

A MARKET FEASIBILITY STUDY OF:

# LEXINGTON SENIOR APARTMENTS

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# **LEXINGTON SENIOR**

# **APARTMENTS**

1 Lexington Drive  
Portsmouth, Portsmouth City, Virginia 23704

Effective Date: October 3, 2022  
Report Date: February 10, 2023

Prepared for:  
Andre Blakely  
President  
TRG Community Development, an affiliate of The Richman Group of Companies  
777 W Putnam Avenue  
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Prepared by:  
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February 10, 2023

Andre Blakely  
President  
TRG Community Development, an affiliate of The Richman Group of Companies  
777 W Putnam Avenue  
Greenwich, CT 06830

Re: Market Study for Lexington Senior Apartments, located in Portsmouth, Portsmouth City, Virginia

Dear Andre Blakely:

At your request, Novogradac & Company LLP doing business under the brand name Novogradac Consulting (Novogradac), has performed a study of the multifamily rental market in the Portsmouth, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We are in process on a concurrent application appraisal and market study.

The purpose of this market study is to assess the viability of the proposed 105-unit senior (55+) LIHTC/Section 8 project. It will be a newly constructed affordable LIHTC/Section 8 project, with 105 revenue generating units, restricted to senior households age 55 and older earning 30 and 60 percent of the Area Median Income (AMI), or less. All of the Subject's units will benefit from project-based rental vouchers (PBV), where tenants will pay 30 percent of their income towards rent. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

- Inspecting the site of the Subject, and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.
- Investigating the general economic health and conditions of the multifamily rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area. Calculation of penetration rate.
- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary and Secondary Market Area(s), if applicable.
- Surveying competing projects, both LIHTC and market-rate.

Novogradac adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located. As required in the Virginia Housing market study guidelines, the market studies models the NCHMA's Model Content Standards (Version 3.0).

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

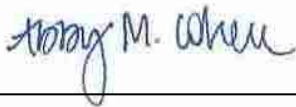
ANDRE BLAKELY  
TRG COMMUNITY DEVELOPMENT  
FEBRUARY 10, 2023

TRG Community Development is the client in this engagement and intended user of this report. As our client, TRG Community Development owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

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

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners. Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,  
Novogradac



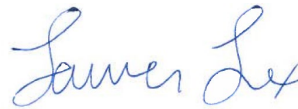
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# **A. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

**Subject Site Description:** The Subject site is located at 1 Lexington Drive in Portsmouth, Portsmouth City, Virginia 23704.

**Surrounding Land Uses:** The Subject site is located in southwest Portsmouth, approximately 0.4 miles south of Interstate 264. The immediate neighborhood consists of residential and industrial uses. Residential uses in the Subject’s neighborhood are generally in average condition. The nearest commercial uses, including a Walmart Supercenter, Kroger Marketplace, and Wawa gas station, are north of the Subject site, across Interstate 264. Additional commercial uses are located to the west of the Subject site’s immediate neighborhood at the intersection of Interstate 264 and Route 239. These commercial uses include a Farm Fresh grocery store, Lowe’s Garden Center, Dollar Tree, fast food restaurants, and other local businesses. Commercial areas in the Subject’s neighborhood are approximately 90 percent occupied. The surrounding housing stock in the Subject’s neighborhood consisting of single-family homes, were constructed prior to 1959 and are in average condition. According to *Zillow*, the current median listing price for a home in the Subject’s zip code is approximately \$217,082.

**Subject Property Description:** Lexington Senior Apartments, the Subject, is a proposed 105-unit senior (55+) LIHTC/Section 8 project. The Subject will be financed under the Low Income Housing Tax Credit (LIHTC) program. All of the Subject’s units will be restricted to senior households (55+) earning 30 and 60 percent of the AMI, or less. All of the units will operate with project-based vouchers, where tenants will pay 30 percent of their income towards rent. The Subject’s 105 one and two-bedroom units will be located within one, three-story, elevator-serviced building.

**Proposed Rents:** The following table details proposed rents for the Subject’s units. Note, the unit sizes reflected are weighted average unit sizes provided by the client. The one-bedroom units will range from 600 to 699 square feet and the two-bedroom units will range from 920 to 989 square feet.

### PROPOSED RENTS

Unit Type	Unit Size (SF)*	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2023 HUD Fair Market Rents
@30% (Section 8)							
1BR / 1BA	638	5	\$1,181	\$69	\$1,250	\$526	\$1,015
2BR / 2BA	932	1	\$1,373	\$88	\$1,461	\$631	\$1,193
@60% (Section 8)							
1BR / 1BA	638	93	\$1,181	\$69	\$1,250	\$1,052	\$1,015
2BR / 2BA	932	6	\$1,373	\$88	\$1,461	\$1,263	\$1,193
		<b>105</b>					

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

\*Unit sizes reflect a weighted average

The income table presented above illustrates the targeted rent levels for the Subject’s units. The Subject’s rents at the 30 and 60 percent of AMI levels are contract rents and set above the maximum allowable rents. All of the Subject’s units will operate with Section 8 rental subsidy, where tenants will pay 30 percent of their income towards rent.

**Target Household Income Levels:**

The Subject is a proposed 105-unit apartment community that will be restricted to senior (55+) households earning 30 and 60 percent of the AMI, or less. All units will benefit from a Section 8 rental subsidy, where tenants will pay 30 percent of their income towards rent. Based on the proposed unit mix and rent levels, the range of annual household income levels is depicted below.

**55+ INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30% (Section 8)		@60% (Section 8)	
1BR	\$0	\$22,440	\$0	\$44,880
2BR	\$0	\$22,440	\$0	\$44,880

**55+ INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@60%	
1BR	\$15,780	\$22,440	\$31,560	\$44,880
2BR	\$18,930	\$22,440	\$37,890	\$44,880

Economic Conditions

Portsmouth’s largest employers in the area are concentrated primarily in the military, healthcare, government, education, and retail sectors. Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and public administration industries, which collectively comprise 38 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has significant share of employment in the healthcare and public administration industries, which are historically known to offer greater stability during recessionary periods. Comparatively speaking, MSA economy performed well during the previous national recession, suffering a 3.3 percent employment contraction, compared to a 4.9 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. Employment declined in both the MSA and the nation in 2020 because of the COVID-19 pandemic. As of August 2022, total employment in the MSA increased 2.2 percent over the past year, compared to 3.6 percent growth across the overall nation. Overall, the local economy appears to be in an expansionary phase.

Primary Market Area

The Subject will be located at 1 Lexington Drive in Portsmouth, Virginia. We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as



our physical inspection of the market. The PMA generally encompasses the southern portions of Portsmouth including the neighborhoods of Port Norfolk, Shea Terrace, Park View, Swimming Point, Old Towne, Williams Court, Cradock, Academy Park, Alexander Corer, Westhaven Park, Midtown, and Westhaven. The PMA boundaries are: The Elizabeth River to the north; The Elizabeth River to the east; the Virginian Railway to the south; and Victory Boulevard to the west. The PMA encompasses 15 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 20 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The SMA is defined as the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA), which consists of the independent cities of Norfolk, Chesapeake, Hampton, Newport News, Portsmouth, Suffolk, Virginia Beach, Williamsburg, Poquoson, and Gloucester, as well as the counties of Isle of Wright, Mathews, James City, and York in Virginia, and the counties of Currituck and Gates in North Carolina and encompasses 3,023 square miles. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

Demographic Data

The population in the PMA increased by 1.9 percent between 2010 and 2021, compared to the 5.1 percent increase in the regional MSA and 8.2 percent increase across the overall nation. The senior population in the PMA decreased by 39.6 percent between 2010 and 2021, compared to the 45.7 percent increase in the regional MSA and 43.2 percent increase across the overall nation. The percentage of renter households in the PMA remained relatively stable between 2010 and 2021 and is estimated to be 53 percent as of 2021. This is more than the estimated 33 percent of renter households across the overall nation. As of 2021, the median income in the PMA is below the surrounding MSA. Historical median household income growth in the PMA trailed the MSA between 2000 and 2021. However, both areas experienced median household income growth rates above the overall nation during this time period. Relative to the nation, household income in the PMA remained relatively stable between 2000 and 2021. The percentage of rent over-burdened households - defined as households with shelter costs exceeding 35 percent of gross income - is exceptionally elevated in the PMA at 49.5 percent, compared to only 42.7 percent across the overall nation. Healthy population and household income growth bode well for future housing demand.

Vacancy

The following table summarizes overall weighted vacancy levels at the surveyed properties.

**OVERALL VACANCY**

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Ansell Garden Apartments	LIHTC	Family	74	0	0.0%
Crescent Place	LIHTC	Family	156	4	2.6%
Shea Terrace Senior Apartments	LIHTC	Senior	21	0	0.0%
Victory Square Apartments	LIHTC	Senior	112	10	8.9%
Biltmore Commons	Market	Family	89	0	0.0%
Ebenezer Plaza Apartments	Market	Family	52	0	0.0%
Harbor Vista At Crawford Street	Market	Family	134	1	0.7%
Nav850	Market	Family	394	4	1.0%
The Quarters At Park View	Market	Family	140	0	0.0%
Turnpike Terrace Apartments	Market	Family	40	2	5.0%
<b>Total LIHTC</b>			<b>363</b>	<b>14</b>	<b>3.9%</b>
<b>Total Market Rate</b>			<b>849</b>	<b>7</b>	<b>0.8%</b>
<b>Overall Total</b>			<b>1,212</b>	<b>21</b>	<b>1.7%</b>

The comparables reported vacancy rates ranging from zero to 8.9 percent, with an overall weighted average of 1.7 percent. Managers at two of the four LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 3.9 percent, above the 0.8 percent average reported by the market rate properties. Management at Victory Square Apartments recently increased rents to maximum allowable levels, which has led to an elevated vacancy rate of 8.9 percent. However, the property expects to rent these units from their waiting list. The average LIHTC vacancy rate of 3.9 percent is considered low, and indicative of supply constrained conditions. All of the market rate properties reported vacancy rates of 5.0 percent or lower. Further, two of the LIHTC and two of the market rate comparables maintain waiting lists, some with extensive lengths. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent.

The following table details vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE									
Property Name	Rent Structure	Tenancy	0BR	1BR	2BR	3BR	4BR	5BR	Overall
Ansell Garden Apartments	LIHTC	Family	-	-	-	-	-	-	0.0%
Crescent Place	LIHTC	Family	-	-	-	-	-	-	2.6%
Shea Terrace Senior Apartments	LIHTC	Senior	-	-	-	-	-	-	0.0%
Victory Square Apartments	LIHTC	Senior	-	10.2%	0.0%	-	-	-	8.9%
Biltmore Commons	Market	Family	-	-	-	0.0%	-	-	0.0%
Ebenezer Plaza Apartments	Market	Family	-	-	0.0%	0.0%	-	-	0.0%
Harbor Vista At Crawford Street	Market	Family	-	1.0%	0.0%	-	-	-	0.7%
Nav850	Market	Family	-	0.3%	2.8%	-	-	-	1.0%
The Quarters At Park View	Market	Family	0.0%	0.0%	0.0%	-	-	-	0.0%
Turnpike Terrace Apartments	Market	Family	-	-	5.6%	0.0%	-	-	5.0%

As proposed, the Subject will consist of one and two-bedroom units. Vacancy rates in the market average 2.1 percent for one-bedroom units and 2.0 percent for two-bedroom units. Overall, vacancy rates in the market are exceptionally low. This supports that there is demand for additional rental housing in the market. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Absorption

We obtained absorption information from the following developments.

ABSORPTION								
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject	
The Apartments At Kelton Station	Market	Family	Williamsburg	2021	204	26	42.8 miles	
The Arbors At Towne Park	LIHTC	Senior	Williamsburg	2019	130	12	42.0 miles	
Woodlands Apartments At Phoebus	LIHTC	Senior	Hampton	2015	132	20	14.1 miles	
Commonwealth At York	Market	Family	Yorktown	2015	384	34	21.1 miles	
<b>Average Affordable</b>					<b>131</b>	<b>16</b>		
<b>Average Market</b>					<b>294</b>	<b>30</b>		
<b>Overall Average</b>					<b>213</b>	<b>23</b>		

We obtained absorption data from four properties, located between 14.1 and 42.8 miles from the Subject site. These properties reported absorption rates ranging from 12 to 34 units per month, with an overall average of 23 units per month. Overall, we expect the proposed Subject will experience an absorption rate of 15 units per month. This equates to an absorption period of approximately seven months.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is as follows:

DEMAND CONCLUSION		
Calculation	As Proposed	Absent Subsidy
@30% (Section 8)	0.4%	1.0%
@60% (Section 8)	3.9%	30.7%
All Units	4.1%	11.7%
Annual Demand	6.9%	19.6%
Penetration Rate	29.5%	28.9%

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a more conservative annual capture rate. This annual Novoco capture rate is 6.9 for the Subject’s units for the first year of operation as a LIHTC property as proposed. Absent subsidy, this calculation illustrates an annual Novoco capture rate of 19.6 percent. This suggests that the Subject will need to capture a low to moderate amount of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are 1,437 units of demand for the Subject’s units in the first year of the Subject’s operation as proposed. Absent subsidy, this calculation illustrates that there are approximately 510 units of demand in the first year of the Subject’s operation based on the annual demand analysis. The Subject’s units will need to accommodate 100 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

AS PROPOSED	
Project Wide Capture Rate- LIHTC Units @60% AMI	8.7%
Project Wide Absorption Period (Months)	Seven months
ABSENT SUBSIDY	
Project Wide Capture Rate- LIHTC Units @60% AMI	23.2%
Project Wide Absorption Period (Months)	Seven months

These are low to moderate capture rates and indicative of demand for the Subject.

### Strengths

- The Subject will be in excellent condition once completed.
- The vacancy rates for the LIHTC and market rate comparable properties are 3.9 and 0.8 percent, respectively.
- Five of the 10 comparable properties reported waiting lists.
- The Subject has low to moderate capture rates and penetration rates as proposed and absent subsidy, indicating that there is ample demand for affordable housing.

### Weaknesses

- The Subject will lack washer and dryer hook-ups, which are offered at several of the comparable properties.
- The Subject will have small one-bedroom unit sizes. However, The Quarters At Park View, a market rate comparable, offers similarly small units and reported full occupancy, indicating that smaller units are accepted in the market. Therefore, we believe the Subject's unit sizes will also be accepted in the market.
- The Subject is located adjacent east of railroad tracks, which could be considered a detrimental influence based on noise pollution. However, Dale Homes, an excluded property located directly north of the Subject site, appears to be 100 percent occupied according to internet research, indicating the close proximity railroad tracks and has not caused issues of marketability.

### Recommendations

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

## **B. INTRODUCTION AND SCOPE OF WORK**

## INTRODUCTION AND SCOPE OF WORK

<b>Report Description:</b>	Novogradac has performed a comprehensive market study of the multifamily rental market in the Portsmouth, Virginia area relative to Lexington Senior Apartments, a proposed senior (55+) LIHTC/Section 8 development. The Subject will be financed under the Low Income Housing Tax Credit (LIHTC) program. All of the Subject's units will be restricted to senior households 55 years and older earning 30 and 60 percent of the AMI, or less. All units will operate with project-based vouchers and tenants will pay 30 percent of their income towards rent. The Subject's 105 one and two-bedroom units will be located within one, three-story, elevator-serviced, lowrise building.
<b>Developer/Client Information:</b>	TRG Community Development, LLC
<b>Intended Use and Users of the Report:</b>	The report will be submitted to the Virginia Housing for application purposes. The intended user of the report is Virginia Housing.
<b>Scope of the Report:</b>	<ul style="list-style-type: none"><li>▪ Inspecting the site of the to-be-developed Subject and its general location.</li><li>▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.</li><li>▪ Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.</li><li>▪ Investigating the general economic health and conditions of the rental market.</li><li>▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.</li><li>▪ Reviewing relevant public records and contacting appropriate public agencies.</li><li>▪ Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.</li><li>▪ Establishing the Subject's Primary Market Area, if applicable.</li><li>▪ Surveying competing projects, both LIHTC and market-rate.</li></ul>
<b>Effective Date:</b>	The Subject site was most recently inspected by Bob Edwards on October 3, 2022, which shall be the effective date of this report.
<b>Primary Contact for the Report:</b>	Abby Cohen ( <a href="mailto:Abby.CohenI@novoco.com">Abby.CohenI@novoco.com</a> ; 240-235-1705).

## **C. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

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

### Subject Property Description:

The Subject, Lexington Senior Apartments is, a proposed senior (55+) LIHTC development. The Subject will be financed under the Low Income Housing Tax Credit (LIHTC) program. All of the Subject’s units will be restricted to senior households 55 years and older earning 30 and 60 percent of the AMI, or less. All units will operate with project-based vouchers and tenants will pay 30 percent of their income towards rent. The Subject’s 105 one and two-bedroom units will be located within one, three-story, elevator-serviced, lowrise building.

### Construction Type:

The Subject will be a 105-unit, senior (55+) LIHTC/Section 8 development. The Subject’s 105 one and two-bedroom units will be located within one, three-story, elevator-serviced building. The Subject will offer a total of 130 off-street surface parking spaces, or 1.2 spaces per unit. The Subject will be new construction.

### Occupancy Type:

All of the Subject’s units will be senior tenancy.

### Proposed Rents:

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

#### PROPOSED RENTS

Unit Type	Unit Size (SF)*	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2023 HUD Fair Market Rents	
@30% (Section 8)								
1BR / 1BA	638	5	\$1,181	\$69	\$1,250	\$526	\$1,015	
2BR / 2BA	932	1	\$1,373	\$88	\$1,461	\$631	\$1,193	
@60% (Section 8)								
1BR / 1BA	638	93	\$1,181	\$69	\$1,250	\$1,052	\$1,015	
2BR / 2BA	932	6	\$1,373	\$88	\$1,461	\$1,263	\$1,193	
		<b>105</b>						

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

\*Unit sizes reflect a weighted average

The unit sizes reflected are weighted average unit sizes provided by the client. The one-bedroom units will range from 600 to 699 square feet and the two-bedroom units will range from 920 to 989 square feet. The income table presented above illustrates the targeted rent levels for the Subject’s units. The Subject’s rents at the 30 and 60 percent of AMI levels are contract rents and set above the maximum allowable rents. All of the Subject’s units will operate with Section 8 rental subsidy, where tenants will pay 30 percent of their income towards rent.



**Assisted Housing Program:** All of the units will operate with project based vouchers (PBVs), where tenants pay 30 percent of their income towards rent.

**Construction Date:** Construction on the Subject is anticipated to begin in June 2023 and be completed in October 2024.

**Target Household Income Levels:** Based on the proposed restrictions, the range of annual household income levels is depicted below.

**55+ INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30% (Section 8)		@60% (Section 8)	
1BR	\$0	\$22,440	\$0	\$44,880
2BR	\$0	\$22,440	\$0	\$44,880

**55+ INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@60%	
1BR	\$15,780	\$22,440	\$31,560	\$44,880
2BR	\$18,930	\$22,440	\$37,890	\$44,880

**Utility Structure:** The Subject will offer electric cooking, gas water heating and gas heating, as well as central air conditioning. The landlord will be responsible for hot and cold water, heating, sewer, and trash utility expenses. The following table details utility allowance calculations as derived from the most recent utility allowance published by Virginia Housing, effective as of July 1, 2022.

**HOUSING AUTHORITY UTILITY ALLOWANCE**

UTILITY AND SOURCE	Paid By	1BR	2BR
Heating - Gas	Tenant	\$12	\$15
Cooking - Electric	Tenant	\$5	\$6
Other Electric	Tenant	\$19	\$24
Air Conditioning	Tenant	\$9	\$13
Water Heating - Gas	Tenant	\$4	\$5
Water	Landlord	\$28	\$36
Sewer	Landlord	\$32	\$41
Trash	Landlord	\$14	\$14
<b>TOTAL - Paid By Landlord</b>		<b>\$74</b>	<b>\$91</b>
<b>TOTAL - Paid By Tenant</b>		<b>\$49</b>	<b>\$63</b>
<b>TOTAL - Paid By Tenant Provided by Developer</b>		<b>\$69</b>	<b>\$88</b>
<b>DIFFERENCE</b>		<b>141%</b>	<b>140%</b>

Source: Virginia Housing, effective 7/2022

**Unit Mix:** The following table illustrates the Subject’s unit mix and size. Note, the unit sizes reflected are weighted average unit sizes provided by the client. The one-bedroom units will range from 600 to 699 square feet and the two-bedroom units will range from 920 to 989 square feet.

**UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Number of Units	Unit Size (SF)	Net Leasable
1BR / 1BA	98	638	62,524
2BR / 2BA	7	932	6,524
<b>TOTAL</b>	<b>105</b>		<b>69,048</b>

**Net Leasable Area:** Approximately 69,048 square feet.

**Unit Amenities:** The Subject’s units will offer blinds, carpeting, central air conditioning, coat closets, ovens, and refrigerators in terms of in-unit amenities.

**Common Area Amenities:** The Subject will offer a business center, exercise facility, central laundry facility, and on-site management, in terms of common area amenities.

**Parking:** The property will offer 130 off-street surface parking spaces, or 1.2 spaces per unit. There is no fee for parking. We expect the number of parking spaces to be adequate.

**Number of Stories and Buildings:** The Subject will consist of one, three-story, elevator-serviced, lowrise building.

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

**Quality of Construction Condition and Deferred Maintenance:** As newly constructed property, the Subject will not suffer from deferred maintenance. We assume the Subject will be constructed in a timely manner with quality construction.

**Functional Utility:** We reviewed the Subject’s floor plans and determined them to be functional.

**Conclusion:** The Subject will be a 105-unit senior (55+) LIHTC/Section 8 development. The Subject’s units will be located within one, three-story, elevator-serviced, lowrise. The Subject will exhibit excellent condition upon completion.

**Architect:** Grimm + Parker, PC

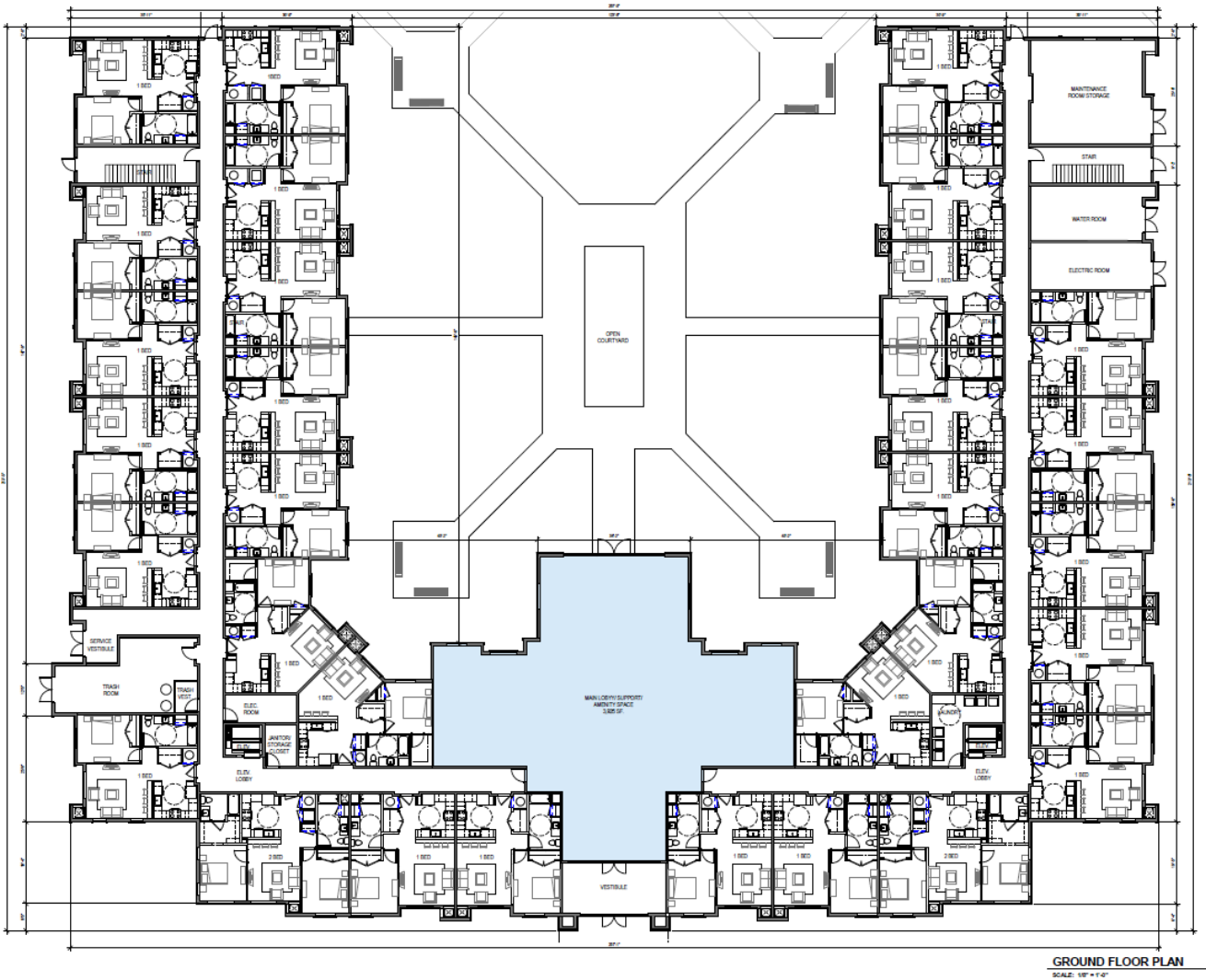
**Site Plans:** A copy of the site plan is available on the following page and in the addenda of this report.

Site Plan



Source: Sponsor, October 2022

Subject Floor Plans

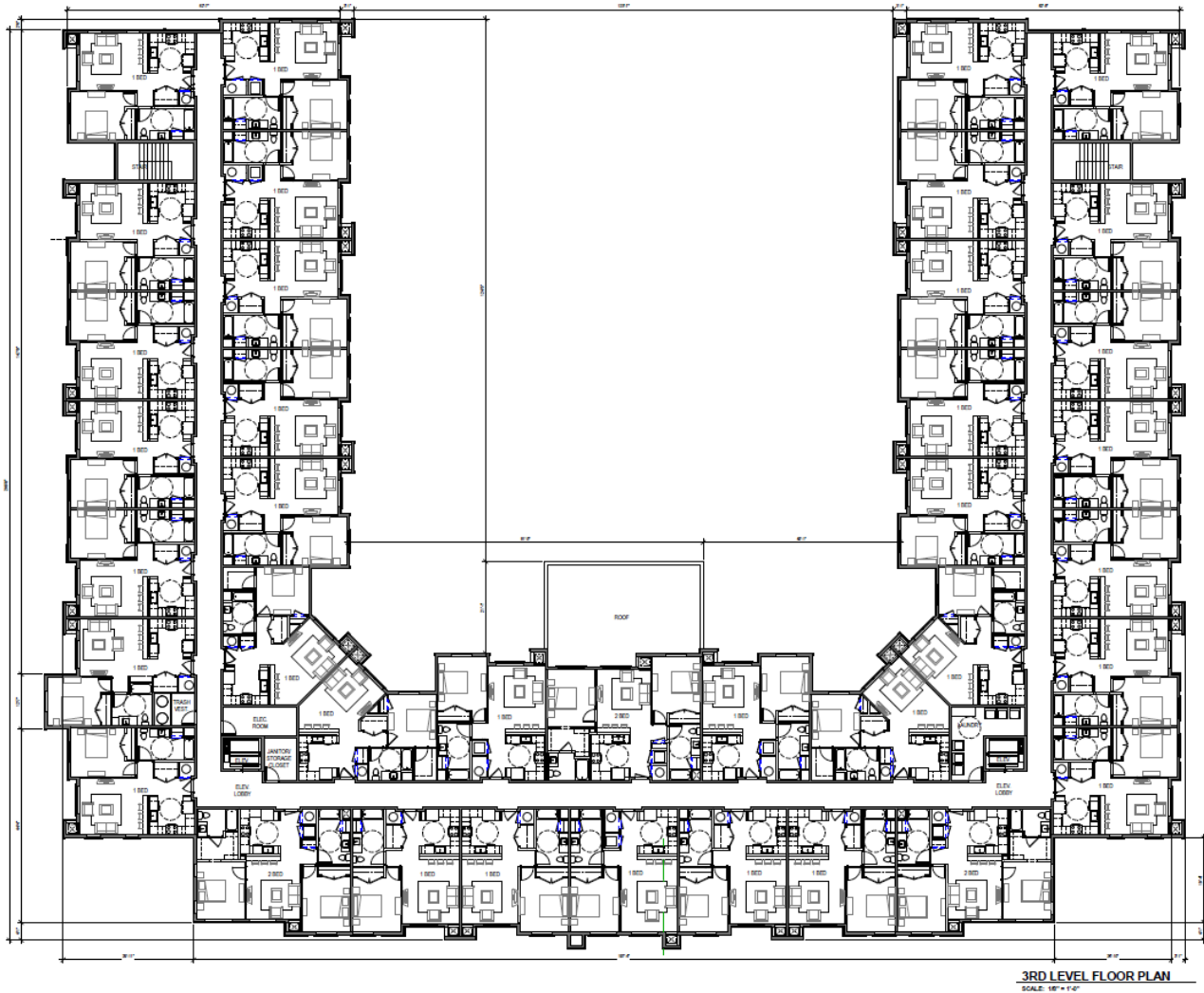


Source: Sponsor, October 2022

LEXINGTON SENIOR APARTMENTS- PORTSMOUTH, VIRGINIA - MARKET STUDY

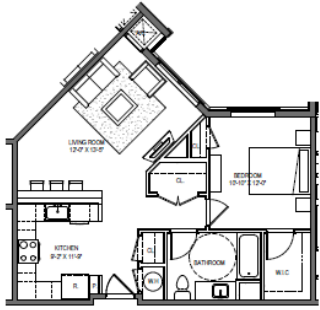


Source: Sponsor, October 2022

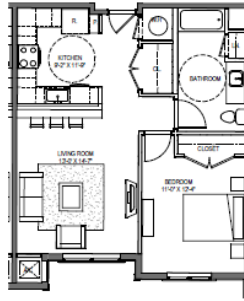


Source: Sponsor, October 2022

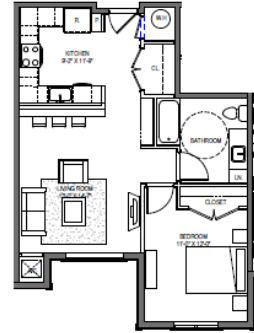
Subject Unit Plans



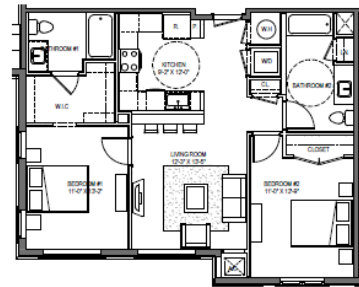
**UNIT A3 (746 SF.)**  
SCALE: 1/4" = 1'-0"



**UNIT A2 (718 SF.)**  
SCALE: 1/4" = 1'-0"




**UNIT A1 (707 SF.)**  
SCALE: 1/4" = 1'-0"



**UNIT B1 (990 SF.)**  
SCALE: 1/4" = 1'-0"

Source: Sponsor, October 2022

**LEXINGTON SENIOR APARTMENTS- PORTSMOUTH, VIRGINIA - MARKET STUDY**

Lexington Senior Apartments												
<b>Location</b>	1 Lexington Drive Portsmouth, VA 23704 Portsmouth County (verified)											
<b>Units</b>	105											
<b>Type</b>	Lowrise (age-restricted) (3 stories)											
<b>Year Built / Renovated</b>	2024 / n/a											
Market												
<b>Program</b>	@30% (Section 8), @60% (Section 8)											
Utilities												
<b>A/C</b>	not included – central					<b>Other Electric</b>			not included			
<b>Cooking</b>	not included – electric					<b>Water</b>			included			
<b>Water Heat</b>	not included – gas					<b>Sewer</b>			included			
<b>Heat</b>	not included – gas					<b>Trash Collection</b>			included			
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Lowrise (3 stories)	5	638	\$1,181	\$0	@30% (Section 8)	N/A	N/A	N/A	N/A	
1	1	Lowrise (3 stories)	93	638	\$1,181	\$0	@60% (Section 8)	N/A	N/A	N/A	N/A	
2	2	Lowrise (3 stories)	1	932	\$1,373	\$0	@30% (Section 8)	N/A	N/A	N/A	N/A	
2	2	Lowrise (3 stories)	6	932	\$1,373	\$0	@60% (Section 8)	N/A	N/A	N/A	N/A	
Amenities												
<b>In-Unit</b>	Blinds Carpeting Central A/C Oven Refrigerator					<b>Security</b>			Intercom (Buzzer) Limited Access Perimeter Fencing			
<b>Property</b>	Business Center/Computer Lab Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management					<b>Premium</b>			none			
<b>Services</b>	none					<b>Other</b>			Library			
Comments												
The utility allowances for the Subject's one and two-bedroom units are \$69 and \$88, respectively. A total of 130 off-street, surface parking spaces will be available to tenants at no additional fee. The unit sizes reflected are weighted average unit sizes provided by the client. The one-bedroom units will range from 600 to 699 square feet and the two-bedroom units will range from 920 to 989 square feet.												



## **D. LOCATION**

## LOCATION

The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow.



Source: Google Earth, September 2022

### Subject Site Description:

The Subject site has frontage along the east side of Graham Street and the west side of Columbus Avenue. The previous improvements located on the site have been demolished. The Subject, Lexington Senior Apartments, is a proposed LIHTC/Section 8 project that will be restricted to senior households age 55 years and older earning up to 30 and 60 percent of the AMI, or less. All units will operate with Section 8 subsidy and tenants will pay 30 percent of their income towards rent. The Subject will offer 98 one-bedroom units and 7 two-bedroom units. All of the subject's units will be contained in one, three-story, elevator-serviced, low-rise building.

### Size:

The total size of the Subject site is approximately 7.2 acres, or 313,632 square feet.

### Shape:

The Subject site is irregular in shape.

### Frontage:

The Subject site has frontage along the west side of Columbus Avenue and the east side of Graham Street.

**Topography:** The Subject site is generally level.

**Utilities:** All utilities are provided to the site.

**Visibility/Views:** The Subject site has excellent visibility along Graham Street and Columbus Avenue. To the north, views consist of Dale Homes I and II, an affordable development excluded from this study due to unresponsive management. However, according to internet research, this property appears to be 100 percent occupied. Farther north is a Harley-Davidson dealership and Interstate264. To the east, views consist of single-family homes in average condition. To the west, views consist of houses of worship, railroad tracks, and single-family homes in average condition. To the south, views consist of Lexington Place Apartments, a recently completed LIHTC/PBRA development excluded from this study due to its fully subsidized status. Overall, views are considered average.

**Surrounding Uses:** To the north, views consist of Dale Homes I and II, an affordable development excluded from this study due to unresponsive management. However, according to internet research, this property appears to be 100 percent occupied. Farther north is a Harley-Davidson dealership and Interstate264. To the east, views consist of single-family homes in average condition. To the west, views consist of houses of worship, railroad tracks, and single-family homes in average condition. To the south, views consist of Lexington Place Apartments, a recently completed LIHTC/PBRA development excluded from this study due to its fully subsidized status.



Dale Homes adjacent to the north of Subject



Harley-Davidson motorcycle dealership of the Subject off of Frederick Boulevard

*North:* Directly north of the Subject site is Dale Homes, an affordable development excluded from this study due to unresponsive management. However, according to internet research, this property appears to be 100

percent occupied. Farther north is a Harley-Davidson dealership and Interstate 264, followed by industrial uses.



Lexington Place adjacent to the south of Subject site



Alternative view of Lexington Place adjacent to the south of Subject site

*South:* Directly south of the Subject site is Lexington Place Apartments, a recently completed LIHTC/PBRA development excluded from this study due to its fully subsidized status, followed by a convenience store, auto yard, and single-family homes in average condition.



Single-family homes along Columbus Street to the east of Subject



Auto repair shop to the southeast of the Subject

*East:* East of the Subject site are single-family homes, in average condition, as well as several houses of worship and the Emily Sprong Preschool Center. Farther to the east are additional single-family homes, in average condition.

LEXINGTON SENIOR APARTMENTS- PORTSMOUTH, VIRGINIA - MARKET STUDY



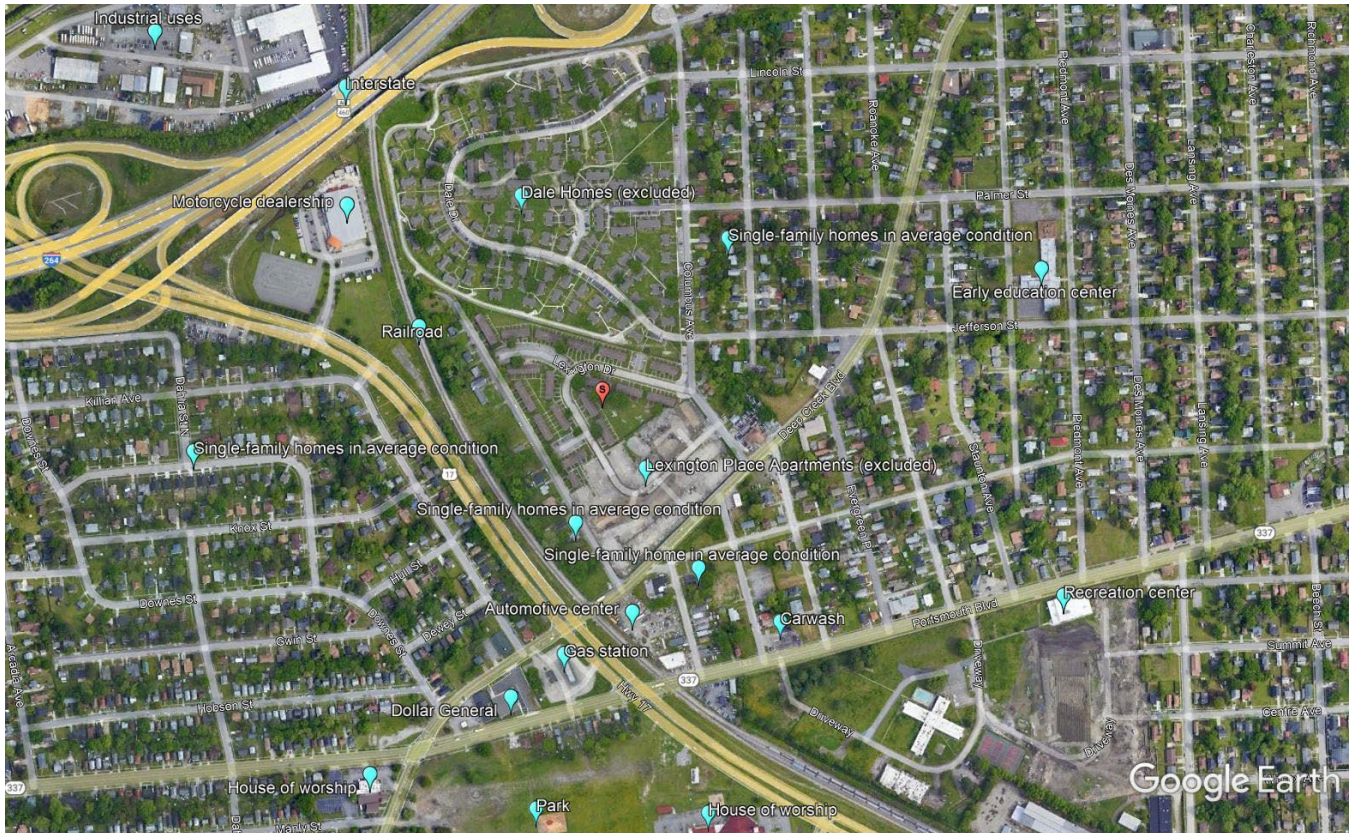
Single-family homes along Graham Street to the west of Subject site



House of worship along Graham Street to the west of Subject site

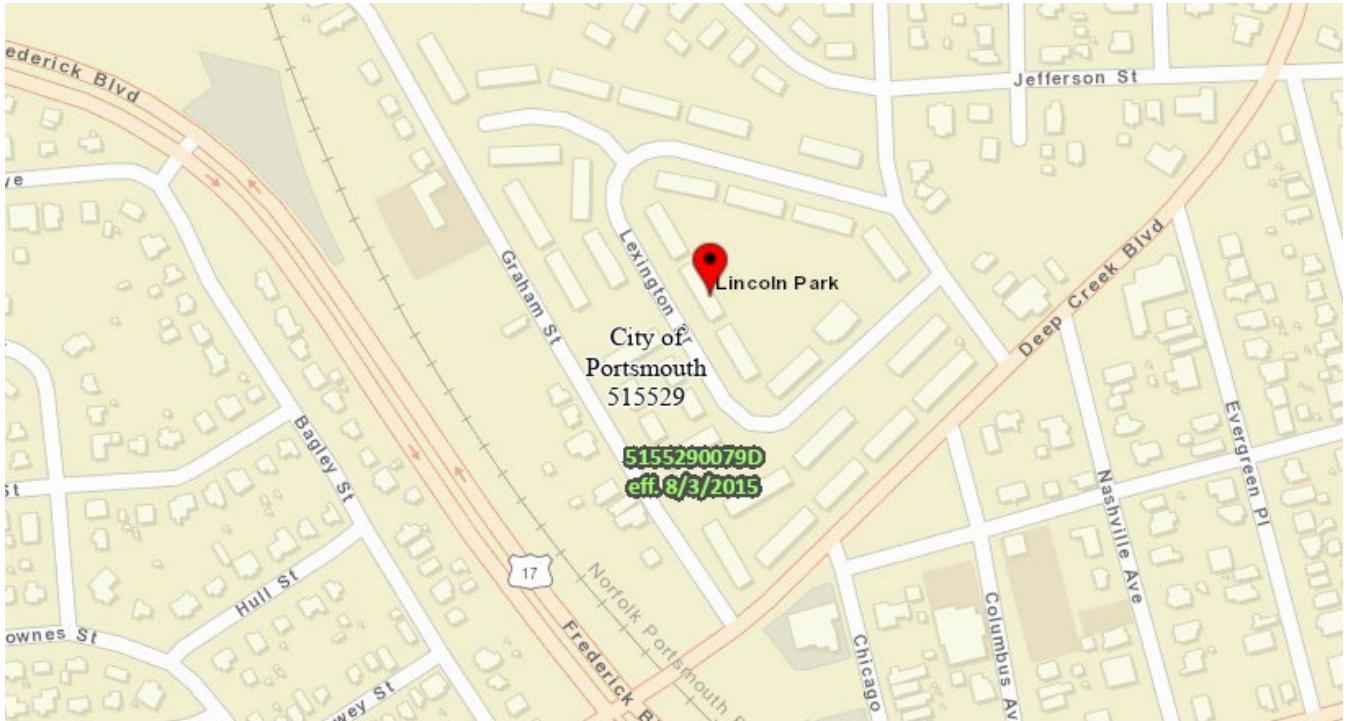
West: Immediately west of the Subject site are single-family homes in average condition and a house of worship, followed by the Norfolk and Portsmouth Belt Line Railroad. Farther to the west is a neighborhood of single-family homes in average condition.

The following map depicts surrounding uses in the Subject's neighborhood.



Source: Google Earth, October 2022

<b>Access and Traffic Flow:</b>	The Subject will be accessible via Columbus Avenue, a lightly trafficked two-lane, residential road. Columbus Avenue provides access to Deep Creek Boulevard approximately 0.1 miles south of the Subject site. Deep Creek Boulevard is a moderately trafficked, two-lane road that provides access to US Route 17 approximately 0.2 miles southwest of the Subject site. US Route 17 is a moderately trafficked road that provides access to Interstate 264 approximately 0.4 miles north of the Subject site. Interstate 264 is a highly trafficked, six-lane road that runs northeast/southwest throughout Portsmouth, as well as to Norfolk and Virginia Beach to the east of the Subject site. Overall, access and traffic flow at the Subject are good.
<b>Layout and Curb Appeal:</b>	The Subject will be a newly constructed affordable LIHTC/Section 8 project, with 105 revenue generating units. The Subject will offer 105, one and two-bedroom units restricted to senior households age 55 years and older earning up to 60 percent of the AMI, located on an irregularly shaped site. The Subject will be newly constructed and exhibit excellent curb appeal.
<b>Drainage:</b>	We were not provided with a drainage report. We are not experts in this field and assume the drainage is adequate for development.
<b>Soil and Subsoil Conditions:</b>	We were not provided with a soil and subsoil report. We are not experts in this field and assume the site is adequate for development.
<b>Environmental Assessment:</b>	We were not provided with an environmental report. Further analysis is beyond the scope of this report. Novogradac does not have expertise in this field and cannot opine on this matter.
<b>Detrimental Influences:</b>	The Subject is located adjacent east of railroad tracks, which could be considered a detrimental influence based on noise pollution. However, Dale Homes, an excluded property located directly north of the Subject site, appears to be 100 percent occupied according to internet research, indicating the close proximity railroad tracks and has not caused issues of marketability.
<b>Flood Plain:</b>	According to Flood Insights and Flood Insurance Rate Map Community Panel Number 5155290079D, dated August 2, 2015, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the 0.2 percent annual chance floodplains.



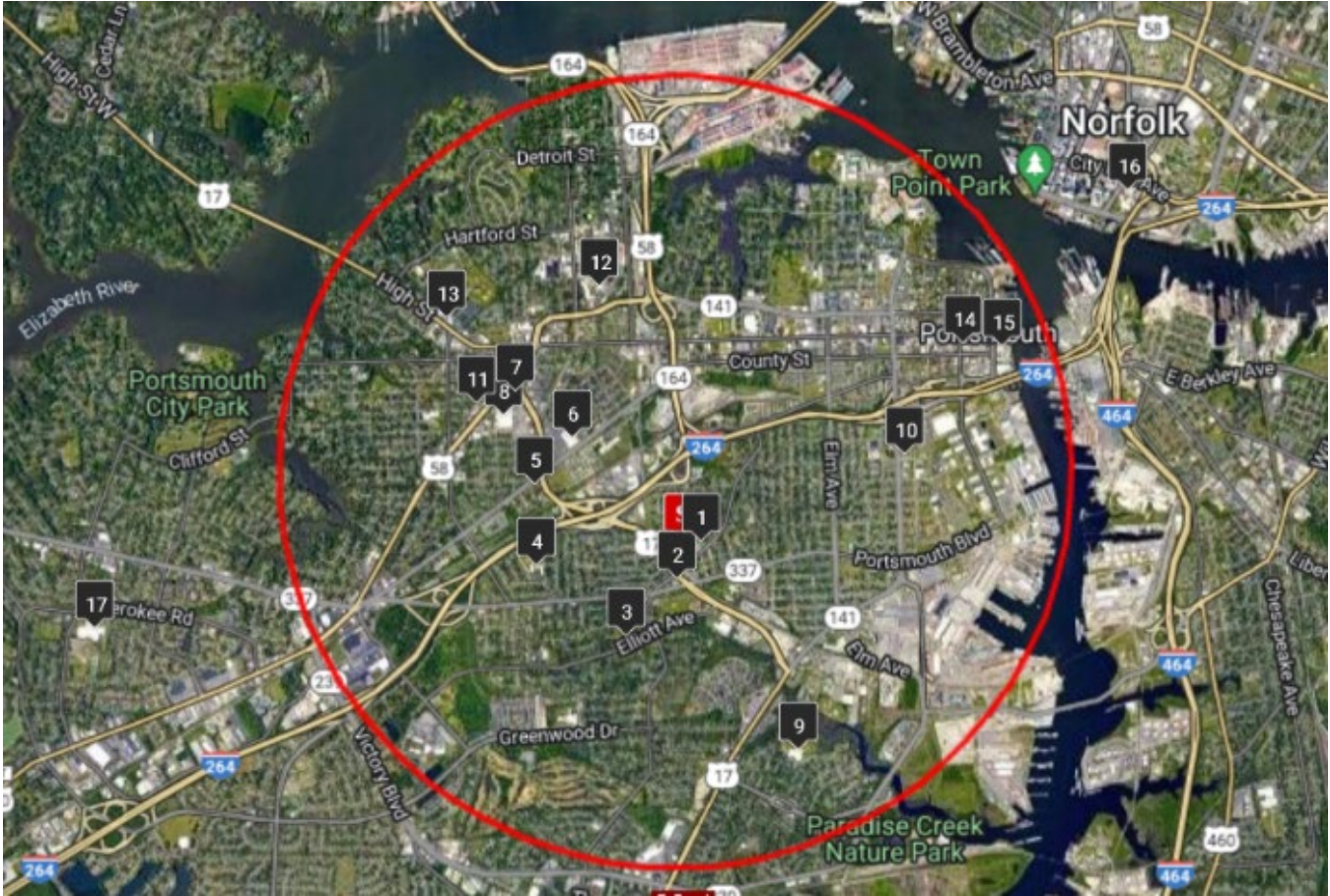
Source: FEMA Flood Maps, August 2015

**Locational Amenities:**

The following table and map illustrate the Subject’s proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below. Note that the distances are from the Subject site at 1 Lexington Drive, Portsmouth, VA 23706.

**LOCATIONAL AMENITIES**

#	Service or Amenity	Distance to Subject	#	Service or Amenity	Distance to Subject
1	Bus Stop (Columbus & Lexington)	0.1 miles	10	Portsmouth Fire Station #1	1.2 miles
2	BP Gas Station	0.2 miles	11	Senior Station (senior center)	1.3 miles
3	Highland Biltmore Park	0.6 miles	12	United States Postal Service	1.3 miles
4	Douglas Park Elementary School	0.7 miles	13	Bon Secours Maryview Medical Center	1.6 miles
5	CVS Pharmacy	0.8 miles	14	Portsmouth Public Library	1.7 miles
6	Kroger Grocery Store	0.8 miles	15	Portsmouth Police Department Station	1.9 miles
7	Wells Fargo Bank	1.1 miles	16	Light Rail Station (Civic Plaza)	2.9 miles
8	Walmart Supercenter	1.1 miles	17	Manor High School	3.0 miles
9	Cradock Middle School	1.2 miles	-	-	-

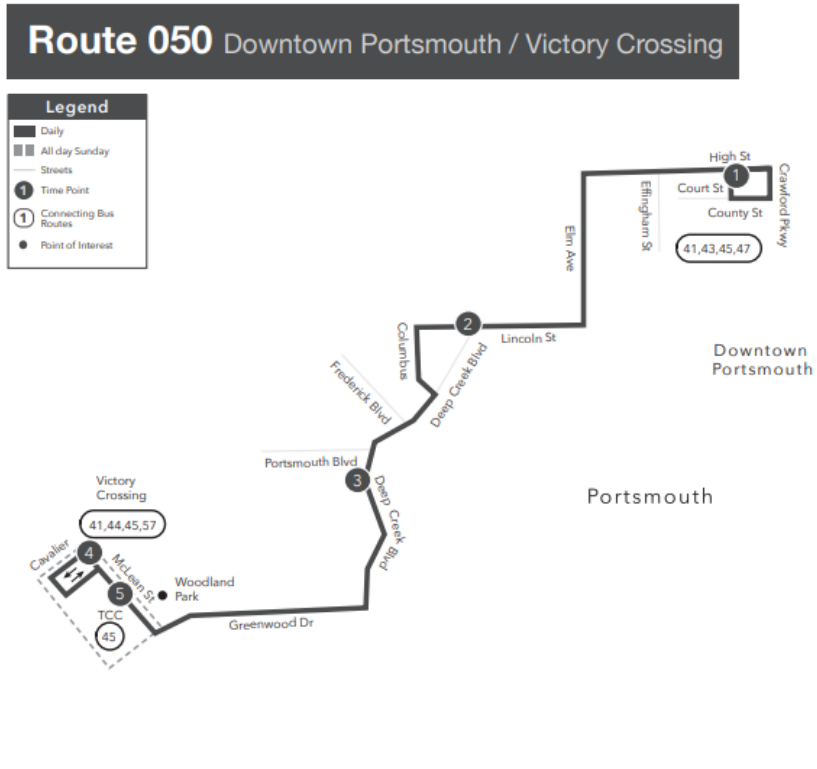


Source: Google Earth, October 2022

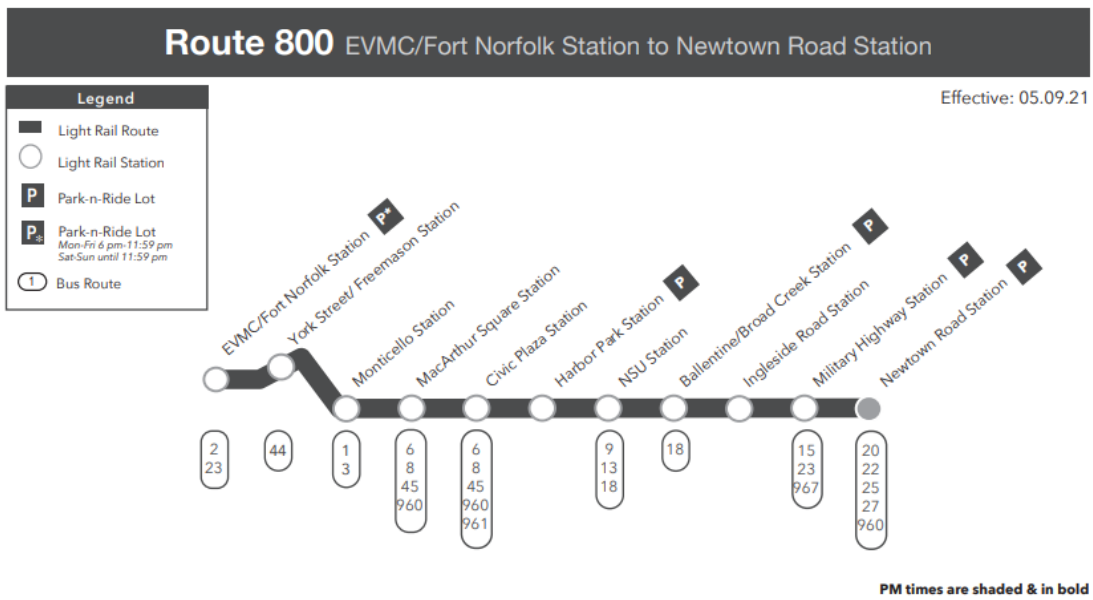
**Public Transportation:**

Public transportation is provided by Hampton Roads Transit. The closest bus stop is located adjacent to the Subject along Columbus Avenue and is served by route 50. A one-way fare is \$2.00 for adults and \$1.00 seniors age 65 and older, Medicare cardholders, persons with disabilities, or children age 17 and younger. “The Tide” is the Hampton Roads rail system. The nearest train stop is the McArthur Station, which is approximately 2.9 miles northeast of the Subject along the City Hall Avenue in Norfolk. A one-day pass ranges from \$2.00 to \$10.50 or riders can purchase a monthly pass ranging from \$40.00 to \$125.00.





Source: Hampton Roads Transit, retrieved February 2023



Source: Hampton Roads Transit, retrieved February 2023

**Crime Statistics:**

The following tables show crime statistics from 2021 for the PMA and MSA.

**2021 CRIME INDICES**

	PMA	Virginia Beach-Norfolk-Newport News, VA- NC Metropolitan Statistical Area
<b>Total Crime*</b>	<b>254</b>	<b>125</b>
<b>Personal Crime*</b>	<b>232</b>	<b>106</b>
Murder	343	159
Rape	167	111
Robbery	362	143
Assault	173	86
<b>Property Crime*</b>	<b>258</b>	<b>128</b>
Burglary	219	99
Larceny	276	142
Motor Vehicle Theft	207	92

Source: Esri Demographics 2021, Novogradac Consulting LLP, November 2022

\*Unweighted aggregations

The total crime indices in the PMA are above that of the MSA and the nation. Personal crime in the PMA is above national personal crime levels. The Subject will offer an intercom, limited access, and perimeter fencing in terms of security features. All of the comparable properties offer some form of security feature. We believe the Subject’s security features are market-oriented. The map below illustrates crime indices by census tract in the Subject’s PMA as well as the location of the comparable properties.

**Conclusion:**

The Subject’s neighborhood appears to be a good location for a multifamily development. All of the local amenities are located within 3.0 miles of the Subject. The Subject is located in a primarily residential neighborhood, with the majority of the immediate surrounding uses consisting of single-family homes in average condition. It should be noted that there are two multifamily properties located directly north and south of the Subject site, therefore, we believe the Subject will be a compatible use within the existing neighborhood.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



Subject site from Lexington Drive looking northwest



Subject site from Lexington Drive looking northwest



Subject site from Lexington Drive looking southwest



View north towards Subject site from parking area of adjacent Lexington Place



Subject from Columbus Avenue looking west



Subject from Graham Street looking east



Subject from Graham Street looking northeast



Subject from Graham Street looking southeast



View along Graham Street looking south with Subject site on left



View along Graham Street looking north with Subject site on right in background



Alternative view along Graham Street looking north with Subject site on right



Alternative view along Graham Street looking north



Alternative view of Lexington Place adjacent to the south of Subject site



Alternative view of Lexington Place adjacent to the south of Subject site



Alternative view of Lexington Place adjacent to the south of Subject site



Alternative view of Lexington Place adjacent to the south of Subject site



Alternative view of Lexington Place adjacent to the south of Subject site



Lexington Place signage along Columbus Street to the southeast of Subject site



Single-family homes along Columbus Street to the east of Subject site



View along Columbus Avenue to the southeast of Subject



Alternative view of Dale Homes to the north of Subject



Small scale convenience store along Columbus Street several blocks north of Subject



Small scale convenience store along Deep Creek Boulevard several blocks south of Subject



Small scale food store along Deep Creek Boulevard several blocks southeast of Subject



House of worship along Frederick Boulevard, approximately one-half mile south of Subject



House of worship along Portsmouth Boulevard, approximately one-half mile south of Subject



Kroger grocery store along Frederick Boulevard, approximately 0.8 miles north of Subject



Retail uses along Frederick Boulevard, approximately 0.8 miles north of Subject

## **E. MARKET AREA DEFINITION**

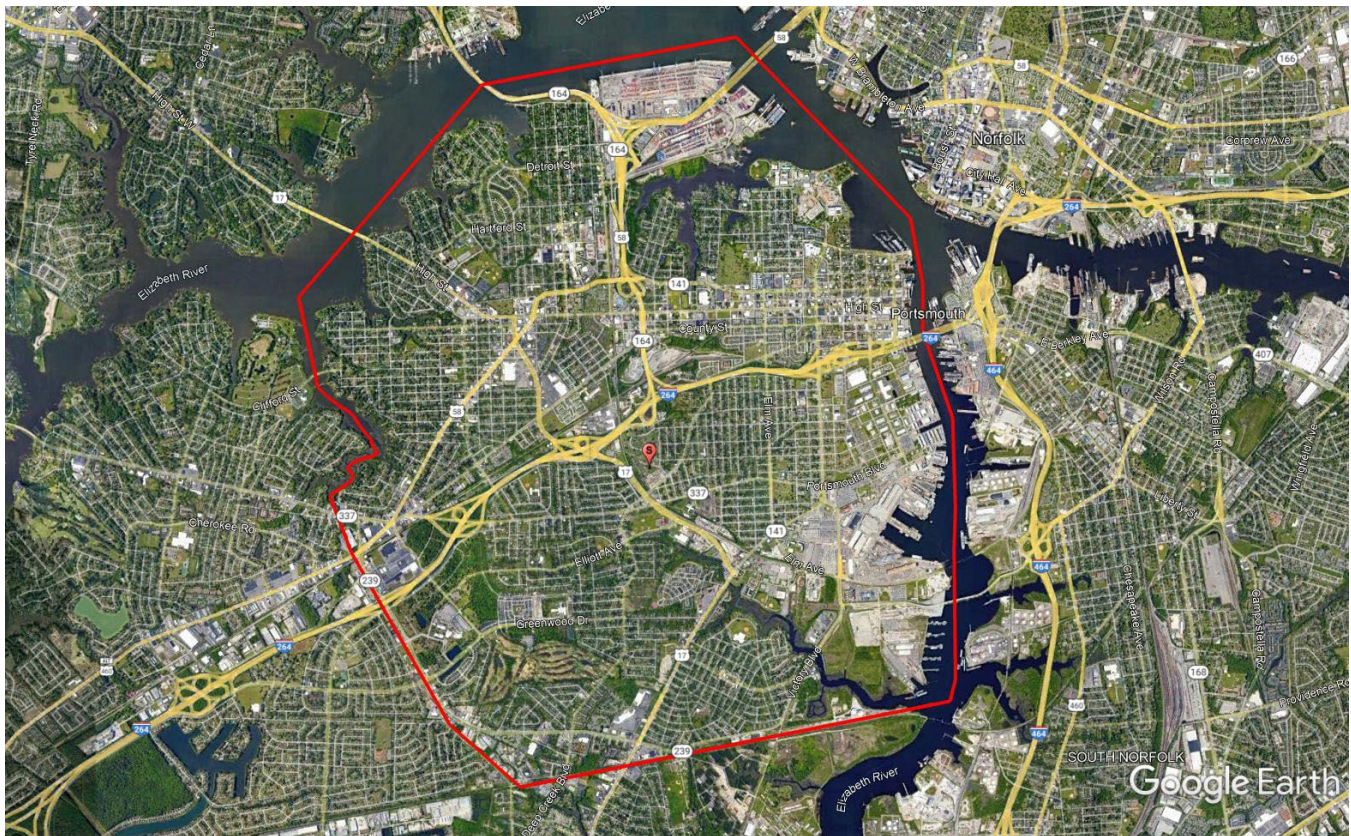


## MARKET AREA

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

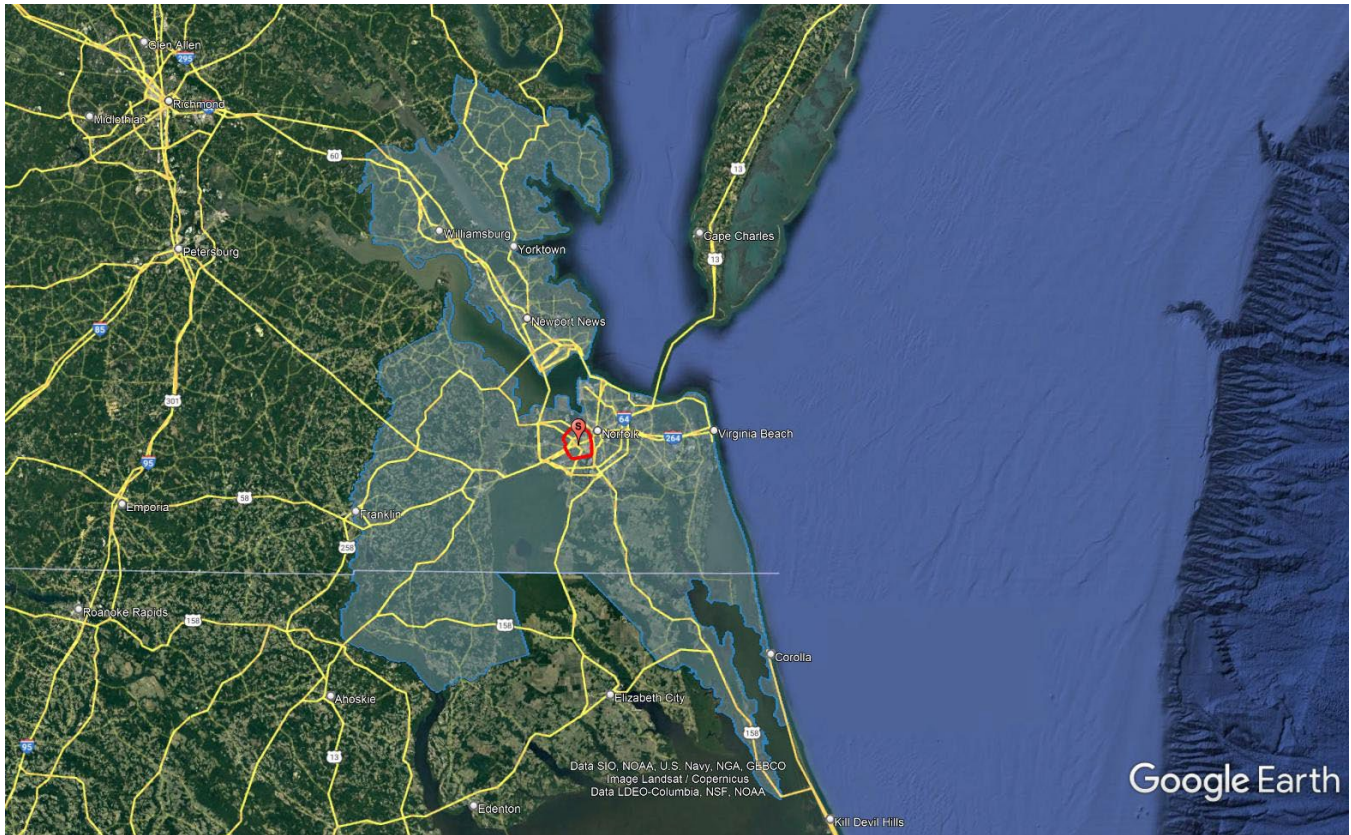
We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA generally encompasses the southern portions of Portsmouth including the neighborhoods of Port Norfolk, Shea Terrace, Park View, Swimming Point, Old Towne, Williams Court, Cradock, Academy Park, Alexander Corer, Westhaven Park, Midtown, and Westhaven. The PMA boundaries are: The Elizabeth River to the north; The Elizabeth River to the east; the Virginian Railway to the south; and Victory Boulevard to the west. The PMA encompasses 15 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 20 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The SMA is defined as the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA), which consists of the independent cities of Norfolk, Chesapeake, Hampton, Newport News, Portsmouth, Suffolk, Virginia Beach, Williamsburg, Poquoson, and Gloucester, as well as the counties of Isle of Wright, Mathews, James City, and York in Virginia, and the counties of Currituck and Gates in North Carolina and encompasses 3,023 square miles. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

### Primary Market Area Map



Source: Google Earth, November 2022.

## Secondary Market Area Map



Source: Google Earth, November 2022.

# **F. EMPLOYMENT AND ECONOMY**

## ECONOMIC ANALYSIS

Established in 1752, Portsmouth is an independent city in southeastern Virginia. Portsmouth was formerly the county seat of Norfolk County, until 1963 when the new city of Chesapeake was formed. Portsmouth’s economy is concentrated in military and government due to the presence of the Norfolk Naval Shipyard, which is the largest naval base in the world. Other major employers include employers in the healthcare, manufacturing, and retail sectors.

The Virginia Beach-Norfolk-Newport News, VA MSA’s total population grew from 1,675,603 in 2010 to 1,761,451 in 2021 and is currently the 32<sup>nd</sup> largest metropolitan area in the nation and the second largest metropolitan area in the state of Virginia. The best represented industries in the Subject’s PMA include healthcare/social assistance, retail trade, and public administration services. According to ESRI Demographics, these three industries account for 38 percent of total employment in the PMA. The large share of PMA employment in retail trade services is notable as this industry is historically volatile, and prone to contraction during recessionary periods, particularly during the COVID-19 pandemic. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. The Subject site is located approximately 1.7 miles southwest of downtown Portsmouth, and 61 percent of the persons in the PMA have a commute time of 24 minutes or less, indicating that the majority of households in the PMA work locally in Portsmouth or Norfolk.

## Employment by Industry

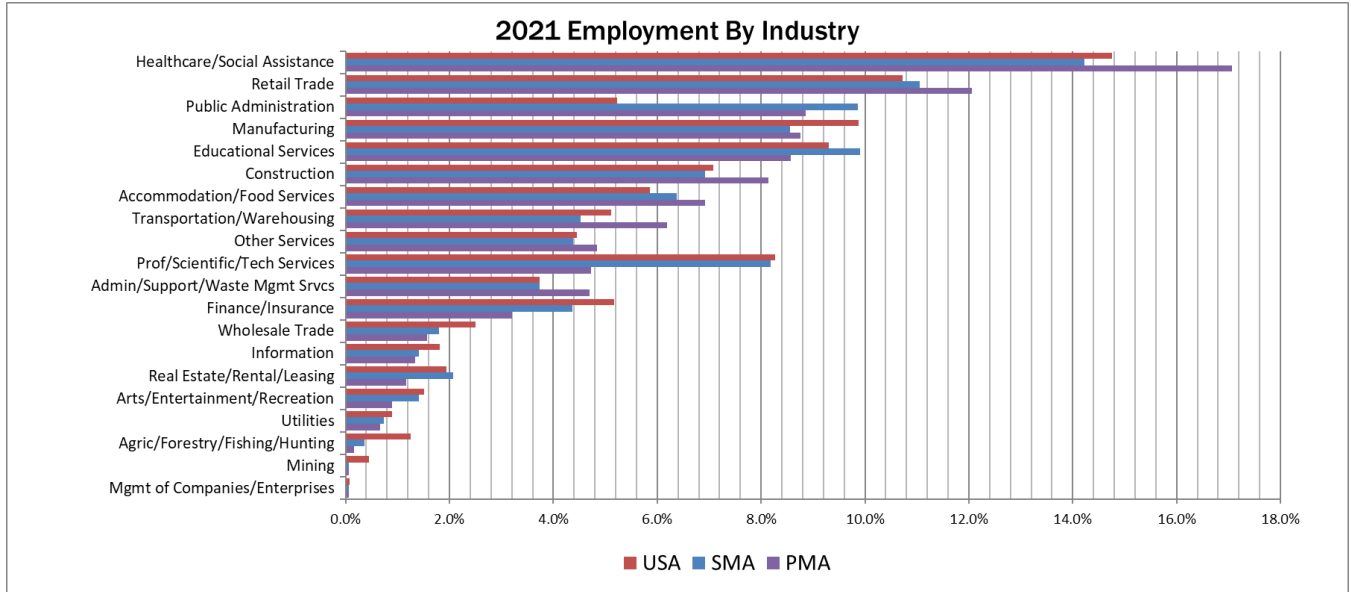
The following table illustrates employment by industry for the PMA as of 2021.

### 2021 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	3,508	17.1%	23,217,292	14.8%
Retail Trade	2,479	12.1%	16,864,485	10.7%
Public Administration	1,822	8.9%	8,215,705	5.2%
Manufacturing	1,800	8.8%	15,526,471	9.9%
Educational Services	1,761	8.6%	14,629,096	9.3%
Construction	1,674	8.1%	11,127,591	7.1%
Accommodation/Food Services	1,424	6.9%	9,207,610	5.9%
Transportation/Warehousing	1,273	6.2%	8,044,029	5.1%
Other Services	995	4.8%	7,014,785	4.5%
Prof/Scientific/Tech Services	973	4.7%	13,005,287	8.3%
Admin/Support/Waste Mgmt Svcs	965	4.7%	5,887,329	3.7%
Finance/Insurance	659	3.2%	8,123,688	5.2%
Wholesale Trade	324	1.6%	3,934,179	2.5%
Information	274	1.3%	2,846,142	1.8%
Real Estate/Rental/Leasing	240	1.2%	3,044,245	1.9%
Arts/Entertainment/Recreation	185	0.9%	2,388,480	1.5%
Utilities	138	0.7%	1,412,381	0.9%
Agric/Forestry/Fishing/Hunting	35	0.2%	1,973,200	1.3%
Mining	14	0.1%	705,964	0.4%
Mgmt of Companies/Enterprises	13	0.1%	116,402	0.1%
<b>Total Employment</b>	<b>20,556</b>	<b>100.0%</b>	<b>157,284,361</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, October 2022

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and public administration industries, which collectively comprise 38 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has significant share of employment in the healthcare and public administration industries, which are historically known to offer greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the public administration, healthcare/social assistance, and retail trade industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, finance/insurance, and manufacturing industries.



## Growth by Industry

The following table illustrates the change in total employment by sector in the PMA from 2010 to 2021.

**2010-2021 CHANGE IN EMPLOYMENT - PMA**

Industry	2010		2021		2010-2021	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	3,737	14.3%	3,508	17.1%	-229	-0.6%
Retail Trade	2,943	11.3%	2,479	12.1%	-464	-1.4%
Public Administration	1,861	7.1%	1,822	8.9%	-39	-0.2%
Manufacturing	2,739	10.5%	1,800	8.8%	-939	-3.1%
Educational Services	2,980	11.4%	1,761	8.6%	-1,219	-3.7%
Construction	2,064	7.9%	1,674	8.1%	-390	-1.7%
Accommodation/Food Services	1,989	7.6%	1,424	6.9%	-565	-2.6%
Transportation/Warehousing	880	3.4%	1,273	6.2%	393	4.1%
Other Services	1,627	6.2%	995	4.8%	-632	-3.5%
Prof/Scientific/Tech Services	1,015	3.9%	973	4.7%	-42	-0.4%
Admin/Support/Waste Mgmt Svcs	1,331	5.1%	965	4.7%	-366	-2.5%
Finance/Insurance	962	3.7%	659	3.2%	-303	-2.9%
Wholesale Trade	572	2.2%	324	1.6%	-248	-3.9%
Information	422	1.6%	274	1.3%	-148	-3.2%
Real Estate/Rental/Leasing	520	2.0%	240	1.2%	-280	-4.9%
Arts/Entertainment/Recreation	180	0.7%	185	0.9%	5	0.3%
Utilities	178	0.7%	138	0.7%	-40	-2.0%
Agric/Forestry/Fishing/Hunting	94	0.4%	35	0.2%	-59	-5.7%
Mining	14	0.1%	14	0.1%	0	0.0%
Mgmt of Companies/Enterprises	15	0.1%	13	0.1%	-2	-1.2%
<b>Total Employment</b>	<b>26,123</b>	<b>100.0%</b>	<b>20,556</b>	<b>100.0%</b>	<b>-5,567</b>	<b>-1.9%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, October 2022

\*Industry data current as of 2010. Other projections current as of 2021.

\* Change in percentage is calculated as a rate of change by industry.

Total employment in the PMA declined at an annualized rate of 1.9 percent between 2010 and 2021. The industries which expanded most substantially during this period include transportation/warehousing, and arts/entertainment/recreation. Conversely, the educational services, manufacturing, and other services sectors experienced the least growth.

## Major Employers

The table on the following page details the major employers in Portsmouth, Virginia.

**MAJOR EMPLOYERS  
Portsmouth, VA**

Employer Name	Industry	# Of Employees
Norfolk Naval Shipyard	Military	9,000
Naval Medical Center	Healthcare	7,000
City of Portsmouth	Government	2,585
U.S. 5th District Coast Guard Command	Government	2,500
City of Portsmouth Public Schools	Education	2,912
Bon Secours Maryview Medical Center	Healthcare	2,000
Earl Industries	Military	900
Tidewater Community College	Education	622
Smithfield of Portsmouth	Food Processing	435
Wal-Mart	Retail	300
Hampton Roads Regional Jail	Government	282
Food Lion	Grocery	250
Direct Home Healthcare	Healthcare	248
Cintas	Manufacturing	400
Wavy-TV/Fox	Telecommunications	200

Source: Portsmouth, Virginia Department of Economic Development, retrieved October 2022

The largest employers in the area are concentrated primarily in the military, healthcare, government, education, and retail sectors. The largest employer in Portsmouth is the Norfolk Naval Shipyard. Approximately 15 percent of the Norfolk Naval Shipyard workforce comes from Portsmouth.

The military and various support firms play a significant role in the local economy. With 75 ships and 134 aircraft, Norfolk Naval Shipyard is the largest naval base in the world. Four of the six military bases in the area experienced increases in military personnel from the most recent BRAC adjustments for a net increase of 5,147 jobs. There are no additional pending BRAC actions at this time. In addition, several smaller military installations such as the Langley Air Force Base are located in the area along with numerous defense contractors such as BAE Systems. The Port of Virginia, which has facilities in Norfolk, Portsmouth, and Newport News, is among the largest ports on the east coast that employs hundreds of people. Other major employers in the MSA include healthcare providers and educational institutions. These employers provide more stability to the regional economy, which is vulnerable to cutbacks in national defense spending.

**Employment Expansions/Contractions**

We reviewed publications by the Virginia Employment Commission’s WARN (Worker Adjustment and Retraining Notification Act) notices since 2021 in Portsmouth, VA. These layoffs are illustrated in the following table.

**WARN LISTINGS  
PORTSMOUTH - JAN 2021 - YTD 2022**

Company	Industry	Employees Affected	Layoff Date
TitleMax of Virginia Inc.	Consumer Lending	55	1/16/2021
<b>Total</b>		<b>55</b>	

Source: Virginia Employment Commission; retrieved December 2022

As illustrated in the previous table, there were a total of 55 layoffs in the Subject’s market area since January 2021. There have been no WARN notices filed in Portsmouth in 2022 as of the date of this report. Due to the size of the Portsmouth area labor market, these recent WARN filings are not anticipated to substantively affect total employment in the PMA or MSA as overall job growth has far exceeded these losses.

We attempted to reach a representative with the Portsmouth Economic Development Department. To date, our emails and phone calls have not been returned. We researched various online publications for information on recent business expansions in the city of Portsmouth and surrounding areas. Our findings are detailed below.

- In January 2022, Lyon Shipyard announced a \$24 million expansion that includes the addition of an 820-ton boat hoist and is expected to create over 100 new jobs.
- Lineage Logistics, the world’s largest temperature controlled industrial REIT and logistics solutions provider, announced the opening of its newest fully automated facility located in Portsmouth in October 2021. This \$84 million investment produced over 80 jobs.
- In January 2021, Tabet Manufacturing Co. announced it will invest \$6.5 million to expand its Norfolk plant. This 50,000 square foot expansion is expected to create 68 jobs.
- In November 2020, Portsmouth voters greenlighted Rush Street’s \$300 million casino project planned for Victory Boulevard. Rivers Casino Portsmouth will bring 1,300 permanent jobs and 1,400 temporary construction jobs to the currently vacant site. Plans also call for a hotel, indoor and outdoor concert venue, conference space, and multiple restaurants. The project is expected to generate more than \$16 million in new annual tax revenues for the community.
- In 2019, Fairlead Integrated invested \$25 million to acquire the former Ocean Marine and Yacht Center in Portsmouth. The 12.5-acre site was into a facility to repair and maintain equipment and systems onboard US Navy ships. The Fairlead expansion created between 180 to 225 jobs.
- Siemens Gamesa Renewable Energy S.A. announced that it will build the nation’s first offshore wind blade factory at the Portsmouth Marine Terminal. The Spanish wind turbine manufacturer will invest \$200 million to build the factory on an 80-acre site at Portsmouth Marine Terminal. The project is expected to create 310 jobs, including approximately 50 to support Dominion Energy’s Coastal Virginia Offshore Wind project.

### **Employment and Unemployment Trends**

The following table details employment and unemployment trends for the SMA from 2006 to August 2022.



**LEXINGTON SENIOR APARTMENTS– PORTSMOUTH, VIRGINIA – MARKET STUDY**

**EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area				USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2006	773,600	-	-8.3%	144,427,000	-	-8.3%
2007	786,515	1.7%	-6.7%	146,047,000	1.1%	-7.3%
2008	789,022	0.3%	-6.4%	145,363,000	-0.5%	-7.7%
2009	762,845	-3.3%	-9.5%	139,878,000	-3.8%	-11.2%
2010	770,312	1.0%	-8.6%	139,064,000	-0.6%	-11.7%
2011	777,300	0.9%	-7.8%	139,869,000	0.6%	-11.2%
2012	781,692	0.6%	-7.3%	142,469,000	1.9%	-9.6%
2013	791,554	1.3%	-6.1%	143,929,000	1.0%	-8.6%
2014	800,300	1.1%	-5.1%	146,305,000	1.7%	-7.1%
2015	796,773	-0.4%	-5.5%	148,833,000	1.7%	-5.5%
2016	800,416	0.5%	-5.1%	151,436,000	1.7%	-3.9%
2017	821,424	2.6%	-2.6%	153,337,000	1.3%	-2.7%
2018	832,113	1.3%	-1.3%	155,761,000	1.6%	-1.1%
2019	843,187	1.3%	0.0%	157,538,000	1.1%	0.0%
2020	794,727	-5.7%	-5.7%	147,795,000	-6.2%	-6.2%
2021	792,646	-0.3%	-6.0%	152,581,000	3.2%	-3.1%
2022 YTD Average*	806,969	1.8%	-	158,080,889	3.6%	-
Aug-2021	795,002	-	-	153,232,000	-	-
Aug-2022	812,610	2.2%	-	158,714,000	3.6%	-

Source: U.S. Bureau of Labor Statistics, November 2022

**UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)**

Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area				USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2006	3.7%	-	0.6%	4.6%	-	1.0%
2007	3.5%	-0.2%	0.4%	4.6%	0.0%	1.0%
2008	4.5%	1.0%	1.5%	5.8%	1.2%	2.1%
2009	7.0%	2.5%	4.0%	9.3%	3.5%	5.6%
2010	7.8%	0.7%	4.7%	9.6%	0.3%	6.0%
2011	7.3%	-0.5%	4.2%	9.0%	-0.7%	5.3%
2012	6.7%	-0.6%	3.6%	8.1%	-0.9%	4.4%
2013	6.1%	-0.6%	3.1%	7.4%	-0.7%	3.7%
2014	5.6%	-0.6%	2.5%	6.2%	-1.2%	2.5%
2015	4.9%	-0.7%	1.8%	5.3%	-0.9%	1.6%
2016	4.5%	-0.3%	1.5%	4.9%	-0.4%	1.2%
2017	4.0%	-0.5%	1.0%	4.4%	-0.5%	0.7%
2018	3.3%	-0.8%	0.2%	3.9%	-0.4%	0.2%
2019	3.1%	-0.2%	0.0%	3.7%	-0.2%	0.0%
2020	7.1%	4.0%	4.0%	8.1%	4.4%	4.4%
2021	4.5%	-2.5%	1.5%	5.4%	-2.7%	1.7%
2022 YTD Average*	3.4%	-1.1%	-	3.7%	-1.6%	-
Aug-2021	4.6%	-	-	5.3%	-	-
Aug-2022	3.6%	-1.0%	-	3.8%	-1.5%	-

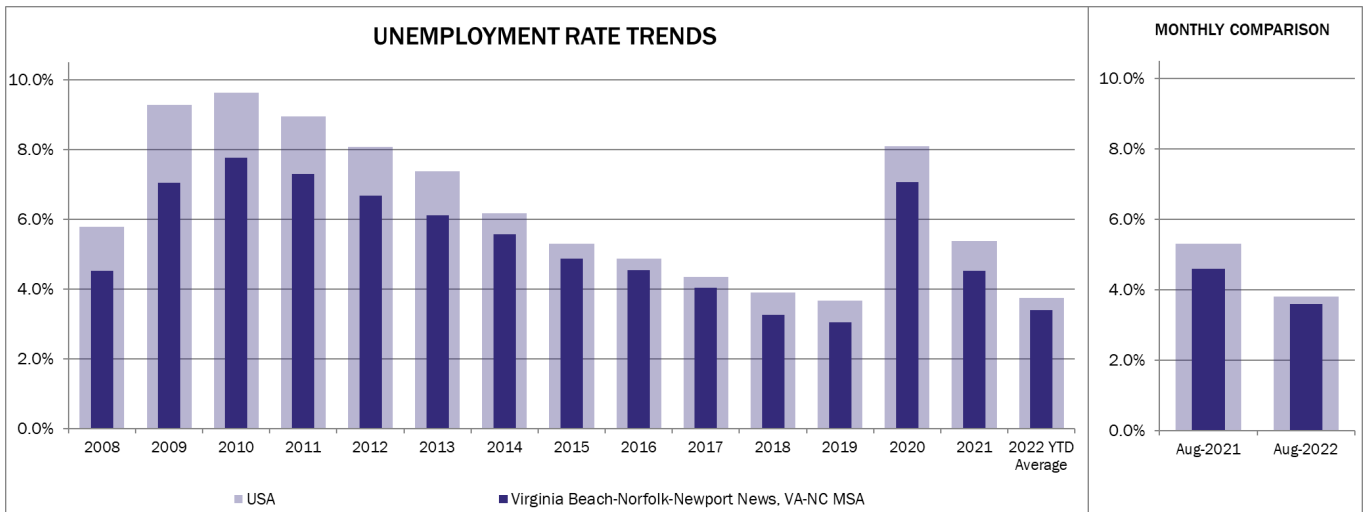
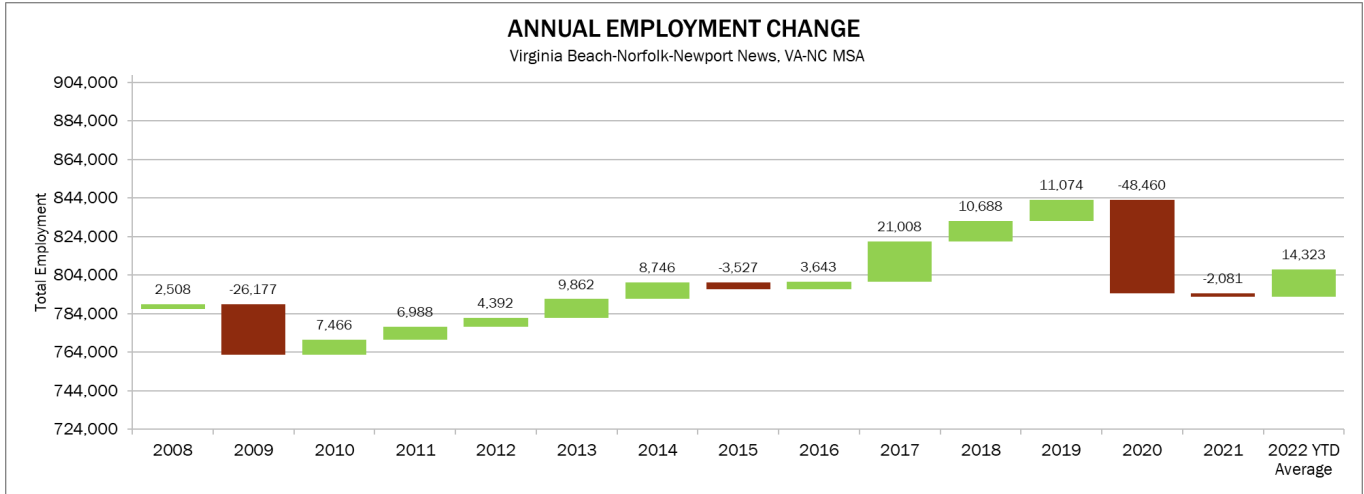
Source: U.S. Bureau of Labor Statistics, November 2022

Comparatively speaking, the MSA economy performed well during the previous national recession. Total MSA employment contracted by 3.3 percent (2008-2009), less than the 4.9 percent decline reported by the overall nation (2007-2010). Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. Since 2012, job growth in the MSA generally exceeded the nation. Employment declined in both the MSA and the nation in 2020 as a result of the COVID-19 pandemic. As of August 2022,

total employment in the MSA increased 2.2 percent over the past year, compared to 3.6 percent growth across the overall nation.

Since 2012, the MSA generally experienced a lower unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 3.6 percent, slightly lower than the current national unemployment rate of 3.8 percent. Overall, the local economy appears to be in an expansionary phase.

The following tables provide more illustration of the changes in employment and unemployment rate trends in the Virginia Beach-Norfolk-Newport News, VA-NC MSA.



## Wages by Occupation

The following table illustrates the wages by occupation for the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area.

VIRGINIA BEACH-NORFOLK-NEWPORT NEWS, VA-NC MSA - 2ND QTR 2020 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
<b>All Occupations</b>	<b>710,360</b>	<b>\$25.92</b>	<b>\$53,920</b>
Management Occupations	33,370	\$55.20	\$114,820
Computer and Mathematical Occupations	23,590	\$45.36	\$94,360
Healthcare Practitioners and Technical Occupations	45,220	\$43.03	\$89,510
Architecture and Engineering Occupations	17,720	\$41.90	\$87,160
Legal Occupations	4,880	\$39.58	\$82,320
Life, Physical, and Social Science Occupations	6,680	\$37.65	\$78,320
Business and Financial Operations Occupations	51,180	\$37.43	\$77,850
Educational Instruction and Library Occupations	42,170	\$29.28	\$60,910
Arts, Design, Entertainment, Sports, and Media Occupations	7,330	\$26.67	\$55,470
Installation, Maintenance, and Repair Occupations	32,450	\$24.39	\$50,740
Community and Social Service Occupations	12,300	\$24.06	\$50,040
Construction and Extraction Occupations	37,240	\$23.70	\$49,290
Protective Service Occupations	18,870	\$22.85	\$47,530
Production Occupations	37,410	\$21.95	\$45,660
Transportation and Material Moving Occupations	57,800	\$19.46	\$40,480
Office and Administrative Support Occupations	82,120	\$19.21	\$39,950
Sales and Related Occupations	69,450	\$18.96	\$39,430
Farming, Fishing, and Forestry Occupations	800	\$16.19	\$33,670
Personal Care and Service Occupations	16,200	\$14.51	\$30,180
Healthcare Support Occupations	26,710	\$14.47	\$30,100
Building and Grounds Cleaning and Maintenance Occupations	22,270	\$14.22	\$29,580
Food Preparation and Serving Related Occupations	64,600	\$12.87	\$26,780

Source: Department Of Labor, Occupational Employment Statistics, 5/2020, retrieved 12/2022

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$12.87 per hour. The highest average hourly wage, of \$55.20, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$0 and \$44,880 as proposed and \$15,780 and \$44,880 absent subsidy. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base. As the Subject will target seniors, we expect many tenants to be reliant on social security.

## Commuting Patterns

The chart below shows the travel time to work for the PMA according to US Census data.

**COMMUTING PATTERNS**

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	583	2.9%
Travel Time 5-9 min	1,778	8.8%
Travel Time 10-14 min	3,879	19.2%
Travel Time 15-19 min	3,490	17.3%
Travel Time 20-24 min	2,726	13.5%
Travel Time 25-29 min	1,448	7.2%
Travel Time 30-34 min	3,381	16.7%
Travel Time 35-39 min	463	2.3%
Travel Time 40-44 min	385	1.9%
Travel Time 45-59 min	1,302	6.4%
Travel Time 60-89 min	511	2.5%
Travel Time 90+ min	267	1.3%
<b>Weighted Average</b>	<b>24 minutes</b>	

Source: US Census 2021, Novogradac Consulting LLP, October 2022

As shown in the preceding table, the weighted average commute time in the PMA is approximately 24 minutes. More than 61 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

**Conclusion**

Portsmouth’s largest employers in the area are concentrated primarily in the military, healthcare, government, education, and retail sectors. Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and public administration industries, which collectively comprise 38 percent of local employment. The large share of PMA employment in retail trade is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has significant share of employment in the healthcare and public administration industries, which are historically known to offer greater stability during recessionary periods. Comparatively speaking, MSA economy performed well during the previous national recession, suffering a 3.3 percent employment contraction, compared to a 4.9 percent decline across the overall nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2013, a year earlier than the overall nation. Employment declined in both the MSA and the nation in 2020 because of the COVID-19 pandemic. As of August 2022, total employment in the MSA increased 2.2 percent over the past year, compared to 3.6 percent growth across the overall nation. Overall, the local economy appears to be in an expansionary phase.

# **G. DEMOGRAPHIC CHARACTERISTICS**

## DEMOGRAPHIC CHARACTERISTICS

The tables below illustrate population and household trends in the PMA, MSA and nation from 2000 through 2026.

### POPULATION

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	64,122	-	1,549,208	-	280,304,282	-
2010	47,516	-2.6%	1,675,603	0.8%	308,745,538	1.0%
2021	48,422	0.2%	1,761,451	0.5%	333,934,112	0.7%
2026	48,303	0.0%	1,800,539	0.4%	345,887,495	0.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, November 2022

### HOUSEHOLDS

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	25,155	-	576,971	-	105,081,032	-
2010	18,802	-2.5%	629,949	0.9%	116,716,293	1.1%
2021	19,239	0.2%	662,948	0.5%	126,470,651	0.7%
2026	19,221	0.0%	678,115	0.5%	131,047,367	0.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, November 2022

The PMA experienced declining population growth between 2000 and 2010, and lagged behind the surrounding MSA, which reported positive growth over the same time period. Both geographic areas experienced population and household growth rates beneath the overall nation. Population growth in the PMA increased significantly between 2010 and 2021, however, grew by slightly less than the MSA. According to ESRI demographic projections, annualized PMA population and household growth is expected to stagnate through 2026, which is below projected growth in the MSA and nation.

### Population by Age Group

The following table illustrates household age distribution in the PMA, the MSA, and nation.

**POPULATION BY AGE IN 2021**

Age Cohort	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	3,535	7.3%	101,048	5.7%	19,583,554	5.9%
5-9	3,415	7.1%	103,366	5.9%	20,285,004	6.1%
10-14	3,282	6.8%	106,887	6.1%	20,830,354	6.2%
15-19	2,923	6.0%	114,290	6.5%	20,895,063	6.3%
20-24	3,080	6.4%	134,747	7.6%	21,774,858	6.5%
25-29	3,483	7.2%	131,926	7.5%	23,635,805	7.1%
30-34	3,596	7.4%	129,785	7.4%	23,075,663	6.9%
35-39	3,406	7.0%	119,657	6.8%	22,214,979	6.7%
40-44	3,013	6.2%	104,942	6.0%	20,473,604	6.1%
45-49	2,517	5.2%	99,947	5.7%	19,884,128	6.0%
50-54	2,612	5.4%	104,897	6.0%	20,369,768	6.1%
55-59	2,922	6.0%	116,662	6.6%	21,854,615	6.5%
60-64	2,988	6.2%	110,839	6.3%	21,404,227	6.4%
65-69	2,557	5.3%	92,178	5.2%	18,643,582	5.6%
70-74	1,954	4.0%	75,164	4.3%	15,357,989	4.6%
75-79	1,292	2.7%	50,745	2.9%	10,256,260	3.1%
80-84	871	1.8%	32,366	1.8%	6,567,201	2.0%
85+	976	2.0%	32,005	1.8%	6,827,458	2.0%
<b>Total</b>	<b>48,422</b>	<b>100.0%</b>	<b>1,761,451</b>	<b>100.0%</b>	<b>333,934,112</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, February 2022

The largest age cohort in the PMA are in the 25 to 29 and 30 to 34 age groups, indicating the presence of families.

**SENIOR POPULATION AND HOUSEHOLDS**

The tables below illustrate senior population and household trends in the PMA, MSA, and nation from 2000 through 2026.

**SENIOR POPULATION, 55+**

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	15,651	-	284,479	-	59,006,921	-
2010	10,820	-3.1%	379,775	3.3%	76,750,713	3.0%
2021	13,560	2.3%	509,959	3.0%	100,911,332	2.8%
2026	13,691	0.2%	541,052	1.2%	107,762,233	1.4%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

**HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+**

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	10,300	-	175,478	-	36,303,837	-
2010	7,596	-2.6%	259,565	4.8%	50,932,486	4.0%
2021	8,120	0.6%	290,639	1.1%	58,721,000	1.4%
2026	8,408	0.7%	312,916	1.5%	63,906,683	1.8%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

**SENIOR POPULATION, 65+**

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	10,008	-	162,661	-	34,835,393	-
2010	5,478	-4.5%	193,914	1.9%	40,267,984	1.6%
2021	7,650	3.5%	282,458	4.1%	57,652,490	3.8%
2026	8,505	2.2%	328,707	3.3%	66,420,385	3.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

**HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 65+**

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	-	-	-	-	-	-
2010	4,032	-	135,936	-	27,341,469	-
2021	4,605	1.3%	166,032	2.0%	34,420,985	2.3%
2026	5,262	2.9%	192,870	3.2%	39,635,347	3.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

The PMA experienced declining senior population growth between 2000 and 2010, and lagged behind the surrounding MSA, which reported positive growth over the same time period. However, population growth in the broader MSA exceeded the nation during the same time period. Population growth in the PMA increased significantly between 2010 and 2021, however, grew by slightly less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to slow to 2.2 percent through 2026, which is below projected growth in the MSA and nation.

Senior household growth in the PMA increased between 2010 and 2021 but lagged the MSA and nation. According to ESRI demographic projections, annualized PMA growth is expected to rise to 2.9 percent through 2026, which is below the MSA and slightly below the nation.

**Senior Population Outlook**

The table below illustrates senior population and household trends in the PMA, MSA, and nation from 2000 through 2026.



**POPULATION 50-64**

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	9,258	-	211,570	-	41,686,975	-
2010	8,706	-0.6%	308,349	4.6%	58,780,854	4.1%
2021	8,522	-0.2%	332,398	0.7%	63,628,610	0.7%
2026	7,610	-2.1%	310,174	-1.3%	61,020,464	-0.8%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

The number of adults ages 50 to 64 has decreased since 2010 and is expected to continue to decrease through 2026.

**Senior Household Income Distribution**

The following tables illustrate senior household income distribution in 2021 and 2026 in the PMA and MSA.

**HOUSEHOLD INCOME PMA 55+**

Income Cohort	PMA					
	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	687	8.5%	669	8.0%	-4	-0.5%
\$10,000-19,999	1,632	20.1%	1,566	18.6%	-13	-0.8%
\$20,000-29,999	1,308	16.1%	1,352	16.1%	9	0.7%
\$30,000-39,999	702	8.6%	733	8.7%	6	0.9%
\$40,000-49,999	685	8.4%	703	8.4%	4	0.5%
\$50,000-59,999	576	7.1%	570	6.8%	-1	-0.2%
\$60,000-74,999	764	9.4%	768	9.1%	1	0.1%
\$75,000-99,999	796	9.8%	892	10.6%	19	2.4%
\$100,000-124,999	403	5.0%	458	5.4%	11	2.7%
\$125,000-149,999	257	3.2%	326	3.9%	14	5.4%
\$150,000-199,999	147	1.8%	176	2.1%	6	3.9%
\$200,000+	163	2.0%	195	2.3%	6	3.9%
<b>Total</b>	<b>8,120</b>	<b>100.0%</b>	<b>8,408</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, December 2022

**HOUSEHOLD INCOME SMA 55+**

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	14,984	5.2%	14,624	4.7%	-72	-0.5%
\$10,000-19,999	27,966	9.6%	26,662	8.5%	-261	-0.9%
\$20,000-29,999	23,905	8.2%	23,542	7.5%	-73	-0.3%
\$30,000-39,999	22,410	7.7%	22,158	7.1%	-50	-0.2%
\$40,000-49,999	22,310	7.7%	21,715	6.9%	-119	-0.5%
\$50,000-59,999	19,909	6.9%	20,491	6.5%	116	0.6%
\$60,000-74,999	29,413	10.1%	30,363	9.7%	190	0.6%
\$75,000-99,999	36,981	12.7%	39,196	12.5%	443	1.2%
\$100,000-124,999	28,765	9.9%	31,624	10.1%	572	2.0%
\$125,000-149,999	21,267	7.3%	25,284	8.1%	803	3.8%
\$150,000-199,999	20,320	7.0%	25,573	8.2%	1,051	5.2%
\$200,000+	22,409	7.7%	31,684	10.1%	1,855	8.3%
<b>Total</b>	<b>290,639</b>	<b>100.0%</b>	<b>312,916</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, December 2022

**HOUSEHOLD INCOME PMA 65+**

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	400	8.7%	430	8.2%	6	1.5%
\$10,000-19,999	958	20.8%	1,013	19.3%	11	1.1%
\$20,000-29,999	822	17.9%	927	17.6%	21	2.6%
\$30,000-39,999	412	8.9%	476	9.0%	13	3.1%
\$40,000-49,999	322	7.0%	377	7.2%	11	3.4%
\$50,000-59,999	272	5.9%	301	5.7%	6	2.1%
\$60,000-74,999	369	8.0%	413	7.8%	9	2.4%
\$75,000-99,999	485	10.5%	593	11.3%	22	4.5%
\$100,000-124,999	286	6.2%	343	6.5%	11	4.0%
\$125,000-149,999	143	3.1%	203	3.9%	12	8.4%
\$150,000-199,999	80	1.7%	107	2.0%	5	6.8%
\$200,000+	56	1.2%	79	1.5%	5	8.2%
<b>Total</b>	<b>4,605</b>	<b>100.0%</b>	<b>5,262</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, December 2022

**HOUSEHOLD INCOME SMA 65+**

Income Cohort	Virginia Beach-Norfolk-Newport News, VA-NC MSA					
	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	8,259	5.0%	8,891	4.6%	126	1.5%
\$10,000-19,999	19,300	11.6%	19,640	10.2%	68	0.4%
\$20,000-29,999	16,175	9.7%	17,091	8.9%	183	1.1%
\$30,000-39,999	14,824	8.9%	15,809	8.2%	197	1.3%
\$40,000-49,999	14,104	8.5%	14,871	7.7%	153	1.1%
\$50,000-59,999	11,918	7.2%	13,379	6.9%	292	2.5%
\$60,000-74,999	17,820	10.7%	20,066	10.4%	449	2.5%
\$75,000-99,999	19,537	11.8%	22,970	11.9%	687	3.5%
\$100,000-124,999	15,480	9.3%	18,749	9.7%	654	4.2%
\$125,000-149,999	10,188	6.1%	13,567	7.0%	676	6.6%
\$150,000-199,999	8,634	5.2%	12,277	6.4%	729	8.4%
\$200,000+	9,793	5.9%	15,560	8.1%	1,153	11.8%
<b>Total</b>	<b>166,032</b>	<b>100.0%</b>	<b>192,870</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, December 2022

The qualifying incomes for the Subject’s tenants will range from \$0 to \$44,880 as proposed and from \$15,780 to \$44,880 absent a subsidy.

**Senior Household Tenure**

The following tables illustrate the tenure patterns for seniors in the PMA for the years 2000, 2010, and 2021, as well as the projected tenure patterns for the year 2026.

**PMA TENURE PATTERNS OF SENIORS 55+**

Year	Owner-	Percentage	Renter-	Percentage
	Occupied Units	Owner-Occupied	Occupied Units	Renter-Occupied
2000	7,273	70.6%	3,027	29.4%
2010	4,810	63.3%	2,786	36.7%
2021	4,873	60.0%	3,247	40.0%
2026	5,154	61.3%	3,254	38.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

**PMA TENURE PATTERNS OF SENIORS 65+**

Year	Owner-	Percentage	Renter-	Percentage
	Occupied Units	Owner-Occupied	Occupied Units	Renter-Occupied
2000	-	-	-	-
2010	2,706	67.1%	1,326	32.9%
2021	2,855	62.0%	1,750	38.0%
2026	3,323	63.2%	1,939	36.8%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

Owner-occupied housing units dominate the housing market in the PMA. Nationally, approximately 15 percent of senior households are renters and 85 percent of senior households are owners. The PMA has a higher percentage of renter households than the nation as a whole.

**Senior Renter Household Income Distribution**

The following tables illustrate total renter household income distribution.

**RENTER HOUSEHOLD INCOME 55+**

Income Cohort	PMA					
	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	470	14.5%	439	13.5%	-6	-1.3%
\$10,000-19,999	880	27.1%	822	25.3%	-12	-1.3%
\$20,000-29,999	640	19.7%	648	19.9%	2	0.3%
\$30,000-39,999	222	6.8%	228	7.0%	1	0.5%
\$40,000-49,999	221	6.8%	198	6.1%	-5	-2.1%
\$50,000-59,999	186	5.7%	181	5.6%	-1	-0.5%
\$60,000-74,999	201	6.2%	187	5.7%	-3	-1.4%
\$75,000-99,999	151	4.7%	194	6.0%	9	5.7%
\$100,000-124,999	94	2.9%	115	3.5%	4	4.5%
\$125,000-149,999	77	2.4%	104	3.2%	5	7.0%
\$150,000-199,999	43	1.3%	55	1.7%	2	5.6%
\$200,000+	62	1.9%	83	2.6%	4	6.8%
<b>Total</b>	<b>3,247</b>	<b>100.0%</b>	<b>3,254</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, December 2022

**RENTER HOUSEHOLD INCOME 65+**

Income Cohort	PMA					
	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	259	14.8%	273	14.1%	3	1.1%
\$10,000-19,999	487	27.8%	497	25.6%	2	0.4%
\$20,000-29,999	372	21.3%	411	21.2%	8	2.1%
\$30,000-39,999	119	6.8%	134	6.9%	3	2.5%
\$40,000-49,999	80	4.6%	81	4.2%	0	0.3%
\$50,000-59,999	94	5.4%	102	5.3%	2	1.7%
\$60,000-74,999	90	5.1%	86	4.4%	-1	-0.9%
\$75,000-99,999	96	5.5%	135	7.0%	8	8.1%
\$100,000-124,999	65	3.7%	83	4.3%	4	5.5%
\$125,000-149,999	39	2.2%	60	3.1%	4	10.8%
\$150,000-199,999	26	1.5%	38	2.0%	2	9.2%
\$200,000+	23	1.3%	39	2.0%	3	13.9%
<b>Total</b>	<b>1,750</b>	<b>100.0%</b>	<b>1,939</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, December 2022

Depicted above, the largest range of renter households in the PMA are in the lowest four income cohorts earning \$0 to \$39,999 per year. The large share of low-income renter households is a positive indicator for the Subject's proposed affordable units.

**Household Size Distribution**

The following table is a summary of the household size distribution in the PMA.

**AVERAGE HOUSEHOLD SIZE**

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.47	-	2.57	-	2.59	-
2010	2.40	-0.3%	2.56	-0.1%	2.57	-0.1%
2021	2.45	0.2%	2.55	0.0%	2.58	0.0%
2026	2.45	0.0%	2.55	0.0%	2.58	0.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

The average household size in the PMA is smaller than that of the MSA and the nation. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2026.

**Renter Household Size Distribution**

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

**PMA RENTER HOUSEHOLD SIZE DISTRIBUTION 55+**

Household Size	2000		2021		2026	
	Total	Percent	Total	Percent	Total	Percent
1 persons	1,907	63.0%	2,123	65.4%	2,135	65.6%
2 persons	665	22.0%	714	22.0%	708	21.8%
3 persons	256	8.5%	202	6.2%	202	6.2%
4 persons	107	3.5%	91	2.8%	94	2.9%
5+ persons	92	3.0%	117	3.6%	115	3.5%
<b>Total</b>	<b>3,027</b>	<b>100.0%</b>	<b>3,247</b>	<b>100.0%</b>	<b>3,254</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, February 2022

**PMA RENTER HOUSEHOLD SIZE DISTRIBUTION 65+**

Household Size	2000		2021		2026	
	Total	Percent	Total	Percent	Total	Percent
1 persons	-	-	1,219	69.7%	1,333	68.7%
2 persons	-	-	372	21.3%	423	21.8%
3 persons	-	-	73	4.2%	92	4.7%
4 persons	-	-	34	1.9%	37	1.9%
5+ persons	-	-	52	3.0%	54	2.8%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,750</b>	<b>100.0%</b>	<b>1,939</b>	<b>100.0%</b>

Source: Esri Demographics 2021, Novogradac Consulting LLP, February 2022

Historically, the majority of senior renter households in the PMA have consisted of one and two-person households. In 2021, approximately 87.4 percent of renter-households were one or two-persons.

**Median Household Income Levels**

The table below illustrates median household income levels in the PMA, MSA, and nation from 2000 through 2026.

**MEDIAN HOUSEHOLD INCOME**

Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$28,714	-	\$43,111	-	\$44,333	-
2021	\$42,226	2.2%	\$68,460	2.8%	\$64,730	2.2%
2026	\$44,539	1.1%	\$75,019	1.9%	\$72,932	2.5%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

As of 2021, the median income in the PMA is below the surrounding MSA. Historical median household income growth in the PMA trailed the MSA between 2000 and 2021. However, both areas experienced median household income growth rates above the overall nation during this time period. Relative to the nation, household income in the PMA remained relatively stable between 2000 and 2021. According to ESRI demographic projections, annualized PMA growth is expected to slow to 1.1 percent through 2026, which is below projected growth in the MSA and nation.

**Rent Overburdened Households**

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

**RENT OVERBURDENED**

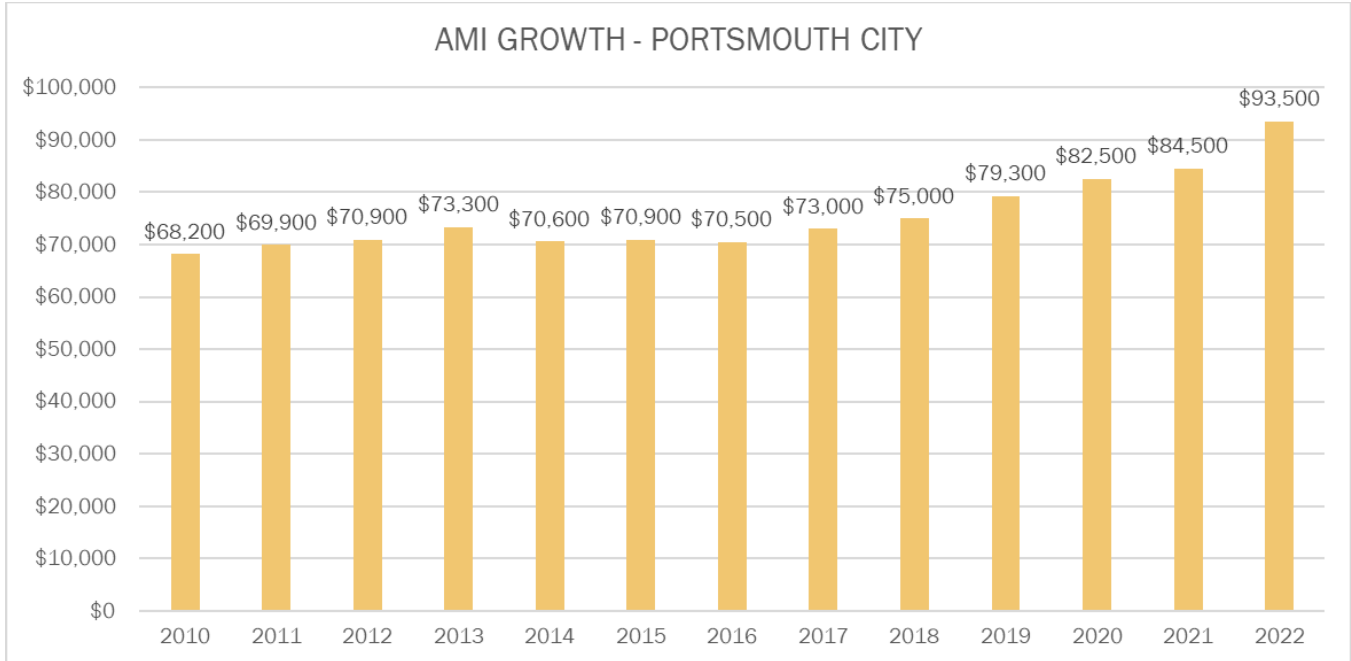
Year	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2021	5,372	49.5%	104,824	44.8%	16,610,566	42.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, December 2022

The percentage of rent-overburdened households in the PMA is above the MSA. Both geographic areas exhibit a greater incidence of rent-overburdened housing compared to the overall nation.

**Area Median Income**

For Section 42 LIHTC rent determination purposes, the AMI is used. The following chart illustrates the AMI level for a four-person household in Portsmouth City.



Overall, the AMI has increased by an average of 3.1 percent annually between 2010 and 2022. The AMI in Portsmouth peaked in 2022, indicating that all properties will be restricted to the same rent and income limits as the Subject. There is no held harmless in Portsmouth at this time. The following chart illustrates the change in AMI over the past nine years.

PORTSMOUTH CITY AMI GROWTH (2013-2022)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
AMI	\$73,300	\$70,600	\$70,900	\$70,500	\$73,000	\$75,000	\$79,300	\$82,500	\$84,500	\$93,500
Percentage	3.4%	-3.7%	0.4%	-0.6%	3.5%	2.7%	5.7%	4.0%	2.4%	10.7%

All of the Subject’s achievable rents for its LIHTC units are set at the maximum allowable levels; therefore, rent increases for the Subject’s units will be directly dependent upon future increases in the AMI.

**Conclusion**

The population in the PMA increased by 1.9 percent between 2010 and 2021, compared to the 5.1 percent increase in the regional MSA and 8.2 percent increase across the overall nation. The senior population in the PMA decreased by 39.6 percent between 2010 and 2021, compared to the 45.7 percent increase in the regional MSA and 43.2 percent increase across the overall nation. The percentage of renter households in the PMA remained relatively stable between 2010 and 2021 and is estimated to be 53 percent as of 2021. This is more than the estimated 33 percent of renter households across the overall nation. As of 2021, the median income in the PMA is below the surrounding MSA. Historical median household income growth in the PMA trailed the MSA between 2000 and 2021. However, both areas experienced median household income growth rates above the overall nation during this time period. Relative to the nation, household income in the PMA remained relatively stable between 2000 and 2021. The percentage of rent over-burdened households - defined as households with shelter costs exceeding 35 percent of gross income - is exceptionally elevated in the PMA at 49.5 percent, compared to only 42.7 percent across the overall nation. Healthy population and household income growth bode well for future housing demand.

# **H. COMPETITIVE ENVIRONMENT**

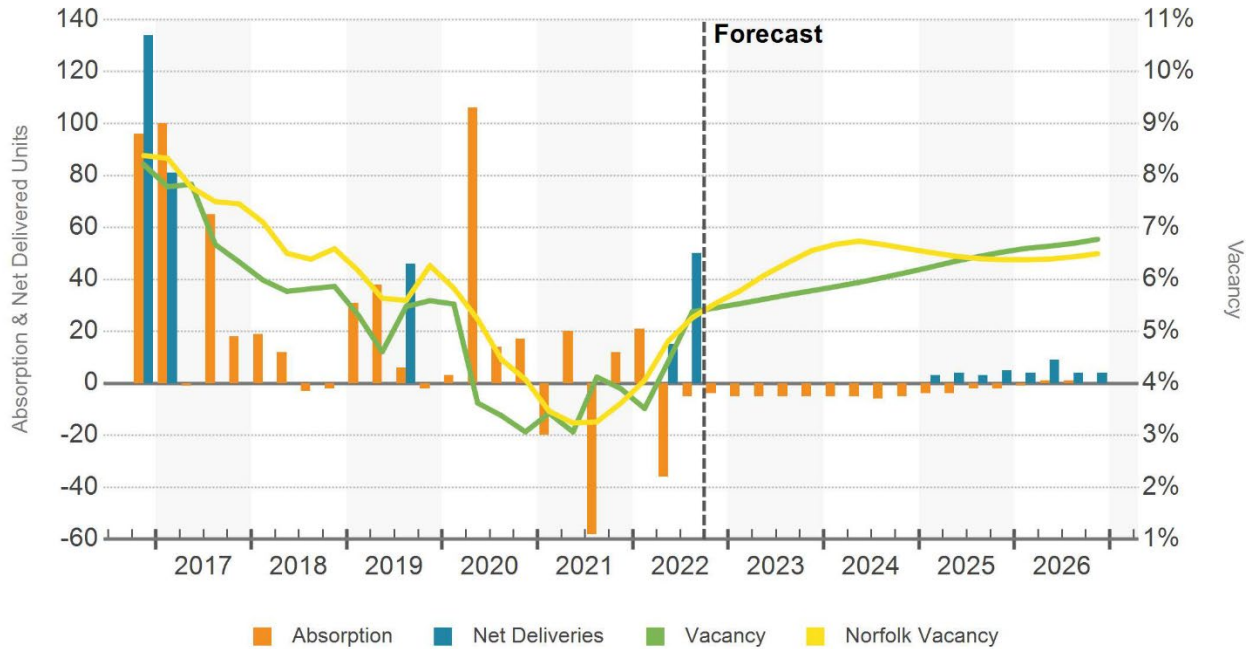


## HOUSING SUMMARY

### GENERAL MARKET INFORMATION

According to CoStar as of October 2022, there are currently 5,549 existing multifamily units within the Subject's Portsmouth submarket. The current vacancy rate in the submarket is at 5.4 percent and over the past five years has averaged 6.4 percent. The vacancy rate in the submarket is expected to increase steadily through 2026. Very few additions to supply are expected to enter the market through the end of 2026.

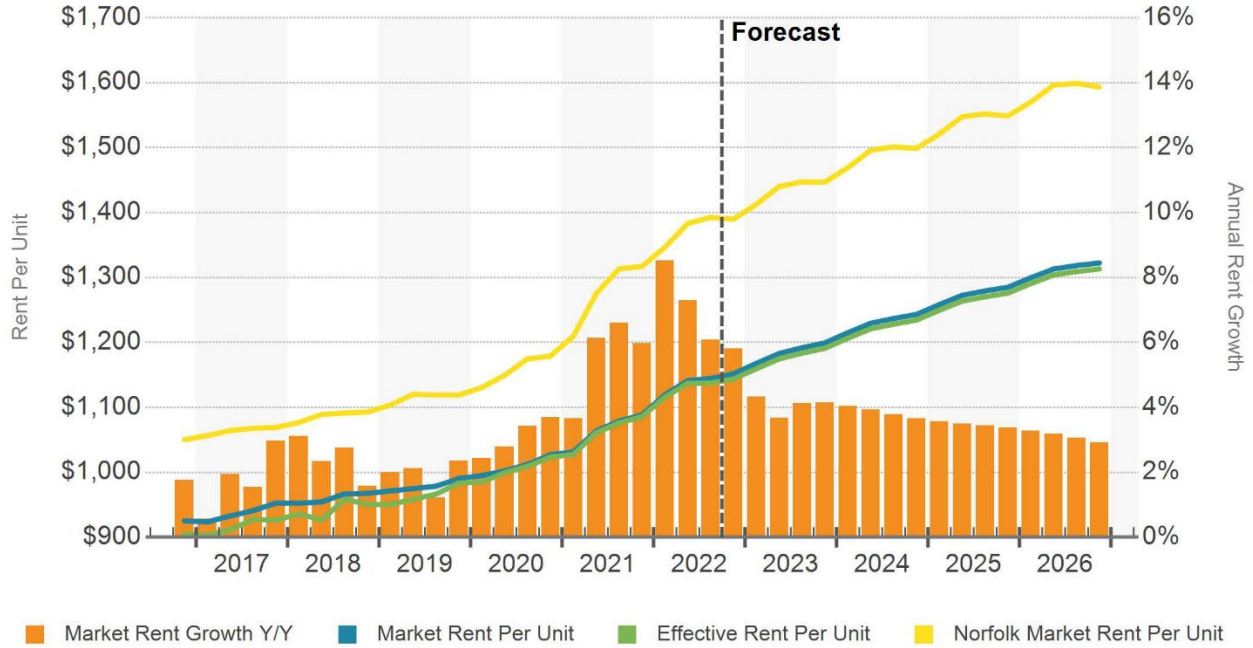
#### Portsmouth Submarket



Source: CoStar, October 2022

As vacancy rates have fluctuated over the last several years, rent growth has been strong. Rent growth is expected to slow in 2023 and slightly decline through 2026.

Portsmouth Submarket



Source: CoStar, October 2022

Age of Housing Stock

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

HOUSING STOCK BY YEAR BUILT

	PMA		Virginia Beach-Norfolk-Newport News, VA-NC MSA		USA	
Built 2010 or later	522	2.4%	24,268	3.5%	3,690,038	2.8%
Built 2000 to 2009	1,553	7.3%	90,593	12.9%	19,186,932	14.3%
Built 1990 to 1999	1,461	6.8%	109,572	15.7%	19,072,607	14.2%
Built 1980 to 1989	1,674	7.8%	136,735	19.5%	18,455,307	13.8%
Built 1970 to 1979	2,111	9.9%	113,259	16.2%	20,877,555	15.6%
Built 1960 to 1969	1,939	9.1%	85,256	12.2%	14,526,829	10.8%
Built 1950 to 1959	3,982	18.6%	69,721	10.0%	14,142,147	10.6%
Built 1940 to 1949	3,369	15.7%	30,202	4.3%	6,748,599	5.0%
Built 1939 or earlier	4,780	22.3%	40,195	5.7%	17,329,130	12.9%
<b>Total Housing Units</b>	<b>21,391</b>	<b>100.0%</b>	<b>699,801</b>	<b>100.0%</b>	<b>134,029,144</b>	<b>100.0%</b>

Source: US Census American Community Estimates, December 2022

As illustrated in the previous table, a majority of the housing stock in the PMA was built prior to 1959. As new construction, the Subject will have a significant advantage over the existing housing stock.

### Substandard Housing

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

SUBSTANDARD HOUSING			
Year	PMA	Virginia Beach-Norfolk-Newport News, VA-NC MSA	USA
	Percentage	Percentage	Percentage
2021	0.72%	1.02%	1.70%

Source: Esri Demographics 2021, Novogradac Consulting LLP, November 2022

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

### Building Permits

The following table depicts building activity from 2000 through 2021 for Portsmouth City, VA, the most recent data available.

BUILDING PERMITS: PORTSMOUTH CITY 2000 - 2021				
Year	Single-family and Duplex	Three and Four- Family	Five or More Family	Total Units
2000	213	0	0	213
2001	194	0	30	224
2002	153	0	0	153
2003	132	0	246	378
2004	159	52	168	379
2005	206	21	0	227
2006	193	0	0	193
2007	203	15	174	392
2008	95	0	242	337
2009	85	0	0	85
2010	66	0	0	66
2011	153	0	0	153
2012	55	0	84	139
2013	87	0	132	219
2014	141	0	12	153
2015	94	0	0	94
2016	124	0	0	124
2017	158	0	0	158
2018	137	0	0	137
2019	93	0	0	93
2020	280	0	0	280
2021	196	0	0	196
<b>Total</b>	<b>3,217</b>	<b>88</b>	<b>1,088</b>	<b>4,393</b>
<b>Average</b>	<b>146</b>	<b>4</b>	<b>49</b>	<b>200</b>

\*Most recent data available

Source: US Census Bureau Building Permits, February 2022

The preceding table indicates that local permit issuance peaked in 2007, the same year as the beginning of the previous national recession. The number of housing units authorized declined by 83 percent as a result of that recession, reaching a low in 2010. Permit issuance has not yet recovered from the pre-recession

issuances, although there has been recent activity in the single-family and duplex sector. Multifamily units accounted for 30 percent of all units permitted since 2000.

### **Rent/Buy Analysis**

The Subject will target seniors ages 55 and older upon completion. Housing costs in the market are high and seniors are less likely to move from one owner home to another. As such, we do not believe that homeownership will be competitive with the Subject's units, and will not conduct a rent/buy analysis.

### **SURVEY OF COMPARABLE PROPERTIES**

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

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

To evaluate the competitive position of the Subject, we surveyed a total of 1,212 units in 10 rental properties. The availability of LIHTC data is considered good. We included four affordable developments located between 0.7 and 1.4 miles from the Subject site, all of which are located within the PMA. Two of the LIHTC comparables target seniors, similar to the proposed Subject. The availability of market rate data is considered good. We included six market rate properties located between 0.4 and 1.8 miles from the Subject site. Overall, we believe the availability of data is adequate to support our conclusions.

The comparable properties were chosen primarily based on location, age, condition, design, and amenities. Several properties were excluded for various reasons. The following table illustrates the properties that are excluded from the supply analysis of this report.

Excluded properties include, but are not limited to the properties located in the following table.

**EXCLUDED PROPERTIES**

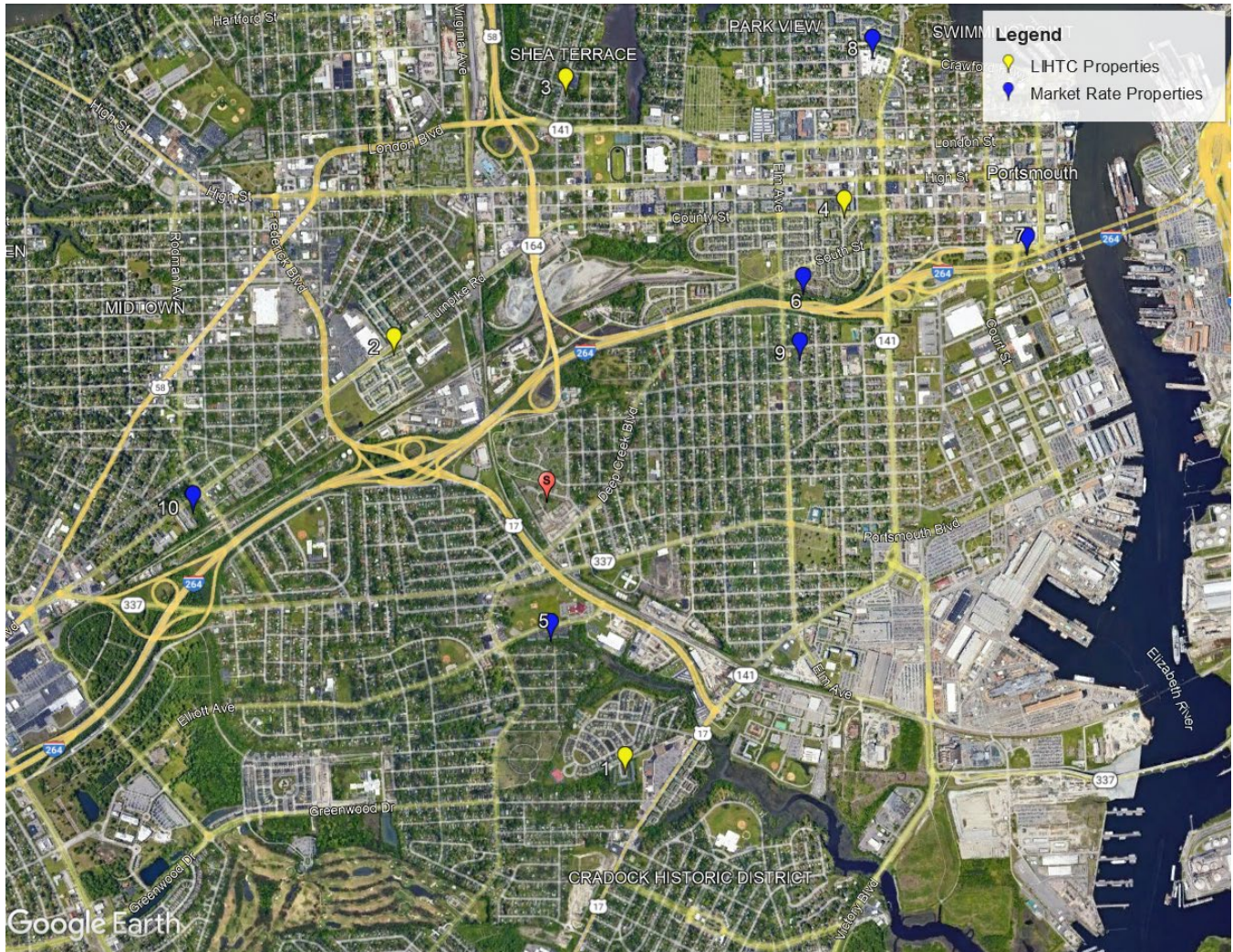
Property Name	Rent Structure	Tenancy	Reason for Exclusion
Chase View	LIHTC	Family	Unable to contact
Dale Homes	LIHTC	Family	Unable to contact
Dale Homes	LIHTC/PBRA	Family	Unable to contact
Independence Square Apartments	LIHTC	Family	Dissimilar tenancy
Lexington Place Apartments	PBRA	Family	Subsidized
Malvern Hills Apartments	LIHTC/ Section 8	Senior	Subsidized
Marsh Landing	LIHTC	Family	Lacks one-bedroom units
Southside Gardens	LIHTC/PBRA	Family	Inferior condition
Victory Village Apartments	LIHTC	Family	Lacks one-bedroom units
Whispering Oaks Apartments	LIHTC	Family	Dissimilar rent structure
Bay View Gardens Apartments	Market	Family	Better comparables available
Effingham Plaza	Section 8	Family	Subsidized
Harbor Tower Apartments	Market	Family	Dissimilar design
London Oaks	Section 8	Family	Subsidized
Mount Hermon Elderly	Section 8	Family	Subsidized
Oxford Place	Market	Family	Inferior condition
Southside Gardens	Section 8	Family	Subsidized
Starboard Apartments	Market	Family	Inferior condition
The Towers	Market	Family	Inferior condition
Waterview Colonial Manor Apartments	Market	Family	Inferior condition
Hamilton Place	LIHTC/PBRA	Family	Subsidized
Hamilton Place II	LIHTC/PBRA	Family	Subsidized
Seaboard Square I and II	LIHTC/PBRA	Family	Subsidized
Pine Street Village	LIHTC/PBRA	Family	Subsidized
Lexington Place Apartments	LIHTC/PBRA	Family	Subsidized
Hope Village	LIHTC/PBRA	Family	Subsidized
South Bay	LIHTC/PBRA	Family	Subsidized
Westbury Cottages	LIHTC/PBRA	Family	Subsidized
Westbury 3a	LIHTC/PBRA	Family	Subsidized
King Square	LIHTC/PBRA	Family	Subsidized
Phoebus Square	LIHTC/PBRA	Senior	Subsidized

Dale Homes is a family LIHTC/PBRA development located directly north of the Subject site and excluded from our analysis due to unresponsive management. However, according to the Portsmouth Redevelopment and Housing Authority, Dale Homes is fully occupied with an extensive waiting list.

Lexington Place Apartments is a family LIHTC/PBRA development located directly south of the Subject site and excluded from our analysis due to unresponsive management. However, according to online research, Lexington Place Apartments appears to be fully occupied.

Detailed matrices describing the individual competitive properties, as well as the Subject, are provided in the addenda of this report. A map illustrating the location of the Subject in relation to the comparable properties follows.

**Comparable Rental Property Map**



Source: Google Earth, February 2023.

**COMPARABLE PROPERTIES**

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
<b>S</b>	<b>Lexington Senior Apartments</b>	<b>Portsmouth</b>	<b>@30% (Section 8), @60% (Section 8)</b>	<b>Senior</b>	-
1	Ansell Garden Apartments	Portsmouth	@50%, @60%	Family	0.8 miles
2	Crescent Place	Portsmouth	@60%	Family	0.7 miles
3	Shea Terrace Senior Apartments	Portsmouth	@50%	Senior	1.4 miles
4	Victory Square Apartments	Portsmouth	@60%	Senior	1.4 miles
5	Biltmore Commons	Portsmouth	Market	Family	0.4 miles
6	Ebenezer Plaza Apartments	Portsmouth	Market	Family	1.1 miles
7	Harbor Vista At Crawford Street	Portsmouth	Market	Family	1.7 miles
8	Nav850	Portsmouth	Market	Family	1.8 miles
9	The Quarters At Park View	Portsmouth	Market	Family	1.0 miles
10	Turnpike Terrace Apartments	Portsmouth	Market	Family	1.1 miles

# LEXINGTON SENIOR APARTMENTS- PORTSMOUTH, VIRGINIA - MARKET STUDY

## SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate	
Subject	Lexington Senior Apartments 1 Lexington Drive Portsmouth, VA 23704 Portsmouth County		Lowrise 3-stories 2024 / n/a Senior	@30% (Section 8), @60% (Section 8)	1BR / 1BA	5	4.8%	638	@30% (Section 8)	\$1,181	N/A	N/A	N/A	N/A	
					1BR / 1BA	93	88.6%	638	@60% (Section 8)	\$1,181	N/A	N/A	N/A	N/A	
					2BR / 2BA	1	1.0%	932	@30% (Section 8)	\$1,373	N/A	N/A	N/A	N/A	
					2BR / 2BA	6	5.7%	932	@60% (Section 8)	\$1,373	N/A	N/A	N/A	N/A	
					105										
1	Ansell Garden Apartments 301 Ansell Avenue Portsmouth, VA 23702 Portsmouth County	0.8 miles	Garden 2-stories 1960 / 2003 Family	@50%, @60%	2BR / 1BA	N/A	N/A	630	@50%	\$805	No	Yes	0	N/A	
					2BR / 1BA	N/A	N/A	630	@60%	\$835	No	Yes	0	N/A	
						74							0	0.0%	
2	Crescent Place 2804 Turnpike Road Portsmouth, VA 23707 Portsmouth County	0.7 miles	Midrise 4-stories 2008 / n/a Family	@60%	1BR / 1BA	N/A	N/A	812	@60%	\$981	Yes	No	0	N/A	
					2BR / 2BA	N/A	N/A	1,181	@60%	\$1,172	Yes	No	4	N/A	
					3BR / 2BA	N/A	N/A	1,379	@60%	\$1,349	Yes	No	0	N/A	
						156							4	2.6%	
3	Shea Terrace Senior Apartments 253 Constitution Avenue Portsmouth, VA 23704 Portsmouth County	1.4 miles	Lowrise 2-stories 1925 / 1977/2001 Senior	@50%	1BR / 1BA	N/A	N/A	820	@50%	\$815	No	Yes	0	N/A	
					2BR / 2BA	N/A	N/A	850	@50%	\$915	No	Yes	0	N/A	
						21								0	0.0%
4	Victory Square Apartments 900 County Street Portsmouth, VA 23704 Portsmouth County	1.4 miles	Lowrise 4-stories 2005 / n/a Senior	@60%	1BR / 1BA	98	87.5%	675	@60%	\$1,043	Yes	No	10	10.2%	
					2BR / 1BA	14	12.5%	880	@60%	\$1,252	Yes	No	0	0.0%	
						112								10	8.9%
5	Blitmore Commons 2341 Elliott Avenue Portsmouth, VA 23702 Portsmouth County	0.4 miles	Garden 3-stories 1991 / 2018 Family	Market	2BR / 1BA	N/A	N/A	736	Market	\$1,106	No	No	0	N/A	
					2BR / 2BA	N/A	N/A	828	Market	\$1,161	No	No	0	N/A	
					3BR / 2BA	23	25.8%	896	Market	\$1,298	No	No	0	0.0%	
						89								0	0.0%
6	Ebenezer Plaza Apartments 1140 Chisholm Cir. Portsmouth, VA 23704 Portsmouth County	1.1 miles	Garden 2-stories 1970 / 2011 Family	Market	2BR / 1BA	26	50.0%	975	Market	\$809	N/A	Yes	0	0.0%	
					3BR / 1BA	26	50.0%	1,050	Market	\$878	N/A	Yes	0	0.0%	
						52								0	0.0%
7	Harbor Vista At Crawford Street 800 Crawford Street Portsmouth, VA 23704 Portsmouth County	1.7 miles	Midrise 5-stories 2017 / n/a Family	Market	1BR / 1BA	8	6.0%	719	Market	\$1,410	N/A	Yes	0	0.0%	
					1BR / 1BA	44	32.8%	785	Market	\$1,465	N/A	Yes	0	0.0%	
					1BR / 1BA	4	3.0%	811	Market	\$1,665	N/A	Yes	0	0.0%	
					1BR / 1BA	40	29.9%	825	Market	\$1,915	N/A	Yes	1	2.5%	
					2BR / 2BA	16	11.9%	1,106	Market	\$1,982	N/A	Yes	0	0.0%	
					2BR / 2BA	14	10.5%	1,345	Market	\$2,132	N/A	Yes	0	0.0%	
						8	6.0%	1,765	Market	\$2,277	N/A	Yes	0	0.0%	
						134								1	0.7%
8	Nav850 850 Crawford Parkway Portsmouth, VA 23704 Portsmouth County	1.8 miles	Garden 3-stories 2005 / n/a Family	Market	1BR / 1BA	212	53.8%	751	Market	\$1,395	N/A	No	0	0.0%	
					1BR / 1.5BA	74	18.8%	936	Market	\$1,540	N/A	No	1	1.4%	
					2BR / 2BA	92	23.4%	1,095	Market	\$1,702	N/A	No	2	2.2%	
					2BR / 2BA	16	4.1%	1,137	Market	\$1,802	N/A	No	1	6.3%	
						394								4	1.0%
9	The Quarters At Park View 1140 London Blvd Portsmouth, VA 23704 Portsmouth County	1.0 miles	Midrise 4-stories 2014 / n/a Family	Market	0BR / 1BA	17	12.1%	502	Market	\$1,219	N/A	No	0	0.0%	
					1BR / 1BA	51	36.4%	1,116	Market	\$1,778	N/A	No	0	0.0%	
					1BR / 1BA	50	35.7%	655	Market	\$1,290	N/A	No	0	0.0%	
					2BR / 2BA	22	15.7%	1,160	Market	\$2,121	N/A	No	0	0.0%	
						140								0	0.0%
10	Turnpike Terrace Apartments 3721 Turnpike Road Portsmouth, VA 23701 Portsmouth County	1.1 miles	Garden 2-stories 1987 / 2009 Family	Market	2BR / 1BA	36	90.0%	950	Market	\$1,191	N/A	No	2	5.6%	
					3BR / 2BA	4	10.0%	1,250	Market	\$1,458	N/A	No	0	0.0%	
						40								2	5.0%

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Lexington Senior Apartments	Portsmouth	Senior	LIHTC/ Section 8	-	\$36,084	\$149,500	\$935	244	37	12.6%	43.1%
1	Ansell Garden Apartments	Portsmouth	Family	LIHTC	0.8 miles	\$42,617	\$132,000	\$921	220	40	12.2%	57.2%
2	Crescent Place	Portsmouth	Family	LIHTC	0.7 miles	\$28,573	\$164,300	\$867	254	68	10.0%	55.2%
3	Shea Terrace Senior Apartments	Portsmouth	Senior	LIHTC	1.4 miles	\$53,349	\$149,500	\$935	228	43	13.7%	45.6%
4	Victory Square Apartments	Portsmouth	Senior	LIHTC	1.4 miles	\$41,868	\$149,500	\$935	279	80	7.9%	62.9%
5	Biltmore Commons	Portsmouth	Family	Market	0.4 miles	\$44,248	\$132,000	\$921	244	35	9.4%	47.6%
6	Ebenezer Plaza Apartments	Portsmouth	Family	Market	1.1 miles	\$35,441	\$149,500	\$935	279	66	9.1%	60.8%
7	Harbor Vista At Crawford Street	Portsmouth	Family	Market	1.7 miles	\$46,501	\$149,500	\$935	334	79	10.5%	61.2%
8	Nav850	Portsmouth	Family	Market	1.8 miles	\$52,399	\$149,500	\$935	243	73	11.5%	55.2%
9	The Quarters At Park View	Portsmouth	Family	Market	1.0 miles	\$35,669	\$149,500	\$935	269	49	10.0%	54.9%
10	Turnpike Terrace Apartments	Portsmouth	Family	Market	1.1 miles	\$37,516	\$164,700	\$1,036	248	51	12.4%	46.5%

The Subject site is located in southwest Portsmouth, approximately 0.4 miles south of Interstate 264. Four of the comparable properties (Ansell Garden Apartments, Biltmore Commons, Crescent Place, and The Quarters At Park View) are located within 1.0 miles of the Subject site. These properties have similar local median household incomes, median home values, and median rents relative to the Subject site’s location. Thus, the locations of these properties are considered similar to that of the Subject site’s location. Victory Square Apartments and Ebenezer Plaza Apartments are located between 1.1 and 1.7 miles northeast of the Subject site. The neighborhoods of these properties have generally similar median local household incomes, median home values, and median rents, as well as slightly higher crime indices relative to the Subject site’s location. Overall, the locations of these comparable properties are considered similar to that of the Subject site.

Harbor Vista At Crawford Street and Nav850 are located 1.7 and 1.8 miles northeast of the Subject site, respectively. The neighborhoods of these properties have similar median home values and median rents relative to that of the Subject site’s location; however, these properties are located in areas with higher median local household incomes and higher WalkScores. Thus, the neighborhoods of these properties are considered slightly superior to the Subject’s location. Turnpike Terrace Apartments is located 1.1 miles west of the Subject site in a neighborhood with similar local median household incomes to the Subject’s location, but with higher median home values and median rents. Therefore, the location of this property is considered slightly superior relative to the Subject site’s location.

Age, Condition, and Design

The following table illustrates the Subject’s design and condition in comparison to the comparable properties.

	Subject	Ansell Garden Apartments	Crescent Place	Shea Terrace Senior Apartments	Victory Square Apartments	Biltmore Commons	Ebenezer Plaza Apartments	Harbor Vista At Crawford Street	Nav850	The Quarters At Park View	Turnpike Terrace Apartments
Rent Structure	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Senior	Family	Family	Family	Family	Family	Family
Building											
Property Type	Lowrise	Garden	Midrise	Lowrise	Lowrise	Garden	Garden	Midrise	Garden	Midrise	Garden
# of Stories	3- stories	2- stories	4- stories	2- stories	4- stories	3- stories	2- stories	5- stories	3- stories	4- stories	2- stories
Year Built	2024	1960	2008	1925	2005	1991	1970	2017	2005	2014	1987
Year Renovated	n/a	2003	n/a	1977/2001	n/a	2018	2011	n/a	n/a	n/a	2009
Elevators	yes	no	yes	yes	yes	no	no	yes	no	yes	no

The Subject will be new construction and exhibit excellent condition upon completion. The comparable properties were constructed or renovated between 1987 and 2018. The majority of comparables exhibit inferior condition relative to the proposed Subject.



The proposed Subject will offer a three-story, elevator-serviced, lowrise design, similar to five of the comparable properties. Five of the comparables offer garden-style designs and are considered inferior to the Subject. Additionally, five of the comparables lack elevators, which the proposed Subject will offer. We have considered the Subject's design and condition in our determination of achievable rents.

### Unit Size

The following table summarizes unit sizes in the market area and provides a comparison of the Subject's unit sizes and the surveyed average unit sizes in the market. Note, the unit sizes reflected are weighted average unit sizes provided by the client. The one-bedroom units will range from 600 to 699 square feet and the two-bedroom units will range from 920 to 989 square feet.

Bedroom Type	1BR	2BR
<b>Subject</b>	<b>638</b>	<b>932</b>
Average	810	1,018
Min	655	630
Max	1,116	1,765
<b>Advantage/Disadvantage</b>	<b>-21.0%</b>	<b>-8.4%</b>

The Subject will offer one and two-bedroom units that are generally inferior to the average size of the surveyed comparables. The Subject's two-bedroom units are within the overall range of the surveyed comparables, and the Subject's one-bedroom units will be the smallest in the market. However, The Quarters At Park View, a market rate comparable, offers similarly small units and reported full occupancy, indicating that smaller units are accepted in the market. Therefore, we believe the Subject's unit sizes will also be accepted in the market. The Subject's unit sizes are considered in our determination of achievable rents. The following table ranks the Subject's unit sizes to the unit sizes at the comparable properties.

One Bedroom One Bath		Two Bedroom Two Bath	
Property Name	Size	Property Name	Size
The Quarters At Park View (Market)	1,116	Harbor Vista At Crawford Street (Market)	1,765
Nav850 (Market)(1.5BA)	936	Harbor Vista At Crawford Street (Market)	1,345
Harbor Vista At Crawford Street (Market)	825	Crescent Place (@60%)	1,181
Shea Terrace Senior Apartments (@50%)	820	The Quarters At Park View (Market)	1,160
Crescent Place (@60%)	812	Nav850 (Market)	1,137
Harbor Vista At Crawford Street (Market)	811	Harbor Vista At Crawford Street (Market)	1,106
Harbor Vista At Crawford Street (Market)	785	Nav850 (Market)	1,095
Nav850 (Market)	751	Ebenezer Plaza Apartments (Market)(1BA)	975
Harbor Vista At Crawford Street (Market)	719	Turnpike Terrace Apartments (Market)(1BA)	950
Victory Square Apartments (@60%)	675	<b>Lexington Senior Apartments (@30%)</b>	<b>932</b>
The Quarters At Park View (Market)	655	<b>Lexington Senior Apartments (@60%)</b>	<b>932</b>
<b>Lexington Senior Apartments (@60%)</b>	<b>638</b>	Victory Square Apartments (@60%)(1BA)	880
<b>Lexington Senior Apartments (@30%)</b>	<b>638</b>	Shea Terrace Senior Apartments (@50%)	850
		Biltmore Commons (Market)(1BA)	828
		Biltmore Commons (Market)(1BA)	736
		Ansell Garden Apartments (@50%)(1BA)	630
		Ansell Garden Apartments (@60%)(1BA)	630

### Utility Structure

The following table details the Subject's utility structure in comparison to the comparable properties. The utility conventions differ at the comparable properties; therefore, "base" or "asking" rents of the comparable properties are adjusted to "net" rents, reflecting the Subject's utility convention.

LEXINGTON SENIOR APARTMENTS- PORTSMOUTH, VIRGINIA - MARKET STUDY

Subject	Ansell Garden Apartments	Crescent Place	Shea Terrace Senior	Victory Square Apartments	Biltmore Commons	Ebenezer Plaza Apartments	Harbor Vista At Crawford Street	Nav850	The Quarters At Park View	Turnpike Terrace Apartments
Rent Structure	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Senior	Family	Family	Family	Family	Family
<b>Utility Structure</b>										
Cooking	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	yes	yes	yes	yes	no	no	yes	no	no	no
Sewer	yes	yes	yes	yes	no	no	yes	no	no	no
Trash	yes	yes	yes	yes	yes	no	yes	yes	yes	no

**In-Unit Amenities**

The following table compares the Subject's in-unit amenities with comparable properties.

Subject	Ansell Garden Apartments	Crescent Place	Shea Terrace Senior	Victory Square Apartments	Biltmore Commons	Ebenezer Plaza Apartments	Harbor Vista At Crawford Street	Nav850	The Quarters At Park View	Turnpike Terrace Apartments
Rent Structure	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Family	Family	Family	Family	Family	Family
<b>Unit Amenities</b>										
Balcony/Patio	no	yes	yes	no	no	no	yes	yes	no	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	no	yes	yes	yes	no	no	yes	no	no
Hardwood	no	no	no	no	no	yes	yes	yes	yes	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	no	no	no	no	no	no	yes	no	yes	no
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	no	yes
Exterior Storage	no	no	no	no	no	yes	yes	no	no	no
Walk-In Closet	no	yes	yes	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	yes	no	yes	yes	yes	no
W/D Hookup	no	no	yes	no	yes	yes	yes	yes	yes	yes
<b>Kitchen</b>										
Dishwasher	no	no	yes	no	yes	no	yes	yes	yes	no
Disposal	no	no	yes	no	yes	no	no	yes	yes	no
Microwave	no	no	no	no	no	no	yes	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The proposed Subject lacks any noteworthy unit amenities. The majority of the surveyed comparables offer unit amenities ranging from slightly superior to superior relative to the Subject. These properties offer features such as walk-in closets, washer/dryer hook-ups, vinyl plank flooring, dishwashers, balconies/patios, washer/dryers, disposals, and microwaves, none of which are included in the Subject's proposed amenity scheme. The amenity package offered by Shea Terrace Senior Apartments is considered similar to the Subject. Overall, we believe the Subject's proposed unit amenities will be competitive in the market.

**Property Amenities**

The following table compares the Subject's property amenities with comparable properties.

Subject	Ansell Garden Apartments	Crescent Place	Shea Terrace Senior	Victory Square Apartments	Biltmore Commons	Ebenezer Plaza Apartments	Harbor Vista At Crawford Street	Nav850	The Quarters At Park View	Turnpike Terrace Apartments
Rent Structure	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Family	Family	Family	Family	Family	Family
<b>Community</b>										
Business Center	yes	yes	no	no	no	no	yes	yes	yes	no
Community Room	no	yes	yes	yes	yes	no	yes	yes	yes	no
Central Laundry	yes	yes	yes	yes	yes	yes	no	no	no	no
On-Site Mgmt	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
<b>Recreation</b>										
Exercise Facility	yes	no	yes	no	yes	no	yes	yes	yes	no
Playground	no	yes	no	no	no	yes	no	no	no	no
Swimming Pool	no	no	yes	no	no	no	no	yes	yes	no
Picnic Area	no	no	no	no	no	yes	yes	yes	no	yes

Notable property amenities the Subject will offer include a business center, on-site management, and a fitness center. The majority of the surveyed comparables offer property amenities ranging from slightly inferior to slightly superior relative to the Subject. The amenity packages of Victory Square Apartments and Harbor Vista At Crawford Street offer features that are considered similar to the Subject. We believe the Subject's lack of a community room is generally offset by its business center and fitness center, which are not offered by several of the comparables. Overall, we believe the Subject's property amenities will be competitive in the market.

## Security Features

The following table compares the Subject's security amenities with comparable properties.

Subject	Ansell Garden Apartments	Crescent Place	Shea Terrace Senior Apartments	Victory Square Apartments	Biltmore Commons	Ebenezer Plaza Apartments	Harbor Vista At Crawford Street	Nav850	The Quarters At Park View	Turnpike Terrace Apartments
Rent Structure	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Senior	Family	Family	Family	Family	Family
Crime Index	244	220	254	228	279	244	279	334	243	269
<b>Security</b>										
Intercom (Buzzer)	yes	no	yes	yes	yes	no	no	yes	yes	yes
Limited Access	yes	no	yes	yes	yes	no	yes	yes	yes	yes
Patrol	no	yes	no	no	no	yes	no	yes	no	no
Perimeter Fencing	yes	no	no	no	yes	no	no	no	no	yes
Video Surveillance	no	no	no	no	yes	no	no	no	no	no

The Subject will offer limited access, an intercom, and video surveillance in terms of security features. All of the comparable properties offer some form of security feature. We believe the Subject's security features are market-oriented.

## Parking

The following table compares the Subject's parking amenities with comparable properties.

Subject	Ansell Garden Apartments	Crescent Place	Shea Terrace Senior Apartments	Victory Square Apartments	Biltmore Commons	Ebenezer Plaza Apartments	Harbor Vista At Crawford Street	Nav850	The Quarters At Park View	Turnpike Terrace Apartments
Rent Structure	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Senior	Family	Family	Family	Family	Family
Walk Score	37	40	68	43	80	35	66	79	73	49
<b>Parking</b>										
Carport	no	no	no	no	no	no	yes	no	no	no
Carport Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$25	\$0	\$0	\$0
Garage	no	no	no	no	no	no	no	yes	no	no
Garage Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The Subject will offer 130 off-street surface parking spaces, or 1.24 spaces per unit. There is no fee for parking. Given the Subject's senior tenancy and close proximity to public transit, we believe the number of parking spaces to be adequate. All of the comparable properties offer off-street parking included in the cost of rent. Two properties also offer carport or garage parking for monthly fees ranging from \$25 to \$100.

## MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

### Tenant Makeup

The Subject will target senior households ages 55 and older. Three of the comparable properties also target seniors, with the average age ranging from 65 to 72 years old. All of the Subject's units will operate rental assistance, where tenants will pay 30 percent of their income towards rent. The following table illustrates voucher usage at the comparables.

**TENANTS WITH VOUCHERS**

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Ansell Garden Apartments	LIHTC	Family	N/A
Crescent Place	LIHTC	Family	80%
Shea Terrace Senior Apartments	LIHTC	Senior	0%
Victory Square Apartments	LIHTC	Senior	50%
Biltmore Commons	Market	Family	0%
Ebenezer Plaza Apartments	Market	Family	10%
Harbor Vista At Crawford Street	Market	Family	N/A
Nav850	Market	Family	0%
The Quarters At Park View	Market	Family	N/A
Turnpike Terrace Apartments	Market	Family	10%

The comparable properties reported voucher usage ranging from zero to 80 percent. Four of the LIHTC properties reported voucher usage, with an average utilization of 43 percent. The highest voucher usage was reported by Crescent Place, a 156-unit LIHTC property located 0.7 miles northwest of the Subject - we consider this property to be an outlier. After excluding Crescent Place, the average LIHTC voucher utilization is 17 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 30 percent, absent subsidy.

**Turnover**

The following table illustrates reported turnover for the comparable properties.

**TURNOVER**

Property Name	Rent Structure	Tenancy	Annual Turnover
Ansell Garden Apartments	LIHTC	Family	10%
Crescent Place	LIHTC	Family	19%
Shea Terrace Senior Apartments	LIHTC	Senior	5%
Victory Square Apartments	LIHTC	Senior	22%
Biltmore Commons	Market	Family	30%
Ebenezer Plaza Apartments	Market	Family	4%
Harbor Vista At Crawford Street	Market	Family	18%
Nav850	Market	Family	40%
The Quarters At Park View	Market	Family	46%
Turnpike Terrace Apartments	Market	Family	N/A
<b>Average Turnover</b>			<b>22%</b>

The comparables reported turnover rates ranging from four to 46 percent, with an overall average of 22 percent. The LIHTC comparables operate with an average turnover rate of 14 percent, which was below the 28 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate a turnover rate of approximately 15 percent.

**Vacancy Levels**

The following table summarizes overall weighted vacancy levels at the surveyed properties.

**OVERALL VACANCY**

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Ansell Garden Apartments	LIHTC	Family	74	0	0.0%
Crescent Place	LIHTC	Family	156	4	2.6%
Shea Terrace Senior Apartments	LIHTC	Senior	21	0	0.0%
Victory Square Apartments	LIHTC	Senior	112	10	8.9%
Biltmore Commons	Market	Family	89	0	0.0%
Ebenezer Plaza Apartments	Market	Family	52	0	0.0%
Harbor Vista At Crawford Street	Market	Family	134	1	0.7%
Nav850	Market	Family	394	4	1.0%
The Quarters At Park View	Market	Family	140	0	0.0%
Turnpike Terrace Apartments	Market	Family	40	2	5.0%
<b>Total LIHTC</b>			<b>363</b>	<b>14</b>	<b>3.9%</b>
<b>Total Market Rate</b>			<b>849</b>	<b>7</b>	<b>0.8%</b>
<b>Overall Total</b>			<b>1,212</b>	<b>21</b>	<b>1.7%</b>

The comparables reported vacancy rates ranging from zero to 8.9 percent, with an overall weighted average of 1.7 percent. Managers at two of the four LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 3.9 percent, above the 0.8 percent average reported by the market rate properties. Management at Victory Square Apartments recently increased rents to maximum allowable levels, which has led to an elevated vacancy rate of 8.9 percent. However, the property expects to rent these units from their waiting list. The average LIHTC vacancy rate of 3.9 percent is considered low, and indicative of supply constrained conditions. All of the market rate properties reported vacancy rates of 5.0 percent or lower. Further, two of the LIHTC and two of the market rate comparables maintain waiting lists, some with extensive lengths. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent.

The following table details vacancy by bedroom type for the comparable properties surveyed where available:

**VACANCY BY BEDROOM TYPE**

Property Name	Rent Structure	Tenancy	0BR	1BR	2BR	3BR	4BR	5BR	Overall
Ansell Garden Apartments	LIHTC	Family	-	-	-	-	-	-	0.0%
Crescent Place	LIHTC	Family	-	-	-	-	-	-	2.6%
Shea Terrace Senior Apartments	LIHTC	Senior	-	-	-	-	-	-	0.0%
Victory Square Apartments	LIHTC	Senior	-	10.2%	0.0%	-	-	-	8.9%
Biltmore Commons	Market	Family	-	-	-	0.0%	-	-	0.0%
Ebenezer Plaza Apartments	Market	Family	-	-	0.0%	0.0%	-	-	0.0%
Harbor Vista At Crawford Street	Market	Family	-	1.0%	0.0%	-	-	-	0.7%
Nav850	Market	Family	-	0.3%	2.8%	-	-	-	1.0%
The Quarters At Park View	Market	Family	0.0%	0.0%	0.0%	-	-	-	0.0%
Turnpike Terrace Apartments	Market	Family	-	-	5.6%	0.0%	-	-	5.0%

As proposed, the Subject will consist of one and two-bedroom units. Vacancy rates in the market average 2.1 and 2.0 percent for one and two-bedroom units, respectively. Overall, vacancy rates in the market are low. This supports that there is demand for additional rental housing in the market. Given the strong local household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

**Concessions**

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

## Waiting Lists

The following table illustrates the length of waiting lists reported at the comparable developments.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Ansell Garden Apartments	LIHTC	Family	Yes, three months in length
Crescent Place	LIHTC	Family	None
Shea Terrace Senior Apartments	LIHTC	Senior	Yes, length unknown
Victory Square Apartments	LIHTC	Senior	Yes, unknown length
Biltmore Commons	Market	Family	None
Ebenezer Plaza Apartments	Market	Family	Yes, 113 households
Harbor Vista At Crawford Street	Market	Family	Yes, 15 households
Nav850	Market	Family	None
The Quarters At Park View	Market	Family	None
Turnpike Terrace Apartments	Market	Family	None

Three of the LIHTC properties and two of the market rate properties maintain waiting lists. These waiting lists are extensive at some of the LIHTC developments. Upon stabilization, we expect the Subject to operate with low vacancy and maintain a waiting list.

## Absorption

We obtained absorption information from the following developments.

ABSORPTION							
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
The Apartments At Kelton Station	Market	Family	Williamsburg	2021	204	26	42.8 miles
The Arbors At Towne Park	LIHTC	Senior	Williamsburg	2019	130	12	42.0 miles
Woodlands Apartments At Phoebus	LIHTC	Senior	Hampton	2015	132	20	14.1 miles
Commonwealth At York	Market	Family	Yorktown	2015	384	34	21.1 miles
<b>Average Affordable</b>					<b>131</b>	<b>16</b>	
<b>Average Market</b>					<b>294</b>	<b>30</b>	
<b>Overall Average</b>					<b>213</b>	<b>23</b>	

We obtained absorption data from four properties, located between 14.1 and 42.8 miles from the Subject site. These properties reported absorption rates ranging from 12 to 34 units per month, with an overall average of 23 units per month. Overall, we expect the proposed Subject will experience an absorption rate of 15 units per month. This equates to an absorption period of approximately seven months.

## Rental Rate Increases

The following table illustrates rental rate increases as reported by the comparable properties.

**RENT GROWTH**

Property Name	Rent Structure	Tenancy	Rent Growth
Ansell Garden Apartments	LIHTC	Family	Decreased up to 11 percent
Crescent Place	LIHTC	Family	Kept at max
Shea Terrace Senior Apartments	LIHTC	Senior	Increased three percent
Victory Square Apartments	LIHTC	Senior	Increased to max allowable
Biltmore Commons	Market	Family	Increased up to eight percent
Ebenezer Plaza Apartments	Market	Family	Increased four percent
Harbor Vista At Crawford Street	Market	Family	Increased four to 23 percent
Nav850	Market	Family	Increased 11 percent
The Quarters At Park View	Market	Family	Increased one to two percent
Turnpike Terrace Apartments	Market	Family	Increased 11 percent

Nine of the 10 comparable properties reported rent growth over the past year. Further, Crescent Place and Victory Square Apartments reported achieving rents at the maximum allowable levels. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

**Reasonability of Rents**

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

**PROPOSED RENTS**

Unit Type	Unit Size (SF)*	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2023 HUD Fair Market Rents
<i>@30% (Section 8)</i>							
1BR / 1BA	638	5	\$1,181	\$69	\$1,250	\$526	\$1,015
2BR / 2BA	932	1	\$1,373	\$88	\$1,461	\$631	\$1,193
<i>@60% (Section 8)</i>							
1BR / 1BA	638	93	\$1,181	\$69	\$1,250	\$1,052	\$1,015
2BR / 2BA	932	6	\$1,373	\$88	\$1,461	\$1,263	\$1,193
<b>105</b>							

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

\*Unit sizes reflect a weighted average

The unit sizes reflected are weighted average unit sizes provided by the client. The one-bedroom units will range from 600 to 699 square feet and the two-bedroom units will range from 920 to 989 square feet.

**Comparable LIHTC Rents**

The Subject’s proposed LIHTC rents are set at the maximum allowable level. The following table illustrates the Subject’s LIHTC rents compared to the LIHTC rents of the comparable LIHTC properties. The rents have been adjusted for variances in utilities, as well as concessions, if applicable. We have adjusted the maximum allowable rents, the rents reported by the comparables, and achievable LIHTC rents according to the unit’s utility structure.

The Subject will offer units at the 30 and 60 percent of AMI level.

**30% AMI Levels**

**LIHTC RENT COMPARISON @30%**

	County	Tenancy	1BR	2BR	Rents at Max?
Lexington Senior Apartments	Portsmouth	Senior	\$1,181*	\$1,373*	N/A
<b>LIHTC Maximum Rent (Net)</b>	<b>Portsmouth</b>		<b>\$457</b>	<b>\$543</b>	
<b>Achievable LIHTC Rent</b>	-	-	<b>\$457</b>	<b>\$543</b>	<b>Yes</b>

\*Proposed rents are contract rents

The Subject’s pro forma rents at 30 percent of the AMI are contract rents and set above the maximum allowable levels. None of the comparable properties offer units at the 30 percent of AMI level. Based on the fact that the comparable LIHTC properties report low vacancy rates and waiting lists, we believe the Subject will be able to achieve the maximum allowable rents at the 30 percent of AMI level, absent subsidy. Additionally, these rents will be among the lowest in the market.

**60% AMI Levels**

**LIHTC RENT COMPARISON @60%**

Property Name	County	Tenancy	1BR	2BR	Rents at Max?
Lexington Senior Apartments	Portsmouth	Senior	\$1,181*	\$1,373*	N/A
<b>LIHTC Maximum Rent (Net)</b>	<b>Portsmouth</b>		<b>\$983</b>	<b>\$1,175</b>	
Ansell Garden Apartments	Portsmouth	Family	-	\$835	No
Crescent Place	Portsmouth	Family	\$981	\$1,172	Yes
Victory Square Apartments	Portsmouth	Senior	\$1,043	\$1,252	Yes
<b>Average</b>	<b>Portsmouth</b>	<b>Senior</b>	<b>\$1,012</b>	<b>\$1,086</b>	
<b>Achievable LIHTC Rent</b>	<b>Portsmouth</b>	<b>Senior</b>	<b>\$983</b>	<b>\$1,175</b>	<b>Yes</b>

\*Proposed rents are contract rents

The Subject’s pro forma rents at the 60 percent of AMI level are contract rents and set above the maximum allowable rents. Two of the comparable properties, Crescent Place and Victory Square Apartments, reported achieving 60 percent of the AMI rents at the maximum allowable levels. Biltmore Commons reported deliberately holding rents below the maximum allowable levels in order to maintain affordability. Rents may appear above or below the maximum allowable levels due to differing utility adjustments.

Victory Square Apartments is a 112-unit, senior lowrise development located 1.4 miles northeast of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 2005, and currently exhibits inferior condition relative to the proposed Subject, which will be built in 2024. The manager at Victory Square Apartments reported the property offers walk-in closets, dishwashers, disposals, and a community room, all of which the proposed Subject will lack. However, the Subject will offer a business center, which is not provided by Victory Square Apartments. The in-unit and property amenity packages offered by Victory Square Apartments are considered slightly superior and similar, respectively, relative to the Subject's amenities. The unit sizes offered by this property are considered similar relative to the Subject’s proposed unit sizes. In overall terms, we believe the Subject will be a superior product relative to the Victory Square Apartments, largely due to condition. Thus, we believe the Subject would be capable of achieving rents similar to this property.

Crescent Place is a 156-unit, midrise development located 0.7 miles northwest of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 2008, and currently exhibits inferior condition relative to the proposed Subject, which will be built in 2024. The manager at Crescent Place reported a low vacancy rate, indicating the current rents are well accepted in the market. Crescent Place offers balconies/patios, walk-in closets, washer/dryer hook-ups, dishwashers, disposals, a community room, and a swimming pool, all of which the proposed Subject will lack. However, the Subject will



offer a business center, which is not provided by Crescent Place. The in-unit and property amenity packages offered by Crescent Place are considered superior and slightly superior, respectively, relative to the Subject's amenities. The unit sizes offered by this property are considered superior relative to the Subject's proposed unit sizes. In overall terms, we believe the Subject will be a slightly superior product relative to the Crescent Place, largely due to condition. Thus, we believe the Subject would be capable of achieving rents similar to this property.

Based on the fact that the comparable LIHTC properties report low vacancy rates and waiting lists, we believe the Subject will be able to achieve the maximum allowable rents at the 60 percent of AMI level, absent subsidy.

**Most Similar LIHTC**

Based upon the overall comparison ratings, the Subject will be most similar to Victory Square Apartments.

Victory Square Apartments is a 112-unit senior LIHTC property that offers one and two-bedroom units at 60 percent of the AMI. The rental rates at this property are set at the maximum allowable levels. Management at Victory Square Apartments recently increased rents to maximum allowable levels, which has led to an elevated vacancy rate of 8.9 percent. However, the property expects to rent these units from their waiting list. We believe the Subject should achieve rental rates similar to this property, absent subsidy, based on the following: The Subject is located in a similar community to Victory Square Apartments; Victory Square Apartments was built in 2005 and exhibits average condition, inferior to the Subject's anticipated excellent condition upon completion; The Subject will offer one and two-bedroom units in a lowrise style building, similar to Victory Square Apartments; Victory Square Apartment's one and two-bedroom units are similar to the Subject's proposed one and two-bedroom unit sizes; and Victory Square Apartments offers a similar property amenity package to the Subject.

As such, we believe the Subject will also be capable of achieving rental rates at the maximum allowable levels at 30 and 60 percent of AMI, absent subsidy.

**Achievable Market Rents**

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject's rental rates are below the achievable market rates for the Subject's area. The following table shows both market rent comparisons and achievable market rents.

**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@30% (Section 8)	\$457	\$1,290	\$1,915	\$1,557	\$1,300	65%
1BR / 1BA	@60% (Section 8)	\$983	\$1,290	\$1,915	\$1,557	\$1,300	24%
2BR / 2BA	@30% (Section 8)	\$543	\$809	\$2,277	\$1,628	\$1,600	66%
2BR / 2BA	@60% (Section 8)	\$1,175	\$809	\$2,277	\$1,628	\$1,600	27%

The Subject's LIHTC rents are below the achievable market rents. The Subject's proposed LIHTC rents represent a rent advantage of 24 to 66 percent over the achievable market rents. We concluded that achievable market rents for the Subject's units are below the rents at Harbor Vista At Crawford Street and above the rents at Biltmore Commons.

Harbor Vista At Crawford Street is a 134-unit, midrise development located 1.7 miles northeast of the Subject site, in a neighborhood considered slightly superior relative to the Subject's location. The property was built in 2017, and currently exhibits similar condition relative to the Subject, which will be new construction. The

manager at Harbor Vista At Crawford Street reported a low vacancy rate of 0.7 percent, indicating the current rents are well accepted in the market. According to management, seniors make up approximately 10 to 15 percent of tenants. The following table compares the Subject with Harbor Vista At Crawford Street.

**SUBJECT COMPARISON TO HARBOR VISTA AT CRAWFORD STREET**

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet*	Subject RPSF	Harbor Vista At Crawford Street Rent	Square Feet	Harbor Vista At Crawford Street RPSF	Subject Rent Advantage
1BR / 1BA	@30% (Section 8)	\$457	638	\$0.72	\$1,465	785	\$1.87	68.8%
1BR / 1BA	@60% (Section 8)	\$983	638	\$1.54	\$1,465	785	\$1.87	32.9%
2BR / 2BA	@30% (Section 8)	\$543	932	\$0.58	\$1,982	1,106	\$1.79	72.6%
2BR / 2BA	@60% (Section 8)	\$1,175	932	\$1.26	\$1,982	1,106	\$1.79	40.7%

\*Unit sizes reflect a weighted average

Harbor Vista At Crawford Street offers balconies/patios, vinyl plank flooring, exterior storage, walk-in closets, washer/dryers, dishwashers, microwaves, and community room, all of which the proposed Subject will lack. The proposed Subject will offer no notable amenities not already offered by Harbor Vista At Crawford Street. On balance, we believe the in-unit and property amenity packages offered by Harbor Vista At Crawford Street to be superior and similar relative to the Subject, respectively. The unit sizes offered by this property are considered superior to the Subject’s proposed unit sizes. In overall terms, we believe the Subject will be an inferior product relative to the Harbor Vista At Crawford Street. Our concluded achievable market rents for the Subject’s units are below the rents reported by Harbor Vista At Crawford Street.

Biltmore Commons is an 89-unit, garden-style development located 0.4 miles south of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 1991 and renovated in 2018. We consider the condition of this property inferior relative to the Subject, which will be built in 2024. The manager at Biltmore Commons reported the property as fully occupied, indicating the current rents are well accepted in the market. The following table compares the Subject with Biltmore Commons.

**SUBJECT COMPARISON TO BILTMORE COMMONS**

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet*	Subject RPSF	Biltmore Commons Rent	Square Feet	Biltmore Commons RPSF	Subject Rent Advantage
1BR / 1BA	@30% (Section 8)	\$457	638	\$0.72	-	-	-	-
1BR / 1BA	@60% (Section 8)	\$983	638	\$1.54	-	-	-	-
2BR / 2BA	@30% (Section 8)	\$543	932	\$0.58	\$1,298	896	\$1.45	58.2%
2BR / 2BA	@60% (Section 8)	\$1,175	932	\$1.26	\$1,298	896	\$1.45	9.5%

\*Unit sizes reflect a weighted average

Biltmore Commons offers walk-in closets, washer/dryers, and dishwashers, all of which the proposed Subject will lack. However, the proposed Subject will offer a business center and a fitness center, neither of which are offered by Biltmore Commons. On balance, we believe the in-unit and property amenity packages offered by Biltmore Commons to be superior and slightly inferior relative to the proposed Subject, respectively. The unit sizes offered by this property are considered inferior to the Subject’s unit sizes. In overall terms, we believe the Subject will be a superior product relative to the Biltmore Commons. Our concluded achievable market rents for the Subject’s units are above the rents reported by Biltmore Commons.

**Summary Evaluation of the Proposed Project**

The Subject will be a new construction senior (55+) LIHTC property. The strengths of the Subject will be its excellent condition. Weaknesses of the Subject will be its lack of washer and dryer hook-ups and small one-bedroom unit sizes. However, The Quarters At Park View, a market rate comparable, offers similarly small units and reported full occupancy, indicating that smaller units are accepted in the market. Therefore, we believe the Subject’s unit sizes will also be accepted in the market. The average vacancy rate among the surveyed LIHTC properties is at 3.9 percent. Additionally, three of the four surveyed LIHTC properties maintain waiting lists. Several property managers believe there is demand for additional affordable housing in the market. None

of the LIHTC comparables reported rents at 30 percent of the AMI level. Two of the LIHTC comparable properties report achieving the maximum allowable rents at the 60 percent of AMI level. Given the Subject's anticipated superior condition, we believe the Subject's would also be capable of achieving rents at the maximum allowable levels at 30 and 60 percent of the AMI. Our concluded achievable market rents are within the surveyed range of the comparable market rate properties. The Subject's achievable LIHTC rents offer a discount to the Novogradac estimate of achievable market rents.

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

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

### Introduction

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

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

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

### Capture Rate Determination

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

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

The following text will examine each step through the process.

Step One – PMA Demography

### Primary Market Area Defined

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

The boundaries of the PMA are generally defined as: the Elizabeth River to the north and east; Portsmouth city limits and Giant Cement Drive to the south; and Victory Boulevard to the west. The PMA encompasses 15 square miles. This area was defined based on interviews with local property managers and other market participants. We estimated that 20 percent of the Subject’s tenants will come from outside these boundaries.

## Demographic Information

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

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

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

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

### Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Jurisdiction:	Portsmouth City, Virginia
AMI for four-person household:	\$93,500
Tenancy (Family vs. Senior):	Senior
Affordability percentage:	40 percent
Leakage:	20 percent

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

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

**55+ INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30% (Section 8)		@60% (Section 8)	
1BR	\$0	\$22,440	\$0	\$44,880
2BR	\$0	\$22,440	\$0	\$44,880

**55+ INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@60%	
1BR	\$15,780	\$22,440	\$31,560	\$44,880
2BR	\$18,930	\$22,440	\$37,890	\$44,880

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

**RENTER HOUSEHOLD INCOME 55+**

Income Cohort	PMA					
	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	470	14.5%	439	13.5%	-6	-1.3%
\$10,000-19,999	880	27.1%	822	25.3%	-12	-1.3%
\$20,000-29,999	640	19.7%	648	19.9%	2	0.3%
\$30,000-39,999	222	6.8%	228	7.0%	1	0.5%
\$40,000-49,999	221	6.8%	198	6.1%	-5	-2.1%
\$50,000-59,999	186	5.7%	181	5.6%	-1	-0.5%
\$60,000-74,999	201	6.2%	187	5.7%	-3	-1.4%
\$75,000-99,999	151	4.7%	194	6.0%	9	5.7%
\$100,000-124,999	94	2.9%	115	3.5%	4	4.5%
\$125,000-149,999	77	2.4%	104	3.2%	5	7.0%
\$150,000-199,999	43	1.3%	55	1.7%	2	5.6%
\$200,000+	62	1.9%	83	2.6%	4	6.8%
<b>Total</b>	<b>3,247</b>	<b>100.0%</b>	<b>3,254</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, December 2022

**Step Three – Income Distribution**

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

**LEXINGTON SENIOR APARTMENTS- PORTSMOUTH, VIRGINIA - MARKET STUDY**

**55+ INCOME DISTRIBUTION 2021 - AS PROPOSED**

Income Cohort	Total Renter Households	@30% (Section 8)			@60% (Section 8)			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	470	9,999	100.0%	470	9,999	100.0%	470	9,999	100.0%	470
\$10,000-19,999	880	9,999	100.0%	880	9,999	100.0%	880	9,999	100.0%	880
\$20,000-29,999	640	2,441	24.4%	156	9,999	100.0%	640	9,999	100.0%	640
\$30,000-39,999	222				9,999	100.0%	222	9,999	100.0%	222
\$40,000-49,999	221				4,881	48.8%	108	4,881	48.8%	108
\$50,000-59,999	186									
\$60,000-74,999	201									
\$75,000-99,999	151									
\$100,000-124,999	94									
\$125,000-149,999	77									
\$150,000-199,999	43									
\$200,000+	62									
<b>Total</b>	<b>3,247</b>		<b>46.4%</b>	<b>1,506</b>		<b>71.4%</b>	<b>2,320</b>		<b>71.4%</b>	<b>2,320</b>

**55+ INCOME DISTRIBUTION 2021 - ABSENT SUBSIDY**

Income Cohort	Total Renter Households	@30%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	470									
\$10,000-19,999	880	4,218	42.2%	371			4,218	42.2%	371	
\$20,000-29,999	640	2,441	24.4%	156			2,441	24.4%	156	
\$30,000-39,999	222				8,438	84.4%	187	8,438	84.4%	187
\$40,000-49,999	221				4,881	48.8%	108	4,881	48.8%	108
\$50,000-59,999	186									
\$60,000-74,999	201									
\$75,000-99,999	151									
\$100,000-124,999	94									
\$125,000-149,999	77									
\$150,000-199,999	43									
\$200,000+	62									
<b>Total</b>	<b>3,247</b>		<b>16.2%</b>	<b>527</b>		<b>9.1%</b>	<b>295</b>		<b>25.3%</b>	<b>823</b>



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

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

Step Five – Unit Size Appropriate

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

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

HOUSEHOLD DISTRIBUTION		
<b>1 BR</b>	90%	Of one-person households in 1BR units
	50%	Of two-person households in 1BR units
<b>2 BR</b>	10%	Of one-person households in 2BR units
	50%	Of two-person households in 2BR units

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

Step Six – Capture Rate by Bedroom Mix

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

**CAPTURE RATE ANALYSIS BY UNIT TYPE**

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

**30 Percent of AMI (Section 8) Demand – As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2021*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	65.4%	2,123
2 persons	22.0%	714
3 persons	6.2%	202
4 persons	2.8%	91
5+ persons	3.6%	117
<b>Total</b>	<b>100.0%</b>	<b>3,247</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,123	x	46.4%	985
2 persons	714	x	46.4%	331
3 persons	202	x	46.4%	94
4 persons	91	x	46.4%	42
5+ persons	117	x	46.4%	54
<b>Total</b>	<b>3,247</b>			<b>1,506</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,052
2BR	264
<b>Total</b>	<b>1,316</b>

*Capture Rate Analysis - @30% (Section 8) - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	5	0.48%
2BR	1	0.38%
<b>Total/Overall</b>	<b>6</b>	<b>0.46%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	5	0.38%
2BR	1	0.30%
<b>Total/Overall</b>	<b>6</b>	<b>0.36%</b>

**60 Percent of AMI (Section 8) Demand – As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2021*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	65.4%	2,123
2 persons	22.0%	714
3 persons	6.2%	202
4 persons	2.8%	91
5+ persons	3.6%	117
<b>Total</b>	<b>100.0%</b>	<b>3,247</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,123	x	1,517
2 persons	714	x	510
3 persons	202	x	144
4 persons	91	x	65
5+ persons	117	x	84
<b>Total</b>	<b>3,247</b>		<b>2,320</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,620
2BR	407
<b>Total</b>	<b>2,027</b>

*Capture Rate Analysis - @60% (Section 8) - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	93	5.74%
2BR	6	1.48%
<b>Total/Overall</b>	<b>99</b>	<b>4.88%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	93	4.59%
2BR	6	1.18%
<b>Total/Overall</b>	<b>99</b>	<b>3.91%</b>

**All Units (Section 8) Demand – As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2021*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	65.4%	2,123
2 persons	22.0%	714
3 persons	6.2%	202
4 persons	2.8%	91
5+ persons	3.6%	117
<b>Total</b>	<b>100.0%</b>	<b>3,247</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,123	x	1,517
2 persons	714	x	510
3 persons	202	x	144
4 persons	91	x	65
5+ persons	117	x	84
<b>Total</b>	<b>3,247</b>		<b>2,320</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,620
2BR	407
<b>Total</b>	<b>2,027</b>

*Capture Rate Analysis - All Units As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	98	6.05%
2BR	7	1.72%
<b>Total/Overall</b>	<b>105</b>	<b>5.18%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	98	4.84%
2BR	7	1.38%
<b>Total/Overall</b>	<b>105</b>	<b>4.14%</b>

**30 Percent of AMI Demand – Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2021*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	65.4%	2,123
2 persons	22.0%	714
3 persons	6.2%	202
4 persons	2.8%	91
5+ persons	3.6%	117
<b>Total</b>	<b>100.0%</b>	<b>3,247</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,123	x	345
2 persons	714	x	116
3 persons	202	x	33
4 persons	91	x	15
5+ persons	117	x	19
<b>Total</b>	<b>3,247</b>		<b>527</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	368
2BR	92
<b>Total</b>	<b>461</b>

*Capture Rate Analysis - @30% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	5	1.36%
2BR	1	1.08%
<b>Total/Overall</b>	<b>6</b>	<b>1.30%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	5	1.09%
2BR	1	0.87%
<b>Total/Overall</b>	<b>6</b>	<b>1.04%</b>

**60 Percent of AMI Demand – Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2021*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	65.4%	2,123
2 persons	22.0%	714
3 persons	6.2%	202
4 persons	2.8%	91
5+ persons	3.6%	117
<b>Total</b>	<b>100.0%</b>	<b>3,247</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,123	x	193
2 persons	714	x	65
3 persons	202	x	18
4 persons	91	x	8
5+ persons	117	x	11
<b>Total</b>	<b>3,247</b>		<b>295</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	206
2BR	52
<b>Total</b>	<b>258</b>

*Capture Rate Analysis - @60% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	93	45.11%
2BR	6	11.59%
<b>Total/Overall</b>	<b>99</b>	<b>38.38%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	93	36.08%
2BR	6	9.27%
<b>Total/Overall</b>	<b>99</b>	<b>30.70%</b>

**All Units Demand – Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2021*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	65.4%	2,123
2 persons	22.0%	714
3 persons	6.2%	202
4 persons	2.8%	91
5+ persons	3.6%	117
<b>Total</b>	<b>100.0%</b>	<b>3,247</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,123	x	538
2 persons	714	x	181
3 persons	202	x	51
4 persons	91	x	23
5+ persons	117	x	30
<b>Total</b>	<b>3,247</b>		<b>823</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	575
2BR	144
<b>Total</b>	<b>719</b>

*Capture Rate Analysis - All Units Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	98	17.06%
2BR	7	4.85%
<b>Total/Overall</b>	<b>105</b>	<b>14.61%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	98	13.65%
2BR	7	3.88%
<b>Total/Overall</b>	<b>105</b>	<b>11.69%</b>

## ANNUAL CAPTURE RATE ANALYSIS

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

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

### Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population increase from 2021 to 2026. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

### Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted an October 2022 CoStar report, as well as the Virginia Housing’s listing of LIHTC allocations from 2019 to present. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

#### PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
Cross Creek Rehab	LIHTC	Family	78	0	2021	Existing	1.9 miles
Mt Hermon Village	LIHTC	Senior	91	0	2021	Existing	1.0 miles
Holley Pointe	LIHTC	Family	50	0	2019	Under Const.	1.4 miles
<b>Totals</b>			<b>219</b>	<b>0</b>			

Source: CoStar, Virginia Housing, November 2022

- Cross Creek Rehab is an existing multifamily development that was awarded tax credits in 2021 for rehabilitation. This property offers 102 two and three-bedroom units to a family tenancy. As this property will target a dissimilar tenancy to the Subject, it is not expected to be directly competitive with the Subject upon completion. Thus, we will not deduct any units from our demand analysis.
- Mt Hermon Village is an existing senior development that was awarded tax credits for rehabilitation in 2021. This property offers 90 units to senior households earning 50 percent of the AMI, or less. As this property is existing and stabilized, we will not deduct any units from our demand analysis.
- Holley Pointe is an under construction development that received tax credits in 2019. This property will offer 50 two and three-bedroom units to family households making up to 80 percent of the AMI. As this property will target a dissimilar tenancy to the Subject, it is not expected to be directly competitive with the Subject upon completion. Thus, we will not deduct any units from our demand analysis.

We did not find any under construction and proposed market rate developments within the Subject’s PMA. We will not deduct any units from our demand analysis.



**Annual Demand Table – As Proposed**

<b>ANNUAL DEMAND - AS PROPOSED</b>		
Calculation		PMA
Number of Renter Households in 2021		3,247
Increase in Number of Renter Households		7
Number of Renter Households in 2026		3,254
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		40.0%
Percentage of Income-Qualified Renter Households		71.4%
Number of Income-Qualified Renter Households		2,320
Percentage of Rent-Overburdened		49.5%
<b>Existing Income-Qualified Renter Household Turnover</b>		<b>1,148</b>
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		1
Percentage of Income-Qualified Renter Households		71.4%
<b>New Rental Income Qualified Households</b>		<b>1</b>
<i>Capture Rate Analysis</i>		
Number of Units in Subject		105
Occupied Units at Subject With Vacancy of:	5%	100
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		1,149
Portion Originating within PMA		80%
Total Demand (Turnover and Growth) from within PMA		1,437
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
<b>Total Demand after Competition (Turnover and Growth)</b>		<b>1,437</b>
<b>Yielded Annual Capture Rate of Available Demand in 2022</b>		<b>6.9%</b>

**Annual Demand Table – Absent Subsidy**

**ANNUAL DEMAND - ABSENT SUBSIDY**

Calculation	PMA
Number of Renter Households in 2021	3,247
Increase in Number of Renter Households	7
Number of Renter Households in 2026	3,254
<i>Existing Demand</i>	
Percentage of Total Households that are Renter	40.0%
Percentage of Income-Qualified Renter Households	25.3%
Number of Income-Qualified Renter Households	823
Percentage of Rent-Overburdened	49.5%
<b>Existing Income-Qualified Renter Household Turnover</b>	<b>407</b>
<i>New Income-Qualified Demand, Stated Annually</i>	
Increase in Renter Households per Annum	1
Percentage of Income-Qualified Renter Households	25.3%
<b>New Rental Income Qualified Households</b>	<b>0</b>
<i>Capture Rate Analysis</i>	
Number of Units in Subject	105
Occupied Units at Subject With Vacancy of: 5%	100
Units Pre-Leased	0
Total Demand (Turnover and Growth) from within PMA	408
Portion Originating within PMA	80%
Total Demand (Turnover and Growth) from within PMA	510
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0
<b>Total Demand after Competition (Turnover and Growth)</b>	<b>510</b>
<b>Yielded Annual Capture Rate of Available Demand in 2022</b>	<b>19.6%</b>

**VIRGINIA HOUSING DEMAND ANALYSIS**

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

We have included the directly comparable vacant units at the comparable properties. None of the comparable properties offer units at the 30 percent of the AMI level. There are currently no LIHTC properties in the PMA that are under construction or recently allocated that are considered directly competitive with the Subject.

There are currently 10 vacant income restricted units among the affordable inventory in the PMA that are competitive with the Subject at 60 percent of AMI. The following table details the AMI distribution of the planned developments and developments currently under construction, as well as vacant units, in the PMA.

**OVERALL VACANCY**

Property Name	@60%
<i>Vacant Units</i>	
Shea Terrace Senior Apartments	0
Victory Square Apartments	10
<b>Total LIHTC</b>	<b>10</b>

The following table illustrates the resulting capture rates for demand currently existing in PMA.

**Capture Rate – As Proposed**

Income Restrictions	Up to 60% (min. income to max income)
New Rental Households	5
+	
Existing Households - Overburdened	1,148
+	
Existing Households - Substandard Housing	17
+	
Elderly Households - Likely to Covert to Rental Housing	49
+	
Existing Qualified Tenants- To Remain After Renovation	0
<b>TOTAL DEMAND</b>	<b>1,218</b>
-	
Supply (includes directly comparable vacant units or in pipeline in PMA )	10
<b>NET DEMAND</b>	<b>1,208</b>
PROPOSED UNITS	105
<b>CAPTURE RATE</b>	<b>8.7%</b>
ABSORPTION PERIOD	Seven months

We estimated one percent of senior homeowners will convert to rental housing. We believe there is ample demand for the Subject as proposed. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate- LIHTC Units @60% AMI	8.7%
Project Wide Absorption Period (Months)	Seven months

**Capture Rate – Absent Subsidy**

Income Restrictions	Up to 60% (min. income to max income)
New Rental Households	2
+	
Existing Households - Overburdened	407
+	
Existing Households - Substandard Housing	6
+	
Elderly Households - Likely to Covert to Rental Housing	49
+	
Existing Qualified Tenants- To Remain After Renovation	0
<b>TOTAL DEMAND</b>	<b>463</b>
-	
Supply (includes directly comparable vacant units or in pipeline in PMA )	10
<b>NET DEMAND</b>	<b>453</b>
PROPOSED UNITS	105
<b>CAPTURE RATE</b>	<b>23.2%</b>
ABSORPTION PERIOD	Seven months

We estimated one percent of senior homeowners will convert to rental housing. We believe there is ample demand for the Subject absent subsidy. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate- LIHTC Units @60% AMI	23.2%
Project Wide Absorption Period (Months)	Seven months

## PENETRATION RATE ANALYSIS

Per Virginia Housing guidelines, we also performed a penetration rate analysis for the Subject's units, as illustrated in the following table.

### Penetration Rate – As Proposed

PENETRATION RATE - (Market Focus - NCHMA)	
Number of Proposed Competitive Affordable Units in the PMA	0
	+
Number of Existing Competitive Senior Affordable Units in the PMA	579
	+
Number of Proposed Affordable Units at the Subject	105
	=
Total	684
	/
Income Eligible Households - All AMI Levels	2,320
	=
<b>Overall Penetration Rate - Market Focus (NCHMA)</b>	<b>29.5%</b>

### Penetration Rate – Absent Subsidy

PENETRATION RATE - (Market Focus - NCHMA)	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	0
	+
Number of Existing Competitive Senior <i>LIHTC</i> Units in the PMA	133
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	105
	=
Total	238
	/
Income Eligible Households - All AMI Levels	823
	=
<b>Overall Penetration Rate - Market Focus (NCHMA)</b>	<b>28.9%</b>

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

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

**EXISTING AFFORDABLE PROPERTIES IN PMA**

Property Name	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units	Competitive Subsidized Units
Ansell Garden Apartments	LIHTC	Family	74	0	0
Hamilton Place	LIHTC/PBRA	Family	84	0	0
Hamilton Place II	LIHTC/PBRA	Family	84	0	0
Seaboard Square I and II	LIHTC/PBRA	Family	221	0	0
Pine Street Village	LIHTC/PBRA	Family	58	0	0
Lexington Place Apartments	LIHTC/PBRA	Family	72	0	0
Hope Village	LIHTC/PBRA	Family	48	0	0
South Bay	LIHTC/PBRA	Family	60	0	0
Westbury Cottages	LIHTC/PBRA	Family	16	0	0
Westbury 3a	LIHTC/PBRA	Family	59	0	0
King Square	LIHTC/PBRA	Family	57	0	0
Phoebus Square	LIHTC/PBRA	Senior	122	0	122
Cross Creek	LIHTC	Famliy	78	0	0
Crescent Place	LIHTC	Family	156	0	0
Shea Terrace Senior Apartments	LIHTC	Senior	21	21	0
Victory Square Apartments	LIHTC	Senior	112	112	0
Chase View	LIHTC	Family	80	0	0
Dale Homes	LIHTC/PBRA	Family	296	0	0
Independence Square Apartments	LIHTC	Family	152	0	0
Malvern Hills Apartments	LIHTC/ Section 8	Senior	55	0	55
Marsh Landing	LIHTC	Family	250	0	0
Southside Gardens	LIHTC/PBRA	Family	134	0	0
Victory Village Apartments	LIHTC	Family	112	0	0
Whispering Oaks Apartments	LIHTC	Family	180	0	0
Effingham Plaza	Section 8	Senior	178	0	178
London Oaks	Section 8	Family	296	0	0
Mt. Hermon Village	Section 8	Senior	91	0	91
Southside Gardens	LIHTC/PBRA	Family	134	0	0
<b>Totals</b>			<b>3,202</b>	<b>133</b>	<b>446</b>

As shown above, there are 579 existing competitive LIHTC and subsidized units in the PMA as proposed. Absent subsidy, there are 133 existing competitive LIHTC properties in the PMA.

None of the comparables were able to provide recent absorption information. Therefore, we obtained absorption information from the following developments.

**ABSORPTION**

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
The Apartments At Kelton Station	Market	Family	Williamsburg	2021	204	26	42.8 miles
The Arbors At Towne Park	LIHTC	Senior	Williamsburg	2019	130	12	42.0 miles
Woodlands Apartments At Phoebus	LIHTC	Senior	Hampton	2015	132	20	14.1 miles
Commonwealth At York	Market	Family	Yorktown	2015	384	34	21.1 miles
<b>Average Affordable</b>					<b>131</b>	<b>16</b>	
<b>Average Market</b>					<b>294</b>	<b>30</b>	
<b>Overall Average</b>					<b>213</b>	<b>23</b>	

We obtained absorption data from four properties, located between 14.1 and 42.8 miles from the Subject site. These properties reported absorption rates ranging from 12 to 34 units per month, with an overall average of 23 units per month. Overall, we expect the proposed Subject will experience an absorption rate of 15 units per month. This equates to an absorption period of approximately seven months.

Rent conclusions were provided in Section H.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject. The Novoco achievable market rents are reasonable and as a LIHTC property, the Subject will operate with a strong occupancy rate.

**Capture Rate and Virginia Housing Conclusion**

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units is as follows:

**DEMAND CONCLUSION**

Calculation	As Proposed	Absent Subsidy
@30% (Section 8)	0.4%	1.0%
@60% (Section 8)	3.9%	30.7%
All Units	4.1%	11.7%
Annual Demand	6.9%	19.6%
Penetration Rate	29.5%	28.9%

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a more conservative annual capture rate. This annual Novoco capture rate is 6.9 for the Subject’s units for the first year of operation as a LIHTC property as proposed. Absent subsidy, this calculation illustrates an annual Novoco capture rate of 19.6 percent. This suggests that the Subject will need to capture a low to moderate amount of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.



This calculation illustrates that there are 1,437 units of demand for the Subject’s units in the first year of the Subject’s operation as proposed Absent subsidy, this calculation illustrates that there are approximately 510 units of demand in the first year of the Subject’s operation based on the annual demand analysis. The Subject’s units will need to accommodate 100 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

<b>AS PROPOSED</b>	
Project Wide Capture Rate- LIHTC Units @60% AMI	8.7%
Project Wide Absorption Period (Months)	Seven months
<b>ABSENT SUBSIDY</b>	
Project Wide Capture Rate- LIHTC Units @60% AMI	23.2%
Project Wide Absorption Period (Months)	Seven months

These are low to moderate capture rates and indicative of demand for the Subject.

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

## INTERVIEWS

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

## New Supply

To determine the amount of competitive new supply entering the market, we consulted an October 2022 CoStar report, as well as the Virginia Housing’s listing of LIHTC allocations from 2019 to present. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

### PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
Cross Creek Rehab	LIHTC	Family	78	0	2021	Existing	1.9 miles
Mt Hermon Village	LIHTC	Senior	91	0	2021	Existing	1.0 miles
Holley Pointe	LIHTC	Family	50	0	2019	Under Const.	1.4 miles
<b>Totals</b>			<b>219</b>	<b>0</b>			

Source: CoStar, Virginia Housing, November 2022

- Cross Creek Rehab is an existing multifamily development that was awarded tax credits in 2021 for rehabilitation. This property offers 102 two and three-bedroom units to a family tenancy. As this property will target a dissimilar tenancy to the Subject, it is not expected to be directly competitive with the Subject upon completion. Thus, we will not deduct any units from our demand analysis.
- Mt Hermon Village is an existing senior development that was awarded tax credits for rehabilitation in 2021. This property offers 90 units to senior households earning 50 percent of the AMI, or less. As this property is existing and stabilized, we will not deduct any units from our demand analysis.
- Holley Pointe is an under construction development that received tax credits in 2019. This property will offer 50 two and three-bedroom units to family households making up to 80 percent of the AMI. As this property will target a dissimilar tenancy to the Subject, it is not expected to be directly competitive with the Subject upon completion. Thus, we will not deduct any units from our demand analysis.

We did not find any under construction and proposed market rate developments within the Subject’s PMA. We will not deduct any units from our demand analysis.

## Senior Station (Senior Center)

Senior Station is a hub for senior activities in Portsmouth and is located 1.3 miles from the Subject site. Activities offered include exercise classes, arts and crafts, movie screenings, book club, and more. Senior Station is available to seniors 55 years and older and is open Monday through Friday from 9:00 am to 4:00 pm.

## Portsmouth Redevelopment & Housing Authority

We attempted to speak with a representative from the Portsmouth Redevelopment and Housing Authority. However, as of the date of this report, we have been unable to speak with a representative. According to internet research, the Portsmouth Redevelopment and Housing Authority is currently only accepting applications for Single Room Occupancy (SRO) units. Additionally, the waiting list appears to be open. The payment standards for one, two, and three-bedroom units are illustrated in the proceeding table.

**PAYMENT STANDARDS**

Unit Type	Payment Standard
One-Bedroom	\$1,250
Two-Bedroom	\$1,461

Source: Portsmouth Redevelopment and Housing Authority, effective January 2023

All of the payment standards are above the Subject’s achievable LIHTC rents, indicating that voucher tenants will not have to pay additional rent out of pocket, absent subsidy.

**Rent/Buy Analysis**

The Subject will target seniors ages 55 and older upon completion. Housing costs in the market are high and seniors are less likely to move from one owner home to another. As such, we do not believe that homeownership will be competitive with the Subject’s units, and will not conduct a rent/buy analysis.

## **K. ANALYSIS/CONCLUSIONS**

**Recommendations**

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

**Demand Summary**

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

<b>AS PROPOSED</b>	
Project Wide Capture Rate- LIHTC Units @60% AMI	8.7%
Project Wide Absorption Period (Months)	Seven months
<b>ABSENT SUBSIDY</b>	
Project Wide Capture Rate- LIHTC Units @60% AMI	23.2%
Project Wide Absorption Period (Months)	Seven months

Additionally, the penetration rate for the Subject’s units is 29.5 percent as proposed and 28.9 percent absent subsidy. It should be noted that the penetration rate analysis we have derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

**Strengths and Weaknesses of the Subject**

Strengths

- The Subject will be in excellent condition once completed.
- The vacancy rates for the LIHTC and market rate comparable properties are 3.9 and 0.8 percent, respectively.
- Five of the 10 comparable properties reported waiting lists.
- The Subject has low to moderate capture rates and penetration rates as proposed and absent subsidy, indicating that there is ample demand for affordable housing.

Weaknesses

- The Subject will lack washer and dryer hook-ups, which are offered at several of the comparable properties.
- The Subject will have small one-bedroom unit sizes. However, The Quarters At Park View, a market rate comparable, offers similarly small units and reported full occupancy, indicating that smaller units are accepted in the market. Therefore, we believe the Subject’s unit sizes will also be accepted in the market.
- The Subject is located adjacent east of railroad tracks, which could be considered a detrimental influence based on noise pollution. However, Dale Homes, an excluded property located directly north of the Subject site, appears to be 100 percent occupied according to internet research, indicating the close proximity railroad tracks and has not caused issues of marketability.

**Absorption Estimate**

None of the comparables were able to provide recent absorption information. Therefore, we obtained absorption information from the following developments.

**ABSORPTION**

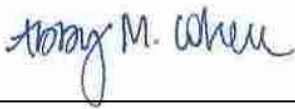
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
The Apartments At Kelton Station	Market	Family	Williamsburg	2021	204	26	42.8 miles
The Arbors At Towne Park	LIHTC	Senior	Williamsburg	2019	130	12	42.0 miles
Woodlands Apartments At Phoebus	LIHTC	Senior	Hampton	2015	132	20	14.1 miles
Commonwealth At York	Market	Family	Yorktown	2015	384	34	21.1 miles
<b>Average Affordable</b>					<b>131</b>	<b>16</b>	
<b>Average Market</b>					<b>294</b>	<b>30</b>	
<b>Overall Average</b>					<b>213</b>	<b>23</b>	

We obtained absorption data from four properties, located between 14.1 and 42.8 miles from the Subject site. These properties reported absorption rates ranging from 12 to 34 units per month, with an overall average of 23 units per month. Overall, we expect the proposed Subject will experience an absorption rate of 15 units per month. This equates to an absorption period of approximately seven months.

## **L. OTHER REQUIREMENTS**



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



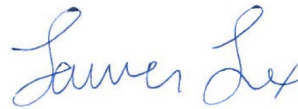
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February 10, 2023  
Date

**ADDENDUM A**  
**Assumptions and Limiting Conditions**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

**ADDENDUM B**  
**Subject Property and Neighborhood Photographs**

**PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD**



Subject site from Lexington Drive looking northwest



Subject site from Lexington Drive looking northwest



Subject site from Lexington Drive looking southwest



View north towards Subject site from parking area of adjacent Lexington Place



Subject from Columbus Avenue looking west



Subject from Graham Street looking east



Subject from Graham Street looking northeast



Subject from Graham Street looking southeast



View along Graham Street looking south with Subject site on left



View along Graham Street looking north with Subject site on right in background



Alternative view along Graham Street looking north with Subject site on right



Alternative view along Graham Street looking north



Alternative view of Lexington Place adjacent to the south of Subject site



Alternative view of Lexington Place adjacent to the south of Subject site



Alternative view of Lexington Place adjacent to the south of Subject site



Alternative view of Lexington Place adjacent to the south of Subject site



Alternative view of Lexington Place adjacent to the south of Subject site



Lexington Place signage along Columbus Street to the southeast of Subject site





Single-family homes along Columbus Street to the east of Subject site



View along Columbus Avenue to the southeast of Subject



Alternative view of Dale Homes to the north of Subject



Small scale convenience store along Columbus Street several blocks north of Subject



Small scale convenience store along Deep Creek Boulevard several blocks south of Subject



Small scale food store along Deep Creek Boulevard several blocks southeast of Subject



House of worship along Deep Creek Boulevard several blocks southeast of Subject



Small scale commercial building along Deep Creek Boulevard several blocks south of Subject



Railroad crossing at Deep Creek Boulevard and Frederick Boulevard several blocks south of Subject



Gas station/convenience store along Frederick Boulevard to the south of Subject



Dollar General along Deep Creek Boulevard, west of Frederick Boulevard, several blocks south of Subject



Retail building along Deep Creek Boulevard, west of Frederick Boulevard, several blocks south of Subject



House of worship along Frederick Boulevard, approximately one-half mile south of Subject



House of worship along Portsmouth Boulevard, approximately one-half mile south of Subject



Kroger grocery store along Frederick Boulevard, approximately 0.8 miles north of Subject



Retail uses along Frederick Boulevard, approximately 0.8 miles north of Subject

**ADDENDUM C**  
**Subject Matrices and Property Profiles**



**RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.**

		Units Surveyed:	1,212	Weighted Occupancy:	98.3%
		Market Rate	849	Market Rate	99.2%
		Tax Credit	363	Tax Credit	96.1%
		One Bedroom One Bath Property	Average	Two Bedroom Two Bath Property	Average
<b>RENT</b>	Harbor Vista At Crawford Street (Market)		\$1,915	Harbor Vista At Crawford Street (Market)	\$2,277
	The Quarters At Park View (Market)		\$1,778	Harbor Vista At Crawford Street (Market)	\$2,132
	Harbor Vista At Crawford Street (Market)		\$1,665	The Quarters At Park View (Market)	\$2,121
	Nav850 (Market)(1.5BA)		\$1,540	Harbor Vista At Crawford Street (Market)	\$1,982
	Harbor Vista At Crawford Street (Market)		\$1,465	Nav850 (Market)	\$1,802
	Harbor Vista At Crawford Street (Market)		\$1,410	Nav850 (Market)	\$1,702
	Nav850 (Market)		\$1,395	<b>Lexington Senior Apartments (@60%)</b>	<b>\$1,373</b>
	The Quarters At Park View (Market)		\$1,290	<b>Lexington Senior Apartments (@30%)</b>	<b>\$1,373</b>
	<b>Lexington Senior Apartments (@30%)</b>		<b>\$1,181</b>	Victory Square Apartments (@60%)(1BA)	\$1,252
	<b>Lexington Senior Apartments (@60%)</b>		<b>\$1,181</b>	Turnpike Terrace Apartments (Market)(1BA)	\$1,191
	Victory Square Apartments (@60%)		\$1,043	Crescent Place (@60%)	\$1,172
	Crescent Place (@60%)		\$981	Biltmore Commons (Market)(1BA)	\$1,161
	Shea Terrace Senior Apartments (@50%)		\$815	Biltmore Commons (Market)(1BA)	\$1,106
				Shea Terrace Senior Apartments (@50%)	\$915
			Ansell Garden Apartments (@60%)(1BA)	\$835	
			Ebenezer Plaza Apartments (Market)(1BA)	\$809	
			Ansell Garden Apartments (@50%)(1BA)	\$805	
<b>SQUARE FOOTAGE</b>	The Quarters At Park View (Market)		1,116	Harbor Vista At Crawford Street (Market)	1,765
	Nav850 (Market)(1.5BA)		936	Harbor Vista At Crawford Street (Market)	1,345
	Harbor Vista At Crawford Street (Market)		825	Crescent Place (@60%)	1,181
	Shea Terrace Senior Apartments (@50%)		820	The Quarters At Park View (Market)	1,160
	Crescent Place (@60%)		812	Nav850 (Market)	1,137
	Harbor Vista At Crawford Street (Market)		811	Harbor Vista At Crawford Street (Market)	1,106
	Harbor Vista At Crawford Street (Market)		785	Nav850 (Market)	1,095
	Nav850 (Market)		751	Ebenezer Plaza Apartments (Market)(1BA)	975
	Harbor Vista At Crawford Street (Market)		719	Turnpike Terrace Apartments (Market)(1BA)	950
	Victory Square Apartments (@60%)		675	<b>Lexington Senior Apartments (@30%)</b>	<b>932</b>
	The Quarters At Park View (Market)		655	<b>Lexington Senior Apartments (@60%)</b>	<b>932</b>
	<b>Lexington Senior Apartments (@60%)</b>		<b>638</b>	Victory Square Apartments (@60%)(1BA)	880
	<b>Lexington Senior Apartments (@30%)</b>		<b>638</b>	Shea Terrace Senior Apartments (@50%)	850
				Biltmore Commons (Market)(1BA)	828
			Biltmore Commons (Market)(1BA)	736	
			Ansell Garden Apartments (@50%)(1BA)	630	
			Ansell Garden Apartments (@60%)(1BA)	630	
<b>RENT PER SQUARE FOOT</b>	Harbor Vista At Crawford Street (Market)		\$2.32	The Quarters At Park View (Market)	\$1.83
	Harbor Vista At Crawford Street (Market)		\$2.05	Harbor Vista At Crawford Street (Market)	\$1.79
	The Quarters At Park View (Market)		\$1.97	Harbor Vista At Crawford Street (Market)	\$1.59
	Harbor Vista At Crawford Street (Market)		\$1.96	Nav850 (Market)	\$1.58
	Harbor Vista At Crawford Street (Market)		\$1.87	Nav850 (Market)	\$1.55
	Nav850 (Market)		\$1.86	Biltmore Commons (Market)(1BA)	\$1.50
	<b>Lexington Senior Apartments (@30%)</b>		<b>\$1.85</b>	<b>Lexington Senior Apartments (@60%)</b>	<b>\$1.47</b>
	<b>Lexington Senior Apartments (@60%)</b>		<b>\$1.85</b>	<b>Lexington Senior Apartments (@30%)</b>	<b>\$1.47</b>
	Nav850 (Market)(1.5BA)		\$1.65	Victory Square Apartments (@60%)(1BA)	\$1.42
	The Quarters At Park View (Market)		\$1.59	Biltmore Commons (Market)(1BA)	\$1.40
	Victory Square Apartments (@60%)		\$1.55	Ansell Garden Apartments (@60%)(1BA)	\$1.33
	Crescent Place (@60%)		\$1.21	Harbor Vista At Crawford Street (Market)	\$1.29
	Shea Terrace Senior Apartments (@50%)		\$0.99	Ansell Garden Apartments (@50%)(1BA)	\$1.28
				Turnpike Terrace Apartments (Market)(1BA)	\$1.25
			Shea Terrace Senior Apartments (@50%)	\$1.08	
			Crescent Place (@60%)	\$0.99	
			Ebenezer Plaza Apartments (Market)(1BA)	\$0.83	



# PROPERTY PROFILE REPORT

## Ansell Garden Apartments

Effective Rent Date	1/20/2023
Location	301 Ansell Avenue Portsmouth, VA 23702 Portsmouth County
Distance	0.8 miles
Units	74
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1960 / 2003
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Biltmore Commons
Tenant Characteristics	Mostly families
Contact Name	Robin
Phone	757-397-6161



### Market Information

Program	@50%, @60%
Annual Turnover Rate	10%
Units/Month Absorbed	0
HCV Tenants	N/A
Leasing Pace	Within two days
Annual Chg. in Rent	N/A
Concession	None
Waiting List	Yes, three months in length

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	N/A	630	\$805	\$0	@50%	Yes	0	N/A	no	None
2	1	Garden (2 stories)	N/A	630	\$835	\$0	@60%	Yes	0	N/A	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$805	\$0	\$805	\$0	\$805	2BR / 1BA	\$835	\$0	\$835	\$0	\$835

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	Adult Education
Carpet/Hardwood	Central A/C		Afterschool Program
Coat Closet	Oven		
Refrigerator	Walk-In Closet		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Classes
Central Laundry	Off-Street Parking		
On-Site Management	Playground		



## Comments

The contact stated the rents are not at the maximum allowable levels because they are under new management and haven't changed anything yet. The property accepts Housing Choice Vouchers, but could not provide the amount of tenants using them. There are no current vacancies, but two units are becoming available within the next two months.

# Ansell Garden Apartments, continued

## Trend Report

### Vacancy Rates

1Q19	1Q22	4Q22	1Q23
1.3%	0.0%	0.0%	0.0%

### Trend: @50%

#### 2.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
------	----	------	-----------	-------	-------------	-----------

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$700 - \$741	\$0	\$700 - \$741	\$700 - \$741
2022	1	N/A	\$905	\$0	\$905	\$905
2022	4	N/A	\$805	\$0	\$805	\$805
2023	1	N/A	\$805	\$0	\$805	\$805

### Trend: @60%

#### 2.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
------	----	------	-----------	-------	-------------	-----------

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	N/A	\$740 - \$765	\$0	\$740 - \$765	\$740 - \$765
2022	1	N/A	\$905	\$0	\$905	\$905
2022	4	N/A	\$805	\$0	\$805	\$805
2023	1	N/A	\$835	\$0	\$835	\$835

## Trend: Comments

1Q19	The contact was unable to provide a breakdown by unit size. The property offers workshops relating to homeownership and financial literacy, after-school and summer youth programs.
1Q22	The contact was unable to provide a breakdown by unit size. Property manager was unable to give the number of households on the waiting list. The property offers workshops relating to homeownership and financial literacy, after-school and summer youth programs.
4Q22	The contact was unable to provide a breakdown by unit size. The contact was unable to provide estimates of the percentage of tenants who were senior-aged and the number of tenants utilizing Housing Choice Vouchers. The contact was unable to provide an explanation for why rents had decreased since the last survey and were not kept at the LIHTC maximum allowable level.
1Q23	The contact stated the rents are not at the maximum allowable levels because they are under new management and haven't changed anything yet. The property accepts Housing Choice Vouchers, but could not provide the amount of tenants using them. There are no current vacancies, but two units are becoming available within the next two months.

Photos



# PROPERTY PROFILE REPORT

## Crescent Place

Effective Rent Date	1/20/2023
Location	2804 Turnpike Road Portsmouth, VA 23707 Portsmouth County
Distance	0.7 miles
Units	156
Vacant Units	4
Vacancy Rate	2.6%
Type	Midrise (4 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Catalina Crossing
Tenant Characteristics	Young professionals, couples, and families from across the metropolitan area
Contact Name	Brandon
Phone	757-673-3962



### Market Information

Program	@60%
Annual Turnover Rate	19%
Units/Month Absorbed	N/A
HCV Tenants	80%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Kept at max
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	N/A	812	\$981	\$0	@60%	No	0	N/A	yes	None
2	2	Midrise (4 stories)	N/A	1,181	\$1,172	\$0	@60%	No	4	N/A	yes	None
3	2	Midrise (4 stories)	N/A	1,379	\$1,349	\$0	@60%	No	0	N/A	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$981	\$0	\$981	\$0	\$981
2BR / 2BA	\$1,172	\$0	\$1,172	\$0	\$1,172
3BR / 2BA	\$1,349	\$0	\$1,349	\$0	\$1,349

Amenities

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

Comments

The contact stated that although they do not maintain a waiting list, the property is typically able to pre-lease all units when they become available. The contact stated that around 80% of the tenants are using Housing Choice Vouchers.

Trend Report

Vacancy Rates

4Q18	1Q19	4Q22	1Q23
0.0%	0.0%	0.0%	2.6%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$747	\$0	\$747	\$747
2019	1	N/A	\$981	\$0	\$981	\$981
2022	4	N/A	\$981	\$0	\$981	\$981
2023	1	N/A	\$981	\$0	\$981	\$981

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$890	\$0	\$890	\$890
2019	1	N/A	\$1,172	\$0	\$1,172	\$1,172
2022	4	N/A	\$1,172	\$0	\$1,172	\$1,172
2023	1	N/A	\$1,172	\$0	\$1,172	\$1,172

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	N/A	\$1,019	\$0	\$1,019	\$1,019
2019	1	N/A	\$1,349	\$0	\$1,349	\$1,349
2022	4	N/A	\$1,349	\$0	\$1,349	\$1,349
2023	1	N/A	\$1,349	\$0	\$1,349	\$1,349

Trend: Comments

- 4Q18 The contact could not provide a unit breakdown by bedroom type.
- 1Q19 The contact stated that although they do not maintain a waiting list, the property is typically able to prelease all units when they become available. The contact was unable to provide an estimate of the number of tenants aged 55 or older.
- 4Q22 The contact stated that although they do not maintain a waiting list, the property is typically able to pre-lease all units when they become available. The contact was unable to provide an estimate of the number of tenants aged 55 or older.
- 1Q23 The contact stated that although they do not maintain a waiting list, the property is typically able to pre-lease all units when they become available. The contact stated that around 80% of the tenants are using Housing Choice Vouchers.

Photos



# PROPERTY PROFILE REPORT

## Shea Terrace Senior Apartments

Effective Rent Date	11/14/2022
Location	253 Constitution Avenue Portsmouth, VA 23704 Portsmouth County
Distance	1.4 miles
Units	21
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (age-restricted) (2 stories)
Year Built/Renovated	1925 / 1977/2001
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Victory Square
Tenant Characteristics	Seniors 55+ from Portsmouth. Average age is 70
Contact Name	Tammy
Phone	(757) 397-9804



### Market Information

Program	@50%
Annual Turnover Rate	5%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased three percent
Concession	None
Waiting List	Yes, length unknown

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (2 stories)	N/A	820	\$815	\$0	@50%	Yes	0	N/A	no	None
2	2	Lowrise (2 stories)	N/A	850	\$915	\$0	@50%	Yes	0	N/A	no	None

### Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$815	\$0	\$815	\$0	\$815
2BR / 2BA	\$915	\$0	\$915	\$0	\$915

### Amenities

In-Unit	Security	Services
Blinds	Intercom (Buzzer)	None
Central A/C	Limited Access	
Ceiling Fan		
Oven		
Refrigerator		
Property	Premium	Other
Clubhouse/Meeting Room/Community	None	None
Elevators		
Off-Street Parking		



### Comments

The building is an old school, converted in 1977 and remodeled in 2001. The average tenants age is 70 years old and the majority are from Portsmouth. Management believes they stay fully occupied because they keep rates lower than surrounding apartment complexes. Rents increase twice a year and this year increased by \$20.

## Shea Terrace Senior Apartments, continued

### Trend Report

#### Vacancy Rates

1Q13	1Q22	4Q22
0.0%	0.0%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$595	\$0	\$595	\$595
2022	1	N/A	\$795	\$0	\$795	\$795
2022	4	N/A	\$815	\$0	\$815	\$815

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	N/A	\$615	\$0	\$615	\$615
2022	1	N/A	\$895	\$0	\$895	\$895
2022	4	N/A	\$915	\$0	\$915	\$915

### Trend: Comments

1Q13	The building is an old school, converted in 1977 and remodeled in 2001. The average tenants age is 70 years old and the majority are from Portsmouth. Management believes they stay fully occupied because they keep rates lower than surrounding apartment complexes. Rents increase twice a year and this year increased by \$20.
1Q22	N/A
4Q22	N/A

# PROPERTY PROFILE REPORT

## Victory Square Apartments

Effective Rent Date	1/20/2023
Location	900 County Street Portsmouth, VA 23704 Portsmouth County
Distance	1.4 miles
Units	112
Vacant Units	10
Vacancy Rate	8.9%
Type	Lowrise (age-restricted) (4 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Phoebus Square
Tenant Characteristics	None identified
Contact Name	Ray
Phone	757-397-9991



### Market Information

Program	@60%
Annual Turnover Rate	22%
Units/Month Absorbed	N/A
HCV Tenants	50%
Leasing Pace	Within one week
Annual Chg. in Rent	increased to max allowable
Concession	None
Waiting List	Yes; unknown length

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (4 stories)	98	675	\$983	\$0	@60%	No	10	10.2%	yes	None
2	1	Lowrise (4 stories)	14	880	\$1,175	\$0	@60%	Yes	0	0.0%	yes	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$983	\$0	\$983	\$60	\$1,043
2BR / 1BA	\$1,175	\$0	\$1,175	\$77	\$1,252

### Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Garbage Disposal	Perimeter Fencing	
Hand Rails	Oven	Video Surveillance	
Pull Cords	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		

Comments

The contact stated the reason for the elevated vacancy is due to a recent rent increase to the maximum allowable levels. The contact stated there is a waiting list of unknown length for the two-bedroom units.

## Victory Square Apartments, continued

### Trend Report

#### Vacancy Rates

1Q13	1Q20	4Q22	1Q23
3.6%	0.9%	0.9%	8.9%

Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	3.1%	\$715	\$0	\$715	\$775
2020	1	0.0%	\$856	\$0	\$856	\$916
2022	4	1.0%	\$983	\$0	\$983	\$1,043
2023	1	10.2%	\$983	\$0	\$983	\$1,043

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	1	7.1%	\$855	\$0	\$855	\$932
2020	1	7.1%	\$1,023	\$0	\$1,023	\$1,100
2022	4	0.0%	\$1,175	\$0	\$1,175	\$1,252
2023	1	0.0%	\$1,175	\$0	\$1,175	\$1,252

### Trend: Comments

1Q13 The contact reported all tenants are from Portsmouth.

1Q20 N/A

4Q22 The contact provided no additional comment.

1Q23 The contact stated the reason for the elevated vacancy is due to a recent rent increase to the maximum allowable levels. The contact stated there is a waiting list of unknown length for the two-bedroom units.

# PROPERTY PROFILE REPORT

## Biltmore Commons

Effective Rent Date	1/20/2023
Location	2341 Elliott Avenue Portsmouth, VA 23702 Portsmouth County
Distance	0.4 miles
Units	89
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1991 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ansell Garden Apartments
Tenant Characteristics	Families from Portsmouth area
Contact Name	Lori
Phone	757-269-7999



### Market Information

Program	Market
Annual Turnover Rate	30%
Units/Month Absorbed	0
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased up to eight percent
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (3 stories)	N/A	736	\$1,015	\$0	Market	No	0	N/A	no	None
2	1	Garden (3 stories)	N/A	828	\$1,070	\$0	Market	No	0	N/A	no	None
3	2	Garden (3 stories)	23	896	\$1,190	\$0	Market	No	0	0.0%	no	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,015 - \$1,070	\$0	\$1,015 - \$1,070	\$91	\$1,106 - \$1,161
3BR / 2BA	\$1,190	\$0	\$1,190	\$108	\$1,298

## Biltmore Commons, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Patrol	None
Central A/C	Coat Closet		
Dishwasher	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Playground		

### Comments

The contact stated they are a market rate property and it used to be LIHTC.

Trend Report

Vacancy Rates

1Q19	1Q22	4Q22	1Q23
1.1%	1.1%	1.1%	0.0%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2023	1	N/A	\$1,015 - \$1,070	\$0	\$1,015 - \$1,070	\$1,106 - \$1,161

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2023	1	0.0%	\$1,190	\$0	\$1,190	\$1,298

Trend: Comments

1Q19	The contact noted the rents are kept below the maximum level to maintain affordability. The contact was unable to provide turnover rate as she had just started working with the property. The property does not accept Housing Choice Vouchers, however, there is one tenant utilizing. The property was recently renovated to include new cabinets, flooring, appliances, and select units now provide washer/dryer hookups.
1Q22	The contact noted the rents are kept below the maximum level to maintain affordability. The property was recently renovated to include new cabinets, flooring, appliances, and select units now provide washer/dryer hookups. The one vacancy is due to a renovation and is expected to be leased by next week. Parking is free at the property.
4Q22	The contact stated that although the property does not maintain a waiting list, there are people constantly applying for apartments and they are typically able to pre-lease units when they become available. The property deliberately holds rents below the maximum allowable levels in order to maintain affordability. The contact believes slightly higher rents may be feasible, but was unsure if rents at the 2022 maximum allowable levels are feasible in the current market.
1Q23	The contact stated they are a market rate property and it used to be LIHTC.



Photos



# PROPERTY PROFILE REPORT

## Ebenezer Plaza Apartments

Effective Rent Date	11/06/2022
Location	1140 Chisholm Cir. Portsmouth, VA 23704 Portsmouth County
Distance	1.1 miles
Units	52
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1970 / 2011
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Edgefield Apartments
Tenant Characteristics	Majority from Portsmouth area; appr. 10% seniors
Contact Name	Jackie
Phone	757-399-1722



### Market Information

Program	Market
Annual Turnover Rate	4%
Units/Month Absorbed	0
HCV Tenants	10%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased four percent
Concession	None
Waiting List	Yes, 113 households

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	26	975	\$809	\$0	Market	Yes	0	0.0%	N/A	None
3	1	Garden (2 stories)	26	1,050	\$878	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$809	\$0	\$809	\$0	\$809
3BR / 1BA	\$878	\$0	\$878	\$0	\$878

### Amenities

In-Unit	Security	Services
Blinds	Limited Access	None
Central A/C		
Exterior Storage		
Refrigerator		
Washer/Dryer hookup		
Property	Premium	Other
Central Laundry	None	None
On-Site Management		

### Comments

The contact stated that turnover at the property is extremely low, with one to two apartments turning over per year. The contact stated that approximately 10 percent of tenants are seniors.

## Ebenezer Plaza Apartments, continued

### Trend Report

#### Vacancy Rates

1Q17	1Q19	1Q22	4Q22
5.8%	3.8%	0.0%	0.0%

### Trend: Market

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	3.8%	\$778	\$0	\$778	\$778
2019	1	0.0%	\$778	\$0	\$778	\$778
2022	1	0.0%	\$778	\$0	\$778	\$778
2022	4	0.0%	\$809	\$0	\$809	\$809

#### 3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	7.7%	\$844	\$0	\$844	\$844
2019	1	7.7%	\$844	\$0	\$844	\$844
2022	1	0.0%	\$844	\$0	\$844	\$844
2022	4	0.0%	\$878	\$0	\$878	\$878

### Trend: Comments

1Q17	The property maintains a waiting list approximately three to six months in length.
1Q19	The property recently completed renovations that included adding washer/dyer hookups in each unit.
1Q22	N/A
4Q22	The contact stated that turnover at the property is extremely low, with one to two apartments turning over per year. The contact stated that approximately 10 percent of tenants are seniors.

Photos



# PROPERTY PROFILE REPORT

## Harbor Vista At Crawford Street

Effective Rent Date	10/21/2022
Location	800 Crawford Street Portsmouth, VA 23704 Portsmouth County
Distance	1.7 miles
Units	134
Vacant Units	1
Vacancy Rate	0.7%
Type	Midrise (5 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	6/01/2017
Leasing Began	6/01/2017
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	10-15% over 55 years old
Contact Name	Property Manager
Phone	757-500-8780



### Market Information

Program	Market
Annual Turnover Rate	18%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased four to 23 percent
Concession	None
Waiting List	Yes, 15 households

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (5 stories)	8	719	\$1,350	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (5 stories)	44	785	\$1,405	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (5 stories)	4	811	\$1,605	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Midrise (5 stories)	40	825	\$1,855	\$0	Market	Yes	1	2.5%	N/A	None
2	2	Midrise (5 stories)	16	1,106	\$1,905	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (5 stories)	14	1,345	\$2,055	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Midrise (5 stories)	8	1,765	\$2,200	\$0	Market	Yes	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,350 - \$1,855	\$0	\$1,350 - \$1,855	\$60	\$1,410 - \$1,915
2BR / 2BA	\$1,905 - \$2,200	\$0	\$1,905 - \$2,200	\$77	\$1,982 - \$2,277

## Harbor Vista At Crawford Street, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Central A/C	Limited Access	
Coat Closet	Dishwasher	Patrol	
Exterior Storage	Ceiling Fan		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Carport(\$25.00)	None	None
Clubhouse/Meeting Room/Community	Elevators		
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Recreation Areas			

### Comments

Carport parking is available for an additional fee of \$25 per month. The contact stated the property utilizes an LRO pricing software and rents change daily. The property does accept Housing Choice Vouchers; however, the contact was unable to provide current usage rates. The contact stated that the property had very few notices for tenants moving out and are typically able to pre-lease units before they become physically vacant. The contact stated that approximately 10-20 percent of tenants were over the age of 55.

## Trend Report

### Vacancy Rates

1Q19	3Q19	1Q22	4Q22
3.7%	5.2%	0.0%	0.7%

## Trend: Market

### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	0.0%	\$1,215 - \$1,315	\$0	\$1,215 - \$1,315	\$1,275 - \$1,375
2019	3	0.0%	\$1,205 - \$1,315	\$0	\$1,205 - \$1,315	\$1,265 - \$1,375
2022	1	0.0%	\$1,300 - \$1,565	\$0	\$1,300 - \$1,565	\$1,360 - \$1,625
2022	4	1.0%	\$1,350 - \$1,855	\$0	\$1,350 - \$1,855	\$1,410 - \$1,915

### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	1	13.2%	\$1,515 - \$1,665	\$0	\$1,515 - \$1,665	\$1,592 - \$1,742
2019	3	18.4%	\$1,450 - \$1,665	\$0	\$1,450 - \$1,665	\$1,527 - \$1,742
2022	1	0.0%	\$1,625 - \$1,915	\$0	\$1,625 - \$1,915	\$1,702 - \$1,992
2022	4	0.0%	\$1,905 - \$2,200	\$0	\$1,905 - \$2,200	\$1,982 - \$2,277

## Trend: Comments

1Q19	Carport parking is available for an additional fee of \$25 per month. The property does not accept Housing Choice Vouchers. In-unit washer/dryer included with rent.
3Q19	N/A
1Q22	N/A
4Q22	Carport parking is available for an additional fee of \$25 per month. The contact stated the property utilizes an LRO pricing software and rents change daily. The property does accept Housing Choice Vouchers; however, the contact was unable to provide current usage rates. The contact stated that the property had very few notices for tenants moving out and are typically able to pre-lease units before they become physically vacant. The contact stated that approximately 10-20 percent of tenants were over the age of 55.



Photos



# PROPERTY PROFILE REPORT

Nav850

Effective Rent Date	10/12/2022
Location	850 Crawford Parkway Portsmouth, VA 23704 Portsmouth County
Distance	1.8 miles
Units	394
Vacant Units	4
Vacancy Rate	1.0%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	10/01/2004
Leasing Began	N/A
Last Unit Leased	9/30/2005
Major Competitors	The Cosmopolitan, Heritage at Freemason
Tenant Characteristics	Mixed tenancy with military personnel; 10% seniors
Contact Name	Leasing agent
Phone	757-397-2000



## Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	2
HCV Tenants	0%
Leasing Pace	Pre-leased to one month
Annual Chg. in Rent	Increased 11 percent
Concession	None
Waiting List	None

## Utilities

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

## Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	212	751	\$1,335	\$0	Market	No	0	0.0%	N/A	None
1	1.5	Garden (3 stories)	74	936	\$1,480	\$0	Market	No	1	1.4%	N/A	None
2	2	Garden (3 stories)	92	1,095	\$1,625	\$0	Market	No	2	2.2%	N/A	None
2	2	Garden (3 stories)	16	1,137	\$1,725	\$0	Market	No	1	6.2%	N/A	None

## Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,335	\$0	\$1,335	\$60	\$1,395
1BR / 1.5BA	\$1,480	\$0	\$1,480	\$60	\$1,540
2BR / 2BA	\$1,625 - \$1,725	\$0	\$1,625 - \$1,725	\$77	\$1,702 - \$1,802

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Carpeting	Limited Access	
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$100.00)		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		

Comments

The property utilizes an LRO system and rents change daily. The contact stated that they are typically able to pre-lease units, but have generally high turnover due to the large number of tenants in the military. The contact stated that approximately 10 percent of the tenants at the property are seniors.

## Trend Report

## Vacancy Rates

1Q17	1Q18	3Q19	4Q22
7.1%	3.6%	3.6%	1.0%

## Trend: Market

## 1.5BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	N/A	\$1,150	\$21	\$1,129	\$1,189
2018	1	N/A	\$1,150	\$21	\$1,129	\$1,189

## 1.5BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
------	----	------	-----------	-------	-------------	-----------

## 1BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	4	1.4%	\$1,480	\$0	\$1,480	\$1,540

## 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	N/A	\$823 - \$903	\$21	\$802 - \$882	\$862 - \$942
2018	1	N/A	\$968 - \$1,065	\$21	\$947 - \$1,044	\$1,007 - \$1,104
2019	3	1.9%	\$1,010	\$0	\$1,010	\$1,070
2022	4	0.0%	\$1,335	\$0	\$1,335	\$1,395

## 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	N/A	\$885 - \$932	\$0	\$885 - \$932	\$962 - \$1,009
2018	1	N/A	\$1,027 - \$1,032	\$21	\$1,006 - \$1,011	\$1,083 - \$1,088
2019	3	2.7%	\$1,027	\$0	\$1,027	\$1,104

## 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	N/A	\$1,028 - \$1,198	\$0	\$1,028 - \$1,198	\$1,105 - \$1,275
2018	1	N/A	\$1,252 - \$1,290	\$21	\$1,231 - \$1,269	\$1,308 - \$1,346
2019	3	4.3%	\$1,153	\$0	\$1,153	\$1,230
2022	4	2.8%	\$1,625 - \$1,725	\$0	\$1,625 - \$1,725	\$1,702 - \$1,802

## 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	N/A	\$1,212 - \$1,240	\$0	\$1,212 - \$1,240	\$1,306 - \$1,334
2018	1	N/A	\$1,298 - \$1,300	\$21	\$1,277 - \$1,279	\$1,371 - \$1,373
2019	3	25.0%	\$1,318	\$0	\$1,318	\$1,412

## Trend: Comments

- 1Q17 The relatively high turnover rate is due to the property leasing to a large number of military personnel. The property does not accept Housing Choice Vouchers. The contact was unable to comment on the relatively high vacancy rate. The contact reported that five of the vacancies are pre-leased. Cable and internet are included in the rent. The property is offering \$250 off the first month's rent for one-bedroom units if the tenant applies within 24 hours of touring the property. The property management company manages an adjacent property called The Heights. Information listed in the profile reflects information on both properties.
- 1Q18 The relatively high turnover rate is due to the property leasing to a large number of military personnel. The property does not accept Housing Choice Vouchers. The contact was unable to provide vacancies by unit type. The property is offering \$250 off the first month's rent if the tenant applies in the next 30 days of touring the property. The property offers garage parking for an additional \$100 per month. The 604 square foot one-bedroom unit has all utilities included in the rent. Tenants in all other units are responsible for all utilities.
- 3Q19 The property utilizes an LRO system and therefore the contact was only able to estimate average rent rates for each bedroom type. The property offers garage parking for an additional \$125 per month. The property accepts Housing Vouchers but currently no tenants are utilizing them. The contact was unable to estimate rent growth.
- 4Q22 The property utilizes an LRO system and rents change daily. The contact stated that they are typically able to pre-lease units, but have generally high turnover due to the large number of tenants in the military. The contact stated that approximately 10 percent of the tenants at the property are seniors.

Photos



# PROPERTY PROFILE REPORT

## The Quarters At Park View

Effective Rent Date	10/21/2022
Location	1140 London Blvd Portsmouth, VA 23704 Portsmouth County
Distance	1 mile
Units	140
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (4 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Property Manager
Phone	(757) 673-7500



### Market Information

Program	Market
Annual Turnover Rate	46%
Units/Month Absorbed	0
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased one to two percent
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (4 stories)	17	502	\$1,176	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (4 stories)	51	1,116	\$1,718	\$0	Market	No	0	0.0%	N/A	HIGH*
1	1	Midrise (4 stories)	50	655	\$1,230	\$0	Market	No	0	0.0%	N/A	LOW*
2	2	Midrise (4 stories)	22	1,160	\$2,044	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$1,176	\$0	\$1,176	\$43	\$1,219
1BR / 1BA	\$1,230 - \$1,718	\$0	\$1,230 - \$1,718	\$60	\$1,290 - \$1,778
2BR / 2BA	\$2,044	\$0	\$2,044	\$77	\$2,121

## The Quarters At Park View, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Intercom (Buzzer)	None
Central A/C	Dishwasher	Limited Access	
Ceiling Fan	Garbage Disposal	Perimeter Fencing	
Microwave	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	View	None
Concierge	Elevators		
Exercise Facility	Off-Street Parking		
On-Site Management	Recreation Areas		
Swimming Pool	Theatre		
Wi-Fi			

### Comments

The property accepts Housing Choice Vouchers; however, the contact was unable to estimate current usage among tenants. The contact was unable to provide an estimate for the number of tenants over the age of 55.



Trend Report

Vacancy Rates

3Q19	1Q22	4Q22
3.6%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	4.5%	\$1,189 - \$1,541	\$0	\$1,189 - \$1,541	\$1,249 - \$1,601
2022	1	0.0%	\$1,230 - \$1,718	\$0	\$1,230 - \$1,718	\$1,290 - \$1,778
2022	4	0.0%	\$1,230 - \$1,718	\$0	\$1,230 - \$1,718	\$1,290 - \$1,778

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,628	\$0	\$1,628	\$1,705
2022	1	0.0%	\$2,044	\$0	\$2,044	\$2,121
2022	4	0.0%	\$2,044	\$0	\$2,044	\$2,121

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	3	0.0%	\$1,049	\$0	\$1,049	\$1,092
2022	1	0.0%	\$1,176	\$0	\$1,176	\$1,219
2022	4	0.0%	\$1,176	\$0	\$1,176	\$1,219

Trend: Comments

3Q19	The property accepts Housing Vouchers but there are currently no tenants utilizing Vouchers at the property.
1Q22	The property accepts Housing Vouchers but the contact was unable to provide an estimate of their usage. The contact was unable to provide an estimate for the number of tenants over the age of 55.
4Q22	The property accepts Housing Choice Vouchers; however, the contact was unable to estimate current usage among tenants. The contact was unable to provide an estimate for the number of tenants over the age of 55.

Photos



# PROPERTY PROFILE REPORT

## Turnpike Terrace Apartments

Effective Rent Date	12/06/2022
Location	3721 Turnpike Road Portsmouth, VA 23701 Portsmouth County
Distance	1.1 miles
Units	40
Vacant Units	2
Vacancy Rate	5.0%
Type	Garden (2 stories)
Year Built/Renovated	1987 / 2009
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Majority families. Most of the tenants are from Portsmouth.
Contact Name	Brianna
Phone	757-337-4589



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	0
HCV Tenants	10%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 11 percent
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	36	950	\$1,100	\$0	Market	No	2	5.6%	N/A	None
3	2	Garden (2 stories)	4	1,250	\$1,350	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$1,100	\$0	\$1,100	\$91	\$1,191
3BR / 2BA	\$1,350	\$0	\$1,350	\$108	\$1,458

### Amenities

In-Unit	Security	Services
Blinds	Patrol	None
Central A/C	Video Surveillance	
Oven		
Walk-In Closet		
Property	Premium	Other
Off-Street Parking	None	None
Picnic Area		

## Turnpike Terrace Apartments, continued

### Comments

The contact was unable to provide an estimate on the number of senior aged tenants.

## Turnpike Terrace Apartments, continued

### Trend Report

#### Vacancy Rates

2Q07	2Q14	1Q19	4Q22
0.0%	0.0%	7.5%	5.0%

### Trend: Market

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	N/A	\$750	\$0	\$750	\$841
2014	2	0.0%	\$785	\$0	\$785	\$876
2019	1	5.6%	\$850	\$0	\$850	\$941
2022	4	5.6%	\$1,100	\$0	\$1,100	\$1,191

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2007	2	N/A	\$875	\$0	\$875	\$983
2014	2	0.0%	\$900	\$0	\$900	\$1,008
2019	1	25.0%	\$1,000	\$0	\$1,000	\$1,108
2022	4	0.0%	\$1,350	\$0	\$1,350	\$1,458

### Trend: Comments

2Q07	The property management company is Stewart Majer Evans LLP. The manager indicated the rental market is strong.
2Q14	The contact stated that, even though the property is fully occupied, the rental housing market in Portsmouth is below average. The contact attributed the performance of the rental housing market in Portsmouth to a slow economy.
1Q19	The property was formerly known as the Kingman Apartments. Washer/dryer hookups are provided in each unit.
4Q22	The contact was unable to provide an estimate on the number of senior aged tenants.

# Turnpike Terrace Apartments, continued

## Photos



**ADDENDUM D**  
Site Plans



**CORWIL ARCHITECTS**  
 4210 LAGUNA ST. CORAL GABLES FL. 33146  
 LIC. NO. AA-C002151 T.305.448.7383

**PROJECT:**  
**LEXINGTON SENIOR APARTMENTS**  
 1 LEXINGTON DRIVE,  
 PORTSMOUTH, VA. 23704

**OWNER:**  
**RICHMAN GROUP**  
 477 S. Rosemary Avenue,  
 Suite #203  
 West Palm Beach, FL, 33401

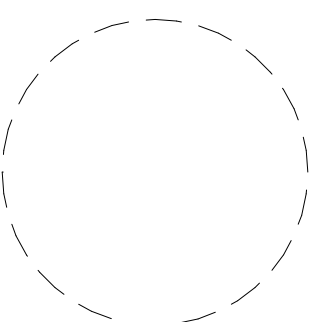


**CONCEPTUAL SITE/ GROUND FLOOR PLAN**

**PHASE:**  
**CONCEPTUAL DESIGN**

REVISIONS		
Revision #	Revision Description	Date

**SEAL:**



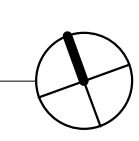
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**JOB No.:** 2022-04  
**DRAWN BY:** Author  
**APPR BY:** Approver

**SHEET NUMBER:**

**A-1.01**

**CONCEPTUAL SITE/ GROUND FLOOR PLAN**  
 SCALE: 1" = 30'-0"



**UNIT BREAKDOWN**

1 BED 99 UNITS  
 2 BED 7 UNITS  
 TOTAL 106 UNITS

**TOTAL PARKING PROVIDED: 106 SPACES**





**CORWIL ARCHITECTS**  
4210 LAGUNA ST. CORAL GABLES FL. 33146  
LIC. NO. AA-C002151 T.305.448.7383

**PROJECT:**  
**LEXINGTON SENIOR APARTMENTS**  
1 LEXINGTON DRIVE,  
PORTSMOUTH, VA. 23704

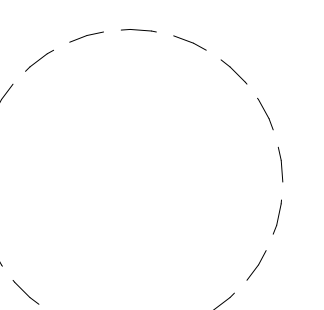
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**RICHMAN GROUP**  
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**GROUND FLOOR PLAN**

**PHASE:**  
**CONCEPTUAL DESIGN**

REVISIONS		
Revision #	Revision Description	Date

**SEAL:**

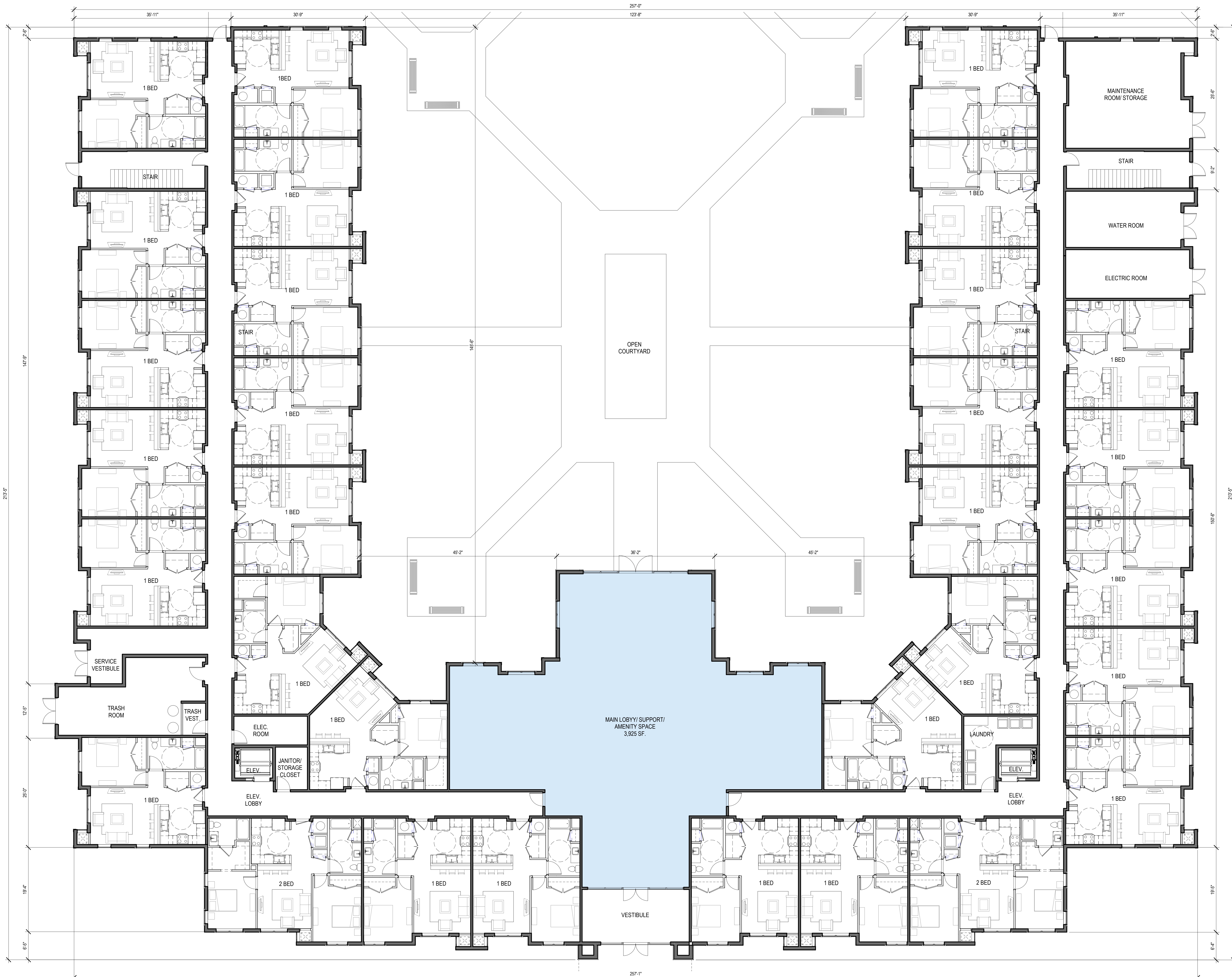


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**APPR BY:** AMC

**SHEET NUMBER:**

**A-2.00**



**GROUND FLOOR PLAN**  
SCALE: 1/8" = 1'-0"



**CORWIL ARCHITECTS**  
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 LIC. NO. AA-C002151 T.305.448.7383

**PROJECT:**  
**LEXINGTON SENIOR APARTMENTS**  
 1 LEXINGTON DRIVE,  
 PORTSMOUTH, VA. 23704

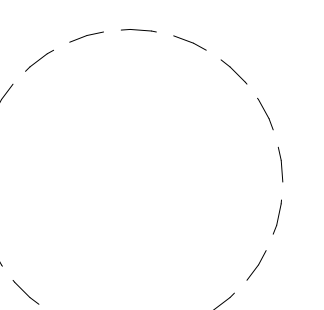
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**TYPICAL FLOOR PLAN**

**PHASE:**  
**CONCEPTUAL DESIGN**

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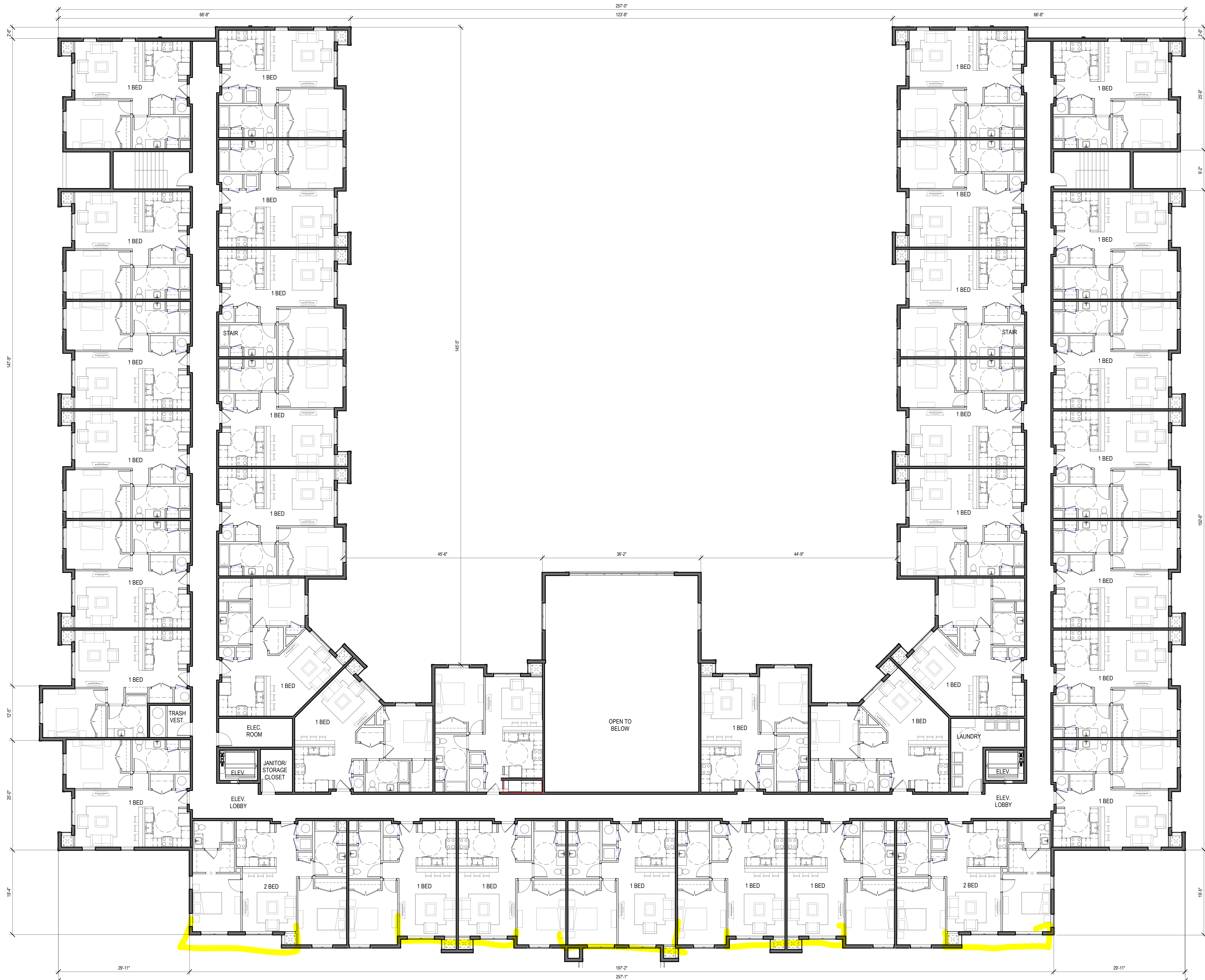


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**2ND LEVEL FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"



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**PROJECT:**  
**LEXINGTON SENIOR APARTMENTS**  
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 PORTSMOUTH, VA. 23704

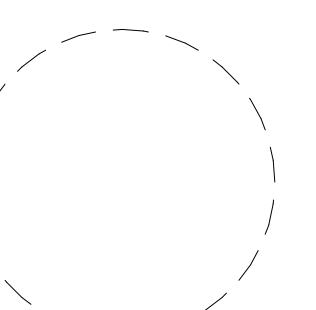
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 West Palm Beach, FL, 33401

**TYPICAL FLOOR PLAN**

**PHASE:**  
**CONCEPTUAL DESIGN**

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Revision #	Revision Description	Date

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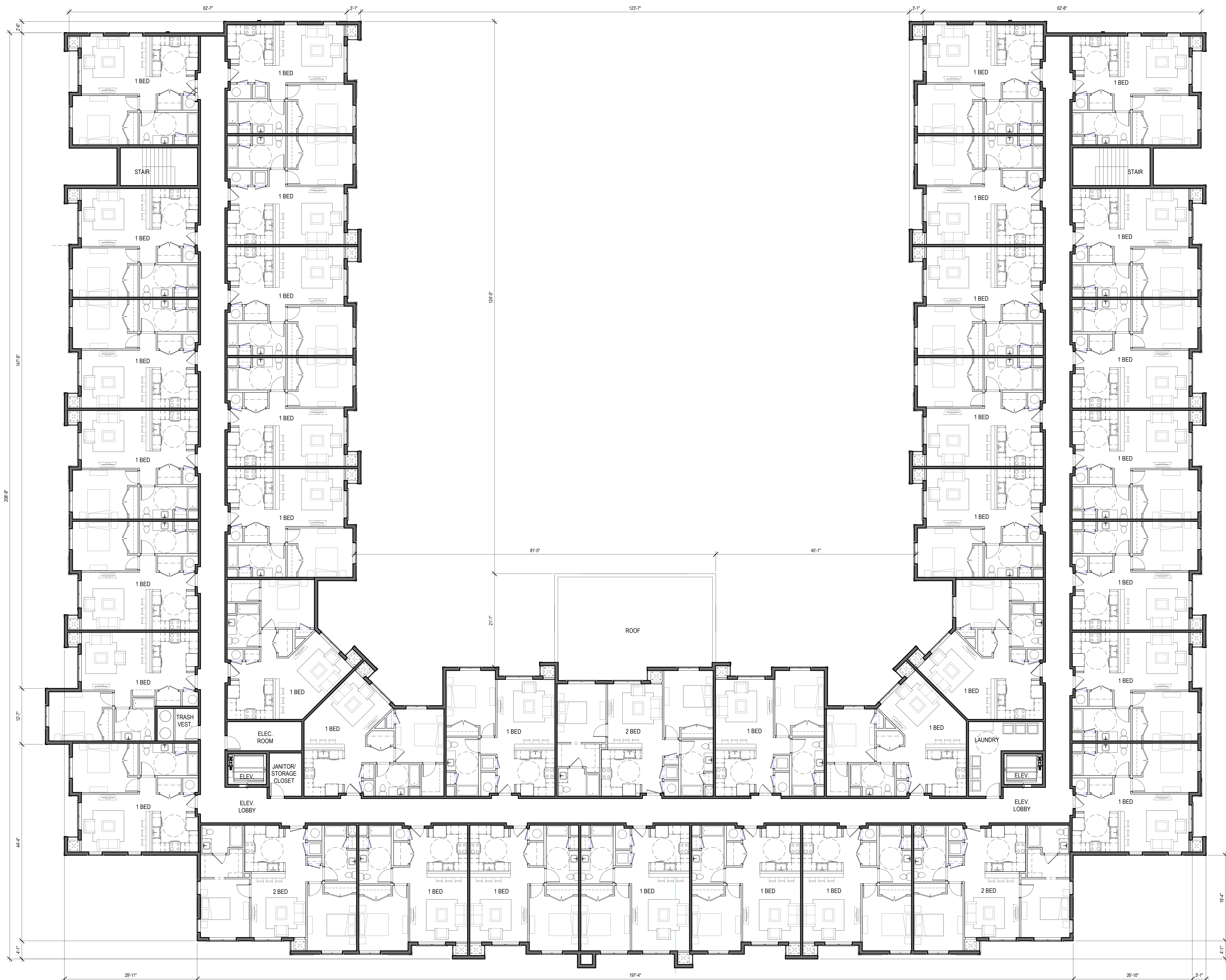


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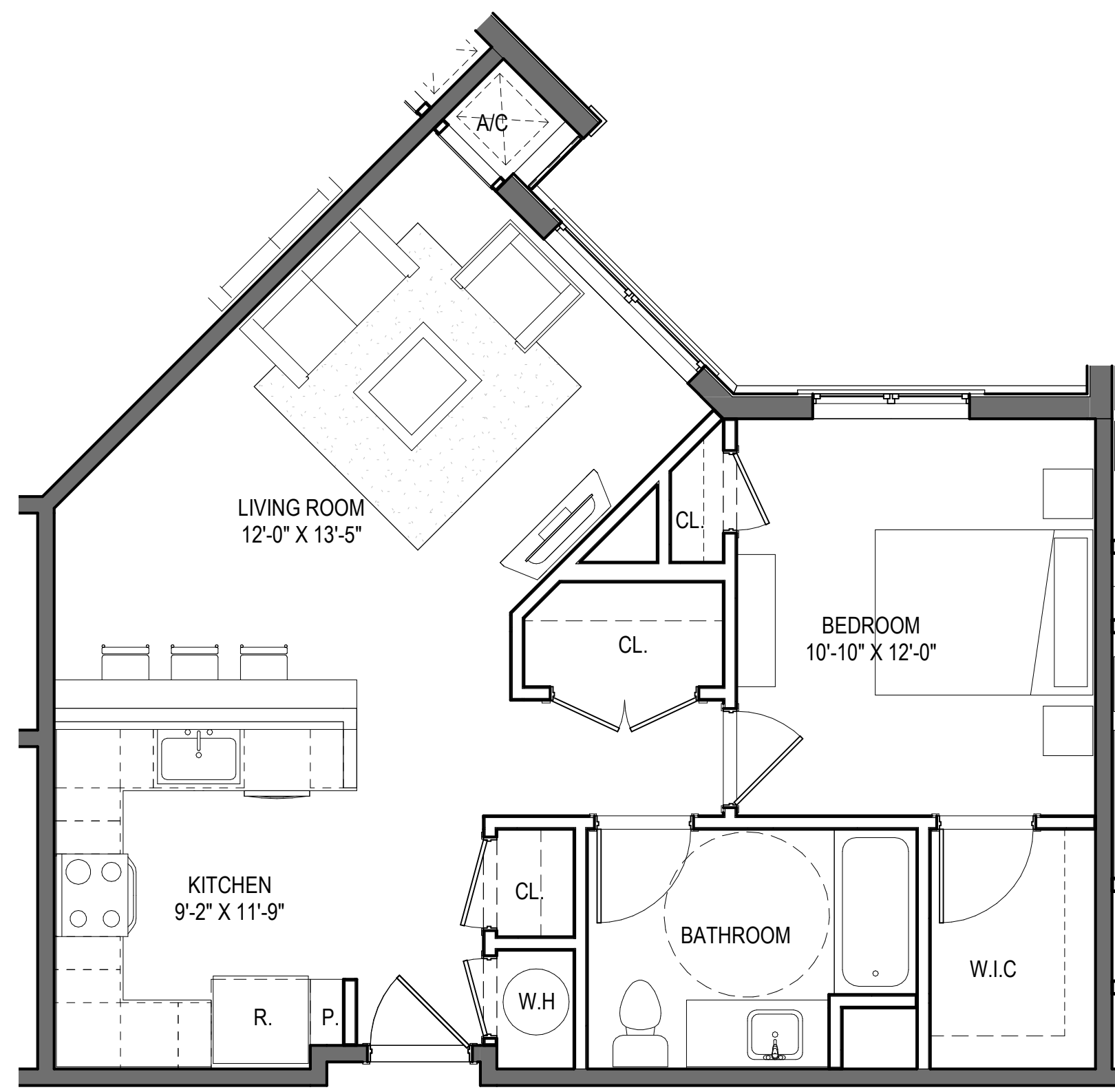
**3RD LEVEL FLOOR PLAN**  
 SCALE: 1/8" = 1'-0"



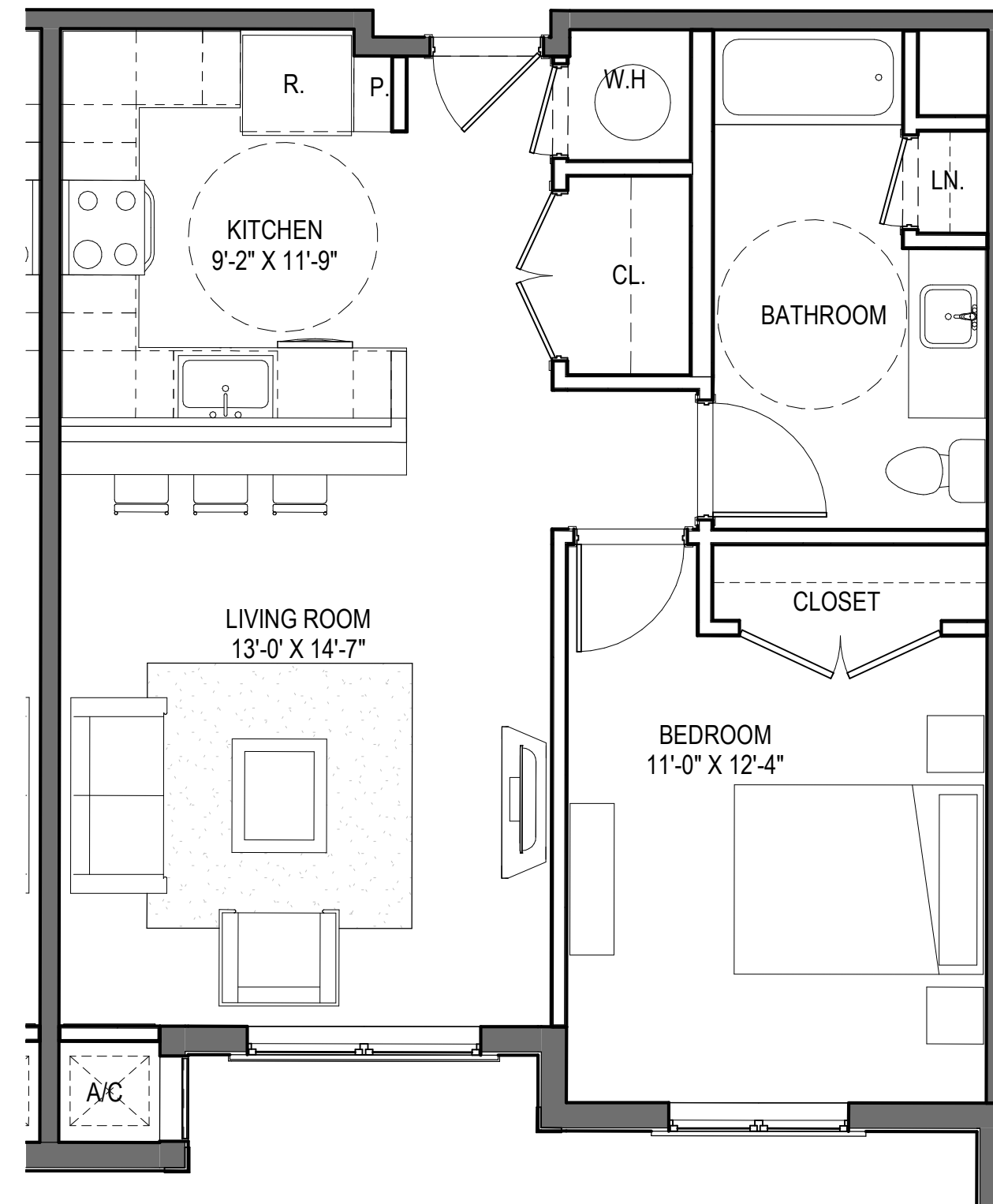
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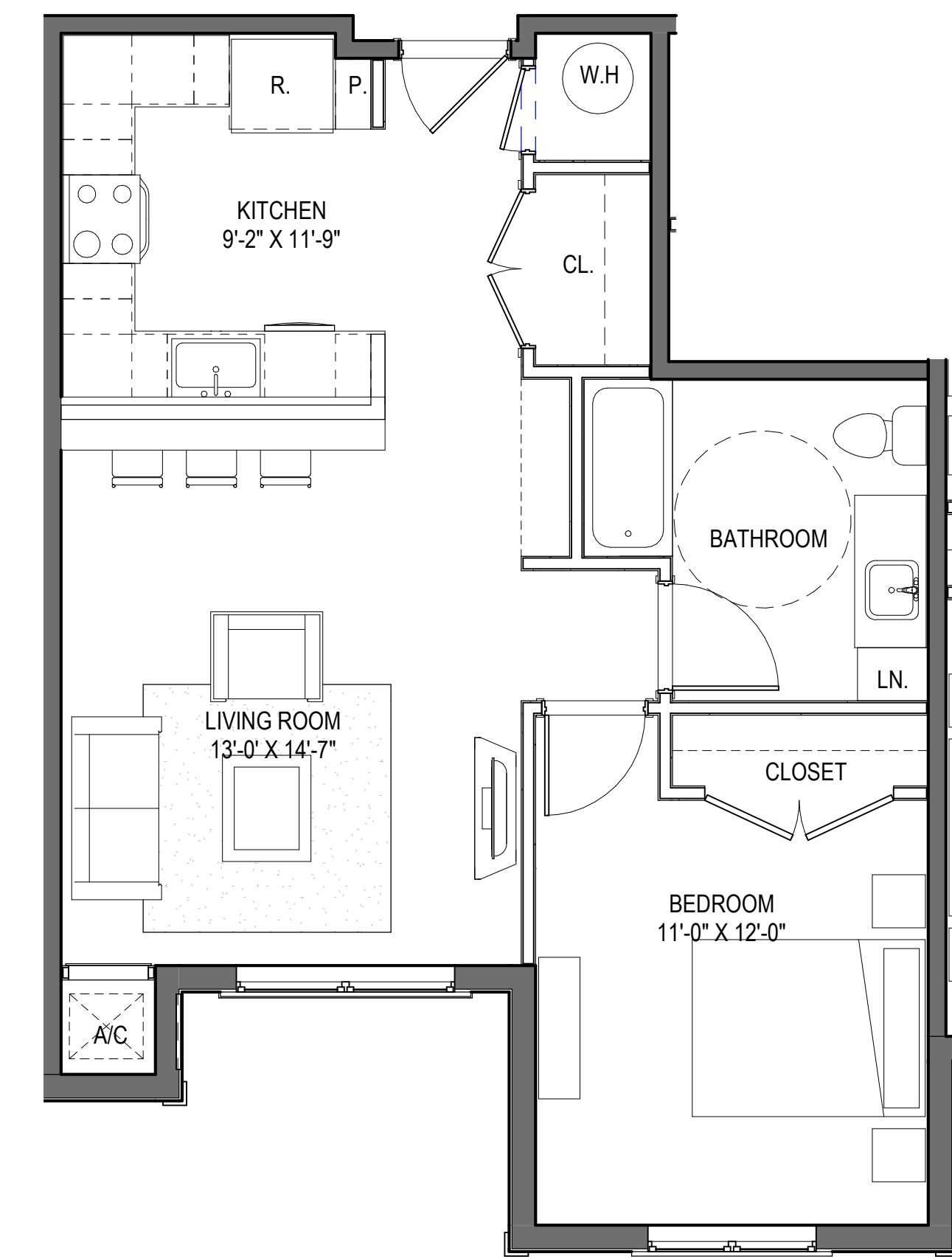
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**UNIT A3 (746 SF.)**  
 SCALE: 1/4" = 1'-0"

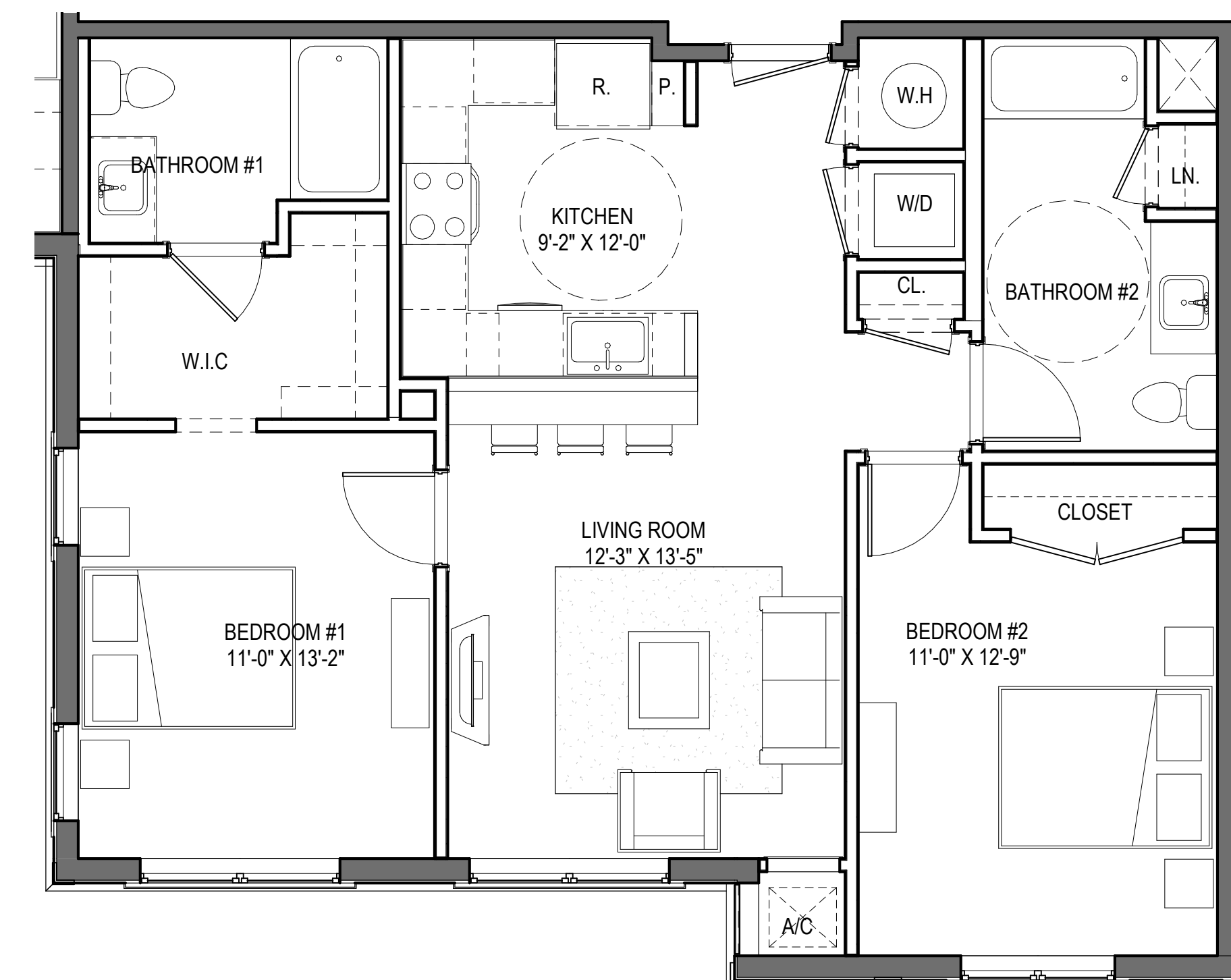


**UNIT A2 (718 SF.)**  
 SCALE: 1/4" = 1'-0"



**UNIT A1 (707 SF.)**  
 SCALE: 1/4" = 1'-0"

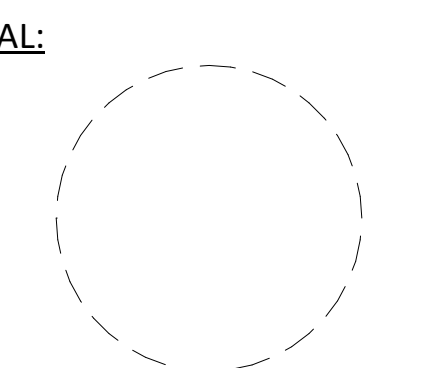
TYPICAL UNITS LAYOUT



**UNIT B1 (990 SF.)**  
 SCALE: 1/4" = 1'-0"

**PHASE:**  
**CONCEPTUAL DESIGN**

REVISIONS		
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**APPR BY:** AMC

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**A-3.00**

**ADDENDUM E**  
Utility Allowance

## Virginia Housing | Housing Choice Voucher Program

**Allowances for  
Tenant-Furnished Utilities  
and Other Services**

<b>Family Name:</b> _____ <b>Unit Address:</b> _____ <b>Voucher Size*:</b> _____ <b>Unit Bedroom Size*:</b> _____ <i>*Use smaller size to calculate tenant-supplied utilities and appliances.</i>
--

		Unit Type: 2 Exposed Walls				Effective Date: 07/01/2022			
Utility	Usage	Monthly Dollar Amount							
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR
<b>Appliance</b>	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
<b>Bottled Gas</b>	Cooking	\$11.00	\$15.00	\$19.00	\$23.00	\$29.00	\$34.00	\$38.00	\$42.00
	Home Heating	\$64.00	\$89.00	\$114.00	\$140.00	\$177.00	\$204.00	\$229.00	\$254.00
	Water Heating	\$27.00	\$37.00	\$48.00	\$58.00	\$74.00	\$85.00	\$95.00	\$106.00
<b>Electricity</b>	Cooking	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00	\$11.00	\$13.00	\$14.00
	Cooling (A/C)	\$7.00	\$9.00	\$13.00	\$15.00	\$19.00	\$22.00	\$24.00	\$27.00
	Home Heating	\$24.00	\$34.00	\$43.00	\$54.00	\$67.00	\$78.00	\$87.00	\$97.00
	Other Electric	\$14.00	\$19.00	\$24.00	\$30.00	\$38.00	\$43.00	\$49.00	\$54.00
	Water Heating	\$12.00	\$16.00	\$21.00	\$25.00	\$32.00	\$37.00	\$41.00	\$46.00
<b>Natural Gas</b>	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00
	Home Heating	\$8.00	\$12.00	\$15.00	\$18.00	\$22.00	\$25.00	\$28.00	\$32.00
	Water Heating	\$3.00	\$4.00	\$5.00	\$7.00	\$8.00	\$10.00	\$11.00	\$12.00
<b>Oil</b>	Home Heating	\$45.00	\$63.00	\$81.00	\$98.00	\$126.00	\$145.00	\$163.00	\$181.00
	Water Heating	\$19.00	\$26.00	\$33.00	\$41.00	\$52.00	\$59.00	\$67.00	\$74.00
<b>Sewer</b>	Other	\$23.00	\$32.00	\$41.00	\$50.00	\$63.00	\$72.00	\$81.00	\$90.00
<b>Trash Collection</b>	Other	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
<b>Water</b>	Other	\$20.00	\$28.00	\$36.00	\$44.00	\$56.00	\$64.00	\$72.00	\$80.00
<b>UTILITY ALLOWANCE TOTAL:</b>		\$	\$	\$	\$	\$	\$	\$	\$

**ADDENDUM F**  
**Qualifications of Consultants**

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## ABBY M. COHEN

### I. Education

The Pennsylvania State University, University Park, PA, Bachelor of Arts

### II. Licensing and Professional Affiliation

Certified General Appraiser, FL License #RZ4143  
Certified General Appraiser, GA License #427009  
Certified General Appraiser, MD License #40032823  
Certified General Appraiser, NC License #A8127  
Certified General Appraiser, NJ License #42RG00255000  
Certified General Appraiser, SC License #7487  
Certified General Appraiser, TX License #1381138-G

Designated Member of the National Council of Housing Market Analysts (NCHMA)  
Member of Commercial Real Estate Women (CREW) Network

### III. Professional Experience

Novogradac & Company LLP, Partner  
Novogradac & Company LLP, Principal  
Novogradac & Company LLP, Manager  
Novogradac & Company LLP, Senior Real Estate Analyst

### IV. Professional Training

7-Hour National USPAP Update for 2022-2023, April 2022  
Appraisal of Industrial and Flex Buildings, April 2022  
Green Building Concepts for Appraisers, April 2022  
Basic and Advanced Hotel Appraising, October 2019  
Appraisal of Land Subject to Ground Leases, December 2017  
Business Practices and Ethics, January 2017  
General Appraiser Report Writing and Case Studies, February 2015  
General Appraiser Sales Comparison Approach, February 2015  
General Appraiser Site Valuation and Cost Approach, February 2015  
Expert Witness for Commercial Appraisers, January 2015  
Commercial Appraisal Review, January 2015  
Real Estate Finance Statistics and Valuation Modeling, December 2014  
General Appraiser Income Approach Part II, December 2014  
General Appraiser Income Approach Part I, November 2014  
General Appraiser Market Analysis and Highest & Best Use, November 2014  
Basic Appraisal Procedures, March 2013  
Basic Appraisal Principles, January 2013

### V. Publications

Co-authored "Determining Whether a Developer Fee is Reasonable and Market-Oriented for Purposes of the Revenue Procedure 2014-12 Historic Tax Credit Safe Harbor," Novogradac Journal of Tax Credits, March 2021  
Co-authored "Reasonableness of Historic Tax Credit Related-Party Fees a Complicated, Changing Question in Context of Rev. Proc. 2014-12," Novogradac Journal of Tax Credits, March 2021  
Co-authored "Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions," Novogradac Journal of Tax Credits, March 2016



## VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall prime lease terms.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## LAUREN E. LEX

### I. Education

Trinity College, Hartford, CT  
Bachelor of Arts in American Studies and Art History, *cum laude*

### II. Professional Experience

Manager, *Novogradac & Company LLP*, December 2019 – Present  
Senior Analyst, *Novogradac & Company LLP*, December 2017 – December 2019  
Analyst, *Novogradac & Company LLP*, December 2015 – December 2017  
Junior Analyst, *Novogradac & Company LLP*, August 2013 – December 2015  
Communications Directorate Intern, *U.S. Census Bureau*, June 2011 – August 2011

### III. Real Estate Assignments

A representative sample of work on various types of projects:

- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Robert C. Edwards

### I. Education

George Washington University  
Master of Business Administration, Finance and Investments

St. Bonaventure University  
Bachelor of Science, Economics

### II. Licensure

District of Columbia Certified General Appraiser, License Number GA12355  
Illinois Certified General Real Estate Appraiser, License Number 553.002855  
Indiana Certified General Appraiser, License Number CG42100058  
Kentucky Certified General Real Property Appraiser, License Number 5235  
Maryland Certified General Real Property Appraiser, License Number 40033019  
Michigan Certified General Appraiser, License Number 1205075824  
New York Certified Real Estate General Appraiser, License Number 46000052142  
Ohio Certified General Appraiser, License Number ACG0.2018000555  
Pennsylvania Certified General Appraiser, License Number GA004299  
Virginia Certified General Appraiser, License Number 4001017477

### III. Professional Experience

Senior Real Estate Analyst, Novogradac & Company LLP, Bethesda, MD  
Senior Associate, Associated Real Estate Advisors, Bethesda, MD  
Review Appraiser, PNC Bank, Pittsburgh, PA  
Project Director, Delta Associates, Alexandria, VA

### IV. Real Estate Assignments

- Provided appraisal assistance on a wide variety of properties including multifamily developments, office, industrial, retail, vacant land, special-use, and proposed new construction. Performed site inspections, and conducted in-depth property, economic and market data research, expense analyses, and revenue projections. Have also reviewed appraisals by others for compliance.
- Performed market studies on over 450 multifamily properties in 48 states, specializing with the Low-Income Housing Tax Credit program. Have also performed analyses on multifamily properties that are HUD subsidized or operated under the USDA Rural Development program. Specialized housing types such as single-room-occupancy, disabled, veterans, and Native American housing, have also been analyzed. Also have provided assistance on over 300 appraisals and over 50 rent comparability studies of multifamily properties.

### V. Professional Training

15-Hour National USPAP Equivalent, 2015-2020  
Basic Appraisal Procedures, 2015  
Basic Appraisal Principals, 2015  
General Appraiser Market Analysis Highest and Best Use, 2016  
Real Estate Statistics and Valuation Modeling, 2016  
General Appraiser Report Writing and Case Studies, 2016  
General Appraiser Sales Comparison Approach, 2016  
General Appraiser Site Valuation and Cost Approach, 2016  
General Appraiser Income Approach, 2016

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Jessica Thompson

### I. Education

University of Reading – Reading, UK  
Master of Science, Spatial Planning and Development

University of Oklahoma – Norman, OK  
Bachelor of Arts, Environmental Sustainability

Montgomery College – Rockville, MD  
Certificate, GIS & Cartography

### II. Licensing and Professional Affiliation

LEED Green Associate

### III. Professional Experience

Analyst, *Novogradac & Company LLP*, December 2021 – Present  
Junior Analyst, *Novogradac & Company LLP*, March 2021 – December 2021  
IP Docketing Specialist, *Arent Fox LLP*, November 2018 – December 2020  
GIS Intern, *National Park Service*, July 2020 – August 2020

### IV. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing markets studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and Housing Choice Voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

**ADDENDUM G**  
**NCHMA Certification and Checklist**



Formerly known as  
National Council of Affordable  
Housing Market Analysts

#### NCHMA MEMBER CERTIFICATION

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

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

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Abby Cohen  
Partner

# Certificate of Professional Designation

*This certificate verifies that*

**Abby Cohen**  
Novogradac & Company LLP

*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 16<sup>th</sup> St. NW  
Suite 420  
Washington, DC 20036  
202-939-1750

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



A handwritten signature in black ink, appearing to read 'Thomas Amdur'.

**Thomas Amdur**  
President, NCHMA



# Certificate of Professional Designation

*This certificate verifies that*

**Abby Cohen**  
Novogradac & Company LLP

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



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

**Membership Term**  
1/1/2023 to 12/31/2023



Kaitlyn Snyder  
Managing Director, NCHMA

## 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.

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

## 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.

		Section(s)
<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	
32	Affordability analysis with capture rate	
33	Penetration rate analysis with capture rate	
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	
36	Precise statement of key conclusions	
37	Market strengths and weaknesses impacting project	
38	Product recommendations and/or suggested modifications to subject	
39	Discussion of subject property's impact on existing housing	
40	Discussion of risks or other mitigating circumstances impacting subject	
41	Interviews with area housing stakeholders	
<b>Other Requirements</b>		
42	Certifications	
43	Statement of qualifications	
44	Sources of data not otherwise identified	