



# GILL GROUP

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NATIONWIDE VALUATION AND MARKET FEASIBILITY EXPERTS

*Promises Kept. Deadlines Met.*



# GILL GROUP

**Need and Demand Analysis For  
Woodman West  
1812 Blackburn Road  
Glen Allen, Virginia 23060**

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

**Effective Date  
January 10, 2023**

**Date of Report  
April 19, 2023**



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April 19, 2023

Mr. Mikhael Abebe  
Related Affordable  
30 Hudson Yards, 72nd Floor  
New York, New York 10001

Dear Mr. Abebe:

Following is a market study which was completed for Related Affordable, under the guidelines set forth by Virginia Housing. The subject property is located at 1812 Blackburn Road in the Census-Designated Place (CDP) of Glen Allen, Virginia. The subject consist of an existing Section 8 development known as Woodman West. The property consists of 25 two-story walk-up buildings containing a total of 196 revenue units and one non-revenue unit. The complex also contains two accessory buildings which house the leasing office, maintenance area, meeting room and laundry facility. The property will undergo rehabilitation. Once rehabilitation is complete, the property will retain its subsidies for all revenue units, as well as be 100 percent Low Income Housing Tax Credit (LIHTC) at 60 percent of the area median income. The buildings have siding exteriors and asphalt shingle roofing.

The purpose of the following market study is to determine if the community has a need for the rehabilitated subject units. To do so, the analyst, Samuel T. Gill, utilized data from the U.S. Census Bureau; Ribbon Demographics, 2022 Data; and various other demographic resources. Community information and opinion was also utilized. This information was collected during a field survey conducted by Samuel T. Gill while visiting the subject on April 19, 2023. An attempt was made to survey 100 percent of all competitive housing in the area.

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

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Samuel T. Gill  
Market Analyst

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Janice F. Gill, MAI  
Market Analyst



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CERTIFICATION

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

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

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

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Samuel T. Gill  
Market Analyst  
Tax ID Number: 43-1352932

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Janice F. Gill, MAI  
Market Analyst

April 19, 2023



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IDENTITY OF INTEREST

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

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

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

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

Samuel T. Gill  
Market Analyst

Janice F. Gill, MAI  
Market Analyst

April 19, 2023





NCHMA MEMBER CERTIFICATION



Formerly known as  
National Council of Affordable  
Housing Market Analysts

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

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

Samuel T. Gill  
Market Analyst  
Gill Group

April 19, 2023

## EXECUTIVE SUMMARY



### Executive Summary

It is the opinion of the analyst that a market exists for the proposed rehabilitation of the existing 197-unit development designed for families and that there is no need for alterations of any kind. This recommendation is made based on the information included in this report and assuming that the project is completed as detailed in this report. Any changes to the proposed rehabilitation of the subject could alter the findings in this report.

### Project Description

The subject, Woodman West, is an existing Section 8 and LIHTC development designated for families that contains 196 revenue units and one non-revenue units. The subject will undergo renovation. Once renovation is complete, the subject retain its Section 8 subsidies for all revenue units, as well as be 100 percent Low Income Housing Tax Credit at 60 percent of the area median income. As the subject will also retain its HAP contract, households with one to six persons and incomes below \$70,140 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with one to six persons and incomes between \$38,846 and \$70,140 would be eligible for the rehabilitated development.

The following chart lists the subject's unit mix. The property contains a net rentable area of 168,224 square feet.

Unit Type	# of Units	Square Feet	Total Square Footage
1/1	32	672	21,504
2/1	128	840	107,520
3/1	32	1,015	32,480
4/1.5	5	1,344	6,720
	<b>197</b>		<b>168,224</b>

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

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
1/1	32	672	\$984	\$64
2/1	128	840	\$1,191	\$97
3/1	31	1,015	\$1,476	\$123
4/1.5	5	1,344	\$1,727	\$131
3/1 Non-Rev	1	1,015	N/A	N/A
	<b>197</b>			

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

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	32	672	60%	\$1,133	\$1,645	\$60	\$1,585
2/1	128	840	60%	\$1,360	\$2,057	\$97	\$1,960
3/1	31	1,015	60%	\$1,571	\$2,283	\$123	\$2,160
4/1.5	5	1,344	60%	\$1,753	\$2,616	\$131	\$2,485
3/1 Non-Rev	1	1,015	N/A	N/A	N/A	N/A	N/A

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



**Income Averaging**

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

**Housing Profile**

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The market area has an overall rental vacancy rate of 4.9 percent. Of the 3,556 total units verified, 176 were vacant. However, London Towne Apartments is currently under renovation; therefore, the property has a higher than typical vacancy rate. Without considering this property, the overall vacancy rate for the market area is 1.9 percent.

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

**Market Feasibility**

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

<b>CAPTURE RATE - WITH SUBSIDY</b>	
<b>Project Wide Capture Rate - LIHTC Units</b>	3.7%
<b>Project Wide Capture Rate - Market Units</b>	----
<b>Project Wide Capture Rate - All Units</b>	3.7%
<b>Project Wide Absorption Rate (Months)</b>	N/A

<b>CAPTURE RATE - WITHOUT SUBSIDY</b>	
<b>Project Wide Capture Rate - LIHTC Units</b>	7.4%
<b>Project Wide Capture Rate - Market Units</b>	----
<b>Project Wide Capture Rate - All Units</b>	7.4%
<b>Project Wide Absorption Rate</b>	7-9 Months

The market shows a net demand of 5,310 households for all units when considering the Section 8 subsidy and a net demand of 2,637 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 development that is currently 98 percent occupied, with four vacant units. The property has a waiting list with 208 applicants. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 196 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 3.7 percent and is considered good. The capture rate, without considering the subsidy, is 7.4 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.



## Evaluation of Project

The property is easily accessed via Blackburn Road. Blackburn Road connects to Woodman Road. Woodman Road provides direct access to Interstate 295, a major thoroughfare in the area. Therefore, the subject has average visibility and easy access. The subject's existing site plan and project design are similar to competing apartment developments. The subject's existing unit mix of one-, two-, three- and four-bedroom units is suitable in the market.

## Positive/Negative Attributes

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

**Weaknesses:** There are no apparent weaknesses.

## Conclusions

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

- The subject's rehabilitated design and amenities will be competitive with other existing projects. Therefore, no modifications to the subject are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2027, indicating a need for additional housing the market area. In addition, all restricted properties confirmed maintain high occupancy rates, and the majority maintain waiting lists, it appears the market is not oversaturated with affordable rental housing.
- Woodman West is an existing Section 8 and LIHTC development containing 196 revenue units and non-revenue units that will be rehabilitated. Once rehabilitated is complete, the subject will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is an existing Section 8 development that is currently 98 percent occupied. The property will retain its subsidies for all revenue units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the current residents will be income-eligible for the units once the renovation is complete. However, when considering the property without subsidy, it is unlikely all current residents would remain income qualified. Therefore, the absorption rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. The absorption level is typically based on the most recent multifamily developments. There were no recent affordable developments constructed in the market area for which lease up data was available. Therefore, the analyst also considered the opinions of apartment managers and local real estate agents, the current occupancy rates of the surveyed developments and the current waiting lists of the affordable developments, including the subject, confirmed in the market area. After considering all factors, it is estimated that the development could absorb 10 to 15 units per month, resulting in a 95 percent occupancy level within seven to nine months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the rehabilitated development will be suitable for the market area. Given the current low vacancy rates for income-restricted properties as well as the waiting lists at most properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.

## INTRODUCTION AND SCOPE OF WORK



## Introduction and Scope of Work

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

- Client and any other intended users: The client and developer for this market study assignment is Related Affordable. The intended users of the report are Related Affordable and Virginia Housing. No other users are intended.
- Intended use of the analyst's opinions and conclusions: The intended use of this market study is to apply for Low Income Housing Tax Credits through Virginia Housing.
- Effective date of the analyst's opinions and conclusions: The effective date of the rental estimate is April 19, 2023.
- Subject of the assignment and its relevant characteristics: The subject property is an existing 197-unit apartment complex known as Woodman West. The subject is located along the south side of Blackburn Road, east of Woodman Road. Its physical address is 1812 Blackburn Road.
- Assignment conditions: Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, supplemental standards, jurisdictional exceptions, and other conditions that affect the scope of work. The following assumptions are used in this market study assignment: *The market study was written under the extraordinary assumption that the property will be rehabilitated as indicated in the Scope of Work. This market study was written under the extraordinary assumption that there are no long term impacts from the COVID-19 pandemic. The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*
- An environmental audit was not provided. I am not qualified to complete an environmental audit. The stated opinion of rental rates is predicated on the assumption that no hazardous substances or conditions materially affect the subject property.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. No specific compliance survey or analysis of the identified property has been made to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property will not comply with one or more of the requirements of the Act. If so, this fact could have an adverse impact upon the value of the property. Since there is no direct evidence relating to this issue, it is assumed that no substantial immediate outlays will be mandated by governing authorities to meet ADA requirements.
- Unemployment statistics are based on the information available from the U.S. Department of Labor Bureau of Labor Statistics. The data shown in this report is based on the data available as of the effective date of the analysis. The Department of Labor will periodically revise the data by incorporating additional information that was not available at the time of the initial publication of the estimates. The initial data is revised twice, first within two months of initial publication in order to incorporate additional sample data from respondents in the survey and recalculate seasonal adjustment factors, and second on an annual basis to incorporate a benchmark revision that estimates nearly complete employment counts available from unemployment insurance tax records.
- The U.S. Census Bureau American Community Survey (ACS) uses a series of monthly samples to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. Initially, five years of samples were required to produce these small-area data. Once the U.S. Census Bureau released its first five-year estimates, new small-area statistics were produced annually. The Census Bureau also produces three-year and one-year data products for larger geographic areas.
- The American Housing Survey (AHS) is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau. The survey provides up-to-date information about the quality and cost of housing in the United States and major metropolitan areas. It also includes questions about the physical condition of homes and neighborhoods, the



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

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

An **extraordinary assumption**<sup>1</sup> is defined as:

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

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

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

A **hypothetical condition**<sup>3</sup> is defined as:

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

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

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

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

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

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

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





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

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

This market study was completed in accordance with the requirements set forth in Virginia Housing's 2023 Market Study Guidelines.

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

- On January 10, 2023, Samuel T. Gill, a Market Analyst, conducted an interior and exterior inspection of the subject property to determine the property's physical and functional characteristics. Samuel T. Gill inspected all common areas and at least one unit of each varying type. He interviewed Mikhael Abebe, developer, to determine the rental rates, services and amenities offered to the tenants of the subject property.
- The purpose of this market study is to determine if the community has a need for the subject units. To do so, the analysts utilize data from the U.S. Census Bureau; Ribbon Demographics, 2022 Data; and various other demographic resources. Community information and opinion was also utilized. The research retrieved data from several of the following: internet sites, local newspapers and rental publications, CDP records, owners and managers of local apartment properties, local real estate brokers, fellow analysts and the analyst's office files.
- During the week of January 10, 2023, Samuel T. Gill, inspected the exterior of each comparable property used in the analysis. During the site inspections or in separate telephone interviews, Samuel T. Gill, Janice F. Gill, MAI, or one of their associates, spoke with the managers of the comparable properties to confirm all data and to collect additional information about each comparable including size, age, amenities, occupancy rates and general market information. The property manager provided floor plans or other information describing the size of comparable units after it was explained that the interior size was needed.
- Samuel T. Gill and Janice F. Gill, MAI, the primary market analysts, completed the data and adjustments columns of the Rent Comparability Grids and determined the final estimate of rents. After completing the Rent Comparability Grids, Samuel T. Gill and Janice F. Gill, MAI, derived an estimated market rent and an estimated achievable rent for each unit type. Samuel T. Gill and Janice F. Gill, MAI, also completed the demand, penetration rate and capture rate conclusions through analysis of all aspects of the subject, market area and demographic data available to the analyst.

## PROJECT DESCRIPTION



### Project Description

Project Name: Woodman West  
Location: 1812 Blackburn Road  
Glen Allen, Virginia  
Project Type: Family  
Construction Type: Rehabilitated  
Developer: Related Affordable  
Area Median Family Income: \$101,000

The subject, Woodman West, is an existing Section 8 and LIHTC development designated for families. The property consists of 25 two-story walk-up buildings containing a total of 196 revenue units and one non-revenue unit. The complex also contains two accessory buildings which house the leasing office, maintenance area, meeting room and laundry facility. The subject property will undergo renovation. Once renovation is complete, the subject will continue to be a Section 8 development with subsidies for all revenue units, as well as be 100 percent LIHTC at 60 percent of the area median income. As the subject will also retain its HAP contract, households with one to six persons and incomes below \$70,140 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with one to six persons and incomes between \$38,846 and \$70,140 would be eligible for the rehabilitated development.

### Project Design

Woodman West is comprised of 25 two-story walk-up buildings containing a total of 196 revenue units and one non-revenue unit. The buildings have a concrete slab foundation and wood framing, with brick and siding exterior and asphalt shingle roofs. The complex was constructed in 1982 and renovated in 2008. The property will once again be rehabilitated. Landscaping is minimal and consist of grass, trees and shrubs. The property is not a scattered site development.

### Unit Features

Each unit contains the following amenities: refrigerator, range/oven, dishwasher, washer/dryer hook-ups (3 & 4BR), vinyl flooring, blinds, walk-in closet (1 & 2BR) and patio (3 & 4BR). As complete, the subject will also contain solid-surface countertops.

### Common Amenities and Services

The property provides the following project amenities: meeting room, swimming pool, playground, basketball court, laundry facility, on-site management, on-site maintenance, intercom entry, limited access gate, perimeter fencing, security patrol and video surveillance. As complete, the complex will remove the swimming pool, and add a 750 square foot community room, clubhouse, exercise room, picnic area, business center, educational classes and computer room.

### Parking

The complex contains an open asphalt parking lot with a total of 313 parking spaces. Therefore, the subject has a parking ratio 1.59 parking spaces per unit.



**Utilities**

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

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

**Unit Mix, Size and Rent Structure**

The following chart lists the subject's unit mix. The property contains a net rentable area of 168,224 square feet.

Unit Type	# of Units	Square Feet	Total Square Footage
1/1	32	672	21,504
2/1	128	840	107,520
3/1	32	1,015	32,480
4/1.5	5	1,344	6,720
	<b>197</b>		<b>168,224</b>

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

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
1/1	32	672	\$984	\$64
2/1	128	840	\$1,191	\$97
3/1	31	1,015	\$1,476	\$123
4/1.5	5	1,344	\$1,727	\$131
3/1 Non-Rev	1	1,015	N/A	N/A
	<b>197</b>			

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

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	32	672	60%	\$1,133	\$1,645	\$60	\$1,585
2/1	128	840	60%	\$1,360	\$2,057	\$97	\$1,960
3/1	31	1,015	60%	\$1,571	\$2,283	\$123	\$2,160
4/1.5	5	1,344	60%	\$1,753	\$2,616	\$131	\$2,485
3/1 Non-Rev	1	1,015	N/A	N/A	N/A	N/A	N/A

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



The property is applying for an allocation of Low-Income Housing Tax Credits for all revenue units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with one to six persons and incomes below \$70,140 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with one to six persons and incomes between \$38,846 and \$70,140 would be eligible for the rehabilitated development.

LIHTC INCOME LIMITS	
Person in Households	60%
1	\$42,300
2	\$48,360
3	\$54,420
4	\$60,420
5	\$65,280
6	\$70,140

Source: HUD

#### Tenant Services

The subject does not offer any tenants services.

#### Scope of Work

The property will undergo a substantial rehabilitation and will be in good condition. The proposed scope of work is comprehensive and includes bathroom upgrades, replacement of appliances, kitchen cabinets, windows, new flooring, new window treatments, painting, interior and exterior doors, water heaters, heat pumps indoor/outdoor units, playground, landscape upgrades, parking lot upgrades, etc. A detailed list of items has been included in the addendum section of this report. The total estimated cost of rehabilitation is \$14,358,825, or \$72,887 per unit. The rehabilitation is anticipated to begin in September 2023 and end in September 2024.



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### Location/Site Characteristics

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The subject consists of one irregular-shaped tract of land that contains a total of 16.7 acres. According to the CDP of Glen Allen, the subject is zoned R-5, General Residence. The subject is a legal, conforming use. The subject is located in Census Tract #2009.05.

The subject neighborhood is comprised primarily of single-family residences and is 90 percent built up. Approximately 50 percent of the land use is made up of single-family residences. About 30 percent is comprised of commercial properties. Another 10 percent of the land use is made up of multifamily dwellings. The remaining 10 percent is vacant land. Single-family residences, vacant land, Henrico Area Mental Health Developmental Services and other commercial properties are located north of the site. Vacant land, Hungary Creek and single-family residences are located south of the site. Vacant land, Woodman Park and single-family residences are located east of the subject. Single-family residences are located west of the subject. The area is mostly suburban.

## SITE EVALUATION



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### Project Location

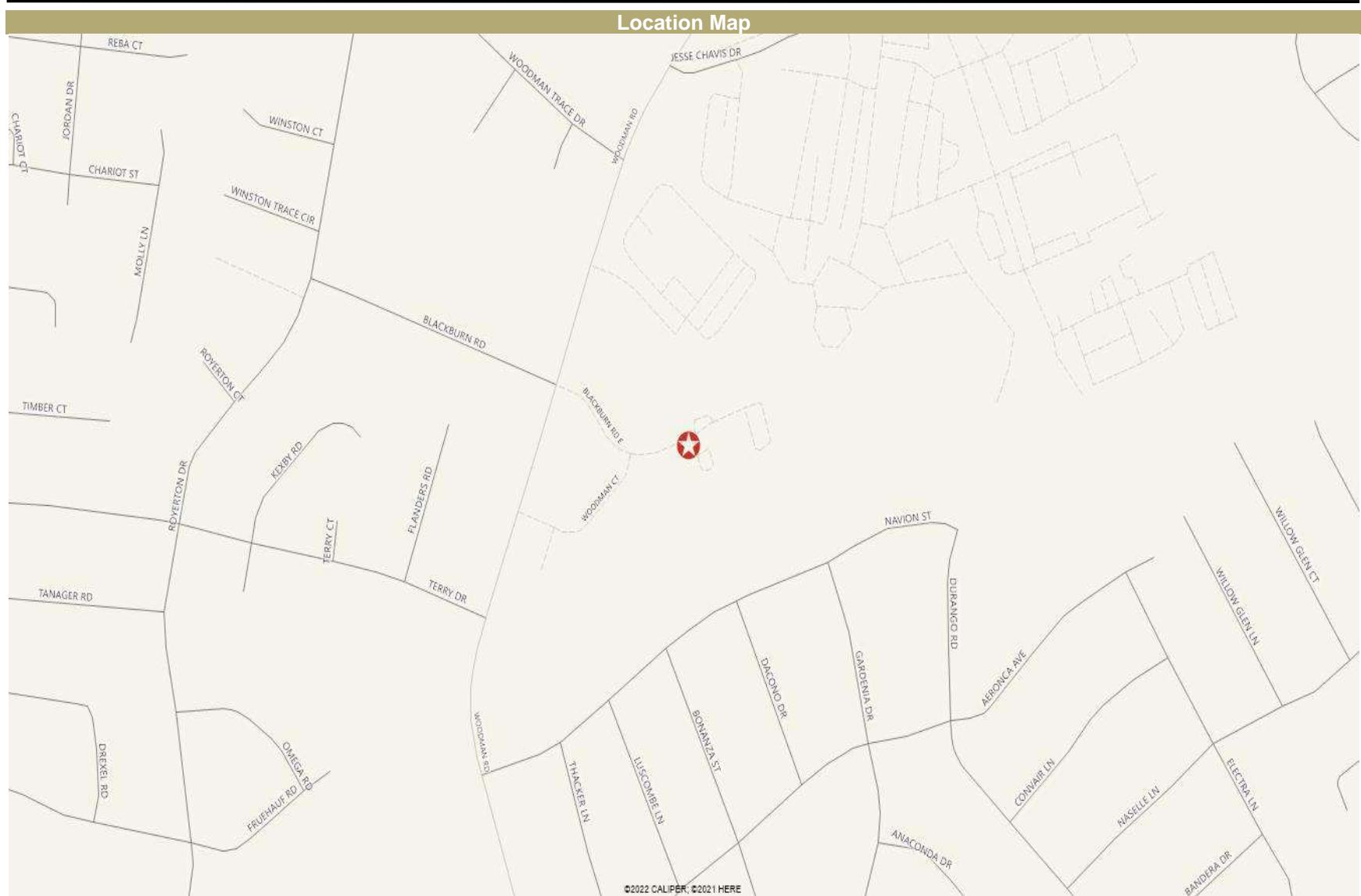
The subject property is an existing Section 8 development with a total of 197 units and is located in Glen Allen, Virginia. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC with income levels at 60 percent of the area median income.

The Census Designated Place (CDP) of Glen Allen is located in Henrico County which is located in the eastern portion of Virginia. The nearest cities include the following: Richmond, Laurel, Chamberlayne, Lakeside, Dumbarton, Innsbrook, Tuckahoe, Ashland, and Wyndham. Henrico County has the following boundaries: North – Caroline, King William and Louisa Counties; East – New Kent County; South – Prince George, Dinwiddie and Amelia Court Counties and West – Goochland and Chesterfield Counties.

Major highways in the County of Henrico include Interstates 64, 95, 195 and 295; U.S. Highways 1, 33, 60, 250, 301 and 360; and State Highways 2, 5, 6, 33, 73, 147, 150, 156, 157, 161, 197, 271, 356 and 895. Richmond International Airport is approximately 21 miles away in Richmond. Amtrak is available in the area for passenger rail service. The subject site located in the central portion of the CDP of Glen Allen. The site is easily accessed via Blackburn Road. Blackburn Road connects to Woodman Road. Woodman Road provides direct access to Interstate 295, a major thoroughfare in the area. Therefore, the subject has average visibility and easy access.



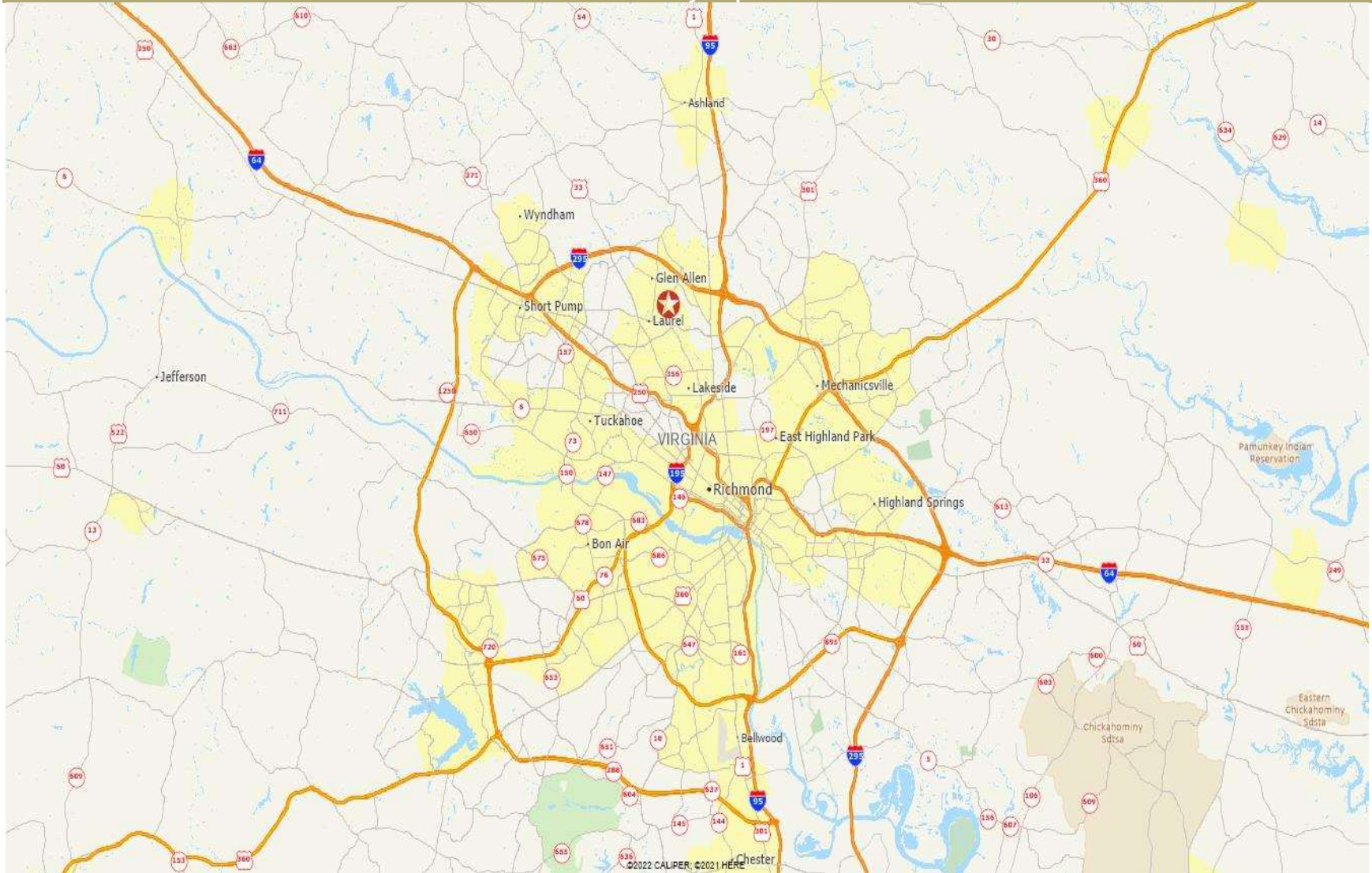
Woodman West  
1812 Blackburn Road  
Glen Allen, Virginia 23060



Woodman West  
1812 Blackburn Road  
Glen Allen, Virginia 23060



Vicinity Map





## Community and Site Information

### Site Characteristics

The subject property is located in a residential neighborhood in the central portion of Glen Allen. The subject is located along Blackburn Road.

The site is easily accessed via Blackburn Road. Blackburn Road connects to Woodman Road. Woodman Road provides direct access to Interstate 295, a major thoroughfare in the area. Therefore, the subject has average visibility and easy access.

The subject consists of one irregular-shaped tract of land that contains a total of 16.7 acres. The subject property is zoned R-5, General Residential District. Therefore, the subject is a legal, conforming use. A zoning change is unlikely. The subject is not a scattered site development. The subject is located in Census Tract #2009.05.

### Surrounding Land Uses

The subject neighborhood is comprised primarily of single-family residences and is 90 percent built up. Approximately 50 percent of the land use is made up of single-family residences. About 30 percent is comprised of commercial properties. Another 10 percent of the land use is made up of multifamily dwellings. The remaining 10 percent is vacant land. Single-family residences, vacant land, Henrico Area Mental Health Developmental Services and other commercial properties are located north of the site. Vacant land, Hungary Creek and single-family residences are located south of the site. Vacant land, Woodman Park and single-family residences are located east of the subject. Single-family residences are located west of the subject. The area is mostly suburban.





Subject Photos



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Meeting Room



View of Laundry Building



View of Office Building

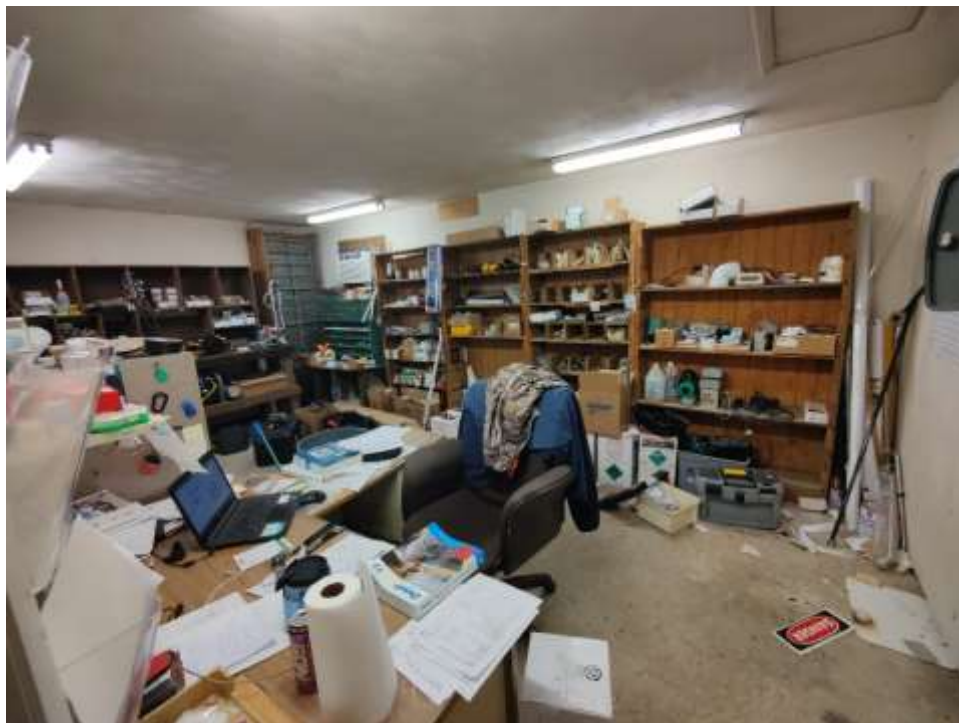


View of Office





View of Laundry Facility



View of Maintenance Area



View of Mail Area



View of Pool



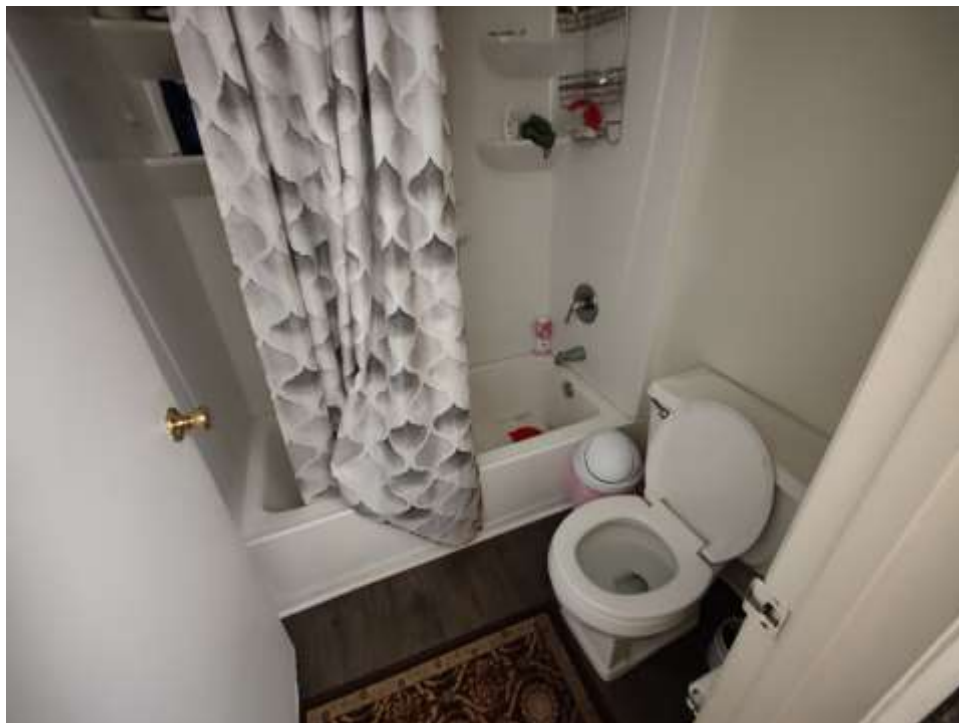
View of Typical Living Area



View of Typical Kitchen



View of Typical Bedroom



View of Typical Bath



View of Parking



Street View



View to the North



View to the South



View to the East



View to the West



## Nearby Employment Opportunities

Most market area tenants have white collar occupations. According to the Claritas and Ribbon Demographics, approximately 68.0 percent of the market area works in white collar industries; 14.9 percent work in blue collar industries; and 17.2 percent work in service and/or farming industries.

## Regional and Area Data

### Parks and Recreational Opportunities

The Henrico County Recreation and Parks Department offers a variety of programs and activities for all ages. Recreation opportunities include, but are not limited to, the following: Henrico Theatre Company, On The Air Radio Players, The Cultural Arts Center at Glen Allen, Henrico Concert Band, Henrico Pops Chorus, Henrico Community Band, Ballroom Dance Club, Colonial Dance Club, German Folk Dancing, Bluegrass Coffeehouse, Henrico County Public Library, The Armour House and Gardens at Meadowview Park, Clarke-Palmore House Museum, Courtney Road Service Station, Dabbs House Museum, Walkerton Tavern, Antioch School Community Center, Belmont Recreation Center, Cheswick Park, Deep Run Park & Recreation Center, Echo Lake Park, Duncroft Castle Point Park, Laurel Recreation Area & Skate Park and Osborne Park & Boat Landing. The department also offers several recreational and educational programs and sports leagues for seniors, adults and children.

### Government/Public Safety

According to Henrico County, the county adopted the county manager form of government, a form in which an appointed county manager is overseen by a board of elected supervisors. The CDP of Glen Allen is served by the Henrico County Police Division and the Henrico Fire Department.

### Utilities

Henrico County Department of Public Utilities provides water services to the residents of Glen Allen. Dominion Virginia Power provides electricity services. Natural gas services are provided by Virginia Natural Gas. Basic phone service is provided by CenturyLink.

### Health Services

Concentra Urgent Care is a health care facility located in Glen Allen that serves the residents in the area. Additional health care and medical facilities located nearby include Henrico Doctors' Hospital, Virginia Commonwealth University Health System and Bon Secours Richmond Community Hospital.

### Transportation

Major highways in the County of Henrico include Interstates 64, 95, 195 and 295; U.S. Highways 1, 33, 60, 250, 301 and 360; and State Highways 2, 5, 6, 33, 73, 147, 150, 156, 157, 161, 197, 271, 356 and 895. Richmond International Airport is approximately 21 miles away in Richmond. Amtrak is available in the area for passenger rail service. Public transit is available Greater Richmond Transit Company (GRTC).





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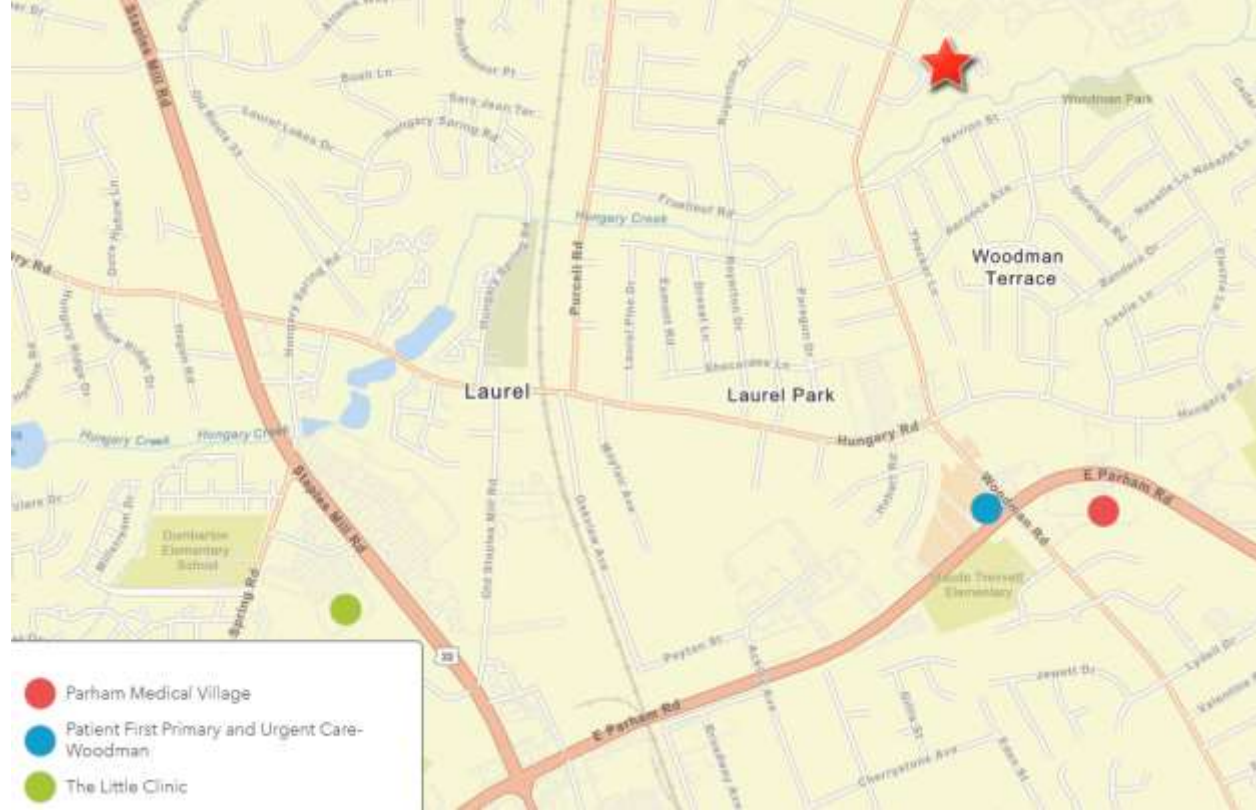
### Crime

According to AreaVibes, approximately 219 per 100,000 residents are victims of a violent crime annually, and approximately 1,526 per 100,000 residents are victims of a property crime each year. There has been a total of 1,745 crimes in the CDP within the past year. The crime rate for Glen Allen is 26.0 percent lower than for the nation. The total number of crimes in the CDP has decreased 10.0 percent within the past year, according to AreaVibes. There is a 1 in 457 chance of being the victim of a violent crime and a 1 in 66 chance of being the victim of a property crime. The life cycle is generally in the stability stage. The subject has extensive security features which help offset any adverse influence due to crime. The subject contains limited access gate, intercom entry, video surveillance and security patrol, all of which provide protection from crime. Therefore, there are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area.

Woodman West  
 1812 Blackburn Road  
 Glen Allen, Virginia 23060

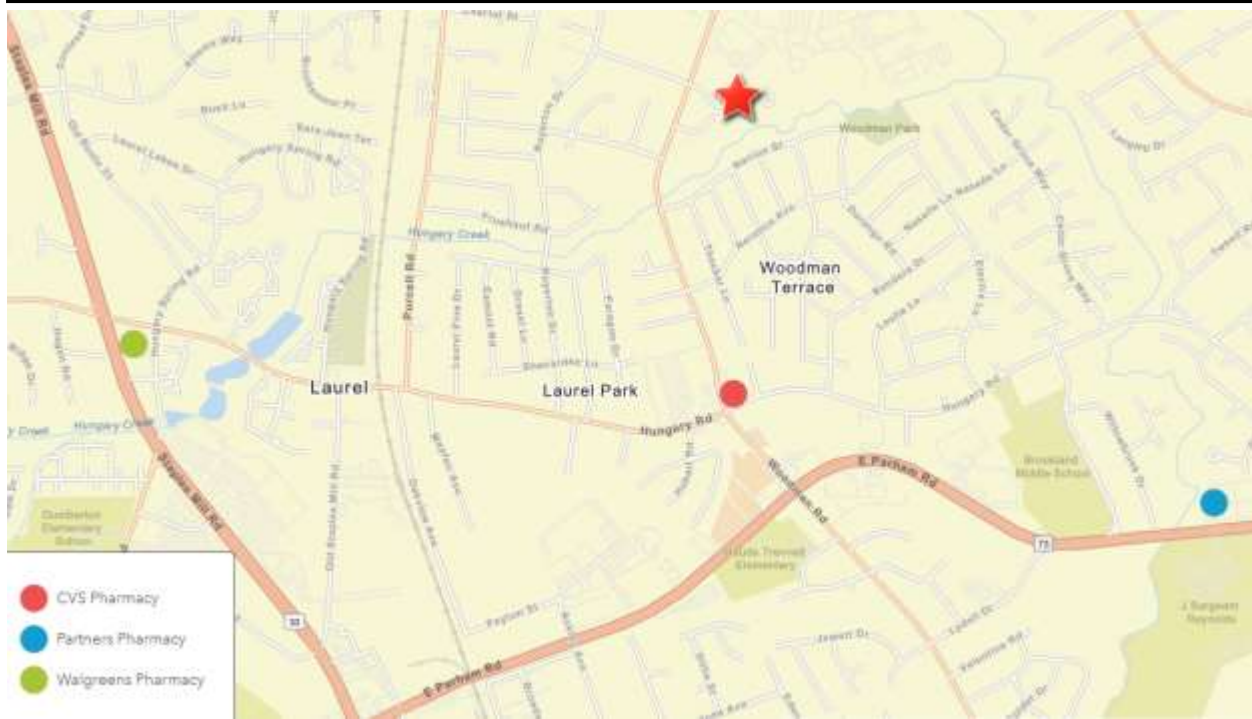


Community Services Legends and Maps



**MEDICAL FACILITIES**

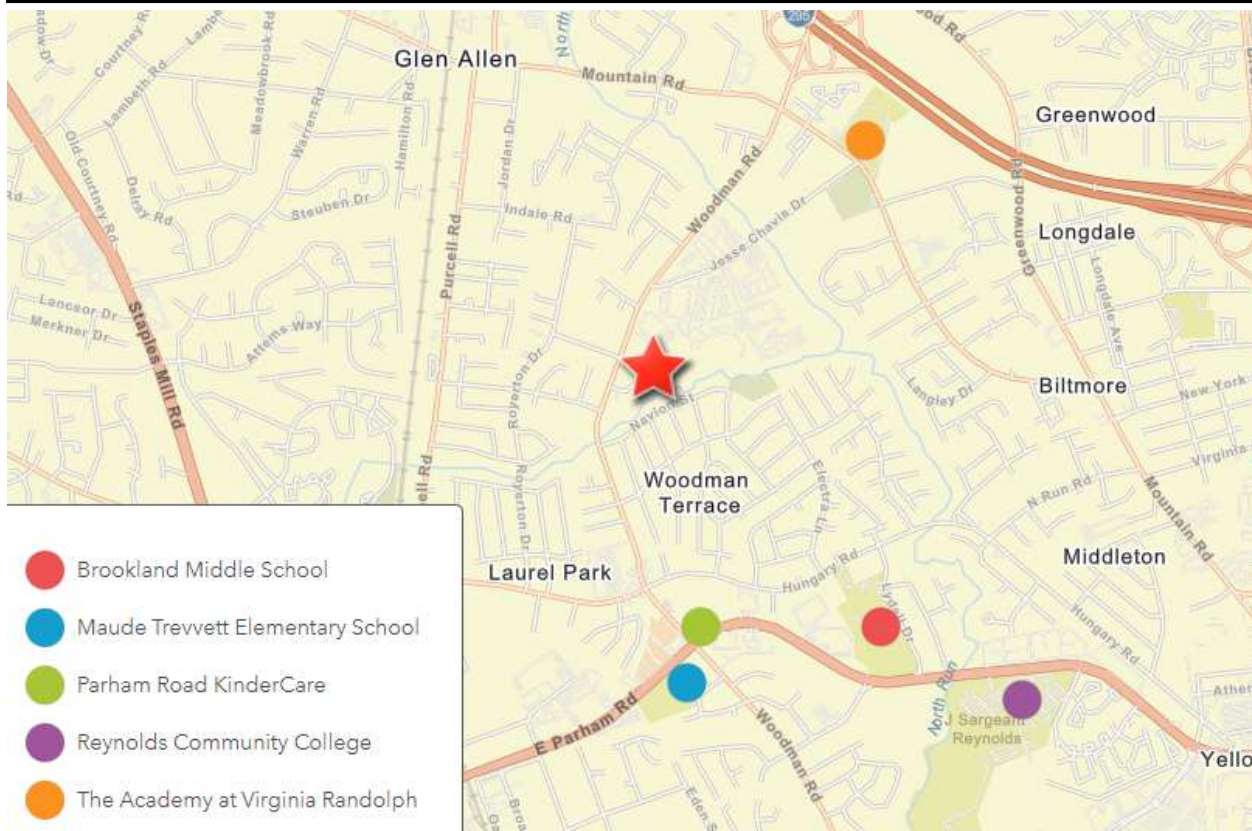
Service	Distance From Site (in Miles)
Patient First Primary and Urgent Care-Woodman	1.0
Parham Medical Village	1.3
The Little Clinic	2.7



**PHARMACIES**

Service	Distance From Site (in Miles)
CVS Pharmacy	0.9
Partners Pharmacy	2.2
Walgreens Pharmacy	2.3

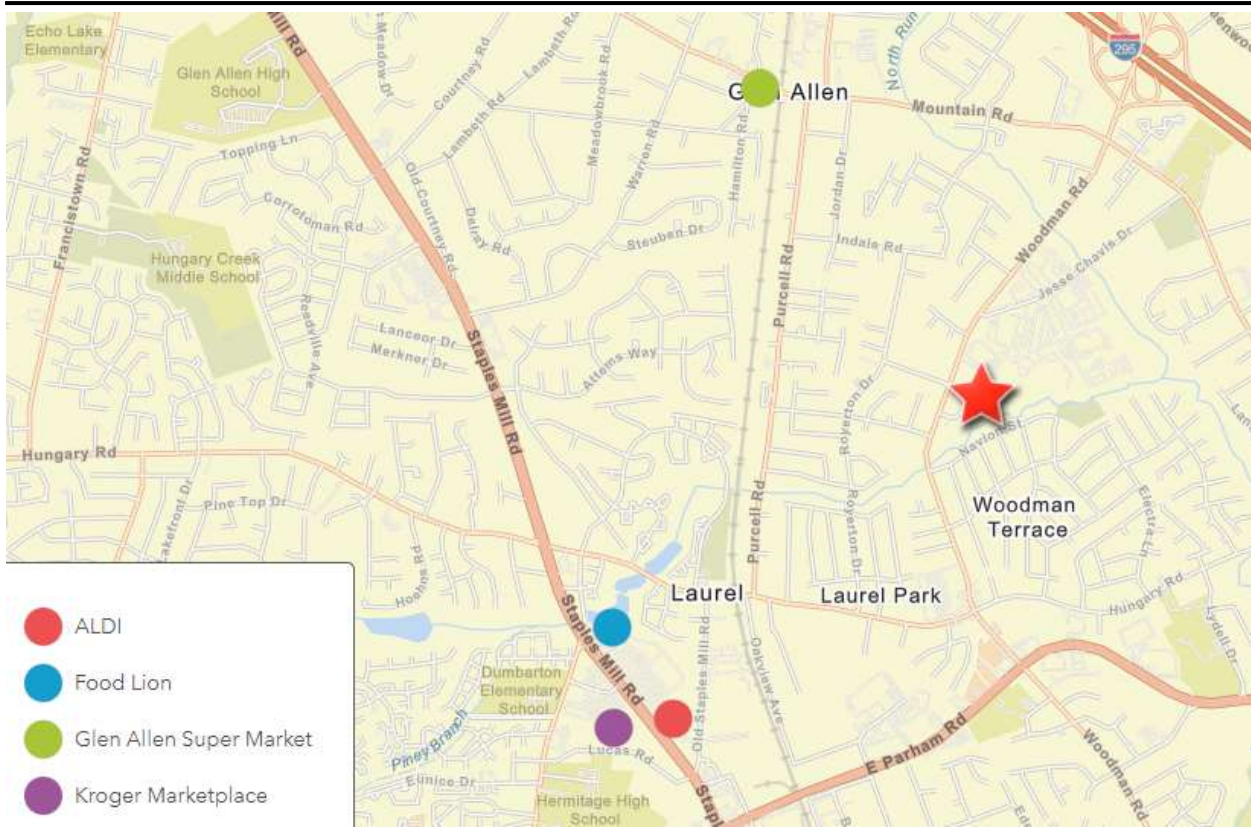
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 Glen Allen, Virginia 23060



**SCHOOLS**

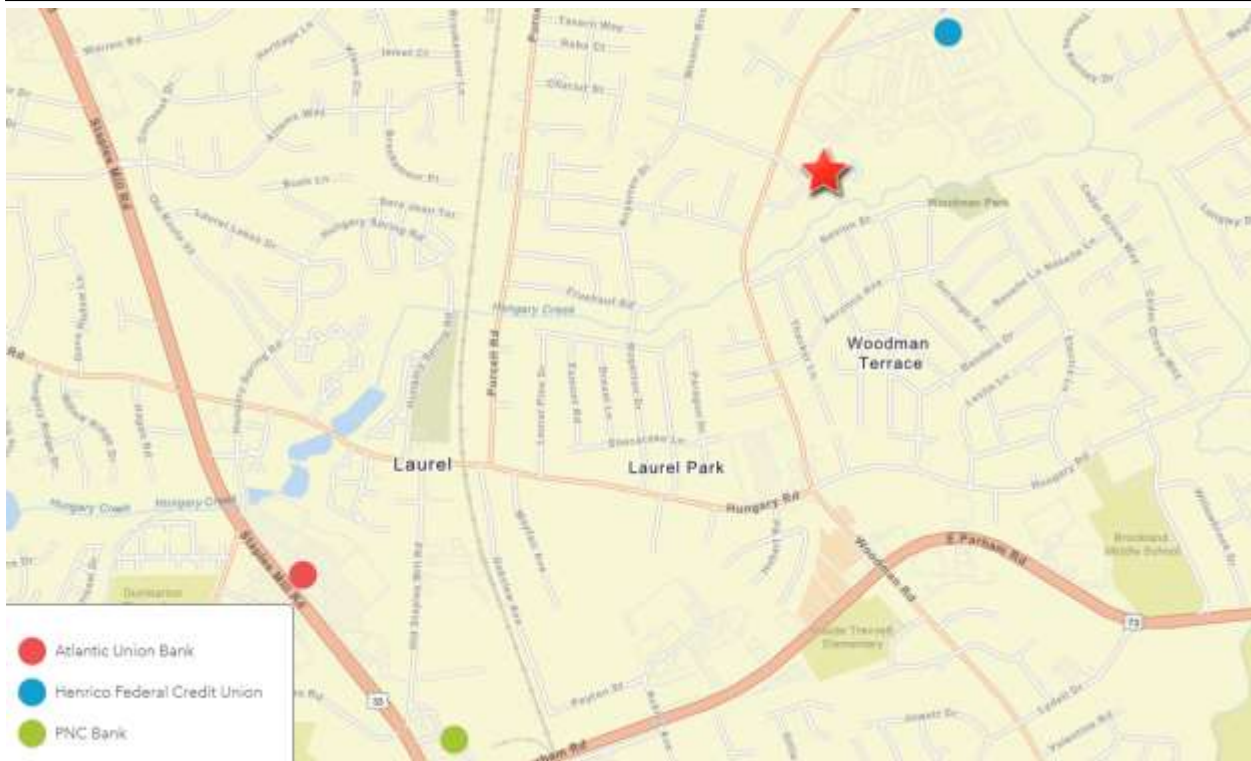
Service	Distance From Site (in Miles)
The Academy at Virginia Randolph	1.3
Maude Trevett Elementary School	1.3
Parham Road KinderCare	1.5
Brookland Middle School	1.8
Reynolds Community College	2.1

Woodman West  
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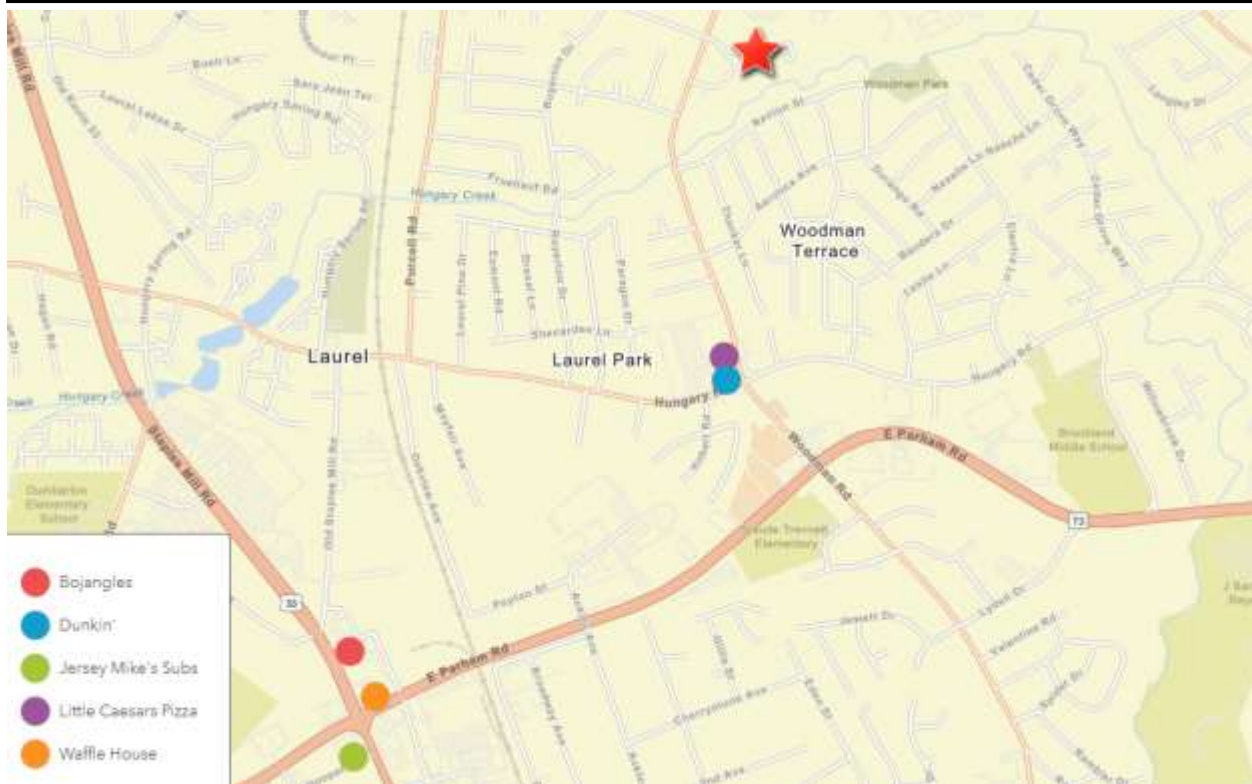
**GROCERY STORES/SUPERMARKETS**

Service	Distance From Site (in Miles)
Glen Allen Super Market	2.1
ALDI	2.3
Food Lion	2.4
Kroger Marketplace	2.9



**BANKS/LENDING INSTITUTIONS**

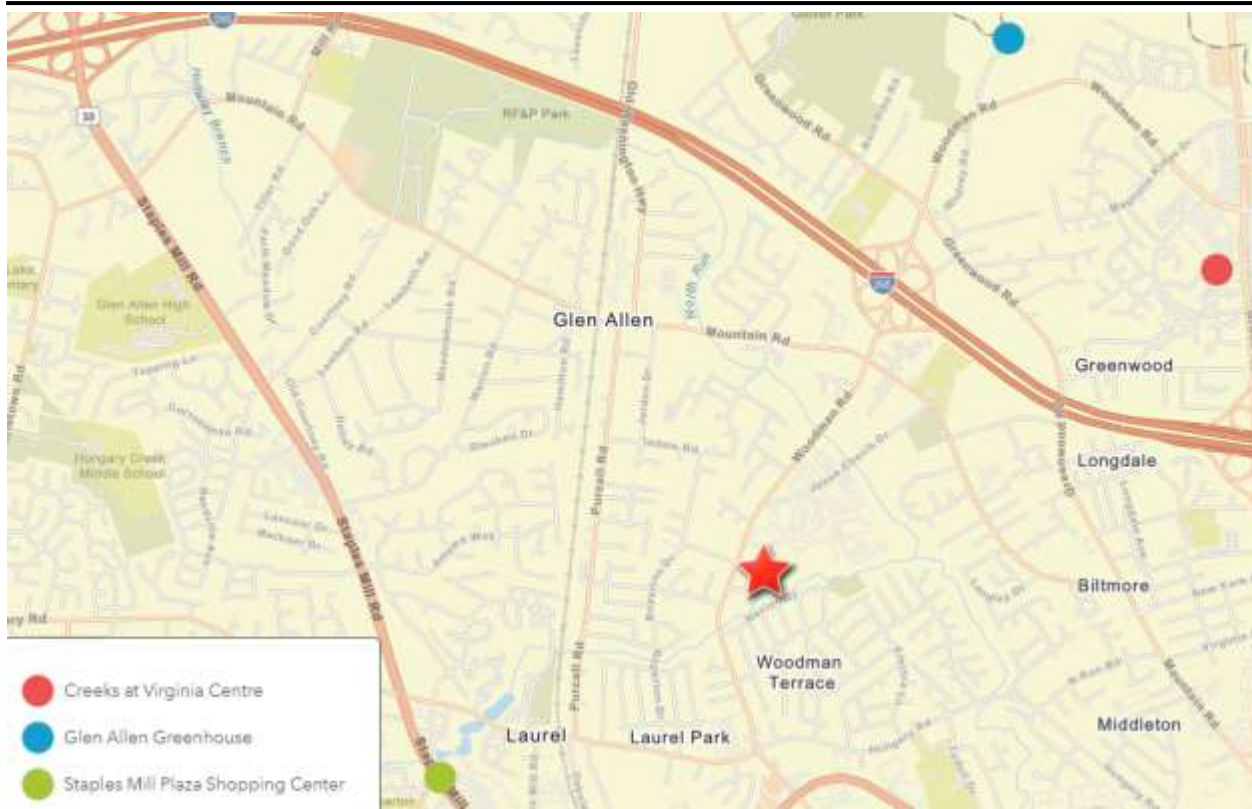
Service	Distance From Site (in Miles)
Henrico Federal Credit Union	0.5
PNC Bank	2.2
Atlantic Union Bank	2.7



**RESTAURANTS**

Service	Distance From Site (in Miles)
Little Caesars Pizza	0.8
Dunkin'	0.8
Waffle House	2.1
Jersey Mike's Subs	2.2
Bojangles	2.2

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**SHOPPING**

Service	Distance From Site (in Miles)
Glen Allen Greenhouse	2.3
Staples Mill Plaza Shopping Center	2.4
Creeks at Virginia Centre	3.4



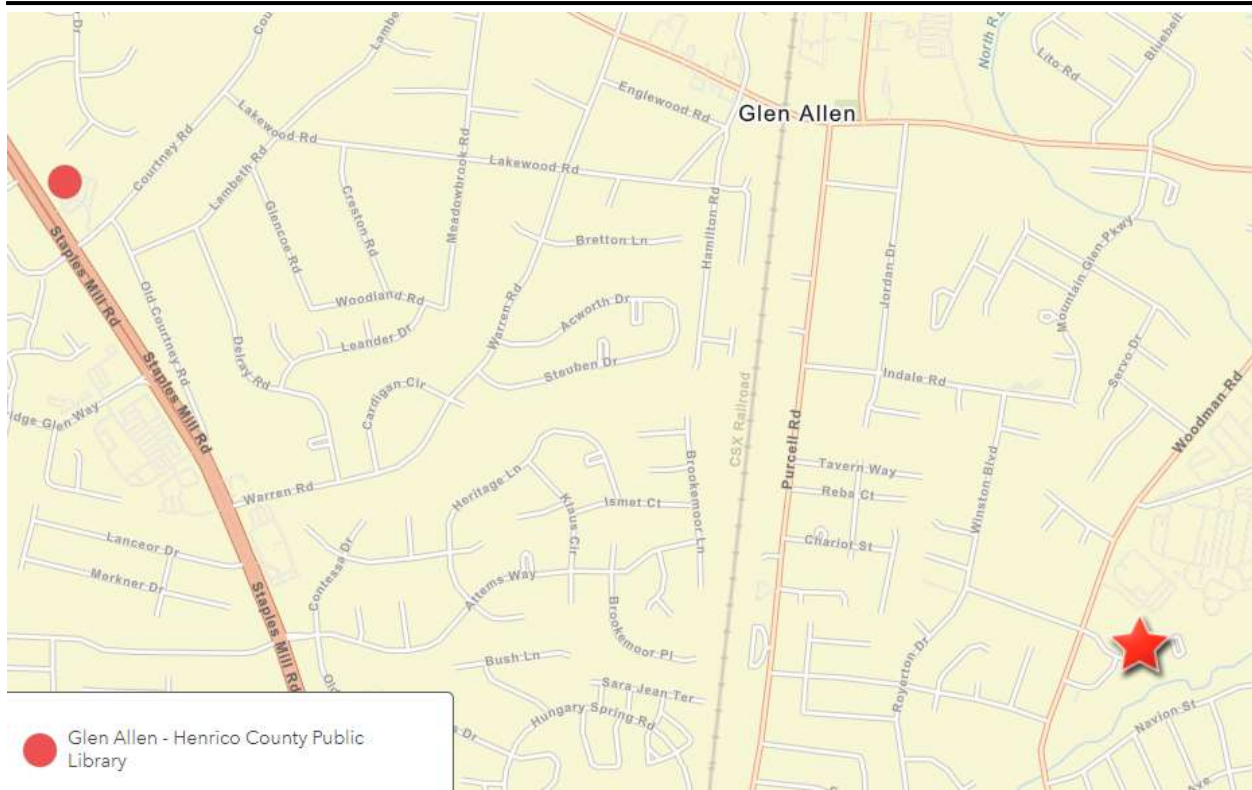
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Glen Allen, Virginia 23060



**TRANSPORTATION**

	Service	Distance From Site (in Miles)
Multiple Door-to-Door Taxi's		0.0

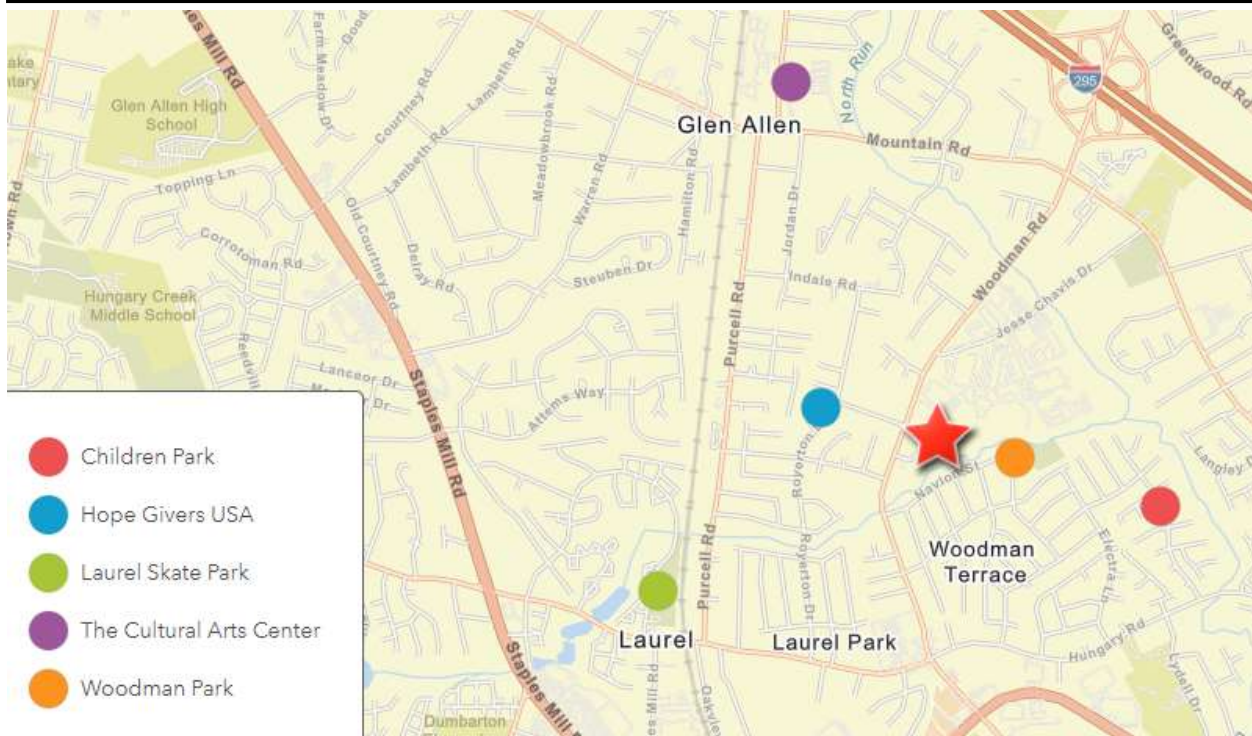
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**LIBRARIES**

Service	Distance From Site (in Miles)
Glen Allen - Henrico County Public Library	3.7

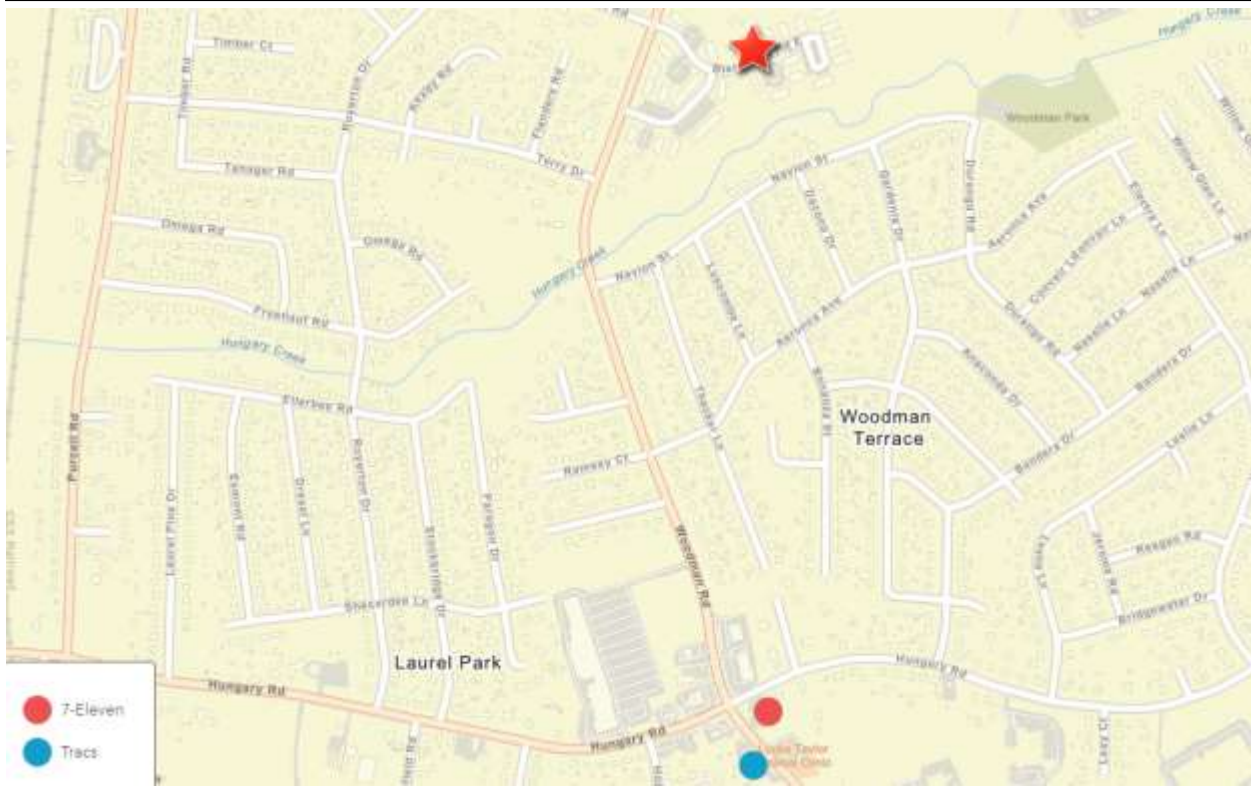
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**PARKS/RECREATION**

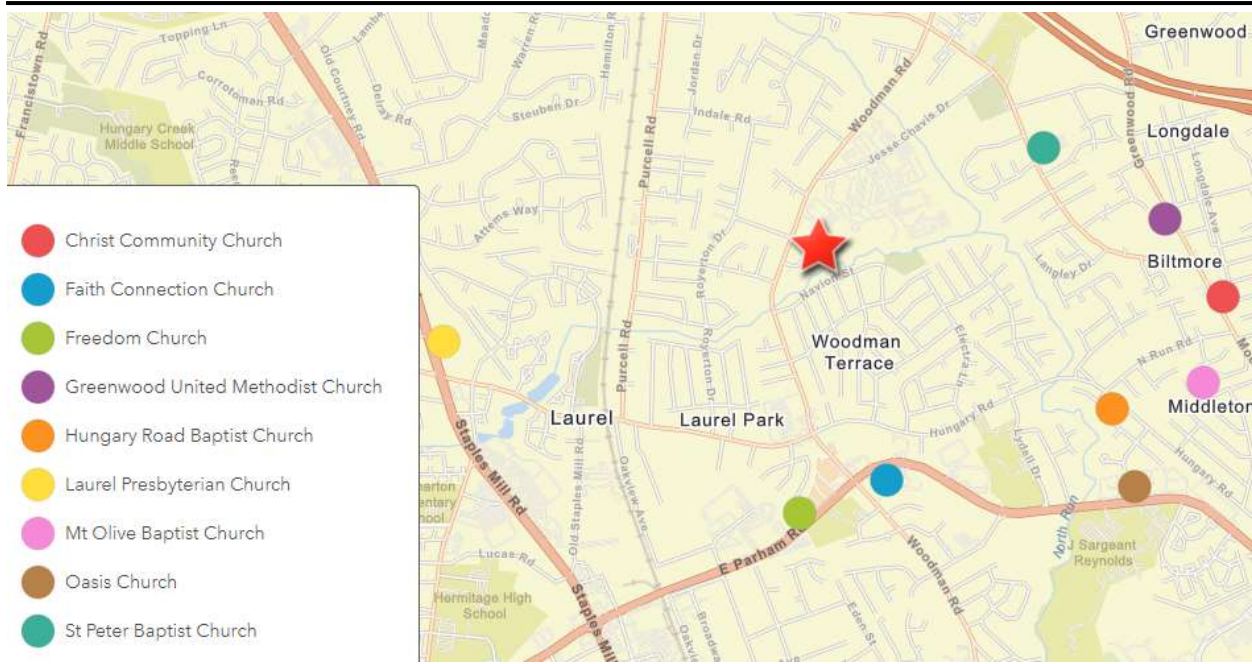
<b>Service</b>	<b>Distance From Site (in Miles)</b>
Hope Givers USA	0.4
Woodman Park	0.8
Laurel Skate Park	1.8
The Cultural Arts Center	2.0
Children Park	2.0

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**CONVENIENCE STORES**

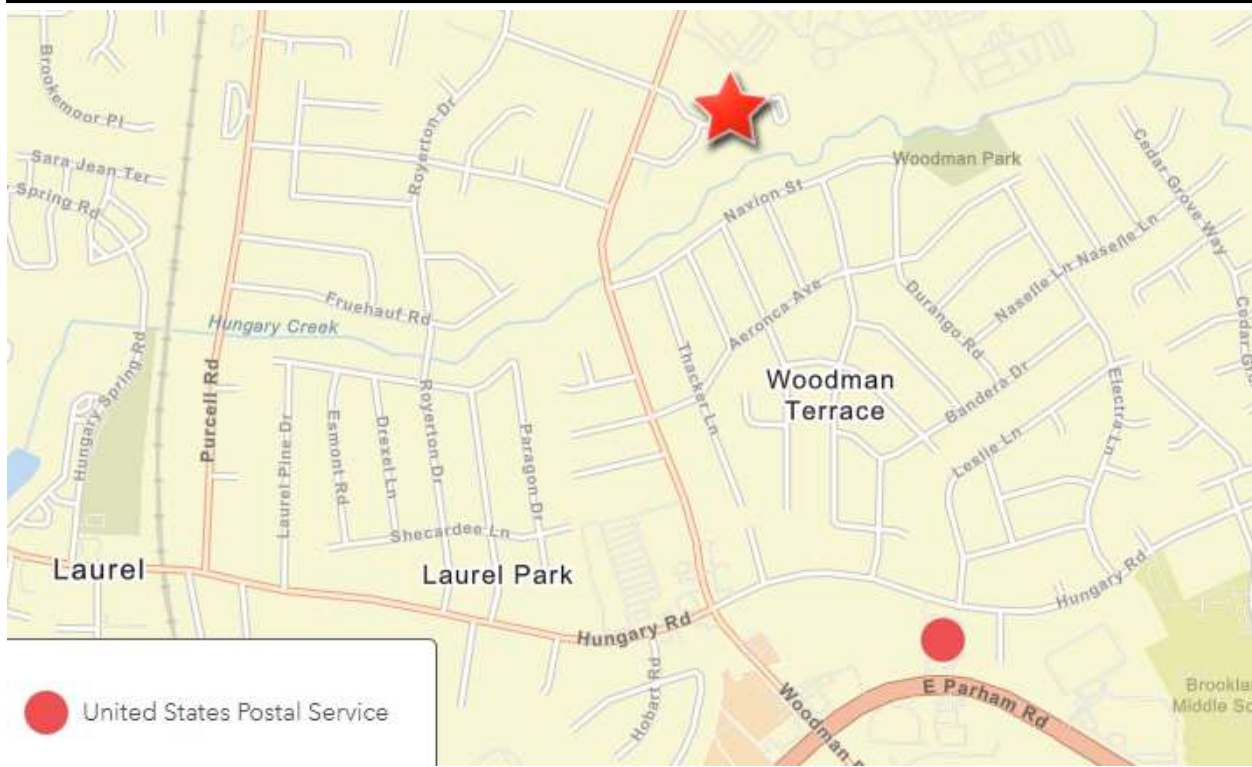
	Service	Distance From Site (in Miles)
	Tracs	0.9
	7-Eleven	1.0



**HOUSES OF WORSHIP**

Service	Distance From Site (in Miles)
Freedom Church	1.2
Faith Connection Church	1.2
St Peter Baptist Church	1.7
Hungary Road Baptist Church	2.0
Oasis Church	2.1
Laurel Presbyterian Church	2.4
Greenwood United Methodist Church	2.5
Christ Community Church	2.6
Mt Olive Baptist Church	2.9

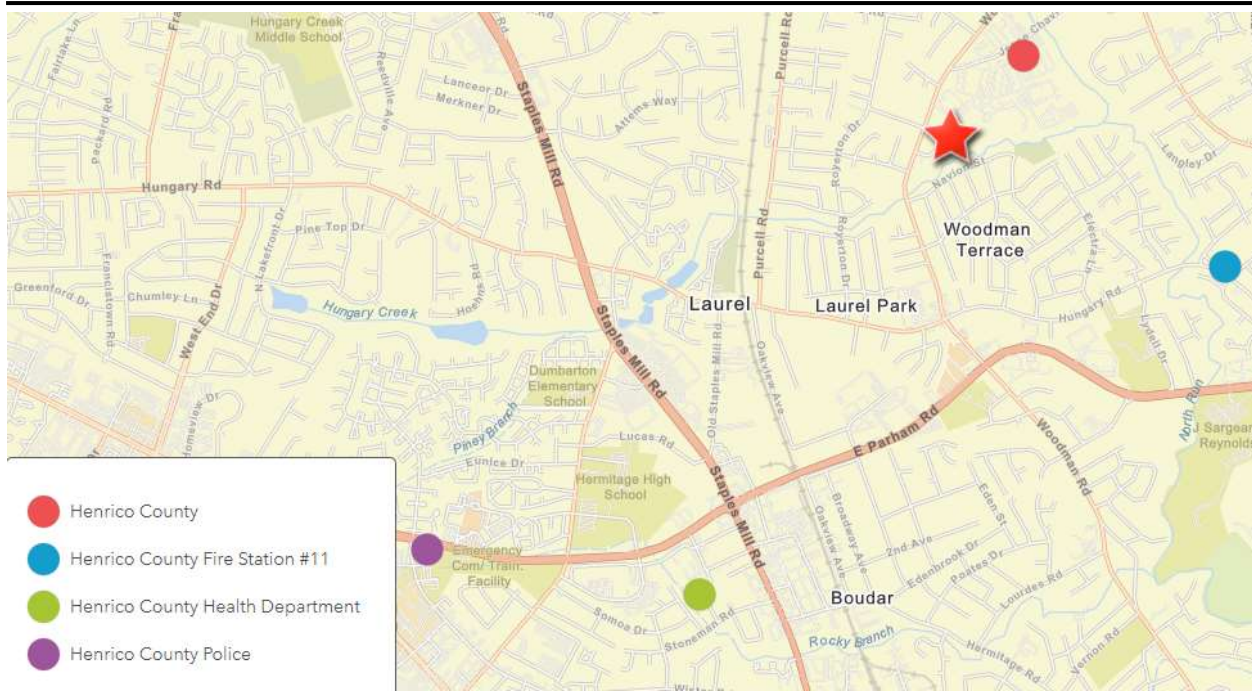
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**POST OFFICES**

Service	Distance From Site (in Miles)
United States Postal Service	1.2

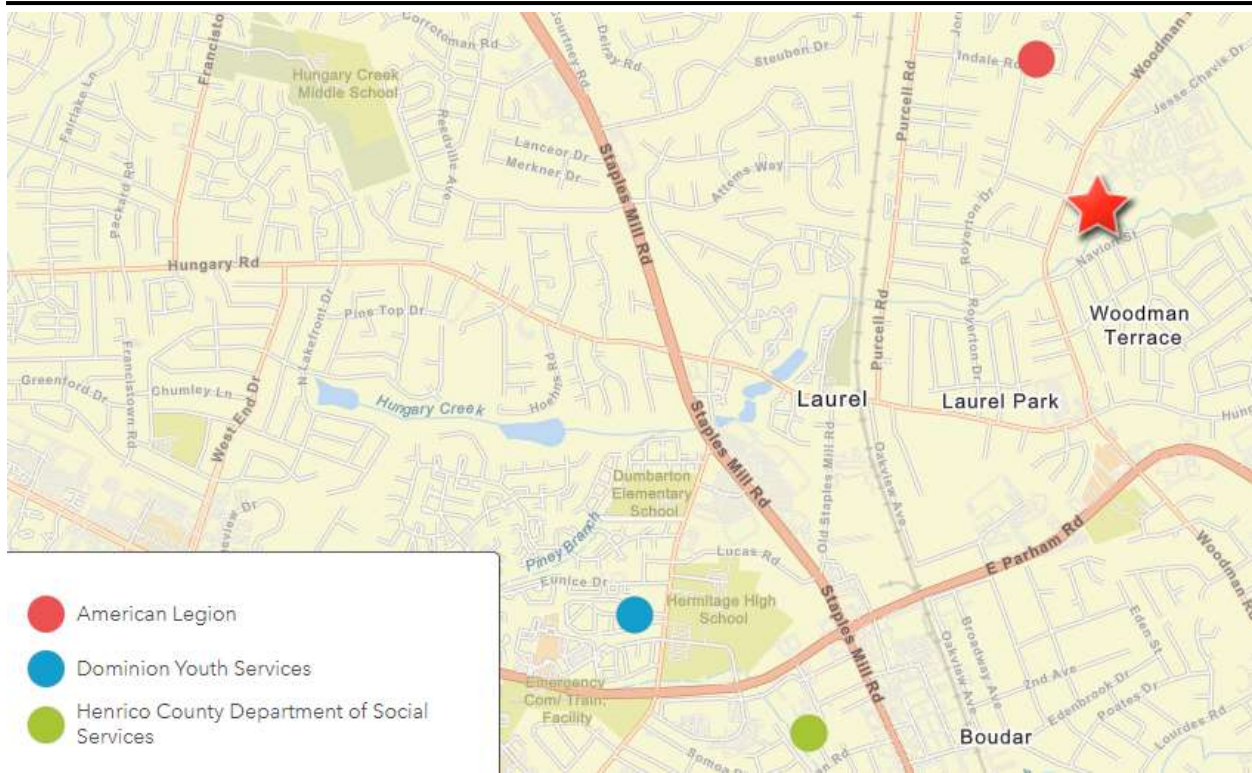
Woodman West  
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 Glen Allen, Virginia 23060



**PUBLIC SAFETY/GOVERNMENT**

Service	Distance From Site (in Miles)
Henrico County	0.6
Henrico County Fire Station #11	1.9
Henrico County Health Department	2.5
Henrico County Police	3.5

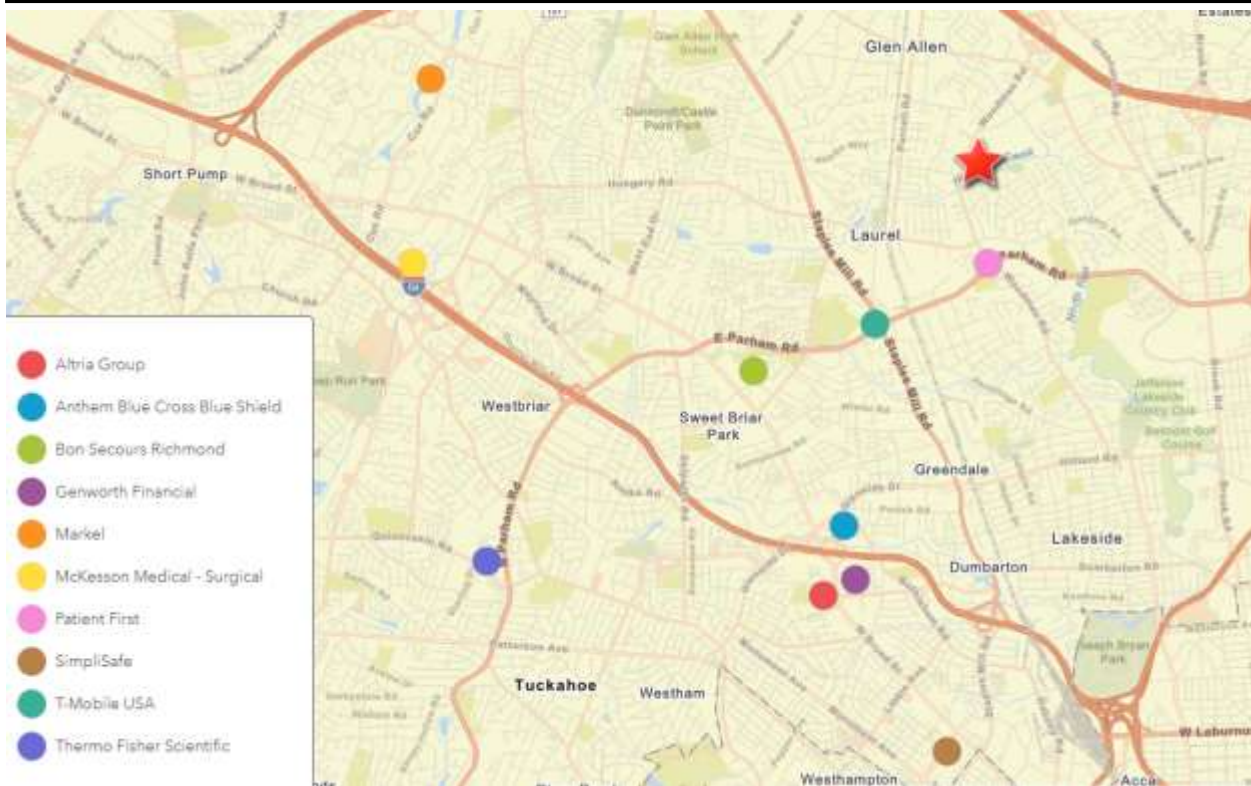
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**SOCIAL SERVICES**

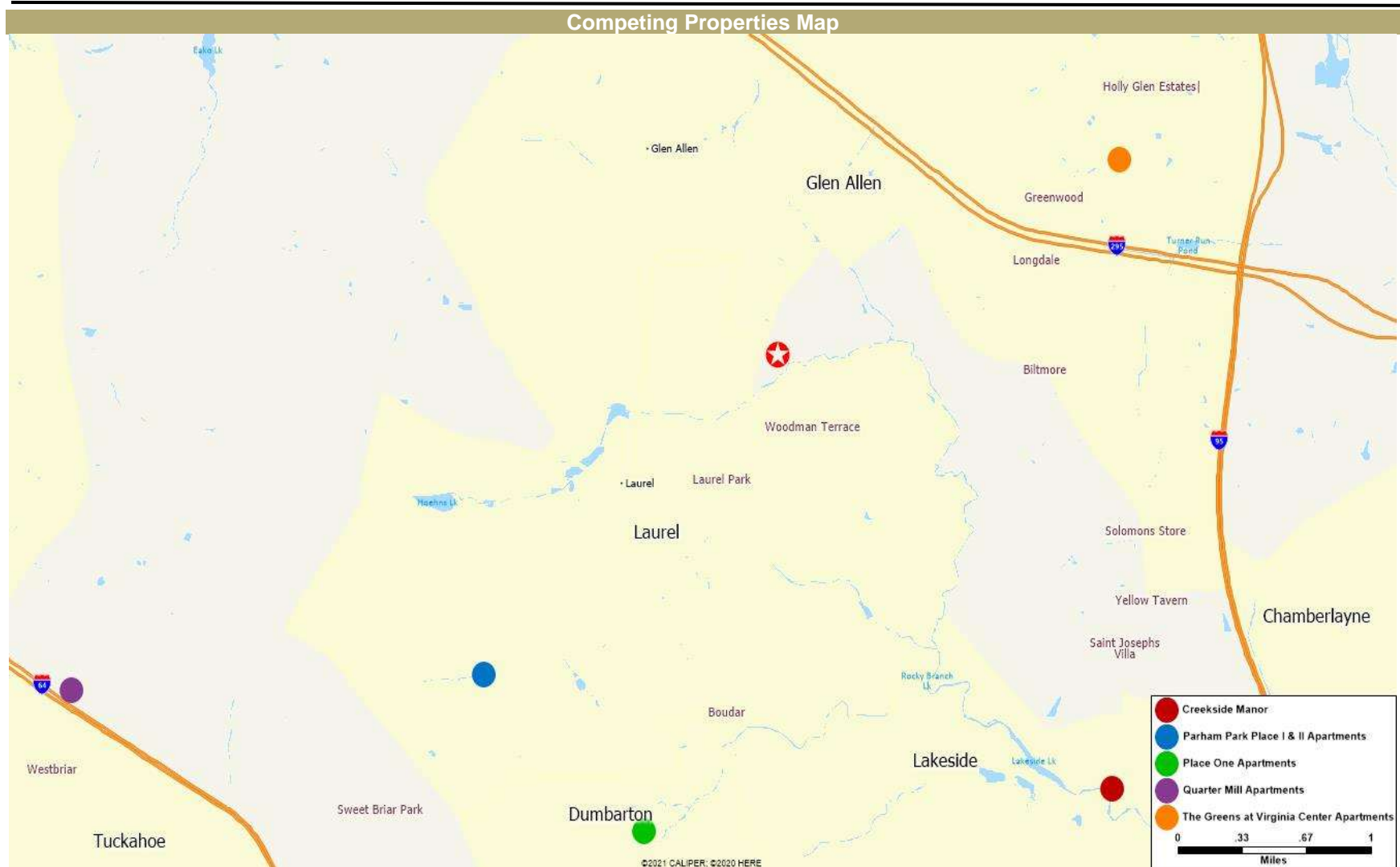
Service	Distance From Site (in Miles)
American Legion	0.7
Henrico County Department of Social Services	2.5
Dominion Youth Services	2.9





**MAJOR EMPLOYERS**

Service	Distance From Site (in Miles)
Patient First	1.0
T-Mobile USA	2.2
Bon Secours Richmond	3.6
Anthem Blue Cross Blue Shield	4.8
Altria Group	5.1
Genworth Financial	5.8
McKesson Medical – Surgical	6.1
SimpliSafe	6.3
Thermo Fisher Scientific	6.8
Markel	8.7



As renovated, the subject will be a Section 8 and LIHTC property set at 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



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### Summary of Site Strengths and Weaknesses

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

Weaknesses – The site has no apparent weaknesses.

MARKET AREA



## Delineation of Market Area

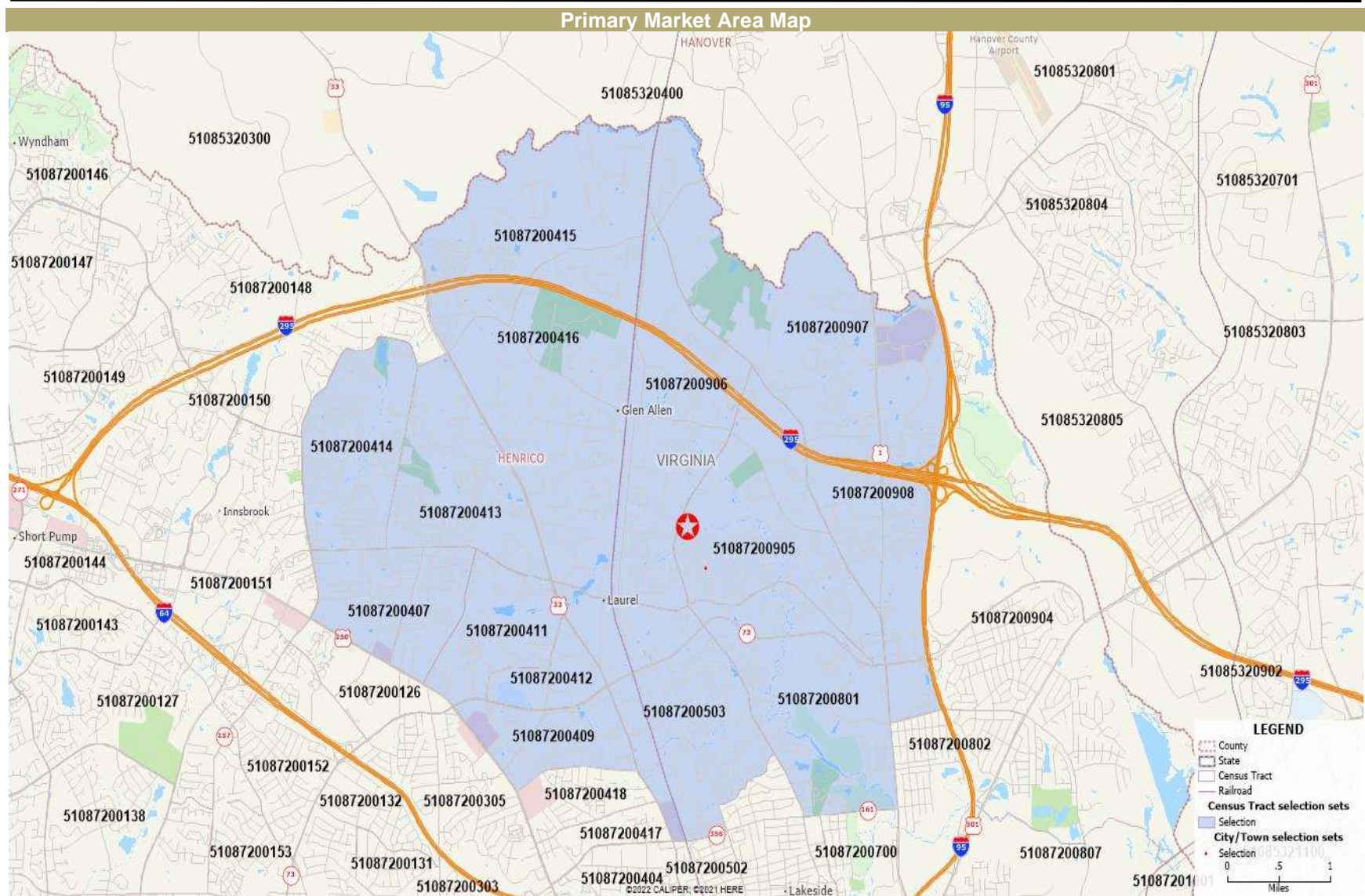
Following is a list of considerations used when determining the market area:

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



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

The determination of the market area is based on the boundaries between governmental units. In such a method, county, division or CDP boundaries become the boundaries of the market area. The primary market area for the subject consists of the following census tracts 2004.07, 2004.09, 2004.11, 2004.12, 2004.13, 2004.14, 2004.15, 2004.16, 2005.03, 2008.01, 2009.05, 2009.06, 2009.07 and 2009.08. The market area has the following boundaries: North – Hanover County; South – Wilkerson Road, U.S. Highway 1, State Highway 161, Hermitage Road, Galaxie Road, State Highway 356, U.S. Highway 33 and Wistar Road; East – Interstate 95 South; and West – U.S. Highway 250, State Highway 157 and U.S. Highway 33. The analysis was conducted using only the demographics data from the primary market area. However, according to the market study guidelines for Virginia Housing, a secondary or tertiary market area was also determined. The secondary market area is defined as the Henrico County.



EMPLOYMENT AND ECONOMY





**Employment and Economy**

The economy of Glen Allen is based on accommodation/food services; educational services; finance, insurance real estate, rent and lease; health care and social assistance services; and retail trade sectors. Each of these categories has experienced reasonable growth within the past few years.

Unemployment in the Henrico County reached a high of 7.5 percent in 2010 and was at its lowest in 2019 with 2.8 percent. The rate for Henrico County in November was 3.0 percent. The number employed has increased an average of 0.8 percent since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR HENRICO COUNTY					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	167,948	155,376	92.5%	12,572	7.5%
2011	170,265	158,821	93.3%	11,444	6.7%
2012	172,338	162,124	94.1%	10,214	5.9%
2013	174,131	164,651	94.6%	9,480	5.4%
2014	176,852	168,004	95.0%	8,848	5.0%
2015	177,634	170,112	95.8%	7,522	4.2%
2016	179,085	172,221	96.2%	6,864	3.8%
2017	181,903	175,322	96.4%	6,581	3.6%
2018	182,576	177,154	97.0%	5,422	3.0%
2019	184,822	179,699	97.2%	5,123	2.8%
2020	181,386	169,700	93.6%	11,686	6.4%
2021	176,593	169,543	96.0%	7,050	4.0%
2022**	176,901	171,624	97.0%	5,277	3.0%

\* Data based on place of residence.

\*\*Preliminary - based on monthly data through November 2022

Source: U.S. Bureau of Labor Statistics

The State of Virginia reached a high of 7.3 percent in 2010 and was at its lowest point in 2019 with 2.8 percent. The rate for the State of Virginia in November 2022 was 3.0 percent. The number employed has increased 0.5 percent per year since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR VIRGINIA					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	4,163,293	3,858,466	92.7%	304,827	7.3%
2011	4,205,184	3,929,008	93.4%	276,176	6.6%
2012	4,217,529	3,967,151	94.1%	250,378	5.9%
2013	4,238,377	4,002,057	94.4%	236,320	5.6%
2014	4,258,856	4,040,908	94.9%	217,948	5.1%
2015	4,233,981	4,048,081	95.6%	185,900	4.4%
2016	4,254,348	4,084,822	96.0%	169,526	4.0%
2017	4,352,977	4,193,290	96.3%	159,687	3.7%
2018	4,384,657	4,255,213	97.0%	129,444	3.0%
2019	4,455,815	4,332,647	97.2%	123,168	2.8%
2020	4,368,772	4,097,860	93.8%	270,912	6.2%
2021	4,267,656	4,100,803	96.1%	166,853	3.9%
2022**	4,340,216	4,211,830	97.0%	128,386	3.0%

\* Data based on place of residence.

\*\*Preliminary - based on monthly data through November 2022

Source: U.S. Bureau of Labor Statistics



According to the U.S. Bureau of Labor Statistics, unemployment trends for Henrico County are in line with the to the unemployment trends for the State of Virginia.

CHANGE IN TOTAL EMPLOYMENT FOR HENRICO COUNTY				
PERIOD	NUMBER		PERCENT	
	TOTAL	ANNUAL	TOTAL	ANNUAL
2010-2015	14,736	2,947	9.5%	1.9%
2015-2020	(569)	(114)	-0.3%	-0.1%

Source: U.S. Bureau of Labor Statistics

The changes in employment since 2010 by time period are listed in the above table. The data shows that the number of persons employed in Henrico County increased an average of 0.9 percent per year between 2010 and 2020.

RECENT CHANGES IN EMPLOYMENT FOR HENRICO COUNTY			
YEAR	NUMBER EMPLOYED	ANNUAL CHANGE	% OF LABOR FORCE UNEMPLOYED
2015	170,112	2,108	4.2%
2016	172,221	2,109	3.8%
2017	175,322	3,101	3.6%
2018	177,154	1,832	3.0%
2019	179,699	2,545	2.8%
2020	169,700	(9,999)	6.4%
2021	169,543	(157)	4.0%

Source: U.S. Bureau of Labor Statistics

The previous tables show the changes in employment and percent unemployed for the past six years. The unemployment rate for the CDP of Glen Allen has fluctuated from 2.8 percent to 6.4 percent since 2015.

### Major Employers

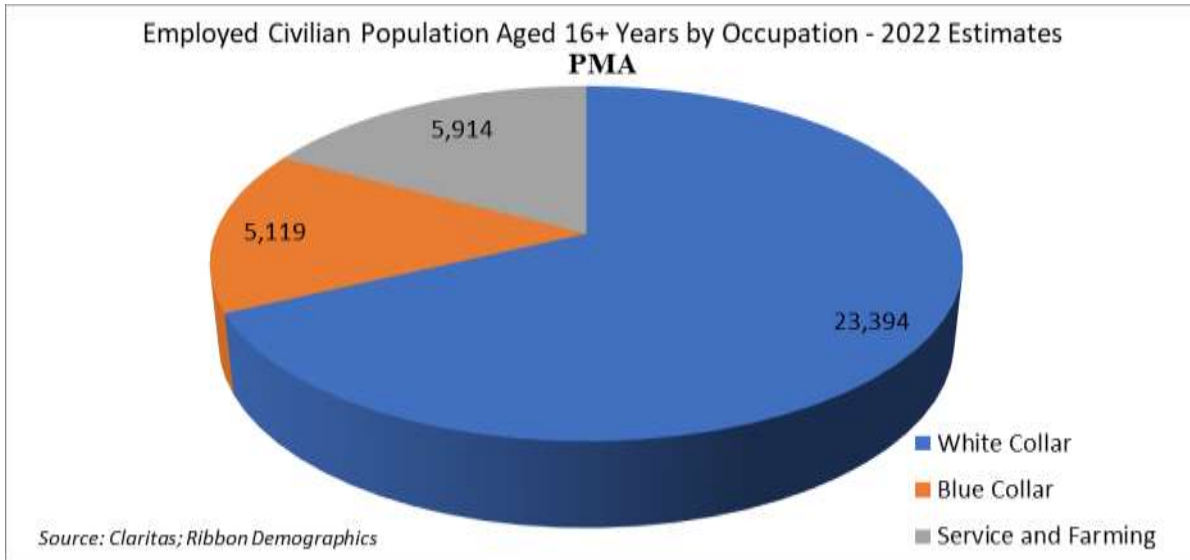
The name, product or service and number of employees for the major employers of the CDP of Glen Allen and surrounding area are shown in the following table:

MAJOR EMPLOYERS		
Name	Product/Service	Total Employees
Bon Secours Richmond	Healthcare	8,416
Altria Group	Producer	3,850
Anthem Blue Cross Blue Shield	Health Insurance	2,655
Markel	Specialty Insurance	1,886
T-Mobile USA	Telecommunications	1,316
Genworth Financial	Insurance	850
SimpliSafe	Security	836
Patient First	Healthcare	805
McKesson Medical – Surgical	Wholesale	756
Thermo Fisher Scientific	Research	694
Mondelez International	Manufacturing	680
Comcast	Provider	675
Allianz Global Assistance	Travel Insurance	650
Elephant Insurance	Insurance	600
Westminster Canterbury	Retirement Community	600
Teleperformance	Financial Services	590
Southern States	Agribusiness	574
Apex Systems	Technology	556
EAB	Education	500

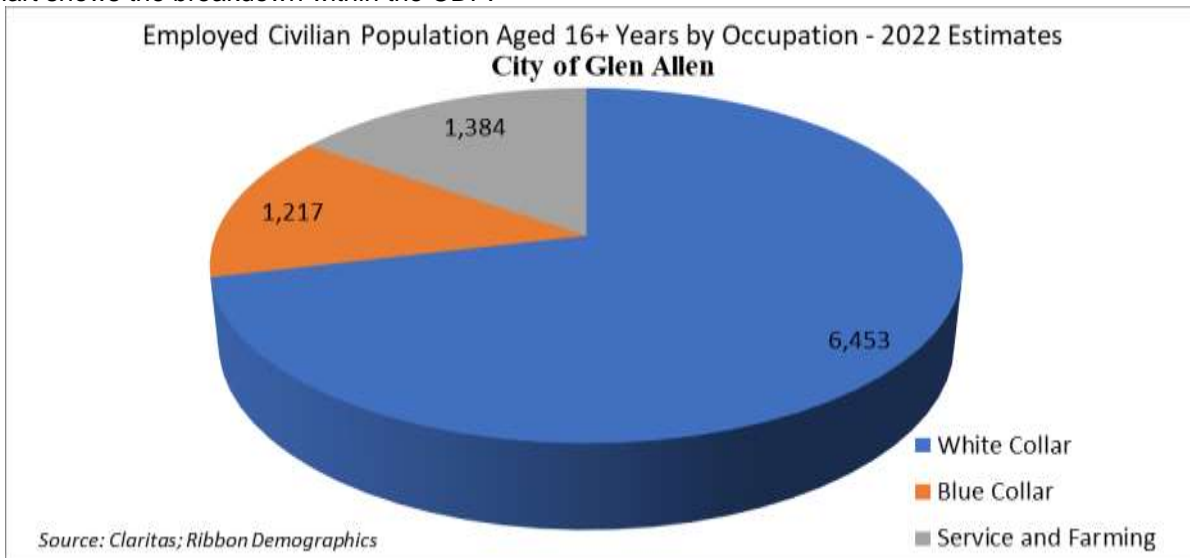
Source: Greater Richmond Partnership



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

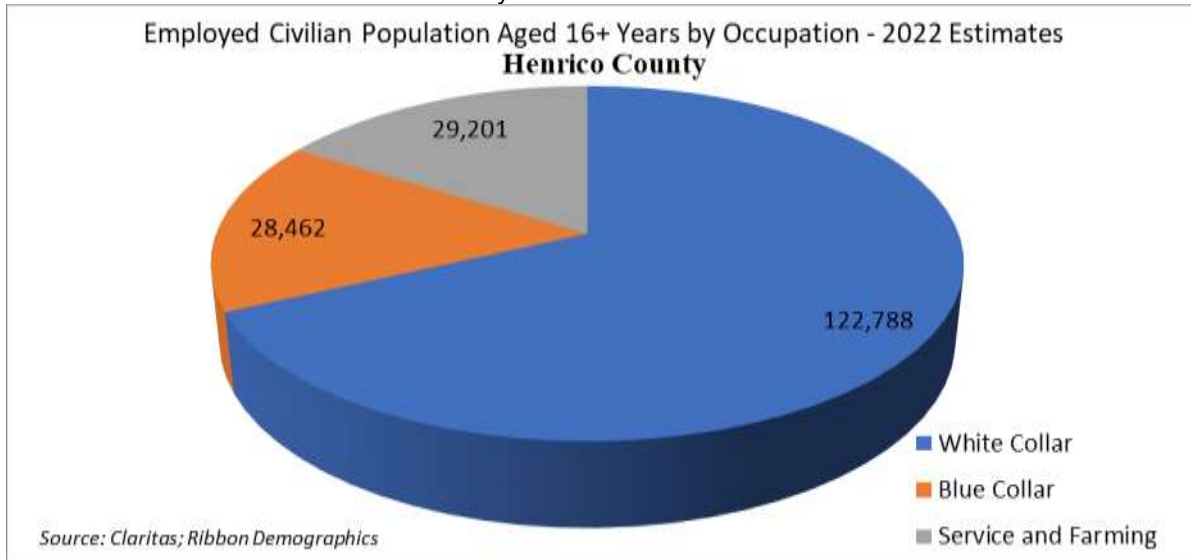


The majority of the civilian population within the CDP are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the CDP.





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



**Place of Work Employment**

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

<b>Employed Civilian Population Aged 16+ Years by Industry Current Year Estimates - 2022</b>		
PMA		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	2,545	7.4%
Administrative/Support/Waste Management	1,244	3.6%
Agriculture/Forestry/Fishing/Hunting/Mining	302	0.9%
Arts/Entertainment/Recreation	704	2.0%
Construction	2,203	6.4%
Educational Services	3,251	9.4%
Finance/Insurance/Real Estate/Rent/Lease	3,658	10.6%
Health Care/Social Assistance	4,620	13.4%
Information	467	1.4%
Management of Companies and Enterprises	27	0.1%
Manufacturing	1,986	5.8%
Other Services Except Public Administration	2,057	6.0%
Professional/Scientific/Technical Services	2,540	7.4%
Public Administration	2,072	6.0%
Retail Trade	4,022	11.7%
Transportation/Warehousing/Utilities	1,773	5.2%
Wholesale Trade	956	2.8%
<b>Total:</b>	<b>34,427</b>	<b>100.0%</b>

Source: Claritas; Ribbon Demographics



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

Employed Civilian Population Aged 16+ Years by Industry Current Year Estimates - 2022		
City of Glen Allen		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	767	8.5%
Administrative/Support/Waste Management	210	2.3%
Agriculture/Forestry/Fishing/Hunting/Mining	82	0.9%
Arts/Entertainment/Recreation	235	2.6%
Construction	617	6.8%
Educational Services	951	10.5%
Finance/Insurance/Real Estate/Rent/Lease	845	9.3%
Health Care/Social Assistance	1,031	11.4%
Information	97	1.1%
Management of Companies and Enterprises	3	0.0%
Manufacturing	576	6.4%
Other Services Except Public Administration	548	6.1%
Professional/Scientific/Technical Services	716	7.9%
Public Administration	654	7.2%
Retail Trade	999	11.0%
Transportation/Warehousing/Utilities	462	5.1%
Wholesale Trade	261	2.9%
<b>Total:</b>	<b>9,054</b>	<b>100.0%</b>

Source: Claritas; Ribbon Demographics

The following chart shows the number of people employed in different sectors of the county's economy in 2022.

Employed Civilian Population Aged 16+ Years by Industry Current Year Estimates - 2022		
Henrico County		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	12,542	7.0%
Administrative/Support/Waste Management	6,312	3.5%
Agriculture/Forestry/Fishing/Hunting/Mining	777	0.4%
Arts/Entertainment/Recreation	4,458	2.5%
Construction	9,635	5.3%
Educational Services	16,082	8.9%
Finance/Insurance/Real Estate/Rent/Lease	20,324	11.3%
Health Care/Social Assistance	26,612	14.7%
Information	2,630	1.5%
Management of Companies and Enterprises	251	0.1%
Manufacturing	10,605	5.9%
Other Services Except Public Administration	9,460	5.2%
Professional/Scientific/Technical Services	15,437	8.6%
Public Administration	10,464	5.8%
Retail Trade	20,097	11.1%
Transportation/Warehousing/Utilities	9,886	5.5%
Wholesale Trade	4,879	2.7%
<b>Total:</b>	<b>180,451</b>	<b>100.0%</b>

Source: Claritas; Ribbon Demographics

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



**Future Employment Trends**

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

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

While the federal and state governments have attempted to mitigate the economic impact by lowering interest rates, providing financial relief and paid sick leave for workers quarantined, providing small business loans to businesses affected by the pandemic, deferring tax payments without penalty and temporarily suspending all government foreclosures and evictions, the result of the pandemic would likely be a recession and potentially a depression if conditions did not improve quickly.

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

W.A.R.N. NOTICES			
Company	City	Employees Lost	Layoff Date
Genetworx	Glen Allen	61	6/18/2021
Aramark	Glen Allen	98	1/1/2021
Wells Fargo	Glen Allen	320	1/21/2021
Capital One	Statewide	147	9/7/2021
<b>Total:</b>		<b>626</b>	

Source: WARN Notices Virginia\_Omer Arain



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According to Henrico County Economic Development Authority, there have been several new and expanding businesses in the county, as well as numerous infrastructure projects.

New businesses and expansions include, but are not limited to, the following:

- American Paper Converting will complete a \$17 million expansion of its Henrico County's operations and it expected to create 69 jobs.
- Richmond National Group, Inc., a start-up specialty property and casualty insurance holding company, will invest at least \$175,000 to establish its headquarters in Henrico County, Virginia. The project is expected to create 70 new jobs over the next three years.
- Thermo Fisher Scientific Inc., the world leader in serving science, will invest \$97 million to expand its bioanalytical laboratory operations into three new locations in the Greater Richmond region and expects to create more than 500 new jobs in the Commonwealth.
- Coca-Cola Consolidated production and distribution facility is expanding as part of a \$23-million investment and will create 40 new jobs.
- \$2.3 billion "eco district" development is set to break ground in early 2023 outside of Richmond, Virginia. The GreenCity project in Henrico County will feature office space, retail shops, over 2,000 housing units, two hotels, a 17,000-seat arena and extensive park space, according to the masterplan of the project.
- Dominion Outsourcing LLC, a provider of outsourced services for the healthcare industry, will create 190 new jobs due to an expansion of its client engagement center in Henrico County, VA. The company will invest \$370,000 in the Richmond-area expansion project.
- Amazon will build a multi-story, 650,000-square-foot facility with innovative robotics technology, and add more than 1,000 jobs to its existing workforce of more than 27,000 employees in Virginia.
- Mondelēz International Inc., a global snacking provider with brands such as OREO, Ritz and Chips Ahoy! biscuits, Nilla wafers, Wheat Thins and Premium crackers, will invest \$122.5 million in its Henrico County supply chain operations over three years. The company's investment includes a 68,000-square-foot expansion of the company's Richmond Biscuit Bakery, which will support its Richmond manufacturing operations and enable the site to house a high-speed, modern OREO production line. The bakery is the company's East Coast manufacturing hub for its U.S. operations and employs more than 500 people.



Furthermore, the area has several on-going or planned infrastructure projects, which are listed in the following table.

Project Name	Type of Project	Project Status
Airport Drive Sidewalk	Infrastructure	Preliminary
Ashland to Petersburg Trail Study	Infrastructure	Study
Audubon Drive Sidewalk	Infrastructure	Underway
Automated Traffic Management System (ATMS), Phase II	Infrastructure	Underway - Design
Azalea Avenue Pedestrian and Signal Improvement	Infrastructure	Completed
Bethlehem Road Improvements	Infrastructure	Underway - Right of Way Acquisition
Beulah Road Infill Sidewalk	Infrastructure	Completed
Bremo Road Improvements	Roads	Underway - Design
Causeway Drive Sidewalk	Infrastructure	Underway - Design
Cheswick Park	Community	Underway - Design
Church Road Safety and Mobility Improvements	Infrastructure	Completed
Church Road Sidewalk Improvements	Infrastructure	Underway - Right of Way Acquisition
Cobbs Creek Reservoir	Environmental	Underway - Construction
Comet Road Outfall	Infrastructure	Completed
Cornerstone Community Farm	Community	Underway
Creighton Road Improvements - Sandy Lane to	Roads	In Progress
Dabbs House Road Improvements	Roads	Underway
Doran Road Roundabout	Infrastructure	Preliminary
Dumbarton Road Safety and Mobility Improvements	Infrastructure	Study
E. Laburnum Ave Sidewalk, Phase II	Infrastructure	Underway - Design
E. Laburnum Avenue Sidewalk Improvements	Infrastructure	Underway - Construction
Eastern Henrico Truck Travel Study	Study	Study
Engineered Wood Way Phase II	Roads	Underway - Design
Fairfield Area Library	Community	Completed
Fall Line Trail	Infrastructure	Underway
Fall Line Trail - Brook and Hillard Road Phase	Infrastructure	Underway - Design
Fall Line Trail - Lakeside Community Trail Phase 1, 2,	Infrastructure	Underway - Design
Fall Line Trail - Longdale Phase	Infrastructure	Underway - Design
Fall Line Trail - Park Street Phase	Infrastructure	Underway - Design
Fall Line Trail - Villa Park Phase	Infrastructure	Underway - Design
Firehouse 19	Community	Completed
Firehouse 20	Community	Underway
Gaskins Park & Ride Lighting	Infrastructure	Underway - Construction
Gay Avenue Sidewalk Improvements	Infrastructure	Completed
Glen Allen Small Area Study	Study	Study
Glover Park	Community	In Progress





Greenwood Road Bridge Repair	Infrastructure	Underway
Greenwood Road Improvements	Infrastructure	Underway - Design
Henrico Sports & Event Center	Community	Underway - Construction
Hilliard Road Reconfiguration	Infrastructure	Underway - Design
Horsepen Road / Glenside Drive Safety Improvements	Study	Study
Horsepen Road at Three Chopt Road Right Turn Lane	Infrastructure	Underway - Construction
Hungary Road Sidewalk	Infrastructure	Underway - Utility Relocation
Hunton Park Boulevard Sidewalk	Infrastructure	Underway - Design
John Rolfe Parkway Sidewalk	Infrastructure	Underway - Design
John Rolfe Parkway Sidewalk #2	Infrastructure	Completed
Lakeside Area Mobility and Safety Improvements	Infrastructure	Study
Lakeside Avenue Bridge Replacement	Infrastructure	Underway - Utility Relocation
Libbie Avenue Road Improvements	Roads	Underway - Design
Liesfeld Farm Drive Extension	Infrastructure	Underway - Design
Magellan Parkway - County Funded Extension	Infrastructure	Underway - Right of Way Acquisition
Magellan Parkway Bridge over I-95 Section	Infrastructure	Preliminary
Markel Road Traffic Calming	Infrastructure	Underway
Meadow Road Culvert Replacement	Infrastructure	Underway - Right of Way Acquisition
Messer Road Trail Connector	Infrastructure	Underway - Design
MHDS East Clinic	Community	Completed
Mill Road Sanitary Sewer Improvements	Infrastructure	Underway - Design
N Laburnum Avenue Pedestrian and Transit	Infrastructure	Preliminary
N Parham Rd Sidewalk #3	Infrastructure	Preliminary
N. Parham Road Sidewalk and Traffic Signal	Infrastructure	Underway - Design
North Gayton Road Bike and Pedestrian Improvements	Infrastructure	Underway - Design
Nuckols Rd Pedestrian Improvements	Infrastructure	Preliminary
Nuckols Road and Pouncey Tract Road Sidewalk	Infrastructure	Underway
Nuckols Road Trail	Infrastructure	Study
Oakleys Lane Improvement Project	Roads	Completed
Parham Road Bridge Repair	Infrastructure	Underway
Parham Road Pedestrian and Transit Stop Improvements	Infrastructure	Underway - Right of Way Acquisition
Parham Road Pedestrian Intersection Improvements	Infrastructure	Preliminary
Pouncey Tract Pickleball Courts Phase III	Community	Underway - Design
Public Design Charrette	Study	Study
Pump Road Sidewalk Project	Infrastructure	Completed
Quiocassin Road Sidewalk Improvements	Infrastructure	Underway - Construction



Raintree Drive Sidewalk	Infrastructure	Underway - Design
Richmond-Henrico Turnpike Improvements	Infrastructure	Underway - Right of Way Acquisition
Richmond-Henrico Turnpike Sidewalk	Infrastructure	Completed
Ridge Road Sidewalk Improvements, Phase II	Infrastructure	Underway - Design
Ridge Road Sidewalk, Phase 1	Infrastructure	Underway - Right of Way Acquisition
Ridgefield Parkway Sidewalk, Phase I	Infrastructure	Completed
Ridgefield Parkway Sidewalk, Phase III	Infrastructure	Preliminary
Rock Springs Estate Water Main Extension	Infrastructure	Underway - Construction
Rocky Branch Trunk Sewer & Abelia Road Sewer	Infrastructure	Underway - Construction
Route 5 Corridor/Marion Hill Study	Study	Completed
Sadler Road and Sadler Place Intersection Improvements	Infrastructure	Underway - Design
Sadler Road Improvements	Roads	Underway - Utility Relocation
Short Pump Interchange	Infrastructure	Study
Short Pump Town Center Virtual Design Charrette	Study	Study
Solar Photovoltaic System - Fairfield Area Library	Environmental	Underway - Design
Solar Photovoltaic System - Libbie Mill Library Roof	Environmental	Completed
Solar Photovoltaic System - MHDS East Center Roof	Environmental	Completed
Solar Photovoltaic System - Public Safety Building	Environmental	Completed
Solar Photovoltaic System - Recreation and Parks Main	Environmental	Underway - Design
St. Claire Lane Sidewalk and Drainage Improvements	Infrastructure	Underway - Construction
Staples Mill Road Sidewalk	Infrastructure	Preliminary
Taylor Farm Park	Community	Underway
Three Chopt Road Improvement, Phase II	Roads	Underway - Utility Relocation
Three Chopt Road Sidewalk	Infrastructure	Underway - Construction
Transit Stop Improvements	Transit	In Progress
Tuckahoe Creek Park Phase III	Community	Preliminary
Tuckahoe Park Stream Restoration	Environmental	Completed
Turner Road and Darbytown Road Modular Roundabout	Study	Study
Upham Brook Trunk Sewer	Infrastructure	In Progress
Virginia Center Common (VCC) Connector Trail	Infrastructure	Underway - Design
Virginia Center Commons Design Charrette	Study	Study
Westwood Small Area Study	Study	Completed
Wilkinson Road Culvert Replacement	Infrastructure	Underway - Design
Winfrey Road Pedestrian Improvements	Infrastructure	Underway - Design
Woodman Road Improvements	Infrastructure	Preliminary

Source: Henrico County Economic Development Authority

Due to the new and expanding businesses, the numerous infrastructure projects, the decreasing unemployment and minimal number of layoffs and closures in the region, it is believed that the economic outlook for the area will remain stable for the next two to five years.



**Wages**

The average annual wage of employees in Henrico County was \$63,200 in 2021. Wages have been increasing 6.3 percent per year.

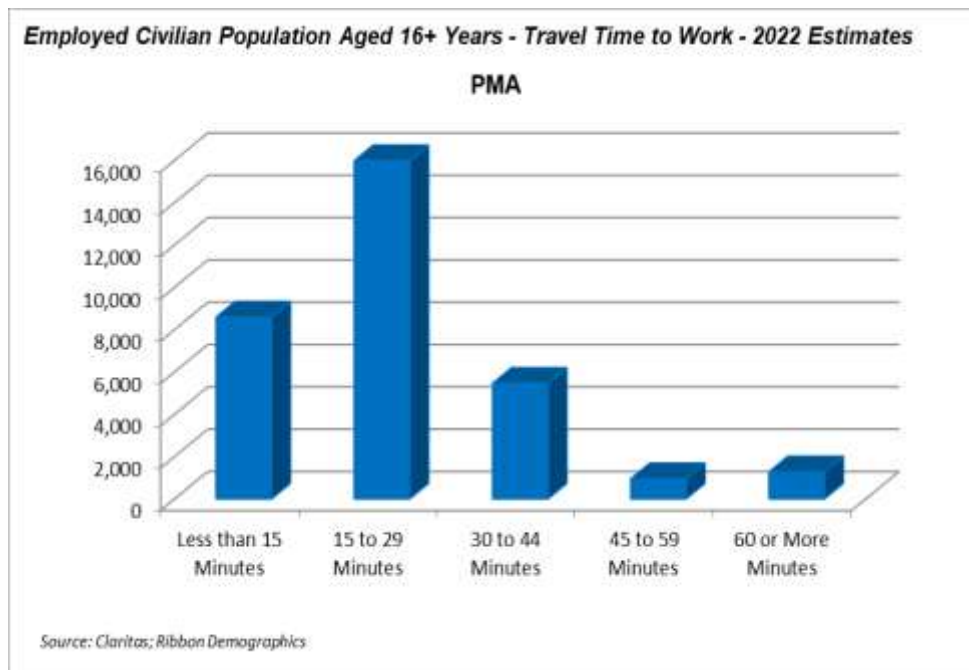
**AVERAGE ANNUAL WAGE BY SECTOR**

INDUSTRY	2020	2021	% INCREASE
Agriculture, Forestry and Fisheries	\$34,210	\$35,706	4.4%
Mining	\$44,370	\$49,107	10.7%
Construction	\$66,360	\$70,907	6.9%
Manufacturing	\$64,688	\$68,203	5.4%
Transportation and Warehousing	\$38,122	\$40,564	6.4%
Utilities	\$107,809	\$114,233	6.0%
Wholesale Trade	\$73,638	\$77,834	5.7%
Retail Trade	\$33,918	\$36,051	6.3%
Leisure and Hospitality	\$20,375	\$22,667	11.2%
Education and Health Services	\$54,873	\$57,832	5.4%
Professional and Business Services	\$79,000	\$81,170	2.7%
Financial Activities	\$91,082	\$98,791	8.5%
Information	\$81,805	\$85,492	4.5%
Other Services	\$41,087	\$45,185	10.0%
Public Administration (Local Government)	\$60,367	\$64,259	6.4%

Source: U.S. Bureau of Labor Statistics

**Employment Outside the County**

In 2022, for residents employed in market area, the travel time to work from the site is less than 30 minutes. For the majority of those employed in other parts of the town, the travel time would be within 30 minutes. According to the chart below, 26.6 percent have a travel time of less than 15 minutes; 49.6 percent have a travel time of 15 to 29 minutes; and 23.8 percent have a travel time of over 30 minutes. This relatively low travel time indicates that the subject site is in an area in close proximity to employment centers.





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### Summary of Employment Trends in Market Area

The property is an existing Section 8 that will be rehabilitated. Once renovation is complete, the property will retain its subsidies for the 196 revenue units, as well as be 100 percent LIHTC property with rents set at 60 percent of the area median income. When considering subsidies, households with one to six persons and annual incomes below \$70,140 will be potential tenants for the rehabilitated units. Major employers shown on Page 68 are included in the manufacturing; financial services; education and social services; health care/social services; government services; and other services sectors. The available employment is well-suited to the targeted population of the proposed rehabilitated Section 8 and LIHTC development.

## DEMOGRAPHIC CHARACTERISTICS



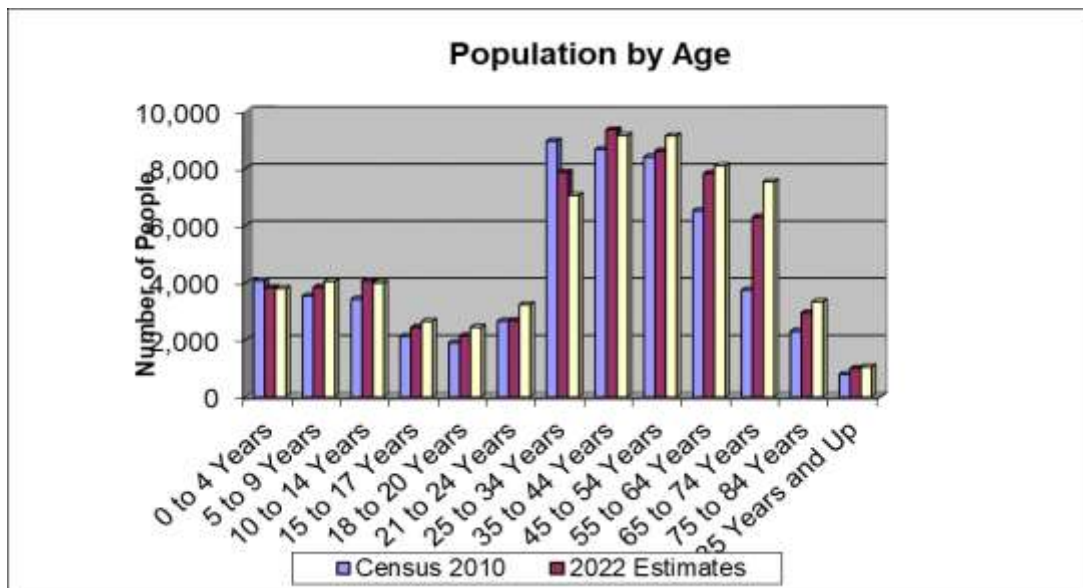
**Population and Households Trends and Analysis**

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

The primary market area for the subject consists of the following census tracts 2004.07, 2004.09, 2004.11, 2004.12, 2004.13, 2004.14, 2004.15, 2004.16, 2005.03, 2008.01, 2009.05, 2009.06, 2009.07 and 2009.08. The market area has the following boundaries: North – Hanover County; South – Wilkerson Road, U.S. Highway 1, State Highway 161, Hermitage Road, Galaxie Road, State Highway 356, U.S. Highway 33 and Wistar Road; East – Interstate 95 South; and West – U.S. Highway 250, State Highway 157 and U.S. Highway 33. The analysis was conducted using only the demographics data from the primary market area. However, according to the market study guidelines for Virginia Housing, a secondary or tertiary market area was also determined. The secondary market area is defined as the Henrico County.

Population by Age & Sex PMA												
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027				
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total	
0 to 4 Years	2,098	1,972	<b>4,070</b>	0 to 4 Years	1,959	1,864	<b>3,823</b>	0 to 4 Years	1,935	1,865	<b>3,800</b>	
5 to 9 Years	1,746	1,793	<b>3,539</b>	5 to 9 Years	1,986	1,856	<b>3,842</b>	5 to 9 Years	2,084	1,960	<b>4,044</b>	
10 to 14 Years	1,761	1,667	<b>3,428</b>	10 to 14 Years	2,096	1,971	<b>4,067</b>	10 to 14 Years	2,056	1,933	<b>3,989</b>	
15 to 17 Years	1,109	1,020	<b>2,129</b>	15 to 17 Years	1,240	1,200	<b>2,440</b>	15 to 17 Years	1,374	1,276	<b>2,650</b>	
18 to 20 Years	1,006	892	<b>1,898</b>	18 to 20 Years	1,122	1,022	<b>2,144</b>	18 to 20 Years	1,287	1,153	<b>2,440</b>	
21 to 24 Years	1,330	1,326	<b>2,656</b>	21 to 24 Years	1,403	1,267	<b>2,670</b>	21 to 24 Years	1,665	1,565	<b>3,230</b>	
25 to 34 Years	4,264	4,692	<b>8,956</b>	25 to 34 Years	3,860	4,006	<b>7,866</b>	25 to 34 Years	3,600	3,456	<b>7,056</b>	
35 to 44 Years	4,225	4,443	<b>8,668</b>	35 to 44 Years	4,529	4,820	<b>9,349</b>	35 to 44 Years	4,373	4,783	<b>9,156</b>	
45 to 54 Years	3,911	4,491	<b>8,402</b>	45 to 54 Years	4,137	4,470	<b>8,607</b>	45 to 54 Years	4,447	4,694	<b>9,141</b>	
55 to 64 Years	2,875	3,642	<b>6,517</b>	55 to 64 Years	3,595	4,232	<b>7,827</b>	55 to 64 Years	3,759	4,336	<b>8,095</b>	
65 to 74 Years	1,602	2,143	<b>3,745</b>	65 to 74 Years	2,656	3,641	<b>6,297</b>	65 to 74 Years	3,139	4,396	<b>7,535</b>	
75 to 84 Years	906	1,397	<b>2,303</b>	75 to 84 Years	1,229	1,716	<b>2,945</b>	75 to 84 Years	1,442	1,898	<b>3,340</b>	
85 Years and Up	222	575	<b>797</b>	85 Years and Up	326	677	<b>1,003</b>	85 Years and Up	340	713	<b>1,053</b>	
<b>Total</b>	<b>27,055</b>	<b>30,053</b>	<b>57,108</b>	<b>Total</b>	<b>30,138</b>	<b>32,742</b>	<b>62,880</b>	<b>Total</b>	<b>31,501</b>	<b>34,028</b>	<b>65,529</b>	
62+ Years	n/a	n/a	8,521	62+ Years	n/a	n/a	12,435	62+ Years	n/a	n/a	14,193	
		<b>Median Age:</b>	<b>37.2</b>			<b>Median Age:</b>	<b>39.9</b>			<b>Median Age:</b>	<b>41.1</b>	

Source: Claritas; Ribbon Demographics



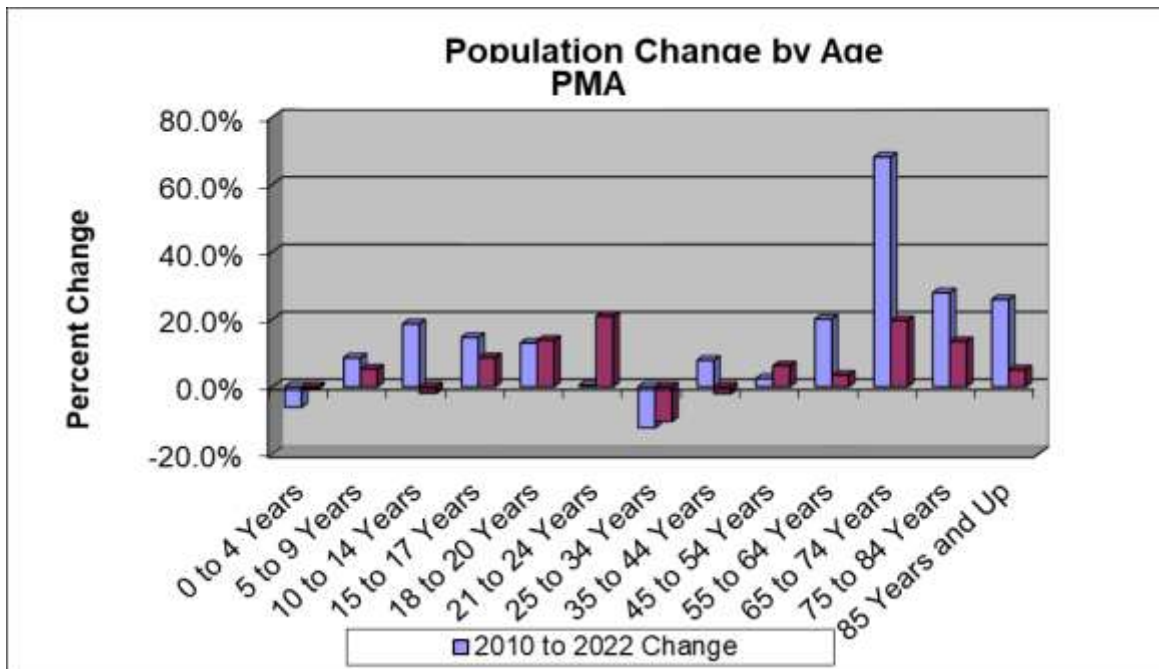
Source: Claritas; Ribbon Demographics



In 2000, this geographic market area contained an estimated population of 47,728. The population in 2010 in the market area increased 19.7 percent to 57,108. In 2022, the population in this market area increased 10.1 percent to 62,880. It is projected that between 2022 and 2027, population in the market area will increase 4.2 percent to 65,529. Population estimates and projections are based on the most recent data from Claritas and Ribbon Demographics. The data was produced during the COVID-19 pandemic. At this time, there are no estimated changes due to the virus. However, the long-term economic impact on any region is unknown at this time. The short-term economic impact has been relatively minor. However, it is possible the population growth could be impacted by the COVID-19 if there are long-term economic impacts in the area. The following tables show the population change by age in the market area.

Changes in Population by Age & Sex									
PMA									
Estimated Change - 2010 to 2022					Projected Change - 2022 to 2027				
Age	Male	Female	Total Change	Percent Change	Age	Male	Female	Total Change	Percent Change
0 to 4 Years	-139	-108	-247	-6.1%	0 to 4 Years	-24	1	-23	-0.6%
5 to 9 Years	240	63	303	8.6%	5 to 9 Years	98	104	202	5.3%
10 to 14 Years	335	304	639	18.6%	10 to 14 Years	-40	-38	-78	-1.9%
15 to 17 Years	131	180	311	14.6%	15 to 17 Years	134	76	210	8.6%
18 to 20 Years	116	130	246	13.0%	18 to 20 Years	165	131	296	13.8%
21 to 24 Years	73	-59	14	0.5%	21 to 24 Years	262	298	560	21.0%
25 to 34 Years	-404	-686	-1,090	-12.2%	25 to 34 Years	-260	-550	-810	-10.3%
35 to 44 Years	304	377	681	7.9%	35 to 44 Years	-156	-37	-193	-2.1%
45 to 54 Years	226	-21	205	2.4%	45 to 54 Years	310	224	534	6.2%
55 to 64 Years	720	590	1,310	20.1%	55 to 64 Years	164	104	268	3.4%
65 to 74 Years	1,054	1,498	2,552	68.1%	65 to 74 Years	483	755	1,238	19.7%
75 to 84 Years	323	319	642	27.9%	75 to 84 Years	213	182	395	13.4%
85 Years and Up	104	102	206	25.8%	85 Years and Up	14	36	50	5.0%
<b>Total</b>	<b>3,083</b>	<b>2,689</b>	<b>5,772</b>	<b>10.1%</b>	<b>Total</b>	<b>1,363</b>	<b>1,286</b>	<b>2,649</b>	<b>4.2%</b>
62+ Years	n/a	n/a	3,914	45.9%	62+ Years	n/a	n/a	1,758	14.1%

Source: Claritas; Ribbon Demographics



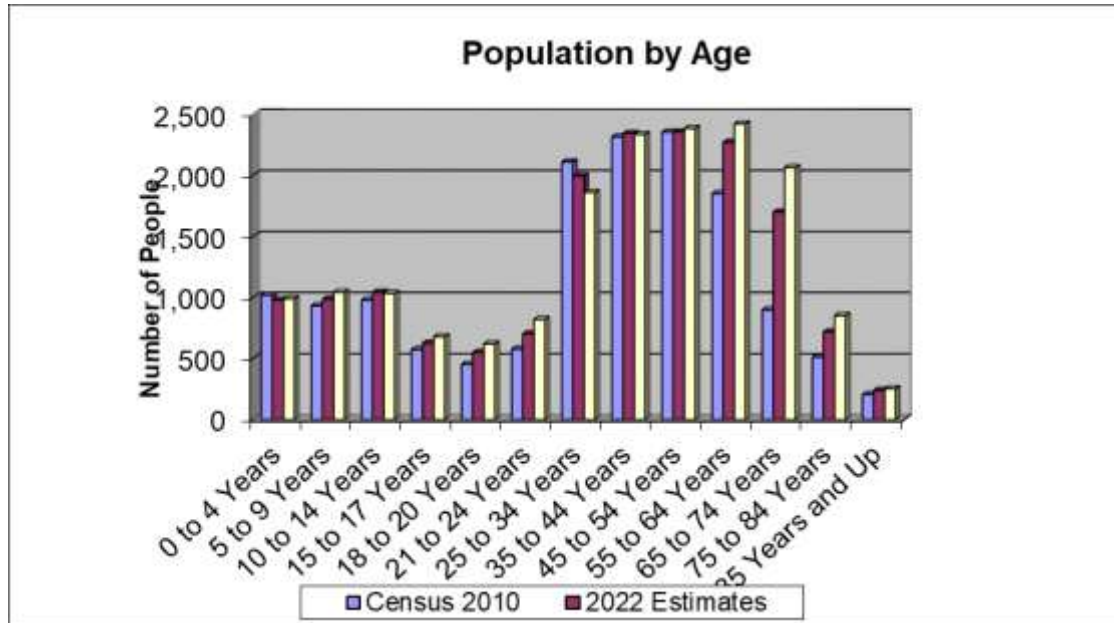
Source: Claritas; Ribbon Demographics



The total population in the market area has been increasing at a generally similar rate as the population for the CDP of Glen Allen and Henrico County. The following tables show the changes in population for the city.

Population by Age & Sex City of Glen Allen											
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	526	493	<b>1,019</b>	0 to 4 Years	502	477	<b>979</b>	0 to 4 Years	502	487	<b>989</b>
5 to 9 Years	459	472	<b>931</b>	5 to 9 Years	509	477	<b>986</b>	5 to 9 Years	540	503	<b>1,043</b>
10 to 14 Years	506	473	<b>979</b>	10 to 14 Years	538	505	<b>1,043</b>	10 to 14 Years	531	503	<b>1,034</b>
15 to 17 Years	289	284	<b>573</b>	15 to 17 Years	314	312	<b>626</b>	15 to 17 Years	346	332	<b>678</b>
18 to 20 Years	233	219	<b>452</b>	18 to 20 Years	279	271	<b>550</b>	18 to 20 Years	319	301	<b>620</b>
21 to 24 Years	273	303	<b>576</b>	21 to 24 Years	359	344	<b>703</b>	21 to 24 Years	412	408	<b>820</b>
25 to 34 Years	936	1,174	<b>2,110</b>	25 to 34 Years	931	1,063	<b>1,994</b>	25 to 34 Years	911	949	<b>1,860</b>
35 to 44 Years	1,095	1,220	<b>2,315</b>	35 to 44 Years	1,101	1,242	<b>2,343</b>	35 to 44 Years	1,076	1,259	<b>2,335</b>
45 to 54 Years	1,094	1,260	<b>2,354</b>	45 to 54 Years	1,080	1,275	<b>2,355</b>	45 to 54 Years	1,123	1,261	<b>2,384</b>
55 to 64 Years	848	1,003	<b>1,851</b>	55 to 64 Years	1,058	1,213	<b>2,271</b>	55 to 64 Years	1,108	1,313	<b>2,421</b>
65 to 74 Years	397	501	<b>898</b>	65 to 74 Years	751	949	<b>1,700</b>	65 to 74 Years	901	1,161	<b>2,062</b>
75 to 84 Years	196	315	<b>511</b>	75 to 84 Years	301	417	<b>718</b>	75 to 84 Years	371	481	<b>852</b>
85 Years and Up	53	152	<b>205</b>	85 Years and Up	80	159	<b>239</b>	85 Years and Up	83	170	<b>253</b>
<b>Total</b>	<b>6,905</b>	<b>7,869</b>	<b>14,774</b>	<b>Total</b>	<b>7,803</b>	<b>8,704</b>	<b>16,507</b>	<b>Total</b>	<b>8,223</b>	<b>9,128</b>	<b>17,351</b>
62+ Years	n/a	n/a	2,075	62+ Years	n/a	n/a	3,286	62+ Years	n/a	n/a	3,868
		<b>Median Age:</b>	<b>38.2</b>			<b>Median Age:</b>	<b>40.9</b>			<b>Median Age:</b>	<b>42.0</b>

Source: Claritas; Ribbon Demographics



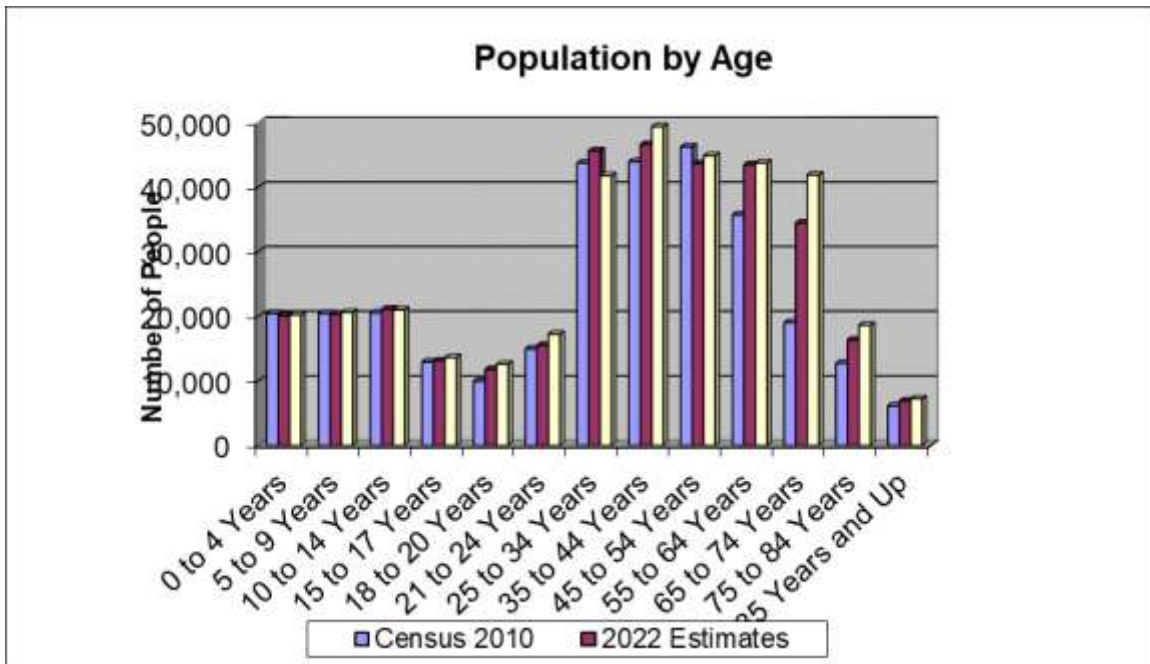
Source: Claritas; Ribbon Demographics





Population by Age & Sex Henrico County												
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027				
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total	
0 to 4 Years	10,335	10,121	<b>20,456</b>	0 to 4 Years	10,300	9,782	<b>20,082</b>	0 to 4 Years	10,327	9,893	<b>20,220</b>	
5 to 9 Years	10,402	10,042	<b>20,444</b>	5 to 9 Years	10,453	9,886	<b>20,339</b>	5 to 9 Years	10,582	10,052	<b>20,634</b>	
10 to 14 Years	10,597	9,939	<b>20,536</b>	10 to 14 Years	10,727	10,398	<b>21,125</b>	10 to 14 Years	10,793	10,194	<b>20,987</b>	
15 to 17 Years	6,555	6,381	<b>12,936</b>	15 to 17 Years	6,673	6,450	<b>13,123</b>	15 to 17 Years	6,901	6,734	<b>13,635</b>	
18 to 20 Years	5,128	4,842	<b>9,970</b>	18 to 20 Years	6,095	5,693	<b>11,788</b>	18 to 20 Years	6,485	6,110	<b>12,595</b>	
21 to 24 Years	7,137	7,832	<b>14,969</b>	21 to 24 Years	7,910	7,589	<b>15,499</b>	21 to 24 Years	8,791	8,458	<b>17,249</b>	
25 to 34 Years	20,637	23,128	<b>43,765</b>	25 to 34 Years	22,250	23,398	<b>45,648</b>	25 to 34 Years	20,898	20,880	<b>41,778</b>	
35 to 44 Years	21,056	22,908	<b>43,964</b>	35 to 44 Years	22,399	24,212	<b>46,611</b>	35 to 44 Years	23,755	25,627	<b>49,382</b>	
45 to 54 Years	21,314	24,929	<b>46,243</b>	45 to 54 Years	20,567	23,078	<b>43,645</b>	45 to 54 Years	21,305	23,593	<b>44,898</b>	
55 to 64 Years	16,219	19,509	<b>35,728</b>	55 to 64 Years	19,931	23,562	<b>43,493</b>	55 to 64 Years	20,159	23,606	<b>43,765</b>	
65 to 74 Years	8,181	10,874	<b>19,055</b>	65 to 74 Years	14,908	19,567	<b>34,475</b>	65 to 74 Years	17,860	24,027	<b>41,887</b>	
75 to 84 Years	4,789	7,951	<b>12,740</b>	75 to 84 Years	6,659	9,679	<b>16,338</b>	75 to 84 Years	7,867	10,759	<b>18,626</b>	
85 Years and Up	<u>1,817</u>	<u>4,312</u>	<u>6,129</u>	85 Years and Up	<u>2,234</u>	<u>4,660</u>	<u>6,894</u>	85 Years and Up	<u>2,335</u>	<u>4,908</u>	<u>7,243</u>	
<b>Total</b>	<b>144,167</b>	<b>162,768</b>	<b>306,935</b>	<b>Total</b>	<b>161,106</b>	<b>177,954</b>	<b>339,060</b>	<b>Total</b>	<b>168,058</b>	<b>184,841</b>	<b>352,899</b>	
62+ Years	n/a	n/a	47,070	62+ Years	n/a	n/a	70,084	62+ Years	n/a	n/a	80,356	
<b>Median Age:</b>			<b>37.4</b>	<b>Median Age:</b>			<b>39.7</b>	<b>Median Age:</b>			<b>40.9</b>	

Source: Claritas; Ribbon Demographics



Source: Claritas; Ribbon Demographics



## Housing Market

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

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

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

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

## Tenure

The percentage of renters in the market area in 2022 is 28.7 percent, the percentage of renters in the CDP of Glen Allen in 2022 is 22.4 percent and the percentage of renters in Henrico County in 2022 is 35.0 percent. Household estimates and projections are based on the most recent data from Claritas and Ribbon Demographics. The data was produced during the COVID-19 pandemic. At this time, there are no estimated changes due to the virus. However, the long-term economic impact on any region is unknown at this time. The short-term economic impact has been relatively minor. However, it is possible the household growth could be impacted by the COVID-19 if there are long-term economic impacts in the area.

PMA			
Total Households			
Census 2010	23,060		
Current Year Estimates - 2022	24,982		
Five Year Projections - 2027	25,917		
<i>Estimated Change - 2010 to 2022</i>	1,922	8.3%	
<i>Projected Change - 2022 to 2027</i>	935	3.7%	
Average Household Size			
Average Household Size 2010	2.43		
Average Household Size 2022	2.46		
Average Household Size 2027	2.47		

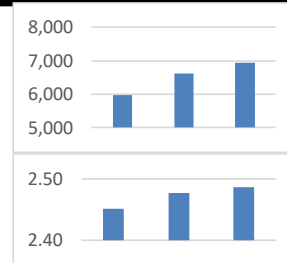
Households by Tenure		
2010 Owner	16,340	70.9%
2010 Renter	6,720	29.1%
2022 Owner	17,812	71.3%
2022 Renter	7,170	28.7%
2027 Owner	18,509	71.4%
2027 Renter	7,408	28.6%

Source: Claritas; Ribbon Demographics



**City of Glen Allen**  
**Total Households**

Census 2010	5,988	
Current Year Estimates - 2022	6,626	
Five Year Projections - 2027	6,940	
Estimated Change - 2010 to 2022	638	10.7%
Projected Change - 2022 to 2027	314	4.7%
Average Household Size 2010	2.45	
Average Household Size 2022	2.48	
Average Household Size 2027	2.49	



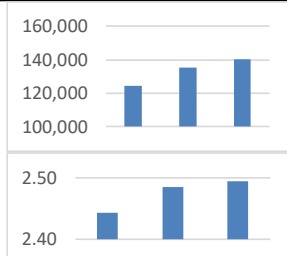
**Households by Tenure**

2010 Owner	4,667	77.9%
2010 Renter	1,321	22.1%
2022 Owner	5,143	77.6%
2022 Renter	1,483	22.4%
2027 Owner	5,381	77.5%
2027 Renter	1,559	22.5%

Source: Claritas; Ribbon Demographics

**Henrico County**  
**Total Households**

Census 2010	124,601	
Current Year Estimates - 2022	135,300	
Five Year Projections - 2027	140,279	
Estimated Change - 2010 to 2022	10,699	8.6%
Projected Change - 2022 to 2027	4,979	3.7%
Average Household Size 2010	2.44	
Average Household Size 2022	2.49	
Average Household Size 2027	2.49	



**Households by Tenure**

2010 Owner	80,439	64.6%
2010 Renter	44,162	35.4%
2022 Owner	87,882	65.0%
2022 Renter	47,418	35.0%
2027 Owner	91,195	65.0%
2027 Renter	49,084	35.0%

Source: Claritas; Ribbon Demographics



### Rent Overburdened Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2019 (the most recent data available), there were 6,880 renter-occupied households in the county with incomes greater than 30 percent and less than or equal to 50 percent that are considered rent overburdened. The rent overburdened households represent 84.9 percent of the households in the county with incomes greater than 30 percent and less than or equal to 50 percent. The percentage of rent-overburdened households was used in the demand analysis to calculate the number of households within the subject's income range that are rent-overburdened.

Income by Cost Burden (Renters only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income <= 30% HAMFI	7,425	6,880	9,160
Household Income >30% to <=50% HAMFI	6,880	2,485	8,100
Household Income >50% to <=80% HAMFI	5,650	370	12,105
Household Income >80% to <=100% HAMFI	715	165	5,765
Household Income >100% HAMFI	275	85	12,840
Total	20,945	9,985	47,975

Source: CHAS 2015-2019 American Community Survey

### Substandard Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2019 (the most recent data available), there were 22,120 renter-occupied households in the county with at least one of the four following housing problems: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room and cost burden greater than 30 percent. This data includes rent-overburdened households which have already been addressed. Therefore, it is necessary to remove the rent-overburdened households from the data to determine the remaining substandard households. The previous table indicates there are 8,100 total rent overburdened households with incomes greater than 30 percent and less than or equal to 50 percent. These 8,100 households that were rent-overburdened were subtracted from the 22,120 households that are substandard. The result of 14,020 households represents 29.2 percent of the total renter households in the county. The percentage of substandard households was used in the demand analysis to calculate the number of households within the subject's income range that are considered substandard.

Housing Problems Overview	Owner	Renter	Total
Household Has At Least 1 of 4 Housing Problems	16,285	22,120	38,405
Household Has None of 4 Housing Problems or Cost Burden Not Available, No Other Problems	64,205	25,855	90,060
Total	80,490	47,975	128,465

Source: CHAS 2015-2019 American Community Survey



**Income Eligibility Analysis**

**Renter Households**

All Age Groups

Year 2022 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	187	36	47	25	10	<b>305</b>
\$10,000-20,000	250	95	89	63	16	<b>513</b>
\$20,000-30,000	335	168	101	76	23	<b>703</b>
\$30,000-40,000	433	139	60	28	49	<b>709</b>
\$40,000-50,000	454	100	328	102	114	<b>1,098</b>
\$50,000-60,000	154	207	105	9	74	<b>549</b>
\$60,000-75,000	169	314	127	167	63	<b>840</b>
\$75,000-100,000	208	399	203	81	162	<b>1,053</b>
\$100,000-125,000	181	131	66	46	82	<b>506</b>
\$125,000-150,000	125	70	10	49	24	<b>278</b>
\$150,000-200,000	64	142	38	15	25	<b>284</b>
\$200,000+	<u>99</u>	<u>146</u>	<u>35</u>	<u>21</u>	<u>31</u>	<b><u>332</u></b>
<b>Total</b>	<b>2,659</b>	<b>1,947</b>	<b>1,209</b>	<b>682</b>	<b>673</b>	<b>7,170</b>

Source: Claritas and Ribbon Demographics

**Owner Households**

All Age Groups

Year 2022 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	141	87	28	16	6	<b>278</b>
\$10,000-20,000	352	127	20	17	23	<b>539</b>
\$20,000-30,000	362	322	50	33	31	<b>798</b>
\$30,000-40,000	481	241	110	81	22	<b>935</b>
\$40,000-50,000	470	395	179	128	57	<b>1,229</b>
\$50,000-60,000	523	496	109	41	34	<b>1,203</b>
\$60,000-75,000	677	685	291	201	172	<b>2,026</b>
\$75,000-100,000	510	1,055	557	456	97	<b>2,675</b>
\$100,000-125,000	407	861	572	288	253	<b>2,381</b>
\$125,000-150,000	204	589	344	412	109	<b>1,658</b>
\$150,000-200,000	142	600	476	477	296	<b>1,991</b>
\$200,000+	<u>131</u>	<u>686</u>	<u>528</u>	<u>391</u>	<u>363</u>	<b><u>2,099</u></b>
<b>Total</b>	<b>4,400</b>	<b>6,144</b>	<b>3,264</b>	<b>2,541</b>	<b>1,463</b>	<b>17,812</b>

Source: Claritas and Ribbon Demographics



<b>Renter Households</b>						
All Age Groups						
Year 2027 Projections						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	169	36	52	17	15	<b>289</b>
\$10,000-20,000	224	73	76	58	15	<b>446</b>
\$20,000-30,000	307	146	113	78	19	<b>663</b>
\$30,000-40,000	395	112	56	30	47	<b>640</b>
\$40,000-50,000	403	78	251	99	99	<b>930</b>
\$50,000-60,000	192	220	123	6	72	<b>613</b>
\$60,000-75,000	171	277	132	167	66	<b>813</b>
\$75,000-100,000	247	426	256	88	179	<b>1,196</b>
\$100,000-125,000	215	140	83	57	93	<b>588</b>
\$125,000-150,000	179	90	16	61	35	<b>381</b>
\$150,000-200,000	82	163	44	29	37	<b>355</b>
\$200,000+	<u>155</u>	<u>201</u>	<u>64</u>	<u>29</u>	<u>45</u>	<u><b>494</b></u>
<b>Total</b>	<b>2,739</b>	<b>1,962</b>	<b>1,266</b>	<b>719</b>	<b>722</b>	<b>7,408</b>

Source: Claritas and Ribbon Demographics

<b>Owner Households</b>						
All Age Groups						
Year 2027 Projections						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	136	78	27	17	6	<b>264</b>
\$10,000-20,000	324	99	17	15	21	<b>476</b>
\$20,000-30,000	368	274	48	30	28	<b>748</b>
\$30,000-40,000	446	224	77	66	19	<b>832</b>
\$40,000-50,000	418	379	164	112	50	<b>1,123</b>
\$50,000-60,000	586	552	113	40	29	<b>1,320</b>
\$60,000-75,000	648	634	246	164	156	<b>1,848</b>
\$75,000-100,000	540	1,065	516	406	91	<b>2,618</b>
\$100,000-125,000	458	849	578	312	264	<b>2,461</b>
\$125,000-150,000	249	646	385	462	106	<b>1,848</b>
\$150,000-200,000	175	660	526	503	345	<b>2,209</b>
\$200,000+	<u>204</u>	<u>930</u>	<u>695</u>	<u>496</u>	<u>437</u>	<u><b>2,762</b></u>
<b>Total</b>	<b>4,552</b>	<b>6,390</b>	<b>3,392</b>	<b>2,623</b>	<b>1,552</b>	<b>18,509</b>

Source: Claritas and Ribbon Demographics



The subject's units are most suitable for households with one to six persons below \$70,140 when considering subsidies and between \$38,846 and \$70,140 without considering subsidies. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2022 and 2027. However, this analysis is primarily concerned with target incomes of renters as shown in the following tables:

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,645	\$0	\$70,140	62.0%	4,445
1 BR (60%)	\$1,645	\$0	\$48,360	45.7%	2,106
2 BR (60%)	\$2,057	\$0	\$54,420	41.2%	1,301
3 BR (60%)	\$2,283	\$0	\$65,280	56.3%	1,445
4 BR (60%)	\$2,616	\$0	\$70,140	54.9%	744

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITHOUT SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,133	\$38,846	\$70,140	32.0%	2,297
1 BR (60%)	\$1,133	\$38,846	\$48,360	11.5%	529
2 BR (60%)	\$1,360	\$46,629	\$54,420	8.9%	282
3 BR (60%)	\$1,571	\$53,863	\$65,280	9.4%	241
4 BR (60%)	\$1,753	\$60,103	\$70,140	11.4%	154

Source: Claritas; Ribbon Demographics and HUD

Target incomes for the different unit types are derived by the analyst. For the low end of the range, the lowest rent charged in an income limit (i.e., 50% AMI) for a unit is divided by 35 percent. The resulting number is then multiplied by 12 to derive an annual income ( $\$1,133 / 35\% = \$3,237.14 \times 12 = \$38,845$ ). This process is based on the premise that a tenant should not pay more than 35 percent of his annual income on rent. However, the subject is an existing Section 8 development with subsidies for all units. The Section 8 contract will remain with the property once rehabilitation is complete. As a result, a tenant will never be required to pay more than 30 percent of their income towards rent, and there is no minimum income limit.

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

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

LIHTC INCOME LIMITS	
Person in Households	60%
1	\$42,300
2	\$48,360
3	\$54,420
4	\$60,420
5	\$65,280
6	\$70,140

Source: HUD

**DEVELOPMENT-SPECIFIC DEMAND ANALYSIS**





### Sources of Demand

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

### Required Unit Mix

The LIHTC program is based on the premise that no more than 1.5 persons will occupy each bedroom in a unit. We expect that 10 percent of one-person households will occupy efficiency units. Ninety percent (90%) of one-person households and 25 percent of two-person households will occupy one-bedroom units. We expect that 75 percent of one-person household and 50 percent of two-person households will occupy two-bedroom units. We expect that 50 percent of three-person households, 75 percent of four-person households and 25 percent of five-person households will occupy three-bedroom units. We expect that 25 percent of four-person households, 50 percent of five person households, and 100 percent of households with six or more persons will occupy four-bedroom units.

The following table illustrates the ratio of units required by each household size. These occupancy patterns suggest that efficiency units should account for 3.7 percent of the renter housing demand; one-bedroom units should account for 40.2 percent; two-bedroom units should account for 28.8 percent; three-bedroom units should account for 18.8 percent, and units with four or more bedrooms should account for 8.6 percent of the renter housing demand in the market area.

RENTAL HOUSING DEMAND BY NUMBER OF BEDROOMS						
HOUSEHOLD SIZE	0 BR	1 BR	2 BR	3 BR	4 BR	TOTAL
1 Person	266	2,393	0	0	0	2,659
2 Persons	0	487	1,460	0	0	1,947
3 Persons	0	0	605	605	0	1,209
4 Persons	0	0	0	512	171	682
5 Persons	0	0	0	229	229	458
6 or More Persons	0	0	0	0	215	215
<b>TOTAL</b>	<b>266</b>	<b>2,880</b>	<b>2,065</b>	<b>1,345</b>	<b>615</b>	<b>7,170</b>
<b>PERCENT</b>	<b>3.7%</b>	<b>40.2%</b>	<b>28.8%</b>	<b>18.8%</b>	<b>8.6%</b>	<b>100.0%</b>

Source: Claritas; Ribbon Demographics

### Eligible Households

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



The subject's units are most suitable for households with one to six persons below \$70,140 when considering subsidies and between \$38,846 and \$70,140 without considering subsidies. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2022 and 2027. However, this analysis is primarily concerned with target incomes of renters as shown in the following tables:

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,645	\$0	\$70,140	62.0%	4,445
1 BR (60%)	\$1,645	\$0	\$48,360	45.7%	2,106
2 BR (60%)	\$2,057	\$0	\$54,420	41.2%	1,301
3 BR (60%)	\$2,283	\$0	\$65,280	56.3%	1,445
4 BR (60%)	\$2,616	\$0	\$70,140	54.9%	744

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITHOUT SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,133	\$38,846	\$70,140	32.0%	2,297
1 BR (60%)	\$1,133	\$38,846	\$48,360	11.5%	529
2 BR (60%)	\$1,360	\$46,629	\$54,420	8.9%	282
3 BR (60%)	\$1,571	\$53,863	\$65,280	9.4%	241
4 BR (60%)	\$1,753	\$60,103	\$70,140	11.4%	154

Source: Claritas; Ribbon Demographics and HUD

### Penetration Rate

There are no planned developments in the market area. There are currently 20 vacant competing units in the market area. The subject is an existing Section 8 development that is currently 98 percent occupied with four vacant units. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the total affordable inventory would be 18 units. The chart below indicates a penetration rate of 0.5 percent for the market area when considering the subject's subsidies.

REQUIRED PENETRATION RATE - WITH SUBSIDY	
Income-Eligible Renter Households	4,445
Existing Vacant LIHTC Units	20
LIHTC Units Planned	0
Proposed Units in Subject	4
Total Inventory	24
Penetration Rate	0.5%

When considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the penetration rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. The chart below indicates a penetration rate of 9.4 percent for the market area without considering the subject's subsidies and if all units were vacant.

REQUIRED PENETRATION RATE	
Income-Eligible Renter Households	2,297
Existing Vacant LIHTC Units	20
LIHTC Units Planned	0
Proposed Units in Subject	196
Total Inventory	216
Penetration Rate	9.4%



**Demand Analysis – With Subsidies**

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

<b>REQUIRED NET DEMAND - WITH SUBSIDY</b>	
<b>Income Restrictions:</b>	<b>All Units @ 60% (\$0- \$70,140)</b>
<b>Demand from New Household Growth</b>	
<b>New Rental Households</b>	60
<b>Existing Households - Rent Overburdened</b>	
	3,775
<b>PLUS</b>	
<b>Existing Households - Substandard Housing</b>	1,299
<b>PLUS</b>	
<b>Existing Qualifying Tenants Likely to Remain After Renovation</b>	192
<b>EQUALS</b>	
<b>Total Demand</b>	<b>5,326</b>
<b>MINUS</b>	
<b>Supply (Includes Directly Comparable Vacant Units Completed or in Pipeline in the PMA)</b>	16
<b>EQUALS</b>	
<b>NET DEMAND</b>	<b>5,310</b>
<b>ABSORPTION PERIOD</b>	
	<b>N/A</b>

\*See Page 92 for absorption period explanation.

<b>CAPTURE RATE BY INCOME LIMITS</b>	
<b>Income Restrictions:</b>	<b>All Units @ 60% (\$0- \$70,140)</b>
All Units at Subject	3.7%



## Demand Analysis Summary – With Subsidies

**New Rental Households:** The demand from new renter household growth is calculated by taking the new rental households projected between 2022 and 2027 divided by five years and then multiplying by two years since the rehabilitation will be complete in two years. This resulted in a new renter household growth total of 96. The new renter household growth number of 96 was then multiplied by the percent of income qualified tenants in the market area ( $96 \times 62.0\% = 60$ ). The subject will attract tenants with incomes below \$70,140. The percent of income qualified households can be seen on Page 90. The demand from new household growth is 60 for all units.

**Existing Households – Rent Overburdened:** The total number of income-eligible households is 4,445. The percent overburdened percentage of 84.9 percent determined on Page 84 was applied to this number to derive the existing households – rent overburdened shown on the demand chart on the previous page.

**Existing Households – Substandard Housing:** The total number of income-eligible households is 4,445. The percent of substandard households as determined on Page 84 was applied to this number to derive the substandard households as shown on the demand chart on the previous page.

**Existing Qualifying Tenants Likely to Remain After Renovation:** The subject is an existing Section 8 development that is currently 98 percent occupied, with four vacant units. As complete, the property will retain its subsidies for all units, as well as be 100 percent LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the subject's occupied 192 units were included.

**Supply:** There are no planned developments in the market area that will compete with the subject. There are currently 16 vacant competing units in the market area. Therefore, a total of 16 units were subtracted from the supply.

**Total Net Demand and Conclusion:** The market shows a net demand of 5,310 units for all units when considering subsidies. The subject is a Section 8 development that is currently 98 percent occupied, with four vacant units. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. The capture rate for the subject is 3.7 percent if entirely vacant, which is considered good. Consequently, based on the occupancy rates of apartment complexes in the market area, the existing waiting lists, the projected population and household growth and the economic factors, it is believed that property will continue to be viable within the market area even if all units were vacant. Therefore, after researching the vacancy rates of the existing units in the area, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

**Absorption Period:** The subject is an existing Section 8 development that is currently 98 percent occupied, with four vacant units. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. As the property will retain its subsidies, it is anticipated that the majority of the current residents will remain income-eligible for the units. Therefore, the subject property will not need to absorb any additional units once renovation is complete.



**Demand Analysis – Without Subsidies**

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

<b>REQUIRED NET DEMAND - WITHOUT SUBSIDY</b>	
	<b>All Units @ 60% (\$38,846- \$70,140)</b>
<b>Income Restrictions:</b>	
<b>Demand from New Household Growth</b>	
<b>New Rental Households</b>	31
<b>Existing Households - Rent Overburdened</b>	
	1,951
<b>PLUS</b>	
<b>Existing Households - Substandard Housing</b>	671
<b>PLUS</b>	
<b>Existing Qualifying Tenants Likely to Remain After Renovation</b>	0
<b>EQUALS</b>	
<b>Total Demand</b>	<b>2,653</b>
<b>MINUS</b>	
<b>Supply</b> (Includes Directly Comparable Vacant Units Completed or in Pipeline in the PMA)	16
<b>EQUALS</b>	
<b>NET DEMAND</b>	<b>2,637</b>
<b>ABSORPTION PERIOD</b>	
	<b>7-9 Months</b>

\*See Page 94 for absorption period explanation.

<b>CAPTURE RATE BY INCOME LIMITS</b>	
	<b>All Units @ 60% (\$38,846- \$70,140)</b>
<b>Income Restrictions:</b>	
All Units at Subject	7.4%



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### Demand Analysis Summary – Without Subsidies

**New Rental Households:** The demand from new renter household growth is calculated by taking the new rental households projected between 2022 and 2027 divided by five years and then multiplying by two years since the rehabilitation will be complete in two years. This resulted in a new renter household growth total of 96. The new renter household growth number of 96 was then multiplied by the percent of income qualified tenants in the market area ( $96 \times 32.0\% = 31$ ). The subject will attract tenants with incomes between \$38,846 and \$70,140. The percent of income qualified households can be seen on Page 90. The demand from new household growth is 31 for all units.

**Existing Households – Rent Overburdened:** The total number of income-eligible households is 4,445. The percent overburdened percentage of 84.9 percent determined on Page 84 was applied to this number to derive the existing households – rent overburdened shown on the demand chart on the previous page.

**Existing Households – Substandard Housing:** The total number of income-eligible households is 4,445. The percent of substandard households as determined on Page 84 was applied to this number to derive the substandard households as shown on the demand chart on the previous page.

**Existing Qualifying Tenants Likely to Remain After Renovation:** The subject is an existing Section 8 development that is currently 98 percent occupied. When considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, no units were included in this portion of the analysis.

**Supply:** There are no planned developments in the market area that will compete with the subject. There are currently 16 vacant competing units in the market area. Therefore, a total of 16 units were subtracted from the supply.

**Total Net Demand and Conclusion:** The market shows a net demand of 2,637 units for all units without considering subsidies. The subject is an existing Section 8 development that is currently 98 percent occupied. After rehabilitation, the property will retain its subsidies for all revenue units as well as be LIHTC at 60 percent of the area median income. However, when considering the property without subsidy, it is unlikely most of the current residents would remain income-qualified. Therefore, the analysis was completed only considering all units vacant. The capture rate, without considering the subsidy, is 7.4 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

**Absorption Period:** The subject is an existing Section 8 development that is currently 98 percent occupied. The property will retain its subsidies for all revenue units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the current residents will be income-eligible for the units once the renovation is complete. However, when considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the absorption rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. The absorption level is typically based on the most recent multifamily developments. There were no recent affordable developments constructed in the market area for which lease up data was available. Therefore, the analyst also considered the opinions of apartment managers and local real estate agents, the current occupancy rates of the surveyed developments and the current waiting lists of the affordable developments, including the subject, confirmed in the market area. After considering all factors, it is estimated that the development could absorb 10 to 15 units per month, resulting in a 95 percent occupancy level within seven to nine months.



**Capture Rate Analysis**

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

<b>CAPTURE RATE - WITH SUBSIDY</b>	
<b>Project Wide Capture Rate - LIHTC Units</b>	3.7%
<b>Project Wide Capture Rate - Market Units</b>	----
<b>Project Wide Capture Rate - All Units</b>	3.7%
<b>Project Wide Absorption Rate (Months)</b>	N/A

<b>CAPTURE RATE - WITHOUT SUBSIDY</b>	
<b>Project Wide Capture Rate - LIHTC Units</b>	7.4%
<b>Project Wide Capture Rate - Market Units</b>	----
<b>Project Wide Capture Rate - All Units</b>	7.4%
<b>Project Wide Absorption Rate</b>	7-9 Months

The market shows a net demand of 5,310 households for all units when considering the Section 8 subsidy and a net demand of 2,637 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 development that is currently 98 percent occupied, with four vacant units. The property has a waiting list with 208 applicants. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 196 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 3.7 percent and is considered good. The capture rate, without considering the subsidy, is 7.4 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

## COMPETITIVE ENVIRONMENT





**Housing Profile**

**Market Area Overview**

The rental housing stock in the market area is comprised of single-family homes as well as market-rate and restricted apartment complexes. The majority of the housing stock was built in the 1990s.

**Housing Inventory**

From 2010 through November 2022, permit-issuing jurisdictions in Henrico County reported a total of 17,292 single-family and multifamily dwelling permits. Multifamily units were estimated at 42.3 percent of the planned construction activity.

<b>BUILDING PERMITS ISSUED</b>			
<b>YEAR</b>	<b>SINGLE-FAMILY</b>	<b>MULTIFAMILY</b>	<b>TOTAL</b>
2010	630	5	635
2011	613	27	640
2012	660	0	660
2013	823	122	945
2014	693	0	693
2015	749	701	1,450
2016	723	235	958
2017	987	639	1,626
2018	998	480	1,478
2019	901	874	1,775
2020	794	1,121	1,915
2021	748	1,443	2,191
2022*	652	1,674	2,326
<b>TOTAL</b>	<b>9,971</b>	<b>7,321</b>	<b>17,292</b>

\*Preliminary Numbers through November 2022

Source: SOCDS

**Projects Planned or Under Construction**

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

**Unit Condition**

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



### Housing Units

The following tables show significant characteristics of the market area's housing stock in 2022. According to Claritas and Ribbon Demographics, there are 26,151 total housing units in the market area, 24,982 of which are occupied. There are 17,812 owner-occupied households and 7,170 renter-occupied households for 2022. In addition, there are 1,160 total vacant housing units in the market area.

Housing Unit Summary Current Year Estimates - 2022		
PMA		
	Number	Percent
<b>Housing Units</b>	<b>26,151</b>	<b>100.0%</b>
Vacant Housing Units	1,169	4.5%
Renter-Occupied	7,170	28.7%
Owner-Occupied	17,812	71.3%
<b>Total Occupied:</b>	<b>24,982</b>	<b>100.0%</b>

*Source: Claritas; Ribbon Demographics*

### Age of Rental Units

In 2022, there are 3,038 households constructed prior to 1939. According to Claritas and Ribbon Demographics, 22,018 households were built in 2010 or later.

Housing Units by Year Structure Built Current Year Estimates - 2022		
PMA		
Year	Number	Percent
2014 or Later	1,908	7.3%
2010 - 2013	1,130	4.3%
2000 - 2009	4,477	17.1%
1990 - 1999	4,997	19.1%
1980 - 1989	4,827	18.5%
1970 - 1979	3,736	14.3%
1960 - 1969	2,080	8.0%
1950 - 1959	1,901	7.3%
1940 - 1949	677	2.6%
1939 or Earlier	418	<u>1.6%</u>
<b>Total:</b>	<b>26,151</b>	<b>100.0%</b>

*Source: Claritas; Ribbon Demographics*



### Unit Types

In 2022 there were 20,858 single-family housing units, 5,287 multifamily housing units and six mobile homes or other housing in the market area.

Housing Units by Units in Structure Current Year Estimates - 2022		
PMA		
Unit	Number	Percent
I Unit Detached	16,905	64.6%
I Unit Attached	3,953	15.1%
2 Units	25	0.1%
3 to 4 Units	755	2.9%
5 to 19 Units	3,616	13.8%
20 to 49 Units	365	1.4%
50 or More Units	526	2.0%
Mobile Home	6	0.0%
Other	0	0.0%
<b>Total:</b>	<b>26,151</b>	<b>100.0%</b>

Source: Claritas; Ribbon Demographics

### Unit Size

The average size of the units in the surveyed developments is 729 square feet for one-bedroom units; 938 square feet for two-bedroom units; 1,180 square feet for the three-bedroom units; and 1,367 square feet for the four-bedroom units. The subject's unit sizes are within the comparable range. In addition, the subject and the comparables in the market area maintain high occupancy rates, and the majority of the affordable developments maintain waiting lists. The subject is currently 98 percent occupied with a waiting list of 208 applicants. Consequently, it is believed the subject's existing unit sizes will continue to be competitive in this market.

AVERAGE APARTMENT SIZE OF COMPARABLE APARTMENTS					
Unit Type	COMPARABLES			Subject (SF)	Subject's Advantage
	Minimum (SF)	Maximum (SF)	Average (SF)		
1 BR	505	987	729	703	-3.5%
2 BR	688	1,289	938	900	-4.0%
3 BR	841	1,509	1,180	1,050	-11.0%
4 BR	1,200	1,517	1,367	1,424	4.2%

Source: Gill Group Field Survey



### Rental Vacancy Rates

According to RealtyRates.com Market Survey, the vacancy rate for the South Atlantic Region has fluctuated only slightly. For 2021, the vacancy rate ranged from 5.4 percent to 5.8 percent, with an average of 5.6 percent. The vacancy rate for the region in 2022 ranged from 5.1 percent to 5.3 percent, with an average of 5.2 percent.

REALTY RATES MARKET SURVEY - REGIONAL VACANCY RATES			
QUARTER	2020	2021	2022
1st Quarter	6.0%	5.8%	5.3%
2nd Quarter	5.9%	5.6%	5.2%
3rd Quarter	5.7%	5.5%	5.1%
4th Quarter	5.5%	5.4%	5.1%

Source: RealtyRates.com Market Survey, South Atlantic Region

### Vacancy Analysis

The vacancy rate for affordable housing units in the market area is 2.0 percent. The following table shows the vacancy rates for all affordable housing verified in the market area, including the subject.

AFFORDABLE HOUSING VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Woodman West	197	4	2.0%
Creekside Manor	95	5	5.3%
The Greens at Virginia Center Apartments	180	4	2.2%
Parham Park Place I & II	137	3	2.2%
Place One Apartments	114	2	1.8%
Quarter Mill Apartments	266	2	0.8%
<b>Totals</b>	<b>989</b>	<b>20</b>	<b>2.0%</b>

The current vacancy rate in surveyed market-rate apartment complexes is 6.1 percent. However, London Towne Apartments is currently under renovation; therefore, the property has a higher than typical vacancy rate. Without considering this property, the market-rate vacancy rate is 1.9 percent. The following table shows the vacancy rates for each conventional property verified in the area.

MARKET VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
The Meadows Apartments	151	3	2.0%
The Hamptons at Hunton Park	300	0	0.0%
Legends at Virginia Center Apartments	352	6	1.7%
Abberly Twin Hickory	378	8	2.1%
Addison at Wyndham Apartments	312	0	0.0%
Millspring Commons	159	6	3.8%
London Towne Apartments	683	121	17.7%
River Vista	232	12	5.2%
<b>Totals</b>	<b>2,567</b>	<b>156</b>	<b>6.1%</b>

The market area has an overall rental vacancy rate of 4.9 percent. Of the 3,556 total units verified, 176 were vacant. However, London Towne Apartments is currently under renovation; therefore, the property has a higher than typical vacancy rate. Without considering this property, the overall vacancy rate for the market area is 1.9 percent.



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### Lease Terms and Concessions

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

### Likely Impact of Rehabilitated Development on Rental Occupancy Rates

The proposed rehabilitation of the existing Section 8 development will not have an adverse impact on the market area. Its one-, two-, three- and four-bedroom units are suitable in the market. In addition, the property is currently 98 percent occupied, with only four vacant units. It also has a waiting list of 208 applicants. Therefore, the rehabilitation of the project is unlikely to materially impact the existing properties in the market area which also exhibit strong occupancy rates.



**Comparable Profile Pages**

**COMPARABLE APARTMENT RENTAL NO. 1**



Property Type: Section 8/Walk-Up  
 Property Name: Place One Apartments  
 Address: 4222 Almore Avenue,  
 Richmond, VA 23228  
 Verification: Ebony; 310-802-6670  
 January 10, 2023,  
 By Telephone  
 Distance From Subject: 3.5 Miles

**Year Opening/Significant Renovation Amenities**

1980/2023  
 Range/Oven, Refrigerator, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Coat Closet, Patio, Picnic Area, Playground, Laundry Facility, On-Site Management, On-Site Maintenance

**Utilities (Type/Responsibility)**

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Unit Mix</u>			<u>Gross Rent</u>
			<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	
1/1	40	0	600	\$1,200	\$40	\$1,240
2/1	56	2	940	\$1,500	\$80	\$1,580
3/1	18	2	1,040	\$2,200	\$120	\$2,320

**Occupancy** 98%  
**Total Units** 114  
**No. of Buildings** 9  
**Construction Type** Siding  
**HVAC** Central Elec/Central Elec  
**Stories** 3  
**Waiting List** 1-2 Years (1BR) & 5-6 Years (2&3BR)  
**Turnover Rate** N/A  
**Absorption Rate** N/A

**Remarks**

The property is designated for families. The complex maintains a one-year wait list for one-bedroom units, and a five- to six-year wait list for the two- and three-bedroom units. The annual turnover rate was not disclosed.



**COMPARABLE APARTMENT RENTAL NO. 2**



Property Type: LIHTC/Walk-Up  
 Property Name: Creekside Manor  
 Address: 1601 Lakeside Road,  
 Richmond, VA 23228  
 Verification: Brooke; 804-261-6642  
 January 10, 2023,  
 By Telephone  
 Distance From Subject: 3.9 Miles

**Year Opening/Significant Renovation Amenities**

1964/2016  
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher (2,3BR),  
 Carpet, Vinyl, Blinds, Ceiling Fans, Coat Closet, Balcony, Patio,  
 Swimming Pool, Exercise Room, Basketball Court, Laundry Facility,  
 On-Site Management, On-Site Maintenance, Video Surveillance

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1 (50-60%)	18	1	540	\$670	\$131	\$801
1/1 (60%)		0	540	\$810	\$131	\$941
2/1.5 (60%)	55	3	835	\$960	\$134	\$1,094
2/2 (60%)	4	1	835	\$960	\$136	\$1,096
3/2 (60%)	18	0	1,135	\$1,155	\$206	\$1,361

**Occupancy** 95%  
**Total Units** 95  
**No. of Buildings** 8  
**Construction Type** Brick  
**HVAC** Central Gas/Central Elec  
**Stories** 3  
**Waiting List** 200+ Applicants  
**Turnover Rate** 37%  
**Absorption Rate** N/A

**Remarks**

The property is desingated for families at 50 and 60 percent of the area median income. The complex maintains a waiting list with over 200 applicants. The annual turnover rate is 37 percent.



**COMPARABLE APARTMENT RENTAL NO. 3**



Property Type: LIHTC/Walk-Up  
 Property Name: The Greens at Virginia Center Apartments  
 Address: 9724 Virginia Centerway Place  
 Glen Allen, VA 23059  
 Verification: Taylor; 804-262-3337  
 January 10, 2023,  
 By Telephone  
 Distance From Subject: 2.8 Miles

**Year Opening/Significant Renovation  
 Amenities**

1998/2012  
 Refrigerator, Range/Oven, Dishwasher, Carpet, Vinyl, Wood Composite, Blinds, Walk-In Closet, Coat Closet, Balcony, Patio, Clubhouse, Swimming Pool, Exercise Room, Laundry Facility, On-Site Management, On-Site Maintenance, Security Patrol

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
2/2 (60%)	96	3	1,100	\$1,260	\$50	\$1,310
3/2 (60%)	84	1	1,325	\$1,448	\$50	\$1,498

**Occupancy** 98%  
**Total Units** 180  
**No. of Buildings** 12  
**Construction Type** Brick/Siding  
**HVAC** Central Elec/Central Elec  
**Stories** 3  
**Waiting List** 1 Year  
**Turnover Rate** N/A  
**Absorption Rate** N/A

**Remarks**

The property is designated for families at 60 percent of the area median income. The complex maintains a one-year wait list. The annual turnover rate was not disclosed.





**COMPARABLE APARTMENT RENTAL NO. 4**



Property Type: LIHTC/Elevator  
 Property Name: Parham Park Place I & II Apartments  
 Address: 7590-7600 East Parham Road, Richmond, VA 23666  
 Verification: Lynn; 804-672-7718 January 10, 2023, By Telephone  
 Distance From Subject: 3.0 Miles

**Year Opening/Significant Renovation Amenities**

1999  
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Balcony, Patio, Emergency Call, Meeting Room, Exercise Room, Transportation, Laundry Facility, On-Site Management, On-Site Maintenance, Intercom/Electronic Entry, Library

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1 (50%)	6	1	545	\$775	\$121	\$896
1/1 (60%)		0	545	\$900	\$121	\$1,021
2/1 (50%)	86	0	790	\$880	\$144	\$1,024
2/1 (60%)		2	790	\$1,020	\$144	\$1,164
2/1 (50%)	45	0	835	\$880	\$144	\$1,024
2/1 (60%)		0	835	\$1,020	\$144	\$1,164

**Occupancy** 98%  
**Total Units** 137  
**No. of Buildings** 2  
**Construction Type** Brick  
**HVAC** Central Gas/Central Elec  
**Stories** 3  
**Waiting List** 250+ Applicants  
**Turnover Rate** 20%  
**Absorption Rate** N/A

**Remarks**

The contact could not verify the utility allowance for the units. There are over 250 applicants on the waiting list. The annual turnover rate is approximately 20 percent. The property is designated for families at 50 and 60 percent of the area median income.



**COMPARABLE APARTMENT RENTAL NO. 5**



Property Type: LIHTC/Walk-Up  
 Property Name: Quarter Mill Apartments  
 Address: 3000 Quarter Creek Lane, Richmond, VA 23294  
 Verification: Tiffany; 757-247-1276 January 10, 2023, By Telephone  
 Distance From Subject: 5.3 Miles

**Year Opening/Significant Renovation Amenities**

1991/2006  
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer, Dryer, Carpet, Vinyl, Blinds, Walk-In Closet, Balcony, Patio Swimming Pool, Picnic Area, Playground, Tennis Court, Extra Storage, Breakfast/Coffee Concierge, On-Site Management, On-Site Maintenance

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1 (60%)	104	0	664	\$935	\$92	\$1,027
1/1 (60%)	36	1	745	\$1,000	\$95	\$1,095
2/1 (60%)	118	1	967	\$1,050	\$115	\$1,165
2/1 (60%)	61	0	1,066	\$1,165	\$119	\$1,284

**Occupancy** 99%  
**Total Units** 266  
**No. of Buildings** 10  
**Construction Type** Siding  
**HVAC** Central Elec/Central Elec  
**Stories** 3  
**Waiting List** 6 Months - 1 Year  
**Turnover Rate** 17%  
**Absorption Rate** N/A

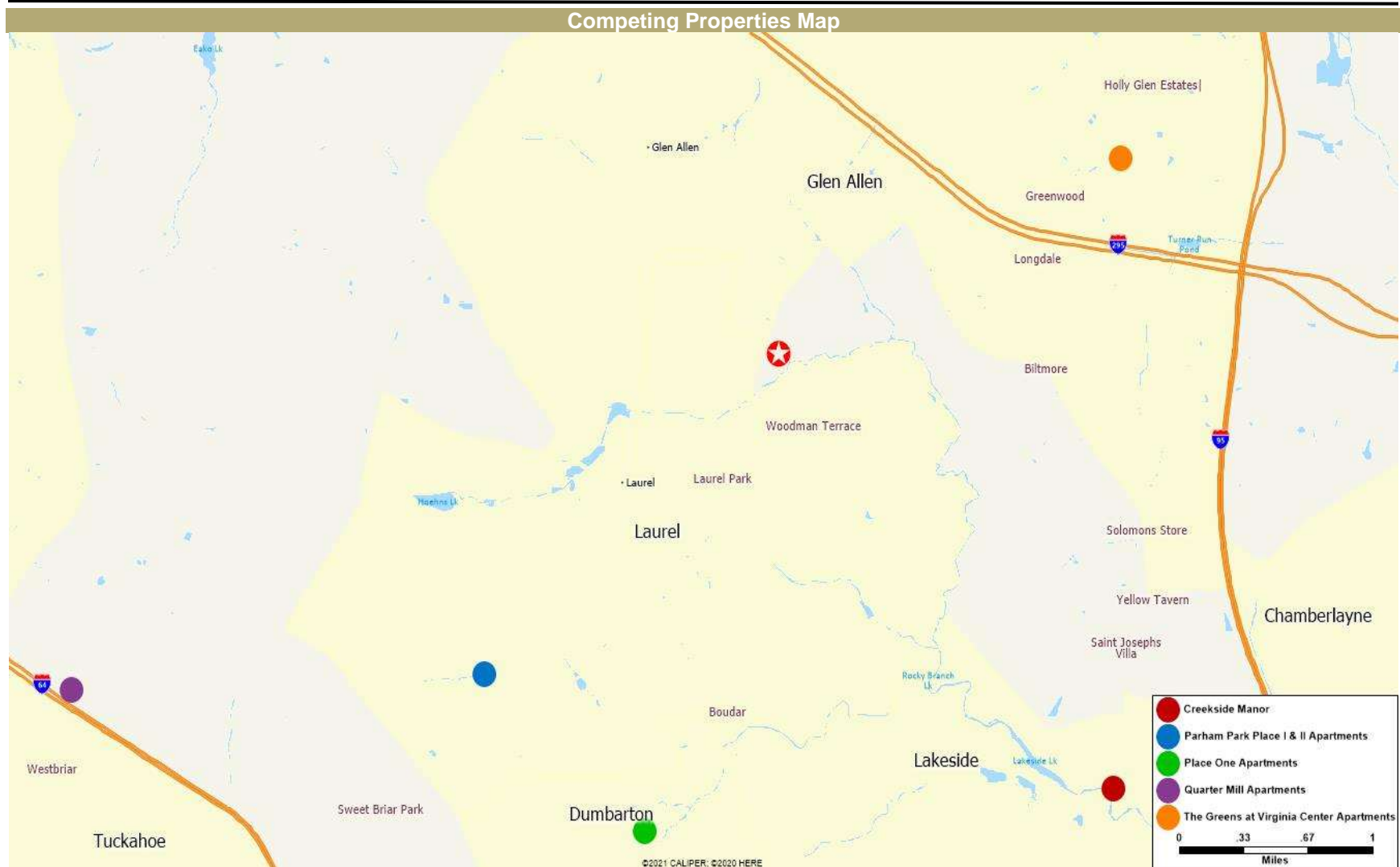
**Remarks**

The property is desingated for families at 60 percent of the area median income. The complex maintain a six-month to one-year waiting list. The annual turnover rate is 17 percent.



Existing Comparables Map





As renovated, the subject will be a Section 8 and LIHTC property set at 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



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### Additional Developments

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

New Bridge Village Apartments - Richmond, VA – Family - Unconfirmable  
Hope Village Apartments - Glen Allen, VA – Family - Unconfirmable

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

The Meadows Apartments – Glen Allen, VA  
The Hamptons at Hunton Park - Glen Allen, VA  
Legends at Virginia Center Apartments - Glen Allen, VA  
Abberly Twin Hickory - Glen Allen, VA  
Addison at Wyndham Apartments - Glen Allen, VA  
Millspring Commons - Richmond, VA  
London Towne Apartments - Richmond, VA  
River Vista - Richmond, VA



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### Market Rent Analysis

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



HUD Forms 92273-S8 and Explanations – As Complete

One-Bedroom Units (672) – As Complete

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

Rent Comparability Grid		Unit Type	One-Bedroom				Subject's FHA #:	N/A					
Subject		Data	Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5		
Woodman West Apartments 1812 Blackburn Road Glen Allen Henrico		on Subject	Legends at Virginia Center 1200 Virginia Center Parkway Glen Allen Henrico		The Meadows Apartments 1300 Meadow Field Lane Glen Allen Henrico		The Hamptons at Hunton Park 3100 Stone Arbor Lane Glen Allen Henrico		Addison at Wyndham 11401 Old Nuckols Road Glen Allen Hanover		Abberly Twin Hickory 4700 The Gardens Drive Glen Allen Henrico		
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
1	\$ Last Rent / Restricted?		\$1,595	N	\$1,305	N	\$1,438	N	\$1,399	N	\$1,458	N	
2	Date Last Leased (mo/yr)		Jan-23		Jan-23		Jan-23		Jan-23		Jan-23		
3	Rent Concessions		N		N		N		N		N		
4	Occupancy for Unit Type		98%		98%		100%		100%		98%		
5	Effective Rent & Rent/ sq. ft		\$1,595	\$2.07	\$1,305	\$1.81	\$1,438	\$1.79	\$1,399	\$1.99	\$1,458	\$1.91	
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>													
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
6	Structure / Stories	WU/2	WU/3	WU/2, WU/3	WU/3	WU/2,3	WU/3	WU/2,3	WU/3	WU/3	WU/3		
7	Yr. Built/Yr. Renovated	1982/2008/2024	1998	\$14	1991	\$21	2003	\$9	1997/2015	\$5	2002	\$10	
8	Condition / Street Appeal	G	G	A	\$215	G	G	G	G	G	G	G	
9	Neighborhood	A	A	A	A	A	A	A	A	A	A	A	
10	Same Market? Miles to Subj		Y/2.8		Y/3.1		Y/5.2		Y/8.5		Y/8.9		
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
11	# Bedrooms	1	1	1	1	1	1	1	1	1	1		
12	# Baths	1	1	1	1	1	1	1	1	1	1		
13	Unit Interior Sq. Ft.	672	771	(\$50)	720	(\$25)	802	(\$60)	704	(\$15)	763	(\$45)	
14	Balcony/ Patio	N	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	
15	AC: Central/ Wall	C	C	C	C	C	C	C	C	C	C	C	
16	Range/ Refrigerator	RF	RF	RF	RF	RF	RF	RF	RF	RF	RF	RF	
17	Microwave/ Dishwasher	D	D	D	D	MD	(\$5)	MD	(\$5)	MD	(\$5)	MD	(\$5)
18	Washer/Dryer	L	WD	(\$30)	WD	(\$30)	WD	(\$30)	WD	(\$30)	WD	(\$30)	
19	Floor Coverings	V	C	C	C	C	C	WC	W	W	W	W	
20	Window Coverings	B	B	B	B	B	B	B	B	B	B	B	
21	Cable/ Satellite/Internet	I	N	\$50	N	\$50	N	\$50	N	\$50	N	\$50	
22	Special Features	GC	SS	\$5	N	\$35	GC	SS, GC	(\$30)	GC, CT	GC, CT		
23													
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
24	Parking (\$ Fee)	L/0	L/0, G/125	L/0	L/0, G/120	L/0, G/150	L/0, G/150	L/0, G/150	L/0, G/125	L/0, G/125	L/0, G/125		
25	Extra Storage	N	N	N	N	N	N	N	N	Y/20	Y/20		
26	Security	Y	N	\$30	N	\$30	Y	\$20	N	N	\$30		
27	Clubhouse/ Meeting Rooms	CMR	N	\$10	C	\$5	C	\$5	C	\$5	C	\$5	
28	Pool/ Recreation Areas	ER	PER	(\$10)	PER	(\$15)	PER	(\$15)	PER	(\$25)	PER	(\$15)	
29	Business Ctr / Nhbhd Netwk	CR, BC	N	\$10	BC	\$5	BC	\$5	BC	\$5	N	\$10	
30	Service Coordination	N	N	N	N	N	N	N	N	N	N	N	
31	Non-shelter Services	EDU	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5	
32	Neighborhood Networks	N	N	N	N	N	N	N	N	N	N	N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj		
33	Heat (in rent?/ type)	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/G	N/G		
34	Cooling (in rent?/ type)	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E		
35	Cooking (in rent?/ type)	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E		
36	Hot Water (in rent?/ type)	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/E	N/G	N/G		
37	Other Electric	N	N	N	N	N	N	N	N	N	N		
38	Cold Water/ Sewer	Y	N	\$60	Y/\$	\$35	N	\$60	N	\$60	N	\$60	
39	Trash/ Recycling	Y	Y/\$	\$10	Y/\$	\$14	N	\$14	N	\$14	N	\$14	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg		
40	# Adjustments B to D		7	4	8	4	6	5	6	6	5		
41	Sum Adjustments B to D		\$124	(\$100)	\$366	(\$80)	\$94	(\$120)	\$100	(\$115)	\$110	(\$105)	
42	Sum Utility Adjustments		\$70	\$0	\$35	\$0	\$74	\$0	\$74	\$0	\$74	\$0	
	Net		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	
43	Net/ Gross Adjmts B to E		\$94	\$294	\$321	\$481	\$48	\$288	\$59	\$289	\$79	\$289	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent			
44	Adjusted Rent (5+ 43)		\$1,689		\$1,626		\$1,486		\$1,458		\$1,537		
45	Adj Rent/Last rent			106%		125%		103%		104%		105%	
46	Estimated Market Rent	\$1,585	\$2.36	Estimated Market Rent/ Sq. Ft									

Appraiser's Signature \_\_\_\_\_ Date 1/10/2023

Attached are explanations of:

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

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



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**Woodman West Apartments**  
**Primary Unit Type – One-Bedroom Units (672 SF)**

**Please note:** Minor adjustments in the \$5 to \$10 range are based on the appraiser’s evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: “For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent.”

A rent comparability grid was prepared for the primary unit type with 672 square feet. Comparable apartments used include the following: Legends at Virginia Center (Comparable 1), The Meadows Apartments (Comparable 2), The Hamptons at Hunton Park (Comparable 3), Addison at Wyndham (Comparable 4) and Abberly Twin Hickory (Comparable 5).

**\$ Last Rent/Restricted** – All of the units are currently rented at the rates shown on the grid. Rents range from \$1305 to \$1595 per month. No unit used in this analysis has any rent restrictions.

**Date Last Leased** – The grid shows the effective date of the leases most recently signed. Effective dates are all January 2023. No adjustments were necessary.

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

**Occupancy for Unit Type** – The subject’s current occupancy rate is 98 percent. The comparables’ occupancy rates range from 98 to 100 percent. No adjustments were needed.

**Line 6: Structure/Stories** – The subject is located in two-story walk-up buildings. All comparables are located in walk-up two-or three-story buildings. No complex in the market area shows a rent difference based on this particular item. No adjustment was needed.

**Year Built/Year Renovated** – The subject was built in 1982 and was renovated in 2008. Comparable 1 was constructed in 1998, and Comparable 2 was built in 1991. Comparable 3 was built in 2003. Comparable 4 was constructed in 1997/2015. Comparable 5 was built in 2002. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables:

Property	Year Built	Effective Year Built	Adjustment
Subject	1982/2008	2012	-
1	1998	1998	\$14
2	1991	1991	\$21
3	2003	2003	\$9
4	1997/2015	2007	\$5
5	2002	2002	\$10

Adjustments for age differences are relatively subjective given that many properties will complete general upgrades to a property even if they do not complete an actual specific rehabilitation or renovation. In general, newer construction properties and recently renovated properties can command a higher rent than older or non-renovated properties. According to Appendix 9-1-2, Line 7: Year Built/Year Renovated of the Section 8 Renewal Policy Guide, an adjustment should typically be no more than \$5 or one percent of the comparable’s unadjusted rent. The appraiser elected to adjust \$1 per effective year built of difference between the subject and the comparables in accordance with the Section 8 guide. No





adjustments were made for comparables that have effective year built within five years of the effective year built determined for the subject.

**Line 8: Condition/Street Appeal** – The subject has siding construction. The landscaping consists of grass, trees and shrubs. The property will undergo rehabilitation and will be in good condition after the rehabilitation is complete. The proposed scope of work is comprehensive and includes replacement of appliances, kitchen cabinets, bath vanities and medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior siding and wall supports, roofing and re-grading and striping of the parking lots. The renovation will also conclude adding internet to all of the units. The following table illustrates the descriptions of the ratings levels considered in the condition/street appeal analysis.

Condition	Description
Excellent	Desirable curb appeal, luxury or high end amenities and finishes, no deferred maintenance
Good	Well maintained or recently renovated property, limited deferred maintenance
Average	Some original finishes and amenities, Only minor upgrades needed
Fair	In need of repair, obvious deferred maintenance
Poor	Substantial need of major repairs or significant deferred maintenance

The following analysis details the method used to calculate appropriate adjustments for condition/street appeal.

Property Name	Rating Level	1 BR	2 BR	3 BR	4 BR	Average
The Meadows Apartments	Average	\$1,285	\$1,680	\$1,752	\$2,047	\$1,691
<b>Average Rent</b>		<b>\$1,285</b>	<b>\$1,680</b>	<b>\$1,752</b>	<b>\$2,047</b>	<b>\$1,691</b>
Legends at Virginia Center Apartment	Good	\$1,564	\$1,701	\$1,998	\$2,318	\$1,895
The Hamptons at Hunton Park	Good	\$1,361	\$1,988	\$2,525	\$2,845	\$2,180
Addison at Wyndham Apartments	Good	\$1,333	\$1,605	\$1,737	\$2,057	\$1,683
Abberly Twin Hickory	Good	\$1,412	\$1,735	\$2,001	\$2,331	\$1,870
<b>Average Rent</b>		<b>\$1,418</b>	<b>\$1,757</b>	<b>\$2,065</b>	<b>\$2,388</b>	<b>\$1,907</b>
<b>Difference in Average Rents</b>		<b>\$133</b>	<b>\$77</b>	<b>\$313</b>	<b>\$341</b>	<b>\$216</b>
<b>Difference per Rating Level</b>		<b>\$133</b>	<b>\$77</b>	<b>\$313</b>	<b>\$341</b>	<b>\$216</b>

As shown in the previous chart, average difference between the average rating level and the good rating level is \$215. The result of \$215 is determined to be the appropriate adjustment per rating level. As previously indicated, the subject will be in good condition once rehabilitation is complete. Comparables 1, 3, 4 and 5 were rated in good condition and were not adjusted. Comparable 2 was rated in average condition and was, therefore, adjusted upward \$215 as indicated in the previous analysis. The Section 8 Renewal Policy Guide states an adjustment of more than the larger of \$20, or four percent of the unadjusted rent for each level of rating difference, would require that the appraiser provide specific explanation in the narrative to support the amount of the adjustment. Although these adjustment amounts are above the amounts indicated in the Section 8 guide, it meets the requirements of the guide as the adjustment amounts are supported by market-driven data. Therefore, the adjustment amounts are considered reasonable and appropriate.

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



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**Line 10: Same Market/Miles to Subject** – All comparables are located in the same market area as the subject. No adjustment was needed.

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

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

**Unit Interior Square Footage** – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable’s dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.48. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

**Line 14: Balcony/Patio** – The subject does not contain either amenity. All comparables contain these features and were adjusted downward \$10 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Per the Section 8 Renewal Policy, the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable’s unadjusted rent. Due to insufficient market data by which to extrapolate a market-based adjustment for balcony or patio, the appraiser elected to adjust the comparables \$10, as deemed acceptable by the Section 8 Guide.

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

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

**Line 17: Microwave/Dishwasher** – The subject contains dishwashers in the units. It does not contain microwaves. All comparables contain dishwashers. In addition, Comparables 3, 4 and 5 also contain microwaves in the units. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for



microwaves. Dishwashers are more expensive and are more likely to factor into a tenant's decision on which unit to lease. Therefore, it was considered appropriate to adjust \$10 per month for dishwashers. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Microwave	---	---	---	\$5	\$5	\$5
Dishwasher	\$10	\$10	\$10	\$10	\$10	\$10
<b>Total</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>	<b>\$15</b>	<b>\$15</b>	<b>\$15</b>
<b>Indicated Adjustment</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$5)</b>	<b>(\$5)</b>	<b>(\$5)</b>

**Line 18: Washer/Dryer** – The subject contains a laundry facility. All comparables contain a washer and dryer within the unit. Units with these amenities provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay a range of \$30.38 to \$39.40 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$35 per month. Laundry facilities on-site are valued at \$5 per month. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Laundry Facility	\$5	---	---	---	---	---
Washer/Dryer	---	\$35	\$35	\$35	\$35	\$35
<b>Total</b>	<b>\$5</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>(\$30)</b>	<b>(\$30)</b>	<b>(\$30)</b>	<b>(\$30)</b>	<b>(\$30)</b>

**Line 19: Floor Coverings** – The subject contains vinyl floor coverings. Comparables 1, 2 and 3 contain carpet floor coverings. Comparable 4 has wood composite flooring, and Comparable 5 has wood floor coverings. The market did not indicate a rent differential based on floor coverings. Therefore, no adjustments were needed.

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

**Line 21: Cable/Satellite/Internet** – The subject will provide internet services to the units. None of the comparables contain any of these features. In order to determine an appropriate adjustment for these services, cable fees for local cable providers were researched. The following table shows the cable providers contacted and the fees for each provider.

Provider	Internet Fee
Spectrum	\$50.00
AT&T Fiber	\$35.00
Xfinity	\$50.00
Verizon	\$30.00
Viasat	\$65.00
HughesNet	\$50.00

The costs for cable range from \$35 to \$65 per month. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the mid-point of the range is selected. As there was no majority for this analysis, an adjustment of \$50 per month was selected.



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

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Stainless Steel Appliances	---	\$30	---	---	\$30	\$35
Solid-Surface Countertops	\$35	---	---	\$35	\$35	---
Ceramic Tile	---	---	---	---	---	\$0
<b>Total</b>	<b>\$35</b>	<b>\$30</b>	<b>\$0</b>	<b>\$35</b>	<b>\$65</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>\$5</b>	<b>\$35</b>	<b>\$0</b>	<b>(\$30)</b>	<b>\$0</b>

Special features such as stainless steel appliances and granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up-charge from the rent that would be charged if unit did not contain these features. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$30.80 per month for refrigerators with premium finishes and \$34.38 per month for premium countertops. After considering all factors, a \$30 adjustment was applied for stainless steel appliances, and a \$35 adjustment was applied for the solid-surface countertops. The market did not indicate a rent differential based on ceramic tile. The adjustments for the comparables are shown at the bottom of the table.

**Line 24: Parking** – The subject contains open parking areas on-site for no additional monthly fee. All comparables contain open parking for no additional monthly fee. Comparable 1 also contains garage parking for \$125 per month. Comparable 3 also contains garage parking for an additional \$120 fee. Comparable 4 also contains garage parking for \$150 per month. Comparable 5 also contains garage parking for \$125 per month. As ample parking similar to the subject is available at Comparables 1, 3, 4 and 5 for no additional monthly fee, no adjustment was needed.

**Line 25: Extra Storage** – The subject does not contain extra storage for no additional fee. None of the comparables contain storage for no additional fee. Comparable 5 contains extra storage for an additional fee of \$20 per month. No adjustments were needed.

**Line 26: Security** – The following table shows the amenities at the subject and each comparable:

Feature	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Limited Access Gate	\$10	---	---	\$10	---	---
Intercom/Electronic Entry	\$10	---	---	---	---	---
Video Surveillance	\$5	---	---	---	---	---
Security Patrol	\$5	---	---	---	---	---
<b>Total</b>	<b>\$30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10</b>	<b>\$0</b>	<b>\$0</b>
<b>Indicated Adjustment</b>		<b>\$30</b>	<b>\$30</b>	<b>\$20</b>	<b>\$30</b>	<b>\$30</b>

No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex, particularly security that limits access to the building or grounds. All security features will provide added protection for residents at the properties. Limited access gates limit access to the grounds, while intercom/electronic entry limits access to the buildings. Therefore, properties with limited access gates and/or intercom/electronic entry are considered superior to properties with video surveillance and/or security patrol which do not limit access. Consequently, limited access gates and intercom/electronic entry are considered \$5 superior to video surveillance and security patrol. The adjustments for the comparables are shown at the bottom of the table.

**Line 27: Clubhouse/Meeting Rooms/Dining Rooms** – The subject has a meeting room and clubhouse. Comparables 2, 3, 4 and 5 have clubhouses. Comparable 1 does not contain any of these features. No complex in the market area shows a rent differential based on these particular items; however, the added



amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Clubhouse	\$5	---	\$5	\$5	\$5	\$5
Meeting Room	\$5	---	---	---	---	---
<b>Total</b>	<b>\$10</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>
<b>Indicated Adjustment</b>		<b>\$10</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>

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

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool	---	\$10	\$10	\$10	\$10	\$10
Exercise Room	\$5	\$5	\$5	\$5	\$5	\$5
Spa/Hot Tub	---	---	---	\$5	---	---
Picnic Area	\$5	\$5	\$5	\$5	\$5	\$5
Play Area	\$5	\$5	\$5	---	\$5	\$5
Volleyball Court	---	---	---	\$5	---	---
Basketball Court	\$5	---	---	---	---	---
Yoga Studio	---	---	---	---	\$5	---
Pet Park	---	---	---	---	\$5	\$5
Gazebo	---	\$5	---	---	---	\$5
Theatre	---	---	---	\$5	---	---
Coffee Bar	---	---	---	---	\$5	---
Car Wash Area	---	---	\$5	---	\$5	---
Outdoor Play Center	---	---	\$5	---	---	---
<b>Total</b>	<b>\$20</b>	<b>\$30</b>	<b>\$35</b>	<b>\$35</b>	<b>\$45</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>(\$10)</b>	<b>(\$15)</b>	<b>(\$15)</b>	<b>(\$25)</b>	<b>(\$15)</b>

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

**Line 29: Business Center** – Once rehabilitation is complete, the subject will contain a business center and computer room. Comparables 1 and 5 do not contain these features. Comparables 2, 3 and 4 have a business center. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:



Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Business Center	\$5	---	\$5	\$5	\$5	---
Computer Room	\$5	---	---	---	---	---
Neighborhood Network	---	---	---	---	---	---
<b>Total</b>	<b>\$10</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$0</b>
<b>Indicated Adjustment</b>		<b>\$10</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$10</b>

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

**Line 31: Non-Shelter Services** – The property offers educational programs. The convenience of this service on-site provides an additional enhancement to the units. Therefore, the availability of the service on-site was adjusted. A nominal \$5 adjustment was applied for this feature due to the lack of market-based data on this feature.

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

**Line 33: Heat** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

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

**Line 35: Cooking** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Line 36: Hot Water** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

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

**Line 38: Cold Water/Sewer** – The subject provides cold water and sewer. Comparables 1, 3, 4 and 5 does not provide cold water and sewer. Comparables 1, 3, 4 and 5 were adjusted upward \$60 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Virginia. The amount was substantiated through local utility providers. Comparable 2 provides water and sewer but charges back to the tenants a flat fee of \$35 per month to offset a portion of the utility costs. The flat fee is for water, sewer and trash. Therefore, this comparable was adjusted the flat fee cost of \$35 per month.

**Line 39: Trash/Recycling** – The subject provides trash. Comparables 3, 4 and 5 does not provide trash. Comparables 3, 4 and 5 were adjusted upward \$14 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Virginia. The amount was substantiated through local utility providers. Comparable 1 provides trash but charges back to tenants a flat fee of \$10 per month to offset a portion of the utility costs. Comparable 2 provides trash but charges back to the tenants a flat fee of \$35 per month to offset a portion of the utility costs. The flat fee is for water, sewer and trash. This comparable was adjusted for the flat fee. However, the adjustment was applied in the cold water/sewer line item. No additional adjustment was needed.

**Conclusion of Market Rent**

The adjusted rents range from \$1,458 to \$1,689 per month. Greater emphasis was placed on Legends at Virginia Center Apartments as it is the most similar in amenities and closest to the subject. Secondary

Woodman West Apartments  
1812 Blackburn Road  
Glen Allen, Virginia 23060



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consideration was given to The Meadows Apartments. This comparable has the lowest gross adjustments. Some consideration was given to The Hampton at Hunton Park and Abberly Twin Hickory as they are similar in structure and located in the same market area. The appraiser concluded the market rent for the units as follows:

- **672 SF One-Bedroom Units - \$1,585 , or \$2.36 per square foot**



**Two-Bedroom Units (840 SF) – As Complete**

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

Rent Comparability Grid		Unit Type →	Two-Bedroom		Subject's FHA #:		N/A				
Subject		Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Woodman West Apartments 1812 Blackburn Road Glen Allen Henrico		Legends at Virginia Center 1200 Virginia Center Parkway Glen Allen Henrico		The Meadows Apartments 1300 Meadow Field Lane Glen Allen Henrico		The Hamptons at Hunton Park 3100 Stone Arbor Lane Glen Allen Henrico		Addison at Wyndham 11401 Old Nuckols Road Glen Allen Hanover		Aberly Twin Hickory 4700 The Gardens Drive Glen Allen Henrico	
Data		Data		Data		Data		Data		Data	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,795	N	\$1,725	N	\$2,098	N	\$1,749	N	\$1,849	N
2	Date Last Leased (mo/yr)	Jan-23		Jan-23		Jan-23		Jan-23		Jan-23	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	98%		98%		100%		100%		98%	
5	Effective Rent & Rent/sq. ft	\$1,795	\$1.64	\$1,725	\$1.84	\$2,098	\$1.99	\$1,749	\$1.65	\$1,849	\$1.69
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2		WU/3		WU/3		WU/2,3		WU/3	
7	Yr. Built/Yr. Renovated	1982/2008/2024	\$14	1991	\$21	2003	\$9	1997/2015	\$5	2002	\$10
8	Condition /Street Appeal	G		G	\$215	G		G		G	
9	Neighborhood	A		A		A		A		A	
10	Same Market? Miles to Subj	Y/2.8		Y/3.1		Y/5.2		Y/8.5		Y/8.9	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1	(\$20)	2	(\$20)	2	(\$20)	2	(\$20)	2	(\$20)
13	Unit Interior Sq. Ft.	840	(\$110)	940	(\$40)	1,056	(\$90)	1,060	(\$90)	1,097	(\$110)
14	Balcony/ Patio	N	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	RF		RF		RF		RF		RF	
17	Microwave/ Dishwasher	D		D		MD	(\$5)	MD	(\$5)	MD	(\$5)
18	Washer/Dryer	L	(\$30)	WD	(\$30)	WD	(\$30)	WD	(\$30)	WD	(\$30)
19	Floor Coverings	V		C		C		WC		W	
20	Window Coverings	B		B		B		B		B	
21	Cable/ Satellite/Internet	I	\$50	N	\$50	N	\$50	N	\$50	N	\$50
22	Special Features	GC	\$5	SS	\$5	N	\$35	GC	(\$30)	GC, CT	
23											
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	L/0		L/0, G/125		L/0		L/0, G/120		L/0, G/150	
25	Extra Storage	N		N		N		N		Y/20	
26	Security	Y	\$30	N	\$30	Y	\$20	N	\$30	N	\$30
27	Clubhouse/ Meeting Rooms	CMR	\$10	N	\$5	C	\$5	C	\$5	C	\$5
28	Pool/ Recreation Areas	ER	(\$10)	PER	(\$15)	PER	(\$15)	PER	(\$25)	PER	(\$15)
29	Business Ctr / Nhbhd Netwk	CR, BC	\$10	N	\$5	BC	\$5	BC	\$5	N	\$10
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	EDU	\$5	N	\$5	N	\$5	N	\$5	N	\$5
32	Neighborhood Networks	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/G	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/G	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y	\$77	Y/\$	\$45	N	\$77	N	\$77	N	\$77
39	Trash/ Recycling	Y	\$14	Y/\$	\$14	N	\$14	N	\$14	N	\$14
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	7	5	8	5	6	6	6	7	6	6
41	Sum Adjustments B to D	\$124	(\$180)	\$366	(\$115)	\$94	(\$170)	\$100	(\$210)	\$110	(\$190)
42	Sum Utility Adjustments	\$77	\$0	\$45	\$0	\$91	\$0	\$91	\$0	\$91	\$0
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$21	\$381	\$296	\$526	\$15	\$355	\$19	\$401	\$11	\$391
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,816		\$2,021		\$2,113		\$1,730		\$1,860	
45	Adj Rent/Last rent		101%		117%		101%		99%		101%
46	Estimated Market Rent	\$1,960	\$2.33	Estimated Market Rent/ Sq. Ft							

Appraiser's Signature \_\_\_\_\_ Date 1/10/2023

Attached are explanations of:

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

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





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**Woodman West Apartments**  
**Primary Unit Type – Two-Bedroom Units (840 SF)**

**Please note:** Minor adjustments in the \$5 to \$10 range are based on the appraiser’s evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: “For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent.”

A rent comparability grid was prepared for the primary unit type with 840 square feet. Comparable apartments used include the following: Legends at Virginia Center (Comparable 1), The Meadows Apartments (Comparable 2), The Hamptons at Hunton Park (Comparable 3), Addison at Wyndham (Comparable 4) and Abberly Twin Hickory (Comparable 5).

**\$ Last Rent/Restricted** – All of the units are currently rented at the rates shown on the grid. Rents range from \$1725 to \$2098 per month. No unit used in this analysis has any rent restrictions.

**Date Last Leased** – The grid shows the effective date of the leases most recently signed. Effective dates are all January 2023. No adjustments were necessary.

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

**Occupancy for Unit Type** – The subject’s current occupancy rate is 98 percent. The comparables’ occupancy rates range from 98 to 100 percent. No adjustments were needed.

**Line 6: Structure/Stories** – The subject is located in two-story walk-up buildings. All comparables are located in walk-up two-or three-story buildings. No complex in the market area shows a rent difference based on this particular item. No adjustment was needed.

**Year Built/Year Renovated** – The subject was built in 1982 and was renovated in 2008. Comparable 1 was constructed in 1998, and Comparable 2 was built in 1991. Comparable 3 was built in 2003. Comparable 4 was constructed in 1997/2015. Comparable 5 was built in 2002. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables:

Property	Year Built	Effective Year Built	Adjustment
Subject	1982/2008	2012	-
1	1998	1998	\$14
2	1991	1991	\$21
3	2003	2003	\$9
4	1997/2015	2007	\$5
5	2002	2002	\$10

Adjustments for age differences are relatively subjective given that many properties will complete general upgrades to a property even if they do not complete an actual specific rehabilitation or renovation. In general, newer construction properties and recently renovated properties can command a higher rent than older or non-renovated properties. According to Appendix 9-1-2, Line 7: Year Built/Year Renovated of the Section 8 Renewal Policy Guide, an adjustment should typically be no more than \$5 or one percent of the comparable’s unadjusted rent. The appraiser elected to adjust \$1 per effective year built of difference between the subject and the comparables in accordance with the Section 8 guide. No



adjustments were made for comparables that have effective year built within five years of the effective year built determined for the subject.

**Line 8: Condition/Street Appeal** – The subject has siding construction. The landscaping consists of grass, trees and shrubs. The property will undergo rehabilitation and will be in good condition after the rehabilitation is complete. The proposed scope of work is comprehensive and includes replacement of appliances, kitchen cabinets, bath vanities and medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior siding and wall supports, roofing and re-grading and striping of the parking lots. The renovation will also conclude adding internet to all of the units. The following table illustrates the descriptions of the ratings levels considered in the condition/street appeal analysis.

Condition	Description
Excellent	Desirable curb appeal, luxury or high end amenities and finishes, no deferred maintenance
Good	Well maintained or recently renovated property, limited deferred maintenance
Average	Some original finishes and amenities, Only minor upgrades needed
Fair	In need of repair, obvious deferred maintenance
Poor	Substantial need of major repairs or significant deferred maintenance

The following analysis details the method used to calculate appropriate adjustments for condition/street appeal.

Property Name	Rating Level	1 BR	2 BR	3 BR	4 BR	Average
The Meadows Apartments	Average	\$1,285	\$1,680	\$1,752	\$2,047	\$1,691
<b>Average Rent</b>		<b>\$1,285</b>	<b>\$1,680</b>	<b>\$1,752</b>	<b>\$2,047</b>	<b>\$1,691</b>
Legends at Virginia Center Apartment	Good	\$1,564	\$1,701	\$1,998	\$2,318	\$1,895
The Hamptons at Hunton Park	Good	\$1,361	\$1,988	\$2,525	\$2,845	\$2,180
Addison at Wyndham Apartments	Good	\$1,333	\$1,605	\$1,737	\$2,057	\$1,683
Abberly Twin Hickory	Good	\$1,412	\$1,735	\$2,001	\$2,331	\$1,870
<b>Average Rent</b>		<b>\$1,418</b>	<b>\$1,757</b>	<b>\$2,065</b>	<b>\$2,388</b>	<b>\$1,907</b>
<b>Difference in Average Rents</b>		<b>\$133</b>	<b>\$77</b>	<b>\$313</b>	<b>\$341</b>	<b>\$216</b>
<b>Difference per Rating Level</b>		<b>\$133</b>	<b>\$77</b>	<b>\$313</b>	<b>\$341</b>	<b>\$216</b>

As shown in the previous chart, average difference between the average rating level and the good rating level is \$215. The result of \$215 is determined to be the appropriate adjustment per rating level. As previously indicated, the subject will be in good condition once rehabilitation is complete. Comparables 1, 3, 4 and 5 were rated in good condition and were not adjusted. Comparable 2 was rated in average condition and was, therefore, adjusted upward \$215 as indicated in the previous analysis. The Section 8 Renewal Policy Guide states an adjustment of more than the larger of \$20, or four percent of the unadjusted rent for each level of rating difference, would require that the appraiser provide specific explanation in the narrative to support the amount of the adjustment. Although these adjustment amounts are above the amounts indicated in the Section 8 guide, it meets the requirements of the guide as the adjustment amounts are supported by market-driven data. Therefore, the adjustment amounts are considered reasonable and appropriate.

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



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**Line 10: Same Market/Miles to Subject** – All comparables are located in the same market area as the subject. No adjustment was needed.

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

**Line 12: # of Baths** – The subject contains one bath in the two-bedroom units. All comparables contain two baths in the two-bedroom unit types. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. There was insufficient market data available for a paired analysis as the majority of properties in this market contain a similar number of baths. Therefore, \$20 full bath per month adjustments were selected.

**Unit Interior Square Footage** – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable’s dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.42. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

**Line 14: Balcony/Patio** – The subject does not contain either amenity. All comparables contain these features and were adjusted downward \$10 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Per the Section 8 Renewal Policy, the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable’s unadjusted rent. Due to insufficient market data by which to extrapolate a market-based adjustment for balcony or patio, the appraiser elected to adjust the comparables \$10, as deemed acceptable by the Section 8 Guide.

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

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



**Line 17: Microwave/Dishwasher** – The subject contains dishwashers in the units. It does not contain microwaves. All comparables contain dishwashers. In addition, Comparables 3, 4 and 5 also contain microwaves in the units. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves. Dishwashers are more expensive and are more likely to factor into a tenant’s decision on which unit to lease. Therefore, it was considered appropriate to adjust \$10 per month for dishwashers. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Microwave	---	---	---	\$5	\$5	\$5
Dishwasher	\$10	\$10	\$10	\$10	\$10	\$10
<b>Total</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>	<b>\$15</b>	<b>\$15</b>	<b>\$15</b>
<b>Indicated Adjustment</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$5)</b>	<b>(\$5)</b>	<b>(\$5)</b>

**Line 18: Washer/Dryer** – The subject contains a laundry facility. All comparables contain a washer and dryer within the unit. Units with these amenities provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay a range of \$30.38 to \$39.40 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$35 per month. Laundry facilities on-site are valued at \$5 per month. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Laundry Facility	\$5	---	---	---	---	---
Washer/Dryer	---	\$35	\$35	\$35	\$35	\$35
<b>Total</b>	<b>\$5</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>(\$30)</b>	<b>(\$30)</b>	<b>(\$30)</b>	<b>(\$30)</b>	<b>(\$30)</b>

**Line 19: Floor Coverings** – The subject contains vinyl floor coverings. Comparables 1, 2 and 3 contain carpet floor coverings. Comparable 4 has wood composite flooring, and Comparable 5 has wood floor coverings. The market did not indicate a rent differential based on floor coverings. Therefore, no adjustments were needed.

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

**Line 21: Cable/Satellite/Internet** – The subject will provide internet services to the units. None of the comparables contain any of these features. In order to determine an appropriate adjustment for these services, cable fees for local cable providers were researched. The following table shows the cable providers contacted and the fees for each provider.

Provider	Internet Fee
Spectrum	\$50.00
AT&T Fiber	\$35.00
Xfinity	\$50.00
Verizon	\$30.00
Viasat	\$65.00
HughesNet	\$50.00



The costs for cable range from \$35 to \$65 per month. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the mid-point of the range is selected. As there was no majority for this analysis, an adjustment of \$50 per month was selected.

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

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Stainless Steel Appliances	---	\$30	---	---	\$30	\$35
Solid-Surface Countertops	\$35	---	---	\$35	\$35	---
Ceramic Tile	---	---	---	---	---	\$0
<b>Total</b>	<b>\$35</b>	<b>\$30</b>	<b>\$0</b>	<b>\$35</b>	<b>\$65</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>\$5</b>	<b>\$35</b>	<b>\$0</b>	<b>(\$30)</b>	<b>\$0</b>

Special features such as stainless steel appliances and granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up-charge from the rent that would be charged if unit did not contain these features. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$30.80 per month for refrigerators with premium finishes and \$34.38 per month for premium countertops. After considering all factors, a \$30 adjustment was applied for stainless steel appliances, and a \$35 adjustment was applied for the solid-surface countertops. The market did not indicate a rent differential based on ceramic tile. The adjustments for the comparables are shown at the bottom of the table.

**Line 24: Parking** – The subject contains open parking areas on-site for no additional monthly fee. All comparables contain open parking for no additional monthly fee. Comparable 1 also contains garage parking for \$125 per month. Comparable 3 also contains garage parking for an additional \$120 fee. Comparable 4 also contains garage parking for \$150 per month. Comparable 5 also contains garage parking for \$125 per month. As ample parking similar to the subject is available at Comparables 1, 3, 4 and 5 for no additional monthly fee, no adjustment was needed.

**Line 25: Extra Storage** – The subject does not contain extra storage for no additional fee. None of the comparables contain storage for no additional fee. Comparable 5 contains extra storage for an additional fee of \$20 per month. No adjustments were needed.

**Line 26: Security** – The following table shows the amenities at the subject and each comparable:

Feature	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Limited Access Gate	\$10	---	---	\$10	---	---
Intercom/Electronic Entry	\$10	---	---	---	---	---
Video Surveillance	\$5	---	---	---	---	---
Security Patrol	\$5	---	---	---	---	---
<b>Total</b>	<b>\$30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10</b>	<b>\$0</b>	<b>\$0</b>
<b>Indicated Adjustment</b>		<b>\$30</b>	<b>\$30</b>	<b>\$20</b>	<b>\$30</b>	<b>\$30</b>

No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex, particularly security that limits access to the building or grounds. All security features will provide added protection for residents at the properties. Limited access gates limit access to the grounds, while intercom/electronic entry limits access to the buildings. Therefore, properties with limited access gates and/or intercom/electronic entry are considered superior to properties with video surveillance and/or security patrol which do not limit access. Consequently, limited access gates and intercom/electronic entry are considered \$5 superior to video



surveillance and security patrol. The adjustments for the comparables are shown at the bottom of the table.

**Line 27: Clubhouse/Meeting Rooms/Dining Rooms** – The subject has a meeting room and clubhouse. Comparables 2, 3, 4 and 5 have clubhouses. Comparable 1 does not contain any of these features. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Clubhouse	\$5	---	\$5	\$5	\$5	\$5
Meeting Room	\$5	---	---	---	---	---
<b>Total</b>	<b>\$10</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>
<b>Indicated Adjustment</b>		<b>\$10</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>

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

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool	---	\$10	\$10	\$10	\$10	\$10
Exercise Room	\$5	\$5	\$5	\$5	\$5	\$5
Spa/Hot Tub	---	---	---	\$5	---	---
Picnic Area	\$5	\$5	\$5	\$5	\$5	\$5
Play Area	\$5	\$5	\$5	---	\$5	\$5
Volleyball Court	---	---	---	\$5	---	---
Basketball Court	\$5	---	---	---	---	---
Yoga Studio	---	---	---	---	\$5	---
Pet Park	---	---	---	---	\$5	\$5
Gazebo	---	\$5	---	---	---	\$5
Theatre	---	---	---	\$5	---	---
Coffee Bar	---	---	---	---	\$5	---
Car Wash Area	---	---	\$5	---	\$5	---
Outdoor Play Center	---	---	\$5	---	---	---
<b>Total</b>	<b>\$20</b>	<b>\$30</b>	<b>\$35</b>	<b>\$35</b>	<b>\$45</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>(\$10)</b>	<b>(\$15)</b>	<b>(\$15)</b>	<b>(\$25)</b>	<b>(\$15)</b>

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

**Line 29: Business Center** – Once rehabilitation is complete, the subject will contain a business center and computer room. Comparables 1 and 5 do not contain these features. Comparables 2, 3 and 4 have a business center. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:



Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Business Center	\$5	---	\$5	\$5	\$5	---
Computer Room	\$5	---	---	---	---	---
Neighborhood Network	---	---	---	---	---	---
<b>Total</b>	<b>\$10</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$0</b>
<b>Indicated Adjustment</b>		<b>\$10</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$10</b>

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

**Line 31: Non-Shelter Services** – The property will offer educational programs. The convenience of this service on-site provides an additional enhancement to the units. Therefore, the availability of the service on-site was adjusted. A nominal \$5 adjustment was applied for this feature due to the lack of market-based data on this feature.

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

**Line 33: Heat** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

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

**Line 35: Cooking** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Line 36: Hot Water** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

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

**Line 38: Cold Water/Sewer** – The subject provides cold water and sewer. Comparables 1, 3, 4 and 5 does not provide cold water and sewer. Comparables 1, 3, 4 and 5 were adjusted upward \$77 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Virginia. The amount was substantiated through local utility providers. Comparable 2 provides water and sewer but charges back to the tenants a flat fee of \$45 per month to offset a portion of the utility costs. The flat fee is for water, sewer and trash. Therefore, this comparable was adjusted the flat fee cost of \$45 per month.

**Line 39: Trash/Recycling** – The subject provides trash. Comparables 3, 4 and 5 does not provide trash. Comparables 3, 4 and 5 were adjusted upward \$14 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Virginia. The amount was substantiated through local utility providers. Comparable 1 provides trash but charges back to tenants a flat fee of \$10 per month to offset a portion of the utility costs. Comparable 2 provides trash but charges back to the tenants a flat fee of \$45 per month to offset a portion of the utility costs. The flat fee is for water, sewer and trash. This comparable was adjusted for the flat fee. However, the adjustment was applied in the cold water/sewer line item. No additional adjustment was needed.

**Conclusion of Market Rent**

The adjusted rents range from \$1,730 to \$2,113 per month. Greater emphasis was placed on Legends at Virginia Center Apartments as it is the most similar in amenities and closest to the subject. Secondary

Woodman West Apartments  
1812 Blackburn Road  
Glen Allen, Virginia 23060



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consideration was given to The Meadows Apartments. This comparable has the lowest gross adjustments. Some consideration was given to The Hampton at Hunton Park and Abberly Twin Hickory as they are similar in structure and located in the same market area. The appraiser concluded the market rent for the units as follows:

- **840 SF Two-Bedroom Units - \$1,960 , or \$2.33 per square foot**



Woodman West Apartments  
 1812 Blackburn Road  
 Glen Allen, Virginia 23060



**Three-Bedroom Units (\$2.13 SF) – As Complete**

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

Rent Comparability Grid		Unit Type	Three-Bedroom				Subject's FHA #:	N/A			
Subject	Data	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5					
Woodman West Apartments		Legends at Virginia Center	The Meadows Apartments	The Hamptons at Hunton Park	Addison at Wyndham	Abberly Twin Hickory					
1812 Blackburn Road	on	1200 Virginia Center Parkway	1300 Meadow Field Lane	3100 Stone Arbor Lane	11401 Old Nuckols Road	4700 The Gardens Drive					
Glen Allen Henrico	Subject	Glen Allen Henrico	Glen Allen Henrico	Glen Allen Henrico	Glen Allen Hanover	Glen Allen Henrico					
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1 \$ Last Rent / Restricted?		\$2,065	N	\$1,767	N	\$2,658	N	\$1,884	N	\$2,128	N
2 Date Last Leased (mo/yr)		Jan-23		Jan-23		Jan-23		Jan-23		Jan-23	
3 Rent Concessions		N		N		N		N		N	
4 Occupancy for Unit Type		98%		98%		100%		100%		98%	
5 Effective Rent & Rent/ sq. ft		\$2,065	\$1.62	\$1,767	\$1.64	\$2,658	\$1.97	\$1,884	\$1.45	\$2,128	\$1.56
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>											
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6 Structure / Stories	T/2	WU/3		WU/2, WU/3		WU/3		WU/2,3		WU/3	
7 Yr. Built/Yr. Renovated	1982/2008/2024	1998	\$14	1991	\$21	2003	\$9	1997/2015	\$5	2002	\$10
8 Condition /Street Appeal	G	G		A	\$215	G		G		G	
9 Neighborhood	A	A		A		A		A		A	
10 Same Market? Miles to Subj		Y/2.8		Y/3.1		Y/5.2		Y/8.5		Y/8.9	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11 # Bedrooms	3	3		3		3		3		3	
12 # Baths	1	2	(\$20)	2	(\$20)	2	(\$20)	2	(\$20)	2	(\$20)
13 Unit Interior Sq. Ft.	1,015	1,273	(\$105)	1,080	(\$25)	1,350	(\$135)	1,300	(\$115)	1,366	(\$145)
14 Balcony/ Patio	Y	Y		Y		Y		Y		Y	
15 AC: Central/ Wall	C	C		C		C		C		C	
16 Range/ Refrigerator	RF	RF		RF		RF		RF		RF	
17 Microwave/ Dishwasher	D	D		D		MD	(\$5)	MD	(\$5)	MD	(\$5)
18 Washer/Dryer	HU	WD	(\$25)	WD	(\$25)	WD	(\$25)	WD	(\$25)	WD	(\$25)
19 Floor Coverings	V	C		C		C		WC		W	
20 Window Coverings	B	B		B		B		B		B	
21 Cable/ Satellite/Internet	I	N	\$50	N	\$50	N	\$50	N	\$50	N	\$50
22 Special Features	GC	SS	\$5	N	\$35	GC		SS, GC	(\$30)	GC, CT	
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24 Parking ( \$ Fee)	L/0	L/0, G/125		L/0		L/0, G/120		L/0, G/150		L/0, G/125	
25 Extra Storage	N	N		N		N		N		Y/20	
26 Security	Y	N	\$30	N	\$30	Y	\$20	N	\$30	N	\$30
27 Clubhouse/ Meeting Rooms	CMR	N	\$10	C	\$5	C	\$5	C	\$5	C	\$5
28 Pool/ Recreation Areas	ER	PER	(\$10)	PER	(\$15)	PER	(\$15)	PER	(\$25)	PER	(\$15)
29 Business Ctr / Nhdh Netwk	CR, BC	N	\$10	BC	\$5	BC	\$5	BC	\$5	N	\$10
30 Service Coordination	N	N		N		N		N		N	
31 Non-shelter Services	EDU	N	\$5	N	\$5	N	\$5	N	\$5	N	\$5
32 Neighborhood Networks	N	N		N		N		N		N	
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	Y	N	\$94	Y/\$	\$55	N	\$94	N	\$94	N	\$94
39 Trash /Recycling	Y	Y/\$		Y/\$		N	\$14	N	\$14	N	\$14
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40 # Adjustments B to D		7	4	8	4	6	5	6	6	6	5
41 Sum Adjustments B to D		\$124	(\$160)	\$366	(\$85)	\$94	(\$200)	\$100	(\$220)	\$110	(\$210)
42 Sum Utility Adjustments		\$94	\$0	\$55	\$0	\$108	\$0	\$108	\$0	\$108	\$0
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43 Net/ Gross Adjmts B to E		\$58	\$378	\$336	\$506	\$2	\$402	(\$12)	\$428	\$8	\$428
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44 Adjusted Rent (5+ 43)		\$2,123		\$2,103		\$2,660		\$1,872		\$2,136	
45 Adj Rent/Last rent			103%		119%		100%		99%		100%
46 Estimated Market Rent	\$2,160	\$2.13		Estimated Market Rent/ Sq. Ft							

Appraiser's Signature: \_\_\_\_\_ Date: 1/10/2023

Attached are explanations of:

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

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



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**Woodman West Apartments**  
**Primary Unit Type – Three-Bedroom Units (1,015 SF)**

**Please note:** Minor adjustments in the \$5 to \$10 range are based on the appraiser’s evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: “For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent.”

A rent comparability grid was prepared for the primary unit type with 1,015 square feet. Comparable apartments used include the following: Legends at Virginia Center (Comparable 1), The Meadows Apartments (Comparable 2), The Hamptons at Hunton Park (Comparable 3), Addison at Wyndham (Comparable 4) and Abberly Twin Hickory (Comparable 5).

**\$ Last Rent/Restricted** – All of the units are currently rented at the rates shown on the grid. Rents range from \$1767 to \$2658 per month. No unit used in this analysis has any rent restrictions.

**Date Last Leased** – The grid shows the effective date of the leases most recently signed. Effective dates are all January 2023. No adjustments were necessary.

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

**Occupancy for Unit Type** – The subject’s current occupancy rate is 98 percent. The comparables’ occupancy rates range from 98 to 100 percent. No adjustments were needed.

**Line 6: Structure/Stories** – The subject is located in two-story townhouse buildings. All comparables are located in walk-up two-or three-story buildings. No complex in the market area shows a rent difference based on this particular item. No adjustment was needed.

**Year Built/Year Renovated** – The subject was built in 1982 and was renovated in 2008. Comparable 1 was constructed in 1998, and Comparable 2 was built in 1991. Comparable 3 was built in 2003. Comparable 4 was constructed in 1997/2015. Comparable 5 was built in 2002. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables:

Property	Year Built	Effective Year Built	Adjustment
Subject	1982/2008	2012	-
1	1998	1998	\$14
2	1991	1991	\$21
3	2003	2003	\$9
4	1997/2015	2007	\$5
5	2002	2002	\$10

Adjustments for age differences are relatively subjective given that many properties will complete general upgrades to a property even if they do not complete an actual specific rehabilitation or renovation. In general, newer construction properties and recently renovated properties can command a higher rent than older or non-renovated properties. According to Appendix 9-1-2, Line 7: Year Built/Year Renovated of the Section 8 Renewal Policy Guide, an adjustment should typically be no more than \$5 or one percent of the comparable’s unadjusted rent. The appraiser elected to adjust \$1 per effective year built of difference between the subject and the comparables in accordance with the Section 8 guide. No



adjustments were made for comparables that have effective year built within five years of the effective year built determined for the subject.

**Line 8: Condition/Street Appeal** – The subject has siding construction. The landscaping consists of grass, trees and shrubs. The property will undergo rehabilitation and will be in good condition after the rehabilitation is complete. The proposed scope of work is comprehensive and includes replacement of appliances, kitchen cabinets, bath vanities and medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior siding and wall supports, roofing and re-grading and striping of the parking lots. The renovation will also conclude adding internet to all of the units. The following table illustrates the descriptions of the ratings levels considered in the condition/street appeal analysis.

Condition	Description
Excellent	Desirable curb appeal, luxury or high end amenities and finishes, no deferred maintenance
Good	Well maintained or recently renovated property, limited deferred maintenance
Average	Some original finishes and amenities, Only minor upgrades needed
Fair	In need of repair, obvious deferred maintenance
Poor	Substantial need of major repairs or significant deferred maintenance

The following analysis details the method used to calculate appropriate adjustments for condition/street appeal.

Property Name	Rating Level	1 BR	2 BR	3 BR	4 BR	Average
The Meadows Apartments	Average	\$1,285	\$1,680	\$1,752	\$2,047	\$1,691
<b>Average Rent</b>		<b>\$1,285</b>	<b>\$1,680</b>	<b>\$1,752</b>	<b>\$2,047</b>	<b>\$1,691</b>
Legends at Virginia Center Apartment	Good	\$1,564	\$1,701	\$1,998	\$2,318	\$1,895
The Hamptons at Hunton Park	Good	\$1,361	\$1,988	\$2,525	\$2,845	\$2,180
Addison at Wyndham Apartments	Good	\$1,333	\$1,605	\$1,737	\$2,057	\$1,683
Abberly Twin Hickory	Good	\$1,412	\$1,735	\$2,001	\$2,331	\$1,870
<b>Average Rent</b>		<b>\$1,418</b>	<b>\$1,757</b>	<b>\$2,065</b>	<b>\$2,388</b>	<b>\$1,907</b>
<b>Difference in Average Rents</b>		<b>\$133</b>	<b>\$77</b>	<b>\$313</b>	<b>\$341</b>	<b>\$216</b>
<b>Difference per Rating Level</b>		<b>\$133</b>	<b>\$77</b>	<b>\$313</b>	<b>\$341</b>	<b>\$216</b>

As shown in the previous chart, average difference between the average rating level and the good rating level is \$215. The result of \$215 is determined to be the appropriate adjustment per rating level. As previously indicated, the subject will be in good condition once rehabilitation is complete. Comparables 1, 3, 4 and 5 were rated in good condition and were not adjusted. Comparable 2 was rated in average condition and was, therefore, adjusted upward \$215 as indicated in the previous analysis. The Section 8 Renewal Policy Guide states an adjustment of more than the larger of \$20, or four percent of the unadjusted rent for each level of rating difference, would require that the appraiser provide specific explanation in the narrative to support the amount of the adjustment. Although these adjustment amounts are above the amounts indicated in the Section 8 guide, it meets the requirements of the guide as the adjustment amounts are supported by market-driven data. Therefore, the adjustment amounts are considered reasonable and appropriate.

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



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**Line 10: Same Market/Miles to Subject** – All comparables are located in the same market area as the subject. No adjustment was needed.

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

**Line 12: # of Baths** – The subject contains one bath in the three-bedroom units. All comparables contain two baths in the three-bedroom unit types. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. There was insufficient market data available for a paired analysis as the majority of properties in this market contain a similar number of baths. Therefore, \$20 full bath per month adjustments were selected.

**Unit Interior Square Footage** – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable’s dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.41. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

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

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

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

**Line 17: Microwave/Dishwasher** – The subject contains dishwashers in the units. It does not contain microwaves. All comparables contain dishwashers. In addition, Comparables 3, 4 and 5 also contain microwaves in the units. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for



microwaves. Dishwashers are more expensive and are more likely to factor into a tenant's decision on which unit to lease. Therefore, it was considered appropriate to adjust \$10 per month for dishwashers. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Microwave	---	---	---	\$5	\$5	\$5
Dishwasher	\$10	\$10	\$10	\$10	\$10	\$10
<b>Total</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>	<b>\$15</b>	<b>\$15</b>	<b>\$15</b>
<b>Indicated Adjustment</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$5)</b>	<b>(\$5)</b>	<b>(\$5)</b>

**Line 18: Washer/Dryer** – The subject contains washer/dryer hook-ups. All comparables contain a washer and dryer within the unit. Units with these amenities provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay a range of \$30.38 to \$39.40 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$35 per month. Washer/dryer hook-ups are valued at \$10 per month. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Washer/Dryer Hook-Ups	\$10	---	---	---	---	---
Washer/Dryer	---	\$35	\$35	\$35	\$35	\$35
<b>Total</b>	<b>\$10</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>(\$25)</b>	<b>(\$25)</b>	<b>(\$25)</b>	<b>(\$25)</b>	<b>(\$25)</b>

**Line 19: Floor Coverings** – The subject contains vinyl floor coverings. Comparables 1, 2 and 3 contain carpet floor coverings. Comparable 4 has wood composite flooring, and Comparable 5 has wood floor coverings. The market did not indicate a rent differential based on floor coverings. Therefore, no adjustments were needed.

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

**Line 21: Cable/Satellite/Internet** – The subject will provide internet services to the units. None of the comparables contain any of these features. In order to determine an appropriate adjustment for these services, cable fees for local cable providers were researched. The following table shows the cable providers contacted and the fees for each provider.

Provider	Internet Fee
Spectrum	\$50.00
AT&T Fiber	\$35.00
Xfinity	\$50.00
Verizon	\$30.00
Viasat	\$65.00
HughesNet	\$50.00

The costs for cable range from \$35 to \$65 per month. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the mid-point of the range is selected. As there was no majority for this analysis, an adjustment of \$50 per month was selected.



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

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Stainless Steel Appliances	---	\$30	---	---	\$30	\$35
Solid-Surface Countertops	\$35	---	---	\$35	\$35	---
Ceramic Tile	---	---	---	---	---	\$0
<b>Total</b>	<b>\$35</b>	<b>\$30</b>	<b>\$0</b>	<b>\$35</b>	<b>\$65</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>\$5</b>	<b>\$35</b>	<b>\$0</b>	<b>(\$30)</b>	<b>\$0</b>

Special features such as stainless steel appliances and granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up-charge from the rent that would be charged if unit did not contain these features. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$30.80 per month for refrigerators with premium finishes and \$34.38 per month for premium countertops. After considering all factors, a \$30 adjustment was applied for stainless steel appliances, and a \$35 adjustment was applied for the solid-surface countertops. The market did not indicate a rent differential based on ceramic tile. The adjustments for the comparables are shown at the bottom of the table.

**Line 24: Parking** – The subject contains open parking areas on-site for no additional monthly fee. All comparables contain open parking for no additional monthly fee. Comparable 1 also contains garage parking for \$125 per month. Comparable 3 also contains garage parking for an additional \$120 fee. Comparable 4 also contains garage parking for \$150 per month. Comparable 5 also contains garage parking for \$125 per month. As ample parking similar to the subject is available at Comparables 1, 3, 4 and 5 for no additional monthly fee, no adjustment was needed.

**Line 25: Extra Storage** – The subject does not contain extra storage for no additional fee. None of the comparables contain storage for no additional fee. Comparable 5 contains extra storage for an additional fee of \$20 per month. No adjustments were needed.

**Line 26: Security** – The following table shows the amenities at the subject and each comparable:

Feature	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Limited Access Gate	\$10	---	---	\$10	---	---
Intercom/Electronic Entry	\$10	---	---	---	---	---
Video Surveillance	\$5	---	---	---	---	---
Security Patrol	\$5	---	---	---	---	---
<b>Total</b>	<b>\$30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10</b>	<b>\$0</b>	<b>\$0</b>
<b>Indicated Adjustment</b>		<b>\$30</b>	<b>\$30</b>	<b>\$20</b>	<b>\$30</b>	<b>\$30</b>

No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex, particularly security that limits access to the building or grounds. All security features will provide added protection for residents at the properties. Limited access gates limit access to the grounds, while intercom/electronic entry limits access to the buildings. Therefore, properties with limited access gates and/or intercom/electronic entry are considered superior to properties with video surveillance and/or security patrol which do not limit access. Consequently, limited access gates and intercom/electronic entry are considered \$5 superior to video surveillance and security patrol. The adjustments for the comparables are shown at the bottom of the table.

**Line 27: Clubhouse/Meeting Rooms/Dining Rooms** – The subject has a meeting room and clubhouse. Comparables 2, 3, 4 and 5 have clubhouses. Comparable 1 does not contain any of these features. No



complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Clubhouse	\$5	---	\$5	\$5	\$5	\$5
Meeting Room	\$5	---	---	---	---	---
<b>Total</b>	<b>\$10</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>
<b>Indicated Adjustment</b>		<b>\$10</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>

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

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool	---	\$10	\$10	\$10	\$10	\$10
Exercise Room	\$5	\$5	\$5	\$5	\$5	\$5
Spa/Hot Tub	---	---	---	\$5	---	---
Picnic Area	\$5	\$5	\$5	\$5	\$5	\$5
Play Area	\$5	\$5	\$5	---	\$5	\$5
Volleyball Court	---	---	---	\$5	---	---
Basketball Court	\$5	---	---	---	---	---
Yoga Studio	---	---	---	---	\$5	---
Pet Park	---	---	---	---	\$5	\$5
Gazebo	---	\$5	---	---	---	\$5
Theatre	---	---	---	\$5	---	---
Coffee Bar	---	---	---	---	\$5	---
Car Wash Area	---	---	\$5	---	\$5	---
Outdoor Play Center	---	---	\$5	---	---	---
<b>Total</b>	<b>\$20</b>	<b>\$30</b>	<b>\$35</b>	<b>\$35</b>	<b>\$45</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>(\$10)</b>	<b>(\$15)</b>	<b>(\$15)</b>	<b>(\$25)</b>	<b>(\$15)</b>

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

**Line 29: Business Center** – Once rehabilitation is complete, the subject will contain a business center and computer room. Comparables 1 and 5 do not contain these features. Comparables 2, 3 and 4 have a business center. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:



Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Business Center	\$5	---	\$5	\$5	\$5	---
Computer Room	\$5	---	---	---	---	---
Neighborhood Network	---	---	---	---	---	---
<b>Total</b>	<b>\$10</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$0</b>
<b>Indicated Adjustment</b>		<b>\$10</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$10</b>

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

**Line 31: Non-Shelter Services** – The property will offer educational programs. The convenience of this service on-site provides an additional enhancement to the units. Therefore, the availability of the service on-site was adjusted. A nominal \$5 adjustment was applied for this feature due to the lack of market-based data on this feature.

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

**Line 33: Heat** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

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

**Line 35: Cooking** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Line 36: Hot Water** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

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

**Line 38: Cold Water/Sewer** – The subject provides cold water and sewer. Comparables 1, 3, 4 and 5 does not provide cold water and sewer. Comparables 1, 3, 4 and 5 were adjusted upward \$94 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Virginia. The amount was substantiated through local utility providers. Comparable 2 provides water and sewer but charges back to the tenants a flat fee of \$55 per month to offset a portion of the utility costs. The flat fee is for water, sewer and trash. Therefore, this comparable was adjusted the flat fee cost of \$55 per month.

**Line 39: Trash/Recycling** – The subject provides trash. Comparables 3, 4 and 5 does not provide trash. Comparables 3, 4 and 5 were adjusted upward \$14 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Virginia. The amount was substantiated through local utility providers. Comparable 1 provides trash but charges back to tenants a flat fee of \$10 per month to offset a portion of the utility costs. Comparable 2 provides trash but charges back to the tenants a flat fee of \$55 per month to offset a portion of the utility costs. The flat fee is for water, sewer and trash. This comparable was adjusted for the flat fee. However, the adjustment was applied in the cold water/sewer line item. No additional adjustment was needed.

**Conclusion of Market Rent**

The adjusted rents range from \$1,872 to \$2,660 per month. Greater emphasis was placed on Legends at Virginia Center Apartments as it is the most similar in amenities and closest to the subject. Secondary



Woodman West Apartments  
1812 Blackburn Road  
Glen Allen, Virginia 23060



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consideration was given to The Meadows Apartments. This comparable has the lowest gross adjustments. Some consideration was given to The Hampton at Hunton Park and Abberly Twin Hickory as they are similar in structure and located in the same market area. The appraiser concluded the market rent for the units as follows:

- **1,015 SF Three-Bedroom Units - \$2,160 , or \$2.13 per square foot**



**Four-Bedroom Units (1,344 SF) – As Complete**

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

Rent Comparability Grid		Unit Type →	Four-Bedroom				Subject's FHA #:	N/A			
Subject		Comparable 1	Comparable 2		Comparable 3		Comparable 4		Comparable 5		
Woodman West Apartments 1812 Blackburn Road Glen Allen Henrico		Legends at Virginia Center 1200 Virginia Center Parkway Glen Allen Henrico	The Meadows Apartments 1300 Meadow Field Lane Glen Allen Henrico		The Hamptons at Hunton Park 3100 Stone Arbor Lane Glen Allen Henrico		Addison at Wyndham 11401 Old Nuckols Road Glen Allen Hanover		Abberly Twin Hickory 4700 The Gardens Drive Glen Allen Henrico		
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
<b>A. Rents Charged</b>		<i>In Parts B thru E, adjust only for differences the subject's market values.</i>									
1	Last Rent / Restricted?	\$2,065	N	\$1,767	N	\$2,658	N	\$1,884	N	\$2,128	N
2	Date Last Leased (mo/yr)	Jan-23		Jan-23		Jan-23		Jan-23		Jan-23	
3	Rent Concessions	N		N		N		N		N	
4	Occupancy for Unit Type	98%		98%		100%		100%		98%	
5	Effective Rent & Rent/sq. ft	\$2,065	\$1.62	\$1,767	\$1.64	\$2,658	\$1.97	\$1,884	\$1.45	\$2,128	\$1.56
<b>B. Design, Location, Condition</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	T/2		WU/3		WU/3		WU/2,3		WU/3	
7	Yr. Built/Yr. Renovated	1982/2008/2024	1998 \$14	1991 \$21	2003 \$9	1997/2015 \$5	2002 \$10				
8	Condition / Street Appeal	G		A	\$215	G		G		G	
9	Neighborhood	A		A		A		A		A	
10	Same Market? Miles to Subj	Y/2.8		Y/3.1		Y/5.2		Y/8.5		Y/8.9	
<b>C. Unit Equipment/ Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	4	\$150	3	\$150	3	\$150	3	\$150	3	\$150
12	# Baths	1.5	(\$10)	2	(\$10)	2	(\$10)	2	(\$10)	2	(\$10)
13	Unit Interior Sq. Ft.	1,344	\$30	1,080	\$110	1,350	\$20	1,300	\$20	1,366	\$10
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	RF		RF		RF		RF		RF	
17	Microwave/ Dishwasher	D		D		MD	(\$5)	MD	(\$5)	MD	(\$5)
18	Washer/Dryer	HU	(\$25)	WD	(\$25)	WD	(\$25)	WD	(\$25)	WD	(\$25)
19	Floor Coverings	V		C		C		WC		W	
20	Window Coverings	B		B		B		B		B	
21	Cable/ Satellite/Internet	I	\$50	N	\$50	N	\$50	N	\$50	N	\$50
22	Special Features	GC	\$5	N	\$35	GC		SS, GC	(\$30)	GC, CT	
<b>D. Site Equipment/ Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	L/0	L/0, G/125	L/0		L/0, G/120		L/0, G/150		L/0, G/125	
25	Extra Storage	N		N		N		N		Y/20	
26	Security	Y	\$30	N	\$30	Y	\$20	N	\$30	N	\$30
27	Clubhouse/ Meeting Rooms	CMR	\$10	C	\$5	C	\$5	C	\$5	C	\$5
28	Pool/ Recreation Areas	ER	(\$10)	PER	(\$15)	PER	(\$15)	PER	(\$25)	PER	(\$15)
29	Business Ctr / Nbdh Netwk	CR, BC	\$10	BC	\$5	BC	\$5	BC	\$5	N	\$10
30	Service Coordination	N		N		N		N		N	
31	Non-shelter Services	EDU	\$5	N	\$5	N	\$5	N	\$5	N	\$5
32	Neighborhood Networks	N		N		N		N		N	
<b>E. Utilities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/G	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/G	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y	\$119	Y/\$	\$55	N	\$119	N	\$119	N	\$119
39	Trash / Recycling	Y		Y/\$		N	\$14	N	\$14	N	\$14
<b>F. Adjustments Recap</b>		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	9	3	10	3	7	4	8	5	7	4
41	Sum Adjustments B to D	\$304	(\$45)	\$626	(\$50)	\$244	(\$55)	\$270	(\$95)	\$260	(\$55)
42	Sum Utility Adjustments	\$119	\$0	\$55	\$0	\$133	\$0	\$133	\$0	\$133	\$0
43	Net/ Gross Adjmts B to E	\$378	\$468	\$631	\$731	\$322	\$432	\$308	\$498	\$338	\$448
<b>G. Adjusted &amp; Market Rents</b>		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$2,443		\$2,398		\$2,980		\$2,192		\$2,466	
45	Adj Rent/Last rent		118%		136%		112%		116%		116%
46	Estimated Market Rent	\$2,485	\$1.85	Estimated Market Rent/ Sq. Ft							

Appraiser's Signature

Date

Attached are explanations of:

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

Grid was prepared:  Manually  Using HUD's Excel form form HUD-92273-58 (04/2002)



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**Woodman West Apartments**  
**Primary Unit Type – Four-Bedroom Units (1,344 SF)**

**Please note:** Minor adjustments in the \$5 to \$10 range are based on the appraiser’s evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: “For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent.”

A rent comparability grid was prepared for the primary unit type with 1,344 square feet. Comparable apartments used include the following: Legends at Virginia Center (Comparable 1), The Meadows Apartments (Comparable 2), The Hamptons at Hunton Park (Comparable 3), Addison at Wyndham (Comparable 4) and Abberly Twin Hickory (Comparable 5).

**\$ Last Rent/Restricted** – All of the units are currently rented at the rates shown on the grid. Rents range from \$1767 to \$2658 per month. No unit used in this analysis has any rent restrictions.

**Date Last Leased** – The grid shows the effective date of the leases most recently signed. Effective dates are all January 2023. No adjustments were necessary.

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

**Occupancy for Unit Type** – The subject’s current occupancy rate is 98 percent. The comparables’ occupancy rates range from 98 to 100 percent. No adjustments were needed.

**Line 6: Structure/Stories** – The subject is located in two-story townhouse buildings. All comparables are located in walk-up two-or three-story buildings. No complex in the market area shows a rent difference based on this particular item. No adjustment was needed.

**Year Built/Year Renovated** – The subject was built in 1982 and was renovated in 2008. Comparable 1 was constructed in 1998, and Comparable 2 was built in 1991. Comparable 3 was built in 2003. Comparable 4 was constructed in 1997/2015. Comparable 5 was built in 2002. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables:

Property	Year Built	Effective Year Built	Adjustment
Subject	1982/2008	2012	-
1	1998	1998	\$14
2	1991	1991	\$21
3	2003	2003	\$9
4	1997/2015	2007	\$5
5	2002	2002	\$10

Adjustments for age differences are relatively subjective given that many properties will complete general upgrades to a property even if they do not complete an actual specific rehabilitation or renovation. In general, newer construction properties and recently renovated properties can command a higher rent than older or non-renovated properties. According to Appendix 9-1-2, Line 7: Year Built/Year Renovated of the Section 8 Renewal Policy Guide, an adjustment should typically be no more than \$5 or one percent of the comparable’s unadjusted rent. The appraiser elected to adjust \$1 per effective year built of difference between the subject and the comparables in accordance with the Section 8 guide. No



adjustments were made for comparables that have effective year built within five years of the effective year built determined for the subject.

**Line 8: Condition/Street Appeal** – The subject has siding construction. The landscaping consists of grass, trees and shrubs. The property will undergo rehabilitation and will be in good condition after the rehabilitation is complete. The proposed scope of work is comprehensive and includes replacement of appliances, kitchen cabinets, bath vanities and medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior siding and wall supports, roofing and re-grading and striping of the parking lots. The renovation will also conclude adding internet to all of the units. The following table illustrates the descriptions of the ratings levels considered in the condition/street appeal analysis.

Condition	Description
Excellent	Desirable curb appeal, luxury or high end amenities and finishes, no deferred maintenance
Good	Well maintained or recently renovated property, limited deferred maintenance
Average	Some original finishes and amenities, Only minor upgrades needed
Fair	In need of repair, obvious deferred maintenance
Poor	Substantial need of major repairs or significant deferred maintenance

The following analysis details the method used to calculate appropriate adjustments for condition/street appeal.

Property Name	Rating Level	1 BR	2 BR	3 BR	4 BR	Average
The Meadows Apartments	Average	\$1,285	\$1,680	\$1,752	\$2,047	\$1,691
<b>Average Rent</b>		<b>\$1,285</b>	<b>\$1,680</b>	<b>\$1,752</b>	<b>\$2,047</b>	<b>\$1,691</b>
Legends at Virginia Center Apartment	Good	\$1,564	\$1,701	\$1,998	\$2,318	\$1,895
The Hamptons at Hunton Park	Good	\$1,361	\$1,988	\$2,525	\$2,845	\$2,180
Addison at Wyndham Apartments	Good	\$1,333	\$1,605	\$1,737	\$2,057	\$1,683
Abberly Twin Hickory	Good	\$1,412	\$1,735	\$2,001	\$2,331	\$1,870
<b>Average Rent</b>		<b>\$1,418</b>	<b>\$1,757</b>	<b>\$2,065</b>	<b>\$2,388</b>	<b>\$1,907</b>
<b>Difference in Average Rents</b>		<b>\$133</b>	<b>\$77</b>	<b>\$313</b>	<b>\$341</b>	<b>\$216</b>
<b>Difference per Rating Level</b>		<b>\$133</b>	<b>\$77</b>	<b>\$313</b>	<b>\$341</b>	<b>\$216</b>

As shown in the previous chart, average difference between the average rating level and the good rating level is \$215. The result of \$215 is determined to be the appropriate adjustment per rating level. As previously indicated, the subject will be in good condition once rehabilitation is complete. Comparables 1, 3, 4 and 5 were rated in good condition and were not adjusted. Comparable 2 was rated in average condition and was, therefore, adjusted upward \$215 as indicated in the previous analysis. The Section 8 Renewal Policy Guide states an adjustment of more than the larger of \$20, or four percent of the unadjusted rent for each level of rating difference, would require that the appraiser provide specific explanation in the narrative to support the amount of the adjustment. Although these adjustment amounts are above the amounts indicated in the Section 8 guide, it meets the requirements of the guide as the adjustment amounts are supported by market-driven data. Therefore, the adjustment amounts are considered reasonable and appropriate.

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



**Line 10: Same Market/Miles to Subject** – All comparables are located in the same market area as the subject. No adjustment was needed.

**Line 11: # of Bedrooms** – The subject has four-bedroom units. Due to the lack of conventional four-bedroom units in the area, five three-bedroom apartments were used to compare to the subject’s four-bedroom units. Each comparable with a differing number of bedrooms than the subject was adjusted \$150 per bedroom per month. The majority of the difference in number of bedrooms is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional bedrooms. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of \$-14 to \$437 per month. The paired rental analysis ranges are determined by comparing bedroom types within the same comparable and factoring out any other differences (amenities, utilities provided, etc.) if necessary. The resulting difference is assumed to be attributable to the differing number of bedrooms. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. As there was no majority for this paired analysis, a \$150 adjustment was determined for bedroom.

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
<b>2 BR Rent</b>	\$1,795	\$1,722	\$2,098	\$1,749	\$1,849
<b>2 BR Size</b>	1,097	940	1,056	1,060	1,097
<b>3 BR Rent</b>	\$2,065	\$1,767	\$2,658	\$1,884	\$2,128
<b>3 BR Size</b>	1,273	1,080	1,350	1,300	1,366
<b>Size Adj Factor</b>	\$0.42	\$0.42	\$0.42	\$0.42	\$0.42
<b>Size Difference</b>	176	140	294	240	269
<b>Indicated Size Adj.</b>	\$74	\$59	\$123	\$101	\$113
<b>Adjusted 3 BR Rent</b>	\$1,991	\$1,708	\$2,535	\$1,783	\$2,015
<b>Indicated BR Adj.</b>	<b>\$196</b>	<b>-\$14</b>	<b>\$437</b>	<b>\$34</b>	<b>\$166</b>

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

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



this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.41. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

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

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

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

**Line 17: Microwave/Dishwasher** – The subject contains dishwashers in the units. It does not contain microwaves. All comparables contain dishwashers. In addition, Comparables 3, 4 and 5 also contain microwaves in the units. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves. Dishwashers are more expensive and are more likely to factor into a tenant's decision on which unit to lease. Therefore, it was considered appropriate to adjust \$10 per month for dishwashers. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Microwave	---	---	---	\$5	\$5	\$5
Dishwasher	\$10	\$10	\$10	\$10	\$10	\$10
<b>Total</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>	<b>\$15</b>	<b>\$15</b>	<b>\$15</b>
<b>Indicated Adjustment</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$5)</b>	<b>(\$5)</b>	<b>(\$5)</b>

**Line 18: Washer/Dryer** – The subject contains washer/dryer hook-ups. All comparables contain a washer and dryer within the unit. Units with these amenities provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay a range of \$30.38 to \$39.40 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$35 per month. Washer/dryer hook-ups are valued at \$10 per month. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:



Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Washer/Dryer Hook-Ups	\$10	---	---	---	---	---
Washer/Dryer	---	\$35	\$35	\$35	\$35	\$35
<b>Total</b>	<b>\$10</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>(\$25)</b>	<b>(\$25)</b>	<b>(\$25)</b>	<b>(\$25)</b>	<b>(\$25)</b>

**Line 19: Floor Coverings** – The subject contains vinyl floor coverings. Comparables 1, 2 and 3 contain carpet floor coverings. Comparable 4 has wood composite flooring, and Comparable 5 has wood floor coverings. The market did not indicate a rent differential based on floor coverings. Therefore, no adjustments were needed.

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

**Line 21: Cable/Satellite/Internet** – The subject will provide internet services to the units. None of the comparables contain any of these features. In order to determine an appropriate adjustment for these services, cable fees for local cable providers were researched. The following table shows the cable providers contacted and the fees for each provider.

Provider	Internet Fee
Spectrum	\$50.00
AT&T Fiber	\$35.00
Xfinity	\$50.00
Verizon	\$30.00
Viasat	\$65.00
HughesNet	\$50.00

The costs for cable range from \$35 to \$65 per month. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the mid-point of the range is selected. As there was no majority for this analysis, an adjustment of \$50 per month was selected.

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

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Stainless Steel Appliances	---	\$30	---	---	\$30	\$35
Solid-Surface Countertops	\$35	---	---	\$35	\$35	---
Ceramic Tile	---	---	---	---	---	\$0
<b>Total</b>	<b>\$35</b>	<b>\$30</b>	<b>\$0</b>	<b>\$35</b>	<b>\$65</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>\$5</b>	<b>\$35</b>	<b>\$0</b>	<b>(\$30)</b>	<b>\$0</b>

Special features such as stainless steel appliances and granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up-charge from the rent that would be charged if unit did not contain these features. The 2020 NMHC/Kingsley Apartment Resident Preferences Report for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the 2020 NMHC/Kingsley Apartment Resident Preferences Report, residents in the metropolitan area indicated they would expect a renter to pay \$30.80 per month for refrigerators with premium finishes and \$34.38 per month for premium countertops. After considering all factors, a \$30 adjustment was applied for stainless steel appliances, and a \$35 adjustment was applied for the solid-surface countertops. The market did not indicate a rent differential based on ceramic tile. The adjustments for the comparables are shown at the bottom of the table.



**Line 24: Parking** – The subject contains open parking areas on-site for no additional monthly fee. All comparables contain open parking for no additional monthly fee. Comparable 1 also contains garage parking for \$125 per month. Comparable 3 also contains garage parking for an additional \$120 fee. Comparable 4 also contains garage parking for \$150 per month. Comparable 5 also contains garage parking for \$125 per month. As ample parking similar to the subject is available at Comparables 1, 3, 4 and 5 for no additional monthly fee, no adjustment was needed.

**Line 25: Extra Storage** – The subject does not contain extra storage for no additional fee. None of the comparables contain storage for no additional fee. Comparable 5 contains extra storage for an additional fee of \$20 per month. No adjustments were needed.

**Line 26: Security** – The following table shows the amenities at the subject and each comparable:

Feature	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Limited Access Gate	\$10	---	---	\$10	---	---
Intercom/Electronic Entry	\$10	---	---	---	---	---
Video Surveillance	\$5	---	---	---	---	---
Security Patrol	\$5	---	---	---	---	---
<b>Total</b>	<b>\$30</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10</b>	<b>\$0</b>	<b>\$0</b>
<b>Indicated Adjustment</b>		<b>\$30</b>	<b>\$30</b>	<b>\$20</b>	<b>\$30</b>	<b>\$30</b>

No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex, particularly security that limits access to the building or grounds. All security features will provide added protection for residents at the properties. Limited access gates limit access to the grounds, while intercom/electronic entry limits access to the buildings. Therefore, properties with limited access gates and/or intercom/electronic entry are considered superior to properties with video surveillance and/or security patrol which do not limit access. Consequently, limited access gates and intercom/electronic entry are considered \$5 superior to video surveillance and security patrol. The adjustments for the comparables are shown at the bottom of the table.

**Line 27: Clubhouse/Meeting Rooms/Dining Rooms** – The subject has a meeting room and clubhouse. Comparables 2, 3, 4 and 5 have clubhouses. Comparable 1 does not contain any of these features. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Clubhouse	\$5	---	\$5	\$5	\$5	\$5
Meeting Room	\$5	---	---	---	---	---
<b>Total</b>	<b>\$10</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>
<b>Indicated Adjustment</b>		<b>\$10</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>

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





Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool	---	\$10	\$10	\$10	\$10	\$10
Exercise Room	\$5	\$5	\$5	\$5	\$5	\$5
Spa/Hot Tub	---	---	---	\$5	---	---
Picnic Area	\$5	\$5	\$5	\$5	\$5	\$5
Play Area	\$5	\$5	\$5	---	\$5	\$5
Volleyball Court	---	---	---	\$5	---	---
Basketball Court	\$5	---	---	---	---	---
Yoga Studio	---	---	---	---	\$5	---
Pet Park	---	---	---	---	\$5	\$5
Gazebo	---	\$5	---	---	---	\$5
Theatre	---	---	---	\$5	---	---
Coffee Bar	---	---	---	---	\$5	---
Car Wash Area	---	---	\$5	---	\$5	---
Outdoor Play Center	---	---	\$5	---	---	---
<b>Total</b>	<b>\$20</b>	<b>\$30</b>	<b>\$35</b>	<b>\$35</b>	<b>\$45</b>	<b>\$35</b>
<b>Indicated Adjustment</b>		<b>(\$10)</b>	<b>(\$15)</b>	<b>(\$15)</b>	<b>(\$25)</b>	<b>(\$15)</b>

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

**Line 29: Business Center** – Once rehabilitation is complete, the subject will contain a business center and computer room. Comparables 1 and 5 do not contain these features. Comparables 2, 3 and 4 have a business center. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Business Center	\$5	---	\$5	\$5	\$5	---
Computer Room	\$5	---	---	---	---	---
Neighborhood Network	---	---	---	---	---	---
<b>Total</b>	<b>\$10</b>	<b>\$0</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$0</b>
<b>Indicated Adjustment</b>		<b>\$10</b>	<b>\$5</b>	<b>\$5</b>	<b>\$5</b>	<b>\$10</b>

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

**Line 31: Non-Shelter Services** – The property will offer educational programs. The convenience of this service on-site provides an additional enhancement to the units. Therefore, the availability of the service on-site was adjusted. A nominal \$5 adjustment was applied for this feature due to the lack of market-based data on this feature.

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



**Line 33: Heat** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

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

**Line 35: Cooking** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Line 36: Hot Water** – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

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

**Line 38: Cold Water/Sewer** – The subject provides cold water and sewer. Comparables 1, 3, 4 and 5 does not provide cold water and sewer. Comparables 1, 3, 4 and 5 were adjusted upward \$119 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Virginia. The amount was substantiated through local utility providers. Comparable 2 provides water and sewer but charges back to the tenants a flat fee of \$55 per month to offset a portion of the utility costs. The flat fee is for water, sewer and trash. Therefore, this comparable was adjusted the flat fee cost of \$55 per month.

**Line 39: Trash/Recycling** – The subject provides trash. Comparables 3, 4 and 5 does not provide trash. Comparables 3, 4 and 5 were adjusted upward \$14 based on the Allowances for Tenant-Furnished Utilities and Other Services provided for Virginia. The amount was substantiated through local utility providers. Comparable 1 provides trash but charges back to tenants a flat fee of \$10 per month to offset a portion of the utility costs. Comparable 2 provides trash but charges back to the tenants a flat fee of \$55 per month to offset a portion of the utility costs. The flat fee is for water, sewer and trash. This comparable was adjusted for the flat fee. However, the adjustment was applied in the cold water/sewer line item. No additional adjustment was needed.

#### **Conclusion of Market Rent**

The adjusted rents range from \$2,192 to \$2,980 per month. Greater emphasis was placed on Legends at Virginia Center Apartments as it is the most similar in amenities and closest to the subject. Secondary consideration was given to The Meadows Apartments. This comparable has the lowest gross adjustments. Some consideration was given to The Hampton at Hunton Park and Abberly Twin Hickory as they are similar in structure and located in the same market area. The appraiser concluded the market rent for the units as follows:

- **1,344 SF Four-Bedroom Units - \$2,485 , or \$1.85 per square foot**



The developer is proposing affordable rents as follows: \$1,585 for one-bedroom units; \$1,960 for two-bedroom units; \$2,160 for three-bedroom units; and \$2,485 for the four-bedroom units. In addition, the maximum tax credit rents \$1,133 for one-bedroom unit; \$1,360 for two-bedroom units; \$1,571 for three-bedroom units; and \$1,753 for four-bedroom units. The proposed rents are in line with the achievable rents determined on the rent grids and above the maximum net tax credit rents. However, as all revenue units contain Section 8 rental subsidy, tenants will never be asked to pay more than 30 percent of their gross annual income for rent. Therefore, the proposed rents, as shown in the following table, were utilized in the restricted analysis.

<b>MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES</b>							
<b>Unit Type</b>	<b># of Units</b>	<b>Square Feet</b>	<b>% of Median Income</b>	<b>Maximum LIHTC Rent</b>	<b>Gross Rent</b>	<b>Utility Allowance</b>	<b>Net Rent</b>
1/1	32	672	60%	\$1,133	\$1,645	\$60	\$1,585
2/1	128	840	60%	\$1,360	\$2,057	\$97	\$1,960
3/1	31	1,015	60%	\$1,571	\$2,283	\$123	\$2,160
4/1.5	5	1,344	60%	\$1,753	\$2,616	\$131	\$2,485
3/1 Non-Rev	1	1,015	N/A	N/A	N/A	N/A	N/A



## Evaluation of the Development

### Project Design

Woodman West is comprised of 25 two-story walk-up buildings containing a total of 196 revenue units and one non-revenue unit. The buildings have a concrete slab foundation and wood framing, with brick and siding exterior and asphalt shingle roofs. The complex was constructed in 1982 and renovated in 2008. The property will once again be rehabilitated. Landscaping is minimal and consist of grass, trees and shrubs. The property is not a scattered site development.

### Project Amenities

The property provides the following project amenities: meeting room, swimming pool, playground, basketball court, laundry facility, on-site management, on-site maintenance, intercom entry, limited access gate, perimeter fencing, security patrol and video surveillance. As complete, the complex will remove the swimming pool, and add a 750 square foot community room, clubhouse, exercise room, picnic area, business center, educational classes and computer room. The subject's project amenities will be competitive with the comparables in the market area.

### Parking

The complex contains an open asphalt parking lot with a total of 313 parking spaces. Therefore, the subject has a parking ratio 1.59 parking spaces per unit. The parking is sufficient for the development.

### Unit Mix

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

### Utilities

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

### Unit Amenities

Each unit contains the following amenities: refrigerator, range/oven, dishwasher, washer/dryer hook-ups (3 & 4BR), vinyl flooring, blinds, walk-in closet (1 & 2BR) and patio (3 & 4BR). As complete, the subject will also contain solid-surface countertops. The unit amenities are competitive with the comparables in the market area.

### Tenant Services

The subject will provide educational classes. None of the comparables offer tenant services.

### Impact of Existing/Planned Rental Housing

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



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### Summary of Developments Strength and Weaknesses

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#### **Strengths**

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

#### **Weaknesses**

- There are no apparent weaknesses.

## LOCAL PERSPECTIVE AND INTERVIEWS



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## Local Interviews

### **Glen Allen Redevelopment & Housing Authority**

Several attempts were made to contact and interview the Henrico County Housing Authority; however, none were successful. According to Ms. Adkin, HCV Program Manager with the Glen Allen Redevelopment & Housing Authority, the authority covers the City of Glen Allen. The authority currently has 2,900 vouchers, with approximately 96 percent being allocated. She noted that the authority does maintain a waiting list with approximately 722 applicants. She noted that the waiting list is closed and the current housing stock is not sufficient to meet the current demand. Ms. Adkins reported that the bedroom types needed the most are two- and three-bedroom units for families. The phone number for the Glen Allen Redevelopment & Housing Authority 757-928-6068.

### **Glen Allen Zoning Department**

According to David Pennock, with the Glen Allen Permit Center, the subject is zoned R-5, General Residence. He reported that the current usage is a legal, conforming use of the zoning district. Furthermore, the subject could be rebuilt as is if destroyed. He stated that there is no limit to the number of permits that can be issued annually. Mr. Pennock reported that the land zoned to the north, south and west is zoned R3-C, Residential Moderate Density, Light Commercial District, and the land to the east is zoned R3, Residential Moderate Density District. He further stated that there has not been any recently constructed or planned developments in the area in the last two years. The phone number for the Glen Allen Zoning Department is 804-501-5353.

### **Glen Allen Economic Development Authority**

According to Priscilla Green, Economic Director of the Glen Allen Economic Development Authority, The city has remained economically stable throughout the COVID-19 pandemic. The possibility for future impacts on tax revenues do exist; however, the actual extent at this point is unknown. She also reported that there have been no closures or layoffs in the city. Furthermore, Ms. Green stated that the city has several projects underway or planned. She also reported that there have been several new and/or expanding businesses within the city in the last year including, but are not limited to, the following:

- Bourbon Micro-Distillery To Open Downtown announced it will open a new location in a 30,000-square-foot building near Glen Allen Shipbuilding.
- The first building of the new Tech Center Research Park recently opened and is 94 percent leased. The 81,600 square foot building is the first of ten planned for the 50-acre research park located on the intersection of Jefferson Avenue and Hogan Drive. Building One of the three building planned. Major tenants in the building include Gather, ivWatch, LLC and ITA International.
- The new Brooks Crossing Innovation and Opportunity Center opened in the Southeast Community. The company focuses on workforce development and STEM education outreach.
- S23, a new company to the area recently began construction. Once construction is complete, the company plans to employ 332 employees.
- A groundbreaking ceremony was recently held for the new Ferguson Enterprises' headquarters campus to be built in the City Center. The company announced it anticipated bring 1,400 new jobs to the area.
- Printpack Inc. announced the company's plans for a \$25-million expansion to its rigid packaging operation in the Industrial Park of Glen Allen.
- Davis Boat Works, Inc., recently announced expansion plans that will create an additional 25 full-time skilled and management positions.

Due to the new and expanding businesses, decreasing unemployment and lack of layoffs and closures in the city, it is believed that the economic outlook for the area will remain stable for the next two to five years. The phone number for the Glen Allen Economic Development Authority is 757-926-8428.

## RECOMMENDATIONS AND CONCLUSIONS





**Recommendations and Conclusions**

**Project Description**

The subject, Woodman West, is an existing Section 8 and LIHTC development designated for families that contains 196 revenue units and one non-revenue unit. The subject will undergo renovation. Once renovation is complete, the subject retain its Section 8 subsidies for all revenue units, as well as be 100 percent Low Income Housing Tax Credit at 60 percent of the area median income. As the subject will also retain its HAP contract, households with one to six persons and incomes below \$70,140 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with one to six persons and incomes between \$38,846 and \$70,140 would be eligible for the rehabilitated development.

The following chart lists the subject's unit mix. The property contains a net rentable area of 168,224 square feet.

Unit Type	# of Units	Square Feet	Total Square Footage
1/1	32	672	21,504
2/1	128	840	107,520
3/1	32	1,015	32,480
4/1.5	5	1,344	6,720
	<b>197</b>		<b>168,224</b>

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

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
1/1	32	672	\$984	\$64
2/1	128	840	\$1,191	\$97
3/1	31	1,015	\$1,476	\$123
4/1.5	5	1,344	\$1,727	\$131
3/1 Non-Rev	1	1,015	N/A	N/A
	<b>197</b>			

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

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	32	672	60%	\$1,133	\$1,645	\$60	\$1,585
2/1	128	840	60%	\$1,360	\$2,057	\$97	\$1,960
3/1	31	1,015	60%	\$1,571	\$2,283	\$123	\$2,160
4/1.5	5	1,344	60%	\$1,753	\$2,616	\$131	\$2,485
3/1 Non-Rev	1	1,015	N/A	N/A	N/A	N/A	N/A

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

**Income Averaging**

The developer has not elected the income-averaging option.



**Housing Profile**

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The market area has an overall rental vacancy rate of 4.9 percent. Of the 3,556 total units verified, 176 were vacant. However, London Towne Apartments is currently under renovation; therefore, the property has a higher than typical vacancy rate. Without considering this property, the overall vacancy rate for the market area is 1.9 percent.

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

**Market Feasibility**

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

<b>CAPTURE RATE - WITH SUBSIDY</b>	
<b>Project Wide Capture Rate - LIHTC Units</b>	3.7%
<b>Project Wide Capture Rate - Market Units</b>	----
<b>Project Wide Capture Rate - All Units</b>	3.7%
<b>Project Wide Absorption Rate (Months)</b>	N/A

<b>CAPTURE RATE - WITHOUT SUBSIDY</b>	
<b>Project Wide Capture Rate - LIHTC Units</b>	7.4%
<b>Project Wide Capture Rate - Market Units</b>	----
<b>Project Wide Capture Rate - All Units</b>	7.4%
<b>Project Wide Absorption Rate</b>	7-9 Months

The market shows a net demand of 5,310 households for all units when considering the Section 8 subsidy and a net demand of 2,637 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 development that is currently 98 percent occupied, with four vacant units. The property has a waiting list with 208 applicants. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 196 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 3.7 percent and is considered good. The capture rate, without considering the subsidy, is 7.4 percent, which is also considered good due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts, that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.



## Evaluation of Project

The property is easily accessed via Blackburn Road. Blackburn Road connects to Woodman Road. Woodman Road provides direct access to Interstate 295. Therefore, the subject has average visibility and easy access. The subject's existing site plan and project design are similar to competing apartment developments. The subject's existing unit mix of one-, two-, three- and four-bedroom units is suitable in the market.

## Positive/Negative Attributes

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

**Weaknesses:** There are no apparent weaknesses.

## Conclusions

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

- The subject's rehabilitated design and amenities will be competitive with other existing projects. Therefore, no modifications to the subject are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2027, indicating a need for additional housing the market area. In addition, all restricted properties confirmed maintain high occupancy rates, and the majority maintain waiting lists, it appears the market is not oversaturated with affordable rental housing.
- Woodman West is an existing Section 8 and LIHTC development containing 196 revenue units and non-revenue units that will be rehabilitated. Once rehabilitated is complete, the subject will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is an existing Section 8 development that is currently 98 percent occupied. The property will retain its subsidies for all revenue units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the current residents will be income-eligible for the units once the renovation is complete. However, when considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the absorption rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. The absorption level is typically based on the most recent multifamily developments. There were no recent affordable developments constructed in the market area for which lease up data was available. Therefore, the analyst also considered the opinions of apartment managers and local real estate agents, the current occupancy rates of the surveyed developments and the current waiting lists of the affordable developments, including the subject, confirmed in the market area. After considering all factors, it is estimated that the development could absorb 10 to 15 units per month, resulting in a 95 percent occupancy level within seven to nine months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the rehabilitated development will be suitable for the market area. Given the current low vacancy rates for income-restricted properties as well as the waiting lists at most properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.

**MARKET STUDY ANALYST STATEMENT OF EXPERIENCE**



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### Qualifications of the Analyst

Gill Group is a nationwide marketing and real estate consulting firm specializing in market studies and real estate appraisals for low-income housing developments. For more than 30 years, Gill Group has been performing market research and appraisals on all types of properties. Primary data from field inspectors, analysts and appraisers is used. Our inspectors, analysts and appraisers personally inspect and examine every property included in the reports. Additional data is obtained from the U.S. Census Bureau, local public officials and reliable market data research companies such as ESRI Business Information Solutions. Gill Group's market studies have been used by clients in the Low Income Housing Tax Credit program and in obtaining and renewing state and federal subsidies for low-income housing developments and multifamily rental housing. Samuel T. Gill has been active in the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (M.A.P.) and Mark-to-Market programs.



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



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

**RECENT PROJECTS**

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



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





**Report Writing & Valuation Analysis**

*Appraisal Institute*

**National USPA Update**

*McKissack*

**EXPERIENCE  
(1991 TO PRESENT)**

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

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

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

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

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



## Certificate of Professional Designation

*This certificate verifies that*

**Samuel Todd Gill**  
Gill Group, Inc.

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




Formerly known as  
NCAHMA

National Council of Housing Market Analysts  
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Suite 420  
Washington, DC 20036  
202-939-1750

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



  
Thomas Amdur  
President, NCHMA



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

A handwritten signature in black ink that reads "Samuel T. Gill".

Samuel T. Gill  
Market Analyst

A handwritten signature in black ink that reads "Janice F. Gill".

Janice F. Gill, MAI  
Market Analyst

Date: April 19, 2023

## ADDENDUM A – DATA SOURCES

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

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

**ADDENDUM B – MARKET STUDY TERMINOLOGY**

**Absorption Period**

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

**Absorption Rate**

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

**Acceptable Rent Burden**

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

**Affordable Housing**

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

**Amenity**

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

**Annual Demand**

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

**Area Median Income (AMI)**

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

**Assisted Housing**

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

**Attached Housing**

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

**Basic Rent**

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

**Below Market Interest Rate Program (BMIR)**

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

**Capture Rate**

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

**Census Tract**

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

**Central Business District (CBD)**

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

**Community Development Corporation (CDC)**

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

**Comparable Property**

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

**Competitive Property**

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

**Concession**

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

**Condominium**

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

**Contract Rent**

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

**Demand**

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

**Difficult Development Area (DDA)**

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

**Detached Housing**

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



**Effective Rents**

Market Rents less concessions.

**Elderly or Senior Housing**

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

**Extremely Low Income**

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

**Fair Market Rent (FMR)**

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

**Family**

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

**Garden Apartments**

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

**Gross Rent**

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

**High-rise**

A residential building having more than ten stories.

**Household**

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

**Household Trends**

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

**Housing Unit**

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

**Housing Choice Voucher (Section 8 Program)**

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

**Housing Finance Agency (HFA)**

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

**HUD Section 8 Program**

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

**HUD Section 202 Program**

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

**HUD Section 811 Program**

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

**HUD Section 236 Program**

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

**Income Band**

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

**Income Limits**

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

**Infrastructure**

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

**Low Income**

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

**Low Income Housing Tax Credit**

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

**Low Rise Building**

A building with one to three stories.

**Market Advantage**

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

**Market Analysis**

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

**Market Area**

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

**Market Area, Primary (PMA)**

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

**Market Area, Secondary (SMA)**

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

**Market Demand**

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

**Market Feasibility Analysis**

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

**Market Rent**

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

**Market Study**

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

**Marketability**

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

**Market Vacancy Rate – Physical**

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

**Market Vacancy Rate – Economic**

Percentage of rent loss due to concessions and vacancies.

**Metropolitan Statistical Area (MSA)**

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

**Mid-rise**

A building with four to ten stories.

**Mixed Income Property**

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

**Mobility**

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

**Moderate Income**

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

**Move-Up Demand**

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

**Multifamily**

Structures that contain two or more housing units.

**Neighborhood**

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

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

Gross Rent less Tenant Paid Utilities.

**Penetration Rate**

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

**Pent-up Demand**

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

**Population Trends**

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

**Primary Market Area**

See Market Area

**Programmatic Rents**

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

**Project Based Rent Assistance**

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

**Public Housing or Low Income Conventional Public Housing**

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

**Qualified Census Tract (QCT)**

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

**Redevelopment**

The redesign or rehabilitation of existing properties.

**Rent Burden**

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

**Rent Burdened Households**

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

**Restricted Rent**

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

**Rural Development (RD) Market Rent**

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

**Rural Development (RD) Program**

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

**Saturation**

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

**Secondary Market Area**

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

**Single-Family Housing**

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

**Special Needs Population**

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

**Stabilized Level of Occupancy**

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

**State Data Center (SDC)**

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

**Subsidy**

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

**Substandard Conditions**

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

**Target Income Band**

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

**Target Population**

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

**Tenant**

One who rents real property from another.

**Tenant Paid Utilities**

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

**Tenure**

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

**Townhouse (or Row House)**

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

**Turnover**

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

**Unmet Housing Need**

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

**Unrestricted Rents**

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

**Vacancy Period**

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

**Vacancy Rate – Economic**

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

**Vacancy Rate – Physical**

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

**Very Low Income**

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

**Zoning**

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

**ADDENDUM C – NCHMA INDEX**



## NCHMA Market Study Index

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

		Page Number(s)
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2	Scope of Work	15
<b>Project Description</b>		
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4	Utilities (and utility sources) included in rent	20
5	Target market/population description	19
6	Project description including unit features and community amenities	19
7	Date of construction/preliminary completion	19
8	If rehabilitation, scope of work, existing rents, and existing vacancies	20
<b>Location</b>		
9	Concise description of the site and adjacent parcels	27
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13	PMA description	63
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20	Population and household estimates and projections	75
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### NCHMA Market Study Index

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

		Page Number(s)
29	Rental communities under construction, approved, or proposed	93
30	For senior or special needs populations, provide data specific to target market	N/A
<b>Affordability, Demand, and Penetration Rate Analysis</b>		
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**ADDENDUM D - SUBJECT INFO**



**Part G – Information on Mortgagor Entity**

Name of Entity

Lighthouse City Line, LLC

Type of Entity

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

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

Name and Title

Meyer Orbach

Sole Member

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

**Part H – Owner Certification**

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

Name and Title

Meyer Orbach - Sole Member

Authorized Official's Signature

Date (mm/dd/yyyy)

**Part I – HUD/Lender Approval**

Addendum Number

Branch Chief/Lender Official Signature

HAP Contract Number VA36M000042

Date (mm/dd/yyyy)


Exhibit Number

Director, Housing Management Division Signature

Loan Servicer Signature

Date (mm/dd/yyyy)


Date (mm/dd/yyyy)

City Line Apartments 155 Myflene Drive Newport News, VA 23605			<i>Non Prevailing Wages</i>
			Unit Types
			1 Bed/1 Bath 2 Bed/ 1 Bath
			Total Units
			Bedrooms
			Bathrooms
<b>Area Of Work</b>	<b>Cost Code</b>	<b>Description</b>	<b>Quantity</b>
<b>Units</b>			
<b>Standard Unit Scope of Work</b>			
Demolition		Standard Units 2nd Floor - Allowance - Demo & Abatement	99
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Demolition		Standard Units - Abatement Air Clearances	189
Signage		All Units - Install New Unit and Building Signage	199
Cabinets		2nd Floor Units - Install New Kitchen Cabinets	99
Cabinets		1st Floor Units - Reconfigure Cabinets for New Dishwasher	100
Cabinets		Standard Units - Install New Bathroom Vanities	189
Countertop		Standard Units - Install New Quartz Countertops in Kitchen & Bath	189
Framing		All Units - Install New Exterior Casing Around Entry Door	200
Doors		Standard Units - Allowance - Install New Interior Door Slabs	10
Doors		All Units - Install New Interior Door Hardware	1392
Doors		All Units - Install New Entry Door Hardware	200
Drywall		Standard Units - General Drywall Repairs 12sf	190
Insulation		Allowance - 2nd Floor Units - Install New Insulation in the Attic	100
Resilient Flooring		All Units - Install New LVP Flooring with Quarter Round	199
Painting and Decorating		All Units - Full Unit Paint	199
Painting and Decorating		Standard Units - Construction Clean	189

City Line Apartments 155 Myrtle Drive Newport News, VA 23605			Non Prevailing Wages
			Unit Types
			1 Bed/1 Bath 2 Bed/ 1 Bath
			Total Units
			Bedrooms
			Bathrooms
Area Of Work	Cost Code	Description	Quantity
Specialties		All Units - Install New Towel Bar	199
Specialties		All Units - Install New Toilet Paper Holder	199
Specialties		All Units - Install New Shower Rod, Curtain, Rings	199
Specialties		All Units - Install New Medicine Cabinets	199
Appliances		All Units - Install New Energy Star Refrigerator	200
Appliances		Standard Units - Install New Gas Range	190
Appliances		Standard Units - Install New Energy Star Dishwasher	190
Appliances		Standard Units - Install New Recirculating Range Hood	190
Appliances		All Units - Install New Counter top Microwave	200
Appliances		All Units - Install New Firestop Canisters	200
Appliances		All Units - Appliance Delivery, Handling, Removal, and Taxes	1
Window Coverings		All Units - Install New Vinyl Window Coverings	199
Plumbing and Hot Water		Standard Units - Install New Kitchen Sink, Faucet, and Supply Lines	190
Plumbing and Hot Water		All Units - Install New Garbage disposal	199
Plumbing and Hot Water		Standard Units - Install New Bathroom Drop in sinks, Faucets and Supply Lines	190
Plumbing and Hot Water		All Units - Install New Angle Stops	995
Plumbing and Hot Water		All Units - Install New Toilet and Flange	200
Plumbing and Hot Water		Standard Units - Install New Shower Valve and Trim	190
Plumbing and Hot Water		Standard Units - Install New Tub Plumbing Trim	189
Plumbing and Hot Water		Standard Units - Refinish Tubs and Surrounds	189
Heat and Ventilation		All Units - Install New Central Air System	200
Heat and Ventilation		All Units - Seal All Ducts	200
Heat and Ventilation		All Units - Install New Air Registers and Return Grills	199
Heat and Ventilation		All Units - Install New Programmable Thermostat	200
Heat and Ventilation		All Units - Clean all Ducting and Plenums	199
Heat and Ventilation		All Units - Install New Bathroom Exhaust Fan	200
Plumbing and Hot Water		All Units - Install New Gas Water Heaters	200

City Line Apartments 155 Myflene Drive Newport News, VA 23605			Non Prevailing Wages
			Unit Types
			1 Bed/1 Bath 2 Bed/ 1 Bath
			Total Units
			Bedrooms
			Bathrooms
Area Of Work	Cost Code	Description	Quantity
Plumbing and Hot Water		All Units - Install New Shutoff Valves	199
Electrical		Units - Install New Outlet for Added Dishwasher	200
Electrical		All Units - Install New Hardwired Smoke/CO2 Combo's	199
Electrical		All Units - Install New Hardwired Smoke Detectors in Unit Bedrooms	298
Electrical		All Units - Install New Switches and Outlets	199
Electrical		All Units - Install New GFCI's in Kitchens and Bathrooms	199
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Electrical		All Units - Install New Bathroom Vanity LED Light Fixture	200
Electrical		All Units - Install New Hallway LED Light Fixture	100
Electrical		All Units - Install New LED Fixture in Dining Room	200
Electrical		Select Units - Install New LED Fixture in Living Room Closet	100
Electrical		All Units - Install New LED Fixture in Mechanical Closet	200
Electrical		Select Units - Install New LED Fixture in One Bedroom Closets	100
Electrical		All Units - Install New LED Fixture in Bedroom	300
Electrical		All Units - Install New Exterior Front Porch LED Fixtures	200
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Demolition		ADA Units - Abatement Air Clearances	10
Doors		ADA Units - Install New Interior Doors and Hardware	70
Cabinets		ADA Units - Install New Kitchen Cabinets	10
Countertops		ADA Units - Install New Quartz Countertops in Kitchen	10
Rough Carpentry		ADA Units - Allowance - Rough Framing	10
Drywall		ADA Units - Allowance - Install New Drywall	10
Painting and Decorating		ADA Units - Construction Clean	10
Specialties		ADA Units - Install New Grab Bars with Backing	20
Appliances		ADA Units - Install New Gas Range	10
Appliances		ADA Units - Install New ADA Compliant Dishwasher	10
Appliances		ADA Units - Install New Recirculating Range Hood with Front Controls	10
Plumbing and Hot Water		ADA Units - Allowance - Rough Plumbing	10
Plumbing and Hot Water		ADA Units - Install New Roll in Showers	10
Plumbing and Hot Water		ADA Units - Install New ADA Kitchen Sink, Faucet and Supplies	10
Plumbing and Hot Water		ADA Units - Install New ADA Compliant Handheld Shower Head, Slide, Valve and Trim	10
Plumbing and Hot Water		ADA Units - Install new Wall Hung Sink, Faucet and Supplies	10
Electrical		ADA Units - Allowance - Rough Electric	10
Electrical		Visual and Hearing upgrades	4
<b>Common Areas</b>			
Laundry Room			



City Line Apartments 155 Myrtle Drive Newport News, VA 23605			Non Prevailing Wages
			Unit Types
			1 Bed/1 Bath 2 Bed/ 1 Bath
			Total Units
			Bedrooms
			Bathrooms
Area Of Work	Cost Code	Description	Quantity
Resilient Flooring		Laundry Rooms - Install New LVP Flooring with Cove Base	6
Plumbing and Hot Water		Laundry Rooms - Install New Wash Boxes w/ Leak Sensor	18
Painting And Decorating		Laundry Rooms - Full Paint	6
Electrical		Laundry Rooms - Install New Light Fixtures	6
Countertop		Laundry Rooms - Install Folding Countertop	6
Community Room			
Window Coverings		Supply and Install Leasing Office Window Coverings	1
Signage		Install New Community and Common Area Signage	1
Painting And Decorating		Leasing Office - Full Paint	1
Flooring		Leasing Office - Install New Flooring	1
Electrical		Leasing Office - Install New Light Fixtures	1
Site Work			
Demolition		Site Demo and Hauloff	1
Asphalt		Asphalt - Repair, Seal, Stripe, and Signage	1
Concrete		Allowance - ADA Path of Travel Improvements	1
Concrete		Allowance - Install New ADA Curb and Ramps with Truncated Domes	15
Concrete		Allowance - Install New ADA Ramps to Units	10
Concrete		ADA Parking Improvements	15
Concrete		Allowance - Repair Concrete Trip Hazards	2500
Concrete		Trash Enclosures - Install New Concrete Pad	12
Metal		Allowance - Install New Exterior Handrails	1000
Metal		Trash Enclosures - Install New Fence w/ Bollards	12
Metal		Install New Chain-link Fence	1200
Landscaping		Allowance - Tree Trimming and Removal	1
Landscaping		Allowance - Landscaping and Retaining walls	1
Earthwork		Allowance - Grading and Earthwork	1
<b>Building Scope of Work</b>			
Masonry		Allowance - Building Tuckpointing	18



**ADDENDUM E – FLOOD DATA**

# National Flood Hazard Layer FIRMette



**Legend**

SEE FIRM REPORT FOR DETAILED LEGEND AND BOLD MAP FOR FIRM PANEL LAYOUT

**SPECIAL FLOOD HAZARD AREAS**

- Without Base Flood Elevation (BFE) (Zone A, X, AE)
- With BFE or Depth (Zone AE, AE2, AE3, AE4, AE5, AE6)
- Regulatory Floodways

**OTHER AREAS OF FLOOD HAZARD**

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile (Zone X)
- Future Conditions 1% Annual Chance Flood Hazard (Zone AE)
- Area with Reduced Flood Risk due to Levees. See Notes. (Zone V)
- Area with Flood Risk due to Levees (Zone V)

**OTHER AREAS**

- Area of Minimal Flood Hazard (Zone V)
- Effective LOMs
- Area of Undetermined Flood Hazard (Zone U)

**GENERAL STRUCTURES**

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

**OTHER FEATURES**

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transport
- Base Flood Elevation Line (BFE)
- Limit of Study
- Introduction Boundary
- Coastal Transport Boundary
- Profile Baseline
- Hydrographic Feature

**MAP PANELS**

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not used as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was reported on 2/5/2022 at 9:59 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmoderated areas cannot be used for regulatory purposes.