

5837 Burton Station Road

Senior Housing Development



Market Study

Submitted to:

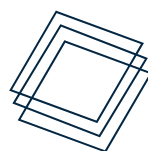
Ashley Jarvis

Virginia Beach Community
Development Corporation

March 9, 2023

Market Study Report

Prepared By:



AREAPROBE



March 9, 2023

Ms. Ashley Jarvis
Virginia Beach Community Development Corporation
2400 Potters Road
Virginia Beach, VA 23454

Re: Market Study – Tranquility at the Lakes II

Dear Ms. Ashley Jarvis,

Attached is our market study for new construction at 5837 Burton Station Road, Virginia Beach VA 23455. The report shows full market support for the development based on the information provided for this study. This assessment is prepared according to the 2023 NCHMA market study requirements and the VHDA requirements.

Sincerely,

C.M. Leatham

Curvin Leatham, CRE
Founder & Chief Executive Officer
AreaProbe Inc.
NCHMA Member Approved Market Analyst



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ANALYST STATEMENT

The proposed Subject Property consists of 38 income-restricted units (4 units at 40% of AMI, 15 units at 50% of AMI, 19 units at 60% of AMI).

The purpose of this report is to provide an analysis of the primary market area to evaluate demand, and market feasibility for the new construction of a 38-unit affordable housing property to be constructed by the client situated at 5837 Burton Stanton Road, Virginia Beach VA 23455.

The intent is to provide housing for low-income senior residents (ages 62+) earning between 40 and 60 percent AMI. The market study was completed consistent with VHDA, National Council for Housing Market Analyst (NCHMA) guidelines.

This report was prepared after multiple site visits in February of 2023 and collection of market data through conversations with property managers in the surrounding area and knowledgeable third-party data sources. During visits, Area Probe personnel toured the property and made visual observations of the grounds, public corridors, parking, supportive retail, and neighborhood activity.

This report is intended to fairly represent our professional opinion. The purpose, intended use, and function of the report is to assess the marketability of the subject property for tax credit application purposes.

Sincerely,

C.M. Leatham

Mr. Curvin Leatham, CRE
Founder & Chief Executive Officer
NCHMA Member Approved Market Analyst
cleatham@areaprobe.com

Ms. Anna DiBella
Market Analyst
anna@areaprobe.com



EXECUTIVE SUMMARY

AreaProbe was commissioned by Virginia Beach Community Development and Seniors Unlimited Lifestyles Inc to prepare a market study to evaluate the demand for housing at 5837 Burton Station Road, Virginia Beach VA 23455 (“Subject Property”). The market study will be included as part of their application for Low-Income Housing Tax Credits (LIHTC) per the requirements of the Internal Revenue Code and the Qualified Allocation Plan (“QAP”) of Virginia for approval from Virginia Housing, the state credit agency. AreaProbe recognizes Virginia Housing as an authorized user of this market study and the represent made herein. AreaProbe a visited the site during the month of February without influence from the client or any representatives.

Overview

The Subject property will offer a mix of one-bedroom and two-bedroom unit floor plans when completed. The development plan calls for the construction of a 38-unit affordable multi-family housing development targeting elderly households earning up to 60 percent AMI (area median income).

We fully support the development as specified in the project scope provided by the client. We expect the residential units proposed to fully lease within 3 months after construction of the property. As part of our examination of the market, AreaProbe conducted a demand analysis to identify the total number of eligible renters within the PMA (primary market area), to lease each of the 38 units, management needs to capture less than 2.2 percent of the addressable market. This is a favorable attribute and supports the intentions of the client.

Floor Plan & Unit Mix Distribution

Unit Type	Square Footage	Unit Mix			Units
		Rent/Income Limit Target	HOME	Subsidized	
1 Bedroom	510 SF	40% of AMI	Yes	Yes	3
1 Bedroom	639 SF	40% of AMI	Yes	Yes	1
1 Bedroom	510 SF	50% of AMI	No	Yes	13
1 Bedroom	510 SF	60% of AMI	No	No	12
1 Bedroom	639 SF	60% of AMI	No	No	3
2 bedroom	831 SF	50% of AMI	Yes	Yes	2
2 bedroom	831 SF	60% of AMI	No	Yes	1
2 bedroom	831 SF	60% of AMI	No	No	3
Total					38

Source: Virginia Beach Community Development Corporation

EXECUTIVE SUMMARY

Proposed Floor Plan by AMI Distribution			
Floor Plan	40% AMI	50% AMI	60% AMI
1 BR - 510 SF	3	13	12
1 BR - 639 SF	1	-	3
2 BR - 831 SF	-	2	4
Total	4	15	19

Source: Virginia Beach CDC

Virginia Beach City Max Income Restriction (LIHTC) 2022						
HH Size	30%	40%	50%	60%	70%	80%
1 Person	\$ 19,650	\$ 26,200	\$ 32,750	\$ 39,300	\$ 45,850	\$ 52,400
2 Person	\$ 22,440	\$ 29,920	\$ 37,400	\$ 44,880	\$ 52,360	\$ 59,840
3 Person	\$ 25,260	\$ 33,680	\$ 42,100	\$ 50,520	\$ 58,940	\$ 67,360
4 Person	\$ 28,050	\$ 37,400	\$ 46,750	\$ 56,100	\$ 65,450	\$ 74,800
5 Person	\$ 30,300	\$ 40,400	\$ 50,500	\$ 60,600	\$ 70,700	\$ 80,800

Source: HUD

Project Capture Rate

The full lease each of the (38) rooms at the Subject Property management will need to capture 0.1% of the eligible renter market with subsidies or 2.6% without subsidies. This is a favorable metric when considering demand for the proposed housing project.

Project Wide Capture Rate – LIHTC:	2.6%
Project Wide Capture Rate Market Units:	0.0%
Project Wide Capture Rate – All Units:	1.7%
Project Wide Absorption Period (Months):	3 months

EXECUTIVE SUMMARY

Virginia Beach Approved LIHTC Rents

Virginia Beach City Max Rent Restriction (LIHTC) 2022						
Bedroom Size	30%	40%	50%	60%	70%	80%
Efficiency	\$ 491	\$ 655	\$ 818	\$ 982	\$ 1146	\$ 1310
1 BR	\$ 526	\$ 701	\$ 876	\$ 1052	\$ 1227	\$ 1403
2 BR	\$ 631	\$ 842	\$ 1052	\$ 1263	\$ 1473	\$ 1684
3 BR	\$ 729	\$ 972	\$ 1215	\$ 1458	\$ 1701	\$ 1945
4 BR	\$ 813	\$ 1085	\$ 1356	\$ 1627	\$ 1898	\$ 2170

Demand for HHs Without Subsidies

Without Housing Choice Vouchers	
VHDA Demand Calculation	
Income Restrictions	60%
Minimum Income Limit	\$ 31,560
Maximum Income Limit	\$ 39,300
Income-Qualified Renter Households	40%
Percentage of Rent-Overburdened Households	47.50%
New Rental Households	-162
Existing Overburdened Households	1754
Renters in Substandard Housing	92
Elderly Households-Likely to Convert to Rental Housing	35
Existing Qualifying Tenants to Remain After Renovation	0
Total Demand	1431
Compare Pipeline Units	
Comparable Vacant Units	0
Net Demand	1431
Subject Proposed Units	38
Capture Rate	2.60%
Estimated Absorption	3 months

Source: AreaProbe Inc.

Conclusion: We fully support the proposed project as presented for the market analysis.

EXECUTIVE SUMMARY

LIHTC Rental Rates in the PMA

LIHTC properties in the immediate area are performing very well given the indicators shown below. Of the 758 units surveyed there were few vacant units available. This is consistent with phone conversations with several property managers that stated waiting lists of 30 – 50 applicants long to be placed in a restricted income unit.

		Comparable Restricted Apartments								
	Property Name	City	1 BD	1 BD SF	Price/SF	2 BD	2 BD SF	Price/SF	Occupancy	Type
1	The Sands Apts	VA Beach	\$950	569	\$1.67	\$1,120	1000	\$1.12	100%	Elderly
2	Lynn Haven Cove Senior	VA Beach	\$978	730	\$1.33	\$1,184	920	\$1.28	100%	Elderly
3	Wesleyan Place	VA Beach	\$900	610	\$1.48	\$1,105	900	\$1.23	100%	Elderly
4	Victoria Place	VA Beach	\$923	693	\$1.33	\$1,106	880	\$1.26	99%	Elderly
5	Riverside Station	Norfolk	\$955	693	\$1.37	\$1,141	966	\$1.18	97%	Family
6	Holland House- Senior	VA Beach	\$935	596	\$1.56	\$1,135	817	\$1.39	99%	Elderly
7	The Renaissance	VA Beach	\$968	728	\$1.32	\$1,151	1,012	\$1.13	100%	Family
Average			\$944	659	\$1.43	\$1,134	928	\$1.22	99%	

Source: AreaProbe Inc.

Achievable Rents

Based on our evaluation of the market, we believe management will be able to obtain the tenant base needed to lease the 38 units due to the type of housing that is being offered (elderly supportive housing) and the high demand for new and vacant housing in the area. If the proposed project was a market rate property, we believe management could attract \$1,451 per one bedroom unit monthly and \$1,706 per two-bedroom unit. With the proposed rent prices, tenants will save on average \$451 per month 1-bedroom units at the subject property when compared to market rate apartments. It is estimated that tenants will save around \$486 monthly on a 2-bedroom apartment with the proposed rent when compared to the average market rate price for a 2-bedroom unit. Note that rents at 40% and 50% AMI will be subsidized and rents at 60% AMI are near the cusp of maximum income restrictions due to the demand and limited supply in the area.

Achievable Rents							
Unit Type	AMI	HOME	Subsidized	# of Units	Square Foot	Monthly Rent	Total Monthly
1 Bedroom	40%	Yes	Yes	3	510.47	\$1,250	\$3,750
1 Bedroom	40%	Yes	Yes	1	639.01	\$1,250	\$1,250
1 Bedroom	50%	Yes	Yes	13	510.47	\$1,250	\$16,250
1 Bedroom	60%	No	No	12	510.47	\$1,000	\$12,000
1 Bedroom	60%	No	No	3	639.01	\$1,000	\$3,000
2 Bedroom	50%	Yes	Yes	2	831.13	\$1,461	\$2,922
2 Bedroom	60%	Yes	Yes	1	831.13	\$1,461	\$1,461
2 Bedroom	60%	No	No	3	831.13	\$1,220	\$3,660

Source: AreaProbe Inc., Housing Development Authority

EXECUTIVE SUMMARY

Housing Choice Voucher Program (Section 8) Waitlist

There are 3,000 households on the waitlist for housing choice vouchers. The waitlist is currently closed according to the Virginia Beach Housing Authority.

Market Rate Advantage

Market Rate Advantage		
Floor Plan	1 Bedroom	2 Bedroom
Market Rate Advantage	\$1,451	\$1,706
LIHTC Average	\$1,054	\$1,234
\$ Difference	\$397	\$472
% Difference	-32%	-32%

Source: AreaProbe, HUD

Absorption Rate

Based on the information shared to produce this study, we believe the Subject will stabilize in 3 months from the completion date due to pent up demand for affordable housing in the area, AreaProbe predicts there will be at least 5 pre-leased apartments because of the market anticipation and the existing waitlist in the PMA. The chart below reflects a very conservative estimate of the absorption rate.

Absorption Rate	
Time	Units leased
Pre-leased	5
30 Days	15
60 Days	10
90 Days	8

Property Amenities

- Community Room
- Internet included for all tenants
- Organized Activities and Group Outings
- Senior Resource Center on-site
- On-Site Laundry Facility

EXECUTIVE SUMMARY

Recommendations

We recommend utilizing the modern property amenities such as controlled access, surveillance cameras, and COVID-19 prevention tactics when the property is completed. Aside from these factors, we recommend proceeding with the scope as proposed.

Pros

- Client has experience catering to the intended demographics
- Access to public parks, universities, beaches, and the Norfolk Zoo
- Internet included for all tenants
- Proximity to grocery stores, banks, and public services
- Within walking distance to at least 1 bus line for transportation access
- Development will provide new quality affordable housing options which should attract potential renters

Cons

- Distance from full-service health care center

PROJECT DESCRIPTION – SCOPE OF WORK

Purpose:	For-Lease Affordable Housing
Program:	LIHTC
Occupancy Type:	Elderly Supportive
Number of Units:	38
AMI Distribution:	4 – 1 Bedroom @ 40% AM, 13 – 1 Bedrooms at 50%, 2 – 2 Bedrooms @ 50%, 15 – 1 Bedrooms at 60%, 4 – 2 Bedrooms at 60%
Construction Type:	New Construction
Street Address:	5837 Burton Station Road, Virginia Beach, Virginia
Parcel Number:	Square: 5842 Lots: 0015 -0021
Primary Use:	Low-rise multi-family residential facility
Year Built & Age:	New Construction (Late 2023/Early 2024)
Number of Stories:	3 stories (including partially above-grade basement level)
Total Building Area:	To be determined
Zoning:	R-5D
Flood Zone:	X – No Flood
Risk No. of On-Site Parking Spaces:	43
No. of On-Site Handicap Parking Spaces:	6

PROPERTY LOCATION

SITE LOCATION



Source: GoogleMaps

Address: 5837 Burton Station Rd

East: Tolliver

North: Burton Station

West: Finney Circle

South: North Hampton Blvd

Walkscore: 32– Car Dependent

TransitScore: 26 – Some Transit

Classification: Multifamily Elderly Housing

PROJECT DESCRIPTION – PROPERTY PHOTOS

Photos of Surrounding Area



Source: AreaProbe Inc.

PROJECT DESCRIPTION – PROPERTY PHOTOS

Photos of Surrounding Area



PROJECT DESCRIPTION – SURROUNDING AREA PHOTOS

Photos of Surrounding Area

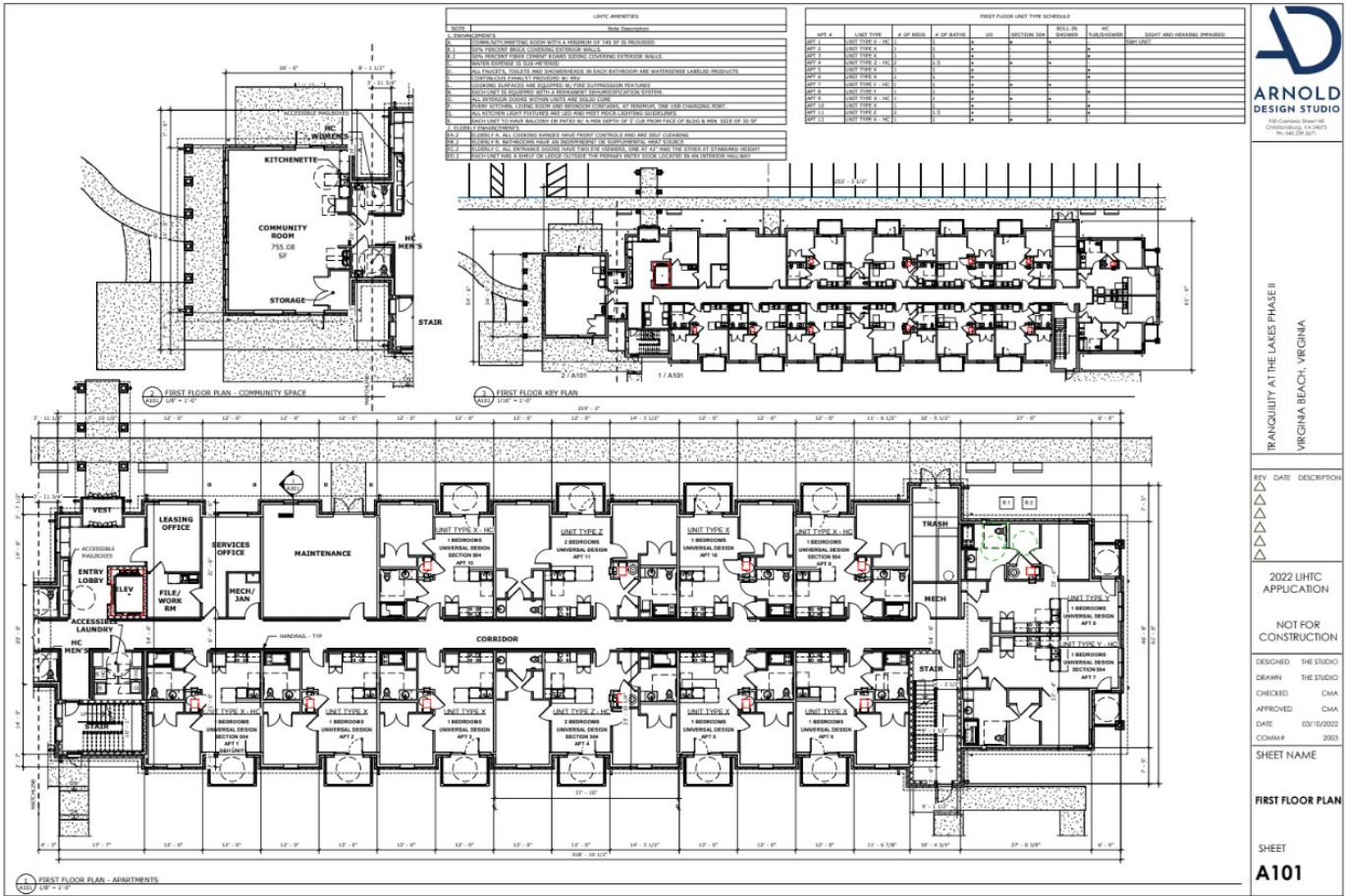


Photos of Surrounding Area



PROJECT DESCRIPTION – BUILDING PLANS

First Floor Plans



TRANQUILITY AT THE LAKES PHASE II
VIRGINIA BEACH, VIRGINIA

REV. DATE DESCRIPTION

2022 LHIC APPLICATION

NOT FOR CONSTRUCTION

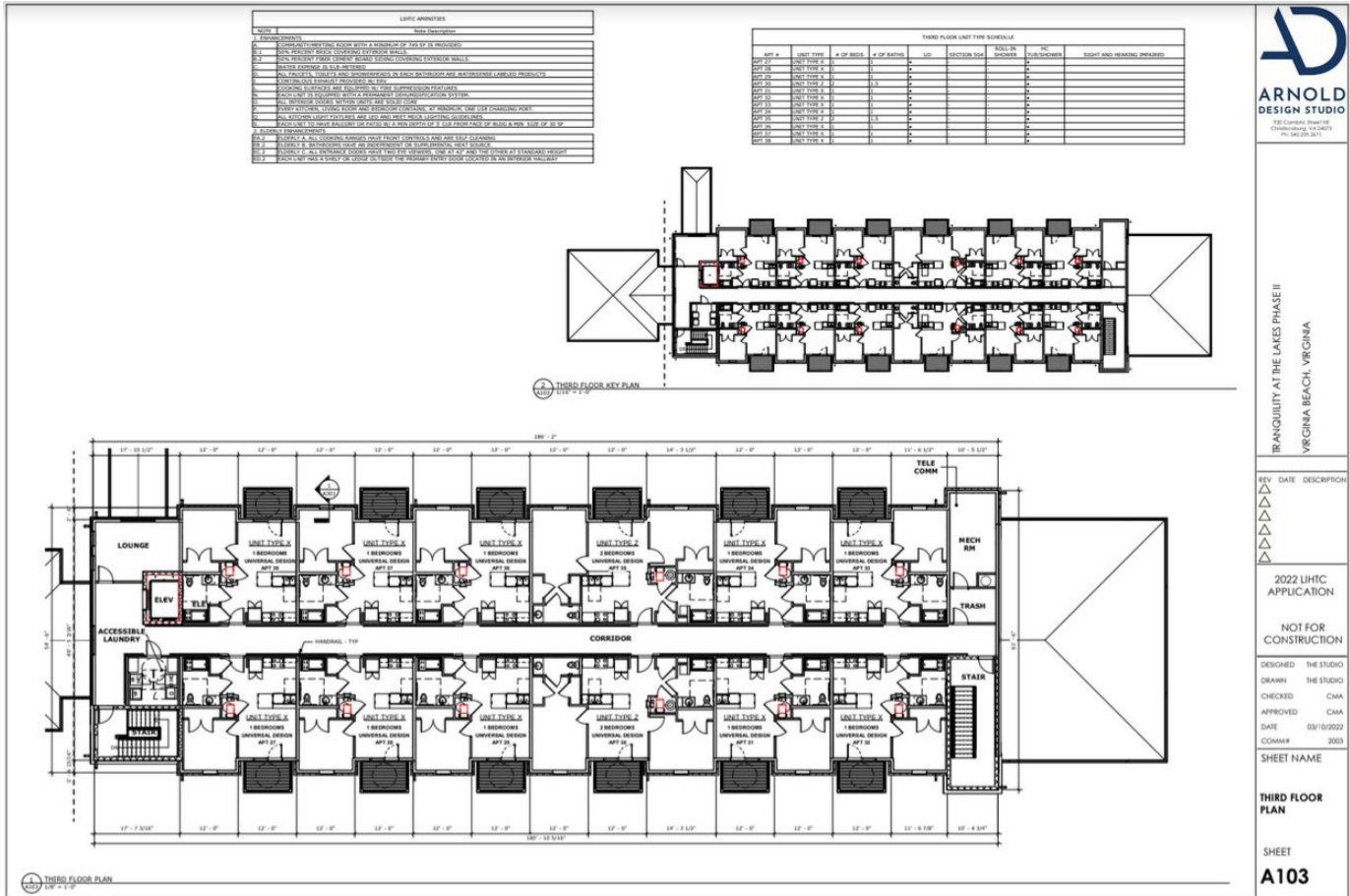
DESIGNED: THE STUDIO
DRAWN: THE STUDIO
CHECKED: CMA
APPROVED: CMA
DATE: 03/10/2022
COMPILED: 2023

SHEET NAME
FIRST FLOOR PLAN

SHEET
A101

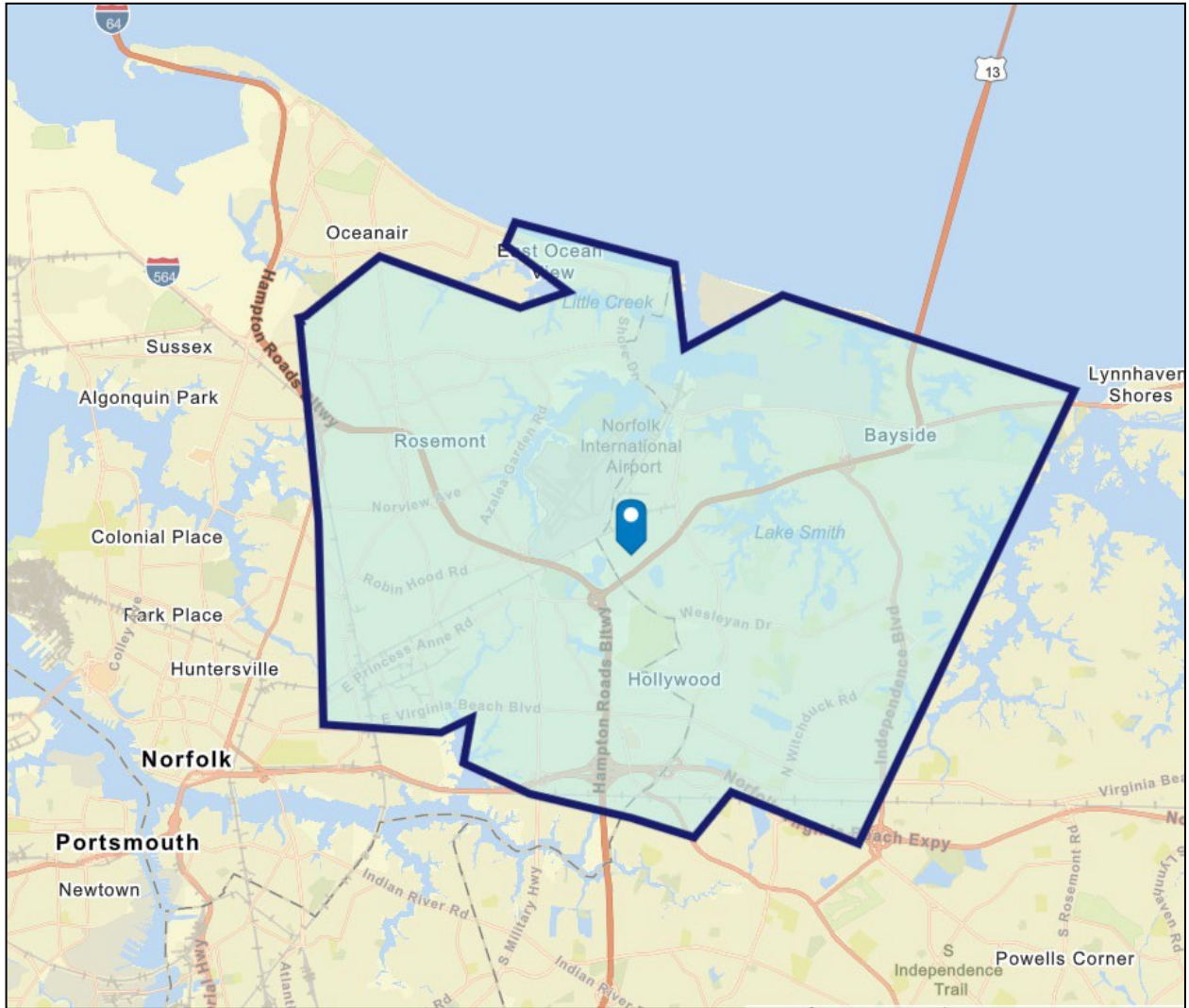
PROJECT DESCRIPTION – BUILDING PLANS

Third Floor Plans



PRIMARY MARKET AREA

Primary Market Area

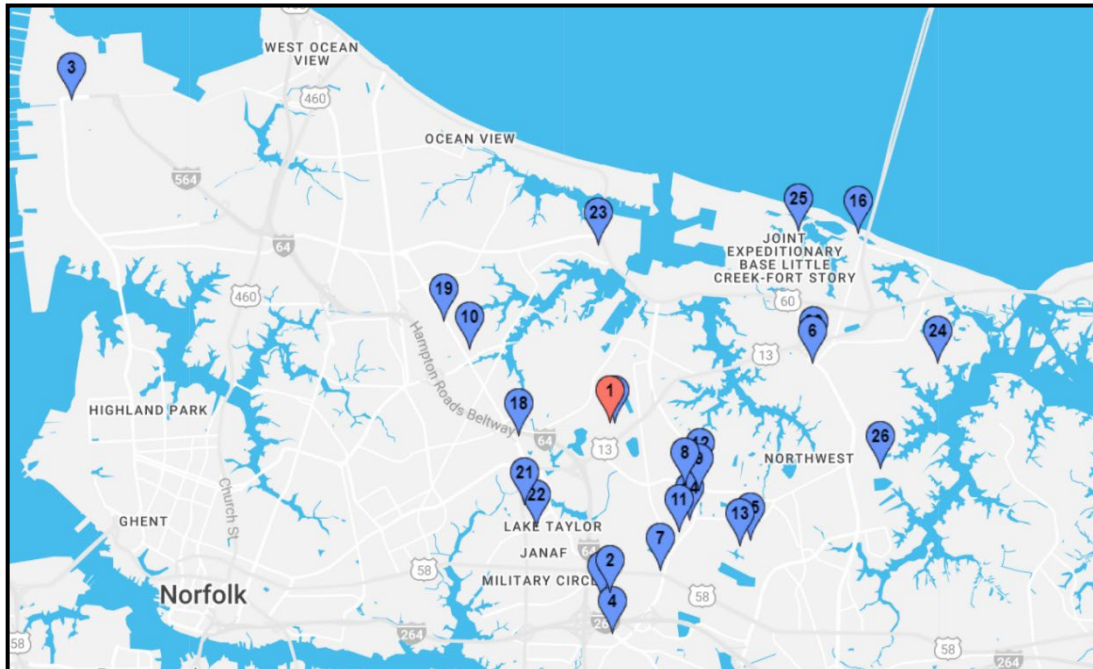


Source: ESRI

Primary Market Area includes all areas within a 10-minute drive from Subject Property. The PMA was chosen after several conversations with local property managers to determine where renters typically come from.

NEIGHBORHOOD AMENITIES

Map of Neighborhood Amenities



Source: BatchGeo, AreaProbe Inc.

Distance to Neighborhood Amenities

Neighborhood Amenity Profile				
Map Order	Venue	City	Distance	Time
1	SUBJECT	Virginia Beach, Virginia	-	-
2	Sentara Leigh Hospital	Norfolk, Virginia	3.5 mi	11 min
3	BHC NAVSTA Norfolk	Norfolk, Virginia	9.8 mi	13 min
4	Childrens Hospital of the King's Daughters	Norfolk, Virginia	4.6 mi	9 min
5	Neurology Consultants of Tidewater	Norfolk, Virginia	3.6 mi	10 min
6	CVS Pharmacy	Virginia Beach, Virginia	3.2 mi	7 min
7	CVS Pharmacy	Virginia Beach, Virginia	2.6 mi	8 min
8	Walgreens Pharmacy	Virginia Beach, Virginia	1.8 mi	6 min
9	Food Lion	Virginia Beach, Virginia	2.2 mi	6 min
10	Food Lion	Norfolk, Virginia	2.7 mi	8 min
11	Grand Mart	Virginia Beach, Virginia	2.3 mi	7 min
12	Cypress Point North Park	Virginia Beach, Virginia	1.9 mi	5 min
13	Lynbrook Landing Park	Virginia Beach, Virginia	3.2 mi	8 min
14	Lake Edward Park	Virginia Beach, Virginia	2.2 mi	6 min
15	Williams Farm Park	Virginia Beach, Virginia	3.1 mi	8 min
16	Chesapeake Beach Park	Virginia Beach, Virginia	4.5 mi	10 min
17	New Burton Fire Station	Virginia Beach, Virginia	0.5 mi	1 min
18	Norfolk Second Patrol Division	Norfolk, Virginia	2.1 mi	6 min
19	Norfolk Public Library: Barron F Black Branch	Norfolk, Virginia	3.2 mi	8 min
20	United States Postal Service	Virginia Beach, Virginia	3.7 mi	8 min
21	Wells Fargo Bank	Norfolk, Virginia	2.4 mi	10 min
22	Woodforest National Bank	Norfolk, Virginia	2.5 mi	7 min
23	Wells Fargo Bank	Norfolk, Virginia	3.3 mi	8 min
24	Thoroughgood House	Virginia Beach, Virginia	5.0 mi	11 min
25	Seal Heritage Center	Virginia Beach, Virginia	4.7 mi	12 min
26	Lynnhaven House	Virginia Beach, Virginia	5.1 mi	11 min

NEIGHBORHOOD AMENITIES

The Subject is within a 3-mile radius of three full-service grocery stores (Safeway & Giant), and less than 2 miles away from the closest pharmacy.

ACCESS TO HEALTHCARE					
Map Order	Venue	Address	City	Distance from subject	Time
2	Sentara Leigh Hospital	830 Kempsville Rd	Norfolk	3.5 mi	11 min
3	BHC NAVSTA Norfolk	1721 Admiral Taussig Blvd	Norfolk	9.8 mi	13 min
4	Childrens Hospital of the King's Daught	171 Kempsville Rd	Norfolk	4.6 mi	9 min
5	Neurology Consultants of Tidewater	6161 Kempsville Rd	Norfolk	3.6 mi	10 min

Source: GoogleMaps, AreaProbe Inc.

ACCESS TO PHARMACIES					
Map Order	Venue	Address	City	Distance from Subject	Time
6	CVS Pharmacy	972 E 1707 Independence Blvd	Virgina Beach	3.2 mi	7 min
7	CVS Pharmacy	6678 E Virginia Beach Blvd	Virgina Beach	2.6 mi	8 min
8	Walgreens Pharmacy	5501 Wesleyan Dr	Virgina Beach	1.8 mi	6 min

Source: GoogleMaps, AreaProbe Inc.

ACCESS TO GROCERY STORES					
Map Order	Venue	Address	City	Distance from subject	Time
9	Food Lion	5461 Wesleyan Dr.	Virgina Beach	2.2 mi	6 min
10	Food Lion	6202 N Military Hwy	Norfolk	2.7 mi	8 min
11	Grand Mart	649 Newton Rd Ste 105	Virgina Beach	2.3 mi	7 min

Source: GoogleMaps, AreaProbe Inc.

ACCESS TO BANKING					
Map Order	Venue	Address	City	Distance from subject	Time
21	Wells Fargo Bank	1280 N Military Hwy	Norfolk	2.4 mi	10 min
22	Woodforest National Bank	1170 N Military Hwy	Norfolk	2.5 mi	7 min
23	Wells Fargo Bank	4253 E Little Creek Rd	Norfolk	3.3 mi	8 min

Source: GoogleMaps, AreaProbe Inc.

ACCESS TO PARKS AND RECREATION					
Map Order	Venue	Address	City	Distance from subject	Time
12	Cypress Point North Park	1100 Fallbrook Bend	Virgina Beach	1.9 mi	5 min
13	Lynbrook Landing Park	5390 Lyonbrook Landing	Virgina Beach	3.2 mi	8 min
14	Lake Edward Park	704 Hampshire Ln	Virgina Beach	2.2 mi	6 min
15	Williams Farm Park	5269 Learning Circle	Virgina Beach	3.1 mi	8 min
16	Chesapeake Beach Park	2528 Beaufort Ave	Virgina Beach	4.5 mi	10 min

Source: GoogleMaps, AreaProbe Inc.

ACCESS TO ARTS AND CULTURE					
Map Order	Venue	Address	City	Distance from subject	Time
24	Thoroughgood House	1636 Parish Rd	Virgina Beach	5.0 mi	11 min
25	Seal Heritage Center	1619 D Street	Virgina Beach	4.7 mi	12 min
26	Lynnhaven House	4409 Wishart Rd	Virgina Beach	5.1 mi	11 min

NEIGHBORHOOD AMENITIES

The location of the Subject property offers ease of access to public transportation, and regional transportation outlets to travel outside of PMA and the surrounding area if desired. Residents can travel to Norfolk, Newport News, Richmond, Washington DC and Durham in 3 hours or less for work or leisure by car.

Regional Transportation

Regional Transportation		
Regional Transportation	Distance	Time (by car)
Norfolk Airport	3.3 mi	7 min
Greyhound Bus Stop	7.7 mi	17 min
Amtrak	7.7 mi	12 min

Source: GoogleMaps, AreaProbe Inc.

Regional Transportation (Continued)

Regional Commute		
Location	Distance (Miles)	Time (by car)
Norfolk, VA	7.8 mi	0h 12m
Newport News, VA	29.5 mi	0h 30m
Richmond, VA	94 mi	1h 25m
Washington, DC	195 mi	2h 50m
Durham, NC	191 mi	3h 0m
Wilmington, DE	237 mi	4h 0m
Baltimore, MD	240 mi	4h 27m

Source: GoogleMaps, AreaProbe Inc.

Local Mobility

Local Mobility			
Route	Transit Stop	Distance	Time (by car)
027	Wesleyan & College	1.6 mi	5 min
023	Lowery & Kempsville	2.1 mi	6 min
009	Sewell Point & Texas	3.4 mi	8 min

Source: GoogleMaps, AreaProbe Inc.

Local Mobility Continued		
WalkScore	Some Transit	Somewhat Bikeable
28	30	38

Source: WalkScore, AreaProbe Inc.

DEMOGRAPHIC ANALYSIS

Population growth reflects a desire to live in a particular community/area. General population in Virginia has grown and is projected to grow more, though not at the fast pace of national general population (growth of 8.2% from 2010-2021). The PMA's general population and household population is set to become stagnant in the coming years, not increasing but decreasing very slightly at 0.5% in the next 2 years.

From 2010 – 2022 the PMA added 6,881 new households which equates to a growth rate of 11.1 percent over a twelve-year period. By 2027, household population is estimated to decrease by a slight 815 households. This trend is expected to continue but at a slightly slower growth projection. Between 2022-2027, Virginia is projected to add an additional 80,547 homes to the area; the PMA is projected to contribute 2,661 new homes to that number. While the household population growth rate in the PMA is lower than in both the surrounding area and the nation, the demand can still be considered high because of the shortage in housing that presently exists in Virginia. This is demonstrated by the waiting lists that exist at every restricted and market rate property surveyed.

Year	Household Population					
	PMA		Virginia		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	62,114	-	3,056,058	-	116,716,292	
2022	68,995	11.1%	3,366,802	5.2%	126,470,675	8.4%
2024	68,669	-0.5%	3,386,680	1.3%	128,759,020	1.8%
2027	68,180	-0.7%	3,416,496	0.9%	131,047,364	1.8%

Source: AreaProbe Inc., ESRI

Year	General Population					
	PMA		Virginia		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	153,705	-	8,001,024	-	308,745,538	-
2022	168,934	9.9%	8,744,590	9.3%	333,934,112	8.2%
2024	166,788	-1.3%	8,789,418	0.5%	341,106,142	2.1%
2027	163,568	-3.2%	8,856,660	0.8%	345,887,495	1.4%

Source: AreaProbe Inc., ESRI

Year	Median Age					
	PMA		Virginia		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	33.6	-	37.4	-	37.1	-
2022	36.2	7.7%	39.2	4.8%	38.8	4.60%
2024	36.76	1.5%	39.5	0.8%	39.2	1.1%
2027	37.6	2.3%	40.0	1.2%	39.5	1.80%

Source: AreaProbe Inc., ESRI

DEMOGRAPHIC ANALYSIS

Year	PMA		Household Size Virginia		United States	
	Number	% Change	Number	% Change	Number	% Change
2010	2.41	-	2.54	-	2.58	-
2022	2.36	-2.1%	2.52	-0.8%	2.58	0.0%
2024	2.34	-0.8%	2.52	0.0%	2.58	0.5%
2027	2.31	-1.3%	2.52	0.0%	2.58	0.0%

Source: AreaProbe Inc., ESRI

Vacant housing is increasing slightly it is on par with the State and Country averages as well.

Year	PMA		Vacant Housing Units Virginia		United States	
	Number	% Change	% Vacant	% Change	% Vacant	% Change
2010	12.00%	-	9.20%	-	11.4%	-
2022	11.00%	-8.3%	8.60%	-6.5%	11.5%	0.9%
2024	12.56%	14.2%	8.84%	2.8%	11.7%	1.6%
2027	15.00%	18.8%	9.20%	4.1%	11.8%	1.0%

Source: AreaProbe Inc., ESRI

The total number of households earning over \$100,000 in the PMA is expected to grow by 5,000 households over the next five years.

HH Income Distribution	2022	Percent	2027	Percent
<15,000	13799	20.00%	10977	16.10%
\$15,000 - \$24,999	6210	9.00%	4364	6.40%
\$25,000 - \$34,999	5313	7.70%	4295	6.30%
\$35,000 - \$49,999	9521	13.80%	10159	14.90%
\$50,000 - \$74,999	10901	15.80%	10432	15.30%
\$75,000 - \$99,999	7865	11.40%	7568	11.10%
\$100,000 - \$149,999	7727	11.20%	9682	14.20%
\$150,000 - \$199,999	3726	5.40%	5250	7.70%
\$200,000	4002	5.80%	5523	8.10%
Avg. HH Income	\$76,999		\$96,111	

Source: AreaProbe Inc., ESRI

DEMOGRAPHIC ANALYSIS

The average income in the PMA is expected to grow by 22 percent over the next 5 years which is 9 percent higher than the estimate for the surround in Virginia, which is projected to grow by 13%.

Average Household Income			
Year	PMA	Virginia	United States
2022	\$76,999	\$121,628	\$105,029
2024	\$84,644	\$128,737	\$111,879
2027	\$96,111	\$139,401	\$122,155

Source: AreaProbe Inc., ESRI

Median Household Income			
Year	PMA	Virginia	United States
2022	\$64,903	\$82,443	\$72,414
2024	\$68,951	\$87,187	\$77,226
2027	\$75,024	\$94,302	\$84,445

The level education attainment in the PMA does not reflect the same favorable statistics as the surrounding area of Virginia which more closely follows the nation trend of a little over 33% of residents with advanced degrees. The PMA does have a higher number of residents with some college education (no degree), 23% versus the nations average of 19.8%. This is likely due to its proximity to Virginia Wesleyan University where many students are still seeking their degrees in higher education.

Education Attainment - 2022 Population, Age 25+			
Area	PMA	MSA	US
Attainment Level	Percentage	Percentage	Percentage
Less than 9th Grade	2.9%	3%	4.7%
9th - 12th Grade, No Diploma	8.4%	5.2%	6.4%
High School Graduate	30.4%	21.9%	22.9%
GED/Alternative Credential	5.1%	3.3%	4.0%
Some College, No Degree	23.0%	16.4%	19.8%
Associate Degree	6.6%	7.6%	8.7%
Bachelor's Degree	13.3%	23.7%	20.6%
Graduate/Professional Degree	10.3%	19.3%	13.0%

Source: AreaProbe Inc., ESRI

Zoning Analysis



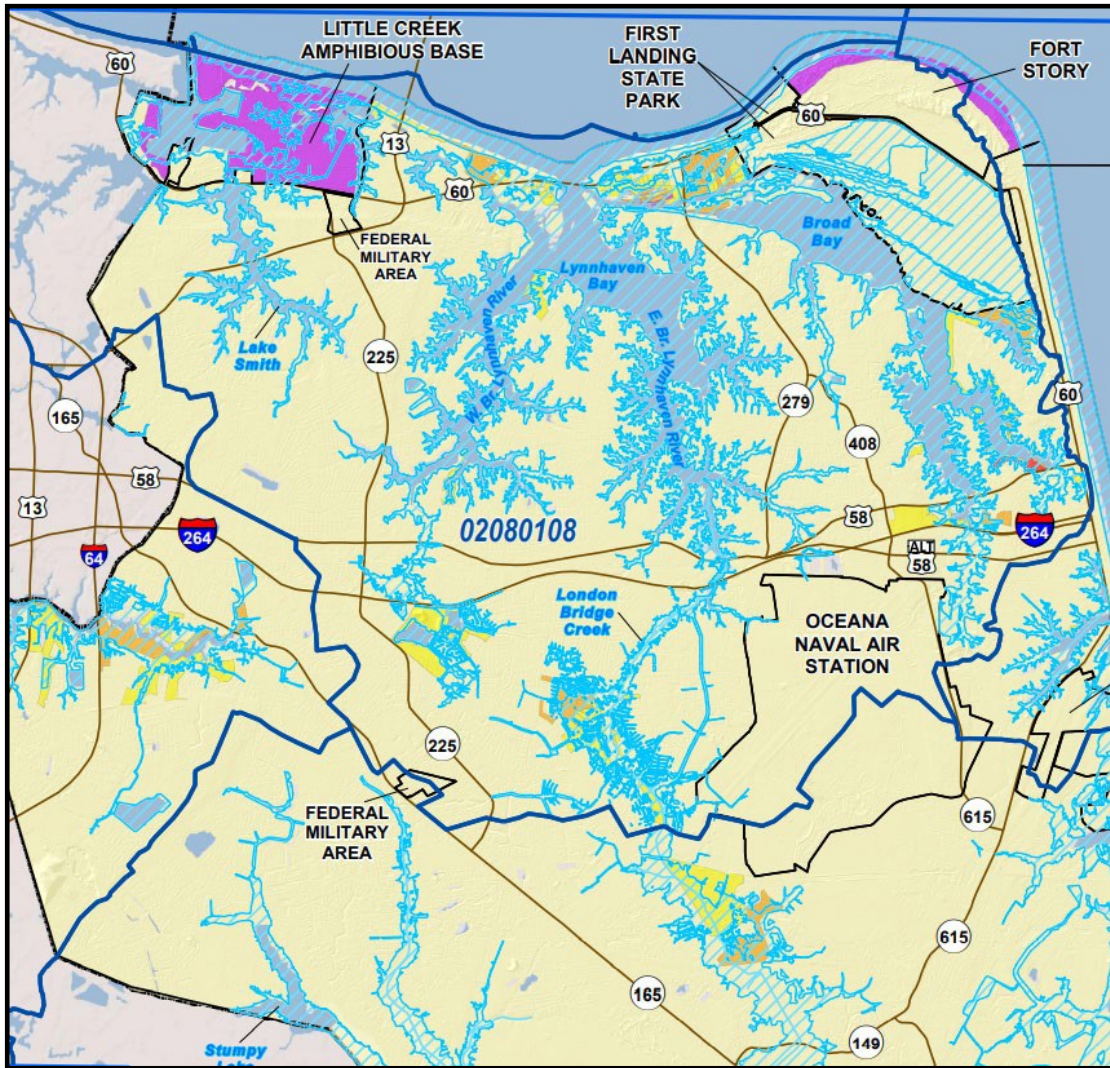
Source: Virginia Beach Department of Planning

Premises Address: 5837 Burton Station Road, Virginia Beach, Virginia
GPIN #: 1458-88-2715, 1458-89-2065, 1458-88-2897, 1458-89-2090, 1458-89-3052
Zoning District: R-5D - CUP Legal, conditional use.
Ward: District 4
Minimum Lot Area: 5000
Minimum Width (in feet): 50
Maximum Lot Occupancy: 60
Maximum Stories: 3
Front Set back: 20 feet (front yard),
Side Setback: 18 feet (minimum side yard setback when adjacent to a street.
Rear Yard Setback: 20 Feet

Source: Virginia Beach Municipal Code

FLOOD ZONE ANALYSIS

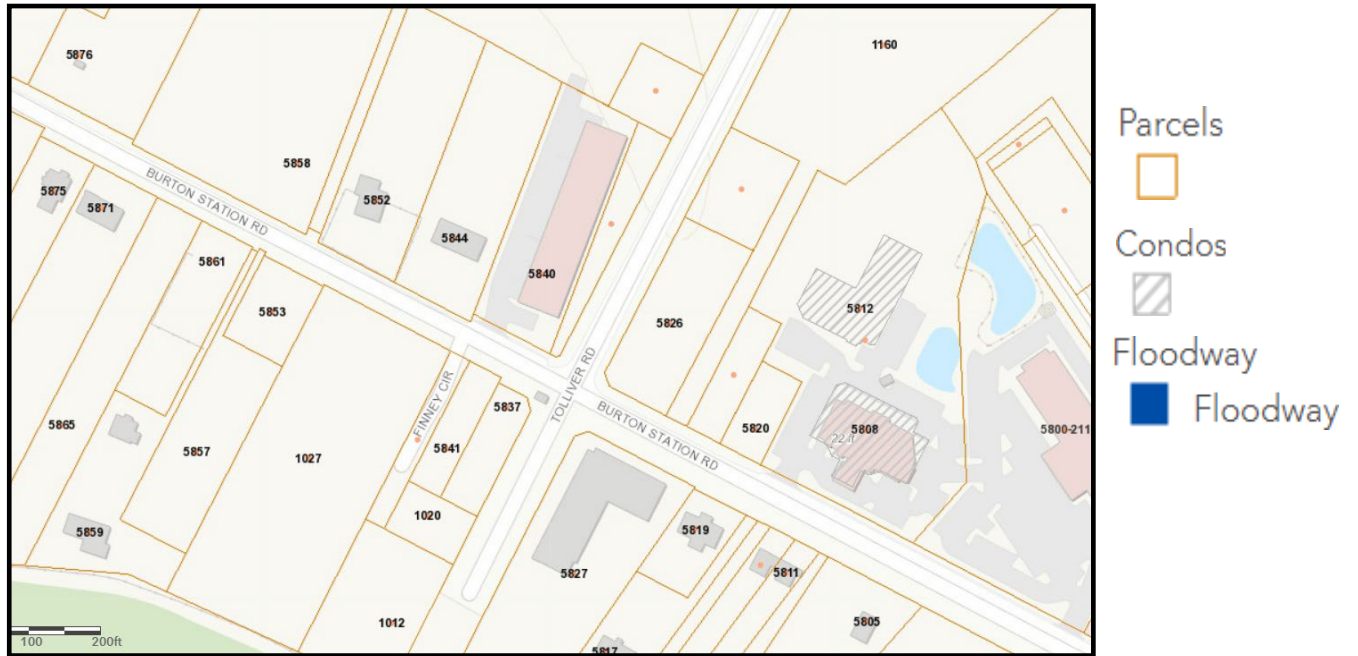
Flood Zone Analysis



Source: FEMA Flood Map Service Center



FLOOD ZONE ANALYSIS



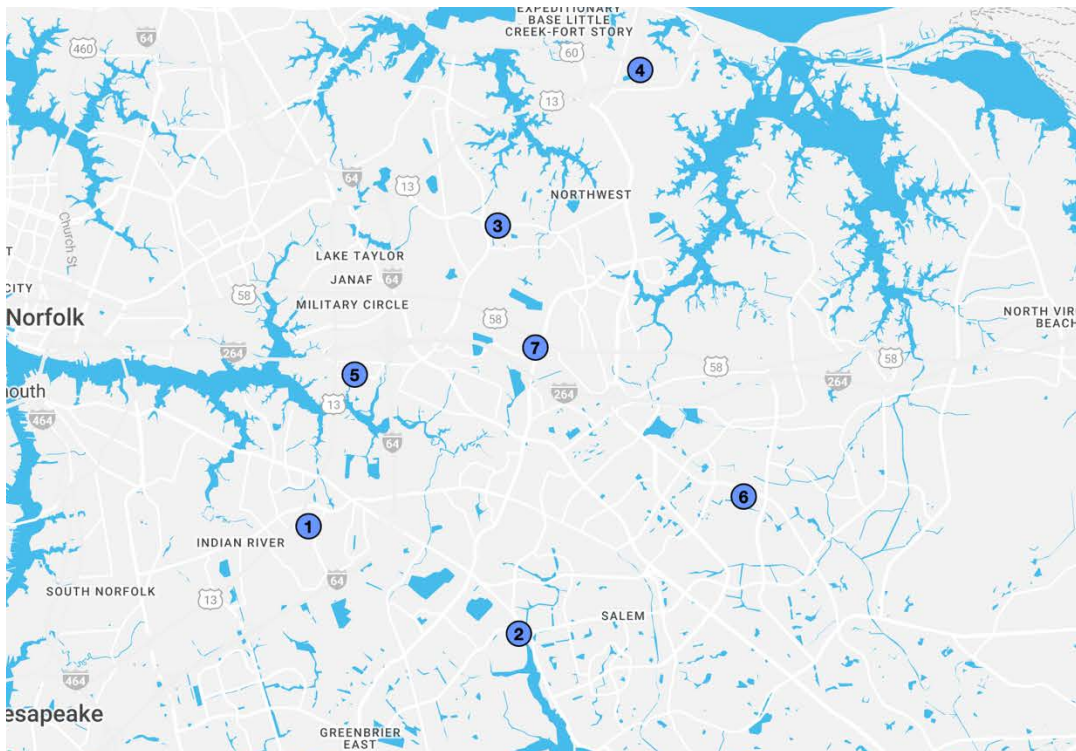
Source: City of Virginia Beach

GPIN	1.45889E+13
Zip Code	23455
Property Address	5837 BURTON
Subdivision	BURTON STATION
FEMA Flood Zone	X
Zoning	R5D
Property Class	703
Map Book	7
Map Book Page	45
Regulatory Watersheds	Chesapeake Bay
Planning Grid	B4
Lot Number	12D

According to FEMA map number 5155310014F dated May 04, 2009, the subject property is in Zone X. This area is located outside the 100-year flood zone.

LOCAL LIHTC RENTAL MARKET

Map of Restricted Income Properties



Source: BatchGeo AreaProbe

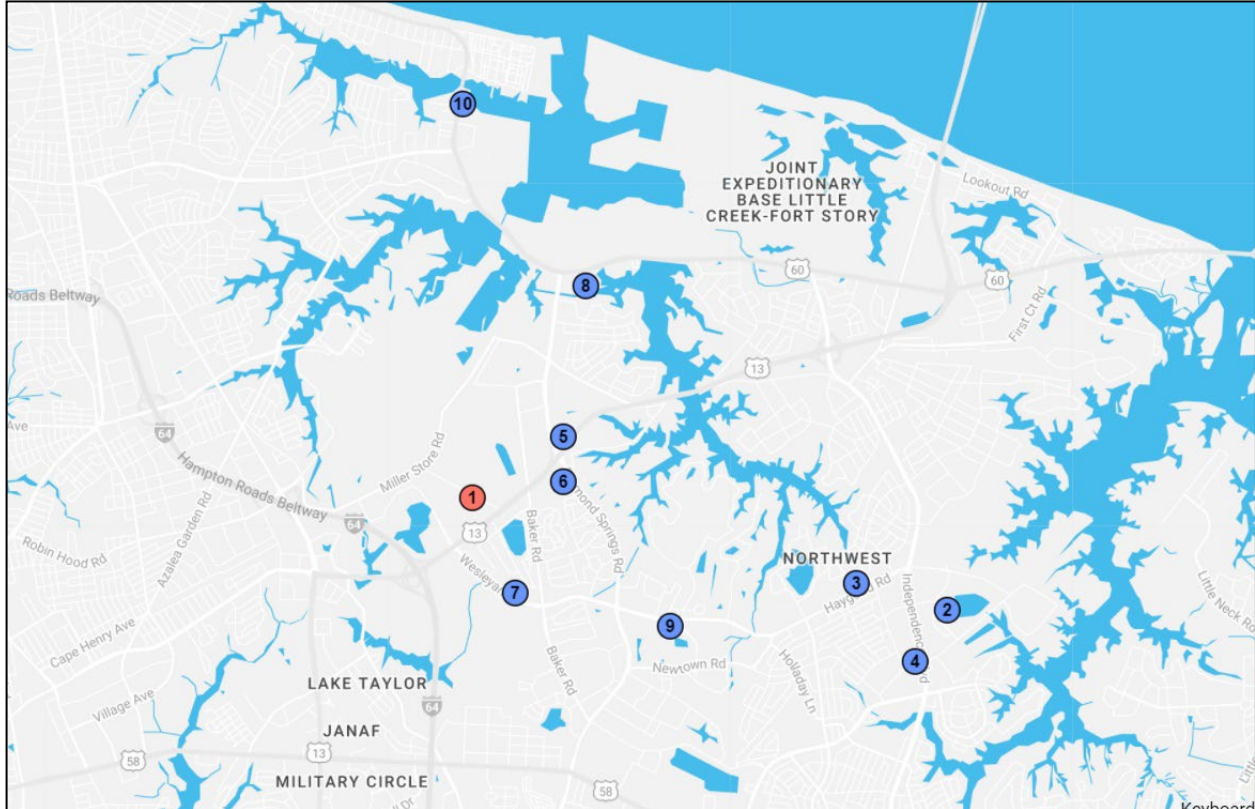
Local LIHTC Rents

Comparable Restricted Apartments										
	Property Name	City	1 BD	1 BD SF	Price/SF	2 BD	2 BD SF	Price/SF	Occupancy	Type
1	The Sands Apts	VA Beach	\$950	569	\$1.67	\$1,120	1000	\$1.12	100%	Elderly
2	Lynn Haven Cove Senior	VA Beach	\$978	730	\$1.33	\$1,184	920	\$1.28	100%	Elderly
3	Wesleyan Place	VA Beach	\$900	610	\$1.48	\$1,105	900	\$1.23	100%	Elderly
4	Victoria Place	VA Beach	\$923	693	\$1.33	\$1,106	880	\$1.26	99%	Elderly
5	Riverside Station	Norfolk	\$955	693	\$1.37	\$1,141	966	\$1.18	97%	Family
6	Holland House- Senior	VA Beach	\$935	596	\$1.56	\$1,135	817	\$1.39	99%	Elderly
7	The Renaissance	VA Beach	\$968	728	\$1.32	\$1,151	1,012	\$1.13	100%	Family
	Average		\$944	659	\$1.43	\$1,134	928	\$1.22	99%	

LIHTC properties in the immediate area are performing very well given the indicators shown in the table below. Of 758 properties surveyed, there were no vacant LIHTC units, each property was operating at 100% occupancy at the time of analysis. There is a lengthy waiting list (each at least 30 applicants long) for any given LIHTC unit in the PMA.

LOCAL MARKET RATE RENTALS

Map of Market Rate Rental Units



Source: BatchGeo AreaProbe

Local Market Rate Rents

	Property Name	City	Comparable Market Rate Apartments							Type
			1 BD	1 BD SF	Price/SF	2 BD	2 BD SF	Price/SF	Occupancy	
1	Subject	VA Beach	-	-	-	-	-	-	-	Elderly
2	Old Donation	VA Beach	\$1,440	870	\$1.66	\$1,765	1235	\$1.43	100%	Elderly
3	Haygood Halls	VA Beach	\$1,550	880	\$1.76	\$1,935	1405	\$1.38	98%	Elderly
4	Mariners Cove	VA Beach	\$1,170	705	\$1.66	\$1,400	985	\$1.42	97%	Family
5	Diamond North	VA Beach	\$1,801	820	\$2.20	\$2,069	1121	\$1.85	96%	Family
6	Spring Water	VA Beach	\$1,626	850	\$1.91	\$1,850	1190	\$1.55	94%	Family
7	Coastal 61	VA Beach	\$1,570	734	\$2.14	\$1,799	1106	\$1.63	99%	Family
8	Waterford Apts	VA Beach	\$1,180	555	\$2.13	\$1,310	810	\$1.62	98%	Family
9	Dove Landing	VA Beach	\$905	620	\$1.46	\$1,130	800	\$1.41	99%	Family
10	Marina Villa	Norfolk	\$1,818	601	\$3.02	\$2,097	949	\$2.21	96%	Family
	Average		\$1,451	737	\$1.66	\$1,706	1067	\$1.61	97%	

Source: AreaProbe Inc.

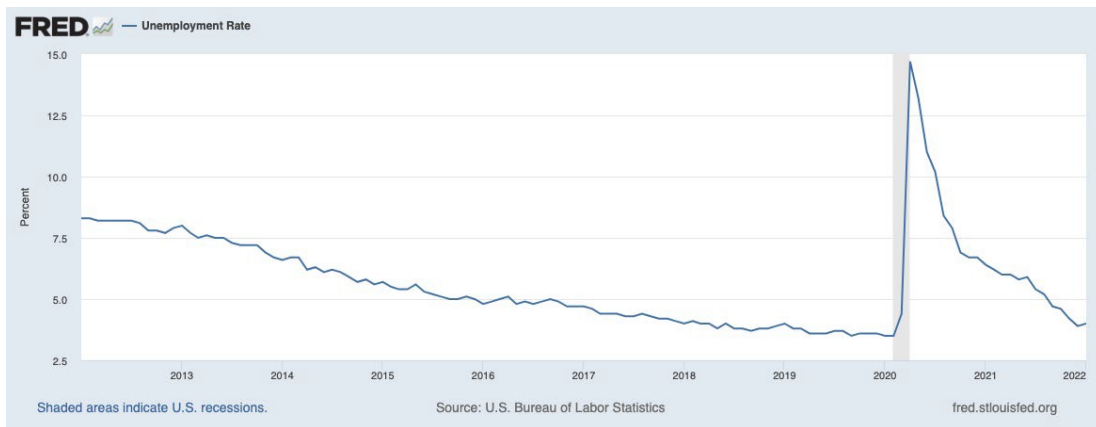
Like the LIHTC apartments, local market rate apartments are operating at nearly 100% occupancy; many site managers reported similarly lengthy wait lists as well.

EMPLOYMENT STATISTICS

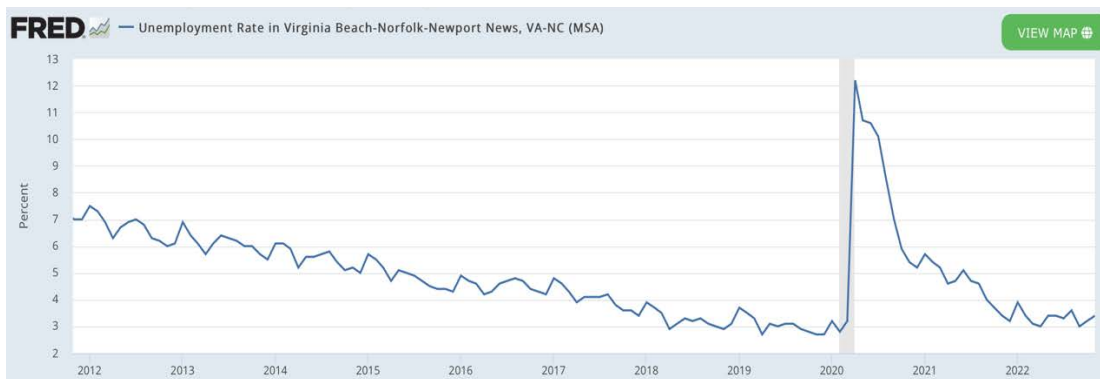
EMPLOYMENT STATISTICS CONCLUSION

The immediate area has both a commercial and residential feel. Over the past few years, more housing developments and investments in the community has taken place, which has brought increased quality multi-family housing options (for-sale & rental) to the market, in addition to jobs in the construction and real estate sector indirectly and directly. The unemployment rate in the PMI has slowly decreased since the onset of COVID in 2020. The unemployment rate in Virginia Beach – Norfolk – Newport News was 3.1 as of December 2022 and the national average was 3.9 percent. During the pandemic the U.S. unemployment rate reached 14.7 percent while the Virginia- Norfolk-Newport News area peaked at 12.4.

10 Year U.S. Unemployment Rate Trend



10 Year Unemployment Rate Trend – Virginia Beach – Norfolk – Newport News



EMPLOYMENT STATISTICS

Unemployment by Sector

Virginia Beach-Norfolk-Newport News, VA-NC

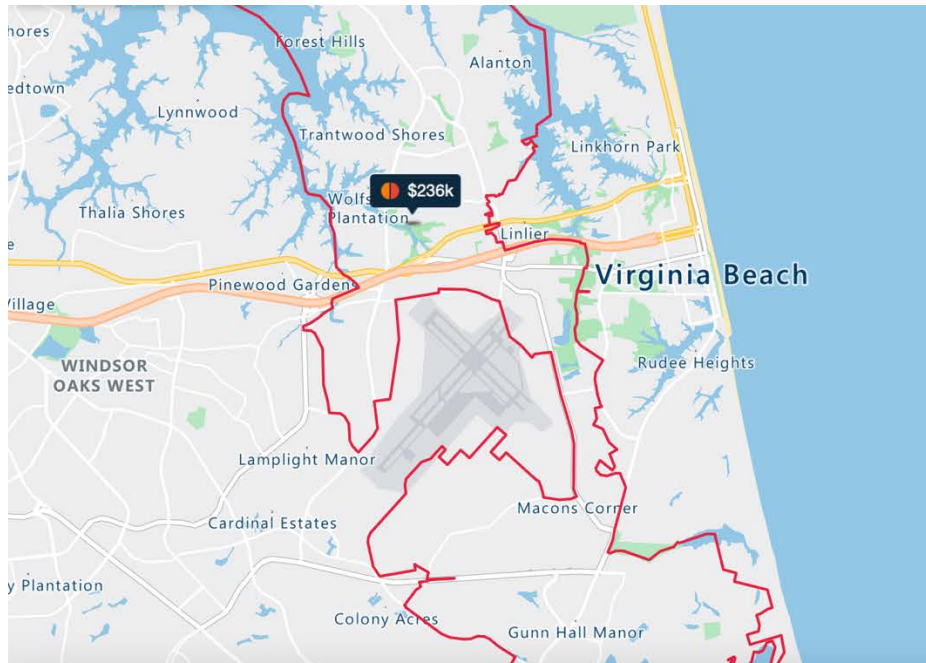
Data Series	Back Data	July 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022
Labor Force Data							
Civilian Labor Force(1)		847.9	843.0	838.9	838.1	(P) 835.4	
Employment(1)		819.8	812.8	814.0	811.7	(P) 807.0	
Unemployment(1)		28.1	30.1	24.9	26.4	(P) 28.3	
Unemployment Rate(2)		3.3	3.6	3.0	3.2	(P) 3.4	
Nonfarm Wage and Salary Employment							
Total Nonfarm(3)		789.6	792.8	792.5	792.9	798.4	(P) 797.0
12-month % change		1.5	2.2	2.9	2.7	3.1	(P) 2.7
Mining, Logging, and Construction(3)		40.8	41.2	41.2	40.6	41.2	(P) 41.2
12-month % change		0.7	2.7	3.3	4.1	6.5	(P) 7.3
Manufacturing(3)		56.2	56.2	57.2	57.2	57.8	(P) 58.1
12-month % change		-2.8	-1.9	0.5	3.1	3.0	(P) 3.6
Trade, Transportation, and Utilities(3)		130.3	130.6	131.2	131.6	134.1	(P) 135.4
12-month % change		1.2	1.6	2.9	1.2	1.9	(P) 1.6
Information(3)		9.0	9.0	9.0	8.9	8.9	(P) 8.9
12-month % change		-3.2	-2.2	-1.1	-2.2	-1.1	(P) -2.2
Financial Activities(3)		39.2	39.1	39.0	38.9	38.2	(P) 38.1
12-month % change		-0.5	-0.5	0.5	-0.3	-0.3	(P) -0.8
Professional and Business Services(3)		113.8	114.8	113.6	114.7	113.0	(P) 111.8
12-month % change		-1.5	-0.8	-0.4	1.2	-1.0	(P) -2.0
Education and Health Services(3)		114.3	115.9	116.4	117.8	118.6	(P) 118.5
12-month % change		5.0	6.3	6.3	6.1	6.5	(P) 8.1
Leisure and Hospitality(3)		103.5	102.2	97.7	94.5	95.3	(P) 93.6
12-month % change		11.9	11.0	11.4	8.2	10.6	(P) 5.4
Other Services(3)		33.3	33.5	33.4	33.7	33.6	(P) 34.0
12-month % change		0.6	1.8	3.4	2.4	2.4	(P) 4.0
Government(3)		149.2	150.3	153.8	155.0	157.7	(P) 157.4
12-month % change		-1.8	-1.1	-0.6	-0.1	1.0	(P) 1.1

Top 10 Employers in VA Beach

RANK	COMPANY	TYPE OF BUSINESS	CIVILIAN EMPLOYEES
1	Naval Air Station Oceana-Dam Neck	Military Base (Civilian Employees)	8,891
2	Joint Expeditionary Base Little Creek/Ft. Story	Military Base (Civilian Employees)	6,473
3	Sentara Healthcare	Medical and Surgical Hospitals	4,900
4	GEICO General Insurance Company	Auto and Other Vehicle Insurance Carriers	3,600
5	General Growth Properties (Lynnhaven Mall)	Retail Trade	2,600
6	Gold Key/PHR Hotels & Resorts	Developer, Owner and Operator of Hotels	2,365
7	STIHL Incorporated	North American Headquarters; Power Tools Manufacturer	2,113
8	Anthem	Corporation Insurance Carriers	1,850
9	Navy Exchange Service Command	Headquarters; military and government exchange retail	1,550
10	Westminster-Canterbury on Chesapeake Bay	Retirement/healthcare	848

FOR-SALE HOUSING ANALYSIS

Pre-Foreclosure Properties Listed For-Sale

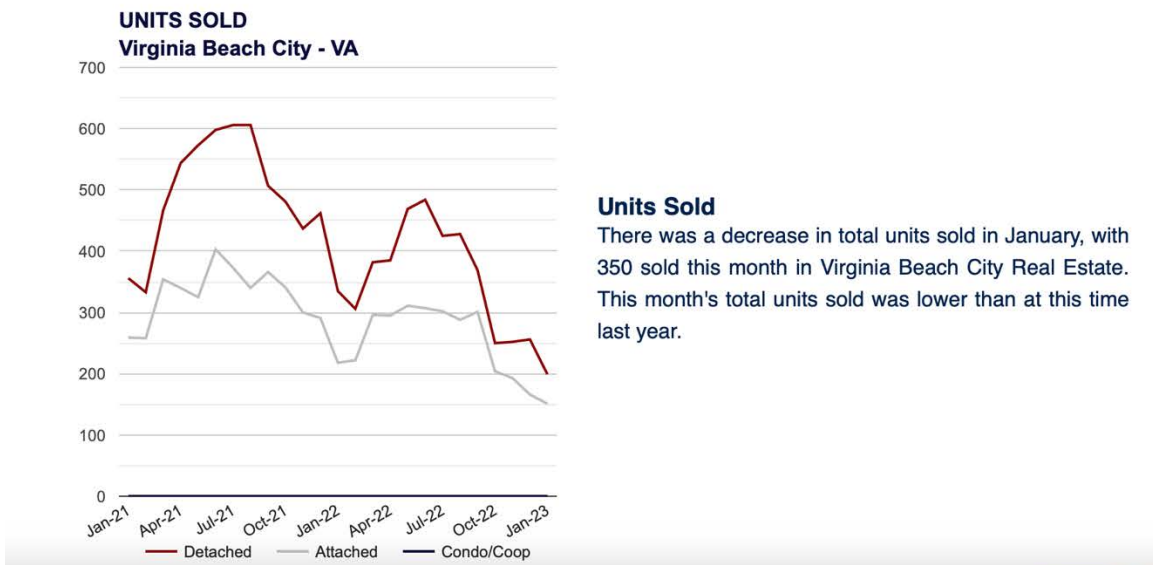


Source: RealtyTrac

There is currently one pre-foreclosure investment opportunities on the market within the Subject zip code (23455), selling for \$236,000. Based on the affordability of a house in this market, it is projected that households that fall at 60% of AMI would hope to by foreclosed homes or homes in pre-foreclosure because they could be acquired at a cheaper rate than market rate for-sale housing. With no foreclosed housing becoming available, AreaProbe believes the for-sale housing market will not compete or conflict with new LIHTC housing.

FOR-SALE HOUSING ANALYSIS

Virginia Beach Housing Market 2023



The median sales price in Virginia Beach is \$330,500, up 3% from last year. The number of units sold and active inventory is down.

FOR-SALE HOUSING ANALYSIS

Virginia Beach Housing Market 2023



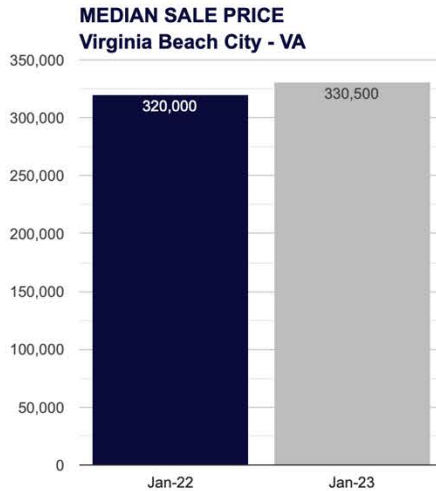
Source: MarketMinute

The active inventory chart shows that the month after month supply of housing fluctuates in Virginia Beach, with recent trends showing a downward trend in new listings. Currently, there are just 436 new listings on the market, this is down 18% from last year. The months supply on the other hand has seen an increase of 43% from January 2022 to January 2023.

Homes are spending more time on the market than in years prior; currently the average home spends only 32 days on the market before being sold, still a healthy amount of time. This is a significant decrease from 3 years ago, January 2020, when homes nearly twice as long on the market before selling.

FOR-SALE HOUSING ANALYSIS

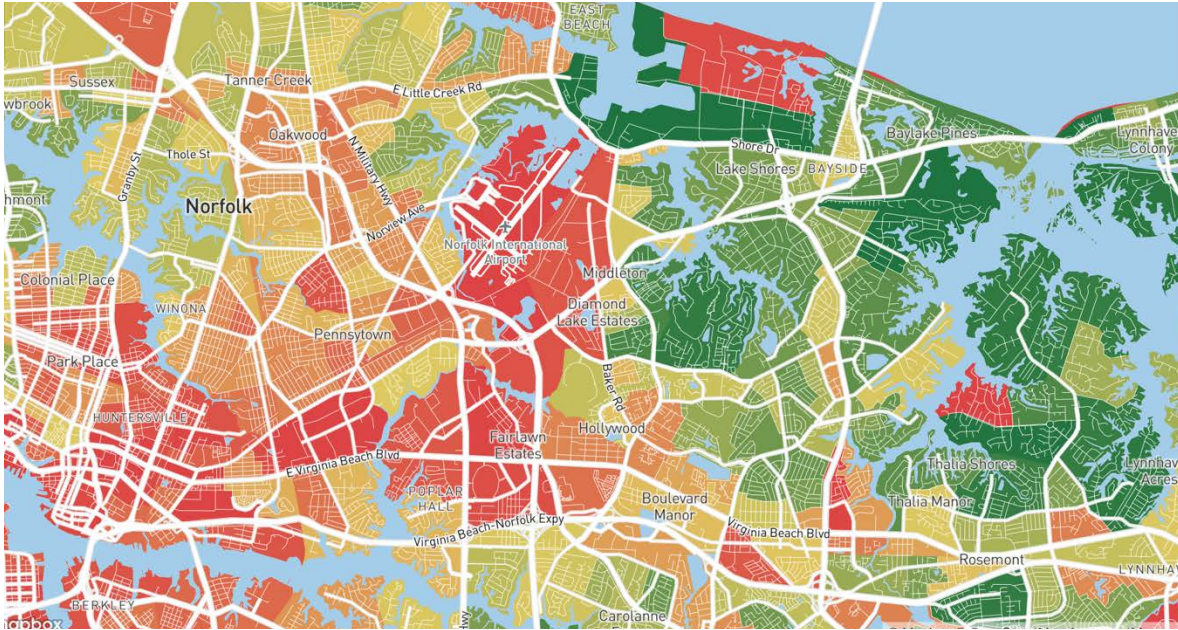
Virginia Beach Housing Market January 2023



The median sale price of a single-family home has soared to \$10,500 more than last year. Fewer homes on the market for shorter periods being sold at much higher prices indicates a shortage in housing.

With less available houses for sale in a market with such a high demand for housing, it can be concluded that the target LIHTC renter will not be able to afford the few properties that are available. AreaProbe does not believe the for-sale housing market will compete or conflict with the LIHTC housing market.

Map of City of Virginia Beach Crime



Source: crimegrade.org

The Crime rate in majority of the PMA has a recent history of medium low to lower levels of crime activity. The outlined area shows where the subject property is located; this map illustrates medium-low crime rates in that area. The Burton Station Road area is a location slated for major developmental renovations. New development and elimination of existing developments may lead to even lower crime rates in the future. According to crimegrade.org the overall grade designated to Virginia Beach is a C-.

BUILDING PERMITS FILED

Building Permits by Type

The table below further highlights the table shown on the previous page. The total number of building permits filed in 2022 was the second highest number of permits filed from 2018-2022 which indicates a significant decrease in housing supply coming to the Virginia. Most of the permits being filed are coming from multi-family housing with more than 5 units.

Housing Unit Building Permits for Virginia Beach- 2022					
	2018	2019	2020	2021	2022
Total Units	779	1350	938	463	1197
Units in Single-Family	534	667	493	335	231
Units in all Multi-Family	245	683	445	128	966
Units in 2 unit multi-family	0	0	0	0	0
Units in 3 & 4 unit multi-family	0	0	0	0	0
Units in 5+ units multi-family	245	683	445	128	966

Source: US Census Bureau

Housing Unit Building Permits for Virginia Beach- 2022													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Units	27	22	234	73	147	371	247	19	11	14	12	20	1197
Units in Single-Family	27	22	20	21	15	23	27	19	11	14	12	20	231
Units in all Multi-Family	0	0	214	52	132	348	220	0	0	0	0	0	966
Units in 2 unit multi-family	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 3 & 4 unit multi-family	0	0	0	0	0	0	0	0	0	0	0	0	0
Units in 5+ units multi-family	0	0	214	52	132	348	220	0	0	0	0	0	966

17th Street Capital Improvement Projects



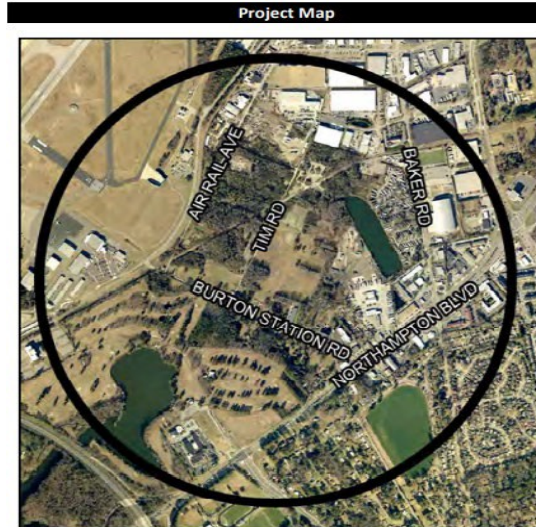
This rehabilitation project will transform the 17th Street corridor, facilitating the redevelopment of local businesses. It will create a more beautiful and accessible area for further development efforts in the future.

Judea Christian Outreach Center



This new affordable housing development was rewarded \$900,000 in funds from the Virginia Government. It is currently in the planning stage and plans on having 38 units of housing for families earning less than 30% AMI.

Burton Station – New Fire/EMS Station



Located less than half a mile from the Subject Property, the City of Virginia Beach has designed a three-bay station, like Station 04 on Greenwell Road in Chesapeake Beach. The station will have administrative office spaces, sleeping quarters and apparatus bays. It is likely that the station will be a 2 story-building at the intersection of North Tolliver Road and Burton Station Road. It is slated to be part of the Burton Station Strategic Growth Area.

Burton Station Office Park



Source: GMFplus

GMF+ created the conceptual development plan for Golf Road commercial properties at Burton Station, straddling the cities of Norfolk and Virginia Beach. Initial planning for this project included creating a marketing brochure to showcase the commercial office properties within a 50-acre mixed-use development.

DEVELOPMENT PIPELINE – INFRASTRUCTURE & HOUSING DEVELOPMENT



Pembroke Realty Group and Beth Sholom Village have plans to construct a new senior living community at the corner of Jeanne Street and Constitution Drive (Pembroke Mall). The proposed 7-story community will have 124 independent living apartments, 20 assisted living apartments and 12 memory support units. The \$200MM project is expected to be completed in 2023.



Marlyn Development Corporation has plans to develop 150 one- and two-bedroom units in a four-story building in Hampton, VA. The complex would have as amenities: a grilling area, community garden, dog park, billiards room, fitness center, multipurpose and media rooms. Some units will be for those 55 and older, others specifically for 62 and older.

DEVELOPMENT PIPELINE – INFRASTRUCTURE & HOUSING DEVELOPMENT



The Franklin Johnston Group was awarded \$700,000 in funds to develop the 925 Apartments in Virginia Beach. This new construction project will provide 128 units of affordable housing to families earning between 40%-80% AMI. This project will feature amenities such as a clubhouse, swimming pool, fitness center, and playground. The picture above is of the land being developed.

DEMAND ANALYSIS

For this section of the report, we will evaluate the market demand for households earning 60 percent AMI.

Unit Mix Distribution: A planned project may have a few units targeted to a very high or very low-income groups. In such cases, measuring the number of income-qualified households within the entire target income band can severely overstate the number of potential income-qualified renters.

Unit Mix					
Unit Type	Square Footage	Rent/Income Limit Target	HOME	Subsidized	Units
1 Bedroom	510 SF	40% of AMI	Yes	Yes	3
1 Bedroom	639 SF	40% of AMI	Yes	Yes	1
1 Bedroom	510 SF	50% of AMI	No	Yes	13
1 Bedroom	510 SF	60% of AMI	No	No	12
1 Bedroom	639 SF	60% of AMI	No	No	3
2 bedroom	831 SF	50% of AMI	Yes	Yes	2
2 bedroom	832 SF	60% of AMI	No	Yes	1
2 bedroom	833 SF	60% of AMI	No	No	3
Total					38

Source: Virginia Beach Community Development Corporation

Household Income

2024 HOUSEHOLD INCOME AGE						
Households by Income	55-64		65-74		75+	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	720.6	6.6%	596.2	6.2%	629.6	8.34%
\$15,000 - \$24,999	621	5.6%	715.6	7.4%	1078.8	14.29%
\$25,000 - \$34,999	761.6	6.9%	1015.4	10.6%	1273.4	16.87%
\$35,000 - \$49,999	964	8.8%	1301.8	13.5%	1155.6	15.31%
\$50,000 - \$74,999	2252.6	20.5%	2041.4	21.2%	1136.8	15.06%
\$75,000 - \$99,999	1720.6	15.7%	1338.8	13.9%	717.6	9.50%
\$100,000 - \$149,999	2,128	19.4%	1414.6	14.7%	785.8	10.41%
\$150,000 - \$199,999	1073	9.8%	678.2	7.0%	458.2	6.07%
\$200,000+	750.8	6.8%	520	5.4%	314	4.16%
Total	10992.2	100.0%	9622	100.0%	7549.8	100.00%

Source: ESRI, AreaProbe Inc

DEMAND ANALYSIS

City of Virginia Beach 4-Person AMI:

\$93,500

National Non-Metropolitan Median Income:

\$71,300

MSA: Virginia Beach – Norfolk – Newport News, VA-NC Metropolitan HUD

Year: 2022

For this section of the report, we will evaluate the market demand for households earning up to 40%, 50%, or 60% AMI. The exact income limits will depend on the number of bedrooms and the household size.

Unit mix distribution: A planned project may only have a few units targeted low or very low-income groups. In such cases, measuring the number of income qualified households within The entire target income band can severely overstate the potential number of income qualified renters.

Maximum LIHTC Rents

Virginia Beach City Max Rent Restriction (LIHTC) 2022						
Bedroom Size	30%	40%	50%	60%	70%	80%
Efficiency	\$ 491	\$ 655	\$ 818	\$ 982	\$ 1146	\$ 1310
1 BR	\$ 526	\$ 701	\$ 876	\$ 1052	\$ 1227	\$ 1403
2 BR	\$ 631	\$ 842	\$ 1052	\$ 1263	\$ 1473	\$ 1684
3 BR	\$ 729	\$ 972	\$ 1215	\$ 1458	\$ 1701	\$ 1945
4 BR	\$ 813	\$ 1085	\$ 1356	\$ 1627	\$ 1898	\$ 2170

Source: HUD, AreaProbe Inc

Maximum Income Levels

Virginia Beach City Max Income Restriction (LIHTC) 2022						
HH Size	30%	40%	50%	60%	70%	80%
1 Person	\$ 19,650	\$ 26,200	\$ 32,750	\$ 39,300	\$ 45,850	\$ 52,400
2 Person	\$ 22,440	\$ 29,920	\$ 37,400	\$ 44,880	\$ 52,360	\$ 59,840
3 Person	\$ 25,260	\$ 33,680	\$ 42,100	\$ 50,520	\$ 58,940	\$ 67,360
4 Person	\$ 28,050	\$ 37,400	\$ 46,750	\$ 56,100	\$ 65,450	\$ 74,800
5 Person	\$ 30,300	\$ 40,400	\$ 50,500	\$ 60,600	\$ 70,700	\$ 80,800

Source: HUD, AreaProbe Inc

Affordability Analysis by Floorplan (Capture Rate)

To determine the number of households that earn less than the maximum LIHTC limit at 40%, 50%, or 60% AMI, AreaProbe completed an affordability analysis using proposed rents and income limits highlighted in the tables above. The analysis is based on the demographic projections in 2024 by income.

DEMAND ANALYSIS

With Section 8 Voucher- 2024		
	1 BR	2 BR
	40%	40%
Proposed Rent	701	842
Multiply by 12 then divide by .40	12	12
Minimum Income to Afford Rent	21030	25260
Maximum Income Limit	26200	29920
Renter HH's		
Range of Inc. Qualified HH's	671	592
Proposed Units	4	13
Renter HH Capture Rate	0.60%	2.20%

Source: HUD, AreaProbe Inc

With Section 8 Voucher- 2024		
	1 BR	2 BR
	50%	50%
Proposed Rent	876	1052
Multiply by 12 then divide by .35	12	12
Minimum Income to Afford Rent	26280	31560
Maximum Income Limit	32750	37400
Renter HH's		
Range of Inc. Qualified HH's	821	658
Proposed Units	13	2
Renter HH Capture Rate	1.58%	0.30%

Source: HUD, AreaProbe Inc

DEMAND ANALYSIS

With Section 8 Voucher- 2024		
	1 BR	2 BR
	60%	60%
Proposed Rent	1052	1263
Multiply by 12 then divide by .40	12	12
Minimum Income to Afford Rent	31560	37890
Maximum Income Limit	39300	44880
Renter HH's		
Range of Inc. Qualified HH's	715	646
Proposed Units	15	1
Renter HH Capture Rate	2.09%	0.16%

Source: HUD, AreaProbe Inc.

Demand Analysis Conclusion

Overall, the project has a capture rate of less than 2.2% depending on the floorplan without Housing, which is a favorable metric when considering high demand for available housing. To fully lease the 40% AMI units, management would need to capture 0.60% of the renters seeking a one-bedroom floorplan, and 2.2% of the renters seeking a two-bedroom floorplan. To fully lease the 50% AMI units, managements would need to capture 1.58% of the renters seeking a one-bedroom unit and 0.30% seeking a two-bedroom. Lastly, to fully lease the 60% AMI units, management would need to capture 2.09% of the eligible renters seeking a one-bedroom floorplan and 0.16% of those seeking a two-bedroom. To fully lease the property with section 8 vouchers, management would need to capture less than 0.1% of the eligible renters for all floorplans since there would be no minimum income limit, thus increasing the eligible renter population significantly.

These are all favorable results and shows market support for a product targeting households within the income parameters outlined. The analysis conducted does not include households living in substandard housing conditions, but it does include homeowners that may want to convert to renters. Furthermore, the results account for the percent of the population of seniors in Virginia Beach that typically rent instead of own.

Conclusion: We fully support the proposed project as presented for the market analysis.

PENETRATION RATE

The penetration rate analysis as defined by NCHMA is 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.

Penetration Rate Analysis	
Existing LIHTC Units	758
(+) Planned Development	316
(+) Proposed Development	38
Total	1,112
Eligible Households	2223
Penetration Rate	50%

Recommendations:

We recommend management consider modern amenities such as controlled access system, COVID-19 risk mitigants such as air purification systems, surveillance cameras, and emergency response devices to serve the intended population.

Project Impact:

There is a high demand for elderly housing in the PMA. We believe the proposed property will be well received by the local community and deliver a quality living option for those that are looking to convert for homeownership to senior housing, or those that are looking to live in a community that is appropriately suited for their lifestyle.

Qualifications of the Market Analyst



APPENDIX

Rent Comp #1: Sand Apartments- LIHTC (Distance from site: 6.6 miles)

Name	The Sands Apartments	Date	2/1/23
Address	6405 Auburn Dr	Total Units	120
City	Virginia Beach	Condition	Moderate
Manager	Preservation Mgmt	Year Built	1968
Phone	757-420-0891	Building Stories	3



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm	X	Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal		Gym		Business Center	X	TV	
Skylight	X	Microwave	X	Picnic Area	X	Car Wash		Water	X
Storage Closet	X	Washer/Dryer		Playground		Gated		Sewer	
Coat Closet	X	W/D Hookups		Tennis		Courtesy Patrol		Trash	
Walk-in Closet		Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony									

APPENDIX

Rent Comp #2: Lynn Haven Cove Senior Living Community- LIHTC (Distance from site: 8.2 miles)

Name	Lynn Haven Cove	Date	2/1/2023
Address	5020 Lynnhaven Pky	Total Units	118
City	Virginia Beach	Condition	Good
Manager	Franklin Johnston	Year Built	2003
Phone	757-563-1299	Building Stories	4



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm	X	Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal		Gym		Business Center	X	TV	
Skylight	X	Microwave	X	Picnic Area	X	Car Wash		Water	
Storage Closet	X	Washer/Dryer	X	Playground		Gated		Sewer	
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	
Walk-in Closet		Parking	X	Basketball		Security Camera	X		
Fireplace	X			Volleyball					
Balcony									

APPENDIX

Rent Comp #3: Wesleyan Place Apartments- LIHTC (Distance from site: 2.3 miles)

Name	Wesleyan Place	Date	2/1/2023
Address	5445 Wesleyan Dr	Total Units	91
City	Virginia Beach	Condition	Good
Manager	Lakeside Capital	Year Built	N/A
Phone	757-473-8575	Building Stories	5



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym		Business Center	X	TV	X
Skylight	X	Microwave	X	Picnic Area	X	Car Wash		Water	
Storage Closet	X	Washer/Dryer		Playground		Gated		Sewer	
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	
Walk-in Closet		Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony	X								

APPENDIX

Rent Comp #4: Victoria Place Apartments- LIHTC (Distance from site: 4.2 miles)

Name	Victoria Place	Date	2/1/2023
Address	4629 Shore Dr	Total Units	122
City	Virginia Beach	Condition	Good
Manager	Ripley Heatwole	Year Built	2003
Phone	757-313-2323	Building Stories	4



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym		Business Center	X	TV	X
Skylight	X	Microwave	X	Picnic Area	X	Car Wash		Water	
Storage Closet	X	Washer/Dryer		Playground		Gated		Sewer	
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	
Walk-in Closet		Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony	X								

APPENDIX

Rent Comp #5: Riverside Station- LIHTC (Distance from the site: 5.1 miles)

Name	Riverside Station	Date	2/1/2023
Address	5800 Sellger Dr	Total Units	236
City	Norfolk	Condition	Great
Manager	Franklin Johnston	Year Built	2022
Phone	757-821-6611	Building Stories	4



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm		On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center	X	TV	X
Skylight	X	Microwave	X	Picnic Area	X	Car Wash		Water	X
Storage Closet	X	Washer/Dryer	X	Playground	X	Gated		Sewer	X
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	X
Walk-in Closet		Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony	X								

APPENDIX

Rent Comp #6: Holland House- LIHTC
(Distance from site: 9.4 miles)

Name	Holland House-Senior	Date	2/1/2023
Address	721 Chimney Hill Pky	Total Units	112
City	Virginia Beach	Condition	Good
Manager	Ripley Heatwole	Year Built	1999
Phone	757-821-6497	Building Stories	3



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm		On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool		Laundry Rm	X	Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center	X	TV	
Skylight	X	Microwave	X	Picnic Area		Car Wash		Water	
Storage Closet	X	Washer/Dryer		Playground		Gated	X	Sewer	
Coat Closet	X	W/D Hookups		Tennis		Courtesy Patrol		Trash	
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony	X								

APPENDIX

Rent Comp #7: The Renaissance- LIHTC (Distance from site: 4.8 miles)

Name	The Renaissance	Date	2/1/2023
Address	5130 Leonardo Way	Total Units	240
City	Virginia Beach	Condition	Great
Manager	Franklin Johnston	Year Built	2020
Phone	757-563-1252	Building Stories	4



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm	X	Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center		TV	X
Skylight	X	Microwave	X	Picnic Area		Car Wash		Water	X
Storage Closet	X	Washer/Dryer	X	Playground	X	Gated		Sewer	X
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	X
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony	X								

APPENDIX

Rent Comp #8: Old Donation- Market Rate (Distance from site: 5.6 miles)

Name	Old Donation	Date	2/1/2023
Address	4441 E Honeygrove Ct	Total Units	251
City	Virginia Beach	Condition	Good
Manager	Drucker & Falk	Year Built	1970
Phone	757-563-1820	Building Stories	2



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	
Blinds	X	Stove/Oven	X	Pool		Laundry Rm		Heating	
Carpet	X	Dishwasher	X	Spa		Computer Rm	X	Cooling	
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center	X	TV	
Skylight	X	Microwave	X	Picnic Area		Car Wash		Water	
Storage Closet	X	Washer/Dryer		Playground	X	Gated		Sewer	
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony									

APPENDIX

Rent Comp #9: Haygood Halls- Market Rate (Distance from site: 4.1 miles)

Name	Haygood Halls	Date	2/1/2023
Address	1101 Ferry Plantation Rd	Total Units	225
City	Virginia Beach	Condition	Good
Manager	Drucker & Falk	Year Built	1970
Phone	757-563-1560	Building Stories	2



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm		Heating	
Carpet	X	Dishwasher	X	Spa		Computer Rm	X	Cooling	
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center	X	TV	
Skylight	X	Microwave	X	Picnic Area	X	Car Wash	X	Water	
Storage Closet	X	Washer/Dryer		Playground		Gated		Sewer	
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony									

APPENDIX

Rent Comp #10: Mariners Cove Apartments- Market Rate (Distance from site: 4.7 miles)

Name	Mariners Cove	Date	2/1/2023
Address	832 Blackfriars Dr	Total Units	458
City	Virginia Beach	Condition	Good
Manager	Seminole Trail	Year Built	1974
Phone	757-427-4684	Building Stories	2



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm	X	Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center	X	TV	X
Skylight	X	Microwave	X	Picnic Area		Car Wash	X	Water	X
Storage Closet	X	Washer/Dryer	X	Playground	X	Gated		Sewer	X
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	X
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony									

APPENDIX

Rent Comp #11: Diamond North- Market Rate (Distance from the site: 1.3 miles)

Name	Diamond North	Date	2/1/2023
Address	1350 Saphirre Dr	Total Units	180
City	Virginia Beach	Condition	Great
Manager	S.L. Nusbaum	Year Built	2016
Phone	757-563-1794	Building Stories	4



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center	X	TV	X
Skylight	X	Microwave	X	Picnic Area		Car Wash		Water	X
Storage Closet	X	Washer/Dryer	X	Playground	X	Gated		Sewer	X
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	X
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony	X								

APPENDIX

Rent Comp #12: Spring Water- Market Rate (Distance from site: 1.3 miles)

Name	Spring Water	Date	2/1/2023
Address	1205 Colgin Dr	Total Units	252
City	Virginia Beach	Condition	Great
Manager	Pegasus	Year Built	2013
Phone	757-427-4962	Building Stories	3



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa	X	Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center		TV	
Skylight	X	Microwave	X	Picnic Area		Car Wash		Water	X
Storage Closet	X	Washer/Dryer	X	Playground	X	Gated	X	Sewer	X
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	X
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony	X								

APPENDIX

Rent Comp#13: Coastal61- Market Rate (Distance from site: 1.1 miles)

Name	Coastal61	Date	2/1/2023
Address	5832 Coastal Pointe Dr	Total Units	243
City	Virginia Beach	Condition	Great
Manager	Franklin Johnston	Year Built	2020
Phone	757-821-6131	Building Stories	4



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center	X	TV	X
Skylight	X	Microwave	X	Picnic Area		Car Wash		Water	X
Storage Closet	X	Washer/Dryer	X	Playground		Gated		Sewer	X
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	X
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony	X								

APPENDIX

Rent Comp #14: Waterford Apartments- Market Rate (Distance from site: 2.4 miles)

Name	Waterford Apts	Date	2/1/2023
Address	5500 Shore Dr	Total Units	376
City	Virginia Beach	Condition	Good
Manager	Perrel	Year Built	1978
Phone	757-848-4834	Building Stories	2



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm	X	On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm	X	Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center		TV	X
Skylight	X	Microwave	X	Picnic Area		Car Wash	X	Water	X
Storage Closet	X	Washer/Dryer		Playground		Gated	X	Sewer	X
Coat Closet	X	W/D Hookups		Tennis		Courtesy Patrol		Trash	
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony									

APPENDIX

Rent Comp #15: Dove Landing Apartments (Distance from site: 2.5 miles)

Name	Dove Landing	Date	2/1/2023
Address	5305 Justin Ct	Total Units	318
City	Virginia Beach	Condition	Good
Manager	S.L. Nusbaum	Year Built	1984
Phone	757-821-6979	Building Stories	3



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm		On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym		Business Center		TV	
Skylight	X	Microwave	X	Picnic Area		Car Wash		Water	X
Storage Closet	X	Washer/Dryer		Playground		Gated		Sewer	X
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	X
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony									

APPENDIX

Rent Comp #15: Marina Villa Apartments- Market Rate (Distance from sire: 4.1 miles)

Name	Marina Villa	Date	2/1/2023
Address	8150 Shore Dr	Total Units	105
City	Norfolk	Condition	Great
Manager	Carpeit	Year Built	2020
Phone	757-972-7829	Building Stories	5



Unit Amenities				Project Amenities				Tenant Pays	
Central Air/Heat	X	Refrigerator	X	Community Rm		On-site Mgr	X	Electricity	X
Blinds	X	Stove/Oven	X	Pool	X	Laundry Rm		Heating	X
Carpet	X	Dishwasher	X	Spa		Computer Rm		Cooling	X
Ceiling Fan	X	Garbage Disposal	X	Gym	X	Business Center	X	TV	X
Skylight	X	Microwave	X	Picnic Area		Car Wash		Water	X
Storage Closet	X	Washer/Dryer	X	Playground		Gated		Sewer	X
Coat Closet	X	W/D Hookups	X	Tennis		Courtesy Patrol		Trash	X
Walk-in Closet	X	Parking	X	Basketball		Security Camera	X		
Fireplace				Volleyball					
Balcony	X								

APPENDIX

OMB Approval # 2502-050

Create New Grid

Rent Comparability Grid Unit Type → **1 Bedroom** Subject's FHA #: _____

Subject		Comp #1		Comp #2		Comp #3		Comp #4	
Tranquility at the Lakes II	Data	Haygood Halls		Diamond North		Spring Water		Coastal 61	
5837 Burton Station Rd	on	1101 Penny Plantation Rd		1530 Sapphire Dr		1205 Colgin Dr		3832 Coastal Pointe Dr	
Virginia Beach	Subject	Virginia Beach		Virginia Beach		Virginia Beach		Virginia Beach	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1 \$ Last Rent / Restricted?		\$1,550		\$1,801		\$1,626		\$1,570	
2 Date Last Leased (mo/yr)									
3 Rent Concessions		N		N		N		Y	\$100
4 Occupancy for Unit Type		98%		100%		97.0%		91.9%	
5 Effective Rent & Rent/sq. ft		\$1,550	\$ 1.76	\$1,801	2.20	\$1,626	1.91	\$1,670	2.28
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>									
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	3	2		4	-	3		4	
7 Yr. Built/Yr. Renovated	2023	1970		2016		2013		2020	
8 Condition /Street Appeal	E	G	\$50	E		E		E	
9 Neighborhood	G	G		G		G		G	
10 Subj		4.1 miles							
C. Unit Equipment/		Data	\$ Adj	Data	Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	1	1		1		1		1	
12 # Baths	1	1		1		1		1	
13 Unit Interior Sq. Ft.	510	880	(\$92)	820	(\$77)	850	(\$85)	734	(\$56)
14 Balcony/ Patio	Y	N	\$10	Y		Y		Y	
15 AC: Central/ Wall	Y	Y		Y		Y		Y	
16 Range/ refrigerator	Y	Y		Y		Y		Y	
17 Microwave/ Dishwasher	Y	Y		Y		Y		Y	
18 Washer/Dryer	N	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
19 Floor Coverings	Y	Y		Y		Y		Y	
20 Window Coverings	Y	Y		Y		Y		Y	
21 Cable/ Satellite/Internet	Y	Y		Y		Y		Y	
22 Special Features		-		-					
D. Site Equipment/		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking (\$ Fee)	Y	Y		Y		Y		Y	
25 Extra Storage	N	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
26 Security	Y	Y		Y		Y		Y	
27 Rooms	Y	Y		Y		Y		Y	
28 Pool/ Recreation Areas	N	Y	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
29 Netwk	N	Y	(\$10)	Y	(\$10)	N		Y	(\$10)
30 Service Coordination	N	N		N		N		N	
31 Non-shelter Services	N	N		N		N		N	
32 Neighborhood Networks	N	N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent?/ type)	N	Y		N		N		N	
34 Cooling (in rent?/ type)	N	Y		N		N		N	
35 Cooking (in rent?/ type)	N	Y		N		N		N	
36 Hot Water (in rent?/ type)	N	Y		N		N		N	
37 Other Electric	N	Y		N		N		N	
38 Cold Water/ Sewer	Y	Y		N		N		N	
39 Trash /Recycling	Y	Y		N		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		2	5		5		4	1	5
41 Sum Adjustments B to D		\$60	(\$132)		(\$117)		(\$115)	\$100	(\$96)
42 Sum Utility Adjustments									
43 Net/ Gross Adjmts B to E		Net	Gross	Net	Gross	Net	Gross	Net	Gross
		(\$72)	\$192	(\$117)	\$117	(\$115)	\$115	\$4	\$196
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent					
44 Adjusted Rent (5+ 43)		\$1,478		\$1,684		\$1,511		\$1,674	
45 Adj Rent/Last rent			95%		94%				
46 Estimated Market Rent	\$1,451	\$2.85		← Estimated Market Rent/ Sq. Ft					

//

Appraiser's Signature _____ Date _____

Attached are explanations of:

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

Grid was prepared: Manually Using HUD's Excel form form HUD-922

APPENDIX

OMB Approval # 2502-0507

Create New Grid

Rent Comparability Grid Unit Type → **2 Bedroom** Subject's FHA #: _____

Subject		Comp #1		Comp #2		Comp #3		Comp #4	
Tranquility at the Lakes II 5837 Burton Station Rd Virginia Beach		Haygood Halls 1101 Ferry Plantation Rd Virginia Beach		Diamond North 1530 Sapphire Dr Virginia Beach		Spring Water 1205 Colgin Dr Virginia Beach		Coastal 61 5832 Coastal Pointe Dr Virginia Beach	
Subject		Data		Data		Data		Data	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,935		\$2,069		\$1,850		\$1,799	
2	Date Last Leased (mo/yr)								
3	Rent Concessions	N		N		N		Y	\$100
4	Occupancy for Unit Type	98%		96%		94.0%		99.0%	
5	Effective Rent & Rent/ sq. ft.	\$1,935	1.38	\$2,069	1.89	\$1,850	1.52	\$1,899	1.72
<i>In Parts B thru E, adjust only for differences the subject's market values.</i>									
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	3		4	-	3		4	
7	Yr. Built/Yr. Renovated	2023		2016		2013		2020	
8	Condition /Street Appeal	E	\$50	E		E		E	
9	Neighborhood	G		G		G		G	
10	Subj	4.1 miles							
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2	
12	# Baths	2		2		2		2	
13	Unit Interior Sq. Ft.	831	(\$143)	1097	(\$66)	1220	(\$97)	1106	(\$69)
14	Balcony/ Patio	Y	\$10	Y		Y		Y	
15	AC: Central/ Wall	Y		Y		Y		Y	
16	Range/ refrigerator	Y		Y		Y		Y	
17	Microwave/ Dishwasher	Y		Y		Y		Y	
18	Washer/Dryer	N	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
19	Floor Coverings	Y		Y		Y		Y	
20	Window Coverings	Y		Y		Y		Y	
21	Cable/ Satellite/Internet	Y		Y		Y		Y	
22	Special Features	-		-		-		-	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	Y		Y		Y		Y	
25	Extra Storage	N	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
26	Security	Y		Y		Y		Y	
27	Clubhouse/ Meeting Rooms	Y		Y		Y		Y	
28	Pool/ Recreation Areas	N	(\$10)	Y	(\$10)	Y	(\$10)	Y	(\$10)
29	Business Ctr / Nhbhd Netwk	N	(\$10)	Y	(\$10)	N		Y	(\$10)
30	Service Coordination	N		N		N		N	
31	Non-shelter Services	N		N		N		N	
32	Neighborhood Networks	N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N		N		N		N	
34	Cooling (in rent?/ type)	N		N		N		N	
35	Cooking (in rent?/ type)	N		N		N		N	
36	Hot Water (in rent?/ type)	N		N		N		N	
37	Other Electric	N		N		N		N	
38	Cold Water/ Sewer	Y		N		N		N	
39	Trash /Recycling	Y		N		Y		Y	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	2	5		5		4	1	5
41	Sum Adjustments B to D	\$60	(\$183)		(\$106)		(\$127)	\$100	(\$109)
42	Sum Utility Adjustments								
43	Net/ Gross Adjmts B to E	Net	Gross	Net	Gross	Net	Gross	Net	Gross
		(\$123)	\$243	(\$106)	\$106	(\$127)	\$127	(\$9)	\$209
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent					
44	Adjusted Rent (5+ 43)	\$1,812		\$1,963		\$1,723		\$1,890	
45	Adj Rent/Last rent		94%		95%				
46	Estimated Market Rent	\$1,706	\$2.05 ←	Estimated Market Rent/ Sq. Ft					

Appraiser's Signature _____ Date _____

Attached are explanations of: / /

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

Grid was prepared: Manually Using HUD's Excel form form HUD-9227

APPENDIX – SOURCES USED

- Bureau of Labor Statistics
- St. Louis Federal Reserve
- Apartments.com
- Moody's Analytics
- ESRI
- Claritas
- VA Beach Economic Development
- U.S. Census
- GoogleMaps
- BatchGeo
- BingMaps
- VHDA
- VA Beach Housing Authority
- GreatSchools.org
- AreaProbe Analytics

APPENDIX – DEFINITION OF TERMS

Household Growth: A market area must be able to provide sufficient units to accommodate both its existing households, newly forming households and in-migrating households. If the existing housing stock does not contain an adequate supply of units, the construction of new units is necessary to accommodate household increase.

Units in Pipeline: Projects that are planned or under construction will increase the existing supply and may affect market equilibrium. The units in the pipeline include the off-line units that will be renovated and returned to the market, as well as unstabilized project that are in lease-up.

Vacancy Rates: Rental markets with high vacancy rates may reflect an oversupply of available housing. The overall health of the rental market may impact the ability of a proposed development to reach stabilization, despite strong demand estimates and properly positioned rents. Older developments may offer significant incentives to compete with a new rental property. Income qualified renters may be unwilling to pay more for higher quality housing.

Substandard Housing Conditions: The characteristics of a primary market area's rental inventory can be a source of demand. Below average unit conditions or obsolete unit designs can produce a pent-up demand for new units to replace the older housing stock.

Unit Replacement: Units can be removed from the rental inventory for a number of reasons, including natural disaster, eminent domain, condemnation, abandonment, or demolition, unit consolidation, and conversion to non-residential use. Replacement of existing units can be a major cause for residential construction, especially in established communities with limited vacant land available for development.

Absorption Levels: A market area's performance in adding and filling additional units is often a better gauge of its ability to accommodate additional units than household growth, especially in an area with a stable or declining population or an aging housing stock that does not satisfy needs or expectations of current residents.

Market Balance: Demand for new units comes from household growth as well as from pent-up demand due to a lack of available and affordable housing and/or substandard housing. Pent-up demand is often illustrated by very low vacancy rates. If the number of new units that are planned or under construction exceeds the PMA's historic rental housing absorption levels or its projected levels of renter household growth, the completion of all the units in the development pipeline could temporarily oversaturate the market and lead to rising vacancy levels and declining rents

Market Segmentation: Household growth, job growth, and residential construction do not necessarily occur evenly throughout all income ranges. The need for additional units can be limited to specific price ranges or market niches.

Number of Potential Income Qualified Households: The primary area, in nearly all cases, must contain a sufficient number of households who meet the occupancy restrictions of a proposed project. If it does not, the planned project will not succeed unless it can attract households from

APPENDIX – DEFINITION OF TERMS

supplemental sources, such as homeowners or persons living outside the market area who would not otherwise move.

Unit Distribution: Demand, as measured by both the number of potential qualified renters as well as reported occupancy rates within the primary market area, can vary significantly by unit type.

AMI Distribution: A planned project may have a few units targeted to a very high or very low income groups. In such cases, measuring the number of income-qualified households within the entire target income band can severely overstate the number of potential income-qualified renters.

Turnover: Not all income qualified tenants will necessarily move into a project. An estimate of what percentage of tenants would actually move can give a more realistic estimate of how existing tenants will be moving to a different unit during a planned project's lease-up period.

Affordability: LIHTC projects are targeted to low to moderate income households, but charge fixed rents. Unless a planned project has project-based rental assistance or a tenant has a Housing Choice Voucher, each tenant must have sufficient income to pay the proposed rents. In many cases, tenants who pay an excessive amount of their income for rent do not have enough income to occupy the planned project.

Housing Choice Vouchers: Can provide supplemental demand for units. Vouchers can allow otherwise non-income qualified tenants to occupy planned units, especially in communities where rents exceed Housing Payment Standards, units do not meet Housing Quality Standards, landlords do not participate in the voucher program, and/or housing authorities have unused vouchers.

Market Saturation: If the primary market area already has units that serve a large percentage of the planned project's target income group, there may not be enough unserved households to fill another planned tax credit project without adverse impact on the occupancy levels of existing LIHTC projects.

Location: A site's adjacent land uses, neighborhood characteristics and/or surrounding land uses may attract or prevent renters from moving to the site.

Proposed Rents: Demand estimates indicate the number of households able to pay the proposed rents, not their willingness to do so. If the proposed rents are not properly positioned based on site location, project design, unit size, and amenities, income qualified households may not lease the proposed units.

STATEMENT OF QUALIFICATIONS

The Company

Area Probe Inc. is a Washington, DC- based housing research firm. We use technology to support our on the ground research efforts to ensure we provide a comprehensive perspective of a market before completing a study.

Company Leadership

Curvin Leatham, CRE is the Founder & CEO of Area Probe, Inc. Curvin gained experience in real estate as a consultant for a boutique private equity company in Silver Spring, MD and Commercial Banking. He received his master's degree in Real Estate Finance & Development from Georgetown and Bachelor of Science degree from Hampton University in Hampton, Virginia. In addition, Curvin has performed research for projects valued at over \$4.5BN. He is a member of the Counselor of Real Estate society and is in pursuit of the FRICS designation.

Curvin has published seven articles focused on residential housing in the United States. He is a Board Member of DCBIA DC Building Industry Association, member of ULI, HAND, NH&RA, NCHMA, and AAREP. AreaProbe clients include, Investment Banks, Private Equity Firms, Lenders, Real Estate Developers, and Development Consultants across the United States.

NCHMA Market Study Index

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

		Page Number(s)
Executive Summary		
1	Executive Summary	5
Scope of Work		
2	Scope of Work	12
Project Description		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	6
4	Utilities (and utility sources) included in rent	6
5	Target market/population description	5
6	Project description including unit features and community amenities	10
7	Date of construction/preliminary completion	12
8	If rehabilitation, scope of work, existing rents, and existing vacancies	N/A
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9	Concise description of the site and adjacent parcels	13
10	Site photos/maps	13
11	Map of community services	25
12	Site evaluation/neighborhood including visibility, accessibility, and crime	41
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13	PMA description	24
14	PMA Map	24
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15	At-Place employment trends	37
16	Employment by sector	37
17	Unemployment rates	36
18	Area major employers/employment centers and proximity to site	37
19	Recent or planned employment expansions/reductions	37
Demographic Characteristics		
20	Population and household estimates and projections	28
21	Area building permits	43
22	Population and household characteristics including income, tenure, and size	28-30
23	For senior or special needs projects, provide data specific to target market	5
Competitive Environment		
24	Comparable property profiles and photos	Appendix
25	Map of comparable properties	34
26	Existing rental housing evaluation including vacancy and rents	34
27	Comparison of subject property to comparable properties	34
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	34
29	Rental communities under construction, approved, or proposed	45
30	For senior or special needs populations, provide data specific to target market	5

NCHMA Market Study Index

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

		Page Number(s)
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	47
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Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	10
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	9
36	Precise statement of key conclusions	11
37	Market strengths and weaknesses impacting project	11
38	Product recommendations and/or suggested modifications to subject	53
39	Discussion of subject property's impact on existing housing	53
40	Discussion of risks or other mitigating circumstances impacting subject	53
41	Interviews with area housing stakeholders	Appendix
Other Requirements		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	Appendix