

A MARKET FEASIBILITY STUDY OF:

BJS

HARRISONBURG

FAMILY I

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280 West Mosby Road
Harrisonburg, Harrisonburg City, Virginia 22801

Effective Date: January 25, 2024
Report Date: March 13, 2024

Prepared for:
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March 13, 2024

Philip Searles
President
The Beverly J. Searles Foundation
4182 Westchester Trace NE
Roswell, GA 30075

Re: Application Market Study for BJS Harrisonburg Family I
280 West Mosby Road
Harrisonburg, Harrisonburg City, Virginia 228001

Dear Philip Searles:

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

The purpose of this market study is to assess the viability of the proposed 80-unit family-oriented LIHTC/PBV/Section 811 project, restricted to households earning 40, 50, 60, and 80 percent of the Area Median Income (AMI), or less. Of the total units, eight two and three-bedroom units at the 40 percent AMI level will operate with project-based vouchers (PBV). Additionally, 10 one and two-bedroom units at the 40 percent AMI level will operate under the Section 811 program. Tenants in the PBV and Section 811 units will pay 30 percent of their income towards rent. It should be noted that the Subject's larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

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

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

those standards; any slight modifications or departures from those standards are considered incidental. The report and the conclusions are subject to the Assumptions and Limiting Conditions attached. This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

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

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

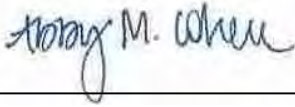
The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

Pursuant to Virginia Housing requirements, we certify:

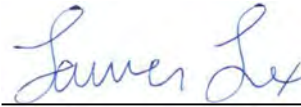
1. We have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of our knowledge the market can support the demand shown in this study. We understand that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

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac



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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Subject Site and Location:

BJS Harrisonburg Family I (Subject) is a proposed LIHTC/PBV/Section 811 apartment property that will be located at 280 West Mosby Road in Harrisonburg, Harrisonburg City, Virginia. The maximum tenant income will be restricted to the 80 percent AMI level. Of the total units, eight two and three-bedroom units at the 40 percent AMI level will operate with project-based vouchers (PBV). Additionally, 10 one and two-bedroom units at the 40 percent AMI level will operate under the Section 811 program. Tenants in the PBV and Section 811 units will pay 30 percent of their income towards rent. The Subject will offer eight one-bedroom units, 42 two-bedroom units, and 30 three-bedroom units in one, four-story, midrise, elevator-serviced residential building. Construction is scheduled to begin in March 2025 with completion anticipated in August 2026. It should be noted that the Subject's larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report.

Surrounding Land Uses:

The Subject site is located along the eastern border of Harrisonburg. Land uses to the north of the Subject, along Pear Street, consists of single-family homes in average condition. North of Pear Street are single-family homes under construction and new construction single-family homes in excellent condition. East of the Subject site are condominiums in average condition, a vacant single-family home, and townhomes in average condition. Also east is agricultural land and farther east are retail uses in generally average condition. Land uses to the south of the Subject site consists of vacant wooded land, agricultural land, and duplexes in good condition. Farther south are automotive dealerships and retail uses in generally average condition. Land uses to the west of the Subject site consist single-family homes in average condition, manufactured homes in average condition, and a house of worship in good condition. Farther west is agricultural land and scattered single-family homes. Commercial areas in Harrisonburg are approximately 90 percent occupied.

Site Description:

The overall Subject site is irregular in shape and has frontage along the north side of West Mosby Road and the east side of Pear Street. The portion of the site for the proposed Subject is 5.0 acres, or 217,800 square feet. The portion of the site for the phase of the Subject's larger overall development that will consist of 84 units targeting seniors is 7.0 acres, or 304,920 square feet. Thus, the overall site for both phases of the Subject's larger overall development is 12.00 acres, or 522,720 square feet. The site exhibits topography that is gently sloping and is not located in a floodplain. Upon completion, the Subject will consist of one, four-story, midrise, elevator-serviced residential building. The Subject will offer 108 off-street surface parking spaces at the property for no additional fees.

Scope of Construction: The proposed Subject will be new construction. The proposed Subject is anticipated to begin construction in March 2025 with completion anticipated in August 2026. The Subject site will be improved with one, four-story, midrise, elevator-serviced residential building.

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

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2023 LIHTC Maximum Allowable Gross Rent	2024 HUD Fair Market Rents	
<i>@40% (PBV)</i>								
2BR / 2BA	912	1	\$1,063	\$140	\$1,203	\$729	\$1,203	
2BR / 2BA	1,056	2	\$1,063	\$140	\$1,203	\$729	\$1,203	
3BR / 2BA	1,082	1	\$1,454	\$165	\$1,619	\$842	\$1,619	
3BR / 2BA	1,309	4	\$1,454	\$165	\$1,619	\$842	\$1,619	
<i>@40% (Sec 811)</i>								
1BR / 1BA	654	8	\$813	\$114	\$927	\$607	\$927	
2BR / 2BA	1,056	2	\$1,063	\$140	\$1,203	\$729	\$1,203	
<i>@50%</i>								
2BR / 2BA	912	16	\$771	\$140	\$911	\$911	\$1,203	
3BR / 2BA	1,082	8	\$888	\$165	\$1,053	\$1,053	\$1,619	
<i>@60%</i>								
2BR / 2BA	912	11	\$953	\$140	\$1,093	\$1,093	\$1,203	
3BR / 2BA	1,082	7	\$1,098	\$165	\$1,263	\$1,263	\$1,619	
<i>@80%</i>								
2BR / 2BA	912	10	\$1,318	\$140	\$1,458	\$1,458	\$1,203	
3BR / 2BA	1,082	10	\$1,520	\$165	\$1,685	\$1,685	\$1,619	
		80						

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

The Subject is a proposed LIHTC/PBV/Section 811 property that will offer a total of 80 units, all of which are revenue-generating. Of the total units, eight two and three-bedroom units at the 40 percent AMI level will operate with project-based vouchers (PBV). Additionally, 10 one and two-bedroom units at the 40 percent AMI level will operate under the Section 811 program. Tenants in the PBV and Section 811 units will pay 30 percent of their income towards rent. The Subject’s proposed rents at the 40 percent AMI level are contract rents and are set above the 2023 maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would have to be lowered to comply with the LIHTC program requirements. The Subject’s proposed rents at the 50, 60, and 80 percent AMI levels are set at the 2023 maximum allowable levels.

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

INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40% (PBV)		@40% (Sec 811)		@50%		@60%		@80%	
1BR	-	-	\$0	\$25,920	-	-	-	-	-	-
2BR	\$0	\$29,160	\$0	\$29,160	\$31,234	\$36,450	\$37,474	\$43,740	\$49,989	\$58,320
3BR	\$0	\$35,000	-	-	\$36,103	\$43,750	\$43,303	\$52,500	\$57,771	\$70,000

INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40%		@50%		@60%		@80%	
1BR	\$20,811	\$25,920	-	-	-	-	-	-
2BR	\$24,994	\$29,160	\$31,234	\$36,450	\$37,474	\$43,740	\$49,989	\$58,320
3BR	\$28,869	\$35,000	\$36,103	\$43,750	\$43,303	\$52,500	\$57,771	\$70,000

Economic Conditions

Employment in the PMA is concentrated in educational services, manufacturing, and healthcare/social assistance, which collectively comprise 38.9 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic recessions, such as that seen during the COVID-19 pandemic. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during economic recessions. Since 2012, employment growth in the MSA trailed the nation in all but two years. Employment in the MSA declined by 5.4 percent in 2020 amid the COVID-19 pandemic, compared to 6.2 percent across the nation. The MSA subsequently recovered all COVID-19 pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of November 2023, employment in the MSA is increasing at an annualized rate of 5.6 percent, compared to 2.1 percent growth across the nation. According to the latest labor statistics, dated November 2023, the current MSA unemployment rate is 2.8 percent. This is below the COVID highs of 2020, and below the current national unemployment rate of 3.5 percent.

Primary Market Area

We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as the communities of Harrisonburg, Hinton, Rushville, Montezuma, Dayton, Bridgewater, Pleasant Valley, Massanetta Springs, and Keezletown, as well as portions of Singers Glen, Linville, Zenda, Penn Laird, Cross Keys, Mt. Crawford, Clover Hill, and Lilly. The PMA boundaries are: Armentrout Path, Fridleys Gap Road, Fellowship Road, Longs Pump Road, Linville Edom Road, and Green Hill Road to the north; the Ridge-and-Valley Appalachians mountain range, Cross Keys Road, and Port Republic Road to the east; Artillery Road, Friedens Church Road, Lee Highway, Airport Road, and Spring Creek Road to the south; and Spring Creek Road, Clover Hill Road, Whitmore Shop Road, Singers Glen Road to the west. The PMA encompasses 153 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The secondary market area (SMA) for the Subject is the Harrisonburg, VA Metropolitan Statistical Area (MSA), which consists of Rockingham County. The MSA encompasses 1,041 square miles. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

Demographic Data

Population in the PMA increased at an annualized rate of 1.0 percent between 2010 and 2023, compared to growth of 0.8 percent in the MSA and 0.7 percent across the nation. The percentage of renter households in the PMA declined between 2010 and 2023 and is estimated to be 45.6 percent as of 2023. This is more than the estimated 35 percent renter households across the overall nation. The median income in the PMA as of 2023 is slightly below the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2028. Overall, the combination of rising population and median household income bodes well for future demand for multifamily housing.

Vacancy

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

OVERALL VACANCY

Property Name	Program	Tenancy	Total Units	Vacant Units	Vacancy %
Chestnut Ridge Apartments I	LIHTC	Family	100	3	3.0%
Chestnut Ridge Apartments II	LIHTC	Family	48	0	0.0%
Robinson Park	LIHTC	Family	88	3	3.4%
The Colonnade At Rocktown	LIHTC/Market	Family	66	1	1.5%
Deer Run Apartments	Market	Family	144	6	4.2%
Longview Oaks Apartments	Market	Family	138	2	1.4%
Park Apartments	Market	Family	136	0	0.0%
The Greens At Chestnut Ridge	Market	Family	150	3	2.0%
LIHTC Total			302	7	2.3%
Market Total			568	11	1.9%
Overall Total			870	18	2.1%

The comparables reported vacancy rates ranging from zero to 4.2 percent, with an overall weighted average of 2.1 percent. Managers at one of the four LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 2.3 percent, above the 1.9 percent average reported by the market rate properties. Additionally, all of the LIHTC comparables reported maintaining waiting lists. The waiting lists at some of these properties are extensive. The contact at Chestnut Ridge Apartments I reported that the three vacant units at the property have been pre-leased. The contact at Robinson Park reported that three vacant units are not ready to be re-leased but stated that they should be ready to be re-leased sometime in February. Additionally, the contact at The Colonnade At Rocktown reported that there is an application pending on the one vacant unit. All of the market rate properties reported vacancy rates of 4.2 percent or less. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent or less upon completion.

The following table details vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Chestnut Ridge Apartments I	LIHTC	Family	-	3.8%	0.0%	3.0%
Chestnut Ridge Apartments II	LIHTC	Family	-	0.0%	0.0%	0.0%
Robinson Park	LIHTC	Family	-	-	-	3.4%
The Colonnade At Rocktown	LIHTC/ Market	Family	-	0.0%	-	1.5%
Deer Run Apartments	Market	Family	0.0%	-	-	4.2%
Longview Oaks Apartments	Market	Family	-	-	-	1.4%
Park Apartments	Market	Family	0.0%	0.0%	0.0%	0.0%
The Greens At Chestnut Ridge	Market	Family	0.0%	1.2%	3.3%	2.0%

The Subject will consist of one, two, and three-bedroom units. The vacancy rates for all units type are considered low. It should be noted that the contacts at two of the LIHTC comparables with vacant units reported that at least some of the vacant units at these properties are pre-leased or have allocations pending. Additionally, all of the LIHTC comparables reported maintaining waiting lists. The waiting lists at some of these properties are extensive. This supports that there is demand for additional rental housing in the market. The Subject is not expected to negatively impact the existing properties in the market.

Absorption Estimate

The following table details the absorption paces of recently completed properties in the Harrisonburg region.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Brookdale Apartments	LIHTC	Family	Charlottesville	2019	96	8	35.3 miles
Round Hill Meadows	LIHTC	Family	Orange	2013	100	10	44.0 miles
Treesdale Apartments	LIHTC	Family	Charlottesville	2012	88	11	32.4 miles
Average Affordable					95	10	
Average Market					N/A	N/A	
Overall Average					95	10	

It should be noted that we were only able to obtain absorption data for one property in Harrisonburg, Altitude At Stone Port, and this property is a student housing development that reported an absorption rate of 18 units per month. Due to the tenancy of Altitude At Stone Port, we obtained additional absorption data from three properties within 45.0 miles of the Subject in Charlottesville and Orange. These properties were completed over the 2012 to 2019 period. These properties reported absorption rates ranging from eight to 11 units per month, with an overall average of 10 units per month. Overall, we expect the Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately eight months.

Summary of Competitive Market Conditions

In general, we believe there is demand in the marketplace for the Subject as proposed. The Subject will be well-positioned in the market as a newly constructed property, and generally in slightly superior to superior condition to the majority of the comparable properties. The market exhibits strong demand for both affordable and market rate housing, with limited vacancy. Further, the comparable LIHTC properties reported an overall average vacancy rate of 2.3 percent. Based on the performance of the comparable properties, we expect the Subject to operate with an annual vacancy loss of five percent, or less. Our estimated achievable market rents for the Subject are illustrated below.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Square Feet	Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR/1BA	@40% (Sec 811)	654	\$493	\$953	\$1,296	\$1,155	\$1,200	59%
2BR/2BA	@40% (PBV)	912	\$589*	\$1,064	\$1,655	\$1,400	\$1,475	60%
2BR/2BA	@40% (PBV)	1,056	\$589*	\$1,064	\$1,655	\$1,400	\$1,525	61%
2BR/2BA	@40% (Sec 811)	1,056	\$589*	\$1,064	\$1,655	\$1,400	\$1,525	61%
2BR/2BA	@50%	912	\$771	\$1,064	\$1,655	\$1,400	\$1,475	48%
2BR/2BA	@60%	912	\$953	\$1,064	\$1,655	\$1,400	\$1,475	35%
2BR/2BA	@80%	912	\$1,318	\$1,064	\$1,655	\$1,400	\$1,475	11%
3BR/2BA	@40% (PBV)	1,082	\$677*	\$1,283	\$1,820	\$1,619	\$1,675	60%
3BR/2BA	@40% (PBV)	1,309	\$677*	\$1,283	\$1,820	\$1,619	\$1,750	61%
3BR/2BA	@50%	1,082	\$888	\$1,283	\$1,820	\$1,619	\$1,675	47%
3BR/2BA	@60%	1,082	\$1,098	\$1,283	\$1,820	\$1,619	\$1,675	34%
3BR/2BA	@80%	1,082	\$1,520	\$1,283	\$1,820	\$1,619	\$1,675	9%

*Subject's achievable rents are shown for the 40% AMI units.

Demand

The demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 0.7 percent, as proposed, and 1.1 percent, absent subsidy.

DEMAND CONCLUSIONS

Calculation	As Proposed	Absent Subsidy
@40% (PBV)	0.2%	0.7%
@40% (Sec 811)	0.2%	0.7%
@50%	1.6%	-
@60%	1.1%	-
@80%	1.6%	-
All Units	0.7%	1.1%
Annual Demand	1.7%	2.5%
Penetration Rate Methodology One	0.8%	1.1%
Penetration Rate Methodology Two	5.8%	4.4%

These capture rates are reasonable taking into account the other indications of demand such as low vacancy rates and waiting lists reported by the comparable properties. The Demand Analysis illustrates demand for the Subject based on captures rates of income-eligible renter households. The annual demand calculation indicates there are approximately 4,544 units and 3,008 units of demand in the first year of the Subject's operation for the Subject's as proposed and absent subsidy scenarios, respectively. The Subject will need to accommodate 76 units of demand in order to stabilize at five percent vacancy. The demand analysis illustrates adequate demand for the Subject's units. Additionally, all penetration rates as proposed and absent subsidy are low and indicative of demand for additional affordable housing supply such as the Subject. The Virginia Housing net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table in the as proposed scenario. It should be noted that the Subject's larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report. As this phase of the Subject's larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis.

Project Wide Capture Rate - LIHTC Units	1.9%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	1.9%
Project Wide Absorption Period (Months)	8 months

The following table illustrates the conclusions from this table in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	2.8%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.8%
Project Wide Absorption Period (Months)	8 months

These capture rates are very low. We believe there is sufficient demand for the Subject based on the high occupancy rates among the majority of the LIHTC comparables, as well as the prevalence of waiting lists at all of LIHTC comparables.

Strengths

- The Subject will exhibit excellent condition as a new construction development, slightly superior to superior to the comparable properties.
- The Subject will offer a midrise, elevator-serviced design, similar to slightly superior to the comparables.
- All of the LIHTC comparable properties reported maintaining waiting lists. The waiting lists at some of these LIHTC properties are extensive.
- All of the comparable LIHTC properties reported achieving maximum allowable rents.
- There is ample demand for affordable housing as evidenced by low capture rates and low vacancy rates, at the comparable properties.

Weaknesses

- There are no identified weaknesses of the proposed Subject.

Recommendations and Overall Conclusion

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

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac has performed a comprehensive market study of the multifamily rental market in the Harrisonburg, Virginia area relative to BSJ Harrisonburg Family I, a proposed family-oriented LIHTC/PBV/Section 811 development. The Subject's units will be restricted to households earning 40, 50, 60, and 80 percent of the Area Median Income (AMI), or less. Of the total units, eight two and three-bedroom units at the 40 percent AMI level will operate with project-based vouchers (PBV). Additionally, 10 one and two-bedroom units at the 40 percent AMI level will operate under the Section 811 program. Tenants in the PBV and Section 811 units will pay 30 percent of their income towards rent. The Subject will consist of eight one-bedroom units, 42 two-bedroom units, and 30 three-bedroom units contained in one, four-story, midrise, elevator-serviced residential building. Construction is scheduled to begin in March 2025 with completion anticipated in August 2026. Upon completion, the Subject will be in excellent condition.
Developer/Client Information:	The Beverly J. Searles Foundation.
Intended Use and Users of the Report:	The Beverly J. Searles Foundation is the Client for this market study. Along with the Client, the Intended Users are representatives of Virginia Housing and potential investors. The Subject report will be submitted to Virginia Housing as part of an application for tax credits.
Type of Report:	Comprehensive Market Analysis Full Narrative Report
Scope of the Report:	<ul style="list-style-type: none">▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ In-person inspection of the Subject site and its general location.▪ Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.▪ Investigating the general economic health and conditions of the multifamily rental market.▪ Estimating the number of income-eligible households and performing an analysis of relevant demographic demand for the Subject.▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income-eligible tenants in the Primary Market Area.▪ Reviewing relevant public records and contacting public agencies.▪ Analysis of the economic and social conditions in the market area, in relation to the project.▪ Establishing the Subject's Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was inspected on January 25, 2024, which shall serve as the effective date of this report.

Primary Contacts for the Report: Abby Cohen – Abby.Cohen@novoco.com and 240-235-1705
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C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

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

Subject Property Description:

BSJ Harrisonburg Family Phase I (Subject) is the proposed new construction of an 80-unit LIHTC/PBV/Section 811 family development to be funded with Low-Income Housing Tax Credits (LIHTC). The portion of the site for the proposed Subject is 5.0 acres, or 217,800 square feet. The portion of the site for the phase of the Subject's larger overall development that will consist of 84 units targeting seniors is 7.0 acres, or 304,920 square feet. Thus, the overall site for both phases of the Subject's larger overall development is 12.00 acres, or 522,720 square feet. The Subject will be located at 280 West Mosby Road, Harrisonburg, Virginia 22801. It should be noted that the Upon completion, the Subject will consist of one, four-story, midrise, elevator-serviced residential building offering a total of 80 one, two, and three-bedroom units. It should be noted that the Subject of this report is the first phase of the Subject's larger overall development, which in total will include an additional phase. The other phase will be located in a building adjacent to the Subject on the same site. The Subject parcel has not been subdivided between the two phases of the Subject's larger overall development.

The Subject's units will be restricted to households earning 40, 50, 60, and 80 percent of AMI, or less. Of the total units, eight two and three-bedroom units at the 40 percent AMI level will operate with project-based vouchers (PBV). Additionally, 10 one and two-bedroom units at the 40 percent AMI level will operate under the Section 811 program. Tenants in the PBV and Section 811 units will pay 30 percent of their income towards rent. Notable amenities will include a business center, community room, a courtyard, elevators, an exercise facility, central laundry facility, on-site management, picnic area, playground, Wi-Fi in the common areas, adult education including finance, job training, and dietary classes, balconies/patios, dishwashers, garbage disposals, microwaves, vinyl plank flooring, walk-in closets, washer/dryer hookups, an intercom (buzzer) system, limited access, and video surveillance. Construction is set to begin in March 2025 with anticipated competition in August 2026.

The Subject's overall development will be a 164-unit affordable mixed-tenancy development, with the Subject offering 80 units targeting families and another phase offering 84 units targeting seniors. An analysis of this phase is outside the scope of this report. The Subject's units will be restricted to households earning 40, 50, 60, and 80 percent of AMI, or less.

Construction Type: The Subject’s units will be contained within one, four-story, midrise, elevator-serviced residential building.

Target Population and Occupancy Type: The proposed Subject will target one to five person households earning 40, 50, 60, and 80 percent of the AMI or below. Based on the unit mix and proposed rent levels, the qualifying annual incomes for the Subject’s proposed units will range from \$0 to \$70,000 as proposed and \$20,811 to \$70,000 absent subsidy.

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

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2023 LIHTC Maximum Allowable Gross Rent	2024 HUD Fair Market Rents	
<i>@40% (PBV)</i>								
2BR / 2BA	912	1	\$1,063	\$140	\$1,203	\$729	\$1,203	
2BR / 2BA	1,056	2	\$1,063	\$140	\$1,203	\$729	\$1,203	
3BR / 2BA	1,082	1	\$1,454	\$165	\$1,619	\$842	\$1,619	
3BR / 2BA	1,309	4	\$1,454	\$165	\$1,619	\$842	\$1,619	
<i>@40% (Sec 811)</i>								
1BR / 1BA	654	8	\$813	\$114	\$927	\$607	\$927	
2BR / 2BA	1,056	2	\$1,063	\$140	\$1,203	\$729	\$1,203	
<i>@50%</i>								
2BR / 2BA	912	16	\$771	\$140	\$911	\$911	\$1,203	
3BR / 2BA	1,082	8	\$888	\$165	\$1,053	\$1,053	\$1,619	
<i>@60%</i>								
2BR / 2BA	912	11	\$953	\$140	\$1,093	\$1,093	\$1,203	
3BR / 2BA	1,082	7	\$1,098	\$165	\$1,263	\$1,263	\$1,619	
<i>@80%</i>								
2BR / 2BA	912	10	\$1,318	\$140	\$1,458	\$1,458	\$1,203	
3BR / 2BA	1,082	10	\$1,520	\$165	\$1,685	\$1,685	\$1,619	
		80						

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

The Subject is a proposed LIHTC/PBV/Section 811 property that will offer a total of 80 units, all of which are revenue-generating. Of the total units, eight two and three-bedroom units at the 40 percent AMI level will operate with project-based vouchers (PBV). Additionally, 10 one and two-bedroom units at the 40 percent AMI level will operate under the Section 811 program. Tenants in the PBV and Section 811 units will pay 30 percent of their income towards rent. The Subject’s proposed rents at the 40 percent AMI level are contract rents and are set above the 2023 maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would have to be lowered to comply with the LIHTC program requirements.

The Subject’s proposed rents at the 50, 60, and 80 percent AMI levels are set at the 2023 maximum allowable levels.

Assisted Housing Program:

Of the total units, eight two and three-bedroom units at the 40 percent AMI level will operate with project-based vouchers (PBV). Additionally, 10 one and two-bedroom units at the 40 percent AMI level will operate under the Section 811 program. Tenants in the PBV and Section 811 units will pay 30 percent of their income towards rent.

Construction Date:

The Subject is anticipated to begin construction in March 2025 and be completed in August 2026.

Target Household Income Levels:

Based on the proposed restrictions, the range of annual household income levels is depicted below.

INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40% (PBV)		@40% (Sec 811)		@50%		@60%		@80%	
1BR	-	-	\$0	\$25,920	-	-	-	-	-	-
2BR	\$0	\$29,160	\$0	\$29,160	\$31,234	\$36,450	\$37,474	\$43,740	\$49,989	\$58,320
3BR	\$0	\$35,000	-	-	\$36,103	\$43,750	\$43,303	\$52,500	\$57,771	\$70,000

INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40%		@50%		@60%		@80%	
1BR	\$20,811	\$25,920	-	-	-	-	-	-
2BR	\$24,994	\$29,160	\$31,234	\$36,450	\$37,474	\$43,740	\$49,989	\$58,320
3BR	\$28,869	\$35,000	\$36,103	\$43,750	\$43,303	\$52,500	\$57,771	\$70,000

Utility Structure:

Tenants at the Subject will be responsible for electric heat, hot water, cooking, central air conditioning, general electricity expenses, cold water and sewer expenses. The trash removal expenses will be paid by the landlord. The comparable properties’ utility structures are illustrated in the respective property summaries and are adjusted appropriately to account for differences relative to the Subject’s utility structure, based on the one-exposed wall utility allowances provided by Virginia Housing, effective July 1, 2023.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$34	\$44	\$54
Cooking - Electric	Tenant	\$5	\$6	\$8
Other Electric	Tenant	\$20	\$25	\$31
Air Conditioning	Tenant	\$10	\$13	\$15
Water Heating - Electric	Tenant	\$18	\$23	\$28
Water	Tenant	\$25	\$32	\$40
Sewer	Tenant	\$29	\$38	\$46
Trash	Landlord	\$15	\$15	\$15
TOTAL - Paid By Landlord		\$15	\$15	\$15
TOTAL - Paid By Tenant		\$141	\$181	\$222
TOTAL - Paid By Tenant Provided by Developer		\$114	\$140	\$165
DIFFERENCE		81%	77%	74%

Source: Virginia Housing, July 2023

The developer utility allowance estimates are below those of Virginia Housing. The Virginia Housing estimates are used to adjust the comparable properties with differing utility structures to the Subject’s utility structure for an “apples-to-apples” comparison.

Unit Mix:

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

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	8	654	5,232
2BR / 2BA	38	912	34,656
2BR / 2BA	4	1,056	4,224
3BR / 2BA	26	1,082	28,132
3BR / 2BA	4	1,309	5,236
TOTAL	80		77,480

Net Leasable Area:

Approximately 77,480 square feet, as illustrated above.

Unit Amenities:

The Subject unit amenities will consist of balconies/patios, blinds, carpeting in the bedrooms, central air conditioning, coat closets, dishwashers, ceiling fans, garbage disposals, microwaves, range/ovens, refrigerators, vinyl plank flooring in the living areas, walk-in closets, and washer/dryer hookups.

Common Area Amenities:

The Subject common area amenities will consist of a business center, clubhouse, courtyard, elevators, an exercise facility, central laundry facility, on-site management, a picnic area, playground, and Wi-Fi in the common areas.

Parking:

The Subject will offer 108 off-street parking spaces, which equates to approximately 1.4 spaces per unit. There is no fee

for parking. We expect the number of parking spaces will continue to be adequate.

Number of Stories and Buildings:

There will be one, four-story, midrise, elevator-serviced residential building. The Subject will exhibit excellent overall condition following completion.

Americans with Disabilities Act of 1990:

As newly constructed development, we assume the Subject property will not have any violations of the Americans with Disabilities Act of 1990.

Quality of Construction Condition and Deferred Maintenance:

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

Functional Utility:

We were provided with preliminary floor plans for the Subject's overall development. Based upon our review of the Subject floor plans, as well as the site inspection and local interviews, we believe the Subject will be functional upon completion. Copies of the floor plans are included in the *Addenda* of this report.


Architectural Plans:

We were provided with preliminary architectural plans for the Subject's overall development. A copy of the site and architectural plans are included in the addenda of this report.

Conclusion:

The Subject property is a proposed 80-unit new construction LIHTC/PBV/Section 811 development that will be in excellent condition following construction. As a new construction development with market-oriented floor plans, the Subject will not suffer from functional obsolescence and will provide good utility for its intended use. Additionally, the Subject will be amongst the newest supply of affordable housing in the market and will be superior to the existing supply of affordable housing.

BSJ HARRISONBURG FAMILY I - HARRISONBURG, VIRGINIA – MARKET STUDY

BJS Harrisonburg Family I											
Location	280 W Mosby Rd Harrisonburg, VA 22801 Harrisonburg County										
Units	80										
Type	Midrise (4 stories)										
Year Built / Renovated	2026 / N/A										
Market											
Program	@40% (PBV), @40% (Sec 811), @50%, @60%, @80%						Leasing Pace	N/A			
Annual Turnover Rate	N/A						Change in Rent (Past Year)	N/A			
Units/Month Absorbed	N/A						Concession				
Section 8 Tenants	N/A										
Utilities											
A/C	not included – central						Other Electric	not included			
Cooking	not included – electric						Water	not included			
Water Heat	not included – electric						Sewer	not included			
Heat	not included – electric						Trash Collection	included			
Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Midrise (4 stories)	8	654	\$813	\$0	@40% (Sec 811)	N/A	N/A	N/A	N/A
2	2	Midrise (4 stories)	1	912	\$1,063	\$0	@40% (PBV)	N/A	N/A	N/A	N/A
2	2	Midrise (4 stories)	2	1,056	\$1,063	\$0	@40% (PBV)	N/A	N/A	N/A	N/A
2	2	Midrise (4 stories)	2	1,056	\$1,063	\$0	@40% (Sec 811)	N/A	N/A	N/A	N/A
2	2	Midrise (4 stories)	16	912	\$771	\$0	@50%	N/A	N/A	N/A	yes
2	2	Midrise (4 stories)	11	912	\$953	\$0	@60%	N/A	N/A	N/A	yes
2	2	Midrise (4 stories)	10	912	\$1,318	\$0	@80%	N/A	N/A	N/A	yes
3	2	Midrise (4 stories)	1	1,082	\$1,454	\$0	@40% (PBV)	n/a	N/A	N/A	N/A
3	2	Midrise (4 stories)	4	1,309	\$1,454	\$0	@40% (PBV)	N/A	N/A	N/A	N/A
3	2	Midrise (4 stories)	8	1,082	\$888	\$0	@50%	N/A	N/A	N/A	yes
3	2	Midrise (4 stories)	7	1,082	\$1,098	\$0	@60%	N/A	N/A	N/A	yes
3	2	Midrise (4 stories)	10	1,082	\$1,520	\$0	@80%	N/A	N/A	N/A	yes
Amenities											
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Vinyl Plank Flooring Walk-In Closet Washer/Dryer hookup					Security		Intercom (Buzzer) Limited Access Video Surveillance			
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Courtyard Elevators Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Wi-Fi					Premium		none			
Services	Adult Education					Other		none			
Comments											
This is a proposed development that will consist of one, four-story, midrise, elevator-serviced residential building. The utility allowances for the one, two, and three-bedroom units are \$114, \$140, and \$165, respectively. Construction is set to begin March 2025 and be complete in August 2026.											

D. LOCATION

LOCATION

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



Source: Google Earth, January 2024.

Subject Site Location:

The Subject site is located at 280 West Mosby Road in Harrisonburg, VA 22801.

Size:

The portion of the site for the proposed Subject is 5.0 acres, or 217,800 square feet. The portion of the site for the phase of the Subject's larger over all development that will consist of 84 units targeting seniors is 7.0 acres, or 304,920 square feet. Thus, the overall site for both phases of the Subject's larger overall development is 12.00 acres, or 522,720 square feet.

Shape:

The Subject site is irregular in shape.

Frontage:

The Subject site has frontage along the north side of West Mosby Road and the east side of Pear Street.

Topography:

The Subject site exhibits topography that is gently sloping to the south.

Utilities:

All utilities are available to the site.

Visibility/Views:

The Subject site has excellent visibility along West Mosby Road and Pear Street. Views to the north include single-family homes in average condition, vacant land, and new construction single-family homes in excellent condition. To the east, views consist of owner-occupied condominiums in average condition and a vacant single-family home and barn. To the south, views consist of vacant land and townhomes in excellent condition. To the west, views consist of single-family homes in average condition, an automotive repair shop in average condition, and manufactured homes in average condition. Overall, visibility is considered good, and views are average.

Surrounding Land Uses:

The Subject site is located along the eastern border of Harrisonburg. Land uses to the north of the Subject, along Pear Street, consists of single-family homes in average condition. North of Pear Street are single-family homes under construction and new construction single-family homes in excellent condition. East of the Subject site are condominiums in average condition, a vacant single-family home, and townhomes in average condition. Also east is agricultural land and farther east are retail uses in generally average condition. Land uses to the south of the Subject site consists of vacant wooded land, agricultural land, and duplexes in good condition. Farther south are automotive dealerships and retail uses in generally average condition. Land uses to the west of the Subject site consist single-family homes in average condition, manufactured homes in average condition, and a house of worship in good condition. Farther west is agricultural land and scattered single-family homes. Commercial areas in Harrisonburg are approximately 90 percent occupied.



Single-family homes under construction north of the Subject site



Single-family home north of the Subject site



Millwood Condominiums (owner-occupied) south of the Subject site



Mosby Heights Apartments (excluded) south of the Subject site



Retail uses east of the Subject site



Retail uses east of the Subject site



Manufactured homes west of the Subject site



House of worship west of the Subject site

Access and Traffic Flow:

The Subject is accessible from West Mosby Road, which is a lightly-trafficked two-lane road traversing generally southwest/east. West Mosby Road provides access to Dayton, Virginia to the southwest and to Lee Highway (State Route 11) to the southeast. Lee Highway (State Route 11) is a moderately-trafficked five-lane road that provides access to Staunton, Virginia to the southwest and to downtown Harrisonburg to the northeast. Lee Highway (State Route 11) also provides access to Port Republic Road, which in turn provides access to Interstate 81 approximately 2.6 miles east of the Subject site. Interstate 81 traverses generally southwest/northeast from Tennessee to New York. Overall, access and traffic flow are considered good.

Layout and Curb Appeal:

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

Drainage:

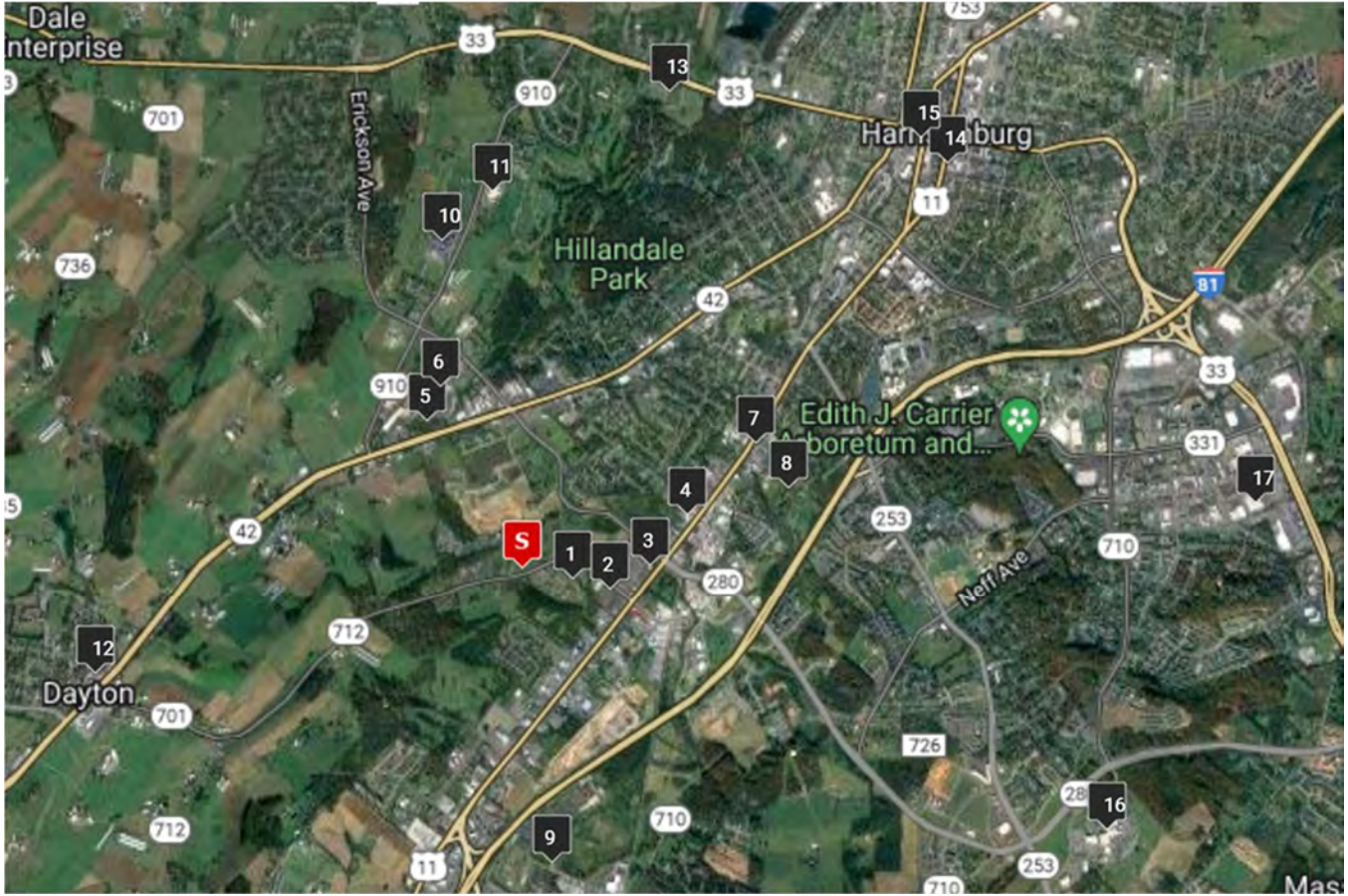
Appears adequate, however, no specific tests were performed. Further, we are not experts in this field and cannot opine on this issue.

Soil and Subsoil Conditions:

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

Environmental Assessment:

We were not provided with a Phase I Environmental Site Assessment for the Subject property. During our site inspection, we walked the Subject’s grounds and did not observe any obvious indicators of environmental



Source: Google Earth, January 2024

LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	#	Service or Amenity	Distance to Subject
1	Bus Stop	0.2 miles	10	Harrisonburg High School	1.5 miles
2	Sharp Shopper Grocery Outlet	0.4 miles	11	Bluestone Elementary School	1.7 miles
3	Pendleton Community Bank	0.6 miles	12	U.S. Postal Service	1.9 miles
4	Sheetz Gas Station	0.8 miles	13	Thomas Harrison Middle School	2.2 miles
5	Dollar Tree	0.8 miles	14	Massanutten Regional Library	2.6 miles
6	Walmart Supercenter	0.9 miles	15	Rockingham County Sheriff	2.6 miles
7	Walgreens Pharmacy	1.2 miles	16	Sentara RMH Medical Center	2.8 miles
8	Purcell Park	1.2 miles	17	Target	3.3 miles
9	City of Harrisonburg Fire Station 2	1.3 miles	-	-	-

Public Transportation:

The City of Harrisonburg operates six bus routes throughout Harrisonburg. Routes run on weekdays from 6:30 a.m. to 7:00 p.m. and from 8:30 a.m. to 6:00 p.m. on weekends. James Madison University routes only operate when the university is in session and run from 7:00 a.m. to 11:00 p.m. Monday through Friday, Saturdays from 9:00 a.m. to 11 p.m., and Sundays from 1:00 p.m. to 10:00 p.m. Fares are \$1.00 for adults and seniors aged 62 years old or older, persons with disabilities, and Medicare/Medicaid recipients are offered half fares of \$0.50.

Crime Statistics:

The table below illustrates crime indices in the PMA and MSA in comparison to that of the nation. A crime index below 100 is below the national average and anything over 100 is above the nation’s crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime index of 200 would be twice that of the national average. Crime indices were provided by 2023 ESRI Demographics data.

2023 CRIME INDICES

	PMA	MSA
Total Crime*	57	52
Personal Crime*	34	33
Murder	44	45
Rape	78	80
Robbery	19	16
Assault	36	36
Property Crime*	60	55
Burglary	39	41
Larceny	71	63
Motor Vehicle Theft	25	24

Source: Esri Demographics 2023, Novogradac, January 2024
 *Unweighted aggregations

Total crime indices in the PMA are well below the national average and well below the MSA. The Subject's security features will include an intercom (buzzer) system, limited access, and video surveillance. Four of the comparable properties offer some form of security feature. The Subject’s security features appear to be market-oriented.

Conclusion:

The Subject site is located in Harrisonburg, Virginia approximately 2.6 miles east of Interstate 81. The immediate neighborhood consists of single-family homes, new and under construction single-family homes, condominiums, townhomes, manufactured homes, and agricultural and vacant land. Residential uses in the Subject’s neighborhood are generally in average to excellent condition. A number of retail properties are located east of the Subject site along Lee Highway, including a grocery store, a Habitat for Humanity ReStore, restaurants, and local businesses. Commercial areas in the Subject’s neighborhood are approximately 90 percent occupied. The Subject site is designated as “Car-Dependent” by Walk Score with a score of 23, indicating that almost all errands require a car. The surrounding housing stock in the Subject’s neighborhood consisting of single-family homes, were mostly constructed after 1970 and are in average to good condition with some homes that are newly and under construction in excellent condition. According to Zillow, the current median home value in the Subject’s zip code is approximately \$335,000.

Subject Property & Neighborhood Photos



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



View from the Subject site south along Pear Street



View from the Subject site north along Pear Street



View east along West Mosby Road



View west along West Mosby Road



Millwood Townhomes (owner-occupied) south of the Subject site



Manufactured homes west of the Subject site



Single-family home in the Subject's neighborhood



Single-family home directly west of the Subject site



Single-family home directly west of the Subject site



Single-family home in the Subject's neighborhood



Single-family home north of the Subject site



Single-family home north of the Subject site



Retail uses east of the Subject site



Retail uses east of the Subject site



Retail uses east of the Subject site



Automotive repair shop west of the Subject site



Retail uses southeast of the Subject site



Retail uses east of the Subject site

E. MARKET AREA DEFINITION

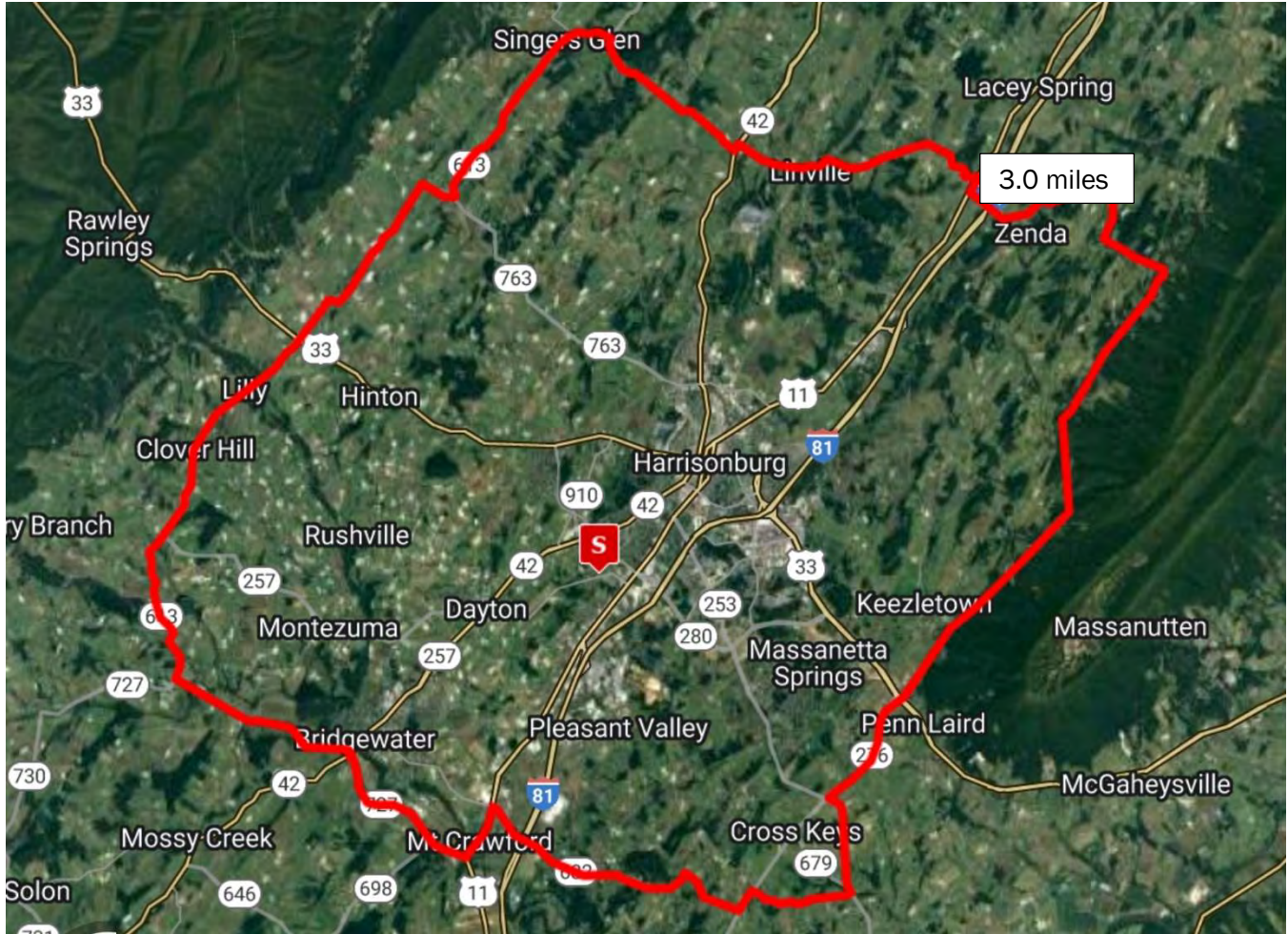
MARKET AREA

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

We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as the communities of Harrisonburg, Hinton, Rushville, Montezuma, Dayton, Bridgewater, Pleasant Valley, Massanetta Springs, and Keezletown, as well as portions of Singers Glen, Linville, Zenda, Penn Laird, Cross Keys, Mt. Crawford, Clover Hill, and Lilly. The PMA boundaries are: Armentrouth Path, Fridleys Gap Road, Fellowship Road, Longs Pump Road, Linville Edom Road, and Green Hill Road to the north; the Ridge-and-Valley Appalachians mountain range, Cross Keys Road, and Port Republic Road to the east; Artillery Road, Friedens Church Road, Lee Highway, Airport Road, and Spring Creek Road to the south; and Spring Creek Road, Clover Hill Road, Whitmore Shop Road, Singers Glen Road to the west. The PMA encompasses 153 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The secondary market area (SMA) for the Subject is the Harrisonburg, VA Metropolitan Statistical Area (MSA), which consists of Rockingham County. The MSA encompasses 1,041 square miles. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

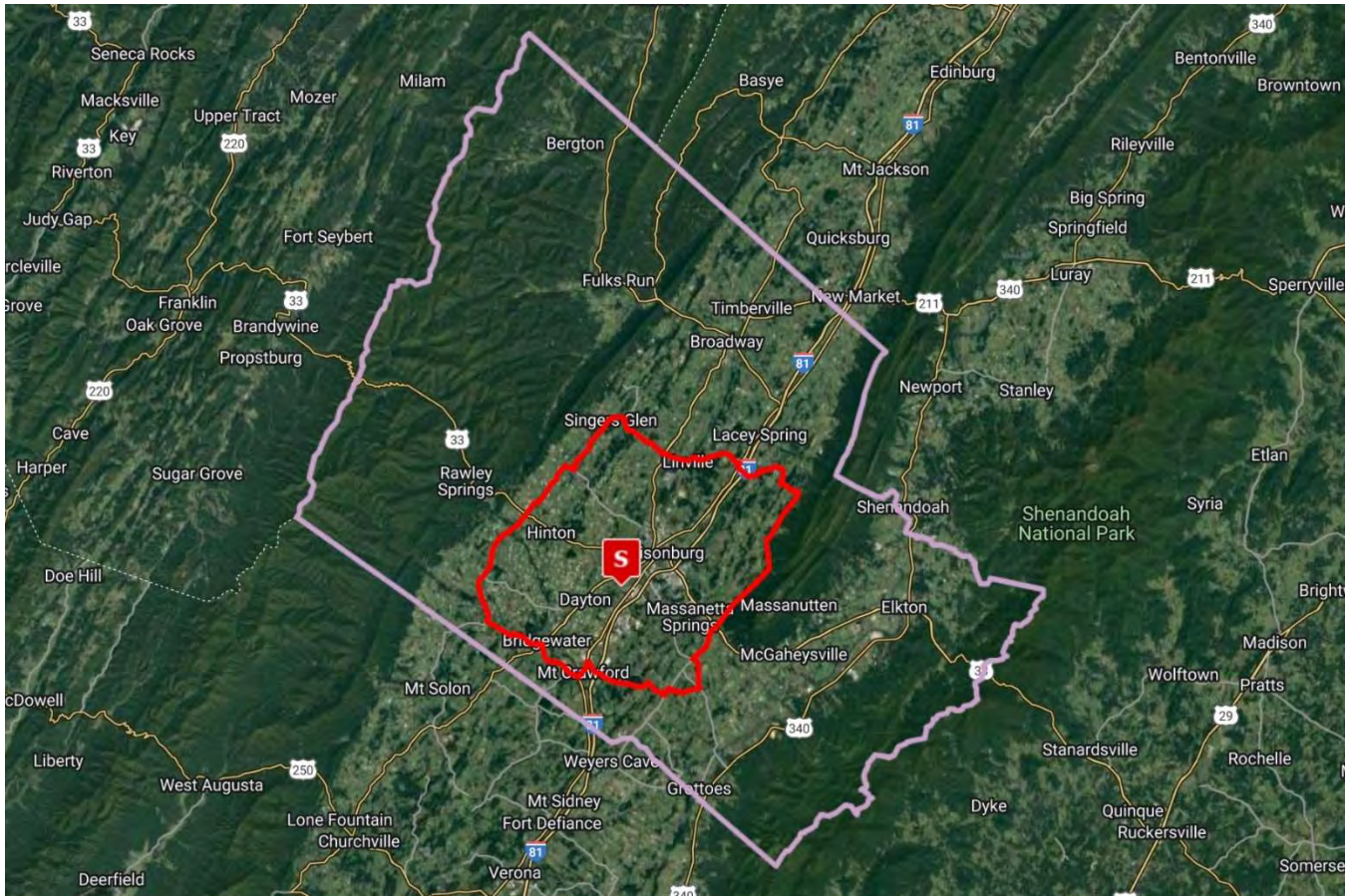
The PMA boundaries and overall market health assessment are based upon analyses of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation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

Primary Market Area Map



Source: Google Earth, January 2024.

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, January 2024.

F. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

Employment by Industry

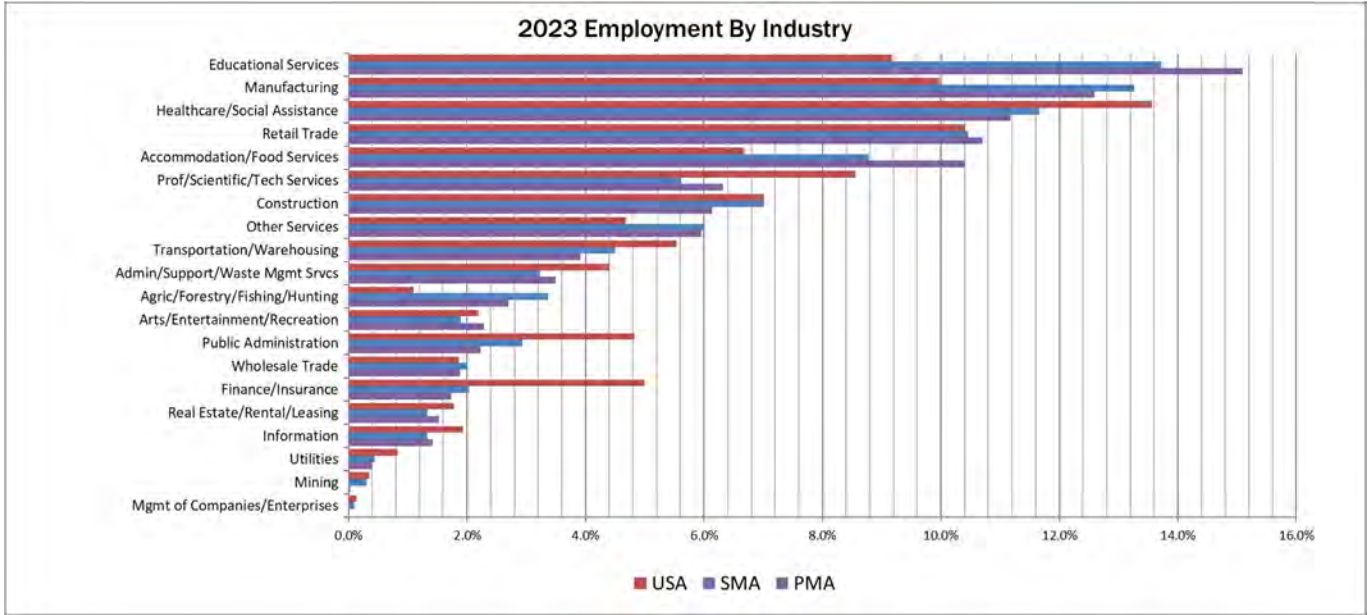
The following table illustrates employment by industry for the PMA and nation as of 2023.

2023 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	6,532	15.1%	14,946,247	9.2%
Manufacturing	5,447	12.6%	16,269,811	10.0%
Healthcare/Social Assistance	4,837	11.2%	22,115,876	13.6%
Retail Trade	4,631	10.7%	16,983,329	10.4%
Accommodation/Food Services	4,501	10.4%	10,883,169	6.7%
Prof/Scientific/Tech Services	2,734	6.3%	13,955,403	8.6%
Construction	2,655	6.1%	11,436,301	7.0%
Other Services	2,575	6.0%	7,645,568	4.7%
Transportation/Warehousing	1,694	3.9%	9,030,239	5.5%
Admin/Support/Waste Mgmt Svcs	1,514	3.5%	7,195,078	4.4%
Agric/Forestry/Fishing/Hunting	1,169	2.7%	1,800,335	1.1%
Arts/Entertainment/Recreation	990	2.3%	3,578,110	2.2%
Public Administration	963	2.2%	7,857,180	4.8%
Wholesale Trade	817	1.9%	3,029,965	1.9%
Finance/Insurance	750	1.7%	8,135,144	5.0%
Real Estate/Rental/Leasing	659	1.5%	2,901,274	1.8%
Information	617	1.4%	3,143,826	1.9%
Utilities	170	0.4%	1,335,595	0.8%
Mining	9	0.0%	572,355	0.4%
Mgmt of Companies/Enterprises	2	0.0%	216,588	0.1%
Total Employment	43,266	100.0%	163,031,393	100.0%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

Employment in the PMA is concentrated in educational services, manufacturing, and healthcare/social assistance, which collectively comprise 38.9 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic recessions, such as that seen during the COVID-19 pandemic. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during economic recessions. Relative to the nation, the PMA features comparatively greater employment in the educational services, accommodation/food services, and manufacturing industries. Conversely, the PMA is underrepresented in the finance/insurance, public administration, and healthcare/social assistance sectors.



Growth by Industry

The following table illustrates the change in total employment by sector in the PMA from 2010 to 2023.

2010-2023 CHANGE IN EMPLOYMENT - PMA

Industry	2010		2023		2010-2023	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent Change
Educational Services	4,832	14.9%	6,532	15.1%	1,700	2.7%
Manufacturing	3,677	11.3%	5,447	12.6%	1,770	3.7%
Healthcare/Social Assistance	4,314	13.3%	4,837	11.2%	523	0.9%
Retail Trade	4,337	13.4%	4,631	10.7%	294	0.5%
Accommodation/Food Services	2,614	8.1%	4,501	10.4%	1,887	5.6%
Prof/Scientific/Tech Services	1,392	4.3%	2,734	6.3%	1,342	7.4%
Construction	2,428	7.5%	2,655	6.1%	227	0.7%
Other Services	1,548	4.8%	2,575	6.0%	1,027	5.1%
Transportation/Warehousing	841	2.6%	1,694	3.9%	853	7.8%
Admin/Support/Waste Mgmt Svcs	759	2.3%	1,514	3.5%	755	7.7%
Agric/Forestry/Fishing/Hunting	887	2.7%	1,169	2.7%	282	2.4%
Arts/Entertainment/Recreation	250	0.8%	990	2.3%	740	22.8%
Public Administration	1,504	4.6%	963	2.2%	-541	-2.8%
Wholesale Trade	806	2.5%	817	1.9%	11	0.1%
Finance/Insurance	955	2.9%	750	1.7%	-205	-1.7%
Real Estate/Rental/Leasing	478	1.5%	659	1.5%	181	2.9%
Information	335	1.0%	617	1.4%	282	6.5%
Utilities	211	0.7%	170	0.4%	-41	-1.5%
Mining	213	0.7%	9	0.0%	-204	-7.4%
Mgmt of Companies/Enterprises	32	0.1%	2	0.0%	-30	-7.2%
Total Employment	32,413	100.0%	43,266	100.0%	10,853	2.6%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

*Industry data current as of 2010. Other projections current as of 2024.

* Change in percentage is calculated as a rate of change by industry.

Total employment in the PMA increased at an annualized rate of 2.6 percent between 2010 and 2023. The industries that nominally expanded most substantially during this period include accommodation/food services, manufacturing, and educational services. Conversely during this same period, the public administration, finance/insurance, and mining sectors experienced the least nominal growth.

Manufacturing

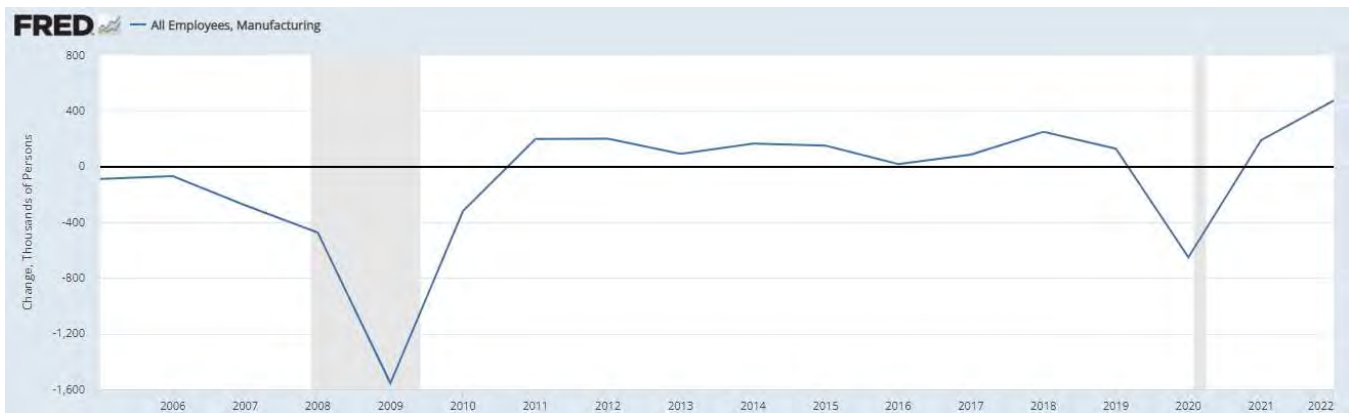
In the years preceding the COVID-19 pandemic, manufacturing in the U.S. grew at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Over the past fifty years employment within the U.S. manufacturing sector has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

Manufacturing employment peaked in 1979 with approximately 20,000,000 persons employed in the sector. This compares to approximately 13,000,000 in 2022. This decrease stretches over fifty years and is the product of globalization. Competition from more inexpensive labor and infrastructure gains in many foreign

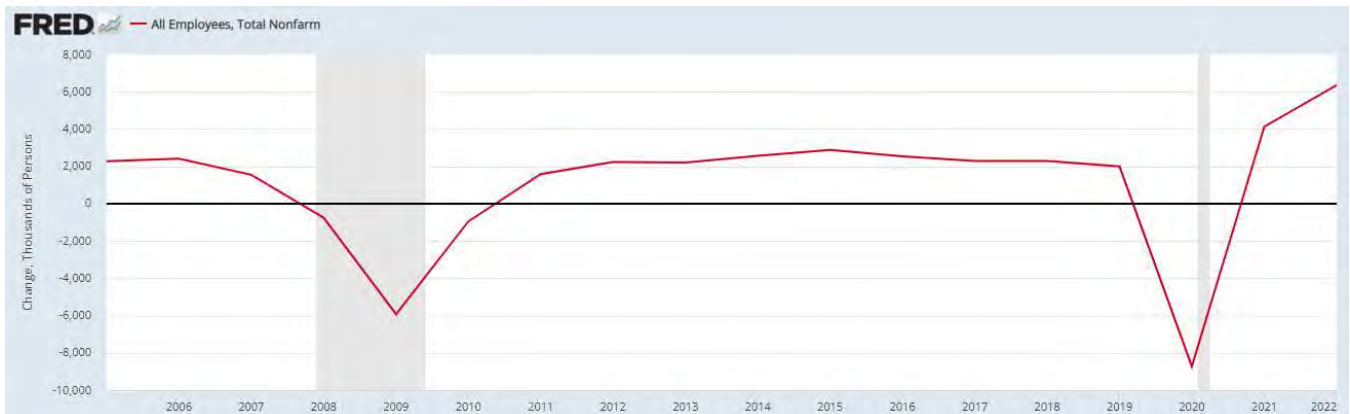
countries yielded greater competition for those employed in manufacturing. This disadvantage was somewhat pronounced in the period from 1980 to 2000. Foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. The pace of job losses accelerated in the early 2000s and then again during the recession of 2010. However, as global markets became more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation. Interestingly, after the 2010 recession manufacturing employment began a period of moderate growth until the COVID-19 pandemic recession.

Employment is the focus of our analysis as it is a key input into housing demand. Growth in economic output and employment levels have not been equivalent as technological and productivity gains allowed manufacturers to increase per employee output. According to a November 18, 2016, article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth, leading to a disconnect between economic output and employment growth. Although recent employment growth in the U.S. manufacturing sector bodes well for the MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for 10.8 percent of the U.S. economy in 2020 and as a major source of employment for the MSA, manufacturing employment should continue to be monitored closely.

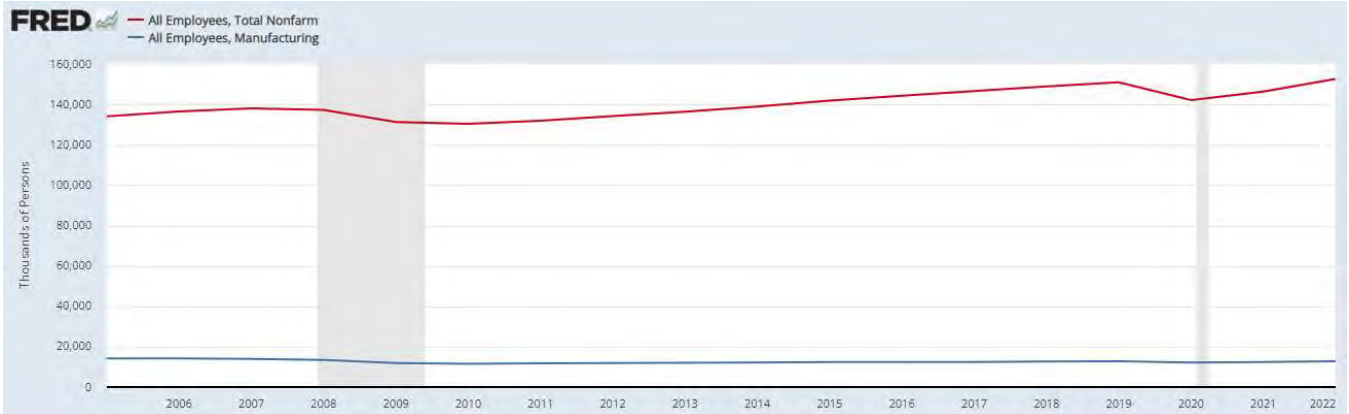
The following graphs detail total employment trends in both manufacturing and all industries (non-farm) in the nation since 2005.



Source: Federal Reserve Bank of St. Louis, 3/2023.
Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 3/2023.
Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 3/2023.
 Note: Shaded area indicates U.S. recessions.

Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the previous national recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. From the end of the recession and before the onset of the COVID-19 pandemic, total employment in non-farm industries steadily increased, though the manufacturing sector experienced a slower recovery than other non-farm industries. At the onset of the COVID-19 pandemic, employment in all industries, except farming, declined sharply. Employment sharply increased after the initial decline and is continuing to increase. Employment for all industries except farming has increased above 2012-2019 levels, but employment increases in manufacturing has increased at a slower rate and is marginally above 2019 levels.

The following graphs illustrate U.S. manufacturing gross output compared to that across all industries since 2005.



Source: Federal Reserve Bank of St. Louis, 3/2023.
 Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 3/2023.
 Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 15 percent of the gross output of all private industries as of 2020. Manufacturing output surpassed pre-recessionary output levels in 2011, three years following the national recession. However, manufacturing output decreased for both 2015 and 2016, increased in 2017 and 2018, but then decreased in 2019 immediately preceding the pandemic. All industries and manufacturing output have reached a new peak in 2021 and 2022 during the pandemic recovery. A 2023 Deloitte manufacturing outlook report indicates “US manufacturing has demonstrated continued strength in 2022, building on the momentum it gained emerging from the pandemic, and surpassing expectations from the prior two years. Policy initiatives such as the Creating Helpful Incentives to Produce Semiconductors for America Act (CHIPS Act) and Inflation Reduction Act (IRA) have the potential to help sustain recovery in the manufacturing industry.” This report anticipates a 2.5 percent growth in GDP in the manufacturing industry.

While the rebound in manufacturing output following the short recession resulting from the onset of the COVID-19 pandemic is noteworthy, this has not necessarily turned into significant job creation for the national economy. Job creation in the manufacturing sector continues to lag the overall economy. A 2021 article from Deloitte highlights some of the long-term challenges the manufacturing sector is facing. These challenges include a shortage of skilled employees, supply chain instability, and cybersecurity threats. Overall, we believe it is reasonable to assume that Harrisonburg, similar to the rest of the nation, will continue to be negatively impacted by automation and other challenges in the manufacturing sector, leading to a continued decline in manufacturing employment.

Major Employers

The following table details major employers in Rockingham County, Virginia and the Harrisonburg metro area.

MAJOR EMPLOYERS
ROCKINGHAM COUNTY/HARRISONBURG, VA

Employer Name	Industry	# Of Employees
James Madison University	Education	1,000+
Sentara Healthcare	Healthcare	1,000+
Rockingham County School Board	Education	1,000+
Cargill Meat Solutions	Food Manufacturing	1,000+
Walmart	Retail	1,000+
Harrisonburg City Schools	Education	1,000+
R.R. Donnelley and Sons Company	Book Printing	1,000+
Great Eastern Resort Management	Hospitality	1,000+
Marshall's	Warehousing & Storage	500-999
City of Harrisonburg	Government	500-999
Pilgrim's Pride Corporation	Food Manufacturing	500-999
County of Rockingham	Government	500-999
Merck & Co.	Chemical Manufacturing	500-999
Aramark Campus LLC	Food Services	500-999
Tenneco Automotive Operations	Equipment Manufacturing	500-999
Geroge's Foods	Food Manufacturing	500-999
Stellar Management Grouping	Administrative & Support Services	500-999
Beam Brothers Trucking	Logistics	500-999
Perdue	Food Manufacturing	500-999
Virginia Polutry Growers Cooperative	Food Manufacturing	500-999
Eastern Mennonite University	Education	500-999

Source: Rockingham County, VA Economic Development, retrieved January 2024

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

Employment Expansions

We emailed Brian Shull, the Economic Development Director for the City of Harrisonburg. The business expansions that Shull noted, along with business expansions found from our own internet research, are detailed the following.

- According to Shull, Montebello Packaging Inc, a manufacturer of aluminum tubes for packaging, announced in September 2023 that they expect to create three new jobs.
- In April 2023, Farmer Focus, an organic poultry producer, announced that they would be undergoing a \$17.8 million expansion of their existing processing facility to boost capacity. This expansion is expected to create approximately 300 new jobs.
- The Harrisonburg Innovation Hub is expected to be open in early 2024. The space for the Harrisonburg Innovation Hub was acquired from the Wetsel building in in October 2022 and renovations began then to prepare for opening. This new office setting will feature 60 private offices, coworking spaces, conference rooms, and an outdoor deck. This space will allow for startups and the area’s colleges and universities to have modern office space and \$4.5 million has been invested into this space.
- In May 2022, SIBO GROUP, a Slovenian plastics manufacturer, announced that they would be establishing its U.S. headquarters in Harrisonburg as well as a manufacturing site in Harrisonburg. SIBO GROUP will be leasing a 12,000 square-foot facility from Montebello Packaging, their partner company, for this facility and will be investing \$2.6 million and is expected to create 24 jobs.

WARN Notices

We reviewed the Worker Adjustment and Retraining Notification Act (WARN) notices published by the Virginia Employment Commission for January 2022 to year-to-date 2024. The following table illustrates the companies that experienced layoffs as well as the number of affected employees.

WARN LISTINGS
HARRISONBURG & ROCKINGHAM COUNTY, VA: JANUARY 2022 - YTD 2024

Company	Industry	Employees Affected	Layoff Date
Lakeside Book Company	Book Printing	80	6/3/2022
Total		80	

Source: Virginia Employment Commission, retrieved January 2024

As illustrated in the previous table, there were a total of 80 layoffs between 2022 and January 2024. Due to the size of the Harrisonburg and Rockingham County area labor market, these recent WARN filings are not anticipated to substantively affect total employment in the PMA or MSA as overall job growth has far exceeded these losses.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2007 to November 2023.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Harrisonburg, VA MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	62,477	-	2.8%	-	146,047,000	-	4.6%	-
2008	62,599	0.2%	3.9%	1.1%	145,363,000	-0.5%	5.8%	1.2%
2009	60,928	-2.7%	6.3%	2.4%	139,878,000	-3.8%	9.3%	3.5%
2010	58,877	-3.4%	7.5%	1.2%	139,064,000	-0.6%	9.6%	0.3%
2011	60,672	3.0%	6.7%	-0.8%	139,869,000	0.6%	9.0%	-0.7%
2012	60,894	0.4%	6.2%	-0.5%	142,469,000	1.9%	8.1%	-0.9%
2013	61,073	0.3%	5.6%	-0.6%	143,929,000	1.0%	7.4%	-0.7%
2014	61,505	0.7%	5.1%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	61,360	-0.2%	4.5%	-0.6%	148,833,000	1.7%	5.3%	-0.9%
2016	62,319	1.6%	4.0%	-0.5%	151,436,000	1.7%	4.9%	-0.4%
2017	63,579	2.0%	3.7%	-0.3%	153,337,000	1.3%	4.4%	-0.5%
2018	63,935	0.6%	3.0%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	65,668	2.7%	2.7%	-0.3%	157,538,000	1.1%	3.7%	-0.2%
2020	62,100	-5.4%	5.6%	2.9%	147,795,000	-6.2%	8.1%	4.4%
2021	64,100	3.2%	3.4%	-2.2%	152,581,000	3.2%	5.4%	-2.7%
2022	65,928	2.9%	2.9%	-0.5%	158,291,000	3.7%	3.7%	-1.7%
2023 YTD Average*	68,742	4.3%	2.9%	0.0%	161,036,583	1.7%	3.6%	0.0%
Nov-2022	66,785	-	3.0%	-	158,749,000	-	3.4%	-
Nov-2023	70,519	5.6%	2.8%	-0.2%	162,149,000	2.1%	3.5%	0.1%

Source: U.S. Bureau of Labor Statistics, January 2024

*2023 data is through November

The effects of the previous national recession were exaggerated in the MSA, which experienced a 6.1 percent contraction in employment, compared to a 4.9 percent decline across the nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2018, four years after the overall nation. Since 2012, employment growth in the MSA trailed the nation in all but two years. Employment in the MSA declined by 5.4 percent in 2020 amid the COVID-19 pandemic, compared to 6.2 percent across the nation. The MSA subsequently recovered all COVID-19 pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of November 2023, employment in the MSA is increasing at an annualized rate of 5.6 percent, compared to 2.1 percent growth across the nation.

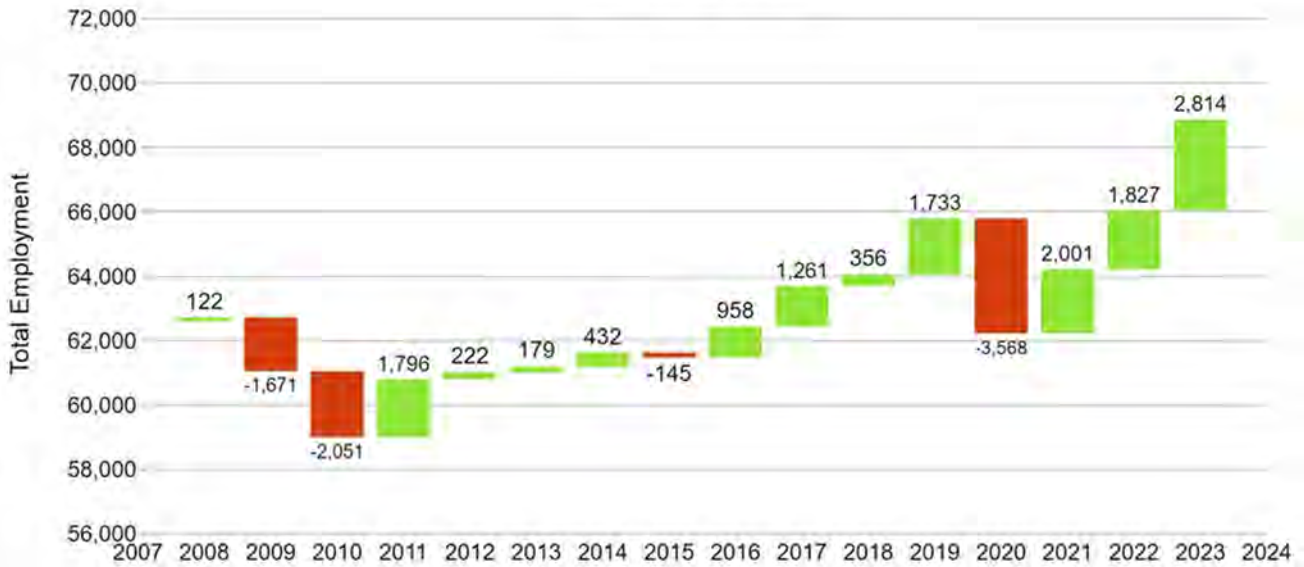
Since 2012, the MSA has generally experienced a lower unemployment rate relative to the nation. The MSA unemployment rate increased modestly by 2.9 percentage points in 2020 amid the COVID-19 pandemic, reaching a high of 5.6 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated November 2023, the current MSA unemployment rate is 2.8 percent. This is below the COVID highs of 2020, and below the current national unemployment rate of 3.5 percent.

It should be noted that increasing inflation and rising interest rates have created an uncertain economic climate. In November 2023, the Federal Reserve announced a pause on interest rate hikes, maintaining the current range between 5.25 and 5.50 percent. The central bank stated job gains in the July to September quarter remain strong, but future rate hikes remain under consideration if the Federal Reserve deems necessary. The next Federal Open Market Committee (FOMC) meeting will be held on December 12 and 13, 2023. The last interest rate hike was in July 2023, which marked the 11th increase since March 2022 and the highest target policy rate in 22 years. According to the 12-month percentage of change in the consumer price index, the inflation rate increased 3.7 percent between September 2022 and September 2023, which is similar to the 3.7 percent increase between August 2022 and August 2023. Inflation remains above the Federal Reserve's target of 2.0 percent. According to an article published by Bankrate on August 2, 2023, economists' average forecast in Bankrate's second-quarter Economic Indicator poll estimate one more interest rate hike in 2023 at a target range of 5.50 to 5.75 percent. According to Shawn Snyder, Global Investment Strategist at J.P. Morgan, the FOMC is close to a terminal rate that they will attempt to hold steady into 2024. Experts remain divided on whether the nation will enter into a recession in the coming year. According to an article posted by Reuters on August 16, 2023, 55 percent of economists polled by Reuters predict a recession in the next year, which is down from a high of 65 percent in October 2022. Michael Gapen, chief U.S. Economist at Bank of America, wrote on August 1, 2023, that Bank of America no longer expects the economy to fall into a mild recession. Gapen now expects the interest rate hikes to result in a soft landing for the economy, where growth falls below trend in 2024 but remains in positive territory.

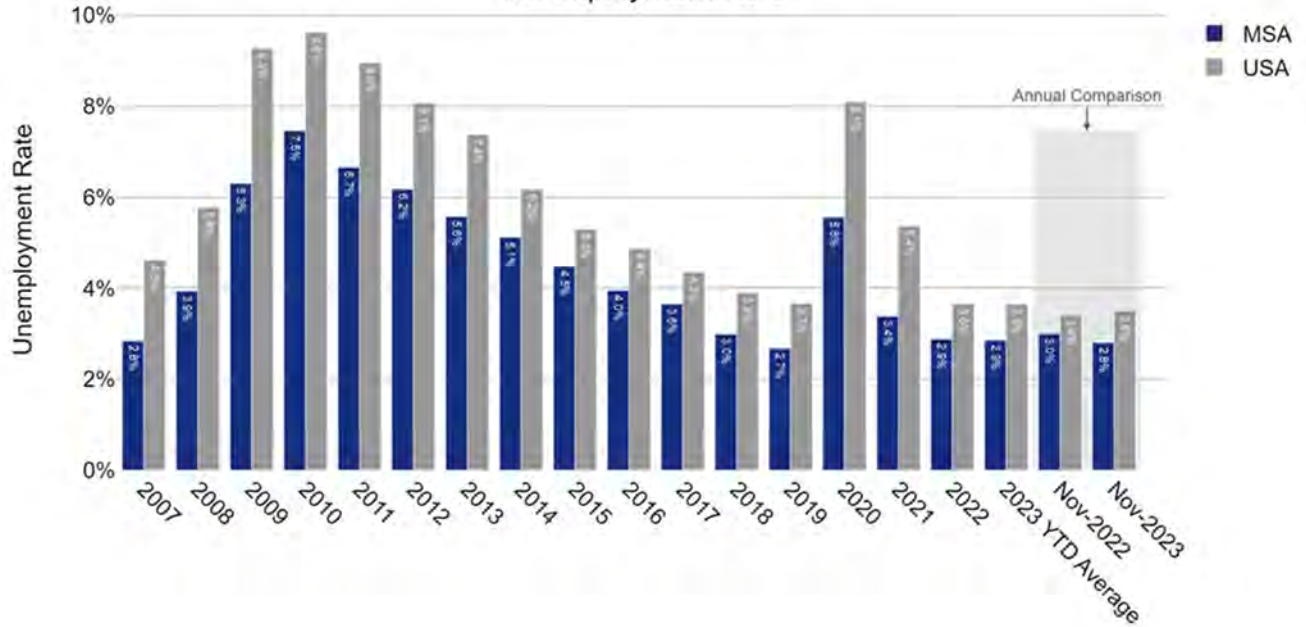
In March 2023, Silicon Valley Bank was shut down by regulators, and represents the second largest U.S. bank failure since 2008. In May 2023, regulators took possession of First Republic Bank and was auctioned to JPMorgan Chase. The First Republic Bank failure represents the largest U.S. bank failure since 2008. In an article published by CNN on May 1, 2023, JPMorgan Chase CEO Jamie Dimon stated the recent bank failures are unlikely to worsen the U.S. economic outlook. According to a survey published by the World Economic Forum on May 2, 2023, approximately 70 percent of chief economists surveyed characterized the recent banking crises as isolated events rather than signs of systemic weaknesses.

Fitch Ratings, one of only three private credit rating agencies, downgraded its U.S. credit rating from AAA to AA+ on August 1, 2023. According to Fitch Ratings, "the rating downgrade of the United States reflects the expected fiscal deterioration over the next three years, a high and growing government debt burden, and the erosion of governance...over the last two decades that has manifested in repeated debt limit standoffs and last-minute resolutions." Treasury Secretary Janet Yellen disagreed with the decision and stated the downgrade is based on outdated data. According to Shai Akabas, Director of Economic Policy at the Bipartisan Policy Center, a credit rating downgrade is one in a sequence of developments that could lead investors to believe the U.S. is less likely to pay off its debt, and investors would then demand higher interest rates for loans. In turn, the federal government could lose some ability to spend on social welfare programs to stimulate the economy, which could slow economic growth in the long term. However, Mark Zandi, a Chief Economist at Moody's Analytics, stated the downgrade will likely not affect the decisions of global investors, and U.S. treasury bonds remain the safest asset on the planet. U.S. debt was last downgraded by another major credit agency, S&P, in 2011. Moody Analytics, the third major credit agency, has maintained its AAA rating of U.S. credit since 1917.

MSA Job Growth



Unemployment Rate



Wages by Occupation

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

HARRISONBURG, VA MSA - 2ND QTR 2022 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	63,440	\$24.04	\$50,000
Management Occupations	2,390	\$51.67	\$107,470
Legal Occupations	270	\$42.81	\$89,040
Computer and Mathematical Occupations	900	\$40.65	\$84,550
Healthcare Practitioners and Technical Occupations	3,410	\$39.76	\$82,700
Business and Financial Operations Occupations	2,840	\$35.58	\$74,000
Architecture and Engineering Occupations	500	\$34.14	\$71,010
Life, Physical, and Social Science Occupations	500	\$32.15	\$66,870
Educational Instruction and Library Occupations	5,080	\$29.98	\$62,360
Arts, Design, Entertainment, Sports, and Media Occupations	890	\$25.24	\$52,500
Installation, Maintenance, and Repair Occupations	3,110	\$24.98	\$51,950
Community and Social Service Occupations	960	\$24.47	\$50,900
Construction and Extraction Occupations	2,910	\$23.38	\$48,630
Protective Service Occupations	880	\$21.44	\$44,590
Production Occupations	6,150	\$20.71	\$43,070
Sales and Related Occupations	5,700	\$20.30	\$42,210
Transportation and Material Moving Occupations	8,270	\$19.93	\$41,460
Office and Administrative Support Occupations	6,780	\$19.82	\$41,220
Farming, Fishing, and Forestry Occupations	350	\$17.70	\$36,820
Personal Care and Service Occupations	990	\$16.68	\$34,690
Healthcare Support Occupations	2,000	\$15.50	\$32,240
Building and Grounds Cleaning and Maintenance Occupations	2,430	\$14.92	\$31,040
Food Preparation and Serving Related Occupations	6,130	\$14.42	\$29,990

Source: Department Of Labor, Occupational Employment Statistics, 5/2022, retrieved 1/2024

The preceding table shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$14.42 per hour. The highest average hourly wage, of \$51.67, is for those in the management occupations.

The qualifying incomes for the Subject's tenants will range from \$0 to \$70,000, as proposed. Absent subsidy, the Subjects qualifying incomes will range from \$20,811 to \$70,000. This encompasses a significant amount of employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect part-time employment and entry-level positions will be common among the Subject's tenant base.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to ESRI Demographics.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,736	4.7%
Travel Time 5-9 min	7,371	20.0%
Travel Time 10-14 min	8,735	23.7%
Travel Time 15-19 min	8,091	21.9%
Travel Time 20-24 min	4,257	11.5%
Travel Time 25-29 min	1,708	4.6%
Travel Time 30-34 min	1,866	5.1%
Travel Time 35-39 min	455	1.2%
Travel Time 40-44 min	738	2.0%
Travel Time 45-59 min	802	2.2%
Travel Time 60-89 min	773	2.1%
Travel Time 90+ min	365	1.0%
Weighted Average	18 minutes	

Source: US Census 2023, Novogradac Consulting LLP, January 2024

As shown in the preceding table, the weighted average commute time in the PMA is approximately 18 minutes. More than 78 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in educational services, manufacturing, and healthcare/social assistance, which collectively comprise 38.9 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic recessions, such as that seen during the COVID-19 pandemic. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during economic recessions. Since 2012, employment growth in the MSA trailed the nation in all but two years. Employment in the MSA declined by 5.4 percent in 2020 amid the COVID-19 pandemic, compared to 6.2 percent across the nation. The MSA subsequently recovered all COVID-19 pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of November 2023, employment in the MSA is increasing at an annualized rate of 5.6 percent, compared to 2.1 percent growth across the nation. According to the latest labor statistics, dated November 2023, the current MSA unemployment rate is 2.8 percent. This is below the COVID highs of 2020, and below the current national unemployment rate of 3.5 percent.

G. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

Population and Households

The table below illustrates population and household trends in the PMA, the MSA, and the nation from 2010 through 2028.

POPULATION

Year	PMA		Harrisonburg, VA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2010	78,950	-	125,228	-	308,730,056	-
2023	89,381	1.0%	137,490	0.7%	337,460,311	0.7%
2028	90,511	0.3%	138,923	0.2%	342,629,524	0.3%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

Population growth in the PMA exceeded the MSA between 2010 and 2023. Both geographic areas experienced population growth similar to greater than the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.3 percent through 2028, which is similar to the MSA and nation.

HOUSEHOLDS

Year	PMA		Harrisonburg, VA MSA		USA	
	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>	<i>Number</i>	<i>Annual Change</i>
2010	27,165	-	45,204	-	116,709,667	-
2023	31,276	1.1%	50,422	0.9%	129,912,564	0.9%
2028	31,946	0.4%	51,361	0.4%	133,092,836	0.5%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

Household growth in the PMA exceeded the MSA and nation between 2010 and 2023. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.4 percent through 2028, which is similar to the MSA and nation.

Population by Age

The following table illustrates the total population by age group within the PMA, MSA, and nation in 2023 and 2028.

POPULATION BY AGE IN 2023

Age Cohort	PMA		Harrisonburg, VA MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	4,303	4.8%	6,794	4.9%	19,201,797	5.7%
5-9	4,405	4.9%	7,210	5.2%	20,453,982	6.1%
10-14	4,388	4.9%	7,364	5.4%	21,093,962	6.3%
15-19	9,182	10.3%	11,813	8.6%	21,358,182	6.3%
20-24	16,054	18.0%	18,276	13.3%	21,764,255	6.4%
25-29	6,248	7.0%	8,947	6.5%	22,766,750	6.7%
30-34	5,652	6.3%	8,793	6.4%	23,607,973	7.0%
35-39	4,923	5.5%	8,088	5.9%	22,565,712	6.7%
40-44	4,441	5.0%	7,467	5.4%	21,525,874	6.4%
45-49	3,834	4.3%	6,720	4.9%	19,586,596	5.8%
50-54	4,084	4.6%	7,305	5.3%	20,582,042	6.1%
55-59	4,161	4.7%	7,748	5.6%	21,174,150	6.3%
60-64	4,363	4.9%	7,972	5.8%	21,715,769	6.4%
65-69	3,892	4.4%	7,161	5.2%	19,504,679	5.8%
70-74	3,234	3.6%	5,885	4.3%	16,120,687	4.8%
75-79	2,361	2.6%	4,170	3.0%	11,016,814	3.3%
80-84	1,718	1.9%	2,806	2.0%	6,887,575	2.0%
85+	2,139	2.4%	2,971	2.2%	6,533,512	1.9%
Total	89,382	100.0%	137,490	100.0%	337,460,311	100.0%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

POPULATION BY AGE IN 2028 ESTIMATE

Age Cohort	PMA		Harrisonburg, VA MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	4,394	4.9%	6,861	4.9%	19,731,698	5.8%
5-9	4,344	4.8%	7,103	5.1%	20,062,152	5.9%
10-14	4,382	4.8%	7,469	5.4%	20,994,759	6.1%
15-19	9,142	10.1%	11,918	8.6%	21,063,652	6.1%
20-24	16,271	18.0%	18,230	13.1%	21,446,767	6.3%
25-29	5,914	6.5%	8,109	5.8%	21,691,715	6.3%
30-34	4,885	5.4%	7,709	5.5%	23,084,225	6.7%
35-39	5,251	5.8%	8,642	6.2%	24,143,271	7.0%
40-44	4,776	5.3%	8,053	5.8%	22,432,110	6.5%
45-49	4,297	4.7%	7,393	5.3%	21,192,171	6.2%
50-54	3,876	4.3%	6,777	4.9%	19,168,895	5.6%
55-59	4,006	4.4%	7,217	5.2%	19,890,482	5.8%
60-64	3,981	4.4%	7,442	5.4%	19,939,284	5.8%
65-69	4,088	4.5%	7,478	5.4%	20,154,695	5.9%
70-74	3,579	4.0%	6,512	4.7%	17,475,764	5.1%
75-79	2,853	3.2%	5,079	3.7%	13,612,849	4.0%
80-84	2,078	2.3%	3,511	2.5%	8,900,938	2.6%
85+	2,395	2.6%	3,420	2.5%	7,644,098	2.2%
Total	90,512	100.0%	138,923	100.0%	342,629,525	100.0%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

The PMA has a significant population of persons ages 15 to 24, which is attributable to the presence in the PMA of James Madison University.

General Household Income Distribution

The following tables illustrate household income distribution in 2023 and 2028 in the PMA and MSA.

HOUSEHOLD INCOME PMA

Income Cohort	PMA				Annual Change 2023 to 2028	
	2023		2028		Number	Percentage
	Number	Percentage	Number	Percentage		
\$0-9,999	1,907	6.1%	1,755	5.5%	-30	-1.6%
\$10,000-19,999	3,018	9.6%	2,704	8.5%	-63	-2.1%
\$20,000-29,999	2,690	8.6%	2,575	8.1%	-23	-0.9%
\$30,000-39,999	3,427	11.0%	3,075	9.6%	-70	-2.1%
\$40,000-49,999	3,168	10.1%	3,020	9.5%	-30	-0.9%
\$50,000-59,999	2,503	8.0%	2,684	8.4%	36	1.4%
\$60,000-74,999	3,061	9.8%	3,170	9.9%	22	0.7%
\$75,000-99,999	4,201	13.4%	4,225	13.2%	5	0.1%
\$100,000-124,999	2,876	9.2%	3,136	9.8%	52	1.8%
\$125,000-149,999	1,655	5.3%	2,012	6.3%	71	4.3%
\$150,000-199,999	1,423	4.5%	1,775	5.6%	70	4.9%
\$200,000+	1,347	4.3%	1,815	5.7%	94	6.9%
Total	31,276	100.0%	31,946	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, January 2024

HOUSEHOLD INCOME SMA

Harrisonburg, VA MSA

Income Cohort	2023		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,910	5.8%	2,705	5.3%	-41	-1.4%
\$10,000-19,999	4,515	9.0%	4,096	8.0%	-84	-1.9%
\$20,000-29,999	4,163	8.3%	3,996	7.8%	-33	-0.8%
\$30,000-39,999	5,254	10.4%	4,665	9.1%	-118	-2.2%
\$40,000-49,999	5,314	10.5%	5,152	10.0%	-32	-0.6%
\$50,000-59,999	4,156	8.2%	4,315	8.4%	32	0.8%
\$60,000-74,999	5,385	10.7%	5,432	10.6%	9	0.2%
\$75,000-99,999	7,315	14.5%	7,360	14.3%	9	0.1%
\$100,000-124,999	4,774	9.5%	5,234	10.2%	92	1.9%
\$125,000-149,999	2,596	5.1%	3,202	6.2%	121	4.7%
\$150,000-199,999	2,092	4.1%	2,625	5.1%	107	5.1%
\$200,000+	1,948	3.9%	2,579	5.0%	126	6.5%
Total	50,422	100.0%	51,361	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, January 2024

The qualifying incomes for the Subject's tenants will range from \$0 to \$70,000, as proposed. Absent subsidy, the Subjects qualifying incomes will range from \$20,811 to \$70,000.

Average Household Size

The following table is a summary of the average household size in the PMA, MSA, and nation in 2010, 2023 as well as 2028.

AVERAGE HOUSEHOLD SIZE

Year	PMA		Harrisonburg, VA MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	2.63	-	2.57	-	2.57	-
2023	2.56	-0.2%	2.54	-0.1%	2.53	-0.1%
2028	2.54	-0.1%	2.52	-0.1%	2.51	-0.2%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

The average household size in the PMA is slightly above the MSA and the overall nation. Through 2028, the average household size in the PMA is expected to remain relatively stable in all three areas.

Renter Households by Number of Persons

The following table is a summary of the household size distribution in the PMA.

PMA HOUSEHOLD SIZE DISTRIBUTION

Household Size	2010		2023		2028	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	7,065	26.0%	8,055	25.8%	8,232	25.8%
2 persons	8,913	32.8%	10,166	32.5%	10,381	32.5%
3 persons	4,292	15.8%	5,041	16.1%	5,164	16.2%
4 persons	4,336	16.0%	4,850	15.5%	4,882	15.3%
5+ persons	2,559	9.4%	3,164	10.1%	3,287	10.3%
Total	27,165	100.0%	31,276	100.0%	31,946	100.0%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

Approximately 74.4 percent of households in the PMA as of 2023 are comprised of households with one to three persons. The percentage of households in the PMA with one to three persons is anticipated to remain stable through 2028. The Subject will target families and the units will range from one to three-bedrooms, which appears reasonable considering the household size distribution.

General Household Tenure

The following table illustrates the tenure patterns in the PMA for the years 2010 and 2023, as well as the projected tenure patterns for the year 2028.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	14,011	51.6%	13,154	48.4%
2023	17,020	54.4%	14,256	45.6%
2028	17,762	55.6%	14,184	44.4%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

The percentage of renter households in the PMA declined between 2010 and 2023 and is estimated to be 45.6 percent as of 2023. In nominal terms, the absolute number of renter households in the PMA still increased during this time period. The current percentage of renter households in the PMA is above the estimated 35 percent of renter households across the overall nation. According to the ESRI demographic projections, the percentage of renter households in the PMA is expected to decline further through 2028.

Median Household Income Levels

The following table illustrates median household income levels in the PMA, MSA, and nation from 2010 through 2028. Note that this is based on data for all household sizes and is independent of the calculation of AMI.

MEDIAN HOUSEHOLD INCOME

Year	PMA		Harrisonburg, VA MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	\$45,350	-	\$45,470	-	\$55,535	-
2023	\$60,539	2.6%	\$64,649	3.2%	\$72,604	2.4%
2028	\$67,368	2.3%	\$72,771	2.5%	\$82,410	2.7%

Source: Esri Demographics 2023, Novogradac, January 2024

As of 2023, the median income in the PMA is slightly below the surrounding MSA. Growth in both geographic areas exceeded the nation during the same time period. Relative to the nation, household income in the PMA

increased slightly from 81.7 percent of the national median income in 2010 to 83.4 in 2023. According to ESRI demographic projections, annualized PMA growth is expected to slow to 2.3 percent through 2028, which is slightly below projected growth in the MSA and nation.

General Renter Household Income Distribution

The following table illustrates renter household income distribution in the PMA.

Income Cohort	RENTER HOUSEHOLD INCOME					
	2023		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,534	10.8%	1,395	9.8%	-28	-1.8%
\$10,000-19,999	2,056	14.4%	1,810	12.8%	-49	-2.4%
\$20,000-29,999	1,814	12.7%	1,716	12.1%	-20	-1.1%
\$30,000-39,999	1,930	13.5%	1,716	12.1%	-43	-2.2%
\$40,000-49,999	1,739	12.2%	1,674	11.8%	-13	-0.7%
\$50,000-59,999	1,244	8.7%	1,323	9.3%	16	1.3%
\$60,000-74,999	1,109	7.8%	1,189	8.4%	16	1.4%
\$75,000-99,999	1,097	7.7%	1,176	8.3%	16	1.4%
\$100,000-124,999	697	4.9%	790	5.6%	19	2.7%
\$125,000-149,999	324	2.3%	380	2.7%	11	3.5%
\$150,000-199,999	370	2.6%	469	3.3%	20	5.4%
\$200,000+	342	2.4%	546	3.8%	41	11.9%
Total	14,256	100.0%	14,184	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, January 2024

As illustrated, the income cohorts with the largest concentrations of renter households are concentrated in the \$10,000-19,999, \$30,000-39,999, and \$20,000-29,999 income cohorts. As of 2023, approximately 63.6 percent of renter households in the PMA earn less than \$50,000 annually. The large percentage of low-income renter households is a positive indicator of demand for the Subject’s proposed low-income units.

Rent Overburdened Households

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

Year	RENT OVERBURDENED					
	PMA		Harrisonburg, VA MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2023	4,879	37.1%	5,791	35.0%	16,448,785	40.3%

Source: Esri Demographics 2023, Novogradac Consulting LLP, January 2024

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

Area Median Income

For Section 42 LIHTC rent determination purposes, HUD begins with the Area Median Income (AMI). The following chart illustrates the HUD-published area median income in Harrisonburg City, VA. Harrisonburg City is part of the Harrisonburg, VA MSA.



Overall, the AMI has increased by an average of 5.59 percent between 2013 and 2023. The AMI reached a new peak in 2023, indicating that all properties will be restricted to the same rent and income limits as the Subject. The following chart illustrates the change in AMI over the past 13 years.

AMI GROWTH

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
AMI	\$60,600	\$59,900	\$60,700	\$59,400	\$59,300	\$61,700	\$58,400	\$64,700	\$62,500	\$70,700	\$71,900	\$66,700	\$80,500	\$95,900
% Growth	-	(1.16%)	1.34%	(2.14%)	(0.17%)	4.05%	(5.35%)	10.79%	(3.40%)	13.12%	1.70%	(7.23%)	20.69%	19.13%

All of the Subject’s proposed rents, including the contract rents at the 40 percent AMI level, are below the maximum levels; as such, future rent increases at the Subject will not be directly dependent upon future increases in the AMI.

Conclusion

Population in the PMA increased at an annualized rate of 1.0 percent between 2010 and 2023, compared to growth of 0.8 percent in the MSA and 0.7 percent across the nation. The percentage of renter households in the PMA declined between 2010 and 2023 and is estimated to be 45.6 percent as of 2023. This is more than the estimated 35 percent renter households across the overall nation. The median income in the PMA as of 2023 is slightly below the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2028. Overall, the combination of rising population and median household income bodes well for future demand for multifamily housing.

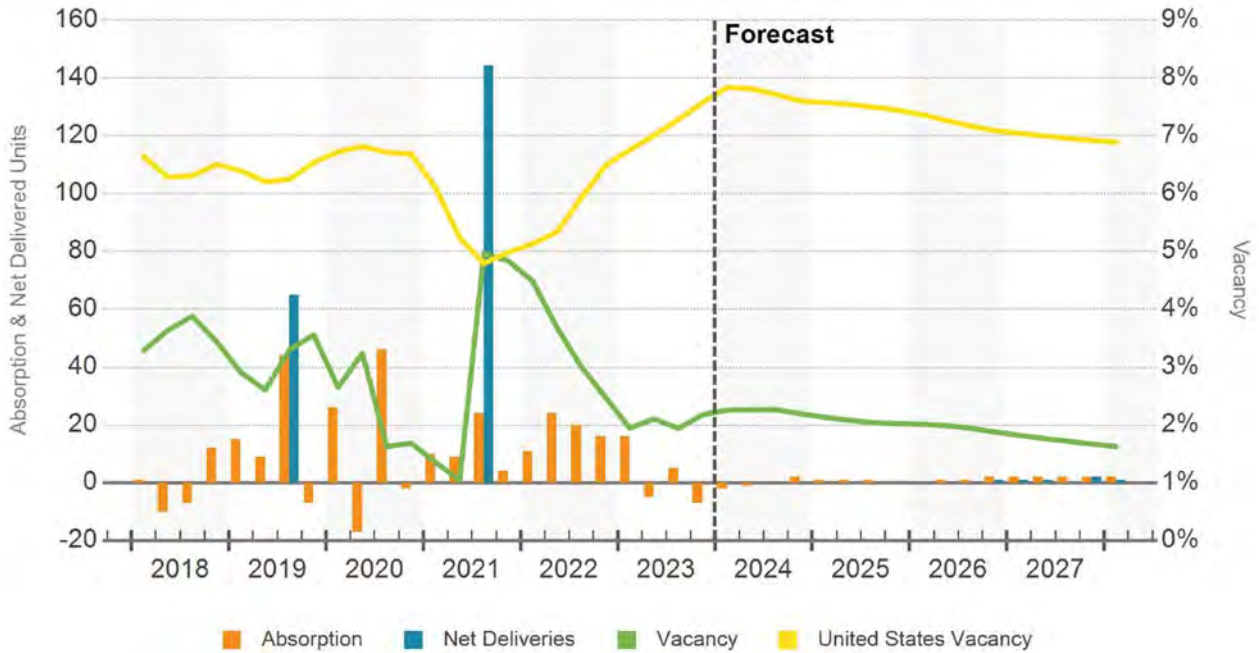
H. COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

According to CoStar as of January 2024, there are currently 3,023 existing multifamily units within the Subject’s Harrisonburg, VA market. The current vacancy rate in the market is at 2.2 percent, which is below the historical average of 6.4 percent. The vacancy rate in the submarket is expected to stay relatively stable through 2027. Very few additions to supply are expected to enter the submarket through 2027.

Harrisonburg, VA Market

ABSORPTION, NET DELIVERIES & VACANCY

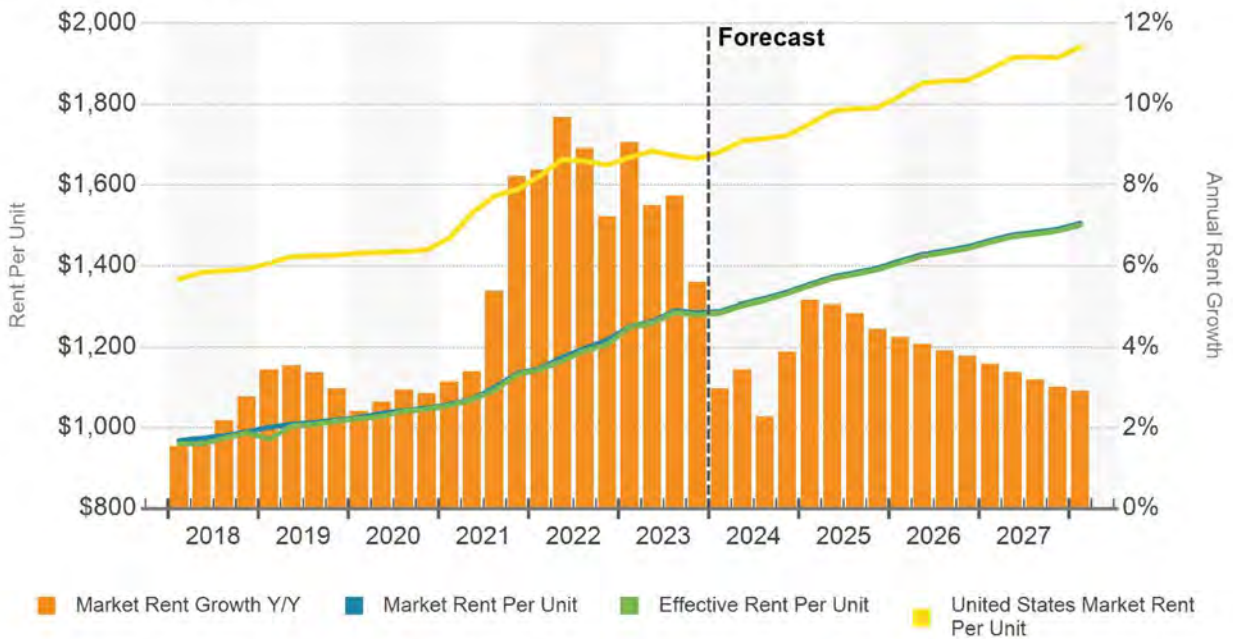


Source: CoStar, January 2024.

As vacancy rates in the market have remained low since 2022, rent growth has been strong. Rent growth is expected to decrease through mid-2024, but then increase through 2025 before slowly decreasing through 2027.

Harrisonburg, VA Market

MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, January 2024.

Age of Housing Stock

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

HOUSING STOCK BY YEAR BUILT

	PMA		MSA		USA	
Built 2005 or later	3,184	10.1%	4,716	8.8%	10,163,329	7.3%
Built 2000 to 2004	6,090	19.3%	9,365	17.4%	18,956,990	13.6%
Built 1990 to 1999	5,429	17.2%	8,455	15.7%	18,929,789	13.6%
Built 1980 to 1989	4,874	15.4%	8,386	15.6%	18,493,512	13.3%
Built 1970 to 1979	4,638	14.7%	8,558	15.9%	20,705,644	14.9%
Built 1960 to 1969	1,932	6.1%	3,482	6.5%	14,432,008	10.4%
Built 1950 to 1959	1,688	5.3%	3,262	6.1%	14,008,116	10.1%
Built 1940 to 1949	880	2.8%	1,914	3.6%	6,584,609	4.7%
Built 1939 or earlier	2,864	9.1%	5,727	10.6%	17,104,504	12.3%
Total Housing Units	31,579	100.0%	53,865	100.0%	139,378,501	100.0%

Source: Esri Demographics 2023, Novogradac, January 2024

As illustrated in the previous table, a majority of the housing stock in the PMA were built after 1970. As new construction, the Subject will have a significant advantage over the existing housing stock.

Substandard Housing

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

SUBSTANDARD HOUSING

Year	PMA	MSA	USA
	Percentage	Percentage	Percentage
2023	2.18%	2.31%	1.70%

Source: US Census 2023, Novogradac, January 2024

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

Building Permits

The following table demonstrates building permit information from 2000 through 2023 for Harrisonburg City, Virginia.

BUILDING PERMITS: HARRISONBURG CITY 2000 - 2023*

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	144	8	41	193
2001	151	0	20	171
2002	312	4	10	326
2003	224	16	41	281
2004	268	0	12	280
2005	374	0	12	386
2006	219	0	0	219
2007	348	0	400	748
2008	192	0	449	641
2009	191	0	139	330
2010	133	0	68	201
2011	29	0	0	29
2012	56	0	321	377
2013	57	0	0	57
2014	92	0	60	152
2015	60	3	0	63
2016	127	0	24	151
2017	55	0	6	61
2018	55	0	33	88
2019	73	0	0	73
2020	39	0	21	60
2021	15	0	21	36
2022	32	8	15	55
2023*	68	0	12	80
Average*	138	2	71	211

*YTD, preliminary

Source: US Census Bureau, Novogradac, January 2024

Permit issuance increased in six out of 12 years between 2011 and 2023. Permit issuance peaked in 2007, near the onset of the national recession. The most recent years with finalized data indicate construction activity increased by 52.8 percent between 2021 and 2022, however remains below the post-recessionary highs recorded in 2012. Permit issuance data for 2023 is preliminary and only through November 2023 and data for 2024 is not yet available. Additionally worth noting is that the share of overall permit issuance attributable to large-scale multifamily projects declined 39.7 percent between 2009 and 2022, compared to only 30.4 percent between 2000 and 2008.

Rent/Buy Analysis

We performed a rent/buy analysis. Our inputs assume a three-bedroom, single-family home listing on Zillow in the Subject's neighborhood with a purchase price of \$345,954 and an interest rate of 6.88 percent for a 30-year fixed mortgage with a ten percent down payment. This was compared with the cost to rent the Subject's three-bedroom unit at 80 percent of AMI. The analysis indicates that with a monthly differential of \$1,074, it is more affordable to rent than purchase a home. The rent buy analysis is illustrated in the following table.

RENT BUY ANALYSIS			
Property Type:	Three-Bedroom Single-Family Home		
Sales Price			\$345,954
Down Payment at 10.0%			\$34,595
Mortgage Amount			\$311,359
Current Interest Rate			6.88%
<i>Homeownership Costs</i>		<i>Monthly</i>	<i>% of Home Value</i>
Mortgage Payment		\$2,046	
Property Taxes		\$360	1.25%
Private Mortgage Insurance*		\$130	0.50%
Maintenance		\$577	2.00%
Utility Costs**		\$15	
Tax Savings		(\$534)	
			(\$6,410)
Cost Comparison			
		<i>Monthly</i>	<i>Annual</i>
Costs of Homeownership		\$2,594	\$31,123
Cost of Renting At Subject		\$1,520	\$18,240
Differential		\$1,074	\$12,883
Cost of Occupancy			
		<i>Homeownership</i>	
Closing Costs		3.00%	\$10,379
Down Payment at 10.0%		10.00%	\$34,595
Total			\$44,974
		<i>Subject Rental</i>	
First Month's Rent		\$1,520	
Security Deposit		\$1,520	
Total		\$3,040	

* Based upon 0.50% of mortgage amount

** Utility Costs Included in Rent at Subject

As illustrated, the cash due at occupancy category is more than \$44,000 for the down payment and closing costs. The cash necessary for homeownership is still a barrier to many families. In general, first-time home buyers have difficulty saving for a down payment. Further, renting at the Subject is more affordable than purchasing even a modest single-family home in the Subject's neighborhood. Overall, we believe the Subject will face limited competition from homeownership.

Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a January 2024 CoStar report, as well as the Virginia Housing's listing of LIHTC allocations from 2020 to present. Currently, there are four known planned market rate developments within the Subject's PMA.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
4% Component	LIHTC	Senior	84	0	N/A	Proposed	Adjacent
Harrisonburg Apartments	Market	Family	266	0	N/A	Proposed	2.8 miles
46 Mount Clinton Pike	Market	Family	58	0	N/A	Proposed	4.0 miles
Valley View Village	Market	Family	400	0	N/A	Proposed	2.6 miles
81 Wilson Ave	Market	Family	34	0	N/A	Proposed	3.9 miles
Totals			842	0			

Source: Virginia Housing and CoStar, January 2024

- There will be a phase of the Subject’s larger overall development that will consist of 84 units targeting seniors. The developer plans to submit an application for four percent tax credits after they receive the nine percent tax credit reservation for the Subject. This development will be located adjacent to the Subject on the same site. Upon completion this phase will offer 84 units targeting seniors (55+) earning 60 percent of the AMI, or less. As this phase of the Subject’s larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis.

Overall, there are a total of 842 proposed units. As all of these proposed units are market rate units or will target a different tenancy that will not be directly competitive with the Subject, we have not deducted any units from our demand analysis.

SURVEY OF COMPARABLE PROPERTIES

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

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

To evaluate the competitive position of the Subject, we surveyed a total of 870 units in eight rental properties. The LIHTC data is considered average. We included four affordable developments located between 2.5 and 3.2 miles from the Subject site, all of which are located inside the PMA. The market rate data is considered average. We included four market rate properties located between 1.0 and 3.8 miles from the Subject site, all of which are located inside the PMA. There are a number of additional market rate properties in the PMA but the majority of these properties target students. Overall, we believe the availability of data is adequate to support our conclusions.

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

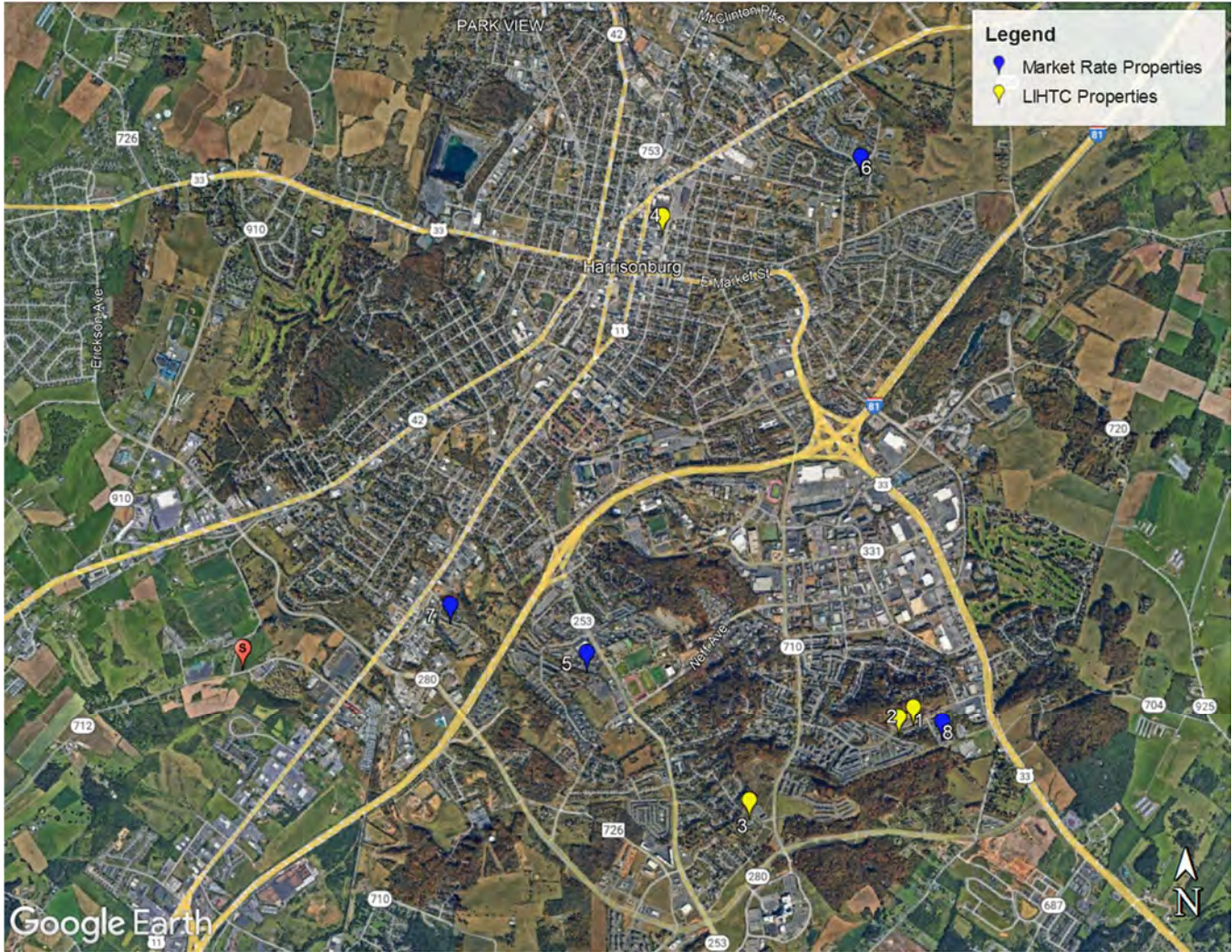
EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Mosby Heights Apartments	LIHTC/Section 8	Family	Rent subsidized
Harris Gdns Sec Ii	Section 8	Family	Rent subsidized
Heritage Haven	Section 8	Senior	Dissimilar tenancy
Lineweaver Annex Apts.	Section 8/LIHTC	Senior	Dissimilar tenancy
Commerce Village	LIHTC/PSH	Homeless/Disabled	Dissimilar tenancy
Meriwether Hills	Market	Family	Unable to contact
Squire Hills Apartments	Market	Student Housing	Dissimilar tenancy
Freeman Station	Market	Family	Unable to contact
Ice House	Market	Family	Rents by bedroom
Hillmont Apartments	Market	Family	Unable to contact
The Flats At City Exchange	Market	Family	Rents by bedroom

Mosby Heights Apartments is a 112-unit LIHTC/USDA Section 8 multifamily development located 0.2 miles south of the Subject. The property offers 112 two, three, and four-bedroom units at the 40 and 50 percent of AMI levels. All of the units operate with Section 8 rental assistance, where tenants pay 30 percent of their income towards rent. According to our last interview in December 2021, the rents ranged from \$730 to \$898, and the property was 99.1 percent occupied. As Mosby Heights operates as a fully subsidized property, we have excluded it as a comparable property in this report.

Comparable Rental Property Map

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



Source: Google Maps, January 2024

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	BJS Harrisonburg Family I	Harrisonburg	@40% (PBV), @40% (Sec 811), @50%, @60%, @80%	Family	-
1	Chestnut Ridge Apartments I	Harrisonburg	@60%	Family	3.2 miles
2	Chestnut Ridge Apartments II	Harrisonburg	@60%	Family	3.2 miles
3	Robinson Park	Harrisonburg	@40%, @50%, @60%	Family	2.5 miles
4	The Colonnade At Rocktown	Harrisonburg	@60%, Market	Family	2.9 miles
5	Deer Run Apartments	Harrisonburg	Market	Family	1.7 miles
6	Longview Oaks Apartments	Harrisonburg	Market	Family	3.8 miles
7	Park Apartments	Harrisonburg	Market	Family	1.0 miles
8	The Greens At Chestnut Ridge	Harrisonburg	Market	Family	3.4 miles

BSJ HARRISONBURG FAMILY I - HARRISONBURG, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	BJS Harrisonburg Family I 280 W Mosby Rd Harrisonburg, VA 22801 Harrisonburg County	-	Midrise 4-stories 2026 / n/a Family	@40% (PBV), @40% (Sec 811), @50%, @60%, @80%	1BR / 1BA	8	10.0%	654	@40% (Sec 811)	\$813	N/A	N/A	N/A	N/A
					2BR / 2BA	1	1.3%	912	@40% (PBV)	\$1,063	N/A	N/A	N/A	N/A
					2BR / 2BA	2	2.5%	1,056	@40% (PBV)	\$1,063	N/A	N/A	N/A	N/A
					2BR / 2BA	2	2.5%	1,056	@40% (Sec 811)	\$1,063	N/A	N/A	N/A	N/A
					2BR / 2BA	16	20.0%	912	@50%	\$771	Yes	N/A	N/A	N/A
					2BR / 2BA	11	13.8%	912	@60%	\$953	Yes	N/A	N/A	N/A
					2BR / 2BA	10	12.5%	912	@80%	\$1,318	Yes	N/A	N/A	N/A
					3BR / 2BA	1	1.3%	1,082	@40% (PBV)	\$1,454	N/A	N/A	N/A	N/A
					3BR / 2BA	4	5.0%	1,309	@40% (PBV)	\$1,454	N/A	N/A	N/A	N/A
					3BR / 2BA	8	10.0%	1,082	@50%	\$888	Yes	N/A	N/A	N/A
					3BR / 2BA	7	8.8%	1,082	@60%	\$1,098	Yes	N/A	N/A	N/A
					10	12.5%	1,082	@80%	\$1,520	Yes	N/A	N/A	N/A	
					80							N/A	N/A	
1	Chestnut Ridge Apartments I 181 Chestnut Ridge Drive Harrisonburg, VA 22801 Rockingham County	3.2 miles	Garden 3-stories 1998 / n/a Family	@60%	2BR / 2BA 3BR / 2BA	80 20	80.0% 20.0%	988 1,128	@60% @60%	\$1,138 \$1,307	Yes Yes	No Yes	3 0	3.8% 0.0%
						100							3	3.0%
2	Chestnut Ridge Apartments II 181 Chestnut Ridge Drive Harrisonburg, VA 22801 Rockingham County	3.2 miles	Garden 3-stories 1999 / n/a Family	@60%	2BR / 2BA 3BR / 2BA	36 12	75.0% 25.0%	988 1,128	@60% @60%	\$1,138 \$1,307	Yes Yes	No Yes	0 0	0.0% 0.0%
						48							0	0.0%
3	Robinson Park 2280 Bullpen Drive Harrisonburg, VA 22801 Rockingham County	2.5 miles	Garden 3-stories 2017 / n/a Family	@40%, @50%, @60%	1BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	12 44 N/A N/A 32	13.6% 50.0% N/A N/A 36.4%	660 884 884 884 1,048	@40% @40% @50% @60% @60%	\$506 \$658 \$766 \$1,087 \$948	Yes Yes Yes Yes Yes	Yes Yes Yes Yes Yes	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A
						88							3	3.4%
4	The Colonnade At Rocktown 351 N Mason Street Harrisonburg, VA 22802 Rockingham County	2.9 miles	Lowrise 4-stories 2010 / n/a Family	@60%, Market	1BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 3BR / 2BA	6 42 6 12	9.1% 63.6% 9.1% 18.2%	717 988 988 1,138	@60% @60% Market @60%	\$805 \$971 \$1,250 \$1,117	Yes Yes N/A Yes	Yes Yes Yes Yes	N/A N/A 0 N/A	N/A N/A 0.0% N/A
						66							1	1.5%
5	Deer Run Apartments 899 Port Republic Road Harrisonburg, VA 22801 Rockingham County	1.7 miles	Garden 3-stories 1981 / n/a Family	Market	1BR / 1BA 2BR / 1BA 2BR / 1BA 3BR / 2BA	24 N/A 72 48	16.7% N/A 50.0% 33.3%	679 N/A 879 924	Market Market Market Market	\$1,296 \$1,526 \$1,480 \$1,664	N/A N/A N/A N/A	Yes Yes Yes Yes	0 N/A N/A N/A	0.0% N/A N/A N/A
						144							6	4.2%
6	Longview Oaks Apartments 480 Vine Street Harrisonburg, VA 22802 Rockingham County	3.8 miles	Garden 2-stories 1988 / n/a Family	Market	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A	680 680 860 980 980 1,160 1,160 1,160	Market Market Market Market Market Market Market Market	\$1,246 \$1,146 \$1,430 \$1,460 \$1,455 \$1,485 \$1,714 \$1,614	N/A N/A N/A N/A N/A N/A N/A N/A	Yes Yes Yes Yes Yes Yes Yes Yes	1 1 0 0 0 0 0 0	N/A N/A N/A N/A N/A N/A N/A N/A
						138							2	1.4%
7	Park Apartments 200 Rocco Avenue Harrisonburg, VA 22801 Rockingham County	1.0 miles	Garden 2-stories 1990 / 2014/2021 Family	Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	10 10 10 20 48 N/A 38	7.4% 7.4% 7.4% 14.7% 35.3% N/A 27.9%	479 644 729 909 912 957 1,204	Market Market Market Market Market Market Market	\$953 \$1,068 \$1,098 \$1,064 \$1,171 \$1,181 \$1,283	N/A N/A N/A N/A N/A N/A N/A	Yes Yes N/A Yes Yes Yes Yes	0 0 0 0 0 0 0	0.0% 0.0% 0.0% 0.0% 0.0% N/A 0.0%
						136							0	0.0%
8	The Greens At Chestnut Ridge 128 Chestnut Ridge Drive Harrisonburg, VA 22801 Rockingham County	3.4 miles	Garden 2-stories 1991 / 2022 Family	Market	1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 2BA 3BR / 2BA	38 N/A 39 43 30	25.3% N/A 26.0% 28.7% 20.0%	674 894 894 926 1,122	Market Market Market Market Market	\$1,275 \$1,640 \$1,400 \$1,655 \$1,820	N/A N/A N/A N/A N/A	No No No No No	0 1 0 1 1	0.0% N/A 0.0% 2.3% 3.3%
						150							3	2.0%

Location

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

LOCATIONAL COMPARISON SUMMARY

#	Property Name	Program	Distance Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	BJS Harrisonburg Family I	LIHTC/PBRA		\$50,374	\$323,142	\$1,470	68	23	3.3%	53.8%
1	Chestnut Ridge Apartments I	LIHTC	3.2 miles	\$42,197	\$323,142	\$1,470	50	37	10.9%	54.2%
2	Chestnut Ridge Apartments II	LIHTC	3.2 miles	\$42,197	\$323,142	\$1,470	50	37	10.9%	54.2%
3	Robinson Park	LIHTC	2.5 miles	\$57,673	\$323,142	\$1,470	56	17	10.4%	51.4%
4	The Colonnade At Rocktown	LIHTC/Market	2.9 miles	\$43,833	\$269,662	\$1,260	48	34	6.7%	60.9%
5	Deer Run Apartments	Market	1.7 miles	\$23,590	\$323,142	\$1,470	60	60	12.1%	77.0%
6	Longview Oaks Apartments	Market	3.8 miles	\$53,360	\$269,662	\$1,260	72	27	4.6%	55.4%
7	Park Apartments	Market	1.0 mile	\$56,758	\$323,142	\$1,470	78	45	5.1%	46.3%
8	The Greens At Chestnut Ridge	Market	3.4 miles	\$43,265	\$323,142	\$1,470	50	44	10.6%	53.4%

The Subject site is located along the eastern border of Harrisonburg. The Subject's location is designated ‘car dependent’ by Walk Score with a score of 23, indicating almost all errands will require a car.

The Colonnade At Rocktown is located 3.2 miles from the Subject in an area that is considered inferior to that of the Subject. This location features lower household median incomes, median home values, and median rents.

Longview Oaks Apartments is located 3.8 miles from the Subject in an area that is considered slightly inferior to that of the Subject. This location features higher household median incomes, lower median home values, median rents, and higher crime indices.

Chestnut Ridge Apartments I, Chestnut Ridge Apartments II, Robinson Park, Deer Run Apartments, Park Apartments, and The Greens At Chestnut Ridge located between 1.0 and 3.2 miles from the Subject in a locations that are considered similar to that of the Subject.

Age, Condition, and Design

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

	BJS Harrisonburg Family I	Chestnut Ridge Apartments I	Chestnut Ridge Apartments II	Robinson Park	The Colonnade At Rocktown	Deer Run Apartments	Longview Oaks Apartments	Park Apartments	The Greens At Chestnut Ridge
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC	LIHTC/ Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family
Building									
Property Type	Midrise	Garden	Garden	Garden	Lowrise	Garden	Garden	Garden	Garden
# Stories	4	3	3	3	4	3	1	2	2
Year Built	2026	1998	1999	2017	2010	1981	1988	1990	1991
Year Renovated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2014/2021	2022

The Subject will exhibit excellent condition upon completion. The comparable properties were constructed between 1981 and 2022. The majority of comparables exhibit condition ranging from inferior to slightly inferior relative to the Subject as proposed. Chestnut Ridge Apartments I, Chestnut Ridge Apartments II, Deer Run Apartments, and Longview Oaks Apartments were constructed between 1981 and 1999, respectively, and are considered inferior to the Subject upon completion. Robinson Park, The Colonnade At Rocktown, Park Apartments, and The Greens At Chestnut Ridge were constructed or renovated between 2010 and 2022 and exhibit slightly inferior condition relative to the Subject upon completion.

The Subject will offer a four-story, midrise, elevator-serviced design, similar to the comparable properties that offer an elevator-serviced design. However, the majority of the comparables offer garden-style designs and do not offer elevators. These comparables are considered slightly inferior to the Subject in terms of design style offered. We considered the Subject's design and condition in our determination of achievable rents.

Unit Size

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

UNIT SIZE COMPARISON			
Bedroom Type	1BR	2BR	3BR
Subject	654	912 - 1,056	1,082 - 1,309
Average	660	939	1,112
Min	479	860	924
Max	729	1,160	1,204
Advantage/Disadvantage	-0.9%	-2.8% - 12.5%	-2.7% - 17.7%

The Subject's proposed one-bedroom units are similar in size compared to the surveyed average of the comparable properties. However, the Subject's proposed two and three-bedroom units are slightly smaller to larger in size compared to the surveyed average of the comparable properties. We anticipate that the Subject's unit sizes as proposed will be well accepted in the market. The Subject's unit sizes are considered in our determination of achievable rents. The following table ranks the Subject's unit sizes to the unit sizes at the comparable properties.

SQUARE FOOTAGE RANKING COMPARISON					
One Bedroom One Bath		Two Bedroom Two Bath		Three Bedroom Two Bath	
Property Name	Size	Property Name	Size	Property Name	Size
Park Apartments (Market)	729	Longview Oaks Apartments (Market)	1,160	BSJ Harrisonburg Family I (@40%)	1,309
The Colonnade At Rocktown (@60%)	717	BSJ Harrisonburg Family I (@40%)	1,056	Park Apartments (Market)	1,204
Longview Oaks Apartments (Market)	680	BSJ Harrisonburg Family I (@40%)	1,056	Longview Oaks Apartments (Market)	1,160
Longview Oaks Apartments (Market)	680	The Colonnade At Rocktown (@60%)(1.5BA)	988	Longview Oaks Apartments (Market)	1,160
Deer Run Apartments (Market)	679	Chestnut Ridge Apartments I (@60%)	988	The Colonnade At Rocktown (@60%)	1,138
The Greens At Chestnut Ridge (Market)	674	Chestnut Ridge Apartments II (@60%)	988	Chestnut Ridge Apartments II (@60%)	1,128
Robinson Park (@40%)	660	The Colonnade At Rocktown (Market)(1.5BA)	988	Chestnut Ridge Apartments I (@60%)	1,128
BSJ Harrisonburg Family I (@40%)	654	Longview Oaks Apartments (Market)(1BA)	980	The Greens At Chestnut Ridge (Market)	1,122
Park Apartments (Market)	644	Longview Oaks Apartments (Market)	980	BSJ Harrisonburg Family I (@50%)	1,082
Park Apartments (Market)	479	Park Apartments (Market)	957	BSJ Harrisonburg Family I (@80%)	1,082
		The Greens At Chestnut Ridge (Market)	926	BSJ Harrisonburg Family I (@60%)	1,082
		Park Apartments (Market)	912	Robinson Park (@60%)	1,048
		BSJ Harrisonburg Family I (@50%)	912	Deer Run Apartments (Market)	924
		BSJ Harrisonburg Family I (@60%)	912		
		BSJ Harrisonburg Family I (@80%)	912		
		Park Apartments (Market)(1BA)	909		
		The Greens At Chestnut Ridge (Market)(1BA)	894		
		The Greens At Chestnut Ridge (Market)(1BA)	894		
		Robinson Park (@40%)	884		
		Robinson Park (@60%)	884		
		Robinson Park (@50%)	884		
		Deer Run Apartments (Market)(1BA)	879		
		Deer Run Apartments (Market)(1BA)	879		
		Longview Oaks Apartments (Market)(1BA)	860		

Utility Structure

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

BSJ HARRISONBURG FAMILY I - HARRISONBURG, VIRGINIA – MARKET STUDY

	BJS Harrisonburg Family I	Chestnut Ridge Apartments I	Chestnut Ridge Apartments II	Robinson Park	The Colonnade At Rocktown	Deer Run Apartments	Longview Oaks Apartments	Park Apartments	The Greens At Chestnut Ridge
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC	LIHTC/ Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family
Utility Structure									
Heat	no	no	no	no	no	no	no	yes	no
Cooking	no	no	no	no	no	no	no	yes	no
Other Electric	no	no	no	no	no	no	no	no	no
Air Conditioning	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	yes	no
Water	no	yes	yes	no	no	yes	yes	yes	no
Sewer	no	yes	yes	no	no	yes	yes	yes	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes

In-Unit Amenities

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

	BJS Harrisonburg Family I	Chestnut Ridge Apartments I	Chestnut Ridge Apartments II	Robinson Park	The Colonnade At Rocktown	Deer Run Apartments	Longview Oaks Apartments	Park Apartments	The Greens At Chestnut Ridge
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC	LIHTC/ Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family
Unit									
Balcony	yes	yes	yes	no	yes	no	yes	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	no	no	no	no	no	yes	yes
Central/AC	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	no	yes	yes	no	yes	no
Exterior Storage	no	yes	yes	no	no	no	yes	no	no
Fireplace	no	no	no	no	no	no	no	no	yes
Vinyl Plank Flooring	yes	no	no	no	no	no	no	no	no
Walk-In-Closet	yes	yes	yes	yes	yes	yes	no	no	yes
Washer / Dryer	no	no	no	no	yes	no	yes	yes	yes
W/D Hookups	yes	yes	yes	yes	yes	no	yes	yes	yes
Kitchen									
Dishwasher	yes	yes	yes	yes	yes	no	yes	yes	yes
Disposal	yes	yes	yes	no	yes	no	yes	yes	yes
Microwave	yes	no	no	no	no	no	no	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes

Notable unit amenities the Subject will offer include balconies/patios, carpeting in the bedrooms, central air conditioning, coat closets, dishwashers, ceiling fans, garbage disposals, microwaves, vinyl plank flooring in the living areas, walk-in closets, and washer/dryer hookups. The majority of the surveyed comparables offer slightly superior to superior unit amenities relative to the Subject. These properties offer features such as exterior storage, fireplaces, and in-unit washer/dryers, none of which will be included at the Subject. The amenity packages offered by Robinson Park and Deer Run Apartments are considered slightly inferior to the Subject as these properties do not offer features such as balconies/patios, ceiling fans, and washer/dryer hookups, all of which will be included at the Subject. The Subject's in-unit amenities are taken into consideration in our determination of achievable rents.

Property Amenities

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

	BJS Harrisonburg Family I	Chestnut Ridge Apartments I	Chestnut Ridge Apartments II	Robinson Park	The Colonnade At Rocktown	Deer Run Apartments	Longview Oaks Apartments	Park Apartments	The Greens At Chestnut Ridge
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC	LIHTC/ Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family
Community									
Business Center	yes	no	no	yes	no	no	no	yes	no
Central Laundry	yes	yes	yes	yes	no	yes	no	no	no
Clubhouse	yes	yes	yes	yes	yes	no	yes	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes
Pet Park	no	no	no	no	no	yes	no	yes	no
WiFi	yes	no	no	no	no	no	no	no	no
Recreation									
Basketball Court	no	no	no	no	no	yes	no	no	yes
Exercise Facility	yes	yes	yes	no	yes	no	yes	yes	yes
Hot Tub	no	no	no	no	no	no	no	no	yes
Picnic Area	yes	yes	yes	no	no	yes	yes	yes	yes
Playground	yes	yes	yes	no	no	no	yes	no	yes
Sport Court	no	no	no	no	no	yes	no	no	no
Swimming Pool	no	yes	yes	no	no	no	yes	yes	yes
Tennis Court	no	no	no	no	no	no	yes	no	yes
Volleyball Court	no	no	no	no	no	no	yes	no	no
Services									
Adult Education	yes	no	no	no	no	no	no	no	no

Notable property amenities the Subject will offer include a business center, clubhouse, courtyard, elevators, an exercise facility, central laundry facility, on-site management, a picnic area, playground, and Wi-Fi in the common areas. The majority of the surveyed comparables offer property amenities considered slightly superior relative to the proposed Subject. These properties offer features such as a swimming pool and recreational areas, none of which are included in the Subject's proposed amenity scheme. The amenity packages of Robinson Park and The Colonnade At Rocktown are considered slightly inferior to the proposed Subject as these properties do not offer business centers or exercise facilities, which the Subject will offer. Additionally, the amenity package of Deer Run Apartments is considered inferior to the Subject, as this property does not offer a business center, community room, or exercise facility, all of which will be offered at the Subject. The Subject's property amenities are taken into consideration in our determination of achievable rents.

Security Features

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

	BJS Harrisonburg Family I	Chestnut Ridge Apartments I	Chestnut Ridge Apartments II	Robinson Park	The Colonnade At Rocktown	Deer Run Apartments	Longview Oaks Apartments	Park Apartments	The Greens At Chestnut Ridge
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC	LIHTC/ Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family
Crime Index	68	50	50	56	48	60	72	78	50
Security									
Intercom (Buzzer)	yes	no	no	no	yes	no	no	no	no
Limited Access	yes	no	no	no	yes	no	no	no	no
Patrol	no	yes	yes	no	no	no	no	no	yes
Video Surveillance	yes	no	no	no	no	no	no	no	no

The Subject's security features will include an intercom (buzzer) system, limited access, and video surveillance. Four of the comparable properties offer some form of security feature. The Subject's security features appear to be market-oriented.

Parking

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

	BJS Harrisonburg Family I	Chestnut Ridge Apartments I	Chestnut Ridge Apartments II	Robinson Park	The Colonnade At Rocktown	Deer Run Apartments	Longview Oaks Apartments	Park Apartments	The Greens At Chestnut Ridge
Program	LIHTC/ PBRA	LIHTC	LIHTC	LIHTC	LIHTC/ Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family
Walk Score	23	37	37	17	34	60	27	45	44
Parking									
Surface	yes	yes	yes	yes	yes	yes	yes	yes	yes
Surface Fee	\$0	\$0	n/a	n/a	\$0	\$0	\$0	\$0	\$0

The Subject will offer 108 off-street parking spaces, which equates to approximately 1.4 spaces per unit. There is no fee for parking. We expect the number of parking spaces will continue to be adequate. The Subject location is considered car dependent, meaning that almost all errands will require a car. All of the comparables offer surface parking at no additional charge, similar to the Subject.

Conclusion

The Subject’s construction is set to begin in March 2025 and be completed by August 2026. The Subject will exhibit excellent overall condition upon completion. The LIHTC comparables were constructed or renovated between 1998 and 2017, while the market rate comparables were constructed or renovated between 1981 and 2022. The comparable properties exhibit inferior to slightly inferior condition relative to the proposed Subject. The majority of the surveyed comparables offer property amenities ranging from inferior to slightly superior relative to the proposed Subject. The majority of the surveyed comparables offer slightly inferior to superior unit amenities relative to the proposed Subject. The Subject’s proposed one-bedroom units are similar in size compared to the surveyed average of the comparable properties. However, the Subject’s proposed two and three-bedroom units are slightly smaller to larger in size compared to the surveyed average of the comparable properties. Overall, strong demand for affordable housing has been reported by four of the LIHTC comparable properties in the area, and we believe the Subject will be well accepted in the market as proposed.

MARKET CHARACTERISTICS

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

TENANTS WITH VOUCHERS

Property Name	Program	Housing Choice Voucher %
Chestnut Ridge Apartments I	LIHTC	N/A
Chestnut Ridge Apartments II	LIHTC	N/A
Robinson Park	LIHTC	N/A
The Colonnade At Rocktown	LIHTC/Market	N/A
Deer Run Apartments	Market	N/A
Longview Oaks Apartments	Market	0%
Park Apartments	Market	N/A
The Greens At Chestnut Ridge	Market	N/A

It should be noted that we were unable to obtain voucher usage data for any of the surveyed properties. All of the LIHTC comparables reported accepting Housing Choice Vouchers, but the contacts at these properties were unable to state the number of tenants utilizing vouchers. The contact at Robinson Park reported that many of the tenants utilize vouchers. Additionally, three of the market rate comparables reported accepting Housing Choice Vouchers, but the contacts at these properties were unable to state the number of tenants utilizing vouchers. We expect the Subject will operate with voucher usage of approximately 20 percent, absent subsidy.

Turnover

The following table illustrates reported turnover for the comparable properties.

TURNOVER

Property Name	Program	Tenancy	Annual Turnover
Chestnut Ridge Apartments I	LIHTC	Family	N/A
Chestnut Ridge Apartments II	LIHTC	Family	N/A
Robinson Park	LIHTC	Family	N/A
The Colonnade At Rocktown	LIHTC/Market	Family	9%
Deer Run Apartments	Market	Family	N/A
Longview Oaks Apartments	Market	Family	34%
Park Apartments	Market	Family	44%
The Greens At Chestnut Ridge	Market	Family	17%
Average Turnover			26%

It should be noted that we were unable to obtain turnover data for four of the surveyed properties (Chestnut Ridge Apartments I, Chestnut Ridge Apartments II, Robinson Park, and Deer Run Apartments). The remaining comparables reported turnover rates ranging from nine to 44 percent, with an overall average of 26 percent. Only one of the LIHTC comparables, The Colonnade At Rocktown, was able to report a turnover rate. This property reported a turnover rate of nine percent. The market rate comparables operate with an average turnover of 32 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a turnover rate of approximately 20 percent or less.

Vacancy

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

OVERALL VACANCY

Property Name	Program	Tenancy	Total Units	Vacant Units	Vacancy %
Chestnut Ridge Apartments I	LIHTC	Family	100	3	3.0%
Chestnut Ridge Apartments II	LIHTC	Family	48	0	0.0%
Robinson Park	LIHTC	Family	88	3	3.4%
The Colonnade At Rocktown	LIHTC/Market	Family	66	1	1.5%
Deer Run Apartments	Market	Family	144	6	4.2%
Longview Oaks Apartments	Market	Family	138	2	1.4%
Park Apartments	Market	Family	136	0	0.0%
The Greens At Chestnut Ridge	Market	Family	150	3	2.0%
LIHTC Total			302	7	2.3%
Market Total			568	11	1.9%
Overall Total			870	18	2.1%

The comparables reported vacancy rates ranging from zero to 4.2 percent, with an overall weighted average of 2.1 percent. Managers at one of the four LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 2.3 percent, above the 1.9 percent average reported by the market rate properties. Additionally, all of the LIHTC comparables reported maintaining waiting lists. The waiting lists at some of these properties are extensive. The contact at Chestnut Ridge Apartments I reported that the three vacant units at the property have been pre-leased. The contact at Robinson Park reported that three vacant units are not ready to be re-leased but stated that they should be ready to be re-leased sometime in February. Additionally, the contact at The Colonnade At Rocktown reported that there is an application pending on the one vacant unit. All of the market rate properties reported vacancy rates of 4.2 percent or less. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent or less upon completion.

The following table details vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Chestnut Ridge Apartments I	LIHTC	Family	-	3.8%	0.0%	3.0%
Chestnut Ridge Apartments II	LIHTC	Family	-	0.0%	0.0%	0.0%
Robinson Park	LIHTC	Family	-	-	-	3.4%
The Colonnade At Rocktown	LIHTC/ Market	Family	-	0.0%	-	1.5%
Deer Run Apartments	Market	Family	0.0%	-	-	4.2%
Longview Oaks Apartments	Market	Family	-	-	-	1.4%
Park Apartments	Market	Family	0.0%	0.0%	0.0%	0.0%
The Greens At Chestnut Ridge	Market	Family	0.0%	1.2%	3.3%	2.0%

The Subject will consist of one, two, and three-bedroom units. The vacancy rates for all units type are considered low. It should be noted that the contacts at two of the LIHTC comparables with vacant units reported that at least some of the vacant units at these properties are pre-leased or have allocations pending. Additionally, all of the LIHTC comparables reported maintaining waiting lists. The waiting lists at some of these properties are extensive. This supports that there is demand for additional rental housing in the market. The Subject is not expected to negatively impact the existing properties in the market.

Historical Vacancy

The following table details historical vacancy levels for the properties included as comparables.

HISTORICAL VACANCY

Property Name	Program	Total Units	2021 Q4	2024 Q1
Chestnut Ridge Apartments I	LIHTC	100	0.0%	3.0%
Chestnut Ridge Apartments II	LIHTC	48	0.0%	0.0%
Robinson Park	LIHTC	88	0.0%	3.4%
The Colonnade At Rocktown	LIHTC/ Market	66	0.0%	1.5%
Deer Run Apartments	Market	144	N/A	4.2%
Longview Oaks Apartments	Market	138	1.4%	1.4%
Park Apartments	Market	136	0.0%	0.0%
The Greens At Chestnut Ridge	Market	150	N/A	2.0%

As illustrated in the table above, we have limited information on the historical vacancy rates at the majority of the comparable properties. However, the vacancy rates for the comparables we have information for improved or remained stable since our previous interviews.

Concessions

None of the comparable properties reported offering concessions at this time. Given the lack of concessions offered in the market, we do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate upon completion.

Waiting Lists

The following table illustrates the length of waiting lists reported at the comparable developments.

WAITING LISTS

Property Name	Program	Tenancy	Waiting List Length
Chestnut Ridge Apartments I	LIHTC	Family	Yes, five households
Chestnut Ridge Apartments II	LIHTC	Family	Yes, five households
Robinson Park	LIHTC	Family	Yes, 300 households
The Colonnade At Rocktown	LIHTC/Market	Family	Yes, three months in length
Deer Run Apartments	Market	Family	Yes, up to six months in length
Longview Oaks Apartments	Market	Family	Yes, five to eight households
Park Apartments	Market	Family	Yes, one household
The Greens At Chestnut Ridge	Market	Family	None

All of the LIHTC properties maintain waiting lists. All but one of the market rate properties maintain waiting lists as well. The waiting lists at some of these properties are extensive. We expect the Subject will operate with a waiting list upon completion.

Projected Absorption

The following table details the absorption paces of recently completed properties in the Harrisonburg region.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Brookdale Apartments	LIHTC	Family	Charlottesville	2019	96	8	35.3 miles
Round Hill Meadows	LIHTC	Family	Orange	2013	100	10	44.0 miles
Treesdale Apartments	LIHTC	Family	Charlottesville	2012	88	11	32.4 miles
Average Affordable					95	10	
Average Market					N/A	N/A	
Overall Average					95	10	

It should be noted that we were only able to obtain absorption data for one property in Harrisonburg, Altitude At Stone Port, and this property is a student housing development that reported an absorption rate of 18 units per month. Due to the tenancy of Altitude At Stone Port, we obtained additional absorption data from three

properties within 45.0 miles of the Subject in Charlottesville and Orange. These properties were completed over the 2012 to 2019 period. These properties reported absorption rates ranging from eight to 11 units per month, with an overall average of 10 units per month. Overall, we expect the Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately eight months.

Rent Growth

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

RENT GROWTH			
Property Name	Program	Tenancy	Rent Growth
Chestnut Ridge Apartments I	LIHTC	Family	Increased to 2023 max
Chestnut Ridge Apartments II	LIHTC	Family	Increased to 2023 max
Robinson Park	LIHTC	Family	Increased to 2023 max
The Colonnade At Rocktown	LIHTC/Market	Family	Increased to 2023 max
Deer Run Apartments	Market	Family	Increased 15 percent
Longview Oaks Apartments	Market	Family	Increased 12 to 21 percent
Park Apartments	Market	Family	Increased six percent
The Greens At Chestnut Ridge	Market	Family	Increased up to eight percent

All of the LIHTC comparable properties reported achieving rent growth. Of these properties, Chestnut Ridge Apartments I, Chestnut Ridge Apartments II, Robinson Park, and The Colonnade At Rocktown are achieving rents at the 2023 maximum allowable levels. All of the market rate comparables reported achieving rent growth, ranging from six to 21 percent.

Reasonability of Rents

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

Bedroom Type	AMI Level	UNITS		% of Total	Developer Pro Forma	RENTS			PRO FORMA vs. Market Section 42 Max	
		SF	#			Achievable LIHTC Rents	Market ¹	Section 42 Max ²	as % of	as % of
1BR / 1BA	@40% (Sec 811)	654	8	10.0%	\$813	\$493	\$1,200	\$493	67.8%	164.9%
2BR / 2BA	@40% (PBV)	912	1	1.3%	\$1,063	\$589	\$1,475	\$589	72.1%	180.5%
2BR / 2BA	@40% (PBV)	1,056	2	2.5%	\$1,063	\$589	\$1,525	\$589	69.7%	180.5%
2BR / 2BA	@40% (Sec 811)	1,056	2	2.5%	\$1,063	\$589	\$1,525	\$589	69.7%	180.5%
2BR / 2BA	@50%	912	16	20.0%	\$771	\$771	\$1,475	\$771	52.3%	100.0%
2BR / 2BA	@60%	912	11	13.8%	\$953	\$953	\$1,475	\$953	64.6%	100.0%
2BR / 2BA	@80%	912	10	12.5%	\$1,318	\$1,318	\$1,475	\$1,318	89.4%	100.0%
3BR / 2BA	@40% (PBV)	1,082	1	1.3%	\$1,454	\$677	\$1,675	\$677	86.8%	214.8%
3BR / 2BA	@40% (PBV)	1,309	4	5.0%	\$1,454	\$677	\$1,750	\$677	83.1%	214.8%
3BR / 2BA	@50%	1,082	8	10.0%	\$888	\$888	\$1,675	\$888	53.0%	100.0%
3BR / 2BA	@60%	1,082	7	8.8%	\$1,098	\$1,098	\$1,675	\$1,098	65.6%	100.0%
3BR / 2BA	@80%	1,082	10	12.5%	\$1,520	\$1,520	\$1,675	\$1,520	90.7%	100.0%
OVERALL WEIGHTED AVG			80	100.0%	\$1,063	\$953	\$1,529	\$953	69.3%	118.7%
@40% Units			18	22.5%	\$1,061	\$571	\$1,436	\$571	72.9%	183.1%
@50% Units			24	30.0%	\$810	\$810	\$1,542	\$810	52.5%	100.0%
@60% Units			18	22.5%	\$1,009	\$1,009	\$1,553	\$1,009	65.0%	100.0%
@80% Units			20	25.0%	\$1,419	\$1,419	\$1,575	\$1,419	90.1%	100.0%

¹ Market rent estimates reflect achievable rent assuming the property were 100% market rate and available for occupancy as of the effective date of the report.

² Maximum Section 42 rents have been adjusted by the appropriate utility allowance.

Comparable LIHTC Rents

The following tables compare the Subject’s and the comparable properties’ rents. For the purposes of this market study, “Base Rents” are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. “Net rents” are rents adjusted for the cost of utilities (adjusted to the Subject’s convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property and help to provide an “apples-to-apples” comparison of rents. Note that some of the comparable property’s LIHTC rents appear to be above the maximum levels; however, the majority are the result of differing utility allowance structures at the comparables.

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

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2023 LIHTC Maximum Allowable Gross Rent	2024 HUD Fair Market Rents	
@40% (PBV)								
2BR / 2BA	912	1	\$1,063	\$140	\$1,203	\$729	\$1,203	
2BR / 2BA	1,056	2	\$1,063	\$140	\$1,203	\$729	\$1,203	
3BR / 2BA	1,082	1	\$1,454	\$165	\$1,619	\$842	\$1,619	
3BR / 2BA	1,309	4	\$1,454	\$165	\$1,619	\$842	\$1,619	
@40% (Sec 811)								
1BR / 1BA	654	8	\$813	\$114	\$927	\$607	\$927	
2BR / 2BA	1,056	2	\$1,063	\$140	\$1,203	\$729	\$1,203	
@50%								
2BR / 2BA	912	16	\$771	\$140	\$911	\$911	\$1,203	
3BR / 2BA	1,082	8	\$888	\$165	\$1,053	\$1,053	\$1,619	
@60%								
2BR / 2BA	912	11	\$953	\$140	\$1,093	\$1,093	\$1,203	
3BR / 2BA	1,082	7	\$1,098	\$165	\$1,263	\$1,263	\$1,619	
@80%								
2BR / 2BA	912	10	\$1,318	\$140	\$1,458	\$1,458	\$1,203	
3BR / 2BA	1,082	10	\$1,520	\$165	\$1,685	\$1,685	\$1,619	
		80						

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

The Subject is a proposed LIHTC/PBV/Section 811 property that will offer a total of 80 units, all of which are revenue-generating. Of the total units, eight two and three-bedroom units at the 40 percent AMI level will operate with project-based vouchers (PBV). Additionally, 10 one and two-bedroom units at the 40 percent AMI level will operate under the Section 811 program. Tenants in the PBV and Section 811 units will pay 30 percent of their income towards rent. The Subject’s proposed rents at the 40 percent AMI level are contract rents and are set above the 2023 maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would have to be lowered to comply with the LIHTC program requirements. The Subject’s proposed rents at the 50, 60, and 80 percent AMI levels are set at the 2023 maximum allowable levels. The table that follows compares the rents at the comparable properties in order to estimate the achievable LIHTC rents for the Subject, absent subsidy.

40% AMI Level

LIHTC RENT COMPARISON @40%

Property Name	County	1BR	2BR	3BR	Max Rent?
BJS Harrisonburg Family I	Harrisonburg	\$813*	\$1,063*	\$1,454*	N/A
LIHTC Maximum Rent (Net)	Harrisonburg city	\$493	\$589	\$677	
LIHTC Maximum Rent (Net)	Rockingham	\$493	\$589	\$677	
Robinson Park	Rockingham	\$506	\$658	-	Yes
Average		\$506	\$658	-	-
Achievable LIHTC Rent		\$493	\$589	\$677	Yes

*Contract rents

The Subject’s proposed rents for its one, two, and three-bedroom units at 40 percent of the AMI are contract rents. Tenants in these units will pay 30 percent of their income towards rent. The Subject’s proposed contract rents are set above the 2023 maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would have to be lowered to comply with the LIHTC program requirements. Only one of the comparables, Robinson Park, reported offering units at the 40 percent AMI level. This comparable reported rents at the maximum allowable levels. While the rents at Robinson Park appear to be below to above the maximum allowable rents, this is likely due to a difference in utility structures and allowances.

Robinson Park is located 2.5 miles from the Subject and offers a similar location compared to the Subject. This property was built in 2017, and currently exhibits good condition, which will be slightly inferior to the Subject’s anticipated condition upon completion. Robinson Park offers slightly inferior property amenities compared to the Subject as it does not offer an exercise facility, which the Subject will offer. This property offers slightly inferior in-unit amenities as it does not offer balconies/patios, which the Subject will offer. Robinson Park offers similar one-bedroom unit sizes and smaller two and three-bedroom unit sizes compared to the proposed Subject. This property is 96.6 percent occupied and maintains a waiting list of 300 households, indicating demand for affordable housing. Overall, Robinson Park is considered inferior to the Subject. As such, we believe the Subject would be capable of achieving rents at the maximum allowable levels at 40 percent of the AMI, absent subsidy, similar to Robinson Park, as these rents offer a significant advantage over unrestricted rents in the market.

50 and 60% AMI Level

LIHTC RENT COMPARISON @50%

Property Name	County	2BR	3BR	Max Rent?
BJS Harrisonburg Family I	Harrisonburg	\$771	\$888	Yes
LIHTC Maximum Rent (Net)	Harrisonburg city	\$771	\$888	
LIHTC Maximum Rent (Net)	Rockingham	\$771	\$888	
Robinson Park	Rockingham	\$766	-	Yes
Average		\$766	-	
Achievable LIHTC Rent		\$771	\$888	Yes

LIHTC RENT COMPARISON @60%

Property Name	County	2BR	3BR	Max Rent?
BJS Harrisonburg Family I	Harrisonburg	\$953	\$1,098	Yes
LIHTC Maximum Rent (Net)	Harrisonburg City	\$953	\$1,098	
LIHTC Maximum Rent (Net)	Rockingham	\$953	\$1,098	
Chestnut Ridge Apartments I	Rockingham	\$1,138	\$1,307	Yes
Chestnut Ridge Apartments II	Rockingham	\$1,138	\$1,307	Yes
Robinson Park	Rockingham	\$1,087	\$948	Yes
The Colonnade At Rocktown	Rockingham	\$971	\$1,117	Yes
Average		\$1,084	\$1,170	
Achievable LIHTC Rent		\$953	\$1,098	Yes

As indicated, all of the comparables that feature units at the 50 and 60 percent of AMI levels report achieving rents at the 2023 maximum allowable levels. The indicated rents appear to be below to above the maximum allowable levels due to differences in utility allowance calculations. All of the LIHTC comparables reported strong demand for affordable housing in the area.

Robinson Park is located 2.5 miles from the Subject and offers a similar location compared to the Subject. This property was built in 2017, and currently exhibits good condition, which will be slightly inferior to the Subject’s anticipated excellent condition upon completion. Robinson Park offers slightly inferior property amenities compared to the Subject as it does not offer an exercise facility, which the Subject will offer. This property offers slightly inferior in-unit amenities as it does not offer balconies/patios, which the Subject will offer. Robinson Park offers similar one-bedroom unit sizes and smaller two and three-bedroom unit sizes compared to the proposed Subject. This property is 96.6 percent occupied and maintains a waiting list of 300 households, indicating demand for affordable housing. Overall, Robinson Park is considered inferior to the Subject. As such, we believe the Subject would be capable of achieving rents at the maximum allowable levels at 50 and 60 percent of the AMI, similar to Robinson Park.

The Colonnade At Rocktown is located 2.9 miles from the Subject and offers an inferior location compared to the Subject in terms of a lower household median income, median home value, and median rent. This property was built in 2010, and currently exhibits good condition, which will be slightly inferior to the Subject’s anticipated excellent condition upon completion. The Colonnade At Rocktown offers slightly inferior property amenities compared to the Subject as it does not offer a business center, which the Subject will offer. This property offers superior in-unit amenities as it offers in-unit washer/dryers, which the Subject will not offer. The Colonnade At Rocktown offers slightly larger one-bedroom unit sizes and smaller to larger two and three-bedroom unit sizes compared to the proposed Subject. This property is 98.5 percent occupied and maintains a waiting list of three months in length, indicating demand for affordable housing. Overall, The Colonnade At Rocktown is considered inferior to the Subject. As such, we believe the Subject would be capable of achieving rents at the maximum allowable levels at 60 percent of the AMI, similar to The Colonnade At Rocktown.

The Subject’s most significant weakness is its smaller two-bedroom unit sizes in comparison to the LIHTC comparables. Further, the Subject’s in-unit amenity package will be inferior to slightly superior compared to the comparable properties, while the Subject’s property amenity package will be slightly inferior to superior to the comparables. It is noted that the Subject will be new construction and therefore offer a slightly superior to superior condition. As such, we believe the Subject’s LIHTC rents should be priced at the maximum allowable levels in an absent subsidy scenario. Our achievable LIHTC rents are priced similar to the comparables, and slightly above the proposed rents.

80% AMI Level

LIHTC RENT COMPARISON @80% AND MARKET

Property Name	County	2BR	3BR	Max Rent?
BJS Harrisonburg Family I	Harrisonburg	\$1,318	\$1,520	Yes
LIHTC Maximum Rent (Net)	Harrisonburg city	\$1,318	\$1,520	
The Colonnade At Rocktown (Market)	Rockingham	\$1,250	-	-
Deer Run Apartments (Market)	Rockingham	\$1,526	\$1,664	-
Longview Oaks Apartments (Market)	Rockingham	\$1,485	\$1,714	-
Park Apartments (Market)	Rockingham	\$1,181	\$1,283	-
The Greens At Chestnut Ridge (Market)	Rockingham	\$1,655	\$1,820	-
Average (Market)		\$1,419	\$1,620	
Achievable LIHTC Rent		\$1,318	\$1,520	Yes

The Subject will offer two and three-bedroom units at the 80 percent AMI level. The Subject’s proposed two and three-bedroom rents at the 80 percent AMI are set at the maximum allowable levels. None of the comparable properties offer rents at this moderate income level. Therefore, we believe the most comparable rents for the Subject’s 80 percent AMI units are market rate rents. The Subject’s proposed rents at the 80 percent AMI level are below the surveyed average of the market rate rents in the market. The majority of tenants who would qualify for the Subject’s unit types are likely living in market rate housing and the Subject’s units at the 80 percent of the AMI level would be in direct competition with these units. As discussed below in our analysis of the Subject’s achievable market rents, we believe the Subject can achieve market rents above those currently achieved at Park Apartments and below those at The Greens At Chestnut Ridge. Additionally, the majority of the LIHTC comparables reported low vacancy rates. All of the LIHTC properties maintain waiting lists. These waiting lists are extensive at some of the LIHTC developments. We conclude that the maximum allowable rents at the 80 percent of AMI level would be achievable. These rents are below the majority of the rents at the comparable market rate properties.

Achievable Market Rents

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

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Square Feet	Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR/1BA	@40% (Sec 811)	654	\$493	\$953	\$1,296	\$1,155	\$1,200	59%
2BR/2BA	@40% (PBV)	912	\$589*	\$1,064	\$1,655	\$1,400	\$1,475	60%
2BR/2BA	@40% (PBV)	1,056	\$589*	\$1,064	\$1,655	\$1,400	\$1,525	61%
2BR/2BA	@40% (Sec 811)	1,056	\$589*	\$1,064	\$1,655	\$1,400	\$1,525	61%
2BR/2BA	@50%	912	\$771	\$1,064	\$1,655	\$1,400	\$1,475	48%
2BR/2BA	@60%	912	\$953	\$1,064	\$1,655	\$1,400	\$1,475	35%
2BR/2BA	@80%	912	\$1,318	\$1,064	\$1,655	\$1,400	\$1,475	11%
3BR/2BA	@40% (PBV)	1,082	\$677*	\$1,283	\$1,820	\$1,619	\$1,675	60%
3BR/2BA	@40% (PBV)	1,309	\$677*	\$1,283	\$1,820	\$1,619	\$1,750	61%
3BR/2BA	@50%	1,082	\$888	\$1,283	\$1,820	\$1,619	\$1,675	47%
3BR/2BA	@60%	1,082	\$1,098	\$1,283	\$1,820	\$1,619	\$1,675	34%
3BR/2BA	@80%	1,082	\$1,520	\$1,283	\$1,820	\$1,619	\$1,675	9%

*Subject’s achievable rents are shown for the 40% AMI units.

The Subject’s proposed LIHTC rents are below the achievable market rents. The Subject’s proposed LIHTC rents at the 40, 50, and 60 percent of AMI level represent a rent advantage of 34 to 61 percent over the achievable market rents. The Subject’s proposed LIHTC rents at the 80 percent of AMI level represent a rent

advantage of nine to 11 percent. We concluded that achievable market rents for the Subject’s units are above the rents at Park Apartments and below the rents at The Greens At Chestnut Ridge.

Park Apartments is a 136-unit, garden-style development located 1.0 miles from the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was built in 1990 and renovated in 2014 and 2021, and currently exhibits slightly inferior condition relative to the anticipated excellent condition of the Subject upon completion. The manager at Park Apartments reported the property is fully occupied and maintains a waiting list of one household, indicating the current rents are well accepted in the market. The following table compares the Subject with Park Apartments.

SUBJECT COMPARISON TO PARK APARTMENTS

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
1BR/1BA	\$1,200	654	\$1.83	\$1,068	644	\$1.66
2BR/2BA	\$1,525	1,056	\$1.44	\$1,171	912	\$1.28
2BR/2BA	\$1,475	912	\$1.62	\$1,171	912	\$1.28
3BR/2BA	\$1,675	1,082	\$1.55	\$1,283	1,204	\$1.07
3BR/2BA	\$1,750	1,309	\$1.34	\$1,283	1,204	\$1.07

Park Apartments offers in-unit washer/dryers, a pet park, and a swimming pool, all of which the Subject will lack. However, the Subject will offer balconies/patios, vinyl plank flooring in the living areas, walk-in closets, a central laundry facility, Wi-Fi in the community areas, a playground, and adult education, none of which are provided by Park Apartments. On balance, we believe the in-unit and property amenity packages offered by Park Apartments to be slightly superior relative to the Subject. In terms of unit sizes, Park Apartments offers larger one-bedroom unit sizes, smaller to slightly larger two-bedroom unit sizes, and smaller to larger three-bedroom unit sizes compared to the Subject’s proposed unit sizes. In overall terms, we believe the Subject will be a slightly inferior product relative to Park Apartments. However, given the slightly superior condition of the proposed Subject, we believe market rents for the Subject's units above the rents reported by Park Apartments are achievable.

The Greens At Chestnut Ridge is a 150-unit, garden-style apartment property located 3.4 miles from the Subject site, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 1991 and renovated in 2022. We consider the condition of this property slightly inferior relative to the Subject’s anticipated excellent condition. The manager at The Greens At Chestnut Ridge reported a low vacancy rate of 2.0 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with The Greens At Chestnut Ridge.

SUBJECT COMPARISON TO THE GREENS AT CHESTNUT RIDGE

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
1BR/1BA	\$1,200	654	\$1.83	\$1,275	674	\$1.89
2BR/2BA	\$1,525	1,056	\$1.44	\$1,655	926	\$1.79
2BR/2BA	\$1,475	912	\$1.62	\$1,655	926	\$1.79
3BR/2BA	\$1,675	1,082	\$1.55	\$1,820	1,122	\$1.62
3BR/2BA	\$1,750	1,309	\$1.34	\$1,820	1,122	\$1.62

The Greens At Chestnut Ridge offers fireplaces, in-unit washer/dryers, a basketball court, hot tub, swimming pool, and tennis court, all of which the Subject will lack. However, the Subject will offer coat closets, vinyl plank flooring in the living areas, a business center, central laundry facility, Wi-Fi in the community areas, and adult education, none of which are provided by The Greens At Chestnut Ridge. The in-unit and property amenity packages offered by The Greens At Chestnut Ridge are considered superior and slightly superior relative to the Subject's proposed amenities. In terms of unit sizes, The Greens At Chestnut Ridge offers slightly larger one-bedroom unit sizes, smaller to similar two-bedroom unit sizes, and smaller to slightly larger three-bedroom unit compared to the Subject’s proposed unit sizes. In overall terms, we believe the Subject will be an inferior

product relative to The Greens At Chestnut Ridge. Our concluded achievable market rents for the Subject's units are below the rents reported by The Greens At Chestnut Ridge.

Summary Evaluation of the Project

The Subject will be a newly constructed family-oriented LIHTC/PBV/Section 811. The strengths of the Subject will be its excellent condition upon completion. There are no identified weakness of the proposed Subject. The average vacancy rate among the surveyed LIHTC properties is low at 2.3 percent. Additionally, all of the surveyed LIHTC properties maintain waiting lists. The waiting lists at some of these LIHTC properties are extensive. Several property managers believe there is strong demand for additional affordable housing in the market. All of the comparable properties report achieving the 2023 maximum allowable rents at the 40, 50, 60 and 80 percent of AMI levels. Upon completion, we believe the Subject will be capable of achieving rents at the 2023 maximum allowable levels, absent subsidy. Our concluded achievable market rents are above the average rents of the surveyed market comparables but within the surveyed range. The Subject's achievable LIHTC rents at the 40, 50, 60, and 80 percent AMI levels offer a discount to the Novogradac estimate of achievable market rents.

Impact on Existing Housing Stock

All the data combined with interviews of real estate professionals demonstrate a continuing need for affordable housing over the foreseeable term. The comparables surveyed include a total of 870 units in eight rental properties. The LIHTC comparables in the area reported vacancy rates of 3.4 percent or lower, with one LIHTC comparable reporting 100 percent occupancy. Additionally, the high occupancy rates at the vast majority of market rate comparables in the PMA are evidence of a stable rental market and strong demand.

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

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

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

Introduction

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

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

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

Capture Rate Determination

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

1. PMA Demography
2. Income Qualified
3. Income Distribution
4. Income Eligible - Renter Households by Number of People in Household
5. Unit Size Appropriate
6. Capture Rate by Bedroom Mix

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

MARKET AREA

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

We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as the communities of Harrisonburg, Hinton, Rushville, Montezuma, Dayton, Bridgewater, Pleasant Valley, Massanetta Springs, and Keezletown, as well as portions of Singers Glen, Linville, Zenda, Penn Laird, Cross Keys, Mt. Crawford, Clover Hill, and Lilly. The PMA boundaries are: Armentrouth Path, Fridleys Gap Road, Fellowship Road, Longs Pump Road, Linville Edom Road, and Green Hill Road to the north; the Ridge-and-

Valley Appalachians mountain range, Cross Keys Road, and Port Republic Road to the east; Artillery Road, Friedens Church Road, Lee Highway, Airport Road, and Spring Creek Road to the south; and Spring Creek Road, Clover Hill Road, Whitmore Shop Road, Singers Glen Road to the west. The PMA encompasses 153 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The secondary market area (SMA) for the Subject is the Harrisonburg, VA Metropolitan Statistical Area (MSA), which consists of Rockingham County. The MSA encompasses 1,041 square miles.

Demographic Information

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

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

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

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who reach the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data for the given age-restriction proposed for the Subject. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Jurisdiction:	Harrisonburg City, VA
AMI for four-person household:	\$95,900
Tenancy:	Family
Affordability percentage:	35 percent
Leakage:	10 percent

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

First, we estimate the Subject's minimum and maximum income levels (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family-oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the applicable percentage to determine an income level. For example, if a

property has a one-bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent.

The 'As Proposed' scenario reflects the Subject as proposed with project-based subsidy for the restricted units. For the 'Absent Subsidy' scenario, we assume achievable LIHTC for the restricted units.

The 'As Proposed' scenario reflects the Subject as proposed with subsidy. In the 'Absent Subsidy' scenario, the minimum income limits are based on the achievable LIHTC rents. In the 'As Proposed' scenario, minimum income can be as low as \$0 for the units with project-based subsidy.

INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40% (PBV)		@40% (Sec 811)		@50%		@60%		@80%	
1BR	-	-	\$0	\$25,920	-	-	-	-	-	-
2BR	\$0	\$29,160	\$0	\$29,160	\$31,234	\$36,450	\$37,474	\$43,740	\$49,989	\$58,320
3BR	\$0	\$35,000	-	-	\$36,103	\$43,750	\$43,303	\$52,500	\$57,771	\$70,000

INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@40%		@50%		@60%		@80%	
1BR	\$20,811	\$25,920	-	-	-	-	-	-
2BR	\$24,994	\$29,160	\$31,234	\$36,450	\$37,474	\$43,740	\$49,989	\$58,320
3BR	\$28,869	\$35,000	\$36,103	\$43,750	\$43,303	\$52,500	\$57,771	\$70,000

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

RENTER HOUSEHOLD INCOME PMA

Income Cohort	2023		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,534	10.8%	1,395	9.8%	-28	-1.8%
\$10,000-19,999	2,056	14.4%	1,810	12.8%	-49	-2.4%
\$20,000-29,999	1,814	12.7%	1,716	12.1%	-20	-1.1%
\$30,000-39,999	1,930	13.5%	1,716	12.1%	-43	-2.2%
\$40,000-49,999	1,739	12.2%	1,674	11.8%	-13	-0.7%
\$50,000-59,999	1,244	8.7%	1,323	9.3%	16	1.3%
\$60,000-74,999	1,109	7.8%	1,189	8.4%	16	1.4%
\$75,000-99,999	1,097	7.7%	1,176	8.3%	16	1.4%
\$100,000-124,999	697	4.9%	790	5.6%	19	2.7%
\$125,000-149,999	324	2.3%	380	2.7%	11	3.5%
\$150,000-199,999	370	2.6%	469	3.3%	20	5.4%
\$200,000+	342	2.4%	546	3.8%	41	11.9%
Total	14,256	100.0%	14,184	100.0%		

Source: HISTA Data / Ribbon Demographics 2023, Novogradac, January 2024

Step Three – Income Distribution

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

cohort will be calculated. The sum of these calculations provides an estimate of the total number of households that are income-eligible, both by AMI level and in total.

FAMILY INCOME DISTRIBUTION 2023 - AS PROPOSED

Income Cohort	Total Renter Households	@40% (PBV)			@40% (Sec 811)			@50%			@60%			@80%			All Units			
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	
\$0-9,999	1,534	9,999	100.0%	1,534	9,999	100.0%	1,534													
\$10,000-19,999	2,056	9,999	100.0%	2,056	9,999	100.0%	2,056													
\$20,000-29,999	1,814	9,999	100.0%	1,814	9,160	91.6%	1,662													
\$30,000-39,999	1,930	5,000	50.0%	965				8,765	87.7%	1,692	2,525	25.3%	487							
\$40,000-49,999	1,739							3,750	37.5%	652	9,999	100.0%	1,739	10	0.1%	2	9,999	100.0%	1,739	
\$50,000-59,999	1,244										2,500	25.0%	311	9,999	100.0%	1,244	9,999	100.0%	1,244	
\$60,000-74,999	1,109													10,000	66.7%	739	10,000	66.7%	739	
\$75,000-99,999	1,097																			
\$100,000-124,999	697																			
\$125,000-149,999	324																			
\$150,000-199,999	370																			
\$200,000+	342																			
Total	14,256		44.7%	6,369		36.8%	5,252		16.4%	2,344		17.8%	2,537		13.9%	1,985		77.6%	11,056	

FAMILY INCOME DISTRIBUTION 2023 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@40%			@50%			@60%			@80%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	1,534															
\$10,000-19,999	2,056															
\$20,000-29,999	1,814	9,188	91.9%	1,667												
\$30,000-39,999	1,930	5,000	50.0%	965	8,765	87.7%	1,692	2,525	25.3%	487						
\$40,000-49,999	1,739				3,750	37.5%	652	9,999	100.0%	1,739						
\$50,000-59,999	1,244							2,500	25.0%	311	9,999	100.0%	1,244			
\$60,000-74,999	1,109										10,000	66.7%	739	10,000	66.7%	739
\$75,000-99,999	1,097															
\$100,000-124,999	697															
\$125,000-149,999	324															
\$150,000-199,999	370															
\$200,000+	342															
Total	14,256		18.5%	2,632		16.4%	2,344		17.8%	2,537		13.9%	1,985		51.3%	7,319

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

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

Step Five – Unit Size Appropriate

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

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

HOUSEHOLD DISTRIBUTION

HOUSEHOLD DISTRIBUTION		
1BR	90%	Of 1-person households in 1BR units
	20%	Of 2-person households in 1BR units
2BR	10%	Of 1-person households in 2BR units
	80%	Of 2-person households in 2BR units
	60%	Of 3-person households in 2BR units
	30%	Of 4-person households in 2BR units
3BR	40%	Of 3-person households in 3BR units
	40%	Of 4-person households in 3BR units
	50%	Of 5-person households in 3BR units

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

Step Six – Capture Rate by Bedroom Mix

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

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

Capture Rate - 40% (PBV) - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2023

	Renter Household Size Distribution	Total Number of Renter Households
1 person	32.1%	4,583
2 person	25.0%	3,557
3 person	15.7%	2,235
4 person	17.4%	2,481
5 person	9.8%	1,400
Total	100.0%	14,256

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,583	x	44.7%	2,048
2 person	3,557	x	44.7%	1,589
3 person	2,235	x	44.7%	999
4 person	2,481	x	44.7%	1,108
5 person	1,400	x	44.7%	625
Total	14,256			6,369

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	2,408
3BR	1,156
Total	3,563

Capture Rate Analysis - @40% (PBV)

	Developer's Unit Mix	Capture Rate
2BR	3	0.1%
3BR	5	0.4%
Total/Overall	8	0.2%
<i>Adjusted for Leakage from Outside of the PMA</i>		<i>10.0%</i>
2BR	3	0.1%
3BR	5	0.4%
Total/Overall	8	0.2%

Capture Rate - 40% (Section 811) - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2023

	Renter Household Size Distribution	Total Number of Renter Households
1 person	32.1%	4,583
2 person	25.0%	3,557
3 person	15.7%	2,235
4 person	17.4%	2,481
5 person	9.8%	1,400
Total	100.0%	14,256

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,583	x	36.8%	1,688
2 person	3,557	x	36.8%	1,310
3 person	2,235	x	36.8%	823
4 person	2,481	x	36.8%	914
5 person	1,400	x	36.8%	516
Total	14,256			5,252

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,782
2BR	1,985
Total	3,767

Capture Rate Analysis - @40% (Sec 811)

	Developer's Unit Mix	Capture Rate
1BR	8	0.4%
2BR	2	0.1%
Total/Overall	10	0.3%
<i>Adjusted for Leakage from Outside of the PMA</i>		<i>10.0%</i>
1BR	8	0.4%
2BR	2	0.1%
Total/Overall	10	0.2%

Capture Rate - 50% - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2023

	Renter Household Size Distribution	Total Number of Renter Households
1 person	32.1%	4,583
2 person	25.0%	3,557
3 person	15.7%	2,235
4 person	17.4%	2,481
5 person	9.8%	1,400
Total	100.0%	14,256

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,583	x	16.4%	754
2 person	3,557	x	16.4%	585
3 person	2,235	x	16.4%	367
4 person	2,481	x	16.4%	408
5 person	1,400	x	16.4%	230
Total	14,256			2,344

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	886
3BR	425
Total	1,311

Capture Rate Analysis - @50%

	Developer's Unit Mix	Capture Rate
2BR	16	1.8%
3BR	8	1.9%
Total/Overall	24	1.8%

Adjusted for Leakage from Outside of the PMA

10.0%

2BR	16	1.6%
3BR	8	1.7%
Total/Overall	24	1.6%

Capture Rate - 60% - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2023

	Renter Household Size Distribution	Total Number of Renter Households
1 person	32.1%	4,583
2 person	25.0%	3,557
3 person	15.7%	2,235
4 person	17.4%	2,481
5 person	9.8%	1,400
Total	100.0%	14,256

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,583	x	17.8%	816
2 person	3,557	x	17.8%	633
3 person	2,235	x	17.8%	398
4 person	2,481	x	17.8%	442
5 person	1,400	x	17.8%	249
Total	14,256			2,537

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	959
3BR	460
Total	1,420

Capture Rate Analysis - @60%

	Developer's Unit Mix	Capture Rate
2BR	11	1.1%
3BR	7	1.5%
Total/Overall	18	1.3%

Adjusted for Leakage from Outside of the PMA

10.0%

2BR	11	1.0%
3BR	7	1.4%
Total/Overall	18	1.1%

Capture Rate - 80% - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2023

	Renter Household Size Distribution	Total Number of Renter Households
1 person	32.1%	4,583
2 person	25.0%	3,557
3 person	15.7%	2,235
4 person	17.4%	2,481
5 person	9.8%	1,400
Total	100.0%	14,256

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,583	x	13.9%	638
2 person	3,557	x	13.9%	495
3 person	2,235	x	13.9%	311
4 person	2,481	x	13.9%	345
5 person	1,400	x	13.9%	195
Total	14,256			1,985

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
2BR	750
3BR	360
Total	1,111

Capture Rate Analysis - @80%

	Developer's Unit Mix	Capture Rate
2BR	10	1.3%
3BR	10	2.8%
Total/Overall	20	1.8%

Adjusted for Leakage from Outside of the PMA

10.0%

2BR	10	1.2%
3BR	10	2.5%
Total/Overall	20	1.6%

Capture Rate - All Units - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2023

	Renter Household Size Distribution	Total Number of Renter Households
1 person	32.1%	4,583
2 person	25.0%	3,557
3 person	15.7%	2,235
4 person	17.4%	2,481
5 person	9.8%	1,400
Total	100.0%	14,256

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,583	x	77.6%	3,554
2 person	3,557	x	77.6%	2,759
3 person	2,235	x	77.6%	1,733
4 person	2,481	x	77.6%	1,924
5 person	1,400	x	77.6%	1,086
Total	14,256			11,056

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	3,751
2BR	4,180
3BR	2,006
Total	9,936

Capture Rate Analysis - All Units

	Developer's Unit Mix	Capture Rate
1BR	8	0.2%
2BR	42	1.0%
3BR	30	1.5%
Total/Overall	80	0.8%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	8	0.2%
2BR	42	0.9%
3BR	30	1.3%
Total/Overall	80	0.7%

Capture Rate - 40% - Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2023

	Renter Household Size Distribution	Total Number of Renter Households
1 person	32.1%	4,583
2 person	25.0%	3,557
3 person	15.7%	2,235
4 person	17.4%	2,481
5 person	9.8%	1,400
Total	100.0%	14,256

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,583	x	18.5%	846
2 person	3,557	x	18.5%	657
3 person	2,235	x	18.5%	413
4 person	2,481	x	18.5%	458
5 person	1,400	x	18.5%	258
Total	14,256			2,632

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	893
2BR	995
3BR	478
Total	2,365

Capture Rate Analysis - @40%

	Developer's Unit Mix	Capture Rate
1BR	8	0.9%
2BR	5	0.5%
3BR	5	1.0%
Total/Overall	18	0.8%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	8	0.8%
2BR	5	0.5%
3BR	5	0.9%
Total/Overall	18	0.7%

Capture Rate - All Units – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2023

	Renter Household Size Distribution	Total Number of Renter Households
1 person	32.1%	4,583
2 person	25.0%	3,557
3 person	15.7%	2,235
4 person	17.4%	2,481
5 person	9.8%	1,400
Total	100.0%	14,256

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	4,583	x	51.3%	2,353
2 person	3,557	x	51.3%	1,826
3 person	2,235	x	51.3%	1,147
4 person	2,481	x	51.3%	1,274
5 person	1,400	x	51.3%	719
Total	14,256			7,319

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,483
2BR	2,767
3BR	1,328
Total	6,578

Capture Rate Analysis - All Units (Absent Subsidy)

	Developer's Unit Mix	Capture Rate
1BR	8	0.3%
2BR	42	1.5%
3BR	30	2.3%
Total/Overall	80	1.2%

Adjusted for Leakage from Outside of the PMA

10.0%

1BR	8	0.3%
2BR	42	1.4%
3BR	30	2.0%
Total/Overall	80	1.1%

ANNUAL CAPTURE RATE ANALYSIS

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

Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population change from 2023 to 2028. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

New Construction/Development

To determine the amount of competitive new supply entering the market, we consulted a January 2024 CoStar report, as well as the Virginia Housing’s listing of LIHTC allocations from 2020 to present. Currently, there are four known planned market rate developments within the Subject’s PMA.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
4% Component	LIHTC	Senior	84	0	N/A	Proposed	Adjacent
Harrisonburg Apartments	Market	Family	266	0	N/A	Proposed	2.8 miles
46 Mount Clinton Pike	Market	Family	58	0	N/A	Proposed	4.0 miles
Valley View Village	Market	Family	400	0	N/A	Proposed	2.6 miles
81 Wilson Ave	Market	Family	34	0	N/A	Proposed	3.9 miles
Totals			842	0			

Source: Virginia Housing and CoStar, January 2024

- There will be a phase of the Subject’s larger overall development that will consist of 84 units targeting seniors. The developer plans to submit an application for four percent tax credits after they receive the nine percent tax credit reservation for the Subject. This development will be located adjacent to the Subject on the same site. Upon completion this phase will offer 84 units targeting seniors (55+) earning 60 percent of the AMI, or less. As this phase of the Subject’s larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis.

Overall, there are a total of 842 proposed units. As all of these proposed units are market rate units or will target a different tenancy that will not be directly competitive with the Subject, we have not deducted any units from our demand analysis.

Annual Demand – As Proposed

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2023		14,256
Increase in Number of Renter Households		(72)
Number of Renter Households in 2028		14,184
<i>Existing Demand</i>		
% of Total Households that are Renter		45.6%
% of Income-Qualified Renter Households		77.6%
Number of Income-Qualified Renter Households		11,056
Percentage Rent-Overburdened		37.1%
Existing Income-Qualified Renter Household Turnover		4,101
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		(14)
% of Income-Qualified Renter Households		77.6%
New Rental Income Qualified Households		(11)
<i>Capture Rate Analysis</i>		
Number of Revenue Units in Subject		80
Occupied Units at Subject With Vacancy of:	5.0%	76
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		4,089
Portion Originating within PMA		90.0%
Total Demand (Turnover and Growth)		4,544
Less: Existing Projects in Absorption Process (# Units)	0	
Total Demand after Competition (Turnover and Growth)		4,544
Yielded Annual Capture Rate of Available Demand in 2023		1.7%

It should be noted that the Subject’s larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report. As this phase of the Subject’s larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis.

Annual Demand - Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2023		14,256
Increase in Number of Renter Households		(72)
Number of Renter Households in 2028		14,184
<i>Existing Demand</i>		
% of Total Households that are Renter		45.6%
% of Income-Qualified Renter Households		51.3%
Number of Income-Qualified Renter Households		7,319
Percentage Rent-Overburdened		37.1%
Existing Income-Qualified Renter Household Turnover		2,715
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		(14)
% of Income-Qualified Renter Households		51.3%
New Rental Income Qualified Households		(7)
<i>Capture Rate Analysis</i>		
Number of Revenue Units in Subject		80
Occupied Units at Subject With Vacancy of:	5.0%	76
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		2,707
Portion Originating within PMA		90.0%
Total Demand (Turnover and Growth)		3,008
Less: Existing LIHTC Projects in Absorption Process (# Units)	0	
Total Demand after Competition (Turnover and Growth)		3,008
Yielded Annual Capture Rate of Available Demand in 2023		2.5%

It should be noted that the Subject’s larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report. As this phase of the Subject’s larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis.

VIRGINIA HOUSING DEMAND ANALYSIS

We have also included the required demand table from the Virginia Housing market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject site. The supply illustrates all proposed or under construction units in the PMA. We determined that there are no proposed competitive affordable units in the PMA. Existing vacancies in the PMA are based on the vacancies at the five directly comparable LIHTC properties in the PMA.

Virginia Housing Demand Table – As Proposed

We have determined the overall LIHTC weighted average vacancy rate among comparable properties is 2.3 percent. As noted previously, there are six directly comparable affordable properties in the PMA. Four of these properties are used as comparables in this report and reported a total of seven vacant units. We have deducted these seven units from these properties in our analysis. There are no proposed competitive units in the PMA; therefore, no properties have been deducted in our analysis.

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

VIRGINIA HOUSING DEMAND ANALYSIS (AS PROPOSED)						
Income Restrictions	Up to 40% (PBV) (\$0 - \$35,000)	Up to 40% (Section 811) (\$0 to \$29,160)	Up to 50% (\$31,234 - \$43,750)	Up to 60% (\$37,474 - \$52,500)	Up to 80% (\$49,989 - \$70,000)	Project Total (\$0 - \$70,000)
New Rental Households	-32	-26	-12	-13	-10	-56
+						
Existing Households - Overburdened	2,363	1,948	870	941	736	4,102
+						
Existing Households - Substandard Housing	139	114	51	55	43	241
+						
Senior Households - Likely to Convert to Rental	0	0	0	0	0	0
+						
Total Demand	2,470	2,036	909	984	770	4,287
-						
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	7	7	7	7	7	7
Net Demand	2,463	2,029	902	977	763	4,280
Proposed Units	8	10	24	18	20	80
Capture Rate	0.3%	0.5%	2.7%	1.8%	2.6%	1.9%
Absorption Period	Less than 1 month	1 month	2 months	1 month	2 months	8 months

- **New Rental Households:** The number of new renter households was calculated previously in Annual Demand using the increase in renter households per annum and the percentage of income-qualified renter households.
- **Existing Households – Overburdened:** We calculated the number of existing households that are rent-overburdened using the percentage of households that are rent-overburdened in the PMA (37.1 percent) and the total number of income-qualified renter households in the PMA.
- **Existing Households – Substandard Housing:** We calculated the number of existing households that are living in substandard housing using the percentage of households that are living in substandard housing in the PMA (2.18 percent) and the total number of income-qualified renter households in the PMA.
- **Absorption Period:** We calculated the absorption period for each AMI level and the project total by applying our concluded absorption rate of 10 units per month to the number of proposed units.

It should be noted that the Subject’s larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report. As this phase of the Subject’s larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis.

In our previous demand calculations and discussions, we used a leakage rate of 10 percent, as these calculations do not take into account former homeowners. Virginia Housing does not require a capture rate calculation with leakage. However, according to the Virginia Housing guidelines, “the analyst is free to state other measures of demand in the body of the report.”

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

Project Wide Capture Rate - LIHTC Units	1.9%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	1.9%
Project Wide Absorption Period (Months)	8 months

Virginia Housing Demand Table – Absent Subsidy

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

VIRGINIA HOUSING DEMAND ANALYSIS (ABSENT SUBSIDY)					
Income Restrictions	Up to 40% (\$20,811 - \$35,000)	Up to 50% (\$31,234 - \$43,750)	Up to 60% (\$37,474 - \$52,500)	Up to 80% (\$49,949 - \$70,000)	Project Total (\$20,811 - \$70,000)
New Rental Households	-13	-12	-13	-10	-37
+					
Existing Households - Overburdened	976	870	941	736	2,715
+					
Existing Households - Substandard Housing	57	51	55	43	160
+					
Senior Households - Likely to Convert to Rental	0	0	0	0	0
+					
Total Demand	1,021	909	984	770	2,838
-					
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	7	7	7	7	7
Net Demand	1,014	902	977	763	2,831
Proposed Units	18	24	18	20	80
Capture Rate	1.8%	2.7%	1.8%	2.6%	2.8%
Absorption Period	1 month	2 months	1 month	2 months	8 months

- **New Rental Households:** The number of new renter households was calculated previously in Annual Demand using the increase in renter households per annum and the percentage of income-qualified renter households.
- **Existing Households – Overburdened:** We calculated the number of existing households that are rent-overburdened using the percentage of households that are rent-overburdened in the PMA (37.1 percent) and the total number of income-qualified renter households in the PMA.
- **Existing Households – Substandard Housing:** We calculated the number of existing households that are living in substandard housing using the percentage of households that are living in substandard housing in the PMA (2.18 percent) and the total number of income-qualified renter households in the PMA.
- **Absorption Period:** We calculated the absorption period for each AMI level and the project total by applying our concluded absorption rate of 10 units per month to the number of proposed units.

It should be noted that the Subject’s larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report. As this phase of the Subject’s larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis.

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

Project Wide Capture Rate - LIHTC Units	2.8%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.8%
Project Wide Absorption Period (Months)	8 months

Capture Rate and Virginia Housing Conclusion

The Novogradac demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units indicates a capture rate of 1.9 percent as proposed and 2.8 percent absent subsidy.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a more conservative annual capture rate. This annual Novogradac capture rate is 1.7 percent as proposed, indicating that there are 4,544 units of demand in the PMA in the first year of the Subject’s operation. Absent subsidy, the capture rate is 2.5 percent, indicating that there are 3,008 units of demand in the PMA in the first year of the Subject’s operation. These capture rates are very low, indicating sufficient demand for additional affordable rental housing in the market.

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

Project Wide Capture Rate - LIHTC Units	1.9%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	1.9%
Project Wide Absorption Period (Months)	8 months

The following table illustrates the conclusions from this table in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	2.8%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.8%
Project Wide Absorption Period (Months)	8 months

These capture rates are very low. We believe there is sufficient demand for the Subject based on the high occupancy rates among the majority of the LIHTC comparables, as well as the prevalence of waiting lists at all of LIHTC comparables.

PENETRATION RATE ANALYSIS

This calculation derives an estimated Penetration Rate. We will present two different methodologies for the Penetration Rate calculation. In Methodology One, we calculate a Penetration Rate with the Subject focus. In this methodology, the Penetration Rate is calculated by subtracting out existing LIHTC units and proposed LIHTC units in the PMA and then dividing the Subject's total number of units by the remaining demand after competition.

In Methodology Two, we calculate a Penetration Rate with a market focus. In this methodology, the Penetration Rate is calculated by totaling all existing and proposed (including the Subject) competitive affordable units within the PMA, and dividing by the total number of income eligible renter households. Penetration Rates are more difficult to calculate in urban areas with a significant volume of affordable housing, as it is difficult to obtain detailed information on all the True comparable properties that make up the supply and to obtain detail on the various AMI levels at the properties.

The following table illustrates the LIHTC properties within the Primary Market Area.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units	Competitive Subsidized Units
Chestnut Ridge Apartments I	LIHTC	Family	100	100	0
Chestnut Ridge Apartments II	LIHTC	Family	48	48	0
Mosby Heights Apartments	LIHTC/Section 8	Family	112	0	112
Robinson Park	LIHTC	Family	40	40	0
The Colonnade At Rocktown	LIHTC/Market	Family	66	60	0
Harris Gdns Sec II	Section 8	Family	200	0	200
Heritage Haven	Section 8	Senior	160	0	0
Lineweaver Annex Apts.	Section 8/LIHTC	Senior	60	0	0
Commerce Village	LIHTC/PSH	Homeless/Disabled	30	0	0
Totals			816	248	312

As shown above, there are 560 competitive affordable units in the PMA as proposed. This includes 248 LIHTC units and 312 subsidized units. Absent subsidy, there are 248 competitive LIHTC units, which excludes the 312 units with subsidy. These units are deducted from our analysis.

Penetration Rate - As Proposed

As shown in the income distribution previously, there are 11,056 income eligible renter households in the PMA for the Subject's units as proposed. It should be noted that the Subject's larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report. As this phase of the Subject's larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis. The following table illustrates our penetration rate using Methodology One.

PENETRATION RATE - METHODOLOGY ONE - AS PROPOSED

Income Eligible Households - All AMI Levels	11,056
Number of Proposed Competitive Affordable Family Units in the PMA	0
Number of Existing Competitive Affordable Family Units in the PMA	560
Remaining Income Eligible Renter Households	10,496
Number of Proposed Family Units at the Subject	80
Overall Penetration Rate - Subject Focus	0.8%

For Methodology One, after deductions for existing and proposed competitive units in the PMA, the resulting penetration rate is 0.8 percent.

PENETRATION RATE - METHODOLOGY TWO - AS PROPOSED	
Number of Proposed Competitive Affordable Family Units in the PMA	0
	+
Number of Existing Competitive Affordable Family Units in the PMA	560
	+
Number of Proposed Family Units at the Subject	80
	=
Total	640
	/
Income Eligible Households - All AMI Levels	11,056
	=
Overall Penetration Rate - Market Focus (NCHMA)	5.8%

After deductions for existing and proposed competitive units in the PMA, the resulting penetration rate is 5.8 percent.

Penetration Rate - Absent Subsidy

As shown in the income distribution previously, there are 7,319 income eligible renter households in the PMA for the Subject's units absent a subsidy. It should be noted that the Subject's larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report. As this phase of the Subject's larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis. The following table illustrates our penetration rate using Methodology One.

PENETRATION RATE - METHODOLOGY ONE - ABSENT SUBSIDY	
Income Eligible Households - All AMI Levels	7,319
Number of Proposed Competitive LIHTC Family Units in the PMA	0
Number of Existing Competitive LIHTC Family Units in the PMA	248
Remaining Income Eligible Renter Households	7,071
Number of Proposed Family Units at the Subject	80
Overall Penetration Rate - Subject Focus	1.1%

After deductions for existing and proposed competitive units in the PMA, the resulting penetration rate, absent subsidy, is 1.1 percent.

PENETRATION RATE - METHODOLOGY TWO - ABSENT SUBSIDY	
Number of Proposed Competitive LIHTC Family Units in the PMA	0
	+
Number of Existing Competitive LIHTC Family Units in the PMA	248
	+
Number of Proposed Family Units at the Subject	80
	=
Total	328
	/
Income Eligible Households - All AMI Levels	7,319
	=
Overall Penetration Rate - Market Focus (NCHMA)	4.5%

After deductions for existing and proposed competitive units in the PMA, the resulting penetration rate, absent subsidy, is 4.5 percent.

Demand Conclusions

The demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 0.7 percent, as proposed, and 1.1 percent, absent subsidy.

DEMAND CONCLUSIONS

Calculation	As Proposed	Absent Subsidy
@40% (PBV)	0.2%	0.7%
@40% (Sec 811)	0.2%	0.7%
@50%	1.6%	-
@60%	1.1%	-
@80%	1.6%	-
All Units	0.7%	1.1%
Annual Demand	1.7%	2.5%
Penetration Rate Methodology One	0.8%	1.1%
Penetration Rate Methodology Two	5.8%	4.4%

These capture rates are reasonable taking into account the other indications of demand such as low vacancy rates and waiting lists reported by the comparable properties. The Demand Analysis illustrates demand for the Subject based on captures rates of income-eligible renter households. The annual demand calculation indicates there are approximately 4,544 units and 3,008 units of demand in the first year of the Subject's operation for the Subject's as proposed and absent subsidy scenarios, respectively. The Subject will need to accommodate 76 units of demand in order to stabilize at five percent vacancy. The demand analysis illustrates adequate demand for the Subject's units. Additionally, all penetration rates as proposed and absent subsidy are low and indicative of demand for additional affordable housing supply such as the Subject. The Virginia Housing net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table in the as proposed scenario. It should be noted that the Subject's larger overall development will include another phase that will consist of 84 units targeting senior households earning 60 percent of the AMI, or less. An analysis of this phase is outside the scope of this report. As this phase of the Subject's larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis.

Project Wide Capture Rate - LIHTC Units	1.9%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	1.9%
Project Wide Absorption Period (Months)	8 months

The following table illustrates the conclusions from this table in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	2.8%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.8%
Project Wide Absorption Period (Months)	8 months

These capture rates are very low. We believe there is sufficient demand for the Subject based on the high occupancy rates among the majority of the LIHTC comparables, as well as the prevalence of waiting lists at all of LIHTC comparables.

Absorption Estimate

The following table details the absorption paces of recently completed properties in the Harrisonburg region.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Brookdale Apartments	LIHTC	Family	Charlottesville	2019	96	8	35.3 miles
Round Hill Meadows	LIHTC	Family	Orange	2013	100	10	44.0 miles
Treesdale Apartments	LIHTC	Family	Charlottesville	2012	88	11	32.4 miles
Average Affordable					95	10	
Average Market					N/A	N/A	
Overall Average					95	10	

It should be noted that we were only able to obtain absorption data for one property in Harrisonburg, Altitude At Stone Port, and this property is a student housing development that reported an absorption rate of 18 units per month. Due to the tenancy of Altitude At Stone Port, we obtained additional absorption data from three properties within 45.0 miles of the Subject in Charlottesville and Orange. These properties were completed over the 2012 to 2019 period. These properties reported absorption rates ranging from eight to 11 units per month, with an overall average of 10 units per month. Overall, we expect the Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately eight months.

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

INTERVIEWS

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

Virginia Housing

Virginia Housing has contracted the Harrisonburg Redevelopment and Housing Authority (HRHA) to administer the Housing Choice Voucher program in the City of Harrisonburg and Rockingham County. We contacted the HRHA in order to obtain further information regarding the Housing Choice Voucher program and we were directed to the organization’s website for further information. According to that website, FRHA administers a total of 958 vouchers. The waiting list is currently open. The following table details gross payment standards per Virginia Housing, effective January 1, 2024.

PAYMENT STANDARDS

Unit Type	Payment Standard
One-Bedroom	\$1,019
Two-Bedroom	\$1,323
Three-Bedroom	\$1,780

Source: Virginia Housing, effective January 2024

All of the payment standards for the LIHTC only units except for the Subject’s proposed two-bedroom 80 percent AMI rents are above the Subject’s proposed gross LIHTC rents, indicating that voucher tenants in these units will not have to pay additional rent out of pocket. The payment standards are below the Subject’s proposed one and two-bedroom 80 percent AMI rents, indicating that vouchers holders in these units would need to pay additional rents out of pocket.

Planning Discussion

To determine the amount of competitive new supply entering the market, we consulted a January 2024 CoStar report, as well as the Virginia Housing’s listing of LIHTC allocations from 2020 to present. Currently, there are four known planned market rate developments within the Subject’s PMA.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
4% Component	LIHTC	Senior	84	0	N/A	Proposed	Adjacent
Harrisonburg Apartments	Market	Family	266	0	N/A	Proposed	2.8 miles
46 Mount Clinton Pike	Market	Family	58	0	N/A	Proposed	4.0 miles
Valley View Village	Market	Family	400	0	N/A	Proposed	2.6 miles
81 Wilson Ave	Market	Family	34	0	N/A	Proposed	3.9 miles
Totals			842	0			

Source: Virginia Housing and CoStar, January 2024

- There will be a phase of the Subject’s larger overall development that will consist of 84 units targeting seniors. The developer plans to submit an application for four percent tax credits after they receive the nine percent tax credit reservation for the Subject. This development will be located adjacent to the Subject on the same site. Upon completion this phase will offer 84 units targeting seniors (55+) earning 60 percent of the AMI, or less. As this phase of the Subject’s larger overall development will target a senior tenancy it will not be considered directly competitive with the Subject. As such, we have not deducted any units in our demand analysis.

Overall, there are a total of 842 proposed units. As all of these proposed units are market rate units or will target a different tenancy that will not be directly competitive with the Subject, we have not deducted any units from our demand analysis.

K. ANALYSIS/CONCLUSIONS

Recommendations

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

Demand Summary

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

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

Project Wide Capture Rate - LIHTC Units	1.9%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	1.9%
Project Wide Absorption Period (Months)	8 months

The following table illustrates the conclusions from this table in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	2.8%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	2.8%
Project Wide Absorption Period (Months)	8 months

These capture rates are very low. We believe there is sufficient demand for the Subject based on the high occupancy rates among the majority of the LIHTC comparables, as well as the prevalence of waiting lists at all of LIHTC comparables.

Strengths

- The Subject will exhibit excellent condition as a new construction development, slightly superior to superior to the comparable properties.
- The Subject will offer a midrise, elevator-serviced design, similar to slightly superior to the comparables.
- All of the LIHTC comparable properties reported maintaining waiting lists. The waiting lists at some of these LIHTC properties are extensive.
- All of the comparable LIHTC properties reported achieving maximum allowable rents.
- There is ample demand for affordable housing as evidenced by low capture rates and low vacancy rates, at the comparable properties.

Weaknesses

- There are no identified weaknesses of the proposed Subject.

Absorption Estimate

The following table details the absorption paces of recently completed properties in the Harrisonburg region.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Brookdale Apartments	LIHTC	Family	Charlottesville	2019	96	8	35.3 miles
Round Hill Meadows	LIHTC	Family	Orange	2013	100	10	44.0 miles
Treesdale Apartments	LIHTC	Family	Charlottesville	2012	88	11	32.4 miles
Average Affordable					95	10	
Average Market					N/A	N/A	
Overall Average					95	10	

It should be noted that we were only able to obtain absorption data for one property in Harrisonburg, Altitude At Stone Port, and this property is a student housing development that reported an absorption rate of 18 units per month. Due to the tenancy of Altitude At Stone Port, we obtained additional absorption data from three properties within 45.0 miles of the Subject in Charlottesville and Orange. These properties were completed over the 2012 to 2019 period. These properties reported absorption rates ranging from eight to 11 units per month, with an overall average of 10 units per month. Overall, we expect the Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately eight months.

Conclusions

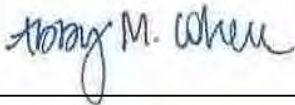
The Subject will be well-positioned in the market. As a newly constructed, the Subject will be in slightly superior to superior condition relative to the majority of the comparable properties. The market exhibits strong demand for affordable housing, with a weighted average vacancy rate of 2.3 percent at the comparable LIHTC properties. All of the LIHTC properties reported operating with a waiting list. Given the Subject’s superior condition upon completion we believe the Subject’s LIHTC rents should be priced at the maximum allowable levels in an absent subsidy scenario. Our achievable LIHTC rents are priced similar to the comparables, and similar to the proposed rents. We believe the Subject will be well-accepted in the market as a newly constructed LIHTC/PBV/ Section 811 property, and the concluded achievable LIHTC rents offer a market rent advantage.

L. OTHER REQUIREMENTS

Pursuant to Virginia Housing Requirements, we certify:

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

Novogradac,



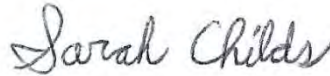
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March 13, 2024

Date

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM B
Subject Property and Neighborhood Photographs

SUBJECT PHOTOS



Subject site



Subject site



Subject site



Subject site



Subject site



Subject site



View from the Subject site south along Pear Street



View from the Subject site north along Pear Street



View east along West Mosby Road



View west along West Mosby Road



Millwood Townhomes (owner-occupied) south of the Subject site



Manufactured homes west of the Subject site



Single-family home in the Subject's neighborhood



Single-family home directly west of the Subject site



Single-family home directly west of the Subject site



Single-family home in the Subject's neighborhood



Single-family home north of the Subject site



Single-family home north of the Subject site



Retail uses east of the Subject site



Retail uses east of the Subject site



Retail uses east of the Subject site



Automotive repair shop west of the Subject site



Retail uses southeast of the Subject site



Retail uses east of the Subject site

ADDENDUM C
Subject Matrices and Property Profile

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	BJS Harrisonburg Family I 280 W Mosby Rd Harrisonburg, VA 22801 Harrisonburg County	-	Midrise 4-stories 2026 / n/a Family	@40% (PBV), @40% (Sec 811), @50%, @60%, @80%	1BR / 1BA	8	10.0%	654	@40% (Sec 811)	\$813	N/A	N/A	N/A	N/A
					2BR / 2BA	1	1.3%	912	@40% (PBV)	\$1,063	N/A	N/A	N/A	N/A
					2BR / 2BA	2	2.5%	1,056	@40% (PBV)	\$1,063	N/A	N/A	N/A	N/A
					2BR / 2BA	2	2.5%	1,056	@40% (Sec 811)	\$1,063	N/A	N/A	N/A	N/A
					2BR / 2BA	16	20.0%	912	@50%	\$771	Yes	N/A	N/A	N/A
					2BR / 2BA	11	13.8%	912	@60%	\$953	Yes	N/A	N/A	N/A
					2BR / 2BA	10	12.5%	912	@80%	\$1,318	Yes	N/A	N/A	N/A
					3BR / 2BA	1	1.3%	1,082	@40% (PBV)	\$1,454	N/A	N/A	N/A	N/A
					3BR / 2BA	4	5.0%	1,309	@40% (PBV)	\$1,454	N/A	N/A	N/A	N/A
					3BR / 2BA	8	10.0%	1,082	@50%	\$888	Yes	N/A	N/A	N/A
3BR / 2BA	7	8.8%	1,082	@60%	\$1,098	Yes	N/A	N/A	N/A					
3BR / 2BA	10	12.5%	1,082	@80%	\$1,520	Yes	N/A	N/A	N/A					
					<u>80</u>									
1	Chestnut Ridge Apartments I 181 Chestnut Ridge Drive Harrisonburg, VA 22801 Rockingham County	3.2 miles	Garden 3-stories 1998 / n/a Family	@60%	2BR / 2BA	80	80.0%	988	@60%	\$1,138	Yes	No	3	3.8%
					3BR / 2BA	20	20.0%	1,128	@60%	\$1,307	Yes	Yes	0	0.0%
					<u>100</u>								3	3.0%
2	Chestnut Ridge Apartments II 181 Chestnut Ridge Drive Harrisonburg, VA 22801 Rockingham County	3.2 miles	Garden 3-stories 1999 / n/a Family	@60%	2BR / 2BA	36	75.0%	988	@60%	\$1,138	Yes	No	0	0.0%
					3BR / 2BA	12	25.0%	1,128	@60%	\$1,307	Yes	Yes	0	0.0%
					<u>48</u>								0	0.0%
3	Robinson Park 2280 Bullpen Drive Harrisonburg, VA 22801 Rockingham County	2.5 miles	Garden 3-stories 2017 / n/a Family	@40%, @50%, @60%	1BR / 1BA	12	13.6%	660	@40%	\$506	Yes	Yes	N/A	N/A
					2BR / 2BA	44	50.0%	884	@40%	\$658	Yes	Yes	N/A	N/A
					2BR / 2BA	N/A	N/A	884	@50%	\$766	Yes	Yes	N/A	N/A
					2BR / 2BA	N/A	N/A	884	@60%	\$1,087	Yes	Yes	N/A	N/A
					3BR / 2BA	32	36.4%	1,048	@60%	\$948	Yes	Yes	N/A	N/A
					<u>88</u>								3	3.4%
4	The Colonnade At Rocktown 351 N Mason Street Harrisonburg, VA 22802 Rockingham County	2.9 miles	Lowrise 4-stories 2010 / n/a Family	@60%, Market	1BR / 1BA	6	9.1%	717	@60%	\$805	Yes	Yes	N/A	N/A
					2BR / 1.5BA	42	63.6%	988	@60%	\$971	Yes	Yes	N/A	N/A
					2BR / 1.5BA	6	9.1%	988	Market	\$1,250	N/A	Yes	0	0.0%
					3BR / 2BA	12	18.2%	1,138	@60%	\$1,117	Yes	Yes	N/A	N/A
					<u>66</u>								1	1.5%
5	Deer Run Apartments 899 Port Republic Road Harrisonburg, VA 22801 Rockingham County	1.7 miles	Garden 3-stories 1981 / n/a Family	Market	1BR / 1BA	24	16.7%	679	Market	\$1,296	N/A	Yes	0	0.0%
					2BR / 1BA	N/A	N/A	879	Market	\$1,526	N/A	Yes	N/A	N/A
					2BR / 1BA	72	50.0%	879	Market	\$1,480	N/A	Yes	N/A	N/A
					3BR / 2BA	48	33.3%	924	Market	\$1,664	N/A	Yes	N/A	N/A
					<u>144</u>								6	4.2%
6	Longview Oaks Apartments 480 Vine Street Harrisonburg, VA 22802 Rockingham County	3.8 miles	Garden 2-stories 1988 / n/a Family	Market	1BR / 1BA	N/A	N/A	680	Market	\$1,246	N/A	Yes	1	N/A
					1BR / 1BA	N/A	N/A	680	Market	\$1,146	N/A	Yes	1	N/A
					2BR / 1BA	N/A	N/A	860	Market	\$1,430	N/A	Yes	0	N/A
					2BR / 1BA	N/A	N/A	980	Market	\$1,460	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	980	Market	\$1,455	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	1,160	Market	\$1,485	N/A	Yes	0	N/A
					3BR / 2BA	N/A	N/A	1,160	Market	\$1,714	N/A	Yes	0	N/A
					3BR / 2BA	N/A	N/A	1,160	Market	\$1,614	N/A	Yes	0	N/A
					<u>138</u>								2	1.4%
7	Park Apartments 200 Rocco Avenue Harrisonburg, VA 22801 Rockingham County	1.0 miles	Garden 2-stories 1990 / 2014/2021 Family	Market	1BR / 1BA	10	7.4%	479	Market	\$953	N/A	Yes	0	0.0%
					1BR / 1BA	10	7.4%	644	Market	\$1,068	N/A	Yes	0	0.0%
					1BR / 1BA	10	7.4%	729	Market	\$1,098	N/A	N/A	0	0.0%
					2BR / 1BA	20	14.7%	909	Market	\$1,064	N/A	Yes	0	0.0%
					2BR / 2BA	48	35.3%	912	Market	\$1,171	N/A	Yes	0	0.0%
					2BR / 2BA	N/A	N/A	957	Market	\$1,181	N/A	Yes	0	N/A
					3BR / 2BA	38	27.9%	1,204	Market	\$1,283	N/A	Yes	0	0.0%
					<u>136</u>								0	0.0%
8	The Greens At Chestnut Ridge 128 Chestnut Ridge Drive Harrisonburg, VA 22801 Rockingham County	3.4 miles	Garden 2-stories 1991 / 2022 Family	Market	1BR / 1BA	38	25.3%	674	Market	\$1,275	N/A	No	0	0.0%
					2BR / 1BA	N/A	N/A	894	Market	\$1,640	N/A	No	1	N/A
					2BR / 1BA	39	26.0%	894	Market	\$1,400	N/A	No	0	0.0%
					2BR / 2BA	43	28.7%	926	Market	\$1,655	N/A	No	1	2.3%
					3BR / 2BA	30	20.0%	1,122	Market	\$1,820	N/A	No	1	3.3%
					<u>150</u>								3	2.0%

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

		Units Surveyed:	870	Weighted Occupancy:	97.9%	
		Market Rate	568	Market Rate	98.1%	
		Tax Credit	302	Tax Credit	97.7%	
		One Bedroom One Bath		Two Bedroom Two Bath		
		Property	Average	Property	Average	
				Three Bedroom Two Bath		
				Property	Average	
RENT	Deer Run Apartments (Market)	\$1,296	The Greens At Chestnut Ridge (Market)	\$1,655	The Greens At Chestnut Ridge (Market)	\$1,820
	The Greens At Chestnut Ridge (Market)	\$1,275	The Greens At Chestnut Ridge (Market)(1BA)	\$1,640	Longview Oaks Apartments (Market)	\$1,714
	Longview Oaks Apartments (Market)	\$1,246	Deer Run Apartments (Market)(1BA)	\$1,526	Deer Run Apartments (Market)	\$1,664
	Longview Oaks Apartments (Market)	\$1,146	Longview Oaks Apartments (Market)	\$1,485	Longview Oaks Apartments (Market)	\$1,614
	Park Apartments (Market)	\$1,098	Deer Run Apartments (Market)(1BA)	\$1,480	BJS Harrisonburg Family I (@80%)	\$1,520
	Park Apartments (Market)	\$1,068	Longview Oaks Apartments (Market)(1BA)	\$1,460	BJS Harrisonburg Family I (@40%)	\$1,454
	Park Apartments (Market)	\$953	Longview Oaks Apartments (Market)	\$1,455	BJS Harrisonburg Family I (@40%)	\$1,454
	BJS Harrisonburg Family I (@40%)	\$813	Longview Oaks Apartments (Market)(1BA)	\$1,430	Chestnut Ridge Apartments II (@60%)	\$1,307
	The Colonnade At Rocktown (@60%)	\$805	The Greens At Chestnut Ridge (Market)(1BA)	\$1,400	Chestnut Ridge Apartments I (@60%)	\$1,307
	Robinson Park (@40%)	\$506	BJS Harrisonburg Family I (@80%)	\$1,318	Park Apartments (Market)	\$1,283
			The Colonnade At Rocktown (Market)(1.5BA)	\$1,250	The Colonnade At Rocktown (@60%)	\$1,117
			Park Apartments (Market)	\$1,181	BJS Harrisonburg Family I (@60%)	\$1,098
			Park Apartments (Market)	\$1,171	Robinson Park (@60%)	\$948
			Chestnut Ridge Apartments I (@60%)	\$1,138	BJS Harrisonburg Family I (@50%)	\$888
			Chestnut Ridge Apartments II (@60%)	\$1,138		
			Robinson Park (@60%)	\$1,087		
			Park Apartments (Market)(1BA)	\$1,064		
			BJS Harrisonburg Family I (@40%)	\$1,063		
			BJS Harrisonburg Family I (@40%)	\$1,063		
			BJS Harrisonburg Family I (@40%)	\$1,063		
			The Colonnade At Rocktown (@60%)(1.5BA)	\$971		
			BJS Harrisonburg Family I (@60%)	\$953		
			BJS Harrisonburg Family I (@50%)	\$771		
		Robinson Park (@50%)	\$766			
		Robinson Park (@40%)	\$658			
SQUARE FOOTAGE	Park Apartments (Market)	729	Longview Oaks Apartments (Market)	1,160	BJS Harrisonburg Family I (@40%)	1,309
	The Colonnade At Rocktown (@60%)	717	BJS Harrisonburg Family I (@40%)	1,056	Park Apartments (Market)	1,204
	Longview Oaks Apartments (Market)	680	BJS Harrisonburg Family I (@40%)	1,056	Longview Oaks Apartments (Market)	1,160
	Longview Oaks Apartments (Market)	680	The Colonnade At Rocktown (@60%)(1.5BA)	988	Longview Oaks Apartments (Market)	1,160
	Deer Run Apartments (Market)	679	Chestnut Ridge Apartments I (@60%)	988	The Colonnade At Rocktown (@60%)	1,138
	The Greens At Chestnut Ridge (Market)	674	Chestnut Ridge Apartments II (@60%)	988	Chestnut Ridge Apartments II (@60%)	1,128
	Robinson Park (@40%)	660	The Colonnade At Rocktown (Market)(1.5BA)	988	Chestnut Ridge Apartments I (@60%)	1,128
	BJS Harrisonburg Family I (@40%)	654	Longview Oaks Apartments (Market)(1BA)	980	The Greens At Chestnut Ridge (Market)	1,122
	Park Apartments (Market)	644	Longview Oaks Apartments (Market)	980	BJS Harrisonburg Family I (@60%)	1,082
	Park Apartments (Market)	479	Park Apartments (Market)	957	BJS Harrisonburg Family I (@40%)	1,082
			The Greens At Chestnut Ridge (Market)	926	BJS Harrisonburg Family I (@50%)	1,082
			Park Apartments (Market)	912	BJS Harrisonburg Family I (@80%)	1,082
			BJS Harrisonburg Family I (@60%)	912	Robinson Park (@60%)	1,048
			BJS Harrisonburg Family I (@80%)	912	Deer Run Apartments (Market)	924
			BJS Harrisonburg Family I (@40%)	912		
			BJS Harrisonburg Family I (@50%)	912		
			Park Apartments (Market)(1BA)	909		
			The Greens At Chestnut Ridge (Market)(1BA)	894		
			The Greens At Chestnut Ridge (Market)(1BA)	894		
			Robinson Park (@50%)	884		
			Robinson Park (@40%)	884		
			Robinson Park (@60%)	884		
			Deer Run Apartments (Market)(1BA)	879		
		Deer Run Apartments (Market)(1BA)	879			
		Longview Oaks Apartments (Market)(1BA)	860			
RENT PER SQUARE FOOT	Park Apartments (Market)	\$1.99	The Greens At Chestnut Ridge (Market)(1BA)	\$1.83	Deer Run Apartments (Market)	\$1.80
	Deer Run Apartments (Market)	\$1.91	The Greens At Chestnut Ridge (Market)	\$1.79	The Greens At Chestnut Ridge (Market)	\$1.62
	The Greens At Chestnut Ridge (Market)	\$1.89	Deer Run Apartments (Market)(1BA)	\$1.74	Longview Oaks Apartments (Market)	\$1.48
	Longview Oaks Apartments (Market)	\$1.83	Deer Run Apartments (Market)(1BA)	\$1.68	BJS Harrisonburg Family I (@80%)	\$1.40
	Longview Oaks Apartments (Market)	\$1.69	Longview Oaks Apartments (Market)(1BA)	\$1.66	Longview Oaks Apartments (Market)	\$1.39
	Park Apartments (Market)	\$1.66	The Greens At Chestnut Ridge (Market)(1BA)	\$1.57	BJS Harrisonburg Family I (@40%)	\$1.34
	Park Apartments (Market)	\$1.51	Longview Oaks Apartments (Market)(1BA)	\$1.49	Chestnut Ridge Apartments I (@60%)	\$1.16
	BJS Harrisonburg Family I (@40%)	\$1.24	Longview Oaks Apartments (Market)	\$1.48	Chestnut Ridge Apartments II (@60%)	\$1.16
	The Colonnade At Rocktown (@60%)	\$1.12	BJS Harrisonburg Family I (@80%)	\$1.45	BJS Harrisonburg Family I (@40%)	\$1.11
	Robinson Park (@40%)	\$0.77	Park Apartments (Market)	\$1.28	Park Apartments (Market)	\$1.07
			Longview Oaks Apartments (Market)	\$1.28	BJS Harrisonburg Family I (@60%)	\$1.01
			The Colonnade At Rocktown (Market)(1.5BA)	\$1.27	The Colonnade At Rocktown (@60%)	\$0.98
			Park Apartments (Market)	\$1.23	Robinson Park (@60%)	\$0.90
			Robinson Park (@60%)	\$1.23	BJS Harrisonburg Family I (@50%)	\$0.82
			Park Apartments (Market)(1BA)	\$1.17		
			BJS Harrisonburg Family I (@40%)	\$1.17		
			Chestnut Ridge Apartments I (@60%)	\$1.15		
			Chestnut Ridge Apartments II (@60%)	\$1.15		
			BJS Harrisonburg Family I (@60%)	\$1.04		
			BJS Harrisonburg Family I (@40%)	\$1.01		
			BJS Harrisonburg Family I (@40%)	\$1.01		
			The Colonnade At Rocktown (@60%)(1.5BA)	\$0.98		
			Robinson Park (@50%)	\$0.87		
		BJS Harrisonburg Family I (@50%)	\$0.85			
		Robinson Park (@40%)	\$0.74			

PROPERTY PROFILE REPORT

Chestnut Ridge Apartments I

Effective Rent Date	1/22/2024
Location	181 Chestnut Ridge Drive Harrisonburg, VA 22801 Rockingham County
Distance	3.2 miles
Units	100
Vacant Units	3
Vacancy Rate	3.0%
Type	Garden (3 stories)
Year Built/Renovated	1998 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Deer Run Apartments, The Colonnade
Tenant Characteristics	Mixed Tenancy, Families
Contact Name	Maria
Phone	(540) 299-2747



Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	3
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased to 2023 max
Concession	None
Waiting List	Yes, five households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	80	988	\$1,208	\$0	@60%	No	3	3.8%	yes	None
3	2	Garden (3 stories)	20	1,128	\$1,393	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,208	\$0	\$1,208	-\$70	\$1,138
3BR / 2BA	\$1,393	\$0	\$1,393	-\$86	\$1,307

Chestnut Ridge Apartments I, continued

Amenities

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

Comments

This is the first phase of a two-phase LIHTC development, and consists of 100 units of the 148 units. Property amenities are located at Phase I, and are shared with Phase II. Phase I is one year older than Phase II, though they are effectively managed under the same umbrella. All of the vacant units at the property are pre-leased. According to the contact, the demand for affordable housing is strong in the area. The property accepts Housing Choice Vouchers, but the contact could not state how many tenants were utilizing vouchers. The waiting list is shared among both phases at the property and currently the waiting list is only for the three-bedroom units.

Chestnut Ridge Apartments I, continued

Trend Report

Vacancy Rates

2Q15	4Q17	4Q21	1Q24
5.0%	4.0%	0.0%	3.0%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	5.0%	\$753	\$0	\$753	\$683
2017	4	5.0%	\$807	\$0	\$807	\$737
2021	4	0.0%	\$900	\$0	\$900	\$830
2024	1	3.8%	\$1,208	\$0	\$1,208	\$1,138

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2015	2	5.0%	\$866	\$0	\$866	\$780
2017	4	0.0%	\$932	\$0	\$932	\$846
2021	4	0.0%	\$1,037	\$0	\$1,037	\$951
2024	1	0.0%	\$1,393	\$0	\$1,393	\$1,307

Trend: Comments

2Q15 N/A

4Q17 This is the second phase of a two-phase LIHTC development, and consists of 48 units of the 148 units. Property amenities are located at Phase I, and are shared with Phase II.

4Q21 This is the first phase of a two-phase LIHTC development, and consists of 100 units of the 148 units. Property amenities are located at Phase I, and are shared with Phase II. The property's major competitors are Deer Run Apartments and The Colonnade at Rocktown. Phase I is one year older than Phase II, though they are effectively managed under the same umbrella. There is no overarching employment or demographic characteristic to their tenancy. The property is at max allowable and increases their rents alongside the HUD AMI increases every year to remain so.

1Q24 This is the first phase of a two-phase LIHTC development, and consists of 100 units of the 148 units. Property amenities are located at Phase I, and are shared with Phase II. Phase I is one year older than Phase II, though they are effectively managed under the same umbrella. All of the vacant units at the property are pre-leased. According to the contact, the demand for affordable housing is strong in the area. The property accepts Housing Choice Vouchers, but the contact could not state how many tenants were utilizing vouchers. The waiting list is shared among both phases at the property and currently the waiting list is only for the three-bedroom units.

Photos



PROPERTY PROFILE REPORT

Chestnut Ridge Apartments II

Effective Rent Date	1/22/2024
Location	181 Chestnut Ridge Drive Harrisonburg, VA 22801 Rockingham County
Distance	3.2 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Deer Run Apartments, The Colonnade
Tenant Characteristics	Mixed Tenancy, Family
Contact Name	Maria
Phone	(540) 299-2747



Market Information

Program	@60%
Annual Turnover Rate	N/A
Units/Month Absorbed	3
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased to 2023 max
Concession	None
Waiting List	Yes, five households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	36	988	\$1,208	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (3 stories)	12	1,128	\$1,393	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,208	\$0	\$1,208	-\$70	\$1,138
3BR / 2BA	\$1,393	\$0	\$1,393	-\$86	\$1,307

Chestnut Ridge Apartments II, continued

Amenities

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

Comments

This is the second phase of a two-phase LIHTC development, and consists of 48 units of the 148 units. Property amenities are located at Phase I, and are shared with Phase II. Phase I is one year older than Phase II, though they are effectively managed under the same umbrella. According to the contact, the demand for affordable housing is strong in the area. The waiting list is shared among both phases of the property and currently the waiting list is only for the three-bedroom units. The property accepts Housing Choice Vouchers, but the contact was unable to state how many tenants were utilizing vouchers.

Chestnut Ridge Apartments II, continued

Trend Report

Vacancy Rates

4Q21	1Q24
0.0%	0.0%

Trend: @60%

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$900	\$0	\$900	\$830
2024	1	0.0%	\$1,208	\$0	\$1,208	\$1,138

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$1,037	\$0	\$1,037	\$951
2024	1	0.0%	\$1,393	\$0	\$1,393	\$1,307

Trend: Comments

- 4Q21 This is the second phase of a two-phase LIHTC development, and consists of 48 units of the 148 units. Property amenities are located at Phase I, and are shared with Phase II. The property's major competitors are Deer Run Apartments and The Colonnade at Rocktown. Phase I is one year older than Phase II, though they are effectively managed under the same umbrella. There is no overarching employment or demographic characteristic to their tenancy. The property is at max allowable and increases their rents alongside the HUD AMI increases every year to remain so.
- 1Q24 This is the second phase of a two-phase LIHTC development, and consists of 48 units of the 148 units. Property amenities are located at Phase I, and are shared with Phase II. Phase I is one year older than Phase II, though they are effectively managed under the same umbrella. According to the contact, the demand for affordable housing is strong in the area. The waiting list is shared among both phases of the property and currently the waiting list is only for the three-bedroom units. The property accepts Housing Choice Vouchers, but the contact was unable to state how many tenants were utilizing vouchers.

Photos



PROPERTY PROFILE REPORT

Robinson Park

Effective Rent Date	1/24/2024
Location	2280 Bullpen Drive Harrisonburg, VA 22801 Rockingham County
Distance	2.5 miles
Units	88
Vacant Units	3
Vacancy Rate	3.4%
Type	Garden (3 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Colonnade, Chestnut Ridge
Tenant Characteristics	Mixed Tenancy
Contact Name	Nancy
Phone	(540) 217-5880



Market Information

Program	@40%, @50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	N/A
Annual Chg. in Rent	Increased to 2023 max
Concession	None
Waiting List	Yes, 300 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	12	660	\$506	\$0	@40%	Yes	N/A	N/A	yes	None
2	2	Garden (3 stories)	44	884	\$658	\$0	@40%	Yes	N/A	N/A	yes	None
2	2	Garden (3 stories)	N/A	884	\$766	\$0	@50%	Yes	N/A	N/A	yes	None
2	2	Garden (3 stories)	N/A	884	\$1,087	\$0	@60%	Yes	N/A	N/A	yes	None
3	2	Garden (3 stories)	32	1,048	\$948	\$0	@60%	Yes	N/A	N/A	yes	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$506	\$0	\$506	\$0	\$506	2BR / 2BA	\$766	\$0	\$766	\$0	\$766
2BR / 2BA	\$658	\$0	\$658	\$0	\$658						
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$1,087	\$0	\$1,087	\$0	\$1,087						
3BR / 2BA	\$948	\$0	\$948	\$0	\$948						

Robinson Park, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Dishwasher		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Central Laundry	Off-Street Parking		
On-Site Management			

Comments

The three vacant units are not ready to be re-leased but the contact said that they should be ready to be re-leased sometime in February. According to the contact, the demand for affordable housing is strong in Harrisonburg. The contact could not estimate the leasing pace or turnover rate at the property as the contact, who is the property manager, had only recently started. The property accepts Housing Choice Vouchers and the contact reported that many of the tenants utilize vouchers, but could not estimate the percentage of tenants utilizing vouchers.

Robinson Park, continued

Trend Report

Vacancy Rates

4Q21	1Q24
0.0%	3.4%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2024	1	N/A	\$506	\$0	\$506	\$506

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2024	1	N/A	\$658	\$0	\$658	\$658

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$641	\$0	\$641	\$641

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$770	\$0	\$770	\$770
2024	1	N/A	\$766	\$0	\$766	\$766

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$889	\$0	\$889	\$889

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$770	\$0	\$770	\$770

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$924	\$0	\$924	\$924
2024	1	N/A	\$1,087	\$0	\$1,087	\$1,087

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	4	0.0%	\$1,067	\$0	\$1,067	\$1,067
2024	1	N/A	\$948	\$0	\$948	\$948

Trend: Comments

- 4Q21 The property is at maximum allowable and increases rents every year on January 1. They are fully occupied and have an extensive waiting list. Their main competitors are the other tax credit communities in the area, Chestnut Ridge I & II and The Colonnade at Rocktown.
- 1Q24 The three vacant units are not ready to be re-leased but the contact said that they should be ready to be re-leased sometime in February. According to the contact, the demand for affordable housing is strong in Harrisonburg. The contact could not estimate the leasing pace or turnover rate at the property as the contact, who is the property manager, had only recently started. The property accepts Housing Choice Vouchers and the contact reported that many of the tenants utilize vouchers, but could not estimate the percentage of tenants utilizing vouchers.

Photos



PROPERTY PROFILE REPORT

The Colonnade At Rocktown

Effective Rent Date	1/24/2024
Location	351 N Mason Street Harrisonburg, VA 22802 Rockingham County
Distance	2.9 miles
Units	66
Vacant Units	1
Vacancy Rate	1.5%
Type	Lowrise (4 stories)
Year Built/Renovated	2010 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed tenancy, mostly families
Contact Name	Krystal Darcus
Phone	(540) 274-1855



Market Information

Program	@60%, Market
Annual Turnover Rate	9%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased to 2023 max
Concession	None
Waiting List	Yes, three months in length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (4 stories)	6	717	\$805	\$0	@60%	Yes	N/A	N/A	yes	None
2	1.5	Lowrise (4 stories)	42	988	\$971	\$0	@60%	Yes	N/A	N/A	yes	None
2	1.5	Lowrise (4 stories)	6	988	\$1,250	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Lowrise (4 stories)	12	1,138	\$1,117	\$0	@60%	Yes	N/A	N/A	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$805	\$0	\$805	\$0	\$805	2BR / 1.5BA	\$1,250	\$0	\$1,250	\$0	\$1,250
2BR / 1.5BA	\$971	\$0	\$971	\$0	\$971						
3BR / 2BA	\$1,117	\$0	\$1,117	\$0	\$1,117						

The Colonnade At Rocktown, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Commercial/Retail	None	None
Elevators	Exercise Facility		
Off-Street Parking	On-Site Management		

Comments

According to the contact, the demand for affordable housing is strong in the area. The one vacant unit has an application pending. The property accepts Housing Choice Vouchers, but the contact could not state the number of tenants utilizing vouchers.

The Colonnade At Rocktown, continued

Trend Report

Vacancy Rates

4Q16	4Q17	4Q21	1Q24
0.0%	0.0%	0.0%	1.5%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	0.0%	\$591	\$0	\$591	\$591
2017	4	0.0%	\$600	\$0	\$600	\$600
2021	4	0.0%	\$701	\$0	\$701	\$701
2024	1	N/A	\$805	\$0	\$805	\$805

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	0.0%	\$975	\$0	\$975	\$975
2017	4	0.0%	\$975	\$0	\$975	\$975
2021	4	0.0%	\$1,025	\$0	\$1,025	\$1,025
2024	1	0.0%	\$1,250	\$0	\$1,250	\$1,250

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	0.0%	\$720	\$0	\$720	\$720
2017	4	0.0%	\$735	\$0	\$735	\$735
2021	4	0.0%	\$850	\$0	\$850	\$850
2024	1	N/A	\$971	\$0	\$971	\$971

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2016	4	0.0%	\$833	\$0	\$833	\$833
2017	4	0.0%	\$845	\$0	\$845	\$845
2021	4	0.0%	\$987	\$0	\$987	\$987
2024	1	N/A	\$1,117	\$0	\$1,117	\$1,117

Trend: Comments

4Q16	The contact stated that there was a wait list for one and three-bedroom units that was about six to 12 months long. Two-bedroom market rate units are available with a balcony for \$25 per month. Market rate rents for non-balcony units have been reflected. Rents for LIHTC units remained at maximum levels and market rate rents decreased two percent.
4Q17	The property maintains a waiting list consisting of six months up to one year long. Balconies are available for a premium of \$25 per month, while the LIHTC units do not charge a premium for this amenity. Base rents are reflected in the property profile.
4Q21	Updated information was taken from the property website: https://www.colonnadeapartments.info/ . Everything aligned with previous surveys of the property.
1Q24	According to the contact, the demand for affordable housing is strong in the area. The one vacant unit has an application pending. The property accepts Housing Choice Vouchers, but the contact could not state the number of tenants utilizing vouchers.

Photos



PROPERTY PROFILE REPORT

Deer Run Apartments

Effective Rent Date	1/23/2024
Location	899 Port Republic Road Harrisonburg, VA 22801 Rockingham County
Distance	1.7 miles
Units	144
Vacant Units	6
Vacancy Rate	4.2%
Type	Garden (3 stories)
Year Built/Renovated	1981 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Commons, Ashby Court
Tenant Characteristics	Tenants come mostly from within the Harrisonburg area and are primarily working families and college students.
Contact Name	Abigail
Phone	540.208.4853



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 15 percent
Concession	None
Waiting List	Yes, up to six months in length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	679	\$1,350	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	N/A	879	\$1,596	\$0	Market	Yes	N/A	N/A	N/A	HIGH*
2	1	Garden (3 stories)	72	879	\$1,550	\$0	Market	Yes	N/A	N/A	N/A	LOW*
3	2	Garden (3 stories)	48	924	\$1,750	\$0	Market	Yes	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,350	\$0	\$1,350	-\$54	\$1,296
2BR / 1BA	\$1,550 - \$1,596	\$0	\$1,550 - \$1,596	-\$70	\$1,480 - \$1,526
3BR / 2BA	\$1,750	\$0	\$1,750	-\$86	\$1,664

Deer Run Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Oven	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Basketball Court	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Pet Park	Picnic Area		
Sport Court			

Comments

The property accepts Housing Choice Vouchers, but the contact was unable to state how many tenants were utilizing vouchers. Of the six vacant units, four are pre-leased. The waiting list is currently open.

Trend Report

Vacancy Rates

3Q08	3Q13	3Q16	1Q24
5.1%	3.5%	0.0%	4.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	N/A	\$540	\$0	\$540	\$486
2013	3	0.0%	\$580	\$0	\$580	\$526
2016	3	0.0%	\$635	\$0	\$635	\$581
2024	1	0.0%	\$1,350	\$0	\$1,350	\$1,296

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	N/A	\$600	\$0	\$600	\$530
2013	3	4.2%	\$640	\$0	\$640	\$570
2016	3	0.0%	\$700	\$0	\$700	\$630

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2024	1	N/A	\$1,550 - \$1,596	\$0	\$1,550 - \$1,596	\$1,480 - \$1,526

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	N/A	\$675	\$0	\$675	\$589
2013	3	4.2%	\$750	\$0	\$750	\$664
2016	3	0.0%	\$780	\$0	\$780	\$694
2024	1	N/A	\$1,750	\$0	\$1,750	\$1,664

Trend: Comments

3Q08	Currently, there are one two and three-bedroom vacant units pre-leased. The contact stated that the remaining vacant units will be leased by households on the waiting list. The contact believes that there is a lack of affordable housing in the area and that demand for affordable housing is strong.
3Q13	N/A
3Q16	The contact reported typical occupancy at or above 98 percent so far during 2016.
1Q24	The property accepts Housing Choice Vouchers, but the contact was unable to state how many tenants were utilizing vouchers. Of the six vacant units, four are pre-leased. The waiting list is currently open.

PROPERTY PROFILE REPORT

Longview Oaks Apartments

Effective Rent Date	1/25/2024
Location	480 Vine Street Harrisonburg, VA 22802 Rockingham County
Distance	3.8 miles
Units	138
Vacant Units	2
Vacancy Rate	1.4%
Type	Garden (2 stories)
Year Built/Renovated	1988 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mix of local area households. Some grad students at JMU
Contact Name	Daniel
Phone	540-433-0228



Market Information

Program	Market
Annual Turnover Rate	34%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one to two weeks
Annual Chg. in Rent	Increased 12 to 21 percent
Concession	None
Waiting List	Yes, five to eight households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	680	\$1,300	\$0	Market	Yes	1	N/A	N/A	HIGH*
1	1	Garden (2 stories)	N/A	680	\$1,200	\$0	Market	Yes	1	N/A	N/A	LOW*
2	1	Garden (2 stories)	N/A	860	\$1,500	\$0	Market	Yes	0	N/A	N/A	None
2	1	Garden (2 stories)	N/A	980	\$1,530	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	980	\$1,525	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,160	\$1,555	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,160	\$1,800	\$0	Market	Yes	0	N/A	N/A	HIGH*
3	2	Garden (2 stories)	N/A	1,160	\$1,700	\$0	Market	Yes	0	N/A	N/A	LOW*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,200 - \$1,300	\$0	\$1,200 - \$1,300	-\$54	\$1,146 - \$1,246
2BR / 1BA	\$1,500 - \$1,530	\$0	\$1,500 - \$1,530	-\$70	\$1,430 - \$1,460
2BR / 2BA	\$1,525 - \$1,555	\$0	\$1,525 - \$1,555	-\$70	\$1,455 - \$1,485
3BR / 2BA	\$1,700 - \$1,800	\$0	\$1,700 - \$1,800	-\$86	\$1,614 - \$1,714

Longview Oaks Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Tennis Court		
Volleyball Court			

Comments

The property utilizes LRO software that generates weekly rents. The contact provided the average rents and rent ranges. The property is currently in a slow season according to the contact.

Longview Oaks Apartments, continued

Trend Report

Vacancy Rates

3Q13	4Q21	1Q24
0.7%	1.4%	1.4%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$699	\$0	\$699	\$645
2021	4	N/A	\$970	\$0	\$970	\$916
2024	1	N/A	\$1,200 - \$1,300	\$0	\$1,200 - \$1,300	\$1,146 - \$1,246

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$789 - \$809	\$0	\$789 - \$809	\$719 - \$739
2021	4	N/A	\$1,050 - \$1,075	\$0	\$1,050 - \$1,075	\$980 - \$1,005
2024	1	N/A	\$1,500 - \$1,530	\$0	\$1,500 - \$1,530	\$1,430 - \$1,460

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$839 - \$869	\$0	\$839 - \$869	\$769 - \$799
2021	4	N/A	\$1,130	\$0	\$1,130	\$1,060
2024	1	N/A	\$1,525 - \$1,555	\$0	\$1,525 - \$1,555	\$1,455 - \$1,485

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$879	\$0	\$879	\$793
2021	4	N/A	\$1,250	\$0	\$1,250	\$1,164
2024	1	N/A	\$1,700 - \$1,800	\$0	\$1,700 - \$1,800	\$1,614 - \$1,714

Trend: Comments

3Q13 N/A

4Q21 The contact reported no property changes or renovations since 2013. The property will change to the LRL software that will generate daily rents.

1Q24 The property utilizes LRO software that generates weekly rents. The contact provided the average rents and rent ranges. The property is currently in a slow season according to the contact.

PROPERTY PROFILE REPORT

Park Apartments

Effective Rent Date	1/23/2024
Location	200 Rocco Avenue Harrisonburg, VA 22801 Rockingham County
Distance	1 mile
Units	136
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1990 / 2014/2021
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Meriweather Hills, Squire Hills
Tenant Characteristics	Tenants mostly come from within the Harrisonburg area.
Contact Name	Nina
Phone	540-433-2621



Market Information

Program	Market
Annual Turnover Rate	44%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased six percent
Concession	None
Waiting List	Yes, one household

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	10	479	\$1,064	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	10	644	\$1,179	\$0	Market	Yes	0	0.0%	N/A	None
1	1	Garden (2 stories)	10	729	\$1,209	\$0	Market	N/A	0	0.0%	N/A	None
2	1	Garden (2 stories)	20	909	\$1,289	\$82	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	48	912	\$1,314	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	N/A	957	\$1,324	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (2 stories)	38	1,204	\$1,459	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,064 - \$1,209	\$0	\$1,064 - \$1,209	-\$111	\$953 - \$1,098
2BR / 1BA	\$1,289	\$82	\$1,207	-\$143	\$1,064
2BR / 2BA	\$1,314 - \$1,324	\$0	\$1,314 - \$1,324	-\$143	\$1,171 - \$1,181
3BR / 2BA	\$1,459	\$0	\$1,459	-\$176	\$1,283

Park Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Courtyard	Exercise Facility		
Off-Street Parking	On-Site Management		
Pet Park	Picnic Area		
Swimming Pool			

Comments

The property accepts Housing Choice Vouchers, but the contact was unable to state how many tenants were utilizing vouchers. According to the contact, the property typically sees two to three move-outs in the winter and five to 10 move-outs in the summer. According to the contact, there has not been a vacancy at the property in a long time.

Park Apartments, continued

Trend Report

Vacancy Rates

3Q13	3Q16	4Q21	1Q24
53.7%	3.7%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$709 - \$839	\$63 - \$70	\$646 - \$769	\$535 - \$658
2016	3	3.3%	\$805 - \$899	\$67 - \$75	\$738 - \$824	\$627 - \$713
2021	4	0.0%	\$944 - \$1,074	\$0	\$944 - \$1,074	\$833 - \$963
2024	1	0.0%	\$1,064 - \$1,209	\$0	\$1,064 - \$1,209	\$953 - \$1,098

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$869	\$72	\$797	\$654
2016	3	10.0%	\$984	\$82	\$902	\$759
2021	4	0.0%	\$1,144	\$82	\$1,062	\$919
2024	1	0.0%	\$1,289	\$82	\$1,207	\$1,064

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$979	\$82	\$897	\$754
2016	3	2.1%	\$1,124	\$93	\$1,031	\$888
2021	4	0.0%	\$1,154	\$0	\$1,154	\$1,011
2024	1	N/A	\$1,314 - \$1,324	\$0	\$1,314 - \$1,324	\$1,171 - \$1,181

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	3	N/A	\$1,009	\$84	\$925	\$749
2016	3	2.6%	\$1,199	\$100	\$1,099	\$923
2021	4	0.0%	\$1,289	\$0	\$1,289	\$1,113
2024	1	0.0%	\$1,459	\$0	\$1,459	\$1,283

Trend: Comments

3Q13	The contact reported the property is still undergoing renovations which is why the vacancy rate is so high. She noted delays in the renovations during the past three years citing funding issues during that time. The contact stated all units are being gutted and renovations are extensive including new appliances, flooring, cabinets, counters, and fixtures.
3Q16	The contact reported concessions are being offered on current vacancies and units on notice to expedite the leasing process. The contact stated all units were renovated completely over a period of time ending in 2014 which included new appliances, flooring, cabinets, counters, bathrooms, lighting and fixtures.
4Q21	The contact reported that the property is being renovated.
1Q24	The property accepts Housing Choice Vouchers, but the contact was unable to state how many tenants were utilizing vouchers. According to the contact, the property typically sees two to three move-outs in the winter and five to 10 move-outs in the summer. According to the contact, there has not been a vacancy at the property in a long time.

PROPERTY PROFILE REPORT

The Greens At Chestnut Ridge

Effective Rent Date	1/26/2024
Location	128 Chestnut Ridge Drive Harrisonburg, VA 22801 Rockingham County
Distance	3.4 miles
Units	150
Vacant Units	3
Vacancy Rate	2.0%
Type	Garden (2 stories)
Year Built/Renovated	1991 / 2022
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Longview Oaks, Park Apartments
Tenant Characteristics	Working families, professionals, singles, graduates students, many older individuals
Contact Name	Leah
Phone	540-564-0011



Market Information

Program	Market
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Increased up to eight percent
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	38	674	\$1,275	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	N/A	894	\$1,640	\$0	Market	No	1	N/A	N/A	HIGH*
2	1	Garden (2 stories)	39	894	\$1,400	\$0	Market	No	0	0.0%	N/A	LOW*
2	2	Garden (2 stories)	43	926	\$1,655	\$0	Market	No	1	2.3%	N/A	None
3	2	Garden (2 stories)	30	1,122	\$1,820	\$0	Market	No	1	3.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,275	\$0	\$1,275	\$0	\$1,275
2BR / 1BA	\$1,400 - \$1,640	\$0	\$1,400 - \$1,640	\$0	\$1,400 - \$1,640
2BR / 2BA	\$1,655	\$0	\$1,655	\$0	\$1,655
3BR / 2BA	\$1,820	\$0	\$1,820	\$0	\$1,820

The Greens At Chestnut Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Dishwasher	Ceiling Fan		
Fireplace	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Jacuzzi		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool	Tennis Court		

Comments

The contact reported that the property sees generally low turnover as there are many long-term tenants. None of the one-bedroom units have been renovated. The lower two-bedroom and one-bathroom rents are for unrenovated units and the higher rents are for renovated units. The contact was only able to provide the rents for the renovated two-bedroom two-bathroom units and three-bedroom units. The property accepts Housing Choice Vouchers, but the contact was unable to provide the number of tenants utilizing vouchers. The contact reported that the leasing pace is slower in the winter and can take up to one month while vacancies tend to lease within two days in the summer.

The Greens At Chestnut Ridge, continued

Trend Report

Vacancy Rates

3Q08	3Q13	3Q16	1Q24
0.0%	6.7%	2.0%	2.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	0.0%	\$750	\$0	\$750	\$750
2013	3	5.3%	\$765	\$77	\$688	\$688
2016	3	2.6%	\$830	\$0	\$830	\$830
2024	1	0.0%	\$1,275	\$0	\$1,275	\$1,275

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	0.0%	\$850	\$0	\$850	\$850
2013	3	10.3%	\$865	\$108	\$757	\$757
2016	3	2.6%	\$945	\$0	\$945	\$945
2024	1	N/A	\$1,400 - \$1,640	\$0	\$1,400 - \$1,640	\$1,400 - \$1,640

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	0.0%	\$885	\$0	\$885	\$885
2013	3	4.7%	\$905	\$113	\$792	\$792
2016	3	2.3%	\$980	\$0	\$980	\$980
2024	1	2.3%	\$1,655	\$0	\$1,655	\$1,655

3BR / 2BA

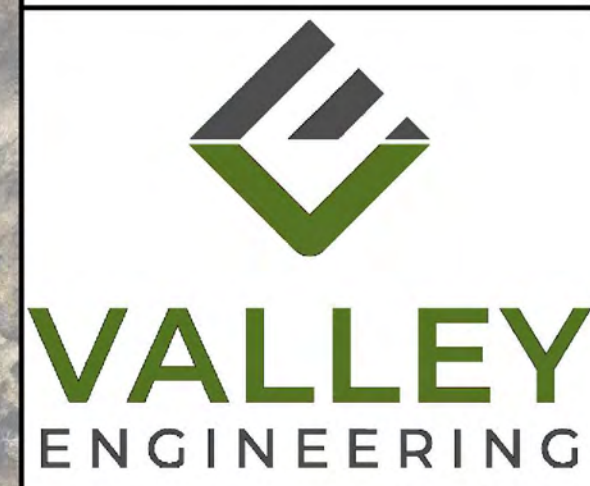
Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	3	0.0%	\$930	\$0	\$930	\$930
2013	3	6.7%	\$960	\$120	\$840	\$840
2016	3	0.0%	\$1,060	\$0	\$1,060	\$1,060
2024	1	3.3%	\$1,820	\$0	\$1,820	\$1,820

Trend: Comments

3Q08	Contact stated that there is demand for affordable housing. There is a \$15 premium for units with a fireplace. Change in rent data noted above is an average. Rents increased between four and seven percent.
3Q13	There is a \$15 premium for units with a fireplace.
3Q16	The contact reported occupancy rates have remained above 95 percent during the past year.
1Q24	The contact reported that the property sees generally low turnover as there are many long-term tenants. None of the one-bedroom units have been renovated. The lower two-bedroom and one-bathroom rents are for unrenovated units and the higher rents are for renovated units. The contact was only able to provide the rents for the renovated two-bedroom two-bathroom units and three-bedroom units. The property accepts Housing Choice Vouchers, but the contact was unable to provide the number of tenants utilizing vouchers. The contact reported that the leasing pace is slower in the winter and can take up to one month while vacancies tend to lease within two days in the summer.

ADDENDUM D
Site and Floor Plans

**BJSF
HARRISONBURG
PHASE 1
REZONING**



4901 CROWE DRIVE
MOUNT CRAWFORD, VIRGINIA 22841
(540) 434-6365
www.valleyesp.com

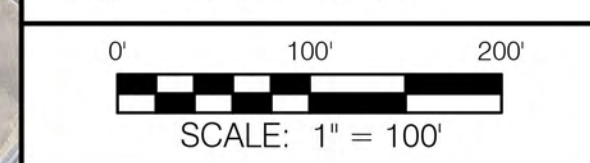
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REVISIONS:
6/29/23- PER CITY COMMENTS

DATE: 06/09/2023

PROJECT No.: 13006-5

EXP./CLIENT No.: 9014-4



**REZONING
AREA MAP**

SHEET NO.:
CP-1





**BJSF
HARRISONBURG
PHASE 1
REZONING**



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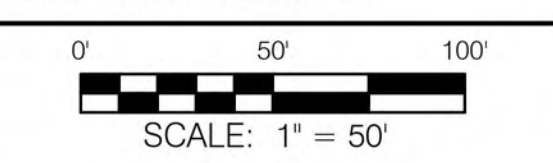
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REVISIONS:
6/29/23- PER CITY COMMENTS

DATE: 06/09/2023

PROJECT No.: 13006-5

EXP./CLIENT No.: 9014-4



**CONCEPT
PLAN**

SHEET NO.:
CP-2

WALL LEGEND:

- NON RATED INTERIOR WALL
- 1-HR. RATED EXTERIOR WALL ASSEMBLY (UL U306)
- 1-HR. RATED TEN. SEP. WALL ASSEMBLY (UL U841)
- 1-HR. RATED INTERIOR WALL ASSEMBLY (UL U305)
- 1-HR. RATED CORRIDOR WALL ASSEMBLY (UL U311)
- BRICK VENEER ON EXTERIOR WALL

UNIT LABELING LEGEND:

- "a" ACCESSIBLE UNIT w/ ADA CERTIFIED TUB (ANSI TYPE 'A')
- "aav" ACCESSIBLE UNIT w/ ROLL-IN SHOWER AND HEARING / VISUAL IMPAIRMENT UNIT (ANSI TYPE 'A')
- "b" FAIR HOUSING UNIT (ANSI TYPE 'B') TYPICAL FOR MOST UNITS

UNIT PLAN KEY NOTES:

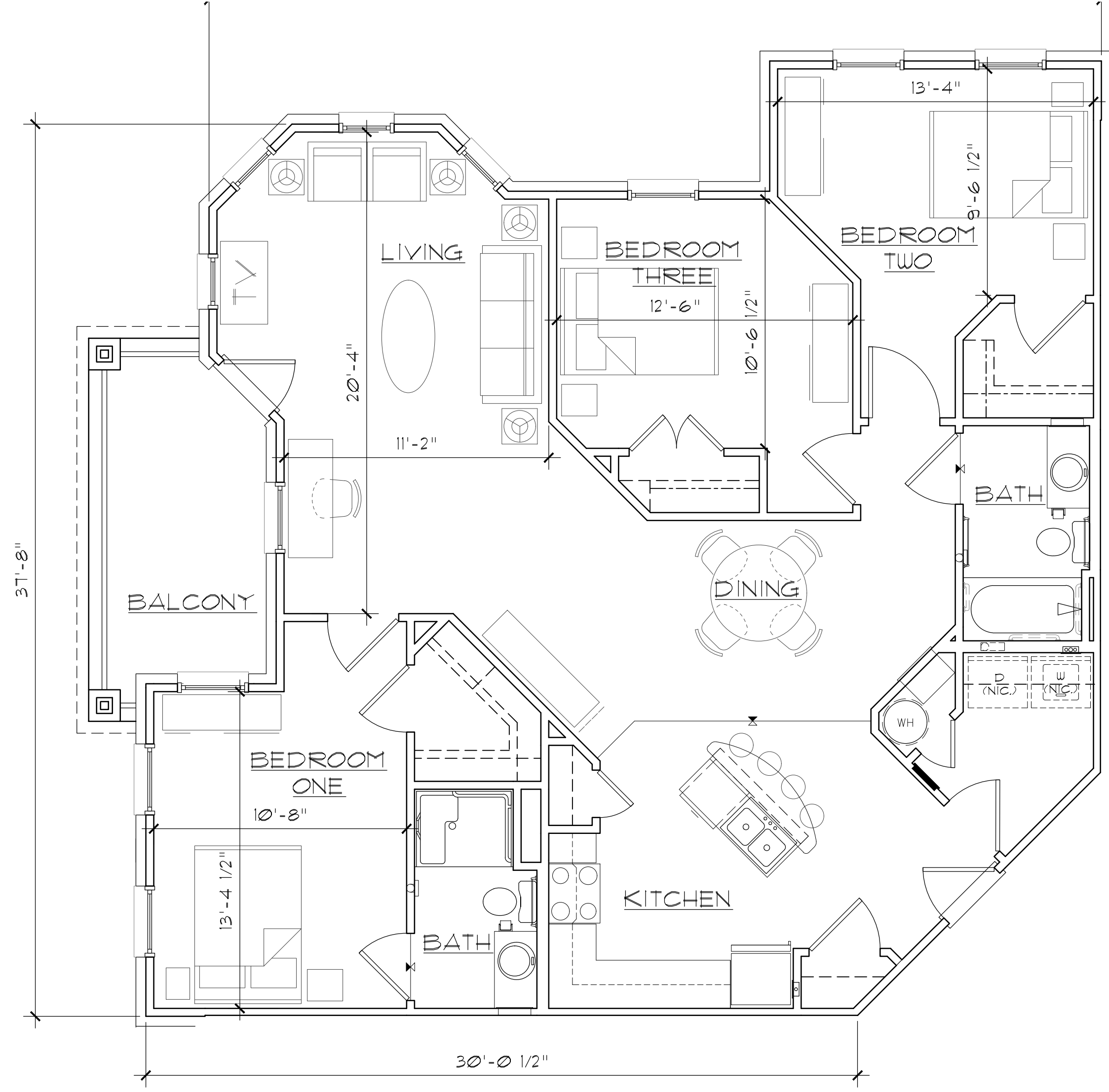
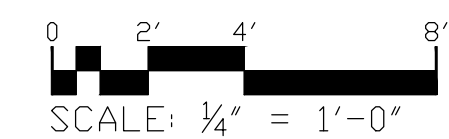
- 1 FREE SLIDE ROD w/ 12" SHELF MOUNTED @ 66" A.F.F.
- 2 FREE SLIDE ROD w/ 12" SHELF MOUNTED @ 44" A.F.F.
- 3 16" SHELF MOUNTED @ 66" A.F.F.
- 4 FUTURE DEHUMIDIFIER (T) OF DEVICE MTD. @ 32" A.F.F.)
- 5 RADON PIPE STACK LOCATION
- 6 UNIT WATER SHUT-OFF VALVE MUST BE INSTALLED w/ T) OF VALVE @ 44" A.F.F. & MARKED w/ SIGNAGE.
- 7 FOLD-UP GRAB BAR (T) OF BAR MOUNTED @ 36" A.F.F.)
- 8 36" GRAB BAR (1 1/2" DIAMETER, #304 STAINLESS STEEL w/ CONCEALED SCREWS) MOUNT T) OF BAR @ 36" A.F.F.
- 9 42" GRAB BAR (1 1/2" DIAMETER, #304 STAINLESS STEEL w/ CONCEALED SCREWS) MOUNT T) OF BAR @ 36" A.F.F.
- 10 24" TOWEL BAR (FLAMINGO SERIES #US25D, CHROME FINISH) T) OF BAR MOUNTED @ 54" A.F.F.)
- 11 LOW PROFILE ALUM. THRESHOLD, TYP. @ ALL UNIT ENTRIES
- 12 2"x6" INTERIOR FRAMED WALL IN UNIT
- 13 WASHER BOX CONNECTION INSTALLED CENTER BEHIND THE APPLIANCE IN 2x6 NON RATED WALL.
- 14 DRYER VENT BOX CONNECTION INSTALLED CENTER BEHIND THE APPLIANCE IN 2x6 NON RATED WALL. (MUST BE GALVANIZED & MOUNTED 2" MAX. A.F.F.)
- 15 ICE MAKER BOX IN 1-HR RATED CORRIDOR WALL (UL U311)
- 16 RECESSED MEDICINE CABINET IN 1-HR RATED LOAD BEARING WALL (UL U305) (TRIANGLE B-772-93) w/ MIRROR DOOR & B) OF SHELF @ 43" A.F.F. MAX.
- 17 RECESSED MEDICINE CABINET IN NON RATED WALL (TRIANGLE B-772-93) w/ MIRROR DOOR & B) OF SHELF @ 43" A.F.F. MAX.
- 18 TOILET PAPER HOLDER (FLAMINGO SERIES #US26D CHROME FINISH) T) OF BAR MOUNTED @ 17" A.F.F. & 8" FORWARD FROM LIP OF TOILET.
- 19 ELECTRICAL PANEL BOX IN NON RATED WALL (T) OF BREAKER MOUNTED @ 44" A.F.F.)
- 20 MEDIA PANEL (T) OF PANEL MOUNTED @ 44" A.F.F.)

UNIT NOTES:

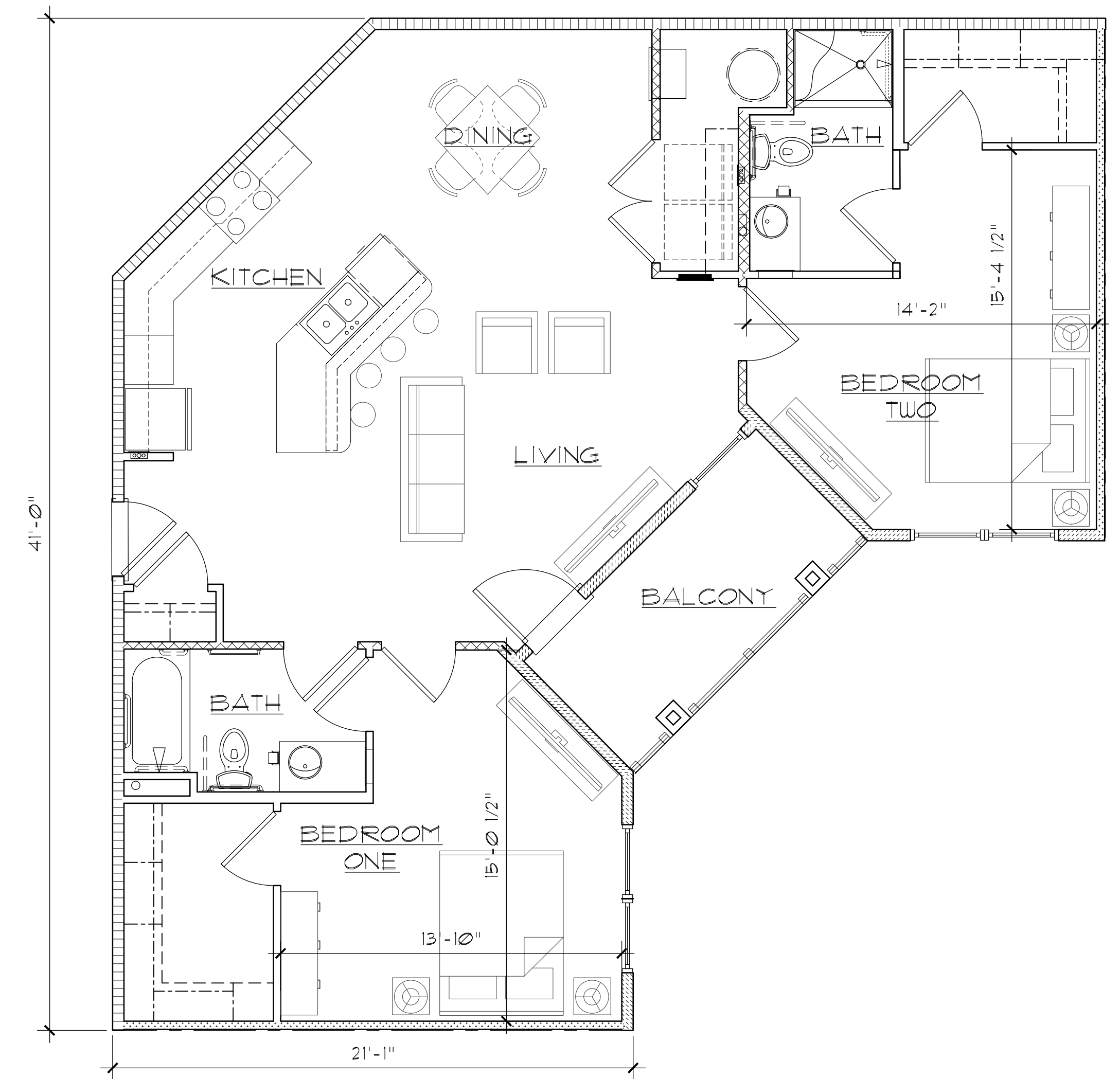
1. ALL UNITS MUST BE BUILT TO ACHIEVE ENERGY STAR "MULTIFAMILY NEW CONSTRUCTION CERTIFICATION AS VERIFIED BY AN INDEPENDENT, THIRD PARTY PROFESSIONAL RATER. MUST PERFORM BLOWER DOOR TEST ON MINIMUM 8 UNITS SCATTERED THROUGHOUT THE BUILDING.
2. PROVIDE INFRASTRUCTURE FOR HIGH SPEED CABLE, DSL OR WIRELESS INTERNET SERVICE IN ALL UNITS.
3. CABINET SHOP DRAWINGS SHALL BE SUBMITTED TO ARCHITECT FOR APPROVAL FOR ALL CABINETS. ALL CABINETS SHALL BE FIELD VERIFIED.
4. CERTIFIED LOW OR NO VOC MATERIALS: INTERIOR PAINTS, CARPET, CARPET PADS, CARPET PAD ADHESIVE AND NO ADDED UREA-FORMALDEHYDE: INSULATION, SUB-FLOOR, CABINETS, SHELVES, AND COUNTERTOPS.
5. SEAL ALL PENETRATIONS THROUGH WALLS & CEILINGS w/ SEALANT, INCLUDING GYP BOARD @ TOP & BOTTOM PLATES OF WALLS & CORNERS.
6. MOISTURE RESISTANT GYPSUM BOARD IS REQUIRED IN THE FOLLOWING LOCATIONS AS FOLLOWS:
BATHROOMS - ALL CEILINGS & WALLS.
MECHANICAL CLOSETS - ALL CEILINGS & WALLS.
LAUNDRY CLOSETS - ALL CEILINGS & WALLS.
KITCHEN - BEHIND ALL WET WALLS.
7. ALL INTERIOR DOORS MUST HAVE A MINIMUM OF (3) HINGES.
8. ALL "b)" UNITS MUST BE EQUIPPED w/ A HARD-WIRED CALL FOR AID STATION IN ALL UNIT BEDROOMS & BATHROOMS. THE AID STATION MUST BE WIRED TO A STROBE LIGHT & AN AUDIBLE ALARM LOCATED OUTSIDE OF UNIT IN CORRIDOR.
- KITCHENS & BATHROOMS:
9. ANTI-TIP DEVICES MUST BE INSTALLED ON ALL KITCHEN RANGES & BE SECURELY FASTENED TO THE FLOOR.
10. RANGE CORD RECEPTACLES MUST BE RECESSED IN THE WALL BEHIND THE RANGE.
11. ALL UNITS MUST HAVE POWDER-BASED FIRE SUPPRESSION CANISTERS INSTALLED ABOVE THE RANGE COOK TOP OR ELECTRONICALLY-CONTROLLED SOLID COVER PLATES OVER STOVE TOP BURNERS.
12. ALL UNITS MUST BE EQUIPPED w/ A 5lb. ABC RATED DRY CHEMICAL FIRE EXTINGUISHER MOUNTED IN SINK CABINET.
13. PROVIDE LOOP OR "T" HANDLES ON CABINET DOORS & DRAWERS, TYP. FOR ALL UNITS.
14. INSTALL A RECESSED MEDICINE CABINET IN ALL UNIT BATHROOMS.
- ADDITIONAL NOTES: FOR UNITS "a)" AND "aav)"
15. ALL "a)" AND "aav)" UNITS MUST HAVE A HARD-WIRED CALL FOR AID STATION IN ALL BEDROOMS & BATHROOMS.
16. ALL "a)" AND "aav)" UNITS MUST BE ROUGHED IN TO ALLOW FOR SMOKE ALARMS w/ STROBE LIGHTS IN EVERY BEDROOM, BATHROOM, & LIVING ROOM.
17. ALL "a)" AND "aav)" UNITS MUST HAVE A RECEPTACLE NEXT TO TELEPHONE JACKS FOR FUTURE INSTALLATION OF TTY DEVICES.
18. ALL "a)" AND "aav)" UNITS MUST HAVE LIGHTED DOORBELL BUTTON CONNECTED TO AN AUDIBLE & STROBE ALARM INSTALLED IN ALL BEDROOMS, BATHROOMS, & COMMON AREAS.
19. ALL "aav)" UNITS MUST HAVE A COLLAPSIBLE WATER DAM OR BEVELED THRESHOLD. ALL ROLL-IN SHOWERS MUST ALSO HAVE AN ADJUSTABLE SHOWER ROD & WEIGHED CURTAIN INSTALLED BEFORE OCCUPANCY.

PROJECT SYMBOLS:

- DIMENSION CALL-OUT FROM CENTER LINE TO CENTER LINE
- TYP. DIMENSION CALL-OUT
- WALL SECTION NUMBER DWG. SECTION LOCATION
- ELEVATION NUMBER DWG. ELEVATION LOCATION
- ELEVATION NUMBER DWG. ELEVATION LOCATION
- ELEVATION HEIGHT CALL OUT / DATUM
- DOOR NUMBER DESIGNATION
- DETAIL NUMBER DWG. DETAIL LOCATION AREA COVERED BY DETAIL
- BREAKLINE

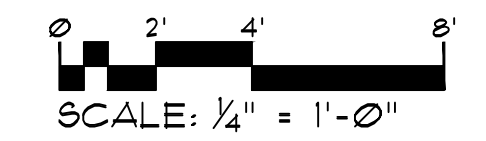


2 THREE BEDROOM "C2" UNIT PLAN
1/4" = 1'-0"
1309 SF HEATED



1 TWO BEDROOM "B2" UNIT PLAN
1/4" = 1'-0"
1096 SF HEATED

unit matrix (reduced size units)				
unit type	unit	heated area	count	total net area
1bd/1b	A1	654	8	5,232
2bd/2	B1	912	38	34,656
2bd/2	B2	1,056	4	4,224
3bd/2	C1	1,082	26	28,132
3bd/2	C2	1,309	4	5,236
			80	77,480



MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
 215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800
BISF HARRISONBURG PHASE 1
 HARRISONBURG, VA

PROJECT NUMBER: 2023-055
 DATE ISSUED: 2/21/2024
 DRAWN BY: DET
 CHECKED BY:

UNIT FLOOR PLAN 5

A2.2

WALL LEGEND:

- NON RATED INTERIOR WALL
- 1-HR. RATED EXTERIOR WALL ASSEMBLY (UL U356)
- 1-HR. RATED TEN. SEP. WALL ASSEMBLY (UL U841)
- 1-HR. RATED INTERIOR WALL ASSEMBLY (UL U305)
- 1-HR. RATED CORRIDOR WALL ASSEMBLY (UL U311)
- BRICK VENEER ON EXTERIOR WALL

UNIT LABELING LEGEND:

- "A" ACCESSIBLE UNIT w/ ADA CERTIFIED TUB (ANSI TYPE "A")
- "B" ACCESSIBLE UNIT w/ ROLL-IN SHOWER AND HEARING / VISUAL IMPAIRMENT UNIT (ANSI TYPE "A")
- "C" FAIR HOUSING UNIT (ANSI TYPE "B") TYPICAL FOR MOST UNITS

UNIT PLAN KEY NOTES:

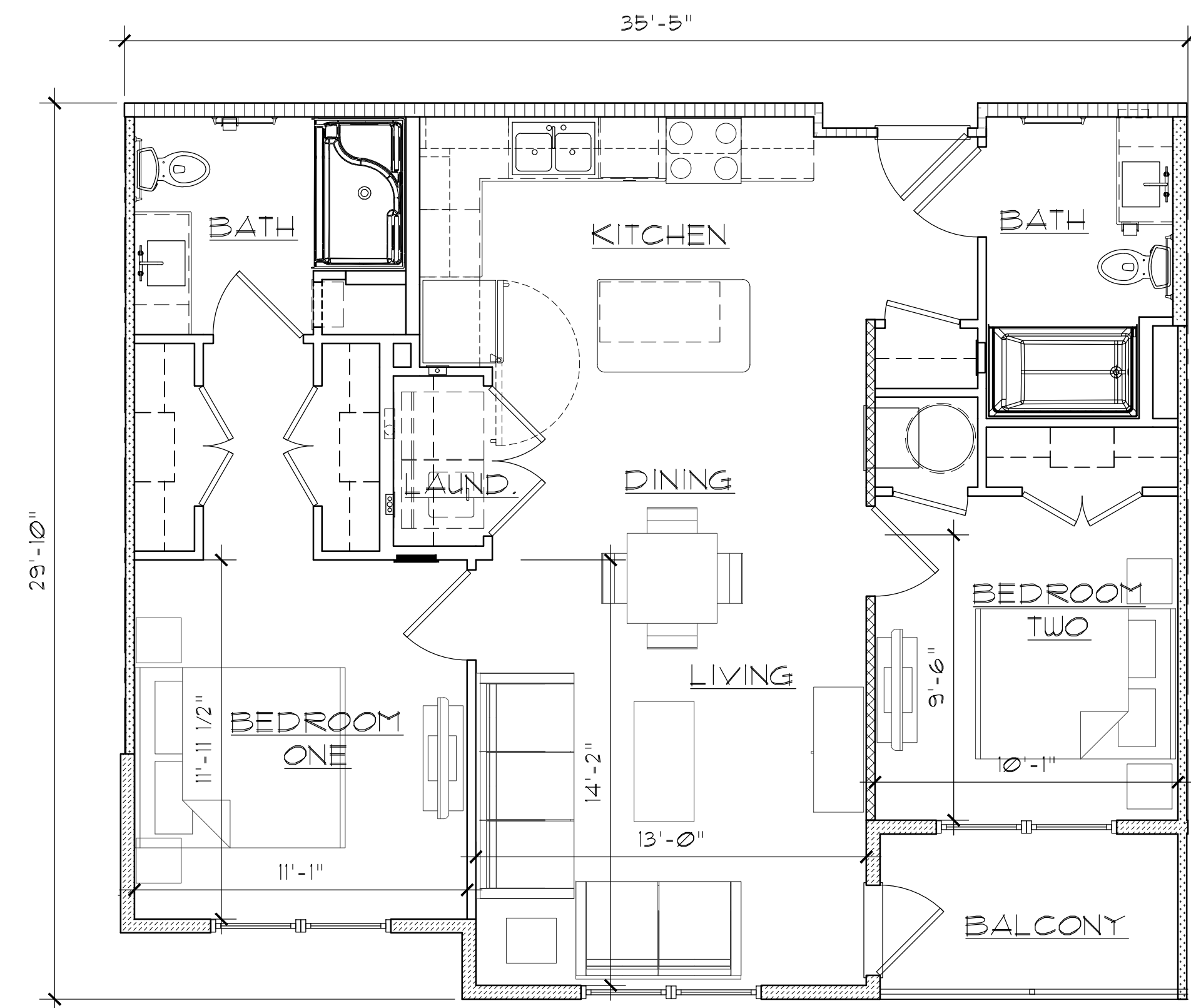
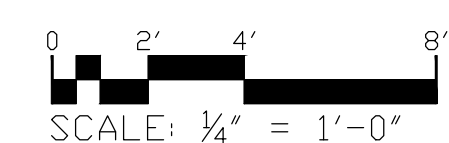
- 1) FREE SLIDE ROD w/ 12" SHELF MOUNTED @ 66" A.F.F.
- 2) FREE SLIDE ROD w/ 12" SHELF MOUNTED @ 44" A.F.F.
- 3) 16" SHELF MOUNTED @ 66" A.F.F.
- 4) FUTURE DEHUMIDIFIER (T) OF DEVICE MTD. @ 32" A.F.F.)
- 5) RADON PIPE STACK LOCATION
- 6) UNIT WATER SHUT-OFF VALVE MUST BE INSTALLED w/ T) OF VALVE @ 44" A.F.F. & MARKED w/ SIGNAGE.
- 7) FOLD-UP GRAB BAR (T) OF BAR MOUNTED @ 36" A.F.F.)
- 8) 36" GRAB BAR (1 1/2" DIAMETER, #US32D 304 STAINLESS STEEL w/ CONCEALED SCREWS) MOUNT T) OF BAR @ 36" A.F.F.
- 9) 42" GRAB BAR (1 1/2" DIAMETER, #US32D 304 STAINLESS STEEL w/ CONCEALED SCREWS) MOUNT T) OF BAR @ 36" A.F.F.
- 10) 24" TOWEL BAR (FLAMINGO SERIES #US28D, CHROME FINISH) T) OF BAR MOUNTED @ 54" A.F.F.)
- 11) LOW PROFILE ALUM. THRESHOLD, TYP. @ ALL UNIT ENTRIES
- 12) 2"x6" INTERIOR FRAMED WALL IN UNIT
- 13) WASHER BOX CONNECTION INSTALLED CENTER BEHIND THE APPLIANCE IN 2x6 NON RATED WALL.
- 14) DRYER VENT BOX CONNECTION INSTALLED CENTER BEHIND THE APPLIANCE IN 2x6 NON RATED WALL. (MUST BE GALVANIZED & MOUNTED 2" MAX. A.F.F.)
- 15) ICE MAKER BOX IN 1-HR RATED CORRIDOR WALL (UL U311)
- 16) RECESSED MEDICINE CABINET IN 1-HR RATED LOAD BEARING WALL (UL U305) (TRIANGLE B-772-93) w/ MIRROR DOOR & B) OF SHELF @ 43" A.F.F. MAX.)
- 17) RECESSED MEDICINE CABINET IN NON-RATED WALL (TRIANGLE B-772-93) w/ MIRROR DOOR & B) OF SHELF @ 43" A.F.F. MAX.)
- 18) TOILET PAPER HOLDER (FLAMINGO SERIES #US26D CHROME FINISH) T) OF BAR MOUNTED @ 17" A.F.F. & 8" FORWARD FROM LIP OF TOILET.
- 19) ELECTRICAL PANEL BOX IN NON RATED WALL (T) OF BREAKER MOUNTED @ 44" A.F.F.)
- 20) MEDIA PANEL (T) OF PANEL MOUNTED @ 44" A.F.F.)

UNIT NOTES:

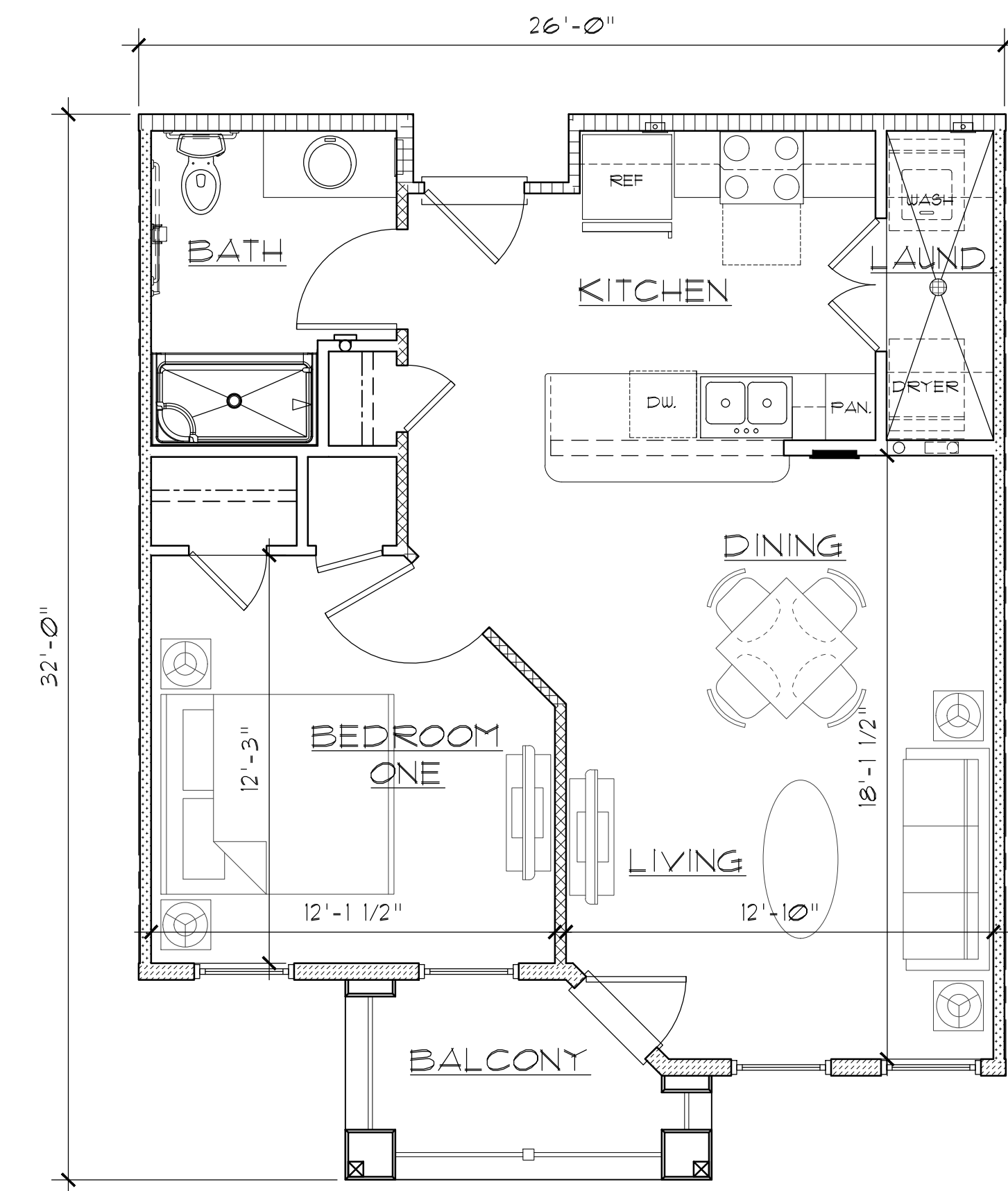
1. ALL UNITS MUST BE BUILT TO ACHIEVE ENERGY STAR "MULTIFAMILY NEW CONSTRUCTION CERTIFICATION AS VERIFIED BY AN INDEPENDENT, THIRD PARTY EXPERT WHO ASSISTS w/ PROJECT DESIGN. THIRD PARTY PROFESSIONAL RATERS MUST PERFORM BLOWER DOOR TEST ON MINIMUM 8 UNITS SCATTERED THROUGHOUT THE BUILDING.
 2. PROVIDE INFRASTRUCTURE FOR HIGH SPEED CABLE, DSL OR WIRELESS INTERNET SERVICE IN ALL UNITS.
 3. CABINET SHOP DRAWINGS SHALL BE SUBMITTED TO ARCHITECT FOR APPROVAL FOR ALL CABINETS. ALL CABINETS SHALL BE FIELD VERIFIED.
 4. CERTIFIED LOW OR NO VOC MATERIALS: INTERIOR PAINTS, CARPET, CARPET PADS, CARPET PAD ADHESIVE AND NO ADDER UREA-FORMALDEHYDE: INSULATION, SUB-FLOOR, CABINETS, SHELVES, AND COUNTERTOPS.
 5. SEAL ALL PENETRATIONS THROUGH WALLS & CEILINGS w/ SEALANT, INCLUDING GYP BOARD @ TOP & BOTTOM PLATES OF WALLS & CORNERS.
 6. MOISTURE RESISTANT GYPSUM BOARD IS REQUIRED IN THE FOLLOWING LOCATIONS AS FOLLOWS:
BATHROOMS - ALL CEILINGS & WALLS.
MECHANICAL CLOSETS - ALL CEILINGS & WALLS.
LAUNDRY CLOSETS - ALL CEILINGS & WALLS.
KITCHEN - BEHIND ALL WET WALLS.
 7. ALL INTERIOR DOORS MUST HAVE A MINIMUM OF (3) HINGES.
 8. ALL "B)" UNITS MUST BE EQUIPPED w/ A HARD-WIRED CALL FOR AID STATION IN ALL UNIT BEDROOMS & BATHROOMS. THE AID STATION MUST BE WIRED TO A STROBE LIGHT & AN AUDIBLE ALARM LOCATED OUTSIDE OF UNIT IN CORRIDOR.
 - KITCHENS & BATHROOMS:
 9. ANTI-TIP DEVICES MUST BE INSTALLED ON ALL KITCHEN RANGES & BE SECURELY FASTENED TO THE FLOOR.
 10. RANGE CORD RECEPTACLES MUST BE RECESSED IN THE WALL BEHIND THE RANGE.
 11. ALL UNITS MUST HAVE POWDER-BASED FIRE SUPPRESSION CANISTERS INSTALLED ABOVE THE RANGE COOK TOP OR ELECTRONICALLY-CONTROLLED SOLID COVER PLATES OVER STOVE TOP BURNERS.
 12. ALL UNITS MUST BE EQUIPPED w/ A 5lb. ABC RATED DRY CHEMICAL FIRE EXTINGUISHER MOUNTED IN SINK CABINET.
 13. PROVIDE LOOP OR "D" HANDLES ON CABINET DOORS & DRAWERS, TYP. FOR ALL UNITS.
 14. INSTALL A RECESSED MEDICINE CABINET IN ALL UNIT BATHROOMS.
- ADDITIONAL NOTES: FOR UNITS "A)" AND "B)"**
15. ALL "A)" AND "B)" UNITS MUST HAVE A HARD-WIRED CALL FOR AID STATION IN ALL BEDROOMS & BATHROOMS.
 16. ALL "A)" AND "B)" UNITS MUST BE ROUGHED IN TO ALLOW FOR SMOKE ALARMS w/ STROBE LIGHTS IN EVERY BEDROOM, BATHROOM, & LIVING ROOM.
 17. ALL "A)" AND "B)" UNITS MUST HAVE A RECEPTACLE NEXT TO TELEPHONE JACKS FOR FUTURE INSTALLATION OF TTY DEVICES.
 18. ALL "A)" AND "B)" UNITS MUST HAVE LIGHTED DOORBELL BUTTON CONNECTED TO AN AUDIBLE & STROBE ALARM INSTALLED IN ALL BEDROOMS, BATHROOMS, & COMMON AREAS.
 19. ALL "B)" UNITS MUST HAVE A COLLAPSIBLE WATER DAM OR BEVELED THRESHOLD. ALL ROLL-IN SHOWERS MUST ALSO HAVE AN ADJUSTABLE SHOWER ROD & WEIGHED CURTAIN INSTALLED BEFORE OCCUPANCY.

PROJECT SYMBOLS:

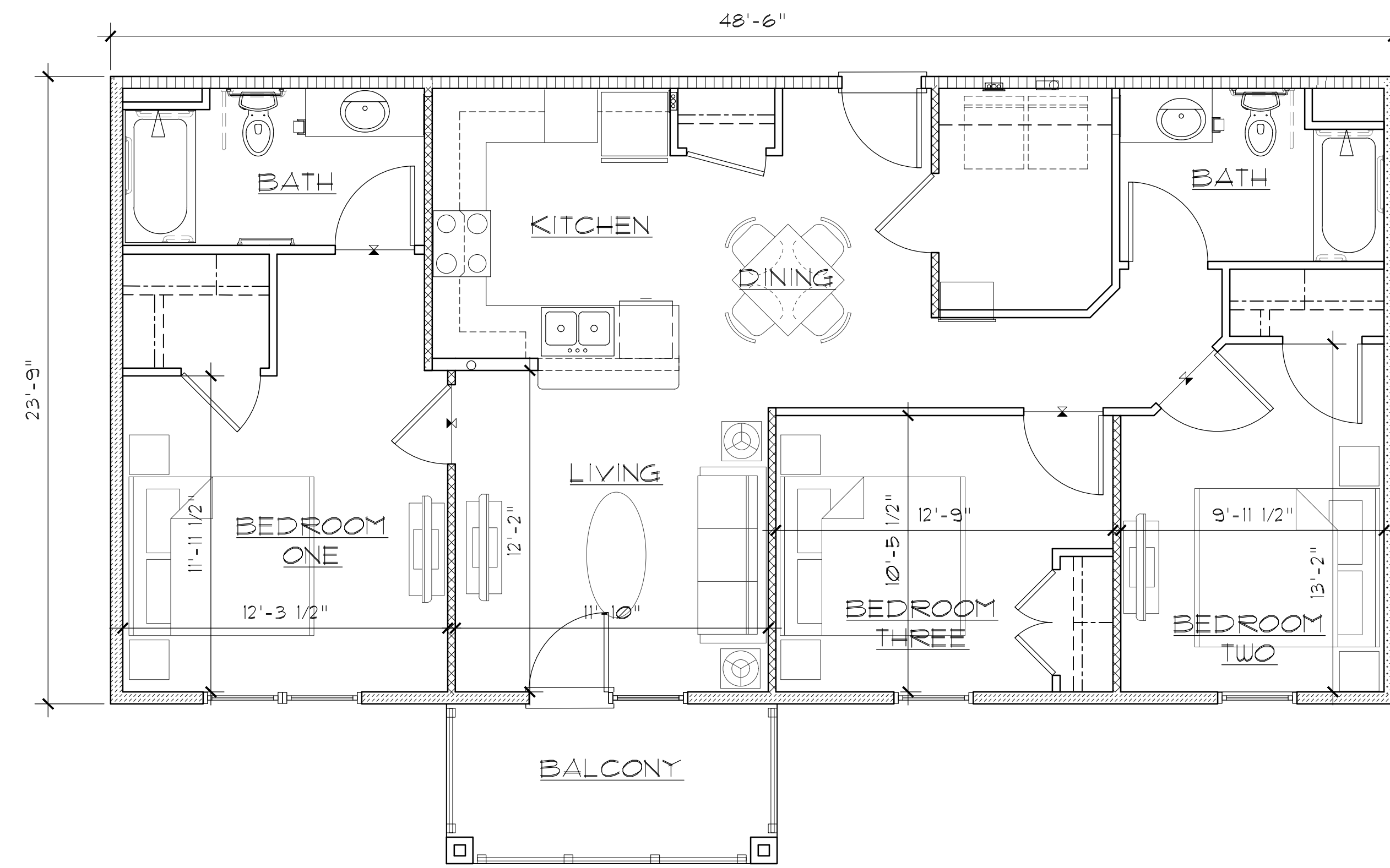
- DIMENSION CALL-OUT FROM CENTER LINE TO CENTER LINE
- TYP. DIMENSION CALL-OUT
- WALL SECTION NUMBER DWG. SECTION LOCATION
- ELEVATION NUMBER DWG. ELEVATION LOCATION
- ELEVATION NUMBER DWG. ELEVATION LOCATION
- ELEVATION HEIGHT CALL OUT / DATUM
- DOOR NUMBER DESIGNATION
- DETAIL NUMBER DWG. DETAIL LOCATION AREA COVERED BY DETAIL
- BREAKLINE



2 TWO BEDROOM "B1" UNIT PLAN
1/4" = 1'-0" 912 SF HEATED

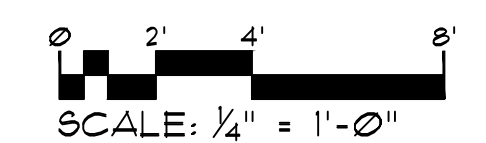


1 ONE BEDROOM "A1" UNIT PLAN
1/4" = 1'-0" 654 SF HEATED



3 THREE BEDROOM "C1" UNIT PLAN
1/4" = 1'-0" 1082 SF HEATED

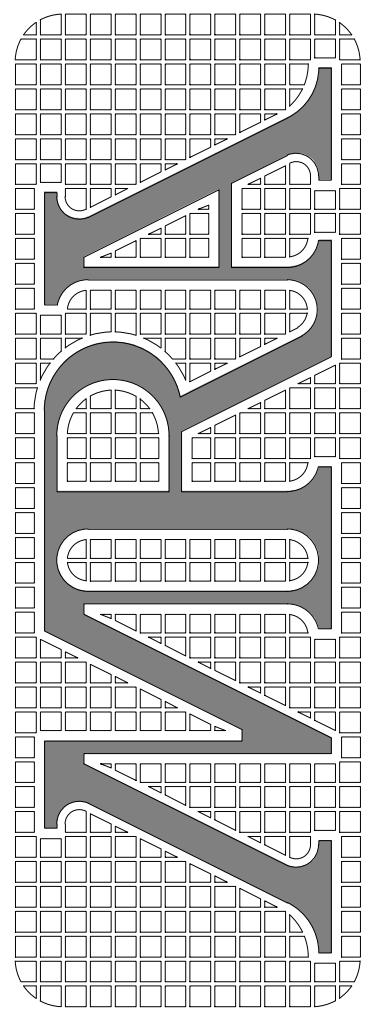
unit matrix (reduced size units)				
unit type	unit	heated area	count	total net area
1bd/1b	A1	654	8	5,232
2bd/2	B1	912	38	34,656
2bd/2	B2	1,056	4	4,224
3bd/2	C1	1,082	26	28,132
3bd/2	C2	1,309	4	5,236
			80	77,480



REVISIONS

PROJECT NUMBER	DATE ISSUED	DRAWN BY	CHECKED BY
2023-055	2/21/2024	DET	

MARTIN RILEY ASSOCIATES - ARCHITECTS, P.C.
215 CHURCH STREET SUITE 200 DECATUR GEORGIA 30030-3329 404-373-2800
BISF HARRISONBURG PHASE 1
HARRISONBURG, VA



A2.1

UNIT FLOOR PLAN 5

ADDENDUM E
Utility Allowance

Virginia Housing | Housing Choice Voucher Program

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

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

		Unit Type: 1 Exposed Wall					Effective Date: 07/01/2023			
Utility	Usage	Monthly Dollar Amount								
		0 BR	1 BR	2BR	3BR	4BR	5 BR	6 BR	7BR	
Appliance	Range/Microwave	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	
	Refrigerator	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00	
Bottled Gas	Cooking	\$11.00	\$15.00	\$20.00	\$24.00	\$31.00	\$35.00	\$40.00	\$44.00	
	Home Heating	\$61.00	\$85.00	\$109.00	\$133.00	\$169.00	\$194.00	\$218.00	\$242.00	
	Water Heating	\$27.00	\$37.00	\$48.00	\$58.00	\$74.00	\$85.00	\$95.00	\$106.00	
Electricity	Cooking	\$4.00	\$5.00	\$6.00	\$8.00	\$10.00	\$11.00	\$13.00	\$14.00	
	Cooling (A/C)	\$7.00	\$10.00	\$13.00	\$15.00	\$20.00	\$22.00	\$25.00	\$28.00	
	Home Heating	\$25.00	\$34.00	\$44.00	\$54.00	\$69.00	\$78.00	\$88.00	\$98.00	
	Other Electric	\$14.00	\$20.00	\$25.00	\$31.00	\$39.00	\$45.00	\$50.00	\$56.00	
	Water Heating	\$13.00	\$18.00	\$23.00	\$28.00	\$35.00	\$40.00	\$45.00	\$50.00	
Natural Gas	Cooking	\$2.00	\$2.00	\$3.00	\$3.00	\$4.00	\$5.00	\$5.00	\$6.00	
	Home Heating	\$9.00	\$13.00	\$16.00	\$20.00	\$25.00	\$29.00	\$32.00	\$36.00	
	Water Heating	\$4.00	\$6.00	\$7.00	\$9.00	\$11.00	\$13.00	\$14.00	\$16.00	
Oil	Home Heating	\$55.00	\$77.00	\$99.00	\$121.00	\$154.00	\$176.00	\$198.00	\$220.00	
	Water Heating	\$24.00	\$33.00	\$42.00	\$52.00	\$66.00	\$75.00	\$85.00	\$94.00	
Sewer	Other	\$21.00	\$29.00	\$38.00	\$46.00	\$59.00	\$67.00	\$76.00	\$84.00	
Trash Collection	Other	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	
Water	Other	\$18.00	\$25.00	\$32.00	\$40.00	\$50.00	\$58.00	\$65.00	\$72.00	
UTILITY ALLOWANCE TOTAL:		\$	\$	\$	\$	\$	\$	\$	\$	

ADDENDUM F
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA, Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, AK License #213395
Certified General Appraiser, FL License #RZ4143
Certified General Appraiser, GA License #427009
Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487
Certified General Appraiser, TX License #1381138-G

Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

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

IV. Professional Training

7-Hour National USPAP Update for 2022-2023, April 2022
Appraisal of Industrial and Flex Buildings, April 2022
Green Building Concepts for Appraisers, April 2022
Basic and Advanced Hotel Appraising, October 2019
Appraisal of Land Subject to Ground Leases, December 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored "Determining Whether a Developer Fee is Reasonable and Market-Oriented for Purposes of the Revenue Procedure 2014-12 Historic Tax Credit Safe Harbor," Novogradac Journal of Tax Credits, March 2021
Co-authored "Reasonableness of Historic Tax Credit Related-Party Fees a Complicated, Changing Question in Context of Rev. Proc. 2014-12," Novogradac Journal of Tax Credits, March 2021

Co-authored "Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions," *Novogradac Journal of Tax Credits*, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall prime lease terms.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

LAUREN E. LEX

I. Education

Trinity College, Hartford, CT
Bachelor of Arts in American Studies and Art History, *cum laude*

II. Professional Experience

Manager, *Novogradac & Company LLP*, December 2019 – Present
Senior Analyst, *Novogradac & Company LLP*, December 2017 – December 2019
Analyst, *Novogradac & Company LLP*, December 2015 – December 2017
Junior Analyst, *Novogradac & Company LLP*, August 2013 – December 2015
Communications Directorate Intern, *U.S. Census Bureau*, June 2011 – August 2011

III. Real Estate Assignments

A representative sample of work on various types of projects:

- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Caroline McGimsey

I. Education

Elon University – Elon, NC
Bachelor of Arts, Economics

II. Professional Experience

Analyst, *Novogradac & Company LLP* – July 2022 - Present
Junior Analyst, *Novogradac & Company LLP* – November 2021 – June 2022

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing markets studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and Housing Choice Voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Sarah Childs

I. EDUCATION

Ohio State University, May 2022
Master of Public Administration

Miami University, May 2018
Bachelor of Arts – Political Science and History

II. PROFESSIONAL EXPERIENCE

Junior Analyst, Novogradac & Company LLP
Public Policy Intern, Novogradac & Company LLP

III. RESEARCH ASSIGNMENTS

A representative sample of work on various types of projects:

- Assist in performing and writing market studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Assisted in performing and writing a market study of a proposed market rate property.
- Research web-based reasonableness systems and contact local housing authorities for utility allowance schedules, payments standards, and Housing Choice Voucher information.
- Assisted in appraisals of proposed new construction Low-Income Housing Tax Credit (LIHTC) properties.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.

ADDENDUM G
NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

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

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

Abby Cohen
Partner

Certificate of Professional Designation

This certificate verifies that

Abby Cohen

Novogradac & Company LLP

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



National Council of Housing Market Analysts
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Membership Term
1/1/2024 to 12/31/2024



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NCHMA Market Study Index

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

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2	Scope of Work	transmittal letter
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