

A MARKET FEASIBILITY STUDY OF:

RIVERBEND

APARTMENTS

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RIVERBEND

APARTMENTS

Located At:
108 Midkiff Lane
Radford, Radford City, Virginia 24141

Effective Date: February 3, 2021
Report Date: March 23, 2021

Prepared for:
PJ Hornik
Southport Financial Services, Inc.
5403 W Gray Street
Tampa, FL 33609

Assignment Code: 10221500

Prepared by:
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March 23, 2021

Mr. PJ Hornik
Southport Financial Services, Inc.
5403 W Gray Street
Tampa, FL 33609

Re: Market Study of Riverbend Apartments
108 Midkiff Lane,
Radford, Radford City, Virginia 24141

Dear Mr. Hornik:

At your request, Novogradac Consulting LLP has performed a study of the multifamily rental market in the Radford, Virginia area relative to the above-referenced Section 8 project. We have been engaged to perform an appraisal and HUD RCS along with this market study. We have previously performed a preliminary rent analysis on the property that is the Subject of this report, effective January 25, 2020, a market study and an RCS, both effective March 2, 2020, and an appraisal effective July 21, 2020. We have performed no other services in the past three years on the subject property of this report.

The purpose of this market study is to assess the viability of Riverbend Apartments ("Subject"). The Subject is an existing 60-unit multifamily Section 8 property that will be renovated with LIHTC funding. The property will offer 60 subsidized one, two, three, and four-bedroom units restricted to households earning 60 percent of the Area Median Income (AMI), or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report meets the 2021 market study requirements of the Virginia Housing Development Authority (VHDA) and conforms to VHDA guidelines. In addition to the addressee, additional users of this report include VHDA.

The National Council of Housing Market Analysts (NCHMA) is a professional organization chartered to promote the development of high quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report generally conforms to those standards. Any slight modifications or departures from those standards are considered incidental and result from the specific market study requirements of VHDA. The scope of the study is based on agreed upon procedures as outlined in the engagement letter and as summarized as follows:

- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- In-person inspection of the Subject property.
- Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.
- Investigating the general economic health and conditions of the rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.
- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

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

Southport Financial Services, Inc. is the client in this engagement and intended user of this report. Furthermore, Virginia Housing Development Authority (VHDA) is an authorized user of this market study and VHDA may rely on representations made herein. As our client Southport Financial Services, Inc. owns this report and permission must be granted from them

before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

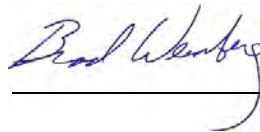
The Stated Purpose of this assignment is to assist with underwriting and for submittal to VHDA for the purposes of obtaining LIHTC funding. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result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

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

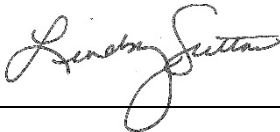
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I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Subject is an existing 60-unit Section 8 multifamily rental development known as Riverbend Apartments. The Subject consists of 15 one-, 30 two-, 10 three-, and 5 four-bedroom units contained in 14 two-story garden-style and townhome residential buildings. In addition, there is one single-story clubhouse/leasing office. The Subject’s buildings were originally built in 1980 and are constructed with wood siding exterior and pitched, asphalt-shingled roofs. The Subject is located at 108 Midkiff Lane in Radford, Radford city, Virginia 24141. The Subject currently benefits from a 40-year term HAP contract (HAP# VA36-HO27-151) that covers all 60 of the Subject’s units. According to the most recent HAP rent schedule provided by the client, the Subject’s contract rents went into effect on November 1, 2020. According to a rent roll dated January 26, 2021, the Subject was 100 percent occupied and maintains a waiting list.

The Subject is proposing significant renovations with LIHTC equity in 2021. Following rehabilitation, all of the Subject units will continue to receive Project-Based Section 8 rental assistance and will also be restricted to households earning 60 percent of AMI, or less. The construction timeline is anticipated to be six to eight months, starting in August 2021, with an anticipated completion date of April 2022. Renovations are expected to occur with tenants in place to limit tenant disruption. Additionally, according to the client, the Subject is applying for a Chapter 15 mark-up-to-market restructuring of the current Section 8 contract.

The Subject is located in the western portion of Radford, which is a primarily residential neighborhood consisting of single-family homes in fair to good condition, multifamily uses in average to good condition, vacant land and pastures, and small commercial and retail uses scattered along W Main St/1st Street, north of the Subject. Land uses south of the Subject consist of Ingles Farm, a large farm along the New River. Land uses north and west of the Subject consist of single-family homes in average overall condition, as well as vacant wooded land. Uses farther west of the Subject include a public riverside park, office, religious, and various retail and commercial uses along W Main Street. Uses west include, but are not limited to, the following: Riverview Park, Deli-Mart, a Citgo gas station Radford Water Department, Autos Unlimited, West Radford Church of God, Ferguson Supply Store, and Bucko’s Pantry. Directly east of the Subject, land use consists of River Bend Outlook, a multifamily use that was excluded as a comparable due to its affordability restrictions. Land use to the south and east of the Subject is wooded land and single-family homes in average condition. Overall, the majority of surrounding land uses are in fair to good condition.

The following table details the proposed hypothetical LIHTC rents and unit mix for the Subject. The utility allowance/structure will remain the same for the Subject as renovated.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent*	LIHTC Rents	Utility Allowance*	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
<i>60% of AMI (Section 8)</i>								
1BR / 1BA	566	13	\$810	\$826	\$104	\$930	\$930	\$872
1BR / 1BA	566	2	\$810	\$851	\$79	\$930	\$930	\$872
2BR / 1.5BA	1,059 - 1,089	30	\$1,040	\$982	\$135	\$1,117	\$1,117	\$993
3BR / 1.5BA	1,268	10	\$1,310	\$1,097	\$193	\$1,290	\$1,290	\$1,432
4BR / 2BA	1,489	4	\$1,670	\$1,234	\$206	\$1,440	\$1,440	\$1,743
4BR / 2BA (HC)	1,489	1	\$1,670	\$1,249	\$191	\$1,440	\$1,440	\$1,743
		60						

*Source: HUD Rent Schedule, eff. 11/1/2020

In general, we believe there is demand in the marketplace for the Subject as conceived. We recommend no changes to the general development scheme.

Strengths

- As a newly renovated property, the Subject will exhibit a slightly superior to similar condition relative to the majority of the comparable properties.
- The Subject’s projected LIHTC rents represent significant discounts to the achievable market rents.
- The LIHTC vacancy at the comparable properties is 3.2 percent, which suggests a stable market for affordable housing. According to a rent roll dated January 26, 2021, the Subject was 100 percent occupied and maintains a waiting list.

- The Subject primarily offers a townhouse design for a majority of its units, which will offer greater appeal to family renters over garden-style design.

Weaknesses

- The Subject’s one- three-, and four-bedroom unit sizes offer slight market disadvantages relative to the average unit sizes of the comparables.

Capture Rates - VHDA:

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

DEMAND AND NET DEMAND

Income Restrictions	60% AMI (Section)	60% AMI (Absent Subsidy)
	HH at AMI (\$0 to \$57,600)	HH at AMI (\$28,432 to \$57,600)
Demand from New Households (age and income appropriate)	-331	-51
PLUS	+	+
Demand from Existing Renter Households - Rent Overburdened Households	8,291	2,849
PLUS	+	+
Demand from Existing Renter Households - Substandard Housing	157	54
=	=	=
Sub Total	8,118	2,852
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
Equals Total Demand	8,118	2,852
Less	-	-
New Supply (Directly Competitive Vacant Units Completed or Proposed)	3	3
Equals Net Demand	8,115	2,849
Proposed Units	60	60
CAPTURE RATE	0.74%	2.11%
Absorption Period	4 months	4 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties, as well as the prevalence of lengthy waiting lists. Of note, two of the five market rate comparables also reported maintaining waiting lists. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Unit (LIHTC/Section 8)	0.74%
Project Wide Capture Rate - All Unit (LIHTC - Absent Subsidy)	2.11%
Project Wide Absorption Period	4 months

The following table illustrates the conclusions from this table. These are low capture rates and are indicative of ample demand for the Subject.

Conclusions/Recommendations

In general, we believe there is demand in the marketplace for the Subject, as proposed. Additionally, the market has reported strong occupancy rates and waiting lists at the majority of the comparable properties. The Subject will be well-positioned in the market as a newly renovated affordable property, and will exhibit slightly superior to similar condition relative to the majority of the comparable properties. The market exhibits strong demand for additional affordable housing, with vacancy rates ranging from zero to 2.6 percent at the comparable LIHTC properties, with an average vacancy rate of 1.9 percent. Vacancy and collection loss at the Subject is expected to be no more than three percent over the long term, which is in line with the Subject’s historical vacancy. Based on the comparable data, we have concluded to achievable LIHTC rents as illustrated in the following table:

ACHIEVABLE LIHTC RENTS					
Unit Type	1BR	2BR	3BR	4BR	Max Rents?
Achievable Rent at 60%	\$725	\$850	\$925	\$1,050	No

The Subject’s rents offer significant market rent advantages. Overall, we believe there is demand for the Subject.

II. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac Consulting LLP has performed a comprehensive market study of the multifamily rental market in the Radford, Virginia area to assess the viability of Riverbend Apartments (“Subject”). The Subject is an existing 60-unit multifamily Section 8 property that is proposed for renovations with LIHTC. Tenants at the Subject pay 30 percent of their income towards rent under the Section 8 subsidy. The property will offer 60 subsidized units restricted to 60 percent of the Area Median Income (AMI), or less, post-renovation. We have been engaged to perform an appraisal and HUD RCS along with this market study. We have previously performed a preliminary rent analysis on the property that is the Subject of this report, effective January 25, 2020, a market study and an RCS, both effective March 2, 2020, and an appraisal effective July 21, 2020. The Subject is proposed to be financed through VHDA’s competitive nine percent LIHTC program.
Developer/Client Information:	Southport Financial Services, Inc.
Intended Use and Users of the Report:	The report will be submitted to the Virginia Housing Development Authority (VHDA) for application purposes. The intended users of the report are VHDA and Southport Financial Services, Inc.
Scope of the Report:	<ul style="list-style-type: none">▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ In-person inspection of the Subject site and its general location.▪ Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.▪ Investigating the general economic health and conditions of the multifamily rental market.▪ Estimating number of income-eligible households and performing an analysis of relevant demographic demand for the Subject.▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income-eligible tenants in the Primary Market Area.▪ Reviewing relevant public records and contacting public agencies.▪ Analysis of the economic and social conditions in the market area, in relation to the project.▪ Establishing the Subject’s Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject was inspected on February 3, 2021, which will serve as the effective date for this report.
Primary Contacts for the Report:	Brad Weinberg - Brad.Weinberg@novoco.com; Lindsey Sutton - Lindsey.Sutton@novoco.com; Erik Johnson – Erik.Johnson@novoco.com.

III. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- Location:** The Subject site is located at 108 Midkiff Lane, Radford, Virginia 24141.
- Site Description:** The Subject site consists of one irregularly-shaped parcel totaling 8.764 acres, or approximately 381,760 square feet. The Subject has frontage along Midkiff Lane and W Main Street.
- Visibility/Views:** The Subject has average visibility. The Subject is located in a residential neighborhood with generally limited traffic. To the north, east, and south of the Subject, views consist generally of vacant land. To the west, the Subject's views consist of single-family homes in fair to average condition. Overall, visibility is considered average, and views are considered average.
- Access and Traffic Flow:** The Subject site is accessible by Midkiff Lane, a small residential roadway that becomes 2nd Street and connect to Hart Lane 0.3-mile west of the Subject. Midkiff Lane traverses through the Subject property and provides direct access from the southeast side of the property to W Main Street. W Main Street provides access northbound to Radford's city center, as well as provides access to I-81, approximately 1.3 miles south of the Subject. I-81 is a major highway providing access to Roanoke, VA and Knoxville, TN, approximately 35 miles east and 230 miles southwest, respectively. Overall, traffic in the Subject's immediate area is considered moderate, and access is considered good.
- Existing Improvements:** The Subject property consists of 15 one-, 30 two-, 10 three-, and 5 four-bedroom units contained within 14 two-story garden and townhome-style residential buildings, in addition to a single-story clubhouse/leasing office. The Subject was constructed in 1980 and is proposed to be significantly renovated with LIHTC equity in 2020.
- Aerial Photo:**





Source: City of Radford GIS, March 2021

Proposed Rents and Unit Mix:

The following table details the proposed rents and unit mix for the Subject. The utility structure will remain the same for the Subject as renovated.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent*	LIHTC Rents	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
<i>60% of AMI (Section 8)</i>								
1BR / 1BA	566	13	\$810	\$826	\$104	\$930	\$930	\$872
1BR / 1BA	566	2	\$810	\$851	\$79	\$930	\$930	\$872
2BR / 1.5BA	1,059 - 1,089	30	\$1,040	\$982	\$135	\$1,117	\$1,117	\$993
3BR / 1.5BA	1,268	10	\$1,310	\$1,097	\$193	\$1,290	\$1,290	\$1,432
4BR / 2BA	1,489	4	\$1,670	\$1,234	\$206	\$1,440	\$1,440	\$1,743
4BR / 2BA (HC)	1,489	1	\$1,670	\$1,249	\$191	\$1,440	\$1,440	\$1,743
		60						

Notes (1) Source of Utility Allowance provided by HUD Rent Schedule, eff. 11/1/2020

*Market Up to Market 11/1/2020

Target Population & Occupancy Type:

The Subject currently targets low-income households of the general population. Based on the unit mix and proposed rent levels, the annual incomes will range from \$28,423 to \$57,600 for units at the 60 percent of AMI level. According to the most recent rent roll, dated January 26, 2021, the Subject's was 100 percent occupied with a waiting list.

Utility Structure:

The Subject offers all electric utilities. Tenants are responsible for all electric utility expenses, while the landlord covers cold water, sewer and trash removal expenses. The Subject currently utilizes project-specific utility allowances, which are shown in the table above. The utility structure varies among the comparable properties and we have adjusted the comparables' rents in accordance with the utility calculations from VHDA, effective July 1, 2020.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR	4BR
Heating - Electric	Tenant	\$25	\$32	\$40	\$50
Cooking - Electric	Tenant	\$4	\$5	\$7	\$8
Other Electric	Tenant	\$15	\$19	\$23	\$29
Air Conditioning	Tenant	\$7	\$9	\$11	\$14
Water Heating - Electric	Tenant	\$13	\$16	\$20	\$25
Water	Landlord	\$22	\$29	\$35	\$45
Sewer	Landlord	\$27	\$34	\$42	\$53
Trash	Landlord	\$11	\$11	\$11	\$11
TOTAL - Paid By Landlord		\$60	\$74	\$88	\$109
TOTAL - Paid By Tenant		\$64	\$81	\$101	\$126

Source: VHDA, eff. 7/1/2020

Unit Mix:

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

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	15	566	8,490
2BR / 1.5BA	15	1,059	15,885
2BR / 1.5BA	15	1,089	16,335
3BR / 1.5BA	10	1,268	12,680
<u>4BR / 2BA</u>	<u>5</u>	<u>1,489</u>	<u>7,445</u>
Total	60		60,835

- Net Rentable Area:** Approximately 60,835 square feet as outlined in the table above.
- Number of Stories:** The Subject consists of 14 two-story garden-style and townhome residential buildings, in addition to a single-story clubhouse/leasing office.
- Unit Amenities:** The Subject’s in-unit amenities currently include a balcony/patio, blinds, carpet flooring, central heating and air conditioning, coat closets, exterior storage units, ovens, and refrigerators. Upon completion of the proposed renovations, all units will replace the existing carpet with new vinyl-flooring. Further, microwave and dishwasher appliances will be added, post-renovations
- Common Area Amenities:** The community amenities offered by the Subject currently include a clubhouse/leasing office with on-site management, central laundry facilities, a playground, and off-street parking. The Subject will add common-area Wi-Fi as a community amenity, post-renovations.
- Security Features:** The Subject does not offer any security features.
- Parking:** The Subject features off-street parking to its tenants at no additional cost. There are approximately 86 surface parking spaces, which equates to a parking ratio of approximately 1.4 spaces per unit. Overall, the parking offered at the Subject is reasonable given its tenancy and proximity to public transportation.
- Number of Stories:** The Subject property consists of 15 one-, 30 two, 10 three-, and 5 four-bedroom units contained within 14 two-story garden and townhome- style residential buildings, in addition to a single-story clubhouse/leasing office
- Date of Construction:** The Subject was originally built in 1980. The construction timeline is anticipated to be six to eight months, starting in August 2021, with an anticipated completion date of April 2021. Renovations are expected to occur with tenants in place with minimal tenant disruption.
- Construction Details:** The scope of renovations will include, but not be limited to the following:

Interior	Exterior	Misc
<ul style="list-style-type: none"> • New interior paint; • Upgrade/replace kitchen appliances; • Addition of microwaves/dishwashers; • Replace kitchen and bathroom • New bathroom fixtures/accessories; • Replace carpet with new vinyl flooring; 	<ul style="list-style-type: none"> • Replace windows and exterior doors; • Replace/repair siding/exterior; • Sidewalks & repairs, as needed; • Upgrade exterior patio/storage • Landscaping upgrades; • Repair roofs (as needed); 	<ul style="list-style-type: none"> • Office/Community Bldg; • ADA/Life Safety Compliance; • Window Coverings • Electric (Light fixtures, GFIs); • General Demo & Misc. cleaning • Addition of common-area Wi-Fi

The total renovation hard costs are estimated to \$3,600,000, or approximately \$60,000 per unit. The construction timeline is anticipated to be six to eight months, starting in August 2021, with an anticipated completion date of April 2022. Renovations are expected to occur with tenants in place to limit tenant disruption.

- Assisted Housing Program:** The Subject currently benefits from a 40-year term HAP contract (HAP# VA36-HO27-151) that covers all 60 of the Subject’s units. According to the most recent HAP rent schedule provided by the client, the Subject’s contract rents went into effect on November 1, 2020. Additionally, according to the client,

**Target Population and
Occupancy Type:**

the Subject is applying for a Chapter 15 mark-up-to-market restructuring of the current Section 8 contract.

The Subject currently targets low-income households of the general population. According to the most recent rent roll, dated January 26, 2021, the Subject's was 100 percent occupied with a waiting list. Post-renovation, the Subject will be set-aside for low to moderate-income tenants restricted to households earning 60 percent of the AMI or less. Based on the unit mix and proposed rent levels, the annual incomes will range from \$28,423 to \$57,600 for units at the 60 percent of AMI level (absent subsidy).

**Americans with
Disabilities Act of 1990:**

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

**Quality of Construction Condition
and Deferred Maintenance:**

We assume the Subject will be renovated in a timely manner consistent with the information provided, using average-quality materials in a professional manner.

Functional Utility:

We reviewed plans for the Subject property and inspected the property; the unit sizes and layout appear functional and market-oriented.

Conclusion:

The Subject will be a newly renovated Section 8 and LIHTC property and will exhibit good condition upon completion of renovations. The renovation of the Subject is expected to be an improvement to the existing neighborhood.

PROPERTY PROFILE REPORT

Riverbend Apartments

Effective Rent Date	2/03/2021
Location	108 Midkiff Ln Radford, VA 24141 Radford County
Distance	N/A
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (2 stories)
Year Built/Renovated	1980 / 2020 N/A
Marketing Began	
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Vickie Adams
Phone	(540) 633-0071



Market Information

Program	@60% (Section 8)
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	N/A
Waiting List	Yes

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	566	\$810	\$0	@60% (Section 8)	Yes	0	0.0%	yes	None
1	1	Garden (2 stories)	13	566	\$810	\$0	@60% (Section 8)	Yes	0	0.0%	yes	None
2	1.5	Townhouse (2 stories)	30	1,079	\$1,040	\$0	@60% (Section 8)	N/A	0	0.0%	yes	None
3	1.5	Townhouse (2 stories)	10	1,268	\$1,310	\$0	@60% (Section 8)	N/A	0	0.0%	yes	None
4	2	Townhouse (2 stories)	1	1,489	\$1,670	\$0	@60% (Section 8)	N/A	0	0.0%	yes	None
4	2	Townhouse (2 stories)	4	1,489	\$1,670	\$0	@60% (Section 8)	N/A	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$810	\$0	\$810	\$0	\$810
2BR / 1.5BA	\$1,040	\$0	\$1,040	\$0	\$1,040
3BR / 1.5BA	\$1,310	\$0	\$1,310	\$0	\$1,310
4BR / 2BA	\$1,670	\$0	\$1,670	\$0	\$1,670

Riverbend Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Grab Bars		
Microwave	Oven		
Pull Cords	Refrigerator		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Playground		

Comments

The property currently benefits from a Project-Based Section 8 contract (HAP# VA36-H027-151), which covers all 60 units and expires October 1, 2030. The Subject's rents were recently marked up to market on November 1, 2020. The Subject is proposing renovations with LIHTC equity, and all units will be restricted at 60 percent of AMI post renovation. The renovation is expected to be complete in April 2021.

Riverbend Apartments, continued

Trend Report

Vacancy Rates

1Q20	3Q20	1Q21
N/A	1.7%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	N/A	\$759	\$0	\$759	\$759
2021	1	0.0%	\$810	\$0	\$810	\$810

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	N/A	\$901	\$0	\$901	\$901
2021	1	0.0%	\$1,040	\$0	\$1,040	\$1,040

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	N/A	\$1,004	\$0	\$1,004	\$1,004
2021	1	0.0%	\$1,310	\$0	\$1,310	\$1,310

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	1	N/A	\$1,129	\$0	\$1,129	\$1,129
2021	1	0.0%	\$1,670	\$0	\$1,670	\$1,670

Trend: Comments

1Q20	The property is reportedly fully occupied and maintains a waiting list. Riverbend is currently a Section 8 property that is proposing renovations with LIHTC equity. It should be noted that three- and four-bedroom units offer washer/dryer hookups. The profile reflects proposed LIHTC asking rents. The units will feature microwaves, dishwashers, common-area WiFi, and vinyl-flooring, post renovation. No other new amenities will be added; however, all existing units will be updated.
3Q20	The property currently benefits from a Project-Based Section 8 contract (HAP# VA36-H027-151), which covers all 60 units and expires October 1, 2030. The property is reportedly 98.3 occupied and maintains a waiting list. It should be noted that three- and four-bedroom units offer washer/dryer hookups. The profile reflects the current HAP Contract Rents, effective March 2020.
1Q21	The property currently benefits from a Project-Based Section 8 contract (HAP# VA36-H027-151), which covers all 60 units and expires October 1, 2030. The Subject's rents were recently marked up to market on November 1, 2020.

Photos

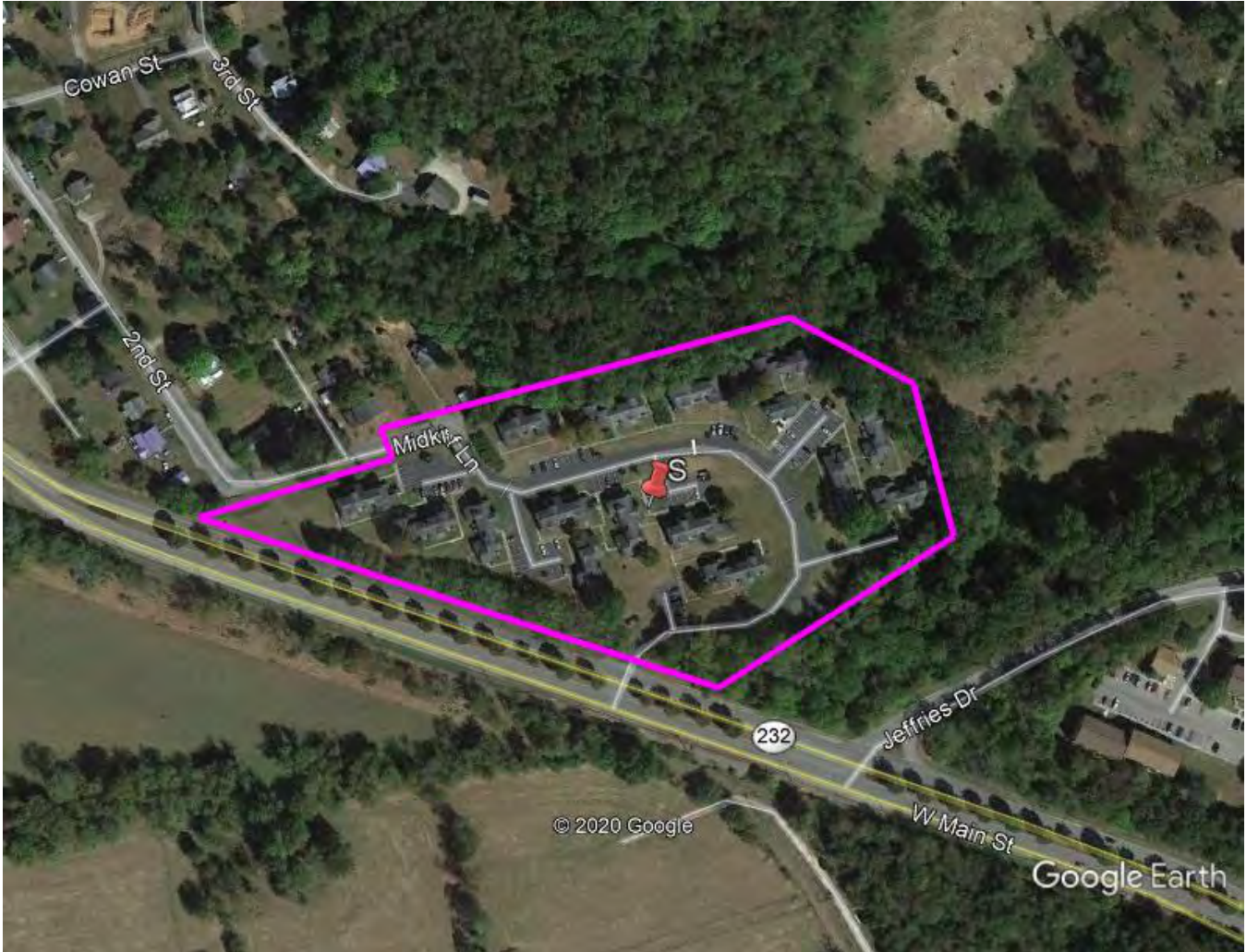


IV. LOCATION

LOCATION

Description of the Site

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



Size:	The Subject site consists of approximately 8.764 acres, or approximately 381,760 square feet.
Shape:	The Subject consists of one irregularly shaped parcel.
Frontage:	The Subject has frontage along Midkiff Lane and W Main Street.
Topography:	The site is slightly sloping to level.
Utilities:	All utilities are available to the site.
Visibility/Views:	The Subject has average visibility. The Subject is located in a residential neighborhood with generally limited traffic. To the north, east, and south of the Subject, views consist generally of vacant land. To the west, the Subject's views consists of single-family homes in fair to average condition. Overall, visibility is considered average, and views are considered average.

Surrounding Uses:

The Subject is located in the western portion of Radford, which is a primarily residential neighborhood consisting of single-family homes in fair to good condition, multifamily uses in average to good condition, vacant land and pastures, and small commercial and retail uses scattered along W Main St/1st Street, north of the Subject. Land uses south of the Subject consist of Ingles Farm, a large farm along the New River. Land uses north and west of the Subject consist of single-family homes in average overall condition. Uses farther west of the Subject include a public riverside park, office, religious, and various retail and commercial uses along W Main Street. Uses west include, but are not limited to, the following: Riverview Park, Deli-Mart, a Citgo gas station Radford Water Department, Autos Unlimited, West Radford Church of God, Ferguson Supply Store, and Bucko’s Pantry. Directly east of the Subject, land use consists of River Bend Outlook, a multifamily use that was excluded as a comparable due to its affordability restrictions. Land use to the south and east of the Subject is wooded land and single-family homes in average condition. Overall, the majority of surrounding land uses are in fair to good condition.

Access and Traffic Flow:

The Subject site is accessible by Midkiff Lane, a small residential roadway that becomes 2nd Street and connect to Hart Lane 0.3-mile west of the Subject. Midkiff Lane traverses through the Subject property and provides direct access from the southeast side of the property to W Main Street. W Main Street provides access northbound to Radford’s city center, as well as provides access to I-81, approximately 1.3 miles south of the Subject. I-81 is a major highway providing access to Roanoke, VA and Knoxville, TN, approximately 35 miles east and 230 miles southwest, respectively. Overall, traffic in the Subject’s immediate area is considered moderate, and access is considered good.

Existing Improvements:

The Subject property consists of 15 one-, 30 two-, 10 three-, and 5 four-bedroom units contained within 14 two-story garden and townhome- style residential buildings, in addition to a single-story clubhouse/leasing office.

Layout and Curb Appeal:

Based on our inspection, the Subject has a functional layout for its intended use and offers average curb appeal.

The following table summarizes various characteristics of the Subject site.

SUMMARY OF SUBJECT SITE	
Visibility	Average
Views	Average
Access/Traffic Flow	Average/Light
Layout/Curb Appeal	Average

Drainage:

Appears adequate, however, no specific tests were performed. Further, Novogradac is not an expert in this field and cannot opine on this issue.

Soil and Subsoil Conditions:

Novogradac did not perform any soil and subsoil test upon inspection of the site, as this is beyond the scope of work. We have not been provided with a soil and subsoil report. We are not experts in this field and assume the soil is adequate for development.

Environmental Assessment:

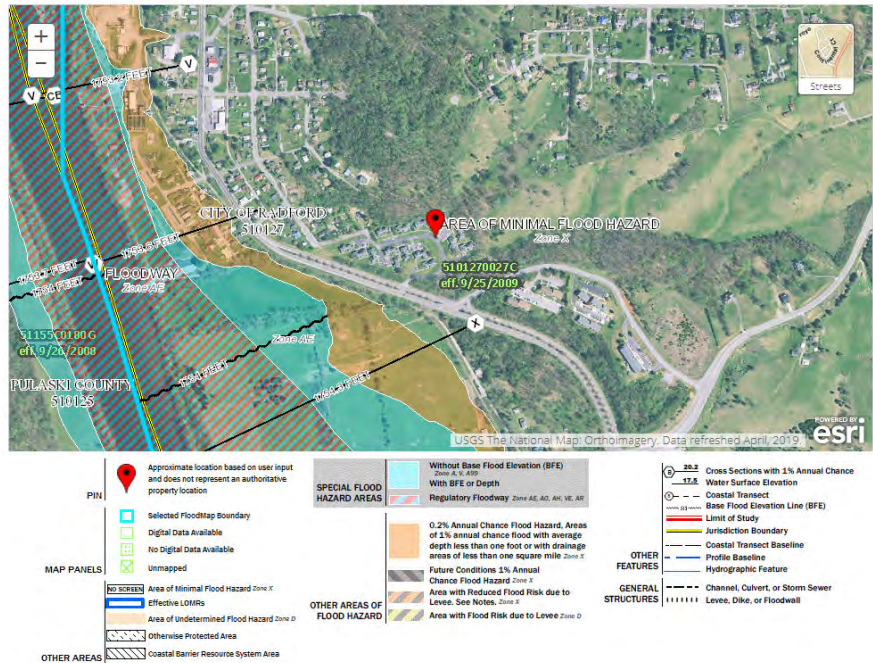
According to a Phase I Environmental Report for the Subject site prepared by Partner Engineering and Science, Inc. dated July 23, 2020 provided by the client, no recognized environmental conditions were discovered at the Subect site. During our site inspection, we walked the Subject’s grounds, including the rear of the buildings and the parking lot, and did not observe any obvious

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indicators of environmental contamination or adverse property condition issues. However, Novogradac & Company LLP does not offer expertise in this field and cannot opine as to the adequacy of the soil conditions, drainage, or existence of adverse environmental conditions.

Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 51063C0025C, dated April 2008, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the .02 percent annual chance floodplains. Novogradac Consulting LLP does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report. Further analysis by Novogradac is beyond the scope of the report.



Source: www.FEMA.gov

Detrimental Influences:

At the time of the inspection, there were no detrimental influences observed by the appraiser that would adversely impact the marketability of the Subject.

Subject Property & Neighborhood Photos



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



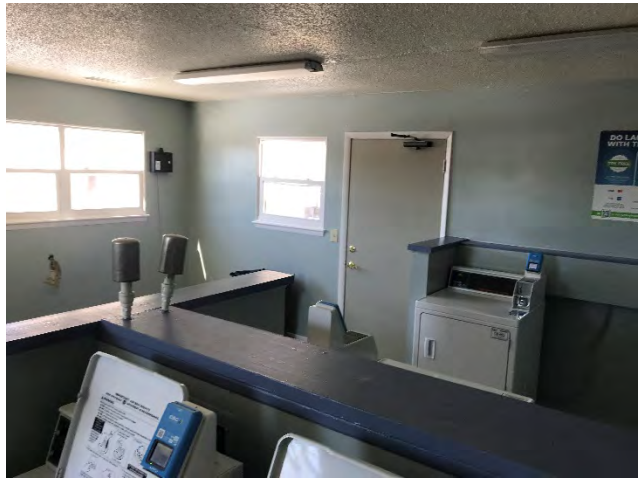
SUBJECT EXTERIOR



SUBJECT EXTERIOR



CENTRAL LAUNDRY ROOM



CENTRAL LAUNDRY ROOM



SUBJECT PLAYGROUND



SUBJECT PROPERTY AND TYPICAL WALKWAY



SUBJECT GROUNDS



TYPICAL WALKWAY/UNIT ENTRANCE



TYPICAL ENTRY AREA



TYPICAL ENTRY AREA



TYPICAL ENTRYWAY



TYPICAL ENTRYWAY



TYPICAL LIVING ROOM



TYPICAL LIVING ROOM



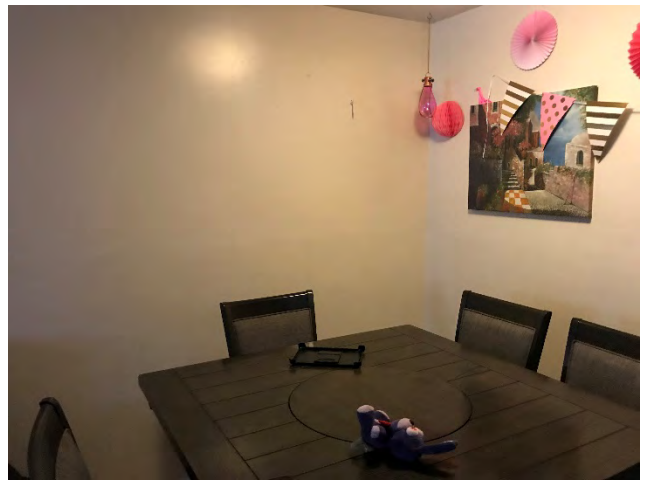
TYPICAL KITCHEN



TYPICAL KITCHEN



TYPICAL DINING AREA



TYPICAL DINING AREA



UTILITY CLOSET & W/D APPLIANCES



UTILITY CLOSET & W/D APPLIANCES



TYPICAL STAIRWAY (TH)



THERMOSTAT



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL BATHROOM



TYPICAL BATHROOM



STREET VIEW FROM SUBJECT



STREET VIEW FROM SUBJECT



TYPICAL SINGLE-FAMILY HOMES NEAR SUBJECT



TYPICAL SINGLE-FAMILY HOMES NEAR SUBJECT



SURROUNDING USES IN SUBJECT NEIGHBORHOOD



SURROUNDING USE IN SUBJECT NEIGHBORHOOD



SURROUNDING USE IN SUBJECT NEIGHBORHOOD



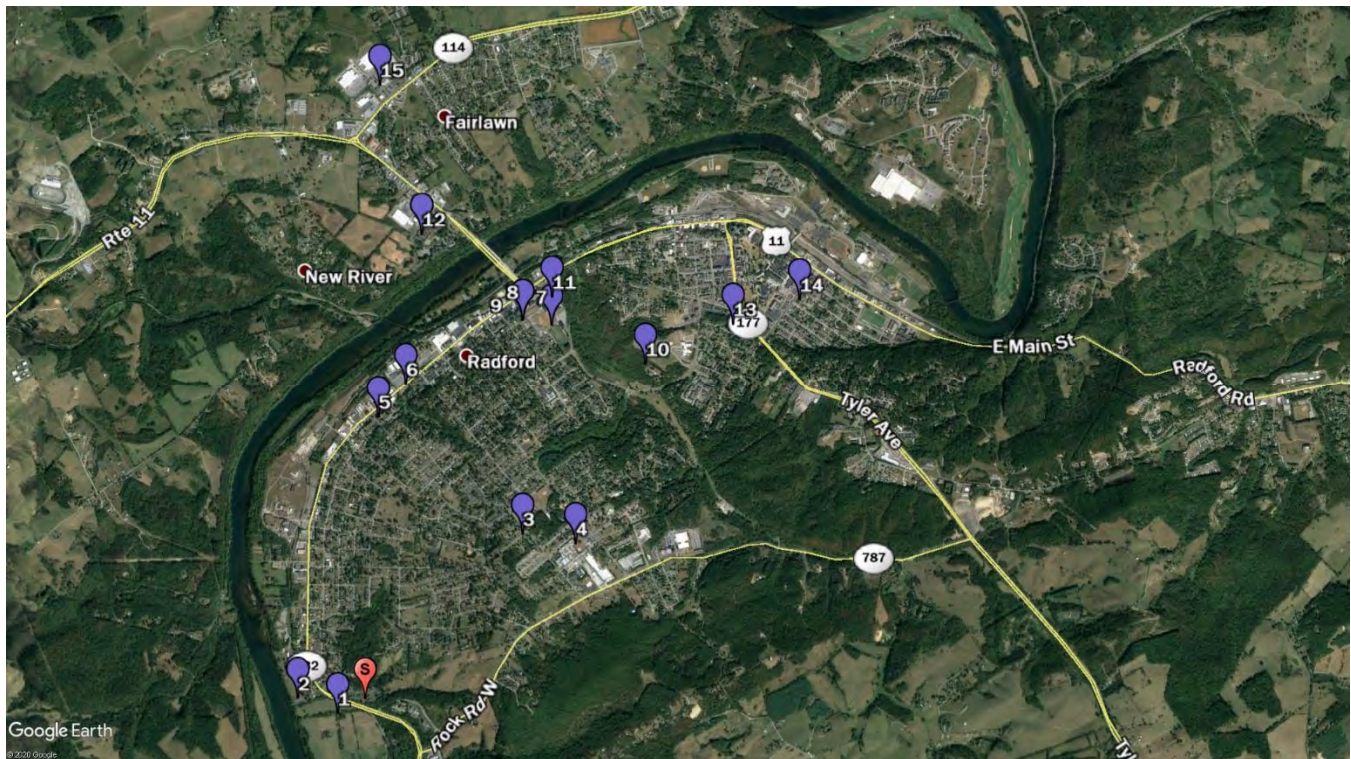
SURROUNDING USE IN SUBJECT NEIGHBORHOOD

Proximity to Local Services:

The Subject is located in close proximity to services including public transportation, retail, public schools, and medical facilities. The distances of various services from the Subject and a map of the locations are provided following.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance (Crow)	Map #	Service or Amenity	Distance (Crow)
1	Bus Stop Rte 30 & 31	On-site	9	Atlantic Union Bank	2.1 miles
2	Riverside Park	0.3 miles	10	Radford Recreation Center	2.2 miles
3	McHarg Elementary	1.2 miles	11	Radford Library	2.2 miles
4	Radford Fire & Rescue Dept.	1.3 miles	12	Kroger	2.3 miles
5	US Post Office	1.4 miles	13	Virginia Secondary School	2.6 miles
6	Radford City Police Department	1.6 miles	14	Radford University	2.9 miles
7	Radford High School	2.1 miles	15	Walmart Supercenter	3.0 miles
8	Atlantic Union Bank	2.1 miles	16	Carilion New River Medical	4.6 miles



Location and Proximity to Metropolitan Areas

The following table illustrates distances to surrounding cities and metropolitan areas from the Subject:

PROXIMITY TO MAJOR CITIES	
Location	Miles
Roanoke, VA	35 miles
Winston-Salem, NC	75 miles
Richmond, VA	171 miles
Charlottesville, VA	133 miles

Transportation

Highway: The region’s comprehensive transportation system includes interstate, state, and local highways. Access to Interstate 81 is located approximately 1.3 miles to the south of the Subject, Interstate 81 traverses east/west and provides access to Roanoke, VA and Knoxville, TN, approximately 35 miles east and 228 miles, respectively.

Air: The nearest major airport is the Roanoke-Blacksburg Regional Airport (ROA), located approximately 35 miles east of the Subject in Roanoke. ROA served more than 600,000 passengers in 2017, and offers the following airlines: Allegiant, American, Delta, and United.

Mass Transit: Radford Transit provides public transit services within the City of Radford via seven local bus routes that operate Monday through Friday from 7:00 AM to 10:00 PM. Fares are \$1.00 for one-way rides to the general public, children under 12 years ride for free, and monthly passes are available for \$20 per month. Adults ages 65 and older and passengers with a Radford Transit Disability Card ride for free. The closest bus stop is located at the intersection of Midkiff Lane and 2nd Street, on the Subject’s western border, and is serviced by Routes 30 and 31. These routes provide access to East Main Street, Radford University, and to all other bus routes at the Hub Transfer Center.

Walkability: The Subject’s neighborhood features limited sidewalks and is in close proximity to public transportation. Further, the site is designated as “Car-Dependent” by WalkScore with a score of 20 (out of 100), which is defined as some errands require a car.

Healthcare

Carilion Clinic is a healthcare network throughout the New River Valley region, which serves the communities of Montgomery, Pulaski, Floyd, Wythe, Giles and the City of Radford. The Carilion New River Valley Medical Center is an award-winning 110-bed acute care facility providing a variety of in-patient and out-patient general medical services, including emergency services, diagnostic imaging, heart care, rehabilitation services, and surgical services. The closest medical center is 4.6 miles southeast of the Subject.

Higher Education

Radford University, founded in 1910, is a midsize public university with undergraduate and graduate programs located in the heart of Radford, Virginia. The 204-acre campus offers enrollment to approximately 9,700 students annually in medicine, business, arts, and health. The Subject is located 2.2 miles southwest of Radford University’s main campus.

Crime Statistics

The following table illustrates the crime statistics for the Subject’s primary market area compared to that of the MSA.

2020 CRIME INDICES		
	PMA	Blacksburg-Christiansburg, VA Metropolitan Statistical
Total Crime*	57	53
Personal Crime*	31	32
Murder	65	67
Rape	65	65
Robbery	14	13
Assault	35	37
Property Crime*	61	55
Burglary	45	48
Larceny	71	62
Motor Vehicle Theft	23	24

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

*Unweighted aggregations

The table above illustrates crime indices in comparison to the nation. A crime index below 100 is below the national average and anything over 100 is above the nation’s crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime rate of 200 would be twice that of the national average.

Total crime indices in the PMA are well-below the national average and similar to the MSA. Both geographic areas feature crime indices below the overall nation. The Subject does not offer any security amenities, similar to four of the comparables. Further, the Subject has performed well historically, and crime does not appear to be a factor based on our inspection and conversations with property management. Thus, the Subject is competitive and similar to slightly inferior in terms of security features.

Conclusion

The Subject is located in the western portion of Radford, which is a primarily residential neighborhood consisting of single-family homes in fair to good condition, multifamily uses in average to good condition, vacant land and pastures, and small commercial and retail uses scattered along W Main St/1st Street, north of the Subject. Access to public transportation, groceries, pharmacy, and shopping is convenient. Overall, the Subject’s location is considered average. The neighborhood is well suited for this type of affordable multifamily housing.

V. MARKET AREA DEFINITION

MARKET AREA DEFINITION

Primary Market Area

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

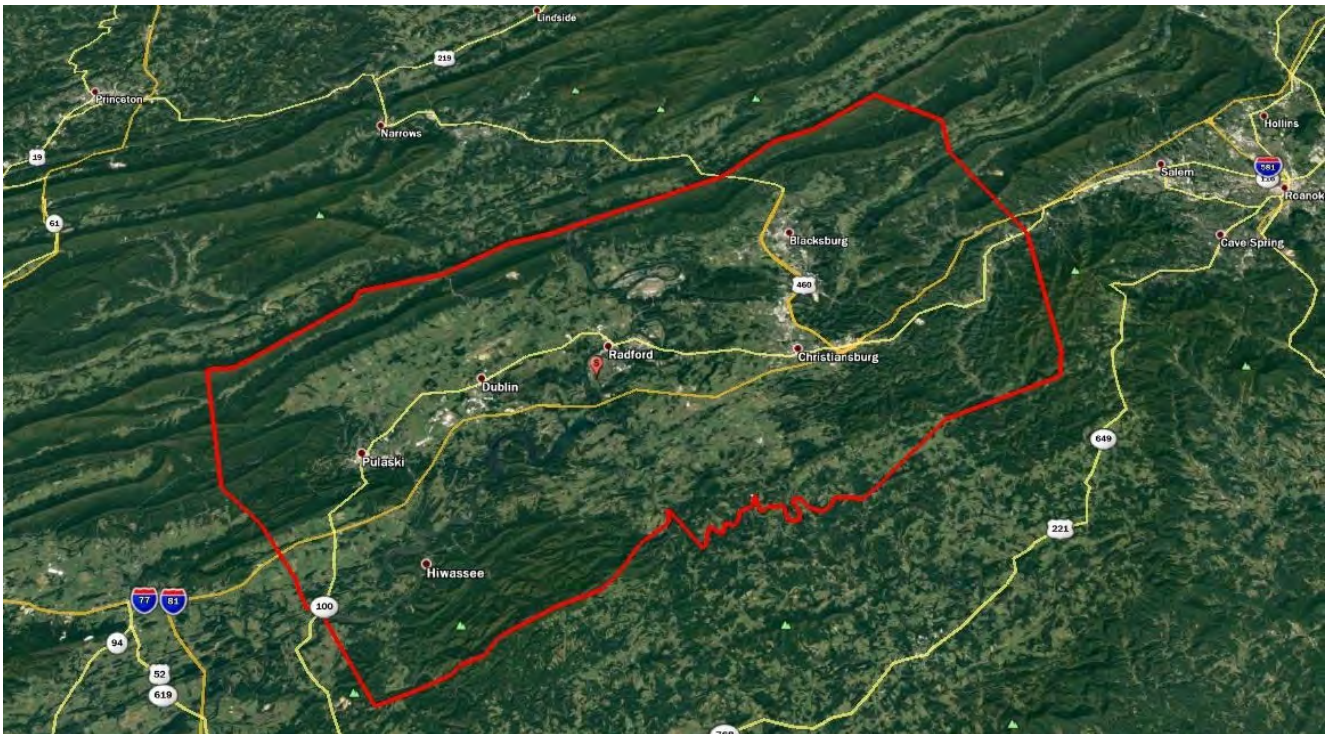
The Subject property is located in Radford, Virginia. The boundaries of the PMA are defined below:

- North:** Pulaski and Montgomery County lines
- South:** Pulaski and Montgomery County lines
- East:** Montgomery County line
- West:** Pulaski County line

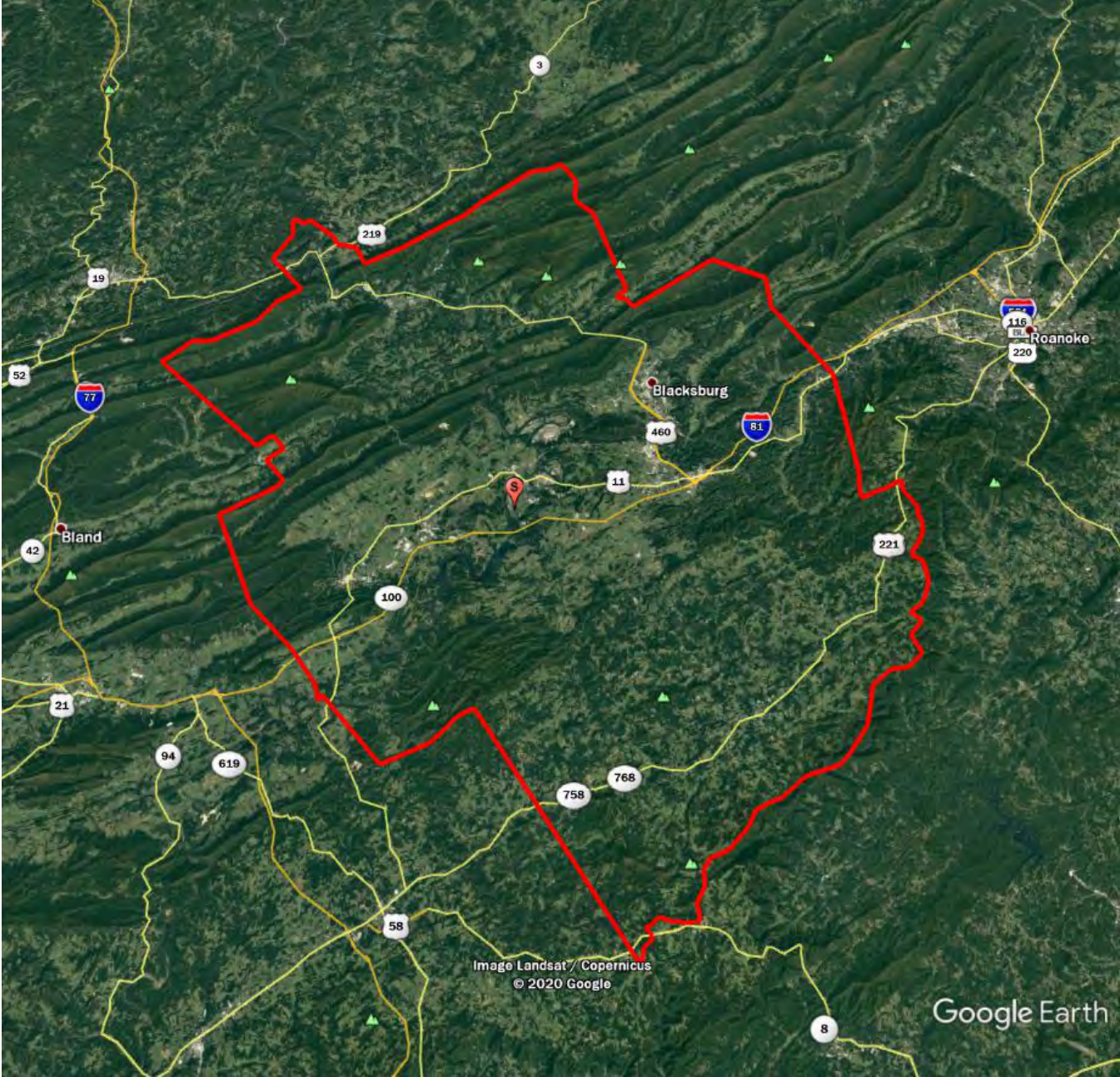
The PMA was determined based on input from area property managers, including the manager at the Subject property.

Per VHDA guidelines, analysts are not to include secondary or tertiary markets. In this case, we have conservatively defined the PMA for a multifamily development (also per specific VHDA guidance) and the secondary market area is simply presented as a source of comparison to the PMA.

Primary Market Area (PMA) Map



Secondary Market Area (SMA) Map



VI. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The city of Radford has a strong and diverse economy that is concentrated within the education, healthcare, manufacturing, government, retail trade sectors, and arts/entertainment/recreation sectors. Radford University, a midsize public university, is the largest employer in the city of Radford. The other largest employers offered in Radford are diverse and are represented in the education, healthcare, and manufacturing sectors. Radford is an independent city and is surrounded by Montgomery and Pulaski Counties. As of the 2010 census, the population in Radford was 16,408.

Major Employers

The following table illustrates the major employers in the city of Radford. It should be noted that we were unable to obtain employee counts for each employer.

MAJOR EMPLOYERS - RADFORD, VA

Employer	Industry
Radford University	Education
Kollmorgen Corporation	Manufacturing
City of Radford	Government
Radford City School Board	Education
Wackenhut Services Inc	Security Services
Radford Nursing & Rehabilitation	Healthcare Services
Pyrotechnique by Grucci	Manufacturing
Marty, Inc.	Manufacturing
Techlab Inc	Manufacturing
Macado's Inc.	Food Services
U.S. Department of Defense	Government
Harvey Chevrolet Corporation	Retail Trade

Source: Virginia Employment Commission, Novogradac, March 2021

The large portion of major employers in the healthcare and government sectors provides a stable employment base for a large portion of the workforce. The major employers in the area provide employment for a broad range of workers, spanning hi-tech, skilled, and service occupations.

Employment and Unemployment Trends

The table below illustrates employment and unemployment trends in the MSA and nation from 2004 through November 2020 (most recent available).

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Blacksburg-Christiansburg, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	78,947	-	4.6%	-	139,252,000	-	5.5%	-
2005	80,394	1.8%	4.1%	-0.5%	141,730,000	1.8%	5.1%	-0.5%
2006	81,467	1.3%	3.4%	-0.6%	144,427,000	1.9%	4.6%	-0.5%
2007	81,683	0.3%	3.9%	0.5%	146,047,000	1.1%	4.6%	0.0%
2008	83,335	2.0%	4.8%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	79,995	-4.0%	8.2%	3.4%	139,878,000	-3.8%	9.3%	3.5%
2010	81,365	1.7%	8.3%	0.0%	139,064,000	-0.6%	9.6%	0.3%
2011	83,543	2.7%	7.1%	-1.1%	139,869,000	0.6%	9.0%	-0.7%
2012	84,884	1.6%	6.5%	-0.6%	142,469,000	1.9%	8.1%	-0.9%
2013	85,719	1.0%	6.3%	-0.2%	143,929,000	1.0%	7.4%	-0.7%
2014	85,998	0.3%	5.5%	-0.8%	146,305,000	1.7%	6.2%	-1.2%
2015	86,366	0.4%	4.6%	-0.9%	148,833,000	1.7%	5.3%	-0.9%
2016	86,002	-0.4%	4.7%	0.1%	151,436,000	1.7%	4.9%	-0.4%
2017	86,346	0.4%	4.2%	-0.5%	153,337,000	1.3%	4.4%	-0.5%
2018	87,517	1.4%	3.2%	-1.0%	155,761,000	1.6%	3.9%	-0.4%
2019	88,590	1.2%	3.0%	-0.1%	157,538,000	1.1%	3.7%	-0.2%
2020 YTD Average*	82,796	-6.5%	5.7%	2.7%	147,794,750	-6.2%	8.1%	4.4%
Nov-2019	89,765	-	2.6%	-	158,945,000	-	3.3%	-
Nov-2020	84,813	-5.5%	3.6%	1.0%	150,203,000	-5.5%	6.4%	3.1%

Source: U.S. Bureau of Labor Statistics, March 2021

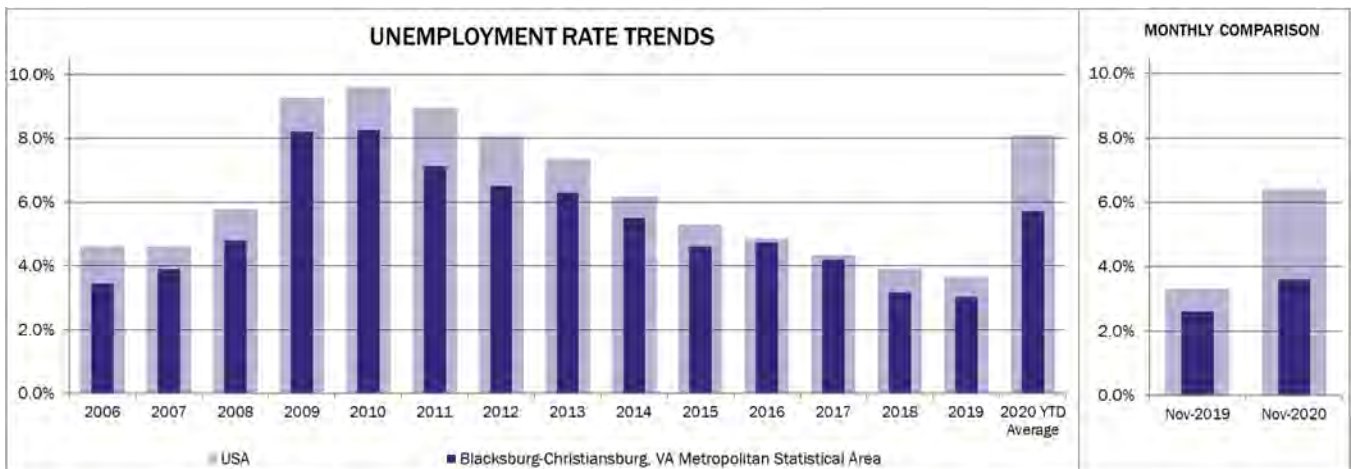
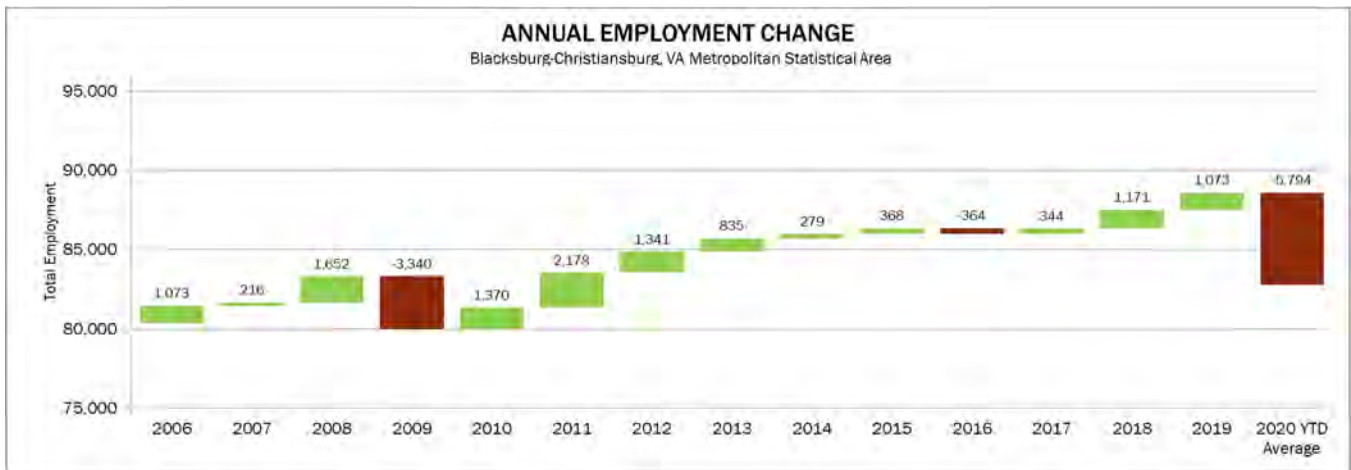
*2020 data is through November

RIVERBEND APARTMENTS – RADFORD, VIRGINIA – VHDA MARKET STUDY

Since 2012, average employment growth in the MSA trailed the nation in all but one year. As of November 2020, MSA employment is below record levels; and declined 5.5 percent over the past year, similar to the nation, due to the COVID-19 pandemic. Given that total employment in the MSA was at a post-recessionary record and local employment growth was strong through the end of 2019, the MSA was in an expansionary phase prior to the onset of the economic challenges presented by the COVID-19 pandemic. As illustrated, the MSA has experienced significant job losses since the onset of COVID-19 in March 2020, similar to the nation as a whole.

Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. The unemployment rate was decreasing rapidly in recent years, and was just 2.9 percent in December 2019, lower than that of the nation as a whole. However, again due to the COVID-19 pandemic, the unemployment rate increased in 2020 and is now at 3.6 percent as of May 2020. It is unclear how severely the regional economy has been affected and how temporary in nature any increase in unemployment will be for the MSA.

The tables below provide more illustration of the changes in employment and unemployment rate trends in the SMA.



Employment by Industry

The following table illustrates employment by industry for the PMA and the nation as of 2020.

2020 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	17,911	26.8%	14,320,448	9.7%
Manufacturing	7,996	12.0%	15,550,554	10.6%
Healthcare/Social Assistance	7,055	10.6%	22,313,586	15.1%
Retail Trade	6,474	9.7%	14,356,334	9.7%
Accommodation/Food Services	5,429	8.1%	8,202,612	5.6%
Prof/Scientific/Tech Services	3,911	5.9%	12,049,828	8.2%
Construction	3,672	5.5%	10,829,187	7.4%
Public Administration	2,571	3.9%	7,071,492	4.8%
Other Services	2,227	3.3%	6,772,309	4.6%
Admin/Support/Waste Mgmt Svcs	1,986	3.0%	5,786,624	3.9%
Transportation/Warehousing	1,664	2.5%	6,959,787	4.7%
Finance/Insurance	1,244	1.9%	7,169,665	4.9%
Arts/Entertainment/Recreation	1,158	1.7%	2,329,497	1.6%
Information	822	1.2%	2,723,217	1.8%
Wholesale Trade	721	1.1%	3,744,789	2.5%
Real Estate/Rental/Leasing	663	1.0%	3,082,197	2.1%
Agric/Forestry/Fishing/Hunting	524	0.8%	1,852,333	1.3%
Utilities	517	0.8%	1,274,383	0.9%
Mgmt of Companies/Enterprises	152	0.2%	210,175	0.1%
Mining	58	0.1%	729,605	0.5%
Total Employment	66,755	100.0%	147,328,622	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

Employment in the PMA is concentrated in the educational services, manufacturing, and healthcare/social assistance industries, which collectively comprise 49.4 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the educational services, accommodation/food services, and manufacturing industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, finance/insurance, and prof/scientific/tech services industries.

Employment Contraction/Expansion

We consulted the Virginia Employment Commission’s Worker Adjustment and Retraining Notification (WARN) filings to determine the reported contractions within the Western Virginia Region, which includes the counties of Roanoke, Montgomery, Montgomery County, Pulaski, Franklin, Wythe, and surrounding areas from 2019 to 2021 YTD. The notices are summarized in the table below.

WARN LISTINGS
Western Virginia Region (2019 - 2021 YTD)

Company Name	Employees Affected	Notice Date	Impact Date
Joy Global Underground Mining, LLC. (Komatsu Mining Corp. Group)	128	1/11/2021	3/15/2021
Wellmore Coal Company, LLC	61	12/22/2020	12/22/2020
TitleMax of Virginia, Inc. and TMX Finance of Virginia, Inc.	17	11/30/2020	1/16/2021
Advance Auto Parts	94	6/12/2020	8/14/2020
Joy Global Underground Mining (Komatsu Mining Corp. Group)	71	6/5/2020	6/5/2020
Bloomin' Brands (Outback Steakhouse)	177	4/27/2020	3/15/2020
Bloomin' Brands (Carrabba's Italian Grill)	59	4/27/2020	3/15/2020
Utility Trailer Manufacturing Company	326	4/9/2020	6/9/2020
Scholle IPN Packaging, Inc.	128	4/1/2020	4/5/2020
Cinemark USA, Inc.	26	3/26/2020	3/26/2020
Alsco	47	3/25/2020	3/18/2020
Universal Companies	61	3/25/2020	4/1/2020
Super Shoes	18	3/21/2020	3/20/2020
Three Notch'd Brewing Company	14	3/17/2020	3/17/2020
Norfolk Southern	104	2/18/2020	4/18/2020
Earth Fare	94	2/17/2020	2/17/2020
Volvo Trucks North America	700	11/22/2019	1/20/2020
IKEA Industry Danville, LLC	280	10/7/2019	12/13/2019
Blackjewel	214	9/23/2019	8/31/2019
Blackjewel	92	9/18/2019	9/18/2019
Kimball Hospitality	54	7/29/2019	3/31/2020
FreightCar America	200	7/22/2019	9/20/2019
Sykes	197	6/26/2019	9/3/2019
Walmart-store #650	81	6/10/2019	8/16/2019
ZF Automotive	75	6/5/2019	8/5/2019
GE	245	5/13/2019	7/12/2019
Core Health & Fitness, LLC	50	4/17/2019	7/1/2019
Total	3,613		

As illustrated, there have been 27 WARN notices impacting 3,613 workers in the Western Virginia Region area since January 1, 2019. Taken in context with the size of the local labor markets and the business expansions outlined below, this is a relatively small number of documented layoffs within the past three years and can be considered an indicator of a generally healthy local economy. It should be noted that the number of WARN notices issued has increased dramatically since March 2020, resulting from the economic impact of the COVID-19 pandemic.

We conducted internet research regarding development, business investment, business growth and employment expansions in Radford City and Montgomery County, as detailed following:

- In August 2019, 1901 Group, an IT services company broke ground on its 45,000 square foot operation center expansion in Blacksburg. The company will reportedly make a capital investment of approximately \$4 million to construct the facility and grow its operations. The expansion is expected to create 580 jobs in Blacksburg and Montgomery County by 2021.
- In May 2019, Ozmo, a Blacksburg-based technology start up announced plans to invest at least \$200,000 to hire 40 additional employees. The company was founded in 2016 and will now employ 70 people.
- Oran Safety Glasses (OSG), a manufacturer of specialty glass for buses, military vehicles, and trains, invested \$4.45 million to expand its manufacturing operations in Montgomery County. This expansion created 55 new jobs for the area in addition to retaining the 75 existing employees

Wages by Occupation

The following table illustrates the mean hourly and annual wages for various occupations in the Blacksburg-Christiansburg-Radford, VA MSA; information at the PMA level was not available.

BLACKSBURG-CHRISTIANSBURG, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2019 AREA

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	71,470	\$22.03	\$45,820
Management Occupations	2,600	\$52.77	\$109,770
Legal Occupations	200	\$49.07	\$102,060
Healthcare Practitioners and Technical Occupations	3,310	\$36.67	\$76,280
Architecture and Engineering Occupations	1,850	\$36.45	\$75,820
Computer and Mathematical Occupations	1,570	\$36.20	\$75,290
Business and Financial Operations Occupations	2,590	\$32.46	\$67,510
Life, Physical, and Social Science Occupations	600	\$30.87	\$64,210
Educational Instruction and Library Occupations	7,510	\$29.14	\$60,600
Community and Social Service Occupations	1,050	\$21.76	\$45,270
Installation, Maintenance, and Repair Occupations	3,460	\$21.30	\$44,310
Production Occupations	8,590	\$20.52	\$42,680
Protective Service Occupations	1,550	\$19.98	\$41,550
Construction and Extraction Occupations	2,130	\$19.65	\$40,880
Office and Administrative Support Occupations	8,260	\$16.78	\$34,890
Sales and Related Occupations	6,330	\$15.52	\$32,280
Transportation and Material Moving Occupations	5,380	\$15.13	\$31,470
Building and Grounds Cleaning and Maintenance Occupations	2,580	\$13.66	\$28,420
Farming, Fishing, and Forestry Occupations	n/A	\$13.64	\$28,380
Personal Care and Service Occupations	2,030	\$13.60	\$28,280
Healthcare Support Occupations	2,200	\$13.36	\$27,780
Food Preparation and Serving Related Occupations	6,610	\$10.75	\$22,360
Arts, Design, Entertainment, Sports, and Media Occupations	930	n/A	n/A

Source: Department Of Labor, Occupational Employment Statistics, 5/2019, retrieved 3/2021

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$10.75 per hour. The highest average hourly wage, of \$52.77, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$28,423 to \$57,600 (absent subsidy). This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base. An element not reflected in the wage rate data is that many positions represent part-time employment, and the starting rates are typically lower than mean wage rates. Household income data shown later in this report demonstrates a significant number of households within the region have earnings of less than \$30,000.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to 2020 US Census data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	2,151	3.3%
Travel Time 5-9 min	10,434	15.9%
Travel Time 10-14 min	13,824	21.1%
Travel Time 15-19 min	12,806	19.6%
Travel Time 20-24 min	8,754	13.4%
Travel Time 25-29 min	3,461	5.3%
Travel Time 30-34 min	5,641	8.6%
Travel Time 35-39 min	1,475	2.3%
Travel Time 40-44 min	1,589	2.4%
Travel Time 45-59 min	2,665	4.1%
Travel Time 60-89 min	1,769	2.7%
Travel Time 90+ min	870	1.3%
Weighted Average	22 minutes	

Source: US Census 2020, Novogradac Consulting LLP, March 2021

As shown in the preceding table, the weighted average commute time in the PMA is approximately 22 minutes. More than 73 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the educational services, manufacturing, and healthcare/social assistance industries, which collectively comprise 49.4 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The MSA economy performed well during the recession, suffering only a 2.4 percent employment contraction, compared to a 4.8 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2011, three years prior to the overall nation. As of November 2020, MSA employment is below record levels, and declined 5.5 percent over the past year, compared to a 5.5 percent decline across the overall nation.

VII. DEMOGRAPHIC CHARACTERISTICS

General Population and Household Trends

The tables below illustrate the population and household trends in the PMA, MSA, and nation from 2000 through 2025.

POPULATION

Year	PMA		Blacksburg-Christiansburg, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	112,541	-	155,548	-	280,304,282	-
2010	145,688	2.9%	178,237	1.5%	308,745,538	1.0%
2020	153,812	0.5%	187,708	0.5%	333,793,107	0.8%
2025	156,574	0.4%	190,727	0.3%	346,021,282	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

Historical population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced population growth greater than the overall nation during the same time period. Population growth in the PMA slowed significantly between 2010 and 2020, and was similar to the MSA. Growth in both geographic areas remained below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.4 percent through 2025, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation.

HOUSEHOLDS

Year	PMA		Blacksburg-Christiansburg, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	45,845	-	61,540	-	105,081,032	-
2010	56,523	2.3%	70,164	1.4%	116,716,293	1.1%
2020	59,327	0.5%	73,506	0.5%	126,083,847	0.8%
2025	60,442	0.4%	74,744	0.3%	130,658,491	0.7%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

Historical household growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced household growth greater than the overall nation during the same time period. Household growth in the PMA slowed significantly between 2010 and 2020, and was similar to the MSA. Growth in both geographic areas remained below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.4 percent through 2025, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation.

Average Household Size

The following table is a summary of the average household size in the PMA, the MSA and the nation from 2000 through 2025. This table includes households of all ages.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Blacksburg-Christiansburg, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.41	-	2.45	-	2.59	-
2010	2.50	0.4%	2.47	0.0%	2.57	-0.1%
2020	2.35	-0.6%	2.35	-0.4%	2.58	0.0%
2025	2.35	0.0%	2.36	0.0%	2.59	0.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2025.

Median Household Income Levels

The table below illustrates Median Household Income in the PMA, MSA, and nation from 2000 through 2025.

MEDIAN HOUSEHOLD INCOME

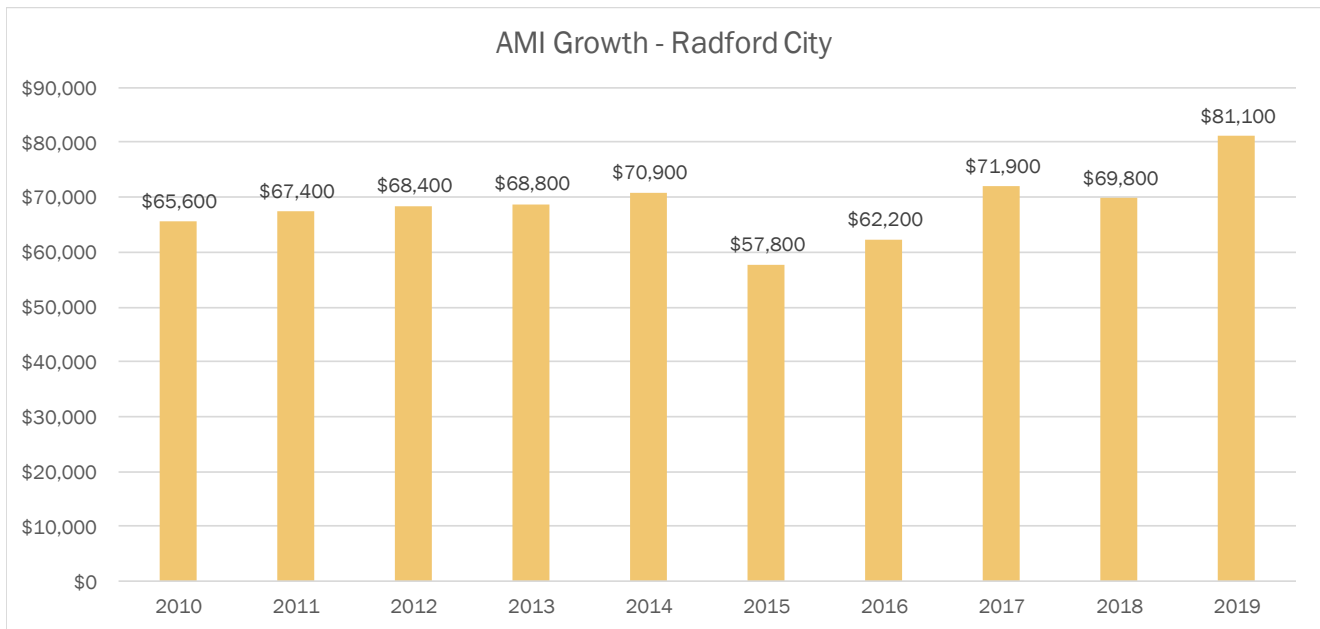
Year	PMA		Blacksburg-Christiansburg, VA Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$36,109	-	\$37,825	-	\$44,333	-
2020	\$51,456	2.1%	\$51,326	1.8%	\$62,203	2.0%
2025	\$53,133	0.7%	\$52,940	0.6%	\$67,325	1.6%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

As of 2020, the median income in the PMA is similar the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2020. Relative to the nation, household income in the PMA remained relatively stable, rising slightly from 81 percent of the national median income in 2000 to 83 percent in 2020. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.7 percent through 2025, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation.

Area Household Income Levels

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



Overall, the AMI has increased by an average of 2.8 percent annually between 2010 and 2020. The AMI in Radford City peaked in 2020. After decreasing in 2018, Radford experienced a substantial increase in the AMI from 2018 to 2019 and again from 2019 to 2020.

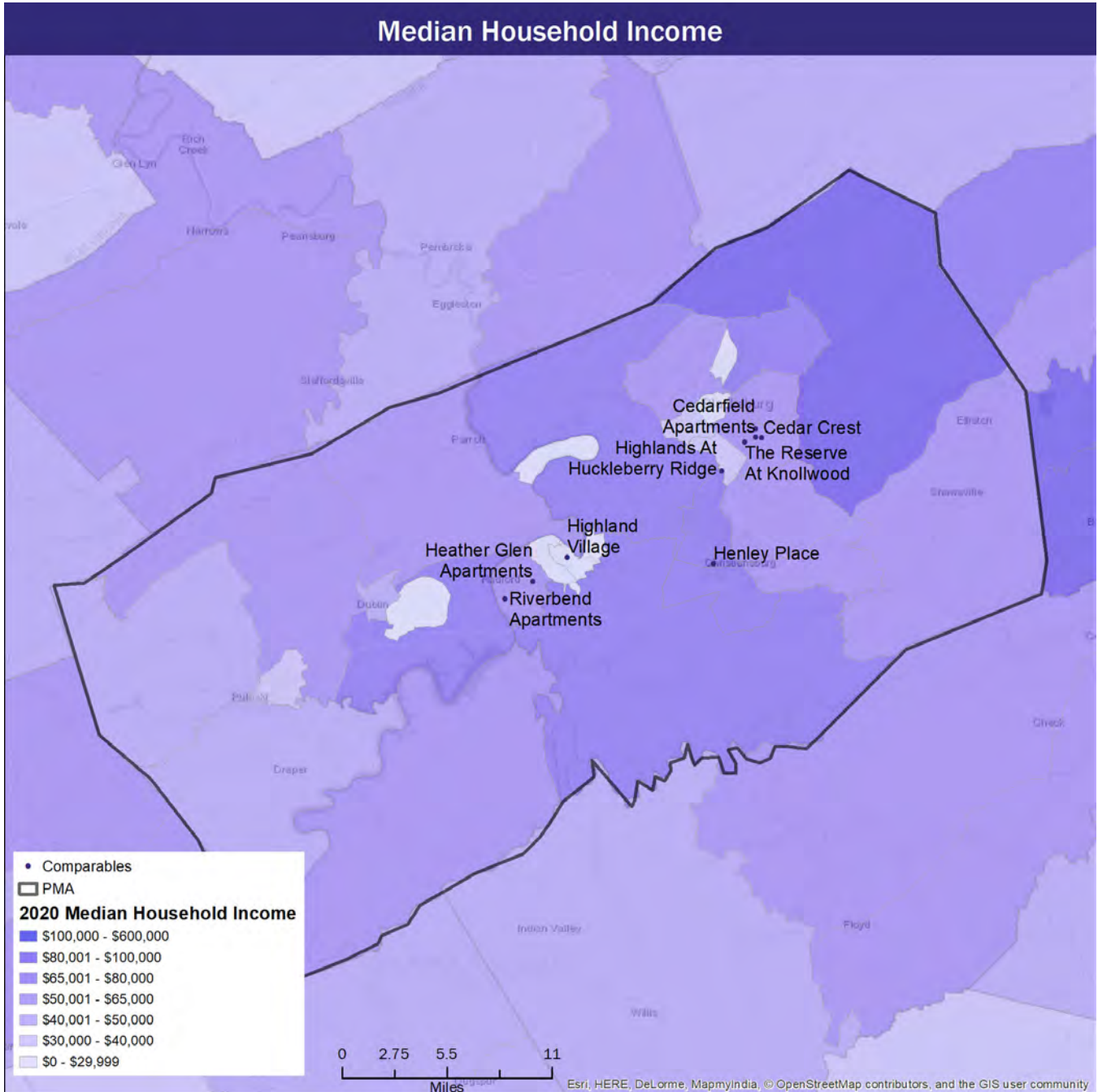
The following table illustrates the change in AMI over the past seven years.

RADFORD CITY COUNTY AMI GROWTH (2013-2020)

Year	2013	2014	2015	2016	2017	2018	2019	2020
AMI	\$68,800	\$70,900	\$57,800	\$62,200	\$71,900	\$69,800	\$81,100	\$87,800
Percentage	0.6%	3.1%	-18.5%	7.6%	15.6%	-2.9%	16.2%	8.3%

All of the Subject’s proposed rents for its LIHTC units are set at the maximum allowable levels; therefore, rent increases for the Subject’s units will not be directly dependent upon future increases in the AMI.

The following map illustrates median household income throughout the PMA for the Subject and the rent comparables as of 2020.



Household Income Distribution

The following tables illustrate the household income distribution for the PMA and MSA for 2020 and 2025.

HOUSEHOLD INCOME PMA

Income Cohort	PMA					
	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,230	10.5%	5,770	9.5%	-92	-1.5%
\$10,000-19,999	5,193	8.8%	4,997	8.3%	-39	-0.8%
\$20,000-29,999	5,395	9.1%	4,960	8.2%	-87	-1.6%
\$30,000-39,999	4,777	8.1%	4,409	7.3%	-74	-1.5%
\$40,000-49,999	4,793	8.1%	4,769	7.9%	-5	-0.1%
\$50,000-59,999	4,410	7.4%	4,084	6.8%	-65	-1.5%
\$60,000-74,999	5,814	9.8%	5,651	9.3%	-33	-0.6%
\$75,000-99,999	7,165	12.1%	7,286	12.1%	24	0.3%
\$100,000-124,999	5,329	9.0%	5,594	9.3%	53	1.0%
\$125,000-149,999	3,543	6.0%	4,097	6.8%	111	3.1%
\$150,000-199,999	3,213	5.4%	4,062	6.7%	170	5.3%
\$200,000+	3,465	5.8%	4,763	7.9%	260	7.5%
Total	59,327	100.0%	60,442	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

HOUSEHOLD INCOME SMA

Income Cohort	Blacksburg-Christiansburg, VA Metropolitan Statistical Area					
	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,831	9.3%	6,331	8.5%	-100	-1.5%
\$10,000-19,999	6,597	9.0%	6,270	8.4%	-65	-1.0%
\$20,000-29,999	6,973	9.5%	6,440	8.6%	-107	-1.5%
\$30,000-39,999	6,190	8.4%	5,748	7.7%	-88	-1.4%
\$40,000-49,999	6,358	8.6%	6,241	8.3%	-23	-0.4%
\$50,000-59,999	5,776	7.9%	5,456	7.3%	-64	-1.1%
\$60,000-74,999	7,528	10.2%	7,345	9.8%	-37	-0.5%
\$75,000-99,999	8,959	12.2%	9,171	12.3%	42	0.5%
\$100,000-124,999	6,496	8.8%	6,838	9.1%	68	1.1%
\$125,000-149,999	4,288	5.8%	4,926	6.6%	128	3.0%
\$150,000-199,999	3,675	5.0%	4,712	6.3%	207	5.6%
\$200,000+	3,835	5.2%	5,266	7.0%	286	7.5%
Total	73,506	100.0%	74,744	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

As of 2020, approximately 36.4 percent of households within the PMA have annual incomes below \$40,000. Through 2025, the percentage of low-income households earning less than \$40,000 annually is projected to decline slightly to 33.3 percent.

Renter Household Income Distribution

The following tables illustrate the renter household income distribution for the PMA and SMA for 2020 and 2025.

RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	5,334	21.2%	4,936	19.2%	-80	-1.5%
\$10,000-19,999	3,591	14.2%	3,519	13.7%	-14	-0.4%
\$20,000-29,999	3,277	13.0%	3,037	11.8%	-48	-1.5%
\$30,000-39,999	2,427	9.6%	2,302	9.0%	-25	-1.0%
\$40,000-49,999	2,113	8.4%	2,134	8.3%	4	0.2%
\$50,000-59,999	1,395	5.5%	1,422	5.5%	5	0.4%
\$60,000-74,999	2,096	8.3%	2,157	8.4%	12	0.6%
\$75,000-99,999	2,018	8.0%	2,288	8.9%	54	2.7%
\$100,000-124,999	1,063	4.2%	1,253	4.9%	38	3.6%
\$125,000-149,999	895	3.6%	1,127	4.4%	46	5.2%
\$150,000-199,999	523	2.1%	730	2.8%	41	7.9%
\$200,000+	470	1.9%	752	2.9%	56	12.0%
Total	25,202	100.0%	25,657	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

RENTER HOUSEHOLD INCOME

Income Cohort	Blacksburg-Christiansburg, VA Metropolitan Statistical Area					
	2020		2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	5,548	19.7%	5,143	18.0%	-81	-1.5%
\$10,000-19,999	4,070	14.5%	3,952	13.8%	-24	-0.6%
\$20,000-29,999	3,705	13.2%	3,465	12.1%	-48	-1.3%
\$30,000-39,999	2,749	9.8%	2,601	9.1%	-30	-1.1%
\$40,000-49,999	2,564	9.1%	2,568	9.0%	1	0.0%
\$50,000-59,999	1,633	5.8%	1,667	5.8%	7	0.4%
\$60,000-74,999	2,355	8.4%	2,401	8.4%	9	0.4%
\$75,000-99,999	2,202	7.8%	2,484	8.7%	56	2.6%
\$100,000-124,999	1,206	4.3%	1,400	4.9%	39	3.2%
\$125,000-149,999	993	3.5%	1,243	4.3%	50	5.0%
\$150,000-199,999	610	2.2%	861	3.0%	50	8.2%
\$200,000+	521	1.9%	822	2.9%	60	11.6%
Total	28,156	100.0%	28,607	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

As of 2020, approximately 58.0 percent of renter households within the PMA have annual incomes below \$40,000. Through 2025, the percentage of low-income renter households earning less than \$40,000 annually is projected to decline slightly to 53.8 percent. Although this percentage is decreasing, the need for affordable housing is still evident as over 50 percent of renter households earn less than \$40,000 annually.

Conclusion

The population in the PMA increased by 36.7 percent between 2000 and 2020, compared to the 20.7 percent increase in the regional MSA and 19.1 percent increase across the overall nation. The percentage of renter households in the PMA remained relatively stable between 2010 and 2020, and is estimated to be 42.5 percent as of 2020. This is more than the estimated 33 percent of renter households across the overall nation. As of 2020, the median income in the PMA is similar the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2000 and 2020. Relative to the nation, household income in the PMA remained relatively stable, rising slightly from 81 percent of the national median income in 2000 to 83 percent in 2020. Overall, the combination of rising population and household income levels bodes well for future demand for multifamily housing.

VIII. COMPETITIVE ENVIRONMENT

AGE OF HOUSING STOCK

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

AGE OF HOUSING STOCK IN PMA

Years	Number of Units	Percent of Housing Stock
Built 2010 or later	1,870	3.0%
Built 2000 to 2009	9,692	15.4%
Built 1990 to 1999	10,630	16.9%
Built 1980 to 1989	8,859	14.1%
Built 1970 to 1979	11,787	18.8%
Built 1960 to 1969	6,690	10.7%
Built 1950 to 1959	4,818	7.7%
Built 1940 to 1949	3,567	5.7%
Built 1939 or earlier	4,872	7.8%
Total	62,785	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

The data demonstrates a significant portion of the existing housing stock in the PMA, approximately 65 percent, was constructed in 1989 and earlier. Additionally, 82 percent of the existing housing stock was constructed prior to 2000. Therefore, the PMA exhibits a relatively older housing stock but there is a notable amount of recent construction that has occurred since 2000. The data does not reflect condition, which oftentimes is well-maintained through ongoing maintenance. The field inspection of the area reflects a varied housing stock, generally in fair to average condition. The Subject will be in good condition following the proposed renovations, which will positively impact the Subject’s neighborhood.

Household Tenure

The following table illustrates the breakdown of households by tenure within the Subject’s PMA.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	30,494	66.5%	15,351	33.5%
2010	32,241	57.0%	24,282	43.0%
2020	34,125	57.5%	25,202	42.5%
2025	34,785	57.6%	25,657	42.4%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA remained relatively stable between 2010 and 2020, and is estimated to be 42.5 percent as of 2020. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2025.

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION

Household Size	2000		2020		2025	
	Total	Percent	Total	Percent	Total	Percent
1 persons	5,153	33.6%	9,260	36.7%	9,509	37.1%
2 persons	4,474	29.1%	7,554	30.0%	7,602	29.6%
3 persons	2,714	17.7%	4,452	17.7%	4,521	17.6%
4 persons	2,327	15.2%	2,970	11.8%	3,021	11.8%
5+ persons	683	4.4%	966	3.8%	1,004	3.9%
Total	15,351	100.0%	25,202	100.0%	25,657	100.0%

Source: Esri Demographics 2020, Novogradac Consulting LLP, March 2021.

Historically, the majority of renter households in the PMA have consisted of one and two-person households. The Subject will target one, two, three, four, and five-person households. Through 2025, the number of three, four, and five-person renter households is projected to slightly increase, while the percentage of renter households is expected to remain relatively stable during the same time period. The projected increase in total number of renter households, and the household size composition of renter households in the PMA is a positive indicator for the Subject’s affordable rental units.

Building Permits

Historical building permit information for Radford City from the U.S. Census Bureau, is presented in the following chart.

BUILDING PERMITS: RADFORD COUNTY 2000 - 2019*

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	15	0	0	15
2001	16	0	0	16
2002	55	0	40	95
2003	55	4	5	64
2004	30	0	26	56
2005	20	0	52	72
2006	19	0	46	65
2007	20	0	0	20
2008	13	0	6	19
2009	11	0	0	11
2010	15	0	15	30
2011	8	0	35	43
2012	8	0	5	13
2013	14	0	80	94
2014	10	0	0	10
2015	4	0	0	4
2016	11	4	0	15
2017	15	3	10	28
2018	13	0	0	13
2019*	24	0	0	24
Total	376	11	320	707
Average*	19	1	17	36

*YTD, preliminary

Source: US Census Bureau Building Permits, March 2021.

As illustrated in the previous table, building permits for residential units in Radford City have been generally evenly split between single-family homes and multifamily dwellings with five or more units. It should be noted that reporting of permit data by the city to the census is done on a voluntary basis.

SURVEY OF COMPARABLE PROJECTS

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

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

To evaluate the competitive position of the Subject, 982 units in five rental properties were surveyed in depth. We also visited and surveyed other properties that were excluded from the market survey because they are not considered comparable, because they include services and meals in rents, or they would not participate in the survey. Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general.

The market rate data in Radford is considered average, thus we expanded our search to nearby cities and have included five market rate properties located between 3.1 and 12.6 miles from the Subject site, all of which are located within the PMA. Overall, we believe the availability of data is adequate to support our conclusions. Overall, the rental data gathered from the market is considered sufficient to support the conclusions. Below is a table of several of the excluded properties.

EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Hunting Hills	LIHTC	Senior	Incomparable Rent Structure
Cedar Crest I, II, & III	LIHTC	Family	Incomparable Rent Structure
New River Gardens I & II	LIHTC	Family	Incomparable Rent Structure
Sunvalley	LIHTC	Family	Incomparable Rent Structure
Ridgewood Place	LIHTC	Family	Incomparable Rent Structure
Ridgewood Place Seniors	LIHTC	Senior	Incomparable Rent Structure
Meadowview	LIHTC	Family	Incomparable Rent Structure
Heather Glen Apartments	LIHTC	Family	Incomparable Rent Structure
Huckleberry Court Townhomes	LIHTC	Family	Incomparable Rent Structure
Henley Place	LIHTC	Family	Incomparable Rent Structure
High Meadows	LIHTC	Family	Incomparable Rent Structure
Pulaski Village	LIHTC	Senior	Incomparable Rent Structure
Linden Green Aka Old Farm Village II	LIHTC/Section 8	Family	Subsidized Rents
Forest Hills at Belview	LIHTC	Family	Incomparable Rent Structure
Willow Woods Preservation	LIHTC/Section 8	Family	Subsidized Rents
Laurel Woods (Pulaski)	LIHTC	Family	Incomparable Rent Structure
New River Overlook	LIHTC/Section 8	Senior	Subsidized Rents
Smokey Ridge	LIHTC	Family	Incomparable Rent Structure
Cambridge Square	Section 8	Family	Subsidized Rents
Christiansburg Bluff	Section 8	Family	Subsidized Rents
Elliott Road Community Apartments	Section 8	Senior	Subsidized Rents
Lantern Ridge Apts	Section 8	Family	Subsidized Rents
Meadowview Apartments	LIHTC/Section 8	Family	Subsidized Rents
New River House	Section 8	Senior	Subsidized Rents
Parkview Of Radford	Section 8	Senior	Subsidized Rents
Trolinger House	Section 8	Senior	Subsidized Rents
Washington Square Apartments	Section 8	Family	Subsidized Rents
Willow Woods	Section 8	Family	Subsidized Rents
Bradley's Ridge Apartments	Section 8	Senior	Subsidized Rents
Melinda's Melody	Section 8	Senior	Subsidized Rents
Fairfax Village	Section 8	Family	Subsidized Rents
Norwood Station Apartments	Market	Family	Unable to Contact
Copper Beech	Market	Family	Unable to Contact
Red Coat Manor Apartments	Market	Family	Unable to Contact
Scottish Hills	Market	Family	Unable to Contact

Comparable Properties Map



COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Riverbend Apartments	Radford	Section 8	Family	-
1	Cedar Crest	Blacksburg	LIHTC	Family	12.6 miles
2	Heather Glen Apartments	Radford	LIHTC	Family	1.4 miles
3	Henley Place	Christiansburg	LIHTC	Family	8.8 miles
4	Cedarfield Apartments	Blacksburg	Market	Family	12.4 miles
5	Highland Village	Radford	Market	Family	3.1 miles
6	Highlands At Huckleberry Ridge	Blacksburg	Market	Family	10.5 miles
7	The Mill At Blacksburg	Blacksburg	Market	Family	12.6 miles
8	The Reserve At Knollwood	Blacksburg	Market	Family	11.9 miles

RIVERBEND APARTMENTS – RADFORD, VIRGINIA – VHDA MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate			
Subject	Riverbend Apartments 108 Midkiff Ln Radford, VA 24141 Radford County	-	Various 2-stories 1980 / 2020 Family	Section 8	1BR / 1BA	2	3.3%	566	(Section 8)	\$810	Yes	Yes	0	0.0%			
					1BR / 1BA	13	21.7%	566	(Section 8)	\$810	Yes	Yes	0	0.0%			
					2BR / 1.5BA	30	50.0%	1,079	(Section 8)	\$1,040	Yes	N/A	0	0.0%			
					3BR / 1.5BA	10	16.7%	1,268	(Section 8)	\$1,310	Yes	N/A	0	0.0%			
					4BR / 2BA	1	1.7%	1,489	(Section 8)	\$1,670	Yes	N/A	0	0.0%			
					4BR / 2BA	4	6.7%	1,489	(Section 8)	\$1,670	Yes	N/A	0	0.0%			
					60							0	0.0%				
1	Cedar Crest 403 Cedar Hill Drive Blacksburg, VA 24060 Montgomery County	12.6 miles	Duplex 1-stories 1998 / n/a Family	@40%, @50%, @60%	1BR / 1.5BA	1	1.3%	768	@40%	\$528	No	Yes	0	0.0%			
					1BR / 1.5BA	1	1.3%	768	@50%	\$648	No	Yes	0	0.0%			
					2BR / 1.5BA	N/A	N/A	1,026	@40%	\$613	No	Yes	0	N/A			
					2BR / 1.5BA	34	43.6%	1,026	@50%	\$773	No	Yes	1	2.9%			
					2BR / 1.5BA	N/A	N/A	1,026	@60%	\$838	No	Yes	0	N/A			
					3BR / 2.5BA	42	53.9%	1,296	@50%	\$738	No	Yes	0	0.0%			
					3BR / 2.5BA	N/A	N/A	1,296	@60%	\$940	No	Yes	1	N/A			
					78							2	2.6%				
2	Heather Glen Apartments 1700 Wadsworth Street Radford, VA 24141 Radford County	1.4 miles	Townhouse 2-stories 2004 / n/a Family	@40%, @50%	1BR / 1.5BA	2	5.0%	1,029	@40%	\$502	No	Yes	0	0.0%			
					2BR / 2.5BA	2	5.0%	1,350	@40%	\$603	No	Yes	0	0.0%			
					3BR / 2.5BA	36	90.0%	1,438	@50%	\$859	No	Yes	0	0.0%			
										40						0	0.0%
3	Henley Place 1020-1150 Beaver Drive Christiansburg, VA 24073 Montgomery County	8.8 miles	Townhouse 2-stories 2006 / n/a Family	@50%, @60%	2BR / 2.5BA	9	22.0%	1,656	@50%	\$705	No	Yes	0	0.0%			
					3BR / 2.5BA	27	65.9%	2,253	@60%	\$915	No	Yes	0	0.0%			
					4BR / 2.5BA	5	12.2%	2,582	@60%	\$1,030	No	Yes	1	20.0%			
										41						1	2.4%
																0	0.0%
4	Cedarfield Apartments 200 Old Cedarfield Drive Blacksburg, VA 24060 Montgomery County	12.4 miles	Various 3-stories 1993 / n/a Family	Market	1BR / 1BA	4	3.8%	652	Market	\$1,020	N/A	No	0	0.0%			
					1BR / 1BA	16	15.1%	792	Market	\$1,087	N/A	No	0	0.0%			
					2BR / 1BA	12	11.3%	869	Market	\$1,146	N/A	No	0	0.0%			
					2BR / 2BA	36	34.0%	992	Market	\$1,237	N/A	No	0	0.0%			
					2BR / 2.5BA	6	5.7%	1,280	Market	\$1,502	N/A	No	0	0.0%			
					3BR / 2.5BA	32	30.2%	1,444	Market	\$1,802	N/A	No	0	0.0%			
					106						0	0.0%					
5	Highland Village 1000 Robey Street Radford, VA 24141 Radford County	3.1 miles	Garden 3-stories 1984 / n/a Family	Market	1BR / 1BA	37	17.1%	340	Market	\$421	N/A	No	1	2.7%			
					1.5BR / 1BA	60	27.7%	546	Market	\$611	N/A	No	2	3.3%			
					1.5BR / 1BA	6	2.8%	654	Market	\$761	N/A	No	0	0.0%			
					2BR / 1BA	34	15.7%	654	Market	\$819	N/A	No	2	5.9%			
					2.5BR / 1BA	20	9.2%	754	Market	\$859	N/A	No	1	5.0%			
					2.5BR / 1BA	37	17.1%	860	Market	\$899	N/A	No	1	2.7%			
					3BR / 2BA	2	0.9%	1,280	Market	\$1,279	N/A	No	0	0.0%			
					4BR / 2BA	21	9.7%	1,280	Market	\$1,554	N/A	No	2	9.5%			
					217						9	4.1%					
6	Highlands At Huckleberry Ridge 535 Blackrock Drive Blacksburg, VA 24060 Montgomery County	10.5 miles	Garden 2-stories 2015 / 2019 Family	Market	1BR / 1BA	51	13.1%	918	Market	\$1,224	N/A	Yes	0	0.0%			
					1.5BR / 1BA	50	12.9%	1,216	Market	\$1,324	N/A	Yes	0	0.0%			
					2BR / 2BA	124	32.0%	1,267	Market	\$1,488	N/A	Yes	1	0.8%			
					2.5BR / 2BA	85	21.9%	1,506	Market	\$1,603	N/A	Yes	1	1.2%			
					3BR / 2BA	78	20.1%	1,363	Market	\$1,777	N/A	Yes	0	0.0%			
					388						2	0.5%					
7	The Mill At Blacksburg 1811 Grayland Street Blacksburg, VA 24060 Montgomery County	12.6 miles	Garden 3-stories 1968 / 2013 Family	Market	1BR / 1BA	53	33.1%	535	Market	\$880	N/A	No	0	0.0%			
					2BR / 1BA	54	33.8%	780	Market	\$1,004	N/A	No	1	1.9%			
					3BR / 1BA	53	33.1%	1,025	Market	\$1,305	N/A	No	0	0.0%			
										160						1	0.6%
8	The Reserve At Knollwood 2401 Pamela Way Blacksburg, VA 24060 Montgomery County	11.9 miles	Garden 3-stories 2013 / n/a Family	Market	1BR / 1BA	N/A	N/A	691	Market	\$1,224	N/A	Yes	0	N/A			
					1BR / 1BA	N/A	N/A	715	Market	\$1,244	N/A	Yes	0	N/A			
					2BR / 2BA	N/A	N/A	1,058	Market	\$1,587	N/A	Yes	0	N/A			
					2BR / 2BA	N/A	N/A	1,093	Market	\$1,631	N/A	Yes	0	N/A			
					2BR / 2BA	N/A	N/A	1,112	Market	\$1,645	N/A	Yes	0	N/A			
					3BR / 3BA	N/A	N/A	1,206	Market	\$2,125	N/A	Yes	0	N/A			
					3BR / 3BA	N/A	N/A	1,226	Market	\$2,120	N/A	Yes	0	N/A			
					111						0	0.0%					

RIVERBEND APARTMENTS – RADFORD, VIRGINIA – VHDA MARKET STUDY

AMENITY MATRIX

Subject	Cedar Crest	Heather Glen Apartments	Henley Place	Cedarfield Apartments	Highland Village	Highlands At Huckleberry Ridge	The Mill At Blacksburg	The Reserve At Knollwood
Rent Structure	Section 8	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market
Building								
Property Type	Various	Duplex	Townhouse	Townhouse	Various	Garden	Garden	Garden
# of Stories	2-stories	1-stories	2-stories	2-stories	3-stories	3-stories	2-stories	3-stories
Year Built	1974	1998	2004	2006	1993	1984	2015	1968
Year Renovated	2020	n/a	n/a	n/a	n/a	n/a	2019	2013
Utility Structure								
Cooking	no	no	no	no	no	yes	no	no
Water Heat	no	no	no	no	no	yes	no	no
Heat	no	no	no	no	no	yes	no	no
Other Electric	no	no	no	no	no	yes	no	no
Water	yes	yes	yes	yes	no	yes	no	no
Sewer	yes	yes	yes	yes	no	yes	no	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes
Accessibility								
Unit Amenities								
Balcony/Patio	yes	yes	yes	yes	yes	no	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	yes	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	no	yes
Hardwood	no	no	no	no	no	no	yes	no
Central A/C	yes	no	yes	yes	yes	yes	yes	no
Ceiling Fan	no	no	yes	yes	yes	no	yes	yes
Coat Closet	yes	no	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	no	no	no	yes	no	no	no
Fireplace	no	no	no	no	no	no	yes	no
Vaulted Ceilings	no	no	no	no	no	no	yes	no
Walk-In Closet	no	no	yes	yes	yes	no	yes	no
Wall A/C	no	no	no	no	no	no	no	yes
Window A/C	no	no	no	no	yes	no	no	no
Washer/Dryer	no	yes	yes	yes	yes	yes	yes	no
W/D Hookup	no	yes	yes	yes	yes	no	no	no
Kitchen								
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	yes	yes	yes	no	yes	no
Microwave	yes	yes	no	no	yes	no	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	no
Community								
Business Center	no	no	no	no	no	no	yes	no
Community Room	no	yes	no	no	no	no	yes	yes
Central Laundry	yes	no	no	no	no	yes	no	yes
On-Site Mgmt	yes	no	no	yes	yes	yes	yes	yes
Recreation								
Basketball Court	no	no	no	no	yes	yes	no	yes
Exercise Facility	no	no	no	no	no	no	yes	no
Playground	yes	yes	no	no	no	no	yes	no
Swimming Pool	no	no	no	no	no	yes	yes	yes
Picnic Area	no	yes	no	no	yes	yes	no	yes
Recreational Area	no	no	no	no	yes	no	yes	yes
Volleyball Court	no	no	no	no	yes	yes	no	yes
WiFi	no	no	no	no	no	yes	no	no
Security								
Intercom (Buzzer)	no	no	no	no	yes	no	no	no
Limited Access	no	no	no	no	yes	no	no	no
Parking								
Garage	no	no	yes	yes	no	no	yes	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

RIVERBEND APARTMENTS – RADFORD, VIRGINIA – VHDA MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.										
	Units Surveyed:	1,141	Weighted Occupancy:	98.7%		Weighted Occupancy:	98.7%			
	Market Rate	982	Market Rate	98.8%		Market Rate	98.8%			
	Tax Credit	159	Tax Credit	98.1%		Tax Credit	98.1%			
One Bedroom One Bath Property		Average	Two Bedroom One and a Half Bath Property		Average	Three Bedroom One and a Half Bath Property		Average	Four Bedroom Two Bath Property	
RENT	The Reserve At Knollwood (Market)	\$1,244	The Reserve At Knollwood (Market)(2BA)	\$1,645	The Reserve At Knollwood (Market)(3BA)	\$2,125	Riverbend Apartments ()	\$1,670		
	Highlands At Huckleberry Ridge (Market)	\$1,224	The Reserve At Knollwood (Market)(2BA)	\$1,631	Cedarfield Apartments (Market)(2.5BA)	\$1,802	Riverbend Apartments ()	\$1,670		
	The Reserve At Knollwood (Market)	\$1,224	The Reserve At Knollwood (Market)(2BA)	\$1,587	Highlands At Huckleberry Ridge (Market)(2BA)	\$1,777	Highland Village (Market)	\$1,554		
	Cedarfield Apartments (Market)	\$1,087	Cedarfield Apartments (Market)(2.5BA)	\$1,502	Riverbend Apartments ()	\$1,310	Henley Place (@60%)(2.5BA)	\$1,030		
	Cedarfield Apartments (Market)	\$1,020	Highlands At Huckleberry Ridge (Market)(2BA)	\$1,488	The Mill At Blacksburg (Market)(1BA)	\$1,305				
	The Mill At Blacksburg (Market)	\$880	Cedarfield Apartments (Market)(2BA)	\$1,237	Highland Village (Market)(2BA)	\$1,279				
	Riverbend Apartments ()	\$810	Cedarfield Apartments (Market)(1BA)	\$1,146	Cedar Crest (@60%)(2.5BA)	\$940				
	Riverbend Apartments ()	\$810	Riverbend Apartments ()	\$1,040	Henley Place (@60%)(2.5BA)	\$915				
	Cedar Crest (@50%)(1.5BA)	\$648	The Mill At Blacksburg (Market)(1BA)	\$1,004	Heather Glen Apartments (@50%)(2.5BA)	\$859				
	Cedar Crest (@40%)(1.5BA)	\$528	Cedar Crest (@60%)	\$838	Cedar Crest (@50%)(2.5BA)	\$738				
	Heather Glen Apartments (@40%)(1.5BA)	\$502	Highland Village (Market)(1BA)	\$819						
	Highland Village (Market)	\$421	Cedar Crest (@50%)	\$773						
			Henley Place (@50%)(2.5BA)	\$705						
			Cedar Crest (@40%)	\$613						
			Heather Glen Apartments (@40%)(2.5BA)	\$603						
SQUARE FOOTAGE	Heather Glen Apartments (@40%)(1.5BA)	1,029	Henley Place (@50%)(2.5BA)	1,656	Henley Place (@60%)(2.5BA)	2,253	Henley Place (@60%)(2.5BA)	2,582		
	Highlands At Huckleberry Ridge (Market)	918	Heather Glen Apartments (@40%)(2.5BA)	1,350	Cedarfield Apartments (Market)(2.5BA)	1,444	Riverbend Apartments ()	1,489		
	Cedarfield Apartments (Market)	792	Cedarfield Apartments (Market)(2.5BA)	1,280	Heather Glen Apartments (@50%)(2.5BA)	1,438	Riverbend Apartments ()	1,489		
	Cedar Crest (@50%)(1.5BA)	768	Highlands At Huckleberry Ridge (Market)(2BA)	1,267	Highlands At Huckleberry Ridge (Market)(2BA)	1,363	Highland Village (Market)	1,280		
	Cedar Crest (@40%)(1.5BA)	768	The Reserve At Knollwood (Market)(2BA)	1,112	Cedar Crest (@60%)(2.5BA)	1,296				
	The Reserve At Knollwood (Market)	715	The Reserve At Knollwood (Market)(2BA)	1,093	Cedar Crest (@50%)(2.5BA)	1,296				
	The Reserve At Knollwood (Market)	691	Riverbend Apartments ()	1,079	Highland Village (Market)(2BA)	1,280				
	Cedarfield Apartments (Market)	652	The Reserve At Knollwood (Market)(2BA)	1,058	Riverbend Apartments ()	1,268				
	Riverbend Apartments ()	566	Cedar Crest (@50%)	1,026	The Reserve At Knollwood (Market)(3BA)	1,206				
	Riverbend Apartments ()	566	Cedar Crest (@40%)	1,026	The Mill At Blacksburg (Market)(1BA)	1,025				
	The Mill At Blacksburg (Market)	535	Cedar Crest (@60%)	1,026						
	Highland Village (Market)	340	Cedarfield Apartments (Market)(2BA)	992						
			Cedarfield Apartments (Market)(1BA)	869						
			The Mill At Blacksburg (Market)(1BA)	780						
			Highland Village (Market)(1BA)	654						
RENT PER SQUARE FOOT	The Reserve At Knollwood (Market)	\$1.77	The Reserve At Knollwood (Market)(2BA)	\$1.50	The Reserve At Knollwood (Market)(3BA)	\$1.76	Highland Village (Market)	\$1.21		
	The Reserve At Knollwood (Market)	\$1.74	The Reserve At Knollwood (Market)(2BA)	\$1.49	Highlands At Huckleberry Ridge (Market)(2BA)	\$1.30	Riverbend Apartments ()	\$1.12		
	The Mill At Blacksburg (Market)	\$1.64	The Reserve At Knollwood (Market)(2BA)	\$1.48	The Mill At Blacksburg (Market)(1BA)	\$1.27	Riverbend Apartments ()	\$1.12		
	Cedarfield Apartments (Market)	\$1.56	Cedarfield Apartments (Market)(1BA)	\$1.32	Cedarfield Apartments (Market)(2.5BA)	\$1.25	Henley Place (@60%)(2.5BA)	\$0.40		
	Riverbend Apartments ()	\$1.43	The Mill At Blacksburg (Market)(1BA)	\$1.29	Riverbend Apartments ()	\$1.03				
	Riverbend Apartments ()	\$1.43	Highland Village (Market)(1BA)	\$1.25	Highland Village (Market)(2BA)	\$1.00				
	Cedarfield Apartments (Market)	\$1.37	Cedarfield Apartments (Market)(2BA)	\$1.25	Cedar Crest (@60%)(2.5BA)	\$0.73				
	Highlands At Huckleberry Ridge (Market)	\$1.33	Highlands At Huckleberry Ridge (Market)(2BA)	\$1.17	Heather Glen Apartments (@50%)(2.5BA)	\$0.60				
	Highland Village (Market)	\$1.24	Cedarfield Apartments (Market)(2.5BA)	\$1.17	Cedar Crest (@50%)(2.5BA)	\$0.57				
	Cedar Crest (@50%)(1.5BA)	\$0.84	Riverbend Apartments ()	\$0.96	Henley Place (@60%)(2.5BA)	\$0.41				
	Cedar Crest (@40%)(1.5BA)	\$0.69	Cedar Crest (@60%)	\$0.82						
	Heather Glen Apartments (@40%)(1.5BA)	\$0.49	Cedar Crest (@50%)	\$0.75						
			Cedar Crest (@40%)	\$0.60						
			Heather Glen Apartments (@40%)(2.5BA)	\$0.45						
			Henley Place (@50%)(2.5BA)	\$0.43						

PROPERTY CHARACTERISTICS

Following are relevant characteristics of comparable properties surveyed:

Location

The Subject is located in the city of Radford in an average overall neighborhood, similar only to Highland Village and Heather Glen Apartments. The table below illustrates the median incomes, rents, and home values by zip code for the Subject and each of the comparables.

LOCATION COMPARISON

No.	Property Name	Zip Code	Median Income	Median Rent	Median Home Value	Rent Differential
S	Riverbend Apartments	24141	\$42,786	\$771	\$167,000	-
1	Cedar Crest	24060	\$46,037	\$994	\$295,200	22.4%
2	Heather Glen Apartments	24141	\$42,786	\$771	\$167,000	0.0%
3	Henley Place	24073	\$59,159	\$839	\$183,200	8.1%
4	Cedarfield Apartments	24060	\$46,037	\$994	\$295,200	22.4%
5	Highland Village	24141	\$42,786	\$771	\$167,000	0.0%
6	Highlands At Huckleberry Ridge	24060	\$46,037	\$994	\$295,200	22.4%
7	The Mill At Blacksburg	24060	\$46,037	\$994	\$295,200	22.4%
8	The Reserve At Knollwood	24060	\$46,037	\$994	\$295,200	22.4%

As illustrated above, the Subject is located in the same zip code as Highland Village and Heather Glen Apartments, exhibiting a similar location, which did not require an adjustment. The Subject’s neighborhood exhibits an inferior location compared to the remaining properties located in terms of median home values, median incomes, and median rents. Based on these factors, we adjusted each of the market rate comparables downward by \$50 for location in the grids.

Year Built/Effective Age

The following table illustrates the effective ages of the Subject and the comparable properties.

YEAR BUILT/RENOVATED ADJUSTMENT - AS IS

#	Property Name	Year Built	Age Difference	Year(s) Renovated	Estimated Effective Age	Effective Age Diff. from	Correlated Adjustment
S	Riverbend	1980	-	-	30	-	-
1	Cedarfield	1993	13	-	25	5	(\$15)
2	Highland Village	1984	4	-	28	2	\$0
3	Highland @ Huckleberry	2015	35	-	3	27	(\$100)
4	Mill Blacksburg	1968	-12	2013	28	2	\$0
5	Reserve Knoll	2013	33	-	5	25	(\$75)

The comparable properties were originally constructed between 1968 and 2015, and only one comparable (Mill at Blacksburg) reported renovations. Based on years built/renovated and the estimated effective ages, Highland Village and the Mill at Blacksburg are both considered generally similar overall to the Subject property in terms of remaining economic life and did not warrant an adjustment for year built. Highlands at Huckleberry Ridge and The Reserve at Knollwood were constructed between 2013 and 2015, both considered superior to the Subject in terms of effective age and received negative adjustments between \$75 and \$100 to account for superior age and remaining economic life. Cedarfield, the remaining comparable, was built in 1993 and is slightly superior relative to the Subject in terms of effective age and received a negative \$15 adjustment to account for slightly superior remaining economic life. The table above lists the adjustments made to each comparable in the as is grids based on year built/renovated, based on difference in utility, effective age, and overall functionality when compared to the Subject.

The Subject is proposed for significant renovations in 2021 with LIHTC equity. Based on the developers scope of work above, we believe the effective age of the Subject will decrease at a minimum of 9-11 years, once renovations are complete. Thus, in the As Proposed grids, we have applied an upward \$45 adjustment to all of the comparables based on the significant increase to the property’s remaining economic life.

Condition

The Subject was constructed in 1980 and although we are unaware of any major renovations to the property, the Subject appears to have been well maintained and is currently in average overall condition. The comparables range between average and excellent condition. The following table illustrates the condition designation and the applicable levels attributed to the determined condition for the comparables.

CONDITION DESIGNATION		Adjustment Amount Per Level			
Condition	Description	1BR	2BR	3BR	4BR
Excellent	Desirable curb appeal, high end amenities & finishes, no deferred maintenance.	\$25	\$35	\$40	\$45
Good	Well maintained or renovated/updated, limited deferred maintenance.	\$25	\$35	\$40	\$45
Average	Minor upgrades needed, some original finishes and amenities.	\$25	\$35	\$40	\$45
Fair	In need of repair, obvious deferred maintenance.	\$25	\$35	\$40	\$45

CONDITION - CORRELATED ADJUSTMENT (As Is)

Comp #	Property Name	Condition/Street Appeal	1BR	2BR	3BR	4BR
Subject	Riverbend	Average	-	-	-	-
1	Cedarfield	A	-	-	-	-
2	Highland Village	A	-	-	-	-
3	Highland @ Huckleberry	E	(\$50)	(\$70)	(\$80)	(\$90)
4	Mill Blacksburg	A	-	-	-	-
5	Reserve Knoll	E	(\$50)	(\$70)	(\$80)	(\$90)

The Subject’s units exhibit average condition. Among the comparables, Cedarfield and Highland Village have not reported renovations and exhibit average overall condition, similar to the Subject. The Mill at Blacksburg reported renovations in 2013, however, based on our field inspection this property is in average condition, similar to the Subject’s current condition. The two remaining comparables were built or renovated from 2013 to 2019 and appear in overall excellent condition, considered superior to the Subject’s as is. Based on the table above, the comparables received applicable adjustments ranging from negative \$50 to \$90, as applicable.

The table below illustrates the effect of renovations on multifamily properties located in the central Virginia area.

RENOVATED UNIT PRICE INCREASED

Property Name	City	Rent Increase	Notes
Fairfield Crossing	Falls Church, VA	\$75	Renovations include new flooring, paint, finishes, kitchens, and lighting.
Banbury Lake Village Apartments	Virginia Beach, VA	\$100	Renovations include new cabinets, appliances, new in-unit flooring.
The Ashby at McLean	McLean, VA	\$85 - \$175	Updated kitchen appliances, new bathroom fixtures, new flooring.
The Birches	Chesapeake, VA	\$94	Renovations include new kitchen cabinetry, new countertops, replaced appliances, new in-unit flooring.

As seen in the table above, post-rehabilitation rents increased \$75 to \$175 among recently renovated properties. According to property managers we have interviewed, the amount of increase is dependent on the scope of work with the most significant increases occurring when amenities are added, and improvements are made to the unit interiors and common areas that the residents use on a daily basis. The scope of the proposed renovations include:

Interior	Exterior	Misc
<ul style="list-style-type: none"> • New interior paint; • Upgrade/replace kitchen appliances; • Addition of microwaves/dishwashers; • Replace kitchen and bathroom • New bathroom fixtures/accessories; • Replace carpet with new vinyl flooring; 	<ul style="list-style-type: none"> • Replace windows and exterior doors; • Replace/repair siding/exterior; • Sidewalks & repairs, as needed; • Upgrade exterior patio/storage • Landscaping upgrades; • Repair roofs (as needed); 	<ul style="list-style-type: none"> • Office/Community Bldg; • ADA/Life Safety Compliance; • Window Coverings • Electric (Light fixtures, GFIs); • General Demo & Misc. cleaning • Addition of common-area Wi-Fi

According to the developer, the estimated hard costs for renovations total \$3,600,000, or approximately \$60,000 per unit. Based upon the Subject’s scope of work as well as the market data on increases in rent for multifamily properties that have renovated, we believe the renovation of the Subject would increase the street appeal/condition from average to good. Thus, we have applied the appropriate adjustment to the comparables based on the Subject’s improved condition level in the As Proposed grids. Our adjustments are within HUD guidance. No other adjustments are warranted.

Unit Size

The following table illustrates the unit sizes of the Subject and the comparable properties.

UNIT SIZE COMPARISON				
Bedroom Type	1BR	2BR	3BR	4BR
Subject	566	1,079	1,268	1,489
Average	740	1,077	1,383	1,931
Min	340	654	1,025	1,280
Max	1,216	1,656	2,253	2,582
Advantage/Disadvantage	-24%	0%	-8%	-23%

The Subject offers one-, two-, three-, and four-bedroom units, which are below the average unit sizes of the comparables for the majority of the units. The Subject’s unit sizes are similar to slightly above the comparable average for two-bedroom units. The Subject’s unit sizes provide a disadvantage of eight to 24 percent for its smaller unit sizes when compared to all of the comparables, but a slight advantage for its two-bedroom units. Overall, the Subject’s unit sizes are considered similar to inferior to the majority of the comparables. We have considered the Subject’s unit sizes in our rent conclusions.

Unit Amenities

The Subject’s in-unit amenities currently include a balcony/patio, blinds, carpet flooring, central heating and air conditioning, coat closets, exterior storage units, ovens, and refrigerators. Upon completion of the proposed renovations, all units will replace the existing carpet with new vinyl-flooring. Further, microwave and dishwasher appliances will be added, post-renovations. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix at the beginning of this section of the report. Regarding in-unit amenities, the Subject is considered slightly superior to the majority of LIHTC comparables, and slightly inferior to slightly superior to the market rate comparables. We believe that the unit amenities are and will remain competitive.

Common Area Amenities

The community amenities offered by the Subject currently include a clubhouse/leasing office with on-site management, central laundry facilities, a playground, and off-street parking. The Subject will add common-area Wi-Fi as a community amenity, post-renovations. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix at the beginning of this section of the report. Regarding community amenities, the Subject is considered similar to slightly inferior to the majority of LIHTC comparables, and slightly inferior to the market rate comparables. Nonetheless, we believe that the common area amenities are and will remain sufficiently competitive as an affordable property.

Security Features

The Subject does not offer any security amenities, similar to seven of the surveyed comparables. Cedarfield Apartments offers limited access and a buzzer-entry system, considered slightly superior to the Subject. Thus, this comparable received a downward \$5 adjustment based on our conversations with local property managers. No changes are proposed and no other adjustments are warranted.

Utility Structure

The Subject offers all electric utilities. Tenants are responsible for all electric utility expenses, while the landlord covers cold water, sewer and trash removal expenses. The Subject currently utilizes project-specific utility allowances, which are shown in the table above. The utility structure varies among the comparable properties and we have adjusted the comparables’ rents in accordance with the utility calculations from VHDA, effective July 1, 2020.

Parking

The Subject offers off-street parking, similar to all of the comparable properties. Two of the LIHTC comparables offer garage parking for free, and are considered superior. Highlands at Huckleberry Ridge also offers garages for an additional fee, which did not warrant any adjustment. Thus, no adjustments are necessary.

MARKET CHARACTERISTICS

Following are relevant market characteristics for comparable properties surveyed.

Vacancy Levels

The following table details vacancy levels at comparable properties.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Cedar Crest	LIHTC	Family	78	2	2.6%
Heather Glen Apartments	LIHTC	Family	40	0	0.0%
Henley Place	LIHTC	Family	41	1	2.4%
Cedarfield Apartments	Market	Family	106	0	0.0%
Highland Village	Market	Family	217	9	4.1%
Highlands At Huckleberry Ridge	Market	Family	388	2	0.5%
The Mill At Blacksburg	Market	Family	160	1	0.6%
The Reserve At Knollwood	Market	Family	111	0	0.0%
Total LIHTC			159	3	1.9%
Total Market Rate			982	12	1.2%
Overall Total			1,141	15	1.3%

The comparables reported vacancy rates ranging from zero to 4.1 percent, with an overall weighted average of 1.3 percent. The manager at one of the three LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 1.9 percent, slightly above the 1.2 percent average reported by the market rate properties. The average vacancy rate of 1.3 percent is considered exceptionally low, and indicative of supply constrained conditions.

According to our conversation with property managers at the comparable properties, the COVID-19 pandemic has not had a negative impact on occupancy rates thus far. The comparables are located in Radford and Blacksburg, both of which feature a significant number of student renters from Radford University and Virginia Tech.

According to a rent roll dated January 26, 2021, the Subject was 100 percent occupied. Additionally, the Subject maintains a waiting list. Based on the current market conditions, we believe the Subject would likely perform in line with the comparable properties. Thus, based on the Subject's current and historical performance, as well as the low vacancy rates at the comparables in the market, we anticipate the Subject will maintain a vacancy rate of three percent.

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

VACANCY BY BEDROOM TYPE							
Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	4BR	Overall
Cedar Crest	LIHTC	Family	0.0%	2.9%	0.0%	-	2.6%
Heather Glen Apartments	LIHTC	Family	0.0%	0.0%	0.0%	-	0.0%
Henley Place	LIHTC	Family	-	0.0%	0.0%	20.0%	2.4%
Cedarfield Apartments	Market	Family	0.0%	0.0%	0.0%	-	0.0%
Highland Village	Market	Family	2.9%	4.4%	0.0%	9.5%	4.1%
Highlands At Huckleberry Ridge	Market	Family	0.0%	1.0%	0.0%	-	0.5%
The Mill At Blacksburg	Market	Family	0.0%	1.9%	0.0%	-	0.6%
The Reserve At Knollwood	Market	Family	-	-	-	-	0.0%

*Located outside of the PMA

According to a rent roll dated January 26, 2021, the Subject was 100 percent occupied and maintains a waiting list. Based upon the Subject's current/historical data and the comparable data, we believe the Subject will operate with a physical vacancy of three percent or less.

Concessions

None of the comparables are offering concessions. Due to the lack of concessions in the market, we do not believe that the Subject would need to offer concessions to be competitive. Further, the Subject operates with a Section 8 HAP contract.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER			
Property Name	Rent Structure	Tenancy	Annual Turnover
Cedar Crest	LIHTC	Family	26%
Heather Glen Apartments	LIHTC	Family	5%
Henley Place	LIHTC	Family	5%
Cedarfield Apartments	Market	Family	50%
Highland Village	Market	Family	35%
Highlands At Huckleberry Ridge	Market	Family	40%
The Mill At Blacksburg	Market	Family	45%
The Reserve At Knollwood	Market	Family	48%
Average Turnover			32%

The comparables reported turnover rates ranging from five to 50 percent, with an overall average of 32 percent. However, the Subject operates as a Section 8 property with significantly lower turnover. Based on information provided by the property manager, we expect the Subject will operate a turnover rate of approximately 20 percent.

Waiting Lists

The following table illustrates the waiting lists offered at the comparable properties included in our survey.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Cedar Crest	LIHTC	Family	Yes, 6-18 months
Heather Glen Apartments	LIHTC	Family	Yes, 100+ households
Henley Place	LIHTC	Family	Yes, 100HH
Cedarfield Apartments	Market	Family	No
Highland Village	Market	Family	None
Highlands At Huckleberry Ridge	Market	Family	Yes, 10-15HH
The Mill At Blacksburg	Market	Family	None
The Reserve At Knollwood	Market	Family	Yes, length not provided

*Located outside of the PMA

Overall, four of the affordable properties maintain a waiting list, indicating that there is unmet demand in the Subject’s market for affordable housing. Further, four of the market rate comparables maintain waiting lists. The Subject currently maintains a waiting list with an unknown length. We believe the Subject will be able to continue to maintain a waiting list post-renovation.

Rental Rate Increases

The following table illustrates rent growth at the comparables.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Cedar Crest	LIHTC	Family	None since Jan. 2020
Heather Glen Apartments	LIHTC	Family	None since Jan. 2020
Henley Place	LIHTC	Family	None since Jan. 2020
Cedarfield Apartments	Market	Family	Increased 1%
Highland Village	Market	Family	1BR/2BR Inc 8-19%, 3BR/4BR Remained stable.
Highlands At Huckleberry Ridge	Market	Family	None
The Mill At Blacksburg	Market	Family	Increased 6%-8.75%
The Reserve At Knollwood	Market	Family	Increased 1%

*Located outside of the PMA

None of the LIHTC comparable properties reported rental increases, although four of the market rate comparables did. The Subject’s proposed LIHTC rents are set at the maximum allowable levels at 60 percent of AMI; thus, future rent increases will be dependent on increases in AMI as well as market demand.

Absorption Estimate

One of the comparables was able to report absorption data. We were also able to obtain absorption information from five affordable (LIHTC) comparable properties and two market rate properties from Roanoke and nearby counties. Absorption information from these properties is detailed below.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption
Fieldstone Senior Apts	LIHTC	Senior	2018	60	10
Fieldstone	LIHTC	Family	2017	84	16.8
Forest Hills At Belview	LIHTC	Family	2011	70	11
Dara Heights Apartments	LIHTC	Family	2008	48	16
Heather Glen*	LIHTC	Family	2004	40	2
Sedona	Market	Family	2013	271	20
The View At Liberty Center	Market	Family	2014	257	21
Affordable Average				60	11
Market Average				264	21
Overall Average				119	14

*Utilized as rental comparable

Based on the information above, we estimate that the Subject would reach a stabilized occupancy within four months, at an absorption rate of approximately 15 units per month, in the event that it needed to reabsorb its tenancy. It should be noted that the Subject is currently operating at a stabilized occupancy; thus, this analysis is hypothetical.

Affordable Properties in the PMA

We do not believe the Subject will adversely affect existing affordable housing projects in the PMA. A survey of comparable affordable LIHTC rental housing developments in the area demonstrate substantial demand for quality rental units.

AFFORDABLE HOUSING IN THE PMA

Property Name	Rent Structure	Total Units	Total LIHTC Units	Tenancy
Hunting Hills	LIHTC	12	12	Senior
Landings Plaza	LIHTC	18	18	Family
Cedar Crest I, II, & III	LIHTC	36	36	Family
New River Gardens I & II	LIHTC	78	78	Family
Sunvalley	LIHTC	92	92	Family
Ridgewood Place	LIHTC	24	24	Family
Ridgewood Place Seniors	LIHTC	32	32	Senior
Heather Glen Apartments*	LIHTC	40	40	Family
Huckleberry Court Townhomes	LIHTC	40	40	Family
Henley Place*	LIHTC	50	50	Family
High Meadows	LIHTC	41	41	Family
Pulaski Village	LIHTC	60	60	Senior
Linden Green Aka Old Farm Village II	LIHTC/Section 8	44	44	Family
Forest Hills at Belview*	LIHTC	84	84	Family
Willow Woods Preservation	LIHTC/Section 8	70	70	Family
Laurel Woods (Pulaski)	LIHTC	143	139	Family
New River Overlook	LIHTC/Section 8	40	40	Senior
Smokey Ridge	LIHTC	40	40	Family
Cambridge Square	Section 8	46	46	Family
Christiansburg Bluff	Section 8	40	0	Family
Ellett Road Community Apartments	Section 8	120	0	Senior
Lantern Ridge Apts	Section 8	12	0	Family
Meadowview Apartments	LIHTC/Section 8	120	0	Family
New River House	Section 8	98	98	Senior
Parkview Of Radford	Section 8	42	0	Senior
Trolinger House	Section 8	13	0	Senior
Washington Square Apartments	Section 8	102	0	Family
Willow Woods	Section 8	120	0	Family
Bradley's Ridge Apartments	Section 8	144	0	Senior
Melinda's Melody	Section 8	58	0	Senior
Fairfax Village	Section 8	48	0	Family
Fairfax Village	Section 8	40	0	Family

*Utilized as a rent comparable

Reasonability of Rents

The tables below illustrate the Subject’s proposed asking rents.

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Current Contract Rent*	LIHTC Rents	Utility Allowance (1)	Gross Rent	2020 LIHTC Maximum Allowable Gross Rent	2020 HUD Fair Market Rents
<i>60% of AMI (Section 8)</i>								
1BR / 1BA	566	13	\$810	\$826	\$104	\$930	\$930	\$872
1BR / 1BA	566	2	\$810	\$851	\$79	\$930	\$930	\$872
2BR / 1.5BA	1,059 - 1,089	30	\$1,040	\$982	\$135	\$1,117	\$1,117	\$993
3BR / 1.5BA	1,268	10	\$1,310	\$1,097	\$193	\$1,290	\$1,290	\$1,432
4BR / 2BA	1,489	4	\$1,670	\$1,234	\$206	\$1,440	\$1,440	\$1,743
4BR / 2BA (HC)	1,489	1	\$1,670	\$1,249	\$191	\$1,440	\$1,440	\$1,743
		60						

Notes (1) Source of Utility Allowance provided by HUD Rent Schedule, eff. 11/1/2020

*Marketd Up to Market 11/1/2020

Comparable LIHTC Rents – As Renovated

Post-renovation, the Subject’s units will be LIHTC restricted to households earning 60 percent of the AMI or less, and all units will continue to benefit from Section 8 subsidy where tenants pay 30 percent of their income towards rent. The following table details the Subject’s rents at 60 percent of AMI in comparison to rents at the comparables. It should be noted that we have included one comparable offering one- and two-bedroom units at 40 percent of AMI and three-bedroom units at 50 percent of AMI.

LIHTC Rent Comparison - @60%				
Property Name	1BR	2BR	3BR	4BR
Riverbend Apartments (Subject)	\$826 - \$851	\$982	\$1,097	\$1,234 - \$1,249
LIHTC Maximum (Net)	\$826 - \$851	\$982	\$1,097	\$1,234 - \$1,249
Heather Glen Apartments (40% - 50% AMI)	\$502	\$603	\$859	-
Cedar Crest	-	\$838	\$940	-
Henley Place	-	-	\$915	\$1,030
Average (excluding Subject)	\$502	\$721	\$905	\$1,030
Achievable LIHTC Rent	\$725	\$850	\$925	\$1,050

The Subject’s current Section 8 rents are below the proposed LIHTC rents for the one-bedroom units and above the proposed LIHTC rents for the remaining units. Further, all of the Subject’s tenants would be subject to the new LIHTC rents, post-renovation, if the Section 8 rental assistance were hypothetically no longer be in place. None of the LIHTC comparables reported achieving maximum allowable rents. However, all three comparables reported very low vacancy rates, and all three maintain lengthy waiting lists for the majority of the comparables, including Heather Glen Apartments, which is located in Radford and only offers units at 40 and 50 percent of AMI. Thus, the LIHTC comparables may not be fully testing the market.

It should be noted that the Subject and surrounding areas are heavily populated with students attending various universities, and this population does not qualify to live at a LIHTC property under Section 42 code. Thus, it appears that the market seasonality due to the local universities also has impacted achievable LIHTC rents at the affordable developments in the area.

The two comparables offering 60 percent of AMI units are located in superior locations. Cedar Crest was built in 1998 and Henley Place was built in 2006. Based on our inspection, both of these comparables appear to be in average to good condition, slightly inferior to the Subject “as renovated”. Henley Place offers superior unit sizes for all unit types, and Cedar Crest offers superior one-bedroom unit sizes and similar two- and three-bedroom unit sizes. In terms of amenities, Cedar Crest is generally similar to the Subject, while Heather Glen Apartments appears slightly superior. It should be noted that both of these comparables maintain extensive waiting lists, and according to management, rents did not increase in 2020 due to the economic uncertainty caused by the COVID-19 pandemic. According to managers at both properties, there is strong demand for quality affordable housing in the area.

Overall, we believe rents slightly below maximum levels are attainable for the units at the 60 percent AMI set aside and we have concluded to rents of **\$725, \$850, \$925, and \$1,050** for the one-, two-, three-, and four-bedroom units, respectively, for the Subject’s proposed rents at 60 percent AMI. Our conclusions roughly similar to the two-, three-, and four-bedroom rents offered at Cedar Crest and Henley Place. Additionally, this scenario is hypothetical given the Section 8 subsidy will remain at the Subject, post renovations. A summary of our achievable LIHTC rents are provided in the following table.

ACHIEVABLE LIHTC RENTS					
Unit Type	1BR	2BR	3BR	4BR	Max Rents?
Achievable Rent at 60%	\$725	\$850	\$925	\$1,050	No

Achievable Market Rent Comparison – As Proposed

The Subject will be extensively renovated with LIHTC, with roughly \$3,600,000 budgeted for hard costs. The scope of renovations will include the following:

Interior	Exterior	Misc
<ul style="list-style-type: none"> • New interior paint; • Upgrade/replace kitchen appliances; • Addition of microwaves/dishwashers; • Replace kitchen and bathroom • New bathroom fixtures/accessories; • Replace carpet with new vinyl flooring; 	<ul style="list-style-type: none"> • Replace windows and exterior doors; • Replace/repair siding/exterior; • Sidewalks & repairs, as needed; • Upgrade exterior patio/storage • Landscaping upgrades; • Repair roofs (as needed); 	<ul style="list-style-type: none"> • Office/Community Bldg; • ADA/Life Safety Compliance; • Window Coverings • Electric (Light fixtures, GFIs); • General Demo & Misc. cleaning • Addition of common-area Wi-Fi

The adjusted market rents shown below are supported by the previous “as renovated” rent grids.

COMPARABLE PROPERTIES ADJUSTED MARKET RENTS - AS RENOVATED

Unit Type	Subject's Current Contract Rents	Adjusted Minimum	Adjusted Maximum	Adjusted Average	Achievable Market Rent As-Renovated
1BR/1BA (Garden - 566 SF)	\$810	\$846	\$1,014	\$932	\$930
2BR/1.5BA (TH - 1074 SF)*	\$1,040	\$1,093	\$1,470	\$1,239	\$1,160
3BR/1.5BA (TH - 1268 SF)	\$1,310	\$1,351	\$1,972	\$1,610	\$1,465
4BR/2BA (TH - 1489 SF)	\$1,670	\$1,763	\$2,293	\$1,938	\$1,795

*Average Unit Size

The following table illustrates the Subject’s achievable LIHTC rents, absent subsidy, compared to the adjusted market rents in the market.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Achievable LIHTC Rent	Adjusted Minimum	Adjusted Maximum	Adjusted Average	Achievable Market Rent As-Renovated	Subject LIHTC Rent Advantage
1BR/1BA (Garden - 566 SF)	60%	\$725	\$846	\$1,014	\$932	\$930	22%
2BR/1.5BA (TH - 1074 SF)*	60%	\$850	\$1,093	\$1,470	\$1,239	\$1,160	27%
3BR/1.5BA (TH - 1268 SF)	60%	\$925	\$1,351	\$1,972	\$1,610	\$1,465	37%
4BR/2BA (TH - 1489 SF)	60%	\$1,050	\$1,763	\$2,293	\$1,938	\$1,795	42%

We completed rent adjustment grids to conclude to achievable market rent levels. The grids are found on the following pages:

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Riverbend Apartments 108 Midkiff Ln Radford, Radford city, VA		Cedarfield Apartments 200 Old Cedarfield Drive Blacksburg, Montgomery, VA		Highland Village 400 Robey Street Radford, Radford city, VA		Highlands At Huckleberry Ridge 535 Blackrock Drive Blacksburg, Montgomery, VA		The Mill At Blacksburg 1811 Grayland Street Blacksburg, Montgomery, VA		The Reserve At Knollwood 2401 Pamela Way Blacksburg, Montgomery, VA	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$971	N	\$825	N	\$1,175	N	\$880	N	\$1,175	N
2	Date Last Leased (mo/yr)	Feb-21		Feb-21		Feb-21		Feb-21		Feb-21	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		100.0%		100.0%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$971	\$1.49	\$825	\$1.26	\$1,175	\$1.28	\$880	\$1.64	\$1,175	\$1.70
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	G / 2		G / 3		G / 2		G / 3		G / 3	
7	Yr. Built / Yr. Renovated	1980 / 2021		1993	\$30	1984	\$45	2015	(\$55)	1968 / 2013	\$45
8	Condition / Street Appeal	G	\$25	A	\$25	E	(\$25)	A	\$25	E	(\$25)
9	Neighborhood	A	(\$50)	G	(\$50)	A	(\$50)	G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.	Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Bathrooms	1		1		1		1		1	
13	Unit Interior Sq. Ft.	566	(\$30)	652	(\$30)	654	(\$100)	918	(\$100)	535	\$15
14	Balcony / Patio	Y		Y		N	\$10	Y		N	\$10
15	AC: Central / Wall	C		C		C		C		Wa	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	M / D		M / D	\$5	D		M / D	\$10	M	
18	Washer / Dryer	L	(\$35)	WD		L		WD	(\$35)	L	
19	Floor Coverings	LVT	\$5	C	\$5	C		HW		C	\$5
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	Y - Common		Y - Unit	\$10	N		N	\$10	N	\$10
22	Special Features	None	(\$10)	CF, WIC		None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)
23	Tenancy Features										
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L/G(\$140)		L	
25	Extra Storage	Y		Y		N	\$10	N	\$10	N	\$10
26	Security	N	(\$5)	Y		N		N		N	
27	Clubhouse / Meeting Rooms	N		N		N		MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	(\$5)	RR	(\$15)	P/RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)
29	Business Ctr / Nbhd Network	N		N		N		BC	(\$10)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E	(\$27)	Y/E		N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		NW	
35	Cooking (in rent? / type)	N/E		N/E	(\$4)	Y/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E	(\$13)	Y/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	\$49	N/N		Y/Y		N/N	\$49	Y/Y	
39	Trash / Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	(6)	7	(2)	2	(9)	8	(4)	3	(9)
41	Sum Adjustments B to D	\$60	(\$135)	\$110	(\$45)	\$20	(\$320)	\$130	(\$80)	\$25	(\$235)
42	Sum Utility Adjustments	\$49			(\$44)	\$49				\$49	
43	Net / Gross Adjustments B to E	Net (\$26)	Gross \$244	Net \$21	Gross \$199	Net (\$251)	Gross \$389	Net \$50	Gross \$210	Net (\$161)	Gross \$309
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$945		\$846		\$924		\$930		\$1,014	
45	Adj Rent / Last rent		97%		103%		79%		106%		86%
46	Estimated Market Rent	\$930	\$1.64 Estimated Market Rent / Sq. Ft.								

2/3/2021 **Attached are**
Date **explanations of:**

- a. why & how each adjustment was made
 - b. how market rent was derived from adjusted rents
 - c. how this analysis was used for a similar unit type
- form HUD-92273-S8 (04/2002)

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5		
Riverbend Apartments 108 Midkiff Ln Radford, Radford city, VA		Cedarfield Apartments 200 Old Cedarfield Drive Blacksburg, Montgomery, VA		Highland Village 400 Robey Street Radford, Radford city, VA		Highlands At Huckleberry Ridge 535 Blackrock Drive Blacksburg, Montgomery, VA		The Mill At Blacksburg 1811 Grayland Street Blacksburg, Montgomery, VA		The Reserve At Knollwood 2401 Pamela Way Blacksburg, Montgomery, VA		
Subject		Subject		Subject		Subject		Subject		Subject		
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
1	\$ Last Rent / Restricted?	\$1,083	N	\$940	N	\$1,425	N	\$1,004	N	\$1,568	N	
2	Date Last Leased (mo/yr)	Feb-21		Feb-21		Feb-21		Feb-21		Feb-21		
3	Rent Concessions	N		N		N		N		N		
4	Occupancy for Unit Type	100.0%		95.0%		99.2%		98.1%		100.0%		
5	Effective Rent & Rent / sq. ft	\$1,083	\$1.25	\$940	\$1.25	\$1,425	\$1.12	\$1,004	\$1.29	\$1,568	\$1.43	
In Parts B thru E, adjust only for differences the subject's market values.												
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
6	Structure / Stories	T / 2	G / 3	\$25	G / 3	\$25	G / 2	\$25	G / 3	\$25	G / 3	\$25
7	Yr. Built / Yr. Renovated	1980 / 2021	1993	\$30	1984	\$45	2015	(\$55)	1968 / 2013	\$45	2013	(\$30)
8	Condition / Street Appeal	G	A	\$35	A	\$35	E	(\$35)	A	\$35	E	(\$35)
9	Neighborhood	A	G	(\$50)	A		G	(\$50)	G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.		Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
11	# Bedrooms	2	2		2		2		2		2	
12	# Bathrooms	1.5	1	\$15	1	\$15	2	(\$15)	1	\$15	2	(\$15)
13	Unit Interior Sq. Ft.	1,074	869	\$64	754	\$100	1267	(\$54)	780	\$95	1093	(\$7)
14	Balcony / Patio	Y	Y		N	\$10	Y		N	\$10	N	\$10
15	AC: Central / Wall	C	C		C		C		Wa		C	
16	Range / Refrigerator	R/F	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	M / D	M / D		D	\$5	M / D		M	\$10	M / D	
18	Washer / Dryer	L	WD	(\$35)	WD	(\$35)	WD	(\$35)	L		WD	(\$35)
19	Floor Coverings	LVT	C	\$5	C	\$5	HW		C	\$5	HW	
20	Window Coverings	Y	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	Y - Common	Y - Unit		N	\$10	N	\$10	N	\$10	Y - Both	(\$10)
22	Special Features	None	CF, WIC	(\$10)	None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)	CF	(\$5)
23												
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
24	Parking (\$ Fee)	L	L		L		L/G(\$140)		L		L	
25	Extra Storage	Y	Y		N	\$10	N	\$10	N	\$10	N	\$10
26	Security	N	Y	(\$5)	N		N		N		N	
27	Clubhouse / Meeting Rooms	N	N		N		MR	(\$10)	MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	RR	(\$5)	P/RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)	P/E/R	(\$15)
29	Business Ctr / Nbrd Network	N	N		N		BC	(\$10)	N		N	
30	Service Coordination	N	N		N		N		N		N	
31	Non-shelter Services	N	N		N		N		N		N	
32	Neighborhood Network	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	
33	Heat (in rent? / type)	N/E	N/E		Y/E	(\$35)	N/E		N/E		N/G	
34	Cooling (in rent? / type)	N/C	N/C		N/C		N/C		NW		N/C	
35	Cooking (in rent? / type)	N/E	N/E		Y/E	(\$5)	N/E		N/E		N/E	
36	Hot water (in rent? / type)	N/E	N/E		Y/E	(\$17)	N/E		N/E		N/G	
37	Other Electric	N	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y	N/N	\$64	Y/Y		N/N	\$64	Y/Y		N/N	\$64
39	Trash / Recycling	Y	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	
40	# Adjustments B to D	6	(5)	10	(2)	3	(10)	10	(4)	4	(10)	
41	Sum Adjustments B to D	\$174	(\$105)	\$260	(\$50)	\$45	(\$299)	\$260	(\$80)	\$50	(\$212)	
42	Sum Utility Adjustments	\$64			(\$57)	\$64				\$64		
43	Net / Gross Adjustments B to E	\$133	\$343	\$153	\$367	(\$190)	\$408	\$180	\$340	(\$98)	\$326	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		
44	Adjusted Rent (5 + 43)	\$1,216		\$1,093		\$1,235		\$1,184		\$1,470		
45	Adj Rent / Last rent		112%		116%		87%		118%		94%	
46	Estimated Market Rent	\$1,160	\$1.08 Estimated Market Rent / Sq. Ft.									

2/3/2021 **Attached are**
Date **explanations of:**

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- form HUD-92273-S8 (04/2002)

Grid was prepared: [] Manually [X] Using HUD's Excel form

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Riverbend Apartments 108 Midkiff Ln		Cedarfield Apartments 200 Old Cedarfield Drive		Highland Village 400 Robey Street		Highlands At Huckleberry Ridge 535 Blackrock Drive		The Mill At Blacksburg 1811 Grayland Street		The Reserve At Knollwood 2401 Pamela Way	
Radford, Radford city, VA		Blacksburg, Montgomery, VA		Radford, Radford city, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA		Blacksburg, Montgomery, VA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,725	N	\$1,380	N	\$1,700	N	\$1,305	N	\$2,048	N
2	Date Last Leased (mo/yr)	Feb-21		Feb-21		Feb-21		Feb-21		Feb-21	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		100.0%		100.0%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$1,725	\$1.19	\$1,380	\$1.08	\$1,700	\$1.25	\$1,305	\$1.27	\$2,048	\$1.70
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2		T / 2		G / 3	\$25	G / 2	\$25	G / 3	\$25
7	Yr. Built / Yr. Renovated	1980 / 2021		1993	\$30	1984	\$45	2015	(\$55)	1968 / 2013	\$45
8	Condition / Street Appeal	G	\$40	A	\$40	A	\$40	E	(\$40)	A	\$40
9	Neighborhood	A		G	(\$50)	A		G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.	Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6		Yes/11.9	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3.5	(\$50)	3		3	
12	# Bathrooms	1.5	(\$30)	2.5	(\$30)	2	(\$15)	2	(\$15)	1	\$15
13	Unit Interior Sq. Ft.	1,268	(\$53)	1,444	(\$53)	1,280	(\$3)	1,363	(\$30)	1,025	\$77
14	Balcony / Patio	Y		Y		N	\$10	Y		N	\$10
15	AC: Central / Wall	C		C		C		C		Wa	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R/F	\$5
17	Microwave / Dishwasher	M / D		M / D		D	\$5	M / D		M / D	
18	Washer / Dryer	L/HU	(\$25)	WD	(\$25)	WD	(\$25)	WD	(\$25)	L	\$10
19	Floor Coverings	LVT	\$5	C	\$5	C	\$5	HW		C	\$5
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	Y - Common		Y - Unit		N	\$10	N	\$10	N	\$10
22	Special Features	None		CF, WIC	(\$10)	None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L/G(\$140)		L	
25	Extra Storage	Y		Y		N	\$10	N	\$10	N	\$10
26	Security	N	(\$5)	Y		N		N		N	
27	Clubhouse / Meeting Rooms	N		N		N		MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	(\$5)	RR	(\$5)	P/RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)
29	Business Ctr / Nbhd Network	N		N		N		BC	(\$10)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E		Y/E	(\$43)	N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		NW	
35	Cooking (in rent? / type)	N/E		N/E		Y/E	(\$7)	N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		Y/E	(\$21)	N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y		NN	\$78	Y/Y		NN	\$78	Y/Y	
39	Trash / Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	3	(7)	8	(5)	3	(10)	10	(4)	5	(9)
41	Sum Adjustments B to D	\$75	(\$178)	\$150	(\$108)	\$45	(\$270)	\$247	(\$80)	\$76	(\$230)
42	Sum Utility Adjustments	\$78			(\$71)	\$78				\$78	
43	Net / Gross Adjustments B to E	Net (\$25)	Gross \$331	Net (\$29)	Gross \$329	Net (\$147)	Gross \$393	Net \$167	Gross \$327	Net (\$76)	Gross \$384
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$1,700		\$1,351		\$1,553		\$1,472		\$1,972	
45	Adj Rent / Last rent		99%		98%		91%		113%		96%
46	Estimated Market Rent	\$1,465		\$1.16 Estimated Market Rent / Sq. Ft.							

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Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
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Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,725	N	\$1,680	N	\$1,700	N	\$1,305	N	\$2,048	N
2	Date Last Leased (mo/yr)	Feb-21		Feb-21		Feb-21		Feb-21		Feb-21	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	100.0%		90.5%		100.0%		100.0%		100.0%	
5	Effective Rent & Rent / sq. ft	\$1,725	\$1.19	\$1,680	\$1.31	\$1,700	\$1.25	\$1,305	\$1.27	\$2,048	\$1.68
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T / 2		T / 2		G / 3	\$25	G / 2	\$25	G / 3	\$25
7	Yr. Built / Yr. Renovated	1980 / 2021		1993		1984	\$45	2015	(\$55)	1968 / 2013	\$45
8	Condition / Street Appeal	G	\$45	A	\$45	A	\$45	E	(\$45)	A	\$45
9	Neighborhood	A		G	(\$50)	A		G	(\$50)	G	(\$50)
10	Same Market? Miles to Subj.			Yes/12.4		Yes/3.1		Yes/10.5		Yes/12.6	
C. Unit Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	4		3	\$200	4		3	\$200	3	\$200
12	# Bathrooms	2		2.5	(\$15)	2		2		1	\$30
13	Unit Interior Sq. Ft.	1,489	\$13	1,444		1,280	\$69	1,363	\$39	1,025	\$148
14	Balcony / Patio	Y		Y		N	\$10	Y		N	\$10
15	AC: Central / Wall	C		C		C		C		Wa	
16	Range / Refrigerator	R/F		R/F		R/F		R/F		R	\$5
17	Microwave / Dishwasher	M / D		M / D		D	\$5	M / D		M / D	
18	Washer / Dryer	L/HU	(\$25)	WD		WD	(\$25)	WD	(\$25)	L	\$10
19	Floor Coverings	HW	\$5	C		C	\$5	HW		C	\$5
20	Window Coverings	Y		Y		Y		Y		Y	
21	Cable / Satellite / Internet	Y - Common		Y - Unit		N	\$10	N	\$10	N	\$10
22	Special Features	None		CF, WIC	(\$10)	None		CF, Fireplace, WIC, Vaulted	(\$20)	CF	(\$5)
23											
D. Site Equipment / Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L		L		L		L/G(\$140)		L	
25	Extra Storage	Y		Y		N	\$10	N	\$10	N	\$10
26	Security	N	(\$5)	Y		N		N		N	
27	Clubhouse / Meeting Rooms	N		N		N		MR	(\$10)	MR	(\$10)
28	Pool / Recreation Areas	R	(\$5)	RR		P/RR	(\$15)	P/E/R	(\$15)	P/RR	(\$15)
29	Business Ctr / Nbrd Network	N		N		N		BC	(\$10)	N	
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Network	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent? / type)	N/E		N/E		Y/E	(\$55)	N/E		N/E	
34	Cooling (in rent? / type)	N/C		N/C		N/C		N/C		NW	
35	Cooking (in rent? / type)	N/E		N/E		Y/E	(\$8)	N/E		N/E	
36	Hot water (in rent? / type)	N/E		N/E		Y/E	(\$27)	N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water / Sewer	Y/Y		N/N	\$100	Y/Y		N/N	\$100	Y/Y	
39	Trash / Recycling	Y		Y		Y		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	(6)	9	(2)	5	(8)	11	(4)	6	(9)
41	Sum Adjustments B to D	\$293	(\$110)	\$224	(\$40)	\$284	(\$230)	\$538	(\$80)	\$365	(\$220)
42	Sum Utility Adjustments	\$100			(\$90)	\$100				\$100	
43	Net / Gross Adjustments B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		\$283	\$503	\$94	\$354	\$154	\$614	\$458	\$618	\$245	\$685
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5 + 43)	\$2,008		\$1,774		\$1,854		\$1,763		\$2,293	
45	Adj Rent / Last rent		116%		106%		109%		135%		112%
46	Estimated Market Rent	\$1,795		\$1.21 Estimated Market Rent / Sq. Ft.							

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The following sections provide additional detail and support for significant adjustments in the rent grids. Adjustments are explained as follows:

Structure

The Subject’s units are structured as two-story garden and townhome-style units. The Subject’s townhome design is considered a slightly superior design to garden and walk-up style design, which all of the comparables offer. Our experience with properties nation-wide indicates that townhouse units are typically considered more desirable and more expensive than garden-style, walkup units. As such, we applied a \$25 upward adjustment to the comparables that offer garden/walk-up designs in the two, three and four-bedroom rent grids.

Condition Adjustment

The Subject will be in good condition post renovation. Three of the comparables are in average condition and are considered slightly inferior to the Subject’s anticipated condition. Highlands at Huckleberry Ridge and The Reserve at Knollwood are both in excellent condition, considered slightly superior to the Subject’s anticipated condition, post rehabilitation. The following table illustrates the condition designation and the applicable levels attributed to the determined condition for the comparables.

CONDITION DESIGNATION		Adjustment Amount Per Level			
Condition	Description	1BR	2BR	3BR	4BR
Excellent	Desirable curb appeal, high end amenities & finishes, no deferred maintenance.	\$25	\$35	\$40	\$45
Good	Well maintained or renovated/updated, limited deferred maintenance.	\$25	\$35	\$40	\$45
Average	Minor upgrades needed, some original finishes and amenities.	\$25	\$35	\$40	\$45
Fair	In need of repair, obvious deferred maintenance.	\$25	\$35	\$40	\$45

The following table and analysis details the condition adjustment made to each comparable in the respective rent grids. The comparables received adjustments ranging from negative \$45 to positive \$45, as applicable, in our as renovated rent grids. The adjustment per level (i.e. average to good, excellent to good, etc.) is below three percent of the calculated average (for each unit type) of the unadjusted asking rents of the comparables in each grid.

Property Name	Condition/Street Appeal	Correlated Adjustment (As Renovated)			
		1BR	2BR	3BR	4BR
Riverbend (Subject)	Good	-	-	-	-
Cedarfield	Average	\$25	\$35	\$40	\$45
Highland Village	Average	\$25	\$35	\$40	\$45
Highland @ Huckleberry	Excellent	(\$25)	(\$35)	(\$40)	(\$45)
Mill Blacksburg	Average	\$25	\$35	\$40	\$45
Reserve Knoll	Excellent	(\$25)	(\$35)	(\$40)	(\$45)

The table below illustrates the effect of renovation on market rate properties located in the central and western regions of Virginia.

RENOVATED UNIT PRICE INCREASED			
Property Name	City	Rent Increase	Notes
Fairfield Crossing	Falls Church, VA	\$75	Renovations include new flooring, paint, finishes, kitchens, and lighting.
Banbury Lake Village Apartments	Virginia Beach, VA	\$100	Renovations include new cabinets, appliances, new in-unit flooring.
The Ashby at McLean	McLean, VA	\$85 - \$175	Updated kitchen appliances, new bathroom fixtures, new flooring.
The Birches	Chesapeake, VA	\$94	Renovations include new kitchen cabinetry, new countertops, replaced appliances, new in-unit flooring.

As seen in the table above, post-rehabilitation rents increased \$75 to \$175 among recently renovated properties. According to property managers we have interviewed, the amount of increase is dependent on the scope of

work with the most significant increases occurring when amenities are added, and improvements are made to the unit interiors and common areas that the residents use on a daily basis. The scope of the proposed renovations include:

Interior	Exterior	Misc
<ul style="list-style-type: none"> • New interior paint; • Upgrade/replace kitchen appliances; • Addition of microwaves/dishwashers; • Replace kitchen and bathroom • New bathroom fixtures/accessories; • Replace carpet with new vinyl flooring; 	<ul style="list-style-type: none"> • Replace windows and exterior doors; • Replace/repair siding/exterior; • Sidewalks & repairs, as needed; • Upgrade exterior patio/storage • Landscaping upgrades; • Repair roofs (as needed); 	<ul style="list-style-type: none"> • Office/Community Bldg; • ADA/Life Safety Compliance; • Window Coverings • Electric (Light fixtures, GFIs); • General Demo & Misc. cleaning • Addition of common-area Wi-Fi

According to the developer, the estimated hard costs for renovations total \$3,600,000, or approximately \$60,000 per unit. Based upon the Subject’s scope of work as well as the market data on increases in rent for multifamily properties that have renovated, we believe the renovation of the Subject would increase the street appeal/condition from average to good. Thus, we have applied the appropriate adjustment to the comparables based on the Subject’s improved condition level in the As Proposed grids. Our adjustments are within HUD guidance. No other adjustments are warranted.

Bedroom Adjustment

Highland Village offers 4 bedrooms in the three-bedroom grid, and is the only comparable that offers four-bedroom units comparable to the Subject in the four-bedroom rent grid. A bedroom adjustment was applied to the comparables that offer a differing number of bedrooms. The following table details the differential in rents for bedrooms among the comparables.

VALUE OF BEDROOM

Highlands At Huckleberry Ridge				
Unit Type	Rent	SF	Rent/SF	
1BR / 1BA	\$1,175	918	\$1.28	
2BR / 2BA	\$1,425	1,267	\$1.12	
<i>Calculation of Value</i>				
1. Square Foot Differential * 0.25	=	87.3		
2. Additional SF x RPSF Larger	=	\$98		
3. Diff. in rent for 1BR / 1BA and 2BR / 2BA - SF Value	=	\$152		
Value of bedroom		\$152		

VALUE OF BEDROOM

Cedarfield Apartments				
Unit Type	Rent	SF	Rent/SF	
2BR / 2.5BA	\$1,439	1,280	\$1.12	
3BR / 2.5BA	\$1,725	1,444	\$1.19	
<i>Calculation of Value</i>				
1. Square Foot Differential * 0.25	=	41.0		
2. Additional SF x RPSF Larger	=	\$49		
3. Diff. in rent for 2BR / 2.5BA and 3BR / 2.5BA - SF Value	=	\$237		
Value of bedroom		\$237		

VALUE OF BEDROOM

The Mill At Blacksburg				
Unit Type	Rent	SF	Rent/SF	
2BR / 1BA	\$1,004	780	\$1.29	
3BR / 1BA	\$1,305	1,025	\$1.27	
<i>Calculation of Value</i>				
1. Square Foot Differential * 0.25	=	61.3		
2. Additional SF x RPSF Larger	=	\$78		
3. Diff. in rent for 2BR / 1BA and 3BR / 1BA - SF Value	=	\$223		
Value of bedroom		\$223		

We supplemented this analysis with conversations with property managers. We concluded to a value of \$200 for a full bedroom, and have applied a downward \$50 adjustment to Highland Village in the three-bedroom grid, and an upward \$200 adjustment in the four-bedroom grid to the four comparables that offer three bedrooms.

Bathroom Adjustment

In the two-, three-, and four-bedroom rent grids, one or more of the comparable properties offers a differing number of bathrooms relative to the Subject in the appropriate unit type. To determine the value of a bathroom, we conducted an analysis on the value of a bathroom in the market. The following tables detail our findings.

VALUE OF BATHROOM				
Cedarfield Apartments				
Unit Type	Rent	SF	Rent/SF	
1BR / 1BA	\$971	652	\$1.49	
2BR / 1BA	\$1,083	869	\$1.25	
<i>Calculation of Value</i>				
1. Square Foot Differential * 0.25	=	54.25		
2. Additional SF x RPSF Larger	=	\$68		
3. Diff. in rent for 1BR / 1BA and 2BR / 1BA - SF Value	=	\$44		
Value of full-bathroom		\$44		

Based on the analysis presented in the above table, the value of a full bathroom equals \$44. However, this is a small sample size and we have valued a full bathroom at \$30. Therefore, the value of a half-bathroom equates to \$15. Accordingly, we applied appropriate adjustments to the comparables with a different number of bathrooms than the Subject in the two, three, and four-bedroom rent grids. Our adjustments are within HUD guidance.

Square Footage Adjustment

The Subject and the comparable properties vary in square footage. Most market observers agree that with all other variables being equal, a larger unit is more desirable than a smaller unit. However, typically the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function (i.e. a 600 square foot two-bedroom functions similarly to a 700 square foot two-bedroom) reflective of economies of scale. In other words, there is a diminishing return of value for additional square footage, as each additional square foot does not necessarily equal additional functional utility. Matched pairs are the preferred methods to use for derivation of an adjustment. However, no matched pairs were available in the market. Therefore, we have applied a market standard that has been observed in similar markets as follows: the square foot difference between the Comparable and the Subject is divided by four and then multiplied by the rent per square foot of the Comparable. In other words, we estimate that the additional square footage is worth approximately 25 percent of the rent per square foot in comparison to the base square footage.

Washer/Dryer

The Subject offers central laundry facilities and further, in-unit washer/dryer hookups are offered in the three- and four-bedroom townhome units. Four of the comparables offer in-unit washer/dryer appliances, and The Mill At Blacksburg offers central laundry only. We have used a cost/benefit methodology to determine the level of adjustment for in-unit washers and dryers. If a household does three loads of laundry a week, for \$3.00 per load, the cost would be approximately \$36 per month. This indicates approximately a \$35 value to in-unit washer and dryer appliances. We have valued central laundry at \$10 and applied adjustments to all of the comparables based on the respective amenities offered.

Pool/Recreation Areas

The Subject offers a playground as a recreational amenity for tenants. All five comparables offer a slightly superior to superior mix of recreational amenities relative to the Subject. We valued a pool at \$10 and the remaining amenities at \$5 each and have applied downward adjustments accordingly based on the superior mix of amenities offered among the comparables.

Conclusions and Recommendations

The Subject will be newly renovated, and upon completion, will exhibit good condition. The surveyed properties exhibit inferior to slightly superior condition relative to the anticipated condition of the Subject. The market exhibits stable demand for affordable housing, with limited vacancy and the presence of waiting lists among affordable properties. As a

stabilized property, we expect the Subject to operate with an annual vacancy and collection loss of three percent, or less. As detailed in our analysis of LIHTC rents at 60 percent of AMI, we do not believe that maximum allowable rents are achievable at present. Recent rent growth in the market indicates that annual rental rate increases of one to two percent are achievable within the confines of LIHTC program requirements. Our estimated achievable market rents for the Subject are **\$930**, **\$1,160**, **\$1,465**, and **\$1,795** for the one- two, three, and four-bedroom units, respectively.

IX. AFFORDABILITY ANALYSIS/DEMAND ANALYSIS

DEMAND ANALYSIS

Introduction

The Subject will be a newly renovated 60-unit LIHTC and Section 8 development. The Subject offers 15 one-, 30 two-, 10 three-, and 5 four-bedroom units that will be subsidized and income-restricted to 60 percent of AMI. We calculated the number of income-eligible residents in this section of the analysis. LIHTC rents are based upon a percentage of the AMI, adjusted for household size and utilities. HUD estimates the relevant income levels, with annual updates. Rents are calculated assuming that the maximum net rent a household will pay is 35 percent of its income at the appropriate AMI levels. Household size for developments is assumed to be 1.5 person per bedroom for LIHTC rent calculation purposes. To assess the likely number of tenants in the market area eligible to live in the Subject, we used Census information as provided by ESRI Business Information Solutions.

Primary Market Area Defined

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

The Subject site is located in Radford, Radford City, Virginia. The boundaries of the PMA are defined as the Pulaski and Montgomery County lines to the north and south, the Montgomery County line to the east, and the Pulaski County line to the west. The PMA encompasses approximately 728 square miles and was primarily devised based on our conversations with local property managers on the area that potential tenants for the project are likely drawn.

Income-Eligible Calculations

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

First, we estimate the Subject’s minimum and maximum income levels for the LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. For Radford City, the 2020 AMI is \$87,800 for a four-person household. Maximum incomes are set at the maximum 60 percent of AMI level. Minimum income levels were calculated based on the assumption that lower-income households should pay no more than 35 percent of their income towards rent. The minimum income levels absent subsidy, are calculated from the gross achievable LIHTC rents.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income
<i>60% AMI (Section 8)</i>		
1BR	\$0	\$39,720
2BR	\$0	\$44,700
3BR	\$0	\$53,640
4BR	\$0	\$57,600

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income
<i>60% AMI</i>		
1BR	\$28,423	\$39,720
2BR	\$33,771	\$44,700
3BR	\$38,331	\$53,640
4BR	\$43,063	\$57,600

Often, lower-income households pay a higher percentage of gross income toward housing costs. Therefore, we used 35 percent for LIHTC calculations in the LIHTC scenario.

Secondly, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject site.

RENTER HOUSEHOLD INCOME

Income Cohort	2020		PMA 2025		Annual Change 2020 to 2025	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	5,334	21.2%	4,936	19.2%	-80	-1.5%
\$10,000-19,999	3,591	14.2%	3,519	13.7%	-14	-0.4%
\$20,000-29,999	3,277	13.0%	3,037	11.8%	-48	-1.5%
\$30,000-39,999	2,427	9.6%	2,302	9.0%	-25	-1.0%
\$40,000-49,999	2,113	8.4%	2,134	8.3%	4	0.2%
\$50,000-59,999	1,395	5.5%	1,422	5.5%	5	0.4%
\$60,000-74,999	2,096	8.3%	2,157	8.4%	12	0.6%
\$75,000-99,999	2,018	8.0%	2,288	8.9%	54	2.7%
\$100,000-124,999	1,063	4.2%	1,253	4.9%	38	3.6%
\$125,000-149,999	895	3.6%	1,127	4.4%	46	5.2%
\$150,000-199,999	523	2.1%	730	2.8%	41	7.9%
\$200,000+	470	1.9%	752	2.9%	56	12.0%
Total	25,202	100.0%	25,657	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, March 2021

Third, we combine the allowable income range with the income distribution analysis in order to determine the number of potential income-qualified households. In some cases, the LIHTC income-eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households that are income-eligible. This also derives an estimate of the percentage of the households that are income-eligible, illustrated by AMI threshold.

FAMILY INCOME DISTRIBUTION 2020 - AS PROPOSED

Income Cohort	Total Renter Households	(Section 8)		
		cohort overlap	% in cohort	# in cohort
\$0-9,999	5,334	9,999	100.0%	5,334
\$10,000-19,999	3,591	9,999	100.0%	3,591
\$20,000-29,999	3,277	9,999	100.0%	3,277
\$30,000-39,999	2,427	9,999	100.0%	2,427
\$40,000-49,999	2,113	9,999	100.0%	2,113
\$50,000-59,999	1,395	7,601	76.0%	1,060
\$60,000-74,999	2,096			
\$75,000-99,999	2,018			
\$100,000-124,999	1,063			
\$125,000-149,999	895			
\$150,000-199,999	523			
\$200,000+	470			
Total	25,202		70.6%	17,802

FAMILY INCOME DISTRIBUTION 2020 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	60% AMI		
		cohort overlap	% in cohort	# in cohort
\$0-9,999	5,334			
\$10,000-19,999	3,591			
\$20,000-29,999	3,277	1,576	15.8%	517
\$30,000-39,999	2,427	9,999	100.0%	2,427
\$40,000-49,999	2,113	9,999	100.0%	2,113
\$50,000-59,999	1,395	7,601	76.0%	1,060
\$60,000-74,999	2,096			
\$75,000-99,999	2,018			
\$100,000-124,999	1,063			
\$125,000-149,999	895			
\$150,000-199,999	523			
\$200,000+	470			
Total	25,202		24.3%	6,117

Demand Analysis One - Capture Rate Analysis by Unit Type

In order to determine demand for the proposed unit mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for the 60 percent of AMI level.

The by-unit-type breakdown illustrates an adequate demand, when considered on a by-bedroom-type basis. We added a 10 percent adjustment factor to compensate for a potential tenancy originating from outside the PMA.

The distribution of households by unit type is dependent on the following assumptions.

HOUSEHOLD DISTRIBUTION

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

60% AMI/Section 8 Demand – (As Proposed)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.7%	9,260
2 persons	30.0%	7,554
3 persons	17.7%	4,452
4 persons	11.8%	2,970
5+ persons	3.8%	966
Total	100.0%	25,202

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,260	x	70.6%	6,541
2 persons	7,554	x	70.6%	5,336
3 persons	4,452	x	70.6%	3,145
4 persons	2,970	x	70.6%	2,098
5+ persons	966	x	70.6%	682
Total	25,202			17,802

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	6,954
2BR	7,439
3BR	2,438
4BR	971
Total	17,802

Capture Rate Analysis - 60% AMI (Section 8) - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	15	0.22%
2BR	30	0.40%
3BR	10	0.41%
4BR	5	0.52%
Total/Overall	60	0.34%

Adjusted for Leakage from Outside of the PMA

10%

1BR	15	0.19%
2BR	30	0.36%
3BR	10	0.37%
4BR	5	0.46%
Total/Overall	60	0.30%

60% AMI Demand (Absent Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2020

	Renter Household Size Distribution	Total Number of Renter Households
1 person	36.7%	9,260
2 persons	30.0%	7,554
3 persons	17.7%	4,452
4 persons	11.8%	2,970
5+ persons	3.8%	966
Total	100.0%	25,202

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	9,260	x	24.3%	2,248
2 persons	7,554	x	24.3%	1,833
3 persons	4,452	x	24.3%	1,081
4 persons	2,970	x	24.3%	721
5+ persons	966	x	24.3%	234
Total	25,202			6,117

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,389
2BR	2,556
3BR	838
4BR	333
Total	6,117

Capture Rate Analysis - 60% AMI - Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	15	0.63%
2BR	30	1.17%
3BR	10	1.19%
4BR	5	1.50%
Total/Overall	60	0.98%

Adjusted for Leakage from Outside of the PMA

10%

1BR	15	0.56%
2BR	30	1.06%
3BR	10	1.07%
4BR	5	1.35%
Total/Overall	60	0.88%

Annual Demand (As Proposed)

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2020		25,202
Increase in Number of Renter Households		455
Number of Renter Households in 2025		25,657
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		42.5%
Percentage of Income-Qualified Renter Households		70.6%
Number of Income-Qualified Renter Households		17,802
Percentage of Rent-Overburdened		46.6%
Existing Income-Qualified Renter Household Turnover		8,291
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		91
Percentage of Income-Qualified Renter Households		70.6%
New Rental Income Qualified Households		64
<i>Capture Rate Analysis</i>		
Number of Units in Subject		60
Occupied Units at Subject With Vacancy of:	5%	57
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		8,355
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		9,283
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		9,283
Yielded Annual Capture Rate of Available Demand in 2021		0.6%

Annual Demand (Absent Subsidy)

ANNUAL DEMAND - ABSENT SUBSIDY

Calculation	PMA
Number of Renter Households in 2020	25,202
Increase in Number of Renter Households	455
Number of Renter Households in 2025	25,657
<i>Existing Demand</i>	
Percentage of Total Households that are Renter	42.5%
Percentage of Income-Qualified Renter Households	24.3%
Number of Income-Qualified Renter Households	6,117
Percentage of Rent-Overburdened	46.6%
Existing Income-Qualified Renter Household Turnover	2,849
<i>New Income-Qualified Demand, Stated Annually</i>	
Increase in Renter Households per Annum	91
Percentage of Income-Qualified Renter Households	24.3%
New Rental Income Qualified Households	22
<i>Capture Rate Analysis</i>	
Number of Units in Subject	60
Occupied Units at Subject With Vacancy of: 5%	57
Units Pre-Leased	0
Total Demand (Turnover and Growth) from within PMA	2,871
Portion Originating within PMA	90%
Total Demand (Turnover and Growth) from within PMA	3,190
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0
Total Demand after Competition (Turnover and Growth)	3,190
Yielded Annual Capture Rate of Available Demand in 2021	1.8%

VHDA Demand Table

We also included the required demand table from the VHDA market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject site. The supply illustrates all proposed or under construction units in the PMA. We determined that there are no proposed competitive LIHTC units in the PMA. However, there are currently nine vacant units at the comparable LIHTC properties set-aside at the 60 percent AMI level or less, which are considered directly competitive with the Subject’s LIHTC units. We have deducted these nine units in our VHDA demand analysis.

The table below illustrates the resulting capture rates for demand currently proposed in the PMA.

DEMAND AND NET DEMAND

Income Restrictions	60% AMI (Section)	60% AMI (Absent Subsidy)
	HH at AMI (\$0 to \$57,600)	HH at AMI (\$28,432 to \$57,600)
Demand from New Households (age and income appropriate)	-331	-51
PLUS	+	+
Demand from Existing Renter Housholds - Rent Overburdened Households	8,291	2,849
PLUS	+	+
Demand from Existing Renter Households - Substandard Housing	157	54
=	=	=
Sub Total	8,118	2,852
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
Equals Total Demand	8,118	2,852
Less	-	-
New Supply (Directly Competitive Vacant Units Completed or Proposed)	3	3
Equals Net Demand	8,115	2,849
Proposed Units	60	60
CAPTURE RATE	0.74%	2.11%
Absorption Period	4 months	4 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties, as well as the prevalence of lengthy waiting lists. Of note, two of the five market rate comparables also reported maintaining waiting lists. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Unit (LIHTC/Section 8)	0.74%
Project Wide Capture Rate - All Unit (LIHTC - Absent Subsidy)	2.11%
Project Wide Absorption Period	4 months

Novoco and VHDA Capture Rate Conclusions

The Novoco demand analysis illustrates ample demand for the Subject based on capture rates of income-eligible renter households. In terms of total income-eligible renter households, the calculation illustrates capture rates below one percent for all units at the 60 percent of AMI level with and without the Section 8 subsidy, respectively.

DEMAND CONCLUSION

Calculation	As Proposed	Absent Subsidy
60% AMI (Section 8)	0.30%	0.88%
Annual Demand	0.60%	1.80%

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a similarly low annual capture rate. This annual Novoco capture rate is 0.60 percent and 1.8 percent for the first year of operation as a LIHTC/Section 8 and LIHTC-only property, respectively. This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize, if vacant. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates there are approximately 8,115 units and 2,849 units of net demand in the first year of the Subject’s operation following renovation. The Subject’s units will need to accommodate 57 total units of demand in order to stabilize at 95 percent occupancy, as if vacant. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate - All Unit (LIHTC/Section 8)	0.74%
Project Wide Capture Rate - All Unit (LIHTC - Absent Subsidy)	2.11%
Project Wide Absorption Period	4 months

This is a low capture rate and indicative of strong demand for the proposed affordable Subject. We do not believe renovation of the existing project will harm other VHDA properties, as the capture rates are low and the vacancy is low.

Penetration Rate Analysis

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

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive Affordable Units in the PMA	0
	+
Number of Existing Competitive Family Affordable Units in the PMA	948
	+
Number of Proposed Affordable Units at the Subject	60
	=
Total	1,008
	/
Income Eligible Households - All AMI Levels	17,802
	=
Overall Penetration Rate - Market Focus (NCHMA)	5.7%

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	0
	+
Number of Existing Competitive Family <i>LIHTC</i> Units in the PMA	627
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	60
	=
Total	687
	/
Income Eligible Households - All AMI Levels	6,117
	=
Overall Penetration Rate - Market Focus (NCHMA)	11.2%

The overall penetration rate is derived by taking the number of affordable units proposed or under construction within the PMA, combined with the number of proposed competitive *LIHTC* units, and the number of the Subject's units divided by the number of income-eligible households. As detailed in the supply analysis, there are no competitive *LIHTC* developments proposed within the PMA to remove from the previous calculations. The following table illustrates the existing affordable properties in the PMA.

AFFORDABLE HOUSING IN THE PMA

Property Name	Rent Structure	Total Units	Total LIHTC Units	Tenancy
Hunting Hills	LIHTC	12	12	Senior
Landings Plaza	LIHTC	18	18	Family
Cedar Crest I, II, & III	LIHTC	36	36	Family
New River Gardens I & II	LIHTC	78	78	Family
Sunvalley	LIHTC	92	92	Family
Ridgewood Place	LIHTC	24	24	Family
Ridgewood Place Seniors	LIHTC	32	32	Senior
Heather Glen Apartments*	LIHTC	40	40	Family
Huckleberry Court Townhomes	LIHTC	40	40	Family
Henley Place*	LIHTC	50	50	Family
High Meadows	LIHTC	41	41	Family
Pulaski Village	LIHTC	60	60	Senior
Linden Green Aka Old Farm Village II	LIHTC/Section 8	44	44	Family
Forest Hills at Belview*	LIHTC	84	84	Family
Willow Woods Preservation	LIHTC/Section 8	70	70	Family
Laurel Woods (Pulaski)	LIHTC	143	139	Family
New River Overlook	LIHTC/Section 8	40	40	Senior
Smokey Ridge	LIHTC	40	40	Family
Cambridge Square	Section 8	46	0	Family
Christiansburg Bluff	Section 8	40	0	Family
Ellett Road Community Apartments	Section 8	120	0	Senior
Lantern Ridge Apts	Section 8	12	0	Family
Meadowview Apartments	LIHTC/Section 8	120	0	Family
New River House	Section 8	98	98	Senior
Parkview Of Radford	Section 8	42	0	Senior
Trolinger House	Section 8	13	0	Senior
Washington Square Apartments	Section 8	102	0	Family
Willow Woods	Section 8	120	0	Family
Bradley's Ridge Apartments	Section 8	144	0	Senior
Melinda's Melody	Section 8	58	0	Senior
Fairfax Village	Section 8	48	0	Family
Fairfax Village	Section 8	40	0	Family

*Utilized as a rent comparable

The overall penetration rate for the market is 5.7 percent and 11.2 percent with and without subsidy, respectively. The penetration rate analysis we presented is moderate, as it does not account for leakage (i.e. tenants originating outside of the PMA). This penetration rate is considered reasonable overall.

Absorption Estimate

According to our rent survey and the analysis of affordable housing demand, the demand for housing of all types is strong. We were able to obtain absorption information from three of the surveyed LIHTC comparable properties. Thus, we expanded our search for absorption data to include Roanoke and nearby counties, which is detailed following.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption
Fieldstone Senior Apts	LIHTC	Senior	2018	60	10
Fieldstone	LIHTC	Family	2017	84	16.8
Forest Hills At Belview	LIHTC	Family	2011	70	11
Dara Heights Apartments	LIHTC	Family	2008	48	16
Heather Glen*	LIHTC	Family	2004	40	2
Sedona	Market	Family	2013	271	20
The View At Liberty Center	Market	Family	2014	257	21
LIHTC Average				60	11
Market Average				264	21
Overall Average				119	14

*Utilized as rental comparable

Based on the information above, we estimate that the Subject would reach a stabilized occupancy within four months, at an absorption rate of approximately 15 units per month, in the event that it needed to reabsorb its tenancy. It should be noted that the Subject is currently operating at a stabilized occupancy; thus, this analysis is hypothetical. Further, the proposed renovations will occur with minimal disruption to tenants. Therefore, we do not believe that there will be a need for any significant reabsorption of units.

Rent conclusions were provided in Section F.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject.

X. LOCAL PERSPECTIVE OF RENTAL HOUSING AND HOUSING ALTERNATIVES

INTERVIEWS/DISCUSSION

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

Radford City Rental Assistance Office

According to Mr. Gabe Martin with the Radford City Rental Assistance Office’s Housing Choice Voucher program, there are 113 vouchers allotted to Radford City. Mr. Martin indicated that 102 of the vouchers administered to Radford City are currently in use, while 11 are available and have yet to be administered. Further, Mr. Martin noted he is attempting to verify the applicants on the waiting list and intends to distribute the 11 remaining vouchers. Mr. Martin reported that there is high demand for affordable housing in Radford and the waiting list is currently comprised of 35 households. Mr. Martin reported there is ample difficulty for some voucher holders to find suitable housing based on the substantial number of student-housing projects and landlords unaccepting of vouchers in Radford. The gross payment standards, effective January 1, 2021, are as follows:

VOUCHER PAYMENT STANDARDS		
Unit Type	Payment	Subject's Current Contract Rents (Gross)
1BR	\$959	\$889 - \$914
2BR	\$1,092	\$1,175
3BR	\$1,575	\$1,503
4BR	\$1,917	\$1,861 - \$1,876

The Subject’s current gross rents are below the current payment standards, indicating residents will not need to pay additional rent out of pocket to reside in the Subject’s units.

Radford City Planning and Development Department

We attempted to contact the Radford City Planning and Development Department regarding new multifamily developments in the Subject’s rental market. However, as of the date of this report, our calls have not been returned. We have additionally utilized CoStar’s New Construction Listings in order to gather additional information on proposed, planned, under construction, or recently completed multifamily development within the Subject’s PMA. We do not believe Stadium View will directly compete with the Subject based on their student-based tenancy and lack of affordable units. Our findings are detailed in the table below.

PLANNED DEVELOPMENT					
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status
Stadium View	Market	Student	77	0	Proposed
Totals			77	0	

Source: CoStar, February 3, 2021

LIHTC Competition / Recent and Proposed Construction

According to the Virginia Housing Development Authority (VHDA), only one development has received LIHTC allocations within the Subject’s PMA since 2017. New River Gardens I, an existing multifamily LIHTC development, was allocated new LIHTC funding in 2018 for its rehabilitation. New River Gardens I consists of 48 one-bedroom units and was originally constructed in 1992. The development is located directly east of the Subject. However, due to its incomparable unit mix, and current stabilized operations, we do not believe the development will be directly competitive with the Subject, post renovation.

XI. ANALYSIS/CONCLUSIONS

ANALYSIS/CONCLUSIONS

In general, we believe there is demand in the marketplace for the Subject as conceived. However, given the Subject will be renovated, we believe that rents slightly below the maximum allowable levels are attainable and supported by the market. Thus, we have concluded to rents of **\$725, \$850, \$925, and \$1,050** for the one-, two-, three-, and four-bedroom units, respectively, for the Subject's proposed rents at 60 percent AMI.

Strengths

- As a newly renovated property, the Subject will exhibit a slightly superior to similar condition relative to the majority of the comparable properties.
- The Subject's projected LIHTC rents represent significant discounts to the achievable market rents.
- The LIHTC vacancy at the comparable properties is 3.2 percent, which suggests a stable market for affordable housing. According to a rent roll dated January 26, 2021, the Subject was 100 percent occupied and maintains a waiting list.
- The Subject primarily offers a townhouse design for a majority of its units, which will offer greater appeal to family renters over garden-style design.

Weaknesses

- The Subject's one-, three-, and four-bedroom unit sizes offer slight market disadvantages relative to the average unit sizes of the comparables.

Capture Rates - VHDA:

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

The table below illustrates the resulting capture rates via VHDA demand currently proposed in the PMA.

DEMAND AND NET DEMAND

Income Restrictions	60% AMI (Section)	60% AMI (Absent Subsidy)
	HH at AMI (\$0 to \$57,600)	HH at AMI (\$28,432 to \$57,600)
Demand from New Households (age and income appropriate)	-331	-51
PLUS	+	+
Demand from Existing Renter Households - Rent Overburdened Households	8,291	2,849
PLUS	+	+
Demand from Existing Renter Households - Substandard Housing	157	54
=	=	=
Sub Total	8,118	2,852
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 20% where applicable)	0	0
Equals Total Demand	8,118	2,852
Less	-	-
New Supply (Directly Competitive Vacant Units Completed or Proposed)	3	3
Equals Net Demand	8,115	2,849
Proposed Units	60	60
CAPTURE RATE	0.74%	2.11%
Absorption Period	4 months	4 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties, as well as the prevalence of lengthy waiting lists at four of the five comparable LIHTC properties. Of note, four of the five market rate comparables also reported maintaining waiting lists. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Unit (LIHTC/Section 8)	0.74%
Project Wide Capture Rate - All Unit (LIHTC - Absent Subsidy)	2.11%
Project Wide Absorption Period	4 months

Conclusions/Recommendations

- In general, we believe there is demand in the marketplace for the Subject, as proposed. Additionally, the market has reported strong occupancy rates and waiting lists at the majority of the comparable properties. The Subject will be well-positioned in the market as a newly renovated affordable property, and will exhibit slightly superior to similar condition relative to the majority of the comparable properties. The market exhibits strong demand for additional affordable housing, with vacancy rates ranging from zero to 2.6 percent at the comparable LIHTC properties, with an average vacancy rate of 1.9 percent. Vacancy and collection loss at the Subject is expected

to be no more than three percent over the long term, which is in line with the Subject's historical vacancy. Based on the comparable data, we believe the proposed rental rates are not achievable at maximum allowable levels. We recommend and have concluded to respective LIHTC rents of **\$725, \$850, \$925, and \$1,050** for the one-, two-, three, and four-bedroom units for the Subject's proposed rents at 60 percent AMI. Our concluded rent levels will offer significant market rent advantages. Overall, we believe there is demand for the Subject.

XII. OTHER REQUIREMENTS

I affirm the following:

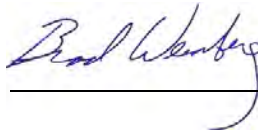
1. I (H. Blair Kincer) have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study.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

This report was written according to the 2021 VHDA market study guidelines. The recommendations and conclusions are based solely on professional opinion and best efforts.

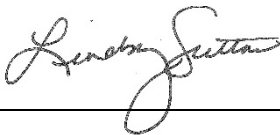
Respectfully submitted,
Novogradac Consulting LLP



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ASSUMPTIONS AND LIMITING CONDITIONS

ASSUMPTIONS AND LIMITING CONDITIONS

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

to this report or to the Subject site unless satisfactory additional arrangements are made prior to the need for such services.

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

ADDENDUM A

Statement of Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia

III. Professional Experience

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

IV. Professional Training

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

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

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

V. Real Estate Assignments – Examples

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

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

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

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

ADDENDUM B

Data Sources

DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing, and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of proposed, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- Radford Economic Development Department
- New River Valley Regional Commission
- Radford City Planning and Development Department
- Virginia Employment Commission
- Virginia Workforce Network
- ESRI, Business Information Solutions
- Ribbon Demographics
- CoStar Rental Market Report
- US Department of Commerce, Bureau of Labor Statistics
- Department of Housing and Urban Development (HUD)
- Virginia Housing Development Authority Utility Allowance
- VHDA Market Study Requirements, 2020

ADDENDUM C

NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

Erik Johnson
Senior Analyst
Erik.Johnson@Novoco.com
Date: March 22, 2021

ADDENDUM D

Utility Allowance Schedule



Virginia Housing Development Authority
Housing Choice Voucher Program

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

Family Name: _____ Unit Address: _____ _____ Voucher Size*: _____ Unit Bedroom Size*: _____ <i>*Use smaller size to calculate tenant-supplied utilities and appliances.</i>

		Unit Type: 2 Exposed Walls				Effective Date: 07/01/2018			
Utility	Usage	Monthly Dollar Amount							
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR
Appliance	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
Bottled Gas	Cooking	\$8.00	\$11.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00	\$32.00
	Home Heating	\$49.00	\$68.00	\$88.00	\$107.00	\$137.00	\$156.00	\$175.00	\$195.00
	Water Heating	\$20.00	\$28.00	\$36.00	\$44.00	\$56.00	\$64.00	\$72.00	\$80.00
Electricity	Cooking	\$3.00	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00
	Cooling (A/C)	\$5.00	\$7.00	\$9.00	\$12.00	\$15.00	\$17.00	\$19.00	\$21.00
	Home Heating	\$19.00	\$26.00	\$34.00	\$41.00	\$51.00	\$59.00	\$66.00	\$74.00
	Other Electric	\$10.00	\$14.00	\$18.00	\$22.00	\$28.00	\$32.00	\$36.00	\$40.00
	Water Heating	\$9.00	\$13.00	\$16.00	\$20.00	\$25.00	\$29.00	\$32.00	\$36.00
Natural Gas	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00
	Home Heating	\$11.00	\$14.00	\$18.00	\$22.00	\$28.00	\$32.00	\$36.00	\$40.00
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00
Oil	Home Heating	\$38.00	\$53.00	\$67.00	\$82.00	\$104.00	\$120.00	\$134.00	\$149.00
	Water Heating	\$16.00	\$22.00	\$28.00	\$34.00	\$43.00	\$50.00	\$56.00	\$62.00
Sewer	Other	\$20.00	\$27.00	\$35.00	\$43.00	\$55.00	\$62.00	\$70.00	\$78.00
Trash Collection	Other	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Water	Other	\$17.00	\$23.00	\$30.00	\$36.00	\$46.00	\$53.00	\$59.00	\$66.00
UTILITY ALLOWANCE TOTAL:		\$	\$	\$	\$	\$	\$	\$	\$

ADDENDUM E

Subject and Neighborhood Photographs

Subject Property & Neighborhood Photos



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



SUBJECT EXTERIOR



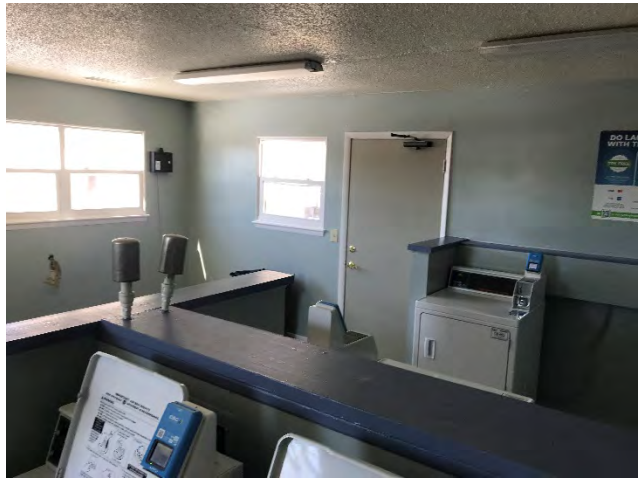
SUBJECT EXTERIOR



SUBJECT EXTERIOR



CENTRAL LAUNDRY ROOM



CENTRAL LAUNDRY ROOM



SUBJECT PLAYGROUND



SUBJECT PROPERTY AND TYPICAL WALKWAY



SUBJECT GROUNDS



TYPICAL WALKWAY/UNIT ENTRANCE



TYPICAL ENTRY AREA



TYPICAL ENTRY AREA



TYPICAL ENTRYWAY



TYPICAL ENTRYWAY



TYPICAL LIVING ROOM



TYPICAL LIVING ROOM



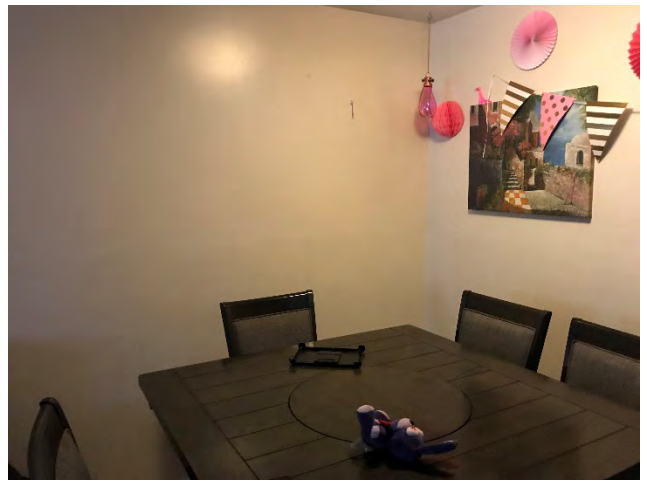
TYPICAL KITCHEN



TYPICAL KITCHEN



TYPICAL DINING AREA



TYPICAL DINING AREA



UTILITY CLOSET & W/D APPLIANCES



UTILITY CLOSET & W/D APPLIANCES



TYPICAL STAIRWAY (TH)



THERMOSTAT



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL BEDROOM



TYPICAL BATHROOM



TYPICAL BATHROOM



STREET VIEW NEAR SUBJECT



STREET VIEW FROM SUBJECT



TYPICAL SINGLE-FAMILY HOMES NEAR SUBJECT



TYPICAL SINGLE-FAMILY HOMES NEAR SUBJECT



SURROUNDING USES IN SUBJECT NEIGHBORHOOD



RADFORD UNIVERSITY



RADFORD UNIVERSITY



DOWNTOWN RADFORD

ADDENDUM F

Rent Profiles and Matrices

PROPERTY PROFILE REPORT

Cedar Crest

Effective Rent Date	2/19/2021
Location	403 Cedar Hill Drive Blacksburg, VA 24060 Montgomery County
Distance	N/A
Units	78
Vacant Units	2
Vacancy Rate	2.6%
Type	Duplex
Year Built/Renovated	1998 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Families from the area including single parent households
Contact Name	Samantha @Community Housing
Phone	540-951-0004



Market Information

Program	@40%, @50%, @60%
Annual Turnover Rate	26%
Units/Month Absorbed	N/A
HCV Tenants	25%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None since Jan. 2020
Concession	None
Waiting List	Yes, 6-18 months

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1.5	Duplex	1	768	\$528	\$0	@40%	Yes	0	0.0%	no	None
1	1.5	Duplex	1	768	\$648	\$0	@50%	Yes	0	0.0%	no	None
2	1.5	Duplex	N/A	1,026	\$613	\$0	@40%	Yes	0	N/A	no	None
2	1.5	Duplex	34	1,026	\$773	\$0	@50%	Yes	1	2.9%	no	None
2	1.5	Duplex	N/A	1,026	\$838	\$0	@60%	Yes	0	N/A	no	None
3	2.5	Duplex	42	1,296	\$738	\$0	@50%	Yes	0	0.0%	no	None
3	2.5	Duplex	N/A	1,296	\$940	\$0	@60%	Yes	1	N/A	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1.5BA	\$528	\$0	\$528	\$0	\$528	1BR / 1.5BA	\$648	\$0	\$648	\$0	\$648
2BR / 1.5BA	\$613	\$0	\$613	\$0	\$613	2BR / 1.5BA	\$773	\$0	\$773	\$0	\$773
						3BR / 2.5BA	\$738	\$0	\$738	\$0	\$738
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 1.5BA	\$838	\$0	\$838	\$0	\$838						
3BR / 2.5BA	\$940	\$0	\$940	\$0	\$940						

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Dishwasher	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Off-Street Parking	None	None
Picnic Area	Playground		

Comments

The contact stated occupancy rates have remained stable during the past year and there has been limited impact related to COVID-19 and the ensuing economic downturn. The rents did not increase to the 2020 maximum allowable rates which the property typically increases at the start of each calendar year. She noted too many people are still struggling economically so rents have remained stable. The contact stated various assistance programs offered to tenants have helped keep rent collections high during the pandemic.

Trend Report

Vacancy Rates

3Q15	1Q21
1.3%	2.6%

Trend: @40%

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	1	0.0%	\$528	\$0	\$528	\$528

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$508	\$0	\$508	\$508
2021	1	N/A	\$613	\$0	\$613	\$613

Trend: @50%

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$543	\$0	\$543	\$543
2021	1	0.0%	\$648	\$0	\$648	\$648

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	2.9%	\$673	\$0	\$673	\$673
2021	1	2.9%	\$773	\$0	\$773	\$773

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	0.0%	\$728	\$0	\$728	\$728
2021	1	0.0%	\$738	\$0	\$738	\$738

Trend: @60%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$728	\$0	\$728	\$728
2021	1	N/A	\$838	\$0	\$838	\$838

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	3	N/A	\$823	\$0	\$823	\$823
2021	1	N/A	\$940	\$0	\$940	\$940

Trend: Comments

3Q15	Contact indicated that there are 15 households on the waiting list for one-bedroom units, eight households for two-bedroom units, and one household for a three-bedroom unit. The contact could not comment on voucher usage at the property, or on annual change in rent.
1Q21	The contact stated occupancy rates have remained stable during the past year and there has been limited impact related to COVID-19 and the ensuing economic downturn. The rents did not increase to the 2020 maximum allowable rates which the property typically increases at the start of each calendar year. She noted too many people are still struggling economically so rents have remained stable. The contact stated various assistance programs offered to tenants have helped keep rent collections high during the pandemic.

Photos



PROPERTY PROFILE REPORT

Heather Glen Apartments

Effective Rent Date	2/19/2021
Location	1700 Wadsworth Street Radford, VA 24141 Radford County
Distance	1.4 miles
Units	40
Vacant Units	0
Vacancy Rate	0.0%
Type	Townhouse (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	12/01/2003
Leasing Began	1/01/2004
Last Unit Leased	12/14/2008
Major Competitors	Cedar Crest Townhomes, Ridgewood Place
Tenant Characteristics	Mostly singles and families from the City of Radford
Contact Name	Jody @ Community Housing
Phone	540-382-5058



Market Information

Program	@40%, @50%
Annual Turnover Rate	5%
Units/Month Absorbed	2
HCV Tenants	40%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None since Jan. 2020
Concession	None
Waiting List	Yes, 100+ households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1.5	Townhouse (2 stories)	2	1,029	\$502	\$0	@40%	Yes	0	0.0%	no	None
2	2.5	Townhouse (2 stories)	2	1,350	\$603	\$0	@40%	Yes	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	36	1,438	\$859	\$0	@50%	Yes	0	0.0%	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1.5BA	\$502	\$0	\$502	\$0	\$502	3BR / 2.5BA	\$859	\$0	\$859	\$0	\$859
2BR / 2.5BA	\$603	\$0	\$603	\$0	\$603						

Heather Glen Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Garage	Off-Street Parking	None	None

Comments

The property is typically at 100 percent occupancy. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area. Despite strong demand, the contact stated rents are set below the maximum allowable to maintain affordability for many low income applicants in the area. No major issues related to COVID-19 were reported and noted rent collections remain at pre pandemic levels.

Heather Glen Apartments, continued

Trend Report

Vacancy Rates

2Q19	3Q19	1Q20	1Q21
0.0%	0.0%	0.0%	0.0%

Trend: @40%

1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$477	\$0	\$477	\$477
2019	3	0.0%	\$477	\$0	\$477	\$477
2020	1	0.0%	\$502	\$0	\$502	\$502
2021	1	0.0%	\$502	\$0	\$502	\$502

Trend: @50%

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$743	\$0	\$743	\$743
2019	3	0.0%	\$743	\$0	\$743	\$743
2020	1	0.0%	\$859	\$0	\$859	\$859
2021	1	0.0%	\$859	\$0	\$859	\$859

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$578	\$0	\$578	\$578
2019	3	0.0%	\$578	\$0	\$578	\$578
2020	1	0.0%	\$603	\$0	\$603	\$603
2021	1	0.0%	\$603	\$0	\$603	\$603

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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Trend: Comments

2Q19	Contact stated that rents from 1.7.2019 survey are still accurate. Currently zero vacancies.
3Q19	The property is typically at 100 percent occupancy. The three properties overseen by this leasing office receive approximately 40 calls/inquiries per day. Management noted 10 rental applications are filed on a daily basis. The contact reported some tenants have lived at the property since it was placed in service. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area.
1Q20	The property is typically at 100 percent occupancy. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area. Despite strong demand, the contact stated rents are set below the maximum allowable to maintain affordability for many low income applicants in the area.
1Q21	The property is typically at 100 percent occupancy. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area. Despite strong demand, the contact stated rents are set below the maximum allowable to maintain affordability for many low income applicants in the area. No major issues related to COVID-19 were reported and noted rent collections remain at pre pandemic levels.

Photos



PROPERTY PROFILE REPORT

Henley Place

Effective Rent Date	2/19/2021
Location	1020-1150 Beaver Drive Christiansburg, VA 24073 Montgomery County
Distance	8.8 miles
Units	41
Vacant Units	1
Vacancy Rate	2.4%
Type	Townhouse (2 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	10/01/2005
Leasing Began	2/01/2006
Last Unit Leased	11/08/2008
Major Competitors	Cedar Crest Townhomes, Ridgewood Place
Tenant Characteristics	Families, working professionals
Contact Name	Jody @ Community Housing
Phone	340-382-5058



Market Information

Program	@50%, @60%
Annual Turnover Rate	5%
Units/Month Absorbed	2
HCV Tenants	34%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None since Jan. 2020
Concession	None
Waiting List	Yes, 100HH

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2.5	Townhouse (2 stories)	9	1,656	\$705	\$0	@50%	Yes	0	0.0%	no	None
3	2.5	Townhouse (2 stories)	27	2,253	\$915	\$0	@60%	Yes	0	0.0%	no	None
4	2.5	Townhouse (2 stories)	5	2,582	\$1,030	\$0	@60%	Yes	1	20.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2.5BA	\$705	\$0	\$705	\$0	\$705	3BR / 2.5BA	\$915	\$0	\$915	\$0	\$915
						4BR / 2.5BA	\$1,030	\$0	\$1,030	\$0	\$1,030

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Garage	Off-Street Parking	None	None
On-Site Management			

Comments

The contact stated occupancy rates have remained stable during the past year and there has been limited impact related to COVID-19 and the ensuing economic downturn. The rents did not increase to the 2020 maximum allowable rates which the property typically increases at the start of each calendar year. She noted too many people are still struggling economically so rents have remained stable. The contact stated various assistance programs offered to tenants have helped keep rent collections high during the pandemic.

Trend Report

Vacancy Rates

2Q19	3Q19	1Q20	1Q21
0.0%	0.0%	0.0%	2.4%

Trend: @50%

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$680	\$0	\$680	\$680
2019	3	0.0%	\$680	\$0	\$680	\$680
2020	1	0.0%	\$705	\$0	\$705	\$705
2021	1	0.0%	\$705	\$0	\$705	\$705

Trend: @60%

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$890	\$0	\$890	\$890
2019	3	0.0%	\$890	\$0	\$890	\$890
2020	1	0.0%	\$915	\$0	\$915	\$915
2021	1	0.0%	\$915	\$0	\$915	\$915

4BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$1,005	\$0	\$1,005	\$1,005
2019	3	0.0%	\$1,005	\$0	\$1,005	\$1,005
2020	1	0.0%	\$1,005	\$0	\$1,005	\$1,005
2021	1	20.0%	\$1,030	\$0	\$1,030	\$1,030

Trend: Comments

2Q19	Contact reported that rents from 1.7.2019 survey are still accurate. Zero vacancies.
3Q19	The property is typically at 100 percent occupancy. The three properties overseen by this leasing office receive approximately 40 calls/inquiries per day. Management noted 10 rental applications are filed on a daily basis. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area.
1Q20	The property is typically at 100 percent occupancy. The three properties overseen by this leasing office receive approximately 40 calls/inquiries per day. The contact reported strong demand for affordable housing and cited an overall shortage of affordable options in the area. Despite strong demand, the contact stated rents are set below the maximum allowable to maintain affordability for many low income applicants in the area.
1Q21	The contact stated occupancy rates have remained stable during the past year and there has been limited impact related to COVID-19 and the ensuing economic downturn. The rents did not increase to the 2020 maximum allowable rates which the property typically increases at the start of each calendar year. She noted too many people are still struggling economically so rents have remained stable. The contact stated various assistance programs offered to tenants have helped keep rent collections high during the pandemic.

Photos



PROPERTY PROFILE REPORT

Cedarfield Apartments

Effective Rent Date	2/01/2021
Location	200 Old Cedarfield Drive Blacksburg, VA 24060 Montgomery County
Distance	12.4 miles
Units	106
Vacant Units	0
Vacancy Rate	0.0%
Type	Various (3 stories)
Year Built/Renovated	1993 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mostly students at VT
Contact Name	Laura - CMG Management
Phone	540-961-0500



Market Information

Program	Market
Annual Turnover Rate	50%
Units/Month Absorbed	0
HCV Tenants	0%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased 1%
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	4	652	\$971	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	16	792	\$1,038	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	12	869	\$1,083	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	36	992	\$1,174	\$0	Market	No	0	0.0%	N/A	None
2	2.5	Townhouse (2 stories)	6	1,280	\$1,439	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	32	1,444	\$1,725	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$971 - \$1,038	\$0	\$971 - \$1,038	\$49	\$1,020 - \$1,087
2BR / 1BA	\$1,083	\$0	\$1,083	\$63	\$1,146
2BR / 2BA	\$1,174	\$0	\$1,174	\$63	\$1,237
2BR / 2.5BA	\$1,439	\$0	\$1,439	\$63	\$1,502
3BR / 2.5BA	\$1,725	\$0	\$1,725	\$77	\$1,802

Cedarfield Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Cable/Satellite/Internet	Carpeting	Limited Access	
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Window A/C	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Off-Street Parking	None	None
On-Site Management	Picnic Area		
Recreation Areas	Volleyball Court		

Comments

The contact stated very limited impact related to COVID-19 and a high student tenancy has helped keep rent collections and occupancy high.

Cedarfield Apartments, continued

Trend Report

Vacancy Rates

3Q19	1Q20	3Q20	1Q21
0.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$863 - \$926	\$0	\$863 - \$926	\$912 - \$975
2020	1	0.0%	\$943 - \$1,013	\$0	\$943 - \$1,013	\$992 - \$1,062
2020	3	0.0%	\$943 - \$1,013	\$0	\$943 - \$1,013	\$992 - \$1,062
2021	1	0.0%	\$971 - \$1,038	\$0	\$971 - \$1,038	\$1,020 - \$1,087

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$967	\$0	\$967	\$1,030
2020	1	0.0%	\$1,056	\$0	\$1,056	\$1,119
2020	3	0.0%	\$1,056	\$0	\$1,056	\$1,119
2021	1	0.0%	\$1,083	\$0	\$1,083	\$1,146

2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,300	\$0	\$1,300	\$1,363
2020	1	0.0%	\$1,397	\$0	\$1,397	\$1,460
2020	3	0.0%	\$1,397	\$0	\$1,397	\$1,460
2021	1	0.0%	\$1,439	\$0	\$1,439	\$1,502

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,050	\$0	\$1,050	\$1,113
2020	1	0.0%	\$1,153	\$0	\$1,153	\$1,216
2020	3	0.0%	\$1,153	\$0	\$1,153	\$1,216
2021	1	0.0%	\$1,174	\$0	\$1,174	\$1,237

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,560	\$0	\$1,560	\$1,637
2020	1	0.0%	\$1,667	\$0	\$1,667	\$1,744
2020	3	0.0%	\$1,667	\$0	\$1,667	\$1,744
2021	1	0.0%	\$1,725	\$0	\$1,725	\$1,802

Trend: Comments

3Q19	The property is typically 100 percent occupied. The contact had no additional comments.
1Q20	Cedarfield Apartments is a multifamily market rate property that offers 68 three-story garden and 38 two-story townhouse-style units. The property is typically 100 percent occupied. The contact stated the property does not maintain a specific waiting list, though they have already preleased 82 percent of units for the 2020 fall semester. Further, the contact confirmed that internet service/Wi-Fi is provided for all units and is included in rent. Since our prior survey in August 2019, rents increased considerably; 9-10 percent for garden units, and seven percent for townhome units. Units are leased on a per-unit basis. This is a sister property of The Reserve at Knollwood, both managed by CMG Management.
3Q20	The contact stated there is some turnover expected at the end of July but all those units are already preleased for August move ins. She noted this is typically the busiest time of year during the next month as students return to the area for the school year. Despite the ongoing COVID-19 pandemic, the contact stated the school year is expected to start as it normally would.
1Q21	The contact stated very limited impact related to COVID-19 and a high student tenancy has helped keep rent collections and occupancy high.

Photos



PROPERTY PROFILE REPORT

Highland Village

Effective Rent Date	2/01/2021
Location	1000 Robey Street Radford, VA 24141 Radford County
Distance	3.1 miles
Units	217
Vacant Units	9
Vacancy Rate	4.1%
Type	Garden (3 stories)
Year Built/Renovated	1984 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Hunter's Ridge
Tenant Characteristics	85 percent students, 15 percent professionals
Contact Name	Heather
Phone	540-731-1336



Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased to 2 weeks.
Annual Chg. in Rent	1BR/2BR Inc 8-19%, 3BR/4BR Remained
Concession	None
Waiting List	None

Utilities

A/C	included -- central
Cooking	included -- electric
Water Heat	included -- electric
Heat	included -- electric
Other Electric	included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	37	340	\$485	\$0	Market	No	1	2.7%	N/A	None
1.5	1	Garden (3 stories)	60	546	\$675	\$0	Market	No	2	3.3%	N/A	None
1.5	1	Garden (3 stories)	6	654	\$825	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	34	654	\$900	\$0	Market	No	2	5.9%	N/A	None
2.5	1	Garden (3 stories)	20	754	\$940	\$0	Market	No	1	5.0%	N/A	None
2.5	1	Garden (3 stories)	37	860	\$980	\$0	Market	No	1	2.7%	N/A	None
3	2	Garden (3 stories)	2	1,280	\$1,380	\$0	Market	No	0	0.0%	N/A	None
4	2	Garden (3 stories)	21	1,280	\$1,680	\$0	Market	No	2	9.5%	N/A	None

Highland Village, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$485	\$0	\$485	-\$64	\$421
1.5BR / 1BA	\$675 - \$825	\$0	\$675 - \$825	-\$64	\$611 - \$761
2BR / 1BA	\$900	\$0	\$900	-\$81	\$819
2.5BR / 1BA	\$940 - \$980	\$0	\$940 - \$980	-\$81	\$859 - \$899
3BR / 2BA	\$1,380	\$0	\$1,380	-\$101	\$1,279
4BR / 2BA	\$1,680	\$0	\$1,680	-\$126	\$1,554

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Oven		
Refrigerator	Washer/Dryer		
Property		Premium	Other
Basketball Court	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		
Volleyball Court	Wi-Fi		

Comments

The property tenancy is approximately 85 percent students, though the contact confirmed rents are not offered by the bedroom. It should be noted rents for one-bedroom units are an additional \$100 per month for an additional occupant. Additionally, one-bedroom units do not offer in unit washers/dryers. The contact reported a waiting list is typically started in the late spring for fall semester move ins. No major COVID-19 related issues were reported.

Trend Report

Vacancy Rates

3Q19	1Q20	3Q20	1Q21
0.0%	0.9%	5.1%	4.1%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$545 - \$680	\$0	\$545 - \$680	\$481 - \$616
2020	1	3.0%	\$650 - \$800	\$0	\$650 - \$800	\$586 - \$736
2020	3	3.0%	\$650 - \$800	\$0	\$650 - \$800	\$586 - \$736
2021	1	3.0%	\$675 - \$825	\$0	\$675 - \$825	\$611 - \$761

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$440	\$0	\$440	\$376
2020	1	0.0%	\$475	\$0	\$475	\$411
2020	3	2.7%	\$475	\$0	\$475	\$411
2021	1	2.7%	\$485	\$0	\$485	\$421

2.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$840 - \$880	\$0	\$840 - \$880	\$759 - \$799
2020	1	0.0%	\$940 - \$980	\$0	\$940 - \$980	\$859 - \$899
2020	3	7.0%	\$940 - \$980	\$0	\$940 - \$980	\$859 - \$899
2021	1	3.5%	\$940 - \$980	\$0	\$940 - \$980	\$859 - \$899

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$800	\$0	\$800	\$719
2020	1	0.0%	\$900	\$0	\$900	\$819
2020	3	5.9%	\$900	\$0	\$900	\$819
2021	1	5.9%	\$900	\$0	\$900	\$819

3.5BR / 2BA

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

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,380	\$0	\$1,380	\$1,279
2020	1	0.0%	\$1,380	\$0	\$1,380	\$1,279
2020	3	0.0%	\$1,380	\$0	\$1,380	\$1,279
2021	1	0.0%	\$1,380	\$0	\$1,380	\$1,279

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,680	\$0	\$1,680	\$1,554
2020	1	0.0%	\$1,680	\$0	\$1,680	\$1,554
2020	3	9.5%	\$1,680	\$0	\$1,680	\$1,554
2021	1	9.5%	\$1,680	\$0	\$1,680	\$1,554

Trend: Comments

- 3Q19 The property is typically 100 percent occupied. The property maintains a waiting list for the 2019-2020 school year, as the majority of the tenants are students. The contact reported all 10 households on the waiting list are waiting for one and two-bedroom units. Management estimated the property is 85 percent student tenancy. The property does not accept Housing Choice Vouchers. The contact reported strong demand for housing.
- 1Q20 The property maintains a waiting list for the 2020-2021 school year, as approximately 85 percent of tenants are students, though the contact confirmed rents are not offered by the bedroom. It should be noted rents for one-bedroom units are an additional \$100 per month for an additional occupant. The contact reported a lengthy waiting list but was unsure how many applicants it entails. Further, the property has already preleased 58 percent of units for the 2020 school year. There are currently two vacant one-bedroom units. It should be noted one-bedroom units do not have washer/dryers, and all units offer dishwashers except the smallest 340 square-foot one-bedroom units. No shuttle service is provided, the contact stated.
- The property does not accept Housing Choice Vouchers. The contact reported strong demand for housing in the area. Since our prior survey in August 2019, rents increased considerably for one- and two-bedroom units (\$35-\$120, or 8-19 percent), while rents for the three- and four-bedroom units have remained stable since our prior survey.
- 3Q20 The property maintains a waiting list for the 2020-2021 school year, as approximately 85 percent of tenants are students, though the contact confirmed rents are not offered by the bedroom. It should be noted rents for one-bedroom units are an additional \$100 per month for an additional occupant. Additionally, one-bedroom units do not offer in unit washers/dryers. The contact reported a lengthy waiting list but was unsure how many applicants it entails. No major COVID-19 related issues were reported and according to the contact, the school year appears to be starting and operating as normal at this point.
- 1Q21 The property tenancy is approximately 85 percent students, though the contact confirmed rents are not offered by the bedroom. It should be noted rents for one-bedroom units are an additional \$100 per month for an additional occupant. Additionally, one-bedroom units do not offer in unit washers/dryers. The contact reported a waiting list is typically started in the late spring for fall semester move ins. No major COVID-19 related issues were reported.

Photos



PROPERTY PROFILE REPORT

Highlands At Huckleberry Ridge

Effective Rent Date	2/01/2021
Location	535 Blackrock Drive Blacksburg, VA 24060 Montgomery County
Distance	10.5 miles
Units	388
Vacant Units	2
Vacancy Rate	0.5%
Type	Garden (2 stories)
Year Built/Renovated	2015 / 2019
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mix of local area households and many students at VT
Contact Name	Peyton
Phone	540-552-0826



Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Varies
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, 10-15HH

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	51	918	\$1,175	\$0	Market	Yes	0	0.0%	N/A	None
1.5	1	Garden (2 stories)	50	1,216	\$1,275	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	124	1,267	\$1,425	\$0	Market	Yes	1	0.8%	N/A	None
2.5	2	Garden (2 stories)	85	1,506	\$1,540	\$0	Market	Yes	1	1.2%	N/A	None
3	2	Garden (2 stories)	78	1,363	\$1,700	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,175	\$0	\$1,175	\$49	\$1,224
1.5BR / 1BA	\$1,275	\$0	\$1,275	\$49	\$1,324
2BR / 2BA	\$1,425	\$0	\$1,425	\$63	\$1,488
2.5BR / 2BA	\$1,540	\$0	\$1,540	\$63	\$1,603
3BR / 2BA	\$1,700	\$0	\$1,700	\$77	\$1,777

Highlands At Huckleberry Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage		
Off-Street Parking	On-Site Management		
Playground	Recreation Areas		
Swimming Pool			

Comments

The contact reported the property is typically at 100 percent occupancy with most turnover occurring during the summer months each year, especially in July. Demand is highest for the one-bedroom units. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and a large number of students, mostly graduate students.

Units do not offer a balcony/patio and instead all units include a separate sunroom. The units with extra half-bedroom's offer a loft space in addition to a sunroom. Garages are priced between \$130 to \$150 based on size.

Highlands At Huckleberry Ridge, continued

Trend Report

Vacancy Rates

3Q19	1Q20	3Q20	1Q21
0.0%	0.0%	2.6%	0.5%

Trend: Market

1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,205	\$0	\$1,205	\$1,254
2020	1	0.0%	\$1,275	\$0	\$1,275	\$1,324
2020	3	4.0%	\$1,275	\$0	\$1,275	\$1,324
2021	1	0.0%	\$1,275	\$0	\$1,275	\$1,324

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,100	\$0	\$1,100	\$1,149
2020	1	0.0%	\$1,175	\$0	\$1,175	\$1,224
2020	3	3.9%	\$1,175	\$0	\$1,175	\$1,224
2021	1	0.0%	\$1,175	\$0	\$1,175	\$1,224

2.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,324	\$0	\$1,324	\$1,387
2020	1	0.0%	\$1,465	\$0	\$1,465	\$1,528
2020	3	2.4%	\$1,465	\$0	\$1,465	\$1,528
2021	1	1.2%	\$1,540	\$0	\$1,540	\$1,603

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,235	\$0	\$1,235	\$1,298
2020	1	0.0%	\$1,350	\$0	\$1,350	\$1,413
2020	3	1.6%	\$1,350	\$0	\$1,350	\$1,413
2021	1	0.8%	\$1,425	\$0	\$1,425	\$1,488

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,499	\$0	\$1,499	\$1,576
2020	1	0.0%	\$1,625	\$0	\$1,625	\$1,702
2020	3	2.6%	\$1,625	\$0	\$1,625	\$1,702
2021	1	0.0%	\$1,700	\$0	\$1,700	\$1,777

Trend: Comments

- 3Q19 The contact reported the property is typically at 100 percent occupancy. The contact reported the first vacancy to come up will likely be in September. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and graduate students residing at the property. Garages are priced between \$120 to \$140 based on size.
- 1Q20 The contact reported the property is typically at 100 percent occupancy. The contact reported vacancies may appear in late February/mid-march, depending on demand and turnover. Demand is highest for the one-bedroom units. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and graduate students residing at the property.
- Units do not offer a balcony/patio and instead all units include a separate sunroom. The units with extra half-bedroom's offer a loft space in addition to a sunroom. Garages are priced between \$130 to \$150 based on size. The contact was unable to provide the total number of garages offered, although she indicated none are currently available and that a waitlist is maintained for garage spaces.
- This property completed the planned second phase of the property in Summer 2019 and now offers 388 total units. The same floor plans are offered for an additional \$50 premium in the new second phase. However, the contact was unable to breakout the unit mix to include the second phase. Thus, the asking rents and unit mix shown above are of the 247 units of 'phase I' It should be noted that the entire 388-unit property is fully occupied.
- 3Q20 The contact reported the property is typically at 100 percent occupancy with most turnover occurring during the summer months each year, especially in July. The contact stated all vacant units are preleased for August move ins and several units that are on notice are preleased as well. Demand is highest for the one-bedroom units. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and a large number of students, mostly graduate students.
- Units do not offer a balcony/patio and instead all units include a separate sunroom. The units with extra half-bedroom's offer a loft space in addition to a sunroom. Garages are priced between \$130 to \$150 based on size.
- 1Q21 The contact reported the property is typically at 100 percent occupancy with most turnover occurring during the summer months each year, especially in July. Demand is highest for the one-bedroom units. The property does not charge by the bedroom. The contact noted a mix of professionals, young families, and a large number of students, mostly graduate students.
- Units do not offer a balcony/patio and instead all units include a separate sunroom. The units with extra half-bedroom's offer a loft space in addition to a sunroom. Garages are priced between \$130 to \$150 based on size.

Photos



PROPERTY PROFILE REPORT

The Mill At Blacksburg

Effective Rent Date	2/01/2021
Location	1811 Grayland Street Blacksburg, VA 24060 Montgomery County
Distance	12.6 miles
Units	160
Vacant Units	1
Vacancy Rate	0.6%
Type	Garden (3 stories)
Year Built/Renovated	1968 / 2013
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mix of mostly students and some local area households
Contact Name	Roxie
Phone	540-552-4272



Market Information

Program	Market
Annual Turnover Rate	45%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	Increased 6%-8.75%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	53	535	\$880	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	54	780	\$1,004	\$0	Market	No	1	1.9%	N/A	None
3	1	Garden (3 stories)	53	1,025	\$1,305	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$880	\$0	\$880	\$0	\$880
2BR / 1BA	\$1,004	\$0	\$1,004	\$0	\$1,004
3BR / 1BA	\$1,305	\$0	\$1,305	\$0	\$1,305

The Mill At Blacksburg, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Coat Closet	Dishwasher		
Ceiling Fan	Microwave		
Oven	Refrigerator		
Wall A/C			
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	Hammock Park
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Recreation Areas	Swimming Pool		
Volleyball Court			

Comments

The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge by the bedroom. The majority of leases run from August through July each year.

Trend Report

Vacancy Rates

3Q19	1Q20	3Q20	1Q21
0.0%	0.0%	3.8%	0.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$799	\$0	\$799	\$799
2020	1	0.0%	\$830	\$0	\$830	\$830
2020	3	3.8%	\$830	\$0	\$830	\$830
2021	1	0.0%	\$880	\$0	\$880	\$880

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$870	\$0	\$870	\$870
2020	1	0.0%	\$930	\$0	\$930	\$930
2020	3	3.7%	\$930	\$0	\$930	\$930
2021	1	1.9%	\$1,004	\$0	\$1,004	\$1,004

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,095	\$0	\$1,095	\$1,095
2020	1	0.0%	\$1,200	\$0	\$1,200	\$1,200
2020	3	3.8%	\$1,200	\$0	\$1,200	\$1,200
2021	1	0.0%	\$1,305	\$0	\$1,305	\$1,305

Trend: Comments

3Q19	The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge by the bedroom. The majority of leases run from August through July.
1Q20	The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge by the bedroom. The contact stated the property will sometimes maintain a small waiting list if a specific unit is desired, and they have already fully preleased 100 percent of units for the 2020 school year. The majority of leases run from August through July. The property accepts Housing Choice Vouchers but no tenants are currently utilized them. The contact indicated the voucher payments do not typically cover the monthly rent. Dishwashers are only offered in the three-bedroom units. Since our prior survey in August 2019, rents increased \$31-\$105 per month, or 4-10 percent across all unit types.
3Q20	N/A
1Q21	The contact reported a mix of mostly students at Virginia Tech as well as some local area households. The property does not charge by the bedroom. The majority of leases run from August through July each year.

Photos



PROPERTY PROFILE REPORT

The Reserve At Knollwood

Effective Rent Date	2/01/2021
Location	2401 Pamela Way Blacksburg, VA 24060 Montgomery County
Distance	11.9 miles
Units	111
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2013 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Smith Landing, Highlands at Huckleberry
Tenant Characteristics	Medical/graduate students, undergraduate students, 75-80% students, professionals
Contact Name	Laura - CMG Management
Phone	540-961-0500



Market Information

Program	Market
Annual Turnover Rate	48%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased to 1 week.
Annual Chg. in Rent	Increased 1%
Concession	None
Waiting List	Yes, length not provided

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	691	\$1,175	\$0	Market	Yes	0	N/A	N/A	None
1	1	Garden (3 stories)	N/A	715	\$1,195	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,058	\$1,524	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,093	\$1,568	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,112	\$1,582	\$0	Market	Yes	0	N/A	N/A	None
3	3	Garden (3 stories)	N/A	1,206	\$2,048	\$0	Market	Yes	0	N/A	N/A	None
3	3	Garden (3 stories)	N/A	1,226	\$2,043	\$0	Market	Yes	0	N/A	N/A	HIGH

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,175 - \$1,195	\$0	\$1,175 - \$1,195	\$49	\$1,224 - \$1,244
2BR / 2BA	\$1,524 - \$1,582	\$0	\$1,524 - \$1,582	\$63	\$1,587 - \$1,645
3BR / 3BA	\$2,043 - \$2,048	\$0	\$2,043 - \$2,048	\$77	\$2,120 - \$2,125

The Reserve At Knollwood, continued

Amenities

In-Unit		Security	Services
Blinds	Cable/Satellite/Internet	None	None
Carpet/Hardwood	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Walk-In Closet	Washer/Dryer		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	Tanning Salon
Off-Street Parking	On-Site Management		
Recreation Areas	Swimming Pool		
Wi-Fi			

Comments

The contact stated limited impact related to COVID-19 and a high student tenancy has helped keep occupancy and rent collections high.

The Reserve At Knollwood, continued

Trend Report

Vacancy Rates

3Q19	1Q20	3Q20	1Q21
0.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	N/A	\$1,071 - \$1,087	\$0	\$1,071 - \$1,087	\$1,120 - \$1,136
2020	1	N/A	\$1,129 - \$1,175	\$0	\$1,129 - \$1,175	\$1,178 - \$1,224
2020	3	N/A	\$1,129 - \$1,175	\$0	\$1,129 - \$1,175	\$1,178 - \$1,224
2021	1	N/A	\$1,175 - \$1,195	\$0	\$1,175 - \$1,195	\$1,224 - \$1,244

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	N/A	\$1,379 - \$1,423	\$0	\$1,379 - \$1,423	\$1,442 - \$1,486
2020	1	N/A	\$1,480 - \$1,521	\$0	\$1,480 - \$1,521	\$1,543 - \$1,584
2020	3	N/A	\$1,465 - \$1,524	\$0	\$1,465 - \$1,524	\$1,528 - \$1,587
2021	1	N/A	\$1,524 - \$1,582	\$0	\$1,524 - \$1,582	\$1,587 - \$1,645

3BR / 3BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	N/A	\$1,767 - \$1,817	\$0	\$1,767 - \$1,817	\$1,844 - \$1,894
2020	1	N/A	\$1,997 - \$2,029	\$0	\$1,997 - \$2,029	\$2,074 - \$2,106
2020	3	N/A	\$1,997 - \$2,043	\$0	\$1,997 - \$2,043	\$2,074 - \$2,120
2021	1	N/A	\$2,043 - \$2,048	\$0	\$2,043 - \$2,048	\$2,120 - \$2,125

Trend: Comments

3Q19	This property was FKA Knollwood Reserve. The property is typically 100 percent occupied. The contact reported many graduate students, specifically medical students at Virginia Tech are tenants. Management estimated the property is 75 to 80 percent student including graduate and undergraduate students. The contact reported strong demand for housing. Management attributed the strong performance of the property to the growth of Virginia Tech.
1Q20	This property was FKA Knollwood Reserve. The property is typically 100 percent occupied. The contact was unable to provide a unit mix breakout by unit type. The contact stated the property does maintain a waiting list unknown in length; though, they have already preleased 82 percent of units for the 2020 fall semester. The contact reported many graduate students, specifically medical students at Virginia Tech are tenants. Management estimated the property is 75 to 80 percent students, including graduate and undergraduate students. The contact reported strong demand for housing, attributing the strong performance of the property with the growth of Virginia Tech. Rent ranges shown in the profile depend on unit location, being an end unit or not. All units provide washer/dryer appliances. Further, the contact confirmed that internet service/Wi-Fi is provided for all units and is included in rent. Wi-Fi access is also available in common areas at this property. It should be noted that The Reserve at Knollwood is a sister property of Cedarfield Apartments, both managed by CMG Management.
3Q20	The contact stated there is some turnover expected at the end of July but all those units are already preleased for August move ins. She noted this is typically the busiest time of year during the next month as students return to the area for the school year. Despite the ongoing COVID-19 pandemic, the contact stated the school year is expected to start as it normally would.
1Q21	The contact stated limited impact related to COVID-19 and a high student tenancy has helped keep occupancy and rent collections high.

Photos

