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**Need and Demand Analysis For
Crevenna Oaks Apartments
10981 Crevenna Oak Drive
Burke, Virginia 22015**

**Prepared For
Related Affordable
30 Hudson Yards, 72nd Floor
New York, New York 10001**

Effective Date
August 17, 2022

Date of Report
September 20, 2022



September 20, 2022

Mr. Brian Samson
Related Affordable
30 Hudson Yards, 72nd Floor
New York, New York 10001

Dear Mr. Samson:

Following is a market study which was completed for Related Affordable, under the guidelines set forth by Virginia Housing. The subject property is located at 10981 Crevenna Oak Drive in Burke, Virginia. The subject consists of an existing family development known as Crevenna Oaks Apartments. The subject currently has Section 8 subsidies for all units. As complete, the subject will retain its Section 8 subsidies as well as be 100 percent Low Income Tax Credit at 60 percent of the area median income. The subject consists of six two-story townhome buildings containing a total of 50 units. The buildings have vinyl siding exteriors and asphalt shingle roofing.

The purpose of the following market study is to determine if the community has a need for the rehabilitated subject units. To do so, the analyst, Jonathan Richmond, utilized data from the U.S. Census Bureau; Ribbon Demographics, 2022 Data; and various other demographic resources. Community information and opinion was also utilized. This information was collected during a field survey conducted by Jonathan Richmond while visiting the subject on August 17, 2022. An attempt was made to survey 100 percent of all competitive housing in the area.

We certify that there is not now nor will there be an identity of interest between or among the applicant, contractor, architect, engineer, attorney, interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to Virginia Housing and written consent to such identity of interest by Virginia Housing. All recommendations and conclusions are based solely on the professional opinion and best efforts of the analysts. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

Jonathan Richmond
Market Analyst

Janice F. Gill, MAI
Market Analyst



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CERTIFICATION

This is to certify that a field visit was made by the market analyst or one of his associates and information was obtained from publications of federal, state and local agencies. Interviews were held with apartment owners or managers, local officials and others as appropriate who may be knowledgeable of the housing market in Burke.

In accordance with Virginia Housing, I hereby certify that the information provided in this Market Study was written according to Virginia Housing's market study requirements and is truthful and accurate to the best of my knowledge and belief. The estimates of demand for multifamily housing made by this report are based on the assumption of a free market situation, unencumbered by local mores, affirmative fair housing marketing or prejudice toward the site location.

This is to affirm that I will receive no fees which are contingent upon approval of the project by Virginia Housing, before or after the fact, and that I will have no interest in the housing project.

Jonathan Richmond
Market Analyst
Tax ID Number: 43-1352932

Janice F. Gill, MAI
Market Analyst

September 20, 2022



IDENTITY OF INTEREST

I understand and agree that Virginia Housing will consider an identity of interest to exist between the loan applicant as the party of the first part and general contractors, architects, engineers, attorneys, interim lenders, subcontractors, material suppliers or equipment lessors as parties of the second part under any of the following conditions:

1. When there is any financial interest of the party of the first part in the party of the second part;
2. When one or more of the officers, directors, stockholders or partners of the party of the first part is also an officer, director, stockholder or partner of the party of the second part;
3. When any officer, director, stockholder or partner of the party of the first part has any financial interest whatsoever in the party of the second part;
4. When the party of the second part advances any funds to the party of the first part other than an interim lender advancing funds to enable the applicant to pay for construction and other authorized and legally eligible expenses during the construction period;
5. When the party of the second part provides and pays on behalf of the party of the first part the cost of any legal services, architectural services or interim financing other than those of the survey, general superintendent or engineer employed by a general contractor in connection with obligations under the construction contract;
6. When the party of the second part takes stock or any interest in the party of the first part as part of the consideration to be paid them; and
7. When there exists or comes into being any side deals, agreements, contracts or undertakings entered into thereby altering, amending or canceling any of the required closing documents or approval conditions as approved by Virginia Housing.

I certify that there is not now nor will there be an identity of interest between or among the applicant, contractor, architect, interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to Virginia Housing and written consent to such identity of interest by Virginia Housing. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

There is no identity of interest between the loan applicant and the Market Analyst or Gill Group.

Jonathan Richmond
Market Analyst

Janice F. Gill, MAI
Market Analyst

September 20, 2022



NCHMA MEMBER CERTIFICATION



Formerly known as
National Council of Affordable
Housing Market Analysts

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

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

Jonathan Richmond
Market Analyst
Gill Group

September 20, 2022

EXECUTIVE SUMMARY



Executive Summary

It is the opinion of the analyst that a market exists for the proposed rehabilitation of the existing 50-unit development designed for families and that there is no need for alterations of any kind. This recommendation is made based on the information included in this report and assuming that the project is completed as detailed in this report. Any changes to the proposed rehabilitation of the subject could alter the findings in this report.

Project Description

The subject, Crevenna Oaks Apartments, is an existing Section 8 development designated for families that contains 50 units. The subject will undergo renovation. Once renovation is complete, the subject will continue to be a Section 8 development as well as a Low Income Housing Tax Credit property. The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$92,220 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$65,863 and \$92,220 would be eligible for the rehabilitated development.

The following chart lists the subject's unit mix. The property has a total of 51,420 net rentable square feet.

Unit Type	# of Units	Square Feet	Total Square Footage
2/1	30	838	25,140
3/2	20	1,314	26,280
	50		51,420

The following chart lists the subject's existing unit distribution by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
2/1	30	838	\$2,055	\$107
3/2	20	1,314	\$2,415	\$118
	50			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
2/1	30	838	60%	\$1,921	\$2,392	\$107	\$2,285
3/2	20	1,314	60%	\$2,220	\$3,163	\$118	\$3,045

Since the subject will retain its Section 8 contract, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. However, tenants will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants be required to pay more than the maximum allowable LIHTC rent.



Income Averaging

The developer has not selected to use the Income-Averaging option.

Housing Profile

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The current vacancy rate in surveyed income-restricted apartment complexes is 0.3 percent. The current vacancy rate in surveyed market-rate apartment complexes is 3.2 percent. The current vacancy rate of the competitive properties in the market area is 0.3 percent.

The proposed rehabilitation of the existing Section 8 development will not have an adverse impact on the market area. As complete, the property will be 100 percent LIHTC at 60 percent of the area median income and will also be Section 8 with subsidies for all units. The property is currently 96 percent occupied, and maintains a waiting list with 193 applicants. There were 11 income-restricted developments, including the subject, confirmed in the market area. Of the confirmed income-restricted developments, eight directly compete with the subject. All competing developments maintain high occupancy rates, and most maintain waiting lists from the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing.

Market Feasibility

The following tables show the capture rates for the rehabilitated development both with and without considering subsidies.

CAPTURE RATE BY INCOME LIMITS - WITH SUBSIDY	
	All Units @ 60% (\$0- \$92,220)
Income Restrictions:	
All Units at Subject	2.6%
Vacant Units at Subject	0.1%

CAPTURE RATE - WITHOUT SUBSIDY	
	All Units @ 60% (\$65,863- \$92,220)
Income Restrictions:	
All Units at Subject	7.4%

The market shows a net demand of 1,915 households for all units when considering the Section 8 subsidy and a net demand of 671 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 and LIHTC development that is currently 96 percent occupied, with two vacant units. The property has a waiting list with 187 applicants. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 50 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 2.6 percent if the property were entirely vacant. However, the subject is currently 96 percent occupied, with two vacant units. The capture rate is 0.1 percent when considering subsidies and only vacant units. Both captures rates when considering subsidies are considered good. The capture rate, without considering the subsidy, is 7.4 percent, which is also considered good due to the existing waiting lists and high occupancy rates of



LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Evaluation of Project

The property is easily accessed via Crevenna Oaks Drive. Crevenna Oaks Drive connects to Oak Green Way, which then connects to Burke Centre Parkway. Burke Centre Parkway provides direct access to Ox Road/State Highway 123, a major thoroughfare in the city. Therefore, the subject has average visibility and easy access. The subject's existing site plan and project design are similar to competing apartment developments. The subject's existing unit mix of two- and three-bedroom units is suitable in the market.

Positive/Negative Attributes

Strengths: The subject's location is comparable to other developments in the market area. Its current and proposed in-unit and common area amenities will be competitive with the other developments in the market area. When these factors are taken into consideration, the subject's rehabilitated units will provide a good value to prospective tenants.

Weaknesses: There are no apparent weaknesses.

Conclusions

The subject can retain its required share of the market area for the following reasons:

- The subject's rehabilitated design and amenities will be competitive with other existing projects. Therefore, no modifications to the subject are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2027, indicating a need for additional housing in the market area. In addition, all restricted properties confirmed maintain high occupancy rates, and the majority maintain waiting lists, it appears the market is not oversaturated with affordable rental housing.
- Crevenna Oaks Apartments is an existing 50-unit Section 8 development that will be rehabilitated. Once rehabilitated is complete, the subject will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is an existing Section 8 development that is currently 96 percent occupied, with two two-bedroom vacant units. The property has a waiting list with 193 applicants. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, it is unlikely all of the existing tenants would remain income-eligible, and the 50 units would need to be absorbed into the market. After considering all factors, it is estimated that the subject property could absorb 10 to 15 units per month, resulting in a 95 percent occupancy level within four to five months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the rehabilitated development will be suitable for the market area. Given the current low vacancy rates for income-restricted properties as well as the waiting lists at most properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.

INTRODUCTION AND SCOPE OF WORK



Introduction and Scope of Work

The Scope of Work Rule requires us to gather and analyze information about those assignment elements that are necessary to properly identify the problem to be solved. According to the Standards Rule 1-2, identification of the problem to be solved requires us to identify the following assignment elements.

- Client and any other intended users: The client and developer for this market study assignment is Related Affordable. The intended users of the report are Related Affordable and Virginia Housing. No other users are intended.
- Intended use of the analyst's opinions and conclusions: The intended use of this market study is to apply for Low Income Housing Tax Credits through Virginia Housing.
- Effective date of the analyst's opinions and conclusions: The effective date of the rental estimate is August 17, 2022.
- Subject of the assignment and its relevant characteristics: The subject property is an existing 50-unit apartment complex known as Crevenna Oaks Apartments. The subject is located along the east side of Crevenna Oak Drive. Its physical address is 10981 Crevenna Oak Drive.
- Assignment conditions: Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, supplemental standards, jurisdictional exceptions, and other conditions that affect the scope of work. The following assumptions are used in this market study assignment: *The market study was written under the extraordinary assumption that the property will be rehabilitated as indicated in the Scope of Work. This market study was written under the extraordinary assumption that there are no long term impacts from the COVID-19 pandemic. The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*
- An environmental audit was not provided. I am not qualified to complete an environmental audit. The stated opinion of rental rates is predicated on the assumption that no hazardous substances or conditions materially affect the subject property.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. No specific compliance survey or analysis of the identified property has been made to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property will not comply with one or more of the requirements of the Act. If so, this fact could have an adverse impact upon the value of the property. Since there is no direct evidence relating to this issue, it is assumed that no substantial immediate outlays will be mandated by governing authorities to meet ADA requirements.
- Unemployment statistics are based on the information available from the U.S. Department of Labor Bureau of Labor Statistics. The data shown in this report is based on the data available as of the effective date of the analysis. The Department of Labor will periodically revise the data by incorporating additional information that was not available at the time of the initial publication of the estimates. The initial data is revised twice, first within two months of initial publication in order to incorporate additional sample data from respondents in the survey and recalculate seasonal adjustment factors, and second on an annual basis to incorporate a benchmark revision that estimates nearly complete employment counts available from unemployment insurance tax records.
- The U.S. Census Bureau American Community Survey (ACS) uses a series of monthly samples to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. Initially, five years of samples were required to produce these small-area data. Once the U.S. Census Bureau released its first five-year estimates, new small-area statistics were produced annually. The Census Bureau also produces three-year and one-year data products for larger geographic areas.
- The American Housing Survey (AHS) is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau. The survey provides up-to-date information about the quality and cost of housing in the United States and major metropolitan areas. It also includes questions about the physical condition of homes and neighborhoods, the



cost of financing and maintaining homes and the characteristics of people who live in these homes. The survey is conducted every other year and covers all 50 states and the District of Columbia. The 2015 AHS underwent a major redesign. Prior to this survey, the same households were re-surveyed every two years. A new sample was redrawn in 2015 for the first time since 1985, and new households were asked to participate in the survey. Additionally, the questionnaire was redesigned with some variables added and others dropped or modified. Imputation methods were also streamlined, and the weighting methodology changed. Therefore, some estimates in 2015 are not comparable to previous years.

- The building improvements meet all governing codes, unless otherwise noted in this report.

An **extraordinary assumption**¹ is defined as:

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The analyst has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The analyst complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.²

A **hypothetical condition**³ is defined as:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market condition or trends; or about the integrity of data used in an analysis.

A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The analyst complies with the disclosure requirements set forth in USPAP for hypothetical conditions.⁴

¹ Uniform Standards of Professional Appraisal Practice, *2020-2021 Edition* (Effective January 1, 2020 through December 31, 2022) (The Appraisal Foundation, 2020), pg. 4

² Uniform Standards of Professional Appraisal Practice, *2020-2021 Edition* (Effective January 1, 2020 through December 31, 2022) (The Appraisal Foundation, 2020), pg. 14

³ Uniform Standards of Professional Appraisal Practice, *2020-2021 Edition* (Effective January 1, 2020 through December 31, 2022) (The Appraisal Foundation, 2020), pg. 4

⁴ Uniform Standards of Professional Appraisal Practice, *2020-2021 Edition* (Effective January 1, 2020 through December 31, 2022) (The Appraisal Foundation, 2020), pg. 14



The following extraordinary assumptions are used in this market study consultation assignment: *The market study was written under the extraordinary assumption that the property will be rehabilitated as indicated in the Scope of Work. This market study was written under the extraordinary assumption that there are no long term impacts from the COVID-19 pandemic.*

The following hypothetical condition are used in this market study consultation assignment: *The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*

This market study was completed in accordance with the requirements set forth in Virginia Housing's 2022 Market Study Guidelines.

Janice F. Gill, MAI, State Certified General Real Estate Appraiser and Market Analyst, oversaw and supervised all data collection and analysis and performed the research. The following actions were taken to complete this market study.

- On August 17, 2022, Jonathan Richmond, a Market Analyst, conducted an interior and exterior inspection of the subject property to determine the property's physical and functional characteristics. Jonathan Richmond inspected all common areas and at least one unit of each varying type. He interviewed Adam Stewart to determine the rental rates, services and amenities offered to the tenants of the subject property
- The purpose of this market study is to determine if the community has a need for the subject units. To do so, the analysts utilize data from the U.S. Census Bureau; Ribbon Demographics, 2022 Data; and various other demographic resources. Community information and opinion was also utilized. The research retrieved data from several of the following: internet sites, local newspapers and rental publications, city records, owners and managers of local apartment properties, local real estate brokers, fellow analysts and the analyst's office files.
- During the week of August 17, 2022, Jonathan Richmond, inspected the exterior of each comparable property used in the analysis. During the site inspections or in separate telephone interviews, Jonathan Richmond, Janice F. Gill, MAI, or one of their associates, spoke with the managers of the comparable properties to confirm all data and to collect additional information about each comparable including size, age, amenities, occupancy rates and general market information. The property manager provided floor plans or other information describing the size of comparable units after it was explained that the interior size was needed.
- Jonathan Richmond and Janice F. Gill, MAI, the primary market analysts, completed the data and adjustments columns of the Rent Comparability Grids and determined the final estimate of rents. After completing the Rent Comparability Grids, Jonathan Richmond and Janice F. Gill, MAI, derived an estimated market rent and an estimated achievable rent for each unit type. Jonathan Richmond and Janice F. Gill, MAI, also completed the demand, penetration rate and capture rate conclusions through analysis of all aspects of the subject, market area and demographic data available to the analyst.

PROJECT DESCRIPTION



Project Description

Project Name: Crevenna Oaks Apartments
Location: 10981 Crevenna Oak Drive
Burke, Virginia
Project Type: Family
Construction Type: Rehabilitated
Developer: Related Affordable
Area Median Family Income: \$142,300

The subject, Crevenna Oaks Apartments, is an existing Section 8 development designated for families. The subject consists of six two-story townhome buildings with 50 unit. The subject property will undergo renovation. Once renovation is complete, the subject will continue to be a Section 8 with subsidies for all units. The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two and five persons and incomes below \$92,220 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$65,863 and \$92,220 would be eligible for the rehabilitated development.

Project Design

Crevenna Oaks Apartments is comprised of six two-story townhome buildings. The buildings have a concrete slab foundation and wood framing, with vinyl siding exterior and asphalt shingle roofs. The complex was constructed in 1980 and was renovated in 2008. The property will once again be rehabilitated. Landscaping is minimal and consist of grass, trees and shrubs. The property is not a scattered site development.

Unit Features

Each unit contains the following amenities: refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer, carpet and vinyl flooring, blinds and patio. Upon completion of rehabilitation, the units will also contain granite countertops and in-unit Wi-Fi.

Common Amenities and Services

The property provides the following project amenities: playground, exterior storage, on-site management, on-site maintenance and video surveillance.

Parking

The complex contains an open asphalt parking lot. The complex does not charge any additional fees for parking.



Utilities

The following tables describe the subject property's utility combination.

UTILITY SCHEDULE		
Utility	Type	Who Pays
Heat	Electric Heat Pump	Tenant
Air Conditioning	Central Electric	Tenant
Hot Water	Electric	Tenant
Cooking	Electric	Tenant
Other Electric	Electric	Tenant
Cold Water/Sewer	N/A	Landlord
Trash Collection	N/A	Landlord

Unit Mix, Size and Rent Structure

The following chart lists the subject's unit mix. The property has a total of 51,420 net rentable square feet.

Unit Type	# of Units	Square Feet	Total Square Footage
2/1	30	838	25,140
3/2	20	1,314	26,280
	50		51,420

The following chart lists the subject's existing unit distribution by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
2/1	30	838	\$2,055	\$107
3/2	20	1,314	\$2,415	\$118
	50			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
2/1	30	838	60%	\$1,921	\$2,392	\$107	\$2,285
3/2	20	1,314	60%	\$2,220	\$3,163	\$118	\$3,045

Since the subject will retain its Section 8 contract, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. However, tenants will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants be required to pay more than the maximum allowable LIHTC rent.



The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$92,220 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$65,863 and \$92,220 would be eligible for the rehabilitated development.

LIHTC INCOME LIMITS	
Person in Households	60%
1	\$59,820
2	\$68,340
3	\$76,860
4	\$85,380
5	\$92,220
6	\$99,060

Source: HUD

Tenant Services

The subject does not offer any tenants services.

Scope of Work

The property will undergo a substantial rehabilitation and will be in good condition. The scope of repairs will consist of full bathroom upgrades, new kitchen appliances, cabinets, granite countertops, lighting, windows, flooring, doors, property systems, roofing and common lighting and flooring. Additional general site upgrades will be made to pavements, parking lots, landscaping, and signage. Security upgrades will include new cameras for the complex. The meeting room will receive new furniture, and the park area will receive new benches and updated playground equipment. Each unit has a storage unit in the backyard which will be repainted and repaired. Lastly, the complex will contain free common area Wi-Fi as a free amenity for the tenants. The total estimated cost of rehabilitation will be approximately \$50,000 per unit. The rehabilitation is anticipated to begin in August 2022 and end in August 2023.



Location/Site Characteristics

The subject consists of one irregular-shaped tract of land that contains a total of 5.41 acres. The subject property is zoned PRC, Planned Residential Community District. Therefore, the subject is a legal, conforming use. A zoning change is unlikely. The subject is not a scattered site development. The subject is located in Census Tract #4320.00.

The subject neighborhood is comprised primarily of vacant land and is 45 percent built up. Approximately 30 percent of the land use is made up of multifamily dwellings. About 15 percent is comprised of commercial properties. The remaining 55 percent is vacant land. The subject neighborhood is in average condition with average appeal. There are no known nuisances in the neighborhood. Vacant land, Luciana's Childcare and Farview Elementary School are located north of the site. Mane Dazzle, Motorcycle Repair, single-family residences and vacant land are located south of the site. Several multifamily dwellings and commercial properties are located east of the subject. Ascendant Wealth Strategies, La Petite Academy of Fairfax Station, Companion Animal Clinic, vacant land and Fairfax County Parkway Trail are located west of the subject. The area is mostly urban.

SITE EVALUATION



Project Location

The subject property is an existing Section 8 development with a total of 50 units and is located in Burke, Virginia. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC with income levels at 60 percent of the area median income.

Burke is a city located in Fairfax County which is located in the northwestern portion of Virginia. Nearby cities include Arlington, Annandale, Clifton, Fairfax, Lorton, Springfield, Burke Centre, Manassas, Vienna, Kings Park West, Long Branch, Wakefield, Kings Park, West Springfield, Newington Forrest and South Run. Fairfax County has the following boundaries: North – Loudoun County; East – Arlington, Montgomery MD and District of Columbia; South – Prince George’s and Charles County MD; and West – Manassas and Prince William County.

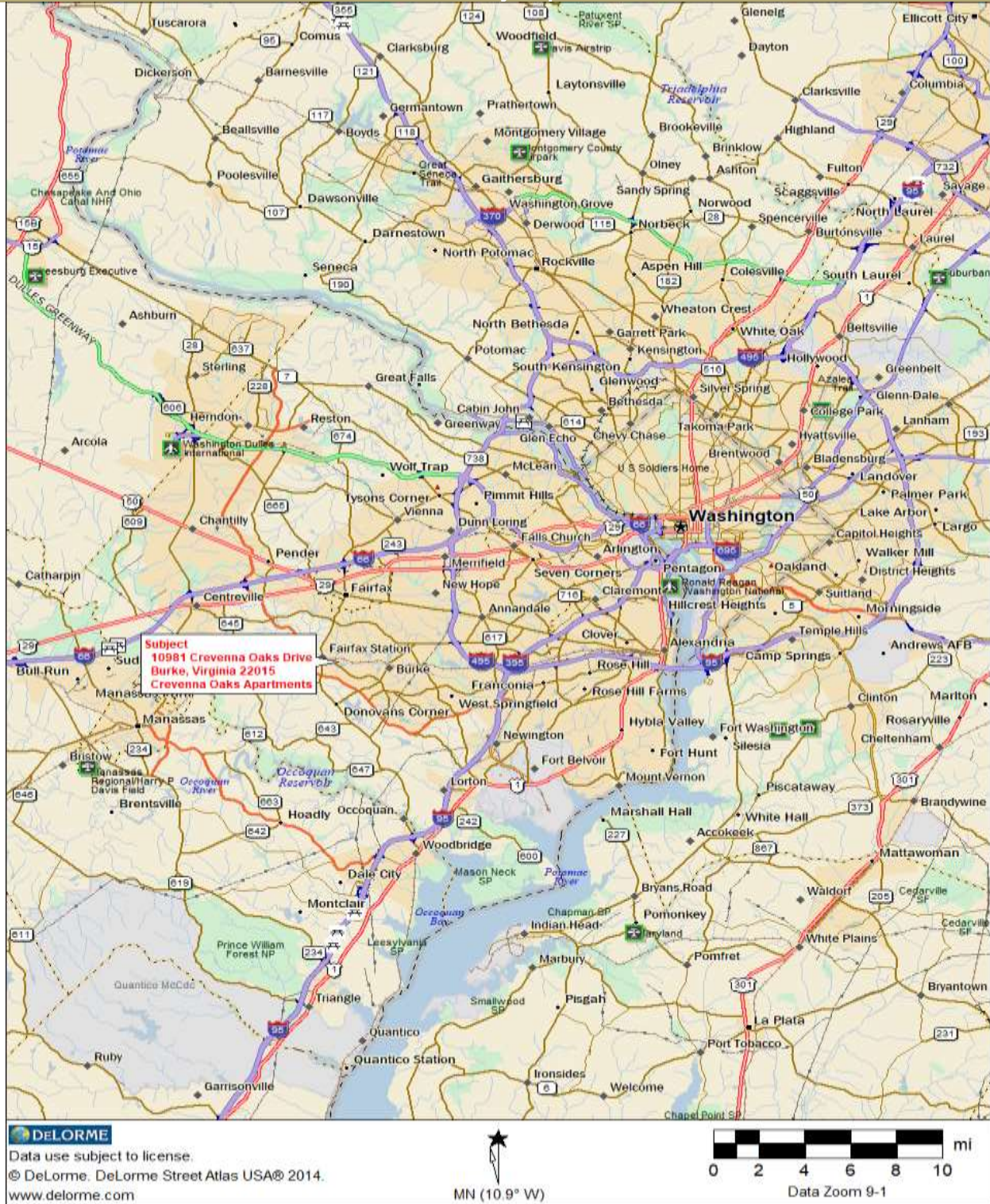
Major highways in Fairfax County include U.S. Highway 1, 29 and 50; Interstate Highway 66, 95, 395 and 495; and State Highways 7, 9, 28, 120, 123, 193, 236, 244, 267, 286, 309, 420, 602, 606, 609, 611, 613, 638, 640, 641, 643, 644, 645, 647, 651, 652, 654, 657, 664, 665, 674, 681, 699, 702, 710 and 4721. Rail service is provided by Virginia Railway Express. Passenger rail service is available at Burke Centre Railway Station served by Virginia Railways Express Manassas Line. Once daily Amtrak Northwest Regional round trip service is also available at this location. Washington Dulles International Airport and Washington National Airport provide facilities for air transportation. Bus service is provided by Washington D.C. Metro Bus.



Crevenna Oaks Apartments
10981 Crevenna Oak Drive
Burke, Virginia 22015



Vicinity Map





Community and Site Information

Site Characteristics

The subject property is located in a residential neighborhood in the northwestern portion of Burke. The subject is located along the east side of Crevenna Oak Drive.

The property is easily accessed via Crevenna Oaks Drive. Crevenna Oaks Drive connects to Oak Green Way, which then connects to Burke Centre Parkway. Burke Centre Parkway provides direct access to Ox Road/State Highway 123, a major thoroughfare in the city. Therefore, the subject has average visibility and easy access. The subject's existing site plan and project design are similar to competing apartment developments. The subject's existing unit mix of two- and three-bedroom units is suitable in the market.

The subject consists of one irregular-shaped tract of land that contains a total of 5.41 acres. The subject property is zoned PRC, Planned Residential Community District. Therefore, the subject is a legal, conforming use. A zoning change is unlikely. The subject is not a scattered site development. The subject is located in Census Tract #4320.00.

Surrounding Land Uses

The subject neighborhood is comprised primarily of vacant land and is 45 percent built up. Approximately 30 percent of the land use is made up of multifamily dwellings. About 15 percent is comprised of commercial properties. The remaining 55 percent is vacant land. The subject neighborhood is in average condition with average appeal. There are no known nuisances in the neighborhood. Vacant land, Luciana's Childcare and Farview Elementary School are located north of the site. Mane Dazzle, Motorcycle Repair, single-family residences and vacant land are located south of the site. Several multifamily dwellings and commercial properties are located east of the subject. Ascendant Wealth Strategies, La Petite Academy of Fairfax Station, Companion Animal Clinic, vacant land and Fairfax County Parkway Trail are located west of the subject. The area is mostly urban.





Subject Photos



View of Sign



View of Entrance



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Mail Center



View of Maintenance Area



View of Playground



View of Typical Living Area



View of Typical Dining Area



View of Typical Kitchen



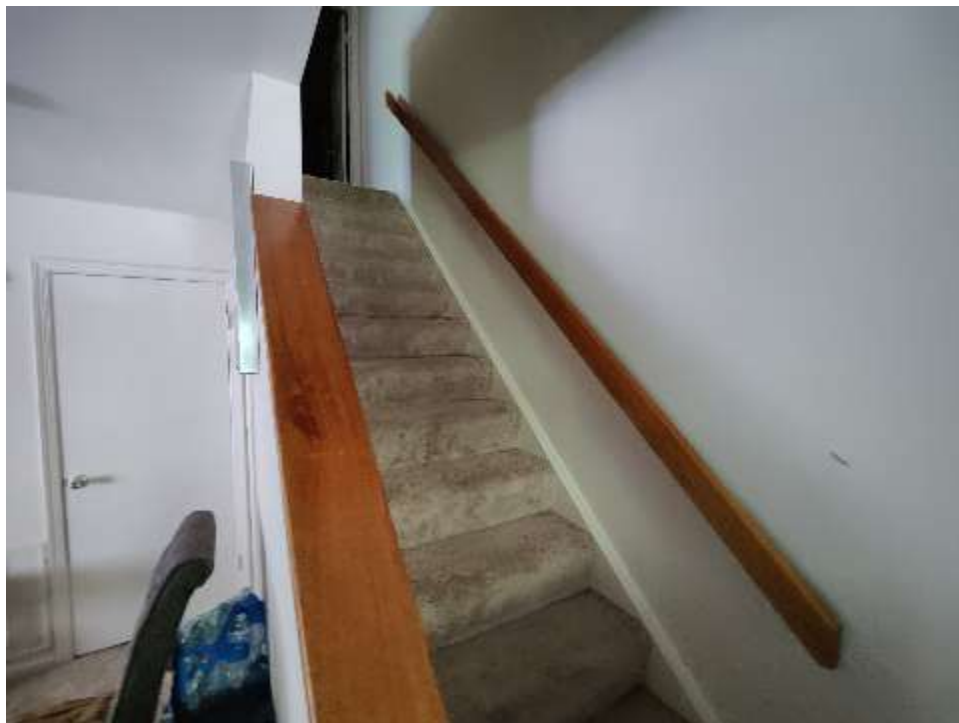
View of Typical Bedroom



View of Typical Bath



View of Typical Hallway



View of Typical Stairway



View of Typical Laundry Area



View of Typical Patio



View of Parking



View of Parking



View to the North



View to the South



View to the East



View to the West



Nearby Employment Opportunities

Most market area tenants have blue collar occupations. According to the Claritas and Ribbon Demographics, approximately 65.5 percent of the market area works in the service and laborer industries.

Regional and Area Data

Parks and Recreational Opportunities

The CDP of Burke is home to the Burke Lake Park, which consists of 888 acres and offers a miniature train, carousel, picnic area, a mini-golf course, disc golf course, ice cream stand, camping sites, tour boats, fishing, biking, boating, a 4.7 mile lake trail. The Park also holds several special events throughout the year, and several family classes/courses. The Fairfax County Park and Recreation Department also offers several other waterfront parks including the Lake Accotink Park, Lake Fairfax Park, Riverbend Park, Brookfield Pond, Huntsman Lake, Lake Mercer, Royal Lake and Woodglen Lake. Additional recreation facilities managed by the Fairfax County Park and Recreation Department include following: The Water Mine Water Park, Our Special Harbor Spray ground, Cub Run Leisure Pool & Fitness Center, Wakefield Skate Park, Lake Fairfax Skate Park, Mount Vernon Recreation Center Ice Arena, Lee District Recreation Center, Spring Hill Recreation Center, Audrey Moore Recreation Center and numerous athletic fields, walking/jogging/biking/equestrian trails, golf courses, classes, programs and clubs.

Government/Public Safety

According to the CDP of Burke, the CDP of Burke is administered by a Council-Mayor form of government. The West Springfield District Police Station provides police protection and services for the CDP of Burke. The Burke Volunteer Fire & Rescue Departments provides fire and emergency medical services for the residents of Burke.

Utilities

The City of Burke provides water and sewer services to the residents of the city. Electricity service is provided by Dominion Virginia Power. Natural gas is provided by Washington Gas. Basic land line phone service is provided by Wirefly, Verizon and Cox. Verizon and Cox provide cellular, internet and cable services.

Health Services

Medical facilities in the area include Burke Internal Medicine, Inova Primary Care – Burke, Kaiser Permanente Burke Medical Center, AllCare Family Medicine & Urgent Care of Burke, Burke Family Practice, Asian Medical Center, Complete Dermatology of Virginia, Net Global Medical Services Inc., Fairfax Family Medicine Center, Prime Medical Center and Inova Fair Oaks Hospital.

Transportation

Major highways in Fairfax County include U.S. Highway 1, 29 and 50; Interstate Highway 66, 95, 395 and 495; and State Highways 7, 9, 28, 120, 123, 193, 236, 244, 267, 286, 309, 420, 602, 606, 609, 611, 613, 638, 640, 641, 643, 644, 645, 647, 651, 652, 654, 657, 664, 665, 674, 681, 699, 702, 710 and 4721. Rail service is provided by Virginia Railway Express. Passenger rail service is available at Burke Centre Railway Station served by Virginia Railways Express Manassas Line. Once daily Amtrak Northwest Regional round trip service is also available at this location. Washington Dulles International Airport and Washington National Airport provide facilities for air transportation. Bus service is provided by Washington D.C. Metro Bus.

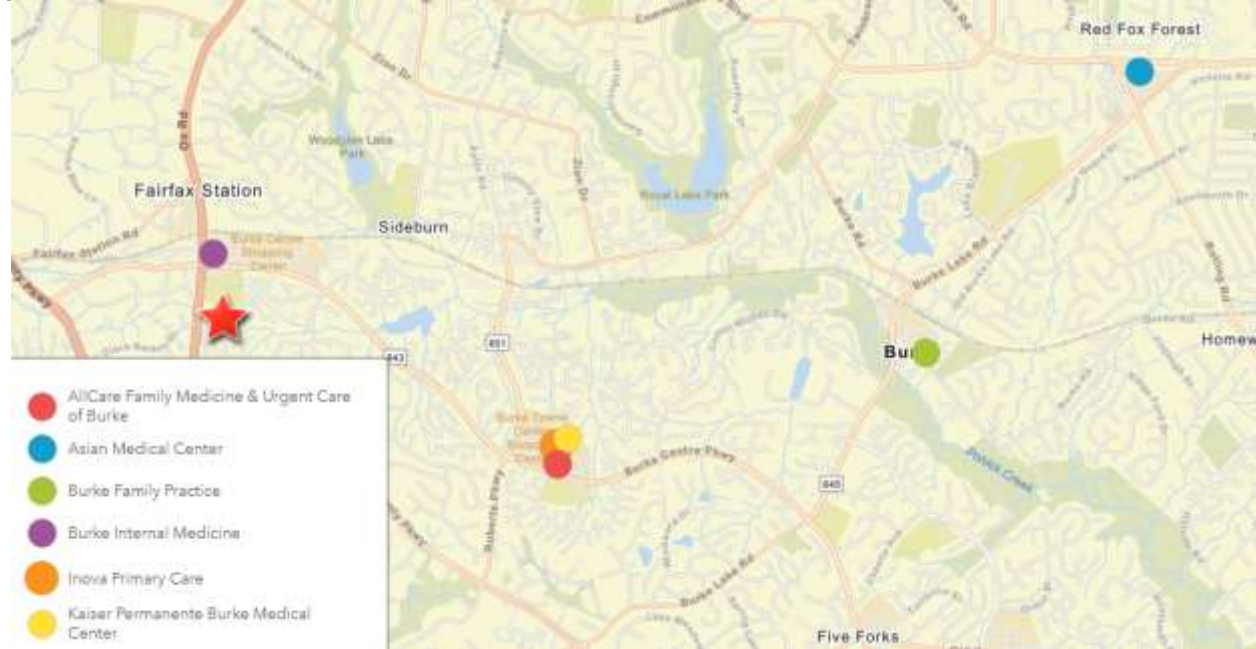


Crime

According to AreaVibes, there are no defined neighborhoods in the CDP of Burke. Therefore, data for the CDP was utilized. In the CDP, approximately 90 per 100,000 residents are victims of a violent crime annually, and approximately 629 per 100,000 residents are victims of a property crime each year. The crime rate for the city is 56.8 percent lower than for the state, and 69.4 percent lower than for the nation. The total number of crimes in the CDP has decreased 10 percent within the past year, according to AreaVibes. In the CDP, there is a 1 in 1,108 chance of being the victim of a violent crime and a 1 in 159 chance of being the victim of a property crime. The life cycle is generally in the stability stage. In addition, the subject property has video surveillance, which helps to offset any negative impact from crime. Therefore, there are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area.

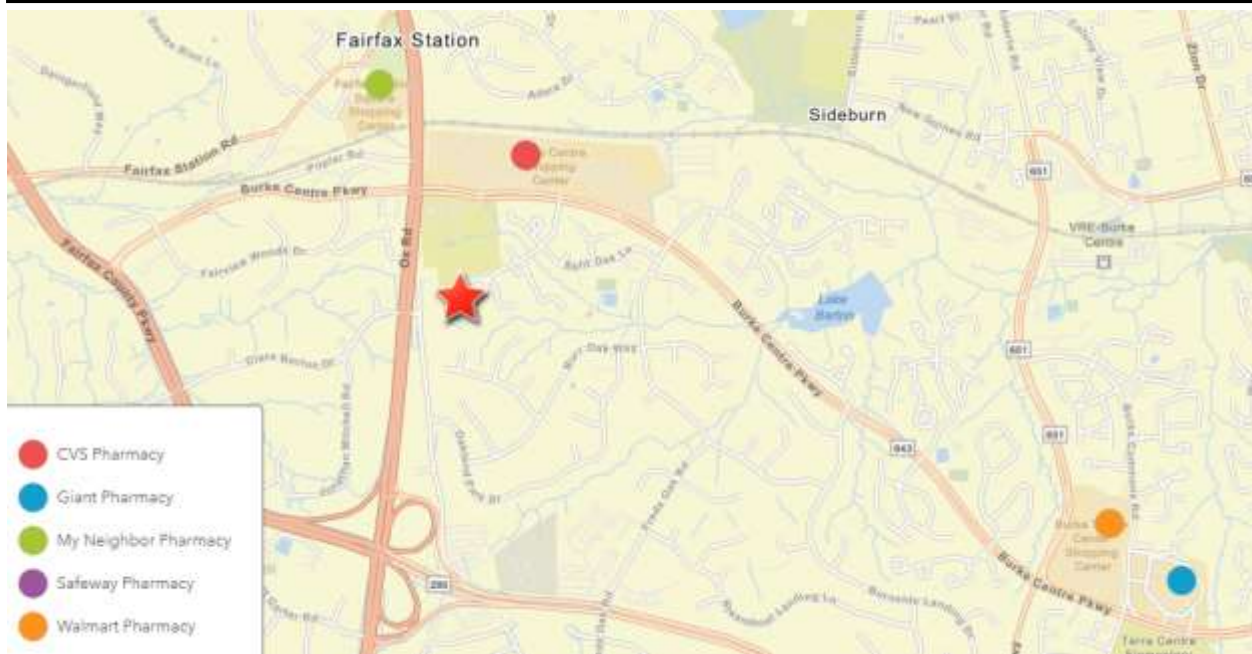


Community Services Legends and Maps



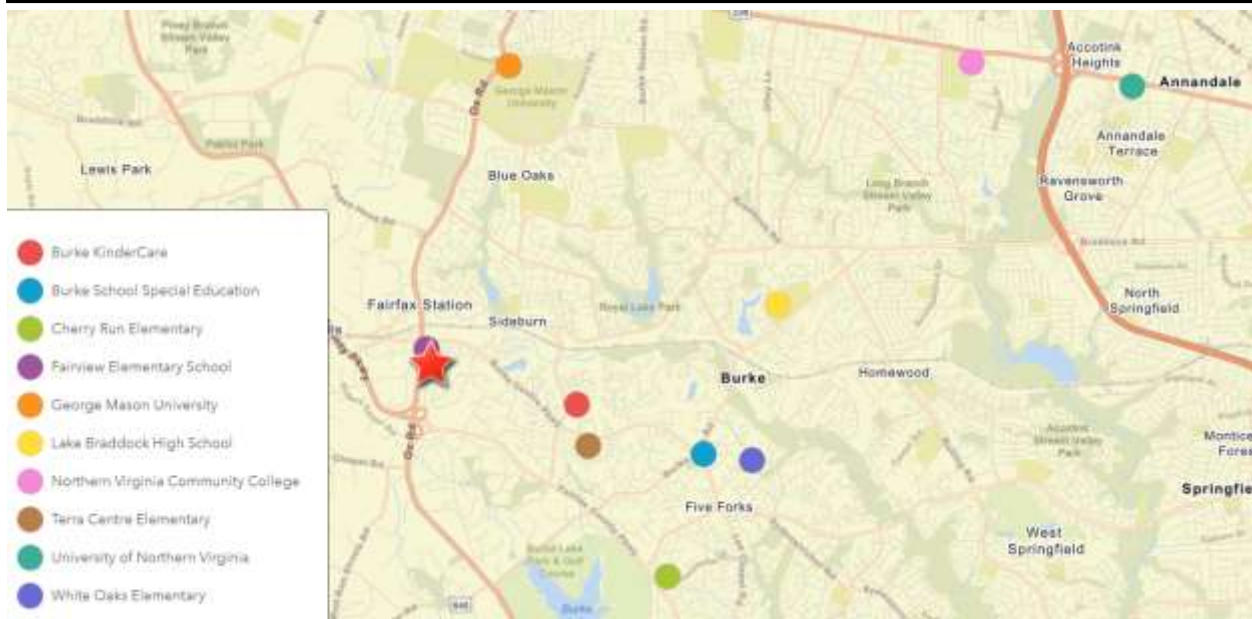
MEDICAL FACILITIES

Service	Distance From Site 1 (in Miles)
Burke Internal Medicine	0.6
Inova Primary Care	1.9
Kaiser Permanente Burke Medical Center	1.9
AllCare Family Medicine & Urgent Care of Burke	1.9
Burke Family Practice	4.0
Asian Medical Center	5.4



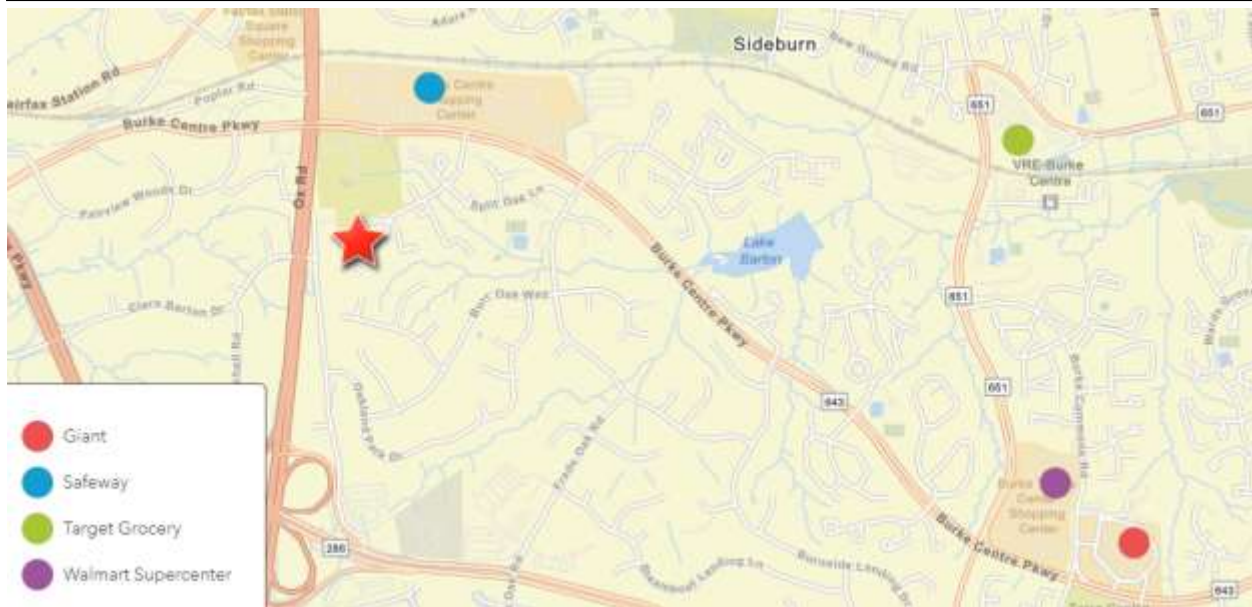
PHARMACIES

Service	Distance From Site 1 (in Miles)
Safeway Pharmacy	0.4
My Neighbor Pharmacy	0.9
Walmart Pharmacy	1.9
Giant Pharmacy	2.0
CVS Pharmacy	2.8



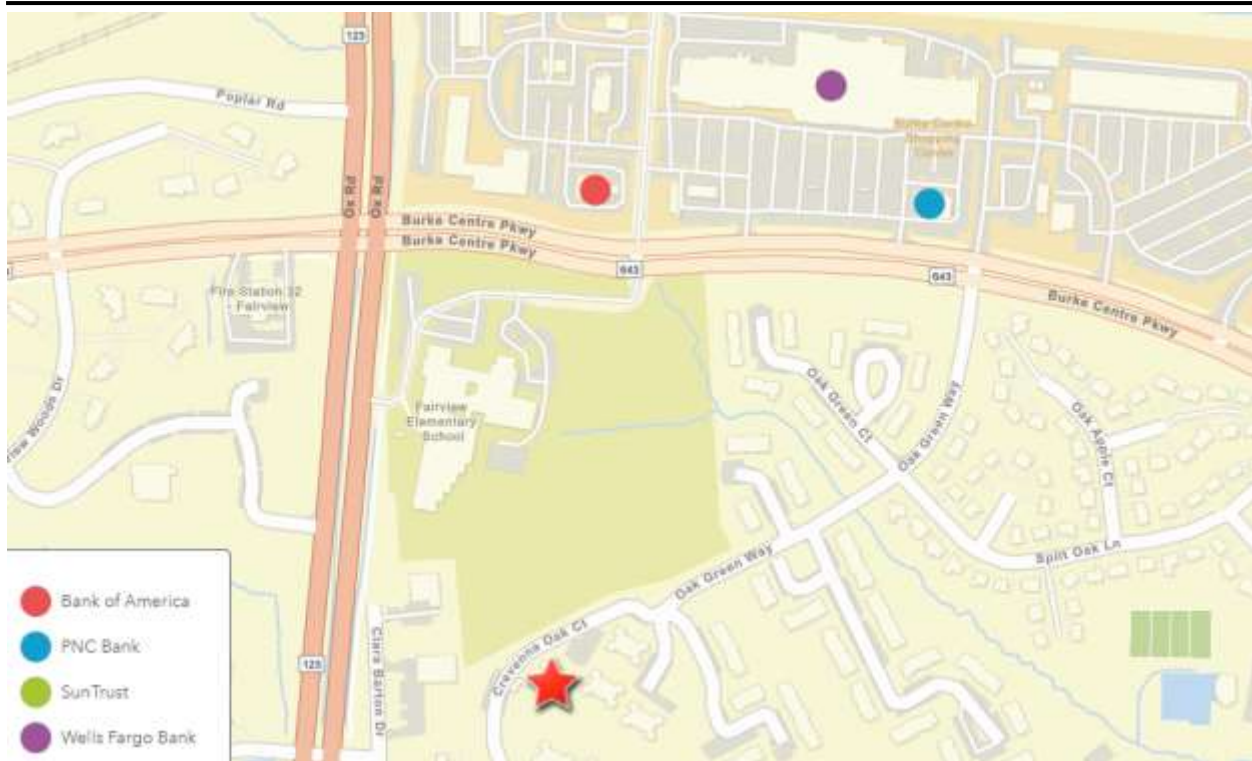
SCHOOLS

Service	Distance From Site 1 (in Miles)
Fairview Elementary School	0.6
Terra Centre Elementary	1.8
Burke KinderCare	2.0
Burke School Special Education	3.0
George Mason University	3.4
White Oaks Elementary	3.8
Cherry Run Elementary	4.3
Lake Braddock High School	5.8
Northern Virginia Community College	7.8
University of Northern Virginia	9.4



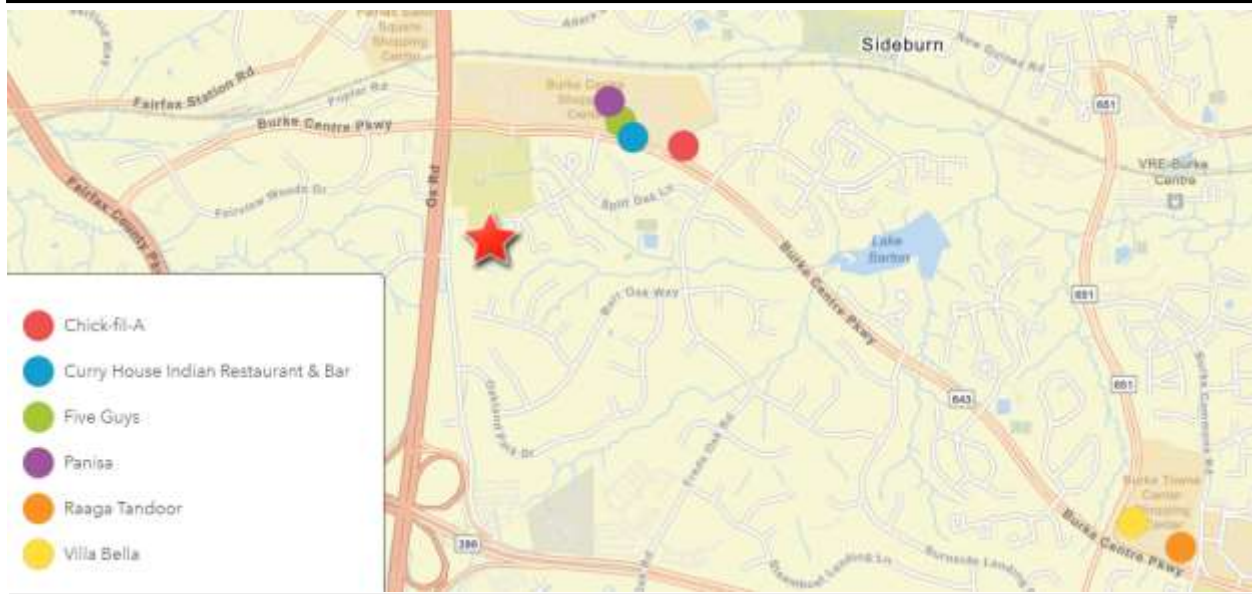
GROCERY STORES/SUPERMARKETS

Service	Distance From Site 1 (in Miles)
Safeway	0.4
Walmart Supercenter	0.5
Giant	0.6
Target Grocery	0.6



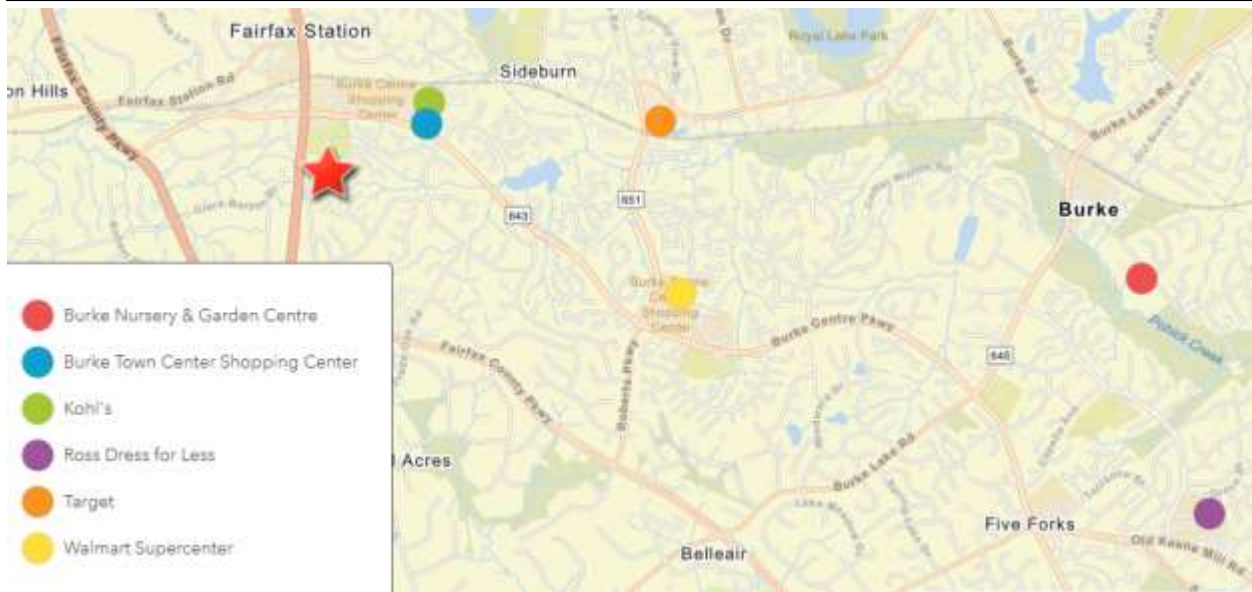
BANKS/LENDING INSTITUTIONS

Service	Distance From Site 1 (in Miles)
PNC Bank	0.4
SunTrust	0.5
Bank of America	0.6
Wells Fargo Bank	0.6



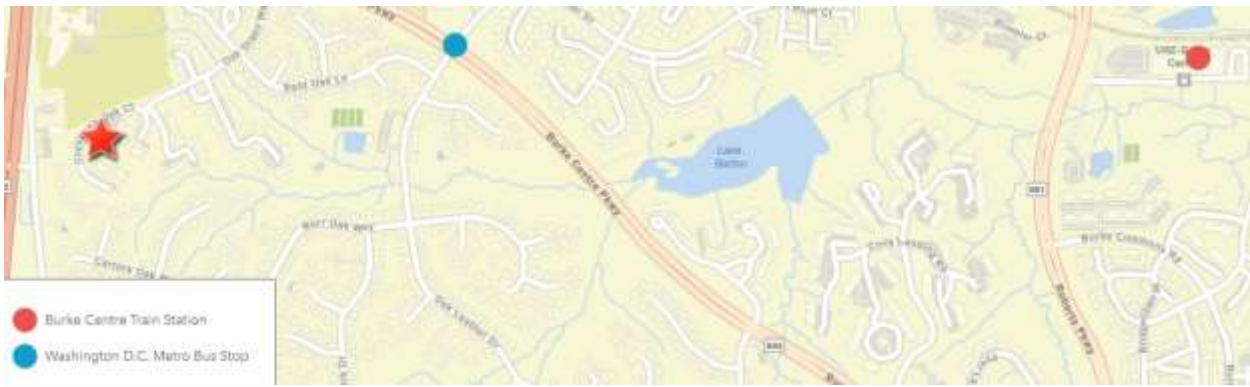
RESTAURANTS

Service	Distance From Site 1 (in Miles)
Panisa	0.4
Curry House Indian Restaurant & Bar	0.4
Five Guys	0.5
Chick-fil-A	0.6
Villa Bella	1.8
Raaga Tandoor	1.9



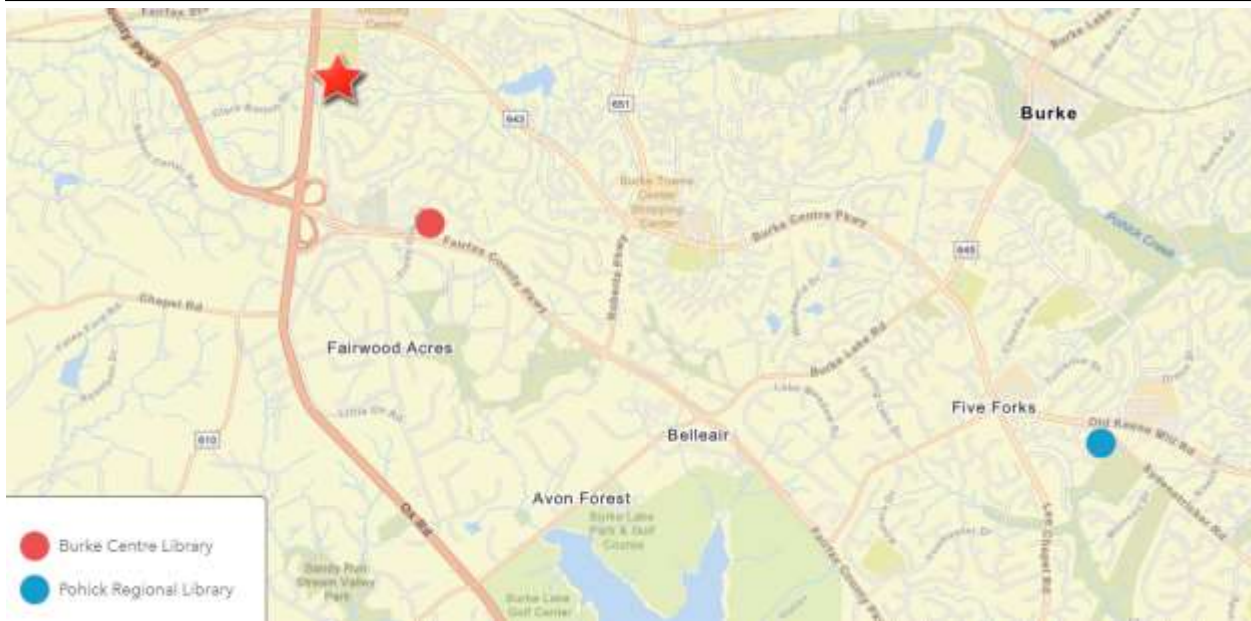
SHOPPING

Service	Distance From Site 1 (in Miles)
Burke Town Center Shopping Center	0.4
Kohl's	0.6
Walmart Supercenter	1.9
Target	2.8
Ross Dress for Less	4.2
Burke Nursery & Garden Centre	4.3

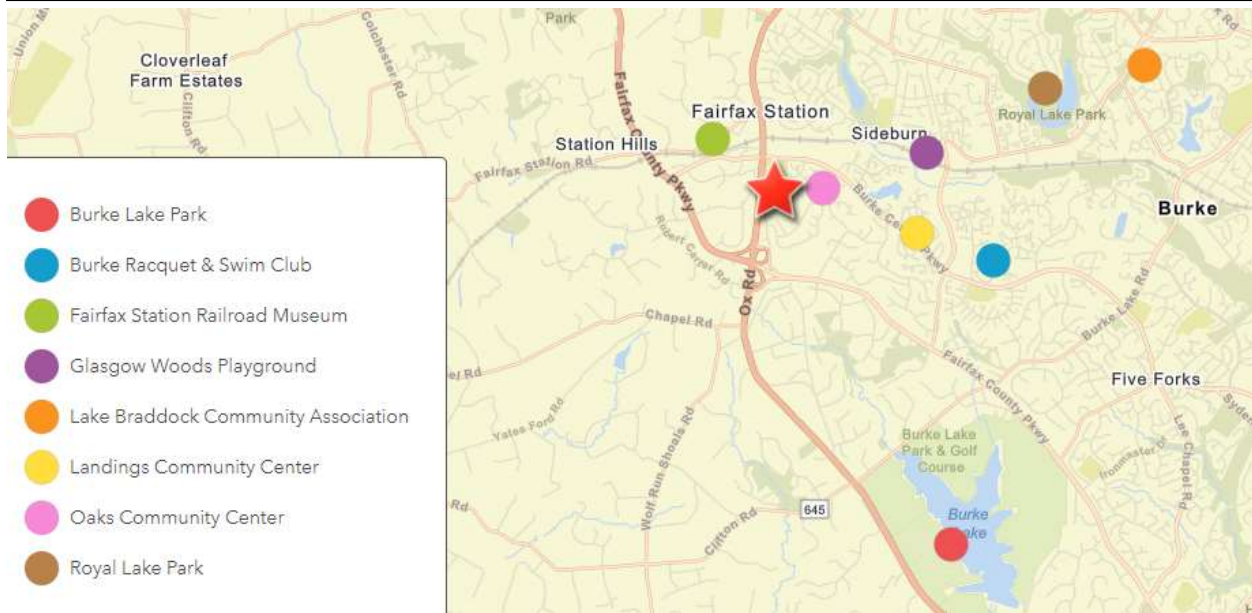


TRANSPORTATION

Service	Distance From Site 1 (in Miles)
Washington D.C. Metro Bus Stop	1.0
Burke Centre Train Station	2.3

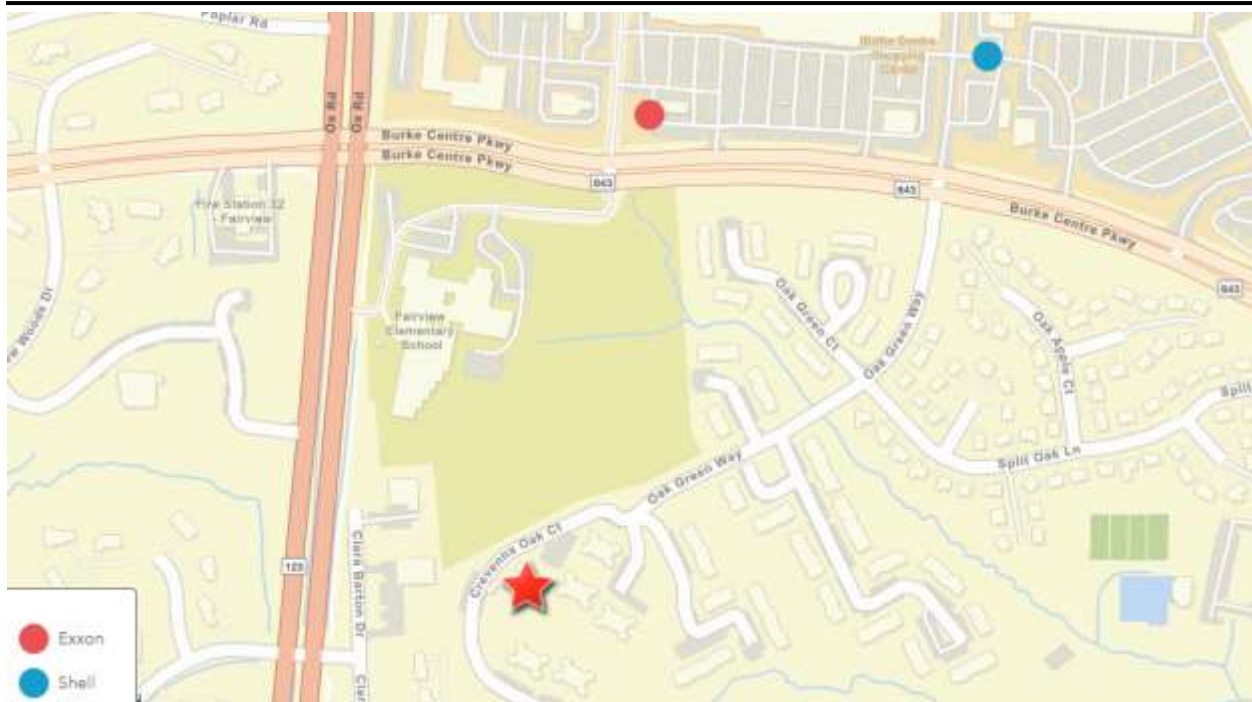


LIBRARIES	
Service	Distance From Site 1 (in Miles)
Burke Centre Library	1.4
Pohick Regional Library	4.0



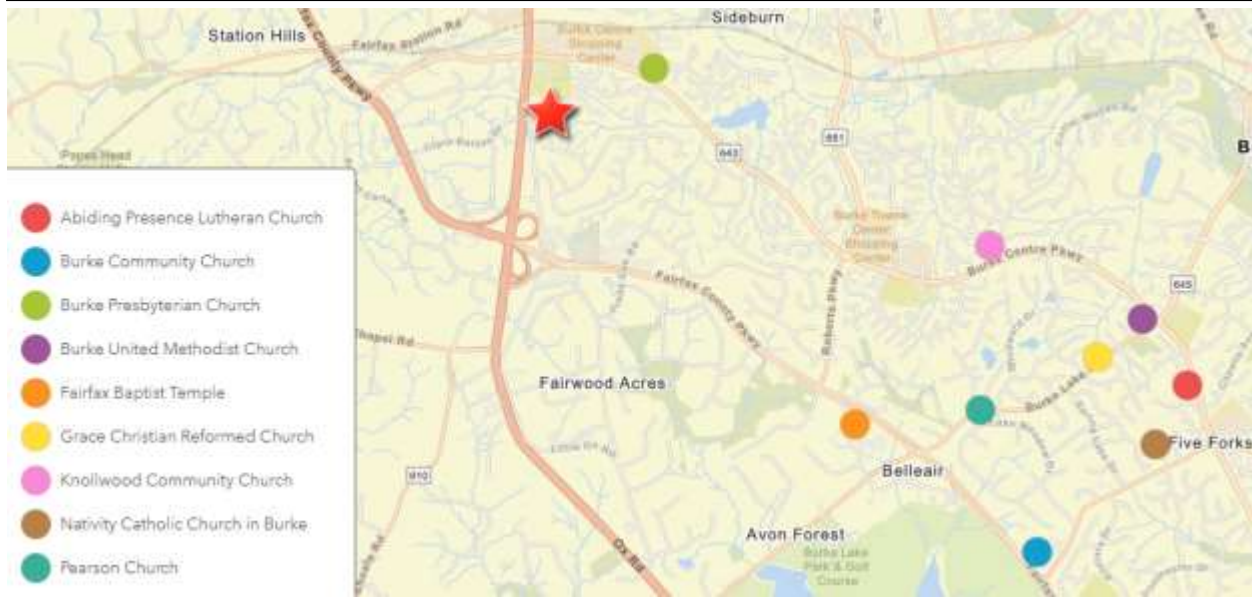
PARKS/RECREATION

Service	Distance From Site 1 (in Miles)
Oaks Community Center	0.7
Landings Community Center	1.3
Fairfax Station Railroad Museum	1.4
Burke Racquet & Swim Club	2.0
Glasgow Woods Playground	2.6
Burke Lake Park	3.7
Lake Braddock Community Association	4.4
Royal Lake Park	4.6



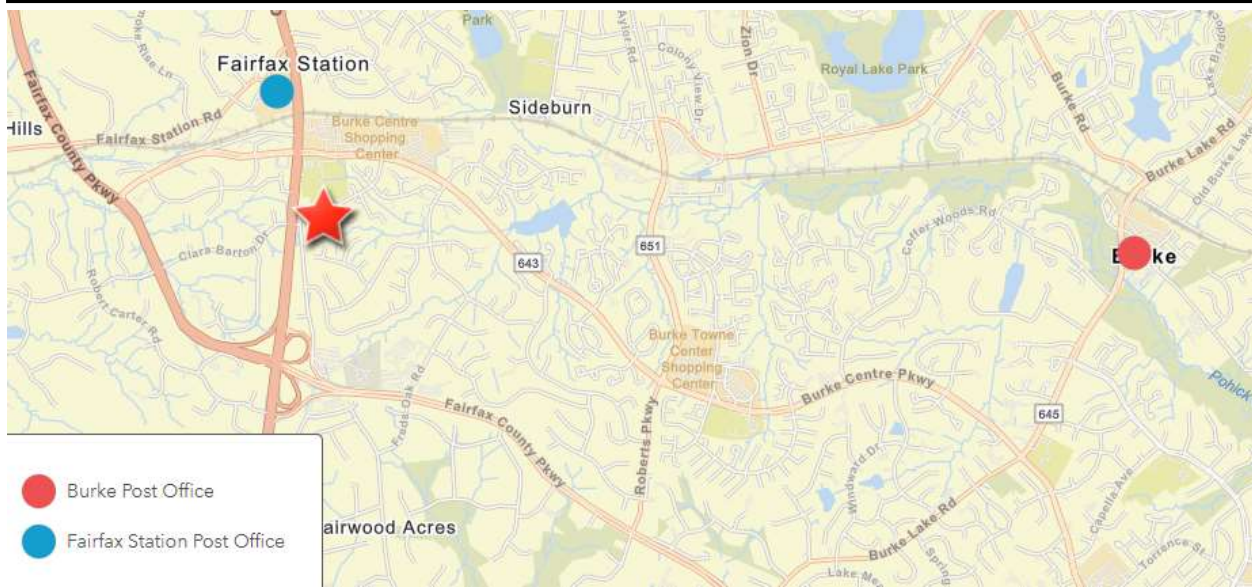
CONVENIENCE STORES

Service	Distance From Site 1 (in Miles)
Shell	0.4
Exxon	0.6



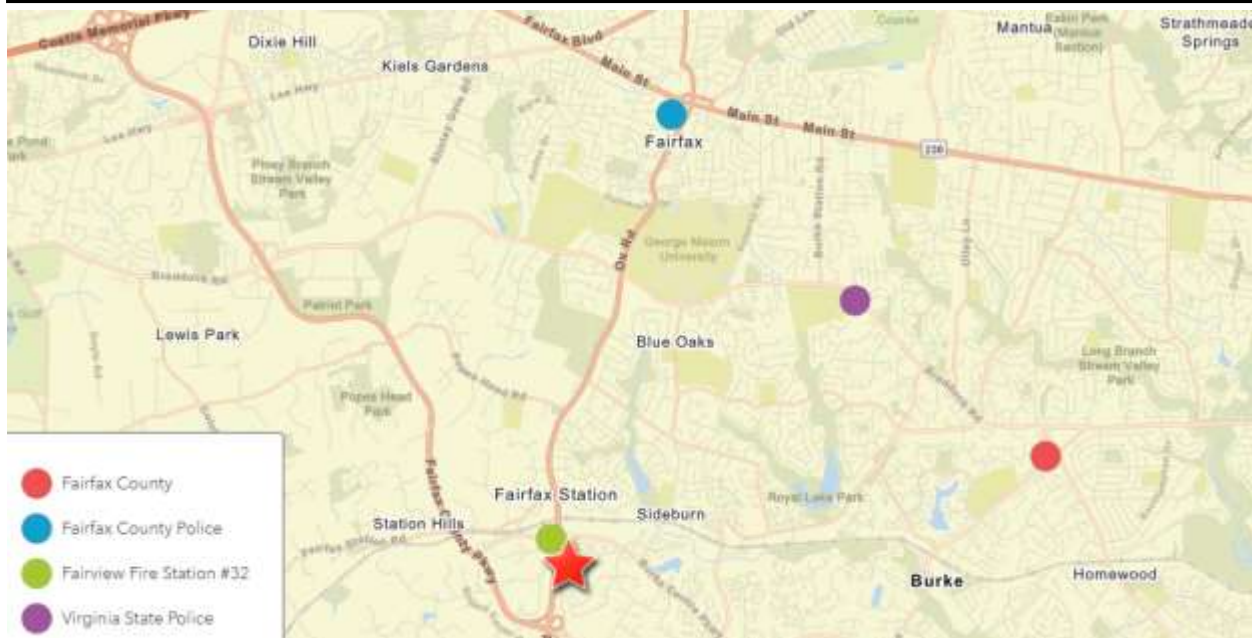
HOUSES OF WORSHIP

Service	Distance From Site 1 (in Miles)
Burke Presbyterian Church	0.8
Knollwood Community Church	2.3
Fairfax Baptist Temple	2.9
Burke United Methodist Church	3.0
Grace Christian Reformed Church	3.2
Abiding Presence Lutheran Church	3.2
Burke Community Church	3.6
Pearson Church	3.7
Nativity Catholic Church in Burke	3.8



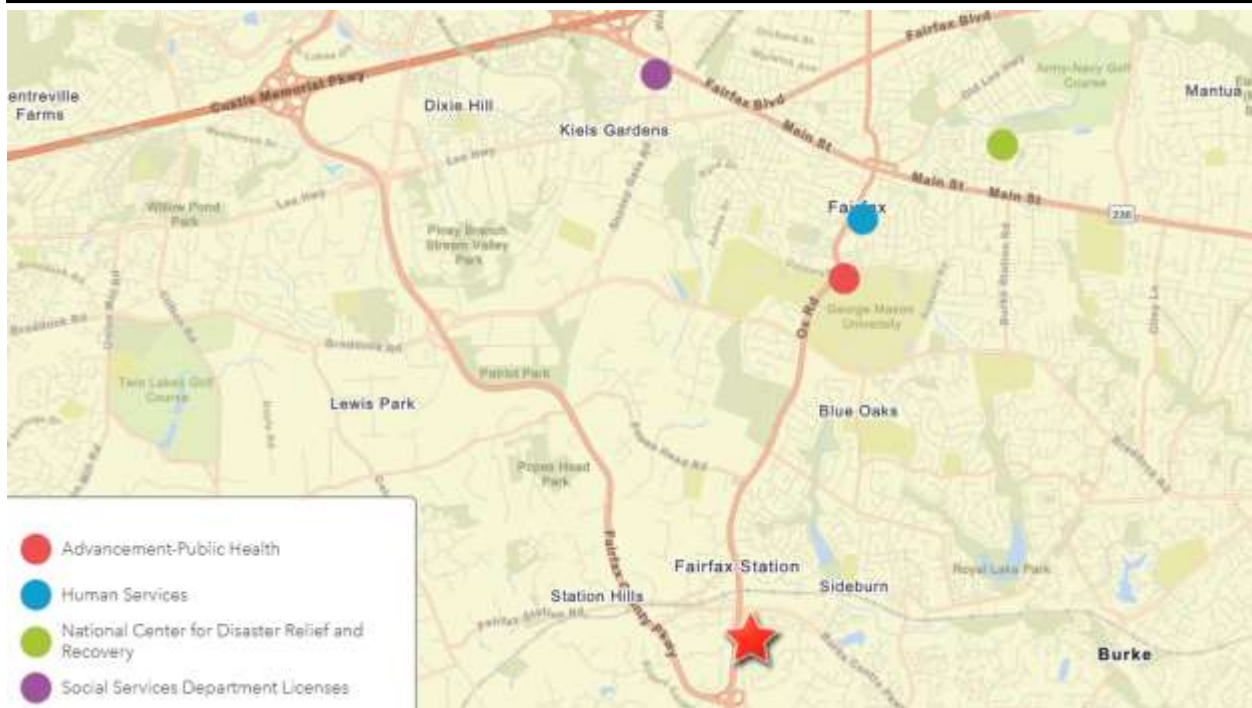
POST OFFICES

Service	Distance From Site 1 (in Miles)
Fairfax Station Post Office	0.9
Burke Post Office	3.9



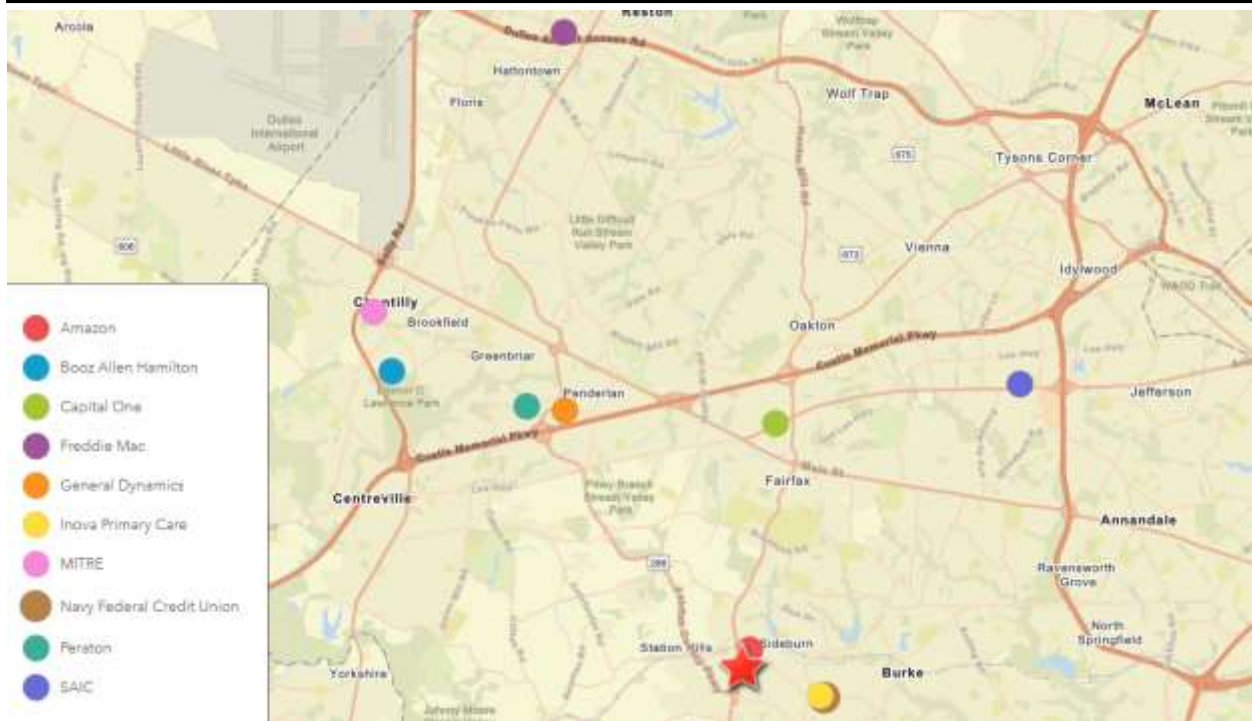
PUBLIC SAFETY/GOVERNMENT

Service	Distance From Site 1 (in Miles)
Fairview Fire Station #32	0.7
Fairfax County Police	4.0
Fairfax County	4.3
Virginia State Police	4.8



SOCIAL SERVICES

Service	Distance From Site 1 (in Miles)
Advancement-Public Health	3.6
Human Services	3.9
National Center for Disaster Relief and Recovery	5.8
Social Services Department Licenses	6.1



MAJOR EMPLOYERS

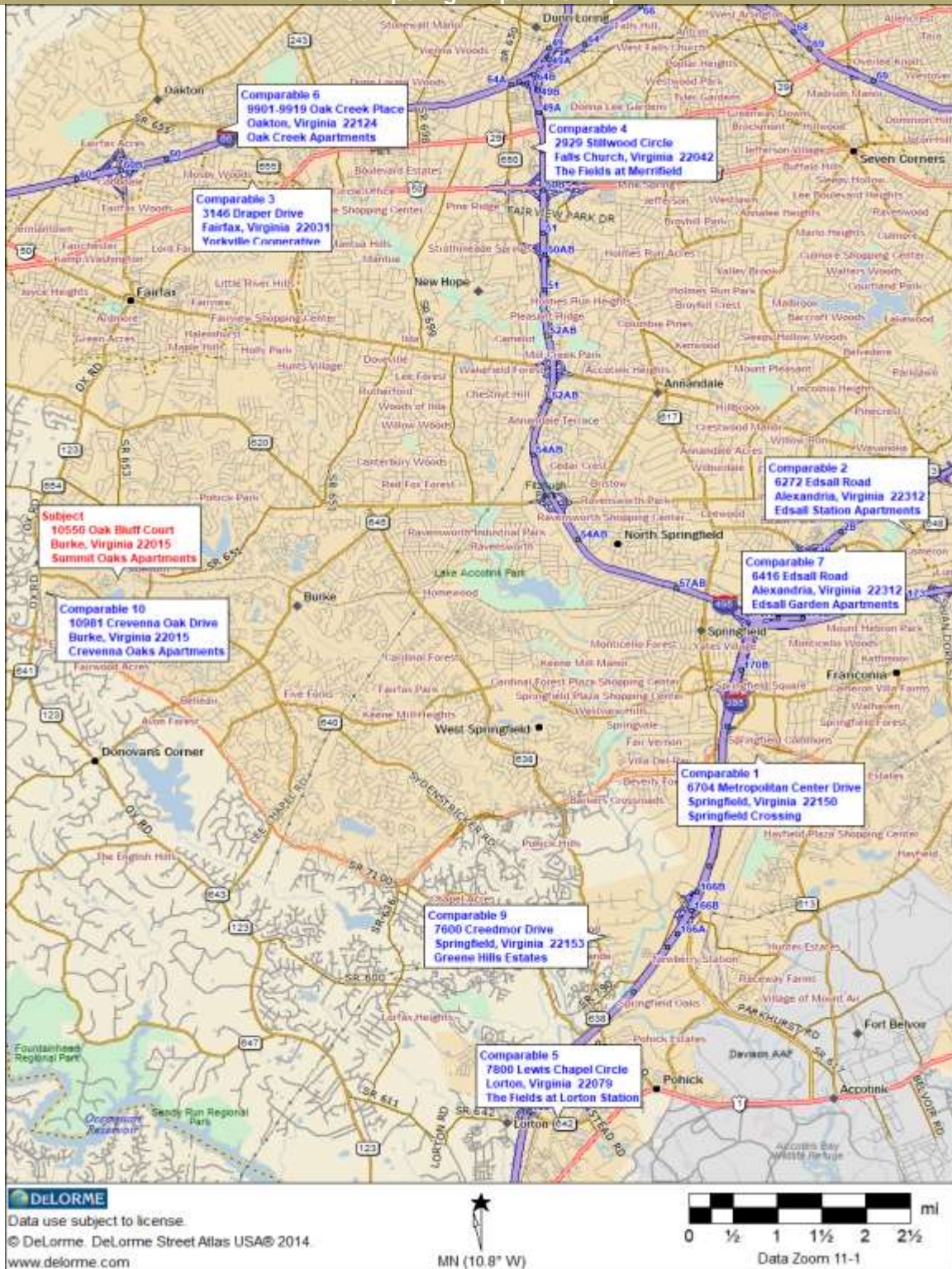
Service	Distance From Site 1 (in Miles)
Amazon	0.4
Navy Federal Credit Union	1.9
Inova Primary Care	1.9
Capital One	5.4
General Dynamics	7.8
Peraton	7.8
SAIC	9.8
Booz Allen Hamilton	12.0
MITRE	12.6
Freddie Mac	15.9

Crevenna Oaks Apartments
10981 Crevenna Oak Drive
Burke, Virginia 22015





Competing Properties Map



As renovated, the subject will have both Section 8 and LIHTC restrictions at 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



Summary of Site Strengths and Weaknesses

Strengths – The site has average visibility and access. The subject is close to employment centers, healthcare services, government and public services. In addition, the subject has excellent access to public transportation. Furthermore, the subject's location provides easy access to major thoroughfares and many recreation and shopping opportunities.

Weaknesses – The site has no apparent weaknesses.

MARKET AREA



Delineation of Market Area

Following is a list of considerations used when determining the market area:

- **Population and Households Counts:** The number of households in a market area is directly proportionate to its geographic size within an individual market. Total householders residing in a market area can greatly influence demand calculations.
- **General Demographics:** The socio-economic composition of a market area including income, household size and tenure can be largely influenced by the erroneous inclusion or exclusions of non-comparable areas.
- **Demand:** Too large of a market may result in overstating demand for a proposed development. Conversely, too conservative of a market area may discount the demand for new product, especially if a lack of quality housing currently exists.
- **Supply Analysis:** While a larger market area generally includes higher household totals, it likewise may include a higher number of directly comparable units. If using demand methodologies that net out recently constructed and comparable rental units from the demand estimate, the increase in the number of comparable units can outweigh the increase in demand.
- **Competitive Stock:** The existing rental stock surveyed for a market study is dependent on the number of rental properties in a given market and therefore the boundaries of a primary market area. If existing developments are going to be used as “comparables”, they should be located in the primary market area, if possible.
- **Attainable Rents:** If the market area includes non-comparable areas, the analysis may use comparables projects that suggest that a project can achieve rents that area significantly higher or lower than the rents its micro location will support.
- **Location of Competitive Properties:** A primary consideration in defining a market area is identifying those locations that offer alternative opportunities to a potential renter for a subject site. The managers of existing comparable properties near the site are excellent sources in determining those competitive locations.
- **Accessibility:** Available transportation linkages including both traffic arteries and mass transit options can influence the size of the market. Mass transit can have a significant impact on projects addressing very low income households for which transportation options may be limited.
- **Natural Boundaries:** Natural boundaries including rivers and mountains can restrict the movement within a market due to a lack of accessibility.
- **Housing Project Characteristics:** The availability of a unique structure type such as a high rise may alter the typical draw of a potential project.
- **Market Perceptions:** Whether grounded in reality or not, market perceptions can be a significant determinant of market area boundaries. Social stigmas often exist within sub-markets, with residents from one side of a submarket may not move to a close by neighborhood, regardless of housing opportunities. The construction of a new, attractive rental community may not necessarily relieve this perception.
- **Commuting Patterns:** The time spent commuting and employment destination could often reveal distinct patterns. High percentages of workers with long commutes or working in neighboring counties are often indicators of a lack of affordable housing options near employment centers.
- **Target Market:** Proposed developments targeting a special needs population such as seniors generally draw from a larger geographic region. Given the smaller pool of qualified householders, the location and quantity of comparable stock is of additional importance. An acceptable market area for a family oriented rental community will often be too conservative for a rental community targeting senior rental householders.
- **Jurisdictional Boundaries:** Differences in the quality and services provided by school districts, municipalities, or counties often influence consumer location choices.
- **Local Agency Service Boundaries:** The geographic areas covered by local agencies, such as housing authorities, senior citizen centers, community-based organizations, or churches can be a strong indicator of market area boundaries, especially when the project has a community-based sponsor or co-sponsor.



-
- Non-Geographic Factors: Employees who might be expected to reside in a development as a result of planned or existing job opportunities and special needs households who are served by a multi-jurisdictional agency that covers communities that are clearly distinct market areas.

The determination of the market area is based on the boundaries between governmental units. In such a method, county, division or city boundaries become the boundaries of the market area. The primary market area for the subject consists of the CDP of Burke. The market area is bound by the CDP limits.

The analysis was conducted using only the demographics data from the primary market area. However, according to the market study guidelines for Virginia Housing, a secondary or tertiary market area was also determined. The secondary market area is defined as Fairfax County.

EMPLOYMENT AND ECONOMY



Employment and Economy

The economy of Burke is based on accommodation/food services; educational services; health care/social assistance services; professional, scientific and technical services; and public administration sectors. Each of these categories has experienced reasonable growth within the past few years.

Unemployment in Fairfax County reached a high of 5.8 percent in 2020 and was at its lowest in 2019 with 2.3 percent. The rate for Fairfax County in March 2022 was 2.3 percent. The number employed has increased an average of 0.2 percent since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR FAIRFAX COUNTY					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	611,055	579,209	94.8%	31,846	5.2%
2011	619,259	589,888	95.3%	29,371	4.7%
2012	623,114	595,562	95.6%	27,552	4.4%
2013	624,643	597,713	95.7%	26,930	4.3%
2014	622,116	596,624	95.9%	25,492	4.1%
2015	616,185	594,499	96.5%	21,686	3.5%
2016	617,693	598,093	96.8%	19,600	3.2%
2017	629,074	610,106	97.0%	18,968	3.0%
2018	633,295	617,899	97.6%	15,396	2.4%
2019	643,065	628,443	97.7%	14,622	2.3%
2020	627,997	591,622	94.2%	36,375	5.8%
2021	614,999	593,574	96.5%	21,425	3.5%
2022**	626,285	611,728	97.7%	14,557	2.3%

* Data based on place of residence.

**Preliminary - based on monthly data through March 2022

Source: U.S. Bureau of Labor Statistics

The State of Virginia reached a high of 7.3 percent in 2010 and was at its lowest point in 2019 with 2.7 percent. The rate for the State of Virginia in March 2022 was 2.7 percent. The number employed has increased 0.5 percent per year since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR VIRGINIA					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	4,163,293	3,858,466	92.7%	304,827	7.3%
2011	4,205,184	3,929,008	93.4%	276,176	6.6%
2012	4,217,529	3,967,151	94.1%	250,378	5.9%
2013	4,238,377	4,002,057	94.4%	236,320	5.6%
2014	4,258,856	4,040,908	94.9%	217,948	5.1%
2015	4,233,981	4,048,081	95.6%	185,900	4.4%
2016	4,254,348	4,084,822	96.0%	169,526	4.0%
2017	4,333,556	4,174,453	96.3%	159,103	3.7%
2018	4,361,378	4,232,972	97.1%	128,406	2.9%
2019	4,427,338	4,308,622	97.3%	118,716	2.7%
2020	4,346,644	4,075,237	93.8%	271,407	6.2%
2021**	4,252,784	4,139,573	97.3%	113,211	2.7%

* Data based on place of residence.

**Preliminary - based on monthly data through December 2021

Source: U.S. Bureau of Labor Statistics



According to the U.S. Bureau of Labor Statistics, unemployment trends for Fairfax County are slightly higher than to the unemployment trends for the State of Virginia.

CHANGE IN TOTAL EMPLOYMENT FOR FAIRFAX COUNTY				
PERIOD	NUMBER		PERCENT	
	TOTAL	ANNUAL	TOTAL	ANNUAL
2010-2015	15,290	3,058	2.6%	0.5%
2015-2020	(925)	(185)	-0.2%	0.0%

Source: U.S. Bureau of Labor Statistics

The changes in employment since 2010 by time period are listed in the above table. The data shows that the number of persons employed in Fairfax County increased an average of 0.2 percent per year between 2010 and 2020.

RECENT CHANGES IN EMPLOYMENT FOR FAIRFAX COUNTY			
YEAR	NUMBER EMPLOYED	ANNUAL CHANGE	% OF LABOR FORCE UNEMPLOYED
2015	594,499	(2,125)	3.5%
2016	598,093	3,594	3.2%
2017	610,106	12,013	3.0%
2018	617,899	7,793	2.4%
2019	628,443	10,544	2.3%
2020	593,574	(34,869)	3.5%

Source: U.S. Bureau of Labor Statistics

The previous tables show the changes in employment and percent unemployed for the past six years. The unemployment rate for Fairfax County has fluctuated from 2.3 percent to 3.5 percent since 2015.

Major Employers

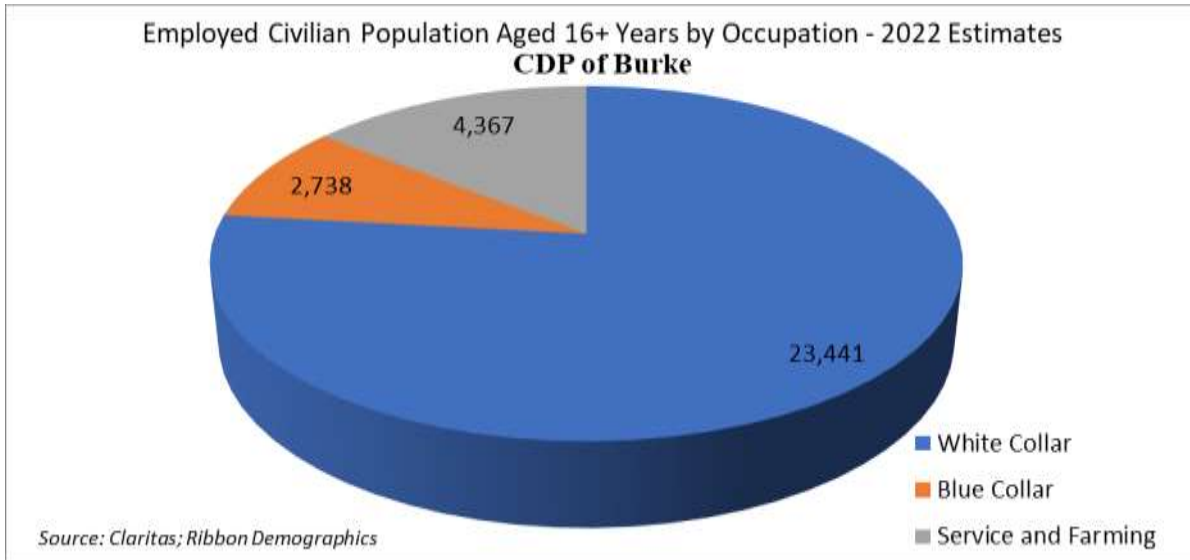
Major employers for the City of Burke and the industry are shown in the following table:

MAJOR EMPLOYERS	
Name	Product/Service
Inova Health Systems	Healthcare
Amazon	Mail Service
Booz Allen Hamilton	Business Management Consultant
Capital One	Financial
Freddie Mac	Financial
General Dynamics	Manufacturer
SAIC	Engineering Consultant
MITRE	Non-Profit
Navy Federal Credit Union	Financial
Peraton	Technical Services

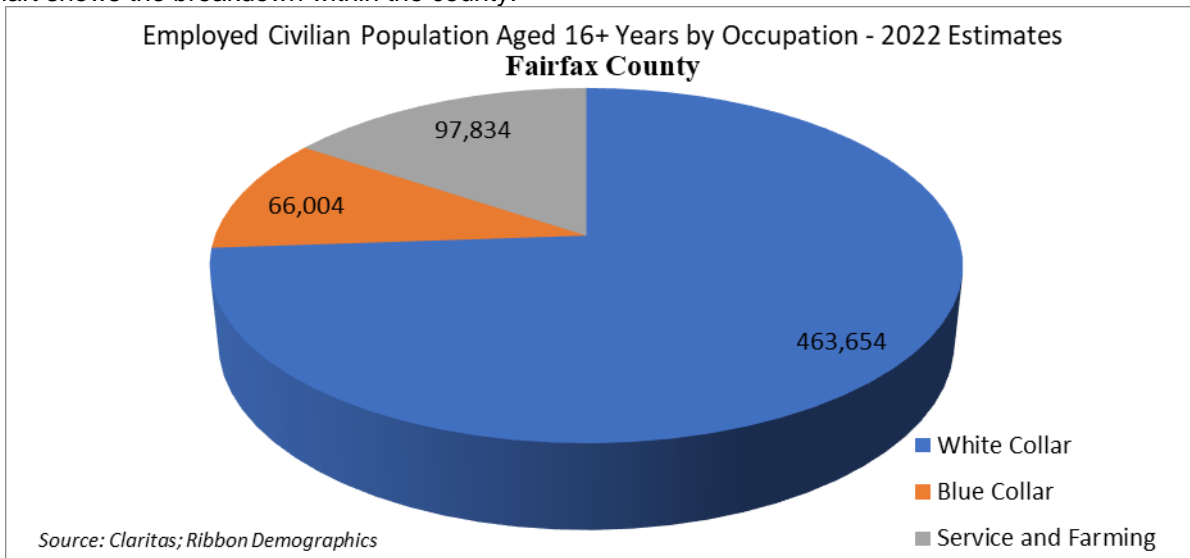
Source: Fairfax County EDA



The majority of the civilian population within the CDP are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the CDP.



The majority of the civilian population within the county are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the county.





Place of Work Employment

The following chart shows the number of people employed in different sectors of the CDP of Burke economy in 2022.

Employed Civilian Population Aged 16+ Years by Industry		
<i>Current Year Estimates - 2022</i>		
CDP of Burke		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	2,111	6.9%
Administrative/Support/Waste Management	786	2.6%
Agriculture/Forestry/Fishing/Hunting/Mining	35	0.1%
Arts/Entertainment/Recreation	639	2.1%
Construction	1,448	4.7%
Educational Services	3,721	12.2%
Finance/Insurance/Real Estate/Rent/Lease	1,739	5.7%
Health Care/Social Assistance	3,102	10.2%
Information	587	1.9%
Management of Companies and Enterprises	17	0.1%
Manufacturing	603	2.0%
Other Services Except Public Administration	2,285	7.5%
Professional/Scientific/Technical Services	5,508	18.0%
Public Administration	4,344	14.2%
Retail Trade	2,270	7.4%
Transportation/Warehousing/Utilities	1,025	3.4%
Wholesale Trade	326	1.1%
Total:	30,546	100.0%

Source: Claritas; Ribbon Demographics



The following chart shows the number of people employed in different sectors of the city economy in 2022.

Employed Civilian Population Aged 16+ Years by Industry		
Current Year Estimates - 2022		
Fairfax County		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	45,598	7.3%
Administrative/Support/Waste Management	24,988	4.0%
Agriculture/Forestry/Fishing/Hunting/Mining	683	0.1%
Arts/Entertainment/Recreation	13,228	2.1%
Construction	36,970	5.9%
Educational Services	55,030	8.8%
Finance/Insurance/Real Estate/Rent/Lease	43,269	6.9%
Health Care/Social Assistance	61,269	9.8%
Information	15,332	2.4%
Management of Companies and Enterprises	919	0.1%
Manufacturing	15,666	2.5%
Other Services Except Public Administration	40,973	6.5%
Professional/Scientific/Technical Services	134,062	21.4%
Public Administration	69,645	11.1%
Retail Trade	44,493	7.1%
Transportation/Warehousing/Utilities	20,179	3.2%
Wholesale Trade	5,188	0.8%
Total:	627,492	100.0%

Source: Claritas; Ribbon Demographics

The above charts show the number of people employed in different sectors of the Burke and Fairfax County economy in 2022. According to interviews conducted by the analyst, employers in the area indicate that the area economy should remain stable in the next two to five years.

Future Employment Trends

The first case of COVID-19 was diagnosed in the United States on January 21, 2020, in the State of Washington. Since that date, COVID-19 spread rapidly throughout the U.S. The CDC warned that widespread transmission of the disease could force a large number of people to seek hospitalization, overloading the healthcare system. Therefore, on March 19, 2020, the government advised against gatherings of more than 10 people. Additionally, state and local authorities made the decision to prohibit large-scale gatherings.

Also, many cities and most states imposed lockdown measures of different scopes and severity in order to attempt to contain the number of people infected. These lockdown measures placed limits on where people could travel, work and shop away from their homes. These measures had a significant impact on the economic conditions in cities and counties throughout the country. In March 2020, the U.S. Congress passed a \$2 trillion COVID-19 aid package in an attempt to ease the economic impact of the coronavirus pandemic.

While the federal and state governments have attempted to mitigate the economic impact by lowering interest rates, providing financial relief and paid sick leave for workers quarantined, providing small business loans to businesses affected by the pandemic, deferring tax payments without penalty and



temporarily suspending all government foreclosures and evictions, the result of the pandemic would likely be a recession and potentially a depression if conditions did not improve quickly.

The long-term impact of the pandemic is not yet known. However, the temporary impact is already visible for many areas, with mass layoffs of non-essential workers. W.A.R.N. notices require employers with 100 or more employees to provide at least 60 calendar days advance written notice of plant closings and mass layoffs affecting 50 or more employees at a single site of employment. Exceptions to giving notice may be allowed in an economic crisis which is considered to be an unforeseen business circumstance. According to the Virginia Employment Commission, there have not been any Worker Adjustment and Retraining Notifications (W.A.R.N.) notices issued for the CDP of Burke in the last two years. However, the below W.A.R.N. notices have been issued in Fairfax County:

W.A.R.N. NOTICES			
Company	City	Employees Lost	Layoff Date
Peloton	Alexandria	81	2/8/2022
ABM Industry Group Inc.	Alexandria	85	2/28/2022
ABM Industry Group Inc.	Springfield	27	2/28/2022
Transdev	Lorton	137	12/29/2021
Capital One	State Wide	147	9/7/2021
Perspecta Inc.	Chantilly	107	6/4/2021
TitleMax of Virginia, Inc. and TMX Finance of	Multiple	46	1/16/2021
Washington Metropolitan Area Transit Authority	Multiple	1141	1/23/2020
InSite Wireless	Alexandria	32	1/29/2020
Sur La Table	Alexandria	29	9/1/2020
LE TOTE Inc	Fairfax	49	12/1/2020
P.F. Chang's China Bistro	Multiple	306	3/17/2020
Avis Budget Car Rental	Multiple	27	9/2/2020
Yoga Works, Inc.	Fairfax	42	10/1/2020
The Alexandrian Hotel	Alexandria	59	6/1/2020
Marriott-Westfields Washington Dulles-	Chantilly	167	3/18/2020
Marriott Falls Church Fairview Park	Falls Church	164	3/17/2020
NortonLifeLock Inc.	Herndon	6	7/1/2020
The Westin - Reston Heights	Reston	32	5/26/2020
Hyatt Regency Reston	Reston	88	3/17/2020
Embassy Suites Tysons Corner	Vienna	42	5/25/2020
Hilton Alexandria Mark Center	Alexandria	177	5/4/2020
B. F. Saul Company Hospitality Group	McLean	57	3/24/2020
Amentum	Chantilly	40	6/16/2020
Cerner Corporation	Reston	1	7/15/2020
Medical Faculty Associates	Multiple	117	7/5/2020
Cerner Corporation	Reston	66	3/18/2020
Marriott Fairfax at Fair Oak	Fairfax	81	3/21/2020
Holiday Inn Alexandria Old Town	Alexandria	5	3/23/2020
Regal Cinemas	Springfield	67	3/17/2020
Bloomin' Brands (Bonefish Grill)	Multiple	291	3/15/2020
Bloomin' Brands (Fleming's)	McLean	45	3/15/2020
Bloomin' Brands (Outback Steakhouse)	Multiple	455	3/15/2020
Bloomin' Brands (Outback Steakhouse)	Multiple	281	3/15/2020
Visionworks, Inc.	Multiple	99	3/21/2020
Visionworks, Inc.	Multiple	44	3/21/2020
Jim Koons Automotive Companies	Multiple	148	3/23/2020
OneWeb	McLean	301	3/20/2020
Westwood Country Club	Vienna	90	4/6/2020
Costal Flats Tysons	McLean	135	3/30/2020
Jackson's Mighty Fine Food & Luck Lounge	Reston	137	3/20/2020
The Alexandrian Hotel	Alexandria	115	3/13/2020
AlSCO	Alexandria	102	3/19/2020
Paper Source	Multiple	44	3/29/2020
Suit Supply Inc.	McLean	19	3/29/2020
Cinemark USA, Inc.	Multiple	103	3/26/2020
Case Architects & Remodels	Falls Church	24	3/24/2020
BridgeStreet Cooperate Housing LLC,	Reston	68	3/24/2020
Hooters of America, LLC	Chantilly	45	3/16/2020
Costal Flats	Fairfax	134	3/20/2020
Mike's American Grill	Springfield	174	3/20/2020
Patsy's Italian	Fairfax	100	3/20/2020
Artie's	Fairfax	99	3/20/2020
Fred's Food Group	Vienna	225	3/20/2020
Sweetwater Tavern	Centreville	140	3/20/2020
Sweetwater Tavern	Falls Church	118	3/20/2020
CF Management-VA, LLC (X Sport Fitness)	Alexandria	115	3/18/2020
NortonLifeLock, Inc.	Herndon	73	3/18/2020
Oakwood Worldwide	Multiple	35	3/30/2020
DynCorp International, LLC	Springfield	58	1/13/2021
Shoppers Food & Pharmacy Store #2365	Alexandria	81	2/5/2020
Topgolf	Alexandria	198	1/15/2020
Lord+Taylor (Tyson's Corner Store)	McLean	117	1/31/2020
Total:		7,638	

Source: Virginia Employment Commission



According to Alex Thalacker, National Business Investment Manager- Finance, Insurance and Real Estate (FCEDA), Fairfax County has numerous new and expanding business since 2021. He reported that 146 businesses announced the addition of 8,973 jobs to the Fairfax County economy. Some of the companies that have recently made large job-creation announcements include the following: Peraton (Herndon) – 1,200 jobs; Guidehouse (Tysons) – 920 jobs; Qualtrics (Reston) – 400 jobs; Avantus Federal (Tysons) – 302 jobs; Kreative Technologies (Fairfax) – 296 jobs; Alpha Omega Integration (Tysons) - 154 jobs; Riva Solutions (Tysons) – 136 jobs; Appian (Tysons) – 135 jobs; TekMasters (Chantilly) – 100 jobs; and Starkist (Reston) – 83 jobs. New businesses to the area include Spacelink, Golfzon, Siegel Technologies, Cloudpermit, PushNews and Similarweb. He further noted that of the 146 firms that worked with the FCEDA and announced new jobs, 117 are American companies, including 25 that are minority-owned. Due to the new and expanding businesses, decreasing unemployment and lack of layoffs and closures in the city, it is believed that the economic outlook for the area will remain stable for the next two to five years.

Wages

The average annual wage of employees in Fairfax County was \$84,891 in 2020. Wages have been increasing 5.7 percent per year.

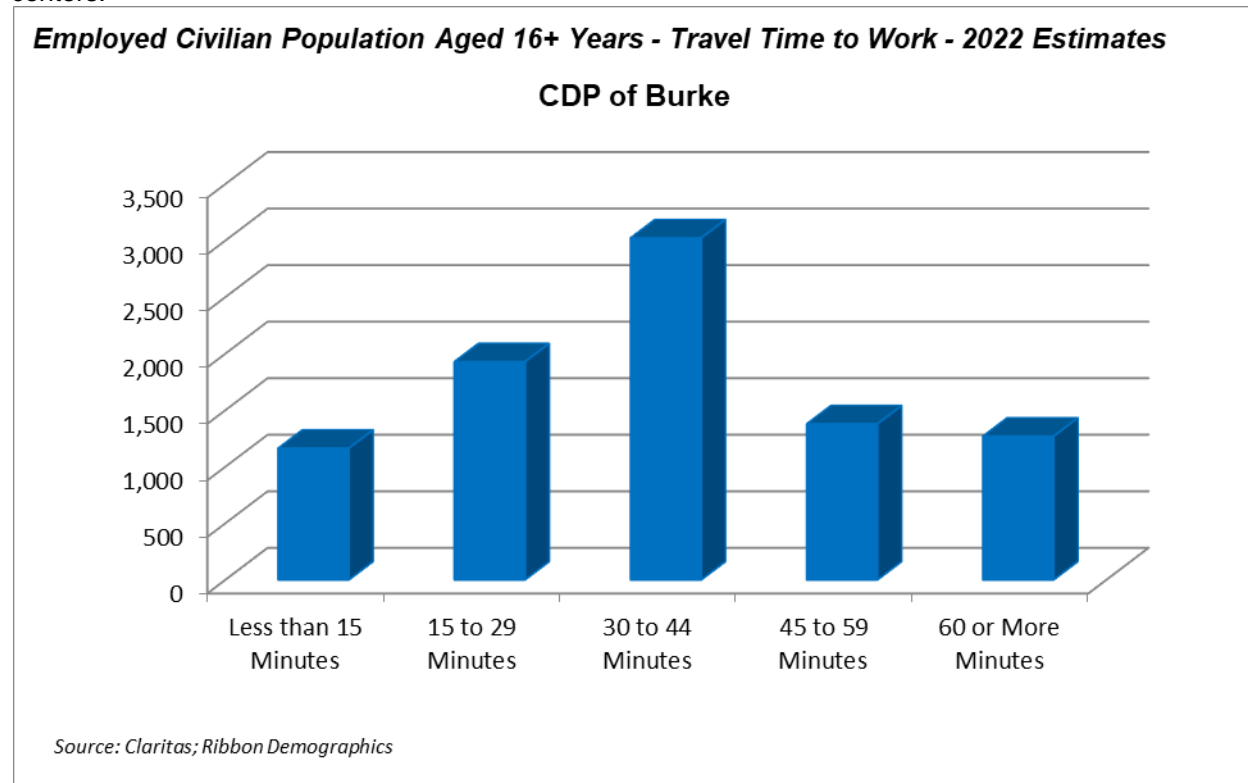
AVERAGE ANNUAL WAGE BY SECTOR			
INDUSTRY	2019	2020	% INCREASE
Agriculture, Forestry and Fisheries	\$24,150	\$27,469	13.7%
Mining	\$79,570	\$71,922	-9.6%
Construction	\$75,816	\$80,161	5.7%
Manufacturing	\$78,889	\$78,521	-0.5%
Transportation and Warehousing	\$44,677	\$42,880	-4.0%
Utilities	\$105,828	\$114,537	8.2%
Wholesale Trade	\$144,538	\$151,110	4.5%
Retail Trade	\$42,692	\$45,813	7.3%
Leisure and Hospitality	\$27,614	\$29,513	6.9%
Education and Health Services	\$61,722	\$68,233	10.5%
Professional and Business Services	\$122,118	\$127,126	4.1%
Financial Activities	\$126,877	\$138,721	9.3%
Information	\$138,473	\$153,707	11.0%
Other Services	\$54,376	\$59,609	9.6%
Public Administration (Local Government)	\$76,978	\$84,049	9.2%

Source: U.S. Bureau of Labor Statistics



Employment Outside the County

In 2022, for residents employed in market area, the travel time to work from the site is less than 30 minutes. For the majority of those employed in other parts of the town, the travel time would be within 30 minutes. According to the chart below, 13.3 percent have a travel time of less than 15 minutes; 22.0 percent have a travel time of 15 to 29 minutes; and 64.7 percent have a travel time of over 30 minutes. This relatively low travel time indicates that the subject site is in an area in close proximity to employment centers.



Summary of Employment Trends in Market Area

The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$92,220 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$65,863 and \$92,220 would be eligible for the rehabilitated development. Major employers shown on Page 68 are included in the education and health services; health care/social services; government services; and other services sectors. The available employment is well-suited to the targeted population of the proposed rehabilitated LIHTC development.

DEMOGRAPHIC CHARACTERISTICS



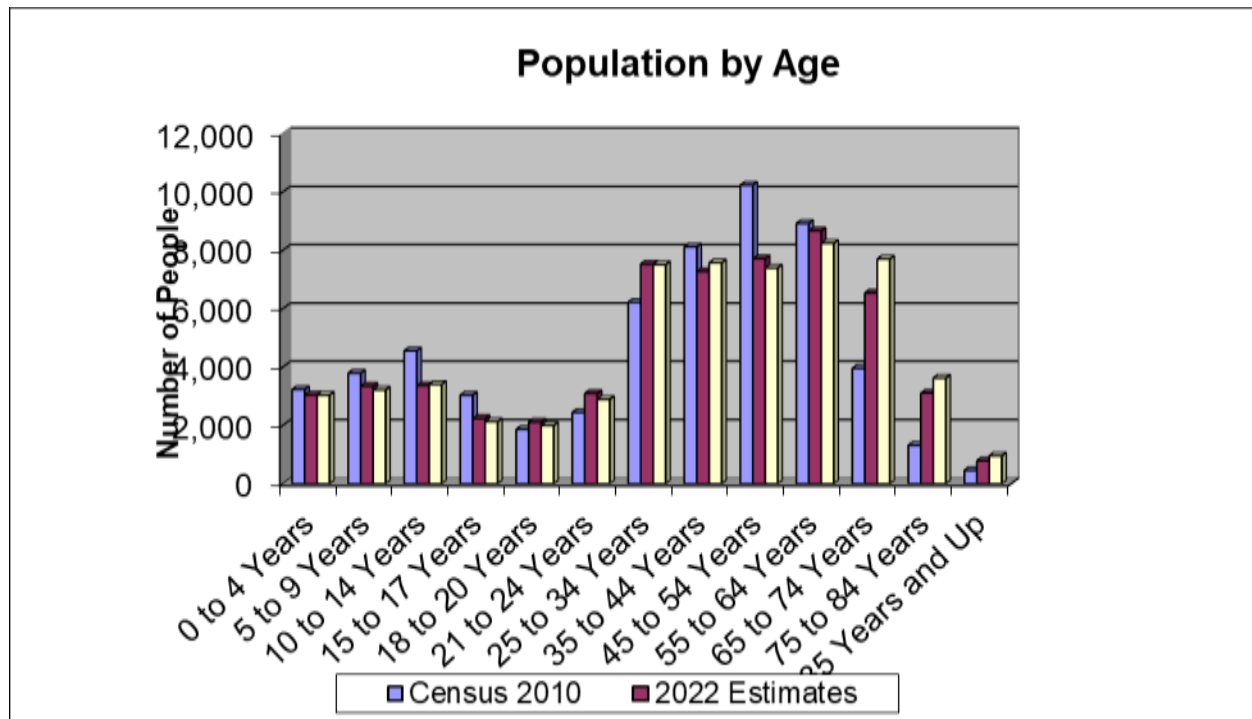
Population and Households Trends and Analysis

The housing Market Area for the rehabilitated units is an area in which people could locate their residences and have fairly equal access to the same job market, community services and amenities and be in the socio-economic community they choose.

The primary market area for the subject consists of the CDP of Burke. The market area is bound by the CDP limits.

Population by Age & Sex											
CDP of Burke											
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	1,621	1,608	3,229	0 to 4 Years	1,563	1,476	3,039	0 to 4 Years	1,555	1,482	3,037
5 to 9 Years	1,913	1,874	3,787	5 to 9 Years	1,716	1,627	3,343	5 to 9 Years	1,645	1,565	3,210
10 to 14 Years	2,300	2,252	4,552	10 to 14 Years	1,681	1,678	3,359	10 to 14 Years	1,747	1,656	3,403
15 to 17 Years	1,560	1,473	3,033	15 to 17 Years	1,134	1,102	2,236	15 to 17 Years	1,057	1,067	2,124
18 to 20 Years	1,007	855	1,862	18 to 20 Years	1,081	1,030	2,111	18 to 20 Years	1,011	983	1,994
21 to 24 Years	1,299	1,142	2,441	21 to 24 Years	1,558	1,531	3,089	21 to 24 Years	1,465	1,422	2,887
25 to 34 Years	3,047	3,168	6,215	25 to 34 Years	3,850	3,674	7,524	25 to 34 Years	3,778	3,728	7,506
35 to 44 Years	3,792	4,324	8,116	35 to 44 Years	3,628	3,642	7,270	35 to 44 Years	3,850	3,721	7,571
45 to 54 Years	4,771	5,457	10,228	45 to 54 Years	3,637	4,072	7,709	45 to 54 Years	3,609	3,783	7,392
55 to 64 Years	4,245	4,672	8,917	55 to 64 Years	4,089	4,574	8,663	55 to 64 Years	3,800	4,436	8,236
65 to 74 Years	1,995	1,956	3,951	65 to 74 Years	3,064	3,470	6,534	65 to 74 Years	3,622	4,075	7,697
75 to 84 Years	566	753	1,319	75 to 84 Years	1,415	1,684	3,099	75 to 84 Years	1,571	2,045	3,616
85 Years and Up	<u>140</u>	<u>317</u>	<u>457</u>	85 Years and Up	<u>298</u>	<u>488</u>	<u>786</u>	85 Years and Up	<u>367</u>	<u>586</u>	<u>953</u>
Total	28,256	29,851	58,107	Total	28,714	30,048	58,762	Total	29,077	30,549	59,626
62+ Years	n/a	n/a	8,149	62+ Years	n/a	n/a	12,901	62+ Years	n/a	n/a	14,762
		Median Age:	39.8			Median Age:	41.4			Median Age:	42.5

Source: Claritas; Ribbon Demographics



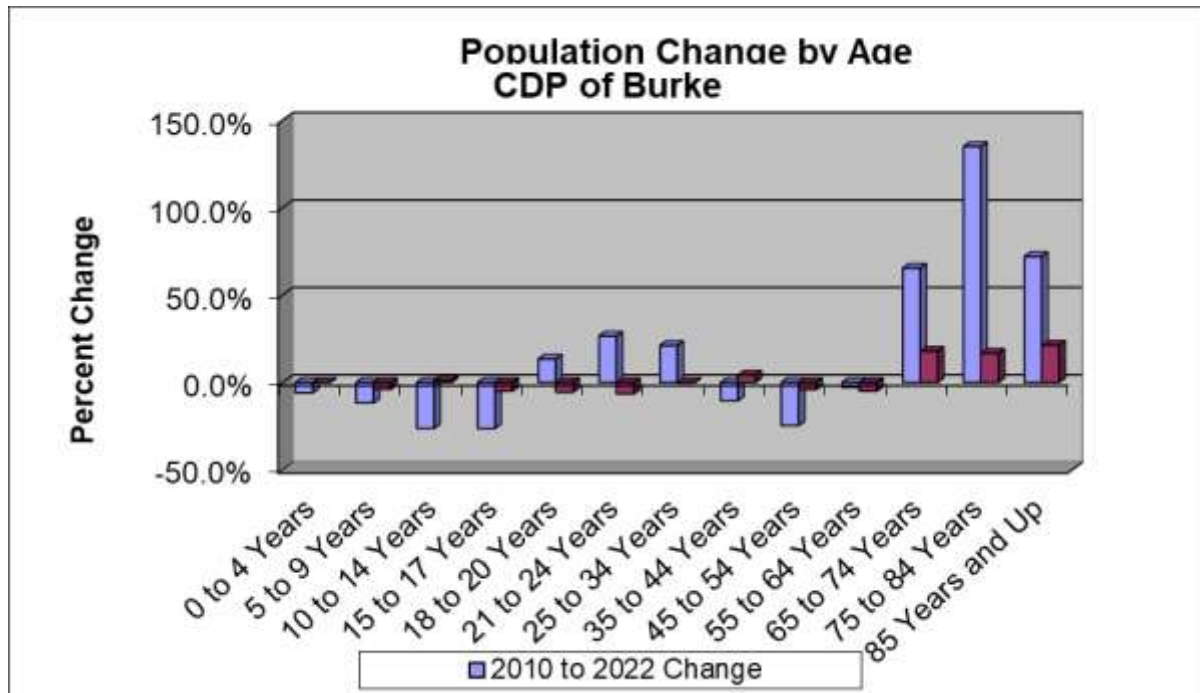
Source: Claritas; Ribbon Demographics



In 2000, this geographic market area contained an estimated population of 59,293. The population in 2010 in the market area decreased 2.0 percent to 58,107. In 2022, the population in this market area increased 1.1 percent to 58,762. However, it is projected that between 2022 and 2027, population in the market area will increase 1.5 percent to 59,626. Population estimates and projections are based on the most recent data from Claritas and Ribbon Demographics. The data was produced during the COVID-19 pandemic. At this time, there are no estimated changes due to the virus. However, the long-term economic impact on any region is unknown at this time. The short-term economic impact has been relatively minor. However, it is possible the population growth could be impacted by the COVID-19 if there are long-term economic impacts in the area. The following tables show the population change by age in the market area.

Changes in Population by Age & Sex									
CDP of Burke									
Estimated Change - 2010 to 2022					Projected Change - 2022 to 2027				
Age	Male	Female	Total Change	Percent Change	Age	Male	Female	Total Change	Percent Change
0 to 4 Years	-58	-132	-190	-5.9%	0 to 4 Years	-8	6	-2	-0.1%
5 to 9 Years	-197	-247	-444	-11.7%	5 to 9 Years	-71	-62	-133	-4.0%
10 to 14 Years	-619	-574	-1,193	-26.2%	10 to 14 Years	66	-22	44	1.3%
15 to 17 Years	-426	-371	-797	-26.3%	15 to 17 Years	-77	-35	-112	-5.0%
18 to 20 Years	74	175	249	13.4%	18 to 20 Years	-70	-47	-117	-5.5%
21 to 24 Years	259	389	648	26.5%	21 to 24 Years	-93	-109	-202	-6.5%
25 to 34 Years	803	506	1,309	21.1%	25 to 34 Years	-72	54	-18	-0.2%
35 to 44 Years	-164	-682	-846	-10.4%	35 to 44 Years	222	79	301	4.1%
45 to 54 Years	-1,134	-1,385	-2,519	-24.6%	45 to 54 Years	-28	-289	-317	-4.1%
55 to 64 Years	-156	-98	-254	-2.8%	55 to 64 Years	-289	-138	-427	-4.9%
65 to 74 Years	1,069	1,514	2,583	65.4%	65 to 74 Years	558	605	1,163	17.8%
75 to 84 Years	849	931	1,780	135.0%	75 to 84 Years	156	361	517	16.7%
85 Years and Up	158	171	329	72.0%	85 Years and Up	69	98	167	21.2%
Total	458	197	655	1.1%	Total	363	501	864	1.5%
62+ Years	n/a	n/a	4,752	58.3%	62+ Years	n/a	n/a	1,861	14.4%

Source: Claritas; Ribbon Demographics



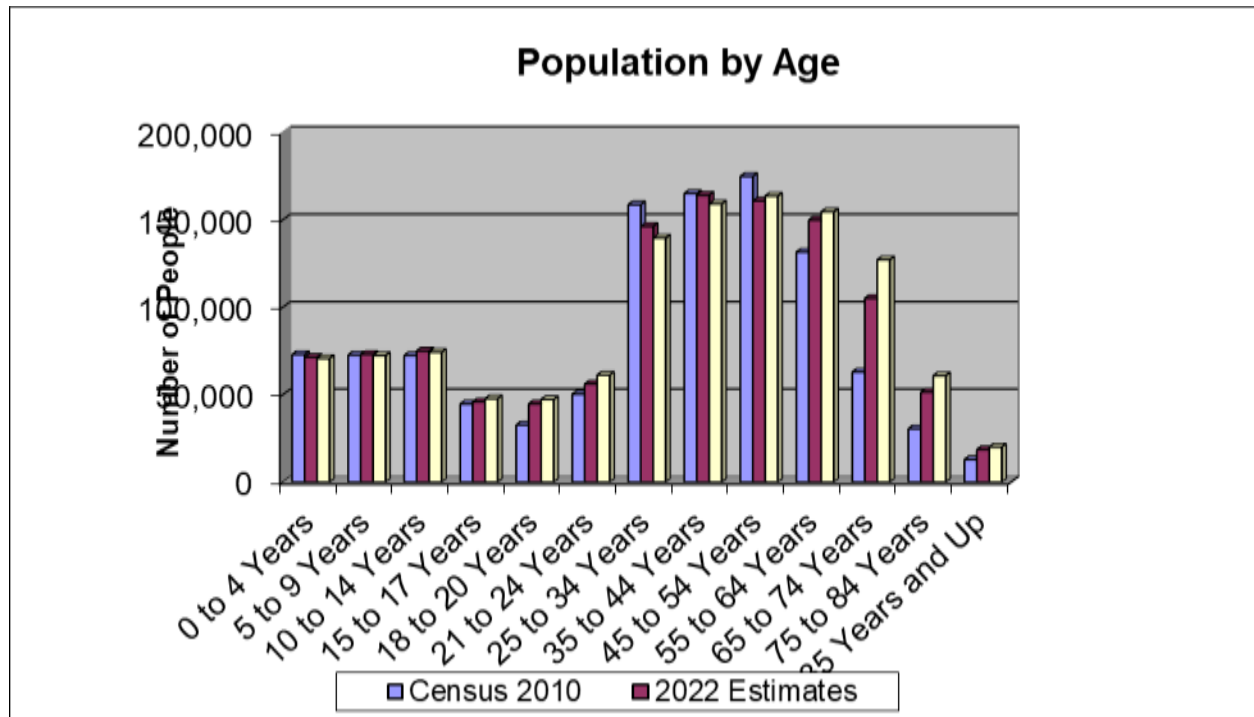
Source: Claritas; Ribbon Demographics



The total population in the market area has been fluctuating at a slower rate than the population for Fairfax County. The following tables show the changes in population for the city.

Population by Age & Sex Fairfax County											
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	37,393	35,567	72,960	0 to 4 Years	36,527	34,836	71,363	0 to 4 Years	36,103	34,572	70,675
5 to 9 Years	36,991	35,679	72,670	5 to 9 Years	37,355	35,674	73,029	5 to 9 Years	37,050	35,354	72,404
10 to 14 Years	37,197	35,135	72,332	10 to 14 Years	38,399	36,584	74,983	10 to 14 Years	37,963	36,263	74,226
15 to 17 Years	23,285	21,401	44,686	15 to 17 Years	23,490	22,330	45,820	15 to 17 Years	24,319	23,350	47,669
18 to 20 Years	17,276	15,367	32,643	18 to 20 Years	22,878	21,857	44,735	18 to 20 Years	24,135	23,064	47,199
21 to 24 Years	25,741	24,512	50,253	21 to 24 Years	28,555	27,498	56,053	21 to 24 Years	31,339	29,859	61,198
25 to 34 Years	78,839	79,803	158,642	25 to 34 Years	75,014	71,211	146,225	25 to 34 Years	71,319	68,207	139,526
35 to 44 Years	80,933	84,057	164,990	35 to 44 Years	81,996	82,106	164,102	35 to 44 Years	80,709	78,380	159,089
45 to 54 Years	85,037	89,730	174,767	45 to 54 Years	78,632	82,150	160,782	45 to 54 Years	80,192	83,336	163,528
55 to 64 Years	63,567	67,926	131,493	55 to 64 Years	73,241	76,607	149,848	55 to 64 Years	74,751	79,777	154,528
65 to 74 Years	30,419	32,548	62,967	65 to 74 Years	50,075	54,994	105,069	65 to 74 Years	61,195	65,943	127,138
75 to 84 Years	13,174	17,315	30,489	75 to 84 Years	22,965	28,489	51,454	75 to 84 Years	26,454	34,391	60,845
85 Years and Up	<u>4,458</u>	<u>8,376</u>	<u>12,834</u>	85 Years and Up	<u>7,168</u>	<u>11,401</u>	<u>18,569</u>	85 Years and Up	<u>7,683</u>	<u>12,353</u>	<u>20,036</u>
Total	534,310	547,416	1,081,726	Total	576,295	585,737	1,162,032	Total	593,212	604,849	1,198,061
62+ Years	n/a	n/a	140,283	62+ Years	n/a	n/a	216,591	62+ Years	n/a	n/a	251,734
Median Age:			37.2	Median Age:			39.2	Median Age:			40.4

Source: Claritas; Ribbon Demographics



Source: Claritas; Ribbon Demographics



Housing Market

The demand for additional housing in a market area is a function of population growth, household formations and, also, a replacement of units lost through demolition and extreme obsolescence. Also, within the overall demand are segments of the market asking for more or less expense (related to income) and for ownership or rental.

Some of the demand has been, or will be, satisfied by units which have been built, or will be built, by the time the project is renting. The difference between demand and supply, the residual, is the total market of which the project's market will be a share.

The "tenure" of existing housing will be examined first as a guide to the future proportion of ownership and rentals; then characteristics of the housing stock will be noted.

The most important analysis is that of demand, supply and residual demand which follows. Its product is the number of type rental units which will be demanded.

Tenure

The percentage of renters in the CDP of Burke in 2022 is 15.9 percent, and the percentage of renters in the Fairfax County in 2022 is 31.4 percent. Household estimates and projections are based on the most recent data from Claritas and Ribbon Demographics. The data was produced during the COVID-19 pandemic. At this time, there are no estimated changes due to the virus. However, the long-term economic impact on any region is unknown at this time. The short-term economic impact has been relatively minor. However, it is possible the household growth could be impacted by the COVID-19 if there are long-term economic impacts in the area.

CDP of Burke		
Total Households		
Census 2010	19,863	
Current Year Estimates - 2022	20,288	
Five Year Projections - 2027	20,642	
<i>Estimated Change - 2010 to 2022</i>	425	2.1%
<i>Projected Change - 2022 to 2027</i>	354	1.7%
Average Household Size		
Average Household Size 2010	2.92	
Average Household Size 2022	2.89	
Average Household Size 2027	2.88	

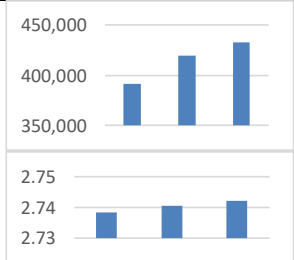
Households by Tenure		
2010 Owner	16,704	84.1%
2010 Renter	3,159	15.9%
2022 Owner	17,055	84.1%
2022 Renter	3,233	15.9%
2027 Owner	17,350	84.1%
2027 Renter	3,292	15.9%

Source: Claritas; Ribbon Demographics



Fairfax County
Total Households

Census 2010	391,627	
Current Year Estimates - 2022	420,168	
Five Year Projections - 2027	433,058	
<i>Estimated Change - 2010 to 2022</i>	28,541	7.3%
<i>Projected Change - 2022 to 2027</i>	12,890	3.1%



Households by Tenure

2010 Owner	272,233	69.5%
2010 Renter	119,394	30.5%
2022 Owner	288,387	68.6%
2022 Renter	131,781	31.4%
2027 Owner	296,326	68.4%
2027 Renter	136,732	31.6%

Source: Claritas; Ribbon Demographics



Rent Overburdened Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2018 (the most recent data available), there were 190 renter-occupied households in the CDP with incomes greater than 30 percent and less than or equal to 50 percent that are considered rent overburdened. The rent overburdened households represent 97.4 percent of the households in the city with incomes greater than 30 percent and less than or equal to 50 percent. The percentage of rent-overburdened households was used in the demand analysis to calculate the number of households within the subject's income range that are rent-overburdened.

Income by Cost Burden (Renters only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income <= 30% HAMFI	45	65	110
Household Income >30% to <=50% HAMFI	190	4	195
Household Income >50% to <=80% HAMFI	55	20	80
Household Income >80% to <=100% HAMFI	115	70	180
Household Income >100% HAMFI	310	890	1,195
Total	715	1,050	1,760

Source: CHAS 2014-2018 American Community Survey

Substandard Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2018 (the most recent data available), there were 715 renter-occupied households in the CDP with at least one of the four following housing problems: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room and cost burden greater than 30 percent. This data includes rent-overburdened households which have already been addressed. Therefore, it is necessary to remove the rent-overburdened households from the data to determine the remaining substandard households. The previous table indicates there are 195 total rent overburdened households with incomes greater than 30 percent and less than or equal to 50 percent. These 195 households that were rent-overburdened were subtracted from the 715 households that are substandard. The result of 520 households represents 29.5 percent of the total renter households in the CDP. The percentage of substandard households was used in the demand analysis to calculate the number of households within the subject's income range that are considered substandard.

Housing Problems Overview	Owner	Renter	Total
Household Has At Least 1 of 4 Housing Problems	2,345	715	3,060
Household Has None of 4 Housing Problems or Cost Burden Not Available, No Other Problems	9,365	1,050	10,415
Total	11,710	1,760	13,475

Source: CHAS 2014-2018 American Community Survey



Income Eligibility Analysis

Renter Households

All Age Groups

Year 2022 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	38	20	20	15	24	117
\$10,000-20,000	32	13	10	15	9	79
\$20,000-30,000	27	20	13	10	17	87
\$30,000-40,000	39	33	25	14	24	135
\$40,000-50,000	55	33	41	19	44	192
\$50,000-60,000	100	31	37	8	37	213
\$60,000-75,000	70	140	20	51	7	288
\$75,000-100,000	114	94	174	92	39	513
\$100,000-125,000	75	109	89	81	106	460
\$125,000-150,000	37	75	91	134	38	375
\$150,000-200,000	78	103	89	100	98	468
\$200,000+	<u>52</u>	<u>113</u>	<u>47</u>	<u>76</u>	<u>18</u>	<u>306</u>
Total	717	784	656	615	461	3,233

Source: Claritas and Ribbon Demographics

Owner Households

All Age Groups

Year 2022 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	72	73	30	15	14	204
\$10,000-20,000	62	57	32	27	13	191
\$20,000-30,000	70	129	39	39	16	293
\$30,000-40,000	81	84	63	57	53	338
\$40,000-50,000	140	141	58	56	10	405
\$50,000-60,000	177	129	89	66	21	482
\$60,000-75,000	232	234	123	74	97	760
\$75,000-100,000	358	472	245	200	155	1,430
\$100,000-125,000	310	553	222	282	116	1,483
\$125,000-150,000	218	540	353	371	173	1,655
\$150,000-200,000	357	1,151	643	728	499	3,378
\$200,000+	<u>310</u>	<u>2,205</u>	<u>1,593</u>	<u>1,397</u>	<u>931</u>	<u>6,436</u>
Total	2,387	5,768	3,490	3,312	2,098	17,055

Source: Claritas and Ribbon Demographics



Renter Households						
All Age Groups						
Year 2027 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	41	18	20	17	10	106
\$10,000-20,000	31	12	9	21	5	78
\$20,000-30,000	26	21	19	11	18	95
\$30,000-40,000	49	26	28	16	21	140
\$40,000-50,000	37	36	31	18	33	155
\$50,000-60,000	102	30	40	6	34	212
\$60,000-75,000	63	130	22	40	16	271
\$75,000-100,000	109	91	148	84	44	476
\$100,000-125,000	77	97	86	73	116	449
\$125,000-150,000	40	70	106	143	45	404
\$150,000-200,000	80	109	104	109	109	511
\$200,000+	76	132	60	96	31	395
Total	731	772	673	634	482	3,292

Source: Claritas and Ribbon Demographics

Owner Households						
All Age Groups						
Year 2027 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	75	60	25	18	12	190
\$10,000-20,000	56	58	24	30	11	179
\$20,000-30,000	49	100	24	29	17	219
\$30,000-40,000	78	80	52	45	46	301
\$40,000-50,000	127	107	42	40	8	324
\$50,000-60,000	175	121	63	47	18	424
\$60,000-75,000	229	211	104	67	96	707
\$75,000-100,000	335	443	207	175	130	1,290
\$100,000-125,000	321	514	201	240	98	1,374
\$125,000-150,000	218	480	300	306	163	1,467
\$150,000-200,000	369	1,095	594	662	432	3,152
\$200,000+	432	2,629	1,922	1,665	1,075	7,723
Total	2,464	5,898	3,558	3,324	2,106	17,350

Source: Claritas and Ribbon Demographics



The subject's units are most suitable for households with two to five persons below \$92,220 when considering subsidies and between \$65,863 and \$92,220 without considering subsidies. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2022 and 2027. However, this analysis is primarily concerned with target incomes of renters as shown in the following tables:

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$2,392	\$0	\$92,220	45.3%	1,464
2 BR (60%)	\$2,392	\$0	\$76,860	33.1%	476
3 BR (60%)	\$3,163	\$0	\$92,220	38.7%	670

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,921	\$65,863	\$92,220	16.4%	529
2 BR (60%)	\$1,921	\$65,863	\$76,860	8.2%	117
3 BR (60%)	\$2,220	\$76,114	\$92,220	11.3%	196

Source: Claritas; Ribbon Demographics and HUD

Target incomes for the different unit types are derived by the analyst. For the low end of the range, the lowest rent charged in an income limit (i.e., 60% AMI) for a unit is divided by 35 percent. The resulting number is then multiplied by 12 to derive an annual income ($\$1,921 / 35\% = \$5,488.57 \times 12 = \$65,863$). This process is based on the premise that a tenant should not pay more than 35 percent of his annual income on rent. However, the subject is an existing Section 8 and LIHTC development with subsidies for all units. The Section 8 contract will remain with the property once rehabilitation is complete. As a result, a tenant will never be required to pay more than 30 percent of their income towards rent, and there is no minimum income limit.

For the high end of the range, the analyst consults the income limits set by the state housing authority. If the largest unit in an income limit (i.e., 50% AMI) is a two-bedroom unit, the analyst utilizes the three-person households to find how many people could reside in that unit. The analyst then consults the state income limits to set the high end of the range (2 bedroom x 1.5 = 3 people/unit; therefore, the 60% 3-person maximum income would be used).

The following table shows the maximum income limits at each income level as determined by the U.S. Department of Housing and Urban Development.

LIHTC INCOME LIMITS	
Person in Households	60%
1	\$59,820
2	\$68,340
3	\$76,860
4	\$85,380
5	\$92,220
6	\$99,060

Source: HUD

DEVELOPMENT-SPECIFIC DEMAND ANALYSIS



Sources of Demand

The potential tenants for the rehabilitated development include households who now live within the market area. It will appeal to potential tenants who have adequate incomes to pay the proposed rents and find the development more attractive in terms of price, unit features and project amenities than other available rental units. It also will attract households that the market area gains between now and when the development is ready for occupancy.

Required Unit Mix

The LIHTC program is based on the premise that no more than two persons will occupancy rental units. We expect that 10 percent of one-person households will occupy efficiency units. Ninety percent (90%) of one-person households and 25 percent of two-person households will occupy one-bedroom units. We expect that 75 percent of one-person household and 50 percent of two-person households will occupy two-bedroom units. We expect that 50 percent of three-person households, 90 percent of four-person households and 90 percent of households with five or more persons will occupy three-bedroom units. We expect that 10 percent of four-person households and 10 percent of households with five or more persons will occupy four-bedroom units.

The following table illustrates the ratio of units required by each household size. These occupancy patterns suggest that efficiency units should account for 2.2 percent of the renter housing demand; one-bedroom units should account for 26.0 percent; two-bedroom units should account for 28.3 percent; three-bedroom units should account for 40.1 percent, and units with four or more bedrooms should account for 3.3 percent of the renter housing demand in the market area.

RENTAL HOUSING DEMAND BY NUMBER OF BEDROOMS						
HOUSEHOLD SIZE	0 BR	1 BR	2 BR	3 BR	4 BR	TOTAL
1 Person	72	645	0	0	0	717
2 Persons	0	196	588	0	0	784
3 Persons	0	0	328	328	0	656
4 Persons	0	0	0	554	62	615
5 or More Persons	0	0	0	415	46	461
TOTAL	72	841	916	1,296	108	3,233
PERCENT	2.2%	26.0%	28.3%	40.1%	3.3%	100.0%

Source: Claritas; Ribbon Demographics

Eligible Households

Landlords evaluate a potential tenant's income and credit to decide if applicant can pay the required rents. Commercial underwriters and owners of conventional market rate developments generally require that the monthly contract rent should not exceed one-third of a tenant's income. This is increased to 35 percent for tenants in the LIHTC program.



The subject's units are most suitable for households with two to five persons below \$92,220 when considering subsidies and between \$65,863 and \$92,220 without considering subsidies. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2022 and 2027. However, this analysis is primarily concerned with target incomes of renters as shown in the following tables:

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$2,392	\$0	\$92,220	45.3%	1,464
2 BR (60%)	\$2,392	\$0	\$76,860	33.1%	476
3 BR (60%)	\$3,163	\$0	\$92,220	38.7%	670

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,921	\$65,863	\$92,220	16.4%	529
2 BR (60%)	\$1,921	\$65,863	\$76,860	8.2%	117
3 BR (60%)	\$2,220	\$76,114	\$92,220	11.3%	196

Source: Claritas; Ribbon Demographics and HUD

Penetration Rate

There are no planned developments in the market area. There are currently four vacant competing units in the market area. The subject is an existing Section 8 and LIHTC development that is currently 96 percent occupied with two vacant units. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the total affordable inventory would be five units. The chart below indicates a penetration rate of 0.4 percent for the market area when considering the subject's subsidies.

REQUIRED PENETRATION RATE - WITH SUBSIDY	
Income-Eligible Renter Households	1,464
Existing Vacant LIHTC Units	4
LIHTC Units Planned	0
Vacant Units in Subject	2
Total Inventory	6
Penetration Rate	0.4%

When considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the penetration rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. The chart below indicates a penetration rate of 10.2 percent for the market area without considering the subject's subsidies and if all units were vacant.

REQUIRED PENETRATION RATE	
Income-Eligible Renter Households	529
Existing Vacant LIHTC Units	4
LIHTC Units Planned	0
Units in Subject	50
Total Inventory	54
Penetration Rate	10.2%



Demand Analysis – With Subsidies

The following table will contain the summary demand estimates for the units.

REQUIRED NET DEMAND - WITH SUBSIDY	
Income Restrictions:	All Units @ 60% (\$0- \$92,220)
Demand from New Household Growth	
New Rental Households	11
Existing Households - Rent Overburdened	
	1,427
PLUS	
Existing Households - Substandard Housing	433
PLUS	
Existing Qualifying Tenants Likely to Remain After Renovation	48
EQUALS	
Total Demand	1,918
MINUS	
Supply (Includes Directly Comparable Vacant Units Completed or in Pipeline in the PMA)	4
EQUALS	
NET DEMAND	1,914
ABSORPTION PERIOD	
	N/A

*See Page 91 for absorption period explanation.

CAPTURE RATE BY INCOME LIMITS	
Income Restrictions:	All Units @ 60% (\$0- \$92,220)
All Units at Subject	2.6%
Vacant Units at Subject	0.1%



Demand Analysis Summary – With Subsidies

New Rental Households: The demand from new renter household growth is calculated by taking the new rental households projected between 2022 and 2027 divided by five years and then multiplying by two years (2024) since the rehabilitation will be complete in 2024. This resulted in a new renter household growth total of 24. The new renter household growth number of 24 was then multiplied by the percent of income qualified tenants in the market area ($24 \times 45.3\% = 11$). The subject will attract tenants with incomes below \$92,220. The percent of income qualified households can be seen on Page 89. The demand from new household growth is 11 for all units.

Existing Households – Rent Overburdened: The total number of income-eligible households is 1,464. The percent overburdened percentage of 97.4 percent determined on Page 83 was applied to this number to derive the existing households – rent overburdened shown on the demand chart on the previous page ($1,464 \times 97.4 = 1,427$). The number of rent overburdened households that are income-qualified is 1,427.

Existing Households – Substandard Housing: The total number of income-eligible households is 1,464. The percent of substandard households of 29.5 percent as determined on Page 83 was applied to this number to derive the substandard households as shown on the demand chart on the previous page ($1,464 \times 29.5 = 433$). The number of substandard households that are income-qualified is 433.

Existing Qualifying Tenants Likely to Remain After Renovation: The subject is an existing Section 8 and LIHTC development that is currently 96 percent occupied. As complete, the property will retain its subsidies for all units, as well as be 100 percent LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the subject's 49 occupied units were included.

Supply: There are no planned developments in the market area that will compete with the subject. There are currently four vacant competing units in the market area. Therefore, a total of four units were subtracted from the supply.

Total Net Demand and Conclusion: The market shows a net demand of 1,915 units for all units when considering subsidies. The subject is a Section 8 and LIHTC development that is currently 96 percent occupied. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. The capture rate for the subject is 2.6 percent if entirely vacant, which is considered good. In addition, based on the occupancy rates of apartment complexes in the market area, the existing waiting lists, the projected population and household growth and the economic factors, it is believed that property will continue to be viable within the market area even if all units were vacant. Therefore, after researching the vacancy rates of the existing units in the area, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Absorption Period: The subject is an existing Section 8 and LIHTC development that is currently 96 percent occupied. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the subject property will not need to absorb any additional units once renovation is complete.



Demand Analysis – Without Subsidies

The following table will contain the summary demand estimates for the units without considering the subject's subsidies.

REQUIRED NET DEMAND - WITHOUT SUBSIDY	
	All Units @ 60% (\$65,863- \$92,220)
Income Restrictions:	
Demand from New Household Growth	
New Rental Households	4
Existing Households - Rent Overburdened	
	515
PLUS	
Existing Households - Substandard Housing	156
PLUS	
Existing Qualifying Tenants Likely to Remain After Renovation	0
EQUALS	
Total Demand	675
MINUS	
Supply (Includes Directly Comparable Vacant Units Completed or in Pipeline in the PMA)	4
EQUALS	
NET DEMAND	671
ABSORPTION PERIOD	
	3-5 Months

*See Page 93 for absorption period explanation.

CAPTURE RATE BY INCOME LIMITS	
	All Units @ 60% (\$65,863- \$92,220)
Income Restrictions:	
All Units at Subject	7.4%



Demand Analysis Summary – Without Subsidies

New Rental Households: The demand from new renter household growth is calculated by taking the new rental households projected between 2022 and 2027 divided by five years and then multiplying by two years (2023) since the rehabilitation will be complete in 2023. This resulted in a new renter household growth total of 24. The new renter household growth number of 24 was then multiplied by the percent of income qualified tenants in the market area ($24 \times 16.4\% = 4$). The subject will attract tenants with incomes between \$65,863 and \$92,220. The percent of income qualified households can be seen on Page 89. The demand from new household growth is 4 for all units.

Existing Households – Rent Overburdened: The total number of income-eligible households is 529. The percent overburdened percentage of 97.4 percent determined on Page 83 was applied to this number to derive the existing households - rent overburdened shown on the demand chart on the previous page ($529 \times 97.4 = 515$). The number of rent overburdened households that are income-qualified is 515.

Existing Households – Substandard Housing: The total number of income-eligible households is 529. The percent of substandard households as determined on Page 83 was applied to this number to derive the substandard households as shown on the demand chart on the previous page ($529 \times 29.5 = 156$). The number of substandard households that are income-qualified is 156.

Existing Qualifying Tenants Likely to Remain After Renovation: The subject is an existing Section 8 and LIHTC development that is currently 96 percent occupied. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. However, when considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Currently, none of the existing tenants would continue to be income-qualified if the property were not subsidized. Therefore, no tenants are likely to remain after renovation when not considering subsidies.

Supply: There are no planned developments in the market area that will compete with the subject. There are currently four vacant competing units in the market area. Therefore, a total of four units were subtracted from the supply.

Total Net Demand and Conclusion: The market shows a net demand of 671 units for all units without considering subsidies. The subject is an existing Section 8 and LIHTC development that is currently 96 percent occupied. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. However, when considering the property without subsidy, it is unlikely most of the current residents would remain income-qualified. The capture rate, without considering the subsidy, is 7.4 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Absorption Period: The subject is an existing Section 8 and LIHTC development that is currently 96 percent occupied. The property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the current residents will be income-eligible for the units once the renovation is complete. However, when considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the absorption rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. The absorption level is typically based on the most recent multifamily developments. There were no recent affordable developments constructed in the market area for which lease up data was available. Therefore, the analyst also considered the opinions of apartment



managers and local real estate agents, the current occupancy rates of the surveyed developments and the current waiting lists of the affordable developments, including the subject, confirmed in the market area. After considering all factors, it is estimated that the development could absorb 10 to 15 units per month, resulting in a 95 percent occupancy level within three to five months.

Capture Rate Analysis

The following tables show the capture rates for the rehabilitated development both with and without considering subsidies.

CAPTURE RATE - WITH SUBSIDY	
Project Wide Capture Rate - LIHTC Units	2.6%
Project Wide Capture Rate - Market Units	----
Project Wide Capture Rate - All Units	2.6%
Project Wide Absorption Rate (Months)	N/A

CAPTURE RATE - WITHOUT SUBSIDY	
Project Wide Capture Rate - LIHTC Units	7.4%
Project Wide Capture Rate - Market Units	----
Project Wide Capture Rate - All Units	7.4%
Project Wide Absorption Rate	3-5 Months

The market shows a net demand of 1,915 households for all units when considering the Section 8 subsidy and a net demand of 671 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 and LIHTC development that is currently 96 percent occupied, with two vacant units. The property has a waiting list with 187 applicants. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 50 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 2.6 percent if the property were entirely vacant. However, the subject is currently 96 percent occupied, with two vacant units. The capture rate is 0.1 percent when considering subsidies and only vacant units. Both captures rates when considering subsidies are considered good. The capture rate, without considering the subsidy, is 7.4 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

COMPETITIVE ENVIRONMENT



Housing Profile

Market Area Overview

The rental housing stock in the market area is comprised of single-family homes as well as market-rate and restricted apartment complexes. The majority of the housing stock was built in the 1970s and 1980s.

Housing Inventory

From 2010 through March 2022, permit-issuing jurisdictions in the Fairfax County reported a total of 21,842 single-family and multifamily dwelling permits. Multifamily units were estimated at 46.7 percent of the planned construction activity.

BUILDING PERMITS ISSUED			
YEAR	SINGLE-FAMILY	MULTIFAMILY	TOTAL
2010	896	0	896
2011	785	0	785
2012	706	728	1,434
2013	722	313	1,035
2014	925	1,324	2,249
2015	823	1,898	2,721
2016	885	1,785	2,670
2017	1,034	930	1,964
2018	1,058	499	1,557
2019	1,118	1,020	2,138
2020	1,013	592	1,605
2021*	1,331	774	2,105
2022*	346	337	683
TOTAL	11,642	10,200	21,842

*Preliminary Numbers through March 2022

Source: SOCDS

Projects Planned or Under Construction

There have been no developments awarded tax credits in the market area since 2017.

Unit Condition

The market area's rental housing stock is in varying condition. Overall, the developments are well maintained.



Housing Units

The following tables show significant characteristics of the market area's housing stock in 2022. According to Claritas and Ribbon Demographics, there are 20,731 total housing units in the market area, 20,288 of which are occupied. There are 17,055 owner-occupied households and 3,233 renter-occupied households for 2022. In addition, there are 443 total vacant housing units in the market area.

Housing Unit Summary		
Current Year Estimates - 2022		
CDP of Burke		
	Number	Percent
Housing Units	20,731	100.0%
Vacant Housing Units	443	2.1%
Renter-Occupied	3,233	15.9%
Owner-Occupied	17,055	84.1%
Total Occupied:	20,288	100.0%

Source: Claritas; Ribbon Demographics

Age of Rental Units

In 2022, there are 81 households constructed prior to 1939. According to Claritas and Ribbon Demographics, 465 households were built in 2010 or later.

Housing Units by Year Structure Built		
Current Year Estimates - 2022		
CDP of Burke		
Year	Number	Percent
2014 or Later	450	2.2%
2010 - 2013	15	0.1%
2000 - 2009	408	2.0%
1990 - 1999	1,170	5.6%
1980 - 1989	8,317	40.1%
1970 - 1979	8,798	42.4%
1960 - 1969	1,287	6.2%
1950 - 1959	175	0.8%
1940 - 1949	30	0.1%
1939 or Earlier	81	0.4%
Total:	20,731	100.0%

Source: Claritas; Ribbon Demographics



Unit Types

In 2022 there were 19,369 single-family housing units, 1,328 multifamily housing units and 34 mobile homes or other housing in the market area.

Housing Units by Units in Structure Current Year Estimates - 2022		
CDP of Burke		
Unit	Number	Percent
I Unit Detached	11,364	54.8%
I Unit Attached	8,005	38.6%
2 Units	58	0.3%
3 to 4 Units	70	0.3%
5 to 19 Units	852	4.1%
20 to 49 Units	69	0.3%
50 or More Units	279	1.3%
Mobile Home	34	0.2%
Other	0	0.0%
Total:	20,731	100.0%

Source: Claritas; Ribbon Demographics

Unit Size

The average size of the units in the surveyed developments is 1,050 square feet for one-bedroom units and 1,264 square feet for two-bedroom units. The subject's the unit sizes are within the comparable range. In addition, the subject and the comparables in the market area maintain high occupancy rates, and the majority of the affordable developments maintain waiting lists. The subject is currently 96 percent occupied with a waiting list of 193 applicants. Consequently, it is believed the subject's existing unit sizes will continue to be competitive in this market.

AVERAGE APARTMENT SIZE OF COMPARABLE APARTMENTS					
Unit Type	COMPARABLES			Subject (SF)	Subject's Advantage
	Minimum (SF)	Maximum (SF)	Average (SF)		
2 BR	654	1,619	1,050	838	-20.2%
3 BR	900	1,818	1,264	1,314	4.0%

Source: Gill Group Field Survey

Rental Vacancy Rates

According to RealtyRates.com Market Survey, the vacancy rate for the South Atlantic Region has fluctuated only slightly. For 2021, the vacancy rate ranged from 5.4 percent to 5.8 percent, with an average of 5.6 percent. The vacancy rate for the region for the first quarter of 2022 was 5.3 percent.

REALTY RATES MARKET SURVEY - REGIONAL VACANCY RATES			
QUARTER	2020	2021	2022
1st Quarter	6.0%	5.8%	5.3%
2nd Quarter	5.9%	5.6%	---
3rd Quarter	5.7%	5.5%	---
4th Quarter	5.5%	5.4%	---

Source: RealtyRates.com Market Survey, South Atlantic Region



Vacancy Analysis

The vacancy rate for affordable housing units in the market area is 0.3 percent. The following table shows the vacancy rates for all affordable housing verified in the market area, including the subject.

AFFORDABLE HOUSING VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Crevenna Oaks Apartments (Subject)	50	2	4.0%
Summit Oaks Apartments	50	2	4.0%
Springfield Crossing	347	0	0.0%
Edsall Station Apartments	135	0	0.0%
Yorkville Cooperative	236	0	0.0%
The Fields at Merrifield	124	0	0.0%
The Fields at Lorton Station	248	2	0.8%
Oak Creek Apartments	46	0	0.0%
Edsall Garden Apartments	176	0	0.0%
Evergreen House	243	0	0.0%
Greene Hills Estates	100	0	0.0%
Totals	1,755	6	0.3%

The current vacancy rate in surveyed market-rate apartment complexes is 3.2 percent. The following table shows the vacancy rates for each conventional property verified in the area.

MARKET VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Margate Manor	189	0	0.0%
Saratoga Square Apartments	100	2	2.0%
Lerner Springfield Square	412	8	1.9%
Pinewood Plaza Apartments	199	12	6.0%
Vistas of Annandale	1065	42	3.9%
Layton Hall Apartments	110	0	0.0%
Springfield Gardens	220	2	0.9%
West Springfield Terrace	244	5	2.0%
Fairfax Square	502	30	6.0%
Burke Shire Commons Apartments	360	7	1.9%
Chelsea Square Apartments	166	5	3.0%
Totals	3,567	113	3.2%

The market area has an overall rental vacancy rate of 2.2 percent. Of the 5,322 total units verified, 119 were vacant.

Lease Terms and Concessions

The typical lease is twelve months. At the time of the writing of this report, there were no properties offering any rental concessions.



Likely Impact of Rehabilitated Development on Rental Occupancy Rates

The proposed rehabilitation of the existing Section 8 development will not have an adverse impact on the market area. Its two- and three-bedroom units are suitable in the market. In addition, the property is currently 96 percent occupied, with only two vacant units. It also has a waiting list of 193 applicants. Therefore, the rehabilitation of the project is unlikely to materially impact the existing properties in the market area which also exhibit strong occupancy rates.



Comparable Profile Pages

COMPARABLE APARTMENT RENTAL NO. 1



Property Type: LIHTC/Elevator
 Property Name: Springfield Crossing
 Address: 6704 Metropolitan Center Drive, Springfield, VA 22150
 Verification: Itzel; 703-822-0111, May 20, 2022
 By Telephone
 Distance From Subject: 10.2 Miles

Year Opening/Significant Renovation Amenities

2001
 Refrigerator, Range/Oven, Dishwasher, Microwave, Washer, Dryer, Carpet, Vinyl, Blinds, Vaulted Ceilings (Select), Fireplace, Walk-In Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Playground, Basketball Court, Business Center, Laundry Facility, On-Site Management, On-Site Maintenance, Limited Access Gate, Security Patrol, Video Surveillance, Courtyard, Sundeck

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Tenant

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
2/1 (60%)	24	0	978	\$1,855	\$67	\$1,922
2/1 (60%)	72	0	1,002	\$1,855	\$67	\$1,922
2/2 (60%)	24	0	1,022	\$1,855	\$67	\$1,922
2/2 (60%)	24	0	1,039	\$1,855	\$67	\$1,922
2/2 (60%)	24	0	1,049	\$1,855	\$67	\$1,922
2/2 (60%)	24	0	1,067	\$1,855	\$67	\$1,922
2/2 (60%)	24	0	1,077	\$1,855	\$67	\$1,922
2/2 (60%)	24	0	1,100	\$1,855	\$67	\$1,922
3/2 (60%)	24	0	1,288	\$2,144	\$76	\$2,220

Occupancy 100%
Total Units 347
No. of Buildings 16
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Stories 4
Waiting List 4 Months
Turnover Rate N/A
Absorption Rate N/A

Crevenna Oaks Apartments
10981 Crevenna Oak Drive
Burke, Virginia 22015



COMPARABLE APARTMENT RENTAL NO. 1 (Cont.)

Remarks

The property is designated for families at 60 percent of the area median income. The complex maintains a waiting list that is approximately four months in length. The annual turnover rate was not disclosed. The development offers a utility allowance of \$67 per month for two-bedroom units, and \$76 per month for three-bedroom units.



COMPARABLE APARTMENT RENTAL NO. 2



Property Type: Section 8/Walk-Up
 Property Name: Edsall Station Apartments
 Address: 6272 Edsall Road,
 Alexandria, VA 22312
 Verification: Jeanette Martin; 703-370-8280
 August 17, 2022,
 By Telephone
 Distance From Subject: 12.3 Miles

**Year Opening/Significant Renovation
 Amenities**

1980
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet,
 Vinyl Blinds, Coat Closet, Balcony, Patio, Meeting Room, Playground,
 Basketball Court, Laundry Facility, On-Site Management, On-Site
 Maintenance

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water – Electric – Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Unit Mix</u>		<u>Utility Allowance*</u>	<u>Gross Rent</u>
			<u>Size SF</u>	<u>Collected Rent/Mo.</u>		
1/1	63	0	634	\$1,228	\$64	\$1,292
2/1	51	0	869	\$1,535	\$89	\$1,624
3/2	21	0	1,086	\$1,841	\$118	\$1,959

Occupancy 100%
Total Units 135
No. of Buildings 3
Construction Type Brick
HVAC Central Elec/Central Elec
Stories 4
Waiting List 1,100 Applicants
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families. The complex maintains a waiting list with 1,100 applicants. The annual turnover rate was not disclosed. The development offers a utility allowance of \$64 per month for one-bedroom units, \$89 per month for two-bedroom units and \$118 per month for three-bedroom units.



COMPARABLE APARTMENT RENTAL NO. 3



Property Type: Section 8/Walk-Up
 Property Name: Yorkville Cooperative
 Address: 3146 Draper Drive,
 Fairfax, VA 22013
 Verification: Elssa; 703-273-7777
 August 17, 2022,
 By Telephone
 Distance From Subject: 7.1 Miles

Year Opening/Significant Renovation Amenities

1973
 Refrigerator, Range/Oven, Dishwasher, Carpet, Vinyl, Wood Composite (Select), Blinds, Coat Closet, Balcony, Patio, Swimming Pool, Playground, Basketball Court, Laundry Facility, On-Site Management, On-Site Maintenance

Utilities (Type/Responsibility)

Heat - Gas- Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Gas - Tenant
 Hot Water - Gas - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1	24	0	650	\$1,500	N/A	\$1,500
2/1	84	0	800	\$1,800	N/A	\$1,800
3/1	76	0	900	\$2,000	N/A	\$2,000
4/2	30	0	1,000	\$2,200	N/A	\$2,200
5/2	22	0	1,100	\$2,500	N/A	\$2,500

Occupancy 100%
Total Units 236
No. of Buildings 35
Construction Type Brick
HVAC Central Gas/Central Elec
Stories 3
Waiting List 1-2 Years
Turnover Rate 31%
Absorption Rate N/A

Remarks

The property is designated for families. The complex maintains a one- to two-year waiting list. The annual turnover rate is 31 percent. The contact was unable to disclose the utility allowance.



COMPARABLE APARTMENT RENTAL NO. 4



Property Type: LIHTC/Walk-Up
 Property Name: The Fields at Merrifield
 Address: 2929 Stillwood Circle
 Falls Church, VA 22042
 Verification: Camile; 703-204-0414
 August 17, 2022,
 By Telephone
 Distance From Subject: 10.0 Miles

Year Opening/Significant Renovation Amenities

1997
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Walk-In Closet, Balcony, Patio, Swimming Pool, Exercise Room, Playground, Yoga Studio, Dog Park, Laundry Facility, On-Site Management, On-Site Maintenance, Gazebo, Courtyard, Walking Trail

Utilities (Type/Responsibility)

Heat – Gas - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Gas - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
2/1 (60%)	76	0	877	\$1,077	\$68	\$1,741
2/1 (60%)	48	0	1,010	\$1,666	\$75	\$1,741

Occupancy 100%
Total Units 124
No. of Buildings 8
Construction Type Siding
HVAC Central Gas/Central Elec
Stories 4
Waiting List Yes; Unknown # Applicants
Turnover Rate 32%
Absorption Rate N/A

Remarks

The property is designated for families at 60 percent of the area median income. The property does maintain a waiting list; however, the contact was unable to disclose the number of applicants. The annual turnover rate is 32 percent. The development offers a utility allowance of \$68 per month for one-bedroom units, and \$75 per month for two-bedroom units.



COMPARABLE APARTMENT RENTAL NO. 5



Property Type: LIHTC/Walk-Up
 Property Name: The Fields at Lorton Station
 Address: 7800 Lewis Chapel Circle, Lorton, VA 22079
 Verification: Natasha; 703-339-4050 August 17, 2022, By Telephone
 Distance From Subject: 11.5 Miles

Year Opening/Significant Renovation Amenities

2000
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer, Dryer, Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet, Balcony, Patio, Swimming Pool, Exercise Room, Picnic Area, Playground, Dog Park, On-Site Management, On-Site Maintenance, Sundeck

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water – Gas - Tenant
 Cold Water - Tenant
 Sewer - Tenant
 Trash - Tenant

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
2/1 (60%)	45	1	877	\$1,857	\$67	\$1,924
2/2 (60%)	76	1	996	\$1,854	\$67	\$1,921
2/2 (60%)	75	0	1,010	\$1,854	\$67	\$1,921
3/2 (60%)	52	0	1,178	\$2,134	\$67	\$2,201

Occupancy 99%
Total Units 248
No. of Buildings 18
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Stories 4
Waiting List 6 Months
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families at 60 percent of the area median income. The complex maintains a six-month waiting list. The annual turnover rate was not disclosed. The development offers a utility allowance of \$67 per month for all unit types.



COMPARABLE APARTMENT RENTAL NO. 6



Property Type: LIHTC/Townhouse
 Property Name: Oak Creek Apartments
 Address: 9901-9919 Oak Creek Place, Oakton, VA 22124
 Verification: Annisa; 703-255-2993 August 17, 2022, By Telephone
 Distance From Subject: 7.9 Miles

Year Opening/Significant Renovation Amenities

1981/2006
 Refrigerator, Range/Oven, Garbage Disposal, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Coat Closet, Patio, Playground, Laundry Facility, On-Site Management

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Type	No. of Units	No. Vacant	Unit Mix		Utility Allowance*	Gross Rent
			Size SF	Collected Rent/Mo.		
3/2 (50%)	30	0	1,200	\$1,721	\$115	\$1,836
4/2 (50%)	16	0	1,400	\$1,884	\$166	\$2,050

Occupancy 100%
Total Units 46
No. of Buildings 7
Construction Type Siding
HVAC Central Elec/Central Elec
Stories 2
Waiting List Yes; Unknown # Applicants
Turnover Rate 22%
Absorption Rate N/A

Remarks

The property is designated for families at 50 percent of the area median income. The complex maintains a waiting list; however, the contact was unable to disclose the number of applicants. The annual turnover rate is 22 percent. The development offers a utility allowance of \$115 per month for three-bedroom units, and \$166 per month for four-bedroom units.



COMPARABLE APARTMENT RENTAL NO. 7



Property Type: Section 8/Walk-Up
 Property Name: Edsall Garden Apartments
 Address: 6416 Edsall Road,
 Alexandria, VA 22312
 Verification: Irene; 703-354-5876
 August 17, 2022,
 By Telephone
 Distance From Subject: 11.4 Miles

**Year Opening/Significant Renovation
 Amenities**

1964
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet,
 Vinyl, Blinds, Playground, Laundry Facility, On-Site Management, On-
 Site Maintenance, Walking Trail

Utilities (Type/Responsibility)

Heat - Gas- Landlord
 Air Conditioning - Electric - Landlord
 Cooking - Gas - Landlord
 Hot Water - Gas - Landlord
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1	36	0	690	\$1,220	N/A	\$1,220
2/1	140	0	890	\$1,500	N/A	\$1,500

Occupancy 100%
Total Units 176
No. of Buildings 13
Construction Type Brick
HVAC Central Gas/Central Elec
Stories 4
Waiting List 6-8 Months
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families. The complex maintains a six- to eight-month waiting list. The annual turnover rate was not disclosed. The contact was unable to disclose the utility allowance.



COMPARABLE APARTMENT RENTAL NO. 8



Property Type: Section 8/Elevator
 Property Name: Evergreen House
 Address: 6925 Columbia Pike
 Annandale, VA 22003
 Verification: Ladonna; 703-941-8707
 August 17, 2022,
 By Telephone
 Distance From Subject: 10.2 Miles

Year Opening/Significant Renovation Amenities

1977
 Refrigerator, Range/Oven, Garbage Disposal, Carpet, Vinyl, Blinds, Walk-In Closet, Pull Cords, Safety Bars, Pantry, Picnic Area, Computer Room, Community Garden, Beauty/Barber Shop, Service Coordinator, Laundry Facility, Perimeter Fencing, Video Surveillance, Library, Gazebo, Common Area Wi-Fi, Lounge, Granite Countertops

Utilities (Type/Responsibility)

Heat – Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Tenant
 Sewer - Tenant
 Trash - Tenant

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1	24	0	550	\$1,077	\$70	\$1,476

Occupancy 100%
Total Units 243
No. of Buildings 1
Construction Type Brick
HVAC Central Elec/Central Elec
Stories 5
Waiting List 75 Applicants
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for seniors. The complex maintains a waiting list with 75 applicants. The annual turnover rate was not disclosed. The property offers a utility allowance of \$70 per month.



COMPARABLE APARTMENT RENTAL NO. 9



Property Type: LIHTC/Walk-Up
 Property Name: Greene Hills Estates
 Address: 7600 Creedmor Drive, Springfield, VA 22153
 Verification: Adriana; 703-569-7240 August 17, 2022, By Telephone
 Distance From Subject: 9.5 Miles

Year Opening/Significant Renovation Amenities

1980
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans (Select), Walk-In Closet, Patio, Clubhouse, Picnic Area, Playground, Basketball Court, Business Center, Computer Room, Extra Storage, Laundry Facility, On-Site Management, On-Site Maintenance, Video Surveillance, Common Area Wi-Fi

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water – Gas - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
2/1 (60%)	44	0	1,256	\$1,845	\$105	\$1,950
3/1.5 (60%)	36	0	1,501	\$2,199	\$147	\$2,346
4/2 (60%)	20	0	1,787	\$2,853	\$177	\$3,030

Occupancy 100%
Total Units 100
No. of Buildings 10
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Stories 2
Waiting List 450+ Applicants
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families at 60 percent of the area median income. The complex maintains a waiting list with over 450 applicants. The annual turnover rate was not disclosed. The development offers a utility allowance of \$105 per month for two-bedroom units, \$147 per month for three-bedroom units, and \$177 per month for four-bedroom units.



COMPARABLE APARTMENT RENTAL NO. 10



Property Type: Section 8/LIHTC/Townhome
 Property Name: Summit Oaks Apartments
 Address: 10550 Oak Bluff Court
 Burke, VA 22015
 Verification: Andrea Potts; 703-323-1116
 August 17, 2022,
 By Telephone
 Distance From Subject: 0.2 Miles

Year Opening/Significant Renovation Amenities

1980/2008
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher,
 Washer/Dryer, Carpet, Vinyl, Blinds, Meeting Room, Playground,
 Basketball Court, Extra Storage, Laundry Facility, On-Site
 Management, On-Site Maintenance, Video Surveillance

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water – Gas - Tenant
 Cold Water - Tenant
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
2/1 HC (60%)	2	0	773	\$2,044	\$98	\$2,142
2/1 (60%)	28	0	816	\$2,045	\$135	\$2,143
3/1.5 (60%)	20	2	1,128	\$2,446	\$138	\$2,584

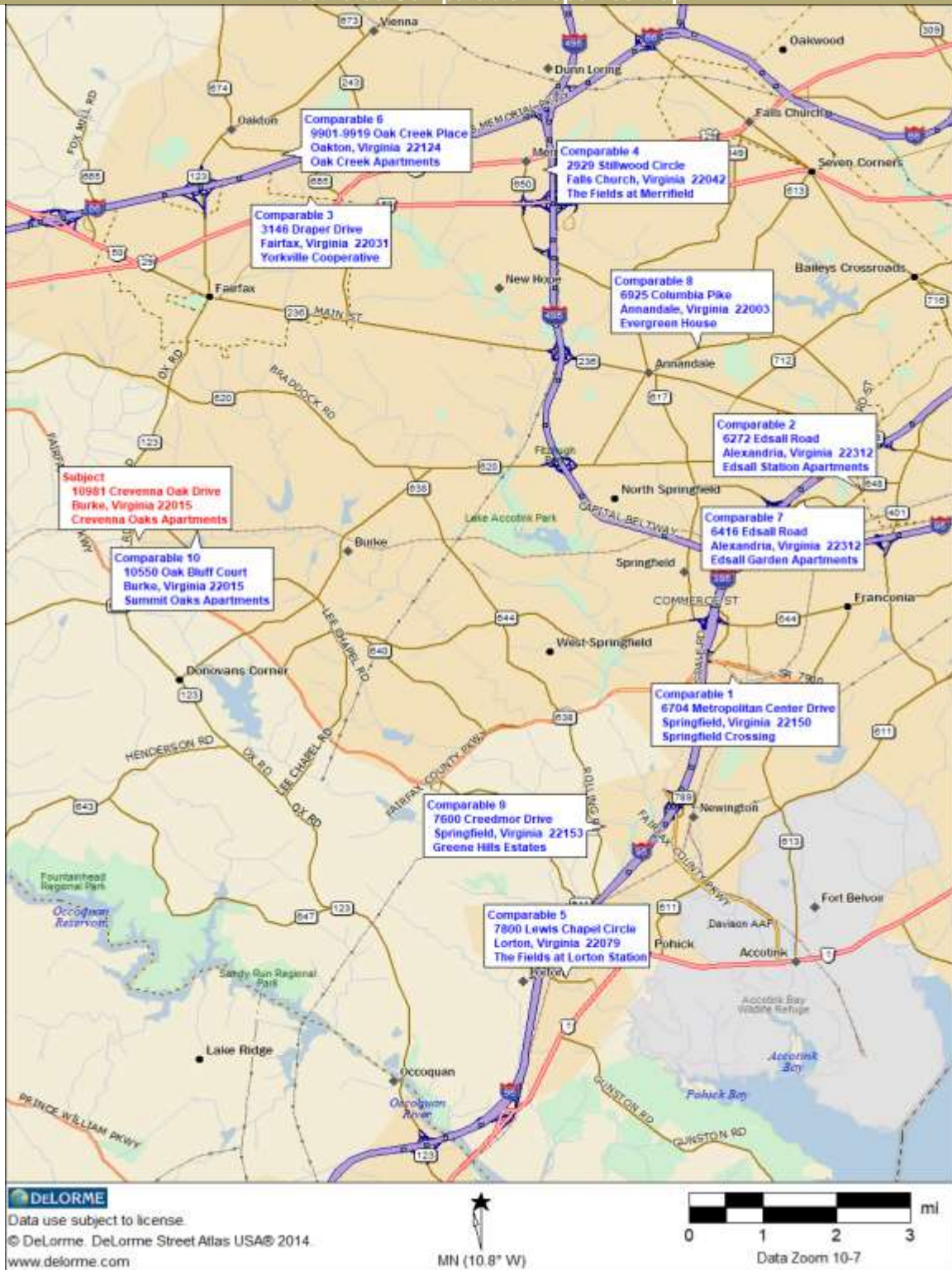
Occupancy 96%
Total Units 50
No. of Buildings 9
Construction Type Siding
HVAC Central Elec
Stories 2
Waiting List 193 Applicants
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families at 60 percent of the area median income. The complex maintains a waiting list with 187 applicants. The annual turnover rate was not disclosed. The development offers a utility allowance of \$98 and \$135 per month for two-bedroom units and \$138 per month for three-bedroom units.



Restricted Comparable Properties Map





Competing Properties Map



As renovated, the subject will have both Section 8 and LIHTC restrictions at 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



Additional Developments

The market area also includes additional developments that were excluded from the analysis due to non-competitiveness or inability to verify information. The developments located in the market area that were excluded from the survey are noted as follows:

Burke Lake Gardens - Burke, VA – Family - Unconfirmable

Market-Rate Properties (Not Comparable in Restrictions or Tenant Base)

Margate Manor - Fairfax, VA
Saratoga Square Apartments - Springfield, VA
Lerner Springfield Square - Springfield, VA
Pinewood Plaza Apartments - Fairfax, VA
Vistas of Annandale – Annandale, VA
Layton Hall Apartments - Fairfax, VA
Springfield Gardens - Springfield, VA
West Springfield Terrace - Springfield, VA
Fairfax Square - Fairfax, VA
Burke Shire Commons Apartments - Burke, VA
Chelsea Square Apartments - Springfield, VA



Market Rent Analysis

The market analyst researched rental housing in the market area and identified several apartment communities in and around the market area of the subject. The analyst identified the market-rate communities in the area that would directly compete with the subject. These comparables were then compared to the subject and adjusted for differences in amenities. These differences include, but are not limited to, location, structure, condition, unit size, number of bedrooms, number of baths, unit amenities (range/oven, refrigerator, microwave, dishwasher, etc.), project amenities (parking, storage, clubhouse, meeting room, pool, recreation area, etc.) and utilities provided. The adjustments made were based on the experience of the analyst, interviews with local officials, apartment managers and residents and information received from third-party sources (rent-to-own facilities, utility providers and housing authorities.) Additional adjustments were also determined using paired rental analysis. The paired rental analysis ranges are determined by comparing comparables with different numbers of bedrooms and factoring out any other differences (amenities, utilities provided, etc.) The resulting difference is assumed to be attributable to the differing number of bedrooms. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected.



TWO-BEDROOM UNITS (838 SF) – AS COMPLETE

OMB Approval # 2502-0507 (exp. 04/30/2021)

Rent Comparability Grid		Unit Type	Two-Bedroom		Subject's FHA #:		N/A				
Subject	Data	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5					
Crevenna Oaks Apartments		Burke Shire Commons Apartments	West Springfield Terrace	Vistas of Annandale	Pinewood Plaza Apartments	Fairfax Square					
10981 Crevenna Oaks Drive	on	5812 Chase Commons Court	8525 Burling Wood Drive	7431 Patriot Drive	3963 Persimmon Drive	9860 Fairfax Square					
Burke Fairfax	Subject	Burke Fairfax	Springfield Fairfax	Annandale Fairfax	Fairfax Fairfax	Fairfax Fairfax					
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
1 \$ Last Rent / Restricted?		\$2,035	N	\$2,225	N	\$2,137	N	\$1,978	N	\$2,039	N
2 Date Last Leased (mo/yr)		May-22		May-22		May-22		May-22		May-22	
3 Rent Concessions		N		N		N		N		N	
4 Occupancy for Unit Type		98%		98%		97%		94%		95%	
5 Effective Rent & Rent/sq.ft		\$2,035	\$2.17	\$2,225	\$2.32	\$2,137	\$1.56	\$1,978	\$2.31	\$2,039	\$2.27
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	T/2	WU/3	\$10	WU/3	\$10	T/3		WU/3	\$10	WU/3	\$10
7 Yr. Built/Yr. Renovated	1980/2008/Prop	1986/2012	\$19	1978	\$22	1973	\$37	1964	\$46	1966	\$44
8 Condition /Street Appeal	G	A	\$100	A	\$100	A	\$100	F	\$250	A	\$100
9 Neighborhood	A	A		A		A		A		A	
10 Same Market? Miles to Subj		Y/2.2		N/5.5		N/9.0	\$125	N/7.4		N/6.1	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	2	2		2		2		2		2	
12 # Baths	1	1		1		1		1		1	
13 Unit Interior Sq. Ft.	838	938	(\$55)	960	(\$70)	1,369	(\$305)	855		897	(\$35)
14 Balcony/ Patio	Y	Y		Y		Y		Y		Y	
15 AC: Central/ Wall	C	C		C		C		C		C	
16 Range/ Refrigerator	RF	RF		RF		RF		RF		RF	
17 Microwave/ Dishwasher	D	MD	(\$5)	MD	(\$5)	D		D		MD	(\$5)
18 Washer/Dryer	WD	WD		WD		WD		L	\$25	WD	
19 Floor Coverings	C	V		C		C		C		C	
20 Window Coverings	B	B		B		B		B		B	
21 Cable/ Satellite/Internet	I	N	\$55	N	\$55	I	\$45	N	\$55	I	\$45
22 Special Features	GC, A	SS, QCF	(\$35)	N	\$25	N	\$25	N	\$25	SS, CT	
23											
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	L/0	L/22-50	\$22	L/0-45		L/0		L/0		L/0	
25 Extra Storage	Y/0	Y/0		Y/20	\$5	N	\$5	N	\$5	N	\$5
26 Security	Y	N	\$5	Y		N	\$5	N	\$5	N	\$5
27 Clubhouse/ Meeting Rooms	MR	N	\$5	C		N	\$5	N	\$5	C	
28 Pool/ Recreation Areas	R	PER	(\$25)	PER	(\$20)	PER	(\$25)	PER	(\$35)	PER	(\$40)
29 Business Ctr / Nhbhd Netwk	N	N		N		BC	(\$5)	N		BC	(\$5)
30 Service Coordination	N	N		N		N		N		N	
31 Non-shelter Services	N	N		N		N		N		N	
32 Neighborhood Networks	N	N		N		N		N		N	
33											
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N/E	N/E		N/G		N/G		Y/G	(\$14)	N/G	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/G		N/E		Y/G	(\$3)	N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/G		N/E		Y/G	(\$6)	N/G	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	Y	N	\$69	Y		N	\$69	N	\$69	Y/S	\$59
39 Trash/ Recycling	Y	N	\$14	Y/S	\$8	N	\$14	Y		Y/S	\$10
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		7	4	6	3	8	3	9	1	6	4
41 Sum Adjustments B to D		\$216	(\$120)	\$217	(\$95)	\$347	(\$335)	\$426	(\$35)	\$209	(\$85)
42 Sum Utility Adjustments		\$83	\$0	\$8	\$0	\$83	\$0	\$69	(\$23)	\$69	\$0
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		\$179	\$419	\$130	\$320	\$95	\$765	\$437	\$553	\$193	\$363
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$2,214		\$2,355		\$2,232		\$2,415		\$2,232	
45 Adj Rent/Last rent			109%		106%		104%		122%		109%
46 Estimated Market Rent	\$2,285	\$2,734		Estimated Market Rent/ Sq. Ft							


Appraiser's Signature
5/19/2022
Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: Manually Using HUD's Excel form
form HUD-92273-S8 (04/2002)



Crevenna Oaks Apartments
Primary Unit Type – Two-Bedroom Units (838 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: "For minor adjustments (adjustments not exceeding the nominal amount), the RCS appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

A rent comparability grid was prepared for the primary unit type with 838 square feet. Comparable apartments used include the following: Burke Shire Commons Apartments (Comparable 1), West Springfield Terrace (Comparable 2), Vistas of Annandale (Comparable 3), Pinewood Plaza Apartments (Comparable 4) and Fairfax Square (Comparable 5).

Line 1: \$ Last Rent/Restricted – All of the units are currently rented at the rates shown on the grid. Rents range from \$1,978 to \$2,225 per month. No unit used in this analysis has any rent restrictions.

Line 2: Date Last Leased – The grid shows the effective date of the leases most recently signed. Effective dates are all May 2022. No adjustments were necessary.

Line 3: Rent Concessions – The subject is not offering any concessions. None of the comparables are currently offering concessions. No adjustments were needed.

Line 4: Occupancy for Unit Type – The subject's current occupancy rate is 96 percent. The comparables' occupancy rates range from 94 to 98 percent. The contact at Comparable 4 did not know why the vacancy rate was higher than normal at the property. However, research found that the property has some maintenance and pest control issues. No adjustments were needed.

Line 5: Effective Rent & Rent/Square Footage: All of the units are currently rented at the rates shown on the grid. After all necessary adjustments, effective rents range from \$1,978 to \$2,225, and effective rents per square foot range from \$1.56 to \$2.32 per square foot.

Line 6: Structure/Stories – The subject is located in two-story townhouse buildings. Comparable 3 is located in three-story townhouse buildings, and Comparables 1, 2, 4 and 5 are located in walk-up three-story buildings. All units at the subject are easily accessible without having to utilize stairs. Therefore, it is the appraiser's opinion that the subject's units would rent for a premium when compared to units not on the first floor in walk-up buildings as all units are accessible without navigating stairs. Per the Section 8 Renewal Policy, specifically Chapter 9-1-2 Line 6: Structure/Stories, the RCS appraiser should try to select comparables that have the same structure type as the subject. If the comparables have a different configuration than the subject, adjustment may be warranted based on market preferences. For instance, the RCS appraiser may make an adjustment for configuration differences such as townhome versus a stacked unit. In addition, the guide states the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable's unadjusted rent. Due to insufficient market data by which to extrapolate a market-based adjustment for structure/stories, the appraiser elected to adjust the comparables located in walk-up structures upward \$10, as deemed acceptable by the Section 8 Guide. The comparable with townhouse structures was considered similar to the subject and was not adjusted.

Line 7: Year Built/Year Renovated – The subject was built in 1980 and was renovated in 2008. The subject will be renovated again. Comparable 1 was constructed in 1986. The contact reported a renovation in 2012 which included kitchen appliances, floors, cabinets, countertops, light fixtures and new paint. Some structural issues were also repaired during this renovation. Comparable 2 was built in 1978. Comparable 3 was built in 1973. Comparable 4 was constructed in 1964. Comparable 5 was built in 1966.



The contacts stated there have been no renovations for Comparables 2, 3, 4 and 5. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables as renovated:

Property	Year Built	Effective Year Built	Adjustment
Subject	1980/2008/Prop	2010	-
1	1986/2012	1991	\$19
2	1978	1978	\$22
3	1973	1973	\$37
4	1964	1964	\$46
5	1966	1966	\$44

Line 8: Condition/Street Appeal – The subject has siding and siding construction. The landscaping consists of grass, trees and shrubs. The subject will be rehabilitated and will be in good condition after the rehabilitation. As complete, all comparables will be inferior to the subject in varying degrees. Properties in the region were researched to see if renovations warranted an increase in rent. The following table shows properties with their unrenovated rents and the increased post renovated rents.

CoStar Renovated Properties Search					
Property	Year Built	Year Renovated	Pre-Ren Rent	Post-Ren Rent	Difference in Rent
Landmark Towers	1965	2022	\$1,526	\$1,666	\$140
Crystal Woods of Alexandria	1966	2017	\$1,511	\$1,623	\$112
The Reserve at Regency Park	1988	2012	\$1,216	\$1,303	\$87
The Elms at Kingstowne	1988	2015	\$1,780	\$1,829	\$49
Manassas Yards	2004	2019	\$1,443	\$1,616	\$173
Arbor Park of Alexandria	1969	2015	\$1,697	\$1,767	\$70
Woodside Apartments	1987	2012	\$998	\$1,196	\$198
631 4th Street Northeast	1905	2015	\$3,288	\$3,407	\$119
Cascade Park Apartments	1949	2021	\$1,259	\$1,301	\$42
Arbor Heights	1947	2013	\$1,093	\$1,136	\$43
The Lansburgh	1991	2017	\$2,887	\$2,954	\$67
Randolph Towers	1983	2016	\$2,588	\$2,725	\$137
The Ashtons	1940	2011	\$1,046	\$1,124	\$78
Woodbury Park Apartments	1949	2016	\$1,646	\$1,762	\$116
Kingsley Commons	1949	2019	\$1,730	\$1,899	\$169

The average pre-renovated rent was \$1,714, and the average post-renovated rent was \$1,821; a difference of \$107. After considering all factors, the difference was rounded down to \$100 and added to their respective “as is” condition/street appeal adjustments. Therefore, Comparables 1, 2, 3 and 5 were adjusted upward \$100 per month, and Comparable 4 was adjusted upward \$250 per month.

Line 9: Neighborhood – The subject’s neighborhood is rated average, with easy access to all services available within the city limits. In order to determine if adjustments were needed for differences in location between the subject and the comparables, eleven factors were compared. Those factors include livability, amenities available, cost of living, crime factors, employment factors, housing factors, schools in the area, walkscore, population counts, median rent levels and median income levels. Based on the analysis, all comparables are located in the subject’s neighborhood or in neighborhoods that are similar to the subject’s. No adjustments were needed.



Line 10: Same Market/Miles to Subject – The subject and Comparable 1 are located in the same market area. However, due to the lack of conventional apartments within the primary market area, it was necessary to go outside the market area for four comparables. Comparables 2, 3, 4 and 5 are located outside of the subject’s immediate market area. In order to determine if adjustments were needed for differences in location between the subject and the comparables, several factors were compared. Those factors include median rent, median housing value and median income. The comparison between the subject and comparables is shown in the following table:

Market Area Characteristics				
	Burke	Fairfax	Annandale	Springfield
Median Rent	\$2,202	\$1,749	\$1,593	\$2,010
Median Housing Value	\$557,000	\$587,000	\$475,900	\$502,900
Median Income	\$144,677	\$133,226	\$104,795	\$114,459

Source: AreaVibes, Claritas and Ribbon Demographics, 2022 Data

The data shown in the table was verified through www.areavibes.com and www.walkscore.com. Each category was given a rating of 1 to 5, with 1 being the worst and 5 being the best. The ratings for each category were added together for each comparable, and the total sum was compared to the combined sum for the subject and a percent difference from the subject was determined. The results are shown in the following table:

Market Area Weighting Table				
	Burke	Fairfax	Annandale	Springfield
Median Rent	5	5	5	5
Median Housing Value	5	5	4	5
Median Income	5	5	5	5
Total	17	17	16	17
% Different	---	0.0%	5.9%	0.0%

An adjustment was needed for the comparable located in the CDP of Annandale. Based on the previous analysis, an upward adjustment of 5.9 percent was needed, rounded to the nearest \$5. No other adjustments were necessary.

Comparable #	Unadjusted Rent	% Difference	Adjustment
3	\$2,137	5.9%	\$126

Line 11: # of Bedrooms – The subject contains two-bedroom units. All comparables are similar. No adjustments were needed.

Line 12: # of Baths – The subject contains one bath in the units. All comparables are similar. No adjustments were needed.

Line 13: Unit Interior Square Footage – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable’s dollar per square foot rental rate was determined for each bedroom type. From these



results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.57. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

Line 14: Balcony/Patio – The subject and all comparables contain balconies and/or patios. Therefore, no adjustments were needed.

Line 15: AC: Central/Wall – The subject contains central air conditioning as do all comparables. No adjustments were needed.

Line 16: Range/Refrigerator – The subject and all comparables contain both amenities. No adjustments were needed.

Line 17: Microwave/Dishwasher – The subject and all comparables contain dishwashers. Comparables 1, 2 and 5 also contain microwaves in the units. Although there is little market data available concerning units with this feature versus those without this feature, the added amenity is an enhancement to the unit. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves.

Line 18: Washer/Dryer – The subject contains washers and dryers in the units. Comparables 1, 2, 3 and 5 also contain washers and dryers in the units. Comparable 4 contains a laundry facility. Units with washers and dryers provided are preferred over units without washers and dryers as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with washers and dryers versus those without washers and dryers, the amenities are an enhancement to the unit. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Washington, D.C., the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$32.17 to \$44.09 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$30 per month. Laundry facilities on-site are valued at \$5 per month. Therefore, units with washers and dryers will rent for \$25 more per month than units in properties with laundry facilities (\$30 for washer/dryer - \$5 for laundry facility = \$25).

Line 19: Floor Coverings – The subject and all comparables contain carpet or vinyl floor coverings. Therefore, no adjustments were needed.

Line 20: Window Coverings – The subject and all comparables contain window coverings. No adjustment was needed.

Line 21: Cable/Satellite/Internet – As renovated, the subject will provide property-wide Wi-Fi at no cost to the tenants. Comparables 3 and 5 provide common area Wi-Fi at no cost to the tenants. The remaining comparables do not contain these features. In order to determine an appropriate adjustment for these services, cable fees for local internet providers were researched. The following table shows the internet providers contacted and the fees for each provider.



INTERNET SERVICE	
Provider	Fee
Spectrum	\$49
Cox Communications	\$60
HughsNet	\$50
ViaSat	\$60
Ooma Connect	\$30*
Zayo	\$59
	\$55

*Ooma Connect provides 10 GB per month.

The costs for internet range from \$30 to \$60 per month. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the mid-point of the range is selected. As there was no majority for this analysis, an average adjustment of \$55 per month was selected. Common area wi-fi is a convenience to the property. This feature is valuable to residents as it allows access to the Internet without having to deplete data from personal accounts which are typically accompanied by data caps and limits. There is no data for these features that could be extracted from the market area. However, an adjustment was needed for the convenience of the on-site amenity. Therefore, an adjustment of \$10 was selected. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Common Area Wi-Fi				\$10		\$10
In-Unit Internet	\$55					
Total	\$55	\$0	\$0	\$10	\$0	\$10
Indicated Adjustment		\$55	\$55	\$45	\$55	\$45

Line 22: Special Features – The following table shows the amenities at the subject and each comparable, as renovated:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Stainless Steel Appliances	---	\$25	---	---	---	\$25
Solid-Surface Countertops	\$25	\$25	---	---	---	---
Fireplace	---	\$10	---	---	---	---
Vaulted Ceilings	---	---	---	---	---	---
Safety Bars	\$0	---	---	---	---	---
Total	\$25	\$60	\$0	\$0	\$0	\$25
Adjustments		(\$35)	\$25	\$25	\$25	\$0

Fireplaces are enhancements to the units, and tenants would expect to pay a premium fee if this amenity was included in the units. No complex in the market area shows a rent differential based on this particular item; however, an adjustment was considered appropriate. Therefore, a \$10 adjustment was selected for fireplaces. The market did not indicate a rent differential based on ceramic tile. Therefore, no adjustments were needed for this feature. Special features such as stainless steel appliances and granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up-charge from the rent that would be charged if unit did not contain these features. The 2020 NMHC/Kingsley Apartment Resident Preferences Report for Washington, D.C., the nearest metropolitan area, was consulted. According to the 2020 NMHC/Kingsley Apartment Resident Preferences Report, residents in the metropolitan area indicated they would expect a renter to pay \$30.42 per month for refrigerators with premium finishes and \$35.89 per month for premium countertops. After considering all factors, a \$25 adjustment was applied for stainless steel appliances,



and a \$25 adjustment was applied for the solid-surface countertops. The adjustments for the comparables are shown at the bottom of the table.

Line 24: Parking – The subject and Comparables 2, 3, 4 and 5 contain parking lots with no additional fee. Comparable 1 contains on-site parking but charges the tenants \$22 per month. Therefore, Comparable 1 was adjusted upward \$22 per month. No other adjustments were needed.

Line 25: Extra Storage – The subject contains extra storage for no additional fee. Comparable 1 is similar. The remaining comparables do not contain free on-site storage. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, extra storage was given a nominal \$5 adjustment per month.

Line 26: Security – As renovated, the subject will contain video surveillance. Comparable 2 also contains video surveillance. None of the remaining comparables contain security features. No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex. Video surveillance provides added protection for residents at the properties. Therefore, the properties without these features were adjusted upward \$5 per month.

Line 27: Clubhouse/Meeting Rooms/Dining Rooms – As renovated, the subject will contain a meeting room. Comparables 2 and 5 contain clubhouses. None of the remaining comparables contain these features. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties without these features were adjusted \$5 per feature compared to properties with any of these features.

Line 28: Pool/Exercise Room/Recreation Areas – The following table shows the amenities at the subject and each comparable:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool	---	\$10	\$10	\$10	\$10	\$10
Exercise Room	---	\$5	\$5	\$5	\$5	\$5
Wading Pool	---	---	---	---	\$5	\$5
Picnic Area	---	\$5	---	\$5	\$5	\$5
Playground	\$5	---	\$5	\$5	\$5	\$5
Tot Lot	---	---	---	---	\$5	---
Tennis Court	---	---	\$5	---	---	---
Coffee Bar	---	---	---	---	---	---
Pet Park	---	\$5	---	---	---	\$5
Multi-Use Room	---	---	---	---	---	\$5
Courtyard	---	\$5	---	\$5	\$5	---
Lounge	---	---	---	---	---	\$5
Total	\$5	\$30	\$25	\$30	\$40	\$45
Adjustments		(\$25)	(\$20)	(\$25)	(\$35)	(\$40)

Although there is little market data available concerning units with these features, the added amenities are an enhancement. Swimming pools are typically considered a more desirable feature than other recreation features. Therefore, a \$10 adjustment was determined for swimming pool, and a \$5 adjustment per feature was determined for each additional recreation area. The adjustments for the comparables are shown at the bottom of the table.

Line 29: Business Center – The subject and Comparables 1, 2 and 4 do not contain this feature. Comparables 3 and 5 contain business centers. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features.



Line 30: Service Coordination – The subject does not contain this feature. None of the comparables contain this feature. No adjustments were needed.

Line 31: Non-Shelter Services – The subject does not contain these features. None of the comparables contain these features. No adjustment was needed.

Line 32: Neighborhood Network – The subject does not contain this feature. None of the comparables contain this feature. No adjustment was needed.

Line 33: Heat – The subject does not have this utility provided. Comparable 4 provides this utility. None of the remaining comparables have this utility provided. Therefore, Comparable 4 was adjusted downward \$14 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers.

Line 34: Cooling – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Line 35: Cooking – The subject does not have this utility provided. Comparable 4 provides this utility. None of the remaining comparables have this utility provided. Therefore, Comparable 4 was adjusted downward \$3 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers.

Line 36: Hot Water – The subject does not have this utility provided. Comparable 4 provides this utility. None of the remaining comparables have this utility provided. Therefore, Comparable 4 was adjusted downward \$6 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers.

Line 37: Other Electric – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Line 38: Cold Water/Sewer – The subject provides cold water and sewer. Comparable 2 is similar. Comparables 1, 3 and 4 were adjusted upward \$69 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers. Comparable 5 provides water and sewer but charges back to the tenants a flat fee of \$59 per month to offset a portion of the utility costs. The flat fee is for water and sewer utilities. Therefore, this comparable was adjusted upward the flat fee cost of \$59 per month.

Line 39: Trash/Recycling – The subject provides this utility. Comparable 4 is similar. Comparables 1 and 3 were adjusted upward \$14 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers. Comparable 2 provides trash collection but charges back to the tenants a flat fee of \$8 per month to offset a portion of the utility costs. The flat fee is for trash collection only. Therefore, this comparable was adjusted upward the flat fee cost of \$8 per month. Comparable 5 provides trash collection but charges back to the tenants a flat fee of \$10 per month to offset a portion of the utility costs. The flat fee is for trash collection only. Therefore, this comparable was adjusted upward the flat fee cost of \$10 per month.



Line 46: Conclusion of Market Rent

The adjusted rents range from \$2,214 to \$2,355 per month. The subject and all comparables are situated in Fairfax County and are located in similar neighborhoods. The year builds of the comparables range from 1964 to 1986 which brackets the subject's 1980 date of construction. The subject and all comparables contain two-bedroom units, as does the subject. The complex design contains brick and siding exteriors and shingle roofs. All comparables are similar, containing brick and/or siding exteriors and shingle roofs.

As renovated, the subject will be superior in condition/street appeal to all comparables. However, the comparables used in the analysis are somewhat similar in services provided and utilities provided. The majority are also mostly similar in amenities provided.

However, less weight was placed on Pinewood Plaza Apartments and Vistas of Annandale as these comparables required the most adjustments to equate to the subject. In addition, Vistas of Annandale was least similar in neighborhood and unit size with 1,369 square feet. Also, Pinewood Plaza Apartments was least similar in condition/street appeal when compared to the subject.

Based on the above, the appraiser concluded the market rent for the units as follows:

- **838 SF Two-Bedroom Units - \$2,285, or \$2.73 per square foot**



THREE-BEDROOM UNITS (1,314 SF) – AS COMPLETE

OMB Approval # 2502-0507 (exp. 04/30/2021)

Rent Comparability Grid		Unit Type	Three-Bedroom		Subject's FHA #:	N/A					
Subject	Data	Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Crevenna Oaks Apartments		Burke Shire Commons Apartments		West Springfield Terrace		Vistas of Annandale		Pinewood Plaza Apartments		Fairfax Square	
10981 Crevenna Oaks Drive	on	5812 Chase Commons Court		8525 Burling Wood Drive		7431 Patriot Drive		3963 Persimmon Drive		9860 Fairfax Square	
	Subject	Burke Fairfax		Springfield Fairfax		Annandale Fairfax		Fairfax Fairfax		Fairfax Fairfax	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$2,599	N	\$3,130	N	\$2,902	N	\$2,088	N	\$2,900	N
2	Date Last Leased (mo/yr)	May-22		May-22		May-22		May-22		May-22	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	%		98%		97%		94%		95%	
5	Effective Rent & Rent/ sq. ft	\$2,599	\$1.77	\$3,130	\$2.70	\$2,902	\$1.77	\$2,088	\$1.97	\$2,900	\$1.97
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T/2		WU/3	\$10	T/3		WU/3	\$10	T/3	
7	Yr. Built/Yr. Renovated	1980/2008/Prop		1986/2012	\$19	1978	\$22	1973	\$37	1964	\$46
8	Condition / Street Appeal	G	\$100	A	\$100	A	\$100	F	\$250	A	\$100
9	Neighborhood	A		A		A		A		A	
10	Same Market? Miles to Subj	Y/2.2		N/5.5		N/5.2	\$170	N/7.4		N/6.1	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2.5	(\$10)	2		2.5	(\$10)
13	Unit Interior Sq. Ft.	1,314	(\$75)	1,160	\$75	1,641	(\$160)	1,060	\$125	1,472	(\$75)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	RF		RF		RF		RF		RF	
17	Microwave/ Dishwasher	D	(\$5)	MD	(\$5)	D		D		MD	(\$5)
18	Washer/Dryer	WD		WD		WD		L	\$25	WD	
19	Floor Coverings	C		V		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Cable/ Satellite/Internet	I	\$55	N	\$55	I	\$45	N	\$55	I	\$45
22	Special Features	GC, A	(\$35)	N	\$25	N	\$25	N	\$25	SS, CT	
23											
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L/0	\$22	L/0-45		L/0		L/0		L/0	
25	Extra Storage	Y/0		Y/20	\$5	N	\$5	N	\$5	N	\$5
26	Security	Y	\$5	Y		N	\$5	N	\$5	N	\$5
27	Clubhouse/ Meeting Rooms	MR	\$5	C		N	\$5	N	\$5	C	
28	Pool/ Recreation Areas	R	(\$25)	PER	(\$20)	PER	(\$25)	PER	(\$35)	PER	(\$40)
29	Business Ctr / Nhd Netwk	N		N		BC	(\$5)	N		BC	(\$5)
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	N		N		N		N		N	
32	Neighborhood Networks	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/G		N/G		Y/G	(\$18)	N/G	
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		Y/G	(\$3)	N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		Y/G	(\$8)	N/G	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y	\$73	Y		N	\$73	N	\$73	Y/S	\$68
39	Trash / Recycling	Y	\$14	Y/S	\$8	N	\$14	Y		Y/S	\$10
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	7	4	7	2	8	4	10	1	5	5
41	Sum Adjustments B to D	\$216	(\$140)	\$292	(\$25)	\$392	(\$200)	\$551	(\$35)	\$199	(\$135)
42	Sum Utility Adjustments	\$87	\$0	\$8	\$0	\$87	\$0	\$73	(\$29)	\$78	\$0
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$163	\$443	\$275	\$325	\$279	\$679	\$560	\$688	\$142	\$412
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$2,762		\$3,405		\$3,181		\$2,648		\$3,042	
45	Adj Rent/Last rent		106%		109%		110%		127%		105%
46	Estimated Market Rent	\$3,045	\$2,324	Estimated Market Rent/ Sq Ft							


Appraiser's Signature
5/19/2022
Date

Attached are explanations of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared: Manually Using HUD's Excel form form HUD-92273-S8 (04/2002)



Crevenna Oaks Apartments
Primary Unit Type – Three-Bedroom Units (1,314 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: "For minor adjustments (adjustments not exceeding the nominal amount), the RCS appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

A rent comparability grid was prepared for the primary unit type with 1,314 square feet. Comparable apartments used include the following: Burke Shire Commons Apartments (Comparable 1), West Springfield Terrace (Comparable 2), Vistas of Annandale (Comparable 3), Pinewood Plaza Apartments (Comparable 4) and Fairfax Square (Comparable 5).

Line 1: \$ Last Rent/Restricted – All of the units are currently rented at the rates shown on the grid. Rents range from \$2,088 to \$3,130 per month. No unit used in this analysis has any rent restrictions.

Line 2: Date Last Leased – The grid shows the effective date of the leases most recently signed. Effective dates are all May 2022. No adjustments were necessary.

Line 3: Rent Concessions – The subject is not offering any concessions. None of the comparables are currently offering concessions. No adjustments were needed.

Line 4: Occupancy for Unit Type – The subject's current occupancy rate is 96 percent. The comparables' occupancy rates range from 94 to 98 percent. The contact at Comparable 4 did not know why the vacancy rate was higher than normal at the property. However, research found that the property has some maintenance and pest control issues. No adjustments were needed.

Line 5: Effective Rent & Rent/Square Footage: All of the units are currently rented at the rates shown on the grid. After all necessary adjustments, effective rents range from \$2,088 to \$3,130, and effective rents per square foot range from \$1.77 to \$2.70 per square foot.

Line 6: Structure/Stories – The subject is located in two-story townhouse buildings. Comparables 3 and 5 are located in three-story townhouse buildings, and Comparables 1, 2 and 4 are located in walk-up three-story buildings. All units at the subject are easily accessible without having to utilize stairs. Therefore, it is the appraiser's opinion that the subject's units would rent for a premium when compared to units not on the first floor in walk-up buildings as all units are accessible without navigating stairs. Per the Section 8 Renewal Policy, specifically Chapter 9-1-2 Line 6: Structure/Stories, the RCS appraiser should try to select comparables that have the same structure type as the subject. If the comparables have a different configuration than the subject, adjustment may be warranted based on market preferences. For instance, the RCS appraiser may make an adjustment for configuration differences such as townhome versus a stacked unit. In addition, the guide states the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable's unadjusted rent. Due to insufficient market data by which to extrapolate a market-based adjustment for structure/stories, the appraiser elected to adjust the comparables located in walk-up structures upward \$10, as deemed acceptable by the Section 8 Guide. The comparable with townhouse structures was considered similar to the subject and was not adjusted.

Line 7: Year Built/Year Renovated – The subject was built in 1980 and was renovated in 2008. The subject will be renovated again. Comparable 1 was constructed in 1986. The contact reported a renovation in 2012 which included kitchen appliances, floors, cabinets, countertops, light fixtures and new paint. Some structural issues were also repaired during this renovation. Comparable 2 was built in 1978. Comparable 3 was built in 1973. Comparable 4 was constructed in 1964. Comparable 5 was built in 1966.



The contacts stated there have been no renovations for Comparables 2, 3, 4 and 5. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables as renovated:

Property	Year Built	Effective Year Built	Adjustment
Subject	1980/2008/Prop	2010	-
1	1986/2012	1991	\$19
2	1978	1978	\$22
3	1973	1973	\$37
4	1964	1964	\$46
5	1966	1966	\$44

Line 8: Condition/Street Appeal – The subject has siding and siding construction. The landscaping consists of grass, trees and shrubs. The subject will be rehabilitated and will be in good condition after the rehabilitation. The subject will be rehabilitated and will be in good condition after the rehabilitation. As complete, all comparables will be inferior to the subject in varying degrees. Properties in the region were researched to see if renovations warranted an increase in rent. The following table shows properties with their unrenovated rents and the increased post renovated rents.

CoStar Renovated Properties Search					
Property	Year Built	Year Renovated	Pre-Ren Rent	Post-Ren Rent	Difference in Rent
Landmark Towers	1965	2022	\$1,526	\$1,666	\$140
Crystal Woods of Alexandria	1966	2017	\$1,511	\$1,623	\$112
The Reserve at Regency Park	1988	2012	\$1,216	\$1,303	\$87
The Elms at Kingstowne	1988	2015	\$1,780	\$1,829	\$49
Manassas Yards	2004	2019	\$1,443	\$1,616	\$173
Arbor Park of Alexandria	1969	2015	\$1,697	\$1,767	\$70
Woodside Apartments	1987	2012	\$998	\$1,196	\$198
631 4th Street Northeast	1905	2015	\$3,288	\$3,407	\$119
Cascade Park Apartments	1949	2021	\$1,259	\$1,301	\$42
Arbor Heights	1947	2013	\$1,093	\$1,136	\$43
The Lansburgh	1991	2017	\$2,887	\$2,954	\$67
Randolph Towers	1983	2016	\$2,588	\$2,725	\$137
The Ashtons	1940	2011	\$1,046	\$1,124	\$78
Woodbury Park Apartments	1949	2016	\$1,646	\$1,762	\$116
Kingsley Commons	1949	2019	\$1,730	\$1,899	\$169

The average pre-renovated rent was \$1,714, and the average post-renovated rent was \$1,821; a difference of \$107. After considering all factors, the difference was rounded down to \$100 and added to their respective “as is” condition/street appeal adjustments. Therefore, Comparables 1, 2, 3 and 5 were adjusted upward \$100 per month, and Comparable 4 was adjusted upward \$250 per month.

Line 9: Neighborhood – The subject’s neighborhood is rated average, with easy access to all services available within the city limits. In order to determine if adjustments were needed for differences in location between the subject and the comparables, eleven factors were compared. Those factors include livability, amenities available, cost of living, crime factors, employment factors, housing factors, schools in the area, walkscore, population counts, median rent levels and median income levels. Based on the analysis, all comparables are located in the subject’s neighborhood or in neighborhoods that are similar to the subject’s. No adjustments were needed.



Line 10: Same Market/Miles to Subject – The subject and Comparable 1 are located in the same market area. However, due to the lack of conventional apartments within the primary market area, it was necessary to go outside the market area for four comparables. Comparables 2, 3, 4 and 5 are located outside of the subject’s immediate market area. In order to determine if adjustments were needed for differences in location between the subject and the comparables, several factors were compared. Those factors include median rent, median housing value and median income. The comparison between the subject and comparables is shown in the following table:

Market Area Characteristics				
	Burke	Fairfax	Annandale	Springfield
Median Rent	\$2,202	\$1,749	\$1,593	\$2,010
Median Housing Value	\$557,000	\$587,000	\$475,900	\$502,900
Median Income	\$144,677	\$133,226	\$104,795	\$114,459

Source: AreaVibes, Claritas and Ribbon Demographics, 2022 Data

The data shown in the table was verified through www.areavibes.com and www.walkscore.com. Each category was given a rating of 1 to 5, with 1 being the worst and 5 being the best. The ratings for each category were added together for each comparable, and the total sum was compared to the combined sum for the subject and a percent difference from the subject was determined. The results are shown in the following table:

Market Area Weighting Table				
	Burke	Fairfax	Annandale	Springfield
Median Rent	5	5	5	5
Median Housing Value	5	5	4	5
Median Income	5	5	5	5
Total	17	17	16	17
% Different	---	0.0%	5.9%	0.0%

An adjustment was needed for the comparable located in the CDP of Annandale. Based on the previous analysis, an upward adjustment of 5.9 percent was needed, rounded to the nearest \$5. No other adjustments were necessary.

Comparable #	Unadjusted Rent	% Difference	Adjustment
3	\$2,902	5.9%	\$171

Line 11: # of Bedrooms – The subject contains three-bedroom units. All comparables are similar. No adjustments were needed.

Line 12: # of Baths – The subject contains two baths in the units. Comparables 1, 2 and 4 also contain two baths in the units and Comparables 3 and 5 contain two-and-one-half baths in the units. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. There was insufficient market data available for a paired analysis as the majority of properties in this market contain a similar number of baths. Therefore, \$10 half-bath per month adjustments were selected.

Line 13: Unit Interior Square Footage – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this



data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable’s dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.49. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

Line 14: Balcony/Patio – The subject and all comparables contain balconies and/or patios. Therefore, no adjustments were needed.

Line 15: AC: Central/Wall – The subject contains central air conditioning as do all comparables. No adjustments were needed.

Line 16: Range/Refrigerator – The subject and all comparables contain both amenities. No adjustments were needed.

Line 17: Microwave/Dishwasher – The subject and all comparables contain dishwashers. Comparables 1, 2 and 5 also contain microwaves in the units. Although there is little market data available concerning units with this feature versus those without this feature, the added amenity is an enhancement to the unit. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves.

Line 18: Washer/Dryer – The subject contains washers and dryers in the units. Comparables 1, 2, 3 and 5 also contain washers and dryers in the units. Comparable 4 contains a laundry facility. Units with washers and dryers provided are preferred over units without washers and dryers as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with washers and dryers versus those without washers and dryers, the amenities are an enhancement to the unit. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Washington, D.C., the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$32.17 to \$44.09 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$30 per month. Laundry facilities on-site are valued at \$5 per month. Therefore, units with washers and dryers will rent for \$25 more per month than units in properties with laundry facilities (\$30 for washer/dryer - \$5 for laundry facility = \$25).

Line 19: Floor Coverings – The subject and all comparables contain carpet or vinyl floor coverings. Therefore, no adjustments were needed.

Line 20: Window Coverings – The subject and all comparables contain window coverings. No adjustment was needed.

Line 21: Cable/Satellite/Internet – As renovated, the subject will provide property-wide Wi-Fi at no cost to the tenants. Comparables 3 and 5 provide common area Wi-Fi at no cost to the tenants. The remaining comparables do not contain these features. In order to determine an appropriate adjustment for these



services, cable fees for local internet providers were researched. The following table shows the internet providers contacted and the fees for each provider.

INTERNET SERVICE	
Provider	Fee
Spectrum	\$49
Cox Communications	\$60
HughsNet	\$50
ViaSat	\$60
Ooma Connect	\$30*
Zayo	\$59
	\$55

*Ooma Connect provides 10 GB per month.

The costs for internet range from \$30 to \$60 per month. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the mid-point of the range is selected. As there was no majority for this analysis, an average adjustment of \$55 per month was selected. Common area wi-fi is a convenience to the property. This feature is valuable to residents as it allows access to the Internet without having to deplete data from personal accounts which are typically accompanied by data caps and limits. There is no data for these features that could be extracted from the market area. However, an adjustment was needed for the convenience of the on-site amenity. Therefore, an adjustment of \$10 was selected. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Common Area Wi-Fi				\$10		\$10
In-Unit Internet	\$55					
Total	\$55	\$0	\$0	\$10	\$0	\$10
Indicated Adjustment		\$55	\$55	\$45	\$55	\$45

Line 22: Special Features – The following table shows the amenities at the subject and each comparable, as renovated:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Stainless Steel Appliances	---	\$25	---	---	---	\$25
Solid-Surface Countertops	\$25	\$25	---	---	---	---
Fireplace	---	\$10	---	---	---	---
Vaulted Ceilings	---	---	---	---	---	---
Safety Bars	\$0	---	---	---	---	---
Total	\$25	\$60	\$0	\$0	\$0	\$25
Adjustments		(\$35)	\$25	\$25	\$25	\$0

Fireplaces are enhancements to the units, and tenants would expect to pay a premium fee if this amenity was included in the units. No complex in the market area shows a rent differential based on this particular item; however, an adjustment was considered appropriate. Therefore, a \$10 adjustment was selected for fireplaces. The market did not indicate a rent differential based on ceramic tile. Therefore, no adjustments were needed for this feature. Special features such as stainless steel appliances and granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up-charge from the rent that would be charged if unit did not contain these features. The 2020 NMHC/Kingsley Apartment Resident Preferences Report for Washington, D.C., the nearest metropolitan area, was consulted. According to the 2020 NMHC/Kingsley Apartment Resident Preferences Report, residents in the metropolitan area indicated they would expect a renter to pay \$30.42 per month for refrigerators with premium finishes and \$35.89 per month for premium



countertops. After considering all factors, a \$25 adjustment was applied for stainless steel appliances, and a \$25 adjustment was applied for the solid-surface countertops. The adjustments for the comparables are shown at the bottom of the table.

Line 24: Parking – The subject and Comparables 2, 3, 4 and 5 contain parking lots with no additional fee. Comparable 1 contains on-site parking but charges the tenants \$22 per month. Therefore, Comparable 1 was adjusted upward \$22 per month. No other adjustments were needed.

Line 25: Extra Storage – The subject contains extra storage for no additional fee. Comparable 1 is similar. The remaining comparables do not contain free on-site storage. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, extra storage was given a nominal \$5 adjustment per month.

Line 26: Security – As renovated, the subject will contain video surveillance. Comparable 2 also contains video surveillance. None of the remaining comparables contain security features. No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex. Video surveillance provides added protection for residents at the properties. Therefore, the properties without these features were adjusted upward \$5 per month.

Line 27: Clubhouse/Meeting Rooms/Dining Rooms – As renovated, the subject will contain a meeting room. Comparables 2 and 5 contain clubhouses. None of the remaining comparables contain these features. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties without these features were adjusted \$5 per feature compared to properties with any of these features.

Line 28: Pool/Exercise Room/Recreation Areas – The following table shows the amenities at the subject and each comparable:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool	---	\$10	\$10	\$10	\$10	\$10
Exercise Room	---	\$5	\$5	\$5	\$5	\$5
Wading Pool	---	---	---	---	\$5	\$5
Picnic Area	---	\$5	---	\$5	\$5	\$5
Playground	\$5	---	\$5	\$5	\$5	\$5
Tot Lot	---	---	---	---	\$5	---
Tennis Court	---	---	\$5	---	---	---
Coffee Bar	---	---	---	---	---	---
Pet Park	---	\$5	---	---	---	\$5
Multi-Use Room	---	---	---	---	---	\$5
Courtyard	---	\$5	---	\$5	\$5	---
Lounge	---	---	---	---	---	\$5
Total	\$5	\$30	\$25	\$30	\$40	\$45
Adjustments		(\$25)	(\$20)	(\$25)	(\$35)	(\$40)

Although there is little market data available concerning units with these features, the added amenities are an enhancement. Swimming pools are typically considered a more desirable feature than other recreation features. Therefore, a \$10 adjustment was determined for swimming pool, and a \$5 adjustment per feature was determined for each additional recreation area. The adjustments for the comparables are shown at the bottom of the table.

Line 29: Business Center – The subject and Comparables 1, 2 and 4 do not contain this feature. Comparables 3 and 5 contain business centers. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with



these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features.

Line 30: Service Coordination – The subject does not contain this feature. None of the comparables contain this feature. No adjustments were needed.

Line 31: Non-Shelter Services – The subject does not contain these features. None of the comparables contain these features. No adjustment was needed.

Line 32: Neighborhood Network – The subject does not contain this feature. None of the comparables contain this feature. No adjustment was needed.

Line 33: Heat – The subject does not have this utility provided. Comparable 4 provides this utility. None of the remaining comparables have this utility provided. Therefore, Comparable 4 was adjusted downward \$18 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers.

Line 34: Cooling – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Line 35: Cooking – The subject does not have this utility provided. Comparable 4 provides this utility. None of the remaining comparables have this utility provided. Therefore, Comparable 4 was adjusted downward \$3 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers.

Line 36: Hot Water – The subject does not have this utility provided. Comparable 4 provides this utility. None of the remaining comparables have this utility provided. Therefore, Comparable 4 was adjusted downward \$8 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers.

Line 37: Other Electric – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Line 38: Cold Water/Sewer – The subject provides cold water and sewer. Comparable 2 is similar. Comparables 1, 3 and 4 were adjusted upward \$73 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers. Comparable 5 provides water and sewer but charges back to the tenants a flat fee of \$68 per month to offset a portion of the utility costs. The flat fee is for water and sewer utilities. Therefore, this comparable was adjusted upward the flat fee cost of \$68 per month.

Line 39: Trash/Recycling – The subject provides this utility. Comparable 4 is similar. Comparables 1 and 3 were adjusted upward \$14 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Fairfax County. The amount was substantiated through local utility providers. Comparable 2 provides trash collection but charges back to the tenants a flat fee of \$8 per month to offset a portion of the utility costs. The flat fee is for trash collection only. Therefore, this comparable was adjusted upward the flat fee cost of \$8 per month. Comparable 5 provides trash collection but charges back to the tenants a flat fee of \$10 per month to offset a portion of the utility costs. The flat fee is for trash collection only. Therefore, this comparable was adjusted upward the flat fee cost of \$10 per month.



Line 46: Conclusion of Market Rent

The adjusted rents range from \$2,648 to \$3,405 per month. The subject and all comparables are situated in Fairfax County and are located in similar neighborhoods. The year builds of the comparables range from 1964 to 1986 which brackets the subject's 1980 date of construction. The subject and all comparables contain two-bedroom units, as does the subject. The complex design contains brick and siding exteriors and shingle roofs. All comparables are similar, containing brick and/or siding exteriors and shingle roofs.

As renovated, the subject will be superior in condition/street appeal to all comparables. However, the comparables used in the analysis are somewhat similar in services provided and utilities provided. The majority are also mostly similar in amenities provided.

However, less weight was placed on Pinewood Plaza Apartments and Vistas of Annandale as these comparables required the most adjustments to equate to the subject. In addition, Vistas of Annandale was least similar in neighborhood and unit size with 1,641 square feet. Also, Pinewood Plaza Apartments was least similar in condition/street appeal when compared to the subject.

Based on the above, the appraiser concluded the market rent for the units as follows:

- **1,314 SF Three-Bedroom Units - \$3,045, or \$2.32 per square foot**

The developer is proposing affordable rents as follows: \$2,285 and \$3,045. In addition, the maximum net tax credit rents range from \$1,921 for the two-bedroom units and \$2,220 for the three-bedroom units. The proposed rents are line with the achievable rents determined on the rent grids and are higher than the both the maximum net tax credit rents. However, as all the units contain Section 8 rental subsidy, tenants will never be asked to pay more than 30 percent of their gross annual income for rent. Therefore, the proposed rents, as shown in the following table, were utilized in the restricted analysis.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
2/1	30	838	60%	\$1,921	\$2,392	\$107	\$2,285
3/2	20	1,314	60%	\$2,220	\$3,163	\$118	\$3,045



Evaluation of the Development

Project Design

Crevenna Oaks Apartments is comprised of six two-story townhome buildings. The buildings have a concrete slab foundation and wood framing, with vinyl siding exterior and asphalt shingle roofs. The complex was constructed in 1980 and was renovated in 2008. The property will once again be rehabilitated. Landscaping is minimal and consist of grass, trees and shrubs. The property is not a scattered site development. The subject's design is similar to the comparable developments in the market area.

Project Amenities

The property provides the following project amenities: playground, exterior storage, on-site management, on-site maintenance and video surveillance. The subject's project amenities are competitive with the comparables in the market area.

Parking

The complex contains an open asphalt parking lot. The complex does not charge any additional fees for parking. The parking is sufficient for the development.

Unit Mix

The subject's unit mix of two- and three-bedroom units is suitable in the market area.

Utilities

The subject contains electric heat pump heating and central electric cooling. Cooking and hot water are electric. The landlord provides cold water, sewer and trash collection services. This arrangement is similar to the majority of the comparables in the market area.

Unit Amenities

Each unit contains the following amenities: refrigerator, range/oven, garbage disposal, dishwasher, washer/dryer, carpet and vinyl flooring, blinds and patio. Upon completion of rehabilitation, the units will also contain granite countertops and in-unit Wi-Fi. The unit amenities are competitive with the comparables in the market area.

Tenant Services

The subject will not provide tenant services. None of the comparables offer tenant services.

Impact of Existing/Planned Rental Housing

The market area exhibits sufficient demand for the proposed rehabilitation of the existing property. Based on the occupancy level of the apartment complexes in the market area, the waiting lists, the projected population and household growth and the economic factors, it is believed that when the rehabilitation is completed, the property will have no adverse impact on the existing and/or planned market-rate rental housing properties in the market area.



Summary of Developments Strength and Weaknesses

Strengths

- The subject's site plan and design are competitive with the surveyed comparables.
- The development will be superior to most of the comparable developments in condition upon completion of the rehabilitation.
- The subject's current and proposed unit and project amenities will be competitive with the comparables in the market area.
- The subject's proposed rents will provide a good value to prospective tenants.

Weaknesses

- There are no apparent weaknesses.

LOCAL PERSPECTIVE AND INTERVIEWS



Local Interviews

Fairfax Redevelopment and Housing Authority

Ms. Margaret Johnson, Division Director of Rental Housing with the Fairfax Redevelopment and Housing Authority, was contacted to determine the adequacy of the current affordable housing stock. Ms. Johnson indicated that additional housing is needed for families and that there is no specific unit type that is more desirable. The telephone number for Ms. Johnson is 703-246-5162.

Burke Zoning Department

According to Austin Gastell, Administrator with the Zoning Administration Division, the subject site is zoned PRC, Planned Residential Community District. The subject is of a legal, conforming use of the zoning district. It was stated the subject could be rebuilt as if destroyed. Furthermore, there is no limit to the number of permits that can be issued annually. Mr. Gastell reported that there have been a few new rental properties constructed in the last few years; however, the city is in need of additional affordable housing as the majority of the new rental housing is market-rate. The phone number for the Zoning Administration Division is 703-324-1380.

National Business Investment Manager- Finance, Insurance and Real Estate (FCEDA)

According to Alex Thalacker, National Business Investment Manager- Finance, Insurance and Real Estate (FCEDA), Fairfax County has numerous new and expanding business since 2021. He reported that 146 businesses announced the addition of 8,973 jobs to the Fairfax County economy. Some of the companies that have recently made large job-creation announcements include the following: Peraton (Herndon) – 1,200 jobs; Guidehouse (Tysons) – 920 jobs; Qualtrics (Reston) – 400 jobs; Avantus Federal (Tysons) – 302 jobs; Kreative Technologies (Fairfax) – 296 jobs; Alpha Amega Integration (Tysons) - 154 jobs; Riva Solutions (Tysons) – 136 jobs; Appian (Tysons) – 135 jobs; TekMasters (Chantilly) – 100 jobs; and Starkist (Reston) – 83 jobs. New businesses to the area include Spacelink, Golfzon, Siege Technologies, Cloudpermit, PushNews and Similarweb. He further noted that of the 146 firms that worked with the FCEDA and announced new jobs, 117 are American companies, including 25 that are minority-owned. Due to the new and expanding businesses, decreasing unemployment and lack of layoffs and closures in the city, it is believed that the economic outlook for the area will remain stable for the next two to five years. The phone number for the National Business Investment Manager- Finance, Insurance and Real Estate (FCEDA) is 703-790-0600.

RECOMMENDATIONS AND CONCLUSIONS



Recommendations and Conclusions

Project Description

The subject, Crevenna Oaks Apartments, is an existing Section 8 development designated for families that contains 50 units. The subject will undergo renovation. Once renovation is complete, the subject will continue to be a Section 8 development as well as a Low Income Housing Tax Credit property. The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$92,220 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$65,863 and \$92,220 would be eligible for the rehabilitated development.

The following chart lists the subject's unit mix. The property has a total of 51,420 net rentable square feet.

Unit Type	# of Units	Square Feet	Total Square Footage
2/1	30	838	25,140
3/2	20	1,314	26,280
	50		51,420

The following chart lists the subject's existing unit distribution by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
2/1	30	838	\$2,055	\$107
3/2	20	1,314	\$2,415	\$118
	50			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
2/1	30	838	60%	\$1,921	\$2,392	\$107	\$2,285
3/2	20	1,314	60%	\$2,220	\$3,163	\$118	\$3,045

Since the subject will retain its Section 8 contract, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. However, tenants will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants be required to pay more than the maximum allowable LIHTC rent.

Income Averaging

The developer has not elected the income-averaging option.



Housing Profile

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The current vacancy rate in surveyed income-restricted apartment complexes is 0.3 percent. The current vacancy rate in surveyed market-rate apartment complexes is 3.2 percent. The current vacancy rate of the competitive properties in the market area is 0.3 percent.

The proposed rehabilitation of the existing Section 8 development will not have an adverse impact on the market area. As complete, the property will be 100 percent LIHTC at 60 percent of the area median income and will also be Section 8 with subsidies for all units. The property is currently 96 percent occupied, and maintains a waiting list with 193 applicants. There were 11 income-restricted developments, including the subject, confirmed in the market area. Of the confirmed income-restricted developments, eight directly compete with the subject. All competing developments maintain high occupancy rates, and most maintain waiting lists from the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing.

Market Feasibility

The following tables show the capture rates for the rehabilitated development both with and without considering subsidies.

CAPTURE RATE BY INCOME LIMITS - WITH SUBSIDY	
Income Restrictions:	All Units @ 60% (\$0- \$92,220)
All Units at Subject	2.6%
Vacant Units at Subject	0.1%

CAPTURE RATE - WITHOUT SUBSIDY	
Income Restrictions:	All Units @ 60% (\$65,863- \$92,220)
All Units at Subject	7.4%

The market shows a net demand of 1,915 households for all units when considering the Section 8 subsidy and a net demand of 671 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 and LIHTC development that is currently 96 percent occupied, with two vacant units. The property has a waiting list with 193 applicants. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 50 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 2.6 percent if the property were entirely vacant. However, the subject is currently 96 percent occupied, with two vacant units. The capture rate is 0.1 percent when considering subsidies and only vacant units. Both captures rates when considering subsidies are considered good. The capture rate, without considering the subsidy, is 7.4 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed



that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Evaluation of Project

The property is easily accessed via Crevenna Oaks Drive. Crevenna Oaks Drive connects to Oak Green Way, which then connects to Burke Centre Parkway. Burke Centre Parkway provides direct access to Ox Road/State Highway 123, a major thoroughfare in the city. Therefore, the subject has average visibility and easy access. The subject's existing site plan and project design are similar to competing apartment developments. The subject's existing unit mix of two- and three-bedroom units is suitable in the market.

Positive/Negative Attributes

Strengths: The subject's location is comparable to other developments in the market area. Its current and proposed in-unit and common area amenities will be competitive with the other developments in the market area. When these factors are taken into consideration, the subject's rehabilitated units will provide a good value to prospective tenants.

Weaknesses: There are no apparent weaknesses.

Conclusions

The subject can retain its required share of the market area for the following reasons:

- The subject's rehabilitated design and amenities will be competitive with other existing projects. Therefore, no modifications to the subject are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2027, indicating a need for additional housing the market area. In addition, all restricted properties confirmed maintain high occupancy rates, and the majority maintain waiting lists, it appears the market is not oversaturated with affordable rental housing.
- Crevenna Oaks Apartments is an existing 50-unit Section 8 development that will be rehabilitated. Once rehabilitated is complete, the subject will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is an existing Section 8 development that is currently 96 percent occupied, with two two-bedroom vacant units. The property has a waiting list with 193 applicants. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, it is unlikely all of the existing tenants would remain income-eligible, and the 50 units would need to be absorbed into the market. After considering all factors, it is estimated that the subject property could absorb 10 to 15 units per month, resulting in a 95 percent occupancy level within four to five months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the rehabilitated development will be suitable for the market area. Given the current low vacancy rates for income-restricted properties as well as the waiting lists at most properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.

MARKET STUDY ANALYST STATEMENT OF EXPERIENCE



Qualifications of the Analyst

Gill Group is a nationwide marketing and real estate consulting firm specializing in market studies and real estate appraisals for low-income housing developments. For more than 30 years, Gill Group has been performing market research and appraisals on all types of properties. Primary data from field inspectors, analysts and appraisers is used. Our inspectors, analysts and appraisers personally inspect and examine every property included in the reports. Additional data is obtained from the U.S. Census Bureau, local public officials and reliable market data research companies such as ESRI Business Information Solutions. Gill Group's market studies have been used by clients in the Low Income Housing Tax Credit program and in obtaining and renewing state and federal subsidies for low-income housing developments and multifamily rental housing. Jonathan Richmond has been active in the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (M.A.P.) and Mark-to-Market programs.



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OVERVIEW	Multifamily and commercial experience specializing in work for private contractors, the Department of Housing and Urban Development (HUD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program. Has completed over 100 market studies in the past five years.
ACCREDITATIONS	State Certified Real Estate Appraiser Missouri State License Number 2014040824 Housing Credit Certified Professional (HCCP) National Council of Affordable Housing Market Analysts (NCAHMA)
EMPLOYMENT	Hanley Wood 2001 – 2005 Specialized in Market Research Coordination by providing residential construction information for residential real estate development and new home construction. Gill Group 2005 – Present Specializes in multi-family market studies, appraisals, and physical inspections.
EDUCATION	Bachelor of Science in Business Administration/Management <i>The University of Phoenix</i> Advanced Microsoft Excel Training <i>New Horizons Microsoft Excel 2003-Level 2</i> State Registered Appraiser of Real Estate <i>Steve W. Vehmeyer Appraisal School</i> General Education Classes <i>Manatee Community College</i>
EXPERIENCE (2008 TO PRESENT)	Provider of appraisals for HUD, Public Housing Authorities, Property Management Companies, Non-Profit Entities, For-Profit Entities, Commercial Property Chains, Banks and Lenders everywhere. Inspector for Gill Group Provides Property Condition Assessments for the following property types: <ul style="list-style-type: none">• Multi-Family• Office Provided Inspections for the following property types



- Single-Family
- Multi-Family
 - o Conventional
 - o Section 8
 - o Section 42 w/ File Audits
 - o Section 202
 - o Section 221(d)(3)
 - o Section 221(d)(4)
 - o Section 236
- Hotels
- Motels
- Department Stores
- Retail Centers
- Warehouse
- Large, Multi-Unit Mini-Storage Facilities

RECENT PROJECTS

Proposed 52 Unit Family Complex - Guthrie, OK
43 Unit Multifamily Property - Waggaman, LA
32 Unit Multifamily Property - Waggaman, LA
24 Unit Family Complex - Republic, MO
112 Unit Multifamily Apartment Complex - Santa Clara, CA
28 Senior Unit Property - Ozark, AR
19 New Construction Single Family Homes - Butler, MO
44 Unit Multifamily Property - Nevada, MO
52 Senior Unit Complex - Savannah, MO
36 Unit Multifamily Property - Corbin, KY



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573-624-2942 (fax)

OVERVIEW	Extensive multifamily experience specializing in work for the Department of Housing and Urban Development (HUD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program. Also, many years of experience with nursing homes and typical commercial appraisals.
ACCREDITATIONS	MAI Designated Member of the Appraisal Institute State Certified General Real Estate Appraiser Missouri State License Number: 2002024410 Virginia State License Number: 4001016982 Maryland State License Number: 32198 Also regularly receives temporary licenses in the following states: Colorado, Florida, Hawaii, Minnesota, Oklahoma and Texas.
EDUCATION	Bachelor of Science Degree <i>Southeast Missouri State University</i> Associate of Arts Degree <i>Three Rivers Community College</i> Professional Standards of Practice <i>National Association of Independent Fee Appraisers</i> Introductions to Income Properties <i>National Association of Independent Fee Appraisers</i> Concepts, Terminology & Techniques <i>National Association of Independent Fee Appraisers</i> Financial Analysis of Income Properties <i>National Association of Independent Fee Appraisers</i> 1.4B Report Writing-Non Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> Principles of Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> 1.4A Report Writing-Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> Economics I <i>Three Rivers Community College</i> 1.4A Report Writing Non-Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> Advanced Highest & Best Use and Market Analysis <i>Appraisal Institute</i> Advanced Sales Comparison & Cost Approaches <i>Appraisal Institute</i> Advanced Income Capitalization <i>Appraisal Institute</i>



Report Writing & Valuation Analysis

Appraisal Institute

National USPA Update

McKissack

**EXPERIENCE
(1991 TO PRESENT)**

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring. Have worked with HUD in this capacity for several years.

Contract appraiser for Kentucky Housing Corporation for the eastern half of the State of Kentucky.

Provider of nursing home appraisals and hotel appraisals as well as typical commercial appraisals nationwide.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide.

Partial list of clients include: Boston Capital, Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, Reznick Group, Siegel Group, Signet Partners and Wachovia Securities.



Certificate of Professional Designation

This certificate verifies that

Samuel Todd Gill
Gill Group, Inc.

*Has completed NCHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



Formerly known as
NCAHMA

National Council of Housing Market Analysts
1400 16th St. NW
Suite 420
Washington, DC 20036
202-939-1750

Membership Term
1/1/2022 to 12/31/2022



Thomas Amdur
President, NCHMA



We affirm that we have made a physical inspection of the site and market area. We also affirm that the appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units. To the best of our knowledge the market can support the demand shown in this study. We understand that any misrepresentations in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by the Virginia Housing. We also affirm that neither we nor anyone at our firm has any interest in the proposed development or relationship with the ownership entity. In addition, we affirm that neither we nor anyone at our firm nor anyone acting on behalf of our firm in connection with the preparation of this report has communication to others that my firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing. Finally, we affirm that compensation for our services is not contingent upon this development receiving a reservation or allocation of tax credits.

A handwritten signature in black ink, appearing to read 'Jonathan Richmond'.

Jonathan Richmond
Market Analyst

A handwritten signature in black ink, appearing to read 'Janice F. Gill'.

Janice F. Gill, MAI
Market Analyst

Date: September 20, 2022

ADDENDUM A – DATA SOURCES

2000 U.S. Census
2010 U.S. Census
American Community Survey
Claritas; Ribbon Demographics (A nationally recognized demographics forecaster)
U.S. Bureau of Labor Statistics

Information used in the market study was obtained from various sources including: the U.S. Census Bureau, Ribbon Demographics, U.S. Bureau of Labor Statistics, interviews with local area and government officials and interview with local property owners or managers.

ADDENDUM B – MARKET STUDY TERMINOLOGY

Absorption Period

The period of time necessary for a newly constructed or renovated property to achieve the Stabilized Level of Occupancy. The Absorption Period begins when the first temporary or permanent certificate of occupancy is issued and ends when the last unit to reach the Stabilized Level of Occupancy has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is expected to begin should accompany all absorption estimates.

Absorption Rate

The average number of units rented each month during the Absorption Period.

Acceptable Rent Burden

The rent-to-income ratio used to qualify tenants for both income restricted and non-income restricted units. The Acceptable Rent Burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

Affordable Housing

Housing where the tenant household pays no more than 30 percent of its annual income on Gross Rent.

Amenity

Tangible or intangible benefits offered to a tenant at no fee (with the exception of day care), typically on-site recreational facilities or planned programs, services and activities.

Annual Demand

The total estimated demand present in the market in any one year for the type of units proposed. Annual demand estimates factor in tenure, tenant age, income restrictions, family size and turnover.

Area Median Income (AMI)

One-hundred percent of the gross median household income for a specific metropolitan statistical area, county or non-metropolitan area established annually by HUD.

Assisted Housing

Housing where the monthly costs to the tenants are subsidized by federal, state or other programs.

Attached Housing

Two or more dwelling units connected with party walls (e.g., townhouses or flats).

Basic Rent

The minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223 (d)(3) Below Market Interest Rate Program. The Basic Rent is calculated on the rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Below Market Interest Rate Program (BMIR)

Program targeted to renters with income not exceeding 80 percent of area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract to subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

Capture Rate

The percentage of age, size, and income qualified renter households in the Primary Market Area that the property must capture to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the Primary Market Area. See Penetration Rate for rate for entire market area.

Census Tract

A small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Central Business District (CBD)

The center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC)

Entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Comparable Property

A market-rate or Affordable Housing property that is representative of the rental housing choices of the subject's Primary Market Area and that is similar in construction, size, amenities, or age. These Comparables and Competitives are generally used to derive market rent.

Competitive Property

A property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

Concession

Discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specified lease term or for free amenities which are normally charged separately (i.e., washer/dryer, parking).

Condominium

A form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract Rent

1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenants, to the owner, inclusive of all terms of the lease (HUD & RD).
2. The monthly rent agreed to between a tenant and a landlord (Census).

Demand

An estimate of the total number of market households that have both the desire and the ability to obtain the product and/or services offered. These households must be of the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

Difficult Development Area (DDA)

An area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130 percent of eligible basis for the purpose of calculating the Tax Credit allocation.

Detached Housing

A freestanding dwelling unit, typically single-family, situated on its own lot.

Effective Rents

Market Rents less concessions.

Elderly or Senior Housing

Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80 percent of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely Low Income

Person or household with income below 30 percent of Area Median Income adjusted for household size.

Fair Market Rent (FMR)

The estimates established by HUD of the Gross Rents (Contract Rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40 percent of the rental units have rents below the FMR. In rental markets with a shortage of lower-priced rental units, HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Family

A family consists of a householder (i.e., one who occupies or owns a house/head of a household) and one or more other persons living in the same household who are related to the householder by birth, marriage or adoption. Not all households contain families since a household may comprise a group of unrelated persons or one person living alone. (Source: U.S. Census)

Garden Apartments

Apartments in low-rise buildings (typically two to four stories) that feature low density, ample open-space around the buildings, and on-site parking.

Gross Rent

The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

High-rise

A residential building having more than ten stories.

Household

All the persons who occupy a housing unit as their usual place of residence. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. (Source: U.S. Census)

Household Trends

Changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.g., at marriage or separation) and decreasing average household size.

Housing Unit

House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program)

Federal rent subsidy program under Section 8 of the U.S. Housing Act which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30 percent of adjusted income (or 10 percent of gross income, whichever is greater). In cases where 30 percent of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (HFA)

State or local agencies responsible for financing housing and administering Assisted Housing programs.

HUD Section 8 Program

Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenant's adjusted income.

HUD Section 202 Program

Federal program which provides direct capital assistance (i.e., grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50 percent of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30 percent of tenant income.

HUD Section 811 Program

Federal program which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50 percent of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.

HUD Section 236 Program

Federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80 percent of area median income who pay rent equal to the greater of Basic Rent of 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income Band

The range of incomes of households that can pay a specific rent but do not have more income than is allowed by the Income Limits of a particular housing program. The minimum household income typically is based on a defined Acceptable Rent Burden percentage and the maximum typically is pre-defined by specific programmatic requirements or by general market parameters.

Income Limits

Maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30, 50, 60 or 80 percent of AMI. HUD publishes Income Limits each year for 30 percent median, Very Low Income (50%), and Low-Income (80%), for households with one through eight people.

Infrastructure

Services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Low Income

Person or household with gross household income below 80 percent of Area Median Income adjusted for household size.

Low Income Housing Tax Credit

A program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60 percent or less of Area Median Income, and that the rents on these units be restricted accordingly.

Low Rise Building

A building with one to three stories.

Market Advantage

The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.

Market Analysis

A study of real estate market conditions for a specific type of property.

Market Area

A geographic area from which a property is expected to draw the majority of its residents.

Market Area, Primary (PMA)

The most likely geographic area from which a property would draw its support.

Market Area, Secondary (SMA)

The portion of a market area that supplies additional support to an apartment property beyond that provided by the primary market area.

Market Demand

The number of units required in a defined market area to accommodate demand (i.e., households that desire to improve the quality of their housing without significantly increasing their economic burden). Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining demand.

Market Feasibility Analysis

An analysis that determines whether a proposed development can attain its target rents, taking into account the development's characteristics (location, size, unit mix, design and amenities), the depth of its target market, and the strength of its appeal in comparison to other existing and planned options available to potential consumers.

Market Rent

The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the open market considering its location, features, amenities. Market rent should be adjusted for concessions and owner paid utilities included in the rent.

Market Study

A comprehensive review of the housing market in a defined market area. A market study can be used to determine the demand for specific proposed development or to examine the overall condition of an area's housing market. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography. At a minimum, market studies include a review of location, economic conditions, demographics, and existing and proposed housing stock.

Marketability

The manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

Market Vacancy Rate – Physical

Average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same Market Area, excluding units in properties which are in the lease-up stage.

Market Vacancy Rate – Economic

Percentage of rent loss due to concessions and vacancies.

Metropolitan Statistical Area (MSA)

A geographic entity defined by the federal Office of Management and Budget, for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise

A building with four to ten stories.

Mixed Income Property

An apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more Income Limits (i.e., Low Income Tax Credit property with income limits of 30, 50 and 60 percent).

Mobility

The ease with which people move from one location to another.

Moderate Income

Person or household with gross household income between 80 and 120 percent of Area Median Income adjusted for household size.

Move-Up Demand

An estimate of how many consumers are able and willing to relocate to more expensive or desirable units, such as tenants who move up from Class C properties to Class B; and Class B tenants that move up to Class A properties; and tenants that move from Class C and B properties to a new superior Low Income Tax Credit property. For purposes of demonstrating move-up demand both changes in Class Construction Type and changes in Quality Classification of five or more may be considered (Reference the Virginia State Board of Equalization Assessor's Handbook Section 531, January 2003, pages 4-5 for definitions of Class and Quality Classifications.)

Multifamily

Structures that contain two or more housing units.

Neighborhood

An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net Rent (also referred to as Contract or Lease Rent)

Gross Rent less Tenant Paid Utilities.

Penetration Rate

The percentage of age and income qualified renter households in the Primary Market Area that live in all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. See Capture Rate for property specific rate.

Pent-up Demand

A market in which there is a scarcity of supply and vacancy rates are very low.

Population Trends

Changes in population levels for a particular area over a specific period of time – which is a function of the levels of births, deaths, and net migration.

Primary Market Area

See Market Area

Programmatic Rents

The proposed rents for a Tax Credit or other income restricted property relative to comparable market rate properties and rents being achieved at another Low Income Housing Tax Credit or other income restricted properties in the market. Can be no greater than maximum rents permitted by the Low Income Housing Tax Credit or other program regulations.

Project Based Rent Assistance

Rental assistance from a federal, state or local program that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Public Housing or Low Income Conventional Public Housing

HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low Income Households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT)

Any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income less than 60 percent of Area Median Income or where the poverty rate is at least 25 percent. A project located in a QCT and receiving Low Income Housing Tax Credits may qualify for up to 130 percent of eligible basis for the purpose of calculating the Tax Credit allocation.

Redevelopment

The redesign or rehabilitation of existing properties.

Rent Burden

Contract Rent plus Tenant Paid Utilities divided by the gross monthly household income.

Rent Burdened Households

Households with rent burden above the level determined by the lender, investor or public program to be an acceptable rent-to-income ratio.

Restricted Rent

The maximum allowable rent under the restrictions of a specific housing program or subsidy.

Rural Development (RD) Market Rent

A monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an un-subsidized mortgage and provide an adequate return to the property owner. This rent is the maximum rent that a tenant can pay at an RD property.

Rural Development (RD) Program

Federal program which provides low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, whichever is the higher (but not exceeding the market rent). The Program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Saturation

The point at which there is no longer demand to support additional units.

Secondary Market Area

The portion of a market area that supplies additional support to an apartment property beyond that provided by the Primary Market Area.

Single-Family Housing

A dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Special Needs Population

Specific market niche that is typically not catered to in a conventional apartment property. This population should exhibit certain criteria, which can be well defined, in order, for example, to assess the need and demand from this source. Examples of special needs populations include substance abusers, visually impaired person or persons with mobility limitations.

Stabilized Level of Occupancy

The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units. For TCAC projects these percentages are equal to a physical occupancy rate that will generate 90 percent of aggregate restricted rents for SRO and Special Needs units and generate 95 percent of aggregate restricted rents for all other types of units.

State Data Center (SDC)

A state agency or university facility identified by the governor of each state to participate in the U.S. Census Bureau's cooperative network for the dissemination of the census data.

Subsidy

Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's Contract Rent and the amount paid by the tenant toward rent.

Substandard Conditions

Housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Target Income Band

The estimated Income Band from which the subject will likely draw tenants.

Target Population

Market niche a development will appeal or cater to. State agencies often use Target Population to refer to various income set asides, elderly v. family, etc.

Tenant

One who rents real property from another.

Tenant Paid Utilities

The cost of utilities necessary for the habitation of a dwelling unit, which are paid by the tenant. Tenant Paid Utilities do not include costs for telephone or cable service.

Tenure

The distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House)

Single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a row house.

Turnover

An estimate of the number of housing units in a Market Area as a percentage of total housing units in the Market Area that will likely change occupants in any one year. Only turnover in the primary market area rental market (i.e., number of rental housing units as a percentage of total rental housing units that will likely change occupants) shall be considered for purposes of constructing demand estimates. See Vacancy Period.

Unmet Housing Need

New units required in the Market Area to accommodate household growth, homeless households, and housing in substandard conditions.

Unrestricted Rents

The recommended rents for the market rate units at a Mixed-Income Property.

Vacancy Period

The amount of time that an apartment remains vacant and available for rent.

Vacancy Rate – Economic

Maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The economic vacancy rate should be used exclusively for project rent proformas, and not for reporting the vacancy rate of rent comparables.

Vacancy Rate – Physical

The number of total habitable units that are vacant divided by the total number of units in the property. The physical vacancy rate shall be used when reporting comparable vacancy rates.

Very Low Income

Person or household whose gross household income does not exceed 50 percent of Area Median Income adjusted for household size.

Zoning

Classification and regulation of land by local governments according to use categories (zones); often also includes density designations.

ADDENDUM C – NCHMA INDEX

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
Executive Summary		
1	Executive Summary	11
Scope of Work		
2	Scope of Work	15
Project Description		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	20
4	Utilities (and utility sources) included in rent	20
5	Target market/population description	19
6	Project description including unit features and community amenities	19
7	Date of construction/preliminary completion	19
8	If rehabilitation, scope of work, existing rents, and existing vacancies	20
Location		
9	Concise description of the site and adjacent parcels	27
10	Site photos/maps	25; 28
11	Map of community services	45
12	Site evaluation/neighborhood including visibility, accessibility and crime	43
Market Area		
13	PMA description	63
14	PMA Map	65
Employment and Economy		
15	At-Place employment trends	67
16	Employment by sector	70
17	Unemployment rates	67
18	Area major employers/employment centers and proximity to site	68
19	Recent or planned employment expansions/reductions	71
Demographic Characteristics		
20	Population and household estimates and projections	75
21	Area building permits	93
22	Population and household characteristics including income, tenure, and size	75
23	For senior or special needs projects, provide data specific to target market	N/A
Competitive Environment		
24	Comparable property profiles and photos	98
25	Map of comparable properties	103
26	Existing rental housing evaluation including vacancy and rents	96
27	Comparison of subject property to comparable properties	123
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	123

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
29	Rental communities under construction, approved, or proposed	93
30	For senior or special needs populations, provide data specific to target market	N/A
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	87
32	Affordability analysis with capture rate	91
33	Penetration rate analysis with capture rate	86
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	90
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	107
36	Precise statement of key conclusions	124
37	Market strengths and weaknesses impacting project	124
38	Product recommendations and/or suggested modifications to subject	124
39	Discussion of subject property's impact on existing housing	124
40	Discussion of risks or other mitigating circumstances impacting subject	124
41	Interviews with area housing stakeholders	126
Other Requirements		
42	Certifications	7
43	Statement of qualifications	132
44	Sources of data not otherwise identified	Addendum A

ADDENDUM D - SUBJECT INFO

Rent Schedule Low Rent Housing

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0012
(exp. 11/30/2020)

See page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name Summit Oaks	FHA Project Number VA39-H027-036	Date Rents Will Be Effective (mm/dd/yyyy) 07/01/2021
-----------------------------	-------------------------------------	---

Part A - Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances (Effective Date (mm/dd/yyyy) 07 / 01 / 2021)	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
2 BDM	28	2,045	57,260	98	2,143		0
2 BDM - HC	2	2,044	4,088	135	2,179		0
3 BDM	20	2,446	48,920	138	2,584		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
			0		0		0
Total Units	50	Monthly Contract Rent Potential (Add Col. 4)* \$110,268				Monthly Market Rent Potential (Add Col. 8)* \$0	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* \$1,323,216				Yearly Market Rent Potential (Col. 8 Sum x 12)* \$0	

* These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

Part B - Items Included in Rent

Equipment/Furnishings in Unit (Check those included in rent.)

- Range
- Refrigerator
- Air Conditioner
- Disposal
- Dishwasher
- Carpet
- Drapes
- Washer/Dryer
- Blinds

Utilities (Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item) E=electric; G=gas; F=fuel oil or coal.

- Heating E
- Cooling E
- Hot Water E
- Cooking E
- Lights, etc. E
- Water/Sewer

Services/Facilities (check those included in rent)

- Parking
- Laundry
- Swimming Pool
- Tennis Courts
- Trash Removal
- Playground
- Basketball Ct.
- Nursing Care
- Linen/Maid Service

Part C - Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
\$	
\$	
\$	
\$	
\$	
\$	
\$	0

Part D - Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
Total Rent Loss Due to Non-Revenue Units		\$ 0

Part E - Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft. (Col. 2 divided by Col. 3)
		\$ 0	Total Commercial Rent Potential

Part F - Maximum Allowable Rent Potential

Enter Maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or lender)	\$ 110,268
---	------------

Part G – Information on Mortgagor Entity

Name of Entity

Summit Oaks Preservation, LP

Type of Entity

- Individual General Partnership Joint Tenancy/Tenants in Common Other (specify)
 Corporation Limited Partnership Trust

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:
• corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
• partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
• trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

RA Summit Oaks GP, LLC

General Partner

Name and Title

RA Capital Tax Credit Fund VIII, LLC

Limited Partner

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H – Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties: 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802

Name and Title

Matthew Finkle, VP of GP

Authorized Official's Signature



03/24/2021
Date (mm/dd/yyyy)

Part I – HUD/Lender Approval

Addendum Number

Branch Chief/Lender Official Signature

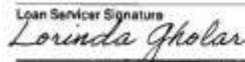
HAP Contract Number

Date (mm/dd/yyyy)

Exhibit Number

Director, Housing Management Division Signature

Loan Servicer Signature



Date (mm/dd/yyyy)
08/03/2021



Date (mm/dd/yyyy)
8/3/2021

Previous editions are obsolete

Summit Oaks
 RENT ROLL DETAIL MODIFIED

4/15/2022 12:38:17 PM

As of Date: 4/15/2022

Parameters: Property - ALL; Unit Designation - ALL; Subjournal - ALL; Sort By - Unit; Display - Market + Addl.

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89	10698	01-10502	3X15	N/A	1246	Occupied
50	10715	01-10504	3X15	N/A	1246	Occupied
23	10709	01-10506	3X15	N/A	1246	Occupied
189	10720	01-10508	3X15	N/A	1246	Occupied
26	10721	01-10510	3X15	N/A	1246	Occupied
310	407	02-10501	3X15	N/A	1246	Occupied
47	10731	02-10503	3X15	N/A	1246	Occupied
46	10725	02-10505	3X15	N/A	1246	Occupied
278	10713	02-10507	3X15	N/A	1246	Occupied
184	10699	02-10509	3X15	N/A	1246	Occupied
		02-10511	3X15	N/A	1246	Vacant-Leased
88	10705	03-10513	2X10	N/A	940	Occupied
202	10710	03-10515	2X10	N/A	940	Occupied
35	628	03-10517	2X10	N/A	940	Occupied
197	10724	03-10519	2X10	N/A	940	Occupied
87	10701	04-10520	2X10	N/A	940	Occupied
65	10719	04-10522	2X10	N/A	940	Occupied
51	10708	04-10524	2X10	N/A	940	Occupied
13	10732	04-10526	2X10	N/A	940	Occupied
71	10695	04-10528	2X10	N/A	940	Occupied
81	10726	04-10530	2X10	N/A	940	Occupied
83	10704	04-10532	2X10	N/A	940	Occupied
88	10716	04-10534	2X10	N/A	940	Occupied
34	10728	05-10538	3X15	N/A	1246	Occupied
78	10717	05-10540	3X15	N/A	1246	Occupied
186	10723	05-10542	3X15	N/A	1246	Occupied
201	10694	05-10544	3X15	N/A	1246	Occupied
37	10712	05-10546	2X10	N/A	940	Occupied

Summit Oaks
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 As of Date: 4/15/2022

Parameters: Property - ALL; Unit Designation - ALL; Subjournal - ALL; Sort By - Unit; Display - Market + Addl.

120	10711	05-10548	2X10	N/A	940	Occupied
48	10730	06-10500	2X10	N/A	940	Occupied
29	10693	06-10501	2X10	N/A	940	Occupied
187	10703	06-10502	2X10	N/A	940	Occupied
16	10718	06-10503	2X10FHA	N/A	892	Occupied
		07-10504	3X15	N/A	1246	Vacant-Leased
308	10677	07-10506	3X15	Affordable	1246	Occupied
15	10691	07-10508	3X15	N/A	1246	Occupied
182	10707	07-10510	3X15	N/A	1246	Occupied
38	10727	08-10505	2X10FHA	N/A	892	Occupied
42	10714	08-10507	2X10	N/A	940	Occupied
33	10729	08-10509	2X10	N/A	940	Occupied
54	10702	08-10511	2X10	N/A	940	Occupied
17	10708	08-10513	2X10	Affordable	940	Occupied
56	10722	08-10515	2X10	N/A	940	Occupied
		09-10533	2X10	N/A	940	Vacant
39	10700	09-10535	2X10	N/A	940	Occupied
200	10698	09-10537	2X10	N/A	940	Occupied
25	10670	09-10539	2X10	N/A	940	Occupied
98	10667	09-10541	2X10	N/A	940	Occupied
190	10697	09-10543	2X10	N/A	940	Occupied
TOTAL						

Name	Phone Number	Email	Move-In	Notice For Date
Ehayan, Mohammed	(703) 944-1325	ehayan73@men.com	09/17/2017	
COREAS KISHA	(571) 253-9051	Kishamcoreas@gmail.com	11/08/2012	
ALLEN, CHENAR	(571) 331-9486		04/07/2003	
Hasanna, Fazlollah			08/28/2009	
Bekhti, Jawad	(703) 577-5482	Salma.Zaoui05@gmail.com	01/21/2015	
Smith, Lisa	(703) 543-4564	mom11967@aol.com	09/30/2008	
Bounhalli, Mohamed	(571) 594-2041	bounhalli1974@gmail.com	09/02/2021	
RAZA, ARIFA	(703) 250-0462		04/11/2002	
Saloman, Mune	(703) 473-9660	munnasaloman@gmail.com	02/19/2002	
Habibi, Nargis	(703) 559-4588	ehaminabasi@yahoo.com	11/02/2018	
Ufarh, Driss	(703) 473-8010	lfarhdras@hotmail.com	07/22/2013	
KANG, HEE	7032988893	kkeo89@gmail.com	09/02/2008	
Kim, Myung	(703) 507-8532	Myung41@gmail.com	09/28/2018	
HAMIDI, SHAIMA	(703) 382-2688		05/05/2000	
Kim, Kwang	(703) 835-5755		02/06/2015	
OH, KI SOON		misook2peoplepc.com	08/22/2008	
LEE, SANG	(703) 407-2422	Sangleegood@gmail.com	01/25/2008	
KWON, BU	(703) 250-4223		09/10/2003	
BALDWIN, LUCY	(571) 241-2421		03/20/1999	
Mesa-Arneda, Aquedo	(571) 358-4528		06/27/2009	
CLYBURN, CYNTHIA	(703) 250-0853		08/24/2007	
Ryan, Kimberly	(571) 510-2142		08/20/2007	
Ahn, Daniel	(703) 685-4147	dahn1957@gmail.com	12/17/2009	
BROWN, YVONNE	(571) 212-8131		11/01/2008	
Richards, Kristi	(571) 358-4730	Kristinrichards4@gmail.com	09/08/2018	
Williams, Hide	(571) 830-4455		01/31/2014	
Meital, Fatima	(571) 403-4589		05/16/2017	
BAZAZ, JAMILA	(703) 250-4761	alim_bazaz@yahoo.com	12/04/2000	

Chung, Eun	(703) 987-0229	kbsgirl@hotmail.com	11/13/2012
RAZAVI, EZAT	(703) 250-6293		07/01/2013
ANDINO, GERMAN	(703) 839-3418		06/14/1998
Nabizada, Aqila	(571) 253-8861	aqilanabizada@yahoo.com	08/29/2013
CLEMENTS, DARLENE	(703)258-5351		04/01/2017
Erraoui, Dnes	(240) 396-7107	mddnss@hotmail.com	08/30/2019
GOLAS, ALETHA	(703) 725-6518		12/15/1998
Elmhasbi, Abdelhal	(703) 953-0503	essaada78@hotmail.fr	05/10/2013
KAREEM, KHATOON			03/09/2001
AMARKHEL, MARY	(703) 401-2592		11/09/2001
AMIN, AZAD	(571) 215-0093		04/28/2000
KHALIL, ABDUL	(703) 625-1690	nrafeg@gmail.com	07/01/2005
LASHLEY, JAMES	(703) 250-3507	jdashley1943@yahoo.com	09/10/2018
SALEH, GULJAN	(703)629-0092	mahjansaleh@gmail.com	12/06/2005
SEO, YOUNG	(703) 798-4566	Cindyseo@verizon.net	07/18/2001
Choe, Man	(571) 344-0782	egsoon@gmail.com	07/13/2016
AZARI, MALIHEH	(703) 784-3801		04/29/1994
Hong, Joe Sik	(703) 348-1714	711hong0423@gmail.com	05/31/2011
Sindy, Kachra	(571) 332-3549		05/09/2014

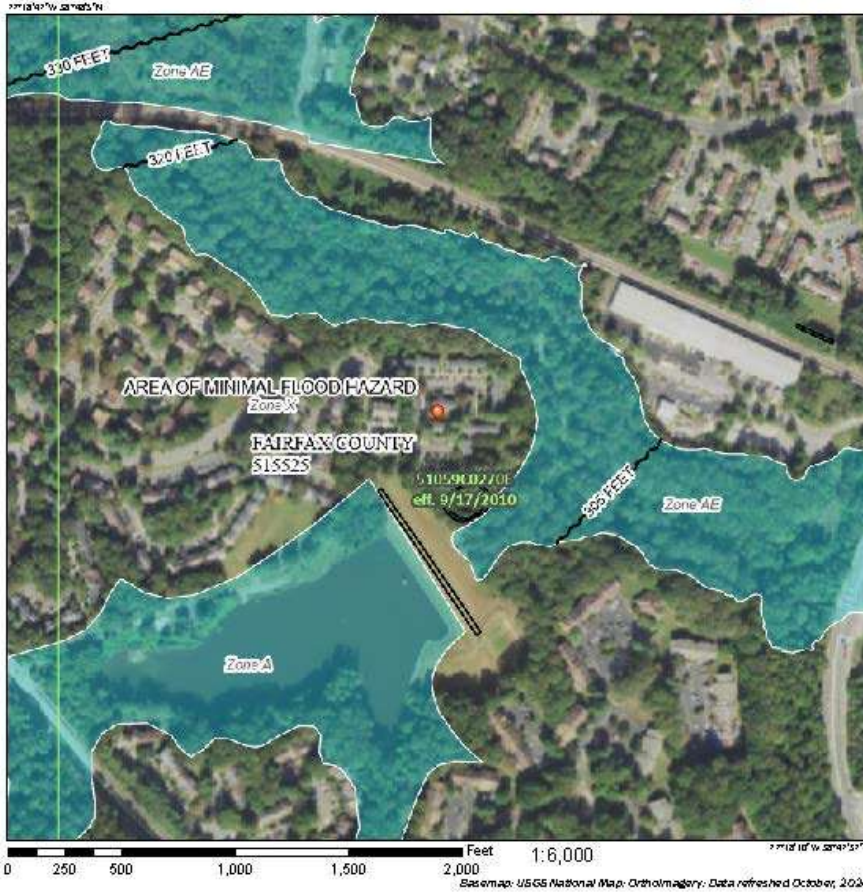
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	09/01/2020	06/31/2021	2446.00	150.00	16389.99	2446.00	453.00	1993.00
	11/01/2021	10/31/2022	2446.00	454.00	-162.00	2446.00	1196.00	1248.00
	10/01/2021	09/30/2022	2446.00	218.00	2327.00	2446.00	2350.00	96.00
	01/01/2022	12/31/2022	2446.00	561.00	751.00	2446.00	1700.00	746.00
	12/01/2021	11/30/2022	2446.00	94.00	4714.00	2446.00	987.00	1459.00
	09/02/2021	08/31/2022	2446.00	286.00	1706.00	2446.00	2154.00	292.00
	04/01/2022	03/31/2023	2446.00	99.00	-971.00	2446.00	305.00	2141.00
	02/01/2022	01/31/2023	2446.00	168.00	-398.00	2446.00	719.00	1727.00
	11/01/2021	10/31/2022	2446.00	315.00	2147.00	2446.00	2446.00	0.00
	07/01/2021	06/30/2022	2446.00	727.00	-5733.00	2446.00	1980.00	486.00
			2446.00	0.00	0.00	0.00	0.00	0.00
	09/01/2021	08/31/2022	2045.00	474.00	1361.00	2045.00	1453.00	592.00
	10/01/2021	09/30/2022	2045.00	282.00	1156.00	2045.00	1790.00	255.00
	05/01/2019	04/30/2020	2045.00	642.00	1672.00	2045.00	1650.00	395.00
	02/01/2022	01/31/2023	2045.00	411.00	1579.00	2045.00	1579.00	466.00
	08/01/2021	07/31/2022	2045.00	110.00	1777.00	2045.00	1915.00	130.00
	01/01/2022	12/31/2022	2045.00	260.00	1584.00	2045.00	1766.00	277.00
	09/01/2021	08/31/2022	2045.00	707.00	1607.00	2045.00	1699.00	346.00
	04/01/2022	03/31/2023	2045.00	156.00	2654.00	2045.00	1937.00	108.00
	06/01/2021	05/31/2022	2045.00	50.00	1898.00	2045.00	1990.00	55.00
	02/01/2022	01/31/2023	2045.00	332.00	2041.00	2045.00	1084.00	961.00
	08/01/2021	07/31/2022	2045.00	369.00	1791.00	2045.00	1929.00	116.00
	12/01/2021	11/30/2022	2045.00	947.00	1602.00	2045.00	1806.00	239.00
	04/01/2022	03/31/2023	2446.00	217.00	3009.00	2446.00	2446.00	0.00
	12/01/2021	11/30/2022	2446.00	349.00	2952.00	2446.00	2038.00	408.00
	01/01/2022	12/31/2022	2446.00	1106.00	1360.00	2446.00	1474.00	972.00
	05/01/2021	04/30/2022	2446.00	517.00	1805.00	2446.00	2029.00	417.00
	12/01/2021	11/30/2022	2045.00	144.00	1717.00	2045.00	1901.00	144.00

	11/01/2021	10/31/2022	2045.00	894.00	2517.00	2045.00	1883.00	162.00
	04/01/2022	03/31/2023	2045.00	181.00	1826.00	2045.00	1895.00	150.00
	06/01/2021	05/31/2022	2045.00	273.00	2934.00	2045.00	1135.00	910.00
	08/01/2021	07/31/2022	2045.00	258.50	2004.00	2045.00	1889.00	158.00
	02/01/2022	01/31/2023	2044.00	158.00	2537.00	2044.00	1905.00	139.00
			2448.00	0.00	0.00	0.00	0.00	0.00
	08/01/2020	07/31/2021	2448.00	622.00	1597.00	2448.00	2259.00	187.00
	06/01/2021	05/31/2022	2448.00	414.00	2942.99	2448.00	2159.00	287.00
	09/01/2021	08/31/2022	2448.00	50.00	3012.00	2448.00	2159.00	287.00
	03/01/2022	02/28/2023	2044.00	213.00	2850.00	2044.00	1811.00	233.00
	11/01/2021	10/31/2022	2045.00	251.00	5747.78	2045.00	1768.00	277.00
	04/01/2022	03/31/2023	2045.00	285.00	1880.00	2045.00	1237.00	808.00
	07/01/2021	06/30/2022	2045.00	78.00	1599.00	2045.00	1915.00	130.00
	10/01/2021	09/30/2022	2045.00	288.00	-2014.00	2045.00	1430.00	615.00
	12/01/2021	11/30/2022	2045.00	410.00	1728.00	2045.00	1912.00	133.00
			2045.00	0.00	0.00	0.00	0.00	0.00
	07/01/2021	06/30/2022	2045.00	117.00	2573.08	2045.00	2016.00	29.00
	07/01/2021	06/30/2022	2045.00	322.00	1790.00	2045.00	1790.00	255.00
	05/01/2020	04/30/2021	2045.00	175.00	2070.00	2045.00	1909.00	136.00
	05/01/2020	04/30/2021	2045.00	907.00	1376.00	2045.00	1580.00	485.00
	05/01/2021	04/30/2022	2045.00	377.00	4802.00	2045.00	1487.00	578.00
			110,268.00	17,371.50		181,331.00	80,481.00	22,850.00

UTAC	UTILREIMB	Charge05	Charge06	Charge07	Charge08	Charge09	Charge10	Charge11
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
52.00	-52.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
113.00	-113.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

ADDENDUM E – FLOOD DATA

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANELS

SPECIAL FLOOD HAZARD AREAS	<ul style="list-style-type: none"> Minimum Base Flood Elevation (BFE) Zone A, V, XZ With BFE Elevation Zone AE, AO, AH, VE, XZ Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	<ul style="list-style-type: none"> 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with average areas of less than one square mile Zone C Avulsion Conditions 1% Annual Chance Flood Hazard Zone D Area with Reduced Flood Risk due to Levee, See Note 6, Zone E Area with Flood Risk due to Levee Zone D
OTHER AREAS	<ul style="list-style-type: none"> Area of Minimal Flood Hazard Zone X Effective ID MRAs Area of Unincorporated Flood Hazard Zone G
GENERAL STRUCTURES	<ul style="list-style-type: none"> Channel, Culvert, or Storm Sewer Levee, Dike, or Restwell
OTHER FEATURES	<ul style="list-style-type: none"> Areas Shaded with 1% Annual Chance Water Surface Elevation Coastal Tresson Base Flood Elevation Date (BFE) Limit of Study Jurisdiction Boundary Coastal Tresson Boundary Profile Boundary Hydrographic Feature
MAP PANELS	<ul style="list-style-type: none"> Digital Data Available No Digital Data Available Unmapped <p>The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.</p>

This map complies with FEMA's standards for the use of digital flood maps. It is the user's responsibility to verify the accuracy of the data. The background shown on this map is for informational purposes only and does not represent an authoritative property location.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was updated on 4/28/2022 at 2:24 P.M. and does not reflect changes or information subsequent to this date and time. The NFHL and effective information may change or become superseded by revisions over time.

This map is not to be used for any of the following purposes: as a basis for engineering design, flood insurance, litigation, legal, scale, or other purposes. This map is not to be used for any other purpose. This map is not to be used for any other purpose. This map is not to be used for any other purpose.