

Market Analysis
Bluestone Town Center Senior Apartments
Harrisonburg, Virginia

Prepared for:
Timothy McCarty
EP Harrisonburg Owner LLC

March 2024



▪ S. PATZ & ASSOCIATES, INC. ▪
▪ REAL ESTATE CONSULTANTS ▪



▪ S. PATZ & ASSOCIATES, INC. ▪
▪ REAL ESTATE CONSULTANTS ▪

March 4, 2024

Timothy McCarty
Managing Director
EP Harrisonburg Owner LLC
1888 Main Street, Suite C163
Madison, MS 39110

Tim,

Please find attached our full-narrative market analysis supporting the proposed construction of the 62-unit Bluestone Town Center Senior Apartments, located in the City of Harrisonburg, Virginia. This report has been prepared for submission to Virginia Housing officials and complies with the agency's market study guidelines.

Bluestone Town Center Senior Apartments will serve as a key element within a larger residential community aimed at enhancing housing affordability for families, seniors, renters, and homeowners alike. The senior segment, which is the focus of this report, is proposed to feature 62 apartment units designated for households earning up to 60% of Area Median Income (AMI). It is important to highlight that 35 of the proposed units will benefit from project-based vouchers, virtually guaranteeing quick occupancy. Also supporting the strength of this concept is that Bluestone Town Center Senior Apartments will be the first age-restricted apartment community built in Harrisonburg that is not fully subsidized. The modern, attractive design and features of the units are expected to make this community particularly appealing in a market characterized by a shortage of affordable senior housing options.

The report to follow demonstrates market support under two distinct scenarios: one as presently planned, with over half of the units backed by project-based vouchers, and a second, unlikely scenario where these vouchers are not available. Our research indicates strong market support in both cases. With the current plan, our market study forecasts a project-wide capture rate of 16.1 percent, which is deemed viable within the Harrisonburg housing market.

Our analysis demonstrates significant market support for this development as currently planned, evidenced by supply-demand data. Please do not hesitate to contact me should you require further information or clarification.

Sincerely,

Ariel Goldring

Ariel Goldring
President

Table of Contents

Section I: Introduction	4
Executive Summary	6
Bluestone Town Center Senior Apartments	8
Site Description	8
Site Setting	12
Public Transit	15
Crime	15
Public and Commercial Facilities	16
Bluestone Town Center Senior Apartments Development Program	19
HUD Maximum Allowable Rent Comparison	20
Site Plan and Building Design	21
Apartment Unit Floor Plans	26
Market Area Definition	27
Market Area Economic Overview	29
At-Place Jobs	30
Employment and Labor Force	32
Major Employers	33
Travel Time to Work	34
Wages by Occupation	35
Economic Development Activity	35
James Madison University (JMU)	37
WARN (Layoff) Notices	38
Section II: Affordable Apartment Market Analysis	39
Market Area Demographic Analysis	39
Population Trends and Projections	39
Group Quarters Population	40
Households	41
Renter and Owner Households	41
General Senior Demographics	42
Target Senior Market Demographics	43
Senior Households Likely to Convert to Rental Housing	44
Senior Renter Households by Size	45
Rent Overburdened Senior Households	45
Seniors in Substandard Housing	46
Residential Building Permits	47
Competitive Apartment Market	49
Characteristics of the Competitive Apartment Market	50
Distribution of Income Restrictions	55
Net Rental Rates	56
Net Rent per Square Foot	58
Apartment Unit Sizes	59
Apartment Unit Mix	60
Community Amenities	61
Local Perspective of the Rental Housing Market	62
Section III: Market Study Conclusions	64
Demand Analysis	65
Penetration Rate Analysis	65
Net Rent Evaluation	66
Unit Size and Unit Mix Evaluation	66
Virginia Housing Demand Analysis (Absent Project-Based Vouchers)	67
Virginia Housing Demand Analysis (With Project-Based Vouchers)	69
Data Sources	73

Section I: Introduction

The following full-narrative market study is for the proposed development of Bluestone Town Center Senior Apartments in the City of Harrisonburg, Virginia. This will be a new-construction apartment community with 62 one- and two-bedroom apartment units for seniors over the age of 55. Construction on the apartment community, to be built near the northeastern intersection of Erickson Avenue and Garbers Church Road, is expected to begin in early-2025 with occupancy available by mid-2026.

Once built, Bluestone Town Center Senior Apartments will have rent, income, and age restrictions. Thirty-five apartment units will be supported by project-based vouchers issued by the Harrisonburg Redevelopment & Housing Authority (HRHA). The forthcoming report will document demand under two scenarios: one in which these vouchers are absent, causing these units to revert to LIHTC income restrictions, and the more likely scenario in which the subsidies are available. S. Patz & Associates undertook a site visit on January 17, 2024 to examine the property and competitive apartment market.

Bluestone Town Center Senior Apartments is designed for low- and moderate-income senior households and proposed to be financed with 9% Low-Income Housing Tax Credits (LIHTC) through Virginia Housing. The report is presented in three sections to follow the market study guidelines of Virginia Housing for LIHTC proposals. The first section is the Introduction, which provides an executive summary as well as a detailed analysis of the study site and its setting in Harrisonburg. The site description includes an analysis of adjacent land uses, particularly commercial and public facilities that will serve the future resident population.

The site development plan is also presented, describing the number and types of apartment units planned for Bluestone Town Center Senior Apartments. This analysis studies the types of amenities and building features to be built. A key to the description of the development is the identification of the target market for the apartment community, with particular emphasis on how the proposal meets the HUD income guidelines for LIHTC apartment properties in the City of Harrisonburg.

Section I has a second subsection, an economic overview of the greater Harrisonburg marketplace. The key factors studied in this subsection are at-place jobs and employment growth, as these two economic factors best determine the region's economic stability. Additionally, at-place jobs and employment growth are the base for determining population and household growth. The economic overview includes trends in at-place jobs and employment as well as data on new development proposals expected to generate net job growth.

The second section is the supply-demand analysis for the proposed development. First presented is a demographic analysis of the market area defined for Bluestone Town Center Senior Apartments. The demographic analysis "solves" for the number of market area senior households related to the development proposal. These income categories are based on the proposed rents, as described below.

The second part of Section II is the analysis of the competitive apartment properties in the market area, referred to as "comps" for Bluestone Town Center Senior Apartments. Based primarily on rents, we identified 11 apartment properties that would be most competitive with Bluestone Town Center Senior Apartments. Among these, only Springbrook Place is an age-restricted property, making it the sole affordable, age-restricted apartment property in the market area not supported by project-based vouchers. Additionally, we examined four affordable general occupancy apartment properties and six older market-rate apartment properties. These properties were analyzed for rents, occupancy rates, unit sizes, characteristics, apartment amenities, and features. These project characteristics are then compared with the proposal to determine Bluestone Town Center Senior Apartments' competitive position in the Harrisonburg marketplace.

The third and final section of the report is the Conclusions, which is the net demand analysis for the apartment units for seniors in the defined market area.

Executive Summary

The attached market study evaluates the feasibility of developing Bluestone Town Center Senior Apartments, an affordable apartment community offering a total of 62 one- and two-bedroom apartment units restricted to seniors over the age of 55. The property is proposed to be affordable for senior households earning incomes of up to 60% of AMI. Within this total, 35 apartment units will be supported by project-based vouchers, meaning over half of the units in the community will be fully subsidized, with tenants paying up to 30 percent of their income toward rent. The following market study assesses the proposal's viability, including under the unlikely scenario that the project-based vouchers are unavailable.

Bluestone Town Center Senior Apartments presents an attractive proposal that will stand apart from the existing housing supply in the greater Harrisonburg region. It will feature a four-story elevator building with a contemporary design in a market that offers essentially no direct competition. The market area houses only one affordable, age-restricted apartment community not fully supported by project-based vouchers, Springbrook Place, which is small and nearly 25 years old. This community is fully occupied with an extensive waitlist and targets seniors with lower incomes compared to the unsubsidized target market for Bluestone Town Center Senior Apartments. The remaining affordable and lower-rent market-rate apartment communities are generally older and designed for families, not seniors. Additionally, both the general occupancy and age-restricted apartment properties with deep rent subsidies are fully occupied with extensive waitlists. Thus, income-qualified seniors in the market area have few available options for adequate, affordable housing.

Overall, our analysis identifies no significant barriers to the successful construction and marketing of Bluestone Town Center Senior Apartments. The market study findings are positive, suggesting a favorable environment for the proposed development.

Other conclusions of the market study include:

- Employment growth in the market area is steady and expected to expand over the near- and mid-term. Although data for 2023 are not yet available, the latest employment figures

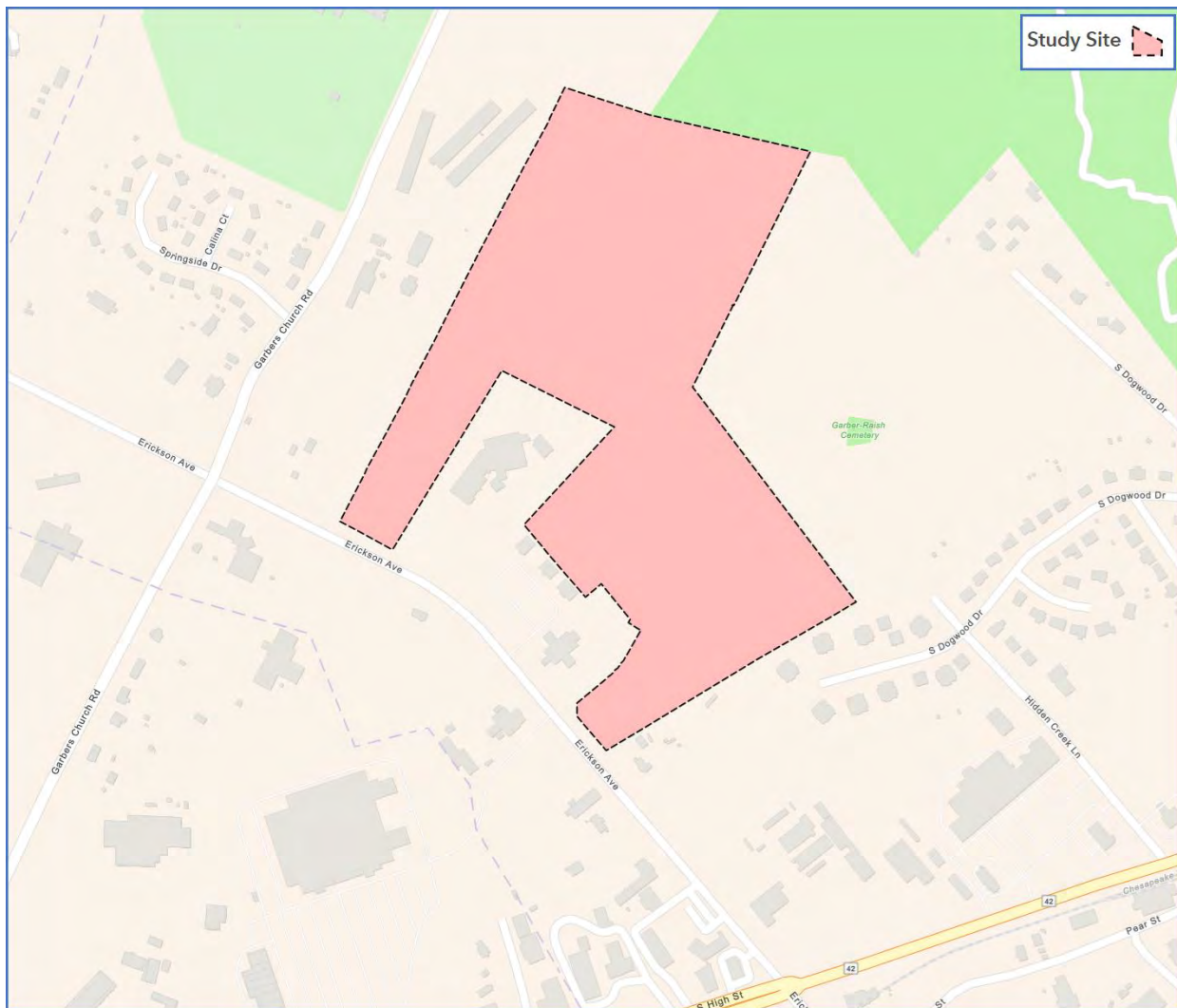
as of June 2023 indicate a continued upward trend in at-place jobs. The number of at-place jobs has risen to 65,430, marking an increase of 710 jobs compared to the figures at the end of 2022. New economic development activity is projected to add at least 700 new jobs to the market area under study. While the proposal for Bluestone Town Center Senior Apartments primarily targets active seniors who are likely retired, understanding the market area's economic dynamics is crucial. Seniors tend to remain in areas where their families are securely employed and where employment stability is expected to continue.

- The target market population for Bluestone Town Center Senior Apartments is forecasted to decrease by 78 households for the 60% of AMI income category and by 159 for households that would qualify for the subsidized units. Census data, however, show that 24.9 percent of senior renter households in the market area spend over 40 percent of their income on rent, while 3.8 percent live in substandard housing conditions.
- Although some age-restricted and general-occupancy apartment properties in the market area are fully subsidized, none have vacancies, and most maintain extensive waitlists.
- The Harrisonburg Redevelopment & Housing Authority maintains an extensive waitlist for housing-choice vouchers, totaling 3,050 applicants. Of these, 225 households are seniors.
- There are no affordable, age-restricted apartment properties under construction or in planning in the market area.
- Management at most apartment communities under study note steady increases in rents within the market area, both at the properties under study as well as others. This has exacerbated the financial burden on low- and moderate-income senior renters, leading to a rise in the number of households burdened by rent.
- The market area capture rate, factoring in projected changes in income-qualified senior renter households, cost-burdened senior renter households, senior renters in substandard housing, seniors likely to convert to rental housing, market area apartment vacancies, and pipeline apartment units, is estimated at 30.1 percent in the scenario of no project-based vouchers and 16.1 percent if project-based vouchers are available, as currently planned.
- The development program is deemed marketable, and no modifications are recommended.

Bluestone Town Center Senior Apartments

Site Description

Map A displays the Bluestone Town Center Senior Apartments site's location. This 46.33-acre site, notable for its irregular shape, is situated near the northeastern corner of Erickson Avenue and Garbers Church Road. Positioned at Harrisonburg's western edge, the site is close to the boundary with Rockingham County. The community will be located approximately three miles southwest of Downtown Harrisonburg, 2.5 miles from James Madison University, and four miles northwest of the Sentara RMA Medical Center. The study site is currently accessible from Erickson Avenue in the south.



Map A - Bluestone Town Center Senior Apartments

The following is a northern aerial view of the study site, which is serviced by public water and sewer. The aerial view shows that the site is entirely vacant, comprising a blend of cleared green areas and wooded sections.

Additionally, the site is shown to be situated within a mixed-use area. To the south, fronting Erickson Avenue, are commercial establishments, including May Supply Harrisonburg (Note 1), the Erickson Professional Park, a multi-tenant, three-building office complex (Note 2), and a building fully occupied by Rockingham Family Physicians (Note 3). To the west of the property are older structures predominantly used for poultry farming (Note 4). On the site's eastern side lies the Hidden Creek Apartments (Note 5), an 80-unit apartment complex developed in multiple phases primarily during the mid-1980s and mid-1990s.

Other significant non-residential developments in proximity to the study site include three churches (Note 6), Harrisonburg High School (Note 7), and the Walmart Supercenter-anchored Garber's Crossing shopping area (Note 8).



Northern Aerial

Of particular note is that the senior apartments under study will be built as part of a larger mixed-income development called Bluestone Town Center. This 897-unit master-planned community will encompass a variety of housing types: 133 manufactured homes available for purchase, 324 townhomes, and 440 apartments, all adhering to income restrictions at different levels. Specifically, the for-sale homes will be targeted towards households earning 80% to 120% of the Area Median Income, with pricing ranging from the mid-\$200,000s to mid-\$300,000s.

Presented below are photos of the study site. The photos depict the site as entirely vacant, offering excellent visibility from Erickson Avenue. The site is partially cleared and partially wooded.



View of Study Site from Rear of Adjacent Commercial Structure



View of Study Site from Erickson Avenue

Site Setting

The paragraphs above describe the Bluestone Town Center Senior Apartments' site location and surrounding area. The analysis, complemented by an aerial view, showed that the neighboring developments predominantly comprise residential, community, and commercial

uses. Map B delineates the site's setting, which is located off Erickson Avenue and roughly half a mile northwest of SR 42.

SR 42, a key state highway, runs parallel to and west of I-81. This road is characterized by three distinct sections connected via secondary routes. Parts of SR 42 trace the historical Fincastle Turnpike, while a significant segment, stretching from near Clifton Forge to Buffalo Gap, runs alongside the old Virginia Central Railroad. In the vicinity of the study site, SR 42 offers direct access to the Town of Bridgewater, situated about 5.5 miles to the southwest, and Downtown Harrisonburg (Note 1), located approximately 3.0 miles to the northeast. Downtown Harrisonburg houses an array of retailers and restaurants. Additionally, SR 42 provides routes to the northern towns of Broadway and Timberville in neighboring Rockingham County.

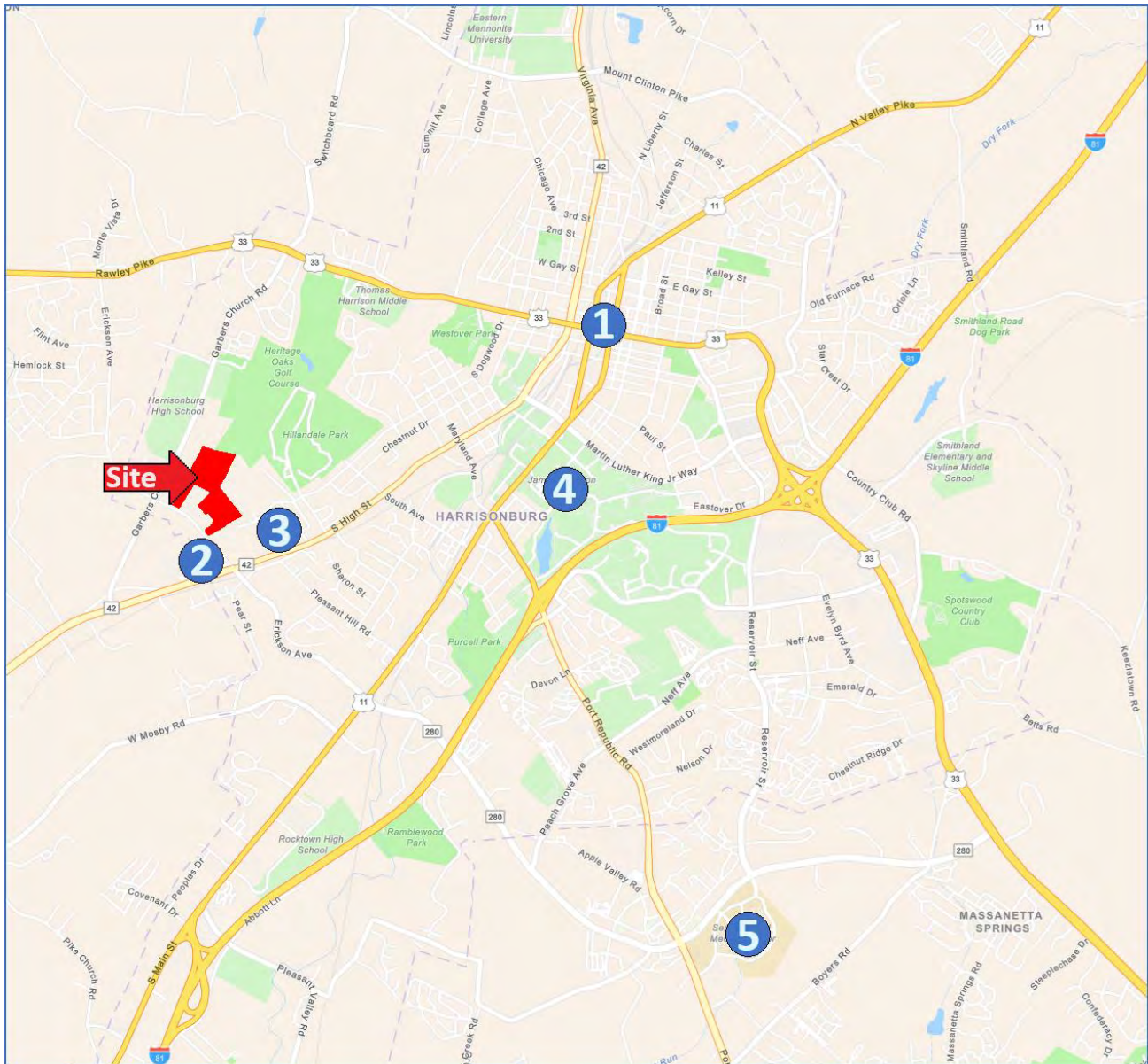
The development along SR 42 near the study site is predominantly commercial. Notably, it includes Garber's Crossing (Note 2), anchored by a Walmart Supercenter, and the Food Lion Shopping Center (Note 3), the two closest grocery stores to the study site.

Erickson Avenue, defining the southern border of the study site, extends in a generally north-south direction. To the south, it provides direct access to SR 42 and U.S. Route 11, another significant commercial arterial leading to Downtown Harrisonburg. To the north, Erickson Avenue connects directly to U.S. Route 33, a part of the U.S. Highway System that stretches from Elkhart, Indiana, to Richmond, Virginia. This route offers east-west connectivity within the Harrisonburg region, including access to Downtown Harrisonburg.

Adjacent to the west of the study site, Garbers Church Road runs north-south between SR 42 in the south and U.S. Route 33 in the north. The development along this road is primarily residential, with notable exceptions such as the Heritage Oaks Golf Course, Harrisonburg High School, Bluestone Elementary School, and several churches.

Map B also illustrates the study site's proximity to key local institutions. James Madison University, the primary economic contributor in the region, is located approximately two miles from the site. This public research university covers 721 acres, enrolls over 22,000 students, and

employs an academic staff of nearly 1,500. The map also indicates the Sentara RMH Medical Center, situated about 4.5 miles southeast of the study site, near the junction of Stone Spring Road and Port Republic Road.

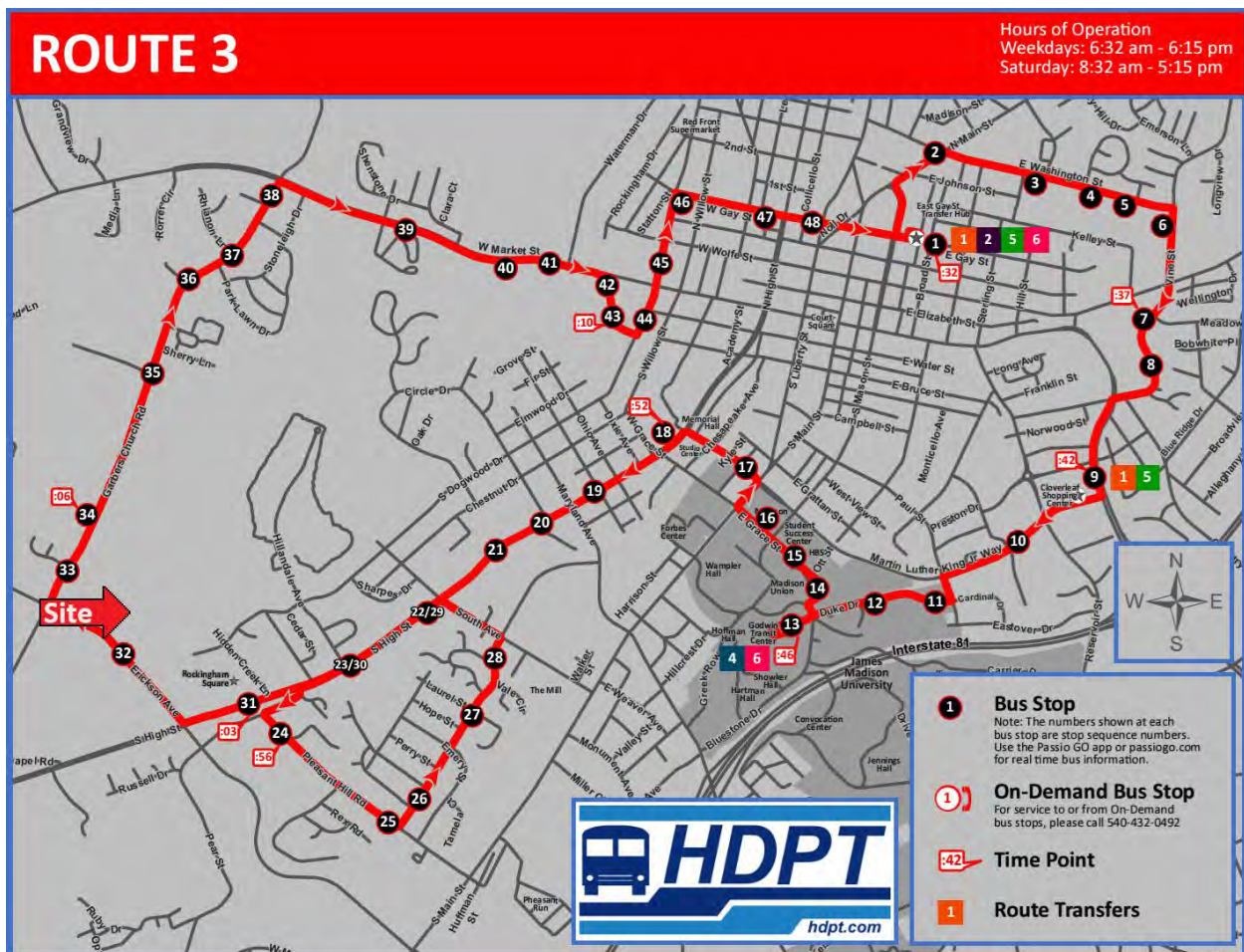


Map B - Bluestone Town Center Senior Apartments Site Setting

Overall, the site setting is attractive for the proposed development. The site's proximity to the downtown, and site access to medical and social service agencies, are in place. There are no blighting land uses in the immediate area.

Public Transit

Map C displays the Route 3 Line public bus route in Harrisonburg, which serves the neighborhood where Bluestone Town Center Senior Apartments will be located. The map indicates this route directly connects to Downtown Harrisonburg and James Madison University. The nearest bus stop, Number 32, is situated directly south of the study site along Erickson Avenue.



Map C - Bluestone Town Center Senior Apartments Proximity to Public Transit

Crime

Table 1 presents data on crime trends in the City of Harrisonburg, utilizing statistics from the FBI Uniform Crime Report (UCR), which sources data directly from the Harrisonburg Police

Department. The latest available data for 2022 show a total of 129 violent crimes, encompassing homicide, rape, robbery, and aggravated assault. There were also 929 property crimes, including arson, burglary, larceny, and motor vehicle theft. The total number of crimes in 2022 was 1,058, up from the previous five years but down over the past decade.

Table 1: Trends in Violent and Property Crime, City of Harrisonburg, VA, 2013-2022			
	<u>Violent Crime</u>	<u>Property Crime</u>	<u>Total Crime</u>
2013	106	1,369	1,475
2014	103	1,154	1,257
2015	119	1,240	1,359
2016	116	1,101	1,217
2017	130	897	1,027
2108	112	836	948
2019	120	942	1,062
2020	120	825	945
2021	126	811	937
2022	129	929	1,058

Source: FBI Uniform Crime Report

Public and Commercial Facilities

To follow are brief descriptions of the public and commercial facilities that will serve the future resident population at Bluestone Town Center Senior Apartments.

Medical Care: Sentara RMH Medical Center, the closest hospital to the study site, is situated approximately four miles southeast at 2010 Health Campus Drive. Relocated from a downtown location in 2010, this hospital is easily accessible for residents.

Community Facilities: The study site’s nearest post office is located around 3.0 miles east at 281 N Mason Street. Harrisonburg Fire Station 1, the closest fire station, can be found approximately 2.0 miles east of the study site at 80 Maryland Avenue. Additionally, the Massanutten Regional Library is situated about 2.8 miles northeast of the study site at 174 S Main Street.

Parks and Recreation: Hillendale Park, located at 801 Hillendale Avenue, is the closest public park to the study site. This 74-acre park features 12 picnic shelters, playground equipment,

a 1.3-mile walking trail, a sand volleyball court, two asphalt basketball courts, and three restroom facilities. It also marks the entrance to the Rocktown Bike Trails, offering recreational opportunities.

Senior Center: Harrisonburg Parks and Recreation provides various activities for seniors, including fitness and mind-body classes, primarily hosted at the Price Rotary Senior Center located at 309 South Dogwood Drive.

Education: Since Bluestone Town Center Senior Apartments will serve seniors, no schools will serve the study site.

Shopping: Near the study site are two shopping centers located near the intersection of SR 42 and Erickson Avenue: Garber's Crossing, featuring a Walmart Supercenter, Dollar Tree, and Virginia ABC; and the Food Lion Shopping Center, hosting Food Lion, OneMain Financial, and Tobacco Vape.

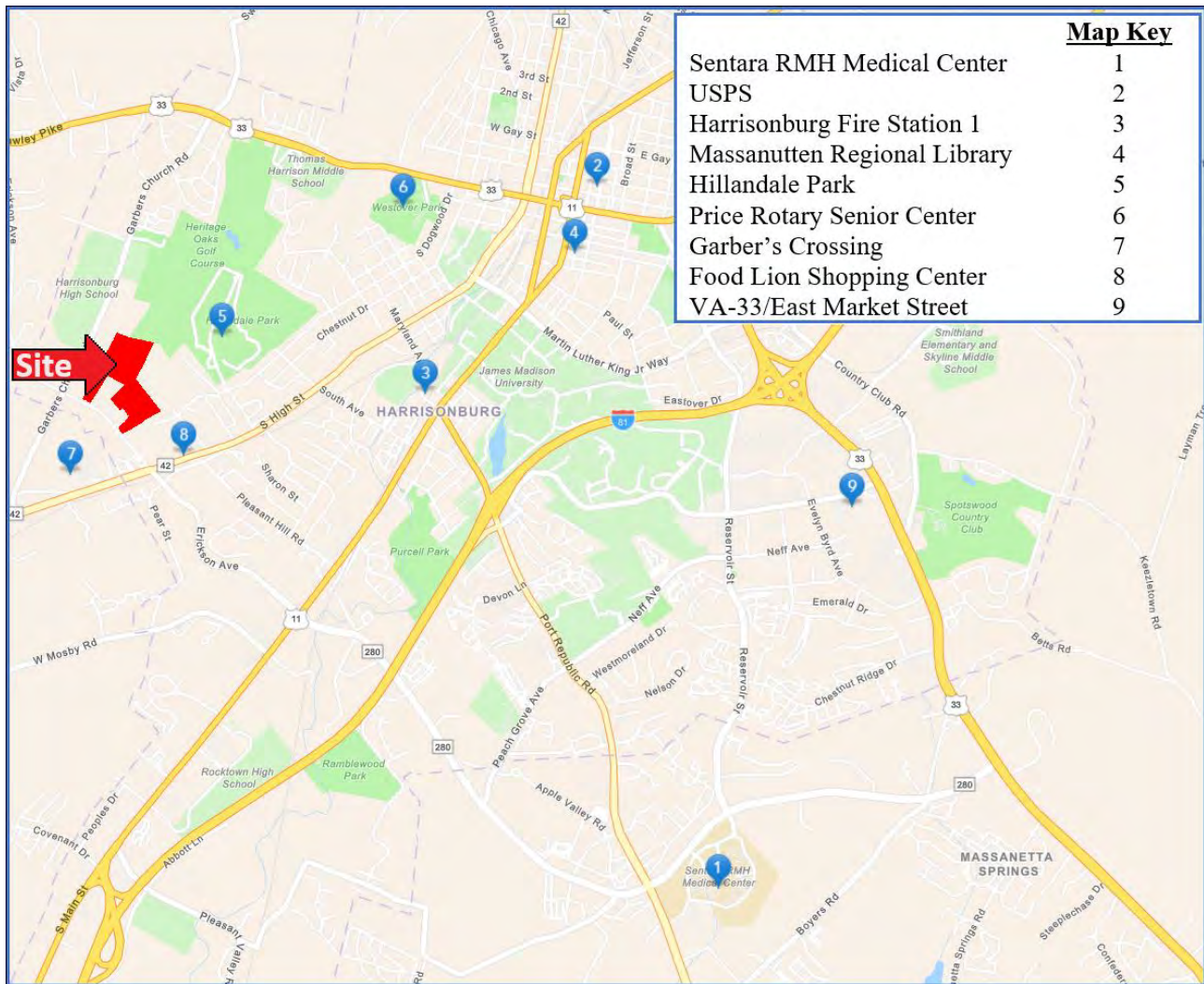
Additionally, larger retail stores are concentrated along VA-33/East Market Street, south of I-81, about five miles east of the study site, including:

- **Valley Mall:** This mature mall covers 506,000± square feet of space. It is anchored by Belk, JCPenny, Old Navy, Target, and Books-A-Million and includes more than 65 specialty shops. It is located at 1925 East Market Street. A food court called "Cafe Commons," as well as a Walmart store, were added to the mall in 1991. In 2003, Walmart relocated to the nearby Harrisonburg Crossing shopping center, leaving the mall with abundant vacant space. In early 2005, the former Walmart and food court were demolished and replaced by a Target, Old Navy, and rue21 in an outdoor format.
- **Market Square East Shopping Center:** This is a 65,360± square foot neighborhood retail center located at 1671 East Market Street. Tenants include PetSmart Dollar Tree, Advance America, H&R Block, Bravo Italian Eatery, Mr. J's NY Style Bagel and Deli, Renters Choice, Boston Beanery Restaurant, Family Christian Store, Chick-Fil-A, Captain D's, Waffle House, and Chevron
- **Sportswood Square Shopping Center:** This shopping center is located at 1746 East Market Street at University Boulevard. The 205,380± square foot shopping center sits on a 19.7-acre site. It was constructed in two phases, one in 1987 and the second in 1997. A 50,000± square foot Kroger anchors the retail center and also includes an Office Depot, Fashion Bug, and TJ Maxx.

-
- **Skyline Village**: This shopping center is located at 2035 East Market Street. Built in 1988, the 181,000± square foot retail center is anchored by a 73,400± square foot Martin's and an 88,250± square foot Kohl's.
 - **Harrisonburg Crossing**: This strip center is located at the intersection of I-81 and Route 33. Tenants at the 458,380± square foot retail center include a 205,320± square foot Walmart SuperCenter, 95,100± square foot Home Depot, Bed Bath & Beyond, Ross, Michaels, Staples, Petco, O'Charley's, Ruby Tuesday, and Panera Bread.

In addition to the above, a Costco is located 4.6 miles east of the site at 1830 Reservoir Road, a Kmart is located 5.5 miles east of the site at 1835 East Market Street, and a Lowe's Home Improvement is located approximately 4.8 miles east of the site at 201 Linda Lane.

Map D shows the locations of the community facilities serving the future residents of Bluestone Town Center Senior Apartments, highlighting the comprehensive range of essential services available in the area.



Map D - Bluestone Town Center Senior Apartments Community Amenities

Bluestone Town Center Senior Apartments Development Program

Table 2 provides a comprehensive overview of the Bluestone Town Center Senior Apartments proposal, detailing apartment unit sizes, unit composition, and proposed rental rates. The development is exclusively for seniors, featuring a combination of 54 one-bedroom and eight two-bedroom units. Each one-bedroom unit includes a full bathroom and spans between 534 and 628 square feet, with net rents set at \$780. Notably, half of these one-bedroom apartments are intended to be supported by project-based vouchers. The two-bedroom units, measuring 866 square feet and equipped with 1.5 bathrooms, have proposed net rents of \$1,007, with all these units also planned to be voucher-supported.

Table 2 further specifies the proposed net rental rate will include the cost of hot water and trash collection only. Utility costs have been determined through audits for each apartment unit, and the Utility Allowance (UA) will apply to electricity, cold water, and sewer, as other utilities are included in the rent.

Table 2: <u>Apartment Unit Characteristics, Bluestone Town Center Senior Apartments</u> 1/						
	<u>Units</u>	<u>Bathrooms</u>	<u>Size (Sq. Ft.)</u>	<u>Net Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
<u>One-Bedroom</u>						
60% of AMI 2/	54	1.0	534-628	\$780	\$81	\$861
<u>Two-Bedroom</u>						
60% of AMI 3/	8	1.5	866	\$1,007	\$86	\$1,093
Total	62					
Notes: 1/ Rents to include hot water and trash collection. 2/ 27 units supported by project-based vouchers. 3/ 8 units supported by project-based vouchers.						
Source: EP Harrisonburg Owner LLC						

HUD Maximum Allowable Rent Comparison

Table 3 shows gross rents for the apartment units with a utility allowance (UA) added to net rents for utility costs for the income-restricted units. The UA was calculated for the sponsor based on the unit sizes and energy-efficient HVAC systems and appliances. The apartment buildings will be energy efficient within the Virginia Housing guidelines. The gross rents shown are compared with the HUD maximum allowable gross rents for the Harrisonburg, VA MSA. The comparison shows that based on the calculated UA, the proposed gross rents are at or below the maximum allowable rates.

Table 3: <u>Rent Comparison Chart, Bluestone Town Center Senior Apartments and HUD Maximum Allowable Rates</u>				
	<u>Bluestone Town Center Senior Apartments</u>			<u>HUD Maximum Allowable</u>
	<u>Net Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>	
<u>One-Bedroom</u>				
60% of AMI	\$780	\$81	\$861	\$911
<u>Two-Bedroom</u>				
60% of AMI	\$1,007	\$86	\$1,093	\$1,093
Source: HUD; EP Harrisonburg Owner LLC				

Site Plan and Building Design

Displayed below is the proposed site plan for Bluestone Town Center Senior Apartments. The site plan depicts the community consisting of a single, rectangular-shaped apartment building, planned for construction directly east of a proposed affordable family apartment community. This community will also be incorporated into the larger Bluestone Town Center community. The end of the four-story building will feature a single-story section that will house a community room with restrooms.

Access to the site will be provided from Erickson Avenue to the south. Surface parking, positioned east of the apartment building, will offer a total of 35 spaces, equating to 0.57 per apartment unit. Five handicapped spaces will be included within this total. Ten additional parking spots will be made available on the street to the west of the apartment building, alongside five additional street parking spaces to be located directly north of the building.



Bluestone Town Center Senior Apartments Site Plan

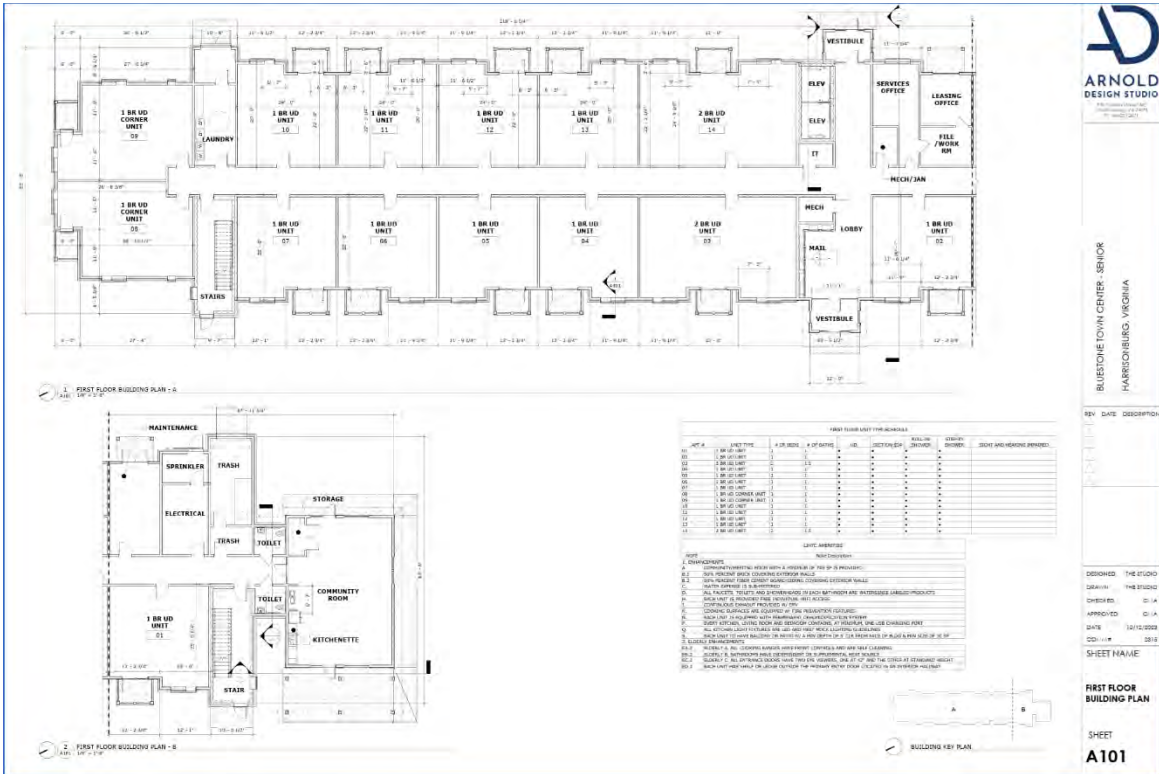
Shown next is a proposed elevation and a rendering of the apartment building. It depicts a four-story, elevator-served building with a flat roof, replete with an abundance of windows and patios/balconies. The building will stand on a slab-on-grade foundation supported by a wood frame construction. Above this, the floors and ceilings will be assembled using wood trusses reinforced by a plywood subfloor and sheathing.

As for the exterior, it will be encased with a balanced mix of brick and fiber cement siding, at a ratio of 50/50. Vinyl windows will feature a single-hung design, while unit entry doors will be made from solid core wood, and patio doors will boast fiberglass insulation. The low-sloped roof is to be topped with a TPO membrane. Internally, the building will be equipped with a central hot water system, and the plumbing will involve PEX or CPVC for domestic water and PVC for wastewater. The electrical service will accommodate 125 amps with copper wiring, all illuminated by an LED lighting system. A fire suppression system, compliant with NFPA 13R standards, will be installed for residents' safety. The HVAC system will ensure comfort through a central system and continuous exhaust by an ERV, along with a permanent dehumidification system in each unit to maintain optimal indoor air quality.

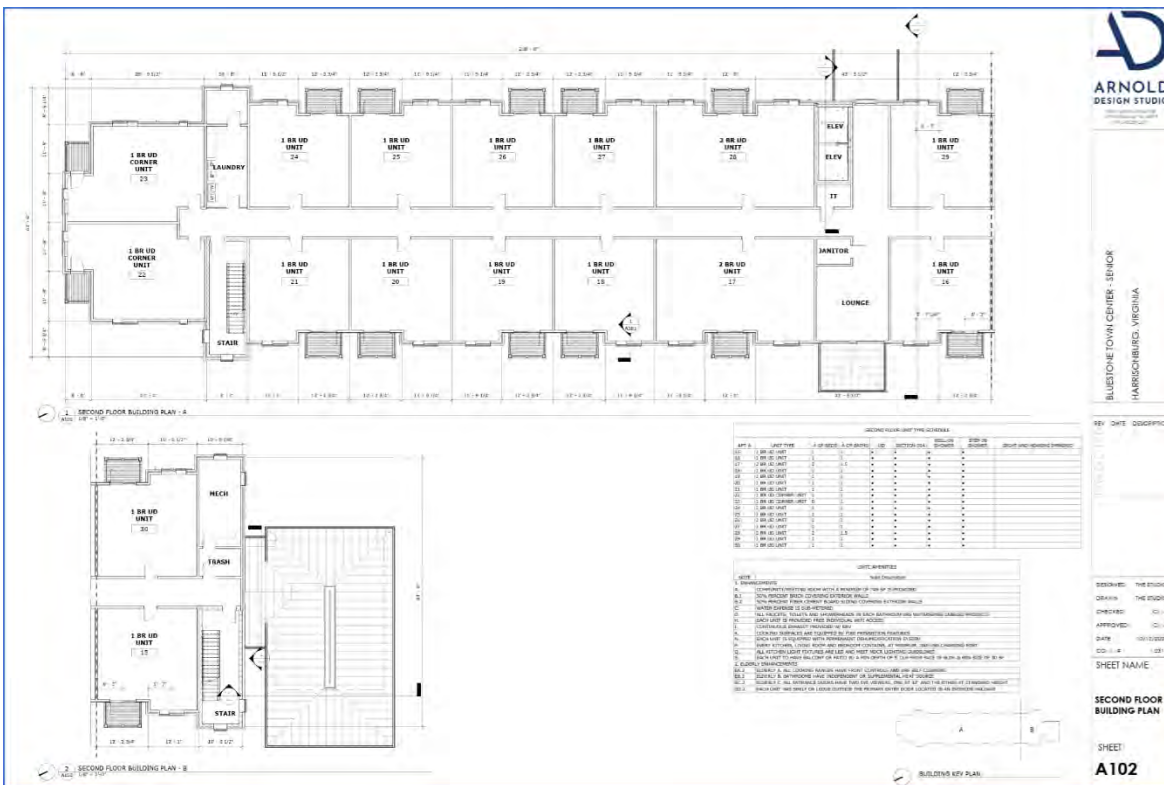


Elevation and Rendering

Presented next are the floor plans for each of the four levels of the apartment building. The ground floor includes a lobby, leasing office, mail room, maintenance room, laundry room, and a community room with a kitchenette. Bathrooms will also be located on the ground level. The remainder of the first floor includes 14 apartment units, comprising 12 one-bedroom and two two-bedroom units. The second level will feature a small lounge area, a janitor’s closet, and a laundry facility. Sixteen apartment units will also be located on this level, including 14 one-bedroom and two two-bedroom units. Apart from a laundry room and lounge area, the third and fourth floors will be fully residential, each with 14 one-bedroom and two two-bedroom apartment units.



Ground Level Floor Plan



Second Level Floor Plan

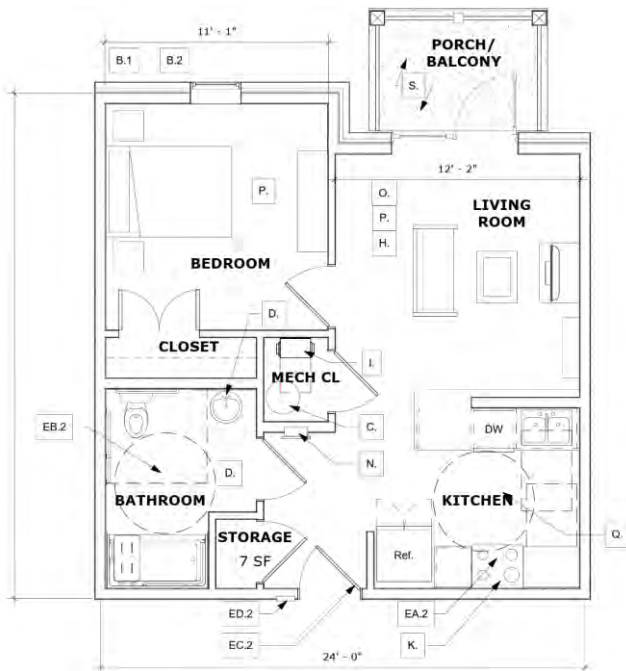
Apartment Unit Floor Plans

The typical floor plans for the one- and two-bedroom units planned for Bluestone Town Center Senior Apartments are presented next. The floor plans show contemporary designs featuring a combined living and dining area and an open kitchen concept.

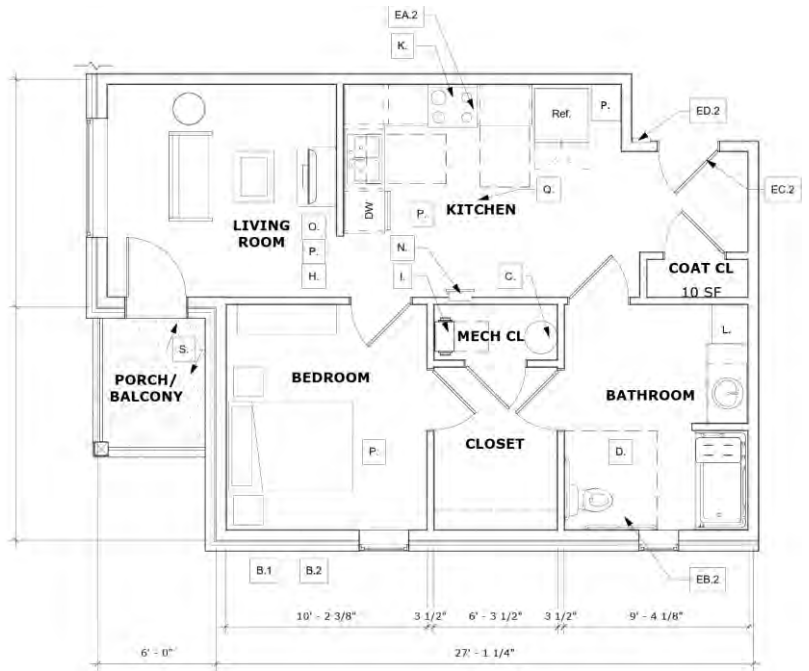
The apartment units will offer an array of modern amenities and safety features to provide residents with a comfortable and convenient living space. Kitchens will come equipped with various cooking surfaces, refrigerators, and dishwashers, all featuring fire suppression capabilities. The HVAC and cooking systems will be electrically powered. All faucets, toilets, and showerheads will be WaterSense-labeled to promote water efficiency, and cooking ranges will have front controls for ease of use.

Unit amenities will include LVT flooring and solid core interior doors for enhanced privacy and noise reduction. Each kitchen, living room, and bedroom will have at least one USB charging port to cater to the digital needs of residents. Window blinds will ensure privacy, and each bathroom will have an independent or supplemental heat source. For security, entrance doors will have two peepholes, one at 42 inches and another at standard height.

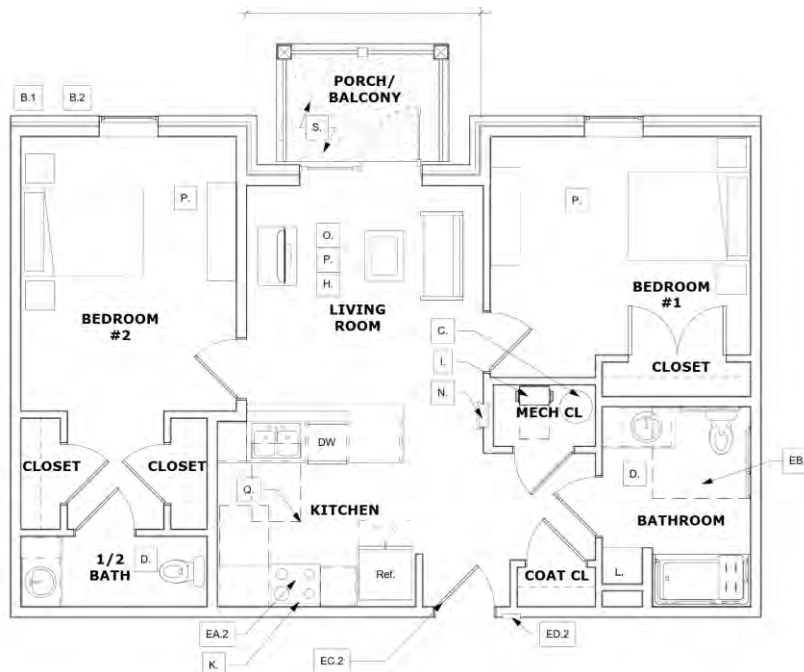
The building's design focuses on sustainability and accessibility. The project is set to meet the EarthCraft Gold standard and comply with Virginia Housing's Universal Design Standards. Energy efficiency is a priority, with each unit designed to meet the Zero Energy Ready Home Requirements. LED technology will be used for kitchen lighting in accordance with MDCR guidelines. Additionally, each unit will feature a patio or balcony, providing a private outdoor space.



One-Bedroom Floorplan



One-Bedroom Corner Floorplan



Two-Bedroom Floorplan

Market Area Definition

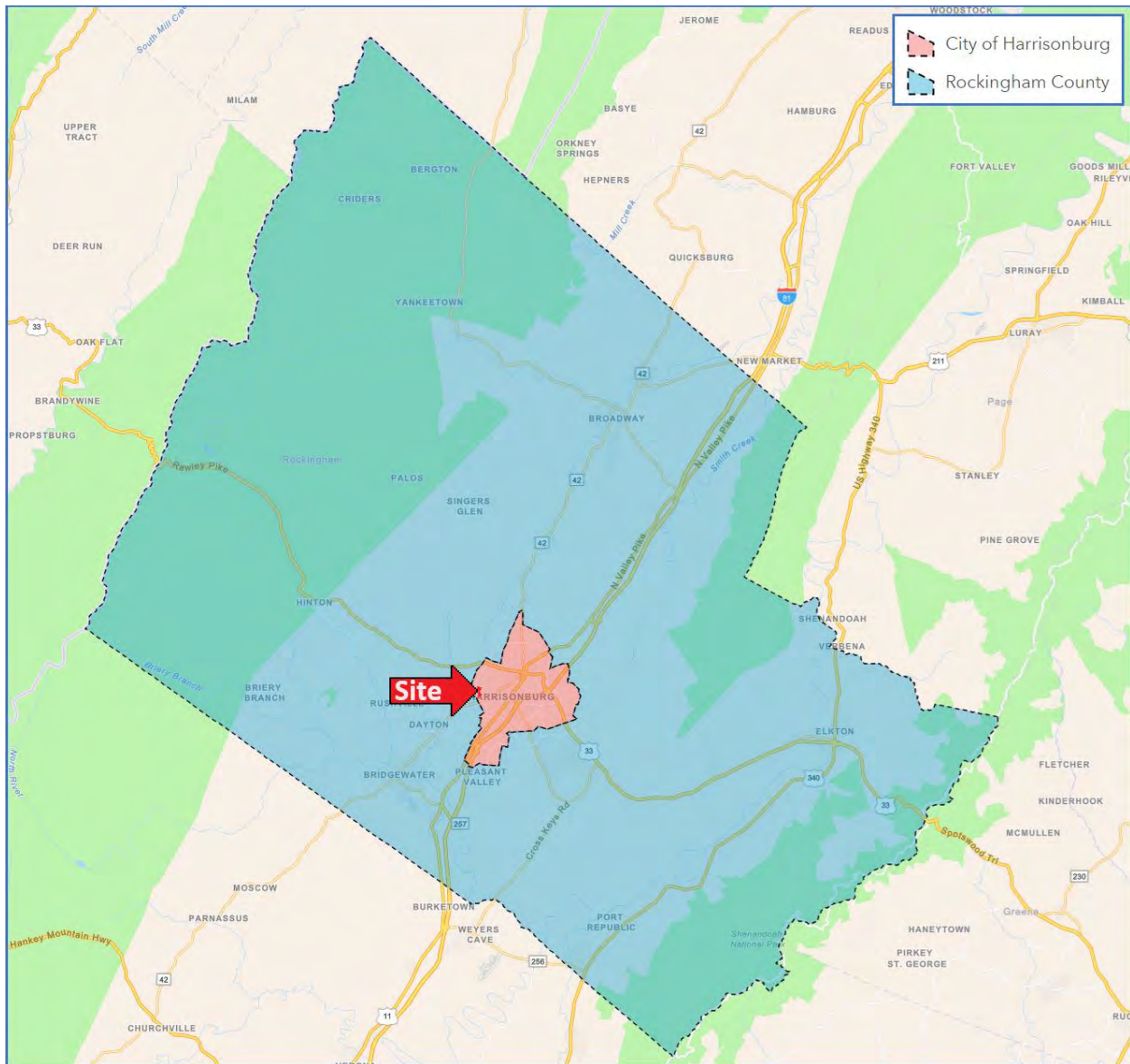
The market area of a housing development is a specific geographic region analyzed for housing demand. It considers factors such as the availability and accessibility of amenities,

employment centers, transportation options, and the region's economic and demographic characteristics. This area is crucial for assessing housing supply and demand, evaluating rent trends, vacancy rates, and other housing market indicators.

For Bluestone Town Center Senior Apartments, the market area is defined as the City of Harrisonburg and Rockingham County, as depicted in Map E below. This delineation was determined through interviews with property managers from various affordable apartment communities in the region, as well as staff from the Harrisonburg Redevelopment & Housing Authority (HRHA). Existing tenants at the area's affordable apartment communities and HRHA-managed properties in the region almost entirely originate from this geographic area. Management at the Rockingham County income-restricted and modest-rent apartment properties confirm that they do compete with Harrisonburg rental properties.

Both jurisdictions have traditionally been studied as a single housing market. While there are abundant rural sections in Rockingham County, communities such as Elkton, Grottoes, and Broadway house some moderate-income renters, including seniors. Therefore, Bluestone Town Center Senior Apartments is expected to attract seniors from nearby locations outside the City of Harrisonburg.

Based on interviews with on-site management at area apartment complexes, adjacent counties and cities were excluded from the market area, as the Harrisonburg-area apartments do not directly compete with the limited number of apartments in these adjacent communities. No nearby apartment communities in adjacent counties directly compete with rental properties within Harrisonburg.



Map E - Bluestone Town Center Senior Apartments Market Area

Market Area Economic Overview

This section of the market analysis provides an economic overview of the market area. It examines three key economic factors: (1) at-place job growth, (2) employment and labor force trends, and (3) active development plans anticipated to stimulate new at-place job and employment growth. Additionally, this section includes data on the largest employers in the County, WARN (layoff) notices, travel time to work, and wages by occupation. These factors are critical in assessing the economic stability of the market area and its capacity for new investments, especially in housing.

Central to this analysis is that job growth fuels increases in population and households, thereby driving demand for housing units, particularly rental housing. Therefore, establishing the economic stability of the market area is a vital aspect of understanding the demographic growth within the market area.

While the proposal targets active seniors capable of living independently – with most likely no longer in the workforce – the market area’s economic evaluation remains pivotal. It serves as a critical indicator for gauging support for new age-restricted housing by revealing the economic stability within the market area. A stable marketplace will entice new seniors, reassuring them that their families will likely remain in place. Similarly, seniors are more inclined to stay in the market area if their families are gainfully employed and are expected to maintain such employment.

At-Place Jobs

At-place jobs are those located within the boundaries of Harrisonburg or Rockingham County. According to the data in Table 4, there were approximately 65,510 such jobs at the end of 2019, prior to the COVID-19 pandemic. This figure represents an increase of about 1,120 jobs from the previous year and nearly 1,500 since 2017.

Like other small marketplaces with few employers, the Harrisonburg region faces significant disclosure issues. This is a common challenge in more rural and sparsely populated areas. Despite these challenges, the reported job data encompasses all civilian employment within the two jurisdictions.

2020 witnessed a substantial decline in job numbers, predominantly due to the pandemic. This period saw a loss of over 3,800 jobs, mainly in the Health Care and Accommodations/Food Services sectors. However, 2021 marked a period of economic recovery, with a resurgence of 1,770 jobs. This positive trend continued into 2022, adding nearly 1,300 jobs. Although total employment has risen above the 2017 level by nearly 700, it still falls short of the pre-pandemic peak by approximately 790.

Due to disclosure limitations, trend data related to state employment in Table 4 is not included. However, it is essential to note that state-level employment associated with James Madison University (JMU) significantly contributes to the local employment landscape. JMU, a key economic driver in the region, has a student enrollment exceeding 22,000 students and employs over 3,000 individuals.

Manufacturing is a crucial sector in the local economy, representing over 15 percent of the total employment in the area. This is the largest employment sector in the region. Employment in Manufacturing has remained relatively stable since 2017, with a marginal decline of 60 jobs. The Health Care sector is also pivotal, accounting for more than 11 percent of total employment. A significant portion of this employment is linked to the Sentara RMH Medical Center, a major medical and related healthcare service provider. Since 2017, this sector has seen an addition of over 100 jobs.

Table 4 also highlights growth in several other employment sectors from 2017 to 2022. Notable sectors with job increases include Construction, adding approximately 350 jobs; Management of Companies, with about 240 new jobs; Other Services, growing by around 120 jobs; Real Estate, and Education, each adding approximately 60 jobs.

Conversely, net job losses were observed in eight sectors since 2017. These include Accommodation/Food Services, losing roughly 780 jobs; Information, and Arts/Entertainment/Recreation, each shedding about 300 jobs; Administrative/Waste Services, with a decrease of approximately 190 jobs; Retail Trade, down by 80 jobs; Manufacturing, with a loss of 60 jobs; Professional/Technical Services, decreasing by about 50 jobs; and the Federal Government sector, which saw a reduction of ten jobs. It should be noted that some of these losses are likely to be temporary, influenced by the pandemic's impact.

Table 4: Trends in Average At-Place Jobs, City of Harrisonburg-Rockingham County, VA, 2017-2022

Industry	2017	2018	2019	2020	2021	2022	Net Change
Agriculture	ND	ND	ND	ND	ND	ND	--
Mining	ND	ND	ND	ND	ND	ND	--
Utilities	ND	ND	ND	ND	ND	ND	--
Construction	3,568	3,687	3,906	3,946	3,887	3,921	353
Manufacturing	9,865	10,289	10,792	10,512	10,059	9,805	-60
Wholesale Trade	ND	ND	ND	ND	ND	ND	--
Retail Trade	8,195	8,048	8,168	8,028	8,187	8,114	-81
Transportation/ Warehousing	3,710	3,597	3,753	ND	ND	ND	--
Information	960	907	890	853	779	661	-299
Finance/Insurance	1,138	1,180	1,191	1,129	1,124	1,136	-2
Real Estate	857	819	901	803	798	918	61
Professional/Technical Services	1,819	1,834	1,775	1,777	1,812	1,772	-47
Management of Companies	323	328	390	378	448	565	242
Administrative/ Waste Services	1,986	1,908	1,797	1,784	1,866	1,799	-187
Education	1,189	1,166	1,232	1,154	1,195	1,248	59
Health Care	7,181	7,519	7,874	7,202	7,278	7,290	109
Arts/ Entertainment/ Recreation	708	409	401	315	369	413	-295
Accommodations/ Food Services	7,846	7,829	7,797	6,040	6,696	7,066	-780
Other Services	1,394	1,445	1,461	1,406	1,489	1,512	118
Local Government	ND	ND	ND	ND	ND	5,594	--
State Government	ND	ND	ND	ND	ND	4,902	--
Federal Government	<u>344</u>	<u>353</u>	<u>353</u>	<u>366</u>	<u>338</u>	<u>330</u>	<u>-14</u>
Total	64,032	64,391	65,507	61,655	63,425	64,720	688

Notes: ND = Data do not meet BLS or State agency disclosure standards.

Source: United States Department of Labor, Bureau of Labor Statistics

Although data for year-end 2023 are not yet available, the most recent employment figures as of June 2023 indicate a continued upward trend in at-place jobs. The number of such jobs has increased to approximately 65,430, an increase of 710 jobs compared to the year-end 2022 data. This current figure is close to the pre-pandemic peak, falling short by just about 100 jobs.

Employment and Labor Force

Employment differs from at-place jobs in that it refers to the number of residents in the market area who are employed, irrespective of their job location. In contrast, at-place jobs specifically relate to the location of employment within the market area. The data presented are up to date as of year-end 2022 for both Employment and Labor Force metrics.

The Harrisonburg region saw a net increase in employment of approximately 2,090 jobs between 2017 and 2019. The fact that employment gains outpaced the total number of at-place jobs suggests that there is significant net out-commuting to neighboring jurisdictions. According

to Table 5, the unemployment rate in 2019 was a low 2.7 percent, a decrease from 3.7 percent in 2017. This low unemployment rate suggests that new job growth will likely require new residents into the market area.

However, with the onset of the pandemic in 2020, there was a notable decline in total employment by approximately 3,570, which increased the unemployment rate from 2.7 percent in 2019 to 5.5 percent in 2020. The data for 2021 indicate a rebound, with employment rising by 2,000 jobs. This growth trend continued into 2022, with an increase of over 1,800 jobs, surpassing the pre-pandemic peak by approximately 260 jobs.

Table 5: Trends in Employment and Unemployment, Harrisonburg-Rockingham County, VA, 2017-2022				
	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
2017	65,988	63,579	2,409	3.7%
2018	65,907	63,935	1,972	3.0%
2019	67,466	65,667	1,799	2.7%
2020	65,735	62,100	3,635	5.5%
2021	66,342	64,100	2,242	3.4%
2022	67,886	65,928	1,958	2.9%
Net Change	1,898	2,349	-451	-0.8%
Source: United States Department of Labor, Bureau of Labor Statistics				

Major Employers

Table 6 lists the 15 largest employers within the market area. The data indicate a concentration of these major employers predominantly in the Health Care, Manufacturing, and Government sectors.

Table 6: Major Employers, Harrisonburg-Rockingham County, VA, June 2023

<u>Company Name</u>	<u>Industry</u>
James Madison University	State Government
Harrisonburg City Public Schools	Local Government
Shenandoah Valley Organic LLC	Food Manufacturing
City of Harrisonburg	Local Government
Aramark Campus LLC	Facilities Management
Sentara Healthcare	Health Care
George's Foods	Food Manufacturing
Driv Automotive, Inc.	Manufacturing
Eastern Mennonite University	Higher Education
Walmart	Retail
Virginia Mennonite Retirement	Retirement Community
Tennoco Packaging	Manufacturing
LSC Communications Book LLC	Commercial Printing
Food Lion	Retail
Rockingham County Community Services Board	Local Government

Source: Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW), 2nd Quarter (April, May, June) 2023.

Travel Time to Work

The data in Table 7 categorize the total number of households in the area based on their commuting time to work. The shortest commutes, less than five minutes, are experienced by 4.3 percent of households. The most common travel time is 10 to 14 minutes, accounting for 18.6 percent of households. Commutes of 15 to 19 minutes are also significant, comprising 18.1 percent of the total. The longest commutes, 90 or more minutes, are the least common, making up 1.4 percent of households.

Table 7: Travel Time to Work, Harrisonburg-Rockingham County, VA

<u>Driving Time</u>	<u>Total Households</u>	<u>Percent of Total</u>
Less Than 5 Minutes	2,610	4.3%
5 To 9 Minutes	9,154	15.2%
10 To 14 Minutes	11,207	18.6%
15 To 19 Minutes	10,928	18.1%
20 To 24 Minutes	8,153	13.5%
25 To 29 Minutes	4,699	7.8%
30 To 34 Minutes	6,328	10.5%
35 To 39 Minutes	1,474	2.4%
40 To 44 Minutes	1,399	2.3%
45 To 59 Minutes	2,002	3.3%
60 To 89 Minutes	1,547	2.6%
90 Or More Minutes	824	1.4%
Total	60,325	100.0%

Source: U.S. Census Bureau, ACS 2022 (5-Year Estimates)

Wages by Occupation

Table 8 details employment and wage statistics across various employment sectors in Harrisonburg and Rockingham County without data disclosure issues. It enumerates the number of employees, their average weekly wages, and the average annual pay in specific industries.

The data show the Construction and Manufacturing sectors as significant sectors with 3,921 and 9,805 employees, respectively, both offering average annual pay close to \$58,600. Although smaller in workforce size with 661 employees, the Information sector shows an average annual pay of over \$53,500. Notably, the Finance/Insurance sector stands out with the highest average annual pay of approximately \$76,500, despite having 1,636 employees. On the lower end, the Arts/Entertainment/Recreation sector has the smallest workforce of 413 and the lowest average annual pay at roughly \$20,500. Overall, the table accounts for 64,720 employees in the market area, with an average weekly wage of \$957 and an average annual pay of \$49,841.

Table 8: <u>Wages by Occupation, Harrisonburg-Rockingham County, Virginia, 2022</u>			
	<u>Number of Employees</u>	<u>Average Weekly Wage</u>	<u>Average Annual Pay</u>
Construction	3,921	\$1,121	\$58,280
Manufacturing	9,805	\$1,128	\$58,641
Information	661	\$1,031	\$53,577
Finance/Insurance	1,136	\$1,472	\$76,522
Real Estate	918	\$920	\$47,798
Professional/Technical Services	1,772	\$1,367	\$71,093
Management of Companies	565	\$1,484	\$77,175
Administrative/ Waste Services	1,799	\$827	\$42,993
Education	1,248	\$660	\$34,285
Health Care	7,290	\$1,017	\$52,879
Arts/ Entertainment/ Recreation	413	\$396	\$20,575
Accommodations/ Food Services	7,066	\$444	\$23,073
Other Services	1,512	\$720	\$37,399
Local Government	5,594	\$882	\$45,857
State Government	4,902	\$1,060	\$55,127
Federal Government	330	<u>\$1,350</u>	<u>\$70,189</u>
Total	64,720	\$957	\$49,841

Source: United States Department of Labor, Bureau of Labor Statistics

Economic Development Activity

The following paragraphs detail recent economic development announcements in the market area, anticipated to stimulate net job growth. These initiatives are projected to create

approximately 700 new jobs. This figure does not include developments at James Madison University, which will be discussed separately. Also omitted are smaller office leases untracked by local or state economic development agencies, which are expected to contribute to additional job growth. Key new and expanding employers in the Harrisonburg area include:

- **Farmer Focus**, an organic chicken company, announced in February 2023 that it would expand its organic chicken processing facility in Harrisonburg by doubling processing capacity. The company expects to hire over 300 people by 2025 to support this growth.
- **Veronesi Holding S.p.A.**, a manufacturer and producer of cured meats, announced in October 2021 that it would establish its first U.S. production operation in Rockingham County where it would hire at least 150 people by 2025. Located on 75.8 acres in the county's Innovation Village, the new 315,400± facility will be used to age, process, and package the company's products for distribution, increasing its cured meat and charcuterie customer base in the U.S. market. The site has space to accommodate a future 200,000 square± foot expansion.
- **The Manufactory Collective**. Construction was completed in March 2023 on this 20,000± square foot incubator space at 1157 South High Street in Harrisonburg. The facility offers small entrepreneur rental studios, work benches, storage space, and the opportunity to cut costs by renting different manufacturing equipment.
- **Harrisonburg Innovation**. This is a planned 26,000± square foot incubator for startups, solopreneurs, established institutions, and businesses that will house up to 60 offices, multiple shared conference rooms, an AV room for members to produce their own podcasts, a rooftop deck for events, and a variety of co-working spaces.
- **Velocity Urgent Care**, a healthcare partner with Sentara, opened a new urgent care facility on Stone Spring Road in February 2022. The facility is staffed by four different kinds of healthcare workers to provide immediate care for injuries or problems that require quick support but are not emergencies.
- **Crownpoint Independent Living**. Construction on this independent living facility with a mix of apartments and townhomes in Harrisonburg is nearing completion. The community includes 108 units. Rents range between \$1,875 and \$3,250.
- **Exit 251 Travel Center**. A site plan is under review for constructing a 14,000-square-foot convenience store with 16 fuel pumps and eight diesel pumps at the northeast intersection of Valley Pike and I-81 in Rockingham County.
- **Harrisonburg Woodspring Suite**. A site plan is being reviewed for this 122-room hotel at the southwestern intersection of Port Republic Road and Stone Spring Road in Rockingham County.

- **Cedar Hill Mini Storage**. This proposal is for a nine-building, 287-unit self-service storage facility on the west side of Opan Drive, between Turquoise Drive and West Mosby Road in Rockingham County.
- **Brookhaven Birth Center**, a medical clinic located at 1732 Boyers Road, is proposed to be remodeled and expanded by nearly 600 square feet. A site plan was recently approved.
- **Rt. 33 Warehouse Facility**. A site plan is under review for constructing a 50,250± square foot warehouse alongside a 3,600± square foot storage building at 13665 Sportswood Trail in Elkton.
- **Leiber**, a German manufacturer that processes brewers’ yeast into animal food, biotechnology, and supplements, announced in September 2023 that it would launch operations in Rockingham County, where it would employ 35 people.
- **Buc-ee’s** announced in September 2023 that it would construct a new location on 21.3 acres at the intersection of I-81 and Friedens Church Road in Rockingham County. The facility will include up to 75,000 square feet of retail space, 120 fueling positions, electric vehicle chargers and parking for over 650 vehicles, including buses.

James Madison University (JMU)

In addition to the above job announcements, James Madison University remains a consistent source of employment and a significant contributor to economic growth in the region. Table 9 outlines the employment trends at JMU since 2017. The data indicate a modest increase in total employment, growing by just over 80 individuals during this period. Notably, there were declines in employment numbers post-2019, which can likely be attributed to the pandemic. As of the latest data, these job losses have not been fully recuperated.

Table 9: <u>Employment Trends,</u> <u>James Madison University, 2017-2022</u> 1/	
<u>Academic Year</u>	<u>Total Employment</u>
2017-18	3,006
2018-19	3,078
2019-20	3,159
2020-21	3,113
2021-22	3,078
2022-23	3,088
Net Growth	82
Notes: 1/ Excludes part-time staff and graduate assistants.	
Source: JMU Office of Institutional Research & Effectiveness	

JMU most recently submitted enrollment projections to the State Council of Higher Education for Virginia (SCHEV) in October 2021. The amount of funds provided to JMU by the Virginia General Assembly and internal funding decisions are predicated on the accuracy of the projections. These projections show an expected decline in student enrollment of 235 students between 2021 and 2025. Thus, JMU does not anticipate significant employment growth in the near term.

WARN (Layoff) Notices

WARN Notices, which stand for Worker Adjustment and Retraining Notification, are a federally mandated legal requirement for employers in Virginia. Originating from the WARN Act, this mandate requires employers to provide advance notification in situations involving qualified plant closures and mass layoffs. This proactive measure is designed to prepare and support employees through such significant transitions. An analysis of WARN notices in Harrisonburg or Rockingham County identified no such announcements over the past two years.

Section II: Affordable Apartment Market Analysis

The following section of the market study provides a supply-demand analysis for the 62 apartment units that will comprise the Bluestone Town Center Senior Apartments, once built. This analysis is divided into two main parts. The first part offers a demographic analysis, estimating the number and growth of senior renter households under two different scenarios: one assuming the availability of project-based subsidies and the other without such subsidies. The calculations set the upper-income limits based on the HUD maximum allowable incomes for two-person households, with projections extending to 2028, in accordance with Virginia Housing guidelines.

The second segment of Section II involves an analysis of the competitive apartment communities within the market area. As will be shown, the market area contains only one affordable age-restricted apartment community without deep rent subsidies. Additionally, four affordable general occupancy apartment communities and six market-rate properties offer relatively modest rents. These properties were assessed on several criteria, including occupancy rates, rental prices, unit and property features, and curb appeal. This assessment aims to ascertain Bluestone Town Center Senior Apartments' competitive standing in the market.

Market Area Demographic Analysis

The demographic analysis of the market area is presented in the following subsection. This analysis examines the market area for population and household trends and projections, with a particular focus on the senior population and, more specifically, the senior renter population that would constitute the target markets for Bluestone Town Center Senior Apartments. Also included in this subsection are data on rent-overburdened households, households living in substandard housing, and trends in building permits within the market area.

Population Trends and Projections

As of 2023, the estimated population of the market area is 141,498, based on the latest population estimates from the Weldon Cooper Center for Public Service. Since 2010, the market area's population has increased by over 16,000, largely due to steady economic growth, much of

which is attributed to expansions at James Madison University. This increase translates to an average annual population growth of approximately 1,250 over the past 13 years. This rate is in contrast to a more pronounced pace of population growth during the 2000s, which was over 1,700 per year. Population projections indicate that the market area population is projected to reach 145,315 by 2028, indicating an anticipated increase of over 3,800. If realized, this would equate to a slower pace of population growth than in the past due partly to slower enrollment growth at James Madison University (JMU).

Table 10: Trends and Projections of Population and Households, Bluestone Town Center Senior Apartments Market Area, 1990-2028					
	1990	2000	2010	2023	2028
Market Area Population	88,189	108,193	125,228	141,498	145,315
Group Quarters Population	7,653	8,757	9,054	8,850 1/	8,850
Household Population	80,536	99,436	116,174	132,648	136,465
Persons Per Household	2.59	2.58	2.57	2.65	2.63
Total Households	31,060	38,488	45,165	50,150	51,888
Renter Households	10,500	13,576	17,409	18,810	19,518
Percent Renter Households	33.8%	35.3%	38.6%	37.5%	37.6%
Owner Households	20,560	24,912	27,756	31,340	32,370
Percent Owner Households	66.2%	64.7%	61.5%	62.5%	62.4%
Notes: 1/ Includes increase in on-campus occupancy of 290± at JMU, decline of 190± at EMU and decline of 300± at Bridgewater College.					
Source: U.S. Census Bureau; Weldon Cooper Center for Public Service; Ribbon Demographics; S. Patz & Associates, Inc.					

Group Quarters Population

The market area has a significant Group Quarters population, accounting for over six percent of the total population. This large Group Quarters population is mainly due to the on-campus housing at JMU. Additionally, the market area includes seniors in hospitals, nursing homes, and assisted living facilities. As of April 15 in the census year, the number of homeless individuals in temporary shelters would also be counted as part of the Group Quarters population. To determine the Household Population, which forms the basis for analyzing housing unit demand, persons in Group Quarters have been subtracted from the total population.

Households

As of 2023, the market area is estimated to have approximately 50,150 households, an increase of about 4,980 households from the 2010 census count, and over 5,200 households compared with the 2000 census figure of approximately 13,580. The net increase in households over the past 23 years results from new housing unit construction, including several off-campus student apartment communities. The total number of households is projected to grow by approximately 1,740 by 2028, reaching around 51,888.

One point to note is that the average household size in the market area declined only slightly between 1990 and 2010. It fell marginally from 2.58 to 2.57 between 2000 and 2010. The increase to 2.65 in 2023 is likely due to the growth of the off-campus student population at JMU. By 2028, the average household size in the market area is projected to decline to 2.63 due to the large number of smaller apartment units under construction and being planned in the market area. The decline is also attributable to the market area's aging demographics.

Renter and Owner Households

Table 10 also presents trend data and projections for the population and household composition within the Bluestone Town Center Senior Apartments market area from 1990 to 2028. The data show that from 1990 to 2023, there has been a consistent increase in both renter and owner households. Renter households grew from 10,500 (representing 33.8 percent of total households) in 1990 to an estimated 18,810 (37.5 percent) in 2023. They are projected to increase to 19,518 (37.6 percent) by 2028.

Concurrently, owner households increased from 20,560 (66.2 percent of total households) in 1990 to an estimated 31,340 (62.5 percent) in 2023. A further slight decrease in their proportion is expected by 2028 to 32,370 (62.4 percent). This trend indicates a gradual increase in the proportion of renter households over the years. However, owner households continue to constitute the majority of the occupied housing units in the market area. The total number of households is projected to rise from 31,060 in 1990 to 51,888 by 2028, signifying overall growth in housing demand in the market area.

General Senior Demographics

Table 11 below outlines the trends and projections for the senior population and households within the market area defined for Bluestone Town Center Senior Apartments. The target age group for the age-restricted apartment market under study is seniors aged 55 and over. While age-restricted properties generally appeal to older adults, rural markets with limited affordable housing options – such as the greater Harrisonburg region – may also attract younger adults due to the lack of adequate alternatives.

The data show a pronounced increase in both the number and proportion of the senior population since 1990. Specifically, the senior population has grown from 17,954, constituting 20.4 percent of the total market area population in 1990, to an estimated 37,018, representing 26.2 percent in 2023. This trend is expected to continue, with the senior population projected to reach 39,250, or 27.0 percent of the market area population, by 2028.

Similarly, the proportion of senior households has significantly increased, rising from 34.4 percent of total households in 1990 to an estimated 45.3 percent in 2023. A further increase to 46.4 percent is projected by 2028. Additionally, there has been a substantial relative increase in senior renter households, growing from 19.5 percent of renter households in 1990 to an estimated 28.5 percent in 2023, with projections reaching 31.0 percent by 2028. The key takeaway from this data is the significantly growing presence of the senior demographic within the market area, indicating a rising demand for age-restricted housing.

Table 11: Trends and Projections of Senior Population and Households, Bluestone Town Center Senior Apartments Market Area, 1990-2028					
	1990	2000	2010	2023	2028
Market Area Population	88,189	108,193	125,228	141,498	145,315
Total Households	31,060	38,488	45,165	50,150	51,888
Total Renter Households	10,500	13,576	17,409	18,810	19,518
Senior Demographics (55+)					
Senior Population	17,954	21,832	28,760	37,018	39,250
Percent of Total Population	20.4%	20.2%	23.0%	26.2%	27.0%
Senior Households	10,686	13,091	17,634	22,697	24,066
Percent of Total Households	34.4%	34.0%	39.0%	45.3%	46.4%
Senior Renter Households	2,052	2,497	3,864	5,361	6,059
Percent of Renter Households	19.5%	18.4%	22.2%	28.5%	31.0%
Source: U.S. Census Bureau; Weldon Cooper Center for Public Service; Ribbon Demographics; S. Patz & Associates, Inc.					

Target Senior Market Demographics

Table 12 below outlines data on the number of senior households within the market area across two income categories under review. Consistent with Virginia Housing guidelines, the maximum rent-to-income ratio allowed for senior apartment proposals is set at 40 percent. The HUD maximum allowable income for a two-person household determines the highest permissible income for the income-restricted apartment units.

Projections in these demographics are detailed in the paragraphs below:

- **60% of AMI:** For units with rent limitations applicable to households earning up to 60% of AMI, the target demographic encompasses senior-headed households with annual incomes ranging from \$23,400 to \$38,880, reported in constant 2024 dollars. HUD guidelines define the upper limit as the maximum allowable income for a two-person household. In 2023, the number of senior renter households within this income range was 846, representing 3.7 percent of senior households and 15.8 percent of senior renter households. By 2028, this figure is expected to decrease by 78 households to a total of 768 households.
- **Subsidized Units:** With the availability of subsidies, tenants will be required to allocate no more than 30 percent of their income towards housing expenses. Consequently, the minimum income threshold is established at \$0. For households within this income range, the annual incomes must lie between \$0 and \$38,880, reported in constant 2024 dollars. The estimated number of senior renter households in this income bracket for 2023 is 1,628, equating to 7.2 percent of senior households and 30.4 percent of senior renter households.

By 2028, this total is anticipated to decrease by 159 households, resulting in 1,469 households.

Table 12: Trends and Projections of Senior Households by Income, Bluestone Town Center Senior Apartments Market Area, 2023-2028 (Constant 2024 Dollars)			
	2023	2028	Net Change
Market Area Households	50,150	51,888	1,738
Senior Households	22,697	24,066	1,369
Market Area Renter Households	18,810	19,518	708
Senior Renter Households	5,361	6,059	698
Target Market			
60% of AMI (\$23,400-\$38,880)			
Total Renter Households	846	768	-78
Percent of Total Households	1.7%	1.5%	
Percent of Senior Households	3.7%	3.2%	
Percent of Renter Households	4.5%	3.9%	
Percent of Senior Renter Households	15.8%	12.7%	
With Subsidies (\$0-\$38,880)			
Total Renter Households	1,628	1,469	-159
Percent of Total Households	3.2%	2.8%	
Percent of Senior Households	7.2%	6.1%	
Percent of Renter Households	8.7%	7.5%	
Percent of Senior Renter Households	30.4%	24.3%	
Source: U.S. Census Bureau; Weldon Cooper Center for Public Service; Ribbon Demographics; S. Patz & Associates, Inc.			

Senior Households Likely to Convert to Rental Housing

Per Virginia Housing guidelines, the market study may assume that up to 20 percent of total demand can be generated from homeowners who convert to rental housing. To adopt a conservative approach, we have estimated that 5.0 percent of the number of income-qualified senior homeowners in the market area may convert from homeownership to renting. For the non-subsidized units, this equates to 109 households. With subsidies, this equates to 175 units.

Table 13: Estimates of Owner Households Likely to Convert to Rental Housing Bluestone Town Center Senior Apartments Market Area, 2023		
	60% of AMI \$23,400-\$38,880	Subsidized \$0-\$38,880
Income Band		
Number of Senior Renter Households	2,171	3,505
Percent Likely to Convert to Rental Housing	5.0%	5.0%
Number Likely to Convert to Rental Housing	109	175
Source: Ribbon Demographics		

Senior Renter Households by Size

Table 14 presents data on the composition of senior renter households by size within Bluestone Town Center Senior Apartments market area. It shows that one-person households are the most common, constituting 58.9 percent of total senior renter households. This is followed by two-person households, which make up 27.0 percent. The table continues to list household sizes in decreasing order of prevalence, with three-person households comprising 7.4 percent and four-person households representing 3.5 percent. Senior-headed households with five or more persons account for over three percent of the total senior renter households in the market area. This distribution supports the proposed unit mix at Bluestone Town Center Senior Apartments, where the majority of units will have one-bedroom floorplans.

	<u>Total Households</u>	<u>Percent of Total</u>
1-Person Household	3,157	58.9%
2-Person Household	1,445	27.0%
3-Person Household	396	7.4%
4-Person Household	188	3.5%
5-or-more-Person Household	<u>175</u>	<u>3.3%</u>
Total Households	5,361	100.0%

Source: Ribbon Demographics

Rent Overburdened Senior Households

Renter households are considered to be rent overburdened if they pay more than 35 percent of their gross income (or 40 percent for seniors) toward gross rent, including rent plus utility costs. This indicates that the household does not have sufficient income to comfortably afford rental housing. Rent overburdened households are often concentrated in the lowest income ranges but can also be observed in private, market-rate housing. This is a primary indicator of a need for new affordable rental housing in the market area.

Data in Table 15 show that 29.3 percent of renter households over the age of 55 allocate more than 35 percent of their household income toward gross rent. Based on this data from the American Community Survey, S. Patz & Associates estimates that 24.9 percent of senior

households allocate more than 40 percent of their household income toward gross rent. This equates to approximately 1,320 senior renter households.

Table 15: Age of Householder by Gross Rent as a Percentage of Household Income, Bluestone Town Center Senior Apartments Market Area		
	<u>Total Households</u>	<u>Percent of Total</u>
Householder 55 Years and Over:	5,255	100.0%
Less Than 20.0 Percent	1,614	30.5%
20.0 To 24.9 Percent	489	9.2%
25.0 To 29.9 Percent	691	13.0%
30.0 To 34.9 Percent	351	6.6%
35.0 Percent Or More	1,551	29.3%
Not Computed	558	10.5%
40.0 Percent or More	1,319	24.9%
Source: U.S. Census Bureau, ACS 2022 (5-Year Estimates); S. Patz & Associates		

Seniors in Substandard Housing

Table 16 provides a detailed quantification of households in the market area living in substandard housing. This analysis focuses on two key aspects: the availability of plumbing facilities and the density of occupants per room. Households are categorized into those with complete plumbing facilities and those without. Additionally, the data segments these categories based on occupancy density, grouped as 1.00 or fewer, 1.01 to 1.50, and more than 1.51 occupants per room. In this context, substandard housing is identified as households lacking complete plumbing facilities or facing overcrowding, defined as having more than 1.01 occupants per room.

According to the Census data, 1,240 households fall under these criteria, of which 710 are renter households, constituting 3.9 percent of market area renter households. The same survey shows that 28.5 percent of market area renter households are identified as senior-headed households. Applying this ratio to the count of renter households in substandard housing equates to 202 senior-headed renter households, 3.8 percent of senior households in the market area.

**Table 16: Households with Substandard Housing,
Bluestone Town Center Senior Apartments Market Area**

	<u>Total Households</u>	<u>Percent of Total</u>
<u>Owner Occupied</u>		
Complete Plumbing Facilities:	30,231	62.0%
1.00 Or Less Occupants Per Room	29,789	61.1%
1.01 To 1.50 Occupants Per Room	330	0.7%
1.51 Or More Occupants Per Room	112	0.2%
Lacking Complete Plumbing Facilities:	88	0.2%
1.00 Or Less Occupants Per Room	88	0.2%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	<u>0</u>	<u>0.0%</u>
<i>(Subtotal)</i>	<i>(30,319)</i>	<i>(62.2%)</i>
<u>Renter Occupied</u>		
Complete Plumbing Facilities:	18,351	37.6%
1.00 Or Less Occupants Per Room	17,725	36.4%
1.01 To 1.50 Occupants Per Room	415	0.9%
1.51 Or More Occupants Per Room	211	0.4%
Lacking Complete Plumbing Facilities:	84	0.2%
1.00 Or Less Occupants Per Room	84	0.2%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	<u>0</u>	<u>0.0%</u>
<i>(Subtotal)</i>	<i>(18,435)</i>	<i>(37.8%)</i>
Total	48,754	100.0%
Senior Renters (55+)	5,255	28.5%
Lacking Complete Plumbing	172	0.4%
With Plumbing but Overcrowded	<u>1,068</u>	<u>2.2%</u>
Total Substandard Housing	1,240	2.5%
Rental Substandard Housing	710	3.9%
Percent Senior Renter Households	202	3.8% 1/

Notes: 1/ As a percentage of senior renter households from the same survey.

Source: U.S. Census Bureau, ACS 2022 (5-Year Estimates); S. Patz & Associates, Inc.

Residential Building Permits

Table 17 provides data on residential building permits issued in the Bluestone Town Center Senior Apartments market area from 2013 to 2022. The data show that approximately 5,800 building permits were issued during this ten-year period, with over 96 percent (or 5,573) of these permits for single-family homes. Multi-family homes constitute approximately 3.7 percent of the total. Notably, there was a marked increase in building permits for single-family homes in 2021 and 2022.

**Table 17: Residential Building Permits,
Bluestone Town Center Senior Apartments Market Area, 2013-2022**

Year	1-Unit	2-Units	3-4 Units	5+ Units	Total Units
2013	470	8	0	0	478
2014	324	20	0	60	404
2015	401	2	3	0	406
2016	620	0	0	24	644
2017	446	0	0	6	452
2018	450	0	0	33	483
2019	361	0	0	0	361
2020	575	0	0	21	596
2021	886	0	0	0	886
2022	<u>1,040</u>	<u>12</u>	<u>0</u>	<u>24</u>	<u>1,076</u>
Total	5,573	42	3	168	5,786
Average	557	4	0	17	579
Percent of Total	96.3%	0.7%	0.1%	2.9%	100.0%

Source: U.S. Census Bureau Building Permits Survey

Competitive Apartment Market

This subsection analyzes the apartment properties identified as most competitive with the Bluestone Town Center Senior Apartments proposal in the unlikely event that project-based subsidies are unavailable. The selection comprises a mix of affordable apartment communities and market-rate properties with modest rents. The limited availability of affordable, age-restricted apartment complexes in the market area necessitates this diverse inclusion. Notably, the market area contains only one affordable, age-restricted community, Springbrook Place, situated approximately 13 miles north of Harrisonburg in the Town of Broadway. Thus, the vast majority of income-qualified senior renter households currently do not reside in units specifically designed for older adults.

The forthcoming analysis excludes four age-restricted apartment properties offering deep rent subsidies, where tenants contribute 30 percent of their income towards rent. These properties – the 60-unit Lineweaver Annex (1993), 61-unit Lineweaver Apartments (1979/12), 39-unit Cambridge Court (1993), and 48-unit Timber Hills (1987) – would not directly compete with Bluestone Town Center Senior Apartments in the unlikely event that project-based subsidies are unavailable. These properties are all fully occupied with waitlists.

Additionally, several general occupancy properties with deep rent subsidies (30-unit Commerce Village, 44-unit Elkmont Manor, 129-unit Franklin Heights, 106-unit Grottoes, 99-unit Harris Gardens, 112-unit Mosby Heights, and 32-unit Plains Apartments) are also excluded. These target households with very low incomes and, thus, would not be competitive with Bluestone Town Center Senior Apartments if project-based subsidies are lost. These units are also reported to be fully occupied, most with waitlists.

In addition, the Harrisonburg Redevelopment & Housing Authority currently issues 770 vouchers, which include 715 housing-choice vouchers and 55 mainstream vouchers for non-elderly persons with disabilities. The agency maintains an extensive waitlist for housing-choice vouchers, totaling 3,050 applicants. Of these, 225 households are seniors.

Further exclusions include several high-rent, market-rate apartment communities with rents significantly above what would be affordable for the target population. Moreover, apartment communities primarily accommodating the JMU student population, or where the vast majority of tenants are JMU students, have also been excluded, as these properties would not be competitive with Bluestone Town Center Senior Apartments.

The data presented for each competitive apartment community encompasses construction dates, current occupancy levels, apartment unit characteristics, unit mix, and project amenities. This information is essential for assessing the competitive positioning and market support of the Bluestone Town Center Senior Apartments, crucial factors in establishing competitive rents and evaluating market demand.

Characteristics of the Competitive Apartment Market

Table 18 below presents data on the apartment communities within the market area expected to be the most competitive with Bluestone Town Center Senior Apartments upon completion, primarily based on rental rates. The properties are categorized into three groups: LIHTC age-restricted apartments, LIHTC general occupancy apartments, and market-rate properties that offer modest rents.

The data show that the market area includes only one affordable, age-restricted apartment community, Springbrook Place. Located in the Town of Broadway, this small community comprises 38 one-bedroom apartment units, all restricted to 50% of AMI. According to management, full occupancy is the standard for this community. Additionally, there is an extensive waitlist, typically spanning about six months. Each unit features a single-story attached cottage design. This is a non-amenitized community, though a laundry facility is located on-site.

Apart from Springbrook Place, there are four LIHTC apartment properties in the market area that do not fully utilize project-based vouchers. Each is briefly described below:

- **Robinson Park**: This is the newest LIHTC apartment community in the market area, having opened in August 2017 in Harrisonburg with 88 rental units. It includes 53 units

restricted to 50% of AMI and 35 units to 60% of AMI. Currently, there are two vacancies, which is part of normal turnover. The community offers a mix of 12 one-bedroom, 44 two-bedroom, and 32 three-bedroom units. Designed as a garden apartment community, its amenities include a clubhouse, business center, and on-site laundry.

- **Colonnade Apartments**: This is the only mixed-income apartment community in the market area, with a mix of 60 units restricted to 50% of AMI alongside six two-bedroom units with market rents. The affordable units comprise six one-bedroom, 42 two-bedroom, and 12 three-bedroom units. Opened in 2010, this community is housed in a single elevator-served building and currently has two vacancies. On-site management reports a typical waitlist of about ten households. This is the only LIHTC property in the market area offering in-unit washers and dryers at no extra cost. Additional amenities include a clubroom and fitness center. Some seniors are reported to reside in this property.
- **Highlands I & II**: Built in phases in 2002 and 2004 in the Town of Broadway, this 62-unit affordable apartment community includes garden apartment buildings. It offers 38 units restricted to 50% of AMI and 24 units to 60% of AMI, with a mix of 12 one-bedroom, 26 two-bedroom, and 24 three-bedroom units. The property is fully occupied, and management maintains a waitlist of about six months. Amenities include a clubhouse and laundry facility.
- **Chestnut Ridge I & II**: Constructed in two phases during 1998 and 1999, this 148-unit community comprises multiple garden apartment units, all restricted to 60% of AMI. Currently, there are no vacancies, and management has a waitlist of ten households. Designed for families, the community does not offer one-bedroom floorplans but includes 116 two-bedroom and 32 three-bedroom units. Amenities include a clubhouse, fitness center, business center, swimming pool, playground, and laundry facility.

The final component of the apartment market under study includes six market-rate apartment communities that generate modest rents. Most apartment properties in Harrisonburg cater to the student renter market, given the significant demand generated by James Madison University (JMU) students who choose to rent apartments off-campus. In total, there are 752 modest market-rate apartment units in the market area, of which only nine are vacant. Management at these properties would not disclose the number of senior tenants due to the Fair Housing Act (FHA). However, these properties were predominantly designed for families.

Key points in Table 18 are as follows:

- The market area vacancy rate is low, at only 1.1 percent, with only 13 vacant units. The sole affordable age-restricted apartment community, Springbrook Place, has no vacancies and maintains an extensive waitlist. The affordable general occupancy apartment

properties have a low vacancy rate of only 1.1 percent, with several of these properties maintaining waitlists. The market-rate apartment properties with modest rents also have a low vacancy rate of 1.2 percent, with three of these properties having one or no vacancies.

- Only one property, Springbrook Place, was designed for seniors; however, it is located in the Town of Broadway. The remaining properties under study were designed for families. Thus, senior renters with modest incomes have resorted to renting properties not designed for their needs.

**Table 18: Characteristics of Competitive Apartment Communities,
Bluestone Town Center Senior Apartments Market Area, February 2024**

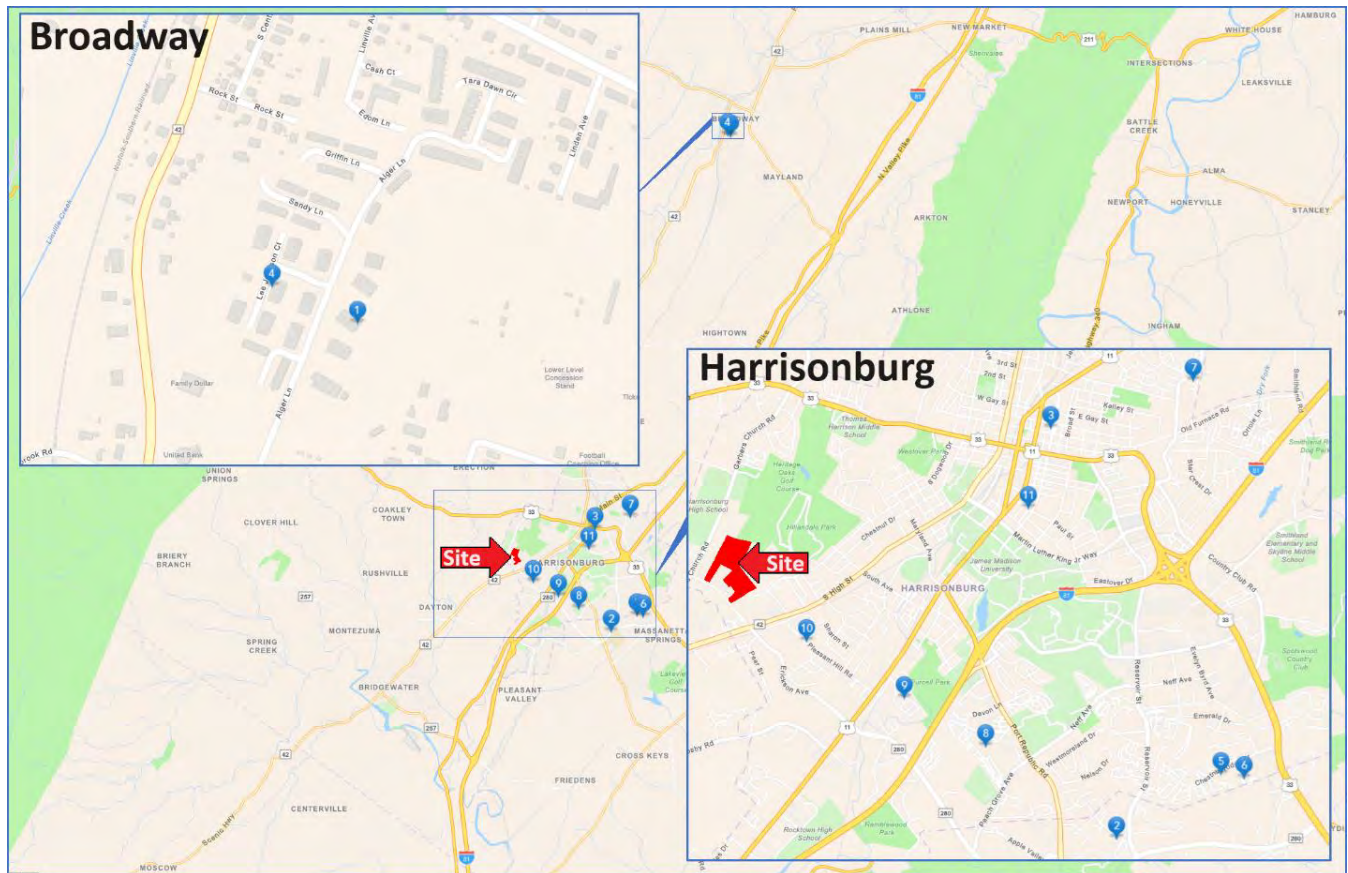
	<u>Map F Key</u>	<u>Year Built/ Renovated</u>	<u>Income Restrictions</u>	<u>Total Units</u>	<u>Vacant Units</u>
<u>LIHTC Age-Restricted</u>					
Springbrook Place	1	2000	50% (38)	38	0
<u>LIHTC General Occupancy</u>					
Robinson Park	2	Aug-17	50% (53)/ 60% (35)	88	2
Colonnade Apartments	3	Dec-10	50% (60)/ Market (6)	60 2/	2
Highlands I & II 1/	4	2002/04	50% (38)/ 60% (24)	62	0
Chestnut Ridge I & II (Subtotal)	5	1998/99	60% (148)	148 (358)	0 (4)
<u>Modest Market Rate</u>					
The Greens at Chestnut Ridge	6	1990	Market (150)	150	3
Longview Oaks	7	1987	Market (138)	138	0
Deer Run	8	1975/13	Market (144)	144	2
Park Apartments	9	1974/11	Market (136)	136	1
Meriwether Hills	10	1960	Market (165)	165	3
Campbell Court (Subtotal)	11	1940/08	Market (19)	19 (752)	0 (9)
Total				1,148	13
LIHTC Senior Vacancy Rate				0.0%	
LIHTC General Occupancy Vacancy Rate				1.1%	
LIHTC Combined Vacancy Rate				1.0%	
Modest Market Rate Vacancy Rate				1.2%	
Market Area Vacancy Rate				1.1%	

Notes: 1/ Phase I (38 units); Phase II (24 units).

2 / Excludes higher rent market-rate units.

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Map F displays the locations of each apartment property under study listed in Table 18. The map shows that two properties—Springbrook Place and Highlands—are situated in the Town of Broadway, just east of S Main Street. The other apartment communities are in the Harrisonburg area. Meriwether Hills, the closest to the study site, is located just east of S High Street. All remaining apartment communities are situated east of Route 11.



Map F - Locations of Competitive Apartments

The photographs provided below showcase the apartment properties under analysis. They show that Springbrook Place is the sole community with single-level designs, which are particularly conducive to senior renters. This design choice is intentional. Colonnade Apartments stands out as the only elevator-served apartment community. The other apartment properties typically feature standard garden apartment designs, which are not particularly appealing to senior renters.



Springbrook Place



Robinson Park



Colonnade Apartments



Highlands



Chestnut Ridge



The Greens at Chestnut Ridge



Longview Oaks



Deer Run



Park Apartments



Meriwether Hills



Campbell Court

Distribution of Income Restrictions

Table 19 presents data on the distribution of income restrictions for the apartment properties under study, based on data provided by on-site management. The data show that just

over 16 percent (189 units) are restricted to incomes at 50% of AMI, while approximately 17.9 percent (207 units) are restricted to 60% of AMI. Around 760 units, or 65.7 percent of the units, have no income restrictions. This is in contrast to Bluestone Town Center Senior Apartments, which will feature 62 units restricted to 60% of AMI, with 35 of these units to be supported with project-based vouchers.

	50% of AMI	60% of AMI	Market Rate	Total Units
Springbrook Place (Senior)	38	0	0	38
Robinson Park	53	35	0	88
Colonnade Apartments	60	0	6	66
Highlands I & II	38	24	0	62
Chestnut Ridge I & II	0	148	0	148
The Greens at Chestnut Ridge	0	0	150	150
Longview Oaks	0	0	138	138
Deer Run	0	0	144	144
Park Apartments	0	0	136	136
Meriwether Hills	0	0	165	165
Campbell Court	0	0	19	19
Total	189	207	758	1,154
Percent of Total	16.4%	17.9%	65.7%	100.0%
Bluestone Town Center Senior Apartments	0	62 1/	0	62

Notes: 1/ 35 units to be supported by project-based vouchers.
Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Net Rental Rates

Data in Table 20 lists the net rents for all the age-restricted apartment communities under study. Rents have been adjusted to include only the cost of hot water and trash collection, making them comparable to the proposed rental structure at Bluestone Town Center Senior Apartments. Notably, only one affordable apartment complex, Colonnade Apartments, provides in-unit washers and dryers at no additional cost to the tenant. Most market-rate units offer this amenity.

The data show that the one-bedroom rents at Springbrook Place, the only age-restricted apartment community in the market area, are capped at 50% of AMI and rent for \$634. These rents are significantly lower than those proposed for the one-bedroom units at Bluestone Town Center Senior Apartments, designed to serve senior households with lower incomes.

Robinson Park and Highlands are the only affordable apartment with one-bedroom rents at the 60% of AMI level. These rents are very low, ranging from \$664 at Highlands to \$676 at Robinson Park. Interestingly, Chestnut Ridge charges the same rents for one-bedroom units restricted to both 50% and 60% AMI. Except for Meriwether Hills, a mature property built in 1960, all market-rate properties command considerably higher one-bedroom rents, averaging \$1,132.

Springbrook Place does not offer two-bedroom apartment units. The average rent for two-bedroom units at 60% AMI in affordable general occupancy apartment communities is \$963, which is \$77 less than the proposed rents for two-bedroom units at Bluestone Town Center Senior Apartments. However, most of these properties are older and not as centrally located, and none are in elevator buildings designed for seniors. Thus, the rent premium at Bluestone Town Center Senior Apartments is justified.

The key point in Table 20 is that the one affordable, age-restricted apartment property in the market area will not be fully competitive with Bluestone Town Center Senior Apartments, as it generates low rents. The affordable, general occupancy apartment communities were primarily designed for families, and most units target households with more modest incomes. The market-rate apartment properties, although being at the lower end of rents compared to other market-rate properties in the market area, still generate rents that are considerably higher than the affordable rental housing stock and, thus, are largely unaffordable to the target population for Bluestone Town Center Senior Apartments.

Table 20: Net Rental Rates, Bluestone Town Center Senior Apartments Market Area, February 2024 1/

	<u>Studio</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>
LIHTC Senior				
Springbrook Place	--	\$634 (50%)	--	--
LIHTC General Occupancy				
Robinson Park 3/	--	\$524 (50%)-\$676 (60%)	\$789 (50%)-\$971 (60%)	\$1,115 (60%)
Colonnade Apartments 2/	--	\$776 (50%)	\$936 (50%)	\$1,077 (50%)
Highlands I & II	--	\$664 (50%/60%)	\$758 (50%/60%)	\$827 (50%/60%)
Chestnut Ridge I & II	--	--	\$1,161 (60%)	\$1,335 (60%)
50% of AMI Average	--	\$655	\$828	\$952
60% of AMI Average	--	\$670	\$963	\$1,092
Modest Market Rate				
The Greens at Chestnut Ridge 2/ 4/	--	\$1,293	\$1,633-\$1,678	\$1,703-\$1,848
Longview Oaks 2/ 4/ 5/	--	\$1,264	\$1,453	\$1,632
Deer Run 2/ 3/ 6/ 7/	--	\$1,218-\$1,468	\$1,423-\$1,723	\$1,628-\$1,878
Park Apartments 2/ 4/ 6/	\$1,072	\$1,097-\$1,152	\$1,152-\$1,342	\$1,207-\$1,482
Meriwether Hills 3/ 8/	\$674	\$689-\$764	\$753-\$1,003	\$1,192-\$1,442
Campbell Court 2/	\$973	\$1,043	\$1,173	--
Average	\$906	\$1,132	\$1,330	\$1,564
Bluestone Town Center Senior Apartments 9/	--	\$813 (60%)	\$1,040 (60%)	--
Notes: 1/ Rents adjusted to include hot water and trash collection. 2/ Rents include washer and dryer. 3/ Two-bedroom units have 1.0 bathrooms. 4/ Smaller two-bedroom units have 1.0 bathrooms. 5/ Rents only provided for soon-to-be-available units. 6/ Higher rents are for renovated units. 7/ All vacancies are higher rent, renovated units. 8/ Three-bedroom units have 1.5 bathrooms. 9/ Two-bedroom units have 1.5 bathrooms.				
Source: Field and Telephone Survey by S. Patz and Associates, Inc.				

Net Rent per Square Foot

Table 21 presents the rent per square foot calculations for each of the apartments under study. The one-bedroom units at Bluestone Town Center Senior Apartments will have a rent per square foot ranging from \$1.29 to \$1.52. This rate is above the market area average but reflects the smaller unit designs and the inclusion of elevator access in the building. The rent per square foot for two-bedroom units at Bluestone Town Center Senior Apartments will be \$1.20.

Table 21: Net Rent per Square Foot, Bluestone Town Center Senior Apartments Market Area, February 2024 ^{1/}

	<u>Studio</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>
LIHTC Senior				
Springbrook Place	--	\$1.18 (60%)	--	--
LIHTC General Occupancy				
Robinson Park 3/	--	\$0.79 (50%)/ \$1.02 (60%)	\$0.89 (50%)/ \$1.10 (60%)	\$1.06 (60%)
Colonnade Apartments 2/	--	\$1.08 (50%)	\$0.89 (50%)	\$0.95 (50%)
Highlands I & II	--	\$0.91 (50%/60%)	\$0.90 (50%/60%)	\$0.79 (50%/60%)
Chestnut Ridge I & II	--	--	\$1.18 (60%)	\$1.18 (60%)
50% of AMI Average	--	\$0.93	\$0.90	\$0.87
60% of AMI Average	--	\$0.97	\$1.06	\$1.01
Modest Market Rate				
The Greens at Chestnut Ridge 2/ 4/	--	\$1.92	\$1.82	\$1.58
Longview Oaks 2/ 4/ 5/	--	\$1.86	\$1.44	\$1.41
Deer Run 2/ 3/ 6/ 7/	--	\$1.98	\$1.79	\$1.90
Park Apartments 2/ 4/ 6/	\$2.56	\$1.91	\$1.44	\$1.16
Meriwether Hills 3/ 8/	\$1.69	\$1.12	\$0.98	\$1.00
Campbell Court 2/ 10/	--	--	--	--
Average	\$2.13	\$1.76	\$1.50	\$1.41
Bluestone Town Center Senior Apartments ^{9/}	--	\$1.29-\$1.52 (60%)	\$1.20 (60%)	--

Notes: 1/ Rents were adjusted to include hot water, cold water, sewer, and trash collection.

2/ Rents include washer and dryer.

3/ Two-bedroom units have 1.0 bathrooms.

4/ Smaller two-bedroom units have 1.0 bathrooms.

5/ Rents only provided for soon-to-be-available units.

6/ Higher rents are for renovated units.

7/ All vacancies are higher rent, renovated units.

8/ Three-bedroom units have 1.5 bathrooms.

9/ Two-bedroom units have 1.5 bathrooms.

10/ Unit sizes not available.

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Apartment Unit Sizes

Table 22 lists the unit sizes at each apartment community under study. The one-bedroom units at Bluestone Town Center Senior Apartments will be modest in size, ranging between 534 square feet for typical floor plans and 628 square feet for eight corner units. This compares to an average market area square footage of 675 square feet. Springbrook Place, the only age-restricted community under study, has particularly large one-bedroom floor plans for an age-restricted community, with all apartments measuring 700 square feet. One-bedroom floor plans at the general occupancy affordable apartment units average 701 square feet, while the market rate units are smaller, averaging 654 square feet.

The two-bedroom units at Bluestone Town Center Senior Apartments will measure 866 square feet. Springbrook Place does not offer two-bedroom floor plans. The two-bedroom units

in affordable apartment communities are relatively larger, averaging 939 square feet. However, these units were primarily designed for families, which supports the larger floor plans.

Table 22: Apartment Unit Sizes, Bluestone Town Center Senior Apartments Market Area, February 2024

	<u>Studio</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>
<u>LIHTC Senior</u>				
Springbrook Place	--	700	--	--
<u>LIHTC General Occupancy</u>				
Robinson Park	--	660	884	1,048
Colonnade Apartments	--	717	988-1,106	1,138
Highlands I & II	--	726	838	1,045
Chestnut Ridge I & II	--	--	988	1,128
<i>(Average)</i>	<i>(--)</i>	<i>(701)</i>	<i>(939)</i>	<i>(1,090)</i>
<u>Modest Market Rate</u>				
The Greens at Chestnut Ridge	--	674	894-926	1,122
Longview Oaks	--	680	860-1,156	1,160
Deer Run	--	679	879	924
Park Apartments	419	563-613	863	1,155
Meriwether Hills	346-450	519-778	660-1,124	1,320
Campbell Court 1/	--	--	--	--
<i>(Average)</i>	<i>(409)</i>	<i>(654)</i>	<i>(910)</i>	<i>(1,136)</i>
Average	409	675	923	1,116
Bluestone Town Center Senior Apartments	--	534-628	866	--

Notes: 1/ Data not provided by management.

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Apartment Unit Mix

Table 23 displays the apartment unit mix at the properties under study. The one affordable age-restricted apartment community, Springbrook Place, offers only one-bedroom apartment units. The affordable general occupancy apartment units provide only 30 one-bedroom units, with the majority being two and three-bedroom floor plans. This is because these properties were predominantly designed for families. Over half of the units at the modest market-rate apartment communities feature two-bedroom units, with nearly 17 percent having three-bedroom floorplans. Studio and one-bedroom units account for under 35 percent of the market rate apartment units.

Table 23: Apartment Unit Mix, Bluestone Town Center Senior Apartments Market Area, February 2024

	<u>Studio</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>	<u>Total Units</u>
<u>LIHTC Senior</u>						
Springbrook Place 1/	0	38	0	0	0	38
<u>LIHTC General Occupancy</u>						
Robinson Park	0	12	44	32	0	88
Colonnade Apartments 1/	0	6	42	12	0	60
Highlands I & II	0	12	26	24	0	62
Chestnut Ridge I & II	<u>0</u>	<u>0</u>	<u>116</u>	<u>32</u>	<u>0</u>	<u>148</u>
(Subtotal)	(0)	(30)	(228)	(100)	(0)	(358)
<u>Modest Market Rate</u>						
The Greens at Chestnut Ridge	0	38	82	30	0	150
Longview Oaks	0	46	72	20	0	138
Deer Run	0	24	72	48	0	144
Park Apartments	12	14	102	8	0	136
Meriwether Hills	24	24	87	20	10	165
Campbell Court	<u>3</u>	<u>10</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>19</u>
(Subtotal)	(39)	(156)	(421)	(126)	(10)	(752)
Total	39	224	649	226	10	1,148
Percent of Total	3.4%	19.5%	56.5%	19.7%	0.9%	100.0%
Bluestone Town Center Senior Apartments	0	54	8	0	0	62

Notes: 1/ Excludes six high-rent market-rate units.

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Community Amenities

Table 24 below compares the amenities offered by the competitive apartment properties under study to the proposed amenities at Bluestone Town Center Senior Apartments. Bluestone Town Center Senior Apartments is proposed to have three amenities: an elevator, a clubhouse/room, and a laundry facility. Of note is that the only other apartment under study with elevators is Colonnade Apartments. Most properties have either a clubhouse or club room. About half of the properties have pools, and several have fitness centers.

Table 24: Community Amenities, Bluestone Town Center Senior Apartments Market Area, February 2024

	<u>Elevator</u>	<u>Clubhouse/Room</u>	<u>Fitness</u>	<u>Business</u>	<u>Pool</u>	<u>Laundry</u>
<u>LIHTC Senior</u>						
Springbrook Place	○	○	○	○	○	○
<u>LIHTC General Occupancy</u>						
Robinson Park	○	●	○	●	○	●
Colonnade Apartments	●	●	●	○	○	○
Highlands I & II	○	●	○	○	○	●
Chestnut Ridge I & II	○	●	●	●	●	●
<u>Modest Market Rate</u>						
The Greens at Chestnut Ridge	○	●	●	●	●	○
Longview Oaks	○	●	●	○	●	●
Deer Run	○	●	●	○	○	○
Park Apartments	○	●	●	●	●	○
Meriwether Hills	○	○	●	○	●	●
Campbell Court	○	○	○	○	○	○
Bluestone Town Center Senior Apartments	●	●	○	○	○	●

Source: Field and Telephone Survey by S. Patz and Associates, Inc.

Local Perspective of the Rental Housing Market

During our research, S. Patz & Associates conducted extensive interviews with key stakeholders in the local housing market. This included discussions with property managers and developers actively engaged in constructing affordable apartment units in the Harrisonburg region, as well as with local planning officials. Staff from the Harrisonburg Redevelopment & Housing Authority were also interviewed. These individuals deeply understand the local housing dynamics, especially in the affordable and age-restricted housing sector.

The consensus from these discussions is that there is a significant gap between supply and demand for age-restricted housing in the market area, particularly concerning affordable housing. This gap has reportedly led seniors to search outside the region for adequate housing, as reflected in the demographic projections detailed above. It was noted that very few apartment units in the region are designed for seniors, and none of these units target the 60% of AMI income category. Those that are fully subsidized have no vacancies and extensive waitlists, which has been the case for several years. They note that a new attractive proposal, such as that proposed for Bluestone Town Center Senior Apartments, should be successful and lease up quickly without negatively impacting the existing housing supply.

The inclusion of 35 project-based vouchers in the proposal is regarded as a particularly strong component, given the extensive waitlist of income-qualified senior households that the Harrisonburg Redevelopment & Housing Authority manages.

Section III: Market Study Conclusions

The above analysis depicts a very stable economy for the greater Harrisonburg marketplace. The market area has seen steady employment growth across various employment sectors in recent years and has fully recuperated all jobs lost during the pandemic. Notably, the market area has added nearly 1,400 new jobs since 2017. Active developments in the market area are expected to contribute at least 700 new permanent positions, in addition to construction jobs and “spin-off” jobs resulting from economic expansion. James Madison University continues to be a source of economic stability in the region.

The market area has experienced steady growth in population and households in recent years, a trend projected to continue alongside job growth. The senior population in the market area has expanded by nearly 8,300 individuals since 2010 and is projected to increase by over 2,200 by 2028. Thus, by 2028, demographic projections suggest that 27 percent of the local population will be over the age of 55, up from 26.2 percent in 2023. A net increase of over 1,300 households with the household head over the age of 55 is projected in the market area by 2028, with over 31 percent of this total comprising renter households.

However, projections show a modest decline in the income-targeted populations, reflecting past trends where the local housing market has provided virtually no new supply of affordable housing units to the senior demographic. Therefore, the demographic projections related to low- and moderate-income senior renter households should be considered highly conservative, as the introduction of new age-restricted housing, such as Bluestone Town Center Senior Apartments, could slow or reverse this decline. Notably, Census data indicate that nearly a quarter of senior renter households in the market area spend more than 40 percent of their income on rent.

Coupled with this is the market area’s very low vacancy rate, with a 1.1 percent vacancy rate among the apartment communities identified as most competitive with Bluestone Town Center Senior Apartments and no vacancies at any other rental properties with full rent subsidies. Furthermore, there are no age-restricted pipeline apartment proposals in the market area.

Bluestone Town Center Senior Apartments is expected to be highly competitive within the market area regarding unit designs and property features. Given the significant pent-up demand and competitive rental structure, the proposed rents are anticipated to be achievable. We recommend no changes to this proposal.

The subsequent Demand Analysis section will examine the evolving supply and demand dynamics for senior rental housing in the market area, focusing on the projection period up to 2028.

Demand Analysis

Penetration Rate Analysis

For this analysis, the penetration rate is defined as the percentage of income-eligible senior renter households required to occupy Bluestone Town Center Senior Apartments, along with those in existing competitive units, plus any units in competitive affordable apartments approved and financed for future construction. This measure evaluates the market area's capacity to absorb the inventory of directly competitive age-restricted rental units.

The analysis shows a low penetration rate of 8.1 percent. This demand is considered achievable, particularly given the market area's exceptionally low vacancy rate among all apartment types and the fact that there are no age-restricted apartment communities in the market area that target households at the 60% of AMI income level.

The penetration rate analysis presented in Table 25 should be viewed as conservative. It does not consider lower-income senior households with vouchers, younger adults aged 55 to 61 who might enter the market, leakage (tenants coming from outside the market area), or senior homeowners who may choose to rent due to lifestyle changes or financial constraints. Therefore, the development program at Bluestone Town Center is not anticipated to negatively impact the existing housing supply within the market area in the absence of project-base vouchers.

Table 25: Penetration Rate Analysis	
	<u>60% of AMI</u>
Income-Eligible Renter Households	768
Subject Proposal	62
Existing Competitive Units	0
Pipeline Competitive Units	<u>0</u>
(Total Inventory)	(62)
Penetration Rate	8.1%
Source: S. Patz & Associates, Inc.	

Net Rent Evaluation

The rent analysis presented in Table 20 suggests that the proposed rents should be competitive in a market with minimal competition. The proposed rents are significantly lower than those of the lowest-rent market-rate apartment properties in the area, with an average difference of over \$300. Although the rents are higher than those at other LIHTC properties in the market area, they are expected to be marketable. This is based on the fact that most of these other properties are aimed at households with lower incomes and are older. Upon completion, Bluestone Town Center Senior Apartments is set to be among the most attractive apartment communities in the Harrisonburg region.

Unit Size and Unit Mix Evaluation

The apartment unit sizes proposed for Bluestone Town Center Senior Apartments are smaller than the average in the market area, but are fully marketable. Unlike most of the existing apartments analyzed, the proposed units are specifically designed for seniors, emphasizing efficiency and accessibility to meet the typical needs of an older demographic. This demographic may not require as much space due to smaller household sizes or a preference for lower-maintenance living spaces. Additionally, the inclusion of an elevator in the building enhances accessibility for seniors, making it more convenient to reside in a compact space since mobility between floors is not a concern. Smaller units in a senior-designated elevator building align with the lifestyle preferences of senior residents, who may value location, ease of access, and community amenities more than larger private living areas.

The unit mix, with most units featuring one-bedroom floorplans, reflects the demographic characteristics of older adults in the market area, as highlighted in Table 14, which showed that nearly 60 percent of senior renter households consist of single individuals. Demographic data indicate that low- and moderate-income senior households in the market area have a higher prevalence of single-person households. Given this context, the proposed unit mix is expected to be highly competitive in a market with few one-bedroom affordable, age-restricted apartment units for seniors.

Virginia Housing Demand Analysis (Absent Project-Based Vouchers)

The Virginia Housing Demand Table, presented in Table 26, outlines the methodology for evaluating Low-Income Housing Tax Credits applications. In terms of demand, this methodology considers the growth or decline of income-eligible senior households, cost-burdened senior renter households, senior renters residing in substandard housing, and seniors likely to convert from homeownership.

The data in Table 26 show the following:

- **New Senior Renter Households:** The market area is projected to have a net decrease of 78 targeted senior renter households for the 2023 to 2028 period for the apartment units restricted to 60% of AMI units.
- **Rent Overburdened Senior Households:** This is defined as senior households allocating more than 40 percent of their gross income to rent. Approximately 24.9 percent of market area senior households meet this criterion. Applying this percentage to the number of income-qualified renter households equates to 211 households for the 60% of AMI units.
- **Senior Renter Households in Substandard Housing:** This demand component includes senior renters in homes lacking plumbing and those in overcrowded homes (more than one occupant per room). Approximately 3.8 percent of market area senior renter households meet this criterion. Applying this percentage to the existing senior renter households and considering the percentage of households with qualifying incomes equates to 32 households for the 60% of AMI units.
- **Elderly Households Likely to Convert to Rental Housing:** Based on incomes, approximately 109 senior homeowners are likely to convert to affordable apartment units. In accordance with Virginia Housing guidelines, the demand analysis reduces the potential demand so that it does not exceed 20 percent of the total demand. This equates to a demand of 41 for the 60% of AMI units.

For supply, it is noted that there are no relevant pipeline apartment proposals in the market area and no vacant age-restricted units at the 60% of AMI income level. This results in a potential net demand of 206 units for the 60% of AMI income category, or a capture rate of 30.1 percent. We believe this capture rate is achievable within a rural market that offers no age-restricted apartments at the 60% of AMI income level and only one affordable age-restricted apartment complex. We are of the opinion that there is sufficient market support in the market area for Bluestone Town Center Senior Apartments, as currently proposed. We project an average lease-up pace of approximately ten units per month. This rate suggests an absorption period of approximately six months.

Table 26: Virginia Housing Demand Table (Absent Vouchers)	
	Up to 60% of AMI
New Rental Households	-78
PLUS	
Existing Households - Overburdened	211
PLUS	
Existing Households - Substandard Housing	32
PLUS	
Elderly Households-Likely to Convert to Rental Housing	41
PLUS	
Existing Qualifying Tenants – to Remain After Renovation	0
Total Demand	206
MINUS	
Supply (Vacant and Pipeline Units)	0
EQUALS	
Net Demand	206
Proposed Units	62
Capture Rate	30.1%
Absorption Period (in months)	6

The Virginia Housing capture rate table, displayed below, indicates a project-wide capture rate of 30.1 percent and a six-month lease-up period. Again, this is under the unlikely scenario in which project-based subsidies are not available.

Table 27: Virginia Housing Capture Rate Table (Absent Vouchers)	
Project Wide Capture Rate – LIHTC Units	30.1%
Project Wide Capture Rate – Market Rate Units	--
Project Wide Capture Rate – All Units	30.1%
Project Wide Absorption Rate (Months)	6

Virginia Housing Demand Analysis (With Project-Based Vouchers)

Table 28 displays the Virginia Housing Demand Table, assuming the planned scenario where project-based vouchers are available, as currently proposed. The data in Table 28 show the following:

- **New Senior Renter Households:** The market area is projected to have a net decrease of 78 targeted senior renter households for the 2023 to 2028 period for the apartment units restricted to 60% of AMI units. For the units with project-based vouchers, the projection is a decline of 159 households.
- **Rent Overburdened Senior Households:** This is defined as senior households allocating more than 40 percent of their gross income to rent. Approximately 24.9 percent of market area senior households meet this criterion. Applying this percentage to the number of income-qualified renter households equates to 211 households for the 60% of AMI units. Applying this to the units with vouchers equates to 405 households.
- **Senior Renter Households in Substandard Housing:** This demand component includes senior renters in homes lacking plumbing and those in overcrowded homes (more than one occupant per room). Approximately 3.8 percent of market area senior renter households meet this criterion. Applying this percentage to the existing senior renter households and considering the percentage of households with qualifying incomes equates to 32 households for the 60% of AMI units. The total is 62 households for units with vouchers.
- **Elderly Households Likely to Convert to Rental Housing:** Based on incomes, approximately 90 senior homeowners are likely to convert to the 60% of AMI units while 149 would convert to the subsidized units. In accordance with Virginia Housing guidelines, the demand analysis reduces the potential demand so that it does not exceed 20 percent of the total demand. This equates to a demand of 41 for the 60% of AMI units and 77 for the units with vouchers.

For supply, it is noted that there are no relevant pipeline apartment proposals in the market area and no vacant age-restricted units. This results in a potential net demand of 206 units for the 60% of AMI income category and 385 when accounting for vouchers. This equates to a capture rate of 13.5 percent for the units restricted to 60% of AMI and 9.1 for the units with project-based vouchers. The project-wide capture rate is 16.1 percent, when accounting for overlaps in incomes.

Capture rates below 30 percent are typically regarded as achievable. Thus, the observed project-wide capture rate of 16.1 percent for Bluestone Town Center Senior Apartments underscores its full feasibility, indicating ample market demand to support full occupancy. This is particularly true in a housing market with only one affordable age-restricted apartment property without deep rent subsidies and where all other properties are at or near full occupancy, many with wait lists.

We project an average lease-up pace of approximately ten units per month for the units restricted to 60% of AMI. The subsidized units should be fully leased within a month of active leasing.

Table 28: Virginia Housing Demand Table (With Vouchers)			
	Up to 60% of AMI	Up to 60% of AMI (Vouchers)	Total
New Rental Households	-78	-159	-159
PLUS			
Existing Households - Overburdened	211	405	405
PLUS			
Existing Households - Substandard Housing	32	62	62
PLUS			
Elderly Households-Likely to Convert to Rental Housing	41	77	77
PLUS			
Existing Qualifying Tenants – to Remain After Renovation	0	0	0
Total Demand	206	385	385
MINUS			
Supply (Vacant and Pipeline Units)	0	0	0
EQUALS			
Net Demand	206	385	385
Proposed Units	27	35	62
Capture Rate	13.1%	9.1%	16.1%
Absorption Period (in months)	3	1	3

The Virginia Housing capture rate table, displayed below, indicates a project-wide capture rate of 16.1 percent and a three-month lease-up period, provided that project-based vouchers are available as planned.

Table 29: Virginia Housing Capture Rate Table (With Vouchers)

Project Wide Capture Rate – LIHTC Units	16.1%
Project Wide Capture Rate – Market Rate Units	--
Project Wide Capture Rate – All Units	16.1%
Project Wide Absorption Rate (Months)	3

I affirm the following:

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

Ariel Goldring

Market Analyst

March 4, 2024

Date

Data Sources

S. Patz & Associates utilizes various sources to gather and confirm the data used in this report. These sources include the following:

- U.S. Census Bureau
- U.S. Department of Labor
- Claritas; Ribbon Demographics
- FBI Uniform Crime Report
- Virginia Employment Commission
- U.S. Department of Housing & Urban Development (HUD)
- Virginia Housing
- Management for each property surveyed
- City of Harrisonburg Planning Department
- Rockingham County Planning Department
- Harrisonburg Redevelopment & Housing Authority
- Weldon Cooper Center for Public Service



S. Patz and Associates is a trusted provider of market research and analysis services for a diverse range of real estate developments. Renowned for producing detailed market data and well-founded recommendations, our team has conducted extensive market research nationwide.

We specialize in market research and feasibility analysis for various types of developments, including residential, office, retail, hotel, and mixed-use projects. Our expertise notably extends to student housing and age-restricted housing sectors, encompassing assisted living, memory care, and independent living facilities. Additionally, we have collaborated with numerous non-profit housing developers and conducted several studies for affordable housing communities, including LIHTC communities.

S. Patz and Associates is recognized for market research by multiple HUD offices and is listed as an approved consultant by several state housing agencies, including Virginia, the District of Columbia, Maryland, Delaware, and New Hampshire. Our team has a proven track record of delivering high-quality research and analysis services, offering valuable insights to our clients.