



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Gosnold Apartments
2425 Gosnold Avenue
Norfolk, Virginia 23517

Prepared For

Ms. Elizabeth Nice
Virginia Supportive Housing
PO Box 8585
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Authorized User

Virginia Housing
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Effective Date

February 22, 2024

Job Reference Number

24-152 JP

Market Study Certification

NCHMA Certification

This certifies that Xavier Williams, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Norfolk, Virginia. Further, the information contained in this report is true and accurate as of February 22, 2024.

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

Virginia Housing Certification

I affirm the following:

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

Certified:

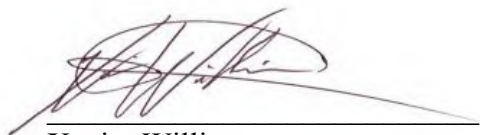


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Certificate of Professional Designation

This certificate verifies that

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



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1/1/2024 to 12/31/2024



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Table of Contents

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

I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Norfolk, Virginia. This study was initiated by Ms. Elizabeth Nice of Virginia Supportive Housing and complies with the guidelines of Virginia Housing. This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

C. SOURCES

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

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

D. REPORT LIMITATIONS

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

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

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II. Executive Summary

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

The following is a summary of key findings from our report:

Project Description

The proposed project involves the renovation of Gosnold Apartments at 2425 Gosnold Avenue in Norfolk, Virginia. Built in 2006, the project currently offers 60 units that operate under the HUD Section 8 program. A total of 44 units will be renovated as part of this proposed project. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 80.0% occupied and is not maintaining a waiting list, although there is a referral program in place. Management also stated that qualifications in place by the Norfolk Redevelopment and Housing Authority have resulted in a long process to place qualified applicants, however, the housing authority maintains an extensive waiting list of applicants to reside at the site.

The project will be renovated along with a 56-unit new construction component utilizing funding from the Low-Income Housing Tax Credit program, which will involve the extensive rehabilitation of the existing units and the community spaces. Once renovations and construction are completed, the project will offer 100 units targeting homeless households with incomes of up to 40%, 50% and 60% of Area Median Household Income (AMHI). Notably, 90 units will operate under the HUD Section 8 program. Renovations and construction are expected to be completed by August 2027. Additional details of the subject project can be found in Section III - *Project Description* of this report.

Site Evaluation

The subject site is the existing Gosnold Apartments rental property located at 2425 Gosnold Avenue in the western portion of Norfolk, Virginia, as well as a surface parking lot situated east of the existing building. Surrounding land uses generally include retail uses, commercial uses and residential dwellings. The site is situated along Gosnold Avenue, which generally experiences light traffic. Access to and from the site is convenient due to the light vehicular traffic along the roadways surrounding the subject site. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as U.S. Highway 460 and U.S. Highway 58 are arterial roadways in the area and are accessible within 1.5 miles of the site. The site is situated within an established area in Norfolk and is subsequently located within 1.0 miles of many essential community services. Overall, the site's

surrounding land uses and proximity to community services will contribute to its overall marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

Primary Market Area (PMA)

The traditional Norfolk Site PMA includes Norfolk, Ghent, Poplar Hall, Park Place, Edgewater, Poplar Halls, Broad Creek, Sherwood Forest, West Freemason, and Coronado, as well as some of the immediate surrounding areas. The boundaries of the Site PMA include International Terminal Boulevard and Interstate 64 to the north; Interstate 64 to the east; Interstate 264, South Military Highway, the Elizabeth River and U.S. Highway 58 to the south; and Brambleton Avenue, Redgate Avenue, Redgate Avenue, Elizabeth River Trail, Powhatan Avenue, Swann Road and the Lafayette River to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page *IV-10*.

Demographic Trends

The Norfolk Site PMA demographic base is generally projected to remain stable between 2024 and 2029. Although modest growth, renter households are projected to increase by 175, or 0.6%, between 2024 and 2029. In addition, of the 29,123 renter households projected for 2029, more than one-quarter (27.6%) are projected to earn below \$25,000, which is conducive to the incomes targeted at the site. These trends emphasize the ongoing need for additional rental housing within the Site PMA. Detailed demographic trends are included in *Section IV*, beginning on page *IV-13*.

Economic Trends

The Norfolk economy is strong and has steadily improved each year since the impact of the pandemic in 2020. Specifically, the city employment base has increased by 8,185, or 8.1%, since 2020 (through the end of 2023) while the annual unemployment rate for the city has declined by nearly six full percentage points during this same time period. Both total employment and unemployment levels are outperforming pre-pandemic levels within the city. Based on the preceding factors, we expect the Norfolk economy will remain strong and continue to improve for the foreseeable future. Detailed economic trends are included in *Section IV*, beginning on page *IV-17*.

Overall Rental Housing Market Conditions

We identified and personally surveyed 35 conventional housing projects containing a total of 5,667 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.0%, a very good rate for rental housing. The surveyed rental developments broken out by project type are summarized in the following table:

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|--|-------------------|-------------|--------------|----------------|
| Market-Rate | 17 | 2,680 | 131 | 95.1% |
| Market-Rate/Tax Credit | 3 | 521 | 10 | 98.1% |
| Tax Credit | 9 | 1,464 | 66 | 95.5% |
| Tax Credit/Government-Subsidized | 5 | 652 | 17 | 97.4% |
| Market-Rate/Tax Credit/Government-Subsidized | 1 | 350 | 0 | 100.0% |
| Total | 35 | 5,667 | 224 | 96.0% |

As the preceding table illustrates, all rental housing segments surveyed within the market are performing at stable occupancy levels, as none has a combined occupancy rate lower than 95.1%. As such, it does not appear that there are any deficiencies within the Norfolk rental housing market.

Competitive/Comparable Tax Credit Analysis

Gosnold Apartments will provide 100 studio units to low-income renters earning up to 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Of the 100 units, 90 will operate with a Section 8 subsidy and all units will target homeless individuals. As such, we have selected the four most comparable LIHTC properties within the Site PMA to serve as a baseline of comparison to the proposed subject project. These properties have been selected based on various features such as their location, units offered, age and targeted population. Notably, one of these properties Church Street Station Studios (Map ID 12), targets homeless individuals and offers studio units, similar to that proposed/offered at the subject site. However, it should be noted that all units at this property operate with a subsidy allowing tenants to pay only a portion of their income towards rent.

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

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|-------------------------------|--------------------------|-------------|---------------|------------------|---------------|--|
| Site | Gosnold Apartments | 2006 / 2027 | 100 | 80.0%^ | - | - | Homeless; 40%, 50% & 60% AMHI & Section 8 |
| 12 | Church Street Station Studios | 2017 | 80 | 100.0% | 1.2 Miles | Yes | Homeless & Families; 50% AMHI & PBV/PBRA |
| 25 | Pointe at Pickett Farms | 2013 | 120 | 100.0% | 5.7 Miles | Shared: 30 HH | Families; 40%, 50%, & 60% AMHI |
| 27 | Quill Apts. | 2015 | 180 | 100.0% | 5.9 Miles | Shared: 30 HH | Families; 40%, 50%, & 60% AMHI |
| 30 | St. Paul's Apts. | 2019 | 120* | 100.0% | 2.3 Miles | 50 HH | Families; 50% & 60% AMHI |

OCC. – Occupancy; HH - Households

*Tax Credit units only; ^Current occupancy of existing units

The four comparable LIHTC projects have a combined occupancy rate of 100.0%, a very strong rate for affordable rental housing. In fact, all four of the comparable developments are fully occupied and maintain a waiting list, including the one directly competitive property, Church Street Station Studios (Map ID 12), illustrating that pent-up demand exist for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

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

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | | Rent Special |
|-------------|-------------------------------|---|--|---|--|--------------|
| | | Studio | One-Br. | Two-Br. | Three-Br. | |
| Site | Gosnold Apartments | \$693/40% (15)* \$866/50% (25)* \$866/50% (10) \$1,039/60% (50)* | - | - | - | - |
| 12 | Church Street Station Studios | Subsidized/50% (80/0)** | - | - | - | None |
| 25 | Pointe at Pickett Farms | - | \$824/40% (1/0) \$824/50% (3/0) \$1,195/60% (14/0) | \$1,006/40% (9/0) \$1,006/50% (4/0) \$1,451/60% (59/0) | \$1,175/40% (4/0) \$1,175/50% (4/0) \$1,690/60% (22/0) | None |
| 27 | Quill Apts. | - | \$818/40% (0/0) \$818/50% (6/0) \$1,189/60% (24/0) | \$1,004/40% (0/0) \$1,004/50% (6/0) \$1,449/60% (108/0) | \$1,173/40% (0/0) \$1,173/50% (6/0) \$1,688/60% (30/0) | None |
| 30 | St. Paul's Apts. | - | \$1,010/50% (14/0) \$1,195/60% (6/0) | \$1,227/50% (50/0) \$1,450/60% (27/0) | \$1,685/60% (23/0) | None |

*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable and units operate with subsidy allowing tenants to pay portion of their income towards rent

**Subsidized; tenants of this project pay only a portion of their income towards rent

Note that none of the comparable Tax Credit properties offer non-subsidized studio units with rents that are being paid by the tenants. The proposed non-subsidized gross rent at the subject site will generally be competitive with the gross LIHTC rents being achieved at the comparable LIHTC properties in the market. In addition, given the strong occupancy levels and waiting lists maintained at the comparable developments, these properties can likely achieve higher rents without adversely impacting their occupancy levels. Further, the rents at the 40% and 50% AMHI levels at both Pointe at Pickett Farms and Quill Apartments are positioned equal, a good indication that these properties are not maximizing their rent potential. Regardless, 90 of the units at the site will operate with a project-based subsidy and only the remaining 10 units at 50% of AMHI will be occupied by tenants that must pay the charged rents, although it is likely that these units will be filled by those with vouchers due to the special needs population targeted at the site and the referrals expected to fill the units at the site.

Comparable Tax Credit Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the proposed subject development will be competitive. The presence of the Section 8 subsidy available to nearly all units will ensure the property is affordable to the homeless population targeted at the site and the amenity package is designed to be supportive as well.

Perception of Value

The following table illustrates the market-rent advantage for the proposed subject units:

| Bedroom Type | Proposed/Programmatic Collected LIHTC Rent (%AMHI) | Achievable Market Rent | Market Rent Advantage |
|--------------|--|------------------------|-----------------------|
| Studio | \$693* (40%) | \$1,350 | 48.7% |
| Studio | \$866* (50%) | \$1,350 | 35.9% |
| Studio | \$866 (50%) | \$1,350 | 35.9% |
| Studio | \$1,039* (60%) | \$1,350 | 23.0% |

*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable rent

Typically, Tax Credit units should represent approximately a 10.0% market rent advantage. As such, the proposed/programmatic Tax Credit rents will likely be perceived as substantial values within the market, as they represent market rent advantages of between 23.0% and 48.7%.

Capture Rate Estimates

The subject project will be developed using financing from the Low-Income Housing Tax Credit (LIHTC) program. It will also offer a Section 8 subsidy with 90 of the 100 units, allowing tenants to pay no more than 30% of their income towards gross rent. Because the project will target the homeless population, the traditional method of calculating the capture rate of income-qualified renter households using U.S. Census data is not necessarily an accurate measure of the depth of support for the proposed development. As a result, we have calculated two sets of demand. First, we calculated the traditional capture rate of the project following Virginia Housing market study requirements. This approach evaluates the number of income-qualified renter households in the market, regardless if they meet the criteria of being designated as “homeless.” We then calculated the capture rate of the project that considers only homeless individuals based on Point-in-Time survey data.

Virginia Housing Demand

Subsidized Demand Estimates (As Proposed):

| Demand Component | Percent of Median Household Income | | | | |
|-----------------------------|--------------------------------------|------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| | 40% AMHI w/ Section 8 (\$0-\$27,720) | 50% AMHI (\$29,691-\$34,650) | 50% AMHI w/ Section 8 (\$0-\$34,650) | 60% AMHI w/ Section 8 (\$0-\$41,580) | Overall w/ Section 8 (\$0-\$41,580) |
| Net Demand* | 2,639 | 495 | 3,331 | 3,574 | 3,574 |
| Proposed Units | 15 | 10 | 25 | 50 | 100 |
| Proposed Units / Net Demand | 15 / 2,639 | 10 / 495 | 25 / 3,331 | 50 / 3,574 | 100 / 3,574 |
| Capture Rate | = 0.6% | = 2.0% | = 0.8% | = 1.4% | = 2.8% |

*Solely considers one-person households; N/A-Not Applicable

Non-Subsidized Demand Estimates:

| Demand Component | Percent of Median Household Income | | | |
|-----------------------------|------------------------------------|------------------------------|------------------------------|---------------------------------|
| | 40% AMHI (\$23,760-\$27,720) | 50% AMHI (\$29,691-\$34,650) | 60% AMHI (\$35,623-\$41,580) | LIHTC Only^ (\$23,760-\$41,580) |
| Net Demand* | 373 | 495 | 358 | 1,226 |
| Proposed Units | 15 | 35 | 50 | 100 |
| Proposed Units / Net Demand | 15 / 373 | 35 / 495 | 50 / 358 | 100 / 1,226 |
| Capture Rate | = 4.0% | = 7.1% | = 14.0% | = 8.2% |

*Solely considers one-person households; ^Accounts for gaps in affordability levels; N/A-Not Applicable

If targeting a general-occupancy population, the 100 studio units would require an overall capture rate of 2.8%, assuming the subsidy is offered on most units as proposed. If the subsidy was lost and the project operated solely under LIHTC program guidelines, it would require an 8.2% capture rate. These capture rates are considered achievable, illustrating that there will be sufficient market depth in the PMA to operate if the subsidy is lost and/or if the project only targeted a general-occupancy population. This is especially true, considering there are no available affordable studio units available within the market.

Homeless Demand

Based on the Point-in-Time survey data included in *Section VII*, we have provided a homeless renter household capture rate. This capture rate calculation is summarized as follows:

| | Homeless Capture Rate Point-in-Time Homeless Survey |
|----------------------------|---|
| Designated Units | 100 |
| Eligible Persons (Age 18+) | / 548* |
| Capture Rate | = 18.2% |

*Homeless Adults, collected from 2023 Point-in-Time survey.

Considering the nature of homelessness, capture rates up to and even beyond 100% are considered achievable. Therefore, the capture rate of 18.2% provided above is considered to be low and illustrates the demand for such housing.

Penetration Rate

The 2,183 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$23,760 to \$85,600. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 14,924 renter households with eligible incomes in 2027. The 2,239 existing and planned non-subsidized Tax Credit units (including the 56 proposed new construction subject units), represent a penetration rate of 15.0% of the 14,924 income-eligible renter households, which is summarized in the following table:

| | Market Penetration |
|--|-----------------------|
| Number of LIHTC Units (Planned and Existing) | 2,239 |
| Income-Eligible Renter Households – 2027 | / 14,924 |
| Overall Market Penetration Rate | = 15.0% |

It is our opinion that the 15.0% penetration rate for the LIHTC units, both existing and planned, is achievable. This is especially true considering the generally high occupancy rates reported among most affordable properties in the market.

Absorption Projections

The subject project currently operates with a subsidy and will operate with a subsidy upon completion of renovations and all units will likely be rented to those households currently eligible to reside at the site. We also assume that most current tenants will remain at the site once renovations are completed. For the purpose of this analysis, however, we have calculated absorption estimates assuming that all of the units will be vacated and will need to be re-rented under the Tax Credit program with a subsidy and then exclusively under the LIHTC program. This also considers the new construction units that will be added to the existing project.

Assuming the subject project operates with a subsidy on 90 units but all existing units are vacated, we estimate that the 100 subject units can achieve a stabilized occupancy of 93.0% within seven months of re-opening. This is based on a monthly absorption rate of approximately 13 units per month.

In the unlikely event the subject project operates without a subsidy, it would likely experience a slightly extended absorption period of ten months, reflective of nine to ten units per month.

However, the subject project is expected to be occupied from a lengthy waiting list that is maintained by the Norfolk Redevelopment and Housing Authority. As such, it is anticipated that the subject project will likely be filled as quickly as applications can be processed and qualified individuals are accepted from the waiting list.

III. Project Description

| | |
|--------------------|---|
| Project Name: | Gosnold Apartments |
| Location: | 2425 Gosnold Avenue, Norfolk, Virginia 23517 |
| Census Tract: | 27.00 |
| Target Market: | Permanent Supportive Housing for Homeless |
| Construction Type: | New Construction & Renovation of Existing Development |
| Funding Source: | LIHTC |

The proposed project involves the renovation of Gosnold Apartments at 2425 Gosnold Avenue in Norfolk, Virginia. Built in 2006, the project currently offers 60 units that operate under the HUD Section 8 program. A total of 44 units will be renovated as part of this proposed project. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 80.0% occupied and is not maintaining a waiting list, although there is a referral program in place. Management also stated that qualifications in place by the Norfolk Redevelopment and Housing Authority have resulted in a long process to place qualified applicants, however, the housing authority maintains an extensive waiting list of applicants to reside at the site.

The project will be renovated along with a 56-unit new construction component utilizing funding from the Low-Income Housing Tax Credit program, which will involve the extensive rehabilitation of the existing units and the community spaces. Once renovations and construction are completed, the project will offer 100 units targeting homeless households with incomes of up to 40%, 50% and 60% of Area Median Household Income (AMHI). Notably, 90 units will operate under the HUD Section 8 program. Renovations and construction are expected to be completed by August 2027. Additional details of the subject project are as follows:

| Proposed Unit Configuration | | | | | | | | | | |
|---------------------------------------|--------------|-------|--------|-------------|--------|-----------------------|----------------|-------------------|------------|---------------------------------|
| Total Units | Bedroom Type | Baths | Style | Square Feet | % AMHI | Current Contract Rent | Proposed Rents | | | Max. Allowable LIHTC Gross Rent |
| | | | | | | | Collected Rent | Utility Allowance | Gross Rent | |
| Existing Units to be Renovated | | | | | | | | | | |
| 7 | Studio | 1.0 | Garden | 368 | 40%/S8 | \$779 | \$1,279 | \$0 | \$1,279 | \$693 |
| 12 | Studio | 1.0 | Garden | 368 | 50%/S8 | \$779 | \$1,279 | \$0 | \$1,279 | \$866 |
| 25 | Studio | 1.0 | Garden | 388 | 60%/S8 | \$779 | \$1,279 | \$0 | \$1,279 | \$1,039 |
| New Construction Units | | | | | | | | | | |
| 8 | Studio | 1.0 | Garden | 388 | 40%/S8 | - | \$1,279 | \$0 | \$1,279 | \$693 |
| 10 | Studio | 1.0 | Garden | 388 | 50% | - | \$866 | \$0 | \$866 | \$866 |
| 13 | Studio | 1.0 | Garden | 388 | 50%/S8 | - | \$1,279 | \$0 | \$1,279 | \$866 |
| 25 | Studio | 1.0 | Garden | 368 | 60%/S8 | - | \$1,279 | \$0 | \$1,279 | \$1,039 |
| 100 | Total | | | | | | | | | |

Source: Virginia Supportive Housing

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

S8 – Section 8

The maximum allowable LIHTC gross rents of \$693 to \$1,039 are the programmatic limit for units targeting households earning up to 40%, 50% and 60% of AMHI. However, these limits would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy. Nonetheless, as the proposed contract rents under the Section 8 program are above these maximum allowable limits, we have evaluated these unit types assuming maximum allowable LIHTC rent limits throughout this report.

| Building/Site Information | |
|---------------------------|-----------------------------------|
| Residential Buildings: | One (1) two-/three-story building |
| Building Style: | Walk-up & elevator-served |
| Community Space: | Integrated throughout |
| Acres: | 1.3 |

| Construction Timeline | |
|--------------------------------|-----------------------|
| Original Year Built: | 2006 (existing units) |
| Construction/Renovation Start: | February 2026 |
| Begin Preleasing: | September 2027 |
| Construction/Renovation End: | August 2027 |

| Unit Amenities | | |
|------------------|--------------------------------|----------------------|
| • Electric Range | • Window/Wall Air Conditioning | • Composite Flooring |
| • Refrigerator | • Furnished Units | • Window Blinds |
| • Dishwasher | • Controlled Access/Key Fob | |

| Community Amenities | | |
|----------------------------|----------------------------|-----------------------------------|
| • Bike Racks/Storage | • Business/Computer Center | • Elevator |
| • Laundry Room | • On-Site Management | • Common Porch/Patio |
| • Clubhouse/Community Room | • Community Kitchen | • Social Service Coordinator |
| • Common Area Wi-Fi | • CCTV/Cameras | • Surface Parking Lot (49 Spaces) |

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

| Current Occupancy Status | | | |
|--------------------------|--------------|----------------|--|
| Total Units | Vacant Units | Occupancy Rate | Waiting List |
| 60 (existing) | 12 | 80.0% | (Managed by Norfolk Redevelopment and Housing Authority) |

PLANNED RENOVATION:

A detailed scope of renovations for the existing units was unavailable at the time of this report. The following is a summary of a typical renovation scope of work that is likely similar to that of the subject site:

- Replace all flooring
- Install new kitchen appliances, cabinets and countertops
- Paint the interior of all the units
- New bathroom fixtures, replace/refurbish tubs and tub surrounds as needed
- Install new furnaces
- Install new mini-blinds at all windows
- Update exterior with siding/paint
- Repair all sidewalks to remove any trip hazards
- Repair, seal coat and re-stripe the parking lots
- Replace roofs where necessary

FLOOR AND SITE PLAN REVIEW:

Floor and site plans were provided and reviewed. Based on these plans, as well as on-site visit of the property grounds and unit interiors, the subject property will involve the renovation of 44 existing studio units in a two- and three-story building, and the new construction of 56 studio units located within a three-story elevator-equipped building. The subject units will range in size from 368 to 388 square feet, with all units including one (1.0) bathroom. Each unit will come well-equipped in terms of unit amenities and will feature a full kitchen appliance package, with all units being fully furnished.

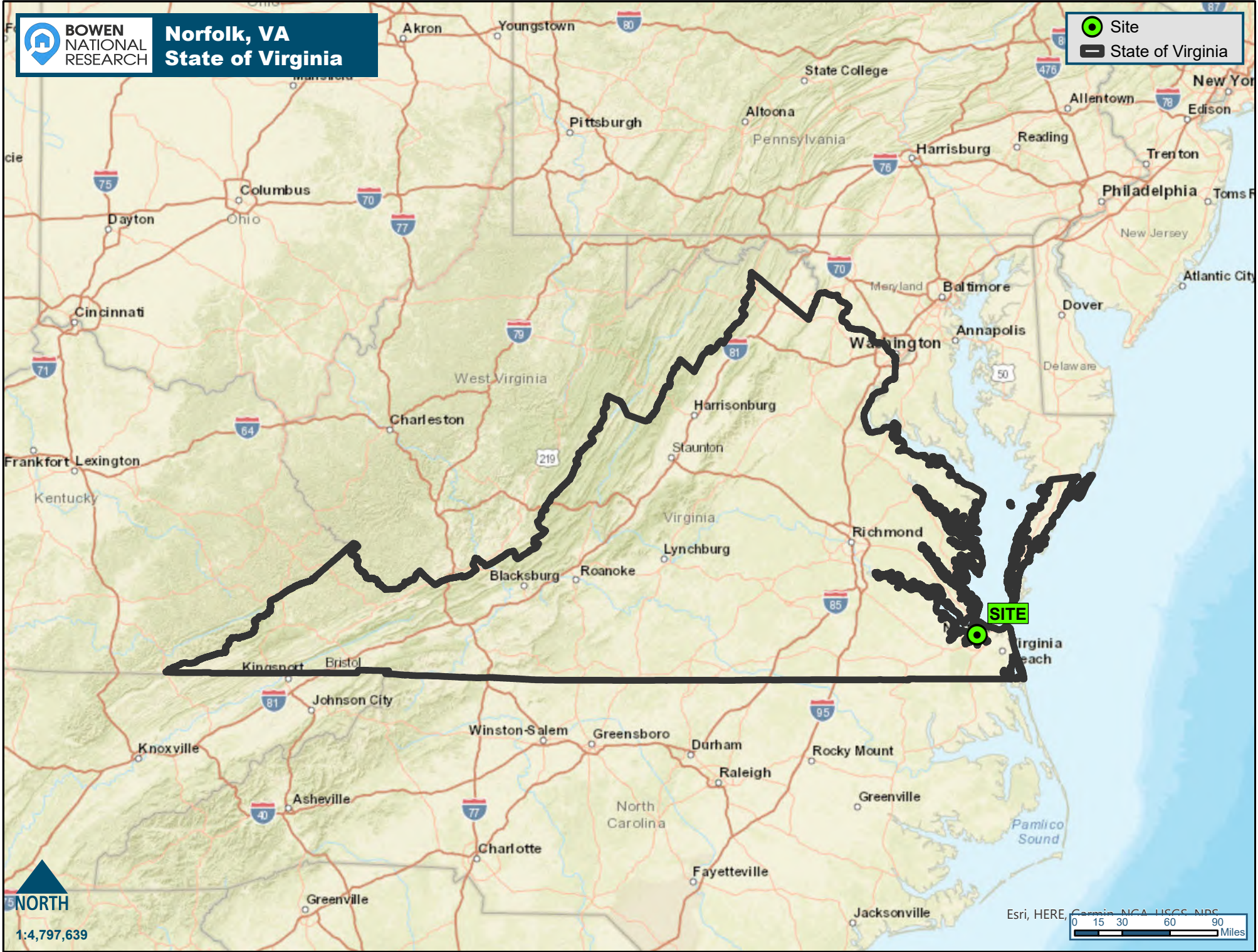
In addition to the subject's residential units, the property will feature an array of community amenities integrated throughout the property. This will further enhance marketability of the subject project. Overall, the subject property appears to be marketable in terms of overall design. Nonetheless, an in-depth comparable/competitive analysis is included in *Section V* to better determine the competitive position and overall marketability of the subject project within the Norfolk market.

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



Norfolk, VA State of Virginia

Site
 State of Virginia



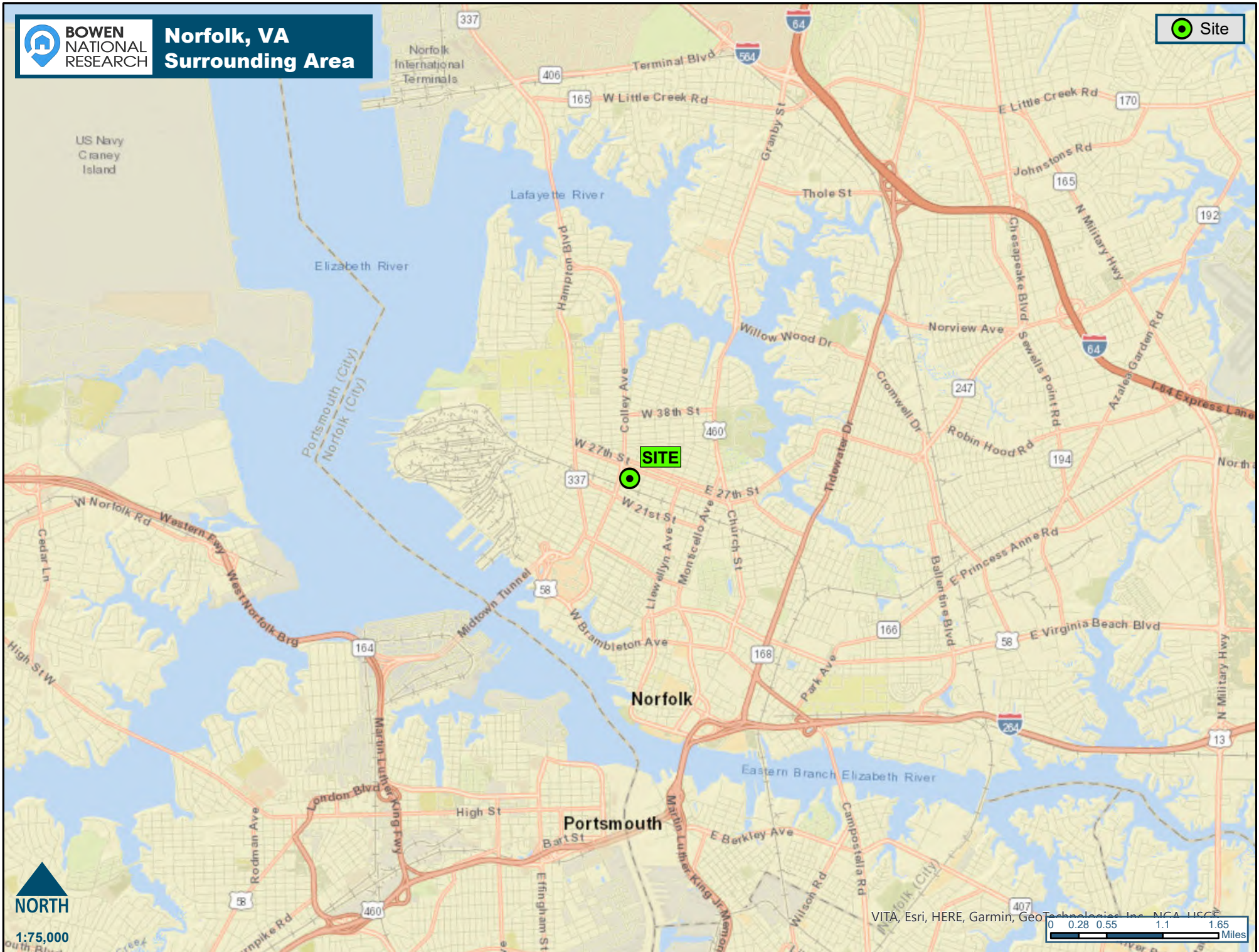
NORTH
1:4,797,639

Esri, HERE, Garmin, NGA, USGS, NPS
0 15 30 60 90
Miles



Norfolk, VA Surrounding Area

Site



1:75,000

VITA, Esri, HERE, Garmin, GeoTechnology, Inc., NGA, USGS
0 0.28 0.55 1.1 1.65 Miles



Norfolk, VA
Site Neighborhood

Legend
■ Site Area



NORTH
1:3,000

0 0.01 0.03 0.06 0.09 Miles

IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is the existing Gosnold Apartments rental property located at 2425 Gosnold Avenue in the western portion of Norfolk, Virginia, as well as a surface parking lot situated east of the existing building. The subject site is approximately 2.0 miles north of Norfolk’s Central Business District (CBD). The subject site visit was completed February 22, 2024, and the corresponding fieldwork was completed during the week of February 19, 2024.

2. SURROUNDING LAND USES

The subject site is situated within an established mixed-use area of Norfolk. Surrounding land uses generally include retail uses, commercial uses and residential dwellings. Adjacent land uses are detailed as follows:

| | |
|----------------|--|
| North - | The northern boundary of the site is defined by West 25 th Street, a lightly traveled two-lane roadway. Single-family homes in fair condition and commercial businesses in fair condition extend north of the site to West 26 th Street, which is also a lightly traveled roadway. Additional single-family homes in fair condition, Munson Park, Abyssinia Baptist Church and a branch of the Norfolk Public Library extend farther north of the site. In addition, northeast of the site are two automobile repair facilities. |
| East - | Gosnold Avenue, a lightly traveled two-lane roadway, separates the existing subject building from a surface parking lot that is the site of the new construction units. East of this surface parking lot is a commercial structure and office for Husted’s Canvas Creations. Retail and commercial structures extend east of the site. |
| South - | The southern boundary is defined by West 24 th Street. A lightly traveled two-lane roadway. Mini Price Storage, a set of railroad tracks, Roger’s Tire Services, Chenman Lofts and the Center Shops shopping area extend farther south of the site. |
| West - | The western site boundary is defined by a surface parking lot and small area of greenspace, which buffers the site from Zion Auto and Local Bike Shop. Colley Village shopping center and various commercial and retail buildings in fair to good condition extend farther west of the site. |

The subject site is situated within an established and generally good condition neighborhood. It is important to note that a set of railroad tracks is positioned south of the site, however, no trains were heard or seen during the site inspection. In addition, the high occupancy of the existing units at the subject site is a good indication that this land use will not adversely impact the marketability of the site. There are also two automobile repair facilities located northeast of the site and noises were from, these land uses were minor. The high occupancy rate reported at the site further illustrates that these land uses are also not expected to adversely impact the site's marketability. Overall, the subject property fits well with the surrounding land uses and they should contribute to the marketability of the site. Photographs of the site can be found in *Section X* of this report.

3. VISIBILITY AND ACCESS

The site is situated along Gosnold Avenue, which generally experiences light traffic. In addition, the remaining surrounding roadways also experience light vehicular traffic. Despite the light traffic in the site area, visibility and awareness of the subject site is considered good, as the placement programs provided by Virginia Supportive Housing, which connect potential residents with available units, are the primary driver of occupancy for this site per the property manager, and as such, visibility for the site is considered good and is expected to continue to contribute to its marketability.

Access to and from the site is convenient due to the light vehicular traffic along the roadways surrounding the subject site. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as U.S. Highway 460 and U.S. Highway 58 are arterial roadways in the area and are accessible within 1.5 miles of the site. In addition, Hampton Road Transit operates a bus stop 0.1 mile north of the site, which provides access to numerous stops and lines around the Norfolk area. Finally, on-demand ridesharing services are also available to tenants via Uber and Lyft. Overall, access for the site is considered good and is expected to continue to contribute to its marketability.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

| Community Services | Name | Driving Distance From Site (miles) |
|--|--|------------------------------------|
| Major Highways | U.S. Highway 460 | 1.0 East |
| | U.S. Highway 58 | 1.4 South |
| Public Bus Stop | Uber/Lyft Ridesharing Services | On Demand |
| | Hampton Road Transit | 0.1 North |
| Major Employers/ Employment Centers | Norfolk Public Schools | 0.5 North |
| | Sentara Healthcare | 1.1 South |
| | United States Federal Government | 1.5 South |
| Convenience Store | 7-Eleven | 0.4 South |
| Grocery | Food Lion | 0.2 West |
| | Aldi | 0.4 South |
| Discount Department Store | Dollar General | 0.2 Southwest |
| | Dollar Tree | 0.6 Southeast |
| Shopping Center/Mall | Colley Village | 0.2 West |
| | Center Shops | 0.4 South |
| | Palace Shops & Station | 0.8 Southeast |
| Schools: Elementary Middle/Junior High High | Walter Herron Taylor Elementary School | 1.0 Southwest |
| | Blair Middle School | 0.5 South |
| | Matthew Fontaine Maury High School | 0.8 Northeast |
| Hospital | Sentara Norfolk General Hospital | 1.1 South |
| Police | Norfolk Police | 2.2 South |
| Fire | Norfolk Fire-Rescue Station 6 | 1.2 South |
| Post Office | U.S. Post Office | 0.2 West |
| Bank | Truist | 0.3 South |
| | Atlantic Union Bank | 0.5 South |
| | Wells Fargo | 0.6 Southeast |
| Recreational Facilities | The Adroit Collective | 0.1 East |
| | The Y on Granby | 0.9 East |
| | Jeff Robertson Park | 1.0 West |
| Gas Station | Citgo | 0.8 North |
| | Shell | 1.4 Northeast |
| | Exxon | 1.7 South |
| Pharmacy | Walgreens | 0.3 South |
| | Rite Aid | 0.5 South |
| | CVS | 0.8 Northwest |
| Restaurant | Papa John's | 0.3 South |
| | Panera Bread | 0.3 South |
| | Mr. Schwarma | 0.4 South |
| Day Care | Children's Harbor Ghent | 0.8 Southeast |
| | My Joy Learning Center & Childcare | 0.8 East |
| | New Generation Daycare and Learning Center | 1.6 Northeast |
| Community/Senior Center | Park Place Community Center | 0.4 Northeast |
| | Lambert's Point Community Center | 1.0 Northwest |
| | Young Terrace Community Center | 1.9 South |

The site is situated within an established area in Norfolk and is subsequently located within 1.0 miles of many essential community services. Notably, the site is within walking distance of numerous services, including public transportation, a convenience store, grocery stores, discount stores, schools, a post office, banks, recreational facilities, pharmacies and restaurants. Of note, most of the services within walking distance are situated within Colley Village and Center Shops, which are anchored by Food Lion and Aldi, respectively.

District schools are all within 1.0 mile of the site. Children's Harbor Ghent, which is 0.8 miles from the site, is the closest day care center. Public safety services are provided by Norfolk Fire and Norfolk Police Departments, which are located 1.2 and 2.2 miles from the site, respectively. The nearest medical facility is Sentara Norfolk General Hospital, which is 1.1 miles from the site. Several pharmacies are within 0.8 miles of the site, with the nearest being Walgreens, which is 0.3 miles away. The closest post office is 0.6 miles from the site. Numerous restaurants are close to the site, with the closest ones being Panera Bread and Papa John's, which are 0.3 miles away. Numerous community and recreational centers are all located within 1.9 miles of the site. Overall, the site's proximity to essential community services is considered good and is expected to continue to help with overall marketability.

5. OVERALL SITE EVALUATION

The subject site is the existing Gosnold Apartments rental property located at 2425 Gosnold Avenue in the western portion of Norfolk, Virginia, as well as a surface parking lot situated east of the existing building. Surrounding land uses generally include retail uses, commercial uses and residential dwellings. The site is situated along Gosnold Avenue, which generally experiences light traffic. Access to and from the site is convenient due to the light vehicular traffic along the roadways surrounding the subject site. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as U.S. Highway 460 and U.S. Highway 58 are arterial roadways in the area and are accessible within 1.5 miles of the site. The site is situated within an established area in Norfolk and is subsequently located within 1.0 miles of many essential community services. Overall, the site's surrounding land uses and proximity to community services will contribute to its overall marketability.

6. CRIME ISSUES

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

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

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

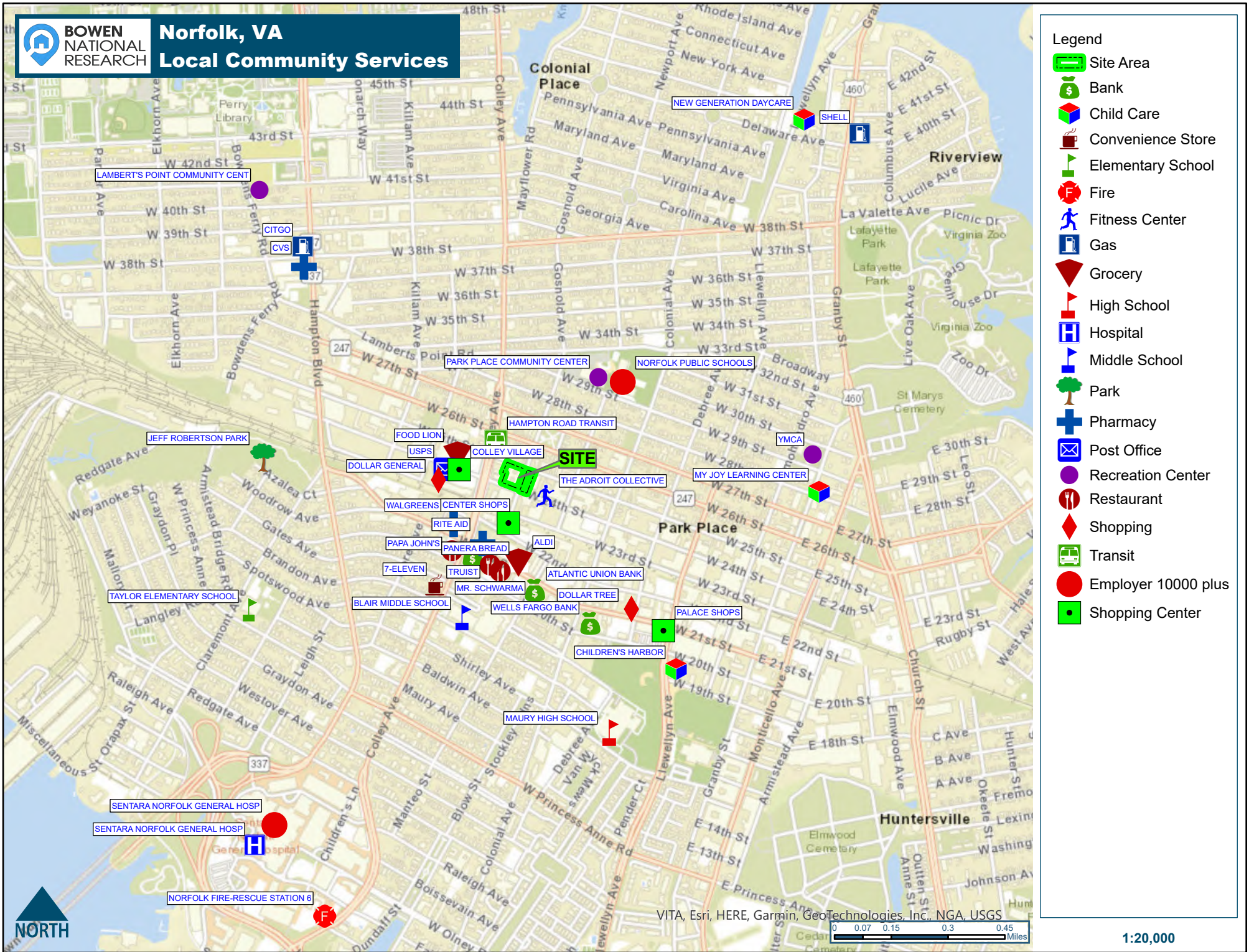
Total crime risk for the Site PMA is 120, with an overall personal crime index of 111 and a property crime index of 121. Total crime risk for Norfolk city is 98, with personal and property crime indices of 94 and 98, respectively.

| | Crime Risk Index | |
|-----------------------------|------------------|--------------|
| | PMA | Norfolk city |
| Total Crime Index | 120 | 98 |
| Personal Crime Index | 111 | 94 |
| Murder | 286 | 230 |
| Rape | 107 | 104 |
| Robbery | 145 | 113 |
| Assault | 97 | 84 |
| Property Crime Index | 121 | 98 |
| Burglary | 85 | 75 |
| Larceny | 132 | 106 |
| Motor Vehicle Theft | 103 | 84 |

Source: Applied Geographic Solutions, FBI, ESRI

As the preceding table illustrates, the crime risk index for the Site PMA (120) is slightly above that of Norfolk City as a whole (98), both of which are generally similar to the national average (100). In addition, the subject project includes security cameras, a feature which typically deters crime. As such, the perception of crime is not expected to be a factor in the continued marketability of the subject project.

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

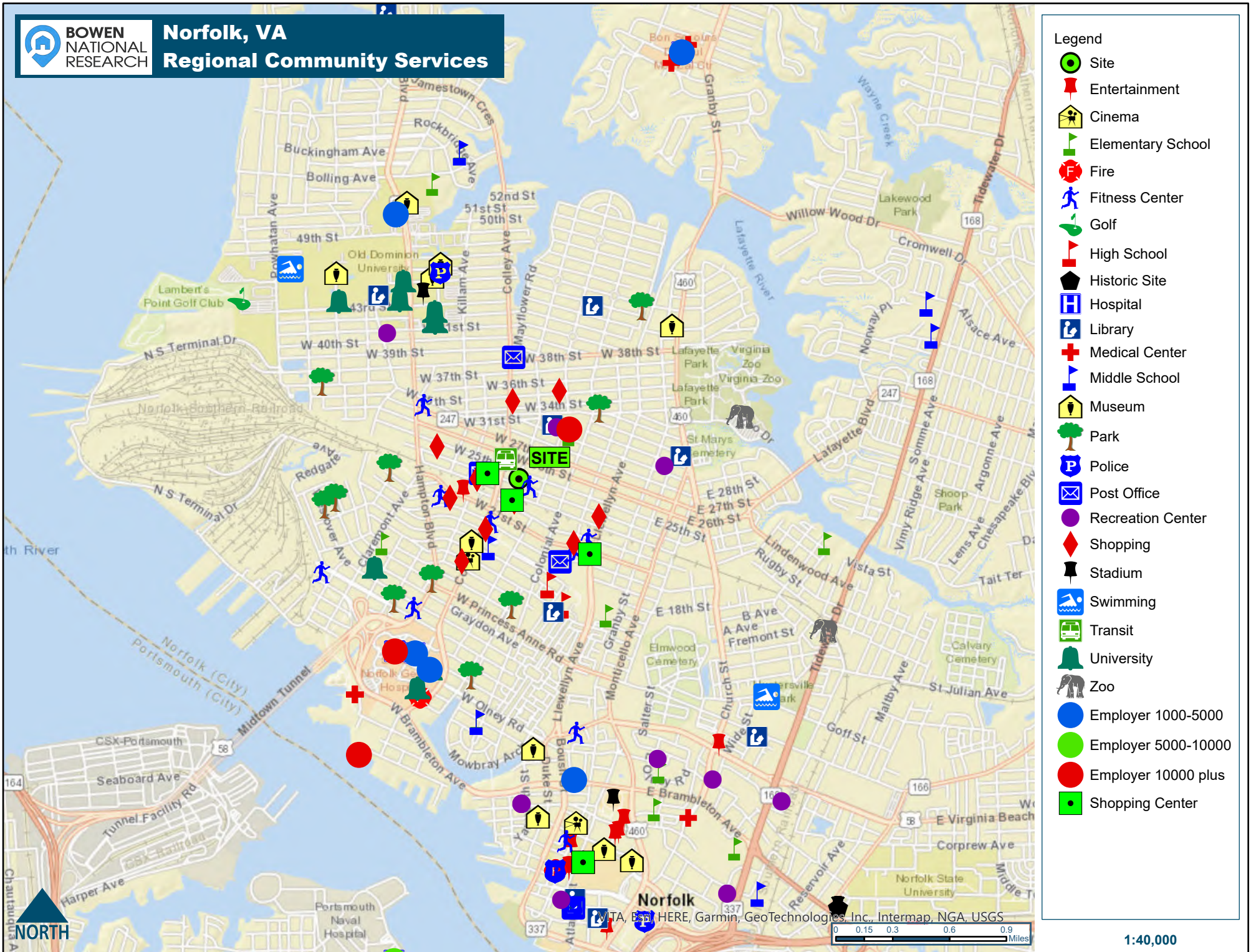


Legend

- Site Area
- Bank
- Child Care
- Convenience Store
- Elementary School
- Fire
- Fitness Center
- Gas
- Grocery
- High School
- Hospital
- Middle School
- Park
- Pharmacy
- Post Office
- Recreation Center
- Restaurant
- Shopping
- Transit
- Employer 10000 plus
- Shopping Center



Norfolk, VA Regional Community Services

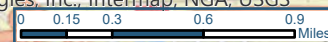


- Legend**
- Site
 - Entertainment
 - Cinema
 - Elementary School
 - Fire
 - Fitness Center
 - Golf
 - High School
 - Historic Site
 - Hospital
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Post Office
 - Recreation Center
 - Shopping
 - Stadium
 - Swimming
 - Transit
 - University
 - Zoo
 - Employer 1000-5000
 - Employer 5000-10000
 - Employer 10000 plus
 - Shopping Center



NORTH

© 2014 MTA, Esri, HERE, Garmin, GeoTechnologies, Inc., Intermap, NGA, USGS

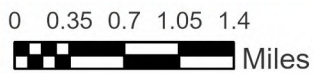
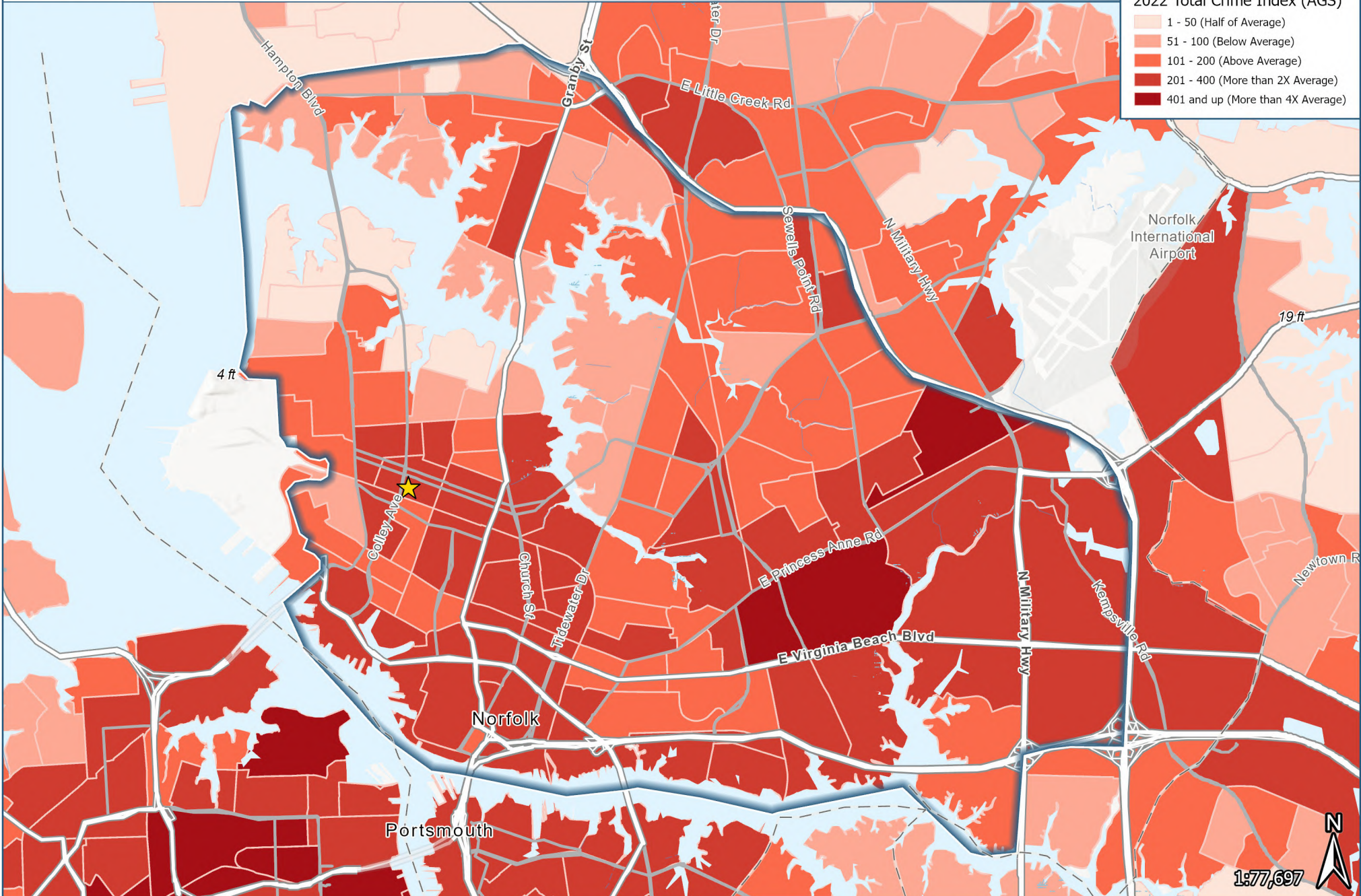


1:40,000

★ Site
PMA

2022 Total Crime Index (AGS)

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



B. PRIMARY MARKET AREA DELINEATION

Typically, the Primary Market Area (PMA) is the smallest geographical area from which most of the support for a proposed development is expected to originate. Typical PMAs are determined through interviews with property managers, area leasing and real estate agents, government officials, economic development representatives and the personal observations of our analysts. In addition, demographic characteristics pertaining to household tenure (owner vs. renter), population density, and household income are analyzed to ensure a market area is relatively homogenous. However, the subject development will target homeless individuals. As such, the need for safe and affordable housing trumps normal barriers that restrict the migration of households (e.g., cost, distance, neighborhood familiarity, schools, etc.). Based on our professional experience and interviews with stakeholders familiar with homelessness, it is generally believed that the homeless population will relocate wherever there is availability of housing. Further, the Continuum of Care (CoC) will naturally channel residents to facilities that are able to accommodate them.

Due to the targeted special needs population, we believe that support for the units that are set-aside for the homeless population will be derived from the entire CoC jurisdiction, which includes Chesapeake, Norfolk, Franklin, Suffolk Isle of Wight County and Southampton County. As such, data provided by 2023 Point-in-Time (PIT) survey of homeless households will be utilized to help establish demand for the special needs units at the subject project. Considering the location of the subject project in Norfolk, as well as the transient nature of homeless individuals, it is also believed that the subject project will derive some support from homeless individuals located in Portsmouth and Virginia Beach, which are adjacent to Norfolk. However, it is expected that the majority of support for the subject project will originate from within the immediate Norfolk area and we have included a traditional Site PMA that the majority of support for the subject is expected to originate from.

The traditional Norfolk Site PMA includes Norfolk, Ghent, Poplar Hall, Park Place, Edgewater, Poplar Halls, Broad Creek, Sherwood Forest, West Freemason, and Coronado, as well as some of the immediate surrounding areas. The boundaries of the Site PMA include International Terminal Boulevard and Interstate 64 to the north; Interstate 64 to the east; Interstate 264, South Military Highway, the Elizabeth River and U.S. Highway 58 to the south; and Brambleton Avenue, Redgate Avenue, Redgate Avenue, Elizabeth River Trail, Powhatan Avenue, Swann Road and the Lafayette River to the west.

Areas north of the Site PMA are generally comprised of a Naval base and areas east of the Site PMA are generally comprised of higher-income households and Norfolk International Airport. In addition, Elizabeth River serves as a natural boundary separating areas south and west of the Site PMA boundaries. Due to the preceding factors and considering the densely populated nature of the areas comprised within the Site PMA, areas outside the Site PMA have been excluded and a secondary market area was not considered or included in this report.

Monica Blackeney, Property Manager at Gosnold Supportive Housing (subject site), an affordable rental community in Norfolk, confirmed the boundaries of the Site PMA. Blackeney indicated that most of the residents and potential residents come within the Site PMA. Blackeney added that Norfolk has a large homeless population, and most tenants at the site are from within the designated market area.

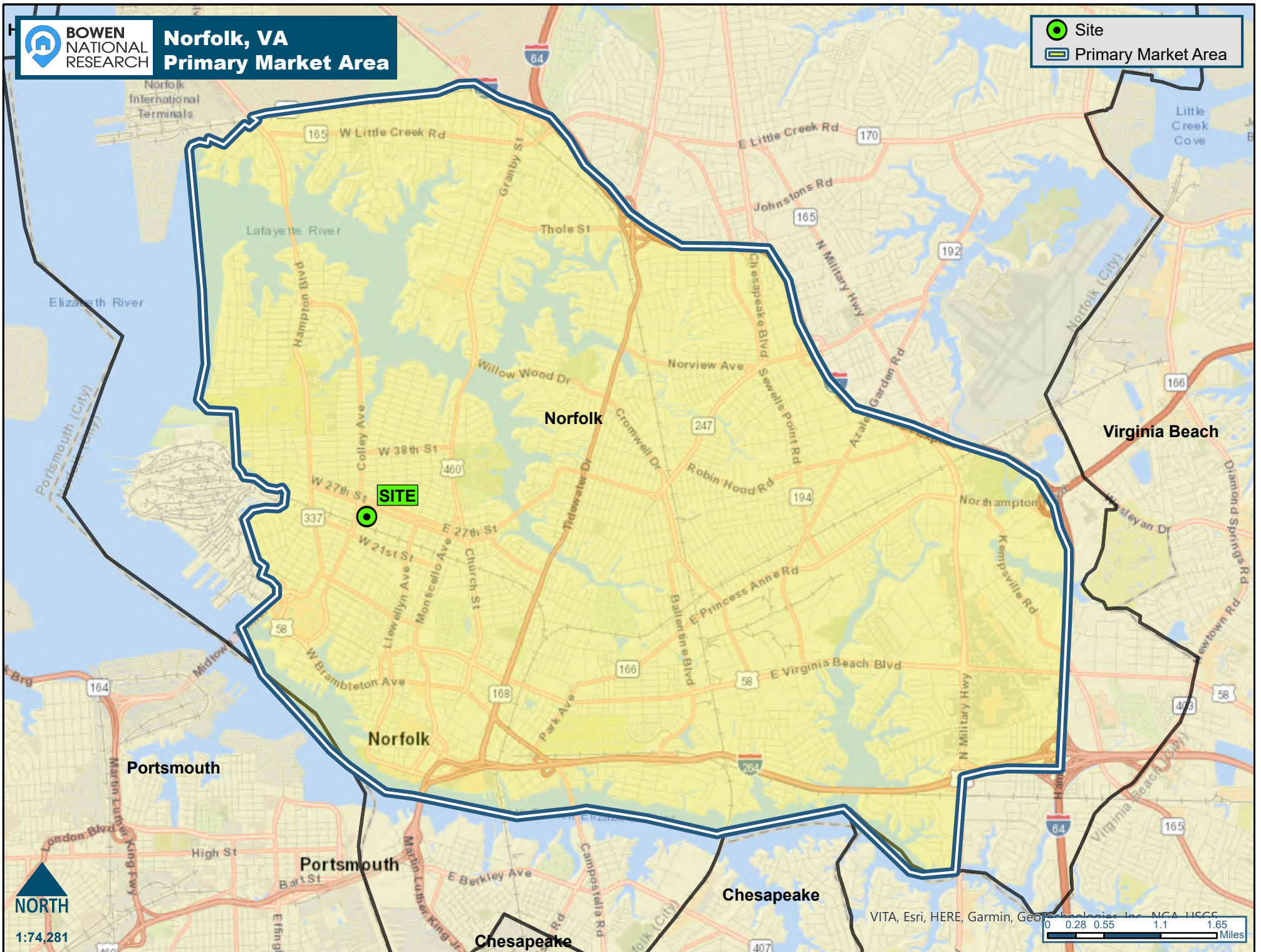
Jalen Davis, Property Manager at Villa Terrace (Map ID 32), a Tax Credit community in the Site PMA, confirmed the boundaries of the Site PMA. Davis noted that 80% or more of the residents at this property have originated from within the boundaries of the Site PMA, adding that there is a large homeless population within the boundaries of the Site PMA that would likely support the site.

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



Norfolk, VA Primary Market Area

- Site
- Primary Market Area



SITE



1:74,281

VITA, Esri, HERE, Garmin, GeoIntelligence, Inc, NGA, USGS
 0 0.28 0.55 1.1 1.65 Miles

C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

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

1. POPULATION TRENDS

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

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2010 (Census) | 2020 (Census) | 2024 (Estimated) | 2029 (Projected) |
| Population | 138,723 | 128,338 | 127,871 | 127,364 |
| Population Change | - | -10,385 | -467 | -507 |
| Percent Change | - | -7.5% | -0.4% | -0.4% |

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

The Norfolk Site PMA population base declined by 10,385 between 2010 and 2020. This represents a 7.5% decline over the 2010 population, or an annual rate of 0.7%. Between 2020 and 2024, the population declined by 467, or 0.4%. It is projected that the population will decrease by 507, or 0.4%, between 2024 and 2029.

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

| Population by Age | 2010 (Census) | | 2024 (Estimated) | | 2029 (Projected) | | Change 2024-2029 | |
|-------------------|----------------|---------------|------------------|---------------|------------------|---------------|------------------|--------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 34,785 | 25.1% | 31,734 | 24.8% | 31,004 | 24.3% | -730 | -2.3% |
| 20 to 24 | 22,071 | 15.9% | 13,187 | 10.3% | 13,478 | 10.6% | 291 | 2.2% |
| 25 to 34 | 23,196 | 16.7% | 20,435 | 16.0% | 18,892 | 14.8% | -1,543 | -7.6% |
| 35 to 44 | 15,649 | 11.3% | 15,676 | 12.3% | 16,446 | 12.9% | 770 | 4.9% |
| 45 to 54 | 16,684 | 12.0% | 12,690 | 9.9% | 12,791 | 10.0% | 101 | 0.8% |
| 55 to 64 | 12,804 | 9.2% | 13,988 | 10.9% | 12,309 | 9.7% | -1,679 | -12.0% |
| 65 to 74 | 6,766 | 4.9% | 11,371 | 8.9% | 12,060 | 9.5% | 689 | 6.1% |
| 75 & Older | 6,770 | 4.9% | 8,792 | 6.9% | 10,380 | 8.1% | 1,588 | 18.1% |
| Total | 138,723 | 100.0% | 127,871 | 100.0% | 127,364 | 100.0% | -507 | -0.4% |

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, over 49% of the population is expected to be between 25 and 64 years old in 2024. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

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

| | Year | | | |
|------------------------|------------------|------------------|---------------------|---------------------|
| | 2010 (Census) | 2020 (Census) | 2024 (Estimated) | 2029 (Projected) |
| Households | 48,671 | 52,988 | 53,478 | 54,166 |
| Household Change | - | 4,317 | 490 | 688 |
| Percent Change | - | 8.9% | 0.9% | 1.3% |
| Average Household Size | 2.42 | 2.39 | 2.22 | 2.19 |

Source: Bowen National Research, ESRI, Census

Within the Norfolk Site PMA, households increased by 4,317 (8.9%) between 2010 and 2020. Between 2020 and 2024, households increased by 490 or 0.9%. By 2029, there will be 54,166 households, an increase of 688 households, or 1.3% over 2024 levels. This is an increase of approximately 138 households annually over the next five years.

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

| Households by Age | 2010 (Census) | | 2024 (Estimated) | | 2029 (Projected) | | Change 2024-2029 | |
|----------------------|---------------|---------------|------------------|---------------|------------------|---------------|------------------|-------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 25 | 4,381 | 9.0% | 4,197 | 7.8% | 4,358 | 8.0% | 161 | 3.8% |
| 25 to 34 | 9,845 | 20.2% | 10,655 | 19.9% | 10,032 | 18.5% | -623 | -5.8% |
| 35 to 44 | 7,748 | 15.9% | 8,699 | 16.3% | 9,203 | 17.0% | 504 | 5.8% |
| 45 to 54 | 9,359 | 19.2% | 7,225 | 13.5% | 7,304 | 13.5% | 79 | 1.1% |
| 55 to 64 | 7,853 | 16.1% | 8,698 | 16.3% | 7,668 | 14.2% | -1,030 | -11.8% |
| 65 to 74 | 4,543 | 9.3% | 7,737 | 14.5% | 8,192 | 15.1% | 455 | 5.9% |
| 75 & Older | 4,942 | 10.2% | 6,262 | 11.7% | 7,404 | 13.7% | 1,142 | 18.2% |
| Total | 48,671 | 100.0% | 53,478 | 100.0% | 54,166 | 100.0% | 688 | 1.3% |

Source: Bowen National Research, ESRI, Census

Between 2024 and 2029, the greatest growth among household age groups is projected to be among those ages 65 and over. This projected growth among senior households indicates that there will be an increasing need for housing for seniors in the market. However, those between the ages of 25 and 64 are projected to comprise nearly two-thirds (63.2%) of all households in 2029.

Households by tenure are distributed as follows:

| Tenure | 2010 (Census) | | 2024 (Estimated) | | 2029 (Projected) | |
|-----------------|---------------|-------------|------------------|---------------|------------------|---------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 22,288 | 45.8% | 24,531 | 45.9% | 25,044 | 46.2% |
| Renter-Occupied | 26,383 | 54.2% | 28,947 | 54.1% | 29,122 | 53.8% |
| Total | 48,671 | 100% | 53,478 | 100.0% | 54,166 | 100.0% |

Source: Bowen National Research, ESRI, Census

In 2024, homeowners occupied 45.9% of all occupied housing units, while the remaining 54.1% were occupied by renters. Renters are projected to remain stable between 2024 and 2029.

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

| Persons per Owner Household | 2024 (Estimated) | | 2029 (Projected) | | Change 2024-2029 | |
|-----------------------------|------------------|---------------|------------------|---------------|------------------|-------------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 6,251 | 25.5% | 6,363 | 25.4% | 112 | 1.8% |
| 2 Persons | 8,834 | 36.0% | 9,149 | 36.5% | 315 | 3.6% |
| 3 Persons | 4,269 | 17.4% | 4,357 | 17.4% | 88 | 2.1% |
| 4 Persons | 3,225 | 13.1% | 3,339 | 13.3% | 113 | 3.5% |
| 5+ Persons | 1,951 | 8.0% | 1,836 | 7.3% | -115 | -5.9% |
| Total | 24,531 | 100.0% | 25,044 | 100.0% | 513 | 2.1% |

Source: Bowen National Research, ESRI, Census

| Persons per Renter Household | 2024 (Estimated) | | 2029 (Projected) | | Change 2024-2029 | |
|------------------------------|------------------|---------------|------------------|---------------|------------------|-------------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 12,436 | 43.0% | 13,077 | 44.9% | 641 | 5.2% |
| 2 Persons | 7,940 | 27.4% | 8,016 | 27.5% | 76 | 1.0% |
| 3 Persons | 4,220 | 14.6% | 4,113 | 14.1% | -107 | -2.5% |
| 4 Persons | 2,403 | 8.3% | 2,200 | 7.6% | -203 | -8.4% |
| 5+ Persons | 1,948 | 6.7% | 1,716 | 5.9% | -232 | -11.9% |
| Total | 28,947 | 100.0% | 29,122 | 100.0% | 175 | 0.6% |

Source: Bowen National Research, ESRI, Census

The studio units offered at the subject site will continue to house one-person households, which comprise nearly half of all households in the market, based on size.

3. INCOME TRENDS

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

| Household Income | 2010 (Census) | | 2024 (Estimated) | | 2029 (Projected) | |
|-----------------------|---------------|---------------|------------------|---------------|------------------|---------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Less Than \$15,000 | 8,491 | 17.4% | 6,003 | 11.2% | 5,686 | 10.5% |
| \$15,000 - \$24,999 | 6,066 | 12.5% | 4,232 | 7.9% | 3,836 | 7.1% |
| \$25,000 - \$34,999 | 5,576 | 11.5% | 5,900 | 11.0% | 5,407 | 10.0% |
| \$35,000 - \$49,999 | 7,959 | 16.4% | 6,493 | 12.1% | 5,798 | 10.7% |
| \$50,000 - \$74,999 | 8,477 | 17.4% | 8,315 | 15.5% | 8,157 | 15.1% |
| \$75,000 - \$99,999 | 5,202 | 10.7% | 6,070 | 11.4% | 6,076 | 11.2% |
| \$100,000 - \$149,999 | 4,047 | 8.3% | 8,642 | 16.2% | 9,530 | 17.6% |
| \$150,000 & Higher | 2,854 | 5.9% | 7,819 | 14.6% | 9,672 | 17.9% |
| Total | 48,671 | 100.0% | 53,478 | 100.0% | 54,166 | 100.0% |
| Median Income | \$42,921 | | \$62,353 | | \$69,472 | |

Source: Bowen National Research, ESRI, Census

In 2024, the median household income is estimated to be \$62,353. By 2029, it is projected that the median household income will be \$69,472, an increase of 11.4% over 2024.

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

| Renter Households | 2020 (ACS) | | | | | |
|-----------------------|---------------|--------------|--------------|--------------|--------------|---------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5+Person | Total |
| Less Than \$15,000 | 3,273 | 995 | 548 | 271 | 215 | 5,302 |
| \$15,000 - \$24,999 | 1,880 | 746 | 419 | 243 | 141 | 3,430 |
| \$25,000 - \$34,999 | 2,173 | 1,245 | 598 | 371 | 228 | 4,614 |
| \$35,000 - \$49,999 | 2,002 | 1,520 | 684 | 365 | 309 | 4,878 |
| \$50,000 - \$74,999 | 1,384 | 1,591 | 747 | 428 | 531 | 4,682 |
| \$75,000 - \$99,999 | 470 | 898 | 548 | 290 | 314 | 2,519 |
| \$100,000 - \$149,999 | 447 | 680 | 499 | 516 | 271 | 2,415 |
| \$150,000 & Higher | 293 | 203 | 262 | 80 | 124 | 964 |
| Total | 11,923 | 7,879 | 4,305 | 2,566 | 2,133 | 28,807 |

Source: ESRI, Bowen National Research

| Renter Households | 2024 (Estimated) | | | | | |
|-----------------------|------------------|--------------|--------------|--------------|--------------|---------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5+Person | Total |
| Less Than \$15,000 | 3,306 | 947 | 499 | 236 | 183 | 5,171 |
| \$15,000 - \$24,999 | 1,853 | 695 | 374 | 208 | 118 | 3,249 |
| \$25,000 - \$34,999 | 2,176 | 1,176 | 541 | 322 | 193 | 4,406 |
| \$35,000 - \$49,999 | 1,979 | 1,419 | 611 | 313 | 258 | 4,581 |
| \$50,000 - \$74,999 | 1,513 | 1,627 | 726 | 397 | 478 | 4,742 |
| \$75,000 - \$99,999 | 539 | 958 | 553 | 279 | 293 | 2,622 |
| \$100,000 - \$149,999 | 588 | 820 | 564 | 548 | 278 | 2,799 |
| \$150,000 & Higher | 481 | 298 | 353 | 99 | 147 | 1,377 |
| Total | 12,436 | 7,940 | 4,220 | 2,403 | 1,948 | 28,947 |

Source: ESRI, Bowen National Research

| Renter Households | 2029 (Projected) | | | | | |
|-----------------------|------------------|--------------|--------------|--------------|--------------|---------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5+Person | Total |
| Less Than \$15,000 | 3,347 | 887 | 437 | 193 | 143 | 5,007 |
| \$15,000 - \$24,999 | 1,819 | 631 | 317 | 164 | 89 | 3,022 |
| \$25,000 - \$34,999 | 2,179 | 1,090 | 469 | 260 | 149 | 4,146 |
| \$35,000 - \$49,999 | 1,950 | 1,293 | 520 | 248 | 195 | 4,209 |
| \$50,000 - \$74,999 | 1,675 | 1,672 | 700 | 358 | 412 | 4,817 |
| \$75,000 - \$99,999 | 625 | 1,033 | 560 | 265 | 266 | 2,750 |
| \$100,000 - \$149,999 | 765 | 995 | 645 | 588 | 286 | 3,279 |
| \$150,000 & Higher | 716 | 416 | 466 | 123 | 176 | 1,894 |
| Total | 13,077 | 8,016 | 4,113 | 2,200 | 1,716 | 29,123 |

Source: ESRI, Bowen National Research

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

Demographic Summary

The Norfolk Site PMA demographic base is generally projected to remain stable between 2024 and 2029. Although modest growth, renter households are projected to increase by 175, or 0.6%, between 2024 and 2029. In addition, of the 29,123 renter households projected for 2029, more than one-quarter (27.6%) are projected to earn below \$25,000, which is conducive to the incomes targeted at the site. These trends emphasize the ongoing need for additional rental housing within the Site PMA.

Data regarding the homeless population is included in this report in *Section VII*.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

The labor force within the Norfolk Site PMA is based primarily in three sectors. Health Care & Social Assistance (which comprises 17.0%), Professional, Scientific & Technical Services, and Education Services comprise over 40.2% of the Site PMA labor force. Employment in the Norfolk Site PMA, as of 2023, was distributed as follows:

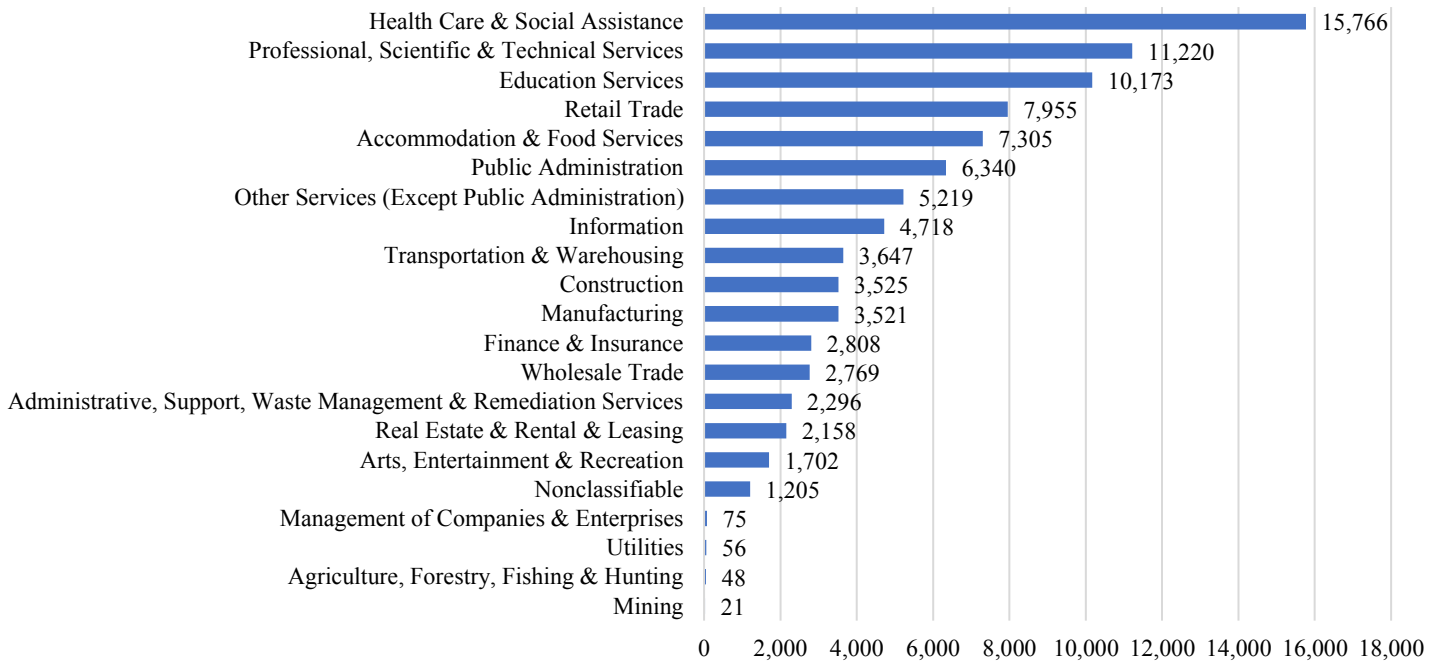
| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|----------------|---------------|---------------|---------------|-----------|
| Agriculture, Forestry, Fishing & Hunting | 7 | 0.1% | 48 | 0.1% | 7 |
| Mining | 2 | 0.0% | 21 | 0.0% | 11 |
| Utilities | 2 | 0.0% | 56 | 0.1% | 28 |
| Construction | 269 | 5.4% | 3,525 | 3.8% | 13 |
| Manufacturing | 146 | 2.9% | 3,521 | 3.8% | 24 |
| Wholesale Trade | 146 | 2.9% | 2,769 | 3.0% | 19 |
| Retail Trade | 559 | 11.2% | 7,955 | 8.6% | 14 |
| Transportation & Warehousing | 121 | 2.4% | 3,647 | 3.9% | 30 |
| Information | 145 | 2.9% | 4,718 | 5.1% | 33 |
| Finance & Insurance | 217 | 4.3% | 2,808 | 3.0% | 13 |
| Real Estate & Rental & Leasing | 246 | 4.9% | 2,158 | 2.3% | 9 |
| Professional, Scientific & Technical Services | 489 | 9.8% | 11,220 | 12.1% | 23 |
| Management of Companies & Enterprises | 6 | 0.1% | 75 | 0.1% | 13 |
| Administrative, Support, Waste Management & Remediation Services | 143 | 2.9% | 2,296 | 2.5% | 16 |
| Education Services | 157 | 3.1% | 10,173 | 11.0% | 65 |
| Health Care & Social Assistance | 592 | 11.8% | 15,766 | 17.0% | 27 |
| Arts, Entertainment & Recreation | 112 | 2.2% | 1,702 | 1.8% | 15 |
| Accommodation & Food Services | 453 | 9.0% | 7,305 | 7.9% | 16 |
| Other Services (Except Public Administration) | 679 | 13.6% | 5,219 | 5.6% | 8 |
| Public Administration | 163 | 3.3% | 6,340 | 6.9% | 39 |
| Nonclassifiable | 352 | 7.0% | 1,205 | 1.3% | 3 |
| Total | 5,006 | 100.0% | 92,527 | 100.0% | 18 |

Source: Bowen National Research, ESRI, Census

E.P.E.- Average Employees Per Establishment

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

Total Employment by Industry



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

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

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

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

The ten largest employers within the Norfolk area are summarized in the following table. Note that specific employment numbers were unavailable at the time of this report.

| Employer Name | Business Type |
|---|---------------------|
| U.S. Department of Defense | Government/Military |
| Sentara Healthcare | Healthcare |
| Norfolk City School Board | Education |
| City of Norfolk | Government |
| Old Dominion University, Norfolk | Education |
| Children's Hospital of the King's Daughters | Healthcare |
| Sentara Health Management | Healthcare |
| Eastern Virginia Medical School | Education |
| ADP Incorporated New | Processing |
| Norfolk State University | Education |

Source: Virginia Employment Commission (Q3 2023)

Despite multiple attempts, area economic development representatives were unable/unwilling to comment regarding the current status of the local economy. The following table summarizes some recent and/or ongoing economic development projects within the Norfolk area as of the time of this analysis, based online research:

| Economic Development Activity | | | |
|--|----------------|--|---|
| Project Name | Investment | Job Creation | Scope of Work/Details |
| HeadWaters Resort & Casino | \$500 million | 2,000 construction jobs and 2,480 jobs | In spring 2024 the project will break ground on a 963,000-square-foot resort and casino. The resort will have 300 bedrooms and the casino is expected to add up to 2,000 slot machines and 25 table games. The estimated completion date is November 2025. |
| Advanced Integrated Technologies Expansion | \$500,000 | 76 | Announced plans in March 2023 to expand the existing facility in Norfolk and will support repairs, overhauls, alterations, and maintenance of military ships. Estimated completion date is unknown at this time. |
| Atlantic Park | \$335 million | N/A | Approved in March 2023 to build a entertainment venue and wave park. Phase I broke ground in 2023 and will include restaurants, attractions, shops, multifamily homes, and office space. Phase II has not yet broke ground, but it will add parking, retail space, and a boardwalk. Estimated completion date is spring 2025. |
| Katoen Natie Expansion | \$59.9 million | 76 | In December 2023, the Governor revealed plans for an international logistics provider subsidiary to expand its existing warehouse and rail yard. There are plans to build an additional 450,000-square-foot warehouse and rail yard as well as adding onto the existing rail spur. The estimated completion date for this is unknown. |
| Lyon Shipyard Expansion | \$8.5 million | 134 | Announced in September 2023 to expand a full-service ship repair and industrial service providers facility. Estimated completion date is unknown. |

N/A- Not Available

Infrastructure:

| Project Name | Scope of Work, Status, Investment |
|---|--|
| MetroNet Expansion | The project broke ground in November 2021 and will add high-speed fiber optic services throughout the city of Norfolk. It cost \$90 million and is estimated to be complete in the summer of 2024. |
| Norfolk Floodwall Project | In March 2023 the city announced a massive \$2.6 billion construction project for protection against flooding. It will add storm-surge barriers, eight miles of floodwalls, one mile of levees, 11 tide gates, and 10 pump stations. The project will be finished in five phases over the next 10 years. Construction for phase one was expected to start in 2023. |
| Hampton Roads Bridge Tunnel Expansion Project | This project broke ground in late 2020 and will increase the tunnel and interstate capacity along 10 miles of I-64 between Hampton and Norfolk. It is estimated to be complete in 2025. |

N/A – Not available

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on February 23, 2024, and according to the Virginia Employment Commission there have been two WARN notices reported for Norfolk over the past 12 months. Below is a table summarizing these notices.

| WARN Notices | | | | |
|--------------------------------------|----------|------|-------------|----------------|
| Company | Location | Jobs | Notice Date | Effective Date |
| HII Mission Technologies | Norfolk | 157 | 9/12/23 | 9/29/23 |
| Marine Hydraulics International, LLC | Norfolk | 139 | 6/19/23 | 8/21/23 |

2. EMPLOYMENT TRENDS

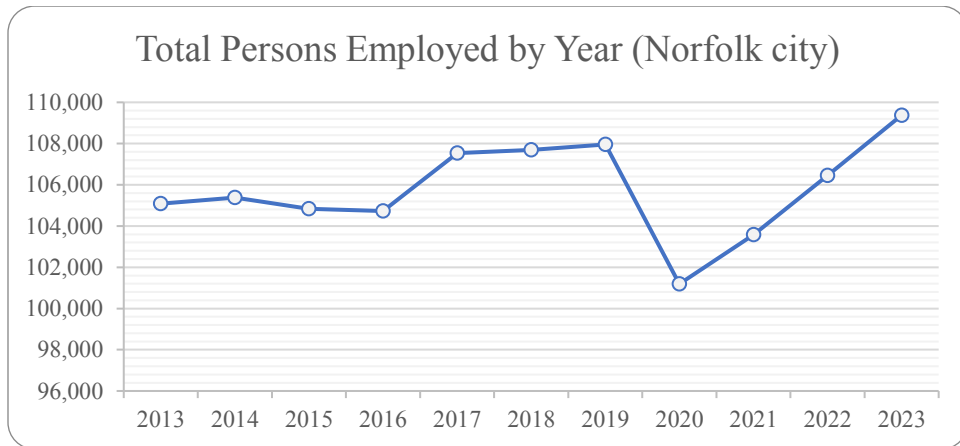
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the city/county in which the site is located.

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

| Year | Total Employment | | | | | |
|------|------------------|----------------|--------------|----------------|---------------|----------------|
| | Norfolk (city) | | Virginia | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2013 | 105,086 | - | 4,002,057 | - | 144,637,000 | - |
| 2014 | 105,379 | 0.3% | 4,040,908 | 1.0% | 146,305,000 | 1.2% |
| 2015 | 104,840 | -0.5% | 4,048,081 | 0.2% | 148,833,000 | 1.7% |
| 2016 | 104,722 | -0.1% | 4,084,822 | 0.9% | 151,436,000 | 1.7% |
| 2017 | 107,538 | 2.7% | 4,193,290 | 2.7% | 153,337,000 | 1.3% |
| 2018 | 107,699 | 0.1% | 4,228,274 | 0.8% | 155,761,000 | 1.6% |
| 2019 | 107,964 | 0.2% | 4,292,501 | 1.5% | 157,538,000 | 1.1% |
| 2020 | 101,190 | -6.3% | 4,062,417 | -5.4% | 147,795,000 | -6.2% |
| 2021 | 103,587 | 2.4% | 4,162,555 | 2.5% | 152,581,000 | 3.2% |
| 2022 | 106,458 | 2.8% | 4,308,805 | 3.5% | 158,291,000 | 3.7% |
| 2023 | 109,375* | 2.7% | 4,456,914* | 3.4% | 161,037,000* | 1.7% |

Source: Bureau of Labor Statistics

*Through December 2023



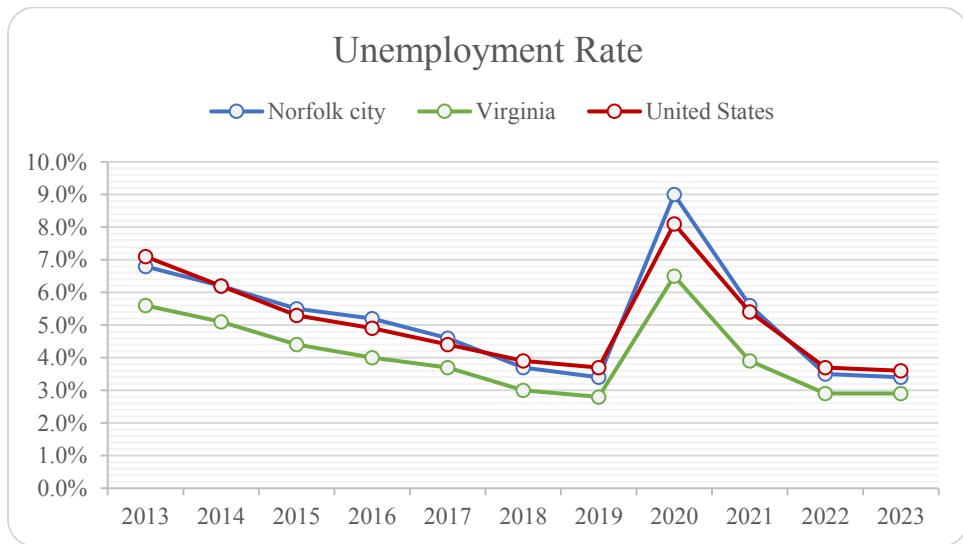
As the preceding illustrates, the Norfolk employment base has steadily increased each of the past three years (through the end of 2023). Specifically, the Norfolk employment base has increased by 8,185, or 8.1%, since 2020. Also note that the total employment figure reported through the end of 2023 is the highest total reported for Norfolk in any given year over the past decade.

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

| Year | Total Unemployment | | | | | |
|------|--------------------|----------------------|--------------|----------------------|---------------|----------------------|
| | Norfolk city | | Virginia | | United States | |
| | Total Number | Percent of Workforce | Total Number | Percent of Workforce | Total Number | Percent of Workforce |
| 2013 | 7,666 | 6.8% | 236,320 | 5.6% | 11,101,000 | 7.1% |
| 2014 | 7,024 | 6.2% | 217,948 | 5.1% | 9,616,000 | 6.2% |
| 2015 | 6,106 | 5.5% | 185,900 | 4.4% | 8,296,000 | 5.3% |
| 2016 | 5,742 | 5.2% | 169,526 | 4.0% | 7,751,000 | 4.9% |
| 2017 | 5,131 | 4.6% | 159,687 | 3.7% | 6,982,000 | 4.4% |
| 2018 | 4,091 | 3.7% | 130,779 | 3.0% | 6,314,000 | 3.9% |
| 2019 | 3,841 | 3.4% | 122,471 | 2.8% | 6,001,000 | 3.7% |
| 2020 | 10,033 | 9.0% | 280,533 | 6.5% | 12,948,000 | 8.1% |
| 2021 | 6,124 | 5.6% | 168,742 | 3.9% | 8,623,000 | 5.4% |
| 2022 | 3,898 | 3.5% | 127,053 | 2.9% | 5,996,000 | 3.7% |
| 2023 | 3,831* | 3.4% | 131,342* | 2.9% | 6,080,000* | 3.6% |

Source: Department of Labor, Bureau of Labor Statistics

*Through December 2023



The annual unemployment rate within Norfolk has declined by nearly six full percentage points since 2020, to a rate of 3.4% through the end of 2023. This is the lowest rate reported for any given year over the past decade.

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

| At-Place Employment Norfolk (city) | | | |
|------------------------------------|------------|--------|----------------|
| Year | Employment | Change | Percent Change |
| 2013 | 136,462 | - | - |
| 2014 | 134,423 | -2,039 | -1.5% |
| 2015 | 139,830 | 5,407 | 4.0% |
| 2016 | 140,246 | 416 | 0.3% |
| 2017 | 141,959 | 1,713 | 1.2% |
| 2018 | 142,754 | 795 | 0.6% |
| 2019 | 141,016 | -1,738 | -1.2% |
| 2020 | 132,792 | -8,224 | -5.8% |
| 2021 | 133,874 | 1,082 | 0.8% |
| 2022 | 137,491 | 3,617 | 2.7% |
| 2023* | 140,157 | 2,666 | 1.9% |

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2022, the most recent year that year-end figures are available, indicates in-place employment in Norfolk to be 129.2% of the total Norfolk employment. This means that Norfolk has more employed persons coming to the city for daytime employment than those who leave the city for employment.

3. ECONOMIC FORECAST

The Norfolk economy is strong and has steadily improved each year since the impact of the pandemic in 2020. Specifically, the city employment base has increased by 8,185, or 8.1%, since 2020 (through the end of 2023) while the annual unemployment rate for the city has declined by nearly six full percentage points during this same time period. Both total employment and unemployment levels are outperforming pre-pandemic levels within the city. Based on the preceding factors, we expect the Norfolk economy will remain strong and continue to improve for the foreseeable future.

4. COMMUTING PATTERNS

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

| Mode of Transportation | Workers Age 16+ | |
|------------------------|-----------------|---------------|
| | Number | Percent |
| Drove Alone | 46,977 | 72.3% |
| Carpooled | 5,846 | 9.0% |
| Public Transit | 2,462 | 3.8% |
| Walked | 3,357 | 5.2% |
| Motorcycle | 119 | 0.2% |
| Bicycle | 524 | 0.8% |
| Other Means | 718 | 1.1% |
| Worked at Home | 4,953 | 7.6% |
| Total | 64,956 | 100.0% |

Source: Bowen National Research, ESRI

More than 72.0% of all workers drove alone, 9.0% carpooled, and 3.8% used public transportation.

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

| Travel Time | Workers Age 16+ | |
|----------------------|-----------------|---------------|
| | Number | Percent |
| Less Than 15 Minutes | 17,123 | 28.5% |
| 15 – 29 Minutes | 27,056 | 45.0% |
| 30 – 44 Minutes | 11,167 | 18.6% |
| 45 – 59 Minutes | 2,123 | 3.5% |
| 60 + Minutes | 2,707 | 4.5% |
| Total | 60,176 | 100.0% |

Source: Bowen National Research, ESRI

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

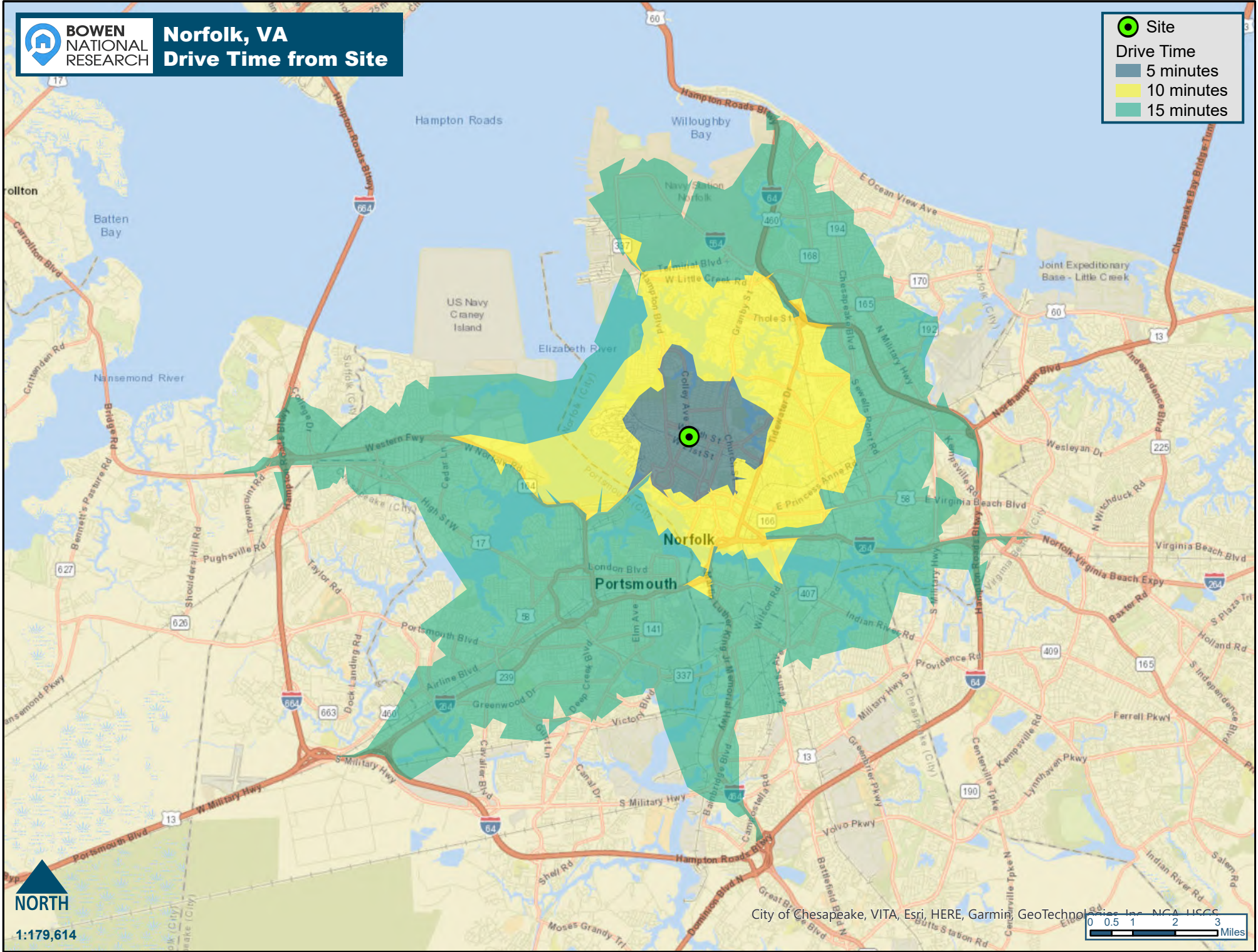


Norfolk, VA Drive Time from Site

Site
 Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



1:179,614

V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

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

| Housing Status | 2010 (Census) | | 2024 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 48,671 | 91.1% | 53,478 | 91.6% |
| Owner-Occupied | 22,288 | 45.8% | 24,531 | 45.9% |
| Renter-Occupied | 26,383 | 54.2% | 28,947 | 54.1% |
| Vacant | 4,762 | 8.9% | 4,884 | 8.4% |
| Total | 53,433 | 100.0% | 58,362 | 100.0% |

Source: 2010 Census, ESRI, Bowen National Research

Based on a 2024 update of the 2010 Census, of the 58,362 total housing units in the market, 8.4% were vacant. In 2024, it was estimated that homeowners occupied 45.9% of all occupied housing units, while the remaining 54.1% were occupied by renters. The share of renters is considered typical for an urban market, such as the Norfolk Site PMA, and the 28,947 renter households estimated in 2024 represent a deep base of potential support for the subject site.

Conventional Apartments

We identified and personally surveyed 35 conventional housing projects containing a total of 5,667 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.0%, a very good rate for rental housing. The surveyed rental developments broken out by project type are summarized in the following table:

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|--|-------------------|-------------|--------------|----------------|
| Market-Rate | 17 | 2,680 | 131 | 95.1% |
| Market-Rate/Tax Credit | 3 | 521 | 10 | 98.1% |
| Tax Credit | 9 | 1,464 | 66 | 95.5% |
| Tax Credit/Government-Subsidized | 5 | 652 | 17 | 97.4% |
| Market-Rate/Tax Credit/Government-Subsidized | 1 | 350 | 0 | 100.0% |
| Total | 35 | 5,667 | 224 | 96.0% |

As the preceding table illustrates, all rental housing segments surveyed within the market are performing at stable occupancy levels, as none has a combined occupancy rate lower than 95.1%. As such, it does not appear that there are any deficiencies within the Norfolk rental housing market.

In addition to the projects surveyed in the market that offer Tax Credit units, there are additional Tax Credit developments within the market that we were unable to survey at the time this report was issued. Despite several attempts, management at these properties was unable/unwilling to provide detailed property information. Thus, these properties have been excluded from our survey and are summarized in the following table:

| Project Name | Address | Year Built/Rehab | Total Units |
|------------------------|---------------------------|------------------|-------------|
| Broad Creek V | 2500 Joe Austin Dr. | 2015 | 50 |
| Franklin Arms | 2500 E. Princess Anne Rd. | 2002 | 100 |
| Grandy Village | 3151 Kimball Terr. | 1953 / 2007 | 363 |
| Grandy Village VI | 3151 Kimball Terr. | 2015 | 70 |
| Lexington Park | 1225 Tidewater Dr. | 1977 / 2004 | 180 |
| North Wellington Place | 6613 Jefferson Ct. | 1988 | 25 |
| Reunion Senior Living | 501 Wood St. | 2023 | 72 |

Notably, nearly all of the units in the preceding table that we were unable to survey operate with a subsidy. In addition, none of the projects that we were unable to survey are believed to target the homeless population.

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

| Market-Rate | | | | | | |
|----------------------------|-------|--------------|---------------|------------|-------------|-------------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Studio | 1.0 | 234 | 7.9% | 15 | 6.4% | \$1,515 |
| One-Bedroom | 1.0 | 1,262 | 42.7% | 68 | 5.4% | \$1,807 |
| One-Bedroom | 1.5 | 29 | 1.0% | 1 | 3.4% | \$1,877 |
| Two-Bedroom | 1.0 | 430 | 14.5% | 12 | 2.8% | \$1,864 |
| Two-Bedroom | 1.5 | 12 | 0.4% | 0 | 0.0% | \$1,465 |
| Two-Bedroom | 2.0 | 765 | 25.9% | 33 | 4.3% | \$2,281 |
| Three-Bedroom | 1.0 | 8 | 0.3% | 0 | 0.0% | \$2,180 |
| Three-Bedroom | 2.0 | 187 | 6.3% | 12 | 6.4% | \$2,681 |
| Three-Bedroom | 2.5 | 12 | 0.4% | 0 | 0.0% | \$1,707 |
| Three-Bedroom | 3.0 | 9 | 0.3% | 0 | 0.0% | \$3,959 |
| Four-Bedroom | 2.5 | 10 | 0.3% | 0 | 0.0% | \$1,552 |
| Total Market-rate | | 2,958 | 100.0% | 141 | 4.8% | - |
| Tax Credit, Non-Subsidized | | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Studio | 1.0 | 3 | 0.2% | 0 | 0.0% | \$1,474 |
| One-Bedroom | 1.0 | 549 | 28.4% | 24 | 4.4% | \$1,054 |
| Two-Bedroom | 1.0 | 661 | 34.2% | 35 | 5.3% | \$1,154 |
| Two-Bedroom | 1.5 | 15 | 0.8% | 0 | 0.0% | \$1,217 |
| Two-Bedroom | 2.0 | 481 | 24.9% | 12 | 2.5% | \$1,449 |
| Three-Bedroom | 2.0 | 193 | 10.0% | 0 | 0.0% | \$1,686 |
| Three-Bedroom | 2.5 | 14 | 0.7% | 0 | 0.0% | \$1,578 |
| Four-Bedroom | 2.0 | 6 | 0.3% | 0 | 0.0% | \$1,303 |
| Four-Bedroom | 2.5 | 10 | 0.5% | 0 | 0.0% | \$1,504 |
| Total Tax Credit | | 1,932 | 100.0% | 71 | 3.7% | - |

As the preceding table illustrates, the median gross Tax Credit rents are well below the corresponding median gross market-rate rents. As such, Tax Credit product likely represents an excellent value to low-income renters within the Site PMA. This is further evidenced by the relatively low combined vacancy rate among all non-subsidized Tax Credit units surveyed within the market.

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

| Year Built | Projects | Units | Vacancy Rate |
|--------------|----------|-------|--------------|
| Before 1970 | 9 | 1,344 | 5.3% |
| 1970 to 1979 | 1 | 82 | 7.3% |
| 1980 to 1989 | 0 | 0 | 0.0% |
| 1990 to 1999 | 2 | 465 | 3.0% |
| 2000 to 2009 | 5 | 946 | 3.1% |
| 2010 to 2014 | 5 | 732 | 2.5% |
| 2015 | 1 | 180 | 0.0% |
| 2016 | 1 | 180 | 12.8% |
| 2017 | 1 | 156 | 2.6% |
| 2018 | 0 | 0 | 0.0% |
| 2019 | 2 | 181 | 0.6% |
| 2020 | 1 | 43 | 2.3% |
| 2021 | 0 | 0 | 0.0% |
| 2022 | 2 | 438 | 9.1% |
| 2023 | 1 | 164 | 3.0% |
| 2024* | 0 | 0 | 0.0% |

*As of February

Vacancies are generally low among non-subsidized rental product, regardless of year built. Notably, the non-subsidized property built in 2016 and reporting a vacancy rate of 12.8% is a market-rate property that offers some furnished units and according to management at this property, the furnished market-rate units have been difficult to lease. In addition, the non-subsidized property built in 2022 is reporting a vacancy rate of 9.1%, which is primarily due to several units recently becoming vacant due to move outs. All other non-subsidized properties are operating with stable occupancy levels, and it is not believed that there is a correlation between age and vacancies within the Norfolk rental housing market.

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

| Market-Rate | | | |
|---------------------------|----------|-------------|--------------|
| Quality Rating | Projects | Total Units | Vacancy Rate |
| A | 11 | 1,894 | 5.2% |
| B+ | 4 | 325 | 5.2% |
| B | 3 | 356 | 5.3% |
| B- | 2 | 253 | 2.8% |
| C+ | 1 | 130 | 0.0% |
| Non-Subsidized Tax Credit | | | |
| Quality Rating | Projects | Total Units | Vacancy Rate |
| A | 2 | 300 | 0.0% |
| B+ | 3 | 261 | 0.0% |
| B | 2 | 348 | 5.5% |
| B- | 3 | 491 | 5.5% |
| C+ | 4 | 532 | 4.7% |

As illustrated in the preceding table, vacancies are no higher than 5.5% when broken out by quality. As such, it can also be concluded that there is no correlation between quality and vacancies within the Norfolk rental housing market.

Government-Subsidized

The government-subsidized units in the Site PMA are summarized as follows.

| Subsidized Tax Credit | | | | | |
|------------------------------------|-------|------------|---------------|-----------|-------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| Studio | 1.0 | 175 | 22.5% | 12 | 6.9% |
| One-Bedroom | 1.0 | 344 | 44.3% | 0 | 0.0% |
| Two-Bedroom | 1.0 | 52 | 6.7% | 0 | 0.0% |
| Two-Bedroom | 1.5 | 95 | 12.2% | 0 | 0.0% |
| Three-Bedroom | 2.0 | 3 | 0.4% | 0 | 0.0% |
| Three-Bedroom | 2.5 | 97 | 12.5% | 0 | 0.0% |
| Four-Bedroom | 2.0 | 11 | 1.4% | 0 | 0.0% |
| Total Subsidized Tax Credit | | 777 | 100.0% | 12 | 1.5% |

The subsidized Tax Credit units are 98.5% occupied. This high occupancy rate among all subsidized projects in the Site PMA indicates there is very high demand for affordable rental housing available to very low-income renters such as that offered/proposed at the site.

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

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Gosnold Apartments will provide 100 studio units to low-income renters earning up to 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Of the 100 units, 90 will operate with a Section 8 subsidy and all units will target homeless individuals. As such, we have selected the four most comparable LIHTC properties within the

Site PMA to serve as a baseline of comparison to the proposed subject project. These properties have been selected based on various features such as their location, units offered, age and targeted population. Notably, one of these properties Church Street Station Studios (Map ID 12), targets homeless individuals and offers studio units, similar to that proposed/offered at the subject site. However, it should be noted that all units at this property operate with a subsidy allowing tenants to pay only a portion of their income towards rent.

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

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|-------------------------------|--------------------------|-------------|---------------|------------------|---------------|--|
| Site | Gosnold Apartments | 2006 / 2027 | 100 | 80.0%^ | - | - | Homeless; 40%, 50% & 60% AMHI & Section 8 |
| 12 | Church Street Station Studios | 2017 | 80 | 100.0% | 1.2 Miles | Yes | Homeless & Families; 50% AMHI & PBV/PBRA |
| 25 | Pointe at Pickett Farms | 2013 | 120 | 100.0% | 5.7 Miles | Shared: 30 HH | Families; 40%, 50%, & 60% AMHI |
| 27 | Quill Apts. | 2015 | 180 | 100.0% | 5.9 Miles | Shared: 30 HH | Families; 40%, 50%, & 60% AMHI |
| 30 | St. Paul's Apts. | 2019 | 120* | 100.0% | 2.3 Miles | 50 HH | Families; 50% & 60% AMHI |

OCC. – Occupancy; HH - Households

*Tax Credit units only; ^Current occupancy of existing units

The four comparable LIHTC projects have a combined occupancy rate of 100.0%, a very strong rate for affordable rental housing. In fact, all four of the comparable developments are fully occupied and maintain a waiting list, including the one directly competitive property, Church Street Station Studios (Map ID 12), illustrating that pent-up demand exist for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

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

| Map I.D. | Project Name | Total Units | Number of Vouchers | Share of Vouchers |
|----------|-------------------------------|-------------|--------------------|-------------------|
| 12 | Church Street Station Studios | 80* | NA | - |
| 25 | Pointe at Pickett Farms | 120 | NA | - |
| 27 | Quill Apts. | 180 | NA | - |
| 30 | St. Paul's Apts. | 120* | 48 | 40.0% |
| Total | | 120* | 48 | 40.0% |

*Non-Subsidized Tax Credit units only; NA – Number not available (units not included in total)

As the preceding table illustrates, there are a total of approximately 48 units that are occupied by Voucher holders at the one comparable LIHTC project surveyed that provided such information. The 48 units occupied by Voucher holders comprise 40.0% of these comparable units. This is considered a relatively moderate share of Voucher support, however, as 60.0% of these comparable Tax Credit units are occupied by tenants which are not currently receiving rental assistance, the gross rents charged at this aforementioned project in the market are achievable.

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

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | | Rent Special |
|----------|-------------------------------|---|--|---|--|--------------|
| | | Studio | One-Br. | Two-Br. | Three-Br. | |
| Site | Gosnold Apartments | \$693/40% (15)* \$866/50% (25)* \$866/50% (10) \$1,039/60% (50)* | - | - | - | - |
| 12 | Church Street Station Studios | Subsidized/50% (80/0)** | - | - | - | None |
| 25 | Pointe at Pickett Farms | - | \$824/40% (1/0) \$824/50% (3/0) \$1,195/60% (14/0) | \$1,006/40% (9/0) \$1,006/50% (4/0) \$1,451/60% (59/0) | \$1,175/40% (4/0) \$1,175/50% (4/0) \$1,690/60% (22/0) | None |
| 27 | Quill Apts. | - | \$818/40% (0/0) \$818/50% (6/0) \$1,189/60% (24/0) | \$1,004/40% (0/0) \$1,004/50% (6/0) \$1,449/60% (108/0) | \$1,173/40% (0/0) \$1,173/50% (6/0) \$1,688/60% (30/0) | None |
| 30 | St. Paul's Apts. | - | \$1,010/50% (14/0) \$1,195/60% (6/0) | \$1,227/50% (50/0) \$1,450/60% (27/0) | \$1,685/60% (23/0) | None |

*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable and units operate with subsidy allowing tenants to pay portion of their income towards rent

**Subsidized; tenants of this project pay only a portion of their income towards rent

Note that none of the comparable Tax Credit properties offer non-subsidized studio units with rents that are being paid by the tenants. The proposed non-subsidized gross rent at the subject site will generally be competitive with the gross LIHTC rents being achieved at the comparable LIHTC properties in the market. In addition, given the strong occupancy levels and waiting lists maintained at the comparable developments, these properties can likely achieve higher rents without adversely impacting their occupancy levels. Further, the rents at the 40% and 50% AMHI levels at both Pointe at Pickett Farms and Quill Apartments are positioned equal, a good indication that these properties are not maximizing their rent potential. Regardless, 90 of the units at the site will operate with a project-based subsidy and only the remaining 10 units at 50% of AMHI will be occupied by tenants that must pay the charged rents, although it is likely that these units will be filled by those with vouchers due to the special needs population targeted at the site and the referrals expected to fill the units at the site.

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

| Map I.D. | Project Name | Square Footage | | | |
|-------------|-------------------------------|------------------|---------|---------|-----------|
| | | Studio | One-Br. | Two-Br. | Three-Br. |
| Site | Gosnold Apartments | 368 – 388 | - | - | - |
| 12 | Church Street Station Studios | 350 | - | - | - |
| 25 | Pointe at Pickett Farms | - | 794 | 1,122 | 1,318 |
| 27 | Quill Apts. | - | 722 | 1,034 | 1,222 |
| 30 | St. Paul's Apts. | - | 635 | 937 | 1,127 |

| Map I.D. | Project Name | Number of Baths | | | |
|-------------|-------------------------------|-----------------|---------|---------|-----------|
| | | Studio | One-Br. | Two-Br. | Three-Br. |
| Site | Gosnold Apartments | 1.0 | - | - | - |
| 12 | Church Street Station Studios | 1.0 | - | - | - |
| 25 | Pointe at Pickett Farms | - | 1.0 | 2.0 | 2.0 |
| 27 | Quill Apts. | - | 1.0 | 2.0 | 2.0 |
| 30 | St. Paul's Apts. | - | 1.0 | 2.0 | 2.0 |

The subject's studio units will be larger than the only existing studio unit sizes reported at the selected properties. One-bathroom is considered appropriate for a studio unit.

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

| Tax Credit Unit Amenities by Map ID | | | | | | |
|-------------------------------------|--------------------------|----|----|----|----|---|
| | Site* | 12 | 25 | 27 | 30 | |
| Appliances | Dishwasher | X | | X | X | X |
| | Disposal | | | X | X | X |
| | Microwave | | | X | X | X |
| | Range | X | X | X | X | X |
| | Refrigerator | X | X | X | X | X |
| | W/D Hookup | | | | X | X |
| | W/D | | | X | X | |
| | No Appliances | | | | | |
| Unit Amenities | AC-Central | | | X | X | X |
| | AC-Other | X | X | | | |
| | Balcony/ Patio/ Sunroom | | | X | X | S |
| | Basement | | | | | |
| | Ceiling Fan | | | X | | |
| | Controlled Access | X | X | | | S |
| | E-Call System | | | | | |
| | Furnished | X | X | | | |
| | Walk-In Closet | | | | | X |
| | Window Treatments | X | X | X | X | X |
| | | | | X | X | X |
| Flooring | Carpet | | | X | X | X |
| | Ceramic Tile | | | | | |
| | Hardwood | | | | | |
| | Finished Concrete | | | | | |
| | Composite/Vinyl/Laminate | X | X | X | X | X |
| Upgraded | Premium Appliances | | | | | |
| | Premium Countertops | | | | | X |
| | Premium Cabinetry | | | | | |
| | Premium Fixtures | | | | | |
| | High/Vaulted Ceilings | | | | | |
| | Oversized Windows | | | | | |
| Parking | Attached Garage | | | | | |
| | Detached Garage | | | | | |
| | Street Parking | | | | | |
| | Surface Lot | X | X | X | X | X |
| | Carport | | | | | |
| | Property Parking Garage | | | | | |
| | No Provided Parking | | | | | |

◆ - Senior Property

* Proposed Site(s): Gosnold Apartments

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

| | Site* | 12 | 25 | 27 | 30 |
|--------------------|--------------------------|----|----|----|----|
| | Bike Racks / Storage | X | X | | X |
| | Computer/Business Center | X | X | | X |
| | Car Care ** | | | | |
| | Community Garden | | | | |
| Community | Multipurpose Room | X | X | | X |
| | Chapel | | | | |
| | Community Kitchen | X | X | | X |
| | Dining Room - Private | | | | |
| | Dining Room - Public | | | | |
| | Rooftop Terrace | | | | |
| | Concierge Service ** | | | | |
| | Convenience Amenities ** | | | | X |
| | Covered Outdoor Area ** | | | | X |
| | Elevator | X | X | | |
| Laundry Room | X | X | | X | |
| On-Site Management | X | X | X | X | |
| Pet Care ** | | | | | |
| Recreation | Basketball | | | | |
| | Bocce Ball | | | | |
| | Firepit | | | | |
| | Fitness Center | | X | X | X |
| | Grilling Area | | X | | X |
| | Game Room - Billiards | | | | |
| | Walking Path | | | | |
| | Hot Tub | | | | |
| | Library | | | | |
| | Media Room / Theater | | | | |
| | Playground | | | X | X |
| | Putting Green | | | | |
| | Racquetball | | | | |
| | Shuffleboard | | | | |
| | Swimming Pool - Indoor | | | | |
| | Swimming Pool - Outdoor | | | X | X |
| | Tennis | | | | |
| Volleyball | | | | | |
| Security | CCTV | X | X | X | X |
| | Courtesy Officer | | | | X |
| | Security Gate | | | X | |
| | Social Services ** | X | X | | |
| | Storage - Extra | | | | |
| Common Space WiFi | X | | | | |

◆ - Senior Property

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

* Proposed Site(s): Gosnold Apartments

** Details in Comparable Property Profile Report

The subject development will offer furnished units with basic kitchen appliances, window/wall air conditioning, and secured/controlled entry. Further, the project amenities to be included at the subject development will include on-site management, laundry facilities, a community room, community porch/patio and a supportive services package, which will cater to the needs of the targeted homeless population. These amenities are considered to be relatively competitive among the comparable LIHTC projects in the market and the subject project does not appear to be lacking any key amenities which would impede it from operating as an affordable development.

Comparable Tax Credit Summary

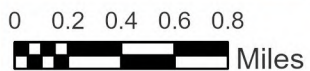
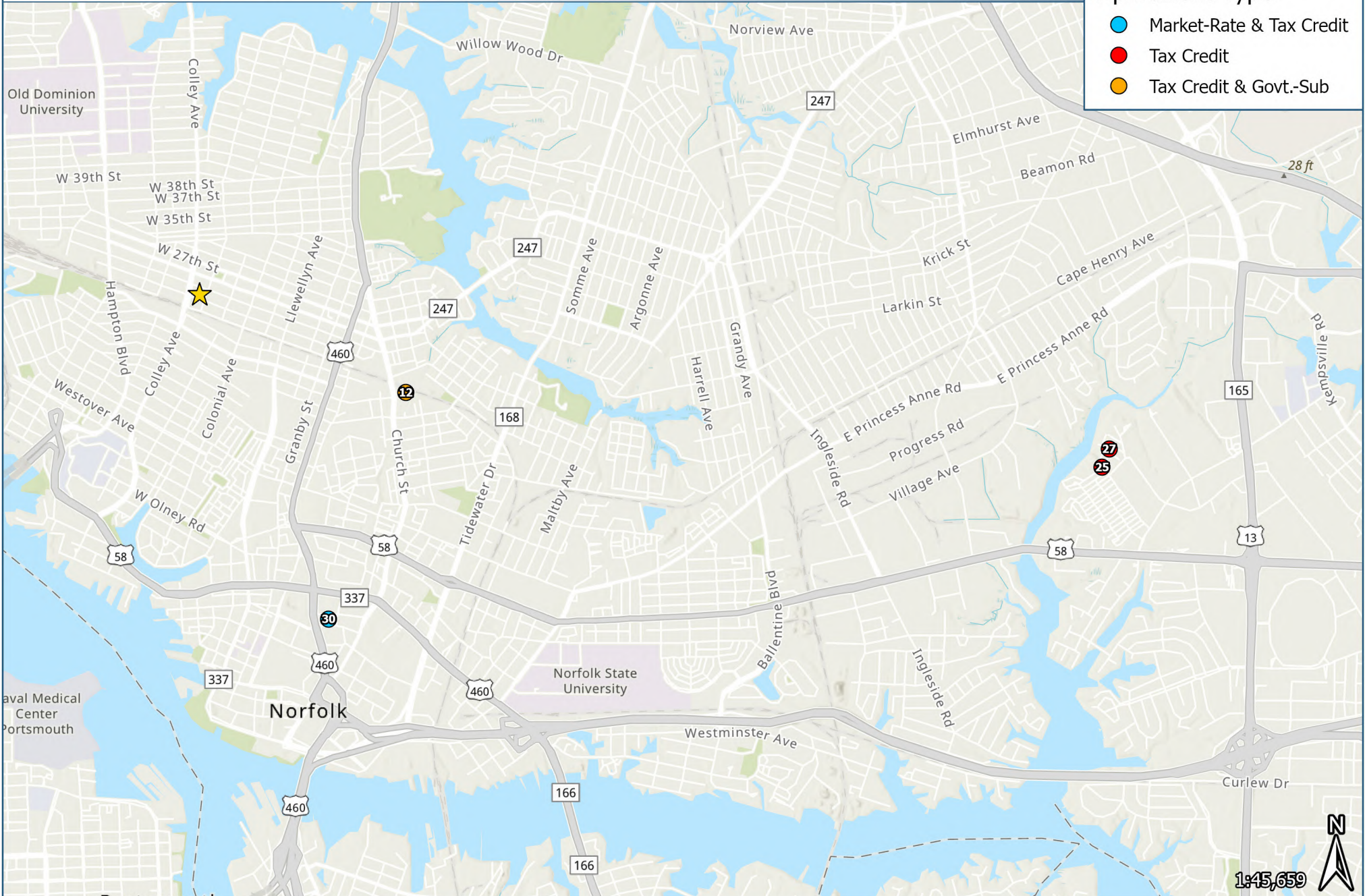
Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the proposed subject development will be competitive. The presence of the Section 8 subsidy available to nearly all units will ensure the property is affordable to the homeless population targeted at the site and the amenity package is designed to be supportive as well.

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

★ Site

Apartment Type

- Market-Rate & Tax Credit
- Tax Credit
- Tax Credit & Govt.-Sub



C. PLANNED MULTIFAMILY DEVELOPMENT

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

| Project Name & Address | Property Type | Units | Developer | Status/Details |
|---|---------------------------------------|-------|---------------------------------------|---|
| Lake Taylor Pointe 1040, 1060, and 1080 South Kempsville Rd; 6070 and 6090 Airway Ln. | Market-Rate | 198 | Breeden Investment Properties, Inc. | Under construction: Broke ground April 2022; One-, two-, and three-bedroom units ranging from 784 to 1,566 square feet with luxury finishes and high-end property amenities; Rents projected to range from \$1,775 to \$2,375; ECD Spring 2024. |
| Gravity on 400 400 Waterside Dr. | Market-Rate | 273 | Marathon Development | Under Construction: Building permit approved July 2021; Six-story building; Multi-family; Broke ground in 2021; Will include studio-, one-, two-, and three-bedroom apartments; ECD September 2023. |
| Fusion at Neon 225 West Olney Rd. | Market-Rate | 233 | Marathon Development | Under Construction: Broke ground in 2021; Mixed-use on first floor; Will have co-working space on the first floor; One-, two-, and three-bedroom apartments and townhomes; ECD Summer 2024. |
| Aspire at Church St. 645 Church St. | Tax Credit & Government-Subsidized | 85 | Richman Group Development Corporation | Under Construction: City Council approved redevelopment of former Willis Building in late January 2022; Broke ground in February 2023; 21 units will be reserved for those earning up to 40% of AMHI, six units will be designated to homeless and formerly homeless, remaining units will be reserved for those earning up to 80% of AMHI; Will include one-, two-, and three-bedroom apartments; ECD early 2024. |
| Chenman Lofts - Phase II 601-624 W. 24th St. | Market-Rate | 95 | Commonwealth Preservation Group | Under Construction: Site plan approved in December 2021; Broke ground as of September 2022; 50,000 square feet with commercial space on the first floor; Will include one-, and two-bedroom apartments; In site plan review; ECD 2024. |
| Newport Gardens 601 W. 36th St. | Tax Credit & Government-Subsidized | 50 | The Hanson Company LLC | Under Construction: Broke ground in December 2023; Allocated in 2021; Four-story building; Will include (37) one-, and (13) two-bedroom units; All units are proposed to be income restricted to 60% of AMHI; Eight of the units will be subsidized through the project-based vouchers; ECD early 2025. |
| Unity Place at Kindred 550 E Freemason St. | Market-Rate & Tax Credit & Subsidized | 140 | Brinshore Development | Under Construction: Broke ground in September 2023; Part of the Tidewater Gardens Redevelopment; Mixed use, mixed-income, Multi-family; Will have additional office, retail, and commercial space, as well as an early learning center; Allocated in 2021; Subsidized units will have project-based vouchers; ECD 2025. |

TBD-To be determined; N/A-Not Available; ECD- Estimated completion date

(Continued)

| Project Name & Address | Property Type | Units | Developer | Status/Details |
|--|--------------------------------------|-------------------|----------------------------|---|
| Assembly Phase II 400 Granby St. | Market-Rate | 175 (Phase II) | Marathon Development | Under Construction: Adaptive reuse of three historic department stores; Phase I (former Ames & Brownley building - Built in 1920) was completed in May 2021, but it was unclear if it included any residential units; Phase II (Sears & Roebuck buildings) Broke ground in 2023; Mixed-use with office space; ECD unknown; No further information available. |
| Metropolitan Apts. 5900 Northampton Blvd. | Market-Rate | 176 | Benna Victor Development | Planned: Approved by City Council in July 2021; Four (4) four-story buildings; Rezoning approved in September 2021; Amenities will include a clubhouse, pool, grilling area, and walking trails; ECD unknown. |
| TBD 1500 Monticello Ave. | Market-Rate | 258 | Concord Eastridge | Planned: Mixed-use; Multi-family; Approved 2014; Delayed due to financing trouble; ECD unknown; No further information available. |
| Duke Grace Building Renovation 740 Duke St. | Market-Rate | 30 | N/A | Planned: Building permits were received in January 2022 for the renovation of an existing building into mixed-use; Apartments to be located on floors 2-5; ECD unknown; No further information available. |
| ODU Real Estate Foundation W. 39th St. and scattered sites | Market-Rate | 325 | ODU Real Estate Foundation | Planned: City Council approved October 2021; Student housing and mixed use project; ECD unknown; No further information available. |
| St. Paul's (Block 9, 10, and 16) Address TBD | Mixed-Income | 190 | Brinshore Development | Planned: City Council approved December 2021; Block 9- 80 units; Block 10- 61 units; Block 16 – 49 units; ECD unknown; No further information available. |
| Tarrants Bay 151 Riverview Ave. | Market-Rate | 482 | Tarrant's Bay, LLC | Proposed: 17-story building; Multifamily; Mixed-use with commercial space and a parking garage; 1,000 parking spaces and 56 boat slips; First floor will include a poolside lounge, bicycle storage, parking, and a lobby; ECD unknown. |
| Poplar Halls Elementary School Redevelopment 5523 Pebble Ln. | Market-Rate | 364 | Breeden Company | Proposed: Will include both apartments and single-family homes, as well as a community center; Still in early planning stages; Developers were seeking rezoning approval; ECD unknown; No further information available. |
| Park Place Methodist Church 500 W. 34th St., | Market-Rate | 66 | Monument Companies | Proposed: Adaptive reuse of a Church originally built in 1903; City Planning Commission to vote on approval of plans before March 2022; 60 apartments to be built at site of the church; Six townhomes to be built on a vacant lot; ECD unknown. |
| DePaul Villages Apts. 100,110,150,160 Kingsley Ln. | Government-Subsidized & Market- Rate | 488 | Marathon Development | Proposed: Announced in February 2023; Mixed-use; Adaptive re-use of former medical center built in 1944; (165) studio-, (170) one-, (112) two-, and (41) three-bedroom units, nine of those will be townhomes; Eight of the units will have project-based vouchers; ECD unknown. |

TBD-To be determined; N/A-Not Available; ECD- Estimated completion date

Only one of the aforementioned developments is expected to target a similar demographic (homeless) as the site (Aspire at Church Street). The six homeless units at this project have been considered in our demand estimates in *Section VII* of this report.

In addition, we have conservatively included the 171 units at Aspire at Church Street, Newport Gardens and Unity Place at Kindred in our penetration rate calculations in *Section VII*, although it is believed that some of these units are subsidized.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

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

| Map I.D. | Project | Current Occupancy Rate | Anticipated Occupancy Rate Through 2025 |
|----------|-------------------------------|------------------------|---|
| 12 | Church Street Station Studios | 100.0% | 95.0%+ |
| 25 | Pointe at Pickett Farms | 100.0% | 95.0%+ |
| 27 | Quill Apts. | 100.0% | 95.0%+ |
| 30 | St. Paul's Apts. | 100.0% | 95.0%+ |

The combined LIHTC occupancy rate of the four most comparable LIHTC projects in the market is 100.0% and all four properties maintain a waiting list for their next available units. Additionally, while all of the aforementioned developments were selected as comparable, only one will directly compete with the subject development, Church Street Station Studios (Map ID 12) as it targets a similar income demographic as the site. As such, it is not anticipated that the subject development will have any tangible impact on the marketability of existing LIHTC product within the Norfolk Site PMA.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value in the Site PMA was \$300,940. At an estimated interest rate of 7.1% and a 30-year term (and 95% LTV), the monthly mortgage for a \$300,940 home is \$2,399, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|----------------|
| Median Home Price – ESRI | \$300,940 |
| Mortgaged Value = 95% Of Median Home Price | \$285,893 |
| Interest Rate – MortgageNewsDaily.Com | 7.09% |
| Term | 30 |
| Monthly Principal & Interest | \$1,919 |
| Estimated Taxes And Insurance* | \$480 |
| Estimated Monthly Mortgage Payment: | \$2,399 |

* Estimated at 25% of principal and interest.

In comparison, most tenants of the site will be formerly homeless individuals and paying on a portion of their income towards rents, while the collected non-subsidized Tax Credit rents at the subject property are well below the cost of a monthly mortgage for a typical home in the area. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

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

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

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

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

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

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

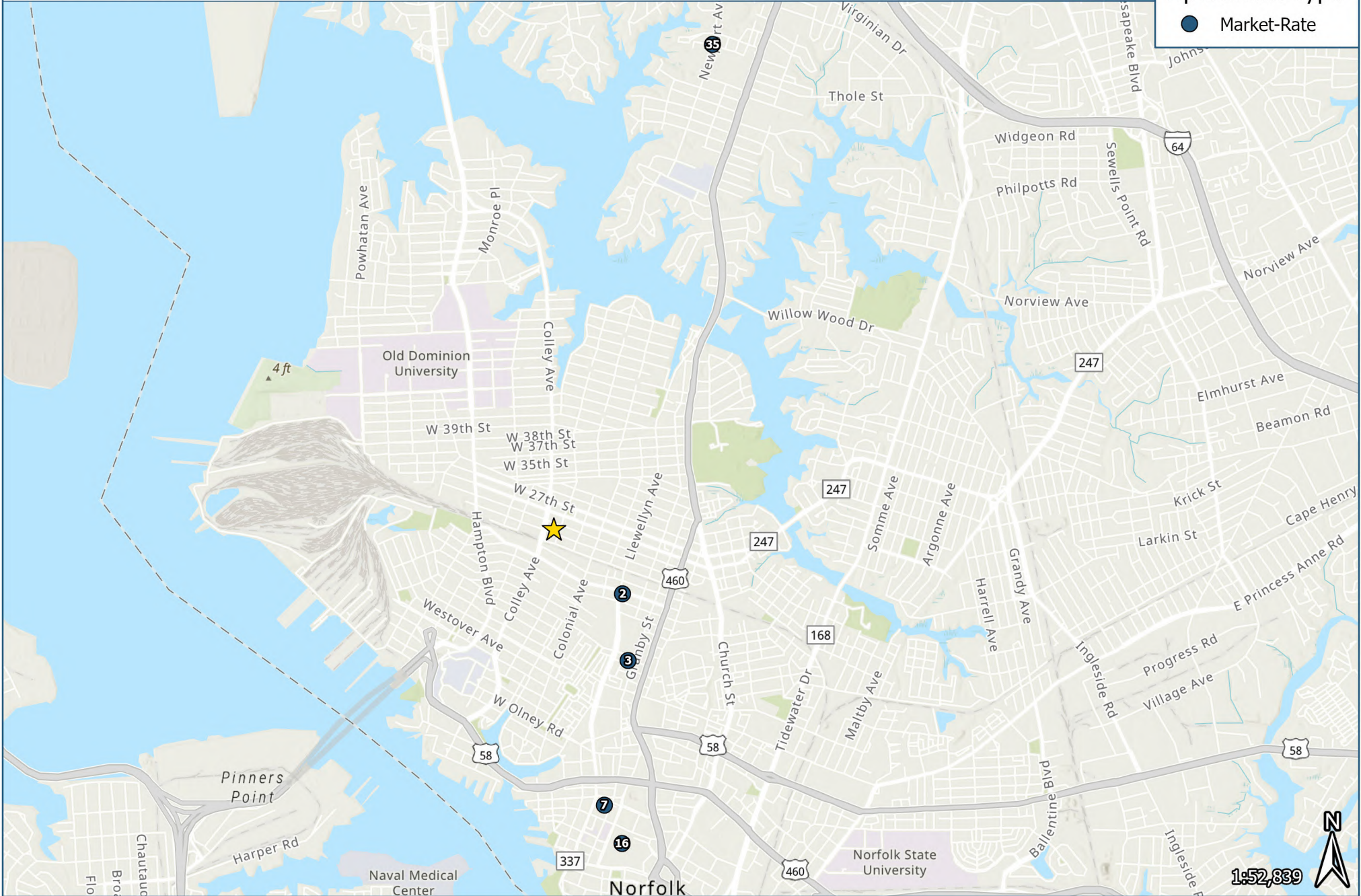
The proposed subject development and the five selected properties include the following:

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | | | |
|----------|---------------------------|-----------------------|-------------|---------------|-------------------------------|----------------|----------------|----------------|
| | | | | | Studio | One-Br. | Two-Br. | Three-Br. |
| Site | Gosnold Apartments | 2006 / 2027 | 100 | 80.0%* | 100 (80.0%)* | - | - | - |
| 2 | 201 Twenty One | 2009 | 225 | 95.6% | 22 (95.5%) | 138 (95.7%) | 65 (95.4%) | - |
| 3 | Alexander at Ghent | 2006 | 268 | 95.1% | 58 (94.8%) | 78 (94.9%) | 120 (95.0%) | 12 (100.0%) |
| 7 | Aura Downtown | 2017 | 156 | 97.4% | 10 (90.0%) | 100 (97.0%) | 31 (100.0%) | 15 (100.0%) |
| 16 | James Apts. | 2014 | 79 | 93.7% | 36 (94.4%) | 36 (91.7%) | 6 (100.0%) | 1 (100.0%) |
| 35 | Watermark Apts. | 2016 | 180 | 87.2% | 9 (77.8%) | 45 (71.1%) | 108 (95.4%) | 18 (83.3%) |

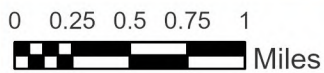
Occ. – Occupancy; *Current occupancy of existing units

The five selected market-rate projects have a combined total of 908 units with an overall occupancy rate of 93.9%, a good rate for rental housing. This indicates that these projects have been well received within the market and will serve as accurate benchmarks with which to compare the subject project.

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



1:52,839



Rent Comparability Grid

Unit Type → **STUDIO**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------------------------|-------------------------------|------------------|-----------------|---------------------------------|---------------|--------------------|---------------|------------------|---------------|-------------------|---------------|
| Gosnold Apartments | | 201 Twenty One | | Alexander at Ghent | | Aura Downtown | | James Apts. | | Watermark Apts. | |
| 2425 Gosnold Avenue | | 201 W 21st St | | 1608 Granby St | | 450 Boush St | | 345 Granby St. | | 7221 Newport Ave. | |
| Norfolk, VA | | Norfolk, VA | | Norfolk, VA | | Norfolk, VA | | Norfolk, VA | | Norfolk, VA | |
| Data on Subject | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| A. Rents Charged | | | | | | | | | | | |
| 1 | \$ Last Rent / Restricted? | \$1,499 | | \$1,499 | | \$1,540 | | \$1,073 | | \$1,520 | |
| 2 | Date Surveyed | Feb-24 | | Feb-24 | | Feb-24 | | Feb-24 | | Feb-24 | |
| 3 | Rent Concessions | None | | None | | None | | None | | Yes | (\$190) |
| 4 | Occupancy for Unit Type | 95% | | 95% | | 90% | | 94% | | 78% | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,499 | 2.20 | \$1,499 | 2.65 | \$1,540 | 3.14 | \$1,073 | 3.25 | \$1,330 | 2.31 |
| B. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/EE/2,3 | EE/4 | EE/4 | | EE/6 | | EE/8 | | EE/4 | |
| 7 | Yr. Built/Yr. Renovated | 2006/2027 | 2009 \$8 | 2006 \$11 | | 2017 | | 2014 \$3 | | 2016 \$1 | |
| 8 | Condition/Street Appeal | G | E (\$15) | E (\$15) | | E (\$15) | | E (\$15) | | E (\$15) | |
| 9 | Neighborhood | G | G | E (\$10) | | E (\$10) | | E (\$10) | | G | |
| 10 | Same Market? | | Yes | Yes | | Yes | | Yes | | Yes | |
| C. Unit Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | STUDIO | STUDIO | STUDIO | | STUDIO | | STUDIO | | STUDIO | |
| 12 | # Baths | 1 | 1 | 1 | | 1 | | 1 | | 1 | |
| 13 | Unit Interior Sq. Ft. | 368 | 680 (\$211) | 565 (\$133) | | 490 (\$82) | | 330 \$26 | | 576 (\$140) | |
| 14 | Patio/Balcony/Sunroom | N | N | N | | N | | N | | N | |
| 15 | AC: Central/Wall | W | C (\$5) | C (\$5) | | C (\$5) | | C (\$5) | | C (\$5) | |
| 16 | Range/Refrigerator | R/F | R/F | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | N/Y | Y/Y (\$5) | Y/Y (\$5) | | Y/Y (\$5) | | Y/Y (\$5) | | Y/Y (\$5) | |
| 18 | Washer/Dryer | L | W/D (\$35) | W/D (\$35) | | W/D (\$35) | | W/D (\$35) | | W/D (\$35) | |
| 19 | Floor Coverings | V | C/V | C/V | | W/C | | W | | C/V | |
| 20 | Window Treatments | Y | Y | Y | | Y | | Y | | Y | |
| 21 | Secured Entry | Y | Y | Y | | Y | | Y | | Y | |
| 22 | Garbage Disposal | N | Y (\$5) | Y (\$5) | | Y (\$5) | | Y (\$5) | | Y (\$5) | |
| 23 | Ceiling Fan/Storage | N/N | N/N | Y/N (\$5) | | Y/N (\$5) | | N/N | | N/N | |
| D. Site Equipment/ Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | P-GAR (\$30) | P-GAR (\$30) | | NONE \$10 | | P-GAR (\$30) | | LOT/\$0 | |
| 25 | On-Site Management | Y | Y | Y | | Y | | Y | | Y | |
| 26 | Security Features | Y | Y | Y | | Y | | Y | | Y | |
| 27 | Community Space | Y | Y | Y | | Y | | Y | | Y | |
| 28 | Pool/Recreation Areas | N | P/F/S/MT (\$21) | P/F/GR (\$18) | | P/F/GR/J/TB (\$24) | | F/GR (\$8) | | P/F (\$15) | |
| 29 | Business/Computer Center | Y | Y | Y | | Y | | Y | | Y | |
| 30 | Grilling Area | N | Y (\$3) | Y (\$3) | | Y (\$3) | | N | | Y (\$3) | |
| 31 | Playground | N | N | N | | N | | N | | N | |
| 32 | Social Services | Y | N \$10 | N \$10 | | N \$10 | | N \$10 | | N \$10 | |
| E. Utilities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | Y/E | N/E \$14 | N/E \$14 | | N/E \$14 | | N/E \$14 | | N/E \$14 | |
| 34 | Cooling (in rent?/ type) | Y/E | N/E | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | Y/E | N/E \$5 | N/E \$5 | | N/G \$5 | | N/E \$5 | | N/E \$5 | |
| 36 | Hot Water (in rent?/ type) | Y/E | N/E \$13 | N/E \$13 | | N/E \$13 | | N/E \$13 | | N/E \$13 | |
| 37 | Other Electric | Y | N \$36 | N \$36 | | N \$36 | | N \$36 | | N \$36 | |
| 38 | Cold Water/Sewer | Y/Y | N/N \$100 | N/N \$100 | | N/N \$100 | | N/N \$100 | | N/N \$100 | |
| 39 | Trash/Recycling | Y/N | Y/N | N/N \$28 | | N/N \$28 | | N/N \$28 | | N/N \$28 | |
| F. Adjustments Recap | | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | | 2 9 | 2 11 | | 2 10 | | 3 8 | | 2 8 | |
| 41 | Sum Adjustments B to D | | \$18 (\$330) | \$21 (\$264) | | \$20 (\$189) | | \$39 (\$113) | | \$11 (\$223) | |
| 42 | Sum Utility Adjustments | | \$168 | \$196 | | \$196 | | \$196 | | \$196 | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | | (\$144) \$516 | (\$47) \$481 | | \$27 \$405 | | \$122 \$348 | | (\$16) \$430 | |
| G. Adjusted & Market Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | | \$1,355 | \$1,452 | | \$1,567 | | \$1,195 | | \$1,314 | |
| 45 | Adj Rent/Last rent | | 90% | 97% | | 102% | | 111% | | 99% | |
| 46 | Estimated Market Rent | \$1,350 | \$3.67 ← | ← Estimated Market Rent/ Sq. Ft | | | | | | | |

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

Based on the preceding Rent Comparability Grid, it was determined that the present-day achievable market rent for units similar to the proposed subject development is illustrated as follows:

| Bedroom Type | Proposed/Programmatic Collected LIHTC Rent (%AMHI) | Achievable Market Rent | Market Rent Advantage |
|--------------|--|------------------------|-----------------------|
| Studio | \$693* (40%) | \$1,350 | 48.7% |
| Studio | \$866* (50%) | \$1,350 | 35.9% |
| Studio | \$866 (50%) | \$1,350 | 35.9% |
| Studio | \$1,039* (60%) | \$1,350 | 23.0% |

*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable rent

Typically, Tax Credit units should represent approximately a 10.0% market rent advantage. As such, the proposed/programmatic Tax Credit rents will likely be perceived as substantial values within the market, as they represent market rent advantages of between 23.0% and 48.7%.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. Upon completion of construction/renovations, the new construction units will be the newest in the market and the existing units to be renovated will have an effective age of a property built in 2015. The selected properties were built between 2006 and 2017. As such, we have adjusted the rents at the selected properties by \$1 per year of (effective) age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have a good overall appearance, once construction/renovations are complete. We have made adjustments for those properties that we consider to be of superior quality compared to the subject development.
9. Three of the selected properties are located in neighborhoods considered more desirable than that of the subject site. As such, we have applied negative adjustments to the selected properties to reflect the differences in neighborhoods.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar-for-dollar basis, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project.
- 24.-32. The proposed project will offer a comprehensive project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

The subject project will be developed using financing from the Low-Income Housing Tax Credit (LIHTC) program. It will also offer a Section 8 subsidy with 90 of the 100 units, allowing tenants to pay no more than 30% of their income towards gross rent. Because the project will target the homeless population, the traditional method of calculating the capture rate of income-qualified renter households using U.S. Census data is not necessarily an accurate measure of the depth of support for the proposed development. As a result, we have calculated two sets of demand. First, we calculated the traditional capture rate of the project following Virginia Housing market study requirements. This approach evaluates the number of income-qualified renter households in the market, regardless if they meet the criteria of being designated as “homeless.” We then calculated the capture rate of the project that considers only homeless individuals based on Point-in-Time survey data.

A. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area, which has a median four-person household income of \$101,500 for 2023. The subject property will be restricted to households with incomes of up to 40%, 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and AMHI level:

| Household Size | Targeted AMHI Maximum Allowable Income | | |
|----------------|---|----------|----------|
| | 40% | 50% | 60% |
| One-Person | \$27,720 | \$34,650 | \$41,580 |
| Two-Person | \$31,680 | \$39,600 | \$47,520 |
| Three-Person | \$35,640 | \$44,550 | \$53,460 |
| Four-Person | \$39,600 | \$49,500 | \$59,400 |
| Five-Person | \$42,800 | \$53,500 | \$64,200 |
| Six-Person | \$45,960 | \$57,450 | \$68,940 |

1. Maximum Income Limits

The studio units at the subject site are expected to house only one-person households. As such, the maximum allowable income at the subject site is **\$41,580**.

2. Minimum Income Requirements

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

The proposed LIHTC units will have a gross rent of \$693 (maximum allowable studio LIHTC rent at 40% of AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$8,316. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$23,760**.

However, the subject project will also partially operate with a Section 8 subsidy. Therefore, most tenants will only be required to pay up to 30% of their adjusted gross income towards housing costs. As such, the project will effectively target households with as little as no income (\$0).

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the proposed project with units built to serve households at 40%, 50% and 60% of AMHI are as follows:

| Unit Type | Income Range | |
|---|--------------|----------|
| | Minimum | Maximum |
| Overall Tax Credit/Section 8 (Limited to 60% of AMHI) | \$0 | \$41,580 |
| Tax Credit (Limited to 40% of AMHI) | \$23,760 | \$27,720 |
| Tax Credit (Limited to 50% of AMHI) | \$29,691 | \$34,650 |
| Tax Credit (Limited to 60% of AMHI) | \$35,623 | \$41,580 |
| Overall Tax Credit Only | \$23,760 | \$41,580 |

B. CAPTURE RATE CALCULATIONS

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

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

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 42.1% of renter households within the market are considered to be rent overburdened.

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 3.7% of all renters within the market are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

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

Not applicable; subject site is not age-restricted.

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

Considering the subject project will involve the new construction of additional units to the existing subject project, we have conservatively not included existing occupied units at the site in our demand estimates.

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

C. DEMAND/CAPTURE RATE CALCULATIONS

As illustrated in *Section V* of this report, there were no available studio units at the comparable LIHTC developments within the market. Therefore, no existing units have been accounted for in the following demand analysis. In addition, there is one project in the development pipeline that will offer some units targeting homeless individuals (Aspire at Church Street). Although it is unknown if this project will offer studio units that would be considered directly competitive with the subject project, we have conservatively included the six homeless units at this property in our demand estimates.

The following is a summary of our demand calculations:

Subsidized Demand Estimates (As Proposed):

| Demand Component | Percent of Median Household Income | | | | |
|--|--|----------------------------------|---|--|---|
| | 40% AMHI w/ Section 8 (\$0-\$27,720) | 50% AMHI (\$29,691 -\$34,650) | 50% AMHI w/Section 8 (\$0-\$34,650) | 60% AMHI w/ Section 8 (\$0-\$41,580) | Overall w/ Section 8 (\$0 -\$41,580) |
| Demand from New Rental Households (Size*- And Income-Appropriate) | 5,756 - 5,751 = 5 | 1,080 - 1,079 = 1 | 7,265 - 7,259 = 6 | 8,202 - 8,203 = -1 | 8,202 - 8,203 = -1 |
| + | | | | | |
| Demand from Existing Households (Rent Overburdened) | 5,751 X 42.1% = 2,421 | 1,079 X 42.1% = 454 | 7,259 X 42.1% = 3,056 | 8,203 X 42.1% = 3,453 | 8,203 X 42.1% = 3,453 |
| + | | | | | |
| Demand from Existing Households (Renters in Substandard Housing) | 5,751 X 3.7% = 213 | 1,079 X 3.7% = 40 | 7,259 X 3.7% = 269 | 3,453 X 3.7% = 128 | 3,453 X 3.7% = 128 |
| + | | | | | |
| Demand from Existing Households (Elderly Homeowner Conversion) | N/A | | | | |
| + | | | | | |
| Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations) | 0 | 0 | 0 | 0 | 0 |
| = | | | | | |
| Total Demand | 2,639 | 495 | 3,331 | 3,580 | 3,580 |
| - | | | | | |
| Supply (Directly Comparable Vacant Units Completed or in The Pipeline) | 0 | 0 | 0 | 6 | 6 |
| = | | | | | |
| Net Demand | 2,639 | 495 | 3,331 | 3,574 | 3,574 |
| Proposed Units | 15 | 10 | 25 | 50 | 100 |
| Proposed Units / Net Demand | 15 / 2,639 | 10 / 495 | 25 / 3,331 | 50 / 3,574 | 100 / 3,574 |
| Capture Rate | = 0.6% | = 2.0% | = 0.8% | = 1.4% | = 2.8% |
| Total Absorption Period | 2 Months | 3 Months | 2 Months | 5 Months | 7 Months |

*Solely considers one-person households; N/A-Not Applicable

Non-Subsidized Demand Estimates:

| Demand Component | Percent of Median Household Income | | | |
|--|------------------------------------|----------------------------------|---------------------------------|------------------------------------|
| | 40% AMHI (\$23,760 -\$27,720) | 50% AMHI (\$29,691 -\$34,650) | 60% AMHI (\$35,623-\$41,580) | LIHTC Only^ (\$23,760-\$41,580) |
| Demand from New Rental Households (Size*- And Income-Appropriate) | 819 - 822 = -3 | 1,080 - 1,079 = 1 | 786 - 779 = 7 | 2,685 - 2,680 = 5 |
| + | | | | |
| Demand from Existing Households (Rent Overburdened) | 822 X 42.1% = 346 | 1,079 X 42.1% = 454 | 779 X 42.1% = 328 | 2,680 X 42.1% = 1,128 |
| + | | | | |
| Demand from Existing Households (Renters in Substandard Housing) | 822 X 3.7% = 30 | 1,079 X 3.7% = 40 | 779 X 3.7% = 29 | 2,680 X 3.7% = 99 |
| + | | | | |
| Demand from Existing Households (Elderly Homeowner Conversion) | N/A | | | |
| + | | | | |
| Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations) | | | | |
| = | 0 | 0 | 0 | 0 |
| Total Demand | 373 | 495 | 364 | 1,232 |
| - | | | | |
| Supply (Directly Comparable Vacant Units Completed or in The Pipeline) | 0 | 0 | 6 | 6 |
| = | | | | |
| Net Demand | 373 | 495 | 358 | 1,226 |
| Proposed Units | 15 | 35 | 50 | 100 |
| Proposed Units / Net Demand | 15 / 373 | 35 / 495 | 50 / 358 | 100 / 1,226 |
| Capture Rate | = 4.0% | = 7.1% | = 14.0% | = 8.2% |
| Total Absorption Period | 2 Months | 3 Months | 7 Months | 10 Months |

*Solely considers one-person households; ^Accounts for gaps in affordability levels; N/A-Not Applicable

If targeting a general-occupancy population, the 100 studio units would require an overall capture rate of 2.8%, assuming the subsidy is offered on most units as proposed. If the subsidy was lost and the project operated solely under LIHTC program guidelines, it would require an 8.2% capture rate. These capture rates are considered achievable, illustrating that there will be sufficient market depth in the PMA to operate if the subsidy is lost and/or if the project only targeted a general-occupancy population. This is especially true, considering there are no available affordable studio units available within the market.

Homeless Capture Rate

All 100 units at the subject site will target homeless individuals.

Traditional demand calculations, including those required by Virginia Housing, essentially consider demand components such as renter household growth, renters living in substandard housing (i.e. overcrowded housing or housing lacking complete plumbing facilities) and rent overburdened households. These demand components are to be calculated based on income eligibility. Since specific data of homeless households by income level is not available through the U.S. Census, we have used state and local Point-in-Time homeless surveys and other data collection processes to attempt to quantify the number of homeless individuals who may respond to the proposed subject development. The following summarizes data that has been considered in our homeless renter household demand estimates:

- The subject site is located within Norfolk, which is within the Norfolk, Chesapeake, Suffolk/Isle of Wight, Southampton Counties Continuum of Care (Coc). A Point-in-Time survey of homeless individuals in the CoC was completed in January 2023 and identified 548 persons age 18 and older as homeless. It is important to note that this is a conservative count, as not all homeless individuals are identified within the 24-hour survey period.
- As the subject development will provide studio units which will primarily house one-person households, these 548 homeless adults likely represent the primary group of potential tenants at the subject development.

Based on the preceding analysis, we have provided a homeless renter household capture rate considering Point-in-Time survey data. This capture rate calculation is summarized as follows:

| | Homeless Capture Rate Point-in-Time Homeless Survey |
|----------------------------|---|
| Designated Units | 100 |
| Eligible Persons (Age 18+) | / 548* |
| Capture Rate | = 18.2% |

*Homeless Adults, collected from 2023 Point-in-Time survey.

Considering the nature of homelessness, capture rates up to and even beyond 100% are considered achievable. Therefore, the capture rate of 18.2% provided above is considered to be low and illustrates the demand for such housing.

D. PENETRATION RATE CALCULATIONS

The 2,183 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$23,760 to \$85,600. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 14,924 renter households with eligible incomes in 2027. The 2,239 existing and planned non-subsidized Tax Credit units (including the 56 proposed new construction subject units), represent a penetration rate of 15.0% of the 14,924 income-eligible renter households, which is summarized in the following table:

| | Market Penetration |
|--|--------------------|
| Number of LIHTC Units (Planned and Existing) | 2,239 |
| Income-Eligible Renter Households – 2027 | / 14,924 |
| Overall Market Penetration Rate | = 15.0% |

It is our opinion that the 15.0% penetration rate for the LIHTC units, both existing and planned, is achievable. This is especially true considering the generally high occupancy rates reported among most affordable properties in the market.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

Despite multiple attempts, Norfolk Redevelopment and Housing Authority representatives were unable/unwilling to provide a statement regarding the current status of the Housing Choice Voucher program.

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

| Bedroom Type | Payment Standard | Proposed Tax Credit Gross Rent (% AMHI) |
|--------------|------------------|---|
| Studio | \$1,407 | \$693 (40%)* |
| Studio | \$1,407 | \$866 (50%)* |
| Studio | \$1,407 | \$866 (50%) |
| Studio | \$1,407 | \$1,039 (60%)* |

*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable

As the preceding table illustrates, the proposed/programmatic LIHTC gross rents are below the local payment standard for a studio unit. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections.

F. ABSORPTION PROJECTIONS

The subject project currently operates with a subsidy and will operate with a subsidy upon completion of renovations and all units will likely be rented to those households currently eligible to reside at the site. We also assume that most current tenants will remain at the site once renovations are completed. For the purpose of this analysis, however, we have calculated absorption estimates assuming that all of the units will be vacated and will need to be re-rented under the Tax Credit program with a subsidy and then exclusively under the LIHTC program. This also considers the new construction units that will be added to the existing project.

Assuming the subject project operates with a subsidy on 90 units but all existing units are vacated, we estimate that the 100 subject units can achieve a stabilized occupancy of 93.0% within seven months of re-opening. This is based on a monthly absorption rate of approximately 13 units per month.

In the unlikely event the subject project operates without a subsidy, it would likely experience a slightly extended absorption period of ten months, reflective of nine to ten units per month.

However, the subject project is expected to be occupied from a lengthy waiting list that is maintained by the Norfolk Redevelopment and Housing Authority. As such, it is anticipated that the subject project will likely be filled as quickly as applications can be processed and qualified individuals are accepted from the waiting list.

VIII. Local Perspective (Interviews)

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

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

- Phillip Williams, Building Commissioner with the Norfolk City Planning Department, stated that there is a need for more permanent supportive housing in Norfolk. Williams said that there is a larger homeless population in Norfolk but not enough housing or shelters to support these individuals. Williams also stated that there is a homeless problem, and most shelters are either full or these people can't find a place to stay for the night and that permanent supportive housing such as that proposed at the site would enable these individuals to successfully recover from homelessness.
- Monica Blackney, Property Manager at Gosnold Supportive Housing (subject site), stated that there is a need for more affordable housing in the area for the homeless population. Blackney also mentioned that affordable housing for the homeless is the foundation for helping residents get back on their feet. Blackney also emphasized that if we can't fix this problem, then the homeless issue will persist.

IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 100 units proposed at the subject site, assuming it is developed as detailed in this report with the inclusion of a subsidy available to nearly all units. Changes in the project's location, rents, amenities or opening date may alter these findings.

The project will be very competitive within the market area in terms of unit amenities and unit sizes, and the proposed Tax Credit rent will be perceived as a significant value in the marketplace. Notably, the proposed/programmatic Tax Credit rents will likely be perceived as substantial values within the market, as they represent market rent advantages of between 23.0% and 48.7%.

Given that all comparable LIHTC developments surveyed within the Site PMA are 100.0% occupied with waiting lists, the subject project will continue to offer a housing alternative to low-income households that has limited availability in the area.

As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 2.8% of size- and income-appropriate renter households in the market as proposed with the subsidy, there is substantial demographic support for the subject development. There is also a large base of homeless individual support that could respond to the subject site based on data from a PIT count of the homeless population in the area. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

SITE PHOTOGRAPHS



View of site from the north



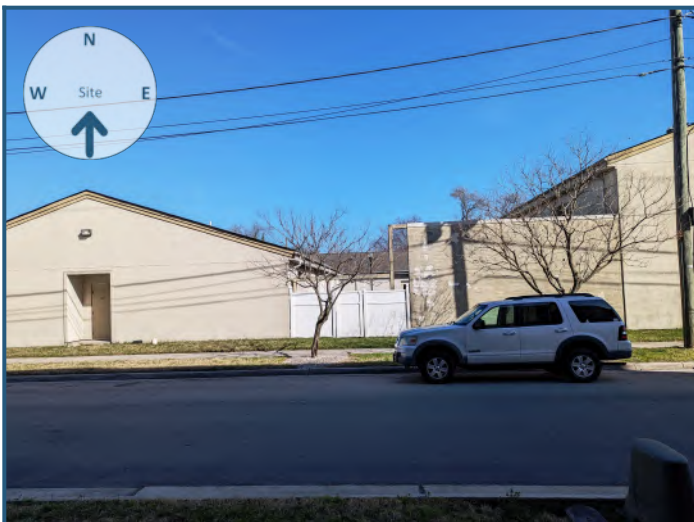
View of site from the northeast



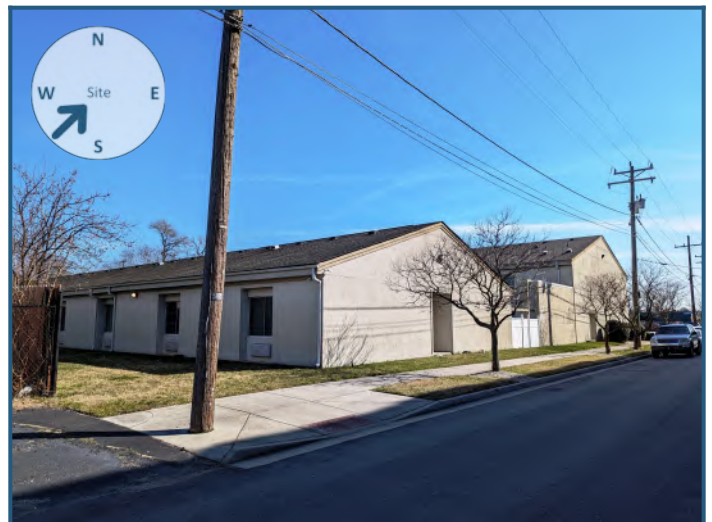
View of site from the east



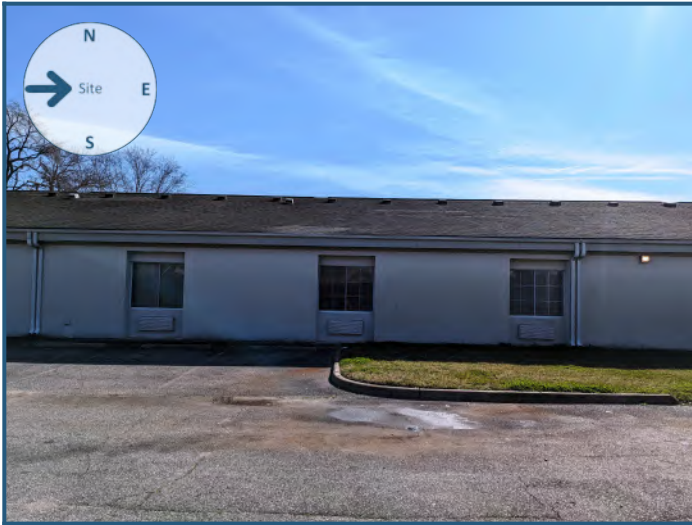
View of site from the southeast



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



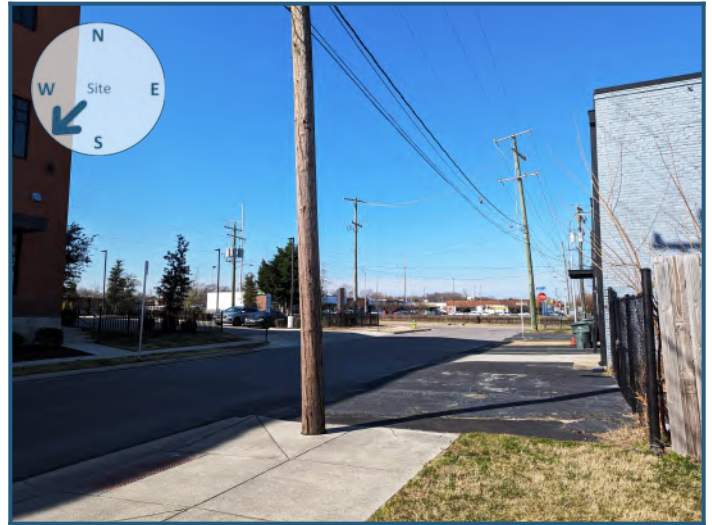
East view from site



Southeast view from site



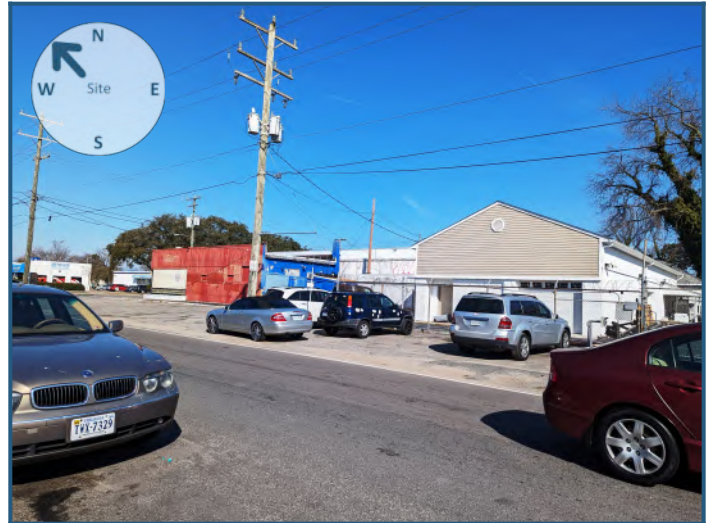
South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: Northwest view of 24th street



Streetscape: Southeast view 24th street Away



Streetscape: North view of Colley Street



Streetscape: South view of Colley street



Streetscape: Southeast 25th street



Streetscape: Northwest view of 25th street



Streetscape: South view of Gosnold Avenue



Streetscape: North view of Gosnold ave



Picnic Area/ Grill area



Picnic Area



Business Center



Laundry Facility



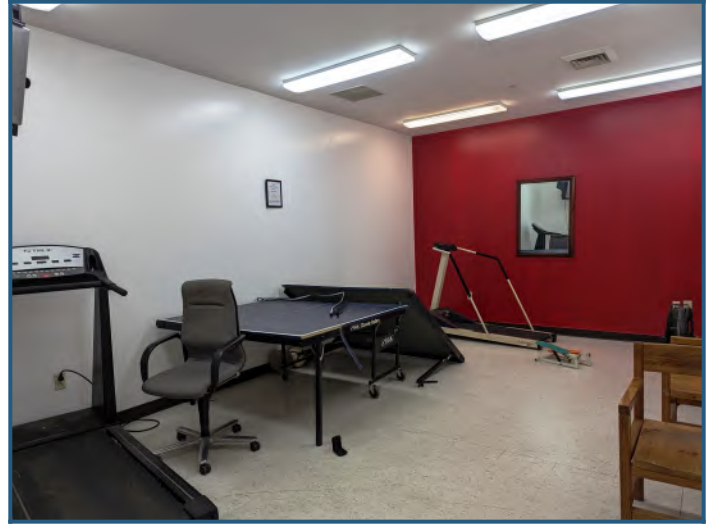
Community Room (B)



Community Room (A)



Community Room: Kitchen



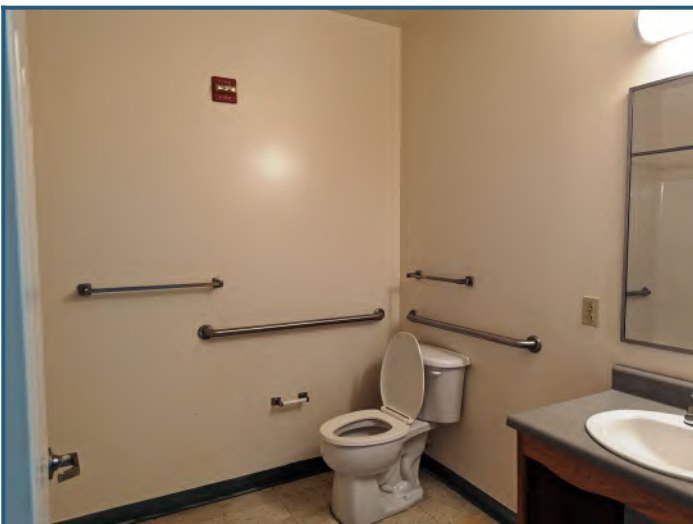
Fitness Center



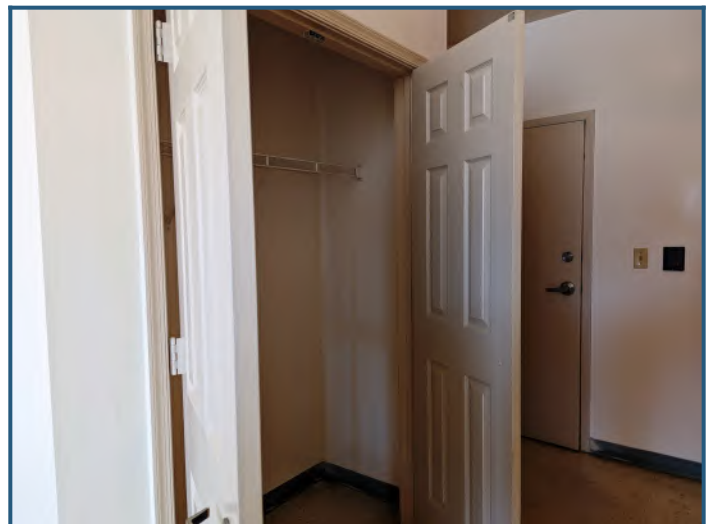
Studio (Kitchen)



Studio (Sleeping Area)



Studio (Bathroom)



Studio (Attached Storage Unit)

XI.

COMPARABLE
PROPERTY PROFILES

2 201 Twenty One 0.7 miles to site



Address: 201 W 21st St, Norfolk, VA 23517
 Phone: (757) 321-6411 Contact: Jennifer
 Property Type: Market Rate
 Target Population: Family
 Total Units: 225 Year Built: 2009
 Vacant Units: 10 *AR Year:
 Occupancy: 95.6% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes:



Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority

Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Bike Racks / Storage; Community Kitchen; Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Basketball, Fitness Center, Grilling Area, Media Room / Theater, Putting Green, Outdoor Swimming Pool); CCTV, Security Gate; Extra Storage; WiFi

Parking Type: Street Parking; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|-------------------|--------|
| 0 | 1 | G | 22 | 1 | 680 - 853 | \$2.20 - \$1.87 | \$1,499 - \$1,599 | Market |
| 1 | 1 | G | 138 | 6 | 728 - 1,067 | \$2.33 - \$1.67 | \$1,699 - \$1,785 | Market |
| 2 | 2 | G | 65 | 3 | 1,018 - 1,487 | \$1.96 - \$1.42 | \$1,995 - \$2,105 | Market |

*Adaptive Reuse

*DTS is based on drive time

3 Alexander at Ghent 1.1 miles to site



Address: 1608 Granby St, Norfolk, VA 23510
 Phone: (757) 962-8058 Contact: Olivia (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 268 Year Built: 2006 Ratings
 Vacant Units: 13 *AR Year: Quality: A
 Occupancy: 95.1% Yr Renovated: Neighborhood: A
 Turnover: Stories: 4 (w/Elev) Access/Visibility: A/A
 Waitlist: None
 Rent Special: None

Notes:



Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Car Care (Car Wash Area); Multipurpose Room, Community Kitchen, Clubhouse/Community Room; Cafe / Coffee Bar; Courtyard; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Game Room-Billiards, Outdoor Swimming Pool); Courtesy Officer, Security Gate; Social Services (Parties / Picnics); WiFi

Parking Type: Street Parking; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|----------------|--------|
| 0 | 1 | G | 58 | 3 | 565 - 695 | \$2.65 - \$2.16 | \$1,499 | Market |
| 1 | 1 | G | 78 | 4 | 748 - 825 | \$2.14 - \$1.94 | \$1,599 | Market |
| 2 | 2 | G | 120 | 6 | 1,036 - 1,192 | \$1.67 - \$1.46 | \$1,735 | Market |
| 3 | 2 | G | 12 | 0 | 1,324 | \$1.68 | \$2,224 | Market |

*Adaptive Reuse

*DTS is based on drive time

7 Aura Downtown 2.0 miles to site



Address: 450 Boush St, Norfolk, VA 23510
 Phone: (757) 351-3555 Contact: Temeka
 Property Type: Market Rate
 Target Population: Family
 Total Units: 156 Year Built: 2017
 Vacant Units: 4 *AR Year:
 Occupancy: 97.4% Yr Renovated:
 Turnover: Stories: 6 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes: Rent range due to floorplan & location

Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Hardwood, Finished Concrete); Premium Appliances; Premium Countertops; Premium Cabinetry; Premium Fixtures; High/Vaulted Ceilings; Oversized Windows

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Car Care (Charging Stations); Community Kitchen, Clubhouse/Community Room; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Game Room-Billiards, Hot Tub, Outdoor Swimming Pool, Tanning Bed); CCTV; Extra Storage; WiFi

Parking Type: Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------------|-----------------|-------------------|--------|
| 0 | 1 | G | 10 | 1 | 490 - 556 | \$3.14 - \$2.86 | \$1,540 - \$1,590 | Market |
| 1 | 1 | G | 100 | 3 | 490 - 770 | \$3.15 - \$2.17 | \$1,542 - \$1,671 | Market |
| 2 | 2 | L | 31 | 0 | 880 - 1,100 | \$2.42 - \$2.05 | \$2,127 - \$2,250 | Market |
| 3 | 2 | G | 15 | 0 | 1,200 | \$2.09 | \$2,513 | Market |

*Adaptive Reuse

*DTS is based on drive time

12 Church Street Station Studios 1.2 miles to site



Address: 2000 Church Street, Norfolk, VA 23504
 Phone: (757) 544-9907 Contact: Karen
 Property Type: Tax Credit, Government Subsidized
 Target Population: Homeless
 Total Units: 80 Year Built: 2017
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4,5 (w/Elev)
 Waitlist: Yes
 Rent Special: None

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

Notes: Tax Credit

Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority
 Utility Type & Responsibility: Landlord pays Electric, Heat (Natural Gas), Hot Water (Natural Gas), Cooking (Electric), Water, Sewer, Trash
 Unit Amenities: Range; Refrigerator; AC Other; Controlled Access; Furnished; Window Treatments; Flooring (Composite/Vinyl/Laminate)
 Property Amenities: Bike Racks / Storage; Multipurpose Room, Community Kitchen, Clubhouse/Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area); CCTV; Social Services (Social Services Coordinator)
 Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------------|
| 0 | 1 | G | 80 | 0 | 350 | Subsidized | Subsidized | Subsidized |

*Adaptive Reuse

*DTS is based on drive time

16 James Apts.

2.0 miles to site



Address: 345 Granby St., Norfolk, VA 23510
 Phone: (757) 644-1927 Contact: Katie
 Property Type: Market Rate
 Target Population: Family
 Total Units: 79 Year Built: 2014
 Vacant Units: 5 *AR Year:
 Occupancy: 93.7% Yr Renovated:
 Turnover: Stories: 8 (w/Elev)
 Waitlist: Yes
 Rent Special: No

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

Notes:



Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Hardwood); Premium Appliances; Premium Countertops; Premium Cabinetry; Premium Fixtures; High/Vaulted Ceilings

Property Amenities: Business Center (Computer/Business Center); Car Care (Charging Stations); Multipurpose Room, Clubhouse/Community Room; Elevator; On-Site Management; Recreation Areas (Fitness Center, Game Room-Billiards); CCTV; Social Services (Parties / Picnics); WiFi

Parking Type: Street Parking; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|---------|------|-------|--------|-------------|-----------------|-------------------|--------|
| 0 | 1 | G | 36 | 2 | 330 - 549 | \$3.25 - \$2.14 | \$1,073 - \$1,174 | Market |
| 1 | 1 - 1.5 | G | 36 | 3 | 501 - 942 | \$2.62 - \$1.77 | \$1,312 - \$1,667 | Market |
| 2 | 1.5 - 2 | G | 6 | 0 | 951 - 1,050 | \$2.05 - \$2.14 | \$1,946 - \$2,248 | Market |
| 3 | 3 | G | 1 | 0 | 1,695 | \$1.80 | \$3,046 | Market |

*Adaptive Reuse

*DTS is based on drive time

25 **Pointe at Pickett Farms** 5.7 miles to site



Address: 5424 Greenplain Rd, Norfolk, VA 23502
 Phone: (757) 962-3159 Contact: Charlai (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 120 Year Built: 2013
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: Shared; 30 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority

Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: On-Site Management; Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool); CCTV, Security Gate

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 1 | 1 | G | 1 | 0 | 794 | \$0.81 | \$642 | 40% |
| 1 | 1 | G | 3 | 0 | 794 | \$0.81 | \$642 | 50% |
| 1 | 1 | G | 14 | 0 | 794 | \$1.28 | \$1,013 | 60% |
| 2 | 2 | G | 9 | 0 | 1,122 | \$0.68 | \$763 | 40% |
| 2 | 2 | G | 4 | 0 | 1,122 | \$0.68 | \$763 | 50% |
| 2 | 2 | G | 59 | 0 | 1,122 | \$1.08 | \$1,208 | 60% |
| 3 | 2 | G | 4 | 0 | 1,318 | \$0.66 | \$872 | 40% |
| 3 | 2 | G | 4 | 0 | 1,318 | \$0.66 | \$872 | 50% |
| 3 | 2 | G | 22 | 0 | 1,318 | \$1.05 | \$1,387 | 60% |

*Adaptive Reuse

*DTS is based on drive time

27 Quill Apts. 5.9 miles to site



Address: 5354 E Virginia Beach Blvd, Norfolk, VA 23502
 Phone: (757) 962-3159 Contact: Charlai (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 180 Year Built: 2015
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: Shared; 30 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority

Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool); CCTV

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 1 | 1 | G | 0 | 0 | 722 | \$0.88 | \$636 | 40% |
| 1 | 1 | G | 6 | 0 | 722 | \$0.88 | \$636 | 50% |
| 1 | 1 | G | 24 | 0 | 722 | \$1.39 | \$1,007 | 60% |
| 2 | 2 | G | 0 | 0 | 1,034 | \$0.74 | \$761 | 40% |
| 2 | 2 | G | 6 | 0 | 1,034 | \$0.74 | \$761 | 50% |
| 2 | 2 | G | 108 | 0 | 1,034 | \$1.17 | \$1,206 | 60% |
| 3 | 2 | G | 0 | 0 | 1,222 | \$0.71 | \$870 | 40% |
| 3 | 2 | G | 6 | 0 | 1,222 | \$0.71 | \$870 | 50% |
| 3 | 2 | G | 30 | 0 | 1,222 | \$1.13 | \$1,385 | 60% |

*Adaptive Reuse

*DTS is based on drive time

30 St. Paul's Apts. 2.3 miles to site



Address: 494 St Pauls Blvd, Norfolk, VA 23510
 Phone: (757) 226-7596 Contact: Chasity
 Property Type: Market Rate, Tax Credit
 Target Population: Family
 Total Units: 126 Year Built: 2019
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,3
 Waitlist: 50 HH
 Rent Special: None

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

Notes: Market-rate (6 units); Tax Credit (120 units); Preleasing 11/2018, opened 2/2019, stabilized occupancy 7/2019



Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Bike Racks / Storage; Community Kitchen, Clubhouse/Community Room; Cafe / Coffee Bar; Pavilion/Gazebo; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool); CCTV, Courtesy Officer; WiFi

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|--------|
| 1 | 1 | G | 14 | 0 | 635 | \$1.30 | \$828 | 50% |
| 1 | 1 | G | 6 | 0 | 635 | \$1.60 | \$1,013 | 60% |
| 2 | 2 | G | 50 | 0 | 937 | \$1.05 | \$984 | 50% |
| 2 | 2 | G | 27 | 0 | 937 | \$1.29 | \$1,207 | 60% |
| 2 | 2 | G | 3 | 0 | 937 | \$1.55 | \$1,450 | Market |
| 3 | 2 | G | 23 | 0 | 1,127 | \$1.23 | \$1,382 | 60% |
| 3 | 2 | G | 3 | 0 | 1,127 | \$1.53 | \$1,725 | Market |

*Adaptive Reuse

*DTS is based on drive time

35 Watermark Apts. 3.4 miles to site



Address: 7221 Newport Ave., Norfolk, VA 23505
 Phone: (757) 441-9395 Contact: Ashley (In Person)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 180 Year Built: 2016 Ratings
 Vacant Units: 23 *AR Year: Quality: A
 Occupancy: 87.2% Yr Renovated: Neighborhood: B
 Turnover: Stories: 4 (w/Elev) Access/Visibility: B/A
 Waitlist: None
 Rent Special: One and a half months free rent application fee is waived

Notes:



Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Multipurpose Room, Community Kitchen, Clubhouse/Community Room; Elevator; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Outdoor Swimming Pool); CCTV, Courtesy Officer; WiFi

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|-------------------|--------|
| 0 | 1 | G | 9 | 2 | 576 | \$2.60 - \$2.67 | \$1,500 - \$1,540 | Market |
| 1 | 1 | G | 30 | 12 | 707 - 928 | \$2.31 - \$1.94 | \$1,630 - \$1,800 | Market |
| 1 | 1 | L | 15 | 1 | 851 - 1,044 | \$1.92 - \$1.72 | \$1,630 - \$1,800 | Market |
| 2 | 2 | G | 108 | 5 | 987 - 1,587 | \$1.99 - \$1.27 | \$1,960 - \$2,010 | Market |
| 3 | 2 | G | 18 | 3 | 1,294 - 1,353 | \$1.82 - \$1.77 | \$2,350 - \$2,398 | Market |

*Adaptive Reuse

*DTS is based on drive time

XII.

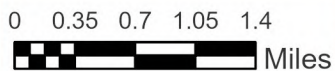
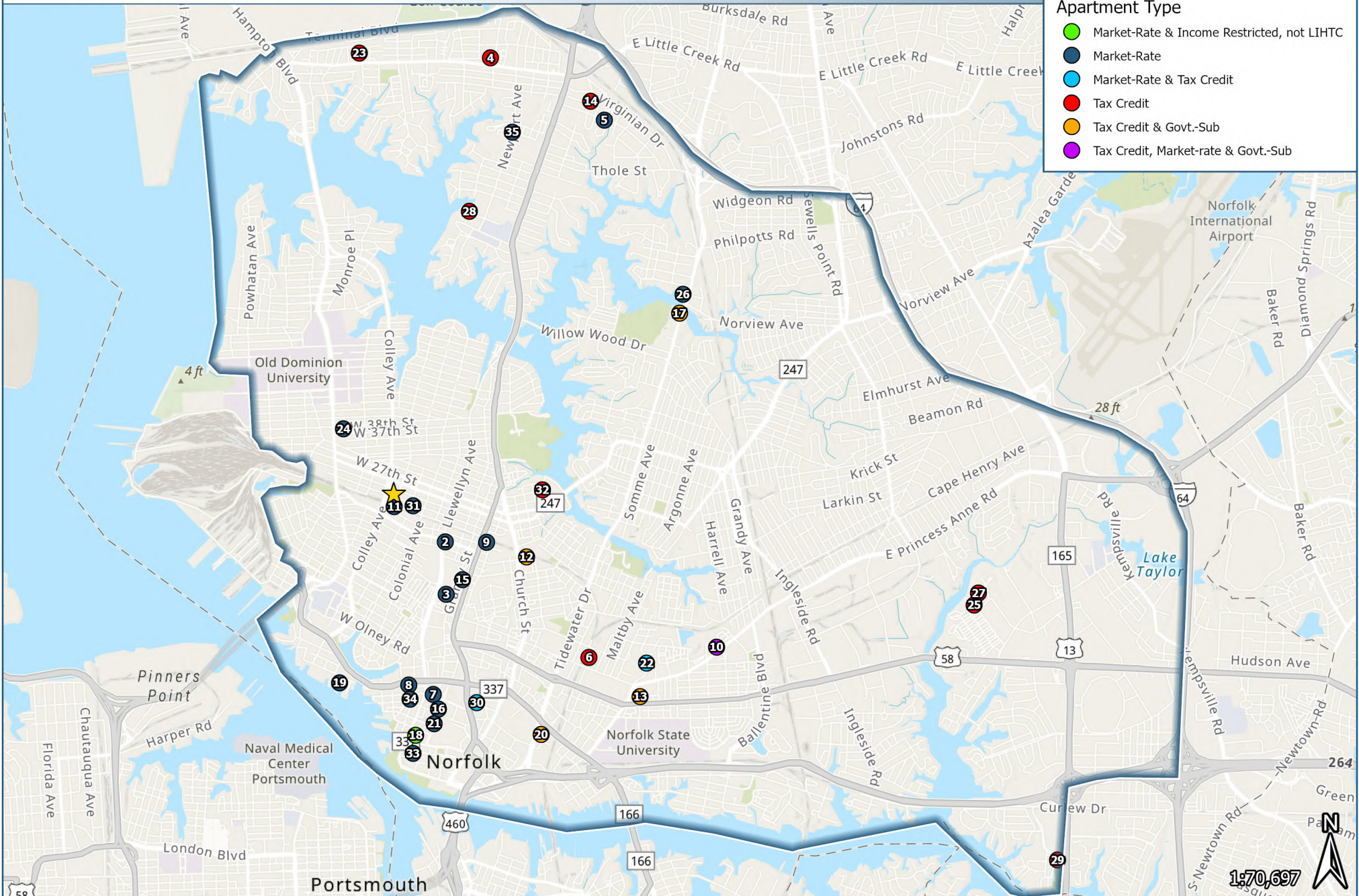
FIELD SURVEY OF CONVENTIONAL RENTALS



PMA

Apartment Type


- Market-Rate & Income Restricted, not LIHTC
- Market-Rate
- Market-Rate & Tax Credit
- Tax Credit
- Tax Credit & Govt.-Sub
- Tax Credit, Market-rate & Govt.-Sub





| Map ID | Property | Prop Type | Quality Rating | Year Built | Total Units | Vacant | Occ. Rate | Distance To Site* |
|--------|-------------------------------|-----------|----------------|------------|-------------|--------|-----------|-------------------|
| 1 | Gosnold Supportive Housing | TGS | B- | 2006 | 60 | 12 | 80.0% | - |
| 2 | 201 Twenty One | MRR | A | 2009 | 225 | 10 | 95.6% | 0.7 |
| 3 | Alexander at Ghent | MRR | A | 2006 | 268 | 13 | 95.1% | 1.1 |
| 4 | Arbor Pointe | TAX | B- | 1948 | 307 | 27 | 91.2% | 4.1 |
| 5 | Archers Green | MRR | B- | 1943 | 223 | 7 | 96.9% | 3.8 |
| 6 | Ashton Apartment Homes | TAX | B+ | 1903 | 118 | 0 | 100.0% | 2.2 |
| 7 | Aura Downtown | MRR | A | 2017 | 156 | 4 | 97.4% | 2.0 |
| 8 | Belmont at Freemason | MRR | A | 2009 | 239 | 6 | 97.5% | 1.8 |
| 9 | Brightleaf Building | MRR | B+ | 1917 | 81 | 2 | 97.5% | 1.1 |
| 10 | Broad Creek Renaissance | TMG | B- | 2004 | 350 | 0 | 100.0% | 3.2 |
| 11 | Chenman Lofts I | MRR | B | 2020 | 43 | 1 | 97.7% | 0.3 |
| 12 | Church Street Station Studios | TGS | B | 2017 | 80 | 0 | 100.0% | 1.2 |
| 13 | Cogic High Rise | TGS | C | 1974 | 150 | 0 | 100.0% | 2.9 |
| 14 | Cromwell House | TAX | B | 1996 | 205 | 14 | 93.2% | 3.7 |
| 15 | Element at Ghent | MRR | A | 2014 | 164 | 0 | 100.0% | 1.1 |
| 16 | James Apts. | MRR | A | 2014 | 79 | 5 | 93.7% | 2.0 |
| 17 | Lakewood Plaza | TGS | B- | 1974 | 198 | 0 | 100.0% | 3.2 |
| 18 | Law Building | MIN | B+ | 1905 | 135 | 10 | 92.6% | 2.3 |
| 19 | Lofts at Front Street | MRR | B | 2022 | 258 | 17 | 93.4% | 1.7 |
| 20 | Market Heights Apts. | TGS | B | 2023 | 164 | 5 | 97.0% | 2.7 |
| 21 | Metro on Granby | MRR | A | 2014 | 186 | 6 | 96.8% | 2.1 |
| 22 | Mission College | MRT | C+ | 1990 | 260 | 0 | 100.0% | 2.7 |
| 23 | Parkwood Manor | TAX | C+ | 1949 | 100 | 11 | 89.0% | 3.8 |
| 24 | Point on 38th Phase II | MRR | A | 2022 | 180 | 23 | 87.2% | 0.8 |
| 25 | Pointe at Pickett Farms | TAX | A | 2013 | 120 | 0 | 100.0% | 5.7 |
| 26 | Promenade Pointe | MRR | A | 2013 | 183 | 7 | 96.2% | 3.2 |
| 27 | Quill Apts. | TAX | A | 2015 | 180 | 0 | 100.0% | 5.9 |
| 28 | Riverpoint Apts. | TAX | C+ | 1947 | 220 | 8 | 96.4% | 2.9 |
| 29 | Shorewood Cove | TAX | B- | 2002 | 132 | 0 | 100.0% | 6.9 |
| 30 | St. Paul's Apts. | MRT | B+ | 2019 | 126 | 0 | 100.0% | 2.3 |
| 31 | Tidewater Square | MRR | B | 2019 | 55 | 1 | 98.2% | 0.2 |
| 32 | Villa Terrace | TAX | C+ | 1970 | 82 | 6 | 92.7% | 1.4 |
| 33 | Virginia Building | MRR | A | 1900 | 34 | 1 | 97.1% | 2.2 |
| 34 | Wainwright Apts. | MRR | B+ | 1926 | 126 | 5 | 96.0% | 1.8 |
| 35 | Watermark Apts. | MRR | A | 2016 | 180 | 23 | 87.2% | 3.4 |


*Drive distance in miles


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


















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|----------|--|---|
| 1 | Gosnold Supportive Housing 2425 Gosnold Ave, Norfolk, VA 23517 | Contact: Monica Phone: (757) 622-1162 |
| |  | <p>Total Units: 60 UC: 0 Occupancy: 80.0% Stories: 2 Year Built: 2006</p> <p>BR: 0 Vacant Units: 12 Waitlist: None AR Year:</p> <p>Target Population: Homeless, Permanent Supportive Housing Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes: Tax Credit; HUD Section 8; Supportive housing for the homeless</p> |




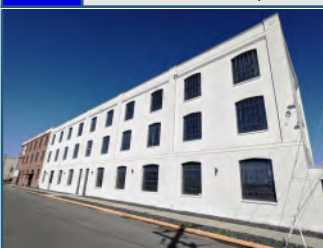

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|----------|--|---|
| 2 | 201 Twenty One 201 W 21st St, Norfolk, VA 23517 | Contact: Jennifer Phone: (757) 321-6411 |
| |  | <p>Total Units: 225 UC: 0 Occupancy: 95.6% Stories: 4 w/Elevator Year Built: 2009</p> <p>BR: 0, 1, 2 Vacant Units: 10 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes:</p> |


















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| 3 | Alexander at Ghent 1608 Granby St, Norfolk, VA 23510 | Contact: Olivia Phone: (757) 962-8058 |
| |  | <p>Total Units: 268 UC: 0 Occupancy: 95.1% Stories: 4 w/Elevator Year Built: 2006</p> <p>BR: 0, 1, 2, 3 Vacant Units: 13 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes:</p> |






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| 4 | Arbor Pointe 502 Grantham Rd, Norfolk, VA 23505 | Contact: Sasha Phone: (757) 423-0811 |
| |  | <p>Total Units: 307 UC: 0 Occupancy: 91.2% Stories: 2 Year Built: 1948</p> <p>BR: 1, 2 Vacant Units: 27 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated: 1998</p> <p>Rent Special: None</p> <p>Notes: Tax Credit</p> |

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| 5 | Archers Green 261 Suburban Pkwy, Norfolk, VA 23505 | Contact: Jo Jo Phone: (757) 480-0839 |
| |  | <p>Total Units: 223 UC: 0 Occupancy: 96.9% Stories: 2 Year Built: 1943</p> <p>BR: 2, 3 Vacant Units: 7 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated: 1991</p> <p>Rent Special: None</p> <p>Notes: Market-rate</p> |


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|---|---|--|
| <ul style="list-style-type: none">  Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC) | <ul style="list-style-type: none">  (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized | <ul style="list-style-type: none">  (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted |
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| 6 | Ashton Apartment Homes 1140 E Princess Anne Rd, Norfolk, VA 23504 | Contact: Tia Phone: (757) 349-1745 |
|  | Total Units: 118 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1903 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 100 HH; 6-12 mos AR Year: 2022 Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Opened 3/2022, 100% occupancy 7/2022 | |
| 7 | Aura Downtown 450 Boush St, Norfolk, VA 23510 | Contact: Temeka Phone: (757) 351-3555 |
|  | Total Units: 156 UC: 0 Occupancy: 97.4% Stories: 6 w/Elevator Year Built: 2017 BR: 0, 1, 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to floorplan & location | |
| 8 | Belmont at Freemason 260 W York St, Norfolk, VA 23510 | Contact: Susan Phone: (757) 275-7340 |
|  | Total Units: 239 UC: 0 Occupancy: 97.5% Stories: 7 w/Elevator Year Built: 2009 BR: 1, 2 Vacant Units: 6 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: referred to website for rent specials nothing on website for rent specials Notes: Rent range due to floor level & view | |
| 9 | Brightleaf Building 200 E. 22nd St., Norfolk, VA 23517 | Contact: Angie Phone: (757) 389-8348 |
|  | Total Units: 81 UC: 0 Occupancy: 97.5% Stories: 3 w/Elevator Year Built: 1917 BR: 1, 2, 3 Vacant Units: 2 Waitlist: None AR Year: 2017 Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range due to unit location & floorplan | |
| 10 | Broad Creek Renaissance 1420 Merrimac Ave, Norfolk, VA 23504 | Contact: Bree Phone: (757) 364-0728 |
|  | Total Units: 350 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 2004 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 6-9 mos AR Year: Target Population: Family Yr Renovated: 2024 Rent Special: None Notes: Tax Credit (52 units); Market-rate (30 units); Public Housing & Tax Credit (268 units) | |


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


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| <p>11</p> | <p>Chenman Lofts I 619 W 24th St, Norfolk, VA 23517</p>  | <p>Contact: Keith Phone: (757) 579-9201</p> <p>Total Units: 43 UC: 0 Occupancy: 97.7% Stories: 1 Year Built: 2020 BR: 1, 2 Vacant Units: 1 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p> |
| <p>12</p> | <p>Church Street Station Studios 2000 Church Street, Norfolk, VA 23504</p>  | <p>Contact: Karen Phone: (757) 544-9907</p> <p>Total Units: 80 UC: 0 Occupancy: 100.0% Stories: 4,5 w/Elevator Year Built: 2017 BR: 0 Vacant Units: 0 Waitlist: Yes AR Year: Target Population: Homeless Yr Renovated: Rent Special: None Notes: Tax Credit</p> |
| <p>13</p> | <p>Cogic High Rise 2412 E Virginia Beach Blvd, Norfolk, VA 23504</p>  | <p>Contact: Ms. Denise Phone: (757) 622-2513</p> <p>Total Units: 150 UC: 0 Occupancy: 100.0% Stories: 11 w/Elevator Year Built: 1974 BR: 0, 1, 2 Vacant Units: 0 Waitlist: 6-12 mos AR Year: Target Population: Senior 62+ Yr Renovated: 2023 Rent Special: None Notes: Tax Credit; HUD Section 8 & 236, no RA</p> |
| <p>14</p> | <p>Cromwell House 114 Cromwell Pkwy, Norfolk, VA 23505</p>  | <p>Contact: Ashanti Phone: (757) 480-4444</p> <p>Total Units: 205 UC: 0 Occupancy: 93.2% Stories: 4 w/Elevator Year Built: 1996 BR: 1, 2 Vacant Units: 14 Waitlist: None AR Year: Target Population: Senior 55+ Yr Renovated: Rent Special: None Notes: Tax Credit</p> |
| <p>15</p> | <p>Element at Ghent 111 E. 18th St., Norfolk, VA 23517</p>  | <p>Contact: Janice Phone: (757) 663-7545</p> <p>Total Units: 164 UC: 0 Occupancy: 100.0% Stories: 5 w/Elevator Year Built: 2014 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:</p> |


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


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| 16 | James Apts. 345 Granby St., Norfolk, VA 23510 | Contact: Katie Phone: (757) 644-1927 |
| |  | <p>Total Units: 79 UC: 0 Occupancy: 93.7% Stories: 8 w/Elevator Year Built: 2014</p> <p>BR: 0, 1, 2, 3 Vacant Units: 5 Waitlist: Yes AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: No</p> <p>Notes:</p> |


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| 17 | Lakewood Plaza 5631 Tidewater Dr, Norfolk, VA 23509 | Contact: Shantee Phone: (757) 857-5445 |
| |  | <p>Total Units: 198 UC: 16 Occupancy: 100.0% Stories: 13 w/Elevator Year Built: 1974</p> <p>BR: 1 Vacant Units: 0 Waitlist: 12-18 mos AR Year:</p> <p>Target Population: Senior 62+ Yr Renovated: 2022</p> <p>Rent Special: None</p> <p>Notes: Tax Credit & HUD Section 8 (178 units); HUD Section 236 & Tax Credit (4 units)</p> |


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| 18 | Law Building 145 Granby St, Norfolk, VA 23510 | Contact: Najla Phone: (757) 384-1766 |
| |  | <p>Total Units: 135 UC: 0 Occupancy: 92.6% Stories: 7 w/Elevator Year Built: 1905</p> <p>BR: 0, 1, 2 Vacant Units: 10 Waitlist: Yes AR Year: 2015</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes: Market-rate (108 units); Income-restricted, not LIHTC (27 units)</p> |


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| 19 | Lofts at Front Street 533 Front St, Norfolk, VA 23510 | Contact: Daniel Phone: |
| |  | <p>Total Units: 258 UC: 0 Occupancy: 93.4% Stories: 5 w/Elevator Year Built: 2022</p> <p>BR: 1, 2, 3 Vacant Units: 17 Waitlist: None AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: M/I by 2/29 get 1 month free rent</p> <p>Notes:</p> |


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| 20 | Market Heights Apts. 630 Tidewater Dr, Norfolk, VA 23504 | Contact: Jared Phone: (757) 904-6061 |
| |  | <p>Total Units: 164 UC: 0 Occupancy: 97.0% Stories: 3,4 w/Elevator Year Built: 2023</p> <p>BR: 1, 2, 3 Vacant Units: 5 Waitlist: 3br-10 HH AR Year:</p> <p>Target Population: Family Yr Renovated:</p> <p>Rent Special: None</p> <p>Notes: Tax Credit; PBV 21 units; opened 6-2023, preleasing unknown, 100% occupied 10-2023</p> |


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| <ul style="list-style-type: none">  Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC) | <ul style="list-style-type: none">  (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized | <ul style="list-style-type: none">  (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted |
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|----|--|---|--|---|
| 21 | Metro on Granby 411, 416 & 420 Granby St., Norfolk, VA 23510 | | Contact: Ashley Phone: (757) 962-8060 | |
| |  | Total Units: 186 UC: 0 Occupancy: 96.8% BR: 0, 1, 2 Vacant Units: 6 Target Population: Family Rent Special: Draw to win half months or full month off of rent Notes: Rent range due to unit location & floorplan | Stories: 5 Waitlist: None | w/Elevator Year Built: 2014 AR Year: Yr Renovated: |


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|----|--|--|--|--|
| 22 | Mission College 1300 Lead St, Norfolk, VA 23504 | | Contact: Eshari Phone: (675) 765-6340 | |
| |  | Total Units: 260 UC: 0 Occupancy: 100.0% BR: 1, 2, 3, 4 Vacant Units: 0 Target Population: Family Rent Special: None Notes: Market-rate (130 units); Tax Credit (130 units) | Stories: 2,3 Waitlist: 30 HH | Year Built: 1990 AR Year: Yr Renovated: 2009 |


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| 23 | Parkwood Manor 7703 Major Ave, Norfolk, VA 23505 | | Contact: Beth Shusta Phone: (757) 423-4165 | |
| |  | Total Units: 100 UC: 0 Occupancy: 89.0% BR: 1, 2 Vacant Units: 11 Target Population: Family Rent Special: None Notes: Tax Credit | Stories: 2 Waitlist: None | Year Built: 1949 AR Year: Yr Renovated: 1996 |


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|----|--|--|---|---|
| 24 | Point on 38th Phase II 1055 W 38th St, Norfolk, VA 23508 | | Contact: Demia Phone: (844) 493-9242 | |
| |  | Total Units: 180 UC: 0 Occupancy: 87.2% BR: 1, 2 Vacant Units: 23 Target Population: Family Rent Special: None Notes: | Stories: 4 Waitlist: None | Year Built: 2022 AR Year: Yr Renovated: |


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|----|--|--|---|---|
| 25 | Pointe at Pickett Farms 5424 Greenplain Rd, Norfolk, VA 23502 | | Contact: Charlai Phone: (757) 962-3159 | |
| |  | Total Units: 120 UC: 0 Occupancy: 100.0% BR: 1, 2, 3 Vacant Units: 0 Target Population: Family Rent Special: None Notes: Tax Credit | Stories: 3 Waitlist: Shared; 30 HH | Year Built: 2013 AR Year: Yr Renovated: |


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








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|----|--|--|---------------------------------------|------------------------------|
| 26 | Promenade Pointe 6115 Tidewater Dr, Norfolk, VA 23509 | | Contact: Mar Phone: (757) 818-9640 | |
| |  | Total Units: 183 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: \$500 off 1st months rent Notes: Does not keep a WL; Rent range based on floorplan, patio, sunroom & view | Occupancy: 96.2% Vacant Units: 7 | Stories: 4 Waitlist: None |


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| 27 | Quill Apts. 5354 E Virginia Beach Blvd, Norfolk, VA 23502 | | Contact: Charlai Phone: (757) 962-3159 | |
| |  | Total Units: 180 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Tax Credit | Occupancy: 100.0% Vacant Units: 0 | Stories: 3 Waitlist: Shared; 30 HH |


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|----|---|--|---|------------------------------|
| 28 | Riverpoint Apts. 6415 Newport Ave, Norfolk, VA 23505 | | Contact: McKayla Phone: (757) 423-2102 | |
| |  | Total Units: 220 UC: 0 BR: 1, 2 Target Population: Family Rent Special: No Notes: Tax Credit | Occupancy: 96.4% Vacant Units: 8 | Stories: 2 Waitlist: None |


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|----|--|--|---|--------------------------------|
| 29 | Shorewood Cove 293 Corporate Blvd, Norfolk, VA 23502 | | Contact: Julie Phone: (757) 461-4080 | |
| |  | Total Units: 132 UC: 0 BR: 1, 2 Target Population: Senior 62+ Rent Special: None Notes: Tax Credit | Occupancy: 100.0% Vacant Units: 0 | Stories: 3 Waitlist: 12 mos |


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| 30 | St. Paul's Apts. 494 St Pauls Blvd, Norfolk, VA 23510 | | Contact: Chasity Phone: (757) 226-7596 | |
| |  | Total Units: 126 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Market-rate (6 units); Tax Credit (120 units); Preleasing 11/2018, opened 2/2019, stabilized occupancy 7/2019 | Occupancy: 100.0% Vacant Units: 0 | Stories: 2,3 Waitlist: 50 HH |


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


















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|-----------|--|---|-------------------------------------|------------------------------|---|
| 31 | Tidewater Square 529 W 24th St, Norfolk, VA 23517 | Contact: Keith Phone: (757) 579-9201 | | | |
| |  | Total Units: 55 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: | Occupancy: 98.2% Vacant Units: 1 | Stories: 1 Waitlist: None | Year Built: 2019 AR Year: Yr Renovated: |

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|-----------|--|--|-------------------------------------|------------------------------|--|
| 32 | Villa Terrace 2804 Waverly Way, Norfolk, VA 23504 | Contact: Jalen Davis Phone: (757) 627-8600 | | | |
| |  | Total Units: 82 UC: 0 BR: 2 Target Population: Family Rent Special: None Notes: Tax Credit | Occupancy: 92.7% Vacant Units: 6 | Stories: 2 Waitlist: None | Year Built: 1970 AR Year: Yr Renovated: 2002 |

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|-----------|---|--|-------------------------------------|-----------------------------|--|
| 33 | Virginia Building 101 W Plume St, Norfolk, VA 23510 | Contact: Najla Phone: (757) 244-9590 | | | |
| |  | Total Units: 34 UC: 0 BR: 0, 1, 2 Target Population: Family Rent Special: None Notes: Rent range due to floorplan & location | Occupancy: 97.1% Vacant Units: 1 | Stories: 7 Waitlist: Yes | w/Elevator Year Built: 1900 AR Year: Yr Renovated: 2015 |

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|-----------|--|---|-------------------------------------|------------------------------|--|
| 34 | Wainwright Apts. 229 W. Bute St., Norfolk, VA 23510 | Contact: Brittany Phone: (757) 961-4633 | | | |
| |  | Total Units: 126 UC: 0 BR: 0, 1, 2 Target Population: Family Rent Special: None Notes: Rent range based on floorplan, floor level & unit location | Occupancy: 96.0% Vacant Units: 5 | Stories: 9 Waitlist: None | w/Elevator Year Built: 1926 AR Year: Yr Renovated: 2013 |

| | | | | | |
|-----------|--|--|--------------------------------------|------------------------------|---|
| 35 | Watermark Apts. 7221 Newport Ave., Norfolk, VA 23505 | Contact: Ashley Phone: (757) 441-9395 | | | |
| |  | Total Units: 180 UC: 0 BR: 0, 1, 2, 3 Target Population: Family Rent Special: One and a half months free rent application fee is waived Notes: | Occupancy: 87.2% Vacant Units: 23 | Stories: 4 Waitlist: None | w/Elevator Year Built: 2016 AR Year: Yr Renovated: |

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

Source: Norfolk and Redevelopment Housing Authority
 Effective: 02/2024

Monthly Dollar Allowances

| | | Garden | | | | | | Townhome | | | | | |
|-------------------|--------------|--------|------|------|------|------|------|----------|------|------|------|------|------|
| | | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
| Heating | Natural Gas | 24 | 29 | 33 | 38 | 41 | 46 | 33 | 40 | 44 | 49 | 53 | 58 |
| | +Base Charge | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| | Bottled Gas | 42 | 52 | 60 | 67 | 72 | 82 | 60 | 70 | 80 | 87 | 95 | 102 |
| | Electric | 14 | 17 | 22 | 27 | 32 | 37 | 21 | 25 | 31 | 37 | 43 | 49 |
| | Heat Pump | 13 | 15 | 17 | 20 | 22 | 24 | 15 | 18 | 21 | 24 | 26 | 29 |
| | Oil | 55 | 67 | 75 | 83 | 91 | 103 | 75 | 87 | 99 | 107 | 119 | 130 |
| Cooking | Natural Gas | 5 | 5 | 8 | 9 | 12 | 14 | 5 | 5 | 8 | 9 | 12 | 14 |
| | Bottled Gas | 7 | 7 | 12 | 17 | 22 | 25 | 7 | 7 | 12 | 17 | 22 | 25 |
| | Electric | 5 | 6 | 9 | 12 | 15 | 17 | 5 | 6 | 9 | 12 | 15 | 17 |
| Other Electric | 20 | 24 | 33 | 42 | 51 | 60 | 25 | 30 | 41 | 53 | 65 | 76 | |
| +Base Charge | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | |
| Air Conditioning | 9 | 10 | 14 | 18 | 22 | 26 | 8 | 10 | 17 | 24 | 31 | 38 | |
| Water Heating | Natural Gas | 9 | 11 | 17 | 21 | 26 | 30 | 12 | 14 | 20 | 26 | 32 | 38 |
| | Bottled Gas | 17 | 20 | 30 | 37 | 47 | 55 | 22 | 25 | 35 | 47 | 57 | 67 |
| | Electric | 13 | 15 | 19 | 23 | 27 | 31 | 16 | 19 | 24 | 29 | 34 | 39 |
| | Oil | 20 | 24 | 36 | 47 | 59 | 67 | 48 | 32 | 43 | 59 | 71 | 87 |
| Water | 42 | 43 | 55 | 66 | 78 | 90 | 42 | 43 | 55 | 66 | 78 | 90 | |
| Sewer | 58 | 60 | 84 | 108 | 132 | 156 | 58 | 60 | 84 | 108 | 132 | 156 | |
| Trash Collection | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | |
| Internet* | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| Cable* | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| Alarm Monitoring* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

* Estimated- not from source

XIII. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

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

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

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

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

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

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

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

Research Staff

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

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

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

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

Addendum A – Member Certification & Checklist

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

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



Patrick M. Bowen

President

patrickb@bowennational.com

Date: February 22, 2024



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: February 22, 2024

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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