

NEED AND DEMAND ANALYSIS  
FOR THE LYNHAVEN RIDGE APARTMENTS  
IN  
RICHMOND, VIRGINIA

Prepared for  
Lynhaven Ridge VA LLC  
for submission to  
Virginia Housing

Virginia Housing Application: 2024-C-64

As of February 26, 2024

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## A. EXECUTIVE SUMMARY

The site of the Lynhaven Ridge Apartments is on Lynhaven Avenue, to the east of the Richmond Highway in southern Richmond. There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.

The proposed project will comprise the construction of 50 units - 20 two-bedroom units and 30 three-bedroom units. Of the 50-unit total, five units will be targeted to households with incomes up to 30 percent of the median, 21 units will be targeted to households with incomes up to 50 percent of the median, with six units targeted at 60 percent of the median, and 18 units targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status.

Employment in 2022 - the most recent annual report - shows employment at 116,881. Employment showed growth prior to 2020 when 6,431 jobs were lost from 2019 - a consequence of the COVID-19 pandemic. Data for 2022 show that, locally, employment has exceeded 2019 levels.

In Richmond, the most recent annual unemployment rate for the City is 3.4 percent, down from 5.3 percent the previous year, and from 9.1 percent the year before that.

The market area for the proposed development is a southern portion of the City of Richmond, as defined by several census tracts.

The population of the market area is projected to increase from 59,325 in 2024, to 62,407 in 2029. The number of households is projected to increase, from 24,300 in 2024 to 26,314 in 2029. The number of renter households in the market area is projected to increase from 17,042 to 19,837 over the 2024 to 2029 projection period.

There are many apartment complexes located in the southern Richmond area. These include conventional/market rate properties, properties financed with low income housing tax credits, and subsidized housing for very low income households.

Based on our survey, there is a market-wide occupancy rate of 93.4 percent. Occupancy at tax credit properties is found to be around 92.6 percent.

The total need for tax credit units such as is proposed in the project market area area by 2029 is calculated to be for 6,637 units. The net need is for 6,264 units. Given the calculated net need, the proposed 50-unit development amounts to 0.8 percent of the need.

Consideration of the capture rate (0.8 percent) and the (0.5 percent) affordability analysis capture rate, and (24.9 percent) penetration rate suggests that the proposed development is very marketable, as proposed.

Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated four month period, or so.

The proposed development will not have an impact on existing housing in the area.

The proposed development is considered marketable and can be developed as proposed.

Astoria data:

Project Wide Capture Rate, LIHTC units: 0.8 percent

Project Wide Capture Rate, market units: n/a

Project Wide Capture Rate, all units: 0.8 percent

Project Wide Absorption Period (Months): four months

## B. INTRODUCTION AND SCOPE OF WORK

This report is a professional market analysis of the need and demand for the proposed development.

The report is prepared for Lynhaven Ridge VA LLC, for submission to Virginia Housing.

The report is designed to satisfy the underwriting criteria of the reviewing agency for which it was performed, and the conclusions, based on the results of our research, experience, and expertise reflect the predicted ability of the project, as presented to us, to meet or exceed that reviewing agency's guidelines. Thus, a positive conclusion does not necessarily imply that the project would be found to be feasible or successful under different underwriting standards, and this study does not necessarily incorporate generally accepted professional market study standards and elements pre-empted by the guidelines set out by the reviewing agency.

The report was completed using professional market techniques. The findings of this study are predicated upon the assumption that the proposed development, as presented to us, will be located at the site described in the report, that it will be funded through the program under which it was prepared, and within the stated projection period.

Further, the findings are based on the assumption that once funded, the complex will be well-designed, well-marketed, and professionally managed.

The site of the proposed apartments was visited ( February 26, 2024).

The site was visited by T. Ronald Brown.

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis. The President of the firm is T. Ronald Brown. Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland. He has 35 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last three decades or so, Mr. Brown has produced more than 3,000 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown is responsible for the analysis and write-up of this report – performing the role of both analyst and author.

To the best of our knowledge, this report is an accurate representation of market conditions. While due care and professional housing market study techniques were used, no guarantee is made of the findings.

It is stated that we do not have, nor will have in the future, any material interest in the proposed development, and that there is no identity of interest between us and the party for whom the project was prepared. Further, we state that the payment of the fee is not contingent upon a favorable conclusion, nor approval of the project by any agency before or after the fact. The payment of the fee does not include payment for testimony nor further consultation.

Submitted, and attested to, by:

T. Ronald Brown, President  
T. Ronald Brown: Research & Analysis  
P.O. Box 18534  
Asheville, North Carolina 28814-0534  
919.612.5328



Date: March 14, 2024

C. PROJECT DESCRIPTION

The Lynhaven Ridge Apartments will comprise 50 units - 20 two-bedroom units and 30 three-bedroom units. The project is new construction.

The project is to be configured as follows:

	<u>Units</u>	<u>sq. ft</u>	<u>Rent</u>	<u>Targeting*</u>
2 bedroom/1 ½ bath	5	1,024	\$571	less than 30 percent
2 bedroom/1 ½ bath	10	1,024	\$1,051	less than 50 percent
2 bedroom/1 ½ bath	5	1,024	\$1,051	less than 50 percent **
3 bedroom/2 bath	6	1,237	\$1,213	less than 50 percent
3 bedroom/2 bath	6	1,237	\$1,490	less than 60 percent
3 bedroom/2 bath	18	1,237	\$1,550	less than 80 percent

\* percentage of area median income

\*\* rent assisted

Of the 50-unit total, five units will be targeted to households with incomes up to 30 percent of the median, 21 units will be targeted to households with incomes up to 50 percent of the median, six units will be targeted at the 60 percent level, and the remaining 18 units will be targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status.

There are five units of project based rental assistance, provided by the Richmond Behavioral Health Authority.

Given that the project will include units targeted to households with incomes in excess of 60 percent of the local area median income, income averaging is applied. Thus, the average target income, overall, cannot exceed 60 percent of the median.

Utilities (excluding trash collection) will be paid by the tenant - utility allowances are \$149 for the two-bedroom units, and \$173 for the three-bedroom units. Based on information supplied by the developer, the proposed apartments will meet energy-saving standards, both for construction and for appliances provided.

The property will feature a single three-story building, which will have an elevator. The building will have a combination exterior. Common area and site amenities include a multi-purpose room and laundry. The property will offer various enhancements, as per Virginia Housing guidelines.

There will be 71 parking spaces.

It is understood that the construction program would commence in September, 2025 and would be completed within 12 months, or so.

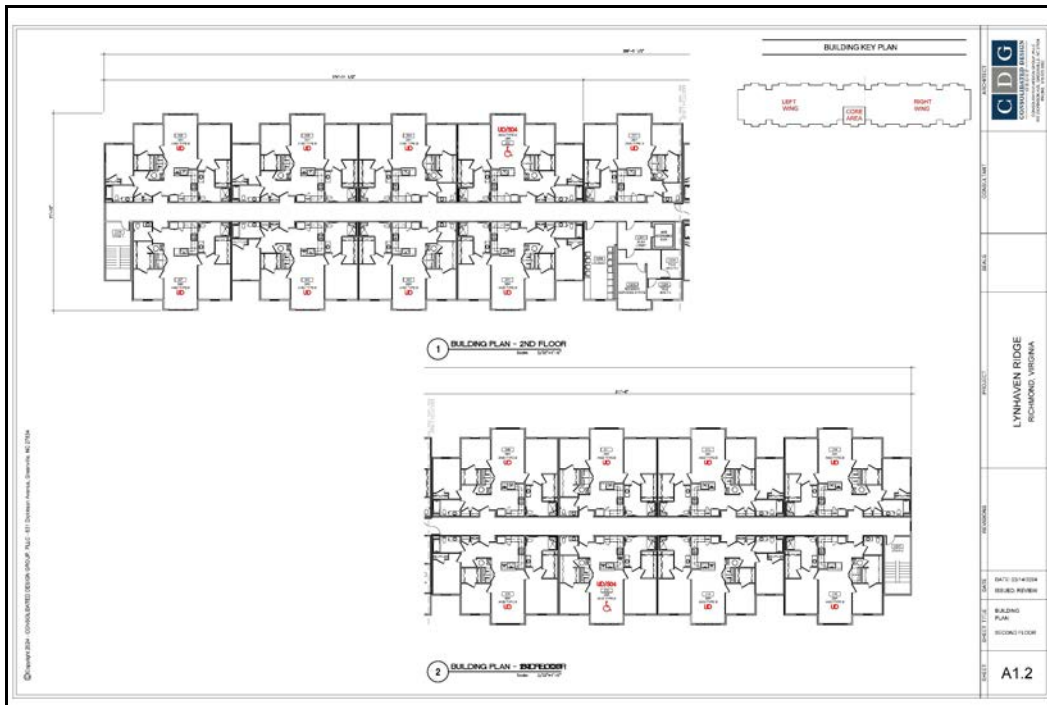
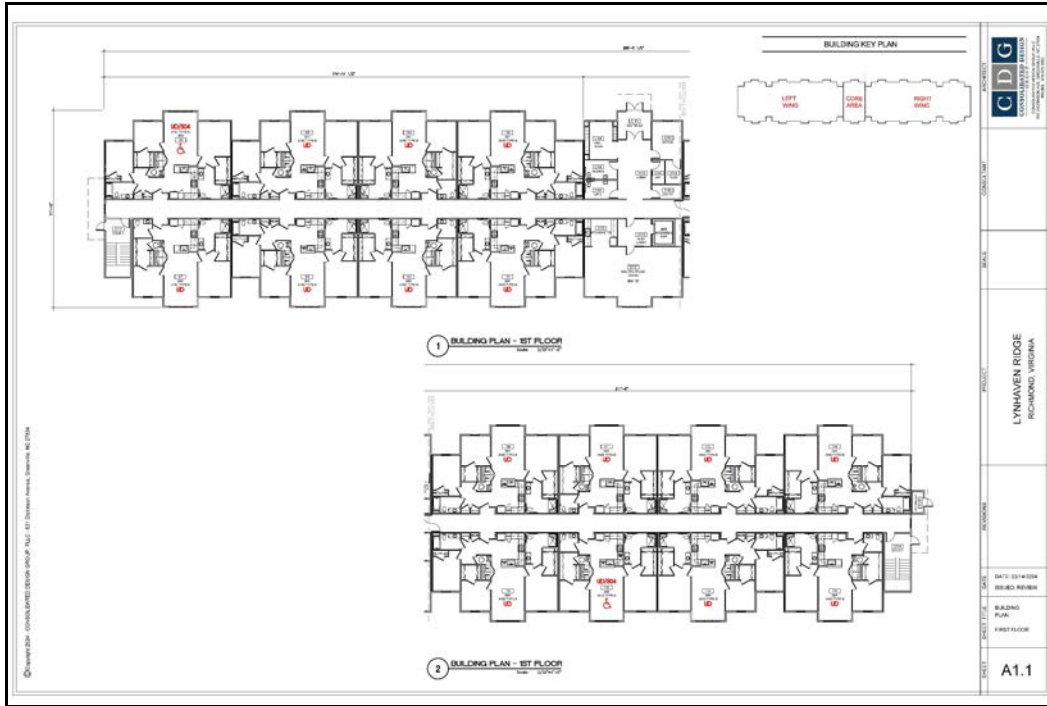
Representative architectural drawings are set out on the following pages.

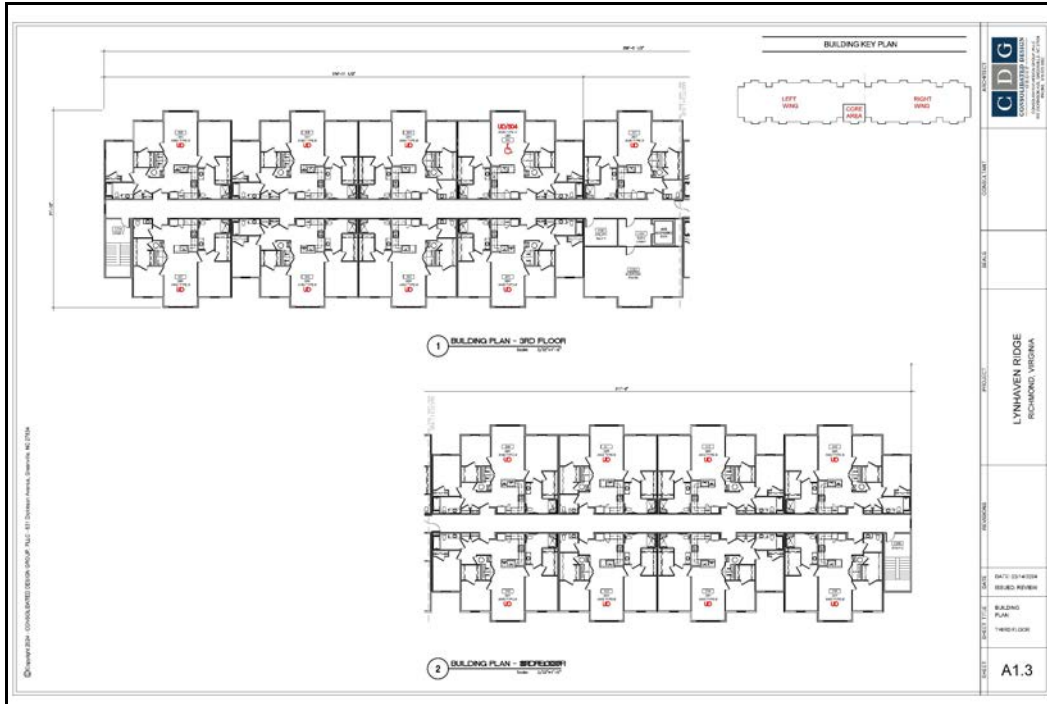


Site plan

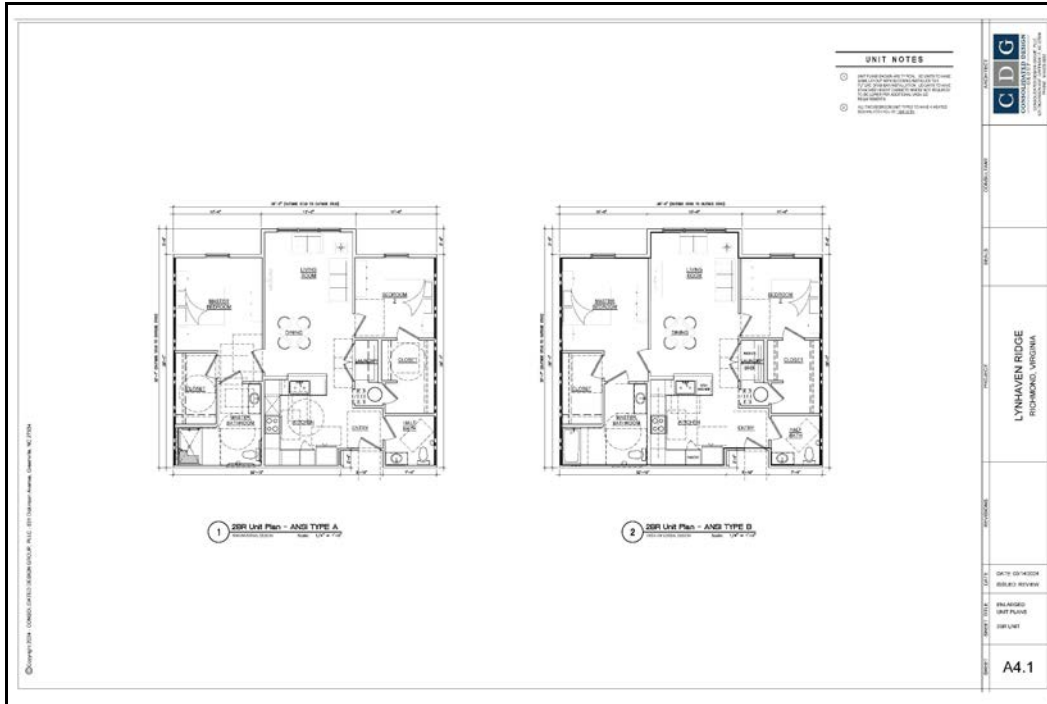


Floor plans

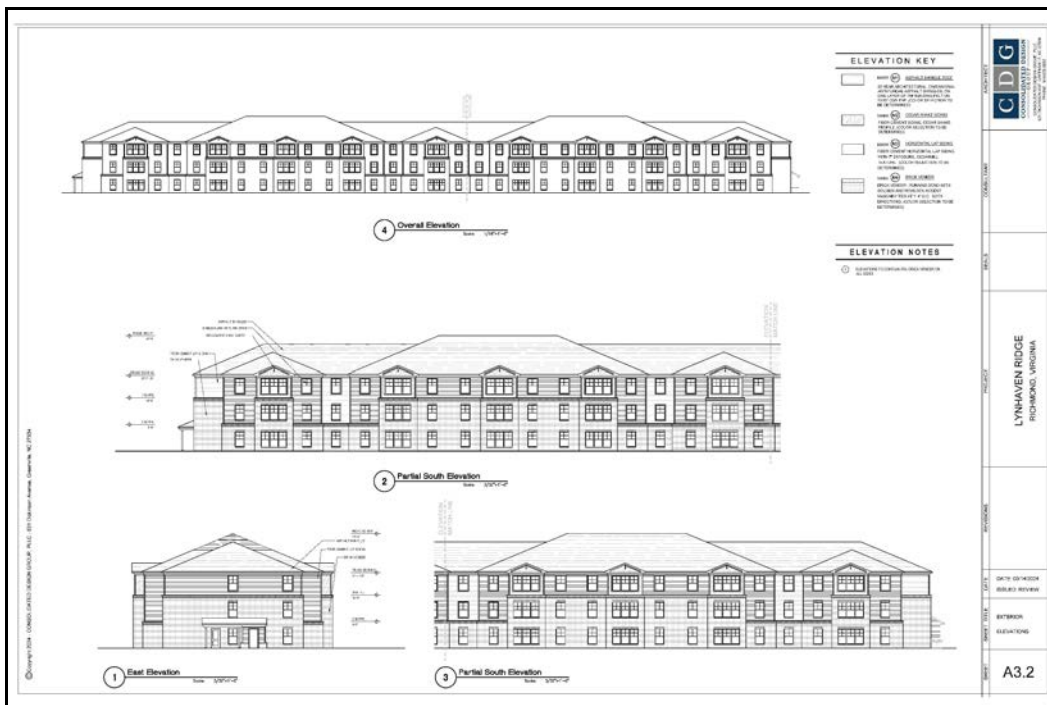
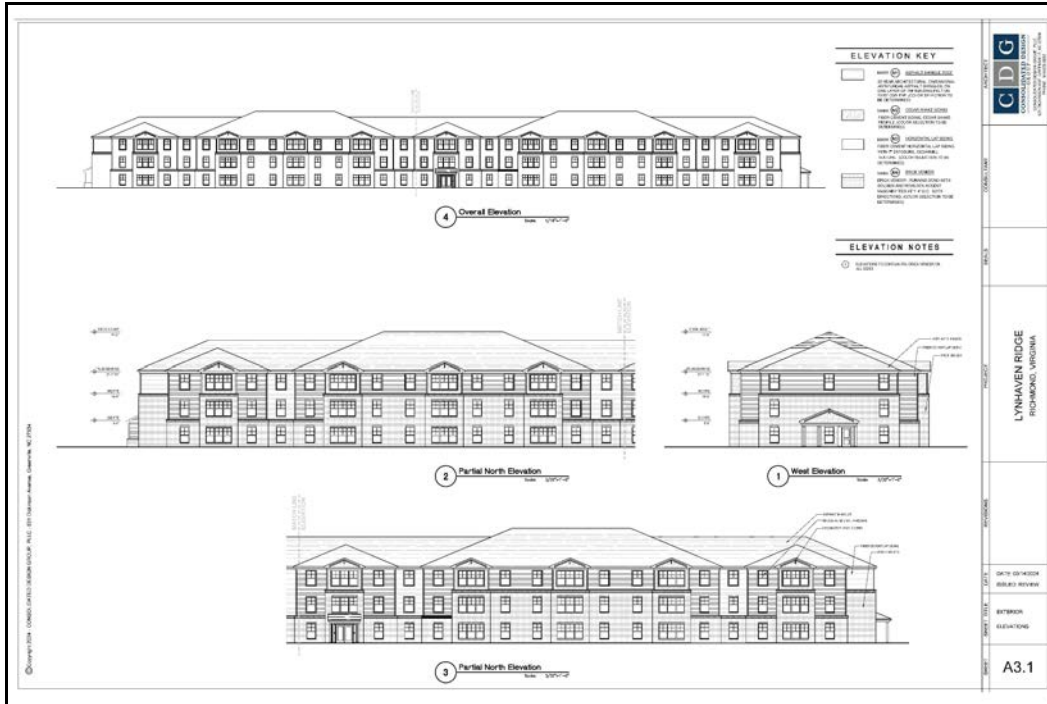




Unit plans



Elevations





D. LOCATION

The site of the Lynhaven Ridge Apartments is on Lynhaven Avenue, to the east of the Richmond Highway in southern Richmond. Adjacent properties include the established Lynhaven Apartments, the Heights at Brady Square tax credit-financed Apartments (which are under development), and undeveloped land. Broad Rock Creek is on the southern edge of the property. The site is flat and is wooded.





View onto property



View on property



View on property





View across Lynhaven Ave (Lynhaven Apartments)



View south on Lynhaven Ave., at site



View north on Lynhaven Ave, at site



The site is located on Lynhaven Avenue, east of Richmond Highway (US 1) in southern Richmond. Access to the site is good.

The site location and its situation are such that the site will be visible.

Given that the area is predominantly industrial - focusing on the James River and Interstate 95, access to major thoroughfares and sources of employment is good, but access from the site to shopping, schools, and other local services is less so.

The site is located two tenths of a mile from the Richmond Highway (US 1) - a major north-south thoroughfare. It is within three- to three and one-half miles of Interstate 95 (both to the north and to the south).

The closest shopping is the Big Apple store - with two-thirds of a mile from the site. Super Fresh store is at the Southside Plaza as is a Roses Express store - within three and one-half miles. A CVS drugstore is within four miles of the site, as is a Walgreens drug store.

Public bus service is available from GRTC on the Richmond Highway, one-fourth of a mile from the site.

The site is within one mile of the Bellemeade Community Center and park.

The site is within one mile of the Oak Grove Elementary School and is within four miles of the Boushall Middle School and the George Wyth High School.

The Broad Rock public library is just over three miles from the site, and the Southside Post Office is two miles from the property. The site is within four- to five miles of the Richmond City Hall and other services and amenities in downtown Richmond, to the north.

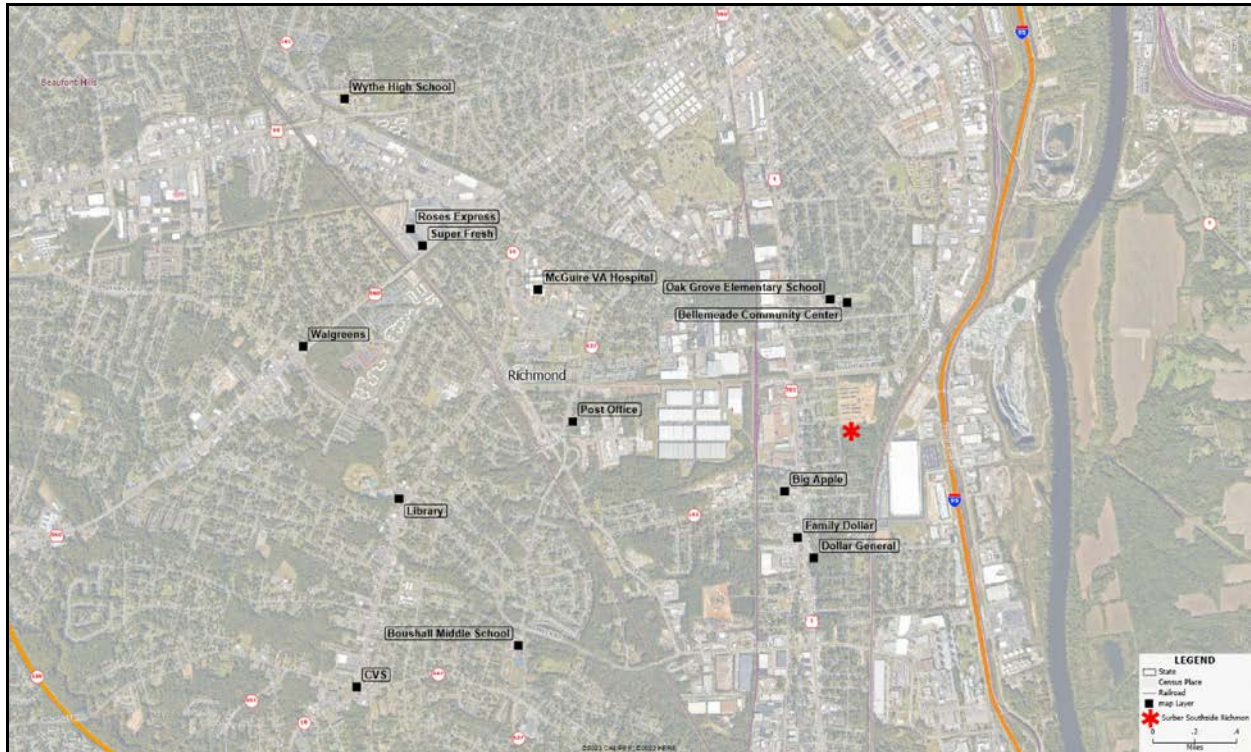
The site is within two and one-half miles of the McGuire Veterans Hospital, and associated medical services.

The following table illustrates the noteworthy community amenities serving the site and the (driving) distance to the site.

Table 1 - Distance to Neighborhood and Community Amenities

<u>Category</u>	<u>Neighborhood/Community Amenity</u>	<u>Distance (miles)</u>
Highways	US 1 / Richmond Highway	0.2
	Interstate 95	3.5
Public Transportation	GRTC	0.2
Retail - Grocery	Big Apple	0.6
	Super Fresh	3.4
Retail - Other	Dollar General	0.8
	Family Dollar	0.9
	Roses Express	3.3
Pharmacies	CVS	3.8
	Walgreens	4.0
Schools	Oak Grove Elementary School	0.8
	Boushall Middle School	3.1
	Wythe High School	3.9
Recreation	Bellemeade Community Center/Park	0.8
Library	Broad Rock	3.2
Post Office	Southside	2.0
Government	Richmond City Hall	4.6
Hospital	McGuire Veterans Hospital	2.5

Source: T.Ronald Brown: Research & Analysis



Based on our observations during our site visit, there is no reason to expect that the risk of crime in this neighborhood would be greater or less than that for other parts of the market area.

There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.

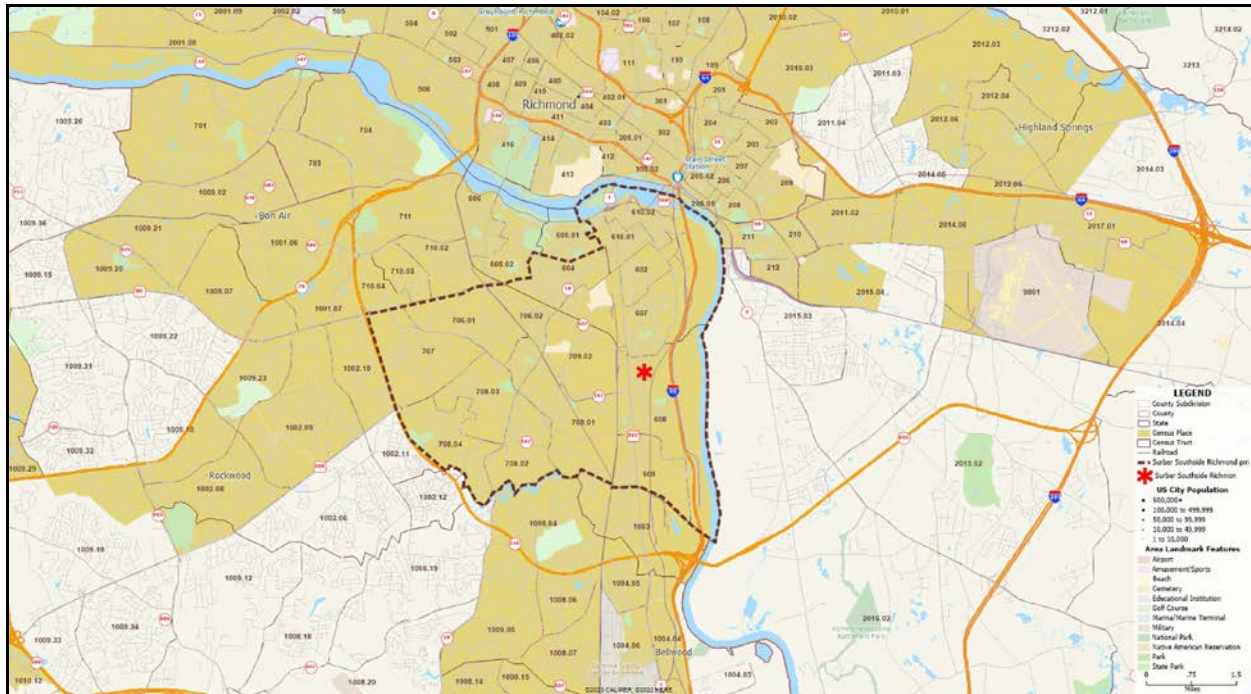
The site is considered marketable.

## E. MARKET AREA DEFINITION

Market areas are defined on the basis of the consideration of many inter-related factors. These include consideration of the site location, consideration of socio-demographic characteristics of the area (tenure, income, rent-levels, etc.), local commuting patterns, physical (or other) boundaries, census geographies, and especially the location of comparable and/or potentially competing communities.

In communities such as county seats where that community is the county's largest community and is centrally located and can draw from the entire county, the county may be the market area. In circumstances where there are potentially competing communities in one county, the market area will be that part of the county (and, potentially, portions of adjacent counties) which the proposed development is most likely to draw from. In urban or suburban markets, the market area will be areas adjacent to the site and will extend to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project. Here combinations of census tracts, may be used to define the market area.

The proposed development is located in southside Richmond in east central Virginia. The market area for the proposed development is a southern portion of the City of Richmond, as defined by several census tracts. This area is focused on the site of the proposed development and extends to approximately one mile to the east, two miles to the south, four miles to the west and three miles to the north. This area is broadly that bounded by portions on the Midlothian Turnpike and Semmes Aveune, the James River, Falling Creek, and the Chippenham Parkway. The market area, as defined, therefore is that which constitutes the area adjacent to the site of the proposed development and extends to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project.





## F. EMPLOYMENT AND ECONOMY

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general.

### Employment trends

Employment trends for the City of Richmond are illustrated in the table, below. Employment in 2022 - the most recent annual report - shows employment at 116,881.

Employment showed growth prior to 2020 when 6,431 jobs were lost from 2019 - a consequence of the COVID-19 pandemic. Data for 2022 show that, locally, employment has exceeded 2019 levels.

Table 2 - Total Employment

		Change over previous year	
		<u>number</u>	<u>percent</u>
2013	103,127		
2014	105,947	2,820	2.7
2015	107,324	1,377	1.3
2016	109,549	2,225	2.1
2017	112,921	3,372	3.1
2018	113,838	917	0.8
2019	115,433	1,595	1.4
2020	109,002	-6,431	-5.6
2021	111,931	2,929	2.7
2022	116,881	4,950	4.4

Source: Bureau of Labor Statistics

## Employment trends, by sector

Information on employment, by industry for the City of Richmond in 2021 and 2022 (the most recent annual data) is set out in Table 3, below. From this it is seen that, with respect to employment, the largest subsector was healthcare - employing 19.4 percent of the total in the most recent year.

Table 3 - Employment, by sector

	2021		2022		pct change
	number	percent	number	percent	
Agriculture, Forestry, etc	31	0.0	34	0.0	9.7
Mining, etc.	32	0.0	30	0.0	-6.3
Utilities	254	0.2	234	0.2	-7.9
Construction	5,670	5.2	5,828	5.0	2.8
Manufacturing	5,543	5.0	5,459	4.7	-1.5
Wholesale trade	3,933	3.6	3,849	3.3	-2.1
Retail trade	7,346	6.7	7,523	6.5	2.4
Transp. and Warehousing	3,725	3.4	3,904	3.4	4.8
Information	1,255	1.1	1,337	1.2	6.5
Finance and Insurance	8,437	7.7	9,088	7.9	7.7
Real estate	2,265	2.1	3,452	3.0	52.4
Professional and Technical services	10,691	9.7	11,130	9.6	4.1
Management	8,721	7.9	8,424	7.3	-3.4
Administrative and Waste services	8,094	7.4	9,258	8.0	14.4
Educational services	3,542	3.2	3,679	3.2	3.9
Health Care and Social Assistance	22,588	20.6	22,429	19.4	-0.7
Arts, Entertainment, Recreation	2,152	2.0	2,379	2.1	10.5
Accommodation and Food services	10,002	9.1	11,744	10.1	17.4
Other Services	5,103	4.6	5,409	4.7	6.0
Unclassified	464	0.4	577	0.5	24.4
<b>Total (private)</b>	<b>109,816</b>		<b>115,768</b>		<b>5.4</b>

Source: Bureau of Labor Statistics

## Unemployment trends

Unemployment trends for the City of Richmond are illustrated in the table, below. Rates for Virginia and for the U.S. as a whole are also shown, for reference. Here it is seen that the most recent annual unemployment rate for the City is 3.4 percent, down from 5.3 percent the previous year, and from 9.1 the year before that. As can be seen, this pattern is repeated at the state and national level over this period.

Table 4 - Unemployment trends

	Richmond		
	<u>City</u>	<u>Virginia</u>	<u>U.S.</u>
2013	6.6%	5.6%	7.4%
2014	6.0%	5.1%	6.2%
2015	5.1%	4.4%	5.3%
2016	4.6%	4.0%	4.9%
2017	4.3%	3.7%	4.4%
2018	3.6%	3.0%	3.9%
2019	3.3%	2.8%	3.7%
2020	9.1%	6.2%	8.1%
2021	5.3%	3.9%	5.3%
2022	3.4%	2.9%	3.6%

Source: Bureau of Labor Statistics



## Major Employers

The major private employers in the Richmond area are listed in Table 5, below. The major private employers in the Richmond area are listed in Table 5, below. Here it is seen that the largest single employers include local hospitals and healthcare systems, in addition to the local public schools, and local government.

Table 5 - Major Employers

<u>Employer Name</u>	<u>Product/Service</u>	<u>Employees</u>
VCU Health	Health care	13,500
Capital One Financial	Financial services	13,000
HCA Virginia Health System	Health care	11,200
Bon Secours Richmond	Health care	8,516
Virginia Commonwealth University	Education	7,832
Dominion Energy	Energy Services	5,433
Amazon	Online retailer	5,100
Truist	Financial services	4,549
Altria Group	Tobacco products	3,850
Federal Reserve Bank, Richmond	Federal Reserve Bank	2,700
Anthem Blue Cross Blue Shield	Health insurance	2,655
Wells Fargo	Financial services	2,582
CarMax	Auto sales	2,475
DuPont	Chemicals and fibers	2,436
United Parcel Service	Package distribution	2,250
Bank of America	Financial services	1,921
Markel	Specialty insurance	1,886
CoStar Group	Real Estate information	1,800
Verizon Communications	Telecommunications	1,700
University of Richmond	Education	1,578

Source: Greater Richmond Partnership

The Virginia Economic Development Partnership reports a total of 3,397 new jobs added at 22 locations in recent years (since 2020). The most significant of these was a 641 person expansion at CoStar

With respect to closures and layoffs, the Virginia Economic Development Partnership reports none in Richmond since 2020.

The proposed development is not located in a market - such as a resort area - that would need housing for employees in such a specific market, although, as noted, the tourism industry is significant.

#### Wages by Industry Sector

Information on wages, by employment sector, for the City of Richmond is set out in Table 6, below. Here, average wages show some variation - both between sectors and also over time - with average wages increasing by 4.3 percent between 2021 and 2022.

Table 6 - Average Wages by Industry Sector

	<u>2021</u>	<u>2022</u>	<u>pct change</u>
Agriculture, Forestry, etc	\$793	\$750	-5.4
Mining, etc.	\$2,034	\$2,268	11.5
Utilities	\$2,398	\$2,433	1.5
Construction	\$1,229	\$1,328	8.1
Manufacturing	\$1,426	\$1,490	4.5
Wholesale trade	\$1,452	\$1,528	5.2
Retail trade	\$698	\$731	4.7
Transp. and Warehousing	\$1,142	\$1,213	6.2
Information	\$1,528	\$1,763	15.4
Finance and Insurance	\$2,759	\$2,973	7.8
Real estate	\$1,436	\$1,666	16.0
Professional and Technical services	\$2,188	\$2,290	4.7
Management	\$2,822	\$2,806	-0.6
Administrative and Waste services	\$964	\$1,130	17.2
Educational services	\$1,202	\$1,233	2.6
Health Care and Social Assistance	\$1,222	\$1,267	3.7
Arts, Entertainment, Recreation	\$581	\$598	2.9
Accommodation and Food services	\$494	\$532	7.7
Other Services	\$972	\$1,034	6.4
Unclassified	\$1,230	\$1,173	-4.6
<b>Total</b>	<b>\$1,443</b>	<b>\$1,505</b>	<b>4.3</b>

Source: Virginia Labor Market Information

Commuting patterns

Based on data from the American Community Survey, 60.1 percent of workers resident in Richmond were employed in Richmond, with 39.9 percent employed elsewhere. The average driving time to work for residents of Richmond was 22.0 minutes, compared with 27.9 minutes for Virginia as a whole.

Table 7 - Commuting Data

	<u>number</u>	<u>percent</u>
Total Workers	119,758	100.0
Worked in Place of residence	71,975	60.1
Worked in County of residence	71,975	60.1
Worked outside Place of residence	47,783	39.9
Worked outside County of residence	47,783	39.9
Mean travel time to work (minutes)	22.0	

Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis

Commuting patterns data are no longer provided in the Decennial Census. Here, data are obtained from the LEHD Origin-Destination Statistics program available from the Census Bureau’s OnTheMap application. These data, on commuting patterns for persons who live and/or work in the Richmond area are set out, below.

Here it is seen that many persons who work in the City of Richmond commute into the City from, as one would expect, the neighboring counties of Chesterfield and Henrico. Likewise, many residents of Richmond commute to work in those adjacent counties.

Table 8 - Commuting Patterns

<b>Working in Richmond</b>	<b>32,550</b>
<b>Where Richmond workers are commuting from:</b>	
Henrico County	32,611
Chesterfield County	31,748
Hanover County	8,742
Fairfax County	2,729
Powhatan County	2,018
Goochland County	1,637
Virginia Beach City	1,632
Prince William County	1,503
Loudon County	1,468
Elsewhere	36,616
<b>Where Richmond residents are commuting to:</b>	
Henrico County	23,673
Chesterfield County	13,519
Hanover County	4,641
Fairfax County	3,340
Goochland County	2,117
Virginia Beach City	902
Loudon County	758
Norfolk City	727
Albemarle County	649
Elsewhere	14,199

Source: LEHD Origin-Destination Statistics program/OnTheMap; T.Ronald Brown: Research & Analysis

It is expected that the local economic conditions will not likely have a direct positive or negative impact on the subject property, to any significant extent.

G. DEMOGRAPHIC CHARACTERISTICS

Population and Household Trends

In 2010, the population of the City of Richmond was 204,214, and in 2020 the population was recorded as 226,610. Population projections for Richmond are provided by the Virginia State Data Center. Based on these data, the population of the area is projected to be 233,961 by 2024, and to be around 243,486 in 2029.

In 2010, the population of the market area was 49,857, and in 2020 the population was recorded as 57,006. Population projections for the market area are based on the average of several small area population projection techniques using census tract trends for 2010 to 2020 in both the City of Richmond, corrected for the official State Data Center numbers for those areas. Based on these data, the population of the area is projected to be 59,325 by 2024, and to be around 62,407 by 2029.

Information on population trends and changes between 2000 and 2029 are set out in Table 9, below.

Table 9- Population Trends

	Market Area	Richmond City
2000	48,048	197,790
2010	49,857	204,214
2020	57,006	226,610
2024	59,325	233,961
2029	62,407	243,486
<b>absolute change</b>		
2000-2010	1,809	6,424
2010-2020	7,149	22,396
2020-2024	2,319	7,351
2024-2029	3,082	9,525
<b>annual change</b>		
2000-2010	181	642
2010-2020	715	2,240
2020-2024	580	1,838
2024-2029	616	1,905

Source: 2000, 2010, and 2020 Census; Virginia State Data Center; T.Ronald Brown: Research & Analysis

Projections of the number of households for the market area and the City of Richmond are set out in Table 10, below.

In 2010, there were 87,151 households in Richmond and 102,359 in 2020. Based on the population projections set out, above, there will be around 107,785 households in 2024 and 114,964 in 2029.

There were 18,947 households in the market area in 2010, and 22,823 in 2020. Projections show around 24,300 and 26,314 households in 2024 and 2029, respectively.

Table 10 - Household Trends

	Market Area	Richmond City
2000	18,756	84,549
2010	18,947	87,151
2020	22,823	102,359
2024	24,300	107,785
2029	26,314	114,964
absolute change		
2000-2010	191	2,602
2010-2020	3,876	15,208
2020-2024	1,477	5,426
2024-2029	2,014	7,179
annual change		
2000-2010	19	260
2010-2020	388	1,521
2020-2024	369	1,357
2024-2029	403	1,436

Source: 2000, 2010, and 2020 Census; Virginia State Data Center; T.Ronald Brown: Research & Analysis

## Population and household characteristics

## Age distribution

The distribution of the population, by age, for the market area and the City of Richmond is set out in Table 11, below. These data are from the 2020 Census.

Table 11 - Age Distribution

	Market Area		Richmond City	
	number	percent	number	percent
Under 5 years	4,057	7.1	12,421	5.5
5 to 9 years	4,137	7.3	10,900	4.8
10 to 14 years	3,822	6.7	9,930	4.4
15 to 19 years	3,222	5.7	14,899	6.6
20 to 24 years	4,163	7.3	25,551	11.3
25 to 29 years	5,785	10.1	27,973	12.3
30 to 34 years	5,098	8.9	22,289	9.8
35 to 39 years	4,267	7.5	15,778	7.0
40 to 44 years	3,325	5.8	11,268	5.0
45 to 49 years	2,864	5.0	10,132	4.5
50 to 54 years	3,047	5.3	10,936	4.8
55 to 59 years	3,279	5.8	12,317	5.4
60 to 64 years	3,309	5.8	12,342	5.4
65 to 69 years	2,570	4.5	10,724	4.7
70 to 74 years	1,854	3.3	8,043	3.5
75 to 79 years	921	1.6	4,733	2.1
80 to 84 years	625	1.1	2,930	1.3
85 years and over	661	1.2	3,444	1.5
55 and older	13,219	23.2	54,533	24.1
65 and older	6,631	11.6	29,874	13.2
Total	57,006		226,610	

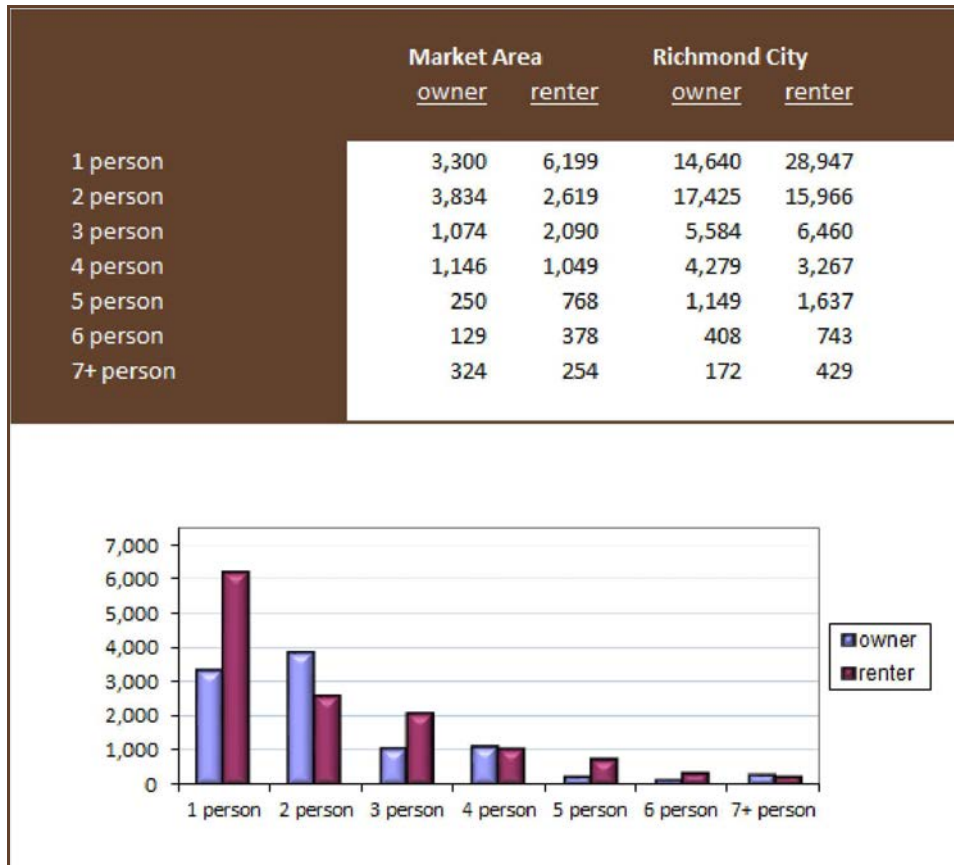
Source: 2020 Census; T.Ronald Brown: Research & Analysis



Household size

Table 12 below, sets out household size, by tenure, for households in the market area and the City of Richmond.

Table 12 - Household Size



Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis



Tenure

Table 13, below, sets out the number and proportion of owner and renter households for the market area and the City of Richmond. In the years beyond 2020, the tenure proportions are based on 2010 to 2020 tenure trends. In 2020, 62.6 percent of households in Richmond were renters, and 66.2 percent of households in the market area were renters.

Table 13 - Tenure

Market Area	population	households	persons per household	Owner-occupied		Renter-occupied	
				number	percent	number	percent
2000	48,048	18,756	2.56	8,833	47.1	9,923	52.9
2010	49,857	18,947	2.63	8,092	42.7	10,855	57.3
2020	57,006	22,823	2.50	7,715	33.8	15,108	66.2
2024	59,325	24,300	2.44	7,258	29.9	17,042	70.1
2029	62,407	26,314	2.37	6,477	24.6	19,837	75.4

Richmond City	population	households	persons per household	Owner-occupied		Renter-occupied	
				number	percent	number	percent
2000	197,790	84,549	2.34	39,008	46.1	45,541	53.9
2010	204,214	87,151	2.34	37,596	43.1	49,555	56.9
2020	226,610	102,359	2.21	38,282	37.4	64,077	62.6
2024	233,961	107,785	2.17	37,666	34.9	70,119	65.1
2029	243,486	114,964	2.12	36,491	31.7	78,473	68.3

Source: 2000, 2010, and 2020 Census; Virginia State Data Center; T.Ronald Brown: Research & Analysis

Income Distribution

The distribution of household incomes for the market area and the City of Richmond are set out in Table 14, below. These figures are taken from the 2017 to 2021 American Community Survey, and as such are subject to the limitations imposed by this source.

The median household income for Richmond is around \$59,606. The median income for the market area is estimated at \$48,306.

The median income for the census tract in which the site of the proposed development is located is estimated to be around \$44,978 - based on the American Community Survey data.

Table 14 - Household Income

	Market area		Richmond City	
	number	percent	number	percent
less than \$10,000	1,832	7.9	7,803	7.7
\$10,000 to \$14,999	1,306	5.6	5,726	5.7
\$15,000 to \$19,999	976	4.2	4,387	4.3
\$20,000 to \$24,999	1,002	4.3	4,299	4.2
\$25,000 to \$29,999	1,407	6.1	4,677	4.6
\$30,000 to \$34,999	1,227	5.3	4,182	4.1
\$35,000 to \$39,999	1,445	6.2	4,351	4.3
\$40,000 to \$44,999	1,430	6.2	4,602	4.5
\$45,000 to \$49,999	1,441	6.2	4,485	4.4
\$50,000 to \$59,999	1,702	7.3	6,284	6.2
\$60,000 to \$74,999	2,701	11.7	10,343	10.2
\$75,000 to \$99,999	2,939	12.7	11,689	11.6
\$100,000 to \$124,999	1,498	6.5	7,235	7.1
\$125,000 to \$149,999	840	3.6	5,336	5.3
\$150,000 to \$199,999	950	4.1	6,556	6.5
\$200,000 or more	472	2.0	9,246	9.1
median income	\$48,306 *		\$59,606	

\* Estimate

Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis

Renter Income

The distribution of household incomes for renter households for the market area and the City of Richmond are set out in Table 15, below. These figures are also taken from the 2017 to 2021 American Community Survey.

The median renter household income for Richmond is around \$41,998. The median renter income for the market area is estimated at \$41,868.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around \$42,712 - based on the American Community Survey data.

Table 15 - Household Income, Renter Households

	Market area		Richmond City	
	number	percent	number	percent
less than \$10,000	1,389	10.4	6,429	11.2
\$10,000 to \$19,999	1,587	11.9	8,180	14.2
\$20,000 to \$34,999	2,534	19.0	9,509	16.6
\$35,000 to \$49,999	2,550	19.1	9,043	15.7
\$50,000 to \$74,999	2,451	18.3	10,017	17.4
\$75,000 to \$99,999	1,397	10.5	6,281	10.9
\$100,000 or more	1,449	10.8	7,990	13.9
median income	\$41,868 *		\$42,998	

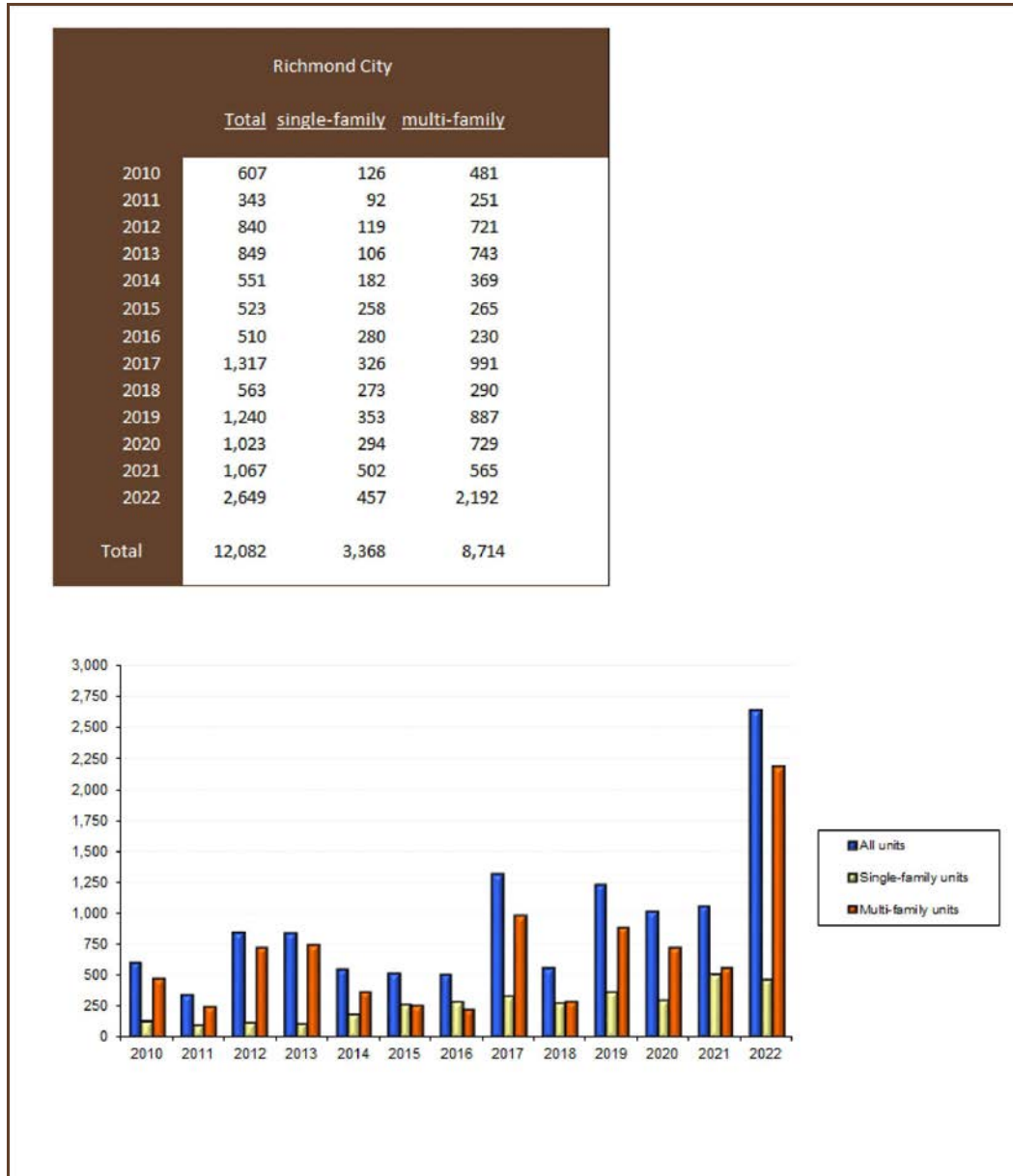
\* Estimate

Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis

Building permit trends

Table 16 below gives details of residential construction in the City of Richmond since 2010. Where the data exist, it can be seen that a total of 12,082 units were added in the City, of which 8,714 were multi-family units. No data exist for the market area.

Table 16 - Residential Construction Since 2010



Source: Current Construction Reports, Bureau of the Census; T. Ronald Brown: Research & Analysis

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## H. COMPETITIVE ENVIRONMENT

There are several apartment complexes located in the southside Richmond market area, as defined. These include conventional/market rate properties, properties financed with low income housing tax credits, and some subsidized housing for very low income households.

Based on information from Virginia Housing, our research has identified the following as the significant (non-elderly, unsubsidized) properties that have been financed with tax credits in the market area for the proposed development.

Belle Summit (50 units)  
Chicago Manor (74 units) [a/r]  
City View Place (32 units)  
Foxwood (60 units) [a/r]  
Graystone Place (136 units) [a/r]  
Hatcher Tobacco Lofts (150 units)  
Heights at Brady Square (I-IV) (264 units)  
Linden at Forest Hill (102 units) [a/r]  
McGuire Park (80 units) [a/r]  
Miller Lofts at Planet Zero (197 units) [a/r]  
Mirage Manchester (139 units) [a/r]  
New Manchester Flats (376 units) [a/r]  
Old Manchester Plaza (46 units)  
Port City Lofts I-II (135 units) [a/r]  
South Gate (112 units) [a/r]  
Swansboro (62 units) [a/r]  
Townes at River South (161 units)  
Tuscany Townhomes (132 units) [a/r]  
Venus at Manchester (68 units)  
View at Belle Isle (116 units)  
Village South (121 units) [a/r]

It is significant to note that the vast majority of tax credit financed properties in the area are the acquisition and rehabilitation [a/r] of older properties. Many of these are relatively large and are typically lacking in amenities, reflecting their age. As such these are considered less comparable to newly constructed properties. Nonetheless, given their preponderance in the market we have surveyed a representative proportion of them.

The closest potentially comparable apartments to the proposed development are the Heights at Brady Square - which is planned to offer 264 units at a site to the north of the proposed development. One other comparable tax credit property that is in the development pipeline is the 116-unit View at Belle Isle complex which is to be developed at a site on the 800 block of Hull Street. Construction is due to commence in April 2024, and to be complete within two years.

There are many market rate properties in the area - again, many of these are old-established developments that are lacking modern amenities. The Lynhaven Apartments is one such property that is located across Lynhaven Avenue from the site of the proposed development. There, there are 26 units, originally built in 1965. It should be noted that new properties have been developed, and are continuing to be developed, in the Old Town Manchester area, just south of the James River, across from downtown Richmond.

Our survey includes a sample of market rate properties in the market area, including some older properties located in the general vicinity of the site of the proposed development.

Based on our survey, there is a market-wide occupancy rate of 93.4 percent.

Occupancy at tax credit properties is found to be 92.6 percent.

Occupancy at the various market rate properties in the market area is seen to be 94.3 percent.

In order to determine market rents, a sample of comparable market area properties were identified. The projects selected were chosen on the basis of age, location, and bedroom mix. Information for units at these various properties are summarized below.

Table 17 - Market Rate Properties

<u>Property</u>	<u>Year built</u>	<u>Two-bedroom rents</u>	<u>Three-bedroom rents</u>
908 Perry Street	2012	\$1,695	
Hopper Lofts	2013	\$1,260-1,462	
Link	2012	\$1,633	
Model Tobacco	2022	\$1,790-2,400	\$2,345-2,545

Source: Apartment Managers; T.Ronald Brown: Research & Analysis

The location, rent levels, unit size, age, features, and amenities were analyzed in order to try to establish an estimate of market rent levels for the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around, around \$1,584 for a two-bedroom unit, and \$2,311 for a three-bedroom unit.

The various complexes surveyed are summarized as follows (tax credit properties are shown in bold face):

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
908 Perry Street	Conventional	2012	44	2	95.5
<b>Belle Summit</b>	<b>LIHTC</b>	<b>2014</b>	<b>50</b>	<b>1</b>	<b>98.0</b>
<b>City View Place</b>	<b>LIHTC</b>	<b>2012</b>	<b>32</b>	<b>3</b>	<b>90.6</b>
Deering Manor	Conventional	1966	168	1	99.4
<b>Hatcher Tobacco Lofts</b>	<b>LIHTC</b>	<b>2015</b>	<b>153</b>	<b>n/a</b>	<b>n/a</b>
<b>Heights at Brady Square</b>	<b>LIHTC</b>	<b>2024-2025</b>	<b>264</b>	<b>n/a</b>	<b>n/a</b>
Hopper Lofts	Conventional	2013	149	18	87.9
James River Villas	Conventional	1947	232	5	97.8
<b>Linden at Forest Hill</b>	<b>LIHTC</b>	<b>1968</b>	<b>102</b>	<b>7</b>	<b>93.1</b>
Link Manchester	Conventional	2012	187	9	95.2
<b>Miller Lofts at Plant Zero</b>	<b>LIHTC</b>	<b>2014</b>	<b>197</b>	<b>15</b>	<b>92.4</b>
<b>Mirage Manchester</b>	<b>LIHTC</b>	<b>2020</b>	<b>139</b>	<b>18</b>	<b>87.1</b>
Model Tobacco	Conventional	2022	203	24	88.2
<b>New Manchester Flats</b>	<b>LIHTC</b>	<b>2009-2011</b>	<b>376</b>	<b>42</b>	<b>88.8</b>
<b>Port City Lofts I</b>	<b>LIHTC</b>	<b>2018</b>	<b>135</b>	<b>6</b>	<b>95.6</b>
<b>Port City Lofts II</b>	<b>LIHTC</b>	<b>2021</b>	<b>147</b>	<b>12</b>	<b>91.8</b>
<b>Towns at River South</b>	<b>LIHTC</b>	<b>2001-2004</b>	<b>160</b>	<b>0</b>	<b>100.0</b>
Townhouses of Chesterfield I	Conventional	1968	129	9	93.0
Townhouses of Chesterfield II	Conventional	1968	263	11	95.8
<b>Venus at Manchester</b>	<b>LIHTC</b>	<b>2005</b>	<b>68</b>	<b>0</b>	<b>100.0</b>
<b>View at Belle Isle</b>	<b>LIHTC</b>	<b>2026</b>	<b>116</b>	<b>n/a</b>	<b>n/a</b>



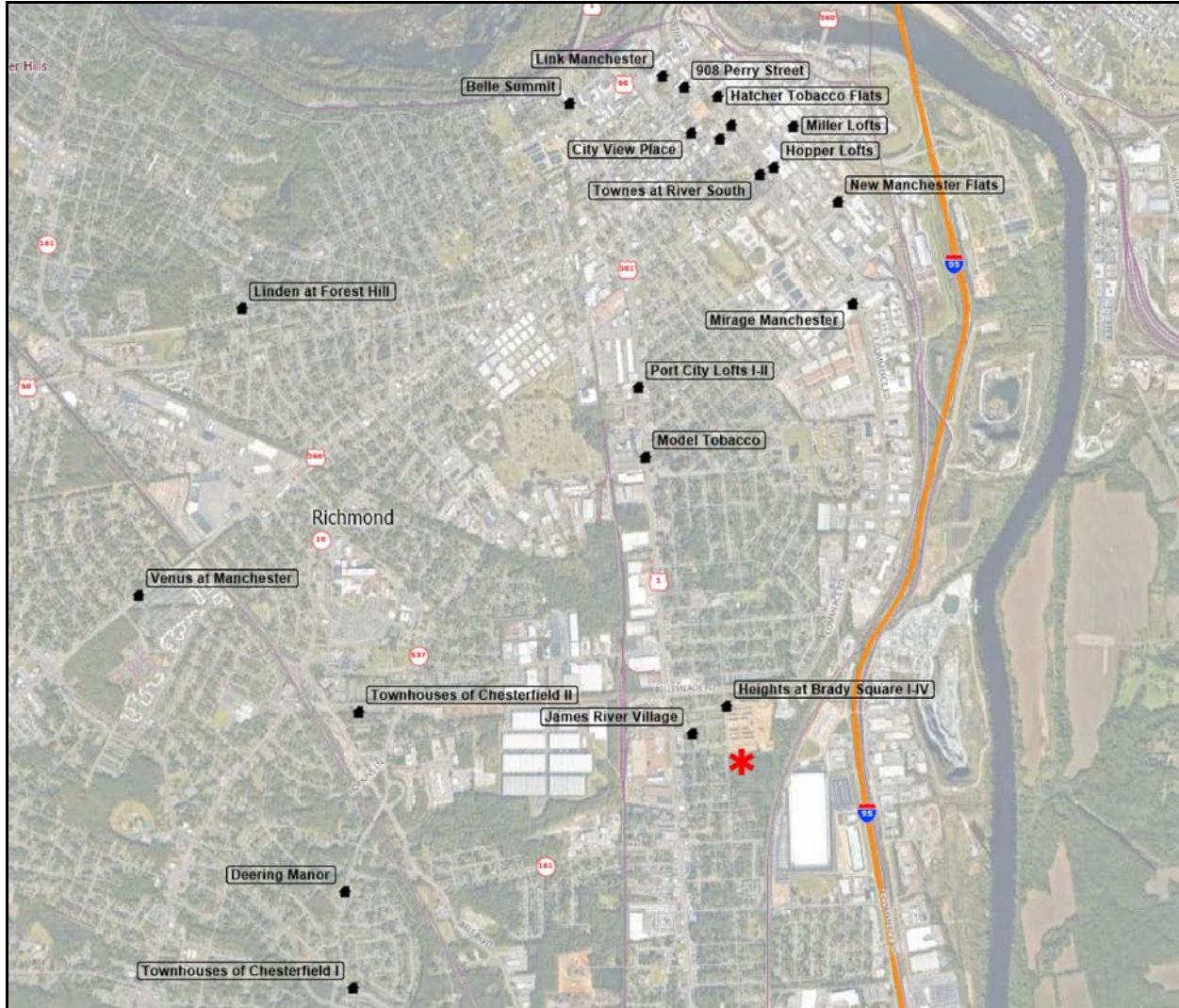
	0 br/1ba			1 br/1ba		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
<b>Lynhaven Ridge</b>						
908 Perry Street					600-900	\$1,255
<b>Belle Summit</b>				10	556	\$658-859
<b>City View Place</b>						
Deering Manor						
<b>Hatcher Tobacco Lofts</b>				31	586-776	
<b>Heights at Brady Square</b>				52	525-610	
Hopper Lofts				124	497-796	
James River Villas				9	552	\$950
<b>Linden at Forest Hill</b>				58	535-600	\$1,050
Link Manchester				142	645-739	\$1,283-1,643
<b>Miller Lofts at Plant Zero</b>				100	650-1,231	\$1,074
<b>Mirage Manchester</b>					493-751	\$1,100
Model Tobacco		608	n/a		788-943	\$1,425-1,575
<b>New Manchester Flats</b>					583-640	\$474-1,485
<b>Port City Lofts I</b>				65	622-764	\$800-1,600
<b>Port City Lofts II</b>				109	699	\$800-1,400
<b>Towns at River South</b>						
Townhouses of Chesterfield I		400	\$715		750	\$925
Townhouses of Chesterfield II		365	\$715	5	550-850	\$925
<b>Venus at Manchester</b>				5	625-797	\$708-908
<b>View at Belle Isle</b>				85	500-650	\$1,087

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft.)	rent	number	size (sq. ft.)	rent
<b>Lynhaven Ridge</b>	20	1,023	\$571-1,051			
908 Perry Street					1,000-1,144	\$1,255
<b>Belle Summit</b>				30	891	\$779-1,018
<b>City View Place</b>	14	927	\$960-1,200			
Deering Manor	168	652	\$889-962			
<b>Hatcher Tobacco Lofts</b>				93	946-1,161	
<b>Heights at Brady Square</b>	160	752-826				
Hopper Lofts				35	745-928	\$1,260-1,462
James River Villas	206	672	\$1,100			
<b>Linden at Forest Hill</b>	44	771	\$1,250			
Link Manchester				45	953-1,111	\$1,633-1,738
<b>Miller Lofts at Plant Zero</b>				97	850-1,039	\$1,279
<b>Mirage Manchester</b>		866	\$1,300			
Model Tobacco					843-1,434	\$1,790-2,400
<b>New Manchester Flats</b>					740-1,090	\$559-1,539
<b>Port City Lofts I</b>				69	879-1,123	\$720-1,920
<b>Port City Lofts II</b>				37	1,106	\$1,200-1,920
<b>Towns at River South</b>				68	900-985	\$1,036
<b>Townhouses of Chesterfield I</b>		958	\$1,100			
Townhouses of Chesterfield II	256	985-1,120	\$1,120			
<b>Venus at Manchester</b>				46	866-1,165	\$845-1,085
<b>View at Belle Isle</b>				31	856	\$1,305



	3 br/1-1½ ba			3 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
<b>Lynhaven Ridge</b>				30	1,237	\$1,213-1,550
908 Perry Street						
<b>Belle Summit</b>				10	1,116	\$856-1,164
<b>City View Place</b>				18	1,207	\$1,109-1,386
Deering Manor						
<b>Hatcher Tobacco Lofts</b>				28	1,028-1,174	
<b>Heights at Brady Square</b>				52	898-962	
Hopper Lofts						
James River Villas	9	792	\$1,200			
<b>Linden at Forest Hill</b>						
Link Manchester						
<b>Miller Lofts at Plant Zero</b>						
<b>Mirage Manchester</b>						
Model Tobacco					1,142-1,519	\$2,345-2,545
<b>New Manchester Flats</b>						
<b>Port City Lofts I</b>				1	1,219	\$1,663
<b>Port City Lofts II</b>				1	1,016	\$1,940
<b>Towns at River South</b>				77	1,202	\$1,192
Townhouses of Chesterfield I		1,165	\$1,275			
Townhouses of Chesterfield II	2	1,200-1,600	\$1,275			
<b>Venus at Manchester</b>				17	1,020-1,450	\$971-1,248
<b>View at Belle Isle</b>						

Apartment locations





**908 Perry Street**

Location: 908 Perry Street

Financing: Conventional

Year Built: 2012

Total Units: 44

Vacant units: 2 95.5% occupied

Telephone: 804.643.3098

Management: Monroe Properties  
[2/12]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1		600-900	\$1,255	\$1.67	Microwave ● Dishwasher ● Washer/dryer ●
2/2		1,000-1,144	\$1,695	\$1.58	Washer/dryer hook-up ● 9' Ceilings High-end kitchen Wood/style floors Fireplaces Patios/balconies ●
					<u>Community Amenities</u>
					Clubhouse/community room ●
					Fitness center ●
					Business center
					Pool
					Playground
					Controlled access/gated ●
					Elevator
					Garages ●
					Storage
					Laundry
					<u>Utilities in Rent</u>
					Water ●
					Sewer ●
					Trash ●



**Belle Summit**

Location: 600 Cowardin Avenue

Financing: LIHTC

Year Built: 2014

Total Units: 50

Vacant units: 1 98.0% occupied (waiting list)

Telephone: 804.231.7068

Management: Excel Property Management [2/12]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	1	556	40%	\$658	\$141	\$1.18	Microwave ●
1/1	9	556	50%	\$859	\$141	\$1.54	Dishwasher ●
							Washer/dryer ●
							Washer/dryer hook-up ●
2/2	3	891	40%	\$779	\$181	\$0.87	9' Ceilings
2/2	27	891	50%	\$1,018	\$181	\$1.14	High-end kitchen
							Wood/style floors
3/2	1	1,116	40%	\$856	\$222	\$0.77	Fireplaces
3/2	9	1,116	50%	\$1,164	\$222	\$1.04	Patios/balconies
							<u>Community Amenities</u>
							Clubhouse/community room ●
							Fitness center ●
							Business center ●
							Pool
							Playground
							Controlled access/gated ●
							Elevator ●
							Garages ●
							Storage ●
							Laundry ●
							<u>Utilities in Rent</u>
							Water
							Sewer
							Trash ●





**City View Place**

Location: 1000 Bainbridge Street

Financing: LIHTC

Year Built: 2012

Total Units: 32

Vacant units: 3 90.6% occupied (waiting list)

Telephone: 804.303.5984

Management: Woda Management [2/12]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/1½	3	927	40%	\$960	\$181	\$1.04	Microwave ●
2/1½	11	927	50%	\$1,200	\$181	\$1.29	Dishwasher ●
							Washer/dryer ●
							Washer/dryer hook-up ●
3/2	2	1,207	40%	\$1,109	\$222-226	\$0.92	9' Ceilings
3/2	16	1,207	50%	\$1,386	\$222-226	\$1.15	High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies ●
							<u>Community Amenities</u>
							Clubhouse/community room ●
							Fitness center ●
							Business center
							Pool
							Playground ●
							Controlled access/gated
							Elevator
							Garages
							Storage ●
							Laundry ●
							<u>Utilities in Rent</u>
							Water
							Sewer
							Trash ●



**Deering Manor**

Location: 2720 Hopkins Road

Financing: Conventional

Year Built: 1966

Total Units: 168

Vacant units: 3 98.2% occupied

Telephone: 804.635.3699

Management: Thalhimer

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
2/1	168	652	\$889-962	\$1.42	<ul style="list-style-type: none"> <li>Microwave</li> <li>Dishwasher ●</li> <li>Washer/dryer</li> <li>Washer/dryer hook-up</li> <li>9' Ceilings</li> <li>High-end kitchen</li> <li>Wood/style floors</li> <li>Fireplaces</li> <li>Patios/balconies</li> </ul>
					<u>Community Amenities</u>
					Clubhouse/community room
					Fitness center
					Business center
					Pool ●
					Playground ●
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry ●
					<u>Utilities in Rent</u>
					Water ●
					Sewer ●
					Trash ●



**Hatcher Tobacco Lofts**

Location: 151 West Commerce Road

Financing: LIHTC

Year Built: 2015

Total Units: 153

Vacant units: n/a n/a occupied

Telephone: 804.977.9872

Management: Genesis Properties

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	15	586-776	40%	n/a	n/a	n/a	Microwave ●
1/1	16	586-776	50%	n/a	n/a	n/a	Dishwasher ●
							Washer/dryer ●
							Washer/dryer hook-up ●
2/2	93	946-1,161	50%	n/a	n/a	n/a	9' Ceilings
							High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies ●
							<u>Community Amenities</u>
							Clubhouse/community room ●
							Fitness center ●
							Business center
							Pool
							Playground
							Controlled access/gated ●
							Elevator ●
							Garages
							Storage
							Laundry
							<u>Utilities in Rent</u>
							Water
							Sewer
							Trash



**Heights at Brady Square**

Location: 2200 Brady Street

Financing: LIHTC  
 Year Built: 2024-2025  
 Total Units: 264  
 Vacant units: n/a

Telephone:  
 Management:

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	1	526	30%			
1/1	1	583	40%			
1/1	12	578-610	50%			
1/1	38	525-610	60%			
2/1½	5	752-788	30%			
2/1½	5	788	40%			
2/1½	3	788	50%			
2/1½	120	752-826	60%			
3/2	1	898	30%			
3/2	1	939	40%			
3/2	10	939-941	50%			
3/2	40	898-962	60%			

Information provided by Virginia Housing

Unit Amenities

- Microwave
- Dishwasher
- Washer/dryer
- Washer/dryer hook-up
- 9' Ceilings
- High-end kitchen
- Wood/style floors
- Fireplaces
- Patios/balconies

Community Amenities

- Clubhouse/community room
- Fitness center
- Business center
- Pool
- Playground
- Controlled access/gated
- Elevator
- Garages
- Storage
- Laundry

Utilities in Rent

- Water
- Sewer
- Trash





**Hopper Lofts**

Location: 700 Everett Street

Financing: Conventional

Year Built: 2013

Total Units: 149

Vacant units: 18 87.9% occupied

Telephone: 804.230.5999

Management: RPM

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	124	497-796	\$1,091-1,377	\$1.91	<ul style="list-style-type: none"> <li>Microwave •</li> <li>Dishwasher •</li> <li>Washer/dryer •</li> <li>Washer/dryer hook-up •</li> <li>9' Ceilings</li> <li>High-end kitchen</li> <li>Wood/style floors •</li> <li>Fireplaces</li> <li>Patios/balconies •</li> </ul>
2/2	35	745-928	\$1,260-1,462	\$1.63	<ul style="list-style-type: none"> <li>Community Amenities</li> <li>Clubhouse/community room •</li> <li>Fitness center •</li> <li>Business center</li> <li>Pool</li> <li>Playground</li> <li>Controlled access/gated •</li> <li>Elevator •</li> <li>Garages</li> <li>Storage</li> <li>Laundry •</li> <li>Utilities in Rent</li> <li>Water</li> <li>Sewer</li> <li>Trash •</li> </ul>



**James River Villas**

Location: 2500 Atwell Drive

Financing: Conventional

Year Built: 1947

Total Units: 232

Vacant units: 5 97.8% occupied

Telephone: 844.216.1619

Management: Thalhimer

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
1/1	9	552	\$950	\$1.72	Microwave Dishwasher • Washer/dryer •
2/1	206	672	\$1,100	\$1.64	Washer/dryer hook-up 9' Ceilings High-end kitchen Wood/style floors Fireplaces Patios/balconies •
3/1	9	792	\$1,200	\$1.52	
					<u>Community Amenities</u>
					Clubhouse/community room Fitness center Business center Pool Playground • Controlled access/gated Elevator Garages Storage Laundry
					<u>Utilities in Rent</u>
					Water Sewer Trash •



**Linden at Forest Hill**

Location: 205 Roanoke Avenue

Financing: LIHTC  
 Year Built: 1968  
 Total Units: 102  
 Vacant units: 7

93.1% occupied (waiting list)

Telephone: 804.485.1493  
 Management: Franklin Johnston Group  
 [2/14]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	58	535-600		\$1,050	\$107	\$1.85	Microwave Dishwasher Washer/dryer
2/1	44	771		\$1,250	\$132	\$1.62	Washer/dryer hook-up 9' Ceilings High-end kitchen Wood/style floors • Fireplaces Patos/balconies
							<u>Community Amenities</u>
							Clubhouse/community room Fitness center Business center Pool Playground Controlled access/gated Elevator Garages Storage Laundry •
							<u>Utilities in Rent</u>
							Water • Sewer • Trash •





**Miller Lofts at Plant Zero**

Location: 500 Stockton Street

Financing: LIHTC  
 Year Built: 2014  
 Total Units: 197  
 Vacant units: 15      92.4% occupied

Telephone: 804.205.1273  
 Management: Drucker + Falk  
 [2/13]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	88	650-721	60%	\$1,074	\$114	\$1.85	Microwave ●
1/1	12	1,231	60%	\$1,074	\$114	\$0.87	Dishwasher ●
							Washer/dryer ●
							Washer/dryer hook-up ●
2/2	27	850-1,039	60%	\$1,279	\$132	\$1.35	9' Ceilings
2/2	70	850-1,039	60%	\$1,279	\$132	\$1.35	High-end kitchen
							Wood/style floors ●
							Fireplaces
							Patios/balconies ●
							<u>Community Amenities</u>
							Clubhouse/community room ●
							Fitness center ●
							Business center ●
							Pool ●
							Playground ●
							Controlled access/gated ●
							Elevator
							Garages
							Storage
							Laundry
							<u>Utilities in Rent</u>
							Water
							Sewer
							Trash ●



**Mirage Manchester**

Location: 1125 Commerce Road

Financing: LIHTC  
 Year Built: 2020  
 Total Units: 139  
 Vacant units: 18      87.1% occupied

Telephone: 804.889.2467  
 Management: Steel Head  
 [2/12]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1½		493-751	60%	\$1,100	\$83	\$1.77	<ul style="list-style-type: none"> <li>Microwave ●</li> <li>Dishwasher ●</li> <li>Washer/dryer ●</li> </ul>
2/1½		866	60%	\$1,300	\$112	\$1.50	<ul style="list-style-type: none"> <li>Washer/dryer hook-up ●</li> <li>9' Ceilings ●</li> <li>High-end kitchen ●</li> <li>Wood/style floors</li> <li>Fireplaces</li> <li>Patios/balconies</li> </ul>
							<u>Community Amenities</u>
							<ul style="list-style-type: none"> <li>Clubhouse/community room ●</li> <li>Fitness center ●</li> <li>Business center ●</li> <li>Pool ●</li> <li>Playground</li> <li>Controlled access/gated ●</li> <li>Elevator</li> <li>Garages</li> <li>Storage</li> <li>Laundry</li> </ul>
							<u>Utilities in Rent</u>
							<ul style="list-style-type: none"> <li>Water</li> <li>Sewer</li> <li>Trash</li> </ul>





**Model Tobacco**

Location: 1100 Richmond Highway

Financing: Conventional

Year Built: 2022

Total Units: 203

Vacant units: 24 88.2% occupied

Telephone: 804.509.2950

Management: WPM

[2/12]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
0/1		608	n/a	n/a	Microwave • Dishwasher • Washer/dryer
1/1		788-943	\$1,425-1,575	\$1.73	Washer/dryer hook-up 9' Ceilings •
2/2		843-1,434	\$1,790-2,400	\$1.84	High-end kitchen Wood/style floors
3/2-3		1,142-1,519	\$2,345-2,545	\$1.84	Fireplaces Patios/balconies •
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center •
					Business center
					Pool •
					Playground
					Controlled access/gated
					Elevator •
					Garages •
					Storage •
					Laundry
					<u>Utilities in Rent</u>
					Water
					Sewer
					Trash



**New Manchester Flats**

Location: E. 4th Street and E 6th Street

Financing: LIHTC

Year Built: 2009-2011

Total Units: 376

Vacant units: 42 88.8% occupied

Telephone: 804.205.1235

Management: Drucker + Falk  
[2/12]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1-1½		583-640	30% - mkt	\$474-1,485		\$1.60	<ul style="list-style-type: none"> <li>Microwave ●</li> <li>Dishwasher ●</li> <li>Washer/dryer ●</li> </ul>
2/1-2		740-1,090	30% - mkt	\$559-1,539		\$1.15	<ul style="list-style-type: none"> <li>Washer/dryer hook-up ●</li> <li>9' Ceilings ●</li> <li>High-end kitchen ●</li> <li>Wood/style floors</li> <li>Fireplaces</li> <li>Patios/balconies</li> </ul>
46 artist studios							<p><u>Community Amenities</u></p> <ul style="list-style-type: none"> <li>Clubhouse/community room</li> <li>Fitness center ●</li> <li>Business center</li> <li>Pool ●</li> <li>Playground</li> <li>Controlled access/gated ●</li> <li>Elevator</li> <li>Garages</li> <li>Storage</li> <li>Laundry</li> </ul> <p><u>Utilities in Rent</u></p> <ul style="list-style-type: none"> <li>Water</li> <li>Sewer</li> <li>Trash</li> </ul>





**Port City Lofts I**

Location: 800 Jefferson Davis Highway

Financing: LIHTC

Year Built: 2018

Total Units: 135

Vacant units: 6 95.6% occupied

Telephone: 804.376.5772

Management: S L Nussbaum  
[2/12]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	8	622	40%	\$800	n/a	\$1.29	Microwave ●
1/1	10	636	50%	\$1,000	n/a	\$1.57	Dishwasher ●
1/1	35	677	60%	\$1,200	n/a	\$1.77	Washer/dryer ●
1/1	7	692	70%	\$1,400	n/a	\$2.02	Washer/dryer hook-up ●
1/1	5	764	80%	\$1,600	n/a	\$2.09	9' Ceilings ●
							High-end kitchen
							Wood/style floors
2/2	1	879	30%	\$720	n/a	\$0.82	Fireplaces
2/2	7	857	40%	\$960	n/a	\$1.12	Patios/balconies ●
2/2	12	1,022	50%	\$1,200	n/a	\$1.17	
2/2	32	903	60%	\$1,440	n/a	\$1.59	<u>Community Amenities</u>
2/2	9	972	70%	\$1,680	n/a	\$1.73	Clubhouse/community room ●
2/2	8	1,123	80%	\$1,920	n/a	\$1.71	Fitness center ●
							Business center ●
3/2	1	1,219	60%	\$1,663	n/a	\$1.36	Pool ●
	n/a	n/a	70%	\$1,940	n/a	n/a	Playground ●
							Controlled access/gated ●
							Elevator ●
							Garages
							Storage
							Laundry ●
							<u>Utilities in Rent</u>
							Water ●
							Sewer ●
							Trash ●



**Port City Lofts II**

Location: 716 Richmond Highway

Financing: LIHTC

Year Built: 2021

Total Units: 147

Vacant units: 12 91.8% occupied

Telephone: 804.376.5772

Management: S L Nussbaum  
[2/12]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	2	699	40%	\$800	n/a	\$1.14	Microwave ●
1/1	40	699	50%	\$1,000	n/a	\$1.43	Dishwasher ●
1/1	40	699	60%	\$1,200	n/a	\$1.72	Washer/dryer ●
1/1	27	699	70%	\$1,400	n/a	\$2.00	Washer/dryer hook-up ●
							9' Ceilings ●
							High-end kitchen
2/2	5	1,016	50%	\$1,200	n/a	\$1.18	Wood/style floors
2/2	17	1,016	60%	\$1,440	n/a	\$1.42	Fireplaces
2/2	12	1,016	70%	\$1,680	n/a	\$1.65	Patios/balconies ●
2/2	3	1,016	80%	\$1,920	n/a	\$1.89	
							<u>Community Amenities</u>
3/2	1	1,016	70%	\$1,940	n/a	\$1.91	Clubhouse/community room ●
							Fitness center ●
							Business center ●
							Pool ●
							Playground
							Controlled access/gated ●
							Elevator ●
							Garages
							Storage
							Laundry ●
							<u>Utilities in Rent</u>
							Water ●
							Sewer ●
							Trash ●



**Townhouses of Chesterfield I**

Location: 3850 Guilder Lane

Financing: Conventional

Year Built: 1968

Total Units: 129

Vacant units: 9 93.0% occupied

Telephone: 844.216.2340

Management: Thalhimer

[2/12]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
0/1		400	\$715	\$1.79	Microwave • Dishwasher • Washer/dryer
1/1		750	\$925	\$1.23	Washer/dryer hook-up 9' Ceilings
2/1½		958	\$1,100	\$1.15	High-end kitchen Wood/style floors
3/1½		1,165	\$1,275	\$1.09	Fireplaces Patios/balconies
					<u>Community Amenities</u>
					Clubhouse/community room
					Fitness center
					Business center
					Pool
					Playground
					Controlled access/gated
					Elevator
					Garages
					Storage
					Laundry
					<u>Utilities in Rent</u>
					Water
					Sewer
					Trash



**Townhouses of Chesterfield II**

Location: 2231 Chalfont Drive

Financing: Conventional

Year Built: 1968

Total Units: 263

Vacant units: 11 95.8% occupied

Telephone: 844.216.2340

Management: Thalhimer

[2/12]

Br/ba	units	sq. ft	Rent	Rent/sq.ft	Unit Amenities
0/1	n/a	365	\$715	\$1.96	Microwave • Dishwasher • Washer/dryer
1/1	n/a	550-850	\$925	\$1.32	Washer/dryer hook-up 9' Ceilings
2/1½	256	985-1,120	\$1,120	\$1.06	High-end kitchen Wood/style floors •
3/1½	2	1,200-1,600	\$1,275	\$0.91	Fireplaces Patios/balconies
					<u>Community Amenities</u>
					Clubhouse/community room •
					Fitness center
					Business center
					Pool
					Playground •
					Controlled access/gated
					Elevator
					Garages
					Storage •
					Laundry •
					<u>Utilities in Rent</u>
					Water
					Sewer
					Trash



**Towns at River South**

Location: 214 9th Street

Financing: LIHTC  
 Year Built: 2001-2004  
 Total Units: 160  
 Vacant units: 0 100.0% occupied

Telephone: 804.232.1800  
 Management: Edgewood Properties  
 [2/13]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
2/1½ - 2½	68	900-985	50%	\$1,036	n/a	\$1.10	Microwave Dishwasher Washer/dryer
3/2 - 2½	77	1,202	50%	\$1,192	n/a	\$0.99	Washer/dryer hook-up 9' Ceilings
4/2 - 2½	15	1,527	50%	n/a	n/a	n/a	High-end kitchen Wood/style floors Fireplaces Patos/balconies
has rental assistance							Community Amenities
							Clubhouse/community room
							Fitness center
							Business center
							Pool
							Playground
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry
							Utilities in Rent
							Water
							Sewer
							Trash





**Venus at Manchester**

Location: 1420 Hull Street Road

Financing: LIHTC  
 Year Built: 2005  
 Total Units: 68  
 Vacant units: 0 100.0% occupied

Telephone: 804.230.7822  
 Management: KRS Holdings  
 [2/21]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	5	625-797	40%	\$708	\$92	\$1.00	Microwave ●
1/1	5	625-797	50%	\$908	\$92	\$1.28	Dishwasher ●
							Washer/dryer ●
							Washer/dryer hook-up ●
2/2	46	866-1,165	40%	\$845	\$115	\$0.83	9' Ceilings
2/2	46	866-1,165	50%	\$1,085	\$115	\$1.07	High-end kitchen
							Wood/style floors
3/2	171,020-1,450		40%	\$971	\$138	\$0.79	Fireplaces
3/2	171,020-1,450		50%	\$1,248	\$138	\$1.01	Patios/balconies
							<u>Community Amenities</u>
							Clubhouse/community room ●
							Fitness center
							Business center
							Pool
							Playground
							Controlled access/gated ●
							Elevator
							Garages
							Storage
							Laundry ●
							<u>Utilities in Rent</u>
							Water ●
							Sewer ●
							Trash ●



**View at Belle Isle**

Location: 812 Hull Street

Financing: LIHTC  
 Year Built: 2026  
 Total Units: 116  
 Vacant units: n/a

Telephone:  
 Management: Lawson Companies  
 [2/12] - e-mail

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft	Unit Amenities
1/1	28	500	60%	\$1,087	\$112	\$2.17	Microwave
1/1	57	650	60%	\$1,087	\$112	\$1.67	Dishwasher ●
2/2	31	856	60%	\$1,305	\$134	\$1.52	Washer/dryer ●
							Washer/dryer hook-up ●
							9' Ceilings
							High-end kitchen
							Wood/style floors
							Fireplaces
							Patios/balconies ●
							<u>Community Amenities</u>
							Clubhouse/community room ●
							Fitness center ●
							Business center ●
							Pool
							Playground ●
							Controlled access/gated
							Elevator
							Garages
							Storage
							Laundry ●
							<u>Utilities in Rent</u>
							Water
							Sewer
							Trash ●

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

Demand Analysis

The market for the proposed apartments is derived from two principal sources: the population and household growth market, and from existing households currently living in the area who could move to the project were it to be made available.

Income is a key variable in the analysis of housing markets. Of the 50 units proposed, five will be targeted at 30 percent of the median, 21 will be targeted to households with incomes up to 50 percent of the median, with six targeted at 60 percent of the median, and 18 units targeted at 80 percent of the median (and therefore applying income averaging). Thus, the apartments qualify for low income housing tax credit status.

The HUD income limits for the City of Richmond are set out below. The median income for Richmond in 2023 was \$109,400 - having been \$101,000 in 2022, and \$73,900 in 2013. This represents an 8.3 percent increase over the previous year, and a 48.0 percent increase over the last decade (or an average of 4.00 percent per year).

The maximum housing expenses for the proposed units are based on these income limits and assume an average 1.5 persons per household and that renters will pay no more than 30 percent of their incomes on housing expenses (rent plus utilities).

Table 18 - Income Limits and Maximum Housing Costs

Income Limits				
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
1 person	\$22,410	\$37,350	\$44,820	\$59,760
2 person	\$25,590	\$42,650	\$51,180	\$68,240
3 person	\$28,800	\$48,000	\$57,600	\$76,800
4 person	\$31,980	\$53,300	\$63,960	\$85,280
5 person	\$34,560	\$57,600	\$69,120	\$92,160
6 person	\$37,110	\$61,850	\$74,220	\$98,960

Maximum Housing Costs				
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
1 bedroom	\$600	\$1,000	\$1,200	\$1,600
2 bedroom	\$720	\$1,200	\$1,440	\$1,920
3 bedroom	\$832	\$1,386	\$1,664	\$2,218

Source: HUD

Information as to rents and income targeting are set out in Table 19, below

Table 19 - Rents and Income Targeting

income targeting					
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>	<u>Total</u>
1 bedroom					
2 bedroom	5	15			20
3 bedroom		6	6	18	30
<b>Total</b>	<b>5</b>	<b>21</b>	<b>6</b>	<b>18</b>	<b>50</b>

proposed rents				
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
1 bedroom				
2 bedroom	\$571	\$1,051		
3 bedroom		\$1,213	\$1,490	\$1,550

proposed rents as a proportion (%) of maximum				
	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>
1 bedroom				
2 bedroom	100.0	100.0		
3 bedroom		100.0	100.0	75.8

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are \$149 and \$173 for the two- and three-bedroom units, respectively

From the table above, it can be seen that housing expenses at the proposed apartments effectively fall at the maximum allowable for the units targeted at the 30 percent, 50 percent, and 60 percent levels. Those for the units at the 80 percent level are at 76 percent of the maximum.

Qualifying income ranges are a function of the income needed to afford the proposed units and the mandated upper income limits. There is no official lower income limit for the proposed apartments. However, for the purposes of this report it is assumed that tenants will pay no more than 35 percent of their income on housing costs (rent and utilities). The upper limits are a function of household size - based on a standard of one and one-half persons per bedroom. The qualifying income limits for one- and four bedroom units are based on the proposed rents level relative to the maximum allowable.

Table 20 - Qualifying Income Ranges

qualifying income ranges		
	30 percent	
	lower	upper
2 bedroom	\$24,686	\$28,800
3 bedroom	\$28,517	\$33,270
50 percent		
	lower	upper
2 bedroom	\$41,143	\$48,000
3 bedroom	\$47,520	\$55,450
60 percent		
	lower	upper
2 bedroom	\$49,371	\$57,600
3 bedroom	\$57,017	\$66,540
80 percent		
	lower	upper
2 bedroom	\$51,134	\$76,800
3 bedroom	\$59,074	\$88,720

Source: Applicant; T Ronald Brown: Research & Analysis

Any gaps and/or overlaps between these target income ranges will necessarily be taken into consideration in our calculations.

The major variables to be examined are tenure and income. These data are no longer available from the Decennial Census. Nonetheless, data can be extrapolated from the most recent American Community Survey - again, subject the limitations of those data. These data, for the market area for the proposed complex, are set out below.

Table 21 - Household Income, Renter Households

Income	All Renters		Overburdened Renters	
	Number	Percent	Number	Percent
Up to \$10,000	1,389	10.3	820	15.1
\$10,000 - \$19,999	1,587	11.8	1,249	23.0
\$20,000 - \$34,999	2,534	18.9	1,959	36.1
\$35,000 - \$50,000	2,550	19.0	1,125	20.7
\$50,000 - \$75,000	2,451	18.2	214	3.9
\$75,000 - \$100,000	1,481	11.0	56	1.0
\$100,000 and over	1,449	10.8	0	0.0
<b>Total</b>	<b>13,441</b>		<b>5,423</b>	

Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis

As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2017 to 2021 - and not for a specific year.

From this table it can be seen that 10.3 percent of the market area renter households have incomes less than \$10,000, and a further 11.8 percent have incomes between \$10,000 and \$20,000. Around 18.9 percent of renters are seen to be in the \$25,000 to \$35,000 income range.

Around 40.3 percent of all renters are rent-overburdened. This table also illustrates how rent-overburdened households are somewhat concentrated in the lower income groups (where 74.3 percent of overburdened renters have incomes less than \$35,000).

Based on the income ranges set out in Table 20 and the income distribution set out in Table 21, it is found that around 20.8 percent of market area renter households qualify for units at 30 percent of the median, and the corresponding figures for units at the 50 percent, 60 percent, and 80 percent levels are 28.5 percent, 28.9 percent, and 27.6 percent, respectively.

Projections of need and demand are based upon a 2024 to 2029 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 13, a total of 2,795 new rental units are needed between 2024 and 2029. A total of 1,547 units will be for households eligible for the proposed project.

Again, the market for the proposed apartments comprises not only demand from population and household growth, but also from existing renter households who would move to the new apartments were they made available. The extent to which any new development is able to attract a certain share of this market is largely a factor of several interrelated factors. These include the location of the development, the amenities it offers, the quality of design and the effectiveness of the development's marketing and management. That is, the perceived value of the community in terms of price, convenience, and life-style.

Our calculations show that there will be a total of 10,978 renter households in the qualifying income range in the project market area. These figures have to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 73.0 percent of renters qualifying for units at 30 percent of the median are rent-overburdened. Likewise, 34.4 percent, 22.5 percent, and 20.7 percent of those qualifying for units at the 50 percent, 60 percent, and 80 percent levels, respectively, are rent-overburdened. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. The proportion is based on a two-year loss of 1.2 percent of rental units detailed in the 2016 Edition of "Components of Inventory Change" published by HUD. Based on the number of rental units in the project market area this translates to a need for an additional 333 units.

Total demand is therefore seen to amount to 6,637 units. These figures are based on a 2024 to 2029 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area over that period. Here, two directly comparable projects have been awarded tax credits - these are the (four phase) Heights at Brady Square Apartments (264 units) and the View at Belle Isle property (116 units). Together these provide 373 comparable units; the net need is therefore for 6,264 units.

The preceding calculations are summarized in the table on the following page.



Table 22 - Demand Calculations

	30 percent	50 percent	60 percent	80 percent	total *
(i) income eligible new renter households	581	797	807	771	1,547
(ii) income eligible existing renter households	4,127	5,656	5,727	5,469	10,978
(iii) existing households, likely to move	3,015	1,948	1,286	1,133	4,757
(iv) need from obsolete housing	125	172	174	166	333
<b>Total demand (i)+(iii)+(iv)</b>	<b>3,721</b>	<b>2,916</b>	<b>2,267</b>	<b>2,069</b>	<b>6,637</b>
Supply	7	52	314	0	373
<b>Net demand</b>	<b>3,714</b>	<b>2,864</b>	<b>1,953</b>	<b>2,069</b>	<b>6,264</b>

\* excludes gap/overlap

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 30 percent of the total, two-bedroom units should account for 38 percent of the total, and three-bedroom units should account for 23 percent of the total with four- or more bedroom units accounting for 8 percent.

Capture rates are illustrated in the table on the following page.

Table 23 - Capture Rates

	<u>30 percent</u>	<u>50 percent</u>	<u>60 percent</u>	<u>80 percent</u>	<u>total *</u>
<b>Total demand</b>					
1 bedroom	1,125	882	685	626	2,006
2 bedroom	1,426	1,118	869	793	2,544
3 bedroom	860	674	524	478	1,534
4 bedroom	310	243	189	172	553
<b>Total</b>	<b>3,721</b>	<b>2,916</b>	<b>2,267</b>	<b>2,069</b>	<b>6,637</b>
<b>Supply</b>					
1 bedroom	1	12	123	0	136
2 bedroom	5	30	151	0	186
3 bedroom	1	10	40	0	51
4 bedroom	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>52</b>	<b>314</b>	<b>0</b>	<b>373</b>
<b>Net demand</b>					
1 bedroom	1,124	870	562	626	1,870
2 bedroom	1,421	1,088	718	793	2,358
3 bedroom	859	664	484	478	1,483
4 bedroom	310	243	189	172	553
<b>Total</b>	<b>3,714</b>	<b>2,864</b>	<b>1,953</b>	<b>2,069</b>	<b>6,264</b>
<b>Units proposed</b>					
1 bedroom	0	0	0	0	0
2 bedroom	5	15	0	0	20
3 bedroom	0	6	6	18	30
4 bedroom	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>21</b>	<b>6</b>	<b>18</b>	<b>50</b>
<b>Capture rates</b>					
1 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
2 bedroom	0.4%	1.4%	0.0%	0.0%	0.8%
3 bedroom	0.0%	0.9%	1.2%	3.8%	2.0%
4 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>0.1%</b>	<b>0.7%</b>	<b>0.3%</b>	<b>0.9%</b>	<b>0.8%</b>

\* excludes gap/overlap

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 50-unit development amounts to 0.8 percent of the total net need.

The capture rate, by bedroom, is determined to be 0.8 percent for the 20 two-bedroom units, and 2.0 percent for the 30 three-bedroom units.

The five units at 30 percent of the median amount to 0.1 percent of the net demand at that level, the 21 units at 50 percent of the median amount to 0.7 percent of demand at that target level, and the six units targeted at the 60 percent level amount to around 0.3 percent of demand at that level. The 18 units targeted at 80 percent represent 0.9 percent of demand at that level..

The capture rates presented above are considered very reasonable for this property.

#### ABSORPTION RATES

As noted, the capture rates presented above are considered realistic. Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated four month period, or so.

## Affordability Analysis

Here, an affordability analysis addresses the total number of income eligible renter households in the market are relative to the size of the proposed development.

The minimum income is that associated with the rent for the least expensive unit offered, and the upper limit is based on the 80 percent limit (the highest target income range) for the largest unit size, by number of bedrooms. Here, the lower income is seen to be that for the proposed two-bedroom units that will be targeted to households at the 30 percent level. That is, \$571 per month. Given a \$149 utility allowance and a 35 percent rent-to-income ratio, the lower qualifying income is seen to be \$24,686. The upper income is \$98,960. Based on the income data set out in Table 21, there are found to be 9,953 renter households in that range. Thus, the proposed 50-unit development corresponds to a 0.5 percent affordability analysis capture rate.

Penetration rate.

A penetration rate is defined, for the purposes of this analysis, as the proportion of income-eligible households needed to fill the proposed development, plus those in existing competitive units, plus any in competitive units that are approved and funded for future development.

The lower income limit for this analysis is the income needed to afford the least expensive competitive unit in the market (or the rent for the least-expensive proposed unit, if lower), and the upper income limit is the upper income limit for the competitive units (or the proposed units, if higher). Our survey of the existing, competitive inventory, shows that the lowest two bedroom rents are those for the more deeply targeted units at the proposed development. Thus, given that rent, the target income range for this market is that for the proposed development. That is, from \$24,686 to \$98,960. Based on our research there are 2,260 potentially comparable tax credit units at 19 complexes in the market area, plus 380 units in the development pipeline. These, plus the proposed 50 units, yields 2,690 units. Consequently, the penetration rate - as defined - amounts to 24.9 percent.

## Summary

Consideration of the capture rate (0.8 percent) and the (0.5 percent) affordability analysis capture rate and (24.9 percent) penetration rate suggests that the proposed development is marketable, as proposed.

## J. LOCAL PERSPECTIVE OF RENTAL HOUSING MARKET

As part of the research for this market study, interviews were held with property managers, local government officials, and others with particular knowledge of the local housing market. The proposed development will offer an attractive, new, apartment complex - to be leased subject to the provisions of the Low Income Housing Tax Credit program. Property managers of existing complexes and/or other representatives of management companies were a potential source of information.

As noted, property managers are a major source of information for a project such as that proposed (their contact details are provided as part of the rental survey set out in the previous pages). The manager at the Venus at Manchester property, for example, stated that new tax credit-financed property would be well-received.

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## K. ANALYSIS/CONCLUSIONS

Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated four month period, or so.

Based on the proposed development's size, bedroom mix, amenities and features, utility provision and costs, and the several target income ranges, in particular, the proposed development is considered very marketable and should be well-accepted in this market, particularly as it will be a new, affordable, property.

The site location will offer a significant advantage as will the proposed rents, particularly those set to be affordable to households at 30 and 50 percent of the median.

The proposed development should not have a negative impact on existing housing.

It is our recommendation that, based upon our analysis, the proposed apartments should be developed as proposed, and that the project should be awarded low income housing tax credits. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined and on our project specific demand analysis and survey of the supply of rental housing in the market--as set out in the foregoing report and summarized in the Executive Summary.



L. OTHER REQUIREMENTS

Statement and signature

I affirm the following:

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



Market Analyst

March 14, 2024

As affirmed in the Scope of Work, there is no identity of interest between the analyst and the entity for which the report has been prepared.

Similarly, the recommendations and conclusions are based solely on the analyst's experience, opinion, and best efforts.

#### NCHMA MEMBER CERTIFICATION

This market study has been prepared by T. Ronald Brown: Research & Analysis, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms used in Market Studies*, and *Model Content Standards for the Content of Market Studies*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and the 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 .

T.Ronald Brown: Research & Analysis is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principal participates 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. T.Ronald Brown: Research and Analysis is an independent market analyst. No principle or employee of T. Ronald Brown: Research & Analysis has any financial interest whatsoever in the development for which this analysis has been undertaken.

Attested by:



T. Ronald Brown



## Analyst Qualifications

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis.

The President of the firm is T. Ronald Brown. He has 35 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced around 3,000 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland.

The firm has primary experience in market analysis for residential projects including both single-family homes and multi-family units (for sale and for rent). A significant proportion of the firm's business focuses on apartment market studies—for family renters and for elderly persons. These reports include conventionally financed projects (including HUD 221 (d) (4) projects), affordable housing (including low income tax credit financed projects) and subsidized housing.

Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.

### List of sources

The foregoing report contains information from a variety of sources - those sources (such as contact numbers for property interviews) are cited at the appropriate place in the report itself. The major sources of data include:

The U.S. Census - 2000, 2010 and 2020, and the American Community Survey (2017-2021)  
Virginia Housing  
U.S. Department of HUD  
U.S. Department of Agriculture  
Virginia State Data Center/Weldon Cooper Center for Public Service  
Virginia Employment Commission  
Virginia Economic Development Partnership  
City of Richmond  
U.S. Bureau of Labor Statistics  
HUDUSER (e.g., SOCDs building permits database)

## Market study checklist

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## MARKET STUDY TERMINOLOGY

The following presents the accepted definitions of various terms typically found in real estate market studies. These definitions are typically followed unless reviewing agency requirements differ.

*Absorption period* - the period of time necessary for a newly constructed or renovated property to achieve the *stabilized level of occupancy*. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the *stabilized level of occupancy* has a signed lease. Assumes a typical premarketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

*Absorption rate* - the average number of unites rented each month during the *absorption period*.

*Acceptable rent burden* - the rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

*Achievable rents* - See *Market Rent, Achievable Restricted Rent*.

*Affordable housing* - housing affordable to low or very low-income tenants.

*Amenity* - tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.

*Annual demand* - the total estimated demand present to the market in any one year for the type of units proposed.

*Assisted housing* - housing where federal, state or other programs *subsidize* the monthly costs to the tenants.

*Bias* - a proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.

*Capture rate* - the percentage of age, size, and income qualified renter households in the *primary market area* that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The *Capture Rate* is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the *primary market area*. See also: penetration rate.

*Comparable property* - a property that is representative of the rental housing choices of the subject's *primary market area* and that is similar in construction, size, amenities, location, and/or age. Comparable and *competitive* properties are generally used to derive market rent and to evaluate the subject's position in the market.

*Competitive property* - a property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.



*Comprehensive market study* - NCHMA (the National Council of Housing Market Analysts) defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'

*Concession* - discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).

*Demand* - the total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

*Effective rents* - contract rent less concessions.

*Household trends* - changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.e. at marriage or separation), changes in average household size, and net *migration*.

*Income band* - the range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically is pre-defined by specific program requirements or by general market parameters.

*Infrastructure* - services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

*Market advantage* - the difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.  $(\text{market rent} - \text{proposed rent}) / \text{market rent} * 100$

*Market analysis* - a study of real estate market conditions for a specific type of property.

*Market area* - See *primary market area*.

*Market demand* - the total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand. A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.

*Market rent* - the rent that an apartment, without rent or income restrictions or rent subsidies, would command in the *primary market area* considering its location, features and amenities. Market rent should be adjusted for *concessions* and owner paid utilities included in the rent.

*Market study* - a comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.

*Marketability* - the manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

*Market vacancy rate, economic* - percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.

*Market vacancy rate, physical* - average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.

*Migration* - the movement of households into or out of an area, especially a *primary market area*.

*Mixed income property* - an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50%, and 60%).

*Mobility* - the ease with which people move from one location to another.

*Move-up demand* - an estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to new tax credit properties.

*Multi-family* - structures that contain more than two housing units.

*Neighborhood* - an area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

*Net rent (also referred to as contract rent or lease rent)* - Gross rent less *tenant paid utilities*.

*Penetration rate* - The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed with six months of the subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market \* 100, see also: capture rate.

*Pent-up demand* - a market in which there is a scarcity of supply and vacancy rates are very low.

*Population trends* - changes in population levels for a particular area over a specific period of time – which is a function of the level of births, deaths, and net *migration*.

*Primary market area* - a geographic area from which a property is expected to draw the majority of its residents.

*Programmatic rents* - See *restricted rents*.

*Project based rent assistance* - rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

*Redevelopment* - the redesign or rehabilitation of existing properties.

*Rent burden* - gross rent divided by adjusted monthly household income.

*Rent burdened households* - households with *rent burden* above the level determined by the lender, investor, or public program to be an acceptable rent-to-income.

*Restricted rent* - the rent charged under the restrictions of a specific housing program or subsidy.

*Restricted rent, achievable* - the rents that the project can attain taking into account both market conditions and rent in the *primary market area* and income restrictions.

*Saturation* - the point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.

*Secondary market area* - the portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.

*Special needs population* - specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs population include: substance abusers, visually impaired person or persons with mobility limitations.

*Stabilized level of occupancy* - the underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

*Subsidy* - monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's *contract rent* and the amount paid by the tenant toward rent.

*Substandard conditions* - housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

*Target income band* - the *income band* from which the subject property will draw tenants.

*Target population* - the market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.

*Tenant paid utilities* - the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

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*Turnover period* - 1. An estimate of the number of housing units in a market area as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period. Housing units with new occupants / housing units \* 100 2. The percent of occupants in a given apartment complex that move in one year.

*Unmet housing need* - new units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.

*Unrestricted rents* - rents that are not subject to *restriction*.

*Unrestricted units* - units that are not subject to any income or rent restrictions.

*Vacancy period* - the amount of time that an apartment remains vacant and available for rent.

*Vacancy rate-economic vacancy rate - physical* - maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

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## Other Terms

The following terms are also to be found in professional market studies - here, this information is drawn from various sources including HUD, the Census Bureau, and the Urban Land Institute.

*Area Median Income (AMI)* - 100% of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

*Attached housing* - two or more dwelling units connected with party walls (e.g. townhouses or flats).

*Basic rent* - the maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

*Below Market Interest Rate program (BMIR)* - Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

*Census tract* - a small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

*Central Business District (CBD)* - the center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

*Community Development Corporation (CDC)* - entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

*Condominium* - a form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

*Contract rent* - 1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).

*Difficult Development Area (DDA)* - an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.

*Detached housing* - a freestanding dwelling unit, typically single-family, situated on its own lot.

*Elder or senior housing* - housing where (1) all units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80% of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

*Extremely low income* - person or household with income below 30% of the Area Median Income adjusted for household size.

*Fair Market Rent (FMR)* - the estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally set FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50<sup>th</sup> percentile of rents.

*Garden apartments* - apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.

*Gross rent* - the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

*High-rise* - a residential building having more than ten stories.

*Household* - one or more people who occupy a housing unit as their usual place of residence.

*Housing unit* - house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

*Housing Choice Voucher (Section 8 Program)* - federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households in the use of the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

*Housing Finance Agency (FHA)* - state or local agencies responsible for financing housing and administering assisted housing programs.

*HUD Section 8 Program* - federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the contract rent and a specified percentage of tenants' adjusted income.



*HUD Section 202 Program* - federal program which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

*HUD Section 811 Program* - federal program which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.

*HUD Section 236 Program* - federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

*Income limits* - maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits each year for 30% median. Very low income (50%), and low income (80%), for households with 1 through 8 people.

*Low income* - person or household with gross household income below 80% of Area Median Income adjusted for household size.

*Low income housing tax credit* - a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.

*Low rise building* - a building with one to three stories.

*Metropolitan Statistical Area (MSA)* - a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities have a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

*Mid-rise* - a building with four to ten stories.

*Moderate income* - person or household with gross household income between 80 and 120 percent of area median income adjusted for household size.

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*Public Housing or Low Income Conventional Public Housing* - HUD program administered by local (or regional) Housing Authorities which serves low- and very-low income households with rent based on the same formula used for HUD Section 8 assistance.

*Qualified Census Tract (QCT)* - any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60% of the area median income or where the poverty rate is at least 25%. A project located in a QCT and receiving Low Income Housing Tax Credit may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.

*Rural Development (RD) market rent* - a monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. The rent is the maximum rent that a tenant can pay at an RD Property.

*Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program)* - federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

*Single-family housing* - a dwelling unit, either attached or detached, designed for use by one household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

*State Data Center (SDC)* - a state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of the census data.

*Tenant* - one who rents real property from another.

*Tenure* - the distinction between owner-occupied and renter-occupied housing units.

*Townhouse (or Row House)* - single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.

*Very low income* - person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

*Zoning* - classification and regulation of land by local governments according to use categories (zones); often also includes density designations.