

A MARKET FEASIBILITY STUDY OF:

**MILLER'S REST**

**APARTMENTS**

**PHASE III**

**A MARKET FEASIBILITY STUDY OF:**

# **MILLER'S REST APARTMENTS PHASE III**

6100 Old Mill Road  
Lynchburg, Virginia 24502

Effective Date: February 15, 2024  
Report Date: February 21, 2024

Prepared for:  
Austin Pittman  
Development Manager  
The Lawson Companies  
373 Edwin Drive  
Virginia Beach, VA 23462

Prepared by:  
Novogradac  
4449 Easton Way, 2nd Floor  
Columbus, OH 43219  
(740) 618-6300





February 21, 2024

Austin Pittman  
Development Manager  
The Lawson Companies  
373 Edwin Drive  
Virginia Beach, VA 23462

Re: Market Study - Application for proposed Miller's Rest Apartments Phase III, located in Lynchburg, VA.

Dear Austin Pittman:

At your request, Novogradac & Company LLP, doing business under the brand name Novogradac Consulting ("Novogradac") has performed a market study of the multifamily rental market in the Lynchburg, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We previously completed market studies for Miller's Rest I in February 2020 and Miller's Rest II in December 2020, as well as a market conditions letter for Miller's Rest II - 4% in August 2021. Additionally, we previously completed a market study for the Subject in February 2023.

The purpose of this market study is to assess the viability of the proposed new construction of Miller's Rest Apartments Phase III (Subject), a proposed new construction development. The Subject will consist of 80 one, two, and three-bedroom units restricted at 30, 40, 50, and 60 percent of the area median income (AMI). Additionally, eight units at 40 of AMI will have Section 8 Project-based Vouchers (PBV). The Subject will be new construction with an anticipated 15-month construction timeframe starting October 2024.

Note that the Subject will be located adjacent east of Miller's Rest Apartments Phase I, an 80-unit LIHTC development restricted at 40, 50, and 60 percent of the AMI, as well as Millers Rest Apartments Phase II, a proposed 115-unit LIHTC development will offer one, two, and three-bedroom units at 30,40, 50 and 60 percent of AMI. Phase I opened in December 2023, while Phase II was allocated LIHTC funding in 2021 and is expected to open in April 2024. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

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

Novogradac adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). The NCHMA certification and checklist can be found in the Addenda of this report. Please refer to the checklist to find the sections in which content is located.

AUSTIN PITTMAN  
THE LAWSON COMPANIES  
FEBRUARY 21, 2024

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

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

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

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

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

Respectfully submitted,  
Novogradac



David Boisture, ASA, CRE  
Partner  
[David.Boisture@novoco.com](mailto:David.Boisture@novoco.com)  
240.235.1710



K. David Adamescu  
Manager  
[David.Adamescu@novoco.com](mailto:David.Adamescu@novoco.com)  
740.618.6302



Robert McCarthy  
Senior Analyst  
[Robert.McCarthy@novoco.com](mailto:Robert.McCarthy@novoco.com)  
740.618.6277

## TABLE OF CONTENTS

<b>A. Executive Summary .....</b>	<b>0</b>
Executive Summary.....	1
<b>B. Introduction and Scope of Work .....</b>	<b>8</b>
Introduction and Scope of Work.....	9
<b>C. Project Description.....</b>	<b>11</b>
Project Description.....	12
<b>D. Location .....</b>	<b>21</b>
Location .....	22
Photographs of Subject and Neighborhood .....	29
<b>E. Market Area Definition .....</b>	<b>33</b>
Market Area .....	34
<b>F. Employment and Economy .....</b>	<b>36</b>
Economic Analysis.....	37
<b>G. Demographic Characteristics .....</b>	<b>46</b>
Demographic Characteristics .....	47
<b>H. Competitive Environment .....</b>	<b>55</b>
Housing Summary .....	56
Survey of Comparable Properties .....	62
Market Characteristics.....	71
<b>I. Affordability Analysis, Demand Analysis, Capture Rates and Penetration Rates .....</b>	<b>81</b>
Affordability Analysis, Demand Analysis, Capture rates, and Penetration Rates.....	82
Capture Rate Analysis by Unit Type.....	86
Annual Capture Rate Analysis .....	94
Virginia Housing Demand Analysis.....	98
Penetration Rate Analysis.....	99
<b>J. Local Perspectives of Rental Housing Market and Housing Alternatives .....</b>	<b>102</b>
Interviews.....	103
<b>K. Analysis/Conclusions .....</b>	<b>105</b>
Recommendations .....	106
<b>L. Other Requirements .....</b>	<b>108</b>
Photographs of Subject and Neighborhood .....	114

Addendum A

Addendum B

Addendum C

Addendum D

Addendum E

Addendum F

Addendum G

# **A. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

- Subject Site Description:** The Subject will be located at 6100 Old Mill Road in Lynchburg, Virginia 24502.
- Surrounding Land Uses:** The Subject will be located in a mixed-use neighborhood southwest of Downtown Lynchburg. The Subject site is rated as “Car Dependent” by Walk Score with a score of nine, indicating that almost all errands require a car. Note that the Subject site is located adjacent northeast of the site for Miller’s Rest Apartments, an existing 80-unit LIHTC development, and adjacent east of the site for Miller’s Rest Apartments II, a proposed 115-unit LIHTC development. Miller’s Rest I and II represent the first and second phases of the larger Miller’s Rest development, which includes the Subject. Land use to the north of the Subject consists of vacant wooded land, followed further north by single-family homes in good condition. Land uses east of the Subject consist of vacant wooded land, followed by single-family homes in good condition. Uses south consist of vacant land, followed further south by multifamily properties and commercial uses. Multifamily properties south of the Subject include Old Mill Townhomes, a 156-unit, market rate development offering one through four-bedroom units, which has been excluded from our analysis due to its inferior condition to the proposed Subject (the property is 94.9 percent occupied and operates with a waiting list); Mill’s Crossing, a 72-unit market rate property offering one and two-bedroom units which that has been included as a comparable in our analysis; and Mill Woods Apartments, a 128-unit Section 8 property that has been excluded due to its subsidized tenancy. Land use west of the Subject consist of Miller’s Rest Apartments, which opened in December 2023. Uses southwest consist of the site for Miller’s Rest Phase II, which is currently under construction. Farther west is vacant wooded land, followed by commercial properties and educational uses. Overall, the majority of surrounding land uses are in average to good condition.
- Subject Property Description:** Novogradac has performed a comprehensive market study of the multifamily rental market in the Lynchburg, Virginia area relative to Miller’s Rest Apartments III, a proposed new construction development. Construction of the Subject will begin in October 2024 and is expected to last for 18 months. Following construction, the Subject’s units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, eight of the units at 40 percent of AMI will operate with Project-based Vouchers (PBV). As such, tenants in these units will pay 30 percent of their income towards rent. The proposed LIHTC and contract rents are set slightly below the maximum allowable levels. The Subject will consist of a four-story, walk-up building design with four one, two, and three-bedroom units. The Subject will offer a total of 228 parking spaces, which will equate to a parking ratio of 2.85 spaces per unit. Overall, the parking offered at the Subject is reasonable.

We previously completed a market study for the Subject in February 2023. Additionally, we previously completed market studies for Miller's Rest I in February 2020 and Miller's Rest II in December 2020, as well as a market conditions letter for Miller's Rest II - 4% in August 2021. Miller's Rest I and II are part of the larger Miller's Rest development, which includes the Subject. Miller's Rest I is an existing 80-unit LIHTC development offering one, two, and three-bedroom units at 40, 50, and 60 percent of AMI, with 8 units at 40 percent of AMI operating with PBV. The property opened in December 2023 and is utilized as a comparable in our analysis. Miller's Rest II is a proposed 115-unit LIHTC development offering one, two, and three-bedroom at 30, 40, 50, and 60 percent of AMI. Note five units at 40 and 50 percent of AMI will operate with Project-based Vouchers (PBV). The property was awarded LIHTC funding in 2021, is currently under construction, and is expected to open in April 2024.

**Proposed Rents:**

The following table details proposed rents for the Subject's units.

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2023 LIHTC Maximum Allowable Gross Rent	2024 HUD Fair Market Rents	
@30%								
1BR / 1BA	703	2	\$347	\$119	\$466	\$466	\$966	
2BR / 2BA	948	4	\$409	\$151	\$560	\$560	\$1,093	
3BR / 2BA	1,168	2	\$471	\$176	\$647	\$647	\$1,494	
@40% (Section 8)								
1BR / 1BA	703	2	\$503	\$119	\$622	\$622	\$966	
2BR / 2BA	948	4	\$596	\$151	\$747	\$747	\$1,093	
3BR / 2BA	1,168	2	\$687	\$176	\$863	\$863	\$1,494	
@50%								
1BR / 1BA	703	5	\$659	\$119	\$778	\$778	\$966	
2BR / 2BA	948	14	\$782	\$151	\$933	\$933	\$1,093	
3BR / 2BA	1,168	5	\$903	\$176	\$1,079	\$1,079	\$1,494	
@60%								
1BR / 1BA	703	7	\$814	\$119	\$933	\$933	\$966	
2BR / 2BA	948	26	\$969	\$151	\$1,120	\$1,120	\$1,093	
3BR / 2BA	1,168	7	\$1,119	\$176	\$1,295	\$1,295	\$1,494	
		<b>80</b>						

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

The Subject's proposed LIHTC rents are set at the maximum allowable levels.

**Target Household Income Levels:**

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



**FAMILY INCOME LIMITS**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40% (Section 8)		@50%		@60%	
1BR	\$15,977	\$19,920	\$0	\$26,560	\$26,674	\$33,200	\$31,989	\$39,840
2BR	\$19,200	\$22,410	\$0	\$29,880	\$31,989	\$37,350	\$38,400	\$44,820
3BR	\$22,183	\$26,910	\$0	\$35,880	\$36,994	\$44,850	\$44,366	\$53,820

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$15,977	\$19,920	\$21,326	\$26,560	\$26,674	\$33,200	\$31,989	\$39,840
2BR	\$19,200	\$22,410	\$25,611	\$29,880	\$31,989	\$37,350	\$38,400	\$44,820
3BR	\$22,183	\$26,910	\$29,589	\$35,880	\$36,994	\$44,850	\$44,366	\$53,820

Economic Conditions

Employment in the PMA is concentrated in the educational services, healthcare/social assistance, and manufacturing industries, which collectively comprise 42.5 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Employment in the MSA declined sharply by 5.4 percent in 2020 amid the pandemic, below the nation. From December 2022 to December 2023, employment in the MSA increased at an annualized rate of 1.2 percent, compared to a similar growth recorded across the nation. As of December 2023, the unemployment rate in the MSA is 3.2 percent, compared to the current national unemployment rate of 3.5 percent. Overall, the MSA economy continues to recover from the effects of the pandemic.

Primary Market Area

The Subject property is located in Lynchburg, Virginia. The PMA is generally defined as the city of Lynchburg. The PMA boundaries are: Richmond Highway and the James River to the northeast; State Route 24 to the southeast and south; Blackwater Road and State Route 706 to the west; and Forest Road and Boonsboro Road to the east. The PMA was determined based on input from area property managers. Management at the majority of the rent comparables noted that most of their tenants originate from within the city of Lynchburg. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries.

The Lynchburg, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA), which includes the cities of Lynchburg and Bedford, as well as Bedford, Campbell, Amherst, and Appomattox Counties

Demographic Data

Since 2010, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2028. As of 2023, approximately 67.5 percent of renter households within the PMA have annual incomes below \$50,000, compared to 60.0 percent in the MSA. As proposed, the incomes for the Subject will range from \$0 to \$53,820. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units.

Vacancy

The following table illustrates vacancy rates at the comparable properties.

**OVERALL VACANCY**

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Jobbers Overall Apartments	LIHTC	Family	44	0	0.0%
Miller's Rest Apartments*	LIHTC/ Section 8	Family	80	49	61.3%
Timber Ridge Apartments I	LIHTC	Family	96	0	0.0%
Timber Ridge Apartments II	LIHTC	Family	72	0	0.0%
Vistas At Dreaming Creek	LIHTC/ Market	Family	176	2	1.1%
Eleven 25	Market	Family	228	12	5.3%
Grand Vistas Apartments	Market	Family	104	1	1.0%
Legacy At Linden Park	Market	Family	408	19	4.7%
Logans Landing	Market	Family	173	10	5.8%
Mill's Crossing	Market	Family	144	2	1.4%
The Overlook At Stonemill	Market	Family	216	14	6.5%
Wyndhurst Villas	Market	Family	150	12	8.0%
<b>Total LIHTC</b>			<b>468</b>	<b>51</b>	<b>10.9%</b>
<b>Total Market Rate</b>			<b>1,423</b>	<b>70</b>	<b>4.9%</b>
<b>Overall Total</b>			<b>1,891</b>	<b>121</b>	<b>6.4%</b>
<b>Total LIHTC (Excluding Property in Absorption)</b>			<b>388</b>	<b>2</b>	<b>0.5%</b>
<b>Overall Total (Excluding Property in Absorption)</b>			<b>1,811</b>	<b>72</b>	<b>4.0%</b>

\*Property is currently in its initial absorption

The comparables reported vacancy rates ranging from zero to 61.3 percent, with an average of 6.4 percent. Note that Miller's Rest Apartments is currently in its initial lease-up. The property opened in December 2023, is 38.7 percent occupied, and is absorbing at a rate of 12.4 units per month. Absent this property, the average LIHTC vacancy rate is 0.5 percent and the overall vacancy rate is 4.0 percent. Further, the average market rate vacancy rate is 4.9 percent. Note that The Overlook at Stonemill and Wyndhurst Villas reported slightly elevated vacancy rates of 6.5 and 8.0 percent, respectively. Management for both properties attributed the elevated vacancy rates to typical annual turnover. Based on the performance of the LIHTC comparables, we expect the Subject will operate at a vacancy rate of 5.0 percent or less.

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Jobbers Overall Apartments	LIHTC	Family	-	0.0%	0.0%	0.0%
Miller's Rest Apartments	LIHTC/ Section 8	Family	-	-	-	61.3%
Timber Ridge Apartments I	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Timber Ridge Apartments II	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Vistas At Dreaming Creek	LIHTC/ Market	Family	0.0%	1.4%	0.0%	1.1%
Eleven 25	Market	Family	-	-	-	5.3%
Grand Vistas Apartments	Market	Family	4.5%	0.0%	0.0%	1.0%
Legacy At Linden Park	Market	Family	6.1%	4.4%	2.8%	4.7%
Logans Landing	Market	Family	-	-	-	5.8%
Mill's Crossing	Market	Family	-	-	-	1.4%
The Overlook At Stonemill	Market	Family	3.7%	6.8%	7.1%	6.5%
Wyndhurst Villas	Market	Family	-	-	0.0%	8.0%

\*Located outside of the PMA

The Subject will consist of one, two, and three-bedroom units. Four comparables were unable to provide vacancy by bedroom type. Among the remaining comparables, vacancy rates in the market for one-bedroom units range from zero to 6.1 percent, from zero to 6.8 percent for the two-bedroom units, and from zero to 7.1 percent for the three-bedroom. Overall, the vacancy rates in the market are stable. Given the projected household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Absorption

Only two of the comparable properties were able to report recent absorption data. For support, we have listed recent absorption data for other properties in the Subject's general broader market as follows.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Miller's Rest Apartments**	LIHTC/Section 8	Family	2023	80	12
Eleven 25*	Market	Family	2018	160	20
Carlton Views	LIHTC	Family	2017	54	18

\*Utilized as a comparable property

\*\*Utilized as a comparable. Property is currently in lease-up. Building openings were staggered

The properties leased-up at rates ranging from 12 to 20 units per month, with an average of 16 units per month. Note that Eleven 25 staggered the opening of its units by building, which each contain 20 units. The property opened and leased eight buildings for a total of 160 units. The contact noted that each building leased in approximately one month, indicating an absorption pace of 20 units per month. Additionally, Miller's Rest Apartments is currently in lease-up. The property opened the first building in December 2023 and the second building at the beginning of February 2024. The overall absorption for the property is 12.4 units per month. Based on the performance of recently-opened properties in the region, we have estimated that the Subject would absorb approximately 15 units per month, for an absorption period of approximately five to six months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 0.5 percent “As Proposed” scenario and 0.8 percent in the “Absent Subsidy” scenario.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This annual Novoco capture rate is 1.4 percent for the first year of operation as a LIHTC property “As Proposed.” Additionally, the annual Novoco capture rate is 2.0 percent for the first year of operation as a LIHTC property “Absent Subsidy.” This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 5,599 and 3,827 units of demand in the first year of the Subject’s operation after completion, “As Proposed” and “Absent Subsidy” respectively. The Subject’s units will need to accommodate 76 total units of demand in order to stabilize at 95 percent occupancy, if hypothetically vacant. Any unaccommodated households will most likely leave the PMA or remain severely rent-overburdened. The lack of available units will force many to look elsewhere.

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

Project Wide Capture Rate - All Units*	1.7%
Project Wide Absorption Period (Months)	5-6 months

This capture rate is below the overall Novoco capture rate both As Proposed and Absent Subsidy. The capture rate is considered low and indicative of adequate demand for the Subject.

Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to slightly superior to the comparable properties in terms of condition.
- Vacancy rates among the stabilized LIHTC properties range from zero to 1.1 percent, with an average of 0.5 percent. The LIHTC comparables reported very low vacancy, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

Weaknesses

- The Subject will offer a four-story, walk-up design, with access only from the first floor and no elevator service. The Subject and its first two Phases will be the first multifamily properties to offer this design in the market. Miller’s Rest Apartments is currently in its initial lease-up. The property opened in December 2023 and is 38.7 percent occupied, indicating an absorption rate of 12.4 units per month. Note that the property opened the first building in December 2023 and the second building in February 2024. Jobbers Overall Apartments offers a three-story, elevator-serviced design, which will be superior to the Subject. Nine of the comparable properties offer two and three-story, garden-style units, and one comparable - Vistas at Dreaming Creek - offers a four-story, garden-style design.

Note that Vistas at Dreaming Creek has ground level access from both the first and second floors of their buildings, as the property is built into a hill. Tenants can park and enter the building from either the first or second floor and walk up the stairs to the fourth floor. Management at the Vistas at Dreaming Creek explained that it is somewhat common for tenants to walk up three flights of stairs and there have been no issues with occupancy nor complaints made by tenants regarding living on the fourth floor.

We also discussed units on higher floors with the contact at Legacy at Linden Park. The contact at this property noted that the property has never had issues filling units on the third floor of the development. Furthermore, he maintained that if the property were to offer fourth floor walk-up units, there would be no issue in filling these units. Tenants at Legacy at Linden Park are more concerned with good management, upkeep of property amenities, and general maintenance of the property. The remaining comparable properties featuring three-stories were unable to comment on the feasibility of additional stories in garden-style buildings. However, none of the comparable properties reported discounted rents on third-story units. Therefore, we believe that the Subject's proposed design will be marketable.

### Recommendations

In general, we believe there is demand in the marketplace for the Subject. The Subject will be accessible via Old Mill Road. Note that Old Mill Road extends beyond current map illustrations (via Google). Therefore, the property will have limited direct frontage along the northern portion of Old Mill Road. We assume marketing signage will be made available along Old Mill Road. We recommend no other changes for the Subject property.

# **B. INTRODUCTION AND SCOPE OF WORK**

## INTRODUCTION AND SCOPE OF WORK

### Report Description:

Novogradac has performed a comprehensive market study of the multifamily rental market in the Lynchburg, Virginia area relative to Miller’s Rest Apartments III, a proposed new construction development. Construction of the Subject will begin in October 2024 and is expected to last for 18 months. Following construction, the Subject’s units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, eight of the units at 40 percent of AMI will operate with Project-based Vouchers (PBV). As such, tenants in these units will pay 30 percent of their income towards rent. The proposed LIHTC and contract rents are set slightly below the maximum allowable levels. The Subject will consist of a four-story, walk-up building design with four one, two, and three-bedroom units. The Subject will offer a total of 228 parking spaces, which will equate to a parking ratio of 2.85 spaces per unit. Overall, the parking offered at the Subject is reasonable.

We previously completed a market study for the Subject in February 2023. Additionally, we previously completed market studies for Miller’s Rest I in February 2020 and Miller’s Rest II in December 2020, as well as a market conditions letter for Miller’s Rest II - 4% in August 2021. Miller’s Rest I and II are part of the larger Miller’s Rest development, which includes the Subject. Miller’s Rest I is an existing 80-unit LIHTC development offering one, two, and three-bedroom units at 40, 50, and 60 percent of AMI, with 8 units at 40 percent of AMI operating with PBV. The property opened in December 2023 and is utilized as a comparable in our analysis. Miller’s Rest II is a proposed 115-unit LIHTC development offering one, two, and three-bedroom at 30, 40, 50, and 60 percent of AMI. Note five units at 40 and 50 percent of AMI will operate with Project-based Vouchers (PBV). The property was awarded LIHTC funding in 2021, is currently under construction, and is expected to open in April 2024.

### Developer/Client Information:

Lawson Realty Corporation.

### Intended Use and Users of the Report:

The report will be submitted to the Virginia Housing for application purposes. The intended user of the report is Virginia Housing.

### Scope of the Report:

- Inspecting the site of the to-be-developed Subject and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.
- Investigating the general economic health and conditions of the rental market.
- Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.

- Reviewing relevant public records and contacting appropriate public agencies.
- Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary Market Area, if applicable.
- Surveying competing projects, both LIHTC and market-rate.

**Effective Date:**

The Subject site was most recently inspected by Mark Shelburne on February 15, 2024, which shall be the effective date of this report.

**Primary Contact for the Report:**

David Boisture, ASA, CRE (David.Boisture@novoco.com) and K. David Adamescu (David.Adamescu@novoco.com).



## **C. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

The project description will discuss the physical features of the Subject property, as well as its current and proposed unit mix and rents.

### Subject Property Description:

Novogradac has performed a comprehensive market study of the multifamily rental market in the Lynchburg, Virginia area relative to Miller's Rest Apartments III, a proposed new construction development. Construction of the Subject will begin in October 2024 and is expected to last for 18 months. Following construction, the Subject's units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, eight of the units at 40 percent of AMI will operate with Project-based Vouchers (PBV). As such, tenants in these units will pay 30 percent of their income towards rent. The Subject will consist of a four-story, walk-up building design with four one, two, and three-bedroom units. The Subject will offer a total of 228 parking spaces, which will equate to a parking ratio of 2.85 spaces per unit. Overall, the parking offered at the Subject is reasonable.

We previously completed a market study for the Subject in February 2023. Additionally, we previously completed market studies for Miller's Rest I in February 2020 and Miller's Rest II in December 2020, as well as a market conditions letter for Miller's Rest II - 4% in August 2021. Miller's Rest I and II are part of the larger Miller's Rest development, which includes the Subject. Miller's Rest I is an existing 80-unit LIHTC development offering one, two, and three-bedroom units at 40, 50, and 60 percent of AMI, with 8 units at 40 percent of AMI operating with PBV. The property opened in December 2023 and is utilized as a comparable in our analysis. Miller's Rest II is a proposed 115-unit LIHTC development offering one, two, and three-bedroom at 30, 40, 50, and 60 percent of AMI. Note five units at 40 and 50 percent of AMI will operate with Project-based Vouchers (PBV). The property was awarded LIHTC funding in 2021, is currently under construction, and is expected to open in April 2024.

### Construction Type:

The Subject is a proposed four-story, garden-style, walk-up new construction LIHTC/PBV development to be constructed with funding under the LIHTC program.

### Occupancy Type:

The Subject targets family households.

### Proposed Rents:

The following table details the proposed rents for the Subject's units.

**PROPOSED RENTS**

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2023 LIHTC Maximum Allowable Gross Rent	2024 HUD Fair Market Rents	
@30%								
1BR / 1BA	703	2	\$347	\$119	\$466	\$466	\$966	
2BR / 2BA	948	4	\$409	\$151	\$560	\$560	\$1,093	
3BR / 2BA	1,168	2	\$471	\$176	\$647	\$647	\$1,494	
@40% (Section 8)								
1BR / 1BA	703	2	\$503	\$119	\$622	\$622	\$966	
2BR / 2BA	948	4	\$596	\$151	\$747	\$747	\$1,093	
3BR / 2BA	1,168	2	\$687	\$176	\$863	\$863	\$1,494	
@50%								
1BR / 1BA	703	5	\$659	\$119	\$778	\$778	\$966	
2BR / 2BA	948	14	\$782	\$151	\$933	\$933	\$1,093	
3BR / 2BA	1,168	5	\$903	\$176	\$1,079	\$1,079	\$1,494	
@60%								
1BR / 1BA	703	7	\$814	\$119	\$933	\$933	\$966	
2BR / 2BA	948	26	\$969	\$151	\$1,120	\$1,120	\$1,093	
3BR / 2BA	1,168	7	\$1,119	\$176	\$1,295	\$1,295	\$1,494	
		<b>80</b>						

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

The Subject's proposed LIHTC rents are set slightly below the maximum allowable levels.

**Assisted Housing Program:**

Of the 80 total units, eight will operate with Project Based Voucher subsidies.

**Construction Date:**

Construction of the Subject will begin in October 2024 and is expected to last for 18 months.

**Target Household Income Levels:**

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

**FAMILY INCOME LIMITS**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40% (Section 8)		@50%		@60%	
1BR	\$15,977	\$19,920	\$0	\$26,560	\$26,674	\$33,200	\$31,989	\$39,840
2BR	\$19,200	\$22,410	\$0	\$29,880	\$31,989	\$37,350	\$38,400	\$44,820
3BR	\$22,183	\$26,910	\$0	\$35,880	\$36,994	\$44,850	\$44,366	\$53,820

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$15,977	\$19,920	\$21,326	\$26,560	\$26,674	\$33,200	\$31,989	\$39,840
2BR	\$19,200	\$22,410	\$25,611	\$29,880	\$31,989	\$37,350	\$38,400	\$44,820
3BR	\$22,183	\$26,910	\$29,589	\$35,880	\$36,994	\$44,850	\$44,366	\$53,820

**Utility Structure:**

The tenant will be responsible for electric cooking, heating, hot water, and other electric expenses, as well as water and sewer expenses. The landlord will be responsible for trash expenses and common area amenities. The Subject utilizes project-specific utility allowances, which are \$119, \$151, and \$176 for its one, two, and three-bedroom units, respectively. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from the Virginia Housing, effective July 1, 2023, the most recent available schedule. It should be noted that the developer's project-specific utility allowance which differs from the total tenant-paid utilities listed below.

**HOUSING AUTHORITY UTILITY ALLOWANCE**

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$34	\$44	\$54
Cooking - Electric	Tenant	\$5	\$6	\$8
Other Electric	Tenant	\$20	\$25	\$31
Air Conditioning	Tenant	\$10	\$13	\$15
Water Heating - Electric	Tenant	\$18	\$23	\$28
Water	Tenant	\$25	\$32	\$40
Sewer	Tenant	\$29	\$38	\$46
Trash	Landlord	\$15	\$15	\$15
<b>TOTAL - Paid By Landlord</b>		<b>\$15</b>	<b>\$15</b>	<b>\$15</b>
<b>TOTAL - Paid By Tenant</b>		<b>\$141</b>	<b>\$181</b>	<b>\$222</b>
<b>TOTAL - Paid By Tenant Provided by Developer</b>		<b>\$119</b>	<b>\$151</b>	<b>\$176</b>
<b>DIFFERENCE</b>		<b>84%</b>	<b>83%</b>	<b>79%</b>

Source: Virginia Housing, effective 7/2023

**Unit Mix:**

The following table illustrates the Subject's unit mix and size:

**UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	16	703	11,248
2BR / 2BA	48	948	45,504
3BR / 2BA	16	1,177	18,832
<b>TOTAL</b>	<b>80</b>		<b>75,584</b>

**Net Leasable Area:** Approximately 75,584 square feet as outlined in the table above.

**Unit Amenities:** The Subject's units will offer a balcony/patio, blinds, coat closets, central a/c, carpeting, ceiling fans, walk-in closets, and washer/dryer hookups. Appliances will include a dishwasher, range/oven, and refrigerator. Washers and dryers will be available for rent for \$50 per month.

**Common Area Amenities:** The subject will feature a clubroom, onsite management, a playground, recreation areas, and off-street parking.

**Parking:** The Subject will offer a total of 228 parking spaces, which will equate to a parking ratio of 2.85 spaces per unit. Overall, based on parking ratios reported at the comparables, the parking offered at the Subject is reasonable.

**Number of Stories and Buildings:** The Subject will offer a four-story, walk-up design, with access only from the first floor. The Subject, as well as Phase I and Phase II of the development, will be the first multifamily properties to offer this design in the market. However, through conversations with area property managers, we have determined that this proposed design will be marketable.

**Americans with Disabilities Act of 1990:** We assume the property will not have any violations of the Americans with Disabilities Act of 1990.

**Quality of Construction Condition and Deferred Maintenance:** We expect the Subject to be constructed using good-quality materials. As new construction, the Subject will not suffer from deferred maintenance and will be in excellent condition.

**Functional Utility:** We have reviewed the Subject's floor plans and determined them to be reasonable. Note that the one-bedroom unit sizes are slightly below the comparable range of unit sizes. However, Timber Ridge I and II offers the next smallest one-bedroom unit in the market (744 sq. ft.). Timber Ridge I and II are currently fully occupied, indicating their unit sizes are accepted in the market. Based on the overall stable vacancy rate among

comparables, we believe that the Subject's unit sizes are reasonable and will be accepted in the market.

**Conclusion:**

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

**Site Plans:**

We have reviewed the Subject's floor plans and the overall site plan and determined them to be market-oriented.

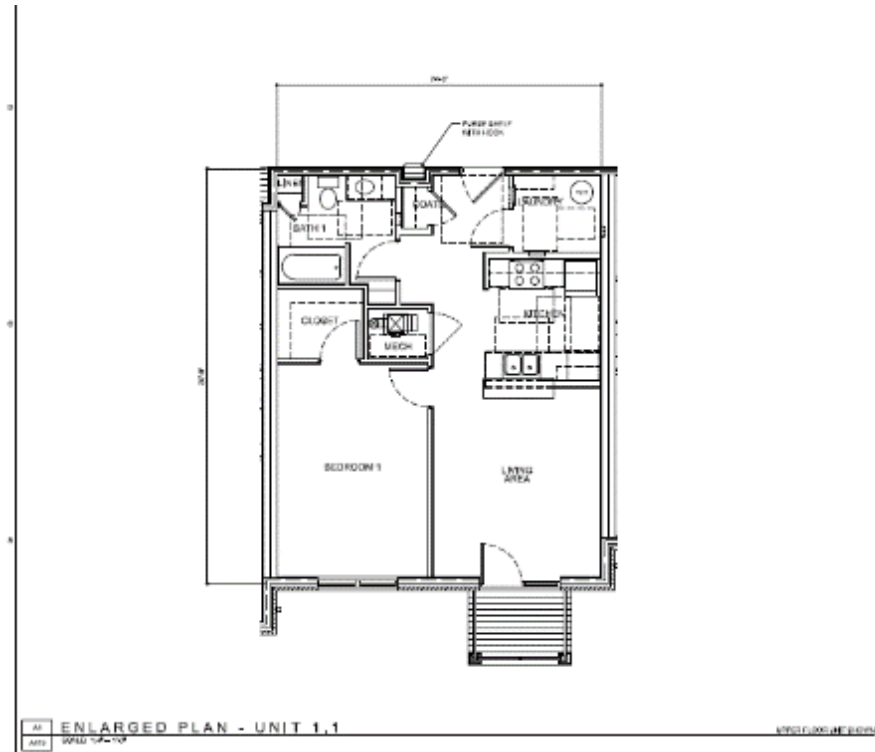


Subject Site Plan

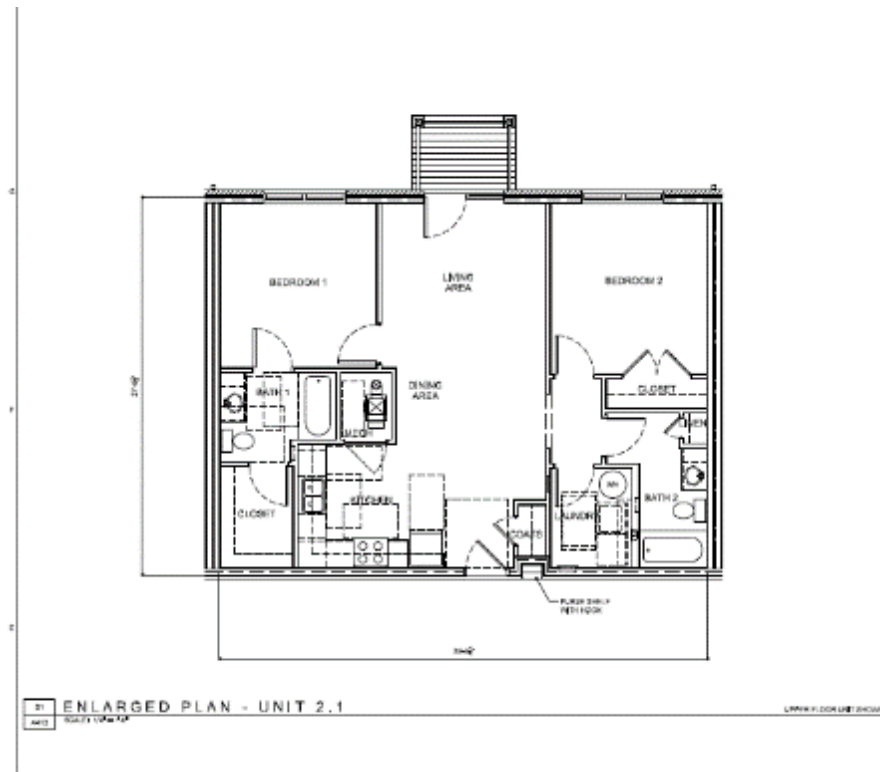


Source: Sponsor, February 2023

### Subject Floor Plans

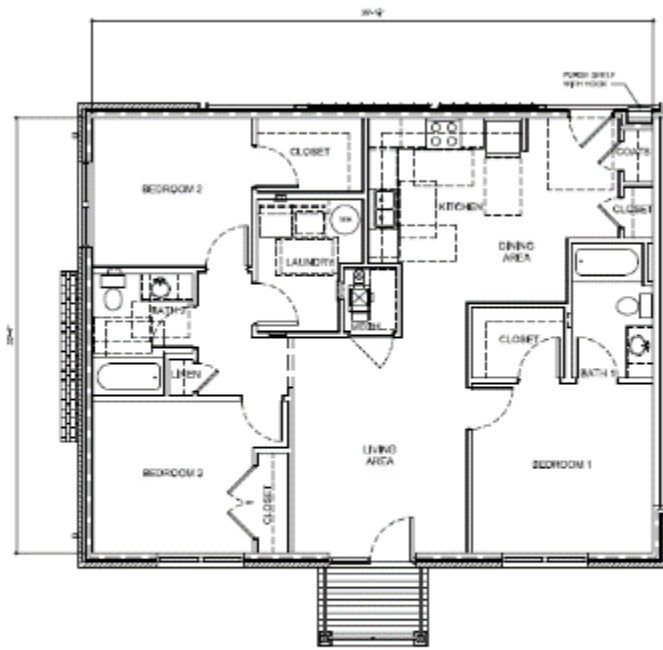


Source: Sponsor, February 2023



Source: Sponsor, February 2023





ENLARGED PLAN - UNIT 3.1  
SCALE: 1/8" = 1'-0"  
WATER FLOOR LINE BELOW

Source: Sponsor, February 2023

**MILLER'S REST APARTMENTS III – LYNCHBURG, VIRGINIA – MARKET STUDY**

**Miller's Rest III**

Comp #                      Subject  
 Location                      6100 Old Mill Road  
    Lynchburg, VA 24502  
    Lynchburg County  
 Units                              80  
 Type                              Garden  
    (4 stories)  
 Year Built / Renovated      2026



**Utilities**

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

**Unit Mix (face rent)**

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (4 stories)	2	703	\$347	\$0	@30%	n/a	N/A	N/A	yes
1	1	Garden (4 stories)	2	703	\$503	\$0	@40% (Section 8)	n/a	N/A	N/A	yes
1	1	Garden (4 stories)	5	703	\$659	\$0	@50%	n/a	N/A	N/A	yes
1	1	Garden (4 stories)	7	703	\$814	\$0	@60%	n/a	N/A	N/A	yes
2	2	Garden (4 stories)	4	948	\$409	\$0	@30%	n/a	N/A	N/A	yes
2	2	Garden (4 stories)	4	948	\$596	\$0	@40% (Section 8)	n/a	N/A	N/A	yes
2	2	Garden (4 stories)	14	948	\$782	\$0	@50%	n/a	N/A	N/A	yes
2	2	Garden (4 stories)	26	948	\$969	\$0	@60%	n/a	N/A	N/A	yes
3	2	Garden (4 stories)	2	1,177	\$471	\$0	@30%	n/a	N/A	N/A	yes
3	2	Garden (4 stories)	2	1,177	\$687	\$0	@40% (Section 8)	n/a	N/A	N/A	yes
3	2	Garden (4 stories)	5	1,177	\$903	\$0	@50%	n/a	N/A	N/A	yes
3	2	Garden (4 stories)	7	1,177	\$1,118	\$0	@60%	n/a	N/A	N/A	yes

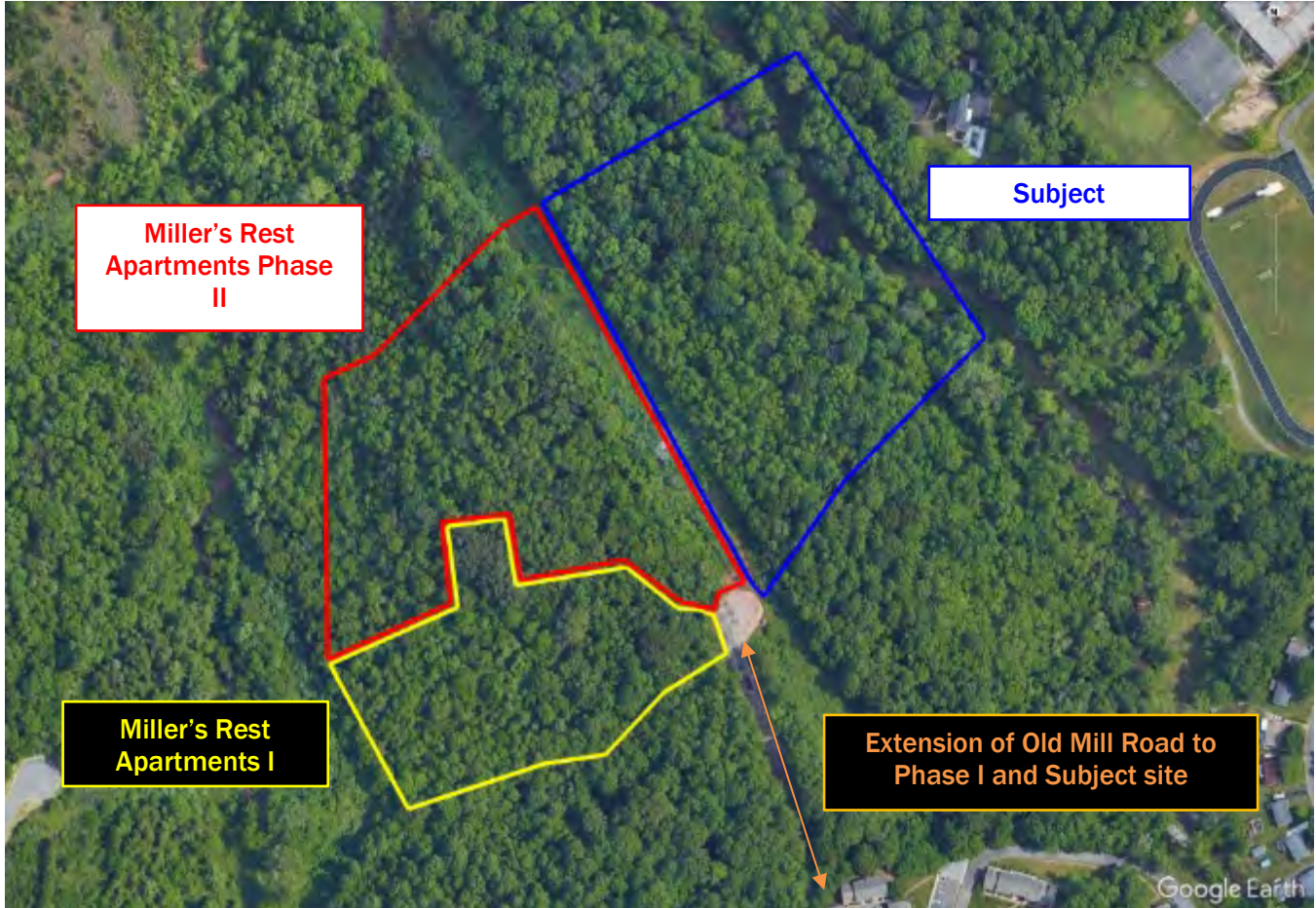
**Amenities**

In-Unit	Balcony/Patio Blinds Carpeting Central A/C Dishwasher Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Perimeter Fencing Video Surveillance
Property	Recreational Area Clubhouse/Meeting Room/Community Room Off-Street Parking On-Site Management Playground	Premium	none
Services	none	Other	none

## **D. LOCATION**

**LOCATION**

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



Source: Google Earth, February 2024. Note that Old Mill Road extends north through wooded area; aerial is not reflective of current improvements

**Subject Site Description:**

The Subject will be located at 6100 Old Mill Road in Lynchburg, Virginia 24502. Note that the Subject and Miller's Rest Apartments will utilize the same entry point.

**Size:**

The Subject site consists of 9.98 acres, or 434,728.8 square feet site.

**Shape:**

The overall site is generally irregular in shape.

**Frontage:**

The Subject will be accessible via Old Mill Road. Note that Old Mill Road extends beyond map illustrations (via Google). Therefore, the property will have limited direct frontage along the northern portion of Old Mill Road. We assume marketing signage will be made available along Old Mill Road.



**Topography:** The Subject site slopes downhill to the northeast and east.

**Utilities:** All utilities are provided to the site.

**Visibility/Views:** The Subject site has minimal visibility from Old Mill Road. View to the west consist of Miller's Rest Apartments, which opened in December 2023, and the site for Miller's Rest Phase II, which is currently under construction. Views in all remaining directions consist of vacant wooded land. Overall, visibility and views are considered average.

**Surrounding Uses:** The Subject will be located in a mixed-use neighborhood southwest of Downtown Lynchburg. The Subject site is rated as "Car Dependent" by Walk Score with a score of nine, indicating that almost all errands require a car. Note that the Subject site is located adjacent northeast of the site for Miller's Rest Apartments I, an existing 80-unit LIHTC development that opened in December 2023, and adjacent east of the site for Miller's Rest Apartments II, a proposed 115-unit LIHTC development. Miller's Rest I and II represent the first and second phases of the larger Miller's Rest development, which includes the Subject.



Single-family homes north of Subject site



Single-family homes north of Subject site

North: Land use to the north consists of vacant wooded land, followed further north by single-family homes in good condition.



Educational uses east of Subject



Assisted Living facility southeast of Subject

East: Land uses east of the Subject consist of vacant wooded land, followed by single-family homes in good condition.



Old Mill Townhomes (excluded) south of Subject site



Mill's Crossing (comparable property) south of Subject site

*South:* Uses south consist of vacant land, followed further south by multifamily properties and commercial uses. Multifamily properties south of the Subject include Old Mill Townhomes, a 156-unit, market rate development offering one through four-bedroom units, which has been excluded from our analysis due to its inferior condition to the proposed Subject (the property is 95 percent occupied and operates with a waiting list); Mill's Crossing, a 72-unit market rate property offering one and two-bedroom units which has been included as a comparable in our analysis; and Mill Woods Apartments, a 128-unit Section 8 property that has been excluded due to its subsidized tenancy.





View of Millers Rest Phase II (west of Subject)



View of Millers Rest Phase I (west of Subject)

West: Land use west and southwest of the Subject consist of Miller's Rest Apartments, which opened in December 2023, and the site for Miller's Rest Phase II, which is currently under construction. Farther west is vacant wooded land, followed by commercial properties and educational uses.

**Access and Traffic Flow:**

The Subject will be accessible via Old Mill Road, which is a two-lane, lightly traveled residential road that provides access to Graves Mill Road to the south. Note that Old Mill Road extends beyond map illustrations (via Google). Graves Mill Road is moderately trafficked two-lane road traversing north and south through southwestern Lynchburg. Graves Mill Road provides access to the Lynchburg Expressway approximately 1.0 mile southeast of the site. The Lynchburg expressway provides access northwest to Lexington, VA, and northeast through to Downtown Lynchburg. Overall, traffic in the Subject's immediate area is considered light, and access is considered average.

**Layout and Curb Appeal:**

Based on our review of the floor plans provided by the developer, the Subject will have a functional layout and good curb appeal.

**Drainage:**

Appears adequate, however, no specific tests were performed. Further, Novogradac is not an expert in this field and cannot opine on this issue.

**Soil and Subsoil Conditions:**

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

**Detrimental Influences:**

Note that there are electrical lines that run along the western portion of the Subject site as well as the eastern portion of the site for Phase II. However, the lines run southeast through

Old Mill Townhomes and along the site for Mill Woods Apartments. Both multifamily developments reported no issues with the electrical lines, and both reported stabilized occupancies. Therefore, we maintain the lines do not represent a detrimental influence. No other potential detrimental influences were identified.

**Flood Plain:**

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 51019C0240D, dated September 2010, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the 0.2 percent annual chance floodplains. Novogradac does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report.

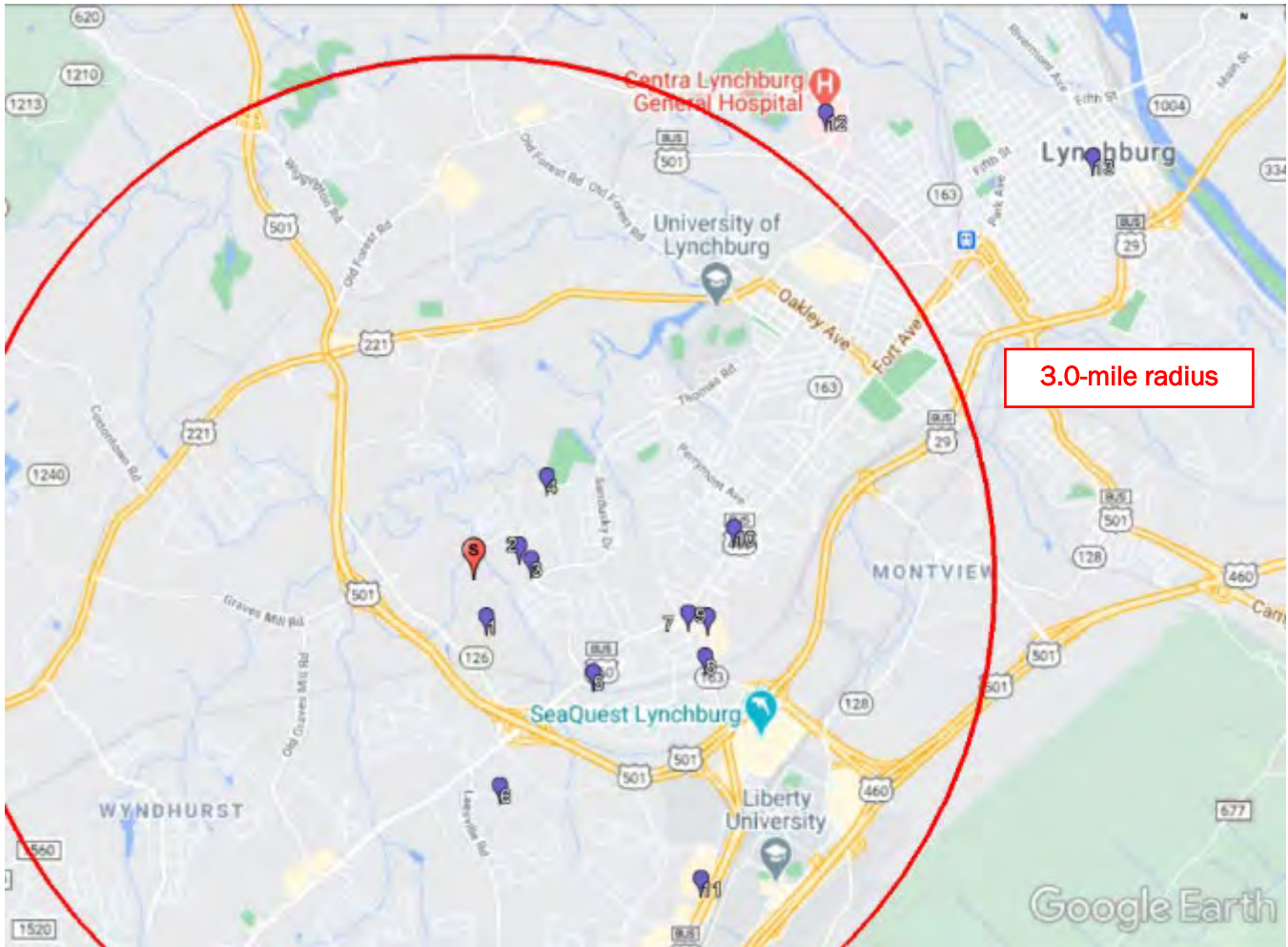


Source: FEMA Flood Map Service Center, February 2024

**Locational Amenities:**

The following table and map illustrate the Subject's proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.





Source: Google Earth, February 2024

**LOCATIONAL AMENITIES**

Map #	Service or Amenity	Distance from Subject (Crow)
1	Bus Stop 91	0.2 miles
2	Sandusky Elementary School	0.3 miles
3	Sandusky Middle School	0.3 miles
4	Sandusky Park	0.7 miles
5	U.S. Post Office	0.9 miles
6	Heritage High School	1.2 miles
7	CVS Pharmacy	1.2 miles
8	Bank of America	1.4 miles
9	Kroger	1.4 miles
10	Lynchburg Fire Station 3	1.5 miles
11	Walmart Supercenter	2.2 miles
12	Centra Lynchburg General Hospital	3.3 miles
13	Lynchburg Police Station	4.3 miles

**Public Transportation:**

Greater Lynchburg Transit Company operates a series of bus routes in the greater Lynchburg area. The closest stop, Bus Stop 91, is served by the Route 6 bus line and is located 0.2 miles from the Subject site along Old Mill Road. It provides access to the River Ridge Mall Lynchburg approximately 2.7 miles southeast.

**Crime Statistics:**

The following tables show crime statistics from 2023 for the PMA.

**2023 CRIME INDICES**

	PMA	Lynchburg, VA Metropolitan Statistical Area
<b>Total Crime*</b>	<b>80</b>	<b>61</b>
<b>Personal Crime*</b>	<b>80</b>	<b>58</b>
Murder	77	70
Rape	79	65
Robbery	60	39
Assault	90	66
<b>Property Crime*</b>	<b>79</b>	<b>61</b>
Burglary	62	51
Larceny	90	68
Motor Vehicle Theft	41	31

Source: Esri Demographics 2023, Novogradac, February 2024

\*Unweighted aggregations

The table above illustrates the crime risk as an index where 100 represents the national average. Indices above 100 are above the national average, and indices below 100 are below the national average. Total, personal, and property crime indices in the PMA are above that of the MSA, but below the nation. The Subject will offer a courtesy patrol. Four of the comparable properties offer some form of security feature, while the remaining comparables do not offer security features. We believe that the Subject’s security features will be competitive and market oriented.

**Conclusion:**

The Subject’s neighborhood appears to be a good location for a multifamily development. The majority of the local amenities are located within approximately 4.3 miles of the Subject. The Subject is located in a mixed-use neighborhood with multifamily housing, commercial and retail uses, and multifamily homes. The Subject is a compatible use within the existing neighborhood.



**PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD**



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View of Subject site and site for Millers Rest Phase II



View of Subject site and site for Millers Rest Phase II





View of Subject site and site for Millers Rest Phase II



View of Subject site and site for Millers Rest Phase II



View north along Old Mill Road



View south along Old Mill Road



Mill Wood Apartments (excluded) south of Subject



Old Mill Townhomes (excluded) south of Subject





Mill's Crossing Apartments (comparable) south of Subject



Recreation center in Subject neighborhood



Event center in Subject neighborhood



Offices in Subject neighborhood



Commercial property in Subject neighborhood



Commercial property in Subject neighborhood





Commercial property in Subject neighborhood



Commercial property in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

## **E. MARKET AREA DEFINITION**

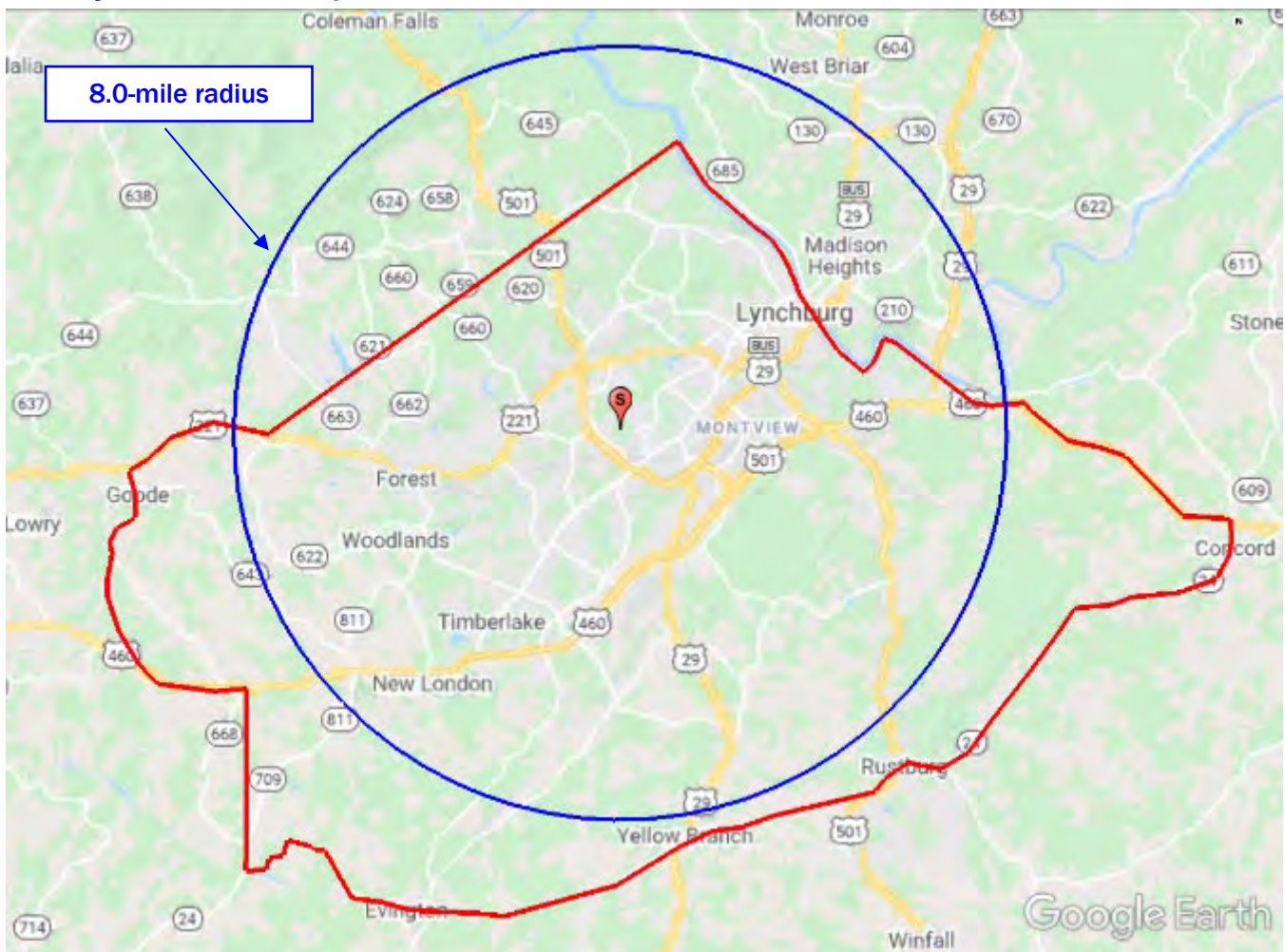
## MARKET AREA

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

The Subject property is located in Lynchburg, Virginia. The PMA is generally defined as the city of Lynchburg. The PMA boundaries are: Richmond Highway and the James River to the northeast; State Route 24 to the southeast and south; Blackwater Road and State Route 706 to the west; and Forest Road and Boonsboro Road to the east. The PMA was determined based on input from area property managers. Management at the majority of the rent comparables noted that most of their tenants originate from within the city of Lynchburg. We have estimated that 10 percent of the Subject’s tenants will come from outside of these boundaries.

The Lynchburg, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA), which includes the cities of Lynchburg and Bedford, as well as Bedford, Campbell, Amherst, and Appomattox Counties.

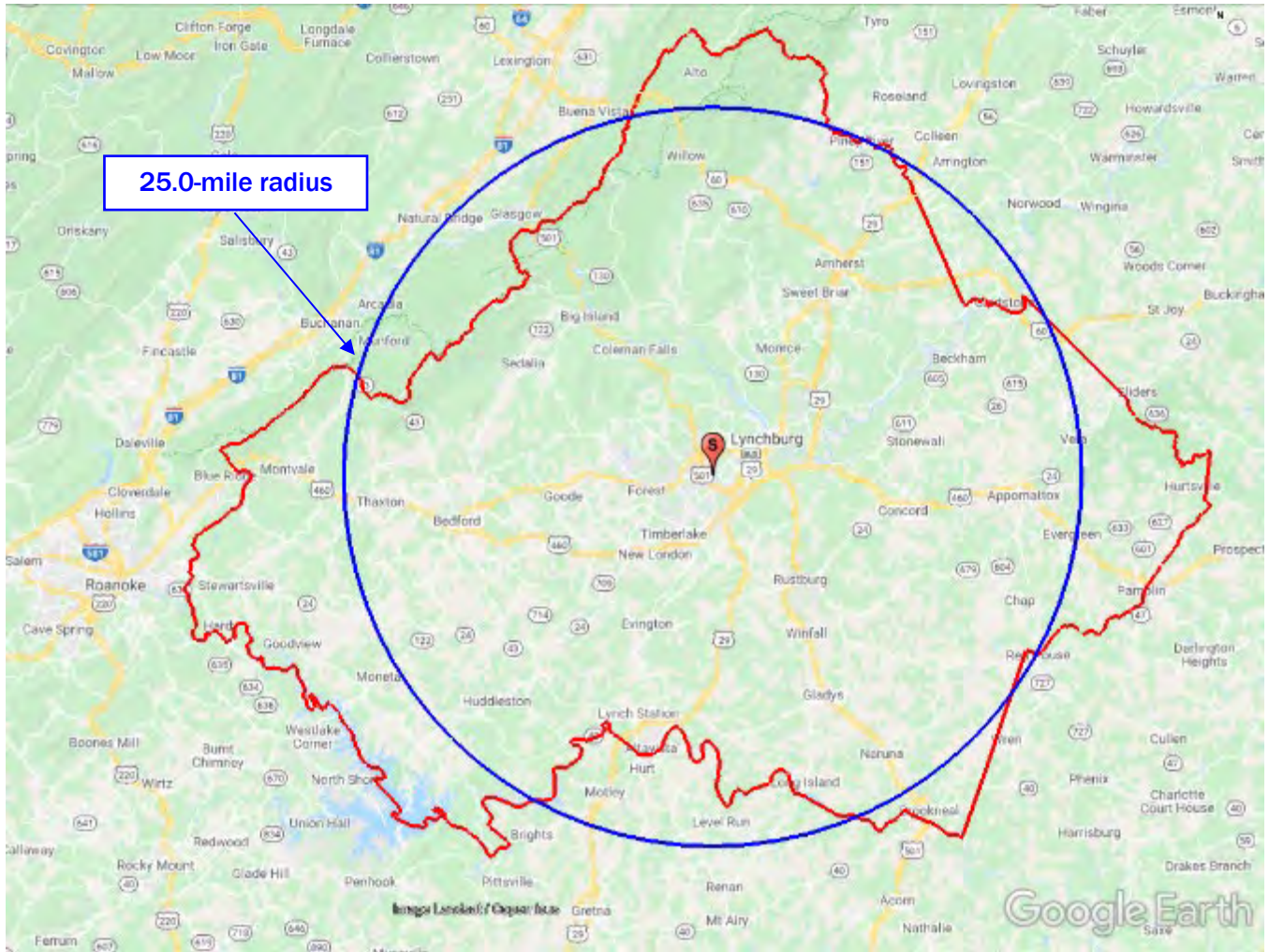
### Primary Market Area Map



Source: Google Earth, February 2024



### Metropolitan Statistical Area (MSA) Map



Source: Google Earth, February 2024

# **F. EMPLOYMENT AND ECONOMY**

**ECONOMIC ANALYSIS**

The Lynchburg area has a diverse economy that has employment concentrated in the healthcare/social assistance, professional/scientific/technical services, and retail trade sectors. Additionally, Lynchburg is a primarily residential area that benefits from its close proximity to the state capital, Richmond.

**Employment by Industry**

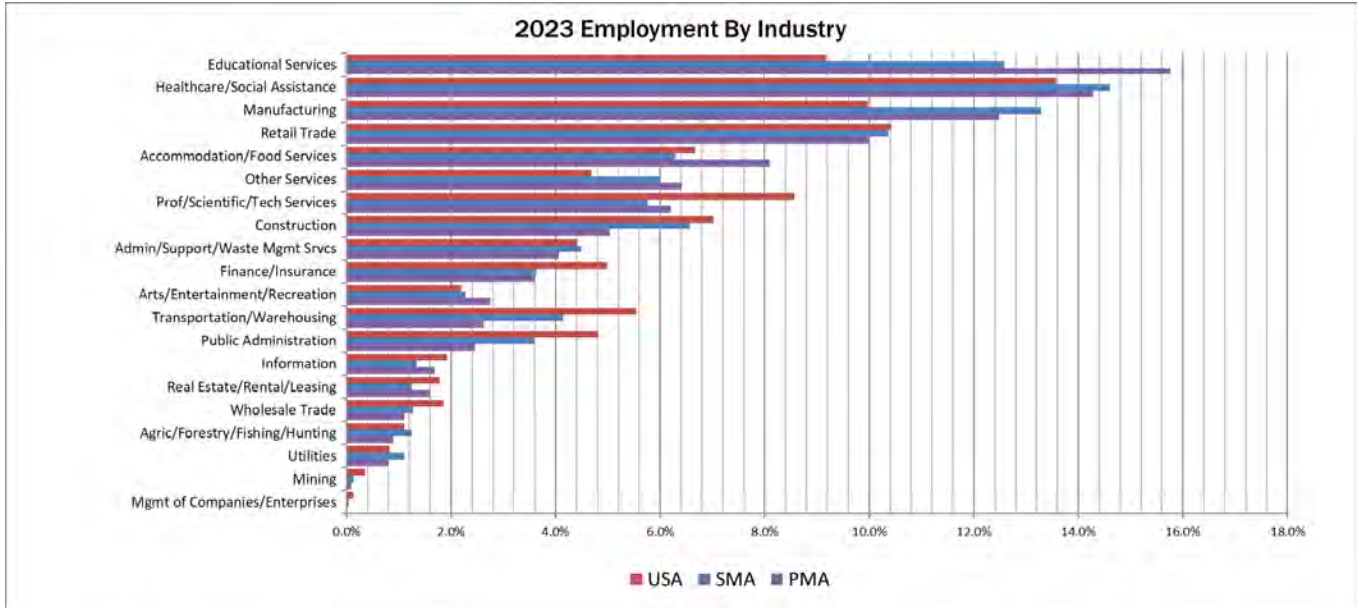
The following chart illustrates employment by industry as of 2023.

**2023 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Educational Services	10,099	15.8%	14,946,247	9.2%
Healthcare/Social Assistance	9,149	14.3%	22,115,876	13.6%
Manufacturing	7,995	12.5%	16,269,811	10.0%
Retail Trade	6,400	10.0%	16,983,329	10.4%
Accommodation/Food Services	5,189	8.1%	10,883,169	6.7%
Other Services	4,106	6.4%	7,645,568	4.7%
Prof/Scientific/Tech Services	3,975	6.2%	13,955,403	8.6%
Construction	3,227	5.0%	11,436,301	7.0%
Admin/Support/Waste Mgmt Svcs	2,607	4.1%	7,195,078	4.4%
Finance/Insurance	2,313	3.6%	8,135,144	5.0%
Arts/Entertainment/Recreation	1,764	2.8%	3,578,110	2.2%
Transportation/Warehousing	1,682	2.6%	9,030,239	5.5%
Public Administration	1,576	2.5%	7,857,180	4.8%
Information	1,081	1.7%	3,143,826	1.9%
Real Estate/Rental/Leasing	1,027	1.6%	2,901,274	1.8%
Wholesale Trade	706	1.1%	3,029,965	1.9%
Agric/Forestry/Fishing/Hunting	572	0.9%	1,800,335	1.1%
Utilities	518	0.8%	1,335,595	0.8%
Mining	63	0.1%	572,355	0.4%
Mgmt of Companies/Enterprises	6	0.0%	216,588	0.1%
<b>Total Employment</b>	<b>64,055</b>	<b>100.0%</b>	<b>163,031,393</b>	<b>100.0%</b>

Source: Esri Demographics 2023, Novogradac, February 2024

Employment in the PMA is concentrated in the educational services, healthcare/social assistance, and manufacturing industries, which collectively comprise 42.5 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the educational services, manufacturing, and other services industries. Conversely, the PMA is underrepresented in the transportation/warehousing, public administration, and prof/scientific/tech services industries.



### Growth by Industry

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

#### 2010-2023 CHANGE IN EMPLOYMENT - PMA

Industry	2010		2023		2010-2023	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent Change
Educational Services	5,301	10.1%	10,099	15.8%	4,798	7.0%
Healthcare/Social Assistance	7,529	14.3%	9,149	14.3%	1,620	1.7%
Manufacturing	7,051	13.4%	7,995	12.5%	944	1.0%
Retail Trade	6,672	12.7%	6,400	10.0%	-272	-0.3%
Accommodation/Food Services	3,724	7.1%	5,189	8.1%	1,465	3.0%
Other Services	3,086	5.9%	4,106	6.4%	1,020	2.5%
Prof/Scientific/Tech Services	3,165	6.0%	3,975	6.2%	810	2.0%
Construction	4,007	7.6%	3,227	5.0%	-780	-1.5%
Admin/Support/Waste Mgmt Svcs	1,932	3.7%	2,607	4.1%	675	2.7%
Finance/Insurance	1,988	3.8%	2,313	3.6%	325	1.3%
Arts/Entertainment/Recreation	382	0.7%	1,764	2.8%	1,382	27.8%
Transportation/Warehousing	1,644	3.1%	1,682	2.6%	38	0.2%
Public Administration	2,299	4.4%	1,576	2.5%	-723	-2.4%
Information	933	1.8%	1,081	1.7%	148	1.2%
Real Estate/Rental/Leasing	629	1.2%	1,027	1.6%	398	4.9%
Wholesale Trade	1,261	2.4%	706	1.1%	-555	-3.4%
Agric/Forestry/Fishing/Hunting	470	0.9%	572	0.9%	102	1.7%
Utilities	375	0.7%	518	0.8%	143	2.9%
Mining	50	0.1%	63	0.1%	13	2.0%
Mgmt of Companies/Enterprises	11	0.0%	6	0.0%	-5	-3.5%
<b>Total Employment</b>	<b>52,509</b>	<b>100.0%</b>	<b>64,055</b>	<b>100.0%</b>	<b>11,546</b>	<b>1.7%</b>

Source: Esri Demographics 2023, Novogradac, February 2024

Total employment in the PMA increased at an annualized rate of 1.7 percent between 2010 and 2020. The industries which expanded most substantially during this period include educational services, healthcare/social assistance, and accommodation/food services. Conversely, the construction, public administration, and wholesale trade sectors experienced the least growth.

## Major Employers

The following table details the major employers within the greater Lynchburg area.

MAJOR EMPLOYERS LYNCHBURG		
Employer Name	Industry	# Of Employees
Liberty University Schools	Educational Services	6,401
Centra Hospitals	Healthcare	3,096
BWX Technologies, Inc.	Manufacturing	2,500
Framatome	Manufacturing	1,875
Lynchburg City Schools	Educational Services	1,605
Shentel	Telecommunications	1,500
City of Lynchburg	Government	1,076
Barton Malow	Construction	1,000
Genworth Financial	Financial Services	960
Southern Air, Inc.	Maintenance	830
Horizon Behavioral Health	Healthcare	705
J. Crew	Retail	640
HARRIS Corporation, RF Communications Division	Technology Services	620
Kroger Office	Retail	543
Meriwether-Godsey, Inc.	Food Services	500
University of Lynchburg	Educational Services	489
Mary Baldwin University, Roanoke Center	Educational Services	440
Delta Star, Inc.	Manufacturing	412
LSC Communications	Manufacturing	412
STARTEK	Business Process Outsourcing	400
<b>Totals</b>		<b>26,004</b>

Source: Inside Lynchburg Region, retrieved 2/2024

As seen in the previous table, the largest employers within Lynchburg are concentrated in the education, health care, and utilities/manufacturing industries. The largest employer in Lynchburg, Liberty University, operates a residential campus in Lynchburg, as well as offering educational programs online. The University has approximately 13,000 resident students in the area. Additional employers in the region include a mix of retail trade, support, financial, insurance, and manufacturing companies.

### Employment Expansion/Contractions

The table that follows on the next page lists business closures and layoffs within Lynchburg from 2021 to year-to-date 2024, according to Virginia Workforce Network’s Worker Adjustment and Retraining Notification (WARN) filings.

**WARN LISTINGS  
LYNCHBURG**

Company	Industry	Employees Affected	Layoff Date
Thriveworks Administrative Services	Administrative	3	11/30/2023
<b>Total</b>		<b>3</b>	

Source: Virginia Employment Commission, retrieved February 2024

As seen in the previous table, there have been a total of 3 positions affected by WARN filings since 2021.

We attempted to contact the Lynchburg Economic Development Authority (EDA) for recent business expansion information. However, despite numerous messages our calls have not been returned. We conducted internet research regarding recent business expansions and contractions in the area and identified the following expansion announcements.

- Framatome, a designer of nuclear power systems, announced a \$49.4M investment in the Lynchburg area in December 2023. The expansion is expected to be completed by the end of 2027 and will create an estimated 500 new jobs.
- Delta Star, Inc., announced in May 2023 that it plans to expand its operations in Lynchburg, VA. The company will invest \$30.2M into a new 80,000 square-foot facility, which will add approximately 150 new jobs.
- In June 2023, the Downtown Lynchburg Association announced the winners of the Launch LYH pitch competition, which awarded a total of \$115,000 in grants for businesses in downtown Lynchburg. The winners include Super Rad! (an arcade bar), PREAM (a plant store), Wolfbane Productions (theater company), Lynchburg Golf and Social (golf simulator), Mosaic Collective + Threaded (thrift store), The Lost Playground (mini-golf), and Easy Speak Dance Hall and Events, which will all open up spaces in downtown Lynchburg over the coming year.
- BWX Technologies Inc., a manufacturer of nuclear energy components, announced plans in November 2021 to open a new research and development facility in Campbell County near Lynchburg. The facility was completed in 2023 and created an estimated 97 new jobs.



## Employment and Unemployment Trends

The table below illustrates the total workforce, total employed, and unemployment rate for the Lynchburg, VA MSA from 2007 to 2023 (year to date).

### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Lynchburg, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	116,757	-	3.7%	-	146,047,000	-	4.6%	-
2008	119,253	2.1%	4.5%	0.8%	145,363,000	-0.5%	5.8%	1.2%
2009	113,664	-4.7%	7.6%	3.1%	139,878,000	-3.8%	9.3%	3.5%
2010	116,396	2.4%	8.0%	0.4%	139,064,000	-0.6%	9.6%	0.3%
2011	116,344	0.0%	7.2%	-0.8%	139,869,000	0.6%	9.0%	-0.7%
2012	115,969	-0.3%	6.5%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	116,317	0.3%	6.1%	-0.4%	143,929,000	1.0%	7.4%	-0.7%
2014	117,397	0.9%	5.5%	-0.6%	146,305,000	1.7%	6.2%	-1.2%
2015	116,938	-0.4%	4.8%	-0.7%	148,833,000	1.7%	5.3%	-0.9%
2016	116,112	-0.7%	4.5%	-0.4%	151,436,000	1.7%	4.9%	-0.4%
2017	118,189	1.8%	4.2%	-0.2%	153,337,000	1.3%	4.4%	-0.5%
2018	118,677	0.4%	3.5%	-0.8%	155,761,000	1.6%	3.9%	-0.4%
2019	120,001	1.1%	3.2%	-0.3%	157,538,000	1.1%	3.7%	-0.2%
2020	113,475	-5.4%	6.2%	3.0%	147,795,000	-6.2%	8.1%	4.4%
2021	115,214	1.5%	4.0%	-2.2%	152,581,000	3.2%	5.4%	-2.7%
2022	118,126	2.5%	3.3%	-0.8%	158,291,000	3.7%	3.7%	-1.7%
2023 YTD Average*	121,489	2.8%	3.4%	0.1%	161,036,583	1.7%	3.6%	0.0%
Dec-2022	119,279	-	3.0%	-	158,872,000	-	3.3%	-
Dec-2023	120,737	1.2%	3.2%	0.2%	160,754,000	1.2%	3.5%	0.2%

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

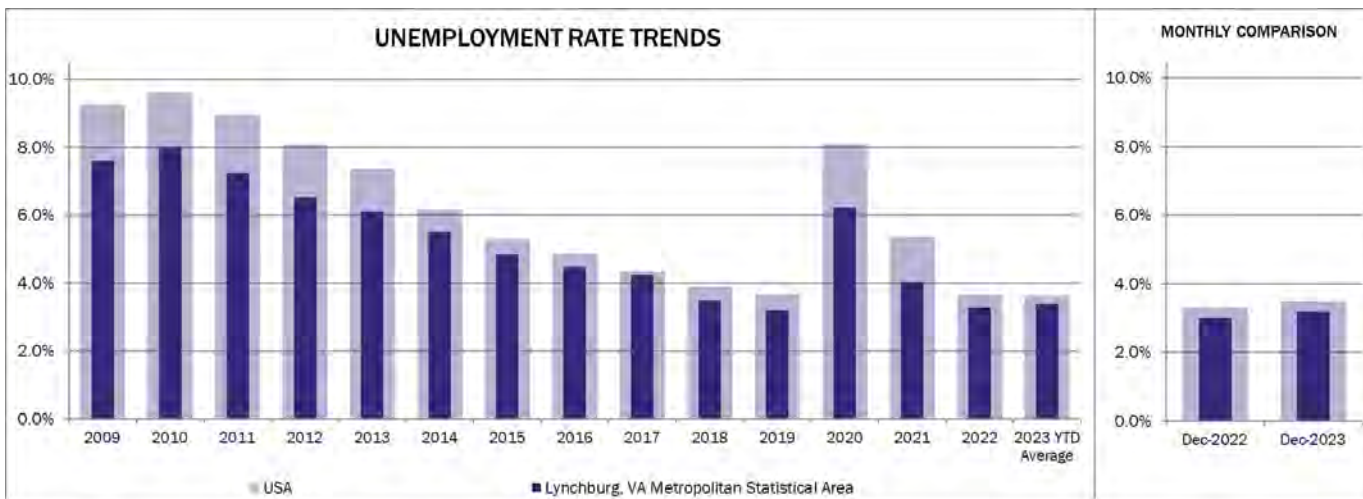
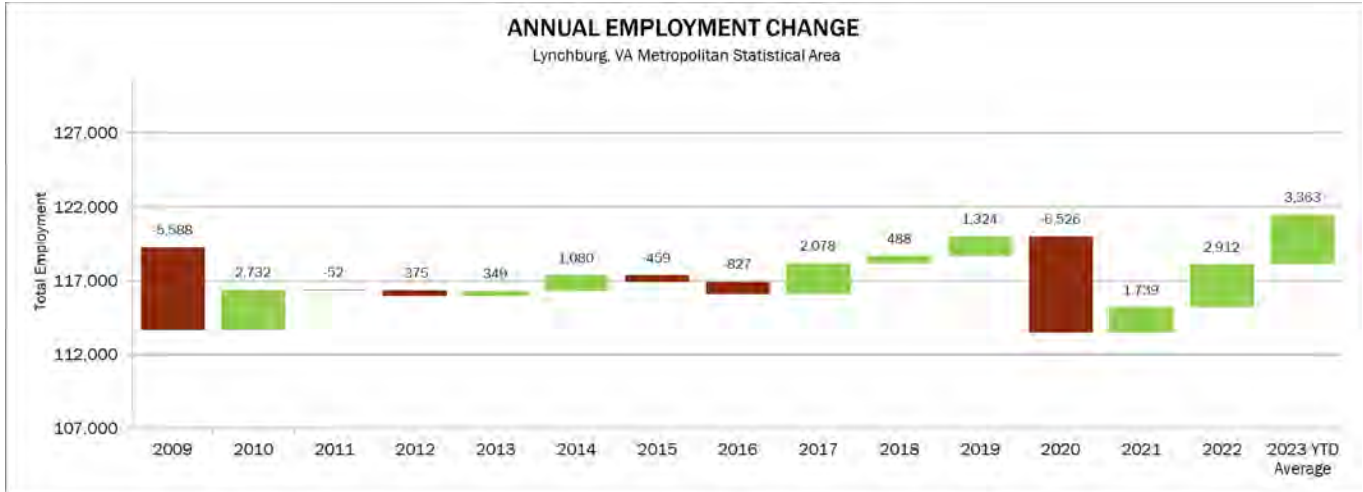
\*2023 data is through December

Employment in the MSA recovered and surpassed pre-Great Recession levels in 2013, a year earlier than the nation. During the period preceding the onset of COVID-19 (2012 - 2019), job growth in the MSA was generally similar to the nation. Employment in the MSA declined sharply by 5.4 percent in 2020 amid the pandemic, below the nation. From December 2022 to December 2023, employment in the MSA increased at an annualized rate of 1.2 percent, compared to a similar growth recorded across the nation.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the Great Recession. The MSA unemployment rate increased by 3.0 percentage points in 2020 amid the pandemic, reaching a high of 6.2 percent. The national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. As of December 2023, the unemployment rate in the MSA is 3.2 percent, compared to the current national unemployment rate of 3.5 percent. Overall, the MSA economy continues to recover from the effects of the pandemic.



MILLER'S REST APARTMENTS III – LYNCHBURG, VIRGINIA – MARKET STUDY



## Wages by Occupation

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

### LYNCHBURG, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2022 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
<b>All Occupations</b>	<b>96,060</b>	<b>\$24.44</b>	<b>\$50,830</b>
Management Occupations	4,350	\$55.32	\$115,060
Computer and Mathematical Occupations	2,210	\$46.03	\$95,730
Legal Occupations	430	\$46.01	\$95,690
Architecture and Engineering Occupations	1,940	\$41.61	\$86,550
Healthcare Practitioners and Technical Occupations	6,280	\$41.59	\$86,510
Business and Financial Operations Occupations	4,730	\$34.79	\$72,360
Life, Physical, and Social Science Occupations	670	\$34.61	\$71,990
Arts, Design, Entertainment, Sports, and Media Occupations	910	\$24.64	\$51,240
Installation, Maintenance, and Repair Occupations	4,530	\$24.14	\$50,200
Educational Instruction and Library Occupations	5,600	\$23.86	\$49,620
Community and Social Service Occupations	2,010	\$23.13	\$48,110
Protective Service Occupations	2,010	\$23.06	\$47,960
Production Occupations	8,530	\$22.32	\$46,420
Construction and Extraction Occupations	4,410	\$22.00	\$45,760
Farming, Fishing, and Forestry Occupations	200	\$19.96	\$41,510
Sales and Related Occupations	10,410	\$19.09	\$39,700
Office and Administrative Support Occupations	11,340	\$19.08	\$39,680
Transportation and Material Moving Occupations	7,590	\$18.24	\$37,930
Personal Care and Service Occupations	1,830	\$15.07	\$31,350
Building and Grounds Cleaning and Maintenance Occupations	2,900	\$14.75	\$30,680
Healthcare Support Occupations	4,440	\$14.42	\$29,980
Food Preparation and Serving Related Occupations	8,740	\$13.54	\$28,160

Source: Department Of Labor, Occupational Employment Statistics, 5/2022, retrieved 2/2024

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$13.54 per hour. The highest average hourly wage, of \$55.32, is for those in management occupations. Qualifying income for the Subject's affordable units will range between \$0 and \$53,820. Additionally, the minimum income for the Subject will be \$15,223 absent subsidy. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

## Commuting Patterns

The chart below shows the travel time to work for commuters in the PMA according to ESRI data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,961	3.5%
Travel Time 5-9 min	7,117	12.5%
Travel Time 10-14 min	12,720	22.4%
Travel Time 15-19 min	13,061	23.0%
Travel Time 20-24 min	9,136	16.1%
Travel Time 25-29 min	3,608	6.4%
Travel Time 30-34 min	4,366	7.7%
Travel Time 35-39 min	791	1.4%
Travel Time 40-44 min	387	0.7%
Travel Time 45-59 min	1,157	2.0%
Travel Time 60-89 min	1,505	2.7%
Travel Time 90+ min	913	1.6%
<b>Weighted Average</b>	<b>21 minutes</b>	

Source: US Census 2023, Novogradac, February 2024

As shown in the preceding table, the weighted average commute time in the PMA is approximately 21 minutes. More than 77 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 26 minutes.

## Conclusion

Employment in the PMA is concentrated in the educational services, healthcare/social assistance, and manufacturing industries, which collectively comprise 42.5 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Employment in the MSA declined sharply by 5.4 percent in 2020 amid the pandemic, below the nation. From December 2022 to December 2023, employment in the MSA increased at an annualized rate of 1.2 percent, compared to a similar growth recorded across the nation. As of December 2023, the unemployment rate in the MSA is 3.2 percent, compared to the current national unemployment rate of 3.5 percent. Overall, the MSA economy continues to recover from the effects of the pandemic.

# **G. DEMOGRAPHIC CHARACTERISTICS**

## DEMOGRAPHIC CHARACTERISTICS

The following tables illustrate general population and households in the PMA, the MSA and the nation from 2010 through 2028.

### POPULATION

Year	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	122,338	-	252,634	-	308,730,056	-
2023	133,136	0.7%	264,566	0.4%	337,460,311	0.7%
2028	135,100	0.3%	266,727	0.2%	342,629,524	0.3%

Source: Esri Demographics 2023, Novogradac, February 2024

### HOUSEHOLDS

Year	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	47,195	-	99,563	-	116,709,667	-
2023	52,250	0.8%	106,621	0.5%	129,912,564	0.9%
2028	53,476	0.5%	108,337	0.3%	133,092,836	0.5%

Source: Esri Demographics 2023, Novogradac, February 2024

Population in the PMA increased at 0.7 percent between 2010 and 2023, though it grew at a rate above the MSA and similar to the nation. According to ESRI demographic projections, annualized PMA growth is expected to grow at 0.3 percent annually through 2028, slightly above the MSA and similar to the nation.

Households in the PMA increased at 0.8 percent between 2010 and 2023, though it grew at a rate above the MSA, but below the nation. According to ESRI demographic projections, annualized PMA household growth is expected to grow at 0.3 percent annually through 2028, above the MSA and similar to the nation.

Population by Age

POPULATION BY AGE IN 2023

Age Cohort	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	6,713	5.0%	12,612	4.8%	19,201,797	5.7%
5-9	6,862	5.2%	13,685	5.2%	20,453,982	6.1%
10-14	6,895	5.2%	14,118	5.3%	21,093,962	6.3%
15-19	11,596	8.7%	18,482	7.0%	21,358,182	6.3%
20-24	11,921	9.0%	18,009	6.8%	21,764,255	6.4%
25-29	9,587	7.2%	16,828	6.4%	22,766,750	6.7%
30-34	9,648	7.2%	17,640	6.7%	23,607,973	7.0%
35-39	7,608	5.7%	15,113	5.7%	22,565,712	6.7%
40-44	6,950	5.2%	14,482	5.5%	21,525,874	6.4%
45-49	6,733	5.1%	14,520	5.5%	19,586,596	5.8%
50-54	7,167	5.4%	15,867	6.0%	20,582,042	6.1%
55-59	7,692	5.8%	17,676	6.7%	21,174,150	6.3%
60-64	8,333	6.3%	19,159	7.2%	21,715,769	6.4%
65-69	7,492	5.6%	17,566	6.6%	19,504,679	5.8%
70-74	6,617	5.0%	15,146	5.7%	16,120,687	4.8%
75-79	4,806	3.6%	10,807	4.1%	11,016,814	3.3%
80-84	3,221	2.4%	6,777	2.6%	6,887,575	2.0%
85+	3,292	2.5%	6,079	2.3%	6,533,512	1.9%
<b>Total</b>	<b>133,133</b>	<b>100.0%</b>	<b>264,566</b>	<b>100.0%</b>	<b>337,460,311</b>	<b>100.0%</b>

Source: Esri Demographics 2023, Novogradac, February 2024

POPULATION BY AGE IN 2028 ESTIMATE

Age Cohort	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	6,875	5.1%	12,732	4.8%	19,731,698	5.8%
5-9	6,758	5.0%	13,318	5.0%	20,062,152	5.9%
10-14	6,961	5.2%	14,349	5.4%	20,994,759	6.1%
15-19	11,381	8.4%	18,507	6.9%	21,063,652	6.1%
20-24	11,918	8.8%	17,227	6.5%	21,446,767	6.3%
25-29	8,409	6.2%	14,119	5.3%	21,691,715	6.3%
30-34	8,572	6.3%	15,917	6.0%	23,084,225	6.7%
35-39	9,490	7.0%	18,113	6.8%	24,143,271	7.0%
40-44	7,543	5.6%	15,392	5.8%	22,432,110	6.5%
45-49	7,106	5.3%	14,961	5.6%	21,192,171	6.2%
50-54	6,755	5.0%	14,857	5.6%	19,168,895	5.6%
55-59	7,058	5.2%	16,006	6.0%	19,890,482	5.8%
60-64	7,540	5.6%	17,512	6.6%	19,939,284	5.8%
65-69	7,949	5.9%	18,465	6.9%	20,154,695	5.9%
70-74	6,991	5.2%	16,013	6.0%	17,475,764	5.1%
75-79	5,957	4.4%	13,216	5.0%	13,612,849	4.0%
80-84	4,032	3.0%	8,767	3.3%	8,900,938	2.6%
85+	3,804	2.8%	7,256	2.7%	7,644,098	2.2%
<b>Total</b>	<b>135,099</b>	<b>100.0%</b>	<b>266,727</b>	<b>100.0%</b>	<b>342,629,525</b>	<b>100.0%</b>

Source: Esri Demographics 2023, Novogradac, February 2024

### General Household Income Distribution

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

#### HOUSEHOLD INCOME PMA

Income Cohort	2023		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,712	7.1%	3,502	6.5%	-42	-1.1%
\$10,000-19,999	5,060	9.7%	4,745	8.9%	-63	-1.2%
\$20,000-29,999	5,438	10.4%	5,103	9.5%	-67	-1.2%
\$30,000-39,999	5,630	10.8%	5,216	9.8%	-83	-1.5%
\$40,000-49,999	5,038	9.6%	5,103	9.5%	13	0.3%
\$50,000-59,999	4,396	8.4%	4,344	8.1%	-10	-0.2%
\$60,000-74,999	5,231	10.0%	5,384	10.1%	31	0.6%
\$75,000-99,999	6,880	13.2%	6,976	13.0%	19	0.3%
\$100,000-124,999	4,188	8.0%	4,774	8.9%	117	2.8%
\$125,000-149,999	2,347	4.5%	2,899	5.4%	110	4.7%
\$150,000-199,999	2,111	4.0%	2,557	4.8%	89	4.2%
\$200,000+	2,219	4.2%	2,873	5.4%	131	5.9%
<b>Total</b>	<b>52,250</b>	<b>100.0%</b>	<b>53,476</b>	<b>100.0%</b>		

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

#### HOUSEHOLD INCOME SMA

Income Cohort	2023		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	6,547	6.1%	6,101	5.6%	-89	-1.4%
\$10,000-19,999	9,810	9.2%	8,926	8.2%	-177	-1.8%
\$20,000-29,999	10,387	9.7%	9,643	8.9%	-149	-1.4%
\$30,000-39,999	11,193	10.5%	10,231	9.4%	-192	-1.7%
\$40,000-49,999	9,562	9.0%	9,731	9.0%	34	0.4%
\$50,000-59,999	8,570	8.0%	8,299	7.7%	-54	-0.6%
\$60,000-74,999	11,614	10.9%	11,266	10.4%	-70	-0.6%
\$75,000-99,999	14,596	13.7%	14,856	13.7%	52	0.4%
\$100,000-124,999	9,557	9.0%	10,550	9.7%	199	2.1%
\$125,000-149,999	5,784	5.4%	6,880	6.4%	219	3.8%
\$150,000-199,999	4,473	4.2%	5,860	5.4%	277	6.2%
\$200,000+	4,528	4.2%	5,994	5.5%	293	6.5%
<b>Total</b>	<b>106,621</b>	<b>100.0%</b>	<b>108,337</b>	<b>100.0%</b>		

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

As of 2023, approximately 47.6 percent of households within the PMA have annual incomes below \$50,000, compared to 44.5 percent for the MSA.

### General Household Size Distribution

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

Year	AVERAGE HOUSEHOLD SIZE					
	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	2.41	-	2.42	-	2.57	-
2023	2.33	-0.3%	2.36	-0.2%	2.53	-0.1%
2028	2.32	-0.1%	2.34	-0.1%	2.51	-0.2%

Source: Esri Demographics 2023, Novogradac, February 2024

As shown in the previous table, the average household size in the PMA decreased slightly from 2010 to 2023 and is projected to decrease through 2028. Overall, the average household size in the PMA is below that of the MSA and the nation, a trend which will continue through 2028.

### General Household Tenure

The following table illustrates the breakdown of households by tenure within the Subject's PMA.

Year	TENURE PATTERNS PMA			
	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	29,402	62.3%	17,793	37.7%
2023	31,610	60.5%	20,640	39.5%
2028	32,845	61.4%	20,631	38.6%

Source: Esri Demographics 2023, Novogradac, February 2024

As of 2023, approximately 39.5 percent of households in the PMA reside in renter-occupied housing units. Through 2028, the percentage and number of renter-occupied housing units are projected to decrease slightly.



### General Renter Household Income Distribution

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

#### RENTER HOUSEHOLD INCOME

Income Cohort	2023		PMA		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,551	12.4%	2,390	11.6%	-32	-1.3%	-32	-1.3%
\$10,000-19,999	3,250	15.7%	3,001	14.5%	-50	-1.5%	-50	-1.5%
\$20,000-29,999	3,091	15.0%	2,888	14.0%	-41	-1.3%	-41	-1.3%
\$30,000-39,999	2,832	13.7%	2,623	12.7%	-42	-1.5%	-42	-1.5%
\$40,000-49,999	2,199	10.7%	2,298	11.1%	20	0.9%	20	0.9%
\$50,000-59,999	1,421	6.9%	1,438	7.0%	3	0.2%	3	0.2%
\$60,000-74,999	1,402	6.8%	1,485	7.2%	17	1.2%	17	1.2%
\$75,000-99,999	2,027	9.8%	2,130	10.3%	21	1.0%	21	1.0%
\$100,000-124,999	749	3.6%	918	4.4%	34	4.5%	34	4.5%
\$125,000-149,999	337	1.6%	466	2.3%	26	7.7%	26	7.7%
\$150,000-199,999	363	1.8%	447	2.2%	17	4.6%	17	4.6%
\$200,000+	418	2.0%	547	2.7%	26	6.2%	26	6.2%
<b>Total</b>	<b>20,640</b>	<b>100.0%</b>	<b>20,631</b>	<b>100.0%</b>				

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

#### RENTER HOUSEHOLD INCOME

Income Cohort	2023		Lynchburg, VA Metropolitan Statistical Area		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,620	11.9%	3,327	11.1%	-59	-1.6%	-59	-1.6%
\$10,000-19,999	4,901	16.2%	4,427	14.8%	-95	-1.9%	-95	-1.9%
\$20,000-29,999	4,315	14.2%	4,014	13.4%	-60	-1.4%	-60	-1.4%
\$30,000-39,999	4,232	14.0%	3,851	12.8%	-76	-1.8%	-76	-1.8%
\$40,000-49,999	2,935	9.7%	3,102	10.3%	33	1.1%	33	1.1%
\$50,000-59,999	2,073	6.8%	2,018	6.7%	-11	-0.5%	-11	-0.5%
\$60,000-74,999	2,238	7.4%	2,279	7.6%	8	0.4%	8	0.4%
\$75,000-99,999	2,832	9.3%	2,988	10.0%	31	1.1%	31	1.1%
\$100,000-124,999	1,142	3.8%	1,344	4.5%	40	3.5%	40	3.5%
\$125,000-149,999	720	2.4%	895	3.0%	35	4.9%	35	4.9%
\$150,000-199,999	654	2.2%	821	2.7%	33	5.1%	33	5.1%
\$200,000+	658	2.2%	930	3.1%	54	8.3%	54	8.3%
<b>Total</b>	<b>30,320</b>	<b>100.0%</b>	<b>29,996</b>	<b>100.0%</b>				

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

As of 2023, approximately 67.5 percent of renter households within the PMA have annual incomes below \$50,000, compared to 66.0 percent of renter households in the MSA.

### Household Size Distribution

The table below shows the breakdown of households by number of persons in the household within the Subject's PMA.

PMA HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2010		2023		2028	
	Total	Percent	Total	Percent	Total	Percent
1 persons	14,032	29.7%	15,958	30.5%	16,282	30.4%
2 persons	16,273	34.5%	17,755	34.0%	18,214	34.1%
3 persons	7,703	16.3%	8,585	16.4%	8,814	16.5%
4 persons	5,526	11.7%	5,888	11.3%	5,995	11.2%
5+ persons	3,661	7.8%	4,064	7.8%	4,171	7.8%
<b>Total</b>	<b>47,195</b>	<b>100.0%</b>	<b>52,250</b>	<b>100.0%</b>	<b>53,476</b>	<b>100.0%</b>

Source: Esri Demographics 2023, Novogradac, February 2024

As of 2023, the majority of households in the PMA consist of one and two persons.

### Renter Household Size Distribution

The table below shows the breakdown of renter households by number of persons in the household within the Subject's PMA.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2010		2023		2028	
	Total	Percent	Total	Percent	Total	Percent
1 persons	7,487	42.1%	8,977	43.5%	9,001	43.6%
2 persons	4,871	27.4%	5,303	25.7%	5,238	25.4%
3 persons	2,572	14.5%	2,980	14.4%	2,992	14.5%
4 persons	1,551	8.7%	1,784	8.6%	1,785	8.7%
5+ persons	1,312	7.4%	1,596	7.7%	1,615	7.8%
<b>Total</b>	<b>17,793</b>	<b>100.0%</b>	<b>20,640</b>	<b>100.0%</b>	<b>20,631</b>	<b>100.0%</b>

Source: Esri Demographics 2023, Novogradac, February 2024

Historically, the majority of renter households in the PMA have consisted of one and two-person households. In 2023, approximately 69.5 percent of renter-households were one or two-persons. The number of three-person and larger renter households has increased since 2010 and is projected to grow slightly through 2028.

### Median Household Income Levels

The following table illustrates the median household income for all households in the PMA, the MSA, and the nation from 2010 through 2028.

Year	MEDIAN HOUSEHOLD INCOME					
	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	\$59,408	-	\$40,603	-	\$44,290	-
2023	\$59,408	0.0%	\$59,911	2.0%	\$72,604	2.7%
2028	\$66,287	2.3%	\$66,914	2.3%	\$82,410	2.7%

Source: Esri Demographics 2023, Novogradac, February 2024

As of 2023, the median household income of the PMA is below the MSA and the nation. Through 2028, the PMA median household income is projected to increase at a similar rate to the MSA and a lower rate than the nation.

**Rent Overburdened Households**

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

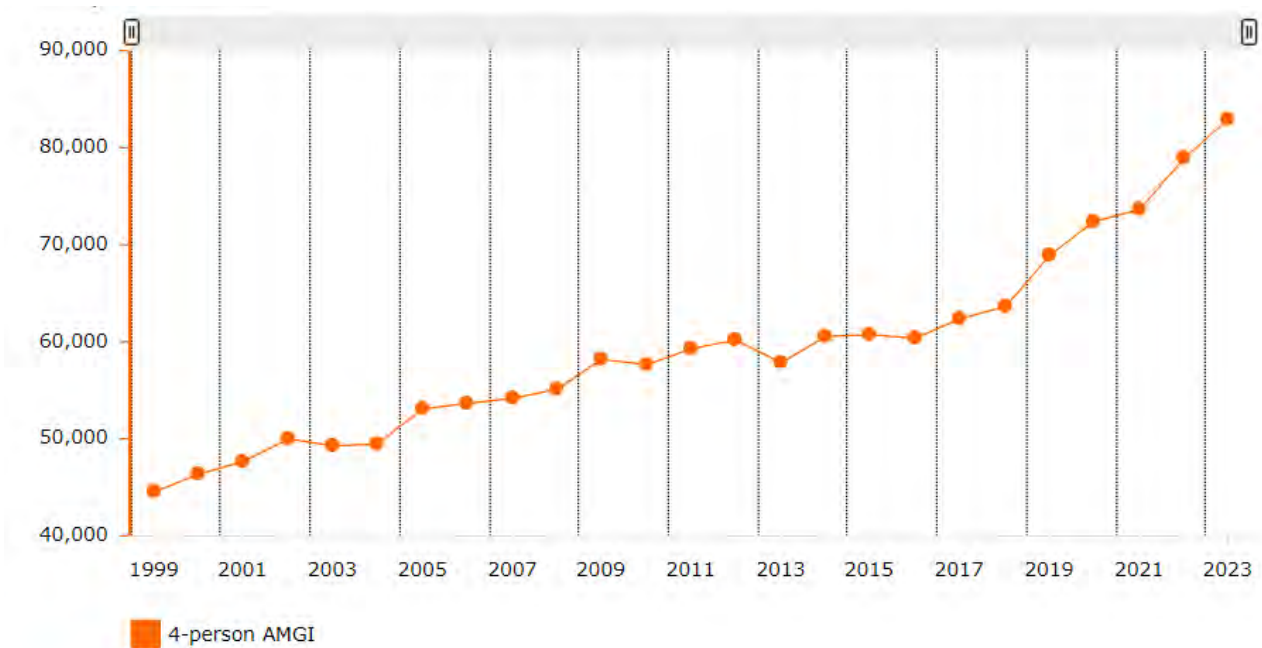
Year	PMA		Lynchburg, VA Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2023	6,740	35.7%	9,953	35.9%	16,448,785	40.3%

Source: Esri Demographics 2023, Novogradac, February 2024

As illustrated, the percentage of rent overburdened households in the PMA is lower than the MSA and the nation.

**Area Median Income**

The following chart illustrates the area median gross income (AMGI) of a four-person household in the City of Lynchburg, MSA between 1999 and 2023.



**Average Increase (AMGI): 2.6%/year**

Source: Novogradac, February 2024

The AMI increased at an annual rate of 2.6 percent between 1999 and 2023. Over 84 percent of counties in the nation experienced an increase in AMI in 2017. This was also true in City of Lynchburg, which also increased every year from 2018 to 2023 and is at peak level. Rising AMI levels bode well for future rent growth

at affordable developments, such as the proposed Subject. The following table details the change in AMI over the past ten years.

LYNCHBURG CITY AMI GROWTH (2013-2023)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
AMI	\$57,900	\$60,500	\$60,800	\$60,300	\$62,300	\$63,600	\$68,900	\$72,400	\$73,700	\$78,900	\$83,000
Percentage	-3.7%	4.5%	0.5%	-0.8%	3.3%	2.1%	8.3%	5.1%	1.8%	7.1%	5.2%

The Subject’s proposed rents are set at the maximum allowable levels. The Subject’s rent increases will be dependent on future increases in AMI for the rents at 30, 50 and 60 percent of AMI, as well as rent increases in the market.

**Conclusion**

Since 2010, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2028. As of 2023, approximately 67.5 percent of renter households within the PMA have annual incomes below \$50,000, compared to 60.0 percent in the MSA. As proposed, the incomes for the Subject will range from \$0 to \$53,820. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units.

# **H. COMPETITIVE ENVIRONMENT**

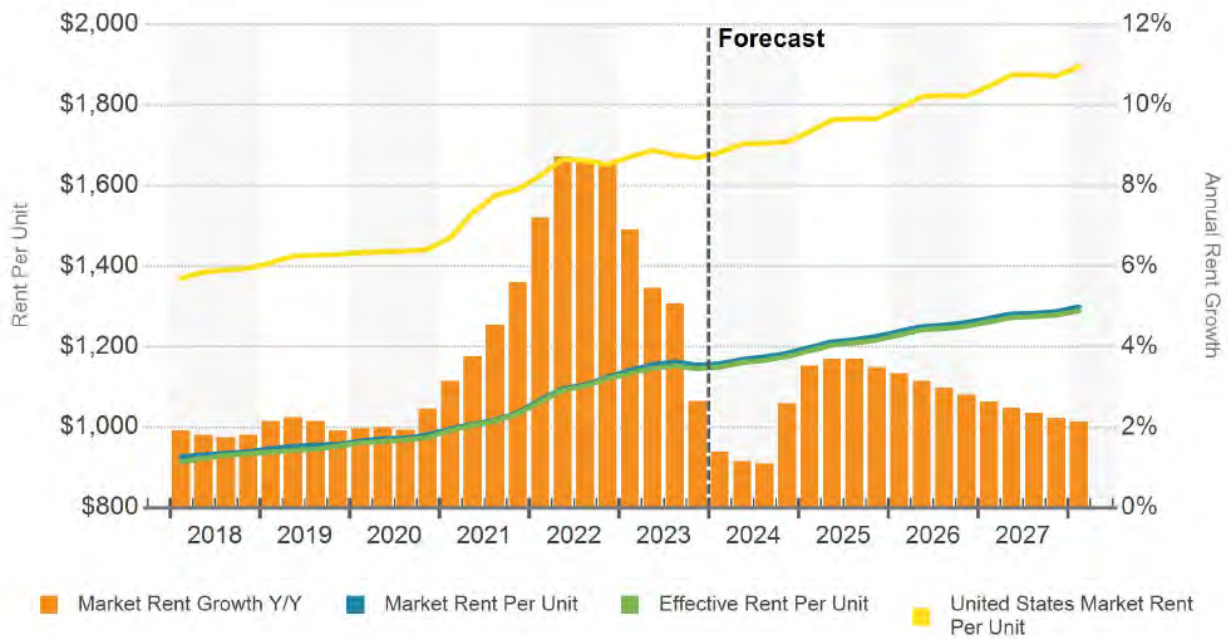
## HOUSING SUMMARY

Based on the first quarter 2024 report from CoStar, Lynchburg experienced an increase in vacancy rate of 4.8 percentage points between the first quarter of 2023 and first quarter of 2024.

### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	3,843	20.9%	\$1,361	\$1,356	77	0	0
3 Star	4,881	11.4%	\$1,127	\$1,114	13	11	0
1 & 2 Star	2,989	5.1%	\$914	\$911	(1)	0	0
<b>Market</b>	<b>11,713</b>	<b>12.9%</b>	<b>\$1,155</b>	<b>\$1,147</b>	<b>89</b>	<b>11</b>	<b>0</b>

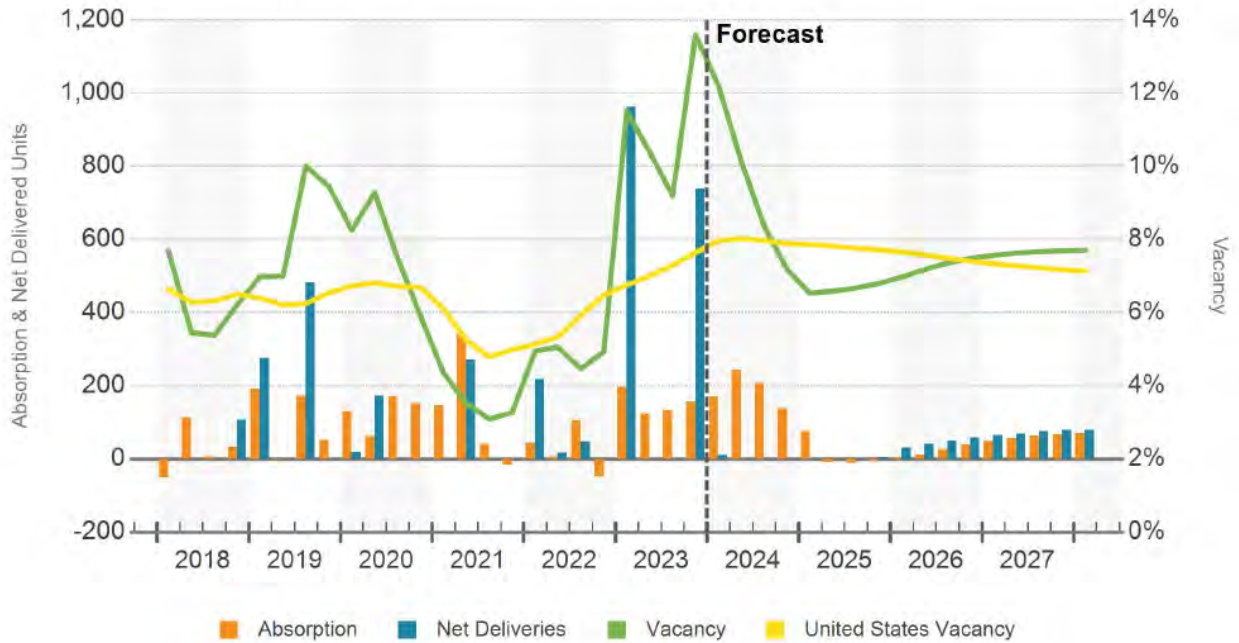
### MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, February 2024



**ABSORPTION, NET DELIVERIES & VACANCY**



Source: CoStar, February 2024

As illustrated in the tables and charts above, the vacancy rate for the Lynchburg City submarket is currently 12.9 percent, which is primarily due to a high number of net deliveries in 2023. However, vacancy rates are expected to decline through 2027 to below eight percent. Average asking rents increased 2.0 percent over the last year and are expected to continue to increase through 2028.

**Age of Housing Stock**

The following table illustrate the age of the existing housing stock in the PMA.

	PMA		Lynchburg, VA Metropolitan Statistical		USA	
	Units	%	Units	%	Units	%
Built 2010 or later	4,707	8.5%	7,947	6.8%	10,163,329	7.3%
Built 2000 to 2009	7,292	13.2%	15,807	13.5%	18,956,990	13.6%
Built 1990 to 1999	6,400	11.5%	17,125	14.6%	18,929,789	13.6%
Built 1980 to 1989	6,876	12.4%	16,234	13.8%	18,493,512	13.3%
Built 1970 to 1979	9,400	17.0%	20,277	17.3%	20,705,644	14.9%
Built 1960 to 1969	6,416	11.6%	12,332	10.5%	14,432,008	10.4%
Built 1950 to 1959	5,283	9.5%	10,783	9.2%	14,008,116	10.1%
Built 1940 to 1949	2,557	4.6%	4,978	4.2%	6,584,609	4.7%
Built 1939 or earlier	6,520	11.8%	11,905	10.1%	17,104,504	12.3%
<b>Total Housing Units</b>	<b>55,451</b>	<b>100.0%</b>	<b>117,388</b>	<b>100.0%</b>	<b>139,378,501</b>	<b>100.0%</b>

Source: US Census American Community Estimates, February 2024

Of the housing stock in the PMA, 66.8 percent was constructed prior to 1990. The data does not reflect condition, as many properties can be well-maintained through ongoing maintenance. The field inspection of the area reflects a varied housing stock, generally in good condition.

### Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard.

SUBSTANDARD HOUSING			
Year	PMA	Lynchburg, VA Metropolitan Statistical Area	USA
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
2023	1.68%	1.47%	1.70%

Source: Esri Demographics 2023, Novogradac, February 2024

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

### Building Permits

Historical building permit information for Lynchburg, obtained from the U.S. Census Bureau, is presented in the following chart.

BUILDING PERMITS: LYNCHBURG CITY 2001 - 2023				
Year	Single-family and Duplex	Three and Four- Family	Five or More Family	Total Units
2001	167	0	0	167
2002	188	0	0	188
2003	170	0	5	175
2004	158	16	5	179
2005	278	8	0	286
2006	275	48	0	323
2007	395	0	0	395
2008	210	8	0	218
2009	471	0	25	496
2010	434	0	0	434
2011	396	0	104	500
2012	249	0	0	249
2013	125	0	0	125
2014	120	0	24	144
2015	61	0	0	61
2016	117	0	119	236
2017	152	0	0	152
2018	92	0	0	92
2019	77	3	201	281
2020	60	0	94	154
2021	108	0	48	156
2022	96	0	115	211
2023	271	0	0	271
<b>Total</b>	<b>4,670</b>	<b>83</b>	<b>740</b>	<b>5,493</b>
<b>Average</b>	<b>203</b>	<b>4</b>	<b>32</b>	<b>239</b>

Source: US Census Bureau Building Permits, February 2024

As illustrated in the previous table, since 2000, approximately 85.0 percent of the residential units permitted in the city of Lynchburg have been single-family and duplex homes. Overall, single-family building permitting in Lynchburg have significantly outpaced multifamily permitting since 2000.

### Rent/Buy Analysis

We performed a rent/buy analysis for three-bedroom units at the Subject. Our inputs assume a three-bedroom home on www.zillow.com in the Subject's neighborhood with a purchase price of \$239,900 and an interest rate of 7.50 percent with a 10 percent down payment. This was compared to the cost to rent the Subject's three-bedroom proposed LIHTC units. This analysis indicates that with a monthly differential of \$748, it is more affordable to rent from the Subject than to purchase a three-bedroom home in the Subject's neighborhood. As illustrated, the "cost of occupancy" category adds \$31,187 for the down payment and closing costs. The cash necessary for homeownership is still a barrier for many families. In general, first-time homebuyers have difficulty saving for a down payment. Furthermore, since the recession, higher standards for credit has made it more difficult than ever for buyers with less than perfect credit to obtain financing. For these reasons, we believe the Subject will face limited competition from homeownership.

RENT BUY ANALYSIS				
Property Type:		Three-Bedroom Single Family Home		
Sale Price				\$239,900
Down Payment at 10%				\$23,990
Mortgage Amount				\$215,910
Current Interest Rate				7.50%
	<i>Homeownership Costs</i>	<i>Monthly</i>	<i>% of Home Value</i>	<i>Annual</i>
Mortgage Payment		\$1,510		\$18,116
Property Taxes		\$250	1.25%	\$2,999
Private Mortgage Insurance <sup>1</sup>		\$90	0.50%	\$1,080
Maintenance		\$400	2.00%	\$4,798
Utility Costs <sup>2</sup>		\$15		\$180
Tax Savings		-\$398		-\$4,781
Cost Comparison				
		<i>Monthly</i>		<i>Annual</i>
Costs of Homeownership		\$1,866		\$22,391
Cost of Renting At Subject	-	\$1,118		\$13,416
<b>Differential</b>		<b>\$748</b>		<b>\$8,975</b>
Cost of Occupancy				
	<i>Homeownership</i>			
Closing Costs			3.0%	\$7,197
Down Payment at 10%			10.0%	\$23,990
<b>Total</b>				<b>\$31,187</b>
	<i>Subject Rental</i>			
First Month's Rent		\$1,118		
Security Deposit		\$1,118		
<b>Total</b>		<b>\$2,236</b>		

(1) Based upon 0.50 percent of mortgage amount.

(2) Utility Costs Included in Rent at Subject

**Additions to Supply**

To determine the amount of competitive new supply entering the market, we consulted a February 2024 CoStar report and performed an internet search. We also attempted to contact the City of Lynchburg Planning Department regarding the development pipeline in the city. To date, our calls have not been returned. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject's PMA according to CoStar.

**PLANNED DEVELOPMENT**

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
554 Leesville Rd	Market	Family	28	0	n/a	Under Construction	1.6 miles
<b>Totals</b>			<b>28</b>	<b>0</b>			

Source: CoStar, February 2024

As illustrated, there is one proposed development in the PMA. However, the development will be market rate properties which will not be competitive with the Subject.

According to the Virginia Housing website, there have been six properties allocated tax credits in the PMA since 2020.

**RECENT LIHTC ALLOCATIONS IN PMA**

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units - As Proposed	Competitive Units - Absent Subsidy	Distance to Subject
Florida Terrace	2022	LIHTC/Supportive Housing/Section 8	Family/Disabled	31	27	27	4.2 miles
Millers Rest Apartments II - 4%	2021	LIHTC	Family	75	75	75	0.0 miles
Millers Rest Apartments II - 9%	2021	LIHTC/Section 8	Family	40	40	35	0.0 miles
Millers Rest Apartments	2020	LIHTC/Section 8	Family	80	80	72	0.0 miles
Waters at James Crossing	2020	LIHTC/Section 8	Family	288	288	11	4.4 miles
				<b>514</b>	<b>510</b>	<b>220</b>	

Source: Virginia Housing, February 2024

- In 2022, tax credits were awarded to Florida Terrace, a proposed new construction 31-unit LIHTC/Supportive Housing/Section 8 development located 4.2 miles northeast of the Subject. Upon completion, the units will be LIHTC restricted at no more than 60 percent AMI, offering 20 one-bedroom and 11 two-bedroom units, where four units are designated to disabled tenancy. All 27 of the general tenancy units will be competitive with the Subject's units. The estimated timeline for completion was not available.
- In 2021, tax credits were awarded to Millers Rest Apartments II-4% for the new construction of a 75-unit LIHTC development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with 75 units at 60 percent of AMI. Note this development represents a portion of the second phase of the Subject development. All of the property's units will be competitive with the Subject's units upon completion. The property is expected to open in April 2024.
- In 2021, tax credits were awarded to Millers Rest Apartments II-9% for the new construction of a 40-unit LIHTC/Section 8 development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with four units at 30 percent, four units at 40 percent, 12 units at 50 percent and 20 units at 60 percent of AMI. Additionally, all 12 units will operate with subsidies. Note this development represents a portion of the second phase of the Subject development. Upon completion, 40 units will be competitive as proposed and 35 will be competitive absent subsidy. The property is expected to open in April 2024.
- In 2020, tax credits were awarded to Miller's Rest Apartments for the new construction of an 80-unit LIHTC and Section 8 development offering one, two, and three-bedroom units. The property was

completed in December 2023 and offers LIHTC restricted units with eight units at 40 percent, 32 units at 50 percent, and 40 units at 60 percent of AMI. Additionally, all eight units at 40 percent of AMI operate with subsidies. Note that this development represents the first phase of the Subject development. The development opened December 2023 and is utilized as a comparable in our analysis. The units at this property have been accounted for as existing, competitive units in our demand analysis.

- In 2020, tax credits were awarded to rehabilitate Waters at James Crossing, an existing 288-unit LIHTC/Section 8 property located 4.4 miles northeast of the Subject. The property offers one, two and three-bedroom units restricted at 60 percent of AMI. All of the property's units are competitive with the proposed Subject's units as proposed, though only 11 units are competitive absent subsidy. These units have been accounted for as existing competitive units.

Note that Waters at James Crossing and Burton Creek Apartments are proposed for rehabilitation and will not add to the competitive supply in the market. Furthermore, Millers Rest Apartments is an existing LIHTC development. Therefore, we have accounted for 142 units "As Proposed" and 137 units "Absent Subsidy", in our *Demand Analysis*.



## **SURVEY OF COMPARABLE PROPERTIES**

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

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

To evaluate the competitive position of the Subject, we surveyed several market rate and LIHTC properties in depth. We have utilized four general tenancy LIHTC properties, one mixed-income property, and seven family market rate properties, all of which are located within the PMA. We also visited and surveyed other properties that were excluded from the market survey because they are not considered comparable to the Subject or would not participate in the survey.

The Subject will offer a four-story, walk-up design, with access only from the first floor. The Subject, as well as Phase I of the development, will be the first multifamily properties to offer this design in the market. Jobbers Overall Apartments offers a three-story, elevator-serviced design, which will be superior to the Subject. Nine of the comparable properties offer two and three-story, garden-style units, and one comparable - Vistas at Dreaming Creek - offers a four-story, garden-style design.

Note that Vistas at Dreaming Creek has ground level access from both the first and second floors of their buildings, as the property is built into a hill. Tenants can park and enter the building from either the first or second floor and walk up the stairs to the fourth floor. Management at the Vistas at Dreaming Creek explained that it is somewhat common for tenants to walk up three flights of stairs and there have been no issues with occupancy nor complaints made by tenants regarding living on the fourth floor.

We also discussed units on higher floors with the contact at Legacy at Linden Park. The contact at this property noted that the property has never had issues filling units on the third floor of the development. Furthermore, he maintained that if the property were to offer fourth floor walk-up units, there would be no issue in filling these units. Tenants at Legacy at Linden Park are more concerned with good management, upkeep of property amenities, and general maintenance of the property. The remaining comparable properties featuring three-stories were unable to comment on the feasibility of additional stories in garden-style buildings. However, none of the comparable properties reported discounted rents on third-story units. Therefore, we believe that the Subject's proposed design will be marketable.

Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general. The table following details affordable properties in the PMA.

Excluded properties include but are not limited to the properties located in the following table. Note there are three multifamily properties located within 0.1 miles of the Subject, which include Old Mill Townhomes, Mill's Crossing, and Mill Woods Apartments. Old Mill Townhomes is 156-unit, market rate development offering one through four-bedroom units. The property has been excluded from our analysis due to its inferior condition to the proposed Subject. However, the property is 95.1 percent occupied and maintains a waiting list on its one and three-bedroom units. Mill's Crossing is a 144-unit market rate property offering one and two-bedroom units. The property has been included as a comparable in our analysis. Finally, Mill Woods Apartments is a 128-unit Section 8 property that has been excluded due to its subsidized tenancy. However, the property is currently fully occupied and maintains a waiting list.

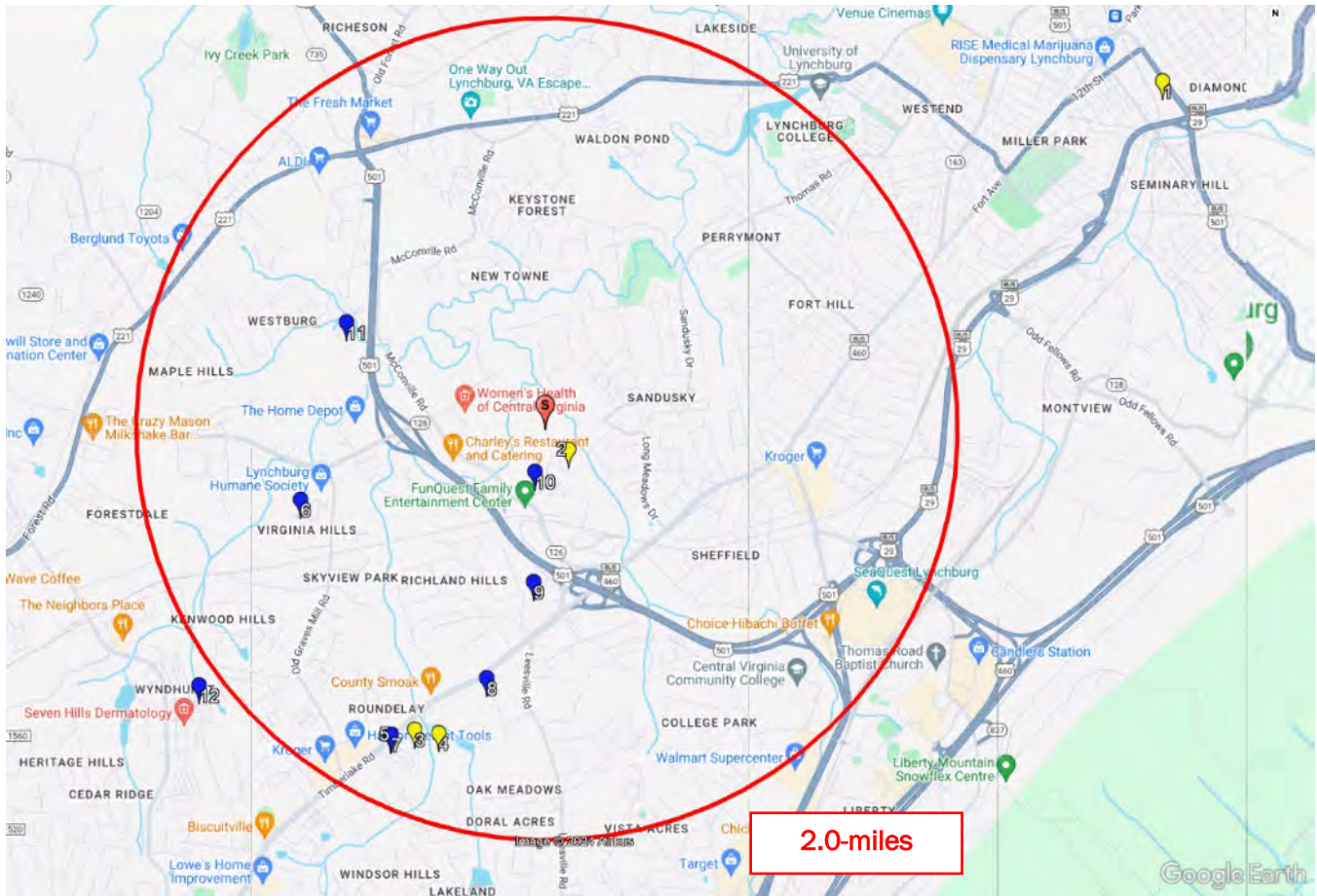
**EXCLUDED AFFORDABLE HOUSING IN THE PMA**

Property Name	Rent Structure	Tenancy	Units	Reason for Exclusion
Central City Homes	LIHTC	Family	34	Dissimilar Design (Single-Family Units)
College Hill Homes	LIHTC	Family	28	Dissimilar Design (Single-Family Units)
Kemper Lofts	LIHTC	Family	41	Could not contact for rental survey
Wesley Apartments	LIHTC	Senior	150	Dissimilar Tenancy
Jefferson House	LIHTC	Senior	101	Dissimilar Tenancy
Waters at James Crossing	LIHTC/ Section 8	Family	288	Could not contact for rental survey
Burton Creek Apartments	LIHTC/ Section 8	Family	85	Subsidized Tenancy
The Virginian	LIHTC/ Section 8	Family	100	Subsidized Tenancy
College Hill Townhouses	Section 8	Senior	90	Subsidized Tenancy
Frank Roane Apts.	Section 8	Family	26	Subsidized Tenancy
Hillcrest Elderly	Section 8	Family	103	Subsidized Tenancy
Mcgurk House	Section 8	Family	89	Subsidized Tenancy
Mill Woods Apts	Section 8	Family	128	Subsidized Tenancy
The Meadows	Section 8	Family	66	Subsidized Tenancy

**Comparable Rental Property Map**

A map illustrating the location of the Subject in relation to the comparable properties is located below. A summary table comparing the individual comparable properties with the proposed Subject and individual property profiles are also provided on the following page. We have also included an amenity comparison matrix and a rent and square footage ranking table.

## MILLER'S REST APARTMENTS III – LYNCHBURG, VIRGINIA – MARKET STUDY



Source: Google Earth, February 2024

### COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
<b>S</b>	<b>Millers Rest III</b>	<b>Lynchburg</b>	<b>LIHTC/Section 8</b>	<b>Family</b>	-
1	Jobbers Overall Apartments	Lynchburg	LIHTC	Family	3.4 miles
2	Miller's Rest Apartments	Lynchburg	LIHTC/Section 8	Family	0.0 miles
3	Timber Ridge Apartments I	Lynchburg	LIHTC	Family	1.6 miles
4	Timber Ridge Apartments II	Lynchburg	LIHTC	Family	1.6 miles
5	Vistas At Dreaming Creek	Lynchburg	LIHTC/Market	Family	1.7 miles
6	Eleven 25	Lynchburg	Market	Family	1.2 miles
7	Grand Vistas Apartments	Lynchburg	Market	Family	1.7 miles
8	Legacy At Linden Park	Lynchburg	Market	Family	1.3 miles
9	Logans Landing	Lynchburg	Market	Family	0.8 miles
10	Mill's Crossing	Lynchburg	Market	Family	0.3 miles
11	The Overlook At Stonemill	Lynchburg	Market	Family	1.0 miles
12	Wyndhurst Villas	Lynchburg	Market	Family	2.1 miles

\*Located outside PMA

MILLER'S REST APARTMENTS III – LYNCHBURG, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Miller's Rest III 6100 Old Mill Road Lynchburg, VA 24502 Lynchburg County	-	Garden 4-stories 2026 / n/a Family	@30%, @40% (Section 8), @50%, @60%	1BR / 1BA	2	2.5%	703	@30%	\$347	Yes	N/A	N/A	N/A
					1BR / 1BA	2	2.5%	703	@40% (Section 8)	\$503	N/A	N/A	N/A	N/A
					1BR / 1BA	5	6.3%	703	@50%	\$659	Yes	N/A	N/A	N/A
					1BR / 1BA	7	8.8%	703	@60%	\$814	Yes	N/A	N/A	N/A
					2BR / 2BA	4	5.0%	948	@30%	\$409	Yes	N/A	N/A	N/A
					2BR / 2BA	4	5.0%	948	@40% (Section 8)	\$596	N/A	N/A	N/A	N/A
					2BR / 2BA	14	17.5%	948	@50%	\$782	Yes	N/A	N/A	N/A
					2BR / 2BA	26	32.5%	948	@60%	\$969	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.5%	1,168	@30%	\$471	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.5%	1,168	@40% (Section 8)	\$687	N/A	N/A	N/A	N/A
					3BR / 2BA	5	6.3%	1,168	@50%	\$903	Yes	N/A	N/A	N/A
					3BR / 2BA	7	8.8%	1,168	@60%	\$1,118	Yes	N/A	N/A	N/A
					<b>80</b>									
1	Jobbers Overall Apartments 1423 & 1503 Kemper Street Lynchburg, VA 24501 Lynchburg County	3.4 miles	Lowrise 4-stories 1920 / 2012 Family	@40%, @50%	2BR / 2BA	3	6.8%	972	@40%	\$592	No	Yes	0	0.0%
<b>17</b>													0	0.0%
<b>2</b>													0	0.0%
<b>22</b>													0	0.0%
<b>44</b>													0	0.0%
2	Miller's Rest Apartments 725 Mill Stream Road Lynchburg, VA 24502 Lynchburg County	0.0 miles	Garden 4-stories 2023 / n/a Family	@40% (Section 8), @50%, @60%	1BR / 1BA	2	2.5%	707	@40% (Section 8)	\$521	N/A	No	N/A	N/A
<b>14</b>													0	0.0%
<b>4</b>													0	0.0%
<b>18</b>													0	0.0%
<b>26</b>													0	0.0%
<b>14</b>													0	0.0%
<b>80</b>													49	61.3%
3	Timber Ridge Apartments I 7500 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.6 miles	Garden 3-stories 2009 / n/a Family	@40%, @50%	1BR / 1BA	3	3.1%	744	@40%	\$493	No	No	0	0.0%
<b>1BR / 1BA</b>													0	0.0%
<b>2BR / 2BA</b>													0	0.0%
<b>54</b>													0	0.0%
<b>1</b>													0	0.0%
<b>23</b>													0	0.0%
<b>96</b>													0	0.0%
4	Timber Ridge Apartments II 7502 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.6 miles	Garden 3-stories 2009 / n/a Family	@40%, @50%	1BR / 1BA	2	2.8%	744	@40%	\$493	No	No	0	0.0%
<b>1BR / 1BA</b>													0	0.0%
<b>2BR / 2BA</b>													0	0.0%
<b>38</b>													0	0.0%
<b>2</b>													0	0.0%
<b>16</b>													0	0.0%
<b>72</b>													0	0.0%
5	Vistas At Dreaming Creek 7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.7 miles	Garden 4-stories 2001 / n/a Family	@60%, Market	1BR / 1BA	8	4.6%	790	@60%	\$836	Yes	No	0	0.0%
<b>1BR / 1BA</b>													0	0.0%
<b>2BR / 2BA</b>													1	1.7%
<b>84</b>													0	0.0%
<b>8</b>													0	0.0%
<b>8</b>													0	0.0%
<b>176</b>													2	1.1%
6	Eleven 25 1125 Old Graves Mill Road Lynchburg, VA 24502 Lynchburg County	1.2 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	980	Market	\$1,185	N/A	No	0	N/A
<b>2BR / 2BA</b>													8	N/A
<b>3BR / 2BA</b>													4	N/A
<b>228</b>													12	5.3%
7	Grand Vistas Apartments 7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.7 miles	Garden 3-stories 2008 / n/a Family	Market	1BR / 1BA	11	10.6%	965	Market	\$1,125	N/A	No	1	9.1%
<b>1.5BR / 1BA</b>													0	0.0%
<b>2BR / 2BA</b>													0	0.0%
<b>30</b>													0	0.0%
<b>2.5BR / 2BA</b>													0	0.0%
<b>22</b>													0	0.0%
<b>104</b>													1	1.0%
8	Legacy At Linden Park 1000 Misty Mountain Road Lynchburg, VA 24502 Lynchburg County	1.3 miles	Garden 3-stories 2008 / n/a Family	Market	1BR / 1BA	66	16.2%	826	Market	\$990	N/A	No	4	6.1%
<b>1BR / 1BA</b>													0	0.0%
<b>2BR / 2BA</b>													9	12.0%
<b>54</b>													0	0.0%
<b>2BR / 2BA</b>													0	0.0%
<b>72</b>													2	2.8%
<b>408</b>													19	4.7%
9	Logans Landing 6343 Logans Ln Lynchburg, VA 24502 Lynchburg County	0.8 miles	Garden 4-stories 2020 / n/a Family	Market	1BR / 1BA	N/A	N/A	906	Market	\$1,225	N/A	No	5	N/A
<b>2BR / 1BA</b>													0	N/A
<b>2BR / 2BA</b>													4	N/A
<b>2BR / 2BA</b>													1	N/A
<b>3BR / 2BA</b>													0	N/A
<b>173</b>													10	5.8%
10	Mill's Crossing 6231 Old Mill Road Lynchburg, VA 24502 Lynchburg County	0.3 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	755	Market	\$999	N/A	No	1	N/A
<b>1BR / 1BA</b>													0	N/A
<b>2BR / 2BA</b>													1	N/A
<b>2BR / 2BA</b>													0	N/A
<b>144</b>													2	1.4%
11	The Overlook At Stonemill 112 Stonemill Drive Lynchburg, VA 24502 Lynchburg County	1.0 miles	Garden 3-stories 2001 / n/a Family	Market	1BR / 1BA	27	12.5%	775	Market	\$1,220	N/A	No	1	3.7%
<b>2BR / 1BA</b>													0	44.4%
<b>2BR / 2BA</b>													6	4.4%
<b>3BR / 2BA</b>													3	7.1%
<b>216</b>													14	6.5%
12	Wyndhurst Villas 301 Northwynd Circle Lynchburg, VA 24502 Lynchburg County	2.1 miles	Garden 3-stories 2006 / n/a Family	Market	2BR / 2BA	114	76.0%	970	Market	\$975	N/A	No	N/A	N/A
<b>3BR / 2BA</b>													0	0.0%
<b>150</b>													12	8.0%

**Location**

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

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Millers Rest III	Lynchburg	Family	LIHTC/ Section 8	-	\$47,984	\$159,200	\$901	128	9	11.2%	58.2%
1	Jobbers Overall Apartments	Lynchburg	Family	LIHTC	3.4 miles	\$35,672	\$109,300	\$710	123	54	18.1%	53.8%
2	Miller's Rest Apartments	Lynchburg	Family	LIHTC/ Section 8	0.0 miles	\$47,984	\$159,200	\$901	128	9	11.2%	58.2%
3	Timber Ridge Apartments I	Lynchburg	Family	LIHTC	1.6 miles	\$51,213	\$159,200	\$901	81	46	9.4%	60.5%
4	Timber Ridge Apartments II	Lynchburg	Family	LIHTC	1.6 miles	\$51,213	\$159,200	\$901	81	35	9.4%	60.5%
5	Vistas At Dreaming Creek	Lynchburg	Family	LIHTC/ Market	1.7 miles	\$50,708	\$159,200	\$901	81	52	8.0%	60.9%
6	Eleven 25	Lynchburg	Family	Market	1.2 miles	\$65,508	\$159,200	\$901	116	4	18.4%	45.9%
7	Grand Vistas Apartments	Lynchburg	Family	Market	1.7 miles	\$50,708	\$159,200	\$901	81	52	8.0%	60.9%
8	Legacy At Linden Park	Lynchburg	Family	Market	1.3 miles	\$54,788	\$159,200	\$901	81	33	9.6%	55.8%
9	Logans Landing	Lynchburg	Family	Market	0.8 miles	\$56,367	\$159,200	\$901	104	26	7.6%	42.4%
10	Mill's Crossing	Lynchburg	Family	Market	0.3 miles	\$48,287	\$159,200	\$901	115	14	10.5%	58.8%
11	The Overlook At Stonemill	Lynchburg	Family	Market	1.0 miles	\$76,620	\$159,200	\$901	128	6	9.8%	48.5%
12	Wyndhurst Villas	Lynchburg	Family	Market	2.1 miles	\$76,779	\$159,200	\$901	91	58	7.6%	32.9%

\*Located outside of the PMA

The Subject’s location has a lower median household income to three comparables, similar household income to eight comparables, and a superior household income to one comparables. Additionally, the Subject location offers similar to superior median home values and median rents. Crime indices in the neighborhood around the Subject are similar to higher than the comparables, and six comparables are located in areas with crime indices below national levels. Finally, the Subject location has a lower Walk Score than all but three of the comparables; however, all of the comparables are located in areas that require cars for some to all daily errands. Based on the locational data, Jobbers Overall Apartments appears to be located in an inferior area. However, the property is located on the edge of Downtown Lynchburg, which offers greater access to employment and retail. We maintain that the location of this comparable is similar to the Subject. The remaining comparables are located in generally similar areas to the Subject.

**Age, Condition, and Design**

The Subject will represent new construction and will be in excellent condition. Miller’s Rest Apartments, Eleven 25, Mill’s Crossing, and Logans Landing were built in 2023, 2018, 2019 and 2020 respectively, and all exhibit excellent condition, similar to the Subject upon completion. The remaining nine comparables were built or renovated between 2001 and 2012 and represent good condition, slightly inferior to the Subject upon completion.

The LIHTC and mixed-income properties range in size from 44 to 176 units, with an average development size of 94 units, while the market rate developments range from 144 to 408 units, with an average development size of 203 units. The Subject is within the range of development sizes for LIHTC properties and below the range for market rate properties.

The Subject will offer a four-story, walk-up design, with access only from the first floor. The Subject, as well as Phase I and Phase II of the development, will be the first multifamily properties to offer this design in the market. Phase I opened in December 2023 and is currently 38.7 percent occupied; the property is in its initial lease-up and is absorbing at a rate of 12.4 units per month. Jobbers Overall Apartments offers a four-story, elevator-serviced design, which will be superior to the Subject. Nine of the comparable properties offer two



and three-story, garden-style units, and two comparables - Vistas at Dreaming Creek and Logans Landing - offers a four-story, garden-style design.

Note that Vistas at Dreaming Creek has ground level access from both the first and second floors of their buildings, as the property is built into a hill. Tenants can park and enter the building from either the first or second floor and walk up the stairs to the fourth floor. Management at the Vistas at Dreaming Creek explained that it is somewhat common for tenants to walk up three flights of stairs and there have been no issues with occupancy nor complaints made by tenants regarding living on the fourth floor.

We also discussed units on higher floors with the contact at Legacy at Linden Park. The contact at this property noted that the property has never had issues filling units on the third floor of the development. Furthermore, he maintained that if the property were to offer fourth floor walk-up units, there would be no issue in filling these units. Tenants at Legacy at Linden Park are more concerned with good management, upkeep of property amenities, and general maintenance of the property. The remaining comparable properties featuring three-stories were unable to comment on the feasibility of additional stories in garden-style buildings. However, none of the comparable properties reported discounted rents on third-story units. Therefore, we believe that the Subject's proposed design will be marketable.

**Unit Size**

The following table illustrates the unit sizes of the Subject and the comparable properties.

**UNIT SIZE COMPARISON**

Bedroom Type	1BR	2BR	3BR
<b>Subject</b>	<b>703</b>	<b>948</b>	<b>1,168</b>
Average	822	1,087	1,280
Min	707	925	1,159
Max	1,196	1,494	1,730
<b>Advantage/Disadvantage</b>	<b>-14%</b>	<b>-13%</b>	<b>-9%</b>

The Subject will offer one, two, and three-bedroom unit sizes that are below the average unit sizes of the comparables, though the two and three-bedroom unit sizes are within the range. Note that the one-bedroom unit sizes are slightly below the comparable range of unit sizes. However, Timber Ridge I and II offer the next smallest one-bedroom unit in the market (744 sq. ft.). Timber Ridge I and II are currently fully occupied, indicating their unit sizes are accepted in the market. Based on the overall stable vacancy rate among comparables, we believe that the Subject's unit sizes are reasonable and will be accepted in the market. We have considered the Subject's unit sizes in our achievable rent determination.

## MILLER'S REST APARTMENTS III – LYNCHBURG, VIRGINIA – MARKET STUDY

### SQUARE FOOTAGE RANKING COMPARISON

One Bedroom One Bath		Two Bedroom Two Bath		Three Bedroom Two Bath	
Property Name	Size	Property Name	Size	Property Name	Size
Eleven 25 (Market)	980	Eleven 25 (Market)	1,355	Eleven 25 (Market)	1,730
Grand Vistas Apartments (Market)	965	Logans Landing (Market)	1,308	Grand Vistas Apartments (Market)	1,421
Logans Landing (Market)	906	Grand Vistas Apartments (Market)	1,263	Logans Landing (Market)	1,420
Legacy At Linden Park (Market)	826	Logans Landing (Market)	1,238	Legacy At Linden Park (Market)	1,317
Legacy At Linden Park (Market)	826	Legacy At Linden Park (Market)	1,173	Timber Ridge Apartments II (@40%)	1,283
Vistas At Dreaming Creek (Market)	790	Mill's Crossing (Market)	1,125	Timber Ridge Apartments I (@50%)	1,283
Vistas At Dreaming Creek (@60%)	790	Mill's Crossing (Market)	1,109	Timber Ridge Apartments II (@50%)	1,283
The Overlook At Stonemill (Market)	775	Logans Landing (Market)(1BA)	1,086	Timber Ridge Apartments I (@40%)	1,283
Mill's Crossing (Market)	770	Timber Ridge Apartments II (@50%)	1,076	The Overlook At Stonemill (Market)	1,210
Mill's Crossing (Market)	755	Timber Ridge Apartments I (@40%)	1,076	Jobbers Overall Apartments (@40%)	1,205
Timber Ridge Apartments II (@40%)	744	Timber Ridge Apartments II (@40%)	1,076	Jobbers Overall Apartments (@50%)	1,205
Timber Ridge Apartments II (@50%)	744	Timber Ridge Apartments I (@50%)	1,076	Miller's Rest Apartments (@60%)	1,177
Timber Ridge Apartments I (@40%)	744	Legacy At Linden Park (Market)	1,053	Miller's Rest Apartments (@40%)	1,177
Timber Ridge Apartments I (@50%)	744	The Overlook At Stonemill (Market)	1,050	<b>Miller's Rest III (@40%)</b>	<b>1,168</b>
Miller's Rest Apartments (@40%)	707	Legacy At Linden Park (Market)	1,022	<b>Miller's Rest III (@30%)</b>	<b>1,168</b>
Miller's Rest Apartments (@50%)	707	Jobbers Overall Apartments (@40%)	972	<b>Miller's Rest III (@50%)</b>	<b>1,168</b>
<b>Miller's Rest III (@60%)</b>	<b>703</b>	Jobbers Overall Apartments (@50%)	972	<b>Miller's Rest III (@60%)</b>	<b>1,168</b>
<b>Miller's Rest III (@40%)</b>	<b>703</b>	Wyndhurst Villas (Market)	970	Wyndhurst Villas (Market)	1,160
<b>Miller's Rest III (@30%)</b>	<b>703</b>	Vistas At Dreaming Creek (@60%)	960	Vistas At Dreaming Creek (@60%)	1,159
<b>Miller's Rest III (@50%)</b>	<b>703</b>	Vistas At Dreaming Creek (Market)	950	Vistas At Dreaming Creek (Market)	1,159
		Miller's Rest Apartments (@40%)	949		
		Miller's Rest Apartments (@50%)	949		
		Miller's Rest Apartments (@60%)	949		
		<b>Miller's Rest III (@40%)</b>	<b>948</b>		
		<b>Miller's Rest III (@60%)</b>	<b>948</b>		
		<b>Miller's Rest III (@30%)</b>	<b>948</b>		
		<b>Miller's Rest III (@50%)</b>	<b>948</b>		
		The Overlook At Stonemill (Market)(1BA)	925		

### In-Unit Amenities

Subject	Jobbers Overall	Miller's Rest Apartments	Timber Ridge Apartments I	Timber Ridge Apartments II	Vistas At Dreaming	Eleven 25 Market	Grand Vistas Apartments Market	Legacy At Linden Park Market	Logans Landing Market	Mill's Crossing Market	The Overlook At Stonemill Market	Wyndhurst Villas Market
Rent Structure	LIHTC/	LIHTC	LIHTC/	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	Market
<b>Unit Amenities</b>												
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	yes	no	no	no	no	no	no
Carpeting	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	yes	no	no	no	no	no	no	yes	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	no	no	yes	no	yes	no	yes	yes	no
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	no	no	no	yes
Exterior Storage	no	no	no	yes	yes	yes	yes	yes	yes	no	yes	yes
Fireplace	no	no	no	no	no	yes	yes	no	no	no	no	no
Furnishing	no	no	no	no	no	no	no	no	yes	no	no	no
Vaulted Ceilings	no	no	no	no	no	no	yes	no	yes	no	no	yes
Walk-In Closet	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	no	yes	yes	yes	no	yes	yes	no
W/D Hookup	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
<b>Kitchen</b>												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	yes	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject's units will offer balconies/patios, blinds, central a/c, walk-in closets, ceiling fans, and washer/dryer hookups. Appliances will include dishwashers, range/oven, and refrigerator. Regarding in-unit amenities, the Subject will not offer in-unit washer/dryers, which six comparables include. However, washer/dryer units will be available to rent at the Subject for \$50 per month. Timber Ridge I and II rent washer/dryer units for \$50 per month, though the contact could not provide utilization rates. Miller's Rest Apartments offers washer/dryer units for \$60 per month. Management noted that none of the current tenants are renting the units, though the property is in its initial lease-up. Additionally, we researched pricing for washer/dryer rentals in the Lynchburg area. Rent-A-Center offers rent to own programs for washers at \$15 per week, and dryers at \$20 per week for a total of \$35 per week, paid out over a 72-week period. This equates to approximately \$155 per month (assuming 31 days in the month). The Subject does not offer rent-to-own options. However, the monthly price represents a significant discount over area rental rates. Furthermore, the Subject offers the convenience of renting from the property, as opposed to paying the cost of having washer/dryer units delivered. We believe that washer/dryer rentals for \$50 per month is appropriate. The Subject will not offer garbage disposals, which 11 of the comparables include. Overall, the Subject's unit-amenities are considered slightly superior to slightly inferior to the LIHTC and market rate comparables. We believe that the unit amenities will be competitive.

Property Amenities

AMENITY MATRIX													
Subject	Jobbers Overall	Miller's Rest Apartments	Timber Ridge Apartments I	Timber Ridge Apartments II	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At Stonemill	Wyndhurst Villas	
Rent Structure	LIHTC/	LIHTC	LIHTC/	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	Market	
Community													
Business Center	no	yes	no	no	yes	yes	yes	yes	no	no	no	yes	
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Central Laundry	yes	yes	yes	yes	no	no	no	yes	no	no	no	no	
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Recreation													
Exercise Facility	yes	no	yes	no	no	yes	yes	yes	yes	yes	yes	yes	
Playground	yes	no	yes	yes	yes	yes	yes	no	no	no	yes	yes	
Swimming Pool	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Picnic Area	yes	no	yes	no	no	no	no	yes	yes	no	yes	yes	
Tennis Court	no	no	no	no	no	no	no	yes	no	no	no	no	
Sauna	no	no	no	no	no	no	yes	no	no	no	no	no	
Theatre	no	no	no	no	no	no	yes	no	yes	no	no	no	
Recreational Area	yes	no	yes	no	no	no	no	no	no	no	no	no	
Volleyball Court	no	no	no	no	no	yes	no	no	no	no	no	no	
WiFi	no	no	no	no	no	no	no	yes	no	no	no	no	

The subject will feature a clubroom, onsite management, a playground, recreation areas, and off-street parking. For a detailed comparison between the Subject and the comparables, please refer to the amenity matrix in the addendum of this report. Regarding community amenities, the Subject is considered generally similar to superior to the LIHTC comparables, as well as the market rate comparables. We believe that the common area amenities will be competitive as an affordable property.

Security Features

AMENITY MATRIX													
Subject	Jobbers Overall	Miller's Rest Apartments	Timber Ridge Apartments I	Timber Ridge Apartments II	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At Stonemill	Wyndhurst Villas	
Rent Structure	LIHTC/	LIHTC	LIHTC/	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	Market	
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	
Crime Index	128	123	115	81	81	81	116	81	81	104	115	128	91
Security													
In-Unit Alarm	no	no	no	no	no	no	no	yes	no	no	no	no	
Intercom (Buzzer)	no	yes	no	no	no	yes	no	no	yes	no	no	no	
Limited Access	no	yes	no	no	no	yes	no	no	yes	no	no	no	
Patrol	yes	no	yes	no	no	no	no	no	no	no	no	no	

The Subject will offer a patrol. Only four of the comparables offer security features, such as an in-unit alarms, intercom system, and limited access. We believe that the security feature will be competitive within the market.

Utility Structure

UTILITIES													
Subject	Jobbers Overall	Miller's Rest Apartments	Timber Ridge Apartments I	Timber Ridge Apartments II	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At Stonemill	Wyndhurst Villas	
Rent Structure	LIHTC/	LIHTC	LIHTC/	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	Market	
Utility Structure													
Cooking	no	no	no	no	no	no	no	no	no	no	no	no	
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no	
Heat	no	no	no	no	no	no	no	no	no	no	no	no	
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no	
Water	no	yes	no	no	no	no	no	no	yes	no	no	no	
Sewer	no	yes	no	no	no	no	no	no	no	no	no	no	
Trash	yes	yes	yes	yes	yes	no	yes	no	yes	yes	no	yes	

The tenant is responsible for electric cooking, heating, hot water, and general electric expenses, as well as cold water and sewer expenses. The landlord is responsible for trash expenses and common area amenities. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from Virginia Housing, effective July 1, 2023.

Parking

PARKING AMENITIES														
	Subject	Jobbers Overall	Miller's Rest Apartments	Timber Ridge Apartments I	Timber Ridge Apartments II	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At Stonemill	Wyndhurst Villas	
Rent Structure	LIHTC/	LIHTC	LIHTC/	LIHTC	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	Market	
Walk Score	9	54	11	46	35	52	4	52	33	26	14	6	58	
<b>Parking</b>														
Carport	no	no	no	yes	yes	no	no	no	no	no	no	no	no	
Carport Fee	n/a	\$0	\$0	\$20	\$20	\$0	n/a	\$0	\$0	n/a	\$0	\$0	\$0	
Garage	no	no	no	yes	yes	yes	no	yes	yes	no	no	no	yes	
Garage Fee	n/a	\$0	\$0	\$50	\$50	\$135	n/a	\$150	\$125	n/a	\$0	\$0	\$70	
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	
Off-Street Fee	n/a	\$0	\$0	\$0	\$0	\$0	n/a	\$0	\$0	n/a	\$0	\$0	\$0	

The Subject will offer a total of 228 parking spaces, which will equate to a parking ratio of 2.85 spaces per unit per unit. Overall, the parking offered at the Subject is reasonable. Overall, the parking offered at the Subject is competitive, particularly given the proximity to public transportation. All of the comparable properties offer free off-street parking, similar to the Subject. The comparable properties were unable to provide specific parking ratios; however, most properties estimated that they offer between one and two spaces per unit. In addition, Timber Ridge I and II offers carport parking for \$20 per month and garage parking for \$50 per month. Four more comparables offer garage parking for fees ranging from \$70 to \$150 per month. The Subject will be considered similar to slightly inferior all of the comparables in terms of parking.

## MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

### Turnover

The following table details turnover rates at comparable properties.

<b>TURNOVER</b>			
<b>Property Name</b>	<b>Rent Structure</b>	<b>Tenancy</b>	<b>Annual Turnover</b>
Jobbers Overall Apartments	LIHTC	Family	11%
Miller's Rest Apartments	LIHTC/ Section 8	Family	N/A
Timber Ridge Apartments I	LIHTC	Family	20%
Timber Ridge Apartments II	LIHTC	Family	20%
Vistas At Dreaming Creek	LIHTC/ Market	Family	31%
Eleven 25	Market	Family	18%
Grand Vistas Apartments	Market	Family	35%
Legacy At Linden Park	Market	Family	35%
Logans Landing	Market	Family	46%
Mill's Crossing	Market	Family	N/A
The Overlook At Stonemill	Market	Family	40%
Wyndhurst Villas	Market	Family	16%
<b>Average Turnover</b>			<b>27%</b>

Turnover rates in the market range from 11 to 46 percent, with an average of 27 percent. The LIHTC properties averaged 21 percent turnover and the market rate properties averaged 32 percent turnover annually. Overall, we expect that the Subject will experience a turnover rate of 30 percent or less.



## Vacancy Levels

The following table illustrates vacancy rates at the comparable properties.

### OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Jobbers Overall Apartments	LIHTC	Family	44	0	0.0%
Miller's Rest Apartments*	LIHTC/ Section 8	Family	80	49	61.3%
Timber Ridge Apartments I	LIHTC	Family	96	0	0.0%
Timber Ridge Apartments II	LIHTC	Family	72	0	0.0%
Vistas At Dreaming Creek	LIHTC/ Market	Family	176	2	1.1%
Eleven 25	Market	Family	228	12	5.3%
Grand Vistas Apartments	Market	Family	104	1	1.0%
Legacy At Linden Park	Market	Family	408	19	4.7%
Logans Landing	Market	Family	173	10	5.8%
Mill's Crossing	Market	Family	144	2	1.4%
The Overlook At Stonemill	Market	Family	216	14	6.5%
Wyndhurst Villas	Market	Family	150	12	8.0%
<b>Total LIHTC</b>			<b>468</b>	<b>51</b>	<b>10.9%</b>
<b>Total Market Rate</b>			<b>1,423</b>	<b>70</b>	<b>4.9%</b>
<b>Overall Total</b>			<b>1,891</b>	<b>121</b>	<b>6.4%</b>
<b>Total LIHTC (Excluding Property in Absorption)</b>			<b>388</b>	<b>2</b>	<b>0.5%</b>
<b>Overall Total (Excluding Property in Absorption)</b>			<b>1,811</b>	<b>72</b>	<b>4.0%</b>

\*Property is currently in its initial absorption

The comparables reported vacancy rates ranging from zero to 61.3 percent, with an average of 6.4 percent. Note that Miller's Rest Apartments is currently in its initial lease-up. The property opened in December 2023, is 38.7 percent occupied, and is absorbing at a rate of 12.4 units per month. Absent this property, the average LIHTC vacancy rate is 0.5 percent and the overall vacancy rate is 4.0 percent. Further, the average market rate vacancy rate is 4.9 percent. Note that The Overlook at Stonemill and Wyndhurst Villas reported slightly elevated vacancy rates of 6.5 and 8.0 percent, respectively. Management for both properties attributed the elevated vacancy rates to typical annual turnover. Based on the performance of the LIHTC comparables, we expect the Subject will operate at a vacancy rate of 5.0 percent or less.

VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Jobbers Overall Apartments	LIHTC	Family	-	0.0%	0.0%	0.0%
Miller's Rest Apartments	LIHTC/ Section 8	Family	-	-	-	61.3%
Timber Ridge Apartments I	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Timber Ridge Apartments II	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Vistas At Dreaming Creek	LIHTC/ Market	Family	0.0%	1.4%	0.0%	1.1%
Eleven 25	Market	Family	-	-	-	5.3%
Grand Vistas Apartments	Market	Family	4.5%	0.0%	0.0%	1.0%
Legacy At Linden Park	Market	Family	6.1%	4.4%	2.8%	4.7%
Logans Landing	Market	Family	-	-	-	5.8%
Mill's Crossing	Market	Family	-	-	-	1.4%
The Overlook At Stonemill	Market	Family	3.7%	6.8%	7.1%	6.5%
Wyndhurst Villas	Market	Family	-	-	0.0%	8.0%

\*Located outside of the PMA

The Subject will consist of one, two, and three-bedroom units. Four comparables were unable to provide vacancy by bedroom type. Among the remaining comparables, vacancy rates in the market for one-bedroom units range from zero to 6.1 percent, from zero to 6.8 percent for the two-bedroom units, and from zero to 7.1 percent for the three-bedroom. Overall, the vacancy rates in the market are stable. Given the projected household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

**Concessions**

None of the comparable are currently offering concessions. We do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate.

**Waiting Lists**

The following table illustrates the waiting lists reported at the comparable properties.

WAITING LIST

Property Name	Rent Structure	Tenancy	Waiting List Length
Jobbers Overall Apartments	LIHTC	Family	Yes; ten households
Miller's Rest Apartments	LIHTC/ Section 8	Family	None
Timber Ridge Apartments I	LIHTC	Family	None
Timber Ridge Apartments II	LIHTC	Family	None
Vistas At Dreaming Creek	LIHTC/ Market	Family	None
Eleven 25	Market	Family	None
Grand Vistas Apartments	Market	Family	None
Legacy At Linden Park	Market	Family	Yes; 2BR: 20 individuals
Logans Landing	Market	Family	yes; seven households
Mill's Crossing	Market	Family	None
The Overlook At Stonemill	Market	Family	Yes; unknown
Wyndhurst Villas	Market	Family	None

\*Located outside of the PMA

One of the five LIHTC properties maintain waiting lists, while three of the market rate comparables maintains a waiting list. Timber Ridge Apartments I and II are fully occupied, and the contact reported that the property receives a high number of daily inquiries. The property deliberately does not maintain a waiting list, though

the contact noted that keeping a waiting list would be feasible. We anticipate that the Subject could maintain a waiting list to facilitate leasing upon turnover.

**Absorption**

Only two of the comparable properties were able to report recent absorption data. For support, we have listed recent absorption data for other properties in the Subject’s general broader market as follows.

**ABSORPTION**

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Miller's Rest Apartments**	LIHTC/Section 8	Family	2023	80	12
Eleven 25*	Market	Family	2018	160	20
Carlton Views	LIHTC	Family	2017	54	18

\*Utilized as a comparable property

\*\*Utilized as a comparable. Property is currently in lease-up. Building openings were staggered

The properties leased-up at rates ranging from 12 to 20 units per month, with an average of 16 units per month. Note that Eleven 25 staggered the opening of its units by building, which each contain 20 units. The property opened and leased eight buildings for a total of 160 units. The contact noted that each building leased in approximately one month, indicating an absorption pace of 20 units per month. Additionally, Miller’s Rest Apartments is currently in lease-up. The property opened the first building in December 2023 and the second building at the beginning of February 2024. The overall absorption for the property is 12.4 units per month. Based on the performance of recently-opened properties in the region, we have estimated that the Subject would absorb approximately 15 units per month, for an absorption period of approximately five to six months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

### Rental Rate Increases

The following table illustrates the rent increases at the comparable properties.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Jobbers Overall Apartments	LIHTC	Family	None
Miller's Rest Apartments	LIHTC/ Section 8	Family	Kept at Max
Timber Ridge Apartments I	LIHTC	Family	Inc 4.2 to 14.2%
Timber Ridge Apartments II	LIHTC	Family	Inc. 4.2 to 14.2%
Vistas At Dreaming Creek	LIHTC/ Market	Family	LIHTC: Kept at 2022 max M: Inc. five to 10%
Eleven 25	Market	Family	Increased 5 to 7%
Grand Vistas Apartments	Market	Family	Inc. five to 10 percent
Legacy At Linden Park	Market	Family	Changes daily
Logans Landing	Market	Family	Inc. four to nine percent
Mill's Crossing	Market	Family	Increased 4.3 to 11.1%
The Overlook At Stonemill	Market	Family	Dec. 7 to inc. 1%
Wyndhurst Villas	Market	Family	Dec. 4.2 to inc. 5.1%

Two of the LIHTC comparables reported achieving rents at the 2023 maximum allowable levels, while two reported keeping rents at the 2022 maximum allowable levels. One LIHTC comparable reported no rent increases. The market rate properties reported a mix of rent growth over the past year. We believe that slight to moderate annual rent growth within the allowable limits will be achievable.

### Reasonability of Rents

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

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2023 LIHTC Maximum Allowable Gross Rent	2024 HUD Fair Market Rents	
@30%								
1BR / 1BA	703	2	\$347	\$119	\$466	\$466	\$966	
2BR / 2BA	948	4	\$409	\$151	\$560	\$560	\$1,093	
3BR / 2BA	1,168	2	\$471	\$176	\$647	\$647	\$1,494	
@40% (Section 8)								
1BR / 1BA	703	2	\$503	\$119	\$622	\$622	\$966	
2BR / 2BA	948	4	\$596	\$151	\$747	\$747	\$1,093	
3BR / 2BA	1,168	2	\$687	\$176	\$863	\$863	\$1,494	
@50%								
1BR / 1BA	703	5	\$659	\$119	\$778	\$778	\$966	
2BR / 2BA	948	14	\$782	\$151	\$933	\$933	\$1,093	
3BR / 2BA	1,168	5	\$903	\$176	\$1,079	\$1,079	\$1,494	
@60%								
1BR / 1BA	703	7	\$814	\$119	\$933	\$933	\$966	
2BR / 2BA	948	26	\$969	\$151	\$1,120	\$1,120	\$1,093	
3BR / 2BA	1,168	7	\$1,119	\$176	\$1,295	\$1,295	\$1,494	
		<b>80</b>						

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

### Comparable LIHTC Rents

The following tables compare the Subject's and the comparable properties' rents. For the purposes of this market study, "Base Rents" are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an "apples-to-apples" comparison of rents. Additionally, it is important to note that we compared to concessured rent levels at the comparable properties. Note that some of the comparable property's LIHTC rents appear to be above the maximum levels; however, these are the result of differing utility allowances at the comparables. The Subject will offer eight units with Project-Based Voucher subsidies. Were the Subject to lose its subsidy, these units would be restricted to 40 percent of AMI rents.

#### 30% AMI

LIHTC RENT COMPARISON @30%

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Millers Rest III	Lynchburg	Family	\$347	\$409	\$471	Yes
<b>LIHTC Maximum Rent (Net)</b>	<b>Lynchburg</b>		<b>\$347</b>	<b>\$409</b>	<b>\$471</b>	
<b>Achievable LIHTC Rent</b>			<b>\$347</b>	<b>\$409</b>	<b>\$471</b>	

The Subject's proposed rents at 30 percent of the AMI are set at the 2023 maximum allowable levels. Following construction, the Subject will be in excellent condition. None of the comparable properties offer units at 30 percent of the AMI. However, 30 percent AMI rents are among the lowest in the market and offer a substantial discount relative to market rents. Therefore, we have concluded to achievable 30 percent AMI rents at the maximum allowable levels.

#### 40% AMI

LIHTC RENT COMPARISON @40%

	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Millers Rest III	Lynchburg	Family	\$503	\$596	\$687	Yes
<b>LIHTC Maximum Rent (Net)</b>	<b>Lynchburg</b>		<b>\$503</b>	<b>\$596</b>	<b>\$687</b>	
Jobbers Overall Apartments	Lynchburg	Family	-	\$592	\$597	No
Timber Ridge Apartments I	Lynchburg	Family	\$493	\$571	\$639	No
Timber Ridge Apartments II	Lynchburg	Family	\$493	\$571	\$639	No
<b>Average</b>			<b>\$493</b>	<b>\$578</b>	<b>\$625</b>	
<b>Achievable LIHTC Rent</b>			<b>\$503</b>	<b>\$596</b>	<b>\$687</b>	

#### 50% AMI

LIHTC RENT COMPARISON @50%

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Millers Rest III	Lynchburg	Family	\$659	\$782	\$903	Yes
<b>LIHTC Maximum Rent (Net)</b>	<b>Lynchburg</b>		<b>\$659</b>	<b>\$782</b>	<b>\$903</b>	
Jobbers Overall Apartments	Lynchburg	Family	-	\$690	\$781	No
Miller's Rest Apartments	Lynchburg	Family	\$693	\$826	-	Yes
Timber Ridge Apartments I	Lynchburg	Family	\$641	\$748	\$844	No
Timber Ridge Apartments II	Lynchburg	Family	\$641	\$748	\$844	No
<b>Average</b>			<b>\$658</b>	<b>\$753</b>	<b>\$823</b>	
<b>Achievable LIHTC Rent</b>			<b>\$659</b>	<b>\$782</b>	<b>\$903</b>	



**60% AMI**

**LIHTC RENT COMPARISON @60%**

Property Name	County	Tenancy	1BR	2BR	3BR	Rents at Max?
Millers Rest III	Lynchburg	Family	\$814	\$969	\$1,118	Yes
<b>LIHTC Maximum Rent (Net)</b>	Lynchburg		<b>\$814</b>	<b>\$969</b>	<b>\$1,119</b>	
Miller's Rest Apartments	Lynchburg	Family	-	\$1,013	\$1,170	Yes
Vistas At Dreaming Creek	Lynchburg	Family	\$836	\$977	\$1,088	Yes
<b>Average</b>			<b>\$836</b>	<b>\$995</b>	<b>\$1,129</b>	
<b>Achievable LIHTC Rent</b>			<b>\$814</b>	<b>\$969</b>	<b>\$1,119</b>	

The Subject’s proposed rents at 40, 50, and 60 percent of AMI are set at the 2023 maximum allowable rents. Two comparable properties, Vistas at Dreaming Creek and Miller’s Rest Apartments, reported rents at the 2023 maximum allowable levels. The remaining three comparables, reported rents below the maximum allowable levels for their units at 40 and 50 percent AMI. Management at Jobbers Overall Apartments reported that the property has historically been below the maximum allowable levels. The property incentivizes high occupancy and low turnover, as opposed to achieving high rents. However, the property is fully occupied and keeps a short waiting list, and management stated that higher rents would be achievable. Management at Timber Ridge Apartments I and II reported rents below the maximum allowable levels at 40 and 50 percent of AMI. Rents at the property are set at the 2022 maximum allowable levels. The property typically increases rents once annually at the beginning of each year and previously increased to the 2022 maximum levels at the beginning of 2023. However, the contact could not comment on when the annual rent increase is planned for the current year. Timber Ridge Apartments I and II are fully occupied. The property operates on a first-come, first-served basis, and the contact reported that the property receives a high number of daily inquiries. Overall, the stabilized LIHTC vacancy rate is 0.5 percent, and three of the LIHTC properties reported full occupancy.

The Subject will be the most similar to Vistas at Dreaming Creek and Miller’s Rest Apartments, upon completion. Vistas at Dreaming Creek is a 176-unit mixed-income property offering one, two, and three-bedroom garden-style units. The Subject will offer a generally similar design to this property, as well as a similar location. Vistas at Dreaming Creek was built in 2001 and is in good condition, slightly inferior to the Subject upon completion. Additionally, Vistas at Dreaming Creek offers slightly superior in-unit amenities, similar property amenities, and similar unit sizes. Overall, we believe that the Subject will be similar to this property, upon completion.

Miller’s Rest Apartments is an 80-unit LIHTC property offering one, two, and three-bedroom garden-style units. The Subject will offer a generally similar design to this property, as well as a similar location. Miller’s Rest Apartments was built in 2023 and is in excellent condition, similar to the Subject upon completion. Additionally, Vistas at Dreaming Creek offers similar in-unit amenities, similar property amenities, and similar unit sizes. Overall, we believe that the Subject will be similar to this property, upon completion.

The Subject will offer washer/dryer hookups, which will be similar to all of the LIHTC comparables and slightly superior to the remaining LIHTC comparable. Generally, the Subject will offer slightly superior to slightly inferior in-unit amenities to the LIHTC comparables. Furthermore, the Subject will offer similar to superior property amenities, as the development will include recreational areas, and a playground, which most comparables do not offer. The Subject will be similar slightly superior in condition to the LIHTC comparables, which were built or renovated between 2001 and 2023 and exhibit good to excellent condition. Furthermore, we maintain that the Subject will be most similar to Vistas at Dreaming Creek and Miller’s Rest Apartments, which are currently achieving maximum allowable rents on their 50 and 60 percent AMI units. Overall, given the high occupancy rates for affordable properties in the market, we believe the Subject would be able to achieve rents at the maximum allowable levels for its units at 30, 40, 50, and 60 percent of AMI.

### Achievable Market Rents

The following table compares the Subject's current rents to comparable market rate developments. Rents have been adjusted for differences in utility structure and concessions if applicable.

**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@30%	\$347	\$965	\$1,225	\$1,093	\$995	65%
1BR / 1BA	@40% (Section 8)	\$503	\$965	\$1,225	\$1,093	\$995	49%
1BR / 1BA	@50%	\$659	\$965	\$1,225	\$1,093	\$995	34%
1BR / 1BA	@60%	\$814	\$965	\$1,225	\$1,093	\$995	18%
2BR / 2BA	@30%	\$409	\$975	\$1,443	\$1,277	\$1,225	67%
2BR / 2BA	@40% (Section 8)	\$596	\$975	\$1,443	\$1,277	\$1,225	51%
2BR / 2BA	@50%	\$782	\$975	\$1,443	\$1,277	\$1,225	36%
2BR / 2BA	@60%	\$969	\$975	\$1,443	\$1,277	\$1,225	21%
3BR / 2BA	@30%	\$471	\$1,150	\$1,770	\$1,469	\$1,450	68%
3BR / 2BA	@40% (Section 8)	\$687	\$1,150	\$1,770	\$1,469	\$1,450	53%
3BR / 2BA	@50%	\$903	\$1,150	\$1,770	\$1,469	\$1,450	38%
3BR / 2BA	@60%	\$1,118	\$1,150	\$1,770	\$1,469	\$1,450	23%

The comparable market properties will be similar to superior to the proposed Subject, upon completion. The location of the Subject will be similar to the market rate comparable properties, and the condition of the Subject will be generally similar to superior to the market rate comparables. The Subject will offer generally inferior in-unit amenities, as it will not include in-unit washers and dryers or garbage disposals, and similar to inferior community amenities package in comparison to the market rate comparable properties. The Subject will offer competitive security features. The Subject's two and three-bedroom unit sizes will be smaller than the average unit size; the one-bedroom unit sizes will be below the range of the comparable unit sizes, though we believe they will still be marketable. Overall, the Subject will be most similar to the Mill's Crossing and Legacy at Linden Park.

**Mill's Crossing** offers one and two-bedroom market rate units. Management reported that the property was 98.6 percent occupied. The comparable, which was constructed in 2018, exhibits excellent condition and will be similar to the Subject's anticipated condition following construction. Mill's Crossing is located approximately 0.3 miles from the Subject in a similar location. The unit amenities at Mill's Crossing are slightly superior to the Subject, while the community amenities are slightly inferior. Mill's Crossing offers a garden-style, walk-up design, similar to the Subject's design. Additionally, the Subject's unit sizes will be slightly inferior to the units at the Mill's Crossing. Overall, relative to the Subject, the Mill's Crossing will be similar, and, therefore, we believe the Subject could achieve market rents similar to this comparable, as an unrestricted property.

**Legacy at Linden Park** offers one, two, and three-bedroom market rate units. Management reported that the property was 95.3 percent occupied. The comparable was constructed in 2008 and exhibits good condition, which will be slightly inferior to the Subject's anticipated condition following construction. Legacy at Linden Park is located approximately 1.3 miles from the Subject in a slightly superior location. In terms of amenities, the comparable will offer slightly superior unit amenities and similar community amenities. Legacy at Linden Park's garden-style, walk-up design will be similar to the Subject's design. The comparables' unit sizes will be slightly superior to superior to those of the Subject. Overall, we believe the Subject could achieve rents similar to this comparable as an unrestricted property.

The following tables compare the Subject's rents (Novoco achievable LIHTC rents) with the rents achieved at the Mill's Crossing and Legacy at Linden Park.

**SUBJECT COMPARISON TO MILL'S CROSSING**

Unit Type	Rent Level	Subject Pro Forma Rent	Square Feet	Subject RPSF	Mill's Crossing Rent	Square Feet	Mill's Crossing RPSF	Subject Rent Advantage
1BR / 1BA	@30%	\$347	703	\$0.49	\$999	755	\$1.32	65.3%
1BR / 1BA	@40% (Section 8)	\$503	703	\$0.72	\$999	755	\$1.32	49.6%
1BR / 1BA	@50%	\$659	703	\$0.94	\$999	755	\$1.32	34.0%
1BR / 1BA	@60%	\$814	703	\$1.16	\$999	755	\$1.32	18.5%
2BR / 2BA	@30%	\$409	948	\$0.43	\$1,199	1,109	\$1.08	65.9%
2BR / 2BA	@40% (Section 8)	\$596	948	\$0.63	\$1,199	1,109	\$1.08	50.3%
2BR / 2BA	@50%	\$782	948	\$0.82	\$1,199	1,109	\$1.08	34.8%
2BR / 2BA	@60%	\$969	948	\$1.02	\$1,199	1,109	\$1.08	19.2%

**SUBJECT COMPARISON TO LEGACY AT LINDEN PARK**

Unit Type	Rent Level	Subject Pro Forma Rent	Square Feet	Subject RPSF	Legacy At Linden Park Rent	Square Feet	Legacy At Linden Park RPSF	Subject Rent Advantage
1BR / 1BA	@30%	\$347	703	\$0.49	\$990	826	\$1.20	64.9%
1BR / 1BA	@40% (Section 8)	\$503	703	\$0.72	\$990	826	\$1.20	49.2%
1BR / 1BA	@50%	\$659	703	\$0.94	\$990	826	\$1.20	33.4%
1BR / 1BA	@60%	\$814	703	\$1.16	\$990	826	\$1.20	17.8%
2BR / 2BA	@30%	\$409	948	\$0.43	\$1,227	1,022	\$1.20	66.7%
2BR / 2BA	@40% (Section 8)	\$596	948	\$0.63	\$1,227	1,022	\$1.20	51.4%
2BR / 2BA	@50%	\$782	948	\$0.82	\$1,227	1,022	\$1.20	36.3%
2BR / 2BA	@60%	\$969	948	\$1.02	\$1,227	1,022	\$1.20	21.0%
3BR / 2BA	@30%	\$471	1,168	\$0.40	\$1,438	1,317	\$1.09	67.2%
3BR / 2BA	@40% (Section 8)	\$687	1,168	\$0.59	\$1,438	1,317	\$1.09	52.2%
3BR / 2BA	@50%	\$903	1,168	\$0.77	\$1,438	1,317	\$1.09	37.2%
3BR / 2BA	@60%	\$1,118	1,168	\$0.96	\$1,438	1,317	\$1.09	22.3%

The average market rate vacancy rate is 4.9 percent, which indicates a stable market. We have placed the Subject's achievable market rents slightly below the surveyed average rent in the market for the one, two and three-bedroom units, and within the range of the comparable properties. The Subject's achievable market rate rent per square foot is similar to those of the market rate comparable properties. The Subject's achievable LIHTC rents at 30, 40, 50, and 60 percent of AMI represent advantages of 19 to 69 percent over the achievable market rents for the Subject's one, two, and three-bedroom units. The following table displays the concluded achievable market rents at the Subject.

**Subject Achievable Market Rents**

Unit Type	Achievable Market Rent	Square Feet	Subject Achievable RPSF
1BR / 1BA	\$995	703	\$1.42
2BR / 2BA	\$1,225	948	\$1.29
3BR / 2BA	\$1,450	1,168	\$1.24

### **Summary Evaluation**

The Subject will be well-positioned in the market. As a newly constructed property, the Subject will be in generally similar to superior condition to the comparable properties. Vacancy rates among the stabilized LIHTC properties range from zero to 1.1 percent, with an average of 0.5 percent. Additionally, three of the LIHTC comparables reported no vacancies. Vacancy at the Subject is expected to be no more than five percent over the long term. Based on the comparable data, rental rates at the maximum allowable levels are achievable. Overall, the Subject will be well-accepted in the market as a LIHTC property.

### **Impact on Existing Housing Stock**

All the data combined with interviews of real estate professionals demonstrate a continuing need for affordable housing over the foreseeable term. The comparables surveyed include a total of 1,891 units at 12 properties. The stabilized affordable properties in the area reported occupancy rates of 98.9 percent or higher, with one property reporting no vacancies. One of the LIHTC comparables reported maintaining waiting lists on their LIHTC units. Management at Timber Ridge I and II reported that the property receives a high number of daily inquiries. Further, the property deliberately does not maintain a waiting list, though the contact noted that keeping a waiting list would be feasible. Finally, the strong occupancy rates at the majority of the market rate projects in the PMA are evidence of a stable rental market and strong demand.

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

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



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

### Introduction

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

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

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

### Capture Rate Determination

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

- 1) PMA Demography
- 2) Income Qualified
- 3) Renter Households
- 4) Unit Size Appropriate

The following text will examine each step through the process.

Step One – PMA Demography

### Primary Market Area Defined

For the purposes of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood-oriented” and are generally very reluctant to move from the area in which they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below-market rents. A certain percent of the Subject’s tenants are expected to hail from the PMA; demand estimates will be adjusted to reflect the potential for “leakage.”

The Subject property is located in Lynchburg, Virginia. The PMA is generally defined as the City of Lynchburg. The PMA boundaries are: Interstate 64, Interstate 564, and Terminal Boulevard to the north; Interstate 64 to the east; Interstate 264 to the south; and the Elizabeth River to the west. The PMA was determined based on input from area property managers.

## Demographic Information

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

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

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

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

### Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	City of Lynchburg, VA
AMI for four-person household:	\$83,000
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

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

First, we estimate the Subject’s minimum and maximum income levels (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family-oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the application percentage to determine an income level. For example, if a property has a one-bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent. *It should be noted that eight of the Subject’s units will operate with Project-Based Vouchers (PBV).*

**FAMILY INCOME LIMITS**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40% (Section 8)		@50%		@60%	
1BR	\$15,977	\$19,920	\$0	\$26,560	\$26,674	\$33,200	\$31,989	\$39,840
2BR	\$19,200	\$22,410	\$0	\$29,880	\$31,989	\$37,350	\$38,400	\$44,820
3BR	\$22,183	\$26,910	\$0	\$35,880	\$36,994	\$44,850	\$44,366	\$53,820

**FAMILY INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40%		@50%		@60%	
1BR	\$15,977	\$19,920	\$21,326	\$26,560	\$26,674	\$33,200	\$31,989	\$39,840
2BR	\$19,200	\$22,410	\$25,611	\$29,880	\$31,989	\$37,350	\$38,400	\$44,820
3BR	\$22,183	\$26,910	\$29,589	\$35,880	\$36,994	\$44,850	\$44,366	\$53,820

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

**RENTER HOUSEHOLD INCOME**

Income Cohort	PMA					
	2023		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,551	12.4%	2,390	11.6%	-32	-1.3%
\$10,000-19,999	3,250	15.7%	3,001	14.5%	-50	-1.5%
\$20,000-29,999	3,091	15.0%	2,888	14.0%	-41	-1.3%
\$30,000-39,999	2,832	13.7%	2,623	12.7%	-42	-1.5%
\$40,000-49,999	2,199	10.7%	2,298	11.1%	20	0.9%
\$50,000-59,999	1,421	6.9%	1,438	7.0%	3	0.2%
\$60,000-74,999	1,402	6.8%	1,485	7.2%	17	1.2%
\$75,000-99,999	2,027	9.8%	2,130	10.3%	21	1.0%
\$100,000-124,999	749	3.6%	918	4.4%	34	4.5%
\$125,000-149,999	337	1.6%	466	2.3%	26	7.7%
\$150,000-199,999	363	1.8%	447	2.2%	17	4.6%
\$200,000+	418	2.0%	547	2.7%	26	6.2%
<b>Total</b>	<b>20,640</b>	<b>100.0%</b>	<b>20,631</b>	<b>100.0%</b>		

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

**Step Three – Income Distribution**

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

MILLER'S REST APARTMENTS III – LYNCHBURG, VIRGINIA – MARKET STUDY

FAMILY INCOME DISTRIBUTION 2023

Income Cohort	Total Renter Households	@30%			@40% (Section 8)			@50%			@60%			All Units			
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	
\$0-9,999	2,551				9,999	100.0%	2,551										
\$10,000-19,999	3,250	4,021	40.2%	1,307	9,999	100.0%	3,250								9,999	100.0%	3,250
\$20,000-29,999	3,091	6,911	69.1%	2,136	9,999	100.0%	3,091	3,324	33.2%	1,028					9,999	100.0%	3,091
\$30,000-39,999	2,832				5,881	58.8%	1,666	9,999	100.0%	2,832	8,010	80.1%	2,269		9,999	100.0%	2,832
\$40,000-49,999	2,199							4,851	48.5%	1,067	9,999	100.0%	2,199		9,999	100.0%	2,199
\$50,000-59,999	1,421										3,821	38.2%	543		3,821	38.2%	543
\$60,000-74,999	1,402																
\$75,000-99,999	2,027																
\$100,000-124,999	749																
\$125,000-149,999	337																
\$150,000-199,999	363																
\$200,000+	418																
<b>Total</b>	<b>20,640</b>		<b>16.7%</b>	<b>3,443</b>		<b>51.2%</b>	<b>10,558</b>		<b>23.9%</b>	<b>4,926</b>		<b>24.3%</b>	<b>5,011</b>		<b>70.1%</b>	<b>14,466</b>	

FAMILY INCOME DISTRIBUTION 2023 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@30%			@40%			@50%			@60%			All Units			
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	
\$0-9,999	2,551																
\$10,000-19,999	3,250	4,021	40.2%	1,307											4,021	40.2%	1,307
\$20,000-29,999	3,091	6,911	69.1%	2,136	8,673	86.7%	2,681	3,324	33.2%	1,028					9,999	100.0%	3,091
\$30,000-39,999	2,832				5,881	58.8%	1,666	9,999	100.0%	2,832	8,010	80.1%	2,269		9,999	100.0%	2,832
\$40,000-49,999	2,199							4,851	48.5%	1,067	9,999	100.0%	2,199		9,999	100.0%	2,199
\$50,000-59,999	1,421										3,821	38.2%	543		3,821	38.2%	543
\$60,000-74,999	1,402																
\$75,000-99,999	2,027																
\$100,000-124,999	749																
\$125,000-149,999	337																
\$150,000-199,999	363																
\$200,000+	418																
<b>Total</b>	<b>20,640</b>		<b>16.7%</b>	<b>3,443</b>		<b>21.1%</b>	<b>4,347</b>		<b>23.9%</b>	<b>4,926</b>		<b>24.3%</b>	<b>5,011</b>		<b>48.3%</b>	<b>9,972</b>	

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

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

Step Five – Unit Size Appropriate

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

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

HOUSEHOLD DISTRIBUTION		
<b>1 BR</b>	90%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
<b>2 BR</b>	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
	30%	Of four-person households in 2BR units
<b>3 BR</b>	40%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units

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

Step Six – Capture Rate by Bedroom Mix

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

**CAPTURE RATE ANALYSIS BY UNIT TYPE**

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



**30% AMI Demand – As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2023*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,977
2 persons	25.7%	5,303
3 persons	14.4%	2,980
4 persons	8.6%	1,784
5+ persons	7.7%	1,596
<b>Total</b>	<b>100.0%</b>	<b>20,640</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,977	x	1,498
2 persons	5,303	x	885
3 persons	2,980	x	497
4 persons	1,784	x	298
5+ persons	1,596	x	266
<b>Total</b>	<b>20,640</b>		<b>3,443</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,525
2BR	1,245
3BR	451
<b>Total</b>	<b>3,221</b>

*Capture Rate Analysis - @30%*

	Developer's Unit Mix	Capture Rate
1BR	2	0.13%
2BR	4	0.32%
3BR	2	0.44%
<b>Total/Overall</b>	<b>8</b>	<b>0.25%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	2	0.12%
2BR	4	0.29%
3BR	2	0.40%
<b>Total/Overall</b>	<b>8</b>	<b>0.22%</b>

**40% AMI Demand – As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2023*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,977
2 persons	25.7%	5,303
3 persons	14.4%	2,980
4 persons	8.6%	1,784
5+ persons	7.7%	1,596
<b>Total</b>	<b>100.0%</b>	<b>20,640</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,977	x	4,592
2 persons	5,303	x	2,713
3 persons	2,980	x	1,524
4 persons	1,784	x	913
5+ persons	1,596	x	816
<b>Total</b>	<b>20,640</b>		<b>10,558</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	4,675
2BR	3,818
3BR	1,383
<b>Total</b>	<b>9,876</b>

*Capture Rate Analysis - @40% (Section 8)*

	Developer's Unit Mix	Capture Rate
1BR	2	0.04%
2BR	4	0.10%
3BR	2	0.14%
<b>Total/Overall</b>	<b>8</b>	<b>0.08%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	2	0.04%
2BR	4	0.09%
3BR	2	0.13%
<b>Total/Overall</b>	<b>8</b>	<b>0.07%</b>

**50% AMI Demand – As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2023*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,977
2 persons	25.7%	5,303
3 persons	14.4%	2,980
4 persons	8.6%	1,784
5+ persons	7.7%	1,596
<b>Total</b>	<b>100.0%</b>	<b>20,640</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,977	x	23.9%	2,143
2 persons	5,303	x	23.9%	1,266
3 persons	2,980	x	23.9%	711
4 persons	1,784	x	23.9%	426
5+ persons	1,596	x	23.9%	381
<b>Total</b>	<b>20,640</b>			<b>4,926</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	2,182
2BR	1,781
3BR	645
<b>Total</b>	<b>4,608</b>

*Capture Rate Analysis - @50%*

	Developer's Unit Mix	Capture Rate
1BR	5	0.23%
2BR	14	0.79%
3BR	5	0.77%
<b>Total/Overall</b>	<b>24</b>	<b>0.52%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	5	0.21%
2BR	14	0.71%
3BR	5	0.70%
<b>Total/Overall</b>	<b>24</b>	<b>0.47%</b>

**60% AMI Demand - As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2023*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,977
2 persons	25.7%	5,303
3 persons	14.4%	2,980
4 persons	8.6%	1,784
5+ persons	7.7%	1,596
<b>Total</b>	<b>100.0%</b>	<b>20,640</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,977	x	24.3%	2,179
2 persons	5,303	x	24.3%	1,287
3 persons	2,980	x	24.3%	723
4 persons	1,784	x	24.3%	433
5+ persons	1,596	x	24.3%	387
<b>Total</b>	<b>20,640</b>			<b>5,011</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	2,219
2BR	1,812
3BR	656
<b>Total</b>	<b>4,687</b>

*Capture Rate Analysis - @60%*

	Developer's Unit Mix	Capture Rate
1BR	7	0.32%
2BR	26	1.44%
3BR	7	1.07%
<b>Total/Overall</b>	<b>40</b>	<b>0.85%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	7	0.28%
2BR	26	1.29%
3BR	7	0.96%
<b>Total/Overall</b>	<b>40</b>	<b>0.77%</b>

**All Unit Demand - As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2023*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,977
2 persons	25.7%	5,303
3 persons	14.4%	2,980
4 persons	8.6%	1,784
5+ persons	7.7%	1,596
<b>Total</b>	<b>100.0%</b>	<b>20,640</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,977	x	70.1%	6,292
2 persons	5,303	x	70.1%	3,717
3 persons	2,980	x	70.1%	2,089
4 persons	1,784	x	70.1%	1,250
5+ persons	1,596	x	70.1%	1,119
<b>Total</b>	<b>20,640</b>			<b>14,466</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	6,406
2BR	5,231
3BR	1,895
<b>Total</b>	<b>13,532</b>

*Capture Rate Analysis - All Units As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	16	0.25%
2BR	48	0.92%
3BR	16	0.84%
<b>Total/Overall</b>	<b>80</b>	<b>0.59%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	16	0.22%
2BR	48	0.83%
3BR	16	0.76%
<b>Total/Overall</b>	<b>80</b>	<b>0.53%</b>



**40% AMI Demand– Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2023*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,977
2 persons	25.7%	5,303
3 persons	14.4%	2,980
4 persons	8.6%	1,784
5+ persons	7.7%	1,596
<b>Total</b>	<b>100.0%</b>	<b>20,640</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,977	x 21.1%	1,891
2 persons	5,303	x 21.1%	1,117
3 persons	2,980	x 21.1%	628
4 persons	1,784	x 21.1%	376
5+ persons	1,596	x 21.1%	336
<b>Total</b>	<b>20,640</b>		<b>4,347</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,925
2BR	1,572
3BR	569
<b>Total</b>	<b>4,066</b>

*Capture Rate Analysis - @40% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	2	0.10%
2BR	4	0.25%
3BR	2	0.35%
<b>Total/Overall</b>	<b>8</b>	<b>0.20%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	2	0.09%
2BR	4	0.23%
3BR	2	0.32%
<b>Total/Overall</b>	<b>8</b>	<b>0.18%</b>

**All Unit Demand – Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2023*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	43.5%	8,977
2 persons	25.7%	5,303
3 persons	14.4%	2,980
4 persons	8.6%	1,784
5+ persons	7.7%	1,596
<b>Total</b>	<b>100.0%</b>	<b>20,640</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	8,977	x	48.3%	4,337
2 persons	5,303	x	48.3%	2,562
3 persons	2,980	x	48.3%	1,440
4 persons	1,784	x	48.3%	862
5+ persons	1,596	x	48.3%	771
<b>Total</b>	<b>20,640</b>			<b>9,972</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	4,416
2BR	3,606
3BR	1,306
<b>Total</b>	<b>9,328</b>

*Capture Rate Analysis - All Units Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	16	0.36%
2BR	48	1.33%
3BR	16	1.22%
<b>Total/Overall</b>	<b>80</b>	<b>0.86%</b>

*Adjusted for Leakage from Outside of the PMA*

10%

1BR	16	0.33%
2BR	48	1.20%
3BR	16	1.10%
<b>Total/Overall</b>	<b>80</b>	<b>0.77%</b>

## ANNUAL CAPTURE RATE ANALYSIS

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

The annual demand for rental housing depends upon the following factors:

### Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population increase from 2022 to 2027. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

### Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a February 2024 CoStar report and performed an internet search. We also attempted to contact the City of Lynchburg Planning Department regarding the development pipeline in the city. To date, our calls have not been returned. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject's PMA according to CoStar.

PLANNED DEVELOPMENT							
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
554 Leesville Rd	Market	Family	28	0	n/a	Under Construction	1.6 miles
<b>Totals</b>			<b>28</b>	<b>0</b>			

Source: CoStar, February 2024

As illustrated, there is one proposed development in the PMA. However, the development will be market rate properties which will not be competitive with the Subject.

According to the Virginia Housing website, there have been six properties allocated tax credits in the PMA since 2020.

RECENT LIHTC ALLOCATIONS IN PMA							
Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units - As Proposed	Competitive Units - Absent Subsidy	Distance to Subject
Florida Terrace	2022	LIHTC/Supportive Housing/Section 8	Family/Disabled	31	27	27	4.2 miles
Millers Rest Apartments II - 4%	2021	LIHTC	Family	75	75	75	0.0 miles
Millers Rest Apartments II - 9%	2021	LIHTC/Section 8	Family	40	40	35	0.0 miles
Millers Rest Apartments	2020	LIHTC/Section 8	Family	80	80	72	0.0 miles
Waters at James Crossing	2020	LIHTC/Section 8	Family	288	288	11	4.4 miles
				<b>514</b>	<b>510</b>	<b>220</b>	

Source: Virginia Housing, February 2024

- In 2022, tax credits were awarded to Florida Terrace, a proposed new construction 31-unit LIHTC/Supportive Housing/Section 8 development located 4.2 miles northeast of the Subject. Upon completion, the units will be LIHTC restricted at no more than 60 percent AMI, offering 20 one-bedroom and 11 two-bedroom units, where four units are designated to disabled tenancy. All 27 of the general tenancy units will be competitive with the Subject's units. The estimated timeline for completion was not available.

- In 2021, tax credits were awarded to Millers Rest Apartments II-4% for the new construction of a 75-unit LIHTC development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with 75 units at 60 percent of AMI. Note this development represents a portion of the second phase of the Subject development. All of the property's units will be competitive with the Subject's units upon completion. The property is expected to open in April 2024.
- In 2021, tax credits were awarded to Millers Rest Apartments II-9% for the new construction of a 40-unit LIHTC/Section 8 development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with four units at 30 percent, four units at 40 percent, 12 units at 50 percent and 20 units at 60 percent of AMI. Additionally, all 12 units will operate with subsidies. Note this development represents a portion of the second phase of the Subject development. Upon completion, 40 units will be competitive as proposed and 35 will be competitive absent subsidy. The property is expected to open in April 2024.
- In 2020, tax credits were awarded to Miller's Rest Apartments for the new construction of an 80-unit LIHTC and Section 8 development offering one, two, and three-bedroom units. The property was completed in December 2023 and offers LIHTC restricted units with eight units at 40 percent, 32 units at 50 percent, and 40 units at 60 percent of AMI. Additionally, all eight units at 40 percent of AMI operate with subsidies. Note that this development represents the first phase of the Subject development. The development opened December 2023 and is utilized as a comparable in our analysis. The units at this property have been accounted for as existing, competitive units in our demand analysis.
- In 2020, tax credits were awarded to rehabilitate Waters at James Crossing, an existing 288-unit LIHTC/Section 8 property located 4.4 miles northeast of the Subject. The property offers one, two and three-bedroom units restricted at 60 percent of AMI. All of the property's units are competitive with the proposed Subject's units as proposed, though only 11 units are competitive absent subsidy. These units have been accounted for as existing competitive units.

Note that Waters at James Crossing and Burton Creek Apartments are proposed for rehabilitation and will not add to the competitive supply in the market. Furthermore, Millers Rest Apartments is an existing LIHTC development. Therefore, we have accounted for 142 units "As Proposed" and 137 units "Absent Subsidy", in our *Demand Analysis*.

**Annual Demand Table – As Proposed**

<b>ANNUAL DEMAND</b>		
Calculation		PMA
<b>Number of Renter Households in 2023</b>		20,640
<b>Increase in Number of Renter Households</b>		(9)
<b>Number of Renter Households in 2028</b>		20,631
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		39.5%
Percentage of Income-Qualified Renter Households		70.1%
Number of Income-Qualified Renter Households		14,466
Percentage of Rent-Overburdened		35.7%
<b>Existing Income-Qualified Renter Household Turnover</b>		<b>5,168</b>
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		(2)
Percentage of Income-Qualified Renter Households		70.1%
<b>New Rental Income Qualified Households</b>		<b>(1)</b>
<i>Capture Rate Analysis</i>		
Number of Units in Subject		80
Occupied Units at Subject With Vacancy of:	5%	76
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		5,167
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		5,741
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	142	
<b>Total Demand after Competition (Turnover and Growth)</b>		<b>5,741</b>
<b>Yielded Annual Capture Rate of Available Demand in 2024</b>		<b>1.3%</b>

The yielded capture rate is approximately 1.3 percent of available demand per annum, for the Subject's units as proposed, which is low and indicative of strong demand.

**Annual Demand Table – Absent Subsidy**

<b>ANNUAL DEMAND - ABSENT SUBSIDY</b>		
<b>Calculation</b>		<b>PMA</b>
<b>Number of Renter Households in 2023</b>		20,640
<b>Increase in Number of Renter Households</b>		(9)
<b>Number of Renter Households in 2028</b>		20,631
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		39.5%
Percentage of Income-Qualified Renter Households		48.3%
Number of Income-Qualified Renter Households		9,972
Percentage of Rent-Overburdened		35.7%
<b>Existing Income-Qualified Renter Household Turnover</b>		<b>3,563</b>
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		(2)
Percentage of Income-Qualified Renter Households		48.3%
<b>New Rental Income Qualified Households</b>		<b>(1)</b>
<i>Capture Rate Analysis</i>		
Number of Units in Subject		80
Occupied Units at Subject With Vacancy of:	5%	76
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		3,562
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		3,957
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	130	
<b>Total Demand after Competition (Turnover and Growth)</b>		<b>3,957</b>
<b>Yielded Annual Capture Rate of Available Demand in 2024</b>		<b>1.9%</b>

The yielded capture rate is approximately 1.9 percent of available demand per annum, for the Subject's units absent the subsidy, which is low and indicative of strong demand.



**VIRGINIA HOUSING DEMAND ANALYSIS**

We have also included the required demand table from the Virginia Housing market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject site. The supply illustrates all proposed or under construction units in the PMA.

For the following Virginia Housing demand analysis, we have considered all of the Subject’s 80 proposed units. We have determined that there are 137 proposed competitive LIHTC units in the PMA, as well as 50 vacant LIHTC units (at 40, 50, and 60 percent of AMI) at the comparable LIHTC properties considered directly competitive with the Subject’s LIHTC units.

Regarding sub-standard housing, U.S. Census information was referenced in regard to the general number of housing units lacking complete plumbing facilities in the City of Lynchburg. Of the total occupied housing units in the PMA, approximately 0.2 percent lacked adequate plumbing facilities.

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

VIRGINIA HOUSING DEMAND ANALYSIS					
Income Restrictions	Up to 30% (min. income to max. income)	Up to 40% (min. income to max. income)	Up to 50% (min. income to max. income)	Up to 60% (min. income to max. income)	Project Total (min. income to max. income)
New Rental Households	0	0	0	0	-2
+ Existing Households - Overburdened	1,230	1,553	1,760	1,790	3,563
+ Existing Households - Substandard Housing	58	73	83	84	167
+ Senior Households - Likely to Convert to Rental Housing	0	0	0	0	0
+ Existing Qualifying Tenants - to Remain After Renovation	0	0	0	0	0
<b>Total Demand</b>	<b>1,288</b>	<b>1,625</b>	<b>1,842</b>	<b>1,874</b>	<b>4,789</b>
- Supply (includes directly comparable vacant units completed or in pipeline in PMA)	4	5	30	148	187
<b>Net Demand</b>	<b>1,284</b>	<b>1,620</b>	<b>1,812</b>	<b>1,726</b>	<b>4,584</b>
Proposed Units	8	8	24	40	80
<b>Capture Rate</b>	<b>0.6%</b>	<b>0.5%</b>	<b>1.3%</b>	<b>2.3%</b>	<b>1.7%</b>
Absorption Period	1 month	1 month	3-4 months	5-6 months	5-6 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties. Our concluded capture rate and absorption period are shown in the table below.

Project Wide Capture Rate - All Units*	1.7%
Project Wide Absorption Period (Months)	5-6 months

## PENETRATION RATE ANALYSIS

Per Virginia Housing guidelines, we also performed a penetration rate analysis for the Subject's units as proposed and absent subsidy, as illustrated in the following tables. Note that we have only considered existing one, two, and three-bedroom family units at 30, 40, 50, and 60 percent of AMI as competitive.

PENETRATION RATE - AS PROPOSED	
Number of Proposed Competitive LIHTC Units in the PMA	142
	+
Number of Existing Competitive Family LIHTC Units in the PMA	1,247
	+
Number of Proposed LIHTC Units at the Subject	80
	=
Total	1,469
	/
Income Eligible Households - All AMI Levels	14,466
	=
<b>Overall Penetration Rate</b>	<b>10.2%</b>

PENETRATION RATE - ABSENT SUBSIDY	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	137
	+
Number of Existing Competitive Family LIHTC Units in the PMA	557
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	80
	=
Total	774
	/
Income Eligible Households - All AMI Levels	9,972
	=
<b>Overall Penetration Rate</b>	<b>7.8%</b>

The overall penetration rate is derived by taking the number of LIHTC units proposed or under construction within the PMA, combined with the number of existing LIHTC units, and the number of the Subject's units divided by the number of income eligible households. The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels and are family oriented.

Existing affordable housing projects in the PMA will not be adversely affected by the proposed renovations of the Subject property. A survey of comparable affordable LIHTC rental housing developments in the area demonstrates significant demand for quality rental units.

**EXISTING AFFORDABLE PROPERTIES IN PMA**

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units - As Proposed	Competitive Units - Absent Subsidy
Jobbers Overall Apartments*	LIHTC	Family	44	44	44
Timber Ridge Apartments I*	LIHTC	Family	96	96	96
Timber Ridge Apartments II*	LIHTC	Family	72	72	72
Central City Homes	LIHTC	Family	34	33	33
College Hill Homes	LIHTC	Family	28	22	22
Kemper Lofts	LIHTC	Family	41	41	41
Wesley Apartments	LIHTC	Senior	150	0	0
Jefferson House	LIHTC	Senior	101	0	0
Vistas At Dreaming Creek*	LIHTC/ Market	Family	176	76	76
Miller's Rest Apartments*	LIHTC/ Section 8	Family	80	80	72
Waters at James Crossing	LIHTC/ Section 8	Family	288	288	11
The Virginian	LIHTC/ Section 8	Family	100	90	90
College Hill Townhouses	Section 8	Senior	90	0	0
Frank Roane Apts.	Section 8	Family	26	25	0
Hillcrest Elderly	Section 8	Family	103	103	0
Mcgurk House	Section 8	Family	89	89	0
Mill Woods Apts	Section 8	Family	128	128	0
The Meadows	Section 8	Family	66	60	0
<b>Total</b>			<b>1,712</b>	<b>1,247</b>	<b>557</b>

\*Utilized as comparable properties

Only two of the comparable properties were able to report recent absorption data. For support, we have listed recent absorption data for other properties in the Subject’s general broader market as follows.

**ABSORPTION**

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Miller's Rest Apartments**	LIHTC/Section 8	Family	2023	80	12
Eleven 25*	Market	Family	2018	160	20
Carlton Views	LIHTC	Family	2017	54	18

\*Utilized as a comparable property

\*\*Utilized as a comparable. Property is currently in lease-up. Building openings were staggered

The properties leased-up at rates ranging from 12 to 20 units per month, with an average of 16 units per month. Note that Eleven 25 staggered the opening of its units by building, which each contain 20 units. The property opened and leased eight buildings for a total of 160 units. The contact noted that each building

leased in approximately one month, indicating an absorption pace of 20 units per month. Additionally, Miller's Rest Apartments is currently in lease-up. The property opened the first building in December 2023 and the second building at the beginning of February 2024. The overall absorption for the property is 12.4 units per month. Based on the performance of recently-opened properties in the region, we have estimated that the Subject would absorb approximately 15 units per month, for an absorption period of approximately five to six months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well. Rent conclusions were provided in *Section H*.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject. The proposed rents appear to be achievable, and we do not believe the Subject will need to rely on voucher support or a project-based subsidy in the future.

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

## INTERVIEWS

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

### Local Housing Authority Discussion

We spoke with Lisa Reynolds of the Lynchburg Redevelopment and Housing Authority, who administers Section 8 Housing Choice Vouchers (HCV) in Lynchburg. Ms. Reynolds informed us that the Housing Authority waiting list was opened in December 2020 but is currently closed. Lynchburg is allocated over 900 vouchers, of which 702 are in use. Furthermore, the HCV waiting list is over 400 applications. The payment standards for the City of Lynchburg per Virginia Housing are as follows.

#### PAYMENT STANDARDS

Unit Type	Payment Standard
One-Bedroom	\$1,062
Two-Bedroom	\$1,202
Three-Bedroom	\$1,643

Source: Virginia Housing, effective January 2024

The payment standards are above the Subject's proposed gross LIHTC rents. Tenants in the Subject units utilizing HCV will not have to pay additional rent out of pocket.

### Planning Discussion

To determine the amount of competitive new supply entering the market, we consulted a February 2024 CoStar report and performed an internet search. We also attempted to contact the City of Lynchburg Planning Department regarding the development pipeline in the city. To date, our calls have not been returned. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject's PMA according to CoStar.

#### PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
554 Leesville Rd	Market	Family	28	0	n/a	Under Construction	1.6 miles
<b>Totals</b>			<b>28</b>	<b>0</b>			

Source: CoStar, February 2024

As illustrated, there is one proposed development in the PMA. However, the development will be market rate properties which will not be competitive with the Subject.

According to the Virginia Housing website, there have been six properties allocated tax credits in the PMA since 2020.

#### RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units - As Proposed	Competitive Units - Absent Subsidy	Distance to Subject
Florida Terrace	2022	LIHTC/Supportive Housing/Section 8	Family/Disabled	31	27	27	4.2 miles
Millers Rest Apartments II - 4%	2021	LIHTC	Family	75	75	75	0.0 miles
Millers Rest Apartments II - 9%	2021	LIHTC/Section 8	Family	40	40	35	0.0 miles
Millers Rest Apartments	2020	LIHTC/Section 8	Family	80	80	72	0.0 miles
Waters at James Crossing	2020	LIHTC/Section 8	Family	288	288	11	4.4 miles
				<b>514</b>	<b>510</b>	<b>220</b>	

Source: Virginia Housing, February 2024



- In 2022, tax credits were awarded to Florida Terrace, a proposed new construction 31-unit LIHTC/Supportive Housing/Section 8 development located 4.2 miles northeast of the Subject. Upon completion, the units will be LIHTC restricted at no more than 60 percent AMI, offering 20 one-bedroom and 11 two-bedroom units, where four units are designated to disabled tenancy. All 27 of the general tenancy units will be competitive with the Subject's units. The estimated timeline for completion was not available.
- In 2021, tax credits were awarded to Millers Rest Apartments II-4% for the new construction of a 75-unit LIHTC development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with 75 units at 60 percent of AMI. Note this development represents a portion of the second phase of the Subject development. All of the property's units will be competitive with the Subject's units upon completion. The property is expected to open in April 2024.
- In 2021, tax credits were awarded to Millers Rest Apartments II-9% for the new construction of a 40-unit LIHTC/Section 8 development offering one, two and three bedroom units. Upon completion Millers Rest Apartments II will be LIHTC restricted with four units at 30 percent, four units at 40 percent, 12 units at 50 percent and 20 units at 60 percent of AMI. Additionally, all 12 units will operate with subsidies. Note this development represents a portion of the second phase of the Subject development. Upon completion, 40 units will be competitive as proposed and 35 will be competitive absent subsidy. The property is expected to open in April 2024.
- In 2020, tax credits were awarded to Miller's Rest Apartments for the new construction of an 80-unit LIHTC and Section 8 development offering one, two, and three-bedroom units. The property was completed in December 2023 and offers LIHTC restricted units with eight units at 40 percent, 32 units at 50 percent, and 40 units at 60 percent of AMI. Additionally, all eight units at 40 percent of AMI operate with subsidies. Note that this development represents the first phase of the Subject development. The development opened December 2023 and is utilized as a comparable in our analysis. The units at this property have been accounted for as existing, competitive units in our demand analysis.
- In 2020, tax credits were awarded to rehabilitate Waters at James Crossing, an existing 288-unit LIHTC/Section 8 property located 4.4 miles northeast of the Subject. The property offers one, two and three-bedroom units restricted at 60 percent of AMI. All of the property's units are competitive with the proposed Subject's units as proposed, though only 11 units are competitive absent subsidy. These units have been accounted for as existing competitive units.

Note that Waters at James Crossing and Burton Creek Apartments are proposed for rehabilitation and will not add to the competitive supply in the market. Furthermore, Millers Rest Apartments is an existing LIHTC development. Therefore, we have accounted for 142 units "As Proposed" and 137 units "Absent Subsidy", in our *Demand Analysis*.

## **K. ANALYSIS/CONCLUSIONS**

## RECOMMENDATIONS

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

### Demand Summary

We believe there is ample demand for the Subject. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Units*	1.7%
Project Wide Absorption Period (Months)	5-6 months

Additionally, the overall penetration rate for the Subject is 1.7 percent. It should be noted that the penetration rate analysis we have derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

## Strengths and Weaknesses of the Subject

### Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to slightly superior to the comparable properties in terms of condition.
- Vacancy rates among the stabilized LIHTC properties range from zero to 1.1 percent, with an average of 0.5 percent. The LIHTC comparables reported very low vacancy, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

### Weaknesses

- The Subject will offer a four-story, walk-up design, with access only from the first floor and no elevator service. The Subject and its first two Phases will be the first multifamily properties to offer this design in the market. Miller's Rest Apartments is currently in its initial lease-up. The property opened in December 2023 and is 38.7 percent occupied, indicating an absorption rate of 12.4 units per month. Note that the property opened the first building in December 2023 and the second building in February 2024. Jobbers Overall Apartments offers a three-story, elevator-serviced design, which will be superior to the Subject. Nine of the comparable properties offer two and three-story, garden-style units, and one comparable - Vistas at Dreaming Creek - offers a four-story, garden-style design.

Note that Vistas at Dreaming Creek has ground level access from both the first and second floors of their buildings, as the property is built into a hill. Tenants can park and enter the building from either the first or second floor and walk up the stairs to the fourth floor. Management at the Vistas at Dreaming Creek explained that it is somewhat common for tenants to walk up three flights of stairs and there have been no issues with occupancy nor complaints made by tenants regarding living on the fourth floor.

We also discussed units on higher floors with the contact at Legacy at Linden Park. The contact at this property noted that the property has never had issues filling units on the third floor of the development. Furthermore, he maintained that if the property were to offer fourth floor walk-up units, there would be no issue in filling these units. Tenants at Legacy at Linden Park are more concerned with good management, upkeep of property amenities, and general maintenance of the property. The remaining

comparable properties featuring three-stories were unable to comment on the feasibility of additional stories in garden-style buildings. However, none of the comparable properties reported discounted rents on third-story units. Therefore, we believe that the Subject’s proposed design will be marketable.

**Absorption Estimate**

Only two of the comparable properties were able to report recent absorption data. For support, we have listed recent absorption data for other properties in the Subject’s general broader market as follows.

**ABSORPTION**

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Miller's Rest Apartments**	LIHTC/Section 8	Family	2023	80	12
Eleven 25*	Market	Family	2018	160	20
Carlton Views	LIHTC	Family	2017	54	18

\*Utilized as a comparable property

\*\*Utilized as a comparable. Property is currently in lease-up. Building openings were staggered

The properties leased-up at rates ranging from 12 to 20 units per month, with an average of 16 units per month. Note that Eleven 25 staggered the opening of its units by building, which each contain 20 units. The property opened and leased eight buildings for a total of 160 units. The contact noted that each building leased in approximately one month, indicating an absorption pace of 20 units per month. Additionally, Miller’s Rest Apartments is currently in lease-up. The property opened the first building in December 2023 and the second building at the beginning of February 2024. The overall absorption for the property is 12.4 units per month. Based on the performance of recently-opened properties in the region, we have estimated that the Subject would absorb approximately 15 units per month, for an absorption period of approximately five to six months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

## **L. OTHER REQUIREMENTS**

Pursuant to Virginia Housing Requirements, we certify:

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



K. David Adamescu  
Manager

February 21, 2024  
Date



**ADDENDUM A**  
**Assumptions and Limiting Conditions**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

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

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

**ADDENDUM B**  
**Subject Property and Neighborhood Photographs**

**PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD**



View of Subject site



View of Subject site



View of Subject site



View of Subject site



View of Subject site and site for Millers Rest Phase II



View of Subject site and site for Millers Rest Phase II





View of Subject site and site for Millers Rest Phase II



View of Subject site and site for Millers Rest Phase II



View north along Old Mill Road



View south along Old Mill Road



Mill Wood Apartments (excluded) south of Subject



Old Mill Townhomes (excluded) south of Subject





Mill's Crossing Apartments (comparable) south of Subject



Recreation center in Subject neighborhood



Event center in Subject neighborhood



Offices in Subject neighborhood



Commercial property in Subject neighborhood



Commercial property in Subject neighborhood





Commercial property in Subject neighborhood



Commercial property in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

**ADDENDUM C**  
**Subject Matrices and Property Profile**

# PROPERTY PROFILE REPORT

## Jobbers Overall Apartments

Effective Rent Date	2/15/2024
Location	1423 & 1503 Kemper Street Lynchburg, VA 24501 Lynchburg County
Distance	3.4 miles
Units	44
Vacant Units	0
Vacancy Rate	0.0%
Type	Lowrise (4 stories)
Year Built/Renovated	1920 / 2012
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Kemper Lofts, James Crossing
Tenant Characteristics	Majority families, some seniors
Contact Name	Sharmaine
Phone	434-847-0800



### Market Information

Program	@40%, @50%
Annual Turnover Rate	11%
Units/Month Absorbed	4
HCV Tenants	34%
Leasing Pace	Pre-leased
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes; ten households

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Lowrise (4 stories)	17	972	\$760	\$0	@50%	Yes	0	0.0%	no	None
2	2	Lowrise (4 stories)	3	972	\$662	\$0	@40%	Yes	0	0.0%	no	None
3	2	Lowrise (4 stories)	2	1,205	\$683	\$0	@40%	Yes	0	0.0%	no	None
3	2	Lowrise (4 stories)	22	1,205	\$867	\$0	@50%	Yes	0	0.0%	no	None

### Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$662	\$0	\$662	-\$70	\$592	2BR / 2BA	\$760	\$0	\$760	-\$70	\$690
3BR / 2BA	\$683	\$0	\$683	-\$86	\$597	3BR / 2BA	\$867	\$0	\$867	-\$86	\$781

## Jobbers Overall Apartments, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpet/Hardwood	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	Covered Community Porch
Elevators	Central Laundry		
Off-Street Parking	On-Site Management		

### Comments

The property incentivizes high occupancy and low turnover, as opposed to achieving higher rents. However, management indicated that higher rents would be achievable.



Photos





# PROPERTY PROFILE REPORT

## Miller's Rest Apartments

Effective Rent Date	2/15/2024
Location	725 Mill Stream Road Lynchburg, VA 24502 Lynchburg County
Distance	0.1 miles
Units	80
Vacant Units	49
Vacancy Rate	61.3%
Type	Garden (4 stories)
Year Built/Renovated	2023 / N/A
Marketing Began	N/A
Leasing Began	12/01/2023
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	Families from Lynchburg
Contact Name	Lisa
Phone	(434) 771-1911



### Market Information

Program	@40% (Section 8), @50%, @60%
Annual Turnover Rate	N/A
Units/Month Absorbed	12.4
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Kept at Max
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	2	707	\$521	\$0	@40% (Section 8)	No	N/A	N/A	N/A	None
1	1	Garden (4 stories)	14	707	\$693	\$0	@50%	No	N/A	N/A	yes	None
2	2	Garden (4 stories)	4	949	\$608	\$0	@40% (Section 8)	No	N/A	N/A	N/A	None
2	2	Garden (4 stories)	18	949	\$826	\$0	@50%	No	N/A	N/A	yes	None
2	2	Garden (4 stories)	26	949	\$1,013	\$0	@60%	No	N/A	N/A	yes	None
3	2	Garden (4 stories)	2	1,177	\$821	\$0	@40% (Section 8)	No	N/A	N/A	N/A	None
3	2	Garden (4 stories)	14	1,177	\$1,170	\$0	@60%	No	N/A	N/A	yes	None

## Miller's Rest Apartments, continued

### Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$521	\$0	\$521	\$0	\$521	1BR / 1BA	\$693	\$0	\$693	\$0	\$693
2BR / 2BA	\$608	\$0	\$608	\$0	\$608	2BR / 2BA	\$826	\$0	\$826	\$0	\$826
3BR / 2BA	\$821	\$0	\$821	\$0	\$821						
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent						
2BR / 2BA	\$1,013	\$0	\$1,013	\$0	\$1,013						
3BR / 2BA	\$1,170	\$0	\$1,170	\$0	\$1,170						

### Amenities

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

### Comments

The property opened in December 2023 and is currently in its initial lease-up. The property features two buildings with 40 units each, with the first opening in December 2023 and the second opening at the beginning of February 2024. The property has leased 31 units for a combined absorption rate of 12.4 units per month. The property rents washer/dryers for \$60 per month.

Photos



# PROPERTY PROFILE REPORT

## Timber Ridge Apartments I

Effective Rent Date	2/15/2024
Location	7500 Timberlake Road Lynchburg, VA 24502 Lynchburg County
Distance	1.6 miles
Units	96
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	6/01/2008
Leasing Began	6/01/2008
Last Unit Leased	5/31/2009
Major Competitors	Vistas at Dreaming Creek
Tenant Characteristics	Mixed tenancy
Contact Name	Lisa
Phone	434-237-3560



### Market Information

Program	@40%, @50%
Annual Turnover Rate	20%
Units/Month Absorbed	8
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Inc 4.2 to 14.2%
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	3	744	\$493	\$0	@40%	No	0	0.0%	no	None
1	1	Garden (3 stories)	9	744	\$641	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (3 stories)	6	1,076	\$571	\$0	@40%	No	0	0.0%	no	None
2	2	Garden (3 stories)	54	1,076	\$748	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (3 stories)	1	1,283	\$639	\$0	@40%	No	0	0.0%	no	None
3	2	Garden (3 stories)	23	1,283	\$844	\$0	@50%	No	0	0.0%	no	None

### Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$493	\$0	\$493	\$0	\$493	1BR / 1BA	\$641	\$0	\$641	\$0	\$641
2BR / 2BA	\$571	\$0	\$571	\$0	\$571	2BR / 2BA	\$748	\$0	\$748	\$0	\$748
3BR / 2BA	\$639	\$0	\$639	\$0	\$639	3BR / 2BA	\$844	\$0	\$844	\$0	\$844

## Timber Ridge Apartments I, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Carport(\$20.00)	Clubhouse/Meeting Room/Community	None	None
Garage(\$50.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

### Comments

The contact was unable to comment on Housing Choice Voucher utilization at the property. Washers and dryers can be rented for an additional \$50 per month. The property has 22 garage units, though the utilization rate was not available.



Photos





# PROPERTY PROFILE REPORT

## Timber Ridge Apartments II

Effective Rent Date	2/15/2024
Location	7502 Timberlake Road Lynchburg, VA 24502 Lynchburg County
Distance	1.6 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2009 / N/A
Marketing Began	5/01/2009
Leasing Began	11/01/2009
Last Unit Leased	7/15/2010
Major Competitors	Vistas at Dreaming Creek
Tenant Characteristics	Mixed tenancy
Contact Name	Lisa
Phone	434-237-3560



### Market Information

Program	@40%, @50%
Annual Turnover Rate	20%
Units/Month Absorbed	8
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Inc. 4.2 to 14.2%
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	2	744	\$493	\$0	@40%	No	0	0.0%	no	None
1	1	Garden (3 stories)	10	744	\$641	\$0	@50%	No	0	0.0%	no	None
2	2	Garden (3 stories)	4	1,076	\$571	\$0	@40%	No	0	0.0%	no	None
2	2	Garden (3 stories)	38	1,076	\$748	\$0	@50%	No	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,283	\$639	\$0	@40%	No	0	0.0%	no	None
3	2	Garden (3 stories)	16	1,283	\$844	\$0	@50%	No	0	0.0%	no	None

### Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$493	\$0	\$493	\$0	\$493	1BR / 1BA	\$641	\$0	\$641	\$0	\$641
2BR / 2BA	\$571	\$0	\$571	\$0	\$571	2BR / 2BA	\$748	\$0	\$748	\$0	\$748
3BR / 2BA	\$639	\$0	\$639	\$0	\$639	3BR / 2BA	\$844	\$0	\$844	\$0	\$844

## Timber Ridge Apartments II, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Carport(\$20.00)	Clubhouse/Meeting Room/Community	None	None
Garage(\$50.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

### Comments

The contact was unable to comment on Housing Choice Voucher utilization at the property. Washers and dryers can be rented for an additional \$50 per month. The property has 22 garage units, though the utilization rate was not available.

Photos



# PROPERTY PROFILE REPORT

## Vistas At Dreaming Creek

Effective Rent Date	2/13/2024
Location	7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County
Distance	1.7 miles
Units	176
Vacant Units	2
Vacancy Rate	1.1%
Type	Garden (4 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Stone Mill, Willow Brook
Tenant Characteristics	Mixed local tenancy
Contact Name	Pam
Phone	434-582-4748



### Market Information

Program	@60%, Market
Annual Turnover Rate	31%
Units/Month Absorbed	N/A
HCV Tenants	24%
Leasing Pace	Three weeks to one month
Annual Chg. in Rent	LIHTC: Kept at 2022 max M: Inc. five to 10%
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	8	790	\$836	\$0	@60%	No	0	0.0%	yes	None
1	1	Garden (4 stories)	8	790	\$1,075	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (4 stories)	60	960	\$977	\$0	@60%	No	1	1.7%	yes	None
2	2	Garden (4 stories)	84	950	\$1,200	\$0	Market	No	1	1.2%	N/A	None
3	2	Garden (4 stories)	8	1,159	\$1,088	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (4 stories)	8	1,159	\$1,350	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$836	\$0	\$836	\$0	\$836	1BR / 1BA	\$1,075	\$0	\$1,075	\$0	\$1,075
2BR / 2BA	\$977	\$0	\$977	\$0	\$977	2BR / 2BA	\$1,200	\$0	\$1,200	\$0	\$1,200
3BR / 2BA	\$1,088	\$0	\$1,088	\$0	\$1,088	3BR / 2BA	\$1,350	\$0	\$1,350	\$0	\$1,350

## Vistas At Dreaming Creek, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Exterior Storage(\$25.00)	Garbage Disposal		
Microwave	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$135.00)		
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		
Volleyball Court			

### Comments

This property is jointly managed with Grand Vistas Apartments, which offers only market rate units.



Photos





# PROPERTY PROFILE REPORT

## Eleven 25

Effective Rent Date	2/13/2024
Location	1125 Old Graves Mill Road Lynchburg, VA 24502 Lynchburg County
Distance	1.2 miles
Units	228
Vacant Units	12
Vacancy Rate	5.3%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Ashley
Phone	(434) 534-3052



### Market Information

Program	Market
Annual Turnover Rate	18%
Units/Month Absorbed	6
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 5 to 7%
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	980	\$1,170	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,355	\$1,425	\$0	Market	No	8	N/A	N/A	None
3	2	Garden (3 stories)	N/A	1,730	\$1,755	\$0	Market	No	4	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,170	\$0	\$1,170	\$15	\$1,185
2BR / 2BA	\$1,425	\$0	\$1,425	\$15	\$1,440
3BR / 2BA	\$1,755	\$0	\$1,755	\$15	\$1,770

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Cable/Satellite/Internet	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Exterior Storage		
Ceiling Fan	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Off-Street Parking		
On-Site Management	Playground		
Sauna	Swimming Pool		
Theatre			

Comments

The property does not accept Housing Choice Vouchers.

Photos



# PROPERTY PROFILE REPORT

## Grand Vistas Apartments

Effective Rent Date	2/13/2024
Location	7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County
Distance	1.7 miles
Units	104
Vacant Units	1
Vacancy Rate	1.0%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	8/01/2008
Leasing Began	8/01/2008
Last Unit Leased	4/01/2009
Major Competitors	Vistas at Dreaming Creek
Tenant Characteristics	Mixture of local working professionals
Contact Name	Pam
Phone	434-582-4748



### Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	20
HCV Tenants	0%
Leasing Pace	Within a month
Annual Chg. in Rent	Inc. five to 10 percent
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	11	965	\$1,125	\$0	Market	No	1	9.1%	N/A	None
1.5	1	Garden (3 stories)	11	1,196	\$1,200	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	30	1,263	\$1,325	\$0	Market	No	0	0.0%	N/A	None
2.5	2	Garden (3 stories)	30	1,494	\$1,400	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	22	1,421	\$1,430	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,125	\$0	\$1,125	\$0	\$1,125
1.5BR / 1BA	\$1,200	\$0	\$1,200	\$0	\$1,200
2BR / 2BA	\$1,325	\$0	\$1,325	\$0	\$1,325
2.5BR / 2BA	\$1,400	\$0	\$1,400	\$0	\$1,400
3BR / 2BA	\$1,430	\$0	\$1,430	\$0	\$1,430

## Grand Vistas Apartments, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Fireplace		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Tile Flooring	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Garage(\$150.00)		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

### Comments

This property is jointly managed with Vistas At Dreaming Creek. Garages are available for an additional \$150 per month. The contact reported that the property accepts Housing Choice Vouchers but no tenants are utilizing them at this time.



Photos





# PROPERTY PROFILE REPORT

## Legacy At Linden Park

Effective Rent Date	2/13/2024
Location	1000 Misty Mountain Road Lynchburg, VA 24502 Lynchburg County
Distance	1.3 miles
Units	408
Vacant Units	19
Vacancy Rate	4.7%
Type	Garden (3 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Willowbrook, Walden Pond
Tenant Characteristics	Families and young professionals, college students
Contact Name	Austin
Phone	434-239-5006



### Market Information

Program	Market
Annual Turnover Rate	35%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	Yes; 2BR: 20 individuals

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	66	826	\$975	\$0	Market	No	4	6.1%	N/A	HIGH*
1	1	Garden (3 stories)	66	826	\$950	\$0	Market	No	4	6.1%	N/A	LOW*
2	2	Garden (3 stories)	75	1,053	\$1,252	\$0	Market	No	9	12.0%	N/A	AVG*
2	2	Garden (3 stories)	54	1,173	\$1,295	\$0	Market	No	0	0.0%	N/A	HIGH*
2	2	Garden (3 stories)	75	1,022	\$1,212	\$0	Market	Yes	0	0.0%	N/A	LOW*
3	2	Garden (3 stories)	72	1,317	\$1,423	\$0	Market	No	2	2.8%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$950 - \$975	\$0	\$950 - \$975	\$15	\$965 - \$990
2BR / 2BA	\$1,212 - \$1,295	\$0	\$1,212 - \$1,295	\$15	\$1,227 - \$1,310
3BR / 2BA	\$1,423	\$0	\$1,423	\$15	\$1,438

## Legacy At Linden Park, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	In-Unit Alarm	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage(\$80.00)	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$125.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		
Tennis Court	Theatre		
Wi-Fi			

### Comments

The property accepts Housing Choice Vouchers, but the contact was unable to report the amount of tenants currently utilizing them. The property uses YieldStar and rents change daily.

Photos







# PROPERTY PROFILE REPORT

## Logans Landing

Effective Rent Date	2/14/2024
Location	6343 Logans Ln Lynchburg, VA 24502 Lynchburg County
Distance	0.8 miles
Units	173
Vacant Units	10
Vacancy Rate	5.8%
Type	Garden (4 stories)
Year Built/Renovated	2020 / N/A
Marketing Began	N/A
Leasing Began	7/01/2021
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Kasey
Phone	804-336-3607



### Market Information

Program	Market
Annual Turnover Rate	46%
Units/Month Absorbed	14
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Inc. four to nine percent
Concession	None
Waiting List	yes; seven households

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	N/A	906	\$1,250	\$0	Market	No	5	N/A	N/A	None
2	1	Garden (4 stories)	N/A	1,086	\$1,283	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,238	\$1,473	\$0	Market	No	4	N/A	N/A	None
2	2	Garden (4 stories)	N/A	1,308	\$1,475	\$0	Market	No	1	N/A	N/A	None
3	2	Garden (4 stories)	N/A	1,420	\$1,555	\$0	Market	No	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,250	\$0	\$1,250	-\$25	\$1,225
2BR / 1BA	\$1,283	\$0	\$1,283	-\$32	\$1,251
2BR / 2BA	\$1,473 - \$1,475	\$0	\$1,473 - \$1,475	-\$32	\$1,441 - \$1,443
3BR / 2BA	\$1,555	\$0	\$1,555	-\$40	\$1,515

## Logans Landing, continued

### Amenities

In-Unit		Security	Services
Blinds	Carpet/Hardwood	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Dishwasher	Exterior Storage		
Furnishing	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	Sunroom, Game room
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool			

### Comments

The contact stated that the property accepts Housing Choice Vouchers, but could not provide the amount of tenants currently utilizing them. The unit sizes and rents are the average for each floor plan.



Photos



# PROPERTY PROFILE REPORT

## Mill's Crossing

Effective Rent Date	2/14/2024
Location	6231 Old Mill Road Lynchburg, VA 24502 Lynchburg County
Distance	0.3 miles
Units	144
Vacant Units	2
Vacancy Rate	1.4%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Heather
Phone	833-712-3021



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 4.3 to 11.1%
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	755	\$999	\$0	Market	No	1	N/A	N/A	None
1	1	Garden (3 stories)	N/A	770	\$1,049	\$0	Market	No	0	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,109	\$1,199	\$0	Market	No	1	N/A	N/A	None
2	2	Garden (3 stories)	N/A	1,125	\$1,249	\$0	Market	No	0	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$999 - \$1,049	\$0	\$999 - \$1,049	\$0	\$999 - \$1,049
2BR / 2BA	\$1,199 - \$1,249	\$0	\$1,199 - \$1,249	\$0	\$1,199 - \$1,249

## Mill's Crossing, continued

### Amenities

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

### Comments

The contact was unable to comment on Housing Choice Voucher utilization.

Photos



# PROPERTY PROFILE REPORT

## The Overlook At Stonemill

Effective Rent Date	2/14/2024
Location	112 Stonemill Drive Lynchburg, VA 24502 Lynchburg County
Distance	1 mile
Units	216
Vacant Units	14
Vacancy Rate	6.5%
Type	Garden (3 stories)
Year Built/Renovated	2001 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Vistas at Dreaming Creek, Willowbrook
Tenant Characteristics	Mixed tenancy; many students.
Contact Name	Amanda
Phone	434-252-3851



### Market Information

Program	Market
Annual Turnover Rate	40%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Dec. 7 to inc. 1%
Concession	None
Waiting List	Yes; unknown

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	27	775	\$1,205	\$0	Market	No	1	3.7%	N/A	None
2	1	Garden (3 stories)	9	925	\$1,245	\$0	Market	No	4	44.4%	N/A	None
2	2	Garden (3 stories)	138	1,050	\$1,270	\$0	Market	No	6	4.3%	N/A	None
3	2	Garden (3 stories)	42	1,210	\$1,615	\$0	Market	No	3	7.1%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,205	\$0	\$1,205	\$15	\$1,220
2BR / 1BA	\$1,245	\$0	\$1,245	\$15	\$1,260
2BR / 2BA	\$1,270	\$0	\$1,270	\$15	\$1,285
3BR / 2BA	\$1,615	\$0	\$1,615	\$15	\$1,630



## The Overlook At Stonemill, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Exterior Storage		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	View-\$10; Vaulted Ceiling-\$10;
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

### Comments

The contact stated the property does not accept Housing Choice Vouchers. The contact noted the property typically maintains occupancy of approximately 97 percent.



Photos



# PROPERTY PROFILE REPORT

## Wyndhurst Villas

Effective Rent Date	2/15/2024
Location	301 Northwynd Circle Lynchburg, VA 24502 Lynchburg County
Distance	2.1 miles
Units	150
Vacant Units	12
Vacancy Rate	8.0%
Type	Garden (3 stories)
Year Built/Renovated	2006 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixture from area
Contact Name	Melissa
Phone	434-832-1151



### Market Information

Program	Market
Annual Turnover Rate	16%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Within one month
Annual Chg. in Rent	Dec. 4.2 to inc. 5.1%
Concession	None
Waiting List	None

### Utilities

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

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (3 stories)	114	970	\$975	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	36	1,160	\$1,150	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$975	\$0	\$975	\$0	\$975
3BR / 2BA	\$1,150	\$0	\$1,150	\$0	\$1,150

## Wyndhurst Villas, continued

### Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	Washer/dryer at \$30/mo.
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$70.00)	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		

### Comments

The contact noted that garages are an additional \$70 per month



Photos



**SUMMARY MATRIX**

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Millers Rest III 6100 Old Mill Road Lynchburg, VA 24502 Lynchburg County	-	Garden 4-stories 2026 / n/a Family	@30%, @40% (Section 8), @50%, @60%	1BR / 1BA	2	2.5%	703	@30%	\$347	Yes	N/A	N/A	N/A
					1BR / 1BA	2	2.5%	703	@40% (Section 8)	\$503	N/A	N/A	N/A	N/A
					1BR / 1BA	5	6.3%	703	@50%	\$659	Yes	N/A	N/A	N/A
					1BR / 1BA	7	8.8%	703	@60%	\$814	Yes	N/A	N/A	N/A
					2BR / 2BA	4	5.0%	948	@30%	\$409	Yes	N/A	N/A	N/A
					2BR / 2BA	4	5.0%	948	@40% (Section 8)	\$596	N/A	N/A	N/A	N/A
					2BR / 2BA	14	17.5%	948	@50%	\$782	Yes	N/A	N/A	N/A
					2BR / 2BA	26	32.5%	948	@60%	\$969	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.5%	1,168	@30%	\$471	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.5%	1,168	@40% (Section 8)	\$687	N/A	N/A	N/A	N/A
					3BR / 2BA	5	6.3%	1,168	@50%	\$903	Yes	N/A	N/A	N/A
					3BR / 2BA	7	8.8%	1,168	@60%	\$1,118	Yes	N/A	N/A	N/A
										80				
1	Jobbers Overall Apartments 1423 & 1503 Kemper Street Lynchburg, VA 24501 Lynchburg County	3.4 miles	Lowrise 4-stories 1920 / 2012 Family	@40%, @50%	2BR / 2BA	3	6.8%	972	@40%	\$592	No	Yes	0	0.0%
					2BR / 2BA	17	38.6%	972	@50%	\$690	No	Yes	0	0.0%
					3BR / 2BA	2	4.6%	1,205	@40%	\$597	No	Yes	0	0.0%
					3BR / 2BA	22	50.0%	1,205	@50%	\$781	No	Yes	0	0.0%
					44							0	0.0%	
2	Miller's Rest Apartments 725 Mill Stream Road Lynchburg, VA 24502 Lynchburg County	0.3 miles	Garden 4-stories 2023 / n/a Family	@40% (Section 8), @50%, @60%	1BR / 1BA	2	2.5%	707	@40% (Section 8)	\$521	N/A	No	N/A	N/A
					1BR / 1BA	14	17.5%	707	@50%	\$693	Yes	No	N/A	N/A
					2BR / 2BA	4	5.0%	949	@40% (Section 8)	\$608	N/A	No	N/A	N/A
					2BR / 2BA	18	22.5%	949	@50%	\$826	Yes	No	N/A	N/A
					2BR / 2BA	26	32.5%	949	@60%	\$1,013	Yes	No	N/A	N/A
					3BR / 2BA	2	2.5%	1,177	@40% (Section 8)	\$821	N/A	No	N/A	N/A
					3BR / 2BA	14	17.5%	1,177	@60%	\$1,170	Yes	No	N/A	N/A
					80							49	61.3%	
3	Timber Ridge Apartments I 7500 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.6 miles	Garden 3-stories 2009 / n/a Family	@40%, @50%	1BR / 1BA	3	3.1%	744	@40%	\$493	No	No	0	0.0%
					1BR / 1BA	9	9.4%	744	@50%	\$641	No	No	0	0.0%
					2BR / 2BA	6	6.3%	1,076	@40%	\$571	No	No	0	0.0%
					2BR / 2BA	54	56.3%	1,076	@50%	\$748	No	No	0	0.0%
					3BR / 2BA	1	1.0%	1,283	@40%	\$639	No	No	0	0.0%
					3BR / 2BA	23	24.0%	1,283	@50%	\$844	No	No	0	0.0%
					96							0	0.0%	
4	Timber Ridge Apartments II 7502 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.6 miles	Garden 3-stories 2009 / n/a Family	@40%, @50%	1BR / 1BA	2	2.8%	744	@40%	\$493	No	No	0	0.0%
					1BR / 1BA	10	13.9%	744	@50%	\$641	No	No	0	0.0%
					2BR / 2BA	4	5.6%	1,076	@40%	\$571	No	No	0	0.0%
					2BR / 2BA	38	52.8%	1,076	@50%	\$748	No	No	0	0.0%
					3BR / 2BA	2	2.8%	1,283	@40%	\$639	No	No	0	0.0%
					3BR / 2BA	16	22.2%	1,283	@50%	\$844	No	No	0	0.0%
					72							0	0.0%	
5	Vistas At Dreaming Creek 7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.7 miles	Garden 4-stories 2001 / n/a Family	@60%, Market	1BR / 1BA	8	4.6%	790	@60%	\$836	Yes	No	0	0.0%
					1BR / 1BA	8	4.6%	790	Market	\$1,075	N/A	No	0	0.0%
					2BR / 2BA	60	34.1%	960	@60%	\$977	Yes	No	1	1.7%
					2BR / 2BA	84	47.7%	950	Market	\$1,200	N/A	No	1	1.2%
					3BR / 2BA	8	4.6%	1,159	@60%	\$1,088	Yes	No	0	0.0%
					3BR / 2BA	8	4.6%	1,159	Market	\$1,350	N/A	No	0	0.0%
					176							2	1.1%	
6	Eleven 25 1125 Old Graves Mill Road Lynchburg, VA 24502 Lynchburg County	1.2 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	980	Market	\$1,185	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,355	Market	\$1,440	N/A	No	8	N/A
					3BR / 2BA	N/A	N/A	1,730	Market	\$1,770	N/A	No	4	N/A
					228							12	5.3%	
7	Grand Vistas Apartments 7612 Timberlake Road Lynchburg, VA 24502 Lynchburg County	1.7 miles	Garden 3-stories 2008 / n/a Family	Market	1BR / 1BA	11	10.6%	965	Market	\$1,125	N/A	No	1	9.1%
					1.5BR / 1BA	11	10.6%	1,196	Market	\$1,200	N/A	No	0	0.0%
					2BR / 2BA	30	28.9%	1,263	Market	\$1,325	N/A	No	0	0.0%
					2.5BR / 2BA	30	28.9%	1,494	Market	\$1,400	N/A	No	0	0.0%
					3BR / 2BA	22	21.2%	1,421	Market	\$1,430	N/A	No	0	0.0%
					104							1	1.0%	
8	Legacy At Linden Park 1000 Misty Mountain Road Lynchburg, VA 24502 Lynchburg County	1.3 miles	Garden 3-stories 2008 / n/a Family	Market	1BR / 1BA	66	16.2%	826	Market	\$990	N/A	No	4	6.1%
					1BR / 1BA	66	16.2%	826	Market	\$965	N/A	No	4	6.1%
					2BR / 2BA	75	18.4%	1,053	Market	\$1,267	N/A	No	9	12.0%
					2BR / 2BA	54	13.2%	1,173	Market	\$1,310	N/A	No	0	0.0%
					2BR / 2BA	75	18.4%	1,022	Market	\$1,227	N/A	Yes	0	0.0%
					3BR / 2BA	72	17.7%	1,317	Market	\$1,438	N/A	No	2	2.8%
					408							19	4.7%	
9	Logans Landing 6343 Logans Ln Lynchburg, VA 24502 Lynchburg County	0.8 miles	Garden 4-stories 2020 / n/a Family	Market	1BR / 1BA	N/A	N/A	906	Market	\$1,225	N/A	No	5	N/A
					2BR / 1BA	N/A	N/A	1,086	Market	\$1,251	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,238	Market	\$1,441	N/A	No	4	N/A
					2BR / 2BA	N/A	N/A	1,308	Market	\$1,443	N/A	No	1	N/A
					3BR / 2BA	N/A	N/A	1,420	Market	\$1,515	N/A	No	0	N/A
					173							10	5.8%	
10	Mill's Crossing 6231 Old Mill Road Lynchburg, VA 24502 Lynchburg County	0.3 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	N/A	N/A	755	Market	\$999	N/A	No	1	N/A
					1BR / 1BA	N/A	N/A	770	Market	\$1,049	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	1,109	Market	\$1,199	N/A	No	1	N/A
					2BR / 2BA	N/A	N/A	1,125	Market	\$1,249	N/A	No	0	N/A
					144							2	1.4%	
11	The Overlook At Stonemill 112 Stonemill Drive Lynchburg, VA 24502 Lynchburg County	1.0 miles	Garden 3-stories 2001 / n/a Family	Market	1BR / 1BA	27	12.5%	775	Market	\$1,220	N/A	No	1	3.7%
					2BR / 1BA	9	4.2%	925	Market	\$1,260	N/A	No	4	44.4%
					2BR / 2BA	138	63.9%	1,050	Market	\$1,285	N/A	No	6	4.4%
					3BR / 2BA	42	19.4%	1,210	Market	\$1,630	N/A	No	3	7.1%
					216							14	6.5%	
12	Wyndhurst Villas 301 Northwynd Circle Lynchburg, VA 24502 Lynchburg County	2.1 miles	Garden 3-stories 2006 / n/a Family	Market	2BR / 2BA	114	76.0%	970	Market	\$975	N/A	No	N/A	N/A
					3BR / 2BA	36	24.0%	1,160	Market	\$1,150	N/A	No	0	0.0%
					150							12	8.0%	

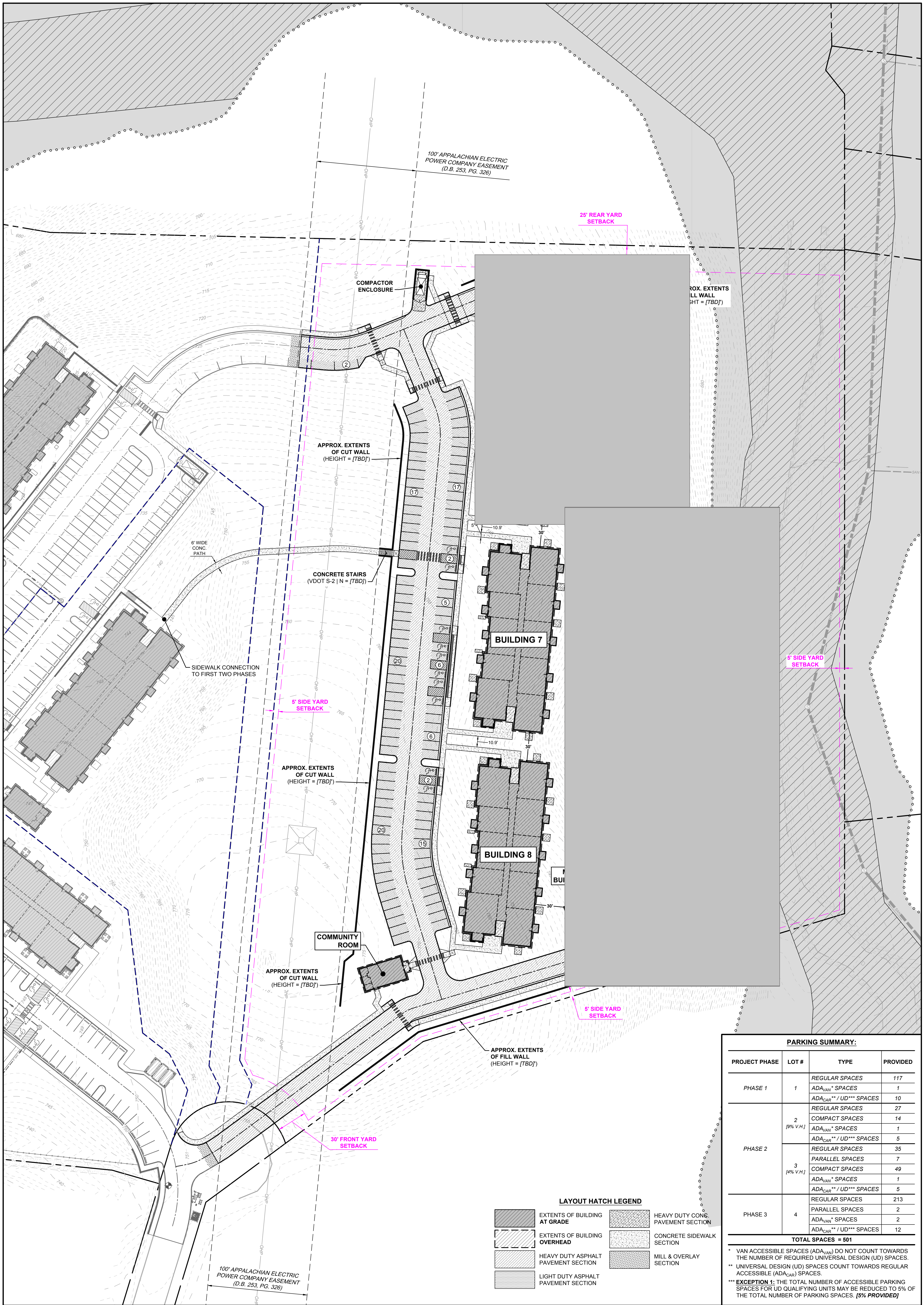
AMENITY MATRIX

Subject	Jobbers Overall	Miller's Rest Apartments	Timber Ridge Apartments I	Timber Ridge Apartments II	Vistas At Dreaming	Eleven 25	Grand Vistas Apartments	Legacy At Linden Park	Logans Landing	Mill's Crossing	The Overlook At Stonemill	Wyndhurst Villas
LIHTC/	LIHTC	LIHTC/	LIHTC	LIHTC	LIHTC/	Market	Market	Market	Market	Market	Market	Market
<b>Building</b>												
Property Type	Garden	Lowrise	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Garden
# of Stories	4-stories	4-stories	4-stories	3-stories	3-stories	4-stories	3-stories	3-stories	4-stories	3-stories	3-stories	3-stories
Year Built	2026	1920	2023	2009	2009	2001	2018	2008	2008	2020	2018	2001
Year Renovated	n/a	2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Elevators	no	yes	no	no	no	no	no	no	yes	no	no	no
<b>Utility Structure</b>												
Cooking	no	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no	no
Water	no	yes	no	no	no	no	no	no	yes	no	no	no
Sewer	no	yes	no	no	no	no	no	no	no	no	no	no
Trash	yes	yes	yes	yes	yes	yes	no	yes	no	yes	no	yes
<b>Unit Amenities</b>												
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	yes	no	no	no	no	no	yes	no	no	no	no	no
Carpeting	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	yes	no	no	no	no	no	no	no	yes	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	no	no	no	yes	no	yes	no	yes	no
Coat Closet	no	yes	yes	yes	yes	yes	yes	yes	yes	no	no	yes
Exterior Storage	no	no	no	yes	yes	yes	yes	yes	yes	yes	no	yes
Fireplace	no	no	no	no	no	no	yes	yes	no	no	no	no
Furnishing	no	no	no	no	no	no	no	no	no	yes	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	no	yes	yes	no	yes
Walk-in Closet	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	no	yes	yes	yes	no	yes	yes	yes
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
<b>Kitchen</b>												
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	yes	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	yes	no	no	no	yes	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Community</b>												
Business Center	no	yes	no	no	no	yes	yes	yes	yes	no	no	yes
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	no	no	no	yes	no	no	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
<b>Recreation</b>												
Exercise Facility	yes	no	yes	no	no	yes	yes	yes	yes	yes	yes	yes
Playground	yes	no	yes	yes	yes	yes	yes	yes	no	no	no	yes
Swimming Pool	no	no	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Picnic Area	yes	no	yes	no	no	no	no	yes	yes	yes	no	yes
Tennis Court	no	no	no	no	no	no	no	no	yes	no	no	no
Sauna	no	no	no	no	no	no	yes	no	no	no	no	no
Theatre	no	no	no	no	no	no	yes	no	yes	no	no	no
Recreational Area	yes	no	yes	no	no	no	no	no	no	no	no	no
Volleyball Court	no	no	no	no	no	yes	no	no	no	no	no	no
WiFi	no	no	no	no	no	no	no	yes	no	no	no	no
<b>Security</b>												
In-Unit Alarm	no	no	no	no	no	no	no	no	yes	no	no	no
Intercom (Buzzer)	no	yes	no	no	no	yes	no	no	yes	no	no	no
Limited Access	no	yes	no	no	no	yes	no	no	yes	no	no	no
Patrol	yes	no	yes	no	no	no	no	no	no	no	no	no
<b>Parking</b>												
Carpport	no	no	no	yes	yes	no	n/a	no	no	no	no	no
Carpport Fee	n/a	\$0	\$0	\$20	\$20	\$0	n/a	\$0	\$0	n/a	\$0	\$0
Garage	no	no	no	yes	yes	yes	no	yes	yes	no	no	yes
Garage Fee	n/a	\$0	\$0	\$50	\$50	\$135	n/a	\$150	\$125	n/a	\$0	\$70
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	n/a	\$0	\$0	\$0	\$0	\$0	n/a	\$0	\$0	n/a	\$0	\$0



**ADDENDUM D**  
**Site and Floor Plans**





**LAYOUT HATCH LEGEND**

[Hatched Box]	EXTENTS OF BUILDING AT GRADE	[Hatched Box]	HEAVY DUTY CONC. PAVEMENT SECTION
[Hatched Box]	EXTENTS OF BUILDING OVERHEAD	[Hatched Box]	CONCRETE SIDEWALK SECTION
[Hatched Box]	HEAVY DUTY ASPHALT PAVEMENT SECTION	[Hatched Box]	MILL & OVERLAY SECTION
[Hatched Box]	LIGHT DUTY ASPHALT PAVEMENT SECTION		

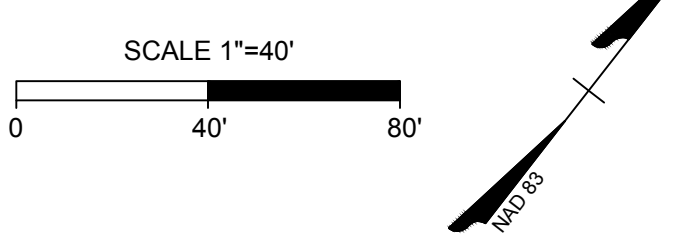
**PARKING SUMMARY:**

PROJECT PHASE	LOT #	TYPE	PROVIDED
PHASE 1	1	REGULAR SPACES	117
		ADA <sub>VAN</sub> * SPACES	1
		ADA <sub>CAR</sub> ** / UD*** SPACES	10
PHASE 2	2 [9% V.H.]	REGULAR SPACES	27
		COMPACT SPACES	14
		ADA <sub>VAN</sub> * SPACES	1
	3 [4% V.H.]	ADA <sub>CAR</sub> ** / UD*** SPACES	5
		REGULAR SPACES	35
		PARALLEL SPACES	7
PHASE 3	4	COMPACT SPACES	49
		ADA <sub>VAN</sub> * SPACES	1
		ADA <sub>CAR</sub> ** / UD*** SPACES	5
		REGULAR SPACES	213
<b>TOTAL SPACES = 501</b>			

\* VAN ACCESSIBLE SPACES (ADA<sub>VAN</sub>) DO NOT COUNT TOWARDS THE NUMBER OF REQUIRED UNIVERSAL DESIGN (UD) SPACES.  
 \*\* UNIVERSAL DESIGN (UD) SPACES COUNT TOWARDS REGULAR ACCESSIBLE (ADA<sub>CAR</sub>) SPACES.  
 \*\*\* EXCEPTION 1: THE TOTAL NUMBER OF ACCESSIBLE PARKING SPACES FOR UD QUALIFYING UNITS MAY BE REDUCED TO 5% OF THE TOTAL NUMBER OF PARKING SPACES. [5% PROVIDED]

# SCHEMATIC LAYOUT EXHIBIT

Miller's Rest Phase 3 - November 7, 2022



S:\31146118\Miller\_Rest\DWG\46118C-SPLA\DWG\PHS3\_CPT2.dwg | Plotted on 11/7/2022 9:46 AM | by Chris Nelson



**ADDENDUM E**  
Utility Allowance

## Virginia Housing | Housing Choice Voucher Program

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

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

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

**ADDENDUM F**  
**Qualifications of Consultants**



# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## DAVID BOISTURE, ASA, CRE

### I. Education

Ohio University, Athens, Ohio  
Masters of Public Administration

Frostburg State University, Frostburg, Maryland  
Bachelor of Science in Political Science and Justice Studies

### II. Professional Experience

Partner, Novogradac & Company LLP  
Graduate Assistant, Institute for Local Government and Rural Development

### III. Professional Affiliation

Accredited Senior Appraiser of the American Society of Appraisers (ASA)  
Member, The Counselors of Real Estate (CRE)  
Designated Member of the National Council of Housing Market Analysts (NCHMA)  
LEED Green Associate

### IV. Professional Training

2020-2021 7-Hour National USPAP Update Course – February 2021  
Fundamentals of Economic Life Development – December 2020  
Renewable Energy Appraisals and Cost Segregation – Subject Matter Expert- November 2020  
Purchase Price Allocation and Cost Segregation Studies – October 2020  
Renewable Energy PPAs Risk and Valuation – April 2020  
Introduction to Cost Segregation – August 2019  
Aspects of Valuing Solar Installations – June 2019  
Machinery and Equipment Valuation – Advanced Topics and Report Writing, January 2017  
Machinery and Equipment Advanced Topics and Case Studies, November 2016  
Machinery and Equipment Valuation Methodology, September 2016  
Introduction to Machinery and Equipment Valuation, May 2016  
IRS Valuation Summit, October 2014  
Basic Appraisal Procedures, March 2014  
15-hour National USPAP Equivalent, March 2014  
Valuation of Solar Photovoltaic, February 2014  
Residential Solar Photovoltaic Leases: Market Value Dilemma, February 2014  
Basic Appraisal Principles, February 2014  
Wind Projects and Land Value, October 2012

## V. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, owners, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009. The valuations have been completed assuming completion of the assets, as is, and at various stages of development. Valuations also include various operating renewable energy development businesses.
- Completed analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include renewable energy projects involving the use of Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, asset management fees, various leasing-related payments, and overall master lease terms.
- Have managed and prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Have managed and assisted in appraisals of proposed new construction, rehabilitation, and existing Low- Income Housing Tax Credit properties, USDA Rural Development, HUD subsidized properties, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.
- Have managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines.
- Assisted in the review of Rent Comparability Studies for HUD Contract Administrators.
- Assisted in the HUD MAP Quality Control market study and appraisal reviews.

- Managed and assisted in the preparation of market studies for projects under the HUD Multifamily Accelerated Processing program. The market studies meet the requirements outlined in Chapter 7 of the HUD MAP Guide.
- Managed and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. The appraisals meet the requirements outlined in Chapter 7 of the HUD MAP Guide.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in various appraisals for the US Army Corps of Engineers including Walter Reed Army Medical Center, proposed office site on the Enhanced Use Lease sites Y and Z at Fort Meade, proposed automobile testing facility at the Yuma Proving Grounds, proposed industrial park at Camp Navajo, and the National Geospatial-Intelligence Agency.
- Managed the preparation of Site Inspection Reports and Appraisals as the subcontractor to the Transaction Team Specialist hired by the Department of Housing and Urban Development to facilitate the design and sale of HUD's nonperforming Multifamily and Healthcare notes.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## K. DAVID ADAMESCU

### I. Education

The Ohio State University, Columbus, OH  
Masters of City and Regional Planning (MCRP)  
Bachelors of Arts, Economics

### II. Professional Experience

Manager, Novogradac & Company LLP  
Real Estate Analyst, Novogradac & Company LLP  
Project Director, VWB Research  
Field Analyst, The Danter Company

### III. Real Estate Assignments

A summary of assignments relating to market feasibility studies and appraisals includes:

- Written and supervised the production of over 1,000 rental housing market studies for projects located throughout 47 states as well as Puerto Rico and Virgin Islands. The preponderance of experience is with affordable housing developments, particularly those that operate with Section 42 Low-income Housing Tax Credit, HUD Section 8/202, and/or USDA Rural Development financing. Scope of analysis typically has included physical inspection of the property and market (have conducted over 400 property inspections throughout the United States and Puerto Rico), concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination.
- Assisted in over 200 appraisals of multifamily rental housing, commercial office, and commercial retail properties. Analysis has included assisting with supply analysis and rent determination, operating expense analysis, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Additional experience authoring market feasibility analyses for condominium housing, single-family housing, senior-oriented housing, seasonal housing, retail, office, golf course/marina resorts, and mixed-use developments.
- Conducted special research for highest and best use evaluations, the impact of “green” development principals on marketability, and seasonal housing dynamics.
- Reviewed third-party market studies and appraisals for investors in the secondary market.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Robert McCarthy

### **I. Education**

The Ohio State University, Columbus, Ohio  
Bachelor of Science in Economics, Bachelor of Arts in Public Affairs

### **II. Professional Experience**

Senior Analyst, Novogradac & Company LLP, September 2022– Present  
Analyst, Novogradac & Company LLP, January 2020 – August 2022  
Junior Analyst, Novogradac & Company LLP, August 2017 – December 2019  
Regional Field Organizer, AARP Take a Stand Campaign, June 2016 – December 2016

### **III. Real Estate Assignments**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, rental rate analysis, competitive property surveying, and overall market analysis.
- Assisted with appraisals of new construction and existing LIHTC and market-rate properties, as well as solar farm developments.



**ADDENDUM G**  
**NCHMA Certification and Checklist**



Formerly known as  
National Council of Affordable  
Housing Market Analysts

#### NCHMA MEMBER CERTIFICATION

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

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

David Boisture, ASA, CRE  
Partner  
[David.Boisture@novoco.com](mailto:David.Boisture@novoco.com)  
240.235.1710

K. David Adamescu  
Manager  
[David.Adamescu@novoco.com](mailto:David.Adamescu@novoco.com)  
740.618.6302

## NCHMA Market Study Index

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

		Page Number(s)
<b>Executive Summary</b>		
1	Executive Summary	I
<b>Project Description</b>		
2	Proposed number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	I
3	Utilities (and utility sources) included in rent.	III
4	Project design description	II
5	Unit and project amenities; parking	V
6	Public programs included	I
7	Target population description	II
8	Date of construction/preliminary completion	II
9	If rehabilitation, existing unit breakdown and rents.	II
10	Reference to review/status of project plans	III
<b>Location and Market Area</b>		
11	Market area/secondary market area description	III
12	Concise description of the site and adjacent parcels	III
13	Description of site characteristics	III
14	Site photos/maps	III
15	Map of community services	III
16	Visibility and accessibility evaluation	III
17	Crime information	III
<b>Employment and Economy</b>		
18	Employment by industry	IV
19	Historical unemployment rate	IV
20	Area major employers	IV
21	Five-year employment growth	IV
22	Typical wages by occupation	IV
23	Discussion of commuting patterns of area workers	IV
<b>Demographic Characteristics</b>		
24	Population and household estimates and projections	IV
25	Area building permits	IV
26	Distribution of income	IV
27	Households by tenure	IV
<b>Competitive Environment</b>		
28	Comparable property profiles	V
29	Map of comparable properties	V
30	Comparable property photos	Add. B
31	Existing rental housing evaluation	V
32	Comparable property discussion	V

## NCHMA Market Study Index

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

		Page Number(s)
33	Area vacancy rates, including rates for Tax Credit and government-subsidized	VI
34	Comparison of subject property to comparable properties	VI
35	Availability of Housing Choice Vouchers	VI
36	Identification of waiting lists	VI
37	Description of overall rental market including share of market-rate and affordable properties	VI
38	List of existing a LIHTC properties	VI
39	Discussion of future changes in housing stock	VI
40	including homeownership	VI
41	Tax credit and other planned or under construction rental communities in market area	VI
<b>Analysis/Conclusions</b>		
42	Calculation and analysis of Capture Rate	VII
43	Calculation and analysis of Penetration Rate	VII
44	Evaluation of proposed rent levels	VII
45	Derivation of Achievable Market Rent and Market Advantage	VII
46	Derivation of Achievable Restricted Rent	VII
47	Precise statement of key conclusions	VII
48	Market strengths and weaknesses impacting project	VII
49	Recommendations and/or modification to project discussion	N/A
50	Discussion of subject property's impact on existing housing	VII
51	Absorption projection with issues impacting performance	VII
52	Discussion of risks or other mitigating circumstances impacting project	VII
53	Interviews with area housing stakeholders	V
<b>Other Requirements</b>		
54	Preparation date of report	Cover
55	Date of field work	Cover
56	Certifications	Add. F
57	Statement of qualifications	Add. E
58	Sources of data not otherwise identified	N/A
59	Utility allowance schedule	Add. D