



**BOWEN
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RESEARCH**

Market Feasibility Analysis

Wellesley
51 Wellesley Drive
Newport News, Virginia 23606

Prepared For

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Authorized User

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Effective Date

February 17, 2021

Job Reference Number

21-189 JP

Market Study Certification

NCHMA Certification

This certifies that Gregory Piduch, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Newport News, Virginia. Further, the information contained in this report is true and accurate as of February 17, 2021.

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

Virginia Housing Certification

I affirm the following:

1. I have made a physical inspection of the site and market area
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low-Income Housing Tax Credit (LIHTC) program in Virginia as administered by Virginia Housing.
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 Virginia Housing or in any way acting for, at the request, or on behalf of Virginia Housing.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.

Certified:




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I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the continued market feasibility of the Wellesley apartment project in Newport News, Virginia, following renovations using Low-Income Housing Tax Credit (LIHTC) financing. This study was initiated by Ms. Samantha Brown of Community Housing Partners and complies with the guidelines of Virginia Housing. This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

- A detailed demographic and socioeconomic evaluation.
 - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns.
 - A drive-time analysis to the site.
 - Personal observations of the field analyst.
 - An evaluation of existing housing supply characteristics and trends.
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property. The information in this survey was collected through a variety of methods, including phone surveys, in-person visits, email and fax. The contact person for each property is listed in *Section XII: Field Survey of Conventional Rentals*.

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

C. SOURCES

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

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

D. REPORT LIMITATIONS

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

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

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II. Executive Summary

Based on the findings contained in this report, it is our opinion that a market exists for the renovations to the existing Wellesley Commons rental property in Newport News, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program. The following points support this conclusion:

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

Project Description

The proposed project involves the renovation of the 40-unit Wellesley Commons apartment property at 51 Wellesley Drive in Newport News, Virginia. Built in 1997, the project operates under the HUD Section 202 program, with all units receiving a direct subsidy and targeting senior households ages 62 and older. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a waiting list of up to one year in length for the next available unit.

The project will be renovated utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target senior households (ages 62 and older) with incomes of up to 50% of Area Median Household Income (AMHI). Notably, the project will operate with Project-Based Rental Assistance (PBRA) upon completion of renovations. In addition, five of the units at the subject project will have rents restricted to 40% of AMHI. All renovations are expected to be complete by October 2023. Additional details of the subject project can be found in Section III - *Project Description* of this report.

Site Evaluation

The subject site is Wellesley Commons, an existing 40-unit government-subsidized property restricted to seniors located at 51 Wellesley Drive in the central portion of Newport News, Virginia. The subject site is located within a mixed-use portion of Newport News with surrounding land uses primarily consisting of multifamily homes, single-family homes and retail uses. All of the structures surrounding the subject site appear to be in good condition. The subject site is comprised of a three-story building that maintains frontage along Wellesley Drive, which borders the site to the north. There are clear views of the site from this aforementioned roadway. The subject site derives access from Wellesley Drive, which is a lightly traveled roadway that borders the site to the south. The light traffic in the site area allows for convenient ingress and egress. Shopping centers, dining, recreation, a fire department and an emergency medical center are among the community services within 2.0 miles of the site. Services for seniors are offered through Peninsula Agency on Aging and a senior center is approximately 7.0 miles from the site. Overall, the site's surrounding land uses and proximity to community services are expected to continue to contribute to its

marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

Primary Market Area (PMA)

The Newport News Site PMA includes the eastern portion of Newport News, Virginia. The boundaries of the Site PMA include Lucas Creek, Old Lucas Creek Road, Denbigh Boulevard, State Route 143, Brick Kiln Boulevard, Providence Boulevard, Commonwealth Drive and the Newport News city limits to the north; the Newport News city limits to the east; U.S. Highway 17/U.S. Highway 258/State Route 32 to the south; and the Warwick River to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page *IV-10*.

Demographic Trends

Both the population and household bases within the Newport News Site PMA are projected to experience slight declines between 2021 and 2026. Despite these declines, senior households age 65 and older are projected to increase by 913 (9.6%) during the same time frame. In addition, senior renters age 62 and older are projected to increase by 260 (7.7%) between 2021 and 2026. Based on the preceding analysis, a large and growing base of senior households will continue to exist in the market during this time period. Detailed demographic trends are included in *Section IV*, beginning on page *IV-12*.

Economic Trends

Based on data provided by the State of Virginia Department of Labor and the U.S. Department of Labor, the area was negatively impacted by the COVID-19 pandemic, which caused many local businesses to shut down in an attempt to mitigate the spread of the coronavirus. Between 2019 and 2020, the Newport News employment base declined by over 4,160 jobs, or 4.8%, and its unemployment rate increased by nearly five percentage points. Specifically, between February and April 2020, the unemployment rate within the city spiked by over ten percentage points; however, the city's unemployment rate has generally been trending downward since. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable. Detailed economic trends are included in *Section IV*, beginning on page *IV-19*.

Overall Rental Housing Market Conditions

We identified and personally surveyed 26 conventional housing projects containing a total of 5,721 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.4%, a very good rate for rental housing. Each rental housing segment surveyed is summarized as follows.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	15	4,198	125	97.0%
Market-rate/Tax Credit	1	153	11	92.8%
Tax Credit	6	857	11	98.7%
Tax Credit/Government-Subsidized	1	143	0	100.0%
Government-Subsidized	3	370	0	100.0%
Total	26	5,721	147	97.4%

As illustrated in the preceding table, all rental properties surveyed are performing at good occupancy levels and it can be concluded that the Newport News rental housing market is performing well.

Competitive/Comparable Tax Credit Analysis

The subject project will target senior (age 62 and older) households earning up to 50% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. In addition, the subject project will also operate with a direct subsidy available to all units. For the purpose of this analysis, however, we only select comparable *non-subsidized* LIHTC properties, as these properties provide the most accurate representation of achievable non-subsidized Tax Credit rents within the Newport News market.

Within the Site PMA, we identified and surveyed a total of two age-restricted LIHTC properties which offer non-subsidized units in the Newport News market. Due to the limited supply of age-restricted LIHTC product in the market, we have also included four general-occupancy (family) Tax Credit properties that offer unit types similar to those proposed for the subject project, in terms of project size (total units) and/or age.

These six LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the *Field Survey of Conventional Rentals*.

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Wellesley	1997 / 2023	40	100.0%	-	1 Year	Seniors 62+; 50% AMHI & PBRA
4	Auburn Pointe	1976 / 1997	275	99.3%	5.3 Miles	1 & 2-Br: 2 HH	Families; 50% & 60% AMHI
11	Forrest Landing	2010	184	100.0%	3.1 Miles	12 HH	Families; 60% AMHI
12	Great Oak	1978 / 2008	143	100.0%	3.5 Miles	150 HH	Seniors 62+; 40% & 50% AMHI & Section 8
20	River Trace	1978 / 1993	56	94.6%	4.2 Miles	None	Families; 50% & 60% AMHI
21	Sharps Landing	1973 / 2012	180 + 90**	96.7%	2.9 Miles	None	Families; 60% AMHI
22	Silver Hill at the Arboretum	1996	95*	93.7%	2.8 Miles	None	Seniors 55+; 60% AMHI

OCC. – Occupancy

HH - Households

*Tax Credit units only

**Units under construction

The six comparable LIHTC projects have a combined occupancy rate of 98.2%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and three properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand.

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

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	Studio	One-Br.	Two-Br.	Three-Br.	Rent Special
Site	Wellesley	-	*\$736/50% (40)	-	-	-
4	Auburn Pointe	-	\$749/50% (10/0) \$898/60% (56/0)	\$955/60% (177/0)	\$1,200/60% (32/2)	None
11	Forrest Landing	-	\$989/60% (36/0)	\$1,185/60% (103/0)	\$1,363/60% (45/0)	None
12	Great Oak	-	***\$960/40% (18/0) \$656/50% (1/0) ***\$960/50% (122/0)	\$721/50% (2/0)	-	None
20	River Trace	-	\$739/50% (6/0) \$769/60% (10/0)	\$870/50% (16/0) \$945/60% (24/3)	-	None
21	Sharps Landing	-	\$949/60% (16+6**/1)	\$1,150/60% (164+84**/5)	-	None
22	Silver Hill at the Arboretum	\$679/60% (15/0)	\$773-\$873/60% (40/3)	\$916-\$941/60% (40/3)	-	None

*Five units with rents restricted to 40% AMHI

**Units under construction

***Subsidized unit

The proposed/programmatic subject gross rent of \$736 will be competitive with the LIHTC rents targeting similar income levels within the market. Regardless, the subject project will continue to operate with a subsidy, allowing tenants of the project to pay only a portion of their income towards rent and not the gross rent in the preceding table. This will ensure the subject project represents a significant value to area seniors.

Comparable/Competitive Tax Credit Summary

The six LIHTC projects have a combined occupancy rate of 98.2%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and three properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand. The subject’s proposed/programmatic gross Tax Credit rent is generally competitive with those being achieved at the comparable LIHTC properties targeting similar income levels. Although among the smallest, the subject property will offer generally competitive unit sizes (square feet) and a competitive amenities package. The subject’s current occupancy rate of 100.0% further illustrates that the subject project is marketable. Based on the preceding factors, the subject project is considered very marketable as proposed, especially when considering the inclusion of a subsidy.

Perception of Value

Based on a HUD Rent Comparability Grid included in *Section VI*, it was determined that the present-day achievable market rent for units similar to the subject development is illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$625	\$980	36.2%

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject’s proposed Tax Credit rent, which represents a market rent advantage of 36.2%, is considered appropriate and should represent a good value within the Newport News market. It is also important to reiterate that the subject project will operate with a project-based subsidy available to all units. Thus, the units at the property will represent an even greater value than that reflected by the market rent advantage in the preceding table, as tenants will pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout this report.

Capture Rate Estimates

The following is a summary of our demand calculations:

Demand Component	Overall LIHTC with Subsidy	Overall LIHTC Only
Net Demand	1,628	817
Proposed Units	40	40
Proposed Units / Net Demand	40 / 1,628	40 / 817
Capture Rate	= 2.5%	= 4.9%

Overall, the capture rates of 2.5% when considering the retention of a subsidy and 4.9% in the unlikely scenario the project operates strictly under LIHTC guidelines are considered very low and easily achievable. These low capture rates illustrate that there will be a significant base of age- and income-qualified support for the subject project.

Penetration Rate

The 112 existing and proposed age-restricted Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$19,680 to \$39,600. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be an estimated 1,589 senior households with eligible incomes. The 152 existing and proposed Tax Credit units represent a penetration rate of 9.6% of the 1,589 age- and income-eligible households, which is summarized on the following table.

	Market Penetration
Number of LIHTC Units (Proposed and Existing)	152
Age- and Income-Eligible Households – 2023	/ 1,589
Overall Market Penetration Rate	= 9.6%

It is our opinion that the 9.6% penetration rate for the LIHTC units, both existing and proposed, is low and achievable.

Absorption Projections

The subject project has, and is expected to maintain, a subsidy and all units will likely be rented to those households currently eligible to reside at the site. We also assume that most current tenants will remain at the site once renovations are complete. For the purpose of this analysis, however, we have calculated absorption estimates assuming that all of the units will be vacated and will need to be re-rented and operate with a subsidy, and then exclusively under the LIHTC program.

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 40 subject units can achieve a stabilized occupancy of 93% within three months of re-opening. This is based on a monthly absorption rate of approximately 12 units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would reach a stabilized occupancy within four months, reflective of an absorption rate of nine to ten units per month.

For the purpose of this analysis, we assume the absorption period at the site begins as soon as the first renovated units are available for occupancy. We also assume that initial units at the site will be available for rent sometime in 2023. Changes to the project's planned renovations or renovation timeline may alter our absorption projections.

III. Project Description

Project Name:	Wellesley
Location:	51 Wellesley Drive, Newport News, Virginia 23606
Census Tract:	317.01
Target Market:	Senior Age 62+
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC

The proposed project involves the renovation of the 40-unit Wellesley Commons apartment property located at 51 Wellesley Drive in Newport News, Virginia. Built in 1997, the project operates under the HUD Section 202 program, with all units receiving a direct subsidy and targeting senior households ages 62 and older. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a waiting list of up to one year in length for the next available unit.

The project will be renovated utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target senior households (ages 62 and older) with incomes of up to 50% of Area Median Household Income (AMHI). Notably, the project will operate with Project-Based Rental Assistance (PBRA) upon completion of renovations. In addition, five of the units at the subject project will have rents restricted to 40% of AMHI. All renovations are expected to be complete by October 2023. Additional details of the subject project are as follows:

Proposed Unit Configuration										
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Contract Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
40	One-Br.	1.0	Garden	524-539	*50%	\$508	\$625	\$111	\$736	\$773
40	Total									

Source: Community Housing Partners

AMHI – Area Median Household Income (Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area; 2020)

S202 – Section 202

*Five units with rents restricted to 40% AMHI

The maximum allowable LIHTC gross rent of \$773 is the programmatic limit for units targeting households earning up to 50% of AMHI. However, this limit would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy.

Building/Site Information	
Residential Buildings:	One (1) three-story building
Building Style:	Elevator-served
Community Space:	Integrated throughout
Acres:	1.6

Construction Timeline	
Original Year Built:	1997
Renovation Start:	July 2022
Begin Preleasing:	2022
Renovation End:	October 2023

Unit Amenities		
• Electric Range	• Controlled Access/Key Fob	• Composite Flooring
• Refrigerator	• Central Air Conditioning	• Window Blinds
• Emergency Call System		

Community Amenities		
• Laundry Room	• On-Site Management	• Clubhouse
• Community Room with Kitchen	• TV Lounge	• CCTV/Cameras
• Elevator	• Gazebo	• Fitness Center
• Library	• Picnic Area	• Social Services
• Surface Parking Lot (41 Spaces)		

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

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
40	0	100.0%	1 Year

PLANNED RENOVATION:

The subject property will include the following renovations:

- Replace all flooring
- Install new kitchen appliances, cabinets and countertops
- Paint the interior of all the units
- New bathroom fixtures, replace/refurbish tubs and tub surrounds as needed
- Install new furnaces
- Install new water heaters
- Install new mini-blinds at all windows
- Update exterior with siding/paint
- Repair all sidewalks to remove any trip hazards
- Repair, seal coat and re-stripe the parking lots
- Replace roofs where necessary


FLOOR AND SITE PLAN REVIEW:

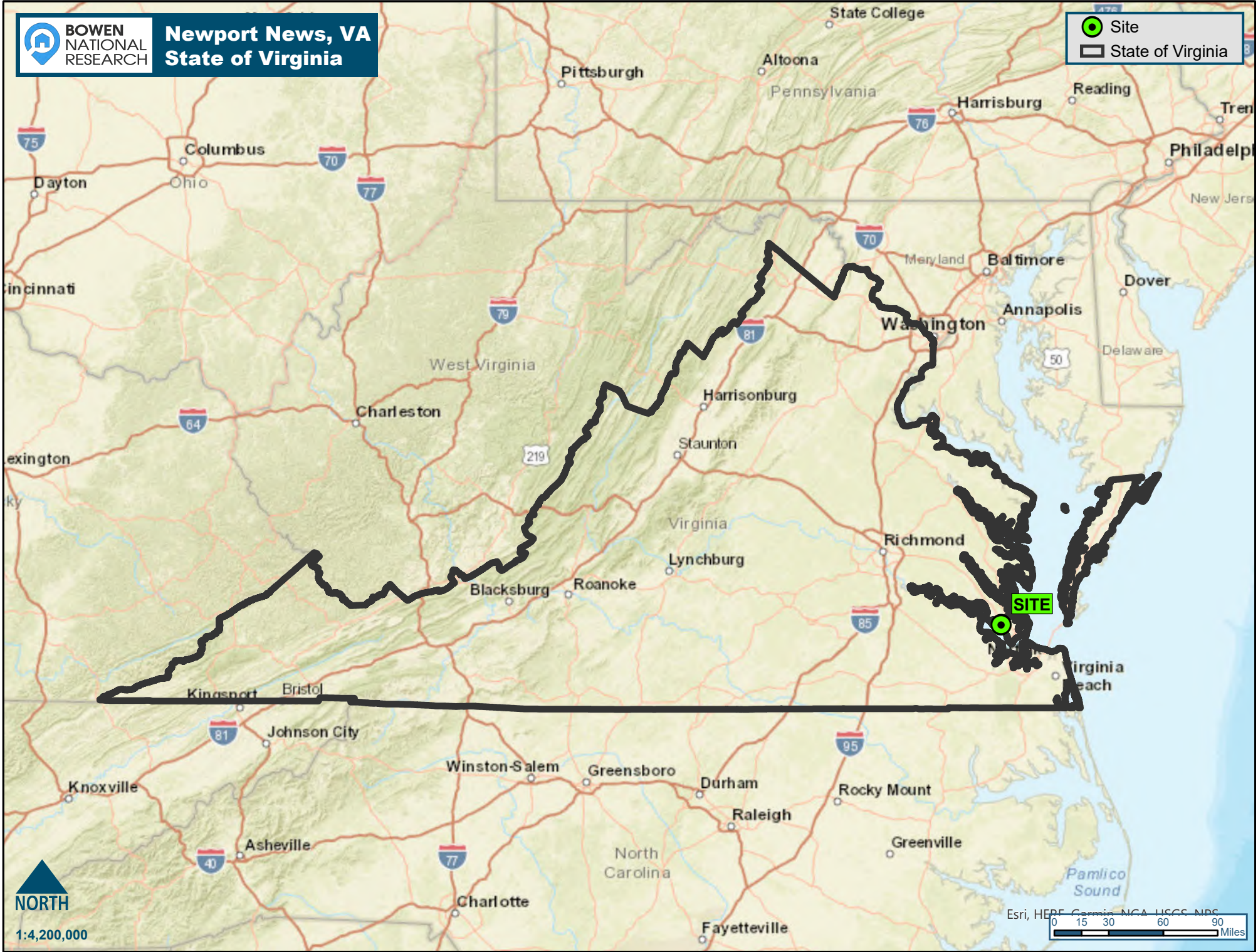
Floor and site plans were not provided for the subject project for review at the time this report was prepared. However, we conducted an on-site visit and evaluation of unit interiors of select units, the exterior of the subject building and property grounds. Based on our evaluation, the subject floor plans and subject building appear to be sufficient, which is evident by the subject’s current occupancy rate of 100.0%. The proposed renovations are expected to improve the general aesthetic appeal of the subject property and improve its overall marketability.

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



Newport News, VA State of Virginia

 Site
 State of Virginia



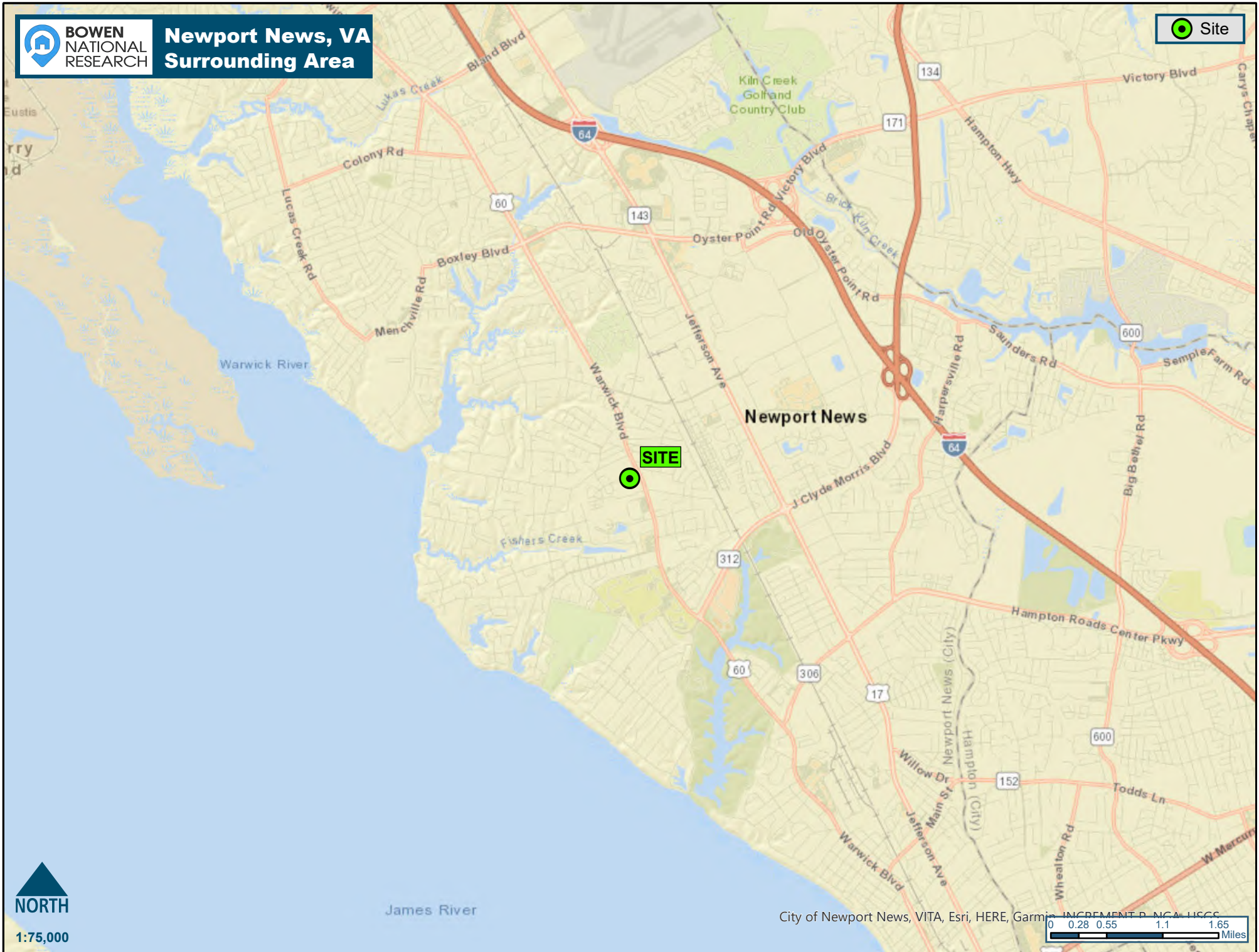
NORTH
1:4,200,000

Esri, HERE, DeLorme, NGA, USGS, NPS
0 15 30 60 90 Miles



Newport News, VA Surrounding Area

Site



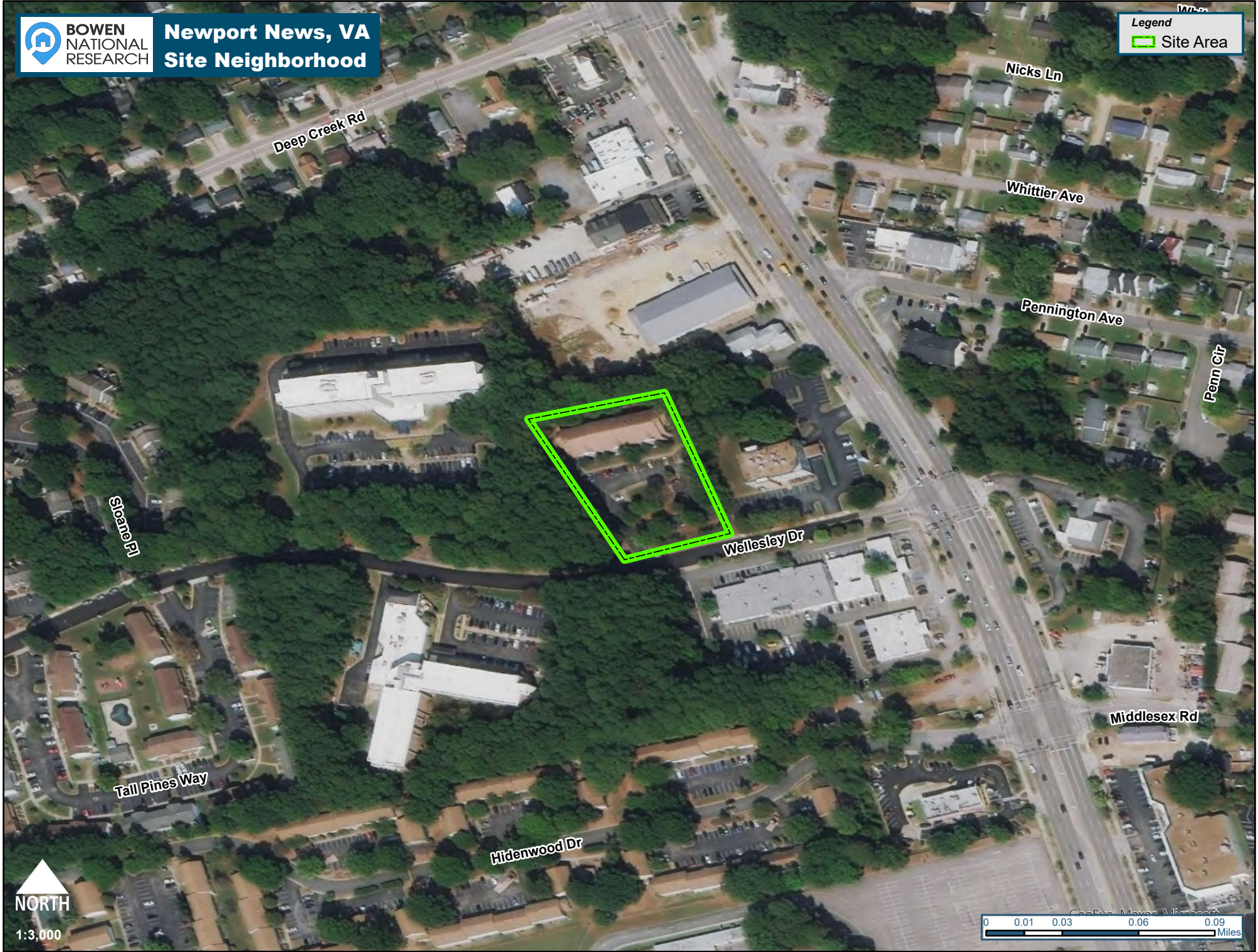
1:75,000

City of Newport News, VITA, Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.28 0.55 1.1 1.65 Miles



Newport News, VA Site Neighborhood

Legend
Site Area



NORTH
1:3,000

0 0.01 0.03 0.06 0.09 Miles

IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is Wellesley Commons, an existing 40-unit government-subsidized property restricted to seniors located at 51 Wellesley Drive in the central portion of Newport News, Virginia. Newport News is approximately 27.0 miles northwest of Norfolk, Virginia. The subject site visit and corresponding fieldwork were completed during the week of February 15, 2021.

2. SURROUNDING LAND USES

The subject site is located within a mixed-use portion of Newport News with surrounding land uses primarily consisting of multifamily homes, single-family homes and retail uses. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by a tree line, which buffers the site from commercial/retail businesses in good condition. Business and services continue north along Warwick Boulevard (U.S. Highway 60), an arterial roadway with moderate traffic patterns. Single-family homes and commercial/retail uses extend north along this aforementioned roadway.
East -	The eastern boundary is defined by a tree line and a three-story office building in good condition. Warwick Boulevard (U.S. Highway 60) and single-family homes in good condition extend farther east of the site.
South -	The southern boundary is defined by Wellesley Drive, a residential roadway with light traffic. A professional development/training building is situated southeast of the site and Hiddenwood Retirement Community is situated southwest of the site. Both of these buildings appear to be in good condition. Various businesses extend south of the site, as well as Todd Stadium and a middle school.
West -	The western boundary is defined by Pinecroft (Map ID 17), a government-subsidized community restricted to seniors that is considered to be in good condition. Multifamily homes and single-family homes in good condition extend farther west of the site.

The subject site is Wellesley Commons, an existing three-story senior community. A thin tree line borders the site to the north, east and west. Additional surrounding land uses include local businesses, office buildings, additional rental communities and single-family homes. The majority of buildings located throughout the site area were observed to be in good condition. Overall, the subject property fits well with the surrounding land uses and they should continue to contribute to the marketability of the site. Photographs of the site can be found in *Section X* of this report.

3. VISIBILITY AND ACCESS

The subject site is comprised of a three-story building that maintains frontage along Wellesley Drive, which borders the site to the north. There are clear views of the site from this aforementioned roadway. A thin tree line borders the site in all other directions, and existing buildings are also present to the north, east and west. While visibility of the subject building may be limited from these directions, signage is present along the site's southern boundary. It should also be noted that this limited visibility has not impacted the site's occupancy rate, as evidenced by the subject's 100.0% occupancy rate. Overall, visibility of the site is considered good.

The subject site derives access from Wellesley Drive, which is a lightly traveled roadway that borders the site to the south. The light traffic in the site area allows for convenient ingress and egress. Hampton Roads Transit (HRT) provides fixed-route public transportation throughout the area and the nearest bus stop is situated 0.2 mile east of the site. This transportation service also provides an on-call paratransit service for those unable to ride the fixed-route bus; a trip costs \$3.50. On-demand transportation for seniors is also available via Peninsula Agency on Aging. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as Warwick Boulevard (U.S. Highway 60), State Route 43 and U.S. Highway 17 are accessed within 3.0 miles of the site. Overall, access to and from the subject site is considered good.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (miles)
Major Highways	U.S. Highway 60	0.1 East
	State Route 143	1.8 Northeast
	U.S. Highway 17	2.5 Southeast
Public Bus Stop	Peninsula Agency on Aging	On-Demand
	HRT Paratransit	On-Demand
	Hampton Roads Transit	0.2 East
Major Employers/ Employment Centers	Christopher Newport University	0.7 South
	Riverside Regional Medical Center	1.8 Southeast
Convenience Store	7-Eleven	0.6 Southeast
	7-Eleven	0.9 North
	7-Eleven	1.2 Southeast
Grocery	Food Lion	0.8 South
	Harris Teeter	0.9 Southeast
	Lidl	2.1 Northeast
Discount Department Store	Dollar Tree	3.0 Southeast
Shopping Center/Mall	Hiddenwood Shopping Center	0.8 South
	Marketplace at Techcenter	3.0 North
	Patrick Henry Mall	3.6 North
Hospital	Commonwealth Family Practice	1.1 Northwest
	Peninsula Health Center	1.6 Southeast
	Riverside Regional Medical Center	1.8 Southeast
Police	Newport News Police Department	3.7 Southeast
Fire	Newport News Fire Station No. 10	0.5 Southeast
Post Office	U.S. Post Office	0.8 South
Bank	Old Point National Bank	2.3 Northeast
	Wells Fargo Bank	2.4 Northeast
	Fulton Bank	2.4 Northeast
	BB&T	3.3 East
Senior Center	Peninsula Agency on Aging	3.2 East
	Hilton Senior Center	6.6 Southeast
Recreational Facilities	Ferguson Center for the Arts	1.3 South
	Abbitt Planetarium	2.6 Southeast
Gas Station	7-Eleven	0.6 Southeast
	Mobil	0.9 North
	Exxon	1.2 Southeast
Pharmacy	Hiddenwood Pharmacy	0.8 South
	Harris Teeter Pharmacy	0.9 Southeast
	Walgreens	2.5 Southeast
Restaurant	McDonalds	0.3 Southeast
	Little Caesars Pizza	0.3 Southeast
	Wendy's	0.5 Southeast
Church	Open Door Baptist Church	0.4 North
	Christ United Methodist Church	0.5 West
	St. Stephens Episcopal Church	1.0 South
Park	Deer Park	3.1 Southeast
Library	Main Street Library	4.1 Southeast

A significant number of essential community services can be accessed within 2.0 miles of the subject site. Many of these services are located along, or can be accessed from, Warwick Boulevard, an arterial roadway accessed 0.1 mile east of the site. Area services can also be accessed using Hampton Roads Transit, which provides a fixed-route bus service and an on-call paratransit service. The closet fixed-route stop is located 0.2 mile east of the subject site.

Within the Warwick Road service corridor are multiple restaurants, churches, gas stations, medical facilities and shopping centers, including Hiddenwood Shopping Center 0.8 mile south. This includes Food Lion, Hiddenwood Pharmacy, a U.S. Post Office and several restaurants. The closest Newport News Fire Station is within 1.0 south along this road, as is Harris Teeter grocery store and pharmacy and Christopher Newport University. In addition, Riverside Regional Medical Center is located 1.8 miles southeast of the site.

The nearest Newport News Police Department is 3.7 miles southeast. Multiple banks area roughly 2.0 miles to the north , and further north is Marketplace at Techcenter and the Patrick Henry Mall. Facilities for seniors in the surrounding area include Penninsula Agency on Aging, which offers nutrition services and transportation for those 60 years of age and older, wellness classes and additional support. The Hilton Senior Center is located 6.6 miles southeast of the site.

5. OVERALL SITE EVALUATION

The subject site is Wellesley Commons, an existing 40-unit government-subsidized property restricted to seniors located at 51 Wellesley Drive in the central portion of Newport News, Virginia. The subject site is located within a mixed-use portion of Newport News with surrounding land uses primarily consisting of multifamily homes, single-family homes and retail uses. All of the structures surrounding the subject site appear to be in good condition. The subject site is comprised of a three-story building that maintains frontage along Wellesley Drive, which borders the site to the north. There are clear views of the site from this aforementioned roadway. The subject site derives access from Wellesley Drive, which is a lightly traveled roadway that borders the site to the south. The light traffic in the site area allows for convenient ingress and egress. Shopping centers, dining, recreation, a fire department and an emergency medical center are among the community services within 2.0 miles of the site. Services for seniors are offered through Peninsula Agency on Aging and a senior center is approximately 7.0 miles from the site. Overall, the site's surrounding land uses and proximity to community services are expected to continue to contribute to its marketability.

6. CRIME ISSUES

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

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

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

Total crime risk (123) for the Site ZIP Code is above the national average with an overall personal crime index of 74 and a property crime index of 131. Total crime risk (120) for Newport News City is above the national average with indexes for personal and property crime of 115 and 121, respectively.

	Crime Risk Index	
	Site ZIP Code	Newport News city
Total Crime	123	120
Personal Crime	74	115
Murder	108	256
Rape	73	102
Robbery	101	126
Assault	63	110
Property Crime	131	121
Burglary	81	97
Larceny	147	129
Motor Vehicle Theft	104	104

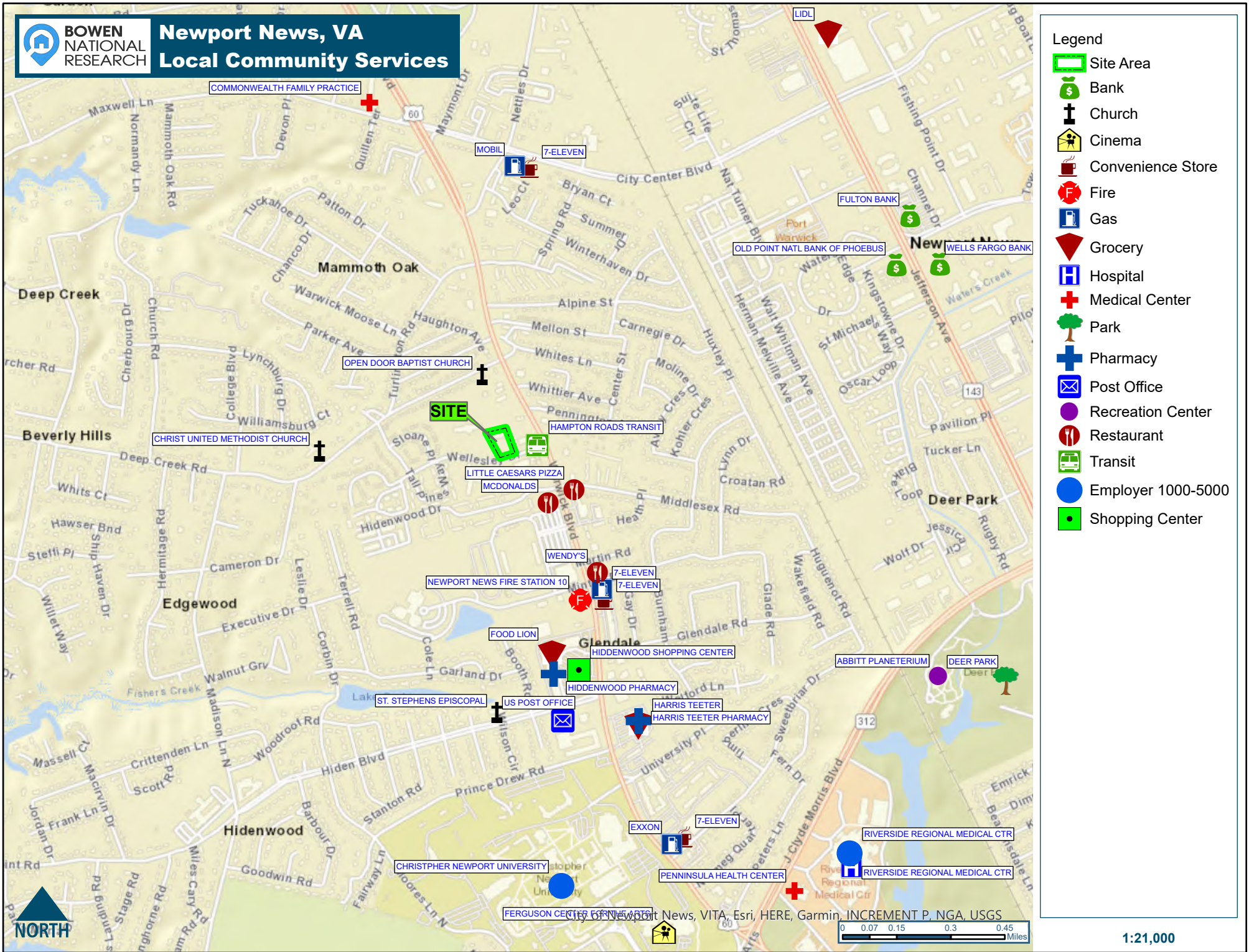
Source: Applied Geographic Solutions

As the preceding illustrates, the crime risk index for the site's ZIP Code (123) is similar to that reported for the city of Newport News (120) as a whole. These aforementioned crime indexes are above the national average of 100; however, these are not considered high crime rates. In addition, the subject project includes an on-site management office and CCTV, features which typically deter crime. Regardless, most properties surveyed in the area report high occupancy rates (including the subject site), a good indication that crime has not adversely impacted rental properties in this market.

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



Newport News, VA Local Community Services



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



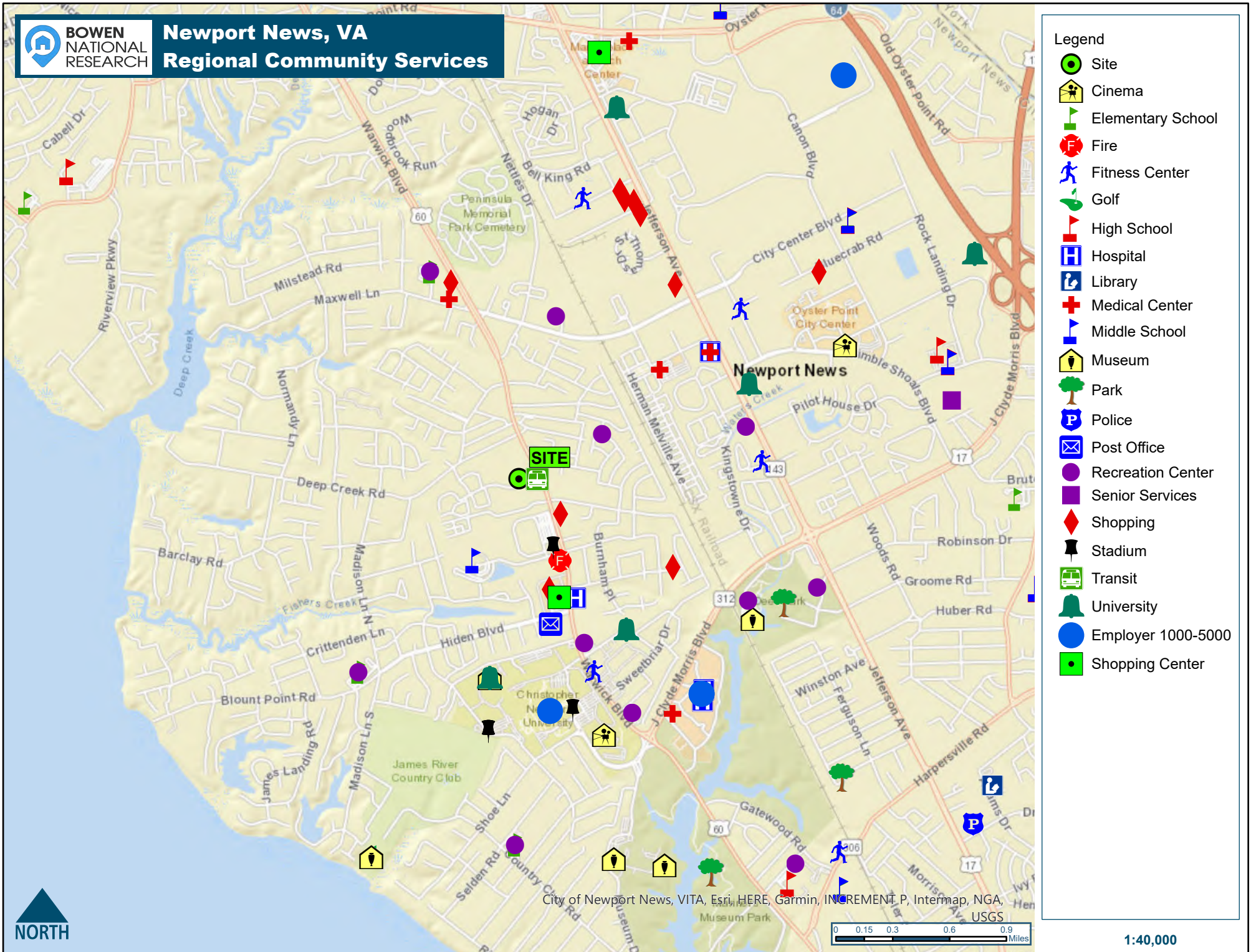
Map of Newport News, VA, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:21,000



Newport News, VA Regional Community Services



City of Newport News, VITA, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



1:40,000



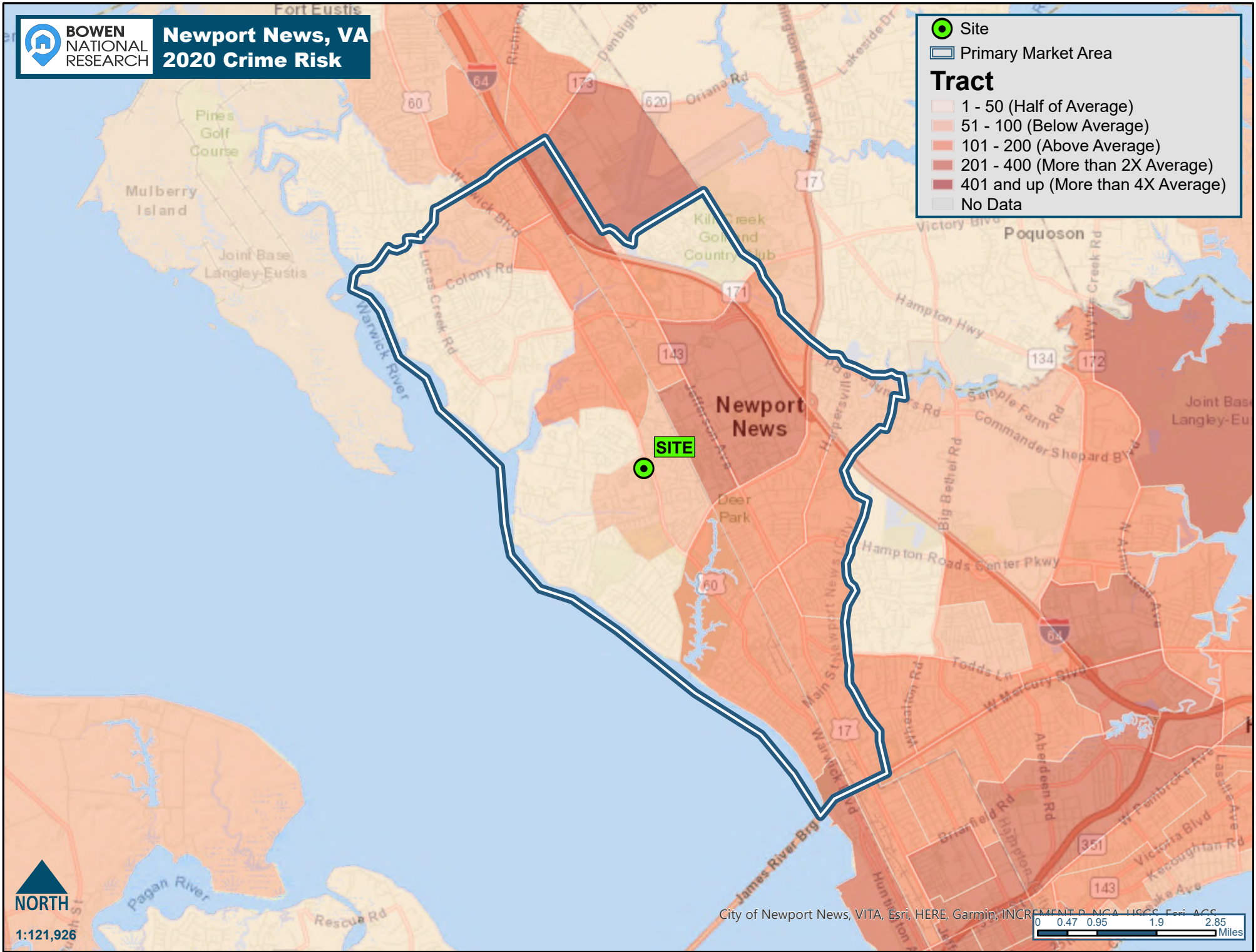
Newport News, VA 2020 Crime Risk

Site

Primary Market Area

Tract

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



NORTH
1:121,926

City of Newport News, VITA, Esri, HERE, Garmin, INCREMENT P, NGA, USGS, Esri, ACS
 0 0.47 0.95 1.9 2.85 Miles

B. PRIMARY MARKET AREA DELINEATION

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

The Newport News Site PMA includes the eastern portion of Newport News, Virginia. The boundaries of the Site PMA include Lucas Creek, Old Lucas Creek Road, Denbigh Boulevard, State Route 143, Brick Kiln Boulevard, Providence Boulevard, Commonwealth Drive and the Newport News city limits to the north; the Newport News city limits to the east; U.S. Highway 17/U.S. Highway 258/State Route 32 to the south; and the Warwick River to the west. The communities to the southeast could provide some support for the project; however, the majority of support is expected to come from residents living within the immediate surrounding area of Newport News.

- Jackie Black is the Property Manager at Wellesley Commons (subject site). Ms. Black confirmed the boundaries of the Site PMA, stating that the majority of her residents have moved in from the surrounding neighborhoods of the city that are encompassed within the Site PMA. Ms. Black added that many come from living with their children or other family members and that the property does not typically receive support from the Hampton or Northampton areas.

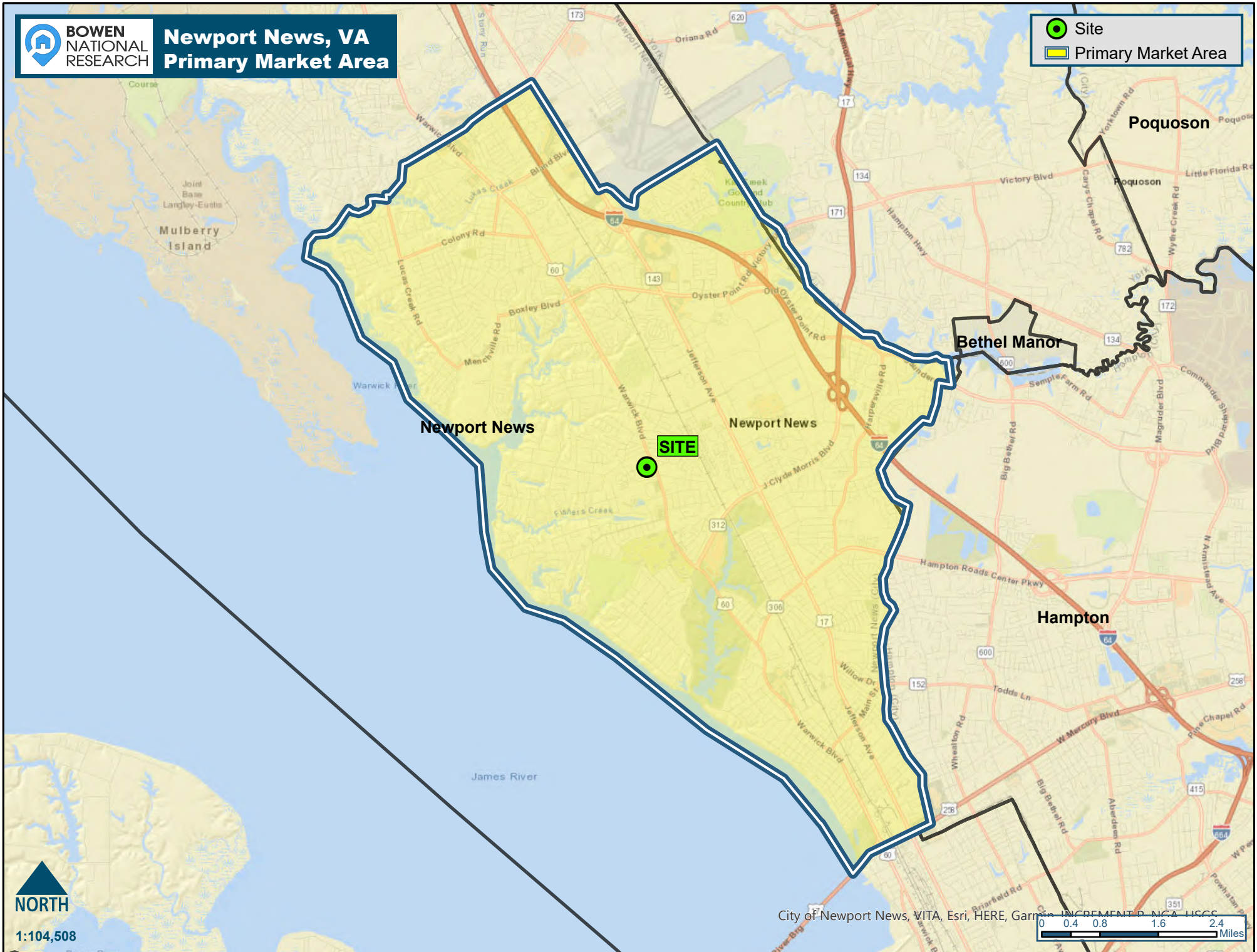
A small portion of support may originate from some of the outlying areas of Newport News and suburban communities in the area; we have not, however, considered any secondary market area in this report. Confirmed by the property manager at the subject site, additional portions of Newport News and surrounding localities were excluded from the Site PMA boundaries as it was determined that these areas are not expected to generate significant support for the subject site.

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



Newport News, VA Primary Market Area

- Site
- Primary Market Area



NORTH
1:104,508

City of Newport News, VITA, Esri, HERE, Garmin, INCREMENTAL, NGA, USGS
0 0.4 0.8 1.6 2.4 Miles

C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2021 (estimated) and 2026 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2021 (Estimated)	2026 (Projected)
Population	90,077	93,427	94,824	94,262
Population Change	-	3,350	1,397	-562
Percent Change	-	3.7%	1.5%	-0.6%

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

The Newport News Site PMA population base increased by 3,350 between 2000 and 2010. This represents a 3.7% increase over the 2000 population, or an annual rate of 0.4%. Between 2010 and 2021, the population increased by 1,397, or 1.5%. It is projected that the population will decline by 562, or 0.6%, between 2021 and 2026.

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

Population by Age	2010 (Census)		2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	23,972	25.7%	22,805	24.0%	22,434	23.8%	-371	-1.6%
20 to 24	9,657	10.3%	8,244	8.7%	8,006	8.5%	-238	-2.9%
25 to 34	14,140	15.1%	14,513	15.3%	13,023	13.8%	-1,490	-10.3%
35 to 44	11,198	12.0%	12,321	13.0%	13,471	14.3%	1,150	9.3%
45 to 54	13,399	14.3%	10,655	11.2%	10,195	10.8%	-460	-4.3%
55 to 64	9,662	10.3%	11,363	12.0%	10,463	11.1%	-900	-7.9%
65 to 74	5,936	6.4%	8,318	8.8%	9,170	9.7%	852	10.2%
75 & Over	5,463	5.8%	6,604	7.0%	7,499	8.0%	895	13.6%
Total	93,427	100.0%	94,824	100.0%	94,262	100.0%	-562	-0.6%

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

As the preceding table illustrates, nearly 28% of the population is expected to be age 55 and older in 2021. This age group is the primary group of current and potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

Household trends within the Newport News Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2021 (Estimated)	2026 (Projected)
Households	36,671	37,879	38,126	37,817
Household Change	-	1,208	247	-309
Percent Change	-	3.3%	0.7%	-0.8%
Household Size	2.46	2.47	2.39	2.40

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

Within the Newport News Site PMA, households increased by 1,208 (3.3%) between 2000 and 2010. Between 2010 and 2021, households increased by 247 or 0.7%. By 2026, there will be 37,817 households, a decline of 309 households, or 0.8% over 2021 levels. This is a decline of approximately 62 households annually over the next five years.

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

Households by Age	2010 (Census)		2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	3,077	8.1%	2,630	6.9%	2,652	7.0%	22	0.8%
25 to 34	7,171	18.9%	7,097	18.6%	6,323	16.7%	-774	-10.9%
35 to 44	6,222	16.4%	6,559	17.2%	7,028	18.6%	469	7.2%
45 to 54	7,770	20.5%	5,893	15.5%	5,556	14.7%	-337	-5.7%
55 to 64	5,843	15.4%	6,485	17.0%	5,883	15.6%	-602	-9.3%
65 to 74	3,874	10.2%	5,110	13.4%	5,518	14.6%	408	8.0%
75 to 84	2,739	7.2%	3,029	7.9%	3,381	8.9%	352	11.6%
85 & Over	1,183	3.1%	1,324	3.5%	1,477	3.9%	153	11.6%
Total	37,879	100.0%	38,126	100.0%	37,817	100.0%	-309	-0.8%

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

Between 2021 and 2026, the greatest growth among household age groups is projected to be among those ages 65 and over, increasing by 913 (9.6%). This projected growth among senior households indicates that there will be an increasing need for housing for seniors in the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	20,669	54.6%	19,609	51.4%	19,457	51.4%
Renter-Occupied	17,210	45.4%	18,518	48.6%	18,362	48.6%
Total	37,879	100.0%	38,126	100.0%	37,818	100.0%

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

In 2021, homeowners occupied 51.4% of all occupied housing units, while the remaining 48.6% were occupied by renters.

Households by tenure for those age 62 and older in 2010, 2021 (estimated) and 2026 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	6,958	72.9%	8,045	70.5%	8,516	70.2%
Renter-Occupied	2,582	27.1%	3,360	29.5%	3,620	29.8%
Total	9,540	100.0%	11,405	100.0%	12,136	100.0%

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

A total of 3,360 (29.5%) of all households age 62 and older within the Site PMA were renters in 2021. Senior renters are projected to increase by 260, or 7.7%, between 2021 and 2026.

The household sizes by tenure for age 62 and older within the Site PMA, based on the 2021 estimates and 2026 projections, were distributed as follows:

Persons Per Renter Household Age 62+	2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Households	Percent	Households	Percent	Households	Percent
1 Person	1,997	59.4%	1,700	47.0%	-297	-14.9%
2 Persons	717	21.4%	1,040	28.7%	322	44.9%
3 Persons	316	9.4%	434	12.0%	118	37.3%
4 Persons	206	6.1%	276	7.6%	70	34.0%
5 Persons+	124	3.7%	171	4.7%	47	37.8%
Total	3,360	100.0%	3,620	100.0%	260	7.7%

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

Persons Per Owner Household Age 62+	2021 (Estimated)		2026 (Projected)		Change 2021-2026	
	Households	Percent	Households	Percent	Households	Percent
1 Person	2,799	34.8%	2,998	35.2%	199	7.1%
2 Persons	2,741	34.1%	2,879	33.8%	138	5.0%
3 Persons	1,305	16.2%	1,406	16.5%	102	7.8%
4 Persons	748	9.3%	773	9.1%	26	3.4%
5 Persons+	453	5.6%	459	5.4%	6	1.4%
Total	8,045	100.0%	8,516	100.0%	471	5.9%

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

The one-bedroom units offered at the subject site are expected to continue to accommodate one- and two-person senior renters, which comprised the majority of all senior renter households in the market, based on size.

3. INCOME TRENDS

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

Household Income	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	2,612	6.9%	2,111	5.5%	2,124	5.6%
\$10,000 to \$19,999	3,323	8.8%	3,091	8.1%	3,132	8.3%
\$20,000 to \$29,999	3,951	10.4%	3,589	9.4%	3,586	9.5%
\$30,000 to \$39,999	4,373	11.5%	3,615	9.5%	3,451	9.1%
\$40,000 to \$49,999	4,714	12.4%	4,119	10.8%	3,857	10.2%
\$50,000 to \$59,999	3,504	9.3%	2,766	7.3%	2,577	6.8%
\$60,000 to \$74,999	4,645	12.3%	4,672	12.3%	4,782	12.6%
\$75,000 to \$99,999	4,896	12.9%	5,251	13.8%	5,239	13.9%
\$100,000 to \$124,999	2,476	6.5%	3,963	10.4%	4,052	10.7%
\$125,000 to \$149,999	1,431	3.8%	1,947	5.1%	1,904	5.0%
\$150,000 to \$199,999	1,335	3.5%	1,544	4.1%	1,585	4.2%
\$200,000 & Over	619	1.6%	1,458	3.8%	1,529	4.0%
Total	37,879	100.0%	38,126	100.0%	37,818	100.0%
Median Income	\$49,929		\$59,176		\$60,571	

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

In 2010, the median household income was \$49,929. This increased by 18.5% to \$59,176 in 2021. By 2026, it is projected that the median household income will be \$60,571, an increase of 2.4% over 2021.

The distribution of households by income age 62 and older within the Newport News Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2021 (Estimated)		2026 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	535	5.6%	668	5.9%	694	5.7%
\$10,000 to \$19,999	1,140	11.9%	1,214	10.6%	1,190	9.8%
\$20,000 to \$29,999	1,068	11.2%	1,259	11.0%	1,275	10.5%
\$30,000 to \$39,999	1,052	11.0%	1,332	11.7%	1,400	11.5%
\$40,000 to \$49,999	1,214	12.7%	1,058	9.3%	1,052	8.7%
\$50,000 to \$59,999	986	10.3%	971	8.5%	960	7.9%
\$60,000 to \$74,999	1,023	10.7%	1,582	13.9%	1,826	15.0%
\$75,000 to \$99,999	1,097	11.5%	1,465	12.8%	1,635	13.5%
\$100,000 to \$124,999	499	5.2%	714	6.3%	815	6.7%
\$125,000 to \$149,999	375	3.9%	461	4.0%	497	4.1%
\$150,000 to \$199,999	383	4.0%	294	2.6%	336	2.8%
\$200,000 & Over	168	1.8%	387	3.4%	456	3.8%
Total	9,540	100.0%	11,405	100.0%	12,136	100.0%
Median Income	\$48,031		\$51,768		\$54,762	

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

In 2010, the median household income for households age 62 and older was \$48,031. This increased by 7.8% to \$51,768 in 2021. By 2026, it is projected that the median household income will be \$54,762, an increase of 5.8% over 2021.

The following tables illustrate renter household income by household size for 2010, 2021 and 2026 for the Newport News Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	801	523	322	208	91	1,945
\$10,000 to \$19,999	1,094	571	353	228	99	2,345
\$20,000 to \$29,999	1,040	655	404	261	114	2,474
\$30,000 to \$39,999	981	640	395	255	111	2,383
\$40,000 to \$49,999	969	646	398	257	112	2,382
\$50,000 to \$59,999	622	398	246	159	69	1,494
\$60,000 to \$74,999	798	540	333	215	94	1,980
\$75,000 to \$99,999	534	361	223	144	63	1,324
\$100,000 to \$124,999	173	115	71	46	20	426
\$125,000 to \$149,999	102	66	41	26	11	246
\$150,000 to \$199,999	60	38	24	15	7	144
\$200,000 & Over	29	17	11	7	3	67
Total	7,202	4,571	2,821	1,821	795	17,210

Source: ESRI; Urban Decision Group

Renter Households	2021 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	653	494	219	143	86	1,595
\$10,000 to \$19,999	982	701	310	203	122	2,317
\$20,000 to \$29,999	1,064	795	352	230	138	2,580
\$30,000 to \$39,999	955	769	340	223	134	2,421
\$40,000 to \$49,999	996	875	387	253	152	2,664
\$50,000 to \$59,999	456	386	171	112	67	1,192
\$60,000 to \$74,999	767	653	289	189	114	2,011
\$75,000 to \$99,999	669	602	267	174	105	1,817
\$100,000 to \$124,999	346	341	151	98	59	995
\$125,000 to \$149,999	180	162	72	47	28	488
\$150,000 to \$199,999	79	77	34	22	13	226
\$200,000 & Over	77	71	32	21	12	213
Total	7,223	5,925	2,623	1,715	1,032	18,518

Source: ESRI; Urban Decision Group

Renter Households	2026 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	616	518	215	138	86	1,573
\$10,000 to \$19,999	922	772	321	206	128	2,349
\$20,000 to \$29,999	1,033	852	355	227	141	2,608
\$30,000 to \$39,999	904	784	326	209	130	2,352
\$40,000 to \$49,999	987	870	361	232	144	2,594
\$50,000 to \$59,999	384	344	143	91	57	1,019
\$60,000 to \$74,999	723	634	263	169	105	1,894
\$75,000 to \$99,999	655	602	250	160	100	1,768
\$100,000 to \$124,999	418	403	168	108	67	1,164
\$125,000 to \$149,999	206	185	77	49	31	548
\$150,000 to \$199,999	92	87	36	23	14	252
\$200,000 & Over	90	83	35	22	14	243
Total	7,031	6,133	2,549	1,634	1,014	18,362

Source: ESRI; Urban Decision Group

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2021 and 2026 for the Newport News Site PMA:

Renter Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	212	26	16	10	4	269
\$10,000 to \$19,999	467	54	33	22	9	584
\$20,000 to \$29,999	314	37	23	15	6	396
\$30,000 to \$39,999	253	32	20	12	5	322
\$40,000 to \$49,999	254	30	19	12	5	320
\$50,000 to \$59,999	174	21	13	8	4	219
\$60,000 to \$74,999	179	23	14	9	3	229
\$75,000 to \$99,999	112	15	9	6	2	144
\$100,000 to \$124,999	31	5	3	2	0	41
\$125,000 to \$149,999	24	4	2	2	0	32
\$150,000 to \$199,999	14	2	2	0	0	18
\$200,000 & Over	7	1	0	0	0	9
Total	2,041	249	155	99	38	2,582

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2021 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	211	75	33	22	13	354
\$10,000 to \$19,999	401	140	61	41	24	667
\$20,000 to \$29,999	372	130	57	38	23	619
\$30,000 to \$39,999	321	115	51	33	20	540
\$40,000 to \$49,999	212	77	34	22	13	358
\$50,000 to \$59,999	110	40	18	12	6	186
\$60,000 to \$74,999	179	67	29	19	12	306
\$75,000 to \$99,999	115	45	19	13	8	199
\$100,000 to \$124,999	32	12	5	3	2	55
\$125,000 to \$149,999	26	10	5	3	1	45
\$150,000 to \$199,999	8	3	2	0	0	13
\$200,000 & Over	11	5	2	1	0	19
Total	1,997	717	316	206	124	3,360

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2026 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	166	101	42	27	17	354
\$10,000 to \$19,999	301	187	78	50	31	647
\$20,000 to \$29,999	312	185	78	49	31	655
\$30,000 to \$39,999	291	182	76	49	29	627
\$40,000 to \$49,999	201	118	49	32	19	420
\$50,000 to \$59,999	79	51	21	13	8	172
\$60,000 to \$74,999	160	99	41	26	17	343
\$75,000 to \$99,999	103	66	28	17	10	224
\$100,000 to \$124,999	36	21	8	6	4	76
\$125,000 to \$149,999	30	17	7	4	3	61
\$150,000 to \$199,999	9	4	2	1	1	16
\$200,000 & Over	12	8	3	2	1	25
Total	1,700	1,040	434	276	171	3,620

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2021 and 2026 for the Newport News Site PMA:

Owner Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	102	83	36	29	17	266
\$10,000 to \$19,999	226	167	72	57	34	556
\$20,000 to \$29,999	269	204	88	70	40	672
\$30,000 to \$39,999	275	232	100	79	45	730
\$40,000 to \$49,999	336	283	122	97	56	894
\$50,000 to \$59,999	267	253	109	86	51	767
\$60,000 to \$74,999	270	266	115	90	53	794
\$75,000 to \$99,999	325	319	137	109	63	953
\$100,000 to \$124,999	148	157	68	54	31	458
\$125,000 to \$149,999	118	114	49	39	22	343
\$150,000 to \$199,999	117	126	55	43	25	365
\$200,000 & Over	51	55	24	19	11	159
Total	2,504	2,260	975	771	449	6,958

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2021 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	115	104	49	28	18	314
\$10,000 to \$19,999	209	177	84	48	30	547
\$20,000 to \$29,999	243	207	98	57	34	641
\$30,000 to \$39,999	304	255	121	69	42	792
\$40,000 to \$49,999	256	232	111	63	37	699
\$50,000 to \$59,999	274	266	127	73	45	785
\$60,000 to \$74,999	444	434	207	118	72	1,276
\$75,000 to \$99,999	410	447	213	122	74	1,266
\$100,000 to \$124,999	206	237	113	65	39	660
\$125,000 to \$149,999	131	150	71	41	25	416
\$150,000 to \$199,999	90	101	48	28	16	282
\$200,000 & Over	117	132	63	36	21	368
Total	2,799	2,741	1,305	748	453	8,045

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2026 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	124	113	55	30	18	340
\$10,000 to \$19,999	205	176	86	47	29	543
\$20,000 to \$29,999	231	203	99	55	32	621
\$30,000 to \$39,999	294	250	122	67	40	773
\$40,000 to \$49,999	229	210	103	56	33	632
\$50,000 to \$59,999	281	264	130	71	42	788
\$60,000 to \$74,999	530	497	243	133	81	1,483
\$75,000 to \$99,999	475	489	238	132	78	1,411
\$100,000 to \$124,999	241	260	127	70	42	739
\$125,000 to \$149,999	142	154	75	41	24	436
\$150,000 to \$199,999	105	113	55	30	17	320
\$200,000 & Over	142	151	73	41	23	430
Total	2,998	2,879	1,406	773	459	8,516

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Both the population and household bases within the Newport News Site PMA are projected to experience slight declines between 2021 and 2026. Despite these declines, senior households age 65 and older are projected to increase by 913 (9.6%) during the same time frame. In addition, senior renters age 62 and older are projected to increase by 260 (7.7%) between 2021 and 2026. Based on the preceding analysis, a large and growing base of senior households will continue to exist in the market during this time period.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

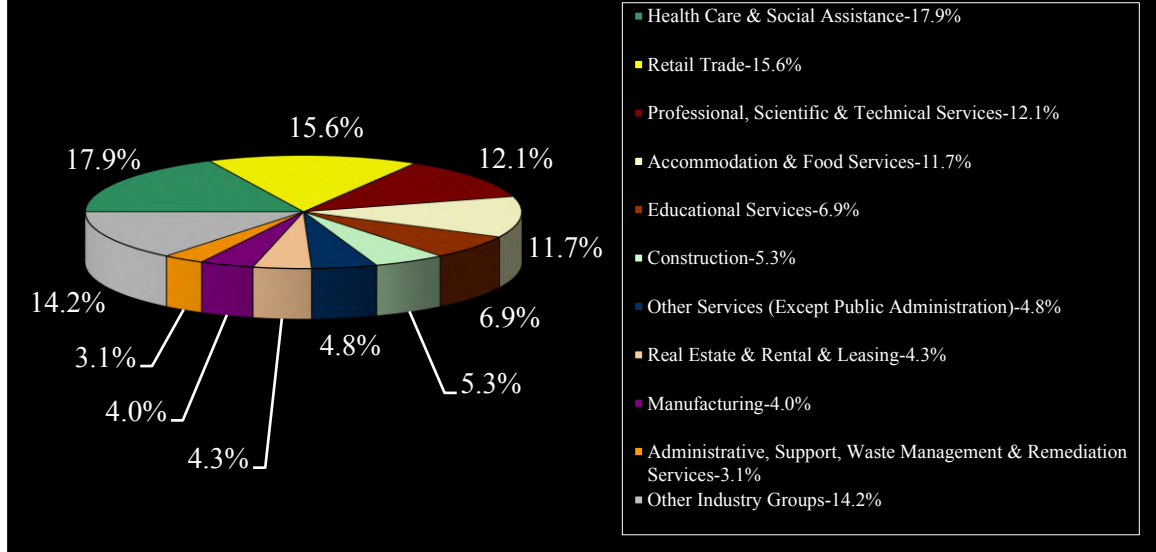
The labor force within the Newport News Site PMA is based primarily in four sectors. Health Care & Social Assistance (which comprises 17.9%), Retail Trade, Professional, Scientific & Technical Services and Accommodation & Food Services comprise over 57% of the Site PMA labor force. Employment in the Newport News Site PMA, as of 2021, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	2	0.1%	5	0.0%	2.5
Mining	1	0.0%	6	0.0%	6.0
Utilities	2	0.1%	52	0.1%	26.0
Construction	227	6.4%	2,703	5.3%	11.9
Manufacturing	73	2.1%	2,017	4.0%	27.6
Wholesale Trade	63	1.8%	1,052	2.1%	16.7
Retail Trade	568	16.0%	7,916	15.6%	13.9
Transportation & Warehousing	27	0.8%	1,249	2.5%	46.3
Information	57	1.6%	1,257	2.5%	22.1
Finance & Insurance	213	6.0%	1,277	2.5%	6.0
Real Estate & Rental & Leasing	263	7.4%	2,184	4.3%	8.3
Professional, Scientific & Technical Services	333	9.4%	6,126	12.1%	18.4
Management of Companies & Enterprises	3	0.1%	12	0.0%	4.0
Administrative, Support, Waste Management & Remediation Services	132	3.7%	1,556	3.1%	11.8
Educational Services	102	2.9%	3,498	6.9%	34.3
Health Care & Social Assistance	393	11.1%	9,061	17.9%	23.1
Arts, Entertainment & Recreation	68	1.9%	840	1.7%	12.4
Accommodation & Food Services	327	9.2%	5,918	11.7%	18.1
Other Services (Except Public Administration)	466	13.1%	2,439	4.8%	5.2
Public Administration	33	0.9%	1,127	2.2%	34.2
Nonclassifiable	193	5.4%	324	0.6%	1.7
Total	3,546	100.0%	50,619	100.0%	14.3

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research
E.P.E. - Average Employees Per Establishment

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

Employment by Industry



Typical wages by job category for the Virginia Beach-Norfolk-Newport News Metropolitan Statistical Area (MSA) are compared with those of Virginia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Virginia Beach-Norfolk-Newport News MSA	Virginia
Management Occupations	\$117,300	\$139,610
Business and Financial Occupations	\$75,610	\$86,060
Computer and Mathematical Occupations	\$86,930	\$103,350
Architecture and Engineering Occupations	\$83,570	\$91,730
Community and Social Service Occupations	\$50,380	\$51,320
Art, Design, Entertainment and Sports Medicine Occupations	\$55,580	\$62,380
Healthcare Practitioners and Technical Occupations	\$78,920	\$82,840
Healthcare Support Occupations	\$30,030	\$30,170
Protective Service Occupations	\$45,290	\$48,380
Food Preparation and Serving Related Occupations	\$24,000	\$24,840
Building and Grounds Cleaning and Maintenance Occupations	\$26,410	\$29,210
Personal Care and Service Occupations	\$27,860	\$30,640
Sales and Related Occupations	\$36,500	\$42,290
Office and Administrative Support Occupations	\$38,470	\$41,160
Construction and Extraction Occupations	\$46,950	\$46,800
Installation, Maintenance and Repair Occupations	\$49,280	\$51,510
Production Occupations	\$41,890	\$39,640
Transportation and Moving Occupations	\$36,000	\$37,050

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

Most annual blue-collar salaries range from \$24,000 to \$55,580 within the Virginia Beach-Norfolk-Newport News MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$88,466. It is important to note that most occupational types within the Virginia Beach-Norfolk-Newport News MSA have slightly lower typical wages than Virginia's typical wages. The area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw renter support.

The ten largest employers within the Newport News area are summarized as follows. Note that specific employment numbers were not available at the time this report was issued.

Employer Name/Area	Business Type	Total Employed
Huntington Ingalls Industries, Inc. (Newport News Shipbuilding)	Manufacturing/Transportation Equipment	10,000-25,000
U.S. Department of Defense (Joint Base Langley-Eustis)	Federal Government	10,000-25,000
Riverside Regional Medical Center	Healthcare	5,000-9,999
City of Newport News	Local Government	5,000-9,999
Canon	Chemical Manufacturing	1,000-5,000
Newport News Public Schools	Education	1,000-5,000
Ferguson Enterprises Inc.	Merchant Wholesalers/Durable Goods	1,000-5,000
Christopher Newport University	Education	1,000-5,000
U.S. Department of Army and Air Force (AAFES Distribution Center)	Federal Government/General Merchandise Stores	1,000-5,000
Walmart	General Merchandise Stores	500-999

Source: Virginia Employment Commission and Virginia Economic Development Partnership (Second Quarter 2019)

The COVID-19 pandemic has impacted the Newport News area, just as it has in most cities across North America. There was a stay-at-home order that began in late March 2020 and most non-essential businesses were forced to close. On Wednesday, July 1, 2020, every region of Virginia was directed by the Virginia governor to move to the third phase of the “Forward Virginia” plan. To date, most all businesses have been allowed to reopen at 50% capacity, with strict social distancing guidelines in place specific to each business model. There is also currently a statewide mask order in place.

As of February 2021, most city offices, facilities and buildings have reopened to the public; citizens are encouraged to access city services online when possible.

The governor of Virginia announced new eases on restrictions due to the pandemic and will be effective March 1, 2021 and will remain effective through at least April 1. Some of the new less restrictive mandates are listed on the following page.

- The outdoor social gatherings limits have been increased from 10 to 25 people (but the limit for indoor gatherings remains at 10 people).
- Outdoor entertainment and public amusement venues can operate with up to 1,000 people or at 30% capacity, whichever is lower (but indoor entertainment and public amusement venues must continue to operate at 30% capacity with a cap of 250 people).
- The on-site sale, consumption, and possession of alcohol is permitted until 12:00 a.m., extended from 10:00 p.m.
- All restaurants, dining establishments, food courts, breweries, microbreweries, distilleries, wineries, and tasting rooms must be closed between midnight and 5:00 a.m.

Individuals are strongly encouraged to continue teleworking if possible. The modified stay-at-home order expired on February 28, 2021. Virginia still maintains the Safer at Home strategy with continued strict health and safety protocols, including physical distancing, mask-wearing requirements, gathering limits, and business capacity restrictions.

Despite multiple attempts, we were unable to receive a response from area economic development representatives regarding the status of the local economy. The following, however, are summaries of some recent and notable economic development activity within the Newport News area based on our research at the time of this analysis:

- In April 2020, S23 Holdings, LLC and its affiliates announced plans to invest \$64.4 million and build an industrial campus for ship repair, manufacturing, and to rehabilitate two piers. They will also build corporate offices on the waterfront property. The location for the campus is 1201 Terminal Avenue and 1511 Harbor Lane in Newport News. This project will create 332 new jobs.
- Huntington Ingalls Industries Mechanical (HII Mechanical) completed a \$20 million expansion of their headquarters in Oakland Industrial Park in Newport News in May 2018. The expansion added 52,000 square feet to their existing 66,000 square-foot building and created approximately 120 jobs. In June 2018, HII Mechanical's Newport News Shipbuilding division announced plans to invest approximately \$8.7 million to expand its workforce to around 25,000, creating approximately 2,000 jobs through 2022. Huntington Ingalls-Newport News Shipbuilding also announced plans to work jointly with Connecticut-based Electric Boat to start constructing a new fleet of ballistic missile submarines in 2021 for the United States Navy to replace the old ones. The Shipyard will invest over \$750 million in its facility for the project and is expected to create 1,000 jobs by 2025.

- Ferguson Enterprise, a plumbing wholesale company, is investing \$82.8 million to construct an expansion to its headquarters at 751 Lakefront Commons in Newport News. In June 2018, the company broke ground on the eight-story, 260,000 square-foot campus. The expansion was completed in summer 2020 and will retain approximately 1,000 jobs, while creating around 434 jobs through 2021.
- In July 2018, Liebherr-International AG, a large manufacturer of construction machinery, broke ground on its new facility in Newport News. The \$45 million expansion will add three new buildings, 251,000 square feet of space to its existing 560,000 square-foot campus. The new buildings will house the new headquarters for Liebherr USA, including an administrative building, a warehouse and distribution center, and a production and workshop facility. The project was completed in 2020.
- The Tech Center at Oyster Point (expansion of Jefferson Lab) will be located at 638 Oyster Point Road in Newport News and is the second phase of a \$450 million mixed-use project. The project will include more than 250,000 square feet of retail, restaurants, Onelife Fitness, Whole Foods and the Venture Apartments. The Tech Center at Oyster Point will also include 1.1 million square feet of office space. In December 2016, Jefferson Lab was awarded \$2.1 million as part of a \$1 billion electron-ion collider project. The project is estimated to create more than 5,500 new jobs within the area, which would include construction jobs and skilled labor, over a ten-year period. Building One at Tech Center Research Park opened August 2019. The 80,000 square-foot building is one of many buildings that will be located at the 50-acre research park located at Jefferson Avenue and Hogan Drive in Newport News. Building one has co-working spaces with access to conference rooms with videoconferencing technology, printing and copying. The remaining master plan, which includes constructing ten buildings each ranging from 80,000 square feet to 100,000 square feet, was approved in June 2019. There is already an anchor tenant for the second building, which is planned for completion by the end of 2021.
- Fairlead Integrated's shipyard, known as Fairlead Boatworks, is a smaller shipbuilding company in Newport News that expanded in 2019 to help with the Navy's plans to increase their fleet of warships. The company invested \$5 million to construct a 10,000 square-foot blasting and painting facility, a 11,200 square-foot repairs and fabrication facility, a 17,000 square-foot engineered concrete platform with embedded steel to allow for fabrication of larger structures, and to purchase a new heavy lift. This expansion will allow Fairlead to handle more work from Newport News Shipbuilding (plans for their expansion are above) and create at least 25 jobs.

Infrastructure:

Work started in August 2017 on the Atkinson connector bridge between Warwick Boulevard and Jefferson Avenue. This extensive project end investment will be \$33 million. The 1,742 foot-long, four-lane bridge will cross over Interstate 64 and CSX railroad tracks and end on the existing Atkinson Way. The project was completed in December 2020.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed in February 2021, and according to the Virginia Employment Commission, there have been eight WARN notices reported for Newport News over the past 18 months. Below is a table summarizing these notices:

WARN Notices			
Company	Jobs	Notice Date	Effective Date
TitleMax of Virginia, Inc. and TMX Finance of Virginia, Inc.	55 (nine cities)	11/30/2020	01/16/2021
Avis Budget Group	86 (three cities)	08/31/2020	09/04/2020
Bloomin' Brands (Bonefish Grill)	201 (four cities)	4/27/2020	3/21/2020 COVID-19
Bloomin' Brands (Carrabba's Italian Grill)	319 (five cities)	4/27/2020	3/21/2020 COVID-19
Bloomin' Brands (Outback Steakhouse)	524 (five cities)	4/27/2020	3/21/2020 COVID-19
First Home Care	43 (two cities)	3/30/2020	4/11/2020
Cinemark USA, Inc.	54 (three cities)	3/26/2020	3/26/2020
Take 5 Oil Change-Driven Brands Shared Services, LLC	42 (five cities)	3/23/2020	3/23/2020

2. EMPLOYMENT TRENDS

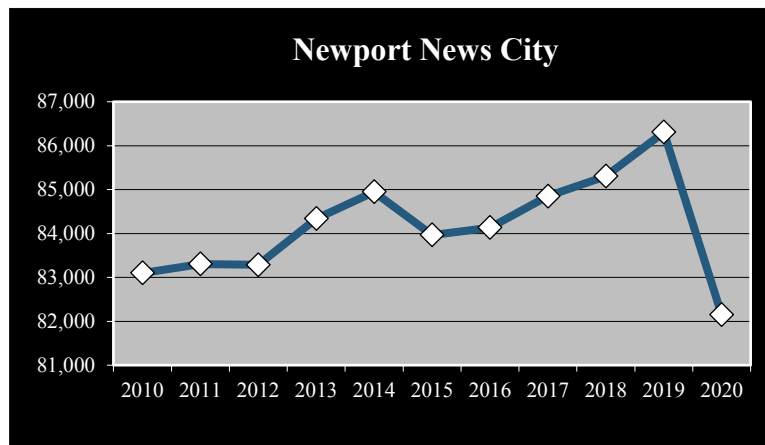
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the city/county in which the site is located.

Excluding 2020, the employment base has increased by 2.8% over the past five years in Newport News City, less than the Virginia state increase of 6.5%. Total employment reflects the number of employed persons who live within the city/county.

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

Year	Total Employment					
	Newport News City		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2010	83,104	-	3,860,386	-	140,469,139	-
2011	83,305	0.2%	3,934,326	1.9%	141,791,255	0.9%
2012	83,286	0.0%	3,967,987	0.9%	143,621,634	1.3%
2013	84,337	1.3%	3,995,182	0.7%	145,017,562	1.0%
2014	84,950	0.7%	4,019,470	0.6%	147,313,048	1.6%
2015	83,967	-1.2%	4,028,801	0.2%	149,500,941	1.5%
2016	84,133	0.2%	4,069,395	1.0%	151,887,366	1.6%
2017	84,851	0.9%	4,151,746	2.0%	154,160,937	1.5%
2018	85,305	0.5%	4,209,651	1.4%	156,081,212	1.2%
2019	86,310	1.2%	4,289,132	1.9%	158,102,439	1.3%
2020	82,149	-4.8%	4,086,176	-4.7%	147,888,051	-6.5%

Source: Department of Labor; Bureau of Labor Statistics

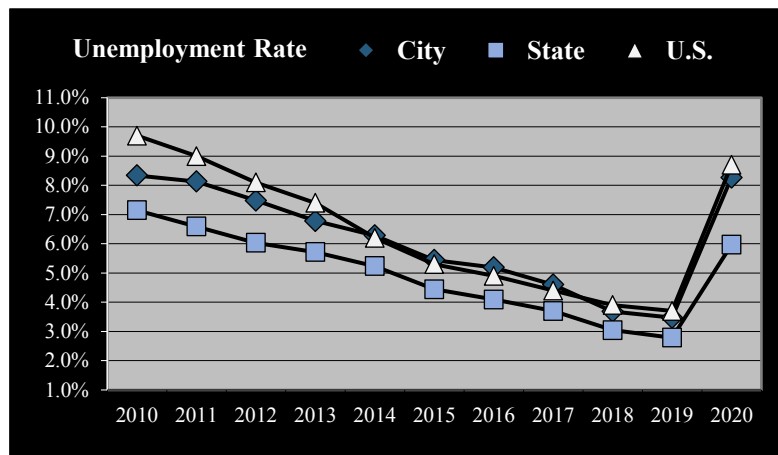


As the preceding illustrates, the Newport News City employment base generally experienced growth between 2010 and 2019. However, between 2019 and 2020, the city's employment base declined by 4.8% as the result of the COVID-19 pandemic.

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

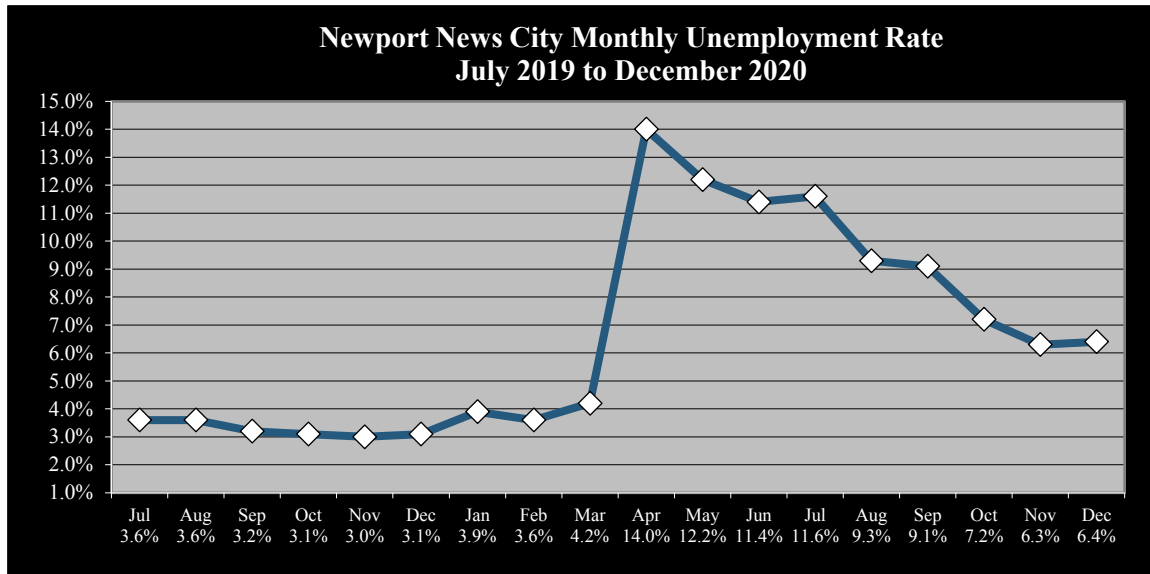
Year	Unemployment Rate		
	Newport News City	Virginia	United States
2010	8.3%	7.2%	9.7%
2011	8.1%	6.6%	9.0%
2012	7.5%	6.0%	8.1%
2013	6.8%	5.7%	7.4%
2014	6.3%	5.2%	6.2%
2015	5.4%	4.4%	5.3%
2016	5.2%	4.1%	4.9%
2017	4.6%	3.7%	4.4%
2018	3.7%	3.0%	3.9%
2019	3.5%	2.8%	3.7%
2020	8.3%	6.0%	8.7%

Source: Department of Labor, Bureau of Labor Statistics



Between 2010 and 2019, the unemployment rate within Newport News consistently declined; however, between 2019 and 2020, the city’s unemployment rate increased by nearly five percentage points as the result of the COVID-19 pandemic.

The table on the following page illustrates the monthly unemployment rate in Newport News City for the most recent 18-month period for which data is currently available.



The city’s monthly unemployment rate was generally stable between July 2019 and February 2020, then spiked by over ten percentage points between February and April 2020. On a positive note, the monthly unemployment rate in the city has been generally declining since; however, it is still considered relatively high as of December at 6.4%.

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

In-Place Employment Newport News City			
Year	Employment	Change	Percent Change
2010	95,481	-	-
2011	96,309	828	0.9%
2012	96,261	-48	0.0%
2013	97,302	1,041	1.1%
2014	98,179	877	0.9%
2015	97,536	-643	-0.7%
2016	96,225	-1,311	-1.3%
2017	97,754	1,529	1.6%
2018	101,887	4,133	4.2%
2019	103,520	1,633	1.6%
2020*	98,894	-4,626	-4.5%

Source: Department of Labor, Bureau of Labor Statistics
*Through September

Data for 2019, the most recent year that year-end figures are available, indicates in-place employment in Newport News City to be 119.9% of the total Newport News City employment. This means that Newport News City has more employed persons coming to the city from other cities/counties for work (daytime employment) than those who both live and work there. This will have a positive impact on the subject’s marketability, as it is likely that many of its tenants will have minimal commute times to their place of employment.

3. ECONOMIC FORECAST

Based on data provided by the State of Virginia Department of Labor and the U.S. Department of Labor, the area was negatively impacted by the COVID-19 pandemic, which caused many local businesses to shut down in an attempt to mitigate the spread of the coronavirus. Between 2019 and 2020, the Newport News employment base declined by over 4,160 jobs, or 4.8%, and its unemployment rate increased by nearly five percentage points. Specifically, between February and April 2020, the unemployment rate within the city spiked by over ten percentage points; however, the city's unemployment rate has generally been trending downward since. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

4. COMMUTING PATTERNS

Based on the American Community Survey (2014-2018), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	38,592	83.5%
Carpooled	3,983	8.6%
Public Transit	479	1.0%
Walked	1,095	2.4%
Other Means	882	1.9%
Worked at Home	1,175	2.5%
Total	46,206	100.0%

Source: American Community Survey (2014-2018); ESRI; Urban Decision Group; Bowen National Research

Nearly 84% of all workers drove alone, 8.6% carpooled and only 1.0% used public transportation. Given the subject site serves very low-income households and is within walking distance from a public bus stop, we anticipate a higher than normal share of site residents' use of public transportation.

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

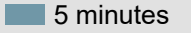
Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	12,830	27.8%
15 to 29 Minutes	19,060	41.3%
30 to 44 Minutes	7,840	17.0%
45 to 59 Minutes	3,169	6.9%
60 or More Minutes	2,131	4.6%
Worked at Home	1,175	2.5%
Total	46,205	100.0%

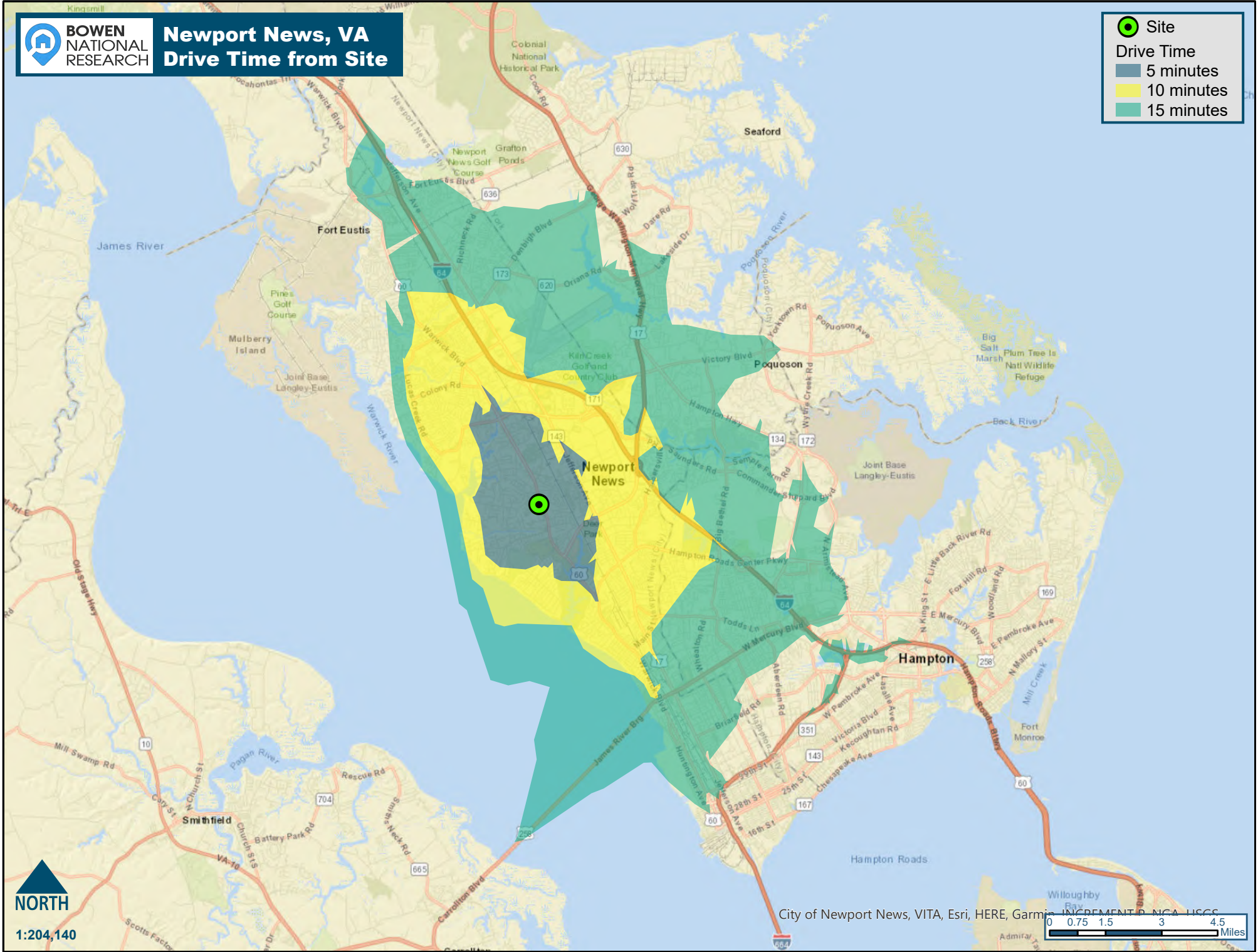
Source: American Community Survey (2014-2018); ESRI; Urban Decision Group; Bowen National Research


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



Newport News, VA Drive Time from Site

 Site
 Drive Time
 5 minutes
 10 minutes
 15 minutes




 NORTH
 1:204,140

City of Newport News, VITA, Esri, HERE, Garmin, INCORPORATED, NGA, USGS
 0 0.75 1.5 3 4.5 Miles

V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Newport News Site PMA in 2010 and 2021 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2021 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	37,879	93.8%	38,126	91.7%
Owner-Occupied	20,669	54.6%	19,609	51.4%
Renter-Occupied	17,210	45.4%	18,518	48.6%
Vacant	2,504	6.2%	3,458	8.3%
Total	40,383	100.0%	41,584	100.0%

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

Based on a 2021 update of the 2010 Census, of the 41,584 total housing units in the market, 8.3% were vacant. In 2021, it was estimated that homeowners occupied 51.4% of all occupied housing units, while the remaining 48.6% were occupied by renters. The share of renters is considered typical for an urban market, such as the Newport News Site PMA, and the 18,518 renter households estimated in 2021 represent a deep base of potential support for the subject project.

Conventional Apartments

We identified and personally surveyed 26 conventional housing projects containing a total of 5,721 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.4%, a very good rate for rental housing. Each rental housing segment surveyed is summarized as follows:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	15	4,198	125	97.0%
Market-rate/Tax Credit	1	153	11	92.8%
Tax Credit	6	857	11	98.7%
Tax Credit/Government-Subsidized	1	143	0	100.0%
Government-Subsidized	3	370	0	100.0%
Total	26	5,721	147	97.4%

As illustrated in the preceding table, all rental properties surveyed are performing at good occupancy levels and it can be concluded that the Newport News rental housing market is performing well.

Tax Credit Property Disclosure: In addition to the eight properties surveyed that at least partially operate under the Tax Credit program, we identified five Tax Credit properties within the Site PMA that we were unable to survey at the time of this report. The known details of these projects based on previous surveys conducted by Bowen National Research in the Newport News area and from our review of the state Tax Credit allocation list are summarized in the following table:

Name	Location	Year Built/ Renovated	Tax Credit Units	Target Population
Berkley Village & Berkley West Apts.	800 & 900 Daphia Circle	2019	N/A	Seniors; subsidy
Ivy Farms	621 Adams Dr	1969	168	Family
Pilot House	701 Brigstock Cir.	1992	132	Family
801 Main Senior	801 Main St.	2017	14	Senior
Arboretum Place	201 Arboretum Way	1996	74	Family

AMHI – Area Median Household Income
 PBRA – Project-Based Rental Assistance
 H.H. – Households

It is estimated that the five Tax Credit projects we were unable to survey within the market offer a total of 14 age-restricted non-subsidized Tax Credit units, which have been included in our penetration rate analysis illustrated later in Section VII – *Capture Rate Analysis* of this report.

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	56	1.3%	3	5.4%	\$1,411
One-Bedroom	1.0	1,275	30.0%	41	3.2%	\$1,229
One-Bedroom	1.5	62	1.5%	3	4.8%	\$1,397
Two-Bedroom	1.0	242	5.7%	7	2.9%	\$1,365
Two-Bedroom	1.5	457	10.7%	16	3.5%	\$1,050
Two-Bedroom	2.0	1,531	36.0%	42	2.7%	\$1,614
Three-Bedroom	2.0	427	10.0%	12	2.8%	\$1,822
Three-Bedroom	2.5	206	4.8%	6	2.9%	\$1,788
Total Market-Rate		4,256	100.0%	130	3.1%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	15	1.6%	0	0.0%	\$679
One-Bedroom	1.0	175	18.3%	4	2.3%	\$898
Two-Bedroom	1.0	82	8.6%	6	7.3%	\$941
Two-Bedroom	1.5	259	27.1%	3	1.2%	\$955
Two-Bedroom	2.0	299	31.3%	2	0.7%	\$1,150
Three-Bedroom	2.0	125	13.1%	2	1.6%	\$1,285
Total Tax Credit		955	100.0%	17	1.8%	-

As the preceding table illustrates, the median gross Tax Credit rents are lower than the corresponding median gross market-rate rents. As such, Tax Credit product likely represents good values to low-income renters within the Newport News Site PMA. This is further evidenced by the low combined vacancy rate of 1.8% among all non-subsidized Tax Credit units surveyed within the market.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	1	519	3.1%
1970 to 1979	6	1,092	2.9%
1980 to 1989	3	804	1.6%
1990 to 1999	3	605	2.8%
2000 to 2009	4	961	1.5%
2010 to 2014	3	670	4.6%
2015	0	0	0.0%
2016	1	288	5.9%
2017	0	0	0.0%
2018	2	272	2.6%
2019	0	0	0.0%
2020	0	0	0.0%
2021*	0	0	0.0%

*As of February

The highest vacancy rate by year built is among the property built in 2016. However, the vacancy rate among these properties is still considered low at 5.9%. Nonetheless, all non-subsidized properties are operating with high occupancy rates.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	252	4.0%
A-	5	1,262	4.4%
B+	4	959	1.4%
B	4	1,205	2.5%
B-	2	578	3.6%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	42	0.0%
B	3	459	2.6%
B-	2	123	0.0%
C+	1	275	0.7%
C	1	56	5.4%

Vacancies are the highest among the Tax Credit property surveyed with a quality rating of a “C”, the lowest quality rating assigned by our analyst. It is anticipated that the subject project will have a significantly improved appearance upon completion of renovations, which will enhance its overall marketability.

Government-Subsidized

The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	140	100.0%	0	0.0%
Total Subsidized Tax Credit		140	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	48	13.0%	0	0.0%
One-Bedroom	1.0	322	87.0%	0	0.0%
Total Subsidized		370	100.0%	0	0.0%

All government-subsidized units surveyed are occupied, the majority of which maintain a waiting list, illustrating that pent-up demand exists for very low-income rental housing within the market.

Additional information regarding the Newport News Site PMA apartment market is found in *Section XII* of this report.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

The subject project will target senior (age 62 and older) households earning up to 50% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. In addition, the subject project will also operate with a direct subsidy available to all units. For the purpose of this analysis, however, we only select comparable *non-subsidized* LIHTC properties, as these properties provide the most accurate representation of achievable non-subsidized Tax Credit rents within the Newport News market.

Within the Site PMA, we identified and surveyed a total of two age-restricted LIHTC properties which offer non-subsidized units in the Newport News market. Due to the limited supply of age-restricted LIHTC product in the market, we have also included four general-occupancy (family) Tax Credit properties that offer unit types similar to those proposed for the subject project, in terms of project size (total units) and/or age.

These six LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the *Field Survey of Conventional Rentals*.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Wellesley	1997 / 2023	40	100.0%	-	1 Year	Seniors 62+; 50% AMHI & PBRA
4	Auburn Pointe	1976 / 1997	275	99.3%	5.3 Miles	1 & 2-Br: 2 HH	Families; 50% & 60% AMHI
11	Forrest Landing	2010	184	100.0%	3.1 Miles	12 HH	Families; 60% AMHI
12	Great Oak	1978 / 2008	143	100.0%	3.5 Miles	150 HH	Seniors 62+; 40% & 50% AMHI & Section 8
20	River Trace	1978 / 1993	56	94.6%	4.2 Miles	None	Families; 50% & 60% AMHI
21	Sharps Landing	1973 / 2012	180 + 90**	96.7%	2.9 Miles	None	Families; 60% AMHI
22	Silver Hill at the Arboretum	1996	95*	93.7%	2.8 Miles	None	Seniors 55+; 60% AMHI

OCC. – Occupancy

HH - Households

*Tax Credit units only

**Units under construction

The six comparable LIHTC projects have a combined occupancy rate of 98.2%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and three properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand.

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

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	Studio	One-Br.	Two-Br.	Three-Br.	Rent Special
Site	Wellesley	-	*\$736/50% (40)	-	-	-
4	Auburn Pointe	-	\$749/50% (10/0) \$898/60% (56/0)	\$955/60% (177/0)	\$1,200/60% (32/2)	None
11	Forrest Landing	-	\$989/60% (36/0)	\$1,185/60% (103/0)	\$1,363/60% (45/0)	None
12	Great Oak	-	***\$960/40% (18/0) \$656/50% (1/0) ***\$960/50% (122/0)	\$721/50% (2/0)	-	None
20	River Trace	-	\$739/50% (6/0) \$769/60% (10/0)	\$870/50% (16/0) \$945/60% (24/3)	-	None
21	Sharps Landing	-	\$949/60% (16+6**/1)	\$1,150/60% (164+84**/5)	-	None
22	Silver Hill at the Arboretum	\$679/60% (15/0)	\$773-\$873/60% (40/3)	\$916-\$941/60% (40/3)	-	None

*Five units with rents restricted to 40% AMHI

**Units under construction

***Subsidized unit

The proposed/programmatic subject gross rent of \$736 will be competitive with the LIHTC rents targeting similar income levels within the market. Regardless, the subject project will continue to operate with a subsidy, allowing tenants of the project to pay only a portion of their income towards rent and not the gross rent in the preceding table. This will ensure the subject project represents a significant value to area seniors.

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

		Square Footage			
Map I.D.	Project Name	Studio	One-Br.	Two-Br.	Three-Br.
Site	Wellesley	-	524 - 539	-	-
4	Auburn Pointe	-	850	1,200	1,500
11	Forrest Landing	-	800	1,056	1,232
12	Great Oak	-	558	700	-
20	River Trace	-	598	759	-
21	Sharps Landing	-	653	883	-
22	Silver Hill at the Arboretum	418	531 - 733	631 - 747	-

Map I.D.	Project Name	Number of Baths			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	Wellesley	-	1.0	-	-
4	Auburn Pointe	-	1.0	1.5	2.0
11	Forrest Landing	-	1.0	2.0	2.0
12	Great Oak	-	1.0	1.0	-
20	River Trace	-	1.0	1.0	-
21	Sharps Landing	-	1.0	1.5 - 2.0	-
22	Silver Hill at the Arboretum	1.0	1.0	1.0	-

Although among the smallest, the subject's unit sizes are expected to continue to be marketable. This is especially true considering that the subject project is currently 100.0% occupied with a waiting list.

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

		Tax Credit Unit Amenities by Map ID						
		Site* ♦	4	11	12 ♦	20	21	22 ♦
Appliances	Dishwasher		X	X		X	X	
	Disposal		X	X		X	X	
	Icemaker			X				
	Microwave			X				
	Range	X	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X	X
	No Appliances							
Unit Amenities	AC-Central	X	X	X	X	X	X	X
	AC-Other							
	Balcony			X			X	
	Deck / Patio			X	X	S	X	
	Basement							
	Ceiling Fan		S	S				
	Controlled Access	X						X
	E-Call System	X			X			X
	Fireplace							
	Furnished							
	Security System							
	Sunroom							
	W/D Hookup		X				X	
	W/D		O	X			X	
	Walk-In Closet			S				
Window Treatments	X	X	X	X	X	X	X	
Flooring	Carpet		X	X	X	X	X	X
	Ceramic Tile							
	Composite (VCT)(LVT)	X			X			
	Hardwood							
	Finished Concrete							
	Vinyl			X			X	
Upgraded	Wood Laminate / Plank		X			X		X
	Premium Appliances							
	Premium Countertops							
	Premium Cabinetry							
	Premium Fixtures							
	High Ceilings							
	Vaulted Ceilings							
	Crown Molding							
Oversized Windows								
Parking	Attached Garage							
	Detached Garage							
	Street Parking							
	Surface Lot	X	X	X	X	X	X	X
	Carport							
	Property Parking Garage							
	Podium Parking							
No Provided Parking								

♦ - Senior Property

* Proposed Site(s): Wellesley

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

	Site*◆	4	11	12◆	20	21	22◆	
Bike Racks / Storage								
Business Center **			X				X	
Car Care **								
Common Patio								
Community Garden								
Community Space	Activity / Craft Room			X			X	
	Chapel							
	Clubhouse	X	X	X		X	X	
	Conference Room							
	Community Kitchen	X						
	Community Room	X			X		X	
	Dining Room - Private							
	Dining Room - Public							
	Rooftop Lounge							
	Study Lounge							
	TV Lounge	X						
	Concierge Service **							
	Convenience Amenities **							X
	Courtyard							
Covered Outdoor Area **	X			X				
Elevator	X						X	
Laundry Room	X	X		X	X		X	
Meals								
On-Site Management	X	X	X	X	X	X	X	
Pet Care **			X					
Recreation	Basketball				X			
	Bocce Ball							
	Firepit							
	Fitness Center	X	X	X		X	X	
	Grill				X			
	Game Room - Billiards						X	
	Hiking - Walking Trail						X	
	Hot Tub							
	Library	X						
	Media Room / Theater						X	
	Picnic Table / Area	X	X		X	X	X	
	Playground		X	X		X	X	
	Putting Green							
	Racquetball							
	Shuffleboard							
	Sports Court							
	Swimming Pool - Indoor							
	Swimming Pool - Outdoor		X	X			X	X
	Tennis							
	Volleyball							
Security	CCTV	X						
	Courtesy Officer							
	Gated Community							
	Gated Parking							
	Police Substation							
	Social Services **	X					X	
	Storage - Extra						O	
	Water Feature						X	
	WiFi			X				

◆ - Senior Property

* Proposed Site(s): Wellesley

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

** Details in Comparable Property Profile Report

The proposed amenity package for the subject project is very competitive with those offered among the comparable age-restricted LIHTC properties, both in terms of unit and project amenities. The subject property does not appear to lack any key amenities that would adversely impact its marketability as a LIHTC property within the Newport News Site PMA. This is particularly true when considering the high occupancy rates maintained among the comparable properties and the available subsidy to be provided at the subject project.

Comparable/Competitive Tax Credit Summary

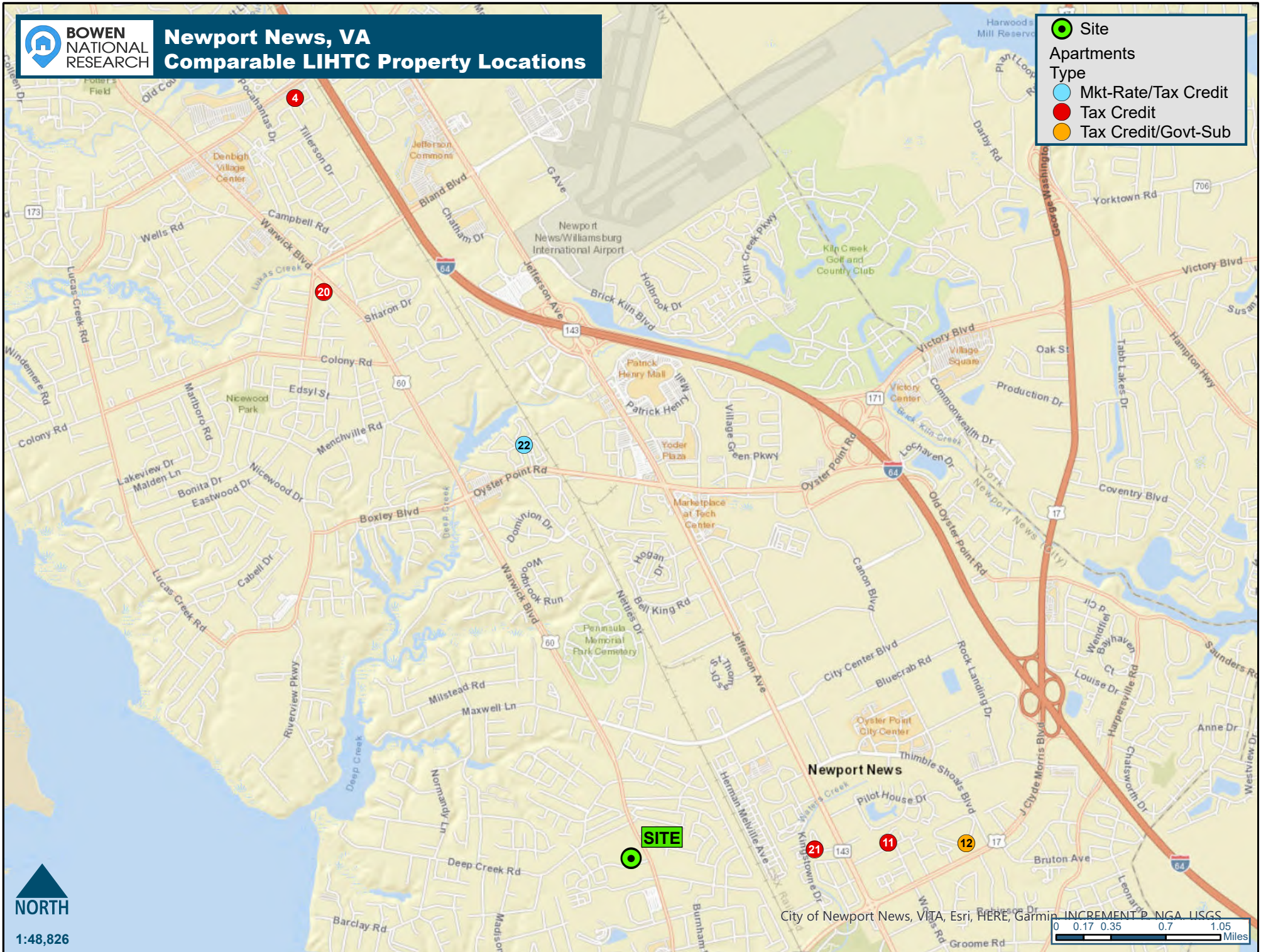
The six LIHTC projects have a combined occupancy rate of 98.2%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and three properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand. The subject's proposed/programmatic gross Tax Credit rent is generally competitive with those being achieved at the comparable LIHTC properties targeting similar income levels. Although among the smallest, the subject property will offer generally competitive unit sizes (square feet) and a competitive amenities package. The subject's current occupancy rate of 100.0% further illustrates that the subject project is marketable. Based on the preceding factors, the subject project is considered very marketable as proposed, especially when considering the inclusion of a subsidy.

A map depicting the location of the most comparable LIHTC properties is included on the following page.



Newport News, VA Comparable LIHTC Property Locations

- Site
- Apartments Type**
- Mkt-Rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-Sub



1:48,826

City of Newport News, VA, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



C. PLANNED MULTIFAMILY DEVELOPMENT

After several attempts, we were unable to reach local planning/building representatives with regards to rental communities within the development pipeline. However, through extensive online research, it was determined that there is one rental housing project in the development pipeline within the Site PMA, which is summarized as follows:

- Huntington Village is a 96-unit family LIHTC project that is currently under construction at 12770 Nettles Drive in Newport News. The units will target those earning below 40%, 50%, and 60% AMHI. The units will be two-, and three-bedrooms and will include full-size washer and dryer connections, dishwasher, microwave, refrigerator, vinyl plank flooring, balcony or patio, ceiling fans, central air and heating, and will be cable ready. Property amenities include a fitness center, playground, picnic area, and community room with kitchen, TV, and lounge. Dakota Partners is the developer, and the management team will be the Lawson Company. They are currently accepting rental applications with move-ins possibly in March, the management office will be open in March 2021 and all units will be completed by June 2021.

Although the project in development pipeline has been allocated Tax Credits, it will not offer age-restricted units. As such, the development of this property is not expected to significantly impact the marketability of the age-restricted subject site.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

The anticipated occupancy rates of the existing and surveyed comparable/competitive Tax Credit developments during the first year of occupancy at the subject property are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2023
4	Auburn Pointe	99.3%	95.0% +
11	Forrest Landing	100.0%	95.0% +
12	Great Oak	100.0%	95.0% +
20	River Trace	94.6%	95.0% +
21	Sharps Landing	96.7%	95.0% +
22	Silver Hill at the Arboretum	93.7%	93.0% +

The six LIHTC projects have a combined occupancy rate of 98.2%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and three properties maintain a waiting list for at least a portion of their units. Considering the depth of support (demand estimates) for the subject project and the existing properties, we do not anticipate the subject project having any adverse impact on future occupancy rates among existing comparable LIHTC product in the market. In fact, the subject property is expected to continue to alleviate a portion of the pent-up demand that exists for additional LIHTC product.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value within the Site PMA was \$224,465. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$224,465 home is \$1,351, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$224,465
Mortgaged Value = 95% of Median Home Price	\$213,242
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$1,080
Estimated Taxes and Insurance*	\$270
Estimated Monthly Mortgage Payment	\$1,351

*Estimated at 25% of principal and interest

In comparison, the proposed collected rents for the subject property are all subsidized where residents pay up to 30% of their adjusted gross income towards housing costs. As such, residents are unlikely to be able to afford the monthly payments required to own a home. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Wellesley	1997 / 2023	40	100.0%	40 (100.0%)	-	-
10	Forest Lake at Oyster Point	1988	296	99.0%	100 (99.0%)	126 (99.2%)	70 (98.6%)
14	Meridian Parkside	2008	308	99.0%	76 (98.7%)	172 (98.8%)	60 (100.0%)
16	Park Place	2005	363	97.0%	140 (97.1%)	202 (97.0%)	21 (95.2%)
19	Reserves at Arboretum	2009	143	100.0%	32 (100.0%)	87 (100.0%)	24 (100.0%)
23	Styron Square	2003	147	100.0%	30 (100.0%)	93 (100.0%)	24 (100.0%)

Occ. – Occupancy

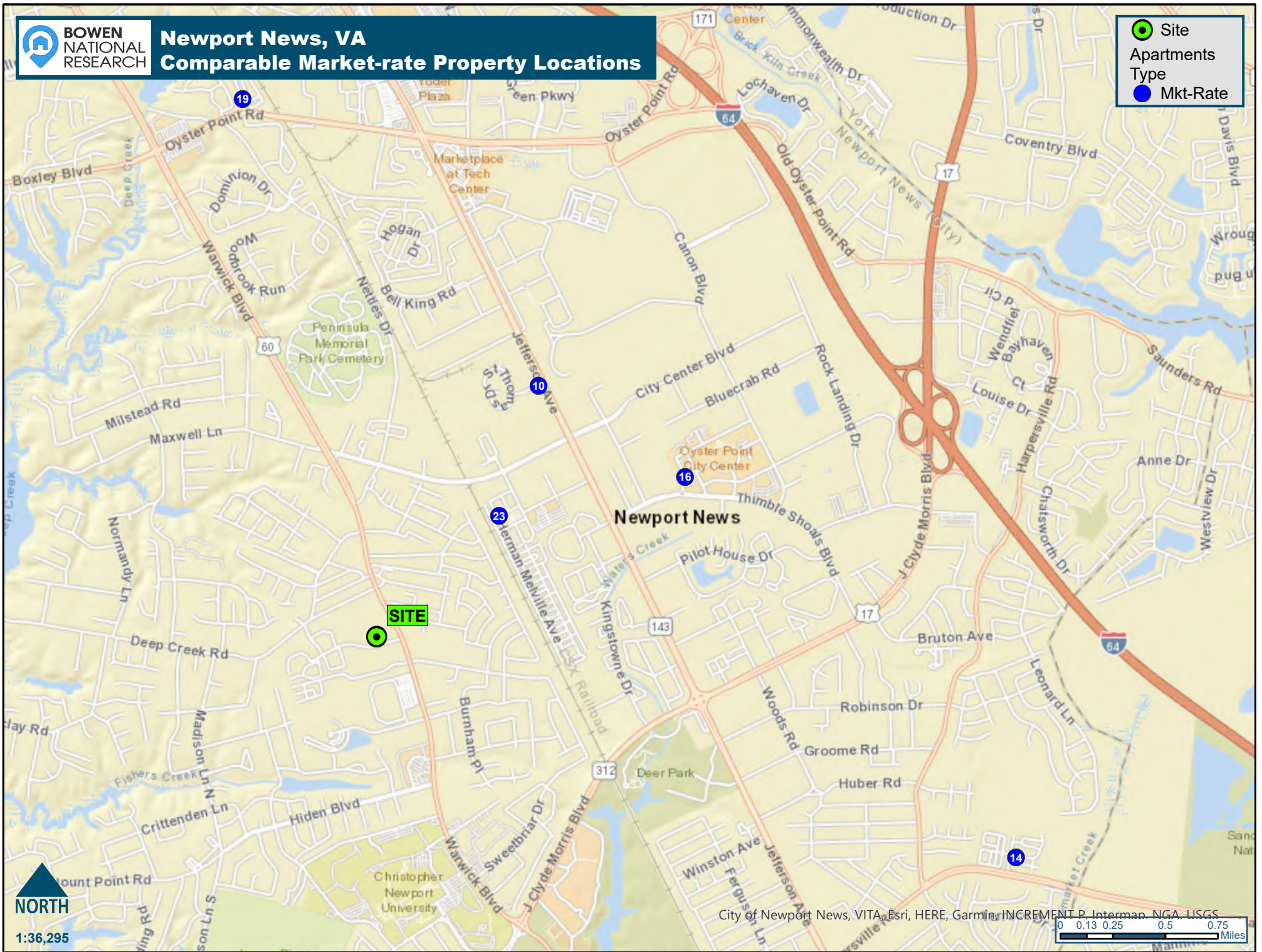
The five selected market-rate projects have a combined total of 1,257 units with an overall occupancy rate of 98.6%. None of the comparable properties has an occupancy rate below 97.0%.

The Rent Comparability Grid on the following page shows the collected rents for each of the selected properties and illustrates the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the subject development. Preceding the Rent Comparability Grid is a map of the location of the comparable market-rate developments in relation to the location of the subject site.



Newport News, VA Comparable Market-rate Property Locations

- Site
- Apartment Type
- Mkt-Rate



1:36,295

City of Newport News, VITA, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



Rent Comparability Grid

Unit Type →

ONE-BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Wellesley		Forest Lake at Oyster Point		Meridian Parkside		Park Place		Reserves at Arboretum		Styron Square	
51 Wellesley Drive		307 St. Thomas Dr.		1400 Summit Ln.		675 Town Center Dr.		5000 Reserve Way		4100 William Styron Sq.	
Newport News, VA		Newport News, VA		Newport News, VA		Newport News, VA		Newport News, VA		Newport News, VA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,032		\$1,330		\$1,127		\$1,075		\$1,140	
2	Date Surveyed	Feb-21		Feb-21		Feb-21		Feb-21		Feb-21	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	99%		99%		97%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,032	1.51	\$1,330	1.64	\$1,127	1.68	\$1,075	1.42	\$1,140	1.71
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	EE/3		EE/3,4		EE/4		WU/3		EE/4	
7	Yr. Built/Yr. Renovated	1997/2023	\$22	2008	\$2	2005	\$5	2009	\$1	2003	\$7
8	Condition/Street Appeal	G		G		E	(\$15)	G		E	(\$15)
9	Neighborhood	G		G		E	(\$10)	G		E	(\$10)
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	529	(\$62)	813	(\$113)	672	(\$57)	755	(\$90)	665	(\$54)
14	Patio/Balcony	N	(\$5)	Y	(\$5)	N		Y	(\$5)	N	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/N	(\$10)	Y/Y	(\$15)	Y/Y	(\$15)	Y/Y	(\$15)	Y/Y	(\$15)
18	Washer/Dryer	L	(\$35)	W/D	(\$35)	W/D	(\$35)	W/D	(\$35)	W/D	(\$35)
19	Floor Coverings	V		C/W/L		C/T/V		C/T/L		C/T/L	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y		Y		Y		N	\$3	Y	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fan/E-Call System	N/Y		Y/N	\$5	N/N	\$5	Y/N		Y/N	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	Y		N	\$5	N	\$5	Y	
27	Community Space	Y	\$5	Y		Y		Y		Y	
28	Pool/Recreation Areas	F	(\$16)	F/GR/L/WT/M	(\$22)	P/F/GR/L	(\$16)	P/F/GR/MT	(\$16)	F	
29	Computer/Business Center	N		Y	(\$3)	N		Y	(\$3)	N	
30	Picnic Area/Storage	Y/N	(\$5)	Y/Y		Y/N		Y/N		N/N	\$3
31	Library	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		Y/Y	(\$55)	N/N		N/N	
39	Trash/Recycling	Y/N	\$29	N/N	\$29	Y/N		N/N	\$29	N/N	\$29
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	7	4	7	5	7	5	7	4	6
41	Sum Adjustments B to D	\$45	(\$138)	\$20	(\$198)	\$28	(\$153)	\$22	(\$169)	\$23	(\$134)
42	Sum Utility Adjustments	\$29		\$29			(\$55)	\$29		\$29	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$64)	\$212	(\$149)	\$247	(\$180)	\$236	(\$118)	\$220	(\$82)	\$186
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$968		\$1,181		\$947		\$957		\$1,058	
45	Adj Rent/Last rent		94%		89%		84%		89%		93%
46	Estimated Market Rent	\$980		\$1.85		← Estimated Market Rent/ Sq. Ft					

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

Based on the preceding Rent Comparability Grid, it was determined that the present-day achievable market rent for units similar to the subject development is illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$625	\$980	36.2%

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject’s proposed Tax Credit rent, which represents a market rent advantage of 36.2%, is considered appropriate and should represent a good value within the Newport News market. It is also important to reiterate that the subject project will operate with a project-based subsidy available to all units. Thus, the units at the property will represent an even greater value than that reflected by the market rent advantage in the preceding table, as tenants will pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout this report.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. Upon completion of renovations, the subject project will have an effective age of a project built in 2010. We have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the subject project will have an improved appearance, once renovations are complete. We have made adjustments for those properties that we consider to be of superior quality compared to the subject development.
9. Two of the selected properties are located in more desirable neighborhoods than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among these projects and the subject project.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package generally inferior to those offered at the selected properties. We have made numerous adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the subject property does offer.
- 24.-32. The proposed project offers a limited project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential. Note that we have evaluated the subject project assuming two different scenarios. The first capture rate scenario has been calculated assuming that the project operates with a subsidy available to all units. In this scenario, residents of these subsidized units pay up to 30% of their adjusted gross income towards rent. We also provided a capture rate scenario for the unlikely event that the subject project lost its project-based subsidy, thus requiring all units to operate exclusively under the Tax Credit guidelines, targeting households earning up to 50% of AMHI. Note that when operating with a subsidy, the subject project will be restricted to senior households age 62 and older. However, in the unlikely event the subsidy was lost, and all units had to operate exclusively under the Tax Credit program, the project would be open to senior residents age 55 and older.

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

The subject site is within the Virginia Beach-Norfolk-Newport News, Virginia-North Carolina HUD Metro FMR Area, which has a median four-person household income of \$82,500 for 2020. The subject property will be restricted to households with incomes of up to 50% of AMHI. The following table summarizes the maximum allowable income by household size and income level:

Household Size	Targeted AMHI Maximum Allowable Income
	50%
One-Person	\$28,900
Two-Person	\$33,000

1. Maximum Income Limits

The one-bedroom units offered at the subject site are expected to continue to house up to two-person senior households. As such, the maximum allowable income at the subject site is **\$33,000**.

2. Minimum Income Requirements

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

Since the subject project will continue operate with a subsidy available to all subject units following renovations, the project will continue to be able to serve households with incomes as low as \$0.

However, in the unlikely scenario that the units operate without a subsidy, the proposed LIHTC units will have a lowest gross rent of \$736. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$8,832. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of \$22,080.

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the subject project with units built to serve households at 50% of AMHI, with and without a subsidy is as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit w/Subsidy Overall	\$0	\$33,000
Tax Credit Only Overall	\$22,080	\$33,000

B. CAPTURE RATE CALCULATIONS

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

The following are the demand components as outlined by Virginia Housing:

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2021 as the base year and projecting forward to 2023, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*

- a) **Rent overburdened households, if any, within the age group, income groups and renters targeted for the subject project.** *“Over-burdened” is defined by Virginia Housing as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 77.1% to 79.2% of households, depending upon income level, within the site PMA, are considered to be rent overburdened.

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 5.3% of all households within the Site PMA are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

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

Based on our experience in the Newport News area as well as throughout markets across the country, we assume 5.0% of all income-eligible senior homeowners in this market may potentially be attracted to the proposed subject site. Considering the limited supply of affordable age-restricted units, it is likely that there are some senior homeowners within the Site PMA that prefer to downsize to an affordable maintenance-free housing alternative, but have been unsuccessful due to the lack of availability of such product in the market. Given this lack of available affordable age-restricted rental alternatives in the market, we believe the subject project will be successful in attracting some senior homeowners, thus we believe a 5.0% homeowner conversion rate to be appropriate for this market.

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

This demand component was considered in our analysis.

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

C. DEMAND/CAPTURE RATE CALCULATIONS

As discussed in *Section V*, we identified and surveyed two directly comparable age-restricted LIHTC projects in the Site PMA. Among these projects, there are no vacant units among the same bedroom type (one-bedroom) and income level (50%) offered at the subject site. Additionally, there are no additional age-restricted LIHTC properties currently in the development pipeline within the Newport News Site PMA. Based on the preceding factors, we have not considered any directly comparable/competitive supply units in our demand estimates.

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

Demand Component – Age 62+	Overall LIHTC with Subsidy
Demand From New Rental Households (Age- And Income-Appropriate)	1,818 - 1,801 = 17
+	
Demand From Existing Households (Rent Overburdened)	1,801 X 77.1% = 1,389
+	
Demand From Existing Households (Renters In Substandard Housing)	1,801 X 5.3% = 95
+	
Demand From Existing Households (Elderly Homeowner Conversion)	1,740 X 5.0% = 87
+	
Demand From Existing Households (Existing Qualifying Tenants Likely To Remain After Renovations)	40
=	
Total Demand	1,628
-	
Supply (Directly Comparable Vacant Units Completed Or In The Pipeline)	0
=	
Net Demand	1,628
Proposed Units	40
Proposed Units / Net Demand	40 / 1,628
Capture Rate	= 2.5%
Total Absorption Period	3 Months

The following is a summary of our demand calculations assuming the unlikely scenario that the subject project operates exclusively as a LIHTC property, *without* any type of project-based subsidy.

Demand Component – Age 55+	Overall LIHTC Only
Demand From New Rental Households (Age- And Income-Appropriate)	912 - 896 = 16
+	
Demand From Existing Households (Rent Overburdened)	896 X 79.2% = 710
+	
Demand From Existing Households (Renters In Substandard Housing)	896 X 5.3% = 47
+	
Demand From Existing Households (Elderly Homeowner Conversion)	884 X 5.0% = 44
+	
Demand From Existing Households (Existing Qualifying Tenants Likely To Remain After Renovations)	0
=	
Total Demand	817
-	
Supply (Directly Comparable Vacant Units Completed Or In The Pipeline)	0
=	
Net Demand	817
Proposed Units	40
Proposed Units / Net Demand	40 / 817
Capture Rate	= 4.9%
Total Absorption Period	4 Months

Overall, the capture rates of 2.5% when considering the retention of a subsidy and 4.9% in the unlikely scenario the project operates strictly under LIHTC guidelines are considered very low and easily achievable. These low capture rates illustrate that there will be a significant base of age- and income-qualified support for the subject project.

D. PENETRATION RATE CALCULATIONS

The 112 existing and proposed age-restricted Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$19,680 to \$39,600. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be an estimated 1,589 senior households with eligible incomes. The 152 existing and proposed Tax Credit units represent a penetration rate of 9.6% of the 1,589 age- and income-eligible households, which is summarized on the following table.

	Market Penetration
Number of LIHTC Units (Proposed and Existing)	152
Age- and Income-Eligible Households – 2023	/ 1,589
Overall Market Penetration Rate	= 9.6%

It is our opinion that the 9.6% penetration rate for the LIHTC units, both existing and proposed, is low and achievable.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Newport News Redevelopment and Housing Authority, there are approximately 2,657 Housing Choice Voucher holders within the housing authority’s jurisdiction, and 772 households currently on the waiting list for additional Vouchers. The waiting list is closed, and it is unknown when it will reopen. Annual turnover is estimated at 60 to 120 households. This reflects the continuing need for Housing Choice Voucher assistance.

If the rents do not exceed the payment standards established by the local housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Newport News Housing and Redevelopment Authority, the local payment standards, as well as the proposed subject gross LIHTC rents, are summarized in the following table:

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$1,020	\$736 (50%)

As the preceding table illustrates, the proposed LIHTC gross rent is below the local payment standard. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development in the unlikely scenario that the subject operates without a subsidy and has been considered in our absorption projections.

F. ABSORPTION PROJECTIONS

The subject project has, and is expected to maintain, a subsidy and all units will likely be rented to those households currently eligible to reside at the site. We also assume that most current tenants will remain at the site once renovations are complete. For the purpose of this analysis, however, we have calculated absorption estimates assuming that all of the units will be vacated and will need to be re-rented and operate with a subsidy, and then exclusively under the LIHTC program.

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 40 subject units can achieve a stabilized occupancy of 93% within three months of re-opening. This is based on a monthly absorption rate of approximately 12 units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would reach a stabilized occupancy within four months, reflective of an absorption rate of nine to ten units per month.

For the purpose of this analysis, we assume the absorption period at the site begins as soon as the first renovated units are available for occupancy. We also assume that initial units at the site will be available for rent sometime in 2023. Changes to the project's planned renovations or renovation timeline may alter our absorption projections.

VIII. Local Perspective (Interviews)

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

Summaries of key interviews regarding the need for affordable rental housing within the area follow:

- Jackie Black, Property Manager at Wellesley Commons (subject site), confirmed that there is a need for additional affordable housing options in Newport News. Ms. Black continued to say that she could fill another 80 units of senior apartments with the demand she receives, noting that most seniors want to live independently if they can take care of themselves and want to be near family, not living with them. She added that anything larger than a one-bedroom unit can cause issues with identifying who is a dependent or caretaker. She also noted that she receives phone calls from seniors who are not yet old enough to qualify for the units at her property, leaving them with less options to choose from.
- Karen Wilds, Executive Director of the Newport News Redevelopment and Housing Authority (NNRHA), stated that according to the most recent Consolidated Housing Plan, the City of Newport News, part of the Virginia Hampton Roads region, has a population of over 181,000 people and 69,000 households; over 32,730 households have incomes less than 80% of median for the region. Over 15,000 households have rent burdens paying more than 30% of their incomes for rent; 7,300 pay more than 50% of their income for rent. Overcrowding is experienced by 1,343 renter households. the current waitlist for the Housing Choice Voucher program is 772 and 491 for the Public Housing program. The wait lists are currently closed and are seldom opened. When they are, they are inundated with requests. The above data supports and corroborates the continued need for affordable housing in Newport News for both families and seniors.

IX. Analysis & Conclusions

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

The subject development will consist of the renovation of the 40-unit Wellesley Commons, an existing government-subsidized property restricted to seniors age 62 and older that is currently 100.0% occupied with a waiting list of one year. Upon completion of renovations, the subject project will operate under the Tax Credit program and continue to offer a subsidy to all units. The subject site neighborhood is generally comprised of well-maintained structures. The proposed site is also within proximity of numerous community services, as well as public transportation.

The subject property will offer age-restricted units which will operate under the Tax Credit program, a product type that is clearly in high demand, as the six comparable LIHTC projects have a combined occupancy rate of 98.2%, a strong rate for affordable housing. In fact, two of these projects are fully occupied and three properties maintain a waiting list for at least a portion of their units, illustrating that pent-up demand exists for additional affordable rental housing within the market. The subject project will continue to accommodate a portion of this unmet demand. The subject's proposed/programmatic LIHTC rent is generally considered competitive with the rents being achieved at the comparable LIHTC properties targeting similar income levels. Note that while the subject's proposed Tax Credit rents are considered appropriate and marketable, all units at the property will also operate with a project-based subsidy. This will allow tenants of these units to pay only 30% of their income towards rent, rather than the proposed rent evaluated throughout the report. The available subsidy to be provided will further ensure the subject project represents a value within the Site PMA.

Although the overall population and household bases within the market are projected to slightly decline between 2021 and 2026, senior renters age 62 and older are projected to increase by 260 (7.7%) during this time. The subject's overall Tax Credit capture rate of 2.5% when considering the retention of a subsidy is considered very low and further demonstrates a deep base of potential support for the subject project.

Considering the preceding factors and additional information contained within this report, the subject property is expected to continue to help alleviate a portion of the pent-up demand for additional age-restricted Tax Credit product in the market. The subject project is not expected to have any adverse impact on future occupancy rates among the existing comparable Tax Credit properties in the Newport News Site PMA. The subject property is considered competitive and marketable as proposed. We have no recommendations or modifications to the subject project at this time.

X.

SITE PHOTOGRAPHS

Wellesley Commons



Site Entryway



Entryway Signage



Typical exterior of building



View of site from the north



View of site from the northeast



View of site from the east

Wellesley Commons



View of site from the southeast



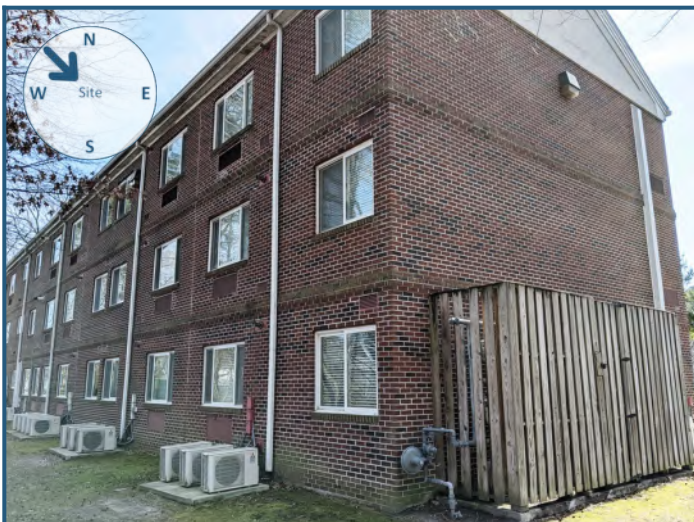
View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site

Wellesley Commons



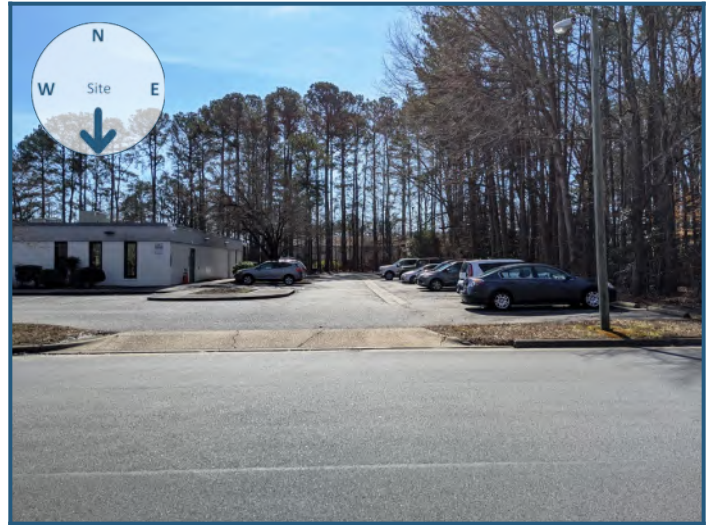
Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site

Wellesley Commons



Northwest view from site



Streetscape: East view of Wellesley Drive



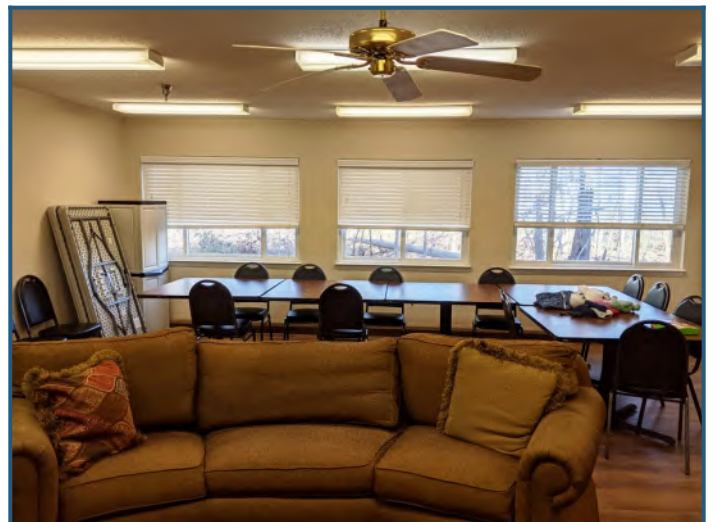
Streetscape: West view of Wellesley Drive



Picnic Area

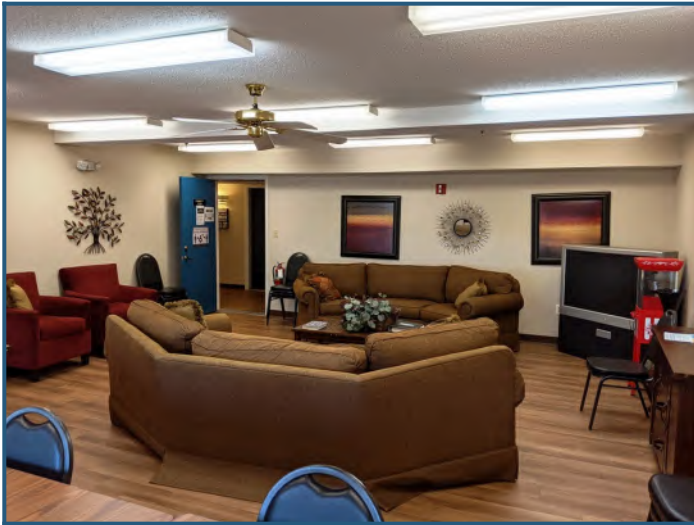


Gazebo



Community Room view A

Wellesley Commons



Community Room view B



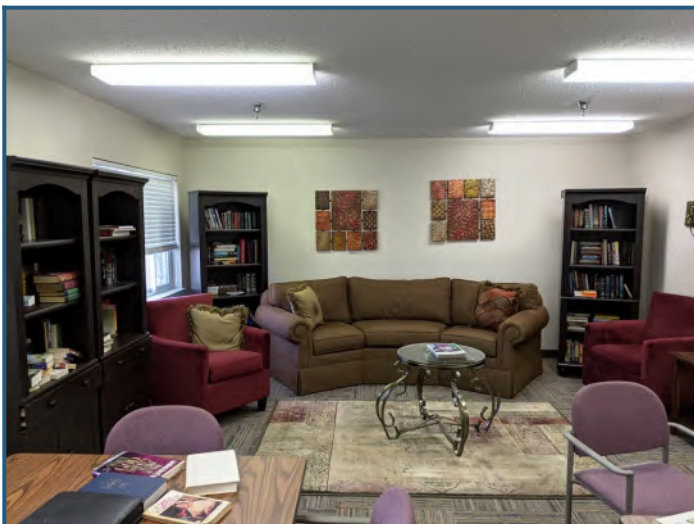
Community Room: Kitchen



Fitness Center



Typical Laundry Room

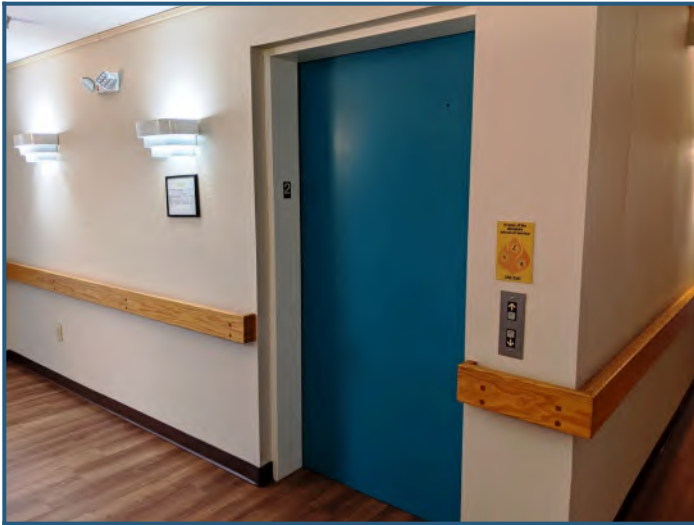


Library view A



Library view B

Wellesley Commons



Elevator



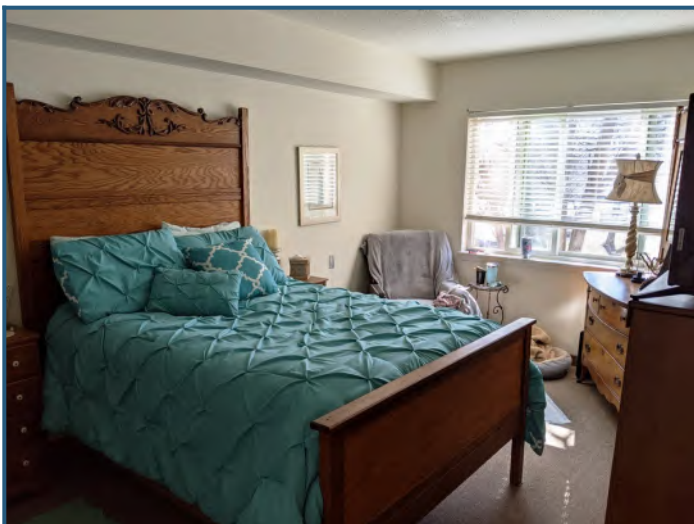
One-Bedroom (Living Room)



One-Bedroom (Kitchen view A)



One-Bedroom (Kitchen view B)



One-Bedroom (Bedroom - View A)



One-Bedroom (Bathroom)

Wellesley Commons



One-Bedroom (Bathroom - Handicap Unit)

XI.

COMPARABLE
PROPERTY PROFILES

4 Auburn Pointe 5.3 miles to site



Address: 496 Catina Way, Newport News, VA 23608
 Phone: (757) 877-8880 Contact: Montoya
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 275 Year Built: 1976
 Vacant Units: 2 *AR Year:
 Occupancy: 99.3% Yr Renovated: 1997
 Turnover: Stories: 2
 Waitlist: 1 & 2-br; 2 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Clubhouse; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Picnic Table / Area, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	10	0	850	\$0.76	\$650	50%
1	1	G	56	0	850	\$0.94	\$799	60%
2	1.5	G	177	0	1,200	\$0.69	\$830	60%
3	2	G	32	2	1,500	\$0.70	\$1,050	60%

*Adaptive Reuse

*DTS is based on drive time

10 Forest Lake at Oyster Point 2.2 miles to site



Address: 307 St. Thomas Dr., Newport News, VA 23606
 Phone: (757) 249-1784 Contact: Dena (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 296 Year Built: 1988
 Vacant Units: 3 *AR Year:
 Occupancy: 99.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

Notes: Rent range based on renovated units



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Car Care (Car Vacuum, Car Wash); Concierge Services (Package Receiving); Gazebo; Laundry Room; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Playground, Outdoor Swimming Pool, Tennis); Extra Storage; Water Feature

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	100	1	685 - 905	\$1.51 - \$1.14	\$1,032	Market
2	1	G	58	0	960	\$1.15	\$1,102	Market
2	2	G	68	1	1,052	\$1.02 - \$1.12	\$1,075 - \$1,177	Market
3	2	G	70	1	1,235	\$1.06 - \$1.17	\$1,311 - \$1,450	Market

*Adaptive Reuse

*DTS is based on drive time

11 Forrest Landing 3.1 miles to site



Address: 518 Purlieu Dr., Newport News, VA 23606
 Phone: (757) 327-0230 Contact: Torrey (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 184 Year Built: 2010
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: 12 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	36	0	800	\$1.04	\$835	60%
2	2	G	103	0	1,056	\$0.92	\$975	60%
3	2	G	45	0	1,232	\$0.90	\$1,105	60%

*Adaptive Reuse

*DTS is based on drive time

12 Great Oak 3.5 miles to site



Address: 1 Great Oak Cir., Newport News, VA 23606
 Phone: (757) 591-3282 Contact: Angela (By Phone)
 Property Type: Tax Credit, Government Subsidized
 Target Population: Senior 62+
 Total Units: 143 Year Built: 1978
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2008
 Turnover: Stories: 1
 Waitlist: 150 HH
 Rent Special: None

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

Notes: Tax Credit (3 units); HUD Section 8 & Tax Credit (140 units)



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Electric, Heat (Electric), Hot Water (Electric), Cooking (Electric), Water, Sewer, Trash

Unit Amenities: Range; Refrigerator; Central AC; Deck / Patio; E-Call System; Window Treatments; Flooring (Carpet, Composite)

Property Amenities: Activity-Craft Room, Community Room; Gazebo; Laundry Room; On-Site Management; Recreation Areas (Picnic Table / Area)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	18	0	558	Subsidized	Subsidized	Subsidized
1	1	G	122	0	558	Subsidized	Subsidized	Subsidized
1	1	G	1	0	558	\$1.18	\$656	50%
2	1	G	2	0	700	\$1.03	\$721	50%

*Adaptive Reuse

*DTS is based on drive time

14 Meridian Parkside 4.4 miles to site



Address: 1400 Summit Ln., Newport News, VA 23601
 Phone: (757) 595-0118 Contact: Brooke (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 308 Year Built: 2008 Ratings
 Vacant Units: 3 *AR Year: Quality: B+
 Occupancy: 99.0% Yr Renovated: Neighborhood: B
 Turnover: Stories: 3,4 (w/Elev) Access/Visibility: B/B
 Waitlist: None
 Rent Special: None

Notes: Rents change daily

Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; Security System; Sunroom; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Ceramic Tile); Premium Appliances

Property Amenities: Business Center (Computer, Copy); Car Care (Car Vacuum, Car Wash); Clubhouse; Concierge Services (Package Receiving); Cafe / Coffee Bar; Pavilion; Elevator; On-Site Management; Recreation Areas (Firepit, Fitness Center, Grill, Game Room-Billiards, Hiking-Walking Trail, Media Room / Theater, Picnic Table / Area, Outdoor Swimming Pool); Courtesy Officer, Gated Community; Social Services (Parties / Picnics); Extra Storage; Water Feature

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	76	1	813 - 943	\$1.64 - \$1.41	\$1,330	Market
2	2	G	172	2	1,024 - 1,284	\$1.34 - \$1.07	\$1,375	Market
3	2	G	60	0	1,371 - 1,457	\$1.29 - \$1.21	\$1,770	Market

*Adaptive Reuse

*DTS is based on drive time

16 Park Place 2.7 miles to site



Address: 675 Town Center Dr., Newport News, VA 23606
 Phone: (757) 594-9799 Contact: Chenise (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 363 Year Built: 2005
 Vacant Units: 11 *AR Year:
 Occupancy: 97.0% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes:



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Clubhouse; Pavilion; Elevator; On-Site Management; Recreation Areas (Fitness Center, Grill, Game Room-Billiards, Picnic Table / Area, Outdoor Swimming Pool); Extra Storage; Water Feature

Parking Type: Street Parking; Surface Lot; Carport

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	140	4	672 - 988	\$1.63 - \$1.35	\$1,127 - \$1,362	Market
2	1 - 2	G	202	6	1,028 - 1,437	\$1.28 - \$1.14	\$1,348 - \$1,670	Market
3	2	G	21	1	1,267 - 1,584	\$1.37 - \$1.26	\$1,777 - \$2,046	Market

*Adaptive Reuse

*DTS is based on drive time

19 Reserves at Arboretum 2.8 miles to site



Address: 5000 Reserve Way, Newport News, VA 23602
 Phone: (757) 249-0641 Contact: Danielle (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 143 Year Built: 2009 Ratings
 Vacant Units: 0 *AR Year: Quality: B+
 Occupancy: 100.0% Yr Renovated: Neighborhood: B+
 Turnover: Stories: 3 Access/Visibility: B/B
 Waitlist: None
 Rent Special: None

Notes:

Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Business Center (Computer, Copy, Fax); Activity-Craft Room, Clubhouse, Community Room, TV Lounge; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Game Room-Billiards, Media Room / Theater, Picnic Table / Area, Playground, Outdoor Swimming Pool); Extra Storage; WiFi

Parking Type: Detached Garage; Surface Lot; Carport

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	32	0	755 - 821	\$1.42 - \$1.31	\$1,075	Market
2	2	G	87	0	1,063 - 1,144	\$1.19 - \$1.11	\$1,265	Market
3	2	G	24	0	1,322	\$1.16	\$1,535	Market

*Adaptive Reuse

*DTS is based on drive time

20 River Trace 4.2 miles to site



Address: 100 River Trace Way, Newport News, VA 23602
 Phone: (757) 989-0710 Contact: Theresa (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 56 Year Built: 1978 Ratings
 Vacant Units: 3 *AR Year: Quality: C
 Occupancy: 94.6% Yr Renovated: 1993 Neighborhood: C
 Turnover: Stories: 2 Access/Visibility: B/B
 Waitlist: None
 Rent Special: None

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Deck / Patio; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Basketball, Grill, Picnic Table / Area, Playground)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	6	0	598	\$1.07	\$640	50%
1	1	G	10	0	598	\$1.12	\$670	60%
2	1	G	16	0	759	\$0.98	\$745	50%
2	1	G	24	3	759	\$1.08	\$820	60%

*Adaptive Reuse *DTS is based on drive time

21 **Sharps Landing** 2.9 miles to site



Address: 126 Candlewood Way, Newport News, VA 23606
 Phone: (757) 706-3109 Contact: Ed (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 180 Year Built: 1973
 Vacant Units: 6 *AR Year:
 Occupancy: 96.7% Yr Renovated: 2012
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

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

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	16	1	653	\$1.22	\$795	60%
2	1.5 - 2	G	164	5	883	\$1.06	\$940	60%

*Adaptive Reuse

*DTS is based on drive time

22 Silver Hill at the Arboretum 2.8 miles to site



Address: 101 Arboretum Way, Newport News, VA 23602
 Phone: (757) 249-0005 Contact: Beth (By Phone)
 Property Type: Market Rate, Tax Credit
 Target Population: Senior 55+
 Total Units: 153 Year Built: 1996
 Vacant Units: 11 *AR Year:
 Occupancy: 92.8% Yr Renovated:
 Turnover: Stories: 3 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes: Market-rate (58 units); Tax Credit (95 units)

Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Range; Refrigerator; Central AC; Controlled Access; E-Call System; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Business Center (Computer, Copy, Fax); Activity-Craft Room, Clubhouse, Community Room; Salon; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Game Room-Billiards, Hiking-Walking Trail, Media Room / Theater, Picnic Table / Area, Outdoor Swimming Pool); Social Services (Transportation); Extra Storage; Water Feature

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	15	0	418	\$1.43	\$599	60%
1	1	G	40	3	531 - 733	\$1.28 - \$1.06	\$679 - \$779	60%
1	1	G	27	2	531 - 733	\$1.46 - \$1.09	\$775 - \$799	Market
2	1	G	40	3	631 - 747	\$1.28 - \$1.12	\$809 - \$834	60%
2	1	G	31	3	631 - 747	\$1.39 - \$1.33	\$879 - \$990	Market

*Adaptive Reuse

*DTS is based on drive time

23 Styron Square 1.9 miles to site



Address: 4100 William Styron Sq., Newport News, VA 23606
 Phone: (757) 596-8000 Contact: Erica (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 147 Year Built: 2003
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: 2 HH
 Rent Special: None

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

Notes:



Features And Utilities

Utility Schedule Provided by: Newport News Redevelopment and Housing Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Ceiling Fan; Controlled Access; Fireplace; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Ceramic Tile, Wood Laminate / Plank); Premium Countertops; High Ceilings; Vaulted Ceilings; Crown Molding

Property Amenities: Clubhouse, Community Room; Concierge Services (Dry Cleaning, Package Receiving); Elevator; On-Site Management; Dog Park; Recreation Areas (Fitness Center); Gated Community, Gated Parking; Social Services (Parties / Picnics); Extra Storage

Parking Type: Street Parking; Surface Lot; Carport

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	30	0	665 - 956	\$1.71 - \$1.50	\$1,140 - \$1,430	Market
2	2	G	93	0	1,002 - 1,289	\$1.24 - \$1.17	\$1,246 - \$1,508	Market
3	2	G	24	0	1,192 - 1,235	\$1.30	\$1,545 - \$1,600	Market

*Adaptive Reuse

*DTS is based on drive time

XII.

FIELD SURVEY OF CONVENTIONAL RENTALS

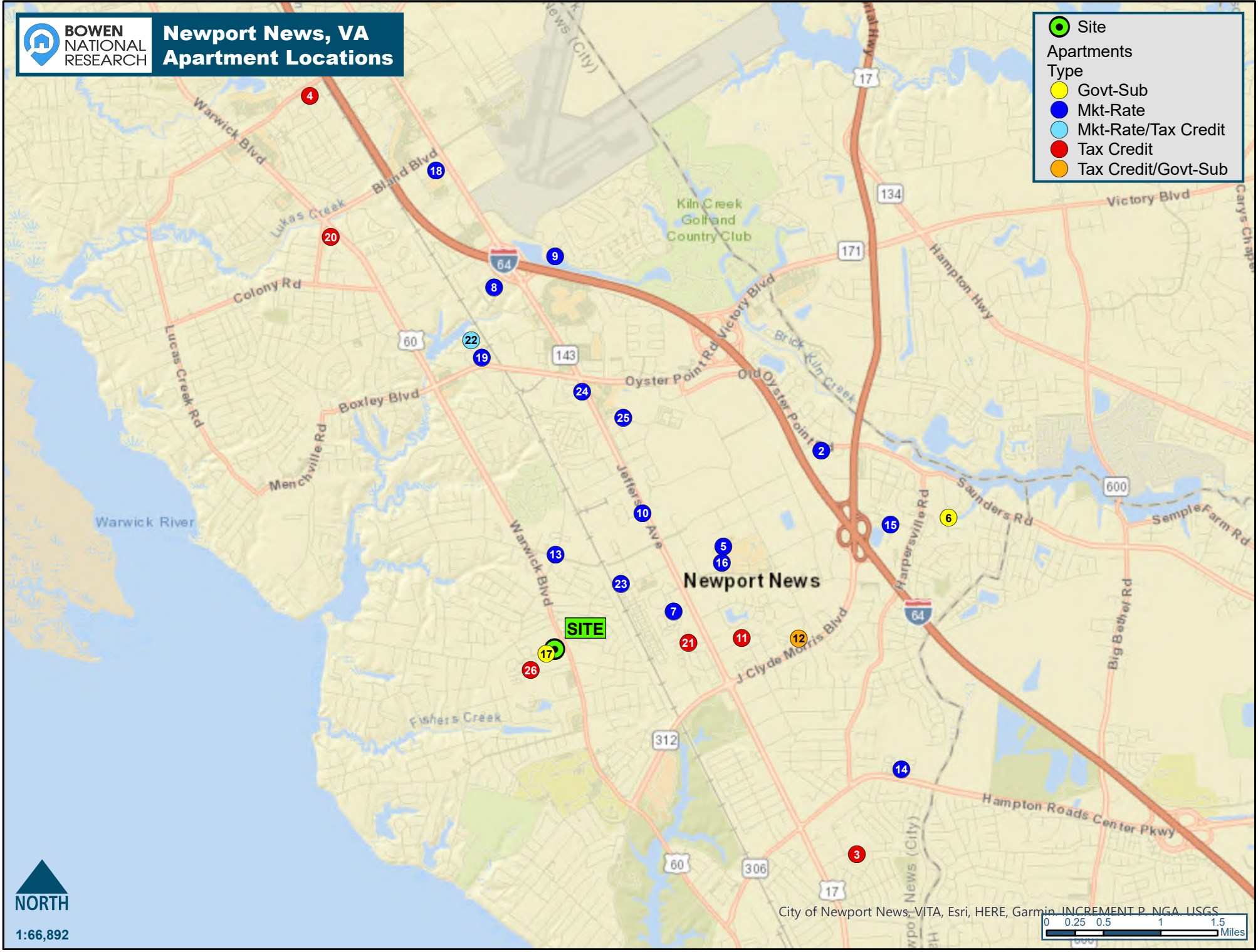


Newport News, VA Apartment Locations

Site
● Site

Apartments Type


















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

























1:66,892


Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	Wellesley Commons	GSS	B	1997	40	0	100.0%	-
2	Abbingtion Landing	MRR	B	1968	519	16	96.9%	4.8
3	Ada Park	TAX	B+	2018	42	0	100.0%	4.1
4	Auburn Pointe	TAX	C+	1976	275	2	99.3%	5.3
5	Belmont at City Center	MRR	A-	2012	234	21	91.0%	2.9
6	Berkley South	GSS	C	1986	190	0	100.0%	5.7
7	Chesapeake Bay	MRR	B+	1987	300	6	98.0%	2.6
8	Citizen	MRR	A-	2018	230	7	97.0%	4.3
9	Featherstone	MRR	B	1990	332	6	98.2%	5.2
10	Forest Lake at Oyster Point	MRR	B	1988	296	3	99.0%	2.2
11	Forrest Landing	TAX	B	2010	184	0	100.0%	3.1
12	Great Oak	TGS	B-	1978	143	0	100.0%	3.5
13	Mariners Green	MRR	B-	1974	228	0	100.0%	1.0
14	Meridian Parkside	MRR	B+	2008	308	3	99.0%	4.4
15	Newport Lake	MRR	B-	1976	350	21	94.0%	5.0
16	Park Place	MRR	A-	2005	363	11	97.0%	2.7
17	Pinecroft	GSS	C	1985	140	0	100.0%	0.1
18	Radius Urban	MRR	A	2012	252	10	96.0%	4.6
19	Reserves at Arboretum	MRR	B+	2009	143	0	100.0%	2.8
20	River Trace	TAX	C	1978	56	3	94.6%	4.2
21	Sharps Landing	TAX	B	1973	180	6	96.7%	2.9
22	Silver Hill at the Arboretum	MRT	B	1996	153	11	92.8%	2.8
23	Styron Square	MRR	A-	2003	147	0	100.0%	1.9
24	Tech Center Square	MRR	B+	1986	208	4	98.1%	3.5
25	Venture Apartments In Tech Center	MRR	A-	2016	288	17	94.1%	3.1
26	Wellesley Woods	TAX	B-	1996	120	0	100.0%	0.7
901	Patriots Crossing	TAX	B	1971	245	0	100.0%	5.5


*Drive distance in miles


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


1	Wellesley Commons 51 Wellesley Dr., Newport News, VA 23606	Contact: Jackie Phone: (757) 930-1566
	Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 1997 BR: 1 Vacant Units: 0 Waitlist: 12 mos AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: HUD Section 8	
2	Abbingtion Landing 961 Marcus Dr., Newport News, VA 23602	Contact: Lacaya Phone: (833) 277-2092
	Total Units: 519 UC: 0 Occupancy: 96.9% Stories: 2 Year Built: 1968 BR: 1, 2, 3 Vacant Units: 16 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2012 Rent Special: \$500 off 1st month's rent Notes: Rent range based on unit upgrades & floorplan	
3	Ada Park 674 Summer Day Ct, Newport News, VA 23601	Contact: Beth Phone: (757) 926-4811
	Total Units: 42 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2018 BR: 2, 3 Vacant Units: 0 Waitlist: 10 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Preleasing 8/2017, opened 2/2018, 100% occupied 3/2018	
4	Auburn Pointe 496 Catina Way, Newport News, VA 23608	Contact: Montoya Phone: (757) 877-8880
	Total Units: 275 UC: 0 Occupancy: 99.3% Stories: 2 Year Built: 1976 BR: 1, 2, 3 Vacant Units: 2 Waitlist: 1 & 2-br; 2 HH AR Year: Target Population: Family Yr Renovated: 1997 Rent Special: None Notes: Tax Credit	
5	Belmont at City Center 675 Town Center Dr, Newport News, VA 23606	Contact: Angel Phone: (757) 320-5415
	Total Units: 234 UC: 0 Occupancy: 91.0% Stories: 3,4 w/Elevator Year Built: 2012 BR: 1, 2 Vacant Units: 21 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: Select units up to \$300 off Notes:	


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


















6	Berkley South 4 St. Egnatios Dr., Newport News, VA 23601	Contact: Craig Phone: (757) 595-6352
		<p>Total Units: 190 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1986</p> <p>BR: 0, 1 Vacant Units: 0 Waitlist: 10 mos AR Year:</p> <p>Target Population: Senior 62+ Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes: HUD Section 8</p>

7	Chesapeake Bay 550 St. Michaels Way, Newport News, VA 23606	Contact: Crystal Phone: (757) 599-7873
		<p>Total Units: 300 UC: 0 Occupancy: 98.0% Stories: 2,3 Year Built: 1987</p> <p>BR: 1, 2 Vacant Units: 6 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes: Rents change daily</p>


8	Citizen 301 Contintial Pkwy, Newport News, VA 23602	Contact: Pam Phone: (757) 788-3270
		<p>Total Units: 230 UC: 0 Occupancy: 97.0% Stories: 3 Year Built: 2018</p> <p>BR: 0, 1, 2, 3 Vacant Units: 7 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes: Rent range due to unit location & floor level</p>

9	Featherstone 702 Bellows Way, Newport News, VA 23602	Contact: Rachel Phone: (855) 880-6281
		<p>Total Units: 332 UC: 0 Occupancy: 98.2% Stories: 3 Year Built: 1990</p> <p>BR: 1, 2, 3 Vacant Units: 6 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: Select units one month's rent free</p> <p>Notes: Rent range due to upgrades and floor level</p>


10	Forest Lake at Oyster Point 307 St. Thomas Dr., Newport News, VA 23606	Contact: Dena Phone: (757) 249-1784
		<p>Total Units: 296 UC: 0 Occupancy: 99.0% Stories: 2 Year Built: 1988</p> <p>BR: 1, 2, 3 Vacant Units: 3 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes: Rent range based on renovated units</p>


<ul style="list-style-type: none">  Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none">  (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none">  (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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11	Forrest Landing 518 Purlieu Dr., Newport News, VA 23606	Contact: Torrey Phone: (757) 327-0230
	Total Units: 184 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2010 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 12 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit	




12	Great Oak 1 Great Oak Cir., Newport News, VA 23606	Contact: Angela Phone: (757) 591-3282
	Total Units: 143 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1978 BR: 1, 2 Vacant Units: 0 Waitlist: 150 HH AR Year: Target Population: Senior 62+ Yr Renovated: 2008 Rent Special: None Notes: Tax Credit (3 units); HUD Section 8 & Tax Credit (140 units)	

13	Mariners Green 12711 Nettles Dr., Newport News, VA 23606	Contact: Cynthia Phone: (757) 930-3333
	Total Units: 228 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1974 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: 2-br rent range due to renovations & units with W/D	




14	Meridian Parkside 1400 Summit Ln., Newport News, VA 23601	Contact: Brooke Phone: (757) 595-0118
	Total Units: 308 UC: 0 Occupancy: 99.0% Stories: 3,4 w/Elevator Year Built: 2008 BR: 1, 2, 3 Vacant Units: 3 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily	


15	Newport Lake 173 Louise Dr., Newport News, VA 23601	Contact: Ali Phone: (757) 595-3132
	Total Units: 350 UC: 0 Occupancy: 94.0% Stories: 2 Year Built: 1976 BR: 0, 1, 2, 3 Vacant Units: 21 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2015 Rent Special: None Notes:	

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




16	Park Place 675 Town Center Dr., Newport News, VA 23606	Contact: Chenise Phone: (757) 594-9799
	 <p>Total Units: 363 UC: 0 Occupancy: 97.0% Stories: 4 w/Elevator Year Built: 2005 BR: 1, 2, 3 Vacant Units: 11 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>	





17	Pinecroft 75 Wellesly Dr., Newport News, VA 23606	Contact: Miss Jones Phone: (757) 269-4300
	 <p>Total Units: 140 UC: 0 Occupancy: 100.0% Stories: 6 w/Elevator Year Built: 1985 BR: 1 Vacant Units: 0 Waitlist: 310 HH AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: Public Housing;</p>	



18	Radius Urban 900 Radius Way, Newport News, VA 23602	Contact: Monique Phone: (757) 875-5555
	 <p>Total Units: 252 UC: 0 Occupancy: 96.0% Stories: 4 w/Elevator Year Built: 2012 BR: 0, 1, 2, 3 Vacant Units: 10 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: 2-br: \$500 off 1st month's rent Notes: Rents change daily</p>	



19	Reserves at Arboretum 5000 Reserve Way, Newport News, VA 23602	Contact: Danielle Phone: (757) 249-0641
	 <p>Total Units: 143 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2009 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>	

20	River Trace 100 River Trace Way, Newport News, VA 23602	Contact: Theresa Phone: (757) 989-0710
	 <p>Total Units: 56 UC: 0 Occupancy: 94.6% Stories: 2 Year Built: 1978 BR: 1, 2 Vacant Units: 3 Waitlist: None AR Year: Target Population: Family Yr Renovated: 1993 Rent Special: None Notes: Tax Credit</p>	

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



21	Sharps Landing 126 Candlewood Way, Newport News, VA 23606	Contact: Ed Phone: (757) 706-3109
	Total Units: 180 UC: 90 Occupancy: 96.7% Stories: 2 Year Built: 1973 BR: 1, 2 Vacant Units: 6 Waitlist: None AR Year:	Yr Renovated: 2012
	Target Population: Family	
	Rent Special: None	
	Notes: Tax Credit	



22	Silver Hill at the Arboretum 101 Arboretum Way, Newport News, VA 23602	Contact: Beth Phone: (757) 249-0005
	Total Units: 153 UC: 0 Occupancy: 92.8% Stories: 3 w/Elevator Year Built: 1996 BR: 0, 1, 2 Vacant Units: 11 Waitlist: None AR Year:	Yr Renovated:
	Target Population: Senior 55+	
	Rent Special: None	
	Notes: Market-rate (58 units); Tax Credit (95 units)	





23	Styron Square 4100 William Styron Sq., Newport News, VA 23606	Contact: Erica Phone: (757) 596-8000
	Total Units: 147 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2003 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 2 HH AR Year:	Yr Renovated:
	Target Population: Family	
	Rent Special: None	
	Notes:	


















24	Tech Center Square 128 Jefferson Point Ln., Newport News, VA 23602	Contact: Amanda Phone: (855) 697-4698
	Total Units: 208 UC: 0 Occupancy: 98.1% Stories: 2 Year Built: 1986 BR: 1, 2 Vacant Units: 4 Waitlist: None AR Year:	Yr Renovated:
	Target Population: Family	
	Rent Special: None	
	Notes:	

25	Venture Apartments In Tech Center 685 Hogan Dr., Newport News, VA 23606	Contact: Megan Phone: (757) 330-4092
	Total Units: 288 UC: 0 Occupancy: 94.1% Stories: 4,5 w/Elevator Year Built: 2016 BR: 0, 1, 2, 3 Vacant Units: 17 Waitlist: None AR Year:	Yr Renovated:
	Target Population: Family	
	Rent Special: None	
	Notes:	

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

26	Wellesley Woods 600 Huntgate Cir., Newport News, VA 23606	Contact: Shelly Phone: (757) 249-5553
	Total Units: 120 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1996 BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year:	
	Target Population: Family Yr Renovated:	
	Rent Special: None	
	Notes: Tax Credit	

901	Patriots Crossing 432 Manor Rd., Newport News, VA 23602	Contact: Erica Phone: (757) 874-1636
	Total Units: 245 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1971 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 2 HH AR Year:	
	Target Population: Family Yr Renovated: 2009	
	Rent Special: None	
	Notes: Tax Credit	

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

Source: Newport News Redevelopment and Housing Authority
 Effective: 01/2021

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	31	36	40	42	52	61	33	38	43	45	56	65
	+Base Charge	10	10	10	10	10	10	12	12	12	12	12	12
	Bottled Gas	68	77	88	97	114	132	73	83	95	104	122	142
	Electric	31	37	51	59	81	97	34	39	54	63	87	104
	Heat Pump	24	27	38	44	61	73	25	30	41	48	65	78
	Oil	36	43	76	92	112	134	38	46	82	99	120	144
Cooking	Natural Gas	2	2	3	3	3	3	2	2	3	3	3	3
	Bottled Gas	6	6	7	8	8	9	6	6	7	8	8	9
	Electric	4	5	6	6	7	8	4	5	6	6	7	8
Other Electric	16	20	24	29	35	39	16	20	24	29	35	39	
+Base Charge	3	3	3	3	3	3	10	10	10	10	10	10	
Air Conditioning	5	7	8	9	11	12	6	8	10	12	14	15	
Water Heating	Natural Gas	11	13	16	22	27	32	11	13	16	22	27	32
	Bottled Gas	28	36	43	58	73	88	28	36	43	58	73	88
	Electric	22	27	33	44	55	67	22	27	33	44	55	67
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water	20	21	29	36	42	49	20	21	29	36	42	49	
Sewer	31	34	56	72	89	105	31	34	56	72	89	105	
Trash Collection	29	29	29	29	29	29	29	29	29	29	29	29	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

* Estimated- not from source

XIII. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

Craig Rupert, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown State University.

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

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

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

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

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

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

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

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

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

Jonathan Kabat, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Kabat graduated from The Ohio State University with a Bachelor of Art in History and a minor in Geography.

Research Staff

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

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

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

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

Addendum A – Member Certification & Checklist

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

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



Patrick M. Bowen

President

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Date: February 17, 2021



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: February 17, 2021

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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