



**A MARKET FEASIBILITY STUDY OF:
700 WEST 44**

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700 WEST 44

700 W. 44th Street
Richmond, Virginia 23224

Effective Date: February 15, 2022
Report Date: March 7, 2023

Prepared for:
Austin Pittman
Development Manager
The Lawson Companies
373 Edwin Drive
Virginia Beach, VA 23462

Prepared by:
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March 7, 2023

Austin Pittman
Development Manager
The Lawson Companies
373 Edwin Drive
Virginia Beach, VA 23462

Re: Market Study - Application for Proposed LIHTC Property 700 West 44 - 9% in Richmond, Virginia

Dear Austin Pittman:

At your request, Novogradac & Company LLP, doing business under the brand name Novogradac Consulting ("Novogradac") has performed a market study of the multifamily rental market in the Richmond, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We previously completed a preliminary rent and demand analysis of the Subject and its four-percent component in October 2021, as well as an application market study for the Subject in January 2022.

The purpose of this market study is to assess the viability of the proposed new construction LIHTC development (Subject). The Subject will offer 72 units, of which all units will be LIHTC rent restricted to 30, 40, 50, and 60 percent of AMI. Additionally, 18 units rent restricted at 40, 50, and 60 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject will offer 12 one-bedroom units, 45 two-bedroom units, and 15 three-bedroom units. All of the Subject's units will target the general population. Additionally, the Subject will be developed concurrently with 700 West 44 - 4%, which will be financed through the four-percent LIHTC program. The 72-unit LIHTC development will offer one, two, and three-bedroom units at 40 and 60 percent of AMI and will be located adjacent east to the Subject; 18 of these units will be restricted at 40 percent of AMI and will operate with PBV subsidies.

The scope of this report meets the requirements of Virginia Housing, including the following:

- Inspecting the site of the proposed Subject, and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.
- Investigating the general economic health and conditions of the multifamily rental market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary and Secondary Market Area(s), if applicable.
- Surveying competing projects, both LIHTC and market-rate.

The depth of discussion contained in the report is compliant with both the requirements of Virginia Housing Market Study Guidelines and the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). NCHMA is a professional organization chartered to promote the development of high-quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report, which

Novogradac certifies as a NCHMA-compliant comprehensive market analysis full narrative report, conforms to those standards; any slight modifications or departures from those standards are considered incidental. The report and the conclusions are subject to the Assumptions and Limiting Conditions attached. This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

The Lawson Companies is the client in this engagement and intended user of this report. Furthermore, Virginia Housing is an authorized user of this market study and Virginia Housing may rely on representations made herein. As our client, the Lawson Companies owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

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

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

Pursuant to Virginia Housing Requirements, we certify:

1. We 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 our knowledge the market can support the demand shown in this study. We understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
4. No one at this firm has any interest in the proposed development or a relationship with the ownership entity.
5. No one at this firm, nor anyone acting on behalf of the firm in connection with the preparation of this report, has communicated to others that the firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for our services is not contingent on this development receiving a LIHTC reservation or allocation.
7. Evidence of our NCHMA membership is included.

AUSTIN PITTMAN
THE LAWSON COMPANIES
MARCH 7, 2023
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Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac



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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Subject Site Description: The Subject will be located at 700 W. 44th Street in Richmond, Virginia 23225.

Surrounding Land Uses: The Subject is located in a mixed-use neighborhood southwest of Downtown Richmond. The Subject site is rated as “Car-Dependent” by Walk Score with a score of 40, indicating that most errands require a car. Land use to the north consists of vacant land and single-family homes in average condition. Further north are additional single-family homes in average condition. Land use to the east consists of undeveloped land that will be used for the development of 700 West 44 – 4%. Further east are the Norcroft Townhomes, a 108-unit market rate senior property that was excluded from our analysis due to its dissimilar tenancy. Further east of Norcroft Townhomes is additional undeveloped land. Uses south consist of Charnwood Forest Apartments, a 101-unit LIHTC senior development that has been excluded from our analysis due to its dissimilar tenancy, and 404 Rivertowne Apartment Homes, a 522-unit market rate development that has been included as a comparable in our analysis. Note that we were unable to contact Charnwood Forest for occupancy and waiting list information. Further south are commercial and retail uses in average condition and a high school. Land uses west of the Subject consist of Ashton Square, a 368-unit market rate development that has been utilized as a comparable in our analysis, and undeveloped vacant land. Further west are single-family homes in average condition. Overall, the majority of surrounding land uses are in average to good condition.

Subject Property Description: Novogradac has performed a comprehensive market study of the multifamily rental market in the Richmond, Virginia area relative to the Subject, a proposed new construction development. Construction is set to begin in December 2023 and is expected to last for 18 months. Following construction, the Subject’s units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, 18 units rent restricted at 40, 50, and 60 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject’s proposed LIHTC rents are set at the maximum allowable levels. The Subject will consist of a three-story, garden-style building design with 72 one, two, and three-bedroom units.

It should be noted that the Subject, which is proposed to be financed through the competitive nine percent LIHTC program, will be developed concurrently with 700 West 44 - 4%, which will be financed through the four percent LIHTC program. 700 West 44 - 4% is a proposed 72-unit development offering one, two, and three-bedroom units at 60 percent of AMI. The Subject and 700 West 44 – 4% will offer a total of 210 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 1.5

space per unit. Further, the developments will offer the same three-story garden-style design.

Proposed Rents:

The following table details proposed rents for the Subject’s units.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2022 HUD Fair Market Rents
@30%							
1BR / 1BA	705	1	\$435	\$131	\$566	\$566	\$1,044
2BR / 2BA	956	5	\$525	\$155	\$680	\$680	\$1,189
3BR / 2BA	1,113	2	\$612	\$173	\$785	\$785	\$1,556
@40%							
2BR / 2BA	956	5	\$752	\$155	\$907	\$907	\$1,189
@40% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	1	\$624	\$131	\$755	\$755	\$1,044
3BR / 2BA	1,113	2	\$874	\$173	\$1,047	\$1,047	\$1,556
@50%							
2BR / 2BA	956	12	\$978	\$155	\$1,133	\$1,133	\$1,189
@50% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	4	\$813	\$131	\$944	\$944	\$1,044
3BR / 2BA	1,113	4	\$1,136	\$173	\$1,309	\$1,309	\$1,556
@60%							
2BR / 2BA	956	23	\$1,205	\$155	\$1,360	\$1,360	\$1,189
3BR / 2BA	1,113	6	\$1,398	\$173	\$1,571	\$1,571	\$1,556
@60% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	6	\$1,002	\$131	\$1,133	\$1,133	\$1,044
3BR / 2BA	1,113	1	\$1,398	\$173	\$1,571	\$1,571	\$1,556
72							

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject’s proposed LIHTC rents are set at the maximum allowable levels.

Target Household Income Levels:

Based on the proposed restrictions, the range of annual household income levels is depicted below.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@40% (PBRA)		@50%		@50% (PBRA)		@60%		@60% (PBRA)	
1BR	\$19,406	\$24,180	-	-	\$0	\$32,240	-	-	\$0	\$40,300	\$38,846	\$48,360	\$0	\$48,360
2BR	\$23,314	\$27,210	\$31,097	\$36,280	-	-	\$38,846	\$45,350	-	-	\$46,629	\$54,420	-	-
3BR	\$26,914	\$32,640	-	-	\$0	\$43,520	-	-	\$0	\$54,400	\$53,863	\$65,280	\$0	\$65,280

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$19,406	\$24,180	\$25,886	\$32,240	\$32,366	\$40,300	\$38,846	\$48,360
2BR	\$23,314	\$27,210	\$31,097	\$36,280	\$38,846	\$45,350	\$46,629	\$54,420
3BR	\$26,914	\$32,640	\$35,897	\$43,520	\$44,880	\$54,400	\$53,863	\$65,280

Economic Conditions

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and construction industries, which collectively comprise 38.6 percent of local employment. The large share of PMA employment in the retail trade and construction is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which historically exhibits greater stability during economic downturns. Employment in the MSA declined sharply by 5.5 percent in 2020 amid the pandemic, slightly less than the overall nation. From December 2021 to December 2022, employment in the MSA increased at an annualized rate of 1.2 percent, compared 2.0 percent growth across the nation. The MSA unemployment rate increased modestly by 3.7 percentage points in 2020 amid the pandemic, compared to a 4.4 percentage point increase for the overall nation. According to the latest labor statistics, the current MSA unemployment rate is 2.9 percent, slightly lower than the current national unemployment rate of 3.3 percent. Overall, the local economy appears to be in the process of recovering from the pandemic.

Primary Market Area

The PMA is generally defined as South Richmond. The PMA boundaries are: State Route 76 and the James River to the north; the James River the east; State Route 647 and Belmont Road to the south; and State Route 150 to the west. The PMA encompasses 21.1 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent.

The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA), which includes the cities of Richmond, Petersburg, Hopewell, and Colonial Heights, as well as the counties of Amelia, Caroline, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex.

Demographic Data

Since 2000, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2027. As of 2022, approximately 70.8 percent of renter households within the PMA have annual incomes below \$50,000, compared to 35.4 percent of renter households in the MSA. As proposed, the incomes for the Subject will range from zero to \$65,280. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units

Vacancy

The following table illustrates vacancy rates at the comparable properties.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Alexander At 1090	LIHTC/PBRA	Family	48	4	8.3%
Belle Summit	LIHTC	Family	50	3	6.0%
Linden At Forest Hill	LIHTC	Family	58	3	5.2%
Morningside Apartments	LIHTC/ Market	Family	392	2	0.5%
Port City Apartments	LIHTC	Family	135	3	2.2%
Port City II**	LIHTC	Family	147	20	13.6%
Village South Townhomes	LIHTC	Family	296	33	11.1%
404 Rivertowne Apartment Homes	Market	Family	522	23	4.4%
Ashton Square	Market	Family	368	48	13.0%
Communities At Southwood	Market	Family	1286	0	0.0%
Model Tobacco**	Market	Family	203	92	45.3%
The Mill At Manchester Lofts	Market	Family	70	6	8.6%
The Park At Forest Hill	Market	Family	73	4	5.5%
The Village At Westlake	Market	Family	252	2	0.8%
Total LIHTC			776	62	8.0%
Total Market Rate			2,774	175	6.3%
Overall Total			3,550	237	6.7%
Total LIHTC**			629	42	6.7%
Total Market Rate**			2,571	83	3.2%
Overall Total**			3,200	125	3.9%

*Located outside of the PMA

**Excludes properties in lease-up

The comparables reported vacancy rates ranging from zero to 45.3 percent, with an average of 6.7 percent. The LIHTC properties reported an average vacancy rate of 8.0 percent, while the market properties reported an average vacancy rate of 6.3 percent. Note that both Port City II and Model Tobacco Apartments are currently in their initial lease-up periods. Management at Port City II reported that its initial lease-up period that began in October 2022 and the property is currently 86.4 percent occupied, indicating an absorption pace of 28 units per month. Model Tobacco is currently 54.7 percent occupied and opened in June 2022, indicating an absorption rate of 16 units per month. Additionally, the property currently has an applicant list of 80 households that it is utilizing to fill the remaining units. Excluding these properties, the affordable vacancy rate is 6.7 percent, the market rate vacancy rate is 3.2 percent, and the overall vacancy rate is 3.9 percent. Note that Alexander at 1090 and Village South Townhomes reported elevated vacancy of 8.3 and 11.1 percent. Management at Alexander 1090 noted two of the vacant units are pre-leased and the property is filling the remaining vacant units off of a waiting list. Management at Village South Townhomes stated that the property is currently undergoing renovations and that the “majority” of the vacant units are currently offline, though an exact estimate of down units was not available. Finally, Ashton Square reported an elevated vacancy rate of 13.0 percent. Management reported that the property is currently renovating units upon turnover, but could not provide an exact estimate of down vacant units. However, the property has historically maintained vacancy of 5.4 percent or lower. Based on the performance of the LIHTC comparables, and given that a number of comparable properties are in lease-up or are in the process of renovating units, we expect the Subject will operate at a vacancy rate of five percent or less.

Absorption

Four of the comparables were able to report recent absorption data. Note that two of the comparables, Port City II and Model Tobacco, are currently in lease-up. Additionally, we have included absorption data for recently constructed multifamily properties within 25 miles of the Subject. This absorption information is presented in the following table.

ABSORPTION						
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)
Port City II**	LIHTC	Family	Richmond	2022	147	28
Model Tobacco**	Market	Family	Richmond	2022	203	16
The Oliver	LIHTC	Family	Richmond	2020	164	15
Alexander At 1090*	LIHTC	Family	Richmond	2020	48	48
Cambridge Square Apartments	Market	Family	Mechanicsville	2020	207	17
The Jane At Moore's Lake	Market	Family	Chester	2019	385	26
Abberly Centerpointe	Market	Family	Midlothian	2019	271	12
Port City Apartments*	LIHTC	Family	Richmond	2018	135	22
The Village At Westlake*	Market	Family	Richmond	2018	252	42
Average Affordable					124	28
Average Market					264	23
Overall Average					201	25

*Comparable Property

** Properties are utilized as comparables and are currently in lease-up

The properties have reported absorption rates ranging from 12 to 48 units per month. We believe the Subject would experience an absorption rate 25 units per month, indicating an absorption period of three months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 0.9 percent “As Proposed” and 1.4 percent “Absent Subsidy.”

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This annual Novoco capture rate is 0.9 percent for the first year of operation as a LIHTC property “As Proposed” and 1.6 percent “Absent Subsidy.” This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 7,683 units of demand in the first year of the Subject’s operation after completion, “As Proposed” and 4,368 “Absent Subsidy.” The Subject’s units will need to accommodate 68 total units of demand in order to stabilize at 95 percent occupancy. The demand analysis illustrates adequate demand for the Subject’s units. Additionally, both penetration rates are moderate and indicative of demand for additional affordable housing supply such as the Subject.

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

Project Wide Capture Rate - All Units*	3.6%
Project Wide Absorption Period (Months)	5-6 months

This capture rate is below the overall Novoco capture rate As Proposed. The capture rate is considered low and indicative of adequate demand for the Subject.

Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to slightly superior to the comparable properties in terms of condition.
- Vacancy rates among the stabilized LIHTC properties range from 0.5 to 11.1 percent, with an average of 8.0 percent; note that two of the LIHTC comparables are in the process of renovating units and have a high number of down units. Further, four comparables maintain waiting lists for its LIHTC units, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

Weaknesses

- We have identified no weaknesses with the proposed Subject that would impact its marketability.

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend no changes for the Subject property.

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:

Novogradac has performed a comprehensive market study of the multifamily rental market in the Richmond, Virginia area relative to the Subject, a proposed new construction development. Construction is set to begin in December 2023 and is expected to last for 18 months. Following construction, the Subject’s units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, 18 units rent restricted at 40, 50, and 60 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject’s proposed LIHTC rents are set at the maximum allowable levels. The Subject will consist of a three-story, garden-style building design with 72 one, two, and three-bedroom units.

It should be noted that the Subject, which is proposed to be financed through the competitive nine percent LIHTC program, will be developed concurrently with 700 West 44 - 4%, which will be financed through the four percent LIHTC program. 700 West 44 - 4% is a proposed 72-unit development offering one, two, and three-bedroom units at 60 percent of AMI. The Subject and 700 West 44 - 4% will offer a total of 210 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 1.5 space per unit. Further, the developments will offer the same three-story garden-style design.

We previously completed a preliminary rent analysis for the combined Subject and its four-percent component in October 2021, as well as an application market study for the Subject in January 2022.

Developer/Client Information:

Lawson Realty Corporation.

Intended Use and Users of the Report:

The report will be submitted to the Virginia Housing for application purposes. The intended users of the report are The Lawson Companies and Virginia Housing.

Scope of the Report:

- Inspecting the site of the to-be-developed Subject and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.
- Investigating the general economic health and conditions of the rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.
- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.

- Establishing the Subject’s Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

Effective Date:

The Subject site was most recently inspected by Jacob Ball on February 15, 2023, which shall be the effective date of this report.

Primary Contact for the Report:

David Boisture, ASA, CRE (David.Boisture@novoco.com) and K. David Adamescu (David.Adamescu@novoco.com).

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

The project description will discuss the physical features of the Subject property, as well as its proposed unit mix and rents.

Subject Property Description:

Novogradac has performed a comprehensive market study of the multifamily rental market in the Richmond, Virginia area relative to the Subject, a proposed new construction development. Construction is set to begin in December 2023 and is expected to last for 18 months. Following construction, the Subject's units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, 18 units rent restricted at 40, 50, and 60 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject's proposed LIHTC rents are set at the maximum allowable levels. The Subject will consist of a three-story, garden-style building design with 72 one, two, and three-bedroom units.

It should be noted that the Subject, which is proposed to be financed through the competitive nine percent LIHTC program, will be developed concurrently with 700 West 44 - 4%, which will be financed through the four percent LIHTC program. 700 West 44 - 4% is a proposed 72-unit development offering one, two, and three-bedroom units at 60 percent of AMI. The Subject and 700 West 44 - 4% will offer a total of 210 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 1.5 space per unit. Further, the developments will offer the same three-story garden-style design.

Construction Type:

The Subject is a proposed three-story, garden-style new construction LIHTC development to be constructed with funding under the LIHTC program.

Occupancy Type:

The Subject targets family households.

Proposed Rents:

The following table details the proposed rents for the Subject's units.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2022 HUD Fair Market Rents
@30%							
1BR / 1BA	705	1	\$435	\$131	\$566	\$566	\$1,044
2BR / 2BA	956	5	\$525	\$155	\$680	\$680	\$1,189
3BR / 2BA	1,113	2	\$612	\$173	\$785	\$785	\$1,556
@40%							
2BR / 2BA	956	5	\$752	\$155	\$907	\$907	\$1,189
@40% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	1	\$624	\$131	\$755	\$755	\$1,044
3BR / 2BA	1,113	2	\$874	\$173	\$1,047	\$1,047	\$1,556
@50%							
2BR / 2BA	956	12	\$978	\$155	\$1,133	\$1,133	\$1,189
@50% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	4	\$813	\$131	\$944	\$944	\$1,044
3BR / 2BA	1,113	4	\$1,136	\$173	\$1,309	\$1,309	\$1,556
@60%							
2BR / 2BA	956	23	\$1,205	\$155	\$1,360	\$1,360	\$1,189
3BR / 2BA	1,113	6	\$1,398	\$173	\$1,571	\$1,571	\$1,556
@60% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	6	\$1,002	\$131	\$1,133	\$1,133	\$1,044
3BR / 2BA	1,113	1	\$1,398	\$173	\$1,571	\$1,571	\$1,556
72							

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject’s proposed LIHTC rents are set at the maximum allowable levels.

Assisted Housing Program:

Eighteen of the units rent restricted at 40, 50, and 60 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent.

Construction Date:

Construction of the Subject will begin in December 2023 and is expected to last for 18 months.

Target Household Income Levels:

Based on the proposed restrictions, the range of annual household income levels is depicted below.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@40% (PBRA)		@50%		@50% (PBRA)		@60%		@60% (PBRA)	
1BR	\$19,406	\$24,180	-	-	\$0	\$32,240	-	-	\$0	\$40,300	\$38,846	\$48,360	\$0	\$48,360
2BR	\$23,314	\$27,210	\$31,097	\$36,280	-	-	\$38,846	\$45,350	-	-	\$46,629	\$54,420	-	-
3BR	\$26,914	\$32,640	-	-	\$0	\$43,520	-	-	\$0	\$54,400	\$53,863	\$65,280	\$0	\$65,280

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$19,406	\$24,180	\$25,886	\$32,240	\$32,366	\$40,300	\$38,846	\$48,360
2BR	\$23,314	\$27,210	\$31,097	\$36,280	\$38,846	\$45,350	\$46,629	\$54,420
3BR	\$26,914	\$32,640	\$35,897	\$43,520	\$44,880	\$54,400	\$53,863	\$65,280

Utility Structure:

The tenant will be responsible for electric cooking, heating, hot water, and other electric expenses, as well as water and sewer expenses. The landlord will be responsible for trash expenses and common area amenities. The Subject will utilize project-specific utility allowances of \$131, \$155, and \$173 for its one-bedroom (705 square feet), two-bedroom (956 square feet), and three-bedroom (1,113 square feet) LIHTC units, respectively. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from the Richmond Redevelopment and Housing Authority, effective September 7, 2021, the most recent schedule available. It should be noted that the developer's project-specific utility allowance differs from the total tenant-paid utilities listed below.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$17	\$21	\$25
Cooking - Electric	Tenant	\$6	\$8	\$10
Other Electric	Tenant	\$21	\$29	\$37
Air Conditioning	Tenant	\$8	\$12	\$15
Water Heating - Electric	Tenant	\$13	\$17	\$21
Water	Tenant	\$26	\$38	\$57
Sewer	Tenant	\$37	\$52	\$74
Trash	Landlord	\$20	\$20	\$20
TOTAL - Paid By Landlord		\$20	\$20	\$20
TOTAL - Paid By Tenant		\$128	\$177	\$239
TOTAL - Paid By Tenant Provided by Developer		\$131	\$155	\$173
DIFFERENCE		102%	88%	72%

Source: Richmond Redevelopment and Housing Authority, September 2021

Unit Mix:

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

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	12	705	8,460
2BR / 2BA	45	956	43,020
3BR / 2BA	15	1,113	16,695
TOTAL	72		68,175

Net Leasable Area: Approximately 68,175 square feet as outlined in the table above.

Unit Amenities: The Subject’s units will offer a balcony/patio, blinds, central air conditioning, carpeting, ceiling fans, walk-in closets, and washer/dryer hookups. Appliances will include a dishwasher, range/oven, and refrigerator. Washers and dryers will be available for rent for \$50 per month. Note that none of the comparables offer washer/dryer rentals. We researched pricing for washer/dryer rentals in the Richmond area. Rent-A-Center offers rent to own programs for washers and dryers at \$40 per week. This equates to approximately \$173 per month (assuming 31 days in the month). The Subject does not offer rent-to-own options. However, the monthly price represents a significant discount over area rental rates. Furthermore, the Subject offers the convenience of renting from the property, as opposed to paying the cost of having washer/dryer units delivered. We believe that washer/dryer rentals for \$50 per month is appropriate.

Common Area Amenities: The Subject will feature a clubhouse/community room, central laundry, off-street parking, on-site management, an exercise facility, a playground, a picnic area, and recreation areas. Note that the community amenities will be shared with 700 West 44 – 4%.

Parking: The Subject will share parking with 700 West 44 - 4%. The developments will offer a total of 210 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 1.5 space per unit. Overall, the parking offered at the Subject is reasonable.

Number of Stories and Buildings: The Subject will offer three-story, garden-style buildings. The Subject and 700 West 44 – 4% will feature six total buildings.

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

Quality of Construction Condition and Deferred Maintenance: We expect the Subject to be constructed using good-quality materials. As new construction, the Subject will not suffer

from deferred maintenance and will be in excellent condition.

Functional Utility:

We have reviewed the Subject's floor plans and determined them to be reasonable.

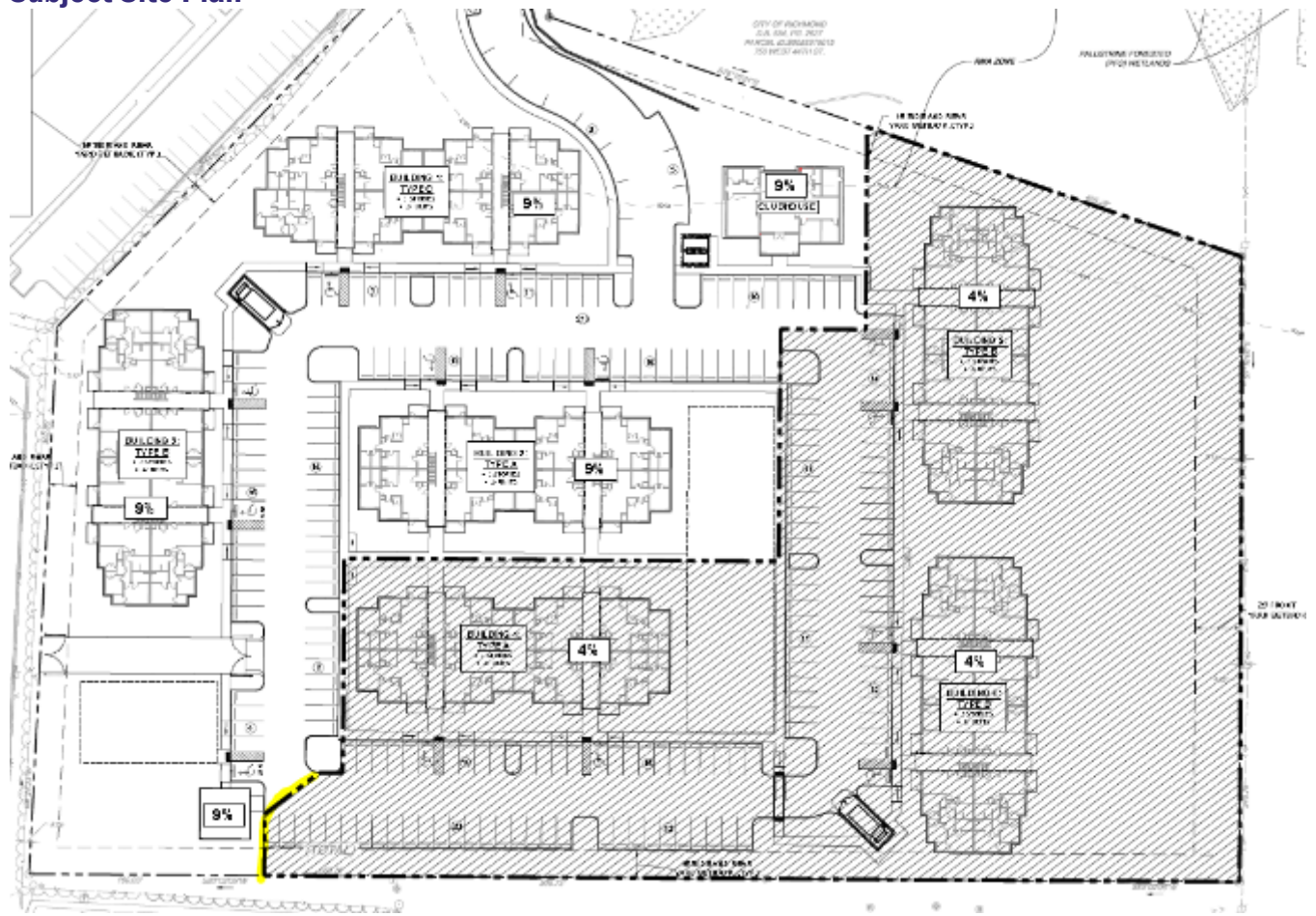
Conclusion:

The Subject property is a proposed 72-unit LIHTC development and will be in excellent condition following construction. As new construction with market-oriented floor plans, the Subject will not suffer from functional obsolescence and will provide good utility for its intended use. Additionally, the Subject will be amongst the newest supply in the market and will be generally similar to superior to the existing supply.

Site Plans:

We have reviewed the Subject's floor plans and the overall site plan and determined them to be market-oriented.

Subject Site Plan



Source: Sponsor, February 2023

Property Profile Report

700 W. 44th Street	
Location	700 W. 44th Street Richmond, VA 23225 Richmond City County
Distance	n/a
Units	72
Type	Garden (3 stories)
Year Built / Renovated	2025 / n/a

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

Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (3 stories)	1	705	\$435	\$0	@30%	N/A	N/A	N/A	yes
1	1	Garden (3 stories)	1	705	\$624	\$0	@40% (PBRA)	N/A	N/A	N/A	yes
1	1	Garden (3 stories)	4	705	\$813	\$0	@50% (PBRA)	N/A	N/A	N/A	yes
1	1	Garden (3 stories)	6	705	\$1,002	\$0	@60% (PBRA)	N/A	N/A	N/A	yes
2	2	Garden (3 stories)	5	956	\$525	\$0	@30%	N/A	N/A	N/A	yes
2	2	Garden (3 stories)	5	956	\$752	\$0	@40%	N/A	N/A	N/A	yes
2	2	Garden (3 stories)	12	956	\$978	\$0	@50%	N/A	N/A	N/A	yes
2	2	Garden (3 stories)	23	956	\$1,205	\$0	@60%	N/A	N/A	N/A	yes
3	2	Garden (3 stories)	2	1,113	\$612	\$0	@30%	N/A	N/A	N/A	yes
3	2	Garden (3 stories)	2	1,113	\$874	\$0	@40% (PBRA)	N/A	N/A	N/A	yes
3	2	Garden (3 stories)	4	1,113	\$1,136	\$0	@50% (PBRA)	N/A	N/A	N/A	yes
3	2	Garden (3 stories)	6	1,113	\$1,398	\$0	@60%	N/A	N/A	N/A	yes
3	2	Garden (3 stories)	1	1,113	\$1,398	\$0	@60% (PBRA)	N/A	N/A	N/A	yes

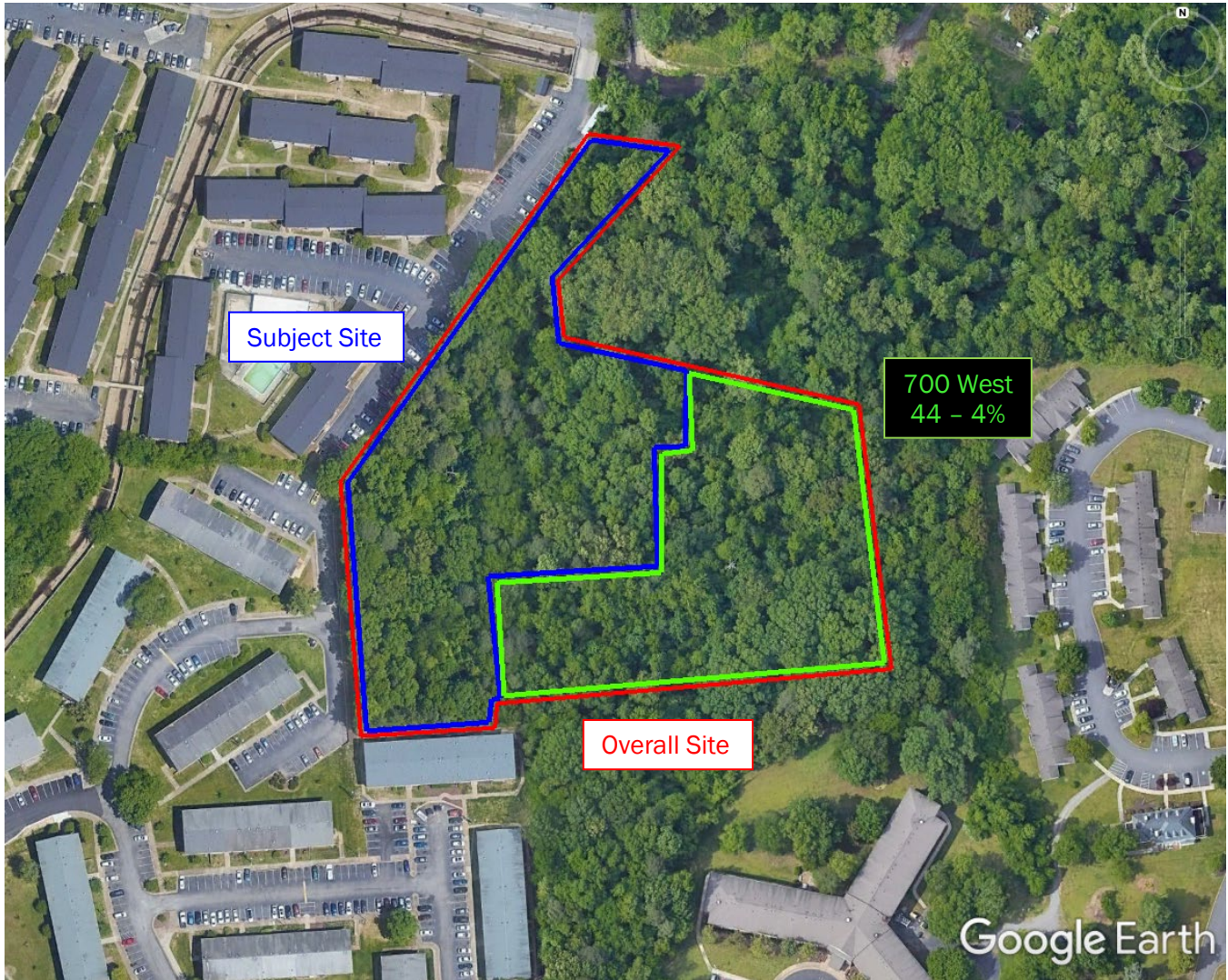
Amenities			
In-Unit	Balcony/Patio Blinds Cable/Satellite/Internet Carpeting Central A/C Dishwasher Ceiling Fan Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Patrol
Property	Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Recreation Areas Swimming Pool	Premium	none
Services	none	Other	Bike Storage

Comments
 The Subject will offer 72 units, all of which will be LIHTC rent restricted at 30, 40, 50, and 60 percent AMI. Additionally, 18 units at 40, 50, and 60 percent AMI will benefit from a project-based voucher subsidy, so that tenants will pay 30 percent of their income towards rent. The Subject will offer 12 one-bedroom units, 45 two-bedroom units, and 15 three bedroom units. All of the Subject's units will target the general population.

D. LOCATION

LOCATION

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



Source: Google Earth, February 2023

Subject Site Description:

The Subject will be located at 700 W. 44th Street in Richmond, Virginia 23225.

Size:

The Subject site is 3.45 acres, or 150,282 square feet. Note that the Subject site is located on a 6.62-acre parcel, which will be split as part of the Subject development. The remainder of the parcel will be utilized for 700 West 44 – 4%, which will be developed concurrently with the Subject.

Shape:

The Subject site is irregular in shape.

- Frontage:** The Subject will be accessible via W. 46th Street.
- Topography:** The Subject site exhibits generally flat topography.
- Utilities:** All utilities are provided to the site.
- Visibility/Views:** The Subject site has good visibility from West 46th Street. Views to the north consist of undeveloped wooded land. Views to the east consist of undeveloped wooded land, which will be utilized for the development of 700 West 44 – 4%. Views to the south consist of 404 Rivertowne Apartment Homes and undeveloped wooded land. Views to the west consist of the Ashton Square Apartments. Overall, views and visibility are both considered average.
- Surrounding Uses:** The Subject is located in a mixed-use neighborhood southwest of Downtown Richmond. The Subject site is rated as “Car-Dependent” by Walk Score with a score of 40, indicating that most errands require a car. The following depicts the surrounding uses of the Subject.



Undeveloped land north of Subject site



Single-family home north of Subject site

North: Land use to the north consists of vacant land and single-family homes in average condition. Further north are additional single-family homes in average condition.



Forest Hill Park northeast of Subject site



Single-family home east of Subject site

East: Land use to the east consists of undeveloped land that will be used for the development of 700 West 44 – 4%. Further east are the Norcroft Townhomes, a 108-unit market rate senior property that was excluded from our analysis due to its dissimilar tenancy. Further east of Norcroft Townhomes is additional undeveloped land.



404 Rivertowne Apartment Homes south of Subject site



Commercial property south of Subject site

South: Uses south consist of Charnwood Forest Apartments, a 101-unit LIHTC senior development that has been excluded from our analysis due to its dissimilar tenancy, and 404 Rivertowne Apartment Homes, a 522-unit market rate development that has been included as a comparable in our analysis. Further south are commercial and retail uses in average condition and a high school. Note that we were unable to contact Charnwood Forest for occupancy and waiting list information.



Ashton Square west of Subject site



Commercial property northwest of Subject site

West: Land uses west of the Subject consist of Ashton Square, a 368-unit market rate development that has been utilized as a comparable in our analysis, and undeveloped vacant land. Further west are single-family homes in average condition.

Access and Traffic Flow:

The Subject will have frontage along West 46th Street, and the parking lot will be accessible via the east side of West 46th Street. West 46th Street is a two-lane residential roadway running north and south through the Subject’s neighborhood. West 46th Street provides access to Forest Hill Avenue to the north. Forest Hill Avenue traverses northwest/ southeast throughout southern Richmond, and provides access to U.S. Route 60 to the east which provides access into Downtown Richmond to the northeast. Forest Hill Avenue also provides access to State Route 76 to the west. State Route 76 traverses southwest/northeast, and becomes Interstate 64 and Interstate 95 to the north. Interstate 64 traverses east/west and provides access to Charlottesville 72.9 miles to the west and Norfolk 99.0 miles to the east. Interstate 95 traverses north/south throughout the eastern United States and provides access to Washington, DC 110.0 miles to the north. Overall, traffic in the Subject’s immediate area is considered light, and access is considered good.

Layout and Curb Appeal:

Based on our review of the site plans provided by the developer, the Subject will have a functional layout and good curb appeal.

Drainage:

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

Soil and Subsoil Conditions:

Novogradac did not perform any soil and subsoil tests upon inspection of the site, as this is beyond the scope of work. We have not been provided with a soil and subsoil report. We are

not experts in this field and assume the soil is adequate for development.

Detrimental Influences:

No potential detrimental influences were identified.

Flood Plain:

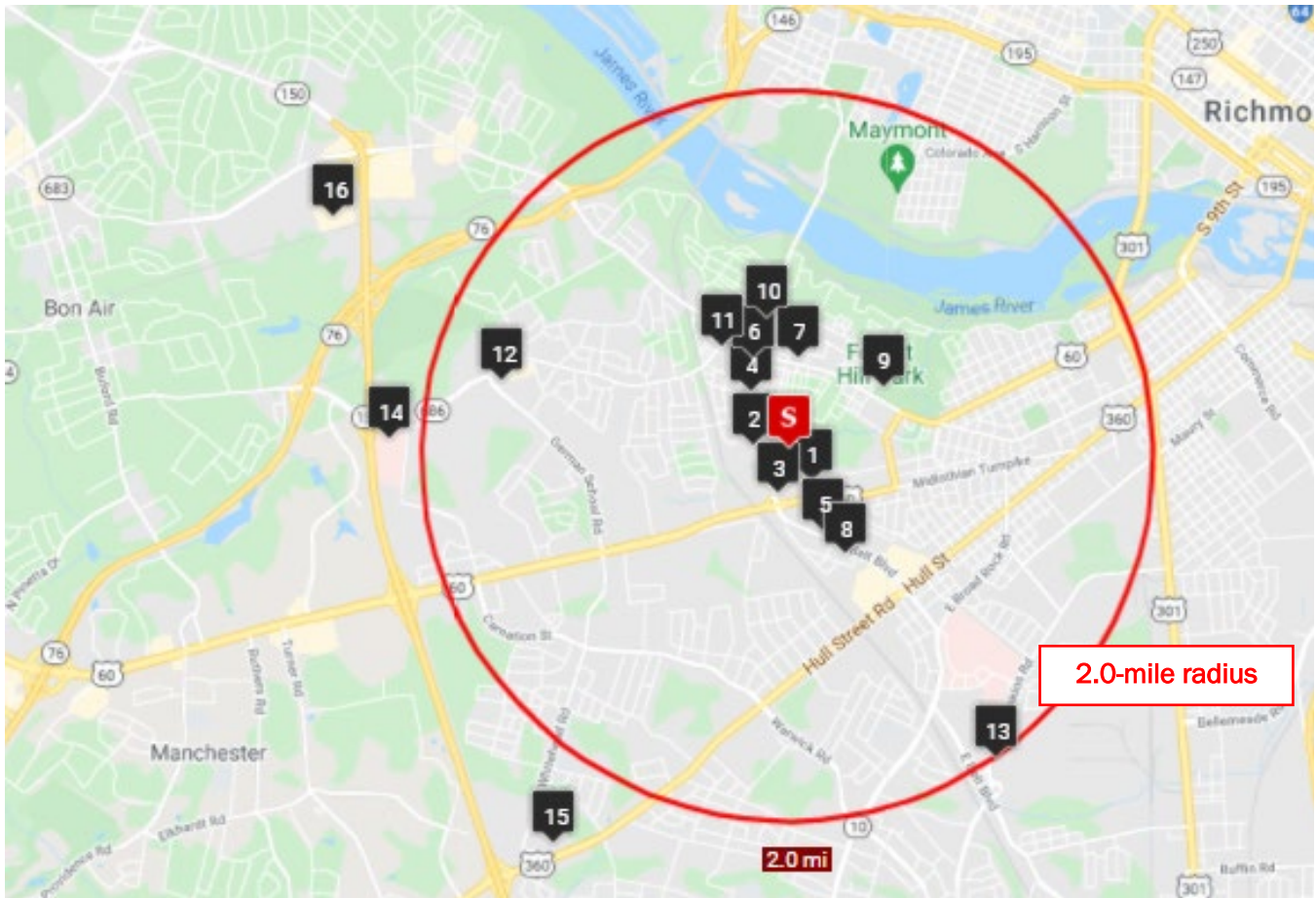
According to Flood Insights and Flood Insurance Rate Map Community Panel Number 5101290038D, dated April 2009, the northern portion of the Subject site is adjacent to Zone AE, which is defined as a Special Flood Hazard Area. However, the central portion of the Subject site, where the Subject's proposed improvements will be located, is located in Zone X, which is defined as a Non-Special Flood Hazard Area of low to moderate flood hazard. Further analysis is beyond the scope of this report.



Source: FEMA Flood Map Service Center

Locational Amenities:

The following table and map illustrate the Subject's proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.



Source: Google Earth, February 2023

LOCATIONAL AMENITIES

#	Service or Amenity	Distance Subject
1	George Wythe High School	0.2 miles
2	Westover Hills Boulevard + Brentwood South Apts Bus Stop	0.2 miles
3	bp Gas Station	0.3 miles
4	Family Dollar	0.5 miles
5	Richmond Police Department Second Precinct	0.5 miles
6	Walgreens Pharmacy	0.5 miles
7	Richmond Fire Station 20	0.5 miles
8	BB&T Bank	0.6 miles
9	Forest Hill Park	0.6 miles
10	Westover Hills Branch - Richmond Public Library	0.6 miles
11	Westover Hills Elementary School	0.7 miles
12	Food Lion	1.6 miles
13	United States Postal Service	2.1 miles
14	Chippenham Hospital	2.2 miles
15	River City Middle School	2.6 miles
16	Walmart Supercenter	2.9 miles

Public Transportation:

The GRTC Transit System provides public transportation for the greater Richmond, VA area. The nearest bus stops are located within 0.1 miles of the Subject site on Westover Hills Boulevard. The GRTC Transit System runs Sunday through Saturday. Typical fares are \$1.50 for one-way local routes.

Crime Statistics:

The following table show crime statistics from 2022 for the PMA.

2022 CRIME INDICES

	PMA	Richmond, VA Metropolitan Statistical Area
Total Crime*	181	104
Personal Crime*	219	102
Murder	563	197
Rape	145	88
Robbery	271	124
Assault	195	90
Property Crime*	176	104
Burglary	164	91
Larceny	180	110
Motor Vehicle Theft	172	86

Source: Esri Demographics 2022, Novogradac, February 2023

*Unweighted aggregations

The table above illustrates the crime risk as an index where 100 represents the national average. Indices above 100 are above the national average, and indices below 100 are below the national average. Total, personal, and property crime indices in the PMA are above that of the MSA and the nation. The Subject will offer a courtesy patrol. The Subject will offer more security features than the majority of the comparables. We believe that the Subject’s security features will be competitive and market oriented.

Conclusion:

The Subject’s neighborhood appears to be a good location for a multifamily development. The majority of the local amenities are located within approximately 2.9 miles of the Subject. The Subject is located in a mixed-use neighborhood with multifamily housing, commercial and retail uses, and single-family homes. The Subject is a compatible use within the existing neighborhood.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



View of Subject site facing north



View of Subject site facing northeast



View of Subject site facing east



View of Subject site facing east



View of Subject site facing west



View of Subject site facing west



View south along Westover Hills Boulevard



View north along Westover Hills Boulevard



404 Rivertowne Apartment Homes (comparable) south of Subject



Ashton Square (comparable) west of Subject



The Park at Forest Hill (comparable) east of Subject



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

E. MARKET AREA DEFINITION

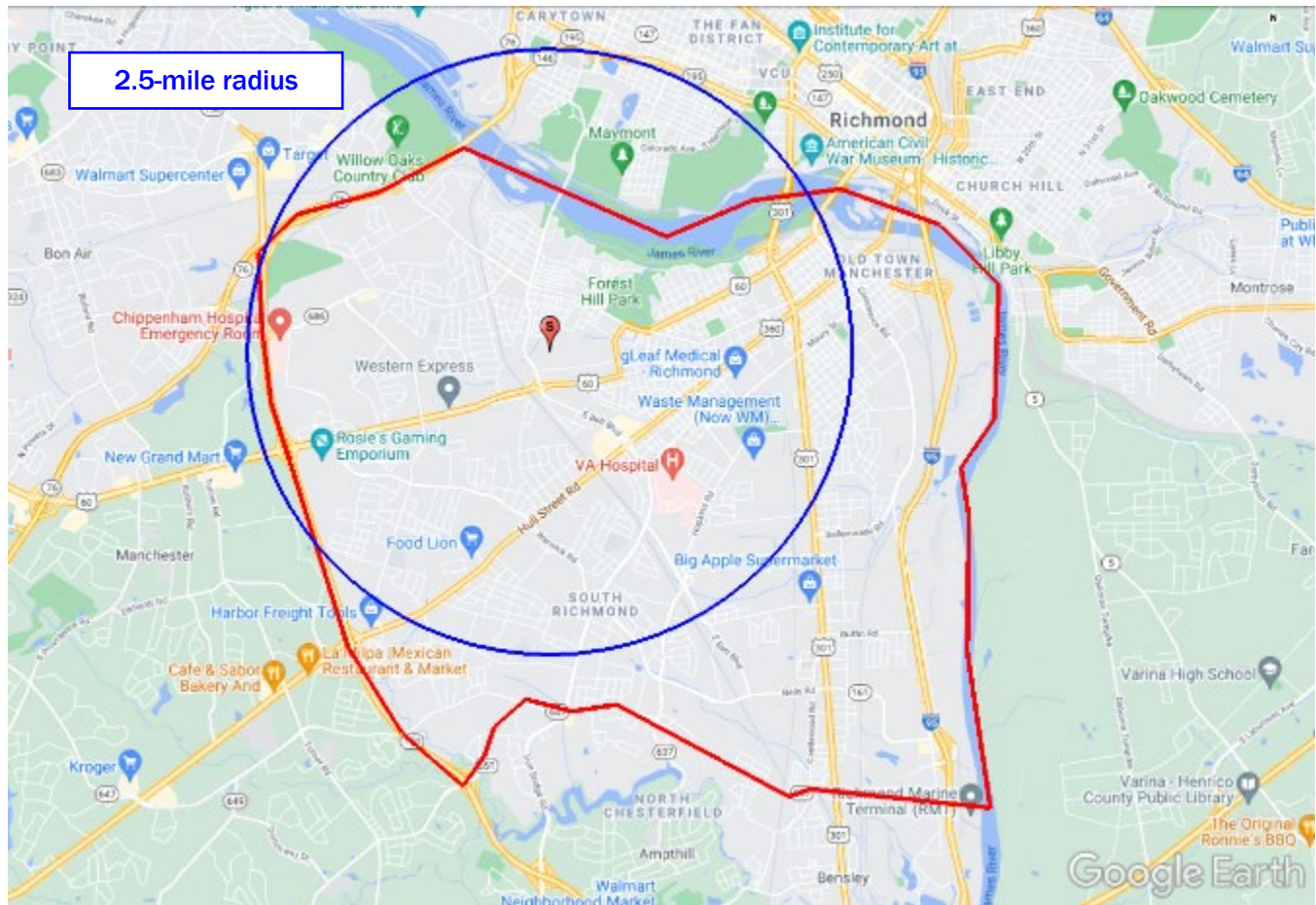
MARKET AREA

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

We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as South Richmond. The PMA boundaries are: State Route 76 and the James River to the north; the James River the east; State Route 647 and Belmont Road to the south; and State Route 150 to the west. The PMA encompasses 21.1 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent.

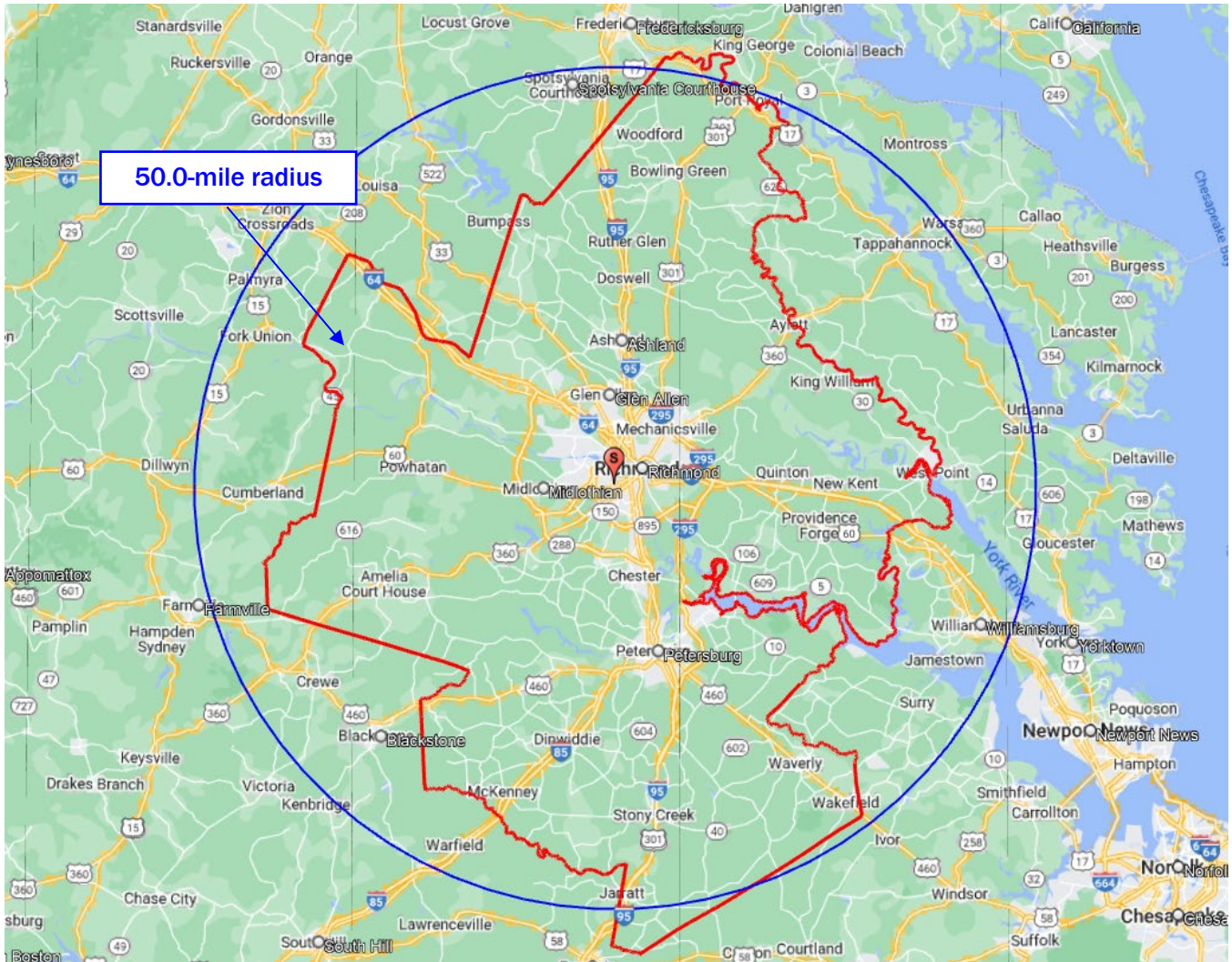
The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA), which includes the cities of Richmond, Petersburg, Hopewell, and Colonial Heights, as well as the counties of Amelia, Caroline, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King William, New Kent, Powhatan, Prince George, and Sussex.

Primary Market Area Map



Source: Google Earth, February 2023

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, February 2023

F. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The Richmond area has a diverse economy that has employment concentrated in the healthcare/social assistance, retail trade, and construction sectors.

Employment by Industry

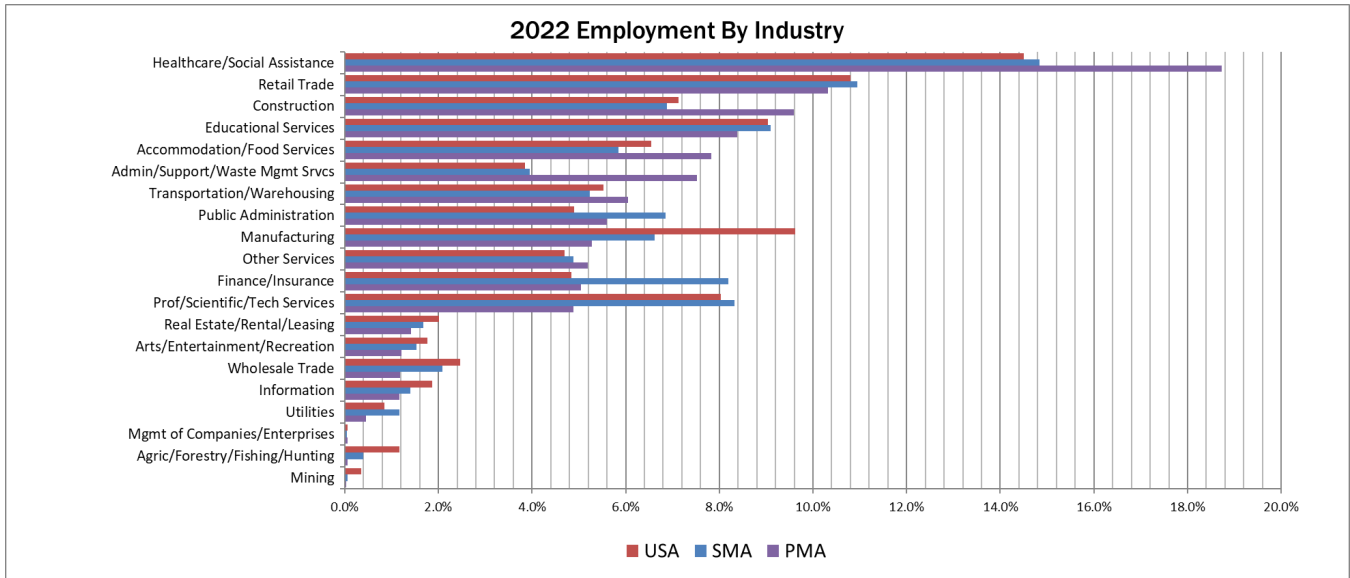
The following chart illustrates employment by industry as of 2022.

2022 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	6,734	18.7%	23,506,187	14.5%
Retail Trade	3,713	10.3%	17,507,949	10.8%
Construction	3,451	9.6%	11,547,924	7.1%
Educational Services	3,012	8.4%	14,659,582	9.0%
Accommodation/Food Services	2,814	7.8%	10,606,051	6.5%
Admin/Support/Waste Mgmt Svcs	2,705	7.5%	6,232,373	3.8%
Transportation/Warehousing	2,178	6.1%	8,951,774	5.5%
Public Administration	2,015	5.6%	7,945,669	4.9%
Manufacturing	1,896	5.3%	15,599,642	9.6%
Other Services	1,869	5.2%	7,599,442	4.7%
Finance/Insurance	1,812	5.0%	7,841,074	4.8%
Prof/Scientific/Tech Services	1,759	4.9%	13,016,941	8.0%
Real Estate/Rental/Leasing	510	1.4%	3,251,994	2.0%
Arts/Entertainment/Recreation	435	1.2%	2,872,222	1.8%
Wholesale Trade	425	1.2%	4,005,422	2.5%
Information	418	1.2%	3,018,466	1.9%
Utilities	163	0.5%	1,362,753	0.8%
Mgmt of Companies/Enterprises	22	0.1%	97,694	0.1%
Agric/Forestry/Fishing/Hunting	20	0.1%	1,885,413	1.2%
Mining	11	0.0%	581,692	0.4%
Total Employment	35,962	100.0%	162,090,264	100.0%

Source: Esri Demographics 2022, Novogradac, February 2023

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and construction industries, which collectively comprise 38.6 percent of local employment. The large share of PMA employment in the retail trade and construction is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which historically exhibits greater stability during economic downturns. Relative to the overall nation, the PMA features comparatively greater employment in the healthcare/social assistance, construction, accommodation/food services, and administrative/support/waste management services industries. Conversely, the PMA is underrepresented in the retail trade, educational services, manufacturing, and professional/scientific/technology services industries.



Growth by Industry

The following table illustrates the change in total employment by sector from 2010 to 2022 in the PMA.

2010-2022 CHANGE IN EMPLOYMENT - PMA

Industry	2010		2022		2010-2022	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	5,121	17.1%	6,734	18.7%	1,613	2.6%
Retail Trade	3,770	12.6%	3,713	10.3%	-57	-0.1%
Construction	1,760	5.9%	3,451	9.6%	1,691	8.0%
Educational Services	2,282	7.6%	3,012	8.4%	730	2.7%
Accommodation/Food Services	2,110	7.1%	2,814	7.8%	704	2.8%
Admin/Support/Waste Mgmt Svcs	1,664	5.6%	2,705	7.5%	1,041	5.2%
Transportation/Warehousing	1,329	4.5%	2,178	6.1%	849	5.3%
Public Administration	2,178	7.3%	2,015	5.6%	-163	-0.6%
Manufacturing	2,161	7.2%	1,896	5.3%	-265	-1.0%
Other Services	1,632	5.5%	1,869	5.2%	237	1.2%
Finance/Insurance	2,003	6.7%	1,812	5.0%	-191	-0.8%
Prof/Scientific/Tech Services	1,462	4.9%	1,759	4.9%	297	1.7%
Real Estate/Rental/Leasing	476	1.6%	510	1.4%	34	0.6%
Arts/Entertainment/Recreation	383	1.3%	435	1.2%	52	1.1%
Wholesale Trade	803	2.7%	425	1.2%	-378	-3.9%
Information	537	1.8%	418	1.2%	-119	-1.8%
Utilities	111	0.4%	163	0.5%	52	3.9%
Mgmt of Companies/Enterprises	16	0.1%	22	0.1%	6	3.1%
Agric/Forestry/Fishing/Hunting	53	0.2%	20	0.1%	-33	-5.2%
Mining	13	0.0%	11	0.0%	-2	-1.3%
Total Employment	29,864	100.0%	35,962	100.0%	6,098	1.7%

Source: Esri Demographics 2022, Novogradac, February 2023

Total employment in the PMA increased at an annualized rate of 1.7 percent between 2010 and 2022. The industries which expanded most substantially during this period include construction,

transportation/warehousing, and administrative/support/waste management services. Conversely, the wholesale trade, information and manufacturing sectors experienced the least growth. Overall, we view the lessening reliance on the volatile manufacturing and retail trade sectors, and concurrent rise in healthcare-related employment as a positive aspect of the local economy.

Major Employers

The following table details the major private employers within the Richmond area. It is the most recent data available from the Greater Richmond Partnership.

**MAJOR EMPLOYERS
RICHMOND CITY**

Employer Name	Industry	# Of Employees
Virginia Commonwealth University Health Systems	Healthcare	13,500
Capital One Financial Corp.	Financial Services	13,000
HCA Virginia Health System	Healthcare	11,000
Bon Secours Richmond	Healthcare	8,416
Dominion Energy	Energy	5,433
Truist Bank	Financial Services	4,549
Amazon.com	Retail	4,100
Altria Group Inc.	Tobacco	3,850
Federal Reserve Bank Richmond	Financial Services	2,700
Anthem Blue Cross Blue Shield	Insurance	2,655
Wells Fargo	Financial Services	2,582
United Parcel Service	Distribution/Delivery	2,490
DuPont	Chemicals	2,436
Bank of America	Financial Services	1,921
Markel Corporation	Insurance	1,886
Verizon Communications	Telecommunications	1,700
University of Richmond	Education	1,578
General Dynamics Corp.	Defense	1,450
Estes Express Line	Logistics	1,345
T-Mobile USA Inc.	Telecommunications	1,316
Totals		87,907

Source: Greater Richmond Partnership, Retrieved February 2023

As seen in the previous table, the largest employers within Richmond are concentrated in the financial services, healthcare, insurance, and telecommunications sectors. Additional employers in the region include a mix of retail trade, energy, distribution/delivery, chemicals and fibers, education, and defense companies.

Employment Expansion/Contractions

The following table illustrates layoffs and closures in Richmond from March 2020 through year-to-date 2023. These are provided from the Worker Adjustment and Retraining Notification (WARN) filings, according to the Virginia Employment Commission.

WARN LISTINGS			
RICHMOND CITY			
Company	Industry	Employees Affected	Layoff Date
Specialized Bicycle Components, Inc	Retail	1	1/13/2023
First Transit	Transportation	95	12/1/2022
Genworth	Financial Services	95	3/27/2021
TitleMax of Virginia, Inc. and TMX Finance of Virginia, Inc.	Title Lending	38	1/16/2021
VCU Health System	Healthcare/Social Assistance	635	12/19/2020
ExpressJet Airlines LLC	Airline Travel	36	10/1/2020
Avis Budget Car Rental	Transportation	4	9/4/2020
Sur La Table	Retail	29	9/1/2020
Marriott - Richmond	Hospitality	50	8/31/2020
PostalMile, Inc.	Delivery	31	8/28/2020
The Salvation Army	Charitable Organization	38	5/30/2020
Nordstrom	Retail	189	5/14/2020
Cenveo Corporation	Manufacturing	184	5/4/2020
Eastern Specialty Finance, Inc.	Financial Services	4	5/1/2020
Enterprise Holdings	Car Rental	78	4/24/2020
First Home Care Mental Health Services	Healthcare/Social Assistance	18	4/11/2020
Bear Down Logistics	Delivery	75	4/8/2020
Asbury Automotive Group-Crown MINI	Car Dealer	6	4/6/2020
Asbury Automotive Group-Richmond BMW	Car Dealer	11	4/3/2020
Asbury Automotive Group-Crown Acura	Car Dealer	8	4/3/2020
Kaiser Aluminum	Aluminum Production	78	4/3/2020
SMI Hotel Group	Hospitality	77	4/1/2020
Delaware North Companies, Inc.	Food Services/Hospitality	80	3/30/2020
Paper Source	Retail	11	3/29/2020
Hilton Richmond Downtown	Hospitality	109	3/23/2020
Take 5 Oil Change-Driven Brands Shared Services, LLC	Automotive Services	5	3/22/2020
Bloomin's Brands (Outback Steakhouse)	Restaurant	326	3/21/2020
Bloomin' Brands (Carrabba's Italian Grill)	Restaurant	115	3/21/2020
Bloomin' Brands (Fleming's)	Retail	40	3/21/2020
Jim's Formal Wear	Hospitality	44	3/20/2020
Omni Richmond Hotel	Restaurant	103	3/19/2020
Three Notch'd Brewing Company	Brewing/Distribution	9	3/17/2020
P.F. Chang's China Bistro	Hospitality	75	3/17/2020
Hooters of America, LLC	Restaurant	56	3/16/2020
Collegiate Hotel Group	Food Services	66	3/16/2020
Aramark (at VCU Health Systems)	Healthcare/Social Assistance	572	3/13/2020
Total		3,391	

Source: Virginia Employment Commission, Retrieved February 2023

According to the Virginia Employment Commission, there have been 3,391 job losses in the City of Richmond since March 2020. This represents less than one percent of the workforce in the MSA. Further, note that the majority of WARN notices are a result of the COVID-19 pandemic.

We attempted to contact the Richmond Economic Development Authority (EDA) for recent business expansion information. However, despite numerous messages our calls have not been returned. We conducted internet research regarding recent business expansions and contractions in the area and identified the following expansion announcements.

- In November 2022, CoStar, a real estate information and analytics company, broke ground on the company's new \$460 million, 26-story, 750,000 square foot office and retail space. The expansion is expected to create 2,000 new jobs.
- In November 2022, Super Radiator Coils completed a 56,000 square foot expansion of their existing manufacturing facility in northern Chesterfield County. The expansion marks the third expansion of the specialty coil manufacturer and will add up to 50 additional jobs.
- In August 2022, the LEGO group, a toys producer, announced that it will invest over \$1 billion to establish a new manufacturing plant in Chesterfield. The firm will be expanding into 1.7 million square foot facility, creating over 1,760 jobs for the Greater Richmond area.
- In July 2022, EAB, a marketing and recruitment firm, expects to add at least 200 jobs with a \$6 million expansion in the Henrico County area. The firm will be expanding into a new 70,000 square foot space.
- In July 2022, Mondelez International Inc., a snack food company, opened a 68,000 square foot expansion of its Richmond location and completed the construction of a new sales fulfillment center which is expected to create 80 new jobs. Over the next three years, the estimated investment of \$122.5 million will support the companies supply chain operations in the area.
- In March 2022, Walgreens announced it will invest \$34.2 million to establish a new micro-fulfillment center in Hanover County. The new expansion is expected to create 250 new jobs.
- In March 2022, Thermo Fisher Scientific, a supplier of scientific instrumentation, announced it will add 500 people to its workforce in and around Richmond, VA, through a \$97 million expansion of clinical research operations. The company said it plans to open three new bioanalytical labs totaling nearly 150,000 square feet of space over the next three years.
- In November 2021, Carvana, an automated car dealership opened its new location in Richmond. The launch of Richmond marks Carvana's fourteenth market and the company's first location in Virginia. The \$25 million warehouse will bring 400 new jobs to the area.

Employment and Unemployment Trends

The table below illustrates the total workforce, total employed, and unemployment rate for the Richmond, VA MSA from 2006 to 2022 (year to date) with comparisons between December 2021 to December 2022.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

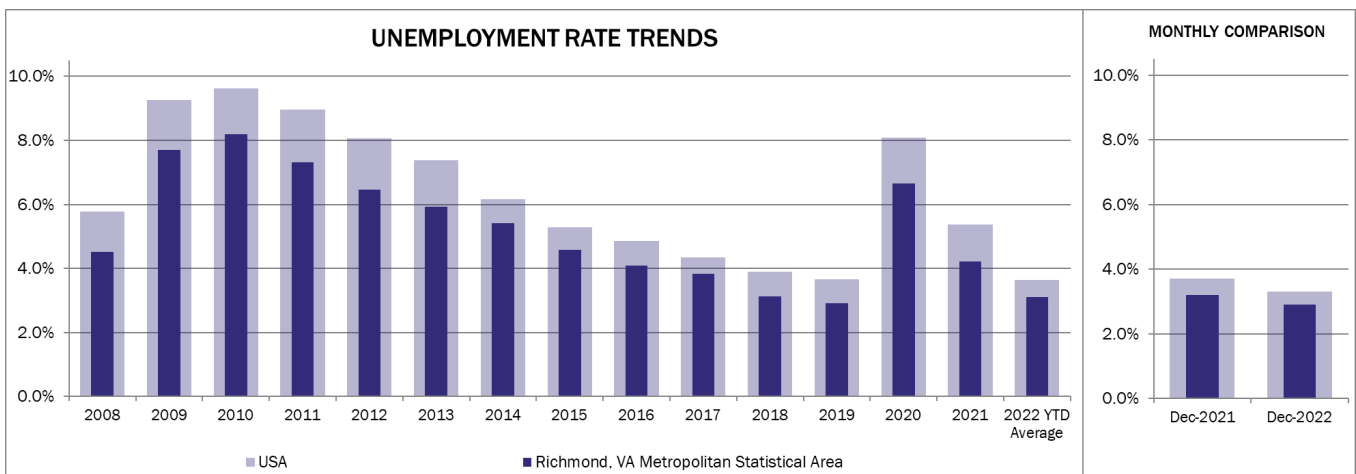
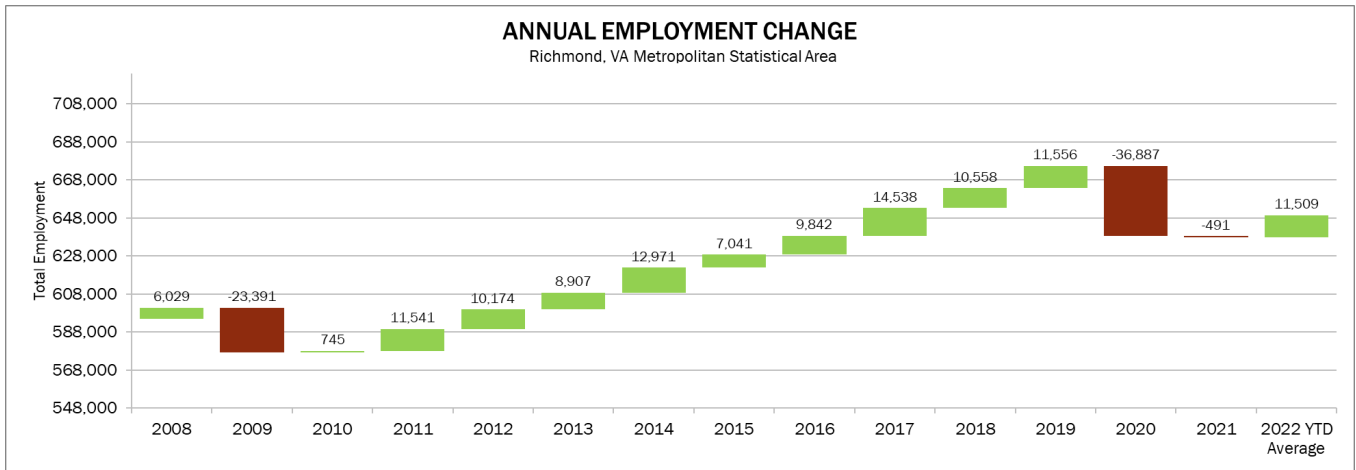
Year	Richmond, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2006	584,358	-	3.5%	-	144,427,000	-	4.6%	-
2007	594,827	1.8%	3.4%	-0.1%	146,047,000	1.1%	4.6%	0.0%
2008	600,856	1.0%	4.5%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	577,465	-3.9%	7.7%	3.2%	139,878,000	-3.8%	9.3%	3.5%
2010	578,211	0.1%	8.2%	0.5%	139,064,000	-0.6%	9.6%	0.3%
2011	589,751	2.0%	7.3%	-0.9%	139,869,000	0.6%	9.0%	-0.7%
2012	599,925	1.7%	6.5%	-0.9%	142,469,000	1.9%	8.1%	-0.9%
2013	608,832	1.5%	5.9%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	621,804	2.1%	5.4%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	628,844	1.1%	4.6%	-0.8%	148,833,000	1.7%	5.3%	-0.9%
2016	638,687	1.6%	4.1%	-0.5%	151,436,000	1.7%	4.9%	-0.4%
2017	653,224	2.3%	3.8%	-0.2%	153,337,000	1.3%	4.4%	-0.5%
2018	663,782	1.6%	3.1%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	675,339	1.7%	2.9%	-0.2%	157,538,000	1.1%	3.7%	-0.2%
2020	638,452	-5.5%	6.7%	3.7%	147,795,000	-6.2%	8.1%	4.4%
2021	637,961	-0.1%	4.2%	-2.4%	152,581,000	3.2%	5.4%	-2.7%
2022 YTD Average*	649,470	1.8%	3.1%	-1.1%	158,291,083	3.7%	3.7%	-1.7%
Dec-2021	643,038	-	3.2%	-	155,732,000	-	3.7%	-
Dec-2022	650,950	1.2%	2.9%	-0.3%	158,872,000	2.0%	3.3%	-0.4%

Source: U.S. Bureau of Labor Statistics, February 2023

*2022 data is through October

Employment in the MSA recovered and surpassed pre-Great Recession levels in 2013, a year earlier than the nation. During the period preceding the onset of COVID-19 (2012 - 2019), job growth in the MSA was generally similar to the nation. Employment in the MSA declined sharply by 5.5 percent in 2020 amid the pandemic, less than the overall nation. From December 2021 to December 2022, employment in the MSA increased at an annualized rate of 1.2 percent, compared 2.0 percent growth across the nation.

During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a lower unemployment rate relative to the nation. The MSA unemployment rate increased modestly by 3.7 percentage points in 2020 amid the pandemic, compared to a 4.4 percentage point increase for the overall nation. According to the latest labor statistics, the current MSA unemployment rate is 2.9 percent, slightly lower than the current national unemployment rate of 3.3 percent. Overall, the local economy appears to be in the process of recovering from the pandemic.



Wages by Occupation

The following table illustrates the wages by occupation for the Richmond, VA MSA.

RICHMOND, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2021 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	617,020	\$27.10	\$56,370
Management Occupations	31,310	\$59.71	\$124,210
Legal Occupations	5,800	\$50.08	\$104,170
Computer and Mathematical Occupations	24,660	\$46.66	\$97,050
Healthcare Practitioners and Technical Occupations	40,110	\$42.98	\$89,410
Architecture and Engineering Occupations	8,330	\$41.20	\$85,690
Business and Financial Operations Occupations	55,960	\$38.34	\$79,750
Life, Physical, and Social Science Occupations	5,450	\$34.82	\$72,420
Educational Instruction and Library Occupations	35,260	\$28.45	\$59,180
Arts, Design, Entertainment, Sports, and Media Occupations	7,810	\$28.40	\$59,070
Installation, Maintenance, and Repair Occupations	25,820	\$25.11	\$52,230
Community and Social Service Occupations	12,720	\$24.21	\$50,350
Protective Service Occupations	16,170	\$23.52	\$48,910
Construction and Extraction Occupations	28,530	\$23.18	\$48,210
Sales and Related Occupations	61,600	\$21.24	\$44,180
Production Occupations	23,040	\$20.79	\$43,240
Office and Administrative Support Occupations	81,870	\$19.97	\$41,540
Transportation and Material Moving Occupations	53,200	\$18.33	\$38,120
Farming, Fishing, and Forestry Occupations	750	\$17.56	\$36,530
Personal Care and Service Occupations	11,960	\$15.12	\$31,450
Healthcare Support Occupations	23,380	\$14.66	\$30,480
Building and Grounds Cleaning and Maintenance Occupations	18,060	\$14.46	\$30,070
Food Preparation and Serving Related Occupations	45,210	\$13.04	\$27,120

Source: Department Of Labor, Occupational Employment Statistics, 5/2021, retrieved 2/2023

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$13.04 per hour. The highest average hourly wage, of \$59.71, is for those in management occupations. Qualifying income for the Subject's affordable units will range between zero and \$65,280 as proposed and between \$19,406 and \$65,280 absent subsidy. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

The chart below shows the travel time to work for commuters in the PMA according to ESRI data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	401	1.1%
Travel Time 5-9 min	2,446	6.7%
Travel Time 10-14 min	4,788	13.1%
Travel Time 15-19 min	6,559	18.0%
Travel Time 20-24 min	7,972	21.8%
Travel Time 25-29 min	3,223	8.8%
Travel Time 30-34 min	6,345	17.4%
Travel Time 35-39 min	884	2.4%
Travel Time 40-44 min	791	2.2%
Travel Time 45-59 min	1,452	4.0%
Travel Time 60-89 min	1,033	2.8%
Travel Time 90+ min	601	1.6%
Weighted Average	26 minutes	

Source: US Census 2022, Novogradac, February 2023

As shown in the preceding table, the weighted average commute time in the PMA is approximately 26 minutes. Approximately 60.7 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 26 minutes.

Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and construction industries, which collectively comprise 38.6 percent of local employment. The large share of PMA employment in the retail trade and construction is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which historically exhibits greater stability during economic downturns. Employment in the MSA declined sharply by 5.5 percent in 2020 amid the pandemic, slightly less than the overall nation. From December 2021 to December 2022, employment in the MSA increased at an annualized rate of 1.2 percent, compared 2.0 percent growth across the nation. The MSA unemployment rate increased modestly by 3.7 percentage points in 2020 amid the pandemic, compared to a 4.4 percentage point increase for the overall nation. According to the latest labor statistics, the current MSA unemployment rate is 2.9 percent, slightly lower than the current national unemployment rate of 3.3 percent. Overall, the local economy appears to be in the process of recovering from the pandemic.

G. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

The following tables illustrate general population and households in the PMA, the MSA and the nation from 2000 through 2027.

POPULATION

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	65,581	-	1,047,349	-	281,250,431	-
2010	69,567	0.6%	1,186,663	1.3%	308,738,557	1.0%
2022	79,059	1.1%	1,339,185	1.0%	335,707,629	0.7%
2027	80,299	0.3%	1,370,508	0.5%	339,902,535	0.2%

Source: Esri Demographics 2022, Novogradac, February 2023

HOUSEHOLDS

Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual
2000	28,958	-	412,499	-	105,409,443	-
2010	28,616	-0.1%	461,011	1.2%	116,713,945	1.1%
2022	33,730	1.5%	529,722	1.2%	128,657,502	0.8%
2027	34,620	0.5%	543,941	0.5%	130,651,704	0.3%

Source: Esri Demographics 2022, Novogradac, February 2023

Historical population growth in the PMA trailed the MSA and the nation between 2000 and 2010. Growth in the PMA accelerated between 2010 and 2022, and outpaced growth in the MSA and the nation. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.3 percent through 2027, which is slightly below growth expectations for the MSA and slightly above growth expectation for the nation.

Historical household growth in the PMA trailed the MSA and the nation between 2000 and 2010. Growth in the PMA accelerated between 2010 and 2022, outpacing growth in the nation though remaining slightly below growth in the MSA. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.5 percent through 2027, which is similar to the MSA and slightly above the nation.

Population by Age

POPULATION BY AGE IN 2022

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	5,721	7.2%	72,020	5.4%	19,580,019	5.8%
5-9	5,469	6.9%	78,018	5.8%	20,411,473	6.1%
10-14	5,112	6.5%	82,740	6.2%	20,839,679	6.2%
15-19	4,371	5.5%	85,697	6.4%	21,055,883	6.3%
20-24	5,536	7.0%	90,422	6.8%	21,848,030	6.5%
25-29	6,445	8.2%	93,111	7.0%	23,551,216	7.0%
30-34	6,491	8.2%	89,942	6.7%	23,308,636	6.9%
35-39	5,811	7.4%	88,011	6.6%	22,314,935	6.6%
40-44	5,253	6.6%	83,858	6.3%	20,743,218	6.2%
45-49	4,372	5.5%	81,983	6.1%	19,926,312	5.9%
50-54	4,437	5.6%	85,579	6.4%	20,454,889	6.1%
55-59	4,516	5.7%	91,078	6.8%	21,675,159	6.5%
60-64	4,618	5.8%	88,435	6.6%	21,428,828	6.4%
65-69	3,847	4.9%	76,515	5.7%	18,869,628	5.6%
70-74	2,884	3.6%	60,901	4.5%	15,359,741	4.6%
75-79	1,828	2.3%	40,825	3.0%	10,716,234	3.2%
80-84	1,110	1.4%	24,483	1.8%	6,733,098	2.0%
85+	1,238	1.6%	25,567	1.9%	6,890,651	2.1%
Total	79,059	100.0%	1,339,185	100.0%	335,707,629	100.0%

Source: Esri Demographics 2022, Novogradac, February 2023

POPULATION BY AGE IN 2027 ESTIMATE

Age Cohort	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	5,849	7.3%	73,951	5.4%	19,898,859	5.9%
5-9	5,373	6.7%	77,189	5.6%	20,152,006	5.9%
10-14	5,181	6.5%	81,733	6.0%	20,825,860	6.1%
15-19	4,914	6.1%	86,124	6.3%	20,919,994	6.2%
20-24	5,655	7.0%	89,634	6.5%	21,116,935	6.2%
25-29	6,196	7.7%	85,606	6.2%	21,677,245	6.4%
30-34	5,814	7.2%	93,167	6.8%	23,548,334	6.9%
35-39	5,879	7.3%	94,841	6.9%	23,760,715	7.0%
40-44	5,503	6.9%	89,612	6.5%	22,084,286	6.5%
45-49	5,057	6.3%	84,741	6.2%	20,517,210	6.0%
50-54	4,251	5.3%	80,568	5.9%	19,213,830	5.7%
55-59	4,228	5.3%	83,862	6.1%	19,822,473	5.8%
60-64	4,181	5.2%	85,822	6.3%	20,318,653	6.0%
65-69	3,976	5.0%	81,580	6.0%	19,946,030	5.9%
70-74	3,234	4.0%	68,597	5.0%	16,964,854	5.0%
75-79	2,348	2.9%	52,580	3.8%	13,118,889	3.9%
80-84	1,389	1.7%	32,802	2.4%	8,541,709	2.5%
85+	1,271	1.6%	28,099	2.1%	7,474,653	2.2%
Total	80,299	100.0%	1,370,508	100.0%	339,902,535	100.0%

Source: Esri Demographics 2022, Novogradac, February 2023

General Household Income Distribution

The following tables illustrate the household income distribution for the PMA and MSA for 2022 and 2027.

HOUSEHOLD INCOME PMA

Income Cohort	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,574	10.6%	3,257	9.4%	-63	-1.8%
\$10,000-19,999	4,690	13.9%	4,202	12.1%	-98	-2.1%
\$20,000-29,999	4,264	12.6%	4,008	11.6%	-51	-1.2%
\$30,000-39,999	4,195	12.4%	3,943	11.4%	-50	-1.2%
\$40,000-49,999	3,527	10.5%	3,630	10.5%	21	0.6%
\$50,000-59,999	2,461	7.3%	2,673	7.7%	42	1.7%
\$60,000-74,999	3,038	9.0%	3,082	8.9%	9	0.3%
\$75,000-99,999	3,531	10.5%	3,754	10.8%	45	1.3%
\$100,000-	2,083	6.2%	2,540	7.3%	91	4.4%
\$125,000-	984	2.9%	1,495	4.3%	102	10.4%
\$150,000-	648	1.9%	1,010	2.9%	72	11.2%
\$200,000+	735	2.2%	1,026	3.0%	58	7.9%
Total	33,730	100.0%	34,620	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

HOUSEHOLD INCOME SMA

Income Cohort	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	27,234	5.1%	25,090	4.6%	-429	-1.6%
\$10,000-19,999	37,278	7.0%	33,183	6.1%	-819	-2.2%
\$20,000-29,999	38,954	7.4%	36,066	6.6%	-578	-1.5%
\$30,000-39,999	41,909	7.9%	37,416	6.9%	-899	-2.1%
\$40,000-49,999	42,358	8.0%	40,195	7.4%	-433	-1.0%
\$50,000-59,999	36,155	6.8%	35,957	6.6%	-40	-0.1%
\$60,000-74,999	51,005	9.6%	48,740	9.0%	-453	-0.9%
\$75,000-99,999	70,713	13.3%	70,023	12.9%	-138	-0.2%
\$100,000-	55,335	10.4%	57,570	10.6%	447	0.8%
\$125,000-	39,245	7.4%	44,480	8.2%	1,047	2.7%
\$150,000-	40,748	7.7%	49,071	9.0%	1,665	4.1%
\$200,000+	48,788	9.2%	66,150	12.2%	3,472	7.1%
Total	529,722	100.0%	543,941	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

As of 2022, approximately 60.0 percent of households within the PMA have annual incomes below \$50,000, compared to 35.4 percent for the MSA.

General Household Size Distribution

The following table is a summary of the average household size in the PMA, the MSA and the nation from 2000 through 2027.

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual Change
2000	2.24	-	2.46	-	2.59	-
2010	2.40	0.7%	2.50	0.2%	2.57	-0.1%
2022	2.31	-0.3%	2.45	-0.1%	2.55	-0.1%
2027	2.29	-0.2%	2.45	-0.1%	2.54	-0.1%

Source: Esri Demographics 2022, Novogradac, February 2023

As shown in the previous table, the average household size in the PMA increased from 2000 to 2022, slightly outpacing growth posted by the MSA and nation. The average household size in the MSA has decreased slightly from 2000 to 2022 and is projected to continue to decrease through 2027. Overall, the average household size in the PMA is below that of the MSA and the nation, a trend that will continue through 2027.

General Household Tenure

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

TENURE PATTERNS PMA				
Year	Owner-Occupied	Percentage		Renter-Occupied Units
		Owner-Occupied	Renter-Occupied	
2000	15,191	52.5%	47.5%	13,767
2010	11,790	41.2%	58.8%	16,826
2022	13,174	39.1%	60.9%	20,556
2027	13,780	39.8%	60.2%	20,840

Source: Esri Demographics 2022, Novogradac, February 2023

As of 2022, approximately 60.9 percent of households in the PMA reside in renter-occupied housing units. Through 2027, the percentage of renter-occupied is expected to decrease slightly, though the number of renter-occupied housing units is projected to increase.

General Renter Household Income Distribution

The following tables illustrate the renter household income distribution for the PMA and MSA for 2020 and 2027.

RENTER HOUSEHOLD INCOME

Income Cohort	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,036	14.8%	2,768	13.3%	-54	-1.8%
\$10,000-19,999	3,586	17.4%	3,164	15.2%	-84	-2.4%
\$20,000-29,999	2,950	14.4%	2,793	13.4%	-31	-1.1%
\$30,000-39,999	2,920	14.2%	2,775	13.3%	-29	-1.0%
\$40,000-49,999	2,053	10.0%	2,124	10.2%	14	0.7%
\$50,000-59,999	1,247	6.1%	1,418	6.8%	34	2.7%
\$60,000-74,999	1,585	7.7%	1,653	7.9%	14	0.9%
\$75,000-99,999	1,480	7.2%	1,583	7.6%	21	1.4%
\$100,000-	785	3.8%	1,017	4.9%	46	5.9%
\$125,000-	468	2.3%	805	3.9%	67	14.4%
\$150,000-	232	1.1%	381	1.8%	30	12.8%
\$200,000+	214	1.0%	359	1.7%	29	13.6%
Total	20,556	100.0%	20,840	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

RENTER HOUSEHOLD INCOME

Richmond, VA Metropolitan Statistical Area

Income Cohort	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	18,291	10.2%	16,905	9.3%	-277	-1.5%
\$10,000-19,999	22,828	12.7%	20,332	11.2%	-499	-2.2%
\$20,000-29,999	20,941	11.6%	19,474	10.7%	-293	-1.4%
\$30,000-39,999	20,494	11.4%	18,514	10.2%	-396	-1.9%
\$40,000-49,999	18,111	10.1%	17,594	9.7%	-103	-0.6%
\$50,000-59,999	13,665	7.6%	13,950	7.7%	57	0.4%
\$60,000-74,999	18,445	10.2%	18,242	10.0%	-41	-0.2%
\$75,000-99,999	18,103	10.1%	19,294	10.6%	238	1.3%
\$100,000-	10,878	6.0%	12,500	6.9%	324	3.0%
\$125,000-	6,450	3.6%	8,288	4.6%	368	5.7%
\$150,000-	6,240	3.5%	8,195	4.5%	391	6.3%
\$200,000+	5,538	3.1%	8,437	4.6%	580	10.5%
Total	179,984	100.0%	181,725	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

As of 2022, approximately 70.8 percent of renter households within the PMA have annual incomes below \$50,000, compared to 55.9 percent of renter households in the MSA.

Household Size Distribution

The table below shows the breakdown of households by number of persons in the household within the Subject’s PMA.

PMA HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2022		2027	
	Total	Percent	Total	Percent	Total	Percent
1 persons	10,183	35.2%	11,523	34.2%	11,768	34.0%
2 persons	9,888	34.1%	9,814	29.1%	10,063	29.1%
3 persons	4,433	15.3%	5,653	16.8%	5,812	16.8%
4 persons	2,601	9.0%	3,482	10.3%	3,586	10.4%
5+ persons	1,853	6.4%	3,258	9.7%	3,391	9.8%
Total	28,958	100.0%	33,730	100.0%	34,620	100.0%

Source: Esri Demographics 2022, Novogradac, February 2023

As of 2022, the majority of households in the PMA consist of one and two persons.

Renter Household Size Distribution

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

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2022		2027	
	Total	Percent	Total	Percent	Total	Percent
1 persons	5,697	41.4%	8,012	39.0%	8,140	39.1%
2 persons	3,829	27.8%	5,292	25.7%	5,337	25.6%
3 persons	2,040	14.8%	3,174	15.4%	3,211	15.4%
4 persons	1,302	9.5%	2,041	9.9%	2,055	9.9%
5+ persons	899	6.5%	2,037	9.9%	2,097	10.1%
Total	13,767	100.0%	20,556	100.0%	20,840	100.0%

Source: Esri Demographics 2022, Novogradac, February 2023

Historically, the majority of renter households in the PMA have consisted of one and two-person households. In 2022, approximately 64.7 percent of renter-households were one or two-persons. The number of three-person and larger renter households has increased since 2000 and is projected to remain stable through 2027.

Median Household Income Levels

The following table illustrates the median household income for all households in the PMA, the MSA, and the nation from 2000 through 2027.

Year	MEDIAN HOUSEHOLD INCOME					
	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Annual	Amount	Annual	Amount	Annual Change
2000	\$33,219	-	\$47,250	-	\$44,290	-
2022	\$46,373	1.8%	\$74,653	2.6%	\$72,414	2.9%
2027	\$53,160	2.9%	\$86,216	3.1%	\$84,445	3.3%

Source: Esri Demographics 2022, Novogradac, February 2023

As of 2022, the median household income of the PMA is below the MSA and the nation. Through 2027, the PMA median household income is projected to increase at a lower rate than the MSA and the nation.

Rent Overburdened Households

The following table illustrates the percentage of households paying greater than 35 percent of their income towards housing in the PMA, the MSA, and the nation.

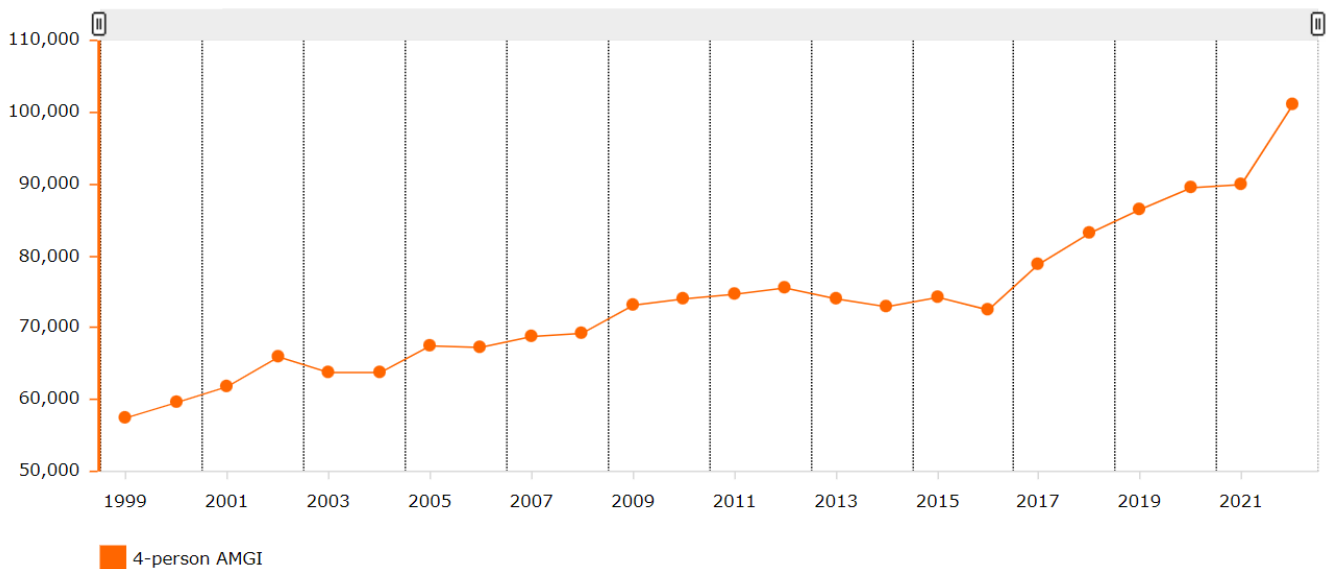
RENT OVERBURDENED						
Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2022	6,843	46.3%	62,021	41.2%	16,657,944	42.7%

Source: Esri Demographics 2022, Novogradac, February 2023

As illustrated, the percentage of rent overburdened households in the PMA is larger than the MSA and the nation.

Area Median Income

The following chart illustrates the area median gross income (AMGI) of a four-person household in the City of Richmond, MSA between 1999 and 2022.



Source: Novogradac, February 2023

The AMI increased at an annual rate of 2.5 percent between 1999 and 2022. Over 84 percent of counties in the nation experienced an increase in AMI in 2017. This was also true in the City of Richmond, which also increased each year through 2022 and is at peak level. Rising AMI levels bode well for future rent growth at affordable developments, such as the proposed Subject. The following table details the change in AMI over the past five years.

RICHMOND CITY AMI GROWTH (2013-2022)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	\$73,900	\$72,900	\$74,200	\$72,400	\$78,700	\$83,200	\$86,400	\$89,400	\$90,000	\$101,000
Percentage	-2.2%	-1.4%	1.8%	-2.4%	8.7%	5.7%	3.8%	3.5%	0.7%	12.2%

The Subject’s proposed LIHTC rents are set at the maximum allowable levels. Thus, the Subject’s rent increases will be directly dependent on future increases in AMI and rent increases in the market.

Conclusion

Since 2000, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2027. As of 2022, approximately 70.8 percent of renter households within the PMA have annual incomes below \$50,000, compared to 35.4 percent of renter households in the MSA. As proposed, the incomes for the Subject will range from zero to \$65,280. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units.

H. COMPETITIVE ENVIRONMENT

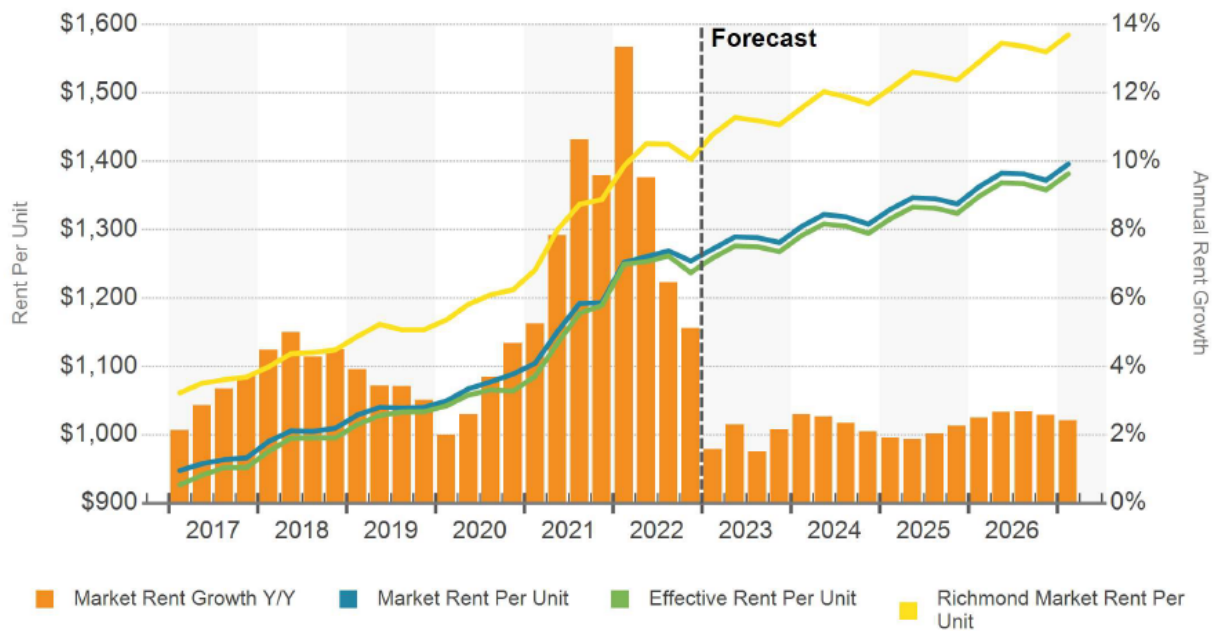
HOUSING SUMMARY

Based on the February 2023 report from CoStar, South Richmond experienced a 3.3 percent increase in vacancy rates over the past year.

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,698	9.6%	\$1,509	\$1,485	12	0	699
3 Star	5,590	8.3%	\$1,295	\$1,288	(4)	0	42
1 & 2 Star	6,161	8.9%	\$1,069	\$1,064	(60)	0	0
Submarket	15,449	8.9%	\$1,258	\$1,248	(52)	0	741

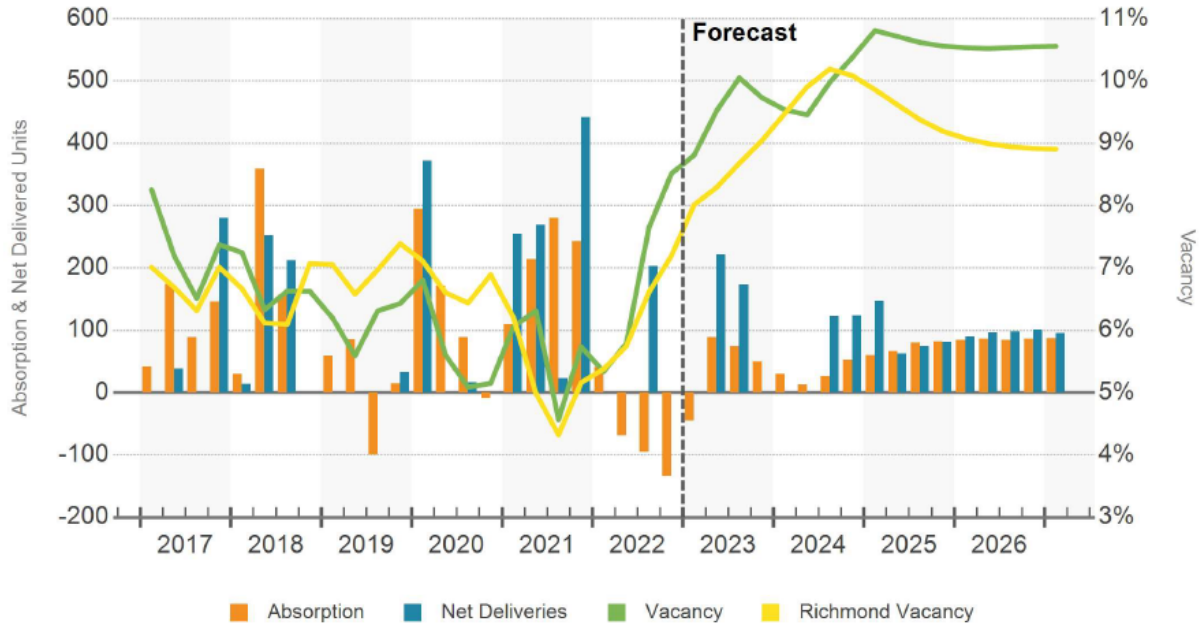
Source: CoStar, February 2023

MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, February 2023

ABSORPTION, NET DELIVERIES & VACANCY



Source: CoStar, February 2023

As illustrated in the tables and charts above, average asking rents increased 3.3 percent over the last year and are expected to increase at a slower pace through 2025. The vacancy rate for the South Richmond submarket is currently 8.9 percent and is projected to increase through 2025 before declining slightly in 2026. Note there were a high number of net deliveries in 2021 and 2022 within Richmond.

Age of Housing Stock

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

	HOUSING STOCK BY YEAR BUILT		Richmond, VA		USA	
	PMA		Metropolitan Statistical			
Built 2010 or later	981	3.1%	16,936	3.4%	3,772,330	2.8%
Built 2000 to 2009	1,905	6.0%	76,762	15.2%	18,872,283	14.1%
Built 1990 to 1999	2,351	7.4%	80,983	16.0%	19,229,676	14.4%
Built 1980 to 1989	3,956	12.5%	83,236	16.5%	18,484,475	13.8%
Built 1970 to 1979	5,053	15.9%	78,380	15.5%	20,811,073	15.6%
Built 1960 to 1969	4,526	14.3%	50,496	10.0%	14,506,264	10.9%
Built 1950 to 1959	5,926	18.7%	48,074	9.5%	14,087,506	10.5%
Built 1940 to 1949	2,675	8.4%	22,358	4.4%	6,658,408	5.0%
Built 1939 or earlier	4,359	13.7%	47,543	9.4%	17,184,482	12.9%
Total Housing Units	31,732	100.0%	504,768	100.0%	133,606,497	100.0%

Source: US Census American Community Estimates, February 2023

Of the housing stock in the PMA, 83.5 percent was constructed prior to 1990. The data does not reflect condition, as many properties can be well-maintained through ongoing maintenance. The field inspection of the area reflects a varied housing stock, generally in average condition.

Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard.

SUBSTANDARD HOUSING			
Year	PMA	Richmond, VA Metropolitan Statistical Area	USA
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
2022	1.20%	2.05%	1.70%

Source: Esri Demographics 2022, Novogradac, February 2023

The percentage of residents living in substandard housing in the PMA is below that of the MSA and the nation.

Building Permits

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

BUILDING PERMITS: RICHMOND CITY COUNTY 2000 - 2022*				
Year	Single-family and Duplex	Three and Four- Family	Five or More Family	Total Units
2000	194	76	0	270
2001	181	3	99	283
2002	169	35	312	516
2003	285	68	142	495
2004	327	0	71	398
2005	525	3	226	754
2006	497	18	214	729
2007	362	0	202	564
2008	257	0	101	358
2009	141	0	220	361
2010	150	0	457	607
2011	98	3	242	343
2012	221	0	619	840
2013	134	4	711	849
2014	220	0	331	551
2015	278	4	241	523
2016	304	10	196	510
2017	328	10	979	1,317
2018	293	0	270	563
2019	353	15	872	1,240
2020	298	0	725	1,023
2021	504	0	563	1,067
2022*	457	0	2,183	2,640
Total	6,576	249	9,976	16,801
Average*	286	11	434	730

*YTD, preliminary

Source: US Census Bureau Building Permits, February 2023

As illustrated in the previous table, since 2000, approximately 39.1 percent of the residential units permitted in the city of Richmond have been single-family and duplex homes, while 59.4 percent of the residential units permitted have been for five or more families.

Rent/Buy Analysis

We performed a rent/buy analysis for three-bedroom units at the Subject. Our inputs assume a three-bedroom home on www.zillow.com in the Subject’s neighborhood with a purchase price of \$285,000 and an interest rate of 6.7 percent with a 10 percent down payment. This was compared to the cost to rent the Subject’s three-bedroom proposed LIHTC units at 60 percent. This analysis indicates that with a monthly differential of \$725, it is more affordable to rent from the Subject than to purchase a three-bedroom home in the Subject’s neighborhood. As illustrated, the “cost of occupancy” category adds \$37,050 for the down payment and closing costs. The cash necessary for homeownership is still a barrier for many families. In general, first-time homebuyers have difficulty saving for a down payment. Furthermore, since the recession, higher standards for credit has made it more difficult than ever for buyers with less than perfect credit to obtain financing. For these reasons, we believe the Subject will face limited competition from homeownership.

RENT BUY ANALYSIS			
Property Type:	Three-Bedroom Single Family Home		
Sale Price			\$285,000
Down Payment at 10%			\$28,500
Mortgage Amount			\$256,500
Current Interest Rate			6.70%
	<i>Homeownership Costs</i>	<i>Monthly</i>	<i>% of Home Value</i>
Mortgage Payment		\$1,655	\$19,862
Property Taxes		\$297	1.25%
Private Mortgage Insurance ¹		\$107	0.50%
Maintenance		\$475	2.00%
Utility Costs ²		\$20	\$240
Tax Savings		-\$431	-\$5,166
Cost Comparison			
		<i>Monthly</i>	<i>Annual</i>
Costs of Homeownership		\$2,123	\$25,481
Cost of Renting At Subject	-	\$1,398	\$16,776
Differential		\$725	\$8,705
Cost of Occupancy			
	<i>Homeownership</i>		
Closing Costs		3.0%	\$8,550
Down Payment at 10%		10.0%	\$28,500
Total			\$37,050
	<i>Subject Rental</i>		
First Month's Rent		\$1,398	
Security Deposit		<u>\$1,398</u>	
Total		\$2,796	

(1) Based upon 0.50 percent of mortgage amount.

(2) Utility Costs Included in Rent at Subject

Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a February 2022 CoStar report, conducted an internet search and attempted to contact the Planning & Development Review for the City of Richmond. However, our calls have not been returned to date. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
Brady Square	LIHTC	Family	132	99	Proposed	3.0 miles
Heights at Brady Square	LIHTC	Family	264	264	Under Construction	2.9 miles
Urbana at Hioaks	LIHTC	Family	216	86	Under Construction	2.1 miles
Arbors at Hull St	LIHTC	Senior	116	0	Proposed	2.5 miles
103 E 2nd St	Market	Family	188	0	Proposed	2.9 miles
1114 Hull St	Market	Family	85	0	Proposed	2.4 miles
1228 Hull St	Market	Family	24	0	Proposed	2.3 miles
13 E 3rd St	Market	Family	235	0	Proposed	2.8 miles
1421 Bainbridge St	Market	Family	122	0	Proposed	2.2 miles
201 W Commerce Rd	Market	Family	250	0	Proposed	2.5 miles
4703 Forest Hill Ave	Market	Family	40	0	Proposed	0.5 miles
500 Maury St	Market	Family	143	0	Proposed	2.8 miles
5069 Forest Hill Ave	Market	Family	30	0	Proposed	0.7 miles
Avery Hall	Market	Family	500	0	Proposed	2.6 miles
Belle Heights Phase 2	Market	Family	200	0	Proposed	1.7 miles
Overlook II	Market	Family	271	0	Proposed	2.7 miles
The Element Apartments	Market	Family	290	0	Proposed	3.0 miles
Eddy On The James	Market	Family	221	0	Under Construction	2.4 miles
Manchester Commodore	Market	Family	173	0	Under Construction	2.6 miles
The Box	Market	Family	118	0	Under Construction	2.7 miles
The Cove Apartments	Market	Family	65	0	Under Construction	2.7 miles
The Railyard Flats	Market	Family	42	0	Under Construction	2.9 miles
The Village at Westlake II	Market	Family	122	0	Under Construction	1.7 miles
Kemps Village	Market	Senior	245	0	Under Construction	1.6 miles
Totals			4,092	449		

Source: CoStar, February 2023

Twenty of the 24 properties that are currently planned, proposed, under construction, or recently completed will be market rate, and thus will not directly compete with the Subject. Brady Square Apartments, Heights at Brady Square, Urbana at Hioaks, and Arbors at Hull St are proposed LIHTC developments which will be discussed in the following section. Overall, 449 units at the proposed developments will be directly competitive with the Subject.

Additionally, we reviewed the Virginia Housing LIHTC award lists from 2018 through 2022.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units - As Proposed	Competitive Units - Absent Subsidy	Distance to Subject
The View at Bell Isle	2022	LIHTC	Family	116	116	116	2.5 miles
Swansboro Apartments	2022	LIHTC	Family	62	62	62	1.4 miles
Townes at River South	2022	LIHTC/Public Housing	Family	161	146	77	2.4 miles
Lafayette Gardens	2022	LIHTC/Section 8	Family	96	96	51	3.3 miles
Arbors at Hull St	2021	LIHTC	Senior	116	0	0	2.5 miles
Brady Square	2021	LIHTC	Family	132	132	132	3.0 miles
Urbana at Hioaks	2020	LIHTC	Family	216	216	216	2.1 miles
The Heights at Brady Square	2021 & 2020	LIHTC/Market	Family	264	176	176	2.9 miles
Totals				1,163	944	830	

Source: Virginia Housing, February 2023

According to Virginia Housing allocation lists there have been eight properties allocated tax credits within the Subject’s PMA since 2020 that have yet to become operational. The following properties are detailed below.

- The View at Bell Isle is a proposed construction 116-unit LIHTC property located 2.5 miles northeast of the Subject. Upon completion, the units will be LIHTC restricted offering studio, one, and two-bedrooms. The AMI restrictions were unavailable at the time of this project. Therefore, we have conservatively assumed that all of the units at the property will be competitive with the Subject.
- Swansboro Apartments is an existing 62-unit LIHTC property planned for rehabilitation, located 1.4 miles southeast of the Subject. Upon completion, the property will continue to offer 62 two-bedroom units restricted at 60 percent AMI, which will be competitive with the proposed Subject. We have accounted for these units as existing competitive units in the PMA.
- Townes at River South is an existing 161-unit LIHTC/Public Housing property planned for rehabilitation, located 1.4 miles east of the Subject. The property will continue to be LIHTC restricted at 30 and 50 percent AMI offering two, three and four-bedroom units. Of the 161 units, 146 will be competitive with the Subject as proposed and 77 will be competitive absent subsidy. We have accounted for these units as existing competitive units in the PMA.
- Lafayette Gardens is an existing 96-unit LIHTC/Section 8 property planned for rehabilitation, located 3.3 miles southeast of the Subject. The property will continue to be LIHTC restricted at 40 and 50 percent AMI offering one, two and three-bedrooms. Of the 96 units, 96 will be competitive with the Subject as proposed and 51 will be competitive absent subsidy. We have accounted for these units as existing competitive units in the PMA.
- Arbors at Hull Street is a proposed 116-unit age-restricted LIHTC property located 2.5 miles east of the Subject. Upon completion, the development will offer one and two-bedrooms. The AMI restrictions were unavailable at the time of this project. Due to its dissimilar tenancy, none of the units will be directly competitive with the Subject.
- Brady Square is a proposed 132-unit LIHTC property located 2.5 miles east of the Subject. Upon completion, the units will be LIHTC restricted at 40, 50 and 60 percent of AMI offering one, two and three-bedrooms. Upon completion, all of the units at the property will be competitive with the Subject.
- Urbana at Hioaks is a proposed construction 216-unit LIHTC property located 2.1 miles west of the Subject. Upon completion, the units will be LIHTC restricted offering one, two and three-bedrooms. The AMI restrictions were unavailable at the time of this project. We have conservatively assumed that all of the units at the property will be competitive with the Subject.
- The Heights at Brady Square is a proposed 264-unit LIHTC property located 2.5 miles southeast of the Subject. Upon completion, the development will offer one, two, and three-bedrooms between 30 and 60 percent of AMI, as well as 88 market rate units. The 176 LIHTC units will be directly competitive with the Subject, upon completion.

The Subject will be developed concurrently with 700 West 44 - 4%, a proposed 72-unit LIHTC development offering one, two, and three-bedroom units at 40 and 60 percent of AMI that will be located adjacent to the Subject. We have accounted for the 72 units at 72 West 44 – 4% as proposed competitive with the Subject. Additionally, Townes at River South and Lafayette Gardens represent existing developments that are proposed for rehabilitation; these properties have been accounted for as existing competitive properties. Overall, we have deducted 774 units, both as proposed and absent subsidy, in the demand analysis section of this report.

SURVEY OF COMPARABLE PROPERTIES

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

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

To evaluate the competitive position of the Subject, we surveyed several market rate and LIHTC properties in depth. We have utilized five general tenancy LIHTC properties, one mixed-income property, and seven family market rate properties, all of which are located within the PMA. We also visited and surveyed other properties that were excluded from the market survey because they are not considered comparable to the Subject or would not participate in the survey.

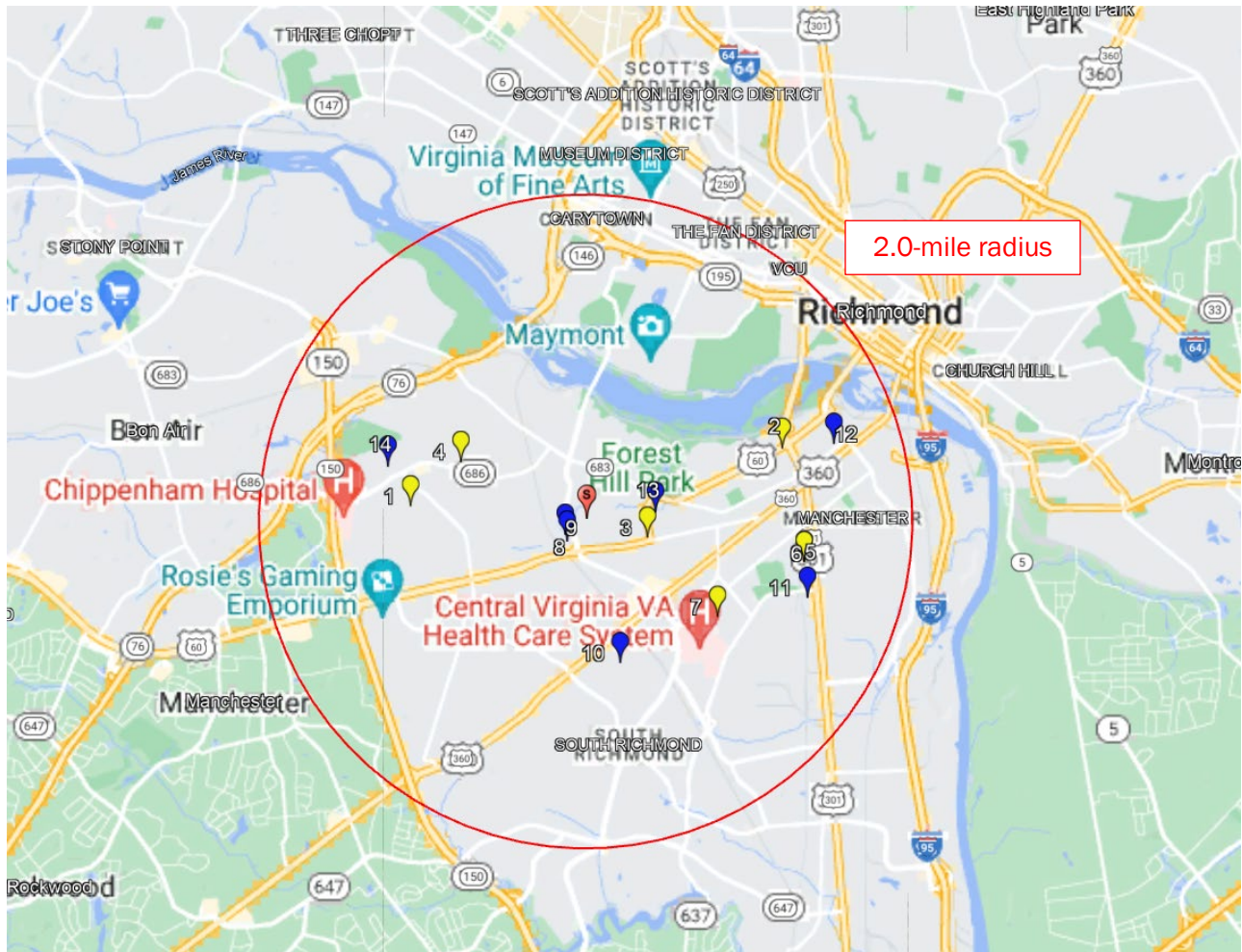
Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general. The comparable properties were chosen primarily based on location, age, condition, design, and amenities. Several properties were excluded for various reasons. The following table illustrates the properties that have been excluded from the supply analysis of this report.

EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Blue Ridge Estates	LIHTC	Family	Could not contact for rental survey
City View Place	LIHTC	Family	Could not contact for rental survey
Genesis Homes South	LIHTC	Family	Dissimilar design
Linden At Forest Hill	LIHTC	Family	Inferior condition
Norcroft Townhomes	LIHTC	Senior	Inferior condition
Renaissance Senior Apartments	LIHTC	Senior	Dissimilar tenancy
Stonewall Place	LIHTC/RAD	Family	Subsidized
Melvin C. Fox Manor	LIHTC/RAD	Senior	Subsidized/ Dissimilar tenancy
Midlothian Village	LIHTC/Section 8	Family	Subsidized
Briarcliff Apartments	Market	Family	Could not contact for rental survey
Chateau De Ville Apartments	Market	Family	Inferior condition
Kingly Ones	Market	Family	Inferior condition
2000 Riverside	Market	Family	Inferior condition
Abbingdon Hills	Market	Family	More proximate properties
Glenway Greens Apartments	Market	Family	Inferior condition
Model Tobacco	Market	Family	More proximate properties
Riverside Apartments	Market	Family	More proximate properties
St. Johns Wood Apartments	Market	Family	More proximate properties
The Residences of Westover Hills	Market	Family	More proximate properties
Bainbridge	RAD/Section 8	Family	Subsidized
Bliley Manor	Section 8	Family	Subsidized
Monarch Woods	Section 8	Family	Subsidized
Saints Cosma & Damianos House	Section 8	Family	Subsidized
Oscar E Stovall Place	Section 8/RAD	Family	Subsidized

Comparable Rental Property Map

A map illustrating the location of the Subject in relation to the comparable properties is located below. A summary table comparing the individual comparable properties with the proposed Subject and individual property profiles are also provided on the following page. We have also included an amenity comparison matrix and a rent and square footage ranking table.



Source: Google Earth, February 2023

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	700 W. 44th Street	Richmond	LIHTC/PBRA	Family	-
1	Alexander At 1090	Richmond	LIHTC/PBRA	Family	1.6 miles
2	Belle Summit	Richmond	LIHTC	Family	2.0 miles
3	Linden At Forest Hill	Richmond	LIHTC	Family	0.6 miles
4	Morningside Apartments	Richmond	LIHTC/Market	Family	1.3 miles
5	Port City Apartments	Richmond	LIHTC	Family	2.0 miles
6	Port City II	Richmond	LIHTC	Family	2.0 miles
7	Village South Townhomes	Richmond	LIHTC	Family	1.4 miles
8	404 Rivertowne Apartment Homes	Richmond	Market	Family	0.2 miles
9	Ashton Square	Richmond	Market	Family	0.2 miles
10	Communities At Southwood	Richmond	Market	Family	1.2 miles
11	Model Tobacco	Richmond	Market	Family	2.1 miles
12	The Mill At Manchester Lofts	Richmond	Market	Family	2.4 miles
13	The Park At Forest Hill	Richmond	Market	Family	0.7 miles
14	The Village At Westlake	Richmond	Market	Family	1.9 miles

700 WEST 44 – RICHMOND, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate				
Subject	700 W. 44th Street 700 W. 44th Street Richmond, VA 23225 Richmond City County	-	Garden 3-stories 2025 / n/a Family	@30%, @40% (Project Based Rental Assistance - PBRA), @50%, @50% (Project Based Rental Assistance - PBRA), @60%	1BR / 1BA	1	1.4%	705	@30%	\$435	Yes	N/A	N/A	N/A				
					1BR / 1BA	1	1.4%	705	@40% (PBRA)	\$624	Yes	N/A	N/A	N/A				
					1BR / 1BA	4	5.6%	705	@50% (PBRA)	\$813	Yes	N/A	N/A	N/A				
					1BR / 1BA	6	8.3%	705	@60% (PBRA)	\$1,002	Yes	N/A	N/A	N/A				
					2BR / 2BA	5	6.9%	956	@30%	\$525	Yes	N/A	N/A	N/A				
					2BR / 2BA	5	6.9%	956	@40%	\$752	Yes	N/A	N/A	N/A				
					2BR / 2BA	12	16.7%	956	@50%	\$978	Yes	N/A	N/A	N/A				
					2BR / 2BA	23	31.9%	956	@60%	\$1,205	Yes	N/A	N/A	N/A				
					3BR / 2BA	2	2.8%	1,113	@30%	\$612	Yes	N/A	N/A	N/A				
					3BR / 2BA	2	2.8%	1,113	@40% (PBRA)	\$874	Yes	N/A	N/A	N/A				
					3BR / 2BA	4	5.6%	1,113	@50% (PBRA)	\$1,136	Yes	N/A	N/A	N/A				
					3BR / 2BA	6	8.3%	1,113	@60%	\$1,398	Yes	N/A	N/A	N/A				
									3BR / 2BA	1	1.4%	1,113	@60% (PBRA)	\$1,398	Yes	N/A	N/A	N/A
					72							N/A	N/A					
1	Alexander At 1090 1090 German School Rd Richmond, VA 23225 Richmond City County	1.6 miles	Garden 4-stories 2020 / n/a Family	@40%, @40% (Project Based Rental Assistance - PBRA), @50%,	2BR / 2BA	2	4.2%	907	@40%	\$782	Yes	Yes	0	0.0%				
					2BR / 2BA	3	6.3%	907	@40% (PBRA)	\$958	N/A	Yes	0	0.0%				
					2BR / 2BA	16	33.3%	907	@50%	\$1,008	Yes	Yes	0	0.0%				
					2BR / 2BA	11	22.9%	907	@60%	\$1,235	Yes	Yes	3	27.3%				
					3BR / 2BA	1	2.1%	1,036	@50%	\$1,163	Yes	Yes	0	0.0%				
					3BR / 2BA	2	4.2%	1,036	@50% (PBRA)	\$1,258	N/A	Yes	0	0.0%				
					3BR / 2BA	13	27.1%	1,036	@60%	\$1,425	Yes	Yes	1	7.7%				
					48							4	8.3%					
2	Belle Summit 600 Cowardin Ave Richmond, VA 23224 Richmond City County	2.0 miles	Midrise 4-stories 2014 / n/a Family	@40%, @50%	1BR / 1BA	1	2.0%	556	@40%	\$667	Yes	Yes	0	0.0%				
					1BR / 1BA	9	18.0%	556	@50%	\$856	Yes	Yes	1	11.1%				
					2BR / 2BA	3	6.0%	891	@40%	\$794	Yes	Yes	0	0.0%				
					2BR / 2BA	27	54.0%	891	@50%	\$1,020	Yes	Yes	2	7.4%				
					3BR / 2BA	1	2.0%	1,118	@40%	\$916	Yes	Yes	0	0.0%				
					3BR / 2BA	9	18.0%	1,118	@50%	\$1,178	Yes	Yes	0	0.0%				
										50							3	6.0%
3	Linden At Forest Hill 205 W Roanoke St Richmond, VA 23225 Richmond City County	0.6 miles	Garden 2-stories 1963/1995 / 1995 Family	@60%	1BR / 1BA	41	70.7%	600	@60%	\$928	No	No	1	2.4%				
					1BR / 1BA	1	1.7%	600	Non-Rental	-	N/A	N/A	0	0.0%				
					2BR / 1BA	16	27.6%	771	@60%	\$1,089	No	No	2	12.5%				
										58							3	5.2%
4	Morningside Apartments 1414 Newell Road Richmond, VA 23225 Richmond City County	1.3 miles	Various 2-stories 1966 / 1998 Family	@60%, Market	2BR / 1BA	93	23.7%	874	@60%	\$864	No	No	0	0.0%				
					2BR / 1BA	31	7.9%	925	@60%	\$914	No	No	0	0.0%				
					2BR / 1BA	27	6.9%	874	Market	\$1,049	N/A	No	0	0.0%				
					2BR / 1BA	9	2.3%	925	Market	\$1,074	N/A	No	0	0.0%				
					2BR / 1.5BA	26	6.6%	977	@60%	\$999	No	No	0	0.0%				
					2BR / 1.5BA	92	23.5%	1,032	@60%	\$1,049	No	No	1	1.1%				
					2BR / 1.5BA	16	4.1%	977	Market	\$1,099	N/A	No	1	6.3%				
					2BR / 1.5BA	81	20.7%	1,032	Market	\$1,124	N/A	No	0	0.0%				
					2BR / 1.5BA	3	0.8%	1,032	Non-Rental	-	N/A	N/A	0	0.0%				
					3BR / 1.5BA	6	1.5%	1,110	@60%	\$1,113	No	No	0	0.0%				
					3BR / 1.5BA	8	2.0%	1,110	Market	\$1,313	N/A	No	0	0.0%				
					392							2	0.5%					
5	Port City Apartments 800 Jefferson Davis Highway Richmond, VA 23224 Richmond City County	2.0 miles	Conversion 4-stories 2018 / n/a Family	@30%, @40%, @50%, @60%, @70%, @80%	1BR / 1BA	8	5.9%	622	@40%	\$627	Yes	Yes	0	0.0%				
					1BR / 1BA	10	7.4%	636	@50%	\$816	Yes	Yes	0	0.0%				
					1BR / 1BA	35	25.9%	677	@60%	\$1,005	Yes	Yes	1	2.9%				
					1BR / 1BA	7	5.2%	692	@70%	\$1,194	Yes	Yes	0	0.0%				
					1BR / 1BA	5	3.7%	764	@80%	\$1,383	Yes	Yes	1	20.0%				
					2BR / 2BA	1	0.7%	879	@30%	\$503	Yes	Yes	0	0.0%				
					2BR / 2BA	7	5.2%	857	@40%	\$730	Yes	Yes	0	0.0%				
					2BR / 2BA	12	8.9%	1,022	@50%	\$956	Yes	Yes	0	0.0%				
					2BR / 2BA	32	23.7%	903	@60%	\$1,183	Yes	Yes	0	0.0%				
					2BR / 2BA	9	6.7%	972	@70%	\$1,410	Yes	Yes	0	0.0%				
					2BR / 2BA	8	5.9%	1,123	@80%	\$1,637	Yes	Yes	1	12.5%				
					3BR / 2BA	1	0.7%	1,219	@60%	\$1,332	Yes	Yes	0	0.0%				
										135							3	2.2%
6	Port City II 716 Jefferson Davis Highway Richmond, VA 23224 Richmond City County	2.0 miles	Conversion 2-stories 2022 / n/a Family	@40%, @50%, @60%, @70%, @80%	1BR / 1BA	2	1.4%	885	@40%	\$627	Yes	Yes	N/A	N/A				
					1BR / 1BA	50	34.0%	885	@50%	\$816	Yes	Yes	N/A	N/A				
					1BR / 1BA	30	20.4%	885	@60%	\$1,005	Yes	Yes	N/A	N/A				
					1BR / 1BA	22	15.0%	885	@70%	\$1,194	Yes	N/A	N/A	N/A				
					1BR / 1BA	5	3.4%	885	@80%	\$1,383	Yes	Yes	N/A	N/A				
					2BR / 2BA	10	6.8%	1,286	@50%	\$956	Yes	Yes	N/A	N/A				
					2BR / 2BA	20	13.6%	1,286	@60%	\$1,183	Yes	Yes	N/A	N/A				
					2BR / 2BA	3	2.0%	1,286	@70%	\$1,410	Yes	Yes	N/A	N/A				
					2BR / 2BA	4	2.7%	1,286	@80%	\$1,637	Yes	Yes	N/A	N/A				
					3BR / 2BA	1	0.7%	1,527	@80%	\$1,856	Yes	Yes	N/A	N/A				
										147							20	13.6%
7	Village South Townhomes 3450 Maury Street Richmond, VA 23224 Richmond City County	1.4 miles	Various 2-stories 1947 / 2021 Family	@60%	1BR / 1BA	16	5.4%	675	@60%	\$685	No	No	16	100.0%				
					2BR / 1BA	246	83.1%	850	@60%	\$975	No	No	0	0.0%				
					2BR / 1.5BA	18	6.1%	912	@60%	\$1,060	No	No	1	5.6%				
					3BR / 1BA	16	5.4%	1,000	@60%	\$960	No	No	16	100.0%				
					296							33	11.1%					

700 WEST 44 – RICHMOND, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate	
8	404 Rivertowne Apartment Homes 406 Westover Hills Blvd Richmond, VA 23225 Richmond City County	0.2 miles	Garden 3-stories 1968 / 2020 Family	Market	0BR / 1BA	N/A	N/A	420	Market	\$972	N/A	Yes	8	N/A	
					1BR / 1BA	N/A	N/A	566	Market	\$982	N/A	Yes	14	N/A	
					1.5BR / 1BA	N/A	N/A	775	Market	\$1,272	N/A	Yes	0	N/A	
					2BR / 1BA	N/A	N/A	861	Market	\$1,380	N/A	Yes	0	N/A	
					2BR / 1BA	N/A	N/A	822	Market	\$1,095	N/A	Yes	0	N/A	
					2.5BR / 1BA	N/A	N/A	964	Market	\$1,430	N/A	Yes	0	N/A	
					N/A	N/A	924	Market	\$1,310	N/A	Yes	1	N/A		
							522					23	4.4%		
9	Ashton Square 603 Westover Hills Blvd Richmond, VA 23225 Richmond City County	0.2 miles	Garden 2-stories 1962/1980 / 1999/2020 Family	Market	1BR / 1BA	33	9.0%	515	Market	\$987	N/A	No	N/A	N/A	
					1BR / 1BA	18	4.9%	615	Market	\$1,012	N/A	No	N/A	N/A	
					1BR / 1BA	124	33.7%	804	Market	\$1,037	N/A	No	N/A	N/A	
					2BR / 1BA	9	2.5%	898	Market	\$1,110	N/A	No	N/A	N/A	
					2BR / 1BA	161	43.8%	925	Market	\$1,135	N/A	No	N/A	N/A	
					2BR / 1.5BA	5	1.4%	950	Market	\$1,075	N/A	No	N/A	N/A	
					3BR / 1.5BA	18	4.9%	1,043	Market	\$1,369	N/A	No	N/A	N/A	
							368					48	13.0%		
10	Communities At Southwood 4602 Southwood Parkway Richmond, VA 23224 Richmond City County	1.2 miles	Various 1-stories 1960 / 2010 Family	Market	1BR / 1BA	166	12.9%	580	Market	\$945	N/A	Yes	0	0.0%	
					1BR / 1BA	166	12.9%	740	Market	\$995	N/A	Yes	0	0.0%	
					2BR / 1BA	614	47.7%	794	Market	\$1,290	N/A	Yes	0	0.0%	
					2BR / 1.5BA	250	19.4%	1,010	Market	\$1,390	N/A	Yes	0	0.0%	
					2BR / 2BA	45	3.5%	1,010	Market	\$1,290	N/A	Yes	0	0.0%	
					3BR / 1BA	N/A	N/A	1,200	Market	\$1,390	N/A	Yes	0	N/A	
							45	3.5%	1,200	Market	\$1,545	N/A	Yes	0	0.0%
							1286					0	0.0%		
11	Model Tobacco 1100 Richmond Hwy Richmond, VA 23224 Richmond City County	2.1 miles	Conversion 6-stories 2022 / n/a Family	Market	0BR / 1BA	N/A	N/A	750	Market	-	N/A	No	N/A	N/A	
					1BR / 1BA	N/A	N/A	828	Market	\$1,537	N/A	No	N/A	N/A	
					1BR / 1BA	N/A	N/A	712	Market	\$1,387	N/A	No	N/A	N/A	
					1BR / 1.5BA	N/A	N/A	943	Market	\$1,687	N/A	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	943	Market	\$1,585	N/A	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	1,223	Market	\$2,035	N/A	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	1,514	Market	\$2,110	N/A	No	N/A	N/A	
					2BR / 2BA	N/A	N/A	923	Market	\$1,960	N/A	No	N/A	N/A	
					3BR / 2BA	N/A	N/A	1,478	Market	\$2,369	N/A	No	N/A	N/A	
					3BR / 2BA	N/A	N/A	1,520	Market	\$2,669	N/A	No	N/A	N/A	
							N/A	N/A	1,435	Market	\$2,069	N/A	No	N/A	N/A
							203					92	45.3%		
12	The Mill At Manchester Lofts 815 Perry Street Richmond, VA 23224 Richmond City County	2.4 miles	Lowrise 2-stories 1912 / 2009 Family	Market	1BR / 1BA	27	38.6%	630	Market	\$1,237	N/A	No	1	3.7%	
					2BR / 1.5BA	6	8.6%	891	Market	\$1,370	N/A	No	3	50.0%	
					2BR / 2BA	33	47.1%	1,068	Market	\$1,300	N/A	No	1	3.0%	
					3BR / 2BA	4	5.7%	1,393	Market	\$1,569	N/A	No	1	25.0%	
							70					6	8.6%		
13	The Park At Forest Hill 3900 Forest Hill Avenue Richmond, VA 23225 Richmond County	0.7 miles	Garden 3-stories 1978 / 2007 Family	Market	1BR / 1BA	45	61.6%	624	Market	\$807	N/A	Yes	2	4.4%	
					2BR / 1BA	14	19.2%	936	Market	\$905	N/A	Yes	1	7.1%	
					2BR / 1BA	14	19.2%	1,026	Market	\$980	N/A	Yes	1	7.1%	
							73					4	5.5%		
14	The Village At Westlake 1500 German School Rd Richmond, VA 23225 Richmond City County	1.9 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	72	28.6%	806	Market	\$1,415	N/A	Yes	2	2.8%	
					1BR / 1BA	N/A	N/A	813	Market	\$1,415	N/A	Yes	0	N/A	
					2BR / 2BA	120	47.6%	1,085	Market	\$1,810	N/A	Yes	0	0.0%	
					2BR / 2BA	N/A	N/A	1,099	Market	\$1,895	N/A	Yes	0	N/A	
					3BR / 2BA	60	23.8%	1,390	Market	\$1,895	N/A	Yes	0	0.0%	
							N/A	N/A	1,490	Market	\$2,025	N/A	Yes	0	N/A
							252					2	0.8%		

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	700 W. 44th Street	Richmond	Family	LIHTC/PBRA	-	\$47,796	\$202,200	\$936	182	40	6.2%	62.6%
1	Alexander At 1090	Richmond	Family	LIHTC/PBRA	1.6 miles	\$41,185	\$202,200	\$936	143	40	10.3%	71.2%
2	Belle Summit	Richmond	Family	LIHTC	2.0 miles	\$51,081	\$111,500	\$877	209	51	13.6%	62.7%
3	Linden At Forest Hill	Richmond	Family	LIHTC	0.6 miles	\$33,013	\$202,200	\$936	212	44	5.3%	62.9%
4	Morningside Apartments	Richmond	Family	LIHTC/Market	1.3 miles	\$49,830	\$202,200	\$936	143	47	5.9%	56.8%
5	Port City Apartments	Richmond	Family	LIHTC	2.0 miles	\$43,894	\$111,500	\$877	261	33	14.7%	51.8%
6	Port City II	Richmond	Family	LIHTC	2.0 miles	\$43,894	\$111,500	\$877	261	33	14.7%	51.8%
7	Village South Townhomes	Richmond	Family	LIHTC	1.4 miles	\$33,506	\$111,500	\$877	220	49	5.6%	57.7%
8	404 Rivertowne Apartment Homes	Richmond	Family	Market	0.2 miles	\$48,305	\$202,200	\$936	182	52	7.1%	60.9%
9	Ashton Square	Richmond	Family	Market	0.2 miles	\$51,955	\$202,200	\$936	182	54	6.3%	58.9%
10	Communities At Southwood	Richmond	Family	Market	1.2 miles	\$42,796	\$111,500	\$877	133	40	11.3%	66.9%
11	Model Tobacco	Richmond	Family	Market	2.1 miles	\$39,257	\$111,500	\$877	261	31	14.9%	54.2%
12	The Mill At Manchester Lofts	Richmond	Family	Market	2.4 miles	\$51,313	\$111,500	\$877	238	65	16.1%	68.6%
13	The Park At Forest Hill	Richmond	Family	Market	0.7 miles	\$54,927	\$202,200	\$936	226	55	5.8%	48.4%
14	The Village At Westlake	Richmond	Family	Market	1.9 miles	\$52,923	\$202,200	\$936	143	29	9.0%	69.7%

*Located outside of the PMA

The Subject’s location has a higher median household income to seven comparables, similar household income to two comparables, and an inferior household income to the remaining comparables. Additionally, the Subject location offers similar to superior median home values and median rents. Crime indices in the neighborhood around the Subject are higher than four comparables, similar to two comparables, and lower than the remaining comparables. Finally, the Subject location has a higher Walk Score than three of the comparables. Based on the locational data, the comparables are located in generally similar to slightly inferior areas to the Subject.

Age, Condition, and Design

The Subject will represent new construction and will be in excellent condition upon completion. Alexander at 1090, Port City Apartments, Port City II and the Village at Westlake were built between 2018 and 2022 and exhibit excellent condition, similar to the Subject upon completion. The remaining 10 comparables were built or renovated between 1968 and 2022 and represent average to good condition, slightly inferior to inferior to the Subject upon completion.

The LIHTC and mixed-income properties range in size from 48 to 392 units, with an average development size of 150 units. Additionally, the market rate developments range from 70 to 1,286 units, with an average development size of 429 units; note that excluding Communities at Southwood, which offers 1,286 units, the market rate properties range from 70 to 522 units, with an average of 248 units. The Subject is within the range of development sizes for LIHTC and market rate properties.

The Subject will offer a three-story, garden-style design. Four of the comparables offer elevator-serviced buildings, which are slightly superior to the Subject. Village South Townhomes offers a townhouse-style design, which is considered slightly superior to the Subject’s design. The remaining comparables offer garden-style designs, which are similar to the Subject’s design.

Unit Size

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

UNIT SIZE COMPARISON

Bedroom Type	1BR	2BR	3BR
Subject	705	956	1,113
Average	720	986	1,235
Min	515	771	1,000
Max	943	1,514	1,527
Advantage/Disadvantage	-2%	-3%	-10%

The Subject’s proposed one, two and three-bedroom unit sizes are below the average, and within the range, of the comparable properties. We believe that the Subject’s unit sizes are reasonable and will be accepted in the market. We have considered the Subject’s unit sizes in our achievable rent determination. The following table ranks the Subject’s unit sizes to the unit sizes at the comparable properties.

SQUARE FOOTAGE RANKING COMPARISON

One Bedroom One Bath		Two Bedroom Two Bath		Three Bedroom Two Bath	
Property Name	Size	Property Name	Size	Property Name	Size
Port City II (@40%)	885	Port City II (@50%)	1,286	Port City II (@80%)	1,527
Port City II (@60%)	885	Port City II (@70%)	1,286	The Village At Westlake (Market)	1,490
Port City II (@80%)	885	Port City II (@80%)	1,286	Model Tobacco (Market)	1,478
Port City II (@50%)	885	Port City II (@60%)	1,286	The Mill At Manchester Lofts (Market)	1,393
Port City II (@70%)	885	Model Tobacco (Market)	1,223	The Village At Westlake (Market)	1,390
Model Tobacco (Market)	828	Port City Apartments (@80%)	1,123	Port City Apartments (@60%)	1,219
The Village At Westlake (Market)	813	The Village At Westlake (Market)	1,099	Communities At Southwood (Market)	1,200
The Village At Westlake (Market)	806	The Village At Westlake (Market)	1,085	Communities At Southwood (Market)(1BA)	1,200
Ashton Square (Market)	804	The Mill At Manchester Lofts (Market)	1,068	Belle Summit (@40%)	1,118
Port City Apartments (@80%)	764	Morningside Apartments (Market)(1.5BA)	1,032	Belle Summit (@50%)	1,118
Communities At Southwood (Market)	740	Morningside Apartments (@60%)(1.5BA)	1,032	700 W. 44th Street (@60%)	1,113
700 W. 44th Street (@30%)	705	The Park At Forest Hill (Market)(1BA)	1,026	700 W. 44th Street (@50%)	1,113
700 W. 44th Street (@40%)	705	Port City Apartments (@50%)	1,022	700 W. 44th Street (@30%)	1,113
700 W. 44th Street (@50%)	705	Communities At Southwood (Market)(1.5BA)	1,010	700 W. 44th Street (@40%)	1,113
700 W. 44th Street (@60%)	705	Communities At Southwood (Market)	1,010	Morningside Apartments (Market)(1.5BA)	1,110
Port City Apartments (@70%)	692	Morningside Apartments (Market)(1.5BA)	977	Morningside Apartments (@60%)(1.5BA)	1,110
Port City Apartments (@60%)	677	Morningside Apartments (@60%)(1.5BA)	977	Ashton Square (Market)(1.5BA)	1,043
Village South Townhomes (@60%)	675	Port City Apartments (@70%)	972	Alexander At 1090 (@60%)	1,036
Port City Apartments (@50%)	636	700 W. 44th Street (@30%)	956	Alexander At 1090 (@50%)	1,036
The Mill At Manchester Lofts (Market)	630	700 W. 44th Street (@40%)	705	Alexander At 1090 (@50%)	1,036
The Park At Forest Hill (Market)	624	700 W. 44th Street (@50%)	956	Village South Townhomes (@60%)(1BA)	1,000
Port City Apartments (@40%)	622	700 W. 44th Street (@60%)	956		
Ashton Square (Market)	615	Ashton Square (Market)(1.5BA)	950		
Linden At Forest Hill (@60%)	600	Model Tobacco (Market)	943		
Communities At Southwood (Market)	580	The Park At Forest Hill (Market)(1BA)	936		
Belle Summit (@40%)	556	Ashton Square (Market)(1BA)	925		
Belle Summit (@50%)	556	Morningside Apartments (@60%)(1BA)	925		
Ashton Square (Market)	515	Morningside Apartments (Market)(1BA)	925		
		Village South Townhomes (@60%)(1.5BA)	912		
		Alexander At 1090 (@50%)	907		
		Alexander At 1090 (@60%)	907		
		Alexander At 1090 (@40%)	907		
		Alexander At 1090 (@40%)	907		
		Port City Apartments (@60%)	903		
		Ashton Square (Market)(1BA)	898		
		The Mill At Manchester Lofts (Market)(1.5BA)	891		
		Belle Summit (@50%)	891		
		Belle Summit (@40%)	891		
		Port City Apartments (@30%)	879		
		Morningside Apartments (@60%)(1BA)	874		
		Morningside Apartments (Market)(1BA)	874		
		Port City Apartments (@40%)	857		
		Village South Townhomes (@60%)(1BA)	850		
		Communities At Southwood (Market)(1BA)	794		
		Linden At Forest Hill (@60%)(1BA)	771		

In-Unit Amenities

AMENITY MATRIX																
	Subject	Alexander At 1090	Belle Summit	Linden At Forest Hill	Morningside Apartments	Port City Apartments	Port City II	Village South Townhomes	404 Rivertowne	Ashton Square	Communitie s At	Model Tobacco	The Mill At Manchester	The Park At Forest Hill	The Village At Westlake	
Rent Structure	LIHTC/PBRA	LIHTC/PBRA	LIHTC	LIHTC	LIHTC/	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market	Market	
Building																
Property Type	Garden	Garden	Midrise	Garden	Various	Conversion	Conversion	Various	Garden	Garden	Various	Conversion	Lowrise	Garden	Garden	
# of stories	3-stories	4-stories	4-stories	2-stories	2-stories	4-stories	2-stories	2-stories	3-stories	2-stories	1-stories	6-stories	2-stories	3-stories	3-stories	
Year Built	2025	2020	2014	1963/1995	1966	2018	2022	1947	1968	1962/1980	1960	2022	1912	1978	2018	
Year Renovated	n/a	n/a	n/a	1995	1998	n/a	n/a	2021	2020	1999/2022	2010	n/a	2009	2007	n/a	
Elevators	no	no	yes	no	no	yes	no	no	no	no	no	yes	yes	no	no	
Courtyard	no	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	
Utility Structure																
Cooking	no	no	no	no	yes	yes	yes	no	no	no	no	no	no	no	no	
Water Heat	no	no	no	no	yes	yes	yes	no	no	no	no	no	no	no	no	
Heat	no	no	no	no	yes	yes	yes	no	no	no	no	no	no	no	no	
Other Electric	no	no	no	no	no	yes	yes	no	no	no	no	no	no	no	no	
Water	no	no	no	yes	yes	yes	yes	no	yes	yes	no	yes	yes	yes	no	
Sewer	no	no	no	yes	yes	yes	yes	no	yes	yes	no	yes	yes	yes	no	
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	no	no	
Unit Amenities																
Balcony/Patio	yes	yes	no	yes	no	yes	no	no	yes	yes	yes	yes	yes	no	yes	
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Cable/Satellite	yes	no	no	no	no	yes	yes	yes	no	no	no	yes	no	no	no	
Carpeting	yes	yes	yes	yes	no	yes	yes	no	yes	no	no	no	no	yes	yes	
Hardwood	no	no	no	no	yes	no	yes	yes	no	yes	no	no	no	no	no	
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	
Ceiling Fan	yes	yes	yes	yes	no	yes	yes	no	no	yes	no	no	yes	no	yes	
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	no	yes	
Exterior Storage	no	no	no	no	no	no	yes	no	no	no	no	yes	no	no	yes	
Fireplace	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	
Vaulted Ceilings	no	no	no	no	no	yes	yes	no	no	no	no	yes	yes	no	no	
Walk-In Closet	yes	yes	yes	no	no	no	yes	no	yes	no	yes	yes	yes	no	yes	
Wall A/C	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	
Washer/Dryer	no	no	no	no	no	no	no	no	no	yes	no	no	yes	no	yes	
W/D Hookup	yes	yes	yes	no	yes	yes	yes	yes	no	yes	no	no	yes	yes	yes	
Kitchen																
Dishwasher	yes	yes	yes	no	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	
Disposal	no	yes	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Microwave	no	no	yes	no	no	yes	yes	yes	no	no	yes	yes	yes	no	yes	
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	

The Subject’s units will offer balconies/patios, blinds, central A/C, walk-in closets, ceiling fans, and washer/dryer hookups. Appliances will include dishwashers, range/oven, and refrigerator. Regarding in-unit amenities, the Subject will not offer in-unit washer/dryers, which three comparables include. However, washer/dryer units will be available to rent at the Subject for \$50 per month. We researched pricing for washer/dryer rentals in the Richmond area. Rent-A-Center offers rent to own programs for washers and dryers at \$40 per week. This equates to approximately \$173 per month (assuming 31 days in the month). The Subject does not offer rent-to-own options. However, the monthly price represents a significant discount over area rental rates. Furthermore, the Subject offers the convenience of renting from the property, as opposed to paying the cost of having washer/dryer units delivered. We believe that washer/dryer rentals for \$50 per month is appropriate. The Subject will not offer garbage disposals, which 13 of the comparables include, or microwaves, which eight of the comparables include. Overall, the Subject’s unit-amenities are inferior to slightly superior to the LIHTC and market rate comparables. We believe that the unit amenities will be competitive.

Property Amenities

AMENITY MATRIX																
	Subject	Alexander At 1090	Belle Summit	Linden At Forest Hill	Morningside Apartments	Port City Apartments	Port City II	Village South Townhomes	404 Rivertowne	Ashton Square	Communitie s At	Model Tobacco	The Mill At Manchester	The Park At Forest Hill	The Village At Westlake	
Rent Structure	LIHTC/PBRA	LIHTC/PBRA	LIHTC	LIHTC	LIHTC/	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market	Market	
Community																
Business Center	no	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	
Community Room	yes	yes	yes	no	no	yes	yes	no	no	no	no	yes	yes	no	yes	
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	yes	no	
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Recreation																
Exercise Facility	yes	yes	yes	no	no	yes	yes	no	no	yes	no	yes	yes	no	yes	
Playground	yes	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	
Swimming Pool	yes	no	no	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes	
Picnic Area	yes	no	no	no	yes	no	yes	yes	no	no	no	no	yes	no	yes	
Tennis Court	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	no	
Recreational Area	yes	no	no	no	no	no	yes	no	no	no	no	no	no	no	no	
Volleyball Court	no	no	no	no	no	no	no	no	no	yes	no	no	no	no	no	
WiFi	yes	no	no	no	no	no	yes	no	no	no	no	yes	no	no	no	

The Subject will feature a clubhouse/community room, central laundry, off-street parking, on-site management, an exercise facility, a playground, a picnic area, recreation areas and free in-unit WIFI. Note that the Subject will share community amenities with 700 West 44 – 4%, which will be developed concurrently. Regarding community amenities, the Subject is considered slightly superior to superior to the LIHTC comparables, as well as the market rate comparables. We believe that the common area amenities will be competitive.

Security Features

SECURITY AMENITIES																
Subject	Alexander At 1090	Belle Summit	Linden At Forest Hill	Morningside Apartments	Port City Apartments	Port City II	Village South	404 Rivertowne	Ashton Square	Communities At Southwood	Model Tobacco	The Mill At Manchester	The Park At Forest Hill	The Village At Westlake		
Rent Structure	LIHTC/PBR	LIHTC/PBR	LIHTC	LIHTC	LIHTC/	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market		
Crime Index	182	143	209	212	143	0	261	220	182	182	133	261	238	226	143	
Security																
In-Unit Alarm	no	no	yes	no	no	no	no	yes	no	no	no	no	no	no	no	
Intercom (Buzzer)	no	yes	yes	no	no	yes	yes	no	no	no	no	yes	no	no		
Intercom (Phone)	no	no	no	no	no	no	no	no	no	yes	no	no	no	no		
Limited Access	no	yes	yes	no	no	yes	yes	no	no	yes	no	yes	no	no		
Patrol	yes	no	no	no	no	no	no	yes	no	yes	yes	yes	no	yes		
Perimeter Fencing	no	no	yes	no	no	no	no	no	no	yes	no	no	no	no		
Video Surveillance	no	no	no	no	no	yes	no	no	no	no	no	yes	no	no		

The Subject will offer a patrol. Six of the comparable properties offer more security features than the Subject, while the remaining comparables offer similar or fewer security features. We believe that the Subject’s security features will be competitive and market oriented.

Utility Structure

UTILITIES																
Subject	Alexander At 1090	Belle Summit	Linden At Forest Hill	Morningside Apartments	Port City Apartments	Port City II	Village South	404 Rivertowne	Ashton Square	Communities At Southwood	Model Tobacco	The Mill At Manchester	The Park At Forest Hill	The Village At Westlake		
Rent Structure	LIHTC/PBR	LIHTC/PBR	LIHTC	LIHTC	LIHTC/	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market		
Utility Structure																
Cooking	no	no	no	no	yes	yes	yes	no	no	no	no	no	no	no		
Water Heat	no	no	no	no	yes	yes	yes	no	no	no	no	no	no	no		
Heat	no	no	no	no	yes	yes	yes	no	no	no	no	no	no	no		
Other Electric	no	no	no	no	no	yes	yes	no	no	no	no	no	no	no		
Water	no	no	no	yes	yes	yes	yes	no	yes	yes	no	yes	yes	yes		
Sewer	no	no	no	yes	yes	yes	yes	no	yes	yes	no	yes	yes	yes		
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	no		

The tenant will be responsible for electric cooking, heating, hot water, and other electric expenses, as well as water and sewer expenses. The landlord will be responsible for trash expenses and common area amenities. The utility structure varies among the comparable properties; we have adjusted the comparables’ rents in accordance with the utility schedule obtained from the Richmond Redevelopment and Housing Authority, effective September 7, 2021.

Parking

PARKING AMENITIES																
Subject	Alexander At 1090	Belle Summit	Linden At Forest Hill	Morningside Apartments	Port City Apartments	Port City II	Village South	404 Rivertowne	Ashton Square	Communities At Southwood	Model Tobacco	The Mill At Manchester	The Park At Forest Hill	The Village At Westlake		
Rent Structure	LIHTC/PBR	LIHTC/PBR	LIHTC	LIHTC	LIHTC/	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market		
Walk Score	40	40	51	44	47	33	33	49	52	54	40	31	65	55	29	
Parking Ratio	-	0.00	0.00	-	1.73	1.42	0.00	0.00	0.00	0.00	0.00	-	-	-	-	
Parking																
Garage	no	no	yes	no	no	no	no	no	no	no	no	yes	no	no	no	
Garage Fee	n/a	\$0	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Off-Street Fee	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

The Subject will share parking with 700 West 44 – 4%. The developments will offer a total of 210 parking spaces, which will equate to a parking ratio of 1.5 spaces per unit. The comparables could not provide exact parking ratios, but noted that the properties offer between 1.0 and 2.0 parking spaces per unit. Overall, the parking offered at the Subject is competitive, particularly given the proximity to public transportation. All of the comparable properties offer off-street parking included with rent. In addition, one comparable property offers garage parking included with rent, which is considered slightly superior to the Subject’s parking. The Subject will be considered similar to slightly inferior all of the comparables in terms of parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Turnover

The following table details turnover rates at comparable properties.

TURNOVER			
Property Name	Rent Structure	Tenancy	Annual Turnover
Alexander At 1090	LIHTC/PBRA	Family	10%
Belle Summit	LIHTC	Family	4%
Linden At Forest Hill	LIHTC	Family	12%
Morningside Apartments	LIHTC/ Market	Family	20%
Port City Apartments	LIHTC	Family	12%
Port City II	LIHTC	Family	N/A
Village South Townhomes	LIHTC	Family	2%
404 Rivertowne Apartment Homes	Market	Family	20%
Ashton Square	Market	Family	1%
Communities At Southwood	Market	Family	25%
Model Tobacco	Market	Family	N/A
The Mill At Manchester Lofts	Market	Family	32%
The Park At Forest Hill	Market	Family	20%
Average Turnover			15%

*Located outside of the PMA

Turnover rates in the market range from one to 32 percent, with an average of 15 percent. The LIHTC properties averaged 10 percent turnover and the market rate properties averaged 20 percent turnover annually. Overall, we expect that the Subject will experience a turnover rate of 15 percent or less.

Vacancy Levels

The following table illustrates vacancy rates at the comparable properties.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Alexander At 1090	LIHTC/PBRA	Family	48	4	8.3%
Belle Summit	LIHTC	Family	50	3	6.0%
Linden At Forest Hill	LIHTC	Family	58	3	5.2%
Morningside Apartments	LIHTC/ Market	Family	392	2	0.5%
Port City Apartments	LIHTC	Family	135	3	2.2%
Port City II**	LIHTC	Family	147	20	13.6%
Village South Townhomes	LIHTC	Family	296	33	11.1%
404 Rivertowne Apartment Homes	Market	Family	522	23	4.4%
Ashton Square	Market	Family	368	48	13.0%
Communities At Southwood	Market	Family	1286	0	0.0%
Model Tobacco**	Market	Family	203	92	45.3%
The Mill At Manchester Lofts	Market	Family	70	6	8.6%
The Park At Forest Hill	Market	Family	73	4	5.5%
The Village At Westlake	Market	Family	252	2	0.8%
Total LIHTC			776	62	8.0%
Total Market Rate			2,774	175	6.3%
Overall Total			3,550	237	6.7%
Total LIHTC**			629	42	6.7%
Total Market Rate**			2,571	83	3.2%
Overall Total**			3,200	125	3.9%

*Located outside of the PMA

**Excludes properties in lease-up

The comparables reported vacancy rates ranging from zero to 45.3 percent, with an average of 6.7 percent. The LIHTC properties reported an average vacancy rate of 8.0 percent, while the market properties reported an average vacancy rate of 6.3 percent. Note that both Port City II and Model Tobacco Apartments are currently in their initial lease-up periods. Management at Port City II reported that its initial lease-up period that began in October 2022 and the property is currently 86.4 percent occupied, indicating an absorption pace of 28 units per month. Model Tobacco is currently 54.7 percent occupied and opened in June 2022, indicating an absorption rate of 16 units per month. Additionally, the property currently has an applicant list of 80 households that it is utilizing to fill the remaining units. Excluding these properties, the affordable vacancy rate is 6.7 percent, the market rate vacancy rate is 3.2 percent, and the overall vacancy rate is 3.9 percent. Note that Alexander at 1090 and Village South Townhomes reported elevated vacancy of 8.3 and 11.1 percent. Management at Alexander 1090 noted two of the vacant units are pre-leased and the property is filling the remaining vacant units off of a waiting list. Management at Village South Townhomes stated that the property is currently undergoing renovations and that the “majority” of the vacant units are currently offline, though an exact estimate of down units was not available. Finally, Ashton Square reported an elevated vacancy rate of 13.0 percent. Management reported that the property is currently renovating units upon turnover, but could not provide an exact estimate of down vacant units. However, the property has historically maintained vacancy of 5.4 percent or lower. Based on the performance of the LIHTC comparables, and given that a number of comparable properties are in lease-up or are in the process of renovating units, we expect the Subject will operate at a vacancy rate of five percent or less.

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Alexander At 1090	LIHTC/PBRA	Family	-	9.4%	6.3%	8.3%
Belle Summit	LIHTC	Family	10.0%	6.7%	0.0%	6.0%
Linden At Forest Hill	LIHTC	Family	2.4%	12.5%	-	5.2%
Morningside Apartments	LIHTC/ Market	Family	-	0.5%	0.0%	0.5%
Port City Apartments	LIHTC	Family	3.1%	1.4%	0.0%	2.2%
Port City II	LIHTC	Family	-	-	-	13.6%
Village South Townhomes	LIHTC	Family	100.0%	0.4%	100.0%	11.1%
404 Rivertowne Apartment Homes	Market	Family	-	-	-	4.4%
Ashton Square	Market	Family	-	-	-	13.0%
Communities At Southwood	Market	Family	0.0%	0.0%	0.0%	0.0%
Model Tobacco	Market	Family	-	-	-	45.3%
The Mill At Manchester Lofts	Market	Family	3.7%	10.3%	25.0%	8.6%
The Park At Forest Hill	Market	Family	4.4%	7.1%	-	5.5%

*Located outside of the PMA

The Subject will consist of one, two, and three-bedroom units. Four comparables were unable to provide vacancy by bedroom type. Excluding Village South Townhomes, among the remaining comparables, vacancy rates in the market for one-bedroom units range from zero to 10.0 percent, from zero to 12.5 percent for two-bedrooms, and zero to 25.0 percent for all three-bedroom units. Further, the average vacancy by bedroom type was 3.9, 6.0, and 5.2 percent for the one, two, and three-bedroom comparable units, respectively. Given the projected household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Concessions

None of the comparables are currently offering concessions. We do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate.

Waiting Lists

The following table illustrates the waiting lists reported at the comparable properties.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Alexander At 1090	LIHTC/PBRA	Family	Yes; unknown length.
Belle Summit	LIHTC	Family	Yes; 60 households
Linden At Forest Hill	LIHTC	Family	None
Morningside Apartments	LIHTC/ Market	Family	None
Port City Apartments	LIHTC	Family	Yes, length unknown
Port City II	LIHTC	Family	Yes, 80 households
Village South Townhomes	LIHTC	Family	None
404 Rivertowne Apartment Homes	Market	Family	Yes; unknown
Ashton Square	Market	Family	None
Communities At Southwood	Market	Family	Yes; 11 months
Model Tobacco	Market	Family	None
The Mill At Manchester Lofts	Market	Family	None
The Park At Forest Hill	Market	Family	Yes; two months.
The Village At Westlake	Market	Family	Yes, three households

*Located outside of the PMA

Three of the four LIHTC properties maintain waiting lists, and four of the market rate comparables maintain waiting lists. Note that Port City II is currently in lease-up. The contact noted that the property is operating off of an 80-household applicant list to fill the remaining vacant units and will keep any remaining households on the waiting list once the property is filled. The waiting lists at the LIHTC comparables indicate demand for affordable housing. We anticipate that the Subject could maintain a waiting list to facilitate leasing upon turnover.

Absorption

Four of the comparables were able to report recent absorption data. Note that two of the comparables, Port City II and Model Tobacco, are currently in lease-up. Additionally, we have included absorption data for recently constructed multifamily properties within 25 miles of the Subject. This absorption information is presented in the following table.

ABSORPTION						
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)
Port City II**	LIHTC	Family	Richmond	2022	147	28
Model Tobacco**	Market	Family	Richmond	2022	203	16
The Oliver	LIHTC	Family	Richmond	2020	164	15
Alexander At 1090*	LIHTC	Family	Richmond	2020	48	48
Cambridge Square Apartments	Market	Family	Mechanicsville	2020	207	17
The Jane At Moore's Lake	Market	Family	Chester	2019	385	26
Abberly Centerpointe	Market	Family	Midlothian	2019	271	12
Port City Apartments*	LIHTC	Family	Richmond	2018	135	22
The Village At Westlake*	Market	Family	Richmond	2018	252	42
Average Affordable					124	28
Average Market					264	23
Overall Average					201	25

*Comparable Property

** Properties are utilized as comparables and are currently in lease-up

The properties have reported absorption rates ranging from 12 to 48 units per month. We believe the Subject would experience an absorption rate 25 units per month, indicating an absorption period of three months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

Rental Rate Increases

The following table illustrates the rent increases at the comparable properties.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Alexander At 1090	LIHTC/PBRA	Family	Increased to 2022 maximum
Belle Summit	LIHTC	Family	Increased to 2022 maximum
Linden At Forest Hill	LIHTC	Family	Increased nine to 14 percent
Morningside Apartments	LIHTC/ Market	Family	Increased up to 15%
Port City Apartments	LIHTC	Family	Increased to 2022 maximum
Port City II	LIHTC	Family	Kept at 2022 maximum
Village South Townhomes	LIHTC	Family	Increased 17 to 19%
404 Rivertowne Apartment Homes	Market	Family	Changes daily
Ashton Square	Market	Family	No change since Q4 2021
Communities At Southwood	Market	Family	Increased 23 to 31% since 2Q 2022
Model Tobacco	Market	Family	None
The Mill At Manchester Lofts	Market	Family	Changes every two weeks
The Park At Forest Hill	Market	Family	Decreased 2 to 5% percent since 1Q 2022
The Village At Westlake	Market	Family	1BR: dec. 0 to 4% 2&3 BRs: Inc. 10 to 12%

Four of the LIHTC comparables reported rents at the 2022 maximum allowable levels. The remaining three LIHTC comparables reported rents that varied annually, ranging from an increase of nine to 19 percent. Three of the market rate comparables reported rents that varied annually, ranging from a decrease of zero to 5.0 percent to an increase of 33.5 percent. The remaining two market rate comparables reported that they utilize daily pricing systems and as such rents fluctuate on a daily to weekly basis. The Subject’s proposed LIHTC rents are set at the maximum allowable levels. As such, future rent increases will be directly dependent upon AMI growth. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

Reasonability of Rents

The table below illustrates the Subject’s rents and unit mix.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2022 HUD Fair Market Rents
@30%							
1BR / 1BA	705	1	\$435	\$131	\$566	\$566	\$1,044
2BR / 2BA	956	5	\$525	\$155	\$680	\$680	\$1,189
3BR / 2BA	1,113	2	\$612	\$173	\$785	\$785	\$1,556
@40%							
2BR / 2BA	956	5	\$752	\$155	\$907	\$907	\$1,189
@40% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	1	\$624	\$131	\$755	\$755	\$1,044
3BR / 2BA	1,113	2	\$874	\$173	\$1,047	\$1,047	\$1,556
@50%							
2BR / 2BA	956	12	\$978	\$155	\$1,133	\$1,133	\$1,189
@50% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	4	\$813	\$131	\$944	\$944	\$1,044
3BR / 2BA	1,113	4	\$1,136	\$173	\$1,309	\$1,309	\$1,556
@60%							
2BR / 2BA	956	23	\$1,205	\$155	\$1,360	\$1,360	\$1,189
3BR / 2BA	1,113	6	\$1,398	\$173	\$1,571	\$1,571	\$1,556
@60% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	6	\$1,002	\$131	\$1,133	\$1,133	\$1,044
3BR / 2BA	1,113	1	\$1,398	\$173	\$1,571	\$1,571	\$1,556
72							

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject’s proposed LIHTC rents are set at the maximum allowable levels.

Comparable LIHTC Rents

The following tables compare the Subject’s and the comparable properties’ rents. For the purposes of this market study, “Base Rents” are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. “Net rents” are rents adjusted for the cost of utilities (adjusted to the Subject’s convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property and help to provide an “apples-to-apples” comparison of rents. Additionally, it is important to note that we compared to concessured rent levels at the comparable properties.

30% AMI**LIHTC RENT COMPARISON @30%**

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
700 W. 44th Street	Richmond City	Family	\$435	\$525	\$612	Yes
LIHTC Maximum Rent (Net)	Richmond City		\$435	\$525	\$612	
Port City Apartments	Richmond City	Family		\$503		Yes
Average	-	-	-	\$503	-	
Achievable LIHTC Rent			\$435	\$525	\$612	

40% AMI**LIHTC RENT COMPARISON @40%**

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
700 W. 44th Street	Richmond City	Family	\$624	\$752	\$874	Yes
LIHTC Maximum Rent (Net)	Richmond City		\$624	\$752	\$874	
Alexander At 1090	Richmond City	Family	-	\$958	-	Yes
Belle Summit	Richmond City	Family	\$667	\$794	\$916	Yes
Port City Apartments	Richmond City	Family	\$627	\$730	-	Yes
Port City II	Richmond City	Family	\$627	-	-	Yes
Average			\$640	\$827	\$916	
Achievable LIHTC Rent			\$624	\$752	\$874	

50% AMI**LIHTC RENT COMPARISON @50%**

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
700 W. 44th Street	Richmond City	Family	\$813	\$978	\$1,136	Yes
LIHTC Maximum Rent (Net)	Richmond City		\$813	\$978	\$1,136	
Alexander At 1090	Richmond City	Family	-	\$1,008	\$1,258	Yes
Belle Summit	Richmond City	Family	\$856	\$1,020	\$1,178	Yes
Port City Apartments	Richmond City	Family	\$816	\$956	-	Yes
Port City II	Richmond City	Family	\$816	\$956	-	Yes
Average			\$829	\$985	\$1,218	
Achievable LIHTC Rent			\$813	\$978	\$1,136	

60% AMI**LIHTC RENT COMPARISON @60%**

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
700 W. 44th Street	Richmond City	Family	\$1,002	\$1,205	\$1,398	Yes
LIHTC Maximum Rent (Net)	Richmond City		\$1,002	\$1,205	\$1,398	
Alexander At 1090	Richmond City	Family	-	\$1,235	\$1,425	Yes
Linden At Forest Hill	Richmond City	Family	\$928	\$1,089	-	No
Morningside Apartments	Richmond City	Family	-	\$1,049	\$1,113	No
Port City Apartments	Richmond City	Family	\$1,005	\$1,183	\$1,332	Yes
Port City II	Richmond City	Family	\$1,005	\$1,183	-	Yes
Village South Townhomes	Richmond City	Family	\$685	\$1,060	\$960	No
Average			\$906	\$1,133	\$1,208	
Achievable LIHTC Rent			\$1,002	\$1,205	\$1,398	

Three of the six LIHTC comparables with units at 60 percent AMI reported rents at the 2022 maximum allowable levels, and all of the LIHTC comparables with units at 30, 40 and 50 percent AMI reported rents at the 2022 maximum allowable levels. Alexander at 1090, Belle Summit, Port City Apartments, and Port City II have rents set at the 2022 maximum levels, while Linden at Forest Hill, Morningside Apartments, and Village South Townhomes reported rents below the 2022 maximum allowable levels. The contact for the Linden at Forest Hill could not comment on whether higher rents are achievable at the property. Management for the property reported a vacancy rate of 5.2 percent. We maintain that the property is not testing its upper rental limits. Management at Morningside Apartments could not comment on whether upper rent limits were being tested. Village South Townhomes are owned and managed by a non-profit, and the property intentionally sets rents below the maximum levels in order to maintain affordability. The LIHTC comparables reported an overall vacancy rate of 8.0 percent; however, one comparable is in lease-up and two are in the process of renovating units. Four of the seven LIHTC and mixed-income comparables currently maintain waiting lists.

The Subject will offer balconies/patios, ceiling fans, walk-in closets, and washer/dryer hookups, which a number of the LIHTC comparables lack. However, the Subject will lack coat closets, washer/dryers, and garbage disposals, while a number of the LIHTC comparables include these amenities. Overall, the in-unit amenity package at the Subject will be considered slightly inferior to slightly superior to the LIHTC comparable properties. Further, the Subject will feature slightly superior to superior community amenities to the LIHTC comparables. The Subject will be superior in condition to Linden at Forest Hill and Morningside Apartments, which were built between 1963 and 1965, and were renovated between 1995 and 1998. Further, the Subject will be slightly superior to Village South Townhomes, which was rehabilitated with LIHTC funding in 2005. The Subject will be slightly superior to similar in condition to the remaining comparables, which were built or renovated between 2014 and 2022. The Subject will be most similar to Alexander at 1090.

Alexander at 1090 is a 48-unit development located 1.6 miles from the Subject site, within a neighborhood considered similar relative to the Subject's location. The property was built in 2020, and currently exhibits similar condition relative to the Subject upon completion. The manager at Alexander at 1090 reported 8.3 percent vacancy, although two units are currently pre-leased. This indicates the current rents at Alexander at 1090 are well accepted in the market. We believe the in-unit amenities at the comparable will be similar to the Subject, while the property amenity package offered will be inferior relative to the Subject. Overall, we believe the Subject will be a generally similar product relative to the Alexander at 1090. Our concluded achievable LIHTC rents for the Subject's units are in line with the rents reported by Alexander at 1090, which is achieving 2022 maximum allowable rents.

Overall, given the high demand for affordable housing the market, prevalence of wait lists, and significant rent advantage relative to estimated market rates, we believe the Subject would be able to achieve rents at the 2022 maximum allowable levels for all AMI levels.

Achievable Market Rents

The following tables illustrates the minimum, maximum, and average market rent for the units at the comparable properties that offer unrestricted units compared to the Subject’s achievable LIHTC rents and the pro forma rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@30%	\$435	\$807	\$1,687	\$1,188	\$1,200	64%
1BR / 1BA	@40% (PBRA)	\$624	\$807	\$1,687	\$1,188	\$1,200	48%
1BR / 1BA	@50% (PBRA)	\$813	\$807	\$1,687	\$1,188	\$1,200	32%
1BR / 1BA	@60% (PBRA)	\$1,002	\$807	\$1,687	\$1,188	\$1,200	17%
2BR / 2BA	@30%	\$525	\$905	\$2,110	\$1,366	\$1,425	63%
2BR / 2BA	@40%	\$752	\$905	\$2,110	\$1,366	\$1,425	47%
2BR / 2BA	@50%	\$978	\$905	\$2,110	\$1,366	\$1,425	31%
2BR / 2BA	@60%	\$1,205	\$905	\$2,110	\$1,366	\$1,425	15%
3BR / 2BA	@30%	\$612	\$1,313	\$2,669	\$1,821	\$1,650	63%
3BR / 2BA	@40% (PBRA)	\$874	\$1,313	\$2,669	\$1,821	\$1,650	47%
3BR / 2BA	@50% (PBRA)	\$1,136	\$1,313	\$2,669	\$1,821	\$1,650	31%
3BR / 2BA	@60%	\$1,398	\$1,313	\$2,669	\$1,821	\$1,650	15%
3BR / 2BA	@60% (PBRA)	\$1,398	\$1,313	\$2,669	\$1,821	\$1,650	15%

The comparable market properties will exhibit similar to inferior condition to the proposed Subject upon completion. Further, the location of the Subject will be generally similar to superior to the market rate comparable properties, which are located between 0.2 and 2.4 miles of the Subject. The Subject will offer inferior to slightly superior in-unit amenities, as it will not include garbage disposals, coat closets, in-unit washer and dryers, and microwaves. However, the Subject will offer a superior community amenity package, including recreational areas and a community room, which are lacking at the majority of the market rate comparables. The Subject will offer similar to slightly superior security features, including a patrol. Additionally, the Subject’s unit sizes will be similar to larger than the average unit sizes of the market rate comparables. Overall, the Subject will be most similar to the Village at Westlake and 404 Rivertowne Apartment Homes.

The Village at Westlake offers one, two, and three-bedroom market rate units. Management reported that the property is 99.2 percent occupied. The comparable, which was constructed in 2018, exhibits excellent condition, which will be similar to the Subject’s anticipated condition. The Village at Westlake is located approximately 1.9 miles from the Subject in a generally similar location. The unit amenities at the Subject are considered inferior relative to the amenity package offered at the Village at Westlake; however, the community amenities at the Subject are similar compared to the Village at Westlake. The development offers a three-story, garden-style design, slightly inferior to the Subject’s proposed design. Additionally, the Subject’s one, two, and three-bedroom unit sizes will be slightly inferior to inferior to the one, two, and three-bedroom unit sizes at the Village at Westlake. Overall, relative to the Subject, the Village at Westlake will be slightly superior and, therefore, we believe the Subject could achieve market rents slightly below this comparable as an unrestricted property.

404 Rivertowne Apartment Homes offers efficiency, one, and two-bedroom market rate units. Management reported that the property is 95.6 percent occupied. The comparable was constructed in 1968 and exhibits average condition, which will be inferior to the Subject’s anticipated condition following construction. 404 Rivertowne Apartments is located approximately 0.2 miles from the Subject in a generally similar location. In terms of amenities, the comparable will offer slightly inferior unit amenities and inferior community amenities. 404 Rivertowne Apartment Homes’ three-story, garden-style design will be slightly inferior to the Subject’s. The comparable’s unit sizes will be similar to inferior to those of the Subject. Overall, we believe the Subject could achieve rents above this comparable as an unrestricted property.

The following tables compare the Subject’s rents (Novoco achievable LIHTC rents) with the rents achieved at the Village at Westlake and 404 Rivertowne Apartment Homes.

SUBJECT COMPARISON TO THE VILLAGE AT WESTLAKE

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet	Subject RPSF	The Village At Westlake Rent	Square Feet	The Village At Westlake RPSF	Subject Rent Advantage
1BR / 1BA	@30%	\$435	705	\$0.62	\$1,415	806	\$1.76	69.3%
1BR / 1BA	@40% (PBRA)	\$624	705	\$0.89	\$1,415	806	\$1.76	55.9%
1BR / 1BA	@50% (PBRA)	\$813	705	\$1.15	\$1,415	806	\$1.76	42.5%
1BR / 1BA	@60% (PBRA)	\$1,002	705	\$1.42	\$1,415	806	\$1.76	29.2%
2BR / 2BA	@30%	\$525	956	\$0.55	\$1,810	1,085	\$1.67	71.0%
2BR / 2BA	@40%	\$752	956	\$0.79	\$1,810	1,085	\$1.67	58.5%
2BR / 2BA	@50%	\$978	956	\$1.02	\$1,810	1,085	\$1.67	46.0%
2BR / 2BA	@60%	\$1,205	956	\$1.26	\$1,810	1,085	\$1.67	33.4%
3BR / 2BA	@30%	\$612	1,113	\$0.55	\$1,895	1,390	\$1.36	67.7%
3BR / 2BA	@40% (PBRA)	\$874	1,113	\$0.79	\$1,895	1,390	\$1.36	53.9%
3BR / 2BA	@50% (PBRA)	\$1,136	1,113	\$1.02	\$1,895	1,390	\$1.36	40.1%
3BR / 2BA	@60%	\$1,398	1,113	\$1.26	\$1,895	1,390	\$1.36	26.2%
3BR / 2BA	@60% (PBRA)	\$1,398	1,113	\$1.26	\$1,895	1,390	\$1.36	26.2%

SUBJECT COMPARISON TO 404 RIVERTOWNE APARTMENT HOMES

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet	Subject RPSF	404 Rivertowne Apartment Homes Rent	Square Feet	404 Rivertowne Apartment Homes RPSF	Subject Rent Advantage
1BR / 1BA	@30%	\$435	705	\$0.62	\$982	566	\$1.73	55.7%
1BR / 1BA	@40% (PBRA)	\$624	705	\$0.89	\$982	566	\$1.73	36.5%
1BR / 1BA	@50% (PBRA)	\$813	705	\$1.15	\$982	566	\$1.73	17.2%
1BR / 1BA	@60% (PBRA)	\$1,002	705	\$1.42	\$982	566	\$1.73	-2.0%
2BR / 2BA	@30%	\$525	956	\$0.55	\$1,430	964	\$1.48	63.3%
2BR / 2BA	@40%	\$752	956	\$0.79	\$1,430	964	\$1.48	47.4%
2BR / 2BA	@50%	\$978	956	\$1.02	\$1,430	964	\$1.48	31.6%
2BR / 2BA	@60%	\$1,205	956	\$1.26	\$1,430	964	\$1.48	15.7%

We have placed the Subject’s achievable market rents in line with to slightly above the surveyed average rents in the market, due to the Subject’s condition and competitive amenity package. The Subject’s achievable market rate rent per square foot are within the upper range of the comparables, which is reasonable given the Subject’s unit sizes. The Subject’s achievable LIHTC rents represent advantages of 15.9 to 62.9 percent over the achievable market rents for the Subject’s one, two, and three-bedroom units. The following table displays the concluded achievable market rents at the Subject.

SUBJECT ACHIEVEABLE MARKET RENTS

Unit Type	Achievable Market Rent	Unit Size	RPSF
1BR / 1BA	\$1,200	705	\$1.70
2BR / 2BA	\$1,425	956	\$1.49
3BR / 2BA	\$1,650	1113	\$1.48

Summary Evaluation

The Subject will be well-positioned in the market. As a newly constructed property, the Subject will be in generally similar to superior condition to the comparable properties. Vacancy rates among the LIHTC properties range from 0.5 to 13.3 percent, with an average of 8.0 percent. Vacancy at the Subject is expected to be no more than 5.0 percent over the long term. Based on the comparable data, rental rates at the maximum allowable levels are achievable. Overall, the Subject will be well-accepted in the market as a LIHTC property.

Impact on Existing Housing Stock

All the data combined with interviews of real estate professionals demonstrate a continuing need for affordable housing over the foreseeable term. The comparables surveyed include a total of 3,550 units at 14 properties. The affordable properties in the area reported occupancy rates of 86.4 percent or higher. Four of the LIHTC comparables reported maintaining waiting lists on their LIHTC units. Finally, the strong occupancy rates at the majority of the market rate projects in the PMA are evidence of a stable rental market and strong demand.

Our demand calculations illustrate a need for affordable housing in the area when we consider the Subject's achievable LIHTC rents. The existing and planned apartment developments will not hinder each other's ability to maintain high occupancy. Additionally, the construction of the property through the LIHTC program will have a positive impact on the surrounding neighborhood and will not adversely affect the existing housing located in the PMA.

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

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

Introduction

When evaluating demand for a particular proposed development we rely primarily on two methods. These are a supply analysis and a demand analysis. The supply analysis focuses on satisfied demand and anecdotal reports from property managers and market participants regarding demand. We believe this evidence of demand is the most clear and reliable when measuring housing need in a market area. We explored that indication in the previous sections of this report.

This section focuses on analyzing demographic data to determine housing need. According to NCHMA model content standards there are two measurements used to evaluate demand based on the demographic data. The first measurement is termed the capture rate. NCHMA define Capture Rate as: “The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to fill the units. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area.”

The second measurement is the Penetration Rate, which has similarities to the capture rate. NCHMA defines Penetration Rate as “The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed within six months of the Subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*.”

Capture Rate Determination

The following analysis will take the reader through a multi-step process in determining an appropriate capture rate for the Subject. Our analysis takes the entire population and distributes it by the following characteristics:

- 1) PMA Demography
- 2) Income Qualified
- 3) Renter Households
- 4) Unit Size Appropriate

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

For the purposes of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood-oriented” and are generally very reluctant to move from the area in which they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below-market rents. A certain percent of the Subject’s tenants are expected to hail from the PMA; demand estimates will be adjusted to reflect the potential for “leakage.”

The PMA boundaries are: State Route 76 and the James River to the north; the James River the east; State Route 647 and Belmont Road to the south; and State Route 150 to the west. The PMA encompasses 21.1 square miles. The PMA was determined based on input from area property managers.

Demographic Information

The basic demographic information is based upon the definition of a primary market area (“PMA”) and an estimate of the characteristics of the people living within that geographic definition.

Demographic data originates from the Census and is compiled by a third-party data provider. Novogradac uses data provided by the ESRI Business Analyst. Business Analyst brings in data as produced by ESRI’s team of demographers. Sources include the US Census, American Community Survey, and other reputable sources. Housing characteristics are derived from several data sources, including construction data from Hanley Wood Market Intelligence, building permits from counties, the USPS, HUD, BLS, and the Census bureau. Owner and renter occupied units come from the Current Population Survey (BLS) and the Housing Vacancy Survey (Census). Data has been ground-truthed by ESRI staff and proven effective.

ESRI’s products have been used by almost all US federal agencies (including HUD and USDA), top state level agencies, over 24,000 state and local governments worldwide, as well as many industry leading technology users—AT&T, Citrix, SAP, Oracle, Microsoft. ESRI produces timely updates based on new releases of data.

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Richmond City, VA
AMI for four-person household:	\$101,000
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

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

First, we estimate the Subject’s minimum and maximum income levels (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family-oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the application percentage to determine an income level. For example, if a property has a one-bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent. Note that the capture rate analysis accounts for both the Subject (nine percent) and the proposed four-percent component. The development will consist of 72 one, two, and three-bedroom units restricted at 40 and 60 percent of AMI. Additionally, 18 units at 40 percent of AMI will operate with PBV subsidies.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@40% (PBRA)		@50%		@50% (PBRA)		@60%		@60% (PBRA)	
1BR	\$19,406	\$24,180	-	-	\$0	\$32,240	-	-	\$0	\$40,300	\$38,846	\$48,360	\$0	\$48,360
2BR	\$23,314	\$27,210	\$31,097	\$36,280	-	-	\$38,846	\$45,350	-	-	\$46,629	\$54,420	-	-
3BR	\$26,914	\$32,640	-	-	\$0	\$43,520	-	-	\$0	\$54,400	\$53,863	\$65,280	\$0	\$65,280

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$19,406	\$24,180	\$25,886	\$32,240	\$32,366	\$40,300	\$38,846	\$48,360
2BR	\$23,314	\$27,210	\$31,097	\$36,280	\$38,846	\$45,350	\$46,629	\$54,420
3BR	\$26,914	\$32,640	\$35,897	\$43,520	\$44,880	\$54,400	\$53,863	\$65,280

Second, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject property. This income distribution was illustrated previously in the demographic analysis section of this report.

RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,036	14.8%	2,768	13.3%	-54	-1.8%
\$10,000-19,999	3,586	17.4%	3,164	15.2%	-84	-2.4%
\$20,000-29,999	2,950	14.4%	2,793	13.4%	-31	-1.1%
\$30,000-39,999	2,920	14.2%	2,775	13.3%	-29	-1.0%
\$40,000-49,999	2,053	10.0%	2,124	10.2%	14	0.7%
\$50,000-59,999	1,247	6.1%	1,418	6.8%	34	2.7%
\$60,000-74,999	1,585	7.7%	1,653	7.9%	14	0.9%
\$75,000-99,999	1,480	7.2%	1,583	7.6%	21	1.4%
\$100,000-	785	3.8%	1,017	4.9%	46	5.9%
\$125,000-	468	2.3%	805	3.9%	67	14.4%
\$150,000-	232	1.1%	381	1.8%	30	12.8%
\$200,000+	214	1.0%	359	1.7%	29	13.6%
Total	20,556	100.0%	20,840	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, February 2023

Step Three – Income Distribution

Third, we combine the allowable income bands with the income distribution analysis in order to determine the number of potential income-qualified households. The Cohort Overlap is defined as the income amount within income bands defined above that falls within the ESRI provided Income Cohort. The % in Cohort is simply the cohort overlap divided by the income cohort range (generally \$10,000). The # in Cohort is determined by multiplying total renter households by the % in Cohort determination. In some cases, the income-eligible band overlaps with more than one income cohort. In those cases, the cohort overlap for more than one income cohort will be calculated. The sum of these calculations provides an estimate of the total number of households that are income-eligible, both by AMI level and in total.

FAMILY INCOME DISTRIBUTION 2022 - AS PROPOSED

Income Cohort	Total Renter Households	@30%			@40%			@40% (PBRA)			@50%			@50% (PBRA)			@60%			@60% (PBRA)			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	3,036						9,999	100.0%	3,036				9,999	100.0%	3,036				9,999	100.0%	3,036	9,999	100.0%	3,036	
\$10,000-19,999	3,586	593	5.9%	213			9,999	100.0%	3,586				9,999	100.0%	3,586				9,999	100.0%	3,586	9,999	100.0%	3,586	
\$20,000-29,999	2,950	9,999	100.0%	2,950			9,999	100.0%	2,950				9,999	100.0%	2,950				9,999	100.0%	2,950	9,999	100.0%	2,950	
\$30,000-39,999	2,920	2,641	26.4%	771	5,182	51.8%	1,513	9,999	100.0%	2,920	1,153	11.5%	337	9,999	100.0%	2,920	1,153	11.5%	337	9,999	100.0%	2,920	9,999	100.0%	2,920
\$40,000-49,999	2,053						3,521	35.2%	723	5,351	53.5%	1,099	9,999	100.0%	2,053	9,999	100.0%	2,053	9,999	100.0%	2,053	9,999	100.0%	2,053	
\$50,000-59,999	1,247												4,401	44.0%	549	9,999	100.0%	1,247	9,999	100.0%	1,247	9,999	100.0%	1,247	
\$60,000-74,999	1,585															5,280	35.2%	558	5,280	35.2%	558	5,280	35.2%	558	
\$75,000-99,999	1,480																								
\$100,000-124,999	785																								
\$125,000-149,999	468																								
\$150,000-199,999	232																								
\$200,000+	214																								
Total	20,556		19.1%	3,934		7.4%	1,513		64.3%	13,215		7.0%	1,435		73.4%	15,094		20.4%	4,195		79.5%	16,350		79.5%	16,350

FAMILY INCOME DISTRIBUTION 2022 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@30%			@40%			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	3,036															
\$10,000-19,999	3,586	593	5.9%	213										593	5.9%	213
\$20,000-29,999	2,950	9,999	100.0%	2,950	4,113	41.1%	1,213							9,999	100.0%	2,950
\$30,000-39,999	2,920	2,641	26.4%	771	9,999	100.0%	2,920	7,633	76.3%	2,229	1,153	11.5%	337	9,999	100.0%	2,920
\$40,000-49,999	2,053				3,521	35.2%	723	9,999	100.0%	2,053	9,999	100.0%	2,053	9,999	100.0%	2,053
\$50,000-59,999	1,247							4,401	44.0%	549	9,999	100.0%	1,247	9,999	100.0%	1,247
\$60,000-74,999	1,585										5,281	35.2%	558	5,281	35.2%	558
\$75,000-99,999	1,480															
\$100,000-124,999	785															
\$125,000-149,999	468															
\$150,000-199,999	232															
\$200,000+	214															
Total	20,556		19.1%	3,934		23.6%	4,856		23.5%	4,831		20.4%	4,195		48.4%	9,941

Step Four – Income Eligible - Renter Households by Number of People in Household

At this point we know how many income eligible renter households there are within the PMA by AMI level. Using that household figure, we have also calculated percentage of income eligible households to total households by AMI level (AMI percentage eligible). However, in order to provide a demand analysis by bedroom type the number of households must now be allocated to a bedroom mix. The first step in that process is to determine the number of income qualified renter households by the number of persons per household. This can be completed by applying the total number of rental households by person by the AMI percentage eligible. The total number of renter households by person is information provided by ESRI and illustrated in the demographic discussion.

Step Five – Unit Size Appropriate

Household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. Additionally, HUD assumes that one-person households are accommodated in one-bedroom units. For LIHTC income purposes, the actual size of the household is used.

The distribution of households by unit type is dependent on the following assumptions. This table has been developed by Novogradac as a result of market research.

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

The projected renter household demand by bedroom size can then be determined by applying these weightings to the number of income qualified renter households determined in Step Four.

Step Six – Capture Rate by Bedroom Mix

The capture rate is simply determined by dividing the number of units by unit type for the subject by the total number of qualified renter households for that unit type. This calculation is then adjusted for leakage to arrive at a final determination of capture rate by bedroom type and AMI level.

CAPTURE RATE ANALYSIS BY UNIT TYPE

In order to determine demand for the proposed market mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for all AMI levels.

30% AMI Demand - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	19.1%	1,533
2 persons	5,292	x	19.1%	1,013
3 persons	3,174	x	19.1%	607
4 persons	2,041	x	19.1%	391
5+ persons	2,037	x	19.1%	390
Total	20,556			3,934

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,583
2BR	1,445
3BR	594
Total	3,622

Capture Rate Analysis - @30% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	1	0.06%
2BR	5	0.35%
3BR	2	0.34%
Total/Overall	8	0.22%

Adjusted for Leakage from Outside of the PMA

10%

1BR	1	0.06%
2BR	5	0.31%
3BR	2	0.30%
Total/Overall	8	0.20%

40% AMI Demand - As Proposed (Without Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	7.4%	590
2 persons	5,292	x	7.4%	390
3 persons	3,174	x	7.4%	234
4 persons	2,041	x	7.4%	150
5+ persons	2,037	x	7.4%	150
Total	20,556			1,513

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	-
2BR	556
3BR	-
Total	556

Capture Rate Analysis - @40% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	-	-
2BR	5	0.90%
3BR	-	-
Total/Overall	5	0.90%

Adjusted for Leakage from Outside of the PMA

10%

1BR	-	-
2BR	5	0.81%
3BR	-	-
Total/Overall	5	0.81%

40% AMI Demand - As Proposed (With Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	64.3%	5,151
2 persons	5,292	x	64.3%	3,402
3 persons	3,174	x	64.3%	2,040
4 persons	2,041	x	64.3%	1,312
5+ persons	2,037	x	64.3%	1,310
Total	20,556			13,215

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	5,316
2BR	-
3BR	1,996
Total	7,312

Capture Rate Analysis - @40% (PBRA) - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	1	0.02%
2BR	-	-
3BR	20	1.00%
Total/Overall	21	0.29%

Adjusted for Leakage from Outside of the PMA

10%

1BR	1	0.02%
2BR	-	-
3BR	20	0.90%
Total/Overall	21	0.26%

50% AMI Demand - As Proposed (Without Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	7.0%	559
2 persons	5,292	x	7.0%	370
3 persons	3,174	x	7.0%	222
4 persons	2,041	x	7.0%	143
5+ persons	2,037	x	7.0%	142
Total	20,556			1,435

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	-
2BR	527
3BR	-
Total	527

Capture Rate Analysis - @50% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	-	-
2BR	12	2.28%
3BR	-	-
Total/Overall	12	2.28%

Adjusted for Leakage from Outside of the PMA

10%

1BR	-	-
2BR	12	2.05%
3BR	-	-
Total/Overall	12	2.05%

50% AMI Demand - As Proposed (With Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	73.4%	5,883
2 persons	5,292	x	73.4%	3,886
3 persons	3,174	x	73.4%	2,331
4 persons	2,041	x	73.4%	1,499
5+ persons	2,037	x	73.4%	1,496
Total	20,556			15,094

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	6,072
2BR	-
3BR	2,280
Total	8,351

Capture Rate Analysis - @50% (PBRA) - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	4	0.07%
2BR	-	-
3BR	4	0.18%
Total/Overall	8	0.10%

Adjusted for Leakage from Outside of the PMA

10%

1BR	4	0.06%
2BR	-	-
3BR	4	0.16%
Total/Overall	8	0.09%

60% AMI Demand - As Proposed (Without Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	20.4%	1,635
2 persons	5,292	x	20.4%	1,080
3 persons	3,174	x	20.4%	648
4 persons	2,041	x	20.4%	416
5+ persons	2,037	x	20.4%	416
Total	20,556			4,195

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,687
2BR	1,541
3BR	634
Total	3,862

Capture Rate Analysis - @60% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	24	1.42%
2BR	47	3.05%
3BR	12	1.89%
Total/Overall	83	2.15%

Adjusted for Leakage from Outside of the PMA

10%

1BR	24	1.28%
2BR	47	2.75%
3BR	12	1.70%
Total/Overall	83	1.93%

60% AMI Demand - As Proposed (With Subsidy)

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	79.5%	6,373
2 persons	5,292	x	79.5%	4,209
3 persons	3,174	x	79.5%	2,525
4 persons	2,041	x	79.5%	1,623
5+ persons	2,037	x	79.5%	1,620
Total	20,556			16,350

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	6,577
2BR	-
3BR	2,469
Total	9,046

Capture Rate Analysis - @60% (PBRA) - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	6	0.09%
2BR	-	-
3BR	1	0.04%
Total/Overall	7	0.08%

Adjusted for Leakage from Outside of the PMA

10%

1BR	6	0.08%
2BR	-	-
3BR	1	0.04%
Total/Overall	7	0.07%

All AMI Demand - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	79.5%	6,373
2 persons	5,292	x	79.5%	4,209
3 persons	3,174	x	79.5%	2,525
4 persons	2,041	x	79.5%	1,623
5+ persons	2,037	x	79.5%	1,620
Total	20,556			16,350

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	6,577
2BR	6,006
3BR	2,469
Total	15,053

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	36	0.55%
2BR	69	1.15%
3BR	39	1.58%
Total/Overall	144	0.96%

Adjusted for Leakage from Outside of the PMA

10%

1BR	36	0.49%
2BR	69	1.03%
3BR	39	1.42%
Total/Overall	144	0.86%

40% AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	23.6%	1,893
2 persons	5,292	x	23.6%	1,250
3 persons	3,174	x	23.6%	750
4 persons	2,041	x	23.6%	482
5+ persons	2,037	x	23.6%	481
Total	20,556			4,856

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,954
2BR	1,784
3BR	733
Total	4,471

Capture Rate Analysis - @40% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	1	0.05%
2BR	5	0.28%
3BR	20	2.73%
Total/Overall	26	0.58%

Adjusted for Leakage from Outside of the PMA

10%

1BR	1	0.05%
2BR	5	0.25%
3BR	20	2.45%
Total/Overall	26	0.52%

50% AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	23.5%	1,883
2 persons	5,292	x	23.5%	1,244
3 persons	3,174	x	23.5%	746
4 persons	2,041	x	23.5%	480
5+ persons	2,037	x	23.5%	479
Total	20,556			4,831

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,943
2BR	1,775
3BR	730
Total	4,448

Capture Rate Analysis - @50% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	4	0.21%
2BR	12	0.68%
3BR	4	0.55%
Total/Overall	20	0.45%

Adjusted for Leakage from Outside of the PMA

10%

1BR	4	0.19%
2BR	12	0.61%
3BR	4	0.49%
Total/Overall	20	0.40%

60% AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	20.4%	1,635
2 persons	5,292	x	20.4%	1,080
3 persons	3,174	x	20.4%	648
4 persons	2,041	x	20.4%	416
5+ persons	2,037	x	20.4%	416
Total	20,556			4,195

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,687
2BR	1,541
3BR	634
Total	3,862

Capture Rate Analysis - @60% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	30	1.78%
2BR	47	3.05%
3BR	13	2.05%
Total/Overall	90	2.33%

Adjusted for Leakage from Outside of the PMA

10%

1BR	30	1.60%
2BR	47	2.74%
3BR	13	1.85%
Total/Overall	90	2.10%

All AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2022

	Renter Household Size Distribution	Total Number of Renter Households
1 person	39.0%	8,012
2 persons	25.7%	5,292
3 persons	15.4%	3,174
4 persons	9.9%	2,041
5+ persons	9.9%	2,037
Total	100.0%	20,556

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	48.4%	3,875
2 persons	5,292	x	48.4%	2,559
3 persons	3,174	x	48.4%	1,535
4 persons	2,041	x	48.4%	987
5+ persons	2,037	x	48.4%	985
Total	20,556			9,941

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	3,999
2BR	3,652
3BR	1,501
Total	9,152

Capture Rate Analysis - All Units Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	36	0.90%
2BR	69	1.89%
3BR	39	2.60%
Total/Overall	144	1.57%

Adjusted for Leakage from Outside of the PMA

10%

1BR	36	0.81%
2BR	69	1.70%
3BR	39	2.34%
Total/Overall	144	1.42%

ANNUAL CAPTURE RATE ANALYSIS

The following calculation derives an estimated market penetration rate based on per annum demand. This is an indication of the percentage of net demand penetration that the Subject must attract in order to reach stabilized occupancy. This measure essentially takes the available household demand searching for apartments in the market area and deducts competition in order to determine net demand available to the Subject. The table below outlines the analysis of this methodology.

The annual demand for rental housing depends upon the following factors:

Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population increase from 2022 to 2027. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a February 2022 CoStar report, conducted an internet search and attempted to contact the Planning & Development Review for the City of Richmond. However, our calls have not been returned to date. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
Brady Square	LIHTC	Family	132	99	Proposed	3.0 miles
Heights at Brady Square	LIHTC	Family	264	264	Under Construction	2.9 miles
Urbana at Hioaks	LIHTC	Family	216	86	Under Construction	2.1 miles
Arbors at Hull St	LIHTC	Senior	116	0	Proposed	2.5 miles
103 E 2nd St	Market	Family	188	0	Proposed	2.9 miles
1114 Hull St	Market	Family	85	0	Proposed	2.4 miles
1228 Hull St	Market	Family	24	0	Proposed	2.3 miles
13 E 3rd St	Market	Family	235	0	Proposed	2.8 miles
1421 Bainbridge St	Market	Family	122	0	Proposed	2.2 miles
201 W Commerce Rd	Market	Family	250	0	Proposed	2.5 miles
4703 Forest Hill Ave	Market	Family	40	0	Proposed	0.5 miles
500 Maury St	Market	Family	143	0	Proposed	2.8 miles
5069 Forest Hill Ave	Market	Family	30	0	Proposed	0.7 miles
Avery Hall	Market	Family	500	0	Proposed	2.6 miles
Belle Heights Phase 2	Market	Family	200	0	Proposed	1.7 miles
Overlook II	Market	Family	271	0	Proposed	2.7 miles
The Element Apartments	Market	Family	290	0	Proposed	3.0 miles
Eddy On The James	Market	Family	221	0	Under Construction	2.4 miles
Manchester Commodore	Market	Family	173	0	Under Construction	2.6 miles
The Box	Market	Family	118	0	Under Construction	2.7 miles
The Cove Apartments	Market	Family	65	0	Under Construction	2.7 miles
The Railyard Flats	Market	Family	42	0	Under Construction	2.9 miles
The Village at Westlake II	Market	Family	122	0	Under Construction	1.7 miles
Kemps Village	Market	Senior	245	0	Under Construction	1.6 miles
Totals			4,092	449		

Source: CoStar, February 2023

Twenty of the 24 properties that are currently planned, proposed, under construction, or recently completed will be market rate, and thus will not directly compete with the Subject. Brady Square Apartments, Heights at Brady Square, Urbana at Hioaks, and Arbors at Hull St are proposed LIHTC developments which will be discussed in the following section. Overall, 449 units at the proposed developments will be directly competitive with the Subject.

Additionally, we reviewed the Virginia Housing LIHTC award lists from 2018 through 2022.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units - As Proposed	Competitive Units - Absent Subsidy	Distance to Subject
The View at Bell Isle	2022	LIHTC	Family	116	116	116	2.5 miles
Swansboro Apartments	2022	LIHTC	Family	62	62	62	1.4 miles
Townes at River South	2022	LIHTC/Public Housing	Family	161	146	77	2.4 miles
Lafayette Gardens	2022	LIHTC/Section 8	Family	96	96	51	3.3 miles
Arbors at Hull St	2021	LIHTC	Senior	116	0	0	2.5 miles
Brady Square	2021	LIHTC	Family	132	132	132	3.0 miles
Urbana at Hioaks	2020	LIHTC	Family	216	216	216	2.1 miles
The Heights at Brady Square	2021 & 2020	LIHTC/Market	Family	264	176	176	2.9 miles
Totals				1,163	944	830	

Source: Virginia Housing, February 2023

According to Virginia Housing allocation lists there have been eight properties allocated tax credits within the Subject’s PMA since 2020 that have yet to become operational. The following properties are detailed below.

- The View at Bell Isle is a proposed construction 116-unit LIHTC property located 2.5 miles northeast of the Subject. Upon completion, the units will be LIHTC restricted offering studio, one, and two-bedrooms. The AMI restrictions were unavailable at the time of this project. Therefore, we have conservatively assumed that all of the units at the property will be competitive with the Subject.
- Swansboro Apartments is an existing 62-unit LIHTC property planned for rehabilitation, located 1.4 miles southeast of the Subject. Upon completion, the property will continue to offer 62 two-bedroom units restricted at 60 percent AMI, which will be competitive with the proposed Subject. We have accounted for these units as existing competitive units in the PMA.
- Townes at River South is an existing 161-unit LIHTC/Public Housing property planned for rehabilitation, located 1.4 miles east of the Subject. The property will continue to be LIHTC restricted at 30 and 50 percent AMI offering two, three and four-bedroom units. Of the 161 units, 146 will be competitive with the Subject as proposed and 77 will be competitive absent subsidy. We have accounted for these units as existing competitive units in the PMA.
- Lafayette Gardens is an existing 96-unit LIHTC/Section 8 property planned for rehabilitation, located 3.3 miles southeast of the Subject. The property will continue to be LIHTC restricted at 40 and 50 percent AMI offering one, two and three-bedrooms. Of the 96 units, 96 will be competitive with the Subject as proposed and 51 will be competitive absent subsidy. We have accounted for these units as existing competitive units in the PMA.
- Arbors at Hull Street is a proposed 116-unit LIHTC property located 2.5 miles east of the Subject. Upon completion, the development will offer one and two-bedrooms. The AMI restrictions were unavailable at the time of this project. Due to its dissimilar tenancy, none of the units will be directly competitive with the Subject.
- Brady Square is a proposed 132-unit LIHTC property located 2.5 miles east of the Subject. Upon completion, the units will be LIHTC restricted at 40, 50 and 60 percent of AMI offering one, two and three-bedrooms. Upon completion, all of the units at the property will be competitive with the Subject.
- Urbana at Hioaks is a proposed construction 216-unit LIHTC property located 2.1 miles west of the Subject. Upon completion, the units will be LIHTC restricted offering one, two and three-bedrooms. The AMI restrictions were unavailable at the time of this project. We have conservatively assumed that all of the units at the property will be competitive with the Subject.
- The Heights at Brady Square is a proposed 264-unit LIHTC property located 2.5 miles southeast of the Subject. Upon completion, the development will offer one, two, and three-bedrooms between 30 and 60 percent of AMI, as well as 88 market rate units. The 176 LIHTC units will be directly competitive with the Subject, upon completion.

The Subject will be developed concurrently with 700 West 44 - 4%, a proposed 72-unit LIHTC development offering one, two, and three-bedroom units at 40 and 60 percent of AMI that will be located adjacent to the Subject. We have accounted for the 72 units at 72 West 44 – 4% as proposed competitive with the Subject. Additionally, Townes at River South and Lafayette Gardens represent existing developments that are proposed for rehabilitation; these properties have been accounted for as existing competitive properties. Overall, we have deducted 774 units, both as proposed and absent subsidy, in the demand analysis section of this report.

Annual Demand Table – As Proposed

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2022		20,556
Increase in Number of Renter Households		284
Number of Renter Households in 2027		20,840
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		60.9%
Percentage of Income-Qualified Renter Households		79.5%
Number of Income-Qualified Renter Households		16,350
Percentage of Rent-Overburdened		46.3%
Existing Income-Qualified Renter Household Turnover		7,566
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		57
Percentage of Income-Qualified Renter Households		79.5%
New Rental Income Qualified Households		45
<i>Capture Rate Analysis</i>		
Number of Units in Subject		72
Occupied Units at Subject With Vacancy of:	5%	68
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		7,611
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		8,457
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	774	
Total Demand after Competition (Turnover and Growth)		7,683
Yielded Annual Capture Rate of Available Demand in 2023		0.9%

The yielded capture rate is approximately 0.9 percent of available demand per annum, for the Subject’s units as proposed, which is considered indicative of demand.

Annual Demand Table – Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2022		20,556
Increase in Number of Renter Households		284
Number of Renter Households in 2027		20,840
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		60.9%
Percentage of Income-Qualified Renter Households		48.4%
Number of Income-Qualified Renter Households		9,941
Percentage of Rent-Overburdened		46.3%
Existing Income-Qualified Renter Household Turnover		4,600
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		57
Percentage of Income-Qualified Renter Households		48.4%
New Rental Income Qualified Households		28
<i>Capture Rate Analysis</i>		
Number of Units in Subject		72
Occupied Units at Subject With Vacancy of:	5%	68
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		4,628
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		5,142
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	774	
Total Demand after Competition (Turnover and Growth)		4,368
Yielded Annual Capture Rate of Available Demand in 2023		1.6%

As proposed, the annual capture rate is 1.6 percent for all of the Subject’s units, which is considered indicative of demand.

VIRGINIA HOUSING DEMAND ANALYSIS

We have also included the required demand table from the Virginia Housing market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject site. The supply illustrates all proposed or under construction units in the PMA.

For the following Virginia Housing demand analysis, we have considered all of the Subject’s 72 proposed units. Additionally, we have determined that there are 774 proposed competitive LIHTC units in the PMA (inclusive of the proposed 72 units at the four-percent component), along with 65 vacant units (13 at 50 percent of AMI and 52 at 60 percent of AMI) at the comparable LIHTC properties considered directly competitive with the Subject’s LIHTC units. Note that the 72 proposed units in the proposed four-percent component have been accounted for under Proposed Units with the Subject, per Virginia Housing guidelines.

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

VIRGINIA HOUSING DEMAND ANALYSIS					
Income Restrictions	Up to 30% (min. income to max. income)	Up to 40% (min. income to max. income)	Up to 50% (min. income to max. income)	Up to 60% (min. income to max. income)	Project Total (min. income to max. income)
New Rental Households	11	13	13	12	49
+					
Existing Households - Overburdened	1,820	2,247	2,235	1,941	4,600
+					
Existing Households - Substandard Housing	47	58	58	50	119
+					
Senior Households - Likely to Convert to Rental Housing	0	0	0	0	0
+					
Existing Qualifying Tenants - to Remain After Renovation	0	0	0	0	0
Total Demand	1,878	2,319	2,307	2,003	4,769
-					
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	44	88	101	534	767
Net Demand	1,834	2,231	2,206	1,469	4,002
Proposed Units	8	26	20	90	144
Capture Rate	0.4%	1.2%	0.9%	6.1%	3.6%
Absorption Period	1 month	1-2 months	1-2 months	5-6 months	5-6 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties, as well as the prevalence of waiting lists at the majority of LIHTC properties. Our concluded capture rate and absorption period are shown in the table below.

Project Wide Capture Rate - All Units*	3.6%
Project Wide Absorption Period (Months)	5-6 months

PENETRATION RATE ANALYSIS

Per Virginia Housing guidelines, we also performed a penetration rate analysis for the Subject’s units as proposed and absent subsidy, as illustrated in the following tables. Note that we have only considered existing one, two, and three-bedroom family units at 30, 40, 50, and 60 percent of AMI as competitive. Further, the proposed four-percent units are combined with the proposed Subject units (144 total units).

The overall penetration rate is derived by taking the number of LIHTC units proposed or under construction within the PMA, combined with the number of existing LIHTC units, and the number of the Subject’s units divided by the number of income eligible households.

PENETRATION RATE - AS PROPOSED	
Number of Proposed Competitive Affordable Units in the PMA	702
	+
Number of Existing Competitive Family Affordable Units in the PMA	2,926
	+
Number of Proposed Affordable Units at the Subject	144
	=
Total	3,772
	/
Income Eligible Households - All AMI Levels	16,350
	=
Overall Penetration Rate	23.1%

As illustrated, the penetration rate for the Subject, as proposed, is 23.1 percent, which is considered moderate, but indicates adequate demand for the Subject’s units.

PENETRATION RATE - ABSENT SUBSIDY	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	702
	+
Number of Existing Competitive Family <i>LIHTC</i> Units in the PMA	2,428
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	144
	=
Total	3,274
	/
Income Eligible Households - All AMI Levels	9,941
	=
Overall Penetration Rate	32.9%

Additionally, the penetration rate for the Subject, absent subsidy, is 32.9 percent, which is considered moderate and indicates adequate demand for the Subject’s units.

The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels, and are family oriented. Existing affordable housing projects in the PMA will not be adversely affected by the proposed construction of the Subject property. A survey of comparable affordable LIHTC rental housing developments in the area demonstrates significant demand for quality rental units.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units As Proposed	Competitive Units Absent Subsidy
Belle Summit*	LIHTC	Family	50	50	50
Blue Ridge Estates	LIHTC	Family	182	182	182
Chicago Manor	LIHTC	Family	75	75	75
City View Place	LIHTC	Family	32	32	32
Countryside Apartments	LIHTC	Family	59	59	59
Dunston Manor	LIHTC	Family	102	101	101
Genesis Homes South	LIHTC	Family	60	60	60
Graystone Place Apartments	LIHTC	Family	135	135	135
Hatcher Tobacco Flats	LIHTC	Family	152	152	152
Ivy Walk Apartments	LIHTC	Family	126	63	63
Jefferson Townhouse	LIHTC	Family	218	201	201
Linden At Forest Hill*	LIHTC	Family	58	57	57
Miller Lofts At Plant Zero	LIHTC	Family	197	196	196
New Manchester Flats	LIHTC	Family	172	76	76
Port City Apartments*	LIHTC	Family	135	106	106
Port City Apartments II*	LIHTC	Family	147	112	112
South Falls Towers	LIHTC	Family	478	0	0
Tuscany Townhomes	LIHTC	Family	132	132	132
Venus At Manchester	LIHTC	Family	68	68	68
Village South Townhomes	LIHTC	Family	296	280	280
Forest Creek Apartments	LIHTC	Senior	94	0	0
Morningside Apartments	LIHTC/Market	Family	392	248	248
Alexander At 1090*	LIHTC/PBRA	Family	48	48	43
The Townes At River South	LIHTC/Public Housing	Family	161	0	0
Melvin C. Fox Manor	LIHTC/RAD	Senior	50	0	0
Stonewall Place	LIHTC/RAD	Senior	70	0	0
Oscar E Stovall Place	LIHTC/Section 8/RAD	Family	30	0	0
Afton	LIHTC/Subsidized	Family	40	32	0
Chippenham Place	LIHTC/Subsidized	Family	144	144	0
Studios I and II	LIHTC/Section 8	Family	60	0	0
Lafayette Gardens	LIHTC/Section 8	Family	102	102	0
Midlothian Village	LIHTC/Section 8	Family	216	215	0
New Clay House II	LIHTC/Section 8	Senior	80	0	0
Total			4,361	2,926	2,428

*Utilized as a comparable

Four of the comparables were able to report recent absorption data. Note that two of the comparables, Port City II and Model Tobacco, are currently in lease-up. Additionally, we have included absorption data for recently constructed multifamily properties within 25 miles of the Subject. This absorption information is presented in the following table.

ABSORPTION						
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)
Port City II**	LIHTC	Family	Richmond	2022	147	28
Model Tobacco**	Market	Family	Richmond	2022	203	16
The Oliver	LIHTC	Family	Richmond	2020	164	15
Alexander At 1090*	LIHTC	Family	Richmond	2020	48	48
Cambridge Square Apartments	Market	Family	Mechanicsville	2020	207	17
The Jane At Moore's Lake	Market	Family	Chester	2019	385	26
Abberly Centerpointe	Market	Family	Midlothian	2019	271	12
Port City Apartments*	LIHTC	Family	Richmond	2018	135	22
The Village At Westlake*	Market	Family	Richmond	2018	252	42
Average Affordable					124	28
Average Market					264	23
Overall Average					201	25

*Comparable Property

** Properties are utilized as comparables and are currently in lease-up

The properties have reported absorption rates ranging from 12 to 48 units per month. We believe the Subject would experience an absorption rate 25 units per month, indicating an absorption period of three months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

Rent conclusions were provided in *Section H*.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject. The proposed rents appear to be achievable and we do not believe the Subject will need to rely on voucher support or a project-based subsidy in the future.

**J. LOCAL PERSPECTIVES OF
RENTAL HOUSING MARKET
AND HOUSING
ALTERNATIVES**

INTERVIEWS

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

Local Housing Authority Discussion

The Richmond Redevelopment and Housing Authority (RHA) administers the Section 8 Housing Choice Voucher program in Richmond City. According to RRHA, approximately 3,000 vouchers are administered by the agency. Further according to the RRHA website, the waiting list will be opening in late February 2023. According to the Richmond Housing Authority website, the payment standards for Richmond City are as follows.

PAYMENT STANDARDS

Unit Type	Payment Standard
One-Bedroom	\$1,252
Two-Bedroom	\$1,426
Three-Bedroom	\$1,867

Source: Richmond Housing Authority, effective July 2022

The payment standards are above the Subject’s proposed gross LIHTC rents. Therefore, tenants utilizing HCV at the Subject will not have to pay additional rent out of pocket.

Planning Discussion

To determine the amount of competitive new supply entering the market, we consulted a February 2022 CoStar report, conducted an internet search and attempted to contact the Planning & Development Review for the City of Richmond. However, our calls have not been returned to date. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
Brady Square	LIHTC	Family	132	99	Proposed	3.0 miles
Heights at Brady Square	LIHTC	Family	264	264	Under Construction	2.9 miles
Urbana at Hioaks	LIHTC	Family	216	86	Under Construction	2.1 miles
Arbors at Hull St	LIHTC	Senior	116	0	Proposed	2.5 miles
103 E 2nd St	Market	Family	188	0	Proposed	2.9 miles
1114 Hull St	Market	Family	85	0	Proposed	2.4 miles
1228 Hull St	Market	Family	24	0	Proposed	2.3 miles
13 E 3rd St	Market	Family	235	0	Proposed	2.8 miles
1421 Bainbridge St	Market	Family	122	0	Proposed	2.2 miles
201 W Commerce Rd	Market	Family	250	0	Proposed	2.5 miles
4703 Forest Hill Ave	Market	Family	40	0	Proposed	0.5 miles
500 Maury St	Market	Family	143	0	Proposed	2.8 miles
5069 Forest Hill Ave	Market	Family	30	0	Proposed	0.7 miles
Avery Hall	Market	Family	500	0	Proposed	2.6 miles
Belle Heights Phase 2	Market	Family	200	0	Proposed	1.7 miles
Overlook II	Market	Family	271	0	Proposed	2.7 miles
The Element Apartments	Market	Family	290	0	Proposed	3.0 miles
Eddy On The James	Market	Family	221	0	Under Construction	2.4 miles
Manchester Commodore	Market	Family	173	0	Under Construction	2.6 miles
The Box	Market	Family	118	0	Under Construction	2.7 miles
The Cove Apartments	Market	Family	65	0	Under Construction	2.7 miles
The Railyard Flats	Market	Family	42	0	Under Construction	2.9 miles
The Village at Westlake II	Market	Family	122	0	Under Construction	1.7 miles
Kemps Village	Market	Senior	245	0	Under Construction	1.6 miles
Totals			4,092	449		

Source: CoStar, February 2023

Twenty of the 24 properties that are currently planned, proposed, under construction, or recently completed will be market rate, and thus will not directly compete with the Subject. Brady Square Apartments, Heights at Brady Square, Urbana at Hioaks, and Arbors at Hull St are proposed LIHTC developments which will be discussed in the following section. Overall, 449 units at the proposed developments will be directly competitive with the Subject.

Additionally, we reviewed the Virginia Housing LIHTC award lists from 2018 through 2022.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units - As Proposed	Competitive Units - Absent Subsidy	Distance to Subject
The View at Bell Isle	2022	LIHTC	Family	116	116	116	2.5 miles
Swansboro Apartments	2022	LIHTC	Family	62	62	62	1.4 miles
Townes at River South	2022	LIHTC/Public Housing	Family	161	146	77	2.4 miles
Lafayette Gardens	2022	LIHTC/Section 8	Family	96	96	51	3.3 miles
Arbors at Hull St	2021	LIHTC	Senior	116	0	0	2.5 miles
Brady Square	2021	LIHTC	Family	132	132	132	3.0 miles
Urbana at Hioaks	2020	LIHTC	Family	216	216	216	2.1 miles
The Heights at Brady Square	2021 & 2020	LIHTC/Market	Family	264	176	176	2.9 miles
Totals				1,163	944	830	

Source: Virginia Housing, February 2023

According to Virginia Housing allocation lists there have been eight properties allocated tax credits within the Subject’s PMA since 2020 that have yet to become operational. The following properties are detailed below.

- The View at Bell Isle is a proposed construction 116-unit LIHTC property located 2.5 miles northeast of the Subject. Upon completion, the units will be LIHTC restricted offering studio, one, and two-bedrooms. The AMI restrictions were unavailable at the time of this project. Therefore, we have conservatively assumed that all of the units at the property will be competitive with the Subject.
- Swansboro Apartments is an existing 62-unit LIHTC property planned for rehabilitation, located 1.4 miles southeast of the Subject. Upon completion, the property will continue to offer 62 two-bedroom units restricted at 60 percent AMI, which will be competitive with the proposed Subject. We have accounted for these units as existing competitive units in the PMA.
- Townes at River South is an existing 161-unit LIHTC/Public Housing property planned for rehabilitation, located 1.4 miles east of the Subject. The property will continue to be LIHTC restricted at 30 and 50 percent AMI offering two, three and four-bedroom units. Of the 161 units, 146 will be competitive with the Subject as proposed and 77 will be competitive absent subsidy. We have accounted for these units as existing competitive units in the PMA.
- Lafayette Gardens is an existing 96-unit LIHTC/Section 8 property planned for rehabilitation, located 3.3 miles southeast of the Subject. The property will continue to be LIHTC restricted at 40 and 50 percent AMI offering one, two and three-bedrooms. Of the 96 units, 96 will be competitive with the Subject as proposed and 51 will be competitive absent subsidy. We have accounted for these units as existing competitive units in the PMA.
- Arbors at Hull Street is a proposed 116-unit age-restricted LIHTC property located 2.5 miles east of the Subject. Upon completion, the development will offer one and two-bedrooms. The AMI restrictions were unavailable at the time of this project. Due to its dissimilar tenancy, none of the units will be directly competitive with the Subject.
- Brady Square is a proposed 132-unit LIHTC property located 2.5 miles east of the Subject. Upon completion, the units will be LIHTC restricted at 40, 50 and 60 percent of AMI offering one, two and three-bedrooms. Upon completion, all of the units at the property will be competitive with the Subject.
- Urbana at Hioaks is a proposed construction 216-unit LIHTC property located 2.1 miles west of the Subject. Upon completion, the units will be LIHTC restricted offering one, two and three-bedrooms. The

AMI restrictions were unavailable at the time of this project. We have conservatively assumed that all of the units at the property will be competitive with the Subject.

- The Heights at Brady Square is a proposed 264-unit LIHTC property located 2.5 miles southeast of the Subject. Upon completion, the development will offer one, two, and three-bedrooms between 30 and 60 percent of AMI, as well as 88 market rate units. The 176 LIHTC units will be directly competitive with the Subject, upon completion.

The Subject will be developed concurrently with 700 West 44 - 4%, a proposed 72-unit LIHTC development offering one, two, and three-bedroom units at 40 and 60 percent of AMI that will be located adjacent to the Subject. We have accounted for the 72 units at 72 West 44 - 4% as proposed competitive with the Subject. Additionally, Townes at River South and Lafayette Gardens represent existing developments that are proposed for rehabilitation; these properties have been accounted for as existing competitive properties. Overall, we have deducted 774 units, as proposed and absent subsidy in the demand analysis section of this report.

K. ANALYSIS/CONCLUSIONS

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend no changes for the Subject property.

Demand Summary

We believe there is ample demand for the Subject. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Units*	3.6%
Project Wide Absorption Period (Months)	5-6 months

Additionally, the overall penetration rate for the Subject is 3.6 percent. It should be noted that the penetration rate analysis we have derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

Strengths and Weaknesses of the Subject

Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to slightly superior to the comparable properties in terms of condition.
- Vacancy rates among the stabilized LIHTC properties range from 0.5 to 11.1 percent, with an average of 8.0 percent; note that two of the LIHTC comparables are in the process of renovating units and have a high number of down units. Further, four comparables maintain waiting lists for its LIHTC units, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

Weaknesses

- We have identified no weaknesses with the proposed Subject that would impact its marketability.

Absorption Estimate

Four of the comparables were able to report recent absorption data. Note that two of the comparables, Port City II and Model Tobacco, are currently in lease-up. Additionally, we have included absorption data for recently constructed multifamily properties within 25 miles of the Subject. This absorption information is presented in the following table.

ABSORPTION						
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)
Port City II**	LIHTC	Family	Richmond	2022	147	28
Model Tobacco**	Market	Family	Richmond	2022	203	16
The Oliver	LIHTC	Family	Richmond	2020	164	15
Alexander At 1090*	LIHTC	Family	Richmond	2020	48	48
Cambridge Square Apartments	Market	Family	Mechanicsville	2020	207	17
The Jane At Moore's Lake	Market	Family	Chester	2019	385	26
Abberly Centerpointe	Market	Family	Midlothian	2019	271	12
Port City Apartments*	LIHTC	Family	Richmond	2018	135	22
The Village At Westlake*	Market	Family	Richmond	2018	252	42
Average Affordable					124	28
Average Market					264	23
Overall Average					201	25

*Comparable Property

** Properties are utilized as comparables and are currently in lease-up

The properties have reported absorption rates ranging from 12 to 48 units per month. We believe the Subject would experience an absorption rate 25 units per month, indicating an absorption period of three months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

L. OTHER REQUIREMENTS

Pursuant to Virginia Housing Requirements, we certify:

1. We 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 our knowledge the market can support the demand shown in this study. We understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
4. No one at this firm has any interest in the proposed development or a relationship with the ownership entity.
5. No one at this firm, nor anyone acting on behalf of the firm in connection with the preparation of this report, has communicated to others that the firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for our services is not contingent on this development receiving a LIHTC reservation or allocation.
7. Evidence of our NCHMA membership is included.



K. David Adamescu
Manager

March 7, 2023
Date

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM B
Subject Property and Neighborhood Photographs

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



View of Subject site facing north



View of Subject site facing northeast



View of Subject site facing east



View of Subject site facing east



View of Subject site facing west



View of Subject site facing west



View south along Westover Hills Boulevard



View north along Westover Hills Boulevard



404 Rivertowne Apartment Homes (comparable)
south of Subject



Ashton Square (comparable) west of Subject



The Park at Forest Hill (comparable) east of Subject



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

ADDENDUM C
Subject Matrices and Property Profiles

PROPERTY PROFILE REPORT

Alexander At 1090

Effective Rent Date	2/09/2023
Location	1090 German School Rd Richmond, VA 23225 Richmond City County
Distance	1.6 miles
Units	48
Vacant Units	4
Vacancy Rate	8.3%
Type	Garden (4 stories)
Year Built/Renovated	2020 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Jordan
Phone	804.562.6410



Market Information

Program	@40%, @40% (Project Based Rental)
Annual Turnover Rate	10%
Units/Month Absorbed	48
HCV Tenants	0%
Leasing Pace	Preleased to within 5 days
Annual Chg. in Rent	Increased to 2022 maximum
Concession	None
Waiting List	Yes; unknown length.

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (4 stories)	2	907	\$782	\$0	@40%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	3	907	\$958	\$0	@40% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
2	2	Garden (4 stories)	16	907	\$1,008	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Garden (4 stories)	11	907	\$1,235	\$0	@60%	Yes	3	27.3%	yes	None
3	2	Garden (4 stories)	1	1,036	\$1,163	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (4 stories)	2	1,036	\$1,258	\$0	@50% (Project Based Rental Assistance - PBRA)	Yes	0	0.0%	N/A	None
3	2	Garden (4 stories)	13	1,036	\$1,425	\$0	@60%	Yes	1	7.7%	yes	None

Photos



PROPERTY PROFILE REPORT

Belle Summit

Effective Rent Date	2/07/2023
Location	600 Cowardin Ave Richmond, VA 23224 Richmond City County
Distance	2 miles
Units	50
Vacant Units	3
Vacancy Rate	6.0%
Type	Midrise (4 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	3/01/2014
Leasing Began	6/01/2014
Last Unit Leased	7/31/2014
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Amber
Phone	804-231-7068



Market Information

Program	@40%, @50%
Annual Turnover Rate	4%
Units/Month Absorbed	25
HCV Tenants	8%
Leasing Pace	Preleased
Annual Chg. in Rent	Kept at Max
Concession	None
Waiting List	Yes: 60 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	1	556	\$667	\$0	@40%	Yes	0	0.0%	yes	None
1	1	Midrise (4 stories)	9	556	\$856	\$0	@50%	Yes	1	11.1%	yes	None
2	2	Midrise (4 stories)	3	891	\$794	\$0	@40%	Yes	0	0.0%	yes	None
2	2	Midrise (4 stories)	27	891	\$1,020	\$0	@50%	Yes	2	7.4%	yes	None
3	2	Midrise (4 stories)	1	1,118	\$916	\$0	@40%	Yes	0	0.0%	yes	None
3	2	Midrise (4 stories)	9	1,118	\$1,178	\$0	@50%	Yes	0	0.0%	yes	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$667	\$0	\$667	\$0	\$667	1BR / 1BA	\$856	\$0	\$856	\$0	\$856
2BR / 2BA	\$794	\$0	\$794	\$0	\$794	2BR / 2BA	\$1,020	\$0	\$1,020	\$0	\$1,020
3BR / 2BA	\$916	\$0	\$916	\$0	\$916	3BR / 2BA	\$1,178	\$0	\$1,178	\$0	\$1,178

Amenities

In-Unit		Security	Services
Blinds	Carpeting	In-Unit Alarm	None
Central A/C	Coat Closet	Intercom (Buzzer)	
Dishwasher	Ceiling Fan	Limited Access	
Garbage Disposal	Microwave	Perimeter Fencing	
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	View	Bike racks
Elevators	Exercise Facility		
Garage	Central Laundry		
Off-Street Parking	On-Site Management		

Comments

The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Linden At Forest Hill

Effective Rent Date	2/07/2023
Location	205 W Roanoke St Richmond, VA 23225 Richmond City County
Distance	0.6 miles
Units	58
Vacant Units	3
Vacancy Rate	5.2%
Type	Garden (2 stories)
Year Built/Renovated	1963/1995 / 1995
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Square, Somerset Glen
Tenant Characteristics	Mixed tenancy
Contact Name	Willie
Phone	804.373.7365



Market Information

Program	@60%, Non-Rental
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	20%
Leasing Pace	Pre-leased to within one week
Annual Chg. in Rent	Increased nine to 14 percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	41	600	\$991	\$0	@60%	No	1	2.4%	no	None
1	1	Garden (2 stories)	1	600	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None
2	1	Garden (2 stories)	16	771	\$1,179	\$0	@60%	No	2	12.5%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$991	\$0	\$991	-\$63	\$928	1BR / 1BA	N/A	\$0	N/A	-\$63	N/A
2BR / 1BA	\$1,179	\$0	\$1,179	-\$90	\$1,089						

Amenities

In-Unit	Security	Services
Balcony/Patio	None	None
Carpeting		
Coat Closet		
Oven		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		

Comments

In February 2021, the property changed ownership and the name was changed from Dunston Manor to Linden at Forest Hill. The contact stated the property typically operates at approximately 99 percent occupancy and the need for affordable housing in the area is strong.

Photos



PROPERTY PROFILE REPORT

Morningside Apartments

Effective Rent Date	2/08/2023
Location	1414 Newell Road Richmond, VA 23225 Richmond City County
Distance	1.3 miles
Units	392
Vacant Units	2
Vacancy Rate	0.5%
Type	Various (2 stories)
Year Built/Renovated	1966 / 1998
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Majority families. Most of the tenants are from Richmond.
Contact Name	April
Phone	804.327.9151



Market Information

Program	@60%, Market, Non-Rental
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	24%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased up to 15%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	93	874	\$1,000	\$0	@60%	No	0	0.0%	no	None
2	1	Garden (2 stories)	31	925	\$1,050	\$0	@60%	No	0	0.0%	no	None
2	1	Garden (2 stories)	27	874	\$1,185	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	9	925	\$1,210	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	26	977	\$1,135	\$0	@60%	No	0	0.0%	no	None
2	1.5	Townhouse (2 stories)	92	1,032	\$1,185	\$0	@60%	No	1	1.1%	yes	None
2	1.5	Townhouse (2 stories)	16	977	\$1,235	\$0	Market	No	1	6.2%	N/A	None
2	1.5	Townhouse (2 stories)	81	1,032	\$1,260	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	3	1,032	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None
3	1.5	Townhouse (2 stories)	6	1,110	\$1,300	\$0	@60%	No	0	0.0%	yes	None
3	1.5	Townhouse (2 stories)	8	1,110	\$1,500	\$0	Market	No	0	0.0%	N/A	None

Morningside Apartments, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,000 - \$1,050	\$0	\$1,000 - \$1,050	-\$132	\$868 - \$918	2BR / 1BA	\$1,185 - \$1,210	\$0	\$1,185 - \$1,210	-\$132	\$1,053 - \$1,078
2BR / 1.5BA	\$1,135 - \$1,185	\$0	\$1,135 - \$1,185	-\$132	\$1,003 - \$1,053	2BR / 1.5BA	\$1,235 - \$1,260	\$0	\$1,235 - \$1,260	-\$132	\$1,103 - \$1,128
3BR / 1.5BA	\$1,300	\$0	\$1,300	-\$180	\$1,120	3BR / 1.5BA	\$1,500	\$0	\$1,500	-\$180	\$1,320
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 1.5BA	N/A	\$0	N/A	-\$132	N/A						

Amenities

In-Unit	Security	Services
Blinds	None	None
Central A/C		
Dishwasher		
Oven		
Washer/Dryer hookup		
Carpet/Hardwood		
Coat Closet		
Garbage Disposal		
Refrigerator		
Property	Premium	Other
Central Laundry	None	Dog park
On-Site Management		
Playground		
Off-Street Parking		
Picnic Area		
Swimming Pool		

Comments

The contact reported that some units have been renovated as tenants move out, though this is only a limited number of the total units. The contact reported that the property typically maintains a waiting list, but that there is currently no one on the waiting list. However, the contact estimated that the vacant units would be rented quickly.

Photos



PROPERTY PROFILE REPORT

Port City Apartments

Effective Rent Date	2/07/2023
Location	800 Jefferson Davis Highway Richmond, VA 23224 Richmond City County
Distance	2 miles
Units	135
Vacant Units	3
Vacancy Rate	2.2%
Type	Conversion (4 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	2/01/2019
Leasing Began	N/A
Last Unit Leased	8/01/2019
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Alex
Phone	804-944-2749



Market Information

Program	@30%, @40%, @50%, @60%, @70%, @80%
Annual Turnover Rate	12%
Units/Month Absorbed	22
HCV Tenants	11%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased to 2022 LIHTC max
Concession	None
Waiting List	Yes, length unknown

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Conversion (4 stories)	8	622	\$755	\$0	@40%	Yes	0	0.0%	yes	None
1	1	Conversion (4 stories)	10	636	\$944	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Conversion (4 stories)	35	677	\$1,133	\$0	@60%	Yes	1	2.9%	yes	None
1	1	Conversion (4 stories)	7	692	\$1,322	\$0	@70%	Yes	0	0.0%	yes	None
1	1	Conversion (4 stories)	5	764	\$1,511	\$0	@80%	Yes	1	20.0%	yes	None
2	2	Conversion (4 stories)	1	879	\$680	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Conversion (4 stories)	7	857	\$907	\$0	@40%	Yes	0	0.0%	yes	None
2	2	Conversion (4 stories)	12	1,022	\$1,133	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Conversion (4 stories)	32	903	\$1,360	\$0	@60%	Yes	0	0.0%	yes	None
2	2	Conversion (4 stories)	9	972	\$1,587	\$0	@70%	Yes	0	0.0%	yes	None
2	2	Conversion (4 stories)	8	1,123	\$1,814	\$0	@80%	Yes	1	12.5%	yes	None
3	2	Conversion (4 stories)	1	1,219	\$1,571	\$0	@60%	Yes	0	0.0%	yes	None

Photos



PROPERTY PROFILE REPORT

Port City II

Effective Rent Date	2/07/2023
Location	716 Jefferson Davis Highway Richmond, VA 23224 Richmond City County
Distance	2 miles
Units	147
Vacant Units	20
Vacancy Rate	13.6%
Type	Conversion (2 stories)
Year Built/Renovated	2022 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Denise
Phone	804-424-5298



Market Information

Program	@40%, @50%, @60%, @70%, @80%
Annual Turnover Rate	N/A
Units/Month Absorbed	28
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	Kept at 2022 maximum
Concession	None
Waiting List	Yes, 80 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Conversion (2 stories)	2	885	\$755	\$0	@40%	Yes	N/A	N/A	yes	None
1	1	Conversion (2 stories)	50	885	\$944	\$0	@50%	Yes	N/A	N/A	yes	None
1	1	Conversion (2 stories)	30	885	\$1,133	\$0	@60%	Yes	N/A	N/A	yes	None
1	1	Conversion (2 stories)	22	885	\$1,322	\$0	@70%	N/A	N/A	N/A	yes	None
1	1	Conversion (2 stories)	5	885	\$1,511	\$0	@80%	Yes	N/A	N/A	yes	None
2	2	Conversion (2 stories)	10	1,286	\$1,133	\$0	@50%	Yes	N/A	N/A	yes	None
2	2	Conversion (2 stories)	20	1,286	\$1,360	\$0	@60%	Yes	N/A	N/A	yes	None
2	2	Conversion (2 stories)	3	1,286	\$1,587	\$0	@70%	Yes	N/A	N/A	yes	None
2	2	Conversion (2 stories)	4	1,286	\$1,814	\$0	@80%	Yes	N/A	N/A	yes	None
3	2	Conversion (2 stories)	1	1,527	\$2,095	\$0	@80%	Yes	N/A	N/A	yes	None

PROPERTY PROFILE REPORT

Village South Townhomes

Effective Rent Date	2/06/2023
Location	3450 Maury Street Richmond, VA 23224 Richmond City County
Distance	1.4 miles
Units	296
Vacant Units	33
Vacancy Rate	11.1%
Type	Various (2 stories)
Year Built/Renovated	1947 / 2021
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Southwood, St. Jones Woods
Tenant Characteristics	Most of the tenants are from Richmond.
Contact Name	Lucy
Phone	(804) 230-4004



Market Information

Program	@60%
Annual Turnover Rate	2%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Pre-leased
Annual Chg. in Rent	2 and 3BRs: Increased 17 to 19%
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	675	\$685	\$0	@60%	No	16	100.0%	no	None
2	1	Townhouse (2 stories)	246	850	\$975	\$0	@60%	No	0	0.0%	no	None
2	1.5	Townhouse (2 stories)	18	912	\$1,060	\$0	@60%	No	1	5.6%	no	None
3	1	Townhouse (2 stories)	16	1,000	\$960	\$0	@60%	No	16	100.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$685	\$0	\$685	\$0	\$685
2BR / 1BA	\$975	\$0	\$975	\$0	\$975
2BR / 1.5BA	\$1,060	\$0	\$1,060	\$0	\$1,060
3BR / 1BA	\$960	\$0	\$960	\$0	\$960

Village South Townhomes, continued

Amenities

In-Unit		Security	Services
Blinds	Cable/Satellite/Internet	In-Unit Alarm	Computer Tutoring
Carpet/Hardwood	Central A/C	Patrol	
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Picnic Area		

Comments

The contact stated the property is currently undergoing renovations which includes new kitchen appliances, cabinetry, adding in unit washer dryer hookups and new bathrooms. The contact stated that the majority of the vacant units are currently offline and are due to become available at the end of 2023. The property is owned and management by a non-profit and intentionally sets rents below maximum levels in order to maintain affordability.

Photos



PROPERTY PROFILE REPORT

404 Rivertowne Apartment Homes

Effective Rent Date	2/06/2023
Location	406 Westover Hills Blvd Richmond, VA 23225 Richmond City County
Distance	0.2 miles
Units	522
Vacant Units	23
Vacancy Rate	4.4%
Type	Garden (3 stories)
Year Built/Renovated	1968 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Square
Tenant Characteristics	Singles, families and seniors from the Richmond area
Contact Name	Rohan
Phone	804-233-3007



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks.
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	Yes; unknown

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	N/A	420	\$1,030	\$0	Market	Yes	8	N/A	N/A	None
1	1	Garden (3 stories)	N/A	566	\$1,045	\$0	Market	Yes	14	N/A	N/A	LOW
1.5	1	Garden (3 stories)	N/A	775	\$1,335	\$0	Market	Yes	0	N/A	N/A	HIGH
2	1	Garden (3 stories)	N/A	861	\$1,470	\$0	Market	Yes	0	N/A	N/A	HIGH
2	1	Garden (3 stories)	N/A	822	\$1,185	\$0	Market	Yes	0	N/A	N/A	LOW
2.5	1	Garden (3 stories)	N/A	964	\$1,520	\$0	Market	Yes	0	N/A	N/A	HIGH
2.5	1	Garden (3 stories)	N/A	924	\$1,400	\$0	Market	Yes	1	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,030	\$0	\$1,030	-\$58	\$972
1BR / 1BA	\$1,045	\$0	\$1,045	-\$63	\$982
1.5BR / 1BA	\$1,335	\$0	\$1,335	-\$63	\$1,272
2BR / 1BA	\$1,185 - \$1,470	\$0	\$1,185 - \$1,470	-\$90	\$1,095 - \$1,380
2.5BR / 1BA	\$1,400 - \$1,520	\$0	\$1,400 - \$1,520	-\$90	\$1,310 - \$1,430

404 Rivertowne Apartment Homes, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Swimming Pool		

Comments

The contact stated that all units on the ground floor come with a patio. The contact stated that the property utilizing a pricing system that changes rents daily based on supply and demand.

Photos



PROPERTY PROFILE REPORT

Ashton Square

Effective Rent Date	2/06/2023
Location	603 Westover Hills Blvd Richmond, VA 23225 Richmond City County
Distance	0.2 miles
Units	368
Vacant Units	48
Vacancy Rate	13.0%
Type	Garden (2 stories)
Year Built/Renovated	1962/1980 / 1999/2022
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Anees
Phone	804-232-7849



Market Information

Program	Market
Annual Turnover Rate	1%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within three weeks.
Annual Chg. in Rent	No change since Q4 2021
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	33	515	\$1,050	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	18	615	\$1,075	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (2 stories)	124	804	\$1,100	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (2 stories)	9	898	\$1,200	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (2 stories)	161	925	\$1,225	\$0	Market	No	N/A	N/A	N/A	None
2	1.5	Garden (2 stories)	5	950	\$1,165	\$0	Market	No	N/A	N/A	N/A	None
3	1.5	Garden (2 stories)	18	1,043	\$1,500	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,050 - \$1,100	\$0	\$1,050 - \$1,100	-\$63	\$987 - \$1,037
2BR / 1BA	\$1,200 - \$1,225	\$0	\$1,200 - \$1,225	-\$90	\$1,110 - \$1,135
2BR / 1.5BA	\$1,165	\$0	\$1,165	-\$90	\$1,075
3BR / 1.5BA	\$1,500	\$0	\$1,500	-\$131	\$1,369

Ashton Square, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Phone)	None
Carpet/Hardwood	Central A/C	Limited Access	
Dishwasher	Ceiling Fan	Patrol	
Garbage Disposal	Oven	Perimeter Fencing	
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Exercise Facility	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Swimming Pool	Volleyball Court		

Comments

The contact did not provide a reason for lower rents for the larger two bedroom units in comparison to the smaller two bedroom units. The contact noted that the property is currently renovating two-bedroom units upon turnover, though they could not provide the number of units that are down for renovations. Renovations include new carpet, kitchen cabinetry, appliances and updated bathrooms. The contact stated the property typically operates at approximately 95 percent occupancy.

Photos



PROPERTY PROFILE REPORT

Communities At Southwood

Effective Rent Date	2/07/2023
Location	4602 Southwood Parkway Richmond, VA 23224 Richmond City County
Distance	1.2 miles
Units	1,286
Vacant Units	0
Vacancy Rate	0.0%
Type	Various
Year Built/Renovated	1960 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Most of the tenants are from Richmond.
Contact Name	Jackie
Phone	804-230-2300



Market Information

Program	Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased 23 to 31% since 2Q 2022
Concession	None
Waiting List	Yes; 11 months

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	166	580	\$925	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	166	740	\$975	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	614	794	\$1,270	\$0	Market	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	250	1,010	\$1,370	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	45	1,010	\$1,270	\$0	Market	Yes	0	0.0%	N/A	None
3	1	Garden (2 stories)	N/A	1,200	\$1,370	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (2 stories)	45	1,200	\$1,525	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$925 - \$975	\$0	\$925 - \$975	\$20	\$945 - \$995
2BR / 1BA	\$1,270	\$0	\$1,270	\$20	\$1,290
2BR / 1.5BA	\$1,370	\$0	\$1,370	\$20	\$1,390
2BR / 2BA	\$1,270	\$0	\$1,270	\$20	\$1,290
3BR / 1BA	\$1,370	\$0	\$1,370	\$20	\$1,390
3BR / 2BA	\$1,525	\$0	\$1,525	\$20	\$1,545

Communities At Southwood, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Tennis Court			

Comments

The contact was unable to provide a breakdown of the number of three-bedroom one bathroom units at the property. The property accepts Housing Choice Vouchers, however the contact was unable to provide the amount of tenants currently utilizing them.

Photos



PROPERTY PROFILE REPORT

Model Tobacco

Effective Rent Date	2/07/2023
Location	1100 Richmond Hwy Richmond, VA 23224 Richmond City County
Distance	2.1 miles
Units	203
Vacant Units	92
Vacancy Rate	45.3%
Type	Conversion (6 stories)
Year Built/Renovated	2022 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Ashley
Phone	804-509-2950



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	16
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	One month free rent if resident moves in by
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Conversion (6 stories)	N/A	828	\$1,600	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Conversion (6 stories)	N/A	712	\$1,450	\$0	Market	No	N/A	N/A	N/A	LOW
1	1.5	Conversion (6 stories)	N/A	943	\$1,750	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Conversion (6 stories)	N/A	943	\$1,675	\$0	Market	No	N/A	N/A	N/A	None
2	2	Conversion (6 stories)	N/A	1,223	\$2,125	\$0	Market	No	N/A	N/A	N/A	AVG
2	2	Conversion (6 stories)	N/A	1,514	\$2,200	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Conversion (6 stories)	N/A	923	\$2,050	\$0	Market	No	N/A	N/A	N/A	LOW
3	2	Conversion (6 stories)	N/A	1,478	\$2,500	\$0	Market	No	N/A	N/A	N/A	AVG
3	2	Conversion (6 stories)	N/A	1,520	\$2,800	\$0	Market	No	N/A	N/A	N/A	HIGH
3	2	Conversion (6 stories)	N/A	1,435	\$2,200	\$0	Market	No	N/A	N/A	N/A	LOW

Model Tobacco, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,450 - \$1,600	\$0	\$1,450 - \$1,600	-\$63	\$1,387 - \$1,537
1BR / 1.5BA	\$1,750	\$0	\$1,750	-\$63	\$1,687
2BR / 2BA	\$1,675 - \$2,200	\$0	\$1,675 - \$2,200	-\$90	\$1,585 - \$2,110
3BR / 2BA	\$2,200 - \$2,800	\$0	\$2,200 - \$2,800	-\$131	\$2,069 - \$2,669

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Cable/Satellite/Internet	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Garage		
Off-Street Parking	On-Site Management		
Swimming Pool	Wi-Fi		

Comments

The contact stated the property is still in its initial lease up period; the property is currently 54.7 percent occupied and opened in June 2022, indicating an absorption rate of 16 units per month. Sixty-two one and two-bedroom units are restricted to 80 percent AMI and designated workforce housing. The contact noted there is an \$100 dollar fee included in tenant rent that includes parking for all unit types.

Photos



PROPERTY PROFILE REPORT

The Mill At Manchester Lofts

Effective Rent Date	2/08/2023
Location	815 Perry Street Richmond, VA 23224 Richmond City County
Distance	2.4 miles
Units	70
Vacant Units	6
Vacancy Rate	8.6%
Type	Lowrise (2 stories)
Year Built/Renovated	1912 / 2009
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Link, RVA Terraces
Tenant Characteristics	Young professionals, less than 10% students
Contact Name	Aliyah
Phone	844-275-1701



Market Information

Program	Market
Annual Turnover Rate	32%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Changes every two weeks
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	27	630	\$1,300	\$0	Market	No	1	3.7%	N/A	None
2	1.5	Lowrise (2 stories)	6	891	\$1,460	\$0	Market	No	3	50.0%	N/A	None
2	2	Lowrise (2 stories)	33	1,068	\$1,390	\$0	Market	No	1	3.0%	N/A	None
3	2	Lowrise (2 stories)	4	1,393	\$1,700	\$0	Market	No	1	25.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,300	\$0	\$1,300	-\$63	\$1,237
2BR / 1.5BA	\$1,460	\$0	\$1,460	-\$90	\$1,370
2BR / 2BA	\$1,390	\$0	\$1,390	-\$90	\$1,300
3BR / 2BA	\$1,700	\$0	\$1,700	-\$131	\$1,569

The Mill At Manchester Lofts, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Ceiling Fan	Patrol	
Garbage Disposal	Microwave	Video Surveillance	
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool			

Comments

The contact stated the property utilizes a pricing system that changes rents based on supply and demand every two weeks. The property does not accept Housing Choice Vouchers.

Photos



PROPERTY PROFILE REPORT

The Park At Forest Hill

Effective Rent Date	2/07/2023
Location	3900 Forest Hill Avenue Richmond, VA 23225 Richmond County
Distance	0.7 miles
Units	73
Vacant Units	4
Vacancy Rate	5.5%
Type	Garden (3 stories)
Year Built/Renovated	1978 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Link Apartments
Tenant Characteristics	80% local area singles, couples. 20% students at VCU
Contact Name	Nola
Phone	804-230-6000



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	12%
Leasing Pace	Within two weeks
Annual Chg. in Rent	decreased 2 to 5% percent since 1Q 2022
Concession	None
Waiting List	Yes; two months.

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	45	624	\$850	\$0	Market	Yes	2	4.4%	N/A	None
2	1	Garden (3 stories)	14	936	\$975	\$0	Market	Yes	1	7.1%	N/A	None
2	1	Garden (3 stories)	14	1,026	\$1,050	\$0	Market	Yes	1	7.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$850	\$0	\$850	-\$43	\$807
2BR / 1BA	\$975 - \$1,050	\$0	\$975 - \$1,050	-\$70	\$905 - \$980

The Park At Forest Hill, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Dishwasher	Fireplace		
Garbage Disposal	Oven		
Refrigerator	Wall A/C		
Washer/Dryer hookup			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management			

Comments

No additional comments were provided by the contact.

PROPERTY PROFILE REPORT

The Village At Westlake

Effective Rent Date	2/06/2023
Location	1500 German School Rd Richmond, VA 23225 Richmond City County
Distance	1.9 miles
Units	252
Vacant Units	2
Vacancy Rate	0.8%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None mentioned
Tenant Characteristics	Mixed tenancy
Contact Name	Marissa
Phone	(804) 622-3245



Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	42
HCV Tenants	N/A
Leasing Pace	Preleased
Annual Chg. in Rent	1BR: dec. 0 to 4% 2&3 BRs: Inc. 10 to 12%
Concession	None
Waiting List	Yes, three households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	72	806	\$1,395	\$0	Market	Yes	2	2.8%	N/A	None
1	1	Garden (3 stories)	N/A	813	\$1,395	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (3 stories)	120	1,085	\$1,790	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (3 stories)	N/A	1,099	\$1,875	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (3 stories)	60	1,390	\$1,875	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (3 stories)	N/A	1,490	\$2,005	\$0	Market	Yes	0	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,395	\$0	\$1,395	\$20	\$1,415
2BR / 2BA	\$1,790 - \$1,875	\$0	\$1,790 - \$1,875	\$20	\$1,810 - \$1,895
3BR / 2BA	\$1,875 - \$2,005	\$0	\$1,875 - \$2,005	\$20	\$1,895 - \$2,025

The Village At Westlake, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	2 dog parks, yoga studio, coffee
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

There are premiums for unit location; corner units are an extra \$25, first floor units are an extra \$30. The contact stated the property accepts Housing Choice Vouchers, but was unable to reveal the amount of tenants currently utilizing vouchers.

Photos



SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	700 W. 44th Street 700 W. 44th Street Richmond, VA 23225 Richmond City County	-	Garden 3-stories 2025 / n/a Family	@30%, @40% (Project Based Rental Assistance - PBRA), @50%, @50% (Project Based Rental Assistance - PBRA), @60%	1BR / 1BA	1	1.4%	705	@30%	\$435	Yes	N/A	N/A	N/A
					1BR / 1BA	1	1.4%	705	@40% (PBRA)	\$624	Yes	N/A	N/A	N/A
					1BR / 1BA	4	5.6%	705	@50% (PBRA)	\$813	Yes	N/A	N/A	N/A
					1BR / 1BA	6	8.3%	705	@60% (PBRA)	\$1,002	Yes	N/A	N/A	N/A
					2BR / 2BA	5	6.9%	956	@30%	\$525	Yes	N/A	N/A	N/A
					2BR / 2BA	5	6.9%	956	@40%	\$752	Yes	N/A	N/A	N/A
					2BR / 2BA	12	16.7%	956	@50%	\$978	Yes	N/A	N/A	N/A
					2BR / 2BA	23	31.9%	956	@60%	\$1,205	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.8%	1,113	@30%	\$612	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.8%	1,113	@40% (PBRA)	\$874	Yes	N/A	N/A	N/A
					3BR / 2BA	4	5.6%	1,113	@50% (PBRA)	\$1,136	Yes	N/A	N/A	N/A
					3BR / 2BA	6	8.3%	1,113	@60%	\$1,398	Yes	N/A	N/A	N/A
					3BR / 2BA	1	1.4%	1,113	@60% (PBRA)	\$1,398	Yes	N/A	N/A	N/A
					72									
1	Alexander At 1090 1090 German School Rd Richmond, VA 23225 Richmond City County	1.6 miles	Garden 4-stories 2020 / n/a Family	@40%, @40% (Project Based Rental Assistance - PBRA), @50%,	2BR / 2BA	2	4.2%	907	@40%	\$782	Yes	Yes	0	0.0%
					2BR / 2BA	3	6.3%	907	@40% (PBRA)	\$958	N/A	Yes	0	0.0%
					2BR / 2BA	16	33.3%	907	@50%	\$1,008	Yes	Yes	0	0.0%
					2BR / 2BA	11	22.9%	907	@60%	\$1,235	Yes	Yes	3	27.3%
					3BR / 2BA	1	2.1%	1,036	@50%	\$1,163	Yes	Yes	0	0.0%
					3BR / 2BA	2	4.2%	1,036	@50% (PBRA)	\$1,258	N/A	Yes	0	0.0%
					3BR / 2BA	13	27.1%	1,036	@60%	\$1,425	Yes	Yes	1	7.7%
48													4	8.3%
2	Belle Summit 600 Cowardin Ave Richmond, VA 23224 Richmond City County	2.0 miles	Midrise 4-stories 2014 / n/a Family	@40%, @50%	1BR / 1BA	1	2.0%	556	@40%	\$667	Yes	Yes	0	0.0%
					1BR / 1BA	9	18.0%	556	@50%	\$856	Yes	Yes	1	11.1%
					2BR / 2BA	3	6.0%	891	@40%	\$794	Yes	Yes	0	0.0%
					2BR / 2BA	27	54.0%	891	@50%	\$1,020	Yes	Yes	2	7.4%
					3BR / 2BA	1	2.0%	1,118	@40%	\$916	Yes	Yes	0	0.0%
					3BR / 2BA	9	18.0%	1,118	@50%	\$1,178	Yes	Yes	0	0.0%
50													3	6.0%
3	Linden At Forest Hill 205 W Roanoke St Richmond, VA 23225 Richmond City County	0.6 miles	Garden 2-stories 1963/1995 / 1995 Family	@60%	1BR / 1BA	41	70.7%	600	@60%	\$928	No	No	1	2.4%
					1BR / 1BA	1	1.7%	600	Non-Rental	-	N/A	N/A	0	0.0%
					2BR / 1BA	16	27.6%	771	@60%	\$1,089	No	No	2	12.5%
					58									
4	Morningside Apartments 1414 Newell Road Richmond, VA 23225 Richmond City County	1.3 miles	Various 2-stories 1966 / 1998 Family	@60%, Market	2BR / 1BA	93	23.7%	874	@60%	\$864	No	No	0	0.0%
					2BR / 1BA	31	7.9%	925	@60%	\$914	No	No	0	0.0%
					2BR / 1BA	27	6.9%	874	Market	\$1,049	N/A	No	0	0.0%
					2BR / 1BA	9	2.3%	925	Market	\$1,074	N/A	No	0	0.0%
					2BR / 1.5BA	26	6.6%	977	@60%	\$999	No	No	0	0.0%
					2BR / 1.5BA	92	23.5%	1,032	@60%	\$1,049	No	No	1	1.1%
					2BR / 1.5BA	16	4.1%	977	Market	\$1,099	N/A	No	1	6.3%
					2BR / 1.5BA	81	20.7%	1,032	Market	\$1,124	N/A	No	0	0.0%
					2BR / 1.5BA	3	0.8%	1,032	Non-Rental	-	N/A	N/A	0	0.0%
					3BR / 1.5BA	6	1.5%	1,110	@60%	\$1,113	No	No	0	0.0%
					3BR / 1.5BA	8	2.0%	1,110	Market	\$1,313	N/A	No	0	0.0%
392													2	0.5%
5	Port City Apartments 800 Jefferson Davis Highway Richmond, VA 23224 Richmond City County	2.0 miles	Conversion 4-stories 2018 / n/a Family	@30%, @40%, @50%, @60%, @70%, @80%	1BR / 1BA	8	5.9%	622	@40%	\$627	Yes	Yes	0	0.0%
					1BR / 1BA	10	7.4%	636	@50%	\$816	Yes	Yes	0	0.0%
					1BR / 1BA	35	25.9%	677	@60%	\$1,005	Yes	Yes	1	2.9%
					1BR / 1BA	7	5.2%	692	@70%	\$1,194	Yes	Yes	0	0.0%
					1BR / 1BA	5	3.7%	764	@80%	\$1,383	Yes	Yes	1	20.0%
					2BR / 2BA	1	0.7%	879	@30%	\$503	Yes	Yes	0	0.0%
					2BR / 2BA	7	5.2%	857	@40%	\$730	Yes	Yes	0	0.0%
					2BR / 2BA	12	8.9%	1,022	@50%	\$956	Yes	Yes	0	0.0%
					2BR / 2BA	32	23.7%	903	@60%	\$1,183	Yes	Yes	0	0.0%
					2BR / 2BA	9	6.7%	972	@70%	\$1,410	Yes	Yes	0	0.0%
					2BR / 2BA	8	5.9%	1,123	@80%	\$1,637	Yes	Yes	1	12.5%
3BR / 2BA	1	0.7%	1,219	@60%	\$1,332	Yes	Yes	0	0.0%					
135													3	2.2%
6	Port City II 716 Jefferson Davis Highway Richmond, VA 23224 Richmond City County	2.0 miles	Conversion 2-stories 2022 / n/a Family	@40%, @50%, @60%, @70%, @80%	1BR / 1BA	2	1.4%	885	@40%	\$627	Yes	Yes	N/A	N/A
					1BR / 1BA	50	34.0%	885	@50%	\$816	Yes	Yes	N/A	N/A
					1BR / 1BA	30	20.4%	885	@60%	\$1,005	Yes	Yes	N/A	N/A
					1BR / 1BA	22	15.0%	885	@70%	\$1,194	Yes	N/A	N/A	N/A
					1BR / 1BA	5	3.4%	885	@80%	\$1,383	Yes	Yes	N/A	N/A
					2BR / 2BA	10	6.8%	1,286	@50%	\$956	Yes	Yes	N/A	N/A
					2BR / 2BA	20	13.6%	1,286	@60%	\$1,183	Yes	Yes	N/A	N/A
					2BR / 2BA	3	2.0%	1,286	@70%	\$1,410	Yes	Yes	N/A	N/A
					2BR / 2BA	4	2.7%	1,286	@80%	\$1,637	Yes	Yes	N/A	N/A
3BR / 2BA	1	0.7%	1,527	@80%	\$1,856	Yes	Yes	N/A	N/A					
147													20	13.6%
7	Village South Townhomes 3450 Maury Street Richmond, VA 23224 Richmond City County	1.4 miles	Various 2-stories 1947 / 2021 Family	@60%	1BR / 1BA	16	5.4%	675	@60%	\$685	No	No	16	100.0%
					2BR / 1BA	246	83.1%	850	@60%	\$975	No	No	0	0.0%
					2BR / 1.5BA	18	6.1%	912	@60%	\$1,060	No	No	1	5.6%
					3BR / 1BA	16	5.4%	1,000	@60%	\$960	No	No	16	100.0%
296													33	11.1%
8	404 Rivertowne Apartment Homes 406 Westover Hills Blvd Richmond, VA 23225 Richmond City County	0.2 miles	Garden 3-stories 1968 / 2020 Family	Market	0BR / 1BA	N/A	N/A	420	Market	\$972	N/A	Yes	8	N/A
					1BR / 1BA	N/A	N/A	566	Market	\$982	N/A	Yes	14	N/A
					1.5BR / 1BA	N/A	N/A	775	Market	\$1,272	N/A	Yes	0	N/A
					2BR / 1BA	N/A	N/A	861	Market	\$1,380	N/A	Yes	0	N/A
					2BR / 1BA	N/A	N/A	822	Market	\$1,095	N/A	Yes	0	N/A
					2.5BR / 1BA	N/A	N/A	964	Market	\$1,430	N/A	Yes	0	N/A
					2.5BR / 1BA	N/A	N/A	924	Market	\$1,310	N/A	Yes	1	N/A
522													23	4.4%

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
9	Ashton Square 603 Westover Hills Blvd Richmond, VA 23225 Richmond City County	0.2 miles	Garden 2-stories 1962/1980 / 1999/2 Family	Market	1BR / 1BA	33	9.0%	515	Market	\$987	N/A	No	N/A	N/A
					1BR / 1BA	18	4.9%	615	Market	\$1,012	N/A	No	N/A	N/A
					1BR / 1BA	124	33.7%	804	Market	\$1,037	N/A	No	N/A	N/A
					2BR / 1BA	9	2.5%	898	Market	\$1,110	N/A	No	N/A	N/A
					2BR / 1BA	161	43.8%	925	Market	\$1,135	N/A	No	N/A	N/A
					2BR / 1.5BA	5	1.4%	950	Market	\$1,075	N/A	No	N/A	N/A
					3BR / 1.5BA	18	4.9%	1,043	Market	\$1,369	N/A	No	N/A	N/A
					<u>368</u>							48	13.0%	
10	Communities At Southwood 4602 Southwood Parkway Richmond, VA 23224 Richmond City County	1.2 miles	Various 1-stories 1960 / 2010 Family	Market	1BR / 1BA	166	12.9%	580	Market	\$945	N/A	Yes	0	0.0%
					1BR / 1BA	166	12.9%	740	Market	\$995	N/A	Yes	0	0.0%
					2BR / 1BA	614	47.7%	794	Market	\$1,290	N/A	Yes	0	0.0%
					2BR / 1.5BA	250	19.4%	1,010	Market	\$1,390	N/A	Yes	0	0.0%
					2BR / 2BA	45	3.5%	1,010	Market	\$1,290	N/A	Yes	0	0.0%
					3BR / 1BA	N/A	N/A	1,200	Market	\$1,390	N/A	Yes	0	N/A
					3BR / 2BA	45	3.5%	1,200	Market	\$1,545	N/A	Yes	0	0.0%
					<u>1286</u>							0	0.0%	
11	Model Tobacco 1100 Richmond Hwy Richmond, VA 23224 Richmond City County	2.1 miles	Conversion 6-stories 2022 / n/a Family	Market	0BR / 1BA	N/A	N/A	750	Market	-	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	828	Market	\$1,537	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	712	Market	\$1,387	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	943	Market	\$1,687	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	943	Market	\$1,585	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,223	Market	\$2,035	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,514	Market	\$2,110	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	923	Market	\$1,960	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,478	Market	\$2,369	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,520	Market	\$2,669	N/A	No	N/A	N/A
					<u>203</u>							92	45.3%	
12	The Mill At Manchester Lofts 815 Perry Street Richmond, VA 23224 Richmond City County	2.4 miles	Lowrise 2-stories 1912 / 2009 Family	Market	1BR / 1BA	27	38.6%	630	Market	\$1,237	N/A	No	1	3.7%
					2BR / 1.5BA	6	8.6%	891	Market	\$1,370	N/A	No	3	50.0%
					2BR / 2BA	33	47.1%	1,068	Market	\$1,300	N/A	No	1	3.0%
					3BR / 2BA	4	5.7%	1,393	Market	\$1,569	N/A	No	1	25.0%
						<u>70</u>								
13	The Park At Forest Hill 3900 Forest Hill Avenue Richmond, VA 23225 Richmond County	0.7 miles	Garden 3-stories 1978 / 2007 Family	Market	1BR / 1BA	45	61.6%	624	Market	\$807	N/A	Yes	2	4.4%
					2BR / 1BA	14	19.2%	936	Market	\$905	N/A	Yes	1	7.1%
					2BR / 1BA	14	19.2%	1,026	Market	\$980	N/A	Yes	1	7.1%
						<u>73</u>								
14	The Village At Westlake 1500 German School Rd Richmond, VA 23225 Richmond City County	1.9 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	72	28.6%	806	Market	\$1,415	N/A	Yes	2	2.8%
					1BR / 1BA	N/A	N/A	813	Market	\$1,415	N/A	Yes	0	N/A
					2BR / 2BA	120	47.6%	1,085	Market	\$1,810	N/A	Yes	0	0.0%
					2BR / 2BA	N/A	N/A	1,099	Market	\$1,895	N/A	Yes	0	N/A
					3BR / 2BA	60	23.8%	1,390	Market	\$1,895	N/A	Yes	0	0.0%
	<u>252</u>											0	N/A	
													2	0.8%

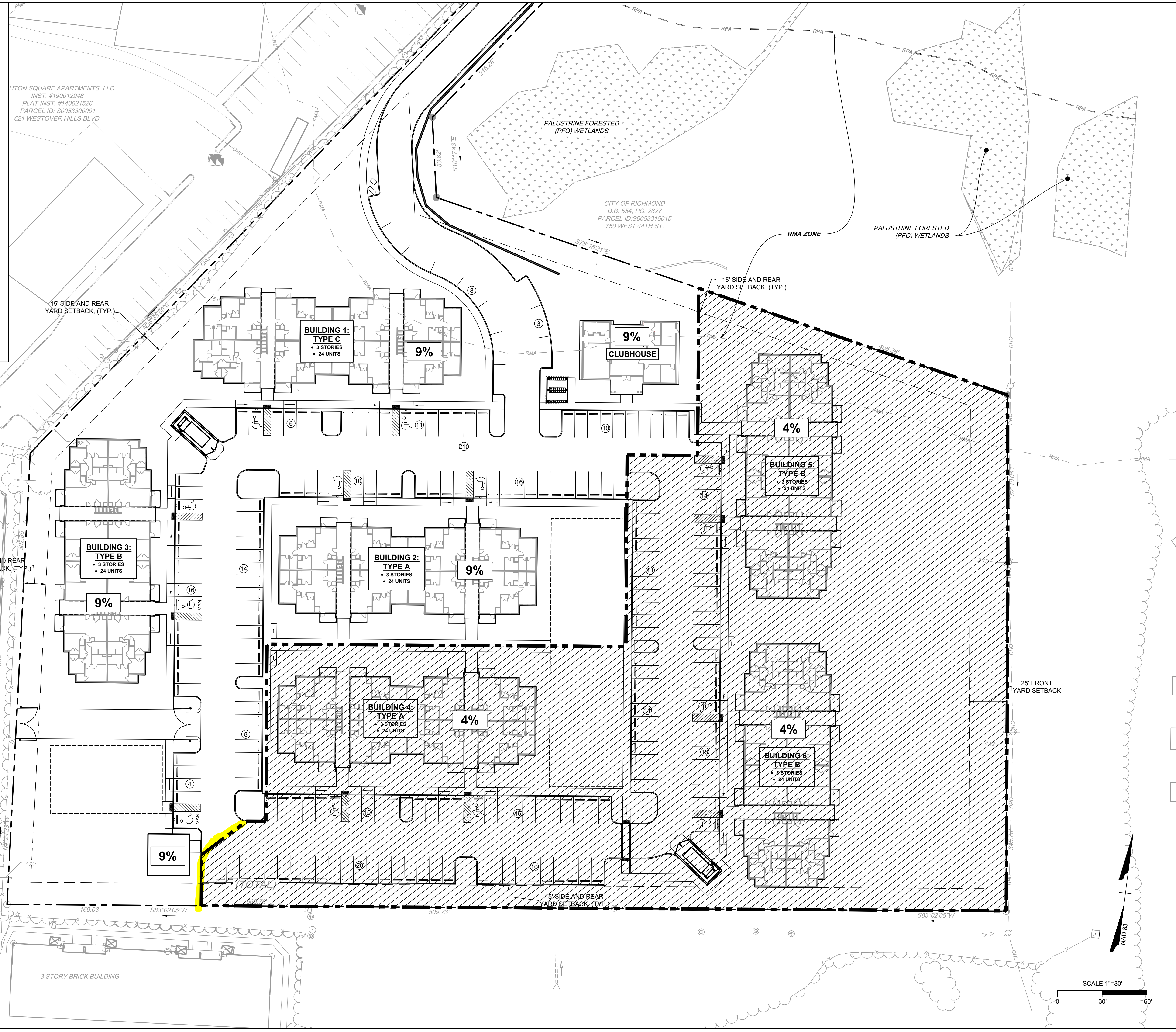
ADDENDUM D
Site and Floor Plans

VHDA SUMMARY TABLE

TOTAL PARCEL AREA: 6.62 ACRES
 TOTAL PARKING SPACES: 210

9% AREA: 3.45 ACRES
 106 PARKING SPACES
 BUILDING 1 (TYPE C) (24 UNITS)
 21 - 2 BDRM UNITS
 3 - 3 BDRM UNITS
 BUILDING 2 (TYPE A) (24 UNITS)
 24 - 2 BDRM UNITS
 BUILDING 3 (TYPE B) (24 UNITS)
 12 - 1 BDRM UNITS
 12 - 3 BDRM UNITS
 CLUBHOUSE
 MAINTENANCE BUILDING

4% AREA: 3.17 ACRES
 104 PARKING SPACES
 BUILDING 4 (TYPE A) (24 UNITS)
 24 - 2 BDRM UNITS
 BUILDING 5 (TYPE B) (24 UNITS)
 12 - 1 BDRM UNITS
 12 - 3 BDRM UNITS
 BUILDING 6 (TYPE B) (24 UNITS)
 12 - 1 BDRM UNITS
 12 - 3 BDRM UNITS



**POD SUBMITTAL
 NOT FOR
 CONSTRUCTION**

THIS DRAWING PREPARED AT THE
CORPORATE OFFICE
 1001 Builders Parkway, Suite 300 | Richmond, VA 23225
 TEL 804.200.0500 FAX 804.580.1016 www.timmons.com

YOUR VISION ACHIEVED THROUGH OURS.

DATE	REVISION DESCRIPTION
12/03/2021	REVISED PER POD REVIEW COMMENTS

DATE	DRAWN BY	DESIGNED BY	CHECKED BY	SCALE
9/2/2021	B. MEYER	B. MEYER	A. WEHUNT	1" = 30'

TIMMONS GROUP

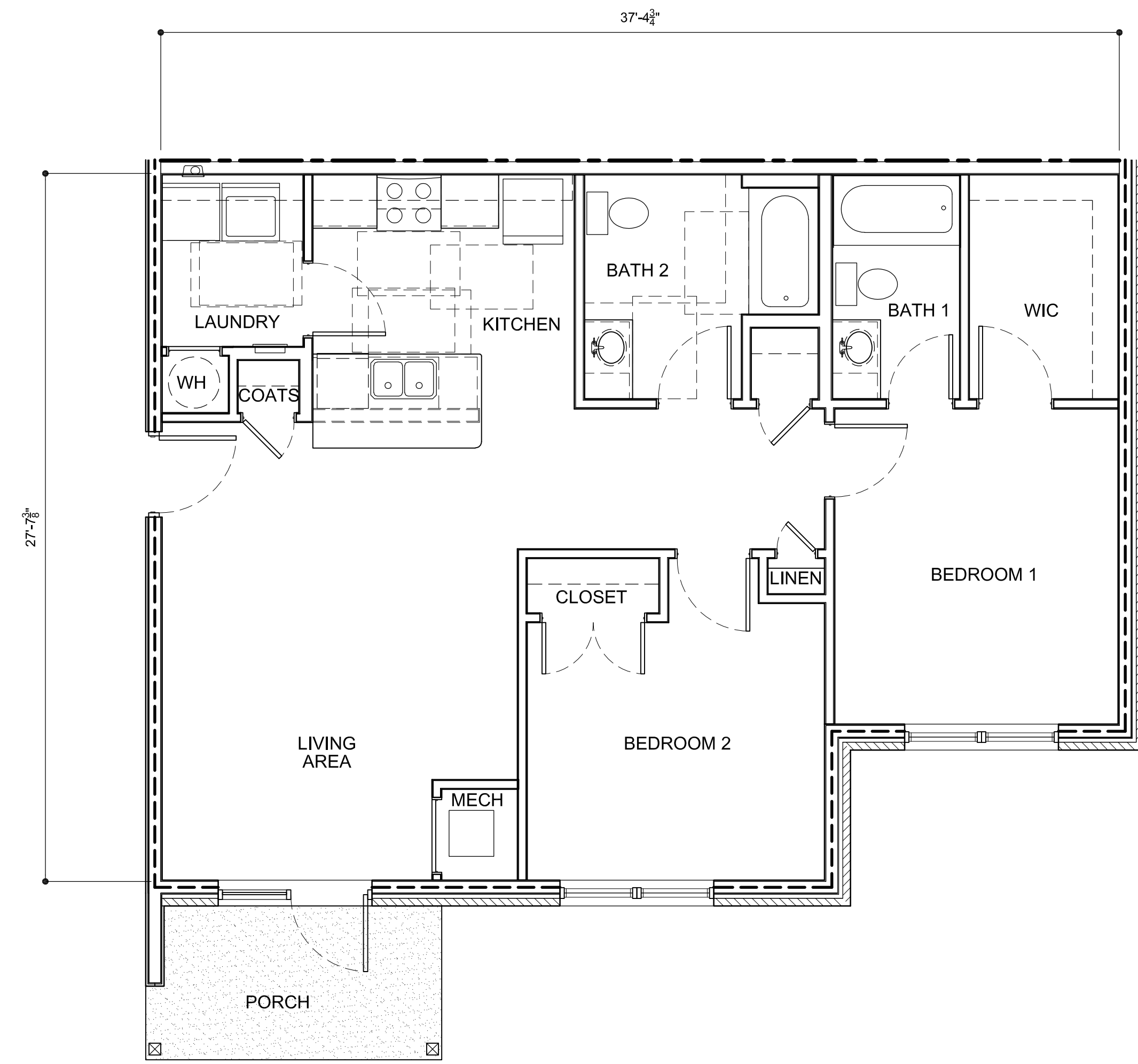
700 WEST 44TH STREET
 OLD SOUTH DISTRICT - RICHMOND - VIRGINIA
 VHDA EXHIBIT

JOB NO. 49101
 SHEET NO. C4.02

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SGVA LLC
 #120008088
 TEL: 505.333.1500
 621 WESTOVER HILLS BLVD.

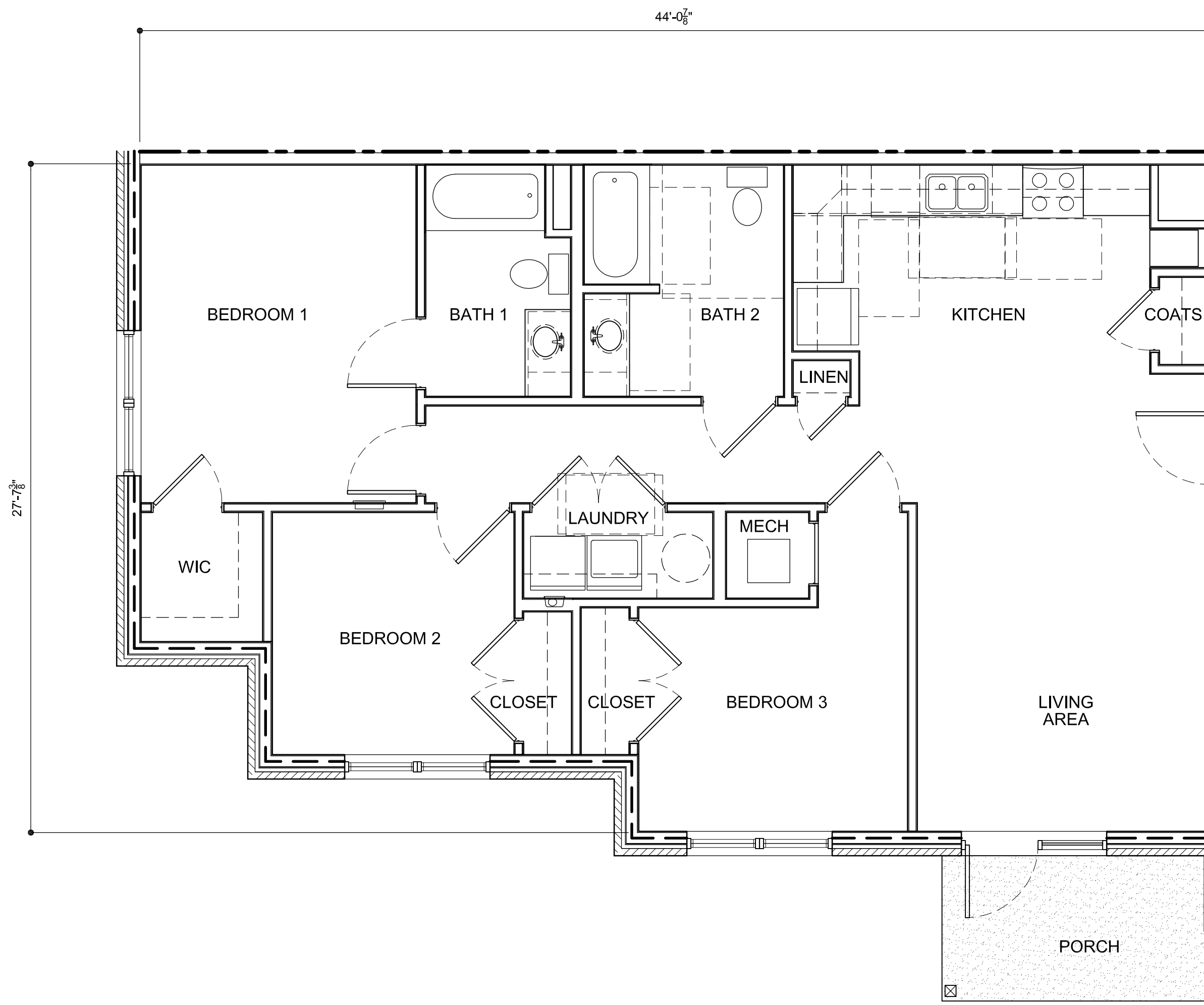
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E1 ENLARGED PLAN - UNIT 2.1

A412 SCALE: 1/4" = 1'-0"

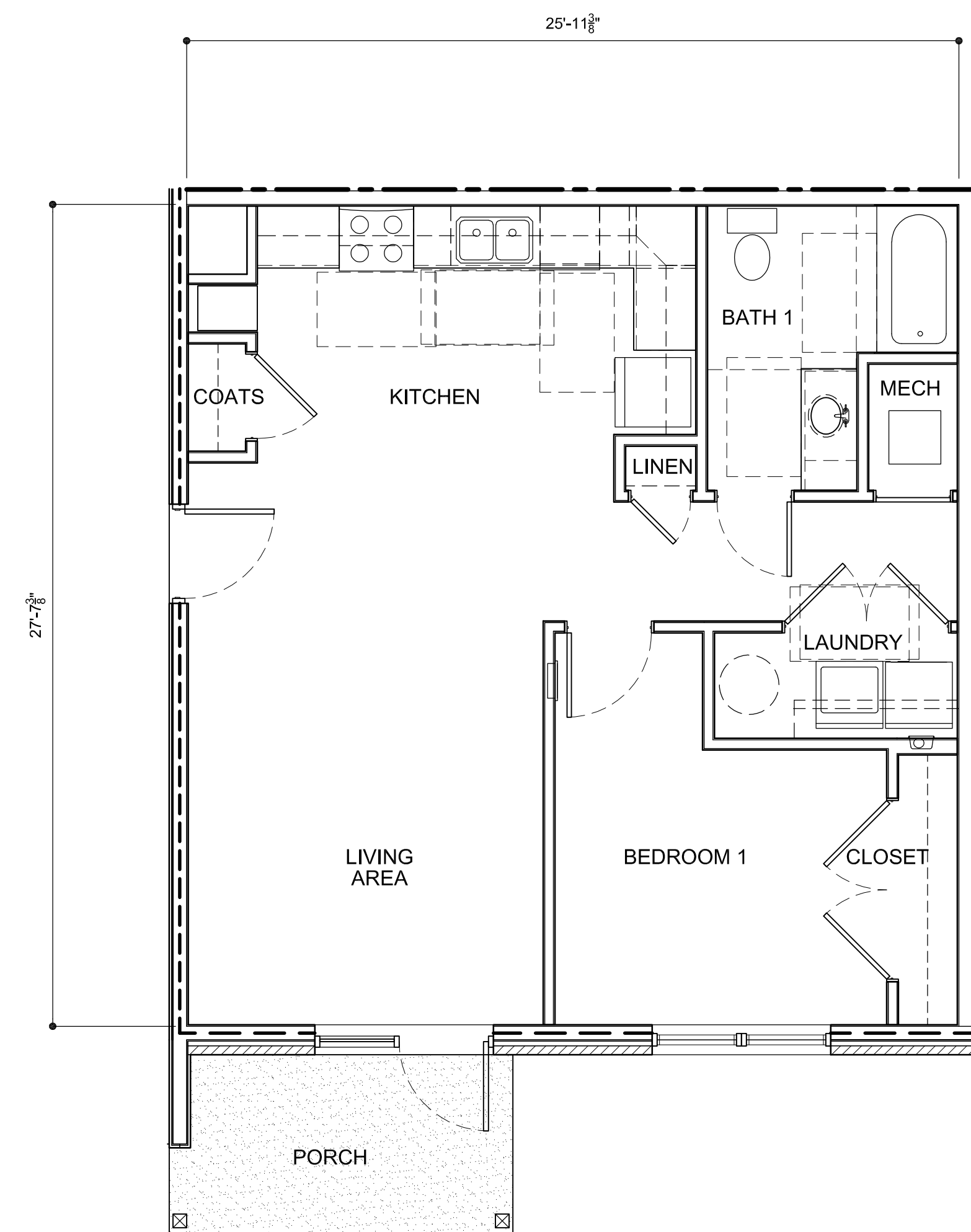
FIRST FLOOR UNIT SHOWN
TYPE B UNIT PER ICC/ANSI A117.1-2009, LOCATED ON 1ST FLOOR ONLY



E5 ENLARGED PLAN - UNIT 3.1

A412 SCALE: 1/4" = 1'-0"

FIRST FLOOR UNIT SHOWN
TYPE B UNIT PER ICC/ANSI A117.1-2009, LOCATED ON 1ST FLOOR ONLY



A1 ENLARGED PLAN - UNIT 1.1

A412 SCALE: 1/4" = 1'-0"

FIRST FLOOR UNIT SHOWN
TYPE B UNIT PER ICC/ANSI A117.1-2009, LOCATED ON 1ST FLOOR ONLY

		1228 PERIMETER PARKWAY SUITE 101 VIRGINIA BEACH, VIRGINIA 23454 www.ts3architects.com 757.689.2899	PROJECT TITLE 700 WEST 44TH STREET RICHMOND, VIRGINIA
	CONSULTANTS	REVISIONS / SUBMISSIONS	PROJECT NUMBER TS321043.00
		VIRGINIA CORPORATION NO. 405901837	CONTRACT DRAWING DATE
			DRAWING TITLE UNIT PLANS
			DRAWING NUMBER

ADDENDUM E
Utility Allowance

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing



Locality		Green Discount	Unit Type			Weather Code	Date
Richmond Area 2020		None	Large Apartment (5+ units)			VA007	2020-08-20
Utility/Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas	\$18	\$21	\$23	\$26	\$29	\$32
	Bottle Gas	\$52	\$61	\$70	\$79	\$87	\$96
	Electric Resistance	\$14	\$16	\$21	\$25	\$28	\$31
	Electric Heat Pump	\$12	\$14	\$17	\$18	\$19	\$20
	Fuel Oil	\$43	\$51	\$58	\$65	\$73	\$80
Cooking	Natural Gas	\$3	\$3	\$5	\$6	\$8	\$10
	Bottle Gas	\$8	\$9	\$14	\$18	\$22	\$26
	Electric	\$5	\$5	\$8	\$10	\$13	\$15
	Other						
Other Electric		\$17	\$21	\$29	\$37	\$45	\$53
Air Conditioning		\$7	\$8	\$11	\$15	\$18	\$22
Water Heating	Natural Gas	\$7	\$8	\$11	\$15	\$18	\$21
	Bottle Gas	\$18	\$21	\$31	\$41	\$50	\$60
	Electric	\$11	\$13	\$17	\$21	\$24	\$27
	Fuel Oil	\$15	\$18	\$26	\$34	\$42	\$50
Water		\$25	\$26	\$38	\$57	\$75	\$94
Sewer		\$34	\$36	\$51	\$73	\$94	\$116
Electric Fee		\$7	\$7	\$7	\$7	\$7	\$7
Natural Gas Fee		\$16	\$16	\$16	\$16	\$16	\$16
Fuel Oil Fee							
Bottled Gas Fee							
Trash Collection		\$20	\$20	\$20	\$20	\$20	\$20
Range/Microwave		\$18	\$18	\$18	\$18	\$18	\$18
Refrigerator		\$19	\$19	\$19	\$19	\$19	\$19
Other – specify							

ADDENDUM F
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

DAVID BOISTURE, ASA, CRE

I. Education

Ohio University, Athens, Ohio
Masters of Public Administration

Frostburg State University, Frostburg, Maryland
Bachelor of Science in Political Science and Justice Studies

II. Professional Experience

Partner, Novogradac & Company LLP
Graduate Assistant, Institute for Local Government and Rural Development

III. Professional Affiliation

Accredited Senior Appraiser of the American Society of Appraisers (ASA)
Member, The Counselors of Real Estate (CRE)
Designated Member of the National Council of Housing Market Analysts (NCHMA)
LEED Green Associate

IV. Professional Training

2020-2021 7-Hour National USPAP Update Course – February 2021
Fundamentals of Economic Life Development – December 2020
Renewable Energy Appraisals and Cost Segregation – Subject Matter Expert- November 2020
Purchase Price Allocation and Cost Segregation Studies – October 2020
Renewable Energy PPAs Risk and Valuation – April 2020
Introduction to Cost Segregation – August 2019
Aspects of Valuing Solar Installations – June 2019
Machinery and Equipment Valuation – Advanced Topics and Report Writing, January 2017
Machinery and Equipment Advanced Topics and Case Studies, November 2016
Machinery and Equipment Valuation Methodology, September 2016
Introduction to Machinery and Equipment Valuation, May 2016
IRS Valuation Summit, October 2014
Basic Appraisal Procedures, March 2014
15-hour National USPAP Equivalent, March 2014
Valuation of Solar Photovoltaic, February 2014
Residential Solar Photovoltaic Leases: Market Value Dilemma, February 2014
Basic Appraisal Principles, February 2014
Wind Projects and Land Value, October 2012

V. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, owners, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009. The valuations have been completed assuming completion of the assets, as is, and at various stages of development. Valuations also include various operating renewable energy development businesses.
- Completed analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include renewable energy projects involving the use of Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, asset management fees, various leasing-related payments, and overall master lease terms.
- Have managed and prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Have managed and assisted in appraisals of proposed new construction, rehabilitation, and existing Low- Income Housing Tax Credit properties, USDA Rural Development, HUD subsidized properties, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.
- Have managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines.
- Assisted in the review of Rent Comparability Studies for HUD Contract Administrators.
- Assisted in the HUD MAP Quality Control market study and appraisal reviews.

- Managed and assisted in the preparation of market studies for projects under the HUD Multifamily Accelerated Processing program. The market studies meet the requirements outlined in Chapter 7 of the HUD MAP Guide.
- Managed and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. The appraisals meet the requirements outlined in Chapter 7 of the HUD MAP Guide.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in various appraisals for the US Army Corps of Engineers including Walter Reed Army Medical Center, proposed office site on the Enhanced Use Lease sites Y and Z at Fort Meade, proposed automobile testing facility at the Yuma Proving Grounds, proposed industrial park at Camp Navajo, and the National Geospatial-Intelligence Agency.
- Managed the preparation of Site Inspection Reports and Appraisals as the subcontractor to the Transaction Team Specialist hired by the Department of Housing and Urban Development to facilitate the design and sale of HUD's nonperforming Multifamily and Healthcare notes.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

K. DAVID ADAMESCU

I. Education

The Ohio State University, Columbus, OH
Masters of City and Regional Planning (MCRP)
Bachelors of Arts, Economics

II. Professional Experience

Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Project Director, VWB Research
Field Analyst, The Danter Company

III. Real Estate Assignments

A summary of assignments relating to market feasibility studies and appraisals includes:

- Written and supervised the production of over 1,000 rental housing market studies for projects located throughout 47 states as well as Puerto Rico and Virgin Islands. The preponderance of experience is with affordable housing developments, particularly those that operate with Section 42 Low-income Housing Tax Credit, HUD Section 8/202, and/or USDA Rural Development financing. Scope of analysis typically has included physical inspection of the property and market (have conducted over 400 property inspections throughout the United States and Puerto Rico), concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination.
- Assisted in over 200 appraisals of multifamily rental housing, commercial office, and commercial retail properties. Analysis has included assisting with supply analysis and rent determination, operating expense analysis, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Additional experience authoring market feasibility analyses for condominium housing, single-family housing, senior-oriented housing, seasonal housing, retail, office, golf course/marina resorts, and mixed-use developments.
- Conducted special research for highest and best use evaluations, the impact of “green” development principals on marketability, and seasonal housing dynamics.
- Reviewed third-party market studies and appraisals for investors in the secondary market.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Robert McCarthy

I. Education

The Ohio State University, Columbus, Ohio
Bachelor of Science in Economics, Bachelor of Arts in Public Affairs

II. Professional Experience

Senior Analyst, Novogradac & Company LLP, September 2022– Present
Analyst, Novogradac & Company LLP, January 2020 – August 2022
Junior Analyst, Novogradac & Company LLP, August 2017 – December 2019
Regional Field Organizer, AARP Take a Stand Campaign, June 2016 – December 2016

III. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, rental rate analysis, competitive property surveying, and overall market analysis.
- Assisted with appraisals of new construction and existing LIHTC and market-rate properties, as well as solar farm developments.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Jacob Ball

I. Education

The Ohio State University, Columbus, Ohio
Bachelor of Science in City and Regional Planning

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, August 2017 – December 2019
Vogt Strategic Insights, Valuation Intern, January 2022 – May 2022

III. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: rental rate analysis, competitive property surveying, and overall market analysis.
- Assisted with appraisals of new construction and existing LIHTC and market-rate properties, as well as solar farm developments.

ADDENDUM G
NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

David Boisture, ASA, CRE
LEED Green Associate
David.Boisture@novoco.com

K. David Adamescu
Manager
David.Adamescu@novoco.com

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

		Page Number(s)
Executive Summary		
1	Executive Summary	I
Project Description		
2	Proposed number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	I
3	Utilities (and utility sources) included in rent.	III
4	Project design description	II
5	Unit and project amenities; parking	V
6	Public programs included	I
7	Target population description	II
8	Date of construction/preliminary completion	II
9	If rehabilitation, existing unit breakdown and rents.	II
10	Reference to review/status of project plans	III
Location and Market Area		
11	Market area/secondary market area description	III
12	Concise description of the site and adjacent parcels	III
13	Description of site characteristics	III
14	Site photos/maps	III
15	Map of community services	III
16	Visibility and accessibility evaluation	III
17	Crime information	III
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	IV
26	Distribution of income	IV
27	Households by tenure	IV
Competitive Environment		
28	Comparable property profiles	V
29	Map of comparable properties	V
30	Comparable property photos	Add. B
31	Existing rental housing evaluation	V
32	Comparable property discussion	V

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

		Page Number(s)
33	Area vacancy rates, including rates for Tax Credit and government-subsidized	VI
34	Comparison of subject property to comparable properties	VI
35	Availability of Housing Choice Vouchers	VI
36	Identification of waiting lists	VI
37	Description of overall rental market including share of market-rate and affordable properties	VI
38	List of existing a LIHTC properties	VI
39	Discussion of future changes in housing stock	VI
40	including homeownership	VI
41	Tax credit and other planned or under construction rental communities in market area	VI
Analysis/Conclusions		
42	Calculation and analysis of Capture Rate	VII
43	Calculation and analysis of Penetration Rate	VII
44	Evaluation of proposed rent levels	VII
45	Derivation of Achievable Market Rent and Market Advantage	VII
46	Derivation of Achievable Restricted Rent	VII
47	Precise statement of key conclusions	VII
48	Market strengths and weaknesses impacting project	VII
49	Recommendations and/or modification to project discussion	N/A
50	Discussion of subject property's impact on existing housing	VII
51	Absorption projection with issues impacting performance	VII
52	Discussion of risks or other mitigating circumstances impacting project	VII
53	Interviews with area housing stakeholders	V
Other Requirements		
54	Preparation date of report	Cover
55	Date of field work	Cover
56	Certifications	Add. F
57	Statement of qualifications	Add. E
58	Sources of data not otherwise identified	N/A
59	Utility allowance schedule	Add. D