20 | 0 | 750 | \$1.72 | \$1,293 | 50% |
| 2 | 1 | G | 20 | 0 | 750 | \$2.09 | \$1,566 | 60% |

* Adaptive Reuse

902 Fields of Chantilly 10.7 miles to site



Address: 13950 Rockland Village Dr, Chantilly, VA 20151
 Phone: (703) 263-7630 Contact: Franchesca (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 360 Year Built: 2001
 Vacant Units: 4 *AR Year:
 Occupancy: 98.9% Yr Renovated:
 Turnover: Stories: 3
 Waitlist:
 Rent Special:

Ratings
 Quality: B+
 Neighborhood: B
 Access/Visibility: A/A

Notes: Tax Credit; Accepts HCV



Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority

Utility Type & Responsibility: Landlord pays Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Fireplace; W/D; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Business Center (Computer, Copy, Fax); Clubhouse; On-Site Management; Recreation Areas (Basketball, Fitness Center, Grill, Picnic Table / Area, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------------|-----------------|----------------|------|
| 2 | 1 - 2 | G | 288 | 4 | 944 - 1,052 | \$1.60 - \$1.43 | \$1,507 | 60% |
| 3 | 2 | G | 72 | 0 | 1,237 | \$1.37 | \$1,690 | 60% |

* Adaptive Reuse

903 Springfield Crossing 11.5 miles to site



Address: 6704 Metropolitan Center Dr, Springfield, VA 22150
 Phone: (866) 218-5012 Contact: Leslie (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 347 Year Built: 2001
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4,8 (w/Elev)
 Waitlist:
 Rent Special:

Ratings
 Quality: A
 Neighborhood: B
 Access/Visibility: C+/C+

Notes: Tax Credit; Accepts HCV



Features And Utilities

Utility Schedule Provided by: Virginia Housing Development Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; Fireplace; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Business Center (Computer); Clubhouse; Elevator; On-Site Management; Recreation Areas (Fitness Center, Outdoor Swimming Pool)

Parking Type: Surface Lot; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------------|-----------------|-------------------|------|
| 2 | 1 - 2 | G | 331 | 0 | 978 - 1,100 | \$1.57 - \$1.40 | \$1,539 - \$1,542 | 60% |
| 3 | 2 | G | 16 | 0 | 1,288 | \$1.36 | \$1,757 | 60% |

* Adaptive Reuse

XII.

PHONE SURVEY OF CONVENTIONAL RENTALS

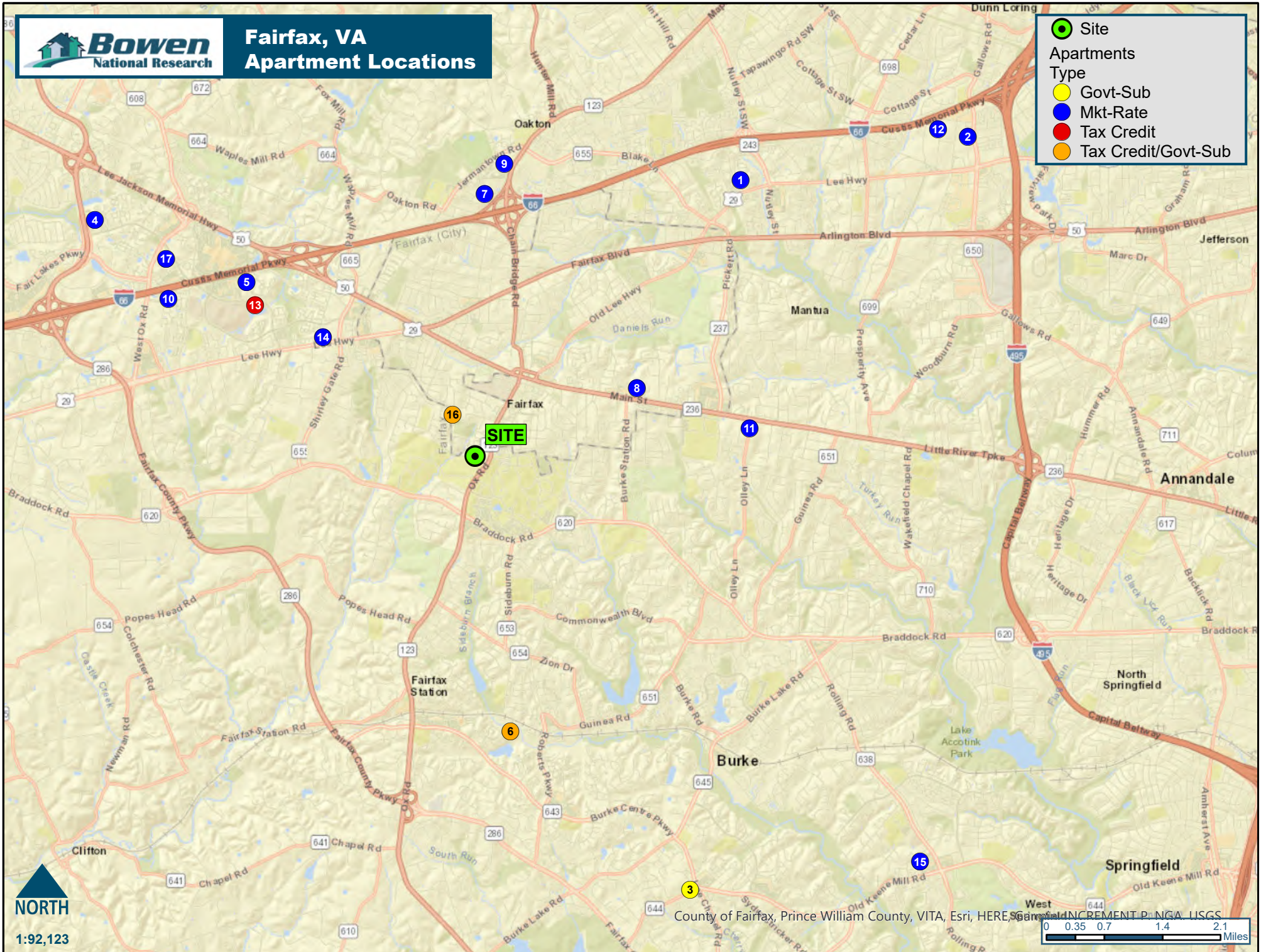


Fairfax, VA Apartment Locations

Site
● Site

Apartments Type

- Govt-Sub
- Mkt-Rate
- Tax Credit
- Tax Credit/Govt-Sub




1:92,123

| Map ID | Property | Prop Type | Quality Rating | Year Built | Total Units | Vacant | Occ. Rate | Distance To Site* |
|--------|--|-----------|----------------|------------|-------------|--------|-----------|-------------------|
| ✓ 1 | Apts. at Regent's Park | MRR | B | 1997 | 552 | 36 | 93.5% | 4.1 |
| ✓ 2 | Avalon Dunn Loring Apts. | MRR | A | 2011 | 440 | 5 | 98.9% | 6.4 |
| ◆ 3 | Burke Lake Gardens | GSS | C | 1984 | 100 | 0 | 100.0% | 6.3 |
| ✓ 4 | Camden Fair Lakes | MRR | B | 1998 | 530 | 8 | 98.5% | 7.1 |
| ✓ 5 | Camden Fairfax Corner | MRR | B+ | 2005 | 488 | 8 | 98.4% | 5.1 |
| 6 | Crevenna Oaks & Summit Oaks Apts. | TGS | B | 1980 | 100 | 0 | 100.0% | 3.8 |
| 7 | Elms at Oakton | MRR | B | 1987 | 313 | 5 | 98.4% | 4.2 |
| 8 | Fairfax Square | MRR | B | 1962 | 502 | 22 | 95.6% | 2.2 |
| ✓ 9 | Lerner Falls at Flint Hill Apts. | MRR | B+ | 2008 | 246 | 2 | 99.2% | 3.4 |
| ✓ 10 | Lincoln at Fair Oaks | MRR | B+ | 1998 | 284 | 14 | 95.1% | 5.8 |
| ◆ 11 | Little River Glen | MRR | B- | 1990 | 120 | 0 | 100.0% | 3.2 |
| 12 | Prosperity Flats Apts. | MRR | B | 2013 | 327 | 4 | 98.8% | 6.3 |
| ✓ 13 | Residences at Government Center I & II | TAX | B+ | 2016 | 270 | 0 | 100.0% | 4.9 |
| ✓ 14 | Ridgewood by Windsor | MRR | A- | 2010 | 483 | 6 | 98.8% | 4.0 |
| 15 | West Springfield Terrace Apts. | MRR | B- | 1978 | 244 | 5 | 98.0% | 7.2 |
| ✓ 16 | West Wood Oaks | TGS | B | 1972 | 54 | 0 | 100.0% | 1.0 |
| 17 | Wheelhouse of Fair Oaks | MRR | B- | 1987 | 491 | 20 | 95.9% | 6.1 |
| ✓ 901 | Coralain Gardens | TAX | B- | 1964 | 106 | 0 | 100.0% | 7.4 |
| ✓ 902 | Fields of Chantilly | TAX | B+ | 2001 | 360 | 4 | 98.9% | 10.7 |
| ✓ 903 | Springfield Crossing | TAX | A | 2001 | 347 | 0 | 100.0% | 11.5 |


*Drive distance in miles

| | | |
|---|--|--|
| ✓ Comparable Property | (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized | (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized |
| ◆ Senior Restricted | (TAX) Tax Credit | (INR) Income Restricted (not LIHTC) |
| ■ (MRR) Market-Rate | (TGS) Tax Credit & Govt Subsidized | (ING) Income Restricted (not LIHTC) & Govt Subsidized |
| ■ (MRT) Market-Rate & Tax Credit | (TIN) Tax Credit & Income Restricted (not LIHTC) | ■ (GSS) Govt Subsidized |
| ■ (MRG) Market-Rate & Govt Subsidized | (TMG) Tax Credit, Market-Rate & Govt Subsidized | ■ (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted |
| ■ (MIN) Market-Rate & Income Restricted (not LIHTC) | | |




| | | | |
|----------|--|---|------------|
| 1 | Apts. at Regent's Park 9333 Clocktower Pl., Fairfax, VA 22031 | Contact: Alyia Phone: (703) 352-0300 | (By Phone) |
| |  | Total Units: 552 UC: 0 Occupancy: 93.5% Stories: 4 w/Elevator Year Built: 1997 BR: 1, 2, 3 Vacant Units: 36 Waitlist: Target Population: Family AR Year: Rent Special: Yr Renovated: Notes: Accepts HCV; Rents range based on amenities, upgrades & floorplan; Rents change daily | |




| | | | |
|----------|--|--|------------|
| 2 | Avalon Dunn Loring Apts. 2750 Gallows Rd., Vienna, VA 22180 | Contact: Becka Phone: (703) 844-3003 | (By Phone) |
| |  | Total Units: 440 UC: 0 Occupancy: 98.9% Stories: 5 Year Built: 2011 BR: 0, 1, 2 Vacant Units: 5 Waitlist: Target Population: Family AR Year: Rent Special: Yr Renovated: Notes: Does not accept HCV; Rent range due to floorplan & floor level | |




| | | | |
|----------|---|--|------------|
| 3 | Burke Lake Gardens 9608 Old Keene Mill Rd., Burke, VA 22015 | Contact: Gwen Phone: (703) 644-0061 | (By Phone) |
| |  | Total Units: 100 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 1984 BR: 1 Vacant Units: 0 Waitlist: Target Population: Senior 62+ AR Year: Rent Special: Yr Renovated: Notes: HUD Section 8; HUD Section 202 | |
























| | | | |
|----------|--|---|------------|
| 4 | Camden Fair Lakes 12565 Summit Manor Dr., Fairfax, VA 22033 | Contact: Suzy Phone: (866) 718-0361 | (By Phone) |
| |  | Total Units: 530 UC: 0 Occupancy: 98.5% Stories: 3,4 Year Built: 1998 BR: 1, 2, 3 Vacant Units: 8 Waitlist: Target Population: Family AR Year: Rent Special: Yr Renovated: Notes: Does not accept HCV; Rents change daily | |








| | | | |
|----------|--|---|------------|
| 5 | Camden Fairfax Corner 4245 Summit Corner Dr, Fairfax, VA 22030 | Contact: Daniel Phone: (703) 266-6088 | (By Phone) |
| |  | Total Units: 488 UC: 0 Occupancy: 98.4% Stories: 4 w/Elevator Year Built: 2005 BR: 0, 1, 2, 3 Vacant Units: 8 Waitlist: Target Population: Family AR Year: Rent Special: Yr Renovated: Notes: Does not accept HCV | |

| | | | |
|---|--|--|---|
| Comparable Property | Senior Restricted | (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized | (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized |
| (MRR) Market-Rate | (TAX) Tax Credit | (TGS) Tax Credit & Govt Subsidized | (INR) Income Restricted (not LIHTC) |
| (MRT) Market-Rate & Tax Credit | (TIN) Tax Credit & Income Restricted (not LIHTC) | (TMG) Tax Credit, Market-Rate & Govt Subsidized | (ING) Income Restricted (not LIHTC) & Govt Subsidized |
| (MRG) Market-Rate & Govt Subsidized | (GSS) Govt Subsidized | (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted | |
| (MIN) Market-Rate & Income Restricted (not LIHTC) | | | |


| | | |
|--|--|--|
| 6 | Crevenna Oaks & Summit Oaks Apts. 10550 Oak Bluff Ct., Burke, VA 22015 | Contact: Renee (By Phone) Phone: (703) 323-1116 |
|  | Total Units: 100 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1980 BR: 2, 3 Vacant Units: 0 Waitlist: 195 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HUD Section 8 | |
| 7 | Elms at Oakton 3223 Arrowhead Cir., Fairfax, VA 22030 | Contact: Anna (By Phone) Phone: (703) 591-5660 |
|  | Total Units: 313 UC: 0 Occupancy: 98.4% Stories: 2,3 w/Elevator Year Built: 1987 BR: 1, 2 Vacant Units: 5 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV | |
| 8 | Fairfax Square 9860 Fairfax Sq., Fairfax, VA 22031 | Contact: Malachi (By Phone) Phone: (703) 591-5498 |
|  | Total Units: 502 UC: 0 Occupancy: 95.6% Stories: 2 Year Built: 1962 BR: 1, 2, 3 Vacant Units: 22 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Accepts HCV | |
| 9 | Lerner Falls at Flint Hill Apts. 10520 Rosehaven St., Fairfax, VA 22030 | Contact: Mathew (By Phone) Phone: (703) 337-0957 |
|  | Total Units: 246 UC: 0 Occupancy: 99.2% Stories: 3,4 Year Built: 2008 BR: 1, 2, 3 Vacant Units: 2 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: \$300 off 1st month rent Notes: HCV (1 unit); Rents change daily | |
| 10 | Lincoln at Fair Oaks 12167 Lincoln Lake Way, Fairfax, VA 22030 | Contact: Bri (By Phone) Phone: (703) 449-8900 |
|  | Total Units: 284 UC: 0 Occupancy: 95.1% Stories: 3,4 Year Built: 1998 BR: 1, 2, 3 Vacant Units: 14 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rent range due to amenities, upgrades, floorplan & unit location; Rents change daily | |

| | | |
|---|--|--|
|  Comparable Property |  (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized |  (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized |
|  Senior Restricted |  (TAX) Tax Credit |  (INR) Income Restricted (not LIHTC) |
|  (MRR) Market-Rate |  (TGS) Tax Credit & Govt Subsidized |  (ING) Income Restricted (not LIHTC) & Govt Subsidized |
|  (MRT) Market-Rate & Tax Credit |  (TIN) Tax Credit & Income Restricted (not LIHTC) |  (GSS) Govt Subsidized |
|  (MRG) Market-Rate & Govt Subsidized |  (TMG) Tax Credit, Market-Rate & Govt Subsidized |  (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted |
|  (MIN) Market-Rate & Income Restricted (not LIHTC) | | |


| | | |
|--|---|--|
| <p>11</p>  | <p>Little River Glen 4001 Barker Ct., Fairfax, VA 22032</p> <p>Total Units: 120 UC: 0 Occupancy: 100.0% Stories: 1, 2 w/Elevator Year Built: 1990 BR: 1 Vacant Units: 0 Waitlist: 65 HH; AR Year: Target Population: Senior 62+ Yr Renovated: 2011 Rent Special: Notes: Accepts HCV</p> | <p>Contact: Shirley (By Phone) Phone: (703) 503-8702</p> |
| <p>12</p>  | <p>Prosperity Flats Apts. 2700 Dorr Ave., Fairfax, VA 22031</p> <p>Total Units: 327 UC: 0 Occupancy: 98.8% Stories: 11 w/Elevator Year Built: 2013 BR: 1, 2 Vacant Units: 4 Waitlist: 1-br: 10 households AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV</p> | <p>Contact: Ashley (By Phone) Phone: (703) 645-7368</p> |
| <p>13</p>  | <p>Residences at Government Center I & II 11851 Monument Dr., Fairfax, VA 22030</p> <p>Total Units: 270 UC: 0 Occupancy: 100.0% Stories: 5 w/Elevator Year Built: 2016 BR: 0, 1, 2, 3 Vacant Units: 0 Waitlist: 10 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; Accepts HCV; Preleasing 9/2016, opened 12/2016, stabilized occupancy 6/2017</p> | <p>Contact: Maggie (By Phone) Phone: (703) 865-0100</p> |
| <p>14</p>  | <p>Ridgewood by Windsor 4211 Ridge Top Rd., Fairfax, VA 22030</p> <p>Total Units: 483 UC: 0 Occupancy: 98.8% Stories: 4,6 w/Elevator Year Built: 2010 BR: 0, 1, 2, 3 Vacant Units: 6 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Rents change daily</p> | <p>Contact: greg (By Phone) Phone: (703) 383-3996</p> |
| <p>15</p>  | <p>West Springfield Terrace Apts. 8525 Burling Wood Dr., Springfield, VA 22152</p> <p>Total Units: 244 UC: 0 Occupancy: 98.0% Stories: 3,4 Year Built: 1978 BR: 1, 2, 3 Vacant Units: 5 Waitlist: AR Year: Target Population: Family Yr Renovated: 2018 Rent Special: Notes: Does not accept HCV; Rents change daily</p> | <p>Contact: Lena (By Phone) Phone: (703) 569-0555</p> |

| | | |
|--|--|---|
| <p>✓ Comparable Property</p> <p>◆ Senior Restricted</p> <p>■ (MRR) Market-Rate</p> <p>■ (MRT) Market-Rate & Tax Credit</p> <p>■ (MRG) Market-Rate & Govt Subsidized</p> <p>■ (MIN) Market-Rate & Income Restricted (not LIHTC)</p> | <p>■ (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized</p> <p>■ (TAX) Tax Credit</p> <p>■ (TGS) Tax Credit & Govt Subsidized</p> <p>■ (TIN) Tax Credit & Income Restricted (not LIHTC)</p> <p>■ (TMG) Tax Credit, Market-Rate & Govt Subsidized</p> | <p>■ (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized</p> <p>■ (INR) Income Restricted (not LIHTC)</p> <p>■ (ING) Income Restricted (not LIHTC) & Govt Subsidized</p> <p>■ (GSS) Govt Subsidized</p> <p>■ (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted</p> |
|--|--|---|




| | | |
|--|---|---|
| 16 | West Wood Oaks 10726 West Dr., Fairfax, VA 22030 | Contact: Michelle (By Phone) Phone: (703) 273-6609 |
|  | Total Units: 54 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1972 BR: 1, 2 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit (44 units); HUD Section 8 & Tax Credit (10 units); HCV (12 units) | |




| | | |
|--|---|--|
| 17 | Wheelhouse of Fair Oaks 12105 Polo Dr., Fairfax, VA 22033 | Contact: Dominique (By Phone) Phone: (703) 349-0044 |
|  | Total Units: 491 UC: 0 Occupancy: 95.9% Stories: 3 Year Built: 1987 BR: 1, 2, 3 Vacant Units: 20 Waitlist: AR Year: Target Population: Family Yr Renovated: 2016 Rent Special: Notes: Does not accept HCV; Rents change daily | |




| | | |
|---|---|--|
| 901 | Coralain Gardens 7435 Arlington Blvd, Falls Church, VA 22042 | Contact: Sol (By Phone) Phone: (703) 573-1030 |
|  | Total Units: 106 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 1964 BR: 0, 1, 2 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: 2007 Rent Special: Notes: Tax Credit; Accepts HCV | |



| | | |
|--|--|---|
| 902 | Fields of Chantilly 13950 Rockland Village Dr, Chantilly, VA 20151 | Contact: Franchesca (By Phone) Phone: (703) 263-7630 |
|  | Total Units: 360 UC: 0 Occupancy: 98.9% Stories: 3 Year Built: 2001 BR: 2, 3 Vacant Units: 4 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; Accepts HCV | |



| | | |
|--|---|---|
| 903 | Springfield Crossing 6704 Metropolitan Center Dr, Springfield, VA 22150 | Contact: Leslie (By Phone) Phone: (866) 218-5012 |
|  | Total Units: 347 UC: 0 Occupancy: 100.0% Stories: 4,8 w/Elevator Year Built: 2001 BR: 2, 3 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; Accepts HCV | |

| | | |
|---|--|---|
| <ul style="list-style-type: none"> Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Govt Subsidized (MIN) Market-Rate & Income Restricted (not LIHTC) | <ul style="list-style-type: none"> (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized (TAX) Tax Credit (TGS) Tax Credit & Govt Subsidized (TIN) Tax Credit & Income Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Govt Subsidized | <ul style="list-style-type: none"> (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized (INR) Income Restricted (not LIHTC) (ING) Income Restricted (not LIHTC) & Govt Subsidized (GSS) Govt Subsidized (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted |
|---|--|---|

Source: Virginia Housing Development Authority
Effective: 07/2019

Monthly Dollar Allowances

| | | Garden | | | | | | Townhome | | | | | |
|-------------------|--------------|--------|------|------|------|------|------|----------|------|------|------|------|------|
| | | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
| Heating | Natural Gas | 9 | 13 | 16 | 20 | 25 | 28 | 9 | 13 | 16 | 20 | 25 | 28 |
| | +Base Charge | | | | | | | | | | | | |
| | Bottled Gas | 48 | 67 | 86 | 105 | 133 | 153 | 48 | 67 | 86 | 105 | 133 | 153 |
| | Electric | 20 | 27 | 35 | 43 | 55 | 62 | 20 | 27 | 35 | 43 | 55 | 62 |
| | Heat Pump | | | | | | | | | | | | |
| | Oil | 40 | 56 | 71 | 87 | 110 | 126 | 40 | 56 | 71 | 87 | 110 | 126 |
| Cooking | Natural Gas | 2 | 2 | 3 | 3 | 4 | 5 | 2 | 2 | 3 | 3 | 4 | 5 |
| | Bottled Gas | 8 | 11 | 14 | 18 | 22 | 26 | 8 | 11 | 14 | 18 | 22 | 26 |
| | Electric | 3 | 4 | 5 | 7 | 8 | 10 | 3 | 4 | 5 | 7 | 8 | 10 |
| Other Electric | | 11 | 15 | 20 | 24 | 31 | 35 | 11 | 15 | 20 | 24 | 31 | 35 |
| | +Base Charge | | | | | | | | | | | | |
| Air Conditioning | | 5 | 7 | 9 | 12 | 15 | 17 | 5 | 7 | 9 | 12 | 15 | 17 |
| Water Heating | Natural Gas | 4 | 6 | 7 | 9 | 11 | 13 | 4 | 6 | 7 | 9 | 11 | 13 |
| | Bottled Gas | 20 | 28 | 36 | 44 | 56 | 64 | 20 | 28 | 36 | 44 | 56 | 64 |
| | Electric | 10 | 13 | 17 | 21 | 27 | 30 | 10 | 13 | 17 | 21 | 27 | 30 |
| | Oil | | | | | | | | | | | | |
| Water | | 16 | 22 | 29 | 35 | 45 | 51 | 16 | 22 | 29 | 35 | 45 | 51 |
| Sewer | | 20 | 27 | 35 | 43 | 55 | 62 | 20 | 27 | 35 | 43 | 55 | 62 |
| Trash Collection | | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Internet* | | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Cable* | | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Alarm Monitoring* | | | | | | | | | | | | | |

* Estimated- not from source

XIII. Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Ambrose Lester, Market Analyst, has conducted detailed research and analysis on a variety of residential alternatives, including rental and for-sale housing. She has conducted on-site research of buildable sites, surveyed existing rental and for-sale housing and conducted numerous stakeholder interviews. She has also conducted research on unique housing issues such as accessory dwelling units, government policy and programs and numerous special needs populations. Ms. Lester has a degree in Economics from Franciscan University of Steubenville.

Sidney McCrary, Market Analyst, is experienced in the on-site analysis of residential and commercial properties. He has the ability to analyze a site's location in relation to community services, competitive properties and the ease of access and visibility. Mr. McCrary has a Bachelor of Science in Business Administration from Ohio Dominican University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Ron Pompey, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Nathan Stelts, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

Addendum A – Member Certification & Checklist

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

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



Patrick M. Bowen

President

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Date: March 6, 2020



Craig Rupert

Market Analyst

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Date: March 6, 2020

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

| | | Section (s) |
|---------------------------------|---|-------------|
| Executive Summary | | |
| 1. | Executive Summary | II |
| Project Description | | |
| 2. | Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances | III |
| 3. | Utilities (and utility sources) included in rent | III |
| 4. | Project design description | III |
| 5. | Unit and project amenities; parking | III |
| 6. | Public programs included | III |
| 7. | Target population description | III |
| 8. | Date of construction/preliminary completion | III |
| 9. | If rehabilitation, existing unit breakdown and rents | III |
| 10. | Reference to review/status of project plans | III |
| Location and Market Area | | |
| 11. | Market area/secondary market area description | IV |
| 12. | Concise description of the site and adjacent parcels | IV |
| 13. | Description of site characteristics | IV |
| 14. | Site photos/maps | X |
| 15. | Map of community services | IV |
| 16. | Visibility and accessibility evaluation | IV |
| 17. | Crime Information | IV |

CHECKLIST (Continued)

| | | Section (s) |
|------------------------------------|---|-------------|
| Employment and Economy | | |
| 18. | Employment by industry | IV |
| 19. | Historical unemployment rate | IV |
| 20. | Area major employers | IV |
| 21. | Five-year employment growth | IV |
| 22. | Typical wages by occupation | IV |
| 23. | Discussion of commuting patterns of area workers | IV |
| Demographic Characteristics | | |
| 24. | Population and household estimates and projections | IV |
| 25. | Area building permits | V |
| 26. | Distribution of income | IV |
| 27. | Households by tenure | IV |
| Competitive Environment | | |
| 28. | Comparable property profiles | XI |
| 29. | Map of comparable properties | X |
| 30. | Comparable property photographs | XI |
| 31. | Existing rental housing evaluation | V |
| 32. | Comparable property discussion | V |
| 33. | Area vacancy rates, including rates for Tax Credit and government-subsidized | V |
| 34. | Comparison of subject property to comparable properties | V |
| 35. | Availability of Housing Choice Vouchers | V |
| 36. | Identification of waiting lists | V & XII |
| 37. | Description of overall rental market including share of market-rate and affordable properties | V |
| 38. | List of existing LIHTC properties | V |
| 39. | Discussion of future changes in housing stock | V |
| 40. | Discussion of availability and cost of other affordable housing options including homeownership | V |
| 41. | Tax Credit and other planned or under construction rental communities in market area | V |
| Analysis/Conclusions | | |
| 42. | Calculation and analysis of Capture Rate | VII |
| 43. | Calculation and analysis of Penetration Rate | VII |
| 44. | Evaluation of proposed rent levels | V & VI |
| 45. | Derivation of Achievable Market Rent and Market Advantage | VI |
| 46. | Derivation of Achievable Restricted Rent | N/A |
| 47. | Precise statement of key conclusions | II |
| 48. | Market strengths and weaknesses impacting project | II |
| 49. | Recommendations and/or modification to project discussion | II |
| 50. | Discussion of subject property's impact on existing housing | V |
| 51. | Absorption projection with issues impacting performance | II |
| 52. | Discussion of risks or other mitigating circumstances impacting project projection | II |
| 53. | Interviews with area housing stakeholders | V |

CHECKLIST (Continued)

| Other Requirements | | Section (s) |
|---------------------------|--|--------------------|
| 54. | Preparation date of report | Title Page |
| 55. | Date of Field Work | Certification |
| 56. | Certifications | Certification |
| 57. | Statement of qualifications | XIII |
| 58. | Sources of data not otherwise identified | I |
| 59. | Utility allowance schedule | XII |