



REAL PROPERTY **RESEARCH** GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Market Feasibility Analysis

The Coves at Monticello

Fluvanna County, Virginia

Prepared for:

Seven Development

Site Inspection: November 20, 2020

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EXECUTIVE SUMMARY

Real Property Research Group, Inc. (RPRG) has been retained by Seven Development to conduct a market feasibility study for the proposed development of The Coves at Monticello, a Low Income Housing Tax Credit (LIHTC) multi-family rental community to be located in an unincorporated portion of Fluvanna County near Lake Monticello. The rental community will include 124 garden style apartments and associated community amenities. The subject site is the initial phase of Colonial Circle Residential Planned Community, a 62-acre site with both residential and commercial uses. The mixed-use community is envisioned to include both residential and commercial components. Upon completion, the Colonial Circle planned community has the potential for up to 325 residential units, including single-family detached homes, townhomes and multifamily apartments, as well as 81,000 square feet of commercial space.

The subject's 1248 rental units will be income-restricted in accordance with the Department of Housing and Urban Development's 2020 median household income for the Charlottesville, VA HUD Metro FMR Area (Table 1). All units will be targeted to households earning no more than 50, 60, or 70 percent of Area Median Income (AMI).

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

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

AMI Level	Units	# Bed	# Bath	Published Sq Ft	Rent/Sq		Utility	
					Net Rent [^]	Ft	Allowance	Gross Rent
50%	32	2	2	1,008	\$925	\$0.92	\$111	\$1,036
60%	32	2	2	1,008	\$1,136	\$1.13	\$111	\$1,247
70%	28	2	2	1,008	\$1,348	\$1.34	\$111	\$1,459
Subtotal/Avg	92							
50%	10	3	2	1,189	\$1,025	\$0.86	\$128	\$1,153
60%	12	3	2	1,189	\$1,260	\$1.06	\$128	\$1,388
70%	10	3	2	1,189	\$1,504	\$1.26	\$128	\$1,632
Subtotal/Avg	32							
Total	124							

([^]) Net rent includes only trash removal

Source: Seven Development

Based on our research, including a site visit on November 20, 2020 we arrived at the following findings:

Site: The subject is strategically located at the intersection of Thomas Jefferson Parkway (VA-53) and Lake Monticello Road (VA-618), both well-known arterials in the region.

- The subject is the first phase of the Colonial Heights development. Upon completion, the Colonial Circle planned community has the potential for up to 325 residential units, including single-family detached homes, townhomes and multifamily apartments, as well as 81,000 square feet of commercial space, which will further enhance the desirability of the site.



- The exurban site offers residents attractive wooded surroundings and other natural amenities including proximity to Lake Monticello. That said, residents also have convenient access to retail and services. A full-service grocery store and pharmacy are located two miles from the site.
- Residents will also have immediate access to commuter bus service to Charlottesville.
- Fluvanna County public schools are well-regarded in the region and will be attractive to local families.

Economic Analysis: Fluvanna County’s economy is small, but relatively well diversified. Unemployment rates are consistently less than both the state and nation.

- At-Place Employment gained approximately 2,900 jobs since 2008, an increase of four percent.
- The most recent annual average unemployment rate as of 2019 stood at 2.3 percent in Fluvanna County compared to the statewide average of 2.8 percent and the national rate of 3.7 percent. Unemployment rates in all three areas are well below the 2010 peaks of 6.3 percent for the county, 7.1 percent for the state and 9.6 percent for the nation.
- At the onset of the pandemic in April 2020, unemployment rates spiked at 9.0 percent in tandem with the state (10.8 percent) and nation (14.7 percent). As of September 2020, rates fell significantly reaching 4.8 percent in the county, 6.0 percent in the state, and 7.9 percent in the nation.
- Construction is Fluvanna County’s largest economic sector, representing roughly 19 percent of the county’s total At-Place Employment, compared to five percent of jobs nationally. In addition to Construction, Fluvanna County also has a larger percentage of jobs in the Education-Health, Other, Professional-Business, and Natural Resources-Mining sectors compared to the nation.
- Six of the eleven economic sectors added jobs in the county from 2011 to first quarter 2020 including 80 percent growth in Manufacturing, 45 percent growth in Financial Activities, and 28 percent growth in Government.

Demographic Analysis: The Coves at Monticello Market Area’s demographics reflect its more rural orientation with an older household base, fewer single person households than in the Bi-County Market Area and a lower propensity to rent.

- The Coves at Monticello Market Area expanded by 9,471 persons and 3,642 households from 2000 to 2010, experiencing growth rates of 29.2 percent and 29.9 percent, respectively. Growth rates in the Coves at Monticello Market Area and Bi-County Market Area have slowed relative to the past census trends but have remained positive. The Coves at Monticello Market Area is estimated to have added 5,030 persons, or an average annual growth rate of 1.1 percent between 2010 and 2020, while the household base grew by 2,050 households, reflecting 1.2 percent annual growth. Esri further projects that the market area’s household base will increase by 189 persons or 1.0 percent annually between 2020 and 2025.
- The market area is a middle-aged community with a median age of 39 years; the largest age cohort is adults age 35 to 61 years with a 36 percent share. Roughly one-third (32 percent) of all households in the market area had children, higher than the 31 percent of households in the Bi-County Market Area. Single-person households comprised 23 percent



of all households in the market area, compared to 27 percent of households in the Bi-County Market Area.

- One- and two-person households account for 61 percent of all renters. Approximately 22 percent of renter households in the market area are larger households of four persons or more.
- As of 2020 had a relatively low renter percentage of 29.4 percent, lower than the Bi-County Market Area's renter percentage of 35.6 percent. Esri projects renter households will comprise 31.6 percent of net household growth over the next five years, resulting in a rentership rate of 29.5 percent in 2025.
- Households in the market area have a 2020 median household income of \$71,470, nine percent lower than the median income of \$78,473 in the region. The median income for renters is \$51,928, 65 percent of the median homeowner income of \$80,261. Roughly 36 percent of rental households earn between \$35,000 and \$74,999, (the target income range for future tenants at the subject).

Competitive Housing Analysis: Based on waiting lists reported at income restricted rental communities and low vacancy rates in the market rate rental market, the affordable rental market in the Coves at Monticello Market Area is tight, pointing to its ability to support the proposed subject apartments.

- The Upper Tier one-bedroom net rent averages \$1,330; the two-bedroom average net rent is \$1,536, and the three-bedroom net rent averages \$1,736. Average per square foot rents for Upper Tier units in the Coves at Monticello Market Area are \$1.52 for one-bedroom units; \$1.30 for two-bedroom units; and \$1.22 for three-bedroom units. Upper Tier rents enjoy a rent premium of 31 to 62 percent relative to Balance of Market rents.
- At the two LIHTC communities in this market area, the two-bedroom average net rent is \$1,024 and the three-bedroom net rent averages \$1,201. Average per square foot rents are \$0.99 for both two- and three-bedroom units.
- Income-restricted affordable rental units in the Coves at Monticello Market Area account for only 12 percent of the surveyed multifamily stock and both operate under LIHTC guidelines.
- The current combined vacancy rate across the seven surveyed rental communities inside the market area is 1.7 percent with 26 available units. The vacancy rate in the income restricted rental supply is lower at 1.1 with waiting lists for at least one floorplan at each community. These rates indicate a tight affordable rental market.
- RPRG identified one long term pipeline community, but none likely to deliver in the next three years.
- **Net Demand:** Both demand models estimates (pre and post COVID) indicate a marketplace with excess demand ranging from 125 units to 162 units. Moreover, given that the subject is addressing the affordable niche of the market, the impact on the existing supply should be minimal with the subject poised to bring high quality rental housing to a county where none exists.

It should be noted that the subject property is still in the development phase and will not be placed in service until mid-2023. While many believe the economy will resemble Pre-COVID conditions and growth within this timeframe, net demand for housing is measured over the next three years. We expect any COVID-19 impact to total housing demand to be deeper during the near term of the three-year period, with its effect moderating by the end of the Net



Demand period. The alternate demand model presented here is one potential outcome based on RPRG's analysis of data available at the time of market study completion and national data and analysis regarding the potential impact of the COVID-19 related economic slowdown. This sensitivity analysis indicates minimal impact on demand related to a COVID-19 induced slowdown.

- **Effective Demand – Affordability/Capture and Penetration:** RPRG judges that the tax credit renter capture rate of 7.7 percent is achievable, particularly given the lack of nearby rental communities. The relatively high capture rate for is a function of the limited moderate-income households in this market due to the scarce inventory of affordable apartments. RPRG considers the calculated penetration rate for the tax credit units of 18.0 percent of income-restricted renter households illustrative of the lack of affordable housing within the Coves at Monticello Market Area, further backed up with the fact that 31 percent of renter households in the market are paying more than 35 percent of income on gross rent. In essence, our analysis suggests that the most directly competitive rental units will need to capture one out of every five income-qualified renter households. The capture and, more importantly, the penetration rates demonstrate the need for affordable housing in this market.
- **VHDA Demand Methodology:** RPRG considers the key capture rates for The Coves at Monticello to be achievable since there is a limited pool of qualified renters in this upper middle income market area (renter median income of \$51,928). The renter capture rate for all units is 21.8 percent. Both LIHTC properties are almost fully leased and both maintain waitlists for at least one floorplan. While complete lease up information is not available, the newest property, Brookdale, leased 68 of its 96 units within five months for an average absorption pace of 14 units per month. Taking into consideration all of these factors, we have conservatively estimated an overall project lease up pace of roughly 12 units per month or ten months to achieve 95 percent occupancy. It is likely given the high unemployment and reduced income among more moderate-income households as a result of the COVID-19 Pandemic that demand for affordable housing will be more pronounced over the coming years.
- **Target Market:** The subject's income-restricted units would serve households with incomes between \$35,520 and \$68,390. This broad range of income targeting will allow individuals working in service sectors such as retail, leisure, and hospitality to live in the subject. "Workforce housing" targets would also qualify including local public servants such as firefighters, police officers, and teachers; and early career workers in the professional-business, financial activities, information, and health sectors. With two- and three-bedroom units, the proposed community would have the capacity to married and unmarried couples, roommate households, and single- and dual-parent families with as many as four children.

Considered in the context of the competitive environment, the relative position of the proposed The Coves at Monticello is as follows:

- **Structure Type:** Both of the surveyed tax credit communities are exclusively garden style structures like the subject.
- **Unit Distribution:** Seventy four percent of the subject (92) are two bedroom units and 26 percent (32) are three-bedroom units of units. The distribution for affordable units in this market includes 12 percent one-bedroom units, 35 percent two-bedroom units, and 53 percent three-bedroom units. The absence of one-bedroom units at the subject is appropriate given that families are a common target among affordable housing communities. We believe that the proposed unit distribution is reasonable within the context of the directly competitive rental supply.



- **Unit Size:** The proposed unit sizes for The Coves at Monticello are 1,008 square feet for two-bedroom units and 1,189 square feet for three-bedroom units. The two-bedroom units are smaller than the market wide average of 1,109, but comparable to the tax credit average size of 1,037. The three-bedroom units are smaller than the market wide average of 1,316, but comparable to the tax credit average size of 1,214.
- **Kitchen Features:** All unit kitchens at The Coves at Monticello will include features competitive with tax credit communities including black or white appliances, dishwashers, and laminate counters. Only one of the other tax credit communities offers a microwave and subject's inclusion of this appliance is a competitive advantage.
- **Laundry:** The Developer intends to equip all units at The Coves at Monticello with washers and dryers, which is standard in one of the tax credit communities (and all of the market rate communities), but not offered at the other tax credit community.
- **Other Unit Features:** Units at The Coves at Monticello will have carpeted bedrooms and living areas and vinyl plank flooring in the kitchen, hallway and bath that is also standard among tax credit communities in the market area.
- **Common Area Amenities:** Common area amenities will include a furnished clubroom with on-site management office and fitness center as well as a playground. These amenities are appropriate and comparable to those provided at the affordable inventory.
- **Parking:** The subject will provide free surface parking that is comparable to parking options offered at other tax credit communities.

Price Position/Rents: The tax credit rents proposed by the Developer for The Coves at Monticello are appropriate, comparing favorably to other tax credit communities and offering a substantial discount relative to market rate communities. The subject's two-bedroom unit at 50 percent AMI is priced comparable to Timberland Park for a unit that is similar in size. Two-bedroom units at 60 percent AMI are priced comparable to those at Brookdale for a unit that is similar in size.

Three-bedroom units at 50 percent AMI are priced and sized comparable to Timberland Park. The subject's three-bedroom units at 60 percent AMI are priced comparable to those at Timberland Park for a similarly sized unit; meanwhile the subject's units are priced four percent less than Brookdale. All tax credit units are priced less than any of the market rate communities, including the subject's 70 percent AMI units.

Absorption Estimate and Conclusions: Based on the low vacancies reported in RPRG's survey of both the market rate and income-restricted general occupancy rental communities, the rental market in the Coves at Monticello Market Area demonstrates the ability to support the proposed subject apartments. The stabilized vacancy rate is low at 1.7 percent; the income-restricted vacancy rate is even lower at 1.1 percent.

The demand model estimates (pre and post COVID) indicate a marketplace with pent up demand for all types of rental housing. As a result, we believe when the subject opens in mid-2023 (post COVID-19 impacts), The Coves at Monticello should be able to effectively compete. The subject site is located in pleasant, wooded setting with convenient access to shopping and high-quality public schools.

RPRG considers the key capture rates for The Coves at Monticello to be achievable given limited supply of units addressing this income cohort. Both existing LIHTC properties are almost fully leased and both maintain waitlists for at least one floorplan. While complete lease up information is not available, the newest property, Brookdale, leased 68 of its 96 units within five months for an average absorption pace of 14 units per month. Taking into consideration all of these factors, we have conservatively estimated an overall project lease up pace of roughly 12 units per month or



ten months to achieve 95 percent occupancy. It is likely given the high unemployment and reduced income among more moderate income households as a result of the COVID-19 Pandemic that demand for affordable housing will be more pronounced over the coming years.

We have assumed that any short term impacts caused by the COVID-19 pandemic should hopefully be resolved by the time the subject opens in mid-2023. However, With the advent of a national emergency caused by the spread of COVID-19 and resulting economic shutdown, conclusions derived from an otherwise positive report should be carefully evaluated as time goes on.

In summary, RPRG recommends the development of the subject as an attractive and needed component of the region's affordable housing inventory.

Impact on Existing Market: RPRG does not anticipate that the subject will have an adverse impact on the existing rental market. The overall vacancy rate for the income-restricted rental communities within the market area is very low at 1.1 percent and overall vacancies are low. The subject's capture rate and penetration rates are reasonable, especially given the fact that there are limited moderate income households in this desirable area due to the limited supply of affordable housing options. The capture rate is reflective of a limited pool of market area lower income households rather than any weakness in demand.



I. INTRODUCTION

A. Overview of Subject

The subject of this report is the proposed development of The Coves at Monticello, a Low Income Housing Tax Credit (LIHTC) multi-family rental community to be located in an unincorporated portion of Fluvanna County near Lake Monticello. The rental community will include 124 garden style apartments and associated community amenities. The subject site is the initial phase of Colonial Circle Residential Planned Community, a 62-acre site with both residential and commercial uses. The mixed-use community is envisioned to include both residential and commercial components. Upon completion, the Colonial Circle planned community has the potential for up to 325 residential units, including single-family detached homes, townhomes and multifamily apartments, as well as 81,000 square feet of commercial space.

The 124 rental units at The Coves at Monticello will be income-restricted in accordance with the Department of Housing and Urban Development's 2020 median household income for the Charlottesville, VA HUD Metro FMR Area (Table 1). All units will be targeted to households earning 50, 60, or 70 percent of Area Median Income (AMI).

B. Purpose

The purpose of this study is to perform a market feasibility report and analysis. This report examines the subject site, the economic context of the jurisdiction in which the site is located, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of net demand and effective demand (affordability/penetration analyses).

C. Format of Report

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

D. Client, Intended User, and Intended Use

Seven Development is Real Property Research Group's (RPRG's) Client for this market study. Along with the Client, the Intended Users are representatives of VHDA, and potential investors. This report is intended to be submitted to VHDA as part of an application for four percent tax credits in 2020.



Table 1 HUD Rent & Income Limits

HUD 2020 Median Household Income										
Charlottesville, VA HUD Metro FMR Area		\$93,900								
Very Low Income for 4 Person Household		\$46,950								
2020 Computed Area Median Gross Income		\$93,900								
Utility Allowance:										
		2 Bedroom		\$111						
		3 Bedroom		\$128						
Household Income Limits by Household Size:										
Household Size	30%	40%	50%	60%	70%	80%	120%	150%	200%	
1 Person	\$19,740	\$26,320	\$32,900	\$39,480	\$46,060	\$52,640	\$78,960	\$98,700	\$131,600	
2 Persons	\$22,560	\$30,080	\$37,600	\$45,120	\$52,640	\$60,160	\$90,240	\$112,800	\$150,400	
3 Persons	\$25,380	\$33,840	\$42,300	\$50,760	\$59,220	\$67,680	\$101,520	\$126,900	\$169,200	
4 Persons	\$28,170	\$37,560	\$46,950	\$56,340	\$65,730	\$75,120	\$112,680	\$140,850	\$187,800	
5 Persons	\$30,450	\$40,600	\$50,750	\$60,900	\$71,050	\$81,200	\$121,800	\$152,250	\$203,000	
6 Persons	\$32,700	\$43,600	\$54,500	\$65,400	\$76,300	\$87,200	\$130,800	\$163,500	\$218,000	
Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):										
Persons	# Bed-rooms	30%	40%	50%	60%	70%	80%	120%	150%	200%
1	0	\$19,740	\$26,320	\$32,900	\$39,480	\$46,060	\$52,640	\$78,960	\$98,700	\$131,600
1.5	1	\$21,150	\$28,200	\$35,250	\$42,300	\$49,350	\$56,400	\$84,600	\$105,750	\$141,000
3	2	\$25,380	\$33,840	\$42,300	\$50,760	\$59,220	\$67,680	\$101,520	\$126,900	\$169,200
4.5	3	\$29,310	\$39,080	\$48,850	\$58,620	\$68,390	\$78,160	\$117,240	\$146,550	\$195,400
6	4	\$32,700	\$43,600	\$54,500	\$65,400	\$76,300	\$87,200	\$130,800	\$163,500	\$218,000
LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom):										
# Persons	30%		40%		50%		60%		70%	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2 Bedroom	\$634	\$523	\$846	\$735	\$1,057	\$946	\$1,269	\$1,158	\$1,480	\$1,369
3 Bedroom	\$732	\$604	\$977	\$849	\$1,221	\$1,093	\$1,465	\$1,337	\$1,709	\$1,581

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

E. Applicable Requirements

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

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

F. Scope of Work

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

- Please refer to Appendix 4 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Nicole Mathison, Senior Analyst for Real Property Research Group, Inc., conducted a visit to the subject site, its immediate neighborhood, and wider primary market area on November 20, 2020.
- RPRG gathered primary information through field and phone interviews with rental community leasing agents and property managers. As part of our housing market research, RPRG



corresponded with planning staff in Fluvanna and Albemarle Counties. We reviewed local business and development websites and talked to local developers and management agents. We also reviewed the Virginia Housing Development Authority website. Finally, we conducted a survey of rental communities in November 2020.

- All information obtained is incorporated in the appropriate section(s) of this report.

G. Report Limitations

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

H. Other Pertinent Remarks

This market study was completed based on data collected in November and December 2020 during the national COVID-19 pandemic. Specific data on the recent and potential economic and demographic ramifications are not available at this time as projections were developed prior to the onset of the pandemic. This market study will comment on the potential impact of the evolving situation including a sensitivity analysis relating to Net Demand.



II. PROJECT DESCRIPTION

A. Project Overview

The Coves at Monticello is a proposed Low Income Housing Tax Credit (LIHTC) multifamily rental community to be located in an unincorporated portion of Fluvanna County near Lake Monticello. The rental community will include 124 garden style apartments and associated community amenities. The subject site is the initial phase of Colonial Circle Residential Planned Community, a 62-acre site with both residential and commercial uses. The mixed-use community is envisioned to include both residential and commercial components. Upon completion, the Colonial Circle planned community has the potential for up to 325 residential units, including single-family detached homes, townhomes and multifamily apartments, as well as 81,000 square feet of commercial space (Figure 1).

B. Project Type and Target Market

The Coves at Monticello will be a general occupancy multifamily rental complex that will target moderate-income renter households. These units will restrict occupancy to households with incomes at or below 50, 60, or 70 percent of the area median income (AMI) for the Charlottesville, VA HUD Metro FMR Area as adjusted for household size. With a unit mix of two- and three-bedroom units, the community will target a range of renter households, including couples, roommates, and families with as many as four to five persons.

C. Building Types and Placement

The Coves at Monticello will consist of three-level garden style structures and a clubhouse. Surface parking will be scattered throughout the site (Block D in Figure 1).

D. Detailed Project Description

1. Project Description

The Coves at Monticello will include a total of 124 two- and three-bedroom units. Overall, two-bedroom units comprise 74 percent of units (92) and three-bedroom units comprise 26 percent of units (32) (Table 2).



Figure 1 Preliminary Site Plan

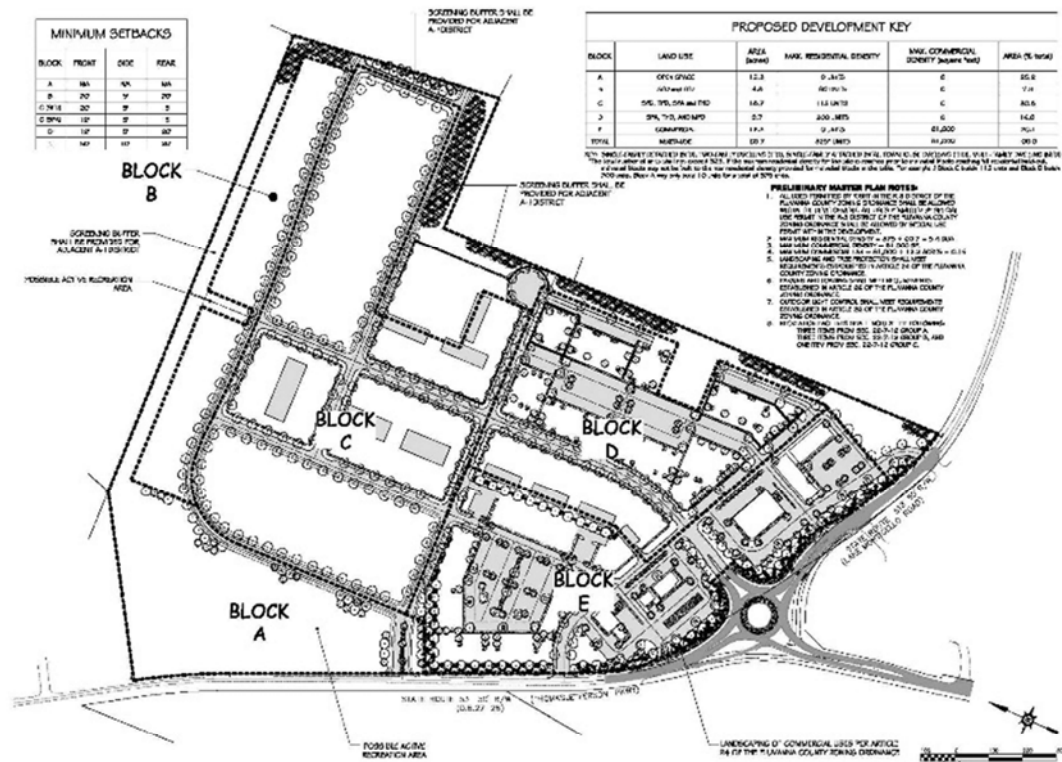


Table 2 Proposed Unit Mix

AMI Level	Units	# Bed	# Bath	Published Sq Ft	Net Rent [^]	Rent/Sq Ft	Utility Allowance	Gross Rent
50%	32	2	2	1,008	\$925	\$0.92	\$111	\$1,036
60%	32	2	2	1,008	\$1,136	\$1.13	\$111	\$1,247
70%	28	2	2	1,008	\$1,348	\$1.34	\$111	\$1,459
Subtotal/Avg	92							
50%	10	3	2	1,189	\$1,025	\$0.86	\$128	\$1,153
60%	12	3	2	1,189	\$1,260	\$1.06	\$128	\$1,388
70%	10	3	2	1,189	\$1,504	\$1.26	\$128	\$1,632
Subtotal/Avg	32							
Total	124							

([^]) Net rent includes only trash removal

Source: Seven Development

The proposed units will have two full bathrooms. The two-bedroom units will average 1,008 square feet; and the three-bedroom units will average 1,189 square feet. The monthly net rents at The Coves at Monticello will not include any utilities except trash removal. General electricity, electric-fueled hot water, cooking, heating, and cooling, and water/ sewer will be the direct responsibility of future tenants. The proposed utility allowances as provided by the developer are as follows:



\$111 for two-bedrooms and \$128 for three-bedrooms. The site will include unrestricted surface parking.

All units at The Coves at Monticello will be equipped with black appliances including electric range, refrigerator, dishwasher, and microwave (Table 3). Counter tops will be laminate. The apartments will also feature in unit washer-dryers, walk-in closets, plank vinyl floors in living areas and carpet in bedrooms. Common area amenities will include a furnished clubroom with on-site management office and fitness center as well a playground.

Table 3 Salient Project Information, The Coves at Monticello

Unit Features	Community Amenities
<ul style="list-style-type: none"> • High ceilings with ceiling fans in each bedroom and living room • Black refrigerator, range, dishwasher, and microwave • Laminate countertops • Washer/dryer • Plank flooring in kitchen and living areas with carpet in bedrooms 	<ul style="list-style-type: none"> • Clubhouse with community gathering area, fitness center, and leasing office • Playground

Source: Seven Development

2. Proposed Timing of Development

The Developer intends to begin construction in fall 2021. The initial residents will move in during spring 2023 with completion of all construction in summer 2023.

III. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The parcel lies northeast of the Thomas Jefferson Parkway (VA-53) and Lake Monticello Road (VA-618) traffic circle. The subject site is located near Lake Monticello in an unincorporated area of Fluvanna County (Map 1). The site is located roughly nine miles north of Palmyra, county seat for Fluvanna County, and approximately 15 miles southeast of downtown Charlottesville.

2. Size, Shape and Topography

The subject acreage is approximately 6.4 acres and is irregular in shape. Topography could not be ascertained due to tree coverage.

3. Existing Uses

The site is currently forested land (Figure 2). Most of the site and surrounding property is wooded, affording a pleasant parklike environment.

Map 1 Site Location

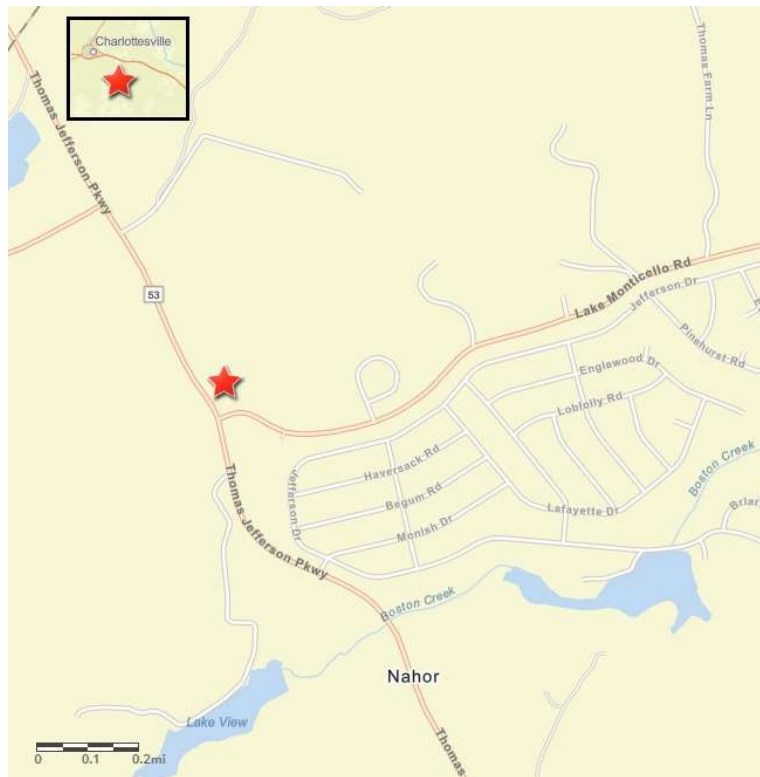


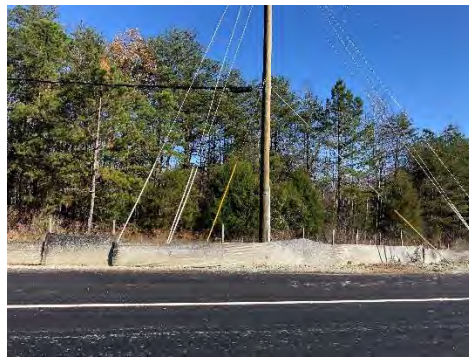
Figure 2 Views of Subject Site



View facing northwest from SW corner of site



Entrance to site



Western portion of site

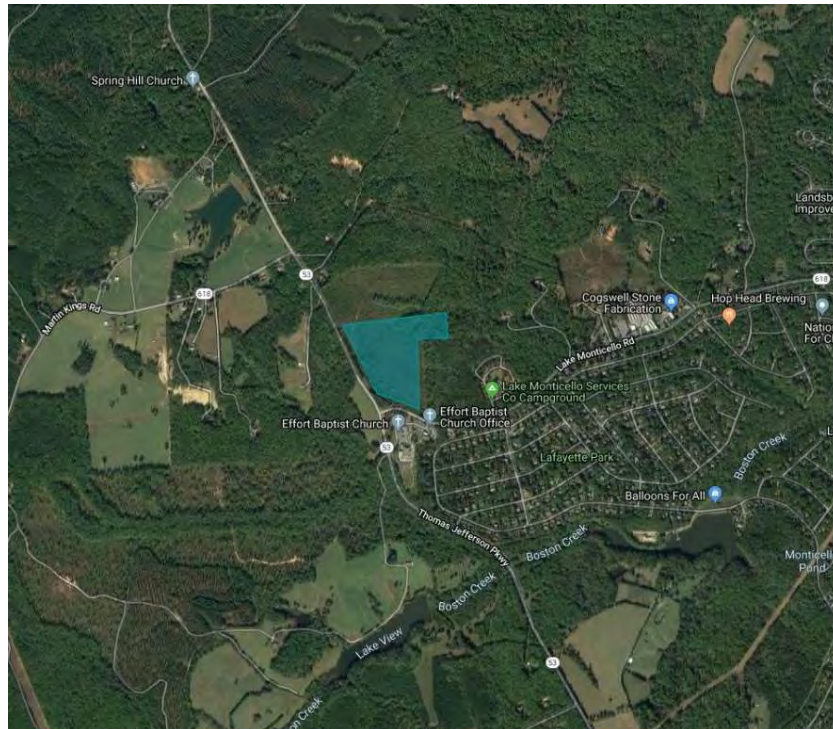


Northern portion of site

4. General Description of Land Uses Surrounding the Subject Site

The subject is located along a relatively undeveloped expanse of Thomas Jefferson Parkway with the area to the north and west consisting largely of forested land. East of the site is also wooded, but it is also home to a small campground. The local neighborhood is dominated by Lake Monticello, a private, gated community located south of the subject site on the other side of Lake Monticello Road. Southwest of the site is a church and its small associated school. Effort Christian School offers a complete academic curriculum for students from kindergarten through 5th grade.

Figure 3 Aerial View of The Coves at Monticello



5. Specific Land Uses Surrounding the Subject Site

Surrounding land uses include institutional and recreational uses (Figure 4):

- **North:** Single family home fronting Thomas Jefferson Parkway; forested land
- **East:** Forested land and campgrounds
- **South:** Lake Monticello gated residential community
- **Southwest:** Effort Baptist Church and School
- **West:** Forested land

Figure 4 Views of Surrounding Land Uses



Traffic circle south of site



Church and school located south of site



Campground east of site



Home northwest of site

B. Neighborhood Analysis

As noted earlier, the subject is the first phase of the Colonial Circle Residential Planned Community, a 62-acre site with both residential and commercial uses. Upon completion, the Colonial Circle planned community has the potential for up to 325 residential units, including single-family detached homes, townhomes and multifamily apartments, as well as 81,000 square feet of commercial space.

The local neighborhood is currently dominated by Lake Monticello, a private, gated community located to the east of the subject site. This gated community began development in the late 1960s and now includes approximately 4,200 homes as well as recreational amenities. While initially marketed as a retirement or second home community for residents of Charlottesville, the community has grown in its appeal to younger families over the past several decades due to its relatively affordable housing in comparison to housing closer to Charlottesville. The nearby Lake Monticello community includes a 350+/- acre lake for boating and fishing, five beaches, pool, golf course (open to the public), clubhouse as well as tennis and basketball courts. Over time, development inside the Lake Monticello community has slowed due to the dwindling supply of residential lots, while development outside the gated community has increased and gained in popularity. In fact, Ryan is constructing homes in the area with pricing for ranch style homes starting at 259,990 and townhomes from \$229,990.



C. Site Visibility and Accessibility

1. Visibility

Entry to the subject will be from a newly constructed road off the north side of the Thomas Jefferson Parkway (VA-53) and Lake Monticello Road (VA-618) traffic circle. Both roads are two-lane arterials. Thomas Jefferson Parkway has a daily traffic count of 7,000 vehicles while Lake Monticello Road has a daily traffic count of 3,300 vehicles.

2. Vehicular Access

Entry to the subject will be from a newly constructed road off the north side of the Thomas Jefferson Parkway (VA-53) and Lake Monticello Road (VA-618) traffic circle. The site is eight miles from US-15 which travels north to Zion Crossroads. The site is 10 miles from Interstate 64 which travels west to Charlottesville and east to Richmond. All of the roads around Lake Monticello are two-lane roads which are relatively lightly traveled except for peak commuting times. Because of the rural nature of the community, sidewalks are not generally available.

3. Availability of Public Transit

Fixed route bus service is provided by JAUNT, a regional public transportation system servicing Albemarle, Fluvanna, Louisa, Nelson, Buckingham, and Amherst Counties, as well as Charlottesville. The nearest stop is across from the site at Effort Baptist Church. This route provides morning service to Charlottesville and return service in the evening.

4. Availability of Inter Regional Transit

The closest Amtrak station is located 13.3 miles northwest of the site. The station is served by the Cardinal, Crescent and Northeast Regional lines with service to all major East Coast cities. Amtrak Virginia Thruway buses also provide connecting service to Richmond and other destinations. The Greyhound Bus terminal is also located close to the Amtrak station. The local Charlottesville-Albemarle County Airport is located 21 miles to the northwest.

5. Accessibility Improvements under Construction and Planned

According to the State of Virginia DOT's Six Year Improvement Program (SYIP) for Fluvanna County, there are no major construction projects that would impact access to the site beyond the recently completed roundabout south of the site.

6. Pedestrian Access

Presumably, some pedestrian access to the site will be installed during construction. Currently, there are no sidewalks along this area as it is still undeveloped.

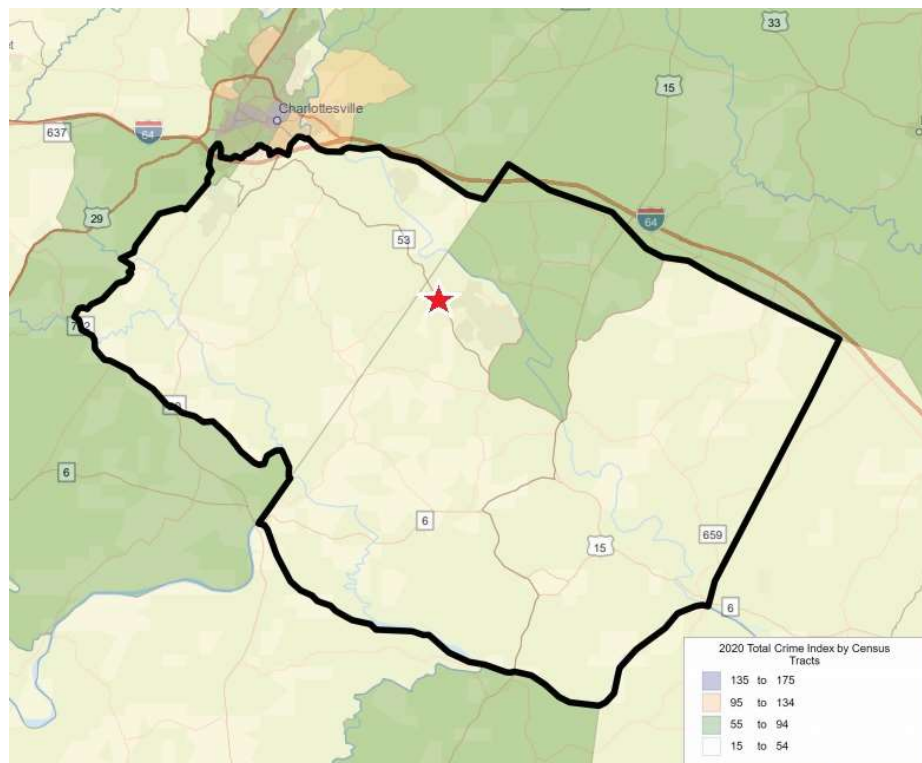
D. Public Safety

To gauge the topic of crime in the vicinity of the subject site, RPRG considered CrimeRisk data provided by Applied Geographic Solutions (AGS). CrimeRisk is an index that measures the relative risk of crime compared to a national average at the narrow geographic level of U.S. Census block groups. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the Federal Bureau of Investigations (FBI) under the Uniform Crime Reporting (UCR) program. The UCR program tracks violent crimes (murder, forcible rape, robbery, and aggravated assault) and property crimes (burglary, larceny-theft, auto theft, and arson).

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

Map 2 displays the 2020 CrimeRisk index for the block groups near the subject site. The relative risk is displayed in gradations from light beige (least risk) to deep purple (most risk). The block groups that contain the subject site and immediately adjacent parcels are shaded light beige, indicative of an overall low level of crime as could be expected in a rural environment like this one.

Map 2 Total Crime Index by Block Group



E. Residential Support Network

1. Key Facilities and Services near the Subject Site

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



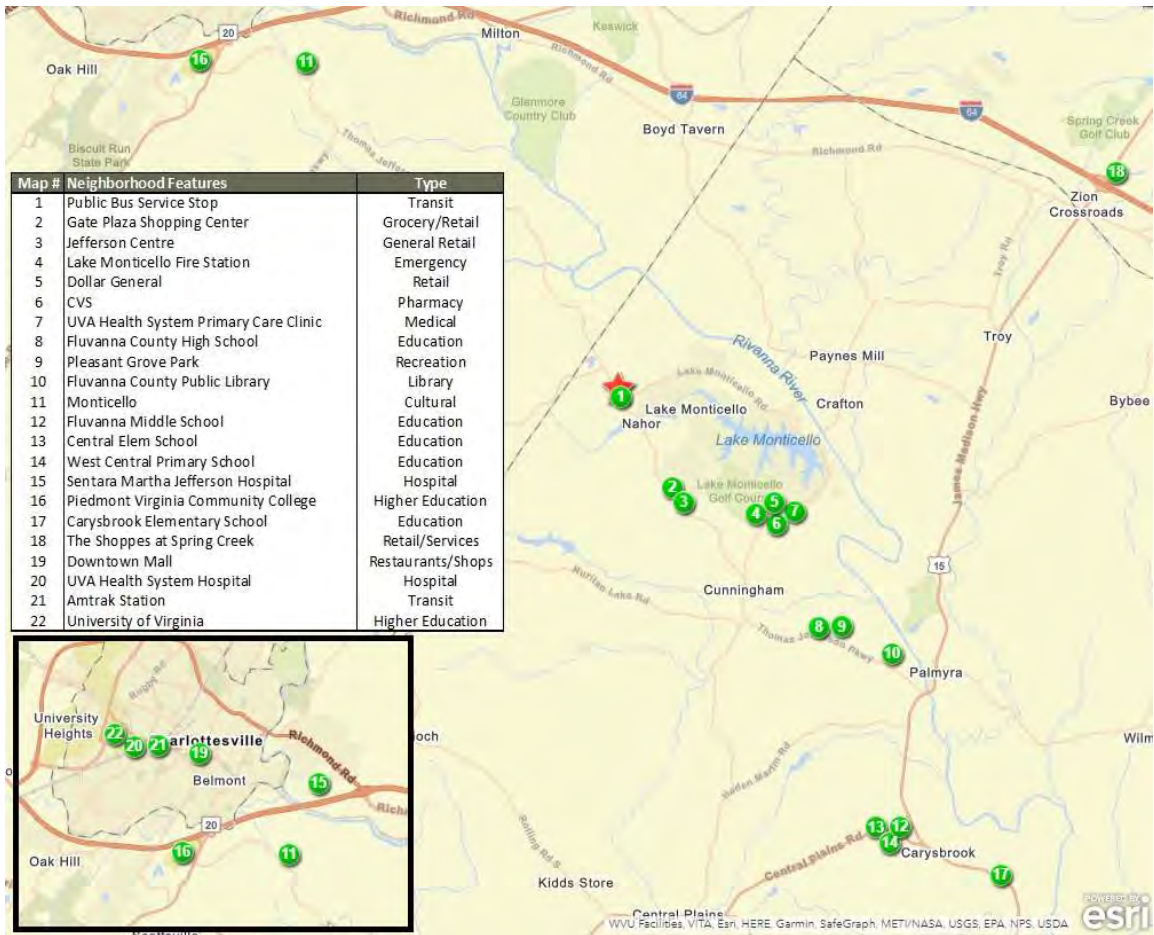
Table 4 Key Facilities and Services Near Subject Site

Establishment	Type	Address	Distance (miles)
Public Bus Service Stop	Transit	7820 Thomas Jefferson Pkwy	0.2
Gate Plaza Shopping Center (Food Lion, Jefferson Pharmacy, bank, dry cleaners, hair salon, pet store, insurance agent, chiropractor, dining, etc.)	Grocery/Retail	264 Turkeysag Trail	2.0
Jefferson Centre (Goodwill, mattress store, nail salon, ABC store, cell phone store, dining, etc.)	General Retail	265 Turkeysag Trail	2.1
Lake Monticello Fire Station	Emergency	10 Slice Rd	4.3
Dollar General	Retail	19 Market Street	4.4
CVS	Pharmacy	28 Abby Rd	4.9
UVA Health System Primary Care Clinic	Medical	77 Market St	5.2
Fluvanna County High School	Education	1918 Thomas Jefferson Pkwy	6.1
Pleasant Grove Park	Recreation	271 Pleasant Grove Dr	6.4
Fluvanna County Public Library	Library	214 Commons Blvd	7.3
Monticello	Cultural	931 Thomas Jefferson Pkwy	9.2
Fluvanna Middle School	Education	3717 Central Plains Rd	10.3
Central Elem School	Education	3340 Central Plains Rd	10.8
West Central Primary School	Education	3188 Central Plains Rd	10.8
Sentara Martha Jefferson Hospital	Hospital	500 Martha Jefferson Dr	11.2
Piedmont Virginia Community College	Higher Education	501 College Dr	11.3
Carysbrook Elementary School	Education	9172 James Madison Hwy	12.1
The Shoppes at Spring Creek (Walmart, Lowes, Advance Auto Parts, Sheetz, hair salon, cell phone store, ABC store, nail salon, dining, etc.)	Retail/Services	134 Camp Creek Pkwy	12.6
Downtown Mall	Restaurants/Shops	200 to 600 E. Main St	12.7
UVA Health System Hospital	Hospital	1222 Jefferson Park Dr	13.3
Amtrak Station	Transit	810 W Main St	13.3
University of Virginia	Higher Education	1826 University Ave	14.2

Source: Field and Data Survey, Real Property Research Group, Inc.



Map 3 Neighborhood Amenities



2. Essential Services

a. Health Care

Two major hospital complexes – the UVA Medical Center and Martha Jefferson Hospital – are 13 and 12 miles, respectively, northwest of the site. UVA Health System operates a primary care clinic five miles southeast of the site.

- The nationally recognized 631 bed UVA Medical Center is part of the University of Virginia Health System associated with the University of Virginia in Charlottesville. The health system features a medical center (Level I Trauma Center, Children’s Hospital, Cancer Center, Heart and Vascular Center, Neurosciences Center), school of medicine, school of nursing, and health sciences library.
- Martha Jefferson Hospital is a nonprofit 176 bed community hospital with 365 affiliated physicians. The hospital operates 10 primary care and three specialty practices.



b. Education

The State of Virginia administers Standards of Learning Assessment Tests to monitor student performance and the quality of classroom instruction in public school systems throughout the state. The most comprehensive testing occurs in the 3rd and 8th grades as well as high school. Elementary and middle school students are tested in core areas including English, mathematics, science, and writing. High school tests are conducted upon students' completion of relevant coursework and focus on more specific subject areas such as algebra II, biology, and geometry, in addition to English and writing. The results of the tests can be used to compare the performance of students in various schools and school districts, and by extension the quality of the schools themselves. To construct this comparison, we compiled and analyzed data on the percentage of students testing at the state-defined 'proficient' level or 'advanced' level in core subject areas. We compiled data for the 2018 to 2019 school year.

Fluvanna County Public Schools System provides instruction to all school-age children in Fluvanna County. As of the 2018-2019 school year, this public school system ranked 66 out of the 132 school districts in the Commonwealth of Virginia with 81.2 percent of their students testing at a "Proficient" or "Advanced" level, higher than the overall Virginia average of 79.6 percent (Table 5). Fluvanna schools are well regarded in the region, with students scoring higher than Albemarle County and significantly higher than those in the city of Charlottesville.

There is only one school for each grade in Fluvanna County. Kindergarten students attend West Central Primary while first and second graders attend Central Elementary School; both are located 11 miles southeast of the site.

Third and fourth graders attend Carysbrook Elementary School which is 12 miles southeast of the site. Based on data for the 2018-2019 school year, students attending Carysbrook Elementary achieved an average composite score of 83.0 percent, higher than the statewide average of 79.5 percent (Table 6).

Of the Fluvanna Middle School students tested during the 2018-2019 school year, 77.5 percent achieved a composite score of satisfactory or better. This percentage slightly higher than the statewide average of 76.5 percent. Fluvanna Middle School is located ten miles from the site.

Table 6 also presents data with respect to high school student achievement. Averaging the percentages across the subject areas, 89.0 percent of students at Fluvanna County High School achieved satisfactory scores. The school's proficiency ranking is higher than the statewide average of 88.5 percent. Fluvanna High School is located six miles from the subject.



Table 5 Test Results, Cities and Counties of Virginia – 2018/2019 School Year

Rank	County	Grade 5		Grade 8		High School		Composite
		English	Math	English	Math	English	Algebra II	
1	Highland County	92	85	100		100		94.3
2	Poquoson City	93	96	92	94	94	83	92.0
3	York County	91	95	82	92	92	98	91.7
4	Falls Church City	92	94	89	86	96	91	91.3
5	Scott County	86	92	83	92	90	98	90.2
65	Henrico County	80	84	73	69	87	95	81.3
66	Fluvanna County	73	84	73	80	88	89	81.2
67	Hampton City	73	79	77	87	81	90	81.2
79	Lee County	78	87	68	69	80	96	79.7
80	Albemarle County	78	82	79	67	87	83	79.3
81	Halifax County	77	83	67	77	79	91	79.0
121	Newport News City	65	70	62	43	81	92	68.8
122	Charlottesville City	58	41	66	60	94	92	68.5
123	Buckingham County	54	67	63	79	77		68.0
131	Petersburg City	58	57	43	52	58	87	59.2
132	Danville City	49	48	51	30	73	85	56.0
Virginia Average		76.3	81.0	72.9	72.6	84.1	90.4	79.6

Averages in this table are based on public, private, and charter schools.
 Source: Virginia Department of Education

Table 6 Test Results, Fluvanna County – 2018/2019 School Year

Elementary Schools					Middle Schools				
VSLA - 2019		Grade 5			VSLA - 2019		Grade 8		
Rank	Elementary Schools	English	Math	Composite	Rank	Middle Schools	English	Math	Composite
1	Carysbrook Elementary	77.0%	89.0%	83.0%	1	Fluvanna Middle	78.0%	77.0%	77.5%
Fluvanna County Average		77.0%	89.0%	83.0%	Fluvanna County Average		78.0%	77.0%	77.5%
State Average		78.0%	81.0%	79.5%	State Average		76.0%	77.0%	76.5%

Source: Virginia Department of Education

High Schools				
EOC - 2019				
Rank	High Schools	Reading	Algebra II	Composite
1	Fluvanna County	89.0%	89.0%	89.0%
Fluvanna County Average		89.0%	89.0%	89.0%
State Average		86.0%	91.0%	88.5%

For higher education opportunities, the University of Virginia in Charlottesville is 14 miles northwest of the subject site. The public institution’s enrollment is more than 21,000 students, and the school employs more than 12,000 full time faculty and staff. The local community college, Piedmont Virginia Community College, is located 11 miles to the northwest.

3. Commercial Goods and Services

a. Convenience Goods

The term “convenience goods” refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, health and personal care products, household cleaning products, newspapers,



and gasoline. Restaurants, banks, gas stations, and personal care establishments such as salons and barbershops are examples of convenience services.

The main shopping areas for Fluvanna County residents living in the northern portion of the county are near Lake Monticello. Gate Plaza, anchored by Food Lion, is located at the intersection of VA Route 53 and Turkeysag Trail, two miles south of the subject site. This shopping center also includes Jefferson Pharmacy, cleaners, pet store, several fast food restaurant and other community retail stores. The other major retail center, Piedmont Village, is located at the intersection of VA Route 600 and Joshua Lane. This small retail center includes such uses as a CVS Pharmacy, Village Dental, day care center and other smaller uses; it is five miles from the site.

The nearest big-box retailers are located to the north in adjoining Louisa County. The Shoppes at Spring Creek is located at the intersection of I-64 and U.S. Route 15 in Zion Crossroads, approximately 13 miles north of the subject. It includes a 156,000 square foot Wal-Mart Supercenter, Lowe's and various other small shops and restaurants.

b. Shoppers Goods

The term "shoppers goods" refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. The category is sometimes called "comparison goods." Examples of shoppers goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

The majority of the regional shopping centers are located in either downtown Charlottesville or in eastern Albemarle County. In the U.S. Route 29 corridor, there are numerous shopping centers, including the regional Charlottesville Fashion Square, anchored by J.C. Penney and Belk, and including over 75 shops and eateries, as well as the Barracks Road Shopping Center, including Old Navy, Harris Teeter, Kroger, Bed, Bath & Beyond, Michaels and others. Downtown Charlottesville has an extensive (and an increasing) array of shops and retail establishments.

4. Recreational and Other Community Amenities

Palmyra is the county seat for Fluvanna County, providing residents with such services as the local post office and library, a grocery, bank and the local government offices. These are several fast food and local restaurants in the towns of Palmyra, Fork Union and in Scottsville. While the Lake Monticello amenities are private, its golf course and clubhouse with Eagles Nest restaurant are open to the public.

The Pleasant Grove House Museum at Pleasant Grove Park is located six miles south of the subject. This 800-acre park includes the Heritage Trail along the Rivanna River; the high school cross country team's 5k loop; 18+ miles of multi-use trails; softball, baseball and three multi-use fields; and a 30' x 100' Pole Barn that is available for picnics, special events and group outings.

In addition, the subject is convenient to the attractions in downtown Charlottesville and the University of Virginia undergraduate, graduate, and medical campus. The Sprint Pavilion, located on the eastern terminus of the Downtown Mall, provides a great "backyard" entertainment locale. The newly restored Jefferson Theater is also located in the Downtown Mall. The Mall provides a wide array of eating, shopping, cultural, historic, and entertainment options in a welcoming pedestrian-friendly environment. Other nearby attractions include Monticello, numerous wineries, Highlands, and the Shenandoah Mountains.



F. Site and Neighborhood Conclusions

The subject is strategically located at the intersection of Thomas Jefferson Parkway (VA-53) and Lake Monticello Road (VA-618), both well-known arterials in the region. Future plans for the Colonial Heights development include owner-occupied new construction homes as well as commercial uses, both of which will further enhance the subject's desirability. The exurban site offers residents attractive wooded surroundings and other natural amenities including proximity to Lake Monticello. That said, residents also have convenient access to retail and services. A full service grocery store and pharmacy are located two miles from the site. Residents will also have immediate access to commuter bus service to Charlottesville.



IV. ECONOMIC CONTEXT

A. Introduction

This section focuses on economic trends and conditions in Fluvanna County, the jurisdiction in which the subject site is located. For purposes of comparison, economic trends in Virginia and the nation are also discussed.

It is important to note that the latest economic data available at the local level is reflected in this section. This data does not reflect the likely downturn associated with COVID-19 business closures and job losses. It is too early to determine the exact economic impact on any specific market area or county; RPRG provides the most recent data available and will provide an analysis and conclusion on the potential impact of COVID-19 in the conclusion section of this market study.

B. Unemployment and Labor Force Trends

1. Trends in Annual Average Labor Force, Employment, and Unemployment Rates

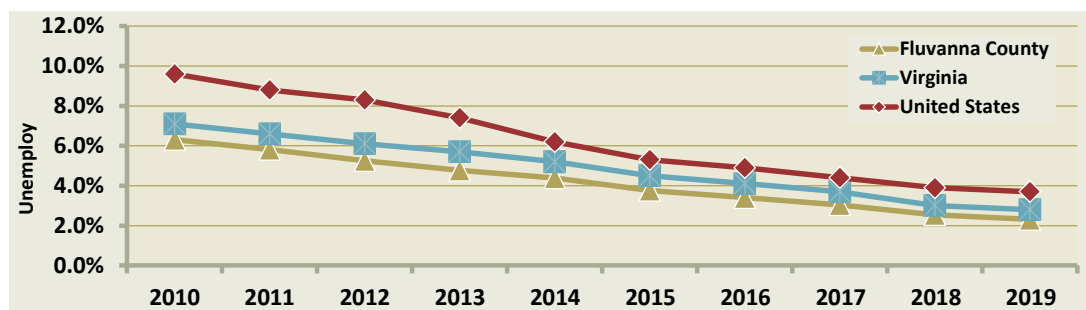
Fluvanna County’s labor force has increased steadily since 2013 with year to year increases in all of the past six years. The overall net increase from 2013 to 2019 was 990 workers, or an increase of 7.6 percent (Table 7). The employed portion of the labor force has increased by 1,289 persons over this period (10.4 percent). Meanwhile those classified as unemployed has declined steadily from 2010 to 2019, decreasing by 502 persons or 61 percent.

The most recent annual average unemployment rate as of 2019 stood at 2.3 percent in Fluvanna County compared to the statewide average of 2.8 percent and the national rate of 3.7 percent. Unemployment rates in all three areas are well below the 2010 peaks of 6.3 percent for the county, 7.1 percent for the state and 9.6 percent for the nation. Fluvanna County’s average annual unemployment rate has been lower than both Virginia and the nation since 2010.

Table 7 Annual Average Labor Force and Unemployment Rates, Fluvanna County

Annual Average Unemployment	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Labor Force	13,078	13,266	13,178	13,031	13,158	13,158	13,164	13,408	13,667	14,021
Employment	12,253	12,494	12,486	12,409	12,581	12,663	12,716	13,000	13,319	13,698
Unemployment	825	772	692	622	577	495	448	408	348	323
Unemployment Rate										
Fluvanna County	6.3%	5.8%	5.3%	4.8%	4.4%	3.8%	3.4%	3.0%	2.5%	2.3%
Virginia	7.1%	6.6%	6.1%	5.7%	5.2%	4.5%	4.1%	3.7%	3.0%	2.8%
United States	9.6%	8.8%	8.3%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%

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





2. Trends in Recent Monthly Unemployment Data

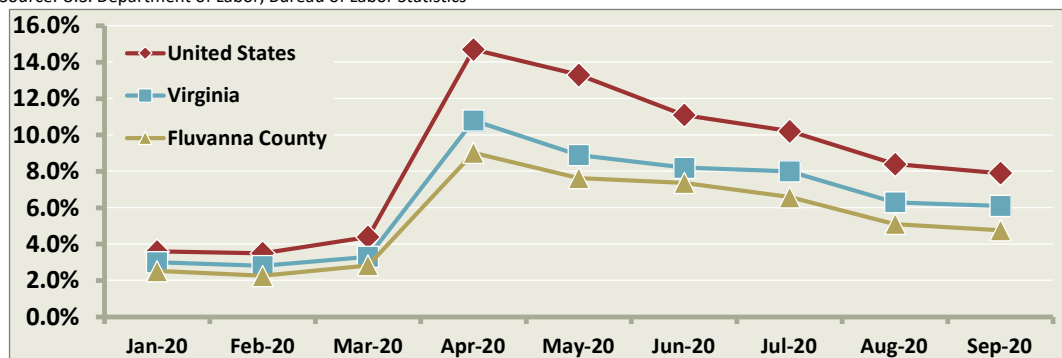
The total labor force remained relatively unchanged through the first quarter of 2020 but decreased by 898 workers or 4.4 percent in April 2020 during the onset of the COVID-19 pandemic (Table 8). The number of unemployed workers increased almost threefold from an average of 624 during the first quarter to 1,753 in April. The county’s labor force has significantly stabilized over the past four months, with the number of unemployed workers in September at 54 percent of April’s peak.

During the first three months of 2020, the unemployment rate in Fluvanna County averaged 2.5 percent, consistent with modest upticks in both Virginia and the nation. Reflecting the impact of COVID-19, Fluvanna County’s unemployment rate increased in April to 9.0 percent in tandem with the state (10.8 percent) and nation (14.7 percent). The county’s unemployment rate subsequently declined to 7.6 percent in May 2020 – lower than the statewide unemployment rate of 8.9 percent and the national unemployment rate of 13.3 percent. The local unemployment rate has continued to fall every month and, as of September 2020, the unemployment rate was 4.8 percent in the county, 6.0 percent in the state, and 7.9 percent in the nation. The recent dramatic monthly fluctuations have affected all parts of the economy but does not represent a fundamental shift in local economic conditions, but rather largely temporary closures related to the COVID-19 pandemic.

Table 8 Monthly Labor Force and Unemployment Rates

Monthly Unemployment	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Labor Force	14,134	14,396	14,323	13,797	13,864	13,809	13,796	13,752	13,606
Employment	13,779	14,072	13,917	12,554	12,807	12,793	12,888	13,050	12,958
Unemployment	355	324	406	1,243	1,057	1,016	908	702	648
Unemployment Rate									
Fluvanna County	2.5%	2.3%	2.8%	9.0%	7.6%	7.4%	6.6%	5.1%	4.8%
Virginia	3.0%	2.8%	3.3%	10.8%	8.9%	8.2%	8.0%	6.3%	6.1%
United States	3.6%	3.5%	4.4%	14.7%	13.3%	11.1%	10.2%	8.4%	7.9%

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



C. Commuting Patterns

According to 2014-2018 American Community Survey (ACS) data, 18 percent of workers residing in the Coves at Monticello Market Area spent less than 15 minutes commuting to work (Table 9). Thirty-five percent of workers spent 15 to 30 minutes commuting, while 24 percent of workers commuted 30 to 45 minutes to work. Sixteen percent of workers residing in the market area spent 45 or more minutes commuting to their respective place of employment.

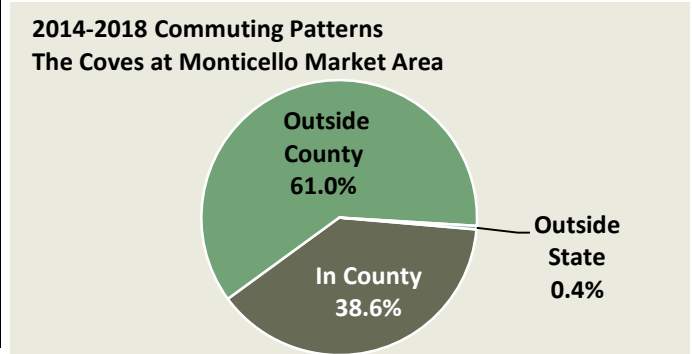


Approximately 61 percent worked outside the jurisdiction where they live and less than one percent of workers residing in the Coves at Monticello Market Area worked outside the state of Virginia.

Table 9 Commutation Data

Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	19,955	92.9%	Worked in state of residence:	21,387	99.6%
Less than 5 minutes	410	1.9%	Worked in county of residence	8,281	38.6%
5 to 9 minutes	1,161	5.4%	Worked outside county of residence	13,106	61.0%
10 to 14 minutes	2,365	11.0%	Worked outside state of residence	93	0.4%
15 to 19 minutes	2,731	12.7%	Total	21,480	100%
20 to 24 minutes	2,807	13.1%			
25 to 29 minutes	1,914	8.9%			
30 to 34 minutes	3,269	15.2%			
35 to 39 minutes	814	3.8%			
40 to 44 minutes	1,027	4.8%			
45 to 59 minutes	1,818	8.5%			
60 to 89 minutes	1,108	5.2%			
90 or more minutes	531	2.5%			
Worked at home	1,525	7.1%			
Total	21,480				

Source: American Community Survey 2014-2018



Source: American Community Survey 2014-2018

D. At-Place Employment

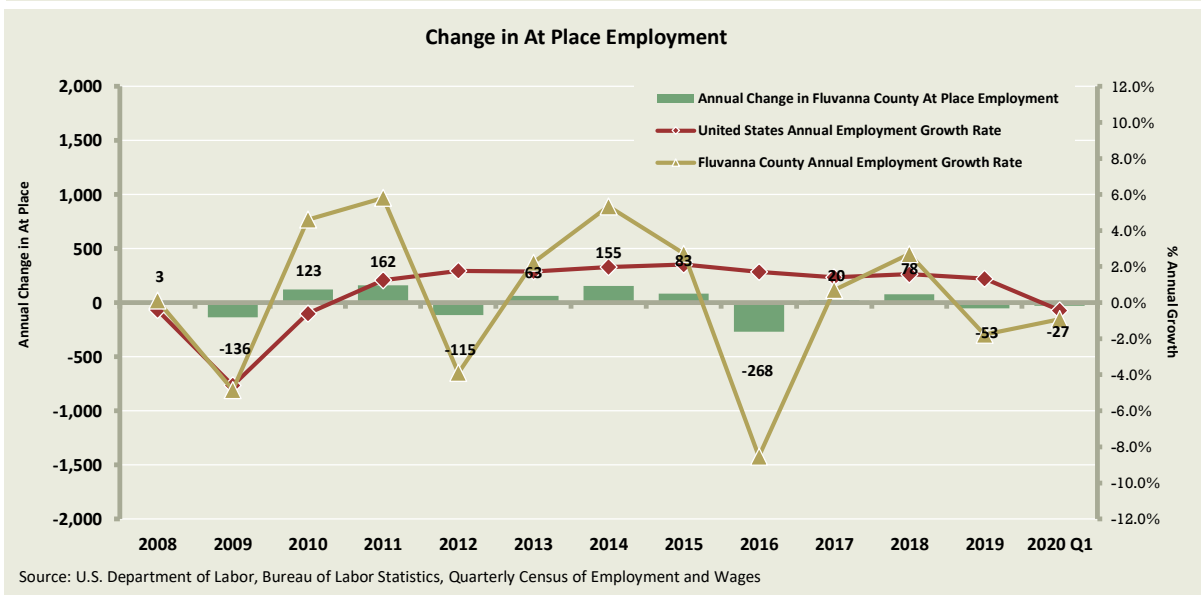
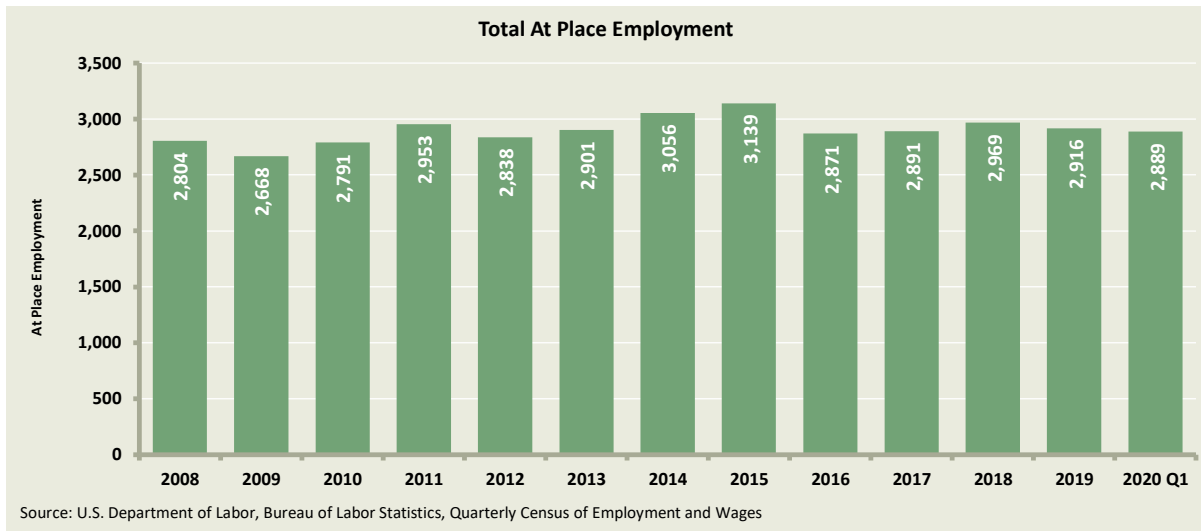
1. Trends in Total At-Place Employment

At-Place Employment in Fluvanna County increased from 2,804 jobs in 2008 to 2,916 jobs in 2019 (Figure 5). Fluvanna County lost 133 net jobs in 2008 and 2009 although these were nearly recouped the following year when the county gained 123 jobs. In 2011, the county gained another 162 jobs with a rate of growth far outpacing the nation. Over the following years, Fluvanna County lost jobs in some years and added jobs in others, reaching a peak of 3,139 jobs in 2015. The relatively small number of jobs countywide allows small changes to make outsized proportional differences from year to year. Nevertheless, in 2019, the county had 2,916 jobs, an increase of 4.0 percent since 2008 before losing 27 jobs in first quarter 2020.

As illustrated by the lines in the bottom portion of Figure 5, Fluvanna County’s rate of job growth has significantly outperformed the nation during some years while trailing in other years. The rate of loss in the county was on par with that of the nation during the previous recession but a stronger rebound immediately following the recession.



Figure 5 At-Place Employment, Fluvanna County



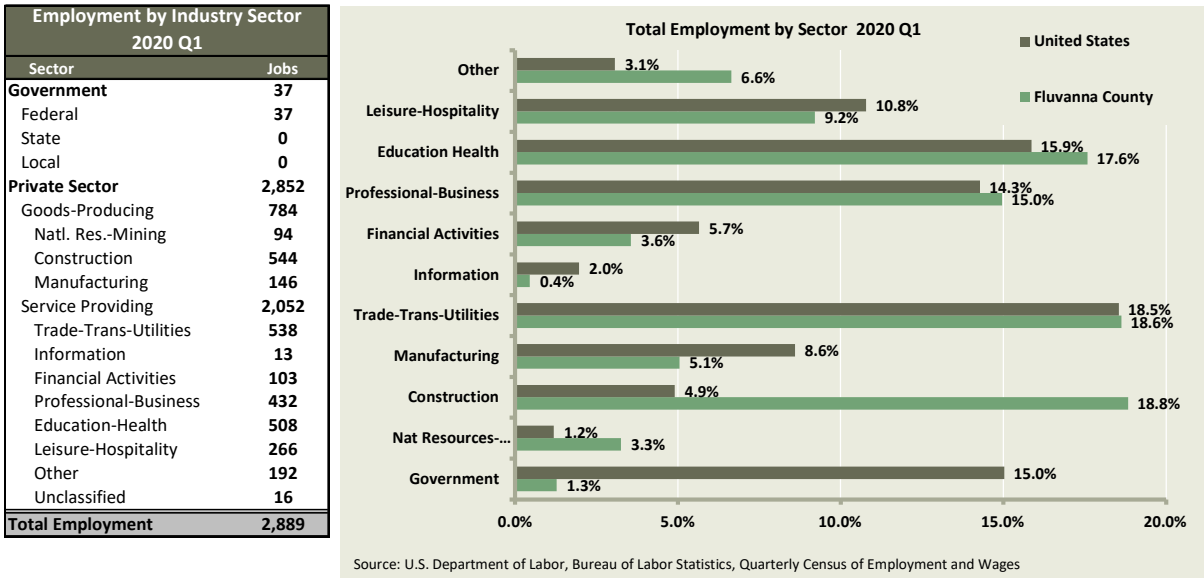
2. At-Place Employment by Industry Sector

As of first quarter 2020, Construction is Fluvanna County’s largest economic sector, representing roughly 19 percent of the county’s total At-Place Employment, compared to five percent of jobs nationally (Figure 6). The outsized proportion of jobs in the Construction sector is attributed to two of the county’s largest employers: Fielder’s Choice Enterprises and AG Dillard, both construction contractors.

The next largest sector is Trade-Transportation-Utilities (18 percent) where jobs are proportional to the national average. Nearly 18 percent of local jobs are in the Education-Health sector, more than the nationwide 16 percent. In addition to the aforementioned sectors, Fluvanna County also has a larger percentage of jobs in the Other, Professional-Business, and Natural Resources-Mining sectors compared to the nation.

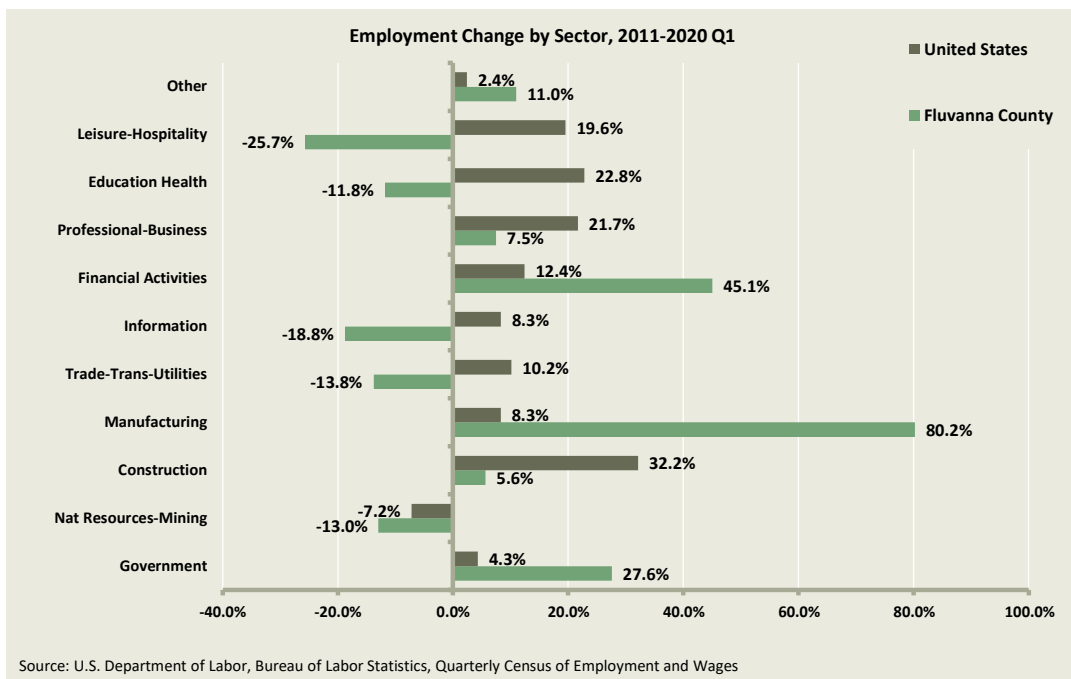


Figure 6 Total Employment by Sector, Q1 2020



Six of the eleven economic sectors added jobs in the county from 2011 to first quarter 2020 including 80 percent growth in Manufacturing, 45 percent growth in Financial Activities, and 28 percent growth in Government (Figure 7). Professional-Business Other, and Construction grew by six to 11 percent. Employment in Leisure-Hospitality fell by 26 percent and Information fell by 19 percent. the remaining three sectors fell by 12 to 14 percent: Education-Health, Trade-Transportation-Utilities, and Natural Resources-Mining.

Figure 7 Employment Change by Sector, 2011 to Q1 2020





3. Major Employers

The list of major employers in the county includes a variety of employers; this list does not include the local school system or county government, both of which are among the largest employers. The largest employer is the Fluvanna Correctional Center (Table 10). Two of the five employers in the next tier are in the Construction Sector: Fielder’s Choice Enterprises and AG Dillard, both construction contractors. Fork Union Military Academy is a private, all-male, college preparatory military boarding school located in Fork Union.

While not yet listed as a major employer, Silk City Printing is growing rapidly. In October 2020, Silk City Printing, LLC announced it would relocate its corporate headquarters from Paterson, New Jersey to a vacant furniture manufacturing facility near Fork Union. The company is investing \$5.7 million to establish a new silkscreened apparel production operation. It produces branded, silkscreened apparel for retail outlets including Target and Walmart. Virginia successfully competed with New Jersey for the project, which will create 93 new jobs. So far, they have hired approximately 30 people and they hosted a job fair in November 2020 to hire more.

Table 10 Largest Employers in Fluvanna County 2019

Rank	Name	Sector	Employment
1	Fluvanna Correctional Center	Government	250-499
2	Lake Monticello Home Owners Assoc	Professional Services	100-249
3	Fielders Choice Enterprises Inc.	Construction	100-249
4	Fork Union Military Academy	Education	100-249
5	AG Dillard Inc	Construction	100-249
6	BFI Transfer Systems of VA	Transportation	100-249
7	Food Lion	Retail	50-99
8	Dominos Pizza	Retail	50-99

Source: Virginia Employment Commission

E. Wage Trends

The average annual wage in 2019 for Fluvanna County was \$42,076 (Table 11). In 2019, the county’s average annual wage was 30 percent lower than the average annual wage throughout Virginia (\$60,200) and 29 percent lower than the average wage nationally (\$59,219). The average annual wage in Albemarle County has steadily increased each year between 2010 and 2019.

Table 11 Average Annual Wage

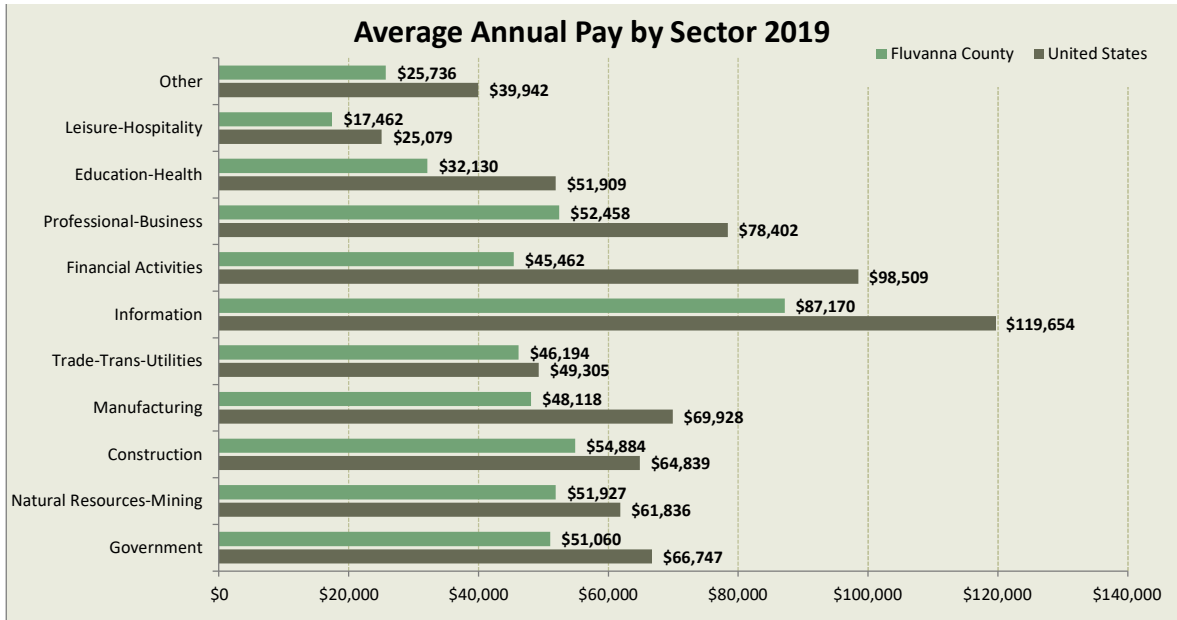
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fluvanna County	\$33,073	\$33,522	\$34,497	\$35,400	\$36,292	\$38,009	\$38,204	\$38,763	\$40,154	\$42,076
Virginia	\$49,651	\$50,657	\$51,646	\$51,918	\$52,929	\$54,276	\$54,836	\$56,503	\$58,239	\$60,200
United States	\$46,751	\$48,043	\$49,289	\$49,808	\$51,364	\$52,942	\$53,621	\$55,390	\$57,266	\$59,219

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

The average wage in Fluvanna County is less than the national average for in all sectors (Figure 8). The highest wage sectors in the county as of 2019 were Information (\$87,170), distantly followed by construction (\$54,884). The Financial Activities sector displays the widest disparity relative to the national sector (\$45,462 versus \$98,509). The Leisure-Hospitality sector records the lowest wages of the 11 sectors at \$17,462.



Figure 8 Annualized Wage Data by Sector



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



V. HOUSING MARKET AREA

A. Introduction

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

B. Delineation of Market Area

The Coves at Monticello Market Area consists of eight census tracts in Fluvanna and Albemarle counties. The market area includes all of Fluvanna County as well as southern Albemarle County. The largest communities included in the Fluvanna County portion of the market area are the census-designated places of Palmyra and Lake Monticello as well as the unincorporated communities of Fork Union, Kents Store and Zion Crossroads (portion). The only town in the market area is Scottsville, which is located in both Fluvanna and Albemarle counties. The unincorporated communities in the Albemarle County portion of the market area are Simeon, Overton, Keene and Woodridge as well as the historic home and estate of Thomas Jefferson, Monticello. The communities in the market area are rural and exurban in character (Map 4).

Because the subject site is located in a rural setting, we have specifically excluded any neighborhoods in the City of Charlottesville since these are considered to be more upscale and urban in their orientation. We have confined the market area to those portions of both counties that are within a reasonable geographic distance of the subject site and whose overall character is rural in nature. While Louisa County to the north of Fluvanna County is also rural in its orientation, we have excluded it since we consider it to be a separate submarket, given its location to the north of I-64.

The approximate boundaries of the Coves at Monticello Market Area and their approximate distance from the subject site are:

- North:** Louisa County line to I-64 to Charlottesville city line(6.6 miles)
- East:** Goochland County line(14.9 miles)
- South:** James River to Scottsville Road to Plank Road.....(15.7 miles)
- West:** Old Lynchburg Road(15.7 miles)

As appropriate for this analysis, the Coves at Monticello Market Area is compared to Bi-County Market Area of Fluvanna and Albemarle counties, which is considered the secondary market area. Demand estimates are based only on the Coves at Monticello Market Area.



Map 4 Coves at Monticello Market Area





VI. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Coves at Monticello Market Area and Bi-County Market Area using U.S. Census data and data from Esri, a national data vendor which prepares small area estimates and projections of population and households.

It is important to note that all demographic data is based on historic Census data and the most recent local area projections available for the Coves at Monticello Market Area and Bi-County Market Area. In this case, estimates and projections were derived by Esri in 2020. We recognize that the current COVID-19 situation is likely to have an impact on short-term growth and demographic trends. Although too early to quantify these impacts, the most likely changes will be slower household growth in at least the short term, a higher propensity to rent, and likely a decrease in income. The demographic projections have not been altered, but RPRG will discuss the impact of these potential changes as they relate to housing demand in the conclusions of this report.

B. Trends in Population and Households

1. Recent Past Trends

The Coves at Monticello Market Area's population and household base expanded steadily from 2000 to 2010, with net growth of 9,471 persons (29.2 percent growth) and 3,642 households (29.9 percent growth) (Table 12). During the same period, the Bi-County Market Area's population grew by 25.5 percent and its household base grew by 21.2 percent.

Growth rates in the Coves at Monticello Market Area and Bi-County Market Area have slowed relative to the past census trends but have remained positive. The Coves at Monticello Market Area is estimated to have added 5,030 persons, or an average annual growth rate of 1.1 percent between 2010 and 2020, while the household base grew by 2,050 households, reflecting 1.2 percent annual growth. The Bi-County Market Area's average annual growth rates were comparable to those in the Coves at Monticello Market Area at 1.0 percent for population and 1.1 percent for households.

2. Projected Trends

Esri further projects that the market area's population will increase by 2,350 people (an annual increase of 470 persons or 1.0 percent) between 2020 and 2025, bringing the total population to 49,278 persons in 2025. The number of households will also increase at a comparable rate of 1.0 percent or 189 new households per annum, resulting in a projected total of approximately 18,809 households in 2025. Across the region, projected population and household growth rates are comparable to those of the Coves at Monticello Market Area. Esri projects that the Bi-County Market Area's population and household bases will increase at annual rates of 1.0 percent and 1.1 percent respectively, between 2020 and 2025.

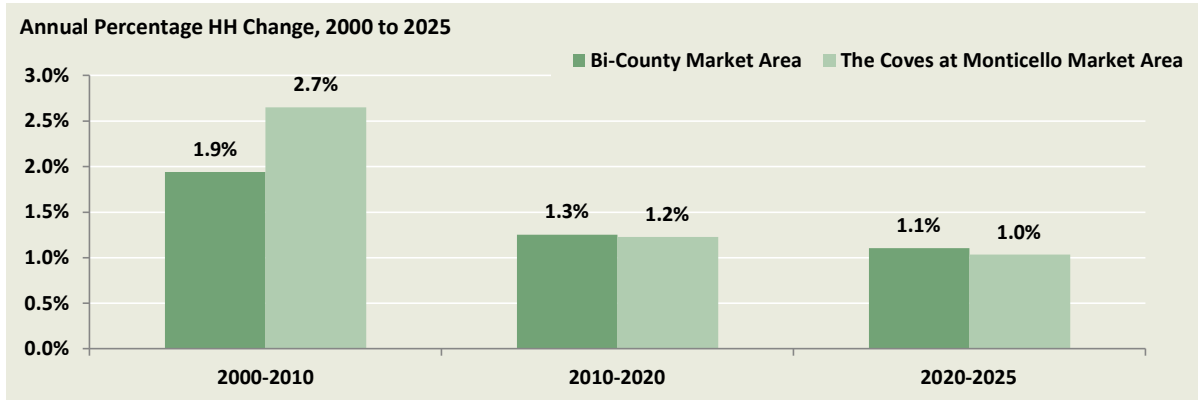


Table 12 Population and Household Trends, 2000 to 2025

		Bi-County Market Area				The Coves at Monticello Market Area				
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	99,307					32,427				
2010	124,661	25,354	25.5%	2,535	2.3%	41,898	9,471	29.2%	947	2.6%
2020	139,629	14,968	12.0%	1,497	1.1%	46,928	5,030	12.0%	503	1.1%
2025	146,944	7,315	5.2%	1,463	1.0%	49,278	2,350	5.0%	470	1.0%

		Bi-County Market Area				The Coves at Monticello Market Area				
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change	
		#	%	#	%		#	%	#	%
2000	39,276					12,173				
2010	47,606	8,330	21.2%	833	1.9%	15,815	3,642	29.9%	364	2.7%
2020	53,921	6,315	13.3%	632	1.3%	17,865	2,050	13.0%	205	1.2%
2025	56,960	3,039	5.6%	608	1.1%	18,809	944	5.3%	189	1.0%

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



3. Building Permit Trends

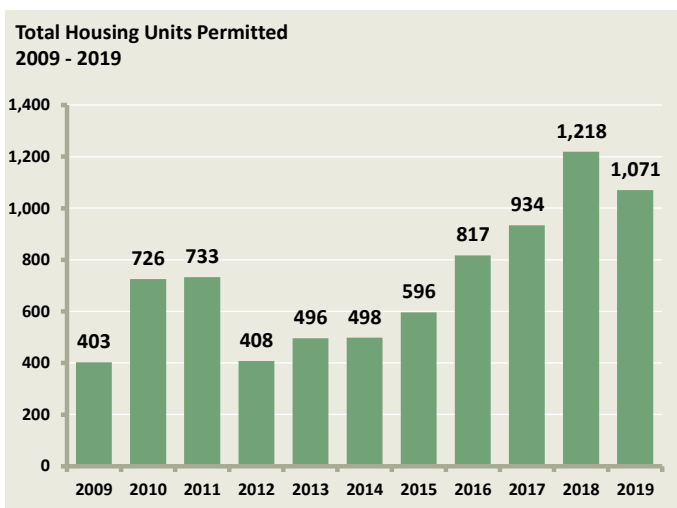
Between 2009 and 2015, annual permit activity in the Bi-County Market Area averaged 551 units (Table 13). Permit activity started to trend upward in 2016 and 2017 when permits issued reached 817 and then 934 followed by a spike in 2018 to 1,218 units. In 2019, there was a small decrease in activity with 1,071 units permitted.

Multifamily rental units (structures with five or more units) accounted for 23 percent of the new construction housing supply. However, in 2018 the number of multifamily units permitted increased to 37 percent of permitted units and then 28 percent in 2019.



Table 13 Building Permits for Bi-County Market Area

Bi-County Market Area					
Year	Single - Unit	Two Units	3-4 Units	5+ Units	Ann. Total
2009	369	24	0	10	403
2010	410	16	0	300	726
2011	441	4	0	288	733
2012	404	4	0	0	408
2013	488	8	0	0	496
2014	492	6	0	0	498
2015	531	0	0	65	596
2016	630	0	0	187	817
2017	725	0	0	209	934
2018	759	4	0	455	1,218
2019	773	0	0	298	1,071
2009-2019	6,022	66	0	1,812	7,900
Ann. Avg.	547	6	0	165	718



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

C. Demographic Characteristics

1. Age Distribution and Household Type

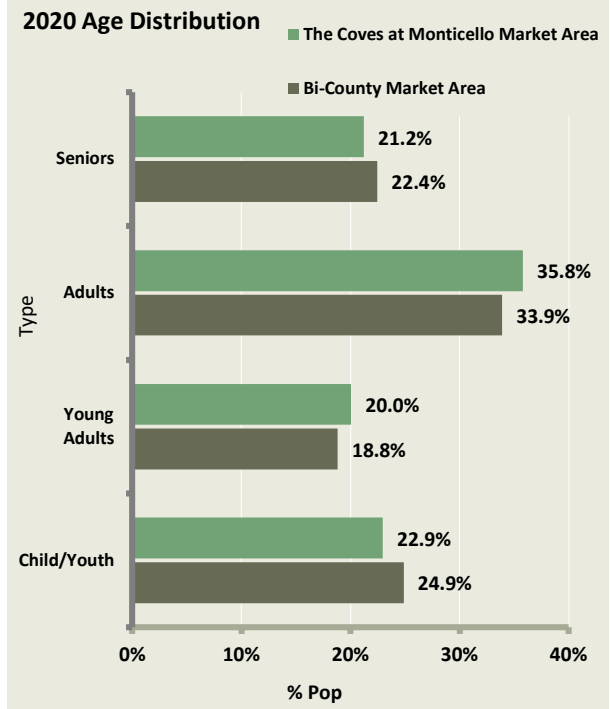
The median age of the population in both the Coves at Monticello Market Area and the Bi-County Market Area is 39 years (Table 14). Adults age 35-61 comprise the largest percentage of each area’s population at 36 percent in the Coves at Monticello Market Area and 34 percent in the Bi-County Market Area. The next largest age cohort in the market area is children and youth under age 20 at 23 percent, less than the Bi-County proportion of 25 percent. Seniors age 62+ represent 21 percent of the population compared to 22 percent in the Bi-County Market Area. Only 20 percent of the market area’s population is between the age of 20 and 34 while the Bi-County’s proportion is even lower at 19 percent.

Multi-person households without children were the most common household type in the Coves at Monticello Market Area as of 2010, accounting for 45 percent of all households (Table 15). The corresponding proportion in the Bi-County Market Area was slightly lower at 42 percent. Roughly one-third (32 percent) of all households in the market area had children, higher than the 31 percent of households in the Bi-County Market Area. Single-person households comprised 23 percent of all households in the market area, compared to 27 percent of households in the Bi-County Market Area.



Table 14 2020 Age Distribution

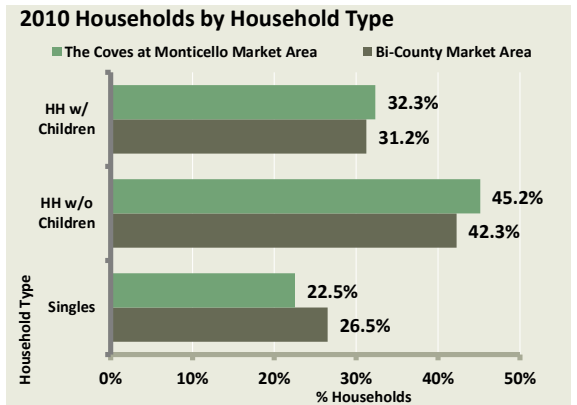
2020 Age Distribution	Bi-County Market Area		The Coves at Monticello Market Area	
	#	%	#	%
Children/Youth	34,713	24.9%	10,768	22.9%
Under 5 years	7,207	5.2%	2,521	5.4%
5-9 years	7,794	5.6%	2,690	5.7%
10-14 years	8,592	6.2%	2,955	6.3%
15-19 years	11,120	8.0%	2,602	5.5%
Young Adults	26,276	18.8%	9,408	20.0%
20-24 years	9,089	6.5%	3,084	6.6%
25-34 years	17,187	12.3%	6,324	13.5%
Adults	47,304	33.9%	16,793	35.8%
35-44 years	17,013	12.2%	6,241	13.3%
45-54 years	17,029	12.2%	6,101	13.0%
55-61 years	13,262	9.5%	4,451	9.5%
Seniors	31,336	22.4%	9,959	21.2%
62-64 years	5,684	4.1%	1,908	4.1%
65-74 years	14,469	10.4%	4,724	10.1%
75-84 years	7,665	5.5%	2,516	5.4%
85 and older	3,518	2.5%	811	1.7%
TOTAL	139,629	100%	46,928	100%
Median Age	39		39	



Source: Esri; RPRG, Inc.

Table 15 2010 Households by Household Type

2010 Households by Household Type	Bi-County Market Area		The Coves at Monticello Market Area	
	#	%	#	%
Married w/Children	10,746	22.6%	3,672	23.2%
Other w/ Children	4,128	8.7%	1,444	9.1%
Households w/ Children	14,874	31.2%	5,116	32.3%
Married w/o Children	14,609	30.7%	5,178	32.7%
Other Family w/o Children	2,329	4.9%	857	5.4%
Non-Family w/o Children	3,185	6.7%	1,106	7.0%
Households w/o Children	20,123	42.3%	7,141	45.2%
Singles	12,609	26.5%	3,558	22.5%
Total	47,606	100%	15,815	100%



Source: 2010 Census; RPRG, Inc.

2. Households by Tenure

a. Recent Past Trends

Reflecting its exurban character, the Coves at Monticello Market Area had a relatively low renter percentage of 20.2 percent in 2000, lower than the Bi-County Market Area’s renter percentage of 30.5 percent (Table 16). Since then, however, the percentage of renter households has increased steadily in both areas, particularly since 2010. The number of renter households in the Coves at Monticello Market Area has more than doubled from 2,460 in 2000 to 5,260 in 2020 for a net



increase of 2,800 renter households. By comparison, the number of owner households in the market area increased by 29.8 percent during the same period. The Coves at Monticello Market Area’s annual average growth by tenure over the past 20 years was 140 renter households (3.9 percent) and 145 owner households (1.3 percent). The last column of Table 16 (blue shaded) quantifies the Coves at Monticello Market Area’s net growth by tenure over the past 20 years; renter households contributed 49.2 percent of net household growth over this period. The same trends were exhibited in the greater Bi-County Market Area with renter households accounted for 49.4 percent of household growth, compared to 50.6 percent for owner households.

Table 16 Households by Tenure 2000-2020

Bi-County Market Area	2000		2010		2020		Change 2000-2020				% of Change 2000 - 2020
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	27,289	69.5%	33,073	69.5%	34,704	64.4%	7,415	27.2%	371	1.2%	50.6%
Renter Occupied	11,987	30.5%	14,533	30.5%	19,217	35.6%	7,230	60.3%	362	2.4%	49.4%
Total Occupied	39,276	100%	47,606	100%	53,921	100%	14,645	37.3%	732	1.6%	100%
Total Vacant	2,475		4,899		6,123						
TOTAL UNITS	41,751		52,505		60,044						

The Coves at Monticello Market Area	2000		2010		2020		Change 2000-2020				% of Change 2000 - 2020
							Total Change		Annual Change		
Housing Units	#	%	#	%	#	%	#	%	#	%	
Owner Occupied	9,713	79.8%	12,087	76.4%	12,605	70.6%	2,892	29.8%	145	1.3%	50.8%
Renter Occupied	2,460	20.2%	3,728	23.6%	5,260	29.4%	2,800	113.8%	140	3.9%	49.2%
Total Occupied	12,173	100%	15,815	100%	17,865	100%	5,692	46.8%	285	1.9%	100%
Total Vacant	879		1,559		1,833						
TOTAL UNITS	13,052		17,374		19,698						

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

b. Projected Tenure Trends

Esri projects the renter household growth in the market area to slow over the next five years, with renter households comprising 31.6 percent of net household growth, resulting in a rentership rate of 29.5 percent in 2025. As detailed in Table 17, Esri projects renter households to increase by 298 over the next five years or annual growth of 60 renter households; the market area added an average of 140 renter household year over the past 20 years. That said, this level of renter growth is understandable given that six of the seven rental communities in this market were built over the past 20 years. Although renter households have contributed almost one-half (49.2 percent) of net household growth over the past 20 years, there is very little multifamily housing planned for the market area. Moreover, we believe that it is prudent to be cautious in our projection, given the overall rural character of the market area.

Table 17 Households by Tenure, 2020-2025

The Coves at Monticello Market Area	2020		2025 Esri HH by Tenure		Esri Change by Tenure		Annual Change by Tenure	
Housing Units	#	%	#	%	#	%	#	%
Owner Occupied	12,605	70.6%	13,251	70.5%	646	68.4%	129	1.0%
Renter Occupied	5,260	29.4%	5,558	29.5%	298	31.6%	60	1.1%
Total Occupied	17,865	100%	18,809	100%	944	100%	189	1.1%
Total Vacant	1,833		2,055					
TOTAL UNITS	19,698		20,864					



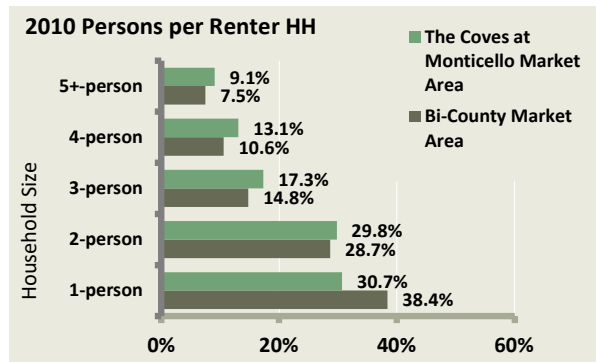
3. Renter Household Characteristics

One-person households account for 31 percent of all renter households in the Coves at Monticello Market Area, greater than the Bi-County proportion of 38 percent (Table 18). Two-person households comprise 30 percent of primary market area renter households and three-person households account for 17 percent of renter household base. Approximately 22 percent of renter households in the market area are larger households of four persons or more.

Table 18 Renter Households by Household Size

Renter Occupied	Bi-County Market Area		The Coves at Monticello Market Area	
	#	%	#	%
1-person hhld	5,584	38.4%	1,145	30.7%
2-person hhld	4,168	28.7%	1,111	29.8%
3-person hhld	2,150	14.8%	646	17.3%
4-person hhld	1,543	10.6%	488	13.1%
5+-person hhld	1,088	7.5%	338	9.1%
TOTAL	14,533	100%	3,728	100%

Source: 2010 Census

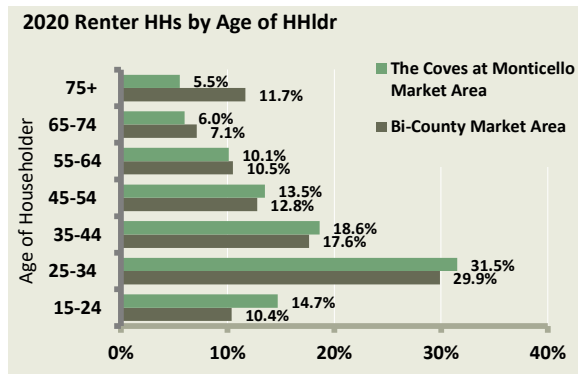


The Coves at Monticello Market Area has a higher or comparable proportion of renters in all age categories compared to the region overall except in the youngest age cohort which indicates that most younger university affiliated renters live closer to the UVA campus (outside the boundaries of the market area) (Table 20). The percentage of market area renters between the age of 25 and 34 years stands at 32 percent, slightly above the 30 percent share in the region. Adult renters between the ages of 35 and 64 years comprise about 42 percent of renters in the market area, greater than the 41 percent share in the region. Older renters (65 years and older) are less prevalent in the market area (12 percent) compared to the region (19 percent). Younger renters (age 15 to 24 years) comprise ten percent of renters in the region, less than the 15 percent share in the market area.

Table 19 Renter Households by Age of Householder

Renter Households	Bi-County Market Area		The Coves at Monticello Market Area	
	#	%	#	%
Age of HHldr				
15-24 years	1,997	10.4%	774	14.7%
25-34 years	5,741	29.9%	1,658	31.5%
35-44 years	3,389	17.6%	979	18.6%
45-54 years	2,452	12.8%	710	13.5%
55-64 years	2,024	10.5%	532	10.1%
65-74 years	1,367	7.1%	315	6.0%
75+ years	2,247	11.7%	291	5.5%
Total	19,217	100%	5,260	100%

Source: Esri, Real Property Research Group, Inc.





D. Income Characteristics

As of 2020, the median income for market area households is \$71,470, nine percent lower than the median income of \$78,473 in the region (Table 20). One-third (33 percent) of market area households earn between \$35,000 and \$74,999, the income range for the target 60 percent AMI rents. Sixteen percent of households earn between \$75,000 and \$99,000 and 32 percent of households earn \$100,000 and above.

Table 20 2020 Household Income

Estimated 2020 Household Income		Bi-County Market Area		The Coves at Monticello Market Area	
		#	%	#	%
less than \$15,000	\$15,000	3,149	5.8%	1,153	6.5%
\$15,000	\$24,999	4,391	8.1%	1,264	7.1%
\$25,000	\$34,999	4,191	7.8%	1,326	7.4%
\$35,000	\$49,999	5,983	11.1%	2,436	13.6%
\$50,000	\$74,999	8,093	15.0%	3,206	17.9%
\$75,000	\$99,999	8,300	15.4%	2,810	15.7%
\$100,000	\$149,999	8,436	15.6%	2,753	15.4%
\$150,000	Over	11,378	21.1%	2,917	16.3%
Total		53,921	100%	17,865	100%
Median Income		\$78,473		\$71,470	

Source: Esri; Real Property Research Group, Inc.

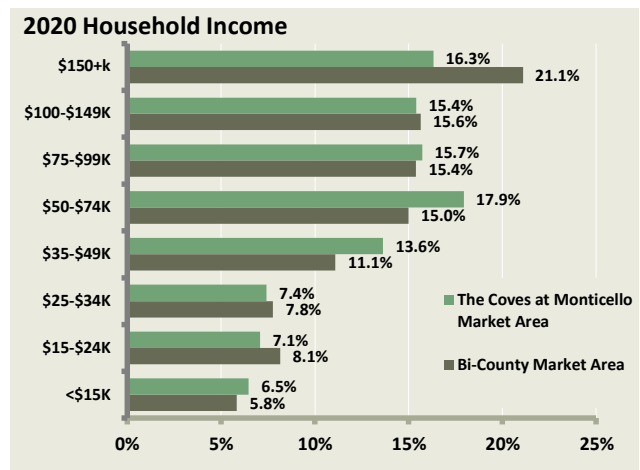


Table 21 presents distributions of 2020 household incomes for renter and homeowner households in the Coves at Monticello Market Area. Based on income estimate data from the 2014-2018 ACS, Esri income projections, and RPRG’s household estimates, the median annual income among the primary market area’s renter households is estimated at \$51,928, 65 percent of the median homeowner income of \$80,261. Roughly 36 percent of rental households earn between \$35,000 and \$74,999 (the income range for the target 60 percent AMI rents), 15 percent of rental households have incomes between \$75,000 and \$99,999, and 18 percent have incomes of \$100,000 or more.

E. Cost-Burdened Renter Households

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

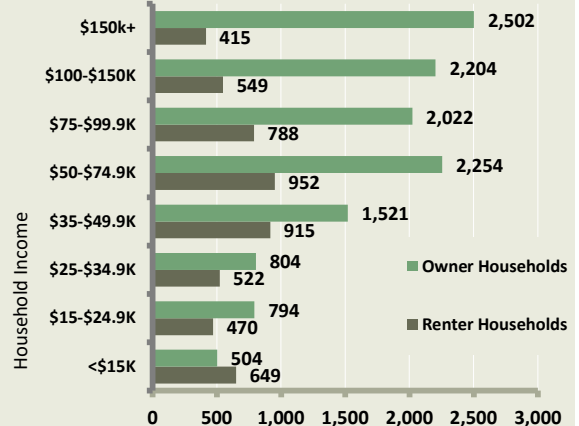
Rent burden data from the 2014-2018 ACS highlights that a significant portion of households (primarily lower-income) in the Coves at Monticello Market Area tend to pay a very high percentage of their monthly income toward housing costs (Table 22). Thirty-one percent of all renter households residing in the Coves at Monticello Market Area have rent burdens of 35 percent or higher. The cost-burdened situation of many low- to moderate-income renter households is a primary indicator of a need for new affordable income- and rent-restricted rental housing in the primary market area. Additionally, 2.5 percent of the rental housing stock within the market area can be considered substandard, i.e., lacking complete plumbing facilities, or overcrowded with more than 1.0 occupants per room.



Table 21 2020 Household Income by Tenure

Estimated 2020 HH Income		Renter Households		Owner Households	
The Coves at Monticello Market		#	%	#	%
less than \$15,000		649	12.3%	504	4.0%
\$15,000 - \$24,999		470	8.9%	794	6.3%
\$25,000 - \$34,999		522	9.9%	804	6.4%
\$35,000 - \$49,999		915	17.4%	1,521	12.1%
\$50,000 - \$74,999		952	18.1%	2,254	17.9%
\$75,000 - \$99,999		788	15.0%	2,022	16.0%
\$100,000 - \$149,999		549	10.4%	2,204	17.5%
\$150,000 over		415	7.9%	2,502	19.9%
Total		5,260	100%	12,605	100%
Median Income		\$51,928		\$80,261	

2020 Household Income by Tenure



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

Table 22 Rent Burden by Household Income, 2014-2018, Coves at Monticello Market Area

Rent Cost Burden		
Total Households	#	%
Less than 10.0 percent	209	4.7%
10.0 to 14.9 percent	387	8.7%
15.0 to 19.9 percent	938	21.0%
20.0 to 24.9 percent	476	10.7%
25.0 to 29.9 percent	425	9.5%
30.0 to 34.9 percent	223	5.0%
35.0 to 39.9 percent	157	3.5%
40.0 to 49.9 percent	305	6.8%
50.0 percent or more	726	16.3%
Not computed	613	13.7%
Total	4,459	100.0%
>35% income on rent	1,188	30.9%

Source: American Community Survey 2014-2018

Substandardness	
Total Households	
Owner occupied:	
Complete plumbing facilities:	11,865
1.00 or less occupants per room	11,789
1.01 or more occupants per room	76
Lacking complete plumbing facilities:	14
Overcrowded or lacking plumbing	90
Renter occupied:	
Complete plumbing facilities:	4,444
1.00 or less occupants per room	4,348
1.01 or more occupants per room	96
Lacking complete plumbing facilities:	15
Overcrowded or lacking plumbing	111
Substandard Housing	201
% Total Stock Substandard	1.2%
% Rental Stock Substandard	2.5%



VII. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of rental housing in the Coves at Monticello Market Area. We pursued several avenues of research to identify multifamily projects that are in the planning stages or under construction in the market area. RPRG communicated with the planning departments of Albemarle County and Fluvanna County. We reviewed local development and real estate websites and spoke to local developers and management agents. We also reviewed the Virginia Housing Development Authority (VHDA) website. We surveyed rental communities in November 2020.

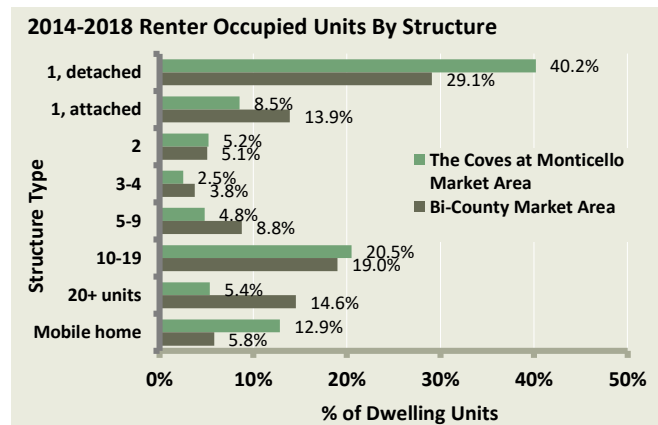
B. Overview of Market Area Housing Stock

As recorded in the 2014-2018 ACS, rental housing in the Coves at Monticello Market Area is contained within a variety of housing structures including 40 percent in single-family detached homes, nine percent in single family attached units, and eight percent in buildings with two to four units. As is common in rural areas, mobile homes comprise 13 percent of the rental stock. One-quarter (25 percent) of rental units are located in medium sized multi-family structures with five to 19 units, but only five percent are in larger multi-family structures with 20 or more units (Table 23). The region’s rental stock is less concentrated in single-family detached homes with a 29 percent proportion and more concentrated in bigger buildings with 15 percent of units in buildings with 20 or more units.

Table 23 Rental Dwelling Units by Structure Type

Structure Type	Renter Occupied			
	Bi-County Market Area		The Coves at Monticello Market Area	
	#	%	#	%
1, detached	4,890	29.1%	1,793	40.2%
1, attached	2,340	13.9%	381	8.5%
2	851	5.1%	233	5.2%
3-4	633	3.8%	111	2.5%
5-9	1,475	8.8%	215	4.8%
10-19	3,195	19.0%	914	20.5%
20+ units	2,448	14.6%	239	5.4%
Mobile home	975	5.8%	573	12.9%
TOTAL	16,807	100%	4,459	100%

Source: American Community Survey 2014-2018



The rental housing stock in the Coves at Monticello Market Area is six years younger than the housing stock in the bi-county area as a whole (Table 24). Renter occupied units had a median year built of 1993 in the market area and 1987 in the region. The market area recorded 29 percent of renter occupied units built since 2000. Thirty percent of market area rental units were built during the 1990’s and 16 percent of rental units were built during the 1980’s.

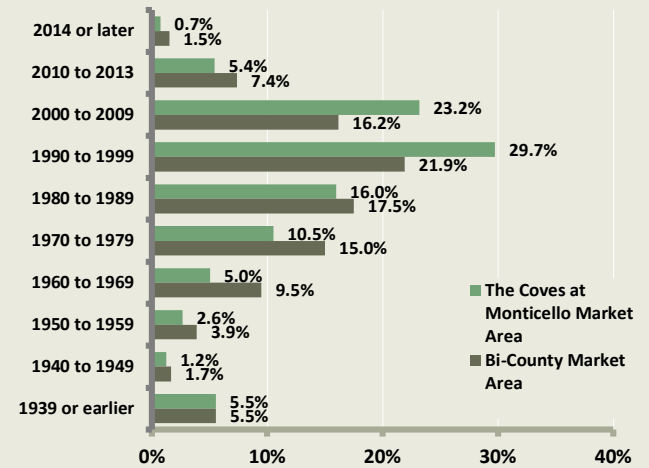


Table 24 Rental Dwelling Units by Year Built

Year Built	Renter Occupied			
	Bi-County Market Area		The Coves at Monticello Market Area	
	#	%	#	%
2014 or later	252	1.5%	33	0.7%
2010 to 2013	1,238	7.4%	242	5.4%
2000 to 2009	2,716	16.2%	1,033	23.2%
1990 to 1999	3,682	21.9%	1,326	29.7%
1980 to 1989	2,940	17.5%	712	16.0%
1970 to 1979	2,520	15.0%	469	10.5%
1960 to 1969	1,595	9.5%	224	5.0%
1950 to 1959	654	3.9%	118	2.6%
1940 to 1949	278	1.7%	55	1.2%
1939 or earlier	932	5.5%	247	5.5%
TOTAL	16,807	100%	4,459	100%
MEDIAN YEAR BUILT	1987		1993	

Source: American Community Survey 2014-2018

2014-2018 Rental Units by Year Built



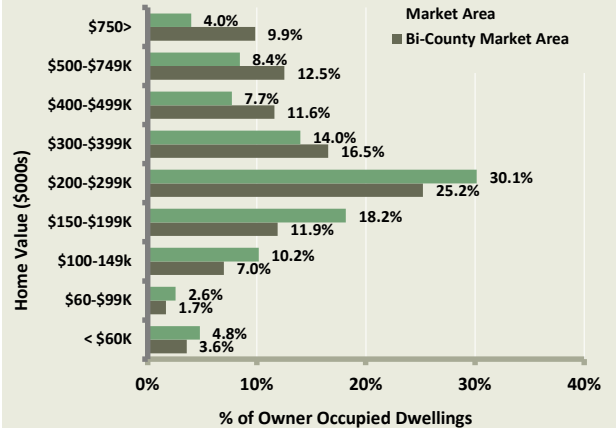
Per the 2014-2018 ACS, the median value across the owner-occupied housing stock in the primary market area as of 2014-2018 was \$247,387, 19 percent lower than the median home value in the region of \$303,438 (Table 25).

Table 25 Value of Owner Occupied Housing Stock

2014-2018 Home Value	Bi-County Market Area		The Coves at Monticello Market Area	
	#	%	#	%
less than \$60,000	1,207	3.6%	569	4.8%
\$60,000 - \$99,999	565	1.7%	306	2.6%
\$100,000 - \$149,999	2,353	7.0%	1,209	10.2%
\$150,000 - \$199,999	4,012	11.9%	2,159	18.2%
\$200,000 - \$299,999	8,495	25.2%	3,580	30.1%
\$300,000 - \$399,999	5,568	16.5%	1,662	14.0%
\$400,000 - \$499,999	3,909	11.6%	916	7.7%
\$500,000 - \$749,999	4,219	12.5%	1,003	8.4%
\$750,000 over	3,319	9.9%	475	4.0%
Total	33,647	100%	11,879	100%
Median Value	\$303,438		\$247,387	

Source: American Community Survey 2014-2018

2014-2018 Home Value





C. Survey of General Occupancy Rental Communities

1. Introduction

RPRG surveyed seven multifamily rental communities in the Coves at Monticello Market Area. These represent the professionally managed rental housing options available in the Coves at Monticello Market Area. Five properties offer strictly conventional market rate units (except for Fifth Street Place which offers 23 workforce units at 80 percent AMI) and two communities are LIHTC properties.

The rental communities within the Coves at Monticello Market Area have been segmented into two categories: Upper Tier and Lower Tier communities. The five market rate properties are classified as Upper Tier communities, representing the highest priced rental alternatives within the Coves at Monticello Market Area. The remaining two properties are income restricted Low Income Housing Tax Credit (LIHTC) communities. The Tax Credit rental communities are properties that were financed with tax credit equity through the Virginia Housing Development Authority (VHDA). Given the limited number of rental communities in this market area, we surveyed another seven market rate communities located near the market area.

We have excluded subsidized and deep subsidy rental properties since these communities serve lower income households and are not the same target market as proposed by the subject. Additionally, we have excluded age-restricted rental properties since these communities are not directly competitive with the proposed subject property.

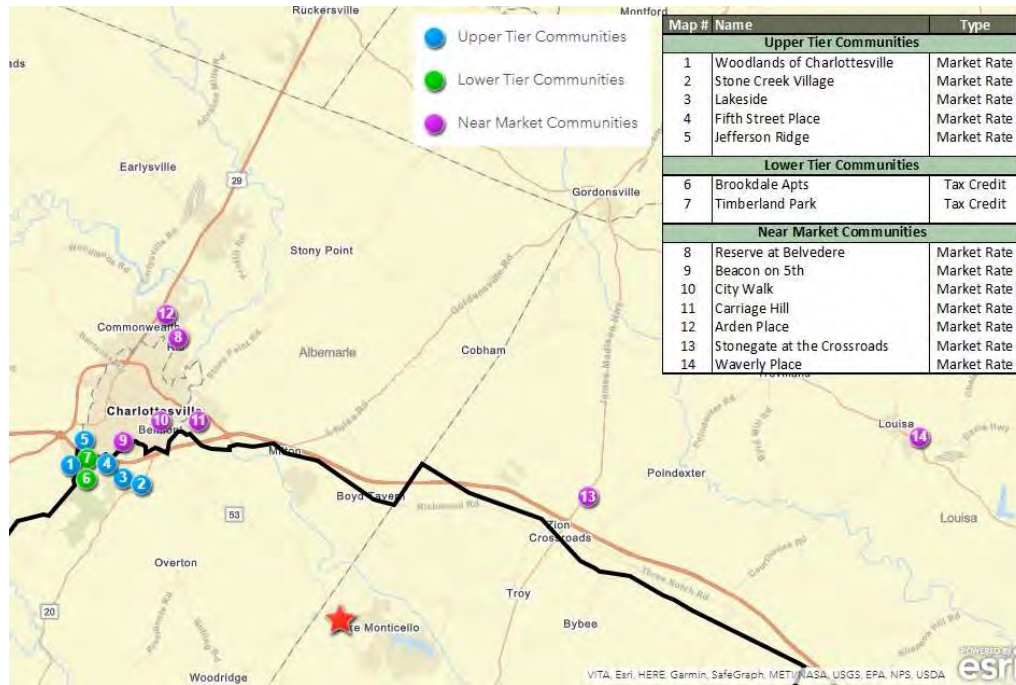
Profile sheets with detailed information on each surveyed community are attached as Appendix 2.

2. Location

The multifamily rental supply within the Coves at Monticello Market Area is located just south of the City of Charlottesville, primarily in the 5th and Avon Street corridors (Map 5). There are no rental communities located in the Fluvanna County portion of the market area. Outside the market area, five properties are located in or near Charlottesville. The remaining two properties are located in adjoining Louisa County which shares many of the same demographic characteristics as Fluvanna County; of the two properties, Stonegate at the Crossroads, located in Zions Crossroads, is the closest geographically to the subject site while Waverly Place is in the Town of Louisa and is geographically the most remote of the surveyed properties outside the market area.



Map 5 Competitive Rental Communities, Coves at Monticello Market Area



3. Age of Communities

The surveyed stock of Upper Tier general occupancy rental communities has an average year built of 2006 (14 years old), older than the LIHTC communities with an average placed in service in 2019 (Table 26). The newest communities surveyed are both tax credit communities: Brookdale opened in 2019 and Timberland Park opened in 2018. Outside the market area, the surveyed properties have an average age of eight years or placed in service date of 2012.

4. Structure Type

Most of the surveyed properties are garden-style apartments, representing five of the seven rental properties within the market area; one property has both townhouse and garden units and the remaining property has both elevator-served and garden buildings. Outside the market area, the communities are more diverse with four properties having only garden units; two properties with both garden and townhouse units; and one property with elevator-served buildings.

5. Size of Communities

The seven surveyed communities within the Coves at Monticello Market Area range in size from 80 units to 348 units. The Upper Tier rental properties have an average size of 269 units while the Lower Tier communities are small with an average of 88 units. Outside the market area, the Upper Tier properties have an average size of 203 units and range in size from 78 units to 301 units.



Table 26 Rental Communities Summary, Coves at Monticello Market Area

Map #	Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Incentive	
Upper Tier Communities										
1	Woodlands of Charlottesville	2007	Gar/TH	300	2	0.7%		\$1,688	Daily Pricing	
2	Stone Creek Village	2003	Gar	264	4	1.5%	\$1,346	\$1,632	None	
3	Lakeside	1997	Gar	348	4	1.1%	\$1,323	\$1,578	2 & 3BRs: \$25-\$85 off/mo	
4	Fifth Street Place	2017	Mix	200	8	4.0%	\$1,289	\$1,498	1 mo free	
5	Jefferson Ridge	2004	Gar	234	6	2.6%	\$1,367	\$1,497	1 mo free	
Upper Tier Total Average				2006	1,346	24	1.8%			
					269		\$1,331	\$1,579		
Lower Tier Communities										
6	Brookdale Apts*	2019	Gar	96	0	0.0%		\$1,150	None	
7	Timberland Park*	2018	Gar	80	2	2.5%		\$918	None	
Lower Tier Total Average				2019	176	2	1.1%			
					88			\$1,034		
Market Area Total Average				2009	1,522	26	1.7%			
					179		\$1,331	\$1,306		
Near Market Communities										
8	Reserve at Belvedere	2012	Gar/TH	294	15	5.1%	\$1,581	\$2,008	Reduced Rents on Select Units	
9	Beacon on 5th	2017	Gar/TH	241	24	10.0%	\$1,549	\$1,861	None	
10	City Walk	2014	Mid Rise	301	32	10.6%	\$1,528	\$1,856	\$200 off/mo for 6 mo	
11	Carriage Hill	2000	Gar	142	2	1.4%	\$1,340	\$1,709	None	
12	Arden Place	2011	Gar	212	4	1.9%	\$1,286	\$1,471	None	
13	Stonegate at the Crossroads	2017	Gar	155	0	0.0%	\$1,135	\$1,428	None	
14	Waverly Place	2014	Gar	78	0	0.0%	\$988	\$1,184	None	
Near Market Total Average				2012	1,423	77	5.4%			
					203		\$1,344	\$1,645		

(*) Tax Credit Communities

(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. December 2020.

6. Vacancy Rates and Waitlists

The aggregate vacancy rate among all properties in the Coves at Monticello Market Area was 1.7 percent, or 26 vacancies out of a total supply of 1,522 units. The Upper Tier vacancy rate is slightly higher than the overall market’s vacancy rate at 1.8 percent. Among the Lower Tier properties, the vacancy rate is 1.1 percent with only two units available out of 176 units. Brookdale is completely occupied and has a waitlist of approximately 20 households.

The vacancy rate for the seven Near Market communities is 5.4 percent. Unusual for the Charlottesville market, two communities have vacancy rates in the ten percent range. According to the leasing agents at these communities, leasing has been adversely impacted by the COVID-19 Pandemic since many UVA students are remotely learning at home.

7. Rent Concessions

Three Upper Tier communities are offering concessions ranging from reduced rent on select units to one month free rent; none of the Lower Tier properties are offering specials. Among the Near Market communities, two are offering a rental concession.



8. Absorption History

Lease up information is available for two communities inside the market area and as well as several of the newer communities located near the market area. Communities located inside the market area with absorption data are as follows:

- *Fifth Street Place* opened in November 2017 and completed lease up in January 2019 for overall absorption pace of 14 units per month.
- *Brookdale* opened with 40 of its 96 units complete in September 2019; by February 2020, all 40 had been leased and another 28 had been leased in the second building which did not deliver until June 2020. Absorption for those first 68 units was 14 units per month. Absorption for the rest of the units was not available.

Communities located near the market area:

- *Stonegate at the Crossroads* opened in January 2017 and was fully occupied as of December 2017, representing a lease up pace of roughly 13 units per month.
- *Arden Place* opened in October 2011 and reached stabilized occupancy by September 2012, reflecting an overall lease up pace of slightly less than 17 units per month.
- *The Reserve at Belvedere* opened in July 2012. This property reached stabilized occupancy by the end of July 2013, representing a lease up pace of approximately 21 units per month.
- *City Walk* experienced the strongest lease up pace of 30 units per month upon opening in September 2014. This property was stabilized as of July 2015.
- *Beacon on 5th* (241 units) initially opened in February 2017 and stabilized in mid-November. This property leased up at a pace of approximately 24 units per month.

D. Analysis of Rental Products and Pricing

1. Payment of Utility Costs

Among market rate communities inside the market area, three communities include no utilities in the rent and two include only trash. Among tax credit communities, one includes only trash, but the other includes heat, hot water, cold water, sewer, and trash in the rent (Table 27).

2. Parking

Free surface parking is the standard primary parking arrangement at all communities. Ten properties also offer detached garages for a fee ranging from \$135 to \$200. One Upper Tier community offers underground parking for some buildings and one community outside the market area has structured garage parking; there is no additional fee for parking at these communities.

3. Unit Features & Finishes

All unit kitchens at the surveyed market rate rental communities are equipped with stoves/ranges and refrigerators; dishwashers are available in all units. Microwaves are available in all except two Upper Tier communities within the market area and one Lower Tier property. An in-unit washer/dryer is available in all Upper Tier properties and Near Market communities. Among tax credit communities, Brookdale provides washer/dryers while Timberland Park only provides hook ups.



Table 27 Utility Arrangement and Unit Features, Coves at Monticello Market Area Communities

Community	Heat Type	Utilities Included in Rent					Dish-washer	Micro-wave	Parking	In-Unit Laundry	
		Heat	Hot Water	Cooking	Electric	Water					Trash
Upper Tier Communities											
Woodlands of Charlottesville	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std		Surface	Std
Stone Creek Village	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Underground	Std
Lakeside	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std		Surface	Std
Fifth Street Place	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Surface	Std
Jefferson Ridge	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Det Gar/\$180	Std
Lower Tier Communities											
Brookdale Apts	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std
Timberland Park	Elec	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std		Surface	Hook Ups
Near Market Communities											
Reserve at Belvedere	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Det Gar/\$150	Std
Beacon on 5th	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Det Gar/\$200	Std
City Walk	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Structured Garage	Std
Carriage Hill	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std		Det Gar/\$150	Std
Arden Place	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Std	Std	Det Gar/\$175	Std
Stonegate at the Crossroads	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Det Gar/\$135	Std
Waverly Place	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Std	Std	Surface	Std

Source: Field Survey, Real Property Research Group, Inc. December 2020.

4. Community Amenities

Upper Tier communities within the market area have an extensive array of community amenities (Table 28). Essentially, all offer large community buildings with many amenities. For example, Stone Creek Village has a 7,000 square foot clubhouse with 1,020 square foot fitness center while The Woodlands’ 8,000 square foot clubhouse includes an indoor tanning room and movie theater. All of the Upper Tier communities have an outdoor swimming pool and many are quite elaborate in their presentation. The Woodlands includes a three-tier pool with outdoor fireplace. Stone Creek Village includes a swimming pool, kiddie pool and outdoor spa. Lakeside is unique in having a 12-acre lake on the property with sand beach, fishing pier and free boat rentals. Other common features include dog parks, movie theater rooms, putting greens, and walking trails. For example, Stone Creek Village has five tot lots and three basketball courts.

The Lower Tier rental communities have more limited common area amenities. Both offer a playground and a clubhouse. Brookdale also offers a fitness room while Timberland Park has a business center.

Among the rental supply outside the market area, amenities are extensive. All seven have a clubhouse, fitness room, and pool, in addition to other amenities.



Table 28 Community Amenities, Coves at Monticello Market Area Rental Communities

Community	Clubhouse	Fitness Room	Pool	Playground	Tennis Court	Business Center
Upper Tier Communities						
Woodlands of Charlottesville	☒	☒	☒	☐	☒	☐
Stone Creek Village	☒	☒	☒	☒	☐	☒
Lakeside	☒	☒	☒	☒	☒	☒
Fifth Street Place	☒	☒	☒	☐	☐	☐
Jefferson Ridge	☒	☒	☒	☒	☒	☐
Lower Tier Communities						
Brookdale Apts	☒	☒	☐	☒	☐	☐
Timberland Park	☒	☐	☐	☒	☐	☒
Near Market Communities						
Reserve at Belvedere	☒	☒	☒	☒	☒	☒
Beacon on 5th	☒	☒	☒	☐	☐	☒
City Walk	☒	☒	☒	☐	☐	☒
Carriage Hill	☒	☒	☒	☒	☒	☒
Arden Place	☒	☒	☒	☒	☐	☐
Stonegate at the Crossroads	☒	☒	☒	☐	☐	☒
Waverly Place	☒	☒	☒	☐	☐	☒

Source: Field Survey, Real Property Research Group, Inc. December 2020.

5. Unit Distribution

RPRG was able to obtain unit distributions by bedroom type for 83 percent of all units surveyed within the market area and all communities surveyed outside the market area (Table 29). Within the market area, two-bedroom units are the most common unit type offered, representing 40 percent of all units; one-bedroom units account for 39 percent; and three-bedroom units account for 20 percent of the supply. The Upper Tier has a higher proportion of one-bedroom units and a lower proportion of three-bedroom units than the Lower Tier which includes both tax credit communities as well as 23 one-bedroom units at Fifth Street Place which are restricted to 80 percent AMI. The communities outside the market area have significantly more two-bedroom units (50 percent) and fewer three-bedroom (ten percent) units.

6. Unit Size

The average unit sizes for the surveyed Upper Tier units are 876 square feet for the one-bedroom units; 1,182 square feet for two-bedroom units; and 1,418 square feet for three-bedroom units. The Balance of Market units are smaller in size across all unit types with average sizes of 739 square feet for the one-bedroom units; 1,037 square feet for the two-bedroom units; and 1,214 square feet for the three-bedroom units.



Table 29 Unit Distribution, Size and Pricing, Coves at Monticello Market Area Communities

Community	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units			
		Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF	Units	Rent(1)	SF	Rent/SF
Subject Property - 50% AMI	42					32	\$925	1,008	\$0.92	10	\$1,025	1,189	\$0.86
Subject Property - 60% AMI	44					32	\$1,136	1,008	\$1.13	12	\$1,260	1,189	\$1.06
Subject Property -70% AMI	38					28	\$1,348	1,008	\$1.34	10	\$1,504	1,189	\$1.26
Upper Tier Communities													
Stone Creek Village	264	126	\$1,346	947	\$1.42	66	\$1,632	1,256	\$1.30	72	\$1,837	1,500	\$1.23
Woodlands of Charlottesville	300						\$1,618	1,135	\$1.43		\$1,812	1,351	\$1.34
Lakeside	348	116	\$1,323	754	\$1.75	174	\$1,528	1,040	\$1.47	58	\$1,545	1,220	\$1.27
Jefferson Ridge	234	104	\$1,363	992	\$1.37	120	\$1,477	1,332	\$1.11	10	\$1,752	1,601	\$1.09
Fifth Street Place-Mkt	177	113	\$1,289	811	\$1.59	64	\$1,424	1,145	\$1.24				
Upper Tier Total/Average	1,323		\$1,330	876	\$1.52		\$1,536	1182	\$1.30		\$1,736	1418	\$1.22
Unit Distribution	1,023	459				424				140			
% of Total	77.3%	44.9%				41.4%				13.7%			
Lower Tier Communities													
Brookdale Apts-60%*	96					48	\$1,150	1,070	\$1.07	48	\$1,318	1,189	\$1.11
Fifth Street Place-80%*	23	23	\$970	739	\$1.31								
Timberland Park-60%*	80									40	\$1,260	1,226	\$1.03
Timberland Park-50%*						22	\$898	1,003	\$0.90	18	\$1,025	1,226	\$0.84
Lower Tier Total/Average	199		\$970	739	\$1.31		\$1,024	1037	\$0.99		\$1,201	1214	\$0.99
Unit Distribution	199	23				70				106			
% of Total	100.0%	11.6%				35.2%				53.3%			
Market Area Total/Average	1,522		\$1,150	808	\$1.42		\$1,280	1109	\$1.15		\$1,469	1316	\$1.12
Unit Distribution	1,222	482				494				246			
% of Total	80.3%	39.4%				40.4%				20.1%			
Near Market Communities													
Beacon on 5th	241	123	\$1,559	812	\$1.92	87	\$1,871	1,165	\$1.61	31	\$2,174	1,375	\$1.58
Reserve at Belvedere	294	89	\$1,549	868	\$1.79	161	\$1,855	1,196	\$1.55	44	\$2,036	1,390	\$1.46
City Walk	301	175	\$1,428	779	\$1.83	126	\$1,756	1,135	\$1.55				
Carriage Hill	142	36	\$1,340	893	\$1.50	70	\$1,709	1,339	\$1.28	36	\$1,898	1,627	\$1.17
Arden Place	212	90	\$1,279	863	\$1.48	112	\$1,464	1,169	\$1.25	10	\$1,879	1,421	\$1.32
Stonegate at the Crossroads	155	33	\$1,135	805	\$1.41	96	\$1,428	1,155	\$1.24	26	\$1,613	1,357	\$1.19
Waverly Place	78	20	\$973	839	\$1.16	58	\$1,164	1,128	\$1.03				
Total/Average	1,423		\$1,323	837	\$1.58		\$1,607	1184	\$1.36		\$1,920	1434	\$1.34
Unit Distribution	1,423	566				710				147			
% of Total	100.0%	39.8%				49.9%				10.3%			

(*) Tax Credit Communities

(1) Rent is adjusted to include only Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. December 2020.

7. Unit Pricing

The rents listed in Table 29 are net or effective rents, as opposed to published or street rents. We calculated effective rents to facilitate an ‘apples to apples’ comparison of tenants’ housing costs across the surveyed communities. To derive effective rents, we first applied downward adjustments to relevant published rents for units impacted by current rental incentives. Second, the effective rents reflect upward or downward adjustments to published rents to equalize the impact of utility expenses across properties. Specifically, the effective rents reflect the hypothetical



situation where tenants of each community are responsible for all utility bills, except trash collection. This is the proposed utility billing arrangement for The Coves at Monticello.

The Upper Tier one-bedroom net rent averages \$1,330; the two-bedroom average net rent is \$1,536, and the three-bedroom net rent averages \$1,736. Average per square foot rents for Upper Tier units in the Coves at Monticello Market Area are \$1.52 for one-bedroom units; \$1.30 for two-bedroom units; and \$1.22 for three-bedroom units. Upper Tier rents enjoy a rent premium of 31 to 62 percent relative to Balance of Market rents.

At the two LIHTC communities in this market area, the two-bedroom average net rent is \$1,024 and the three-bedroom net rent averages \$1,201. Average per square foot rents are \$0.99 for both two- and three-bedroom units.

E. Subsidized Rental Communities

None of the tax credit properties in the Coves at Monticello Market Area provide project based Section 8 units. There are no age-restricted communities tax credit communities in the market area. These units are commonly referred to as “deep” subsidy rental housing. Deep subsidy units include those where rental assistance is provided in the form of project-based Section 8 rent subsidies. In many subsidized arrangements, tenants pay an amount roughly equivalent to 30 percent of their income toward housing costs (rents plus utility costs), while the rent subsidy covers the remainder of the relevant housing costs.

There are no public housing properties in the Coves at Monticello Market Area. The Albemarle County Housing Office monitors Section 8 Housing Choice Vouchers for the city of Charlottesville and five county region consisting of Albemarle, Greene, Louisa, Nelson, and Fluvanna Counties (individual jurisdictions are not broken out). The waiting list for Section 8 tenant based housing vouchers is currently closed. The waiting list for project based housing vouchers is open for just two communities (one of which offers supporting housing for homeless single persons) and neither is in the subject’s market area.

F. Derivation of Market Rent

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

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

We elected to compare the units at the subject to the comparable floor plans at three market rate communities that offer two and three-bedroom units in exclusively garden style floorplan. Stonegate at the Crossroads is located in Zion Crossroads in Louisa County. Of the selected communities, its location is most like the subject in that it is exurban in nature. The other communities are located in or near the city of Charlottesville and they were awarded a locational premium.



Once a particular floor plan’s market rent has been determined, it can be used to evaluate a.) whether or not thine subject project has a rent advantage or disadvantage versus competing communities, and b.) the extent of that rent advantage or disadvantage. The assumptions used in the calculations are shown in Table 30.

Table 30 Market Rent Advantage – Adjustment Table

Rent Adjustments Summary	
B. Design, Location, Condition	
Structure / Stories	\$25.00
Year Built / Renovated	\$1.00
Quality/Street Appeal	\$10.00
Location	\$20.00
C. Unit Equipment / Amenities	
Number of Bedrooms	\$25.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.25
Balcony / Patio / Porch	\$5.00
AC Type:	\$5.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$5.00
D. Site Equipment / Amenities	
Parking Alternative	\$10.00
Club House	\$10.00
Pool	\$10.00
Playground	\$5.00
Fitness Center	\$10.00

The derivation of achievable rent calculations for the 60 percent of AMI units are displayed in Table 31 and Table 32. The results of the calculations are summarized in Table 33.



Table 31 Market Rent Analysis – Two-Bedroom Units

Two Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
The Cove at Lake Monticello Lake Monticello Road Palmyra, VA 22963	Stonegate at the Crossroads		Lakeside		Carriage Hill		
	100 Stonegate Terrace		200 Lake Club Court		825 Beverly Drive		
	Zion Crossroads	VA	Charlottesville	VA	Charlottesville	VA	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Effective Rent: 60% AMI	\$1,136	\$1,428		\$1,528		\$1,709	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden	Garden	\$0	Garden	\$0	Garden	\$0
Year Built / Condition	2023	2017	\$6	1997	\$26	2000	\$23
Quality/Street Appeal	bove Average	Excellent	(\$10)	Above Average	\$0	Above Average	\$0
Location	bove Average	Above Average	\$0	Excellent	(\$20)	Excellent	(\$20)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	2	2	\$0	2	\$0	2	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	1,008	1,155	(\$37)	1,040	(\$8)	1,339	(\$83)
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)on	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	No / Yes	\$5	No / Yes	\$5
Washer / Dryer: In Unit	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Washer / Dryer: Hook-ups	No	No	\$0	No	\$0	No	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking Alternative	No	Yes	(\$10)	No	\$0	Yes	(\$10)
Club House	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	No	Yes	(\$10)	Yes	(\$10)	Yes	(\$10)
Playground	Yes	Yes	\$0	No	\$5	Yes	\$0
Fitness Center	Yes	Yes	\$0	Yes	\$0	Yes	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		1	4	3	3	2	4
Sum of Adjustments B to D		\$6	(\$67)	\$36	(\$38)	\$28	(\$123)
F. Total Summary							
<i>Gross Total Adjustment</i>		\$73		\$74		\$151	
<i>Net Total Adjustment</i>		(\$61)		(\$2)		(\$95)	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,367		\$1,526		\$1,614	
% of Effective Rent		95.7%		99.9%		94.4%	
Estimated Market Rent	\$1,502						
Rent Advantage \$	\$366						
Rent Advantage %	24.4%						



Table 32 Market Rent Analysis – Three-Bedroom Units

Three Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
The Cove at Lake Monticello Lake Monticello Road Palmyra, VA 22963	Stonegate at the Crossroads		Lakeside		Carriage Hill		
	100 Stonegate Terrace		200 Lake Club Court		825 Beverly Drive		
	Zion Crossroads	VA	Charlottesville	VA	Charlottesville	VA	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Effective Rent: 60% AMI	\$1,260	\$1,613		\$1,545		\$1,898	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	Garden	Garden	\$0	Garden	\$0	Garden	\$0
Year Built / Condition	2023	2017	\$6	1997	\$26	2000	\$23
Quality/Street Appeal	Above Average	Excellent	(\$10)	Above Average	\$0	Above Average	\$0
Location	Above Average	Above Average	\$0	Excellent	(\$20)	Excellent	(\$20)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	3	\$0	3	\$0	3	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	1,189	1,357	(\$42)	1,220	(\$8)	1,627	(\$110)
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)on	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	No / Yes	\$5	No / Yes	\$5
Washer / Dryer: In Unit	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Washer / Dryer: Hook-ups	No	No	\$0	No	\$0	No	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking Alternative	No	Yes	(\$10)	No	\$0	Yes	(\$10)
Club House	Yes	Yes	\$0	Yes	\$0	Yes	\$0
Pool	No	Yes	(\$10)	Yes	(\$10)	Yes	(\$10)
Playground	Yes	Yes	\$0	No	\$5	Yes	\$0
Fitness Center	Yes	Yes	\$0	Yes	\$0	Yes	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		1	4	3	3	2	4
Sum of Adjustments B to D		\$6	(\$72)	\$36	(\$38)	\$28	(\$150)
F. Total Summary							
<i>Gross Total Adjustment</i>		\$78		\$74		\$178	
<i>Net Total Adjustment</i>		(\$66)		(\$2)		(\$122)	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$1,547		\$1,543		\$1,776	
% of Effective Rent		95.9%		99.9%		93.6%	
Estimated Market Rent	\$1,622						
Rent Advantage \$	\$362						
Rent Advantage %	22.3%						



Table 33 Market Rent Advantage - Summary

	Two Bedroom	Three Bedroom
50% AMI Units	Units	Units
Subject Rent	\$925	\$1,025
Estimated Market Rent	\$1,502	\$1,622
Rent Advantage (\$)	\$577	\$597
Rent Advantage (%)	38.4%	36.8%
	Two Bedroom	Three Bedroom
60% AMI Units	Units	Units
Subject Rent	\$1,136	\$1,260
Estimated Market Rent	\$1,502	\$1,622
Rent Advantage (\$)	\$366	\$362
Rent Advantage (%)	24.4%	22.3%
	Two Bedroom	Three Bedroom
70% AMI Units	Units	Units
Subject Rent	\$1,348	\$1,504
Estimated Market Rent	\$1,502	\$1,622
Rent Advantage (\$)	\$154	\$118
Rent Advantage (%)	10.3%	7.3%

After adjustments, the estimated market rent for a two-bedroom/two bath unit is \$1,502, resulting in the subject’s 60 percent AMI two bedrooms units with a 24.4 percent rent advantage. The estimated market rent for three-bedroom/two bath unit is \$1,622 resulting in the subject’s 60 percent AMI three-bedroom units having a 22.3 percent rent advantage. The rent advantage for the 50 percent AMI units is even greater. The 70 percent units still have a rent advantage of 7.3 and 10.3 percent.

G. Achievable Restricted Rents

The market rent derived above is an estimate of what a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay for a unit at the subject. However, as a tax credit community, the maximum rent that a project owner can charge for a low-income unit is a gross rent based on bedroom size and applicable HUD’s median household income for the subject area. If these LIHTC maximum gross/net rents are below the market rent (adjusted downward by ten percent), then the maximum rents also function as the achievable rents for each unit type and income band. Conversely, if the adjusted market rents are below the LIHTC maximum rents, then the adjusted market rents (less ten percent) act as the achievable rents. Therefore, achievable rents are the lower of the market rent or maximum LIHTC rent. This ten percent reduction to market rents only applies to units targeted to households at 60 percent AMI or less, but the 70 percent rents at the subject are still less than market rents.

As shown in Table 34, all the maximum LIHTC rents are well below estimated adjusted market rents. Therefore, the maximum LIHTC rents are the achievable rents for all LIHTC units. The proposed LIHTC rents for all models are equal to the achievable rents.



Table 34 Achievable Tax Credit Rent

	Two Bedroom Units	Three Bedroom Units
50% AMI Units		
Estimated Market Rent	\$1,502	\$1,622
Less 10%	\$1,352	\$1,460
Maximum LIHTC Rent*	\$946	\$1,093
Achievable Rent	\$946	\$1,093
SUBJECT RENT	\$925	\$1,025
60% AMI Units		
Estimated Market Rent	\$1,502	\$1,622
Less 10%	\$1,352	\$1,460
Maximum LIHTC Rent*	\$1,158	\$1,337
Achievable Rent	\$1,158	\$1,337
SUBJECT RENT	\$1,136	\$1,260
70% AMI Units		
Estimated Market Rent	\$1,502	\$1,622
Maximum LIHTC Rent*	\$1,369	\$1,581
Achievable Rent	\$1,369	\$1,581
SUBJECT RENT	\$1,348	\$1,504

*Assumes utility allowances of \$111 (2BR) and \$128 (3BR)

H. Proposed and Pipeline Rental Communities

Based on our research, RPRG has identified one pipeline project in the market area, Albemarle Business Campus, but it is unlikely that units will be delivered at this community over the next three years. In October 2020, the Albemarle supervisors approved a zoning amendment and a special exception for the 5th Street Business Center development to be located off 5th Street Extended near Old Lynchburg Road (Map 6). Developers are planning for the center to be mostly business space, but 15% of the project will be devoted to affordable housing. The site may include a maximum of 128 residential units and 401,000 square feet of non-residential use on about 13.6 acres. Earlier this year, the Board of Supervisors approved a public-private partnership for the project where Developer Kyle Redinger would reserve 25,000 square feet of Class A office space for a primary business, which, according to a staff report, is a business that generates more than 50% of its revenue from outside of the region. Under the agreement, Redinger would receive \$100,000 from the county Economic Development Authority through synthetic tax increment financing. At a recent EDA meeting, Economic Development Director Roger Johnson said that if the county wanted to build a speculative office like this, his office projected it would cost around \$7 million. The project will provide available, affordable space. Given the complexity of the project and early stage of planning, we are considering this project long term.

Map 6 Pipeline Community in The Coves at Monticello Market Area





VIII. FINDINGS AND CONCLUSIONS

A. Key Findings

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

1. Site and Neighborhood Analysis

The subject is strategically located at the intersection of Thomas Jefferson Parkway (VA-53) and Lake Monticello Road (VA-618), both well-known arterials in the region.

- The subject is the first phase of the Colonial Heights development. Upon completion, the Colonial Circle planned community has the potential for up to 325 residential units, including single-family detached homes, townhomes and multifamily apartments, as well as 81,000 square feet of commercial space, which will further enhance the desirability of the site.
- The exurban site offers residents attractive wooded surroundings and other natural amenities including proximity to Lake Monticello. That said, residents also have convenient access to retail and services. A full-service grocery store and pharmacy are located two miles from the site.
- Residents will also have immediate access to commuter bus service to Charlottesville.
- Fluvanna County public schools are well-regarded in the region and will be attractive to local families.

2. Economic Context

Fluvanna County's economy is small, but relatively well diversified. Unemployment rates are consistently less than both the state and nation.

- At-Place Employment gained approximately 2,900 jobs since 2008, an increase of four percent.
- The most recent annual average unemployment rate as of 2019 stood at 2.3 percent in Fluvanna County compared to the statewide average of 2.8 percent and the national rate of 3.7 percent. Unemployment rates in all three areas are well below the 2010 peaks of 6.3 percent for the county, 7.1 percent for the state and 9.6 percent for the nation.
- At the onset of the pandemic in April 2020, unemployment rates spiked at 9.0 percent in tandem with the state (10.8 percent) and nation (14.7 percent). As of September 2020, rates fell significantly reaching 4.8 percent in the county, 6.0 percent in the state, and 7.9 percent in the nation.
- Construction is Fluvanna County's largest economic sector, representing roughly 19 percent of the county's total At-Place Employment, compared to five percent of jobs nationally. In addition to Construction, Fluvanna County also has a larger percentage of jobs in the Education-Health, Other, Professional-Business, and Natural Resources-Mining sectors compared to the nation.
- Six of the eleven economic sectors added jobs in the county from 2011 to first quarter 2020 including 80 percent growth in Manufacturing, 45 percent growth in Financial Activities, and 28 percent growth in Government.



3. Demographic Analysis

The Coves at Monticello Market Area's demographics reflect its more rural orientation with an older household base, fewer single person households than in the Bi-County Market Area and a lower propensity to rent.

- The Coves at Monticello Market Area expanded by 9,471 persons and 3,642 households from 2000 to 2010, experiencing growth rates of 29.2 percent and 29.9 percent, respectively. Growth rates in the Coves at Monticello Market Area and Bi-County Market Area have slowed relative to the past census trends but have remained positive. The Coves at Monticello Market Area is estimated to have added 5,030 persons, or an average annual growth rate of 1.1 percent between 2010 and 2020, while the household base grew by 2,050 households, reflecting 1.2 percent annual growth. Esri further projects that the market area's household base will increase by 189 persons or 1.0 percent annually between 2020 and 2025.
- The market area is a middle-aged community with a median age of 39 years; the largest age cohort is adults age 35 to 61 years with a 36 percent share. Roughly one-third (32 percent) of all households in the market area had children, higher than the 31 percent of households in the Bi-County Market Area. Single-person households comprised 23 percent of all households in the market area, compared to 27 percent of households in the Bi-County Market Area.
- One- and two-person households account for 61 percent of all renters. Approximately 22 percent of renter households in the market area are larger households of four persons or more.
- As of 2020 had a relatively low renter percentage of 29.4 percent, lower than the Bi-County Market Area's renter percentage of 35.6 percent. Esri projects renter households will comprise 31.6 percent of net household growth over the next five years, resulting in a rentership rate of 29.5 percent in 2025.
- Households in the market area have a 2020 median household income of \$71,470, nine percent lower than the median income of \$78,473 in the region. The median income for renters is \$51,928, 65 percent of the median homeowner income of \$80,261. Roughly 36 percent of rental households earn between \$35,000 and \$74,999, (the target income range for future tenants at the subject).

4. Competitive Housing Analysis

Based on waiting lists reported at income restricted rental communities and low vacancy rates in the market rate rental market, the affordable rental market in the Coves at Monticello Market Area is tight, pointing to its ability to support the proposed subject apartments.

- The Upper Tier one-bedroom net rent averages \$1,330; the two-bedroom average net rent is \$1,536, and the three-bedroom net rent averages \$1,736. Average per square foot rents for Upper Tier units in the Coves at Monticello Market Area are \$1.52 for one-bedroom units; \$1.30 for two-bedroom units; and \$1.22 for three-bedroom units. Upper Tier rents enjoy a rent premium of 31 to 62 percent relative to Balance of Market rents.
- At the two LIHTC communities in this market area, the two-bedroom average net rent is \$1,024 and the three-bedroom net rent averages \$1,201. Average per square foot rents are \$0.99 for both two- and three-bedroom units.



- Income-restricted affordable rental units in the Coves at Monticello Market Area account for only 12 percent of the surveyed multifamily stock and both operate under LIHTC guidelines.
- The current combined vacancy rate across the seven surveyed rental communities inside the market area is 1.7 percent with 26 available units. The vacancy rate in the income restricted rental supply is lower at 1.1 with waiting lists for at least one floorplan at each community. These rates indicate a tight affordable rental market.
- RPRG identified one long term pipeline community, but none likely to deliver in the next three years.

B. Derivation of Demand

1. Net Demand Methodology

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

The three-year period in question for this analysis is the period from August 2020 through December 2023. RPRG's Derivation of Demand calculation is a gross analysis, meaning that the calculation balances the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable market-rate, tax credit, rent-subsidized, and age-restricted) versus the upcoming supply of rental housing units of all types. The Derivation of Demand calculation is an incremental or net analysis, in that it focuses on the change in demand over the period in question as opposed to focusing on the market's total demand. Considerations such as household incomes and the floor plan types and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand; rather, we address the interplay of these factors within the Affordability Analysis and Penetration Analysis in the next section of this report.

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

- **Projected Change in the Household Base.** Earlier in this report, RPRG presented projections of household change within the primary market area over the 2020 to 2025 period. For this analysis, we factor in three years' worth of the household change suggested by the annual rate of household growth or decline (2020 to 2021, 2021 to 2022, and 2022 to 2023). Note that net household change incorporates growth or decline stemming from both household migration into and out of the market area and organic changes within existing households (i.e. new household formation as a result of children moving out of their parents' homes, divorces, roommates beginning to rent separately).
- **Units Removed from the Housing Stock.** A number of factors contribute to the removal of housing units in a given geographic area. An April 2016 report prepared for the U.S. Department of Housing and Urban Development by Econometrica, Inc. provides quantitative evidence of such removal factors. Using data collected as part of the national American Housing Survey (AHS) in 2011 and 2013, Econometrica highlighted the portions of the total



number of housing units lost attributable to each of the following: units lost through demolition or natural disasters; units badly damaged or condemned (and thus unlivable); units lost due to merger of two or more units into a single unit or the conversion of a single unit into multiple units; units changed from residential to non-residential use; units (primarily mobile homes) moved out from their 2011 location; and units lost in other (unclassified) ways. Econometrica tabulated Components of Inventory Change (CINCH) data based on a range of unit characteristics such as occupancy (occupied, vacant, or seasonal); region (Northeast, Midwest, South, or West); tenure (owner- or renter-occupied); metro status (units located in central cities, suburban areas, or outside of metro areas); and year built.

Table 35 US Components of Inventory Change (CINCH) 2011 - 2013

A. Characteristics	C. Present in 2011	D. 2011 units present in 2013	2011 Unit change ('000 Units)							TOTAL Lost to Stock	Total exclude MH	2011-13 Annual
			E. Change in characteristics	F. lost due to conversion /merger	G. house or mobile home moved out	H. changed to non residential use	I. lost through demolition or disaster	J. badly damaged or condemned	K. lost in other ways			
Total Housing Stock	132,420	130,852		98	161	202	470	212	424	1,567	1,406	703
				0.07%	0.12%	0.15%	0.35%	0.16%	0.32%	1.18%	1.06%	0.53%
Occupancy												
Occupied units	114,907	105,864	8,313	58	99	68	238	59	207	729	630	315
				0.05%	0.09%	0.06%	0.21%	0.05%	0.18%	0.63%	0.55%	0.27%
Vacant	13,381	5,123	7,642	38	50	85	175	110	158	616	566	283
				0.28%	0.37%	0.64%	1.31%	0.82%	1.18%	4.60%	4.23%	2.11%
Seasonal	4,132	2,132	1,778	2	11	49	57	43	59	221	210	105
				0.05%	0.27%	1.19%	1.38%	1.04%	1.43%	5.35%	5.08%	2.54%
Region (All Units)												
Northeast	23,978	23,718		38	0	28	55	40	99	260	260	130
				0.16%	0.00%	0.12%	0.23%	0.17%	0.41%	1.08%	1.08%	0.54%
Midwest	29,209	28,849		14	28	49	117	56	95	359	331	166
				0.05%	0.10%	0.17%	0.40%	0.19%	0.33%	1.23%	1.13%	0.57%
South	50,237	49,526		29	120	75	235	94	159	712	592	296
				0.06%	0.24%	0.15%	0.47%	0.19%	0.32%	1.42%	1.18%	0.59%
West	28,996	28,759		17	13	50	63	23	71	237	224	112
				0.06%	0.04%	0.17%	0.22%	0.08%	0.24%	0.82%	0.77%	0.39%
Owner occupied	76,092	69,324	6,418	14	83	14	116	26	97	350	267	134
				0.02%	0.11%	0.02%	0.15%	0.03%	0.13%	0.46%	0.35%	0.18%
Renter occupied	38,815	31,181	7,253	45	16	54	122	33	110	380	364	182
				0.12%	0.04%	0.14%	0.31%	0.09%	0.28%	0.98%	0.94%	0.47%
Metro Status												
In Central Cities	37,400	36,974		49	3	70	124	67	112	425	422	211
				0.13%	0.01%	0.19%	0.33%	0.18%	0.30%	1.14%	1.13%	0.56%
In Suburbs	65,872	65,311		26	57	54	169	69	186	561	504	252
				0.04%	0.09%	0.08%	0.26%	0.10%	0.28%	0.85%	0.77%	0.38%
Outside Metro Area	29,148	28,567		23	101	78	177	76	125	580	479	240
				0.08%	0.35%	0.27%	0.61%	0.26%	0.43%	1.99%	1.64%	0.82%

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

- Competitive Multifamily Vacancy Rates.** The final source of demand that factors into RPRG’s calculation of net demand for new rental units is the observed vacancy rate in the primary market area’s competitive rental market. RPRG assumes that a 5.0 percent vacancy rate – a typical underwriting standard – is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. When the market vacancy rate is below 5.0 percent, additional units are needed to ensure an adequate number of available units from which to choose. When the market vacancy rate is above 5.0 percent, the market has the capacity to absorb some additional demand, whereby that amount of demand would not need to be met through the development of new units. In considering competitive vacancy rates, we focus on



multifamily units in part because the scattered market in single-family homes, condominiums, and other properties is extremely fluid and cannot be relied upon to consistently serve renter households, since the inventory can convert to homeownership very quickly.

Given today's rapidly changing environment, we conduct a net demand analysis based on current available data and a sensitivity analysis reflecting impact of COVID-19.

2. Net Demand Calculation

Table 36 applies the discussion of sources of demand for new rental units to the Coves at Monticello Market Area. The steps in our Derivation of Demand analysis for the three-year period between December 2020 and December 2023 are as follows:

- Per the household trend information discussed previously, RPRG estimates there are 17,865 households in the Coves at Monticello Market Area as of 2020, and projects that this number will increase to 18,809 by 2025. Based on this estimate and projection, RPRG derived the number of households in the market area as of December 2020 to December 2023 via interpolation.

Based on Esri trends, RPRG estimates that 18,038 households reside in the Coves at Monticello Market Area as of December 2020 a number that is projected to increase to 18,604 by December 2023. The Coves at Monticello Market Area is expected to add approximately 566 net households during the three-year period.

- Using national statistical observations from 2011-2013 CINCH data, Econometrica determined that the average annual loss of occupied housing units in the United States (for all reasons other than the moving of homes, particularly mobile homes) was 0.27 percent of the total occupied stock (Table 35).

We determined the size of the housing stock in the primary market area for 2020, 2021, and 2022 by applying the ratio of occupied to total housing units from the 2010 Census to RPRG's projected household totals. Applying the average 0.27 percent removal rate over the three years in question, we estimate that 161 units are likely to be lost.

- Summing the net household increases from the number of units removed from the market, we calculate the net new demand for housing units of all types over the three-year period to be 728 units.
- RPRG projects renter households will contribute roughly 31.6 percent of net household growth over the next five years. Applying this rate to new housing demand results in demand for 230 new rental units over the next three years.
- RPRG's survey of the stabilized general occupancy rental communities in the primary market area consisted of 1,522 units. Of these, 26 units are currently vacant.
- Typically, it is assumed that a 5.0 percent vacancy rate is required to keep a rental market relatively fluid. There must be some number of quality units vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. Given the total competitive inventory of 1,522 units, 76 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the 26 vacant units in the market from this number reveals additional supply of 50 units at 5.0 percent vacancy. Thus, we add 50 units to demand.



Table 36 Derivation of Net Demand, Coves at Monticello Market Area

				Pre-COVID-19 Net Demand	COVID-19 Related Adjustment	
Demand						
<i>Projected Change in Household Base</i>				<i>Units</i>	20% Discount	
December 2020 Households				18,038		
December 2023 Households				18,604		
Net Change in Households				566	453	
Add: Units Removed from Housing Stock					10% Discount	
	Housing Stock	Removal Rate	Units Removed			
2020 Housing Stock				19,698	0.27%	53
2021 Housing Stock				19,930	0.27%	54
2022 Housing Stock				20,163	0.27%	54
Total Units Removed from Housing Stock				161	145	
New Housing Demand				728	598	
Average Percent Renter Households over Analysis Period				31.6%	32.2%	
New Rental Housing Demand				230	193	
Add: Multifamily Competitive Vacancy					No Adjustment	
	Inventory		Vacant			
Total Competitive Inventory				1,522	26	
Market Vacancy at 5%					76	
Less: Current Vacant Units					-26	
Vacant Units Required to Reach 5% Market Vacancy				50	50	
Total Demand for New Rental Units				280	243	
Planned Additions to the Supply						
				95%	95%	
				Total Units	Occupancy	
Subject Property				124	118	
Total New Rental Supply				124	118	
Excess Demand for Rental Housing				162	125	

Source: RPRG, Inc.

- Summing demand from household change, projected unit removals, and the vacancy rate in the existing market, there would be total demand for 280 new rental units in the primary market area over the next three years.
- Net demand for new rental units must be balanced against new rental stock likely to be added to the market area’s inventory over this period. There are no near-term pipeline projects in this market aside from the 124 units at the subject. After adjusting for 95 percent occupancy, the subject will add 118 rental units to the existing supply.



- Upon subtracting the expected additions to the supply (118 units) from net demand for new rental units (280 units), we arrive at an excess demand of 162 rental units in the Coves at Monticello Market Area between December 2020 and December 2023.

3. COVID-19 Impact

The COVID-19 pandemic is expected to have a significant negative impact on the national economy, likely to be widespread among most economic sectors and areas of the country. The extent of the impact on any one county or market area is impossible to measure based on the lack of available data and the rapidly evolving situation. To assess the potential vulnerability of this market and property, RPRG has provided an overview of several market variables related to demand and the potential impact of COVID-19 in the primary market area.

The county's economy recovered from the previous recession more quickly than the nation as a whole. The economy is balanced and not dependent on one vulnerable economic sector. The household projections are not dependent on any extraordinary economic expansions that might be vulnerable under current conditions. Growth has been strong in the Coves at Monticello Market Area and region over the past 20 years. The market area's projected annual average household growth over the next five years was slightly lower on a percentage basis than the previous two decades. The economic ramifications of COVID-19 are expected to shift household growth and housing demand towards rental housing in at least the near term.

Adjusted Net Demand: Based the above factors, we have calculated an alternate Net Demand Estimate as a sensitivity analysis to test the potential of the market area to absorb a COVID-19 related slowdown that is presented in the rightmost column of Table 36. The deviations from the original demand estimate include:

- *A 20 percent reduction in demand from household growth and 10 percent adjustment for housing removals/upgrades based on local factors.*
- *No adjustment for stabilized vacancies or communities undergoing initial lease up as this is measured over the next three years. Near-term vacancies are expected to increase across the nation, but long term demand for rental housing is expected to increase.*
- *A two percent increase in the renter-share of New Housing Demand over the next three years resulting in a rentership rate of 32.2 percent compared to 31.6 percent.*

The adjusted Net Demand Estimate results in moderate material change relative to the original analysis (excess demand of 162 units decreased to 125 units).

4. Conclusions on Net Demand

Both demand models estimates (pre and post COVID) indicate a marketplace with excess demand ranging from 125 units to 162 units. Moreover, given that the subject is addressing the affordable niche of the market, the impact on the existing supply should be minimal with the subject poised to bring high quality rental housing to a county where none exists.

It should be noted that the subject property is still in the development phase and will not be placed in service until mid-2023. While many believe the economy will resemble Pre-COVID conditions and growth within this timeframe, net demand for housing is measured over the next three years. We expect any COVID-19 impact to total housing demand to be deeper during the near term of the three-year period, with its effect moderating by the end of the Net Demand period. The alternate demand model presented here is one potential outcome based on RPRG's analysis of data available at the time of market study completion and national data and analysis regarding the



potential impact of the COVID-19 related economic slowdown. This sensitivity analysis indicates minimal impact on demand related to a COVID-19 induced slowdown.

C. Effective Demand – Affordability/Capture & Penetration Analyses

1. Methodology

Following our estimate of the depth of demand for net new rental units in the primary market area, we next test whether enough income-qualified households would be available to support the specific units at the subject property and properties in the same broad segment of the rental market in terms of pricing. This analysis is conducted independently of the Net Demand Analysis as units at the subject property are likely to be filled by a combination of new households (either moving to or created in the market area) and existing households moving within the market area. The total demand – comprised of the net or incremental demand and the demand from existing households – is the relevant frame of reference for the analysis.

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

The first component of the Effective Demand analysis involves looking at total income and renter income among Coves at Monticello Market Area households for the target year. The Developer projects that units at The Coves at Monticello will initially be placed in service in 2023 and as such, 2023 is used as the target year for these analyses. RPRG calculated 2023 income distributions for total households and renter households based on RPRG household projections, income estimates from the 2014-2018 ACS, and income projections from Esri (Table 37).

Table 37 2023 Total and Renter Income Distribution, Coves at Monticello Market Area

The Coves at Monticello Market Area		2023 Total Households		2023 Renter Households	
2023 Income		#	%	#	%
less than	\$15,000	1,154	6.3%	659	12.1%
	\$15,000 - \$24,999	1,272	6.9%	480	8.8%
	\$25,000 - \$34,999	1,295	7.0%	516	9.5%
	\$35,000 - \$49,999	2,436	13.2%	928	17.1%
	\$50,000 - \$74,999	3,241	17.6%	975	17.9%
	\$75,000 - \$99,999	2,915	15.8%	829	15.2%
	\$100,000 - \$149,999	2,910	15.8%	589	10.8%
	\$150,000 Over	3,208	17.4%	462	8.5%
Total		18,431	100%	5,439	100%
Median Income		\$73,582		\$53,473	

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



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

2. Affordability Analysis

The steps in our Affordability Analysis for The Coves at Monticello at the Developer’s proposed rents are as follows (Table 38).

- The overall shelter cost (gross rent) for a 50 percent two-bedroom unit at The Coves at Monticello would be \$1,036 per month (\$925 rent plus a \$111 utility allowance for all utility costs).
- Applying a 35 percent rent burden to this gross rent, we determined that the 50 percent two-bedroom unit would be affordable to renter households earning at least \$35,520 per year. The projected number of primary market area renter households earning at least \$35,520 in 2023 is 3,751.
- A household occupying a two-bedroom unit (assuming 1.5 persons/bedroom) and earning 50 percent of AMI for the Charlottesville VA HUD Metro FMR area would have an income of up to \$42,300. According to the interpolated income distribution for 2023, there would be 3,331 renter households in the primary market area with incomes exceeding the upper income bound.
- Subtracting the 3,331 renter households with incomes above the 50 percent maximum income limit from the 3,751 renter households that could afford to rent this unit, we calculate that 420 renter households in the primary market area as of 2023 would be in the band of affordability for the subject’s 50 percent two-bedroom units. The Coves at Monticello would need to capture 7.6 percent of these income-qualified renter households to absorb all 32 of the 50 percent two-bedroom units.
- Following the same methodology, we tested the affordability of the remaining units and the project as a whole. The 124 tax credit units would need to capture 7.7 percent of the income-qualified renter households.



Table 38 2023 Affordability Analysis for Coves at Monticello Trail Apartments

50% AMI	35% Rent Burden	Two Bedroom Units		Three Bedroom Units	
Number of Units		31		11	
Net Rent		\$925		\$1,025	
Gross Rent		\$1,036		\$1,153	
Income Range (Min, Max)		\$35,520	\$42,300	\$39,531	\$48,850
Renter Households					
Range of Qualified Hhlds		3,751	3,331	3,503	2,926
# Qualified Hhlds		420		577	
Renter HH Capture Rate		7.4%		1.9%	

60% AMI	35% Rent Burden	Two Bedroom Units		Three Bedroom Units	
Number of Units		32		12	
Net Rent		\$1,136		\$1,260	
Gross Rent		\$1,247		\$1,388	
Income Range (Min, Max)		\$42,754	\$50,760	\$47,589	\$58,620
Renter Households					
Range of Qualified Hhlds		3,303	2,825	3,004	2,519
# Qualified Households		478		486	
Renter HH Capture Rate		6.7%		2.5%	

70% AMI	35% Rent Burden	Two Bedroom Units		Three Bedroom Units	
Number of Units		31		11	
Net Rent		\$1,348		\$1,504	
Gross Rent		\$1,459		\$1,632	
Income Range (Min, Max)		\$50,023	\$59,220	\$55,954	\$68,390
Renter Households					
Range of Qualified Hhlds		2,854	2,495	2,623	2,137
# Qualified Households		359		485	
Renter HH Capture Rate		8.6%		2.3%	

Income Target	# Units	Renter Households = 5,439				
		Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
50% AMI	42	<i>Income Households</i>	\$35,520 3,751	\$48,850 2,926	825	5.1%
60% AMI	44	<i>Income Households</i>	\$42,754 3,303	\$58,620 2,519	785	5.6%
70% AMI	42	<i>Income Households</i>	\$50,023 2,854	\$68,390 2,137	717	5.9%
Total Units	128	<i>Income Households</i>	\$35,520 3,751	\$68,390 2,137	1,614	7.9%

Source: Income Projections, RPRG, Inc.

3. Penetration Analysis

To provide further insight into the market dynamics, we have also conducted a Penetration Analysis (Table 39). The Penetration Analysis evaluates the capacity of the market area to serve the entire inventory of directly competitive rental units. Our analysis utilizes the same target date of 2023; the same 35 percent rent burden; and income levels as presented in the Affordability Analysis. To test the most competitive and relevant subset of the rental stock, RPRG limited communities included to those that offer LIHTC units in each income band. None of the existing



communities offer units restricted to households at 70 percent AMI, but two communities offer units at 50 or 60 percent AMI. There are no LIHTC communities in the pipeline. Summing the existing units with the subject’s units yields 300 units, including the subject.

- The range of household incomes employed in our analysis ranges from \$34,595 for the 50 percent two-bedroom units at Timberland Park (these are priced less than the subject’s units at 50 percent AMI) up to the maximum allowable household income for a three-bedroom unit at 70 percent of AMI (\$68,390). This analysis utilizes the subject’s proposed utility allowances when calculating the minimum income required for the total housing cost as well as a 35 percent housing affordability ratio.
- As of 2023, an estimated 1,667 renter households in the primary market area will be in the band of affordability for the relevant income-restricted tax credit rental stock. The existing and planned affordable supply would need to capture 18.0 percent of these renter households to reach full occupancy.

Table 39 Penetration Analysis for The Coves at Monticello, Assuming 35% Rent Burden

50% Units		60% Units		70% Units	
Competitive Units	Units	Competitive Units	Units	Competitive Units	Units
Timberland Park	40	Timberland Park	40		
		Brookdale Apts	96		
subtotal	40	subtotal	136	subtotal	0
Pipeline Units	Units	Pipeline Units	Units	Pipeline Units	Units
subtotal	0	subtotal	0	subtotal	0
Subject Property	Units	Subject Property	Units	Subject Property	Units
	42		44		38
Total	82	Total	180	Total	38

Income Target	Total Competitive Units	Renter Households = 5,439		# Qualified HHs	Penetration Rate
		Band of Qualified Hhlds			
		Two Bedroom	Three Bedroom		
50% Units	82	\$34,594 3,804	\$48,850 2,926	878	9.3%
60% Units	180	\$42,754 3,303	\$58,620 2,519	785	22.9%
70% Units	38	\$50,023 2,854	\$68,390 2,137	717	5.3%
Total Units	300	\$34,594 3,804	\$68,390 2,137	1,667	18.0%

4. Conclusions on Affordability and Penetration

RPRG judges that the tax credit renter capture rate of 7.7 percent is achievable, particularly given the lack of nearby rental communities. The relatively high capture rate for is a function of the limited moderate-income households in this market due to the scarce inventory of affordable apartments. RPRG considers the calculated penetration rate for the tax credit units of 18.0 percent of income-restricted renter households illustrative of the lack of affordable housing within the Coves at Monticello Market Area, further backed up with the fact that 31 percent of renter households in the market are paying more than 35 percent of income on gross rent. In essence, our analysis suggests that the most directly competitive rental units will need to capture one out of every five income-qualified renter households. The capture and, more importantly, the penetration rates demonstrate the need for affordable housing in this market.

D. VHDA Demand Methodology

1. VHDA Demand Analysis

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

- **Household Growth or Decline.** The household trend required by VHDA is the net increase or decrease in the number of income-qualified renter households in the primary market area between a base year of 2020 and a target year of 2023.
- **Cost Burdened Renters.** VHDA's second component of demand is cost burdened renters, a designation which is typically defined as those renter households paying more than 35 percent of household income for housing costs. This is an area with a relatively high cost of living where residents are predominantly reliant on personal automobiles. Families are the primary target for the subject. Given the cost of car ownership and childcare, in addition to medical care and food, it is reasonable to assume households paying more than 35 percent of their income are cost burdened. RPRG uses the 2014-2018 ACS data on cost-burdened renter households presented earlier in Table 22 to estimate the percentage and number of income-qualified renters for the subject project that will be cost-burdened as of 2020 to be 30.9 percent of renters.
- **Renter Households in Substandard Housing.** VHDA's third component of demand accounts for income-qualified renter households living in substandard units, defined as overcrowded units (having 1.01 or more persons per room) and/or units lacking complete plumbing facilities. According to the 2014-2018 ACS, the percentage of renter households in the primary market area that lived in substandard conditions was 2.5 percent.
- **Existing Tenants Likely to Remain.** For projects that constitute the renovation of an existing property with current tenants, VHDA requests that analysts consider the percentage of current tenants that are likely to remain following the proposed renovation. The Coves at Monticello will be a new construction project and, as such, VHDA's fourth component of demand is not relevant.

Table 40 outlines the detailed VHDA demand calculations for The Coves at Monticello that stem from the three relevant demand components. Total demand available for the 124-unit proposed affordable project is expected to include 49 net new renter households, 482 cost-burdened



households, and 39 households currently residing in substandard housing. The calculation thus yields a total demand for 507 additional units of rental housing serving the targeted income bands.

Comparable units that are presently available or that would likely be available constitute supply that must be subtracted from total VHDA demand to arrive at VHDA net demand. Based on our November 2020 competitive survey, two income-restricted 60 percent AMI units were reported vacant in the affordable rental supply. There are no units in the pipeline. Subtracting the vacant existing units, VHDA net demand totals 568 units.

Given net demand for 568 units, the 124-unit The Coves at Monticello would need to capture 21.8 percent of income-qualified renter households per VHDA’s demand methodology.

Table 40 VHDA Demand by Overall Income Targeting

<i>Income Target</i>	50% AMI	60% AMI	70% AMI	Project Total
<i>Minimum Income Limit</i>	\$35,520	\$42,754	\$50,023	\$35,520
<i>Maximum Income Limit</i>	\$48,850	\$58,620	\$68,390	\$68,390
(A) Renter Income Qualification Percentage	15.2%	14.4%	13.2%	29.7%
Demand from New Renter Households - <i>Calculation (C-B)*F*A</i>	25	24	22	49
+ Demand from Rent Overburdened HHs - <i>Calculation: B*E*F*A</i>	246	234	214	482
+ Demand from Substandard Housing - <i>Calculation B*D*F*A</i>	20	19	17	39
Total Income Qualified Renter Demand	292	277	253	570
Less: Comparable Vacant Units	0	2	0	2
Less: Comparable Pipeline Units	0	0	0	0
Net Demand	292	275	253	568
Subject Proposed Units	42	44	38	124
Capture Rate	14.4%	16.0%	15.0%	21.8%
Estimated Absorption Period	10 months	10 months	10 months	10 months

Demand Calculation Inputs	
A). % of Renter Hhlds with Qualifying Income	see above
B). 2020 Households	17,865
C). 2023 Households	18,431
D). Substandard Housing (% of Rental Stock)	2.5%
E). Rent Overburdened (% of Renter Hhlds at >35%)	30.9%
F). Renter Percentage (% of all 2020 HHlds)	29.4%

2. Conclusions on VHDA Demand

RPRG considers the key capture rates for The Coves at Monticello to be achievable since there is a limited pool of qualified renters in this upper middle income market area (renter median income of \$51,928). The renter capture rate for all units is 25.4 percent. Both LIHTC properties are almost fully leased and both maintain waitlists for at least one floorplan. While complete lease up information is not available, the newest property, Brookdale, leased 68 of its 96 units within five months for an average absorption pace of 14 units per month. Taking into consideration all of these factors, we have conservatively estimated an overall project lease up pace of roughly 12 units per month or ten months to achieve 95 percent occupancy. It is likely given the high unemployment and reduced income among more moderate-income households as a result of the COVID-19 Pandemic that demand for affordable housing will be more pronounced over the coming years.



E. Target Markets

As indicated in the Effective Demand Analysis (Affordability/Capture & Penetration), the subject's income-restricted units would serve households with incomes between \$35,520 and \$68,390. This broad range of income targeting will allow individuals working in service sectors such as retail, leisure, and hospitality to live in the subject. "Workforce housing" targets would also qualify including local public servants such as firefighters, police officers, and teachers; and early career workers in the professional-business, financial activities, information, and health sectors. With two- and three-bedroom units, the proposed community would have the capacity to married and unmarried couples, roommate households, and single- and dual-parent families with as many as four children.

F. Product Evaluation

Considered in the context of the competitive environment, the relative position of the proposed The Coves at Monticello is as follows:

- **Structure Type:** Both of the surveyed tax credit communities are exclusively garden style structures like the subject.
- **Unit Distribution:** Seventy four percent of the subject (92) are two bedroom units and 26 percent (32) are three-bedroom units of units. The distribution for affordable units in this market includes 12 percent one-bedroom units, 35 percent two-bedroom units, and 53 percent three-bedroom units. The absence of one-bedroom units at the subject is appropriate given that families are a common target among affordable housing communities. We believe that the proposed unit distribution is reasonable within the context of the directly competitive rental supply.
- **Unit Size:** The proposed unit sizes for The Coves at Monticello are 1,008 square feet for two-bedroom units and 1,189 square feet for three-bedroom units. The two-bedroom units are smaller than the market wide average of 1,109, but comparable to the tax credit average size of 1,037. The three-bedroom units are smaller than the market wide average of 1,316, but comparable to the tax credit average size of 1,214.
- **Kitchen Features:** All unit kitchens at The Coves at Monticello will include features competitive with tax credit communities including black or white appliances, dishwashers, and laminate counters. Only one of the other tax credit communities offers a microwave and subject's inclusion of this appliance is a competitive advantage.
- **Laundry:** The Developer intends to equip all units at The Coves at Monticello with washers and dryers, which is standard in one of the tax credit communities (and all of the market rate communities), but not offered at the other tax credit community.
- **Other Unit Features:** Units at The Coves at Monticello will have carpeted bedrooms and living areas and vinyl plank flooring in the kitchen, hallway and bath that is also standard among tax credit communities in the market area.
- **Common Area Amenities:** Common area amenities will include a furnished clubroom with on-site management office and fitness center as well as a playground. These amenities are appropriate and comparable to those provided at the affordable inventory.
- **Parking:** The subject will provide free surface parking that is comparable to parking options offered at other tax credit communities.

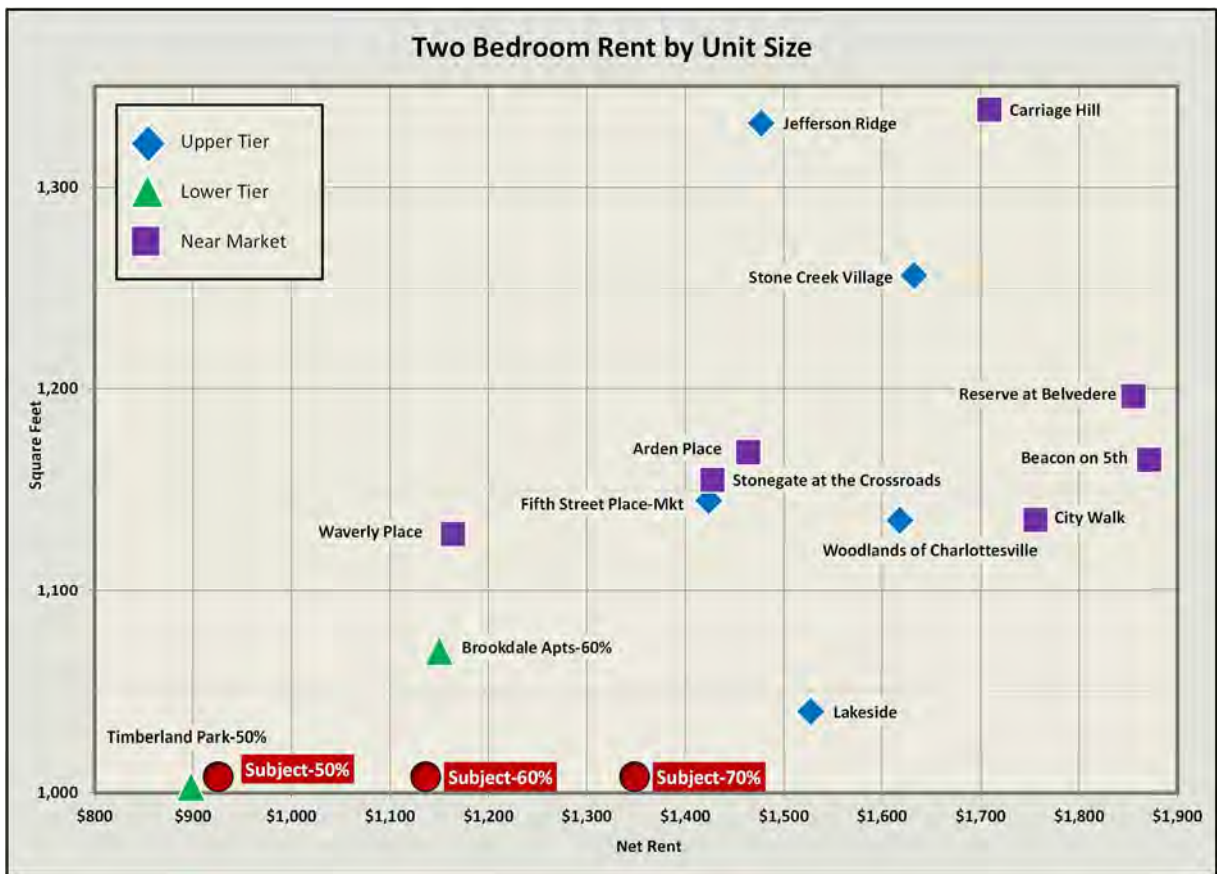


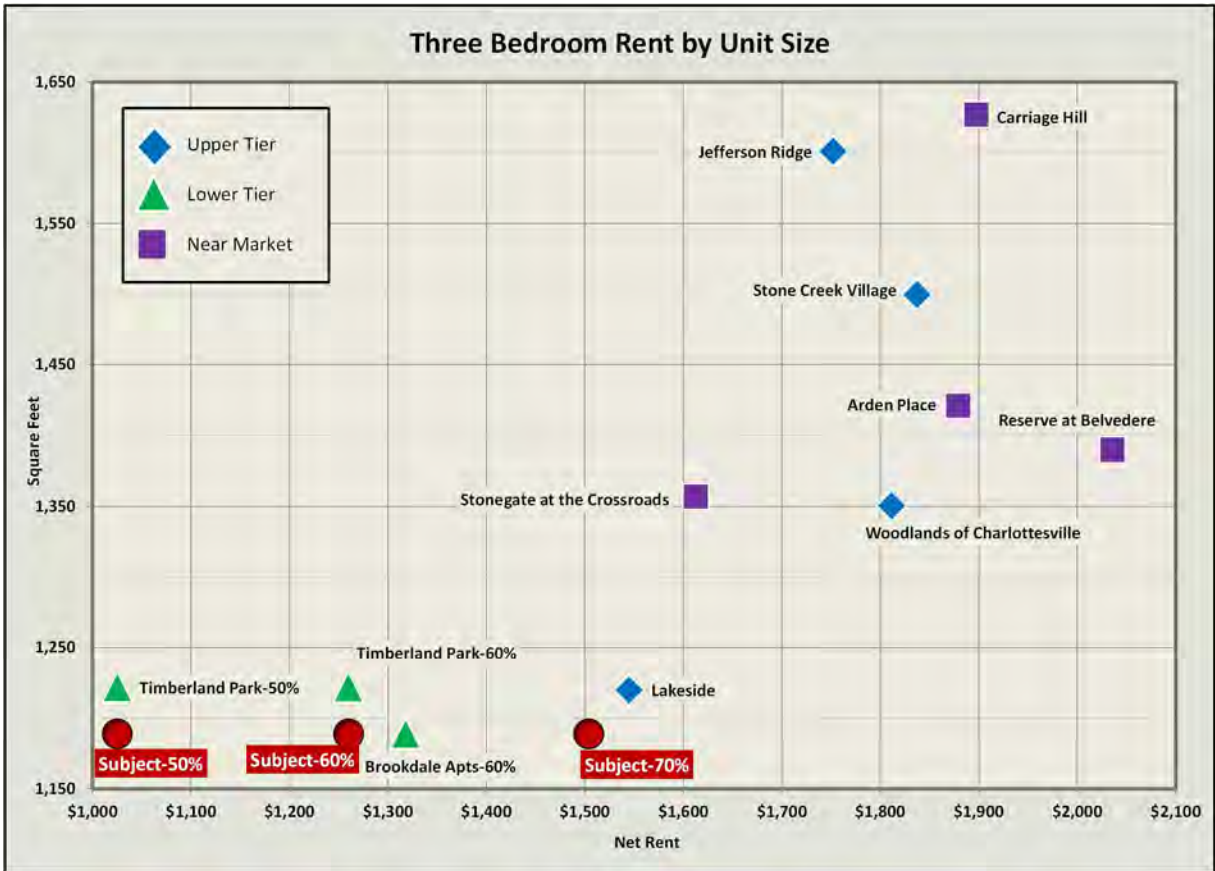
G. Price Position

The tax credit rents proposed by the Developer for The Coves at Monticello are appropriate, comparing favorably to other tax credit communities and offering a substantial discount relative to market rate communities. The subject’s two-bedroom unit at 50 percent AMI is priced comparable to Timberland Park for a unit that is similar in size. Two-bedroom units at 60 percent AMI are priced comparable to those at Brookdale for a unit that is similar in size.

Three-bedroom units at 50 percent AMI are priced and sized comparable to Timberland Park. The subject’s three-bedroom units at 60 percent AMI are priced comparable to those at Timberland Park for a similarly sized unit; meanwhile the subject’s units are priced four percent less than Brookdale. All tax credit units are priced less than any of the market rate communities, including the subject’s 70 percent AMI units.

Figure 9 Price Position of The Coves at Monticello





H. Concluding Comments and Absorption Estimate

Based on the low vacancies reported in RPRG’s survey of both the market rate and income-restricted general occupancy rental communities, the rental market in the Coves at Monticello Market Area demonstrates the ability to support the proposed subject apartments. The stabilized vacancy rate is low at 1.7 percent; the income-restricted vacancy rate is even lower at 1.1 percent.

The demand model estimates (pre and post COVID) indicate a marketplace with pent up demand for all types of rental housing. As a result, we believe when the subject opens in mid-2023 (post COVID-19 impacts), The Coves at Monticello should be able to effectively compete. The subject site is located in pleasant, wooded setting with convenient access to shopping and high-quality public schools.

RPRG considers the key capture rates for The Coves at Monticello to be achievable given limited supply of units addressing this income cohort. Both existing LIHTC properties are almost fully leased and both maintain waitlists for at least one floorplan. While complete lease up information is not available, the newest property, Brookdale, leased 68 of its 96 units within five months for an average absorption pace of 14 units per month. Taking into consideration all of these factors, we have conservatively estimated an overall project lease up pace of roughly 12 units per month or ten months to achieve 95 percent occupancy. It is likely given the high unemployment and reduced income among more moderate income households as a result of the COVID-19 Pandemic that demand for affordable housing will be more pronounced over the coming years.



We have assumed that any short term impacts caused by the COVID-19 pandemic should hopefully be resolved by the time the subject opens in mid-2023. However, With the advent of a national emergency caused by the spread of COVID-19 and resulting economic shutdown, conclusions derived from an otherwise positive report should be carefully evaluated as time goes on.

In summary, RPRG recommends the development of the subject as an attractive and needed component of the region’s affordable housing inventory.

I. Impact on Existing Market

RPRG does not anticipate that the subject will have an adverse impact on the existing rental market. The overall vacancy rate for the income-restricted rental communities within the market area is very low at 1.1 percent and overall vacancies are low. The subject’s capture rate and penetration rates are reasonable, especially given the fact that there are limited moderate income households in this desirable area due to the limited supply of affordable housing options. The capture rate is reflective of a limited pool of market area lower income households rather than any weakness in demand.

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

Handwritten signature of Nicole D. Mathison in black ink.

Nicole D. Mathison
Senior Analyst

Handwritten signature of Robert M. Lefenfeld in black ink.

Robert M. Lefenfeld
Founding Principal



IX. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

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



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

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



X. APPENDIX 2 RENTAL COMMUNITY PROFILES

Brookdale Apts

Multifamily Community Profile

910 Upper Brook Court
Charlottesville, VA 22903

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

96 Units 0.0% Vacant (0 units vacant) as of 11/25/2020

Opened in 2019



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	50.0%	\$1,170	1,070	\$1.09	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	50.0%	\$1,343	1,189	\$1.13	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

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

Comments

Open kit, walk-in closets, natural light solariums, window coverings, pantry, wood plank flr, black appl., laminate CT

First bldg completed 9.1.19 (40 units c/o).

Community to be completed June 2020. Feb 2020 - All 40 leased, 28 preleased. WL: 20 ppl.

Floorplans (Published Rents as of 11/25/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Avon / Garden	--	2	2	48	\$1,150	1,070	\$1.07	LIHTC/ 60%	11/25/20	0.0%	--	\$1,170	\$1,343
Azalea. / Garden	--	3	2	48	\$1,318	1,189	\$1.11	LIHTC/ 60%	2/7/20*	29.2%	--	\$1,070	\$1,240
									10/2/19*	87.5%	--	--	--
* Indicates initial lease-up.													
Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Electric													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

Brookdale Apts

VA003-032160

Fifth Street Place

Multifamily Community Profile

411 Afton Pond Court
Charlottesville, 22902

CommunityType: Market Rate - General

Structure Type: 4-Story Mix

200 Units 4.0% Vacant (8 units vacant) as of 11/25/2020

Opened in 2017



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	68.0%	\$1,250	799	\$1.56	<input type="checkbox"/>	<input type="checkbox"/>
One/Den	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Two	32.0%	\$1,444	1,145	\$1.26	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Hardwood	
Select Units:	--
Optional(\$):	--
Security:	Intercom; Keyed Bldg Entry
Parking 1:	Free Surface Parking
Fee:	--
Parking 2:	--
Fee:	--
Property Manager:	Bell Partners
Owner:	Rivergate KW Residential

Comments

5 Bldgs. 2 Elevator & 3 garden. 1st move-in end of Nov. Preleasing 10/2017. 2 Buildings completed; finish by 05/2018.
23 Affordable 1BR/1BA-739sf \$930/mo.(no income requirements). Granite CT, SS appl.
Storage fee: \$25-\$50. New mgmt 12/21/2018. W/S/T/Pest: 1BR \$55; 2BR \$70. WL-4 ppl. Vacant: 2-1BR Mkt.

Floorplans (Published Rents as of 11/25/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	1	1	23	\$930	739	\$1.26	Affordable/ 80%	11/25/20	4.0%	\$1,250	\$1,444	--
	--	1	1	38	\$1,295	745	\$1.74	Market	8/17/20	1.0%	\$1,427	\$1,777	--
	--	1	1	38	\$1,285	822	\$1.56	Market	4/15/20	2.0%	\$1,365	\$1,595	--
	--	1	1	37	\$1,511	867	\$1.74	Market	10/3/19	1.0%	\$1,347	\$1,595	--
	--	2	2	22	\$1,444	1,074	\$1.34	Market	* Indicates initial lease-up.				
	--	2	2	21	\$1,487	1,154	\$1.29	Market					
	--	2	2	21	\$1,567	1,210	\$1.30	Market					

Adjustments to Rent

Incentives:
1 mo free w/12 mo lease

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:

Hot Water: Electricity: Trash:

Jefferson Ridge

Multifamily Community Profile

810 Catalpa Court
Charlottesville, VA 22903

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

234 Units 2.6% Vacant (6 units vacant) as of 11/25/2020

Opened in 2004



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
One	25.6%	\$1,316	913	\$1.44	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One/Den	18.8%	\$1,463	1,102	\$1.33	Centrl Lndry: <input type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	51.3%	\$1,497	1,332	\$1.12	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input checked="" type="checkbox"/>
Three	4.3%	\$1,777	1,601	\$1.11	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony	
Select Units: Fireplace; HighCeilings	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$180
Property Manager: Neighborhood Prope Owner: --	

Comments

Det. Gar \$180-\$210 (Std 11X20, Lrg 13X24) \$125/1&2BR;\$150/3BR fee w/s.t. Sand Volleyball, Picnic, Clubrm w/FP-Billiards-Fit Ctr w/flatscreens. All units-private entry. Select units-wood FPs (free wood)/built-in desk. Pref employer Program. Laminate ctops, select units SS appl.

Floorplans (Published Rents as of 11/25/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	Den	1	1	44	\$1,460	1,102	\$1.33	Market	11/25/20	2.6%	\$1,378	\$1,497	\$1,777
Garden	--	1	1	60	\$1,299	913	\$1.42	Market	8/17/20	4.3%	\$1,470	\$1,580	\$1,883
Garden	--	2	2.5	68	\$1,495	1,302	\$1.15	Market	10/3/19	5.1%	\$1,309	\$1,492	\$1,734
Garden	--	2	2	52	\$1,500	1,371	\$1.09	Market	9/17/19	5.1%	\$1,409	\$1,558	\$1,807
Garden	--	3	3	10	\$1,775	1,601	\$1.11	Market					

Adjustments to Rent

Incentives:
1 mo free w/12 mo lease

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

Jefferson Ridge

VA540-012295

Lakeside

Multifamily Community Profile

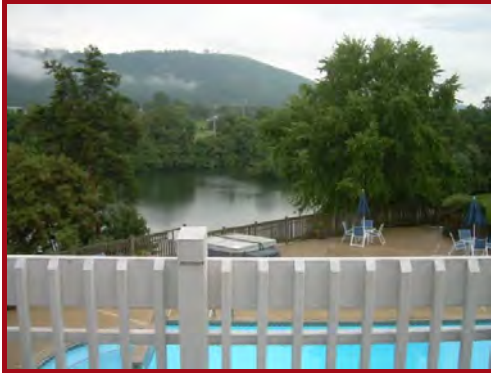
200 Lake Club Court
Charlottesville, VA 22902

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

348 Units 1.1% Vacant (4 units vacant) as of 11/24/2020

Opened in 1997



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	33.3%	\$1,338	754	\$1.77	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One/Den	--	--	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Two	50.0%	\$1,548	1,040	\$1.49	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Two/Den	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	16.7%	\$1,570	1,220	\$1.29	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Four+	--	--	--	--	<input type="checkbox"/>	<input type="checkbox"/>
					<input checked="" type="checkbox"/>	

Features
Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Carpet

Select Units: Fireplace; HighCeilings; Storage

Optional(\$): --

Security: --

Parking 1: Free Surface Parking Parking 2: --
Fee: -- Fee: --

Property Manager: Cathcart Mgmt
Owner: --

Comments

2BR & 3BR: storage off balcony. 9' ceilings-select units. Oversize tub.Black appli and laminate counters.

Rates vary based on location, floor, & view. 5,687 sqft clubhse w/12-ac lake, dog park, pier, walking trails, white sand beach, 18-seat theatre room & billards. HUD insured. Clubhouse was renovated in 2013.

Amenity Fee: \$ 0

Floorplans (Published Rents as of 11/24/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Anna / Garden	--	1	1	116	\$1,323	754	\$1.75	Market	11/24/20	1.1%	--	--	--
Sherando / Garden	--	2	2	174	\$1,578	1,040	\$1.52	Market	11/3/20	3.4%	\$1,338	\$1,548	\$1,570
Leesville / Garden	--	3	2	58	\$1,595	1,220	\$1.31	Market	8/17/20	3.7%	\$1,338	\$1,598	\$1,800
									2/6/20	2.3%	\$1,290	\$1,558	\$1,778

Adjustments to Rent

Incentives:
2 & 3BRs: \$25-\$85 off each month's rent

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Lakeside

VA540-005289

Stone Creek Village

Multifamily Community Profile

365 Stone Creek Point
Charlottesville, VA 22902

CommunityType: Market Rate - General

Structure Type: Garden

264 Units 1.5% Vacant (4 units vacant) as of 11/24/2020

Opened in 2003



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	31.8%	\$1,294	814	\$1.59	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One/Den	15.9%	\$1,494	1,212	\$1.23	<input type="checkbox"/>	<input type="checkbox"/>
Two	16.7%	\$1,569	1,145	\$1.37	<input type="checkbox"/>	<input type="checkbox"/>
Two/Den	8.3%	\$1,819	1,479	\$1.23	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Three	27.3%	\$1,862	1,500	\$1.24	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Four+	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Features
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; Patio/Balcony

Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: \$0	Parking 2: Underground Garage Fee: \$0
Property Manager: Infinity Mgmt Owner: --	

Comments

9 of 12 bldgs have at grade parking below building, 1 free space/unit. All units-oversized tubs. Select units-9' ceilings, built-in entertainment units, crown molding. 7000 SF clubhse, 1020 SF Fit ctr w/kid's play area. Indoor Spa. Free wifi, 2 putting greens, pond, kiddie pool, spa, 5 tot lots, & 3 BB courts. No high end finishes. HUD insured.

Floorplans (Published Rents as of 11/24/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
LOFT / Garden	Den	1	1.5	42	\$1,479	1,212	\$1.22	Market	11/24/20	1.5%	\$1,361	\$1,652	\$1,862
Garden	--	1	1	84	\$1,279	814	\$1.57	Market	10/27/20	1.9%	\$1,361	\$1,652	\$1,862
Garden	--	2	2	44	\$1,549	1,145	\$1.35	Market	8/17/20	0.4%	\$1,361	\$1,652	\$1,862
LOFT / Garden	Den	2	2.5	22	\$1,799	1,479	\$1.22	Market	2/6/20	0.0%	\$1,311	\$1,602	\$1,812
Garden	--	3	2	42	\$1,779	1,352	\$1.32	Market					
LOFT / Garden	Den	3	2.5	30	\$1,919	1,706	\$1.12	Market					

Adjustments to Rent

Incentives:
None

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

Stone Creek Village

VA540-012294

Timberland Park

Multifamily Community Profile

325 Timberland Ln
Charlottesville, VA 22903

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

80 Units 2.5% Vacant (2 units vacant) as of 11/24/2020

Opened in 2018



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One	--	--	--	--	Comm Rm: <input checked="" type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	27.5%	\$838	1,003	\$0.84	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	72.5%	\$1,117	1,226	\$0.91	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Carpet / Ceramic	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: GEM	
Owner: --	

Comments

2-3BR units at 60 percent AMI are vacant. WL - 2BRs: 20 hhlds.

Floorplans (Published Rents as of 11/24/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
	--	2	2	22	\$918	1,003	\$0.92	LIHTC/ 50%	11/24/20	2.5%	--	\$838	\$1,117
	--	3	2	40	\$1,285	1,226	\$1.05	LIHTC/ 60%	2/15/19	31.3%	--	--	\$1,025
	--	3	2	18	\$1,050	1,226	\$0.86	LIHTC/ 50%					

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

Timberland Park

VA540-030265

Woodlands of Charlottesville

Multifamily Community Profile

1720 Treetop Drive
Charlottesville, VA 22903

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

300 Units 0.7% Vacant (2 units vacant) as of 11/24/2020

Opened in 2007



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	--	--	--	--	Comm Rm: <input type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input checked="" type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	--	\$1,638	1,135	\$1.44	Elevator: <input type="checkbox"/>	Volleyball: <input checked="" type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	\$1,837	1,351	\$1.36	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Broadband Internet; Carpet / Hardwood	
Select Units: Cable TV	
Optional(\$): --	
Security: Unit Alarms; Gated Entry	
Parking 1: Free Surface Parking Fee: --	Parking 2: -- Fee: --
Property Manager: Real Property Mgmt. Owner: --	

Comments

Condo community leasing units, not selling. Portion of units have been sold as condos.
Amenities incl firepit, tanning, theatre, 8,000SF clubhouse, 3-tier pool, and shuttle to colleges in city. 150 units delivered 3/17 to end of 2017. Units include HW flrs, crwn molding, granite CTs, & SS app. 100% Smoke free community

Floorplans (Published Rents as of 11/24/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	2	2	--	\$1,623	1,120	\$1.45	Market	11/24/20	0.7%	--	\$1,638	\$1,837
Townhouse	--	2	2.5	--	\$1,753	1,150	\$1.52	Market	8/17/20	0.7%	--	\$1,671	\$1,867
Garden	--	3	3	--	\$1,863	1,332	\$1.40	Market	10/3/19	3.0%	--	\$1,581	\$1,760
Townhouse	--	3	2.5	--	\$1,900	1,369	\$1.39	Market	9/19/19	1.7%	--	\$1,570	\$1,699

* Indicates initial lease-up.

Adjustments to Rent

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

Arden Place

Multifamily Community Profile

1810 Arden Creek Lane
Charlottesville, VA 22901

CommunityType: Market Rate - General

Structure Type: 3-Story Garden

212 Units 1.9% Vacant (4 units vacant) as of 11/3/2020

Opened in 2011



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	42.5%	\$1,294	863	\$1.50	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	52.8%	\$1,484	1,169	\$1.27	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	4.7%	\$1,904	1,421	\$1.34	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input checked="" type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; Carpet	
Select Units: Patio/Balcony	
Optional(\$): --	
Security: Intercom	
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$175
Property Manager: Grady Mgmt Owner: Castle Develop Partners	

Comments

Lease up pace of 20 units/month. 18 Carports & 21 Garages. 3rd floor units have upgraded features - SS appliances, Granite CT & upgraded kitch cabinets. Storage units-5X5X8 (\$45). Trash \$5 per month. 2 BRs most popular. Theatre room, Indoor Children's playarea, Dog Park, Golf Simulator & Cyber Café. Clubhouse is 7,000 sqft.

Amenity Fee: \$ 200

Floorplans (Published Rents as of 11/3/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Elm / Garden	--	1	1	14	\$1,288	589	\$2.19	Market	11/3/20	1.9%	\$1,294	\$1,484	\$1,904
Birch / Garden	--	1	1	15	\$1,318	913	\$1.44	Market	8/12/20	4.2%	\$1,448	\$1,613	\$2,006
Oak / Garden	Built-in Desk	1	1	61	\$1,277	913	\$1.40	Market	4/22/20	5.2%	\$1,414	\$1,539	\$1,964
Maple / Garden	torage Close	2	2	25	\$1,481	1,168	\$1.27	Market	1/22/20	1.4%	\$1,422	\$1,717	\$1,990
Dogwood / Garden	Built-in Desk	2	2	85	\$1,465	1,168	\$1.25	Market	* Indicates initial lease-up.				
Chestnut / Garden	Garage	2	2	2	\$1,598	1,203	\$1.33	Market					
Walnut / Garden	Storage	3	3	3	\$1,886	1,421	\$1.33	Market					
Magnolia / Garden	Desk	3	3	7	\$1,886	1,421	\$1.33	Market					

Adjustments to Rent

Incentives:
None; \$200 off move-in fees

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

Arden Place

VA540-017200

Beacon on 5th

Multifamily Community Profile

100 Dalton Lane
Charlottesville, VA 22903

CommunityType: Market Rate - General
Structure Type: 4-Story Garden/TH

241 Units 10.0% Vacant (24 units vacant) as of 11/3/2020

Opened in 2017



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	51.0%	\$1,574	812	\$1.94	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	36.1%	\$1,891	1,165	\$1.62	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	12.9%	\$2,199	1,375	\$1.60	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Patio/Balcony; HighCeilings; Hardwood / Carpet

Select Units: --
Optional(\$): --
Security: --
Parking 1: Free Surface Parking Fee: --
Parking 2: Detached Garage Fee: \$200
Property Manager: Castle Development
Owner: --

Comments

Granite CT, SS appl, grill area, cyber café, yoga rm. Garage fee double car \$400. Lrg walk in closets, crwn molding, kitch island, 42" cabinets, vinyl wood flrs. Rents from web mgmt wouldn't participate in survey. Opened Feb 2017; finished construction Oct 2017; stabilized Nov 2017.

Floorplans (Published Rents as of 11/3/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Afton	--	1	1	41	\$1,439	675	\$2.13	Market	11/3/20	10.0%	\$1,574	\$1,891	\$2,199
Berkmar / Garden	--	1	1	82	\$1,604	881	\$1.82	Market	8/12/20	6.2%	\$1,466	\$1,850	\$2,191
Ivy / Garden	--	2	2	84	\$1,849	1,150	\$1.61	Market	5/1/20	--	\$1,583	\$1,871	\$2,171
Milton / Townhouse	Jen & Garage	2	3.5	1	\$2,099	1,318	\$1.59	Market	2/6/20	4.1%	\$1,599	\$1,890	\$2,194
Rawlins/Carriage / Garde	--	2	2	2	\$2,249	1,713	\$1.31	Market					
Ednam / Townhouse	--	3	3.5	1	\$2,099	1,222	\$1.72	Market					
Keswick / Townhouse	Garage	3	3.5	17	\$2,099	1,318	\$1.59	Market					
Levy / Townhouse	--	3	2.5	4	\$2,149	1,394	\$1.54	Market					
Shadwell / Townhouse	Garage	3	2.5	9	\$2,299	1,491	\$1.54	Market					

Adjustments to Rent

Incentives: None
Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Beacon on 5th

VA540-025782

Carriage Hill

Multifamily Community Profile

825 Beverly Drive
Charlottesville, VA 22911

CommunityType: Market Rate - General
Structure Type: 2-Story Garden

142 Units 1.4% Vacant (2 units vacant) as of 11/3/2020

Opened in 2000



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	25.4%	\$1,355	893	\$1.52	Comm Rm: <input type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	49.3%	\$1,729	1,339	\$1.29	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	25.4%	\$1,923	1,627	\$1.18	Hot Tub: <input checked="" type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input checked="" type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features
Standard: Dishwasher; Disposal; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings

Select Units: Fireplace; ADA Access

Optional(\$): --

Security: --

Parking 1: Free Surface Parking Fee: --
Parking 2: Detached Garage Fee: \$150

Property Manager: Cathcart Mgmt
Owner: --

Comments

304 total units, 142 rentals & 162 condos. 24 bldgs. Private entrance (grd flr). Select units-wood burning fireplace.

Prices vary by level, location. Features single-car & double car garages. Amenities include pool w/spa & hot tub, pitching/putting green, kiddie pool, basketball court, 2 tot lots, dog park, 6100 sqft. Clubhse, & tanning bed.

Amenity Fee: \$ 0

Floorplans (Published Rents as of 11/3/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Jefferson / Garden	--	1	1	18	\$1,270	831	\$1.53	Market	11/3/20	1.4%	\$1,355	\$1,729	\$1,923
Monroe / Garden	--	1	1	18	\$1,410	954	\$1.48	Market	8/19/20	1.4%	\$1,355	\$1,663	\$1,810
Madison / Garden	--	2	2	35	\$1,600	1,142	\$1.40	Market	4/22/20	0.0%	\$1,355	\$1,729	\$1,923
Hamilton / Garden	--	2	2	35	\$1,818	1,535	\$1.18	Market	1/27/20	1.4%	\$1,289	\$1,648	\$1,838
Roosevelt / Garden	--	3	2	36	\$1,898	1,627	\$1.17	Market					

Adjustments to Rent

Incentives:

None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Carriage Hill

VA540-005294

City Walk

Multifamily Community Profile

1111 E Water Street
Charlottesville, VA 22902

CommunityType: Market Rate - General

Structure Type: 4-Story Mid Rise

301 Units 10.6% Vacant (32 units vacant) as of 11/3/2020

Opened in 2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt		
Eff	--	--	--	--	Clubhouse: <input checked="" type="checkbox"/>	Pool-Outdr: <input checked="" type="checkbox"/>
One	58.1%	\$1,443	779	\$1.85	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	41.9%	\$1,776	1,135	\$1.56	Elevator: <input checked="" type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features
Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings; Carpet / Hardwood

Select Units: --

Optional(\$): --

Security: --

Parking 1: **Structured Garage** Parking 2: --
Fee: \$0 Fee: --

Property Manager: MCO Management
Owner: --

Comments

Opened Sept. 2014; 30 units a month lease-up pace.
Extra storage \$50-\$140. Upgraded units -SS appliances, granite countertop, some w/wood plank floors.
Parking on same floor as apt.

Floorplans (Published Rents as of 11/3/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
A4 / Mid Rise - Elevator	--	1	1	9	\$1,360	643	\$2.12	Market	11/3/20	10.6%	\$1,443	\$1,776	--
A3 / Mid Rise - Elevator	--	1	1	62	\$1,475	752	\$1.96	Market	8/19/20	4.3%	\$1,415	\$1,729	--
A2 / Mid Rise - Elevator	--	1	1	2	\$1,490	765	\$1.95	Market	4/22/20	0.3%	\$1,543	\$1,876	--
A1 / Mid Rise - Elevator	--	1	1	102	\$1,575	807	\$1.95	Market	1/22/20	0.7%	\$1,513	\$1,846	--
B1 / Mid Rise - Elevator	--	2	2	76	\$1,805	1,095	\$1.65	Market	* Indicates initial lease-up.				
B3 / Mid Rise - Elevator	--	2	2	22	\$1,968	1,183	\$1.66	Market					
B2 / Mid Rise - Elevator	--	2	2	28	\$1,905	1,207	\$1.58	Market					

Adjustments to Rent

Incentives:
\$200 off monthly for 6 mo w/12 mo lease

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

City Walk

VA540-021112

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(2) Published Rent is rent as quoted by management.

Reserve at Belvedere

Multifamily Community Profile

200 Reserve Road
Charlottesville, VA 22901

CommunityType: Market Rate - General
Structure Type: 4-Story Garden/TH

294 Units 5.1% Vacant (15 units vacant) as of 11/3/2020

Opened in 2012



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	30.3%	\$1,564	868	\$1.80	Comm Rm: <input type="checkbox"/>	Basketball: <input checked="" type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input checked="" type="checkbox"/>
Two	41.5%	\$1,864	1,172	\$1.59	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	13.3%	\$1,910	1,273	\$1.50	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	15.0%	\$2,061	1,390	\$1.48	Hot Tub: <input checked="" type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input checked="" type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings; Carpet / Vinyl/Linoleum	
Select Units: Ceiling Fan; Fireplace	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$150
Property Manager: Cathcart Property Mg Owner: --	

Comments

26 units a month lease-up pace. Premiums for floor and view.
Gamerroom, putting green, walk/bike trails, courtyard, sundeck, lounge, bocce ball, cabanas, movie room, cyber café.
Garage fee: \$150- \$175. Granite counters, SS appl

Floorplans (Published Rents as of 11/3/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Afton / Garden	--	1	1	30	\$1,455	805	\$1.81	Market	11/3/20	5.1%	\$1,564	\$1,875	\$2,061
Albemarle / Garden	Garage	1	1	29	\$1,667	830	\$2.01	Market	8/19/20	1.0%	\$1,542	\$1,911	\$2,267
Belmont / Garden	--	1	1.5	30	\$1,625	968	\$1.68	Market	4/30/20	0.7%	\$1,605	\$1,955	\$1,835
Blue Ridge / Garden	--	2	2	39	\$1,832	1,125	\$1.63	Market	1/27/20	1.4%	\$1,493	\$1,890	\$2,014
Farmington / Garden	Garage	2	2	38	\$2,153	1,125	\$1.91	Market					
Greencroft / Garden	Garage	2	2	39	\$2,119	1,190	\$1.78	Market					
Earllysville/Loft / Garden	Den	2	2.5	39	\$1,890	1,273	\$1.49	Market					
Keswick / Townhouse	Garage	2	2.5	6	\$2,284	1,655	\$1.38	Market					
Hollymeade / Garden	--	3	2	22	\$1,952	1,320	\$1.48	Market					
Ivy/Loft / Garden	Den	3	2.5	22	\$2,119	1,460	\$1.45	Market					

Adjustments to Rent

Incentives:
Specials: Blue Ridge \$1620; Greencroft \$1699; Afton \$1360
Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr:
Hot Water: Electricity: Trash:

Reserve at Belvedere

VA540-021113

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(2) Published Rent is rent as quoted by management.

Stonegate at the Crossroads

Multifamily Community Profile

100 Stonegate Terrace
Zion Crossroads, VA 22942

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

155 Units 0.0% Vacant (0 units vacant) as of 11/9/2020

Opened in 2017



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	21.3%	\$1,150	805	\$1.43	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	61.9%	\$1,448	1,155	\$1.25	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	--	--	--	--	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	16.8%	\$1,638	1,357	\$1.21	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Wood-burning Fireplace; Patio/Balcony; High Ceilings; Cable TV; Broadband Internet; Hardwood	
Select Units: --	
Optional(\$): --	
Security: --	
Parking 1: Free Surface Parking Fee: --	Parking 2: Detached Garage Fee: \$135
Property Manager: Denstock Mgt Owner: Denico Development	

Comments

Opened 1/17, leased up 12/17 paced about 13 units a month, 12 Bldgs. Cable, Valet Trash, & Internet incl.
SS appl, granite CT, wood plank kitchen entry, kitchen island, garden tub, ceiling fans in BR & LR. Ceramic tile bath, crown molding. Prices vary by view & proximity to clubhouse floor. Game room, dog park, 20-seat theater. Short WL 1br

Floorplans (Published Rents as of 11/9/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Garden	--	1	1	33	\$1,135	805	\$1.41	Market	11/9/20	0.0%	\$1,150	\$1,448	\$1,638
Garden	--	2	2	96	\$1,428	1,155	\$1.24	Market	10/3/19	0.6%	\$1,055	\$1,338	\$1,525
Garden	--	3	2	26	\$1,613	1,357	\$1.19	Market	2/18/19	0.0%	\$1,115	\$1,400	\$1,585
									3/6/18	0.0%	\$1,093	\$1,368	\$1,545
Adjustments to Rent													
Incentives: None													
Utilities in Rent: Heat Fuel: Electric													
Heat: <input type="checkbox"/> Cooking: <input type="checkbox"/> Wtr/Swr: <input type="checkbox"/>													
Hot Water: <input type="checkbox"/> Electricity: <input type="checkbox"/> Trash: <input checked="" type="checkbox"/>													

Stonegate at the Crossroads

VA109-025308

Waverly Place

Multifamily Community Profile

500 Waverly Place Lane
 Louisa, VA 23093

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

78 Units 0.0% Vacant (0 units vacant) as of 11/25/2020

Opened in 2014



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Clubhouse:	Pool-Outdr:
Eff	--	--	--	--	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
One	25.6%	\$988	839	\$1.18	Comm Rm: <input type="checkbox"/>	Basketball: <input type="checkbox"/>
One/Den	--	--	--	--	Centrl Lndry: <input type="checkbox"/>	Tennis: <input type="checkbox"/>
Two	65.4%	\$1,178	1,103	\$1.07	Elevator: <input type="checkbox"/>	Volleyball: <input type="checkbox"/>
Two/Den	9.0%	\$1,228	1,316	\$0.93	Fitness: <input checked="" type="checkbox"/>	CarWash: <input type="checkbox"/>
Three	--	--	--	--	Hot Tub: <input type="checkbox"/>	BusinessCtr: <input checked="" type="checkbox"/>
Four+	--	--	--	--	Sauna: <input type="checkbox"/>	ComputerCtr: <input type="checkbox"/>
					Playground: <input type="checkbox"/>	

Features	
Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; High Ceilings; Carpet	
Select Units:	--
Optional(\$):	--
Security:	--
Parking 1: Free Surface Parking	Parking 2: --
Fee: --	Fee: --
Property Manager: Denstock Mgmt Owner: Denico Dev	

Comments

Walking trails. Clubhouse has 2,350 Sqft. 1st building opened end of June and last opened end of August 2014.
 7 residential buildings plus clubhouse. Granite countertop, laminate/wood floor in kitchen. Elec fireplace. \$10 premium for 1st floor & \$10 premium for bay window. Property stabilized occ April 2015 (absorp of 8-9 units/mo). W/L- 5 hhlds

Floorplans (Published Rents as of 11/25/2020) (2)									Historic Vacancy & Eff. Rent (1)				
Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program	Date	%Vac	1BR \$	2BR \$	3BR \$
Dabney (1st floor) / Garde	--	1	1	8	\$988	830	\$1.19	Market	11/25/20	0.0%	\$988	\$1,184	--
Tarleton (2nd & 3rd flr) /	--	1	1	12	\$988	845	\$1.17	Market	10/3/19	0.0%	\$951	\$1,164	--
Monacan / Garden	--	2	2	8	\$1,128	1,030	\$1.09	Market	2/18/19	0.0%	\$987	\$1,184	--
Lafayette / Garden	--	2	2	43	\$1,188	1,116	\$1.06	Market	3/5/18	1.3%	\$988	\$1,183	--
Marquis / Garden	Den	2	2	7	\$1,228	1,316	\$.93	Market	* Indicates initial lease-up.				

Adjustments to Rent

Incentives:
 None

Utilities in Rent: Heat Fuel: Electric

Heat: Cooking: Wtr/Swr:
 Hot Water: Electricity: Trash:



XI. APPENDIX 3 NCHMA CERTIFICATION

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

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

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

Real Property Research Group, Inc.



Bob Lefenfeld
Name

Founding Principal
Title

June 4, 2020
Date



XII. APPENDIX 4 NCHMA CHECKLIST

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

Component (*First occurring page is noted)		*Page(s)
Executive Summary		
1.	Executive Summary	vii
Project Summary		
2.	Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	4
3.	Utilities (and utility sources) included in rent	4
4.	Project design description	4
5.	Unit and project amenities; parking	4
6.	Public programs included	4
7.	Target population description	4
8.	Date of construction/preliminary completion	6
9.	If rehabilitation, existing unit breakdown and rents	N/A
10.	Reference to review/status of project plans	N/A
Location and Market Area		
11.	Market area/secondary market area description	26
12.	Concise description of the site and adjacent parcels	8
13.	Description of site characteristics	7
14.	Site photos/maps	9
15.	Map of community services	12
16.	Visibility and accessibility evaluation	11
17.	Crime information	11
Employment and Economy		
18.	Employment by industry	22
19.	Historical unemployment rate	19



20.	Area major employers	24
21.	Five-year employment growth	21
22.	Typical wages by occupation	24
23.	Discussion of commuting patterns of area workers	20
Demographic Characteristics		
24.	Population and household estimates and projections	28
25.	Area building permits	29
26.	Distribution of income	34
27.	Households by tenure	32
Competitive Environment		
28.	Comparable property profiles	71
29.	Map of comparable properties	38
30.	Comparable property photos	71
31.	Existing rental housing evaluation	36
32.	Comparable property discussion	38
33.	Area vacancy rates, including rates for tax credit and government-subsidized communities	40
34.	Comparison of subject property to comparable properties	65
35.	Availability of Housing Choice Vouchers	45
36.	Identification of waiting lists	40
37.	Description of overall rental market including share of market-rate and affordable properties	38
38.	List of existing LIHTC properties	39
39.	Discussion of future changes in housing stock	31
40.	Discussion of availability and cost of other affordable housing options, including homeownership	34
41.	Tax credit and other planned or under construction rental communities in market area	50
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	60
43.	Calculation and analysis of Penetration Rate	61
44.	Evaluation of proposed rent levels	66
45.	Derivation of Achievable Market Rent and Market Advantage	45
46.	Derivation of Achievable Restricted Rent	45
47.	Precise statement of key conclusions	67



48.	Market strengths and weaknesses impacting project	53
49.	Recommendation and/or modification to project description	N/A
50.	Discussion of subject property's impact on existing housing	68
51.	Absorption projection with issues impacting performance	67
52.	Discussion of risks or other mitigating circumstances impacting project	N/A
53.	Interviews with area housing stakeholders	2
Certifications		
54.	Preparation date of report	Cover
55.	Date of field work	Cover
56.	Certifications	72, 78
57.	Statement of qualifications	76
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	2



XIII. APPENDIX 5 ANALYST RESUMES

ROBERT M. LEFENFELD **Founding Principal**

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

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

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

Areas of Concentration:

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

Education:

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



NICOLE D. MATHISON
Senior Analyst

Nicole Mathison joined RPRG in 2013 where she is focused on rental market studies and community economic analyses for development projects. She has also completed countywide rental assessments in Maryland for the Maryland Department of Housing and Community Development. Nicole earned a Master of Urban and Regional Planning degree at Virginia Tech, with a specialization in Land Use Planning and completed coursework in Geographic Information Systems (GIS). As a student she conducted research on downtown revitalization, adaptive reuse of vacant big box stores, and the value of public art.

Areas of Concentration:

- **Low Income Housing Tax Credits:** Nicole prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations. Studies include analysis of new construction as well as the feasibility of renovating existing family rental communities.
- **FHA Section 221(d)(4):** Nicole prepares comprehensive feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies.
- **For Sale Housing:** Nicole evaluates the market feasibility and marketability of all types of for-sale housing including large communities with multiple product lines, infill developments, condominium communities, age restricted communities and amenity/resort offerings.
- **Mixed-Use and Mixed-Income Development:** Nicole has studied mixed-use projects with integrated uses such as market-rate and affordable rental housing, for-sale housing, and retail space.

Education:

Master of Urban & Regional Planning – Virginia Tech, Blacksburg, VA

Bachelor of Science, Food Science – North Carolina State University, Raleigh, NC



XIV. APPENDIX 6 VHDA CERTIFICATION

I affirm the following:

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

A handwritten signature in black ink that reads "Nicole D. Mathison".

Nicole Mathison
Market Analyst

December 2, 2020

Date