



BOWEN
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Market Feasibility Analysis

North Fork Manor
233 Elizabeth Street
Saltville, Smyth County, Virginia 24370

Prepared For

Mr. Ray Wetherbee
Community Housing Partners
448 Depot Street NE
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Authorized User

Virginia Housing
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Richmond, Virginia 23220

Effective Date

February 6, 2024

Job Reference Number

24-128 NS

Market Study Certification

NCHMA Certification

This certifies that Kwame Amoako, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Saltville, Virginia. Further, the information contained in this report is true and accurate as of February 4, 2024.

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

Virginia Housing Certification

I affirm the following:

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

Certified:



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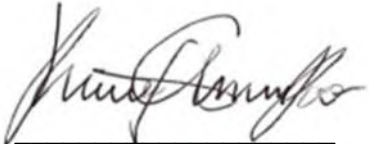


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Certificate of Professional Designation

This certificate verifies that

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Has completed NCHMA's Professional Designation Requirements
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Membership Term
1/1/2024 to 12/31/2024



Kaitlyn Snyder
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I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the continued market feasibility of the North Fork Manor apartment project in Saltville, Virginia, following renovations using Low-Income Housing Tax Credit (LIHTC) financing. This study was initiated by Community Housing Partners and complies with the guidelines of Virginia Housing. This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

for each property is listed in *Section XII: Field Survey of Conventional Rentals*.

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

C. SOURCES

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

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

D. REPORT LIMITATIONS

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

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

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II. Executive Summary

Based on the findings contained in this report, it is our opinion that a market will continue to exist for the North Fork Manor rental property to be renovated utilizing financing from the 4% Tax-Exempt Bond program. The following points support this conclusion:

Project Description

The proposed project involves the renovation of the 56-unit North Fork Manor apartment property at 233 Elizabeth Street in Saltville, Virginia. Built in 1982, the project operates under the HUD Section 8 program, with all units receiving a direct subsidy. The subsidy requires tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (collected rent and tenant-paid utilities). According to management, the project is currently 100.0% occupied and maintains a 29-household waiting list.

The project will be renovated utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target households with incomes of up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the Section 8 program. All renovations are expected to be complete by December 2026. Additional details of the subject project can be found in Section III - *Project Description* of this report.

Site Evaluation

The subject site is the existing North Fork Manor rental community, located at 233 Elizabeth Street in Saltville, Virginia. The site neighborhood is partially established and primarily residential, with nearby residential structures observed to be in generally fair to good condition. Given the light vehicular traffic patterns in the immediate neighborhood and the presence of the nearby State Route 91, visibility and accessibility of the site are considered sufficient and good, respectively. The subject is located near downtown Saltville and is subsequently within 1.5 miles of most essential community services, including (but not limited to) a grocery store, banks, restaurants, pharmacies, a discount retailer, a shopping center, parks, a medical center, gas stations and convenience stores. Additionally, most essential community services are accessible through the demand-based transportation services of Mountain Lynx Transit. Overall, the subject site location is considered conducive to affordable multifamily rental product and is expected to have a positive impact on the property's continued marketability following renovations. This is further evidenced by the subject project's 100.0% occupancy rate and waiting list. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

Primary Market Area (PMA)

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate and from which most of the competitive supply is located. The Saltville Site PMA includes all (or portions) of Saltville, Marion, Abingdon, Glade Spring and Chilhowie, as well as the surrounding unincorporated areas of Smyth and Washington counties. Specifically, the boundaries of the Site PMA generally include the Washington and Smyth County boundaries to the north; State Route 16 and the Marion town limits to the east; Interstate 81 to the south; and State Route 681, Sutherland Lane and Porterfield Highway to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in Section IV, beginning on page IV-9.

Demographic Trends

Overall, the market's population and household bases have been generally stable since 2010. These demographic bases are projected to remain relatively stable through 2029. While most demographic growth in the market is projected to occur among senior households ages 75 and older between 2024 and 2029, nearly 59.0% of all households are projected to be under the age of 65 in 2029. This indicates that a larger number of age-appropriate households will be present within the Site PMA to continue to support the subject project. Additionally, over two-thirds (68.9%) of renter households within the market are projected to earn less than \$50,000 in 2029. Overall, the demographic trends contained within this report demonstrate a good base of current and potential support for the subject project. Detailed demographic trends are included in Section IV, beginning on page IV-11.

Economic Trends

The Smyth County economy generally experienced growth between 2013 and 2019, prior to the impact of the COVID-19 pandemic in 2020. During this time, the Smyth County employment base declined by nearly 800 jobs, or 6.0%, and its unemployment rate increased by three percentage points. However, the county employment base has since recovered nearly all jobs lost in 2020 and increased to a total of 13,188 jobs through December 2023, which is similar to pre-pandemic figures for the county. Annual unemployment has also decreased to a rate of 3.3% through December 2023, which is below pre-pandemic figures for the county. These are good indications that the Smyth County economy has recovered from the impact of the pandemic and is performing well overall. This, in turn, will continue to create a stable environment for the local housing market. Detailed economic trends are included in Section IV, beginning on page IV-15.

Overall Rental Housing Market Conditions

We identified and personally surveyed seven conventional housing projects containing a total of 275 units within the Site PMA, including the subject site. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, a very strong rate for rental housing. The following table summarizes the rental housing projects surveyed in the market, broken out by project type.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit	3	85	0	100.0%
Tax Credit/Government-Subsidized	3	134	0	100.0%
Government-Subsidized	1	56	0	100.0%
Total	7	275	0	100.0%

All rental housing projects identified and surveyed in the Site PMA offer affordable (i.e. Tax Credit and/or government-subsidized) units, including the subject project. These projects are all 100.0% occupied with waiting lists, indicating that pent-up demand exists for affordable rental housing in the Site PMA.

Competitive/Comparable Tax Credit Analysis

Following renovations, the subject project will offer two- through four-bedroom units targeting households earning up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. We identified and surveyed four non-subsidized general occupancy (family) LIHTC properties within the Saltville Site PMA. These properties offer similar bedroom types targeting households with incomes of up to 40%, 50% and/or 60% of AMHI; therefore, they are considered competitive properties in the unlikely event that the subject project lost its subsidy and had to operate exclusively under the LIHTC program. These four LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	North Fork Manor	1982 / 2026	56	100.0%	-	29 HH	Families; 30%, 40%, 50% & 60% AMHI & Section 8
3	Marion Manor	1970 / 2019	82** + 6*	100.0%	19.4 Miles	2 HH	Families; 40%, 50%, & 60% AMHI
4	Sweetbriar I	2009	20	100.0%	27.6 Miles	80 HH	Families; 50% & 60% AMHI
5	Sweetbriar II	2023	17**	100.0%	27.6 Miles	262 HH	Families; 40%, 50%, & 60% AMHI
7	White's Mill Point	2007	26 + 6*	100.0%	19.8 Miles	189 HH	Families; 50% & 60% AMHI

OCC. – Occupancy
 HH - Households
 *Units under construction/renovation
 **Excludes subsidized units

The four LIHTC projects are 100.0% occupied and each project maintains a waiting list, the longest of which contains 262 households. This illustrates that significant pent-up demand exists for non-subsidized LIHTC housing in the Site PMA.

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

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.	Four-Br.	Rent Special
		-	\$510/30% (5) \$680 [^] /40% (2) \$750/50% (6) \$750/60% (9)	\$785 [^] /40% (4) \$909/50% (8) \$909/60% (12)	\$1,095 [^] /50% (4) \$1,132/60% (6)	-
Site	North Fork Manor					
3	Marion Manor**	\$568/40% (27/0)	\$692/40% (10/0) \$863/50% (15/0) \$1,032/60% (24+5*/0)	\$1,006/50% (2/0) \$1,200/60% (4/0)	-	None
4	Sweetbriar I	-	-	\$843/50% (10/0) \$941/60% (10/0)	-	None
5	Sweetbriar II**	-	-	\$811/50% (7/0) \$881/60% (10/0)	-	None
7	White's Mill Point	-	\$664/50% (10+6*/0) \$684/60% (16/0)	-	-	None

[^]Maximum allowable gross LIHTC rent; proposed contract rents exceed LIHTC maximum limits

*Units under construction/renovation

**Excludes subsidized units

The proposed/programmatic subject gross rents, ranging from \$510 to \$1,132, will be within range of the LIHTC units targeting similar income levels in the market. The subject will also be the only LIHTC project in the market to offer four-bedroom units. Considering the pent-up demand reported throughout the market, the proposed subject rents are considered competitive in the unlikely event that the project did not operate with a subsidy. Regardless, the subject will continue to operate with a Section 8 subsidy available to all units following renovations, requiring tenants to pay just 30% of their gross income towards collected rent and tenant-paid utilities. Therefore, the subject is expected to continue to represent a substantial value to low-income renters.

Comparable/Competitive Tax Credit Summary

We identified and surveyed four LIHTC projects within the Site PMA that we consider competitive with the subject project in the unlikely event that the property lost its subsidy following renovations. Each selected project is 100.0% occupied with a waiting list, illustrating that significant pent-up demand exists for affordable housing in the market. Note that the subject will be the only LIHTC project in the market to offer four-bedroom units, which will positively impact the project's marketability among the market's underserved base of very large low-income renter households. The proposed/programmatic subject gross rents will be within range of the LIHTC units targeting similar income levels in the market.

Considering that the subject project is similar overall to the selected properties in terms of square footage and bathroom availability, the proposed rents are considered competitive if the project did not operate with a subsidy. However, it is important to point out that the local non-subsidized LIHTC market is relying heavily on support from Housing Choice Voucher holders. Considering that the proposed rents are below the local payment standards, we anticipate the subject property will receive a good share of support from voucher holders if it did not operate with a subsidy, based on trends among existing comparable properties.

Regardless, the subject will continue to operate with a Section 8 subsidy available to all units following renovations, requiring tenants to pay just 30% of their gross income towards collected rent and tenant-paid utilities. Therefore, the subject is expected to continue to represent a substantial value to low-income renters in the market, as evidenced by its 100.0% occupancy rate and waiting list.

Perception of Value

Based on HUD Rent Comparability Grids in Section VI, the following table summarizes the proposed subject project’s market rent advantages:

Bedroom Type	Unit Style (Square Feet/Bathrooms)	% AMHI	Proposed/Programmatic Collected Rent	Achievable Market Rent	Market Rent Advantage
Two-Br.	Townhome (830/1.0)	30%	\$351	\$625	43.8%
	Garden (900/1.5)	40%	\$521*	\$650	19.8%
	Townhome (830/1.0)	50%	\$591	\$625	5.4%
	Garden (897/1.5)	60%	\$591	\$650	9.1%
	Townhome (830/1.0)	60%	\$591	\$625	5.4%
	Townhome (848/1.0)	60%	\$591	\$625	5.4%
Three-Br.	Garden (1,091/2.0)	40%	\$586*	\$750	21.9%
	Townhome (1,259/1.5)	40%	\$586*	\$760	22.9%
	Townhome (1,041/1.5)	50%	\$710	\$730	2.7%
	Townhome (1,148/1.5)	50%	\$710	\$745	4.7%
	Townhome (1,148/1.5)	60%	\$710	\$745	4.7%
	Townhome (1,262/2.0)	60%	\$710	\$770	7.8%
Four-Br.	Townhome (1,298/2.0)	50%	\$854*	\$840	-1.7%
	Townhome (1,298/2.0)	60%	\$891	\$840	-6.1%

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

Typically, Tax Credit rents in urban markets are set 10% or more below achievable market rents to ensure that a LIHTC project will have a sufficient flow of tenants. In more rural settings such as the subject site location, a market rent advantage near (or slightly above) 0.0% is often acceptable given that Tax Credit product often represents some of the most desirable rental housing opportunities available within these areas. This is believed to be true within the Saltville market, which is further evidenced by the rent positioning of the comparable LIHTC properties selected for this analysis (as illustrated in Section V). The capture rate estimates that follow state agency guidelines (as illustrated in Section VII) indicate that a good base of support exists for the subject project at the proposed rent levels.

As such, the minimal to negative market rent advantages for the subject units are considered acceptable for this market. This is particularly true given that the subject is the only property in the market to offer four-bedroom units, allowing the project to accommodate very large households that are currently underserved in the market.

Regardless, the subject project is expected to retain its Section 8 subsidy on all units following renovations. This will require tenants of the project to pay up to just 30% of their adjusted gross income towards housing costs (rent plus tenant-paid utilities). Therefore, the subject project will likely be viewed as an even greater value than that illustrated above.

Capture Rate Estimates

The following is a summary of our demand calculations for the subject project, both with and without the proposed Section 8 subsidy.

As Proposed (With Subsidy)					
Demand Component	30% AMHI / Subsidy (\$0-\$20,400)	40% AMHI / Subsidy (\$0-\$32,640)	50% AMHI / Subsidy (\$0-\$43,800)	60% AMHI / Subsidy (\$0-\$52,560)	Overall LIHTC w/ Subsidy (\$0-\$52,560)
Net Demand	338	573	724	813	842
Proposed Units	5	6	18	27	56
Proposed Units / Net Demand	5 / 338	6 / 573	18 / 724	27 / 813	56 / 842
Capture Rate	1.5%	1.0%	2.5%	3.3%	6.7%

LIHTC Only					
Demand Component	30% AMHI (\$17,486-\$20,400)	40% AMHI (\$23,314-\$32,640)	50% AMHI (\$25,714-\$43,800)	60% AMHI (\$25,714-\$52,560)	Overall LIHTC (\$17,486-\$52,560)*
Net Demand	45	188	286	367	453
Proposed Units	5	6	18	27	56
Proposed Units / Net Demand	5 / 45	6 / 188	18 / 286	27 / 367	56 / 453
Capture Rate	11.1%	3.2%	6.3%	7.4%	12.4%

*Excludes the \$20,401 to \$23,313 income band due to gap in affordability

The subject’s overall capture rates of 6.7% (with subsidy) and 12.4% (LIHTC only) are considered low and achievable. This illustrates that there is a good base support for the subject development within the Site PMA, both with and without the Section 8 subsidy.

Penetration Rate

The 196 existing non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$17,486 to \$52,560. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, the penetration rate calculation for the subject project is summarized in the following table.

	Market Penetration
Number of LIHTC Units (Proposed and Existing)	252
Income-Eligible Renter Households – 2026	/ 2,009
Overall Market Penetration Rate	= 12.5%

It is our opinion that the 12.5% penetration rate for the LIHTC units, both existing and proposed, is achievable.

Absorption Projections

The subject project currently operates under the Section 8 program with a project-based subsidy available to all units, and the project is expected to retain this subsidy following the proposed renovations. We also assume that most, if not all, current tenants will remain at the site once renovations are complete. In this scenario, the project will effectively have no absorption period. For the purpose of this analysis, however, we have provided absorption estimates assuming that all units will be vacated and will need to be re-rented following renovations. We have provided separate estimates assuming that the subject retains its subsidy for all units, as well as the unlikely scenario that the project had to operate exclusively under the LIHTC program.

For the purpose of this analysis, we assume the absorption period at the site begins as soon as the first renovated units are available for occupancy. We also assume that initial units at the site will be available for rent in December 2026. Changes to the project's planned renovations or renovation timeline may alter our absorption projections.

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 56 subject units can achieve a stabilized occupancy of 93% within less than five months of re-opening. This is based on a monthly absorption rate of approximately 12 to 13 units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would experience an extended absorption period of seven months, as it would no longer be able to target households earning less than \$23,965. This is based on a monthly absorption rate of approximately seven to eight units per month and assumes the project would receive a higher component of support from Housing Choice Voucher holders, similar to the comparable LIHTC projects in the market. In this scenario, the project's ultimate absorption may vary depending upon the amount of voucher support the property receives.

The following table summarizes the subject's projected absorption trends for each scenario:

Absorption Projections		
Scenario	UPM	Absorption Period
Tax Credit with Subsidy	12 to 13	< 5 Months
Tax Credit Only	7 to 8	7 Months

UPM – Units Per Month

In reality, most (if not all) existing tenants are expected to continue to qualify for and remain at the subject property. Further, any units which may become vacant due to typical tenant turnover are expected to be quickly filled from the waiting list maintained for the property. As such, there effectively will be no absorption period for the subject property.

III. Project Description

Project Name:	North Fork Manor
Location:	233 Elizabeth Street, Saltville, Virginia 24370 (Smyth County)
Census Tract:	302.00
Target Market:	Family
Construction Type:	Renovation of Existing Development
Funding Source:	LIHTC

The proposed project involves the renovation of the 56-unit North Fork Manor apartment property at 233 Elizabeth Street in Saltville, Virginia. Built in 1982, the project operates under the HUD Section 8 program, with all units receiving a direct subsidy. The subsidy requires tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (collected rent and tenant-paid utilities). According to management, the project is currently 100.0% occupied and maintains a 29-household waiting list.

The project will be renovated utilizing funding from the Low-Income Housing Tax Credit (LIHTC) program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target households with incomes of up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the Section 8 program. All renovations are expected to be complete by December 2026. Additional details of the subject project are as follows:

Proposed Unit Configuration

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Contract Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
5	Two-Br.	1.0	TH (2-story)	830	30%/S8	\$591	\$351	\$159	\$510	\$510
2	Two-Br.	1.5	Garden*	900	40%/S8	\$591	\$591	\$159	\$750	\$680
6	Two-Br.	1.0	TH (2-story)	830	50%/S8	\$591	\$591	\$159	\$750	\$850
1	Two-Br.	1.5	Garden*	897	60%/S8	\$591	\$591	\$159	\$750	\$1,020
5	Two-Br.	1.0	TH (2-story)	830	60%/S8	\$591	\$591	\$159	\$750	\$1,020
3	Two-Br.	1.0	TH (2-story)	848	60%/S8	\$591	\$591	\$159	\$750	\$1,020
3	Three-Br.	2.0	Garden*	1,091	40%/S8	\$710	\$710	\$199	\$909	\$785
1	Three-Br.	1.5	TH (2-story)	1,259	40%/S8	\$710	\$710	\$199	\$909	\$785
1	Three-Br.	1.5	TH (2-story)	1,041	50%/S8	\$710	\$710	\$199	\$909	\$981
7	Three-Br.	1.5	TH (2-story)	1,148	50%/S8	\$710	\$710	\$199	\$909	\$981
9	Three-Br.	1.5	TH (2-story)	1,148	60%/S8	\$710	\$710	\$199	\$909	\$1,178
3	Three-Br.	2.0	TH (2-story)	1,262	60%/S8	\$710	\$710	\$199	\$909	\$1,178
4	Four-Br.	2.0	TH (2-story)	1,298	50%/S8	\$891	\$891	\$241	\$1,132	\$1,095
6	Four-Br.	2.0	TH (2-story)	1,298	60%/S8	\$891	\$891	\$241	\$1,132	\$1,314
56	Total									

Source: Community Housing Partners

AMHI – Area Median Household Income (National Non-Metropolitan Rent Limits; 2023)

S8 – Section 8

*Handicap unit

TH – Townhome

The maximum allowable LIHTC gross rents ranging from \$510 to \$1,314 are the programmatic limits for units targeting households earning up to 30%, 40%, 50% and 60% of AMHI. However, these rent limits would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy. Nonetheless, as the proposed contract rents under the Section 8 program are above several of these maximum allowable limits, we have evaluated these unit types assuming maximum allowable LIHTC rent limits throughout this report when applicable.

Building/Site Information	
Residential Buildings:	10 two-story buildings
Building Style:	Walk-up
Community Space:	Stand-alone building
Acres:	7.2

Construction Timeline	
Original Year Built:	1982
Renovation Start:	April 15, 2025
Begin Preleasing:	In-place renovation
Renovation End:	December 30, 2026

Unit Amenities		
<ul style="list-style-type: none"> • Electric Range • Dishwasher • Refrigerator 	<ul style="list-style-type: none"> • Central Air Conditioning • Window Blinds • Wi-Fi* 	<ul style="list-style-type: none"> • Carpet & Composite Flooring • Patio with Exterior Storage Closet

*In-unit Wi-Fi services provided by management

Community Amenities		
<ul style="list-style-type: none"> • Bike Racks/Storage • Community Kitchen • Laundry Room • Surface Parking Lot 	<ul style="list-style-type: none"> • Business/Computer Center • Common Area Wi-Fi • On-Site Management 	<ul style="list-style-type: none"> • Clubhouse/Community Room • Playground • Basketball Court

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

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
56	0	100.0%	29 Households

PLANNED RENOVATION:

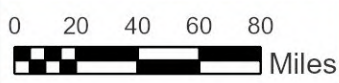
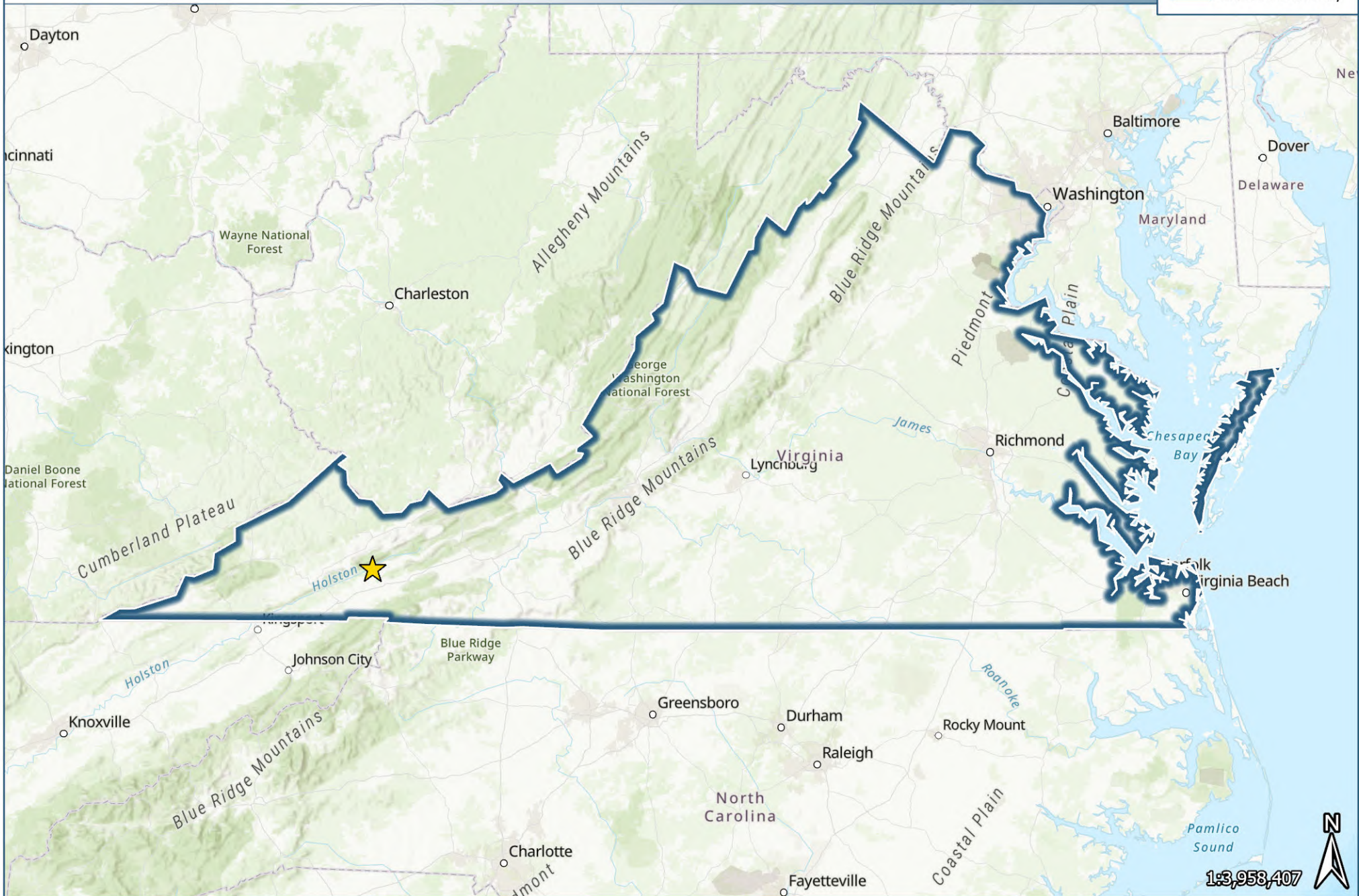
An overview of the renovations proposed for the subject project is included in Addendum B of this report.

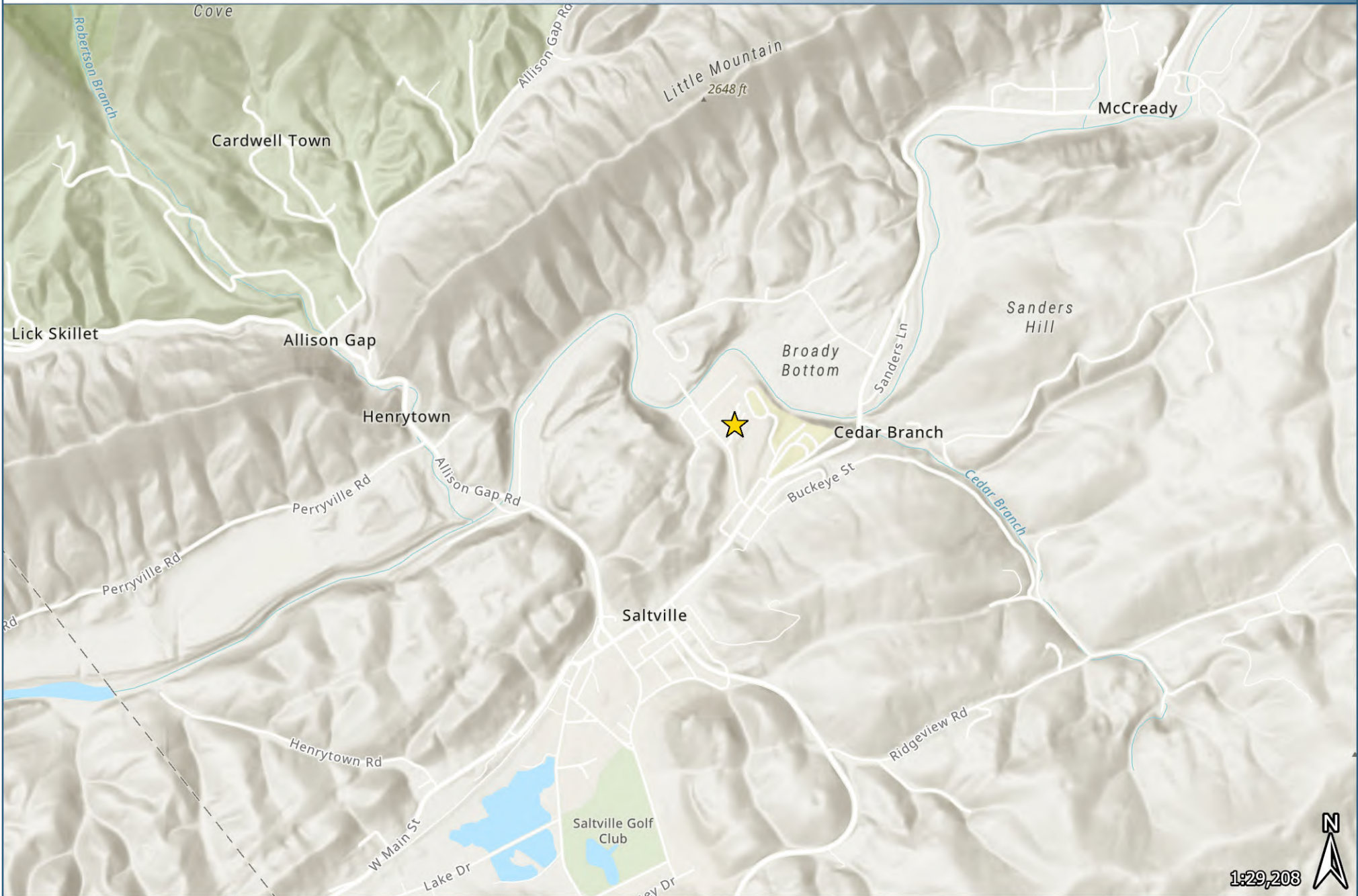
FLOOR AND SITE PLAN REVIEW:

Floor and site plans for the subject project were not provided for review at the time this report was prepared. However, based on our in-person site visit and additional information provided at the time of this analysis, the subject property will continue to offer two- through four-bedroom townhome- and garden-style units located within 10 two-story walk-up/townhome-style buildings. These unit types will allow the property to continue to attract a wide demographic base in terms of household size. The subject units range in size from 830 to 1,298 square feet and include between one (1.0) and two (2.0) bathrooms, depending on floorplan. Each unit will continue to offer all basic appliances and unit amenities typical of subsidized rental housing, with some notable amenities (such as dishwashers) to be added during the proposed renovations.

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

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





0 0.1 0.2 0.3 0.4
Miles

VGIN, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, Esri, NASA, NGA, USGS, FEMA
Additional Source(s): Bowen National Research

1:29,203





IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is the existing North Folk Manor rental property located at 233 Elizabeth Street in Saltville, Virginia. Located within Smyth County, Saltville is situated approximately 16.0 miles northeast of Abingdon, Virginia. The subject site visit and corresponding fieldwork were completed during the week of February 4, 2024.

2. SURROUNDING LAND USES

The subject site is within a partially developed residential area of Saltville. Surrounding land uses generally include single- and multifamily residential dwellings, light industrial facilities, a school, a cemetery and undeveloped wooded land. Adjacent land uses are detailed as follows:

North -	The northern site boundary is defined by the Elizabeth Cemetery and a tree line that separates the site from single-family homes in fair condition. Continuing north are the North Fork Holston River, several light industrial facilities, an electrical substation and mountainous wooded land.
East -	The eastern site boundary is defined by a wooded tree line that separates the site from the Elizabeth Cemetery. Continuing east are undeveloped land, light industrial buildings and scattered homes in fair condition.
South -	The southern site boundary is defined by a tree line that separates the site from the Saltville Elementary School campus and Government Plant Road, a two-lane roadway with light vehicular traffic patterns. Continuing south are undeveloped wooded land and various single-family homes in fair condition situated along East Main Street/State Route 91 (herein referred to as "State Route 91").
West -	The western boundary is defined by a tree line that separates the site from single-family homes in fair condition and the North Fork Holston River. Continuing west are a former industrial facility, mountainous wooded land and additional light industrial facilities.

The subject site is in a partially developed area of Saltville, with surrounding residential structures observed to be in fair to good condition. Overall, the site neighborhood is considered conducive to multifamily rental housing, which is further evidenced by the site's 100.0% occupancy rate and waiting list.

Photographs of the site can be found in Section X of this report.

3. VISIBILITY AND ACCESS

The subject property is primarily visible to passerby traffic from Government Plant Road, a two-lane roadway that borders the site to the southwest. Government Plant Road is primarily utilized to access the subject site and nearby homes, and passerby traffic in the immediate site neighborhood is minimal. However, the 100.0% occupancy rate and waiting list reported by the site indicate that visibility of the subject project is sufficient. As such, visibility of the property is considered conducive to the project’s continued marketability.

The subject site maintains one vehicular access point along Government Plant Road to the southwest. Given the light vehicular traffic patterns of this roadway, direct vehicular ingress and egress are considered convenient. Government Plant Road provides access to State Route 91, an arterial roadway that facilitates accessibility of the site throughout the immediate neighborhood. Several additional state and local highways are within approximately 3.0 miles of the property, including the major arterial Interstate 65. While there are no fixed-route transportation services within Saltville, the subject site has access to demand-based transportation services through Mountain Lynx Transit. Overall, the accessibility of the site is considered convenient and is expected to positively impact the project’s continued marketability.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (miles)
Major Highways	State Route 91 State Route 107	0.3 South 0.7 Southwest
Public Bus Stop	Mountain Lynx Transit	On-demand
Major Employers/ Employment Centers	Southwest Virginia Community Health Systems Titan Wheel Corporation United Salt Corporation	0.9 Southwest 1.3 West 2.8 South
Convenience Store	Fred’s Trading Center Cargo	0.3 South 1.1 Southwest
Grocery	Food Country USA	1.3 Southwest
Discount Department Store	Dollar General	0.9 Southwest
Shopping Center/Mall	Saltville Town Commons	1.0 Southwest
Schools: Elementary Middle/Junior High High	Saltville Elementary School Northwood Middle School Northwood High School	0.4 South 9.6 Northeast 1.1 Southwest
Hospital/Medical Center	Southwest Virginia Community Health Systems Johnston Memorial Hospital	0.8 Southwest 18.4 Southwest

(Continued)

Community Services	Name	Driving Distance From Site (miles)
Police	Saltville Police Department	1.1 Southwest
Fire	Saltville Volunteer Fire Department	1.2 Southwest
Post Office	U.S. Post Office	1.1 Southwest
Bank	The Bank of Saltville Truist	0.9 Southwest 0.9 Southwest
Recreation	Lifetime Wellness Center Saltville's Hardy Roberts Memorial Wave Pool Saltville Golf Club	1.2 Southwest 1.2 Southwest 1.2 Southwest
Gas Station	Cargo Oil Fred's Trading Center	1.1 Southwest 1.1 Southwest
Pharmacy	Carter's Pharmacy Clark's Pharmacy	1.1 Southwest 1.3 Southwest
Restaurant	Pap's @ EastEnd Bucks Drive-In New China Coach's Diner	0.3 South 0.8 Northeast 1.0 Southwest 1.1 Southwest
Library	Smyth County Public Library	0.9 Southwest
Day Care	Little Blessings Daycare	9.3 Southeast
Church	Church of the Nazarene Main Street Christina Church Madam Russell Methodist Church,	0.3 South 0.4 South 1.1 Southwest
Park	Wells Field Recreation Area	1.2 Southwest

As the preceding table illustrates, many community services are located within 1.5 miles of the site, including employment opportunities, grocery and convenience stores, restaurants, pharmacies and recreational centers. Notably, the site is within walking distance of Saltville Elementary School, which is considered beneficial to the target population of low-income families. Additional essential services are available in the larger communities of Marion and Abingdon, which are approximately 10.0 and 19.0 miles from the site, respectively.

The nearest medical center with emergency services, Southwest Virginia Community Health Systems, is located 0.9 miles southwest of the site. A full-service hospital is accessible within 18.4 miles in Abingdon. Public safety services are provided by Saltville Police Department and Saltville Volunteer Fire Department, which are located 1.1 and 1.2 mile from the site, respectively. Recreational and community options are accessible in downtown Saltville within 1.2 mile. Additionally, most essential community services are accessible through the demand-based transportation services of Mountain Lynx Transit. Overall, the site's proximity to community services is expected to continue to positively contribute to its continued marketability.

5. OVERALL SITE EVALUATION

The subject site is the existing North Fork Manor rental community, located at 233 Elizabeth Street in Saltville, Virginia. The site neighborhood is partially established and primarily residential, with nearby residential structures observed to be in generally fair to good condition. Given the light vehicular traffic patterns in the immediate neighborhood and the presence of the nearby State Route 91, visibility and accessibility of the site are considered sufficient and good, respectively. The subject is located near downtown Saltville and is subsequently within 1.5 miles of most essential community services, including (but not limited to) a grocery store, banks, restaurants, pharmacies, a discount retailer, a shopping center, parks, a medical center, gas stations and convenience stores. Additionally, most essential community services are accessible through the demand-based transportation services of Mountain Lynx Transit. Overall, the subject site location is considered conducive to affordable multifamily rental product and is expected to have a positive impact on the property's continued marketability following renovations. This is further evidenced by the subject project's 100.0% occupancy rate and waiting list.

6. CRIME ISSUES

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

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

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

Total crime risk for the market and Smyth County are illustrated as follows.

	Crime Risk Index	
	PMA	Smyth County
Total Crime Index	58	48
Personal Crime Index	47	42
Murder	89	79
Rape	72	76
Robbery	30	25
Assault	47	41
Property Crime Index	60	49
Burglary	41	36
Larceny	70	55
Motor Vehicle Theft	27	21

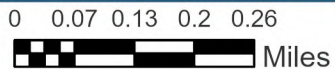
Source: Applied Geographic Solutions, FBI, ESRI
PMA – Primary Market Area

As the preceding illustrates, the crime risk for the market (58) and Smyth County (48) are well below the national average of 100. Therefore, the perception of crime is not expected to have any impact on the continued marketability of the project, which is evidenced by its 100.0% occupancy rate.

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

Community Services





















- Major Employers/Employment Centers
- 🏥 Hospital/Medical Center
- 🏦 Bank
- 🎓 Schools, Elementary
- 🏛️ Church
- 🍴 Restaurant
- 🛒 Convenience Store
- 🛍️ Discount Department Store

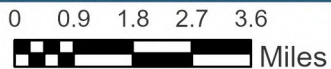
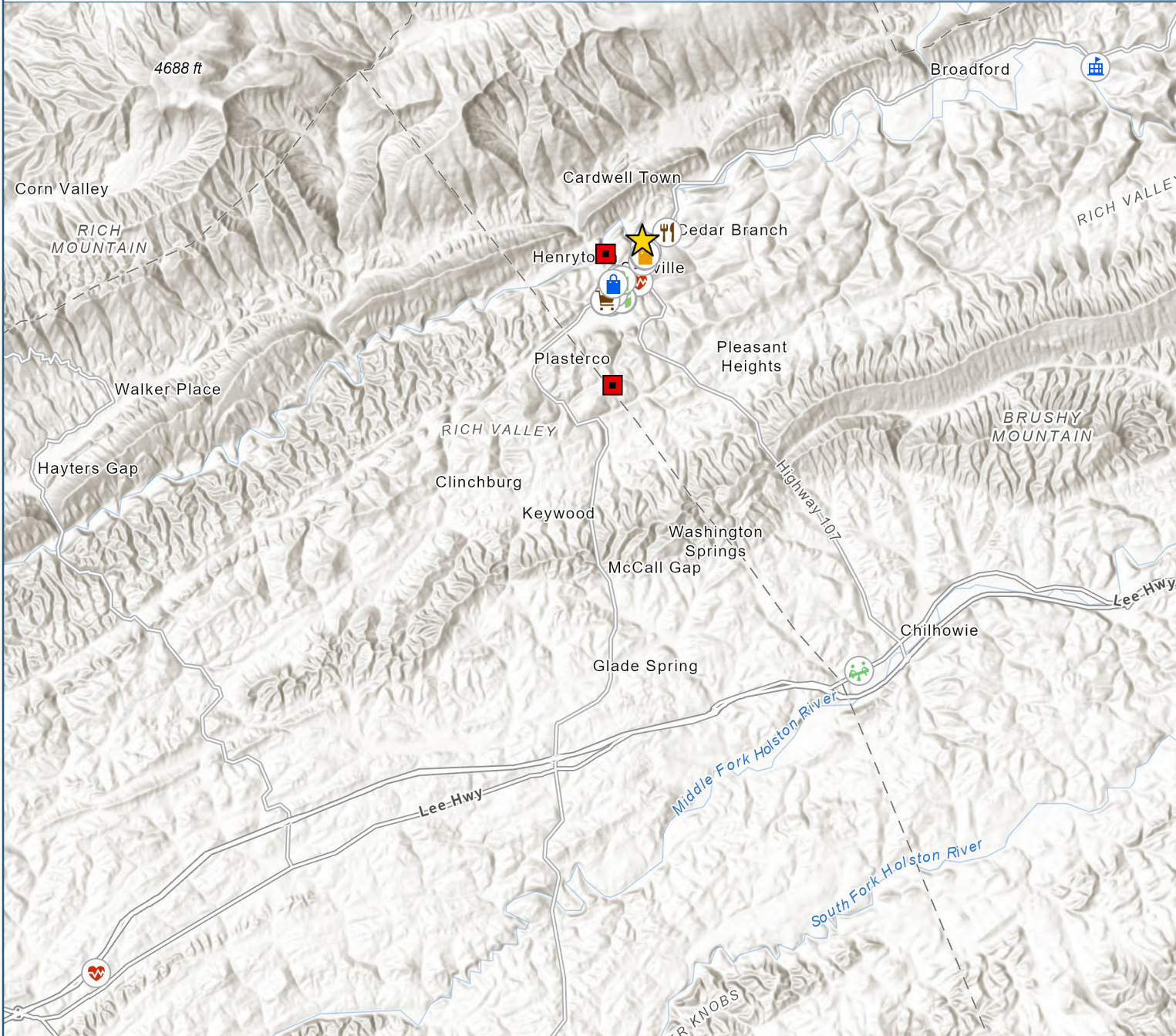




Site

Community Services

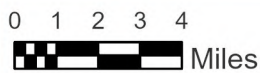
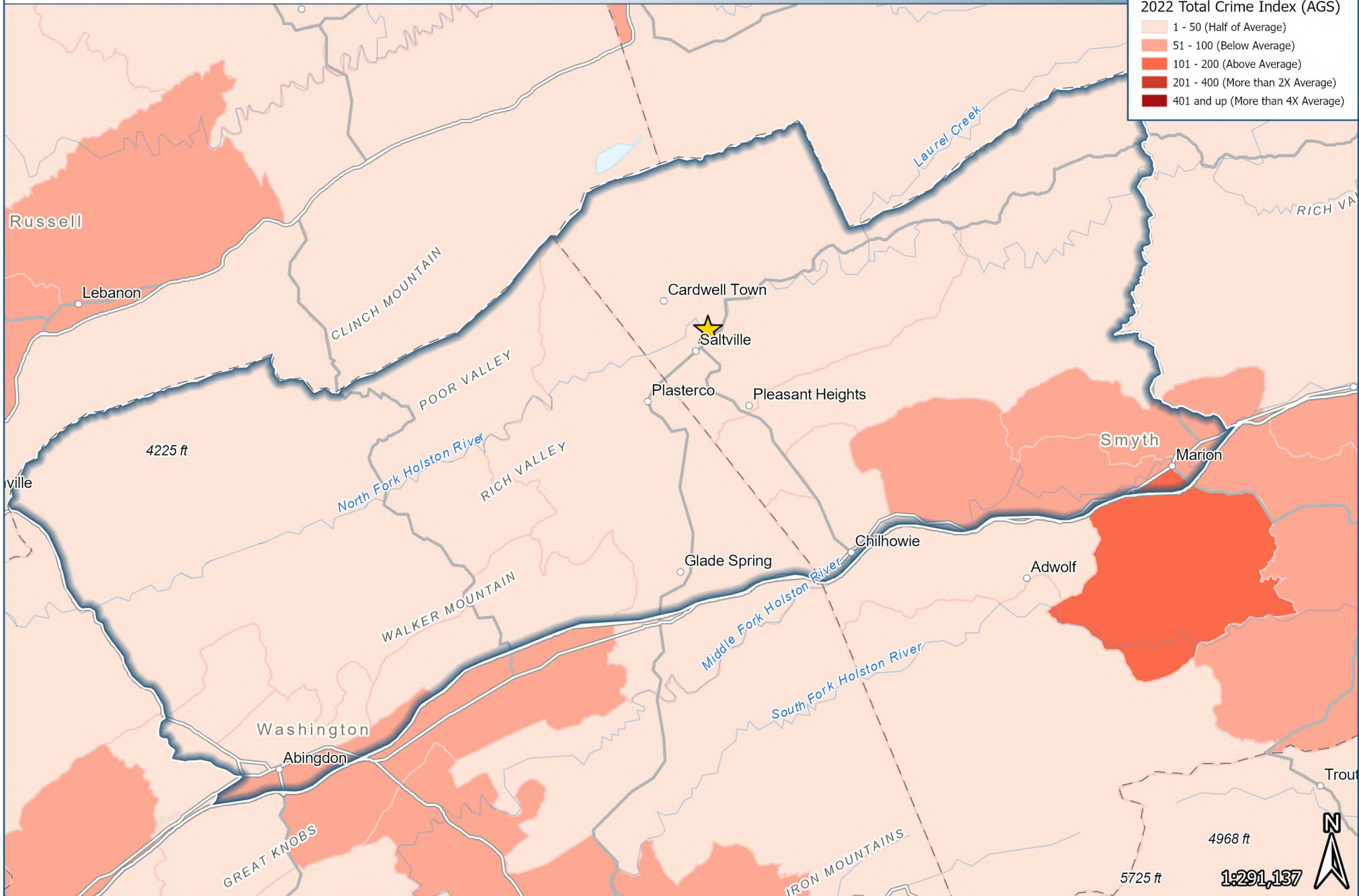
-  Major Employers/Employment Centers
-  Hospital/Medical Center
-  Police
-  Fire
-  Post Office
-  Pharmacy
-  Gas Station
-  Bank
-  Day Care
-  Schools, Elementary
-  Schools, Middle/Junior High
-  Schools, High
-  Park
-  Recreational Facility
-  Church
-  Restaurant
-  Grocery
-  Convenience Store
-  Discount Department Store
-  Shopping Center/Mall



★ Site
— PMA

2022 Total Crime Index (AGS)

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



B. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate and from which most of the competitive supply is located. The Site PMA was determined through interviews with property management at the subject site and area leasing agents, as well as the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market, a demographic analysis of the area households and population, proximity to community services, and a drive-time analysis from the subject site.

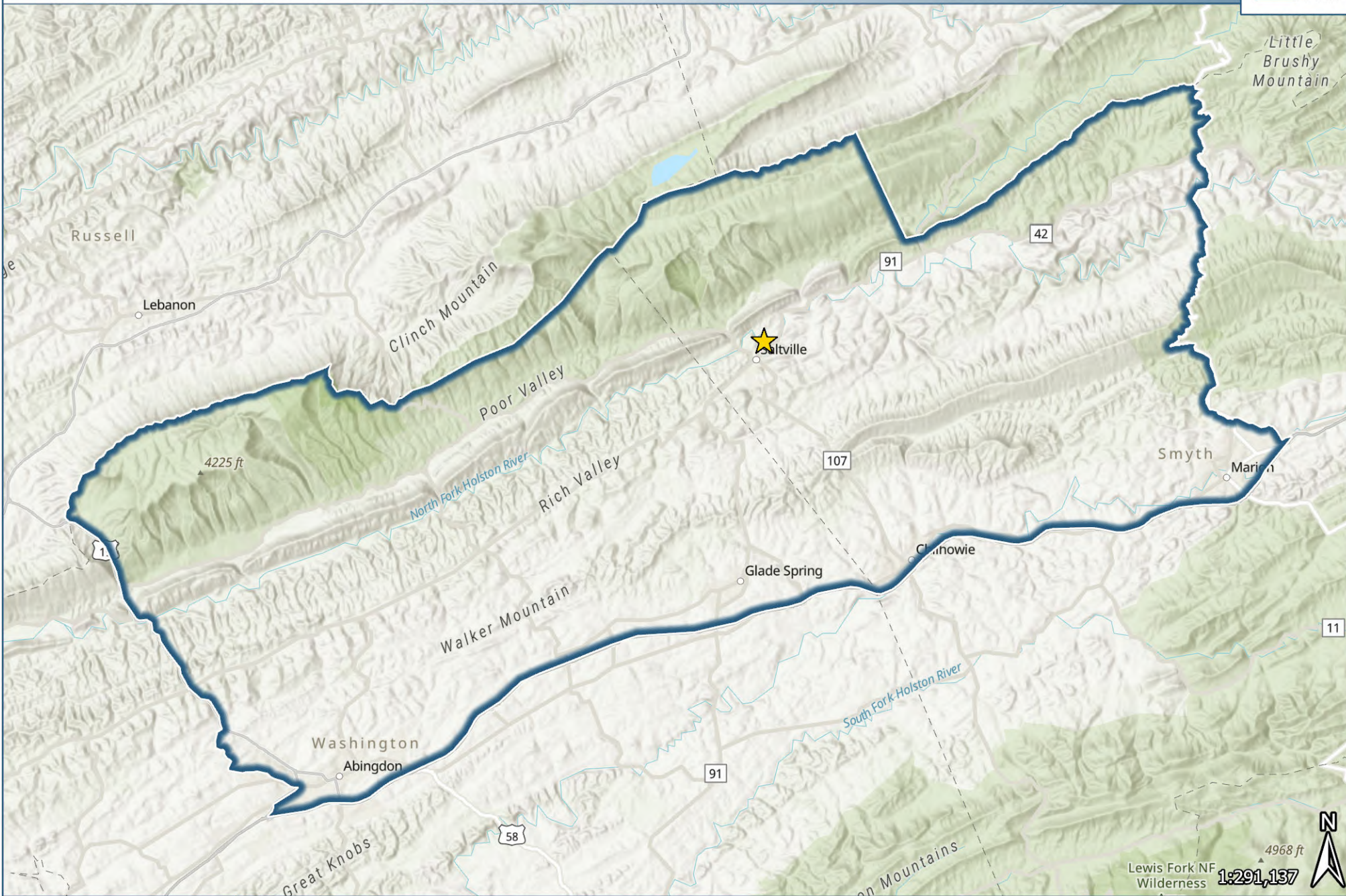
The Saltville Site PMA includes all (or portions) of Saltville, Marion, Abingdon, Glade Spring and Chilhowie, as well as the surrounding unincorporated areas of Smyth and Washington counties. Specifically, the boundaries of the Site PMA generally include the Washington and Smyth County boundaries to the north; State Route 16 and the Marion town limits to the east; Interstate 81 to the south; and State Route 681, Sutherland Lane and Porterfield Highway to the west.

We conducted interviews with area stakeholders and real estate professionals to help establish and confirm the boundaries of the Primary Market Area for the subject project. The following are summaries of key interviews we conducted to establish this market area.

- Lori Cardwell is the Property Manager of the subject site North Fork Manor. Cardwell confirmed the boundaries of the Site PMA, stating that many of her property's tenants originate from the communities within the Site PMA.
- Laura Powell is the Property Manager of Marion Manor, a government-subsidized and Tax Credit property in Marion. Powell confirmed the boundaries of the Saltville Site PMA, stating that many of her property's tenants originate from the surrounding areas. Powell added that the subject site would likely receive additional support from residents of Marion, given the similarities between the two communities.

Additional areas outside of the market may generate some support for the subject development; however, we have not considered a secondary market area in this report.

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



C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

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

1. POPULATION TRENDS

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

	Year			
	2010 (Census)	2020 (Census)	2024 (Estimated)	2029 (Projected)
Population	37,476	36,017	35,354	34,728
Population Change	-	-1,459	-663	-626
Percent Change	-	-3.9%	-1.8%	-1.8%

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

As the preceding table illustrates, the market's population base has been generally stable since 2010. The local population base is projected to remain relatively stable through 2029.

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

Population by Age	2010 (Census)		2024 (Estimated)		2029 (Projected)		Change 2024-2029	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	8,419	22.5%	6,992	19.8%	6,855	19.7%	-137	-2.0%
20 to 24	2,458	6.6%	1,987	5.6%	1,910	5.5%	-77	-3.9%
25 to 34	4,257	11.4%	4,160	11.8%	3,455	9.9%	-705	-16.9%
35 to 44	4,819	12.9%	4,351	12.3%	4,481	12.9%	130	3.0%
45 to 54	5,452	14.5%	4,320	12.2%	4,194	12.1%	-126	-2.9%
55 to 64	5,176	13.8%	4,901	13.9%	4,435	12.8%	-466	-9.5%
65 to 74	3,732	10.0%	4,880	13.8%	4,955	14.3%	75	1.5%
75 & Older	3,163	8.4%	3,764	10.6%	4,442	12.8%	678	18.0%
Total	37,476	100.0%	35,354	100.0%	34,728	100.0%	-626	-1.8%

Source: Bowen National Research, ESRI, Census

As the preceding table illustrates, over 50% of the population is expected to be between 25 and 64 years old in 2024. This age group is the primary group of potential renters for the subject site and will likely continue to represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

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

	Year			
	2010 (Census)	2020 (Census)	2024 (Estimated)	2029 (Projected)
Households	15,487	15,123	14,911	14,754
Household Change	-	-364	-212	-157
Percent Change	-	-2.4%	-1.4%	-1.1%
Average Household Size	2.3	2.28	2.23	2.21

Source: Bowen National Research, ESRI, Census

Households within the market have been generally stable since 2010 and are projected to remain relatively stable through 2029.

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

Households by Age	2010 (Census)		2024 (Estimated)		2029 (Projected)		Change 2024-2029	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	648	4.2%	485	3.3%	469	3.2%	-16	-3.3%
25 to 34	1,839	11.9%	1,685	11.3%	1,381	9.4%	-304	-18.0%
35 to 44	2,413	15.6%	2,074	13.9%	2,125	14.4%	51	2.5%
45 to 54	3,020	19.5%	2,259	15.2%	2,174	14.7%	-85	-3.8%
55 to 64	3,042	19.6%	2,785	18.7%	2,506	17.0%	-279	-10.0%
65 to 74	2,383	15.4%	3,026	20.3%	3,056	20.7%	30	1.0%
75 & Older	2,142	13.8%	2,596	17.4%	3,044	20.6%	448	17.3%
Total	15,487	100.0%	14,911	100.0%	14,754	100.0%	-157	-1.1%

Source: Bowen National Research, ESRI, Census

Between 2024 and 2029, the greatest growth among household age groups is projected to be among those ages of 75 and older. While households under the age of 65 are projected to decline overall during this timeframe, they will still represent nearly 59.0% of all households projected in 2029. As such, there will continue to be a large base of age-appropriate households within the market to support the subject site.

Households by tenure in 2010 (census), 2024 (estimated), and 2029 (projected) are distributed as follows:

Tenure	2010 (Census)		2024 (Estimated)		2029 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	10,380	67.0%	10,368	69.5%	10,405	70.5%
Renter-Occupied	5,107	33.0%	4,542	30.5%	4,348	29.5%
Total	15,487	100%	14,911	100.0%	14,754	100.0%

Source: Bowen National Research, ESRI, Census

In 2024, homeowners occupied 69.5% of all occupied housing units, while the remaining 30.5% were occupied by renters. The share of renters is considered relatively high for a rural market, such as the Saltville Site PMA, and the 4,542 renter households estimated in 2024 represent a good base of support for the subject site.

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

Persons per Owner Household	2024 (Estimated)		2029 (Projected)		Change 2024-2029	
	Households	Percent	Households	Percent	Households	Percent
1 Person	2,886	27.8%	2,987	28.7%	102	3.5%
2 Persons	4,317	41.6%	4,401	42.3%	83	1.9%
3 Persons	1,538	14.8%	1,453	14.0%	-85	-5.5%
4 Persons	934	9.0%	839	8.1%	-95	-10.2%
5+ Persons	694	6.7%	725	7.0%	32	4.6%
Total	10,368	100.0%	10,405	100.0%	37	0.4%

Source: Bowen National Research, ESRI, Census

Persons per Renter Household	2024 (Estimated)		2029 (Projected)		Change 2024-2029	
	Households	Percent	Households	Percent	Households	Percent
1 Person	2,064	45.4%	2,050	47.2%	-14	-0.7%
2 Persons	1,270	28.0%	1,224	28.1%	-46	-3.6%
3 Persons	513	11.3%	400	9.2%	-113	-22.0%
4 Persons	381	8.4%	352	8.1%	-29	-7.6%
5+ Persons	314	6.9%	322	7.4%	8	2.6%
Total	4,542	100.0%	4,348	100.0%	-194	-4.3%

Source: Bowen National Research, ESRI, Census

The subject site offers two- through four-bedroom units, which generally target up to six-person households. These household sizes comprise virtually all renter households within the market. This will continue to bode well in the demand of the subject units, as it is able to accommodate the majority of renter households within the Site PMA, based on household size.

3. INCOME TRENDS

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

Household Income	2010 (Census)		2024 (Estimated)		2029 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Less Than \$15,000	3,195	20.6%	2,412	16.2%	2,188	14.8%
\$15,000 - \$24,999	2,211	14.3%	1,813	12.2%	1,612	10.9%
\$25,000 - \$34,999	2,303	14.9%	1,772	11.9%	1,679	11.4%
\$35,000 - \$49,999	2,298	14.8%	2,016	13.5%	1,887	12.8%
\$50,000 - \$74,999	2,906	18.8%	2,553	17.1%	2,442	16.6%
\$75,000 - \$99,999	1,290	8.3%	1,649	11.1%	1,727	11.7%
\$100,000 - \$149,999	926	6.0%	1,731	11.6%	1,998	13.5%
\$150,000 & Higher	359	2.3%	965	6.5%	1,220	8.3%
Total	15,487	100.0%	14,911	100.0%	14,754	100.0%
Median Income	\$35,228		\$45,849		\$50,103	

Source: Bowen National Research, ESRI, Census

In 2024, the median household income is estimated to be \$45,849. By 2029, it is projected that the median household income will be \$50,103, an increase of 9.3% over 2024.

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

Renter Households	2020 (ACS)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	724	166	125	72	67	1,153
\$15,000 - \$24,999	415	175	76	38	44	749
\$25,000 - \$34,999	333	360	121	25	47	886
\$35,000 - \$49,999	223	285	50	70	19	646
\$50,000 - \$74,999	241	165	121	137	66	732
\$75,000 - \$99,999	99	111	35	51	37	333
\$100,000 - \$149,999	28	25	69	7	9	136
\$150,000 & Higher	15	20	9	3	18	65
Total	2,075	1,307	604	404	307	4,697

Source: ESRI, Bowen National Research

Renter Households	2024 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	696	153	100	65	63	1,077
\$15,000 - \$24,999	395	160	61	33	41	690
\$25,000 - \$34,999	336	347	100	24	47	853
\$35,000 - \$49,999	222	272	41	65	19	618
\$50,000 - \$74,999	248	162	102	130	67	711
\$75,000 - \$99,999	110	116	31	52	40	349
\$100,000 - \$149,999	39	32	70	8	12	160
\$150,000 & Higher	20	27	9	4	25	85
Total	2,064	1,270	513	381	314	4,542

Source: ESRI, Bowen National Research

Renter Households	2029 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5+Person	Total
Less Than \$15,000	661	137	69	56	58	982
\$15,000 - \$24,999	370	141	42	27	37	617
\$25,000 - \$34,999	339	331	74	22	47	812
\$35,000 - \$49,999	221	256	30	59	19	583
\$50,000 - \$74,999	257	159	78	121	68	685
\$75,000 - \$99,999	124	123	26	53	44	369
\$100,000 - \$149,999	52	41	72	10	16	190
\$150,000 & Higher	27	35	9	5	33	110
Total	2,050	1,224	400	352	322	4,348

Source: ESRI, Bowen National Research

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

Demographic Summary

Overall, the market's population and household bases have been generally stable since 2010. These demographic bases are projected to remain relatively stable through 2029. While most demographic growth in the market is projected to occur among senior households ages 75 and older between 2024 and 2029, nearly 59.0% of all households are projected to be

under the age of 65 in 2029. This indicates that a larger number of age-appropriate households will be present within the Site PMA to continue to support the subject project. Additionally, over two-thirds (68.9%) of renter households within the market are projected to earn less than \$50,000 in 2029. Overall, the demographic trends contained within this report demonstrate a good base of current and potential support for the subject project.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

The labor force within the Saltville Site PMA is based primarily in four sectors. Health Care & Social Assistance (which comprises 17.9%), Retail Trade, Public Administration, and Education Services comprise over 53.4% of the Site PMA labor force. Employment in the Saltville Site PMA, as of 2023, was distributed as follows:

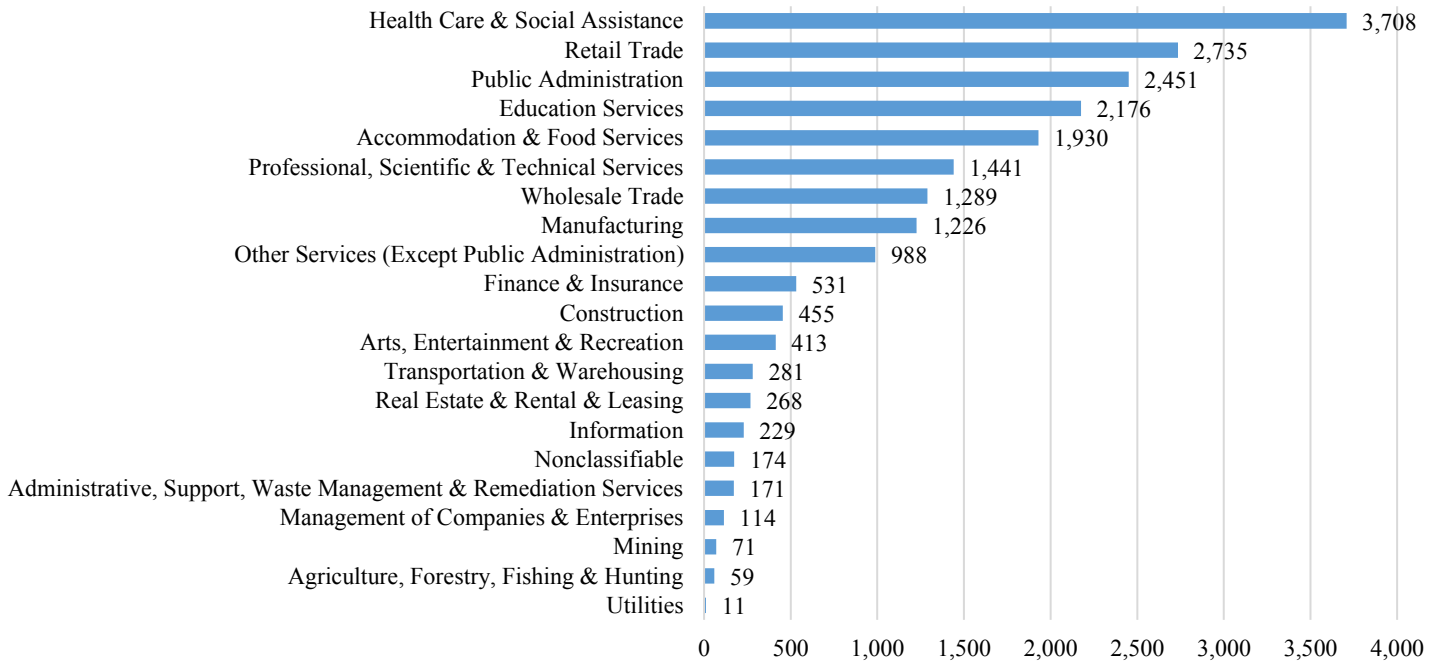
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	16	0.9%	59	0.3%	4
Mining	4	0.2%	71	0.3%	18
Utilities	2	0.1%	11	0.1%	6
Construction	67	4.0%	455	2.2%	7
Manufacturing	47	2.8%	1,226	5.9%	26
Wholesale Trade	41	2.4%	1,289	6.2%	31
Retail Trade	268	15.9%	2,735	13.2%	10
Transportation & Warehousing	32	1.9%	281	1.4%	9
Information	28	1.7%	229	1.1%	8
Finance & Insurance	106	6.3%	531	2.6%	5
Real Estate & Rental & Leasing	70	4.2%	268	1.3%	4
Professional, Scientific & Technical Services	137	8.1%	1,441	7.0%	11
Management of Companies & Enterprises	3	0.2%	114	0.6%	38
Administrative, Support, Waste Management & Remediation Services	19	1.1%	171	0.8%	9
Education Services	51	3.0%	2,176	10.5%	43
Health Care & Social Assistance	178	10.6%	3,708	17.9%	21
Arts, Entertainment & Recreation	35	2.1%	413	2.0%	12
Accommodation & Food Services	130	7.7%	1,930	9.3%	15
Other Services (Except Public Administration)	234	13.9%	988	4.8%	4
Public Administration	158	9.4%	2,451	11.8%	16
Nonclassifiable	59	3.5%	174	0.8%	3
Total	1,685	100.0%	20,721	100.0%	12

Source: Bowen National Research, ESRI, Census

E.P.E.- Average Employees Per Establishment

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

Total Employment by Industry



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

Typical Wage by Occupation Type		
Occupation Type	Smyth County	Virginia
Management Occupations	\$47,798	\$93,365
Business And Financial Occupations	\$56,685	\$86,050
Computer And Mathematical Occupations	\$88,333	\$109,597
Architecture And Engineering Occupations	\$82,375	\$98,121
Community And Social Service Occupations	\$52,601	\$50,509
Art, Design, Entertainment, Sports, and Media Occupations	\$11,250	\$53,472
Healthcare Practitioners And Technical Occupations	\$52,202	\$67,928
Healthcare Support Occupations	\$24,000	\$27,725
Protective Service Occupations	\$42,147	\$58,916
Food Preparation And Serving Related Occupations	\$15,089	\$15,832
Building And Grounds Cleaning And Maintenance Occupations	\$26,442	\$24,701
Personal Care And Service Occupations	\$9,635	\$20,810
Sales And Related Occupations	\$24,438	\$34,051
Office And Administrative Support Occupations	\$28,769	\$39,126
Construction And Extraction Occupations	\$32,153	\$43,162
Installation, Maintenance And Repair Occupations	\$42,042	\$52,560
Production Occupations	\$42,126	\$41,817
Transportation Occupations	\$35,200	\$41,502
Material Moving Occupations	\$30,750	\$26,646

Source: U.S. Department of Labor, Bureau of Statistics

It is important to note that most occupational types within Smyth County have typical wages that are well below the state of Virginia's typical wages.

The ten largest employers within the Smyth County area are summarized in the following table:

Employer Name	Business Type	Total Employed
Teleperformance USA	Administrative and Support Services	1,000 +
Utility Trailer Manufacturing Inc.	Transportation Equipment Manufacturing	1,000 +
Smyth County School Board	K-12 Education	500 to 999
Commonwealth of VA	State Government	500 to 999
General Dynamics Advanced Inc.	Professional, Scientific, and Technical Services	250 to 499
Westlake Management Services	Plastics and Rubber Products Manufacturing	250 to 499
Mountain States Health AL	Hospitals	250 to 499
County of Smyth	Local Government	250 to 499
Woodgrain Millwork Inc.	Wood Product Manufacturing	250 to 499
Va Dept Of Corrections	State Government	100 to 249

Source: Virginia Employment Commission (2nd Quarter 2022)

Despite repeated attempts, we were unable to receive a response from area economic development representatives regarding the current status of the local economy. The following table summarizes some recent and/or ongoing economic development projects within the Smyth County area as of the time of this analysis:

Project Name	Investment	Job Creation	Scope of Work/Details
Scholle IPN	\$31.1 million	75	Global supplier of flexible packaging solutions expanded facility by 73,000 square feet in 2023; Includes new manufacturing lines for film extrusion and packaging.
Smyth Promise	N/A	N/A	March 2023; Smyth County Board of Supervisors began a partnership with the Smyth County Community Foundation and two local community colleges; Will cover tuition for associate degree, certificate or workforce credential programs that are not covered by other financial aid; Program took effect in 2023.
United Salt Corporation	N/A	N/A	June 2023; Company announced a 15% production expansion to Saltville facility; Increased their storage capacity by 31,000 square feet; Phase I of project completed in summer 2023; Phase II will begin in 2024, will upgrade processing equipment and increase production capacity by 25%; Phase II ECD fall 2025.

N/A – Not Available

ECD – Estimated Completion Date

Infrastructure:

The following table summarizes some recent and/or ongoing infrastructure development projects within the Smyth County area as of the time of this analysis.

Project Name	Scope of Work, Status, Investment
Point Broadband	Completed 2023; Connected 14,200 addresses to high-speed fiber-optic internet; Part of a \$66 million award to Point Broadband and the Mount Rogers Planning District Commission; Will develop universal coverage for Bland, Smyth and Wythe Counties; Funding came from the Virginia Telecommunication Initiative (VATI) and the American Rescue Plan Act (ARPA).
Clean Footprint Solar Project	July 2023; Company applied for permits for \$22 million solar project; Located on 150 acres along Cedar Branch Road in the Rich Valley area; Agreement reached with local supervisors in December 2023; Will pay the county \$25,000 per megawatt over a ten-year period; Project will provide energy to Appalachian Power through the three-phase line along Saltville Highway.
Laurel Creek Energy Storage	July 2023; Announced plans to develop a battery energy storage facility on 15.1 acres; Will include 276 self-contained battery storage units with an electrical storage capacity of approximately 1,000 megawatt hours; Project currently approved by local supervisors.

WARN (layoff notices):

WARN Notices were reviewed on February 28, 2024, and according to the Virginia Employment Commission there have been no WARN notices reported for Smyth County over the past 12 months.

2. EMPLOYMENT TRENDS

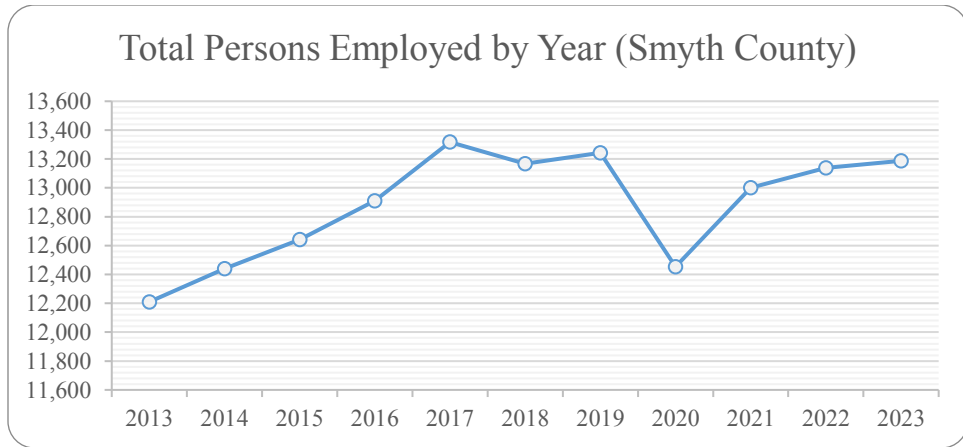
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

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

Year	Total Employment					
	Smyth County		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2013	12,210	-	4,002,057	-	144,637,000	-
2014	12,439	1.9%	4,040,908	1.0%	146,305,000	1.2%
2015	12,641	1.6%	4,048,081	0.2%	148,833,000	1.7%
2016	12,909	2.1%	4,084,822	0.9%	151,436,000	1.7%
2017	13,317	3.2%	4,193,290	2.7%	153,337,000	1.3%
2018	13,167	-1.1%	4,228,274	0.8%	155,761,000	1.6%
2019	13,242	0.6%	4,292,501	1.5%	157,538,000	1.1%
2020	12,453	-6.0%	4,062,417	-5.4%	147,795,000	-6.2%
2021	13,002	4.4%	4,162,555	2.5%	152,581,000	3.2%
2022	13,138	1.0%	4,308,805	3.5%	158,291,000	3.7%
2023	13,188*	0.4%	4,456,914*	3.4%	161,037,000*	1.7%

Source: Bureau of Labor Statistics

*Through December 2023



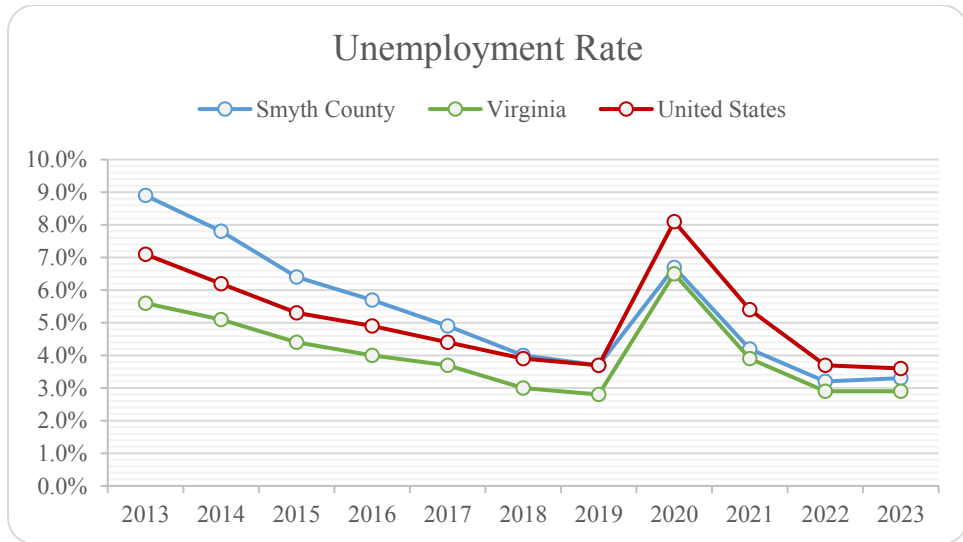
As the preceding illustrates, the Smyth County employment base generally experienced growth between 2013 and 2019. Between 2019 and 2020, the county’s employment base declined by 6.0% as the result of the COVID-19 pandemic. The county’s economy has improved through December 2023, as the employment base has recovered nearly all jobs lost during the pandemic.

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

Year	Total Unemployment					
	Smyth County		Virginia		United States	
	Total Number	Percent of Workforce	Total Number	Percent of Workforce	Total Number	Percent of Workforce
2013	1,187	8.9%	236,320	5.6%	11,101,000	7.1%
2014	1,046	7.8%	217,948	5.1%	9,616,000	6.2%
2015	868	6.4%	185,900	4.4%	8,296,000	5.3%
2016	782	5.7%	169,526	4.0%	7,751,000	4.9%
2017	692	4.9%	159,687	3.7%	6,982,000	4.4%
2018	549	4.0%	130,779	3.0%	6,314,000	3.9%
2019	507	3.7%	122,471	2.8%	6,001,000	3.7%
2020	894	6.7%	280,533	6.5%	12,948,000	8.1%
2021	566	4.2%	168,742	3.9%	8,623,000	5.4%
2022	431	3.2%	127,053	2.9%	5,996,000	3.7%
2023	454*	3.3%	131,342*	2.9%	6,080,000*	3.6%

Source: Department of Labor, Bureau of Labor Statistics

*Through December 2023



Between 2013 and 2019, the unemployment rate within Smyth County declined by more than five percentage points, then increased by three percentage points between 2019 and 2020 as the result of the COVID-19 pandemic. Similar to employment trends, the unemployment rate within the county has improved through December 2023 and declined to a rate of 3.3%, which is below pre-pandemic figures for the county.

At-place employment reflects the total number of jobs within the county regardless of the employee’s county of residence. The following illustrates the total at-place employment base for Smyth County.

At-Place Employment Smyth County			
Year	Employment	Change	Percent Change
2013	11,631	-	-
2014	11,849	218	1.9%
2015	12,351	502	4.2%
2016	12,793	442	3.6%
2017	12,197	-596	-4.7%
2018	12,169	-28	-0.2%
2019	12,137	-32	-0.3%
2020	11,359	-778	-6.4%
2021	11,803	444	3.9%
2022	11,690	-113	-1.0%
2023*	11,760	70	0.6%

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2022, the most recent year that year-end figures are available, indicates at-place employment in Smyth County to be 89.0% of the total Smyth County employment. This means that Smyth County has a high share of employed persons staying in the county for daytime employment. This will continue to have a positive impact on the subject’s marketability, as it is likely that many of its tenants have minimal commute times to their place of employment.

3. ECONOMIC FORECAST

The Smyth County economy generally experienced growth between 2013 and 2019, prior to the impact of the COVID-19 pandemic in 2020. During this time, the Smyth County employment base declined by nearly 800 jobs, or 6.0%, and its unemployment rate increased by three percentage points. However, the county employment base has since recovered nearly all jobs lost in 2020 and increased to a total of 13,188 jobs through December 2023, which is similar to pre-pandemic figures for the county. Annual unemployment has also decreased to a rate of 3.3% through December 2023, which is below pre-pandemic figures for the county. These are good indications that the Smyth County economy has recovered from the impact of the pandemic and is performing well overall. This, in turn, will continue to create a stable environment for the local housing market.

4. COMMUTING PATTERNS

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

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	12,323	83.1%
Carpooled	1,186	8.0%
Public Transit	76	0.5%
Walked	353	2.4%
Motorcycle	7	< 0.1%
Bicycle	18	0.1%
Other Means	70	0.5%
Worked at Home	795	5.4%
Total	14,828	100.0%

Source: Bowen National Research, ESRI

More than 83.0% of all workers drove alone, 8.0% carpooled, and 0.5% used public transportation.

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

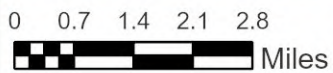
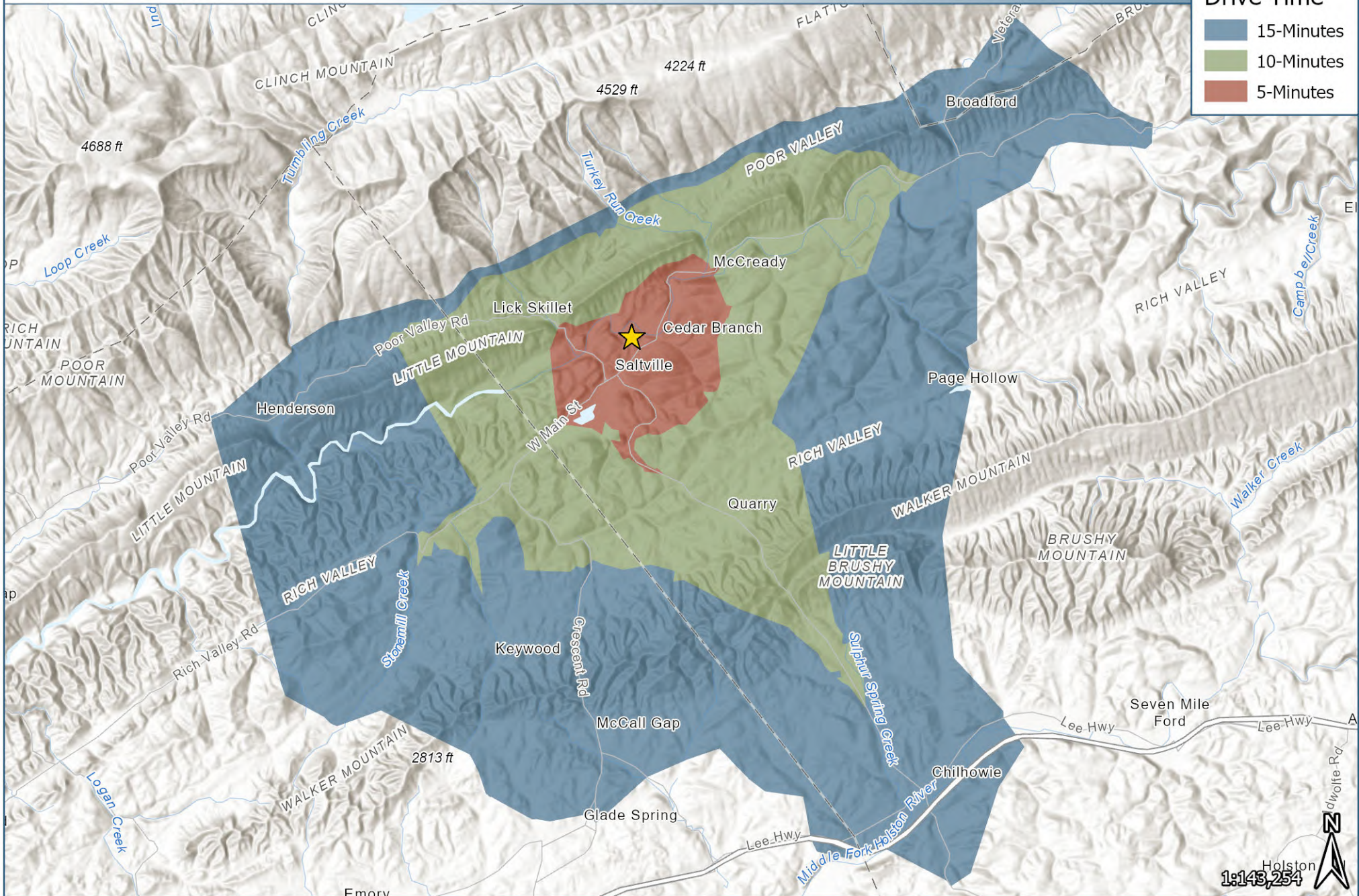
Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	5,243	37.3%
15 – 29 Minutes	4,971	35.4%
30 – 44 Minutes	2,640	18.8%
45 – 59 Minutes	629	4.5%
60 + Minutes	570	4.1%
Total	14,053	100.0%

Source: Bowen National Research, ESRI

The largest share of area commuters has typical travel times to work that are less than 15 minutes, though a similar share of local workers have commutes ranging from 15 to 29 minutes. The subject site is within a 30-minute drive to most of the area's largest employers, which should contribute to its continued marketability. A drive-time map for the subject site is on the following page.

Drive-Time

- 15-Minutes
- 10-Minutes
- 5-Minutes



V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

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

Housing Status	2010 (Census)		2024 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	15,487	89.1%	14,911	87.4%
Owner-Occupied	10,380	67.0%	10,368	69.5%
Renter-Occupied	5,107	33.0%	4,542	30.5%
Vacant	1,896	10.9%	2,148	12.6%
Total	17,383	100.0%	17,058	100.0%

Source: 2010 Census, ESRI, Bowen National Research

Of the 17,058 total housing units in the market, 12.6% were vacant. In 2024, it was estimated that homeowners occupied 69.5% of all occupied housing units, while the remaining 30.5% were occupied by renters.

Conventional Non-Subsidized Apartments

We identified and personally surveyed seven conventional housing projects containing a total of 275 units within the Site PMA, including the subject site. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, a very strong rate for rental housing. The following table summarizes the rental housing projects surveyed in the market, broken out by project type.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit	3	85	0	100.0%
Tax Credit/Government-Subsidized	3	134	0	100.0%
Government-Subsidized	1	56	0	100.0%
Total	7	275	0	100.0%

All rental housing projects identified and surveyed in the Site PMA offer affordable (i.e. Tax Credit and/or government-subsidized) units, including the subject project. These projects are all 100.0% occupied with waiting lists, indicating that pent-up demand exists for affordable rental housing in the Site PMA.

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

Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	66	35.9%	0	0.0%	\$711
Two-Bedroom	1.0	49	26.6%	0	0.0%	\$863
Two-Bedroom	1.5	26	14.1%	0	0.0%	\$684
Three-Bedroom	1.0	5	2.7%	0	0.0%	\$1,200
Three-Bedroom	2.0	18	9.8%	0	0.0%	\$881
Three-Bedroom	2.5	20	10.9%	0	0.0%	\$892
Total Tax Credit		184	100.0%	0	0.0%	-

The non-subsidized Tax Credit units surveyed in the market are 100.0% occupied. Notably, the proposed subject gross rents are positioned below the median gross Tax Credit rents for similar unit types. This will contribute to the project's continued marketability in the unlikely event that the property did not operate with a subsidy.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	0	0	0.0%
1970 to 1979	1	82	0.0%
1980 to 1989	0	0	0.0%
1990 to 1999	1	39	0.0%
2000 to 2009	2	46	0.0%
2010 to 2019	0	0	0.0%
2020 to 2022	0	0	0.0%
2023	1	17	0.0%
2024*	0	0	0.0%

*As of February

As noted, all rental housing units surveyed in the Site PMA are occupied, regardless of age.

The market's newest LIHTC project, Sweetbriar II, began leasing units in January 2023 and opened in February 2023, with the project reaching a stabilized occupancy rate of approximately 93.0% in April 2023. This reflects a monthly absorption period of approximately ten units per month from time of opening, or six to seven units per month from the beginning of preleasing efforts. These are considered good absorption periods for LIHTC projects comprised entirely of large unit types (i.e. three-bedroom and larger) in rural markets such as the Site PMA. Further, the project's 100.0% occupancy rate and 262-household waiting list indicates that it has been very well received within the subject market.

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

Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	2	37	0.0%
B	3	147	0.0%

As noted, all LIHTC rental housing units surveyed in the Site PMA are occupied, regardless of appearance/quality.

Government-subsidized

The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	4	11.4%	0	0.0%
Two-Bedroom	1.0	22	62.9%	0	0.0%
Two-Bedroom	2.0	1	2.9%	0	0.0%
Three-Bedroom	1.0	3	8.6%	0	0.0%
Three-Bedroom	2.0	5	14.3%	0	0.0%
Total Subsidized Tax Credit		35	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Two-Bedroom	1.0	22	39.3%	0	0.0%
Three-Bedroom	1.5	24	42.9%	0	0.0%
Four-Bedroom	2.0	10	17.9%	0	0.0%
Total Subsidized		56	100.0%	0	0.0%

All subsidized projects surveyed in the Site PMA are 100.0% occupied with waiting lists, including the subject project. This indicates that significant pent-up demand exists for rental housing targeting very low-income households in the market.

Additional information regarding the Saltville Site PMA apartment market is found in Section XII of this report.

Tax Credit Property Disclosure: In addition to the six Tax Credit properties surveyed, we are also aware of at least four additional existing properties which are believed to operate under the Tax Credit program within the Site PMA. The known details of these properties are summarized in the following table.

Name	Address	Total Units	Target Population
Abingdon Green	290 Senior Dr., Abingdon	32	Senior; Subsidized
Abingdon Terrace	526 Lowry Dr. SW, Abingdon	32	Senior; Subsidized
Highland View Apts.	530 Lowry Dr., Abingdon	44	Family; Subsidized
Southview Apts.	252 View Dr., Marion	72	Family; Subsidized

As the preceding illustrates, all of the properties which we were unable to survey operate with a project-based subsidy and would not compete with the subject property in the unlikely event that it did not operate under the Section 8 program following renovations. Therefore, none of these projects have been considered in our penetration rate estimates in Section VII.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Following renovations, the subject project will offer two- through four-bedroom units targeting households earning up to 30%, 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. We identified and surveyed four non-subsidized general occupancy (family) LIHTC properties within the Saltville Site PMA. These properties offer similar bedroom types targeting households with incomes of up to 40%, 50% and/or 60% of AMHI; therefore, they are considered competitive properties in the unlikely event that the subject project lost its subsidy and had to operate exclusively under the LIHTC program.

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	North Fork Manor	1982 / 2026	56	100.0%	-	29 HH	Families; 30%, 40%, 50% & 60% AMHI & Section 8
3	Marion Manor	1970 / 2019	82** + 6*	100.0%	19.4 Miles	2 HH	Families; 40%, 50%, & 60% AMHI
4	Sweetbriar I	2009	20	100.0%	27.6 Miles	80 HH	Families; 50% & 60% AMHI
5	Sweetbriar II	2023	17**	100.0%	27.6 Miles	262 HH	Families; 40%, 50%, & 60% AMHI
7	White's Mill Point	2007	26 + 6*	100.0%	19.8 Miles	189 HH	Families; 50% & 60% AMHI

OCC. – Occupancy
 HH - Households
 *Units under construction/renovation
 **Excludes subsidized units

The four LIHTC projects are 100.0% occupied and each project maintains a waiting list, the longest of which contains 262 households. This illustrates that significant pent-up demand exists for non-subsidized LIHTC housing in the market.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		One-Br.	Two-Br.	Three-Br.	Four-Br.	
Site	North Fork Manor	-	\$510/30% (5) \$680 [^] /40% (2) \$750/50% (6) \$750/60% (9)	\$785 [^] /40% (4) \$909/50% (8) \$909/60% (12)	\$1,095 [^] /50% (4) \$1,132/60% (6)	-
3	Marion Manor**	\$568/40% (27/0)	\$692/40% (10/0) \$863/50% (15/0) \$1,032/60% (24+5*/0)	\$1,006/50% (2/0) \$1,200/60% (4/0)	-	None
4	Sweetbriar I	-	-	\$843/50% (10/0) \$941/60% (10/0)	-	None
5	Sweetbriar II**	-	-	\$811/50% (7/0) \$881/60% (10/0)	-	None
7	White's Mill Point	-	\$664/50% (10+6*/0) \$684/60% (16/0)	-	-	None

[^]Maximum allowable gross LIHTC rent; proposed contract rents exceed LIHTC maximum limits

*Units under construction/renovation

**Excludes subsidized units

The proposed/programmatic subject gross rents, ranging from \$510 to \$1,132, will be within range of the LIHTC units targeting similar income levels in the market. The subject will also be the only LIHTC project in the market to offer four-bedroom units. Considering the pent-up demand reported throughout the market, the proposed subject rents are considered competitive in the unlikely event that the project did not operate with a subsidy. Regardless, the subject will continue to operate with a Section 8 subsidy available to all units following renovations, requiring tenants to pay just 30% of their gross income towards collected rent and tenant-paid utilities. Therefore, the subject is expected to continue to represent a substantial value to low-income renters.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
3	Marion Manor	82** + 5*	N/A	-
4	Sweetbriar I	20	12	60.0%
5	Sweetbriar II	17**	15	88.2%
7	White's Mill Point	26 + 6*	22	84.6%
Total		63	49	77.8%

N/A – Not Available (not included in total)

*Units under construction (not included in total)

**Excludes subsidized units

There are a total of approximately 49 voucher holders residing at the comparable properties for which this information was available. This comprises 77.8% of the 63 total non-subsidized LIHTC units offered among these properties. As such, it is clear that the local LIHTC market is relying heavily on voucher support. Considering this, it is noteworthy that the subject’s proposed rents are among the lowest reported among the comparable LIHTC properties and are well below the local payment standards (as illustrated in Section VII). As such, the subject project should be able to attract support from voucher holders in the unlikely event that the project did not operate with a project-based subsidy. While our demand estimates in Section VII demonstrate a sufficient base of potential support for the subject property to operate without the assistance of Housing Choice Voucher support and/or a project-based subsidy, we anticipate the subject property will receive a good share of support from voucher holders if it did not operate with a subsidy, based on trends among existing comparable properties.

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

Map I.D.	Project Name	Square Footage			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	North Fork Manor	-	830 – 900	1,041 – 1,262	1,298
3	Marion Manor	669	827	946	-
4	Sweetbriar I	-	-	975	-
5	Sweetbriar II	-	-	975	-
7	White's Mill Point	-	1,010	-	-

Map I.D.	Project Name	Number of Baths			
		One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	North Fork Manor	-	1.0 - 1.5	1.5 - 2.0	2.0
3	Marion Manor	1.0	1.0 - 2.0	1.0 - 2.0	-
4	Sweetbriar I	-	-	2.5	-
5	Sweetbriar II	-	-	2.0	-
7	White's Mill Point	-	1.5	-	-

The subject development will continue to be generally similar to the LIHTC projects in the market, based on unit size and bathroom availability. In fact, the subject three-bedroom units are the largest such units in the market, which will contribute to the project's continued marketability.

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

Tax Credit Unit Amenities by Map ID					
	Site*	3	4	5	7
Appliances	Dishwasher	X	X	X	X
	Disposal			X	X
	Microwave		S		
	Range	X	X	X	X
	Refrigerator	X	X	X	X
	W/D Hookup			X	X
	W/D			X	X
	No Appliances				
Unit Amenities	AC-Central	X		X	X
	AC-Other		X		
	Balcony/ Patio/ Sunroom	X		X	X
	Basement				
	Ceiling Fan		X		
	Controlled Access				
	E-Call System				
	Furnished				
	Walk-In Closet				
	Window Treatments	X	X	X	X
Flooring	Carpet	X	X		X
	Ceramic Tile				
	Hardwood				
	Finished Concrete				
	Composite/Vinyl/Laminate	X	X	X	X
Upgraded	Premium Appliances				
	Premium Countertops				
	Premium Cabinetry				
	Premium Fixtures				
	High/Vaulted Ceilings				
	Oversized Windows				
Parking	Attached Garage			X	
	Detached Garage				
	Street Parking				
	Surface Lot	X	X	X	X
	Carport				
	Property Parking Garage				
	No Provided Parking				

◆ - Senior Property

* Proposed Site(s): North Fork Manor

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

		Site*	3	4	5	7
	Bike Racks / Storage	X				
	Computer/Business Center	X	X			
	Car Care **					
	Community Garden			X	X	
Community	Multipurpose Room	X	X			
	Chapel					
	Community Kitchen	X				
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Terrace					
	Concierge Service **					
	Convenience Amenities **					
	Covered Outdoor Area **					
	Elevator					
	Laundry Room	X	X			
	On-Site Management	X	X	X	X	X
	Pet Care **					
Recreation	Basketball	X				
	Bocce Ball					
	Firepit					
	Fitness Center					
	Grilling Area					
	Game Room - Billiards					
	Walking Path					
	Hot Tub					
	Library					
	Media Room / Theater					
	Playground	X				
	Putting Green					
	Racquetball					
	Shuffleboard					
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor					
	Tennis					
	Volleyball					
Security	CCTV					
	Courtesy Officer					
	Security Gate					
	Social Services **					
	Storage - Extra	X				
Common Space WiFi	X					

◆ - Senior Property

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

* Proposed Site(s): North Fork Manor

** Details in Comparable Property Profile Report

The subject project will continue to offer a unit amenities package considered slightly inferior overall to the selected properties, which is typical of older subsidized rental product such as the subject site. However, the subject will offer a slightly superior project amenities package. Further, the subject project is 100.0% occupied with a waiting list, indicating that the proposed amenities are appropriate for the subject population. The subject will also continue to operate with a subsidy available to all units, which will represent a substantial value to tenants.

Comparable/Competitive Tax Credit Summary

We identified and surveyed four LIHTC projects within the Site PMA that we consider competitive with the subject project in the unlikely event that the property lost its subsidy following renovations. Each selected project is 100.0% occupied with a waiting list, illustrating that significant pent-up demand exists for affordable housing in the market. Note that the subject will be the only LIHTC project in the market to offer four-bedroom units, which will positively impact the project's marketability among the market's underserved base of very large low-income renter households. The proposed/programmatic subject gross rents will be within range of the LIHTC units targeting similar income levels in the market. Considering that the subject project is similar overall to the selected properties in terms of square footage and bathroom availability, the proposed rents are considered competitive if the project did not operate with a subsidy. However, it is important to point out that the local non-subsidized LIHTC market is relying heavily on support from Housing Choice Voucher holders. Considering that the proposed rents are below the local payment standards, we anticipate the subject property will receive a good share of support from voucher holders if it did not operate with a subsidy, based on trends among existing comparable properties.

Regardless, the subject will continue to operate with a Section 8 subsidy available to all units following renovations, requiring tenants to pay just 30% of their gross income towards collected rent and tenant-paid utilities. Therefore, the subject is expected to continue to represent a substantial value to low-income renters in the market, as evidenced by its 100.0% occupancy rate and waiting list.

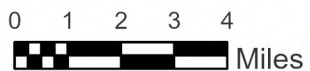
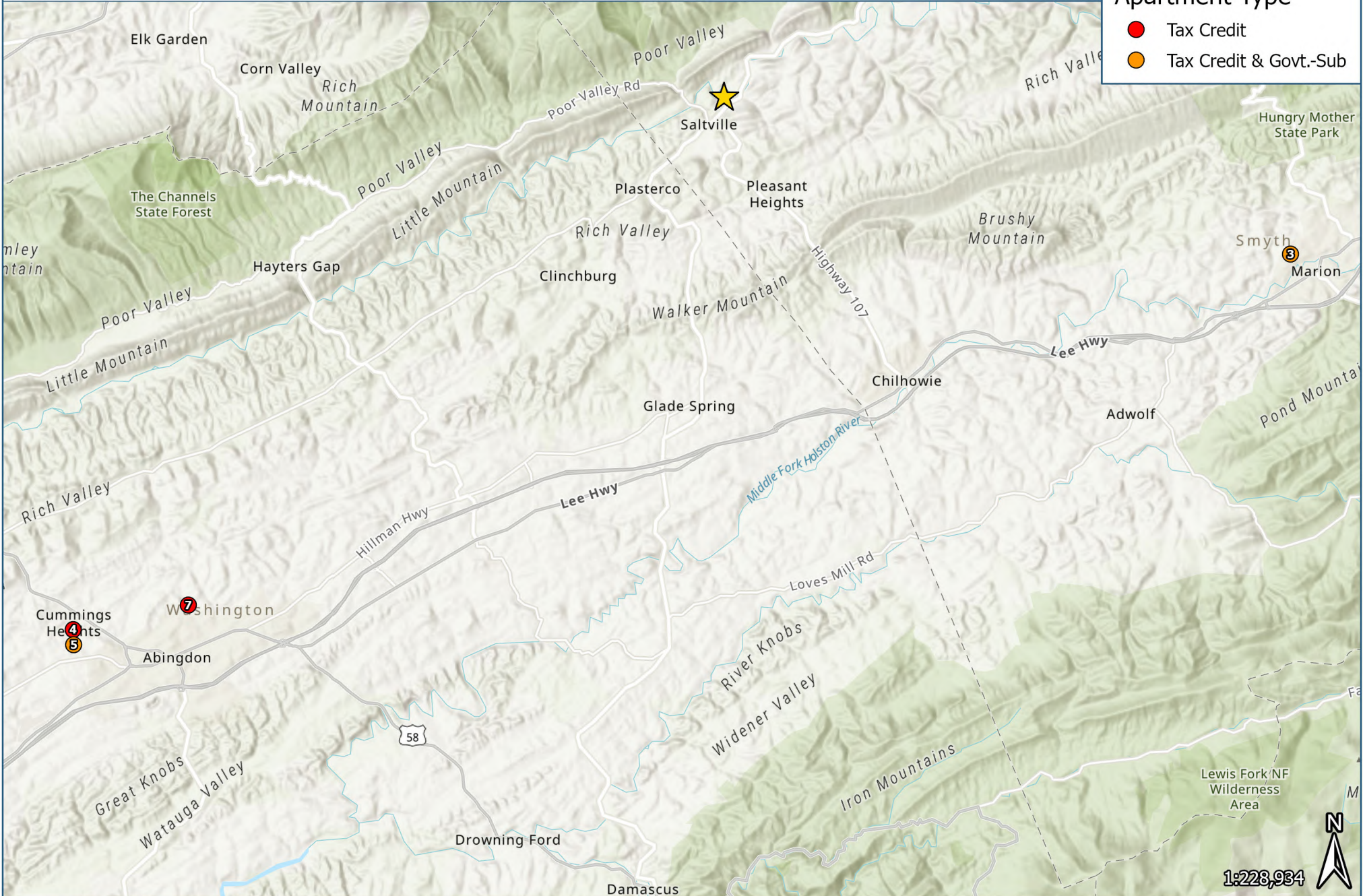
A map depicting the location of the comparable LIHTC properties is included on the following page.

★ Site

Apartment Type

● Tax Credit

● Tax Credit & Govt.-Sub



C. PLANNED MULTIFAMILY DEVELOPMENT

Based on interviews with local planning/building representatives who responded to our inquiries, extensive online research and the observations of our analyst while in the field, it was determined there are no rental projects currently in the development pipeline within the Site PMA.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

As detailed throughout this report, the comparable LIHTC projects in the Site PMA are all 100.0% occupied with extensive waiting lists. Further, the subject property is currently 100.0% occupied with a waiting list and the proposed renovations will not involve the addition of any new units to the property/market. Based on the preceding factors, the subject project is not expected to have any adverse impact on any existing rental properties within the Site PMA.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value in the Site PMA was \$142,242. At an estimated interest rate of 7.13% and a 30-year term (and 95% LTV), the monthly mortgage for a \$142,242 home is \$1,139, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price – ESRI	\$142,242
Mortgaged Value = 95% Of Median Home Price	\$135,130
Interest Rate – MortgageNewsDaily.Com	7.13%
Term	30
Monthly Principal & Interest	\$911
Estimated Taxes & Insurance*	\$228
Estimated Monthly Mortgage Payment:	\$1,139

*Estimated at 25% of principal and interest.

In comparison, the proposed rents for the subject property are subsidized and will continue to be well below the mortgage price for a typical home in the area. Therefore, we do not anticipate any competitive impact on or from the homebuyer market and the subject property.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

Given the lack of market-rate rental communities identified within the Saltville Site PMA, we identified and surveyed five market-rate properties within the nearby region of Bluefield (West Virginia), Richlands and Rural Retreat. These selected properties are used to derive market rents for a project with characteristics similar to the subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

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

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

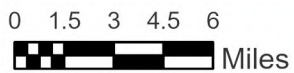
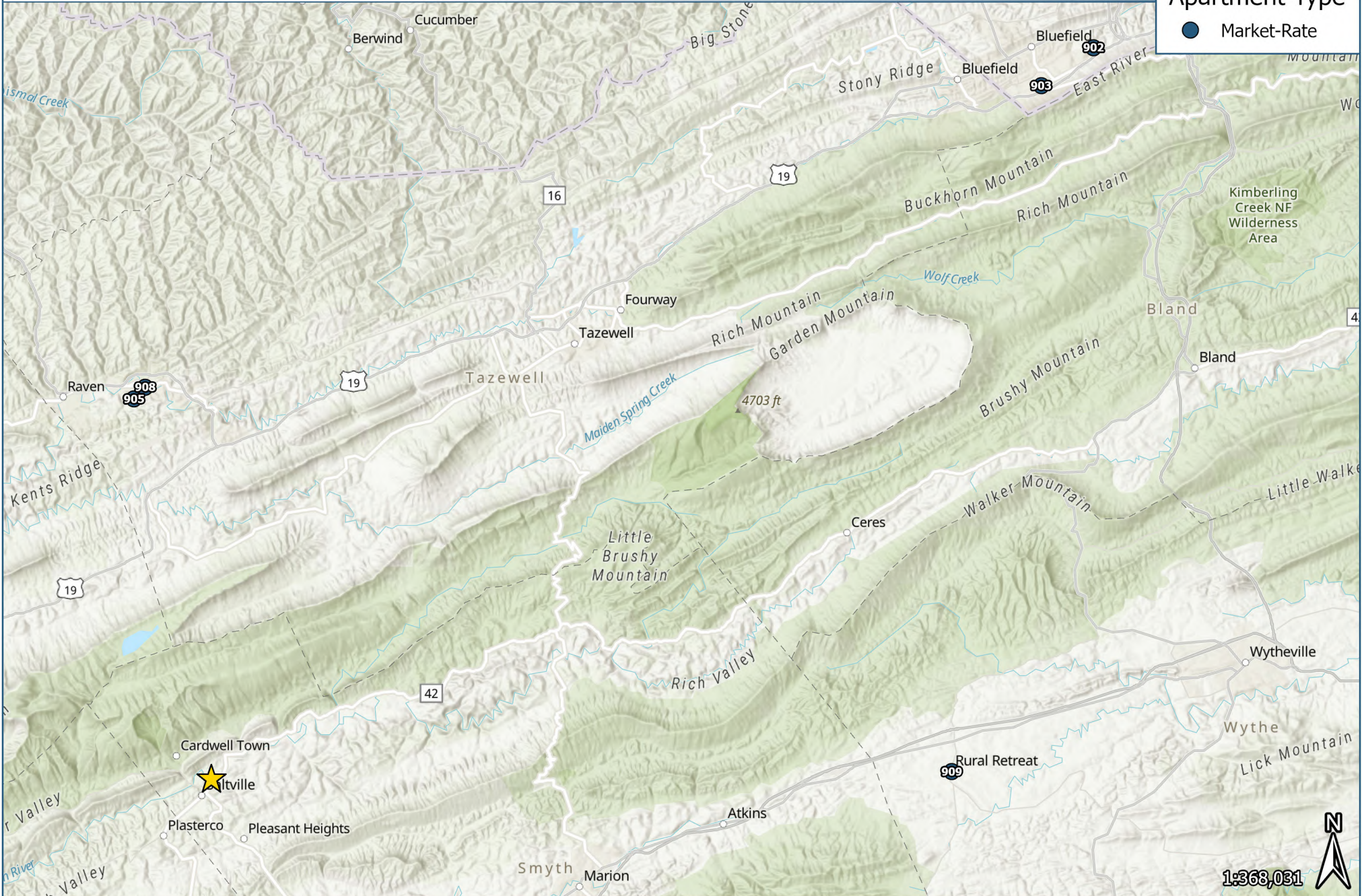
Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	North Fork Manor	1982 / 2026	56	100.0%	-	22 (100.0%)	24 (100.0%)	10 (100.0%)
902	Canterbury Court Townhomes & Apts.	2000 / 2007	55	100.0%	-	36 (100.0%)	19 (100.0%)	-
903	Cumberland Village Townhomes	1998	15	100.0%	-	15 (100.0%)	-	-
905	Jefferson Place	1992	11	100.0%	-	11 (100.0%)	-	-
908	Riverside Villas	2006	34	100.0%	-	32 (100.0%)	2 (100.0%)	-
909	Rural Retreat Apts.	1975	15	100.0%	2 (100.0%)	9 (100.0%)	4 (100.0%)	-

Occ. – Occupancy

900-series Map IDs located outside the Site PMA

The five selected market-rate projects have a combined total of 130 units with an overall occupancy rate of 100.0%, a very strong rate for rental housing. This indicates that these projects have been very well received within their respective markets and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between the selected properties and the subject development. In addition to the Rent Comparability Grids, a map depicting the location of the comparable market-rate properties in relation to the subject project is included on the following page.



Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
North Fork Manor		Canterbury Court Townhomes & Apts.		Cumberland Village Townhomes		Jefferson Place		Riverside Villas		Rural Retreat Apts.	
233 Elizabeth Street		2592 Horton Rd.		534 Cumberland Rd.		120 Veterans Dr		102 Villa Cir		108 E. Railroad Ave.	
Saltville, VA		Bluefield, WV		Bluefield, WV		Richlands, VA		Richlands, VA		Rural Retreat, VA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$700		\$725		\$600		\$775		\$725	
2	Date Surveyed	Jan-24		Jan-24		Jan-24		Feb-24		Feb-24	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%	\$35	100%	\$36	100%	\$30	100%	\$39	100%	\$36
5	Effective Rent & Rent/ sq. ft	\$735	0.61	\$761	0.63	\$630	0.53	\$814	0.64	\$761	0.66
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		TH/2		TH/2		TH/2		TH/2	
7	Yr. Built/Yr. Renovated	1982/2026		2000/2007		1998	\$6	1992	\$12	2006	(\$2)
8	Condition/Street Appeal	G		G		G		G		F	\$15
9	Neighborhood	G		G		G		G		F	\$10
10	Same Market?	No	(\$110)	No	(\$114)	No	(\$95)	No	(\$122)	No	(\$114)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1	(\$15)	1.5	(\$15)	1.5	(\$15)	2.5	(\$45)	1.5	(\$15)
13	Unit Interior Sq. Ft.	830	(\$54)	1200	(\$54)	1200	(\$54)	1280	(\$66)	1150	(\$47)
14	Patio/Balcony/Sunroom	Y		Y		Y		Y		N	\$5
15	AC: Central/Wall	C		C		C		C		W	\$5
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/Y		N/N	\$10	Y/Y	(\$5)	N/N	\$10
18	Washer/Dryer	L	(\$5)	HU	(\$5)	HU	(\$5)	N	\$5	HU	(\$5)
19	Floor Coverings	C/V		C/V		C/V		C/W/T/V		C/V	
20	Internet Service	Y	\$50	N	\$50	N	\$50	N	\$50	N	\$50
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	N		Y	(\$5)	N	
23	Ceiling Fan/Storage	N/Y	\$5	N/N	\$5	Y/N		Y/N		Y/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0	(\$50)	A-GAR		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N		N		N		Y	(\$5)	N	
27	Community Space	Y	\$5	N	\$5	N	\$5	N	\$5	N	\$5
28	Pool/Recreation Areas	S	\$3	N	\$3	N	\$3	N	\$3	N	\$3
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
30	Grilling Area	N		N		N		N		N	
31	Playground	Y	\$3	N	\$3	N	\$3	Y		N	\$3
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		N/N		Y/Y	(\$70)
39	Trash/Recycling	Y/N		Y/N		N/N	\$15	N/N	\$15	Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	6	6	7	5	7	4	5	7	11	4
41	Sum Adjustments B to D	\$69	(\$239)	\$75	(\$193)	\$86	(\$169)	\$66	(\$250)	\$138	(\$181)
42	Sum Utility Adjustments					\$15		\$15			(\$70)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$170)	\$308	(\$118)	\$268	(\$68)	\$270	(\$169)	\$331	(\$113)	\$389
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$565		\$643		\$562		\$645		\$648	
45	Adj Rent/Last rent		77%		84%		89%		79%		85%
46	Estimated Market Rent	\$625		\$0.75		← Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
North Fork Manor		Canterbury Court Townhomes & Apts.		Cumberland Village Townhomes		Jefferson Place		Riverside Villas		Rural Retreat Apts.	
233 Elizabeth Street		2592 Horton Rd.		534 Cumberland Rd.		120 Veterans Dr		102 Villa Cir		108 E. Railroad Ave.	
Saltville, VA		Bluefield, WV		Bluefield, WV		Richlands, VA		Richlands, VA		Rural Retreat, VA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$725		\$725		\$600		\$875		\$775	
2	Date Surveyed	Jan-24		Jan-24		Jan-24		Feb-24		Feb-24	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%	\$36	100%	\$36	100%	\$30	100%	\$44	100%	\$39
5	Effective Rent & Rent/ sq. ft	\$761	0.59	\$761	0.63	\$630	0.53	\$919	0.62	\$814	0.63
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		TH/2		TH/2		SFH/2		WU/2	
7	Yr. Built/Yr. Renovated	1982/2026		1998	\$6	1992	\$12	2006	(\$2)	1975	\$29
8	Condition/Street Appeal	G		G		G		G		F	\$15
9	Neighborhood	G		G		G		G		F	\$10
10	Same Market?	No	(\$114)	No	(\$114)	No	(\$95)	No	(\$138)	No	(\$122)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		2	\$50	2	\$50	3		3	
12	# Baths	1.5	(\$15)	1.5		1.5		2	(\$15)	2	(\$15)
13	Unit Interior Sq. Ft.	1148	(\$22)	1200	(\$7)	1200	(\$7)	1472	(\$46)	1300	(\$22)
14	Patio/Balcony/Sunroom	Y		Y		Y		Y		N	\$5
15	AC: Central/Wall	C		C		C		C		W	\$5
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/Y		N/N	\$10	Y/Y	(\$5)	N/N	\$10
18	Washer/Dryer	L	(\$35)	HU	(\$5)	HU	(\$5)	N	\$5	HU	(\$5)
19	Floor Coverings	C/V		C/V		C/V		C/W/T/V		C/V	
20	Internet Service	Y	\$50	N	\$50	N	\$50	N	\$50	N	\$50
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	N		Y	(\$5)	N	
23	Ceiling Fan/Storage	N/Y		N/N	\$5	Y/N		Y/N		Y/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N		N		N		Y	(\$5)	N	
27	Community Space	Y	\$5	N	\$5	N	\$5	N	\$5	N	\$5
28	Pool/Recreation Areas	S	\$3	N	\$3	N	\$3	N	\$3	N	\$3
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
30	Grilling Area	N		N		N		N		N	
31	Playground	Y	\$3	N	\$3	N	\$3	Y		N	\$3
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		N/N		Y/Y	(\$86)
39	Trash/Recycling	Y/N		Y/N		N/N	\$15	N/N	\$15	Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	5	5	8	4	8	3	5	7	11	4
41	Sum Adjustments B to D	\$64	(\$191)	\$125	(\$132)	\$136	(\$107)	\$66	(\$216)	\$138	(\$164)
42	Sum Utility Adjustments					\$15		\$15			(\$86)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$127)	\$255	(\$7)	\$257	\$44	\$258	(\$135)	\$297	(\$112)	\$388
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$634		\$755		\$674		\$784		\$702	
45	Adj Rent/Last rent		83%		99%		107%		85%		86%
46	Estimated Market Rent	\$745	\$0.65	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **FOUR-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
North Fork Manor		Canterbury Court Townhomes & Apts.		Cumberland Village Townhomes		Jefferson Place		Riverside Villas		Rural Retreat Apts.	
233 Elizabeth Street		2592 Horton Rd.		534 Cumberland Rd.		120 Veterans Dr		102 Villa Cir		108 E. Railroad Ave.	
Saltville, VA		Bluefield, WV		Bluefield, WV		Richlands, VA		Richlands, VA		Rural Retreat, VA	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$725		\$725		\$600		\$875		\$775	
2	Date Surveyed	Jan-24		Jan-24		Jan-24		Feb-24		Feb-24	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%	\$36	100%	\$36	100%	\$30	100%	\$44	100%	\$39
5	Effective Rent & Rent/ sq. ft	\$761	0.59	\$761	0.63	\$630	0.53	\$919	0.62	\$814	0.63
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		TH/2		TH/2		SFH/2		WU/2	
7	Yr. Built/Yr. Renovated	1982/2026		1998	\$6	1992	\$12	2006	(\$2)	1975	\$29
8	Condition/Street Appeal	G		G		G		G		F	\$15
9	Neighborhood	G		G		G		G		F	\$10
10	Same Market?	No	(\$114)	No	(\$114)	No	(\$95)	No	(\$138)	No	(\$122)
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	4	\$50	2	\$100	2	\$100	3	\$50	3	\$50
12	# Baths	2		1.5	\$15	1.5	\$15	2		2	
13	Unit Interior Sq. Ft.	1298	(\$0)	1200	\$14	1200	\$14	1472	(\$25)	1300	(\$0)
14	Patio/Balcony/Sunroom	Y		Y		Y		Y		N	\$5
15	AC: Central/Wall	C		C		C		C		W	\$5
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/Y		N/N	\$10	Y/Y	(\$5)	N/N	\$10
18	Washer/Dryer	L	(\$35)	HU	(\$5)	HU	(\$5)	N	\$5	HU	(\$5)
19	Floor Coverings	C/V		C/V		C/V		C/W/T/V		C/V	
20	Internet Service	Y	\$50	N	\$50	N	\$50	N	\$50	N	\$50
21	Secured Entry	N		N		N		N		N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	N		Y	(\$5)	N	
23	Ceiling Fan/Storage	N/Y		N/N	\$5	Y/N		Y/N		Y/N	
D.	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	N		N		N		Y	(\$5)	N	
27	Community Space	Y	\$5	N	\$5	N	\$5	N	\$5	N	\$5
28	Pool/Recreation Areas	S	\$3	N	\$3	N	\$3	N	\$3	N	\$3
29	Business/Computer Center	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
30	Grilling Area	N		N		N		N		N	
31	Playground	Y	\$3	N	\$3	N	\$3	Y		N	\$3
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		N/N		Y/Y	(\$109)
39	Trash/Recycling	Y/N		Y/N		N/N	\$15	N/N	\$15	Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	6	4	10	3	10	2	6	6	12	3
41	Sum Adjustments B to D	\$114	(\$154)	\$204	(\$124)	\$215	(\$100)	\$116	(\$180)	\$188	(\$127)
42	Sum Utility Adjustments					\$15		\$15			(\$109)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$40)	\$268	\$80	\$328	\$131	\$330	(\$49)	\$311	(\$48)	\$424
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$721		\$841		\$761		\$870		\$765	
45	Adj Rent/Last rent		95%		110%		121%		95%		94%
46	Estimated Market Rent	\$840	\$0.65	← Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the subject development are as follows. Note that, given the subject project offers a variety of floorplan layouts/unit sizes with varying bathroom availability, we have only provided rent comparability grids for the most common unit types at the subject project. However, we have determined separate achievable market rents for all unit types in the following table:

Bedroom Type	Unit Style (Square Feet/Bathrooms)	% AMHI	Proposed/ Programmatic Collected Rent	Achievable Market Rent	Market Rent Advantage
Two-Br.	Townhome (830/1.0)	30%	\$351	\$625	43.8%
	Garden (900/1.5)	40%	\$521*	\$650	19.8%
	Townhome (830/1.0)	50%	\$591	\$625	5.4%
	Garden (897/1.5)	60%	\$591	\$650	9.1%
	Townhome (830/1.0)	60%	\$591	\$625	5.4%
	Townhome (848/1.0)	60%	\$591	\$625	5.4%
Three-Br.	Garden (1,091/2.0)	40%	\$586*	\$750	21.9%
	Townhome (1,259/1.5)	40%	\$586*	\$760	22.9%
	Townhome (1,041/1.5)	50%	\$710	\$730	2.7%
	Townhome (1,148/1.5)	50%	\$710	\$745	4.7%
	Townhome (1,148/1.5)	60%	\$710	\$745	4.7%
	Townhome (1,262/2.0)	60%	\$710	\$770	7.8%
Four-Br.	Townhome (1,298/2.0)	50%	\$854*	\$840	-1.7%
	Townhome (1,298/2.0)	60%	\$891	\$840	-6.1%

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

Typically, Tax Credit rents in urban markets are set 10% or more below achievable market rents to ensure that a LIHTC project will have a sufficient flow of tenants. In more rural settings such as the subject site location, a market rent advantage near (or slightly above) 0.0% is often acceptable given that Tax Credit product often represents some of the most desirable rental housing opportunities available within these areas. This is believed to be true within the Saltville market, which is further evidenced by the rent positioning of the comparable LIHTC properties selected for this analysis (as illustrated in Section V). The capture rate estimates that follow state agency guidelines (as illustrated in Section VII) indicate that a good base of support exists for the subject project at the proposed rent levels. As such, the minimal to negative market rent advantages for the subject units are considered acceptable for this market. This is particularly true given that the subject is the only property in the market to offer four-bedroom units, allowing the project to accommodate very large households that are currently underserved in the market.

Regardless, the subject project is expected to retain its Section 8 subsidy on all units following renovations. This will require tenants of the project to pay up to just 30% of their adjusted gross income towards housing costs (rent plus tenant-paid utilities). Therefore, the subject project will likely be viewed as an even greater value than that illustrated above.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
4. The selected properties are all 100.0% occupied, suggesting that higher rents are likely attainable without adversely impacting occupancy. As such, we have applied positive adjustments of 5.0% to the selected properties which are 100.0% occupied.
7. Upon completion of renovations, the subject project will have an effective age of a property built in 2004, which is a simple average of the project's year built and estimated completion year of renovations. The selected properties were built and/or renovated between 1975 and 2007. We have adjusted the rents at the selected properties by \$1 per year of effective age difference to reflect the age of these properties.
8. It is anticipated that the subject project will have a quality finished look and an attractive aesthetic appeal upon the completion of renovations. We have made adjustments for those properties that we consider to be of an inferior quality to the subject development.
9. The subject neighborhood was assigned a quality rating of "Good" by our analyst. We have made adjustments to account for the selected properties which are located in inferior neighborhoods to the subject site.

10. All of the selected properties are located outside of the Site PMA in the nearby communities of Bluefield (West Virginia), Richlands and Rural Retreat. Based on income, population and household data from the U.S. Census Bureau and American Community Survey, we have applied negative adjustments of 15% to each selected property to account for the differences between these markets.
11. Each of the selected properties offers two-bedroom units. However, several of the selected properties do not offer three-bedroom units and none of the selected properties offer four-bedroom units, similar to the subject project. As such, we have used the two- and/or three-bedroom units at these selected properties and applied a positive adjustment of \$50 per difference in bedroom type to reflect the inclusion of an additional defined bedroom at the subject project as compared to these selected properties.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.- 23. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' unit amenities. The largest adjustment was made for the in-unit Wi-Fi services to be offered at the subject project.
- 24.-32. The subject project offers a project amenity package considered superior to the selected properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential. Note that we have evaluated the subject project assuming two different scenarios. The first capture rate scenario has been calculated assuming that the project continues to operate with a Section 8 subsidy available to all units. In this scenario, residents of these subsidized units will continue to pay up to 30% of their adjusted gross income towards rent. We have also provided a capture rate scenario for the unlikely event that the subject project lost its subsidy, requiring all units to operate exclusively under the Tax Credit guidelines, targeting households earning up to 30%, 40%, 50% and 60% of AMHI.

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

The subject site is located within Smyth County, Virginia, which has a median four-person household income of \$63,300 for 2023. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$76,800 in 2023. The subject property will be restricted to households with incomes up to 30%, 40%, 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted income level:

Household Size	Targeted AMHI Maximum Allowable Income			
	30%	40%	50%	60%
One-Person	\$15,870	\$21,160	\$26,450	\$31,740
Two-Person	\$18,120	\$24,160	\$30,200	\$36,240
Three-Person	\$20,400	\$27,200	\$34,000	\$40,800
Four-Person	\$22,650	\$30,200	\$37,750	\$45,300
Five-Person	\$24,480	\$32,640	\$40,800	\$48,960
Six-Person	\$26,280	\$35,040	\$43,800	\$52,560

1. Maximum Income Limits

The largest units (four-bedroom) at the subject site are expected to house up to six-person households. As such, the maximum allowable income at the subject site is **\$52,260**.

2. Minimum Income Requirements

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

Since the subject project will continue operate with a Section 8 subsidy available to all units following renovations, the project will continue to be able to serve households with incomes as low as **\$0**. However, in the unlikely scenario that the project operated without a subsidy, the proposed LIHTC units will have a lowest gross rent of \$510. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,120. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$17,486**.

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live at the subject project with units renovated to serve households at 30%, 40% 50% and 60% of AMHI (both with and without the subsidy) are as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit Only (30% AMHI)	\$17,486	\$20,400
Tax Credit Only (40% AMHI)	\$23,314	\$32,640
Tax Credit Only (50% AMHI)	\$25,714	\$43,800
Tax Credit Only (60% AMHI)	\$25,714	\$52,560
Overall Tax Credit Only*	\$17,486	\$52,560
Overall Tax Credit with Subsidy	\$0	\$52,560

*Excludes the \$20,401 to \$23,313 income band due to gap in affordability

B. CAPTURE RATE CALCULATIONS

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

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

1. **Demand from New Renter Households:** *Determine new units in the PMA based on projected rental household growth. The projected household base **must be** limited to the target group, age and income appropriate. Demand for each target group must be shown separately.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*

- a) **Over-burdened** *is defined by Virginia Housing as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 23.5% of renters within the market are considered to be cost-burdened.

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 3.3% of all households within the market are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

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

The subject project will not be restricted to seniors; therefore, we have not included this number in our demand calculations.

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

A rent roll containing current tenant incomes not provided. However, assuming the subject project retains its Section 8 subsidy, most (if not all) current tenants are anticipated to remain at the property. Conversely, most of the collected rents among the property's current tenant base are well below the proposed rents. As such, we have conservatively assumed a 0.0% retention rate in our demand estimates that consider the unlikely non-subsidized scenario.

C. DEMAND/CAPTURE RATE CALCULATIONS

As stated, and discussed in *Section V*, there are no vacancies reported among the LIHTC properties in the market, or additional LIHTC properties currently in the development pipeline, within the Site PMA. Based on the preceding factors, we have not considered any directly comparable/competitive supply units in our demand estimates.

The following is a summary of our demand calculations assuming the subject property operates as anticipated, *with a project-based subsidy*:

As Proposed (With Subsidy)					
Demand Component	30% AMHI / Subsidy (\$0-\$20,400)	40% AMHI / Subsidy (\$0-\$32,640)	50% AMHI / Subsidy (\$0-\$43,800)	60% AMHI / Subsidy (\$0-\$52,560)	Overall LIHTC w/ Subsidy (\$0-\$52,560)
Demand from New Rental Households (Income-Appropriate)	1,396 - 1,450 = -54	2,339 - 2,419 = -80	2,891 - 2,983 = -92	3,212 - 3,311 = -99	3,212 - 3,311 = -99
+					
Demand from Existing Households (Rent Overburdened)	1,450 x 23.5% = 340	2,419 x 23.5% = 568	2,983 x 23.5% = 700	3,311 x 23.5% = 777	3,311 x 23.5% = 777
+					
Demand from Existing Households (Renters in Substandard Housing)	1,450 x 3.3% = 47	2,419 x 3.3% = 79	2,983 x 3.3% = 98	3,311 x 3.3% = 108	3,311 x 3.3% = 108
+					
Demand from Existing Households (Elderly Homeowner Conversion)	N/A	N/A	N/A	N/A	N/A
Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations)	5	6	18	27	56
=					
Total Demand	338	573	724	813	842
-					
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	0	0	0	0	0
=					
Net Demand	338	573	724	813	842
Proposed Units	5	6	18	27	56
Proposed Units / Net Demand	5 / 338	6 / 573	18 / 724	27 / 813	56 / 842
Capture Rate	1.5%	1.0%	2.5%	3.3%	6.7%
Total Absorption Period	< 1 Month	< 1 Month	3 Months	< 5 Months	< 5 Months

N/A-Not Applicable

Utilizing this methodology, capture rates below 30% are typically considered achievable, though higher capture rates may be acceptable in certain markets/instances. As such, the 6.7% capture rate for the subject property is considered low and easily achievable. This is supported by the 100.0% occupancy rate and waiting list maintained by the existing subject property.

The following is a summary of our demand calculations assuming the unlikely scenario that the subject project operates exclusively as a LIHTC property, *without* any type of project-based subsidy.

LIHTC Only					
Demand Component	30% AMHI (\$17,486- \$20,400)	40% AMHI (\$23,314- \$32,640)	50% AMHI (\$25,714- \$43,800)	60% AMHI (\$25,714- \$52,560)	Overall LIHTC (\$17,486- \$52,560)*
Demand from New Rental Households (Income-Appropriate)	192 - 201 = -9	751 - 768 = -17	1,131 - 1,154 = -23	1,453 - 1,483 = -30	1,816 - 1,861 = -45
+					
Demand from Existing Households (Rent Overburdened)	201 x 23.5% = 47	768 x 23.5% = 180	1,154 x 23.5% = 271	1,483 x 23.5% = 348	1,861 x 23.5% = 437
+					
Demand from Existing Households (Renters in Substandard Housing)	201 x 3.3% = 7	768 x 3.3% = 25	1,154 x 3.3% = 38	1,483 x 3.3% = 49	1,861 x 3.3% = 61
+					
Demand from Existing Households (Elderly Homeowner Conversion)	N/A	N/A	N/A	N/A	N/A
Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations)**	0	0	0	0	0
=					
Total Demand	45	188	286	367	453
-					
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	0	0	0	0	0
=					
Net Demand	45	188	286	367	453
Proposed Units	5	6	18	27	56
Proposed Units / Net Demand	5 / 45	6 / 188	18 / 286	27 / 367	56 / 453
Capture Rate	11.1%	3.2%	6.3%	7.4%	12.4%
Total Absorption Period	1 Month	< 2 Months	5 Months	7 Months	7 Months

*Excludes the \$20,401 to \$23,313 income band due to gap in affordability

**Tenant incomes not provided; therefore, a 0.0% retention rate has been conservatively assumed

N/A-Not Applicable

In the unlikely event the project-based subsidy was not retained, and the property had to operate *exclusively* under the LIHTC program, the subject project's capture rate is 12.4%. This illustrates that there is a sufficient base of income-qualified renter support for the subject project in the Site PMA, regardless of whether the property operates with a subsidy available to all units.

D. PENETRATION RATE CALCULATIONS

The 196 existing non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$17,486 to \$52,560. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, the penetration rate calculation for the subject project is summarized in the following table.

	Market Penetration
Number of LIHTC Units (Proposed and Existing)	252
Income-Eligible Renter Households – 2026	/ 2,009
Overall Market Penetration Rate	= 12.5%

It is our opinion that the 12.5% penetration rate for the LIHTC units, both existing and proposed, is achievable.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

Despite repeated attempts to contact representatives of the local housing authority for comment regarding the status of the local Housing Choice Voucher program, a response was not received at the time of analysis.

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

Bedroom Type	Payment Standards	Proposed/Programmatic Tax Credit Gross Rents (AMHI)
Two-Bedroom	\$995	\$510 (30%) \$680* (40%) \$750 (50%) \$750 (60%)
Three-Bedroom	\$1,288	\$785* (40%) \$909 (50%) \$909 (60%)
Four-Bedroom	\$1,689	\$1,095* (50%) \$1,132 (60%)

*Maximum allowable gross LIHTC rent; proposed contract rents exceed LIHTC maximum limits

As the preceding table illustrates, the proposed/programmatic LIHTC gross rents are below the local payment standards. As such, the subject project will be able to rely on support from Housing Choice Voucher holders if it did not offer a subsidy, similar to the comparable non-subsidized Tax Credit properties in the Site PMA. This will increase the demographic base of potential support for the development if the project lost its subsidy and has been considered in our absorption projections in this unlikely scenario.

F. ABSORPTION PROJECTIONS

The subject project currently operates under the Section 8 program with a project-based subsidy available to all units, and the project is expected to retain this subsidy following the proposed renovations. We also assume that most, if not all, current tenants will remain at the site once renovations are complete. In this scenario, the project will effectively have no absorption period. For the purpose of this analysis, however, we have provided absorption estimates assuming that all units will be vacated and will need to be re-rented following renovations. We have provided separate estimates assuming that the subject retains its subsidy for all units, as well as the unlikely scenario that the project had to operate exclusively under the LIHTC program.

For the purpose of this analysis, we assume the absorption period at the site begins as soon as the first renovated units are available for occupancy. We also assume that initial units at the site will be available for rent in December 2026. Changes to the project's planned renovations or renovation timeline may alter our absorption projections.

Subsidized

Assuming the subject project retains its subsidy on all units but is entirely vacated, we estimate that the 56 subject units can achieve a stabilized occupancy of 93% within less than five months of re-opening. This is based on a monthly absorption rate of approximately 12 to 13 units per month.

Tax Credit

Assuming the subject project operated exclusively under the LIHTC program and was completely vacated, it is likely that the subject project would experience an extended absorption period of seven months, as it would no longer be able to target households earning less than \$17,486. This is based on a monthly absorption rate of approximately seven to eight units per month and assumes the project would receive a higher component of support from Housing Choice Voucher holders, similar to the comparable LIHTC projects in the market. In this scenario, the project's ultimate absorption may vary depending upon the amount of voucher support the property receives.

The following table summarizes the subject's projected absorption trends for each scenario:

Absorption Projections		
Scenario	UPM	Absorption Period
Tax Credit with Subsidy	12 to 13	< 5 Months
Tax Credit Only	7 to 8	7 Months

UPM – Units Per Month

In reality, most (if not all) existing tenants are expected to continue to qualify for and remain at the subject property. Further, any units which may become vacant due to typical tenant turnover are expected to be quickly filled from the waiting list maintained for the property. As such, there effectively will be no absorption period for the subject property.

VIII. Local Perspective (Interviews)

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

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

- Steve Johnson is the Zoning Administrator for the Town of Saltville. Johnson stated that the subject site North Fork Manor is beginning to show its age and requires various updates/upgrades, such as those proposed for the subject renovations.
- Jason McCall is the Building Official for Washington County. McCall stated there is a need for more affordable housing in the area, noting that many county residents are struggling to afford the cost of living and cannot locate/afford safe and decent housing.
- Todd Long is the Zoning Administrator for the Town of Marion. Long stated that there is a need for affordable housing in the area, with town officials having recently revised local zoning code to encourage the development of affordable housing. Long added that, given the positioning of many local wages, many lower income households cannot afford the area's increasing rents. Long also noted that current property owners are often unwilling to sell land to developers.

IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the existing subject project, assuming it is renovated as detailed in this report. Changes to the project's scope of renovations, subsidy availability, rents, amenities and/or completion date may alter these findings.

All of the comparable LIHTC developments surveyed within the Site PMA are 100.0% occupied with a waiting list, and the proposed/programmatic subject rents are similar to those offered in the market for similar unit types. The subject project is similar overall to these properties in terms of design and will continue to offer a housing alternative that has very limited availability in the area. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

As shown in the Project Specific Demand Analysis section of this report, the subject's overall capture rates of 6.7% (with subsidy) and 12.4% (LIHTC only) are considered low and achievable based on the methodology of Virginia Housing. These capture rates illustrate that there is a good base support for the subject development within the Site PMA, both with and without the Section 8 subsidy. However, given that a high share of units at the comparable LIHTC properties are occupied by Housing Choice Voucher holders, we anticipate that the subject project will receive a higher share of voucher support in the unlikely event that the project lost its subsidy.

While the proposed/programmatic rents represent little (if any) market rent advantages, market rent advantages near or slightly above 0.0% are often acceptable in rural markets given that Tax Credit product typically represents some of the most desirable rental housing opportunities available within these areas. This is believed to be true within the Saltville market, which is further evidenced by the rent positioning of the comparable LIHTC properties and the project's low capture rates at these rent levels. As such, the subject's market rent advantages are considered acceptable for this market in the unlikely event that the project lost its subsidy.

Regardless, the subject project is currently 100.0% occupied with a waiting list and is expected to retain its Section 8 subsidy on all units following renovations. Therefore, the subject project will likely continue to represent a substantial value to low-income renters in this market.

X.

SITE PHOTOGRAPHS

North Fork Manor



Typical exterior of building



Entryway Signage



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast

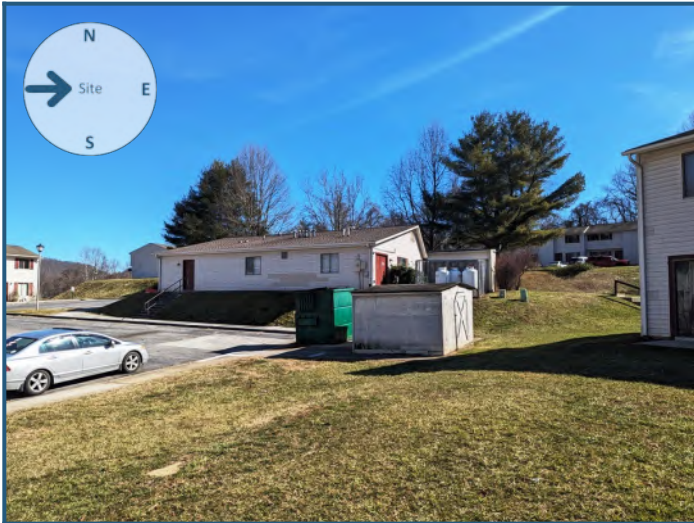
North Fork Manor



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site

North Fork Manor



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site

North Fork Manor



South View of Elizabeth Street



North View of Elizabeth Street



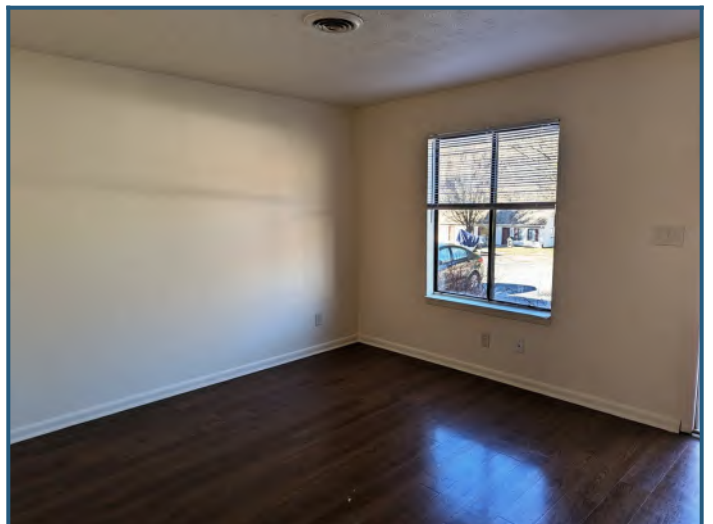
Recreation Area: Basketball Court



Community Room



Laundry Facility



Typical Unit (Living Room)

North Fork Manor



Typical Unit (Kitchen)



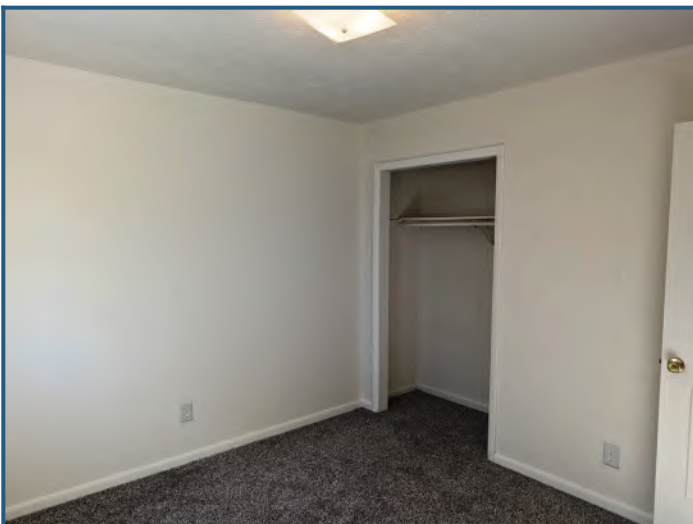
Typical Unit (Master Bedroom - View A)



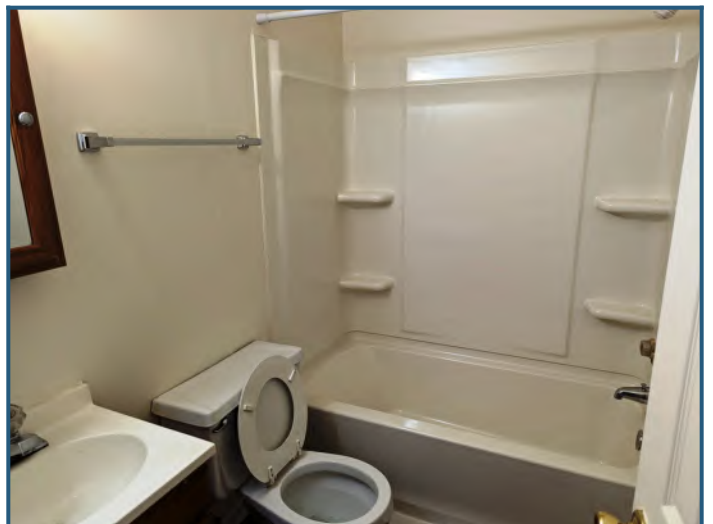
Typical Unit (Master Bedroom - View B)



Typical Unit (Additional Bedroom - View A)



Typical Unit (Additional Bedroom - View B)



Typical Unit (Full Bathroom)

North Fork Manor



Typical Unit (Half-Bath)



Typical Unit (Attached Storage Unit)

XI.

COMPARABLE
PROPERTY PROFILES

3 Marion Manor 19.4 miles to site



Address: 1001 Marion Manor Dr, Marion, VA 24354
 Phone: (276) 783-7235 Contact: Laura (By Phone)
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 88 Year Built: 1970
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2019
 Turnover: Stories: 1.5
 Waitlist: 2 HH
 Rent Special: None

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



Notes: Tax Credit (82 units); PBV & Tax Credit (6 units); 5 units down from frozen busted water pipes

Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Business Center (Computer/Business Center); Multipurpose Room, Clubhouse/Community Room; Laundry Room; On-Site Management

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	27	0	669	\$0.71	\$478	40%
2	1	G	10	0	827	\$0.70	\$578	40%
2	1 - 2	G	3	0	827	Subsidized	Subsidized	Subsidized
2	1	G	15	0	827	\$0.91	\$749	50%
2	1	G	24	0	827	\$1.11	\$918	60%
3	1	G	3	0	946	Subsidized	Subsidized	Subsidized
3	1 - 2	G	2	0	946	\$0.92	\$866	50%
3	1	G	4	0	946	\$1.12	\$1,060	60%

*Adaptive Reuse

*DTS is based on drive time

4 Sweetbriar I 27.6 miles to site



Address: 19274 Elementary Dr, Abingdon, VA 24210
 Phone: (276) 628-8941 Contact: Mark (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 20 Year Built: 2009
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 80 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Virginia Housing
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; W/D Hookup; W/D; Window Treatments; Flooring (Hardwood)

Property Amenities: On-Site Management

Parking Type: Attached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
3	2.5	G	10	0	975	\$0.63	\$617	50%
3	2.5	G	10	0	975	\$0.73	\$715	60%

*Adaptive Reuse

*DTS is based on drive time

5 Sweetbriar II 27.6 miles to site



Address: 19274 Elementary Dr, Abingdon, VA 24210
 Phone: (757) 826-3717 Contact: Mark (By Phone)
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 22 Year Built: 2023
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 262 HH
 Rent Special: None

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



Notes: Tax Credit (17 units); PSH & Tax Credit (5 units); Preleasing 1/2023, opened 2/2023, reached 93% occupied 4/2023

Features And Utilities

Utility Schedule Provided by: Virginia Housing
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Window Treatments; Flooring (Hardwood)

Property Amenities: Community Gardens; On-Site Management

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
3	2	G	5	0	975	Subsidized	Subsidized	Subsidized
3	2	G	7	0	975	\$0.60	\$585	50%
3	2	G	10	0	975	\$0.67	\$655	60%

*Adaptive Reuse

*DTS is based on drive time

7 White's Mill Point 19.8 miles to site



Address: 15379 Whites Mill Rd., Abingdon, VA 24210
 Phone: (276) 676-3366 Contact: Mark (By Phone)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 26 Year Built: 2007
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 189 HH
 Rent Special: None

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

Notes: Tax Credit; 6 units being held empty awaiting renovations



Features And Utilities

Utility Schedule Provided by: Virginia Housing
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: On-Site Management

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5	G	10	0	1,010	\$0.48	\$480	50%
2	1.5	G	16	0	1,010	\$0.50	\$500	60%

*Adaptive Reuse

*DTS is based on drive time

902 Canterbury Court Townhomes & Apts. 54.6 miles to site



Address: 2592 Horton Rd., Bluefield, WV 24701
 Phone: (304) 323-3036 Contact: Maria Taylor (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 55 Year Built: 2000 Ratings
 Vacant Units: 0 *AR Year: Quality: B+
 Occupancy: 100.0% Yr Renovated: 2007 Neighborhood: B
 Turnover: Stories: 2.5,2,3 Access/Visibility: C/C
 Waitlist: 3 HH
 Rent Special: None

Notes:



Features And Utilities

Utility Schedule Provided by: Virginia Housing
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: On-Site Management; Extra Storage

Parking Type: Attached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1	G	20	0	1,100	\$0.64	\$700	Market
2	1.5	T	16	0	1,200	\$0.73	\$875	Market
3	2	G	19	0	1,300	\$0.56	\$725	Market

*Adaptive Reuse

*DTS is based on drive time

903 Cumberland Village Townhomes 52.2 miles to site



Address: 534 Cumberland Rd., Bluefield, WV 24701
 Phone: (304) 323-3036 Contact: Maria Taylor (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 15 Year Built: 1998
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1,2
 Waitlist: None
 Rent Special: None

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

Notes:

Features And Utilities

Utility Schedule Provided by: Virginia Housing
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: On-Site Management

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5	G	4	0	1,000	\$0.61	\$610	Market
2	1.5	T	11	0	1,200	\$0.60	\$725	Market

*Adaptive Reuse

*DTS is based on drive time

905 Jefferson Place 38.0 miles to site



Address: 120 Veterans Dr, Richlands, VA 24641
 Phone: (276) 963-8946 Contact: Hailey (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 11 Year Built: 1992
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

Notes:



Features And Utilities

Utility Schedule Provided by: Virginia Housing

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: On-Site Management; Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5	T	11	0	1,200	\$0.50	\$600	Market

*Adaptive Reuse

*DTS is based on drive time

908 Riverside Villas 39.2 miles to site



Address: 102 Villa Cir, Richlands, VA 24641
 Phone: (276) 963-8946 Contact: Courtney and Kendra (In Person)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 34 Year Built: 2006
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1,2
 Waitlist: 10 HH
 Rent Special: None

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



Notes:

Features And Utilities

Utility Schedule Provided by: Virginia Housing
 Utility Type & Responsibility: No landlord paid utilities;

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

 Property Amenities: On-Site Management; Recreation Areas (Playground); CCTV

 Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	10	0	1,280	\$0.64	\$825	Market
2	2.5	T	22	0	1,280	\$0.61	\$775	Market
3	2	H	2	0	1,472	\$0.59	\$875	Market

*Adaptive Reuse *DTS is based on drive time

909 Rural Retreat Apts. 35.9 miles to site



Address: 108 E. Railroad Ave., Rural Retreat, VA 24368
 Phone: (276) 920-7172 Contact: Lady (AAPI) (By Phone)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 15 Year Built: 1975
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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



Notes:

Features And Utilities

Utility Schedule Provided by: Virginia Housing
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

 Unit Amenities: Range; Refrigerator; AC Other; Ceiling Fan; Fireplace; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

 Property Amenities: On-Site Management; Extra Storage

 Parking Type: Surface Lot

Unit Configuration

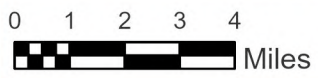
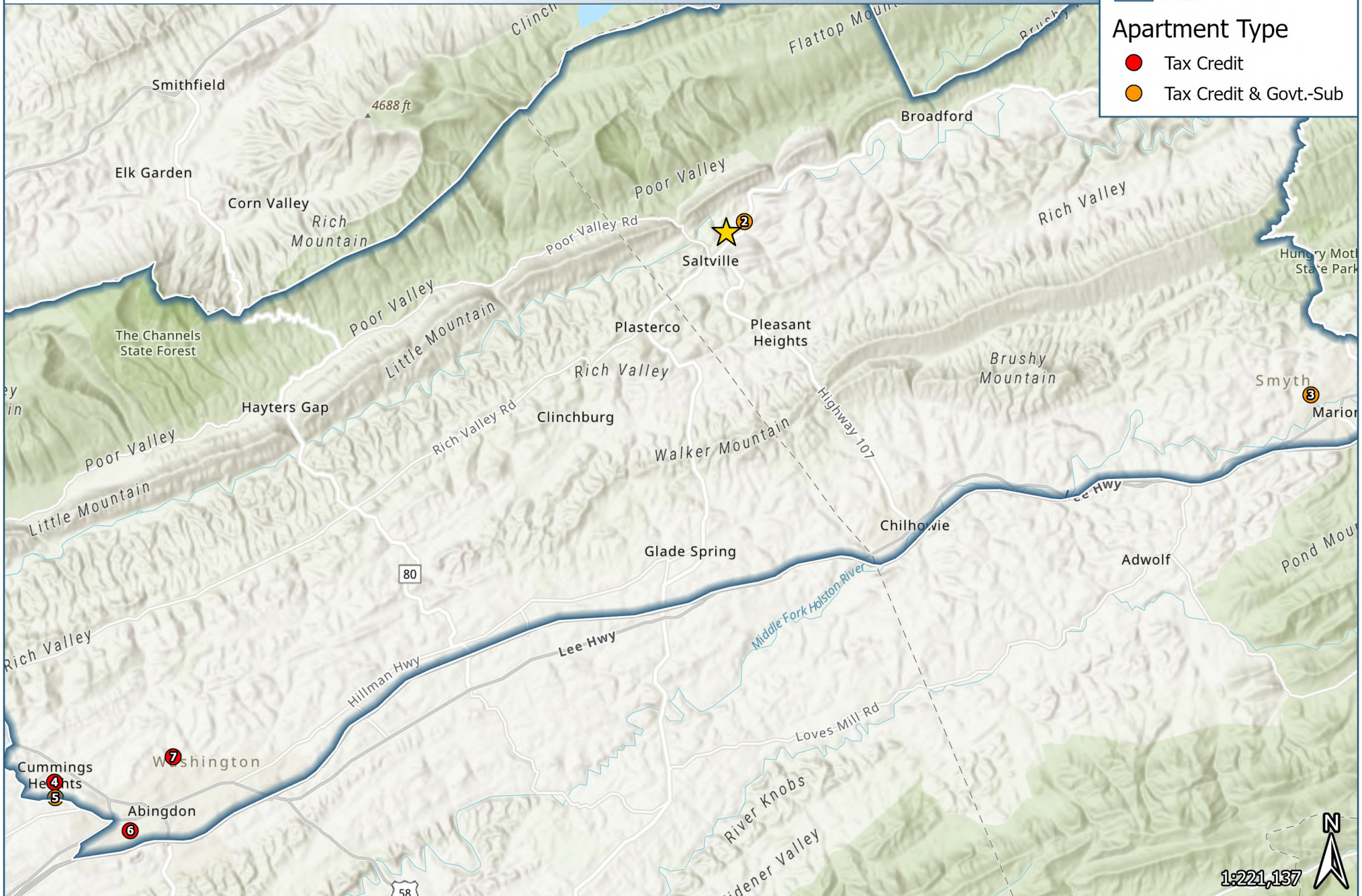
Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	2	0	750	\$0.83	\$625	Market
2	1.5	T	9	0	1,150	\$0.63	\$725	Market
3	2	G	4	0	1,300	\$0.60	\$775	Market

*Adaptive Reuse *DTS is based on drive time

XII.

FIELD SURVEY OF CONVENTIONAL RENTALS

- ★ Site
- ▬ PMA
- Apartment Type
 - Tax Credit
 - Tax Credit & Govt.-Sub

























VGIN, Esri, TomTom, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, USFWS, Esri, CGIAR, USGS
Additional Source(s): Bowen National Research




















Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	North Fork Manor	GSS	C+	1983	56	0	100.0%	-
2	Battleground	TGS	B-	1970	24	0	100.0%	0.9
3	Marion Manor	TGS	B	1970	88	0	100.0%	19.4
4	Sweetbriar I	TAX	B+	2009	20	0	100.0%	27.6
5	Sweetbriar II	TGS	B+	2023	22	0	100.0%	27.6
6	Washington Court	TAX	B	1992	39	0	100.0%	23.8
7	White's Mill Point	TAX	B	2007	26	0	100.0%	19.8
902	Canterbury Court Townhomes & Apts.	MRR	B+	2000	55	0	100.0%	54.6
903	Cumberland Village Townhomes	MRR	B	1998	15	0	100.0%	52.2
905	Jefferson Place	MRR	B	1992	11	0	100.0%	38.0
908	Riverside Villas	MRR	B+	2006	34	0	100.0%	39.2
909	Rural Retreat Apts.	MRR	C+	1975	15	0	100.0%	35.9


*Drive distance in miles

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

1	North Fork Manor 233 Elizabeth St, Saltville, VA 24370	Contact: Lori Caldwell Phone: (276) 496-7911
	Total Units: 56 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1983 BR: 2, 3, 4 Vacant Units: 0 Waitlist: 29 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HUD Section 8	
2	Battleground 105 Battleground Ln., Saltville, VA 24370	Contact: Laurie Phone: (276) 496-3399
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1970 BR: 1, 2 Vacant Units: 0 Waitlist: 18 HH AR Year: Target Population: Family Yr Renovated: 2000 Rent Special: None Notes: Tax Credit; RD 515, has RA (24 units)	
3	Marion Manor 1001 Marion Manor Dr, Marion, VA 24354	Contact: Laura Phone: (276) 783-7235
	Total Units: 88 UC: 5 Occupancy: 100.0% Stories: 1.5 Year Built: 1970 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 2 HH AR Year: Target Population: Family Yr Renovated: 2019 Rent Special: None Notes: Tax Credit (82 units); PBV & Tax Credit (6 units); 5 units down from frozen busted water pipes	
4	Sweetbriar I 19274 Elementary Dr, Abingdon, VA 24210	Contact: Mark Phone: (276) 628-8941
	Total Units: 20 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2009 BR: 3 Vacant Units: 0 Waitlist: 80 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit	
5	Sweetbriar II 19274 Elementary Dr, Abingdon, VA 24210	Contact: Mark Phone: (757) 826-3717
	Total Units: 22 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2023 BR: 3 Vacant Units: 0 Waitlist: 262 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit (17 units); PSH & Tax Credit (5 units); Preleasing 1/2023, opened 2/2023, reached 93% occupied 4/2023	


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

6 **Washington Court** Contact: Emily
 262 Stone Mill Rd SW, Abingdon, VA 24210 Phone: (276) 676-2076




Total Units: 39 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1992
 BR: 1 Vacant Units: 0 Waitlist: 25 HH AR Year:
 Target Population: Senior 62+ Yr Renovated:
 Rent Special: None
 Notes: Tax Credit

7 **White's Mill Point** Contact: Mark
 15379 Whites Mill Rd., Abingdon, VA 24210 Phone: (276) 676-3366




Total Units: 26 UC: 6 Occupancy: 100.0% Stories: 2 Year Built: 2007
 BR: 2 Vacant Units: 0 Waitlist: 189 HH AR Year:
 Target Population: Family Yr Renovated:
 Rent Special: None
 Notes: Tax Credit; 6 units being held empty awaiting renovations

902 **Canterbury Court Townhomes & Apts.** Contact: Maria Taylor
 2592 Horton Rd., Bluefield, WV 24701 Phone: (304) 323-3036




Total Units: 55 UC: 0 Occupancy: 100.0% Stories: 2.5,2,3 Year Built: 2000
 BR: 2, 3 Vacant Units: 0 Waitlist: 3 HH AR Year:
 Target Population: Family Yr Renovated: 2007
 Rent Special: None
 Notes:

903 **Cumberland Village Townhomes** Contact: Maria Taylor
 534 Cumberland Rd., Bluefield, WV 24701 Phone: (304) 323-3036




















Total Units: 15 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1998
 BR: 2 Vacant Units: 0 Waitlist: None AR Year:
 Target Population: Family Yr Renovated:
 Rent Special: None
 Notes:


905 **Jefferson Place** Contact: Hailey
 120 Veterans Dr, Richlands, VA 24641 Phone: (276) 963-8946




Total Units: 11 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1992
 BR: 2 Vacant Units: 0 Waitlist: None AR Year:
 Target Population: Family Yr Renovated:
 Rent Special: None
 Notes:

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



908	Riverside Villas 102 Villa Cir, Richlands, VA 24641	Contact: Courtney and Phone: (276) 963-8946
	Total Units: 34 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 2006	
	BR: 2, 3 Vacant Units: 0 Waitlist: 10 HH AR Year:	
	Target Population: Family Yr Renovated:	
	Rent Special: None	
	Notes: Rent range 2-br garden units are attached one-story, and considered condo's	



909	Rural Retreat Apts. 108 E. Railroad Ave., Rural Retreat, VA 24368	Contact: Lady (AAPI) Phone: (276) 920-7172
	Total Units: 15 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1975	
	BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year:	
	Target Population: Family Yr Renovated:	
	Rent Special: None	
	Notes:	

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

Source: Virginia Housing
Effective: 07/2023

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	9	14	17	21	26	30	9	14	17	21	26	30
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	64	89	114	140	177	204	64	89	114	140	177	204
	Electric	26	36	46	57	72	82	26	36	46	57	72	82
	Heat Pump	0	0	0	0	0	0	0	0	0	0	0	0
	Oil	58	81	104	127	162	185	58	81	104	127	162	185
Cooking	Natural Gas	2	2	3	3	4	5	2	2	3	3	4	5
	Bottled Gas	11	15	20	24	31	35	11	15	20	24	31	35
	Electric	4	5	6	8	10	11	4	5	6	8	10	11
Other Electric		14	20	25	31	39	45	14	20	25	31	39	45
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
Air Conditioning		7	11	14	16	21	23	7	11	14	16	21	23
Water Heating	Natural Gas	4	6	7	9	11	13	4	6	7	9	11	13
	Bottled Gas	27	37	48	58	74	85	27	37	48	58	74	85
	Electric	13	18	23	28	35	40	13	18	23	28	35	40
	Oil	24	33	42	52	66	75	24	33	42	52	66	75
Water		18	25	32	40	50	58	18	25	32	40	50	58
Sewer		21	29	38	46	59	67	21	29	38	46	59	67
Trash Collection		15	15	15	15	15	15	15	15	15	15	15	15
Internet*													
Cable*													
Alarm Monitoring*													

* Estimated- not from source

XIII. Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

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

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

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

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

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

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

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

Research Staff

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

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

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

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

Addendum A – Member Certification & Checklist

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

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



Patrick M. Bowen

President

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Date: February 6, 2024



Nathan Stelts (Primary Contact)

Market Analyst

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Date: February 6, 2024

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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