



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Ansell
2216 & 2220 Waldron Avenue
Portsmouth, Virginia 23702

Prepared For

Mr. Andy Davenport
Community Housing Partners
448 Depot Street Northeast
Christiansburg, Virginia 23220

Authorized User

Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220

Effective Date

February 14, 2024

Job Reference Number

24-124 JP

Market Study Certification

NCHMA Certification

This certifies that Braden Henderson, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Portsmouth, Virginia. Further, the information contained in this report is true and accurate as of February 14, 2024.

Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

Virginia Housing Certification

I affirm 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 (LIHTC) 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, or on behalf of Virginia Housing.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.
7. Evidence of my NCHMA membership is included.

Certified:



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: February 14, 2024



Braden Henderson
Market Analyst
bradenh@bowennational.com
Date: February 14, 2024



Patrick M. Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: February 14, 2024

Certificate of Professional Designation

This certificate verifies that

Patrick Bowen

Bowen National Research

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



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

Membership Term
1/1/2024 to 12/31/2024



Kaitlyn Snyder
Managing Director, NCHMA

Table of Contents

- I. Introduction
 - II. Executive Summary
 - III. Project Description
 - IV. Area Analysis
 - V. Rental Housing Analysis (Supply)
 - VI. Achievable Market Rent Analysis
 - VII. Capture Rate Analysis
 - VIII. Local Perspective
 - IX. Analysis & Conclusions
 - X. Site Photographs
 - XI. Comparable Property Profiles
 - XII. Field Survey of Conventional Rentals
 - XIII. Qualifications
- Addendum A – NCHMA Member Certification & Checklist

I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Portsmouth, Virginia. This study was initiated by Mr. Andy Davenport of Community Housing Partners and complies with the guidelines of Virginia Housing. This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. 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 end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The Site PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. Site PMAs are not defined by radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors that include, but are not limited to:

- A detailed demographic and socioeconomic evaluation.
 - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns.
 - A drive-time analysis to the site.
 - Personal observations of the field analyst.
 - An evaluation of existing housing supply characteristics and trends.
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property. The information in this survey was collected through a variety of methods, including phone surveys, in-person visits, email and fax. The contact person for each property is listed in *Section XII: Field Survey of Conventional Rentals*.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the proposed development. An in-depth evaluation of those two property types provides an indication of the potential of the proposed development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the proposed project opens and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- We conduct an analysis following Virginia Housing and NCHMA market study guidelines of the subject project's required capture of the number of income-appropriate households within the Site PMA. This analysis is conducted on a renter household level and a market capture rate is determined for the subject development. This capture rate is compared with acceptable capture rates for similar types of projects to determine whether the subject development's capture rate is achievable. In addition, Bowen National Research also compares all existing and planned LIHTC housing within the market to the number of income-appropriate households. The resulting penetration rate is evaluated in conjunction with the project's capture rate.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item-by-item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit.

C. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources include the following:

- The 2010 and 2020 Census on Housing
- American Community Survey
- ESRI
- Applied Geographic Solutions
- U.S. Department of Labor
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- U.S. Department of Housing and Urban Development (HUD)

D. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of data sources to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of Community Housing Partners or Bowen National Research is strictly prohibited.

II. Executive Summary

Based on the findings contained in this report, it is our opinion that a market exists for the development of the proposed Ansell rental community in Portsmouth, Virginia utilizing financing from the Low-Income Housing Tax Credit program. The following points support this conclusion:

Project Description

The subject project involves the new construction of the 39-unit Ansell rental community at 2216 and 2220 Waldron Avenue in Portsmouth, Virginia. The project will target general-occupancy (family) households earning up to 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Nine (9) of the units within the subject development will receive project-based rental assistance (PBRA). The proposed project is expected to be completed in April of 2026. Additional details of the subject project can be found in *Section III - Project Description* of this report.

Site Evaluation

The proposed site consists of a vacant parcel of land located at the terminus of Ansell Avenue in the southeastern portion of Portsmouth, Virginia. The proposed site is located within an established, mixed-use area of Portsmouth, although most of the immediate surrounding structures are residential buildings in good condition. The site's location at the terminus of Ansell Avenue, a two-lane vehicular roadway with light residential traffic, allows for limited passerby traffic. However, limited visibility has not adversely impacted the marketability of adjacent rental communities. Although a detailed site plan was not available at the time of this report, it is anticipated that the subject project will derive access from Ansell Avenue and the light traffic along this aforementioned roadway is expected to allow for convenient ingress and egress. In addition, U.S. Highway 17, Interstate 264, U.S. Highway 460 and Interstate 64 are all arterial roadways in the area that are accessible within approximately 4.5 miles of the site. Several public bus stops, operated by Hampton Roads Transit, are located within walking distance of the site, which further improves site access. The subject site is also within proximity of several community services, many of which are located within area shopping centers that can be accessed within less than 2.0 miles of the site. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in *Section IV - Area Analysis*.

Primary Market Area (PMA)

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Portsmouth Site PMA includes all of the southern incorporated portions of Portsmouth City. The boundaries of the Site PMA include the Western Branch Elizabeth River to the north; the Portsmouth incorporated limits to the east; the Portsmouth incorporated limits to the south; and the Portsmouth incorporated limits to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page *IV-10*.

Demographic Trends

Both the population and household bases within the Portsmouth Site PMA have experienced growth overall since 2010, a trend that is expected to continue through 2029. Households under the age of 65, which are expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise nearly 70.0% of all households in 2024 and will comprise approximately 67.0% of all households through 2029. More than two-thirds (41.2%) of all households were renters in 2024 and the 15,155 renter households projected for 2029 illustrate a deep base of renter support for the subject project. Further, nearly 76.0% of all renter households in the market are projected to earn less than \$75,000 in 2029. Based on the preceding analysis, a large base of low- and moderate-income renter households will continue to exist in the market for the foreseeable future. Detailed demographic trends are included in *Section IV*, beginning on page *IV-12*.

Economic Trends

The Portsmouth economy is strong and has steadily improved each year since the impact of the pandemic in 2020. Specifically, the city employment base has increased by 3,256, or 8.1%, since 2020 (through the end of 2023) while the annual unemployment rate for the city has declined by more than six full percentage points during this same time period. Both total employment and unemployment levels are outperforming pre-pandemic levels within the city. Based on the preceding factors, we expect the Portsmouth economy will remain strong and continue to improve for the foreseeable future. Detailed economic trends are included in *Section IV*, beginning on page *IV-16*.

Overall Rental Housing Market Conditions

We identified and personally surveyed 33 conventional housing projects containing a total of 4,599 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.8%, a strong rate for rental housing. The surveyed rental communities are broken out by project type in the following table.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	10	1,465	77	94.7%
Tax Credit	8	1,269	24	98.1%
Tax Credit/Government-Subsidized	12	1,506	0	100.0%
Market-Rate/Tax Credit/Government-Subsidized	2	257	0	100.0%
Government-Subsidized	1	102	0	100.0%
Total	33	4,599	101	97.8%

As illustrated in the preceding table, the rental housing market is performing well overall, with all segments reporting occupancy rates of 94.7% or higher. While the market-rate segment is operating at a stable occupancy rate of 94.7%, the surveyed properties that offer affordable units are performing very well, with few vacant units. This is a good indication that affordable rental product such as that proposed at the site is in high demand in this market.

Competitive/Comparable Tax Credit Analysis

We identified and surveyed 10 family (general-occupancy) properties that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units within the Portsmouth Site PMA, seven of which were selected for this comparability analysis based on targeted Area Median Household Income (AMHI), location, unit types offered and year built.

These seven LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Ansell	2026	39	-	-	-	Families; 40%, 50%, 60% & 80% AMHI & PBRA
1	Ansell Gardens Apts.	1969 / 2003	78	100.0%	0.2 Miles	30 HH	Families; 50% & 60% AMHI
4	Belle Hall Apts.	2008	120	100.0%	3.8 Miles	None	Families; 60% AMHI
6	Crescent Place Apts.	2008	157	97.5%	2.6 Miles	None	Families; 60% AMHI
12	Hamilton Place II	2012	84	100.0%	2.7 Miles	Shared: 24 Months	Families; 40%, 50%, & 60% AMHI & Section 8
15	Holley Pointe	2022	50	100.0%	2.5 Miles	3 HH	Families; 30%, 40%, 50%, 70%, & 80% AMHI & PBV/PBRA
17	Independence Square Apts.	1985 / 2005	152	97.4%	1.8 Miles	None	Families; 60% AMHI
21	Maplewood I & II	1991 / 2010	320	100.0%	6.2 Miles	25 HH	Families; 60% AMHI

OCC. – Occupancy; HH - Households

The seven comparable LIHTC projects have a combined occupancy rate of 99.2%, (a result of only eight vacant units at two properties), a very strong rate for rental housing. In fact, five of these projects are fully occupied, four of which maintain extensive waiting lists. Notably, the newest LIHTC property in the market, Holley Pointe, is 100.0% occupied with a waiting list. Holley Pointe experienced a lease-up rate of approximately 45 units per month from time of opening, a very rapid rate for LIHTC product. These trends illustrate that significant pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table.

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Ansell	-	\$891 [^] /40%/PBRA (3) \$1,113 [^] /50%/PBRA (2) \$1,110/50% (4) \$1,333/60% (9) \$1,407/80% (2)	\$1,030 [^] /40%/PBRA (2) \$1,287 [^] /50%/PBRA (2) \$1,255/50% (7) \$1,512/60% (6) \$1,953/80% (2)	-
1	Ansell Gardens Apts.	-	\$913/50% (26/0) \$913/50% (12/0) \$1,063/60% (28/0) \$1,063/60% (12/0)	-	None
4	Belle Hall Apts.	-	\$1,371/60% (76/0)	\$1,641/60% (44/0)	None
6	Crescent Place Apts.	\$1,115/60% (16/2)	\$1,340/60% (105/1)	\$1,551/60% (36/1)	None
12	Hamilton Place II*	\$830/50% (7/0) \$988/60% (1/0)	\$1,017/50% (35/0) \$1,135/60% (4/0)	\$1,187/50% (8/0) \$1,331/60% (1/0)	None
15	Holley Pointe*	-	\$672/30% (4/0) \$1,117/50% (12/0) \$1,316/70% (8/0) \$1,391/80% (12/0)	\$778/30% (1/0) \$1,229/50% (3/0) \$1,504/70% (2/0) \$1,554/80% (3/0)	None
17	Independence Square Apts.	\$1,108/60% (33/2)	\$1,331/60% (106/1)	\$1,541/60% (13/1)	None
21	Maplewood I & II	-	\$1,344/60% (280/0)	\$1,556/60% (40/0)	None

PBRA – Project-Based Rental Assistance; *Non-subsidized units only; [^]Maximum allowable LIHTC rent (contract rent exceeds maximum allowable)

The subject’s proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally competitive with the rents being achieved at the comparable LIHTC properties in the market targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 14 years newer than the original year built of nearly all of the comparable properties utilized in this analysis. As such, it is expected that the subject’s proposed gross LIHTC rents for these income levels (40%, 50% and 60% of AMHI) are considered achievable as proposed.

Considering the subject’s proposed gross LIHTC rents at the 80% of AMHI income level are positioned only slightly higher than the 60% of AMHI rents proposed at the site and are competitive with the only property offering 80% of AMHI units, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as good values in the market.

Comparable Tax Credit Summary

The seven comparable LIHTC projects have a combined occupancy rate of 99.2%, (a result of only eight vacant units at two properties), a very strong rate for rental housing. In fact, five of these projects are fully occupied, four of which maintain extensive waiting lists. These trends illustrate that significant pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The subject’s proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally competitive with the rents being achieved at the comparable LIHTC properties in the market targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 14 years newer than the original year built of nearly all of the comparable properties utilized in this analysis. As such, it is expected that the subject’s proposed gross LIHTC rents for these income levels (40%, 50% and 60% of AMHI) are considered achievable as proposed.

Considering the subject’s proposed gross LIHTC rents at the 80% of AMHI income level are positioned only slightly higher than the 60% of AMHI rents proposed at the site and are competitive with the only property offering 80% of AMHI units, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as good values in the market. Based on the rent positioning of the subject site, as well as the generally competitive unit sizes and amenities package, the subject site is expected to be marketable as proposed.

Perception of Value

Based on HUD Rent Comparability Grids in *Section VI*, the following table summarizes the proposed subject project’s market rent advantages:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
Two-Br.	\$734* (40%/PBRA)	\$1,725	57.4%
	\$956* (50%/PBRA)		44.6%
	\$953 (50%)		44.8%
	\$1,176 (60%)		31.8%
	\$1,250 (80%)		27.5%
Three-Br.	\$827* (40%/PBRA)	\$1,875	55.9%
	\$1,084* (50%/PBRA)		42.2%
	\$1,052 (50%)		44.0%
	\$1,309 (60%)		30.4%
	\$1,750 (80%)		6.9%

*Maximum allowable collected LIHTC rent (contract rent exceeds maximum allowable)

PBRA – Project-Based Rental Assistance

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10.0% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households at higher income levels such as 80% of AMHI often do not need to represent a market rent advantage of 10.0% to be perceived a value, it is often recommended that such units/rents represent a positive rent advantage to ensure it is perceived as a value to low-income renters.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 6.9% to 57.4%, depending upon unit type and income level. Thus, the subject rents, even those at the higher 80% AMHI levels, will represent significant values within the Site PMA. It is also important to reiterate that the subject project will operate with Project-Based Rental Assistance (PBRA) available to some of the subject units and tenants of these units will pay only a portion of their income towards rent, rather than the proposed rents evaluated throughout this report. As such, the subject project is expected to represent an even greater value to area renters.

Capture Rate Estimates

The following is a summary of our demand calculations for the subject site as proposed, as well as in the unlikely scenario that the project did not operate with a subsidy.

As Proposed (With PBRA)						
Demand Component	40% AMHI (\$0 -\$42,800)	50% AMHI / PBRA (\$0 -\$53,500)	50% AMHI (\$38,160 - \$53,500)	60% AMHI (\$45,703 - \$64,200)	80% AMHI (\$48,240 - \$85,600)	Overall LIHTC w/ Subsidy (\$0-\$85,600)
Net Demand	3,869	4,476	910	957	1,538	5,762
Proposed Units	5	4	11	15	4	39
Proposed Units / Net Demand	5 / 3,869	4 / 4,476	11 / 910	15 / 957	4 / 1,538	39 / 5,762
Capture Rate	= 0.1%	= 0.1%	= 1.2%	= 1.6%	= 0.3%	= 0.7%

LIHTC Only (Without PBRA)					
Demand Component	40% AMHI (\$30,549 -\$42,800)	50% AMHI (\$38,160 -\$53,500)	60% AMHI (\$45,703-\$64,200)	80% AMHI (\$48,240-\$85,600)	Overall LIHTC Only (\$30,549 -\$85,600)
Net Demand	870	910	957	1,538	2,764
Proposed Units	5	15	15	4	39
Proposed Units / Net Demand	5 / 870	15 / 910	15 / 957	4 / 1,538	39 / 2,764
Capture Rate	= 0.6%	= 1.6%	= 1.6%	= 0.3%	= 1.4%

The capture rates by targeted income level assuming the project operates with a subsidy available to some units are considered low and easily achievable, ranging from 0.1% to 1.6%, with an overall capture rate of 0.7%. In the unlikely scenario the subject operates without a subsidy, the capture rates by income level range from 0.3% to 1.6% and the overall capture rate is 1.4%. These capture rates are all considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development, regardless of scenario.

Penetration Rate

The 1,458 existing and proposed non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing, planned and subject Tax Credit units is \$28,457 to \$85,600. The following table summarizes the market penetration rate for the subject project, based on data contained in the Demographic Characteristics and Trends section of this report.

	Market Penetration
Number of LIHTC Units (Planned, Existing & Subject)	1,497
Income-Eligible Renter Households – 2026	/ 6,376
Overall Market Penetration Rate	= 23.5%

It is our opinion that the 23.5% penetration rate for the LIHTC units, existing, planned and proposed subject, is low and achievable. This is especially true considering the high occupancy rates reported among the comparable LIHTC properties surveyed in the market.

Absorption Projections

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with the lease-up trends of other projects with similar characteristics in the Site PMA and other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 39 proposed LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in less than three months of opening. This absorption rate is based on an average monthly absorption rate of 14 units per month. Note that these absorption projections assume the proposed project will operate with a subsidy available to nine of the subject units. In the unlikely scenario the subject project did not operate with a subsidy available to these units, the proposed project will likely experience a slightly longer absorption period of up to three full months, which is reflective of an absorption rate of approximately 12 units per month.

These absorption projections assume a 2026 opening date. A different opening date may have a slowing or hastening impact on the subject's initial absorption potential. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, unit design, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

III. Project Description

Project Name:	Ansell
Location:	2216 & 2220 Waldron Avenue, Portsmouth, Virginia 23702
Census Tract:	2124
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 39-unit Ansell rental community at 2216 and 2220 Waldron Avenue in Portsmouth, Virginia. The project will target general-occupancy (family) households earning up to 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Nine (9) of the units within the subject development will receive project-based rental assistance (PBRA). The proposed project is expected to be completed in April of 2026. Additional details of the subject development are summarized as follows:

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
3	Two-Br.	2.0	Garden	995	40%/PBRA	\$1,224	\$157	\$1,381	\$891
2	Two-Br.	2.0	Garden	995	50%/PBRA	\$1,224	\$157	\$1,381	\$1,113
4	Two-Br.	2.0	Garden	995	50%	\$953	\$157	\$1,110	\$1,113
9	Two-Br.	2.0	Garden	995	60%	\$1,176	\$157	\$1,333	\$1,336
2	Two-Br.	2.0	Garden	995	80%	\$1,250	\$157	\$1,407	\$1,782
2	Three-Br.	2.0	Garden	1,115	40%/PBRA	\$1,747	\$203	\$1,950	\$1,030
2	Three-Br.	2.0	Garden	1,115	50%/PBRA	\$1,747	\$203	\$1,950	\$1,287
7	Three-Br.	2.0	Garden	1,115	50%	\$1,052	\$203	\$1,255	\$1,287
6	Three-Br.	2.0	Garden	1,115	60%	\$1,309	\$203	\$1,512	\$1,545
2	Three-Br.	2.0	Garden	1,115	80%	\$1,750	\$203	\$1,953	\$2,060
39	Total								

Source: Community Housing Partners

AMHI – Area Median Household Income (Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area; 2023)

PBRA – Project-Based Rental Assistance

Note that tenants residing within the nine units with PBRA will effectively pay up to 30% of their adjusted gross household income towards gross rent due to the presence of the subsidy. The maximum allowable LIHTC gross rents of \$891 to \$1,287 are the programmatic limits for two- and three-bedroom units targeting households earning up to 40% and 50% of AMHI. However, these limits would only apply in the unlikely scenario that the property did not to operate with a project-based subsidy. Regardless, considering the rents exceed maximum allowable LIHTC rents at these income levels, the maximum allowable LIHTC rent levels have been considered for these unit types throughout the remainder of this report.

Building/Site Information	
Residential Buildings:	Two (2), two- and three-story buildings
Building Style:	Walk-up
Community Space:	Integrated throughout
Acres:	2.4

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	March 2025
Begin Preleasing:	January 2026
Construction End:	April 2026

Unit Amenities		
• Electric Range	• Washer/Dryer Hookups	• Composite Flooring
• Refrigerator	• Central Air Conditioning	• Window Blinds
• Dishwasher	• Walk-In Closet	• In-Unit Wi-Fi

Community Amenities		
• Clubhouse/Community Room	• On-Site Management	• Common Area Wi-Fi
• Playground	• CCTV/Cameras	• Surface Parking Lot (66 Spaces)
• Social Services*		

*Includes a childcare subsidy and annual telehealth evaluation

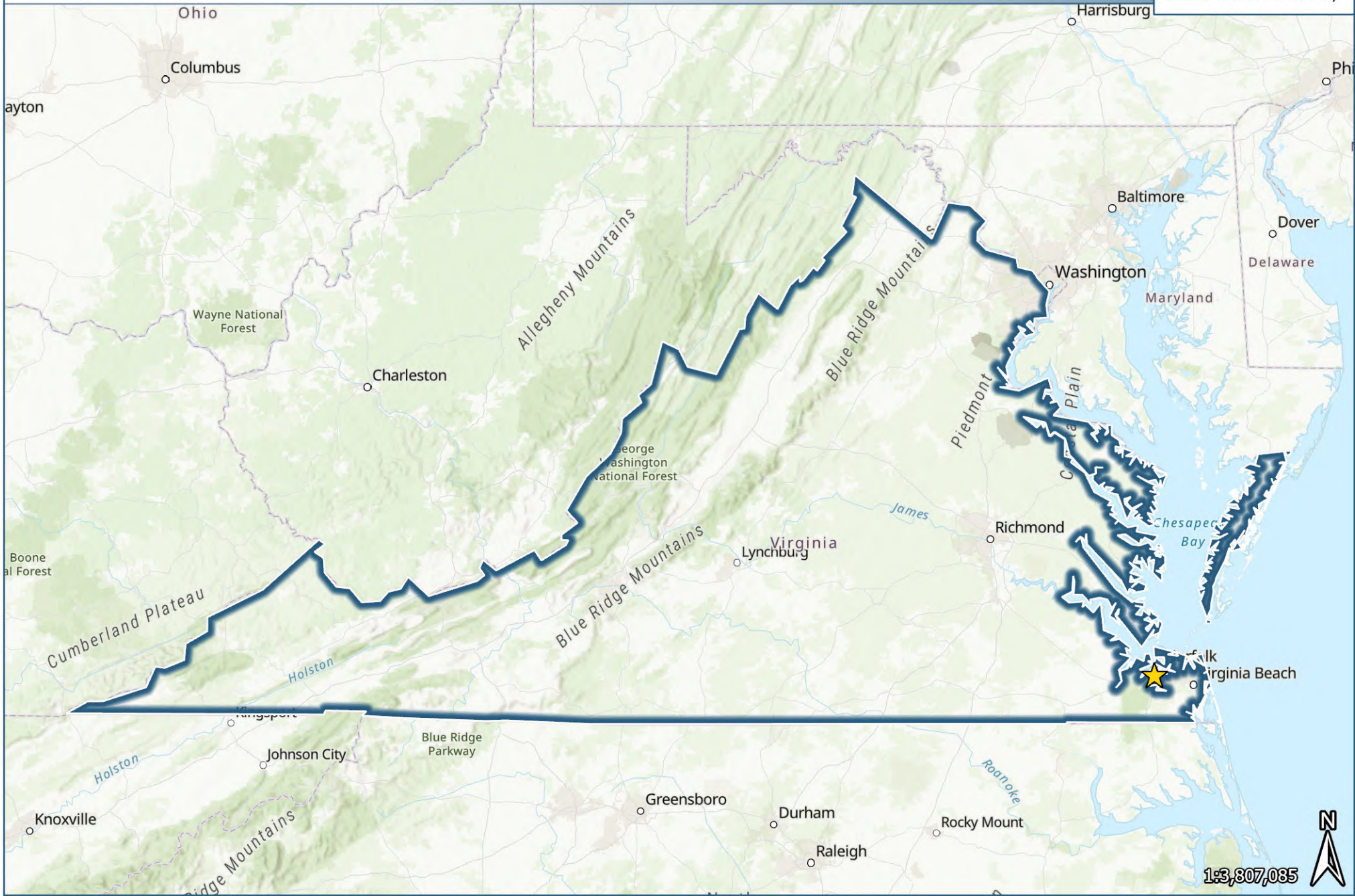
Utility Responsibility							
	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
Paid By	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Landlord
Source	Electric	Electric	Electric				

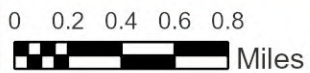
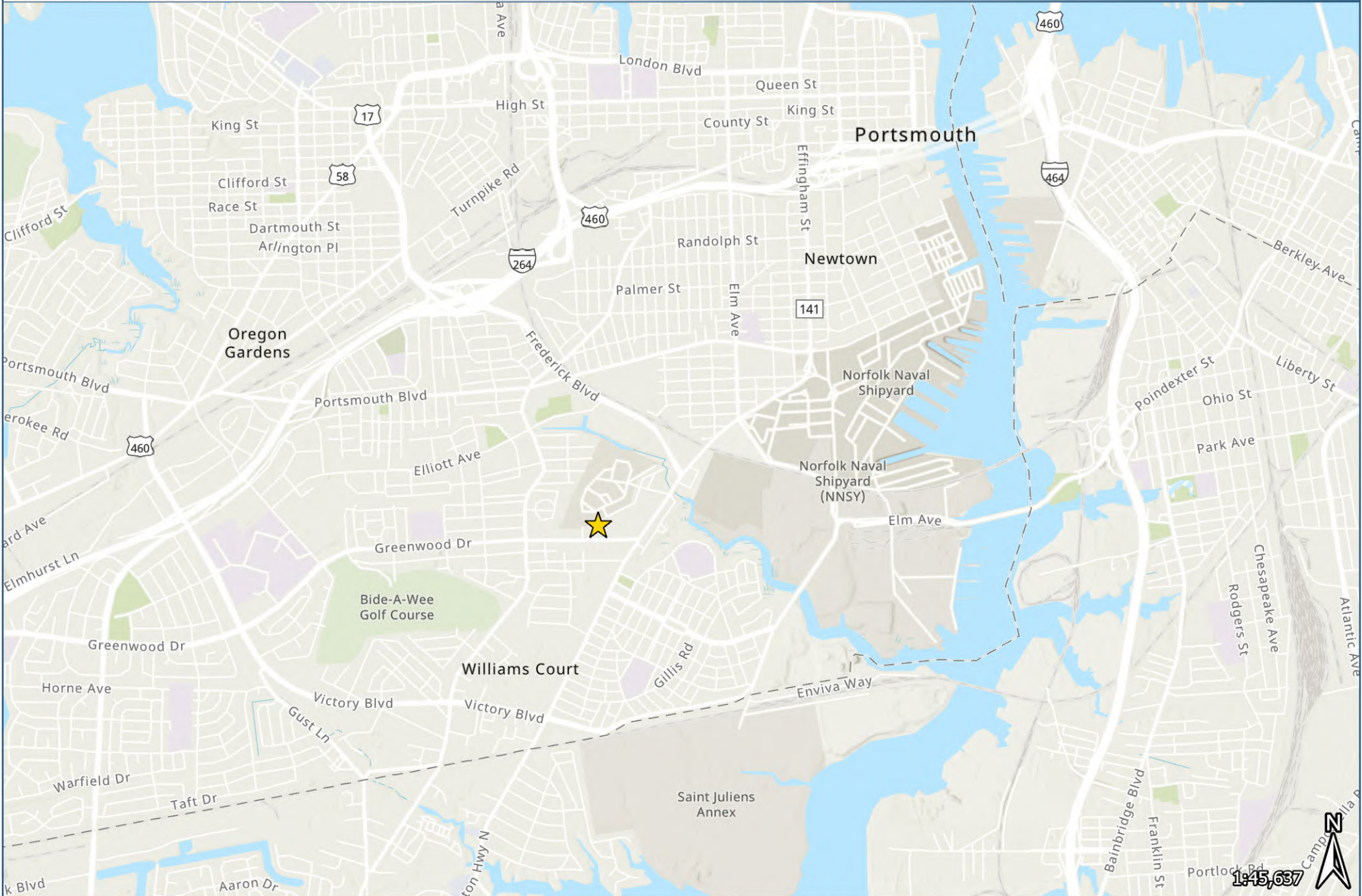
FLOOR AND SITE PLAN REVIEW:

Site/floor plans were provided for the subject project for review. Based on these plans, as well as information provided at the time of this analysis, the subject property will include two- and three-bedroom garden-style units located within two (2), two- and three-story buildings. The subject units will be competitively sized, with all units including two full bathrooms. Each unit will come well-equipped in terms of unit amenities and will feature a full kitchen appliance package and dedicated laundry area with in-unit washer/dryer connections.

In addition to the subject’s residential units, the property will feature an array of community amenities integrated throughout the property. These will include but not be limited to a community room, on-site management office, and playground. Overall, the subject property appears to be marketable in terms of overall design. Nonetheless, an in-depth comparable/competitive analysis is included in *Section V* to better determine the competitive position and overall marketability of the subject project within the Portsmouth market.

A state map, an area map and a site neighborhood map are on the following pages.







IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The proposed site consists of a vacant parcel of land located at the terminus of Ansell Avenue in the southeastern portion of Portsmouth, Virginia. Located in the southeastern portion of the city of Portsmouth, the subject site is situated approximately 4.0 miles southwest of Norfolk, Virginia and approximately 27.0 miles southeast of Newport News, Virginia. The subject site visit was completed February 14, 2024, and the corresponding fieldwork was completed during the week of February 12, 2024.

2. SURROUNDING LAND USES

The proposed site is located within an established, mixed-use area of Portsmouth, although most of the immediate surrounding structures are residential buildings in good condition. Adjacent land uses are detailed as follows:

North -	The northern boundary of the site is defined by an unnamed roadway that provides access to military housing situated north of the site. These residential buildings extend north of the site, followed by wooded land, Biltmore Commons Apartments, several commercial businesses and a church.
East -	East of the site is Ansell Gardens Apartments, a comparable Tax Credit property in good condition. Afton Shopping Center, U.S. Highway 17, Grand at New Port rental community, a middle school and single-family homes in fair condition extend farther east of the site.
South -	The southern boundary of the site is defined by a tree line, which buffers the site from single-family homes in fair to good condition. Continuing south are additional single-family homes in fair to good condition and a shopping plaza that includes Ollie's Bargain Outlet and Dollar General, among additional retailers.
West -	The western boundary of the site is defined by a tree line, which buffers the site from military housing in good condition. Continuing west is a cemetery, numerous single-family homes which are in fair to good condition, and an elementary school.

The subject site is situated within an established, mixed-use area of Portsmouth, although most immediate surrounding land uses are residential in nature and the site is considered conducive to residential housing. Notably, the proximity to community services, dining options, retail shopping, and arterial roadways will likely contribute to the marketability of the subject site. The existing residential and retail structures within the surrounding neighborhood were observed to be in good condition and are not expected to adversely impact the overall marketability of the proposed subject site.

Photographs of the site can be found in *Section X* of this report.

3. VISIBILITY AND ACCESS

The proposed site is situated at the terminus of Ansell Avenue, a two-lane vehicular roadway with light residential traffic. Ansell Avenue generally only provides access to the adjacent residential properties, including Ansell Gardens Apartments, which is located east of the site. Although the subject site will not receive passerby traffic, Ansell Gardens Apartments is situated adjacent to the site and is currently operating with an occupancy rate of 100.0% and is maintaining a 50-household waiting list, illustrating that the limited visibility has not adversely impacted the marketability of rental product at the site's location. Regardless, promotional signage placed along U.S. Highway 17 would significantly enhance the overall visibility and awareness of the proposed project.

Although a detailed site plan was not available at the time of this report, it is anticipated that the subject project will derive access from Ansell Avenue, a two-lane residential roadway that terminates at the site's location. The light traffic along this aforementioned roadway is expected to allow for convenient ingress and egress. In addition to being conveniently accessed, the subject site is also within proximity of arterial roadways, as Ansell Avenue provides access to Alabama Avenue, which provides access to U.S. Highway 17, a four-lane arterial roadway. In addition, Interstate 264, U.S. Highway 460 and Interstate 64 are all arterial roadways in the area that are accessible within approximately 4.5 miles of the site. Additionally, several public bus stops, operated by Hampton Roads Transit, are located within walking distance of the site, which further improve accessibility of the site. The availability of affordable public transportation within walking distance of the subject site is considered beneficial to the targeted low-income population. Overall, accessibility of the site is considered good.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (miles)
Major Highways	U.S. Highway 17	0.4 East
	Interstate 264	1.6 North
	U.S. Highway 460	3.3 South
	Interstate 64	4.4 South
Public Bus Stop	Hampton Roads Transit (George Washington and Greenwood)	0.5 East
Major Employers/ Employment Centers	Norfolk Naval Shipyard	1.6 Northeast
	Food Lion	1.6 South
	Portsmouth City Public Schools	1.6 West
	Walmart Supercenter	2.9 Northwest
	Bon Secours Mayview Medical Center	3.2 Northwest
Convenience Store	Getty Mart	0.8 South
	7-Eleven	0.9 Northeast
Grocery	Food Lion	1.6 South
	Kroger	2.4 Northwest
	Walmart Supercenter	2.9 Northwest
Discount Department Store	Family Dollar	0.6 Northeast
	Ollie's Bargain Outlet	1.3 South
	Dollar General	1.3 South
Shopping Center/Mall	Afton Shopping Center	0.4 East
	Williams Court I & II	1.3 South
Schools: Elementary Middle/Junior High High	Victory Elementary School	1.6 West
	Cradock Middle School	1.2 Southeast
	I.C. Norcom High School	2.7 North
	Tidewater Community College	2.4 West
Hospital	Bon Secours Mayview Medical Center	3.2 Northwest
	In and Out Express Care	3.6 South
Police	Portsmouth Police Department	2.9 Northeast
Fire	Portsmouth Fire Department	1.2 Southeast
Post Office	United States Postal Service	3.6 West
Bank	Wells Fargo	2.7 South
	Woodforest National Bank	2.9 Northwest
Recreational Facilities	Scott Annex Center Strike Zone	0.8 East
	Planet Fitness	1.7 South
Gas Station	Citgo	0.8 South
	7-Eleven	0.9 Northeast
Pharmacy	Scott Center Annex Pharmacy	0.7 East
	CVS	2.7 Northwest
Restaurant	Popeyes Louisiana Kitchen	0.4 East
	Mama Chan's Chinese Take-Out	0.5 Southeast
	Darla's Seafood	0.6 Southeast
Day Care	Tiny Tots Childcare	1.3 West
Community Center	Cavalier Manor Recreation Center	3.0 West
Church	Portsmouth 1st Church of the Nazarene	1.1 Southwest
	Victory Life Fellowship	1.1 Southeast
	Highland Baptist Church	1.6 West
Park	George Washington Park	0.8 South
	Paradise Creek Nature Park	2.6 Southeast
Library	Portsmouth Public Library	1.2 Southeast

The proposed site is situated within an established area of Portsmouth and is subsequently within 2.5 miles of many essential community services. Notably, the Afton Shopping Center is located within walking distance of the site, and contains many dining options for area residents. Also of note, the Williams Court I and II shopping center, which is anchored by a Food Lion grocery store, also houses many shopping and dining options for area residents.

Public safety services are provided by the Portsmouth Fire and Police departments, both of which are located within 2.9 miles of the site. The nearest hospital, Bon Secours Mayview Medical Center, is located 3.2 miles northwest of the site. All district schools are located within 2.7 miles of the site, with the nearest being Cradock Middle School, which is 1.2 miles southeast of the site. Numerous restaurants, banks, discount stores, parks, churches, libraries, and recreation centers are all located within approximately 2.5 miles of the site. Overall, the site's proximity to most essential services is considered good, which should contribute to overall site marketability.

5. OVERALL SITE EVALUATION

The proposed site consists of a vacant parcel of land located at the terminus of Ansell Avenue in the southeastern portion of Portsmouth, Virginia. The proposed site is located within an established, mixed-use area of Portsmouth, although most of the immediate surrounding structures are residential buildings in good condition. The site's location at the terminus of Ansell Avenue, a two-lane vehicular roadway with light residential traffic, allows for limited passerby traffic. However, limited visibility has not adversely impacted the marketability of adjacent rental communities. Although a detailed site plan was not available at the time of this report, it is anticipated that the subject project will derive access from Ansell Avenue and the light traffic along this aforementioned roadway is expected to allow for convenient ingress and egress. In addition, U.S. Highway 17, Interstate 264, U.S. Highway 460 and Interstate 64 are all arterial roadways in the area that are accessible within approximately 4.5 miles of the site. Several public bus stops, operated by Hampton Roads Transit, are located within walking distance of the site, which further improve site access. The subject site is also within proximity of several community services, many of which are located within area shopping centers that can be accessed within less than 2.0 miles of the site. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability.

6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk for the Site PMA is 120, with an overall personal crime index of 125 and a property crime index of 119. Total crime risk for Portsmouth city is 110, with personal and property crime indices of 116 and 109, respectively.












	Crime Risk Index	
	PMA	Portsmouth (City)
Total Crime Index	120	110
Personal Crime Index	125	116
Murder	325	295
Rape	136	130
Robbery	144	133
Assault	113	104
Property Crime Index	119	109
Burglary	92	83
Larceny	129	118
Motor Vehicle Theft	93	84

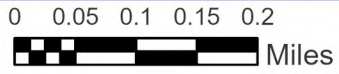
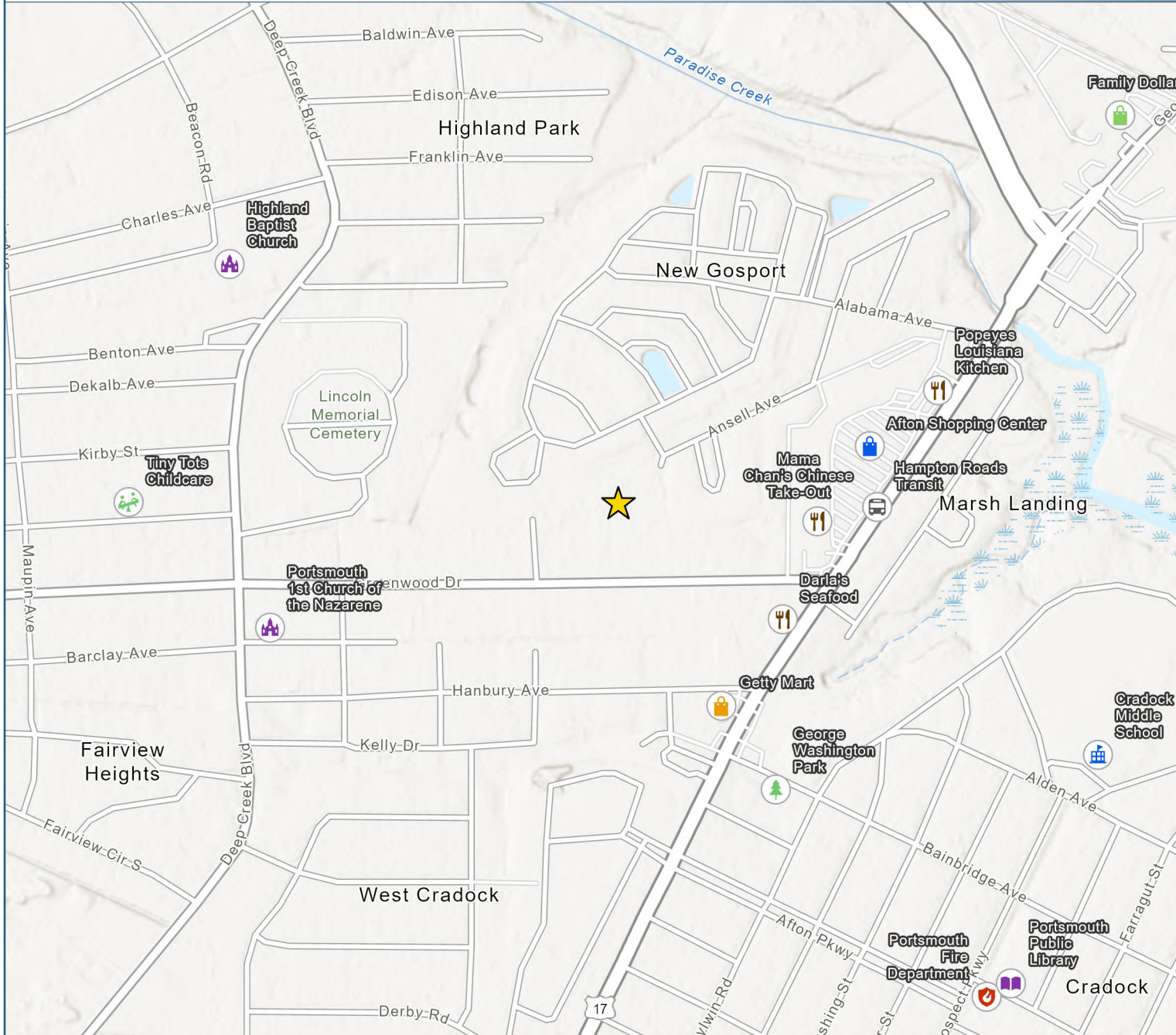
Source: Applied Geographic Solutions, FBI, ESRI

The crime risk index reported for the Site PMA (120) is similar to that reported for Portsmouth City (110), and both are slightly above the national average of 100. Crime indexes such as those reported for the site area and Portsmouth City, however, are not uncommon for established and densely populated areas such as the Portsmouth market. Further, the high occupancy rates reported among most existing rental properties surveyed in the market are clear indications that crime is not a factor impacting the area rental market. In addition, the subject project will include an on-site management office and security cameras, features which typically deter crime. As such, we do not expect crime to have any adverse impact on the marketability of the subject project.

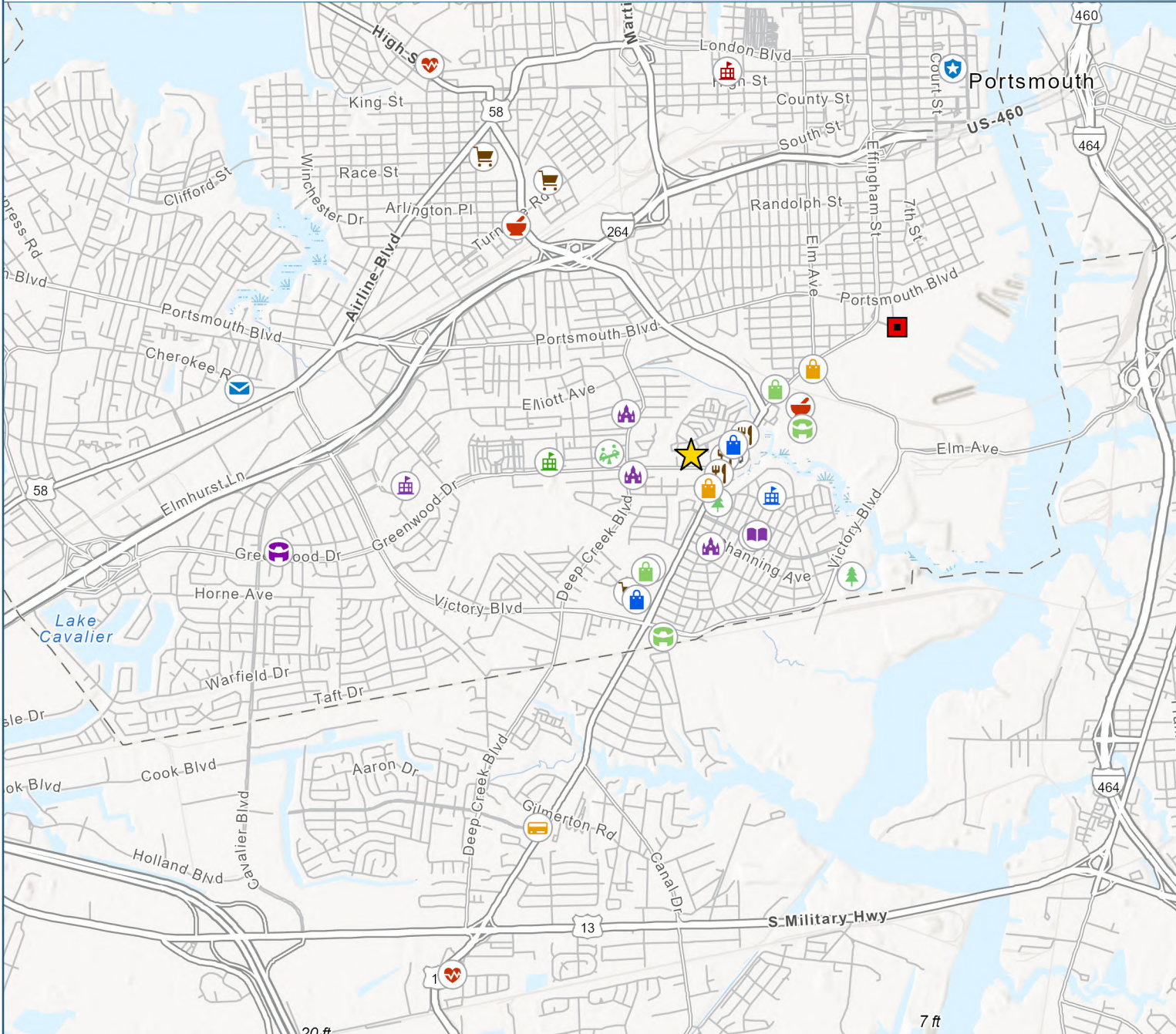
Maps illustrating the location of community services and crime risk are on the following pages.

Community Services

-  Fire
-  Public Bus Stop
-  Day Care
-  Schools, Middle/Junior High
-  Library
-  Park
-  Church
-  Restaurant
-  Convenience Store
-  Discount Department Store
-  Shopping Center/Mall



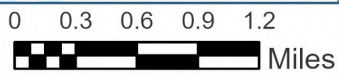
Esri Community Maps Contributors, City of Chesapeake, City of Portsmouth, VA, VGIN, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS, Esri, NASA, NGA, USGS, FEMA
 Additional Source(s): Bowen National Research



Site

Community Services

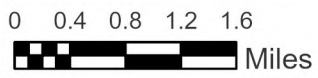
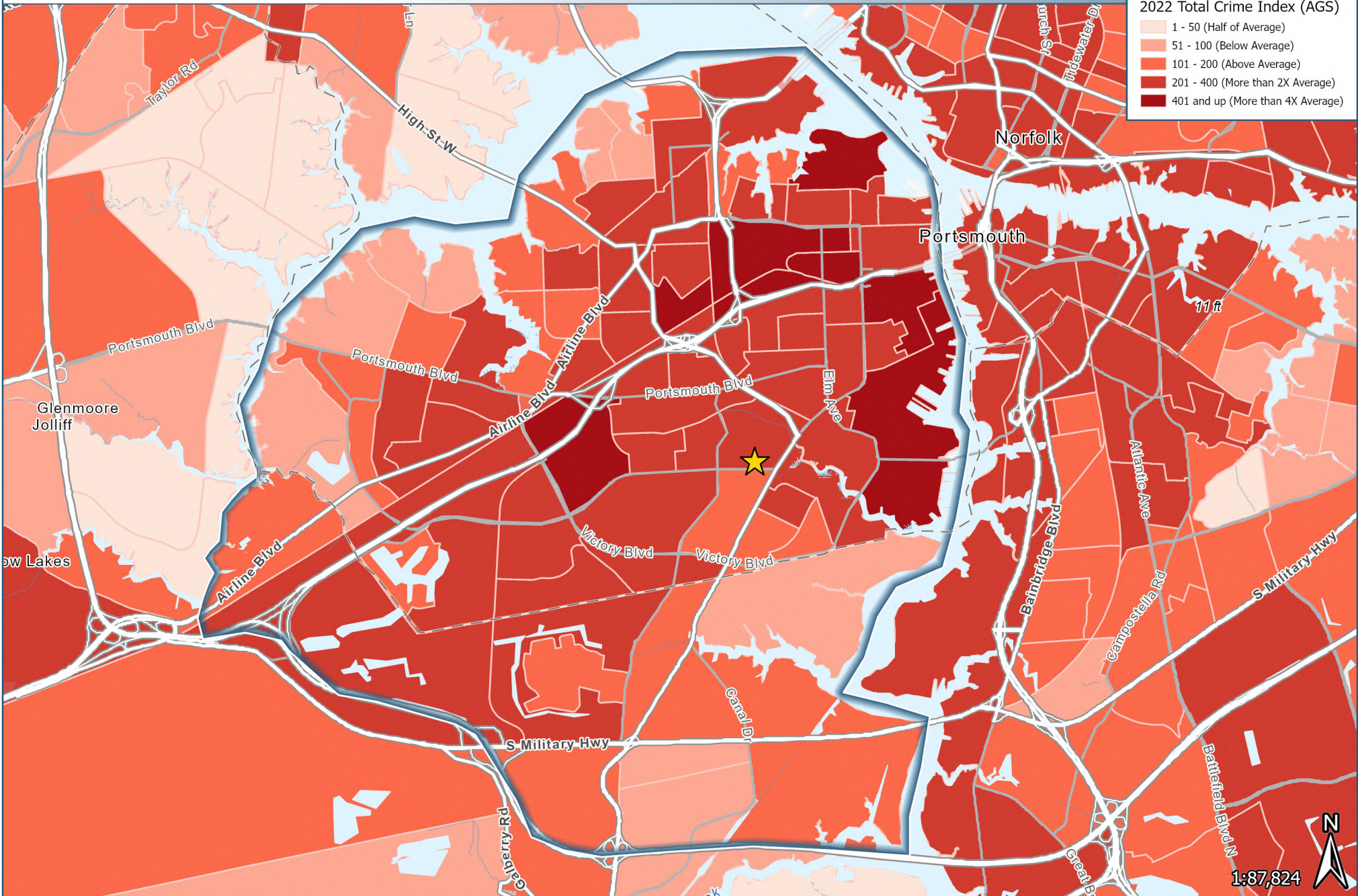
- Major Employers/Employment Centers
- Hospital/Medical Center
- Police
- Fire
- Post Office
- Pharmacy
- Gas Station
- Public Bus Stop
- Bank
- Day Care
- Schools, Elementary
- Schools, Middle/Junior High
- Schools, High
- Schools, College/University
- Library
- Park
- Recreational Facility
- Community Center
- Church
- Restaurant
- Grocery
- Convenience Store
- Discount Department Store
- Shopping Center/Mall



★ Site
PMA

2022 Total Crime Index (AGS)

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)



B. PRIMARY MARKET AREA DELINEATION

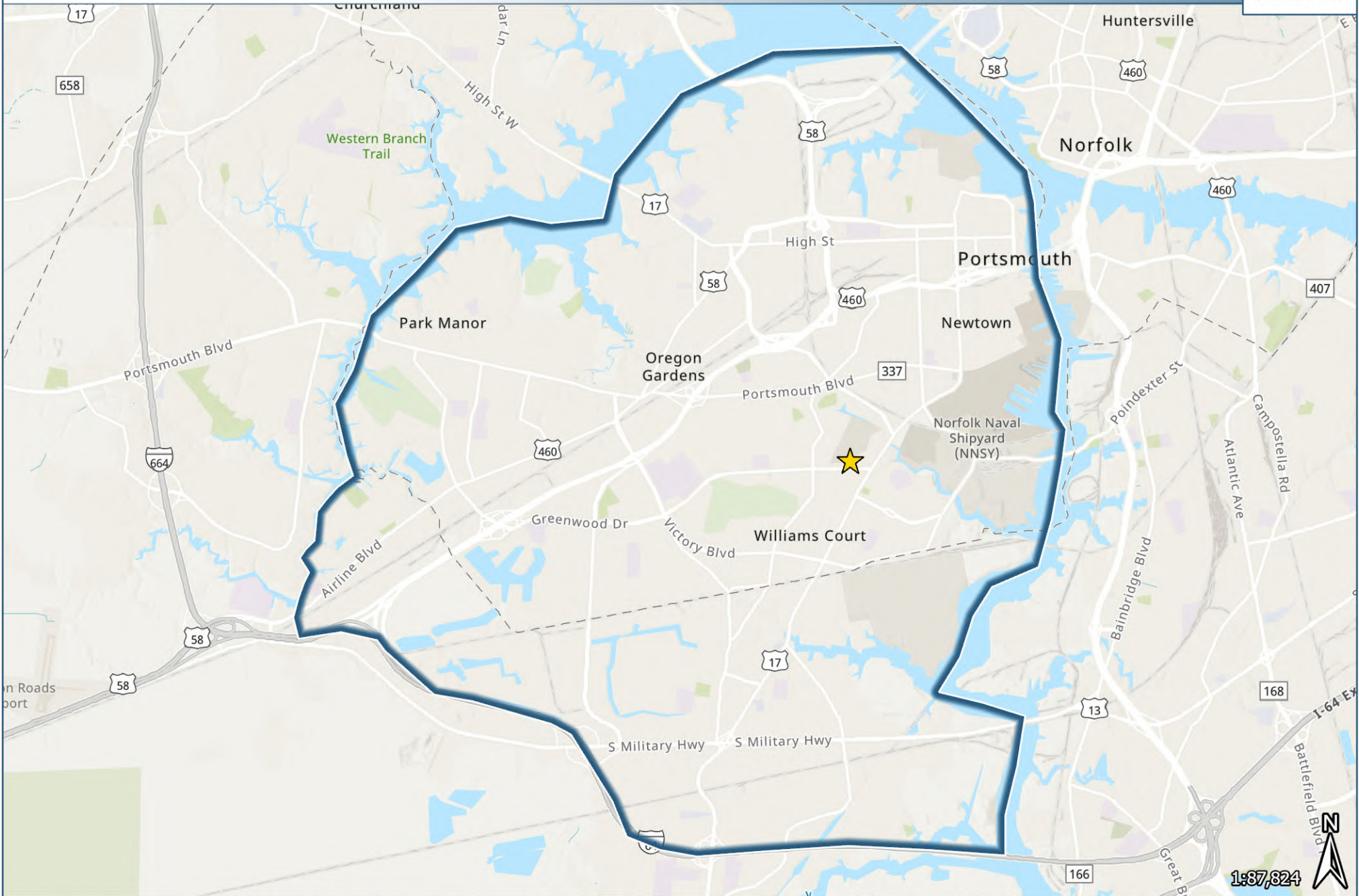
The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Portsmouth Site PMA was determined through interviews with area leasing and real estate agents and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Portsmouth Site PMA includes all of the southern incorporated portions of Portsmouth City. The boundaries of the Site PMA include the Western Branch Elizabeth River to the north; the Portsmouth incorporated limits to the east; the Portsmouth incorporated limits to the south; and the Portsmouth incorporated limits to the west. The communities of northern Portsmouth and Norfolk could provide some support for the project; however, the majority of support is expected to come from residents living within the immediate areas of southern Portsmouth.

- Maria Baysmore, Property Manager at Crecent Place Apartments (Map ID 6), a comparable Tax Credit property in the Site PMA, confirmed the boundaries of the Site PMA. Baysmore stated that, given the central location of the subject site within Portsmouth, it would likely receive support from existing residents within the immediate Portsmouth area and within the boundaries of the Site PMA. Baysmore added that most of this property's tenants are from within the boundaries of the PMA.
- Victoria Sledgebunch, Property Manager at Hamilton Place I & II (Map IDs 11 and 12), Tax Credit and government-subsidized properties in the Site PMA, confirmed the boundaries of the Site PMA. Sledgebunch stated that there are no other areas aside from Portsmouth from which her property draws notable demand and that most of the tenants at this property originated from within the boundaries of the Site PMA.

A small portion of support may originate from some of the outlying areas of the Site PMA; we have not, however, considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

The following demographic data relates to the Site PMA. It is important to note that not all estimates/projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the estimates/projections do not vary more than 1.0%.

The Site PMA population bases for 2010, 2020, 2024 (estimated), and 2029 (projected) are summarized as follows:

	Year			
	2010 (Census)	2020 (Census)	2024 (Estimated)	2029 (Projected)
Population	91,768	93,799	94,868	95,279
Population Change	-	2,031	1,069	411
Percent Change	-	2.2%	1.1%	0.4%

Source: 2010 & 2020 Census; ESRI; Bowen National Research

The Portsmouth Site PMA population base increased by 2,031 between 2010 and 2020. This represents a 2.2% increase over the 2010 population, or an annual rate of 0.2%. Between 2020 and 2024, the population increased by 1,069, or 1.1%. It is projected that the population will increase by 411, or 0.4%, between 2024 and 2029.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2024 (Estimated)		2029 (Projected)		Change 2024-2029	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	24,876	27.1%	24,012	25.3%	24,153	25.3%	141	0.6%
20 to 24	6,812	7.4%	6,038	6.4%	6,101	6.4%	63	1.0%
25 to 34	13,650	14.9%	13,401	14.1%	12,121	12.7%	-1,280	-9.6%
35 to 44	11,016	12.0%	12,859	13.6%	13,472	14.1%	613	4.8%
45 to 54	13,124	14.3%	10,339	10.9%	10,934	11.5%	595	5.8%
55 to 64	10,429	11.4%	11,396	12.0%	10,024	10.5%	-1,372	-12.0%
65 to 74	6,145	6.7%	9,637	10.2%	10,260	10.8%	623	6.5%
75 & Older	5,715	6.2%	7,188	7.6%	8,215	8.6%	1,027	14.3%
Total	91,768	100.0%	94,868	100.0%	95,279	100.0%	411	0.4%

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, nearly 51.0% of the population is expected to be between 25 and 64 years old in 2024. This age group is the prime group of potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

Household trends within the Portsmouth Site PMA are summarized as follows:

	Year			
	2010 (Census)	2020 (Census)	2024 (Estimated)	2029 (Projected)
Households	35,031	37,152	37,857	38,366
Household Change	-	2,121	705	509
Percent Change	-	6.1%	1.9%	1.3%
Average Household Size	2.56	2.53	2.44	2.42

Source: Bowen National Research, ESRI, Census

Within the Portsmouth Site PMA, households increased by 2,121 (6.1%) between 2010 and 2020. Between 2020 and 2024, households increased by 705 or 1.9%. By 2029, there will be 38,366 households, an increase of 509 households, or 1.3% over 2024 levels. This is an increase of approximately 102 households annually over the next five years.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2024 (Estimated)		2029 (Projected)		Change 2024-2029	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	1,863	5.3%	1,592	4.2%	1,639	4.3%	47	3.0%
25 to 34	6,199	17.7%	6,026	15.9%	5,480	14.3%	-546	-9.1%
35 to 44	5,612	16.0%	6,586	17.4%	6,890	18.0%	304	4.6%
45 to 54	7,053	20.1%	5,522	14.6%	5,857	15.3%	335	6.1%
55 to 64	6,195	17.7%	6,706	17.7%	5,902	15.4%	-804	-12.0%
65 to 74	4,017	11.5%	6,237	16.5%	6,649	17.3%	412	6.6%
75 & Older	4,093	11.7%	5,188	13.7%	5,949	15.5%	761	14.7%
Total	35,031	100.0%	37,857	100.0%	38,366	100.0%	509	1.3%

Source: Bowen National Research, ESRI, Census

The primary age group of potential renters for the subject project is expected to be comprised of households under the age of 65. Notably, this age cohort is estimated to comprise nearly 70.0% of all households in 2024. Although this age cohort is projected to decline overall between 2024 and 2029, this age cohort is anticipated to continue to comprise approximately 67.0% of all households in the market in 2029.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2024 (Estimated)		2029 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	20,335	58.0%	22,249	58.8%	23,211	60.5%
Renter-Occupied	14,696	42.0%	15,607	41.2%	15,154	39.5%
Total	35,031	100%	37,857	100.0%	38,366	100.0%

Source: Bowen National Research, ESRI, Census

In 2024, homeowners occupied 58.8% of all occupied housing units, while the remaining 41.2% were occupied by renters. The share of renters is generally considered typical for a market of this size and represents a deep base of potential renter support in the market for the subject development.

The household sizes by tenure within the Portsmouth Site PMA, based on the 2024 estimates and 2029 projections, were distributed as follows:

Persons per Owner Household	2024 (Estimated)		2029 (Projected)		Change 2024-2029	
	Households	Percent	Households	Percent	Households	Percent
1 Person	6,373	28.6%	6,983	30.1%	610	9.6%
2 Persons	7,939	35.7%	8,454	36.4%	516	6.5%
3 Persons	3,872	17.4%	3,940	17.0%	68	1.8%
4 Persons	2,449	11.0%	2,399	10.3%	-49	-2.0%
5+ Persons	1,618	7.3%	1,436	6.2%	-182	-11.3%
Total	22,249	100.0%	23,211	100.0%	962	4.3%

Source: Bowen National Research, ESRI, Census

Persons per Renter Household	2024 (Estimated)		2029 (Projected)		Change 2024-2029	
	Households	Percent	Households	Percent	Households	Percent
1 Person	5,402	34.6%	5,377	35.5%	-25	-0.5%
2 Persons	4,413	28.3%	4,416	29.1%	3	0.1%
3 Persons	2,883	18.5%	2,834	18.7%	-49	-1.7%
4 Persons	1,554	10.0%	1,395	9.2%	-159	-10.2%
5+ Persons	1,355	8.7%	1,132	7.5%	-223	-16.5%
Total	15,607	100.0%	15,154	100.0%	-453	-2.9%

Source: Bowen National Research, ESRI, Census

The two- and three-bedroom units proposed at the subject site are expected to generally house up to five-person households. As such, the subject project will be able to accommodate virtually all renter households in the market, based on household size.

3. INCOME TRENDS

The distribution of households by income within the Portsmouth Site PMA is summarized as follows:

Household Income	2010 (Census)		2024 (Estimated)		2029 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	4,970	14.2%	5,863	15.5%	5,567	14.5%
\$15,000 - \$24,999	4,155	11.9%	3,599	9.5%	3,263	8.5%
\$25,000 - \$34,999	4,514	12.9%	3,447	9.1%	3,122	8.1%
\$35,000 - \$49,999	5,956	17.0%	4,609	12.2%	4,205	11.0%
\$50,000 - \$74,999	7,656	21.9%	7,316	19.3%	7,271	19.0%
\$75,000 - \$99,999	3,653	10.4%	4,377	11.6%	4,500	11.7%
\$100,000 - \$149,999	2,909	8.3%	5,478	14.5%	6,405	16.7%
\$150,000 & Higher	1,218	3.5%	3,169	8.4%	4,034	10.5%
Total	35,031	100.0%	37,857	100.0%	38,366	100.0%
Median Income	\$44,762		\$54,822		\$60,406	

Source: Bowen National Research, ESRI, Census

In 2024, the median household income is estimated to be \$54,822. By 2029, it is projected that the median household income will be \$60,406, an increase of 10.2% over 2024.

The following tables illustrate renter household income by household size for 2020, 2024, and 2029 for the Portsmouth Site PMA:

Renter Households	2020 (ACS)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	2,086	894	575	311	271	4,137
\$15,000 - \$24,999	773	548	297	165	128	1,911
\$25,000 - \$34,999	665	515	424	162	130	1,895
\$35,000 - \$49,999	909	527	500	313	244	2,494
\$50,000 - \$74,999	622	818	355	451	289	2,532
\$75,000 - \$99,999	131	418	351	195	189	1,284
\$100,000 - \$149,999	220	579	385	57	132	1,373
\$150,000 & Higher	16	111	38	31	151	344
Total	5,422	4,410	2,922	1,681	1,534	15,970

Source: ESRI, Bowen National Research

Renter Households	2024 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	2,058	851	544	279	227	3,960
\$15,000 - \$24,999	740	507	273	145	105	1,770
\$25,000 - \$34,999	638	478	391	142	106	1,754
\$35,000 - \$49,999	882	494	465	277	201	2,319
\$50,000 - \$74,999	650	822	354	424	252	2,501
\$75,000 - \$99,999	142	437	364	190	170	1,303
\$100,000 - \$149,999	269	671	442	61	128	1,572
\$150,000 & Higher	23	154	51	38	166	431
Total	5,402	4,413	2,883	1,554	1,355	15,607

Source: ESRI, Bowen National Research

Renter Households	2029 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	2,023	798	505	239	172	3,738
\$15,000 - \$24,999	698	456	243	120	76	1,593
\$25,000 - \$34,999	604	431	349	117	76	1,577
\$35,000 - \$49,999	848	452	422	232	148	2,101
\$50,000 - \$74,999	685	827	353	391	206	2,463
\$75,000 - \$99,999	156	460	380	184	146	1,326
\$100,000 - \$149,999	330	786	514	66	123	1,820
\$150,000 & Higher	32	207	68	47	185	539
Total	5,377	4,416	2,834	1,395	1,132	15,155

Source: ESRI, Bowen National Research

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Both the population and household bases within the Portsmouth Site PMA have experienced growth overall since 2010, a trend that is expected to continue through 2029. Households under the age of 65, which are expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise nearly 70.0% of all households in 2024 and will comprise approximately 67.0% of all households through 2029. More than two-thirds (41.2%) of all households were renters in 2024 and the 15,155 renter households projected for 2029 illustrate a deep base of renter support for the subject project. Further, nearly 76.0% of all renter households in the market are projected to earn less than \$75,000 in 2029. Based on the preceding analysis, a large base of low- and moderate-income renter households will continue to exist in the market for the foreseeable future.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

The labor force within the Portsmouth Site PMA is based primarily in two sectors. Health Care & Social Assistance (which comprises 30.9%) and Public Administration comprise nearly 45.7% of the Site PMA labor force. Employment in the Portsmouth Site PMA, as of 2023, was distributed as follows:

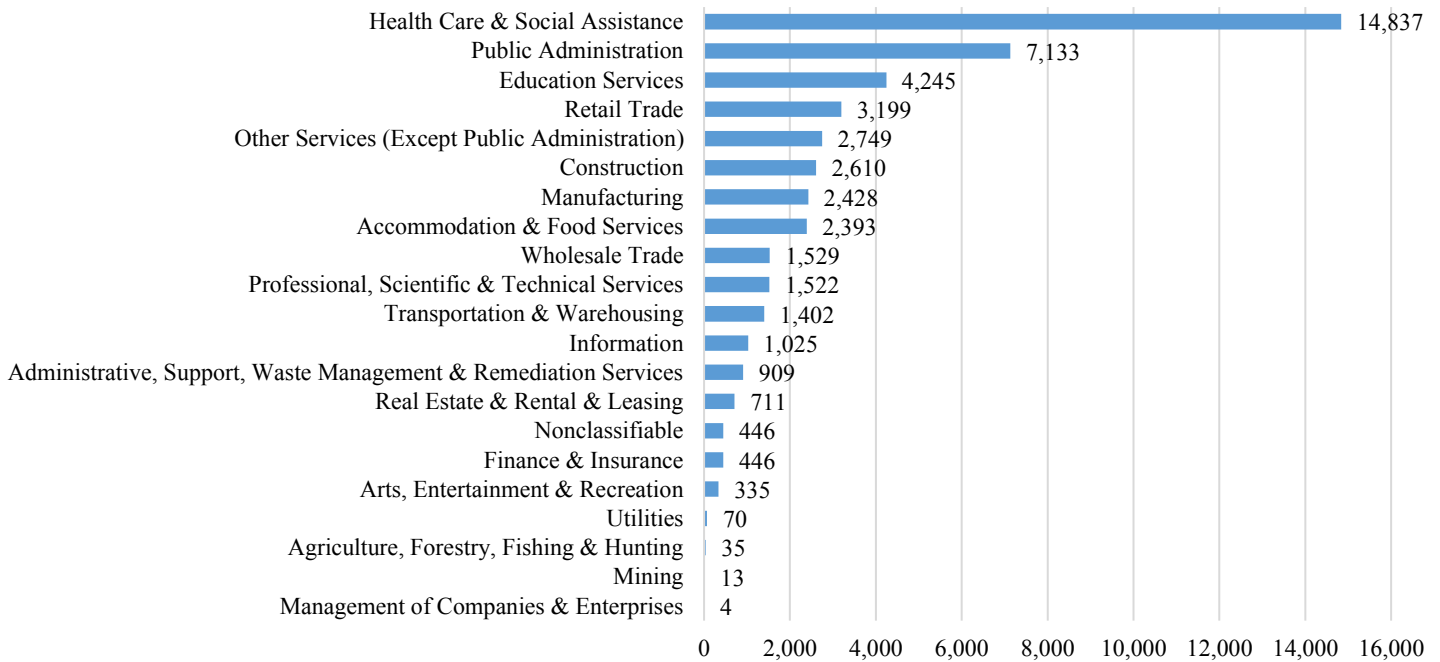
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	6	0.2%	35	0.1%	6
Mining	1	0.0%	13	0.0%	13
Utilities	6	0.2%	70	0.1%	12
Construction	193	7.5%	2,610	5.4%	14
Manufacturing	94	3.7%	2,428	5.1%	26
Wholesale Trade	103	4.0%	1,529	3.2%	15
Retail Trade	335	13.0%	3,199	6.7%	10
Transportation & Warehousing	122	4.7%	1,402	2.9%	11
Information	36	1.4%	1,025	2.1%	28
Finance & Insurance	82	3.2%	446	0.9%	5
Real Estate & Rental & Leasing	124	4.8%	711	1.5%	6
Professional, Scientific & Technical Services	169	6.6%	1,522	3.2%	9
Management of Companies & Enterprises	1	0.0%	4	0.0%	4
Administrative, Support, Waste Management & Remediation Services	73	2.8%	909	1.9%	12
Education Services	61	2.4%	4,245	8.8%	70
Health Care & Social Assistance	228	8.9%	14,837	30.9%	65
Arts, Entertainment & Recreation	38	1.5%	335	0.7%	9
Accommodation & Food Services	184	7.2%	2,393	5.0%	13
Other Services (Except Public Administration)	415	16.1%	2,749	5.7%	7
Public Administration	159	6.2%	7,133	14.8%	45
Nonclassifiable	142	5.5%	446	0.9%	3
Total	2,572	100.0%	48,041	100.0%	19

Source: Bowen National Research, ESRI, Census

E.P.E.- Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA; however, these employees are included in our labor force calculations because their places of employment are located within the Site PMA.

Total Employment by Industry



Typical wages by job category for the MSA are compared with the state of Virginia in the following table:

Typical Wage By Occupation Type		
Occupation Type	Virginia Beach-Norfolk- Newport News MSA	Virginia
Management Occupations	\$76,790	\$93,365
Business And Financial Occupations	\$70,088	\$86,050
Computer And Mathematical Occupations	\$88,643	\$109,597
Architecture And Engineering Occupations	\$89,285	\$98,121
Community And Social Service Occupations	\$48,828	\$50,509
Art, Design, Entertainment, Sports, and Media Occupations	\$44,682	\$53,472
Healthcare Practitioners And Technical Occupations	\$65,269	\$67,928
Healthcare Support Occupations	\$27,326	\$27,725
Protective Service Occupations	\$53,690	\$58,916
Food Preparation And Serving Related Occupations	\$16,201	\$15,832
Building & Grounds Cleaning & Maintenance Occupations	\$23,926	\$24,701
Personal Care And Service Occupations	\$21,383	\$20,810
Sales And Related Occupations	\$31,382	\$34,051
Office And Administrative Support Occupations	\$36,642	\$39,126
Construction And Extraction Occupations	\$45,402	\$43,162
Installation, Maintenance And Repair Occupations	\$52,447	\$52,560
Production Occupations	\$45,446	\$41,817
Transportation Occupations	\$41,980	\$41,502
Material Moving Occupations	\$27,988	\$26,646

Source: U.S. Department of Labor, Bureau of Statistics
MSA - Virginia Beach-Norfolk-Newport News, VA-NC Metro Area

It is important to note that most occupational types within the Virginia Beach-Norfolk-Newport News MSA have similar typical wages compared to Virginia's typical wages.

The ten largest employers within the Portsmouth area are summarized in the following table:

Employer Name	Business Type	Total Employed
Department of Defense	National Security & International Affairs	1,000+
Portsmouth City Public Schools	Education	1,000+
Bon Secours Maryview Medical Center	Medical	1,000+
City of Portsmouth	Government	1,000+
AYA Healthcare	Administrative & Support Services	1,000+
VA International Terminal Inc	Support Activities for Transportation	500-999
US Department of Homeland Security	Government	250-499
International Marine & Industry	Manufacturing	250-499
First Hospital Corp Ports	Nursing & Residential Care Facility	250-499
Food Lion LLC	Grocery	250-499

Source: Virginia Employment Commission (2nd Quarter 2022)

According to a representative with Portsmouth Economic Development, the Portsmouth economy is stable with some sectors showing signs of improvement while others (mostly office) remaining stagnant. The addition of a new casino in 2022 continues to be an economic driver for the city, along with continued growth in the health care, technology, logistics, warehousing, and maritime industries. The effects of the COVID-19 pandemic still have lingering effects. However, as a result of Hampton Roads being an epicenter for the military, public/private defense contracting companies and businesses related to port activities, employers/employees are a little more insulated than the rest of the region and state. The government stimulus packages provided support to businesses and individuals which helped our local employment base significantly. There is an extremely diverse population which provides a competitive advantage when employers are looking for employees. The following summarizes several recent and/or ongoing economic development projects within the Portsmouth area at the time of this analysis.

Economic Development Activity			
Project Name	Investment	Job Creation	Scope of Work/Details
Craney Island Office Expansion	\$1 to \$5 million	N/A	U.S. Army Corps of Engineers project includes demolishing a storage shed and constructing a new 1,200 square foot building, modifications to an existing 4,400 square foot building, and repaving the parking lot. Construction is expected to start May 2024.
Royal Elite Enterprises	\$1 million	N/A	An existing 3,571-square-foot building that will be used as an event space/banquet hall and some small retail business areas.
Mills Marine & Ship Repair	N/A	50	Opened a fabrication and training facility for maritime services and Navy vessels in February 2024. The facility includes a classroom, training space, and a 57,000-square-foot outdoor area for making ship components. The facility immediately hired 10 employees and will hire 20 to 40 additional employees depending on awarded contracts.
Portsmouth Marine Terminal	\$223 million	310	Dominion Energy plans to create turbine foundations and blades to be located off the coast of Virginia Beach. The turbines are expected to power 660,000 households throughout the region. The port upgrades will provide a hub for the offshore wind projects. The project is expected to be completed in 2025.
A4 Development Project	N/A	N/A	There have been several proposals for the relocation and redevelopment of the land currently occupied by Portsmouth City Hall. In 2021, A4 Development submitted a proposal for a mixed-use project with 1,300 housing units, performing arts theater, hotel, retail and restaurants.

N/A- Not Available

Infrastructure:

Project Name	Scope of Work, Status, Investment
Pump Station Upgrades	\$550,000; Project is believed to be underway in 2024
High Street Corridor	A \$24.1 million project with \$19.2 million awarded from the U.S. Department of Transportation's Rebuilding American Infrastructure with Sustainability and Equity grant funds to upgrade roadways and create a pedestrian and bike friendly route in the newly created innovation district. The project will convert the High Street corridor from a four-lane undivided road into a two-lane divided road from Effingham Street to the MLK Expressway. This project was announced in August 2022 and funds are expected to be available 2025 to 2026.
Dry Dock Floodwall	A new set of flood walls was built around the Norfolk Naval Shipyard to protect a dry dock where vessels undergo repairs. The project included 1.5 miles of protective barrier with five-foot walls around the dry dock and three to four-foot walls around the shipyards industrial area. This project was completed August 2023.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closure were reviewed on February 23, 2024, and according to the Virginia Employment Commission, there has been one WARN notice reported for Portsmouth over the past 12 months. Below is a table summarizing this notice.

WARN Notices				
Company	Location	Jobs	Notice Date	Effective Date
Morrison Healthcare (Maryview Medical Center)	Portsmouth	74	3/13/2023	5/7/2023

2. EMPLOYMENT TRENDS

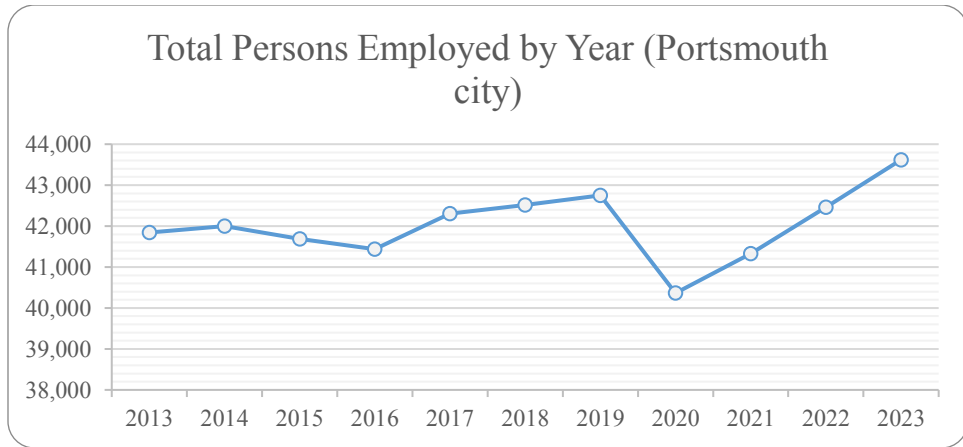
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the city/county in which the site is located.

The following illustrates the total employment base for Portsmouth city, the state of Virginia, and the United States. Total employment reflects the number of employed persons who live within the city/county.

Year	Total Employment					
	Portsmouth (city)		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2013	41,847	-	4,002,057	-	144,637,000	-
2014	41,996	0.4%	4,040,908	1.0%	146,305,000	1.2%
2015	41,689	-0.7%	4,048,081	0.2%	148,833,000	1.7%
2016	41,436	-0.6%	4,084,822	0.9%	151,436,000	1.7%
2017	42,308	2.1%	4,193,290	2.7%	153,337,000	1.3%
2018	42,519	0.5%	4,228,274	0.8%	155,761,000	1.6%
2019	42,753	0.6%	4,292,501	1.5%	157,538,000	1.1%
2020	40,364	-5.6%	4,062,417	-5.4%	147,795,000	-6.2%
2021	41,329	2.4%	4,162,555	2.5%	152,581,000	3.2%
2022	42,462	2.7%	4,308,805	3.5%	158,291,000	3.7%
2023	43,620*	2.7%	4,456,914*	3.4%	161,037,000*	1.7%

Source: Bureau of Labor Statistics

*Through December 2023



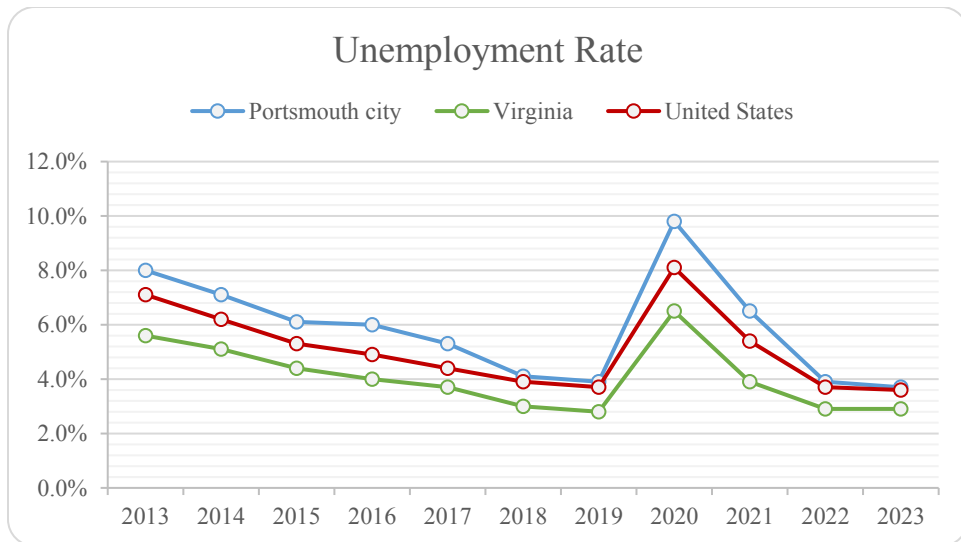
As the preceding illustrates, the Portsmouth employment base has steadily increased each of the past three years (through the end of 2023). Specifically, the Portsmouth employment base has increased by 3,256, or 8.1%, since 2020. Also note that the total employment figure reported through the end of 2023 is the highest total reported for Portsmouth in any given year over the past decade.

Unemployment rates for Portsmouth city, the state of Virginia, and the United States are illustrated as follows:

Year	Total Unemployment					
	Portsmouth (city)		Virginia		United States	
	Total Number	Percent of Workforce	Total Number	Percent of Workforce	Total Number	Percent of Workforce
2013	3,614	8.0%	236,320	5.6%	11,101,000	7.1%
2014	3,230	7.1%	217,948	5.1%	9,616,000	6.2%
2015	2,728	6.1%	185,900	4.4%	8,296,000	5.3%
2016	2,667	6.0%	169,526	4.0%	7,751,000	4.9%
2017	2,373	5.3%	159,687	3.7%	6,982,000	4.4%
2018	1,823	4.1%	130,779	3.0%	6,314,000	3.9%
2019	1,727	3.9%	122,471	2.8%	6,001,000	3.7%
2020	4,394	9.8%	280,533	6.5%	12,948,000	8.1%
2021	2,863	6.5%	168,742	3.9%	8,623,000	5.4%
2022	1,708	3.9%	127,053	2.9%	5,996,000	3.7%
2023	1,654*	3.7%	131,342*	2.9%	6,080,000*	3.6%

Source: Department of Labor, Bureau of Labor Statistics

*Through December 2023



The annual unemployment rate within Portsmouth has declined by more than six full percentage points since 2020, to a rate of 3.7% through the end of 2023. This is the lowest rate reported for any given year over the past decade.

At-place employment reflects the total number of jobs within the city/county regardless of the employee’s city/county of residence. The following illustrates the total in-place employment base for Portsmouth.

Year	At-Place Employment Portsmouth (city)		
	Employment	Change	Percent Change
2013	44,647	-	-
2014	44,093	-554	-1.2%
2015	44,750	657	1.5%
2016	43,715	-1,035	-2.3%
2017	43,638	-77	-0.2%
2018	44,343	705	1.6%
2019	44,682	339	0.8%
2020	43,184	-1,498	-3.4%
2021	43,115	-69	-0.2%
2022	42,783	-332	-0.8%
2023*	43,370	587	1.4%

Source: Department of Labor, Bureau of Labor Statistics
*Through June

Data for 2022, the most recent year that year-end figures are available, indicates in-place employment in Portsmouth to be 100.8% of the total Portsmouth employment. This means that Portsmouth has a similar number of employed persons leaving the city for daytime employment than those who work in the city.

3. ECONOMIC FORECAST

The Portsmouth economy is strong and has steadily improved each year since the impact of the pandemic in 2020. Specifically, the city employment base has increased by 3,256, or 8.1%, since 2020 (through the end of 2023) while the annual unemployment rate for the city has declined by more than six full percentage points during this same time period. Both total employment and unemployment levels are outperforming pre-pandemic levels within the city. Based on the preceding factors, we expect the Portsmouth economy will remain strong and continue to improve for the foreseeable future.

4. COMMUTING PATTERNS

The following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	32,330	76.5%
Carpooled	5,061	12.0%
Public Transit	805	1.9%
Walked	1,023	2.4%
Motorcycle	76	0.2%
Bicycle	113	0.3%
Other Means	819	1.9%
Worked at Home	2,033	4.8%
Total	42,260	100.0%

Source: Bowen National Research, ESRI

Nearly 77.0% of all workers drove alone, 12.0% carpooled, and 1.9% used public transportation.

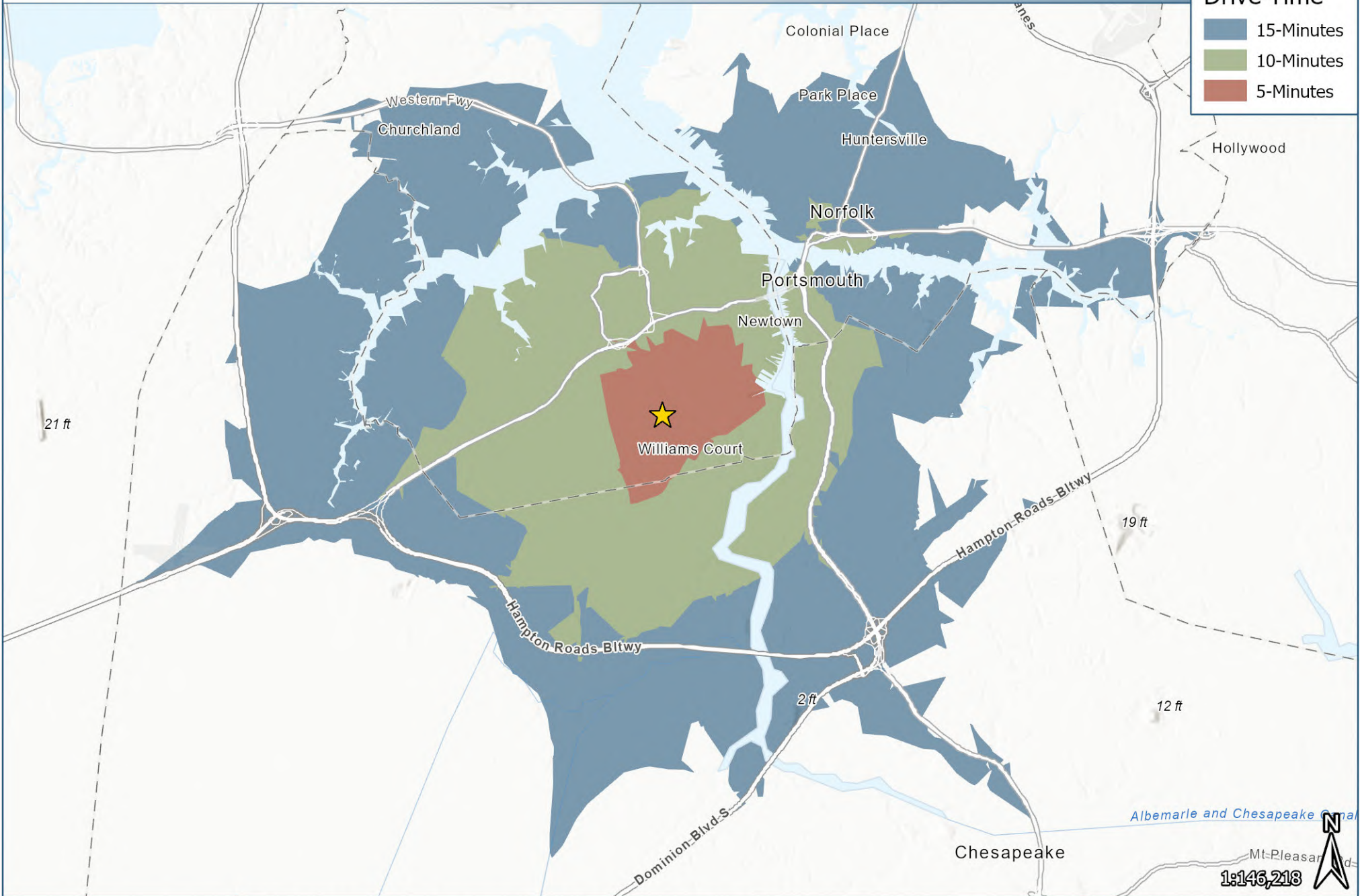
Typical travel times to work for Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	9,670	24.0%
15 – 29 Minutes	16,375	40.7%
30 – 44 Minutes	9,436	23.4%
45 – 59 Minutes	2,983	7.4%
60 + Minutes	1,779	4.4%
Total	40,243	100.0%

Source: Bowen National Research, ESRI

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should contribute to its marketability.

A drive-time map for the subject site is on the following page.



V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Portsmouth Site PMA in 2010 and 2024, are summarized in the following table:

Housing Status	2010 (Census)		2024 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	35,031	91.4%	37,857	92.0%
Owner-Occupied	20,335	58.0%	22,249	58.8%
Renter-Occupied	14,696	42.0%	15,607	41.2%
Vacant	3,289	8.6%	3,284	8.0%
Total	38,320	100.0%	41,141	100.0%

Source: 2010 Census, ESRI, Bowen National Research

Based on a 2024 update of the 2010 Census, the 41,141 total housing units in the market, 8.0% were vacant. Note that both the number and share of vacant housing units declined between 2010 and 2024, a good indication of an improving housing market.

Conventional Apartments

We identified and personally surveyed 33 conventional housing projects containing a total of 4,599 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.8%, a strong rate for rental housing. The surveyed rental communities are broken out by project type in the following table.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-Rate	10	1,465	77	94.7%
Tax Credit	8	1,269	24	98.1%
Tax Credit/Government-Subsidized	12	1,506	0	100.0%
Market-Rate/Tax Credit/Government-Subsidized	2	257	0	100.0%
Government-Subsidized	1	102	0	100.0%
Total	33	4,599	101	97.8%

As illustrated in the preceding table, the rental housing market is performing well overall, with all segments reporting occupancy rates of 94.7% or higher. While the market-rate segment is operating at a stable occupancy rate of 94.7%, the surveyed properties that offer affordable units are performing very well, with few vacant units. This is a good indication that affordable rental product such as that proposed at the site is in high demand in this market.

The following table summarizes the breakdown of market-rate and non-subsidized Tax Credit units surveyed within the Site PMA.

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	6	0.4%	0	0.0%	\$1,396
One-Bedroom	1.0	727	49.4%	46	6.3%	\$1,486
One-Bedroom	1.5	78	5.3%	2	2.6%	\$1,608
Two-Bedroom	1.0	224	15.2%	15	6.7%	\$1,354
Two-Bedroom	1.5	32	2.2%	1	3.1%	\$1,802
Two-Bedroom	2.0	352	23.9%	12	3.4%	\$2,003
Two-Bedroom	2.5	4	0.3%	0	0.0%	\$2,503
Three-Bedroom	2.0	48	3.3%	1	2.1%	\$1,978
Total Market-rate		1,471	100.0%	77	5.2%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	85	6.2%	5	5.9%	\$1,108
Two-Bedroom	1.0	546	39.9%	4	0.7%	\$1,344
Two-Bedroom	1.5	116	8.5%	3	2.6%	\$1,312
Two-Bedroom	2.0	322	23.5%	4	1.2%	\$1,340
Three-Bedroom	1.5	80	5.8%	5	6.3%	\$1,512
Three-Bedroom	2.0	221	16.1%	3	1.4%	\$1,551
Total Tax Credit		1,370	100.0%	24	1.8%	-

The market-rate units are 94.8% occupied and the Tax Credit units are 98.2% occupied. In addition, the median gross Tax Credit rents are generally well below their corresponding median gross market-rate rents. Therefore, Tax Credit product likely represents an excellent value to low-income renters within the market. This is further evidenced by the low combined vacancy rate of 1.8% among all non-subsidized Tax Credit units surveyed within the market.

The following is a distribution of non-subsidized units surveyed by year built for the Site PMA:

Year Built	Projects	Units	Vacancy Rate
Before 1970	4	378	5.6%
1970 to 1979	5	583	4.6%
1980 to 1989	4	549	1.8%
1990 to 1999	1	320	0.0%
2000 to 2009	3	523	2.1%
2010 to 2014	2	196	7.7%
2015 to 2019	2	247	6.9%
2020	0	0	0.0%
2021	0	0	0.0%
2022	1	50	0.0%
2023	0	0	0.0%
2024*	0	0	0.0%

*As of February

Vacancies are the highest among the properties surveyed built between 2010 and 2019, although none exceed 7.7% when broken out by age segment. Regardless, the new construction subject project will be the newest property in the market and is expected to be high quality, which will contribute to the marketability of the site.

We rated each property surveyed on a scale of "A" through "F". All non-subsidized properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	1	134	4.5%
B+	3	498	5.8%
B	5	626	5.8%
B-	2	209	2.9%
C+	1	4	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	2	165	0.0%
B	5	865	1.5%
B-	2	262	4.2%
C+	1	78	0.0%

Vacancies do not exceed 5.8% among non-subsidized rental product broken out by quality. Regardless, there does not appear to be a correlation between appearance and vacancies within the Portsmouth rental housing market.

Government-Subsidized

The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	253	15.3%	0	0.0%
Two-Bedroom	1.0	693	41.8%	0	0.0%
Two-Bedroom	1.5	181	10.9%	0	0.0%
Two-Bedroom	2.0	102	6.2%	0	0.0%
Three-Bedroom	1.0	137	8.3%	0	0.0%
Three-Bedroom	1.5	76	4.6%	0	0.0%
Three-Bedroom	2.0	48	2.9%	0	0.0%
Three-Bedroom	2.5	110	6.6%	0	0.0%
Four-Bedroom	1.0	10	0.6%	0	0.0%
Four-Bedroom	1.5	30	1.8%	0	0.0%
Four-Bedroom	2.0	16	1.0%	0	0.0%
Total Subsidized Tax Credit		1,656	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Two-Bedroom	2.0	61	59.8%	0	0.0%
Three-Bedroom	2.0	41	40.2%	0	0.0%
Total Subsidized		102	100.0%	0	0.0%

All government-subsidized units surveyed are fully occupied and maintain a waiting list, illustrating that pent-up demand exists for very low-income rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand, especially considering the subject project will operate with some units that will operate with a subsidy.

A complete field survey of all conventional apartments we surveyed, as well as an apartment location map, is included in *Section XII, Field Survey of Conventional Rentals*.

Tax Credit Property Disclosure: In addition to the properties surveyed that at least partially operate under the Tax Credit program, we identified additional Tax Credit properties within the Site PMA that, despite multiple attempts, management at these properties was unable/unwilling to provide detailed property information. The known details of these projects based on previous surveys conducted by Bowen National Research in the area and from extensive online research, are summarized as follows.

Name	Location	Year Built/ Renovated	Total Units	Target Population
Commons at Greenwood Apts.	205 Bedford Ct.	1995	38*	Family; Market-Rate & Tax Credit
Shea Terrace Senior Apts.	253 Constitution Ave.	1925 / 2001	21	Senior; Tax Credit
Victory Square Senior Apts.	900 County St.	2004	112	Senior; Tax Credit
Malvern Hills	426 King St.	1983	55	Senior; Tax Credit & Subsidy
Mount Herman Elderly	2400 Cutherell St.	1982	90	Senior; Tax Credit & Subsidy
Phoebus Square Apts.	606 Phoebus St.	2010	122	Senior; Tax Credit & Subsidy
South Bay Apts.	1600 South St.	2010	60	Homeless; Tax Credit & Subsidy
Westbury Cottages	South St. & Godwin St.	2015	16	Disabled; Tax Credit & Subsidy
Silver Tree Seniors of Portsmouth	715 & 817 Madison St.	1979 / 2009	178	Senior; Tax Credit & Subsidy

*Tax Credit units only

It is estimated that of the Tax Credit projects we were unable to survey within the market, only one (Commons at Greenwood Apts.) offers non-subsidized Tax Credit units that would likely have some competitive overlap with the subject project. As such, the directly competitive units offered at this property have been included in our penetration rate analysis illustrated in *Section VII* of this report.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

We identified and surveyed 10 family (general-occupancy) properties that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units within the Portsmouth Site PMA, seven of which were selected for this comparability analysis based on targeted Area Median Household Income (AMHI), location, unit types offered and year built.

These seven LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Ansell	2026	39	-	-	-	Families; 40%, 50%, 60% & 80% AMHI & PBRA
1	Ansell Gardens Apts.	1969 / 2003	78	100.0%	0.2 Miles	30 HH	Families; 50% & 60% AMHI
4	Belle Hall Apts.	2008	120	100.0%	3.8 Miles	None	Families; 60% AMHI
6	Crescent Place Apts.	2008	157	97.5%	2.6 Miles	None	Families; 60% AMHI
12	Hamilton Place II	2012	84	100.0%	2.7 Miles	Shared: 24 Months	Families; 40%, 50%, & 60% AMHI & Section 8
15	Holley Pointe	2022	50	100.0%	2.5 Miles	3 HH	Families; 30%, 40%, 50%, 70%, & 80% AMHI & PBV/PBRA
17	Independence Square Apts.	1985 / 2005	152	97.4%	1.8 Miles	None	Families; 60% AMHI
21	Maplewood I & II	1991 / 2010	320	100.0%	6.2 Miles	25 HH	Families; 60% AMHI

OCC. – Occupancy; HH - Households

The seven comparable LIHTC projects have a combined occupancy rate of 99.2%, (a result of only eight vacant units at two properties), a very strong rate for rental housing. In fact, five of these projects are fully occupied, four of which maintain extensive waiting lists. Notably, the newest LIHTC property in the market, Holley Pointe, is 100.0% occupied with a waiting list. Holley Pointe experienced a lease-up rate of approximately 45 units per month from time of opening, a very rapid rate for LIHTC product. These trends illustrate that significant pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The following table identifies the comparable LIHTC properties that accept Housing Choice Vouchers as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
1	Ansell Gardens Apts.	78	10	12.8%
4	Belle Hall Apts.	120	18	15.0%
6	Crescent Place Apts.	157	81	51.6%
12	Hamilton Place II	84	9	10.7%
15	Holley Pointe	50	5	10.0%
17	Independence Square Apts.	152	56	36.8%
21	Maplewood I & II	320	105	32.8%
Total		961	284	29.6%

There are approximately 284 Voucher holders residing at the comparable LIHTC properties within the market. This comprises 29.6% of the 961 occupied non-subsidized LIHTC units, which is considered a typical share of Voucher support. However, given that approximately 70.0% of the occupied units at these properties are occupied by tenants paying the quoted rents, the gross rents currently offered within the Portsmouth market are achievable and will serve as accurate benchmarks with which to compare the subject project.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table.

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	Ansell	-	\$891 [^] /40%/PBRA (3) \$1,113 [^] /50%/PBRA (2) \$1,110/50% (4) \$1,333/60% (9) \$1,407/80% (2)	\$1,030 [^] /40%/PBRA (2) \$1,287 [^] /50%/PBRA (2) \$1,255/50% (7) \$1,512/60% (6) \$1,953/80% (2)	-
1	Ansell Gardens Apts.	-	\$913/50% (26/0) \$913/50% (12/0) \$1,063/60% (28/0) \$1,063/60% (12/0)	-	None
4	Belle Hall Apts.	-	\$1,371/60% (76/0)	\$1,641/60% (44/0)	None
6	Crescent Place Apts.	\$1,115/60% (16/2)	\$1,340/60% (105/1)	\$1,551/60% (36/1)	None
12	Hamilton Place II*	\$830/50% (7/0) \$988/60% (1/0)	\$1,017/50% (35/0) \$1,135/60% (4/0)	\$1,187/50% (8/0) \$1,331/60% (1/0)	None
15	Holley Pointe*	-	\$672/30% (4/0) \$1,117/50% (12/0) \$1,316/70% (8/0) \$1,391/80% (12/0)	\$778/30% (1/0) \$1,229/50% (3/0) \$1,504/70% (2/0) \$1,554/80% (3/0)	None
17	Independence Square Apts.	\$1,108/60% (33/2)	\$1,331/60% (106/1)	\$1,541/60% (13/1)	None
21	Maplewood I & II	-	\$1,344/60% (280/0)	\$1,556/60% (40/0)	None

PBRA – Project-Based Rental Assistance; *Non-subsidized units only; [^]Maximum allowable LIHTC rent (contract rent exceeds maximum allowable)

The subject’s proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally competitive with the rents being achieved at the comparable LIHTC properties in the market targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 14 years newer than the original year built of nearly all of the comparable properties utilized in this analysis. As such, it is expected that the subject’s proposed gross LIHTC rents for these income levels (40%, 50% and 60% of AMHI) are considered achievable as proposed.

Considering the subject’s proposed gross LIHTC rents at the 80% of AMHI income level are positioned only slightly higher than the 60% of AMHI rents proposed at the site and are competitive with the only property offering 80% of AMHI units, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as a value in the market.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Ansell	-	995	1,115
1	Ansell Gardens Apts.	-	620 - 710	-
4	Belle Hall Apts.	-	1,051	1,178
6	Crescent Place Apts.	812	1,181	1,379
12	Hamilton Place II	840	1,080	1,327
15	Holley Pointe	-	846	1,209
17	Independence Square Apts.	614	816	912
21	Maplewood I & II	-	875	1,200

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Ansell	-	2.0	2.0
1	Ansell Gardens Apts.	-	1.0	-
4	Belle Hall Apts.	-	2.0	2.0
6	Crescent Place Apts.	1.0	2.0	2.0
12	Hamilton Place II	1.0	2.0	2.0
15	Holley Pointe	-	1.5	2.0
17	Independence Square Apts.	1.0	1.0	2.0
21	Maplewood I & II	-	1.0	2.0

The proposed development will offer competitive unit sizes in terms of square footage and number of bathrooms.

The following tables compare the appliances and the unit and project amenities of the subject site with existing Tax Credit properties in the market.

		Tax Credit Unit Amenities by Map ID							
		Site*	1	4	6	12	15	17	21
Appliances	Dishwasher	X		X	X	X	X	X	X
	Disposal			X	X	X	X	X	
	Microwave			X		X	X		
	Range	X	X	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X	X	X
	W/D Hookup	X		X	X	X	X	X	X
	W/D			O	O			X	X
	No Appliances								
Unit Amenities	AC-Central	X	X	X	X	X	X	X	X
	AC-Other								
	Balcony/ Patio/ Sunroom		X	X	X	X	S	X	
	Basement								
	Ceiling Fan								X
	Controlled Access						X		
	E-Call System								
	Furnished								
	Walk-In Closet	X		X	X			X	X
	Window Treatments	X	X	X	X	X	X	X	X
			X	X	X	X		X	X
Flooring	Carpet		X	X	X	X		X	X
	Ceramic Tile								
	Hardwood								
	Finished Concrete								
	Composite/Vinyl/Laminate	X	X	X	X	X	X	X	X
Upgraded	Premium Appliances								
	Premium Countertops								
	Premium Cabinetry								
	Premium Fixtures								
	High/Vaulted Ceilings								
	Oversized Windows								
Parking	Attached Garage								
	Detached Garage								
	Street Parking								
	Surface Lot	X	X	X	X	X	X	X	X
	Carpport								
	Property Parking Garage								
	No Provided Parking								

◆ - Senior Property

* Proposed Site(s): Ansell

X = All Units, S = Some Units, O = Optional with Fee

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID									
	Site*	1	4	6	12	15	17	21	
	Bike Racks / Storage					X			
	Computer/Business Center		X			X		X	
	Car Care **								
	Community Garden								
Community	Multipurpose Room	X	X			X		X	
	Chapel								
	Community Kitchen					X			
	Dining Room - Private								
	Dining Room - Public								
	Rooftop Terrace								
	Concierge Service **						X		
	Convenience Amenities **						X	X	
	Covered Outdoor Area **								
	Elevator						X		
Laundry Room		X	X	X	X	X			
On-Site Management	X	X	X	X	X	X	X	X	
Pet Care **			X				X		
Recreation	Basketball								
	Bocce Ball								
	Firepit								
	Fitness Center				X	X	X		
	Grilling Area						X		
	Game Room - Billiards								
	Walking Path								
	Hot Tub								
	Library						X		
	Media Room / Theater								
	Playground	X	X	X				X	X
	Putting Green								
	Racquetball								
	Shuffleboard								
	Swimming Pool - Indoor								
	Swimming Pool - Outdoor				X			X	X
Tennis									
Volleyball									
Security	CCTV	X			X	X	X	X	
	Courtesy Officer					X	X	X	
	Security Gate								
	Social Services **	X							
	Storage - Extra						X		
	Common Space WiFi	X		X			X		

◆ - Senior Property

* Proposed Site(s): Ansell

X = All Units, S = Some Units, O = Optional with Fee

** Details in Comparable Property Profile Report

As the preceding tables illustrate, the subject project's amenities package is generally considered competitive with the amenities offered at the comparable LIHTC properties. Although the subject project will be one of the only properties among the comparable LIHTC properties that does not include a laundry room and a patio/balcony, and one of few to not include a microwave within each unit, this is not expected to prevent the subject project from being marketable as a Tax Credit property in this market. The subject project does not appear to be lacking any amenity that would hinder its ability to operate as a LIHTC project, however, lacking the previously mentioned amenities will impact the subject's ability to achieve rent premiums.

Comparable/Competitive Tax Credit Summary

The seven comparable LIHTC projects have a combined occupancy rate of 99.2%, (a result of only eight vacant units at two properties), a very strong rate for rental housing. In fact, five of these projects are fully occupied, four of which maintain extensive waiting lists. These trends illustrate that significant pent-up demand exists for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally competitive with the rents being achieved at the comparable LIHTC properties in the market targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 14 years newer than the original year built of nearly all of the comparable properties utilized in this analysis. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60% of AMHI) are considered achievable as proposed.

Considering the subject's proposed gross LIHTC rents at the 80% of AMHI income level are positioned only slightly higher than the 60% of AMHI rents proposed at the site and are competitive with the only property offering 80% of AMHI units, they are considered appropriately positioned. This is expected to ensure that these higher income level units will be perceived as good values in the market. Based on the rent positioning of the subject site, as well as the generally competitive unit sizes and amenities package, the subject site is expected to be marketable as proposed.

A map depicting the location of the most comparable LIHTC properties is included on the following page.

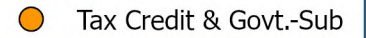


Site

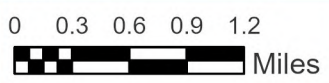
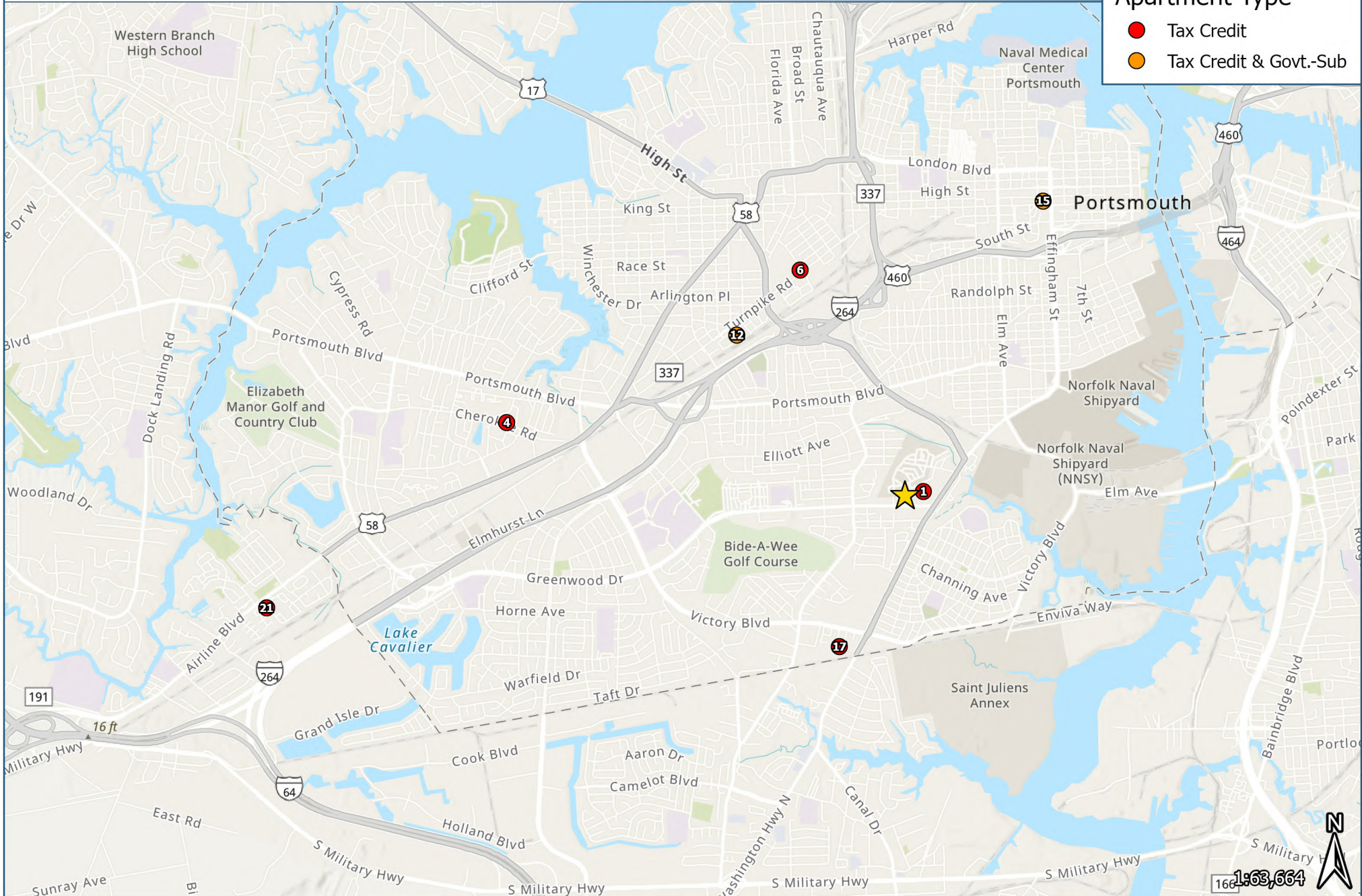
Apartment Type



Tax Credit



Tax Credit & Govt.-Sub



C. PLANNED MULTIFAMILY DEVELOPMENT

Based on interviews with planning representatives that responded to our inquiries, extensive online research and the observations of our analyst while in the field, it was determined there are currently several rental housing projects in the development pipeline within the Site PMA, which are summarized as follows:

Project Name & Address	Type	Units	Developer	Status/Details
River Landing Project A4 Acres at Greenwood 4358 Greenwood Drive	Market-Rate	280	A4 Development	Planned: Part of the River Landing Project; Mixed use project to be built on the site of the former Bonneville Apartments that was demolished in 2013; Project will include seven (7) four-story buildings with 56 one-bedrooms, 140 two-bedrooms, and 84 three-bedrooms; The project was approved in April 2021 but is now working through legal hurdles as of February 2024; Construction timeline unavailable at the time of this report.
Bains Pointe 1100 High Street	Tax Credit	50	WODA Cooper	Planned: Allocated 2023; Will have 39 two-bedroom and 11 three-bedroom units; Will include eight supportive housing units with Project Based Vouchers through Portsmouth Housing Authority; Targeted to families and seniors at 30% to 80% AMHI; Construction to start mid 2024 with an estimated completion in 2025. As of February 2024, no construction has started.
Lexington Senior 1 Lexington Drive	Tax Credit (Senior)	106	TRG Community Development	Proposed: Phase II of Lexington Place Apartments with 72 townhomes for families completed in 2021; Phase II will have one (1) three-story building with 81 one-bedroom and 25 two-bedroom units; Approved July 2022, but not allocated as of December 2022; As of February 2024, some equipment was on site, but construction has yet to begin.
Harbor Vista II 700 Crawford Street	Market-Rate	60	The Breeden Companies	Proposed: One-, two- and three-bedroom units; Construction was originally expected to begin in 2021 and to be completed by 2023 but plans for the project were rejected by the city council in June 2021; Project must be revised before it can move forward; No further plans had been submitted at the time this report was issued. Representative from Harbor Vista I confirmed phase II is still planned, but no timeline is currently available.
River Landing Columbia Street & Crawford Street	Market-Rate	1,300	A4 Development	Proposed: Proposal submitted in November 2021 for a mixed-use project with multiple phases and projects; The project includes a total of more than 1,300 multifamily units including two 18-floor apartment buildings, a six-floor mid-rise luxury apartment building, a 15-floor mixed-use building, two (2) five-floor mixed-use buildings, and a 23-floor mixed-use building; A4 Acres at Greenwood , a 280-unit project, is currently in the planning stages but facing legal hurdles; No further information was available as of February 2024.

As the preceding illustrates, of the projected in the development pipeline, only one (Bains Pointe) is expected to offer general-occupancy (family) Tax Credit units that would be competitive with the subject project. As such, we have included the directly competitive units at this project in our demand estimates in *Section VII*.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

The anticipated occupancy rates of the existing and surveyed comparable Tax Credit developments during the first year of occupancy at the subject property are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2025
1	Ansell Gardens Apts.	100.0%	95.0%+
4	Belle Hall Apts.	100.0%	95.0%+
6	Crescent Place Apts.	97.5%	95.0%+
12	Hamilton Place II	100.0%	95.0%+
15	Holley Pointe	100.0%	95.0%+
17	Independence Square Apts.	97.4%	95.0%+
21	Maplewood I & II	100.0%	95.0%+

The seven comparable LIHTC projects have a combined occupancy rate of 99.2%, (a result of only eight vacant units at two properties), a very strong rate for rental housing. In fact, five of these projects are fully occupied, four of which maintain extensive waiting lists. Considering the depth of support (demand estimates) for the subject project and the existing properties, we do not anticipate the subject project having any adverse impact on future occupancy rates among existing comparable LIHTC product in the market. In fact, the subject property is expected to help alleviate a portion of the pent-up demand that exists for additional general-occupancy LIHTC product.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value in the Site PMA was \$218,282. At an estimated interest rate of 7.1% and a 30-year term (and 95% LTV), the monthly mortgage for a \$218,282 home is \$1,738, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price – ESRI	\$218,282
Mortgaged Value = 95% Of Median Home Price	\$207,368
Interest Rate – MortgageNewsDaily.Com	7.08%
Term	30
Monthly Principal & Interest	\$1,391
Estimated Taxes And Insurance*	\$348
Estimated Monthly Mortgage Payment:	\$1,738

*Estimated at 25% of principal and interest.

In comparison, some of the collected Tax Credit rents at the subject property are similar to the cost of a monthly mortgage for a typical home in the area. However, it is unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or would be able to afford the down payment on such a home. In addition, the subject project will include a comprehensive amenities package included in the cost of rent, which is not typically offered among for-sale product. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

We identified five market-rate properties within the Portsmouth Site PMA that we consider comparable in terms of unit and project amenities to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

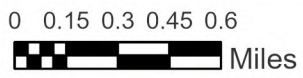
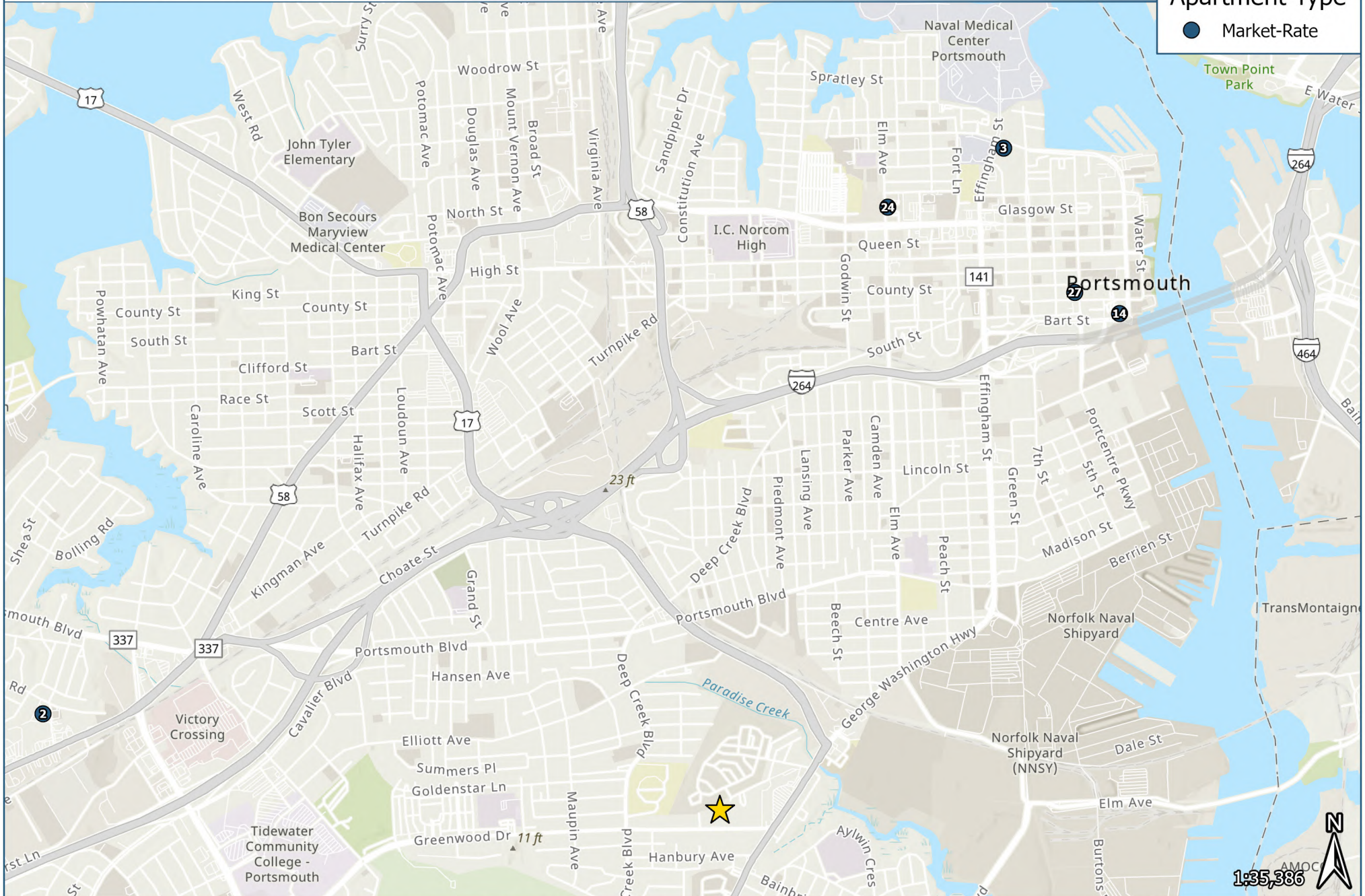
The proposed subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	Ansell	2026	39	-	-	-	20 (-)	19 (-)
2	Ashton Village Apts.	1984 / 2022	120	96.7%	-	23 (100.0%)	97 (95.9%)	-
3	Beacon 303 at Old Towne Apts.	1972 / 2023	139 + 9*	92.1%	-	42 (90.5%)	73 (91.8%)	24 (95.8%)
14	Harbor Vista at Crawford Street I	2016	134	95.5%	-	80 (92.5%)	54 (100.0%)	-
24	Quarters at Park View Apts.	2014	140	89.3%	6 (100.0%)	112 (88.4%)	22 (90.9%)	-
27	Sterling King Apts.	2016	113	90.3%	-	81 (92.6%)	32 (84.4%)	-

Occ. – Occupancy; *Units under construction
*Units under construction

The five selected market-rate projects have a combined total of 646 units with an overall occupancy rate of 92.7%, a good rate for market-rate rental housing. As such, the selected projects have been well received within the market and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development. Preceding the Rent Comparability Grids is a map of the location of the comparable market-rate developments in relation to the location of the subject site.



Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Ansell		Ashton Village Apts.		Beacon 303 at Old Towne Apts.		Harbor Vista at Crawford Street I		Quarters at Park View Apts.		Sterling King Apts.	
2216 & 2220 Waldron Avenue		224 Chowan Dr		303 Effingham St		800 Crawford St		1140 London Blvd.		714 Court St.	
Portsmouth, VA		Portsmouth, VA		Portsmouth, VA		Portsmouth, VA		Portsmouth, VA		Portsmouth, VA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,603		\$1,603		\$1,829		\$1,830		\$1,790	
2	Date Surveyed	Jan-24		Jan-24		Jan-24		Jan-24		Feb-24	
3	Rent Concessions	None		None		None		Yes (\$29)		None	
4	Occupancy for Unit Type	95%		92%		100%		91%		84%	
5	Effective Rent & Rent/ sq. ft	\$1,603	2.00	\$1,603	1.82	\$1,829	1.65	\$1,801	1.55	\$1,790	1.60
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2,3		EE/8		WU/5		EE/3,4		EE/4	
7	Yr. Built/Yr. Renovated	2026	\$23	1984/2022	\$28	2016	\$10	2014	\$12	2016	\$10
8	Condition/Street Appeal	E	\$15	G	\$15	E		G	\$15	G	\$15
9	Neighborhood	G	\$10	F		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		1	\$30	2		2		2	
13	Unit Interior Sq. Ft.	995	\$83	800	\$50	1106	(\$47)	1160	(\$71)	1116	(\$52)
14	Patio/Balcony/Sunroom	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
18	Washer/Dryer	HU	(\$25)	W/D	(\$5)	HU/L	(\$25)	W/D	(\$25)	W/D	(\$25)
19	In-Unit Wi-Fi	Y	\$25	N	\$25	N	\$25	N	\$25	N	\$25
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
22	Garbage Disposal	N		N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N		N/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Security Features	Y		Y		Y		Y		Y	
27	Community Space	Y	\$5	N		Y		Y		Y	
28	Pool/Recreation Areas	N	(\$15)	P/F	(\$15)	F	(\$5)	P/F/GR/MT	(\$21)	F/GR/MT	(\$11)
29	Business/Computer Center	N		N	(\$3)	Y	(\$3)	Y	(\$3)	N	
30	Grilling Area	N		N		Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		N/N		N/N	
39	Trash/Recycling	Y/N	\$33	N/N		N/N	\$33	Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	8	4	7	7	5	9	5	10	5	9
41	Sum Adjustments B to D	\$174	(\$50)	\$161	(\$41)	\$53	(\$101)	\$65	(\$146)	\$63	(\$114)
42	Sum Utility Adjustments	\$33				\$33					
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$157	\$257	\$120	\$202	(\$15)	\$187	(\$81)	\$211	(\$51)	\$177
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,760		\$1,723		\$1,814		\$1,720		\$1,739	
45	Adj Rent/Last rent		110%		107%		99%		96%		97%
46	Estimated Market Rent	\$1,725		\$1.73 ←		Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Ansell		Ashton Village Apts.		Beacon 303 at Old Towne Apts.		Harbor Vista at Crawford Street I		Quarters at Park View Apts.		Sterling King Apts.	
2216 & 2220 Waldron Avenue		224 Chowan Dr		303 Effingham St		800 Crawford St		1140 London Blvd.		714 Court St.	
Portsmouth, VA		Portsmouth, VA		Portsmouth, VA		Portsmouth, VA		Portsmouth, VA		Portsmouth, VA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,603		\$1,893		\$1,829		\$1,830		\$1,790	
2	Date Surveyed	Jan-24		Jan-24		Jan-24		Jan-24		Feb-24	
3	Rent Concessions	None		None		None		Yes (\$29)		None	
4	Occupancy for Unit Type	95%		96%		100%		91%		84%	
5	Effective Rent & Rent/ sq. ft	\$1,603	2.00	\$1,893	1.62	\$1,829	1.65	\$1,801	1.55	\$1,790	1.60
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/2,3		EE/8		WU/5		EE/3,4		EE/4	
7	Yr. Built/Yr. Renovated	2026	\$23	1972/2023	\$28	2016	\$10	2014	\$12	2016	\$10
8	Condition/Street Appeal	E	\$15	G	\$15	E		G	\$15	G	\$15
9	Neighborhood	G	\$10	G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3	\$50	3		2	\$50	2	\$50	2	\$50
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1115	\$132	1172	(\$24)	1106	\$4	1160	(\$19)	1116	(\$0)
14	Patio/Balcony/Sunroom	N	(\$5)	Y	(\$5)	N		Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)
18	Washer/Dryer	HU	(\$25)	HU/L	(\$5)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	In-Unit Wi-Fi	Y	\$25	N	\$25	N	\$25	N	\$25	N	\$25
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N		Y	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)
22	Garbage Disposal	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fan/Storage	N/N	(\$5)	N/N		Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		N	\$5	Y		Y	
26	Security Features	Y		Y		Y		Y		Y	
27	Community Space	Y	\$5	Y		Y		Y		Y	
28	Pool/Recreation Areas	N	(\$15)	P/F	(\$15)	F	(\$5)	P/F/GR/MT	(\$21)	F/GR/MT	(\$11)
29	Business/Computer Center	N		Y	(\$3)	Y	(\$3)	Y	(\$3)	N	
30	Grilling Area	N		N		Y	(\$3)	Y	(\$3)	Y	(\$3)
31	Playground	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
32	Social Services	Y	\$10	N	\$10	N	\$10	N	\$10	N	\$10
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		N/N		N/N	
39	Trash/Recycling	Y/N	\$33	Y/N		N/N	\$33	Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	9	4	5	8	7	8	6	10	6	9
41	Sum Adjustments B to D	\$273	(\$50)	\$81	(\$65)	\$107	(\$54)	\$115	(\$94)	\$113	(\$62)
42	Sum Utility Adjustments	\$33				\$33					
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$256	\$356	\$16	\$146	\$86	\$194	\$21	\$209	\$51	\$175
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,859		\$1,909		\$1,915		\$1,822		\$1,841	
45	Adj Rent/Last rent		116%		101%		105%		101%		103%
46	Estimated Market Rent	\$1,875	\$1.68 ←	Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are summarized as follows:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
Two-Br.	\$734* (40%/PBRA)	\$1,725	57.4%
	\$956* (50%/PBRA)		44.6%
	\$953 (50%)		44.8%
	\$1,176 (60%)		31.8%
	\$1,250 (80%)		27.5%
Three-Br.	\$827* (40%/PBRA)	\$1,875	55.9%
	\$1,084* (50%/PBRA)		42.2%
	\$1,052 (50%)		44.0%
	\$1,309 (60%)		30.4%
	\$1,750 (80%)		6.9%

*Maximum allowable collected LIHTC rent (contract rent exceeds maximum allowable)
 PBRA – Project-Based Rental Assistance

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10.0% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households at higher income levels such as 80% of AMHI often do not need to represent a market rent advantage of 10.0% to be perceived a value, it is often recommended that such units/rents represent a positive rent advantage to ensure it is perceived as a value to low-income renters.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 6.9% to 57.4%, depending upon unit type and income level. Thus, the subject rents, even those at the higher 80% AMHI levels, will represent significant values within the Site PMA. It is also important to reiterate that the subject project will operate with Project-Based Rental Assistance (PBRA) available to some of the subject units and tenants of these units will pay only a portion of their income towards rent, rather than the proposed rents evaluated throughout this report. As such, the subject project is expected to represent an even greater value to area renters.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1972 and 2016, although two properties have been renovated since their original year built. As such, we have adjusted the rents at the selected properties by \$1 per year of (effective) age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
9. One of the selected properties is located in a neighborhood that is considered to be less desirable than the neighborhood of the site and remaining selected properties. As such, we have made an adjustment to account for differences in neighborhood desirability among this project and the subject project.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that not all of the selected properties offer the same bedroom types as the subject project. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.

13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package that is slightly inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project. Notably, the subject project will include in-unit Wi-Fi to residents and we have conservatively included an adjustment of \$25 to account for the availability of in-unit internet services.
- 24.-32. The proposed subject project will offer a project amenity package that is also slightly inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project's potential.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Virginia Beach-Norfolk-Newport News, Virginia-North Carolina HUD Metro FMR Area, which has a median four-person household income of \$100,500 for 2023. The subject property will be restricted to households with incomes of up to 40%, 50%, 60% and 80% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI levels.

Household Size	Maximum Allowable Income			
	40%	50%	60%	80%
One-Person	\$27,720	\$34,650	\$41,580	\$55,440
Two-Person	\$31,680	\$39,600	\$47,520	\$63,360
Three-Person	\$35,640	\$44,550	\$53,460	\$71,280
Four-Person	\$39,600	\$49,500	\$59,400	\$79,200
Five-Person	\$42,800	\$53,500	\$64,200	\$85,600

1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$85,600**, which is the five-person maximum income at 80% of AMHI.

2. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to Virginia Housing market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while elderly projects have a 40% rent-to-income ratio.

The lowest proposed LIHTC gross rent at the subject site is \$891 (maximum allowable LIHTC rent for two-bedroom unit at 40% of AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$10,692. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$30,549**.

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges by targeted income level are illustrated as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit w/ PBRA (Limited to 50% of AMHI)	\$0	\$53,500
Tax Credit w/ PBRA (Limited to 40% of AMHI)	\$0	\$42,800
Tax Credit (Limited to 40% of AMHI)	\$30,549	\$42,800
Tax Credit (Limited to 50% of AMHI)	\$38,160	\$53,500
Tax Credit (Limited to 60% of AMHI)	\$45,703	\$64,200
Tax Credit (Limited to 80% of AMHI)	\$48,240	\$85,600
Overall Tax Credit w/ PBRA	\$0	\$85,600
Overall Tax Credit	\$30,549	\$85,600

B. CAPTURE RATE CALCULATIONS

Per Virginia Housing market study requirements, analysts are required to use net demand in calculating capture rates and the absorption period. Net demand is determined by subtracting the supply of vacant comparable units in the PMA, completed or pipeline, from Total Demand. Total Demand includes New Renter Household Growth and Demand from Existing Households (defined below).

The following are the demand components as outlined by Virginia Housing:

1. **Demand from New Renter Households:** *Determine new units in the PMA based on projected rental household growth. The projected household base **must be** limited to the target group, age and income appropriate. Demand for each target group must be shown separately.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*
 - a) **Over-burdened** is defined by Virginia Housing as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative.

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 43.4% of renter households within the market are considered to be rent overburdened.

- b) **Households in substandard housing** (*i.e. overcrowded and/or lack of plumbing*): *Must be age and income group appropriate. Analysts must use their knowledge of the market area and the proposed development to determine if demand from this source is realistic. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 4.3% of all renters within the market are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

- c) **Elderly Homeowners likely to convert to rental housing:** *This component may not comprise more than 20% of total demand. The analyst must provide a narrative describing how these numbers were derived. Analysts are encouraged to be conservative in this regard.*

Not applicable; subject site is general occupancy.

- d) **Existing qualifying tenants likely to remain at the subject property after renovations:** *This component of demand applies only to existing developments undergoing rehabilitations.*

The sum of demand from rental household growth and demand from all components of existing households will constitute total demand.

C. DEMAND/CAPTURE RATE CALCULATIONS

As stated and discussed in *Section V* of this report, we surveyed seven directly comparable affordable projects within the Site PMA. These properties contain eight vacancies, (four of which are considered directly competitive vacant units) among the comparable unit types (similar bedroom type and targeted income level), which have been accounted for in the following demand analysis. In addition, there is a project in the development pipeline that will offer units that are expected to be competitive with those proposed at the subject site. The unit breakdowns of the vacant competitive LIHTC units and units in the development pipeline are illustrated in the table on the following page.

Project Name	Competitive Vacant Units				
	40% AMHI	50% AMHI	60% AMHI	80% AMHI	Overall
Crescent Place Apartments	-	-	1 (two-br.) 1 (three-br.)	-	2
Independence Square Apts.	-	-	1 (two-br.) 1 (three-br.)	-	2
Bains Pointe	-	10 (two-br.) 2 (three-br.)	-	20 (two-br.) 6 (three-br.)	38

These directly comparable non-subsidized LIHTC units have been subtracted from the total demand in the following analysis to determine the net demand.

The following is a summary of our demand calculations:

As Proposed (With PBRA)						
Demand Component	40% AMHI / PBRA (\$0-\$42,800)	50% AMHI / PBRA (\$0-\$52,500)	50% AMHI (\$38,160 - \$53,500)	60% AMHI (\$45,703 - \$64,200)	80% AMHI (\$48,240 - \$85,600)	Overall LIHTC w/ Subsidy (\$0-\$85,600)
Demand from New Rental Households (Income-Appropriate)	8,413 - 8,689 = -276	9,733 - 10,052 = -319	2,011 - 2,081 = -70	2,052 - 2,085 = -33	3,304 - 3,326 = -22	12,527 - 12,856 = -329
+						
Demand from Existing Households (Rent Overburdened)	8,689 x 43.4% = 3,771	10,052 x 43.4% = 4,363	2,081 x 43.4% = 903	2,085 x 43.4% = 904	3,326 x 43.4% = 1,442	12,856 x 43.4% = 5,580
+						
Demand from Existing Households (Renters in Substandard Housing)	8,689 x 4.3% = 374	10,052 x 4.3% = 432	2,081 x 4.3% = 89	2,085 x 4.3% = 90	3,326 x 4.3% = 144	12,856 x 4.3% = 553
+						
Demand from Existing Households (Elderly Homeowner Conversion)	N/A					
=						
Total Demand	3,869	4,476	922	961	1,564	5,804
-						
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	0	0	12	4	26	42
=						
Net Demand	3,869	4,476	910	957	1,538	5,762
Proposed Units	5	4	11	15	4	39
Proposed Units / Net Demand	5 / 3,869	4 / 4,476	11 / 910	15 / 957	4 / 1,538	39 / 5,762
Capture Rate	= 0.1%	= 0.1%	= 1.2%	= 1.6%	= 0.3%	= 0.7%
Total Absorption Period	< 1 Month	< 1 Month	1 Month	< 2 Months	< 1 Month	< 3 Months

N/A-Not Applicable

LIHTC Only (Without Subsidy)					
Demand Component	40% AMHI (\$30,549 -\$42,800)	50% AMHI (\$38,160 -\$53,500)	60% AMHI (\$45,703 -\$64,200)	80% AMHI (\$48,240 -\$85,600)	Overall LIHTC Only (\$30,549 -\$85,600)
Demand from New Rental Households (Income-Appropriate)	1,910 - 1,987 = -77	2,011 - 2,081 = -70	2,052 - 2,085 = -33	3,304 - 3,326 = -22	6,024 - 6,154 = -130
+					
Demand from Existing Households (Rent Overburdened)	1,987 x 43.4% = 862	2,081 x 43.4% = 903	2,085 x 43.4% = 904	3,326 x 43.4% = 1,442	6,154 x 43.4% = 2,671
+					
Demand from Existing Households (Renters in Substandard Housing)	1,987 x 4.3% = 85	2,081 x 4.3% = 89	2,085 x 4.3% = 90	3,326 x 4.3% = 144	6,154 x 4.3% = 265
+					
Demand from Existing Households (Elderly Homeowner Conversion)			N/A		
=					
Total Demand	870	922	961	1,564	2,806
-					
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	0	12	4	26	42
=					
Net Demand	870	910	957	1,538	2,764
Proposed Units	5	15	15	4	39
Proposed Units / Net Demand	5 / 870	15 / 910	15 / 957	4 / 1,538	39 / 2,764
Capture Rate	= 0.6%	= 1.6%	= 1.6%	= 0.3%	= 1.4%
Total Absorption Period	< 1 Month	< 2 Months	< 2 Months	< 1 Month	3 Months

N/A-Not Applicable

The capture rates by targeted income level assuming the project operates with a subsidy available to some units are considered low and easily achievable, ranging from 0.1% to 1.6%, with an overall capture rate of 0.7%. In the unlikely scenario the subject operates without a subsidy, the capture rates by income level range from 0.3% to 1.6% and the overall capture rate is 1.4%. These capture rates are all considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development, regardless of scenario.

D. PENETRATION RATE CALCULATIONS

The 1,458 existing and proposed non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing, planned and subject Tax Credit units is \$28,457 to \$85,600. The following table summarizes the market penetration rate for the subject project, based on data contained in the Demographic Characteristics and Trends section of this report.

	Market Penetration
Number of LIHTC Units (Planned, Existing & Subject)	1,497
Income-Eligible Renter Households – 2026	/ 6,376
Overall Market Penetration Rate	= 23.5%

It is our opinion that the 23.5% penetration rate for the LIHTC units, existing, planned and proposed subject, is low and achievable. This is especially true considering the high occupancy rates reported among the comparable LIHTC properties surveyed in the market.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Portsmouth Redevelopment and Housing Authority there are approximately 2,952 Housing Choice Vouchers issued within the housing authority’s jurisdiction. However, it was also revealed by housing authority representatives that approximately 201 issued vouchers are currently going unused, likely due to holders of these vouchers being unable to locate/obtain a quality affordable rental housing unit that will accept the voucher. There is a total of 1,920 people currently on the waiting list for additional Vouchers. The waiting list is closed and it is unknown when the waiting list will reopen. This reflects the continuing need for affordable housing alternatives and/or Housing Choice Voucher assistance.

If the rents do not exceed the payment standards established by the local housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Portsmouth Redevelopment and Housing Authority, the local payment standards, as well as the proposed/ programmatic subject gross rents, are summarized in the table on the following page.

Bedroom Type	Payment Standards	Proposed/Programmatic Tax Credit Gross Rents (AMHI)
Two-Bedroom	\$1,642	\$891* (40%/PBRA) \$1,113* (50%/PBRA) \$1,110 (50%) \$1,333 (60%) \$1,407 (80%)
Three-Bedroom	\$2,286	\$1,030* (40%/PBRA) \$1,287* (50%/PBRA) \$1,255 (50%) \$1,512 (60%) \$1,953 (80%)

*Maximum allowable gross LIHTC rent (proposed rent exceeds maximum allowable)
PBRA – Project-Based Rental Assistance

As the preceding table illustrates, all of the proposed LIHTC gross rents are below the local payment standards. As such, the subject project will be able to rely on support from Housing Choice Voucher holders in the non-subsidized units. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections.

F. **ABSORPTION PROJECTIONS**

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with the lease-up trends of other projects with similar characteristics in the Site PMA and other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 39 proposed LIHTC units at the subject site will reach a stabilized occupancy of at least 95.0% in less than three months of opening. This absorption rate is based on an average monthly absorption rate of 14 units per month. Note that these absorption projections assume the proposed project will operate with a subsidy available to nine of the subject units. In the unlikely scenario the subject project did not operate with a subsidy available to these units, the proposed project will likely experience a slightly longer absorption period of up to three full months, which is reflective of an absorption rate of approximately 12 units per month.

These absorption projections assume a 2026 opening date. A different opening date may have a slowing or hastening impact on the subject's initial absorption potential. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, unit design, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

VIII. Local Perspective (Interviews)

We conducted numerous interviews with local sources familiar with the Portsmouth area and the housing, economic and/or demographic characteristics that impact the need for affordable housing. These include, but are not limited to, interviews with local planning and building department representatives, local chamber of commerce and/or economic development officials, housing authority representatives, local real estate professionals and/or apartment managers.

Summaries of key interviews regarding the need for affordable rental housing within the area follow:

- Maria Baysmore, Property Manager at Crescent Place Apartments (Map ID 6), a comparable Tax Credit property in the Site PMA, stated that there is a need for more affordable housing in Portsmouth. Baysmore stated that demand is high from families with children and those seeking affordable housing near more commercialized areas. Baysmore also stated that this property always operates with a high occupancy rate and does not maintain a waiting list, as it is always easy to lease any available units due to the high demand in the area for such housing.
- Victoria Sledgebunch, Property Manager at Hamilton Place I & II (Map IDs 11 & 12), Tax Credit and government-subsidized properties in the Site PMA, stated that there is a need for more affordable housing in Portsmouth. Sledgebunch stated that the demand for affordable housing is high within the Site PMA, noting that this property is fully occupied, which is typical for this property. Sledgebunch also stated that this property currently maintains a waiting list that is an estimated duration of at least two years.
- Kanya McGriff, Property Manager at Belle Hall Apartments (Map ID 4), a comparable Tax Credit Property in Portsmouth, stated there is a need for additional affordable housing in the area. McGriff stated this property does not keep a waiting list, but the property is 100.0% occupied and they receive several phone calls daily inquiring about available units. McGriff stated that many of her residents are older and on a fixed income, but she receives inquiries from seniors and families looking for affordable housing.
- Christopher Tillet, Manager of Business Development with Portsmouth Economic Development, stated there is a definite need for more affordable rental housing for families in the area. Tillet stated rising housing costs coupled with stagnant wages have made it difficult for families to afford decent housing. The lack of affordable housing options can lead to overcrowding, homelessness, and financial strain on families, ultimately impacting the overall well-being and stability of the community. Tillet stated obtaining a mortgage is increasingly more difficult and it is vital to have rental

options to fill these deficiencies. Tillet stated Portsmouth has an older housing stock with little vacant land available for development, making redevelopment, and more specifically affordable redevelopment, tougher and more costly due to demolition of existing structures. Tillet stated with the lowering of interest rates, the area is hoping to see an uptick in construction of new homes and multifamily housing. Lastly, Tillet stated Portsmouth's population is estimated to decrease over the coming years, so it will be critical to have affordable housing options in the area to keep and entice people to move to Portsmouth.

- Consuela Knight, Director of Housing Choice Voucher Program with Portsmouth Redevelopment and Housing Authority, stated the City of Portsmouth needs additional affordable housing. Knight stated that due to inflation families are rent burdened and paying more than 40% to 50% of their adjusted income for rent. Families must provide for utilities, food, gas, medical expenses, and child care, and it is difficult, if not impossible, to provide for these items when rent is so high.

IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 39 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. Notably, the proposed subject rents represent market rent advantages of between 6.9% and 57.4% (including the higher 80% of AMHI units), illustrating that they will likely represent excellent values to low- and moderate-income renters within the market.

Given that the comparable LIHTC developments surveyed within the market have a combined occupancy rate of 99.2%, some of which maintain extensive waiting lists, the subject project will offer a housing alternative to low-income households that is in limited availability in the area. The subject project will provide an affordable rental housing alternative to very low- to moderate-income renter households that are currently underserved within the Site PMA. This is expected to bode very well in the demand of the subject units.

As shown in the *Capture Rate Analysis – Section VII* section of this report, with an overall capture rate of 0.7% of income-eligible renter households in the market (1.4% in the unlikely non-subsidized scenario), there is significant support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

SITE PHOTOGRAPHS



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



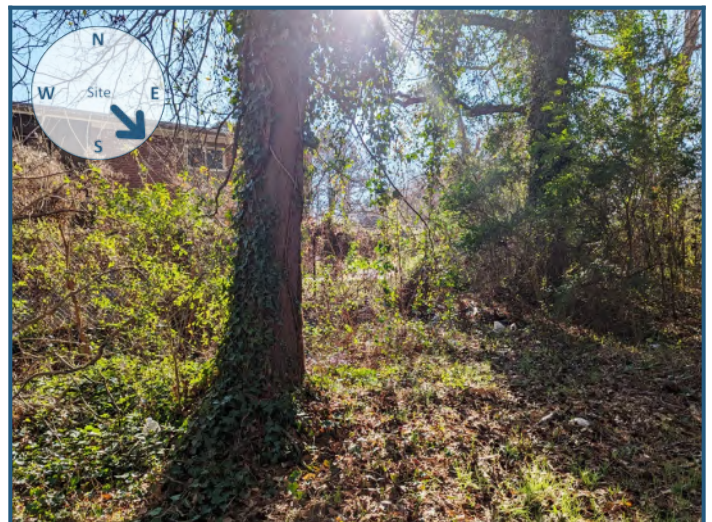
North view from site



Northeast view from site



East view from site



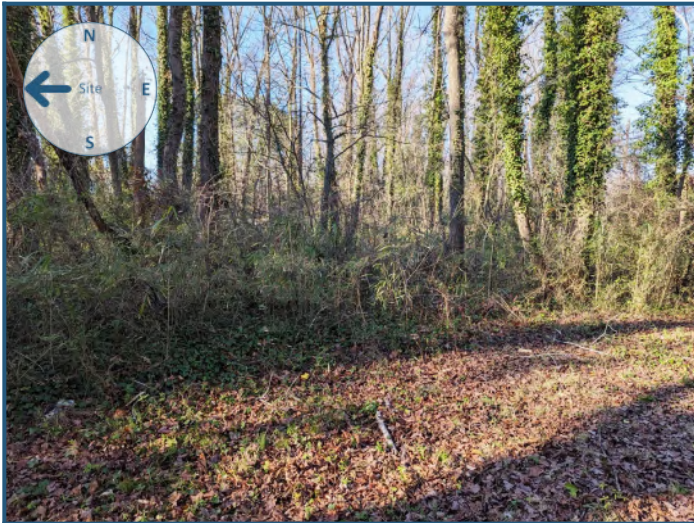
Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: West view of Ansell Avenue



Streetscape: East view of Ansell Avenue

XI.

COMPARABLE
PROPERTY PROFILES

1 Ansell Gardens Apts. 0.2 miles to site



Address: 301 Ansell Ave, Portsmouth, VA 23702
 Phone: (757) 397-6161 Contact: Janelle
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 78 Year Built: 1969
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2003
 Turnover: Stories: 2
 Waitlist: 30 HH
 Rent Special: None

Ratings
 Quality: C+
 Neighborhood: C+
 Access/Visibility: C/C-

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: City of Portsmouth

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Range; Refrigerator; Central AC; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Multipurpose Room, Clubhouse/Community Room; Laundry Room; On-Site Management; Recreation Areas (Playground)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1	G	26	0	620	\$1.31	\$810	50%
2	1	G	12	0	710	\$1.14	\$810	50%
2	1	G	28	0	620	\$1.55	\$960	60%
2	1	G	12	0	710	\$1.35	\$960	60%

*Adaptive Reuse

*DTS is based on drive time

2 Ashton Village Apts. 3.7 miles to site



Address: 224 Chowan Dr, Portsmouth, VA 23701
 Phone: (757) 465-2875 Contact: Shauntae
 Property Type: Market Rate
 Target Population: Family
 Total Units: 120 Year Built: 1984
 Vacant Units: 4 *AR Year:
 Occupancy: 96.7% Yr Renovated: 2022
 Turnover: Stories: 2,2.5
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B-
 Neighborhood: C+
 Access/Visibility: A/B

Notes:



Features And Utilities

Utility Schedule Provided by: City of Portsmouth

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Premium Cabinetry

Property Amenities: Cafe / Coffee Bar; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Outdoor Swimming Pool); CCTV, Courtesy Officer; Extra Storage; WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	23	0	675	\$1.93	\$1,303	Market
2	1.5	G	32	1	750	\$2.07	\$1,553	Market
2	2	G	65	3	800	\$2.00	\$1,603	Market

*Adaptive Reuse

*DTS is based on drive time

3 Beacon 303 at Old Towne Apts. 2.9 miles to site



Address: 303 Effingham St, Portsmouth, VA 23704
 Phone: (757) 972-7978 Contact: Chasity
 Property Type: Market Rate
 Target Population: Family
 Total Units: 139 Year Built: 1972
 Vacant Units: 11 *AR Year:
 Occupancy: 92.1% Yr Renovated: 2023
 Turnover: Stories: 8 (w/Elev)
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B+
 Neighborhood: B
 Access/Visibility: B/B+

Notes: Rent range on renovated units.



Features And Utilities

Utility Schedule Provided by: City of Portsmouth

Utility Type & Responsibility: Landlord pays Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Controlled Access; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; Cafe / Coffee Bar; Elevator; Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Outdoor Swimming Pool); CCTV, Courtesy Officer; Extra Storage; WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	42	4	604	\$2.12 - \$2.24	\$1,373 - \$1,443	Market
2	1	G	73	6	872 - 879	\$1.65 - \$1.72	\$1,528 - \$1,603	Market
3	2	G	24	1	1,172	\$1.49 - \$1.54	\$1,837 - \$1,893	Market

*Adaptive Reuse

*DTS is based on drive time

4 Belle Hall Apts. 3.8 miles to site



Address: 159 Cheyenne Trl., Portsmouth, VA 23701
 Phone: (757) 488-1411 Contact: Kanya
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 120 Year Built: 2008
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B+
 Neighborhood: B
 Access/Visibility: B+/B

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: City of Portsmouth
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Business Center (Computer/Business Center); Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Playground); WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	76	0	1,051	\$1.10	\$1,155	60%
3	2	G	44	0	1,178	\$1.13	\$1,337	60%

*Adaptive Reuse

*DTS is based on drive time

6 Crescent Place Apts. 2.6 miles to site



Address: 2804 Turnpike Rd, Portsmouth, VA 23707
 Phone: (757) 673-3962 Contact: Maria
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 157 Year Built: 2008
 Vacant Units: 4 *AR Year:
 Occupancy: 97.5% Yr Renovated:
 Turnover: Stories: 3,4
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B/A-

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: City of Portsmouth

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Range; Refrigerator; Central AC; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Outdoor Swimming Pool); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	16	2	812	\$1.28	\$1,036	60%
2	2	G	105	1	1,181	\$1.05	\$1,237	60%
3	2	G	36	1	1,379	\$1.03	\$1,424	60%

*Adaptive Reuse

*DTS is based on drive time

12 Hamilton Place II 2.7 miles to site



Address: 3401 Turnpike Rd., Portsmouth, VA 23701
 Phone: (757) 391-2918 Contact: Victoria
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 84 Year Built: 2012
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: Shared with phase I; 24 mos
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B+/B+

Notes: Tax Credit (56 units); HUD Section 8 & Tax Credit (28 units)



Features And Utilities

Utility Schedule Provided by: City of Portsmouth
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Fitness Center); CCTV, Courtesy Officer

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	1	0	840	Subsidized	Subsidized	Subsidized
1	1	G	7	0	840	\$0.82	\$685	50%
1	1	G	3	0	840	Subsidized	Subsidized	Subsidized
1	1	G	1	0	840	\$1.00	\$843	60%
2	2	G	7	0	1,080	Subsidized	Subsidized	Subsidized
2	2	G	35	0	1,080	\$0.75	\$806	50%
2	2	G	14	0	1,080	Subsidized	Subsidized	Subsidized
2	2	G	4	0	1,080	\$0.86	\$924	60%
3	2	G	1	0	1,327	Subsidized	Subsidized	Subsidized
3	2	G	8	0	1,327	\$0.67	\$887	50%
3	2	G	2	0	1,327	Subsidized	Subsidized	Subsidized

*Adaptive Reuse

*DTS is based on drive time

12 Unit Configuration- cont.								
Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
3	2	G	1	0	1,327	\$0.78	\$1,031	60%

14 Harbor Vista at Crawford Street I 2.8 miles to site



Address: 800 Crawford St, Portsmouth, VA 23704
 Phone: (757) 500-8780 Contact: Brandon
 Property Type: Market Rate
 Target Population: Family
 Total Units: 134 Year Built: 2016
 Vacant Units: 6 *AR Year:
 Occupancy: 95.5% Yr Renovated:
 Turnover: Stories: 5
 Waitlist: None
 Rent Special: None

Ratings
 Quality: A
 Neighborhood: B
 Access/Visibility: A/A

Notes: Rent range for floor and view



Features And Utilities

Utility Schedule Provided by: City of Portsmouth

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Premium Cabinetry

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Rooftop Terrace, Clubhouse/Community Room; Cafe / Coffee Bar; Recreation Areas (Fitness Center, Grilling Area); CCTV, Courtesy Officer

Parking Type: Surface Lot; Parking Garage

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	80	6	719 - 825	\$1.95 - \$2.09	\$1,399 - \$1,724	Market
2	2	G	54	0	1,106 - 1,345	\$1.65 - \$1.43	\$1,829 - \$1,929	Market

*Adaptive Reuse

*DTS is based on drive time

15 **Holley Pointe** 2.5 miles to site



Address: 818 County St, Portsmouth, VA 23704
 Phone: (757) 323-498 Contact: Veronica
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 50 Year Built: 2022
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: 3 HH
 Rent Special: None

Ratings
 Quality: B+
 Neighborhood: B
 Access/Visibility: A/A

Notes: Tax Credit, PBV-5 units; Preleasing 7/2021; 1st units opened 07/2022; 90% occupied 08/2022



Features And Utilities

Utility Schedule Provided by: City of Portsmouth
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Controlled Access; W/D Hookup; Window Treatments; Flooring (Composite/Vinyl/Laminate)

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Multipurpose Room, Community Kitchen, Clubhouse/Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Library); CCTV; Extra Storage; WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5	G	4	0	846	\$0.54	\$456	30%
2	1.5	G	4	0	846	Subsidized	Subsidized	Subsidized
2	1.5	G	12	0	846	\$1.07	\$901	50%
2	1.5	G	8	0	846	\$1.30	\$1,100	70%
2	1.5	G	12	0	846	\$1.39	\$1,175	80%
3	2	G	1	0	1,209	\$0.39	\$474	30%
3	2	G	1	0	1,209	Subsidized	Subsidized	Subsidized
3	2	G	3	0	1,209	\$0.77	\$925	50%
3	2	G	2	0	1,209	\$0.99	\$1,200	70%
3	2	G	3	0	1,209	\$1.03	\$1,250	80%

*Adaptive Reuse

*DTS is based on drive time

17 Independence Square Apts. 1.8 miles to site



Address: 5120 George Washington Hwy, Portsmouth, VA 23702
 Phone: (757) 487-6660 Contact: Jocelyn
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 152 Year Built: 1985
 Vacant Units: 4 *AR Year: Ratings
 Occupancy: 97.4% Yr Renovated: 2005 Quality: B
 Turnover: Stories: 2,3 Neighborhood: B
 Waitlist: None Access/Visibility: C+/B-
 Rent Special: None

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: City of Portsmouth

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Concierge Services (Dry Cleaning); Cafe / Coffee Bar; On-Site Management; Dog Park/Pet Care; Recreation Areas (Grilling Area, Playground, Outdoor Swimming Pool); Courtesy Officer

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	33	2	614	\$1.63	\$1,003	60%
2	1	G	106	1	816	\$1.47	\$1,202	60%
3	2	G	13	1	912	\$1.52	\$1,388	60%

*Adaptive Reuse

*DTS is based on drive time

21 **Maplewood I & II** 6.2 miles to site



Address: 3824 Maplefield Dr., Chesapeake, VA 23321
 Phone: (757) 465-2001 Contact: Kathy
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 320 Year Built: 1991
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2010
 Turnover: Stories: 2
 Waitlist: 25 HH
 Rent Special: None

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B-/B

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: City of Portsmouth

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; Cafe / Coffee Bar; On-Site Management; Recreation Areas (Playground, Outdoor Swimming Pool); CCTV, Courtesy Officer

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1	G	280	0	875	\$1.42	\$1,241	60%
3	2	G	40	0	1,200	\$1.19	\$1,429	60%

*Adaptive Reuse

*DTS is based on drive time

24 Quarters at Park View Apts. 2.5 miles to site



Address: 1140 London Blvd., Portsmouth, VA 23704
 Phone: (757) 673-7500 Contact: Rob
 Property Type: Market Rate
 Target Population: Family
 Total Units: 140 Year Built: 2014
 Vacant Units: 15 *AR Year:
 Occupancy: 89.3% Yr Renovated:
 Turnover: Stories: 3,4 (w/Elev)
 Waitlist: None
 Rent Special: \$350 off first month rent with signed lease

Ratings
 Quality: B
 Neighborhood: B
 Access/Visibility: B+/B+

Notes: Rent range due to location



Features And Utilities

Utility Schedule Provided by: City of Portsmouth
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; Security System; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; High/Vaulted Ceilings

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Common Patio; Multipurpose Room, Clubhouse/Community Room; Concierge Services (Dry Cleaning); Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Game Room-Billiards, Media Room / Theater, Outdoor Swimming Pool); Courtesy Officer; WiFi

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	6	0	516	\$2.36 - \$2.48	\$1,233 - \$1,295	Market
1	1	G	112	13	562 - 1,044	\$2.54 - \$1.71	\$1,445 - \$1,802	Market
2	2	G	22	2	1,160	\$1.56	\$1,830	Market

*Adaptive Reuse

*DTS is based on drive time

27 Sterling King Apts. 2.7 miles to site



Address: 714 Court St., Portsmouth, VA 23704
 Phone: (757) 399-0058 Contact: Melissa
 Property Type: Market Rate
 Target Population: Family
 Total Units: 113 Year Built: 2016
 Vacant Units: 11 *AR Year:
 Occupancy: 90.3% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: None
 Rent Special: None

Ratings
 Quality: B+
 Neighborhood: B
 Access/Visibility: B/B+

Notes: Rent range based on floorplan



Features And Utilities

Utility Schedule Provided by: City of Portsmouth
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Walk-In Closet;
 Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Oversized Windows

Property Amenities: Bike Racks / Storage; Community Kitchen, Clubhouse/Community Room; Cafe / Coffee Bar; Pavilion/Gazebo; Elevator; On-Site Management;
 Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Game Room-Billiards, Media Room / Theater, Shuffleboard); CCTV, Courtesy Officer; WiFi

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	81	6	623 - 864	\$2.26 - \$1.83	\$1,426 - \$1,596	Market
2	2	G	32	5	1,116	\$1.57 - \$1.62	\$1,762 - \$1,818	Market

*Adaptive Reuse

*DTS is based on drive time

XII.

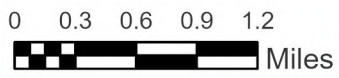
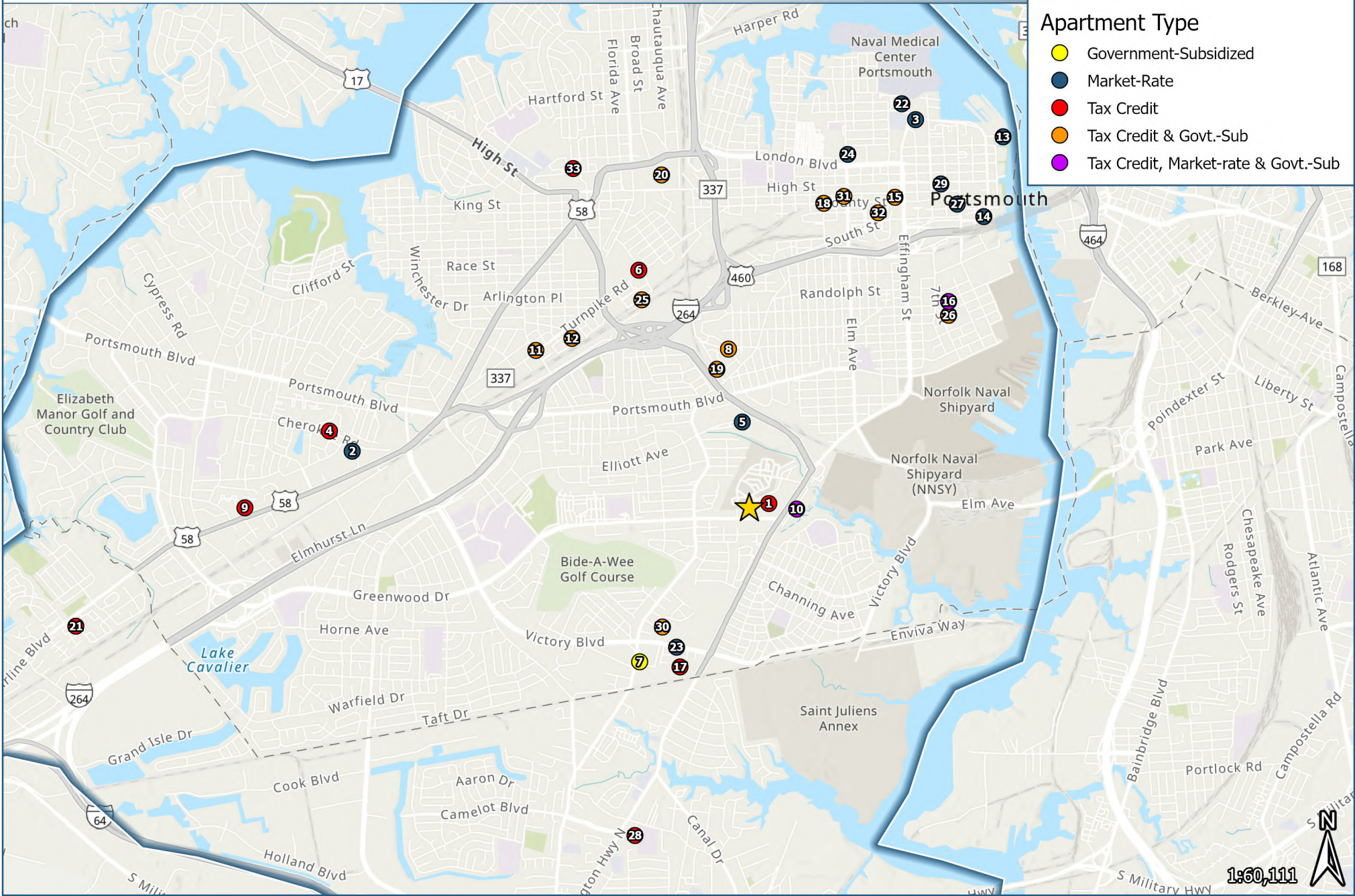
FIELD SURVEY OF
CONVENTIONAL RENTALS

★ Site

▬ PMA

Apartment Type

- Government-Subsidized
- Market-Rate
- Tax Credit
- Tax Credit & Govt.-Sub
- Tax Credit, Market-rate & Govt.-Sub




Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
✓ 1	Ansell Gardens Apts.	TAX	C+	1969	78	0	100.0%	0.2
✓ 2	Ashton Village Apts.	MRR	B-	1984	120	4	96.7%	3.7
✓ 3	Beacon 303 at Old Towne Apts.	MRR	B+	1972	139	11	92.1%	2.9
✓ 4	Belle Hall Apts.	TAX	B+	2008	120	0	100.0%	3.8
5	Biltmore Commons Apts.	MRR	B-	1989	89	2	97.8%	1.1
✓ 6	Crescent Place Apts.	TAX	B	2008	157	4	97.5%	2.6
7	Cross Creek Apts.	GSS	C	1969	102	0	100.0%	2.1
8	Dale Homes	TGS	C-	1940	279	0	100.0%	1.6
9	Grand at Mallard Manor	TAX	B-	1975	160	8	95.0%	4.3
10	Grand at New Port	TMG	C+	1942	209	0	100.0%	0.6
11	Hamilton Place I	TGS	B	2010	84	0	100.0%	2.6
✓ 12	Hamilton Place II	TGS	B	2012	84	0	100.0%	2.7
13	Harbor Towers Apts.	MRR	B	1983	188	0	100.0%	3.2
✓ 14	Harbor Vista at Crawford Street I	MRR	A	2016	134	6	95.5%	2.8
✓ 15	Holley Pointe	TGS	B+	2022	50	0	100.0%	2.5
16	Hope Village Apts.	TMG	B	1978	48	0	100.0%	2.0
✓ 17	Independence Square Apts.	TAX	B	1985	152	4	97.4%	1.8
18	King Square Apts.	TGS	A	2007	57	0	100.0%	2.3
19	Lexington Place Apts. I	TGS	B+	2020	72	0	100.0%	1.6
20	London Oaks Apts.	TGS	B-	1977	296	0	100.0%	3.7
✓ 21	Maplewood I & II	TAX	B	1991	320	0	100.0%	6.2
22	Nav850 at Olde Towne	MRR	B+	2005	246	7	97.2%	3.1
23	Newport Landing Apts.	MRR	B	1943	250	19	92.4%	1.9
✓ 24	Quarters at Park View Apts.	MRR	B	2014	140	15	89.3%	2.5
25	Seaboard Square I & II	TGS	C+	2011	221	0	100.0%	2.5
26	Southside Gardens Apts.	TGS	B	1979	134	0	100.0%	1.9
✓ 27	Sterling King Apts.	MRR	B+	2016	113	11	90.3%	2.7
28	Thrive	TAX	B-	1972	102	3	97.1%	2.8
29	Tower 507 Apts.	MRR	B	1940	46	2	95.7%	2.7
30	Victory Village Apts.	TGS	B	1997	112	0	100.0%	1.9
31	Westbury Holley Square Apts.	TGS	A	2006	59	0	100.0%	2.3
32	Westbury Pine Apts.	TGS	A	2002	58	0	100.0%	2.4
33	Whispering Oaks Apts.	TAX	B	1970	180	5	97.2%	3.2


*Drive distance in miles

✓ Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
◆ Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Government-Subsidized	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(MRT) Market-Rate & Tax Credit	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	(GSS) Government-Subsidized
(MRG) Market-Rate & Government-Subsidized	(TIN) Tax Credit & Income-Restricted (not LIHTC)	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
(MIN) Market-Rate & Income-Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Government-Subsidized	




1	Ansell Gardens Apts. 301 Ansell Ave, Portsmouth, VA 23702	Contact: Janelle Phone: (757) 397-6161
	 <p>Total Units: 78 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1969 BR: 2 Vacant Units: 0 Waitlist: 30 HH AR Year: Target Population: Family Yr Renovated: 2003 Rent Special: None Notes: Tax Credit</p>	





2	Ashton Village Apts. 224 Chowan Dr, Portsmouth, VA 23701	Contact: Shauntae Phone: (757) 465-2875
	 <p>Total Units: 120 UC: 0 Occupancy: 96.7% Stories: 2,2.5 Year Built: 1984 BR: 1, 2 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2022 Rent Special: None Notes:</p>	



3	Beacon 303 at Old Towne Apts. 303 Effingham St, Portsmouth, VA 23704	Contact: Chasity Phone: (757) 972-7978
	 <p>Total Units: 139 UC: 9 Occupancy: 92.1% Stories: 8 w/Elevator Year Built: 1972 BR: 1, 2, 3 Vacant Units: 11 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2023 Rent Special: None Notes: Rent range on renovated units.</p>	





4	Belle Hall Apts. 159 Cheyenne Trl., Portsmouth, VA 23701	Contact: Kanya Phone: (757) 488-1411
	 <p>Total Units: 120 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 2008 BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit</p>	


5	Biltmore Commons Apts. 2341 Elliott Ave., Portsmouth, VA 23702	Contact: Lori Phone: (757) 393-7535
	 <p>Total Units: 89 UC: 0 Occupancy: 97.8% Stories: 2,3 Year Built: 1989 BR: 2, 3 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p>	


Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Government-Subsidized	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(MRT) Market-Rate & Tax Credit	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	(GSS) Government-Subsidized
(MRG) Market-Rate & Government-Subsidized	(TIN) Tax Credit & Income-Restricted (not LIHTC)	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
(MIN) Market-Rate & Income-Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Government-Subsidized	




6	Crescent Place Apts. 2804 Turnpike Rd, Portsmouth, VA 23707	Contact: Maria Phone: (757) 673-3962
	Total Units: 157 UC: 0 Occupancy: 97.5% Stories: 3,4 Year Built: 2008 BR: 1, 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit	






7	Cross Creek Apts. 2542-B Bird Ln, Portsmouth, VA 23702	Contact: Shakia Phone: (757) 487-0935
	Total Units: 102 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1969 BR: 2, 3 Vacant Units: 0 Waitlist: 2br 42 - 3br 35; 77 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HUD Section 236	

8	Dale Homes 240 Dale Dr., Portsmouth, VA 23704	Contact: Valerie Phone: (757) 391-3051
	Total Units: 279 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1940 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 24 mos AR Year: Target Population: Family Yr Renovated: 2002 Rent Special: None Notes: Tax Credit; Section 8; Renovated 2018	


9	Grand at Mallard Manor 840 Lancer Dr., Portsmouth, VA 23701	Contact: Linda Phone: (757) 488-4848
	Total Units: 160 UC: 0 Occupancy: 95.0% Stories: 2 Year Built: 1975 BR: 2, 3 Vacant Units: 8 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2000 Rent Special: None Notes: Tax Credit No WL	


10	Grand at New Port 3817 George Washington Highway, Portsmouth, VA 23702	Contact: Mia Phone: (757) 393-1064
	Total Units: 209 UC: 41 Occupancy: 100.0% Stories: 2 Year Built: 1942 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: 1999 Rent Special: None Notes: Tax Credit; market-rate; Section 8	


<ul style="list-style-type: none"> Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none"> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none"> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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<p>11</p> 	<p>Hamilton Place I 3401 Turnpike Rd., Portsmouth, VA 23701</p> <p>Total Units: 84 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2010 BR: 1, 2, 3 Vacant Units: 0 Waitlist: Shared with phase II; 24 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; HUD Section 8</p>	<p>Contact: Victoria Phone: (757) 391-2918</p>
<p>12</p> 	<p>Hamilton Place II 3401 Turnpike Rd., Portsmouth, VA 23701</p> <p>Total Units: 84 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2012 BR: 1, 2, 3 Vacant Units: 0 Waitlist: Shared with phase I; 24 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit (56 units); HUD Section 8 & Tax Credit (28 units)</p>	<p>Contact: Victoria Phone: (757) 391-2918</p>
<p>13</p> 	<p>Harbor Towers Apts. 1 Harbor Ct, Portsmouth, VA 23704</p> <p>Total Units: 188 UC: 0 Occupancy: 100.0% Stories: 25 w/Elevator Year Built: 1983 BR: 1, 2 Vacant Units: 0 Waitlist: 9 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily; Rent range for floor, view, renovation</p>	<p>Contact: Gina Phone: (757) 393-1600</p>
<p>14</p> 	<p>Harbor Vista at Crawford Street I 800 Crawford St, Portsmouth, VA 23704</p> <p>Total Units: 134 UC: 0 Occupancy: 95.5% Stories: 5 Year Built: 2016 BR: 1, 2 Vacant Units: 6 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range for floor and view</p>	<p>Contact: Brandon Phone: (757) 500-8780</p>
<p>15</p> 	<p>Holley Pointe 818 County St, Portsmouth, VA 23704</p> <p>Total Units: 50 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2022 BR: 2, 3 Vacant Units: 0 Waitlist: 3 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit, PBV-5 units; Preleasing 7/2021; 1st units opened 07/2022; 90% occupied 08/2022</p>	<p>Contact: Veronica Phone: (757) 323-498</p>


<p>✓ Comparable Property</p> <p>◆ Senior Restricted</p> <p>■ (MRR) Market-Rate</p> <p>■ (MRT) Market-Rate & Tax Credit</p> <p>■ (MRG) Market-Rate & Government-Subsidized</p> <p>■ (MIN) Market-Rate & Income-Restricted (not LIHTC)</p>	<p>■ (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized</p> <p>■ (TAX) Tax Credit</p> <p>■ (TGS) Tax Credit & Government-Subsidized</p> <p>■ (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)</p> <p>■ (TIN) Tax Credit & Income-Restricted (not LIHTC)</p> <p>■ (TMG) Tax Credit, Market-Rate & Government-Subsidized</p>	<p>■ (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized</p> <p>■ (INR) Income-Restricted (not LIHTC)</p> <p>■ (ING) Income-Restricted (not LIHTC) & Government-Subsidized</p> <p>■ (GSS) Government-Subsidized</p> <p>■ (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted</p>
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16	Hope Village Apts. 611 6th St., Portsmouth, VA 23705		Contact: Valerie Phone: (757) 391-2906	
		Total Units: 48 UC: 0 Occupancy: 100.0% BR: 1, 2, 3 Vacant Units: 0 Target Population: Family Rent Special: None Notes: Tax Credit & HUD Section 8 (46 units); Market-rate (2 units); Family Self Sufficiency Program, tenants required to participate	Stories: 1,2 Waitlist: 24 mos	Year Built: 1978 AR Year: Yr Renovated: 2014

17	Independence Square Apts. 5120 George Washington Hwy, Portsmouth, VA 23702		Contact: Jocelyn Phone: (757) 487-6660	
		Total Units: 152 UC: 0 Occupancy: 97.4% BR: 1, 2, 3 Vacant Units: 4 Target Population: Family Rent Special: None Notes: Tax Credit	Stories: 2,3 Waitlist: None	Year Built: 1985 AR Year: Yr Renovated: 2005


18	King Square Apts. Godwin St & County St, Portsmouth, VA 23704		Contact: Martin Phone: (757) 391-2971	
		Total Units: 57 UC: 0 Occupancy: 100.0% BR: 1, 2, 3 Vacant Units: 0 Target Population: Family Rent Special: None Notes: Tax Credit; HUD Section 8	Stories: 2 Waitlist: 24 mos	Year Built: 2007 AR Year: Yr Renovated:


19	Lexington Place Apts. I 4 Lexington Dr, Portsmouth, VA 23704		Contact: Valerie Phone: (757) 391-3051	
		Total Units: 72 UC: 0 Occupancy: 100.0% BR: 1, 2, 3 Vacant Units: 0 Target Population: Family Rent Special: None Notes: Tax Credit; PBV/PBRA; Preleasing & opened 12/2020	Stories: 2 Waitlist: 24 mos	Year Built: 2020 AR Year: Yr Renovated:


20	London Oaks Apts. 2680 High St, Portsmouth, VA 23707		Contact: Matt Phone: (757) 399-6347	
		Total Units: 296 UC: 0 Occupancy: 100.0% BR: 1, 2, 3, 4 Vacant Units: 0 Target Population: Family Rent Special: None Notes: Tax Credit; HUD Section 8	Stories: 2 Waitlist: 50 HH	Year Built: 1977 AR Year: Yr Renovated: 2012

✓ Comparable Property ♦ Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC)	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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21	Maplewood I & II 3824 Maplefield Dr., Chesapeake, VA 23321	Contact: Kathy Phone: (757) 465-2001
	Total Units: 320 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1991 BR: 2, 3 Vacant Units: 0 Waitlist: 25 HH AR Year: Target Population: Family Yr Renovated: 2010 Rent Special: None Notes: Tax Credit	

22	Nav850 at Olde Towne 850 Crawford Pkwy, Portsmouth, VA 23704	Contact: Joselyn Phone: (757) 397-2000
	Total Units: 246 UC: 0 Occupancy: 97.2% Stories: 3 w/Elevator Year Built: 2005 BR: 1, 2 Vacant Units: 7 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily	






23	Newport Landing Apts. 9 Seminole Dr., Portsmouth, VA 23702	Contact: Roselyn Phone: (877) 760-9514
	Total Units: 250 UC: 0 Occupancy: 92.4% Stories: 2 Year Built: 1943 BR: 1, 2 Vacant Units: 19 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2012 Rent Special: None Notes: Rent range due to renovated units	






24	Quarters at Park View Apts. 1140 London Blvd., Portsmouth, VA 23704	Contact: Rob Phone: (757) 673-7500
	Total Units: 140 UC: 0 Occupancy: 89.3% Stories: 3,4 w/Elevator Year Built: 2014 BR: 0, 1, 2 Vacant Units: 15 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: \$350 off first month rent with signed lease Notes: Rent range due to location	


















25	Seaboard Square I & II 2847 Berkley Ave, Portsmouth, VA 23707	Contact: Valerie Phone: (757) 391-2909
	Total Units: 221 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 2011 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 24 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Public Housing	

✔	Comparable Property		(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized		(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
♦	Senior Restricted		(TAX) Tax Credit		(INR) Income-Restricted (not LIHTC)
	(MRR) Market-Rate		(TGS) Tax Credit & Government-Subsidized		(ING) Income-Restricted (not LIHTC) & Government-Subsidized
	(MRT) Market-Rate & Tax Credit		(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)		(GSS) Government-Subsidized
	(MRG) Market-Rate & Government-Subsidized		(TIN) Tax Credit & Income-Restricted (not LIHTC)		(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
	(MIN) Market-Rate & Income-Restricted (not LIHTC)		(TMG) Tax Credit, Market-Rate & Government-Subsidized		

<p>26</p>	<p>Southside Gardens Apts. 707 7th St., Portsmouth, VA 23704</p> 	<p>Contact: Salone Phone: (757) 399-0271</p> <p>Total Units: 134 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1979 BR: 2, 3, 4 Vacant Units: 0 Waitlist: 24 mos AR Year: Target Population: Family Yr Renovated: 2011 Rent Special: None Notes: Tax Credit; HUD Section 8</p>
<p>27</p>	<p>Sterling King Apts. 714 Court St., Portsmouth, VA 23704</p> 	<p>Contact: Melissa Phone: (757) 399-0058</p> <p>Total Units: 113 UC: 0 Occupancy: 90.3% Stories: 4 w/Elevator Year Built: 2016 BR: 1, 2 Vacant Units: 11 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range based on floorplan</p>
<p>28</p>	<p>Thrive 1020 Thrive Pl, Chesapeake, VA 23323</p> 	<p>Contact: Ebony Phone: (757) 558-4111</p> <p>Total Units: 102 UC: 0 Occupancy: 97.1% Stories: 2 Year Built: 1972 BR: 2, 3 Vacant Units: 3 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2016 Rent Special: None Notes: Tax Credit</p>
<p>29</p>	<p>Tower 507 Apts. 507 High St, Portsmouth, VA 23704</p> 	<p>Contact: Tatiana Phone: (757) 903-0022</p> <p>Total Units: 46 UC: 0 Occupancy: 95.7% Stories: 7 w/Elevator Year Built: 1940 BR: 1, 2 Vacant Units: 2 Waitlist: None AR Year: 2016 Target Population: Family Yr Renovated: Rent Special: None Notes:</p>
<p>30</p>	<p>Victory Village Apts. 2304 Victory Blvd, Portsmouth, VA 23702</p> 	<p>Contact: Laura Phone: (757) 485-3292</p> <p>Total Units: 112 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1997 BR: 2, 3 Vacant Units: 0 Waitlist: 75 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; HUD Section 8</p>

<p>✓ Comparable Property</p> <p>◆ Senior Restricted</p> <p>■ (MRR) Market-Rate</p> <p>■ (MRT) Market-Rate & Tax Credit</p> <p>■ (MRG) Market-Rate & Government-Subsidized</p> <p>■ (MIN) Market-Rate & Income-Restricted (not LIHTC)</p>	<p>■ (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized</p> <p>■ (TAX) Tax Credit</p> <p>■ (TGS) Tax Credit & Government-Subsidized</p> <p>■ (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)</p> <p>■ (TIN) Tax Credit & Income-Restricted (not LIHTC)</p> <p>■ (TMG) Tax Credit, Market-Rate & Government-Subsidized</p>	<p>■ (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized</p> <p>■ (INR) Income-Restricted (not LIHTC)</p> <p>■ (ING) Income-Restricted (not LIHTC) & Government-Subsidized</p> <p>■ (GSS) Government-Subsidized</p> <p>■ (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted</p>
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31	Westbury Holley Square Apts. 1300 County St., Portsmouth, VA 23704	Contact: Victoria Phone: (757) 391-2918
	Total Units: 59 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 2006 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 24 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Public Housing	
32	Westbury Pine Apts. 706 Crabapple St., Portsmouth, VA 23704	Contact: Valerie Phone: (757) 399-5261
	Total Units: 58 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2002 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 24 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit & Public Housing	
33	Whispering Oaks Apts. 2500 Oakleaf Pl., Portsmouth, VA 23707	Contact: Courtney Phone: (757) 397-6461
	Total Units: 180 UC: 0 Occupancy: 97.2% Stories: 2,3 Year Built: 1970 BR: 1, 2, 3 Vacant Units: 5 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2004 Rent Special: None Notes: Tax Credit	

 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

Source: City of Portsmouth
Effective: 07/2023

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	22	26	30	33	37	40	22	26	30	33	37	40
	+Base Charge	22	22	22	22	22	22	22	22	22	22	22	22
	Bottled Gas	60	70	80	89	99	108	60	70	80	89	99	108
	Electric	14	17	21	25	29	32	14	17	21	25	29	32
	Heat Pump	12	15	17	19	20	21	12	15	17	19	20	21
	Oil	67	79	89	100	110	121	67	79	89	100	110	121
Cooking	Natural Gas	4	4	6	8	10	12	4	4	6	8	10	12
	Bottled Gas	10	12	17	23	28	33	10	12	17	23	28	33
	Electric	5	6	9	12	15	17	5	6	9	12	15	17
Other Electric	20	24	33	42	51	60	20	24	33	42	51	60	
+Base Charge	7	7	7	7	7	7	7	7	7	7	7	7	
Air Conditioning	9	10	14	18	22	27	9	10	14	18	22	27	
Water Heating	Natural Gas	8	10	14	19	23	28	8	10	14	19	23	28
	Bottled Gas	23	27	39	50	62	74	23	27	39	50	62	74
	Electric	13	15	19	23	27	31	13	15	19	23	27	31
	Oil	25	30	43	56	70	83	25	30	43	56	70	83
Water	24	26	39	58	78	97	24	26	39	58	78	97	
Sewer	40	45	74	119	164	208	40	45	74	119	164	208	
Trash Collection	33	33	33	33	33	33	33	33	33	33	33	33	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

* Estimated- not from source

XIII. Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Craig Rupert, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown State University.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Nathan Stelts, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

Kwame Amoako, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Amoako holds a Bachelor of Arts in Business Management from Capital University.

Matthew Brown, Market Analyst, has travelled the country and studied the housing industry in both urban and rural markets. He is able to analyze both the aesthetics and operations of rental housing properties, particularly as they pertain to each particular market. Mr. Brown has a Bachelor Degree in Business Administration, Strategic Marketing and Social Media from the University of the Cumberlands.

Christopher T. Bunch, Market Analyst, has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Braden Henderson, Market Analyst, has researched various rental housing alternatives, both conventional and non-conventional in markets throughout the United States. In addition, he has conducted on-site inspection for existing properties and vacant parcels of land. This experience allows him to evaluate a project's ability to operate successfully within a market and compare it to surrounding comparable properties. Mr. Henderson has a Bachelor of Science degree in Business Administration from The Ohio State University.

Xavier Williams, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

Addendum A – Member Certification & Checklist

This market study has been prepared by Bowen National Research, 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 for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. 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.

Bowen National Research is duly qualified and experienced in providing market analysis for 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. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.



Patrick M. Bowen

President

patrickb@bowennational.com

Date: February 14, 2024



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: February 14, 2024

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary	II
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	III
3.	Utilities (and utility sources) included in rent	III
4.	Project design description	III
5.	Unit and project amenities; parking	III
6.	Public programs included	III
7.	Target population description	III
8.	Date of construction/preliminary completion	III
9.	If rehabilitation, existing unit breakdown and rents	III
10.	Reference to review/status of project plans	III
Location and Market Area		
11.	Market area/secondary market area description	IV
12.	Concise description of the site and adjacent parcels	IV
13.	Description of site characteristics	IV
14.	Site photos/maps	X
15.	Map of community services	IV
16.	Visibility and accessibility evaluation	IV
17.	Crime Information	IV

CHECKLIST (Continued)

		Section (s)
Employment and Economy		
18.	Employment by industry	IV
19.	Historical unemployment rate	IV
20.	Area major employers	IV
21.	Five-year employment growth	IV
22.	Typical wages by occupation	IV
23.	Discussion of commuting patterns of area workers	IV
Demographic Characteristics		
24.	Population and household estimates and projections	IV
25.	Area building permits	V
26.	Distribution of income	IV
27.	Households by tenure	IV
Competitive Environment		
28.	Comparable property profiles	XI
29.	Map of comparable properties	X
30.	Comparable property photographs	XI
31.	Existing rental housing evaluation	V
32.	Comparable property discussion	V
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	V
34.	Comparison of subject property to comparable properties	V
35.	Availability of Housing Choice Vouchers	V
36.	Identification of waiting lists	V & XII
37.	Description of overall rental market including share of market-rate and affordable properties	V
38.	List of existing LIHTC properties	V
39.	Discussion of future changes in housing stock	V
40.	Discussion of availability and cost of other affordable housing options including homeownership	V
41.	Tax Credit and other planned or under construction rental communities in market area	V
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	VII
43.	Calculation and analysis of Penetration Rate	VII
44.	Evaluation of proposed rent levels	V & VI
45.	Derivation of Achievable Market Rent and Market Advantage	VI
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	II
48.	Market strengths and weaknesses impacting project	II
49.	Recommendations and/or modification to project discussion	II
50.	Discussion of subject property's impact on existing housing	V
51.	Absorption projection with issues impacting performance	II
52.	Discussion of risks or other mitigating circumstances impacting project projection	II
53.	Interviews with area housing stakeholders	V

CHECKLIST (Continued)

Other Requirements		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	Certification
56.	Certifications	Certification
57.	Statement of qualifications	XIII
58.	Sources of data not otherwise identified	I
59.	Utility allowance schedule	XII