

# MARKET STUDY

Property:  
Norton Green II  
380 14th Street, NW  
Norton, Virginia 24273



Type of Property:  
Affordable Multifamily Development  
Elderly  
Renovation

Date of Report:  
March 10, 2024

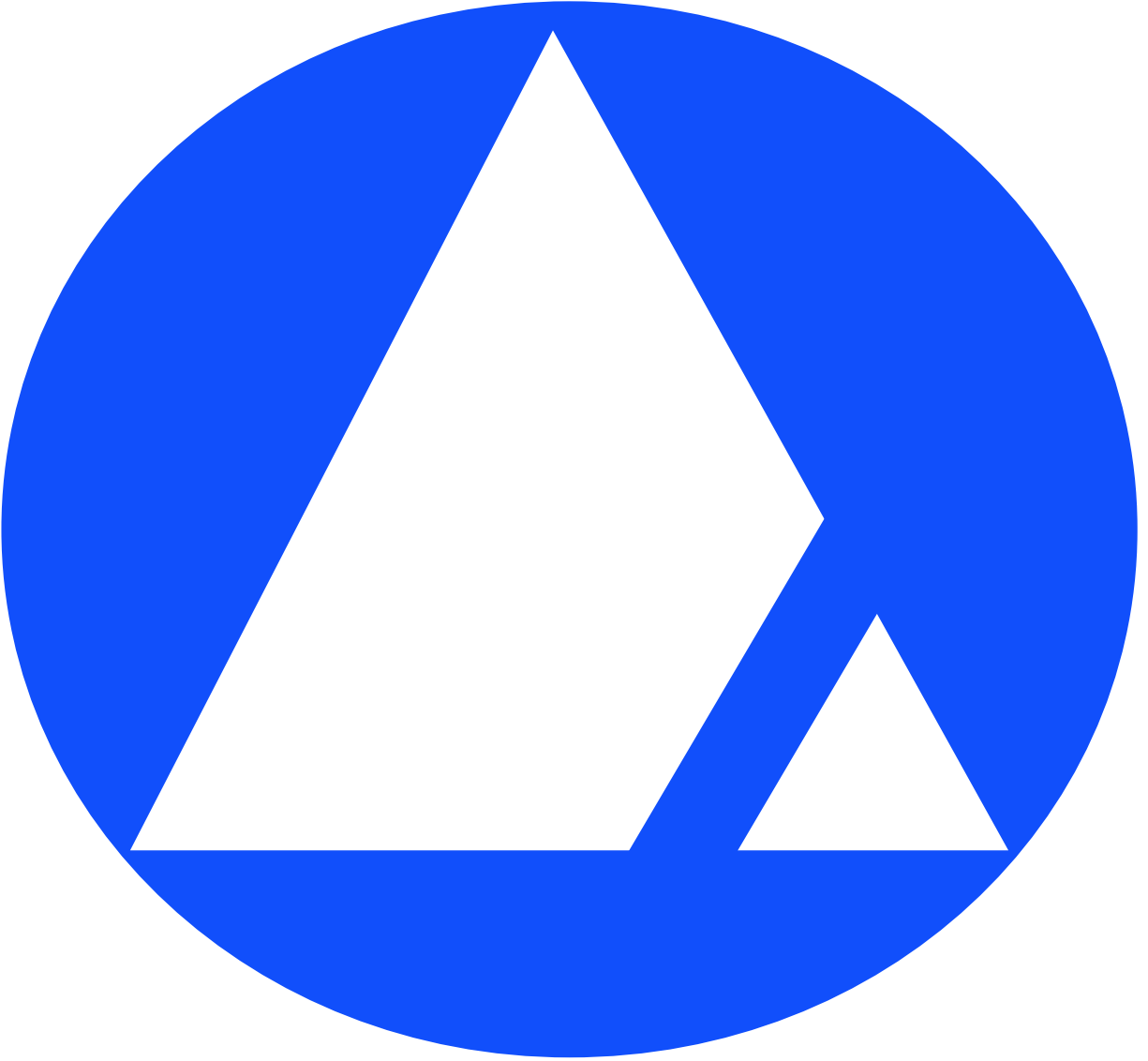
Effective Date:  
March 10, 2024

Date of Site Visit:  
March 10, 2024

Prepared For:  
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March 10, 2024

Mr. Bryan Ailey  
People Inc.  
1173 West Main Street  
Abingdon, Virginia 24210

Re: Norton Green II

Dear Mr. Bryan Ailey:

The subject property, known as Norton Green II, is an existing affordable multifamily development located at 380 14th Street NW in Norton, Virginia. The subject property consists of 40 revenue-producing units originally constructed in 1991 and initially renovated in 2009. The sponsor has proposed to renovate the property again using below-market debt and/or tax credit financing. The subject property is a 62+ age restricted community.

The subject property is proposed to consist of 40 revenue-producing units including 1-bedroom garden apartments. A total of 40 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 40 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

The scope of this assignment consists of a comprehensive market analysis for the subject property. The market study was completed in accordance with Virginia Housing, National Council for Housing Market Analyst (NCHMA) guidelines and the Uniform Standards of Professional Practice (USPAP). The completion of this report involved a site visit, interviews with local property managers, and the collection of market data through discussions with persons knowledgeable of the local real estate market.

The purpose, intended use, and function of the report is to assess the marketability of the subject property for tax credit application purposes. This report should not be used for any other purposes without the express written permission of Allen & Associates Consulting.

The report has been generated for the benefit of our client People Inc. Virginia Housing is named as an additional user of the report. No other person or entity may use the report for any reason whatsoever without our express written permission.

A summary of our findings and conclusions is found in the following pages. The conclusions reported are based on the conditions that exist as of the effective date of this report. These factors are subject to change and may alter, or otherwise affect the findings and conclusions presented in this report.

To the best of our knowledge, this report presents an accurate evaluation of market conditions for the subject property as of the effective date of this report. While the analysis that follows is based upon information obtained from sources believed to be reliable, no guarantee is made of its accuracy.

Feel free to contact us with any questions or comments.

Respectfully submitted:  
ALLEN & ASSOCIATES CONSULTING

A handwritten signature in blue ink, appearing to read "Jeff Carroll", is positioned above the printed name.

Jeff Carroll

## EXECUTIVE SUMMARY

The following is a summary of our key findings and conclusions with respect to the subject property:

### Project Description

The subject property, known as Norton Green II, is an existing affordable multifamily development located at 380 14th Street NW in Norton, Virginia. The subject property consists of 40 revenue-producing units originally constructed in 1991 and initially renovated in 2009. The sponsor has proposed to renovate the property again using below-market debt and/or tax credit financing. The subject property is a 62+ age restricted community.

### Proposed Unit Mix

The subject property is proposed to consist of 40 revenue-producing units including 1-bedroom garden apartments. A total of 40 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 40 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

Unit Type / Income Limit / Rent Limit	Proposed Unit Configuration		Units	Gross Rent	UA	Net Rent
	HOME	Subsidized				
1BR-1BA-563sf / 60% of AMI / 40% of AMI	No	Yes	4	\$794	\$75	\$719
1BR-1BA-563sf / 60% of AMI / 50% of AMI	No	Yes	16	\$794	\$75	\$719
1BR-1BA-563sf / 60% of AMI / 60% of AMI	No	Yes	20	\$794	\$75	\$719
Total/Average			40	\$794	\$75	\$719

### Site Description

The subject property includes an irregular-shaped parcel consisting of approximately 3.606 acres and approximately 100 feet of road frontage.

A total of 44 privately-owned parking spaces are proposed for the subject property (38 regular / 6 accessible / 1.10 spaces per unit). We normally see 1.0 to 1.5 spaces per unit for projects like this. In our opinion, the proposed parking appears adequate for the subject property.

### Additional Considerations:

Zoning	B-3 General Business. Legal, conforming use.
Environmental	1991 construction. No suspected environmental conditions.
Topography	No issues detected.
Flood	Zone X. Outside the 100-year flood zone.
DDA Status	Norton City, Virginia. Not designated as a Difficult to Develop Area.
QCT Status	Tract 9601.00. Designated as a Qualified Census Tract.
Access	Fair to Good. Located near a moderately-traveled road.
Visibility	Fair to Good. Moderate drive-by traffic.

In our opinion, the site is suitable for development.

Neighborhood Description

In our opinion, the subject property has a good to very good location relative to competing properties with respect to neighborhood characteristics.

Additional Considerations:

Crime	Similar to market average.
Graduation Rate	Higher than market average.
Average Commute	Shorter than market average.

In our opinion, the neighborhood is suitable for development.

Primary Market Area

We defined the primary market area by generating a 30-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

The primary market area includes a population of 52,183 persons and covers a total of 633.9 square miles, making it 28.4 miles across on average.

We estimate that up to 40 percent of demand will come from areas outside of the primary market area.

Demographic Characteristics

We anticipate moderate population and household growth for the market area. Renter households are anticipated to increase modestly as well. Finally, we anticipate that rents will grow with CPI over the next few years. Additional details follow:

Population	Market area population currently stands at 52,183 and is projected to decline 0.1 percent this year.
Households	Market area households currently stand at 18,620 and is projected to decline 0.4 percent this year.
Renter Households	Market area renter households currently stand at 5,501 and is projected to decline 0.4 percent this year.
Renter Tenure	Market area renter tenure currently stands at 29.5 percent.
Rent Growth	Market area rents have grown 2.99% annually since 2010.

Regional Economic Outlook

We anticipate moderate economic growth for the region. Additional details follow:

Est Employment	Regional establishment employment currently stands at 34,549 and is projected to grow 1.3 percent this year.
Civ Employment	Regional civilian employment currently stands at 32,686 and is projected to decline 0.2 percent this year.
Empl by Industry	Regional establishment employment currently stands at 34,549. The data suggests that State and Local Government is the largest employment category accounting for 18.6% of total regional employment. Health Care and Social Assistance is the second largest category accounting for 13.7% of total employment. Retail Trade is the third largest category accounting for 12.3% of total employment. Administrative and Waste Services is the fourth largest category accounting for 8.3% of total employment. Accommodation and Food Services is the fifth largest category accounting for 6.3% of total
Top Employers	The top employers include: (1) Community Relations (3240 employees); (2) Paramount Coal Co Virginia LLC (800 employees) and; (3) Red Onion State Prison (399 employees).

Supply Analysis

Our analysis includes a total of 44 confirmed market area properties consisting of 1,639 units. The occupancy rate for these units currently stands at 95 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

The following tables summarize our findings for this market area:

Grand Total				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	22	710	44	94%
Restricted	5	49	7	86%
Subsidized	17	880	31	96%
Total	44	1,639	82	95%

Stabilized				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	22	710	44	94%
Restricted	4	48	7	85%
Subsidized	10	557	18	97%
Total	36	1,315	69	95%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	1	1	0	100%
Subsidized	6	297	3	99%
Total	7	298	3	99%

Pipeline				
Family				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	0	0	0	0%
Subsidized	1	26	10	62%
Total	1	26	10	62%

Elderly				
Project Type	Properties	Units	Vacant	Occupancy
Market Rate	0	0	0	0%
Restricted	0	0	0	0%
Subsidized	0	0	0	0%
Total	0	0	0	0%

### Most Comparable Properties

An overview of the market rate comparables selected for purposes of our analysis follows. The properties we consider to be the best comparables are highlighted for the reader's reference.

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
024	Kennedy Enterprises - Norton	8	100%	1974	2007	Market Rate	Family	4.06
025	Kennedy Enterprises - Vanov	21	100%	1989	na	Market Rate	Family	4.52
033	Miller Apartments - West Mai	15	100%	1975	na	Market Rate	Family	4.11
063	Lost Creek Drive Apartments	12	100%	1998	na	Market Rate	Family	1.09

An overview of the restricted rent comparables selected for purposes of our analysis follows. The properties we consider to be the best comparables are highlighted for the reader's reference.

Key	Property	Units	Occupancy	Built	Renovated	Rents	Type	Miles to Sub
017	Gilliam Court Apartments	71	97%	1980	na	Restricted	Elderly	4.75
038	Norton Heights Apartments	38	82%	1984	na	Restricted	Family	0.80
039	Old Mill Village Apartments	34	82%	1983	2007	Restricted	Family	11.05
053	Sheffield Acres Apartments	56	95%	1980	na	Restricted	Family	10.28
061	Woodstone Village Phase 1	36	100%	1986	2005	Restricted	Family	9.38

### Achievable Rents

In the following table we present our concluded achievable rents and rent advantage for the subject property:

Unit Type / Income Limit / Rent Limit	Achievable Rents			Units	Achievable	Proposed	Advantage
	HOME	Subsidized					
1BR-1BA-563sf / 60% of AMI / 40% of AMI	No	Yes		4	\$775	\$719	7.2%
1BR-1BA-563sf / 60% of AMI / 50% of AMI	No	Yes		16	\$775	\$719	7.2%
1BR-1BA-563sf / 60% of AMI / 60% of AMI	No	Yes		20	\$775	\$719	7.2%
Total / Average				40	\$775	\$719	7.2%

Our analysis suggests an average achievable rent of \$775 for the subject property. This is compared with an average proposed rent of \$719, yielding an achievable rent advantage of 7.2 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

### NCHMA Demand Analysis

In the following tables we present our concluded demand, capture rate, penetration rate and absorption period estimates for the subject property using the NCHMA demand methodology:

Unit Type / Rent Type / Income Limit	Vac Units at Market Entry	Gross Demand	Vacant & Pipeline Units	Capture Rate Gross	Capture Rate Net	Penetration Rate	Absorption Pd (Mos)
1-Bedroom / Subsidized / 60% of AMI	20	686	3	2.9%	2.9%	44.5%	4
				Project-Wide Gross Capture Rate	2.9%		
				Project-Wide Net Capture Rate	2.9%		
				Project-Wide Penetration Rate	44.5%		
				Stabilized Occupancy	97%		
				Project-Wide Absorption Period	4 mos		

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 4 months of absorption and an average absorption rate of 4.8 units per month for this project. In our opinion, the absorption period



suggests an appropriate number and mix of units for the subject property.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods significantly.

VHDA Demand Analysis

In the following table we present our concluded capture rate and absorption period estimates for the subject property using the VHDA demand methodology:

Project-Wide Capture Rate - LIHTC Units	5.9%
Project-Wide Capture Rate - Market Units	0.0%
Project-Wide Capture Rate - All Units	5.9%
Project-Wide Absorption Period (Months)	4 mos

Conclusion

In conclusion, the subject property appears to be feasible from a market standpoint. The units appear to be priced appropriately and we anticipate a rapid lease-up after renovation.

Because of the demonstrated depth of demand in this area and the current occupied status of the subject property, we do not believe the renovation of this property will have an adverse impact on existing projects in the market area.

Norton Green II  
380 14th Street, NW  
Norton, Virginia 24273

	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Minimum Income	\$2,250								\$2,250
Maximum Income	\$36,240								\$36,240
New Rental Households	13								13
(+)									
Existing Households - Overburdened	450								450
(+)									
Existing Households - Substandard Housing	63								63
(+)									
Elderly Households - Likely to Convert to Rental Housing	137								
(+)									
Existing Qualifying Tenants - To Remain After Renovation	20								20
(+)									
Total Demand	684								547
(-)									
Supply (Directly Comparable Vacant Units Completed or in Pipeline in PMA)	3								3
(=)									
Net Demand	681								544
Proposed Units	40								40
Capture Rate	5.9%								7.4%
Absorption Period (Months)	4 mos								4 mos

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## PROJECT OVERVIEW

### Project Description

The subject property, known as Norton Green II, is an existing affordable multifamily development located at 380 14th Street NW in Norton, Virginia. The subject property consists of 40 revenue-producing units originally constructed in 1991 and initially renovated in 2009. The sponsor has proposed to renovate the property again using below-market debt and/or tax credit financing. The subject property is a 62+ age restricted community.

Select project details are summarized below:

Project Description	
Property Name	Norton Green II
Street Number	380
Street Name	14th
Street Type	Street, NW
City	Norton
County	Norton City
State	Virginia
Zip	24273
Units	40
Project Rent	Subsidized
Project Type	Elderly
Project Status	Prop Rehab
Financing Type	Tax Credit
Latitude	36.9342
Longitude	-82.6402

### Scope of Renovation

The subject property is currently in good condition. The sponsor has proposed to rehabilitate the subject property to bring it up to “like new” condition using tax credit financing. The contemplated rehabilitation scope includes roof, parking lot, landscape, appliance, cabinet, HVAC and tile repairs and/or replacement. Tenants will be temporarily displaced as renovation progresses for this property.

### Construction and Lease-Up Schedule

We anticipate a 12-month construction period for this project. Assuming a December 1, 2024 closing, this yields a date of completion of December 1, 2025. Our demand analysis (found later in this report) suggests a 4-month absorption period. This yields a date of stabilization of April 1, 2026.

### Unit Configuration

The subject property currently consists of 40 revenue-producing units including 1-bedroom garden apartments. A total of 40 units are currently income restricted to 50% of AMI; no units are currently set aside as market rate units; a total of 40 units currently benefit from project-based rental assistance. The subject property currently stands at 97% occupancy.

Current Unit Configuration										
BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
1	1.0	563	Garden/Flat	50%	50%	No	Yes	40	\$794	\$719
Total/Average		563						40	\$794	\$719

The subject property is proposed to consist of 40 revenue-producing units including 1-bedroom garden apartments. A total of 40 units are proposed to be income restricted to 60% of AMI; no units are proposed to be set aside as market rate units; a total of 40 units are proposed to benefit from project-based rental assistance; no units are proposed to benefit from HOME financing. The rent and income restrictions associated with the proposed allocation of tax credits will run for the next 30 years.

Proposed Unit Configuration

BR	BA	SF	Unit Type	Income Limit	Rent Limit	HOME Units	Subs Units	Total Units	Gross Rent	Net Rent
1	1.0	563	Garden/Flat	60%	40%	No	Yes	4	\$794	\$719
1	1.0	563	Garden/Flat	60%	50%	No	Yes	16	\$794	\$719
1	1.0	563	Garden/Flat	60%	60%	No	Yes	20	\$794	\$719
Total/Average		563						40	\$794	\$719

## Income & Rent Limits

The subject property is operated subject to certain income restrictions. The following table gives the applicable income limits for this area:

Income Limits						
HH Size	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
1.0 Person	\$15,870	\$21,160	\$26,450	\$31,740	\$37,030	\$42,320
2.0 Person	\$18,120	\$24,160	\$30,200	\$36,240	\$42,280	\$48,320
3.0 Person	\$20,400	\$27,200	\$34,000	\$40,800	\$47,600	\$54,400
4.0 Person	\$22,650	\$30,200	\$37,750	\$45,300	\$52,850	\$60,400
5.0 Person	\$24,450	\$32,600	\$40,750	\$48,900	\$57,050	\$65,200
6.0 Person	\$26,280	\$35,040	\$43,800	\$52,560	\$61,320	\$70,080
7.0 Person	\$28,080	\$37,440	\$46,800	\$56,160	\$65,520	\$74,880
8.0 Person	\$29,910	\$39,880	\$49,850	\$59,820	\$69,790	\$79,760

Source: HUD; State Housing Finance Agency

The income limits found above were based (in part) on HUD's published median household income for the area. The table below shows how this statistic has increased/decreased over the past several years:

Historical Median Income		
Year	\$	Change
2014	\$70,600	-3.7%
2015	\$70,900	0.4%
2016	\$70,500	-0.6%
2017	\$78,700	11.6%
2018	\$83,200	5.7%
2019	\$48,700	-41.5%
2020	\$50,600	3.9%
2021	\$49,000	-3.2%
2022	\$55,900	14.1%
2023	\$62,700	12.2%

Source: HUD

The subject property is operated subject to certain rent restrictions. The following table gives the maximum housing expense (net rent limit + tenant-paid utilities) for this area:

Maximum Housing Expense						
Unit Type	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI
0 Bedroom	\$396	\$529	\$661	\$793	\$925	\$1,058
1 Bedroom	\$424	\$566	\$708	\$849	\$991	\$1,133
2 Bedroom	\$510	\$680	\$850	\$1,020	\$1,190	\$1,360
3 Bedroom	\$588	\$785	\$981	\$1,177	\$1,373	\$1,570
4 Bedroom	\$657	\$876	\$1,095	\$1,314	\$1,533	\$1,752

Source: HUD

The following table sets forth the gross fair market rents (net fair market rents + tenant-paid utilities) that would apply to any Section 8 voucher recipients or any units benefiting from HOME financing at the subject property:

Fair Market Rents	
Unit Type	Gross Rent
0 Bedroom	\$730
1 Bedroom	\$734
2 Bedroom	\$905
3 Bedroom	\$1,234
4 Bedroom	\$1,536

Source: HUD

# Location Map

24-017 Norton Green





## IMPROVEMENT DESCRIPTION & ANALYSIS

Our improvement analysis includes an evaluation of the following factors with respect to the subject property: (1) Building Features; (2) Unit Features; (3) Project Amenities, (4) Utility Configuration; and (5) Useful Life Analysis.

### **Building Features**

The subject property currently consists of 40 revenue-producing units in 4 residential buildings and 1 non-residential building. The development currently includes approximately 22,520 square feet of net rentable area and 29,955 square feet of gross building area.

The subject property is proposed to consist of 40 revenue-producing units in 4 residential buildings and 1 non-residential building. The development is proposed to include approximately 22,520 square feet of net rentable area and 29,955 square feet of gross building area.

Additional information regarding the subject property's major building systems is found below.

#### Foundation - Concrete Slab, Basements, Crawl Spaces, etc.

The subject property includes slab on grade foundations.

#### Structural Frame - Floor, Wall, Roof Structural Systems, etc.

The subject property is constructed with wood frame surfaced with plywood. Floor/ceiling assemblies consist of wood joists & plywood or concrete subfloors. Roof assemblies consist of wood trusses & plywood sheathing.

#### Exterior Wall - Exterior Finishes, Doors, Windows, Exterior Stairs, etc.

The subject currently includes vinyl siding & brick veneer, double hung vinyl double pane windows, and steel clad insulated six-panel unit entry doors. The sponsor proposes to replace the siding, windows and exterior doors as part of the planned renovation.

#### Roof - Sheathing, Coverings, Warranties, Gutters & Downspouts, Soffit & Fascia, etc.

The subject includes gabled asphalt shingle roofs. The sponsor proposes to replace the roofs as part of the planned renovation.

#### Vertical Transportation - Elevator, Interior Stair Systems

The subject property is a 1-story development which includes 4 residential buildings with no elevators.

#### Plumbing - Sanitary, Storm, Sewer, Fixtures, Domestic Hot Water

Domestic water piping is constructed of CPVC pipe and fittings. Wastewater lines consist of PVC pipe and fittings. Potable hot water is supplied via individual electric hot water heaters. The sponsor proposes to replace the water heaters as part of the planned renovation.

#### HVAC - Heating, Air Conditioning, Ventilation

The subject property currently includes individual interior-mounted electric heat, individual exterior-mounted a/c compressors with interior-mounted air handlers. New HVAC systems are proposed as part of the planned renovation.

#### Electrical and Communications - Distribution, Aluminum Wiring, etc.

Buildings receive electrical power from exterior pad-mounted transformers. Electrical service to units consists of 120/240V AC with 100 amps available for each panel. Electrical wiring is made of copper. Properly grounded, three-prong outlets are found in each dwelling unit. The outlets located in the wet areas are Ground Fault Circuit Interrupter (GFCI) outlets. Surface-mounted fluorescent & LED fixtures are proposed after renovation.



### Fire Suppression

The subject property is not currently equipped with an NFPA-13 fully automatic fire suppression (sprinkler) system. However, hard-wired smoke detectors with battery backup are found in each bedroom area. The sponsor proposes to replace the smoke detectors as part of the planned renovation.

### **Unit Features**

The subject property currently contains 40 revenue-producing units including 38 regular units and 2 accessible units including 40 bedrooms, 40 full bathrooms and 0 half bathrooms.

The subject property is proposed to contain 40 revenue-producing units including 35 regular units and 5 accessible units, including 40 bedrooms, 40 full bathrooms and 0 half bathrooms.

Additional information regarding the subject property's unit features is found below.

### Walls / Ceilings / Interior Doors

Subject property units include 8 foot ceilings, painted gypsum wallboard & ceilings, wood hollow-core flat panel interior doors and wood hollow-core flat panel closet doors. The sponsor proposes to replace the interior doors as part of the planned renovation.

### Floor Covering

Floor covering currently consists of luxury vinyl plank in the entryways, bathrooms & kitchens along with wall-to-wall carpeting in the living areas & bedrooms. The sponsor proposes to replace all flooring with luxury vinyl plank as part of the planned renovation.

### Kitchens

Kitchens currently include electric four-top ranges, range hoods, frost-free refrigerators, disposals, composite wood cabinets, laminated countertops and stainless steel sinks. The sponsor proposes to replace the appliances, cabinets and countertops as part of the planned renovation. Dishwashers are planned after renovation.

### Bathrooms

Bathrooms currently include composite wood vanities, cultured marble countertops, porcelain sinks & toilets, along with fiberglass tubs & surrounds. The bathrooms also include exhaust fans and other accessories. The sponsor proposes to replace these components as part of the planned renovation.

### **Project Amenities**

A discussion of the development's project amenities is found below.

### Site & Common Area Amenities

A community center and gazebo/patio are currently found at the subject property.

### Parking

Open parking is found at the subject property.

### Laundry

A central laundry and washer/dryer hookups are currently found at the subject property.

### Security

Call buttons are currently found at the subject property.

### Services

No additional services are currently found at the subject property.

Tables comparing the subject property's amenities to that of the most comparable properties are found at the end of this section.

## Utility Configuration

The subject property currently includes electric heat, electric cooking and electric hot water. All utilities - with the exception of cold water, sewer and trash - are currently paid by the resident.

In the table that follows we compare the subject's proposed utility allowances (also known as tenant paid utilities) to the estimated allowances using the HUD Utility Schedule Model:

Utility Allowances										
BR	BA	SF	Unit Type	Inc Lmt	Rnt Lmt	HOME	Subs	Units	UA	HUD UA
1	1.0	563	Garden/Flat	60% of AMI	40% of AMI	No	Yes	4	\$75	\$59
1	1.0	563	Garden/Flat	60% of AMI	50% of AMI	No	Yes	16	\$75	\$59
1	1.0	563	Garden/Flat	60% of AMI	60% of AMI	No	Yes	20	\$75	\$59
Total/Average								40	\$75	\$59

The HUD utility allowances are a good measure of the energy costs for a given property. Our analysis suggests that the proposed utility allowances are higher than those established using the HUD model.

Tables comparing the subject property's utility configuration to that of the most comparable properties are found at the end of this section. Outputs from the HUD Utility Schedule Model are also found there.

## Useful Life Analysis

The subject property was originally constructed in 1991 and is currently in good condition. In our opinion, the subject has a remaining useful life & remaining economic life of 20 years in its current condition. Assuming the scope of work described above, we anticipate a remaining useful life & remaining economic life of 50 years after renovation. Finally, we estimate a post-renovation effective age of 10 years for this project.

In the course of completing this study, we rated the condition of the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). We also evaluated the actual and effective ages of the subject and select comparables. A table summarizing our findings is found below:

		Actual Age   Effective Age   Condition			Rank		
		Rating					
Key	Project Name	Actual Age	Effective Age	Property Condition	Actual Age	Effective Age	Property Condition
Sub	Norton Green II	1991	2014	4.00	2	1	1
017	Gilliam Court Apartments	1980	1995	3.00	7	4	4
024	Kennedy Enterprises - Norton Road	1974	1997	3.00	10	3	4
025	Kennedy Enterprises - Vanover Avenue	1989	1989	3.50	3	7	2
033	Miller Apartments - West Main	1975	1975	3.00	9	10	4
038	Norton Heights Apartments	1984	1984	3.00	5	8	4
039	Old Mill Village Apartments	1983	1995	3.00	6	4	4
053	Sheffield Acres Apartments	1980	1980	2.50	7	9	10
061	Woodstone Village Phase 1	1986	1995	3.00	4	4	4
063	Lost Creek Drive Apartments	1998	1998	3.50	1	2	2

Source: Allen & Associates; Sponsor

Amenities

Key	Project Name	Site & Common Area Amenities																				
		Ball Field	BBQ Area	Billiards Game Rm	Business Comp Ctr	Car Care Center	Community Center	Elevator	Fitness Center	Gazebo Patio	Hot Tub Jacuzzi	Herb Garden	Horseshoes	Lake	Library	Movie Media Ctr	Picnic Area	Playground	Pool	Sauna	Sports Court	Walking Trail
Sub 017	Norton Green II Gilliam Court Apartments	no	no	no	no	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no
024	Kennedy Enterprises - Norton Road	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
025	Kennedy Enterprises - Vanover Avenue	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
033	Miller Apartments - West Main	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
038	Norton Heights Apartments	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	no	no	no	no
039	Old Mill Village Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	no	no
053	Sheffield Acres Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
061	Woodstone Village Phase 1	no	no	no	no	no	yes	yes	no	no	no	no	no	no	no	no	no	yes	no	no	no	no
063	Lost Creek Drive Apartments	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no

Key	Project Name	Unit Amenities					Kitchen Amenities					Air Conditioning				Heat						
		Blinds	Ceiling Fans	Carpeting	Fireplace	Patio Balcony	Storage	Stove	Refrigerator	Disposal	Dishwasher	Microwave	Central	Wall Units	Window Units	None	Central	Wall Units	Baseboards	Boiler Radiator	None	
Sub 017	Norton Green II Gilliam Court Apartments	yes	no	yes	no	yes	no	yes	yes	yes	yes	no	yes	no	no	no	yes	no	no	no	no	no
024	Kennedy Enterprises - Norton Road	yes	no	some	no	no	no	yes	yes	no	some	no	yes	no	no	no	yes	no	no	no	no	no
025	Kennedy Enterprises - Vanover Avenue	yes	no	yes	no	no	no	yes	yes	no	some	no	yes	no	no	no	yes	no	no	no	no	no
033	Miller Apartments - West Main	yes	no	yes	no	yes	no	yes	yes	no	no	no	yes	no	no	no	no	no	yes	no	no	no
038	Norton Heights Apartments	yes	no	yes	no	yes	no	yes	yes	no	no	no	yes	no	no	no	yes	no	no	no	no	no
039	Old Mill Village Apartments	no	some	no	no	yes	yes	yes	yes	no	no	no	yes	no	no	no	yes	no	no	no	no	no
053	Sheffield Acres Apartments	no	no	no	no	no	yes	yes	yes	no	no	no	yes	no	no	no	yes	no	no	no	no	no
061	Woodstone Village Phase 1	yes	no	yes	no	yes	no	yes	yes	yes	no	no	yes	no	no	no	yes	no	no	no	no	no
063	Lost Creek Drive Apartments	yes	yes	yes	no	yes	no	yes	yes	no	yes	no	yes	no	no	no	yes	no	no	no	no	no

Key	Project Name	Parking					Laundry			Security						Services						
		Garage	Covered Parking	Assigned Parking	Open Parking	None	Central	W/D Units	W/D Hookups	Call Buttons	Controlled Access	Courtesy Officer	Monitoring	Security Alarms	Security Patrols	After School	Concierge	Hair Salon	Health Care	House-keeping	Meals	Transportation
Sub 017	Norton Green II Gilliam Court Apartments	no	no	no	yes	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
024	Kennedy Enterprises - Norton Road	no	no	no	yes	no	yes	no	yes	no	no	yes	no	no	no	no	no	no	no	no	no	no
025	Kennedy Enterprises - Vanover Avenue	some	no	no	yes	no	no	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no
033	Miller Apartments - West Main	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
038	Norton Heights Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
039	Old Mill Village Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
053	Sheffield Acres Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
061	Woodstone Village Phase 1	no	no	no	yes	no	yes	no	some	no	yes	no	yes	no	no	no	no	no	no	no	no	no
063	Lost Creek Drive Apartments	no	no	no	yes	no	yes	no	no	no	no	no	no	no	no	na	na	na	na	na	na	na

Source: Allen & Associates; Sponsor

		Utilities																						
Key	Project Name	Tenant-Paid											Owner-Paid											
		Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash	Heat / Gas	Heat / Electric	Cooking / Gas	Cooking / Electric	Other / Electric	AC / Electric	HW / Gas	HW / Electric	Water	Sewer	Trash	
Sub	Norton Green II	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes
017	Gilliam Court Apartments	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes
024	Kennedy Enterprises - Norton Road	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no
025	Kennedy Enterprises - Vanover Avenue	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no
033	Miller Apartments - West Main	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes
038	Norton Heights Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes
039	Old Mill Village Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes
053	Sheffield Acres Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes
061	Woodstone Village Phase 1	no	yes	no	yes	yes	yes	no	yes	no	no	no	no	no	no	no	no	no	no	no	no	yes	yes	yes
063	Lost Creek Drive Apartments	no	yes	no	yes	yes	yes	no	yes	yes	yes	yes	no	no	no	no	no	no	no	no	no	no	no	yes

Source: Allen & Associates; Sponsor

HUD Utility Schedule Model Output

	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Heat - Gas	14	17	20	23	25
Heat - Elec	14	17	20	23	25
Cooking - Gas	5	5	8	10	13
Cooking - Elec	5	5	8	10	13
Other Electric	17	20	28	36	44
Air Conditioning	3	3	4	5	6
Hot Water-Gas	11	14	17	21	25
Hot Water-Elec	11	14	17	21	25
Water	30	32	47	70	93
Sewer	47	51	78	118	158
Trash	12	12	12	12	12

Source: Local Utility Providers; HUD

## SITE DESCRIPTION & ANALYSIS

Our assessment of the site included an evaluation of the following factors with respect to the subject property: (1) Survey; (2) Site Plan; (3) Nuisances, Hazards, Detrimental Influences & Environmental; (4) Topography; (5) Flood Zone; (6) Difficult to Develop Area Status; (7) Qualified Census Tract Status; and (8) Traffic Patterns, Access & Visibility.

### Survey

A survey for the subject property was provided to the analyst for review. Current surveys should be evaluated to ascertain whether there are any easements encumbering the subject property. Our review/inspection suggested that the site is currently encumbered by standard utility easements that do not adversely affect its marketability and that the site is serviced by municipal utilities.

### Site Plan

A site plan for the subject property was provided to the analyst for review. Site plans are necessary to analyze the site improvements, parking configuration, internal traffic flow, location of building improvements and landscaping improvements for the subject property. Our review did not identify any problem areas with respect to the subject property. A summary of the development's site features is found below.

#### Acres / Lot Shape / Frontage

The subject property includes an irregular-shaped parcel consisting of approximately 3.606 acres and approximately 100 feet of road frontage.

#### Zoning

According to the sponsor, the subject property is currently zoned B-# General Business. It is our understanding that the current zoning for the subject is a legal, conforming use.

#### Parking / Streets / Curbs / Sidewalks

A total of 44 privately-owned parking spaces are proposed for the subject property (38 regular / 6 accessible / 1.10 spaces per unit). We normally see 1.0 to 1.5 spaces per unit for projects like this. In our opinion, the proposed parking appears adequate for the subject property.

#### Dumpsters / Dumpster Enclosures

The subject is proposed to include 2 publicly-owned dumpsters along with 2 privately-owned wood enclosures.

#### Landscaping / Perimeter Fence / Retaining Walls / Entry Sign

Trees, shrubs & lawns are proposed for the subject property. A perimeter fence is not planned at the subject property. Retaining walls are not planned at this property. One unlighted entry sign is proposed for this property.

#### Stormwater Management / Site Lighting / Water Service / Wastewater Service

Stormwater management is proposed to consist of catch basins and concrete pipe connecting to a public system. Site lighting is proposed to consist of publicly-owned HID poles. Domestic water service to buildings is proposed to consist of ductile iron pipe connecting to a public system. Wastewater service to buildings is proposed to consist of PVC pipe connecting to a public system.

### Nuisances, Hazards, Detrimental Influences & Environmental

We did not observe any nuisances, hazards, detrimental influences or recognized environmental conditions on our inspection of the subject property. The subject property was originally constructed in 1991, after the 1978 ban on lead and asbestos containing construction materials. Nevertheless, we recommend that the sponsor obtain a comprehensive environmental assessment from a qualified professional.

## Topography

The USGS map showing the topography of the subject property and surrounding area is found below:



The topographic map shows that the site is sloping and drains to adjacent properties to the west. In our opinion, there do not appear to be any topographic issues with respect to the subject property.



## Flood Zone

The map showing the location of the subject property relative to nearby areas prone to flooding (identified in purple) is found below:

RiskMeter
CoreLogic

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LATITUDE: 36.934243, LONGITUDE: -82.640201  
 LOCATION ACCURACY: *User-defined location*    LATITUDE: 36.934243    LONGITUDE: -82.640201    MATCH CODE:    SOURCE: CENSUS BLOCK ID: 517209601002015

Flood Zone Determination Report

Flood Zone Determination: **OUT**

SFHA (FLOOD ZONE)	OUT	WITHIN 250 FEET OF FLOOD ZONE	NO
FLOOD ZONE	X	COMMUNITY	510108
COMMUNITY NAME	NORTON, CITY OF	PANEL	0220D
PANEL DATE	February 18, 2011	COBRA	OUT
PARTICIPATION STATUS	R	ORIGIN FIRM DATE	February 16, 1977
MAP NUMBER	51195C0220D	FIPS CODE	51720

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Report generated March 03, 2024 by jcarroll@allenadvisors.com Page 2 of 2

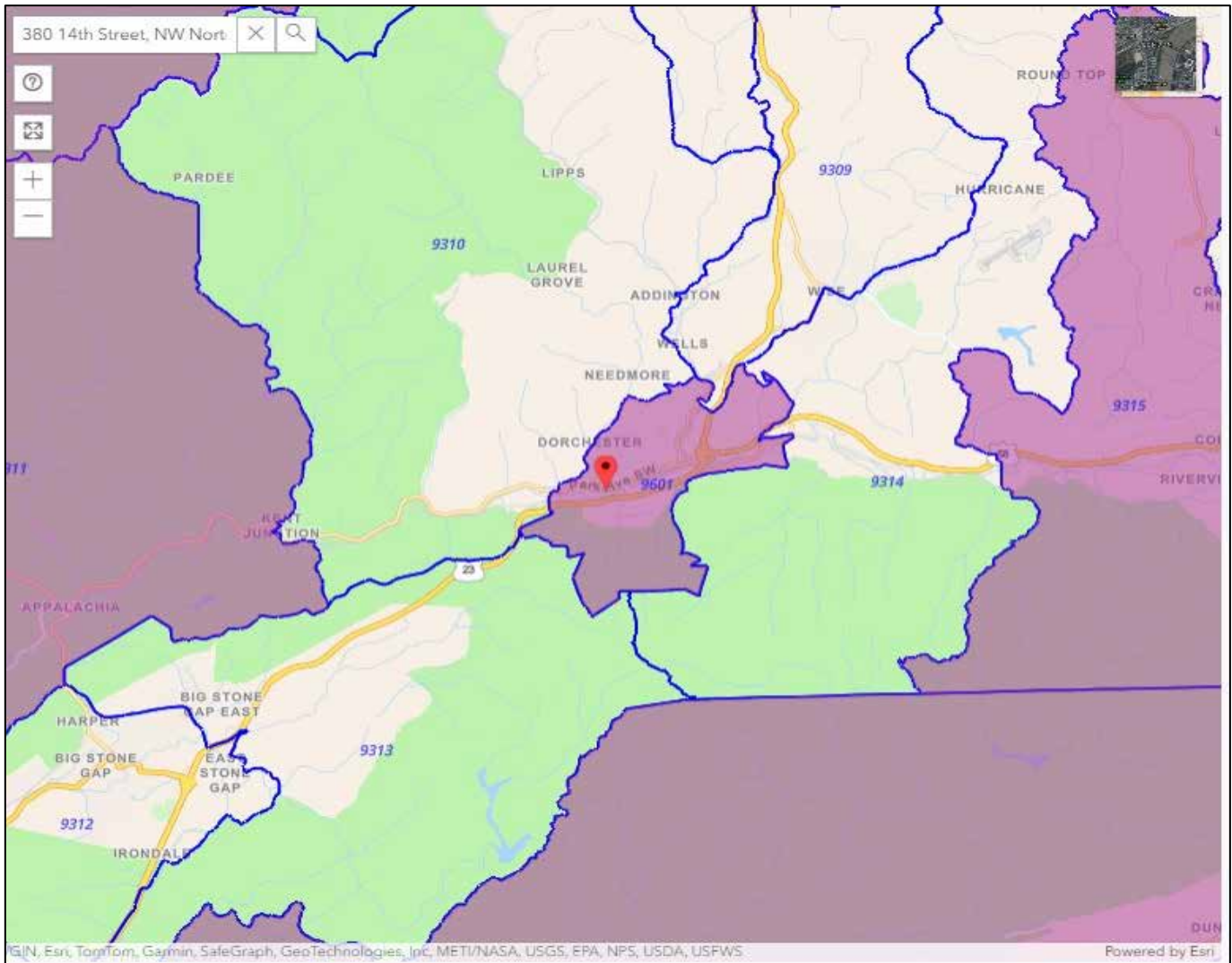
According to FEMA map number 51195C0220D dated February 18, 2011, the subject property is located in Zone X. This is an area that is identified as being located outside the 100-year flood zone.

### Difficult to Develop Area Status

The subject property is located in Norton City, Virginia - an area that is not designated as a Difficult to Develop Area. Consequently, the subject property does not appear to qualify for special DDA funding under state and federal programs.

### Qualified Census Tract Status

The federal government has identified census tracts throughout the United States that include high concentrations of low-income households and substandard housing units. These areas, known as Qualified Census Tracts, qualify for special funding under various state and federal programs. A QCT map showing the location of the subject property is found below:



The subject property is located in Census Tract 9601 - an area that is designated as a Qualified Census Tract. Consequently, the subject property does appear to qualify for special QCT funding under state and federal programs.



## Traffic Patterns, Access & Visibility

A traffic map identifying the subject property is found below:



### Access

The subject property is located at 380 14th Street, approximately 3 blocks north of Route 23 in Norton, Virginia. Route 23 is a moderately-traveled east-west road carrying approximately 8,000 vehicles per day. We did not observe any road or infrastructure improvements taking place in the immediate vicinity of the subject property. In our opinion, therefore, accessibility is fair to good by virtue of the location of the subject property relative to existing streets and thoroughfares.

### Visibility

The subject property is not visible from Route 23 and does not enjoy a significant volume of drive-by traffic. Consequently, in our opinion visibility is fair to good by virtue of the exposure of the subject property to existing drive-by traffic volumes.

In the course of completing this study, we rated the access and visibility for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). A table summarizing our findings is found below:

Access & Visibility						
Rating				Rank		
Key	Project Name	Access	Visibility	Access	Visibility	
Sub	Norton Green II	2.50	2.50	4	4	
017	Gilliam Court Apartments	2.50	2.50	4	4	
024	Kennedy Enterprises - Norton Road	2.00	2.00	10	10	
025	Kennedy Enterprises - Vanover Avenue	2.50	2.50	4	4	
033	Miller Apartments - West Main	4.00	3.75	1	2	
038	Norton Heights Apartments	2.25	2.25	9	8	
039	Old Mill Village Apartments	2.50	2.25	4	8	
053	Sheffield Acres Apartments	2.50	2.50	4	4	
061	Woodstone Village Phase 1	3.00	3.50	3	3	
063	Lost Creek Drive Apartments	3.50	4.00	2	1	

Source: Allen & Associates

# NEIGHBORHOOD DESCRIPTION & ANALYSIS

## Neighborhood

Our assessment of the neighborhood includes an evaluation of the following factors with respect to the subject property: (1) Life Cycle; (2) Surrounding Properties; (3) Economic Characteristics; (4) Crime Rates; (5) Educational Attainment; and (6) Commuting Patterns.

### Life Cycle

Neighborhoods are sometimes thought to evolve through four distinct stages:

- Growth – A period during which the area gains public favor and acceptance.
- Stability – A period of equilibrium without marked gains or losses.
- Decline – A period of diminishing demand.
- Revitalization – A period of renewal, redevelopment, modernization, and increasing demand.

Based on our evaluation of the neighborhood, the subject property is located in an area that appears to be in the stability stage of its life cycle. Modest population growth is anticipated for the next several years.

### Surrounding Properties

The subject property is located in Norton, Virginia. The immediate area consists of residential land uses.

Vacant Land is located to the north; Single Family is located to the south; Cemetery is located to the east; and Hospital is located to the west of the subject property.

Surrounding property uses are summarized in the table found below:

Surrounding Properties		
Direction	Use	Condition
North	Vacant Land	-
South	Single Family	Good
East	Cemetery	Good
West	Hospital	Good

Source: Allen & Associates

### Economic Characteristics

The subject property is located in an area with average household incomes of \$38,423 (in constant 2015 dollars); this is compared with \$40,357 for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with median cash rents of \$437 (in constant 2015 dollars); this is compared with \$567 for the most comparable properties included in this analysis.

Finally, the subject property is located in an area with median single family home values of \$112,000 (in constant 2015 dollars); this is compared with \$99,970 for the most comparable properties included in this analysis.

### Crime Rates

The subject property is located in an area with personal crime rates of 3.3%. Personal crime includes offenses such as rape, murder, robbery and assault. Our research suggests that the average personal crime rate for the most comparable properties stands at 2.6%.

In addition, the subject property is located in an area with property crime rates of 3.3%. Property crimes include offenses such as burglary, larceny and theft. Our research suggests that the average property crime rate for the most comparable properties stands at 2.9%.

Please note: The crime statistics included in this analysis are historical area-wide figures. These statistics make no consideration for changing demographics or the implementation of an affirmative crime prevention program at the subject property.

Educational Attainment

The subject property is located in an area with high school graduation rates of 87.8%; this is compared with 78.9% for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with college graduation rates of 25.6%; this is compared with 17.6% for the most comparable properties included in this analysis.

Commuting Patterns

The subject property is located in an area with an average drive to work of 16.7 minutes; this is compared with 21.5 minutes for the most comparable properties included in this analysis.

In addition, the subject property is located in an area with an average of 1.76 vehicles per household; this is compared with 1.68 vehicles per household for the most comparable properties included in this analysis.

Conclusion

In our opinion, the subject property has a good to very good location relative to competing properties with respect to neighborhood characteristics.

**Proximity to Area Amenities**

Our assessment included an evaluation of the proximity of various amenities to the subject and the most comparable properties. We looked at the following amenities in our analysis: (1) Banks; (2) Grocery; (3) Emergency Clinics; (4) Pharmacies; and (5) Discount Stores.

A listing of some of the area amenities is found below. An amenity map is found in the following pages:

Proximity to Area Amenities		
Amenity	Name	Miles
Bank	Appalachian Community Federal Credit Union	0.2
Grocery	Save-A-Lot	0.2
Emergency Clinic	Norton Community Hospital	0.2
Pharmacy	CVS/pharmacy	0.3
Discount Store	Burkes Outlet	2.3

Source: Caliper Corporation

Appalachian Community Federal Credit Union, Save-A-Lot, CVS/pharmacy, and Burkes Outlet are all located less than 2.3 miles away from the subject property. Norton Community Hospital is located 0.2 miles away.

Number of Area Amenities

We utilized the Caliper Corporation 2021 Point of Interest database to evaluate the subject and the most comparable properties with respect to the number of amenities in the immediate area.

- Caliper Corporation identified 9 banks within 2.0 miles of the subject property. The subject is ranked 3 out of the 10 properties included in this analysis.
- A total of 5 grocery stores are in the vicinity of the subject property. The subject is ranked 1 for the area.
- A total of 4 hospital are in the vicinity of the subject property. The subject is ranked 1 for the area.
- A total of 3 pharmacies are in the vicinity of the subject property. The subject is ranked 3 for the area.

- A total of 0 shopping establishments are in the vicinity of the subject property. The subject is ranked 9 for the area.

#### Nearest Area Amenities

We utilized the Caliper Corporation 2021 Point of Interest database to evaluate the subject and the most comparable properties with respect to the nearest area amenities.

- According to Caliper Corporation, the nearest bank is 0.2 miles away from the subject property. The subject is ranked 4 out of the 10 properties included in this analysis.
- The nearest grocery store is 0.2 miles away from the subject property. The subject is ranked 2 for the area.
- The nearest hospital is 0.2 miles away from the subject property. The subject is ranked 1 for the area.
- The nearest pharmacy is 0.3 miles away from the subject property. The subject is ranked 3 for the area.
- The nearest shopping center is 2.3 miles away from the subject property. The subject is ranked 9 for the area.

#### Conclusion

In our opinion, the subject property has a very good location relative to competing properties with respect to area amenities.

Tables comparing the subject property's proximity to area amenities to that of the most comparable properties is found on the next page. Maps showing the proximity of the subject property to area amenities and area employers is also found in the following pages.

In the course of completing this study, we rated the neighborhood and the proximity to area amenities for the subject property and the most comparable properties on a 1-5 scale (1 being the worst and 5 being the best). The tables on the following pages give these ratings.

Neighborhood Ratings

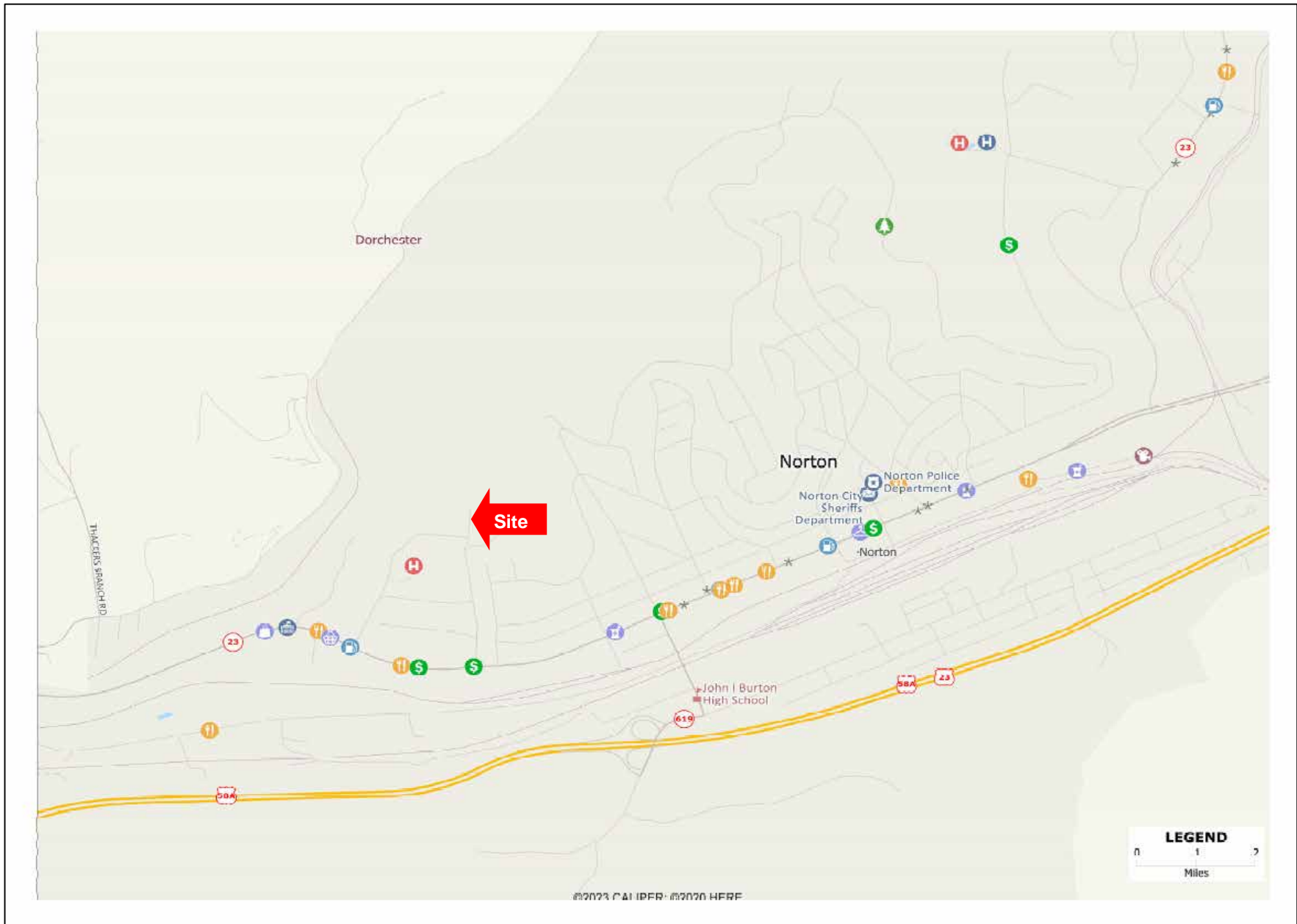
		Rating									Rank (1 = Property with Highest Rating)								Final Rating (1-5 Scale)
		Surrounding Area			Crime Rates		Education		Commute	Surrounding Area			Crime Rates		Education		Commute		
Key	Project Na	Avg HH Income (2015 \$)	Med Cash Rent (2015 \$)	Med SF Value (2015 \$)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute	Avg HH Income (2015 \$)	Med Cash Rent (2015 \$)	Med SF Value (2015 \$)	Personal Crime	Property Crime	High School or More	Bachelor's or More	Average Commute		
Sub	Norton Green II	\$38,423	\$437	\$112,000	3.3%	3.3%	87.8%	25.6%	16.68	7	9	4	8	7	2	2	3	3.50	
017	Gilliam Court Apartments	\$45,227	\$600	\$129,600	0.4%	0.5%	86.1%	23.9%	27.78	5	5	1	2	2	3	3	8	4.50	
024	Kennedy Enterprises - Norton Road	\$50,865	\$670	\$126,200	2.0%	5.6%	88.1%	22.9%	22.67	1	1	3	7	8	1	5	7	4.30	
025	Kennedy Enterprises - Vanover Avenue	\$45,227	\$600	\$129,600	0.4%	0.5%	86.1%	23.9%	27.78	5	5	1	2	2	3	3	8	4.50	
033	Miller Apartments - West Main	\$48,007	\$643	\$98,300	0.7%	0.8%	81.8%	22.7%	21.62	3	2	6	4	4	5	6	6	3.50	
038	Norton Heights Apartments	\$25,000	\$357	\$89,800	7.4%	7.5%	79.7%	33.3%	12.37	9	10	7	9	9	6	1	1	2.10	
039	Old Mill Village Apartments	\$47,031	\$573	\$101,700	2.0%	1.9%	67.5%	9.3%	33.89	4	7	5	6	6	9	7	10	2.70	
053	Sheffield Acres Apartments	\$33,294	\$523	\$72,900	1.8%	1.0%	74.3%	5.0%	18.39	8	8	9	5	5	8	9	5	2.00	
061	Woodstone Village Phase 1	\$19,778	\$642	\$80,100	0.4%	0.3%	59.7%	2.9%	17.80	10	3	8	1	1	10	10	4	2.80	
063	Lost Creek Drive Apartments	\$50,714	\$625	\$59,500	7.9%	7.9%	78.1%	6.8%	16.29	2	4	10	10	10	7	8	2	2.20	

Proximity to Area Amenities

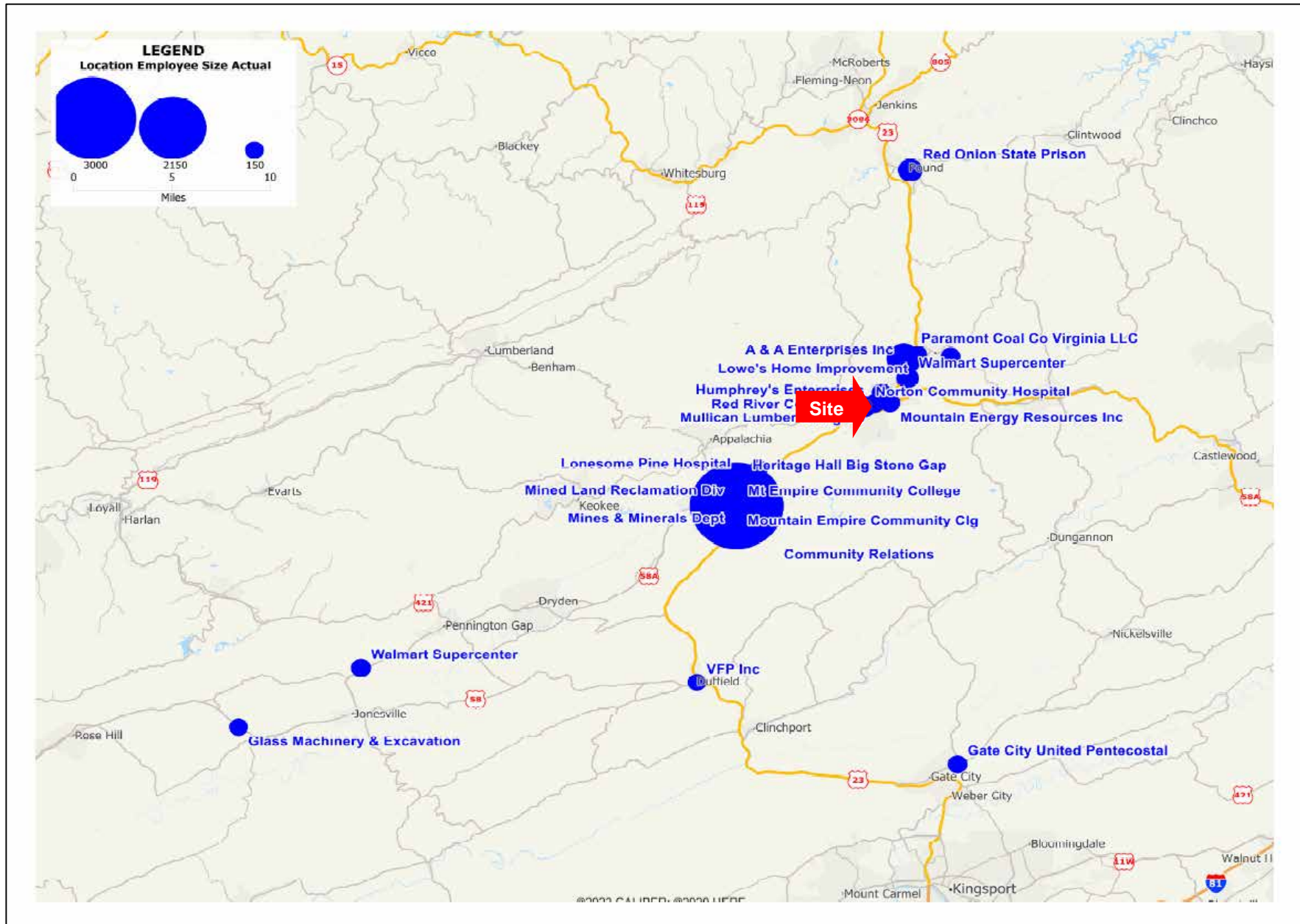
		Rating									Rank (1 = Property with Highest Rating)								Final Rating (1-5 Scale)
		Number within 2.0 miles of Property					Nearest to Property, Miles				Number within 2.0 miles of Property					Nearest to Property, Miles			
Key	Project Na	Banks	Grocery	Hospital	Pharmacy	Shopping	Shopping	Grocery	Hospital	Banks	Grocery	Hospital	Pharmacy	Shopping	Shopping	Grocery	Hospital		
Sub	Norton Green II	9	5	4	3	0	2.3	0.2	0.2	3	1	1	2	8	8	2	1	4.50	
017	Gilliam Court Apartments	7	4	0	2	5	0.2	0.5	3.7	7	4	4	5	3	2	4	8	3.20	
024	Kennedy Enterprises - Norton Road	9	4	0	2	7	0.6	0.2	3.0	3	4	4	5	1	3	1	5	4.10	
025	Kennedy Enterprises - Vanover Avenue	8	4	0	2	5	0.1	0.4	3.5	6	4	4	5	3	1	3	7	3.60	
033	Miller Apartments - West Main	9	4	0	2	7	0.9	0.5	3.1	3	4	4	5	1	4	4	6	3.60	
038	Norton Heights Apartments	11	5	4	3	2	1.6	0.6	0.5	1	1	1	2	5	6	7	2	4.40	
039	Old Mill Village Apartments	3	1	0	2	0	6.3	0.5	8.9	9	8	4	5	8	10	4	9	2.70	
053	Sheffield Acres Apartments	0	0	0	0	0	2.7	2.7	9.6	10	10	4	10	8	9	10	10	2.00	
061	Woodstone Village Phase 1	4	1	0	4	2	1.4	1.4	2.3	8	8	4	1	5	5	9	4	3.30	
063	Lost Creek Drive Apartments	11	5	4	3	2	1.6	0.7	0.8	1	1	1	2	5	6	8	3	3.80	

Source: US Census; Claritas; Caliper Corporation

### Proximity to Area Amenities



## Proximity to Area Employers





## SUBJECT PROPERTY PHOTOS

Photos of the subject property and the surrounding area are found below:



Subject Property



Looking North From Entrance



Looking South From Entrance



Looking East From Entrance



Looking West From Entrance

# MARKET AREA

## Overview

Market areas are influenced by a variety of interrelated factors. These factors include site location, economic, and demographic characteristics (tenure, income, rent levels, etc.), local transportation patterns, physical boundaries (rivers, streams, topography, etc.), census geographies, and the location of comparable and/or potentially competing communities.

In areas where the county seat is the largest city, centrally located, and draws from the entire county, the county may be the market area. In the case where there are potentially competing communities in one county, the market area may be part of the county. In fact, the market area could include portions of adjacent counties. In this case, a combination of county subdivisions may be used to define the market area. In urban or suburban areas, the market area will be adjacent to the site extending to all locations of similar character with residents or potential residents likely to be interested in the project. In this case, county subdivisions, townships, or a combination of census tracts may be used to define the market area.

Allen & Associates recently conducted a series of property management interviews to better understand market areas and resident moving patterns for multifamily properties. Our study suggested that markets may be classified into the following general categories: urban, suburban and rural. Renters in urban markets are typically willing to move 5 to 10 minutes when looking for a new apartment. Our research also shows that renters in suburban markets are normally willing to move 10 to 15 minutes when looking for a new place to live. Renters in rural markets are typically willing to move 15 to 20 minutes when looking for a new apartment. We considered these general guidelines in our evaluation of the subject property.

Our study suggested that secondary market areas were generally a function of whether the proposed development was family or elderly. Our research suggested that secondary market demand for family properties ranged from 10 to 30 percent. Secondary market demand for elderly properties ranged from 10 to 50 percent. Although seniors move less frequently than younger renters, they are often willing to move longer distances when looking for housing. We considered these general secondary market guidelines in our evaluation of the subject property.

Our primary and secondary market area definitions are found below.

## Primary Market Area

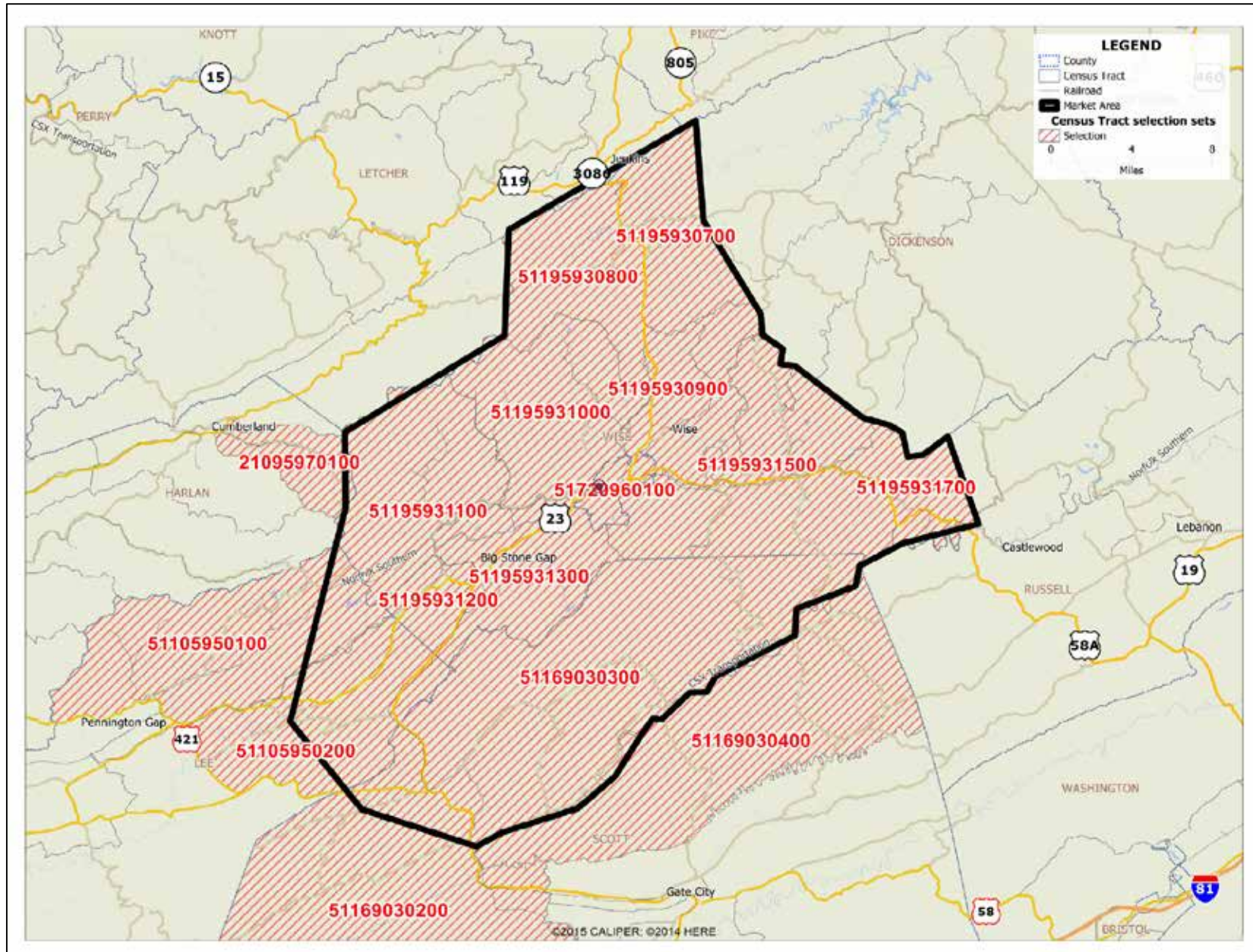
We defined the primary market area by generating a 30-minute drive time zone around the subject property. We also considered existing concentrations of multifamily properties and the nearest census tract boundaries in our analysis.

The primary market area includes a population of 52,183 persons and covers a total of 633.9 square miles, making it 28.4 miles across on average.

## Secondary Market Area

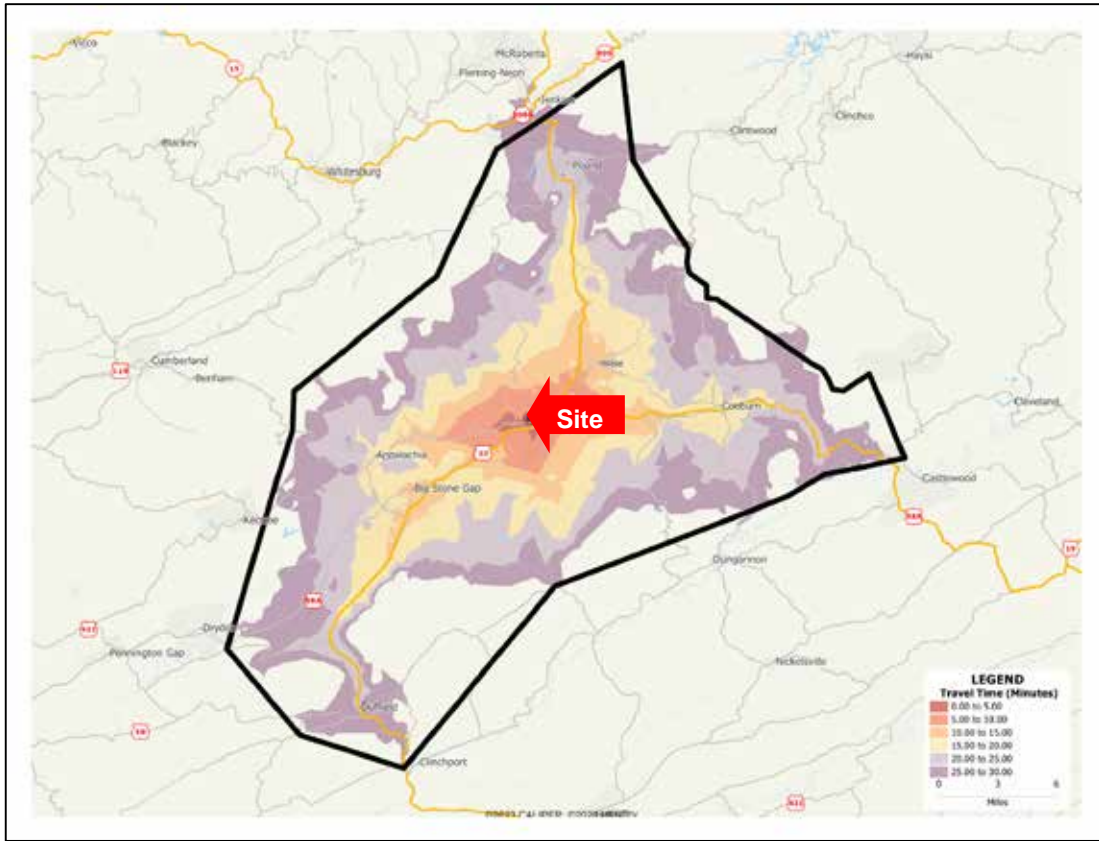
We estimate that up to 40 percent of demand will come from areas outside of the primary market area.

# Market Area

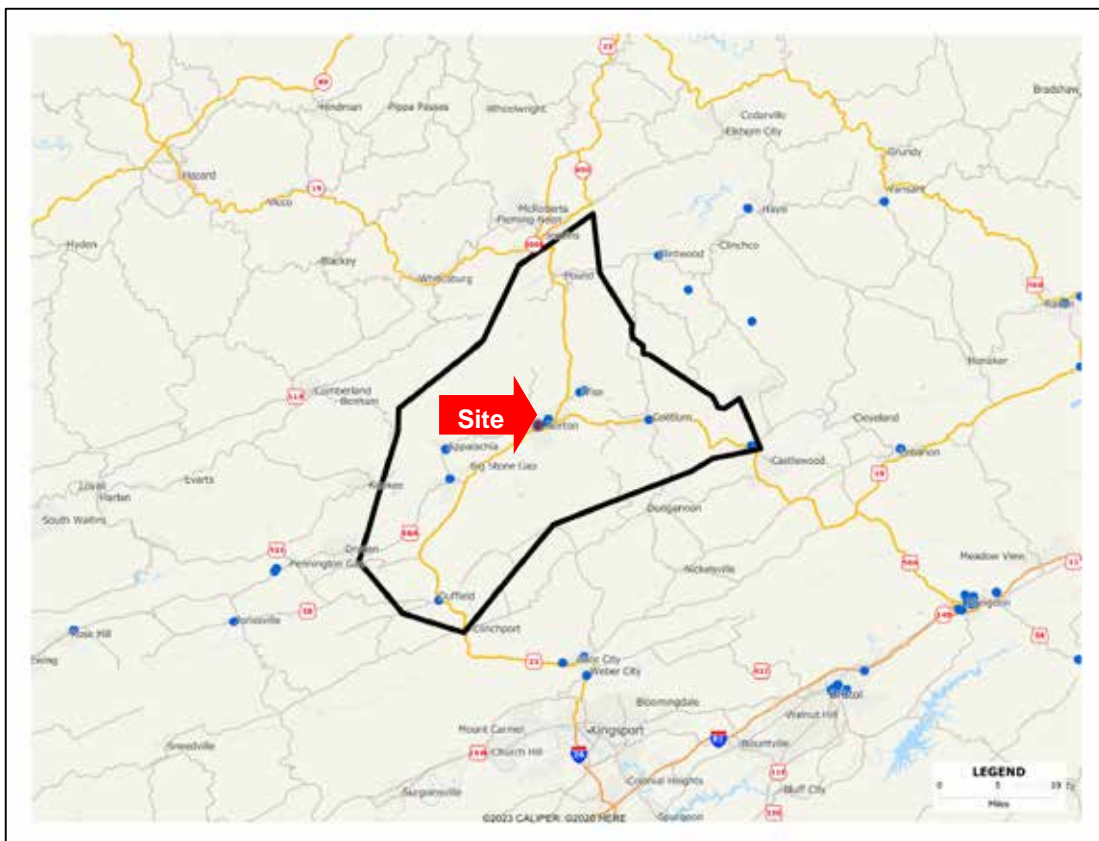




### Drive Time

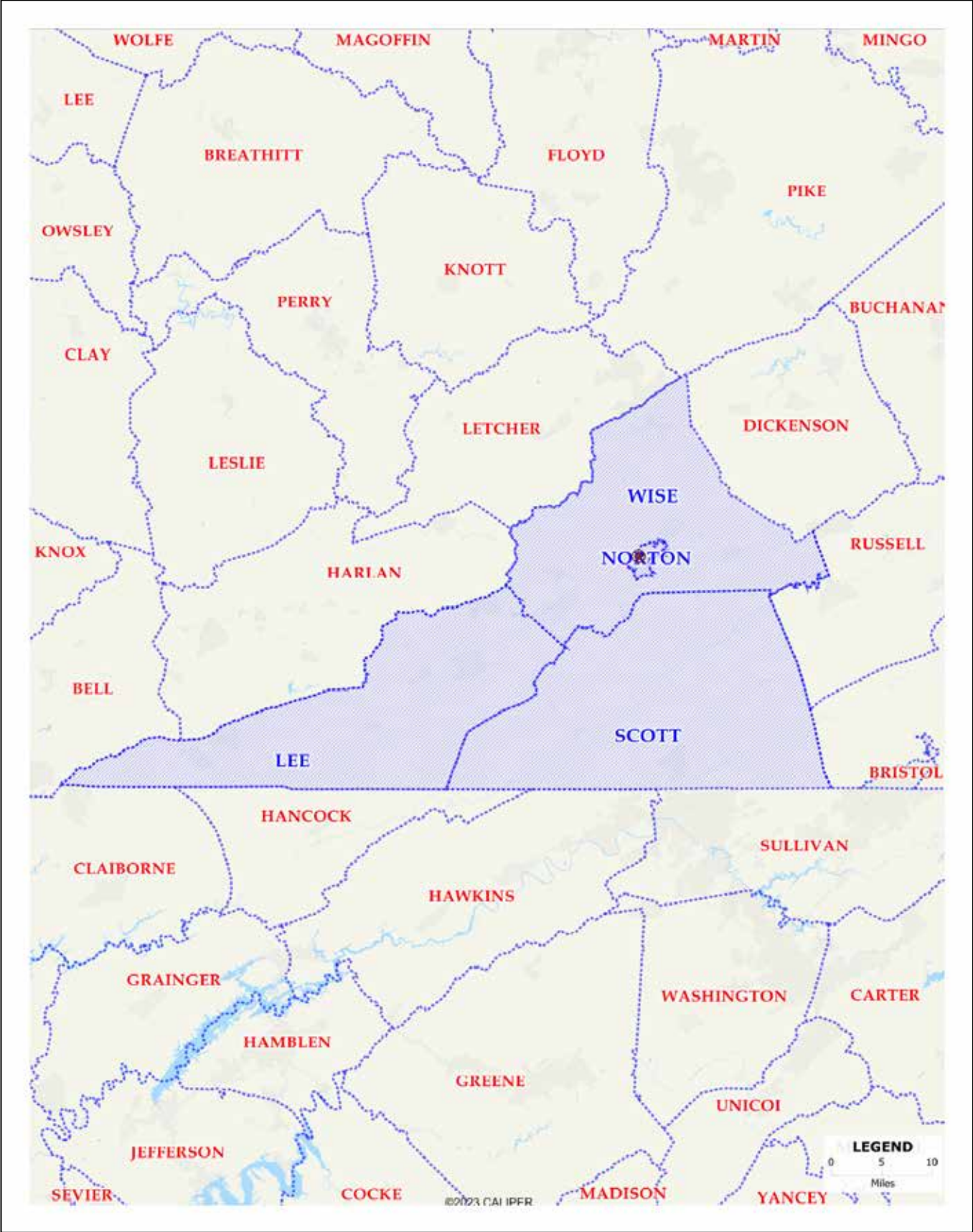


### Existing Multifamily



# ECONOMIC OUTLOOK

In this section we conduct an analysis of the regional economy. For purposes of our analysis, we define the region as Norton City and Lee, Scott & Wise Counties, Virginia. A map depicting the Region is found below.



## Employment by Industry

The Bureau of Labor Statistics (BLS) tracks establishment employment by major industry. In the table below we present the current breakdown and percent distribution. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Establishment Employment			
Industry	Region	Reg %	US %
Farm Employment	2,116	6.1%	1.2%
Forestry, Fishing, Related Activities And Other Employment	247	0.7%	0.4%
Mining Employment	445	1.3%	0.5%
Utilities Employment	244	0.7%	0.3%
Construction Employment	1,189	3.4%	5.3%
Manufacturing Employment	1,781	5.2%	6.3%
Wholesale Trade Employment	596	1.7%	3.1%
Retail Trade Employment	4,238	12.3%	8.7%
Transportation And Warehousing Employment	719	2.1%	4.7%
Information Employment	372	1.1%	1.6%
Finance And Insurance Employment	881	2.6%	5.5%
Real Estate And Rental And Lease Employment	983	2.8%	5.1%
Professional And Technical Services Employment	1,136	3.3%	7.6%
Management Of Companies And Enterprises Employment	271	0.8%	1.4%
Administrative And Waste Services Employment	2,879	8.3%	6.3%
Educational Services Employment	130	0.4%	2.6%
Health Care And Social Assistance Employment	4,747	13.7%	11.8%
Arts, Entertainment, And Recreation Employment	189	0.5%	2.4%
Accommodation And Food Services Employment	2,171	6.3%	7.8%
Other Services, Except Public Administration Employment	1,847	5.3%	5.7%
Federal Civilian Government Employment	689	2.0%	1.3%
Federal Military Employment	242	0.7%	0.9%
State And Local Government Employment	6,437	18.6%	9.4%
Establishment Employment	34,549	100.0%	100.0%

Source: W&P Economics

Regional establishment employment currently stands at 34,549. The data suggests that State and Local Government is the largest employment category accounting for 18.6% of total regional employment. Health Care and Social Assistance is the second largest category accounting for 13.7% of total employment. Retail Trade is the third largest category accounting for 12.3% of total employment. Administrative and Waste Services is the fourth largest category accounting for 8.3% of total employment. Accommodation and Food Services is the fifth largest category accounting for 6.3% of total employment.

Economists generally classify employment two ways: basic and non-basic. Basic employment, which is considered to be the engine of a local economy, includes industries that rely on external factors to fuel demand. For instance, mining, logging and manufacturers are frequently considered basic employers. Goods for these industries are shipped outside the location where they are produced. Non-basic employers depend largely on local demand and usually employ local workers. For example, grocery stores and restaurants are sometimes considered non-basic employers.

The Location Quotient (LQ) technique is the most common method of identifying basic industries for a given economy. The LQ technique compares the share of workers in each industry of a given economy with that of a larger reference economy. If the number of workers in the given economy is greater than that of the reference economy, these are considered to be basic industries because they fill needs beyond those of the reference community.

In the table above we highlight the basic industries for the region. The distribution of employment in these industries exceeds that for the United States. These basic industries represent about 22,042 employees or about 63.8% of total regional employment. These are the industries that drive the regional economy.

## Earnings by Industry

The Bureau of Labor Statistics (BLS) tracks average earnings by major industry. In the table below we present the current breakdown and rank. The data set comes from the Bureau of Labor Statistics (BLS) via Woods & Pool Economics.

Average Earnings (2012 \$)		
Industry	Earnings	Rank
Farm Employment	\$2,284	23
Forestry, Fishing, Related Activities And Other Employment	\$32,879	15
Mining Employment	\$69,888	3
Utilities Employment	\$133,734	1
Construction Employment	\$37,556	12
Manufacturing Employment	\$50,477	9
Wholesale Trade Employment	\$57,837	5
Retail Trade Employment	\$25,064	17
Transportation And Warehousing Employment	\$56,444	6
Information Employment	\$54,898	7
Finance And Insurance Employment	\$31,773	16
Real Estate And Rental And Lease Employment	\$10,105	22
Professional And Technical Services Employment	\$38,879	11
Management Of Companies And Enterprises Employment	\$69,867	4
Administrative And Waste Services Employment	\$24,754	18
Educational Services Employment	\$13,800	21
Health Care And Social Assistance Employment	\$44,510	10
Arts, Entertainment, And Recreation Employment	\$15,069	20
Accommodation And Food Services Employment	\$17,730	19
Other Services, Except Public Administration Employment	\$34,786	14
Federal Civilian Government Employment	\$106,134	2
Federal Military Employment	\$37,087	13
State And Local Government Employment	\$52,074	8
Establishment Employment	\$38,241	

Source: W&P Economics

The data suggests that Utilities is the highest paid industry averaging \$133,734 per employee. Federal Civilian Government is the second highest paid industry averaging \$106,134 per employee. Mining is the third highest paid profession averaging \$69,888 per employee. Management of Companies is the fourth highest paid industry averaging \$69,867 per employee. Wholesale trade is the fifth highest paid category averaging \$57,837 per employee. These figures are compared with regional Average Earnings of \$38,241 per employee.

The highlighted industries represent basic industries for the region. Average earnings for these basic industries comes to \$54,591 or 42.8% higher than average for the region.

## Top Employers

The table below gives a listing of the region's top employers. The data comes from InfoUSA and includes a primary industry description for each employer.

Top Employers				
Name	Employees	SIC Code	Industry Description	Location Type
Community Relations	3,240	8743-02	Public Relations Counselors	-
Paramont Coal Co Virginia LLC	800	1221-02	Coal Mining & Shipping	-
Red Onion State Prison	399	9121-02	Government Offices-State	-
Norton Community Hospital	357	8062-02	Hospitals	-
Mt Empire Community College	300	8222-98	Junior-Community College-Tech Institutes	-
Walmart Supercenter	300	5311-02	Department Stores	-
Mountain Empire Community Clg	250	8222-98	Junior-Community College-Tech Institutes	Subsidiary
Mountain Energy Resources Inc	210	1221-02	Coal Mining & Shipping	-
Lonesome Pine Hospital	203	8062-02	Hospitals	-
A & A Enterprises Inc	200	7381-02	Security Guard & Patrol Service	-

Source: InfoUSA

The top employers include: (1) Community Relations (3240 employees); (2) Paramont Coal Co Virginia LLC (800 employees) and; (3) Red Onion State Prison (399 employees).

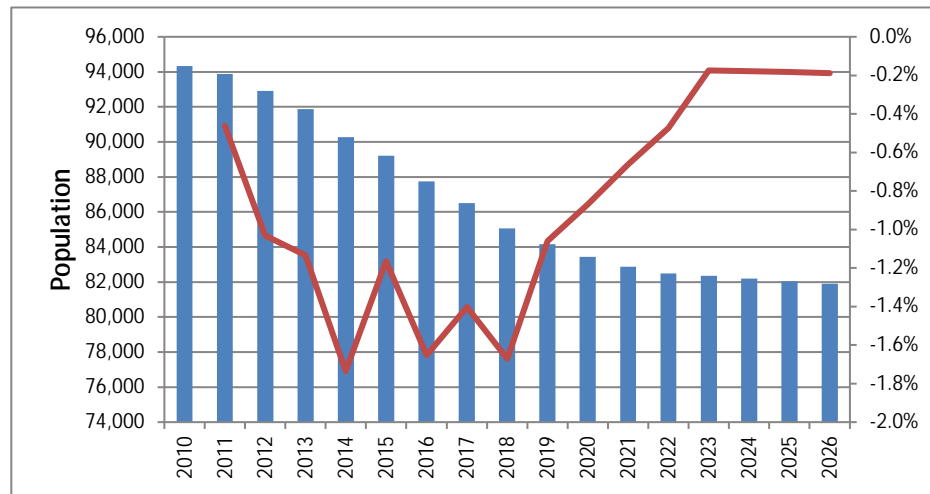


## Population

In this section we present population data for the region. The table and graph below show historic data between 2010 and 2021. The historic data comes from the US Census; the forecast comes from Woods & Pool Economics.

Population Forecast		
Year	Pop	Growth %
2010	94,320	
2011	93,885	-0.5%
2012	92,917	-1.0%
2013	91,864	-1.1%
2014	90,270	-1.7%
2015	89,219	-1.2%
2016	87,744	-1.7%
2017	86,513	-1.4%
2018	85,067	-1.7%
2019	84,165	-1.1%
2020	83,433	-0.9%
2021	82,881	-0.7%
2022	82,488	-0.5%
2023	82,344	-0.2%
2024	82,197	-0.2%
2025	82,047	-0.2%
2026	81,892	-0.2%

Source: US Census; W&P Economics



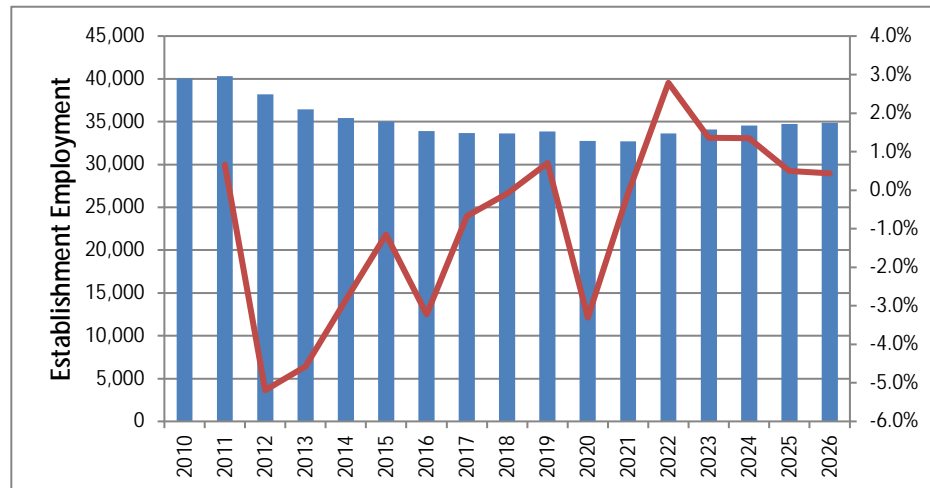
Population decreased from 94,320 in 2010 to 82,881 in 2021 and is anticipated to decrease to 81,892 in 2026.

## Establishment Employment

In this section we present establishment employment data for the region. The table and graph below show historic data between 2010 and 2021. The historic data comes from the Bureau of Labor Statistics (BLS); the forecast comes from Woods & Pool Economics.

Establishment Employment Forecast		
Year	Est Emp	Growth %
2010	40,036	
2011	40,301	0.7%
2012	38,209	-5.2%
2013	36,460	-4.6%
2014	35,418	-2.9%
2015	35,011	-1.1%
2016	33,883	-3.2%
2017	33,655	-0.7%
2018	33,626	-0.1%
2019	33,863	0.7%
2020	32,743	-3.3%
2021	32,720	-0.1%
2022	33,632	2.8%
2023	34,090	1.4%
2024	34,549	1.3%
2025	34,720	0.5%
2026	34,871	0.4%

Source: BLS; W&P Economics



Establishment employment decreased from 40,036 in 2010 to 32,720 in 2021 and is anticipated to increase to 34,871 in 2026.

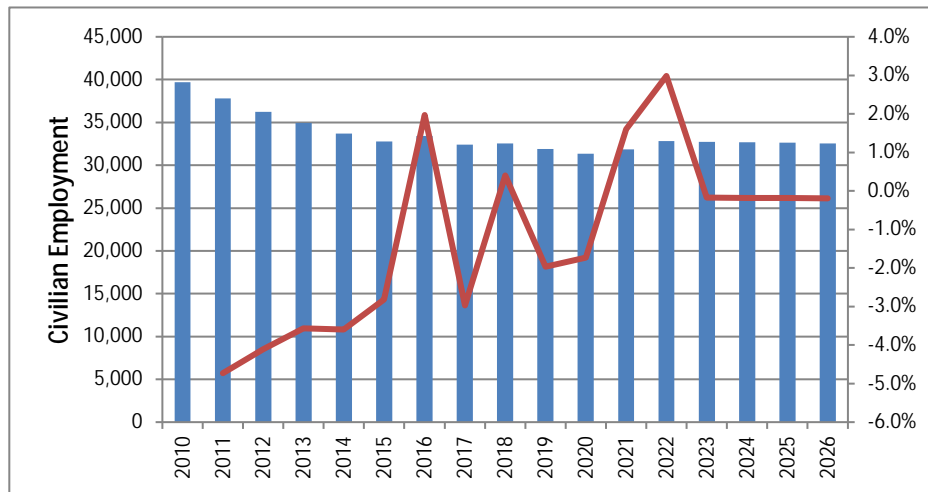


## Civilian Employment

In this section we present civilian employment data for the region. The table and graph below show historic data between 2010 and 2022. The historic data comes from the Bureau of Labor Statistics (BLS); the forecast utilizes data from Woods & Pool Economics.

Civilian Employment Forecast		
Year	Civ Emp	Growth %
2010	39,687	
2011	37,810	-4.7%
2012	36,256	-4.1%
2013	34,964	-3.6%
2014	33,708	-3.6%
2015	32,759	-2.8%
2016	33,403	2.0%
2017	32,412	-3.0%
2018	32,543	0.4%
2019	31,903	-2.0%
2020	31,350	-1.7%
2021	31,851	1.6%
2022	32,801	3.0%
2023	32,744	-0.2%
2024	32,686	-0.2%
2025	32,626	-0.2%
2026	32,564	-0.2%

Source: BLS; W&P Economics



Civilian employment decreased from 39,687 in 2010 to 32,801 in 2022 and is anticipated to decrease to 32,564 in 2026.

## Labor Force and Unemployment

In this section we take a look at the labor force and unemployment. The table below shows civilian employment, unemployment and labor force statistics for the region since 2010. The data set comes from the Bureau of Labor Statistics (BLS) via the Texas A&M Real Estate Center.

Labor Force & Unemployment				
Year	Civ Emp	Unemp	Lab Force	Unemp Rate
2010	39,687	2,975	36,712	7.5%
2011	37,810	3,082	34,728	8.2%
2012	36,256	3,155	33,101	8.7%
2013	34,964	2,760	32,204	7.9%
2014	33,708	2,346	31,362	7.0%
2015	32,759	2,233	30,526	6.8%
2016	33,403	1,771	31,632	5.3%
2017	32,412	1,370	31,042	4.2%
2018	32,543	1,292	31,251	4.0%
2019	31,903	2,194	29,709	6.9%
2020	31,350	1,403	29,947	4.5%
2021	31,851	1,197	30,654	3.8%
2022	32,801	1,227	31,574	3.7%

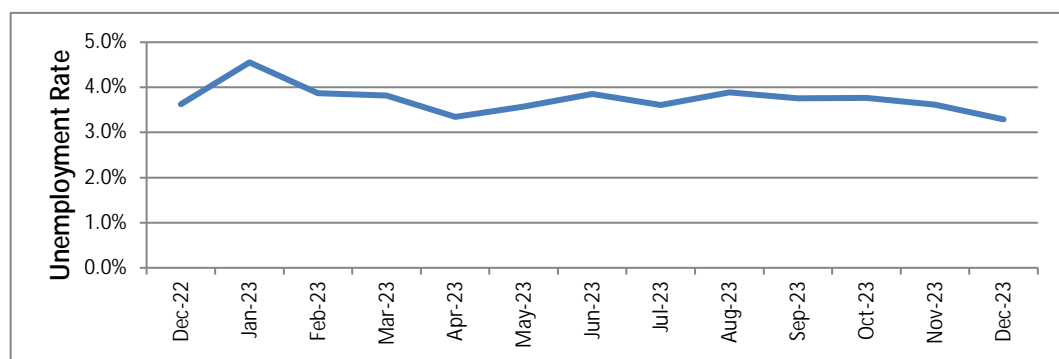
Source: BLS; Texas A&M Real Estate Center

Unemployment decreased from 2,975 in 2010 to 1,227 in 2022. The unemployment rate decreased from 7.5% in 2010 to 3.7% in 2022.

The table and graph below show the unemployment rate for the region for the past 12 months.

Unemployment Rate	
Month	Unemp Rate
Dec-22	3.6%
Jan-23	4.6%
Feb-23	3.9%
Mar-23	3.8%
Apr-23	3.3%
May-23	3.6%
Jun-23	3.9%
Jul-23	3.6%
Aug-23	3.9%
Sep-23	3.8%
Oct-23	3.8%
Nov-23	3.6%
Dec-23	3.3%

Source: TAMU



The Unemployment Rate for the Region came in at 3.6% in December 2022 and 3.3% in December 2023.

## Building Permits

In this section we look at building permits. The table and graph below show historical data for the region since 2000. The data set comes from the US Census.

Building Permits				
Year	1 Family	2-4 Family	5+ Family	Total
2000	182	2	0	184
2001	183	5	0	188
2002	211	10	32	253
2003	225	7	0	232
2004	194	5	0	199
2005	170	2	0	172
2006	181	0	0	181
2007	159	2	0	161
2008	160	6	5	171
2009	117	4	5	126
2010	108	2	0	110
2011	71	9	6	86
2012	68	12	0	80
2013	72	0	72	144
2014	45	0	0	45
2015	44	2	0	46
2016	51	2	0	53
2017	66	0	0	66
2018	44	0	0	44
2019	32	0	0	32
2020	44	0	0	44
2021	54	0	0	54
2022	51	0	0	51

Source: US Census

Building permits for the region increased from 184 in 2000 to 253 in 2002, before decreasing to 110 in 2010 and decreasing to 51 in 2022.

## Conclusion

We anticipate moderate economic contraction accompanied by modest population declines for the region over the next several years.

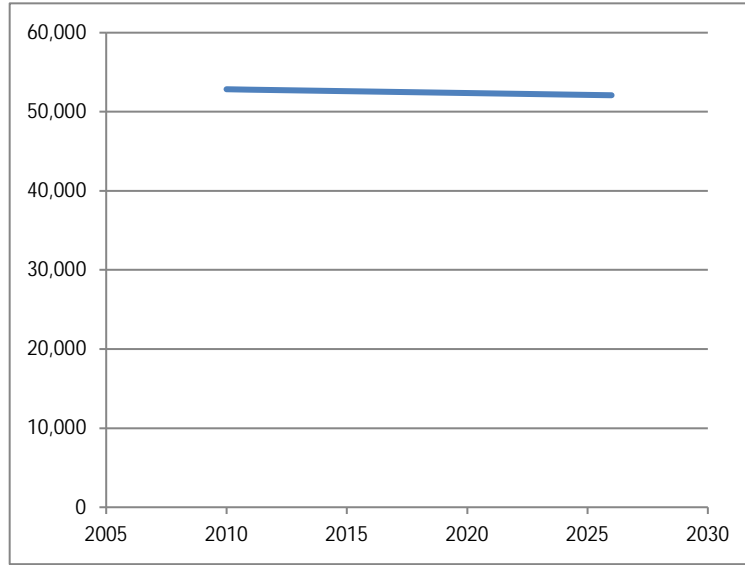
## DEMOGRAPHIC CHARACTERISTICS

### Population

In the table below we give the 2010-2026 Caliper Corporation population projection for the Market Area.

Population Forecast		
Year	Population	Growth %
2010	52,849	-
2011	52,801	-0.1%
2012	52,754	-0.1%
2013	52,706	-0.1%
2014	52,659	-0.1%
2015	52,611	-0.1%
2016	52,563	-0.1%
2017	52,516	-0.1%
2018	52,468	-0.1%
2019	52,421	-0.1%
2020	52,373	-0.1%
2021	52,325	-0.1%
2022	52,278	-0.1%
2023	52,230	-0.1%
2024	52,183	-0.1%
2025	52,136	-0.1%
2026	52,088	-0.1%

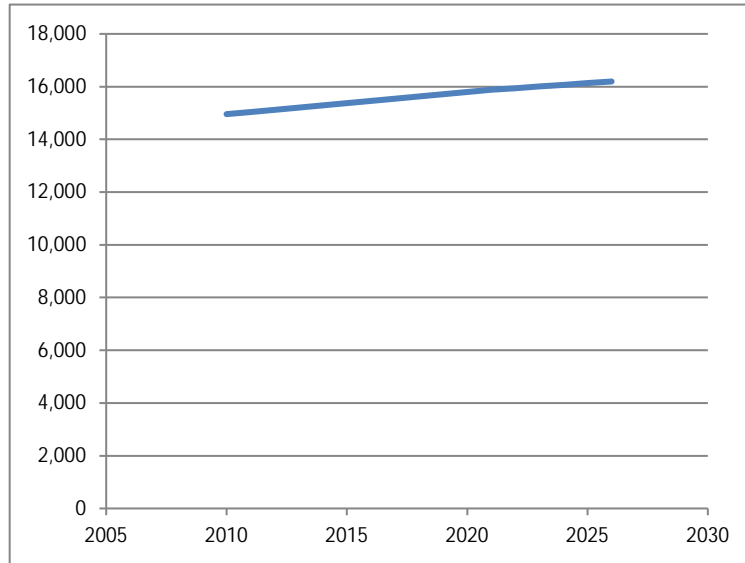
Source: Caliper; Allen & Associates



In the table below we give the 2010-2026 Caliper Corporation 55+ population projection for the Market Area.

55+ Population Forecast		
Year	Population	Growth %
2010	14,957	-
2011	15,038	0.5%
2012	15,120	0.5%
2013	15,203	0.5%
2014	15,288	0.6%
2015	15,372	0.6%
2016	15,456	0.5%
2017	15,540	0.5%
2018	15,624	0.5%
2019	15,709	0.5%
2020	15,793	0.5%
2021	15,877	0.5%
2022	15,940	0.4%
2023	16,004	0.4%
2024	16,067	0.4%
2025	16,131	0.4%
2026	16,194	0.4%

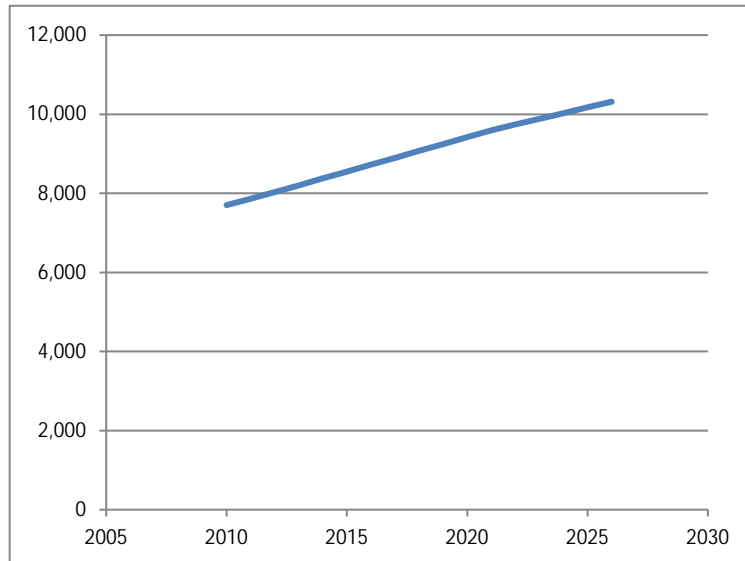
Source: Caliper; Allen & Associates



In the table below we give the 2010-2026 Caliper Corporation 65+ population projection for the Market Area.

65+ Population Forecast		
Year	Population	Growth %
2010	7,701	-
2011	7,864	2.1%
2012	8,031	2.1%
2013	8,201	2.1%
2014	8,375	2.1%
2015	8,549	2.1%
2016	8,723	2.0%
2017	8,897	2.0%
2018	9,071	2.0%
2019	9,245	1.9%
2020	9,419	1.9%
2021	9,594	1.8%
2022	9,738	1.5%
2023	9,882	1.5%
2024	10,027	1.5%
2025	10,171	1.4%
2026	10,315	1.4%

Source: Caliper; Allen & Associates

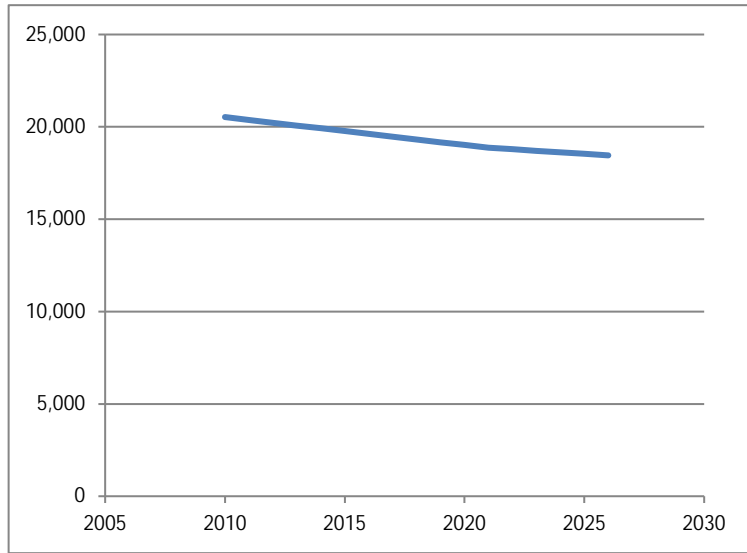


## Households

In the table below we give the 2010-2026 Claritas household projection for the Market Area.

Household Forecast		
Year	Households	Growth %
2010	20,531	-
2011	20,377	-0.8%
2012	20,224	-0.8%
2013	20,072	-0.8%
2014	19,922	-0.8%
2015	19,771	-0.8%
2016	19,620	-0.8%
2017	19,470	-0.8%
2018	19,319	-0.8%
2019	19,168	-0.8%
2020	19,018	-0.8%
2021	18,867	-0.8%
2022	18,785	-0.4%
2023	18,702	-0.4%
2024	18,620	-0.4%
2025	18,537	-0.4%
2026	18,455	-0.4%

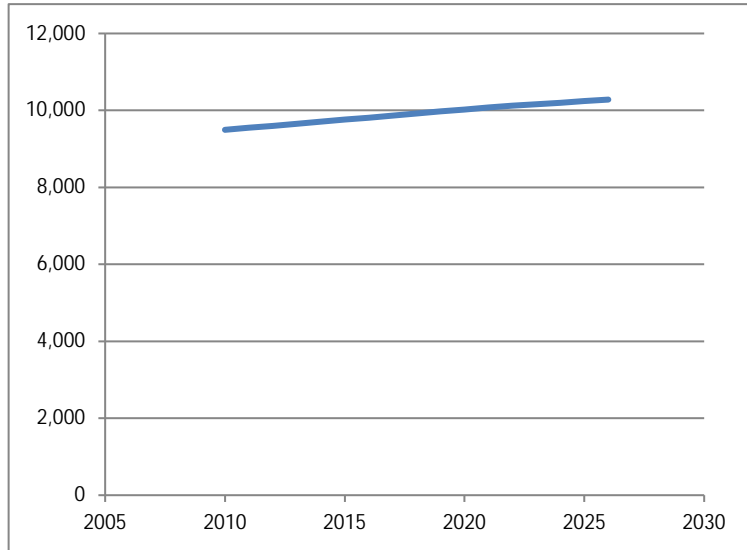
Source: Claritas; Allen & Associates



In the table below we give the 2010-2026 Claritas 55+ household projection for the Market Area.

55+ Household Forecast		
Year	Households	Growth %
2010	9,496	-
2011	9,547	0.5%
2012	9,600	0.5%
2013	9,652	0.5%
2014	9,706	0.6%
2015	9,759	0.6%
2016	9,813	0.5%
2017	9,866	0.5%
2018	9,920	0.5%
2019	9,973	0.5%
2020	10,027	0.5%
2021	10,080	0.5%
2022	10,120	0.4%
2023	10,161	0.4%
2024	10,201	0.4%
2025	10,241	0.4%
2026	10,281	0.4%

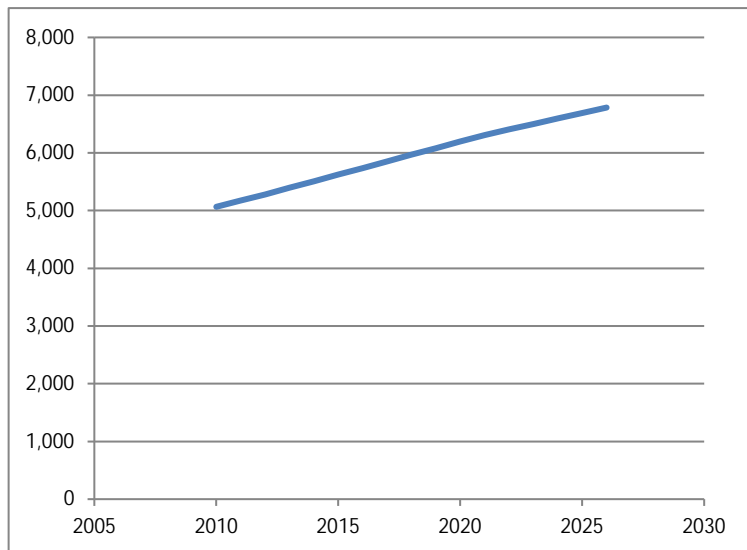
Source: Claritas; Allen & Associates



In the table below we give the 2010-2026 Claritas 65+ household projection for the Market Area.

65+ Household Forecast		
Year	Households	Growth %
2010	5,065	-
2011	5,172	2.1%
2012	5,282	2.1%
2013	5,394	2.1%
2014	5,509	2.1%
2015	5,623	2.1%
2016	5,738	2.0%
2017	5,852	2.0%
2018	5,967	2.0%
2019	6,081	1.9%
2020	6,196	1.9%
2021	6,310	1.8%
2022	6,405	1.5%
2023	6,500	1.5%
2024	6,595	1.5%
2025	6,690	1.4%
2026	6,785	1.4%

Source: Claritas; Allen & Associates

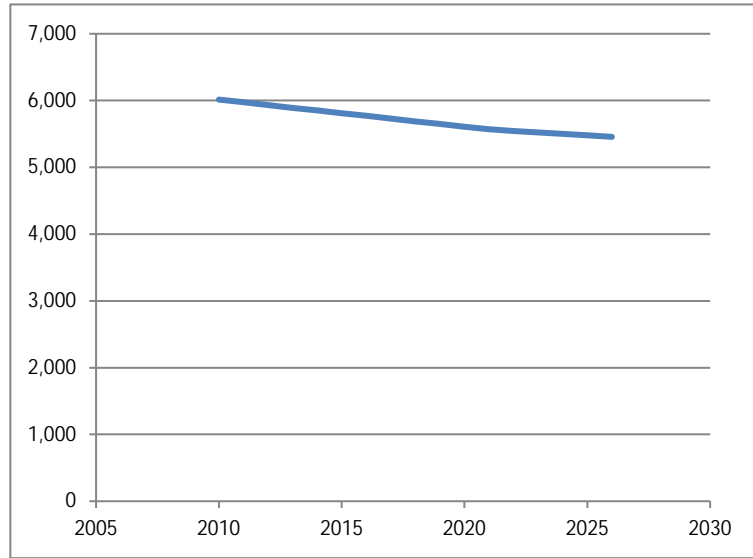


## Renter Households

In the table below we give the 2010-2026 Claritas renter household projection for the Market Area.

Renter Household Forecast		
Year	Households	Growth %
2010	6,015	-
2011	5,973	-0.7%
2012	5,932	-0.7%
2013	5,892	-0.7%
2014	5,851	-0.7%
2015	5,811	-0.7%
2016	5,770	-0.7%
2017	5,730	-0.7%
2018	5,689	-0.7%
2019	5,649	-0.7%
2020	5,608	-0.7%
2021	5,568	-0.7%
2022	5,546	-0.4%
2023	5,523	-0.4%
2024	5,501	-0.4%
2025	5,479	-0.4%
2026	5,457	-0.4%

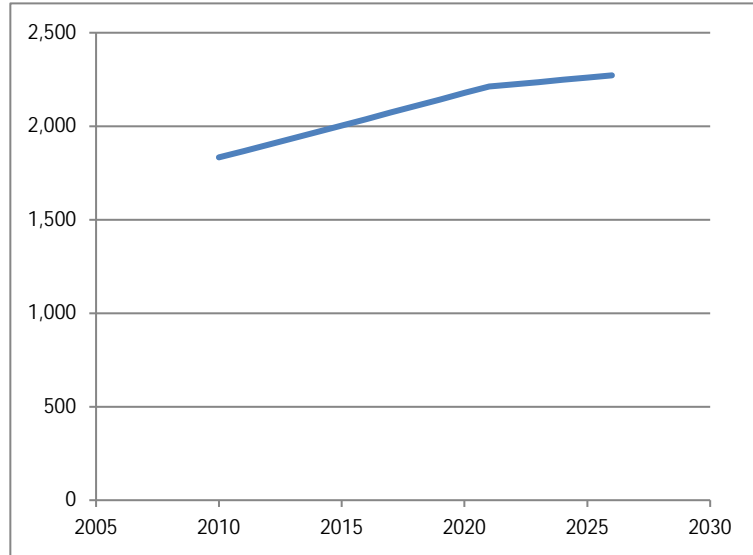
Source: Claritas; Allen & Associates



In the table below we give the 2010-2026 Claritas 55+ renter household projection for the Market Area.

55+ Renter Household Forecast		
Year	Households	Growth %
2010	1,833	-
2011	1,866	1.8%
2012	1,900	1.8%
2013	1,934	1.8%
2014	1,969	1.8%
2015	2,004	1.8%
2016	2,038	1.7%
2017	2,073	1.7%
2018	2,108	1.7%
2019	2,143	1.6%
2020	2,177	1.6%
2021	2,212	1.6%
2022	2,224	0.5%
2023	2,236	0.5%
2024	2,248	0.5%
2025	2,260	0.5%
2026	2,272	0.5%

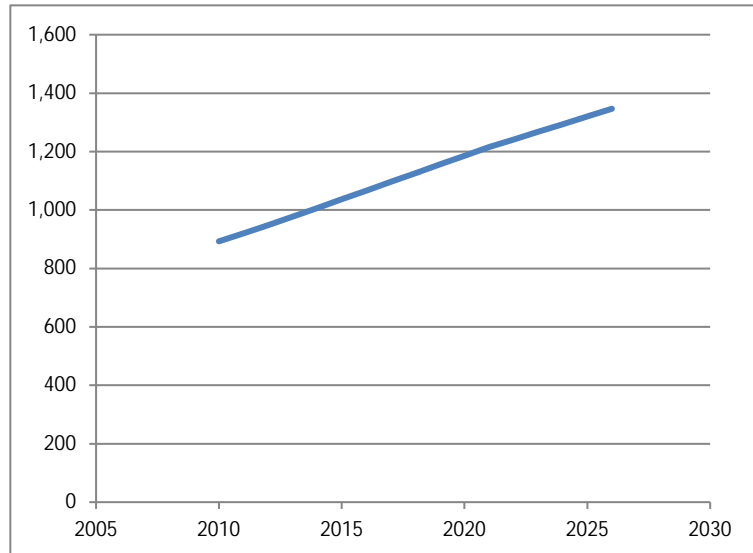
Source: Claritas; Allen & Associates



In the table below we give the 2010-2026 Claritas 65+ renter household projection for the Market Area.

65+ Renter Household Forecast		
Year	Households	Growth %
2010	893	-
2011	920	3.1%
2012	948	3.1%
2013	977	3.1%
2014	1,007	3.1%
2015	1,037	3.0%
2016	1,067	2.9%
2017	1,096	2.8%
2018	1,126	2.7%
2019	1,156	2.6%
2020	1,186	2.6%
2021	1,216	2.5%
2022	1,242	2.2%
2023	1,268	2.1%
2024	1,294	2.1%
2025	1,320	2.0%
2026	1,346	2.0%

Source: Claritas; Allen & Associates



## Household Income

The following table shows the current distribution of household incomes for the Market Area. The data set comes from Claritas and Ribbon Demographics.

2024 \$		Households, by Income, by Size						
Min	Max	2024 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	1,394	378	296	103	73	28	2,272
\$10,000	\$19,999	1,502	667	283	239	78	28	2,796
\$20,000	\$29,999	749	959	313	204	64	22	2,310
\$30,000	\$39,999	600	823	313	212	67	25	2,039
\$40,000	\$49,999	326	787	415	217	70	27	1,843
\$50,000	\$59,999	199	600	279	271	106	47	1,503
\$60,000	\$74,999	219	726	407	195	118	46	1,712
\$75,000	\$99,999	161	618	409	422	86	33	1,729
\$100,000	\$124,999	102	417	272	148	75	33	1,047
\$125,000	\$149,999	85	206	134	69	58	14	567
\$150,000	\$199,999	62	106	107	71	48	21	415
\$200,000	more	64	121	75	81	31	15	387
Total		5,463	6,407	3,304	2,231	875	340	18,620

The following table shows the current distribution of 55+ household incomes for the Market Area.

2024 \$		55+ Households, by Income, by Size						
Min	Max	2024 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	757	189	59	21	16	3	1,045
\$10,000	\$19,999	1,179	455	77	66	38	14	1,829
\$20,000	\$29,999	641	714	99	62	12	5	1,533
\$30,000	\$39,999	446	681	117	38	14	6	1,301
\$40,000	\$49,999	245	571	111	66	15	4	1,012
\$50,000	\$59,999	163	397	86	38	34	12	729
\$60,000	\$74,999	190	420	80	36	26	8	761
\$75,000	\$99,999	138	488	113	65	16	6	826
\$100,000	\$124,999	100	207	64	64	21	9	465
\$125,000	\$149,999	80	166	48	19	13	1	327
\$150,000	\$199,999	43	85	41	15	2	2	188
\$200,000	more	45	89	29	12	7	2	183
Total		4,026	4,462	924	502	214	72	10,201

The following table shows the current distribution of 65+ household incomes for the Market Area.

2024 \$		65+ Households, by Income, by Size						
Min	Max	2024 Households						
		1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	353	127	17	11	13	3	524
\$10,000	\$19,999	835	325	28	64	14	5	1,271
\$20,000	\$29,999	499	473	45	23	8	3	1,053
\$30,000	\$39,999	378	524	78	31	7	2	1,020
\$40,000	\$49,999	206	421	50	56	5	1	739
\$50,000	\$59,999	103	249	51	6	13	3	425
\$60,000	\$74,999	103	297	56	11	4	0	471
\$75,000	\$99,999	114	254	86	12	13	6	485
\$100,000	\$124,999	68	113	28	11	18	8	246
\$125,000	\$149,999	59	100	19	9	6	0	194
\$150,000	\$199,999	17	33	21	3	1	1	75
\$200,000	more	25	54	6	4	3	0	92
Total		2,759	2,970	486	241	106	33	6,595

Source: Claritas & Ribbon Demographics

## Renter Household Income

The following table shows the current distribution of renter household incomes for the Market Area. The data set comes from Claritas and Ribbon Demographics.

2024 \$		2024 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	938	174	227	85	63	27	1,514
\$10,000	\$19,999	755	237	149	163	38	12	1,355
\$20,000	\$29,999	197	195	96	85	25	11	610
\$30,000	\$39,999	215	92	105	58	23	12	505
\$40,000	\$49,999	136	161	79	50	42	16	484
\$50,000	\$59,999	48	111	61	54	21	9	303
\$60,000	\$74,999	30	156	49	11	23	5	275
\$75,000	\$99,999	47	22	9	18	18	7	121
\$100,000	\$124,999	39	29	8	15	3	1	95
\$125,000	\$149,999	31	14	11	12	24	2	94
\$150,000	\$199,999	27	8	7	6	2	1	50
\$200,000	more	40	28	14	10	5	1	96
Total		2,504	1,226	814	567	287	103	5,501

The following table shows the current distribution of 55+ renter household incomes for the Market Area.

2024 \$		2024 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	432	38	29	12	8	2	522
\$10,000	\$19,999	464	111	20	31	15	4	644
\$20,000	\$29,999	99	124	27	35	4	2	292
\$30,000	\$39,999	145	49	29	9	6	3	242
\$40,000	\$49,999	69	43	4	4	0	0	120
\$50,000	\$59,999	36	19	32	8	11	3	109
\$60,000	\$74,999	25	6	7	7	5	0	50
\$75,000	\$99,999	31	13	3	8	3	1	58
\$100,000	\$124,999	38	19	5	7	3	1	73
\$125,000	\$149,999	29	11	4	10	7	0	61
\$150,000	\$199,999	19	3	2	1	0	0	25
\$200,000	more	22	21	3	3	2	0	51
Total		1,410	457	165	135	64	16	2,248

The following table shows the current distribution of 65+ renter household incomes for the Market Area.

2024 \$		2024 Households						
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6 + Person	Total
\$0	\$9,999	160	28	8	5	7	2	211
\$10,000	\$19,999	269	79	0	31	2	0	381
\$20,000	\$29,999	71	62	27	20	1	0	181
\$30,000	\$39,999	121	21	19	9	1	0	171
\$40,000	\$49,999	60	32	0	3	0	0	94
\$50,000	\$59,999	19	13	24	2	11	3	73
\$60,000	\$74,999	16	3	1	3	1	0	24
\$75,000	\$99,999	24	11	1	8	0	0	44
\$100,000	\$124,999	18	9	3	6	2	1	38
\$125,000	\$149,999	16	6	1	4	3	0	31
\$150,000	\$199,999	5	1	1	1	0	0	9
\$200,000	more	13	17	3	1	2	0	36
Total		791	283	87	94	32	6	1,294

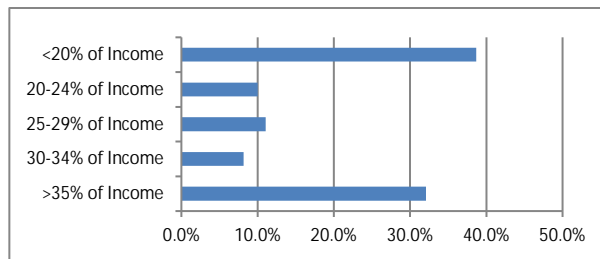
Source: Claritas & Ribbon Demographics

## Overburdened Renter Households

The following tables give overburdened renter household data for the Market Area. The data set comes from the U.S. Census Bureau.

Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	38.7%
20-24% of Income Spent on Housing	10.0%
25-29% of Income Spent on Housing	11.1%
30-34% of Income Spent on Housing	8.2%
>35% of Income Spent on Housing	32.1%
<b>Total</b>	<b>100.0%</b>

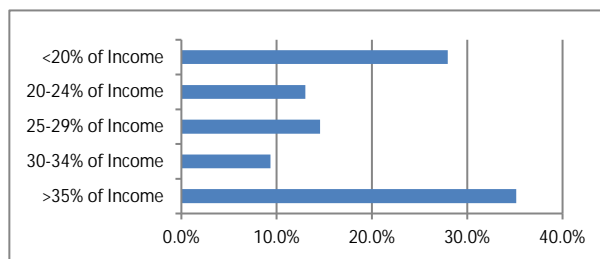
Source: U.S. Census Bureau



Our research suggests that 32.1 percent of the renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 40.3 percent of the renter households are overburdened to 30 percent of income.

55+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	28.0%
20-24% of Income Spent on Housing	13.0%
25-29% of Income Spent on Housing	14.6%
30-34% of Income Spent on Housing	9.4%
>35% of Income Spent on Housing	35.1%
<b>Total</b>	<b>100.0%</b>

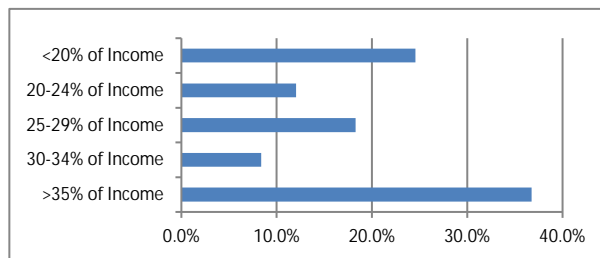
Source: U.S. Census Bureau



Our research suggests that 35.1 percent of the 55+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 44.5 percent of the 55+ renter households are overburdened to 30 percent of income.

65+ Overburdened Renter Households	
	% of Total
<20% of Income Spent on Housing	24.5%
20-24% of Income Spent on Housing	12.0%
25-29% of Income Spent on Housing	18.3%
30-34% of Income Spent on Housing	8.4%
>35% of Income Spent on Housing	36.8%
<b>Total</b>	<b>100.0%</b>

Source: U.S. Census Bureau



Our research suggests that 36.8 percent of the 65+ renter households in this market area are overburdened, paying more than 35 percent of their income towards housing-related costs. Our research also suggests that 45.2 percent of the 65+ renter households are overburdened to 30 percent of income.



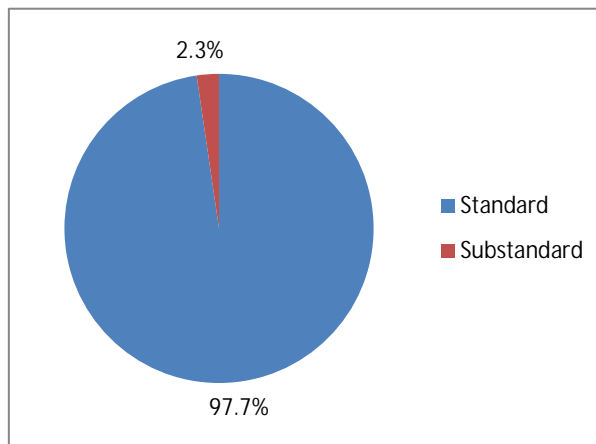
### Owner Substandard Units

The U.S. Census Bureau defines substandard housing units as follows: (1) Units without complete plumbing; or (2) Units with 1.00 or more persons per room.

The following tables give owner substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

Owner Substandard Units	
	% of Total
1.00 persons per room or less	97.7%
1.01 to 1.50 persons per room	0.8%
1.51 persons per room or more	0.1%
Complete Plumbing	98.6%
1.00 persons per room or less	1.4%
1.01 to 1.50 persons per room	0.0%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	1.4%
Standard	97.7%
Substandard	2.3%
Total	100.0%

Source: U.S. Census Bureau



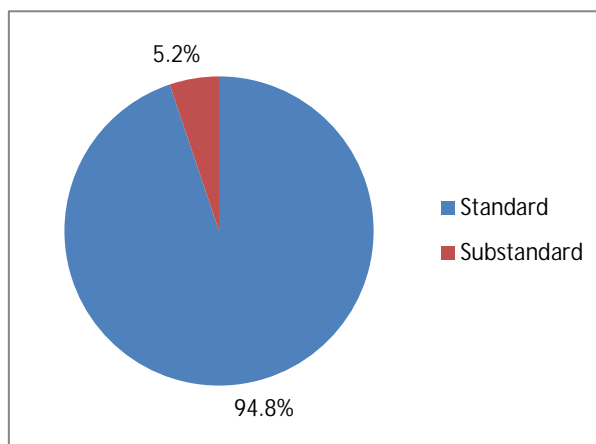
Our research suggests that 2.3 percent of occupied owner housing units in the market area are substandard.

### Renter Substandard Units

The following tables give renter substandard housing unit data for occupied housing units in the nation, state, region and market area. The data comes from the U.S. Census Bureau:

Renter Substandard Units	
	% of Total
1.00 persons per room or less	94.8%
1.01 to 1.50 persons per room	2.0%
1.51 persons per room or more	0.5%
Complete Plumbing	97.3%
1.00 persons per room or less	2.6%
1.01 to 1.50 persons per room	0.1%
1.51 persons per room or more	0.0%
Lacking Complete Plumbing	2.7%
Standard	94.8%
Substandard	5.2%
Total	100.0%

Source: U.S. Census Bureau



Our research suggests that 5.2 percent of renter owner housing units in the market area are substandard.

## Owner Movership

The following tables give owner household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

Owner Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Owner to Owner	2.1%	3.3%	4.2%	4.2%	4.5%	4.9%	5.7%	3.5%
Owner to Renter	2.0%	1.9%	3.3%	3.1%	3.1%	4.7%	7.2%	2.5%
Owner Movership Rate	4.1%	5.1%	7.6%	7.3%	7.6%	9.6%	12.9%	6.0%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an owner movership rate of 6.0 percent.

Elderly Owner Movership, by Size								
AHS Survey								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Owner to Owner	2.0%	2.8%	2.3%	1.6%	3.1%	1.0%	3.7%	2.4%
Owner to Renter	1.7%	0.8%	1.4%	2.1%	0.6%	2.6%	0.0%	1.2%
Owner Movership Rate	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly owner movership rate of 3.7 percent.

## Renter Movership

The following tables give renter household movership data for the market area with an estimated breakout by household size. The data comes from the U.S. Census Bureau and the American Housing Survey:

Renter Movership, by Size								
Market Area								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Renter to Renter	9.1%	20.3%	28.6%	34.4%	34.8%	37.7%	58.2%	20.5%
Renter to Owner	2.2%	8.3%	8.4%	10.7%	11.8%	9.1%	10.7%	6.5%
Renter Movership Rate	11.3%	28.6%	37.0%	45.1%	46.5%	46.8%	68.9%	27.0%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests a renter movership rate of 27.0 percent.

Elderly Renter Movership, by Size								
AHS Survey								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7+ Person	Total
Renter to Renter	7.4%	6.6%	7.2%	7.6%	6.0%	7.8%	0.0%	7.1%
Renter to Owner	0.6%	1.4%	0.7%	0.4%	2.0%	0.2%	8.0%	0.9%
Renter Movership Rate	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

Source: U.S. Census, American Housing Survey; Allen & Associates

Our research suggests an elderly renter movership rate of 8.0 percent.

## SUPPLY ANALYSIS

In conducting our analysis, we began by attempting to compile a list of every multifamily property with 10 or more units in the market area. We included conventionally-financed multifamily communities as well as properties financed by the local housing authority and the state housing finance agency in our listing. We even included properties financed by and/or subsidized by USDA and/or HUD. Finally, we included properties that are either proposed or currently under construction. The result was a listing of projects with 10 or more units - whether existing, under construction, or proposed - for this area. Our rental property inventory listing is found in the pages that follow.

A map showing the location of the properties included in the rental property inventory is found in the pages that follow. Properties identified with red pushpins have 100 percent market rate units (market rate properties), properties identified with yellow pushpins have a mixture of market rate / restricted / subsidized units (restricted properties), and properties identified with blue pushpins have 100 percent project-based rental assistance (subsidized properties).

After accounting for any unconfirmed properties and any properties that are located outside the defined market area, we arrived at a list of confirmed market area properties. This was the listing of properties upon which our analysis is based. In our opinion, the properties included on this list give a credible picture of market conditions as of the effective date of this report. This listing is found in the pages that follow.

Our next step was to compile a master list of unrestricted market rate rent comparables from the listing of confirmed properties. We eliminated any properties which were either under construction, being renovated, in lease up, or which were unstabilized for one reason or another. We identified market rate properties of similar age and condition to the subject property. If we were unable to identify a sufficient number of market rate comparables in the market area, we included market rate properties from outside the market area. If we were still unable to identify a sufficient number of market rate comparables, we included rent restricted properties - provided, however, that the rents charged at these properties were below statutory limits and similar to the rents charged at the market rate properties in the market area (suggesting that these rent restricted properties were *de facto* market rate properties).

Finally, we compiled a master list of restricted rent comparables from the listing of confirmed properties. We used the same approach described above for unrestricted market rate properties.

The resulting master lists of rent comparables and accompanying locator maps are found in this section as well. Detailed write-ups for the properties included on these lists are found in the Appendix. We include write-ups for *all* of the rent comparables identified on our master lists, regardless of whether they ended up being selected as one of the *best* rent comparables. We did this for two reasons: (1) To be transparent; and (2) To provide the reader with context regarding our selection process.

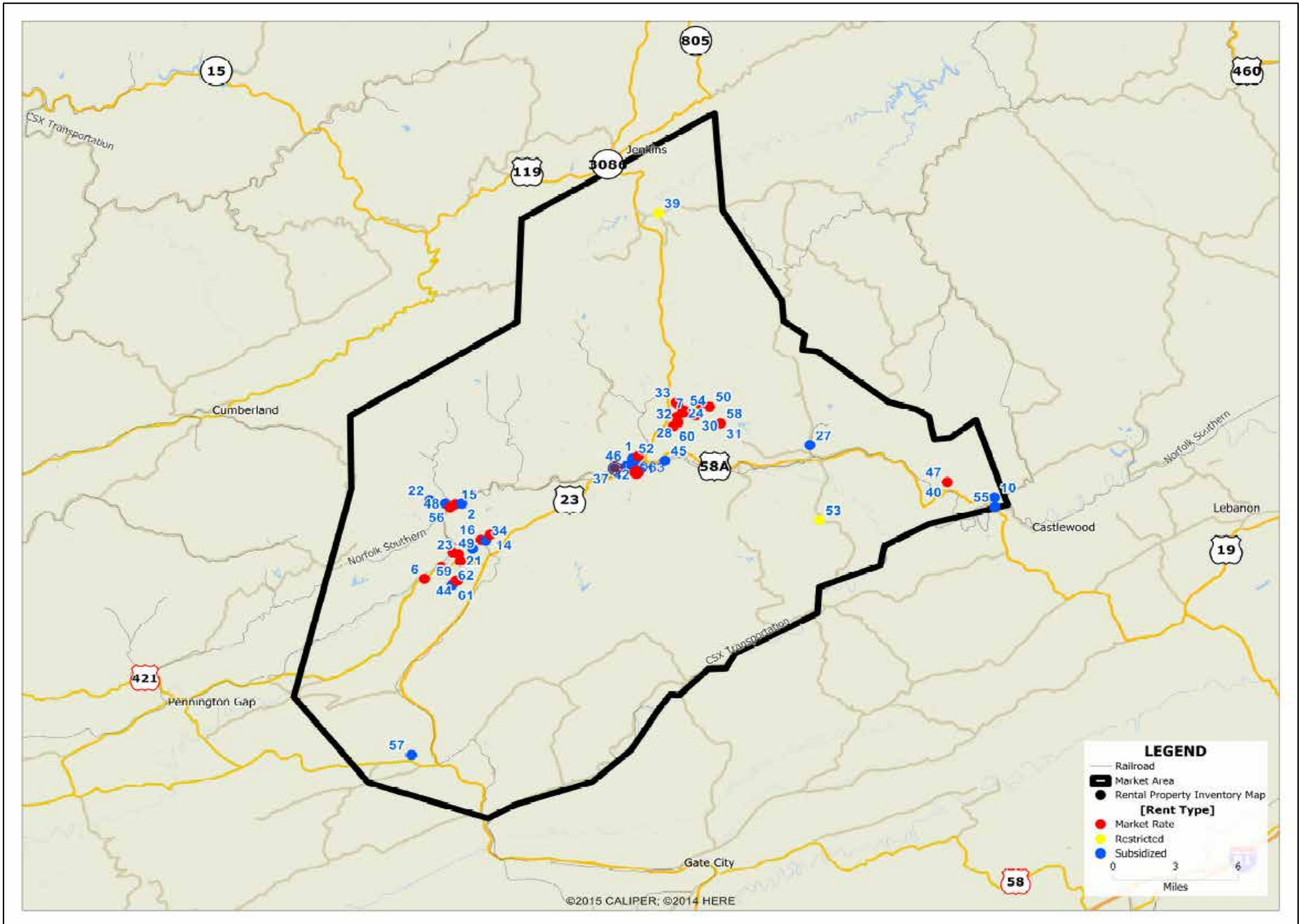
The balance of this section includes a breakdown of confirmed market area properties by rent type, project status, year built, and financing source. We also include a rent, unit mix, and amenity summary for confirmed market area properties. Finally, we provide summary of vouchers, concessions, and waiting lists for the properties included in this report.

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	1028 Park Avenue Apartments	36.9455	-82.6178	1980	2006	Market Rate	Family	Stabilized	Conventional	13	0	100.0%
002	Appalachia Towers Apartments	36.9077	-82.7726	1928	1983	Subsidized	Elderly	Stabilized	PHA	36	0	100.0%
003	Armistead Estate Rental	36.9348	-82.6305	1995	na	Market Rate	Family	Stabilized	Conventional	14	0	100.0%
004	Austin & Perry Rentals	36.8606	-82.7902	1985	na	Market Rate	Family	Unconfirmed	Conventional	3	0	100.0%
005	Baugh Apartments	36.9826	-82.5658	1975	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%
006	Bontri Apartments	36.8511	-82.8050	1999	na	Market Rate	Family	Stabilized	Conventional	23	0	100.0%
007	Campus Walk Apartments	36.9757	-82.5754	2014	na	Market Rate	Family	Student Housing	Conventional	30	1	96.7%
008	Cananche Creek Apartments	36.9408	-82.6244	1991	2009	Subsidized	Family	Stabilized	Tax Credit	35	1	97.1%
009	Cavalier Housing	36.9726	-82.5868	1954	2000	Market Rate	Family	Student Housing	Conventional	32	0	100.0%
010	Clinchview Public Housing	36.9123	-82.3114	1979	na	Subsidized	Family	Stabilized	HUD	60	1	98.3%
011	Colonial Apartments	36.8697	-82.7753	1970	na	Market Rate	Family	Stabilized	Conventional	5	0	100.0%
012	Commonwealth Apartments	36.9829	-82.5650	1969	2010	Subsidized	Family	Rehabilitation	Tax Credit	26	10	61.5%
013	Dogwood Terrace Apartments	36.8738	-82.7633	1980	2003	Subsidized	Family	Stabilized	Tax Credit	97	2	97.9%
014	Estep Rental	36.8844	-82.7482	1992	2007	Market Rate	Family	Stabilized	Conventional	14	3	78.6%
015	FIG Enterprises LLC	36.9072	-82.7781	na	na	Market Rate	Family	Stabilized	Conventional	30	7	76.7%
016	Gap Development	36.8806	-82.7559	1990	na	Market Rate	Family	Stabilized	Conventional	15	3	80.0%
017	Gilliam Court Apartments	36.9779	-82.5686	1980	na	Restricted	Elderly	Stabilized	RD	71	2	97.2%
018	Gladeville Housing Authority Ltd	36.9829	-82.5650	1969	na	Market Rate	Family	Duplicate	Tax Credit	0	0	0.0%
019	Hawthorne Acres Apartments	36.9361	-82.6256	1960	na	Subsidized	Family	Stabilized	PHA	51	0	100.0%
020	Highland Avenue Apartments	36.9352	-82.6321	1980	na	Market Rate	Family	Unconfirmed	Conventional	31	0	100.0%
021	Hometown Properties	36.8649	-82.7739	1970	na	Market Rate	Family	Stabilized	Conventional	20	1	95.0%
022	Inman Village Apartments	36.9103	-82.8003	1987	2002	Subsidized	Family	Unstabilized	Tax Credit	88	5	94.3%
023	Intermont Apartments	36.8697	-82.7753	1970	na	Market Rate	Family	Stabilized	Conventional	10	1	90.0%
024	Kennedy Enterprises - Norton Road	36.9757	-82.5818	1974	2007	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
025	Kennedy Enterprises - Vanover Avenue	36.9753	-82.5718	1989	na	Market Rate	Family	Stabilized	Conventional	21	0	100.0%
026	King Cole Building Apartments	36.9339	-82.6293	1900	2006	Market Rate	Family	Stabilized	Conventional	65	0	100.0%
027	Litchfield Manor Apartments	36.9516	-82.4712	1983	2010	Subsidized	Family	Stabilized	PHA	57	5	91.2%
028	Longworth Properties - Cherry Street	36.9687	-82.5854	1993	na	Market Rate	Family	Stabilized	Conventional	8	1	87.5%
029	Longworth Properties - Craft Avenue	36.9744	-82.5715	1985	na	Market Rate	Family	Stabilized	Conventional	2	0	100.0%
030	Longworth Properties - Lee Street	36.9740	-82.5698	1980	na	Market Rate	Family	Unconfirmed	Conventional	8	0	100.0%
031	Midsouth Development	36.9680	-82.5486	2007	na	Market Rate	Family	Duplicate	Conventional	8	1	87.5%
032	Miller Apartments - Mullins Street	36.9826	-82.5856	1993	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
033	Miller Apartments - West Main	36.9836	-82.5869	1975	na	Market Rate	Family	Stabilized	Conventional	15	0	100.0%
034	Monte Vista Apartments	36.8800	-82.7519	1982	na	Subsidized	Family	Stabilized	PHA	20	0	100.0%
035	Mountain View Townhomes	36.8498	-82.7777	1980	2003	Market Rate	Family	Duplicate	Tax Credit	0	0	0.0%
036	Norton Green Apartments	36.9342	-82.6402	1991	2009	Subsidized	Elderly	Stabilized	Tax Credit	40	1	97.5%
037	Norton Green II	36.9342	-82.6402	1991	2024	Subsidized	Elderly	Prop Rehab	Tax Credit	40	1	97.5%
038	Norton Heights Apartments	36.9357	-82.6261	1984	na	Restricted	Family	Stabilized	RD	38	7	81.6%
039	Old Mill Village Apartments	37.1257	-82.6023	1983	2007	Restricted	Family	Stabilized	RD	34	6	82.4%
040	Phillips & Vicars	36.9240	-82.3522	na	na	Market Rate	Family	Non-Inventory	Conventional	0	0	0.0%
041	Pierce House Group Home	36.8498	-82.7762	1989	na	Subsidized	Family	Special Needs	HUD	10	1	90.0%
042	Pine Hills Apartments	36.9373	-82.6222	1973	na	Subsidized	Family	Stabilized	PHA	27	0	100.0%
043	Planning District 1 Development Corp.	36.8499	-82.7762	na	na	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
044	Polly Summit Apartments	36.8499	-82.7762	1989	na	Subsidized	Family	Special Needs	HUD	10	0	100.0%
045	Ramsey and South Side Apartments	36.9400	-82.5966	1960	na	Subsidized	Family	Stabilized	PHA	50	0	100.0%
046	Regency Towers Apartments	36.9364	-82.6293	1981	na	Subsidized	Elderly	Stabilized	HUD	90	0	100.0%
047	Richard Brooks Apartments	36.9240	-82.3522	1950	na	Market Rate	Family	Unconfirmed	Conventional	10	1	90.0%
048	Ridgeview Apartments	36.9077	-82.7868	1982	na	Subsidized	Family	Stabilized	HUD	20	0	100.0%
049	Riggs Rentals	36.8709	-82.7803	1970	na	Market Rate	Family	Stabilized	Conventional	400	28	93.0%
050	Robert R. Varner Jr. Rentals	36.9805	-82.5580	1981	na	Market Rate	Family	Stabilized	Conventional	5	0	100.0%
051	Serbree Apartments	36.9417	-82.6248	1955	na	Market Rate	Family	Special Needs	Conventional	10	1	90.0%
052	Shawnee Ridge Apartments	36.9417	-82.6248	1991	2009	Subsidized	Elderly	Stabilized	Tax Credit	20	0	100.0%

Rental Property Inventory

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
053	Sheffield Acres Apartments	36.8954	-82.4629	1980	na	Restricted	Family	Stabilized	RD	56	3	94.6%
054	Sportswise Apartments	36.9777	-82.5801	1950	na	Market Rate	Family	Unconfirmed	Conventional	12	0	100.0%
055	Stonebriar Apartments	36.9053	-82.3110	1920	2015	Subsidized	Elderly	Stabilized	Tax Credit	23	0	100.0%
056	Taylor's Apartments	36.9051	-82.7827	1925	2006	Market Rate	Family	Unconfirmed	Conventional	12	0	100.0%
057	Thomas Village Apartments	36.7191	-82.8159	1986	na	Subsidized	Family	Stabilized	RD	24	0	100.0%
058	Townhouses at Bear Creek (The)	36.9680	-82.5486	2007	na	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
059	Two Inc.	36.8498	-82.7762	na	na	Market Rate	Family	Duplicate	Conventional	0	0	0.0%
060	Wampler Rentals	36.9659	-82.5895	1945	2004	Market Rate	Family	Stabilized	Conventional	6	0	100.0%
061	Woodstone Village Phase 1	36.8468	-82.7809	1986	2005	Restricted	Family	Stabilized	Tax Credit	36	0	100.0%
062	Woodstone Village Phase 2	36.8468	-82.7809	1986	2005	Subsidized	Elderly	Stabilized	Tax Credit	18	0	100.0%
063	Lost Creek Drive Apartments	36.9315	-82.6212	1998	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%



Rental Property Inventory, Unconfirmed

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
004	Austin & Perry Rentals	36.8606	-82.7902	1985	na	Market Rate	Family	Unconfirmed	Conventional	3	0	100.0%
020	Highland Avenue Apartments	36.9352	-82.6321	1980	na	Market Rate	Family	Unconfirmed	Conventional	31	0	100.0%
030	Longworth Properties - Lee Street	36.9740	-82.5698	1980	na	Market Rate	Family	Unconfirmed	Conventional	8	0	100.0%
047	Richard Brooks Apartments	36.9240	-82.3522	1950	na	Market Rate	Family	Unconfirmed	Conventional	10	1	90.0%
054	Sportswise Apartments	36.9777	-82.5801	1950	na	Market Rate	Family	Unconfirmed	Conventional	12	0	100.0%
056	Taylors Apartments	36.9051	-82.7827	1925	2006	Market Rate	Family	Unconfirmed	Conventional	12	0	100.0%

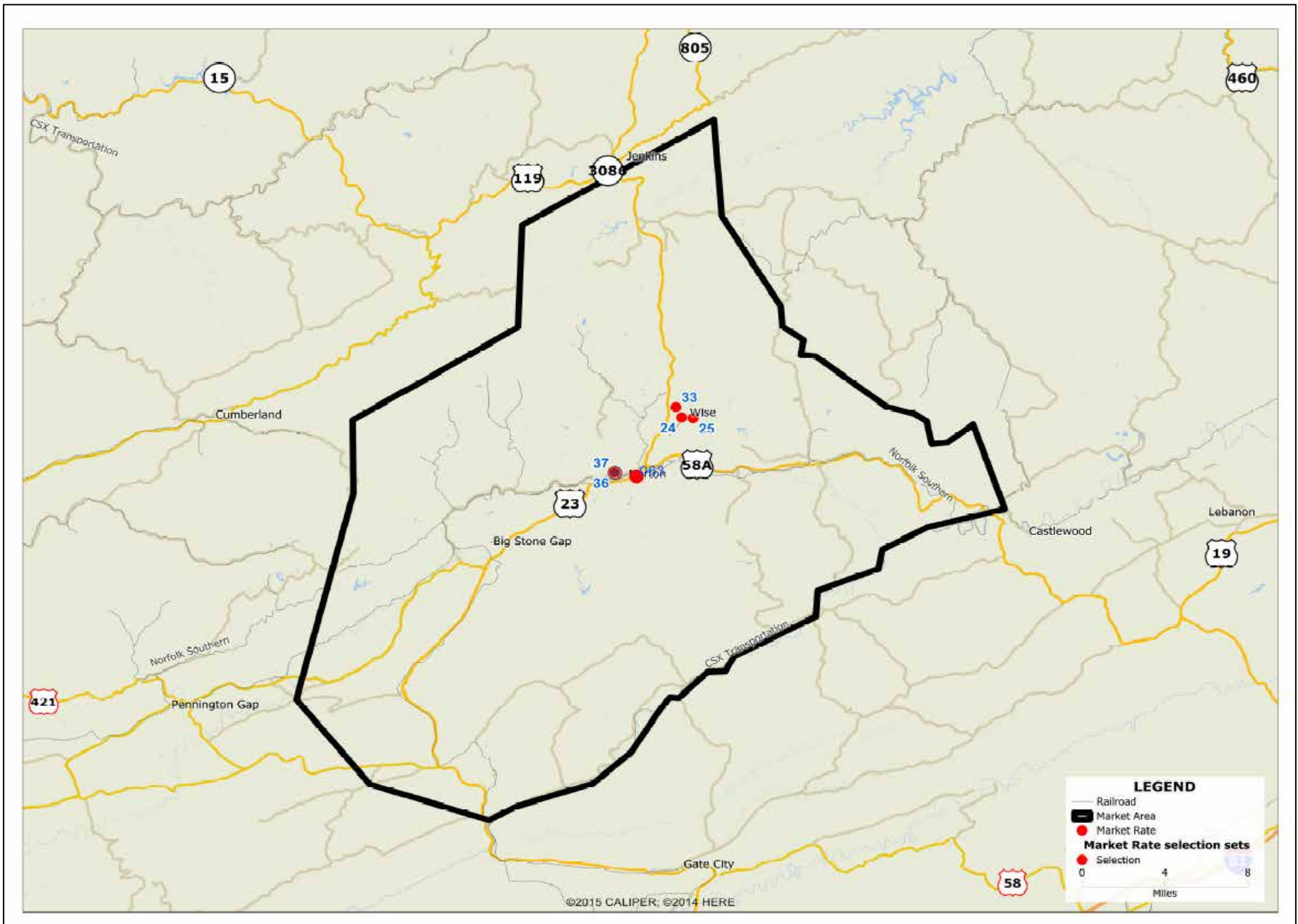
Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
001	1028 Park Avenue Apartments	36.9455	-82.6178	1980	2006	Market Rate	Family	Stabilized	Conventional	13	0	100.0%
002	Appalachia Towers Apartments	36.9077	-82.7726	1928	1983	Subsidized	Elderly	Stabilized	PHA	36	0	100.0%
003	Armistead Estate Rental	36.9348	-82.6305	1995	na	Market Rate	Family	Stabilized	Conventional	14	0	100.0%
005	Baugh Apartments	36.9826	-82.5658	1975	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%
006	Bontri Apartments	36.8511	-82.8050	1999	na	Market Rate	Family	Stabilized	Conventional	23	0	100.0%
008	Cananche Creek Apartments	36.9408	-82.6244	1991	2009	Subsidized	Family	Stabilized	Tax Credit	35	1	97.1%
010	Clinchview Public Housing	36.9123	-82.3114	1979	na	Subsidized	Family	Stabilized	HUD	60	1	98.3%
011	Colonial Apartments	36.8697	-82.7753	1970	na	Market Rate	Family	Stabilized	Conventional	5	0	100.0%
012	Commonwealth Apartments	36.9829	-82.5650	1969	2010	Subsidized	Family	Rehabilitation	Tax Credit	26	10	61.5%
013	Dogwood Terrace Apartments	36.8738	-82.7633	1980	2003	Subsidized	Family	Stabilized	Tax Credit	97	2	97.9%
014	Estep Rental	36.8844	-82.7482	1992	2007	Market Rate	Family	Stabilized	Conventional	14	3	78.6%
015	FIG Enterprises LLC	36.9072	-82.7781	na	na	Market Rate	Family	Stabilized	Conventional	30	7	76.7%
016	Gap Development	36.8806	-82.7559	1990	na	Market Rate	Family	Stabilized	Conventional	15	3	80.0%
017	Gilliam Court Apartments	36.9779	-82.5686	1980	na	Restricted	Elderly	Stabilized	RD	71	2	97.2%
019	Hawthorne Acres Apartments	36.9361	-82.6256	1960	na	Subsidized	Family	Stabilized	PHA	51	0	100.0%
021	Hometown Properties	36.8649	-82.7739	1970	na	Market Rate	Family	Stabilized	Conventional	20	1	95.0%
023	Intermont Apartments	36.8697	-82.7753	1970	na	Market Rate	Family	Stabilized	Conventional	10	1	90.0%
024	Kennedy Enterprises - Norton Road	36.9757	-82.5818	1974	2007	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
025	Kennedy Enterprises - Vanover Avenue	36.9753	-82.5718	1989	na	Market Rate	Family	Stabilized	Conventional	21	0	100.0%
026	King Cole Building Apartments	36.9339	-82.6293	1900	2006	Market Rate	Family	Stabilized	Conventional	65	0	100.0%
027	Litchfield Manor Apartments	36.9516	-82.4712	1983	2010	Subsidized	Family	Stabilized	PHA	57	5	91.2%
028	Longworth Properties - Cherry Street	36.9687	-82.5854	1993	na	Market Rate	Family	Stabilized	Conventional	8	1	87.5%
029	Longworth Properties - Craft Avenue	36.9744	-82.5715	1985	na	Market Rate	Family	Stabilized	Conventional	2	0	100.0%
032	Miller Apartments - Mullins Street	36.9826	-82.5856	1993	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%
033	Miller Apartments - West Main	36.9836	-82.5869	1975	na	Market Rate	Family	Stabilized	Conventional	15	0	100.0%
034	Monte Vista Apartments	36.8800	-82.7519	1982	na	Subsidized	Family	Stabilized	PHA	20	0	100.0%
036	Norton Green Apartments	36.9342	-82.6402	1991	2009	Subsidized	Elderly	Stabilized	Tax Credit	40	1	97.5%
038	Norton Heights Apartments	36.9357	-82.6261	1984	na	Restricted	Family	Stabilized	RD	38	7	81.6%
039	Old Mill Village Apartments	37.1257	-82.6023	1983	2007	Restricted	Family	Stabilized	RD	34	6	82.4%
042	Pine Hills Apartments	36.9373	-82.6222	1973	na	Subsidized	Family	Stabilized	PHA	27	0	100.0%
045	Ramsey and South Side Apartments	36.9400	-82.5966	1960	na	Subsidized	Family	Stabilized	PHA	50	0	100.0%
046	Regency Towers Apartments	36.9364	-82.6293	1981	na	Subsidized	Elderly	Stabilized	HUD	90	0	100.0%
048	Ridgeview Apartments	36.9077	-82.7868	1982	na	Subsidized	Family	Stabilized	HUD	20	0	100.0%
049	Riggs Rentals	36.8709	-82.7803	1970	na	Market Rate	Family	Stabilized	Conventional	400	28	93.0%
050	Robert R. Varner Jr. Rentals	36.9805	-82.5580	1981	na	Market Rate	Family	Stabilized	Conventional	5	0	100.0%
052	Shawnee Ridge Apartments	36.9417	-82.6248	1991	2009	Subsidized	Elderly	Stabilized	Tax Credit	20	0	100.0%
053	Sheffield Acres Apartments	36.8954	-82.4629	1980	na	Restricted	Family	Stabilized	RD	56	3	94.6%
055	Stonebriar Apartments	36.9053	-82.3110	1920	2015	Subsidized	Elderly	Stabilized	Tax Credit	23	0	100.0%
057	Thomas Village Apartments	36.7191	-82.8159	1986	na	Subsidized	Family	Stabilized	RD	24	0	100.0%
058	Townhouses at Bear Creek (The)	36.9680	-82.5486	2007	na	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
060	Wampler Rentals	36.9659	-82.5895	1945	2004	Market Rate	Family	Stabilized	Conventional	6	0	100.0%
061	Woodstone Village Phase 1	36.8468	-82.7809	1986	2005	Restricted	Family	Stabilized	Tax Credit	36	0	100.0%
062	Woodstone Village Phase 2	36.8468	-82.7809	1986	2005	Subsidized	Elderly	Stabilized	Tax Credit	18	0	100.0%
063	Lost Creek Drive Apartments	36.9315	-82.6212	1998	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%



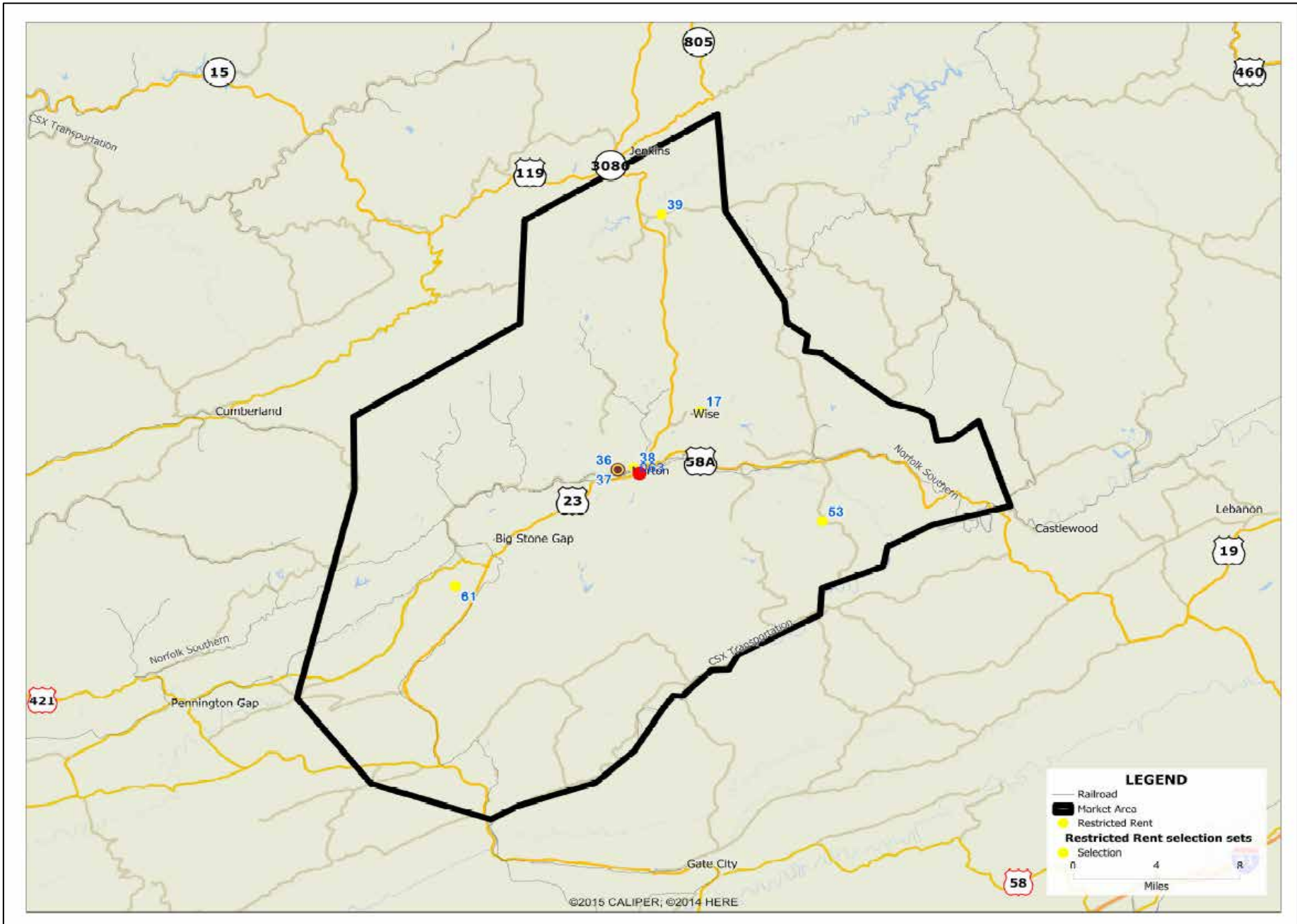
Master List of Market Rate Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
024	Kennedy Enterprises - Norton Road	36.9757	-82.5818	1974	2007	Market Rate	Family	Stabilized	Conventional	8	0	100.0%
025	Kennedy Enterprises - Vanover Avenue	36.9753	-82.5718	1989	na	Market Rate	Family	Stabilized	Conventional	21	0	100.0%
033	Miller Apartments - West Main	36.9836	-82.5869	1975	na	Market Rate	Family	Stabilized	Conventional	15	0	100.0%
063	Lost Creek Drive Apartments	36.9315	-82.6212	1998	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%



Master List of Restricted Rent Comparables

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy
017	Gilliam Court Apartments	36.9779	-82.5686	1980	na	Restricted	Elderly	Stabilized	RD	71	2	97.2%
038	Norton Heights Apartments	36.9357	-82.6261	1984	na	Restricted	Family	Stabilized	RD	38	7	81.6%
039	Old Mill Village Apartments	37.1257	-82.6023	1983	2007	Restricted	Family	Stabilized	RD	34	6	82.4%
053	Sheffield Acres Apartments	36.8954	-82.4629	1980	na	Restricted	Family	Stabilized	RD	56	3	94.6%
061	Woodstone Village Phase 1	36.8468	-82.7809	1986	2005	Restricted	Family	Stabilized	Tax Credit	36	0	100.0%



## Rental Property Inventory, Confirmed, Inside Market Area, by Rent Type

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by rent type:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Market Rate		22	22
Restricted	1	4	5
Subsidized	6	11	17
<b>Total</b>	<b>7</b>	<b>37</b>	<b>44</b>

Total Units			
	Elderly	Family	Total
Market Rate		710	710
Restricted	1	48	49
Subsidized	297	583	880
<b>Total</b>	<b>298</b>	<b>1,341</b>	<b>1,639</b>

Vacant Units			
	Elderly	Family	Total
Market Rate		44	44
Restricted		7	7
Subsidized	3	28	31
<b>Total</b>	<b>3</b>	<b>79</b>	<b>82</b>

Occupancy Rate			
	Elderly	Family	Total
Market Rate		94%	94%
Restricted	100%	85%	86%
Subsidized	99%	95%	96%
<b>Total</b>	<b>99%</b>	<b>94%</b>	<b>95%</b>

Source: Allen & Associates



Our analysis includes a total of 44 confirmed market area properties consisting of 1,639 units. The occupancy rate for these units currently stands at 95 percent. This rate reflects the occupancy for all confirmed market area units, regardless of project status (stabilized, under construction, proposed, etc.).

Confirmed market area properties break down by rent type and tenure as shown in the tables above.

## Rental Property Inventory, Confirmed, Inside Market Area, by Project Status

The following tables and graphs provide a summary of the confirmed market area properties included in this analysis broken out by project status:

### Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Total Properties					Total Properties				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	6	1		7	Stabilized	10	4	22	36
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation	1			1
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal	1			1
Total	6	1		7	Total	11	4	22	37

Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	297	1		298	Stabilized	557	48	710	1,315
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation	26			26
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal	26			26
Total	297	1		298	Total	583	48	710	1,341

Vacant Units					Vacant Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	3			3	Stabilized	18	7	44	69
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation	10			10
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal	10			10
Total	3			3	Total	28	7	44	79

Source: Allen & Associates

Our survey includes a total of 43 stabilized market area properties consisting of 1,613 units standing at 96 percent occupancy.

Our survey also includes a total of 1 market area property consisting of 26 units that is not yet stabilized. Unstabilized units (also referred to as pipeline units) include vacant units in lease up, construction, rehabilitation, proposed new construction, and units with proposed renovation plans.

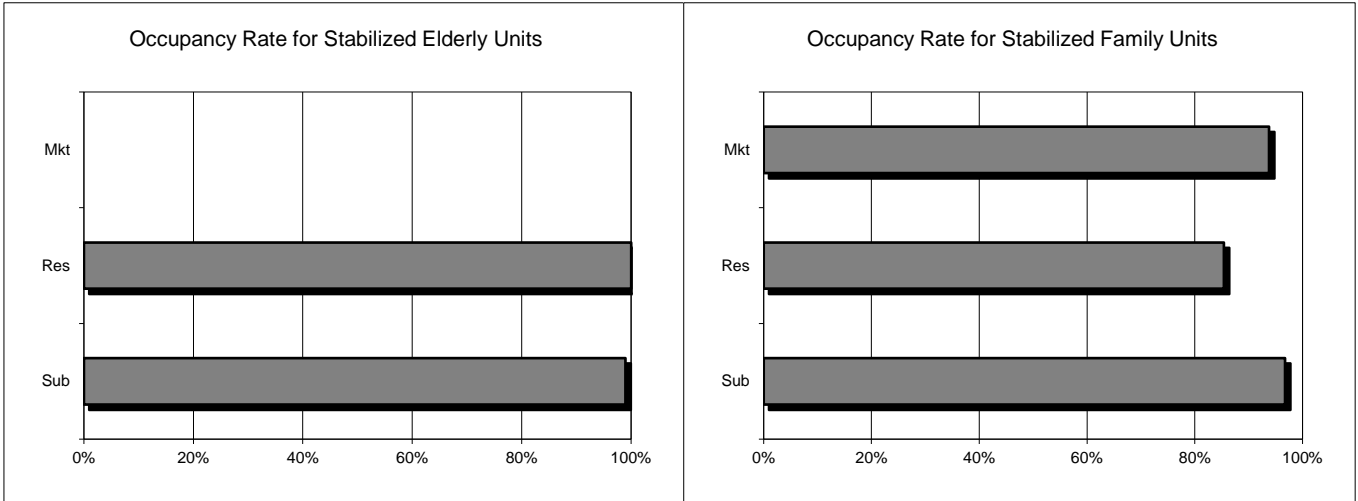


Rental Property Inventory, Confirmed, Inside Market Area

Elderly					Family				
Occupancy Rate					Occupancy Rate				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
Stabilized	99%	100%		99%	Stabilized	97%	85%	94%	95%
Lease Up					Lease Up				
Construction					Construction				
Rehabilitation					Rehabilitation	62%			62%
Prop Const					Prop Const				
Prop Rehab					Prop Rehab				
Unstabilized					Unstabilized				
Subtotal					Subtotal	62%			62%
Total	99%	100%		99%	Total	95%	85%	94%	94%

Source: Allen & Associates

Occupancies of stabilized market area properties broken out by occupancy type (elderly or family) and rent type (subsidized, restricted or market rate) are found below:



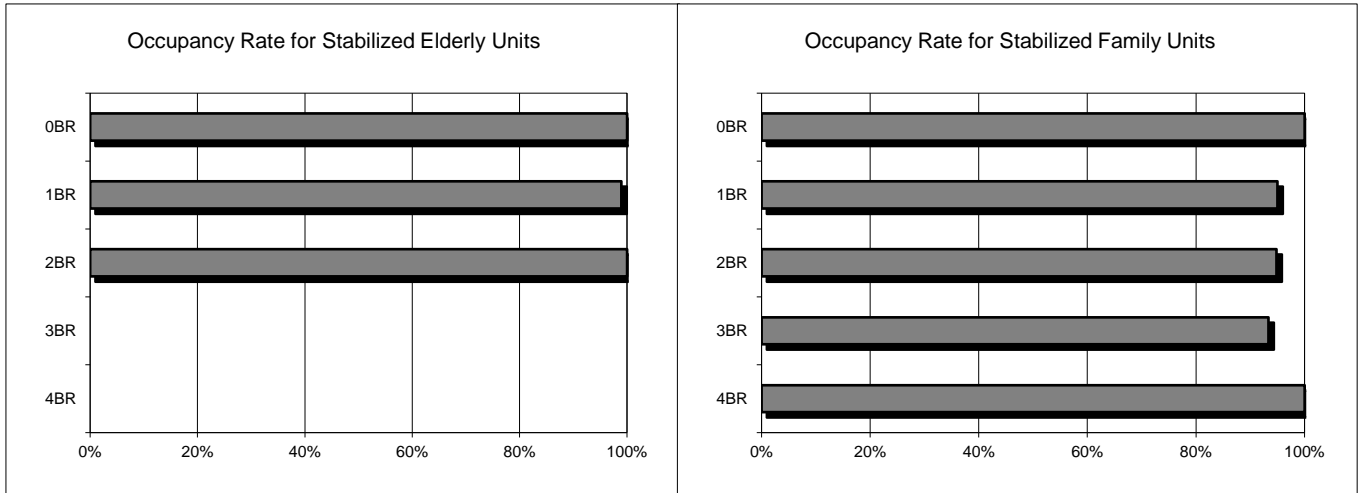
Our research suggests the following occupancy levels for the 298 stabilized elderly units in this market area:

- Subsidized, 99 percent (297 units in survey)
- Restricted, 100 percent (1 units in survey)
- Market Rate, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 1,315 stabilized family units in this market area:

- Subsidized, 97 percent (557 units in survey)
- Restricted, 85 percent (48 units in survey)
- Market Rate, 94 percent (710 units in survey)

Occupancy rates for stabilized market area properties broken out by occupancy type (elderly or family) and unit type are found below (supporting data is found in the pages that follow):



Our research suggests the following occupancy levels for the 298 stabilized elderly units in this market area:

- 0-Bedroom, 100 percent (6 units in survey)
- 1-Bedroom, 99 percent (286 units in survey)
- 2-Bedroom, 100 percent (6 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following occupancy levels for the 1,315 stabilized family units in this market area:

- 0-Bedroom, 100 percent (8 units in survey)
- 1-Bedroom, 95 percent (259 units in survey)
- 2-Bedroom, 95 percent (718 units in survey)
- 3-Bedroom, 93 percent (287 units in survey)
- 4-Bedroom, 100 percent (43 units in survey)

Rental Property Inventory, Confirmed, Inside Market Area, 0-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	1								1
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	1								1

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								2	2
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total								2	2

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	6								6
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	6								6

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								8	8
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total								8	8

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%								100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%								100%

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized								100%	100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total								100%	100%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 1-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	7						1		8
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	7						1		8

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	12				1		3	12	28
Lease Up									
Construction									
Rehabilitation	1								1
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal	1								1
Total	13				1		3	12	29

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	285						1		286
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	285						1		286

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	106				4		6	143	259
Lease Up									
Construction									
Rehabilitation	10								10
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal	10								10
Total	116				4		6	143	269

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	3								3
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	3								3

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	3						1	9	13
Lease Up									
Construction									
Rehabilitation	7								7
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal	7								7
Total	10						1	9	20

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	99%						100%		99%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	99%						100%		99%

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	97%				100%		83%	94%	95%
Lease Up									
Construction									
Rehabilitation	30%								30%
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal	30%								30%
Total	91%				100%		83%	94%	93%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 2-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	2								2
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	2								2

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	13				1		1	20	35
Lease Up									
Construction									
Rehabilitation	1								1
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal	1								1
Total	14				1		1	20	36

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	6								6
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	6								6

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	273				4		34	407	718
Lease Up									
Construction									
Rehabilitation	16								16
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal	16								16
Total	289				4		34	407	734

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	10						6	21	37
Lease Up									
Construction									
Rehabilitation	3								3
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal	3								3
Total	13						6	21	40

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%								100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%								100%

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	96%				100%		82%	95%	95%
Lease Up									
Construction									
Rehabilitation	81%								81%
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal	81%								81%
Total	96%				100%		82%	95%	95%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 3-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	10							7	17
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	10							7	17

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	135							152	287
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	135							152	287

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	5							14	19
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	5							14	19

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	96%							91%	93%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	96%							91%	93%

Source: Allen & Associates

Rental Property Inventory, Confirmed, Inside Market Area, 4-Bedroom Units

Elderly									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Family									
Total Properties with Unit Type									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	6								6
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	6								6

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Total Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	43								43
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	43								43

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Vacant Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized									
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total									

Occupancy Rate									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
Stabilized	100%								100%
Lease Up									
Construction									
Rehabilitation									
Prop Const									
Prop Rehab									
Unstabilized									
Subtotal									
Total	100%								100%

Source: Allen & Associates



## Rental Property Inventory, Confirmed, Inside Market Area, by Year Built

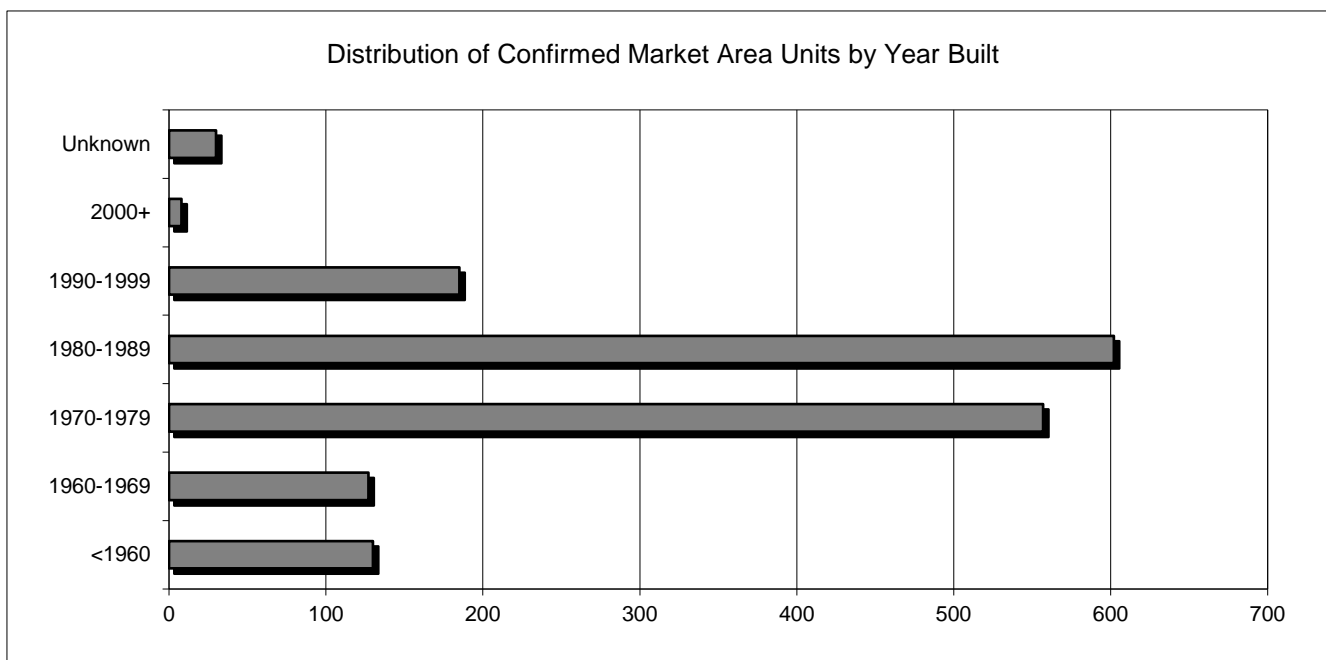
The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by year built:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
<1960	2	2	4
1960-1969		3	3
1970-1979		9	9
1980-1989	3	13	16
1990-1999	2	8	10
2000+		1	1
Unknown		1	1
<b>Total</b>	<b>7</b>	<b>37</b>	<b>44</b>

Total Units			
	Elderly	Family	Total
<1960	59	71	130
1960-1969		127	127
1970-1979		557	557
1980-1989	179	423	602
1990-1999	60	125	185
2000+		8	8
Unknown		30	30
<b>Total</b>	<b>298</b>	<b>1,341</b>	<b>1,639</b>

Source: Allen & Associates



Our research suggests that of the 44 confirmed market area properties (1639 units) included in this report, 4 properties (130 units) were constructed before 1960, 3 properties (127 units) were constructed between 1960 and 1969, 9 properties (557 units) between 1970 and 1979, 16 properties (602 units) between 1980 and 1989, 10 properties (185 units) between 1990 and 1999, and 1 property (8 units) after 2000. In addition, 1 property (30 units) had an unknown date of construction.

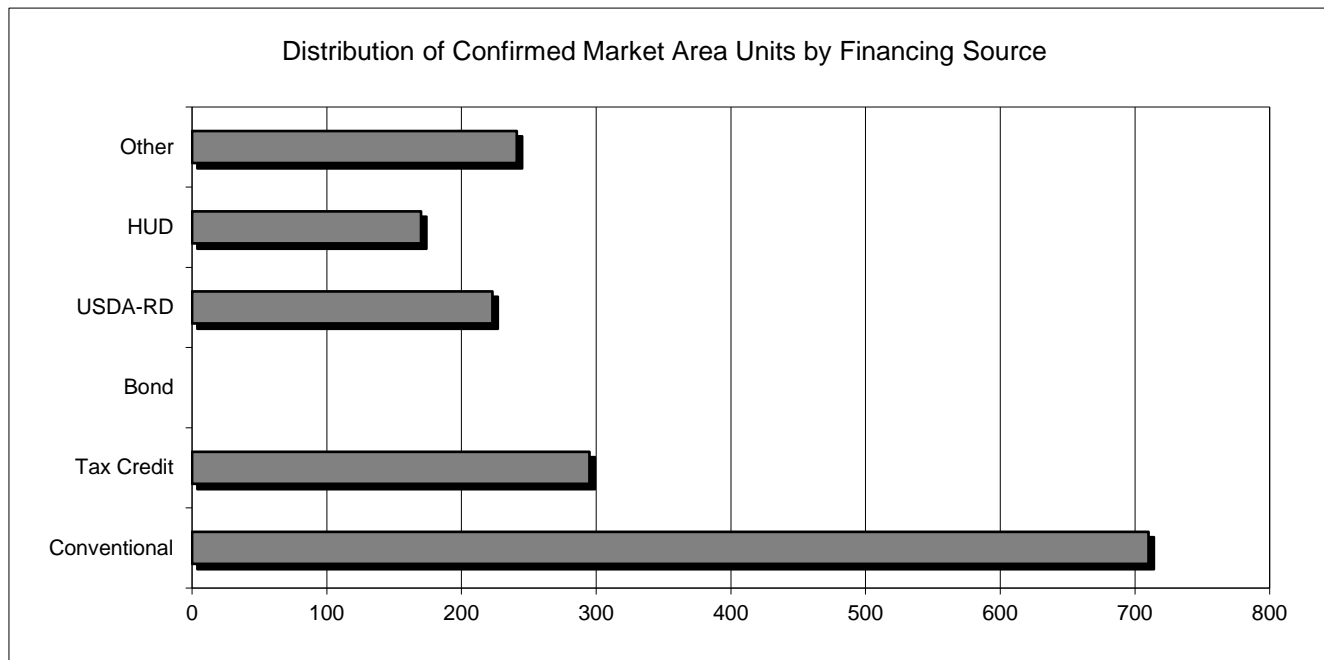
## Rental Property Inventory, Confirmed, Inside Market Area, by Financing Source

The following tables and graph provide a summary of the confirmed market area properties included in this analysis broken out by financing source:

Rental Property Inventory, Confirmed, Inside Market Area			
Total Properties			
	Elderly	Family	Total
Conventional		22	22
Tax Credit	4	4	8
Bond			
USDA-RD	1	4	5
HUD	1	2	3
Other	1	5	6
<b>Total</b>	<b>7</b>	<b>37</b>	<b>44</b>

Total Units			
	Elderly	Family	Total
Conventional		710	710
Tax Credit	101	194	295
Bond			
USDA-RD	71	152	223
HUD	90	80	170
Other	36	205	241
<b>Total</b>	<b>298</b>	<b>1,341</b>	<b>1,639</b>

Source: Allen & Associates



Our research suggests that of the 44 confirmed properties in the market area, 22 properties (consisting of 710 units) are conventionally financed, 8 properties (consisting of 295 units) include tax credit financing, 0 properties (consisting of 0 units) are bond financed, 5 properties (consisting of 223 units) are exclusively USDA-RD financed, and 3 properties (consisting of 170 units) are exclusively HUD financed.

The average project size for this market area is 37 units. The smallest projects are conventionally financed, averaging 32 units in size. The largest projects are exclusively HUD financed, averaging 57 units in size.

## Rental Property Inventory, Confirmed, Inside Market Area, Rent Summary

The following tables and graphs provide a summary of the rents charged at confirmed market area properties broken out by unit type:

Rental Property Inventory, Confirmed, Inside Market Area

Rents									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	\$538	\$538	\$538	-	-	-	\$250	\$450	\$350
1-Bedroom	\$190	\$847	\$503	\$476	\$570	\$517	\$350	\$650	\$459
2-Bedroom	\$220	\$905	\$538	\$593	\$602	\$598	\$356	\$950	\$531
3-Bedroom	\$542	\$798	\$611	-	-	-	\$455	\$750	\$569
4-Bedroom	\$613	\$1,021	\$794	-	-	-	-	-	-

Unit Size									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	500	500	500	-	-	-	500	500	500
1-Bedroom	400	846	648	562	781	639	500	1,171	718
2-Bedroom	400	1,000	867	859	1,000	930	700	1,120	960
3-Bedroom	850	1,290	1,174	-	-	-	1,000	1,290	1,170
4-Bedroom	1,395	1,411	1,401	-	-	-	-	-	-

Rent per Square Foot									
	Subsidized			Restricted			Market		
	Min	Max	Avg	Min	Max	Avg	Min	Max	Avg
0-Bedroom	\$1.08	\$1.08	\$1.08	-	-	-	\$0.50	\$0.90	\$0.70
1-Bedroom	\$0.48	\$1.00	\$0.78	\$0.73	\$0.85	\$0.81	\$0.55	\$0.70	\$0.64
2-Bedroom	\$0.55	\$0.91	\$0.62	\$0.60	\$0.69	\$0.64	\$0.51	\$0.85	\$0.55
3-Bedroom	\$0.62	\$0.64	\$0.52	-	-	-	\$0.46	\$0.58	\$0.49
4-Bedroom	\$0.44	\$0.72	\$0.57	-	-	-	-	-	-

Source: Allen & Associates



Our research suggests the following average rent levels for confirmed restricted rent units:

- 0-Bedroom, not applicable
- 1-Bedroom, \$0.81 per square foot
- 2-Bedroom, \$0.64 per square foot
- 3-Bedroom, not applicable
- 4-Bedroom, not applicable

Our research suggests the following average rent levels for confirmed market rate units:

- 0-Bedroom, \$0.70 per square foot
- 1-Bedroom, \$0.64 per square foot
- 2-Bedroom, \$0.55 per square foot
- 3-Bedroom, \$0.49 per square foot
- 4-Bedroom, not applicable

A detailed listing of rents and floor areas for confirmed market area properties by unit type and income target is found in the following pages.

## Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

In the tables and graphs found below we present a breakdown of unit mix for confirmed market area properties broken out by occupancy type (elderly or family):

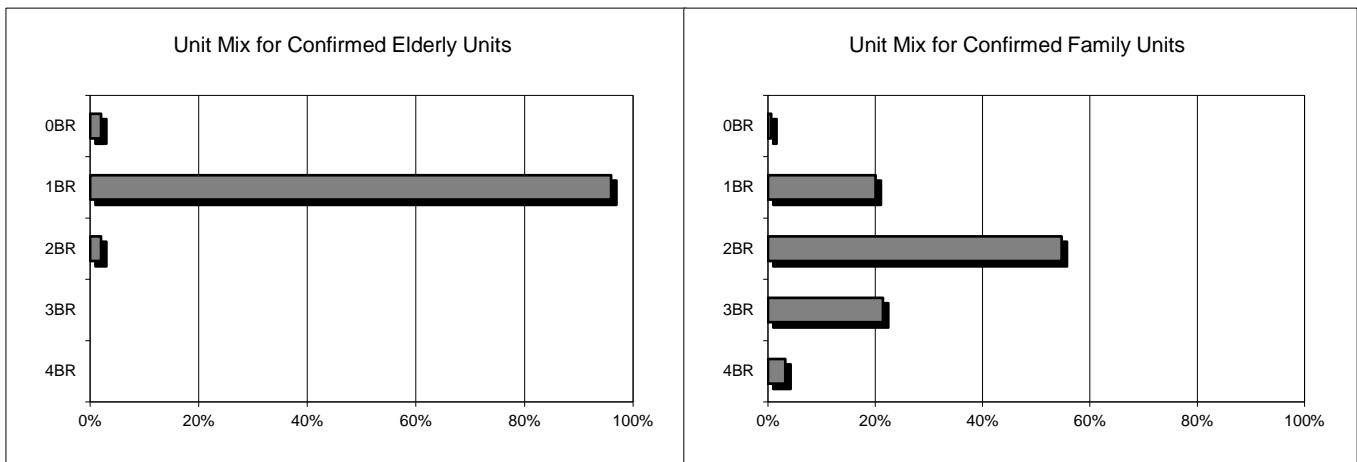
Rental Property Inventory, Confirmed, Inside Market Area, Unit Mix Summary

Elderly					Family				
Total Units					Total Units				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom	6			6	0-Bedroom			8	8
1-Bedroom	285	1		286	1-Bedroom	116	10	143	269
2-Bedroom	6			6	2-Bedroom	289	38	407	734
3-Bedroom					3-Bedroom	135		152	287
4-Bedroom					4-Bedroom	43			43
<b>Total</b>	<b>297</b>	<b>1</b>		<b>298</b>	<b>Total</b>	<b>583</b>	<b>48</b>	<b>710</b>	<b>1,341</b>

Elderly Unit Mix					Family Unit Mix				
	Sub	Res	Mkt	Tot		Sub	Res	Mkt	Tot
0-Bedroom	2%			2%	0-Bedroom			1%	1%
1-Bedroom	96%	100%		96%	1-Bedroom	20%	21%	20%	20%
2-Bedroom	2%			2%	2-Bedroom	50%	79%	57%	55%
3-Bedroom					3-Bedroom	23%		21%	21%
4-Bedroom					4-Bedroom	7%			3%
<b>Total</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Allen & Associates



Our research suggests the following unit mix for the 298 confirmed elderly units located in this market area:

- 0-Bedroom, 2 percent (6 units in survey)
- 1-Bedroom, 96 percent (286 units in survey)
- 2-Bedroom, 2 percent (6 units in survey)
- 3-Bedroom, not applicable (0 units in survey)
- 4-Bedroom, not applicable (0 units in survey)

Our research suggests the following unit mix for the 1,341 confirmed family units located in this market area:

- 0-Bedroom, 1 percent (8 units in survey)
- 1-Bedroom, 20 percent (269 units in survey)
- 2-Bedroom, 55 percent (734 units in survey)
- 3-Bedroom, 21 percent (287 units in survey)
- 4-Bedroom, 3 percent (43 units in survey)

## Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary

In the table found below we present a summary of amenities found at confirmed market area properties:

Rental Property Inventory, Confirmed, Inside Market Area, Amenity Summary			
Building Type		Air Conditioning	
1 Story	20%	Central	68%
2-4 Story	75%	Wall Units	7%
5-10 Story	5%	Window Units	2%
>10 Story	0%	None	7%
Project Amenities		Heat	
Ball Field	0%	Central	68%
BBQ Area	11%	Wall Units	2%
Billiards	0%	Baseboards	23%
Bus/Comp Ctr	0%	Radiators	0%
Car Care Ctr	0%	None	0%
Comm Center	30%		
Elevator	14%	Parking	
Fitness Center	0%	Garage	0%
Gazebo	7%	Covered	0%
Hot Tub/Jacuzzi	0%	Assigned	0%
Horseshoe Pit	0%	Open	100%
Lake	0%	None	0%
Library	2%		
Movie Theatre	0%	Laundry	
Picnic Area	18%	Central	55%
Playground	20%	W/D Units	2%
Pool	2%	W/D Hookups	30%
Sauna	0%		
Sports Court	2%	Security	
Walking Trail	0%	Call Buttons	14%
		Cont Access	14%
		Courtesy Officer	2%
		Monitoring	5%
		Security Alarms	2%
		Security Patrols	0%
Unit Amenities		Services	
Blinds	80%	After School	0%
Ceiling Fans	5%	Concierge	0%
Upgraded Flooring	70%	Hair Salon	0%
Fireplace	0%	Health Care	0%
Patio/Balcony	52%	Linens	0%
Storage	11%	Meals	0%
		Transportation	0%
Kitchen Amenities			
Stove	100%		
Refrigerator	100%		
Disposal	7%		
Dishwasher	18%		
Microwave	0%		

Source: Allen & Associates

Our research suggests that 20 percent of confirmed market area properties are 1 story in height, 75 percent are 2-4 stories in height, 5 percent are 5-10 stories in height, and 0 percent are over 10 stories in height. In addition, surveyed properties benefit from the following project amenities: 0 percent have a business/computer center, 30 percent have a community center, 0 percent have a fitness center, 20 percent have a playground, and 2 percent have a sports court.

Our research also suggests that the following unit amenities are present at surveyed properties: 80 percent have blinds, 70 percent have carpeting, 52 percent have patios/balconies, and 11 percent have outside storage. Surveyed properties also include the following kitchen amenities: 100 percent have a stove, 100 percent have a refrigerator, 7 percent have a disposal, 18 percent have a dishwasher, and 0 percent have a microwave.

In addition, 68 percent of confirmed market area properties have central heat while 68 percent have central air. Our research also suggests that 100 percent of surveyed properties have open parking. A total of 55 percent of area properties have central laundry facilities, while 30 percent have washer/dryer hookups, and 2 percent have washer/dryer units in each residential unit.

A total of 14 percent of confirmed market area properties have call buttons, 14 percent have controlled access, and 2 percent have security alarms.

It is also our understanding that the majority of confirmed market area properties provide cable access.

Finally, in the following pages we provide a summary of vouchers, concessions and waiting lists for the confirmed market area properties included in this report. We also include any absorption information we have uncovered as part of our research.



Rental Property Inventory, Confirmed, Inside Market Area

Key	Project	Latitude	Longitude	Built	Renovated	Rent Type	Occ Type	Status	Financing	Tot Units	Vac Units	Occupancy	Concessions	Vouchers	Abs Rate	Waiting List
001	1028 Park Avenue Apartments	36.9455	-82.6178	1980	2006	Market Rate	Family	Stabilized	Conventional	13	0	100.0%	0%	38%	-	1 person
002	Appalachia Towers Apartments	36.9077	-82.7726	1928	1983	Subsidized	Elderly	Stabilized	PHA	36	0	100.0%	0%	0%	-	-
003	Armistead Estate Rental	36.9348	-82.6305	1995	na	Market Rate	Family	Stabilized	Conventional	14	0	100.0%	0%	0%	-	-
005	Baugh Apartments	36.9826	-82.5658	1975	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%	0%	17%	-	no
006	Bontri Apartments	36.8511	-82.8050	1999	na	Market Rate	Family	Stabilized	Conventional	23	0	100.0%	0%	0%	-	no
008	Cananche Creek Apartments	36.9408	-82.6244	1991	2009	Subsidized	Family	Stabilized	Tax Credit	35	1	97.1%	0%	0%	-	8 people
010	Clinchview Public Housing	36.9123	-82.3114	1979	na	Subsidized	Family	Stabilized	HUD	60	1	98.3%	0%	0%	-	110 people
011	Colonial Apartments	36.8697	-82.7753	1970	na	Market Rate	Family	Stabilized	Conventional	5	0	100.0%	0%	0%	-	no
012	Commonwealth Apartments	36.9829	-82.5650	1969	2010	Subsidized	Family	Rehabilitation	Tax Credit	26	10	61.5%	0%	0%	-	198 people
013	Dogwood Terrace Apartments	36.8738	-82.7633	1980	2003	Subsidized	Family	Stabilized	Tax Credit	97	2	97.9%	0%	0%	-	8 people
014	Estep Rental	36.8844	-82.7482	1992	2007	Market Rate	Family	Stabilized	Conventional	14	3	78.6%	0%	14%	-	-
015	FIG Enterprises LLC	36.9072	-82.7781	na	na	Market Rate	Family	Stabilized	Conventional	30	7	76.7%	0%	0%	-	-
016	Gap Development	36.8806	-82.7559	1990	na	Market Rate	Family	Stabilized	Conventional	15	3	80.0%	0%	13%	-	-
017	Gilliam Court Apartments	36.9779	-82.5686	1980	na	Restricted	Elderly	Stabilized	RD	71	2	97.2%	0%	1%	-	2 people
019	Hawthorne Acres Apartments	36.9361	-82.6256	1960	na	Subsidized	Family	Stabilized	PHA	51	0	100.0%	0%	0%	-	80 people
021	Hometown Properties	36.8649	-82.7739	1970	na	Market Rate	Family	Stabilized	Conventional	20	1	95.0%	0%	15%	-	yes
023	Intermont Apartments	36.8697	-82.7753	1970	na	Market Rate	Family	Stabilized	Conventional	10	1	90.0%	0%	0%	-	no
024	Kennedy Enterprises - Norton Road	36.9757	-82.5818	1974	2007	Market Rate	Family	Stabilized	Conventional	8	0	100.0%	0%	0%	-	Norton
025	Kennedy Enterprises - Vanover Avenue	36.9753	-82.5718	1989	na	Market Rate	Family	Stabilized	Conventional	21	0	100.0%	0%	5%	-	-
026	King Cole Building Apartments	36.9339	-82.6293	1900	2006	Market Rate	Family	Stabilized	Conventional	65	0	100.0%	0%	3%	-	yes
027	Litchfield Manor Apartments	36.9516	-82.4712	1983	2010	Subsidized	Family	Stabilized	PHA	57	5	91.2%	0%	0%	-	-
028	Longworth Properties - Cherry Street	36.9687	-82.5854	1993	na	Market Rate	Family	Stabilized	Conventional	8	1	87.5%	0%	0%	-	-
029	Longworth Properties - Craft Avenue	36.9744	-82.5715	1985	na	Market Rate	Family	Stabilized	Conventional	2	0	100.0%	0%	0%	-	-
032	Miller Apartments - Mullins Street	36.9826	-82.5856	1993	na	Market Rate	Family	Stabilized	Conventional	4	0	100.0%	0%	0%	-	-
033	Miller Apartments - West Main	36.9836	-82.5869	1975	na	Market Rate	Family	Stabilized	Conventional	15	0	100.0%	0%	20%	-	-
034	Monte Vista Apartments	36.8800	-82.7519	1982	na	Subsidized	Family	Stabilized	PHA	20	0	100.0%	0%	0%	-	yes
036	Norton Green Apartments	36.9342	-82.6402	1991	2009	Subsidized	Elderly	Stabilized	Tax Credit	40	1	97.5%	0%	0%	-	4 people
038	Norton Heights Apartments	36.9357	-82.6261	1984	na	Restricted	Family	Stabilized	RD	38	7	81.6%	0%	53%	-	Yes
039	Old Mill Village Apartments	37.1257	-82.6023	1983	2007	Restricted	Family	Stabilized	RD	34	6	82.4%	0%	0%	-	87 people
042	Pine Hills Apartments	36.9373	-82.6222	1973	na	Subsidized	Family	Stabilized	PHA	27	0	100.0%	0%	0%	-	yes
045	Ramsey and South Side Apartments	36.9400	-82.5966	1960	na	Subsidized	Family	Stabilized	PHA	50	0	100.0%	0%	0%	-	yes
046	Regency Towers Apartments	36.9364	-82.6293	1981	na	Subsidized	Elderly	Stabilized	HUD	90	0	100.0%	0%	0%	-	yes
048	Ridgeview Apartments	36.9077	-82.7868	1982	na	Subsidized	Family	Stabilized	HUD	20	0	100.0%	0%	0%	-	yes
049	Riggs Rentals	36.8709	-82.7803	1970	na	Market Rate	Family	Stabilized	Conventional	400	28	93.0%	0%	18%	-	-
050	Robert R. Varner Jr. Rentals	36.9805	-82.5580	1981	na	Market Rate	Family	Stabilized	Conventional	5	0	100.0%	0%	0%	-	-
052	Shawnee Ridge Apartments	36.9417	-82.6248	1991	2009	Subsidized	Elderly	Stabilized	Tax Credit	20	0	100.0%	0%	0%	-	Norton
053	Sheffield Acres Apartments	36.8954	-82.4629	1980	na	Restricted	Family	Stabilized	RD	56	3	94.6%	0%	0%	-	yes
055	Stonebriar Apartments	36.9053	-82.3110	1920	2015	Subsidized	Elderly	Stabilized	Tax Credit	23	0	100.0%	0%	0%	-	37 people
057	Thomas Village Apartments	36.7191	-82.8159	1986	na	Subsidized	Family	Stabilized	RD	24	0	100.0%	0%	0%	-	3 people
058	Townhouses at Bear Creek (The)	36.9680	-82.5486	2007	na	Market Rate	Family	Stabilized	Conventional	8	0	100.0%	0%	0%	-	-
060	Wampler Rentals	36.9659	-82.5895	1945	2004	Market Rate	Family	Stabilized	Conventional	6	0	100.0%	0%	0%	-	no
061	Woodstone Village Phase 1	36.8468	-82.7809	1986	2005	Restricted	Family	Stabilized	Tax Credit	36	0	100.0%	0%	17%	-	-
062	Woodstone Village Phase 2	36.8468	-82.7809	1986	2005	Subsidized	Elderly	Stabilized	Tax Credit	18	0	100.0%	0%	0%	-	no
063	Lost Creek Drive Apartments	36.9315	-82.6212	1998	na	Market Rate	Family	Stabilized	Conventional	12	0	100.0%	0%	0%	-	-

## RENT COMPARABILITY ANALYSIS

In this section we develop restricted and unrestricted market rent conclusions for the subject property on an "as if complete & stabilized" basis. Our analysis begins with an evaluation of unrestricted market rents.

### Unrestricted Rent Analysis

In this section we develop an unrestricted market rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was an unrestricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

#### Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized market rate properties as comparables for purposes of our rent comparability analysis.

Comparables with restricted rents are used when a sufficient number of market rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

The subject property is located in an area with very few market rate elderly developments. Consequently, we have elected to use general occupancy properties in our analysis of market rents. This is appropriate because most of the existing elderly renters currently reside in general occupancy units creating a linkage between the two property types. Our research suggests that the majority of elderly renter households in the market area currently reside in general occupancy housing. This is consistent with a 1995 AARP member survey which found that 80 percent of respondents resided in general occupancy properties. Because such a high percentage of seniors reside in general occupancy housing, the subject property will need to be priced competitively to attract these renters. Consequently, it is not only appropriate - but prudent - to address general occupancy rents when determining market rents for age-restricted units in this market.

#### Rent Comparables, Market Rate, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

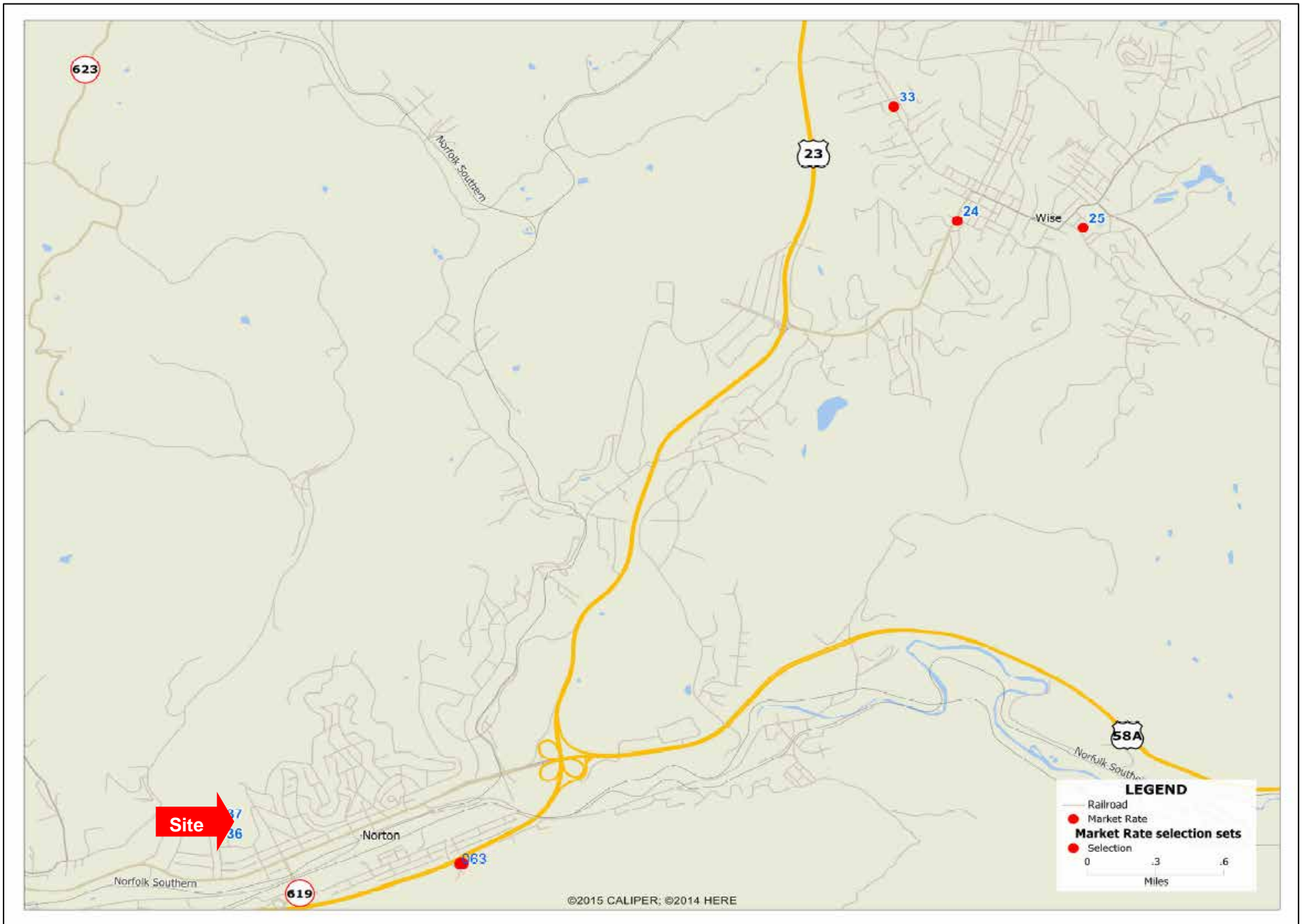
#### Rent Comparability Grids

Our analysis employed the use of rent comparability grids and resulted in an unrestricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.

Rental Property Inventory, 1-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
001	1028 Park Avenue Apartments	1980	2006	Market Rate	Family	Stabilized								
003	Armistead Estate Rental	1995	na	Market Rate	Family	Stabilized								\$450
005	Baugh Apartments	1975	na	Market Rate	Family	Stabilized								\$600
006	Bontri Apartments	1999	na	Market Rate	Family	Stabilized								
011	Colonial Apartments	1970	na	Market Rate	Family	Stabilized								\$350
014	Estep Rental	1992	2007	Market Rate	Family	Stabilized								
015	FIG Enterprises LLC	na	na	Market Rate	Family	Stabilized								\$393
016	Gap Development	1990	na	Market Rate	Family	Stabilized								\$388
021	Hometown Properties	1970	na	Market Rate	Family	Stabilized								\$375
023	Intermont Apartments	1970	na	Market Rate	Family	Stabilized								
024	Kennedy Enterprises - Norton Road	1974	2007	Market Rate	Family	Stabilized								\$475
025	Kennedy Enterprises - Vanover Avenue	1989	na	Market Rate	Family	Stabilized								\$500
026	King Cole Building Apartments	1900	2006	Market Rate	Family	Stabilized								\$500
028	Longworth Properties - Cherry Street	1993	na	Market Rate	Family	Stabilized								
029	Longworth Properties - Craft Avenue	1985	na	Market Rate	Family	Stabilized								
032	Miller Apartments - Mullins Street	1993	na	Market Rate	Family	Stabilized								
033	Miller Apartments - West Main	1975	na	Market Rate	Family	Stabilized								\$450
049	Riggs Rentals	1970	na	Market Rate	Family	Stabilized								\$375
050	Robert R. Varner Jr. Rentals	1981	na	Market Rate	Family	Stabilized								
058	Townhouses at Bear Creek (The)	2007	na	Market Rate	Family	Stabilized								
060	Wampler Rentals	1945	2004	Market Rate	Family	Stabilized								
063	Lost Creek Drive Apartments	1998	na	Market Rate	Family	Stabilized								\$650

Source: Allen & Associates



### Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with an adjusted sample standard deviation (a statistical measure of variability) of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample standard deviation of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded adjusted sample standard deviations of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variability because any other adjustment yields a higher adjusted sample standard deviation. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to minimize the adjusted standard deviation for our data set. We evaluated a total of 62 variables in 22 categories (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

### *Concessions*

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

### *Tenant-Paid Utilities*

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

### *Technology*

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$0.

Adjustment	Technology		Concluded
	Survey	Range	
Cable	\$0	\$0	\$0
Internet	\$0	\$0	\$0

*Bedrooms*

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$130 per bedroom.

Bedrooms			
Adjustment	Survey Range		Concluded
Bedrooms	\$50	\$200	\$130

*Bathrooms*

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$100 per bathroom.

Bathrooms			
Adjustment	Survey Range		Concluded
Bathrooms	\$25	\$100	\$100

*Square Feet*

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.25 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.10	\$2.00	\$0.25

*Visibility*

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$50 per point for differences in visibility ratings between the subject and the comparables.

Visibility			
Adjustment	Survey Range		Concluded
Rating	\$0	\$50	\$50

*Access*

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in access ratings between the subject and the comparables.

Access			
Adjustment	Survey Range		Concluded
Rating	\$0	\$50	\$0

*Neighborhood*

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood			
Adjustment	Survey Range		Concluded
Rating	\$0	\$50	\$0

*Area Amenities*

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$50 per point for differences in amenity ratings between the subject and the comparables.

Area Amenities			
Adjustment	Survey Range		Concluded
Rating	\$0	\$50	\$50

*Median Household Income*

Our analysis also included an adjustment for median household income for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.0000 per dollar of median household income.

Median Household Income			
Adjustment	Survey Range		Concluded
Med HH Inc	\$0.0000	\$0.0000	\$0.0000

*Average Commute*

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 per each minute of commute.

Average Commute			
Adjustment	Survey Range		Concluded
Avg Commute	\$0.00	\$0.00	\$0.00

*Public Transportation*

Our analysis also included an adjustment for the existence of public transportation within walking distance of each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 for public transportation.

Public Transportation			
Adjustment	Survey Range		Concluded
Public Trans	\$0.00	\$0.00	\$0.00

*Personal Crime*

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$0	\$0

*Condition*

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$50 per point for differences in condition ratings between the subject and the comparables.

Condition			
Adjustment	Survey Range		Concluded
Rating	\$10	\$50	\$50



*Effective Age*

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$5.00 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$5.00

*Project Amenities*

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$2
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$2
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$2
Elevator	\$10	\$100	\$10
Fitness Center	\$2	\$10	\$2
Gazebo	\$2	\$10	\$2
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$2
Library	\$2	\$10	\$2
Movie Theatre	\$2	\$10	\$2
Picnic Area	\$2	\$10	\$2
Playground	\$2	\$10	\$2
Pool	\$2	\$10	\$2
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$2
Walking Trail	\$2	\$10	\$2

*Unit Amenities*

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

Unit Amenities			
Adjustment	Survey Range		Concluded
Blinds	\$2	\$10	\$2
Ceiling Fans	\$2	\$10	\$10
Carpeting	\$2	\$10	\$10
Fireplace	\$2	\$10	\$2
Patio/Balcony	\$2	\$10	\$2
Storage	\$10	\$50	\$10

*Kitchen Amenities*

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

Kitchen Amenities			
Adjustment	Survey Range		Concluded
Stove	\$2	\$10	\$2
Refrigerator	\$2	\$10	\$2
Disposal	\$2	\$10	\$2
Dishwasher	\$2	\$10	\$10
Microwave	\$2	\$10	\$2

### *Parking*

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$50 per month for garages; covered parking was valued at \$20; assigned parking was valued at \$10; open parking was valued at \$0; no parking was valued at \$0.

Parking			
Adjustment	Survey Range		Concluded
Garage	\$50	\$200	\$50
Covered	\$20	\$100	\$20
Assigned	\$10	\$50	\$10
Open	\$0	\$0	\$0
None	\$0	\$0	\$0

### *Laundry*

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$5 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$25.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$5
W/D Units	\$10	\$50	\$10
W/D Hookups	\$5	\$25	\$25

### *Security*

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

Security			
Adjustment	Survey Range		Concluded
Call Buttons	\$2	\$10	\$2
Controlled Access	\$2	\$10	\$2
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 1BR-1BA-563sf

The development of our rent conclusion for the 1BR-1BA-563sf units is found below.

Our analysis included the evaluation of a total of 14 unit types found at 4 properties. We selected the 14 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 14 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

Rent Conclusion									
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-03	Norton Green II	1BR-1BA-563sf	\$719	\$0	\$719	-	\$0	\$719	-
024-01	Kennedy Enterprises - Norton Roac	1BR-1BA-500sf	\$475	\$0	\$475	\$308	\$308	\$783	1
024-02	Kennedy Enterprises - Norton Roac	2BR-1.5BA-700sf	\$600	\$0	\$600	\$566	\$138	\$738	7
025-01	Kennedy Enterprises - Vanover Ave	1BR-1BA-700sf	\$500	\$0	\$500	\$400	\$332	\$832	2
025-02	Kennedy Enterprises - Vanover Ave	2BR-1.5BA-1000sf	\$800	\$0	\$800	\$742	\$164	\$964	10
025-03	Kennedy Enterprises - Vanover Ave	2BR-1.5BA-1000sf	\$650	\$0	\$650	\$742	\$164	\$814	10
025-04	Kennedy Enterprises - Vanover Ave	2BR-1BA-1000sf	\$500	\$0	\$500	\$707	\$229	\$729	9
025-05	Kennedy Enterprises - Vanover Ave	2BR-1BA-1250sf	\$700	\$0	\$700	\$770	\$166	\$866	13
025-08	Kennedy Enterprises - Vanover Ave	1BR-1BA-1250sf	\$500	\$0	\$500	\$538	\$194	\$694	5
025-09	Kennedy Enterprises - Vanover Ave	2BR-1BA-1250sf	\$650	\$0	\$650	\$755	\$151	\$801	12
033-01	Miller Apartments - West Main	0BR-1BA-500sf	\$450	\$0	\$450	\$546	\$407	\$857	6
033-02	Miller Apartments - West Main	1BR-1BA-700sf	\$450	\$0	\$450	\$433	\$239	\$689	4
033-03	Miller Apartments - West Main	2BR-1BA-1000sf	\$550	\$0	\$550	\$661	\$57	\$607	8
063-01	Lost Creek Drive Apartments	1BR-1BA-700sf	\$650	\$0	\$650	\$406	\$168	\$818	3
063-02	Lost Creek Drive Apartments	2BR-1.5BA-1120sf	\$950	\$0	\$950	\$794	-\$14	\$936	14
	Adjusted Rent, Minimum					\$607			
	Adjusted Rent, Maximum					\$964			
	Adjusted Rent, Average					\$795			
	Adjusted Rent, Modified Average					\$796			
	Rent, Concluded					\$775			

Our analysis suggests a rent of \$775 for the 1BR-1BA-563sf units at the subject property.

In our opinion, the 1BR-1BA-500sf units at Kennedy Enterprises - Norton Road (Property # 024), the 1BR-1BA-700sf units at Kennedy Enterprises - Vanover Avenue (Property # 025), the 1BR-1BA-700sf units at Lost Creek Drive Apartments (Property # 063), the 1BR-1BA-700sf units at Miller Apartments - West Main (Property # 033), and the 1BR-1BA-1250sf units at Kennedy Enterprises - Vanover Avenue (Property # 025) are the best comparables for the units at the subject property.

Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Condition	\$50	4.00	3.00	-\$50
Effective Age	\$5.00	2014	2000	-\$70
Dishwasher	\$10	yes	no	-\$10
Call Buttons	\$2	no	yes	\$2
Adjustments				-\$128
Adjusted Rent, Minimum				\$479
Adjusted Rent, Maximum				\$836
Adjusted Rent, Average				\$667
Adjusted Rent, Modified Average				\$668
Rent, Concluded, As Is				\$645

Our analysis suggests an "as is" rent of \$645 for the 1BR-1BA-563sf units at the subject property.

Comparable	Subject	1		2		3		4		5	
Property-Unit Key	Sub-03	024-01		025-01		025-08		033-02		063-01	
Unit Type	1BR-1BA-563sf	1BR-1BA-500sf		1BR-1BA-700sf		1BR-1BA-1250sf		1BR-1BA-700sf		1BR-1BA-700sf	
Property Name	Norton Green II	Kennedy Enterprises - Norton Road		Kennedy Enterprises - Vanover Avenue		Kennedy Enterprises - Vanover Avenue		Miller Apartments - West Main		Lost Creek Drive Apartments	
Address	380 14th Street, NW	401 Norton Road		204 & 206 Vanover Ave, NE		204 & 206 Vanover Ave, NE		535 W Main Street		110-132 Lost Creek Drive, SW	
City	Norton	Wise		Wise		Wise		Wise		Norton	
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia	
Zip	24273	24293		24293		24293		24293		24273	
Latitude	36.93424	36.97573		36.97525		36.97525		36.98357		36.93149	
Longitude	-82.64020	-82.58181		-82.57182		-82.57182		-82.58686		-82.62116	
Miles to Subject	0.00	4.06		4.52		4.52		4.11		1.09	
Year Built	1991	1974		1989		1989		1975		1998	
Year Rehab	2024	2007		na		na		na		na	
Project Rent	Subsidized	Market Rate		Market Rate		Market Rate		Market Rate		Market Rate	
Project Type	Elderly	Family		Family		Family		Family		Family	
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized	
Phone	(276) 679-4416	(276) 328-9646		(276) 328-9646		(276) 328-9646		(276) 393-8048		na	
Effective Date	06-Mar-24	15-Feb-24		20-Feb-24		20-Feb-24		19-Feb-24		04-Mar-24	
<u>Project Level</u>											
Units	40	8		21		21		15		12	
Vacant Units	1	0		0		0		0		0	
Vacancy Rate	3%	0%		0%		0%		0%		0%	
<u>Unit Type</u>											
Units	20	6		1		6		2		4	
Vacant Units	1	0		0		0		0		0	
Vacancy Rate	5%	0%		0%		0%		0%		0%	
Street Rent	\$719	\$475		\$500		\$500		\$450		\$650	
Concessions	\$0	\$0		\$0		\$0		\$0		\$0	
Net Rent	\$719	\$475		\$500		\$500		\$450		\$650	
	<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>
Tenant-Paid Utilities	TPU	\$75	\$154	\$79	\$223	\$148	\$223	\$148	\$80	\$5	\$191
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Internet	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Bedrooms	\$130	1	1	\$0	1	\$0	1	\$0	1	\$0	1
Bathrooms	\$100	1.00	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0	1.00
Square Feet	\$0.25	563	500	\$16	700	-\$34	1250	-\$172	700	-\$34	700
Visibility	\$50	2.50	2.00	\$25	2.50	\$0	2.50	\$0	3.75	-\$63	4.00
Access	\$0	2.50	2.00	\$0	2.50	\$0	2.50	\$0	4.00	\$0	3.50
Neighborhood	\$0	3.50	4.30	\$0	4.50	\$0	4.50	\$0	3.50	\$0	2.20
Area Amenities	\$50	4.50	4.10	\$20	3.60	\$45	3.60	\$45	3.60	\$45	3.80
Median HH Income	\$0.0000	\$38,423	\$50,865	\$0	\$45,227	\$0	\$45,227	\$0	\$48,007	\$0	\$50,714
Average Commute	\$0	16.68	22.67	\$0	27.78	\$0	27.78	\$0	21.62	\$0	16.29
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na
Personal Crime	\$0	3.3%	2.0%	\$0	0.4%	\$0	0.4%	\$0	0.7%	\$0	7.9%
Condition	\$50	4.00	3.00	\$50	3.50	\$25	3.50	\$25	3.00	\$50	3.50
Effective Age	\$5.00	2014	1997	\$85	1989	\$125	1989	\$125	1975	\$195	1998
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
BBQ Area	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Bus/Comp Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Community Center	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no
Elevator	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Gazebo	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Picnic Area	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Playground	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Blinds	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes
Ceiling Fans	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	yes
Carpeting	\$10	yes	some	\$10	yes	\$0	yes	\$0	yes	\$0	yes
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Patio/Balcony	\$2	yes	no	\$2	no	\$2	no	\$2	yes	\$0	yes
Storage	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes
Disposal	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no
Dishwasher	\$10	yes	some	\$10	some	\$10	some	\$10	no	\$10	yes
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Garage	\$50	no	no	\$0	some	\$0	some	\$0	no	\$0	no
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Central	\$5	yes	no	\$5	no	\$5	no	\$5	yes	\$0	yes
W/D Units	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no
W/D Hookups	\$25	yes	yes	\$0	yes	\$0	yes	\$0	no	\$25	no
Call Buttons	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Controlled Access	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Courtesy Officer	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Security Alarms	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no
Indicated Rent		\$775	\$783		\$832		\$694		\$689		\$818

Unrestricted Market Rent Conclusion

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were an unrestricted property:

Unrestricted Market Rent Conclusion						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market	Proposed	Advantage
1BR-1BA-563sf / 60% of AMI / 40% of AMI	No	Yes	4	\$775	\$719	7.2%
1BR-1BA-563sf / 60% of AMI / 50% of AMI	No	Yes	16	\$775	\$719	7.2%
1BR-1BA-563sf / 60% of AMI / 60% of AMI	No	Yes	20	\$775	\$719	7.2%
Total / Average			40	\$775	\$719	7.2%

Our analysis suggests an average unrestricted market rent of \$775 for the subject property. This is compared with an average proposed rent of \$719, yielding an unrestricted market rent advantage of 7.2 percent. Overall, the subject property appears to be priced at or below unrestricted market rents for the area.

We selected a total of 4 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 100 percent.

Occupancy rates for the selected rent comparables are broken out below:

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom								100%
2-Bedroom								
3-Bedroom								
4-Bedroom								
Total								100%

Occupancy rates for all stabilized market area properties are broken out below:

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom	100%							100%
1-Bedroom	98%				100%		86%	94%
2-Bedroom	96%				100%		82%	95%
3-Bedroom	96%							91%
4-Bedroom	100%							
Total	98%				100%		83%	94%

HUD conducts an annual rent survey to derive Fair Market Rent estimates for an area. Based on this, 2-bedroom rents for the area grew from \$571 to \$793 since 2010. This represents an average 3.0% annual increase over this period.

Fair market rent data for the area is found below:

Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2010	\$484	\$571	\$743	2.5%	2.5%	2.5%
2011	\$499	\$588	\$765	3.1%	3.0%	3.0%
2012	\$459	\$541	\$704	-8.0%	-8.0%	-8.0%
2013	\$528	\$626	\$780	15.0%	15.7%	10.8%
2014	\$520	\$617	\$768	-1.5%	-1.4%	-1.5%
2015	\$542	\$643	\$801	4.2%	4.2%	4.3%
2016	\$527	\$658	\$817	-2.8%	2.3%	2.0%
2017	\$492	\$633	\$792	-6.6%	-3.8%	-3.1%
2018	\$524	\$684	\$858	6.5%	8.1%	8.3%
2019	\$537	\$710	\$894	2.5%	3.8%	4.2%
2020	\$542	\$714	\$908	0.9%	0.6%	1.6%
2021	\$532	\$701	\$912	-1.8%	-1.8%	0.4%
2022	\$574	\$702	\$941	7.9%	0.1%	3.2%
2023	\$655	\$793	\$1,091	14.1%	13.0%	15.9%

Source: HUD

Unrestricted Market Rent Conclusion, As Is

In the table found below we summarize the market rents for the subject property units on an "as is" basis, assuming that the subject were an unrestricted property:

Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market	Proposed	Advantage
1BR-1BA-563sf / 50% of AMI / 50% of AMI	No	Yes	40	\$645	\$719	-11.5%
Total / Average			40	\$645	\$719	-11.5%

## Restricted Rent Analysis

In this section we develop a restricted market rent conclusion and an achievable rent conclusion for the subject property units. Our analysis began by selecting comparable rentals to use to develop estimates of market rents for the units at the subject property, assuming that the subject was a restricted property. Our selection of comparables was based on location, age, condition, unit mix and amenities of the comparable properties relative to the subject property.

### Rental Property Inventory, by Unit Type

In the following pages we present an inventory of properties included in this analysis. Rents for these properties, broken out by unit type, were used in selecting the rent comparables used in this analysis.

The properties that we consider to be comparable to the subject property are highlighted in the tables found in the following pages. We attempted to select stabilized restricted rent properties as comparables for purposes of our rent comparability analysis.

Comparables with market rents are used when a sufficient number of restricted rent comparables are not available and when maximum allowable rents for properties with restricted rents exceed prevailing rents in the area. In the event that program rental rates exceed market rental rates, restricted units are, in fact, *de facto* market rate units.

The subject property is located in an area with very few market rate elderly developments. Consequently, we have elected to use general occupancy properties in our analysis of market rents. This is appropriate because most of the existing elderly renters currently reside in general occupancy units creating a linkage between the two property types. Our research suggests that the majority of elderly renter households in the market area currently reside in general occupancy housing. This is consistent with a 1995 AARP member survey which found that 80 percent of respondents resided in general occupancy properties. Because such a high percentage of seniors reside in general occupancy housing, the subject property will need to be priced competitively to attract these renters. Consequently, it is not only appropriate - but prudent - to address general occupancy rents when determining market rents for age-restricted units in this market.

### Rent Comparables, Restricted Rent, Map

A map showing the location of the properties selected as comparables in this analysis is found in the following pages. Properties identified with red pushpins have market rents, properties identified with yellow pushpins have restricted rents, and properties identified with blue pushpins have subsidized rents. Detailed write-ups for the select rent comparables are found in the Appendix to this report.

### Rent Comparability Grids

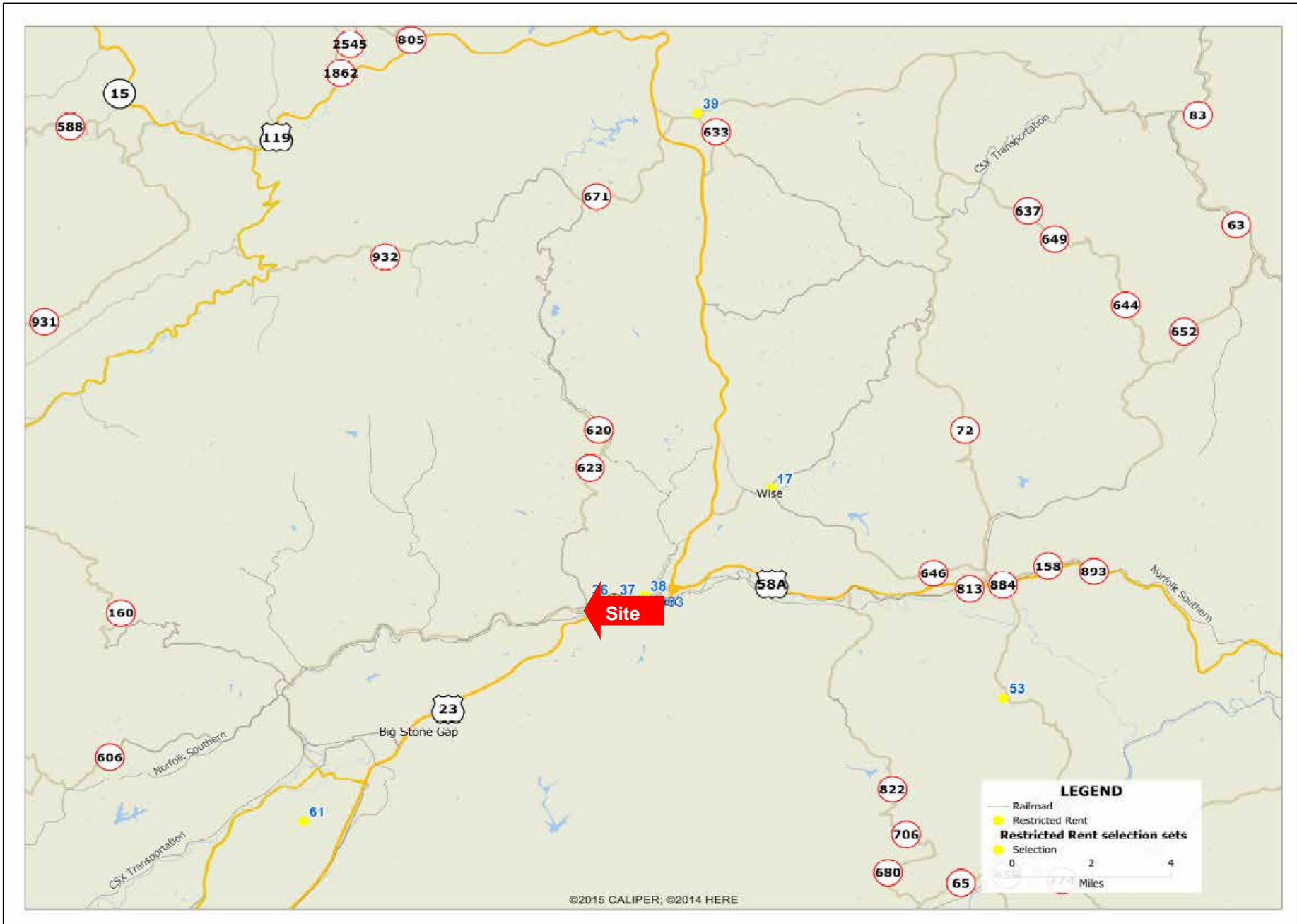
Our analysis employed the use of rent comparability grids and resulted in a restricted market rent estimate for each of the subject's unit types. These grids and a narrative describing our rent adjustments are found in the following pages.



Rental Property Inventory, 1-Bedroom Units

Overview							Rents							
Key	Property Name	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt
017	Gilliam Court Apartments	1980	na	Restricted	Elderly	Stabilized	\$476							\$476
038	Norton Heights Apartments	1984	na	Restricted	Family	Stabilized								\$517
039	Old Mill Village Apartments	1983	2007	Restricted	Family	Stabilized	\$522							\$522
053	Sheffield Acres Apartments	1980	na	Restricted	Family	Stabilized	\$500							\$500
061	Woodstone Village Phase 1	1986	2005	Restricted	Family	Stabilized	\$570				\$570			

Source: Allen & Associates



### Rent Adjustments

Our analysis included a property management survey and a technique known as "statistical extraction" to help us identify the best adjustments to use. Statistical extraction, which is similar to the matched pair method, helped us derive the optimal adjustments for our particular data set.

Here's a hypothetical example to illustrate how we derived our rent adjustments. Assume that property managers tell us we should expect rent adjustments ranging from \$0.00 to \$0.50 per square foot for a particular market. Next, assume that we select 25 rent comparables with an adjusted sample standard deviation (a statistical measure of variability) of \$100. We employ a square foot rent adjustment of \$0.10 for each comparable resulting in an adjusted sample standard deviation of \$90. This tells us that the assumed adjustment "explained" some of the variability in the data. We repeat this process for adjustments of \$0.20, \$0.30, \$0.40 and \$0.50 which yielded adjusted sample standard deviations of \$80, \$70, \$65 and \$75, respectively. The \$0.40 square foot adjustment "explains" the most variability because any other adjustment yields a higher adjusted sample standard deviation. Consequently, a \$0.40 rent adjustment is the best adjustment for purposes of this example. This is a simplified example because we actually adjusted for numerous variables simultaneously in our analysis.

Many adjustments (bedroom count, bathroom count and square footage) are highly interrelated. Statistical extraction helped us unravel the interrelationships between these variables. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is superior a "plus" adjustment is made. If the subject is inferior a "minus" adjustment is made.

We used the Excel Solver function to help us with our analysis. The Solver function was programmed to minimize the adjusted standard deviation for our data set. We evaluated a total of 62 variables in 22 categories (AC systems, heating systems, technology, bedrooms, bathrooms, square feet, visibility, access, neighborhood, area amenities, condition, effective age, project amenities, elevator, unit amenities, storage, kitchen amenities, parking, laundry, security, on-site management, on-site maintenance) in an effort to identify the mix of adjustments that explained the most variability found in our raw data.

A discussion of our surveyed and concluded adjustments is found below.

### *Concessions*

The first step in our analysis was to account for any concessions at the subject and the comparables. We considered the advertised street rent and concessions being offered and derived a net rent estimate for each comparable. Net rent, defined as advertised street rent minus monthly concessions, represents the cash rent paid by new residents at the various properties. This is the best measure of market value (prior to any other adjustments) for the comparables included in this analysis.

### *Tenant-Paid Utilities*

The next step in our analysis was to account for differences in tenant-paid utilities between the comparable properties and the subject. We used the HUD Utility Schedule Model to derive our adjustments. The HUD model includes a current utility rate survey for the area. In the event that the tenant-paid utilities associated with a particular property are higher or lower than the subject, adjustments were made to account for the differences. Adjustments reflect the difference between the tenant-paid utilities for the comparable property minus that for the subject.

### *Technology*

We accounted for technology (cable and internet access) offered in the rent for each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per month for cable; internet access was valued at \$0.

Adjustment	Technology		Concluded
	Survey	Range	
Cable	\$0	\$0	\$0
Internet	\$0	\$0	\$0

*Bedrooms*

Our analysis also included an adjustment for the number of bedrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$65 per bedroom.

Bedrooms			
Adjustment	Survey Range		Concluded
Bedrooms	\$50	\$200	\$65

*Bathrooms*

Our analysis also included an adjustment for the number of bathrooms at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$25 per bathroom.

Bathrooms			
Adjustment	Survey Range		Concluded
Bathrooms	\$25	\$100	\$25

*Square Feet*

Our analysis also included an adjustment for square footage at each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.15 per square foot.

Square Feet			
Adjustment	Survey Range		Concluded
Square Feet	\$0.10	\$2.00	\$0.15

*Visibility*

We also accounted for differences in visibility at each of the comparables as compared to the subject property in our analysis. Based on our field review, we assigned a visibility rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in visibility ratings between the subject and the comparables.

Visibility			
Adjustment	Survey Range		Concluded
Rating	\$0	\$50	\$0

*Access*

Our analysis also included an adjustment for access at each of the comparables as compared to the subject property. Based on our field review, we assigned an access rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in access ratings between the subject and the comparables.

Access			
Adjustment	Survey Range		Concluded
Rating	\$0	\$50	\$0

*Neighborhood*

We considered differences in neighborhood at each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local demographic and crime data (presented earlier in this report), we assigned a neighborhood rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in neighborhood ratings between the subject and the comparables.

Neighborhood			
Adjustment	Survey Range		Concluded
Rating	\$0	\$50	\$0

*Area Amenities*

We also accounted for area amenities for each of the comparables as compared to the subject property in our analysis. Based on our field review and our evaluation of local amenity data (presented earlier in this report), we assigned a local amenity rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$0 per point for differences in amenity ratings between the subject and the comparables.

Area Amenities			
Adjustment	Survey Range		Concluded
Rating	\$0	\$50	\$0

*Median Household Income*

Our analysis also included an adjustment for median household income for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.0000 per dollar of median household income.

Median Household Income			
Adjustment	Survey Range		Concluded
Med HH Inc	\$0.0000	\$0.0000	\$0.0000

*Average Commute*

Our analysis also included an adjustment for average commute for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 per each minute of commute.

Average Commute			
Adjustment	Survey Range		Concluded
Avg Commute	\$0.00	\$0.00	\$0.00

*Public Transportation*

Our analysis also included an adjustment for the existence of public transportation within walking distance of each of the comparables as compared to the subject property. Statistical extraction resulted in an adjustment of \$0.00 for public transportation.

Public Transportation			
Adjustment	Survey Range		Concluded
Public Trans	\$0.00	\$0.00	\$0.00

*Personal Crime*

Our analysis also included an adjustment for personal crime rates for the area in which each of the comparables is located as compared to the subject property. Statistical extraction resulted in an adjustment of \$0 per 0.01 percentage points.

Personal Crime			
Adjustment	Survey Range		Concluded
Personal Crime	\$0	\$0	\$0

*Condition*

Our analysis also included an adjustment for the condition of each comparable as compared to the subject property. Based on our field review, we assigned a condition rating for each of the properties included in this analysis. Our ratings ranged from 1 to 5 with 1 being the worst and 5 being the best. Statistical extraction resulted in an adjustment of \$10 per point for differences in condition ratings between the subject and the comparables.

Condition			
Adjustment	Survey Range		Concluded
Rating	\$10	\$50	\$10

*Effective Age*

We considered differences in effective age in our analysis. Based on our field review, we estimated the effective age for each of the properties included in this analysis. Our estimates reflected the condition-adjusted age and remaining useful life of each property. Statistical extraction resulted in an adjustment of \$1.00 per year for differences in effective age between the subject and the comparables.

Effective Age			
Adjustment	Survey Range		Concluded
Rating	\$1.00	\$5.00	\$1.00

*Project Amenities*

We considered the presence of various project amenities at the comparables as compared to the subject property. Project amenities include ball fields, BBQ areas, billiards, business/computer centers, car care centers, community centers, elevators, fitness centers, gazebos, hot tubs/Jacuzzis, horseshoe pits, lakes, libraries, movie theatres, picnic areas, playgrounds, pools, saunas, sports courts and walking trails. The survey range and our concluded adjustment for each amenity is summarized below.

Project Amenities			
Adjustment	Survey Range		Concluded
Ball Field	\$2	\$10	\$2
BBQ Area	\$2	\$10	\$10
Billiards	\$2	\$10	\$2
Bus/Comp Ctrs	\$2	\$10	\$2
Car Care Center	\$2	\$10	\$2
Community Center	\$2	\$10	\$2
Elevator	\$10	\$100	\$10
Fitness Center	\$2	\$10	\$2
Gazebo	\$2	\$10	\$2
Hot Tub/Jacuzzi	\$2	\$10	\$2
Horseshoe Pit	\$2	\$10	\$2
Lake	\$2	\$10	\$2
Library	\$2	\$10	\$2
Movie Theatre	\$2	\$10	\$2
Picnic Area	\$2	\$10	\$2
Playground	\$2	\$10	\$2
Pool	\$2	\$10	\$2
Sauna	\$2	\$10	\$2
Sports Court	\$2	\$10	\$2
Walking Trail	\$2	\$10	\$2

*Unit Amenities*

We considered the presence of various unit amenities at the comparables as compared to the subject property. Unit amenities include blinds, ceiling fans, carpeting/upgraded flooring, fireplaces, patios/balconies and storage. The survey range and our concluded adjustment for each amenity is summarized below.

Unit Amenities			
Adjustment	Survey Range		Concluded
Blinds	\$2	\$10	\$2
Ceiling Fans	\$2	\$10	\$2
Carpeting	\$2	\$10	\$2
Fireplace	\$2	\$10	\$2
Patio/Balcony	\$2	\$10	\$2
Storage	\$10	\$50	\$50

*Kitchen Amenities*

We considered the presence of various kitchen amenities at the comparables as compared to the subject property. Kitchen amenities include stoves, refrigerators, disposals, dishwashers and microwaves. The survey range and our concluded adjustment for each amenity is summarized below.

Kitchen Amenities			
Adjustment	Survey Range		Concluded
Stove	\$2	\$10	\$2
Refrigerator	\$2	\$10	\$2
Disposal	\$2	\$10	\$2
Dishwasher	\$2	\$10	\$2
Microwave	\$2	\$10	\$2

### *Parking*

We also adjusted for differing types of parking configurations. We classified parking five ways: (1) Garage, (2) Covered; (3) Assigned, (4) Open and (5) No parking offered. Statistical extraction resulted in an adjustment of \$50 per month for garages; covered parking was valued at \$20; assigned parking was valued at \$10; open parking was valued at \$0; no parking was valued at \$0.

Parking			
Adjustment	Survey Range		Concluded
Garage	\$50	\$200	\$50
Covered	\$20	\$100	\$20
Assigned	\$10	\$50	\$10
Open	\$0	\$0	\$0
None	\$0	\$0	\$0

### *Laundry*

We also evaluated differing types of laundry configurations. We classified laundry amenities three ways: (1) Central Laundry, (2) Washer/Dryer Units; and (3) Washer/Dryer Hookups. Our analysis resulted in an adjustment of \$5 per month for central laundries; washer/dryer units were valued at \$10; washer/dryer hookups were valued at \$5.

Laundry			
Adjustment	Survey Range		Concluded
Central	\$5	\$25	\$5
W/D Units	\$10	\$50	\$10
W/D Hookups	\$5	\$25	\$5

### *Security*

We considered the presence of various security amenities at the comparables as compared to the subject property. Security amenities include call buttons, controlled access, courtesy officers, monitoring, security alarms and security patrols. The survey range and our concluded adjustment for each amenity is summarized below.

Security			
Adjustment	Survey Range		Concluded
Call Buttons	\$2	\$10	\$2
Controlled Access	\$2	\$10	\$2
Courtesy Officer	\$2	\$10	\$2
Monitoring	\$2	\$10	\$2
Security Alarms	\$2	\$10	\$2
Security Patrols	\$2	\$10	\$2

Rent Conclusion, 1BR-1BA-563sf

The development of our rent conclusion for the 1BR-1BA-563sf units is found below.

Our analysis included the evaluation of a total of 7 unit types found at 5 properties. We selected the 7 most comparable units to utilize as rent comparables for purposes of this analysis. A write-up for each of the properties included in this analysis is found in the Appendix.

Our analysis included the adjustments developed in the previous section. Adjustments represent dollar amounts by which the subject property varies from the comparable properties. If the subject is better, a “plus” adjustment is made. If the subject is inferior, a “minus” adjustment is made. In the table below, we summarize the adjustments and the resulting indicated rent for the top 7 comparables included in this analysis. The units that we consider most comparable are highlighted for the reader's reference.

		Rent Conclusion							
Comparable			Unadjusted Rent			Adjusted Rent			
Property-Unit Key	Property Name	Unit Type	Street Rent	Concessions	Net Rent	Gross Adjustments	Net Adjustments	Adjusted Rent	Rank
Sub-03	Norton Green II	1BR-1BA-563sf	\$719	\$0	\$719	-	\$0	\$719	-
017-03	Gilliam Court Apartments	1BR-1BA-562sf	\$476	\$0	\$476	\$72	\$12	\$488	1
038-01	Norton Heights Apartments	1BR-1BA-700sf	\$517	\$0	\$517	\$95	\$11	\$528	2
038-02	Norton Heights Apartments	2BR-1BA-1000sf	\$593	\$0	\$593	\$275	-\$15	\$578	7
039-02	Old Mill Village Apartments	1BR-1BA-575sf	\$522	\$0	\$522	\$206	\$98	\$620	6
053-02	Sheffield Acres Apartments	1BR-1BA-575sf	\$500	\$0	\$500	\$202	\$98	\$598	5
061-02	Woodstone Village Phase 1	1BR-1BA-781sf	\$570	\$0	\$570	\$103	-\$27	\$543	3
061-04	Woodstone Village Phase 1	2BR-1.5BA-859sf	\$602	\$0	\$602	\$196	-\$80	\$522	4
	Adjusted Rent, Minimum							\$488	
	Adjusted Rent, Maximum							\$620	
	Adjusted Rent, Average							\$554	
	Adjusted Rent, Modified Average							\$554	
	Rent, Concluded							\$600	

Our analysis suggests a rent of \$600 for the 1BR-1BA-563sf units at the subject property.

In our opinion, the 1BR-1BA-562sf units at Gilliam Court Apartments (Property # 017), the 1BR-1BA-700sf units at Norton Heights Apartments (Property # 038), the 1BR-1BA-781sf units at Woodstone Village Phase 1 (Property # 061), the 1BR-1BA-575sf units at Sheffield Acres Apartments (Property # 053), and the 1BR-1BA-575sf units at Old Mill Village Apartments (Property # 039) are the best comparables for the units at the subject property.



Rent Conclusion, As Is

In the table below we derive our "as is" rent conclusion using the "as renovated" rent conclusion developed above:

Rent Conclusion, As Is				
Adjustment	Conc Adj	As Ren	As Is	\$ Adj
Condition	\$10	4.00	3.00	-\$10
Effective Age	\$1.00	2014	2000	-\$14
Dishwasher	\$2	yes	no	-\$2
Call Buttons	\$2	no	yes	\$2
Adjustments				-\$24
Adjusted Rent, Minimum				\$464
Adjusted Rent, Maximum				\$596
Adjusted Rent, Average				\$530
Adjusted Rent, Modified Average				\$530
Rent, Concluded, As Is				\$575

Our analysis suggests an "as is" rent of \$575 for the 1BR-1BA-563sf units at the subject property.

Comparable	Subject	1		2		3		4		5		
Property-Unit Key	Sub-03	017-03		038-01		039-02		053-02		061-02		
Unit Type	1BR-1BA-563sf	1BR-1BA-562sf		1BR-1BA-700sf		1BR-1BA-575sf		1BR-1BA-575sf		1BR-1BA-781sf		
Property Name	Norton Green II	Gilliam Court Apartments		Norton Heights Apartments		Old Mill Village Apartments		Sheffield Acres Apartments		Woodstone Village Phase 1		
Address	380 14th Street, NW	736 Gilliam Street		520 Alexander Street		11430 Old Mill Village Road		12132 Retford Road		273 Woodstone Drive		
City	Norton	Wise		Norton		Pound		Coeburn		Big Stone Gap		
State	Virginia	Virginia		Virginia		Virginia		Virginia		Virginia		
Zip	24273	24293		24273		24279		24230		24219		
Latitude	36.93424	36.97792		36.93570		37.12571		36.89543		36.84678		
Longitude	-82.64020	-82.56856		-82.62610		-82.60228		-82.46286		-82.78085		
Miles to Subject	0.00	4.75		0.80		11.05		10.28		9.38		
Year Built	1991	1980		1984		1983		1980		1986		
Year Rehab	2024	na		2007		2007		na		2005		
Project Rent	Subsidized	Restricted		Restricted		Restricted		Restricted		Restricted		
Project Type	Elderly	Elderly		Family		Family		Family		Family		
Project Status	Prop Rehab	Stabilized		Stabilized		Stabilized		Stabilized		Stabilized		
Phone	(276) 679-4416	(276) 328-2455		(276) 679-5280		(276) 395-6104		(276) 395-6104		(276) 523-4788		
Effective Date	06-Mar-24	15-Feb-24		15-Feb-24		15-Feb-24		15-Feb-24		04-Mar-24		
<u>Project Level</u>												
Units	40	71		38		34		56		36		
Vacant Units	1	2		7		6		3		0		
Vacancy Rate	3%	3%		18%		18%		5%		0%		
<u>Unit Type</u>												
Units	20	1		4		1		1		4		
Vacant Units	1	0		1		0		0		0		
Vacancy Rate	5%	0%		25%		0%		0%		0%		
Street Rent	\$719	\$476		\$517		\$522		\$500		\$570		
Concessions	\$0	\$0		\$0		\$0		\$0		\$0		
Net Rent	\$719	\$476		\$517		\$522		\$500		\$570		
	<u>Adj</u>	<u>Data</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	<u>Adj</u>	<u>Data</u>	
Tenant-Paid Utilities	TPU	\$75	\$65	-\$10	\$68	-\$7	\$181	\$106	\$157	\$82	\$59	-\$16
Cable	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Internet	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bedrooms	\$65	1	1	\$0	1	\$0	1	\$0	1	\$0	1	\$0
Bathrooms	\$25	1.00	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0	1.00	\$0
Square Feet	\$0.15	563	562	\$0	700	-\$21	575	-\$2	575	-\$2	781	-\$33
Visibility	\$0	2.50	2.50	\$0	2.25	\$0	2.25	\$0	2.50	\$0	3.50	\$0
Access	\$0	2.50	2.50	\$0	2.25	\$0	2.50	\$0	2.50	\$0	3.00	\$0
Neighborhood	\$0	3.50	4.50	\$0	2.10	\$0	2.70	\$0	2.00	\$0	2.80	\$0
Area Amenities	\$0	4.50	3.20	\$0	4.40	\$0	2.70	\$0	2.00	\$0	3.30	\$0
Median HH Income	\$0.0000	\$38,423	\$45,227	\$0	\$25,000	\$0	\$47,031	\$0	\$33,294	\$0	\$19,778	\$0
Average Commute	\$0	16.68	27.78	\$0	12.37	\$0	33.89	\$0	18.39	\$0	17.80	\$0
Public Transportation	\$0	na	na	\$0	na	\$0	na	\$0	na	\$0	na	\$0
Personal Crime	\$0	3.3%	0.4%	\$0	7.4%	\$0	2.0%	\$0	1.8%	\$0	0.4%	\$0
Condition	\$10	4.00	3.00	\$10	3.00	\$10	3.00	\$10	2.50	\$15	3.00	\$10
Effective Age	\$1.00	2014	1995	\$19	1984	\$30	1995	\$19	1980	\$34	1995	\$19
Ball Field	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
BBQ Area	\$10	no	no	\$0	yes	-\$10	no	\$0	no	\$0	no	\$0
Billiards	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Bus/Comp Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Car Care Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Community Center	\$2	yes	yes	\$0	no	\$2	no	\$2	no	\$2	yes	\$0
Elevator	\$10	no	yes	-\$10	no	\$0	no	\$0	no	\$0	yes	-\$10
Fitness Center	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Gazebo	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Hot Tub/Jacuzzi	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Horseshoe Pit	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Lake	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Library	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Movie Theatre	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Picnic Area	\$2	no	yes	-\$2	yes	-\$2	yes	-\$2	no	\$0	no	\$0
Playground	\$2	no	no	\$0	yes	-\$2	no	\$0	no	\$0	yes	-\$2
Pool	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sauna	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Sports Court	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Walking Trail	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Blinds	\$2	yes	yes	\$0	yes	\$0	no	\$2	no	\$2	yes	\$0
Ceiling Fans	\$2	no	no	\$0	no	\$0	some	\$0	no	\$0	no	\$0
Carpeting	\$2	yes	no	\$2	yes	\$0	no	\$2	no	\$2	yes	\$0
Fireplace	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Patio/Balcony	\$2	yes	yes	\$0	no	\$0	yes	\$0	no	\$2	yes	\$0
Storage	\$50	no	no	\$0	no	\$0	yes	-\$50	yes	-\$50	no	\$0
Stove	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Refrigerator	\$2	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
Disposal	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	yes	\$0
Dishwasher	\$2	yes	no	\$2	no	\$2	no	\$2	no	\$2	no	\$2
Microwave	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Garage	\$50	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Covered	\$20	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Assigned	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Open	\$0	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
None	\$0	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Central	\$5	yes	yes	\$0	yes	\$0	yes	\$0	yes	\$0	yes	\$0
W/D Units	\$10	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
W/D Hookups	\$5	yes	no	\$5	no	\$5	no	\$5	no	\$5	some	\$5
Call Buttons	\$2	no	yes	-\$2	no	\$0	no	\$0	no	\$0	no	\$0
Controlled Access	\$2	no	yes	-\$2	no	\$0	no	\$0	no	\$0	yes	-\$2
Courtesy Officer	\$2	no	yes	-\$2	no	\$0	no	\$0	no	\$0	no	\$0
Monitoring	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	yes	-\$2
Security Alarms	\$2	no	yes	-\$2	no	\$0	no	\$0	no	\$0	no	\$0
Security Patrols	\$2	no	no	\$0	no	\$0	no	\$0	no	\$0	no	\$0
Indicated Rent		\$600	\$488		\$528		\$620		\$598		\$543	

Restricted Market Rent Conclusion

Based on our evaluation of the rents at the select comparable properties, and considering the location, quality and amenities of the subject property, we conclude the following market rents for the subject property units, assuming that the subject were a restricted property:

Restricted Market Rent Conclusion				
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market
1BR-1BA-563sf / 60% of AMI / 40% of AMI	No	Yes	4	\$600
1BR-1BA-563sf / 60% of AMI / 50% of AMI	No	Yes	16	\$600
1BR-1BA-563sf / 60% of AMI / 60% of AMI	No	Yes	20	\$600
Total / Average			40	\$600

Our analysis suggests an average restricted market rent of \$600 for the subject property.

We selected a total of 5 properties as comparables for purposes of our analysis. The average occupancy at the select rent comparables currently stands at 91 percent.

The occupancy rate of the selected rent comparables is broken out in the tables below:

Occupancy Rate, Select Comparables								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom								
1-Bedroom	96%				100%		86%	
2-Bedroom								
3-Bedroom								
4-Bedroom								
Total	96%				100%		86%	

Occupancy rates for all stabilized market area properties are broken out below:

Occupancy Rate, Stabilized Properties								
	Subsidized	20% of AMI	30% of AMI	40% of AMI	50% of AMI	60% of AMI	80% of AMI	Market
0-Bedroom	100%							100%
1-Bedroom	98%				100%		86%	94%
2-Bedroom	96%				100%		82%	95%
3-Bedroom	96%							91%
4-Bedroom	100%							
Total	98%				100%		83%	94%

Rents at rent restricted properties tend to move with median household incomes for an area. Given HUD's published median incomes, we were able to derive 1, 2 and 3-bedroom 60% of AMI rent limits for the subject's primary market area. According to our analysis, maximum 2-bedroom rents for the area declined from \$921 to \$846 since 2010. This represents an average 0.6% annual decrease over this period.

Maximum tax credit rent data for the area is found below:

Maximum Tax Credit Rents, 60% of AMI						
Year	Rent			Change		
	1BR	2BR	3BR	1BR	2BR	3BR
2010	\$767	\$921	\$1,064	0.4%	0.3%	0.5%
2011	\$786	\$944	\$1,090	2.5%	2.5%	2.4%
2012	\$798	\$957	\$1,106	1.5%	1.4%	1.5%
2013	\$825	\$990	\$1,143	3.4%	3.4%	3.3%
2014	\$794	\$953	\$1,101	-3.8%	-3.7%	-3.7%
2015	\$798	\$957	\$1,106	0.5%	0.4%	0.5%
2016	\$793	\$952	\$1,100	-0.6%	-0.5%	-0.5%
2017	\$885	\$1,062	\$1,228	11.6%	11.6%	11.6%
2018	\$936	\$1,123	\$1,298	5.8%	5.7%	5.7%
2019	\$548	\$657	\$760	-41.5%	-41.5%	-41.4%
2020	\$569	\$683	\$789	3.8%	4.0%	3.8%
2021	\$551	\$662	\$764	-3.2%	-3.1%	-3.2%
2022	\$629	\$755	\$872	14.2%	14.0%	14.1%
2023	\$705	\$846	\$978	12.1%	12.1%	12.2%

Source: HUD

Restricted Market Rent Conclusion, As Is

In the table found below we summarize the market rents for the subject property units on an "as is" basis, assuming that the subject were a restricted property:

Restricted Market Rent Conclusion, As Is				
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Market
1BR-1BA-563sf / 50% of AMI / 50% of AMI	No	Yes	40	\$575
Total / Average			40	\$575

Achievable Rent Conclusion

The next step in our analysis is to develop an achievable rent conclusion for the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering market rents, program rent limits, and any other applicable rent restrictions on the subject property.

Our analysis begins by establishing the applicable program rent limits for the subject property. Program rent limits include any applicable LIHTC and FMR rent limits. LIHTC rent limits typically apply to units benefitting from tax credit and/or bond financing. The LIHTC rent limits for applicable units at the subject property follow:

LIHTC Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
1BR-1BA-563sf / 60% of AMI / 40% of AMI	No	Yes	4	\$566	\$75	\$491
1BR-1BA-563sf / 60% of AMI / 50% of AMI	No	Yes	16	\$708	\$75	\$633
1BR-1BA-563sf / 60% of AMI / 60% of AMI	No	Yes	20	\$849	\$75	\$774
Total / Average			40	\$764	\$75	\$689

Our analysis suggests an average net LIHTC rent limit of \$689 for 40 applicable units at the subject property.

FMR rent limits typically apply to units benefitting from HOME funds. The FMR rent limits for applicable units at the subject property follow:

FMR Rent Limits						
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Gross Rent	Utilities	Net Rent
1BR-1BA-563sf / 60% of AMI / 40% of AMI	No	Yes	-	-	-	-
1BR-1BA-563sf / 60% of AMI / 50% of AMI	No	Yes	-	-	-	-
1BR-1BA-563sf / 60% of AMI / 60% of AMI	No	Yes	-	-	-	-
Total / Average			-	-	-	-

HOME funding is not proposed for the subject property.

Units benefitting exclusively from tax credits and/or bond financing are subject to LIHTC rent limits. Units benefitting from HOME funds in addition to tax credit and/or bond financing are subject to the lesser of LIHTC rent limits or FMR rent limits. Units benefitting from project-based rental assistance are normally limited to unrestricted market rent. With these parameters in mind, the following table sets forth the concluded program rent limits for applicable units at the subject property:

Program Rent Limits							
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	LIHTC	FMR	Market	Program
1BR-1BA-563sf / 60% of AMI / 40% of AMI	No	Yes	4	\$491	-	\$775	\$775
1BR-1BA-563sf / 60% of AMI / 50% of AMI	No	Yes	16	\$633	-	\$775	\$775
1BR-1BA-563sf / 60% of AMI / 60% of AMI	No	Yes	20	\$774	-	\$775	\$775
Total / Average			40	\$689	-	\$775	\$775

Our analysis suggests an average program rent limit of \$775 for 40 applicable units at the subject property.

Now that we have established program rent limits, we are in a position to develop an achievable rent conclusion for the subject property. Achievable rents represent the absolute highest rent permissible for the area, considering unrestricted and restricted market rents, program rent limits, and any other applicable rent restrictions on the subject property. The following table summarizes our findings:

Achievable Rents									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
1BR-1BA-563sf / 60% of AMI / 40% of AMI	No	Yes	4	\$775	\$775	\$600	\$775	\$719	7.2%
1BR-1BA-563sf / 60% of AMI / 50% of AMI	No	Yes	16	\$775	\$775	\$600	\$775	\$719	7.2%
1BR-1BA-563sf / 60% of AMI / 60% of AMI	No	Yes	20	\$775	\$775	\$600	\$775	\$719	7.2%
Total / Average			40	\$775	\$775	\$600	\$775	\$719	7.2%

Our analysis suggests an average achievable rent of \$775 for the subject property. This is compared with an average proposed rent of \$719, yielding an achievable rent advantage of 7.2 percent. Overall, the subject property appears to be priced at or below achievable rents for the area.

Finally, assuming no rent subsidies, we arrive at the following achievable rents for units at this property:

Achievable Rents, No Rent Subsidies									
Unit Type / Income Limit / Rent Limit	HOME	Subsidized	Units	Program	Unrestricted	Restricted	Achievable	Proposed	Advantage
1BR-1BA-563sf / 60% of AMI / 40% of AMI	No	No	4	\$491	\$775	\$600	\$491	\$719	-46.4%
1BR-1BA-563sf / 60% of AMI / 50% of AMI	No	No	16	\$633	\$775	\$600	\$600	\$719	-19.8%
1BR-1BA-563sf / 60% of AMI / 60% of AMI	No	No	20	\$774	\$775	\$600	\$600	\$719	-19.8%
Total / Average			40	\$689	\$775	\$600	\$589	\$719	-22.1%

## DEMAND ANALYSIS

### Overview

In this section we evaluate demand for the subject property using the recommended demand methodology promulgated by the National Council of Housing Market Analysts (NCHMA). For purposes of this analysis, we define demand as the number of 65+ income-qualified renter households (by household size and unit type) that would qualify to live at the subject property at the lesser of the developer's proposed rents or achievable rents.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

2024 \$		65+ Renter Households, by Income, by Size							
		2025							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	Total	
\$0	to \$9,999	163	29	8	6	8	2	215	
\$0	to \$19,999	437	109	8	37	10	2	604	
\$0	to \$29,999	510	173	35	57	11	2	789	
\$0	to \$39,999	633	195	55	66	12	2	964	
\$0	to \$49,999	694	227	55	70	13	2	1,060	
\$0	to \$59,999	713	240	79	72	24	5	1,134	
\$0	to \$74,999	729	243	80	75	25	5	1,159	
\$0	to \$99,999	754	255	81	83	25	5	1,204	
\$0	to \$124,999	772	264	84	89	27	6	1,243	
\$0	to \$149,999	789	270	85	94	31	6	1,275	
\$0	to \$199,999	794	272	86	95	31	6	1,283	
\$0	or more	807	289	89	96	33	6	1,320	

Source: ESRI & Ribbon Demographics

Our analysis includes an estimate of demand along with capture rate and penetration rate estimates. Capture rates were computed two ways: (1) On a gross basis (the number of proposed units divided by qualified demand) and (2) On a net basis (the number of proposed units divided by qualified demand minus competing & pipeline units). Penetration rates are defined as the number of proposed units plus competing & pipeline units divided by income-qualified demand. In the following pages we provide detailed listings of competing & pipeline units in the market area broken by unit type.

Competing & Pipeline Units, 1-Bedroom Units

Key Property Name	Overview					Total Units								Vacant Units								
	Built	Renovated	Rent Type	Occ Type	Status	Sub	30%	40%	50%	60%	70%	80%	Mkt	Sub	30%	40%	50%	60%	70%	80%	Mkt	
002 Appalachia Towers Apartments	1928	1983	Subsidized	Elderly	Stabilized	36																
017 Gilliam Court Apartments	1980	na	Restricted	Elderly	Stabilized	70						1		2								
036 Norton Green Apartments	1991	2009	Subsidized	Elderly	Stabilized	40								1								
046 Regency Towers Apartments	1981	na	Subsidized	Elderly	Stabilized	80																
052 Shawnee Ridge Apartments	1991	2009	Subsidized	Elderly	Stabilized	20																
055 Stonebriar Apartments	1920	2015	Subsidized	Elderly	Stabilized	21																
062 Woodstone Village Phase 2	1986	2005	Subsidized	Elderly	Stabilized	18																
<b>Total</b>						285						1		3								

Source: Allen & Associates



## Demand Estimate, 1-Bedroom, Subsidized, 60% of AMI

In this section we estimate demand for the 1-Bedroom / Subsidized / 60% of AMI units at the subject property. Our analysis assumes a total of 40 units, 20 of which are anticipated to be vacant on market entry in 2025. Our analysis assumes a 50% income qualification ratio and 2-person households.

Unit Details	
Target Population	65+ Households
Unit Type	1-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	40
Vacant Units at Market Entry	20

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$75
Gross Rent	\$75
Income Qualification Ratio	50%
Minimum Qualified Income	\$150
Months/Year	12
Minimum Qualified Income	\$1,800

65+ Renter Households, by Income, by Size								
2025								
2024		\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	163	29	8	6	8	2
\$0	to	\$19,999	437	109	8	37	10	2
\$0	to	\$29,999	510	173	35	57	11	2
\$0	to	\$39,999	633	195	55	66	12	2
\$0	to	\$49,999	694	227	55	70	13	2
\$0	to	\$59,999	713	240	79	72	24	5
\$0	to	\$74,999	729	243	80	75	25	5
\$0	to	\$99,999	754	255	81	83	25	5
\$0	to	\$124,999	772	264	84	89	27	6
\$0	to	\$149,999	789	270	85	94	31	6
\$0	to	\$199,999	794	272	86	95	31	6
\$0	or	more	807	289	89	96	33	6

Maximum Allowable Income								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Maximum Allowable Income			\$31,740	\$36,240	\$40,800	\$45,300	\$48,900	\$52,560

Size Qualified								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified			Yes	Yes	No	No	No	No

Demand Estimate								
			1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income			528	186	0	0	0	0
HH Below Minimum Income			24	4	0	0	0	0
Subtotal			504	182	0	0	0	0

Demand Estimate 686

Our analysis suggests demand for a total of 686 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, Subsidized

In this section we account for income-band overlap and develop a demand estimate for the subsidized units at the subject property.

65+ Renter Households, by Income, by Size								
			2025					
2024	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	163	29	8	6	8	2
\$0	to	\$19,999	437	109	8	37	10	2
\$0	to	\$29,999	510	173	35	57	11	2
\$0	to	\$39,999	633	195	55	66	12	2
\$0	to	\$49,999	694	227	55	70	13	2
\$0	to	\$59,999	713	240	79	72	24	5
\$0	to	\$74,999	729	243	80	75	25	5
\$0	to	\$99,999	754	255	81	83	25	5
\$0	to	\$124,999	772	264	84	89	27	6
\$0	to	\$149,999	789	270	85	94	31	6
\$0	to	\$199,999	794	272	86	95	31	6
\$0	or	more	807	289	89	96	33	6

Demand Estimate, Subsidized							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$31,740	\$36,240	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$31,740	\$36,240	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$1,800	\$1,800	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$1,800	\$1,800	-	-	-	-	-
HH Below Upper Income	528	186	0	0	0	0	0
HH Below Lower Income	24	4	0	0	0	0	0
Subtotal	504	182	0	0	0	0	0

Demand Estimate

686

Our analysis suggests demand for a total of 686 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate, Project-Level

In this section we account for income-band overlap and develop a project-level demand estimate for the subject property.

65+ Renter Households, by Income, by Size								
			2025					
2024	\$		1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	163	29	8	6	8	2
\$0	to	\$19,999	437	109	8	37	10	2
\$0	to	\$29,999	510	173	35	57	11	2
\$0	to	\$39,999	633	195	55	66	12	2
\$0	to	\$49,999	694	227	55	70	13	2
\$0	to	\$59,999	713	240	79	72	24	5
\$0	to	\$74,999	729	243	80	75	25	5
\$0	to	\$99,999	754	255	81	83	25	5
\$0	to	\$124,999	772	264	84	89	27	6
\$0	to	\$149,999	789	270	85	94	31	6
\$0	to	\$199,999	794	272	86	95	31	6
\$0	or	more	807	289	89	96	33	6

Demand Estimate, Project-Level							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, Subsidized	\$31,740	\$36,240	-	-	-	-	-
Maximum Income, 30% of AMI	-	-	-	-	-	-	-
Maximum Income, 40% of AMI	-	-	-	-	-	-	-
Maximum Income, 50% of AMI	-	-	-	-	-	-	-
Maximum Income, 60% of AMI	-	-	-	-	-	-	-
Maximum Income, 70% of AMI	-	-	-	-	-	-	-
Maximum Income, 80% of AMI	-	-	-	-	-	-	-
Maximum Income, Market Rate	-	-	-	-	-	-	-
Maximum Allowable Income	\$31,740	\$36,240	-	-	-	-	-
Minimum Income, Subsidized	\$1,800	\$1,800	-	-	-	-	-
Minimum Income, 30% of AMI	-	-	-	-	-	-	-
Minimum Income, 40% of AMI	-	-	-	-	-	-	-
Minimum Income, 50% of AMI	-	-	-	-	-	-	-
Minimum Income, 60% of AMI	-	-	-	-	-	-	-
Minimum Income, 70% of AMI	-	-	-	-	-	-	-
Minimum Income, 80% of AMI	-	-	-	-	-	-	-
Minimum Income, Market Rate	-	-	-	-	-	-	-
Minimum Qualified Income	\$1,800	\$1,800	-	-	-	-	-
HH Below Upper Income	528	186	0	0	0	0	0
HH Below Lower Income	24	4	0	0	0	0	0
Subtotal	504	182	0	0	0	0	0

Demand Estimate

686

Our analysis suggests project-level demand for a total of 686 size- and income-qualified units in the market area.

## Capture Rates

In this section, we summarize our demand conclusions and estimate the capture rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

Subject Property Units (Total)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	40								40
2BR									
3BR									
4BR									
Tot	40								40

Subject Property Units (Vacant at Market Entry)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	20								20
2BR									
3BR									
4BR									
Tot	20								20

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

Gross Demand									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	686								686
2BR									
3BR									
4BR									
Tot	686								686

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by gross demand. Underwriters often utilize capture rate limits of 10 to 25 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Gross Demand)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	2.9%								2.9%
2BR									
3BR									
4BR									
Tot	2.9%								2.9%

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by

unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

Vacant Competing & Pipeline Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	3								3
2BR									
3BR									
4BR									
Tot	3								3

The next step in our analysis is to subtract the number of vacant competing & pipeline units from gross demand to arrive at a net demand estimate for the subject property units. As described earlier, unit-level net demand estimates are found in the body of the chart found below; project-level net demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level net demand may not add up to project-level net demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level net demand.

Net Demand (Gross Demand - Vacant Competing & Pipeline Units)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	683								683
2BR									
3BR									
4BR									
Tot	683								683

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the number of subject property units divided by net demand. A capture rate in excess of 20 percent is considered excessive using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	2.9%								2.9%
2BR									
3BR									
4BR									
Tot	2.9%								2.9%

In our opinion, the estimated project-level capture rate suggests an appropriate number of units for the subject property. The unit level capture rates suggest an appropriate mix of units for the subject property.

## Penetration Rates

In this section, we summarize our demand conclusions and estimate the penetration rate for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

Subject Property Units (Total)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	40								40
2BR									
3BR									
4BR									
Tot	40								40

Subject Property Units (Vacant at Market Entry)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	20								20
2BR									
3BR									
4BR									
Tot	20								20

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Unit-level demand estimates are found in the body of the chart found below; project-level demand estimates are found in the column and row totals.

Please note: Because of income-band overlap, unit-level demand may not add up to project-level demand. The overlap, which was quantified in the demand estimates presented earlier, has been accounted for in our estimates of project-level demand.

Gross Demand									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	686								686
2BR									
3BR									
4BR									
Tot	686								686

The next step in our analysis is to tabulate the number of competing & pipeline units in the market area by unit/income type. This information will be used to derive our penetration rate estimate for the subject property. A table showing the distribution of competing & pipeline units is found below.

Competing & Pipeline Units									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	285								285
2BR									
3BR									
4BR									
Tot	285								285

The next step in our analysis is to compute inclusive supply for the market area by unit/income type. Inclusive

supply will be taken into account in our penetration rate estimate for the subject property. For purposes of this estimate, inclusive supply consists of vacant subject property units plus competing & pipeline units.

Inclusive Supply (Subject Property Units + Competing & Pipeline Units)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	305								305
2BR									
3BR									
4BR									
Tot	305								305

The next step in our analysis is to compute the penetration rate for the project. For purposes of this computation, penetration rate is defined as inclusive supply divided by gross demand. A penetration rate in excess of 100 percent is considered excessive using this methodology. Our estimates are presented below:

Penetration Rates (Inclusive Supply / Gross Demand)									
	Sub	30%	40%	50%	60%	70%	80%	Mkt	Tot
0BR									
1BR	44.5%								44.5%
2BR									
3BR									
4BR									
Tot	44.5%								44.5%

In our opinion, the estimated project-level penetration rate suggest an appropriate number of units for the subject property. The unit-level penetration rates suggest an appropriate mix of units for the subject property.

## Absorption Period

In this section, we estimate the absorption period for the subject property. Our analysis begins by summarizing the estimated number of vacant subject property units on the date of market entry.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	40							
2BR								
3BR								
4BR								

Subject Property Units (Vacant at Market Entry)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	20							
2BR								
3BR								
4BR								

The next step in our analysis is to summarize the demand conclusions derived previously. For purposes of this analysis, we define demand as age- and income- qualified renter households for each of the unit types proposed at the subject property. Our analysis uses the unit-level demand estimates derived previously.

Gross Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	686							
2BR								
3BR								
4BR								

The next step in our analysis is to apply an annual growth & movership rate to derive an annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

Annual Growth & Movership Rate	
Growth	2.0%
Movership	8.0%
Total	10.0%

Growth & Movership Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	69							
2BR								
3BR								
4BR								

The next step in our analysis is to account for secondary market area migration in our annual rental household growth & movership estimate for the market area. Our estimates are found in the tables below.

Secondary Market Area	
	40%



Growth & Movership Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	114							
2BR								
3BR								
4BR								

The next step in our analysis is to estimate fair share, or the proportion of growth and movership that we would expect the subject property to capture. The fair share analysis is used extensively in single-family, multifamily, commercial, and retail market studies. The books entitled Market Analysis for Valuation Appraisals (1994, Appraisal Institute) and Market Analysis and Highest & Best Use (2005, Appraisal institute) provide a good overview of this technique and its application to a variety of property types.

Based on our review of the subject and competing properties, along with their relative conditions/locations, we arrive at the following fair share estimates for the various unit/income types at the subject property.

Competing Properties								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR	1							
1BR	7						1	
2BR	2							
3BR								
4BR								

Fair Share								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	50.0%							
2BR								
3BR								
4BR								

Applying the concluded fair share estimates to annual growth & movership and dividing by twelve yields the following monthly absorption rate estimates for the various unit/income types at the subject property.

Monthly Absorption Rate Estimate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	4.8							
2BR								
3BR								
4BR								

The next step in our analysis is to estimate stabilized occupancy by unit/income type for the subject property. These estimates, which were based on data previously presented in the supply analysis and rent comparability analysis sections of this report, are found below.

Rental Property Inventory, Confirmed, Inside Market Area, Elderly, Stabilized Occupancy								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR	100%							
1BR	99%						100%	
2BR	100%							
3BR								
4BR								

Occupancy Rate, Select Comparables								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	96%				100%		86%	100%
2BR								
3BR								
4BR								

Concluded Stabilized Occupancy Rate								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	97%							
2BR								
3BR								
4BR								

Applying the stabilized occupancy rate estimates to the number of vacant subject property units at market entry, yields the number of occupied units by unit/income type at stabilization as set forth below.

Occupied Units at Stabilization								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	19							
2BR								
3BR								
4BR								

Dividing the number of occupied units at stabilization by the monthly absorption rate yields an absorption period estimate by unit/income type for the various units at the subject property. Underwriters often utilize absorption period limits of 12 to 18 months for projects similar to the subject property. Our absorption period estimates are found below.

Absorption Period (Months to Stabilization)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
0BR								
1BR	4							
2BR								
3BR								
4BR								

Our analysis suggests that the subject property will stabilize at 97 percent occupancy. We estimate 4 months of absorption and an average absorption rate of 4.8 units per month for this project. In our opinion, the absorption period suggests an appropriate number and mix of units for the subject property.

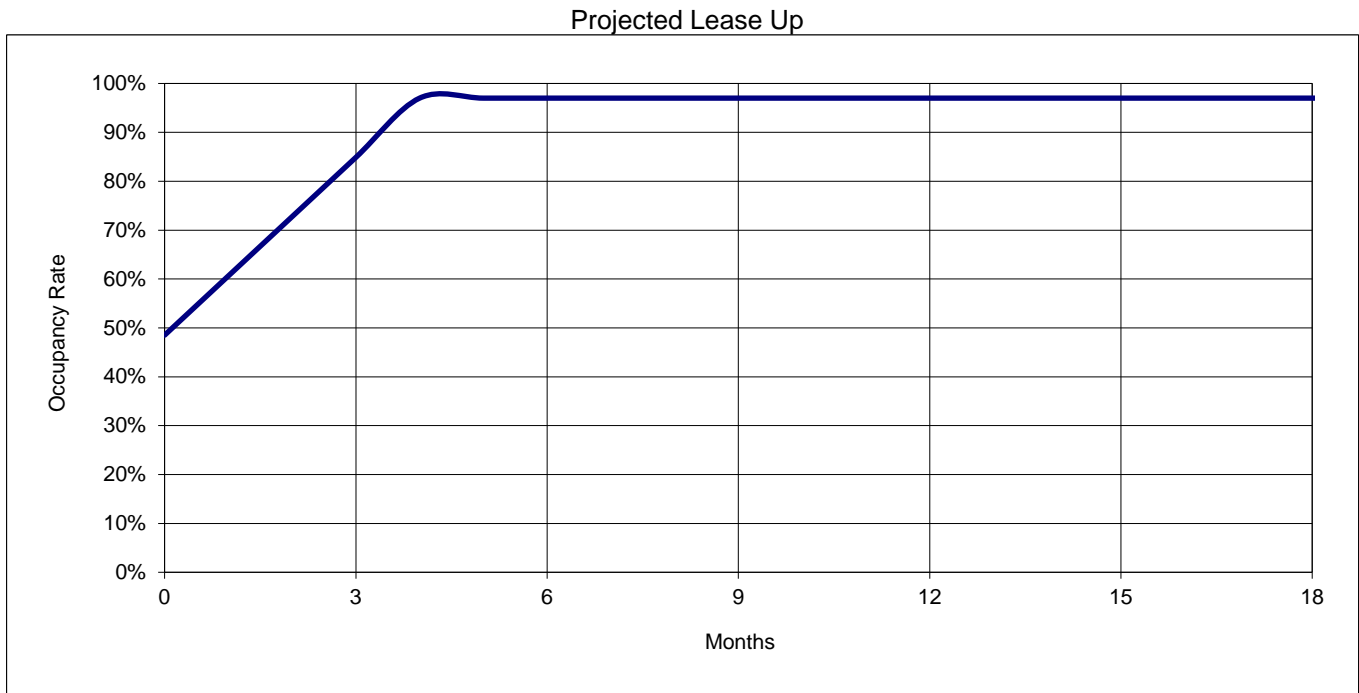
Absorption rates for age-restricted multifamily properties depend on a variety of factors: (1) The competitive environment in which the property resides; (2) The pricing of the subject property units relative to competing units, (3) The presence of rent or income restrictions at the subject property; and (4) The availability of any rent concessions or rental assistance at the subject property. Subsidized elderly properties normally lease up at a rate of 12-16 units per month. Unsubsidized elderly properties with rent and income restrictions typically fill at a rate of 4-8 units per month. Market rate elderly properties normally lease up at a rate of 8-12 units per month.

As part of our analysis, we inquired about the absorption history for every property we surveyed. The following list summarizes our findings:

Key	Project	Built	Renovated	Rent Type	Occ Type	Tot Units	Abs
017	Gilliam Court Apartments	1980	na	Restricted	Elderly	71	-
038	Norton Heights Apartments	1984	na	Restricted	Family	38	-
039	Old Mill Village Apartments	1983	2007	Restricted	Family	34	-
053	Sheffield Acres Apartments	1980	na	Restricted	Family	56	-
061	Woodstone Village Phase 1	1986	2005	Restricted	Family	36	-

## Absorption Analysis

In this section, we analyze the anticipated lease up for the subject property. We begin our analysis by taking the the absorption period conclusions from the previous section and restating them graphically as illustrated below.



Our analysis suggests that the subject property will achieve 70 percent occupancy in 1 months, 80 percent occupancy in 2 months, and 90 percent occupancy in 3 months. We anticipate that the subject property will stabilize at 97 percent occupancy in 4 months.

It is important to note that this analysis does not account for pent-up demand, pre-leasing efforts or rent concessions. In our opinion, an effective pre-leasing effort could result in a month-for-month reduction in the estimated absorption period for this project. In addition, any concessions or rent subsidies not accounted for already in this analysis could cut capture rates and absorption periods significantly.

## VHDA DEMAND ANALYSIS

### Overview

In this section we evaluate demand for the subject property using the VHDA demand methodology. For purposes of this analysis, we define VHDA demand as the number of new income-qualified and existing income-qualified overburdened and substandard 55+ renter households that would qualify to live at the subject property at the lesser of achievable rents or the sponsor's proposed rents. Our analysis accounts for any rent subsidies for the subject property.

Our analysis begins by developing a breakdown of the number of renter households, by income, by size as of the date of market entry for this development. This breakdown, which utilizes demographic data presented earlier in this report, is presented below:

2024 \$		55+ Renter Households, by Income, by Size							Total
		2024							
Min	Max	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person		
\$0	to \$9,999	432	38	29	12	8	2	522	
\$0	to \$19,999	896	149	49	43	23	6	1,166	
\$0	to \$29,999	995	273	76	78	27	8	1,458	
\$0	to \$39,999	1,140	322	106	88	33	11	1,700	
\$0	to \$49,999	1,210	365	110	92	33	11	1,820	
\$0	to \$59,999	1,245	384	142	100	44	14	1,929	
\$0	to \$74,999	1,270	390	148	107	49	14	1,979	
\$0	to \$99,999	1,301	403	151	115	52	15	2,037	
\$0	to \$124,999	1,339	422	156	121	55	16	2,110	
\$0	to \$149,999	1,368	433	160	131	63	16	2,171	
\$0	to \$199,999	1,388	436	162	132	63	16	2,197	
\$0	or more	1,410	457	165	135	64	16	2,248	

Source: ESRI & Ribbon Demographics

## Demand Estimate, 1-Bedroom, Subsidized, 60% of AMI

In this section we estimate demand for the 1-Bedroom / Subsidized / 60% of AMI units at the subject property. Our analysis assumes a total of 40 units, 20 of which are anticipated to be vacant on market entry in 2024. Our analysis assumes a 40% income qualification ratio and 2-person households.

Unit Details	
Target Population	55+ Households
Unit Type	1-Bedroom
Rent Type	Subsidized
Income Limit	60% of AMI
Total Units	40
Vacant Units at Market Entry	20

Minimum Qualified Income	
Net Rent	\$0
Utilities	\$75
Gross Rent	\$75
Income Qualification Ratio	40%
Minimum Qualified Income	\$188
Months/Year	12
Minimum Qualified Income	\$2,250

55+ Renter Households, by Income, by Size								
2024								
2024	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
\$0	to	\$9,999	432	38	29	12	8	2
\$0	to	\$19,999	896	149	49	43	23	6
\$0	to	\$29,999	995	273	76	78	27	8
\$0	to	\$39,999	1,140	322	106	88	33	11
\$0	to	\$49,999	1,210	365	110	92	33	11
\$0	to	\$59,999	1,245	384	142	100	44	14
\$0	to	\$74,999	1,270	390	148	107	49	14
\$0	to	\$99,999	1,301	403	151	115	52	15
\$0	to	\$124,999	1,339	422	156	121	55	16
\$0	to	\$149,999	1,368	433	160	131	63	16
\$0	to	\$199,999	1,388	436	162	132	63	16
\$0	or	more	1,410	457	165	135	64	16

Maximum Allowable Income							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Allowable Income	\$31,740	\$36,240	\$40,800	\$45,300	\$48,900	\$52,560	

Size Qualified						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
Size Qualified	Yes	Yes	No	No	No	No

Demand Estimate						
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
HH Below Maximum Income	1,017	302	0	0	0	0
HH Below Minimum Income	86	8	0	0	0	0
Subtotal	930	295	0	0	0	0

Demand Estimate 1,225

Our analysis suggests demand for a total of 1,225 size- and income-qualified units in the market area.

Please note: This unit-level demand estimate does not account for income band overlap with other units. Project-level demand estimates taking these factors into consideration will be developed later.

## Demand Estimate, Subsidized

In this section we account for income-band overlap and develop a demand estimate for the subsidized units at the subject property.

55+ Renter Households, by Income, by Size								
2024								
	2024	\$	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person
\$0	to	\$9,999	432	38	29	12	8	2
\$0	to	\$19,999	896	149	49	43	23	6
\$0	to	\$29,999	995	273	76	78	27	8
\$0	to	\$39,999	1,140	322	106	88	33	11
\$0	to	\$49,999	1,210	365	110	92	33	11
\$0	to	\$59,999	1,245	384	142	100	44	14
\$0	to	\$74,999	1,270	390	148	107	49	14
\$0	to	\$99,999	1,301	403	151	115	52	15
\$0	to	\$124,999	1,339	422	156	121	55	16
\$0	to	\$149,999	1,368	433	160	131	63	16
\$0	to	\$199,999	1,388	436	162	132	63	16
\$0	or	more	1,410	457	165	135	64	16

Demand Estimate, Subsidized							
	1 Person	2 Person	3 Person	4 Person	5 Person	6+ Person	
Maximum Income, 0BR	-	-	-	-	-	-	-
Maximum Income, 1BR	\$31,740	\$36,240	-	-	-	-	-
Maximum Income, 2BR	-	-	-	-	-	-	-
Maximum Income, 3BR	-	-	-	-	-	-	-
Maximum Income, 4BR	-	-	-	-	-	-	-
Maximum Allowable Income	\$31,740	\$36,240	-	-	-	-	-
Minimum Income, 0BR	-	-	-	-	-	-	-
Minimum Income, 1BR	\$2,250	\$2,250	-	-	-	-	-
Minimum Income, 2BR	-	-	-	-	-	-	-
Minimum Income, 3BR	-	-	-	-	-	-	-
Minimum Income, 4BR	-	-	-	-	-	-	-
Minimum Qualified Income	\$2,250	\$2,250	-	-	-	-	-
HH Below Upper Income	1,017	302	0	0	0	0	0
HH Below Lower Income	86	8	0	0	0	0	0
Subtotal	930	295	0	0	0	0	0

Demand Estimate 1,225

Our analysis suggests demand for a total of 1,225 size- and income-qualified units in the market area.

Please note: This demand estimate does not account for income band overlap at the project level. A demand estimate taking this into consideration will be developed later.

## Demand Estimate

In this section, we derive our overburdened demand and capture rate estimates for the subject property. Our analysis, which begins with the income-qualified renter household estimates developed above, is found below.

Income Qualified Renter Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	1,225							

The next step in our analysis is to account for 2 years of growth to estimate the demand stemming from new income qualified rental households. Our estimates are found below.

Annual Renter Household Growth Rate								
0.5%								
New Rental Households								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	13							

The next step in our analysis is to estimate existing demand stemming from income-qualified overburdened renter households in this market area. Our estimates are found below.

Overburdened Renter Households								
36.8%								
Existing Households - Rent Overburdened								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	450							

The next step in our analysis is to estimate existing demand stemming from income-qualified substandard renter households in this market area. Our estimates are found below.

Substandard Renter Households								
5.2%								
Existing Households - Substandard								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	63							

The next step in our analysis is to account for elderly homeowners likely to convert to rental housing. This component may not comprise more than 20 percent of total demand. Our estimates are found below.

Elderly Homeowners Likely to Convert to Rental Housing								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	137							

The next step in our analysis is to account for existing qualifying tenants likely to remain after renovation. Our estimates are found below.

Subject Property Units (Total)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	40							
Existing Qualifying Tenants Likely to Remain after Renovation								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	20							



The next step in our analysis is to tally up total demand for the subject property. Our estimates are found below.

Total Demand								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	684							

The next step in our analysis is to tabulate the number of vacant competing & pipeline units in the market area by unit/income type. This information will be used to further refine our capture rate estimate for the subject property. A table showing the distribution of vacant competing & pipeline units is found below.

Vacant Competing & Pipeline Units								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	3							

The next step in our analysis is to subtract the number of vacant competing & pipeline units from total demand to arrive at a net demand estimate for the subject property. Our estimates are found below.

Net Demand (Total Demand - Vacant Competing & Pipeline Units)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	681							

The next step in our analysis is to compute the capture rate for the project. For purposes of this computation, we define capture rate as the total number of subject property units divided by net demand. Underwriters often utilize capture rate limits of 10 to 20 percent using this methodology. Our estimates are presented below:

Capture Rates (Subject Property Units / Net Demand)								
	Sub	30%	40%	50%	60%	70%	80%	Mkt
Tot	5.9%							

Our findings are summarized below.

Project-Wide Capture Rate - LIHTC Units	5.9%
Project-Wide Capture Rate - Market Units	
Project-Wide Capture Rate - All Units	5.9%
Project-Wide Absorption Period (Months)	4 months

Please note: Project-wide capture rate estimates do not account for income band overlap at the project level.

**RENT COMPARABLES, MARKET RATE**

Project Information

Property Name	Kennedy Enterprises - Norton Road
Street Number	401
Street Name	Norton
Street Type	Road
City	Wise
State	Virginia
Zip	24293
Phone Number	(276) 328-9646
Year Built	1974
Year Renovated	2007
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	Norton
Waiting List	Norton
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.9757
Longitude	-82.5818
Nearest Crossroads	na
AAC Code	24-017 024

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Greg, Employee
Phone Number	(276) 328-9646
Interview Date	15-Feb-24
Interviewed By	JS

Kennedy Enterprises also owns Vanover Ave Units. See separate survey for those units.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	500	Garden/Flat	Mar	Mar	No	No	6		\$475		\$475	\$154	\$629
2	1.5	700	Garden/Flat	Mar	Mar	No	No	2		\$600		\$600	\$214	\$814
Total / Average		550						126		\$506		\$506	\$169	\$675

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	no
Sewer	yes	no
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.00	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.00	2.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.30	3.50
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.10	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1997	2014
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Ungraded Flooring	some	yes
Fireplace	no	no
Patio/Balcony	no	yes
Storage	no	no
Comp vs. Subject	Inferior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	yes
Dishwasher	some	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Kennedy Enterprises - Norton Road is an existing multifamily development located at 401 Norton Road in Wise, Virginia. The property, which consists of 8 apartment units, was originally constructed in 1974 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Kennedy Enterprises - Vanover Avenue		
Street Number	204 & 206		
Street Name	Vanover		
Street Type	Ave, NE		
City	Wise		
State	Virginia		
Zip	24293		
Phone Number	(276) 328-9646		
Year Built	1989		
Year Renovated	na		
Minimum Lease	12		
Min. Security Dep.	1 month		
Other Fees			
Waiting List	na		
Project Rent	Market Rate		
Project Type	Family		
Project Status	Stabilized		
Financing	Conventional		
Vouchers	1		
Latitude	36.9753		
Longitude	-82.5718		
Nearest Crossroads	off Coeburn Road		
AAC Code	24-017	025	

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Elizabeth, Secretary		
Phone Number	(276) 328-9646		
Interview Date	20-Feb-24		
Interviewed By	JS		

Properties are located throughout Wise County. Townhomes include garages. Glade Avenue and Water Street units have window air conditioners and baseboard heat. All other units have central HVAC. 2021 new siding on 1 SFD. Contact advised in 2021 they do not have garden units. Some units listed as Townhomes are called Lofts by

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	700	Townhome	Mar	Mar	No	No	1		\$500		\$500	\$223	\$723
2	1.5	1000	Townhome	Mar	Mar	No	No	6		\$800		\$800	\$310	\$1,110
2	1.5	1000	Duplex	Mar	Mar	No	No	1		\$650		\$650	\$310	\$960
2	1.0	1000	SFD	Mar	Mar	No	No	2		\$500		\$500	\$325	\$825
2	1.0	1250	SFD	Mar	Mar	No	No	2		\$700		\$700	\$325	\$1,025
3	1.0		SFD			No								
3	1.0		SFD			No								
1	1.0	1250	Townhome	Mar	Mar	No	No	6		\$500		\$500	\$223	\$723
2	1.0	1250	Duplex	Mar	Mar	No	No	3		\$650		\$650	\$310	\$960
3	2.0		SFD			No								
Total / Average		1,117						21		\$633		\$633	\$284	\$917

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	no
Sewer	yes	no
Trash	yes	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.50
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	3.50
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.60	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1989	2014
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Vinly	yes	yes
Fireplace	no	no
Patio/Balcony	no	yes
Storage	no	no
Comp vs. Subject	Inferior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	yes
Dishwasher	some	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	some	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	no	yes
W/D Units	no	no
W/D Hookups	yes	yes
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Kennedy Enterprises - Vanover Avenue is an existing multifamily development located at 204 & 206 Vanover Ave, NE in Wise, Virginia. The property, which consists of 21 apartment units, was originally constructed in 1989 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

Project Information

Property Name	Miller Apartments - West Main
Street Number	535
Street Name	W Main
Street Type	Street
City	Wise
State	Virginia
Zip	24293
Phone Number	(276) 393-8048
Year Built	1975
Year Renovated	na
Minimum Lease	6
Min. Security Dep.	1 month
Other Fees	
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	3
Latitude	36.9836
Longitude	-82.5869
Nearest Crossroads	so 537 and 539 W Main Street
AAC Code	24-017 033

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Riffe, Owner
Phone Number	(276) 393-8048
Interview Date	19-Feb-24
Interviewed By	JS

Apartments are located at 535, 537, and 539 W. Main Street. Studio apartments include electricity. There are no new apartments nearby. Contact advised that businesses in the area are not closing or laying off employees. 2 of the 5 buildings are behind 535 W. Main and in the same area as the others. Contact also advised that only a couple of

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
0	1.0	500	Garden/Flat	Mar	Mar	No	No	6		\$450		\$450	\$68	\$518
1	1.0	700	Garden/Flat	Mar	Mar	No	No	2		\$450		\$450	\$80	\$530
2	1.0	1000	Garden/Flat	Mar	Mar	No	No	7		\$550		\$550	\$103	\$653
Total / Average		760						15		\$497		\$497	\$86	\$583

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.75	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	4.00	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	3.50	3.50
Comp vs. Subject	Similar	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.60	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1975	2014
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Hardwood	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	yes
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	no	yes
Wall Units	no	no
Baseboards	yes	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Inferior	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	yes
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Miller Apartments - West Main is an existing multifamily development located at 535 W Main Street in Wise, Virginia. The property, which consists of 15 apartment units, was originally constructed in 1975 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.



Project Information

Property Name	Lost Creek Drive Apartments
Street Number	110-132
Street Name	Lost Creek
Street Type	Drive, SW
City	Norton
State	Virginia
Zip	24273
Phone Number	na
Year Built	1998
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	na
Other Fees	na
Waiting List	na
Project Rent	Market Rate
Project Type	Family
Project Status	Stabilized
Financing	Conventional
Vouchers	
Latitude	36.9315
Longitude	-82.6212
Nearest Crossroads	na
AAC Code	24-017 063

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Josh Spurlock, Owner
Phone Number	(276) 870-1028
Interview Date	04-Mar-24
Interviewed By	DFR

Mr. Spurlock owns 10 of the 12 units.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	700	Garden/Flat	Mar	Mar	No	No	4		\$650		\$650	\$191	\$841
2	1.5	1120	Townhome	Mar	Mar	No	No	8		\$950		\$950	\$294	\$1,244
Total / Average		980						12		\$850		\$850	\$260	\$1,110

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	no
Sewer	yes	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	4.00	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.50	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.20	3.50
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.80	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1998	2014
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	yes	no
Hardwood & Carpet	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	yes
Dishwasher	yes	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	yes
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	na	no
Concierge	na	no
Hair Salon	na	no
Health Care	na	no
Housekeeping	na	no
Meals	na	no
Transportation	na	no
Comp vs. Subject	Similar	

Lost Creek Drive Apartments is an existing multifamily development located at 110-132 Lost Creek Drive, SW in Norton, Virginia. The property, which consists of 12 apartment units, was originally constructed in 1998 with conventional financing. All units are set aside as market rate units. The property currently stands at 100 percent occupancy.

**RENT COMPARABLES, RESTRICTED RENT**

Project Information

Property Name	Gilliam Court Apartments
Street Number	736
Street Name	Gilliam
Street Type	Street
City	Wise
State	Virginia
Zip	24293
Phone Number	(276) 328-2455
Year Built	1980
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$17
Waiting List	2 people
Project Rent	Restricted
Project Type	Elderly
Project Status	Stabilized
Financing	RD
Vouchers	1
Latitude	36.9779
Longitude	-82.5686
Nearest Crossroads	na
AAC Code	24-017 017

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Debbie, Manager
Phone Number	(276) 228-3513
Interview Date	15-Feb-24
Interviewed By	JS

RD property with 70 units of project based rental assistance available to tenants. Manager lives in 1 2BR unit on property.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	562	Garden/Flat	50%	50%	No	Yes	63	2	\$476		\$476	\$65	\$541
1	1.0	687	Garden/Flat	50%	50%	No	Yes	7		\$476		\$476	\$65	\$541
1	1.0	562	Garden/Flat	80%	80%	No	No	1		\$476		\$476	\$65	\$541
Total / Average		574						135		\$476		\$476	\$65	\$541

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.50
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	4.50	3.50
Comp vs. Subject	Superior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.20	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2014
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	no
Fitness Ctr	no	no
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movie/Media Ctr	no	no
Picnic Area	yes	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Carpeting	no	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Inferior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	yes
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	no	yes
Wall Units	yes	no
Window Units	no	no
None	no	no
Comp vs. Subject	Inferior	

Heat		
Amenity	Comp	Subj
Central	no	yes
Wall Units	yes	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Inferior	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	yes
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	yes	no
Cont Access	yes	no
Courtesy Officer	yes	no
Monitoring	no	no
Security Alarms	yes	no
Security Patrols	no	no
Comp vs. Subject	Superior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Gilliam Court Apartments is an existing multifamily development located at 736 Gilliam Street in Wise, Virginia. The property, which consists of 71 apartment units, was originally constructed in 1980. This property is currently operated as a rent restricted property. The property currently stands at 97 percent occupancy.

Project Information

Property Name	Norton Heights Apartments
Street Number	520
Street Name	Alexander
Street Type	Street
City	Norton
State	Virginia
Zip	24273
Phone Number	(276) 679-5280
Year Built	1984
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	1 month
Other Fees	\$48
Waiting List	Yes
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	RD
Vouchers	20
Latitude	36.9357
Longitude	-82.6261
Nearest Crossroads	reported Alexander St is wrong
AAC Code	24-017 038

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Sue, Manager
Phone Number	(276) 679-5280
Interview Date	15-Feb-24
Interviewed By	JS

RD property without project based rental assistance. There are no new apartments or businesses nearby.

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	700	Garden/Flat	80%	80%	No	No	4	1	\$517		\$517	\$68	\$585
2	1.0	1000	Townhome	80%	80%	No	No	34	6	\$593		\$593	\$152	\$745
Total / Average		968						38	7	\$585		\$585	\$143	\$728

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	no
Sewer	yes	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.25	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.25	2.50
Comp vs. Subject	Inferior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.10	3.50
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	4.40	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1984	2014
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	yes	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Ungraded Flooring	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	yes
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	yes
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Norton Heights Apartments is an existing multifamily development located at 520 Alexander Street in Norton, Virginia. The property, which consists of 38 apartment units, was originally constructed in 1984 . This property is currently operated as a rent restricted property. The property currently stands at 82 percent occupancy.

Project Information

Property Name	Old Mill Village Apartments
Street Number	11430
Street Name	Old Mill Village
Street Type	Road
City	Pound
State	Virginia
Zip	24279
Phone Number	(276) 395-6104
Year Built	1983
Year Renovated	2007
Minimum Lease	12
Min. Security Dep.	\$100
Other Fees	
Waiting List	87 people
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	RD
Vouchers	
Latitude	37.1257
Longitude	-82.6023
Nearest Crossroads	na
AAC Code	24-017 039

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Zach, Wise Co. Redev.
Phone Number	(276) 395-6104
Interview Date	15-Feb-24
Interviewed By	JS
RD property with 33 units of project based rental assistance available to tenants.	

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	575	Garden/Flat	50%	50%	No	Yes	9	2	\$522		\$522	\$181	\$703
1	1.0	575	Garden/Flat	80%	80%	No	No	1		\$522		\$522	\$181	\$703
2	1.0	716	Garden/Flat	50%	50%	No	Yes	20	4	\$552		\$552	\$223	\$775
3	1.0	850	Garden/Flat	50%	50%	No	Yes	4		\$582		\$582	\$285	\$867
Total / Average		690						34	6	\$547		\$547	\$218	\$765



Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	no
Sewer	yes	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.25	2.50
Comp vs. Subject	Inferior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.70	3.50
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.70	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2014
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	yes	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	no	yes
Ceiling Fans	some	no
Ungraded Flooring	no	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	yes
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	yes
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Old Mill Village Apartments is an existing multifamily development located at 11430 Old Mill Village Road in Pound, Virginia. The property, which consists of 34 apartment units, was originally constructed in 1983. This property is currently operated as a rent restricted property. The property currently stands at 82 percent occupancy.

Project Information

Property Name	Sheffield Acres Apartments
Street Number	12132
Street Name	Retford
Street Type	Road
City	Coeburn
State	Virginia
Zip	24230
Phone Number	(276) 395-6104
Year Built	1980
Year Renovated	na
Minimum Lease	12
Min. Security Dep.	\$100
Other Fees	
Waiting List	yes
Project Rent	Restricted
Project Type	Family
Project Status	Stabilized
Financing	RD
Vouchers	
Latitude	36.8954
Longitude	-82.4629
Nearest Crossroads	na
AAC Code	24-017 053

Photo



Location Map



Interview Notes

Person Interviewed	Mr. Zach, Wise Co. Redev.
Phone Number	(276) 395-6104
Interview Date	15-Feb-24
Interviewed By	JS

RD property with 55 units of project based rental assistance available to tenants. 2023 new roofs

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	575	Garden/Flat	50%	50%	No	Yes	11		\$500		\$500	\$157	\$657
1	1.0	575	Garden/Flat	80%	80%	No	No	1		\$500		\$500	\$157	\$657
2	1.0	716	Garden/Flat	50%	50%	No	Yes	32	2	\$530		\$530	\$183	\$713
3	1.0	850	Garden/Flat	50%	50%	No	Yes	12	1	\$560		\$560	\$231	\$791
Total / Average		715						141	3	\$530		\$530	\$188	\$718

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	yes	no
Sewer	yes	no
Trash	no	no
Comp vs. Subject	Inferior	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	2.50	2.50
Comp vs. Subject	Similar	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	2.50	2.50
Comp vs. Subject	Similar	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.00	3.50
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	2.00	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	2.50	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1980	2014
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	no	yes
Elevator	no	no
Fitness Ctr	no	no
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	no	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Inferior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	no	yes
Ceiling Fans	no	no
Ungraded Flooring	no	yes
Fireplace	no	no
Patio/Balcony	no	yes
Storage	yes	no
Comp vs. Subject	Superior	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	no	yes
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	no	yes
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	no	no
Courtesy Officer	no	no
Monitoring	no	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Similar	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Sheffield Acres Apartments is an existing multifamily development located at 12132 Retford Road in Coeburn, Virginia. The property, which consists of 56 apartment units, was originally constructed in 1980 . This property is currently operated as a rent restricted property. The property currently stands at 95 percent occupancy.

Project Information

Property Name	Woodstone Village Phase 1	
Street Number	273	
Street Name	Woodstone	
Street Type	Drive	
City	Big Stone Gap	
State	Virginia	
Zip	24219	
Phone Number	(276) 523-4788	
Year Built	1986	
Year Renovated	2005	
Minimum Lease	12	
Min. Security Dep.	\$275	
Other Fees		
Waiting List	na	
Project Rent	Restricted	
Project Type	Family	
Project Status	Stabilized	
Financing	2004	Tax Credit
Vouchers	6	
Latitude	36.8468	
Longitude	-82.7809	
Nearest Crossroads	na	
AAC Code	24-017	061

Photo



Location Map



Interview Notes

Person Interviewed	Ms. Reva, Management
Phone Number	(276) 523-4788
Interview Date	04-Mar-24
Interviewed By	DFR

2004 TC's awarded for rehabilitation of this RD property with 28 units of project based rental assistance available to tenants. Property amenities include an elevator in the one 3-story building. Sister property is Dogwood Terrace. Contact advised many new restaurants in opened downtown. The old Mutual Insurance Building is being renovated into

Unit Configuration

BR	BA	SF	Unit Type	Inc Limit	Rent Limit	HOME Units	Subs Units	Total Units	Vac Units	Street Rent	Disc	Net Rent	UA	Gross Rent
1	1.0	781	Garden/Flat	50%	50%	No	Yes	18		\$570		\$570	\$59	\$629
1	1.0	781	Garden/Flat	60%	60%	No	No	4		\$570		\$570	\$59	\$629
2	1.5	859	Townhome	50%	50%	No	Yes	10		\$602		\$602	\$95	\$697
2	1.5	859	Townhome	60%	60%	No	No	4		\$602		\$602	\$95	\$697
Total / Average		811						143	36	\$582		\$582	\$73	\$655

Tenant-Paid Utilities		
Utility	Comp	Subj
Heat-Electric	yes	yes
Cooking-Electric	yes	yes
Other Electric	yes	yes
Air Cond	yes	yes
Hot Water-Electric	yes	yes
Water	no	no
Sewer	no	no
Trash	no	no
Comp vs. Subject	Similar	

Tenant-Paid Technology		
Technology	Comp	Subj
Cable	yes	yes
Internet	yes	yes
Comp vs. Subject	Similar	

Visibility		
Rating (1-5 Scale)	Comp	Subj
Visibility	3.50	2.50
Comp vs. Subject	Superior	

Access		
Rating (1-5 Scale)	Comp	Subj
Access	3.00	2.50
Comp vs. Subject	Superior	

Neighborhood		
Rating (1-5 Scale)	Comp	Subj
Neighborhood	2.80	3.50
Comp vs. Subject	Inferior	

Proximity to Area Amenities		
Rating (1-5 Scale)	Comp	Subj
Area Amenities	3.30	4.50
Comp vs. Subject	Inferior	

Condition		
Rating (1-5 Scale)	Comp	Subj
Condition	3.00	4.00
Comp vs. Subject	Inferior	

Effective Age		
Rating (1-5 Scale)	Comp	Subj
Effective Age	1995	2014
Comp vs. Subject	Inferior	

Site & Common Area Amenities		
Amenity	Comp	Subj
Ball Field	no	no
BBQ Area	no	no
Billiard/Game	no	no
Bus/Comp Ctr	no	no
Car Care Ctr	no	no
Comm Center	yes	yes
Elevator	yes	no
Fitness Ctr	no	no
Gazebo/Patio	no	yes
Hot Tub/Jacuzzi	no	no
Herb Garden	no	no
Horseshoes	no	no
Lake	no	no
Library	no	no
Movary/Media Ctr	no	no
Picnic Area	no	no
Playground	yes	no
Pool	no	no
Sauna	no	no
Sports Court	no	no
Walking Trail	no	no
Comp vs. Subject	Superior	

Unit Amenities		
Amenity	Comp	Subj
Blinds	yes	yes
Ceiling Fans	no	no
Ungraded Flooring	yes	yes
Fireplace	no	no
Patio/Balcony	yes	yes
Storage	no	no
Comp vs. Subject	Similar	

Kitchen Amenities		
Amenity	Comp	Subj
Stove	yes	yes
Refrigerator	yes	yes
Disposal	yes	yes
Dishwasher	no	yes
Microwave	no	no
Comp vs. Subject	Inferior	

Air Conditioning		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Window Units	no	no
None	no	no
Comp vs. Subject	Similar	

Heat		
Amenity	Comp	Subj
Central	yes	yes
Wall Units	no	no
Baseboards	no	no
Boiler/Radiators	no	no
None	no	no
Comp vs. Subject	Similar	

Parking		
Amenity	Comp	Subj
Garage	no	no
Covered Pkg	no	no
Assigned Pkg	no	no
Open	yes	yes
None	no	no
Comp vs. Subject	Similar	

Laundry		
Amenity	Comp	Subj
Central	yes	yes
W/D Units	no	no
W/D Hookups	some	yes
Comp vs. Subject	Inferior	

Security		
Amenity	Comp	Subj
Call Buttons	no	no
Cont Access	yes	no
Courtesy Officer	no	no
Monitoring	yes	no
Security Alarms	no	no
Security Patrols	no	no
Comp vs. Subject	Superior	

Services		
Amenity	Comp	Subj
After School	no	no
Concierge	no	no
Hair Salon	no	no
Health Care	no	no
Housekeeping	no	no
Meals	no	no
Transportation	no	no
Comp vs. Subject	Similar	

Woodstone Village Phase 1 is an existing multifamily development located at 273 Woodstone Drive in Big Stone Gap, Virginia. The property, which consists of 36 apartment units, was originally constructed in 1986. This property is currently operated as a rent restricted property. The property currently stands at 100 percent occupancy.

## STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The title to the subject property is merchantable, and the property is free and clear of all liens and encumbrances, except as noted.
- No liability is assumed for matters legal in nature.
- Ownership and management are assumed to be in competent and responsible hands.
- No survey has been made by the appraiser. Dimensions are as supplied by others and are assumed to be correct.
- The report was prepared for the purpose so stated and should not be used for any other reason.
- All direct and indirect information supplied by the owner and their representatives concerning the subject property is assumed to be true and accurate.
- No responsibility is assumed for information supplied by others and such information is believed to be reliable and correct. This includes zoning and tax information provided by Municipal officials.
- The signatories shall not be required to give testimony or attend court or be at any governmental hearing with respect to the subject property unless prior arrangements have been made with the client.
- Disclosure of the contents of this report is governed by the By-Laws and Regulations of the Appraisal Institute.
- The legal description is assumed to be accurate.
- This report specifically assumes that there are no site, subsoil, or building contaminants present resulting from residual substances or construction materials, such as asbestos, radon gas, PCB, etc. Should any of these factors exist, the appraiser reserves the right to review these findings, review the value estimates, and change the estimates, if deemed necessary.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with
- This analysis specifically assumes that the subject property is operated as described in this report.
- This analysis specifically assumes that the subject property is constructed/rehabilitated as described in this report.
- This analysis specifically assumes that the subject property is financed as described in this report.
- This analysis specifically assumes the timing set forth in this report.

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.
- I made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification. Debbie Rucker (Allen & Associates Consulting) assisted in compiling the data used in this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I have completed the Standards and Ethics Education Requirements for Members of the Appraisal Institute.
- I am presently licensed in good standing as a Certified General Real Estate Appraiser in the states of Delaware, Maryland, North Carolina, South Carolina, and Virginia, allowing me to appraise all types of real estate.

Respectfully submitted:

ALLEN & ASSOCIATES CONSULTING, INC.



Jeff Carroll

## VHDA 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 Program in Virginia as administered by the VHDA.
- 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 VHDA or in any way acting for, at the request of, or on behalf of VHDA.
- 6) Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.



Jeff Carroll

March 10, 2024

Date



## NCHMA MARKET STUDY INDEX

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

<b>Executive Summary</b>		
1	Executive Summary	Executive Summary
<b>Scope of Work</b>		
2	Scope of Work	Letter of Transmittal
<b>Project Description</b>		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	Section 1
4	Utilities (and utility sources) included in rent	Section 2
5	Target market/population description	Section 1
6	Project description including unit features and community amenities	Section 2
7	Date of construction/preliminary completion	Section 1
8	If rehabilitation, scope of work, existing rents, and existing vacancies	Section 1
<b>Location</b>		
9	Concise description of the site and adjacent parcels	Sections 3 & 4
10	Site photos/maps	Section 5
11	Map of community services	Section 4
12	Site evaluation/neighborhood including visibility, accessibility, and crime	Section 4
<b>Market Area</b>		
13	PMA description	Section 6
14	PMA Map	Section 6
<b>Employment and Economy</b>		
15	At-Place employment trends	Section 7
16	Employment by sector	Section 7
17	Unemployment rates	Section 7
18	Area major employers/employment centers and proximity to site	Section 7
19	Recent or planned employment expansions/reductions	Section 7
<b>Demographic Characteristics</b>		
20	Population and household estimates and projections	Section 8
21	Area building permits	Section 7
22	Population and household characteristics including income, tenure, and size	Section 8
23	For senior or special needs projects, provide data specific to target market	Section 8
<b>Competitive Environment</b>		
24	Comparable property profiles and photos	Appendix
25	Map of comparable properties	Section 10
26	Existing rental housing evaluation including vacancy and rents	Section 9
27	Comparison of subject property to comparable properties	Section 10
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	NA
29	Rental communities under construction, approved, or proposed	Section 9
30	For senior or special needs populations, provide data specific to target market	Section 8

## NCHMA MARKET STUDY INDEX

**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	Section 11
32	Affordability analysis with capture rate	Section 11
33	Penetration rate analysis with capture rate	Section 11
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	Section 11
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	Section 10
36	Precise statement of key conclusions	Executive Summary
37	Market strengths and weaknesses impacting project	Executive Summary
38	Product recommendations and/or suggested modifications to subject	Executive Summary
39	Discussion of subject property's impact on existing housing	Executive Summary
40	Discussion of risks or other mitigating circumstances impacting subject	Executive Summary
41	Interviews with area housing stakeholders	Appendix
<b>Other Requirements</b>		
42	Certifications	Appendix
43	Statement of qualifications	Appendix
44	Sources of data not otherwise identified	NA

## **MISCELLANEOUS**



## QUALIFICATIONS

Allen & Associates Consulting is a real estate advisory firm specializing in affordable housing. Practice areas include low-income housing tax credits, tax-exempt bond transactions, HUD assisted and financed multifamily, USDA-RD assisted and financed properties, public housing, historic tax credits, conventional multifamily, and manufactured housing. Services include development consulting, rent comparability studies, market analysis, feasibility studies, appraisals, capital needs assessments, and utility studies.

Allen & Associates Consulting and its sister organization Allen & Associates Appraisal maintain offices in Charlotte, North Carolina and Detroit, Michigan, respectively. Allen & Associates is approved to provide its services throughout the United States.

The following is a listing of key personnel for Allen & Associates Consulting:

### Jeffrey B. Carroll

Jeffrey B. Carroll is President of Allen & Associates Consulting. Since 2000, Mr. Carroll has completed over 3800 development consulting assignments in 46 states. Major projects include:

- *Market Feasibility* - Completed market studies for 13 proposed tax credit apartment developments on behalf of the Georgia Department of Community Affairs. The portfolio included 5 family and 8 senior communities. Our analysis identified the 4 best deals for the housing finance agency to consider funding.
- *Valuation* - Developed a disposition plan for a 30-property portfolio of apartments on behalf of a private owner. The 921-unit portfolio (located in MD, DE, PA and VA) was valued at \$23 million. Our client relied on our valuations and advice to maximize sales proceeds for the portfolio.
- *Capital Needs Assessments* - Completed capital needs assessments for an 8-property portfolio of RD-financed apartments on behalf of a private developer. The portfolio (located in FL) included 6 family and 2 senior communities. Our client utilized our assessments to develop a scope of work for the proposed acquisition and renovation of the 214-unit portfolio.
- *Utility Allowance Studies* - Completed utility allowance studies for a portfolio of tax credit apartments on behalf of a large national owner/developer. The portfolio (located in CT, DC, IL, IN, MA, NC, OH, PA and VA) included 31 properties. Our client utilized our research to maximize rents and net operating income for the portfolio.
- *Underwriting* - Conducted a financial review on behalf of a local housing authority for the proposed redevelopment of a vacant historic textile mill into loft

apartments. Our client had been asked to issue \$4 million in tax-exempt bonds for the \$15 million project. Our assistance in underwriting the transaction resulted in the green light for the development.

Mr. Carroll's HUD consulting experience includes over 300 HUD Rent Comparability Studies, approximately 40 market studies and appraisals for proposed HUD transactions, over 200 market studies for proposed HUD 221d4/LIHTC transactions, and approximately 30 market studies and appraisals for proposed RAD/LIHTC conversions. And in 1999, Mr. Carroll received an invitation to submit a full HUD 207m application for a proposed manufactured home community development in Kansas City, which was never built because of the 2000 recession.

Mr. Carroll is a certified general appraiser, licensed to appraise real estate in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina and Virginia. Mr. Carroll is also a designated member of the Appraisal Institute (MAI).

Mr. Carroll is a peer-reviewed member of the National Council of Housing Market Analysts, where he served on the Executive Committee and chaired the Data and Ethics Committees.

In addition, Mr. Carroll has also served as a market study reviewer for the Georgia and Michigan housing finance agencies.

Mr. Carroll has written articles on affordable housing, development, property management, market feasibility, and financial analysis for Urban Land magazine, The Journal of Property Management, Community Management magazine, Merchandise magazine, HousingThink, Tax Credit Advisor, and a publication of the Texas A&M Real Estate Research Center known as Terra Grande.

Mr. Carroll has conducted seminars on affordable housing, development, property management, market feasibility, and financial analysis for the American Planning Association, Community Management magazine, the Georgia Department of Community Affairs, Kansas Housing Resources Corporation, the Manufactured Housing Institute, National Association of State and Local Equity Funds, Virginia Community Development Corporation, the Virginia Center for Housing Research, the Virginia Housing Development Authority, and the National Council of Housing Market Analysts.

Mr. Carroll is also an experienced developer and property manager. His experience includes the development of tax credit and bond financed apartment communities, conventional market rate apartments, manufactured home communities, and single-family subdivisions. He has also managed a portfolio of apartment complexes and manufactured home communities.

The following is a summary of Mr. Carroll's relevant educational background:

Clemson University, Bachelor of Science Degree  
Major in Engineering  
Minor Concentration in Economics

1983

Harvard University, Master's Degree in Business Administration Major in General Management Minor Concentration in Economics and Real Estate	1988
Appraisal Institute Qualifying Education for Licensure Continuing Education for Licensure & MAI Designation	2001 2001-present
ASTM International Property Condition Assessments E2018.01	September 2006
The Institute for Professional and Executive Development Tax Credit Property Disposition	October 2007
National Council of Affordable Housing Market Analysts Semi-Annual Meeting & Continuing Education	2002 - present
U.S. Department of Housing and Urban Development Utility Allowance Guidebook MAP Training & Certification	September 2007 September 2007
USDA Rural Development Capital Needs Assessment Provider Training Accessibility Standards Training	September 2007 September 2007

Mr. Carroll, who was awarded a scholarship on the Clemson University varsity wrestling team, has served as an assistant coach for a local high school wrestling team. Mr. Carroll is the father of two and resides in Charlotte, North Carolina.

Debbie Rucker

Debbie Rucker is an analyst with Allen & Associates Consulting, coordinating market research for the company. Mrs. Rucker has worked on over 3800 assignments and has conducted over 50,000 rent surveys.

Mrs. Rucker was also responsible for compiling the database of detailed information on of every tax credit and tax-exempt bond transaction in Delaware, Georgia, Maryland, North Carolina, South Carolina and Virginia since 1999.

The following is a summary of Mrs. Rucker's relevant educational background:

National Council of Affordable Housing Market Analysts Semi-Annual Meeting & Continuing Education	September 2005
Semi-Annual Meeting & Continuing Education	October 2006
Carolinas Council for Affordable Housing Spectrum C <sup>3</sup> P Certification	October 2008

Mrs. Rucker is active in her church and helps run a local judo club. Mrs. Rucker is the mother of three and resides in Weddington, North Carolina.

Michael W. Lash

Michael W. Lash is President of Lash Engineering, an engineering firm located in Charlotte, North Carolina that works closely with Allen & Associates Consulting on utility allowance studies and other specific engagements. Since 1981, Mr. Lash has completed hundreds of assignments including the design of industrial, commercial, multifamily, and single-family developments. Mr. Lash is an expert in the design of utility systems, including wastewater and storm water treatment facilities.

Mr. Lash is a certified professional engineer, licensed in the states of Kansas, Louisiana, North Carolina, South Carolina, and Virginia. Mr. Lash graduated from Louisiana Tech University in Civil Engineering in 1981 and has conducted seminars on advanced wastewater treatment, storm water quality treatment and automated engineering drafting and design with Eagle Point Software.

Mr. Lash is active in his church and volunteers his time teaching karate at a local martial arts academy. Mr. Lash is the father of three and resides in Charlotte, North Carolina.

**JEFFREY B. CARROLL**  
P.O. Box 79196  
Charlotte, North Carolina 28271  
Phone: 704-905-2276 | Fax: 704-220-0470  
E-Mail: jeffcarroll2018@gmail.com

## Summary

Specialist in the development of workforce housing utilizing structural insulated exterior wall panels. Current activities include:

- Founder of Tartan Residential, a firm specializing in the development of workforce housing utilizing structural insulated exterior wall panels. Panelization delivers cost savings/benefits that put newly-constructed units within reach for workforce housing renters.
- Founder of Multifamily Building Systems LLC, a firm dedicated to the construction and operation of energy-efficient multifamily properties.
- Co-Founder of the Workforce Housing Development Corporation, a 501c3 non-profit dedicated to the construction, finance, and operation of workforce housing.
- Founder of Allen & Associates Consulting, a real estate advisory firm specializing in workforce and affordable housing.

## Current Activities

President | Tartan Residential, Inc. | Charlotte, NC | 1997 - present

Founder of Tartan Residential, a firm specializing in the development of workforce housing utilizing structural insulated exterior wall panels. Panelization delivers cost savings/benefits that put newly-constructed units within reach for workforce housing renters. Major projects include:

- Buchanan's Crossing Subdivision - A 40-unit duplex development serving families in Kansas City, Kansas. The estimated cost of this three-phase project is \$11.0 million. This mixed income project, targeting families between 50% and 120% of area median income, is financed with a mixture of conventional debt, conventional equity, and tax credit equity. Construction commenced in 2016.
- Davidson's Landing - A 115-unit garden apartment community serving families in Kansas City, Kansas. The cost of this project was \$26 million. This workforce housing development project, which targets families between 30% and 80% of area median income, was financed with tax-exempt bonds. Construction commenced in 2021 during COVID and the global supply chain crisis. The project was completed ahead of schedule and below budget in early 2023.
- Johnston Farms - A proposed 120-unit apartment community serving families in Rock Hill, South Carolina. The estimated cost of this project is \$35 million. This workforce housing development project, which targets families between 50% and 100% of area median income, is proposed to be financed with HUD 221d4 financing. Construction to begin in 2024.
- Dunbar Place - A proposed 100-unit apartment community serving families in Rock Hill, South Carolina. The estimated cost of this project is \$25 million. This workforce housing development project, which targets families between 50% and 80% of area median income, is proposed to be financed with LIHTCs and tax-exempt bonds. Secured the entitlements and initiated the bond inducement process prior to selling to a large non-profit in 2021.
- McLelland Village - A proposed 96-unit garden apartment community serving families in Mooresville, North Carolina. The estimated cost of this project is \$25 million. This workforce housing development project, which targets families between 50% and 80% of area median income, is proposed to be financed with LIHTCs and tax-exempt bonds. Secured the entitlements and initiated the bond inducement process prior to selling to a large non-profit in 2021.



Manager | Multifamily Building Systems LLC | Charlotte, NC | 2019 - present

Founder of Multifamily Building Systems LLC, a firm dedicated to the construction and operation of energy-efficient multifamily properties. MBS brings together building scientists, engineers, and specialty contractors to design, construct, and monitor high-performance buildings. Through the careful selection and sourcing of critical components, MBS helps owners maximize the returns on their multifamily investments.

Co-Founder | Workforce Housing Development Corporation, Inc. | Charlotte, NC | 2019 - present

Co-Founder and non-voting Advisory Board Member of the Workforce Housing Development Corporation, a 501c3 non-profit dedicated to the construction, finance, and operation of workforce housing. Participating projects are positioned to deliver a triple bottom line return (financial, social, environmental) to investors. Major projects include:

- Attracted an affordable housing REIT to provide subordinate debt for as many as 100 workforce housing developments over the next 10 years. Successfully closed on a \$2 million investment in 2021.
- Provided \$450,000 in financing for a bond-financed multifamily development in 2021.
- Secured a tax-exemption for a rental workforce housing development resulting in a \$36 million tax-exempt bond inducement in 2022.
- Developed an intern program known as Workforce Housing University. Hosted 3 interns in 2022 introducing them to the development, construction, management, and finance of rental workforce housing.
- Co-created the HousingThink podcast, a program dedicated to analyzing and discussing the nation's affordable and workforce housing crisis.
- Developed an exchange program for 2 workforce housing developments with a twofold purpose: (1) to notify participating employers of vacant units at participating developments, and (2) to notify residents at participating developments of job openings with participating employers.
- Establishing a training incentive program for residents at participating developments seeking to work in manufacturing, the trades, and other select professions.
- Developing a comprehensive set of planning tools for workforce housing developers to utilize in land use, zoning, and entitlement matters.

President | Allen & Associates Consulting, Inc. | Charlotte, NC | 2000 - present

Founder of Allen & Associates Consulting, a real estate advisory firm specializing in workforce and affordable housing. Practice areas include low-income housing tax credits, tax-exempt bond transactions, HUD assisted and financed multifamily, USDA-RD assisted and financed properties, public housing, historic tax credits, conventional multifamily, and factory-built housing. Services include development consulting, feasibility studies, market analysis, rent comparability studies, appraisals, capital needs assessments, and utility studies. Performed over 3800 development consulting assignments in 46 states since 2000.

Mr. Carroll's HUD consulting experience includes over 300 HUD Rent Comparability Studies, approximately 40 market studies and appraisals for proposed HUD transactions, over 200 market studies for proposed HUD 221d4/LIHTC transactions, and approximately 30 market studies and appraisals for proposed RAD/LIHTC conversions. And in 1999, Mr. Carroll received an invitation to submit a full HUD 207m application for a proposed manufactured home community development in Kansas City, which was never built because of the 2000 recession.

## Prior Experience

### Co-Founder | Delphin Properties LLC | Charlotte, NC | 1998 - present

Co-founder of Delphin Properties, a firm specializing in the acquisition and development of manufactured home communities. This entity is currently inactive. Major projects included:

- Crystal Lakes - A 338-unit manufactured home community serving seniors in Fort Myers, Florida. Purchased the partially-constructed development in 1998, completed construction, and sold it in 2001 for a \$1 million profit.
- Mahler's Glen - A 348-unit development originally planned as a manufactured home community serving families in Garner, North Carolina. Secured zoning and site plan approval, engineered the property (including a private wastewater treatment facility), and sold it to a national homebuilder in 2000 for a \$2 million profit.
- Beacon Wood - A 363-unit development originally planned as a manufactured home community serving families in Crockery Township, Michigan. Secured zoning and site plan approval, engineered the property, and sold it to a regional homebuilder in 2001 for a \$1 million profit.

### Development Director | Clayton, Williams & Sherwood, Inc. | Austin, TX | 1995 - 1997

Development Director for Clayton, Williams & Sherwood, a privately-owned operator of manufactured home communities and apartment complexes. Major projects included:

- Multifamily Development - Managed the construction and lease-up of two apartment communities consisting of 564 units and valued at \$38 million. Each property leased up in excess of 25 units per month.
- Manufactured Home Community Development - Put together development plans for 4 landlease manufactured home communities consisting of 1800 units and valued at \$54 million.
- Modular Home Subdivision Development - Put together development plans for 2 fee simple modular home subdivisions consisting of 200 units and valued at \$20 million.

### Assistant to the President | Southwest Property Trust | Dallas, TX | 1993 - 1995

Assistant to the President for Southwest Property Trust, a large apartment REIT. Provided support to management personnel operating a 12,000-unit apartment portfolio.

### Investment Analyst/Manager | GE Capital | Dallas, TX | 1991 - 1993

Investment Analyst/Manager for GE Capital's Residential Construction Lending business. Assisted in the management of a \$500 million investment portfolio including 30 single family residential land development investments and 70 single family construction lines of credit.

### Regional Manager | Clayton, Williams & Sherwood, Inc. | Newport Beach, CA | 1989 - 1991

Regional Manager for Clayton, Williams & Sherwood, a privately-owned operator of manufactured home communities and apartment complexes. Major projects included:

- Multifamily Management - Management of a 1200-unit apartment portfolio valued at over \$72 million. Implemented a portfolio-wide 10 percent rent increase while cutting operating expenses 3 percent resulting in a \$7 million increase in portfolio value.
- Manufactured Home Community Management - Management of a 1200-unit manufactured home community portfolio valued at over \$36 million. Implemented a 15 percent rent increase in a 500-unit community resulting in a \$4 million increase in property value.

### Manufacturing Management | Milliken & Company | Pendleton, SC | 1983 - 1986

Manufacturing Manager for Milliken & Company, a specialty textile manufacturer headquartered in Spartanburg, South Carolina. Assigned to a dyeing and finishing facility. Exposed to a wide range of manufacturing issues: facility layout, purchasing, scheduling, material handling, automation, process improvement, quality control, inventory management, logistics, personnel, safety, environmental, and customer service.

## **Education**

### Harvard Business School | MBA, General Management, Real Estate, Economics | 1986 - 1988

Graduated in 1988 with an MBA from Harvard Business School. Emphasis in General Management and Real Estate with a minor concentration in Economics. Educational highlights include:

- Conducted a study of the passenger tire industry in 1986. Evaluated Firestone's competitive position relative to other tiremakers. Observed that other manufacturers enjoyed a cost advantage over Firestone because of superior scale, better capacity utilization, and more accumulated experience in tire production. Concluded that Firestone should merge with another tiremaker to bolster its competitive position. One year after completing this study, Firestone was acquired by Bridgestone - Japan's largest tiremaker.
- Performed financial analysis for a Boston-based tax credit syndicator to help pay for school. Evaluated two elderly tax credit deals that ultimately closed in 1989.

### Clemson University | BS, Engineering, Economics | 1978 - 1983

Graduated in 1983 with a BS in Engineering from Clemson University. Minor concentration in Economics. Honors included Dean's List and Alpha Lambda Delta honorary. Elected officer for Phi Delta Theta social fraternity. Awarded scholarship on Clemson's varsity wrestling team.

## **Certifications, Designations and Affiliations**

Mr. Carroll is a member of the Harvard Real Estate Alumni Organization, the HBS Real Estate Alumni Association, the HBS Social Enterprise Initiative, and the North Carolina Building Performance Association.

Mr. Carroll is a certified general appraiser, licensed to appraise real estate in the states of Delaware, Georgia, Maryland, North Carolina, South Carolina, and Virginia. Mr. Carroll is also a designated member of the Appraisal Institute (MAI).

Mr. Carroll is a peer-reviewed member of the National Council of Housing Market Analysts (NCHMA), where he served on the Executive Committee and chaired the Data and Ethics Committees.

## **Specialties**

Specialties include workforce and affordable housing, low-income housing tax credits, tax-exempt bond transactions, development, development consulting, land use, zoning, entitlements, structured real estate investments, multifamily, manufactured housing, modular construction, panelization, HVAC system design, and manufacturing management.

# Certificate of Professional Designation

*This certificate verifies that*

**Jeff Carroll**

*Allen & Associates Consulting Inc.*

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



National Council of Housing Market Analysts  
1400 16<sup>th</sup> St. NW  
Suite 420  
Washington, DC 20036  
202-939-1750

**Membership Term**  
1/1/2024 to 12/31/2024



**Kaitlyn Snyder**  
Managing Director, NCHMA