



**BOWEN
NATIONAL
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Market Feasibility Analysis

Ansell

2216 & 2220 Waldron Avenue
Portsmouth, Virginia 23702

Prepared For

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Authorized User

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Effective Date

February 2, 2023

Job Reference Number

23-120 JP

Market Study Certification

NCHMA Certification

This certifies that Andrew Lundell, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Portsmouth, Virginia. Further, the information contained in this report is true and accurate as of February 2, 2023.

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

Virginia Housing Certification

I affirm the following:

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

Certified:



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Date: February 2, 2023



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Certificate of Membership

Bowen National Research
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Membership Term
7/1/2022 to 6/30/2023



A handwritten signature in blue ink that reads 'Kaitlyn Snyder'.

Kaitlyn Snyder
Managing Director, NH&RA

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I. Introduction

A. PURPOSE

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

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

C. SOURCES

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

- The 2010 and 2020 Census on Housing
- American Community Survey
- ESRI
- Applied Geographic Solutions
- U.S. Department of Labor
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- U.S. Department of Housing and Urban Development (HUD)

D. REPORT LIMITATIONS

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

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

Any reproduction or duplication of this report without the express approval of Community Housing Partners or Bowen National Research is strictly prohibited.

II. Executive Summary

Based on the findings contained in this report, it is our opinion that a market exists for the development of the proposed Ansell rental community in Portsmouth, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program. The following points support this conclusion:

Project Description

The subject project involves the new construction of the 39-unit Ansell rental community at 2216 and 2220 Waldron Avenue in Portsmouth, Virginia. The project will target general-occupancy (family) households earning up to 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Five (5) of the units within the subject development will receive project-based rental assistance (PBRA). The entire proposed project is expected to be completed in April of 2025. Additional details of the subject project can be found in *Section III - Project Description* of this report.

Site Evaluation

The proposed site consists of a vacant parcel of land located at the terminus of Ansell Avenue in the southeastern portion of Portsmouth, Virginia. The proposed site is located within an established, mixed-use area of Portsmouth, although most of the immediate surrounding structures are residential buildings in good condition. The site's location at the terminus of Ansell Avenue, a two-lane vehicular roadway with light residential traffic, allows for limited passerby traffic. However, limited visibility has not adversely impacted the marketability of adjacent rental communities. Although a detailed site plan was not available at the time of this report, it is anticipated that the subject project will derive access from Ansell Avenue and the light traffic along this aforementioned roadway is expected to allow for convenient ingress and egress. In addition, U.S. Highway 17, Interstate 264, U.S. Highway 460 and Interstate 64 are all arterial roadways in the area that are accessible within approximately 4.5 miles of the site. Several public bus stops, operated by Hampton Roads Transit, are located within walking distance of the site, which further improve site access. The subject site is also within proximity of several community services, many of which are located within area shopping centers that can be accessed within less than 2.0 miles of the site. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in *Section IV - Area Analysis*.

Primary Market Area (PMA)

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Portsmouth Site PMA includes all of the southern incorporated portions of Portsmouth City. The boundaries of the Site PMA include the Western Branch Elizabeth River to the north; the Portsmouth incorporated limits to the east; the Portsmouth incorporated limits to the south; and the Portsmouth incorporated limits to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page IV-9.

Demographic Trends

Both the population and household bases within the Portsmouth Site PMA have experienced growth overall since 2010, a trend that is expected to continue through 2027. Households under the age of 65, which are expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise nearly 70.0% of all households in 2022 and will comprise approximately 67.0% of all households through 2027. Nearly half (47.0%) of all households were renters in 2022 and the 13,483 renter households projected for 2027 illustrate a deep base of renter support for the subject project. Further, over 79.0% of all renter households in the market are projected to earn less than \$75,000 in 2027. Based on the preceding analysis, a large base of low- and moderate-income renter households will continue to exist in the market for the foreseeable future. Detailed demographic trends are included in *Section IV*, beginning on page IV-11.

Economic Trends

The Portsmouth economy generally experienced growth between 2012 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. Between 2019 and 2021, the Portsmouth employment base declined by 2,579 jobs (6.0%), and its *annual* unemployment rate increased by 5.5 percentage points between 2019 and 2020. Specifically, the *monthly* unemployment rate spiked by over 10 percentage points between March 2020 and July 2020. On a positive note, the local economy improved in 2022, as the city employment base has increased by 826 jobs (2.0%) and the annual unemployment rate has declined by nearly five percentage points to a rate of 4.5%. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable as the local economy continues to recover. Detailed economic trends are included in *Section IV*, beginning on page IV-15.

Overall Rental Housing Market Conditions

We identified and personally surveyed 33 conventional housing projects containing a total of 4,097 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.8%, a strong rate for rental housing. The surveyed rental communities are broken out by project type in the following table.

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|--|-------------------|-------------|--------------|----------------|
| Market-Rate | 9 | 1,215 | 77 | 93.7% |
| Market-Rate/Tax Credit | 1 | 52 | 0 | 100.0% |
| Tax Credit | 10 | 1,131 | 15 | 98.7% |
| Tax Credit/Government-Subsidized | 10 | 1,204 | 0 | 100.0% |
| Market-Rate/Tax Credit/Government-Subsidized | 2 | 393 | 0 | 100.0% |
| Government-Subsidized | 1 | 102 | 0 | 100.0% |
| Total | 33 | 4,097 | 92 | 97.8% |

As illustrated in the preceding table, the rental housing market is performing well overall, with all segments reporting occupancy rates of 93.7% or higher. While the market-rate segment is operating at a stable occupancy rate of 93.7%, the surveyed properties that offer affordable units are performing very well, with few vacant units. This is a good indication that affordable rental product such as that proposed at the site is in high demand in this market.

Comparable/Competitive Tax Credit Analysis

We identified and surveyed eight family (general-occupancy) properties that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units within the Portsmouth Site PMA, five of which were selected for this comparability analysis based on targeted Area Median Household Income (AMHI), unit types offered and year built.

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

| Map I.D. | Project Name | Quality Rating | Nbhd. Rating | Year Built/Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|----------|----------------------|----------------|--------------|----------------------|-------------|-----------|------------------|-------------------|--|
| Site | Ansell | - | - | 2025 | 39 | - | - | - | Families; 40%, 50%, 60% & 80% AMHI & PBRA |
| 1 | Ansell Gardens Apts. | C+ | C+ | 1969 / 2003 | 78 | 100.0% | 0.2 Miles | 50 HH | Families; 50% & 60% AMHI |
| 4 | Belle Hall Apts. | B+ | B | 2008 | 120 | 98.3% | 3.8 Miles | None | Families; 60% AMHI |
| 7 | Crescent Place Apts. | B | B | 2008 | 156 | 98.7% | 2.6 Miles | None | Families; 60% AMHI |
| 14 | Hamilton Place II | B | B | 2012 | 56* | 100.0% | 2.7 Miles | Shared: 84 Months | Families; 40%, 50%, & 60% AMHI & Section 8 |
| 17 | Holley Pointe | B+ | B | 2022 | 50 | 100.0% | 2.4 Miles | 200 HH | Families; 30%, 40%, 50%, 70%, & 80% AMHI |

Occ. – Occupancy; Nbhd. – Neighborhood; HH – Households

*Non-subsidized units only

The five comparable LIHTC projects have a combined occupancy rate of 99.2% (a result of only four vacant units), a very strong rate for rental housing. In fact, three of these projects are fully occupied and maintain extensive waiting lists. Notably, the newest LIHTC property in the market, Holley Pointe, is 100.0% occupied with a waiting list of 200 households. As previously mentioned, Holley Pointe experienced a lease-up rate of approximately 45 units per month from time of opening, a very rapid rate for LIHTC product. These trends illustrate that significant pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

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

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | Rent Special |
|----------|----------------------|---|---|---|--------------|
| | | One-Br. | Two-Br. | Three-Br. | |
| Site | Ansell | - | \$842 [^] /40%/PBRA (3) \$1,052/50% (6) \$1,262/60% (9) \$1,368/80% (2) | \$972 [^] /40%/PBRA (2) \$1,215/50% (9) \$1,458/60% (6) \$1,609/80% (2) | - |
| 1 | Ansell Gardens Apts. | - | \$897/50% (38/0) \$897/60% (40/0) | - | None |
| 4 | Belle Hall Apts. | - | \$1,307/60% (76/1) | \$1,555/60% (44/1) | None |
| 7 | Crescent Place Apts. | \$1,052/60% (16/1) | \$1,264/60% (104/1) | \$1,463/60% (36/0) | None |
| 14 | Hamilton Place II* | \$816/50% (7/0) \$974/60% (1/0) | \$998/50% (35/0) \$1,116/60% (4/0) | \$1,158/50% (8/0) \$1,302/60% (1/0) | None |
| 17 | Holley Pointe | - | \$551/30% (4/0) \$734/40% (4/0) \$911/50% (12/0) \$1,101/70% (8/0) \$1,201/80% (12/0) | \$649/30% (1/0) \$894/40% (1/0) \$1,061/50% (3/0) \$1,334/70% (2/0) \$1,419/80% (3/0) | None |

PBRA – Project-Based Rental Assistance; *Non-subsidized units only; [^]Maximum allowable LIHTC rent (contract rent exceeds maximum allowable)

The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally competitive with the rents being achieved at the comparable LIHTC properties in the market targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 13 years newer than the original year built of nearly all of the comparable properties utilized in this analysis. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60% of AMHI) are considered achievable as proposed.

Considering the subject's proposed gross LIHTC rents at the 80% of AMHI income level are positioned only slightly higher than the 60% of AMHI rents proposed at the site, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as a value in the market.

Comparable/Competitive Tax Credit Summary

The five comparable LIHTC projects have a combined occupancy rate of 99.2% (a result of only four vacant units), a very strong rate for rental housing. In fact, three of these projects are fully occupied and maintain extensive waiting lists. Notably, the newest LIHTC property in the market, Holley Pointe, is 100.0% occupied with a waiting list of 200 households. These trends illustrate that significant pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally competitive with the rents being achieved at the comparable LIHTC properties in the market targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 13 years newer than the original year built of nearly all of the comparable properties utilized in this analysis. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60% of AMHI) are considered achievable as proposed.

Considering the subject's proposed gross LIHTC rents at the 80% of AMHI income level are positioned only slightly higher than the 60% of AMHI rents proposed at the site, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as a value in the market. Based on the rent positioning of the subject site, as well as the generally competitive unit sizes and amenities package, the subject site is expected to be marketable as proposed.

Perception of Value

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

| Bedroom Type | Proposed Collected Rent (AMHI) | Achievable Market Rent | Market Rent Advantage |
|--------------|--------------------------------|------------------------|-----------------------|
| Two-Br. | \$674* (40%/PBRA) | \$1,685 | 60.0% |
| | \$884 (50%) | | 47.5% |
| | \$1,094 (60%) | | 35.1% |
| | \$1,200 (80%) | | 28.8% |
| Three-Br. | \$763* (40%/PBRA) | \$1,800 | 57.6% |
| | \$1,006 (50%) | | 44.1% |
| | \$1,249 (60%) | | 30.6% |
| | \$1,400 (80%) | | 22.3% |

*Maximum allowable collected LIHTC rent (contract rent exceeds maximum allowable)
PBRA – Project-Based Rental Assistance

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10.0% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households at higher income levels such as 80% of AMHI often do not need to represent a market rent advantage of 10.0% to be perceived a value, it is often recommended that such units/rents represent a positive rent advantage to ensure it is perceived as a value to low-income renters.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 22.3% to 60.0%, depending upon unit type and income level. Thus, the subject rents, even those at the higher 80% AMHI levels, will represent significant values within the Site PMA. It is also important to reiterate that the subject project will operate with Project-Based Rental Assistance (PBRA) available to some of the subject units and tenants of these units will pay only a portion of their income towards rent, rather than the proposed rents evaluated throughout this report. As such, the subject project is expected to represent an even greater value to area renters.

Capture Rate Estimates

The following is a summary of our demand calculations for the subject site as proposed, as well as in the unlikely scenario that the project did not operate with a subsidy.

| As Proposed (With PBRA) | | | | | |
|-----------------------------|--------------------------------|------------------------------|------------------------------|------------------------------|---|
| Demand Component | 40% AMHI / PBRA (\$0-\$40,400) | 50% AMHI (\$36,069-\$50,500) | 60% AMHI (\$43,269-\$60,600) | 80% AMHI (\$46,903-\$80,800) | Overall LIHTC w/ Subsidy (\$0-\$80,800) |
| Net Demand | 3,121 | 1,329 | 1,026 | 1,461 | 5,153 |
| Proposed Units | 5 | 15 | 15 | 4 | 39 |
| Proposed Units / Net Demand | 5 / 3,121 | 15 / 1,329 | 15 / 1,026 | 4 / 1,461 | 39 / 5,153 |
| Capture Rate | = 0.2% | = 1.1% | = 1.5% | = 0.3% | = 0.8% |

| LIHTC Only (Without PBRA) | | | | | |
|--------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|--|
| Demand Component | 40% AMHI (\$28,869 - \$40,400) | 50% AMHI (\$34,217 - \$50,500) | 60% AMHI (\$42,994- \$60,600) | 80% AMHI (\$44,709- \$80,800) | Overall LIHTC Only (\$28,869- \$80,800) |
| Net Demand | 849 | 1,329 | 1,026 | 1,461 | 2,882 |
| Proposed Units | 5 | 15 | 15 | 4 | 39 |
| Proposed Units / Net Demand | 5 / 849 | 15 / 1,329 | 15 / 1,026 | 4 / 1,461 | 39 / 2,882 |
| Capture Rate | = 0.6% | = 1.1% | = 1.5% | = 0.3% | = 1.4% |

The capture rates by targeted income level assuming the project operates with a subsidy available to some units are considered low and easily achievable, ranging from 0.2% to 1.5%, with an overall capture rate of 0.8%. In the unlikely scenario the subject operates without a subsidy, the capture rates by income level range from 0.3% to 1.5% and the overall capture rate is 1.4%. These capture rates are all considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development, regardless of scenario.

Penetration Rate

The 1,337 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing, planned and subject Tax Credit units is \$18,754 to \$80,800. The following table summarizes the market penetration rate for the subject project, based on data contained in the Demographic Characteristics and Trends section of this report.

| | Market Penetration |
|---|-----------------------|
| Number of LIHTC Units (Planned, Existing & Subject) | 1,376 |
| Income-Eligible Renter Households – 2025 | / 7,710 |
| Overall Market Penetration Rate | = 17.8% |

It is our opinion that the 17.8% penetration rate for the LIHTC units, existing, planned and proposed subject, is low and achievable.

Absorption Projections

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with the lease-up trends of other projects with similar characteristics in the Site PMA and other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 39 proposed LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in less than three months of opening. This absorption rate is based on an average monthly absorption rate of 14 units per month. Note that these absorption projections assume the proposed project will operate with a subsidy available to five of the subject units. In the unlikely scenario the subject project did not operate with a

subsidy available to these units, the proposed project will likely experience a slightly longer absorption period of up to three full months, which is reflective of an absorption rate of approximately 11 to 12 units per month.

These absorption projections assume an April 2025 opening date. A different opening date may have a slowing or hastening impact on the subject's initial absorption potential. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, unit design, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

III. Project Description

| | |
|--------------------|--|
| Project Name: | Ansell |
| Location: | 2216 & 2220 Waldron Avenue, Portsmouth, Virginia 23702 |
| Census Tract: | 2124 |
| Target Market: | Family |
| Construction Type: | New Construction |
| Funding Source: | LIHTC |

The subject project involves the new construction of the 39-unit Ansell rental community at 2216 and 2220 Waldron Avenue in Portsmouth, Virginia. The project will target general-occupancy (family) households earning up to 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Five (5) of the units within the subject development will receive project-based rental assistance (PBRA). The entire proposed project is expected to be completed in April of 2025. Additional details of the subject development are summarized as follows:

| Total Units | Bedroom Type | Baths | Style | Square Feet | % AMHI | Proposed Rents | | | Max. Allowable LIHTC Gross Rent |
|-------------|--------------|-------|--------|-------------|----------|----------------|-------------------|------------|---------------------------------|
| | | | | | | Collected Rent | Utility Allowance | Gross Rent | |
| 3 | Two-Br. | 2.0 | Garden | 957 | 40%/PBRA | \$770 | \$168 | \$938 | \$842 |
| 6 | Two-Br. | 2.0 | Garden | 957 | 50% | \$884 | \$168 | \$1,052 | \$1,052 |
| 9 | Two-Br. | 2.0 | Garden | 957 | 60% | \$1,094 | \$168 | \$1,262 | \$1,263 |
| 2 | Two-Br. | 2.0 | Garden | 957 | 80% | \$1,200 | \$168 | \$1,368 | \$1,684 |
| 2 | Three-Br. | 2.0 | Garden | 1,120 | 40%/PBRA | \$880 | \$209 | \$1,089 | \$972 |
| 9 | Three-Br. | 2.0 | Garden | 1,120 | 50% | \$1,006 | \$209 | \$1,215 | \$1,215 |
| 6 | Three-Br. | 2.0 | Garden | 1,120 | 60% | \$1,249 | \$209 | \$1,458 | \$1,458 |
| 2 | Three-Br. | 2.0 | Garden | 1,120 | 80% | \$1,400 | \$209 | \$1,609 | \$1,945 |
| 39 | Total | | | | | | | | |

Source: Community Housing Partners

AMHI – Area Median Household Income (Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area; 2022)

PBRA – Project-Based Rental Assistance

Note that tenants residing within the five units with PBRA will effectively pay up to 30% of their adjusted gross household income towards gross rent due to the presence of the subsidy. The maximum allowable LIHTC gross rents of \$842 and \$972 are the respective programmatic limits for two- and three-bedroom units targeting households earning up to 40% of AMHI. However, these limits would only apply in the unlikely scenario that the property did not to operate with a project-based subsidy. Regardless, considering the rents exceed maximum allowable LIHTC rents at 40% of AMHI, the maximum allowable LIHTC rent levels have been considered for these unit types throughout the remainder of this report.

| Building/Site Information | |
|---------------------------|---|
| Residential Buildings: | Two (2), two- and three-story buildings |
| Building Style: | Walk-up |
| Community Space: | Integrated throughout |
| Acres: | 2.257 |

| Construction Timeline | |
|-----------------------|----------------|
| Original Year Built: | Not Applicable |
| Construction Start: | March 2024 |
| Begin Preleasing: | March 2025 |
| Construction End: | April 2025 |

| Unit Amenities | | |
|----------------------------|----------------------------|-----------------------------------|
| • Electric Range | • Washer/Dryer Hookups | • Composite Flooring |
| • Refrigerator | • Central Air Conditioning | • Window Blinds |
| • Dishwasher | • Walk-In Closet | • In-Unit Wi-Fi |
| Community Amenities | | |
| • Clubhouse/Community Room | • On-Site Management | • Common Area Wi-Fi |
| • Playground | • CCTV/Cameras | • Surface Parking Lot (66 Spaces) |
| • Social Services* | | |

*Includes a childcare subsidy and annual telehealth evaluation

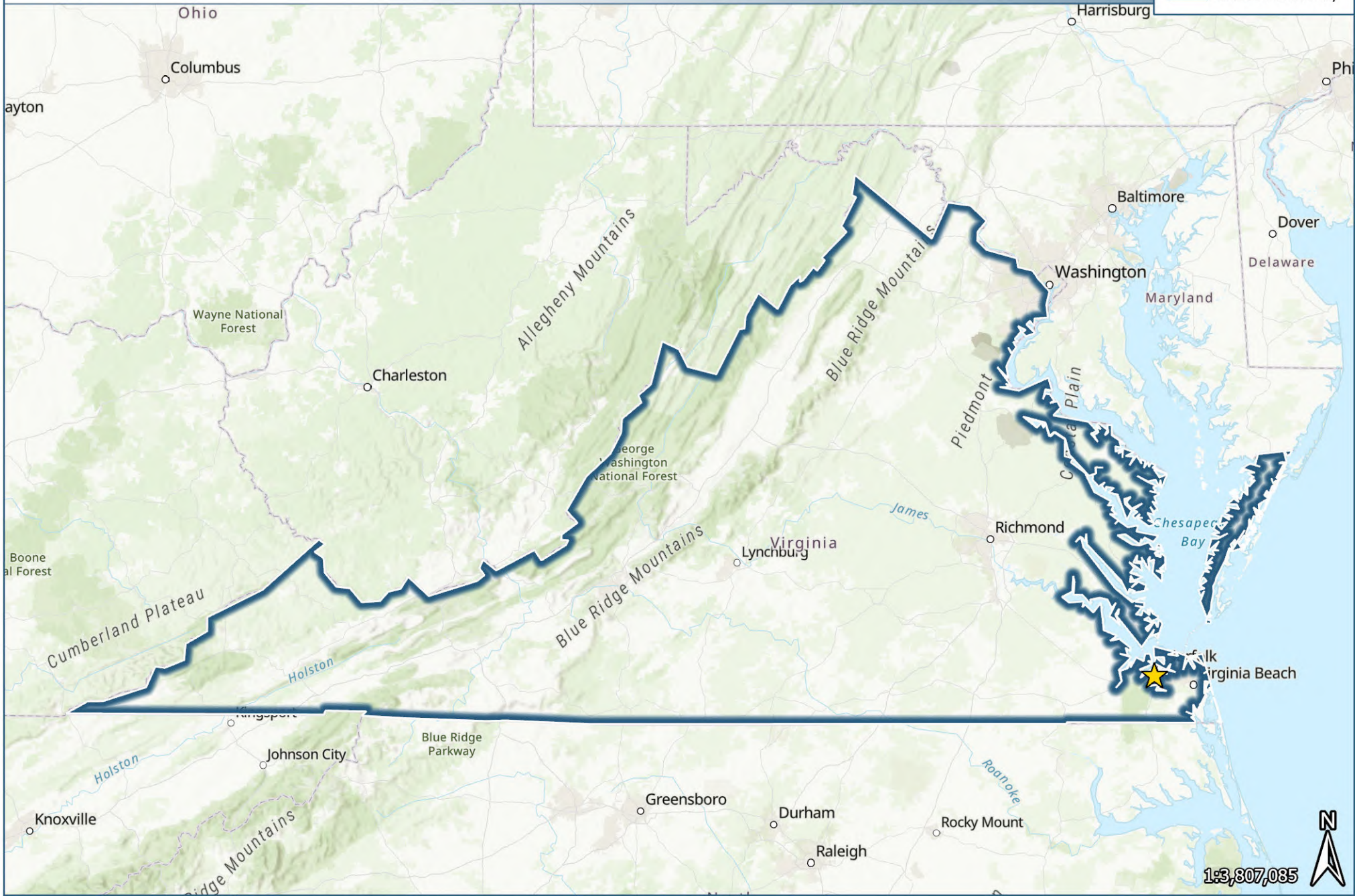
| Utility Responsibility | | | | | | | |
|------------------------|----------|-----------|----------|------------------|------------|--------|----------|
| | Heat | Hot Water | Cooking | General Electric | Cold Water | Sewer | Trash |
| Paid By | Tenant | Tenant | Tenant | Tenant | Tenant | Tenant |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

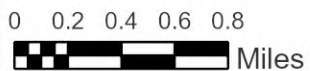
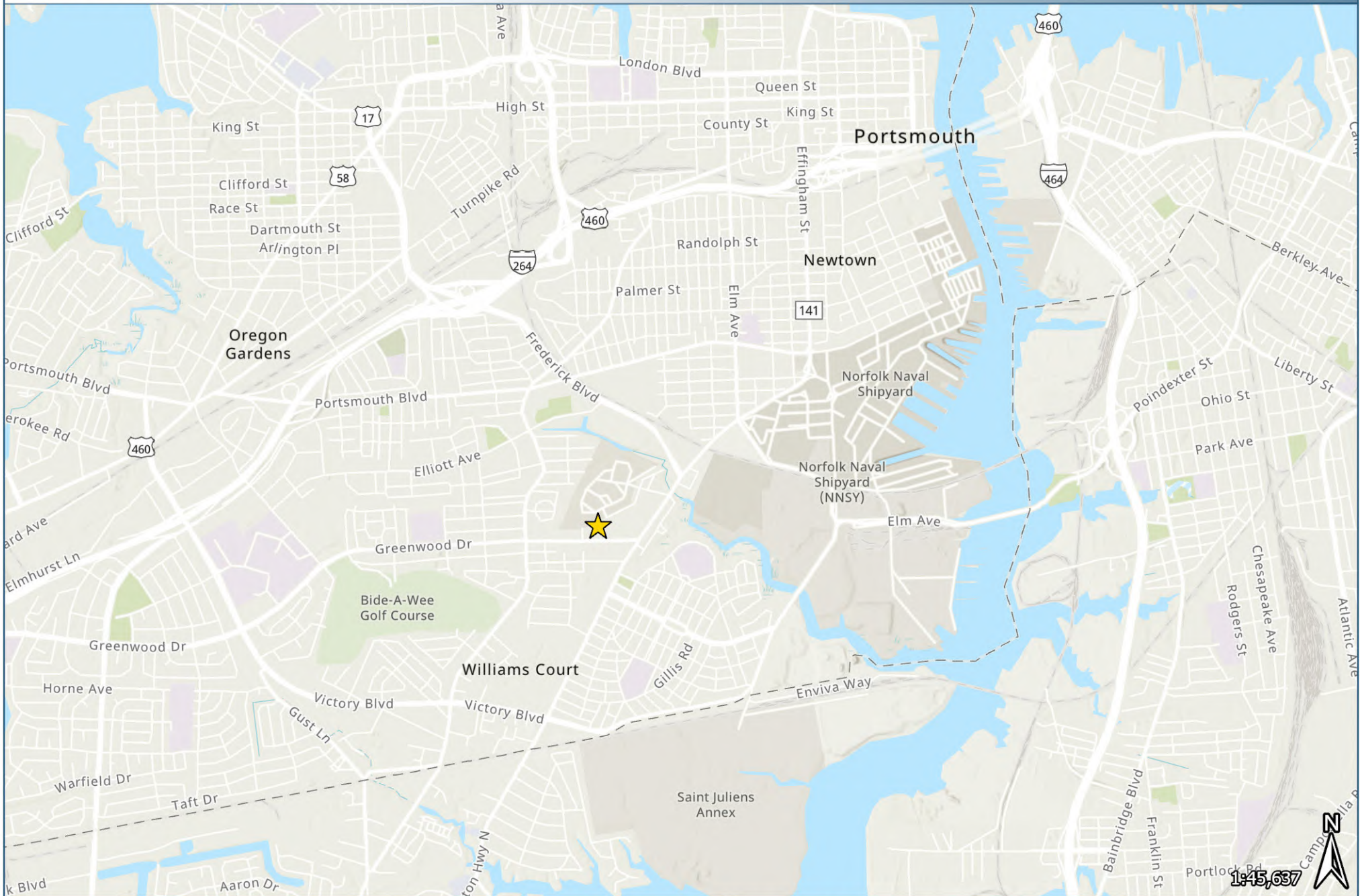
FLOOR AND SITE PLAN REVIEW:

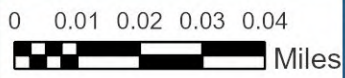
Preliminary floor plans were provided for the subject project for review at the time this report was prepared. Based on these plans, as well as information provided at the time of this analysis, the subject property will include two- and three-bedroom garden-style units located within two, (2), two- and three-story buildings. The subject units will be competitively sized, with all units including two full bathrooms. Each unit will come well-equipped in terms of unit amenities and will feature a full kitchen appliance package and dedicated laundry area with in-unit washer/dryer connections.

In addition to the subject’s residential units, the property will feature an array of community amenities integrated throughout the property. These will include but not be limited to a community room, on-site management office, playground. Overall, the subject property appears to be marketable in terms of overall design. Nonetheless, an in-depth comparable/competitive analysis is included in *Section V* to better determine the competitive position and overall marketability of the subject project within the Portsmouth market.

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







IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The proposed site consists of a vacant parcel of land located at the terminus of Ansell Avenue in the southeastern portion of Portsmouth, Virginia. Located in the southeastern portion of the city of Portsmouth, the subject site is situated approximately 4.0 miles southwest of Norfolk, Virginia and approximately 27.0 miles southeast of Newport News, Virginia. The subject site visit and corresponding fieldwork were completed during the week of January 30, 2023.

2. SURROUNDING LAND USES

The proposed site is located within an established, mixed-use area of Portsmouth, although most of the immediate surrounding structures are residential buildings in good condition. Adjacent land uses are detailed as follows:

| | |
|----------------|---|
| North - | The northern boundary of the site is defined by an unnamed roadway that provides access to military housing situated north of the site. These residential buildings extend north of the site, followed by wooded land, Biltmore Commons Apartments, several commercial businesses and a church. |
| East - | East of the site is Ansell Gardens Apartments, a comparable Tax Credit property in good condition. Afton Shopping Center, U.S. Highway 17, Grand at New Port rental community, a middle school and single-family homes in fair condition extend farther east of the site. |
| South - | The southern boundary of the site is defined by a tree line, which buffers the site from single-family homes in fair to good condition. Continuing south are additional single-family homes in fair to good condition and a shopping plaza that includes Ollie's Bargain Outlet and Dollar General, among additional retailers. |
| West - | The western boundary of the site is defined by a tree line, which buffers the site from military housing in good condition. Continuing west is a cemetery, numerous single-family homes which are in fair to good condition, and an elementary school. |

The subject site is situated within an established, mixed-use area of Portsmouth, although most immediate surrounding land uses are residential in nature and the site is considered conducive to residential housing. Notably, the proximity to community services, dining options, retail shopping, and arterial roadways will likely contribute to the marketability of the subject site. The existing residential and retail structures within the surrounding neighborhood were observed to be in good condition and are not expected to adversely impact the overall marketability of the proposed subject site. Photographs of the site can be found in *Section X* of this report.

3. VISIBILITY AND ACCESS

The proposed site is situated at the terminus of Ansell Avenue, a two-lane vehicular roadway with light residential traffic. Ansell Avenue generally only provides access to the adjacent residential properties, including Ansell Gardens Apartments, which is located east of the site. Although the subject site will not receive passerby traffic, Ansell Gardens Apartments is situated adjacent to the site and is currently operating with an occupancy rate of 100.0% and is maintaining a 50-household waiting list, illustrating that the limited visibility has not adversely impacted the marketability of rental product at the site's location. Regardless, promotional signage placed along U.S. Highway 17 would significantly enhance the overall visibility and awareness of the proposed project.

Although a detailed site plan was not available at the time of this report, it is anticipated that the subject project will derive access from Ansell Avenue, a two-lane residential roadway that terminates at the site's location. The light traffic along this aforementioned roadway is expected to allow for convenient ingress and egress. In addition to being conveniently accessed, the subject site is also within proximity of arterial roadways, as Ansell Avenue provides access to Alabama Avenue, which provides access to U.S. Highway 17, a four-lane arterial roadway. In addition, Interstate 264, U.S. Highway 460 and Interstate 64 are all arterial roadways in the area that are accessible within approximately 4.5 miles of the site. Additionally, several public bus stops, operated by Hampton Roads Transit, are located within walking distance of the site, which further improve accessibility of the site. The availability of affordable public transportation within walking distance of the subject site is considered beneficial to the targeted low-income population. Overall, accessibility of the site is considered good.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

| Community Services | Name | Driving Distance From Site (miles) |
|--|---|------------------------------------|
| Major Highways | U.S. Highway 17 | 0.4 East |
| | Interstate 264 | 1.6 North |
| | U.S. Highway 460 | 3.3 South |
| | Interstate 64 | 4.4 South |
| Public Bus Stop | Hampton Roads Transit (George Washington and Greenwood) | 0.5 East |
| Major Employers/ Employment Centers | Food Lion | 1.6 South |
| | Portsmouth City Public Schools | 1.6 West |
| | Walmart Supercenter | 2.9 Northwest |
| | Bon Secours Mayview Medical Center | 3.2 Northwest |
| Convenience Store | Getty Mart | 0.8 South |
| | 7-Eleven | 0.9 Northeast |
| Grocery | Food Lion | 1.6 South |
| | Kroger | 2.4 Northwest |
| | Walmart Supercenter | 2.9 Northwest |
| Discount Department Store | Family Dollar | 0.6 Northeast |
| | Ollie's Bargain Outlet | 1.3 South |
| | Dollar General | 1.3 South |
| Shopping Center/Mall | Afton Shopping Center | 0.4 East |
| | Williams Court I & II | 1.3 South |
| Schools: Elementary Middle/Junior High High | Victory Elementary School | 1.6 West |
| | Cradock Middle School | 1.2 Southeast |
| | I.C. Norcom High School | 2.7 North |
| | Tidewater Community College | 2.4 West |
| Hospital | Bon Secours Mayview Medical Center | 3.2 Northwest |
| | In and Out Express Care | 3.6 South |
| Police | Portsmouth Police Department | 2.9 Northeast |
| Fire | Portsmouth Fire Department | 1.2 Southeast |
| Post Office | United States Postal Service | 3.6 West |
| Bank | Wells Fargo | 2.7 South |
| | Woodforest National Bank | 2.9 Northwest |
| Recreational Facilities | Scott Annex Center Strike Zone | 0.8 East |
| | Planet Fitness | 1.7 South |
| Gas Station | Citgo | 0.8 South |
| | 7-Eleven | 0.9 Northeast |
| Pharmacy | Scott Center Annex Pharmacy | 0.7 East |
| | CVS | 2.7 Northwest |
| Restaurant | Popeyes Louisiana Kitchen | 0.4 East |
| | Mama Chan's Chinese Take-Out | 0.5 Southeast |
| | Darla's Seafood | 0.6 Southeast |
| Day Care | Tiny Tots Childcare | 1.3 West |
| Community Center | Cavalier Manor Recreation Center | 3.0 West |
| Church | Portsmouth 1st Church of the Nazarene | 1.1 Southwest |
| | Victory Life Fellowship | 1.1 Southeast |
| | Highland Baptist Church | 1.6 West |
| Park | George Washington Park | 0.8 South |
| | Paradise Creek Nature Park | 2.6 Southeast |

The proposed site is situated within an established area of Portsmouth and is subsequently within 2.5 miles of many essential community services. Notably, the Afton Shopping Center is located within walking distance of the site, and contains many dining options for area residents. Also of note, the Williams Court I and II shopping center, which is anchored by a Food Lion grocery store, also houses many shopping and dining options for area residents.

Public safety services are provided by the Portsmouth Fire and Police departments, both of which are located within 2.9 miles of the site. The nearest hospital, Bon Secours Mayview Medical Center, is located 3.2 miles northwest of the site. All district schools are located within 2.7 miles of the site, with the nearest being Cradock Middle School, which is 1.2 miles southeast of the site. Numerous restaurants, banks, discount stores, parks, churches and recreation centers are all located within approximately 2.5 miles of the site. Overall, the site's proximity to most essential services is considered good, which should contribute to overall site marketability.

5. OVERALL SITE EVALUATION

The proposed site consists of a vacant parcel of land located at the terminus of Ansell Avenue in the southeastern portion of Portsmouth, Virginia. The proposed site is located within an established, mixed-use area of Portsmouth, although most of the immediate surrounding structures are residential buildings in good condition. The site's location at the terminus of Ansell Avenue, a two-lane vehicular roadway with light residential traffic, allows for limited passerby traffic. However, limited visibility has not adversely impacted the marketability of adjacent rental communities. Although a detailed site plan was not available at the time of this report, it is anticipated that the subject project will derive access from Ansell Avenue and the light traffic along this aforementioned roadway is expected to allow for convenient ingress and egress. In addition, U.S. Highway 17, Interstate 264, U.S. Highway 460 and Interstate 64 are all arterial roadways in the area that are accessible within approximately 4.5 miles of the site. Several public bus stops, operated by Hampton Roads Transit, are located within walking distance of the site, which further improve site access. The subject site is also within proximity of several community services, many of which are located within area shopping centers that can be accessed within less than 2.0 miles of the site. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability.

6. CRIME ISSUES

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

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

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

Total crime risk for the Site PMA and Portsmouth (city) are summarized in the following table:

















| | 2022 Crime Indexes (AGS) | |
|-----------------------------|--------------------------|-----------------|
| | PMA | Portsmouth City |
| Total Crime Index | 265 | 224 |
| Personal Crime Index | 244 | 200 |
| Murder | 483 | 384 |
| Rape | 114 | 105 |
| Robbery | 305 | 243 |
| Assault | 237 | 196 |
| Property Crime Index | 268 | 228 |
| Burglary | 272 | 231 |
| Larceny | 273 | 233 |
| Motor Vehicle Theft | 229 | 186 |

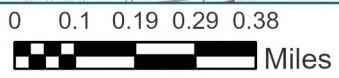
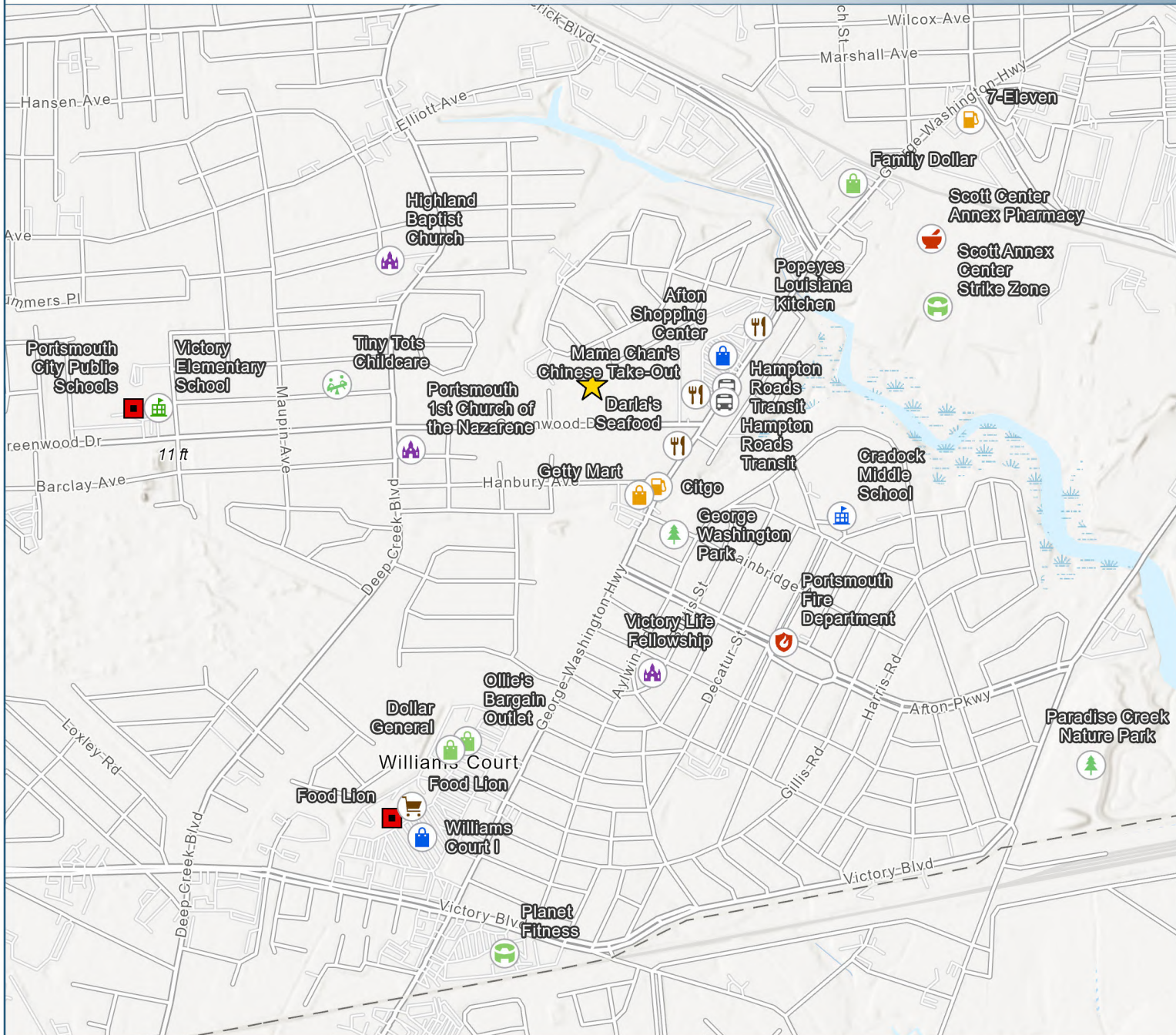
Source: Applied Geographic Solutions, FBI, ESRI

The crime risk index reported for the Site PMA (265) is above that reported for Portsmouth City (224), though both are above the national average of 100. Crime indexes such as those reported for the site area and Portsmouth City, however, are not uncommon for established and densely populated areas such as the Portsmouth market. Further, the high occupancy rates reported among most existing rental properties surveyed in the market are clear indications that crime is not a factor impacting the area rental market. As such, we do not expect crime to have any adverse impact on the marketability of the subject project.

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

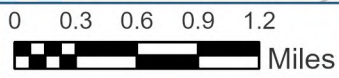
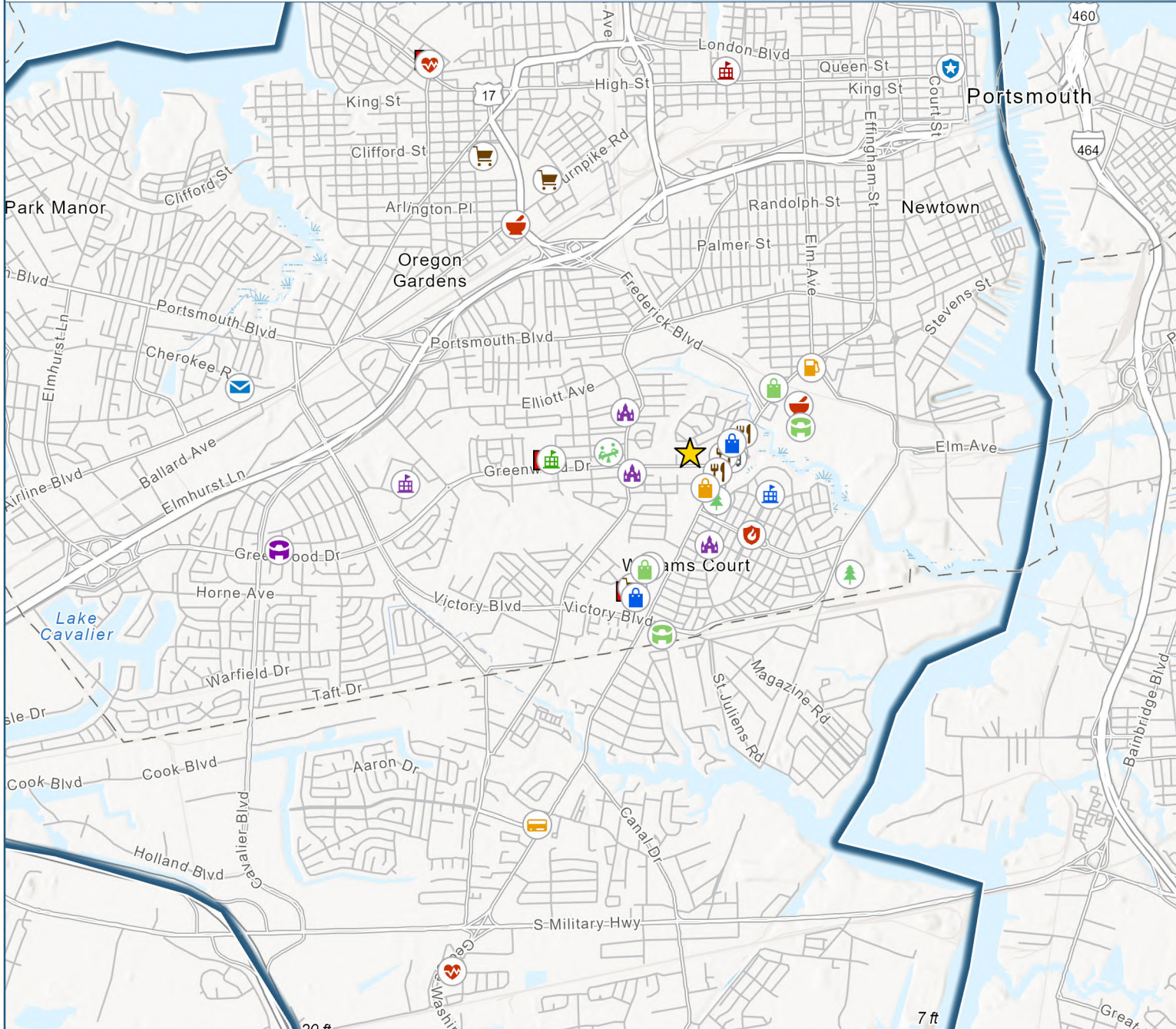
Community Services

-  Major Employers/Employment Centers
-  Fire
-  Pharmacy
-  Gas Station
-  Public Bus Stop
-  Day Care
-  Schools, Elementary
-  Schools, Middle/Junior High
-  Park
-  Recreational Facility
-  Church
-  Restaurant
-  Grocery
-  Convenience Store
-  Discount Department Store
-  Shopping Center/Mall



Community Services

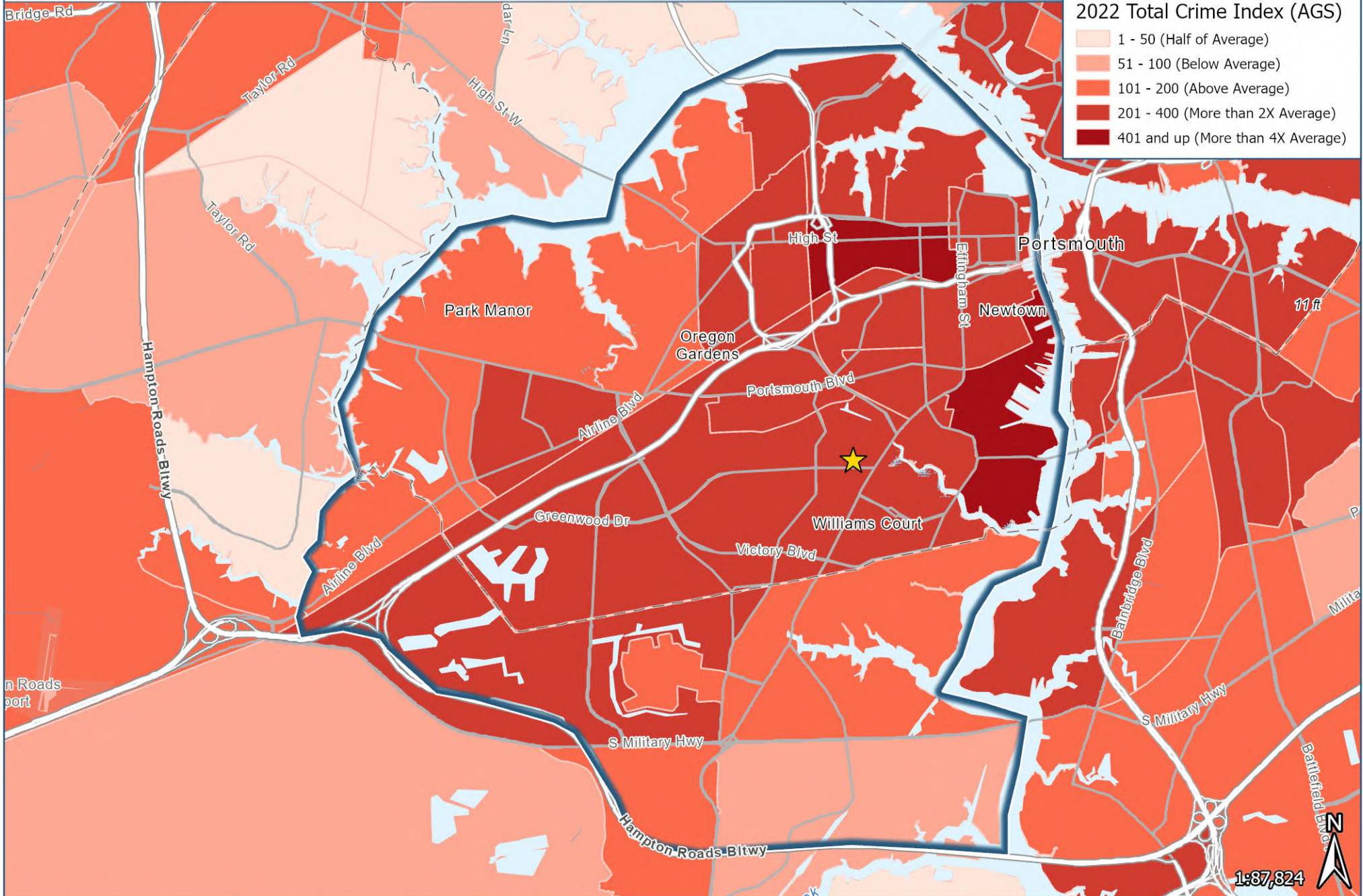
- Major Employers/Employment Centers
- Hospital/Medical Center
- Police
- Fire
- Post Office
- Pharmacy
- Gas Station
- Public Bus Stop
- Bank
- Day Care
- Schools, Elementary
- Schools, Middle/Junior High
- Schools, High
- Schools, College/University
- Park
- Recreational Facility
- Community Center
- Church
- Restaurant
- Grocery
- Convenience Store
- Discount Department Store
- Shopping Center/Mall





2022 Total Crime Index (AGS)

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)



B. PRIMARY MARKET AREA DELINEATION

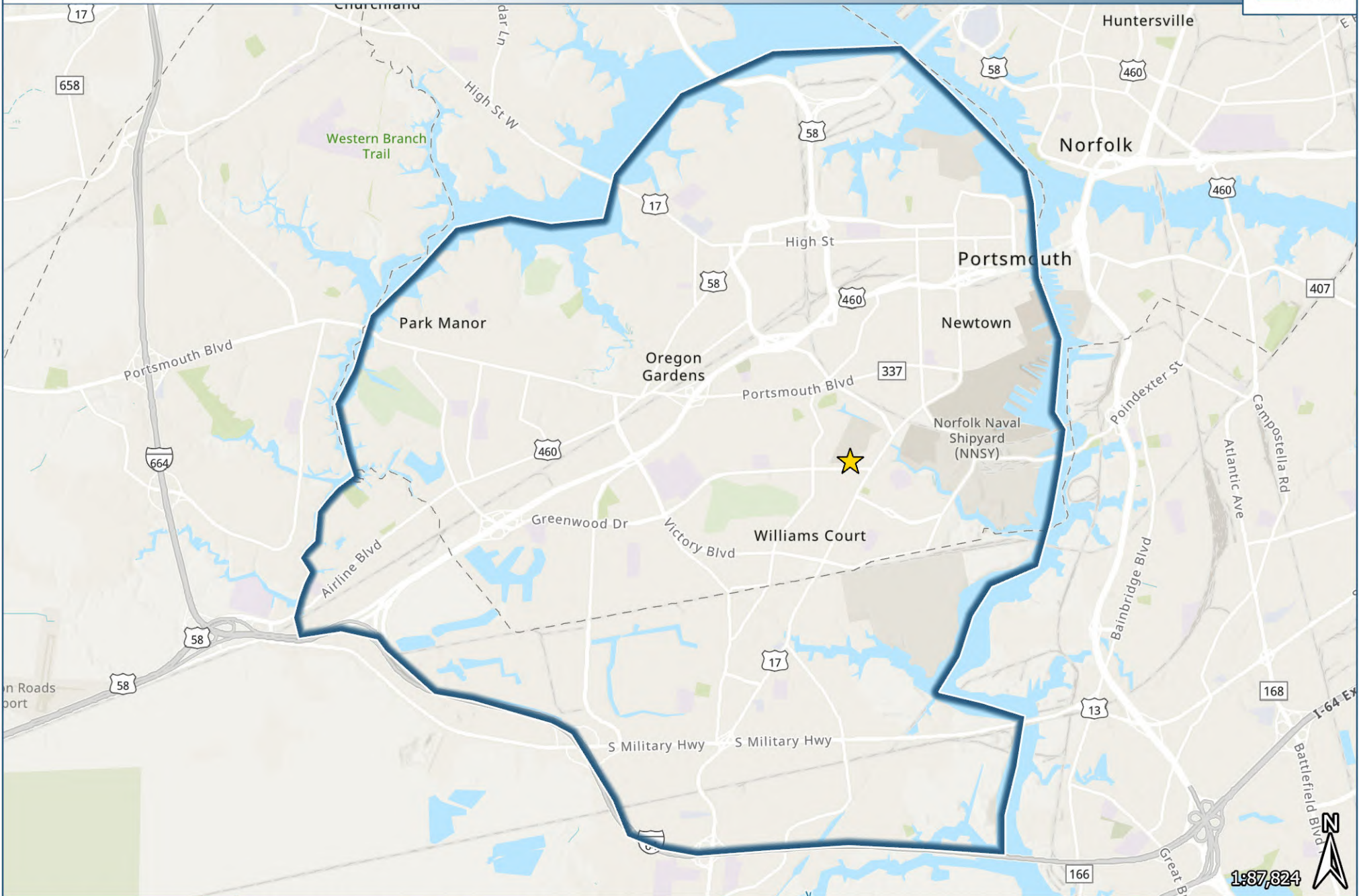
The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Portsmouth Site PMA was determined through interviews with area leasing and real estate agents and the personal observations of our analysts. The personal observations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

The Portsmouth Site PMA includes all of the southern incorporated portions of Portsmouth City. The boundaries of the Site PMA include the Western Branch Elizabeth River to the north; the Portsmouth incorporated limits to the east; the Portsmouth incorporated limits to the south; and the Portsmouth incorporated limits to the west. The communities of northern Portsmouth and Norfolk could provide some support for the project; however, the majority of support is expected to come from residents living within the immediate areas of southern Portsmouth.

- Brittney Bowers, Property Manager at Independence Square Apartments (Map ID 18), a Tax Credit rental community located in the Site PMA, confirmed the boundaries of the Site PMA. Ms. Bowers stated that most of her current tenants are from the Portsmouth and Cradock areas. Additionally, Ms. Bowers indicated that she does not see much demand originating from Norfolk nor from the southern Chesapeake areas, thus confirming their exclusion from the Site PMA.
- Keyonna Astley, Property Manager at Thrive Apartments (Map ID 30), a Tax Credit apartment community located in Chesapeake, Virginia, confirmed the boundaries of the Site PMA. Ms. Astley stated that while she sees some interest from the Chesapeake area, most of her current tenants are from the Portsmouth area.

A small portion of support may originate from some of the outlying areas of the Site PMA; we have not, however, considered any secondary market area in this report.

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



C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

The following demographic data relates to the Site PMA. It is important to note that not all estimates/projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the estimates/projections do not vary more than 1.0%.

The Site PMA population bases for 2010, 2020, 2022 (estimated), and 2027 (projected) are summarized as follows:

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2010 (Census) | 2020 (Census) | 2022 (Estimated) | 2027 (Projected) |
| Population | 69,757 | 71,391 | 71,679 | 71,843 |
| Population Change | - | 1,634 | 288 | 164 |
| Percent Change | - | 2.3% | 0.4% | 0.2% |

Source: 2010 & 2020 Census; ESRI; Bowen National Research

The Portsmouth Site PMA population base increased by 1,634 between 2010 and 2020. This represents a 2.3% increase over the 2010 population. Between 2020 and 2022, the population increased by 288, or 0.4%. It is projected that the population will increase by 164, or 0.2%, between 2022 and 2027.

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

| Population by Age | 2010 (Census) | | 2022 (Estimated) | | 2027 (Projected) | | Change 2022-2027 | |
|-------------------|---------------|---------------|------------------|---------------|------------------|---------------|------------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 18,296 | 26.2% | 17,956 | 25.1% | 18,143 | 25.3% | 187 | 1.0% |
| 20 to 24 | 5,325 | 7.6% | 4,610 | 6.4% | 4,720 | 6.6% | 110 | 2.4% |
| 25 to 34 | 10,568 | 15.1% | 10,299 | 14.4% | 9,260 | 12.9% | -1,039 | -10.1% |
| 35 to 44 | 8,127 | 11.7% | 9,493 | 13.2% | 9,868 | 13.7% | 375 | 4.0% |
| 45 to 54 | 9,901 | 14.2% | 7,634 | 10.7% | 8,068 | 11.2% | 434 | 5.7% |
| 55 to 64 | 8,055 | 11.5% | 8,947 | 12.5% | 7,885 | 11.0% | -1,062 | -11.9% |
| 65 to 74 | 4,721 | 6.8% | 7,130 | 9.9% | 7,723 | 10.7% | 593 | 8.3% |
| 75 & Older | 4,769 | 6.8% | 5,615 | 7.8% | 6,182 | 8.6% | 567 | 10.1% |
| Total | 69,757 | 100.0% | 71,679 | 100.0% | 71,843 | 100.0% | 164 | 0.2% |

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, nearly 51% of the population is expected to be between 25 and 64 years old in 2022. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

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

| | Year | | | |
|------------------------|------------------|------------------|---------------------|---------------------|
| | 2010 (Census) | 2020 (Census) | 2022 (Estimated) | 2027 (Projected) |
| Households | 27,334 | 29,069 | 29,232 | 29,379 |
| Household Change | - | 1,735 | 163 | 147 |
| Percent Change | - | 6.3% | 0.6% | 0.5% |
| Average Household Size | 2.48 | 2.44 | 2.37 | 2.36 |

Source: Bowen National Research, ESRI, Census

Within the Portsmouth Site PMA, households increased by 1,735 (6.3%) between 2010 and 2020. Between 2020 and 2022, households increased by 163 (0.6%). By 2027, there will be 29,379 households, an increase of 147 (0.5%) households over 2022 levels. This is an increase of approximately 29 households annually over the next five years.

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

| Households by Age | 2010 (Census) | | 2022 (Estimated) | | 2027 (Projected) | | Change 2022-2027 | |
|----------------------|---------------|---------------|------------------|---------------|------------------|---------------|------------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 25 | 1,580 | 5.8% | 1,337 | 4.6% | 1,381 | 4.7% | 44 | 3.3% |
| 25 to 34 | 4,860 | 17.8% | 4,727 | 16.2% | 4,228 | 14.4% | -499 | -10.6% |
| 35 to 44 | 4,137 | 15.1% | 4,893 | 16.7% | 5,079 | 17.3% | 186 | 3.8% |
| 45 to 54 | 5,287 | 19.3% | 4,059 | 13.9% | 4,301 | 14.6% | 242 | 6.0% |
| 55 to 64 | 4,845 | 17.7% | 5,351 | 18.3% | 4,703 | 16.0% | -648 | -12.1% |
| 65 to 74 | 3,131 | 11.5% | 4,680 | 16.0% | 5,072 | 17.3% | 392 | 8.4% |
| 75 & Older | 3,495 | 12.8% | 4,186 | 14.3% | 4,616 | 15.7% | 430 | 10.3% |
| Total | 27,334 | 100.0% | 29,232 | 100.0% | 29,379 | 100.0% | 147 | 0.5% |

Source: Bowen National Research, ESRI, Census

The primary age group of potential renters for the subject project is expected to be comprised of households under the age of 65. Notably, this age cohort is estimated to comprise nearly 70.0% of all households in 2022. Although this age cohort is projected to decline overall between 2022 and 2027, this age cohort is anticipated to continue to comprise approximately 67.0% of all households in the market in 2027.

Households by tenure are distributed as follows:

| Tenure | 2010 (Census) | | 2022 (Estimated) | | 2027 (Projected) | |
|-----------------|---------------|---------------|------------------|---------------|------------------|---------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 15,059 | 55.1% | 15,479 | 53.0% | 15,896 | 54.1% |
| Renter-Occupied | 12,275 | 44.9% | 13,753 | 47.0% | 13,483 | 45.9% |
| Total | 27,334 | 100.0% | 29,232 | 100.0% | 29,379 | 100.0% |

Source: Bowen National Research, ESRI, Census

In 2022, homeowners occupied 53.0% of all occupied housing units, while the remaining 47.0% were occupied by renters. The share of renters is considered typical for an urban market, such as the Portsmouth Site PMA, and represents a deep base of potential renter support in the market for the subject development.

The household sizes by tenure within the Portsmouth Site PMA, based on the 2022 estimates and 2027 projections, were distributed as follows:

| Persons per Owner Household | 2022 (Estimated) | | 2027 (Projected) | | Change 2022-2027 | |
|-----------------------------|------------------|---------------|------------------|---------------|------------------|-------------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 4,841 | 31.3% | 5,265 | 33.1% | 424 | 8.8% |
| 2 Persons | 5,605 | 36.2% | 5,874 | 37.0% | 269 | 4.8% |
| 3 Persons | 2,391 | 15.4% | 2,287 | 14.4% | -104 | -4.3% |
| 4 Persons | 1,653 | 10.7% | 1,647 | 10.4% | -6 | -0.4% |
| 5+ Persons | 990 | 6.4% | 822 | 5.2% | -168 | -16.9% |
| Total | 15,479 | 100.0% | 15,895 | 100.0% | 416 | 2.7% |

Source: Bowen National Research, ESRI, Census

| Persons per Renter Household | 2022 (Estimated) | | 2027 (Projected) | | Change 2022-2027 | |
|------------------------------|------------------|---------------|------------------|---------------|------------------|--------------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 5,007 | 36.4% | 4,994 | 37.0% | -13 | -0.3% |
| 2 Persons | 3,972 | 28.9% | 4,068 | 30.2% | 96 | 2.4% |
| 3 Persons | 2,433 | 17.7% | 2,408 | 17.9% | -25 | -1.0% |
| 4 Persons | 1,248 | 9.1% | 1,104 | 8.2% | -144 | -11.5% |
| 5+ Persons | 1,093 | 7.9% | 909 | 6.7% | -184 | -16.8% |
| Total | 13,753 | 100.0% | 13,483 | 100.0% | -270 | -2.0% |

Source: Bowen National Research, ESRI, Census

The two- and three-bedroom units proposed at the subject site are expected to generally house up to five-person households. As such, the subject project will be able to accommodate virtually all renter households in the market, based on household size.

3. INCOME TRENDS

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

| Household Income | 2010 (Census) | | 2022 (Estimated) | | 2027 (Projected) | |
|-----------------------|---------------|---------------|------------------|---------------|------------------|---------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Less Than \$15,000 | 4,343 | 15.9% | 4,298 | 14.7% | 3,633 | 12.4% |
| \$15,000 - \$24,999 | 3,522 | 12.9% | 3,163 | 10.8% | 2,812 | 9.6% |
| \$25,000 - \$34,999 | 3,613 | 13.2% | 2,172 | 7.4% | 1,965 | 6.7% |
| \$35,000 - \$49,999 | 4,716 | 17.3% | 5,226 | 17.9% | 4,949 | 16.8% |
| \$50,000 - \$74,999 | 5,833 | 21.3% | 5,386 | 18.4% | 5,443 | 18.5% |
| \$75,000 - \$99,999 | 2,605 | 9.5% | 4,318 | 14.8% | 4,790 | 16.3% |
| \$100,000 - \$149,999 | 1,825 | 6.7% | 3,197 | 10.9% | 3,754 | 12.8% |
| \$150,000 & Higher | 877 | 3.2% | 1,472 | 5.0% | 2,035 | 6.9% |
| Total | 27,334 | 100.0% | 29,232 | 100.0% | 29,379 | 100.0% |
| Median Income | \$41,962 | | \$49,302 | | \$56,115 | |

Source: Bowen National Research, ESRI, Census

In 2022, the median household income is estimated to be \$49,302. By 2027, it is projected that the median household income will be \$56,115, an increase of 13.8% over 2022.

The following tables illustrate renter household income for 2020, 2022 (estimated) and 2027 (projected) for the Site PMA:

| Renter Households | 2020 (ACS) | | | | | |
|-----------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5+Person | Total |
| Less Than \$15,000 | 1,748 | 761 | 444 | 213 | 190 | 3,356 |
| \$15,000 - \$24,999 | 823 | 594 | 292 | 147 | 116 | 1,973 |
| \$25,000 - \$34,999 | 478 | 376 | 282 | 96 | 79 | 1,311 |
| \$35,000 - \$49,999 | 1,201 | 709 | 613 | 342 | 276 | 3,139 |
| \$50,000 - \$74,999 | 500 | 671 | 264 | 301 | 198 | 1,936 |
| \$75,000 - \$99,999 | 133 | 436 | 335 | 167 | 167 | 1,239 |
| \$100,000 - \$149,999 | 119 | 316 | 191 | 25 | 59 | 710 |
| \$150,000 & Higher | 9 | 71 | 22 | 16 | 80 | 198 |
| Total | 5,012 | 3,934 | 2,443 | 1,306 | 1,167 | 13,861 |

Source: ESRI, Bowen National Research

| Renter Households | 2022 (Estimated) | | | | | |
|-----------------------|------------------|--------------|--------------|--------------|--------------|---------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5+Person | Total |
| Less Than \$15,000 | 1,680 | 719 | 416 | 193 | 168 | 3,176 |
| \$15,000 - \$24,999 | 809 | 573 | 279 | 135 | 104 | 1,901 |
| \$25,000 - \$34,999 | 474 | 366 | 271 | 89 | 71 | 1,271 |
| \$35,000 - \$49,999 | 1,217 | 703 | 601 | 323 | 252 | 3,095 |
| \$50,000 - \$74,999 | 528 | 691 | 269 | 293 | 186 | 1,968 |
| \$75,000 - \$99,999 | 149 | 475 | 359 | 170 | 163 | 1,317 |
| \$100,000 - \$149,999 | 136 | 351 | 209 | 26 | 59 | 781 |
| \$150,000 & Higher | 13 | 94 | 28 | 19 | 90 | 244 |
| Total | 5,007 | 3,972 | 2,433 | 1,248 | 1,093 | 13,753 |

Source: ESRI, Bowen National Research

| Renter Households | 2027 (Projected) | | | | | |
|-----------------------|------------------|--------------|--------------|--------------|------------|---------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5+Person | Total |
| Less Than \$15,000 | 1,511 | 614 | 345 | 143 | 112 | 2,725 |
| \$15,000 - \$24,999 | 774 | 520 | 246 | 106 | 74 | 1,721 |
| \$25,000 - \$34,999 | 463 | 340 | 244 | 72 | 51 | 1,171 |
| \$35,000 - \$49,999 | 1,257 | 689 | 572 | 276 | 192 | 2,986 |
| \$50,000 - \$74,999 | 597 | 742 | 281 | 273 | 155 | 2,049 |
| \$75,000 - \$99,999 | 189 | 572 | 420 | 178 | 153 | 1,513 |
| \$100,000 - \$149,999 | 179 | 439 | 254 | 28 | 58 | 958 |
| \$150,000 & Higher | 23 | 152 | 44 | 27 | 114 | 360 |
| Total | 4,994 | 4,068 | 2,408 | 1,104 | 909 | 13,483 |

Source: ESRI, Bowen National Research

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

Demographic Summary

Both the population and household bases within the Portsmouth Site PMA have experienced growth overall since 2010, a trend that is expected to continue through 2027. Households under the age of 65, which are expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise nearly 70.0% of all households in 2022 and will comprise approximately 67.0% of all households through 2027. Nearly half (47.0%) of all households were renters in 2022 and the 13,483 renter households projected for 2027 illustrate a deep base of renter support for the subject project. Further, over 79.0% of all renter households in the market are projected to earn less than \$75,000 in 2027. Based on the preceding analysis, a large base of low- and moderate-income renter households will continue to exist in the market for the foreseeable future.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

The labor force within the Portsmouth Site PMA is based primarily in two sectors. Health Care & Social Assistance (which comprises 36.4%) and Public Administration comprise nearly 53.6% of the Site PMA labor force. Employment in the Portsmouth Site PMA, as of 2022, was distributed as follows:

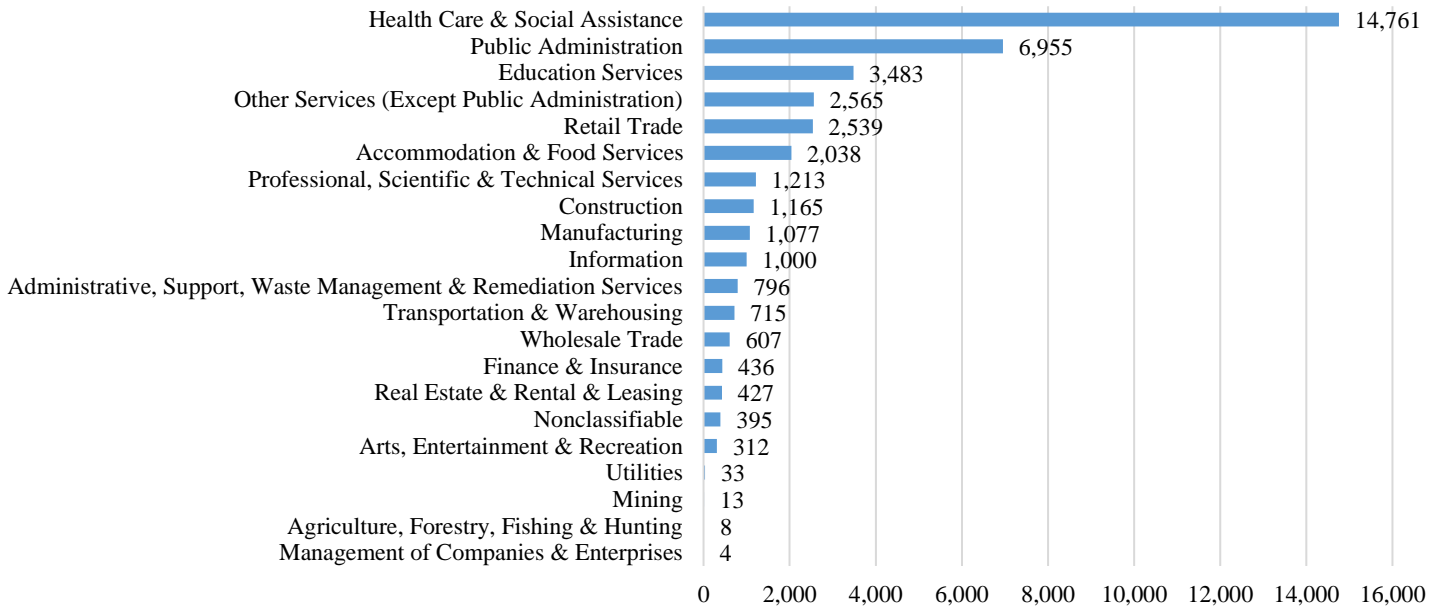
| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|-----------------------|----------------|------------------|----------------|---------------|
| Agriculture, Forestry, Fishing & Hunting | 3 | 0.1% | 8 | < 0.1% | 3 |
| Mining | 1 | < 0.1% | 13 | < 0.1% | 13 |
| Utilities | 5 | 0.2% | 33 | 0.1% | 7 |
| Construction | 118 | 5.6% | 1,165 | 2.9% | 10 |
| Manufacturing | 57 | 2.7% | 1,077 | 2.7% | 19 |
| Wholesale Trade | 45 | 2.2% | 607 | 1.5% | 13 |
| Retail Trade | 313 | 15.0% | 2,539 | 6.3% | 8 |
| Transportation & Warehousing | 64 | 3.1% | 715 | 1.8% | 11 |
| Information | 28 | 1.3% | 1,000 | 2.5% | 36 |
| Finance & Insurance | 81 | 3.9% | 436 | 1.1% | 5 |
| Real Estate & Rental & Leasing | 103 | 4.9% | 427 | 1.1% | 4 |
| Professional, Scientific & Technical Services | 152 | 7.3% | 1,213 | 3.0% | 8 |
| Management of Companies & Enterprises | 1 | < 0.1% | 4 | < 0.1% | 4 |
| Administrative, Support, Waste Management & Remediation Services | 60 | 2.9% | 796 | 2.0% | 13 |
| Education Services | 46 | 2.2% | 3,483 | 8.6% | 76 |
| Health Care & Social Assistance | 206 | 9.9% | 14,761 | 36.4% | 72 |
| Arts, Entertainment & Recreation | 37 | 1.8% | 312 | 0.8% | 8 |
| Accommodation & Food Services | 160 | 7.7% | 2,038 | 5.0% | 13 |
| Other Services (Except Public Administration) | 335 | 16.0% | 2,565 | 6.3% | 8 |
| Public Administration | 153 | 7.3% | 6,955 | 17.2% | 45 |
| Nonclassifiable | 122 | 5.8% | 395 | 1.0% | 3 |
| Total | 2,090 | 100.0% | 40,542 | 100.0% | 19 |

Source: Bowen National Research, ESRI, Census

E.P.E.- Average Employees Per Establishment

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

Total Employment by Industry



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

| Typical Wage by Occupation Type | | |
|---|---|----------|
| Occupation Type | Virginia Beach-Norfolk-Newport News MSA | Virginia |
| Management Occupations | \$68,400 | \$82,810 |
| Business And Financial Occupations | \$60,456 | \$75,304 |
| Computer And Mathematical Occupations | \$77,060 | \$96,987 |
| Architecture And Engineering Occupations | \$80,125 | \$88,024 |
| Community And Social Service Occupations | \$44,117 | \$45,264 |
| Art, Design, Entertainment, Sports, and Media Occupations | \$37,053 | \$48,060 |
| Healthcare Practitioners And Technical Occupations | \$54,805 | \$58,457 |
| Healthcare Support Occupations | \$25,096 | \$24,349 |
| Protective Service Occupations | \$47,166 | \$51,694 |
| Food Preparation And Serving Related Occupations | \$14,293 | \$14,603 |
| Building And Grounds Cleaning And Maintenance Occupations | \$20,741 | \$21,490 |
| Personal Care And Service Occupations | \$18,186 | \$17,690 |
| Sales And Related Occupations | \$26,854 | \$30,076 |
| Office And Administrative Support Occupations | \$32,462 | \$34,891 |
| Construction And Extraction Occupations | \$38,244 | \$37,792 |
| Installation, Maintenance And Repair Occupations | \$45,991 | \$46,689 |
| Production Occupations | \$39,941 | \$37,169 |
| Transportation Occupations | \$33,419 | \$35,036 |
| Material Moving Occupations | \$22,324 | \$23,155 |

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

Most annual blue-collar salaries range from \$14,293 to \$47,166 within the Virginia Beach-Norfolk-Newport News MSA. White-collar jobs, such as those related to professional positions, management and medicine, have salaries ranging from \$54,805 to \$80,125. It is important to note that most occupational types within the Virginia Beach-Norfolk-Newport News MSA have lower typical wages than the State of Virginia's typical wages.

The ten largest employers within the Portsmouth area are summarized in the following table:

| Employer Name | Business Type | Total Employed |
|-------------------------------------|---|----------------|
| Department of Defense | National Security & International Affairs | 1,000+ |
| Portsmouth City Public Schools | Education | 1,000+ |
| Bon Secours Maryview Medical Center | Medical | 1,000+ |
| City of Portsmouth | Government | 1,000+ |
| AYA Healthcare | Administrative & Support Services | 1,000+ |
| VA International Terminal Inc | Support Activities for Transportation | 500-999 |
| US Department of Homeland Security | Government | 250-499 |
| International Marine & Industry | Manufacturing | 250-499 |
| First Hospital Corp Ports | Nursing & Residential Care Facility | 250-499 |
| Food Lion LLC | Grocery | 250-499 |

Source: Virginia Employment Commission (2nd Quarter 2022)

According to a representative with Portsmouth Economic Development, the Portsmouth economy is growing and has experienced numerous significant investments since 2018. Investment figures during this time period total over \$1.4 billion, resulting in the creation and retention of over 6,200 jobs. However, the COVID-19 pandemic exacerbated labor and hiring shortages within the hospitality and manufacturing sectors. The following summarizes several recent and/or ongoing economic development projects within the Portsmouth area at the time of this analysis.

- Rivers Casino Portsmouth, the largest ongoing economic project in the Portsmouth area, broke ground in December 2021. This development will cost roughly \$340 million and will create 1,300 jobs within the city, as well as an additional 1,400 jobs during construction. The current estimated completion date for the casino is January 2023.
- The Offshore Wind Project, announced in August 2021, is a \$223 million project expected to create 310 jobs over the next few years. Dominion Energy plans to create turbine foundations and blades to be located off the coast of Virginia Beach, which are expected to power 660,000 households throughout the region. To support this project, Skanska has signed a contract with the Virginia Port Authority to redevelop the Portsmouth Marine Terminal. Construction on the terminal broke ground in July 2022 and is expected to be complete in 2025.

- In July 2022, Bloom Coworking, a nonprofit co-working space, opened a facility in Olde Towne Portsmouth within the former Bloomberg Department store. Launched by the Portsmouth Partnership, the center offers affordable office space, training sessions and opportunities for networking and collaboration. The \$1.3 million project is focused on helping small businesses and startups in the area. Additional information was unavailable at the time of this report.
- There have been several proposals for the relocation and redevelopment of the land currently occupied by the Portsmouth City Hall. In 2021, A4 Development submitted a proposal for a mixed-use project with 1,400 housing units, performing arts theater, hotel, retail and restaurants. No further information was available at the time of this report.

Infrastructure:

- The Portsmouth Complete High Street Innovation Corridor project was awarded \$19 million from the U.S. Department of Transportation’s Rebuilding American Infrastructure with Sustainability and Equity grant funds. The project will convert the High Street corridor from a four-lane undivided road into a two-lane divided road. The project will focus on the portions of High Street from Effingham Street to the MLK Expressway. No further information was available at the time of this report.
- The Dry Dock Floodwall Protection Improvements Project broke ground within Norfolk in November 2020 and is currently under construction. The project will involve 12 phases of construction and will add a perimeter floodwall around the dry dock area of the Norfolk Naval Shipyard. The project will cost a total of \$43.6 million and is expected to be complete by summer of 2023.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed in December 2022 and according to the Virginia Employment Commission, there have been no WARN notices reported for Portsmouth City over the past 12 months.

2. EMPLOYMENT TRENDS

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

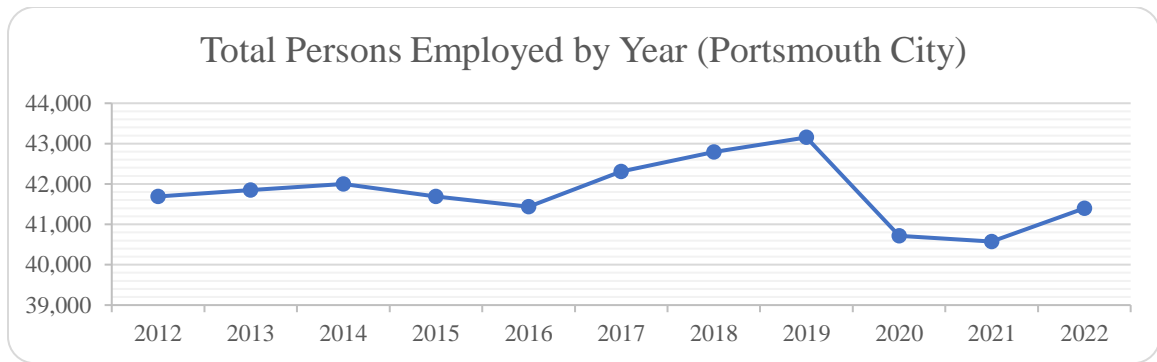
Excluding 2022, the employment base has decreased by 4.1% over the past five years in Portsmouth city, while the state of Virginia decreased by 2.2%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Portsmouth (city), the state of Virginia, and the United States.

| Year | Total Employment | | | | | |
|-------|-------------------|----------------|--------------|----------------|---------------|----------------|
| | Portsmouth (city) | | Virginia | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2012 | 41,689 | - | 3,967,151 | - | 142,469,000 | - |
| 2013 | 41,847 | 0.4% | 4,002,057 | 0.9% | 143,929,000 | 1.0% |
| 2014 | 41,996 | 0.4% | 4,040,908 | 1.0% | 146,305,000 | 1.7% |
| 2015 | 41,689 | -0.7% | 4,048,081 | 0.2% | 148,833,000 | 1.7% |
| 2016 | 41,436 | -0.6% | 4,084,822 | 0.9% | 151,436,000 | 1.7% |
| 2017 | 42,308 | 2.1% | 4,193,290 | 2.7% | 153,337,000 | 1.3% |
| 2018 | 42,790 | 1.1% | 4,255,213 | 1.5% | 155,761,000 | 1.6% |
| 2019 | 43,153 | 0.8% | 4,332,647 | 1.8% | 157,538,000 | 1.1% |
| 2020 | 40,715 | -5.6% | 4,097,860 | -5.4% | 147,795,000 | -6.2% |
| 2021 | 40,574 | -0.3% | 4,100,803 | 0.1% | 152,581,000 | 3.2% |
| 2022* | 41,400 | 2.0% | 4,220,792 | 2.9% | 158,238,000 | 3.7% |

Source: Bureau of Labor Statistics

*Through December



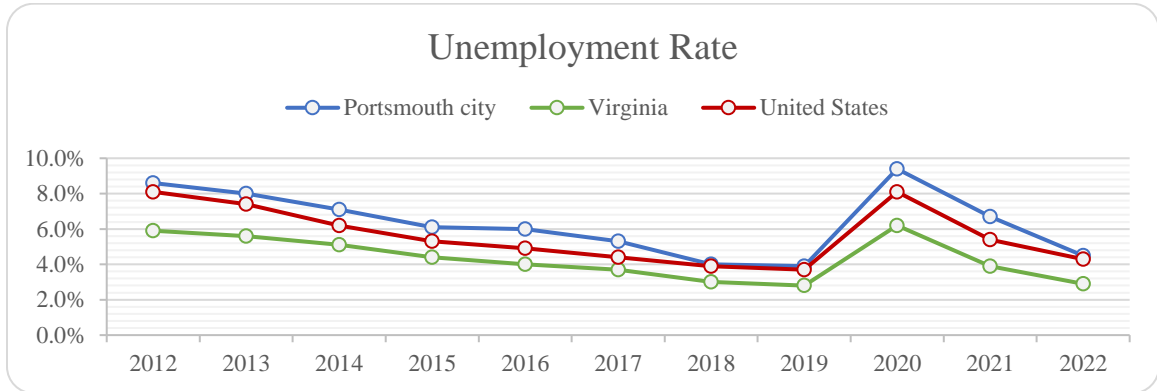
As the preceding illustrates, the Portsmouth (city) employment base generally experienced growth between 2012 and 2019. However, between 2019 and 2021, the city's employment base declined by 6.0% as the result of the COVID-19 pandemic. On a positive note, the city's employment base has increased by 2.0% in 2022, indicating that the local economy is beginning to improve.

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

| Year | Unemployment Rate | | |
|-------|-------------------|----------|---------------|
| | Portsmouth city | Virginia | United States |
| 2012 | 8.6% | 5.9% | 8.1% |
| 2013 | 8.0% | 5.6% | 7.4% |
| 2014 | 7.1% | 5.1% | 6.2% |
| 2015 | 6.1% | 4.4% | 5.3% |
| 2016 | 6.0% | 4.0% | 4.9% |
| 2017 | 5.3% | 3.7% | 4.4% |
| 2018 | 4.0% | 3.0% | 3.9% |
| 2019 | 3.9% | 2.8% | 3.7% |
| 2020 | 9.4% | 6.2% | 8.1% |
| 2021 | 6.7% | 3.9% | 5.4% |
| 2022* | 4.5% | 2.9% | 4.3% |

Source: Department of Labor, Bureau of Labor Statistics

*Through December



Between 2012 and 2019, the *annual* unemployment rate within Portsmouth declined by nearly five percentage points, then increased by 5.5 percentage points between 2019 and 2020 as the result of the COVID-19 pandemic. Similar to employment trends, the unemployment rate within Portsmouth has improved in 2022, declining by nearly five full percentage points between 2020 and 2022.

The following table illustrates the city’s *monthly* unemployment rate since January 2020:

| Monthly Unemployment Rate – Portsmouth (City) | | | | | |
|---|-------|-----------|------|-----------|------|
| Month | Rate | Month | Rate | Month | Rate |
| 2020 | | 2021 | | 2022 | |
| January | 3.8% | January | 8.5% | January | 5.6% |
| February | 3.6% | February | 8.2% | February | 5.0% |
| March | 4.0% | March | 7.5% | March | 4.4% |
| April | 13.0% | April | 6.8% | April | 4.3% |
| May | 12.5% | May | 6.8% | May | 4.6% |
| June | 13.5% | June | 7.3% | June | 4.5% |
| July | 14.1% | July | 6.7% | July | 4.5% |
| August | 12.5% | August | 6.6% | August | 4.8% |
| September | 10.5% | September | 5.9% | September | 4.0% |
| October | 9.2% | October | 6.0% | October | 4.1% |
| November | 8.3% | November | 5.2% | November | 4.4% |
| December | 7.8% | December | 4.8% | December | 4.0% |

Source: Department of Labor, Bureau of Labor Statistics

The *monthly* unemployment rate for Portsmouth increased by more than 10 full percentage points between March 2020 and July 2020 during the onset of the pandemic. However, the monthly unemployment rate has since declined to a rate of 4.0% in December 2022, which is similar to pre-pandemic figures.

In-place employment reflects the total number of jobs within the city regardless of the employee’s city of residence. The following illustrates the total in-place employment base for Portsmouth city.

| Year | In-Place Employment Portsmouth city | | |
|-------|-------------------------------------|--------|----------------|
| | Employment | Change | Percent Change |
| 2012 | 43,920 | - | - |
| 2013 | 44,647 | 727 | 1.7% |
| 2014 | 44,093 | -554 | -1.2% |
| 2015 | 44,750 | 657 | 1.5% |
| 2016 | 43,715 | -1,035 | -2.3% |
| 2017 | 43,638 | -77 | -0.2% |
| 2018 | 44,343 | 705 | 1.6% |
| 2019 | 44,682 | 339 | 0.8% |
| 2020 | 43,184 | -1,498 | -3.4% |
| 2021 | 43,115 | -69 | -0.2% |
| 2022* | 42,815 | -300 | -0.7% |

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2021, the most recent year that year-end figures are available, indicates in-place employment in Portsmouth City to be 106.3% of the total Portsmouth City employment. This means that Portsmouth City has more employed persons coming to the city from other cities/counties for work (daytime employment) than those who both live and work there.

3. ECONOMIC FORECAST

The Portsmouth economy generally experienced growth between 2012 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. Between 2019 and 2021, the Portsmouth employment base declined by 2,579 jobs (6.0%), and its *annual* unemployment rate increased by 5.5 percentage points between 2019 and 2020. Specifically, the *monthly* unemployment rate spiked by over 10 percentage points between March 2020 and July 2020. On a positive note, the local economy improved in 2022, as the city employment base has increased by 826 jobs (2.0%) and the annual unemployment rate has declined by nearly five percentage points to a rate of 4.5%. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable as the local economy continues to recover.

4. COMMUTING PATTERNS

The following is a distribution of commuting patterns for Site PMA workers age 16 and older:

| Mode of Transportation | Workers Age 16+ | |
|------------------------|-----------------|---------|
| | Number | Percent |
| Drove Alone | 23,626 | 76.9% |
| Carpooled | 3,409 | 11.1% |
| Public Transit | 923 | 3.0% |
| Walked | 988 | 3.2% |
| Motorcycle | 69 | 0.2% |
| Bicycle | 135 | 0.4% |
| Other Means | 729 | 2.4% |
| Worked at Home | 859 | 2.8% |
| Total | 30,738 | 100.0% |

Source: Bowen National Research, ESRI

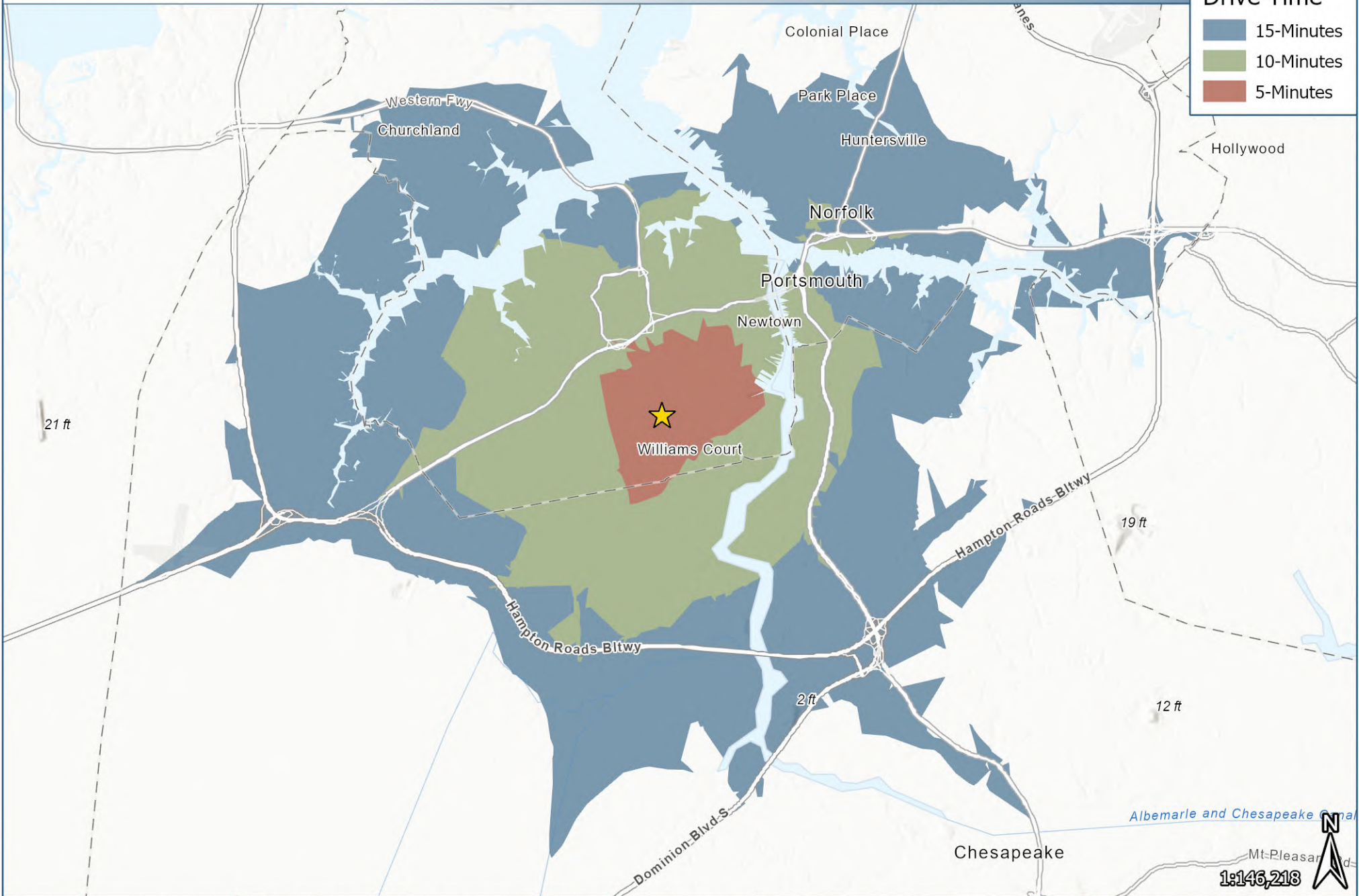
Nearly 77.0% of all workers drove alone, 11.1% carpoled and only 3.0% used public transportation.

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

| Travel Time | Workers Age 16+ | |
|----------------------|-----------------|---------|
| | Number | Percent |
| Less Than 15 Minutes | 8,155 | 27.3% |
| 15 – 29 Minutes | 11,347 | 38.0% |
| 30 – 44 Minutes | 7,140 | 23.9% |
| 45 – 59 Minutes | 1,962 | 6.6% |
| 60 + Minutes | 1,293 | 4.3% |
| Total | 29,897 | 100.0% |

Source: Bowen National Research, ESRI

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



V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Portsmouth Site PMA in 2010 and 2022 (estimated) are summarized in the following table:

| Housing Status | 2010 (Census) | | 2022 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 27,334 | 90.4% | 29,232 | 90.6% |
| Owner-Occupied | 15,059 | 55.1% | 15,479 | 53.0% |
| Renter-Occupied | 12,275 | 44.9% | 13,753 | 47.0% |
| Vacant | 2,917 | 9.6% | 3,049 | 9.4% |
| Total | 30,251 | 100.0% | 32,281 | 100.0% |

Source: 2010 Census, ESRI, Bowen National Research

Based on a 2022 update of the 2010 Census, of the 32,281 total housing units in the market, 9.4% were vacant. In 2022, it was estimated that homeowners occupied 53.0% of all occupied housing units, while the remaining 47.0% were occupied by renters. The share of renters is considered typical for a market of this size and the 13,753 renter households estimated in 2022 represent a deep base of potential support for the subject development.

Conventional Apartments

We identified and personally surveyed 33 conventional housing projects containing a total of 4,097 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.8%, a strong rate for rental housing. The surveyed rental communities are broken out by project type in the following table.

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|--|-------------------|-------------|--------------|----------------|
| Market-Rate | 9 | 1,215 | 77 | 93.7% |
| Market-Rate/Tax Credit | 1 | 52 | 0 | 100.0% |
| Tax Credit | 10 | 1,131 | 15 | 98.7% |
| Tax Credit/Government-Subsidized | 10 | 1,204 | 0 | 100.0% |
| Market-Rate/Tax Credit/Government-Subsidized | 2 | 393 | 0 | 100.0% |
| Government-Subsidized | 1 | 102 | 0 | 100.0% |
| Total | 33 | 4,097 | 92 | 97.8% |

As illustrated in the preceding table, the rental housing market is performing well overall, with all segments reporting occupancy rates of 93.7% or higher. While the market-rate segment is operating at a stable occupancy rate of 93.7%, the surveyed properties that offer affordable units are performing very well, with few vacant units. This is a good indication that affordable rental product such as that proposed at the site is in high demand in this market.

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

| Market-Rate | | | | | | |
|----------------------------|-------|--------------|---------------|-----------|-------------|-------------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Studio | 1.0 | 6 | 0.5% | 0 | 0.0% | \$1,327 |
| One-Bedroom | 1.0 | 618 | 49.4% | 50 | 8.1% | \$1,522 |
| Two-Bedroom | 1.0 | 260 | 20.8% | 25 | 9.6% | \$1,204 |
| Two-Bedroom | 1.5 | 32 | 2.6% | 0 | 0.0% | \$1,504 |
| Two-Bedroom | 2.0 | 257 | 20.6% | 0 | 0.0% | \$1,892 |
| Two-Bedroom | 2.5 | 4 | 0.3% | 0 | 0.0% | \$2,492 |
| Three-Bedroom | 1.0 | 26 | 2.1% | 0 | 0.0% | \$1,011 |
| Three-Bedroom | 2.0 | 47 | 3.8% | 2 | 4.3% | \$1,472 |
| Total Market-rate | | 1,250 | 100.0% | 77 | 6.2% | - |
| Tax Credit, Non-Subsidized | | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| One-Bedroom | 1.0 | 202 | 16.5% | 1 | 0.5% | \$1,052 |
| Two-Bedroom | 1.0 | 318 | 26.0% | 4 | 1.3% | \$1,155 |
| Two-Bedroom | 1.5 | 120 | 9.8% | 2 | 1.7% | \$1,223 |
| Two-Bedroom | 2.0 | 323 | 26.4% | 2 | 0.6% | \$1,264 |
| Three-Bedroom | 1.5 | 80 | 6.5% | 4 | 5.0% | \$1,693 |
| Three-Bedroom | 2.0 | 182 | 14.9% | 2 | 1.1% | \$1,463 |
| Total Tax Credit | | 1,225 | 100.0% | 15 | 1.2% | - |

The market-rate units are 93.8% occupied and the Tax Credit units are 98.8% occupied. In addition, the median gross Tax Credit rents are generally well below their corresponding median gross market-rate rents. Therefore, Tax Credit product likely represents an excellent value to low-income renters within the market. This is further evidenced by the low combined vacancy rate of 1.2% among all non-subsidized Tax Credit units surveyed within the market.

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

| Year Built | Projects | Units | Vacancy Rate |
|--------------|----------|-------|--------------|
| Before 1970 | 5 | 405 | 15.3% |
| 1970 to 1979 | 5 | 592 | 3.2% |
| 1980 to 1989 | 4 | 545 | 0.6% |
| 1990 to 1999 | 1 | 52 | 0.0% |
| 2000 to 2009 | 3 | 388 | 1.0% |
| 2010 to 2014 | 2 | 196 | 0.5% |
| 2015 to 2019 | 2 | 247 | 1.2% |
| 2020 | 0 | 0 | 0.0% |
| 2021 | 0 | 0 | 0.0% |
| 2022 | 1 | 50 | 0.0% |
| 2023* | 0 | 0 | 0.0% |

*As of February

Vacancies are the highest among the properties surveyed built before 1980, indicating that there could be a correlation between age and vacancy rates in this market, although most vacant units among these older projects were reported by Beacon 303 at Old Towne Apartments and Newport Landing Apartments, which are undergoing renovations and have recently experienced a higher than typical number of evictions in recent months. Regardless, the new construction subject project is expected to be of high quality, which will contribute to the marketability of the site.

As the preceding table illustrates, we identified and surveyed one non-subsidized rental property within the market that has been built since 2020. This project, Holley Pointe, began pre-leasing efforts in July 2021. The property opened in July 2022, reaching a management-acceptable stabilized occupancy rate of 90.0% in August 2022. This results in a lease-up rate of approximately 45 units per month from time of opening, a very rapid rate for general-occupancy LIHTC product. Further, management at Holley Pointe reported that the project is currently 100.0% occupied with an extensive waiting list, indicating that the project has been very well-received in the Portsmouth market. As such, modern Tax Credit rental housing such as that proposed at the site is expected to be well received within the Portsmouth market.

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

| Market-Rate | | | |
|---------------------------|----------|-------------|--------------|
| Quality Rating | Projects | Total Units | Vacancy Rate |
| A | 1 | 134 | 1.5% |
| B+ | 2 | 246 | 4.9% |
| B | 4 | 595 | 10.6% |
| B- | 4 | 271 | 0.0% |
| C+ | 1 | 4 | 0.0% |
| Non-Subsidized Tax Credit | | | |
| Quality Rating | Projects | Total Units | Vacancy Rate |
| B+ | 2 | 170 | 1.2% |
| B | 5 | 565 | 0.9% |
| B- | 4 | 412 | 1.9% |
| C+ | 1 | 78 | 0.0% |

Vacancies are the highest among the market-rate properties surveyed with a quality rating of "B", which includes one of the aforementioned properties that recently experienced evictions resulting in a lower than typical occupancy rate. As all other vacancy levels are relatively low, it can also be concluded that there is no correlation between appearance and vacancies within the Portsmouth rental housing market.

Government-Subsidized

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

| Subsidized Tax Credit | | | | | |
|------------------------------------|-------|--------------|---------------|----------|-------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| Studio | 1.0 | 60 | 3.9% | 0 | 0.0% |
| One-Bedroom | 1.0 | 436 | 28.7% | 0 | 0.0% |
| Two-Bedroom | 1.0 | 579 | 38.1% | 0 | 0.0% |
| Two-Bedroom | 1.5 | 64 | 4.2% | 0 | 0.0% |
| Two-Bedroom | 2.0 | 81 | 5.3% | 0 | 0.0% |
| Three-Bedroom | 1.0 | 121 | 8.0% | 0 | 0.0% |
| Three-Bedroom | 1.5 | 76 | 5.0% | 0 | 0.0% |
| Three-Bedroom | 2.0 | 15 | 1.0% | 0 | 0.0% |
| Three-Bedroom | 2.5 | 32 | 2.1% | 0 | 0.0% |
| Four-Bedroom | 1.0 | 10 | 0.7% | 0 | 0.0% |
| Four-Bedroom | 1.5 | 30 | 2.0% | 0 | 0.0% |
| Four-Bedroom | 2.0 | 16 | 1.1% | 0 | 0.0% |
| Total Subsidized Tax Credit | | 1,520 | 100.0% | 0 | 0.0% |
| Government-Subsidized | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| Two-Bedroom | 2.0 | 61 | 59.8% | 0 | 0.0% |
| Three-Bedroom | 2.0 | 41 | 40.2% | 0 | 0.0% |
| Total Subsidized | | 102 | 100.0% | 0 | 0.0% |

All government-subsidized units surveyed are fully occupied and maintain a waiting list, illustrating that pent-up demand exists for very low-income rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand, especially considering the subject project will operate with some units that will operate with a subsidy.

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

Tax Credit Property Disclosure: In addition to the 23 properties surveyed that at least partially operate under the Tax Credit program, we identified five Tax Credit properties within the Site PMA that, despite multiple attempts, management at these properties was unable/unwilling to provide detailed property information. The known details of these projects based on previous surveys conducted by Bowen National Research in the Portsmouth area and from extensive online research, are summarized as follows.

| Name | Location | Year Built/ Renovated | Total Units | Target Population | Occupancy at Last Survey |
|------------------------|--------------------|--------------------------|----------------|---------------------------------------|-----------------------------|
| Hope Village Apts. | 611 6th St. | 1978 / 2014 | 48 | Family; 40% & 50% AMHI & Section 8 | 100.0% (August 2020) |
| Malvern Hills | 426 King St. | 1983 / 2015 | 55 | Seniors; Section 8 | 100.0% (June 2012) |
| Seaboard Square I & II | 2847 Berkley Ave. | 2011 | 221 | Family; 50% AMHI & Public Housing | 100.0% (January 2022) |
| Victory Village | 2304 Victory Blvd. | 1997 | 112 | Family; 60% AMHI | 99.1% (March 2016) |
| Westbury Pine Apts. | 706 Crabapple St. | 2000 | 58 | Family; 50% AMHI & Public Housing | 100.0% (August 2020) |

AMHI – Area Median Household Income

It is estimated that of the five Tax Credit projects we were unable to survey within the market, only one (Victory Village) offers non-subsidized Tax Credit units that would likely have some competitive overlap with the subject project. As such, the 112 units offered at this property have been included in our penetration rate analysis illustrated in *Section VII* of this report.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

We identified and surveyed eight family (general-occupancy) properties that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units within the Portsmouth Site PMA, five of which were selected for this comparability analysis based on targeted Area Median Household Income (AMHI), unit types offered and year built.

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

| Map I.D. | Project Name | Quality Rating | Nbhd. Rating | Year Built/ Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|----------------------|-------------------|-----------------|--------------------------|----------------|--------------|---------------------|----------------------|--|
| Site | Ansell | - | - | 2025 | 39 | - | - | - | Families; 40%, 50%, 60% & 80% AMHI & PBRA |
| 1 | Ansell Gardens Apts. | C+ | C+ | 1969 / 2003 | 78 | 100.0% | 0.2 Miles | 50 HH | Families; 50% & 60% AMHI |
| 4 | Belle Hall Apts. | B+ | B | 2008 | 120 | 98.3% | 3.8 Miles | None | Families; 60% AMHI |
| 7 | Crescent Place Apts. | B | B | 2008 | 156 | 98.7% | 2.6 Miles | None | Families; 60% AMHI |
| 14 | Hamilton Place II | B | B | 2012 | 56* | 100.0% | 2.7 Miles | Shared: 84 Months | Families; 40%, 50%, & 60% AMHI & Section 8 |
| 17 | Holley Pointe | B+ | B | 2022 | 50 | 100.0% | 2.4 Miles | 200 HH | Families; 30%, 40%, 50%, 70%, & 80% AMHI |

Occ. – Occupancy; Nbhd. – Neighborhood; HH – Households

*Non-subsidized units only

The five comparable LIHTC projects have a combined occupancy rate of 99.2% (a result of only four vacant units), a very strong rate for rental housing. In fact, three of these projects are fully occupied and maintain extensive waiting lists. Notably, the newest LIHTC property in the market, Holley Pointe, is 100.0%

occupied with a waiting list of 200 households. As previously mentioned, Holley Pointe experienced a lease-up rate of approximately 45 units per month from time of opening, a very rapid rate for LIHTC product. These trends illustrate that significant pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

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

| Map I.D. | Project Name | Total Occupied Units | Number of Vouchers | Share of Vouchers |
|----------|----------------------|----------------------|--------------------|-------------------|
| 1 | Ansell Gardens Apts. | 78 | 10 | 12.8% |
| 4 | Belle Hall Apts. | 118 | 18 | 15.3% |
| 7 | Crescent Place Apts. | 154 | 81 | 52.6% |
| 14 | Hamilton Place II | 56* | 9 | 16.1% |
| 17 | Holley Pointe | 50 | 4 | 8.0% |
| Total | | 456 | 122 | 26.8% |

*Non-subsidized units only

There are approximately 122 Voucher holders residing at the comparable LIHTC properties within the market. This comprises 26.8% of the 456 occupied non-subsidized LIHTC units, which is considered a typical share of Voucher support. However, given that approximately 73.0% of the occupied units at these properties are occupied by tenants paying the quoted rents, the gross rents currently offered within the Portsmouth market are achievable and will serve as accurate benchmarks with which to compare the subject project.

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

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | Rent Special |
|-------------|----------------------|---|---|---|--------------|
| | | One-Br. | Two-Br. | Three-Br. | |
| Site | Ansell | - | \$842[^]/40%/PBRA (3) \$1,052/50% (6) \$1,262/60% (9) \$1,368/80% (2) | \$972[^]/40%/PBRA (2) \$1,215/50% (9) \$1,458/60% (6) \$1,609/80% (2) | - |
| 1 | Ansell Gardens Apts. | - | \$897/50% (38/0) | - | None |
| 4 | Belle Hall Apts. | - | \$897/60% (40/0) | - | None |
| 7 | Crescent Place Apts. | \$1,052/60% (16/1) | \$1,307/60% (76/1) | \$1,555/60% (44/1) | None |
| 14 | Hamilton Place II* | \$1,264/60% (104/1) | \$998/50% (35/0) | \$1,463/60% (36/0) | None |
| | | \$816/50% (7/0) | \$1,116/60% (4/0) | \$1,302/60% (1/0) | None |
| | | \$974/60% (1/0) | \$551/30% (4/0) | \$649/30% (1/0) | |
| | | | \$734/40% (4/0) | \$894/40% (1/0) | |
| | | | \$911/50% (12/0) | \$1,061/50% (3/0) | |
| 17 | Holley Pointe | - | \$1,101/70% (8/0) | \$1,334/70% (2/0) | None |
| | | | \$1,201/80% (12/0) | \$1,419/80% (3/0) | |

PBRA – Project-Based Rental Assistance; *Non-subsidized units only; [^]Maximum allowable LIHTC rent (contract rent exceeds maximum allowable)

The subject’s proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally competitive with the rents being achieved at the comparable LIHTC properties in the market targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 13 years newer than the original year built of nearly all of the comparable properties utilized in this analysis. As such, it is expected that the subject’s proposed gross LIHTC rents for these income levels (40%, 50% and 60% of AMHI) are considered achievable as proposed.

Considering the subject’s proposed gross LIHTC rents at the 80% of AMHI income level are positioned only slightly higher than the 60% of AMHI rents proposed at the site, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as a value in the market.

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

| Map I.D. | Project Name | Square Footage | | |
|-------------|----------------------|----------------|------------|--------------|
| | | One-Br. | Two-Br. | Three-Br. |
| Site | Ansell | - | 957 | 1,120 |
| 1 | Ansell Gardens Apts. | - | 620 - 710 | - |
| 4 | Belle Hall Apts. | - | 1,051 | 1,178 |
| 7 | Crescent Place Apts. | 812 | 1,181 | 1,379 |
| 14 | Hamilton Place II | 840 | 1,080 | 1,327 |
| 17 | Holley Pointe | - | 846 | 1,209 |

| Map I.D. | Project Name | Number of Baths | | |
|-------------|----------------------|-----------------|------------|------------|
| | | One-Br. | Two-Br. | Three-Br. |
| Site | Ansell | - | 2.0 | 2.0 |
| 1 | Ansell Gardens Apts. | - | 1.0 | - |
| 4 | Belle Hall Apts. | - | 2.0 | 2.0 |
| 7 | Crescent Place Apts. | 1.0 | 2.0 | 2.0 |
| 14 | Hamilton Place II | 1.0 | 2.0 | 2.0 |
| 17 | Holley Pointe | - | 1.5 | 2.0 |

The proposed development will offer competitive unit sizes in terms of square footage and the inclusion of an additional bathroom in the two-bedroom units is expected to contribute to the marketability of the project.

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

| | | Tax Credit Unit Amenities by Map ID | | | | | |
|----------------|--------------------------|-------------------------------------|---|---|---|----|----|
| | | Site* | 1 | 4 | 7 | 14 | 17 |
| Appliances | Dishwasher | X | | X | X | X | X |
| | Disposal | | | X | X | X | X |
| | Microwave | | | X | | X | X |
| | Range | X | X | X | X | X | X |
| | Refrigerator | X | X | X | X | X | X |
| | W/D Hookup | X | | X | X | X | X |
| | W/D | | | O | O | | |
| | No Appliances | | | | | | |
| Unit Amenities | AC-Central | X | X | X | X | X | X |
| | AC-Other | | | | | | |
| | Balcony/ Patio/ Sunroom | | X | X | X | X | S |
| | Basement | | | | | | |
| | Ceiling Fan | | | | | | |
| | Controlled Access | | | | | | X |
| | E-Call System | | | | | | |
| | Furnished | | | | | | |
| | Walk-In Closet | X | | X | X | | |
| | Window Treatments | X | X | X | X | X | X |
| | | | X | X | X | X | |
| Flooring | Carpet | | X | X | X | X | |
| | Ceramic Tile | | | | | | |
| | Hardwood | | | | | | |
| | Finished Concrete | | | | | | |
| | Composite/Vinyl/Laminate | X | | X | X | X | X |
| Upgraded | Premium Appliances | | | | | | |
| | Premium Countertops | | | | | | |
| | Premium Cabinetry | | | | | | |
| | Premium Fixtures | | | | | | |
| | High/Vaulted Ceilings | | | | | | |
| | Oversized Windows | | | | | | |
| Parking | Attached Garage | | | | | | |
| | Detached Garage | | | | | | |
| | Street Parking | | | | | | |
| | Surface Lot | X | X | X | X | X | X |
| | Carport | | | | | | |
| | Property Parking Garage | | | | | | |
| | No Provided Parking | | | | | | |

◆ - Senior Property

* Proposed Site(s): Ansell

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

| | Site* | 1 | 4 | 7 | 14 | 17 | |
|------------|--------------------------|---|---|---|----|----|---|
| | | | | | | X | |
| | | | X | | | X | |
| | | | | | | | |
| | | | | | | | |
| Community | Multipurpose Room | X | X | | | X | |
| | Chapel | | | | | | |
| | Community Kitchen | | | | | X | |
| | Dining Room - Private | | | | | | |
| | Dining Room - Public | | | | | | |
| | Rooftop Terrace | | | | | | |
| | Concierge Service ** | | | | | | |
| | Convenience Amenities ** | | | | | | |
| | Covered Outdoor Area ** | | | | | | |
| | Elevator | | | | | | X |
| | Laundry Room | | X | X | X | X | X |
| | On-Site Management | X | X | X | X | X | X |
| | Pet Care ** | | | X | | | |
| Recreation | Basketball | | | | | | |
| | Bocce Ball | | | | | | |
| | Firepit | | | | | | |
| | Fitness Center | | | | X | X | X |
| | Grilling Area | | | | | | |
| | Game Room - Billiards | | | | | | |
| | Walking Path | | | | | | |
| | Hot Tub | | | | | | |
| | Library | | | | | | X |
| | Media Room / Theater | | | | | | |
| | Playground | X | X | X | | | |
| | Putting Green | | | | | | |
| | Racquetball | | | | | | |
| | Shuffleboard | | | | | | |
| | Swimming Pool - Indoor | | | | | | |
| | Swimming Pool - Outdoor | | | | X | | |
| | Tennis | | | | | | |
| Volleyball | | | | | | | |
| Security | CCTV | X | | | X | X | X |
| | Courtesy Officer | | | | | X | |
| | Security Gate | | | | | | |
| | Social Services ** | X | | | | | |
| | Storage - Extra | | | | | | X |
| | Common Space WiFi | X | | X | | | X |

◆ - Senior Property

* Proposed Site(s): Ansell

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

** Details in Comparable Property Profile Report

As the preceding tables illustrate, the subject project's amenities package is generally considered competitive with the amenities offered at the comparable LIHTC properties. Although the subject project will be the only property among the comparable LIHTC properties that does not include a laundry room and a patio/balcony, and one of few to not include a microwave within each unit, this is not expected to prevent the subject project from being marketable as a Tax Credit property in this market. The subject project does not appear to be lacking any amenity that would hinder its ability to operate as a LIHTC project, however, lacking the previously mentioned amenities will impact the subject's ability to achieve rent premiums.

Comparable/Competitive Tax Credit Summary

The five comparable LIHTC projects have a combined occupancy rate of 99.2% (a result of only four vacant units), a very strong rate for rental housing. In fact, three of these projects are fully occupied and maintain extensive waiting lists. Notably, the newest LIHTC property in the market, Holley Pointe, is 100.0% occupied with a waiting list of 200 households. These trends illustrate that significant pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally competitive with the rents being achieved at the comparable LIHTC properties in the market targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 13 years newer than the original year built of nearly all of the comparable properties utilized in this analysis. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60% of AMHI) are considered achievable as proposed.

Considering the subject's proposed gross LIHTC rents at the 80% of AMHI income level are positioned only slightly higher than the 60% of AMHI rents proposed at the site, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as a value in the market. Based on the rent positioning of the subject site, as well as the generally competitive unit sizes and amenities package, the subject site is expected to be marketable as proposed.

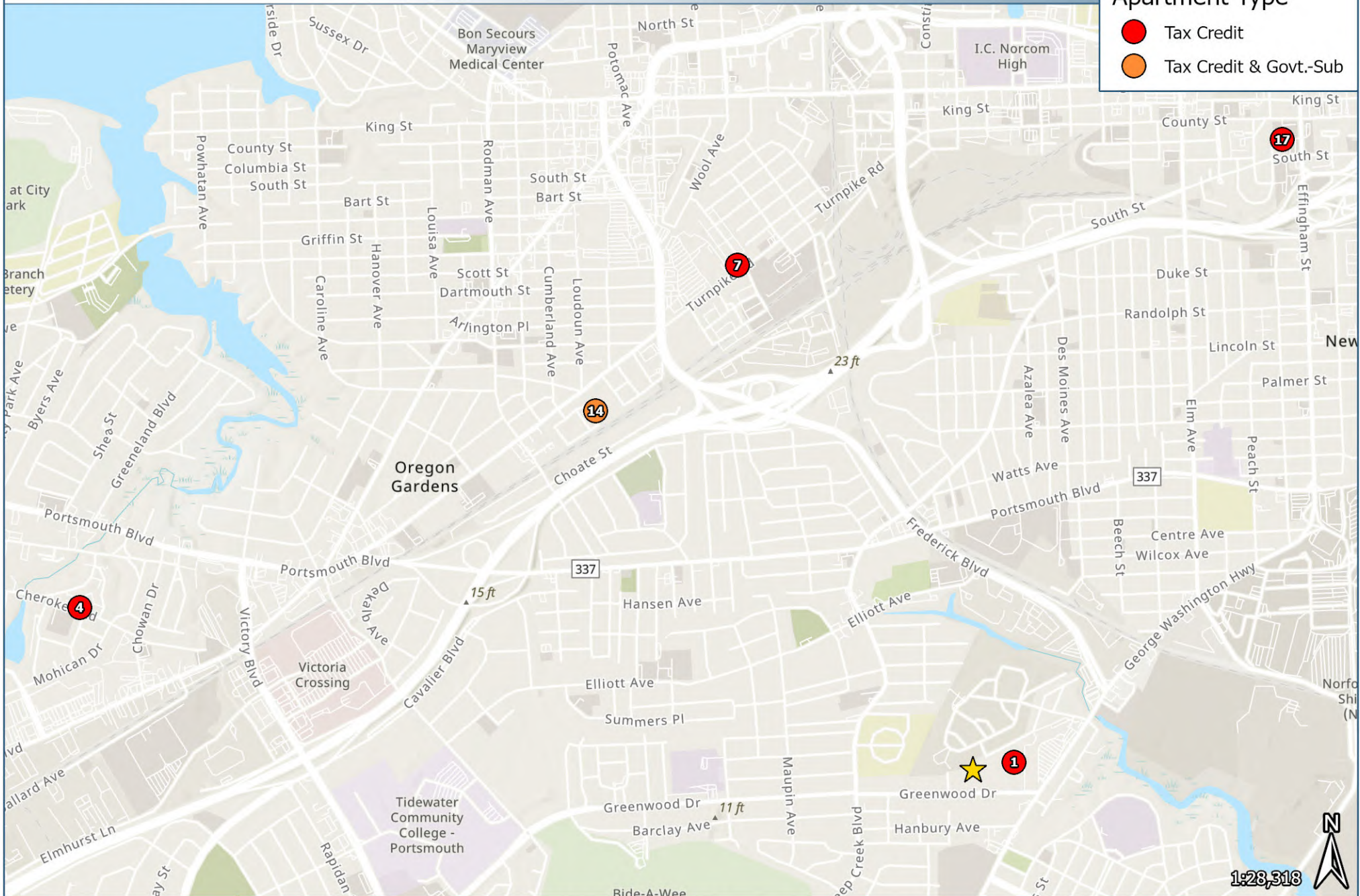
A map depicting the location of the most comparable LIHTC properties is included on the following page.

★ Site

Apartment Type

● Tax Credit

● Tax Credit & Govt.-Sub



0 0.1 0.2 0.3 0.4
 Miles

City of Chesapeake, City of Portsmouth, VA, VGIN, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, Esri, NASA, NGA, USGS, FEMA
 Additional Source(s): Bowen National Research

C. PLANNED MULTIFAMILY DEVELOPMENT

Based on interviews with planning representatives that responded to our inquiries, and from extensive online research and the observations of our analyst while in the field, it was determined there are currently four rental housing projects in the development pipeline within the Site PMA, which are summarized as follows:

| Project Name & Address | Type | Units | Developer | Status/Details |
|---|----------------------|-------|---------------------------------|---|
| A4 Acres at Greenwood 4358 Greenwood Drive | Market-Rate | 280 | A4 Development | Planned: To be built on the site of the former Bonneville Apartments built in 1960 and demolished in 2013; Mixed-use; Seven (7) four-story buildings with 56 one-bedrooms, 140 two-bedrooms, and 84 three-bedrooms; Approved in April 2021; Construction was expected to begin in early 2022 with ECD spring 2023; Project has not broken ground and construction timeline unavailable at the time of this report. |
| Lexington Senior 1 Lexington Drive | Senior Tax Credit | 106 | TRG Community Development | Proposed: Phase II of Lexington Place Apartments, a multifamily complex completed in 2021; Complex will be one (1) three-story building with 81 one-bedroom and 25 two-bedroom units; Approved July 2022, but not allocated as of December 2022; Expected to break ground spring 2023. |
| Harbor Vista II 700 Crawford Street | Market-Rate | 60 | The Breeden Companies | Proposed: One-, two- and three-bedroom units; Construction was originally expected to begin in 2021 and to be completed by 2023 but plans for the project were rejected by the city council in June 2021; Project must be revised before it can move forward; No further plans had been submitted at the time this report was issued. Representative from Harbor Vista I confirmed phase II is still planned, but no construction timeline is currently available. |
| N/A Columbia Street & Crawford Street | Market-Rate | 1,200 | A4 Development | Proposed: Proposal submitted in November 2021 for a mixed-use project involving the relocation of City Hall; Project calls for 1,200 multifamily units; Two 18-floor apartment buildings, a six-floor mid-rise luxury apartment building, a 15-floor mixed-use building, two (2) five-floor mixed-use buildings, and a 23-floor mixed-use building; No further information was available at the time of this report. |

N/A – Not Available

ECD – Expected Completion Date

As the preceding illustrates, none of the projects in the development pipeline are expected to offer general-occupancy (family) Tax Credit units that would be competitive with the subject project. As such, we have not included any additional pipeline units in our demand estimates in *Section VII*.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

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

| Map I.D. | Project | Current Occupancy Rate | Anticipated Occupancy Rate Through 2025 |
|----------|----------------------|------------------------|---|
| 1 | Ansell Gardens Apts. | 100.0% | 95.0%+ |
| 4 | Belle Hall Apts. | 98.3% | 95.0%+ |
| 7 | Crescent Place Apts. | 98.7% | 95.0%+ |
| 14 | Hamilton Place II | 100.0% | 95.0%+ |
| 17 | Holley Pointe | 100.0% | 95.0%+ |

The comparable LIHTC properties have a combined occupancy rate of 99.2%, a very strong rate for rental housing. In fact, three of these projects are fully occupied and maintain extensive waiting lists. Considering the depth of support (demand estimates) for the subject project and the existing properties, we do not anticipate the subject project having any adverse impact on future occupancy rates among existing comparable LIHTC product in the market. In fact, the subject property is expected to help alleviate a portion of the pent-up demand that exists for additional general-occupancy LIHTC product.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value in the Site PMA was \$187,472. At an estimated interest rate of 5.89% and a 30-year term (and 95% LTV), the monthly mortgage for a \$187,472 home is \$1,319, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|----------------|
| Median Home Price – ESRI | \$187,472 |
| Mortgaged Value = 95% Of Median Home Price | \$178,098 |
| Interest Rate – Bankrate.Com | 5.89% |
| Term | 30 |
| Monthly Principal & Interest | \$1,055 |
| Estimated Taxes and Insurance* | \$264 |
| Estimated Monthly Mortgage Payment: | \$1,319 |

* Estimated at 25% of principal and interest.

In comparison, some of the collected Tax Credit rents at the subject property are similar to the cost of a monthly mortgage for a typical home in the area. However, it is unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or would be able to afford the down payment on such a home. In addition, the subject project will include a comprehensive amenities package included in the cost of rent, which is not typically offered among for-sale product. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

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

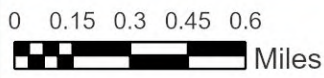
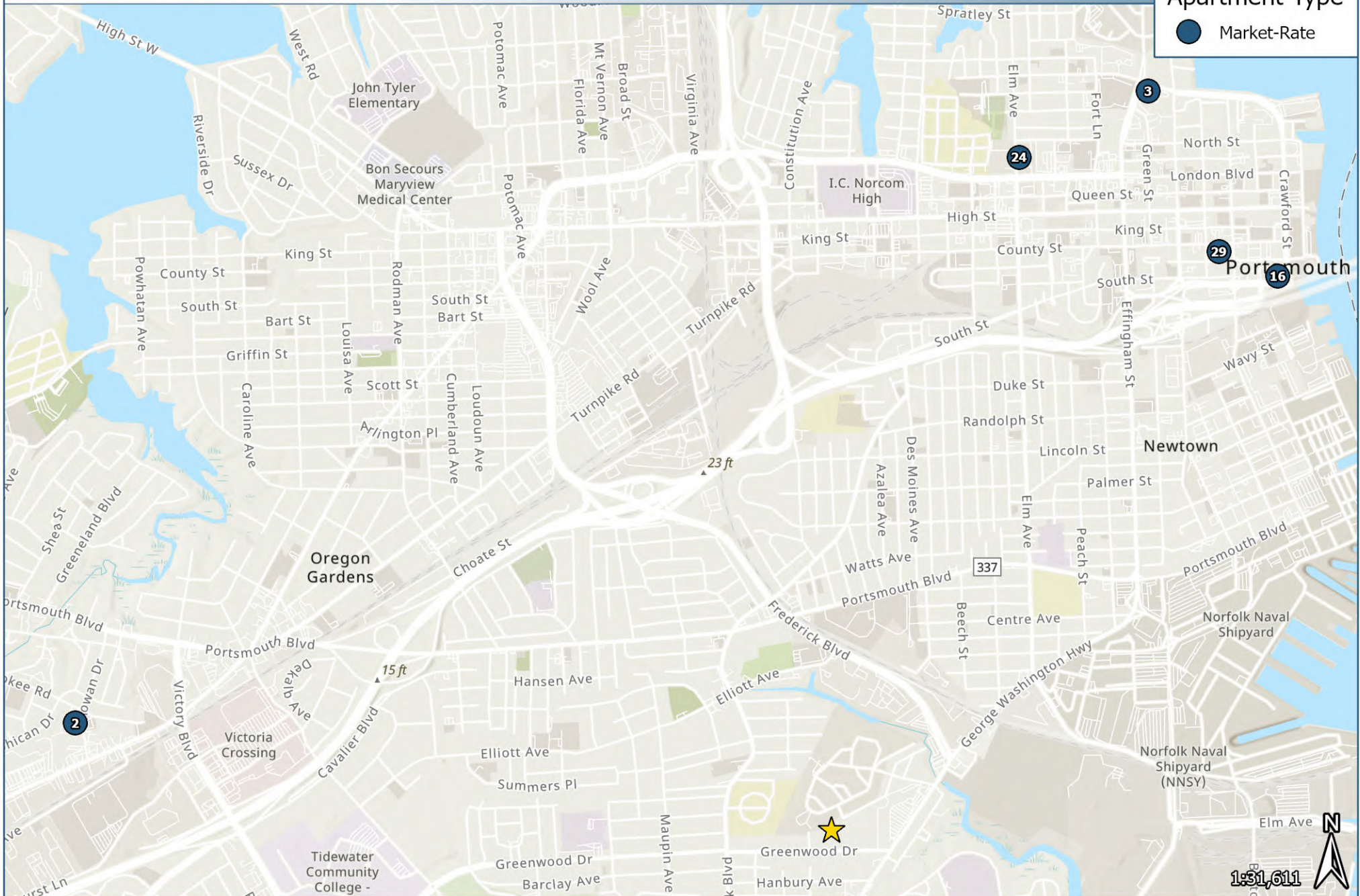
| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | | | |
|-------------|-----------------------------------|--------------------------|--------------|-----------|------------------------------|----------------|-------------------------|-------------------------|
| | | | | | Studio | One-Br. | Two-Br. | Three-Br. |
| Site | Ansell | 2025 | 39 | - | - | - | 20 (-) | 19 (-) |
| 2 | Ashton Village Apts. | 1984 / 2013 | 116 + 4* | 100.0% | - | 23 (100.0%) | 93 (100.0%) | - |
| 3 | Beacon 303 at Old Towne Apts. | 1972 | 133 + 15* | 91.7% | - | 41 (90.2%) | 69 (92.8%) | 23 (91.3%) |
| 16 | Harbor Vista at Crawford Street I | 2016 | 134 | 98.5% | - | 80 (97.5%) | 54 (100.0%) | - |
| 24 | Quarters at Park View Apts. | 2014 | 140 | 99.3% | 6 (100.0%) | 112 (99.1%) | 22 (100.0%) | - |
| 29 | Sterling King Apts. | 2016 | 113 | 99.1% | - | 81 (98.8%) | 32 (100.0%) | - |

Occ. – Occupancy

*Units under construction

The five selected market-rate projects have a combined total of 636 units with an overall occupancy rate of 97.6%, a good rate for market-rate rental housing. As such, the selected projects have been well received within the market and will serve as accurate benchmarks with which to compare the subject project.

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



Rent Comparability Grid

Unit Type →

TWO-BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|----------------------|---------------|-------------------------------|---------------|-----------------------------------|---------------|-----------------------------|---------------|---------------------|---------------|
| Ansell | | Ashton Village Apts. | | Beacon 303 at Old Towne Apts. | | Harbor Vista at Crawford Street I | | Quarters at Park View Apts. | | Sterling King Apts. | |
| 2216 & 2220 Waldron Avenue | | 224 Chowan Dr | | 303 Effingham St | | 800 Crawford St | | 1140 London Blvd. | | 714 Court St. | |
| Portsmouth, VA | | Portsmouth, VA | | Portsmouth, VA | | Portsmouth, VA | | Portsmouth, VA | | Portsmouth, VA | |
| A. Rents Charged | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$1,565 | | \$1,348 | | \$1,685 | | \$1,744 | | \$1,713 | |
| 2 | Date Surveyed | Feb-23 | | Feb-23 | | Feb-23 | | Feb-23 | | Feb-23 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 93% | | 100% | | 100% | | 100% | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,565 | 1.96 | \$1,348 | 1.53 | \$1,685 | 1.52 | \$1,744 | 1.50 | \$1,713 | 1.53 |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/3 | | EE/8 | | WU/5 | | EE/3,4 | | EE/4 | |
| 7 | Yr. Built/Yr. Renovated | 2025 | | 1984/2013 | \$26 | 1972/2023 | \$27 | 2016 | \$9 | 2014 | \$11 |
| 8 | Condition/Street Appeal | E | | G | \$15 | G | \$15 | E | | G | \$15 |
| 9 | Neighborhood | G | | F | \$10 | G | | G | | G | |
| 10 | Same Market? | | | Yes | | Yes | | Yes | | Yes | |
| C. Unit Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | 2 | | 2 | |
| 12 | # Baths | 2 | | 2 | | 1 | \$30 | 2 | | 2 | |
| 13 | Unit Interior Sq. Ft. | 957 | \$62 | 800 | \$62 | 879 | \$31 | 1106 | (\$59) | 1160 | (\$81) |
| 14 | Patio/Balcony/Sunroom | N | (\$5) | Y | (\$5) | Y | (\$5) | N | | Y | (\$5) |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | N/Y | | N/Y | | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) |
| 18 | Washer/Dryer | HU | (\$25) | W/D | (\$25) | HU/L | (\$5) | W/D | (\$25) | W/D | (\$25) |
| 19 | In-Unit Wi-Fi | Y | \$25 | N | \$25 | N | \$25 | N | \$25 | N | \$25 |
| 20 | Window Treatments | Y | | Y | | Y | | Y | | Y | |
| 21 | Secured Entry | N | | N | | Y | (\$3) | Y | (\$3) | Y | (\$3) |
| 22 | Garbage Disposal | N | | N | | Y | (\$5) | Y | (\$5) | Y | (\$5) |
| 23 | Ceiling Fan/Storage | N/N | (\$5) | Y/N | (\$5) | N/N | | Y/N | (\$5) | Y/N | (\$5) |
| D. Site Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | | Y | | Y | | N | \$5 | Y | |
| 26 | Security Features | Y | | Y | | Y | | Y | | Y | |
| 27 | Community Space | Y | \$5 | N | | Y | | Y | | Y | |
| 28 | Pool/Recreation Areas | N | (\$15) | P/F | (\$15) | P/F | (\$15) | F | (\$5) | P/F/GR/MT | (\$21) |
| 29 | Business/Computer Center | N | | N | | Y | (\$3) | Y | (\$3) | Y | (\$3) |
| 30 | Grilling Area | N | | N | | N | | Y | (\$3) | Y | (\$3) |
| 31 | Playground | Y | \$3 | N | \$3 | N | \$3 | N | \$3 | N | \$3 |
| 32 | Social Services | Y | \$10 | N | \$10 | N | \$10 | N | \$10 | N | \$10 |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/G | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/G | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/G | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash/Recycling | Y/N | \$33 | N/N | \$33 | N/N | \$33 | N/N | \$33 | Y/N | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 8 | 4 | 7 | 7 | 5 | 9 | 5 | 10 | 5 | 9 |
| 41 | Sum Adjustments B to D | \$156 | (\$50) | \$141 | (\$41) | \$52 | (\$113) | \$64 | (\$156) | \$62 | (\$125) |
| 42 | Sum Utility Adjustments | \$33 | | \$33 | | \$33 | | | | | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$139 | \$239 | \$133 | \$215 | (\$28) | \$198 | (\$92) | \$220 | (\$63) | \$187 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$1,704 | | \$1,481 | | \$1,657 | | \$1,652 | | \$1,650 | |
| 45 | Adj Rent/Last rent | | 109% | | 110% | | 98% | | 95% | | 96% |
| 46 | Estimated Market Rent | \$1,685 | \$1.76 ← | Estimated Market Rent/ Sq. Ft | | | | | | | |

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|----------------------|---------------|-------------------------------|---------------|-----------------------------------|---------------|-----------------------------|---------------|---------------------|---------------|
| Ansell | | Ashton Village Apts. | | Beacon 303 at Old Towne Apts. | | Harbor Vista at Crawford Street I | | Quarters at Park View Apts. | | Sterling King Apts. | |
| 2216 & 2220 Waldron Avenue | | 224 Chowan Dr | | 303 Effingham St | | 800 Crawford St | | 1140 London Blvd. | | 714 Court St. | |
| Portsmouth, VA | | Portsmouth, VA | | Portsmouth, VA | | Portsmouth, VA | | Portsmouth, VA | | Portsmouth, VA | |
| A. Rents Charged | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$1,565 | | \$1,822 | | \$1,685 | | \$1,744 | | \$1,713 | |
| 2 | Date Surveyed | Feb-23 | | Feb-23 | | Feb-23 | | Feb-23 | | Feb-23 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 91% | | 100% | | 100% | | 100% | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,565 | 1.96 | \$1,822 | 1.55 | \$1,685 | 1.52 | \$1,744 | 1.50 | \$1,713 | 1.53 |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/3 | | EE/8 | | WU/5 | | EE/3,4 | | EE/4 | |
| 7 | Yr. Built/Yr. Renovated | 2025 | \$26 | 1972 | \$53 | 2016 | \$9 | 2014 | \$11 | 2016 | \$9 |
| 8 | Condition/Street Appeal | E | \$15 | G | \$15 | E | | G | \$15 | G | \$15 |
| 9 | Neighborhood | G | \$10 | G | | G | | G | | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | Yes | | Yes | |
| C. Unit Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 3 | \$50 | 3 | | 2 | \$50 | 2 | \$50 | 2 | \$50 |
| 12 | # Baths | 2 | | 2 | | 2 | | 2 | | 2 | |
| 13 | Unit Interior Sq. Ft. | 1120 | \$127 | 1172 | (\$21) | 1106 | \$6 | 1160 | (\$16) | 1116 | \$2 |
| 14 | Patio/Balcony/Sunroom | N | (\$5) | Y | (\$5) | N | | Y | (\$5) | Y | (\$5) |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | N/Y | | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) | Y/Y | (\$5) |
| 18 | Washer/Dryer | HU | (\$25) | HU/L | (\$5) | W/D | (\$25) | W/D | (\$25) | W/D | (\$25) |
| 19 | In-Unit Wi-Fi | Y | \$25 | N | \$25 | N | \$25 | N | \$25 | N | \$25 |
| 20 | Window Treatments | Y | | Y | | Y | | Y | | Y | |
| 21 | Secured Entry | N | | Y | (\$3) | Y | (\$3) | Y | (\$3) | Y | (\$3) |
| 22 | Garbage Disposal | N | | Y | (\$5) | Y | (\$5) | Y | (\$5) | Y | (\$5) |
| 23 | Ceiling Fan/Storage | N/N | (\$5) | N/N | | Y/N | (\$5) | Y/N | (\$5) | Y/N | (\$5) |
| D. Site Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | |
| 25 | On-Site Management | Y | | Y | | N | \$5 | Y | | Y | |
| 26 | Security Features | Y | | Y | | Y | | Y | | Y | |
| 27 | Community Space | Y | \$5 | Y | | Y | | Y | | Y | |
| 28 | Pool/Recreation Areas | N | (\$15) | P/F | (\$15) | F | (\$5) | P/F/GR/MT | (\$21) | F/GR/MT | (\$11) |
| 29 | Business/Computer Center | N | | Y | (\$3) | Y | (\$3) | Y | (\$3) | N | |
| 30 | Grilling Area | N | | N | | Y | (\$3) | Y | (\$3) | Y | (\$3) |
| 31 | Playground | Y | \$3 | N | \$3 | N | \$3 | N | \$3 | N | \$3 |
| 32 | Social Services | Y | \$10 | N | \$10 | N | \$10 | N | \$10 | N | \$10 |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/G | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash/Recycling | Y/N | \$33 | N/N | \$33 | N/N | \$33 | Y/N | | Y/N | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 9 | 4 | 5 | 8 | 7 | 8 | 6 | 10 | 7 | 8 |
| 41 | Sum Adjustments B to D | \$271 | (\$50) | \$106 | (\$62) | \$108 | (\$54) | \$114 | (\$91) | \$114 | (\$62) |
| 42 | Sum Utility Adjustments | \$33 | | \$33 | | \$33 | | | | | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$254 | \$354 | \$77 | \$201 | \$87 | \$195 | \$23 | \$205 | \$52 | \$176 |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$1,819 | | \$1,899 | | \$1,772 | | \$1,767 | | \$1,765 | |
| 45 | Adj Rent/Last rent | | 116% | | 104% | | 105% | | 101% | | 103% |
| 46 | Estimated Market Rent | \$1,800 | \$1.61 ← | Estimated Market Rent/ Sq. Ft | | | | | | | |

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

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

| Bedroom Type | Proposed Collected Rent (AMHI) | Achievable Market Rent | Market Rent Advantage |
|--------------|--------------------------------|------------------------|-----------------------|
| Two-Br. | \$674* (40%/PBRA) | \$1,685 | 60.0% |
| | \$884 (50%) | | 47.5% |
| | \$1,094 (60%) | | 35.1% |
| | \$1,200 (80%) | | 28.8% |
| Three-Br. | \$763* (40%/PBRA) | \$1,800 | 57.6% |
| | \$1,006 (50%) | | 44.1% |
| | \$1,249 (60%) | | 30.6% |
| | \$1,400 (80%) | | 22.3% |

*Maximum allowable collected LIHTC rent (contract rent exceeds maximum allowable)
 PBRA – Project-Based Rental Assistance

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10.0% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households at higher income levels such as 80% of AMHI often do not need to represent a market rent advantage of 10.0% to be perceived a value, it is often recommended that such units/rents represent a positive rent advantage to ensure it is perceived as a value to low-income renters.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 22.3% to 60.0%, depending upon unit type and income level. Thus, the subject rents, even those at the higher 80% AMHI levels, will represent significant values within the Site PMA. It is also important to reiterate that the subject project will operate with Project-Based Rental Assistance (PBRA) available to some of the subject units and tenants of these units will pay only a portion of their income towards rent, rather than the proposed rents evaluated throughout this report. As such, the subject project is expected to represent an even greater value to area renters.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1972 and 2016, although two properties have been renovated since their original year built. As such, we have adjusted the rents at the selected properties by \$1 per year of (effective) age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. One of the selected properties is located in a neighborhood that is considered to be less desirable than the neighborhood of the site and remaining selected properties. As such, we have made an adjustment to account for differences in neighborhood desirability among this project and the subject project.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that not all of the selected properties offer the same bedroom types as the subject project. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.

13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package that is slightly inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project. Notably, the subject project will include in-unit Wi-Fi to residents and we have conservatively included an adjustment of \$25 to account for the availability of in-unit internet services.
- 24.-32. The proposed subject project will offer a project amenity package that is also slightly inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Virginia Beach-Norfolk-Newport News, Virginia-North Carolina HUD Metro FMR Area, which has a median four-person household income of \$93,500 for 2022. The subject property will be restricted to households with incomes of up to 40%, 50%, 60% and 80% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI levels.

| Household Size | Maximum Allowable Income | | | |
|----------------|--------------------------|----------|----------|----------|
| | 40% | 50% | 60% | 80% |
| One-Person | \$26,200 | \$32,750 | \$39,300 | \$52,400 |
| Two-Person | \$29,920 | \$37,400 | \$44,880 | \$59,840 |
| Three-Person | \$33,680 | \$42,100 | \$50,520 | \$67,360 |
| Four-Person | \$37,400 | \$46,750 | \$56,100 | \$74,800 |
| Five-Person | \$40,400 | \$50,500 | \$60,600 | \$80,800 |

1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$80,800**, which is the five-person maximum income at 80% of AMHI.

2. Minimum Income Requirements

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

The lowest proposed LIHTC gross rent at the subject site is \$842 (maximum allowable LIHTC rent for two-bedroom unit at 40% of AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$10,104. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$28,869**.

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges by targeted income level are illustrated as follows:

| Unit Type | Income Range | |
|---|-----------------|-----------------|
| | Minimum | Maximum |
| Tax Credit w/ PBRA (Limited to 40% of AMHI) | \$0 | \$40,400 |
| Tax Credit (Limited to 40% of AMHI) | \$28,869 | \$50,500 |
| Tax Credit (Limited to 50% of AMHI) | \$36,069 | \$50,500 |
| Tax Credit (Limited to 60% of AMHI) | \$43,269 | \$60,600 |
| Tax Credit (Limited to 80% of AMHI) | \$46,903 | \$80,800 |
| Overall Tax Credit w/ PBRA | \$0 | \$80,800 |
| Overall Tax Credit | \$28,869 | \$80,800 |

B. CAPTURE RATE CALCULATIONS

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

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

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2022 as the base year and projecting forward to the anticipated year of completion of 2025, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. Demand estimates for proposals for elderly developments must be derived from household population age 65 and older. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*

2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 44.2% of households, depending upon income level, within the Site PMA are considered to be rent overburdened.

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 3.8% of all households within the Site PMA are living in substandard housing.

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

Not applicable; subject site is general-occupancy.

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

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

C. DEMAND/CAPTURE RATE CALUCLATIONS

As discussed in *Section V*, we identified and surveyed five comparable LIHTC projects in the Site PMA which are considered directly competitive with the site based on targeted AMHI level and unit types offered. Among these projects, there are three directly comparable (similar bedroom type and targeted income level) vacant units. The unit breakdowns of these existing Tax Credit units are illustrated in the table on the following page.

| Map I.D. | Project Name | Year Built / Renovated | LIHTC Units | Directly Comparable LIHTC Units* at Targeted AMHI (Vacant Units) | | | |
|----------|----------------------|------------------------|-------------|--|----------|----------|----------|
| | | | | 40% AMHI | 50% AMHI | 60% AMHI | 80% AMHI |
| 1 | Ansell Gardens Apts. | 1969/2003 | 78 | - | 38 (0) | 40 (0) | - |
| 4 | Belle Hall Apts. | 2008 | 120 | - | - | 120 (2) | - |
| 7 | Crescent Place Apts. | 2008 | 156 | - | - | 140 (1) | - |
| 14 | Hamilton Place II | 2012 | 56** | - | 43 (0) | 5 (0) | - |
| 17 | Holley Pointe | 2022 | 50 | 5 (0) | 15 (0) | - | 15 (0) |

*Directly comparable units are those that are of similar bedroom type and targeted income level as the subject site

**Non-subsidized Tax Credit units only

The directly comparable vacant non-subsidized LIHTC units have been subtracted from the total demand in the following analysis. The following is a summary of our demand calculations for the subject project, both with and without a subsidy.

As Proposed (With PBRA)

| Demand Component | 40% AMHI / PBRA (\$0-\$40,400) | 50% AMHI (\$36,069-\$50,500) | 60% AMHI (\$43,269-\$60,600) | 80% AMHI (\$46,903-\$80,800) | Overall LIHTC w/ Subsidy (\$0-\$80,800) |
|--|---|---|---|---|--|
| Demand from New Rental Households (Income-Appropriate) | 7,000 - 7,462 = -462 | 2,854 - 2,914 = -60 | 2,214 - 2,223 = -9 | 2,975 - 2,912 = 63 | 11,288 - 11,717 = -429 |
| + | | | | | |
| Demand from Existing Households (Rent Overburdened) | 7,462 x 44.2% = 3,298 | 2,914 x 44.2% = 1,288 | 2,223 x 44.2% = 983 | 2,912 x 44.2% = 1,287 | 11,717 x 44.2% = 5,178 |
| + | | | | | |
| Demand from Existing Households (Renters in Substandard Housing) | 7,462 x 3.8% = 285 | 2,914 x 3.8% = 111 | 2,223 x 3.8% = 85 | 2,912 x 3.8% = 111 | 11,717 x 3.8% = 447 |
| + | | | | | |
| Demand from Existing Households (Elderly Homeowner Conversion) | N/A | | | | |
| = | | | | | |
| Total Demand | 3,121 | 1,339 | 1,059 | 1,461 | 5,196 |
| - | | | | | |
| Supply (Directly Comparable Vacant Units Completed or in the Pipeline) | 0 | 10 | 33 | 0 | 43 |
| = | | | | | |
| Net Demand | 3,121 | 1,329 | 1,026 | 1,461 | 5,153 |
| Proposed Units | 5 | 15 | 15 | 4 | 39 |
| Proposed Units / Net Demand | 5 / 3,121 | 15 / 1,329 | 15 / 1,026 | 4 / 1,461 | 39 / 5,153 |
| Capture Rate | = 0.2% | = 1.1% | = 1.5% | = 0.3% | = 0.8% |
| Total Absorption Period | < 1 Month | 2 Months | < 3 Months | 1 Month | < 3 Months |

N/A-Not Applicable

| LIHTC Only (Without Subsidy) | | | | | |
|--|----------------------------------|----------------------------------|---------------------------------|---------------------------------|--|
| Demand Component | 40% AMHI (\$28,869 -\$40,400) | 50% AMHI (\$34,217 -\$50,500) | 60% AMHI (\$42,994-\$60,600) | 80% AMHI (\$44,709-\$80,800) | Overall LIHTC Only (\$28,869-\$80,800) |
| Demand from New Rental Households (Income-Appropriate) | 1,833 - 1,893 = -60 | 2,854 - 2,914 = -60 | 2,214 - 2,223 = -9 | 2,975 - 2,912 = 63 | 6,121 - 6,148 = -27 |
| + | | | | | |
| Demand from Existing Households (Rent Overburdened) | 1,893 x 44.2% = 837 | 2,914 x 44.2% = 1,288 | 2,223 x 44.2% = 983 | 2,912 x 44.2% = 1,287 | 6,148 x 44.2% = 2,717 |
| + | | | | | |
| Demand from Existing Households (Renters in Substandard Housing) | 1,893 x 3.8% = 72 | 2,914 x 3.8% = 111 | 2,223 x 3.8% = 85 | 2,912 x 3.8% = 111 | 6,148 x 3.8% = 235 |
| + | | | | | |
| Demand from Existing Households (Elderly Homeowner Conversion) | N/A | | | | |
| = | | | | | |
| Total Demand | 849 | 1,339 | 1,059 | 1,461 | 2,925 |
| - | | | | | |
| Supply (Directly Comparable Vacant Units Completed or in the Pipeline) | 0 | 10 | 33 | 0 | 43 |
| = | | | | | |
| Net Demand | 849 | 1,329 | 1,026 | 1,461 | 2,882 |
| Proposed Units | 5 | 15 | 15 | 4 | 39 |
| Proposed Units / Net Demand | 5 / 849 | 15 / 1,329 | 15 / 1,026 | 4 / 1,461 | 39 / 2,882 |
| Capture Rate | = 0.6% | = 1.1% | = 1.5% | = 0.3% | = 1.4% |
| Total Absorption Period | 1 Month | 2 Months | < 3 Months | 1 Month | 3 Months |

N/A-Not Applicable

The capture rates by targeted income level assuming the project operates with a subsidy available to some units are considered low and easily achievable, ranging from 0.2% to 1.5%, with an overall capture rate of 0.8%. In the unlikely scenario the subject operates without a subsidy, the capture rates by income level range from 0.3% to 1.5% and the overall capture rate is 1.4%. These capture rates are all considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development, regardless of scenario.

D. PENETRATION RATE CALCULATIONS

The 1,337 existing non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing, planned and subject Tax Credit units is \$18,754 to \$80,800. The following table summarizes the market penetration rate for the subject project, based on data contained in the Demographic Characteristics and Trends section of this report.

| | Market Penetration |
|---|--------------------|
| Number of LIHTC Units (Planned, Existing & Subject) | 1,376 |
| Income-Eligible Renter Households – 2025 | / 7,710 |
| Overall Market Penetration Rate | = 17.8% |

It is our opinion that the 17.8% penetration rate for the LIHTC units, existing, planned and proposed subject, is low and achievable.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

Despite several attempts, representatives with the Portsmouth Redevelopment and Housing Authority were unable/unwilling to provide information regarding their Housing Choice Voucher (HCV) program at the time this report was issued.

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

| Bedroom Type | Payment Standards | Proposed/Programmatic Tax Credit Gross Rents (AMHI) |
|---------------|-------------------|---|
| Two-Bedroom | \$1,461 | \$842* (40%/PBRA) |
| | | \$1,052 (50%) |
| | | \$1,262 (60%) |
| | | \$1,368 (80%) |
| Three-Bedroom | \$2,042 | \$972* (40%/PBRA) |
| | | \$1,215 (50%) |
| | | \$1,458 (60%) |
| | | \$1,609 (80%) |

*Maximum allowable gross LIHTC rent (proposed rent exceeds maximum allowable)
 PBRA – Project-Based Rental Assistance

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

F. ABSORPTION PROJECTIONS

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with the lease-up trends of other projects with similar characteristics in the Site PMA and other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 39 proposed LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in less than three months of opening. This absorption rate is based on an average monthly absorption rate of 14 units per month. Note that these absorption projections assume the proposed project will operate with a subsidy available to five of the subject units. In the unlikely scenario the subject project did not operate with a subsidy available to these units, the proposed project will likely experience a slightly longer absorption period of up to three full months, which is reflective of an absorption rate of approximately 11 to 12 units per month.

These absorption projections assume an April 2025 opening date. A different opening date may have a slowing or hastening impact on the subject's initial absorption potential. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, unit design, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

VIII. Local Perspective (Interviews)

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

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

- Julie Chop is the Principal Planner for the City of Portsmouth. Ms. Chop stated that, according to the Portsmouth Citywide Strategic Housing Plan (SHP) from June 2020, there is a need for more family-oriented affordable housing in the Portsmouth area. According to the SHP, a large share of households earning below \$50,000 annually are either cost-burdened and/or extremely cost-burdened. The SHP also notes that while the Portsmouth Redevelopment and Housing Authority has managed to build and/or rebuild a total of 500 low-income rental units in recent years, there is still a need for more units – particularly for good-quality/newer units. Ms. Chop added that affordable housing demand is expected to increase as the area recovers from pandemic-related economic challenges.
- Sheila Parker is the Director of Property Management for Virginia Supportive Housing. Ms. Parker stated that there is a need for more affordable housing for families in Portsmouth. Ms. Parker noted that the demand for affordable housing is not limited to just the Portsmouth market, as there is high demand for affordable housing throughout the state of Virginia.
- Lyric Thourogood is the Property Manager at Ansell Gardens (Map ID 1), a comparable Tax Credit property in Portsmouth. Ms. Thourogood stated that there is a need for more affordable housing in the Portsmouth area, noting that her property receives calls on a daily basis from area residents looking for affordable apartments. Ms. Thourogood indicated that her property maintains an extensive waiting list of 50 households and estimated that her property has had not had any vacancies for over a year. Ms. Thourogood noted that demand for affordable housing in the area has increased in the post-pandemic economy, as many tenants that had been relying on rental assistance programs during the height of the COVID-19 pandemic are now facing evictions.
- Kennedy Williamson is the Assistant Property Manager at King’s Square Apartments (Map ID 19) and Phoebus Square (Map ID 23), both of which are Tax Credit and government-subsidized properties in the Site PMA. Ms. Williamson confirmed the need for affordable housing in the Portsmouth area, noting that demand is always high for her properties (as evidenced by the shared waiting list of over one year between both properties).

- Keyonna Astley is the Property Manager at Thrive Apartments (Map ID 30), a Tax Credit apartment community located in the Site PMA. Ms. Astley stated that there is a need for more affordable housing in the Portsmouth area, noting that with the large military presence in Norfolk, the demand for housing overall is very high, which increases the competition for housing for area residents in all of the surrounding communities.

IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 39 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. Notably, the proposed subject rents represent market rent advantages of between 22.3% and 60.0%, illustrating that they will likely represent excellent values to low- and moderate-income renters within the market.

Given that the comparable LIHTC developments surveyed within the market have a combined occupancy rate of 99.2%, some of which maintain extensive waiting lists, the subject project will offer a housing alternative to low-income households that is in limited availability in the area. The subject project will provide an affordable rental housing alternative to very low- to moderate-income renter households that are currently underserved within the Site PMA. This is expected to bode very well in the demand of the subject units.

As shown in the *Capture Rate Analysis – Section VII* section of this report, with an overall capture rate of 0.8% of income-eligible renter households in the market (1.4% in the unlikely non-subsidized scenario), there is significant support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

SITE PHOTOGRAPHS



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: East view of Ansell Avenue



Streetscape: West view of Ansell Avenue

XI.

COMPARABLE
PROPERTY PROFILES

1 Ansell Gardens Apts. 0.2 miles to site



Address: 301 Ansell Ave, Portsmouth, VA 23702
 Phone: (757) 397-6161 Contact: Lyric
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 78 Year Built: 1969
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2003
 Turnover: Stories: 2
 Waitlist: 50 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

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

Unit Amenities: Range; Refrigerator; Central AC; Window Treatments; Flooring (Carpet)

Property Amenities: Multipurpose Room, Clubhouse/Community Room; Laundry Room; On-Site Management; Recreation Areas (Playground)

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 2 | 1 | G | 26 | 0 | 620 | \$1.30 | \$805 | 50% |
| 2 | 1 | G | 12 | 0 | 710 | \$1.13 | \$805 | 50% |
| 2 | 1 | G | 28 | 0 | 620 | \$1.30 | \$805 | 60% |
| 2 | 1 | G | 12 | 0 | 710 | \$1.13 | \$805 | 60% |

*Adaptive Reuse

*DTS is based on drive time

2 Ashton Village Apts. 3.7 miles to site



Address: 224 Chowan Dr, Portsmouth, VA 23701
 Phone: (757) 465-2875 Contact: Danielle
 Property Type: Market Rate
 Target Population: Family
 Total Units: 116 Year Built: 1984
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2013
 Turnover: Stories: 2,2.5
 Waitlist: 10 HH
 Rent Special: None

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

Notes: 4 units under renovation



Features And Utilities

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

Unit Amenities: Dishwasher; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Premium Cabinetry

Property Amenities: Cafe / Coffee Bar; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Outdoor Swimming Pool); CCTV, Courtesy Officer; Extra Storage; WiFi

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|--------|
| 1 | 1 | G | 23 | 0 | 675 | \$1.95 | \$1,314 | Market |
| 2 | 1.5 | G | 32 | 0 | 750 | \$1.69 | \$1,270 | Market |
| 2 | 2 | G | 61 | 0 | 800 | \$1.96 | \$1,565 | Market |

*Adaptive Reuse

*DTS is based on drive time

3 Beacon 303 at Old Towne Apts. 2.9 miles to site



Address: 303 Effingham St, Portsmouth, VA 23704
 Phone: (757) 972-7978 Contact: Lori
 Property Type: Market Rate
 Target Population: Family
 Total Units: 133 Year Built: 1972
 Vacant Units: 11 *AR Year:
 Occupancy: 91.7% Yr Renovated:
 Turnover: Stories: 8 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes:



Features And Utilities

Utility Schedule Provided by: Portsmouth Redevelopment and Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Controlled Access; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; Cafe / Coffee Bar; Elevator; Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Outdoor Swimming Pool); CCTV, Courtesy Officer; Extra Storage; WiFi

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-----------|-----------------|-------------------|--------|
| 1 | 1 | G | 41 | 4 | 604 | \$1.81 - \$2.10 | \$1,095 - \$1,266 | Market |
| 2 | 1 | G | 69 | 5 | 872 - 879 | \$1.21 - \$1.53 | \$1,057 - \$1,348 | Market |
| 3 | 2 | G | 23 | 2 | 1,172 | \$1.49 - \$1.62 | \$1,744 - \$1,899 | Market |

*Adaptive Reuse

*DTS is based on drive time

4 Belle Hall Apts 3.8 miles to site



Address: 159 Cheyenne Trl., Portsmouth, VA 23701
 Phone: (757) 488-1411 Contact: Renee
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 120 Year Built: 2008
 Vacant Units: 2 *AR Year:
 Occupancy: 98.3% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: None
 Rent Special: None

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

Notes: Tax Credit;



Features And Utilities

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

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Business Center (Computer/Business Center); Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Playground); WiFi

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 2 | 2 | G | 76 | 1 | 1,051 | \$1.05 | \$1,106 | 60% |
| 3 | 2 | G | 44 | 1 | 1,178 | \$1.08 | \$1,271 | 60% |

*Adaptive Reuse

*DTS is based on drive time

7 Crescent Place Apts. 2.6 miles to site



Address: 2804 Turnpike Rd, Portsmouth, VA 23707
 Phone: (757) 673-3962 Contact: Maria
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 156 Year Built: 2008
 Vacant Units: 2 *AR Year:
 Occupancy: 98.7% Yr Renovated:
 Turnover: Stories: 3,4
 Waitlist: None
 Rent Special: None

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

Notes: Tax Credit;



Features And Utilities

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

Unit Amenities: Dishwasher; Disposal; Icemaker; Range; Refrigerator; Central AC; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Outdoor Swimming Pool); CCTV

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 1 | 1 | G | 16 | 1 | 812 | \$1.21 | \$981 | 60% |
| 2 | 2 | G | 104 | 1 | 1,181 | \$0.99 | \$1,172 | 60% |
| 3 | 2 | G | 36 | 0 | 1,379 | \$0.98 | \$1,349 | 60% |

*Adaptive Reuse

*DTS is based on drive time

14 Hamilton Place II 2.7 miles to site



Address: 3401 Turnpike Rd., Portsmouth, VA 23701
 Phone: (757) 391-2918 Contact: Victoria
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 84 Year Built: 2012
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: Shared with phase I; 84 mos
 Rent Special: None

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

Notes: Tax Credit (56 units); HUD Section 8 & Tax Credit (28 units)



Features And Utilities

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

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Fitness Center); CCTV, Courtesy Officer; Water Feature

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------------|
| 1 | 1 | G | 1 | 0 | 840 | Subsidized | Subsidized | Subsidized |
| 1 | 1 | G | 7 | 0 | 840 | \$0.82 | \$685 | 50% |
| 1 | 1 | G | 3 | 0 | 840 | Subsidized | Subsidized | Subsidized |
| 1 | 1 | G | 1 | 0 | 840 | \$1.00 | \$843 | 60% |
| 2 | 2 | G | 7 | 0 | 1,080 | Subsidized | Subsidized | Subsidized |
| 2 | 2 | G | 35 | 0 | 1,080 | \$0.75 | \$806 | 50% |
| 2 | 2 | G | 14 | 0 | 1,080 | Subsidized | Subsidized | Subsidized |
| 2 | 2 | G | 4 | 0 | 1,080 | \$0.86 | \$924 | 60% |
| 3 | 2 | G | 1 | 0 | 1,327 | Subsidized | Subsidized | Subsidized |
| 3 | 2 | G | 8 | 0 | 1,327 | \$0.67 | \$887 | 50% |
| 3 | 2 | G | 2 | 0 | 1,327 | Subsidized | Subsidized | Subsidized |

*Adaptive Reuse

*DTS is based on drive time

| 14 Unit Configuration- cont. | | | | | | | | |
|------------------------------|-------|------|-------|--------|-------|------------|----------------|------|
| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
| 3 | 2 | G | 1 | 0 | 1,327 | \$0.78 | \$1,031 | 60% |

16 Harbor Vista at Crawford Street I 2.8 miles to site



Address: 800 Crawford St, Portsmouth, VA 23704
 Phone: (757) 500-8780 Contact: Mia (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 134 Year Built: 2016
 Vacant Units: 2 *AR Year:
 Occupancy: 98.5% Yr Renovated:
 Turnover: Stories: 5
 Waitlist: None
 Rent Special: None

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

Notes: Rent range for floor and view



Features And Utilities

Utility Schedule Provided by: Portsmouth Redevelopment and Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Premium Cabinetry

Property Amenities: Business Center (Computer/Business Center); Rooftop Terrace, Clubhouse/Community Room; Cafe / Coffee Bar; Recreation Areas (Fitness Center, Grilling Area); CCTV, Courtesy Officer

Parking Type: Surface Lot; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|-------------------|--------|
| 1 | 1 | G | 80 | 2 | 719 - 825 | \$2.09 - \$1.94 | \$1,500 - \$1,600 | Market |
| 2 | 2 | G | 54 | 0 | 1,106 - 1,345 | \$1.52 - \$1.39 | \$1,685 - \$1,875 | Market |

*Adaptive Reuse

*DTS is based on drive time

17 **Holley Pointe** 2.4 miles to site



Address: 818 County St, Portsmouth, VA 23704
 Phone: (757) 323-498 Contact: Wanda
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 50 Year Built: 2022
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: 200 HH
 Rent Special: None

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

Notes: Tax Credit; Preleasing 7/2021; 1stst units opened 07/2022; 90% occupied 08/2022



Features And Utilities

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

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Controlled Access; W/D Hookup; Window Treatments; Flooring (Composite/Vinyl/Laminate)

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Multipurpose Room, Community Kitchen, Clubhouse/Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Library); CCTV; Extra Storage; WiFi

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 2 | 1.5 | G | 4 | 0 | 846 | \$0.41 | \$350 | 30% |
| 2 | 1.5 | G | 4 | 0 | 846 | \$0.63 | \$533 | 40% |
| 2 | 1.5 | G | 12 | 0 | 846 | \$0.84 | \$710 | 50% |
| 2 | 1.5 | G | 8 | 0 | 846 | \$1.06 | \$900 | 70% |
| 2 | 1.5 | G | 12 | 0 | 846 | \$1.18 | \$1,000 | 80% |
| 3 | 2 | G | 1 | 0 | 1,209 | \$0.30 | \$365 | 30% |
| 3 | 2 | G | 1 | 0 | 1,209 | \$0.50 | \$610 | 40% |
| 3 | 2 | G | 3 | 0 | 1,209 | \$0.64 | \$777 | 50% |
| 3 | 2 | G | 2 | 0 | 1,209 | \$0.87 | \$1,050 | 70% |
| 3 | 2 | G | 3 | 0 | 1,209 | \$0.94 | \$1,135 | 80% |

*Adaptive Reuse

*DTS is based on drive time

24 Quarters at Park View Apts. 2.5 miles to site



Address: 1140 London Blvd., Portsmouth, VA 23704
 Phone: (757) 673-7500 Contact: Kennal
 Property Type: Market Rate
 Target Population: Family
 Total Units: 140 Year Built: 2014
 Vacant Units: 1 *AR Year:
 Occupancy: 99.3% Yr Renovated:
 Turnover: Stories: 3,4 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes: Rent range due to floorplan



Features And Utilities

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

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; Security System; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; High/Vaulted Ceilings

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Common Patio; Clubhouse/Community Room; Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Game Room-Billiards, Media Room / Theater, Outdoor Swimming Pool); Courtesy Officer; WiFi

Parking Type: Detached Garage; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------------|-----------------|-------------------|--------|
| 0 | 1 | G | 6 | 0 | 516 | \$2.28 - \$2.38 | \$1,176 - \$1,230 | Market |
| 1 | 1 | G | 112 | 1 | 562 - 1,044 | \$2.42 - \$1.65 | \$1,358 - \$1,718 | Market |
| 2 | 2 | G | 22 | 0 | 1,160 | \$1.50 | \$1,744 | Market |

*Adaptive Reuse

*DTS is based on drive time

29 Sterling King Apts.

2.7 miles to site



Address: 714 Court St., Portsmouth, VA 23704
 Phone: (757) 399-0058 Contact: Melissa
 Property Type: Market Rate
 Target Population: Family
 Total Units: 113 Year Built: 2016
 Vacant Units: 1 *AR Year:
 Occupancy: 99.1% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: Yes
 Rent Special: None

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

Notes: Rent range based on floorplan



Features And Utilities

Utility Schedule Provided by: Portsmouth Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Oversized Windows

Property Amenities: Bike Racks / Storage; Community Kitchen, Clubhouse/Community Room; Cafe / Coffee Bar; Pavilion/Gazebo; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Game Room-Billiards, Media Room / Theater, Shuffleboard); CCTV, Courtesy Officer; WiFi

Parking Type: Detached Garage; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-----------|-----------------|-------------------|--------|
| 1 | 1 | G | 81 | 1 | 623 - 864 | \$2.22 - \$1.79 | \$1,383 - \$1,550 | Market |
| 2 | 2 | G | 32 | 0 | 1,116 | \$1.53 | \$1,713 | Market |

*Adaptive Reuse

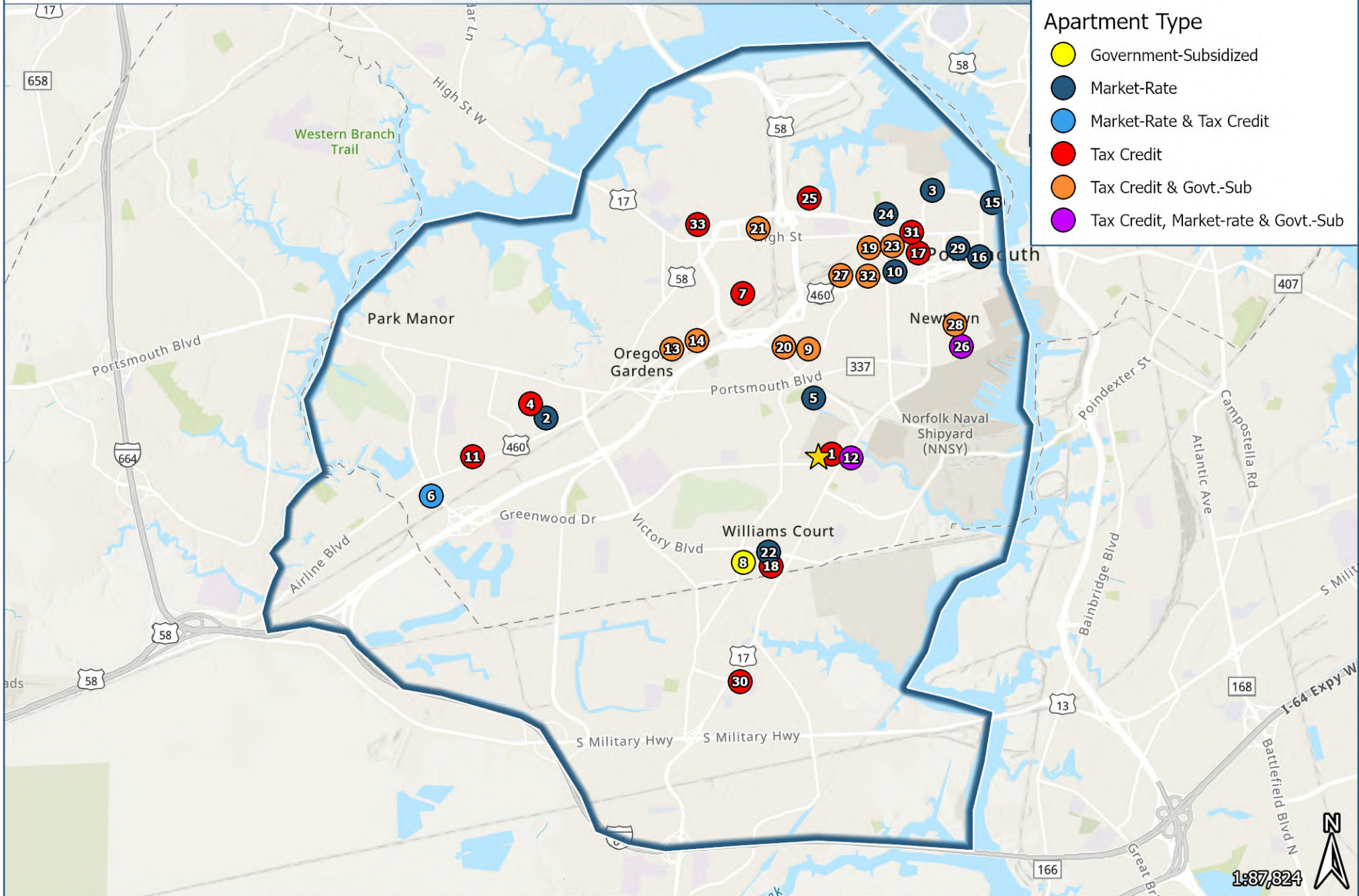
*DTS is based on drive time

XII.

FIELD SURVEY OF CONVENTIONAL RENTALS

Apartment Type

- Government-Subsidized
- Market-Rate
- Market-Rate & Tax Credit
- Tax Credit
- Tax Credit & Govt.-Sub
- Tax Credit, Market-rate & Govt.-Sub




| Map ID | Property | Prop Type | Quality Rating | Year Built | Total Units | Vacant | Occ. Rate | Distance To Site* |
|--------|-----------------------------------|-----------|----------------|------------|-------------|--------|-----------|-------------------|
| ✓ 1 | Ansell Gardens Apts. | TAX | C+ | 1969 | 78 | 0 | 100.0% | 0.2 |
| ✓ 2 | Ashton Village Apts. | MRR | B- | 1984 | 116 | 0 | 100.0% | 3.7 |
| ✓ 3 | Beacon 303 at Old Towne Apts. | MRR | B+ | 1972 | 133 | 11 | 91.7% | 2.9 |
| ✓ 4 | Belle Hall Apts | TAX | B+ | 2008 | 120 | 2 | 98.3% | 3.8 |
| 5 | Biltmore Commons Apts. | MRR | B- | 1989 | 89 | 0 | 100.0% | 1.1 |
| ◆ 6 | Commons at Greenwood Apts. | MRT | B- | 1995 | 52 | 0 | 100.0% | 5.3 |
| ✓ 7 | Crescent Place Apts. | TAX | B | 2008 | 156 | 2 | 98.7% | 2.6 |
| 8 | Cross Creek Apts. | GSS | C | 1969 | 102 | 0 | 100.0% | 2.1 |
| 9 | Dale Homes | TGS | C- | 1940 | 279 | 0 | 100.0% | 1.6 |
| 10 | Ebenezer Plaza Apts. | MRR | B- | 1969 | 52 | 0 | 100.0% | 2.1 |
| 11 | Grand at Mallard Manor | TAX | B- | 1975 | 160 | 6 | 96.3% | 4.3 |
| 12 | Grand at New Port | TMG | C+ | 1942 | 215 | 0 | 100.0% | 0.6 |
| 13 | Hamilton Place I | TGS | B | 2010 | 84 | 0 | 100.0% | 2.6 |
| ✓ 14 | Hamilton Place II | TGS | B | 2012 | 84 | 0 | 100.0% | 2.7 |
| 15 | Harbor Towers Apts. | MRR | B | 1983 | 188 | 0 | 100.0% | 3.2 |
| ✓ 16 | Harbor Vista at Crawford Street I | MRR | A | 2016 | 134 | 2 | 98.5% | 2.8 |
| ✓ 17 | Holley Pointe | TAX | B+ | 2022 | 50 | 0 | 100.0% | 2.4 |
| 18 | Independence Square Apts. | TAX | B | 1985 | 152 | 3 | 98.0% | 1.8 |
| 19 | King Square Apts. | TGS | A | 2007 | 57 | 0 | 100.0% | 2.3 |
| 20 | Lexington Place Apts. I | TGS | B+ | 2020 | 72 | 0 | 100.0% | 1.7 |
| 21 | London Oaks Apts. | TGS | B- | 1977 | 296 | 0 | 100.0% | 3.7 |
| 22 | Newport Landing Apts. | MRR | B | 1943 | 250 | 62 | 75.2% | 2.2 |
| ◆ 23 | Phoebus Square Apts. | TGS | B- | 2010 | 122 | 0 | 100.0% | 2.4 |
| ✓ 24 | Quarters at Park View Apts. | MRR | B | 2014 | 140 | 1 | 99.3% | 2.5 |
| ◆ 25 | Shea Terrace Senior Apts. | TAX | B | 1925 | 21 | 0 | 100.0% | 3.4 |
| ◆ 26 | Silver Tree Seniors of Portsmouth | TMG | B | 1979 | 178 | 0 | 100.0% | 1.9 |
| 27 | South Bay Apts. | TGS | A | 2010 | 60 | 0 | 100.0% | 2.3 |
| 28 | Southside Gardens Apts. | TGS | B | 1985 | 134 | 0 | 100.0% | 1.9 |
| ✓ 29 | Sterling King Apts. | MRR | B+ | 2016 | 113 | 1 | 99.1% | 2.7 |
| 30 | Thrive | TAX | B- | 1972 | 102 | 2 | 98.0% | 2.8 |
| ◆ 31 | Victory Square Senior Apts. | TAX | B- | 2004 | 112 | 0 | 100.0% | 2.4 |
| 32 | Westbury Cottages | TGS | B | 2015 | 16 | 0 | 100.0% | 2.2 |
| 33 | Whispering Oaks Apts. | TAX | B | 1970 | 180 | 0 | 100.0% | 3.2 |


*Drive distance in miles

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




| | | |
|----------|--|---|
| 1 | Ansell Gardens Apts. 301 Ansell Ave, Portsmouth, VA 23702 | Contact: Lyric Phone: (757) 397-6161 |
| |  <p>Total Units: 78 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1969 BR: 2 Vacant Units: 0 Waitlist: 50 HH AR Year: Target Population: Family Yr Renovated: 2003 Rent Special: None Notes: Tax Credit</p> | |





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| 2 | Ashton Village Apts. 224 Chowan Dr, Portsmouth, VA 23701 | Contact: Danielle Phone: (757) 465-2875 |
| |  <p>Total Units: 116 UC: 4 Occupancy: 100.0% Stories: 2,2.5 Year Built: 1984 BR: 1, 2 Vacant Units: 0 Waitlist: 10 HH AR Year: Target Population: Family Yr Renovated: 2013 Rent Special: None Notes: 4 units under renovation</p> | |




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|----------|---|--|
| 3 | Beacon 303 at Old Towne Apts. 303 Effingham St, Portsmouth, VA 23704 | Contact: Lori Phone: (757) 972-7978 |
| |  <p>Total Units: 133 UC: 15 Occupancy: 91.7% Stories: 8 w/Elevator Year Built: 1972 BR: 1, 2, 3 Vacant Units: 11 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p> | |





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| 4 | Belle Hall Apts 159 Cheyenne Trl., Portsmouth, VA 23701 | Contact: Renee Phone: (757) 488-1411 |
| |  <p>Total Units: 120 UC: 0 Occupancy: 98.3% Stories: 2,3 Year Built: 2008 BR: 2, 3 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit;</p> | |


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| 5 | Biltmore Commons Apts. 2341 Elliott Ave., Portsmouth, VA 23702 | Contact: Lori Phone: (757) 393-7535 |
| |  <p>Total Units: 89 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 1989 BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p> | |


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

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|---|--|---|---|-------------------------------|
| 6 | Commons at Greenwood Apts. 205 Bedford Ct, Portsmouth, VA 23701 | | Contact: Janee Jones Phone: (757) 465-9007 | |
| |  | Total Units: 52 UC: 0 BR: 2 Target Population: Senior 62+, Disabled Rent Special: None Notes: Market-rate (14 units); Tax Credit (38 units) | Occupancy: 100.0% Vacant Units: 0 | Stories: 3 Waitlist: 30 HH |






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|---|--|--|---|--------------------------------|
| 7 | Crescent Place Apts. 2804 Turnpike Rd, Portsmouth, VA 23707 | | Contact: Maria Phone: (757) 673-3962 | |
| |  | Total Units: 156 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit; | Occupancy: 98.7% Vacant Units: 2 | Stories: 3,4 Waitlist: None |

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| 8 | Cross Creek Apts. 2542-B Bird Ln, Portsmouth, VA 23702 | | Contact: Shakia Phone: (757) 487-0935 | |
| |  | Total Units: 102 UC: 0 BR: 2, 3 Target Population: Family Rent Special: None Notes: HUD Section 236 | Occupancy: 100.0% Vacant Units: 0 | Stories: 2 Waitlist: Yes |


















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| 9 | Dale Homes 240 Dale Dr., Portsmouth, VA 23704 | | Contact: Mr. Stokes Phone: (757) 391-3051 | |
| |  | Total Units: 279 UC: 0 BR: 1, 2, 3, 4 Target Population: Family Rent Special: None Notes: Tax Credit; Section 8; Renovated 2018 | Occupancy: 100.0% Vacant Units: 0 | Stories: 1,2 Waitlist: Yes |

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|----|--|--|---|--------------------------------|
| 10 | Ebenezer Plaza Apts. 1140 Chisholm Cir, Portsmouth, VA 23704 | | Contact: Jackie Horton Phone: (757) 399-1722 | |
| |  | Total Units: 52 UC: 0 BR: 2, 3 Target Population: Family Rent Special: None Notes: | Occupancy: 100.0% Vacant Units: 0 | Stories: 2 Waitlist: 120 HH |

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

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| 11 | Grand at Mallard Manor 840 Lancer Dr., Portsmouth, VA 23701 | Contact: Christi Phone: (757) 488-4848 |
|  | Total Units: 160 UC: 0 Occupancy: 96.3% Stories: 2 Year Built: 1975 BR: 2, 3 Vacant Units: 6 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2000 Rent Special: None Notes: Tax Credit | |
| 12 | Grand at New Port 3817 George Washington Highway, Portsmouth, VA 23702 | Contact: Mia Phone: (757) 393-1064 |
|  | Total Units: 215 UC: 35 Occupancy: 100.0% Stories: 2 Year Built: 1942 BR: 2 Vacant Units: 0 Waitlist: 5 HH AR Year: Target Population: Family Yr Renovated: 1999 Rent Special: None Notes: Tax Credit; market-rate; Section 8 | |
| 13 | Hamilton Place I 3401 Turnpike Rd., Portsmouth, VA 23701 | Contact: Victoria Phone: (757) 391-2918 |
|  | Total Units: 84 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2010 BR: 1, 2, 3 Vacant Units: 0 Waitlist: Shared with phase II; 84 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; HUD Section 8 | |
| 14 | Hamilton Place II 3401 Turnpike Rd., Portsmouth, VA 23701 | Contact: Victoria Phone: (757) 391-2918 |
|  | Total Units: 84 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2012 BR: 1, 2, 3 Vacant Units: 0 Waitlist: Shared with phase I; 84 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit (56 units); HUD Section 8 & Tax Credit (28 units) | |
| 15 | Harbor Towers Apts. 1 Harbor Ct, Portsmouth, VA 23704 | Contact: Robin Phone: (757) 393-1600 |
|  | Total Units: 188 UC: 0 Occupancy: 100.0% Stories: 25 w/Elevator Year Built: 1983 BR: 1, 2 Vacant Units: 0 Waitlist: 7 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily; Rent range for floor, view, renovation | |



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



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|----|--|---|---------------------------------------|------------------------------|
| 16 | Harbor Vista at Crawford Street I 800 Crawford St, Portsmouth, VA 23704 | | Contact: Mia Phone: (757) 500-8780 | |
| | | Total Units: 134 UC: 0 BR: 1, 2 Target Population: Family Rent Special: None Notes: Rent range for floor and view | Occupancy: 98.5% Vacant Units: 2 | Stories: 5 Waitlist: None |








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|----|---|---|--|---|
| 17 | Holley Point 818 County St, Portsmouth, VA 23704 | | Contact: Wanda Phone: (757) 323-498 | |
| | | Total Units: 50 UC: 0 BR: 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit; Preleasing 7/2021; 1sst units opened 07/2022; 90% occupied 08/2022 | Occupancy: 100.0% Vacant Units: 0 | Stories: 4 w/Elevator Waitlist: 200 HH |

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|----|---|---|--|--------------------------------|
| 18 | Independence Square Apts. 5120 George Washington Hwy, Portsmouth, VA 23702 | | Contact: Brittney Phone: (757) 487-6660 | |
| | | Total Units: 152 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit | Occupancy: 98.0% Vacant Units: 3 | Stories: 2,3 Waitlist: None |


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|----|--|---|--|--------------------------------|
| 19 | King Square Apts. Godwin St & County St, Portsmouth, VA 23704 | | Contact: Miss Phone: (757) 391-2971 | |
| | | Total Units: 57 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit; HUD Section 8 | Occupancy: 100.0% Vacant Units: 0 | Stories: 2 Waitlist: 60 mos |


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|----|---|---|--|--------------------------------|
| 20 | Lexington Place Apts. I 4 Lexington Dr, Portsmouth, VA 23704 | | Contact: Mr. Stokes Phone: (757) 391-3051 | |
| | | Total Units: 72 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit; PBV/PBRA; Preleasing & opened 12/2020 | Occupancy: 100.0% Vacant Units: 0 | Stories: 2 Waitlist: 24 mos |


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


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|--|---|---|
| 21 | London Oaks Apts. 2680 High St, Portsmouth, VA 23707 | Contact: Andrea Phone: (757) 399-6347 |
|  | Total Units: 296 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1977 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 6-48 mos AR Year: Target Population: Family Yr Renovated: 2012 Rent Special: None Notes: Tax Credit; HUD Section 8 | |
| 22 | Newport Landing Apts. 9 Seminole Dr., Portsmouth, VA 23702 | Contact: Diamond Phone: (877) 768-9514 |
|  | Total Units: 250 UC: 0 Occupancy: 75.2% Stories: 2 Year Built: 1943 BR: 1, 2 Vacant Units: 62 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2012 Rent Special: None Notes: Rent range due to renovated units | |
| 23 | Phoebus Square Apts. 606 Phoebus St., Portsmouth, VA 23704 | Contact: Miss Phone: (757) 391-2971 |
|  | Total Units: 122 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2010 BR: 1 Vacant Units: 0 Waitlist: 24 mos AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: Tax Credit; HUD Section 8 | |
| 24 | Quarters at Park View Apts. 1140 London Blvd., Portsmouth, VA 23704 | Contact: Kennal Phone: (757) 673-7500 |
|  | Total Units: 140 UC: 0 Occupancy: 99.3% Stories: 3,4 w/Elevator Year Built: 2014 BR: 0, 1, 2 Vacant Units: 1 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to floorplan | |
| 25 | Shea Terrace Senior Apts. 253 Constitution Ave, Portsmouth, VA 23704 | Contact: Latoya Phone: (757) 397-9804 |
|  | Total Units: 21 UC: 0 Occupancy: 100.0% Stories: 2 w/Elevator Year Built: 1925 BR: 1, 2 Vacant Units: 0 Waitlist: 4 HH AR Year: 2001 Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit | |


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


















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|----|---|---|
| 26 | Silver Tree Seniors of Portsmouth 715 & 817 Madison St., Portsmouth, VA 23704 | Contact: Dahmon Phone: (757) 393-4757 |
| |  | <p>Total Units: 178 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 1979</p> <p>BR: 1, 2 Vacant Units: 0 Waitlist: 1-br; 12-16 mos AR Year:</p> <p>Target Population: Senior 62+, Disabled Yr Renovated: 2009</p> <p>Rent Special: None</p> <p>Notes: Market-rate (17 units) HUD Section 8 & Tax Credit (161 units)</p> |


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| 27 | South Bay Apts. 1600 South St., Portsmouth, VA 23704 | Contact: Sheila Parker Phone: (757) 394-3077 |
| |  | <p>Total Units: 60 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2010</p> <p>BR: 0 Vacant Units: 0 Waitlist: Yes AR Year:</p> <p>Target Population: Homeless Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes: Tax Credit; PBV/PBRA; Supportive housing for the formerly homeless</p> |


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| 28 | Southside Gardens Apts. 707 7th St., Portsmouth, VA 23704 | Contact: Lina Phone: (757) 399-0271 |
| |  | <p>Total Units: 134 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1985</p> <p>BR: 2, 3, 4 Vacant Units: 0 Waitlist: 6-12 mos AR Year:</p> <p>Target Population: Family Yr Renovated: 2011</p> <p>Rent Special: None</p> <p>Notes: 40% & 50% AMHI; HUD Section 8; Year built, unit mix & square footage estimated</p> |


| | | |
|----|--|---|
| 29 | Sterling King Apts. 714 Court St., Portsmouth, VA 23704 | Contact: Melissa Phone: (757) 399-0058 |
| |  | <p>Total Units: 113 UC: 0 Occupancy: 99.1% Stories: 4 w/Elevator Year Built: 2016</p> <p>BR: 1, 2 Vacant Units: 1 Waitlist: Yes AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes: Rent range based on floorplan</p> |


















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|----|--|---|
| 30 | Thrive 1020 Thrive Pl, Chesapeake, VA 23323 | Contact: Keyonna Astley Phone: (757) 558-4111 |
| |  | <p>Total Units: 102 UC: 0 Occupancy: 98.0% Stories: 2 Year Built: 1972</p> <p>BR: 2, 3 Vacant Units: 2 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated: 2016</p> <p>Rent Special: None</p> <p>Notes: Tax Credit</p> |

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

| | | | | | | |
|-----------|--|--|--|------------------------------|------------|---|
| 31 | Victory Square Senior Apts. 900 County St, Portsmouth, VA 23704 | | Contact: Tanara Phone: (757) 397-9991 | | | |
| |  | Total Units: 112 UC: 0 BR: 1, 2 Target Population: Senior 55+ Rent Special: None Notes: Tax Credit | Occupancy: 100.0% Vacant Units: 0 | Stories: 4 Waitlist: None | w/Elevator | Year Built: 2004 AR Year: Yr Renovated: |

| | | | | | | |
|-----------|--|--|--|-------------------------------|--|---|
| 32 | Westbury Cottages South St and Godwin St, Portsmouth, VA 23704 | | Contact: Miss Phone: (757) 391-2971 | | | |
| |  | Total Units: 16 UC: 0 BR: 1 Target Population: Disabled Rent Special: None Notes: Tax Credit; Public Housing | Occupancy: 100.0% Vacant Units: 0 | Stories: 1 Waitlist: 60 HH | | Year Built: 2015 AR Year: Yr Renovated: |

| | | | | | | |
|-----------|---|---|---|----------------------------------|--|--|
| 33 | Whispering Oaks Apts. 2500 Oakleaf Pl., Portsmouth, VA 23707 | | Contact: Tammy Phone: (757) 397-6461 | | | |
| |  | Total Units: 180 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit | Occupancy: 100.0% Vacant Units: 0 | Stories: 2,3 Waitlist: 180 HH | | Year Built: 1970 AR Year: Yr Renovated: 2004 |

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

Source: Portsmouth Redevelopment and Housing Authority
Effective: 07/2022

Monthly Dollar Allowances

| | | Garden | | | | | | Townhome | | | | | |
|-------------------|--------------|--------|------|------|------|------|------|----------|------|------|------|------|------|
| | | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
| Heating | Natural Gas | 20 | 23 | 26 | 29 | 32 | 35 | 20 | 23 | 26 | 29 | 32 | 35 |
| | +Base Charge | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| | Bottled Gas | 63 | 74 | 83 | 93 | 103 | 113 | 63 | 74 | 83 | 93 | 103 | 113 |
| | Electric | 13 | 15 | 19 | 22 | 25 | 28 | 13 | 15 | 19 | 22 | 25 | 28 |
| | Heat Pump | 11 | 13 | 15 | 17 | 17 | 18 | 11 | 13 | 15 | 17 | 17 | 18 |
| | Oil | 51 | 60 | 68 | 76 | 84 | 92 | 51 | 60 | 68 | 76 | 84 | 92 |
| Cooking | Natural Gas | 3 | 4 | 6 | 7 | 9 | 11 | 3 | 4 | 6 | 7 | 9 | 11 |
| | Bottled Gas | 11 | 12 | 18 | 24 | 29 | 35 | 11 | 12 | 18 | 24 | 29 | 35 |
| | Electric | 5 | 6 | 8 | 11 | 13 | 15 | 5 | 6 | 8 | 11 | 13 | 15 |
| Other Electric | 18 | 21 | 29 | 37 | 46 | 54 | 18 | 21 | 29 | 37 | 46 | 54 | |
| +Base Charge | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | |
| Air Conditioning | 8 | 9 | 12 | 16 | 20 | 24 | 8 | 9 | 12 | 16 | 20 | 24 | |
| Water Heating | Natural Gas | 7 | 9 | 13 | 17 | 20 | 24 | 7 | 9 | 13 | 17 | 20 | 24 |
| | Bottled Gas | 24 | 28 | 40 | 53 | 65 | 78 | 24 | 28 | 40 | 53 | 65 | 78 |
| | Electric | 11 | 13 | 17 | 21 | 24 | 28 | 11 | 13 | 17 | 21 | 24 | 28 |
| | Oil | 19 | 23 | 33 | 43 | 53 | 63 | 19 | 23 | 33 | 43 | 53 | 63 |
| Water | 24 | 26 | 39 | 58 | 78 | 97 | 24 | 26 | 39 | 58 | 78 | 97 | |
| Sewer | 38 | 42 | 70 | 112 | 154 | 196 | 38 | 42 | 70 | 112 | 154 | 196 | |
| Trash Collection | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | |
| Internet* | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| Cable* | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| Alarm Monitoring* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

* Estimated- not from source

XIII. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

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

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

Tanja Hairston, Market Analyst, has extensive property management experience in both the Midwest and northeastern United States. She has assisted low-income, veterans and homeless persons in securing affordable and permanent housing, administered HUD recertifications and reviewed Housing Choice Voucher applications. In addition, she has cultivated relationships with realtors, property managers and brokers. Ms. Hairston holds a Bachelor of Arts degree in Sociology from South Carolina State University.

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

Andrew Lundell, Market Analyst, has an experienced background in customer service and financial analysis. He has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Mr. Lundell has a Bachelor of Arts in Criminal Justice from Ohio University.

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

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

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

Research Staff

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

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

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

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

Addendum A – Member Certification & Checklist

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

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



Patrick M. Bowen

President

patrickb@bowennational.com

Date: February 2, 2023



Jeff Peters

Market Analyst

jeffp@bowennational.com

Date: February 2, 2023

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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