

A MARKET FEASIBILITY STUDY OF:
RESIDENCES AT
GOVERNMENT
CENTER II –
NORTH EAST 9%

A MARKET FEASIBILITY STUDY OF: RESIDENCES AT GOVERNMENT CENTER II – NORTH EAST 9%

**Government Center Parkway And Post Forest Drive
Fairfax, Fairfax County, Virginia 22035**

**Inspection Date: August 29, 2022
Effective Date: August 29, 2022
Report Date: November 10, 2022**

**Prepared for:
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**Prepared by:
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November 10, 2022

Nick Bracco
Lincoln Avenue Capital LLC
595 Madison Avenue, 16th floor
New York, NY 22314

Re: Market Study for Residences At Government Center II North East 9%
Government Center Parkway And Post Forest Drive
Fairfax, Fairfax County, Virginia 22035

Dear Nick Bracco:

At your request, Novogradac & Company LLP doing business under the brand name Novogradac Consulting (Novogradac), has performed a study of the multifamily rental market in the Fairfax, Fairfax County, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project.

The purpose of this market study is to assess the viability of Residences At Government Center II - North East 9% ("Subject"). The Subject is one of four components of the proposed new construction of a 279-unit LIHTC property. The Subject component will consist of 70 units restricted to households earning 30, 50, and 60 percent of the AMI, or less. Of the 70 units at the Subject, eight units will benefit from project-based subsidies where tenants pay 30 percent of their income towards rent. Upon completion, the Subject's larger overall development will consist of two elevator-serviced, midrise structures offering a total of 279 one, two, and three-bedroom apartments within four phases - North East 9% (Subject), North West 4% (74 units), South East 9% (66 units), and South West 4% (69 units). There will be separate condominium ownership structures for each of the four phases. These units will be restricted to households earning 30, 40, 50, 60, and 70 percent of AMI, or less. Of the total 279 affordable units, 32 will benefit from project-based subsidies where tenants pay 30 percent of their income towards rent. Additionally, a 15,000 square foot community facility in the northern building will be a daycare facility operated by a Fairfax County-based 501(c)(3) called Cornerstones. We were not asked to analyze the community facility, and it is outside our scope of work. We previously completed an application market study and a land appraisal for the Subject with an effective date of August 29, 2022. Since that time the project has been split into four phases. We are now concurrently providing market studies and appraisals for each of the four components. We have completed no additional prior work on the Subject within the last three years. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Virginia Housing and includes the following:

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

Novogradac adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). 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. Novogradac is a disinterested third party. 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.

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.

Lincoln Avenue Capital LLC is the client in this engagement and intended user of this report. Virginia Housing is also an intended user. As our client, Lincoln Avenue Capital LLC 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 purposes. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages, or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

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

Respectfully submitted,
Novogradac



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I. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Subject Site Location:

The Subject site is located at Government Center Parkway And Post Forest Drive, in Fairfax, VA 22035. More specific addresses for the overall Subject development and the individual components have not yet been determined. The Subject site is currently used as a parking lot for the Fairfax County Government Center. It should be noted that all four components of the larger overall development will share the same site. We have not been provided with specific boundaries or allocations for the four components.



Source: Google Earth, November 2022

Surrounding Land Uses:

Directly north of the Subject site is the Fairfax Corner Shopping Mall, consisting of a variety of retail shops, restaurants, and other commercial uses. Farther north is the Fair Oaks Mall, another shopping mall with retail and restaurants, as well as multifamily developments Camden Fairfax Corner and Residences at Government Center Phase I. Directly east of the Subject site is the Fairfax County Government Center, which contains offices for Fairfax County. Farther east are for-sale townhouse developments, single-family homes, and a number of commercial/retail uses along US Highway 29 and US Highway 50. Directly south of the Subject site is Archstone Fairchase, a market rate multifamily development used in

this report as a comparable, as well as Eagle View Elementary School. Farther south are single-family homes and wooded land. Directly west of the Subject site are additional office and government buildings for Fairfax County. Farther west are multifamily developments, for-sale developments, and commercial/retail uses along Interstate 66. Additionally, the Fairfax County Landfill, Waste, and Recycling Center is located approximately one mile west of the Subject site.

Site Description:

The overall Subject site is irregular in shape and has access to Government Center Parkway via an unnamed access road. The site currently consists of a parking lot and offers a total lot size of approximately 4.53 acres or 197,327 square feet according to the site plan provided by the client. The site exhibits level topography and is not located in a floodplain. Upon completion, the overall Subject site will be improved with two five-story elevator-serviced midrise residential buildings and off-street and garage parking.

Scope of Construction:

The proposed Subject will be new construction. The proposed Subject is anticipated to begin construction in 2024 and be completed in 2026. The overall Subject will be improved with two five-story elevator-serviced midrise residential buildings and off-street and garage parking. Additionally, a 15,000 square foot community facility in the northern building will be a daycare facility operated by a Fairfax County-based 501(c)(3) called Cornerstones. We were not asked to analyze the community facility, and it is outside our scope of work.

Proposed Rents:

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

PROPOSED RENTS

Unit Type	Unit Size (SF)	# Units	Contract Rent	Asking Rent	Utility Allowance*	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2022 HUD Fair Market Rent
@30%								
1BR/1BA	671	2	-	\$724	\$77	\$801	\$801	\$1,567
2BR/2BA	924	4	-	\$855	\$105	\$960	\$960	\$1,785
3BR/2BA	1,106	2	-	\$978	\$132	\$1,110	\$1,110	\$2,260
@30% (PBV)								
1BR/1BA	671	2	\$1,647	\$1,647	\$77	\$1,724	\$801	\$1,567
2BR/2BA	924	4	\$1,859	\$1,859	\$105	\$1,964	\$960	\$1,785
3BR/2BA	1,106	2	\$2,354	\$2,354	\$132	\$2,486	\$1,110	\$2,260
@50%								
1BR/1BA	671	4	-	\$1,258	\$77	\$1,335	\$1,335	\$1,567
2BR/2BA	924	13	-	\$1,496	\$105	\$1,601	\$1,601	\$1,785
3BR/2BA	1,106	3	-	\$1,718	\$132	\$1,850	\$1,850	\$2,260
@60%								
1BR/1BA	671	3	-	\$1,525	\$77	\$1,602	\$1,602	\$1,567
2BR/2BA	924	23	-	\$1,816	\$105	\$1,921	\$1,921	\$1,785
3BR/2BA	1,106	8	-	\$2,088	\$132	\$2,220	\$2,220	\$2,260
Total		70						

*Source of Utility Allowance provided by the Developer

The Subject is a proposed LIHTC property that will offer a total of 70 units, all of which will be revenue-generating. Additionally, eight of the Subject's units restricted to the 30 percent of AMI level will benefit

from project-based subsidies, where tenants pay 30 percent of their income towards rent. The Subject’s LIHTC rents at the 30, 50, and 60 percent of AMI levels are set at the maximum allowable rents. It should be noted that in our analysis, we concluded to achievable rents in the hypothetical scenario that the units do not operate with subsidy. As such, absent subsidy, utility adjustments and the utility allowances will be the same as the LIHTC only units.

Target Household Income Levels: Based on the proposed unit mix and rent levels, the range of annual household income levels is depicted below.

INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income						
	@30%		@30% (PBV)		@50%		@60%	
1BR	\$27,463	\$34,170	\$0	\$34,170	\$45,771	\$56,950	\$54,926	\$68,340
2BR	\$32,914	\$38,430	\$0	\$38,430	\$54,891	\$64,050	\$65,863	\$76,860
3BR	\$38,057	\$46,110	\$0	\$46,110	\$63,429	\$76,850	\$76,114	\$92,220

INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$27,463	\$34,170	\$45,771	\$56,950	\$54,926	\$68,340
2BR	\$32,914	\$38,430	\$54,891	\$64,050	\$65,863	\$76,860
3BR	\$38,057	\$46,110	\$63,429	\$76,850	\$76,114	\$92,220

Economic Conditions

Employment in the PMA is concentrated in prof/scientific/tech services, public administration, and healthcare/social assistance, which collectively comprise 48.4 percent of local employment. The large share of PMA employment in the healthcare/social assistance and public administration sectors is notable as these industries are historically stable, and tend to exhibit greater resilience during economic downturns. Relative to the nation, the PMA features comparatively greater employment in the prof/scientific/tech services, public administration, and information industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and retail trade sectors. Employment in the MSA declined sharply by 5.7 percent in 2020 amid the pandemic, similar to the overall nation. Total employment in the MSA currently remains below the pre-COVID level reached in 2019. As of July 2022, employment in the MSA is increasing at an annualized rate of 2.1 percent, compared to 3.6 percent growth across the nation.

Primary Market Area

The Subject site is located in Fairfax, Fairfax County, Virginia. The PMA is generally defined as the communities of Fairfax City, Legato, Centreville, Chantilly, Oak Hill, and Oakton. The PMA boundaries are: State Routes 657, 608, 602, and Lawyers Road to the north; Hunter Mill Road and State Route 123 to the east; Braddock Road and New Braddock Road to the south; and Centreville Road and Sully Road to the west. The PMA encompasses approximately 44 square miles, and was primarily determined based on our conversations with local property managers. We also considered commuting pattern data provided by the U.S. Census Bureau. We have estimated that 10 percent of the Subject’s tenants will come from outside of the PMA boundaries.

Demographic Data

Population in the PMA increased at an annualized rate of 0.4 percent between 2010 and 2021, compared to growth of 1.0 percent in the MSA and 0.7 percent across the nation. The percentage of renter households in the PMA rose between 2010 and 2021 and is estimated to be 31 percent as of 2021. This is less than the estimated 33 percent renter households across the overall nation. The median income in the PMA as of 2021

**RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING
MARKET STUDY**

is above the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2026. Overall, the combination of rising population and median household income bodes well for future demand for multifamily housing.

Vacancy

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

OVERALL VACANCY

Property Name	Program	Tenancy	Total Units	Vacant Units	Vacancy %
Dulles Center*	LIHTC	Family	272	0	0.0%
Fields Of Chantilly	LIHTC	Family	360	0	0.0%
Gables Centerpointe	LIHTC/Market	Family	120	9	7.5%
Lee Overlook Apartments*	LIHTC	Family	196	4	2.0%
Residences At Government Center	LIHTC	Family	270	3	1.1%
The Apartments At Regent Park*	LIHTC/Market	Family	552	26	4.7%
The Point At Ridgeline*	Affordable/Market	Family	293	9	3.1%
Camden Fairfax Corner	Market	Family	488	19	3.9%
Station On Silver*	Market	Family	681	2	0.3%
The Julian At Fair Lakes	Market	Family	150	4	2.7%
LIHTC Total			2,063	51	2.5%
Market Total			1,319	25	1.9%
Overall Total			3,382	76	2.2%

*Located outside PMA

The comparable properties reported vacancy rates ranging from zero to 7.5 percent, with an overall weighted average of 2.2 percent. Managers at two of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 2.5 percent, above the 1.9 percent weighted average reported by the market rate properties. Gables Centerpointe reported an elevated vacancy rate of 7.5 percent. However, it should be noted that all of the vacancies at this property were for market rate units, as all of the affordable units are fully occupied. All of the market rate properties reported vacancy rates of 3.9 percent or less. Based on the performance of the comparables, we expect the Subject will operate with vacancy and collection losses of approximately five percent over a typical investment period.

VACANCY BY BEDROOM TYPE

Property Name	Program	Tenancy	0BR	1BR	2BR	3BR	Overall
Dulles Center	LIHTC	Family	N/A	N/A	0.0%	0.0%	0.0%
Fields Of Chantilly	LIHTC	Family	N/A	N/A	0.0%	0.0%	0.0%
Gables Centerpointe	LIHTC/Market	Family	N/A	9.7%	4.2%	N/A	7.5%
Lee Overlook Apartments	LIHTC	Family	N/A	N/A	N/A	N/A	2.0%
Residences At Government Center	LIHTC	Family	N/A	N/A	N/A	N/A	1.1%
The Apartments At Regent Park	LIHTC/Market	Family	N/A	N/A	N/A	N/A	4.7%
The Point At Ridgeline	Affordable/Market	Family	N/A	N/A	N/A	N/A	3.1%
Camden Fairfax Corner	Market	Family	N/A	N/A	N/A	N/A	3.9%
Station On Silver	Market	Family	0%	0.7%	0%	N/A	0.3%
The Julian At Fair Lakes	Market	Family	0%	3.4%	2.2%	N/A	2.7%
Weighted Averages			0%	2.8%	0.9%	0%	2.2%

As proposed, the Subject will consist of one, two, and three-bedroom units. Vacancy rates in the market average zero percent for studio units, 2.8 percent for one-bedroom units, 0.9 percent for two-bedroom units, and zero percent for three-bedroom units. Overall, given the vacancy rates in the market and the household growth rates projected for the PMA, we do not believe the Subject will negatively impact the existing properties in the market.

Absorption Estimate

We obtained absorption rate data from three market rate properties and six LIHTC properties.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
The Woods At Brambleton	LIHTC	Family	Ashburn	2021	55	55	12.7 miles
Town Center South							
Forest Glen Phase I	LIHTC	Senior	Centreville	2020	119	5	2.8 miles
The Woods At Birchwood	LIHTC	Senior	Ashburn	2019	83	15	11.6 miles
Heronview Apartments	LIHTC	Family	Sterling	2019	46	30	12.6 miles
The Point At Ridgeline*	LIHTC	Family	Herndon	2019	293	24	7.2 miles
The Emerson Apartments	Market	Family	Centreville	2019	355	15	4.2 miles
St. James Plaza	LIHTC	Family	Alexandria	2018	93	18	13.2 miles
Exo Reston	Market	Family	Reston	2018	457	19	6.8 miles
Kingston At Mclean Crossing	Market	Family	Tysons	2018	319	14	9.7 miles
Average Affordable					115	25	
Average Market					377	16	
Overall Average					202	22	

*Comparable Property

We obtained absorption data from nine properties, located between 2.8 and 13.2 miles from the Subject site. These properties reported absorption rates ranging from five to 55 units per month, with an overall average of 22 units per month. Forest Glen Phase I reported a slow absorption of five units per month. However, we assume that this is due to the slow absorption pace of senior properties during the pandemic, and have therefore not relied on this property. Overall, we expect the proposed Subject will experience an absorption rate of 25 units per month as restricted and 15 units per month as unrestricted. This equates to an absorption period of approximately 11 months as restricted and 18 months as unrestricted for the Subject's larger overall development consisting of 279 units. These absorption rates would equate to absorption periods of approximately three months as restricted and five months as unrestricted for the Subject component. With the assumption that the Subject begins preleasing units prior to the completion of construction, it appears feasible that the Subject's market-entry would facilitate a more expedient lease-up, given its affordable nature and excellent condition as completed. It should be noted that we do not expect the Subject's absorption to adversely impact other existing LIHTC properties, all of which reported low vacancy rates.

Demand

The 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.

DEMAND CONCLUSIONS

Calculation	As Proposed	Absent Subsidy
@30%	0.5%	0.9%
@30% (PBV)	0.2%	0.9%
@50%	0.6%	0.6%
@60%	0.8%	0.8%
All Units	0.8%	1.0%
Annual Demand	2.2%	2.8%
Penetration Rate	14.5%	16.1%

These capture rates are reasonable taking into account the other indications of demand such as low vacancy rates and waiting lists reported by the comparable properties. The Demand Analysis illustrates demand for the Subject based on captures rates of income-eligible renter households. This calculation demonstrates that there are approximately 3,049 units of demand in the first year of the Subject's operation based on the annual demand analysis. The Subject will need to accommodate 67 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 considered low and indicative of demand for additional affordable housing supply such as the proposed Subject.

This calculation illustrates that there are approximately 3,049 units of demand in the first year of the Subject’s operation. The Subject will need to accommodate 67 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate - LIHTC Units	2.4%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.4%
Project Wide Absorption Period (Months)	3 months

The capture rate and absorption are shown in the table below in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	3.1%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	3.1%
Project Wide Absorption Period (Months)	3 months

These capture rates are indicative of moderate demand for the Subject, and upon completion, we anticipate the proposed project will facilitate a relatively rapid absorption.

Strengths

- The Subject will offer excellent condition as a new construction development, similar to superior to the comparable properties;
- The Subject will offer elevator-serviced midrise design, similar to slightly superior to the comparables;
- The Subject’s location is in close proximity to most major locational amenities, and offers good accessibility and excellent visibility;
- The Subject’s achievable LIHTC rents at 30, 50, and 60 percent of AMI appear reasonable, and offer a significant market rent advantage;
- There is ample demand for affordable housing as evidenced by low capture rates and low vacancy rates.

Weaknesses

- The Subject’s unit sizes are inferior to slightly inferior to the majority of comparable properties.

Recommendations and Overall Conclusion

We have no further recommendations for the development. The Subject will be well-positioned in the market. As a newly constructed property, the Subject will be in similar to superior condition relative to the majority of the comparable properties. The market exhibits strong demand for affordable housing, with a weighted average vacancy rate of 2.5 percent at the comparable LIHTC properties. Two of the LIHTC properties reported operating with a waiting list. Vacancy loss at the Subject is expected to be no more than five percent over a typical investment period. Given the low vacancy rates and waiting lists reported by the affordable comparables, as well as the rent advantages over the market rate rents, we believe that 2022 maximum allowable rents are achievable for the Subject at the 30, 50, and 60 percent of AMI levels. The Subject will be well-accepted in the market as a newly-constructed LIHTC property, and the concluded achievable LIHTC rents offer a market rent advantage.

II. 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 Fairfax, Virginia area relative to The Residences at Government Center II North East 9%, a 70-unit component of the overall proposed new construction 279-unit LIHTC development.
Developer/Client Information:	Lincoln Avenue Capital LLC
Intended Use and Users of the Report:	The report will be submitted to Virginia Housing for LIHTC application purposes. The intended users of the report are Virginia Housing and Lincoln Avenue Capital LLC.
Scope of the Report:	<ul style="list-style-type: none">▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ In-person inspection of the Subject site and its general location.▪ 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.▪ Estimating number of income-eligible households and performing an analysis of relevant demographic demand for the Subject.▪ 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 public agencies.▪ Analysis of the economic and social conditions in the market area, in relation to the project.▪ Establishing the Subject’s Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was inspected on August 29, 2022, which shall serve as the effective date of this report.
Primary Contacts for the Report:	Rachel Denton – Rachel.Denton@novoco.com Kelly Gorman – Kelly.Gorman@novoco.com Tara Rial – Tara.Rial@novoco.com William Linthicum – William.Linthicum@novoco.com

III. PROJECT DESCRIPTION

PROJECT DESCRIPTION

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

Subject Property Description:

The overall Subject development will be a combined development consisting of four components - North East 9% (Subject), North West 4% (74 units), South East 9% (66 units), and South West 4% (69 units). There will be separate condominium ownership structures for each of the four phases. The overall development will offer 279 units, all of which will be restricted to households earning 30, 40, 50, 60, and 70 percent of the AMI or below. Additionally, 32 of the Subject's units will benefit from project-based subsidies, where tenants pay 30 percent of their income towards rent. The Subject's units will be contained in two five-story elevator-serviced midrise-style residential buildings.

Construction Type:

The Subject's units will be contained within two, five-story, elevator-serviced, midrise residential buildings.

Target Population and Occupancy Type:

The proposed Subject will target one to five person households earning 30, 50, and 60 percent of the AMI or below. Based on the unit mix and proposed rent levels, the qualifying annual incomes for the Subject's proposed units will range from \$0 to \$92,220.

Proposed Rents:

The following table details proposed rents for the Subject's units based on the developer's pro forma.

PROPOSED RENTS

Unit Type	Unit Size (SF)	# Units	Contract Rent	Asking Rent	Utility Allowance*	Gross Rent	2022 LIHTC Maximum Allowable Gross Rent	2022 HUD Fair Market Rent
@30%								
1BR/1BA	671	2	-	\$724	\$77	\$801	\$801	\$1,567
2BR/2BA	924	4	-	\$855	\$105	\$960	\$960	\$1,785
3BR/2BA	1,106	2	-	\$978	\$132	\$1,110	\$1,110	\$2,260
@30% (PBV)								
1BR/1BA	671	2	\$1,647	\$1,647	\$77	\$1,724	\$801	\$1,567
2BR/2BA	924	4	\$1,859	\$1,859	\$105	\$1,964	\$960	\$1,785
3BR/2BA	1,106	2	\$2,354	\$2,354	\$132	\$2,486	\$1,110	\$2,260
@50%								
1BR/1BA	671	4	-	\$1,258	\$77	\$1,335	\$1,335	\$1,567
2BR/2BA	924	13	-	\$1,496	\$105	\$1,601	\$1,601	\$1,785
3BR/2BA	1,106	3	-	\$1,718	\$132	\$1,850	\$1,850	\$2,260
@60%								
1BR/1BA	671	3	-	\$1,525	\$77	\$1,602	\$1,602	\$1,567
2BR/2BA	924	23	-	\$1,816	\$105	\$1,921	\$1,921	\$1,785
3BR/2BA	1,106	8	-	\$2,088	\$132	\$2,220	\$2,220	\$2,260
Total		70						

*Source of Utility Allowance provided by the Developer

The Subject is a proposed LIHTC property that will offer a total of 70 units, all of which will be revenue-generating. Additionally, eight of the Subject's units restricted to the 30 percent of AMI

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY

level will benefit from project-based subsidies, where tenants pay 30 percent of their income towards rent. The Subject's LIHTC rents at the 30, 50, and 60 percent of AMI levels are set at the maximum allowable rents. It should be noted that in our analysis, we concluded to achievable rents in the hypothetical scenario that the units do not operate with subsidy. As such, absent subsidy, utility adjustments and the utility allowances will be the same as the LIHTC only units.

Assisted Housing Program: According to the developer, eight of the Subject's units will operate with project-based rental assistance.

Construction Date: The proposed Subject is anticipated to begin construction in 2024 and be completed in 2026.

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

INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income						
	@30%		@30% (PBV)		@50%		@60%	
1BR	\$27,463	\$34,170	\$0	\$34,170	\$45,771	\$56,950	\$54,926	\$68,340
2BR	\$32,914	\$38,430	\$0	\$38,430	\$54,891	\$64,050	\$65,863	\$76,860
3BR	\$38,057	\$46,110	\$0	\$46,110	\$63,429	\$76,850	\$76,114	\$92,220

INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$27,463	\$34,170	\$45,771	\$56,950	\$54,926	\$68,340
2BR	\$32,914	\$38,430	\$54,891	\$64,050	\$65,863	\$76,860
3BR	\$38,057	\$46,110	\$63,429	\$76,850	\$76,114	\$92,220

Utility Structure: The following table details utility allowance calculations as derived from the most recent utility allowance schedule published by the Fairfax County Housing and Community Development, effective as of July 1, 2022.

HOUSING AUTHORITY UTILITY ALLOWANCE

Utility and Source	Paid By	1BR	2BR	3BR
Heating - electric	Tenant	\$32	\$41	\$51
Cooking - electric	Tenant	\$5	\$6	\$8
Electric	Tenant	\$19	\$24	\$30
Air Conditioning - central	Tenant	\$9	\$12	\$14
Hot Water - electric	Tenant	\$16	\$21	\$25
Cold Water	Tenant	\$28	\$36	\$44
Sewer	Tenant	\$32	\$41	\$50
Trash	Landlord	\$14	\$14	\$14
TOTAL - Paid by Landlord		\$14	\$14	\$14
TOTAL - Paid by Tenant		\$141	\$181	\$222
TOTAL - Paid By Tenant Provided by Developer		\$77	\$105	\$132
% Delta (Developer / Housing Authority)		55%	58%	59%

Source: Fairfax County Housing and Community Development, July 2022

The proposed Subject will offer central air conditioning and electric cooking, heating, and water heating. Tenants will be responsible for the cooking, hot water, heating, electric, cold water, and sewer expenses. The landlord will be responsible for the trash cost. The developer estimated utility allowances based upon prior applications. However, these allowances are not engineered. The developer’s estimates of tenant paid utilities are below the housing authority’s estimates. Housing authority estimates are used to adjust the comparable properties with differing utility structures to the Subject’s utility structure for an “apples-to-apples” comparison. Given the Subject’s proposed utility allowance is far lower than the housing authority’s estimates we used the following utility estimates to adjust the comparable properties. These estimates are based on a portion of the housing authority’s estimates. We assume that these utility allowances would be approved.

ADJUSTED UTILITY ALLOWANCE

Utility and Source	Paid By	1BR	2BR	3BR
Heating - electric	Tenant	\$17	\$24	\$30
Cooking - electric	Tenant	\$3	\$3	\$5
Electric	Tenant	\$10	\$14	\$18
Air Conditioning - central	Tenant	\$5	\$7	\$8
Hot Water - electric	Tenant	\$9	\$12	\$15
Cold Water	Tenant	\$15	\$21	\$26
Sewer	Tenant	\$17	\$24	\$30
Trash	Landlord	\$8	\$8	\$8
TOTAL - Paid by Landlord		\$8	\$8	\$8
TOTAL - Paid by Tenant		\$77	\$105	\$132
TOTAL - Paid By Tenant Provided by Developer		\$77	\$105	\$132
% Delta (Developer / Housing Authority)		100%	100%	100%

Source: Fairfax County Housing and Community Development, July 2022

Unit Mix:

The following table illustrates the Subject’s proposed unit mix and unit sizes, as provided by the developer:

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR/1BA	11	671	7,381
2BR/2BA	44	924	40,656
3BR/2BA	15	1,106	16,590
Total	70		64,627

Net Leasable Area:

The net leasable area totals approximately 64,627 square feet, as outlined above.

Unit Amenities:

The Subject’s units will offer balcony/patio, blinds, cable/satellite, carpeting, central air conditioning, washer/dryers, dishwasher, garbage disposal, microwave, oven, and refrigerator.

Common Area Amenities:

The Subject’s common amenities will include a business center, a clubhouse, daycare, a fitness center, and picnic areas.

Parking:	The property will offer off-street parking and garages; specifically, 13 off-street surface parking spaces, or 0.04 spaces per unit. Additionally, the overall Subject development will offer 324 garage spaces, or 1.10 garages per unit. The Subject's parking will be at no additional charge. We expect the number of parking spaces to be adequate.
Community Facility	A 15,000 square foot community facility in the northern building will be a daycare facility operated by a Fairfax County-based 501(c)(3) called Cornerstones. We were not asked to analyze the community facility, and it is outside our scope of work.
Number of Stories and Buildings:	Upon completion, the overall Subject site will be improved with two five-story elevator-serviced midrise residential buildings.
Americans with Disabilities Act of 1990:	As new construction, we assume the Subject property will not have any violations of the Americans with Disabilities Act of 1990.
Quality of Construction Condition and Deferred Maintenance:	We anticipate that the Subject will 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 were provided with preliminary floor plans for the Subject's overall development dated July 25, 2022. Based upon our review of the Subject floor plans, as well as the site inspection and local interviews, we believe the Subject will be functional upon completion. Copies of the floor plans are included in the <i>Addenda</i> of this report.
Architectural Plans:	We were provided with preliminary architectural plans for the Subject's overall development dated July 25, 2022. A copy of the site and architectural plans are included in the addenda of this report.
Conclusion:	The Subject property is a 70-unit component of the overall proposed new construction 279-unit LIHTC development that will be in excellent condition following construction. As a new construction development 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 of affordable housing in the market and will be superior to the existing supply of affordable housing.

Subject Elevations



ELEVATION 01



ELEVATION 02



Source: Lincoln Avenue Capital LLC, July 2022

PROPERTY PROFILE REPORT

Residences At Government Center II - North East 9%

Effective Rent Date	10/19/2022
Location	Government Center Parkway And Post Forest Drive Fairfax, VA 22035 Fairfax County
Distance	N/A
Units	70
Vacant Units	N/A
Vacancy Rate	N/A
Type	Midrise (5 stories)
Year Built/Renovated	2026 / 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	N/A
Phone	N/A



Market Information

Program	@30%, @30% (PBV), @50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	N/A
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (5 stories)	2	671	\$724	\$0	@30%	N/A	N/A	N/A	yes	None
1	1	Midrise (5 stories)	2	671	\$1,647	\$0	@30% (PBV)	N/A	N/A	N/A	N/A	None
1	1	Midrise (5 stories)	4	671	\$1,258	\$0	@50%	N/A	N/A	N/A	yes	None
1	1	Midrise (5 stories)	3	671	\$1,525	\$0	@60%	N/A	N/A	N/A	yes	None
2	2	Midrise (5 stories)	4	924	\$855	\$0	@30%	N/A	N/A	N/A	yes	None
2	2	Midrise (5 stories)	4	924	\$1,859	\$0	@30% (PBV)	N/A	N/A	N/A	N/A	None
2	2	Midrise (5 stories)	13	924	\$1,496	\$0	@50%	N/A	N/A	N/A	yes	None
2	2	Midrise (5 stories)	23	924	\$1,816	\$0	@60%	N/A	N/A	N/A	yes	None
3	2	Midrise (5 stories)	2	1,106	\$978	\$0	@30%	N/A	N/A	N/A	yes	None
3	2	Midrise (5 stories)	2	1,106	\$2,354	\$0	@30% (PBV)	N/A	N/A	N/A	N/A	None
3	2	Midrise (5 stories)	3	1,106	\$1,718	\$0	@50%	N/A	N/A	N/A	yes	None
3	2	Midrise (5 stories)	8	1,106	\$2,088	\$0	@60%	N/A	N/A	N/A	yes	None

IV. 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. It should be noted that all four components of the larger overall development will share the same site. We have not been provided with specific boundaries or allocations for the four components.



Source: Google Maps, November 2022

Subject Site Location:

The Subject site is located at Government Center Parkway And Post Forest Drive, in Fairfax, VA 22035. More specific addresses for the overall Subject development and the individual components have not yet been determined.

Size:

The overall Subject site is 4.53 acres or 197,327 square feet.

Shape:

The Subject site is irregular in shape.

Frontage:

The Subject site has frontage along the east side of Government Center Parkway and the north side of Post Forest Drive.

Topography:

The Subject site exhibits level topography.

Utilities:

All utilities are available to the site.

Visibility/Views:

The Subject site has excellent visibility along Government Center Parkway. To the north, views consist of wooded land. To the east, views consist of a parking lot for the County of Fairfax building. To the south, views consist of vacant and wooded land. To the west, views consist of wooded land and a county government office building. Overall, views are average.

Surrounding Land Uses:

Directly north of the Subject site is the Fairfax Corner Shopping Mall, consisting of a variety of retail shops, restaurants, and other commercial uses. Farther north is the Fair Oaks Mall, another shopping mall with retail and restaurants, as well as multifamily developments Camden Fairfax Corner and Residences at Government Center Phase I. Directly east of the Subject site is the Fairfax County Government Center, which contains offices for Fairfax County. Farther east are for-sale townhouse developments, single-family homes, and a number of commercial/retail uses along US Highway 29 and US Highway 50. Directly south of the Subject site is Archstone Fairchase, a market rate multifamily development used in this report as a comparable, as well as Eagle View Elementary School. Farther south are single-family homes and wooded land. Directly west of the Subject site are additional office and government buildings for Fairfax County. Farther west are multifamily developments, for-sale developments, and commercial/retail uses along Interstate 66. Additionally, the Fairfax County Landfill, Waste, and Recycling Center is located approximately one mile west of the Subject site.



Subject site facing north



Subject site facing northeast

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY



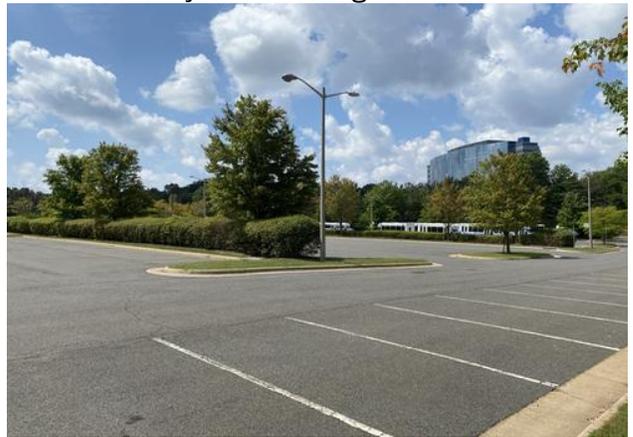
Subject site facing east



Subject site facing southeast



Subject site facing south



Subject site facing southwest



Subject site facing west



Subject site facing northwest

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY



View along Government Center Parkway facing north



View along Government Center Parkway facing south



View along Subject access road facing east



View along Subject access road facing west



Fairfax Corner shopping center north of Subject



Fairfax Corner movie theater north of Subject

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY



Fairfax Corner shopping center north of Subject



Office buildings north of Subject



Fair Oaks Shopping Mall north of Subject



Fairfax County Government Center parking lot directly east of Subject



Fairfax County Government Center east of Subject



For-sale townhomes east of Subject

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY



Grocery store east of Subject



Residences at Government Center Phase I (comparable property) east of Subject



Eagle View Elementary School south of Subject



For-sale townhomes south of Subject



Fairfax County office buildings west of Subject



For-sale townhomes west of Subject site



Single-family home west of Subject site



For-sale townhomes west of Subject site



Subject site facing north



Subject site facing northeast



Subject site facing east



Subject site facing southeast

Access and Traffic Flow:

The Subject will be accessed via the unnamed road that provides access to parking for the County of Fairfax building. This road connects to Government Center Parkway adjacent to the northwest corner of the Subject site. Government Center Parkway traverses north and east from the Subject site. Interstate 66, US Highway 50, and US Highway 29 can all be accessed within 1.2 miles of the Subject site. All three highways extend east towards

Arlington and Washington, DC, and farther west into Virginia. Overall, access is considered good.

Layout and Curb Appeal:

Summary of Subject Site Characteristics	
Visibility	Average
Views	Average
Access/Traffic Flow	Good
Layout/Curb Appeal	Excellent

Drainage:

Based on our inspection, no obvious detrimental drainage issues were identified. However, Novogradac did not perform any drainage tests, and are not experts in this field; thus, further analysis is beyond the scope of this report.

Soil and Subsoil Conditions:

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

Environmental Assessment:

Novogradac has not been provided with an environmental report. We are not experts in this field and assume the site is adequate for development.

Detrimental Uses:

No detrimental influences were observed. The Subject is located one mile east of the Fairfax County Landfill, Waste, and Recycling Center. However, during our site inspection, we did not observe any odors or other detrimental effects from the landfill, and therefore do not believe that it will be detrimental to the Subject's success.

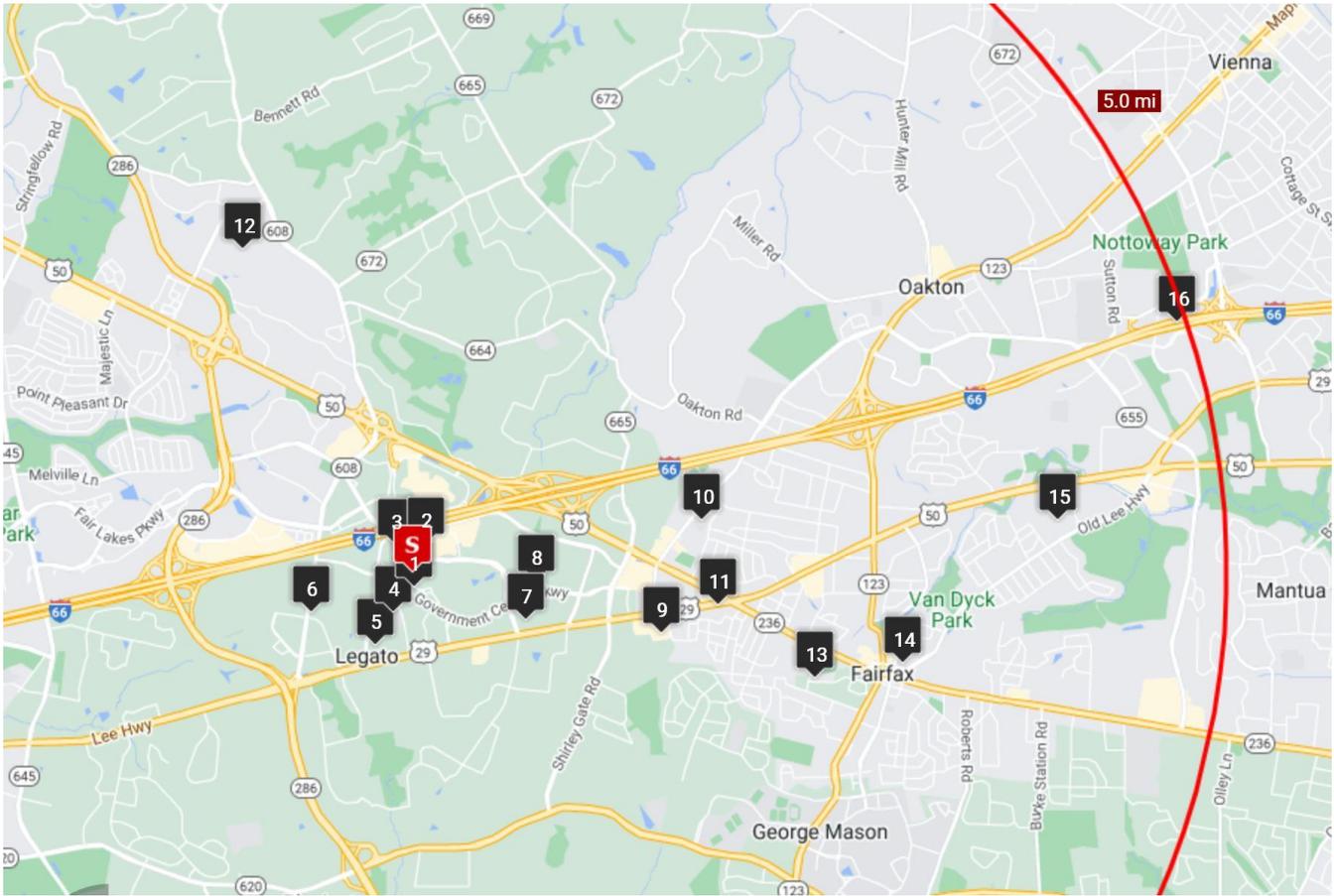
Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 51059C0255E, dated September 17, 2010, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the 0.2 percent annual chance floodplains.

Locational Amenities:

The following table and map illustrate the Subject's proximity to many local amenities and essential services.

Locational Amenities Map



Source: Google Earth, November 2022

LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	Drive Time	#	Service or Amenity	Distance to Subject	Drive Time
1	Bus stop	0.1 miles	1 min	9	Walmart	1.6 miles	9 min
2	Fairfax County Public Safety HQ	0.2 miles	2 min	10	Katherine Johnson Middle School	1.8 miles	9 min
3	United Bank	0.2 miles	2 min	11	CVS Pharmacy	1.9 miles	7 min
4	Eagle View Elementary School	0.3 miles	3 min	12	Inova Fair Oaks Hospital	2.3 miles	9 min
5	Fairfax Center Fire Station 40	0.5 miles	3 min	13	United States Postal Service	2.6 miles	10 min
6	Gas station	0.7 miles	5 min	14	City of Fairfax Regional Library	3.1 miles	12 min
7	Wegmans Grocery Store	0.7 miles	5 min	15	Fairfax High School	4.0 miles	15 min
8	Carney Park	0.8 miles	6 min	16	Vienna Metro Station	5.0 miles	11 min

Public Transportation:

Bus Service: Fairfax Connector provides bus service throughout Fairfax County. The nearest bus stop is located adjacent to the south of the Subject site and is serviced by Routes 1C, 2B, 605, 621, 623, and 699. These routes all provide access throughout the Subject’s immediate neighborhood, as well as north towards Reston, east towards Vienna, and west towards Centreville. The typical fare for regular routes is \$2.00, or \$1.00 for seniors and people with disabilities.

Light Rail: The Washington Metropolitan Area Transit Authority (WMATA) provides metro rail service throughout the Washington, DC metro area. The nearest Metro station is the Vienna station, located approximately five miles east of the Subject site. The fare for a Metro ride from Vienna to downtown DC is approximately \$5.55, or \$2.75 for seniors and people with disabilities.

Crime Statistics:

The table below illustrates crime indices in the PMA and MSA in comparison to that of the nation. A crime index below 100 is below the national average and anything over 100 is above the nation’s crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime index of 200 would be twice that of the national average. Crime indices were provided by 2021 ESRI Demographics data.

2021 CRIME INDICES

	PMA	MSA
Total Crime*	50	98
Personal Crime*	20	107
Murder	24	136
Rape	48	73
Robbery	23	141
Assault	15	93
Property Crime*	55	97
Burglary	26	69
Larceny	65	102
Motor Vehicle Theft	45	135

Source: Esri Demographics 2021, Novogradac, November 2022
*Unweighted aggregations

Total crime indices in the PMA are well-below the national average and below the MSA. Both geographic areas feature crime indices below the overall nation. The proposed Subject will offer intercom (buzzer) and limited access. The upcoming Supply section of this report provides a more detailed analysis of crime indices on a 0.5 mile basis.

Conclusion:

The Subject site is located in Fairfax, Virginia. The immediate neighborhood consists of government buildings, multifamily developments, commercial/retail uses, and single-family homes. Directly to the east of the Subject site is the Fairfax County Government Center, a large office building with county offices. Directly to the west of the Subject site are additional government

office buildings for the County of Fairfax. A number of commercial/retail properties are located north of the Subject site, as well as farther east and west past the government buildings. The Subject site is designated as ‘Somewhat Walkable’ by Walk Score with a score of 62, indicating some errands can be accomplished on foot. The surrounding housing stock in the Subject’s neighborhood consisting of single-family homes, were constructed prior to 1989 and are in average to good condition. According to Zillow, the current median home value in the Subject’s zip code is approximately \$550,000.

Subject Property & Neighborhood Photos



Subject site facing north



Subject site facing northeast



Subject site facing east



Subject site facing southeast



Subject site facing south



Subject site facing southwest



Subject site facing west



Subject site facing northwest



View along Government Center Parkway facing north



View along Government Center Parkway facing south



View along Subject access road facing east



View along Subject access road facing west



Fairfax Corner shopping center north of Subject



Fairfax Corner movie theater north of Subject



Fairfax Corner shopping center north of Subject



Office buildings north of Subject



Fair Oaks Shopping Mall north of Subject



Fairfax County Government Center parking lot directly east of Subject

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY



Fairfax County Government Center east of Subject



For-sale townhomes east of Subject



Grocery store east of Subject



Residences at Government Center Phase I (comparable property) east of Subject



Eagle View Elementary School south of Subject



For-sale townhomes south of Subject



Fairfax County office buildings west of Subject



For-sale townhomes west of Subject site



Single-family home west of Subject site



For-sale townhomes west of Subject site

V. MARKET AREA DEFINITION

MARKET AREA

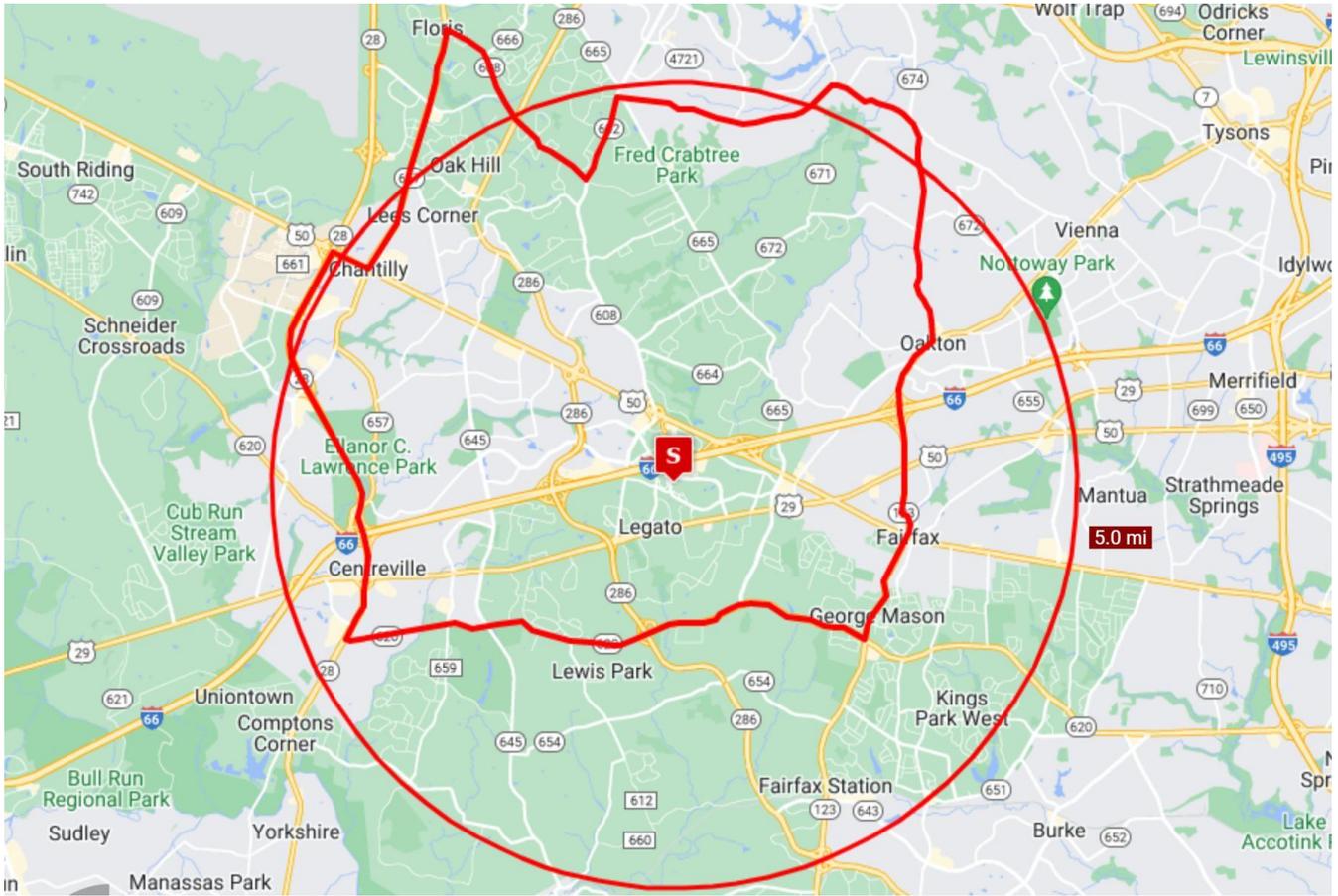
For the purpose of this study, it is necessary to define the competitive Primary Market Area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where 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 the communities of Fairfax City, Legato, Centreville, Chantilly, Oak Hill, and Oakton. The PMA boundaries are: State Routes 657, 608, 602, and Lawyers Road to the north; Hunter Mill Road and State Route 123 to the east; Braddock Road and New Braddock Road to the south; and Centreville Road and Sully Road to the west. The PMA encompasses approximately 44 square miles.

We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The SMA for the Subject is Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA), which consists of the following counties: District of Columbia in District of Columbia; Jefferson in West Virginia; Calvert, Charles, Frederick, Montgomery, and Prince George's in Maryland; Alexandria city, Arlington, Clarke, Culpeper, Fairfax city, Fairfax, Falls Church city, Fauquier, Fredericksburg city, Loudoun, Manassas city, Manassas Park city, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren in Virginia. The MSA is 8,502 square miles. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

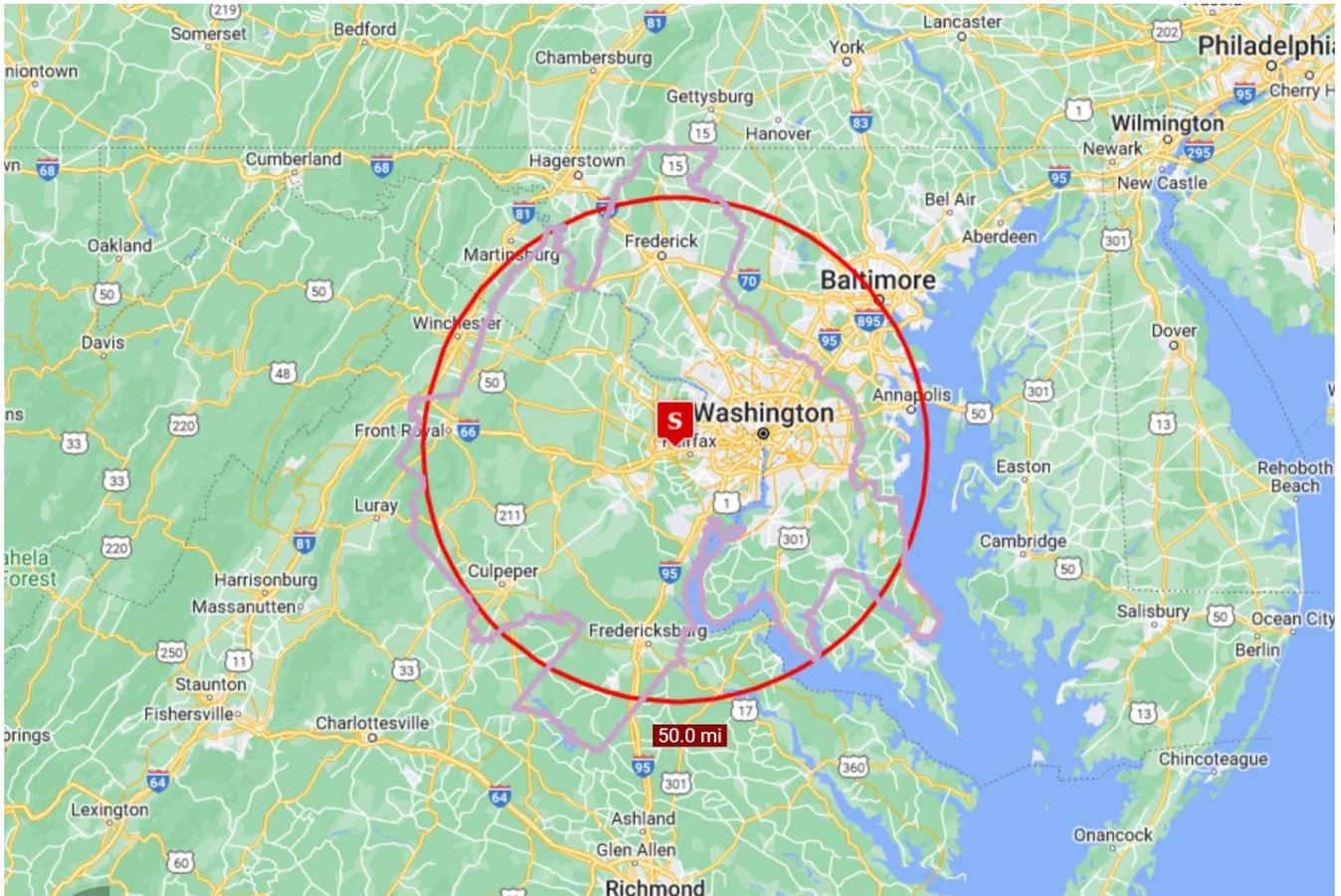
The PMA boundaries and overall market health assessment are based upon analyses of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. No physical boundaries were identified that would inhibit anyone from relocating to the Subject. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Overall, we anticipate that the majority of the Subject's tenants will come from within the boundaries of the PMA. The following map outlines the PMA.

Primary Market Area Map



Source: Google Maps, November 2022

Metropolitan Statistical Area (MSA) Map



Source: Google Maps, November 2022

VI. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

Employment by Industry

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

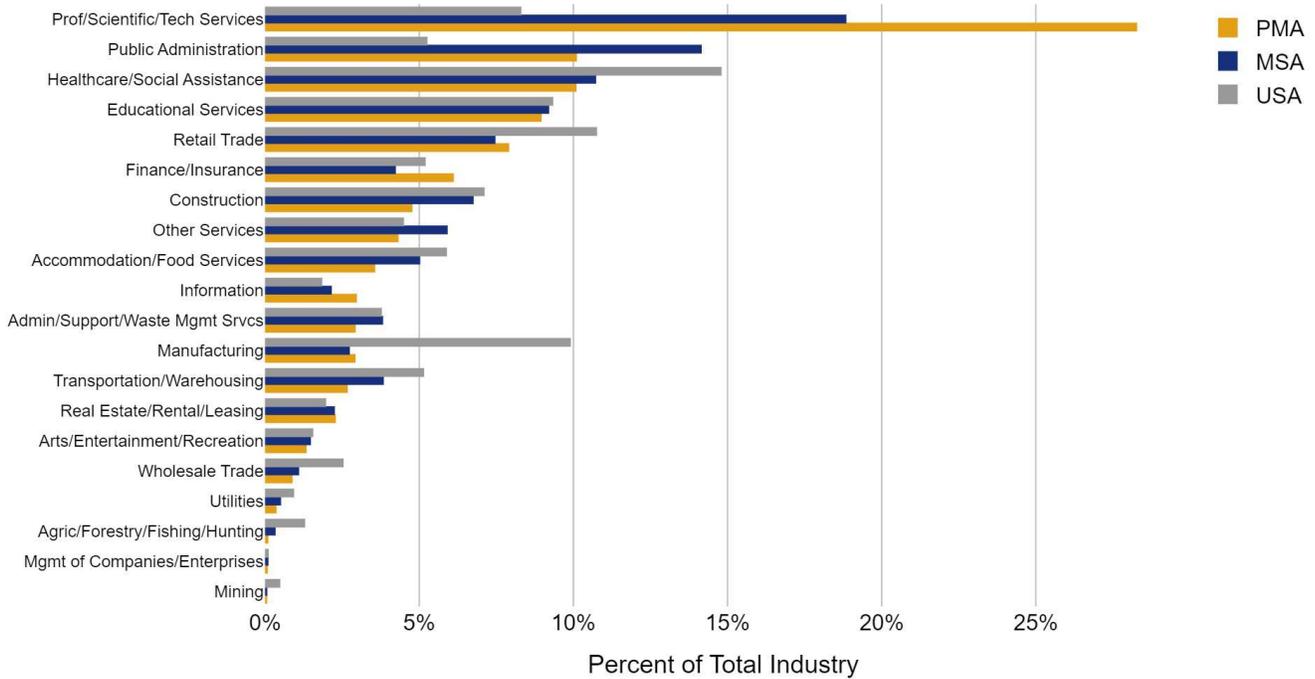
2021 – EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Prof/Scientific/Tech Services	22,925	28.2%	13,005,287	8.3%
Public Administration	8,175	10.1%	8,215,705	5.2%
Healthcare/Social Assistance	8,165	10.1%	23,217,292	14.8%
Educational Services	7,246	8.9%	14,629,096	9.3%
Retail Trade	6,391	7.9%	16,864,485	10.7%
Finance/Insurance	4,934	6.1%	8,123,688	5.2%
Construction	3,844	4.7%	11,127,591	7.1%
Other Services	3,479	4.3%	7,014,785	4.5%
Accommodation/Food Services	2,864	3.5%	9,207,610	5.9%
Information	2,381	2.9%	2,846,142	1.8%
Admin/Support/Waste Mgmt Svcs	2,351	2.9%	5,887,329	3.7%
Manufacturing	2,344	2.9%	15,526,471	9.9%
Transportation/Warehousing	2,141	2.6%	8,044,029	5.1%
Real Estate/Rental/Leasing	1,826	2.2%	3,044,245	1.9%
Arts/Entertainment/Recreation	1,056	1.3%	2,388,480	1.5%
Wholesale Trade	686	0.8%	3,934,179	2.5%
Utilities	266	0.3%	1,412,381	0.9%
Agric/Forestry/Fishing/Hunting	51	0.1%	1,973,200	1.3%
Mgmt of Companies/Enterprises	35	0.0%	116,402	0.1%
Mining	19	0.0%	705,964	0.4%
Total Employment	81,179	100.0%	157,284,361	100.0%

Source: Esri Demographics 2021, Novogradac, November 2022

Employment in the PMA is concentrated in prof/scientific/tech services, public administration, and healthcare/social assistance, which collectively comprise 48.4 percent of local employment. The large share of PMA employment in the public administration and healthcare/social assistance industries is notable as these industries are historically stable, and tend to exhibit greater resilience during economic downturns. Relative to the nation, the PMA features comparatively greater employment in the prof/scientific/tech services, public administration, and information industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and retail trade sectors.

Employment By Industry



Growth by Industry

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

2010-2021 CHANGE IN EMPLOYMENT – PMA

Industry	2010		2021		2010-2021	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Prof/Scientific/Tech Services	18,950	24.5%	22,925	28.2%	3,975	1.9%
Public Administration	9,249	11.9%	8,175	10.1%	-1,074	-1.1%
Healthcare/Social Assistance	6,945	9.0%	8,165	10.1%	1,220	1.6%
Educational Services	6,303	8.1%	7,246	8.9%	943	1.4%
Retail Trade	6,560	8.5%	6,391	7.9%	-169	-0.2%
Finance/Insurance	3,968	5.1%	4,934	6.1%	966	2.2%
Construction	3,449	4.5%	3,844	4.7%	395	1.0%
Other Services	4,069	5.3%	3,479	4.3%	-590	-1.3%
Accommodation/Food Services	3,175	4.1%	2,864	3.5%	-311	-0.9%
Information	3,610	4.7%	2,381	2.9%	-1,229	-3.1%
Admin/Support/Waste Mgmt Svcs	2,806	3.6%	2,351	2.9%	-455	-1.5%
Manufacturing	2,113	2.7%	2,344	2.9%	231	1.0%
Transportation/Warehousing	1,844	2.4%	2,141	2.6%	297	1.5%
Real Estate/Rental/Leasing	1,901	2.5%	1,826	2.2%	-75	-0.4%
Arts/Entertainment/Recreation	968	1.2%	1,056	1.3%	88	0.8%
Wholesale Trade	1,062	1.4%	686	0.8%	-376	-3.2%
Utilities	310	0.4%	266	0.3%	-44	-1.3%
Agric/Forestry/Fishing/Hunting	72	0.1%	51	0.1%	-21	-2.7%
Mgmt of Companies/Enterprises	50	0.1%	35	0.0%	-15	-2.7%
Mining	57	0.1%	19	0.0%	-38	-6.1%
Total Employment	77,461	100.0%	81,179	100.0%	3,718	0.4%

Source: Esri Demographics 2021, Novogradac, November 2022

Total employment in the PMA increased an annualized rate of 0.8 percent between 2010 and 2021. The industries which nominally expanded most substantially during this period include prof/scientific/tech

services, healthcare/social assistance, and finance/insurance. Conversely during this same period, the information, public administration, and other services sectors experienced the least nominal growth.

Major Employers

The following table details major employers in Fairfax County, Virginia.

MAJOR EMPLOYERS FAIRFAX COUNTY, VA		
Employer Name	Industry	# Of Employees
US Federal Government	Government	25,000+
Fairfax County Public Schools	Education	20,000+
Fairfax County Government	Government	10,000+
Inova	Healthcare	10,000+
Commonwealth of Virginia	Government	5,000-9,999
Amazon	Information/Transportation	5,000-9,999
Booz Allen Hamilton	Prof/Sci/Tech Services	5,000-9,999
Capital One	Finance	5,000-9,999
Freddie Mac	Finance	5,000-9,999
General Dynamics	Prof/Sci/Tech Services	5,000-9,999
SAIC	Prof/Sci/Tech Services	5,000-9,999
Mitre	Prof/Sci/Tech Services	2,500-4,999
Navy Federal Credit Union	Finance	2,500-4,999
Peraton	Prof/Sci/Tech Services	2,500-4,999

Source: Fairfax County Economic Development Authority, January 2022

Fairfax County’s major employers are primarily concentrated within the government, education, and healthcare sectors. We believe the diverse mix of industries in typically stable sectors bodes well for the local area economy.

Employment Expansions

We conducted research regarding economic and business expansions in the Subject’s area. Notable expansions include, but are not limited to, the following:

- Announced in conjunction with Amazon’s November 2018 new headquarters, the Virginia Tech Innovation campus plans to develop a four-acre site with 300,000-square-foot academic building. The building is scheduled for completion in 2024 with the first cohort of students expected to begin their studies in 2020. The Commonwealth of Virginia’s Tech Talent Investment Program will provide half the funding while Virginia Tech raises the remaining funds. When completed, the \$1 billion, 600,000-square-foot campus will graduate 750 master’s students and host more than 100 doctoral students and post-doctoral fellows annually, providing talent to fill crucial job roles throughout Northern Virginia.
- Hilton Hotels announced in August 2022 its plans for a major expansion of its headquarters in Tysons that is expected to add approximately 350 jobs. The headquarters currently employs approximately 800 workers, and the expansion will bring this total to over 1,000 employees.
- Nodal Exchange, a derivatives exchange, announced in June 2022 that it will expand its operations in Fairfax County. The project will cost around \$300,000 and is expected to create 37 new jobs.
- Technology company Alarm.com will be investing \$2.6 million to expand its technology research and development division at its headquarters in Fairfax County, according to an announcement by Governor Glenn Youngkin in February 2022. The expansion is expected to create 180 new jobs.
- Inova Health System announced in February 2022 that it will expand near its flagship hospital in Fairfax by taking over 48,000 square feet of space to open four medical practices. The new practices will consist of pediatric rehabilitation and cardiology services, and pre- and post-operative evaluations and consultations. The clinics are expected to open throughout 2022 as construction is completed.

- Qualtrics, a data analytics and experience management software company, announced in December 2021 that it plans to invest \$15.9 million in a new office in Reston, Virginia. The company will move from its former office in Reston to a 85,000 square foot space, and is expected to create 400 new jobs.
- In May 2021, Ridgeline International Inc., a technology-based solutions provider for the federal government, announced that it will invest \$1.75 million to expand its operations in Fairfax County. The expansion is expected to create 162 new jobs.
- Kreative Technologies, an information technology company, announced in February 2021 that it plans to expand its operations in Fairfax County. The expansion will more than quadruple its current workforce of 67 with the creation of 296 new jobs.

WARN Notices

We reviewed the Worker Adjustment and Retraining Notification Act (WARN) notices published by the Virginia Employment Commission for January 2021 to year-to-date 2022. The following table illustrates the companies that experienced layoffs as well as the number of affected employees.

**WARN LISTINGS
FAIRFAX COUNTY, VA 2021 – YTD 2022**

Company	Industry	Employees Affected	Layoff Date
ID.me, Inc.	Security	54	6/7/2022
ABM Industry Group Inc.	Other Services	112	1/19/2022
Transdev	Transportation	137	10/26/2021
Perspecta Inc.	Government and Defense	107	4/16/2021
Total		410	

Source: Virginia Employment Commission, August 2022

As illustrated in the previous table, there were a total of 410 layoffs between 2021 and August 2022. Due to the size of the Washington, DC metro area labor market, these recent WARN filings are not anticipated to substantively affect total employment in the PMA or MSA as overall job growth has far exceeded these losses.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2007 to July 2022.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	2,909,586	-	3.2%	-	146,046,667	-	4.6%	-
2008	2,948,734	1.3%	3.9%	0.7%	145,362,500	-0.5%	5.8%	1.2%
2009	2,896,741	-1.8%	6.3%	2.4%	139,877,500	-3.8%	9.3%	3.5%
2010	2,947,955	1.8%	6.5%	0.3%	139,063,917	-0.6%	9.6%	0.3%
2011	3,001,024	1.8%	6.2%	-0.4%	139,869,250	0.6%	8.9%	-0.7%
2012	3,049,860	1.6%	5.7%	-0.5%	142,469,083	1.9%	8.1%	-0.9%
2013	3,081,172	1.0%	5.5%	-0.2%	143,929,333	1.0%	7.4%	-0.7%
2014	3,106,413	0.8%	5.0%	-0.5%	146,305,333	1.7%	6.2%	-1.2%
2015	3,136,814	1.0%	4.4%	-0.7%	148,833,417	1.7%	5.3%	-0.9%
2016	3,194,358	1.8%	3.8%	-0.5%	151,435,833	1.7%	4.9%	-0.4%
2017	3,276,258	2.6%	3.6%	-0.2%	153,337,417	1.3%	4.3%	-0.5%
2018	3,322,137	1.4%	3.2%	-0.4%	155,761,000	1.6%	3.9%	-0.4%
2019	3,394,684	2.2%	3.0%	-0.2%	157,538,083	1.1%	3.7%	-0.2%
2020	3,200,821	-5.7%	6.4%	3.4%	147,794,750	-6.2%	8.1%	4.4%
2021	3,191,706	-0.3%	4.9%	-1.6%	152,580,667	3.2%	5.4%	-2.7%
2022 YTD Average*	3,269,536	2.4%	3.5%	-1.3%	157,858,714	3.5%	3.8%	-1.6%
Jul-2021	3,232,693	-	5.4%	-	153,596,000	-	5.7%	-
Jul-2022	3,302,047	2.1%	3.5%	-1.9%	159,067,000	3.6%	3.8%	-1.9%

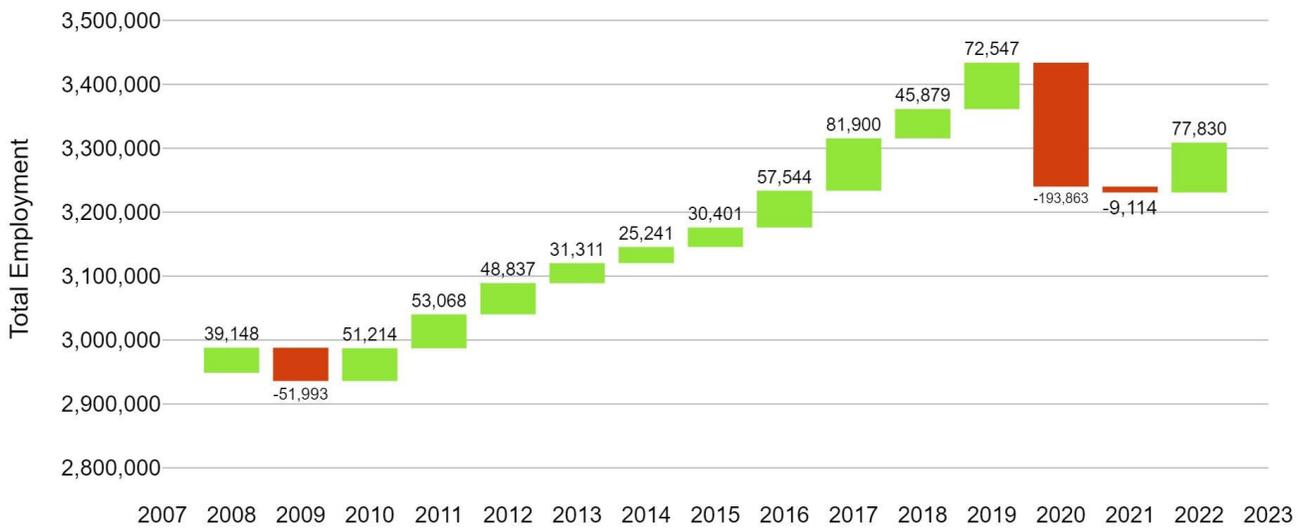
Source: U.S. Bureau of Labor Statistics, November 2022

*2022 YTD Average is through July

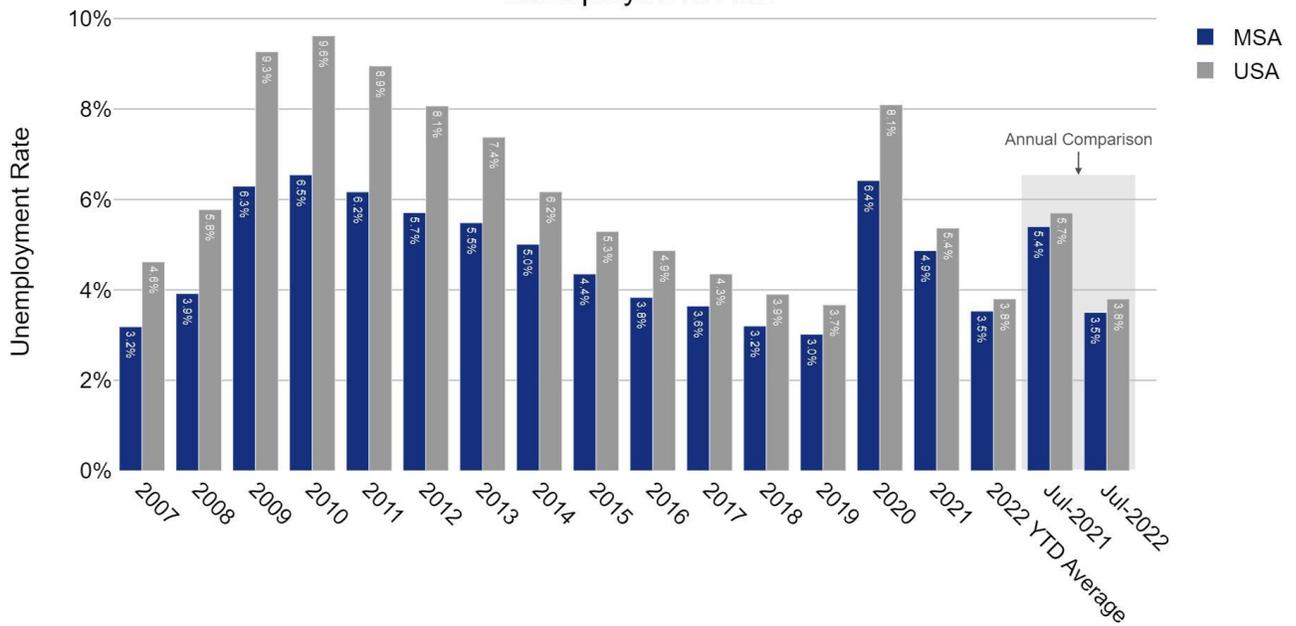
During the period preceding the onset of COVID-19 (2012 – 2019), job growth in the MSA was generally similar to the nation. Employment in the MSA declined sharply by 5.7 percent in 2020 amid the pandemic, similar to the overall nation. Total employment in the MSA currently remains below the pre-COVID level reached in 2019. As of July 2022, employment in the MSA is increasing at an annualized rate of 2.1 percent, compared to 3.6 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 modestly by 3.4 percentage points in 2020 amid the pandemic, reaching a high of 6.4 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated July 2022, the current MSA unemployment rate is 3.5 percent. This is well below the COVID highs of 2020, and similar to the current national unemployment rate of 3.8 percent.

MSA Job Growth



Unemployment Rate



Wages by Occupation

The following table illustrates the wages by occupation for the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA.

MSA – MAY 2021

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All	2,932,600	\$38.69	\$80,480
Legal	64,970	\$75.51	\$157,060
Management	266,870	\$73.39	\$152,640
Computer and Mathematical	233,080	\$56.60	\$117,730
Architecture and Engineering	58,140	\$54.25	\$112,850
Life Physical and Social Science	60,300	\$53.41	\$111,100
Healthcare Practitioners and Technical	148,120	\$52.13	\$108,430
Business and Financial Operations	360,640	\$48.45	\$100,780
Arts Design Entertainment Sports and Media	67,270	\$42.52	\$88,440
Educational Instruction and Library	178,760	\$35.42	\$73,670
Community and Social Service	42,080	\$31.61	\$65,740
Protective Service	88,160	\$30.82	\$64,110
Installation Maintenance and Repair	88,970	\$29.41	\$61,170
Construction and Extraction	108,760	\$27.95	\$58,140
Sales and Related	223,700	\$25.49	\$53,020
Office and Administrative Support	310,370	\$24.37	\$50,690
Production	45,090	\$23.80	\$49,490
Transportation and Material Moving	156,050	\$22.81	\$47,440
Farming Fishing and Forestry	2,080	\$19.28	\$40,110
Personal Care and Service	55,010	\$18.37	\$38,210
Healthcare Support	88,400	\$17.75	\$36,920
Building and Grounds Cleaning and Maintenance	88,640	\$17.70	\$36,820
Food Preparation and Serving Related	197,140	\$16.36	\$34,030

Source: Department of Labor, Occupational Employment Statistics, May 2021, retrieved November 2022

The preceding table 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 \$16.36 per hour. The highest average hourly wage, of \$75.51, is for those in the legal occupations. Qualifying incomes for the Subject’s tenants will range from \$0 to \$92,220. Absent subsidy, the income limits will range between \$27,463 to \$92,220. 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 part-time employment and entry-level positions will be common among the Subject’s tenant base.

Commuting Patterns

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

COMMUTING PATTERNS

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	921	1.2%
Travel Time 5-9 min	3,544	4.8%
Travel Time 10-14 min	6,340	8.5%
Travel Time 15-19 min	8,668	11.6%
Travel Time 20-24 min	10,081	13.5%
Travel Time 25-29 min	4,823	6.5%
Travel Time 30-34 min	12,280	16.5%
Travel Time 35-39 min	3,142	4.2%
Travel Time 40-44 min	4,380	5.9%
Travel Time 45-59 min	9,146	12.3%
Travel Time 60-89 min	8,174	11.0%
Travel Time 90+ min	3,013	4.0%
Weighted Average	36 minutes	

Source: US Census 2021, Novogradac, November 2022

As shown in the preceding table, the weighted average commute time in the PMA is approximately 36 minutes. Only 37 percent of PMA commuters travel under 24 minutes, indicating many households work outside of the PMA, likely in the nearby cities of Arlington, Alexandria, and Washington, DC. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in prof/scientific/tech services, public administration, and healthcare/social assistance, which collectively comprise 48.4 percent of local employment. The large share of PMA employment in the healthcare/social assistance and public administration sectors is notable as these industries are historically stable, and tend to exhibit greater resilience during economic downturns. Relative to the nation, the PMA features comparatively greater employment in the prof/scientific/tech services, public administration, and information industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and retail trade sectors. Employment in the MSA declined sharply by 5.7 percent in 2020 amid the pandemic, similar to the overall nation. Total employment in the MSA currently remains below the pre-COVID level reached in 2019. As of July 2022, employment in the MSA is increasing at an annualized rate of 2.1 percent, compared to 3.6 percent growth across the nation.

VII. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

Population and Households

The following tables illustrates population and household trends in the PMA, MSA and nation from 2000 through 2021, as well as projections through 2026.

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	120,107	-	4,849,772	-	280,304,282	-
2010	142,025	1.8%	5,636,232	1.6%	308,745,538	1.0%
2021	148,946	0.4%	6,280,496	1.0%	333,934,112	0.7%
2026	151,720	0.4%	6,606,755	1.0%	345,887,495	0.7%

Source: Esri Demographics 2021, Novogradac, November 2022

Historical population growth in the PMA exceeded the MSA between 2000 and 2010. Both geographic areas experienced population growth greater than the nation during the same time period. Growth in the PMA slowed between 2010 and 2021, and grew by less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.4 percent through 2026, which is below growth expectations for the MSA and below the nation.

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	45,049	-	1,823,561	-	105,081,032	-
2010	51,322	1.4%	2,094,036	1.5%	116,716,293	1.1%
2021	53,614	0.4%	2,329,344	1.0%	126,470,651	0.8%
2026	54,615	0.4%	2,449,795	1.0%	131,047,367	0.7%

Source: Esri Demographics 2021, Novogradac, November 2022

Historical household growth in the PMA trailed the MSA between 2000 and 2010. Both geographic areas experienced household growth greater than the nation during the same time period. Growth in the PMA slowed between 2010 and 2021, and grew by less than the MSA. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.4 percent through 2026, which is below growth expectations for the MSA and below the nation.

Population by Age

POPULATION BY AGE GROUP

	PMA 2021	2026
0-4	8,147	8,373
5-9	9,327	8,948
10-14	10,552	9,349
15-19	9,382	9,326
20-24	8,641	8,685
25-29	9,959	10,778
30-34	10,810	10,935
35-39	11,721	11,460
40-44	10,862	11,541
45-49	10,890	10,621
50-54	10,648	10,529
55-59	10,537	9,946
60-64	9,225	9,298
65-69	6,984	7,879
70-74	5,165	5,896
75-79	3,016	4,156
80-84	1,634	2,293
85+	1,445	1,708
Total	148,945	151,721

Source: Esri Demographics 2021, Novogradac, November 2022

General Household Income Distribution

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

HOUSEHOLD INCOME PMA

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,478	2.8%	1,428	2.6%	-10	-0.7%
\$10,000-19,999	870	1.6%	879	1.6%	2	0.2%
\$20,000-29,999	1,458	2.7%	1,341	2.5%	-23	-1.6%
\$30,000-39,999	1,705	3.2%	1,617	3.0%	-18	-1.0%
\$40,000-49,999	2,121	4.0%	1,930	3.5%	-38	-1.8%
\$50,000-59,999	2,341	4.4%	2,237	4.1%	-21	-0.9%
\$60,000-74,999	3,629	6.8%	3,483	6.4%	-29	-0.8%
\$75,000-99,999	5,932	11.1%	5,751	10.5%	-36	-0.6%
\$100,000-124,999	6,023	11.2%	5,836	10.7%	-37	-0.6%
\$125,000-149,999	5,106	9.5%	5,184	9.5%	16	0.3%
\$150,000-199,999	7,638	14.2%	7,858	14.4%	44	0.6%
\$200,000+	15,313	28.6%	17,071	31.3%	352	2.3%
Total	53,614	100.0%	54,615	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, November 2022

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY

HOUSEHOLD INCOME MSA

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	87,737	3.8%	83,866	3.4%	-774	-0.9%
\$10,000-19,999	89,197	3.8%	85,333	3.5%	-773	-0.9%
\$20,000-29,999	100,694	4.3%	94,023	3.8%	-1,334	-1.3%
\$30,000-39,999	111,037	4.8%	104,997	4.3%	-1,208	-1.1%
\$40,000-49,999	113,889	4.9%	107,674	4.4%	-1,243	-1.1%
\$50,000-59,999	120,539	5.2%	114,249	4.7%	-1,258	-1.0%
\$60,000-74,999	183,310	7.9%	175,631	7.2%	-1,536	-0.8%
\$75,000-99,999	280,943	12.1%	277,560	11.3%	-677	-0.2%
\$100,000-124,999	256,436	11.0%	257,388	10.5%	190	0.1%
\$125,000-149,999	210,661	9.0%	223,921	9.1%	2,652	1.3%
\$150,000-199,999	292,853	12.6%	317,925	13.0%	5,014	1.7%
\$200,000+	482,048	20.7%	607,228	24.8%	25,036	5.2%
Total	2,329,344	100.0%	2,449,795	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, November 2022

Qualifying incomes for the Subject’s tenants will range from \$0 to \$92,220. Absent subsidy, the income limits will range between \$27,463 to \$92,220.

Average Household Size

The following table is a summary of the average household size in the PMA, MSA, and nation in 2000, 2010, 2021, as well as 2026.

AVERAGE HOUSEHOLD SIZE

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.61	-	2.60	-	2.59	-
2010	2.75	0.5%	2.64	0.2%	2.57	-0.1%
2021	2.73	-0.1%	2.65	0.0%	2.58	0.0%
2026	2.74	0.0%	2.65	0.0%	2.58	0.0%

Source: Esri Demographics 2021, Novogradac, November 2022

The average household size in the PMA is similar to the MSA and slightly above the overall nation. According to ESRI demographic projections, the average household size in the PMA is expected to remain relatively stable through 2026.

Renter Households by Number of Persons

The following table is a summary of the renter households by number of persons in the household in 2021 and 2026.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2021		2026	
	Number	Percentage	Number	Percentage
1 person	5,636	34.1%	5,700	34.2%
2 person	4,656	28.2%	4,565	27.4%
3 person	2,673	16.2%	2,721	16.3%
4 person	1,970	11.9%	2,024	12.1%
5 person	1,579	9.6%	1,667	10.0%
Total	16,514	100.0%	16,677	100.0%

Source: Esri Demographics 2021, Novogradac, November 2022

As shown in the table above, approximately 79 percent of renter households in the PMA have one to three persons in the household. The Subject will offer one, two, and three-bedrooms, which seems reasonable given the household size distribution.

General Household Tenure

The following table illustrates the tenure patterns in the PMA for the years 2010 and 2021, as well as the projected tenure patterns for the year 2026.

TENURE PATTERNS PMA				
Year	Owner-Occupied	Percentage Owner-Occupied	Renter-Occupied	Percentage Renter-Occupied
2010	36,363	70.9%	14,959	29.1%
2021	37,100	69.2%	16,514	30.8%
2026	37,938	69.5%	16,677	30.5%

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, November 2022

The preceding table details household tenure patterns in the PMA since 2010. The percentage of renter households in the PMA increased between 2010 and 2021, and is estimated to be 30.8 percent as of 2021. In nominal terms, the absolute number of renter households in the PMA increased during this time period. This is slightly below the estimated 33 percent of renter households across the overall nation. According to the ESRI demographic projections, the percentage of renter households in the PMA is expected to remain relatively stable through 2026. Nonetheless, the absolute number of renter households in the PMA is still expected to increase over this time period due to overall population growth.

Median Household Income Levels

The following table illustrates median household income levels in the PMA, MSA, and nation from 2000 through 2026. Note that this is based on data for all household sizes and is independent of the calculation of AMI.

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$93,616	-	\$69,055	-	\$44,333	-
2021	\$135,086	2.1%	\$106,279	2.6%	\$64,730	2.2%
2026	\$149,575	2.1%	\$114,334	1.5%	\$72,932	2.5%

Source: Esri Demographics 2021, Novogradac, November 2022

As of 2021, the median income in the PMA is above the surrounding MSA. Relative to the nation, household income in the PMA declined slightly from 211.2 percent of the national median income in 2000 to 208.7 in 2021. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 2.1 percent through 2026, which is above projected growth in surrounding the MSA and slightly below the overall nation.

General Renter Household Income Distribution

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

RENTER HOUSEHOLD INCOME PMA

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	940	5.7%	900	5.4%	-8	-0.9%
\$10,000-19,999	431	2.6%	428	2.6%	-1	-0.1%
\$20,000-29,999	851	5.2%	760	4.6%	-18	-2.1%
\$30,000-39,999	928	5.6%	871	5.2%	-11	-1.2%
\$40,000-49,999	1,034	6.3%	962	5.8%	-14	-1.4%
\$50,000-59,999	1,126	6.8%	1,099	6.6%	-5	-0.5%
\$60,000-74,999	1,934	11.7%	1,790	10.7%	-29	-1.5%
\$75,000-99,999	2,566	15.5%	2,497	15.0%	-14	-0.5%
\$100,000-124,999	2,220	13.4%	2,254	13.5%	7	0.3%
\$125,000-149,999	1,410	8.5%	1,508	9.0%	20	1.4%
\$150,000-199,999	1,661	10.1%	1,850	11.1%	38	2.3%
\$200,000+	1,413	8.6%	1,758	10.5%	69	4.9%
Total	16,514	100.0%	16,677	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, November 2022

RENTER HOUSEHOLD INCOME MSA

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	59,391	7.1%	56,718	6.6%	-535	-0.9%
\$10,000-19,999	53,669	6.4%	51,709	6.0%	-392	-0.7%
\$20,000-29,999	58,929	7.1%	54,842	6.3%	-817	-1.4%
\$30,000-39,999	61,114	7.3%	57,958	6.7%	-631	-1.0%
\$40,000-49,999	59,361	7.1%	56,188	6.5%	-635	-1.1%
\$50,000-59,999	61,278	7.4%	58,414	6.8%	-573	-0.9%
\$60,000-74,999	84,077	10.1%	82,215	9.5%	-372	-0.4%
\$75,000-99,999	114,358	13.7%	116,247	13.4%	378	0.3%
\$100,000-124,999	85,649	10.3%	90,279	10.4%	926	1.1%
\$125,000-149,999	60,590	7.3%	68,872	8.0%	1,656	2.7%
\$150,000-199,999	65,299	7.8%	77,026	8.9%	2,345	3.6%
\$200,000+	69,055	8.3%	94,805	11.0%	5,150	7.5%
Total	832,770	100.0%	865,273	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, November 2022

In the previous table, the percentage of renter-occupied households was applied to the total number of households in each income level. As illustrated, the income cohorts with the largest concentrations of renter households are concentrated in the \$75,000-99,999, \$100,000-124,999, and \$60,000-74,999 income cohorts. As of 2021, approximately 25 percent of renter households in the PMA earn less than \$50,000 annually.

Rent Overburdened Households

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

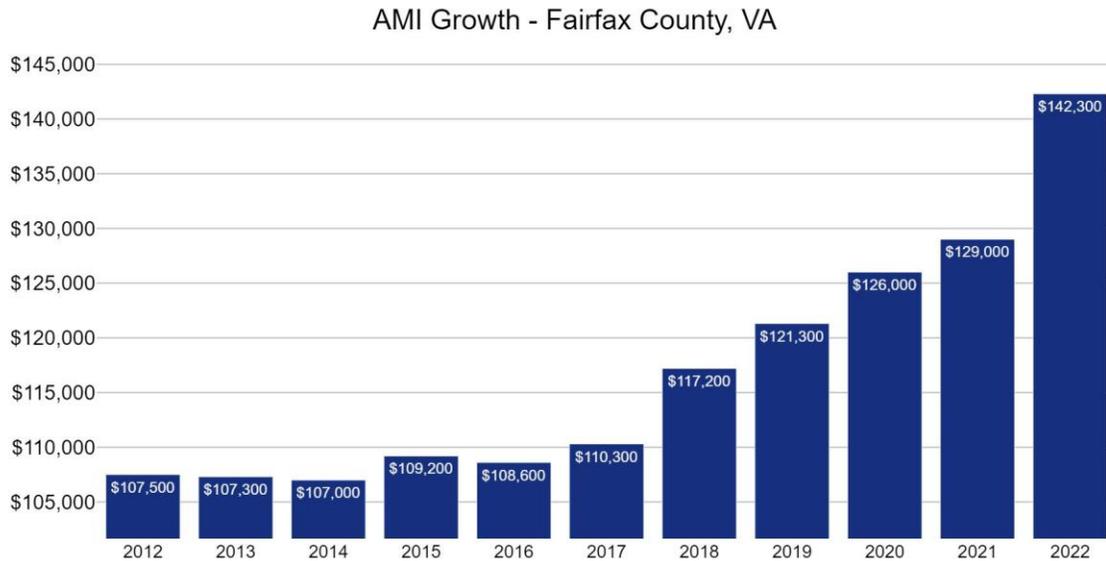
Year	PMA		MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2021	5,906	33.5%	288,638	38.8%	16,610,566	42.7%

Source: US Census 2021, Novogradac, November 2022

The percentage of rent-overburdened households in the PMA is well below the MSA and nation.

AMI Growth

For Section 42 LIHTC rent determination purposes, HUD begins with the Area Median Income (AMI). The following chart illustrates the HUD-published area median income in Fairfax County, VA. Fairfax County is part of the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area MSA.



Overall, the AMI increased at an annual rate of 3.24 percent between 2012 and 2022. Over 95.7 percent of counties in the nation experienced an increase in AMI in 2022. This was also true in Fairfax County, which reached a record high AMI level in 2022. Rising AMI levels bode well for future rent growth at affordable developments, such as the proposed Subject.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
AMI	\$103,500	\$106,100	\$107,500	\$107,300	\$107,000	\$109,200	\$108,600	\$110,300	\$117,200	\$121,300	\$126,000	\$129,000	\$142,300
% Growth	-	2.51%	1.32%	(0.19%)	(0.28%)	2.06%	(0.55%)	1.57%	6.26%	3.50%	3.87%	2.38%	10.31%

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

Conclusion

Population in the PMA increased at an annualized rate of 0.4 percent between 2010 and 2021, compared to growth of 1.0 percent in the MSA and 0.7 percent across the nation. The percentage of renter households in the PMA rose between 2010 and 2021 and is estimated to be 31 percent as of 2021. This is less than the estimated 33 percent renter households across the overall nation. The median income in the PMA as of 2021 is above the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2026. Overall, the combination of rising population and median household income bodes well for future demand for multifamily housing.

VIII. COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

We consulted the CoStar Market Analytics Report for the Washington – DC – Fairfax City/Oakton Multifamily submarket to gather information on the local apartment rental market.

Vacancy

CoStar Vacancy Trends



Source: CoStar, November 2022

According to CoStar, historically, the Washington, DC – Fairfax City/Oakton submarket experienced a lower vacancy rate than the Washington, DC metro market. Currently, the Washington, DC – Fairfax City/Oakton submarket vacancy rate is 10.62 percent, while the Washington, DC market vacancy rate is 9.65 percent. CoStar predicts that the submarket’s vacancy rate is expected to slightly decrease over the next nine years.

Rent

CoStar Rent Trends



Source: CoStar, November 2022

According to CoStar, historically the median two-bedroom rent in the Washington, DC – Fairfax City/Oakton submarket was similar to the Washington, DC metro market. Currently, the Washington, DC – Fairfax City/Oakton submarket median rent is \$1,802, while the Washington, DC market median rent is \$1,761.

CoStar projects rent to grow in Washington, DC – Fairfax City/Oakton by 11.44 percent to \$2,008 over the next nine years.

Age of Housing Stock

The following table illustrates the age of the existing housing stock in the PMA, MSA, and nation.

HOUSING STOCK BY YEAR BUILT						
	PMA		MSA		USA	
Built 2005 or later	1,191	2.3%	81,766	3.6%	3,690,038	2.8%
Built 2000 to 2004	11,192	21.3%	340,190	14.9%	19,186,932	14.3%
Built 1990 to 1999	12,917	24.6%	339,178	14.9%	19,072,607	14.2%
Built 1980 to 1989	16,251	31.0%	372,764	16.4%	18,455,307	13.8%
Built 1970 to 1979	5,472	10.4%	329,931	14.5%	20,877,555	15.6%
Built 1960 to 1969	3,248	6.2%	282,914	12.4%	14,526,829	10.8%
Built 1950 to 1959	1,631	3.1%	220,427	9.7%	14,142,147	10.6%
Built 1940 to 1949	345	0.7%	116,589	5.1%	6,748,599	5.0%
Built 1939 or earlier	191	0.4%	195,797	8.6%	17,329,130	12.9%
Total Housing Units	52,438	100.0%	2,279,556	100.0%	134,029,144	100.0%

Source: Esri Demographics 2021, Novogradac, November 2022

As illustrated in the previous table, a majority of the housing stock in the PMA was built prior to 1989. As new construction, the Subject will have a significant advantage over the existing housing stock.

Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard. According to HUD, substandard housing includes: dilapidated unit, unit lacks operable indoor plumbing, unit lacks a usable flush toilet for the exclusive use of a family, unit lacks a usable bathtub or shower for the exclusive use of the a family, unit lacks electricity or has inadequate or unsafe electrical services, unit lacks a safe or adequate source of heat, unit should, but lacks a kitchen, and unit has been declared inhabitable by an agency or government entity.

SUBSTANDARD HOUSING			
Year	PMA	MSA	USA
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
2021	3.09%	1.12%	1.70%

Source: US Census 2021, Novogradac, November 2022

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

Building Permits

The following table demonstrates building permit information from 2000 through 2020 for Fairfax, Virginia.

BUILDING PERMITS: FAIRFAX COUNTY 2000 - 2021*

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	3,818	0	1,998	5,816
2001	3,498	0	2,623	6,121
2002	2,988	0	2,991	5,979
2003	3,140	0	880	4,020
2004	2,964	0	3,816	6,780
2005	2,276	0	2,077	4,353
2006	1,423	0	666	2,089
2007	1,268	0	250	1,518
2008	892	0	493	1,385
2009	769	0	0	769
2010	896	0	0	896
2011	785	0	0	785
2012	708	0	726	1,434
2013	722	0	313	1,035
2014	925	0	1,324	2,249
2015	837	3	1,881	2,721
2016	885	0	1,785	2,670
2017	1,034	0	930	1,964
2018	1,058	0	499	1,557
2019	1,138	0	1,000	2,138
2020	1,013	0	592	1,605
2021*	1,331	0	774	2,105
Average*	1,562	0	1,164	2,727

*YTD, preliminary

Source: US Census 2021, Novogradac, November 2022

Permit issuance peaked in 2004, several years prior to the national recession. Permit issuance declined by 88.7 percent during the recession, reaching a low in 2009. Permit issuance increased in six out of 13 years between 2009 and 2017. The most recent years with finalized data indicate construction activity increased by 31.2 between 2020 and 2021, and remains -22.6 percent beneath post-recessionary highs recorded in 2015.

Rent/Buy Analysis

We performed a rent/buy analysis. Our inputs assume a three-bedroom, single-family home listing on Zillow in the Subject's neighborhood with a purchase price of \$550,000 and an interest rate of 6.00 percent for a 30-year fixed mortgage with a ten percent down payment. This was compared with the cost to rent the Subject's three-bedroom unit at 60 percent of AMI. The analysis indicates that with a monthly differential of \$1,831, it is more affordable to rent than purchase a home. The rent buy analysis is illustrated in the following table.

RENT BUY ANALYSIS				
Property Type:	Three-Bedroom Single-Family Home			
Sales Price	\$550,000			
Down Payment at 10.0%	\$55,000			
Mortgage Amount	\$495,000			
Current Interest Rate	6.00%			
<i>Homeownership Costs</i>		<i>Monthly</i>	<i>% of Home Value</i>	<i>Annual</i>
Mortgage Payment		\$2,968		\$35,613
Property Taxes		\$573	1.25%	\$6,875
Private Mortgage Insurance*		\$206	0.50%	\$2,475
Maintenance		\$917	2.00%	\$11,000
Utility Costs**		\$14		\$168
Tax Savings		(\$759)		(\$9,102)
Cost Comparison				
	<i>Monthly</i>	<i>Annual</i>		
Costs of Homeownership	\$3,919	\$47,029		
Cost of Renting At Subject	\$2,088	\$25,056		
Differential	\$1,831	\$21,973		
Cost of Occupancy				
<i>Homeownership</i>				
Closing Costs		3.00%	\$16,500	
Down Payment at 10.0%		10.00%	\$55,000	
Total			\$71,500	
<i>Subject Rental</i>				
First Month's Rent	\$2,088			
Security Deposit	\$2,088			
Total	\$4,176			

* Based upon 0.50% of mortgage amount

** Utility Costs Included in Rent at Subject

As illustrated, the cash due at occupancy category more than \$71,000 for the down payment and closing costs. The cash necessary for homeownership is still a barrier to many families. In general, first-time home buyers have difficulty saving for a down payment. Further, renting at the Subject is more affordable than purchasing even a modest single-family home in the Subject's neighborhood. Overall, we believe the Subject will face limited competition from homeownership.

Additions to Supply

We researched Virginia LIHTC allocation lists from 2019 to 2022 regarding any properties in the Subject’s PMA that have been awarded LIHTC. We also consulted a CoStar new construction report regarding planned, proposed, and under construction developments within the PMA. According to our sources, there are a number of proposed, under construction, and recently completed developments within the PMA, illustrated in the following table.

RECENT AND PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Affordable Units	Competitive PBRA Units	Construction Status	LIHTC Allocation Year	Distance to Subject
One University Family	LIHTC	Family	120	120	0	Under Construction	2021	2.8 miles
Autumn Willow 9%	LIHTC	Senior	75	0	0	Proposed	2021	2.4 miles
3211 Jermantown Rd	Market	Family	160	0	0	Proposed	N/A	2.9 miles
Vista Fairfax Corner	Market	Family	228	0	0	Under Construction	N/A	0.2 miles
One University Senior	LIHTC	Senior	120	0	0	Under Construction	2021	3.1 miles
Residences at Government Center North West 4%	LIHTC	Family	74	66	8	Proposed	N/A	0 miles
Residences at Government Center South East 9%	LIHTC	Family	66	58	8	Proposed	N/A	0 miles
Residences at Government Center South West 4%	LIHTC	Family	69	61	8	Proposed	N/A	0 miles
Totals			912	305	24			

- One University Senior is an under construction 120-unit LIHTC development located 3.1 miles southeast of the Subject site. Upon completion, the property will target senior households. Due to the differing tenancy, we do not consider any units to be competitive with the Subject as proposed.
- Autumn Willow 9% is a proposed 75-unit LIHTC development located 2.4 miles west of the Subject site. Upon completion, the property will target senior households. Due to the differing target tenancy, we do not consider any units to be competitive with the Subject.
- One University Family is an under construction 120-unit LIHTC development located 2.9 miles southeast of the Subject site. Upon completion, the property will target family households, similar to the Subject. We consider these 120 units competitive with the Subject as proposed.
- Residences at Government Center North West 4% is one of four components of the Subject’s proposed larger overall development. Upon completion, this component will target family households and will offer 74 units. We consider all 74 units to be competitive with the Subject.
- Residences at Government Center South East 9% is one of four components of the Subject’s proposed larger overall development. Upon completion, this component will target family households and will offer 66 units. We consider all 66 units to be competitive with the Subject.
- Residences at Government Center South West 4% is one of four components of the Subject’s proposed larger overall development. Upon completion, this component will target family households and will offer 69 units. We consider all 69 units to be competitive with the Subject.

Recent LIHTC Allocations

The table below lists LIHTC allocations awarded in the Subject’s PMA since 2019.

RECENT LIHTC ALLOCATIONS IN PMA

Name	LIHTC Allocation Year	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units	Competitive PBRA Units	Construction Status	Distance to Subject
One University Senior	2021	LIHTC	Senior	120	0	0	Under Construction	3.1 miles
One University Family	2021	LIHTC	Family	120	120	0	Under Construction	2.9 miles
Autumn Willow 9%	2021	LIHTC	Senior	75	0	0	Proposed	2.4 miles
Totals				315	120	0		

As detailed above, three developments totaling 315 units have received tax credit allocation in the PMA since 2019.

SURVEY OF COMPARABLE PROPERTIES

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

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

To evaluate the competitive position of the Subject, we surveyed a total of 3,382 units in ten rental properties. The availability of the LIHTC data is considered good. We included seven affordable developments located between 0.4 and 7.7 miles from the Subject site, four of which are located outside the PMA (Dulles Center, Lee Overlook Apartments, The Apartments At Regent Park, and The Point At Ridgeline). The availability of the market rate data is also considered good. We included three market rate properties located between 0.4 and 7.8 miles from the Subject site, one of which is located outside the PMA (Station On Silver). While we only included three market rate properties as comparables in the report, three of the affordable developments are mixed-income properties that offer comparable market rate units in addition to their LIHTC units. Residences at Government Center is the first phase of the Subject’s larger overall development. This property is used as a comparable in this report, and is located 0.4 miles from the Subject site. Overall, we believe the availability of data is adequate to support our conclusions.

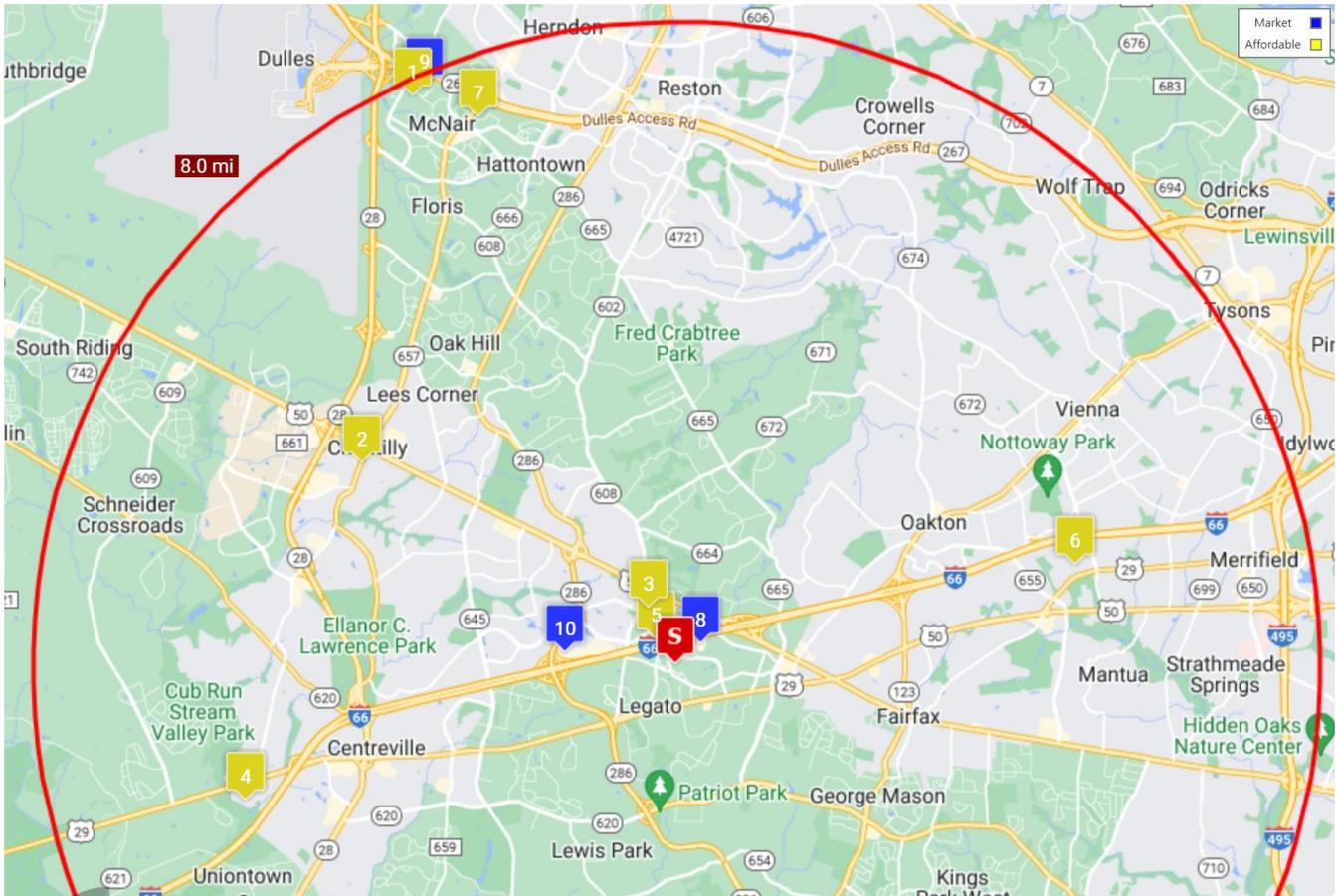
The comparable properties were chosen primarily based on location, age, condition, design, and amenities. Several properties were excluded for various reasons. The following table illustrates the properties that are excluded from the supply analysis of this report.

EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Archstone Fairchase	Market	Family	Unable to contact
Ashton At Dulles Corner	Market	Family	Better comparables available
Bell Fair Oaks	Market	Family	Better comparables available
Bent Tree Apartments	Market	Family	Better comparables available
Camden Monument Place	Market	Family	Unable to contact
Cavalier Court	Market	Family	Better comparables available
Copperfield Square	Market	Family	Better comparables available
Eaves Fairfax City	Market	Family	Better comparables available
Elms At Centreville	Market	Family	Better comparables available
Elms At Oakton	Market	Family	Better comparables available
Fairfax West Condos	Market	Family	Better comparables available
Halstead Dulles	Market	Family	Better comparables available
Layton Hall	Market	Family	Better comparables available
Radiant Fairfax Ridge Apartments	Market	Family	Unable to contact
Random Hills	Market	Family	Better comparables available
Stonecroft	Market	Family	Better comparables available
Stonegate At Faircrest	Market	Family	Better comparables available
The Arbors At Fair Lakes	Market	Family	Better comparables available
The Falls At Flint Hill	Market	Family	Better comparables available
The Jefferson At Fair Oaks	Market	Family	Unable to contact
The Knoll On Main (FKA Oak Knoll)	Market	Family	Better comparables available
The Ridgewood By Windsor Apartments	Market	Family	Unable to contact
Wheelhouse Of Fair Oaks	Market	Family	Better comparables available
Willoughby’s Ridge	Market	Family	Better comparables available
Chantilly Mews	LIHTC	Family	Better comparables available
Oak Creek Townhouses	Section 8	Family	Subsidized rents
Suburbia Fairfax Apts	Section 8	Family	Subsidized rents
Wesley Agape House	Section 8	Family	Subsidized rents

Comparable Rental Property Map

The following map illustrates the location of the Subject in relation to the comparable properties.



Source: Google Maps, November 2022

COMPARABLE PROPERTIES

#	Property Name	City	Rent Structure	Distance to Subject
S	Residences At Government Center II – North East 9%	Fairfax	@30%, @30% (PBV), @50%, @60%	-
1	Dulles Center*	Herndon	@50% (ADU), @60%	7.7 miles
2	Fields Of Chantilly	Chantilly	@60%	4.6 miles
3	Gables Centerpointe	Fairfax	@50% (ADU), @70% (ADU), Market	0.8 mile
4	Lee Overlook Apartments*	Centreville	@60%	5.6 miles
5	Residences At Government Center	Fairfax	@50%, @60%	0.4 mile
6	The Apartments At Regent Park*	Fairfax	@50%, Market	5.1 miles
7	The Point At Ridgeline*	Herndon	@120% (WDU), @80% (WDU), Market	7.2 miles
8	Camden Fairfax Corner	Fairfax	Market	0.4 mile
9	Station On Silver*	Herndon	Market	7.8 miles
10	The Julian At Fair Lakes	Fairfax	Market	1.4 miles

*Located outside PMA

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY

SUMMARY MATRIX

#	Property Name	Distance	Type/Built/Renovated	AMI	Unit Type	#	%	SF	Restriction	Rent (Adj)	Max Rent?	Waiting List	Vacant Units	Vacancy Rate		
S	Residences At Government Center II - North East 9% Government Center Parkway And Post Forest Drive Fairfax, VA Fairfax County		Midrise	@30%, @30% (PBV), @50%, @60%	1BR/1BA	2	2.9%	671	@30%	\$724	Yes		N/A	N/A		
			5-stories		1BR/1BA	2	2.9%	671	@30% (PBV)	\$1,647	N/A		N/A	N/A		
			2026		1BR/1BA	4	5.7%	671	@50%	\$1,258	Yes		N/A	N/A		
			Family		1BR/1BA	3	4.3%	671	@60%	\$1,525	Yes		N/A	N/A		
					2BR/2BA	4	5.7%	924	@30%	\$855	Yes		N/A	N/A		
					2BR/2BA	4	5.7%	924	@30% (PBV)	\$1,859	N/A		N/A	N/A		
					2BR/2BA	13	18.6%	924	@50%	\$1,496	Yes		N/A	N/A		
					2BR/2BA	23	32.9%	924	@60%	\$1,816	Yes		N/A	N/A		
					3BR/2BA	2	2.9%	1,106	@30%	\$978	Yes		N/A	N/A		
					3BR/2BA	2	2.9%	1,106	@30% (PBV)	\$2,354	N/A		N/A	N/A		
					3BR/2BA	3	4.3%	1,106	@50%	\$1,718	Yes		N/A	N/A		
					3BR/2BA	8	11.4%	1,106	@60%	\$2,088	Yes		N/A	N/A		
								70							N/A	N/A
			1	Dulles Center 2410 Little Current Drive Herndon, VA Fairfax County	7.7 miles	Garden	@50% (ADU) @60%	2BR/2BA	9	3.3%	1,009	@50% (ADU)	\$1,289	Yes	Yes	0
3-stories		2BR/2BA				127	46.7%	1,009	@60%	\$1,621	Yes	Yes	0	0%		
1996		3BR/2BA				9	3.3%	1,209	@50% (ADU)	\$1,426	Yes	Yes	0	0%		
Family		3BR/2BA				127	46.7%	1,209	@60%	\$1,852	Yes	Yes	0	0%		
					272						0	0.0%				
2	Fields Of Chantilly 13950 Rockland Village Chantilly, VA Fairfax County	4.6 miles	Garden	@60%	2BR/1BA	108	30.0%	944	@60%	\$1,804	Yes	No	0	0%		
			3-stories		2BR/2BA	72	20.0%	980	@60%	\$1,804	Yes	No	0	0%		
			2001		2BR/2BA	108	30.0%	1,052	@60%	\$1,804	Yes	No	0	0%		
			Family		3BR/2BA	72	20.0%	1,237	@60%	\$2,080	Yes	No	0	0%		
					360						0	0.0%				
3	Gables Centerpointe 12190 Waveland Street Fairfax, VA Fairfax County	0.8 mile	Midrise	@50% (ADU), @70% (ADU), Market	1BR/1BA	3	2.5%	807	@50% (ADU)	\$1,082	Yes	No	0	0%		
			4-stories		1BR/1BA	6	5.0%	807	@70% (ADU)	\$1,405	Yes	No	0	0%		
			2011		1BR/1BA	0	0.0%	746	Market	\$1,822	N/A	No	0	0%		
			Family		1BR/1BA	63	52.5%	807	Market	\$1,934	N/A	No	7	11.1%		
					1BR/1BA	0	0.0%	867	Market	\$2,047	N/A	No	0	0%		
					2BR/2BA	3	2.5%	1,106	@50% (ADU)	\$1,217	Yes	No	0	0%		
					2BR/2BA	5	4.2%	1,106	@70% (ADU)	\$1,580	Yes	No	0	0%		
					2BR/2BA	0	0.0%	1,086	Market	\$2,406	N/A	No	0	0%		
					2BR/2BA	40	33.3%	1,106	Market	\$2,433	N/A	No	2	5.0%		
					2BR/2BA	0	0.0%	1,126	Market	\$2,461	N/A	No	0	0%		
					120						9	7.5%				
4	Lee Overlook Apartments 6406 Paddington Court Centreville, VA Fairfax County	5.6 miles	Garden	@60%	2BR/2BA	154	78.6%	1,020	@60%	\$1,621	Yes	No	N/A	N/A		
			3-stories		3BR/2BA	42	21.4%	1,245	@60%	\$1,852	Yes	No	N/A	N/A		
			1995													
					196						4	2.0%				
5	Residences At Government Center Monument Drive Fairfax, VA Fairfax City County	0.4 mile	Midrise	@50% @60%	0BR/1BA	9	3.3%	564	@50%	\$1,140	Yes	Yes	N/A	N/A		
			4-stories		0BR/1BA	28	10.4%	564	@60%	\$1,390	Yes	Yes	N/A	N/A		
			2017		1BR/1BA	23	8.5%	676	@50%	\$1,215	Yes	Yes	N/A	N/A		
			Family		1BR/1BA	102	37.8%	676	@60%	\$1,482	Yes	Yes	N/A	N/A		
					2BR/2BA	19	7.0%	947	@50%	\$1,433	Yes	Yes	N/A	N/A		
					2BR/2BA	75	27.8%	947	@60%	\$1,753	Yes	Yes	N/A	N/A		
					3BR/2BA	3	1.1%	1,187	@50%	\$1,618	Yes	Yes	N/A	N/A		
					3BR/2BA	11	4.1%	1,187	@60%	\$1,988	Yes	Yes	N/A	N/A		
					270						3	1.1%				
6	The Apartments At Regent Park 9333 Clocktower Pl Fairfax, VA Fairfax County	5.1 miles	Lowrise	@50% Market	1BR/1BA	8	1.4%	628	@50%	\$1,082	Yes	No	0	0%		
			4-stories		1BR/1BA	N/A	N/A	628	Market	\$2,077	N/A	No	N/A	N/A		
			1997 / 2020		1BR/1BA	N/A	N/A	671	Market	\$2,112	N/A	No	N/A	N/A		
			Family		1BR/1BA	N/A	N/A	687	Market	\$2,193	N/A	No	N/A	N/A		
					1BR/1BA	N/A	N/A	753	Market	\$2,115	N/A	No	N/A	N/A		
					1BR/1BA	N/A	N/A	759	Market	\$1,997	N/A	No	N/A	N/A		
					1BR/1BA	N/A	N/A	858	Market	\$2,123	N/A	No	N/A	N/A		
					2BR/2BA	20	3.6%	1,010	@50%	\$1,217	Yes	No	0	0%		
					2BR/1BA	N/A	N/A	974	Market	\$2,116	N/A	No	N/A	N/A		
					2BR/2BA	N/A	N/A	1,010	Market	\$2,508	N/A	No	N/A	N/A		
					2BR/2BA	N/A	N/A	1,097	Market	\$2,383	N/A	No	N/A	N/A		
					2BR/2BA	N/A	N/A	1,110	Market	\$2,608	N/A	No	N/A	N/A		
					2BR/2BA	N/A	N/A	1,200	Market	\$2,668	N/A	No	N/A	N/A		
					3BR/2BA	1	0.2%	1,345	@50%	\$1,352	Yes	No	0	0%		
					3BR/2BA	N/A	N/A	1,345	Market	\$3,108	N/A	No	N/A	N/A		
		3BR/2BA	N/A	N/A	1,387	Market	\$3,408	N/A	No	N/A	N/A					
					552						26	4.7%				

**RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING
MARKET STUDY**

#	Property Name	Distance	Type/Built/Renovated	AMI	Unit Type	#	%	SF	Restriction	Rent (Adj)	Max Rent?	Waiting List	Vacant Units	Vacancy Rate
7	The Point At Ridgeline 13280 Woodland Park Road Herndon, VA Fairfax County	7.2 miles	Midrise 5-stories 2019 Family	@120% (WDU), @80% (WDU), Market	0BR/1BA	N/A	N/A	572	Market	\$1,851	N/A	No	N/A	N/A
					0BR/1BA	N/A	N/A	604	Market	\$1,827	N/A	No	0	N/A
					0BR/1BA	N/A	N/A	636	Market	\$1,803	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	940	@120% (WDU)	\$1,957	N/A	No	0	N/A
					1BR/1BA	23	7.8%	685	@80% (WDU)	\$1,082	N/A	No	0	0%
					1BR/1BA	N/A	N/A	638	Market	\$1,886	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	784	Market	\$2,172	N/A	No	7	N/A
					1BR/1BA	N/A	N/A	930	Market	\$2,457	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,127	@120% (WDU)	\$2,283	N/A	NA	0	N/A
					2BR/2BA	13	4.4%	1,103	@80% (WDU)	\$1,580	N/A	No	0	0%
					2BR/1BA	N/A	N/A	1,003	Market	\$2,793	N/A	No	0	N/A
					2BR/2BA	N/A	N/A	1,078	Market	\$2,829	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,238	Market	\$3,022	N/A	No	2	N/A
					2BR/2BA	N/A	N/A	1,373	Market	\$3,214	N/A	No	N/A	N/A
					3BR/2BA	N/A	N/A	1,369	Market	\$3,228	N/A	No	0	N/A
								293						9
8	Camden Fairfax Corner 4245 Summit Corner Dr. Fairfax, VA Fairfax County	0.4 mile	Midrise 4-stories 2005 Family	Market	0BR/1BA	N/A	N/A	650	Market	\$1,729	N/A	No	N/A	N/A
					0BR/1BA	N/A	N/A	755	Market	\$1,889	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	698	Market	\$1,826	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	841	Market	\$2,041	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	984	Market	\$2,256	N/A	No	N/A	N/A
					1BR/1.5BA	N/A	N/A	1,022	Market	\$2,276	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,040	Market	\$2,397	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,178	Market	\$2,622	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,315	Market	\$2,847	N/A	No	N/A	N/A
					3BR/2BA	N/A	N/A	1,267	Market	\$2,797	N/A	No	N/A	N/A
			488						19	3.9%				
9	Station On Silver 2340 Carta Way Herndon, VA Fairfax County	7.8 miles	Midrise 6-stories 2017 Family	Market	0BR/1BA	54	7.9%	603	Market	\$1,778	N/A	No	0	0%
					0BR/1BA	54	7.9%	608	Market	\$1,748	N/A	No	0	0%
					0BR/1BA	54	7.9%	612	Market	\$1,717	N/A	No	0	0%
					1BR/1BA	90	13.2%	663	Market	\$1,660	N/A	No	0	0%
					1BR/1BA	90	13.2%	728	Market	\$1,813	N/A	No	2	2.2%
					1BR/1BA	90	13.2%	793	Market	\$1,965	N/A	No	0	0%
					2BR/2BA	83	12.2%	1,000	Market	\$2,200	N/A	No	0	0%
					2BR/2BA	83	12.2%	1,041	Market	\$2,297	N/A	No	0	0%
					2BR/2BA	83	12.2%	1,058	Market	\$2,394	N/A	No	0	0%
			681						2	0.3%				
10	The Julian At Fair Lakes 12751 Fair Lakes Circle Fairfax, VA Fairfax County	1.4 miles	Midrise 6-stories 2014 Family	Market	0BR/1BA	15	10.0%	578	Market	\$1,837	N/A	No	0	0%
					1BR/1BA	N/A	N/A	647	Market	\$1,925	N/A	No	0	N/A
					1BR/1BA	89	59.3%	744	Market	\$2,059	N/A	No	3	3.4%
					1BR/1BA	N/A	N/A	744	Market	\$3,659	N/A	No	0	N/A
					2BR/2BA	N/A	N/A	945	Market	\$2,886	N/A	No	0	N/A
					2BR/2BA	46	30.7%	1,095	Market	\$2,949	N/A	No	1	2.2%
			1,215	Market	\$3,012	N/A	No	0	N/A					
			150						4	2.7%				

Location

The following table compares locational statistics in the Subject’s neighborhood relative to the locations of the comparable properties

LOCATIONAL COMPARISON SUMMARY

#	Property Name	Program	Distance Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Residences At Government Center II – North East 9%	LIHTC/PBRA		\$105,031	\$584,926	\$1,362	64	62	3.1%	68.5%
1	Dulles Center*	LIHTC	7.7 miles	\$107,582	\$604,430	\$1,891	350	27	0.2%	81.1%
2	Fields Of Chantilly	LIHTC	4.6 miles	\$65,596	\$505,755	\$1,684	66	74	2.7%	53.0%
3	Gables Centerpointe	LIHTC/Market	0.8 mile	\$94,915	\$503,327	\$1,874	57	71	6.6%	55.7%
4	Lee Overlook Apartments*	LIHTC	5.6 miles	\$72,508	\$380,329	\$1,787	44	31	5.4%	39.3%
5	Residences At Government Center	LIHTC	0.4 mile	\$94,188	\$584,926	\$1,930	67	68	4.5%	77.2%
6	The Apartments At Regent Park*	LIHTC/Market	5.1 miles	\$106,268	\$591,638	\$1,988	40	63	2.4%	50.3%
7	The Point At Ridgeline*	Affordable/Market	7.2 miles	\$102,537	\$604,430	\$1,891	81	77	5.0%	64.0%
8	Camden Fairfax Corner	Market	0.4 mile	\$120,155	\$584,926	\$1,930	76	64	0.1%	76.6%
9	Station On Silver*	Market	7.8 miles	\$113,890	\$604,430	\$1,891	243	36	0.2%	75.6%
10	The Julian At Fair Lakes	Market	1.4 miles	\$110,534	\$503,327	\$1,874	49	52	2.2%	30.0%

*Located outside PMA

The Subject is located in Fairfax, Virginia. Surrounding uses consist of government buildings, multifamily developments, commercial/retail uses, and single-family homes. Weaknesses of the Subject’s location include lower median rent relative to the comparable properties’ neighborhoods. The Subject’s location is designated ‘Somewhat Walkable’ by Walk Score with a score of 62, indicating some errands can be accomplished on foot.

The affordable properties are located between 0.4 and 7.7 miles from the Subject site. The LIHTC comparables are generally in neighborhoods considered to be similar relative to the Subject’s location. These neighborhoods generally exhibit slightly lower to similar median household incomes, slightly higher median rents, similar crime indices, and slightly higher Walk Scores. Dulles Center, Fields of Chantilly, and Lee Overlook Apartments, however, are located in slightly inferior neighborhoods relative to the Subject. These neighborhoods exhibit lower to similar median household incomes and either a higher crime index or a lower Walk Score.

The market rate developments are located between 0.4 and 7.8 miles from the Subject site. Camden Fairfax Corner and The Julian at Fair Lakes are in similar neighborhoods relative to the Subject. These neighborhoods exhibit slightly higher median household incomes, similar crime indices, and similar Walk Scores. Station on Silver, however, is located in a slightly inferior neighborhood relative to the Subject. This neighborhood exhibits slightly higher median household income and median rent, yet a much higher crime index and a lower Walk Score.

Age, Condition, and Design

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

	Residences At Government Center II – North East 9%	Dulles Center	Fields Of Chantilly	Gables Centerpointe	Lee Overlook Apartments	Residences At Government Center	The Apartments At Regent Park	The Point At Ridgeline	Camden Fairfax Corner	Station On Silver	The Julian At Fair Lakes
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC/ Market	Affordable/ Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Building											
Property Type	Midrise	Garden	Garden	Midrise	Garden	Midrise	Lowrise	Midrise	Midrise	Midrise	Midrise
# Stories	5	3	3	4	3	4	4	5	4	6	6
Year Built	2026	1996	2001	2011	1995	2017	1997	2019	2005	2017	2014
Year Renovated	N/A	N/A	N/A	N/A	2022	N/A	2020	N/A	N/A	N/A	N/A
Courtyard	yes	no	no	no	no	no	no	no	no	no	yes
Elevators	yes	no	no	yes	no	yes	yes	yes	yes	yes	yes

The Subject will be new construction and exhibit excellent overall condition upon completion. The LIHTC comparables were constructed or renovated between 1996 and 2019, while the market rate comparables were constructed or renovated between 2005 and 2017. Of the LIHTC comparables, Residences at Government Center Phase I and The Point at Ridgeline exhibit generally similar condition relative to the Subject. The remaining LIHTC comparables exhibit inferior to slightly inferior condition relative to the Subject. Of the market rate comparables, Station on Silver and The Julian at Fair Lakes exhibit generally similar condition relative to the Subject. Camden Fairfax Corner exhibits slightly inferior condition relative to the Subject.

The Subject will offer a midrise, elevator-serviced design. This is similar to the other elevator-serviced midrise and lowrise designs offered. However, three LIHTC properties offer garden-style designs without elevators and are inferior to the Subject’s design.

Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject’s unit size relative to the surveyed average unit sizes in the market.

Bedroom Type	UNIT SIZE COMPARISON		
	1BR	2BR	3BR
Subject	671	924	1,106
Average	766	1,078	1,272
Min	628	944	1,187
Max	1,022	1,373	1,387
Advantage/Disadvantage	-12.4%	-14.3%	-13.0%

The Subject’s one-bedroom units are within the range of the surveyed comparable unit sizes. The Subject’s two-bedroom units and three-bedroom units are outside the range of the surveyed comparable unit sizes. The Subject’s one-bedroom units, two-bedroom units and three-bedroom units are below the comparables average square footage. Residences at Government Center, Fields of Chantilly, and The Julian at Fair Lakes offer the next smallest two and three-bedroom unit sizes besides the Subject. These properties all reported operating with low vacancies. Therefore, we do not expect the Subject’s small unit sizes to negatively influence the property’s success. We have considered the Subject’s unit sizes in our determination of achievable rents.

**RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING
MARKET STUDY**

SQUARE FOOT RANKING

1.0BR x 1.0BA		2.0BR x 2.0BA		3.0BR x 2.0BA	
Property Name	Square Feet	Property Name	Square Feet	Property Name	Square Feet
Camden Fairfax Corner (Market)(1.5BA)	1,022	The Point At Ridgeline (Market)	1,373	The Apartments At Regent Park (Market)	1,387
Camden Fairfax Corner (Market)	984	Camden Fairfax Corner (Market)	1,315	The Point At Ridgeline (Market)	1,369
The Point At Ridgeline (@120%)	940	The Point At Ridgeline (Market)	1,238	The Apartments At Regent Park (@50%)	1,345
The Point At Ridgeline (Market)	930	The Julian At Fair Lakes (Market)	1,215	The Apartments At Regent Park (Market)	1,345
Gables Centerpointe (Market)	867	The Apartments At Regent Park (Market)	1,200	Camden Fairfax Corner (Market)	1,267
The Apartments At Regent Park (Market)	858	Camden Fairfax Corner (Market)	1,178	Lee Overlook Apartments (@60%)	1,245
Camden Fairfax Corner (Market)	841	The Point At Ridgeline (@120%)	1,127	Fields Of Chantilly (@60%)	1,237
Gables Centerpointe (@50%)	807	Gables Centerpointe (Market)	1,126	Dulles Center (@50%)	1,209
Gables Centerpointe (@70%)	807	The Apartments At Regent Park (Market)	1,110	Dulles Center (@60%)	1,209
Gables Centerpointe (Market)	807	Gables Centerpointe (@50%)	1,106	Residences At Government Center (@50%)	1,187
Station On Silver (Market)	793	Gables Centerpointe (@70%)	1,106	Residences At Government Center (@60%)	1,187
The Point At Ridgeline (Market)	784	Gables Centerpointe (Market)	1,106	Residences At Government Center II – North East 9% (@30%)	1,106
The Apartments At Regent Park (Market)	759	The Point At Ridgeline (@80%)	1,103	Residences At Government Center II – North East 9% (@30%)	1,106
The Apartments At Regent Park (Market)	753	The Apartments At Regent Park (Market)	1,097	Residences At Government Center II – North East 9% (@50%)	1,106
Gables Centerpointe (Market)	746	The Julian At Fair Lakes (Market)	1,095	Residences At Government Center II – North East 9% (@60%)	1,106
The Julian At Fair Lakes (Market)	744	Gables Centerpointe (Market)	1,086		
The Julian At Fair Lakes (Market)	744	The Point At Ridgeline (Market)	1,078		
Station On Silver (Market)	728	Station On Silver (Market)	1,058		
Camden Fairfax Corner (Market)	698	Fields Of Chantilly (@60%)	1,052		
The Apartments At Regent Park (Market)	687	Station On Silver (Market)	1,041		
The Point At Ridgeline (@80%)	685	Camden Fairfax Corner (Market)	1,040		
Residences At Government Center (@50%)	676	Lee Overlook Apartments (@60%)	1,020		
Residences At Government Center (@60%)	676	The Apartments At Regent Park (@50%)	1,010		
The Apartments At Regent Park (Market)	671	The Apartments At Regent Park (Market)	1,010		
Residences At Government Center II – North East 9% (@30%)	671	Dulles Center (@50%)	1,009		
Residences At Government Center II – North East 9% (@30%)	671	Dulles Center (@60%)	1,009		
Residences At Government Center II – North East 9% (@50%)	671	The Point At Ridgeline (Market)(1.0BA)	1,003		
Residences At Government Center II – North East 9% (@60%)	671	Station On Silver (Market)	1,000		
Station On Silver (Market)	663	Fields Of Chantilly (@60%)	980		
The Julian At Fair Lakes (Market)	647	The Apartments At Regent Park (Market)(1.0BA)	974		
The Point At Ridgeline (Market)	638	Residences At Government Center (@50%)	947		
The Apartments At Regent Park (@50%)	628	Residences At Government Center (@60%)	947		
The Apartments At Regent Park (Market)	628	The Julian At Fair Lakes (Market)	945		
		Fields Of Chantilly (@60%)(1.0BA)	944		
		Residences At Government Center II – North East 9% (@30%)	924		
		Residences At Government Center II – North East 9% (@30%)	924		
		Residences At Government Center II – North East 9% (@50%)	924		
		Residences At Government Center II – North East 9% (@60%)	924		

Utility Structure

The following table details the Subject’s utility structure in comparison to the comparable properties. The utility conventions differ at the comparable properties; therefore, we have adjusted “base” or “asking” rents of the comparable properties to “net” rents, reflecting the Subject’s utility convention.

	Residences At Government Center II - North East 9%	Dulles Center	Fields Of Chantilly	Gables Centerpointe	Lee Overlook Apartments	Residences At Government Center	The Apartments At Regent Park	The Point At Ridgeline	Camden Fairfax Corner	Station On Silver	The Julian At Fair Lakes
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC/ Market	Affordable/ Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Utility Structure											
Heat	no	no	no	no	no	no	no	no	no	no	no
Cooking	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Air Conditioning	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Water	no	yes	no	no	yes	no	no	no	no	no	no
Sewer	no	yes	no	no	yes	no	no	no	no	no	no
Trash	yes	yes	yes	no	yes	yes	no	no	no	no	no

In-Unit Amenities

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

	Residences At Government Center II - North East 9%	Dulles Center	Fields Of Chantilly	Gables Centerpointe	Lee Overlook Apartments	Residences At Government Center	The Apartments At Regent Park	The Point At Ridgeline	Camden Fairfax Corner	Station On Silver	The Julian At Fair Lakes
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC/ Market	Affordable/ Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Unit											
Balcony	yes	yes	yes	no	yes	no	yes	yes	no	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	yes	no	no	no	no	no	no	no	yes	no	no
Carpeting	yes	yes	yes	yes	yes	no	no	no	yes	no	yes
Ceiling Fan	no	no	no	no	yes	no	no	no	yes	no	no
Central/AC	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	yes	no	no	yes	no	yes	no	yes
Fireplace	no	no	no	no	no	no	yes	no	yes	no	no
Hardwood Floors	no	no	no	no	no	no	yes	yes	yes	yes	yes
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes	no	no
Walk-In-Closet	no	yes	no	no	no	no	yes	yes	yes	yes	no
Washer / Dryer	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
W/D Hookups	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen											
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	yes	no	no	yes	no	no	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notable amenities offered by the proposed Subject will include balconies/patios, complimentary internet, central air conditioning, dishwashers, disposals, microwaves, and washer/dryers. The majority of the comparables offer unit amenities ranging from slightly inferior to similar relative to the proposed Subject. The properties that offer slightly inferior unit amenities typically lack microwaves, disposals, balconies, and/or washer/dryers. The Apartments at Regent Park, Camden Fairfax Center, and The Point at Ridgeline offer slightly superior unit amenities relative to the Subject, however. These properties offer walk-in closets, hardwood floors, exterior storage, and/or coat closets. Overall, we believe the Subject’s unit amenities will be competitive in the market.

Property Amenities

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

	Residences At Government Center II – North East 9%	Dulles Center	Fields Of Chantilly	Gables Centerpointe	Lee Overlook Apartments	Residences At Government Center	The Apartments At Regent Park	The Point At Ridgeline	Camden Fairfax Corner	Station On Silver	The Julian At Fair Lakes
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC/ Market	Affordable/ Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Community											
Business Center	yes	no	yes	yes	no	yes	yes	yes	yes	yes	no
Central Laundry	no	yes	no	no	no	no	no	no	no	no	no
Clubhouse	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	no
Concierge	no	no	no	no	no	no	no	no	no	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
WiFi	no	no	no	no	no	no	yes	no	no	no	no
Recreation											
Basketball Court	no	no	yes	no	no	no	no	no	no	no	no
Exercise Facility	yes	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Picnic Area	yes	yes	no	no	no	no	no	no	no	no	yes
Playground	no	yes	yes	no	yes	yes	yes	no	no	no	no
Recreational Area	no	no	no	no	no	no	yes	no	no	no	yes
Sauna	no	no	no	no	no	no	no	no	no	no	yes
Swimming Pool	no	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Tennis Court	no	yes	no	no	yes	no	no	no	no	no	no
Volleyball Court	no	yes	no	no	no	no	no	no	no	no	no
Services											
Daycare	yes	no	no	no	no	no	no	no	no	no	no

Notable amenities offered by the proposed Subject will include a business center, a clubhouse, daycare, a fitness center, on-site management, and picnic areas. The majority of the comparables offer property amenities ranging from slightly superior to superior relative to the proposed Subject. These properties offer a combination of playgrounds, and swimming pools, none of which are offered by the proposed Subject. Gables Centerpointe and Lee Overlook Apartments, however, offer similar property amenities as the Subject. Overall, we believe the Subject's property amenities will be competitive in the market.

Security Features

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

	Residences At Government Center II – North East 9%	Dulles Center	Fields Of Chantilly	Gables Centerpointe	Lee Overlook Apartments	Residences At Government Center	The Apartments At Regent Park	The Point At Ridgeline	Camden Fairfax Corner	Station On Silver	The Julian At Fair Lakes
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC/ Market	Affordable/ Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Crime Index	64	350	66	57	44	67	40	81	76	243	49
Security											
Intercom (Buzzer)	yes	no	no	yes	no	yes	yes	yes	yes	yes	yes
Limited Access	yes	no	no	yes	no	yes	yes	yes	yes	yes	yes
Patrol	no	no	no	no	yes	no	no	no	no	no	no
Video Surveillance	no	no	no	yes	no	no	no	no	no	no	no

According to ESRI Demographic data, crime indices in the proposed Subject's location are below the national average. The proposed Subject will offer intercom (buzzer) and limited access. A majority of the comparables offer one to two security amenities, similar to the Subject. Overall, the comparables security features range from slightly inferior to similar compared to the proposed Subject. As such, we believe the proposed Subject's security amenities are market oriented.

Parking

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

	Residences At Government Center II – North East 9%	Dulles Center	Fields Of Chantilly	Gables Centerpointe	Lee Overlook Apartments	Residences At Government Center	The Apartments At Regent Park	The Point At Ridgeline	Camden Fairfax Corner	Station On Silver	The Julian At Fair Lakes
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC/ Market	LIHTC	LIHTC	LIHTC/ Market	Affordable/ Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Walk Score	62	27	74	71	31	68	63	77	64	36	52
Parking Ratio	4.81	2.21	0.56	0.88	1.02	0.74	1.63	0.0	1.02	0.0	1.33
Parking											
Carport	no	no	no	no	no	no	yes	no	no	no	no
Carport Fee	n/a	\$0	\$0	\$0	\$0	\$0	\$50	n/a	\$0	n/a	\$0
Garage	yes	no	no	yes	no	no	yes	yes	no	no	yes
Garage Fee	n/a	\$0	\$0	\$0	\$0	\$0	\$50	\$50	\$0	n/a	\$40
Surface	yes	yes	yes	no	yes	yes	yes	yes	yes	yes	yes
Surface Fee	n/a	\$0	\$0	\$0	\$0	\$0	n/a	n/a	\$0	\$10	\$0

The property will offer off-street parking and garages; specifically, 13 off-street surface parking spaces, or 0.04 spaces per unit. Additionally, the overall Subject development will offer 324 garage spaces, or 1.10 garages per unit. The Subject's parking will be at no additional charge. We expect the number of parking spaces to be adequate. All but two of the comparable properties offer off-street parking. Of these eight properties, seven offer off-street parking included in the cost of rent, while Station on Silver charges an additional fee of \$10. Additionally, four properties offer garage parking for fees ranging from \$0 to \$50. The parking at these properties is slightly inferior to similar to the Subject.

Conclusion

The Subject will be new construction and exhibit excellent overall condition upon completion. The LIHTC comparables were constructed or renovated between 1996 and 2019, while the market rate comparables were constructed or renovated between 2005 and 2017. Of the LIHTC comparables, Residences at Government Center Phase I and The Point at Ridgeline exhibit generally similar condition relative to the Subject. The remaining LIHTC comparables exhibit inferior to slightly inferior condition relative to the Subject. Of the market rate comparables, Station on Silver and The Julian at Fair Lakes exhibit generally similar condition relative to the Subject. Camden Fairfax Corner exhibits slightly inferior condition relative to the Subject. The majority of the comparables offer property amenities ranging from slightly superior to superior relative to the proposed Subject. The majority of the comparables offer unit amenities ranging from slightly inferior to similar relative to the proposed Subject. The Subject's one-bedroom units, two-bedroom units and three-bedroom units are below the comparables average square footage. Overall, strong demand for affordable housing has been reported by properties in the area, and we believe the Subject will be well accepted in the market.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Tenant Voucher Usage

The following table details voucher usage reported by the comparable properties.

TENANTS WITH VOUCHERS

Property Name	Program	Housing Choice Voucher %
Dulles Center*	LIHTC	10%
Fields Of Chantilly	LIHTC	16%
Gables Centerpointe	LIHTC/Market	0%
Lee Overlook Apartments*	LIHTC	65%
Residences At Government Center	LIHTC	10%
The Apartments At Regent Park*	LIHTC/Market	N/A
The Point At Ridgeline*	Affordable/Market	0%
Camden Fairfax Corner	Market	0%
Station On Silver*	Market	0%
The Julian At Fair Lakes	Market	0%

*Located outside PMA

The comparable properties reported voucher usages ranging between zero and 65 percent. None of the market rate properties reported voucher usage. Six of the LIHTC comparables reported voucher usage, with an average utilization of 16.8 percent. The highest voucher usage was reported by Lee Overlook Apartments, a 196-unit LIHTC development located 5.6 miles west of the Subject site. Excluding this property, the average LIHTC voucher utilization is 7.2 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 10 percent.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER

Property Name	Program	Tenancy	Annual Turnover
Dulles Center*	LIHTC	Family	5%
Fields Of Chantilly	LIHTC	Family	5%
Gables Centerpointe	LIHTC/Market	Family	20%
Lee Overlook Apartments*	LIHTC	Family	12%
Residences At Government Center	LIHTC	Family	20%
The Apartments At Regent Park*	LIHTC/Market	Family	35%
The Point At Ridgeline*	Affordable/Market	Family	10%
Camden Fairfax Corner	Market	Family	23%
Station On Silver*	Market	Family	20%
The Julian At Fair Lakes	Market	Family	35%
Average Turnover			19%

*Located outside PMA

The comparable properties reported turnover ranging between five and 35 percent, with an overall average of 19 percent. The LIHTC comparables operate with an average turnover rate of 15 percent, which is well below the 26 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a turnover rate of approximately 20 percent.

Vacancy

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

OVERALL VACANCY

Property Name	Program	Tenancy	Total Units	Vacant Units	Vacancy %
Dulles Center*	LIHTC	Family	272	0	0.0%
Fields Of Chantilly	LIHTC	Family	360	0	0.0%
Gables Centerpointe	LIHTC/Market	Family	120	9	7.5%
Lee Overlook Apartments*	LIHTC	Family	196	4	2.0%
Residences At Government Center	LIHTC	Family	270	3	1.1%
The Apartments At Regent Park*	LIHTC/Market	Family	552	26	4.7%
The Point At Ridgeline*	Affordable/Market	Family	293	9	3.1%
Camden Fairfax Corner	Market	Family	488	19	3.9%
Station On Silver*	Market	Family	681	2	0.3%
The Julian At Fair Lakes	Market	Family	150	4	2.7%
LIHTC Total			2,063	51	2.5%
Market Total			1,319	25	1.9%
Overall Total			3,382	76	2.2%

*Located outside PMA

The comparable properties reported vacancy rates ranging from zero to 7.5 percent, with an overall weighted average of 2.2 percent. Managers at two of the seven LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 2.5 percent, above the 1.9 percent weighted average reported by the market rate properties. Gables Centerpointe reported an elevated vacancy rate of 7.5 percent. However, it should be noted that all of the vacancies at this property were for market rate units, as all of the affordable units are fully occupied. All of the market rate properties reported vacancy rates of 3.9 percent or less. Based on the performance of the comparables, we expect the Subject will operate with vacancy and collection losses of approximately five percent over a typical investment period.

VACANCY BY BEDROOM TYPE

Property Name	Program	Tenancy	0BR	1BR	2BR	3BR	Overall
Dulles Center	LIHTC	Family	N/A	N/A	0.0%	0.0%	0.0%
Fields Of Chantilly	LIHTC	Family	N/A	N/A	0.0%	0.0%	0.0%
Gables Centerpointe	LIHTC/Market	Family	N/A	9.7%	4.2%	N/A	7.5%
Lee Overlook Apartments	LIHTC	Family	N/A	N/A	N/A	N/A	2.0%
Residences At Government Center	LIHTC	Family	N/A	N/A	N/A	N/A	1.1%
The Apartments At Regent Park	LIHTC/Market	Family	N/A	N/A	N/A	N/A	4.7%
The Point At Ridgeline	Affordable/Market	Family	N/A	N/A	N/A	N/A	3.1%
Camden Fairfax Corner	Market	Family	N/A	N/A	N/A	N/A	3.9%
Station On Silver	Market	Family	0%	0.7%	0%	N/A	0.3%
The Julian At Fair Lakes	Market	Family	0%	3.4%	2.2%	N/A	2.7%
Weighted Averages			0%	2.8%	0.9%	0%	2.2%

As proposed, the Subject will consist of one, two, and three-bedroom units. Vacancy rates in the market average zero percent for studio units, 2.8 percent for one-bedroom units, 0.9 percent for two-bedroom units, and zero percent for three-bedroom units. Overall, given the vacancy rates in the market and the household growth rates projected for the PMA, we do not believe the Subject will negatively impact the existing properties in the market.

Concessions

Station on Silver, which has a vacancy of 0.3 percent, is currently offering three weeks off the first month of rent. None of the remaining comparables are offering rent concessions. Given the lack of concessions offered in the market, we do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate upon completion.

Waiting Lists

WAITING LISTS

Property Name	Program	Tenancy	Waiting List Length
Dulles Center	LIHTC	Family	Yes; 595 applicants, 1.5 years
Fields Of Chantilly	LIHTC	Family	None
Gables Centerpointe	LIHTC/Market	Family	None
Lee Overlook Apartments	LIHTC	Family	None
Residences At Government Center	LIHTC	Family	Yes; unknown length
The Apartments At Regent Park	LIHTC/Market	Family	None
The Point At Ridgeline	Affordable/Market	Family	None
Camden Fairfax Corner	Market	Family	None
Station On Silver	Market	Family	None
The Julian At Fair Lakes	Market	Family	None

Two of the LIHTC properties maintain waiting lists. These waiting lists are extensive at some of the LIHTC developments. Additionally, as the Subject will be under the same ownership as its prior phase Residences at Government Center, the waitlist maintained for Residences at Government Center should benefit the Subject as well. Upon stabilization, we expect the Subject to operate with low vacancy and maintain a waiting list.

Projected Absorption

The following table details the nearest absorption comparables we were able to identify.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
The Woods At Brambleton Town Center South	LIHTC	Family	Ashburn	2021	55	55	12.7 miles
Forest Glen Phase I	LIHTC	Senior	Centreville	2020	119	5	2.8 miles
The Woods At Birchwood	LIHTC	Senior	Ashburn	2019	83	15	11.5 miles
The Point At Ridgeline*	LIHTC	Family	Herndon	2019	293	24	7.2 miles
Heronview Apartments	LIHTC	Family	Sterling	2019	46	30	12.6 miles
The Emerson Apartments	Market	Family	Centreville	2019	355	15	4.2 miles
St. James Plaza	LIHTC	Family	Alexandria	2018	93	18	13.2 miles
Kingston At Mclean Crossing	Market	Family	Tysons	2018	319	14	9.7 miles
Exo Reston	Market	Family	Reston	2018	457	19	6.8 miles
Average Affordable					115	25	
Average Market					377	16	
Overall Average					202	22	

*Comparable Property

We obtained absorption data from nine properties, located between 2.8 and 13.2 miles from the Subject site. These properties reported absorption rates ranging from five to 55 units per month, with an overall average of 22 units per month. Forest Glen Phase I reported a slow absorption of five units per month. However, we assume that this is due to the slow absorption pace of senior properties during the pandemic, and have therefore not relied on this property. Overall, we expect the proposed Subject will experience an absorption rate of 25 units per month as restricted and 15 units per month as unrestricted. This equates to an absorption period of approximately 11 months as restricted and 18 months as unrestricted for the Subject's larger overall development consisting of 279 units. These absorption rates would equate to absorption periods of approximately three months as restricted and five months as unrestricted for the Subject component. With the assumption that the Subject begins preleasing units prior to the completion of construction, it appears feasible that the Subject's market-entry would facilitate a more expedient lease-up, given its affordable nature and excellent condition as completed. It should be noted that we do not expect the Subject's absorption to adversely impact other existing LIHTC properties, all of which reported low vacancy rates.

Rent Growth

We were able to obtain the most recent rental adjustment data from all of the comparable properties. The following table outlines the rental history for the comparable properties.

RENT GROWTH			
Property Name	Program	Tenancy	Rent Growth
Dulles Center*	LIHTC	Family	Kept at maximum allowable
Fields Of Chantilly	LIHTC	Family	Kept at maximum allowable
Gables Centerpointe	LIHTC/Market	Family	Increased to 2022 max
Lee Overlook Apartments*	LIHTC	Family	Kept at max
Residences At Government Center	LIHTC	Family	Increased to 2022 max
The Apartments At Regent Park*	LIHTC/Market	Family	Increased to 2022 max; Market increased 2-20%
The Point At Ridgeline*	Affordable/Market	Family	Increased 3%
Camden Fairfax Corner	Market	Family	Rents change daily
Station On Silver*	Market	Family	Increased 2-13% since 1Q22
The Julian At Fair Lakes	Market	Family	Changes daily

*Located outside PMA

All of the comparable LIHTC properties reported achieving maximum allowable rents. Additionally, all but one market rate property reported rent increases over the past year. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property of approximately two percent, yet within the limits of the LIHTC guidelines.

Reasonability of Rents

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

Unit Type	UNITS				RENTS				PRO FORMA vs.	
	AMI	Size	# of Units	% Total	Pro Forma Rent	Achievable LIHTC Rent	Market Rent*	Section 42 Max**	Market as % of	Section 42 Max as % of
1BR/1BA	@30%	671	2	2.9%	\$724	\$724	\$2,000	\$724	36.2%	100.0%
1BR/1BA	@30% (PBV)	671	2	2.9%	\$1,647	\$724	\$2,000	\$724	N/A	N/A
1BR/1BA	@50%	671	4	5.7%	\$1,258	\$1,258	\$2,000	\$1,258	62.9%	100.0%
1BR/1BA	@60%	671	3	4.3%	\$1,525	\$1,525	\$2,000	\$1,525	76.2%	100.0%
2BR/2BA	@30%	924	4	5.7%	\$855	\$855	\$2,450	\$855	34.9%	100.0%
2BR/2BA	@30% (PBV)	924	4	5.7%	\$1,859	\$855	\$2,450	\$855	N/A	N/A
2BR/2BA	@50%	924	13	18.6%	\$1,496	\$1,496	\$2,450	\$1,496	61.1%	100.0%
2BR/2BA	@60%	924	23	32.9%	\$1,816	\$1,816	\$2,450	\$1,816	74.1%	100.0%
3BR/2BA	@30%	1,106	2	2.9%	\$978	\$978	\$2,775	\$978	35.2%	100.0%
3BR/2BA	@30% (PBV)	1,106	2	2.9%	\$2,354	\$978	\$2,775	\$978	N/A	N/A
3BR/2BA	@50%	1,106	3	4.3%	\$1,718	\$1,718	\$2,775	\$1,718	61.9%	100.0%
3BR/2BA	@60%	1,106	8	11.4%	\$2,088	\$2,088	\$2,775	\$2,088	75.2%	100.0%
WEIGHTED AVERAGE			70	100.0%	\$1,642	\$1,519	\$2,449	\$1,519	65.3%	100.0%
@30% Units			16	22.9%	\$1,391	\$853	\$2,419	\$853	35.3%	100.0%
@50% Units			20	28.6%	\$1,482	\$1,482	\$2,409	\$1,482	61.5%	100.0%
@60% Units			34	48.6%	\$1,854	\$1,854	\$2,487	\$1,854	74.6%	100.0%

*Market rent estimates reflect achievable rent assuming the property were 100% market rate and available for occupancy as of the effective date of the report

**Maximum Section 42 rents have been adjusted by the appropriate utility allowance.

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. Note that some of the comparable property's LIHTC rents appear to be above the maximum levels; however, the majority are the result of differing utility allowance structures at the comparables.

30 Percent AMI

LIHTC RENT COMPARISON @30%

Property Name	County	1BR	2BR	3BR	Max Rent?
Residences At Government Center II – North East 9%	Fairfax	\$724	\$855	\$978	Yes
LIHTC Maximum Rent (Net)	Fairfax	\$724	\$855	\$978	-
Achievable LIHTC Rent		\$724	\$855	\$978	Yes

The Subject will offer 16 units restricted to households earning 30 percent of the AMI or less. Of these 16 units, eight units will benefit from project-based subsidies where tenants pay 30 percent of their income towards rent. None of the comparable properties offer units restricted to the 30 percent of AMI level. However, the maximum allowable rents at the 30 percent of AMI level will be among the lowest in the market and will offer a significant rent advantage over our concluded achievable market rents. Additionally, the vacancy rates for LIHTC units at the comparable properties are extremely low, as Gables Centerpointe, The Apartments at Regent Park, and The Pointe at Ridgeline all reported that their vacancies are for market rate units, and that LIHTC units are fully occupied. Therefore, we believe that the Subject will be able to achieve maximum allowable rents at the 30 percent of AMI level.

50 Percent AMI

LIHTC RENT COMPARISON @50%

Property Name	County	1BR	2BR	3BR	Max Rent?
Residences At Government Center II - North East 9%	Fairfax	\$1,258	\$1,496	\$1,718	Yes
LIHTC Maximum Rent (Net)	Fairfax	\$1,258	\$1,496	\$1,718	-
Dulles Center	Fairfax	-	\$1,289	\$1,426	Yes
Gables Centerpointe	Fairfax	\$1,082	\$1,217	-	Yes
Residences At Government Center	Fairfax City	\$1,215	\$1,433	\$1,618	Yes
The Apartments At Regent Park	Fairfax	\$1,082	\$1,217	\$1,352	Yes
Average		\$1,126	\$1,289	\$1,465	-
Achievable LIHTC Rent		\$1,258	\$1,496	\$1,718	Yes

The Subject will offer 20 units restricted to households earning 50 percent of the AMI or less. Four of the comparable properties reported also offering units restricted to the 50 percent of AMI level. All four of these properties reported achieving maximum allowable rents at 50 percent of the AMI. It should be noted that Dulles Center, Gables Centerpointe, and The Apartments at Regent Park all participate in the Fairfax County Affordable Dwelling Unit (ADU) program for its 50 percent AMI units, which calculates maximum allowable rents differently. However, the contacts at these three properties did confirm that rents were set at the maximum allowable levels for this program. As mentioned previously, Residences at Government Center is the prior phase of the Subject’s larger overall development, and is therefore a similar overall product and a good indicator of the maximum allowable rents being achievable. All four of these comparable properties reported low vacancy rates for their affordable units, and two properties reported maintaining waiting lists as well. Additionally, the maximum allowable rents at the 50 percent of AMI level offer significant rent advantages of 37 to 39 percent over our concluded achievable market rents. Therefore, we believe that the Subject will be able to achieve maximum allowable rents at the 50 percent of AMI level.

60 Percent AMI

LIHTC RENT COMPARISON @60%

Property Name	County	1BR	2BR	3BR	Max Rent?
Residences At Government Center II - North East 9%	Fairfax	\$1,525	\$1,816	\$2,088	Yes
LIHTC Maximum Rent (Net)	Fairfax	\$1,525	\$1,816	\$2,088	-
Dulles Center	Fairfax	-	\$1,621	\$1,852	Yes
Fields Of Chantilly	Fairfax	-	\$1,804	\$2,080	Yes
Lee Overlook Apartments	Fairfax	-	\$1,621	\$1,852	Yes
Residences At Government Center	Fairfax City	\$1,482	\$1,753	\$1,988	Yes
Average	-	\$1,482	\$1,700	\$1,943	-
Achievable LIHTC Rent	-	\$1,525	\$1,816	\$2,088	Yes

The Subject will offer 34 units restricted to households earning 60 percent of the AMI or less. Four of the comparable properties reported also offering units restricted to the 60 percent of AMI level. All four of these properties reported achieving maximum allowable rents at 60 percent of the AMI. As mentioned previously, Residences at Government Center is the prior phase of the Subject’s larger overall development, and is therefore a similar overall product and a good indicator of the maximum allowable rents being achievable. All four of these comparable properties reported low vacancy rates for their affordable units, and two properties reported maintaining waiting lists as well. Additionally, the maximum allowable rents at the 60 percent of AMI level offer significant rent advantages of 24 to 26 percent over our concluded achievable market rents. Therefore, we believe that the Subject will be able to achieve maximum allowable rents at the 60 percent of AMI level.

Most Similar LIHTC

Based upon the overall comparison ratings, the Subject will be most similar to Residences at Government Center (Phase I of the Subject).

Residences At Government Center is a 270-unit property located 0.4 mile northwest of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 2017. We consider the condition of this property similar relative to the proposed Subject, which will be new construction. The manager at Residences At Government Center reported a low vacancy rate of 1.1 percent and asking rents at the maximum allowable levels. On balance, we consider the in-unit and property amenity packages offered by Residences At Government Center to be slightly inferior and slightly superior relative to the proposed Subject, respectively. The Subject will offer similar unit sizes as Residences at Government Center. In overall terms, we believe the proposed Subject will be a similar product relative to Residences At Government Center.

Given the Subject's comparison to Residences at Government Center, as well as the low vacancy rates and waiting lists reported by the affordable comparables, we believe that maximum allowable rents are achievable for the Subject at the 30, 50, and 60 percent of AMI levels.

Achievable Market Rents

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

**RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING
MARKET STUDY**

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Square Feet	Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR/1BA	@30%	671	\$724	\$1,660	\$3,659	\$2,110	\$2,000	64%
1BR/1BA	@30% (PBV)	671	\$724	\$1,660	\$3,659	\$2,110	\$2,000	64%
1BR/1BA	@50%	671	\$1,258	\$1,660	\$3,659	\$2,110	\$2,000	37%
1BR/1BA	@60%	671	\$1,525	\$1,660	\$3,659	\$2,110	\$2,000	24%
2BR/2BA	@30%	924	\$855	\$2,116	\$3,214	\$2,621	\$2,450	65%
2BR/2BA	@30% (PBV)	924	\$855	\$2,116	\$3,214	\$2,621	\$2,450	65%
2BR/2BA	@50%	924	\$1,496	\$2,116	\$3,214	\$2,621	\$2,450	39%
2BR/2BA	@60%	924	\$1,816	\$2,116	\$3,214	\$2,621	\$2,450	26%
3BR/2BA	@30%	1,106	\$978	\$2,797	\$3,408	\$3,135	\$2,775	65%
3BR/2BA	@30% (PBV)	1,106	\$978	\$2,797	\$3,408	\$3,135	\$2,775	65%
3BR/2BA	@50%	1,106	\$1,718	\$2,797	\$3,408	\$3,135	\$2,775	38%
3BR/2BA	@60%	1,106	\$2,088	\$2,797	\$3,408	\$3,135	\$2,775	25%

MARKET RENT COMPARISON

Property Name	1BR	2BR	3BR
Subject Pro Forma @30%	\$724 - 1,647	\$855 - 1,859	\$978 - 2,354
Subject Pro Forma @50%	\$1,258	\$1,496	\$1,718
Subject Pro Forma @60%	\$1,525	\$1,816	\$2,088
Gables Centerpointe*	\$1,822 \$1,934 \$2,047	\$2,406 \$2,433 \$2,461	- - -
The Apartments At Regent Park*	\$1,997 \$2,077 \$2,112 \$2,115 \$2,123 \$2,193	\$2,116 \$2,383 \$2,508 \$2,608 \$2,668 -	\$3,108 \$3,408 - - - -
The Point At Ridgeline*	\$1,886 \$2,172 \$2,457 -	\$2,793 \$2,829 \$3,022 \$3,214	\$3,228 - - -
Camden Fairfax Corner	\$1,826 \$2,041 \$2,256 \$2,276	\$2,397 \$2,622 \$2,847 -	\$2,797 - - -
Station On Silver	\$1,660 \$1,813 \$1,965	\$2,200 \$2,297 \$2,394	- - -
The Julian At Fair Lakes	\$1,925 \$2,059 \$3,659	\$2,886 \$2,949 \$3,012	- - -
Average	\$2,110	\$2,621	\$3,135
Achievable Market Rents	\$2,000	\$2,450	\$2,775

*Mixed income

We concluded that achievable market rents for the Subject's units are similar to the rents at Camden Fairfax Corner and below the rents at The Julian at Fair Lakes. We concluded to the same achievable market rents for the both of the Subject's three-bedroom units as the square footage does not vary significantly between the two unit plans. The Subject's achievable LIHTC rents represent a rent advantage of 24 to 65 percent over the achievable market rents.

Camden Fairfax Corner is a 488-unit property located 0.4 mile northeast of the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 2005. We consider the condition of this property slightly inferior relative to the proposed Subject, which will be new construction. The

manager at Camden Fairfax Corner reported a low vacancy rate of 3.9 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with Camden Fairfax Corner.

SUBJECT COMPARISON TO CAMDEN FAIRFAX CORNER

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
1BR/1BA	\$2,000	671	\$2.98	\$2,041	841	\$2.43
2BR/2BA	\$2,450	924	\$2.65	\$2,397	1,040	\$2.30
3BR/2BA	\$2,775	1,106	\$2.51	\$2,797	1,267	\$2.21

Camden Fairfax Corner offers ceiling fans, exterior storage, fireplaces, hardwood flooring, on-site management, a swimming pool, vaulted ceilings, and walk-in closets, all of which the proposed Subject will lack. However, the Subject will offer balconies/patios and picnic areas, neither of which are provided by Camden Fairfax Corner. On balance, we consider the in-unit and property amenity packages offered by Camden Fairfax Corner to be similar and slightly superior relative to the proposed Subject, respectively. In overall terms, we believe the proposed Subject will be a similar product relative to Camden Fairfax Corner. Our concluded achievable market rents are similar to the rents reported by Camden Fairfax Corner.

The Julian At Fair Lakes is a 150-unit property located 1.4 miles west of the Subject site, in a neighborhood considered similar relative to the Subject’s location. This property was constructed in 2014. We consider the condition of this property similar relative to the proposed Subject, which will be new construction. The manager at The Julian At Fair Lakes reported a low vacancy rate of 2.0 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with The Julian At Fair Lakes.

SUBJECT COMPARISON TO THE JULIAN AT FAIR LAKES

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
1BR/1BA	\$2,000	671	\$2.98	\$2,059	744	\$2.77
2BR/2BA	\$2,450	924	\$2.65	\$2,886	945	\$3.05
3BR/2BA	\$2,775	1,106	\$2.51	-	-	-

The Julian At Fair Lakes offers exterior storage, hardwood flooring, on-site management, recreational areas, a sauna, and a swimming pool, all of which the proposed Subject will lack. However, the Subject will offer balconies/patios, a business center, complimentary internet, and a clubhouse, none of which are provided by The Julian At Fair Lakes. On balance, we consider the in-unit and property amenity packages offered by The Julian At Fair Lakes to be similar and slightly superior relative to the proposed Subject, respectively. Additionally, The Julian at Fair Lakes offers slightly superior unit sizes relative to the Subject. In overall terms, we believe the proposed Subject will be a slightly inferior product relative to The Julian At Fair Lakes. Accordingly, our concluded achievable market rents are below the rents reported by The Julian At Fair Lakes.

We concluded that achievable market rents for the Subject’s units are similar to the rents at Camden Fairfax Corner and below the rents at The Julian at Fair Lakes. The Subject’s achievable LIHTC rents represent a rent advantage of 24 to 65 percent over the achievable market rents. Our concluded achievable market rents are near the bottom of the surveyed range as the comparable market rate properties offer superior unit sizes relative to the Subject.

Summary Evaluation of the Project

The Subject will be well-positioned in the market. As a newly constructed property, the Subject will be in similar to superior condition relative to the majority of the comparable properties. The market exhibits strong demand for affordable housing, with a weighted average vacancy rate of 2.5 percent at the comparable LIHTC properties. Two of the LIHTC properties reported operating with a waiting list. Vacancy loss at the Subject is expected to be no more than five percent over a typical investment period. Given the low vacancy rates and waiting lists reported by the affordable comparables, as well as the rent advantages over the market rate

rents, we believe that 2022 maximum allowable rents are achievable for the Subject at the 30, 50, and 60 percent of AMI levels. The Subject will be well-accepted in the market as a newly-constructed LIHTC property, and the concluded achievable LIHTC rents offer a market rent advantage.

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 3,382 units in ten multifamily properties. The LIHTC comparables in the area reported vacancy rates of 7.5 percent or lower, with two of the LIHTC comparables reporting 100 percent occupancy and two of the LIHTC comparables reporting waiting lists for all of their units. Additionally, the strong occupancy rates at the market rate comparables 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.

**IX. 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 clearest and most 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 defines 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. Income Distribution
4. Income Eligible - Renter Households by Number of People in Household
5. Unit Size Appropriate
6. Capture Rate by Bedroom Mix

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.”

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 the communities of Fairfax City, Legato, Centreville, Chantilly, Oak Hill, and Oakton. The PMA boundaries are: State Routes 657, 608, 602, and Lawyers Road to the north; Hunter Mill Road and State Route 123 to the east; Braddock Road and New Braddock Road to the south; and Centreville Road and Sully Road to the

west. The PMA encompasses approximately 44 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The SMA for the Subject is Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area (MSA), which consists of the following counties: District of Columbia in District of Columbia; Jefferson in West Virginia; Calvert, Charles, Frederick, Montgomery, and Prince George's in Maryland; Alexandria city, Arlington, Clarke, Culpeper, Fairfax city, Fairfax, Falls Church city, Fauquier, Fredericksburg city, Loudoun, Manassas city, Manassas Park city, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren in Virginia. The MSA is 8,502 square miles.

Demographic Information

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

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

ESRI's products are 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 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 for the given age-restriction proposed for the Subject. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Jurisdiction:	Fairfax County, VA
AMI for four-person household:	\$142,300
Tenancy:	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

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY

economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the applicable percentage to determine an income level. For example, if a property has a one-bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent. The 'As Proposed' scenario reflects the Subject as proposed with subsidy. In the 'Absent Subsidy' scenario, the minimum income limits are based on the proposed/achievable LIHTC rents.

INCOME LIMITS – AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income						
	@30%		@30% (PBV)		@50%		@60%	
1BR	\$27,463	\$34,170	\$0	\$34,170	\$45,771	\$56,950	\$54,926	\$68,340
2BR	\$32,914	\$38,430	\$0	\$38,430	\$54,891	\$64,050	\$65,863	\$76,860
3BR	\$38,057	\$46,110	\$0	\$46,110	\$63,429	\$76,850	\$76,114	\$92,220

INCOME LIMITS – ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$27,463	\$34,170	\$45,771	\$56,950	\$54,926	\$68,340
2BR	\$32,914	\$38,430	\$54,891	\$64,050	\$65,863	\$76,860
3BR	\$38,057	\$46,110	\$63,429	\$76,850	\$76,114	\$92,220

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 PMA

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	940	5.7%	900	5.4%	-8	-0.9%
\$10,000-19,999	431	2.6%	428	2.6%	-1	-0.1%
\$20,000-29,999	851	5.2%	760	4.6%	-18	-2.1%
\$30,000-39,999	928	5.6%	871	5.2%	-11	-1.2%
\$40,000-49,999	1,034	6.3%	962	5.8%	-14	-1.4%
\$50,000-59,999	1,126	6.8%	1,099	6.6%	-5	-0.5%
\$60,000-74,999	1,934	11.7%	1,790	10.7%	-29	-1.5%
\$75,000-99,999	2,566	15.5%	2,497	15.0%	-14	-0.5%
\$100,000-124,999	2,220	13.4%	2,254	13.5%	7	0.3%
\$125,000-149,999	1,410	8.5%	1,508	9.0%	20	1.4%
\$150,000-199,999	1,661	10.1%	1,850	11.1%	38	2.3%
\$200,000+	1,413	8.6%	1,758	10.5%	69	4.9%
Total	16,514	100.0%	16,677	100.0%		

Source: HISTA Data / Ribbon Demographics 2021, Novogradac, November 2022

Step Three – Income Distribution

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

RENTER INCOME DISTRIBUTION – AS PROPOSED

Income Cohort	Total Renter Households	@30%			@30% (PBV)			@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	940				\$9,999	100.0%	940						\$9,999	100.0%	940	
\$10,000-\$19,999	431				\$9,999	100.0%	431						\$9,999	100.0%	431	
\$20,000-\$29,999	851	\$2,536	25.4%	216	\$9,999	100.0%	851						\$9,999	100.0%	851	
\$30,000-\$39,999	928	\$9,999	100.0%	928	\$9,999	100.0%	928						\$9,999	100.0%	928	
\$40,000-\$49,999	1,034	\$6,110	61.1%	632	\$6,110	61.1%	632	\$4,228	42.3%	437			\$9,999	100.0%	1,034	
\$50,000-\$59,999	1,126							\$9,999	100.0%	1,126	\$5,073	50.7%	571	\$9,999	100.0%	1,126
\$60,000-\$74,999	1,934							\$14,999	100.0%	1,934	\$14,999	100.0%	1,934	\$14,999	100.0%	1,934
\$75,000-\$99,999	2,566							\$1,850	7.4%	190	\$17,220	68.9%	1,768	\$17,220	68.9%	1,768
\$100,000-\$124,999	2,220															
\$125,000-\$149,999	1,410															
\$150,000-\$199,999	1,661															
\$200,000-\$250,000	1,413															
Total	16,514		10.8%	1,776		22.9%	3,782		22.3%	3,687		25.9%	4,273		54.6%	9,012

RENTER INCOME DISTRIBUTION – ABSENT SUBSIDY

Income Cohort	Total Renter Households	@30%			@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
\$0-\$9,999	940												
\$10,000-\$19,999	431												
\$20,000-\$29,999	851	\$2,536	25.4%	216							\$2,536	25.4%	216
\$30,000-\$39,999	928	\$9,999	100.0%	928							\$9,999	100.0%	928
\$40,000-\$49,999	1,034	\$6,110	61.1%	632	\$4,228	42.3%	437				\$9,999	100.0%	1,034
\$50,000-\$59,999	1,126				\$9,999	100.0%	1,126	\$5,073	50.7%	571	\$9,999	100.0%	1,126
\$60,000-\$74,999	1,934				\$14,999	100.0%	1,934	\$14,999	100.0%	1,934	\$14,999	100.0%	1,934
\$75,000-\$99,999	2,566				\$1,850	7.4%	190	\$17,220	68.9%	1,768	\$17,220	68.9%	1,768
\$100,000-\$124,999	2,220												
\$125,000-\$149,999	1,410												
\$150,000-\$199,999	1,661												
\$200,000-\$250,000	1,413												
Total	16,514		10.8%	1,776		22.3%	3,687		25.9%	4,273		42.4%	7,005

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 calculate the 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		
1BR	80%	Of 1-person households in 1BR units
	20%	Of 2-person households in 1BR units
2BR	10%	Of 1-person households in 2BR units
	80%	Of 2-person households in 2BR units
	60%	Of 3-person households in 2BR units
	30%	Of 4-person households in 2BR units
3BR	40%	Of 3-person households in 3BR units
	40%	Of 4-person households in 3BR units
	50%	Of 5-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 – 30% - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.1%	5,636
2 person	28.2%	4,656
3 person	16.2%	2,673
4 person	11.9%	1,970
5 person	9.6%	1,579
Total	100.0%	16,514

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	5,636	x	10.8%	606
2 person	4,656	x	10.8%	501
3 person	2,673	x	10.8%	287
4 person	1,970	x	10.8%	212
5 person	1,579	x	10.8%	170
Total	16,514			1,776

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	585
2BR	697
3BR	285
Total	1,567

Capture Rate Analysis - @30%

	Developer's Unit Mix	Capture Rate
1BR	2	0.3%
2BR	4	0.6%
3BR	2	0.7%
Total/Overall	8	0.5%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	2	0.3%
2BR	4	0.5%
3BR	2	0.6%
Total/Overall	8	0.5%

Capture Rate – 30% (PBV) – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.1%	5,636
2 person	28.2%	4,656
3 person	16.2%	2,673
4 person	11.9%	1,970
5 person	9.6%	1,579
Total	100.0%	16,514

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	5,636	x	22.9%	1,291
2 person	4,656	x	22.9%	1,066
3 person	2,673	x	22.9%	612
4 person	1,970	x	22.9%	451
5 person	1,579	x	22.9%	362
Total	16,514			3,782

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,246
2BR	1,485
3BR	606
Total	3,337

Capture Rate Analysis - @30% (PBV)

	Developer's Unit Mix	Capture Rate
1BR	2	0.2%
2BR	4	0.3%
3BR	2	0.3%
Total/Overall	8	0.2%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	2	0.1%
2BR	4	0.2%
3BR	2	0.3%
Total/Overall	8	0.2%

Capture Rate – 50% - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.1%	5,636
2 person	28.2%	4,656
3 person	16.2%	2,673
4 person	11.9%	1,970
5 person	9.6%	1,579
Total	100.0%	16,514

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	5,636	x	22.3%	1,258
2 person	4,656	x	22.3%	1,040
3 person	2,673	x	22.3%	597
4 person	1,970	x	22.3%	440
5 person	1,579	x	22.3%	353
Total	16,514			3,687

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,215
2BR	1,448
3BR	591
Total	3,253

Capture Rate Analysis - @50%

	Developer's Unit Mix	Capture Rate
1BR	4	0.3%
2BR	13	0.9%
3BR	3	0.5%
Total/Overall	20	0.6%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	4	0.3%
2BR	13	0.8%
3BR	3	0.5%
Total/Overall	20	0.6%

Capture Rate – 60% - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.1%	5,636
2 person	28.2%	4,656
3 person	16.2%	2,673
4 person	11.9%	1,970
5 person	9.6%	1,579
Total	100.0%	16,514

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	5,636	x	25.9%	1,458
2 person	4,656	x	25.9%	1,205
3 person	2,673	x	25.9%	692
4 person	1,970	x	25.9%	510
5 person	1,579	x	25.9%	409
Total	16,514			4,273

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,408
2BR	1,677
3BR	685
Total	3,770

Capture Rate Analysis - @60%

	Developer's Unit Mix	Capture Rate
1BR	3	0.2%
2BR	23	1.4%
3BR	8	1.2%
Total/Overall	34	0.9%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	3	0.2%
2BR	23	1.2%
3BR	8	1.1%
Total/Overall	34	0.8%

Capture Rate – All Units – As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.1%	5,636
2 person	28.2%	4,656
3 person	16.2%	2,673
4 person	11.9%	1,970
5 person	9.6%	1,579
Total	100.0%	16,514

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	5,636	x	54.6%	3,076
2 person	4,656	x	54.6%	2,541
3 person	2,673	x	54.6%	1,459
4 person	1,970	x	54.6%	1,075
5 person	1,579	x	54.6%	862
Total	16,514			9,012

*Projected Renter Household Demand by Bedroom
Size*

	Number of Qualified Renter Households
1BR	2,969
2BR	3,538
3BR	1,444
Total	7,951

Capture Rate Analysis – All Units

	Developer's Unit Mix	Capture Rate
1BR	11	0.4%
2BR	44	1.2%
3BR	15	1.0%
Total/Overall	70	0.9%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	11	0.3%
2BR	44	1.1%
3BR	15	0.9%
Total/Overall	70	0.8%

Capture Rate – 30% - Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.1%	5,636
2 person	28.2%	4,656
3 person	16.2%	2,673
4 person	11.9%	1,970
5 person	9.6%	1,579
Total	100.0%	16,514

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	5,636	x	10.8%	606
2 person	4,656	x	10.8%	501
3 person	2,673	x	10.8%	287
4 person	1,970	x	10.8%	212
5 person	1,579	x	10.8%	170
Total	16,514			1,776

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	585
2BR	697
3BR	285
Total	1,567

Capture Rate Analysis - @30%

	Developer's Unit Mix	Capture Rate
1BR	4	0.7%
2BR	8	1.1%
3BR	4	1.4%
Total/Overall	16	1.0%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	4	0.6%
2BR	8	1.0%
3BR	4	1.3%
Total/Overall	16	0.9%

Capture Rate – 50% - Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.1%	5,636
2 person	28.2%	4,656
3 person	16.2%	2,673
4 person	11.9%	1,970
5 person	9.6%	1,579
Total	100.0%	16,514

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	5,636	x	22.3%	1,258
2 person	4,656	x	22.3%	1,040
3 person	2,673	x	22.3%	597
4 person	1,970	x	22.3%	440
5 person	1,579	x	22.3%	353
Total	16,514			3,687

*Projected Renter Household Demand by Bedroom
Size*

	Number of Qualified Renter Households
1BR	1,215
2BR	1,448
3BR	591
Total	3,253

Capture Rate Analysis - @50%

	Developer's Unit Mix	Capture Rate
1BR	4	0.3%
2BR	13	0.9%
3BR	3	0.5%
Total/Overall	20	0.6%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	4	0.3%
2BR	13	0.8%
3BR	3	0.5%
Total/Overall	20	0.6%

Capture Rate – 60% - Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.1%	5,636
2 person	28.2%	4,656
3 person	16.2%	2,673
4 person	11.9%	1,970
5 person	9.6%	1,579
Total	100.0%	16,514

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	5,636	x	25.9%	1,458
2 person	4,656	x	25.9%	1,205
3 person	2,673	x	25.9%	692
4 person	1,970	x	25.9%	510
5 person	1,579	x	25.9%	409
Total	16,514			4,273

*Projected Renter Household Demand by Bedroom
Size*

	Number of Qualified Renter Households
1BR	1,408
2BR	1,677
3BR	685
Total	3,770

Capture Rate Analysis - @60%

	Developer's Unit Mix	Capture Rate
1BR	3	0.2%
2BR	23	1.4%
3BR	8	1.2%
Total/Overall	34	0.9%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	3	0.2%
2BR	23	1.2%
3BR	8	1.1%
Total/Overall	34	0.8%

Capture Rate – All Units (Absent Subsidy) – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	34.1%	5,636
2 person	28.2%	4,656
3 person	16.2%	2,673
4 person	11.9%	1,970
5 person	9.6%	1,579
Total	100.0%	16,514

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	5,636	x	42.4%	2,391
2 person	4,656	x	42.4%	1,975
3 person	2,673	x	42.4%	1,134
4 person	1,970	x	42.4%	836
5 person	1,579	x	42.4%	670
Total	16,514			7,005

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,308
2BR	2,750
3BR	1,123
Total	6,181

Capture Rate Analysis – All Units (Absent Subsidy)

	Developer's Unit Mix	Capture Rate
1BR	11	0.5%
2BR	44	1.6%
3BR	15	1.3%
Total/Overall	70	1.1%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	11	0.4%
2BR	44	1.4%
3BR	15	1.2%
Total/Overall	70	1.0%

ANNUAL CAPTURE RATE ANALYSIS

The following calculation derives an estimated market capture rate based on per annum demand. This is an indication of the percentage of net demand 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.

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 change from 2021 to 2026. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

New Construction/Development

RECENT AND PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Affordable Units	Competitive PBRA Units	Construction Status	LIHTC Allocation Year	Distance to Subject
One University Family	LIHTC	Family	120	120	0	Under Construction	2021	2.8 miles
Autumn Willow 9%	LIHTC	Senior	75	0	0	Proposed	2021	2.4 miles
3211 Jermantown Rd	Market	Family	160	0	0	Proposed	N/A	2.9 miles
Vista Fairfax Corner	Market	Family	228	0	0	Under Construction	N/A	0.2 miles
One University Senior	LIHTC	Senior	120	0	0	Under Construction	2021	3.1 miles
Residences at Government Center North West 4%	LIHTC	Family	74	66	8	Proposed	N/A	0 miles
Residences at Government Center South East 9%	LIHTC	Family	66	58	8	Proposed	N/A	0 miles
Residences at Government Center South West 4%	LIHTC	Family	69	61	8	Proposed	N/A	0 miles
Totals			912	305	24			

- One University Senior is an under construction 120-unit LIHTC development located 3.1 miles southeast of the Subject site. Upon completion, the property will target senior households. Due to the differing tenancy, we do not consider any units to be competitive with the Subject as proposed.
- Autumn Willow 9% is a proposed 75-unit LIHTC development located 2.4 miles west of the Subject site. Upon completion, the property will target senior households. Due to the differing target tenancy, we do not consider any units to be competitive with the Subject.
- One University Family is an under construction 120-unit LIHTC development located 2.9 miles southeast of the Subject site. Upon completion, the property will target family households, similar to the Subject. We consider these 120 units competitive with the Subject as proposed.
- Residences at Government Center North West 4% is one of four components of the Subject's proposed larger overall development. Upon completion, this component will target family households and will offer 74 units. We consider all 74 units to be competitive with the Subject.
- Residences at Government Center South East 9% is one of four components of the Subject's proposed larger overall development. Upon completion, this component will target family households and will offer 66 units. We consider all 66 units to be competitive with the Subject.
- Residences at Government Center South West 4% is one of four components of the Subject's proposed larger overall development. Upon completion, this component will target family households and will offer 69 units. We consider all 69 units to be competitive with the Subject.

Overall, there are a total of 329 proposed units we believe will be competitive with the proposed Subject property, upon completion.

Annual Demand – As Proposed

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2021		16,514
Increase in Number of Renter Households		163
Number of Renter Households in 2026		16,677
<i>Existing Demand</i>		
% of Total Households that are Renter		30.8%
% of Income-Qualified Renter Households		54.6%
Number of Income-Qualified Renter Households		9,012
Percentage Rent-Overburdened		33.5%
Existing Income-Qualified Renter Household Turnover		3,022
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		33
% of Income-Qualified Renter Households		54.6%
New Rental Income Qualified Households		18
<i>Capture Rate Analysis</i>		
Number of Revenue Units in Subject		70
Occupied Units at Subject With Vacancy of:	5.0%	66
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		3,040
Portion Originating within PMA		90.0%
Total Demand (Turnover and Growth)		3,378
Less: Existing PBRA Projects in Absorption Process (# Units)	329	
Total Demand after Competition (Turnover and Growth)		3,049
Yielded Annual Capture Rate of Available Demand in 2021		2.2%

The yielded capture rate is approximately 2.2 percent of available demand per annum for the Subject's units as proposed, which is low and indicative of demand.

Annual Demand - Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2021		16,514
Increase in Number of Renter Households		163
Number of Renter Households in 2026		16,677
<i>Existing Demand</i>		
% of Total Households that are Renter		30.8%
% of Income-Qualified Renter Households		42.4%
Number of Income-Qualified Renter Households		7,005
Percentage Rent-Overburdened		33.5%
Existing Income-Qualified Renter Household Turnover		2,350
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		33
% of Income-Qualified Renter Households		42.4%
New Rental Income Qualified Households		14
<i>Capture Rate Analysis</i>		
Number of Revenue Units in Subject		70
Occupied Units at Subject With Vacancy of:	5.0%	66
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		2,363
Portion Originating within PMA		90.0%
Total Demand (Turnover and Growth)		2,626
Less: Existing LIHTC Projects in Absorption Process (# Units)	305	
Total Demand after Competition (Turnover and Growth)		2,321
Yielded Annual Capture Rate of Available Demand in 2021		2.8%

The yielded capture rate is approximately 2.8 percent of available demand per annum for the Subject's units absent subsidy, which is low and 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. We determined that there are 329 proposed competitive affordable units and 305 proposed competitive LIHTC only units in the PMA. Existing vacancies in the PMA are estimated at five percent of the existing competitive units in the PMA.

Virginia Housing Demand Table – As Proposed

We have determined the overall LIHTC weighted average vacancy rate among comparable properties is 2.5 percent. We have extrapolated the number of vacant units in the PMA based on an estimated vacancy of five percent among all existing affordable properties in the PMA. On the following pages, we illustrate that there are a total of 912 existing units in the PMA that would be in direct competition with the Subject’s units as proposed. This indicates that there are approximately 46 vacant competitive units in the PMA, and we have deducted these 46 units from these properties in our analysis, in addition to the 329 proposed competitive units in the PMA, for a total of 375 competitive units.

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

Income Restrictions	Up to 30% As Proposed (\$27,463- \$46,110)	Up to 30% (PBRA) As Proposed (\$0-\$46,110)	Up to 50% As Proposed (\$45,771- \$76,850)	Up to 60% As Proposed (\$54,926- \$92,220)	Project Total As Proposed (\$0-\$92,220)
New Rental Households	4	7	7	8	18
+					
Existing Households -- Overburdened	596	1,268	1,237	1,433	3,022
+					
Existing Households - Substandard Housing	55	117	114	132	278
+					
Senior Households -- Likely to Convert to Rental Housing	0	0	0	0	0
=					
TOTAL DEMAND	654	1,393	1,358	1,574	3,319
-					
Supply (includes directly comparable vacant units or in pipeline in PMA)	375	375	375	375	375
NET DEMAND	279	1,018	983	1,199	2,944
PROPOSED UNITS	8	8	20	34	70
CAPTURE RATE	2.9%	0.8%	2.0%	2.8%	2.4%
ABSORPTION PERIOD	0.3 months	0.3 months	0.8 months	1.4 months	3 months

- **New Rental Households:** The number of new renter households was calculated previously in Annual Demand using the increase in renter households per annum and the percentage of income-qualified renter households.
- **Existing Households – Overburdened:** We calculated the number of existing households that are rent-overburdened using the percentage of households that are rent-overburdened in the PMA (33.5%) and the total number of income-qualified renter households in the PMA.
- **Existing Households – Substandard Housing:** We calculated the number of existing households that are living in substandard housing using the percentage of households that are living in substandard housing in the PMA (3.09%) and the total number of income-qualified renter households in the PMA.

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

Project Wide Capture Rate - LIHTC Units	2.4%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.4%
Project Wide Absorption Period (Months)	3 months

Virginia Housing Demand Table – Absent Subsidy

We have determined the overall LIHTC weighted average vacancy rate among comparable properties is 2.5 percent. We have extrapolated the number of vacant units in the PMA based on an estimated vacancy of five percent among all existing affordable properties in the PMA. On the following pages, we illustrate that there are a total of 750 existing units in the PMA that would be in direct competition with the Subject’s units absent subsidy. This indicates that there are approximately 38 vacant competitive units in the PMA, and we have deducted these 38 units from these properties in our analysis, in addition to the 305 proposed competitive units in the PMA, for a total of 343 competitive units.

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

RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING MARKET STUDY

	Up to 30% Absent Subsidy (\$27,463- \$46,110)	Up to 50% Absent Subsidy (\$45,771- \$76,850)	Up to 60% Absent Subsidy (\$54,926- \$92,220)	Project Total Absent Subsidy (\$27,463- \$92,220)
Income Restrictions				
New Rental Households	4	7	8	14
+				
Existing Households – Overburdened	596	1,237	1,433	2,350
+				
Existing Households - Substandard Housing	55	114	132	216
+				
Senior Households -- Likely to Convert to Rental Housing	0	0	0	0
=				
TOTAL DEMAND	654	1,358	1,574	2,580
-				
Supply (includes directly comparable vacant units or in pipeline in PMA)	343	343	343	343
NET DEMAND	311	1,015	1,231	2,237
PROPOSED UNITS	16	20	34	70
CAPTURE RATE	5.1%	2.0%	2.8%	3.1%
ABSORPTION PERIOD	0.6 months	0.8 months	1.4 months	3 months

- **New Rental Households:** The number of new renter households was calculated previously in Annual Demand using the increase in renter households per annum and the percentage of income-qualified renter households.
- **Existing Households – Overburdened:** We calculated the number of existing households that are rent-overburdened using the percentage of households that are rent-overburdened in the PMA (33.5%) and the total number of income-qualified renter households in the PMA.
- **Existing Households – Substandard Housing:** We calculated the number of existing households that are living in substandard housing using the percentage of households that are living in substandard housing in the PMA (3.09%) and the total number of income-qualified renter households in the PMA.

We believe there is adequate demand for the Subject absent subsidy, especially given the high occupancy rates among the majority of the LIHTC comparables, as well as the prevalence of waiting lists at two of the LIHTC comparables. Our concluded capture rate and absorption period is shown in the table below.

Project Wide Capture Rate - LIHTC Units	3.1%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	3.1%
Project Wide Absorption Period (Months)	3 months

Capture Rate and Virginia Housing Conclusion

The 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.

DEMAND CONCLUSIONS

Calculation	As Proposed	Absent Subsidy
@30%	0.5%	0.9%
@30% (PBV)	0.2%	0.9%
@50%	0.6%	0.6%
@60%	0.8%	0.8%
All Units	0.8%	1.0%
Annual Demand	2.2%	2.8%
Penetration Rate	14.5%	16.1%

These capture rates are reasonable taking into account the other indications of demand such as low vacancy rates and waiting lists reported by the comparable properties. The Demand Analysis illustrates demand for the Subject based on captures rates of income-eligible renter households. This calculation demonstrates that there are approximately 3,049 units of demand in the first year of the Subject's operation based on the annual demand analysis. The Subject will need to accommodate 67 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 considered low and indicative of demand for additional affordable housing supply such as the proposed Subject.

This calculation illustrates that there are approximately 3,049 units of demand in the first year of the Subject's operation. The Subject will need to accommodate 67 total units of demand in order to stabilize at 95 percent occupancy. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate - LIHTC Units	2.4%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.4%
Project Wide Absorption Period (Months)	3 months

The capture rate and absorption are shown in the table below in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	3.1%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	3.1%
Project Wide Absorption Period (Months)	3 months

These capture rates are indicative of moderate demand for the Subject, and upon completion, we anticipate the proposed project will facilitate a relatively rapid absorption.

PENETRATION RATE ANALYSIS

Per Virginia Housing guidelines, we also performed a penetration rate analysis for the Subject’s units. The Subject will offer one, two, and three-bedroom units restricted at the 30, 50, and 60 percent AMI levels. The following table illustrates the affordable properties that are existing in the PMA and competitive with the Subject.

EXISTING AFFORDABLE IN PMA

Property Name	Program	Tenancy	Total Units	Competitive LIHTC Units	Competitive PBRA Units
Fields Of Chantilly*	LIHTC	Family	360	360	0
Gables Centerpointe*	LIHTC/Market	Family	120	120	0
Residences At Government Center*	LIHTC	Family	270	270	0
Chantilly Mews	LIHTC	Family	50	0	50
Oak Creek Townhouses	Section 8	Family	46	0	46
Suburbia Fairfax Apts	Section 8	Family	54	0	54
Wesley Agape House	Section 8	Family	12	0	12
Totals				750	162

*Utilized as a comparable property

As shown above, there are 912 competitive affordable units in the PMA as proposed, and 750 absent subsidy. These units are deducted from our analysis.

The overall penetration rate is derived by taking the number of competitive LIHTC units proposed or under construction within the PMA, combined with the number of existing competitive LIHTC units and the number of the Subject’s units divided by the number of income eligible households. As detailed in the supply analysis, no competitive LIHTC units proposed or under construction were deducted in our analysis. The following table illustrates the existing affordable properties in the PMA.

PENETRATION RATE - AS PROPOSED	
Number of Proposed Competitive PBRA Family Units in the PMA	329
	+
Number of Existing Competitive PBRA Family Units in the PMA	912
	+
Number of Proposed Family Units at the Subject	70
	=
Total	1,311
	/
Income Eligible Households - All AMI Levels	9,012
	=
Overall Penetration Rate - Market Focus (NCHMA)	14.5%

**RESIDENCES AT GOVERNMENT CENTER II NORTH EAST 9% – FAIRFAX, VIRGINIA – VIRGINIA HOUSING
MARKET STUDY**

PENETRATION RATE - ABSENT SUBSIDY

Number of Proposed Competitive LIHTC Family Units in the PMA	305
	+
Number of Existing Competitive LIHTC Family Units in the PMA	750
	+
Number of Proposed Family Units at the Subject	70
	=
Total	1,125
	/
Income Eligible Households - All AMI Levels	7,005
	=
Overall Penetration Rate - Market Focus (NCHMA)	16.1%

The overall penetration rate for the market is 14.5 percent as proposed and 16.1 percent absent subsidy. However, this calculation does not account for leakage (i.e. tenants originating outside of the PMA), which is sometimes considerable. These penetration rates are considered low and indicative of demand for additional affordable housing supply such as the proposed Subject.

Absorption Estimate

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
The Woods At Brambleton	LIHTC	Family	Ashburn	2021	55	55	12.7 miles
Town Center South							
Forest Glen Phase I	LIHTC	Senior	Centreville	2020	119	5	2.8 miles
The Woods At Birchwood	LIHTC	Senior	Ashburn	2019	83	15	11.5 miles
The Point At Ridgeline*	LIHTC	Family	Herndon	2019	293	24	7.2 miles
Heronview Apartments	LIHTC	Family	Sterling	2019	46	30	12.6 miles
The Emerson Apartments	Market	Family	Centreville	2019	355	15	4.2 miles
St. James Plaza	LIHTC	Family	Alexandria	2018	93	18	13.2 miles
Kingston At Mclean Crossing	Market	Family	Tysons	2018	319	14	9.7 miles
Exo Reston	Market	Family	Reston	2018	457	19	6.8 miles
Average Affordable					115	25	
Average Market					377	16	
Overall Average					202	22	

*Comparable Property

We obtained absorption data from nine properties, located between 2.8 and 13.2 miles from the Subject site. These properties reported absorption rates ranging from five to 55 units per month, with an overall average of 22 units per month. Forest Glen Phase I reported a slow absorption of five units per month. However, we assume that this is due to the slow absorption pace of senior properties during the pandemic, and have therefore not relied on this property. Overall, we expect the proposed Subject will experience an absorption rate of 25 units per month as restricted and 15 units per month as unrestricted. This equates to an absorption period of approximately 11 months as restricted and 18 months as unrestricted for the Subject's larger overall development consisting of 279 units. These absorption rates would equate to absorption periods of approximately three months as restricted and five months as unrestricted for the Subject component. With the assumption that the Subject begins preleasing units prior to the completion of construction, it appears feasible that the Subject's market-entry would facilitate a more expedient lease-up, given its affordable nature and excellent condition as completed. It should be noted that we do not expect the Subject's absorption to adversely impact other existing LIHTC properties, all of which reported low vacancy rates.

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

X. 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.

Fairfax County Housing and Community Development

We attempted to contact the Fairfax County Housing and Community Development Department. However, as of the date of our report, our calls have not been returned. According to the department's website, the waiting list for Housing Choice Vouchers is currently closed. The payment standards for one, two, and three-bedroom units are illustrated in the proceeding table.

PAYMENT STANDARDS

Unit Type	Proposed Gross Rent	Gross Payment Standard	Proposed Rent Vs. Payment Standard
@30%			
1BR	\$801	\$1,662	-107.5%
2BR	\$960	\$1,934	-101.5%
3BR	\$1,110	\$2,367	-113.2%
@50%			
1BR	\$1,335	\$1,662	-24.5%
2BR	\$1,601	\$1,934	-20.8%
3BR	\$1,850	\$2,367	-27.9%
@60%			
1BR	\$1,602	\$1,662	-3.7%
2BR	\$1,921	\$1,934	-0.7%
3BR	\$2,220	\$2,367	-6.6%

Source: Fairfax County Housing and Community Development, effective July 2022

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

Planning Discussion

We researched Virginia LIHTC allocation lists from 2019 to 2022 regarding any properties in the Subject's PMA that have been awarded LIHTC. We also consulted a CoStar new construction report regarding planned, proposed, and under construction developments within the PMA. According to our sources, there are a number of proposed, under construction, and recently completed developments within the PMA, illustrated in the following table.

RECENT AND PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Affordable Units	Competitive PBRA Units	Construction Status	LIHTC Allocation Year	Distance to Subject
One University Family	LIHTC	Family	120	120	0	Under Construction	2021	2.8 miles
Autumn Willow 9%	LIHTC	Senior	75	0	0	Proposed	2021	2.4 miles
3211 Jermantown Rd	Market	Family	160	0	0	Proposed	N/A	2.9 miles
Vista Fairfax Corner	Market	Family	228	0	0	Under Construction	N/A	0.2 miles
One University Senior	LIHTC	Senior	120	0	0	Under Construction	2021	3.1 miles
Residences at Government Center North West 4%	LIHTC	Family	74	66	8	Proposed	N/A	0 miles
Residences at Government Center South East 9%	LIHTC	Family	66	58	8	Proposed	N/A	0 miles
Residences at Government Center South West 4%	LIHTC	Family	69	61	8	Proposed	N/A	0 miles
Totals			912	305	24			

- One University Senior is an under construction 120-unit LIHTC development located 3.1 miles southeast of the Subject site. Upon completion, the property will target senior households. Due to the differing tenancy, we do not consider any units to be competitive with the Subject as proposed.
- Autumn Willow 9% is a proposed 75-unit LIHTC development located 2.4 miles west of the Subject site. Upon completion, the property will target senior households. Due to the differing target tenancy, we do not consider any units to be competitive with the Subject.
- One University Family is an under construction 120-unit LIHTC development located 2.9 miles southeast of the Subject site. Upon completion, the property will target family households, similar to the Subject. We consider these 120 units competitive with the Subject as proposed.
- Residences at Government Center North West 4% is one of four components of the Subject’s proposed larger overall development. Upon completion, this component will target family households and will offer 74 units. We consider all 74 units to be competitive with the Subject.
- Residences at Government Center South East 9% is one of four components of the Subject’s proposed larger overall development. Upon completion, this component will target family households and will offer 66 units. We consider all 66 units to be competitive with the Subject.
- Residences at Government Center South West 4% is one of four components of the Subject’s proposed larger overall development. Upon completion, this component will target family households and will offer 69 units. We consider all 69 units to be competitive with the Subject.

Recent LIHTC Allocations

The table below lists LIHTC allocations awarded in the Subject’s PMA since 2019.

RECENT LIHTC ALLOCATIONS IN PMA

Name	LIHTC Allocation Year	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units	Competitive PBRA Units	Construction Status	Distance to Subject
One University Senior	2021	LIHTC	Senior	120	0	0	Under Construction	3.1 miles
One University Family	2021	LIHTC	Family	120	120	0	Under Construction	2.9 miles
Autumn Willow 9%	2021	LIHTC	Senior	75	0	0	Proposed	2.4 miles
Totals				315	120	0		

As detailed above, three developments totaling 315 units have received tax credit allocation in the PMA since 2019.

XI. ANALYSIS/CONCLUSION

Recommendations

We have no further recommendations for the development. The Subject will be well-positioned in the market. As a newly constructed property, the Subject will be in similar to superior condition relative to the majority of the comparable properties. The market exhibits strong demand for affordable housing, with a weighted average vacancy rate of 2.5 percent at the comparable LIHTC properties. Two of the LIHTC properties reported operating with a waiting list. Vacancy loss at the Subject is expected to be no more than five percent over a typical investment period. Given the low vacancy rates and waiting lists reported by the affordable comparables, as well as the rent advantages over the market rate rents, we believe that 2022 maximum allowable rents are achievable for the Subject at the 30, 50, and 60 percent of AMI levels. The Subject will be well-accepted in the market as a newly-constructed LIHTC property, and the concluded achievable LIHTC rents offer a market rent advantage.

Demand Summary

We believe there is adequate demand for the Subject as proposed, especially given the high occupancy rates among the majority of the LIHTC comparables, as well as the prevalence of waiting lists at two of the LIHTC comparables. Our concluded capture rates and absorption period are shown in the tables below.

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 in the as proposed scenario.

Project Wide Capture Rate - LIHTC Units	2.4%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.4%
Project Wide Absorption Period (Months)	3 months

The capture rate and absorption are shown in the table below in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	3.1%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	3.1%
Project Wide Absorption Period (Months)	3 months

These capture rates are indicative of moderate demand for the Subject, and upon completion, we anticipate the proposed project will facilitate a relatively rapid absorption.

The overall penetration rate for the market is 14.5 percent as proposed and 16.1 percent absent subsidy. However, this calculation does not account for leakage (i.e. tenants originating outside of the PMA), which is sometimes considerable. These penetration rates are considered low and indicative of demand for additional affordable housing supply such as the proposed Subject.

Strengths

- The Subject will offer excellent condition as a new construction development, similar to superior to the comparable properties;

- The Subject will offer elevator-serviced midrise design, similar to slightly superior to the comparables;
- The Subject’s location is in close proximity to most major locational amenities, and offers good accessibility and excellent visibility;
- The Subject’s achievable LIHTC rents at 30, 50, and 60, percent of AMI appear reasonable, and offer a significant market rent advantage;
- There is ample demand for affordable housing as evidenced by low capture rates and low vacancy rates.

Weaknesses

- The Subject’s unit sizes are inferior to slightly inferior to the majority of comparable properties.

Absorption Estimate

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
The Woods At Brambleton Town Center South	LIHTC	Family	Ashburn	2021	55	55	12.7 miles
Forest Glen Phase I	LIHTC	Senior	Centreville	2020	119	5	2.8 miles
The Woods At Birchwood	LIHTC	Senior	Ashburn	2019	83	15	11.5 miles
The Point At Ridgeline*	LIHTC	Family	Herndon	2019	293	24	7.2 miles
Heronview Apartments	LIHTC	Family	Sterling	2019	46	30	12.6 miles
The Emerson Apartments	Market	Family	Centreville	2019	355	15	4.2 miles
St. James Plaza	LIHTC	Family	Alexandria	2018	93	18	13.2 miles
Kingston At Mclean Crossing	Market	Family	Tysons	2018	319	14	9.7 miles
Exo Reston	Market	Family	Reston	2018	457	19	6.8 miles
Average Affordable					115	25	
Average Market					377	16	
Overall Average					202	22	

*Comparable Property

We obtained absorption data from nine properties, located between 2.8 and 13.2 miles from the Subject site. These properties reported absorption rates ranging from five to 55 units per month, with an overall average of 22 units per month. Forest Glen Phase I reported a slow absorption of five units per month. However, we assume that this is due to the slow absorption pace of senior properties during the pandemic, and have therefore not relied on this property. Overall, we expect the proposed Subject will experience an absorption rate of 25 units per month as restricted and 15 units per month as unrestricted. This equates to an absorption period of approximately 11 months as restricted and 18 months as unrestricted for the Subject’s larger overall development consisting of 279 units. These absorption rates would equate to absorption periods of approximately three months as restricted and five months as unrestricted for the Subject component. With the assumption that the Subject begins preleasing units prior to the completion of construction, it appears feasible that the Subject’s market-entry would facilitate a more expedient lease-up, given its affordable nature and excellent condition as completed. It should be noted that we do not expect the Subject’s absorption to adversely impact other existing LIHTC properties, all of which reported low vacancy rates.

Conclusions

The Subject will be well-positioned in the market. As a newly constructed property, the Subject will be in similar to superior condition relative to the majority of the comparable properties. The market exhibits strong demand for affordable housing, with a weighted average vacancy rate of 2.5 percent at the comparable LIHTC properties. Two of the LIHTC properties reported operating with a waiting list. Vacancy loss at the Subject is expected to be no more than five percent over a typical investment period. Given the low vacancy rates and waiting lists reported by the affordable comparables, as well as the rent advantages over the market rate rents, we believe that 2022 maximum allowable rents are achievable for the Subject at the 30, 50, and 60

percent of AMI levels. The Subject will be well-accepted in the market as a newly-constructed LIHTC property, and the concluded achievable LIHTC rents offer a market rent advantage.

XII. OTHER REQUIREMENTS

Novogradac affirms the following:

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



Blair Kincer, MAI, CRE
Partner
Blair.Kincer@novoco.com
Certified General Real Estate Appraiser
Virginia License No.: 4001004822
Expiration Date: 4/30/2023



Rachel Denton, MAI
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Kelly Gorman
Principal
Kelly.Gorman@novoco.com



Tara Rial
Manager
Tara.Rial@novoco.com



William Linthicum
Analyst
William.Linthicum@novoco.com

November 10, 2022
Date

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 A
Statement of Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. NHCG-939 – State of New Hampshire
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President/Owner, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered

(LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- 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, 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.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON, MAI**

I. EDUCATION

Cornell University, Ithaca, NY
School of Architecture, Art & Planning, Bachelor of Science in City & Regional Planning

II. LICENSING AND PROFESSIONAL AFFILIATION

Designated Member of the Appraisal Institute
Member of National Council of Housing Market Analysts (NCHMA)
2020 to Present Member of Executive Committee
Former Member of Commercial Real Estate Women (CREW) Network
2011 and 2012 Communications Committee Co-Chair for the Kansas City CREW Chapter
2013 Director of Communications and Board Member for Kansas City CREW
2014 Secretary and Board Member for Kansas City CREW
2015 and 2016 Treasurer and Board Member for Kansas City CREW

State of Arkansas Certified General Real Estate Appraiser No. CG3527
State of California Certified General Real Estate Appraiser No. AG044228
State of Colorado Certified General Real Estate Appraiser No. 100031319
State of Georgia Certified General Real Estate Appraiser No. 391113
State of Hawaii Certified General Real Estate Appraiser No. CGA1048
State of Illinois Certified General Real Estate Appraiser No. 553.002012
State of Kansas Certified General Real Estate Appraiser No. G-2501
State of Minnesota Certified General Real Estate Appraiser No. 40420897
State of Missouri Certified General Real Estate Appraiser No. 2007035992
State of Nebraska Certified General Real Estate Appraiser No. CG2017030R
State of New Mexico Certified General Real Estate Appraiser No. 03424-G
State of North Dakota Certified General Real Estate Appraiser No. CG-219110
State of Oklahoma Certified General Real Estate Appraiser No. 13085CGA
State of Oregon Certified General Real Estate Appraiser No. C000951
State of South Dakota Certified General Real Estate Appraiser No. 1488CG
State of Texas Certified General Real Estate Appraiser No. 1380396
State of Utah Certified General Real Estate Appraiser No. 9702442-CG00

III. PROFESSIONAL EXPERIENCE

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

IV. PROFESSIONAL TRAINING

Educational requirements successfully completed for the Appraisal Institute:
Appraisal Principals, September 2004
Basic Income Capitalization, April 2005
Uniform Standards of Professional Appraisal Practice, November 2005
Advanced Income Capitalization, August 2006
General Market Analysis and Highest & Best Use, July 2008
Advanced Sales Comparison and Cost Approaches, June 2009
Advanced Applications, June 2010
General Appraiser Report Writing and Case Studies, July 2014
Standards and Ethics (USPAP and Business Practices and Ethics)
MAI Designation General Comprehensive Examination, January 2015
MAI Demonstration of Knowledge Report, April 2016

Completed HUD MAP Training, Columbus, Ohio, May 2010

V. SPEAKING ENGAGEMENTS, PUBLICATIONS, AND INDUSTRY ENGAGEMENT

Have presented and spoken at both national Novogradac conferences and numerous other industry events, including the following:

- National Council of Housing Market Analysts (NCHMA) Annual Meetings and FHA Symposia
- National Housing and Rehabilitation Association (NH&RA) conferences and town hall meetings
- Institute for Professional and Executive Development (IPED) conferences
- National Leased Housing Association (NLHA) meetings
- Council for Affordable and Rural Housing (CARH) Midyear Meetings
- Housing Colorado
- Idaho Conference on Housing and Economic Development
- Missouri Workforce Housing Association

Faculty member of the Kansas City chapter of the Urban Land Institute's Real Estate Diversity Initiative (REDi). This 15-week long competitive program is offered to women and minorities and aims to increase their representation in the real estate industry. Worked with ULI to create classwork designed to educate the 30 program participants on site visioning, market analysis, and project feasibility.

Notes from Novogradac Blog: "How is COVID-19 Affecting Fieldwork for Market Studies?" Published April 10, 2020.

VI. REAL ESTATE ASSIGNMENTS

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

In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2003, with an emphasis on affordable multifamily housing.

Conducted and managed appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221(d)(4) and 223(f) properties, USDA Rural Development, and market rate multifamily developments on a national basis. Analysis includes property screenings, economic and demographic analysis, determination of the Highest and Best Use, consideration and application of the three traditional approaches to value, and reconciliation to a final value estimate. Both tangible real estate values and intangible values in terms of tax credit valuation, beneficial financing, and PILOT are considered. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation. Typical clients include developers, lenders, investors, and state agencies.

Managed and conducted market studies for proposed Low-Income Housing Tax Credit, HUD MAP, 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 expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition/rehabilitation, historic rehabilitation, adaptive reuse, and single family developments. Typical clients include developers, state agencies, syndicators, investors, and lenders.

Completed and have overseen numerous Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Performed and managed market studies and appraisals of proposed new construction and existing properties insured and processed under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs.

Performed and have overseen numerous market study/appraisal assignments for USDA RD properties in several states in conjunction with acquisition/rehabilitation redevelopments. Documents are used by states, lenders, USDA, and the developer in the underwriting process. Market studies are compliant to State, lender, and USDA

requirements. Appraisals are compliant to lender requirements and USDA HB-1-3560 Chapter 7 and Attachments.

Performed appraisals for estate valuation or donation purposes for various types of real estate, including commercial office, industrial, and multifamily assets, as well partial member interests in limited partnerships. These engagements were conducted in accordance with relevant guidance as published by the Internal Revenue Service.

Performed analyses of various real estate asset types subject to USDA 4279-B, Business and Industry Guaranteed Loans, Section 4279.150 guidelines.

Conducted various Highest and Best Use Analyses for proposed development sites nationwide. Completed an analysis of existing and proposed senior supply of all types of real estate and conducted various demand and feasibility analyses in order to determine level of need and ultimate highest and best use of the site.

Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.

Performed various community-wide affordable housing market analyses and needs assessments for communities and counties throughout the Midwest and Western states. Analysis included demographic and demand forecasts, interviews with local stakeholders, surveys of existing and proposed affordable supply, and reconciliation of operations at existing supply versus projected future need for affordable housing. Additional analyses included identification of housing gaps, potential funding sources, and determination of appropriate recommendations. These studies are typically used by local, state, and federal agencies in order to assist with housing development and potential financing.

Managed a large portfolio of Asset Management reports for a national real estate investor. Properties were located throughout the nation, and were diverse in terms of financing, design, tenancy, and size. Information compiled included income and expenses, vacancy, and analysis of property's overall position in the market.

Performed appraisals of LIHTC assets for Year 15 purposes; valuations of both the underlying real estate asset and partnership interests have been completed. These reports were utilized to assist in potential disposition options for the property, including sale of the asset, buyout of one or more partners, or potential conversion to market rate. Partnership interest valuations considered the added complexities of partial interests, included considerations of discount for lack of marketability and lack of control.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
KELLY MCNANY GORMAN**

I. Education

Virginia Tech, Blacksburg, VA
Bachelor of Arts in Urban Affairs and Planning

II. Professional Experience

Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Asset Manager, Housing Opportunities Commission of Montgomery County, MD
Senior Real Estate Analyst, Novogradac & Company LLP
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

III. Certifications, Professional Training and Continuing Education

Licensed Certified General Appraiser, CT License #RCG.0001437
Licensed Certified General Appraiser, NJ License #42RG00245500
Licensed Certified General Appraiser, NY License #46000051239
Licensed Certified General Appraiser, PA License #GA004390

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

IV. Real Estate Assignments – Examples

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.

- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.
- Managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations. Recommendations included a workout for one of the 16 assets.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

NMTC Consulting Assignments

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Tara Rial

I. Education

Loyola University Maryland, Baltimore, MD
Bachelors of Business Administration

II. Professional Experience

Manager, Novogradac & Company LLP
Analyst, Novogradac & Company LLP
Senior Research Associate, CoStar Group

III. Research Assignments

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Assisted with a variety of asset management services for a developer including monitoring and reporting property performance on a quarterly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects.
- Conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

William Linthicum

I. EDUCATION

Washington and Lee University
Bachelor of Science – Accounting; Digital Culture and Information

II. PROFESSIONAL EXPERIENCE

Analyst, Novogradac & Company LLP
Junior Analyst, Novogradac & Company LLP

III. REAL ESTATE ASSIGNMENTS

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

- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- 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, assisted living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.

ADDENDUM B

Data Sources

DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing, and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of proposed, comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- Virginia Housing Development Authority
- Virginia Employment Commission
- Virginia Workforce Connection
- CoStar
- ESRI, Business Information Solutions
- Ribbon Demographics
- Bankrate
- Zillow
- U.S. Department of Commerce, Bureau of Labor Statistics
- Department of Housing and Urban Development (HUD)
- Virginia Housing Market Study Requirements, 2022

ADDENDUM C

NCHMA Certification and Checklist



NCHMA MEMBER CERTIFICATION

This market study has been prepared by **Novogradac & Company LLP**, doing business under the brand name **Novogradac Consulting (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 partner or employee of **Novogradac** has any financial interest whatsoever in the development for which this analysis has been undertaken.

Blair Kincer, MAI, CRE
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Rachel Denton, MAI
Partner
Rachel.Denton@novoco.com

November 10, 2022

NCHMA Market Study Index

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

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

NCHMA Market Study Index

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

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

ADDENDUM D
Utility Allowance Schedule

Virginia Housing | Housing Choice Voucher Program

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

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

		Unit Type: 1 Exposed Wall					Effective Date: 07/01/2022			
Utility	Usage	Monthly Dollar Amount								
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR	
Appliance	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	
Bottled Gas	Cooking	\$11.00	\$15.00	\$19.00	\$23.00	\$29.00	\$34.00	\$38.00	\$42.00	
	Home Heating	\$61.00	\$85.00	\$109.00	\$133.00	\$169.00	\$194.00	\$218.00	\$242.00	
	Water Heating	\$27.00	\$37.00	\$48.00	\$58.00	\$74.00	\$85.00	\$95.00	\$106.00	
Electricity	Cooking	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00	\$11.00	\$13.00	\$14.00	
	Cooling (A/C)	\$7.00	\$9.00	\$12.00	\$14.00	\$18.00	\$21.00	\$23.00	\$26.00	
	Home Heating	\$23.00	\$32.00	\$41.00	\$51.00	\$64.00	\$74.00	\$83.00	\$92.00	
	Other Electric	\$14.00	\$19.00	\$24.00	\$30.00	\$38.00	\$43.00	\$49.00	\$54.00	
	Water Heating	\$12.00	\$16.00	\$21.00	\$25.00	\$32.00	\$37.00	\$41.00	\$46.00	
Natural Gas	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00	
	Home Heating	\$8.00	\$11.00	\$14.00	\$17.00	\$21.00	\$24.00	\$27.00	\$30.00	
	Water Heating	\$3.00	\$4.00	\$5.00	\$7.00	\$8.00	\$10.00	\$11.00	\$12.00	
Oil	Home Heating	\$43.00	\$60.00	\$77.00	\$95.00	\$120.00	\$138.00	\$155.00	\$172.00	
	Water Heating	\$19.00	\$26.00	\$33.00	\$41.00	\$52.00	\$59.00	\$67.00	\$74.00	
Sewer	Other	\$23.00	\$32.00	\$41.00	\$50.00	\$63.00	\$72.00	\$81.00	\$90.00	
Trash Collection	Other	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	
Water	Other	\$20.00	\$28.00	\$36.00	\$44.00	\$56.00	\$64.00	\$72.00	\$80.00	
UTILITY ALLOWANCE TOTAL:		\$	\$	\$	\$	\$	\$	\$	\$	

ADDENDUM E

Subject and Neighborhood Photographs

Subject Property & Neighborhood Photos



Subject site facing north



Subject site facing northeast



Subject site facing east



Subject site facing southeast



Subject site facing south



Subject site facing southwest



Subject site facing west



Subject site facing northwest



View along Government Center Parkway facing north



View along Government Center Parkway facing south



View along Subject access road facing east



View along Subject access road facing west



Fairfax Corner shopping center north of Subject



Fairfax Corner movie theater north of Subject



Fairfax Corner shopping center north of Subject



Office buildings north of Subject



Fair Oaks Shopping Mall north of Subject



Fairfax County Government Center parking lot directly east of Subject



Fairfax County Government Center east of Subject



For-sale townhomes east of Subject



Grocery store east of Subject



Residences at Government Center Phase I east of Subject



Eagle View Elementary School south of Subject



For-sale townhomes south of Subject



Fairfax County office buildings west of Subject



For-sale townhomes west of Subject site



Single-family home west of Subject site



For-sale townhomes west of Subject site

ADDENDUM F

Site and Floor Plans

FAIRFAX ONE

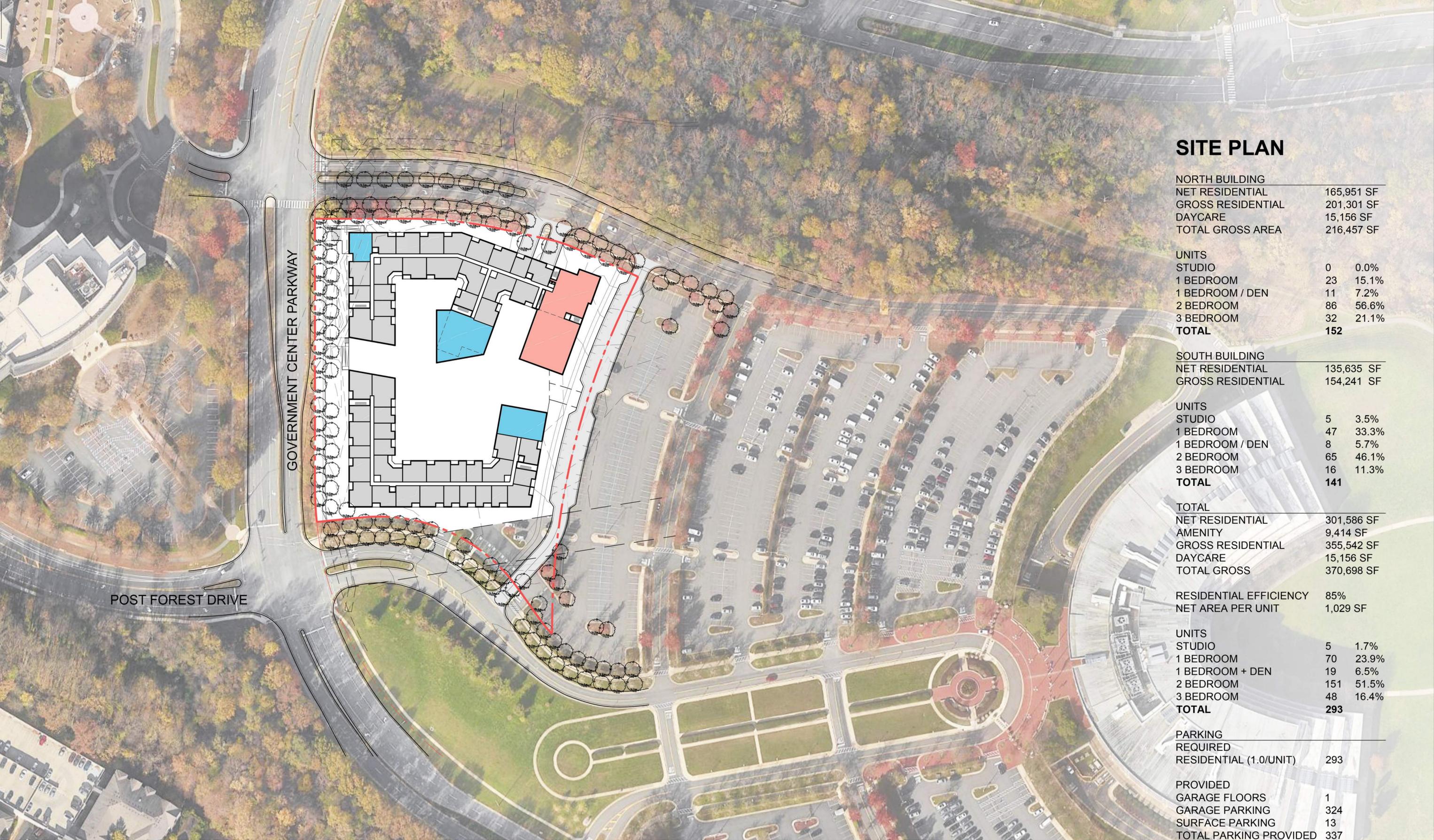
@ COUNTY GOVERNMENT CENTER



PLANS

ktgy





SITE PLAN

NORTH BUILDING	
NET RESIDENTIAL	165,951 SF
GROSS RESIDENTIAL	201,301 SF
DAYCARE	15,156 SF
TOTAL GROSS AREA	216,457 SF

UNITS		
STUDIO	0	0.0%
1 BEDROOM	23	15.1%
1 BEDROOM / DEN	11	7.2%
2 BEDROOM	86	56.6%
3 BEDROOM	32	21.1%
TOTAL	152	

SOUTH BUILDING	
NET RESIDENTIAL	135,635 SF
GROSS RESIDENTIAL	154,241 SF

UNITS		
STUDIO	5	3.5%
1 BEDROOM	47	33.3%
1 BEDROOM / DEN	8	5.7%
2 BEDROOM	65	46.1%
3 BEDROOM	16	11.3%
TOTAL	141	

TOTAL	
NET RESIDENTIAL	301,586 SF
AMENITY	9,414 SF
GROSS RESIDENTIAL	355,542 SF
DAYCARE	15,156 SF
TOTAL GROSS	370,698 SF

RESIDENTIAL EFFICIENCY	85%
NET AREA PER UNIT	1,029 SF

UNITS		
STUDIO	5	1.7%
1 BEDROOM	70	23.9%
1 BEDROOM + DEN	19	6.5%
2 BEDROOM	151	51.5%
3 BEDROOM	48	16.4%
TOTAL	293	

PARKING	
REQUIRED	
RESIDENTIAL (1.0/UNIT)	293

PROVIDED	
GARAGE FLOORS	1
GARAGE PARKING	324
SURFACE PARKING	13
TOTAL PARKING PROVIDED	337



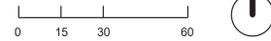
BASEMENT FLOOR

- 01 UTILITY
- 02 BIKE ROOM
- 03 GARAGE ENTRANCE
- 04 LOADING DOCK
- 05 TRASH
- 06 UTILITY

20210983



FAIRFAX GOVERNMENT CENTER
FAIRFAX COUNTY, VA





FIRST FLOOR

- 01 DAYCARE
- 02 SOUTH LOBBY AND AMENITY
- 03 NORTH LOBBY AND AMENITY
- 04 SECONDARY LOBBY

- A COURTYARD A
- B DAYCARE COURTYARD
- C COURTYARD C



SECOND FLOOR

01 DAYCARE SECOND FLOOR

A COURTYARD A
 B DAYCARE COURTYARD
 C COURTYARD C

20210983



FAIRFAX GOVERNMENT CENTER
 FAIRFAX COUNTY, VA



06

07/25/2022



TYPICAL FLOOR

A COURTYARD A
 B DAYCARE COURTYARD
 C COURTYARD C

ADDENDUM G

Subject Matrices and Property Profiles

SUMMARY MATRIX

#	Property Name	Distance	Type/Built/Renovated	AMI	Unit Type	#	%	SF	Restriction	Rent (Adj)	Max Rent?	Waiting List	Vacant Units	Vacancy Rate		
S	Residences At Government Center II - North East 9% Government Center Parkway And Post Forest Drive Fairfax, VA Fairfax County	7.7 miles	Midrise	@30%, @30% (PBV), @50%, @60%	1BR/1BA	2	2.9%	671	@30%	\$724	Yes		N/A	N/A		
			5-stories		1BR/1BA	2	2.9%	671	@30% (PBV)	\$1,647	N/A		N/A	N/A		
			2026		1BR/1BA	4	5.7%	671	@50%	\$1,258	Yes		N/A	N/A		
			Family		1BR/1BA	3	4.3%	671	@60%	\$1,525	Yes		N/A	N/A		
					2BR/2BA	4	5.7%	924	@30%	\$855	Yes		N/A	N/A		
					2BR/2BA	4	5.7%	924	@30% (PBV)	\$1,859	N/A		N/A	N/A		
					2BR/2BA	13	18.6%	924	@50%	\$1,496	Yes		N/A	N/A		
					2BR/2BA	23	32.9%	924	@60%	\$1,816	Yes		N/A	N/A		
					3BR/2BA	2	2.9%	1,106	@30%	\$978	Yes		N/A	N/A		
					3BR/2BA	2	2.9%	1,106	@30% (PBV)	\$2,354	N/A		N/A	N/A		
					3BR/2BA	3	4.3%	1,106	@50%	\$1,718	Yes		N/A	N/A		
					3BR/2BA	8	11.4%	1,106	@60%	\$2,088	Yes		N/A	N/A		
								70							N/A	N/A
			1	Dulles Center 2410 Little Current Drive Herndon, VA Fairfax County	7.7 miles	Garden	@50% (ADU) @60%	2BR/2BA	9	3.3%	1,009	@50% (ADU)	\$1,289	Yes	Yes	0
3-stories		2BR/2BA				127	46.7%	1,009	@60%	\$1,621	Yes	Yes	0	0%		
1996		3BR/2BA				9	3.3%	1,209	@50% (ADU)	\$1,426	Yes	Yes	0	0%		
Family		3BR/2BA				127	46.7%	1,209	@60%	\$1,852	Yes	Yes	0	0%		
								272						0	0.0%	
2	Fields Of Chantilly 13950 Rockland Village Chantilly, VA Fairfax County	4.6 miles	Garden	@60%	2BR/1BA	108	30.0%	944	@60%	\$1,804	Yes	No	0	0%		
			3-stories		2BR/2BA	72	20.0%	980	@60%	\$1,804	Yes	No	0	0%		
			2001		2BR/2BA	108	30.0%	1,052	@60%	\$1,804	Yes	No	0	0%		
			Family		3BR/2BA	72	20.0%	1,237	@60%	\$2,080	Yes	No	0	0%		
								360						0	0.0%	
3	Gables Centerpointe 12190 Waveland Street Fairfax, VA Fairfax County	0.8 mile	Midrise	@50% (ADU), @70% (ADU), Market	1BR/1BA	3	2.5%	807	@50% (ADU)	\$1,082	Yes	No	0	0%		
			4-stories		1BR/1BA	6	5.0%	807	@70% (ADU)	\$1,405	Yes	No	0	0%		
			2011		1BR/1BA	0	0.0%	746	Market	\$1,822	N/A	No	0	0%		
			Family		1BR/1BA	63	52.5%	807	Market	\$1,934	N/A	No	7	11.1%		
					1BR/1BA	0	0.0%	867	Market	\$2,047	N/A	No	0	0%		
					2BR/2BA	3	2.5%	1,106	@50% (ADU)	\$1,217	Yes	No	0	0%		
					2BR/2BA	5	4.2%	1,106	@70% (ADU)	\$1,580	Yes	No	0	0%		
					2BR/2BA	0	0.0%	1,086	Market	\$2,406	N/A	No	0	0%		
					2BR/2BA	40	33.3%	1,106	Market	\$2,433	N/A	No	2	5.0%		
					2BR/2BA	0	0.0%	1,126	Market	\$2,461	N/A	No	0	0%		
					120						9	7.5%				
4	Lee Overlook Apartments 6406 Paddington Court Centreville, VA Fairfax County	5.6 miles	Garden	@60%	2BR/2BA	154	78.6%	1,020	@60%	\$1,621	Yes	No	N/A	N/A		
			3-stories		3BR/2BA	42	21.4%	1,245	@60%	\$1,852	Yes	No	N/A	N/A		
			1995													
												4	2.0%			
5	Residences At Government Center Monument Drive Fairfax, VA Fairfax City County	0.4 mile	Midrise	@50% @60%	0BR/1BA	9	3.3%	564	@50%	\$1,140	Yes	Yes	N/A	N/A		
			4-stories		0BR/1BA	28	10.4%	564	@60%	\$1,390	Yes	Yes	N/A	N/A		
			2017		1BR/1BA	23	8.5%	676	@50%	\$1,215	Yes	Yes	N/A	N/A		
			Family		1BR/1BA	102	37.8%	676	@60%	\$1,482	Yes	Yes	N/A	N/A		
					2BR/2BA	19	7.0%	947	@50%	\$1,433	Yes	Yes	N/A	N/A		
					2BR/2BA	75	27.8%	947	@60%	\$1,753	Yes	Yes	N/A	N/A		
					3BR/2BA	3	1.1%	1,187	@50%	\$1,618	Yes	Yes	N/A	N/A		
					3BR/2BA	11	4.1%	1,187	@60%	\$1,988	Yes	Yes	N/A	N/A		
					270							3	1.1%			
6	The Apartments At Regent Park 9333 Clocktower Pl Fairfax, VA Fairfax County	5.1 miles	Lowrise	@50% Market	1BR/1BA	8	1.4%	628	@50%	\$1,082	Yes	No	0	0%		
			4-stories		1BR/1BA	N/A	N/A	628	Market	\$2,077	N/A	No	N/A	N/A		
			1997 / 2020		1BR/1BA	N/A	N/A	671	Market	\$2,112	N/A	No	N/A	N/A		
			Family		1BR/1BA	N/A	N/A	687	Market	\$2,193	N/A	No	N/A	N/A		
					1BR/1BA	N/A	N/A	753	Market	\$2,115	N/A	No	N/A	N/A		
					1BR/1BA	N/A	N/A	759	Market	\$1,997	N/A	No	N/A	N/A		
					1BR/1BA	N/A	N/A	858	Market	\$2,123	N/A	No	N/A	N/A		
					2BR/2BA	20	3.6%	1,010	@50%	\$1,217	Yes	No	0	0%		
					2BR/1BA	N/A	N/A	974	Market	\$2,116	N/A	No	N/A	N/A		
					2BR/2BA	N/A	N/A	1,010	Market	\$2,508	N/A	No	N/A	N/A		
					2BR/2BA	N/A	N/A	1,097	Market	\$2,383	N/A	No	N/A	N/A		
					2BR/2BA	N/A	N/A	1,110	Market	\$2,608	N/A	No	N/A	N/A		
					2BR/2BA	N/A	N/A	1,200	Market	\$2,668	N/A	No	N/A	N/A		
					3BR/2BA	1	0.2%	1,345	@50%	\$1,352	Yes	No	0	0%		
					3BR/2BA	N/A	N/A	1,345	Market	\$3,108	N/A	No	N/A	N/A		
		3BR/2BA	N/A	N/A	1,387	Market	\$3,408	N/A	No	N/A	N/A					
					552							26	4.7%			

#	Property Name	Distance	Type/Built/Renovated	AMI	Unit Type	#	%	SF	Restriction	Rent (Adj)	Max Rent?	Waiting List	Vacant Units	Vacancy Rate
7	The Point At Ridgeline 13280 Woodland Park Road Herndon, VA Fairfax County	7.2 miles	Midrise 5-stories 2019 Family	@120% (WDU), @80% (WDU), Market	OBR/1BA	N/A	N/A	572	Market	\$1,851	N/A	No	N/A	N/A
					OBR/1BA	N/A	N/A	604	Market	\$1,827	N/A	No	0	N/A
					OBR/1BA	N/A	N/A	636	Market	\$1,803	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	940	@120% (WDU)	\$1,957	N/A		0	N/A
					1BR/1BA	23	7.8%	685	@80% (WDU)	\$1,082	N/A		0	0%
					1BR/1BA	N/A	N/A	638	Market	\$1,886	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	784	Market	\$2,172	N/A	No	7	N/A
					1BR/1BA	N/A	N/A	930	Market	\$2,457	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,127	@120% (WDU)	\$2,283	N/A	NA	0	N/A
					2BR/2BA	13	4.4%	1,103	@80% (WDU)	\$1,580	N/A		0	0%
					2BR/1BA	N/A	N/A	1,003	Market	\$2,793	N/A	No	0	N/A
					2BR/2BA	N/A	N/A	1,078	Market	\$2,829	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,238	Market	\$3,022	N/A	No	2	N/A
					2BR/2BA	N/A	N/A	1,373	Market	\$3,214	N/A	No	N/A	N/A
3BR/2BA	N/A	N/A	1,369	Market	\$3,228	N/A	No	0	N/A					
						293							9	3.1%
8	Camden Fairfax Corner 4245 Summit Corner Dr. Fairfax, VA Fairfax County	0.4 mile	Midrise 4-stories 2005 Family	Market	OBR/1BA	N/A	N/A	650	Market	\$1,729	N/A	No	N/A	N/A
					OBR/1BA	N/A	N/A	755	Market	\$1,889	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	698	Market	\$1,826	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	841	Market	\$2,041	N/A	No	N/A	N/A
					1BR/1BA	N/A	N/A	984	Market	\$2,256	N/A	No	N/A	N/A
					1BR/1.5BA	N/A	N/A	1,022	Market	\$2,276	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,040	Market	\$2,397	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,178	Market	\$2,622	N/A	No	N/A	N/A
					2BR/2BA	N/A	N/A	1,315	Market	\$2,847	N/A	No	N/A	N/A
					3BR/2BA	N/A	N/A	1,267	Market	\$2,797	N/A	No	N/A	N/A
						488						19	3.9%	
9	Station On Silver 2340 Carta Way Herndon, VA Fairfax County	7.8 miles	Midrise 6-stories 2017 Family	Market	OBR/1BA	54	7.9%	603	Market	\$1,778	N/A	No	0	0%
					OBR/1BA	54	7.9%	608	Market	\$1,748	N/A	No	0	0%
					OBR/1BA	54	7.9%	612	Market	\$1,717	N/A	No	0	0%
					1BR/1BA	90	13.2%	663	Market	\$1,660	N/A	No	0	0%
					1BR/1BA	90	13.2%	728	Market	\$1,813	N/A	No	2	2.2%
					1BR/1BA	90	13.2%	793	Market	\$1,965	N/A	No	0	0%
					2BR/2BA	83	12.2%	1,000	Market	\$2,200	N/A	No	0	0%
					2BR/2BA	83	12.2%	1,041	Market	\$2,297	N/A	No	0	0%
2BR/2BA	83	12.2%	1,058	Market	\$2,394	N/A	No	0	0%					
						681						2	0.3%	
10	The Julian At Fair Lakes 12751 Fair Lakes Circle Fairfax, VA Fairfax County	1.4 miles	Midrise 6-stories 2014 Family	Market	OBR/1BA	15	10.0%	578	Market	\$1,837	N/A	No	0	0%
					1BR/1BA	N/A	N/A	647	Market	\$1,925	N/A	No	0	N/A
					1BR/1BA	89	59.3%	744	Market	\$2,059	N/A	No	3	3.4%
					1BR/1BA	N/A	N/A	744	Market	\$3,659	N/A	No	0	N/A
					2BR/2BA	N/A	N/A	945	Market	\$2,886	N/A	No	0	N/A
					2BR/2BA	46	30.7%	1,095	Market	\$2,949	N/A	No	1	2.2%
					2BR/2BA	N/A	N/A	1,215	Market	\$3,012	N/A	No	0	N/A
						150						4	2.7%	

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

	Units Surveyed	3,382	Weighted Occupancy	97.8%		
	Market Rate	1,319	Market Rate	98.1%		
	Tax Credit	2,063	Tax Credit	97.5%		
	1.0 Bed x 1.0 Bath		2.0 Bed x 2.0 Bath		3.0 Bed x 2.0 Bath	
RENT	The Julian At Fair Lakes (Market)	\$3,659	The Point At Ridgeline (Market)	\$3,214	The Apartments At Regent Park (Market)	\$3,408
	The Point At Ridgeline (Market)	\$2,457	The Point At Ridgeline (Market)	\$3,022	The Point At Ridgeline (Market)	\$3,228
	Camden Fairfax Corner (Market)(1.5BA)	\$2,276	The Julian At Fair Lakes (Market)	\$3,012	The Apartments At Regent Park (Market)	\$3,108
	Camden Fairfax Corner (Market)	\$2,256	The Julian At Fair Lakes (Market)	\$2,949	Camden Fairfax Corner (Market)	\$2,797
	The Apartments At Regent Park (Market)	\$2,193	The Julian At Fair Lakes (Market)	\$2,886	Residences At Government Center II - North East 9% (AMR)	\$2,775
	The Point At Ridgeline (Market)	\$2,172	Camden Fairfax Corner (Market)	\$2,847	Residences At Government Center II - North East 9% (@30%)	\$2,354
	The Apartments At Regent Park (Market)	\$2,123	The Point At Ridgeline (Market)	\$2,829	Residences At Government Center II - North East 9% (@60%)	\$2,088
	The Apartments At Regent Park (Market)	\$2,115	The Point At Ridgeline (Market)(1.0BA)	\$2,793	Residences At Government Center II - North East 9% (@60%) (ALR)	\$2,088
	The Apartments At Regent Park (Market)	\$2,112	The Apartments At Regent Park (Market)	\$2,668	Fields Of Chantilly (@60%)	\$2,080
	The Apartments At Regent Park (Market)	\$2,077	Camden Fairfax Corner (Market)	\$2,622	Residences At Government Center (@60%)	\$1,988
	The Julian At Fair Lakes (Market)	\$2,059	The Apartments At Regent Park (Market)	\$2,608	Dulles Center (@60%)	\$1,852
	Gables Centerpointe (Market)	\$2,047	The Apartments At Regent Park (Market)	\$2,508	Lee Overlook Apartments (@60%)	\$1,852
	Camden Fairfax Corner (Market)	\$2,041	Gables Centerpointe (Market)	\$2,461	Residences At Government Center II - North East 9% (@50%)	\$1,718
	Residences At Government Center II - North East 9% (AMR)	\$2,000	Residences At Government Center II - North East 9% (AMR)	\$2,450	Residences At Government Center II - North East 9% (@50%) (ALR)	\$1,718
	The Apartments At Regent Park (Market)	\$1,997	Gables Centerpointe (Market)	\$2,433	Residences At Government Center (@50%)	\$1,618
	Station On Silver (Market)	\$1,965	Gables Centerpointe (Market)	\$2,406	Dulles Center (@50%)	\$1,426
	The Point At Ridgeline (@120%)	\$1,957	Camden Fairfax Corner (Market)	\$2,397	The Apartments At Regent Park (@50%)	\$1,352
	Gables Centerpointe (Market)	\$1,934	Station On Silver (Market)	\$2,394	Residences At Government Center II - North East 9% (@30%)	\$978
	The Julian At Fair Lakes (Market)	\$1,925	The Apartments At Regent Park (Market)	\$2,383	Residences At Government Center II - North East 9% (@30%) (ALR)	\$978
	The Point At Ridgeline (Market)	\$1,886	Station On Silver (Market)	\$2,297	Residences At Government Center II - North East 9% (@30%) (ALR)	\$978
	Camden Fairfax Corner (Market)	\$1,826	The Point At Ridgeline (@120%)	\$2,283		
	Gables Centerpointe (Market)	\$1,822	Station On Silver (Market)	\$2,200		
	Station On Silver (Market)	\$1,813	The Apartments At Regent Park (Market)(1.0BA)	\$2,116		
	Station On Silver (Market)	\$1,660	Residences At Government Center II - North East 9% (@30%)	\$1,859		
	Residences At Government Center II - North East 9% (@30%)	\$1,647	Residences At Government Center II - North East 9% (@60%)	\$1,816		
	Residences At Government Center II - North East 9% (@60%)	\$1,525	Residences At Government Center II - North East 9% (@60%) (ALR)	\$1,816		
	Residences At Government Center II - North East 9% (@60%) (ALR)	\$1,525	Fields Of Chantilly (@60%)(1.0BA)	\$1,804		
	Residences At Government Center (@60%)	\$1,482	Fields Of Chantilly (@60%)	\$1,804		
	Gables Centerpointe (@70%)	\$1,405	Fields Of Chantilly (@60%)	\$1,804		
	Residences At Government Center II - North East 9% (@50%)	\$1,258	Residences At Government Center (@60%)	\$1,753		
	Residences At Government Center II - North East 9% (@50%) (ALR)	\$1,258	Dulles Center (@60%)	\$1,621		
	Residences At Government Center (@50%)	\$1,215	Lee Overlook Apartments (@60%)	\$1,621		
	Gables Centerpointe (@50%)	\$1,082	Gables Centerpointe (@70%)	\$1,580		
	The Apartments At Regent Park (@50%)	\$1,082	The Point At Ridgeline (@80%)	\$1,580		
	The Point At Ridgeline (@80%)	\$1,082	Residences At Government Center II - North East 9% (@50%)	\$1,496		
	Residences At Government Center II - North East 9% (@30%)	\$724	Residences At Government Center II - North East 9% (@50%) (ALR)	\$1,496		
	Residences At Government Center II - North East 9% (@30%) (ALR)	\$724	Residences At Government Center (@50%)	\$1,433		
	Residences At Government Center II - North East 9% (@30%) (ALR)	\$724	Dulles Center (@50%)	\$1,289		
			Gables Centerpointe (@50%)	\$1,217		
			The Apartments At Regent Park (@50%)	\$1,217		
			Residences At Government Center II - North East 9% (@30%)	\$855		
			Residences At Government Center II - North East 9% (@30%) (ALR)	\$855		

	1.0 Bed x 1.0 Bath		2.0 Bed x 2.0 Bath		3.0 Bed x 2.0 Bath	
SQUARE FOOTAGE	Camden Fairfax Corner (Market)(1.5BA)	1,022	The Point At Ridgeline (Market)	1,373	The Apartments At Regent Park (Market)	1,387
	Camden Fairfax Corner (Market)	984	Camden Fairfax Corner (Market)	1,315	The Point At Ridgeline (Market)	1,369
	The Point At Ridgeline (@120%)	940	The Point At Ridgeline (Market)	1,238	The Apartments At Regent Park (@50%)	1,345
	The Point At Ridgeline (Market)	930	The Julian At Fair Lakes (Market)	1,215	The Apartments At Regent Park (Market)	1,345
	Gables Centerpointe (Market)	867	The Apartments At Regent Park (Market)	1,200	Camden Fairfax Corner (Market)	1,267
	The Apartments At Regent Park (Market)	858	Camden Fairfax Corner (Market)	1,178	Lee Overlook Apartments (@60%)	1,245
	Camden Fairfax Corner (Market)	841	The Point At Ridgeline (@120%)	1,127	Fields Of Chantilly (@60%)	1,237
	Gables Centerpointe (@50%)	807	Gables Centerpointe (Market)	1,126	Dulles Center (@50%)	1,209
	Gables Centerpointe (@70%)	807	The Apartments At Regent Park (Market)	1,110	Dulles Center (@60%)	1,209
	Gables Centerpointe (Market)	807	Gables Centerpointe (@50%)	1,106	Residences At Government Center (@50%)	1,187
	Station On Silver (Market)	793	Gables Centerpointe (@70%)	1,106	Residences At Government Center (@60%)	1,187
	The Point At Ridgeline (Market)	784	Gables Centerpointe (Market)	1,106	Residences At Government Center II - North East 9% (@30%)	1,106
	The Apartments At Regent Park (Market)	759	The Point At Ridgeline (@80%)	1,103	Residences At Government Center II - North East 9% (@30%)	1,106
	The Apartments At Regent Park (Market)	753	The Apartments At Regent Park (Market)	1,097	Residences At Government Center II - North East 9% (@50%)	1,106
	Gables Centerpointe (Market)	746	The Julian At Fair Lakes (Market)	1,095	Residences At Government Center II - North East 9% (@60%)	1,106
	The Julian At Fair Lakes (Market)	744	Gables Centerpointe (Market)	1,086		
	The Julian At Fair Lakes (Market)	744	The Point At Ridgeline (Market)	1,078		
	Station On Silver (Market)	728	Station On Silver (Market)	1,058		
	Camden Fairfax Corner (Market)	698	Fields Of Chantilly (@60%)	1,052		
	The Apartments At Regent Park (Market)	687	Station On Silver (Market)	1,041		
	The Point At Ridgeline (@80%)	685	Camden Fairfax Corner (Market)	1,040		
	Residences At Government Center (@50%)	676	Lee Overlook Apartments (@60%)	1,020		
	Residences At Government Center (@60%)	676	The Apartments At Regent Park (@50%)	1,010		
	The Apartments At Regent Park (Market)	671	The Apartments At Regent Park (Market)	1,010		
	Residences At Government Center II - North East 9% (@30%)	671	Dulles Center (@50%)	1,009		
	Residences At Government Center II - North East 9% (@30%)	671	Dulles Center (@60%)	1,009		
	Residences At Government Center II - North East 9% (@50%)	671	The Point At Ridgeline (Market)(1.0BA)	1,003		
	Residences At Government Center II - North East 9% (@60%)	671	Station On Silver (Market)	1,000		
	Station On Silver (Market)	663	Fields Of Chantilly (@60%)	980		
	The Julian At Fair Lakes (Market)	647	The Apartments At Regent Park (Market)(1.0BA)	974		
	The Point At Ridgeline (Market)	638	Residences At Government Center (@50%)	947		
	The Apartments At Regent Park (@50%)	628	Residences At Government Center (@60%)	947		
	The Apartments At Regent Park (Market)	628	The Julian At Fair Lakes (Market)	945		
			Fields Of Chantilly (@60%)(1.0BA)	944		
			Residences At Government Center II - North East 9% (@30%)	924		
			Residences At Government Center II - North East 9% (@30%)	924		
			Residences At Government Center II - North East 9% (@50%)	924		
			Residences At Government Center II - North East 9% (@60%)	924		

	1.0 Bed x 1.0 Bath		2.0 Bed x 2.0 Bath		3.0 Bed x 2.0 Bath	
RENT	The Julian At Fair Lakes (Market)	\$4.92	The Julian At Fair Lakes (Market)	\$3.05	Residences At Government Center II - North East 9% (AMR)	\$2.51
PER	The Apartments At Regent Park (Market)	\$3.31	The Point At Ridgeline (Market)(1.0BA)	\$2.78	The Apartments At Regent Park (Market)	\$2.46
SQUARE	The Apartments At Regent Park (Market)	\$3.19	The Julian At Fair Lakes (Market)	\$2.69	The Point At Ridgeline (Market)	\$2.36
FOOT	The Apartments At Regent Park (Market)	\$3.15	Residences At Government Center II - North East 9% (AMR)	\$2.65	The Apartments At Regent Park (Market)	\$2.31
	Residences At Government Center II - North East 9% (AMR)	\$2.98	The Point At Ridgeline (Market)	\$2.62	Camden Fairfax Corner (Market)	\$2.21
	The Julian At Fair Lakes (Market)	\$2.98	The Apartments At Regent Park (Market)	\$2.48	Residences At Government Center II - North East 9% (@30%)	\$2.13
	The Point At Ridgeline (Market)	\$2.96	The Julian At Fair Lakes (Market)	\$2.48	Residences At Government Center II - North East 9% (@60%)	\$1.89
	The Apartments At Regent Park (Market)	\$2.81	The Point At Ridgeline (Market)	\$2.44	Residences At Government Center II - North East 9% (@60%) (ALR)	\$1.89
	The Point At Ridgeline (Market)	\$2.77	The Apartments At Regent Park (Market)	\$2.35	Fields Of Chantilly (@60%)	\$1.68
	The Julian At Fair Lakes (Market)	\$2.77	The Point At Ridgeline (Market)	\$2.34	Residences At Government Center (@60%)	\$1.67
	The Point At Ridgeline (Market)	\$2.64	Camden Fairfax Corner (Market)	\$2.30	Residences At Government Center II - North East 9% (@50%)	\$1.55
	The Apartments At Regent Park (Market)	\$2.63	Station On Silver (Market)	\$2.26	Residences At Government Center II - North East 9% (@50%) (ALR)	\$1.55
	Camden Fairfax Corner (Market)	\$2.62	Camden Fairfax Corner (Market)	\$2.23	Dulles Center (@60%)	\$1.53
	Station On Silver (Market)	\$2.50	The Apartments At Regent Park (Market)	\$2.22	Lee Overlook Apartments (@60%)	\$1.49
	Station On Silver (Market)	\$2.49	Gables Centerpointe (Market)	\$2.22	Residences At Government Center (@50%)	\$1.36
	Station On Silver (Market)	\$2.48	Station On Silver (Market)	\$2.21	Dulles Center (@50%)	\$1.18
	The Apartments At Regent Park (Market)	\$2.47	Station On Silver (Market)	\$2.20	The Apartments At Regent Park (@50%)	\$1.01
	Residences At Government Center II - North East 9% (@30%)	\$2.45	Gables Centerpointe (Market)	\$2.20	Residences At Government Center II - North East 9% (@30%)	\$0.88
	Gables Centerpointe (Market)	\$2.44	Gables Centerpointe (Market)	\$2.19	Residences At Government Center II - North East 9% (@30%) (ALR)	\$0.88
	Camden Fairfax Corner (Market)	\$2.43	The Apartments At Regent Park (Market)(1.0BA)	\$2.17	Residences At Government Center II - North East 9% (@30%) (ALR)	\$0.88
	Gables Centerpointe (Market)	\$2.40	The Apartments At Regent Park (Market)	\$2.17		
	Gables Centerpointe (Market)	\$2.36	Camden Fairfax Corner (Market)	\$2.17		
	Camden Fairfax Corner (Market)	\$2.29	The Point At Ridgeline (@120%)	\$2.03		
	Residences At Government Center II - North East 9% (@60%)	\$2.27	Residences At Government Center II - North East 9% (@30%)	\$2.01		
	Residences At Government Center II - North East 9% (@60%) (ALR)	\$2.27	Residences At Government Center II - North East 9% (@60%)	\$1.97		
	Camden Fairfax Corner (Market)(1.5BA)	\$2.23	Residences At Government Center II - North East 9% (@60%) (ALR)	\$1.97		
	Residences At Government Center (@60%)	\$2.19	Fields Of Chantilly (@60%)(1.0BA)	\$1.91		
	The Point At Ridgeline (@120%)	\$2.08	Residences At Government Center (@60%)	\$1.85		
	Residences At Government Center II - North East 9% (@50%)	\$1.87	Fields Of Chantilly (@60%)	\$1.84		
	Residences At Government Center II - North East 9% (@50%) (ALR)	\$1.87	Fields Of Chantilly (@60%)	\$1.71		
	Residences At Government Center (@50%)	\$1.80	Residences At Government Center II - North East 9% (@50%)	\$1.62		
	Gables Centerpointe (@70%)	\$1.74	Residences At Government Center II - North East 9% (@50%) (ALR)	\$1.62		
	The Apartments At Regent Park (@50%)	\$1.72	Dulles Center (@60%)	\$1.61		
	The Point At Ridgeline (@80%)	\$1.58	Lee Overlook Apartments (@60%)	\$1.59		
	Gables Centerpointe (@50%)	\$1.34	Residences At Government Center (@50%)	\$1.51		
	Residences At Government Center II - North East 9% (@30%)	\$1.08	The Point At Ridgeline (@80%)	\$1.43		
	Residences At Government Center II - North East 9% (@30%) (ALR)	\$1.08	Gables Centerpointe (@70%)	\$1.43		
	Residences At Government Center II - North East 9% (@30%) (ALR)	\$1.08	Dulles Center (@50%)	\$1.28		
			The Apartments At Regent Park (@50%)	\$1.20		
			Gables Centerpointe (@50%)	\$1.10		
			Residences At Government Center II - North East 9% (@30%)	\$0.93		
			Residences At Government Center II - North East 9% (@30%) (ALR)	\$0.93		