

A MARKET FEASIBILITY STUDY OF:  
**700 WEST 44 -  
4%**

# **A MARKET FEASIBILITY STUDY OF:**

# **700 WEST 44 - 4%**

700 W. 44<sup>th</sup> Street  
Richmond, Virginia 23224

Effective Date: February 15, 2023  
Inspection Date: February 15, 2023  
Report Date: July 17, 2023

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

Prepared by:  
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July 17, 2023

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

Re: Market Study - Application for Proposed LIHTC Property 700 West 44 – 4% in Richmond, Virginia

Dear Austin Pittman:

At your request, Novogradac & Company LLP, doing business under the brand name Novogradac Consulting (“Novogradac”) has performed a market study of the multifamily rental market in the Richmond, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We previously completed a preliminary rent and demand analysis of the Subject and its nine-percent component in October 2021. Note that we also completed an application market study for the nine-percent component in January 2022 and February 2023.

The purpose of this market study is to assess the viability of the proposed new construction LIHTC development (Subject). The Subject will offer 72 units, of which all units will be LIHTC rent restricted to 50 and 60 percent of AMI. Additionally, all of the Subject’s units rent restricted at 50 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject will consist of a three-story, garden-style building design with 72 one, two, and three-bedroom units. The Subject will offer 24 one-bedroom units, 24 two-bedroom units, and 24 three-bedroom units. All of the Subject’s units will target the general population.

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

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

The depth of discussion contained in the report is compliant with both the requirements of Virginia Housing Market Study Guidelines and the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). NCHMA is a professional organization chartered to promote the development of high-quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report, which Novogradac certifies as a NCHMA-compliant comprehensive market analysis full narrative report, conforms to those standards; any slight modifications or departures from those standards are considered incidental. The

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

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

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

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

Pursuant to Virginia Housing Requirements, we certify:

1. We have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of our knowledge the market can support the demand shown in this study. We understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
4. No one at this firm has any interest in the proposed development or a relationship with the ownership entity.
5. No one at this firm, nor anyone acting on behalf of the firm in connection with the preparation of this report, has communicated to others that the firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for our services is not contingent on this development receiving a LIHTC reservation or allocation.
7. Evidence of our NCHMA membership is included.

AUSTIN PITTMAN  
THE LAWSON COMPANIES  
JULY 17, 2023  
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Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,  
Novogradac



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# **A. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

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

**Surrounding Land Uses:** The Subject is located in a mixed-use neighborhood southwest of Downtown Richmond. The Subject site is rated as “Car-Dependent” by Walk Score with a score of 40, indicating that most errands require a car. Land use to the north consists of vacant land and single-family homes in average condition. Farther north are additional single-family homes in average condition. Land use to the east consists of Norcroft Townhomes, a 108-unit market rate senior property that was excluded from our analysis due to its dissimilar tenancy. We were unable to contact the property for current vacancies or waiting list details. Farther east uses consist of vacant land. Uses south consist of Charnwood Forest Apartments, a 101-unit LIHTC senior development that has been excluded from our analysis due to its dissimilar tenancy, and 404 Rivertowne Apartment Homes, a 522-unit market rate development that has been included as a comparable in our analysis. Farther south are commercial and retail uses in average condition and a high school. Note that we were unable to contact Charnwood Forest for occupancy and waiting list information. Land uses west of the Subject consist of vacant land which will be utilized for the development of 700 West 44 – 9%. Farther west uses consist of Ashton Square, a 368-unit market rate development that has been utilized as a comparable in our analysis, and undeveloped vacant land. Overall, the majority of surrounding land uses are in average to good condition.

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

It should be noted that the Subject, which is proposed to be financed through the non-competitive four percent LIHTC program, will be developed concurrently with 700 West 44 - 9%, which will be financed through the nine percent competitive LIHTC program. 700 West 44 - 9% is a proposed 72-unit development offering one, two, and three-bedroom units at 30, 40, 50, and 60 percent of AMI. Additionally, 18 units rent restricted at 40 and 50 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject and 700 West



44 – 9% will offer a total of 210 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 1.5 space per unit. Further, the developments will offer the same three-story garden-style design.

**Proposed Rents:**

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

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2023 LIHTC Maximum Allowable Gross Rent	2023 HUD Fair Market Rents
<i>@50% (Project Based Rental Assistance - PBRA)</i>							
3BR / 2BA	1,113	18	\$1,605	\$261	\$1,866	\$1,386	\$1,727
<i>@60%</i>							
1BR / 1BA	705	24	\$1,047	\$131	\$1,178	\$1,200	\$1,183
2BR / 2BA	956	24	\$1,258	\$155	\$1,413	\$1,440	\$1,336
3BR / 2BA	1,113	6	\$1,460	\$173	\$1,633	\$1,663	\$1,727
		<b>72</b>					

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

\*Denotes contract rent

The Subject’s proposed LIHTC rents are set slightly below the maximum allowable levels, while the proposed contract rents are set above the maximum allowable levels. If the subsidy were hypothetically lost, the contract rents would need to be lowered to within the LIHTC maximum allowable levels.

**Target Household Income Levels:**

Based on the proposed restrictions, the range of annual household income levels is depicted below. **Per VHDA Market Study requirements, the demand analysis accounts for the Subject as well as the proposed nine percent component which will be developed concurrently. Therefore, we have performed a demand analysis of both the Subject and nine percent component and have accounted for any units that will be competitive these developments.**

**FAMILY INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	<i>@30%</i>		<i>@40%</i>		<i>@40% (PBRA)</i>		<i>@50%</i>	
1BR	\$20,571	\$25,590	-	-	\$0	\$34,120	-	-
2BR	\$24,686	\$28,800	\$28,491	\$38,400	-	-	\$41,143	\$48,000
3BR	\$28,491	\$34,560	-	-	\$0	\$46,080	-	-

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50% (PBRA)		@60%		@60% (PBRA)	
1BR	\$0	\$42,650	\$40,389	\$51,180	\$0	\$51,180
2BR	-	-	\$48,446	\$57,600	-	-
3BR	\$0	\$57,600	\$55,989	\$69,120	\$0	\$69,120

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$20,571	\$25,590	\$27,429	\$34,120	\$39,737	\$42,650	\$40,389	\$51,180
2BR	\$24,686	\$28,800	\$28,491	\$38,400	\$33,291	\$48,000	\$48,446	\$57,600
3BR	\$28,491	\$34,560	\$32,914	\$46,080	\$56,160	\$57,600	\$55,989	\$69,120

Economic Conditions

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and construction industries, which collectively comprise 38.6 percent of local employment. The large share of PMA employment in the retail trade and construction is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which historically exhibits greater stability during economic downturns. Employment in the MSA declined sharply by 5.4 percent in 2020 amid the pandemic, slightly less than the overall nation. From April 2022 to April 2023, employment in the MSA increased at an annualized rate of 4.4 percent, compared 2.0 percent growth across the nation. The MSA unemployment rate increased by 4.0 percentage points in 2020 amid the pandemic, compared to a 4.4 percentage point increase for the overall nation. According to the latest labor statistics, the current MSA unemployment rate is 2.6 percent, slightly lower than the current national unemployment rate of 3.1 percent. Overall, the local economy appears to have recovered from the effects of the pandemic, though estimates of future economic growth are cautious due to recent concerns of inflation and potential recession.

Primary Market Area

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

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

Demographic Data

Since 2000, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2027. As of 2022, approximately 70.8 percent of renter households within the PMA have annual incomes below \$50,000, compared to 35.4 percent of renter households in the MSA. As proposed, the incomes for the Subject will range from zero to \$69,120. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units.

Vacancy

The following table illustrates vacancy rates at the comparable properties.

**OVERALL VACANCY**

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units - June 2023	Vacancy Rate - June 2023	Vacancy Rate - February 2023
Alexander At 1090	LIHTC/PBRA	Family	48	5	10.4%	8.3%
Belle Summit	LIHTC	Family	50	0	0.0%	6.0%
Linden At Forest Hill	LIHTC	Family	58	2	3.4%	5.2%
Morningside Apartments	LIHTC/ Market	Family	392	4	1.0%	0.5%
Port City I	LIHTC	Family	135	11	8.1%	2.2%
Port City II	LIHTC	Family	147	8	5.4%	13.6%
Village South Townhomes	LIHTC	Family	296	33	11.1%	11.1%
404 Rivertowne Apartment Homes	Market	Family	522	30	5.7%	4.4%
Ashton Square	Market	Family	368	50	13.6%	13.0%
Communities At Southwood	Market	Family	1,286	27	2.1%	0.0%
Model Tobacco*	Market	Family	203	88	43.3%	45.3%
The Mill At Manchester Lofts	Market	Family	69	4	5.8%	8.6%
The Park At Forest Hill	Market	Family	73	2	2.7%	5.5%
The Village At Westlake	Market	Family	252	8	3.2%	0.8%
<b>Total LIHTC</b>			<b>1,126</b>	<b>63</b>	<b>5.6%</b>	<b>8.0%</b>
<b>Total Market Rate</b>			<b>2,773</b>	<b>209</b>	<b>7.5%</b>	<b>6.3%</b>
<b>Overall Total</b>			<b>3,899</b>	<b>272</b>	<b>7.0%</b>	<b>6.7%</b>
<b>Total LIHTC**</b>			<b>979</b>	<b>55</b>	<b>5.6%</b>	<b>6.7%</b>
<b>Total Market Rate**</b>			<b>2,570</b>	<b>121</b>	<b>4.7%</b>	<b>3.2%</b>
<b>Overall Total**</b>			<b>3,696</b>	<b>184</b>	<b>5.0%</b>	<b>3.9%</b>

\*Property is currently in lease-up

\*\*Excludes properties in lease-up

The comparables reported vacancy rates ranging from zero to 43.3 percent, with an average of 7.0 percent. The LIHTC properties reported an average vacancy rate of 5.6 percent, while the market properties reported an average vacancy rate of 7.5 percent. Note that Port City II and Model Tobacco Apartments are currently in their initial lease-up periods. Port City II opened in October 2022 and reported a vacancy rate of 5.4 percent, indicating an absorption period of 17 units per month. Model Tobacco is currently 45.3 percent vacant and opened in June 2022, indicating an absorption rate of seven units per month. Excluding these properties, the LIHTC vacancy rate is 5.6 percent, the market rate vacancy rate is 4.7 percent, and the overall vacancy rate is 5.0 percent. Note that Alexander at 1090, Port City I, Village South Townhomes, and Ashton Square reported elevated vacancy rates between 8.1 and 13.6 percent. Management at Alexander 1090 noted that all four of the vacant LIHTC units have applicants and the remaining Project-based Voucher (PBV) unit has an applicant that is pending approval through the housing authority. Management at Village South Townhomes stated that the property is currently undergoing renovations and that the “majority” of the vacant units are currently offline, though an exact estimate of down units was not available. Ashton Square reported an elevated vacancy rate of 13.6 percent and management reported that the property is currently renovating units upon turnover. The contact could not provide an exact estimate of down vacant units, though the property has historically maintained a vacancy rate of 5.4 percent or lower. Finally, Port City I reported a slightly elevated vacancy rate of 8.1 percent. Management noted that there was some associated turnover with the rent increase to 2023 maximum rent levels; however, the property is working off of a waiting list to fill its units.

The overall vacancy rate excluding properties in lease-up increased slightly since February 2023, though the LIHTC vacancy rate declined from 8.0 to 5.6 percent. Based on the performance of the LIHTC comparables

and given that a number of comparable properties are in lease-up or are in the process of renovating units, we expect the Subject will operate at a vacancy rate of five percent or less.

Absorption

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

ABSORPTION						
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)
Model Tobacco**	Market	Family	Richmond	2022	203	7
Port City II**	LIHTC	Family	Richmond	2021	135	17
The Oliver	LIHTC	Family	Richmond	2020	164	15
Alexander At 1090*	LIHTC	Family	Richmond	2020	48	48
Cambridge Square Apartments	Market	Family	Mechanicsville	2020	207	17
Abberly Centerpointe	Market	Family	Midlothian	2019	271	12
The Jane At Moore's Lake	Market	Family	Chester	2019	385	26
Port City I*	LIHTC	Family	Richmond	2018	135	22
The Village At Westlake*	Market	Family	Richmond	2018	252	42
<b>Average Affordable</b>					<b>196</b>	<b>20</b>
<b>Average Market</b>					<b>150</b>	<b>32</b>
<b>Overall Average</b>					<b>200</b>	<b>23</b>

\*Comparable Property

\*\* Property utilized as comparable and is currently in lease-up

The properties have reported absorption rates ranging from seven to 48 units per month. We believe the Subject would experience an absorption rate 18 units per month, indicating an absorption period of four months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 0.8 percent “As Proposed” and 1.4 percent “Absent Subsidy.”

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This annual Novoco capture rate is 1.6 percent for the first year of operation as a LIHTC property “As Proposed” and 2.7 percent “Absent Subsidy.” This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 8,667 units of demand in the first year of the Subject’s operation after completion “As Proposed” and 5,154 “Absent Subsidy.” The Subject’s units will need to accommodate 68 total units of demand in order to stabilize at 95 percent occupancy. The demand analysis illustrates adequate demand for the Subject’s units. Additionally, both penetration rates are moderate and indicative of demand for additional affordable housing supply such as the Subject.

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

Project Wide Capture Rate - All Units*	3.6%
Project Wide Absorption Period (Months)	8 months

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

Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to slightly superior to the comparable properties in terms of condition.
- Vacancy rates among the LIHTC properties range from 0.0 to 11.1 percent, with an average of 5.6 percent; note that two of the LIHTC comparables are in the process of renovating units and have a high number of down units. Further, three comparables maintain waiting lists for their LIHTC units, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

Weaknesses

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

Recommendations

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

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

## INTRODUCTION AND SCOPE OF WORK

### Report Description:

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

It should be noted that the Subject, which is proposed to be financed through the non-competitive four percent LIHTC program, will be developed concurrently with 700 West 44 - 9%, which will be financed through the nine percent competitive LIHTC program. 700 West 44 - 9% is a proposed 72-unit development offering one, two, and three-bedroom units at 30, 40, 50, and 60 percent of AMI. Additionally, 18 units rent restricted at 40 and 50 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject and 700 West 44 - 9% will offer a total of 210 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 1.5 space per unit. Further, the developments will offer the same three-story garden-style design.

We previously completed a preliminary rent and demand analysis of the Subject and its nine-percent component in October 2021. Note that we also completed an application market study for the nine-percent component in January 2022 and February 2023.

### Developer/Client Information:

The Lawson Companies.

### Intended Use and Users of the Report:

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

### Scope of the Report:

- Inspecting the site of the to-be-developed Subject on February 15, 2023, and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.
- Investigating the general economic health and conditions of the rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.

- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

**Effective Date:**

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

**Primary Contact for the Report:**

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



## **C. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

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

### Subject Property Description:

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

It should be noted that the Subject, which is proposed to be financed through the non-competitive four percent LIHTC program, will be developed concurrently with 700 West 44 - 9%, which will be financed through the nine percent competitive LIHTC program. 700 West 44 - 9% is a proposed 72-unit development offering one, two, and three-bedroom units at 30, 40, 50, and 60 percent of AMI. Additionally, 19 units rent restricted at 40 and 50 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject and 700 West 44 - 9% will offer a total of 210 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 1.5 space per unit. Further, the developments will offer the same three-story garden-style design.

### Construction Type:

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

### Occupancy Type:

The Subject will target family households.

### Proposed Rents:

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

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2023 LIHTC Maximum Allowable Gross Rent	2023 HUD Fair Market Rents	
@50% (Project Based Rental Assistance - PBRA)								
3BR / 2BA	1,113	18	\$1,605	\$261	\$1,866	\$1,386	\$1,727	
@60%								
1BR / 1BA	705	24	\$1,047	\$131	\$1,178	\$1,200	\$1,183	
2BR / 2BA	956	24	\$1,258	\$155	\$1,413	\$1,440	\$1,336	
3BR / 2BA	1,113	6	\$1,460	\$173	\$1,633	\$1,663	\$1,727	
		<b>72</b>						

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

\*Denotes contract rent

The Subject’s proposed LIHTC rents are set slightly below the maximum allowable levels, while the proposed contract rents are set above the maximum allowable levels.

**Assisted Housing Program:**

None of the Subject’s units will operate with subsidy.

**Construction Date:**

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

**Target Household Income Levels:**

Based on the proposed restrictions, the range of annual household income levels is depicted below. **Per VHDA Market Study requirements, the demand analysis accounts for the Subject as well as the proposed nine percent component which will be developed concurrently. Therefore, we have performed a demand analysis of both the Subject and nine percent component and have accounted for any units that will be competitive these developments.**

**FAMILY INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@40% (PBRA)		@50%	
1BR	\$20,571	\$25,590	-	-	\$0	\$34,120	-	-
2BR	\$24,686	\$28,800	\$28,491	\$38,400	-	-	\$41,143	\$48,000
3BR	\$28,491	\$34,560	-	-	\$0	\$46,080	-	-

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50% (PBRA)		@60%		@60% (PBRA)	
1BR	\$0	\$42,650	\$40,389	\$51,180	\$0	\$51,180
2BR	-	-	\$48,446	\$57,600	-	-
3BR	\$0	\$57,600	\$55,989	\$69,120	\$0	\$69,120

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$20,571	\$25,590	\$27,429	\$34,120	\$39,737	\$42,650	\$40,389	\$51,180
2BR	\$24,686	\$28,800	\$28,491	\$38,400	\$33,291	\$48,000	\$48,446	\$57,600
3BR	\$28,491	\$34,560	\$32,914	\$46,080	\$56,160	\$57,600	\$55,989	\$69,120

**Utility Structure:**

The tenant will be responsible for electric cooking, heating, hot water, and other electric expenses, as well as water and sewer expenses. The landlord will be responsible for trash expenses and common area amenities. The Subject will utilize project-specific utility allowances of \$131, \$155, and \$173 for its one-bedroom (705 square feet), two-bedroom (956 square feet), and three-bedroom (1,113 square feet) LIHTC units, respectively. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from the Richmond Redevelopment and Housing Authority, effective August 16, 2022, the most recent schedule available. It should be noted that the developer's project-specific utility allowances for the LIHTC units differ from the total tenant-paid utilities listed below, while the utility allowance amount for the unit with subsidies is based on the Housing Authority utility allowance schedule.

**HOUSING AUTHORITY UTILITY ALLOWANCE**

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$16	\$19	\$21
Cooking - Electric	Tenant	\$6	\$9	\$12
Other Electric	Tenant	\$31	\$40	\$49
Air Conditioning	Tenant	\$9	\$13	\$17
Water Heating - Electric	Tenant	\$15	\$19	\$24
Water	Tenant	\$27	\$40	\$60
Sewer	Tenant	\$38	\$54	\$78
Trash	Landlord	\$20	\$20	\$20
<b>TOTAL - Paid By Landlord</b>		<b>\$20</b>	<b>\$20</b>	<b>\$20</b>
<b>TOTAL - Paid By Tenant</b>		<b>\$142</b>	<b>\$194</b>	<b>\$261</b>
<b>TOTAL - Paid By Tenant Provided by Developer</b>		<b>\$131</b>	<b>\$155</b>	<b>\$173 - \$261</b>
<b>DIFFERENCE</b>		<b>92%</b>	<b>80%</b>	<b>66% - 100%</b>

Source: Richmond Redevelopment and Housing Authority, August 2022

**Unit Mix:**

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

<b>UNIT MIX AND SQUARE FOOTAGE</b>			
<b>Unit Type</b>	<b>Number of Units</b>	<b>Unit Size (SF)</b>	<b>Net Leasable Area</b>
1BR / 1BA	24	705	16,920
2BR / 2BA	24	956	22,944
3BR / 2BA	24	1,113	26,712
<b>TOTAL</b>	<b>72</b>		<b>66,576</b>

**Net Leasable Area:**

Approximately 66,576 square feet as outlined in the table above.

**Unit Amenities:**

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

**Common Area Amenities:**

The Subject will feature access to a clubhouse/community room, central laundry, off-street parking, on-site management, an exercise facility, a playground, a picnic area, and recreation areas. Note that the community amenities will be shared with 700 West 44 – 9%.

**Parking:**

The Subject will share parking with 700 West 44 - 9%. The developments will offer a total of 210 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 1.5 space per unit. Overall, the parking offered at the Subject is reasonable.

**Number of Stories and Buildings:**

The Subject will offer three-story, garden-style buildings. The Subject and 700 West 44 – 9% will feature six total buildings.

**Americans with Disabilities Act of 1990:**

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

**Quality of Construction Condition and Deferred Maintenance:**

We expect the Subject to be constructed using good-quality materials. As new construction, the Subject will not suffer from deferred maintenance and will be in excellent condition.

**Functional Utility:**

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

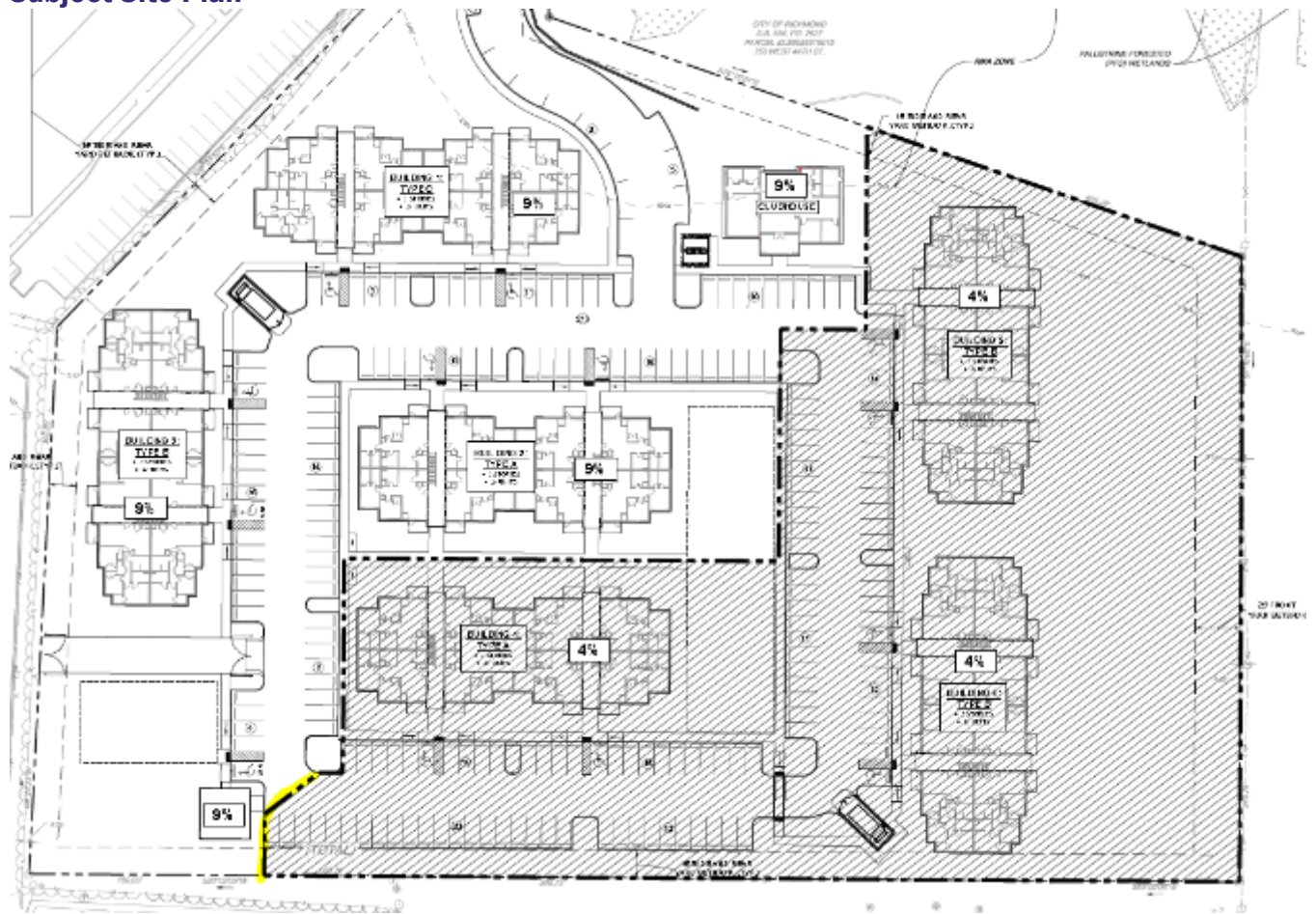
**Conclusion:**

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

**Site Plans:**

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

### Subject Site Plan



Source: Sponsor, June 2023

**Property Profile Report**

700 W. 44th Street 4%	
Location	700 W. 44th Street Richmond, VA 23225 Richmond City County
Distance	n/a
Units	72
Type	Garden (3 stories)
Year Built / Renovated	2025 / n/a

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

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Garden (3 stories)	24	705	\$1,047	\$0	@60%	n/a	N/A	N/A	N/A	
2	2	Garden (3 stories)	24	956	\$1,258	\$0	@60%	n/a	N/A	N/A	N/A	
3	2	Garden (3 stories)	18	1,113	\$1,605	\$0	@50% (PBRA)	n/a	N/A	N/A	N/A	
3	2	Garden (3 stories)	6	1,113	\$1,460	\$0	@60%	n/a	N/A	N/A	N/A	

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

**Comments**

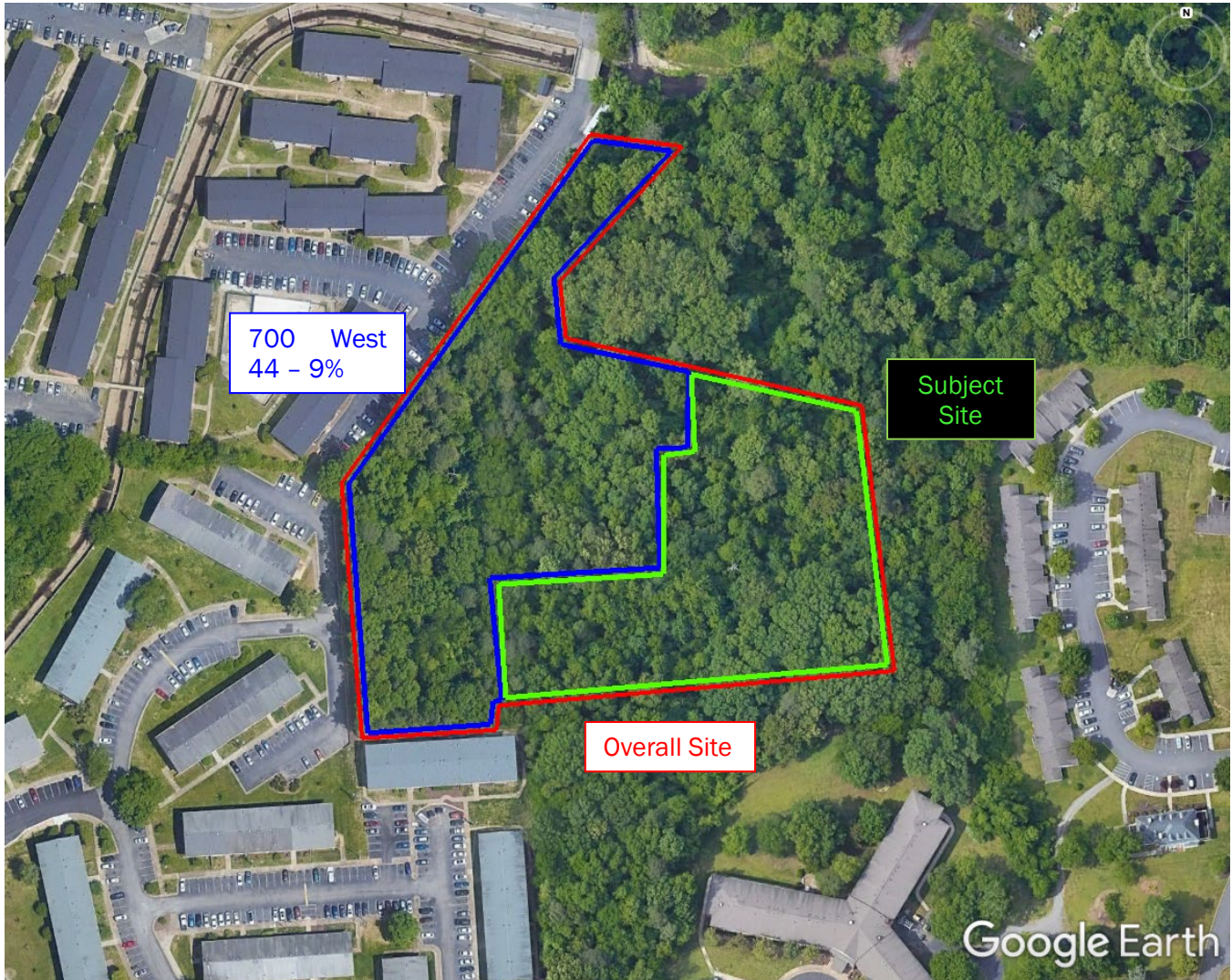
The Subject will offer 72 units, of which all units will be LIHTC restricted to 50 and 60 percent of AMI. The Subject will offer 24 one-bedroom units, 24 two-bedroom units, and 24 three-bedroom units. Additionally, 18 three-bedroom units restricted at 50 percent of AMI will benefit from a project-based voucher subsidy, where tenants will pay 30 percent of their income towards rent



## **D. LOCATION**

## LOCATION

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



Source: Google Earth, June 2023. Note that the Subject will feature access through the nine percent component.

### Subject Site Description:

The Subject will be located at 700 W. 44<sup>th</sup> Street in Richmond, Virginia 23225. Note that the Subject will feature access through the nine percent component.

### Size:

The Subject site is 3.17 acres, or 138,085 square feet. Note that the Subject site is located on a 6.62-acre parcel, which will be split as part of the Subject development. The remainder of the parcel will be utilized for 700 West 44 – 9%, which will be developed concurrently with the Subject.

### Shape:

The Subject site is irregular in shape.

**Frontage:** The Subject will be accessible via W. 46<sup>th</sup> Street through the nine-percent component of 700 West 44. However, the Subject will not feature direct frontage.

**Topography:** The Subject site exhibits generally flat topography.

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

**Visibility/Views:** The Subject site has good visibility from West 46<sup>th</sup> Street. Views to the north consist of undeveloped wooded land. Views to the east consist of undeveloped wooded land. Views to the south consist of Charnwood Forest Apartments a 101-unit LIHTC senior development that has been excluded from our analysis due to its dissimilar tenancy, and undeveloped wooded land. Views to the west consist of vacant land which will be utilized for the development of 700 West 44 – 9%. Overall, views and visibility are both considered average.

**Surrounding Uses:** The Subject is located in a mixed-use neighborhood southwest of Downtown Richmond. The Subject site is rated as “Car-Dependent” by Walk Score with a score of 40, indicating that most errands require a car. The following depicts the surrounding uses of the Subject.



Undeveloped land north of Subject site



Single-family home north of Subject site

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



Forest Hill Park northeast of Subject site



Single-family home east of Subject site

East: Land use to the east consists of Norcroft Townhomes, a 108-unit market rate senior property that was excluded from our analysis due to its dissimilar tenancy. We were unable to contact the property for current vacancies or waiting list details. Farther east consists of vacant land.



404 Rivertowne Apartment Homes south of Subject site



Commercial property south of Subject site

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



Ashton Square west of Subject site



Commercial property northwest of Subject site

West: Land uses west of the Subject consist of vacant land which will be utilized for the development of 700 West 44 – 9%. Farther west uses consist of Ashton Square, a 368-unit market rate development that has been utilized as a comparable in our analysis, and undeveloped vacant land.

**Access and Traffic Flow:**

The Subject will not feature direct frontage. However, the development will be accessible via the nine-percent component, which will have frontage along West 46<sup>th</sup> Street, and the parking lot will be accessible via the east side of West 46<sup>th</sup> Street. West 46<sup>th</sup> Street is a two-lane residential roadway running north and south through the Subject’s neighborhood. West 46<sup>th</sup> Street provides access to Forest Hill Avenue to the north. Forest Hill Avenue traverses northwest/ southeast throughout southern Richmond, and provides access to U.S. Route 60 to the east which provides access into Downtown Richmond to the northeast. Forest Hill Avenue also provides access to State Route 76 to the west. State Route 76 traverses southwest/northeast and becomes Interstate 64 and Interstate 95 to the north. Interstate 64 traverses east/west and provides access to Charlottesville 72.9 miles to the west and Norfolk 99.0 miles to the east. Interstate 95 traverses north/south throughout the eastern United States and provides access to Washington, DC 110.0 miles to the north. Overall, traffic in the Subject’s immediate area is considered light, and access is considered good.

**Layout and Curb Appeal:**

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

**Drainage:**

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

**Soil and Subsoil Conditions:**

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

**Detrimental Influences:**

No potential detrimental influences were identified.

**Flood Plain:**

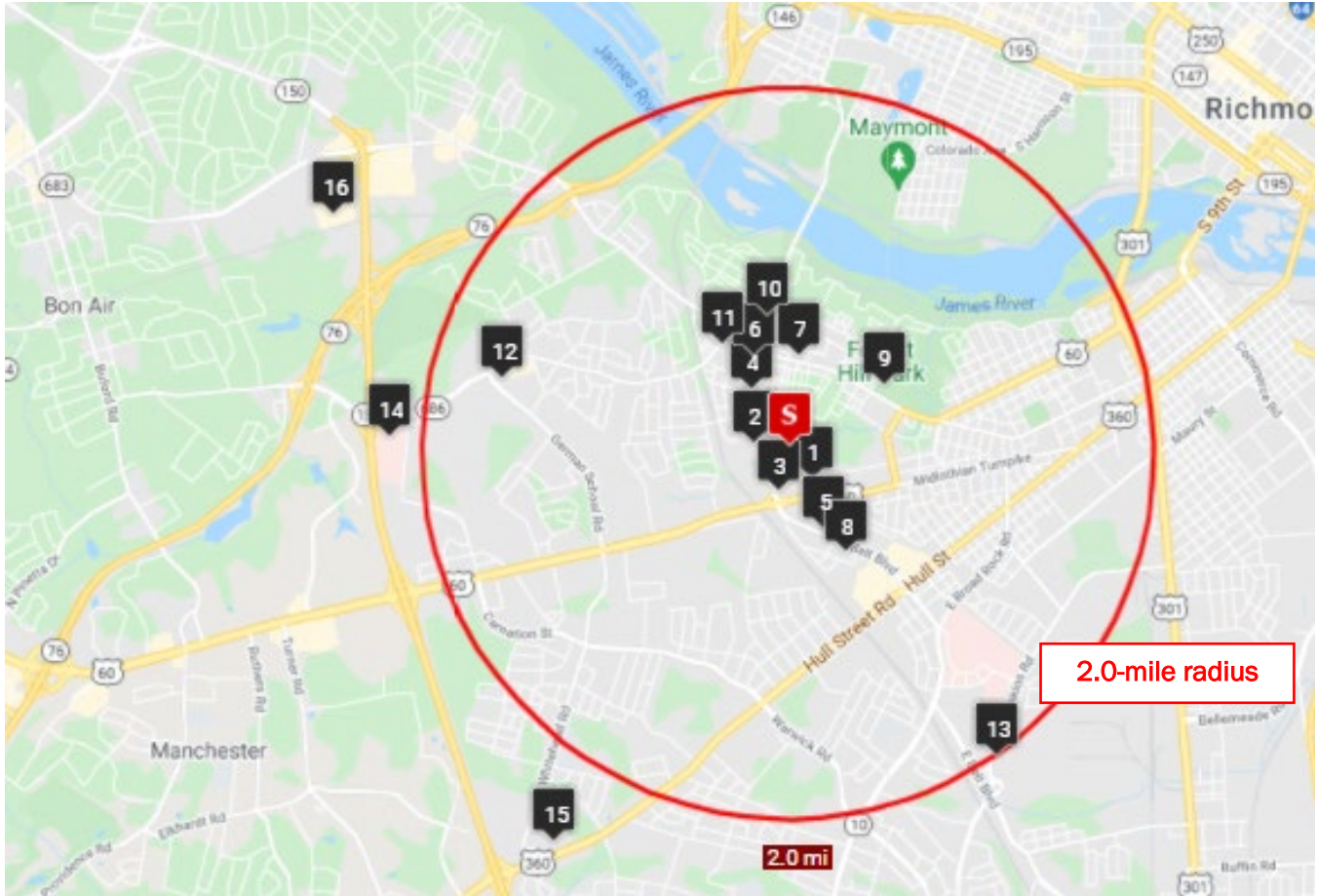
According to Flood Insights and Flood Insurance Rate Map Community Panel Number 5101290038D, dated April 2009, the northern portion of the Subject site is adjacent to Zone AE, which is defined as a Special Flood Hazard Area. However, the central portion of the Subject site, where the Subject's proposed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



Source: FEMA Flood Map Service Center

**Locational Amenities:**

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



Source: Google Earth, June 2023

**LOCATIONAL AMENITIES**

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

**Public Transportation:**

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

**Crime Statistics:**

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

**2022 CRIME INDICES**

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

Source: Esri Demographics 2022, Novogradac, June 2023

\*Unweighted aggregations

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

**Conclusion:**

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



**PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD (TAKE FEBRUARY 15, 2023)**



View of Subject site facing north



View of Subject site facing northeast



View of Subject site facing east



View of Subject site facing east



View of Subject site facing west



View of Subject site facing west



View south along Westover Hills Boulevard



View north along Westover Hills Boulevard



404 Rivertowne Apartment Homes (comparable) south of Subject



Ashton Square (comparable) west of Subject



The Park at Forest Hill (comparable) east of Subject



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

## **E. MARKET AREA DEFINITION**

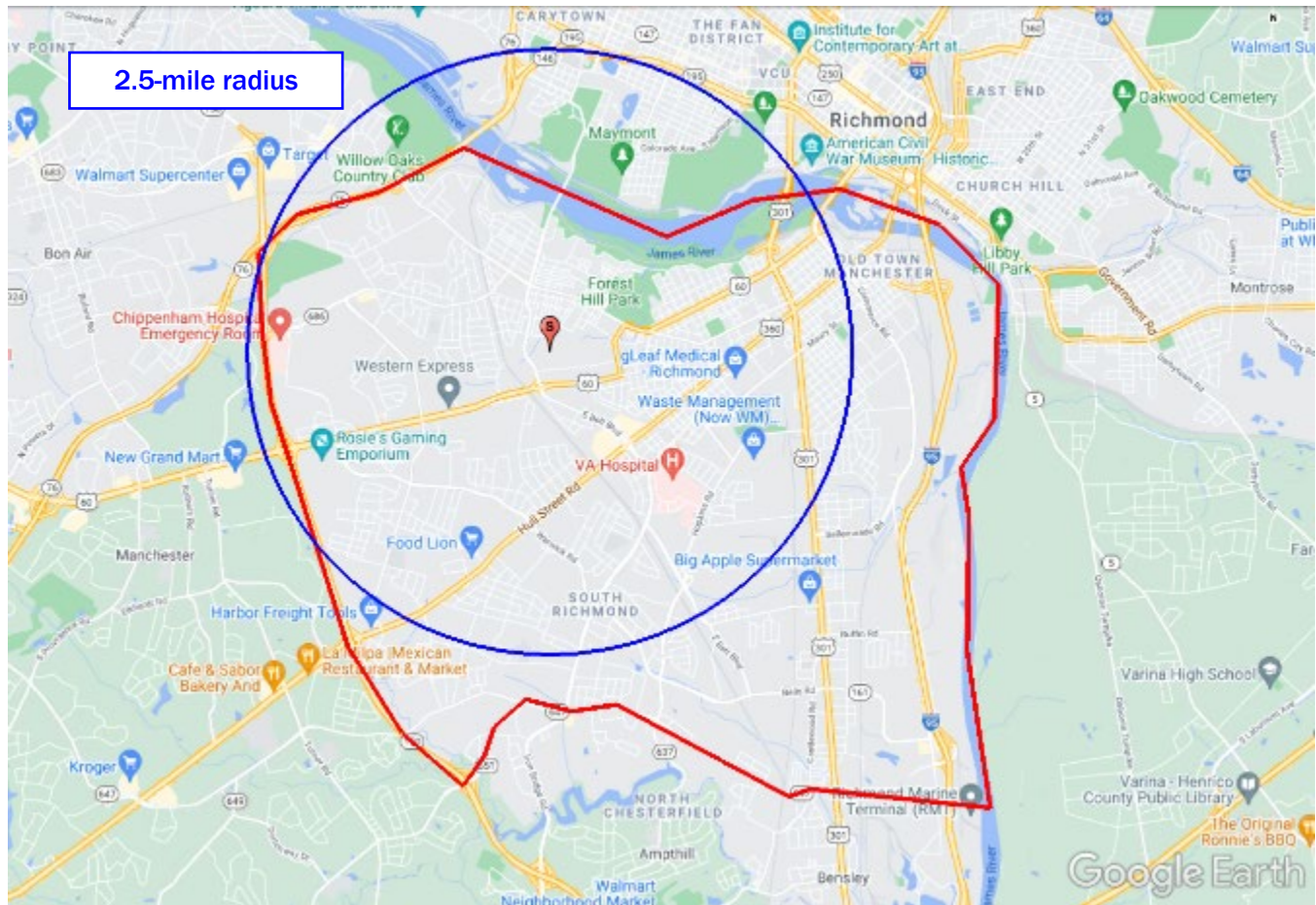
## MARKET AREA

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

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

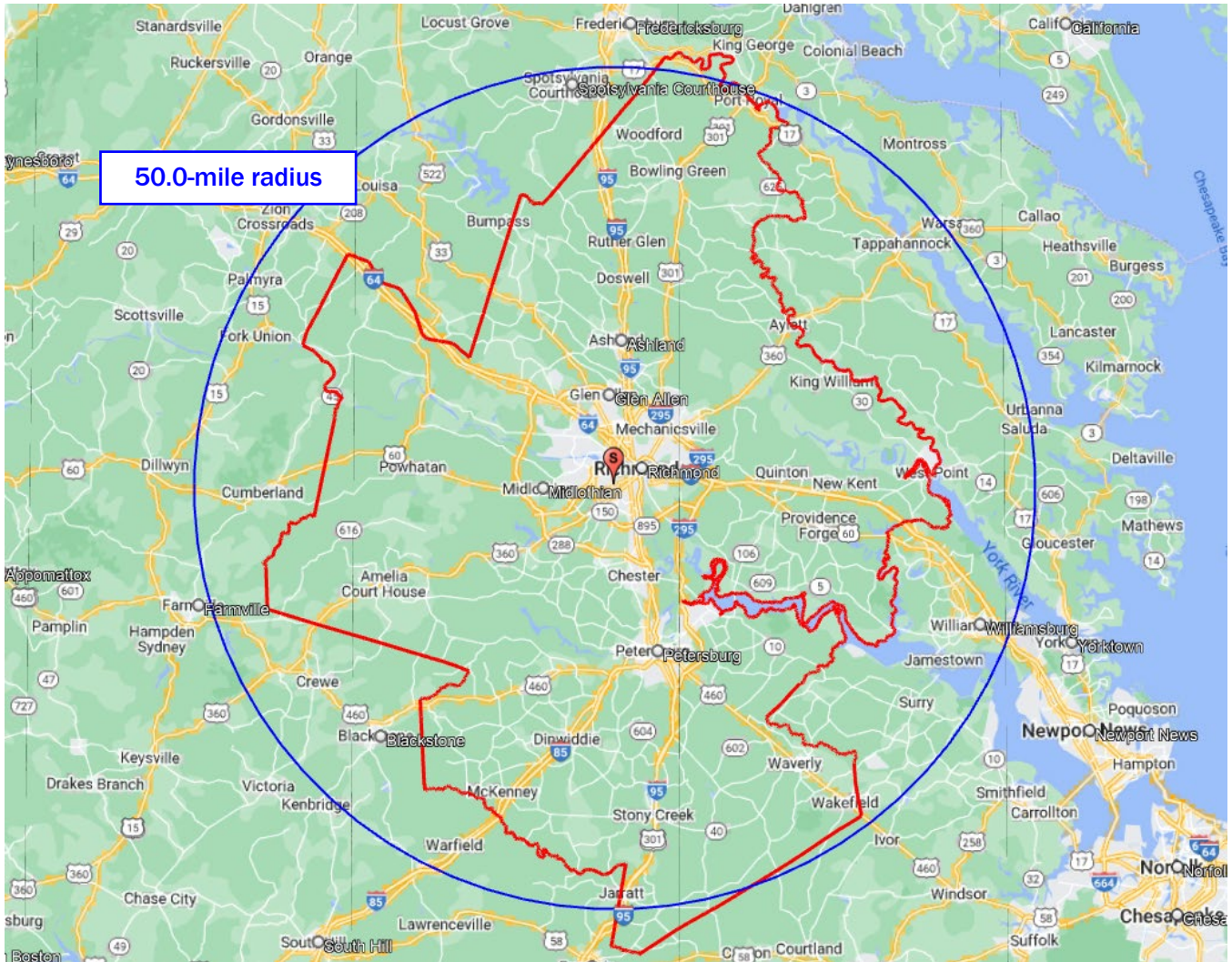
The Richmond, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA), which includes the cities of Richmond, Petersburg, Hopewell, and Colonial Heights, as well as the counties of Amelia, Caroline, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, King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

### Primary Market Area Map



Source: Google Earth, June 2023

### Metropolitan Statistical Area (MSA) Map



Source: Google Earth, June 2023

# **F. EMPLOYMENT AND ECONOMY**

## ECONOMIC ANALYSIS

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

### Employment by Industry

The following chart illustrates employment by industry as of 2022.

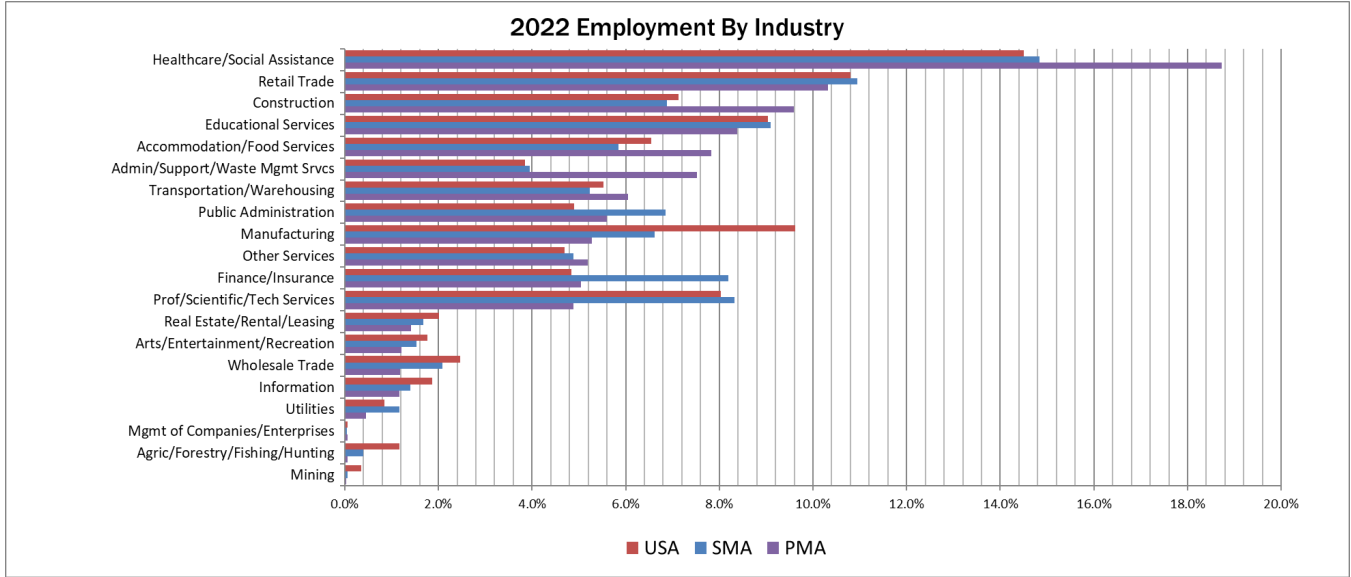
#### 2022 EMPLOYMENT BY INDUSTRY

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

Source: Esri Demographics 2022, Novogradac, June 2023

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





**Growth by Industry**

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

**2010-2022 CHANGE IN EMPLOYMENT - PMA**

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

Source: Esri Demographics 2022, Novogradac, June 2023

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

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

### Major Employers

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

#### MAJOR EMPLOYERS RICHMOND CITY

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

Source: Greater Richmond Partnership, Retrieved June 2023

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

## Employment Expansion/Contractions

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

### WARN LISTINGS RICHMOND CITY

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

Source: Virginia Employment Commission, Retrieved June 2023

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

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

- In May 2023, Richmond National Group, an insurance company, announced it will be investing \$350 million to expand its headquarters in Richmond. The expansion is expected to create 103 new jobs.
- In March 2023, SanMar, a wholesale accessories and apparel company, announced it will be investing \$50 million to establish a new distribution center in the northern Richmond area. The project is expected to create approximately 1,000 new jobs.
- In November 2022, CoStar, a real estate information and analytics company, broke ground on the company's new \$460 million, 26-story, 750,000 square foot office and retail space. The expansion is expected to create 2,000 new jobs.
- In November 2022, Super Radiator Coils completed a 56,000 square foot expansion of their existing manufacturing facility in northern Chesterfield County. The expansion marks the third expansion of the specialty coil manufacturer and will add up to 50 additional jobs.
- In August 2022, the LEGO group, a toys producer, announced that it will invest over \$1 billion to establish a new manufacturing plant in Chesterfield. The firm will be expanding into 1.7 million square foot facility, creating over 1,760 jobs for the Greater Richmond area.
- In July 2022, EAB, a marketing and recruitment firm, expects to add at least 200 jobs with a \$6 million expansion in the Henrico County area. The firm will be expanding into a new 70,000 square foot space.
- In July 2022, Mondelez International Inc., a snack food company, opened a 68,000 square foot expansion of its Richmond location and completed the construction of a new sales fulfillment center which is expected to create 80 new jobs. Over the next three years, the estimated investment of \$122.5 million will support the companies supply chain operations in the area.
- In March 2022, Walgreens announced it will invest \$34.2 million to establish a new micro-fulfillment center in Hanover County. The new expansion is expected to create 250 new jobs.
- In March 2022, Thermo Fisher Scientific, a supplier of scientific instrumentation, announced it will add 500 people to its workforce in and around Richmond, VA, through a \$97 million expansion of clinical research operations. The company said it plans to open three new bioanalytical labs totaling nearly 150,000 square feet of space over the next three years.

## Employment and Unemployment Trends

The table below illustrates the total workforce, total employed, and unemployment rate for the Richmond, VA MSA from 2007 to 2023 (year to date) with comparisons between April 2022 to April 2023.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	594,827	-	3.40%	-	146,046,667	-	4.60%	-
2008	600,856	1.0%	4.5%	1.1%	145,362,500	-0.5%	5.8%	1.2%
2009	577,465	-3.9%	7.7%	3.2%	139,877,500	-3.8%	9.3%	3.5%
2010	578,211	0.1%	8.2%	0.5%	139,063,917	-0.6%	9.6%	0.3%
2011	589,751	2.0%	7.3%	-0.9%	139,869,250	0.6%	9.0%	-0.7%
2012	599,925	1.7%	6.5%	-0.9%	142,469,083	1.9%	8.1%	-0.9%
2013	608,832	1.5%	5.9%	-0.5%	143,929,333	1.0%	7.4%	-0.7%
2014	621,804	2.1%	5.4%	-0.5%	146,305,333	1.7%	6.2%	-1.2%
2015	628,844	1.1%	4.6%	-0.8%	148,833,417	1.7%	5.3%	-0.9%
2016	638,687	1.6%	4.1%	-0.5%	151,435,833	1.7%	4.9%	-0.4%
2017	653,224	2.3%	3.8%	-0.2%	153,337,417	1.3%	4.3%	-0.5%
2018	659,579	1.0%	3.2%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	669,080	1.4%	2.9%	-0.2%	157,538,083	1.1%	3.7%	-0.2%
2020	632,928	-5.4%	7.0%	4.0%	147,794,750	-6.2%	8.1%	4.4%
2021	649,799	2.7%	4.2%	-2.8%	152,580,667	3.2%	5.4%	-2.7%
2022	678,487	4.4%	3.0%	-1.2%	158,291,083	3.7%	3.6%	-1.7%
2023 YTD Average*	696,310	2.6%	3.0%	0.0%	160,055,250	1.1%	3.6%	0.0%
Apr-22	675,534	-	2.5%	-	157,991,000	-	3.3%	-
Apr-23	705,388	4.4%	2.6%	0.1%	161,075,000	2.0%	3.1%	-0.2%

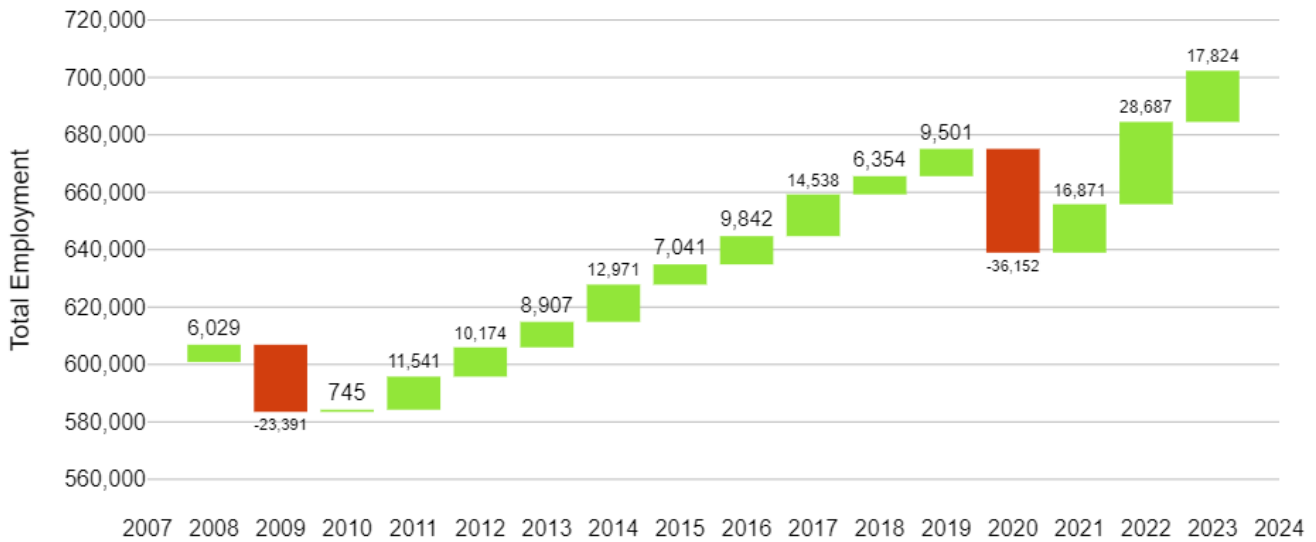
Source: U.S. Bureau of Labor Statistics, June 2023

\*2023 YTD Average is through April

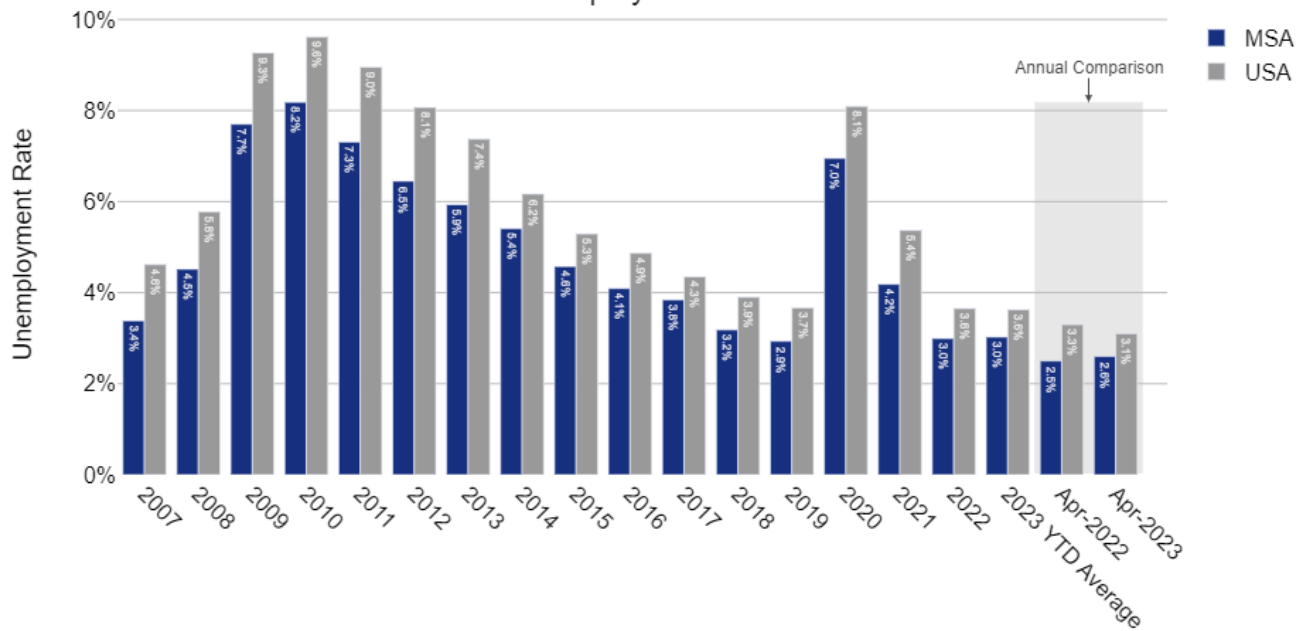
Employment in the MSA recovered and surpassed pre-Great Recession levels in 2013, a year earlier than the nation. During the period preceding the onset of COVID-19 (2012 - 2019), job growth in the MSA was generally similar to the nation. Employment in the MSA declined sharply by 5.4 percent in 2020 amid the pandemic, less than the overall nation. From April 2022 to April 2023, employment in the MSA increased at an annualized rate of 4.4 percent, compared 2.0 percent growth across the nation.

During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a lower unemployment rate relative to the nation. The MSA unemployment rate increased by 4.0 percentage points in 2020 amid the pandemic, compared to a 4.4 percentage point increase for the overall nation. According to the latest labor statistics, the current MSA unemployment rate is 2.6 percent, slightly lower than the current national unemployment rate of 3.1 percent. Overall, the local economy appears to have recovered from the effects of the pandemic, though estimates of future economic growth are cautious due to recent concerns of inflation and potential recession.

### MSA Job Growth



### Unemployment Rate



## Wages by Occupation

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

### RICHMOND, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2022 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
<b>All Occupations</b>	<b>629,790</b>	<b>\$28.88</b>	<b>\$60,060</b>
Management Occupations	34,490	\$63.83	\$132,760
Legal Occupations	6,290	\$56.89	\$118,340
Computer and Mathematical Occupations	25,720	\$50.40	\$104,840
Healthcare Practitioners and Technical Occupations	41,130	\$43.44	\$90,350
Architecture and Engineering Occupations	8,360	\$43.21	\$89,880
Business and Financial Operations Occupations	57,800	\$39.71	\$82,590
Life, Physical, and Social Science Occupations	5,530	\$34.86	\$72,500
Arts, Design, Entertainment, Sports, and Media Occupations	8,080	\$31.47	\$65,450
Educational Instruction and Library Occupations	36,120	\$28.59	\$59,460
Installation, Maintenance, and Repair Occupations	26,460	\$26.08	\$54,240
Community and Social Service Occupations	15,860	\$25.41	\$52,850
Protective Service Occupations	16,480	\$24.09	\$50,110
Construction and Extraction Occupations	28,460	\$24.07	\$50,060
Sales and Related Occupations	57,670	\$23.27	\$48,410
Production Occupations	23,050	\$21.61	\$44,960
Office and Administrative Support Occupations	81,000	\$21.24	\$44,170
Transportation and Material Moving Occupations	56,400	\$19.76	\$41,100
Farming, Fishing, and Forestry Occupations	660	\$19.22	\$39,980
Personal Care and Service Occupations	12,970	\$16.26	\$33,810
Healthcare Support Occupations	20,930	\$16.10	\$33,480
Building and Grounds Cleaning and Maintenance Occupations	17,310	\$15.79	\$32,850
Food Preparation and Serving Related Occupations	49,030	\$14.75	\$30,690

Source: Department Of Labor, Occupational Employment Statistics, 5/2022, retrieved 6/2023

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$14.75 per hour. The highest average hourly wage, of \$63.83, is for those in management occupations. Qualifying income for the Subject's affordable units will range between zero and \$69,120 as proposed and between \$41,143 and \$69,120 absent subsidy. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

## Commuting Patterns

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

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

Source: US Census 2022, Novogradac, June 2023

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

## Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and construction industries, which collectively comprise 38.6 percent of local employment. The large share of PMA employment in the retail trade and construction is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which historically exhibits greater stability during economic downturns. Employment in the MSA declined sharply by 5.4 percent in 2020 amid the pandemic, slightly less than the overall nation. From April 2022 to April 2023, employment in the MSA increased at an annualized rate of 4.4 percent, compared 2.0 percent growth across the nation. The MSA unemployment rate increased by 4.0 percentage points in 2020 amid the pandemic, compared to a 4.4 percentage point increase for the overall nation. According to the latest labor statistics, the current MSA unemployment rate is 2.6 percent, slightly lower than the current national unemployment rate of 3.1 percent. Overall, the local economy appears to have recovered from the effects of the pandemic, though estimates of future economic growth are cautious due to recent concerns of inflation and potential recession.



## **G. DEMOGRAPHIC CHARACTERISTICS**

## DEMOGRAPHIC CHARACTERISTICS

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

### POPULATION

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

Source: Esri Demographics 2022, Novogradac, June 2023

### HOUSEHOLDS

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

Source: Esri Demographics 2022, Novogradac, June 2023

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

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

Population by Age

POPULATION BY AGE IN 2022

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

Source: Esri Demographics 2022, Novogradac, June 2023

POPULATION BY AGE IN 2027 ESTIMATE

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

Source: Esri Demographics 2022, Novogradac, June 2023

## General Household Income Distribution

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

### HOUSEHOLD INCOME PMA

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

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

### HOUSEHOLD INCOME SMA

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

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

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

### General Household Size Distribution

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

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

Source: Esri Demographics 2022, Novogradac, June 2023

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

### General Household Tenure

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

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

Source: Esri Demographics 2022, Novogradac, June 2023

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

### General Renter Household Income Distribution

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

#### RENTER HOUSEHOLD INCOME

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

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

#### RENTER HOUSEHOLD INCOME

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

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

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

## Household Size Distribution

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

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

Source: Esri Demographics 2022, Novogradac, June 2023

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

## Renter Household Size Distribution

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

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

Source: Esri Demographics 2022, Novogradac, June 2023

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

## Median Household Income Levels

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

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

Source: Esri Demographics 2022, Novogradac, June 2023

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

### Rent Overburdened Households

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

#### RENT OVERBURDENED

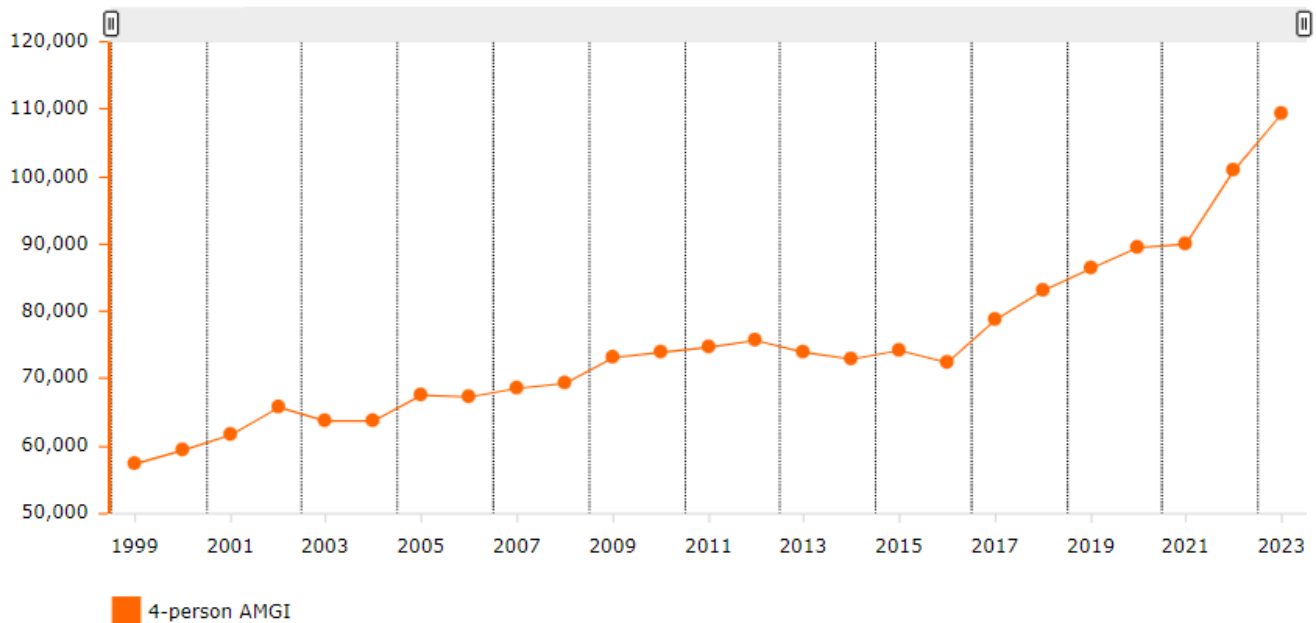
Year	PMA		Richmond, VA Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2022	6,843	46.3%	62,021	41.2%	16,657,944	42.7%

Source: Esri Demographics 2022, Novogradac, June 2023

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

### Area Median Income

The following chart illustrates the area median gross income (AMGI) of a four-person household in the City of Richmond, MSA between 1999 and 2023.



### Average Increase (AMGI): 2.7%/year

Source: Novogradac, June 2023

The AMI increased at an annual rate of 2.7 percent between 1999 and 2022. Over 84 percent of counties in the nation experienced an increase in AMI in 2017. This was also true in the City of Richmond, which also increased each year through 2022 and is at peak level. Rising AMI levels bode well for future rent growth at



affordable developments, such as the proposed Subject. The following table details the change in AMI over the past five years.

RICHMOND CITY AMI GROWTH (2013-2023)											
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
AMI	\$73,900	\$72,900	\$74,200	\$72,400	\$78,700	\$83,200	\$86,400	\$89,400	\$90,000	\$101,000	\$109,400
Percentage	-2.2%	-1.4%	1.8%	-2.4%	8.7%	5.7%	3.8%	3.5%	0.7%	12.2%	8.3%

The Subject’s proposed LIHTC rents are set slightly below the maximum allowable levels. Thus, the Subject’s LIHTC rent increases will be directly dependent on future increases in AMI and rent increases in the market. Further, the proposed contract rents are set above the maximum allowable rents levels and would need to be lowered to the achievable LIHTC rent levels in the event that the Subject were to lose its subsidy. Therefore, these rents would be dependent on future increase in AMI and rent increases in the market.

**Conclusion**

Since 2000, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2027. As of 2022, approximately 70.8 percent of renter households within the PMA have annual incomes below \$50,000, compared to 35.4 percent of renter households in the MSA. As proposed, the incomes for the Subject will range from zero to \$69,120. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units.

# **H. COMPETITIVE ENVIRONMENT**

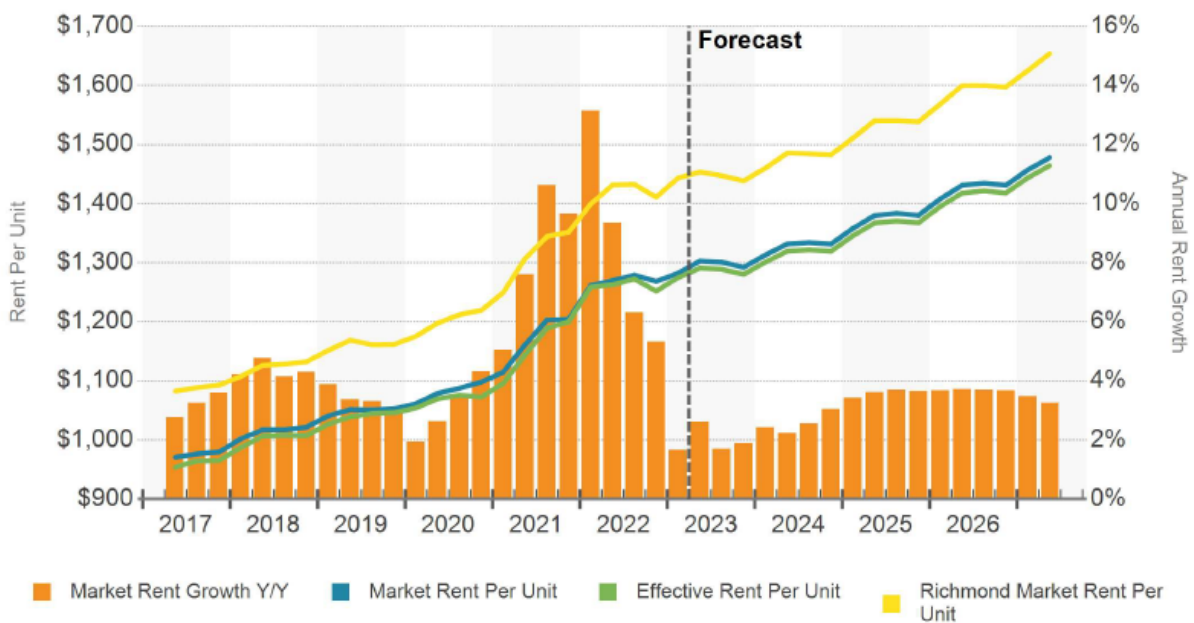
## HOUSING SUMMARY

Based on the June 2023 report from CoStar, South Richmond experienced a 3.2 percent increase in vacancy rates over the past year.

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	4,270	6.9%	\$1,528	\$1,510	124	118	769
3 Star	5,185	8.1%	\$1,315	\$1,309	43	0	15
1 & 2 Star	6,175	11.0%	\$1,104	\$1,097	(35)	0	0
<b>Submarket</b>	<b>15,630</b>	<b>8.9%</b>	<b>\$1,296</b>	<b>\$1,286</b>	<b>132</b>	<b>118</b>	<b>784</b>

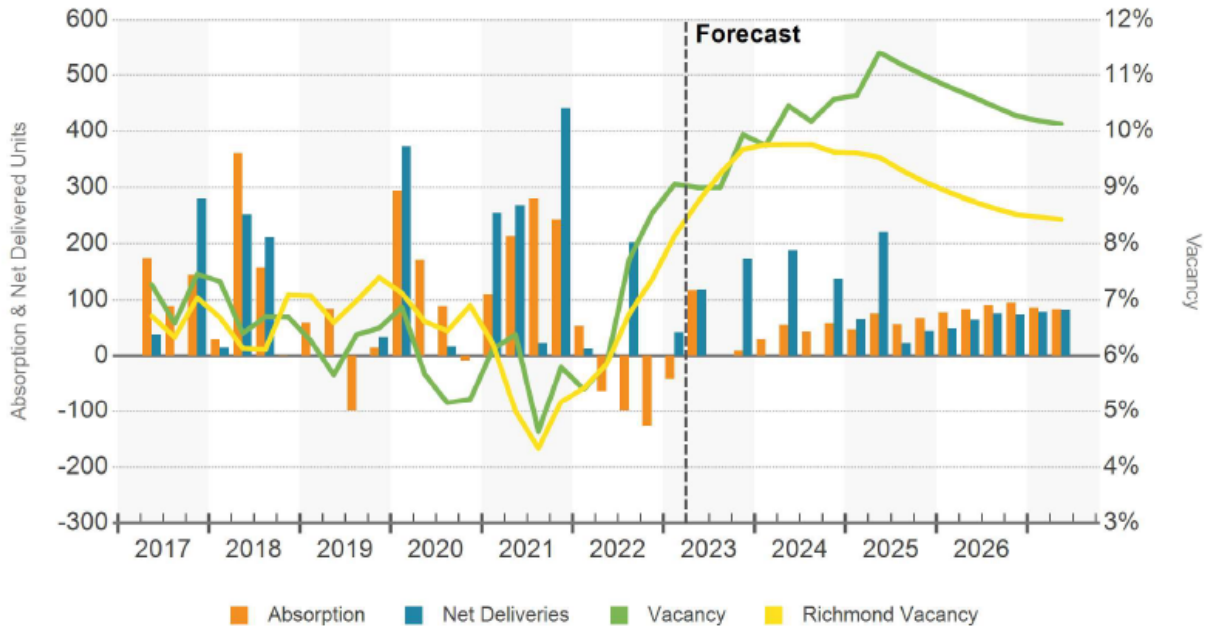
Source: CoStar, June 2023

### MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, June 2023

**ABSORPTION, NET DELIVERIES & VACANCY**



Source: CoStar, June 2023

As illustrated in the tables and charts above, average asking rents increased 2.2 percent over the last year and are expected to increase at a slower pace through 2025. The vacancy rate for the South Richmond submarket is currently 8.9 percent and is projected to increase through 2025, before declining slightly through 2027. Note there were a high number of net deliveries in 2021 and 2022 within Richmond.

**Age of Housing Stock**

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

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

Source: US Census American Community Estimates, June 2023

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

### Substandard Housing

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

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

Source: Esri Demographics 2022, Novogradac, June 2023

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

### Building Permits

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

BUILDING PERMITS: RICHMOND CITY 2000 - 2023*				
Year	Single-family and Duplex	Three and Four- Family	Five or More Family	Total Units
2000	194	76	0	270
2001	181	3	99	283
2002	169	35	312	516
2003	285	68	142	495
2004	327	0	71	398
2005	525	3	226	754
2006	497	18	214	729
2007	362	0	202	564
2008	257	0	101	358
2009	141	0	220	361
2010	150	0	457	607
2011	98	3	242	343
2012	221	0	619	840
2013	134	4	711	849
2014	220	0	331	551
2015	278	4	241	523
2016	304	10	196	510
2017	328	10	979	1,317
2018	293	0	270	563
2019	353	15	872	1,240
2020	298	0	725	1,023
2021	504	0	563	1,067
2022	457	9	2,192	2,658
2023*	771	4	671	1,446
<b>Total</b>	<b>7,347</b>	<b>262</b>	<b>10,656</b>	<b>18,265</b>
<b>Average*</b>	<b>306</b>	<b>11</b>	<b>444</b>	<b>761</b>

\*YTD, preliminary

Source: US Census Bureau Building Permits, June 2023

As illustrated in the previous table, since 2000, approximately 40.2 percent of the residential units permitted in the city of Richmond have been single-family and duplex homes, while 59.8 percent of the residential units permitted have been for five or more families.

## Rent/Buy Analysis

We performed a rent/buy analysis for three-bedroom units at the Subject. Our inputs assume a three-bedroom home on www.zillow.com in the Subject’s neighborhood with a purchase price of \$346,000 and an interest rate of 6.9 percent with a 10 percent down payment. This was compared to the cost to rent the Subject’s three-bedroom proposed LIHTC units at 60 percent. This analysis indicates that with a monthly differential of \$1,142, it is more affordable to rent from the Subject than to purchase a three-bedroom home in the Subject’s neighborhood. As illustrated, the “cost of occupancy” category adds \$44,980 for the down payment and closing costs. The cash necessary for homeownership is still a barrier for many families. In general, first-time homebuyers have difficulty saving for a down payment. Furthermore, since the recession, higher standards for credit has made it more difficult than ever for buyers with less than perfect credit to obtain financing. For these reasons, we believe the Subject will face limited competition from homeownership.

<b>RENT BUY ANALYSIS</b>			
<b>Property Type:</b>	<b>Three-Bedroom Single Family Home</b>		
Sale Price			\$346,000
Down Payment at 10%			\$34,600
Mortgage Amount			\$311,400
Current Interest Rate			6.90%
	<i>Homeownership Costs</i>	<i>Monthly</i>	<i>% of Home Value</i>
Mortgage Payment		\$2,051	\$24,611
Property Taxes		\$360	1.25%
Private Mortgage Insurance <sup>1</sup>		\$130	0.50%
Maintenance		\$577	2.00%
Utility Costs <sup>2</sup>		\$20	\$240
Tax Savings		-\$536	-\$6,428
<b>Cost Comparison</b>			
		<i>Monthly</i>	<i>Annual</i>
Costs of Homeownership		\$2,602	\$31,225
Cost of Renting At Subject	-	\$1,460	\$17,520
<b>Differential</b>		<b>\$1,142</b>	<b>\$13,705</b>
<b>Cost of Occupancy</b>			
	<i>Homeownership</i>		
Closing Costs		3.0%	\$10,380
Down Payment at 10%		10.0%	\$34,600
<b>Total</b>			<b>\$44,980</b>
	<i>Subject Rental</i>		
First Month's Rent		\$1,460	
Security Deposit		<u>\$1,460</u>	
<b>Total</b>		<b>\$2,920</b>	

(1) Based upon 0.50 percent of mortgage amount.

(2) Utility Costs Included in Rent at Subject

### Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a June 2023 CoStar report, conducted an internet search and attempted to contact the Planning & Development Review for the City of Richmond. However, our calls have not been returned to date. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

#### PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
Brady Square	LIHTC	Family	132	88	Proposed	3.0 miles
The View at Bele Isle	LIHTC	Family	116	116	Proposed	2.5 miles
Heights at Brady Square	LIHTC	Family	264	178	Under Construction	2.9 miles
Urbana at Hioaks	LIHTC	Family	216	216	Under Construction	2.1 miles
Arbors at Hull St	LIHTC	Senior	245	0	Under Construction	1.7 miles
13 E 3rd St	Market	Family	235	0	Proposed	2.8 miles
1407 Hull St	Market	Family	60	0	Proposed	2.2 miles
201 W Commerce Rd	Market	Family	250	0	Proposed	2.5 miles
4703 Forest Hill Ave	Market	Family	40	0	Proposed	0.5 miles
500 Maury St	Market	Family	143	0	Proposed	2.8 miles
5069 Forest Hill Ave	Market	Family	30	0	Proposed	0.7 miles
600 Decatur St	Market	Family	167	0	Proposed	2.7 miles
Avery Hall	Market	Family	500	0	Proposed	2.6 miles
Belle Heights Phase 2	Market	Family	200	0	Proposed	1.7 miles
Lighthouse Lofts	Market	Family	24	0	Proposed	2.3 miles
Overlook II	Market	Family	271	0	Proposed	2.7 miles
The Element Apartments	Market	Family	290	0	Proposed	3.0 miles
The Gallery	Market	Family	86	0	Proposed	2.4 miles
1421 Bainbridge St	Market	Family	15	0	Under Construction	2.2 miles
Eddy On The James	Market	Family	221	0	Under Construction	2.5 miles
The Commodore	Market	Family	173	0	Under Construction	2.6 miles
The Cove Apartments	Market	Family	65	0	Under Construction	2.7 miles
The Navigator	Market	Family	188	0	Under Construction	2.9 miles
The Village at Westlake II	Market	Family	122	0	Under Construction	1.7 miles
<b>Totals</b>			<b>4,053</b>	<b>598</b>		

Source: CoStar, June 2023

Nineteen of the 24 properties that are currently planned, proposed, under construction, or recently completed will be market rate, and thus will not directly compete with the Subject. Brady Square, The View at Belle Isle, Heights at Brady Square, Urbana at Hioaks, and Arbors at Hull St are proposed or under construction LIHTC developments which will be discussed in the following section. Overall, 598 units at the proposed developments will be directly competitive with the Subject.

RECENT LIHTC ALLOCATIONS IN PMA

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

Source: Virginia Housing, June 2023

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

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

The Subject will be developed concurrently with 700 West 44 - 9%, a proposed 72-unit LIHTC development offering one, two, and three-bedroom units at 30, 40, 50, and 60 percent of AMI. Additionally, 19 units rent restricted at 40 and 50 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. The property will be located adjacent to the Subject. **Note that the demand analysis accounts for the Subject as well as the**



**proposed nine percent component which will be developed concurrently. Therefore, we have accounted for any units that will be competitive with the Subject and the nine percent component.** Additionally, Townes at River South and Lafayette Gardens represent existing developments that are proposed for rehabilitation; these properties have been accounted for as existing competitive properties. Overall, we have deducted 702 units, both as proposed and absent subsidy, in the demand analysis section of this report.

## SURVEY OF COMPARABLE PROPERTIES

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

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

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

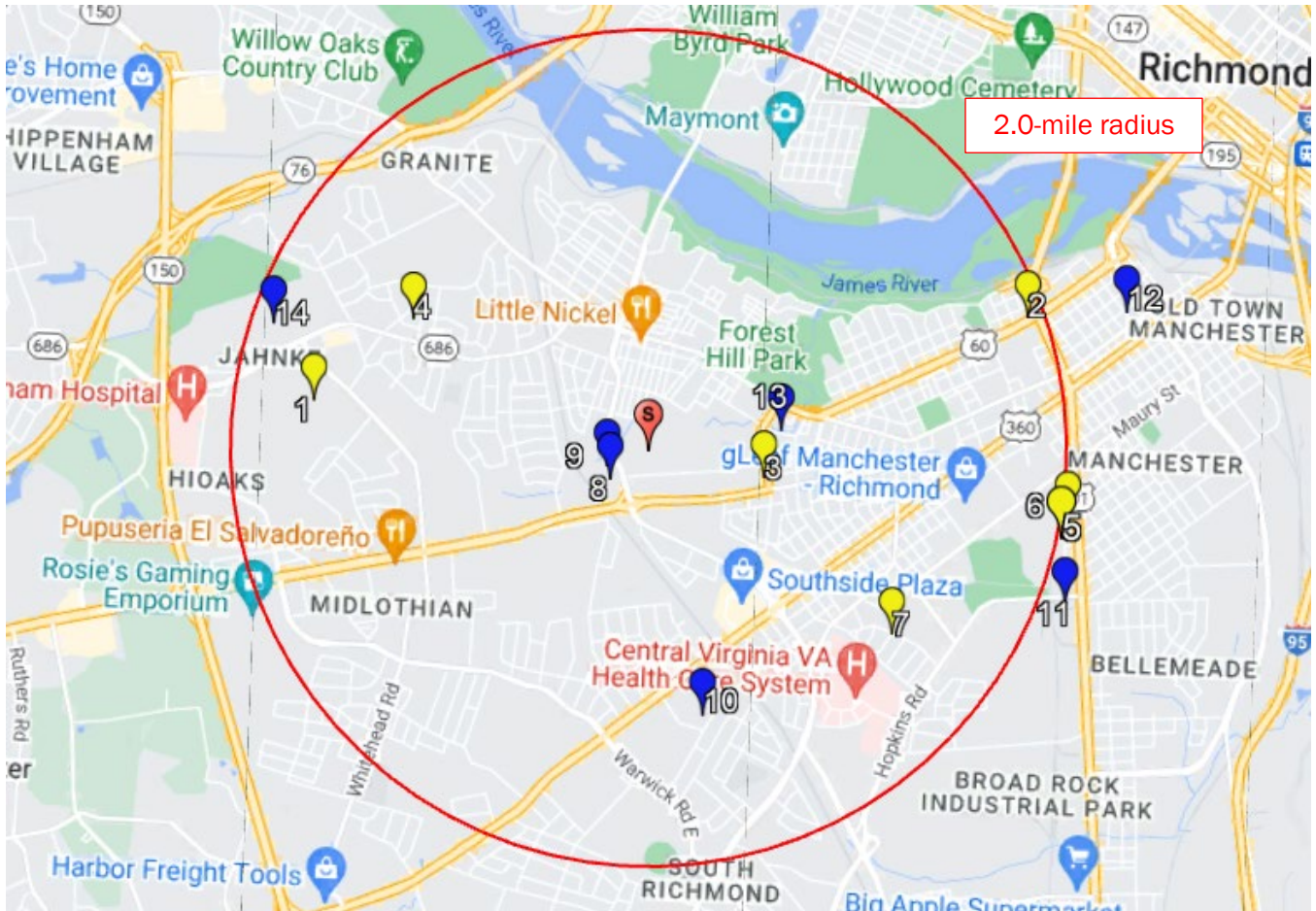
Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general. The comparable properties were chosen primarily based on location, age, condition, design, and amenities. Several properties were excluded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

#### EXCLUDED PROPERTIES

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

### Comparable Rental Property Map

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



Source: Google Earth, June 2023

#### COMPARABLE PROPERTIES

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

**700 WEST 44 - 4% - RICHMOND, VIRGINIA - MARKET STUDY**

**SUMMARY MATRIX**

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
<b>Subject</b>	700 W. 44th Street 4% 700 W. 44th Street Richmond, VA 23225 Richmond City County	-	Garden 3-stories 2026 / n/a Family	@50% (Project Based Rental Assistance - PBRA), @60%	1BR / 1BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	24 24 18 6	33.3% 33.3% 25.0% 8.3%	705 956 1,113 1,113	@60% @60% @50% (PBRA) @60%	\$1,047 \$1,258 \$1,605 \$1,460	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A	N/A N/A N/A N/A
<b>1</b>	Alexander At 1090 1090 German School Rd Richmond, VA 23225 Richmond City County	1.6 miles	Garden 4-stories 2020 / n/a Family	@40%, @40% (Project Based Rental Assistance - PBRA), @50%, @50% (Project	2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA 3BR / 2BA	2 3 16 11 1 2 13	4.2% 6.3% 33.3% 22.9% 2.1% 4.2% 27.1%	907 907 907 907 1,036 1,036 1,036	@40% :Based Rental Assis @50% @60% @50% :Based Rental Assis @60%	\$782 \$958 \$1,008 \$1,235 \$1,163 \$1,258 \$1,425	Yes N/A Yes Yes Yes N/A Yes	Yes Yes Yes Yes Yes Yes Yes	0 0 0 3 0 0 1	0.0% 0.0% 0.0% 27.3% 0.0% 0.0% 7.7%
<b>2</b>	Belle Summit 600 Cowardin Ave Richmond, VA 23224 Richmond City County	2.0 miles	Midrise 4-stories 2014 / n/a Family	@40%, @50%	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	1 9 3 27 1 9	2.0% 18.0% 6.0% 54.0% 2.0% 18.0%	556 556 891 891 1,118 1,118	@40% @50% @40% @50% @40% @50%	\$667 \$856 \$794 \$1,020 \$916 \$1,178	Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes	0 1 0 2 0 0	0.0% 11.1% 0.0% 7.4% 0.0% 0.0%
<b>3</b>	Linden At Forest Hill 205 W Roanoke St Richmond, VA 23225 Richmond City County	0.6 miles	Garden 2-stories 1963 / 1995 Family	@60%	1BR / 1BA 1BR / 1BA 2BR / 1BA	41 1 16	70.7% 1.7% 27.6%	600 600 771	@60% Non-Rental @60%	\$926 - \$1,085	No N/A No	No N/A No	1 0 1	2.4% 0.0% 6.3%
<b>4</b>	Morningside Apartments 1414 Newell Road Richmond, VA 23225 Richmond City County	1.3 miles	Various 2-stories 1966 / 1998 Family	@60%, Market	2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 1.5BA 3BR / 1.5BA 3BR / 1.5BA	93 31 27 9 26 92 16 81 3 6 8	23.7% 7.9% 6.9% 2.3% 6.6% 23.5% 4.1% 20.7% 0.8% 1.5% 2.0%	874 925 874 925 977 1,032 977 1,032 1,032 1,110 1,110	@60% @60% Market Market @60% @60% Market Market Market Non-Rental @60% Market	\$859 \$909 \$1,044 \$1,069 \$994 \$1,044 \$1,094 \$1,119 - \$1,105 \$1,305	No No N/A No No Yes N/A N/A N/A Yes N/A	No No No No No Yes No No No Yes No	0 0 0 1 0 1 2 0 0 0 0	0.0% 0.0% 0.0% 11.1% 0.0% 1.1% 12.5% 0.0% 0.0% 0.0% 0.0%
<b>5</b>	Port City I 800 Jefferson Davis Highway Richmond, VA 23224 Richmond City County	2.0 miles	Conversion 4-stories 2018 / n/a Family	@30%, @40%, @50%, @60%, @70%, @80%	1BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	8 10 35 7 5 1 7 12 32 9 8 1 1	5.9% 7.4% 25.9% 5.2% 3.7% 0.7% 5.2% 8.9% 23.7% 6.7% 5.9% 0.7% N/A	622 636 677 692 764 879 857 1,022 903 972 1,123 1,219 1,219	@40% @50% @60% @70% @80% @30% @40% @50% @60% @70% @80% @60% @70%	\$658 \$858 \$1,058 \$1,258 \$1,458 \$526 \$766 \$1,006 \$1,246 \$1,486 \$1,726 \$1,402 \$1,679	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes	0 0 6 0 1 0 0 1 2 0 1 0 0	0.0% 0.0% 17.1% 0.0% 20.0% 0.0% 0.0% 8.3% 6.3% 0.0% 12.5% 0.0% N/A
<b>6</b>	Port City II 716 Richmond Highway Richmond, VA 23224 Richmond City County	2.0 miles	Conversion 1-stories 1950 / 2021 Family	@40%, @50%, @60%, @70%, @80%	1BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	2 40 40 27 5 17 12 3 1	1.4% 27.2% 27.2% 18.4% 3.4% 11.6% 8.2% 2.0% 0.7%	699 699 699 699 1,016 1,016 1,016 1,016 1,501	@40% @50% @60% @70% @50% @60% @70% @80% @70%	\$613 \$802 \$991 \$1,180 \$939 \$1,166 \$1,393 \$1,620 \$1,572	Yes Yes Yes Yes Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes Yes Yes Yes Yes	0 0 0 1 0 0 2 0 0	0.0% 0.0% 0.0% 3.7% 0.0% 0.0% 16.7% 0.0% 0.0%
<b>7</b>	Village South Townhomes 3450 Maury Street Richmond, VA 23224 Richmond City County	1.4 miles	Various 2-stories 1947 / 2021 Family	@60%	1BR / 1BA 2BR / 1BA 2BR / 1.5BA 3BR / 1BA	16 246 18 16	5.4% 83.1% 6.1% 5.4%	675 850 912 1,000	@60% @60% @60% @60%	\$685 \$975 \$1,060 \$960	No No No No	No No No No	3 0 1 16	2.0% 0.0% 5.6% 100.0%
						296							33	11.1%

700 WEST 44 - 4% - RICHMOND, VIRGINIA - MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
8	404 Rivertowne Apartment Homes 406 Westover Hills Blvd Richmond, VA 23225 Richmond City County	0.2 miles	Garden 3-stories 1968 / 2020 Family	Market	0BR / 1BA	N/A	N/A	420	Market	\$849	N/A	Yes	4	N/A
					1BR / 1BA	N/A	N/A	566	Market	\$880	N/A	Yes	15	N/A
					1.5BR / 1BA	N/A	N/A	775	Market	\$1,205	N/A	Yes	0	N/A
					2BR / 1BA	N/A	N/A	861	Market	\$1,241	N/A	Yes	7	N/A
					2BR / 1BA	N/A	N/A	822	Market	\$991	N/A	Yes	3	N/A
					2.5BR / 1BA	N/A	N/A	964	Market	\$1,306	N/A	Yes	0	N/A
					2.5BR / 1BA	N/A	N/A	924	Market	\$1,076	N/A	Yes	1	N/A
					522							30	5.7%	
9	Ashton Square 603 Westover Hills Blvd Richmond, VA 23225 Richmond City County	0.2 miles	Garden 2-stories 1962/1980 / 1999/202 Family	Market	1BR / 1BA	33	9.0%	515	Market	\$985	N/A	No	N/A	N/A
					1BR / 1BA	18	4.9%	615	Market	\$1,010	N/A	No	N/A	N/A
					1BR / 1BA	124	33.7%	804	Market	\$1,035	N/A	No	N/A	N/A
					2BR / 1BA	9	2.5%	898	Market	\$1,106	N/A	No	N/A	N/A
					2BR / 1BA	161	43.8%	925	Market	\$1,131	N/A	No	N/A	N/A
					2BR / 1.5BA	5	1.4%	950	Market	\$1,071	N/A	No	N/A	N/A
					3BR / 1.5BA	18	4.9%	1,043	Market	\$1,362	N/A	No	N/A	N/A
					368							50	13.6%	
10	Communities At Southwood 4602 Southwood Parkway Richmond, VA 23224 Richmond City County	1.2 miles	Various 1-stories 1960 / 2010 Family	Market	1BR / 1BA	166	12.9%	580	Market	\$945	N/A	Yes	4	2.4%
					1BR / 1BA	166	12.9%	740	Market	\$995	N/A	Yes	10	6.0%
					2BR / 1BA	614	47.7%	794	Market	\$1,290	N/A	Yes	0	0.0%
					2BR / 1.5BA	250	19.4%	1,010	Market	\$1,390	N/A	Yes	7	2.8%
					2BR / 2BA	45	3.5%	1,010	Market	\$1,290	N/A	Yes	2	4.4%
					3BR / 1BA	N/A	N/A	1,200	Market	\$1,390	N/A	Yes	0	N/A
					3BR / 2BA	45	3.5%	1,200	Market	\$1,545	N/A	Yes	4	8.9%
					1286							27	2.1%	
11	Model Tobacco 1100 Richmond Hwy Richmond, VA 23224 Richmond City County	2.1 miles	Conversion 6-stories 2022 / n/a Family	Market	1BR / 1BA	N/A	N/A	828	Market	\$1,435	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	712	Market	\$1,335	N/A	No	N/A	N/A
					1BR / 1.5BA	N/A	N/A	943	Market	\$1,685	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	943	Market	\$1,446	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,223	Market	\$2,156	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	1,514	Market	\$2,406	N/A	No	N/A	N/A
					2BR / 2BA	N/A	N/A	923	Market	\$1,906	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,478	Market	\$2,587	N/A	No	N/A	N/A
					3BR / 2BA	N/A	N/A	1,520	Market	\$2,812	N/A	No	N/A	N/A
					N/A	N/A	1,435	Market	\$2,362	N/A	No	N/A	N/A	
					203							88	43.3%	
12	The Mill At Manchester Lofts 815 Perry Street Richmond, VA 23224 Richmond City County	2.4 miles	Conversion 2-stories 1912 / 2009 Family	Market	1BR / 1BA	29	42.0%	630	Market	\$1,185	N/A	No	0	0.0%
					2BR / 1.5BA	1	1.5%	891	Market	\$1,286	N/A	No	4	400.0%
					2BR / 2BA	34	49.3%	897	Market	\$1,516	N/A	No	0	0.0%
					3BR / 2BA	5	7.3%	1,374	Market	\$1,637	N/A	No	0	0.0%
										69				
13	The Park At Forest Hill 3900 Forest Hill Avenue Richmond, VA 23225 Richmond County	0.7 miles	Garden 3-stories 1978 / 2007 Family	Market	1BR / 1BA	45	61.6%	624	Market	\$980	N/A	No	2	4.4%
					2BR / 1BA	14	19.2%	936	Market	\$1,028	N/A	No	0	0.0%
					2BR / 1BA	14	19.2%	1,026	Market	\$1,101	N/A	No	0	0.0%
					73							2	2.7%	
14	The Village At Westlake 1500 German School Rd Richmond, VA 23225 Richmond City County	1.9 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	72	28.6%	806	Market	\$1,490	N/A	Yes	2	2.8%
					1BR / 1BA	N/A	N/A	813	Market	\$1,490	N/A	Yes	3	N/A
					2BR / 2BA	120	47.6%	1,085	Market	\$1,805	N/A	Yes	0	0.0%
					2BR / 2BA	N/A	N/A	1,099	Market	\$1,870	N/A	Yes	1	N/A
					3BR / 2BA	60	23.8%	1,390	Market	\$2,165	N/A	Yes	2	3.3%
					N/A	N/A	1,490	Market	\$2,245	N/A	Yes	0	N/A	
					252							8	3.2%	

**Location**

**LOCATION COMPARISON SUMMARY**

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

\*Located outside of the PMA

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

**Age, Condition, and Design**

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

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

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

### Unit Size

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

**UNIT SIZE COMPARISON**

Bedroom Type	1BR	2BR	3BR
<b>Subject</b>	<b>705</b>	<b>956</b>	<b>1,113</b>
Average	686	959	1,232
Min	515	771	1,000
Max	943	1,514	1,520
<b>Advantage/Disadvantage</b>	<b>3%</b>	<b>0%</b>	<b>-10%</b>

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

**SQUARE FOOTAGE RANKING COMPARISON**

One Bedroom One Bath		Two Bedroom Two Bath		Three Bedroom Two Bath	
Property Name	Size	Property Name	Size	Property Name	Size
Model Tobacco (Market)	828	Model Tobacco (Market)	1,223	Port City II (@70%)	1,501
The Village At Westlake (Market)	813	Port City I (@80%)	1,123	The Village At Westlake (Market)	1,490
The Village At Westlake (Market)	806	The Village At Westlake (Market)	1,099	Model Tobacco (Market)	1,478
Ashton Square (Market)	804	The Village At Westlake (Market)	1,085	The Village At Westlake (Market)	1,390
Port City I (@80%)	764	Morningside Apartments (Market)(1.5BA)	1,032	The Mill At Manchester Lofts (Market)	1,374
Communities At Southwood (Market)	740	Morningside Apartments (@60%)(1.5BA)	1,032	Port City I (@60%)	1,219
<b>700 W. 44th Street 4% (@60%)</b>	<b>705</b>	The Park At Forest Hill (Market)(1BA)	1,026	Port City I (@70%)	1,219
Port City II (@40%)	699	Port City I (@50%)	1,022	Communities At Southwood (Market)	1,200
Port City II (@50%)	699	Port City II (@70%)	1,016	Communities At Southwood (Market)(1BA)	1,200
Port City II (@70%)	699	Port City II (@80%)	1,016	Belle Summit (@40%)	1,118
Port City II (@60%)	699	Port City II (@60%)	1,016	Belle Summit (@50%)	1,118
Port City I (@70%)	692	Port City II (@50%)	1,016	<b>700 W. 44th Street 4% (@60%)</b>	<b>1,113</b>
Port City I (@60%)	677	Communities At Southwood (Market)	1,010	<b>700 W. 44th Street 4% (@50%)</b>	<b>1,113</b>
Village South Townhomes (@60%)	675	Communities At Southwood (Market)(1.5BA)	1,010	Morningside Apartments (Market)(1.5BA)	1,110
Port City I (@50%)	636	Morningside Apartments (@60%)(1.5BA)	977	Morningside Apartments (@60%)(1.5BA)	1,110
The Mill At Manchester Lofts (Market)	630	Morningside Apartments (Market)(1.5BA)	977	Ashton Square (Market)(1.5BA)	1,043
The Park At Forest Hill (Market)	624	Port City I (@70%)	972	Alexander At 1090 (@60%)	1,036
Port City I (@40%)	622	<b>700 W. 44th Street 4% (@60%)</b>	<b>956</b>	Alexander At 1090 (@50%)	1,036
Ashton Square (Market)	615	Ashton Square (Market)(1.5BA)	950	Alexander At 1090 (@50%)	1,036
Linden At Forest Hill (@60%)	600	Model Tobacco (Market)	943	Village South Townhomes (@60%)(1BA)	1,000
Communities At Southwood (Market)	580	The Park At Forest Hill (Market)(1BA)	936		
Belle Summit (@50%)	556	Morningside Apartments (@60%)(1BA)	925		
Belle Summit (@40%)	556	Morningside Apartments (Market)(1BA)	925		
Ashton Square (Market)	515	Ashton Square (Market)(1BA)	925		
		Village South Townhomes (@60%)(1.5BA)	912		
		Alexander At 1090 (@60%)	907		
		Alexander At 1090 (@40%)	907		
		Alexander At 1090 (@50%)	907		
		Alexander At 1090 (@40%)	907		
		Port City I (@60%)	903		
		Ashton Square (Market)(1BA)	898		
		The Mill At Manchester Lofts (Market)	897		
		Belle Summit (@50%)	891		
		The Mill At Manchester Lofts (Market)(1.5BA)	891		
		Belle Summit (@40%)	891		
		Port City I (@30%)	879		
		Morningside Apartments (@60%)(1BA)	874		
		Morningside Apartments (Market)(1BA)	874		
		Port City I (@40%)	857		
		Village South Townhomes (@60%)(1BA)	850		
		Communities At Southwood (Market)(1BA)	794		
		Linden At Forest Hill (@60%)(1BA)	771		

### In-Unit Amenities

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

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

### Property Amenities

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

The Subject will feature access to a clubhouse/community room, central laundry, off-street parking, on-site management, an exercise facility, a playground, a picnic area, recreation areas and free in-unit WIFI. Note that the Subject will share community amenities with 700 West 44 - 9%, which will be developed concurrently.



Regarding community amenities, the Subject is considered slightly superior to superior to the LIHTC comparables, as well as the market rate comparables. We believe that the common area amenities will be competitive.

### Security Features

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

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

### Utility Structure

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

The tenant will be responsible for electric cooking, heating, hot water, and other electric expenses, as well as water and sewer expenses. The landlord will be responsible for trash expenses and common area amenities. The utility structure varies among the comparable properties; we have adjusted the comparables’ rents in accordance with the utility schedule obtained from the Richmond Redevelopment and Housing Authority, effective August 16, 2022.

### Parking

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

The Subject will share parking with 700 West 44 – 9%. The developments will offer a total of 210 parking spaces, which will equate to a parking ratio of 1.5 spaces per unit. The comparables could not provide exact parking ratios, but noted that the properties offer between 1.0 and 2.0 parking spaces per unit. Overall, the parking offered at the Subject is competitive, particularly given the proximity to public transportation. All of the comparable properties offer off-street parking included with rent. In addition, one comparable property offers garage parking included with rent, which is considered slightly superior to the Subject’s parking. The Subject will be considered similar to slightly inferior all of the comparables in terms of parking.

## MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

### Turnover

The following table details turnover rates at comparable properties.

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

\*Located outside of the PMA

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

## Vacancy Levels

The following table illustrates vacancy rates at the comparable properties.

### OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units - June 2023	Vacancy Rate - June 2023	Vacancy Rate - February 2023
Alexander At 1090	LIHTC/PBRA	Family	48	5	10.4%	8.3%
Belle Summit	LIHTC	Family	50	0	0.0%	6.0%
Linden At Forest Hill	LIHTC	Family	58	2	3.4%	5.2%
Morningside Apartments	LIHTC/ Market	Family	392	4	1.0%	0.5%
Port City I	LIHTC	Family	135	11	8.1%	2.2%
Port City II	LIHTC	Family	147	8	5.4%	13.6%
Village South Townhomes	LIHTC	Family	296	33	11.1%	11.1%
404 Rivertowne Apartment Homes	Market	Family	522	30	5.7%	4.4%
Ashton Square	Market	Family	368	50	13.6%	13.0%
Communities At Southwood	Market	Family	1,286	27	2.1%	0.0%
Model Tobacco*	Market	Family	203	88	43.3%	45.3%
The Mill At Manchester Lofts	Market	Family	69	4	5.8%	8.6%
The Park At Forest Hill	Market	Family	73	2	2.7%	5.5%
The Village At Westlake	Market	Family	252	8	3.2%	0.8%
<b>Total LIHTC</b>			<b>1,126</b>	<b>63</b>	<b>5.6%</b>	<b>8.0%</b>
<b>Total Market Rate</b>			<b>2,773</b>	<b>209</b>	<b>7.5%</b>	<b>6.3%</b>
<b>Overall Total</b>			<b>3,899</b>	<b>272</b>	<b>7.0%</b>	<b>6.7%</b>
<b>Total LIHTC**</b>			<b>979</b>	<b>55</b>	<b>5.6%</b>	<b>6.7%</b>
<b>Total Market Rate**</b>			<b>2,570</b>	<b>121</b>	<b>4.7%</b>	<b>3.2%</b>
<b>Overall Total**</b>			<b>3,696</b>	<b>184</b>	<b>5.0%</b>	<b>3.9%</b>

\*Property is currently in lease-up

\*\*Excludes properties in lease-up

The comparables reported vacancy rates ranging from zero to 43.3 percent, with an average of 7.0 percent. The LIHTC properties reported an average vacancy rate of 5.6 percent, while the market properties reported an average vacancy rate of 7.5 percent. Note that Port City II and Model Tobacco Apartments are currently in their initial lease-up periods. Port City II opened in October 2022 and reported a vacancy rate of 5.4 percent, indicating an absorption period of 17 units per month. Model Tobacco is currently 45.3 percent vacant and opened in June 2022, indicating an absorption rate of seven units per month. Excluding these properties, the LIHTC vacancy rate is 5.6 percent, the market rate vacancy rate is 4.7 percent, and the overall vacancy rate is 5.0 percent. Note that Alexander at 1090, Port City I, Village South Townhomes, and Ashton Square reported elevated vacancy rates between 8.1 and 13.6 percent. Management at Alexander 1090 noted that all four of the vacant LIHTC units have applicants and the remaining Project-based Voucher (PBV) unit has an applicant that is pending approval through the housing authority. Management at Village South Townhomes stated that the property is currently undergoing renovations and that the “majority” of the vacant units are currently offline, though an exact estimate of down units was not available. Ashton Square reported an elevated vacancy rate of 13.6 percent and management reported that the property is currently renovating units upon turnover. The contact could not provide an exact estimate of down vacant units, though the property has historically maintained a vacancy rate of 5.4 percent or lower. Finally, Port City I reported a slightly elevated vacancy rate of 8.1 percent. Management noted that there was some associated turnover with the rent increase to 2023 maximum rent levels; however, the property is working off of a waiting list to fill its units.

The overall vacancy rate excluding properties in lease-up increased slightly since February 2023, though the LIHTC vacancy rate declined from 8.0 to 5.6 percent. Based on the performance of the LIHTC comparables and given that a number of comparable properties are in lease-up or are in the process of renovating units, we expect the Subject will operate at a vacancy rate of five percent or less.

**VACANCY BY BEDROOM TYPE**

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Alexander At 1090	LIHTC/PBRA	Family	-	9.4%	6.3%	8.3%
Belle Summit	LIHTC	Family	10.0%	6.7%	0.0%	6.0%
Linden At Forest Hill	LIHTC	Family	2.4%	6.3%	-	3.4%
Morningside Apartments	LIHTC/ Market	Family	-	1.1%	0.0%	1.0%
Port City I	LIHTC	Family	10.8%	5.8%	0.0%	8.1%
Port City II	LIHTC	Family	0.9%	5.4%	0.0%	2.0%
Village South Townhomes	LIHTC	Family	100.0%	0.4%	100.0%	11.1%
404 Rivertowne Apartment Homes	Market	Family	-	-	-	5.7%
Ashton Square	Market	Family	-	-	-	13.6%
Communities At Southwood	Market	Family	4.2%	1.0%	8.9%	2.1%
Model Tobacco	Market	Family	-	-	-	43.3%
The Mill At Manchester Lofts	Market	Family	0.0%	11.4%	0.0%	5.8%
The Park At Forest Hill	Market	Family	4.4%	0.0%	-	2.7%
The Village At Westlake	Market	Family	2.8%	0.0%	3.3%	3.2%

\*Located outside of the PMA

The Subject will consist of one, two, and three-bedroom units. Four comparables were unable to provide vacancy by bedroom type. Excluding Village South Townhomes, among the remaining comparables, vacancy rates in the market for one-bedroom units range from zero to 10.8 percent, from zero to 11.4 percent for two-bedrooms, and zero to 8.9 percent for all three-bedroom units. Further, the average vacancy by bedroom type was 4.4, 4.7, and 2.3 percent for the one, two, and three-bedroom comparable units, respectively. Given the projected household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

**Concessions**

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

## Waiting Lists

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

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

\*Located outside of the PMA

Three of the seven affordable properties maintain waiting lists, and three of the market rate comparables maintain waiting lists. The waiting lists at the LIHTC comparables indicate demand for affordable housing. We anticipate that the Subject could maintain a waiting list to facilitate leasing upon turnover.

## Absorption

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

ABSORPTION						
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)
Model Tobacco**	Market	Family	Richmond	2022	203	7
Port City II**	LIHTC	Family	Richmond	2021	135	17
The Oliver	LIHTC	Family	Richmond	2020	164	15
Alexander At 1090*	LIHTC	Family	Richmond	2020	48	48
Cambridge Square Apartments	Market	Family	Mechanicsville	2020	207	17
Abberly Centerpointe	Market	Family	Midlothian	2019	271	12
The Jane At Moore's Lake	Market	Family	Chester	2019	385	26
Port City I*	LIHTC	Family	Richmond	2018	135	22
The Village At Westlake*	Market	Family	Richmond	2018	252	42
<b>Average Affordable</b>					<b>196</b>	<b>20</b>
<b>Average Market</b>					<b>150</b>	<b>32</b>
<b>Overall Average</b>					<b>200</b>	<b>23</b>

\*Comparable Property

\*\* Property utilized as comparable and is currently in lease-up

The properties have reported absorption rates ranging from seven to 48 units per month. We believe the Subject would experience an absorption rate 18 units per month, indicating an absorption period of four months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

## Rental Rate Increases

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

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Alexander At 1090	LIHTC/PBRA	Family	Kept at 2022 maximum
Belle Summit	LIHTC	Family	Kept at 2022 maximum
Linden At Forest Hill	LIHTC	Family	Increased nine to 14 percent
Morningside Apartments	LIHTC/ Market	Family	Increased up to 15%
Port City I	LIHTC	Family	Increased to 2023 maximum
Port City II	LIHTC	Family	Increased to 2023 maximum
Village South Townhomes	LIHTC	Family	Increased 6%
404 Rivertowne Apartment Homes	Market	Family	Changes daily
Ashton Square	Market	Family	No change since Q4 2021
Communities At Southwood	Market	Family	Increased 23 to 31% since 2Q
Model Tobacco	Market	Family	Changes daily
The Mill At Manchester Lofts	Market	Family	Changes weekly
The Park At Forest Hill	Market	Family	Increased 10 to 17 percent
The Village At Westlake	Market	Family	Increased 0 to 13 percent

\*Located outside of the PMA

Two of the LIHTC comparables reported rents at the 2022 maximum allowable levels, while two of the LIHTC comparables reported rents at the 2023 maximum allowable levels. Port City II, which reported a slightly elevated vacancy rate, is currently in lease-up and is absorbing at a rate of 17 units per month. Port City I also reported a slightly elevated vacancy rate, though the property is currently working off of a waiting list to fill its vacant units. The remaining three LIHTC comparables reported rents below 2022 and 2023 maximum allowable levels but that have increased from six to 15 percent. Three of the market rate comparables reported rents that varied annually, ranging from increases of zero to 31 percent. The remaining three market rate comparables reported that they utilize pricing systems and as such rents fluctuate on a daily to weekly basis. The Subject’s proposed LIHTC rents are set slightly below the maximum allowable levels. As such, future rent increases will be directly dependent upon AMI growth. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

### Reasonability of Rents

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

#### PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2023 LIHTC Maximum Allowable Gross Rent	2023 HUD Fair Market Rents
@50% (Project Based Rental Assistance - PBRA)							
3BR / 2BA	1,113	18	\$1,605	\$261	\$1,866	\$1,386	\$1,727
@60%							
1BR / 1BA	705	24	\$1,047	\$131	\$1,178	\$1,200	\$1,183
2BR / 2BA	956	24	\$1,258	\$155	\$1,413	\$1,440	\$1,336
3BR / 2BA	1,113	6	\$1,460	\$173	\$1,633	\$1,663	\$1,727
		<b>72</b>					

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

\*Denotes contract rent

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

### Comparable LIHTC Rents

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

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

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
700 W. 44th Street 4%*	Richmond City	Family	-	-	\$1,605	Yes, 2023 Max
<b>LIHTC Maximum Rent 2023 (Net)</b>	<b>Richmond City</b>		<b>\$869</b>	<b>\$1,045</b>	<b>\$1,213</b>	
<b>LIHTC Maximum Rent 2022 (Net)</b>	<b>Richmond City</b>		<b>\$813</b>	<b>\$978</b>	<b>\$1,048</b>	
Alexander At 1090	Richmond City	Family	-	\$1,008	\$1,258	2022 Max
Belle Summit	Richmond City	Family	\$856	\$1,020	\$1,178	2022 Max
Port City I	Richmond City	Family	\$858	\$1,006	-	Yes, 2023 Max
Port City II	Richmond City	Family	\$802	\$939	-	Yes, 2023 Max
<b>Average</b>			<b>\$839</b>	<b>\$993</b>	<b>\$1,218</b>	
<b>Achievable LIHTC Rent</b>			<b>-</b>	<b>-</b>	<b>\$1,213</b>	

\*Contract rent

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

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
700 W. 44th Street 4%	Richmond City	Family	\$1,047	\$1,258	\$1,460	Yes, 2023 Max
<b>LIHTC Maximum Rent 2023 (Net)</b>	<b>Richmond City</b>		<b>\$1,069</b>	<b>\$1,285</b>	<b>\$1,490</b>	
<b>LIHTC Maximum Rent 2022 (Net)</b>	<b>Richmond City</b>		<b>\$1,002</b>	<b>\$1,205</b>	<b>\$1,310</b>	
Alexander At 1090	Richmond City	Family	-	\$1,235	\$1,425	2022 Max
Linden At Forest Hill	Richmond City	Family	\$926	\$1,085	-	No
Morningside Apartments	Richmond City	Family	-	\$1,044	\$1,105	No
Port City I	Richmond City	Family	\$1,058	\$1,246	\$1,402	Yes, 2023 Max
Port City II	Richmond City	Family	\$991	\$1,166	-	Yes, 2023 Max
Village South Townhomes	Richmond City	Family	\$685	\$1,060	\$960	No
<b>Average</b>			<b>\$915</b>	<b>\$1,139</b>	<b>\$1,223</b>	
<b>Achievable LIHTC Rent</b>			<b>\$1,069</b>	<b>\$1,285</b>	<b>\$1,490</b>	

Two of the LIHTC comparables reported rents at the 2022 maximum allowable levels at 50 and 60 percent of AMI, two comparables reported rents at the 2023 maximum allowable levels at 50 and 60 percent of AMI, and one comparable reported rents at the 2022 maximum allowable levels at 50 percent of AMI. Port City I and Port City II have rents set at the 2023 maximum levels, while Alexander at 1090 and Belle Summit have rents set at the 2022 maximum levels. Note that Port City II, which reported a slightly elevated vacancy rate, is currently in lease-up and is absorbing at a rate of 17 units per month. Port City I also reported a slightly elevated vacancy rate. The contact for the property noted slight turnover associated with the rent increase, though the property is currently working off of a waiting list to fill its vacant units. Conversely, Linden at Forest Hill, Morningside Apartments, and Village South Townhomes reported rents below the 2022 maximum allowable levels. The contact for the Linden at Forest Hill could not comment on whether higher rents are achievable at the property. Management for the property reported a vacancy rate of 3.4 percent. We maintain that the property is not testing its upper rental limits. Management at Morningside Apartments could not comment on whether upper rent limits were being tested. Village South Townhomes are owned and managed by a non-profit, and the property intentionally sets rents below the maximum levels in order to maintain affordability. The LIHTC comparables reported an overall vacancy rate of 5.6 percent; however, two comparables are in the process of renovating units. Three of the seven LIHTC and mixed-income comparables currently maintain waiting lists.

The Subject will offer balconies/patios, ceiling fans, walk-in closets, and washer/dryer hookups, which a number of the LIHTC comparables lack. However, the Subject will lack coat closets, washer/dryers, and garbage disposals, while a number of the LIHTC comparables include these amenities. Overall, the in-unit



amenity package at the Subject will be considered slightly inferior to slightly superior to the LIHTC comparable properties. Further, the Subject will feature slightly superior to superior community amenities to the LIHTC comparables. The Subject will be superior in condition to Linden at Forest Hill and Morningside Apartments, which were built between 1963 and 1965, and were renovated between 1995 and 1998. Further, the Subject will be slightly superior to Village South Townhomes, which was rehabilitated with LIHTC funding in 2005. The Subject will be slightly superior to similar in condition to the remaining comparables, which were built or renovated between 2014 and 2022. The Subject will be most similar to Alexander at 1090.

**Alexander at 1090** is a 48-unit development located 1.6 miles from the Subject site, within a neighborhood considered similar relative to the Subject's location. The property was built in 2020, and currently exhibits similar condition relative to the Subject upon completion. The manager at Alexander at 1090 reported 10.4 percent vacancy, although two units are currently pre-leased. This indicates the current rents at Alexander at 1090 are well accepted in the market. We believe the in-unit amenities at the comparable will be similar to the Subject, while the property amenity package offered will be inferior relative to the Subject. Overall, we believe the Subject will be a generally similar product relative to the Alexander at 1090. Management at Alexander at 1090 reported that the property plans to increase rents to the 2023 maximum allowable levels in the coming months, and; therefore, we have concluded to achievable rents at 2023 maximum allowable levels.

The Subject's proposed rents are set slightly below the 2023 maximum allowable levels. The following summarizes the growth in annual LIHTC rents from 2019 through 2023 in the MSA.

Year	2019	2020	2021	2022	2023
Annual Growth	-	3.4%	0.7%	10.6%	5.5%
<b>One-bedroom</b>					
60%	\$972	\$1,006	\$1,012	\$1,133	\$1,200
<b>Two-bedroom</b>					
60%	\$1,167	\$1,207	\$1,215	\$1,360	\$1,440
<b>Three-bedroom</b>					
50%	\$1,123	\$1,162	\$1,170	\$1,309	\$1,386
60%	\$1,348	\$1,395	\$1,404	\$1,571	\$1,663

Source: Novogradac, June 2023

Note that rents denote gross LIHTC rents

As illustrated in the previous table, the historical annual changes in maximum allowable rents range from a 3.6 to 10.6 percent increase from 2019 to 2022 with an average increase of 4.9 percent. The 2023 maximum allowable rents represent a 5.5 percent increase over the 2022 maximum allowable rents, which is similar to the recent historical average increase.

Overall, given the high demand for affordable housing the market, prevalence of wait lists, and rent advantage relative to estimated market rates, we believe the Subject would be able to achieve rents at the 2023 maximum allowable levels for all AMI levels.

## Achievable Market Rents

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

**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@60%	\$1,069	\$880	\$1,685	\$1,188	\$1,250	14%
2BR / 2BA	@60%	\$1,285	\$991	\$2,406	\$1,380	\$1,450	11%
3BR / 2BA	@50% (PBRA)	\$1,213	\$1,305	\$2,812	\$1,941	\$1,700	29%
3BR / 2BA	@60%	\$1,490	\$1,305	\$2,812	\$1,941	\$1,700	12%

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

**The Village at Westlake** offers one, two, and three-bedroom market rate units. Management reported that the property is 96.8 percent occupied. The comparable, which was constructed in 2018, exhibits excellent condition, which will be similar to the Subject's anticipated condition. The Village at Westlake is located approximately 1.9 miles from the Subject in a generally similar location. The unit amenities at the Subject are considered inferior relative to the amenity package offered at the Village at Westlake; however, the community amenities at the Subject are similar compared to the Village at Westlake. The development offers a three-story, garden-style design, slightly inferior to the Subject's proposed design. Additionally, the Subject's one, two, and three-bedroom unit sizes will be slightly inferior to inferior to the one, two, and three-bedroom unit sizes at the Village at Westlake. Overall, relative to the Subject, the Village at Westlake will be slightly superior and, therefore, we believe the Subject could achieve market rents slightly below this comparable as an unrestricted property.

**404 Rivertowne Apartment Homes** offers efficiency, one, and two-bedroom market rate units. Management reported that the property is 94.3 percent occupied. The comparable was constructed in 1968 and exhibits average condition, which will be inferior to the Subject's anticipated condition following construction. 404 Rivertowne Apartments is located approximately 0.2 miles from the Subject in a generally similar location. In terms of amenities, the comparable will offer slightly inferior unit amenities and inferior community amenities. 404 Rivertowne Apartment Homes' three-story, garden-style design will be slightly inferior to the Subject's. The comparable's unit sizes will be similar to inferior to those of the Subject. Overall, we believe the Subject could achieve rents above this comparable as an unrestricted property.

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

**SUBJECT COMPARISON TO THE VILLAGE AT WESTLAKE**

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet	Subject RPSF	The Village At Westlake Rent	Square Feet	The Village At Westlake RPSF	Subject Rent Advantage
1BR / 1BA	@60%	\$1,069	705	\$1.52	\$1,490	806	\$1.85	39.4%
2BR / 2BA	@60%	\$1,285	956	\$1.34	\$1,870	1,099	\$1.70	45.5%
3BR / 2BA	@50% (PBRA)	\$1,213	1,113	\$1.09	\$2,165	1,390	\$1.56	78.5%
3BR / 2BA	@60%	\$1,490	1,113	\$1.34	\$2,165	1,390	\$1.56	45.3%

**SUBJECT COMPARISON TO 404 RIVERTOWNE APARTMENT HOMES**

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet	Subject RPSF	404 Rivertowne Apartment Homes Rent	Square Feet	404 Rivertowne Apartment Homes RPSF	Subject Rent Advantage
1BR / 1BA	@60%	\$1,069	705	\$1.52	\$1,205	775	\$1.55	12.7%
2BR / 2BA	@60%	\$1,285	956	\$1.34	\$1,306	964	\$1.35	1.6%

We have placed the Subject’s achievable market rents in line with to slightly above the surveyed average rents in the market, due to the Subject’s condition and competitive amenity package. The Subject’s achievable market rate rent per square foot are within the upper range of the comparables, which is reasonable given the Subject’s smaller unit sizes. The Subject’s achievable LIHTC rents represent advantages of 10 to 29 percent over the achievable market rents for the Subject’s one, two, and three-bedroom units. The following table displays the concluded achievable market rents at the Subject.

**SUBJECT ACHIEVABLE MARKET RENTS**

Unit Type	Achievable Market Rent	Unit Size	RPSF
1BR / 1BA	\$1,250	705	\$1.77
2BR / 2BA	\$1,450	956	\$1.52
3BR / 2BA	\$1,700	1113	\$1.53

**Summary Evaluation**

The Subject will be well-positioned in the market. As a newly constructed property, the Subject will be in generally similar to superior condition to the comparable properties. Vacancy rates among the LIHTC properties range from 0.0 to 11.1 percent, with an average of 5.6 percent. Vacancy at the Subject is expected to be no more than 5.0 percent over the long term. Based on the comparable data, rental rates at the 2023 maximum allowable levels are achievable. Overall, the Subject will be well-accepted in the market as a LIHTC property.

### **Impact on Existing Housing Stock**

All the data combined with interviews of real estate professionals demonstrate a continuing need for affordable housing over the foreseeable term. The comparables surveyed include a total of 3,550 units at 14 properties. The affordable comparables reported a weighted average vacancy rate of 5.6 percent. Three of the LIHTC comparables reported maintaining waiting lists on their LIHTC units. Finally, the strong occupancy rates at the majority of the market rate projects in the PMA are evidence of a stable rental market and strong demand.

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

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

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

### Introduction

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

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

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

### Capture Rate Determination

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

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

The following text will examine each step through the process.

Step One – PMA Demography

#### Primary Market Area Defined

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

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

## Demographic Information

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

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

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

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

### Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Richmond City, VA
AMI for four-person household:	\$109,400
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

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

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

**these developments.** The nine-percent development will consist of 72 one, two, and three-bedroom units restricted at 30, 40, 50, and 60 percent of AMI. Additionally, 18 units at 40 and 50 percent of AMI will operate with PBV subsidies. Therefore, our analysis considers demand for 144 combined units between 30 and 60 percent of AMI.

**FAMILY INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@40% (PBRA)		@50%	
1BR	\$20,571	\$25,590	-	-	\$0	\$34,120	-	-
2BR	\$24,686	\$28,800	\$28,491	\$38,400	-	-	\$41,143	\$48,000
3BR	\$28,491	\$34,560	-	-	\$0	\$46,080	-	-

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@50% (PBRA)		@60%		@60% (PBRA)	
1BR	\$0	\$42,650	\$40,389	\$51,180	\$0	\$51,180
2BR	-	-	\$48,446	\$57,600	-	-
3BR	\$0	\$57,600	\$55,989	\$69,120	\$0	\$69,120

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$20,571	\$25,590	\$27,429	\$34,120	\$39,737	\$42,650	\$40,389	\$51,180
2BR	\$24,686	\$28,800	\$28,491	\$38,400	\$33,291	\$48,000	\$48,446	\$57,600
3BR	\$28,491	\$34,560	\$32,914	\$46,080	\$56,160	\$57,600	\$55,989	\$69,120

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

**RENTER HOUSEHOLD INCOME**

Income Cohort	PMA					
	2022		2027		Annual Change 2022 to 2027	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,036	14.8%	2,768	13.3%	-54	-1.8%
\$10,000-19,999	3,586	17.4%	3,164	15.2%	-84	-2.4%
\$20,000-29,999	2,950	14.4%	2,793	13.4%	-31	-1.1%
\$30,000-39,999	2,920	14.2%	2,775	13.3%	-29	-1.0%
\$40,000-49,999	2,053	10.0%	2,124	10.2%	14	0.7%
\$50,000-59,999	1,247	6.1%	1,418	6.8%	34	2.7%
\$60,000-74,999	1,585	7.7%	1,653	7.9%	14	0.9%
\$75,000-99,999	1,480	7.2%	1,583	7.6%	21	1.4%
\$100,000-124,999	785	3.8%	1,017	4.9%	46	5.9%
\$125,000-149,999	468	2.3%	805	3.9%	67	14.4%
\$150,000-199,999	232	1.1%	381	1.8%	30	12.8%
\$200,000+	214	1.0%	359	1.7%	29	13.6%
<b>Total</b>	<b>20,556</b>	<b>100.0%</b>	<b>20,840</b>	<b>100.0%</b>		

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



### Step Three – Income Distribution

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

700 WEST 44 - 4% - RICHMOND, VIRGINIA - MARKET STUDY

FAMILY INCOME DISTRIBUTION 2022 - AS PROPOSED

Income Cohort	Total Renter Households	@30%			@40%			@40% (Project Based Rental Assistance - PBRA)			@50%			@50% (Project Based Rental Assistance - PBRA)			@60%			@60% (Project Based Rental Assistance - PBRA)			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	3,036						9,999	100.0%	3,036				9,999	100.0%	3,036				9,999	100.0%	3,036	9,999	100.0%	3,036	
\$10,000-19,999	3,586						9,999	100.0%	3,586				9,999	100.0%	3,586				9,999	100.0%	3,586	9,999	100.0%	3,586	
\$20,000-29,999	2,950	9,427	94.3%	2,781	1,507	15.1%	445	9,999	100.0%	2,950			9,999	100.0%	2,950				9,999	100.0%	2,950	9,999	100.0%	2,950	
\$30,000-39,999	2,920	4,561	45.6%	1,332	8,401	84.0%	2,453	9,999	100.0%	2,920			9,999	100.0%	2,920				9,999	100.0%	2,920	9,999	100.0%	2,920	
\$40,000-49,999	2,053							6,081	60.8%	1,249	6,857	68.6%	1,408	9,999	100.0%	2,053			9,999	100.0%	2,053	9,999	100.0%	2,053	
\$50,000-59,999	1,247												7,601	76.0%	948	9,610	96.1%	1,973	9,999	100.0%	1,247	9,999	100.0%	1,247	
\$60,000-74,999	1,585															9,121	60.8%	964	9,999	100.0%	1,585	9,999	100.0%	1,585	
\$75,000-99,999	1,480																		9,121	60.8%	964	9,121	60.8%	964	
\$100,000-124,999	785																								
\$125,000-149,999	468																								
\$150,000-199,999	232																								
\$200,000+	214																								
<b>Total</b>	<b>20,556</b>																								
			20.0%	4,113		14.1%	2,898		66.8%	13,741		6.8%	1,408		75.4%	15,493		20.4%	4,184		81.5%	16,756		81.5%	16,756

FAMILY INCOME DISTRIBUTION 2022 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@30%			@40%			@50%			@60%			All Units			
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	
\$0-9,999	3,036																
\$10,000-19,999	3,586																
\$20,000-29,999	2,950	9,427	94.3%	2,781	2,570	25.7%	758								9,427	94.3%	2,781
\$30,000-39,999	2,920	4,561	45.6%	1,332	9,999	100.0%	2,920	6,707	67.1%	1,959					9,999	100.0%	2,920
\$40,000-49,999	2,053				6,081	60.8%	1,249	8,002	80.0%	1,643	9,610	96.1%	1,973	9,999	100.0%	2,053	
\$50,000-59,999	1,247							1,440	14.4%	180	9,999	100.0%	1,247	9,999	100.0%	1,247	
\$60,000-74,999	1,585										9,121	60.8%	964	9,121	60.8%	964	
\$75,000-99,999	1,480																
\$100,000-124,999	785																
\$125,000-149,999	468																
\$150,000-199,999	232																
\$200,000+	214																
<b>Total</b>	<b>20,556</b>		20.0%	4,113		24.0%	4,927		18.4%	3,781		20.4%	4,184		48.5%	9,965	

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

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

Step Five – Unit Size Appropriate

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

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

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

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

Step Six – Capture Rate by Bedroom Mix

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

**CAPTURE RATE ANALYSIS BY UNIT TYPE**

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

**30% AMI Demand - As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	20.0%	1,603
2 persons	5,292	x	20.0%	1,059
3 persons	3,174	x	20.0%	635
4 persons	2,041	x	20.0%	408
5+ persons	2,037	x	20.0%	408
<b>Total</b>	<b>20,556</b>			<b>4,113</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,655
2BR	1,511
3BR	621
<b>Total</b>	<b>3,787</b>

*Capture Rate Analysis - @30% - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	1	0.06%
2BR	5	0.33%
3BR	2	0.32%
<b>Total/Overall</b>	<b>8</b>	<b>0.21%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	1	0.05%
2BR	5	0.30%
3BR	2	0.29%
<b>Total/Overall</b>	<b>8</b>	<b>0.19%</b>

**40% AMI Demand - As Proposed (Without Subsidy)**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	14.1%	1,130
2 persons	5,292	x	14.1%	746
3 persons	3,174	x	14.1%	447
4 persons	2,041	x	14.1%	288
5+ persons	2,037	x	14.1%	287
<b>Total</b>	<b>20,556</b>			<b>2,898</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	-
2BR	1,065
3BR	-
<b>Total</b>	<b>1,065</b>

*Capture Rate Analysis - @40% - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	-	-
2BR	5	0.47%
3BR	-	-
<b>Total/Overall</b>	<b>5</b>	<b>0.47%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	-	-
2BR	5	0.42%
3BR	-	-
<b>Total/Overall</b>	<b>5</b>	<b>0.42%</b>

**40% AMI Demand - As Proposed (With Subsidy)**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	66.8%	5,356
2 persons	5,292	x	66.8%	3,537
3 persons	3,174	x	66.8%	2,122
4 persons	2,041	x	66.8%	1,364
5+ persons	2,037	x	66.8%	1,362
<b>Total</b>	<b>20,556</b>			<b>13,741</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	5,528
2BR	-
3BR	2,075
<b>Total</b>	<b>7,603</b>

*Capture Rate Analysis - @40% (Project Based Rental Assistance - PBRA) - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	1	0.02%
2BR	-	-
3BR	2	0.10%
<b>Total/Overall</b>	<b>3</b>	<b>0.04%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	1	0.02%
2BR	-	-
3BR	2	0.09%
<b>Total/Overall</b>	<b>3</b>	<b>0.04%</b>

**50% AMI Demand - As Proposed (Without Subsidy)**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	6.8%	549
2 persons	5,292	x	6.8%	362
3 persons	3,174	x	6.8%	217
4 persons	2,041	x	6.8%	140
5+ persons	2,037	x	6.8%	140
<b>Total</b>	<b>20,556</b>			<b>1,408</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	-
2BR	517
3BR	-
<b>Total</b>	<b>517</b>

*Capture Rate Analysis - @50% - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	-	-
2BR	12	2.32%
3BR	-	-
<b>Total/Overall</b>	<b>12</b>	<b>2.32%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	-	-
2BR	12	2.09%
3BR	-	-
<b>Total/Overall</b>	<b>12</b>	<b>2.09%</b>

**50% AMI Demand - As Proposed (With Subsidy)**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	75.4%	6,039
2 persons	5,292	x	75.4%	3,989
3 persons	3,174	x	75.4%	2,392
4 persons	2,041	x	75.4%	1,538
5+ persons	2,037	x	75.4%	1,535
<b>Total</b>	<b>20,556</b>			<b>15,493</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	6,232
2BR	-
3BR	2,340
<b>Total</b>	<b>8,572</b>

*Capture Rate Analysis - @50% (Project Based Rental Assistance - PBRA) - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	4	0.06%
2BR	-	-
3BR	22	0.94%
<b>Total/Overall</b>	<b>26</b>	<b>0.30%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	4	0.06%
2BR	-	-
3BR	22	0.85%
<b>Total/Overall</b>	<b>26</b>	<b>0.27%</b>



**60% AMI Demand - As Proposed (Without Subsidy)**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x 20.4%	1,631
2 persons	5,292	x 20.4%	1,077
3 persons	3,174	x 20.4%	646
4 persons	2,041	x 20.4%	415
5+ persons	2,037	x 20.4%	415
<b>Total</b>	<b>20,556</b>		<b>4,184</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,683
2BR	1,537
3BR	632
<b>Total</b>	<b>3,852</b>

*Capture Rate Analysis - @60% - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	24	1.43%
2BR	47	3.06%
3BR	12	1.90%
<b>Total/Overall</b>	<b>83</b>	<b>2.15%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	24	1.28%
2BR	47	2.75%
3BR	12	1.71%
<b>Total/Overall</b>	<b>83</b>	<b>1.94%</b>

**60% AMI Demand - As Proposed (With Subsidy)**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

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

*Projected Renter Household Demand by Bedroom Size*

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

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

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

*Adjusted for Leakage from Outside of the PMA*

10%

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

All AMI Demand - As Proposed

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	81.5%	6,531
2 persons	5,292	x	81.5%	4,314
3 persons	3,174	x	81.5%	2,587
4 persons	2,041	x	81.5%	1,664
5+ persons	2,037	x	81.5%	1,660
<b>Total</b>	<b>20,556</b>			<b>16,756</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	6,740
2BR	6,155
3BR	2,531
<b>Total</b>	<b>15,427</b>

*Capture Rate Analysis - All Units As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	36	0.53%
2BR	69	1.12%
3BR	39	1.54%
<b>Total/Overall</b>	<b>144</b>	<b>0.93%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	36	0.48%
2BR	69	1.01%
3BR	39	1.39%
<b>Total/Overall</b>	<b>144</b>	<b>0.84%</b>

**40% AMI Demand – Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	24.0%	1,920
2 persons	5,292	x	24.0%	1,268
3 persons	3,174	x	24.0%	761
4 persons	2,041	x	24.0%	489
5+ persons	2,037	x	24.0%	488
<b>Total</b>	<b>20,556</b>			<b>4,927</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,982
2BR	1,810
3BR	744
<b>Total</b>	<b>4,536</b>

*Capture Rate Analysis - @40% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	5	0.25%
2BR	1	0.06%
3BR	2	0.27%
<b>Total/Overall</b>	<b>8</b>	<b>0.18%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	5	0.23%
2BR	1	0.05%
3BR	2	0.24%
<b>Total/Overall</b>	<b>8</b>	<b>0.16%</b>

**50% AMI Demand – Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	18.4%	1,474
2 persons	5,292	x	18.4%	973
3 persons	3,174	x	18.4%	584
4 persons	2,041	x	18.4%	375
5+ persons	2,037	x	18.4%	375
<b>Total</b>	<b>20,556</b>			<b>3,781</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,521
2BR	1,389
3BR	571
<b>Total</b>	<b>3,481</b>

*Capture Rate Analysis - @50% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	4	0.26%
2BR	12	0.86%
3BR	22	3.85%
<b>Total/Overall</b>	<b>38</b>	<b>1.09%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	4	0.24%
2BR	12	0.78%
3BR	22	3.47%
<b>Total/Overall</b>	<b>38</b>	<b>0.98%</b>

**60% AMI Demand – Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	20.4%	1,631
2 persons	5,292	x	20.4%	1,077
3 persons	3,174	x	20.4%	646
4 persons	2,041	x	20.4%	415
5+ persons	2,037	x	20.4%	415
<b>Total</b>	<b>20,556</b>			<b>4,184</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,683
2BR	1,537
3BR	632
<b>Total</b>	<b>3,852</b>

*Capture Rate Analysis - @60% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	30	1.78%
2BR	47	3.06%
3BR	13	2.06%
<b>Total/Overall</b>	<b>90</b>	<b>2.34%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	30	1.60%
2BR	47	2.75%
3BR	13	1.85%
<b>Total/Overall</b>	<b>90</b>	<b>2.10%</b>

All AMI Demand – Absent Subsidy

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2022*

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

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,012	x	48.5%	3,884
2 persons	5,292	x	48.5%	2,565
3 persons	3,174	x	48.5%	1,539
4 persons	2,041	x	48.5%	989
5+ persons	2,037	x	48.5%	987
<b>Total</b>	<b>20,556</b>			<b>9,965</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	4,009
2BR	3,661
3BR	1,505
<b>Total</b>	<b>9,175</b>

*Capture Rate Analysis - All Units Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	36	0.90%
2BR	69	1.88%
3BR	39	2.59%
<b>Total/Overall</b>	<b>144</b>	<b>1.57%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	36	0.81%
2BR	69	1.70%
3BR	39	2.33%
<b>Total/Overall</b>	<b>144</b>	<b>1.41%</b>

## ANNUAL CAPTURE RATE ANALYSIS

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

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

### Population/Household Change

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

### Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a June 2023 CoStar report, conducted an internet search and attempted to contact the Planning & Development Review for the City of Richmond. However, our calls have not been returned to date. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject's PMA.

#### PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
Brady Square	LIHTC	Family	132	88	Proposed	3.0 miles
The View at Bele Isle	LIHTC	Family	116	116	Proposed	2.5 miles
Heights at Brady Square	LIHTC	Family	264	178	Under Construction	2.9 miles
Urbana at Hioaks	LIHTC	Family	216	216	Under Construction	2.1 miles
Arbors at Hull St	LIHTC	Senior	245	0	Under Construction	1.7 miles
13 E 3rd St	Market	Family	235	0	Proposed	2.8 miles
1407 Hull St	Market	Family	60	0	Proposed	2.2 miles
201 W Commerce Rd	Market	Family	250	0	Proposed	2.5 miles
4703 Forest Hill Ave	Market	Family	40	0	Proposed	0.5 miles
500 Maury St	Market	Family	143	0	Proposed	2.8 miles
5069 Forest Hill Ave	Market	Family	30	0	Proposed	0.7 miles
600 Decatur St	Market	Family	167	0	Proposed	2.7 miles
Avery Hall	Market	Family	500	0	Proposed	2.6 miles
Belle Heights Phase 2	Market	Family	200	0	Proposed	1.7 miles
Lighthouse Lofts	Market	Family	24	0	Proposed	2.3 miles
Overlook II	Market	Family	271	0	Proposed	2.7 miles
The Element Apartments	Market	Family	290	0	Proposed	3.0 miles
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1421 Bainbridge St	Market	Family	15	0	Under Construction	2.2 miles
Eddy On The James	Market	Family	221	0	Under Construction	2.5 miles
The Commodore	Market	Family	173	0	Under Construction	2.6 miles
The Cove Apartments	Market	Family	65	0	Under Construction	2.7 miles
The Navigator	Market	Family	188	0	Under Construction	2.9 miles
The Village at Westlake II	Market	Family	122	0	Under Construction	1.7 miles
<b>Totals</b>			<b>4,053</b>	<b>598</b>		

Source: CoStar, June 2023

Nineteen of the 24 properties that are currently planned, proposed, under construction, or recently completed will be market rate, and thus will not directly compete with the Subject. Brady Square, The View at Belle Isle, Heights at Brady Square, Urbana at Hioaks, and Arbors at Hull St are proposed or under construction LIHTC



developments which will be discussed in the following section. Overall, 598 units at the proposed developments will be directly competitive with the Subject.

**RECENT LIHTC ALLOCATIONS IN PMA**

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

Source: Virginia Housing, June 2023

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

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

The Subject will be developed concurrently with 700 West 44 - 9%, a proposed 72-unit LIHTC development offering one, two, and three-bedroom units at 30, 40, 50, and 60 percent of AMI. Additionally, 19 units rent restricted at 40 and 50 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. **Note that the demand analysis accounts for the Subject as well as the proposed nine percent component which will be developed concurrently. Therefore, we have accounted for any units that will be competitive with the Subject and the nine percent component.** Additionally, Townes at River South and Lafayette Gardens represent existing developments that are proposed for rehabilitation; these properties have been accounted for as existing competitive properties. Overall, we have deducted 702 units, both as proposed and absent subsidy, in the demand analysis section of this report..

### Annual Demand Table – As Proposed

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2022		20,556
Increase in Number of Renter Households		284
Number of Renter Households in 2027		20,840
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		60.9%
Percentage of Income-Qualified Renter Households		81.5%
Number of Income-Qualified Renter Households		16,756
Percentage of Rent-Overburdened		46.3%
<b>Existing Income-Qualified Renter Household Turnover</b>		<b>7,754</b>
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		57
Percentage of Income-Qualified Renter Households		81.5%
<b>New Rental Income Qualified Households</b>		<b>46</b>
<i>Capture Rate Analysis</i>		
Number of Units in Subject		144
Occupied Units at Subject With Vacancy of:	5%	137
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		7,800
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		8,667
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
<b>Total Demand after Competition (Turnover and Growth)</b>		<b>8,667</b>
<b>Yielded Annual Capture Rate of Available Demand in 2023</b>		<b>1.6%</b>

The yielded capture rate is approximately 1.6 percent of available demand per annum, for the Subject's units as proposed, which is considered indicative of demand.

**Annual Demand Table – Absent Subsidy**

<b>ANNUAL DEMAND - ABSENT SUBSIDY</b>		
<b>Calculation</b>		<b>PMA</b>
Number of Renter Households in 2022		20,556
Increase in Number of Renter Households		284
Number of Renter Households in 2027		20,840
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		60.9%
Percentage of Income-Qualified Renter Households		48.5%
Number of Income-Qualified Renter Households		9,965
Percentage of Rent-Overburdened		46.3%
<b>Existing Income-Qualified Renter Household Turnover</b>		<b>4,611</b>
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		57
Percentage of Income-Qualified Renter Households		48.5%
<b>New Rental Income Qualified Households</b>		<b>28</b>
<i>Capture Rate Analysis</i>		
Number of Units in Subject		144
Occupied Units at Subject With Vacancy of:	5%	137
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		4,639
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		5,154
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
<b>Total Demand after Competition (Turnover and Growth)</b>		<b>5,154</b>
<b>Yielded Annual Capture Rate of Available Demand in 2023</b>		<b>2.7%</b>

As proposed, the annual capture rate is 2.7 percent for all of the Subject's units, which is considered indicative of demand.

## VIRGINIA HOUSING DEMAND ANALYSIS

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

For the following Virginia Housing demand analysis, we have considered all of the Subject’s 72 proposed units. Additionally, we have determined that there are 702 proposed competitive LIHTC units in the PMA, along with 50 vacant units (zero at 30 percent of AMI, zero at 40 percent of AMI, one at 50 percent of AMI and 49 at 60 percent of AMI) at the comparable LIHTC properties considered directly competitive with the Subject’s LIHTC units. **The 72 proposed units in the proposed nine-percent component have been accounted for under Proposed Units with the Subject, per Virginia Housing guidelines.**

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

VIRGINIA HOUSING DEMAND ANALYSIS					
Income Restrictions	Up to 30% (min. income to max. income)	Up to 40% (min. income to max. income)	Up to 50% (min. income to max. income)	Up to 60% (min. income to max. income)	Project Total (min. income to max. income)
New Rental Households	11	14	10	12	47
+					
Existing Households - Overburdened	1,903	2,280	1,750	1,936	4,611
+					
Existing Households - Substandard Housing	49	59	45	50	120
+					
Senior Households - Likely to Convert to Rental Housing	0	0	0	0	0
+					
Existing Qualifying Tenants - to Remain After Renovation	0	0	0	0	0
<b>Total Demand</b>	<b>1,964</b>	<b>2,353</b>	<b>1,806</b>	<b>1,998</b>	<b>4,778</b>
-					
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	44	88	89	531	752
<b>Net Demand</b>	<b>1,920</b>	<b>2,265</b>	<b>1,717</b>	<b>1,467</b>	<b>4,026</b>
Proposed Units	8	8	38	90	144
<b>Capture Rate</b>	<b>0.4%</b>	<b>0.4%</b>	<b>2.2%</b>	<b>6.1%</b>	<b>3.6%</b>
Absorption Period	1-2 months	1-2 months	5 months	8 months	8 months

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

Project Wide Capture Rate - All Units*	3.6%
Project Wide Absorption Period (Months)	8 months

## PENETRATION RATE ANALYSIS

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

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

PENETRATION RATE - AS PROPOSED	
Number of Proposed Competitive Affordable Units in the PMA	702
	+
Number of Existing Competitive Family Affordable Units in the PMA	2,825
	+
Number of Proposed Affordable Units at the Subject	144
	=
Total	3,671
	/
Income Eligible Households - All AMI Levels	16,756
	=
<b>Overall Penetration Rate</b>	<b>21.9%</b>

As illustrated, the penetration rate for the Subject, as proposed, is 21.9 percent, which is considered moderate, but indicates adequate demand for the Subject's units.

PENETRATION RATE - ABSENT SUBSIDY	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	702
	+
Number of Existing Competitive Family <i>LIHTC</i> Units in the PMA	2,327
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	144
	=
Total	3,173
	/
Income Eligible Households - All AMI Levels	9,965
	=
<b>Overall Penetration Rate</b>	<b>31.8%</b>

Additionally, the penetration rate for the Subject, absent subsidy, is 31.8 percent. The penetration rates are generally low and achievable.

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

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units As Proposed	Competitive Units Absent Subsidy
Belle Summit*	LIHTC	Family	50	50	50
Blue Ridge Estates	LIHTC	Family	182	182	182
Chicago Manor	LIHTC	Family	75	75	75
City View Place	LIHTC	Family	32	32	32
Countryside Apartments	LIHTC	Family	59	59	59
Genesis Homes South	LIHTC	Family	60	60	60
Graystone Place Apartments	LIHTC	Family	135	135	135
Hatcher Tobacco Flats	LIHTC	Family	152	152	152
Ivy Walk Apartments	LIHTC	Family	126	63	63
Jefferson Townhouse	LIHTC	Family	218	201	201
Linden At Forest Hill*	LIHTC	Family	58	57	57
Miller Lofts At Plant Zero	LIHTC	Family	197	196	196
New Manchester Flats	LIHTC	Family	172	76	76
Port City Apartments*	LIHTC	Family	135	106	106
Port City Apartments II*	LIHTC	Family	147	112	112
South Falls Towers	LIHTC	Family	478	0	0
Tuscany Townhomes	LIHTC	Family	132	132	132
Venus At Manchester	LIHTC	Family	68	68	68
Village South Townhomes	LIHTC	Family	296	280	280
Forest Creek Apartments	LIHTC	Senior	94	0	0
Morningside Apartments	LIHTC/Market	Family	392	248	248
Alexander At 1090*	LIHTC/PBRA	Family	48	48	43
The Townes At River South	LIHTC/Public Housing	Family	161	0	0
Melvin C. Fox Manor	LIHTC/RAD	Senior	50	0	0
Stonewall Place	LIHTC/RAD	Senior	70	0	0
Oscar E Stovall Place	LIHTC/Section 8/RAD	Family	30	0	0
Afton	LIHTC/Subsidized	Family	40	32	0
Chippenham Place	LIHTC/Subsidized	Family	144	144	0
Studios I and II	LIHTC/Section 8	Family	60	0	0
Lafayette Gardens	LIHTC/Section 8	Family	102	102	0
Midlothian Village	LIHTC/Section 8	Family	216	215	0
New Clay House II	LIHTC/Section 8	Senior	80	0	0
<b>Total</b>			<b>4,259</b>	<b>2,825</b>	<b>2,327</b>

\*Utilized as a comparable

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

ABSORPTION						
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)
Model Tobacco**	Market	Family	Richmond	2022	203	7
Port City II*	LIHTC	Family	Richmond	2021	135	19
The Oliver	LIHTC	Family	Richmond	2020	164	15
Alexander At 1090*	LIHTC	Family	Richmond	2020	48	48
Cambridge Square Apartments	Market	Family	Mechanicsville	2020	207	17
Abberly Centerpointe	Market	Family	Midlothian	2019	271	12
The Jane At Moore's Lake	Market	Family	Chester	2019	385	26
Port City I*	LIHTC	Family	Richmond	2018	135	22
The Village At Westlake*	Market	Family	Richmond	2018	252	42
<b>Average Affordable</b>					<b>264</b>	<b>26</b>
<b>Average Market</b>					<b>161</b>	<b>32</b>
<b>Overall Average</b>					<b>200</b>	<b>23</b>

\*Comparable Property

\*\* Property utilized as comparable and is currently in lease-up

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

Rent conclusions were provided in *Section H*.

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

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



## INTERVIEWS

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

### Local Housing Authority Discussion

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

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

Source: Richmond Housing Authority, effective July 2022

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

### Planning Discussion

To determine the amount of competitive new supply entering the market, we consulted a June 2023 CoStar report, conducted an internet search and attempted to contact the Planning & Development Review for the City of Richmond. However, our calls have not been returned to date. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject's PMA.

**PLANNED DEVELOPMENT**

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
Brady Square	LIHTC	Family	132	88	Proposed	3.0 miles
The View at Bele Isle	LIHTC	Family	116	116	Proposed	2.5 miles
Heights at Brady Square	LIHTC	Family	264	178	Under Construction	2.9 miles
Urbana at Hioaks	LIHTC	Family	216	216	Under Construction	2.1 miles
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<b>Totals</b>			<b>4,053</b>	<b>598</b>		

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Nineteen of the 24 properties that are currently planned, proposed, under construction, or recently completed will be market rate, and thus will not directly compete with the Subject. Brady Square, The View at Belle Isle, Heights at Brady Square, Urbana at Hioaks, and Arbors at Hull St are proposed or under construction LIHTC developments which will be discussed in the following section. Overall, 598 units at the proposed developments will be directly competitive with the Subject.

Additionally, we reviewed the Virginia Housing LIHTC award lists from 2018 through year-to-date 2022.

**RECENT LIHTC ALLOCATIONS IN PMA**

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units - As Proposed	Competitive Units - Absent Subsidy	Distance to Subject
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bedrooms. The AMI restrictions were unavailable at the time of this project. Therefore, we have conservatively assumed that all of the units at the property will be competitive with the Subject.

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- Lafayette Gardens is an existing 96-unit LIHTC/Section 8 property planned for rehabilitation, located 3.3 miles southeast of the Subject. The property will continue to be LIHTC restricted at 40 and 50 percent AMI offering one, two and three-bedrooms. Of the 96 units, 96 will be competitive with the Subject as proposed and 51 will be competitive absent subsidy. We have accounted for these units as existing competitive units in the PMA.
- Arbors at Hull Street is an under construction 116-unit LIHTC property located 2.5 miles east of the Subject. Upon completion, the development will offer one and two-bedrooms. The AMI restrictions were unavailable at the time of this project. Due to its dissimilar tenancy, none of the units will be directly competitive with the Subject.
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- Urbana at Hioaks is a under construction 216-unit LIHTC property located 2.1 miles west of the Subject. Upon completion, the units will be LIHTC restricted offering one, two and three-bedrooms. The AMI restrictions were unavailable at the time of this project. We have conservatively assumed that all of the units at the property will be competitive with the Subject.
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The Subject will be developed concurrently with 700 West 44 - 9%, a proposed 72-unit LIHTC development offering one, two, and three-bedroom units at 30, 40, 50, and 60 percent of AMI. Additionally, 19 units rent restricted at 40 and 50 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. The property will be located adjacent to the Subject. **Note that the demand analysis accounts for the Subject as well as the proposed nine percent component which will be developed concurrently. Therefore, we have accounted for any units that will be competitive with the Subject and the nine percent component.** Additionally, Townes at River South and Lafayette Gardens represent existing developments that are proposed for rehabilitation; these properties have been accounted for as existing competitive properties. Overall, we have deducted 702 units, both as proposed and absent subsidy, in the demand analysis section of this report.

## **K. ANALYSIS/CONCLUSIONS**

## Recommendations

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

## Demand Summary

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

Project Wide Capture Rate - All Units*	3.6%
Project Wide Absorption Period (Months)	8 months

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

## Strengths and Weaknesses of the Subject

### Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to slightly superior to the comparable properties in terms of condition.
- Vacancy rates among the LIHTC properties range from 0.0 to 11.1 percent, with an average of 5.6 percent; note that two of the LIHTC comparables are in the process of renovating units and have a high number of down units. Further, three comparables maintain waiting lists for their LIHTC units, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

### Weaknesses

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

## Absorption Estimate

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

ABSORPTION						
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)
Model Tobacco**	Market	Family	Richmond	2022	203	7
The Oliver	LIHTC	Family	Richmond	2020	164	15
Alexander At 1090*	LIHTC	Family	Richmond	2020	48	48
Cambridge Square Apartments	Market	Family	Mechanicsville	2020	207	17
Abberly Centerpointe	Market	Family	Midlothian	2019	271	12
The Jane At Moore's Lake	Market	Family	Chester	2019	385	26
Port City I*	LIHTC	Family	Richmond	2018	135	22
Port City II*	LIHTC	Family	Richmond	2018	135	19
The Village At Westlake*	Market	Family	Richmond	2018	252	42
<b>Average Affordable</b>					<b>264</b>	<b>26</b>
<b>Average Market</b>					<b>161</b>	<b>32</b>
<b>Overall Average</b>					<b>200</b>	<b>23</b>

\*Comparable Property

\*\* Property utilized as comparable and is currently in lease-up

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

## **L. OTHER REQUIREMENTS**

Pursuant to Virginia Housing Requirements, we certify:

1. We have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of our knowledge the market can support the demand shown in this study. We understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
4. No one at this firm has any interest in the proposed development or a relationship with the ownership entity.
5. No one at this firm, nor anyone acting on behalf of the firm in connection with the preparation of this report, has communicated to others that the firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for our services is not contingent on this development receiving a LIHTC reservation or allocation.
7. Evidence of our NCHMA membership is included.



K. David Adamescu  
Manager

July 17, 2023  
Date



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

## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

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

**PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD**



View of Subject site facing north



View of Subject site facing northeast



View of Subject site facing east



View of Subject site facing east



View south along Westover Hills Boulevard



View north along Westover Hills Boulevard



404 Rivertowne Apartment Homes (comparable) south of Subject



Ashton Square (comparable) west of Subject



The Park at Forest Hill (comparable) east of Subject



Charnwood Forrest Apartments (non comparable) south of Subject



Commercial property in Subject neighborhood



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Commercial property in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

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



# PROPERTY PROFILE REPORT

## Alexander At 1090

Effective Rent Date	6/08/2023
Location	1090 German School Rd Richmond, VA 23225 Richmond City County
Distance	1.6 miles
Units	48
Vacant Units	5
Vacancy Rate	10.4%
Type	Garden (4 stories)
Year Built/Renovated	2020 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Jordan
Phone	804.562.6410



### Market Information

Program	@40%, @40% (Project Based Rental)
Annual Turnover Rate	10%
Units/Month Absorbed	48
HCV Tenants	0%
Leasing Pace	Preleased to within 5 days
Annual Chg. in Rent	Kept at 2022 maximum
Concession	None
Waiting List	First-come, first-served

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (4 stories)	2	907	\$782	\$0	@40%	No	0	0.0%	yes	None
2	2	Garden (4 stories)	3	907	\$958	\$0	@40% (Project Based Rental Assistance - PBRA)	No	0	0.0%	N/A	None
2	2	Garden (4 stories)	16	907	\$1,008	\$0	@50%	No	0	0.0%	yes	None
2	2	Garden (4 stories)	11	907	\$1,235	\$0	@60%	No	3	27.3%	yes	None
3	2	Garden (4 stories)	1	1,036	\$1,163	\$0	@50%	No	0	0.0%	yes	None
3	2	Garden (4 stories)	2	1,036	\$1,258	\$0	@50% (Project Based Rental Assistance - PBRA)	No	1	50.0%	N/A	None
3	2	Garden (4 stories)	13	1,036	\$1,425	\$0	@60%	No	1	7.7%	yes	None

## Alexander At 1090, continued

### Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$782 - \$958	\$0	\$782 - \$958	\$0	\$782 - \$958	2BR / 2BA	\$1,008	\$0	\$1,008	\$0	\$1,008
						3BR / 2BA	\$1,163 - \$1,258	\$0	\$1,163 - \$1,258	\$0	\$1,163 - \$1,258
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$1,235	\$0	\$1,235	\$0	\$1,235						
3BR / 2BA	\$1,425	\$0	\$1,425	\$0	\$1,425						

### Amenities

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

### Comments

All of the vacant LIHTC units have applicants. The vacant PBV unit is pending approval for the applicant. The contact was unable to disclose Housing Choice Voucher usage at the property. Rents are set at the 2022 maximum. The contact expects the property to increase rents, though she could not comment on when the increase will occur.

Photos



# PROPERTY PROFILE REPORT

## Belle Summit

Effective Rent Date	6/08/2023
Location	600 Cowardin Ave Richmond, VA 23224 Richmond City County
Distance	2 miles
Units	50
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (4 stories)
Year Built/Renovated	2014 / N/A
Marketing Began	3/01/2014
Leasing Began	6/01/2014
Last Unit Leased	7/31/2014
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Amber
Phone	804-231-7068



### Market Information

Program	@40%, @50%
Annual Turnover Rate	4%
Units/Month Absorbed	25
HCV Tenants	8%
Leasing Pace	Preleased
Annual Chg. in Rent	Kept at 2022 maximum
Concession	None
Waiting List	Yes: 60 households

### Utilities

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

### Unit Mix (face rent)

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

### Unit Mix

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

Amenities

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

Comments

The contact had no additional comments and declined to comment on whether the property would be increasing rents to the 2023 maximum rent levels.

Photos



# PROPERTY PROFILE REPORT

## Linden At Forest Hill

Effective Rent Date	6/05/2023
Location	205 W Roanoke St Richmond, VA 23225 Richmond County
Distance	0.6 miles
Units	58
Vacant Units	2
Vacancy Rate	3.4%
Type	Garden (2 stories)
Year Built/Renovated	1963 / 1995
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Square, Somerset Glen
Tenant Characteristics	Mixed tenancy
Contact Name	Willie
Phone	804.373.7365



### Market Information

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

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	41	600	\$991	\$0	@60%	No	1	2.4%	no	None
1	1	Garden (2 stories)	1	600	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None
2	1	Garden (2 stories)	16	771	\$1,179	\$0	@60%	No	1	6.2%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$991	\$0	\$991	-\$65	\$926	1BR / 1BA	N/A	\$0	N/A	-\$65	N/A
2BR / 1BA	\$1,179	\$0	\$1,179	-\$94	\$1,085						

### Amenities

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

### Comments

In February 2021, the property changed ownership and the name was changed from Dunston Manor to Linden at Forest Hill. The contact stated the property typically operates at approximately 99 percent occupancy and the need for affordable housing in the area is strong. The contact was unable to comment on whether 2023 maximum allowable rents were achievable at the property.



Photos



# PROPERTY PROFILE REPORT

## Morningside Apartments

Effective Rent Date	6/05/2023
Location	1414 Newell Road Richmond, VA 23225 Richmond City County
Distance	1.3 miles
Units	392
Vacant Units	4
Vacancy Rate	1.0%
Type	Various (2 stories)
Year Built/Renovated	1966 / 1998
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Majority families. Most of the tenants are from Richmond.
Contact Name	April
Phone	804.327.9151



### Market Information

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

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	93	874	\$1,000	\$0	@60%	No	0	0.0%	no	None
2	1	Garden (2 stories)	31	925	\$1,050	\$0	@60%	No	0	0.0%	no	None
2	1	Garden (2 stories)	27	874	\$1,185	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	9	925	\$1,210	\$0	Market	No	1	11.1%	N/A	None
2	1.5	Townhouse (2 stories)	26	977	\$1,135	\$0	@60%	No	0	0.0%	no	None
2	1.5	Townhouse (2 stories)	92	1,032	\$1,185	\$0	@60%	No	1	1.1%	no	None
2	1.5	Townhouse (2 stories)	16	977	\$1,235	\$0	Market	No	2	12.5%	N/A	None
2	1.5	Townhouse (2 stories)	81	1,032	\$1,260	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	3	1,032	N/A	\$0	Non-Rental	No	0	0.0%	N/A	None
3	1.5	Townhouse (2 stories)	6	1,110	\$1,300	\$0	@60%	No	0	0.0%	no	None
3	1.5	Townhouse (2 stories)	8	1,110	\$1,500	\$0	Market	No	0	0.0%	N/A	None



Photos



# PROPERTY PROFILE REPORT

## Port City I

Effective Rent Date	6/05/2023
Location	800 Jefferson Davis Highway Richmond, VA 23224 Richmond City County
Distance	2 miles
Units	135
Vacant Units	11
Vacancy Rate	8.1%
Type	Conversion (4 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	2/01/2019
Leasing Began	N/A
Last Unit Leased	8/01/2019
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Tasha
Phone	804-944-2749



### Market Information

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

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Conversion (4 stories)	8	622	\$800	\$0	@40%	Yes	0	0.0%	yes	None
1	1	Conversion (4 stories)	10	636	\$1,000	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Conversion (4 stories)	35	677	\$1,200	\$0	@60%	Yes	6	17.1%	yes	None
1	1	Conversion (4 stories)	7	692	\$1,400	\$0	@70%	Yes	0	0.0%	yes	None
1	1	Conversion (4 stories)	5	764	\$1,600	\$0	@80%	Yes	1	20.0%	yes	None
2	2	Conversion (4 stories)	1	879	\$720	\$0	@30%	Yes	0	0.0%	yes	None
2	2	Conversion (4 stories)	7	857	\$960	\$0	@40%	Yes	0	0.0%	yes	None
2	2	Conversion (4 stories)	12	1,022	\$1,200	\$0	@50%	Yes	1	8.3%	yes	None
2	2	Conversion (4 stories)	32	903	\$1,440	\$0	@60%	Yes	2	6.2%	yes	None
2	2	Conversion (4 stories)	9	972	\$1,680	\$0	@70%	Yes	0	0.0%	yes	None
2	2	Conversion (4 stories)	8	1,123	\$1,920	\$0	@80%	Yes	1	12.5%	yes	None
3	2	Conversion (4 stories)	1	1,219	\$1,663	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Conversion (4 stories)	N/A	1,219	\$1,940	\$0	@70%	Yes	0	N/A	yes	None

## Port City I, continued

### Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$720	\$0	\$720	-\$194	\$526	1BR / 1BA	\$800	\$0	\$800	-\$142	\$658
						2BR / 2BA	\$960	\$0	\$960	-\$194	\$766
@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,000	\$0	\$1,000	-\$142	\$858	1BR / 1BA	\$1,200	\$0	\$1,200	-\$142	\$1,058
2BR / 2BA	\$1,200	\$0	\$1,200	-\$194	\$1,006	2BR / 2BA	\$1,440	\$0	\$1,440	-\$194	\$1,246
						3BR / 2BA	\$1,663	\$0	\$1,663	-\$261	\$1,402
@70%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@80%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,400	\$0	\$1,400	-\$142	\$1,258	1BR / 1BA	\$1,600	\$0	\$1,600	-\$142	\$1,458
2BR / 2BA	\$1,680	\$0	\$1,680	-\$194	\$1,486	2BR / 2BA	\$1,920	\$0	\$1,920	-\$194	\$1,726
3BR / 2BA	\$1,940	\$0	\$1,940	-\$261	\$1,679						

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Cable/Satellite/Internet	Carpeting	Limited Access	
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Elevators		
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Recreation Areas		
Swimming Pool	Wi-Fi		

### Comments

Basic cable and wi-fi are included in rent. The contact reported that the property maintains an extensive waiting list, but could not estimate its length. The contact noted that the property has seen an increase in move outs in the month of May. The contact stated the property has three-bedroom units restricted at 70 percent of AMI, but was unable to provide a unit count.

Photos



# PROPERTY PROFILE REPORT

## Port City II

Effective Rent Date	6/09/2023
Location	716 Richmond Highway Richmond, VA 23224 Richmond City County
Distance	2 miles
Units	147
Vacant Units	8
Vacancy Rate	5.4%
Type	Conversion
Year Built/Renovated	1950 / 2021
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy
Contact Name	Tasha
Phone	804-424-5298



### Market Information

Program	@40%, @50%, @60%, @70%, @80%
Annual Turnover Rate	N/A
Units/Month Absorbed	17
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	Increased to 2023 maximum
Concession	None
Waiting List	Yes; length unknown

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Conversion	2	699	\$800	\$0	@40%	Yes	0	0.0%	yes	None
1	1	Conversion	40	699	\$1,000	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Conversion	40	699	\$1,200	\$0	@60%	Yes	3	7.5%	yes	None
1	1	Conversion	27	699	\$1,400	\$0	@70%	Yes	2	7.4%	yes	None
2	2	Conversion	5	1,016	\$1,200	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Conversion	17	1,016	\$1,440	\$0	@60%	Yes	1	5.9%	yes	None
2	2	Conversion	12	1,016	\$1,680	\$0	@70%	Yes	1	8.3%	yes	None
2	2	Conversion	3	1,016	\$1,920	\$0	@80%	Yes	1	33.3%	yes	None
3	2	Conversion	1	1,501	\$1,940	\$0	@70%	Yes	0	0.0%	yes	None



## Port City II, continued

### Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$800	\$0	\$800	-\$142	\$658	1BR / 1BA	\$1,000	\$0	\$1,000	-\$142	\$858
						2BR / 2BA	\$1,200	\$0	\$1,200	-\$194	\$1,006
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@70%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,200	\$0	\$1,200	-\$142	\$1,058	1BR / 1BA	\$1,400	\$0	\$1,400	-\$142	\$1,258
2BR / 2BA	\$1,440	\$0	\$1,440	-\$194	\$1,246	2BR / 2BA	\$1,680	\$0	\$1,680	-\$194	\$1,486
						3BR / 2BA	\$1,940	\$0	\$1,940	-\$261	\$1,679
@80%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$1,920	\$0	\$1,920	-\$194	\$1,726						

### Amenities

In-Unit		Security	Services
Blinds	Cable/Satellite/Internet	Intercom (Buzzer)	None
Carpet/Hardwood	Carpeting	Limited Access	
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Courtyard		
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Recreation Areas		
Swimming Pool	Wi-Fi		

### Comments

The property also offers 23 studio units to be leased to artists. The property opened in October 2022 and is currently in its initial lease-up, indicating an absorption rate of 17 units per month.

Photos



# PROPERTY PROFILE REPORT

## Village South Townhomes

Effective Rent Date	6/06/2023
Location	3450 Maury Street Richmond, VA 23224 Richmond City County
Distance	1.4 miles
Units	296
Vacant Units	33
Vacancy Rate	11.1%
Type	Various (2 stories)
Year Built/Renovated	1947 / 2021
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Southwood, St. Jones Woods
Tenant Characteristics	Most of the tenants are from Richmond.
Contact Name	Liz
Phone	(804) 230-4004



### Market Information

Program	@60%
Annual Turnover Rate	2%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 6%
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

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

### Unit Mix

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

## Village South Townhomes, continued

### Amenities

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

### Comments

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

Photos



# PROPERTY PROFILE REPORT

## 404 Rivertowne Apartment Homes

Effective Rent Date	6/05/2023
Location	406 Westover Hills Blvd Richmond, VA 23225 Richmond City County
Distance	0.2 miles
Units	522
Vacant Units	30
Vacancy Rate	5.7%
Type	Garden (3 stories)
Year Built/Renovated	1968 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Square
Tenant Characteristics	Singles, families and seniors from the Richmond area
Contact Name	Krista
Phone	804-233-3007



### Market Information

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

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (3 stories)	N/A	420	\$910	\$0	Market	Yes	4	N/A	N/A	None
1	1	Garden (3 stories)	N/A	566	\$945	\$0	Market	Yes	15	N/A	N/A	LOW
1.5	1	Garden (3 stories)	N/A	775	\$1,270	\$0	Market	Yes	0	N/A	N/A	HIGH
2	1	Garden (3 stories)	N/A	861	\$1,335	\$0	Market	Yes	7	N/A	N/A	HIGH
2	1	Garden (3 stories)	N/A	822	\$1,085	\$0	Market	Yes	3	N/A	N/A	LOW
2.5	1	Garden (3 stories)	N/A	964	\$1,400	\$0	Market	Yes	0	N/A	N/A	HIGH
2.5	1	Garden (3 stories)	N/A	924	\$1,170	\$0	Market	Yes	1	N/A	N/A	LOW

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$910	\$0	\$910	-\$61	\$849
1BR / 1BA	\$945	\$0	\$945	-\$65	\$880
1.5BR / 1BA	\$1,270	\$0	\$1,270	-\$65	\$1,205
2BR / 1BA	\$1,085 - \$1,335	\$0	\$1,085 - \$1,335	-\$94	\$991 - \$1,241
2.5BR / 1BA	\$1,170 - \$1,400	\$0	\$1,170 - \$1,400	-\$94	\$1,076 - \$1,306

## 404 Rivertowne Apartment Homes, continued

### Amenities

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

### Comments

The contact stated that all units on the ground floor come with a patio. The contact stated that the property utilizing a pricing system that changes rents daily based on supply and demand. The contact noted the property keeps a waiting list, but was unable to disclose the current length.

Photos





# PROPERTY PROFILE REPORT

## Ashton Square

Effective Rent Date	6/05/2023
Location	603 Westover Hills Blvd Richmond, VA 23225 Richmond City County
Distance	0.2 miles
Units	368
Vacant Units	50
Vacancy Rate	13.6%
Type	Garden (2 stories)
Year Built/Renovated	1962/1980 / 1999/2022
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Leah
Phone	804-232-7849



### Market Information

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

### Utilities

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

### Unit Mix (face rent)

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

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,050 - \$1,100	\$0	\$1,050 - \$1,100	-\$65	\$985 - \$1,035
2BR / 1BA	\$1,200 - \$1,225	\$0	\$1,200 - \$1,225	-\$94	\$1,106 - \$1,131
2BR / 1.5BA	\$1,165	\$0	\$1,165	-\$94	\$1,071
3BR / 1.5BA	\$1,500	\$0	\$1,500	-\$138	\$1,362

## Ashton Square, continued

### Amenities

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

### Comments

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

Photos



# PROPERTY PROFILE REPORT

## Communities At Southwood

Effective Rent Date	6/06/2023
Location	4602 Southwood Parkway Richmond, VA 23224 Richmond City County
Distance	1.2 miles
Units	1,286
Vacant Units	27
Vacancy Rate	2.1%
Type	Various
Year Built/Renovated	1960 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Most of the tenants are from Richmond.
Contact Name	Jackie
Phone	804-230-2300



### Market Information

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

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	166	580	\$925	\$0	Market	Yes	4	2.4%	N/A	None
1	1	Garden (2 stories)	166	740	\$975	\$0	Market	Yes	10	6.0%	N/A	None
2	1	Garden (2 stories)	614	794	\$1,270	\$0	Market	Yes	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	250	1,010	\$1,370	\$0	Market	Yes	7	2.8%	N/A	None
2	2	Garden (2 stories)	45	1,010	\$1,270	\$0	Market	Yes	2	4.4%	N/A	None
3	1	Garden (2 stories)	N/A	1,200	\$1,370	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (2 stories)	45	1,200	\$1,525	\$0	Market	Yes	4	8.9%	N/A	None

### Unit Mix

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

## Communities At Southwood, continued

### Amenities

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

### Comments

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

Photos



# PROPERTY PROFILE REPORT

## Model Tobacco

Effective Rent Date	6/06/2023
Location	1100 Richmond Hwy Richmond, VA 23224 Richmond City County
Distance	2.1 miles
Units	203
Vacant Units	88
Vacancy Rate	43.3%
Type	Conversion (6 stories)
Year Built/Renovated	2022 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Latoya
Phone	804-509-2950



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	7
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	Changes daily
Concession	One month free rent if resident moves in by
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Conversion (6 stories)	N/A	828	\$1,500	\$0	Market	No	N/A	N/A	N/A	AVG
1	1	Conversion (6 stories)	N/A	712	\$1,400	\$0	Market	No	N/A	N/A	N/A	LOW
1	1.5	Conversion (6 stories)	N/A	943	\$1,750	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Conversion (6 stories)	N/A	943	\$1,540	\$0	Market	No	N/A	N/A	N/A	None
2	2	Conversion (6 stories)	N/A	1,223	\$2,250	\$0	Market	No	N/A	N/A	N/A	AVG
2	2	Conversion (6 stories)	N/A	1,514	\$2,500	\$0	Market	No	N/A	N/A	N/A	HIGH
2	2	Conversion (6 stories)	N/A	923	\$2,000	\$0	Market	No	N/A	N/A	N/A	LOW
3	2	Conversion (6 stories)	N/A	1,478	\$2,725	\$0	Market	No	N/A	N/A	N/A	AVG
3	2	Conversion (6 stories)	N/A	1,520	\$2,950	\$0	Market	No	N/A	N/A	N/A	HIGH
3	2	Conversion (6 stories)	N/A	1,435	\$2,500	\$0	Market	No	N/A	N/A	N/A	LOW

## Model Tobacco, continued

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,400 - \$1,500	\$0	\$1,400 - \$1,500	-\$65	\$1,335 - \$1,435
1BR / 1.5BA	\$1,750	\$0	\$1,750	-\$65	\$1,685
2BR / 2BA	\$1,540 - \$2,500	\$0	\$1,540 - \$2,500	-\$94	\$1,446 - \$2,406
3BR / 2BA	\$2,500 - \$2,950	\$0	\$2,500 - \$2,950	-\$138	\$2,362 - \$2,812

### Amenities

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

### Comments

The contact stated the property is still in its initial lease up period; the property is currently 56.0 percent occupied and opened in June 2022, indicating an absorption rate of seven units per month. Sixty-two one and two-bedroom units are restricted to 80 percent AMI and designated workforce housing. The contact noted there is an \$100 dollar fee included in tenant rent that includes parking for all unit types.



Photos



# PROPERTY PROFILE REPORT

## The Mill At Manchester Lofts

Effective Rent Date	6/06/2023
Location	815 Perry Street Richmond, VA 23224 Richmond City County
Distance	2.4 miles
Units	69
Vacant Units	4
Vacancy Rate	5.8%
Type	Conversion (2 stories)
Year Built/Renovated	1912 / 2009
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Link, RVA Terraces
Tenant Characteristics	Young professionals, less than 10% students
Contact Name	Aliyah
Phone	844-275-1701



### Market Information

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

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Conversion (2 stories)	29	630	\$1,250	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Conversion (2 stories)	1	891	\$1,380	\$0	Market	No	4	400.0%	N/A	None
2	2	Conversion (2 stories)	34	897	\$1,610	\$0	Market	No	0	0.0%	N/A	None
3	2	Conversion (2 stories)	5	1,374	\$1,775	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,250	\$0	\$1,250	-\$65	\$1,185
2BR / 1.5BA	\$1,380	\$0	\$1,380	-\$94	\$1,286
2BR / 2BA	\$1,610	\$0	\$1,610	-\$94	\$1,516
3BR / 2BA	\$1,775	\$0	\$1,775	-\$138	\$1,637

## The Mill At Manchester Lofts, continued

### Amenities

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

### Comments

The property does not accept Housing Choice Vouchers. The contact noted the asking rent for the 2BR/1.5BA unit is higher than the 2BR/2BA units because the location and layout of the 2BR/1.5BA is more desirable. The contact stated that pricing is adjusted weekly based on demand.

Photos



# PROPERTY PROFILE REPORT

## The Park At Forest Hill

Effective Rent Date	6/05/2023
Location	3900 Forest Hill Avenue Richmond, VA 23225 Richmond County
Distance	0.7 miles
Units	73
Vacant Units	2
Vacancy Rate	2.7%
Type	Garden (3 stories)
Year Built/Renovated	1978 / 2007
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Link Apartments
Tenant Characteristics	80% local area singles, couples. 20% students at VCU
Contact Name	Nola
Phone	804-230-6000



### Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	12%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 10 to 17 percent
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	45	624	\$1,025	\$0	Market	No	2	4.4%	N/A	None
2	1	Garden (3 stories)	14	936	\$1,102	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (3 stories)	14	1,026	\$1,175	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,025	\$0	\$1,025	-\$45	\$980
2BR / 1BA	\$1,102 - \$1,175	\$0	\$1,102 - \$1,175	-\$74	\$1,028 - \$1,101

## The Park At Forest Hill, continued

### Amenities

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

### Comments

No additional comments were provided by the contact.

# PROPERTY PROFILE REPORT

## The Village At Westlake

Effective Rent Date	6/06/2023
Location	1500 German School Rd Richmond, VA 23225 Richmond City County
Distance	1.9 miles
Units	252
Vacant Units	8
Vacancy Rate	3.2%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None mentioned
Tenant Characteristics	Mixed tenancy
Contact Name	Kaitlyn
Phone	(804) 622-3245



### Market Information

Program	Market
Annual Turnover Rate	20%
Units/Month Absorbed	42
HCV Tenants	N/A
Leasing Pace	Preleased
Annual Chg. in Rent	Increased 0 to 13 percent
Concession	None
Waiting List	Yes, one household for one-bedrooms

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	72	806	\$1,470	\$0	Market	Yes	2	2.8%	N/A	None
1	1	Garden (3 stories)	N/A	813	\$1,470	\$0	Market	Yes	3	N/A	N/A	None
2	2	Garden (3 stories)	120	1,085	\$1,785	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	N/A	1,099	\$1,850	\$0	Market	No	1	N/A	N/A	None
3	2	Garden (3 stories)	60	1,390	\$2,145	\$0	Market	No	2	3.3%	N/A	None
3	2	Garden (3 stories)	N/A	1,490	\$2,225	\$0	Market	No	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,470	\$0	\$1,470	\$20	\$1,490
2BR / 2BA	\$1,785 - \$1,850	\$0	\$1,785 - \$1,850	\$20	\$1,805 - \$1,870
3BR / 2BA	\$2,145 - \$2,225	\$0	\$2,145 - \$2,225	\$20	\$2,165 - \$2,245

## The Village At Westlake, continued

### Amenities

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

### Comments

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



Photos







**ADDENDUM D**  
**Site and Floor Plans**

**VHDA SUMMARY TABLE**

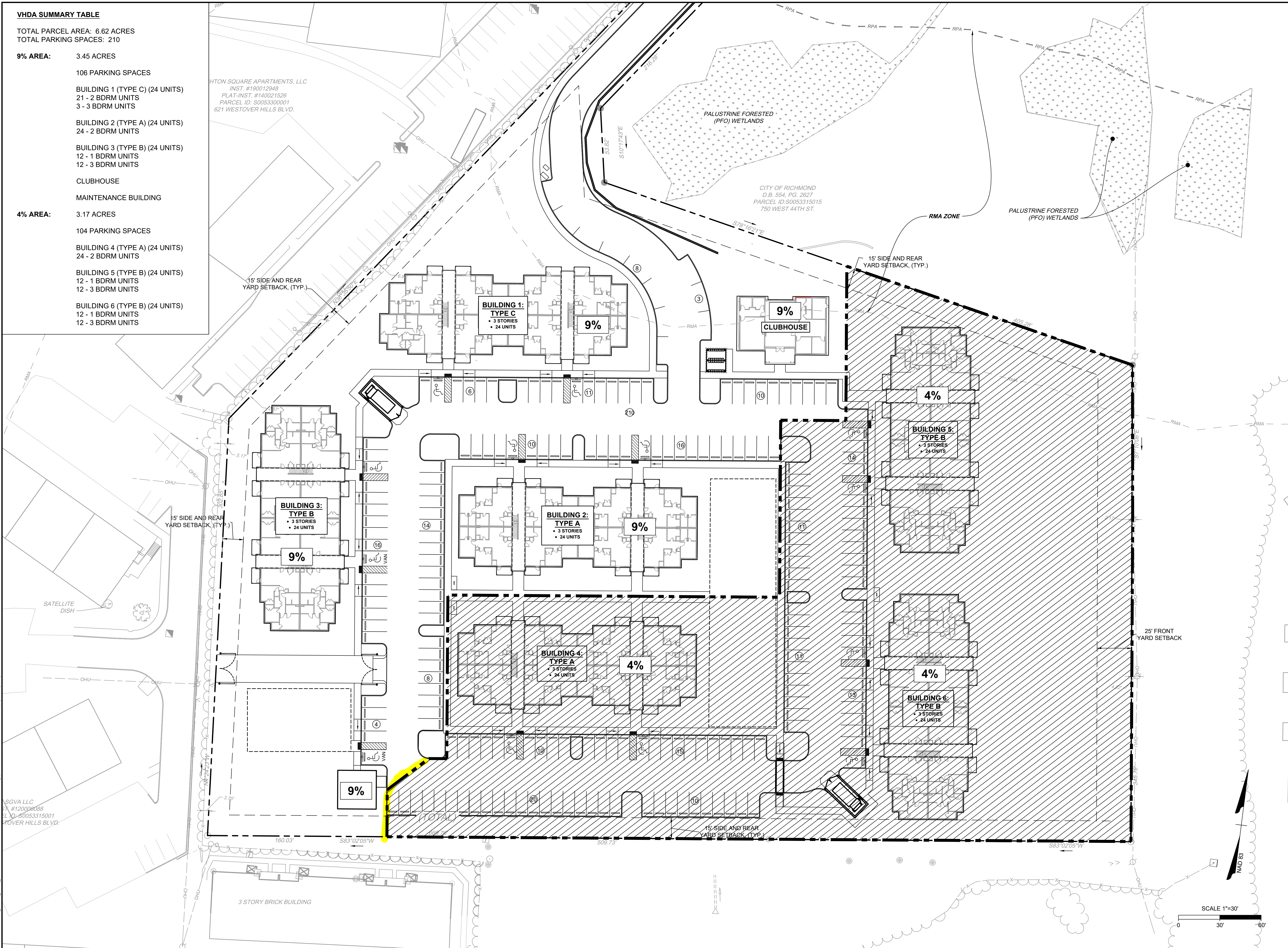
TOTAL PARCEL AREA: 6.62 ACRES  
 TOTAL PARKING SPACES: 210

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

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

HTON SQUARE APARTMENTS, LLC  
 INST. #190012948  
 PLAT-INST. #140021526  
 PARCEL ID: S0053300001  
 621 WESTOVER HILLS BLVD.

CITY OF RICHMOND  
 D.B. 554, PG. 2627  
 PARCEL ID: S0053315015  
 750 WEST 44TH ST.



**POD SUBMITTAL  
 NOT FOR  
 CONSTRUCTION**

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

YOUR VISION ACHIEVED THROUGH OURS.

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

DATE	DRAWN BY	DESIGNED BY	CHECKED BY
9/2/2021	B. MEYER	B. MEYER	A. WEHUNT

SCALE
1" = 30'

**TIMMONS GROUP**

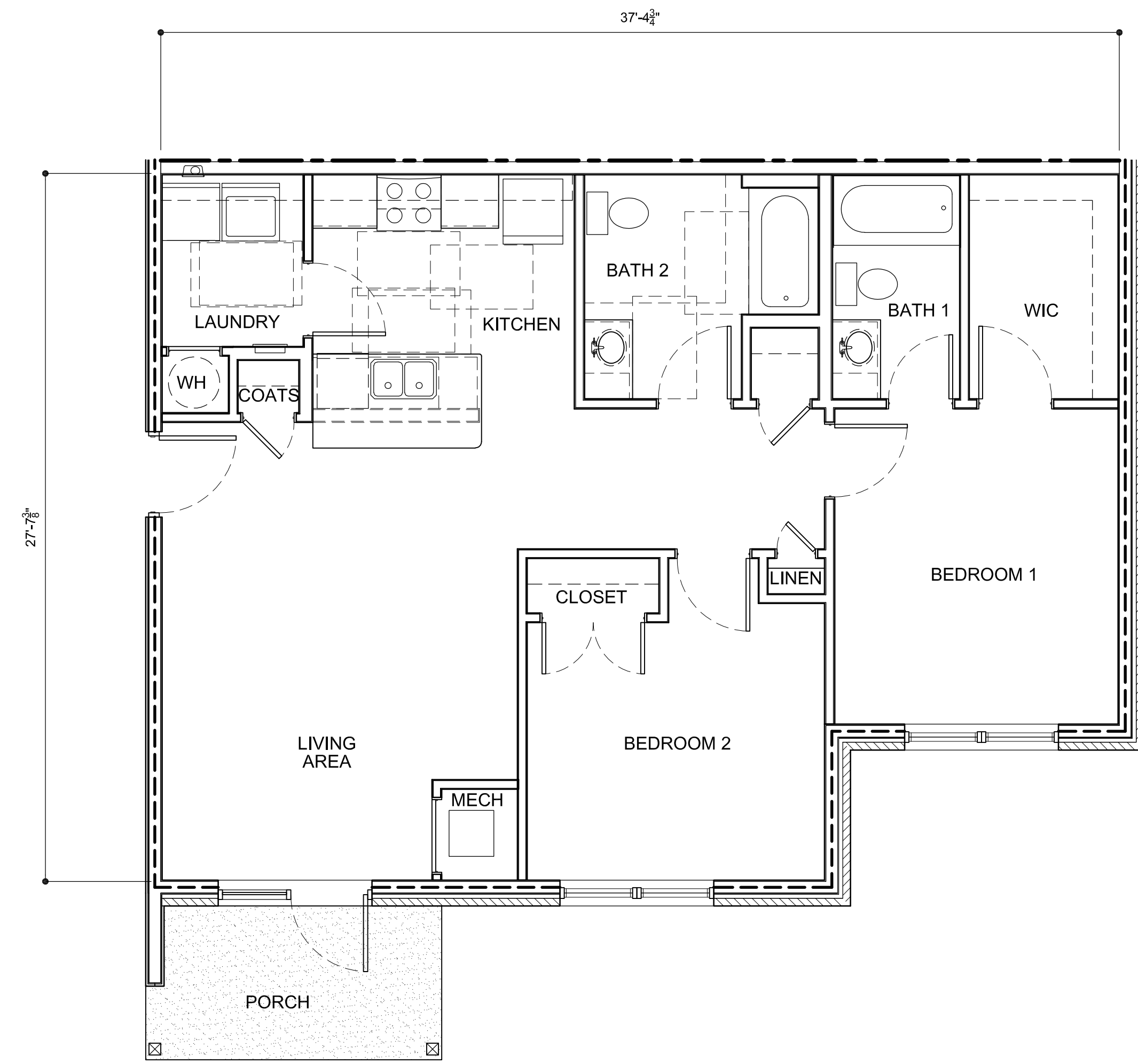
700 WEST 44TH STREET  
 OLD SOUTH DISTRICT - RICHMOND - VIRGINIA  
 VHDA EXHIBIT

JOB NO. 49101  
 SHEET NO. C4.02

S:\01149101-700\_WEST\_44TH\_STREET\DWG\SheetC49101-02\_VHDA.dwg | Plotted on: 12/20/2021 10:57 AM | by: Becky Meyer

SGVA LLC  
 INST. #120008088  
 PLAT-INST. #140021526  
 PARCEL ID: S0053315001  
 621 WESTOVER HILLS BLVD.

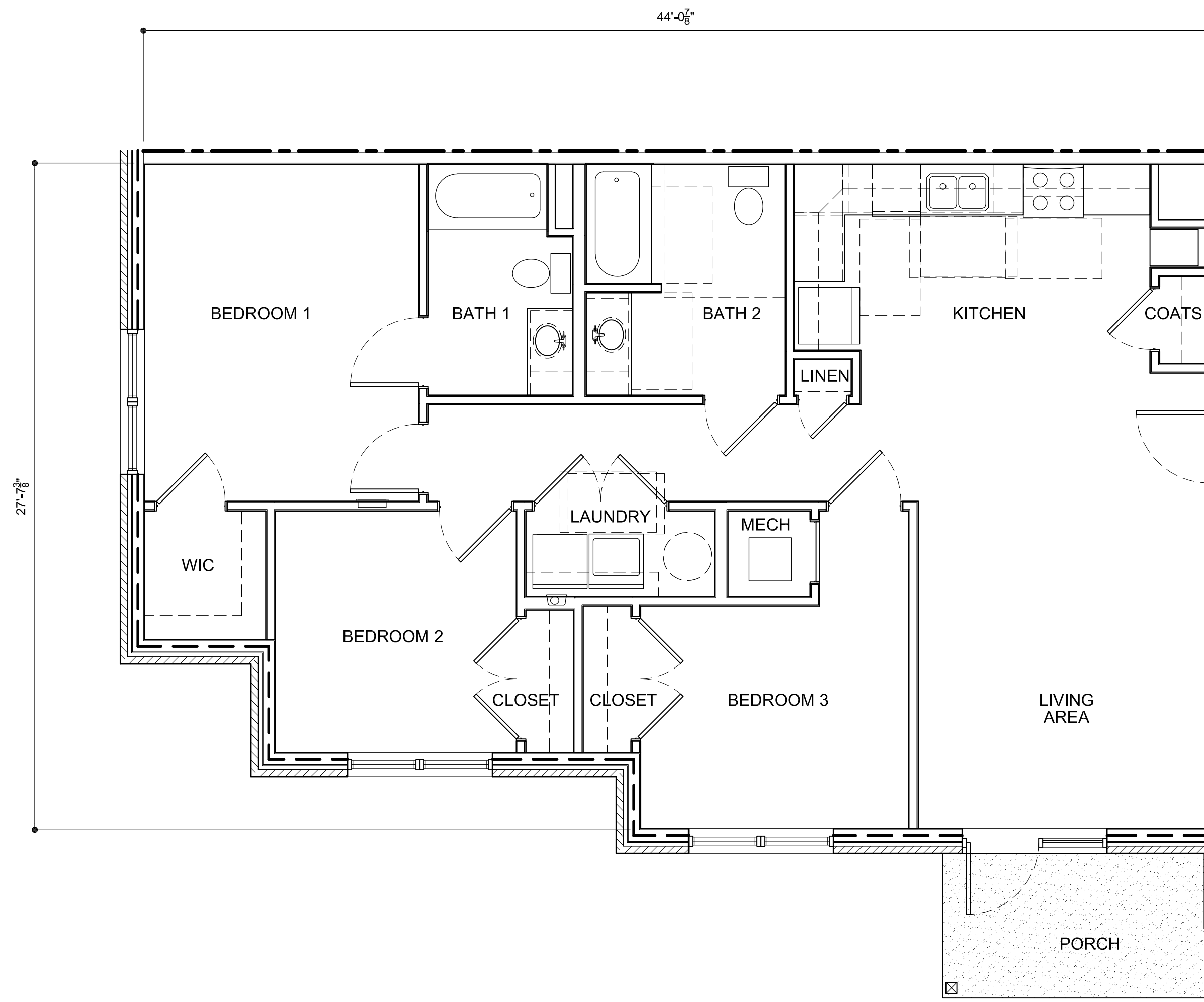
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E1 ENLARGED PLAN - UNIT 2.1

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

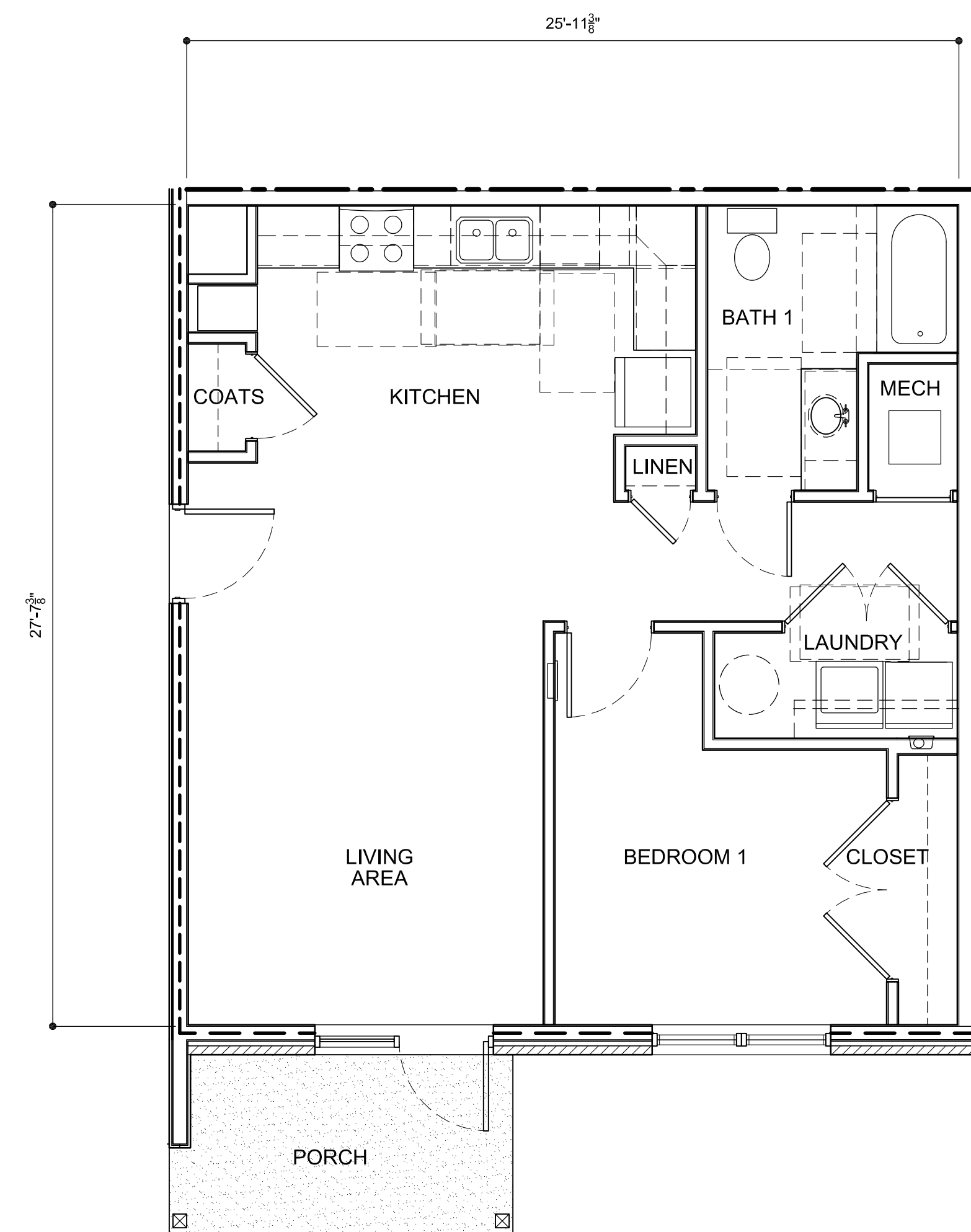
FIRST FLOOR UNIT SHOWN  
TYPE B UNIT PER ICC/ANSI A117.1-2009, LOCATED ON 1ST FLOOR ONLY



E5 ENLARGED PLAN - UNIT 3.1

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

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



A1 ENLARGED PLAN - UNIT 1.1

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

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

		1228 PERIMETER PARKWAY SUITE 101 VIRGINIA BEACH, VIRGINIA 23454 www.ts3architects.com 757.689.2899	PROJECT TITLE 700 WEST 44TH STREET RICHMOND, VIRGINIA
	CONSULTANTS	REVISIONS / SUBMISSIONS	PROJECT NUMBER TS321043.00 CONTRACT DRAWING DATE
		100 WEST 44TH STREET, RICHMOND, VIRGINIA VIRGINIA CORPORATION NO. 405901837	DRAWING TITLE UNIT PLANS DRAWING NUMBER <b>A412</b> SHEET 1 OF 00

**ADDENDUM E**  
Utility Allowance

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

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



Locality		Green Discount	Unit Type		Weather Code	Date	
Richmond Area 2022		None	Large Apartment (5+ units)		VA007	2022-08-16	
Utility/Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas	\$28	\$33	\$37	\$41	\$46	\$50
	Bottle Gas	\$69	\$81	\$93	\$104	\$116	\$127
	Electric Resistance	\$16	\$19	\$24	\$29	\$33	\$37
	Electric Heat Pump	\$14	\$16	\$19	\$21	\$22	\$23
	Fuel Oil	\$56	\$66	\$75	\$84	\$94	\$103
Cooking	Natural Gas	\$4	\$5	\$8	\$10	\$12	\$15
	Bottle Gas	\$11	\$12	\$18	\$24	\$29	\$35
	Electric	\$5	\$6	\$9	\$12	\$15	\$17
	Other						
Other Electric	\$20	\$24	\$33	\$42	\$51	\$60	
Air Conditioning	\$8	\$9	\$13	\$17	\$21	\$25	
Water Heating	Natural Gas	\$10	\$12	\$17	\$23	\$28	\$32
	Bottle Gas	\$24	\$28	\$41	\$54	\$66	\$79
	Electric	\$13	\$15	\$19	\$24	\$28	\$32
	Fuel Oil	\$20	\$23	\$33	\$44	\$54	\$64
Water	\$25	\$27	\$40	\$60	\$80	\$100	
Sewer	\$36	\$38	\$54	\$78	\$101	\$125	
Electric Fee	\$7	\$7	\$7	\$7	\$7	\$7	
Natural Gas Fee	\$17	\$17	\$17	\$17	\$17	\$17	
Fuel Oil Fee							
Bottled Gas Fee							
Trash Collection	\$20	\$20	\$20	\$20	\$20	\$20	
Range/Microwave	\$20	\$20	\$20	\$20	\$20	\$20	
Refrigerator	\$25	\$25	\$25	\$25	\$25	\$25	
Other – specify							

**\$142      \$194      \$261**



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

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## DAVID BOISTURE, ASA, CRE

### I. Education

Ohio University, Athens, Ohio  
Masters of Public Administration

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

### II. Professional Experience

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

### III. Professional Affiliation

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

### IV. Professional Training

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

## V. Real Estate Assignments

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

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

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

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## K. DAVID ADAMESCU

### I. Education

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

### II. Professional Experience

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

### III. Real Estate Assignments

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

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

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Robert McCarthy

### **I. Education**

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

### **II. Professional Experience**

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

### **III. Real Estate Assignments**

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

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

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Jacob Ball

### I. Education

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

### II. Professional Experience

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

### III. Real Estate Assignments

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

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

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





Formerly known as  
National Council of Affordable  
Housing Market Analysts

#### NCHMA MEMBER CERTIFICATION

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

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

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

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

## NCHMA Market Study Index

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

		Page Number(s)
<b>Executive Summary</b>		
1	Executive Summary	I
<b>Project Description</b>		
2	Proposed number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	I
3	Utilities (and utility sources) included in rent.	III
4	Project design description	II
5	Unit and project amenities; parking	V
6	Public programs included	I
7	Target population description	II
8	Date of construction/preliminary completion	II
9	If rehabilitation, existing unit breakdown and rents.	II
10	Reference to review/status of project plans	III
<b>Location and Market Area</b>		
11	Market area/secondary market area description	III
12	Concise description of the site and adjacent parcels	III
13	Description of site characteristics	III
14	Site photos/maps	III
15	Map of community services	III
16	Visibility and accessibility evaluation	III
17	Crime information	III
<b>Employment and Economy</b>		
18	Employment by industry	IV
19	Historical unemployment rate	IV
20	Area major employers	IV
21	Five-year employment growth	IV
22	Typical wages by occupation	IV
23	Discussion of commuting patterns of area workers	IV
<b>Demographic Characteristics</b>		
24	Population and household estimates and projections	IV
25	Area building permits	IV
26	Distribution of income	IV
27	Households by tenure	IV
<b>Competitive Environment</b>		
28	Comparable property profiles	V
29	Map of comparable properties	V
30	Comparable property photos	Add. B
31	Existing rental housing evaluation	V
32	Comparable property discussion	V

## NCHMA Market Study Index

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

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