

Market Analysis

Malone Trace II City of Petersburg, Virginia

Prepared for:

Kyle J. Cyphert
Malone Trace II VA LLC

March 2026



▪ S. PATZ & ASSOCIATES, INC. ▪
▪ REAL ESTATE CONSULTANTS ▪



▪ S. PATZ & ASSOCIATES, INC ▪
▪ REAL ESTATE CONSULTANTS ▪

March 6, 2026

Kyle J. Cyphert
Malone Trace II VA LLC
631 Dickinson Avenue
Greenville, NC 27834

Dear Mr. Cyphert,

Please find attached our full-narrative market analysis prepared in support of the proposed construction of Malone Trace II to be located at the intersection of Winfield Road and County Drive (U.S. Route 460 Business) in the City of Petersburg. The development is proposed for financing under the Low-Income Housing Tax Credit (LIHTC) program through the allocation of 9% tax credits administered by Virginia Housing. This report has been prepared for submission to Virginia Housing and was completed in accordance with the agency's market study guidelines for LIHTC developments.

Malone Trace II is planned as a newly constructed, general-occupancy affordable rental community consisting of 45 family-oriented apartment units, including 14 two-bedroom units and 31 three-bedroom units. Units will be restricted to households earning up to 30%, 50%, 60%, and 80% of Area Median Income (AMI) and will operate under the income-averaging set-aside, with a property-wide average income designation not to exceed 60% of AMI.

Based on the Virginia Housing demand methodology described in the report, the proposed development represents a project-wide capture rate of 3.3 percent. Capture rates by income tier are 1.4 percent at 30% of AMI, 2.8 percent at 50% of AMI, 5.9 percent at 60% of AMI, and 5.7 percent at 80% of AMI.

Market conditions further support the proposed development. Stabilized vacancy across the competitive inventory is approximately 3.0 percent, reflecting tight operating conditions. The identified affordable housing pipeline includes approximately 170 units expected to begin construction in 2026, which is modest relative to the size of the existing renter population and is not expected to materially alter overall market conditions during the anticipated lease-up period for Malone Trace II.

Taken together, the analysis supports the feasibility of the proposed development as currently planned. Based on the analyses and assumptions presented in the report, no material market conditions were identified that would warrant changes to the proposed unit mix, income targeting, or rent structure.

Please do not hesitate to contact us should you require any additional information or clarification.

Sincerely,

Ariel Goldring

Ariel Goldring, President
S. Patz & Associates, Inc.

Table of Contents

Introduction	6
Executive Summary	8
Section I: Site Setting and Description	12
I.1: Site Description.....	12
I.2: Site Setting.....	16
I.2.a: Public Transit.....	18
I.2.b: Public and Commercial Facilities	19
Section II: Proposed Development Program	22
II.1: Proposed Unit Characteristics.....	22
II.1.a: HUD Maximum Allowable Rent Comparison.....	24
II.2: Site Plan Overview.....	24
II.3: Building Rendering and Elevations.....	26
II.4: Building Floor Plans	29
II.5: Apartment Unit Floor Plans	33
Section III: Market Area Definition	36
Section IV: Market Area Economic Overview.....	40
IV.1: Employment by Place of Work (At-Place Employment)	40
IV.2: Employment and Labor Force	45
IV.3: Annual Wages by Industry	47
IV.4: Major Employers	49
IV.5: Travel Time to Work	51
IV.6: Economic Development Activity	52
IV.6.a: City of Hopewell Economic Development Activity.....	53
IV.6.b: Prince George County Economic Development Activity.....	53
IV.6.c: City of Colonial Heights Economic Development Activity	54
IV.6.d: City of Petersburg Economic Development Activity	55
IV.6.e: Regional Employment Growth Projections.....	57
IV.7: Fort Lee	59
IV.8: WARN (Layoff) Notices	62
IV.9: Market Area Economic Overview Summary	62
Section V: Competitive Apartment Market Analysis	64
V.1: Market Area Demographic Analysis	64
V.1.a: Population Trends and Projections.....	64
V.1.b: Group Quarters Population.....	65
V.1.c: Household Population and Household Formation Trends.....	66
V.1.d: Housing Tenure Trends (Owner and Renter Households).....	67
V.1.e: Target Renter Market Demographics	69
V.1.f: Rent Overburdened Households	71
V.1.g: Renter Households in Substandard Housing.....	73
V.1.h: Renter Households by Household Size	75

V.1.i: Trends in Residential Building Permits	76
V.2: Apartment Market Analysis.....	77
V.2.a: Characteristics of the Competitive Apartment Market.....	78
V.2.b: Distribution of Income Restrictions.....	89
V.2.c: Net Rent Analysis	92
V.2.d: Rent per Square Foot	96
V.2.e: Apartment Unit Sizes.....	99
V.2.f: Apartment Unit Mix	101
V.2.g: Community Amenities	104
V.2.h: Local Perspective of the Rental Housing Market	106
Section VI: Market Study Conclusions.....	108
VI.1: Analysis of Demand.....	109
VI.1.a: Competitive Apartment Development Pipeline.....	109
VI.1.b: Net Rent Evaluation	113
VI.1.c: Achievable Market Rent Analysis.....	115
VI.1.d: Unit Size and Mix Evaluation	118
VI.1.e: Penetration Rate Analysis	119
VI.1.f: Virginia Housing Demand Analysis.....	120
Market Analyst Disclosure	124
Data Sources.....	125
Market Study Disclaimer and Limiting Conditions	126
S. Patz & Associates, Inc. Company Background	127

Introduction

The following full-narrative market study evaluates the feasibility of Malone Trace II, a proposed affordable, general-occupancy rental community to be located at the intersection of Winfield Road and County Drive in the City of Petersburg, Virginia. The proposed development will consist of 45 apartment units and will be constructed immediately adjacent to, and following the development of, Malone Trace I, a 52-unit affordable apartment community planned for the same site area.

Malone Trace I received an award of 9% Low-Income Housing Tax Credits (LIHTC) in the 2025 funding round and is expected to begin construction in early 2026, with an anticipated opening in early 2027. The first phase will consist of a single three-story, elevator-served building with a mix of two- and three-bedroom units. The income distribution for Malone Trace I includes units restricted at 30%, 50%, 60%, and 80% of Area Median Income (AMI) and will operate under the income-averaging set-aside, under which the weighted-average income designation across all units may not exceed 60% of AMI. Construction is expected to begin in the summer of 2026 and open in late-2027. Malone Trace II represents a second phase that will increase the number of affordable units at this location and will use the same site access, utilities, and supporting infrastructure established for Phase I. Construction of Malone Trace II is anticipated to begin in June 2027, with completion projected for September 2028.

Once built, Malone Trace II is proposed to operate as an income-restricted rental community serving households earning up to 30%, 50%, 60%, and 80% of AMI, as defined by applicable HUD income limits by household size. Because the proposed income structure includes units above 60% of AMI, the development will use the income-averaging set-aside, with the weighted-average income designation across all units not to exceed 60% of AMI. The development is anticipated to be financed using 9% Low-Income Housing Tax Credits allocated by Virginia Housing. A site inspection of the subject property was conducted by S. Patz & Associates on February 12, 2026, which serves as the effective date of the physical conditions analysis presented in this report.

This market study has been prepared in accordance with Virginia Housing market study guidelines applicable to LIHTC developments and follows a full-narrative format consistent with underwriting and allocation review requirements. The report is organized into six sections, summarized below.

- **Section I: Site Setting and Description:** This section describes the physical characteristics of the approximately 4.96-acre development site and its surrounding land uses within the City of Petersburg. It evaluates zoning, access, public utility availability, and proximity to transportation corridors, public transit, medical facilities, schools, and retail amenities.
- **Section II: Proposed Development Program:** This section summarizes the proposed development program for Malone Trace II, including the unit mix, unit sizes, proposed rents, income restrictions, and gross rents relative to HUD maximum allowable limits. It also describes the site plan, building configuration, parking supply, architectural character, and amenity package.
- **Section III: Market Area Definition:** This section defines the Primary Market Area, consisting of the City of Petersburg, City of Hopewell, City of Colonial Heights, and Prince George County, based on commuting patterns, household mobility, and the geographic distribution of comparable rental communities. A Secondary Market Area, defined as the Richmond, Virginia Metropolitan Statistical Area (MSA), is included for a broader economic context only. Demand from the Secondary Market Area is excluded from the quantitative demand analysis to maintain a conservative assessment of project support.
- **Section IV: Market Area Economic Overview:** This section examines economic conditions within the market area, including employment by place of work, labor force trends, wage levels, commuting times, major employers, publicly announced job activity, and WARN notices.
- **Section V: Competitive Apartment Market Analysis:** This section analyzes demographic trends with a focus on renter households, including population and household projections, tenure characteristics, and income-qualified demand. It also evaluates the competitive supply of affordable rental communities, excluding properties with deep rental subsidies or materially different program structures, to assess achievable rents, occupancy conditions, and competitive positioning.
- **Section VI: Market Study Conclusions:** This final section integrates demographic trends, competitive supply conditions, and demand estimates to evaluate overall market support for Malone Trace II. It includes a review of the development pipeline, penetration and capture rate analyses, a net demand calculation, and final conclusions regarding project feasibility and anticipated absorption performance.

Executive Summary

Malone Trace II VA LLC has retained S. Patz & Associates to conduct a market feasibility analysis for Malone Trace II, a proposed 45-unit family-oriented, income-restricted rental development located in the City of Petersburg, Virginia. Once completed, Malone Trace II will add new income-restricted rental housing options for family households across multiple income levels within the market area.

Table 1 summarizes Malone Trace II’s unit distribution, sizes, income restrictions, and proposed rents. The development will include 14 two-bedroom units and 31 three-bedroom units. All two-bedroom units will contain approximately 950 square feet, while all three-bedroom units will contain approximately 1,125 square feet.

The income distribution will include five two-bedroom units restricted to households earning up to 30% of AMI, with a proposed rent of \$650 per month, and nine two-bedroom units restricted to households earning up to 50% of AMI, with a proposed rent of \$1,161 per month. The three-bedroom component will include nine three-bedroom units restricted to households earning up to 50% of AMI, with a proposed rent of \$1,332 per month, six three-bedroom units restricted to households earning up to 60% of AMI, with a proposed rent of \$1,627 per month, and 16 three-bedroom units restricted to households earning up to 80% of AMI, with a proposed rent of \$2,130 per month.

Table 1: Proposed Unit Characteristics — Malone Trace II					
	Units	Restrictions	Square Feet	Rent ¹	Rent per Square Foot
2BR/1.5BA	5	30% of AMI	950	\$650	\$0.68
2BR/1.5BA	9	50% of AMI	950	\$1,161	\$1.22
3BR/2BA	9	50% of AMI	1,125	\$1,332	\$1.18
3BR/2BA	6	60% of AMI	1,125	\$1,627	\$1.45
3BR/2BA	16	80% of AMI	1,125	\$2,130	\$1.89
Total	45				

¹ Rent includes trash collection.
Source: Malone Trace II VA LLC

Based on research conducted by S. Patz & Associates, the following conclusions summarize the findings of this market analysis:

- **Site Location Assessment:** Malone Trace II is planned on an approximately 4.96-acre vacant and largely wooded site, located at the intersection of Winfield Road and County Drive (U.S. Route 460 Business) in the City of Petersburg. The site is appropriately zoned to permit the proposed development and is served by public water and sewer infrastructure. Regional access is strong, with the site located near the County Drive interchange with Interstate 95, approximately 2.5 miles from Downtown Petersburg and approximately four miles from Fort Lee. Public transit service is available nearby, as Petersburg Area Transit (PAT) Route 5 operates along U.S. Route 460 Business immediately north of the site. Key services are accessible within a short drive, including Bon Secours Southside Medical Center, neighborhood grocery shopping, and the larger retail concentration in Colonial Heights. The surrounding area includes a mix of residential and commercial uses, and the location provides convenient access to employment, services, and regional transportation corridors.
- **Economic Assessment:** The market area economy reflects generally stable conditions and is closely integrated with the broader Richmond regional labor market. At-place employment declined from 46,576 jobs in 2019 to 43,660 jobs in 2024, reflecting pandemic-related losses and a slower recovery among locally based service sectors. In contrast, resident employment increased from 44,548 workers in 2019 to 50,119 workers in 2024, suggesting increased reliance on employment opportunities outside the immediate market area, as resident employment growth outpaced growth in at-place employment. Labor market conditions have improved since the pandemic, with the unemployment rate declining from a peak of 10.0 percent in 2020 to 3.8 percent in 2024. The regional economy continues to benefit from the presence of Fort Lee and related federal activity, as well as ongoing growth within the greater Richmond region. A review of recent WARN notices found no major layoffs or plant closures affecting the market area.
- **Demographic Assessment:** The market area population increased from 108,065 persons in 2010 to 117,671 persons in 2020 and is projected to reach approximately 121,062 persons by 2031. Renter households totaled 21,329 in 2020 and are projected to increase to approximately 22,758 by 2031, reflecting continued, moderate growth in the renter base. The number of income-qualified renter households is projected to remain generally stable, declining slightly from 5,560 households in 2026 to 5,518 households in 2031. Although growth within these income bands is limited, the existing base of income-qualified renter households remains substantial. Based on the demand analysis, approximately 41.3 percent of market area renter households are cost-burdened, paying more than 35 percent of income toward housing costs, and an estimated 3.1 percent of market area renters occupy substandard housing conditions. These conditions reflect persistent affordability

constraints and support continued demand for additional income-restricted rental housing.

- **Competitive Apartment Assessment:** The competitive inventory includes 33 apartment communities totaling 5,026 units, of which 1,663 units (33.1 percent) operate under LIHTC or other income restrictions and 3,363 units (66.9 percent) are market-rate. The inventory is generally mature, with limited new construction relative to the existing stock. Stabilized vacancy levels remain low across both segments. Excluding a property currently in lease-up, the LIHTC segment reported approximately 70 vacant units among approximately 1,616 stabilized units, representing a vacancy rate of approximately 4.3 percent. The market-rate segment reported 81 vacant units among 3,363 units, a vacancy rate of 2.4 percent. Overall stabilized vacancy was approximately 3.0 percent, reflecting tight operating conditions and continued renter demand within the market area. Interviews with property management staff suggest that existing vacancies are primarily attributable to routine turnover or property-specific factors rather than broad-based weakening in demand.
- **Pipeline Apartment Assessment:** The identified affordable housing pipeline includes three general-occupancy LIHTC developments totaling approximately 170 units that are expected to begin construction in 2026: Malone Place, Wells Pointe, and Malone Trace I. While these developments will add new income-restricted units across multiple income tiers, the scale of the planned pipeline is modest relative to the size of the existing renter population and is not expected to materially change overall market conditions during the anticipated lease-up period for Malone Trace II.
- **Penetration Rate Assessment:** The penetration analysis evaluates the share of income-qualified renter households within each target income band that would be required to occupy the combined inventory of comparable family-oriented affordable units, including existing LIHTC properties, planned developments, and Malone Trace II. The results show that the total inventory of comparable units represents approximately 42.9 percent of income-eligible renter households within the market area, suggesting that the overall supply of comparable affordable units remains proportionate to the size of the eligible renter base. Because the calculation excludes potential demand from renter households relocating from outside the market area and from households currently residing in non-apartment housing who may transition to professionally managed communities, the analysis supports the conclusion that Malone Trace II can be absorbed without requiring an excessive share of income-qualified renter households.
- **Net Demand, Capture Rate, and Absorption Assessment:** Applying the Virginia Housing demand methodology, total demand within the target income ranges is estimated at 1,618 units. This total is driven primarily by cost-burdened renter households, supplemented by households living in substandard housing conditions and projected changes in renter household growth within the applicable income ranges. After subtracting 248 units representing existing vacancies and planned pipeline supply, net demand is estimated at approximately 1,370 units. Based on this net demand, the 45 units

proposed at Malone Trace II represent a project-wide capture rate of approximately 3.3 percent. Capture rates by income tier are similarly modest, ranging from approximately 1.4 percent to 5.9 percent. Given the depth of need relative to the proposed unit count, mix of income restrictions, and current occupancy levels across the competitive inventory, the development is expected to achieve stabilization within approximately two months.

Based on the analyses and assumptions presented in this report, no material market conditions have been identified that would warrant modifications to the proposed unit mix, income targeting, or rent structure. Malone Trace II is considered feasible as proposed and is supported by the depth of income-qualified renter demand within the market area.

Section I: Site Setting and Description

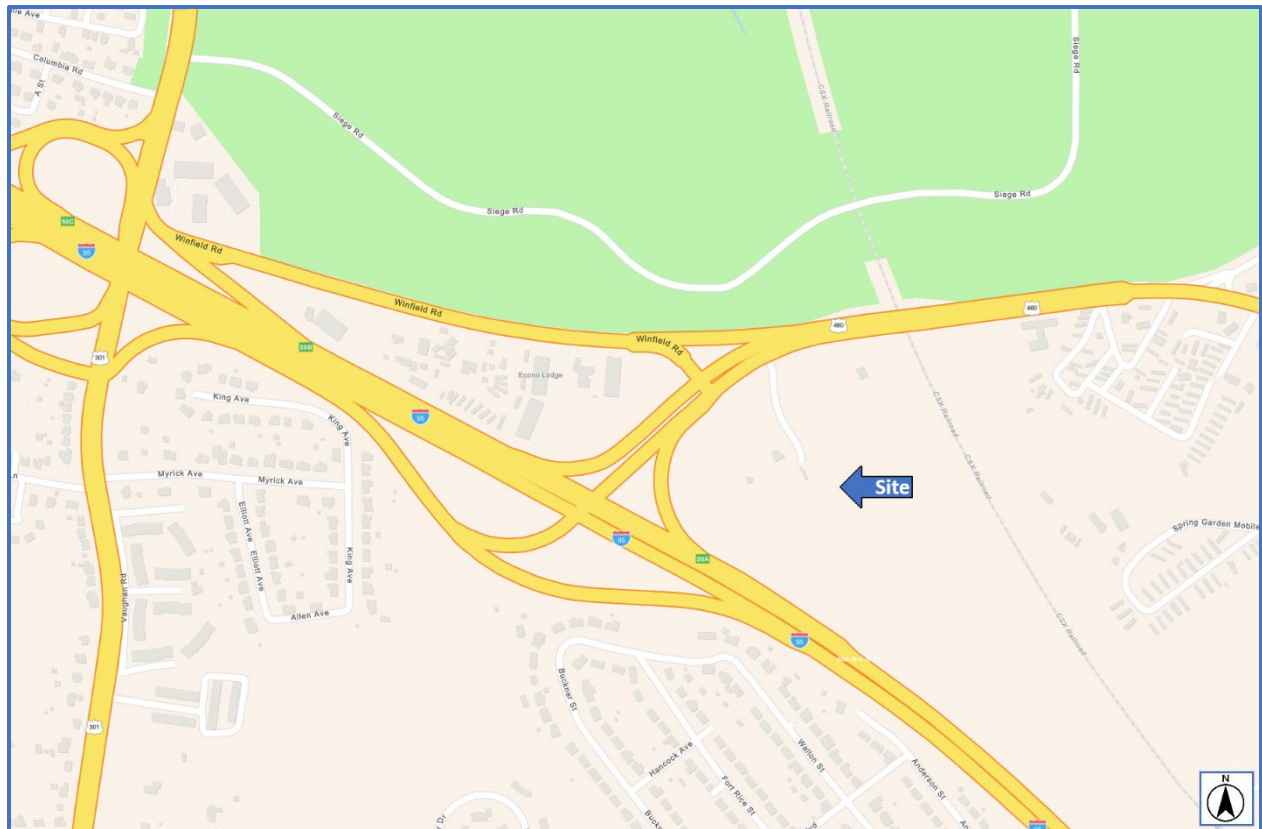
This section summarizes the study site and its surrounding context. It describes the property's location, physical characteristics, and overall setting. The discussion also evaluates site accessibility and the proximity of the property to public transit, schools, retail services, and medical facilities, which are key factors influencing residential desirability and marketability.

I.1: Site Description

Map A illustrates the location of the proposed Malone Trace II development. The site is located on Winfield Road at County Drive (U.S. Route 460 Business), south and east of the City of Petersburg. The property comprises approximately 4.96 acres, is currently vacant, and is zoned to permit the proposed development. The site is served by public water and sewer utilities.

The surrounding area includes a mix of undeveloped land and transportation-related infrastructure. Interstate 95 is located to the west of the property, while a railroad corridor lies to the east, although it is not directly adjacent to the site. Several commercial uses are located along Winfield Road, including a motel. Petersburg National Battlefield is located north of Winfield Road. The site is wooded and sloping, with portions of the property descending toward a creek that generally parallels County Drive.

The property is located approximately 2.5 miles from Downtown Petersburg, several hundred feet from the County Drive interchange with Interstate 95, and approximately four miles from Fort Lee, the region's largest employer. This location provides direct access to the regional highway network and to major employment centers in the Petersburg area.



Map A - Study Site Location

Shown next is a north-facing aerial image of the study site. The aerial confirms that the property is largely wooded and undeveloped. To the northwest of the site is the proposed initial phase of Malone Trace, which was awarded 9% Low-Income Housing Tax Credits in the competitive 2025 application round. Malone Trace will comprise 52 units, including 16 two-bedroom and 36 three-bedroom units, and will be planned as new construction.

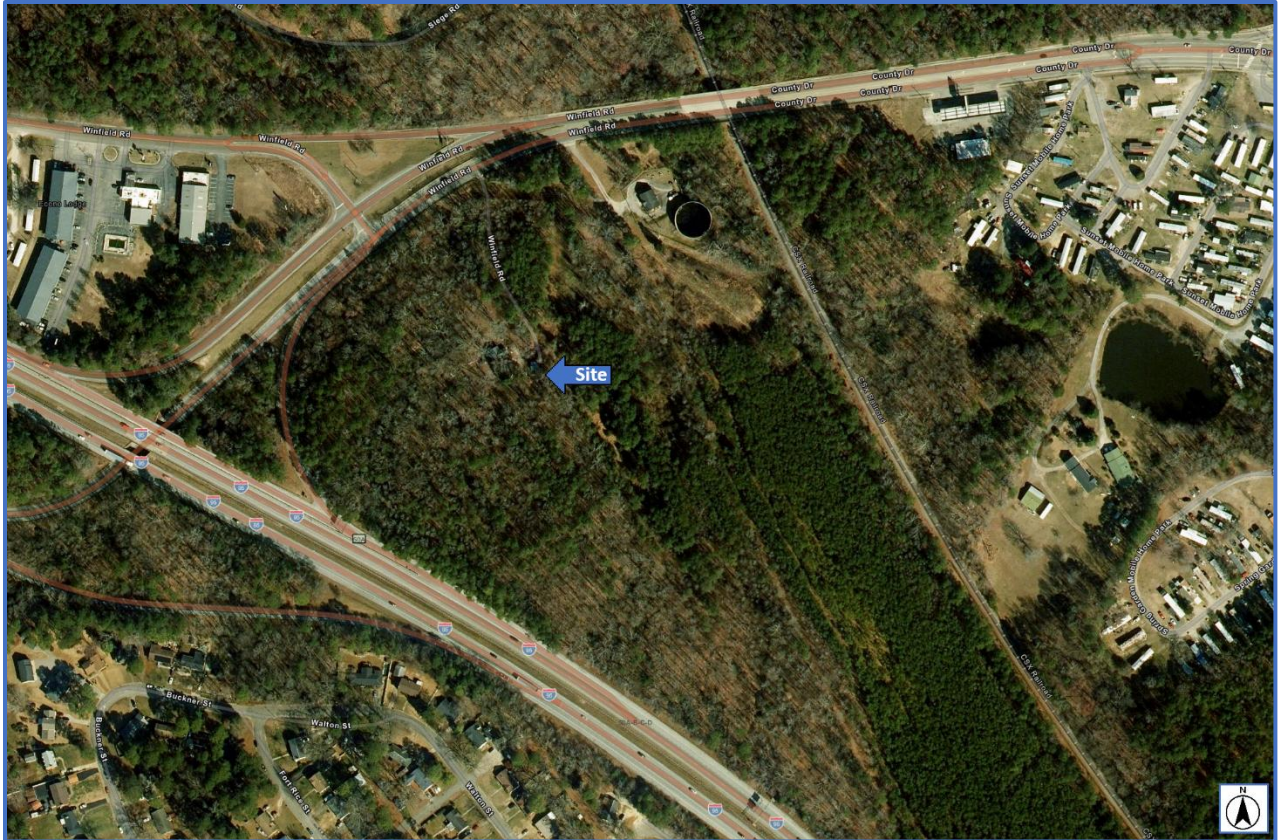
Of the 52 units, six units will be targeted to households with incomes up to 30% of AMI, 22 units will be targeted to households with incomes up to 50% of AMI, six units will be targeted at the 60% of AMI level, and the remaining 18 units will be targeted at 80% of AMI. Because the development includes units serving households above 60% of AMI, the project is expected to utilize the income averaging option to satisfy Low-Income Housing Tax Credit program requirements.

The development will consist of a single three-story residential building served by an elevator. The building will feature a combination exterior design. Planned common area and site amenities include a multi-purpose community room and on-site laundry facilities. All design features and amenities will meet applicable Virginia Housing standards and design requirements.

Petersburg National Battlefield is located on the north side of County Drive. As a federally protected historic resource, the battlefield provides permanent open-space use and limits the potential for future development in the immediate area, thereby contributing to long-term land-use stability.

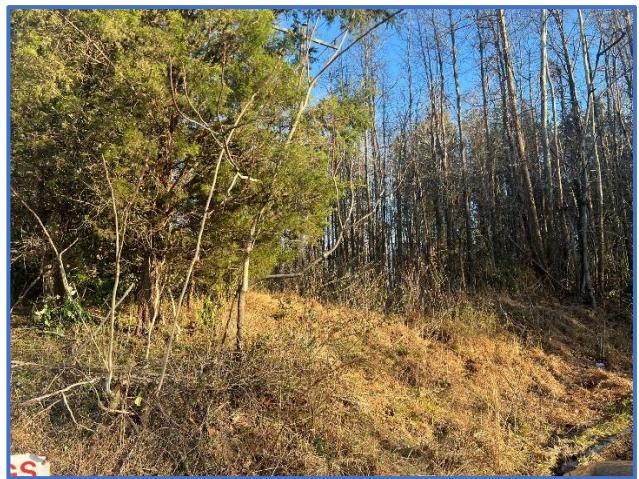
Development along Winfield Road and County Drive is primarily commercial. Nearby uses include an Econo Lodge, several mobile home parks, an American Legion post, a Raceway convenience store, a Sunoco gas station, and two Mexican restaurants, Taqueria Doña Rosa DF #2 and Tortilleria y Restaurante Tecuani.

Residential development south of the site consists primarily of established single-family neighborhoods. These areas are separated from the study site by Interstate 95, which limits direct physical connectivity and reduces the potential for land use conflicts between the proposed development and existing residential areas.



Northern Aerial of the Study Site

Shown next are photographs of the study site taken from Winfield Road. The photos show the site to be fully wooded.



Southern View of Study Site from Winfield Road

I.2: Site Setting

Map B illustrates the study site's broader setting within the City of Petersburg. U.S. Route 460 Business forms the northern boundary of the study site and functions as a local arterial roadway within Petersburg, serving traffic oriented toward in-city destinations rather than through travel. The corridor provides direct access to commercial uses, service businesses, and nearby employment areas, and supports local circulation for development along Winfield Road and County Drive. As a business route, U.S. Route 460 Business facilitates local access while diverting regional through traffic to the primary U.S. Route 460 alignment.

Just west of the study site, U.S. Route 460 Business provides access to Interstate 95 via the County Drive interchange. Interstate 95 is the primary north-south transportation corridor serving the Petersburg-Tri-Cities region and provides direct connections to major employment centers, regional retail destinations, and service hubs in the Richmond metropolitan area to the north. This interchange facilitates efficient regional commuting and enhances access to employment and retail opportunities beyond the site's immediate vicinity.

In addition, U.S. Route 460 provides direct access to Interstate 295 approximately four miles southeast of the site, which functions as a circumferential highway around the Richmond metropolitan area and improves regional connectivity to employment centers in eastern Henrico County, eastern Chesterfield County, Hanover County, and Richmond International Airport. Access to Interstate 295 further enhances commuting flexibility and expands the range of regional employment opportunities accessible to future residents.

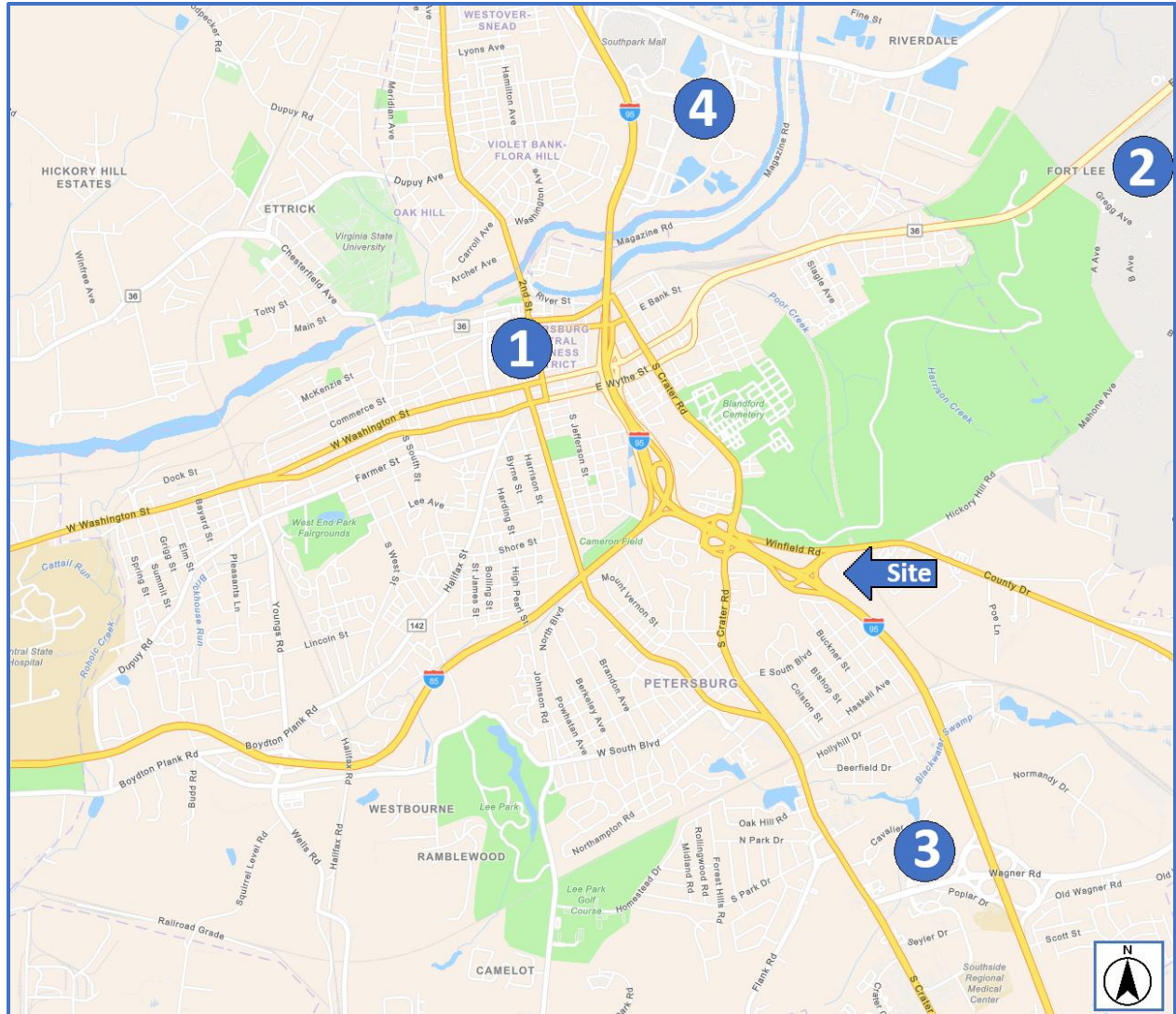
The map also shows the site's close proximity to Downtown Petersburg (*Note 1*), located approximately 2.5 miles to the northwest. Downtown Petersburg functions as the city's primary civic, employment, and cultural center, with a concentration of government offices, institutional uses, historic commercial corridors, local retailers, restaurants, and community services. This proximity provides residents with convenient access to employment, public services, and neighborhood-oriented retail and dining options.

Map B also highlights the site's proximity to Fort Lee (*Note 2*), located approximately four miles to the east. Fort Lee is a major U.S. Army installation that serves as a regional hub for military training, logistics, and administrative operations and represents the largest employment center in the Petersburg area. The installation supports a substantial military and civilian workforce and generates additional employment through contractors and related support services. The site's location relative to Fort Lee supports potential demand from households employed at the installation and in associated civilian and support-sector occupations.

The study site is also located less than a ten-minute drive from the Virginia Live! Casino Resort (*Note 3*), which is currently under construction. The project is expected to employ up to 1,400 workers once fully operational and represents one of the largest recent job announcements in the City of Petersburg. While the timing and scale of hiring will depend on final project delivery and operating conditions, the development is expected to expand local employment opportunities and increase economic activity in the area. Its proximity further strengthens the site's access to emerging employment opportunities within the local market.

In addition, the site is located within approximately a ten-minute drive of the Colonial Heights regional retail corridor (*Note 4*). This area represents the primary retail concentration for the Tri-Cities market and includes a wide range of national retailers and shopping destinations. Major stores include Walmart Supercenter, Sam's Club, Target, Best Buy, Staples, Macy's, Burlington, Ross Dress for Less, and Hibbett Sports, along with multiple grocery stores and supporting restaurants and services. Proximity to this retail cluster provides convenient access to comparison shopping, everyday goods, and essential services for future residents.

Overall, the study site benefits from strong accessibility and a strategic location relative to major employment centers, emerging job growth, regional retail concentrations, and key transportation corridors. This combination of regional connectivity and access to employment, services, and shopping enhances the site's competitive position within the local rental housing market and supports its suitability for residential development.

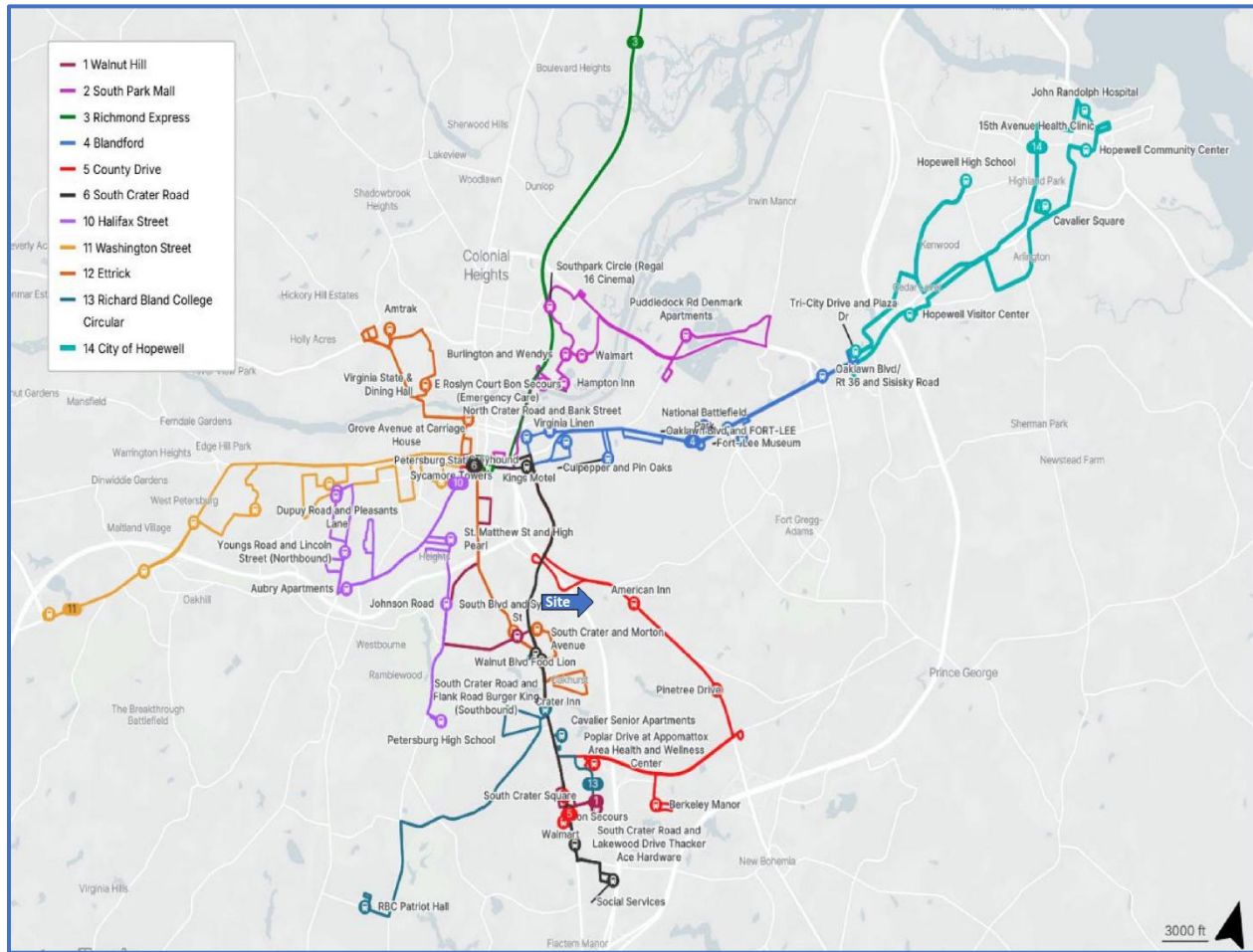


Map B – Study Site Regional Setting

I.2.a: Public Transit

Public transportation in Petersburg is provided by Petersburg Area Transit (PAT), which currently operates fare-free service. PAT reports an average of approximately 57,000 passenger trips per month across the region, including the cities of Petersburg, Hopewell, and Colonial Heights, as well as portions of the surrounding counties. Bus service operates Monday through Friday from 5:45 a.m. to 6:15 p.m. and on Saturdays from 7:15 a.m. to 6:15 p.m. No service is provided on Sundays.

Map C presents the system route map and shows that Route 5 (County Drive) operates along U.S. Route 460 Business immediately north of the study site, providing nearby access to fixed-route transit service and an additional transportation option for residents without access to a personal vehicle.



Map C - Proximity to Public Transit

I.2.b: Public and Commercial Facilities

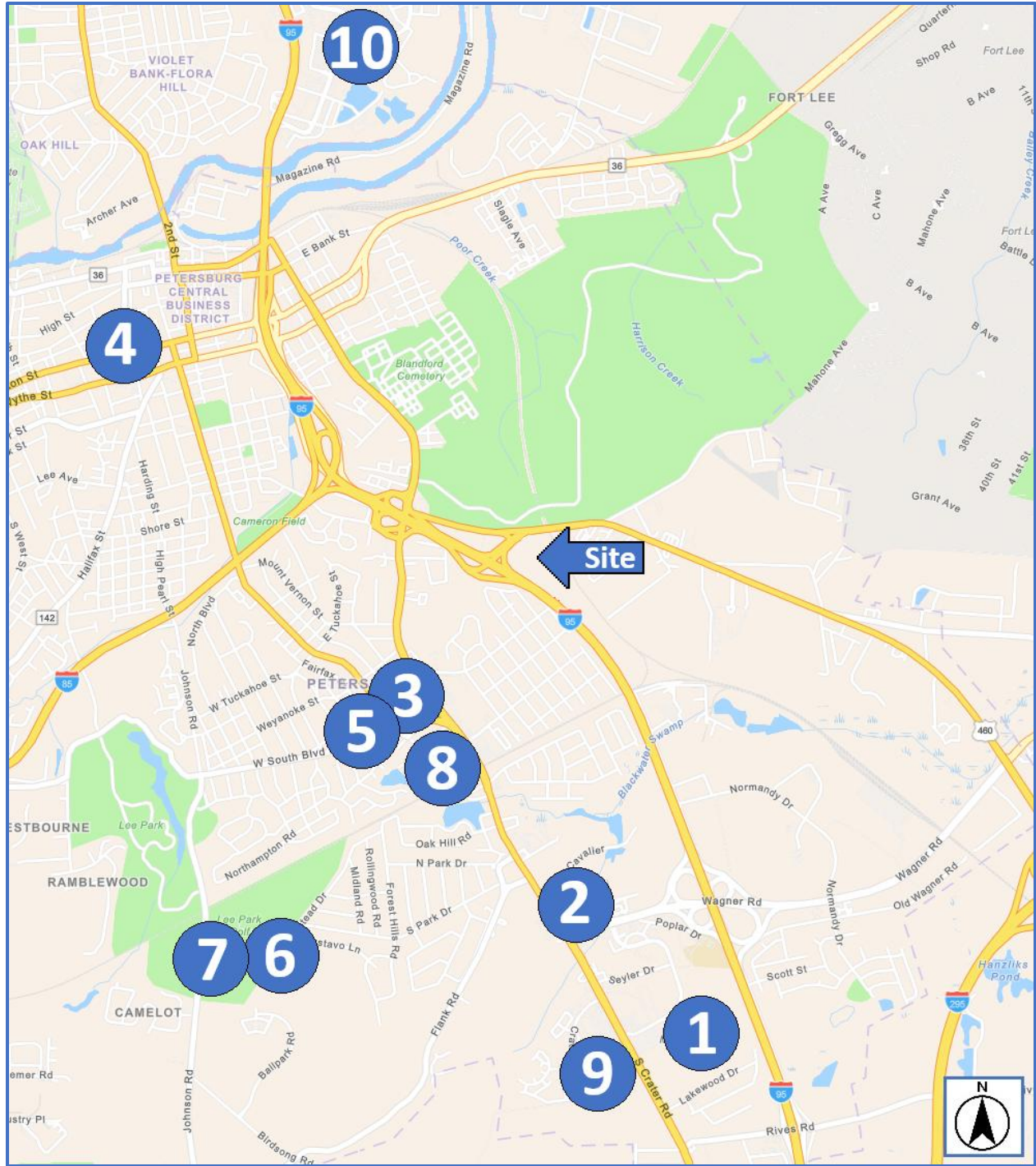
The following summarizes key public and commercial facilities accessible to future residents of Malone Trace II.

- Medical Care:** The closest hospital to the study site is Bon Secours Southside Medical Center (*Note 1*), located at 200 Medical Park Boulevard, approximately four miles south of

the study site. This is a 300-bed facility with nearly 400 physicians representing more than 40 specialties. Approximately 1,000 people are employed by the hospital. Bon Secours acquired the facility in January 2020; the hospital relocated to its current campus in 2003. Several major medical facilities are adjacent to the hospital, including Encompass Health Rehabilitation Hospital of Petersburg, Poplar Springs Hospital, a behavioral health facility, and extensive medical office space.

- **Community Facilities:** The nearest post office is located at 3131 S Crater Road (*Note 2*), approximately four miles south of the study site, and provides standard postal services, including mail and package delivery and post office boxes. Petersburg Fire Department Station No. 4 (*Note 3*) is located approximately three miles southwest of the study site at 1907 S Sycamore Street and is staffed by career firefighters providing fire suppression and emergency response services. In addition, the Petersburg Public Library (*Note 4*) is located approximately 3.4 miles northwest of the study site at 201 W Washington Street and offers public library services and community programming.
- **Education:** Students residing at Malone Trace II would be zoned for Walnut Hill Elementary School (*Note 5*), located approximately three miles southwest of the study site at 300 W South Boulevard; Vernon Johns Middle School (*Note 6*), located approximately five miles west of the study site at 3101 Homestead Drive; and Petersburg High School (*Note 7*), located approximately seven miles southwest of the study site at 3101 Johnson Road. None of these schools are within walking distance of the study site; however, students would be served by Petersburg City Schools bus transportation.
- **Shopping:** The closest grocery store to the study site is the Food Lion located at 2120 Crater Road (*Note 8*), approximately three miles west of the study site. A Walmart Supercenter (*Note 9*) is located farther south at 3500 S Crater Road. Additional regional retail options are located in Colonial Heights (*Note 10*), less than five miles from the study site.

Map D illustrates the locations of public and commercial facilities serving future residents of Malone Trace II, demonstrating that essential services and daily needs are accessible within a short driving distance of the site.



Map D - Malone Trace II Community Amenities

Section II: Proposed Development Program

This section provides an overview of the proposed development program for Malone Trace II, including the planned unit mix, site layout, and key design characteristics. It summarizes the number, size, and configuration of units, along with proposed rents. The section also describes the overall site plan, highlighting building placement, parking areas, open space, and access points to illustrate how the project will relate to surrounding land uses.

In addition to unit characteristics and site layout, this section presents details on building design, including architectural renderings and representative floor plans. These materials illustrate the project's architectural character, scale, and spatial organization, providing a clear understanding of the proposed design concept. Together, these components define the physical framework for development and provide a basis for evaluating its market positioning and feasibility.

II.1: Proposed Unit Characteristics

Table 2 summarizes the proposed unit mix, unit sizes, income restrictions, and rents for Malone Trace II. The development will include 45 income-restricted rental units consisting of two- and three-bedroom apartments targeted to households across multiple income tiers.

The two-bedroom component will total 14 units, all configured as two-bedroom, one-and-one-half-bathroom units containing approximately 950 square feet. This includes five units restricted to households earning up to 30% of AMI, with a rent of \$650 per month (\$0.68 per square foot), and nine units restricted to households earning up to 50% of AMI, with a rent of \$1,161 per month (\$1.22 per square foot).

The remaining 31 units will comprise three-bedroom, two-bathroom apartments, each approximately 1,125 square feet. Nine units will be restricted to households earning up to 50% of AMI, with a rent of \$1,332 per month (\$1.18 per square foot). Six units will be restricted to households earning up to 60% of AMI, with a rent of \$1,627 per month (\$1.45 per square foot).

The remaining 16 units will be restricted to households earning up to 80% of AMI, with a rent of \$2,130 per month (\$1.89 per square foot).

Overall, the proposed rent structure establishes a tiered affordability framework across income levels ranging from 30% to 80% of AMI, with the largest share of units concentrated at the 80% of AMI level (16 units, or nearly 36 percent of the total). Proposed rents include trash collection.

	Units	Restrictions	Square Feet	Rent ¹	Rent per Square Foot
2BR/1.5BA	5	30% of AMI	950	\$650	\$0.68
2BR/1.5BA	9	50% of AMI	950	\$1,161	\$1.22
3BR/2BA	9	50% of AMI	1,125	\$1,332	\$1.18
3BR/2BA	6	60% of AMI	1,125	\$1,627	\$1.45
3BR/2BA	16	80% of AMI	1,125	\$2,130	\$1.89
Total	45				

¹ Rent includes trash collection.
Source: Malone Trace II VA LLC

Because the development includes units targeted to households earning more than 60% of AMI, the project will use the income averaging option available under the LIHTC program. Income averaging is an alternative minimum set-aside that allows properties to designate units at multiple income levels, provided that the calculated average income limitation across all LIHTC units does not exceed 60% of AMI.

This structure allows the development to target households across a wider income range while maintaining compliance with LIHTC requirements. The inclusion of some higher-income units supports revenue stability by allowing a broader range of allowable rents, while deeper-income units ensure that overall affordability is maintained at the required level. The property remains subject to all applicable LIHTC income and rent restrictions, as well as ongoing compliance and monitoring requirements administered by Virginia Housing.

II.1.a: HUD Maximum Allowable Rent Comparison

Table 3 shows gross rents for the proposed apartment units, calculated by adding a utility allowance (UA) to the proposed net rents for the income-restricted units. The UA was prepared specifically for the sponsor and reflects unit sizes, building configuration, and the use of energy-efficient HVAC systems and appliances. The apartment buildings are expected to meet Virginia Housing energy-efficiency guidelines, which is reflected in the resulting utility cost assumptions.

Gross rents are evaluated against the U.S. Department of Housing and Urban Development (HUD) maximum allowable gross rent limits, which set the highest permissible combined rent and tenant-paid utility costs for income-restricted units. These limits are tied to the Richmond, VA HUD Metro FMR Area and vary by unit size to account for differences in household composition and typical utility usage. As shown in **Table 3**, the proposed gross rents, inclusive of the calculated utility allowance, remain at or below HUD's maximum allowable gross rents across all unit types.

	Malone Trace II			HUD Maximum Allowable Rent
	Net Rent	Utility Allowance	Gross Rent	
2BR/1.5BA (30% of AMI)	\$650	\$116	\$766	\$766
2BR/1.5BA (50% of AMI)	\$1,161	\$116	\$1,277	\$1,277
3BR/2BA (50% of AMI)	\$1,332	\$143	\$1,475	\$1,475
3BR/2BA (60% of AMI)	\$1,627	\$143	\$1,770	\$1,770
3BR/2BA (80% of AMI)	\$2,130	\$143	\$2,273	\$2,361

Source: U.S. Department of Housing and Urban Development (HUD); Malone Trace II VA LLC

II.2: Site Plan Overview

The site plan for Malone Trace II is shown below. The proposed development will be constructed immediately adjacent to the initial phase of Malone Trace, creating a coordinated two-phase residential community along Winfield Road in Petersburg.

Primary access to the property will be provided from Winfield Road, with internal drives extending through the site and connecting the Phase II building to the existing circulation system

to serve Malone Trace I. The integrated layout allows both phases to function as a single residential community with shared access and coordinated site operations.

Malone Trace II will consist of one three-story residential building containing 45 apartment units. The building is positioned within Tract II and oriented to allow surface parking areas to be distributed around the structure and connected to the internal drive network.

Parking for Malone Trace will be shared between the two phases. A total of 207 parking spaces will serve the combined 97 units, including 140 spaces for Phase II and 67 for Phase I. This represents an overall parking ratio of approximately 2.13 spaces per unit.

The development includes designated open space areas and stormwater management facilities, with building setbacks provided in accordance with zoning requirements. These features support on-site drainage, provide usable outdoor areas for residents, and help buffer the development from adjacent properties.

Additional exterior components will include vinyl single-hung windows, vinyl guardrails at balcony locations, decorative brackets at selected architectural elements, prefinished aluminum gutters and seamless aluminum downspouts, and metal-clad exterior doors. The roof system will consist of pitched roofs with 30-year architectural asphalt shingles and ridge vents. A solar system is designed as a part of the current project.

The elevations depict a long, articulated building form with multiple gabled roof sections, projecting stair and balcony towers, recessed and projecting wall planes, and covered entrance features that provide visual variation and reduce the perceived mass of the structure along its length.

The renderings and elevations further show private exterior balconies or ground-level patios integrated into the projecting tower elements at various locations, providing individual outdoor space for residents and supporting functional outdoor access, as well as architectural articulation.



Malone Trace II Rendering



Malone Trace II Elevations



Malone Trace II Elevations



Malone Trace II Elevations

II.4: Building Floor Plans

Shown next are floor plans for the three levels that will comprise Malone Trace II. The three-story building is organized around a centrally located elevator and building core, with residential wings extending to either side and a double-loaded interior corridor providing access to apartment units along the full length of each floor. Stairwells are positioned to provide vertical circulation and life-safety access, and the overall layout is consistent across all levels. Each floor will contain 15 apartment units, for a total of 45 units within the building.

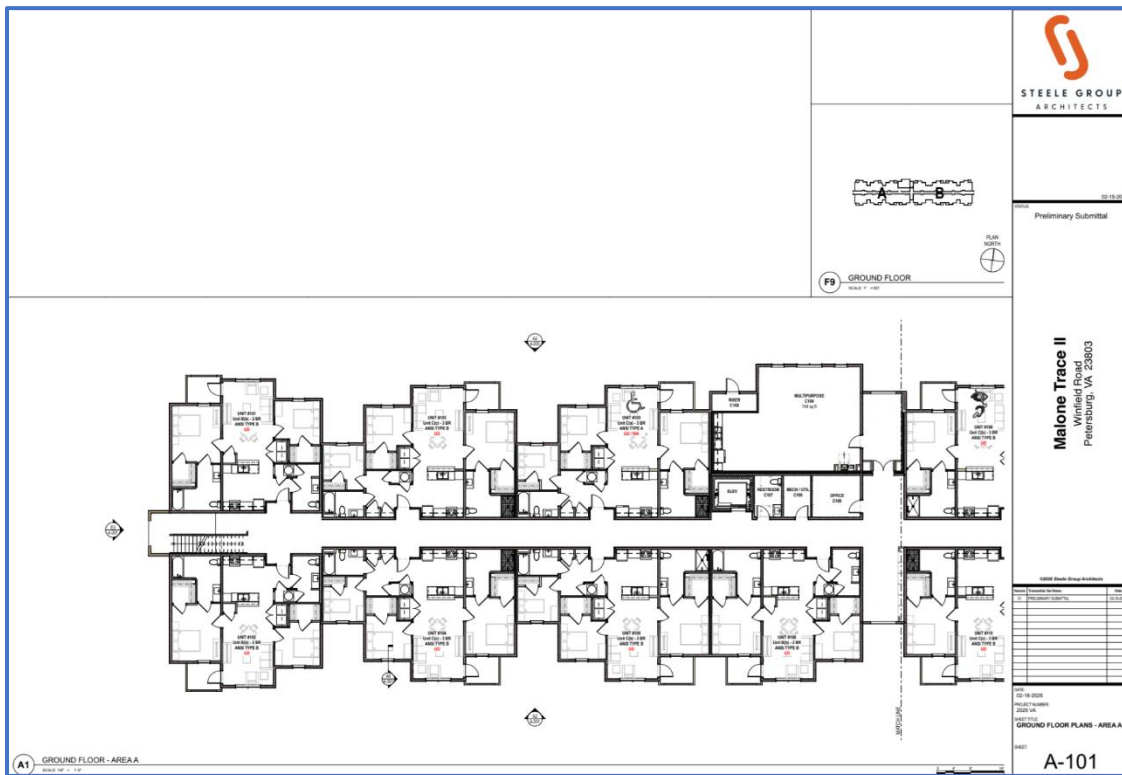
The ground floor includes several common and operational spaces located near the central core, including a multipurpose community room, a management office, a restroom, mechanical and utility areas, and building circulation space.

The second floor is primarily residential but includes shared support space located near the building core, including a laundry room, a restroom, and utility space adjacent to the elevator

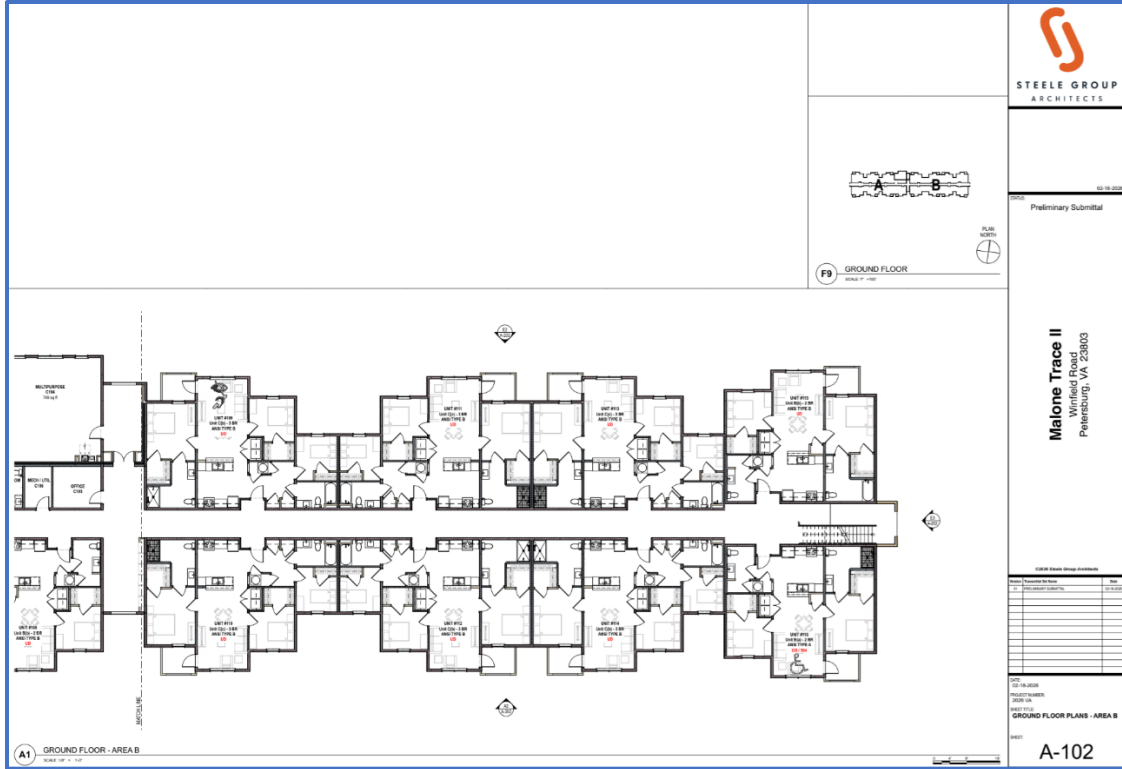
and main circulation area. Portions of the central corridor area are designed to be open below, creating a vertical connection between floors. The third floor maintains the same residential configuration, with limited utility space located near the elevator core and a similar open-to-below condition at the central circulation area.

Overall, the building is designed with residential units efficiently arranged along a central double-loaded corridor, with common areas and building services concentrated near the elevator core for operational efficiency and resident convenience. All units are designed to meet Universal Design (UD) standards, including five units constructed to UD/504 accessibility requirements and one unit designed to accommodate residents with hearing or visual impairments.

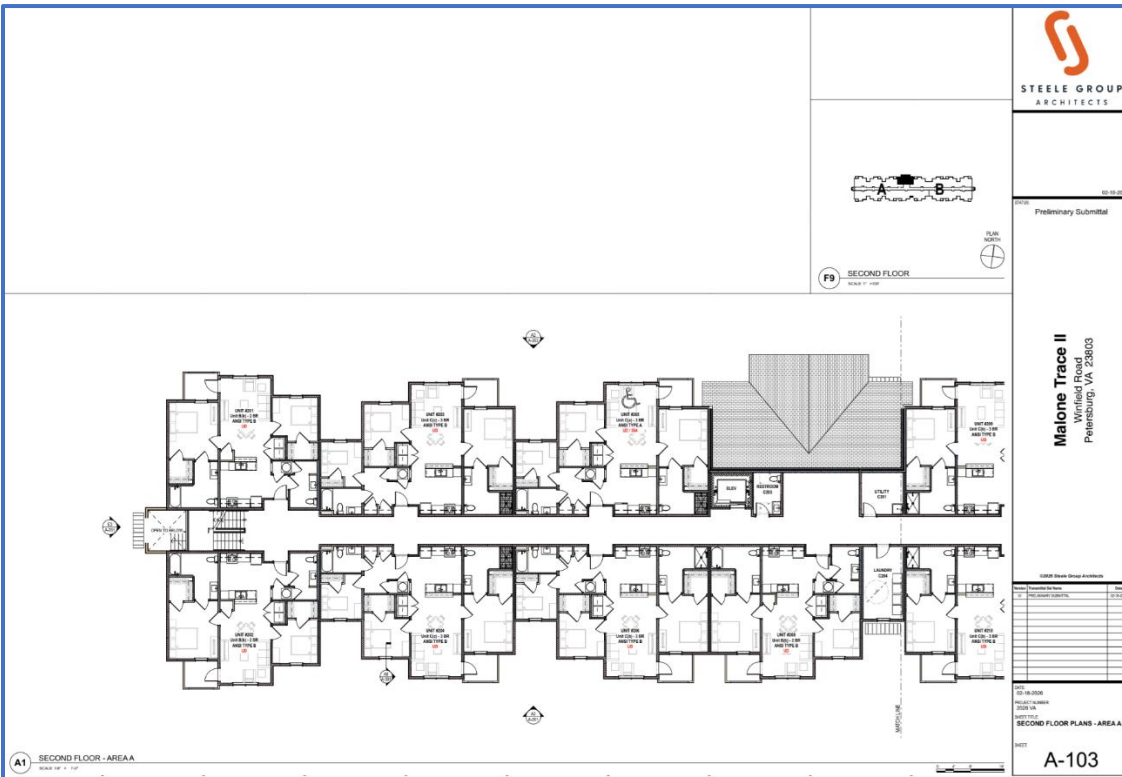
The development is intended to achieve National Green Building Standard (NGBS) certification at the Silver level or higher, reflecting a stated project goal related to energy efficiency, resource conservation, and improved indoor environmental quality.



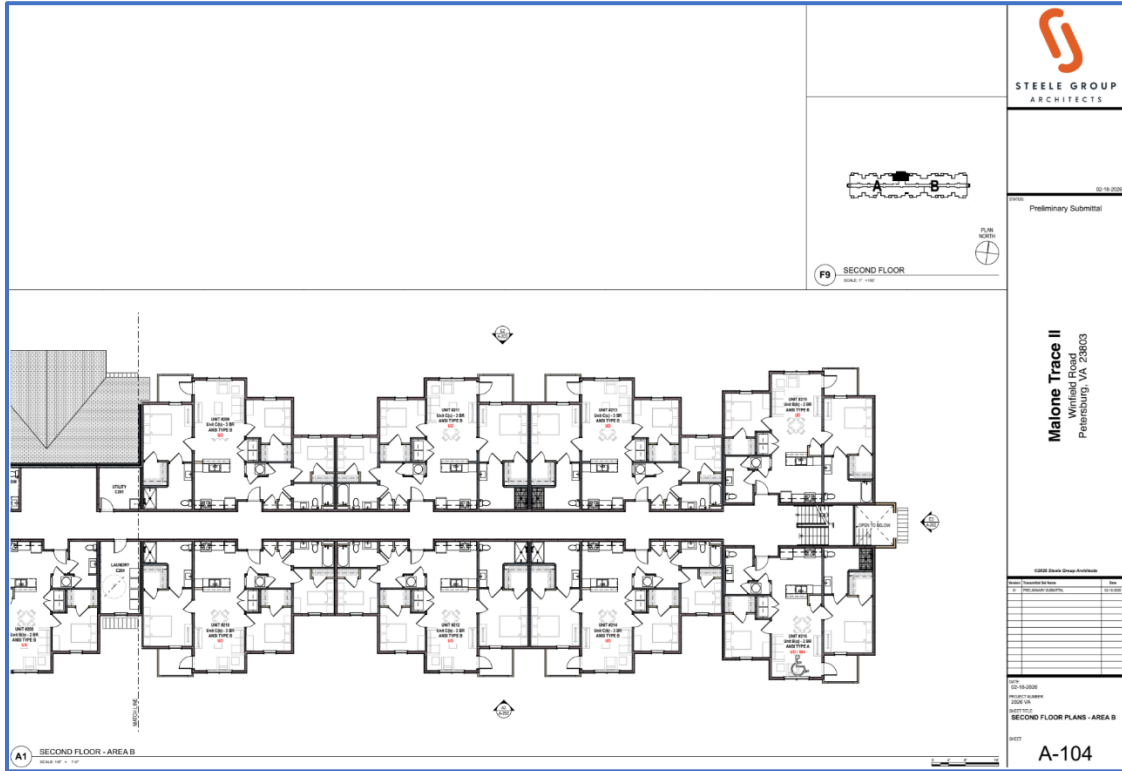
First Level Floor Plans (Area A)



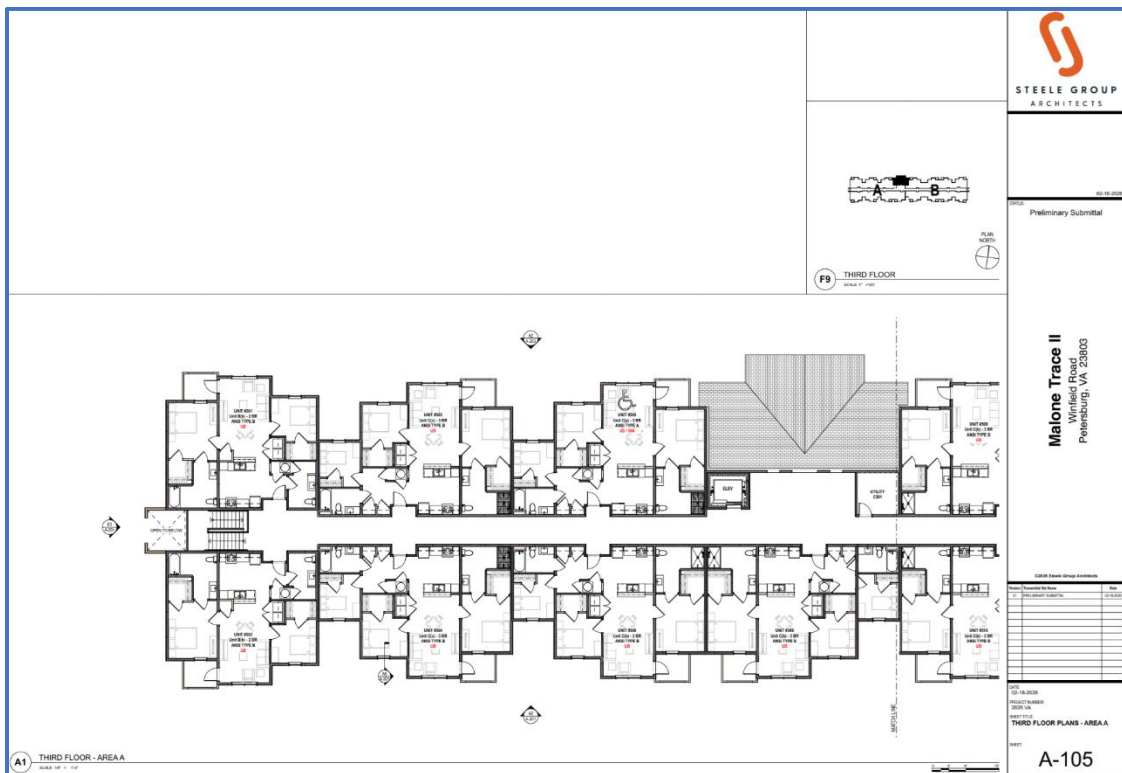
First Level Floor Plans (Area B)



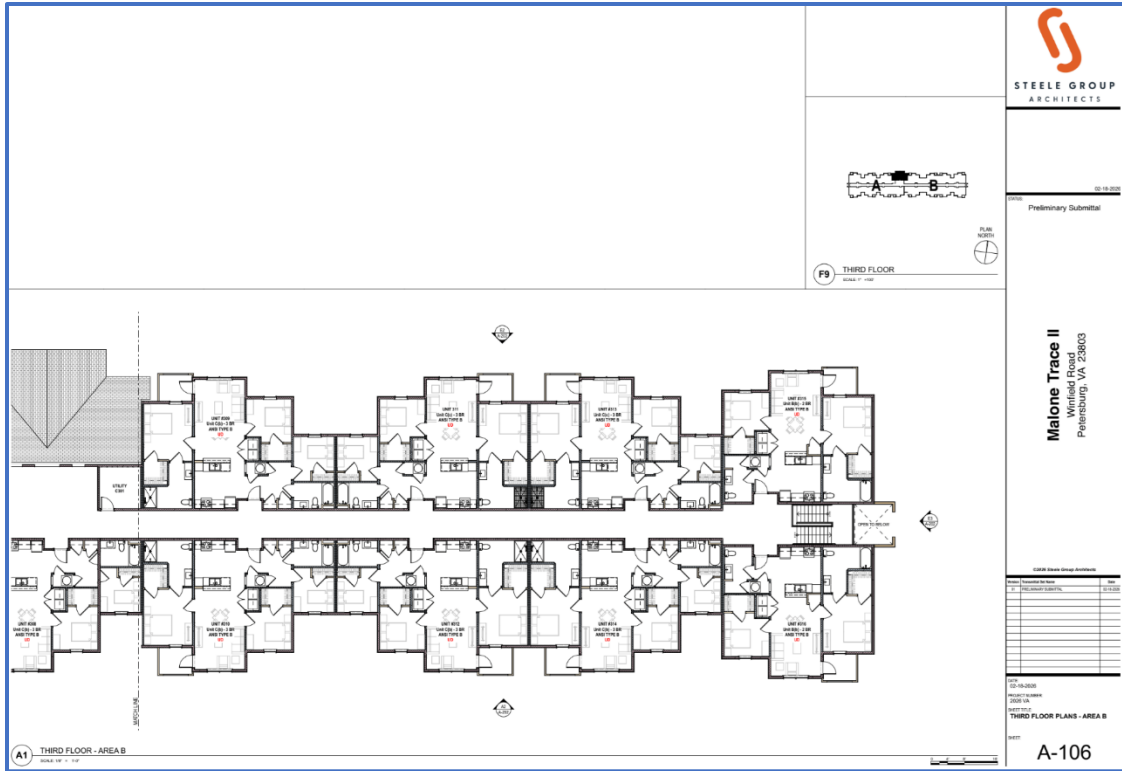
Second Level Floor Plans (Area A)



Second Level Floor Plans (Area B)



Third Level Floor Plans (Area A)



Third Level Floor Plans (Area B)

II.5: Apartment Unit Floor Plans

Enlarged floor plans for the two-bedroom and three-bedroom apartment units are shown next. The plans illustrate efficient layouts designed for family occupancy, with open living areas, functional circulation patterns, interior storage, and private outdoor space. All units will be constructed to meet Virginia Housing Universal Design Standards. The architectural submittal confirms that Malone Trace II will include 45 Universal Design units, including five Universal Design / 504 units. In addition, one Universal Design unit is designed for a resident who is hearing- and visually-impaired.

The two-bedroom units will contain approximately 950 square feet of heated living area. These units feature an open living and dining area connected to a full kitchen, creating a central common space for daily activities. Bedrooms are positioned along a separate hallway to provide privacy from the main living area. The layout includes one full bathroom and one-half bathroom, along with interior storage, a dedicated laundry closet, and mechanical space.

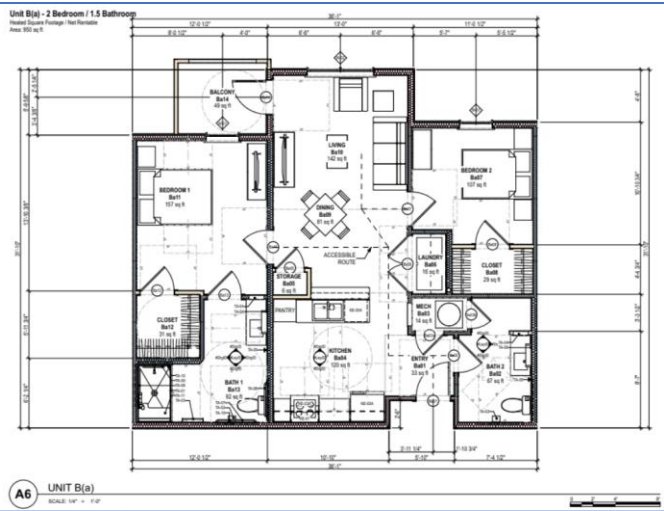
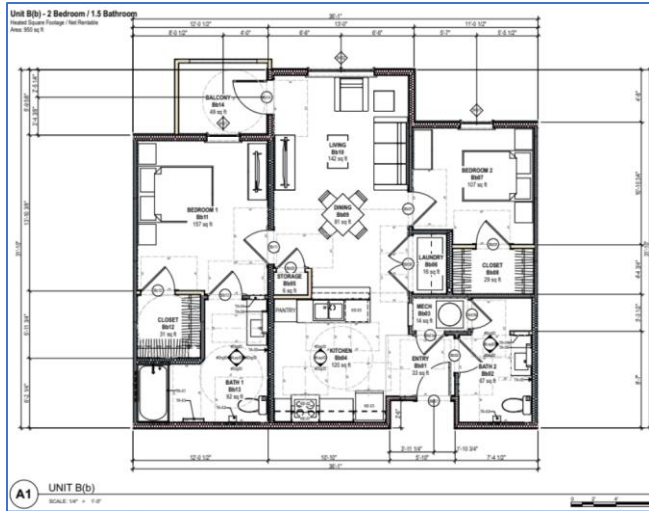
The three-bedroom units will contain approximately 1,125 square feet of heated living area and follow a similar open-concept design at a larger scale. The layout includes a central living and dining area adjacent to the kitchen, a primary bedroom with a private bathroom, and two additional bedrooms served by a full hall bathroom. These units also include interior storage, a dedicated laundry area, and mechanical space.

Each apartment unit will include a private balcony or patio with a minimum clear depth of five feet, accessible from the living area, providing usable outdoor space for residents.

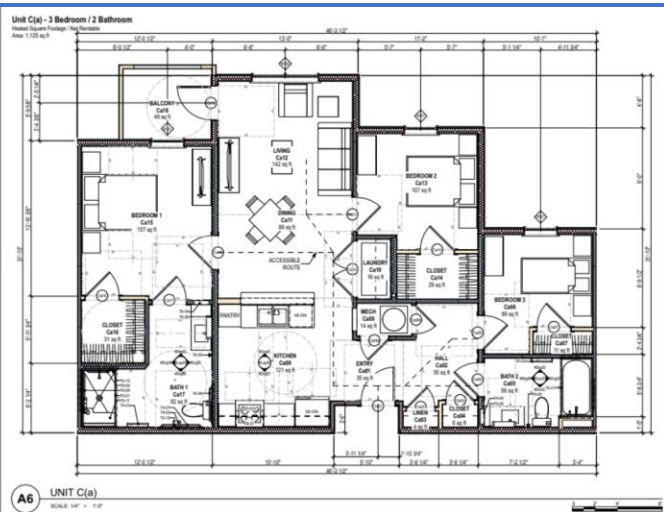
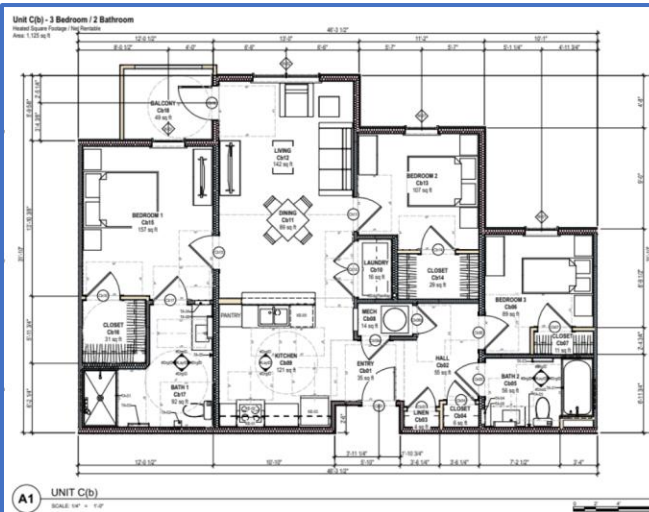
In addition to the functional layouts shown in the plans, the units will incorporate features that enhance durability, safety, and building performance. All interior doors will be solid-core to improve durability and sound control. Kitchen lighting will consist of LED fixtures that meet Virginia Housing design and construction requirements, and cooking surfaces will be equipped with integrated fire suppression features. Full bathrooms will include exhaust fans wired to the primary light with a delayed timer or continuous ventilation through ERV or DOAS systems to support moisture control and indoor air quality. Each unit will also include a permanent dehumidification system.

Electrical and technological features are designed to support typical household needs. Each kitchen, living room, and bedroom will include at least one USB charging port, and each unit will be provided with individual high-speed internet service included in rent. Electrical systems will be installed in accordance with manufacturer specifications and all applicable provisions of the National Electrical Code.

Overall, the unit designs combine practical, family-oriented layouts, full Universal Design compliance, and enhanced building systems to support long-term durability, energy performance, and resident comfort.



Typical Two-Bedroom Units



Typical Three-Bedroom Units

Section III: Market Area Definition

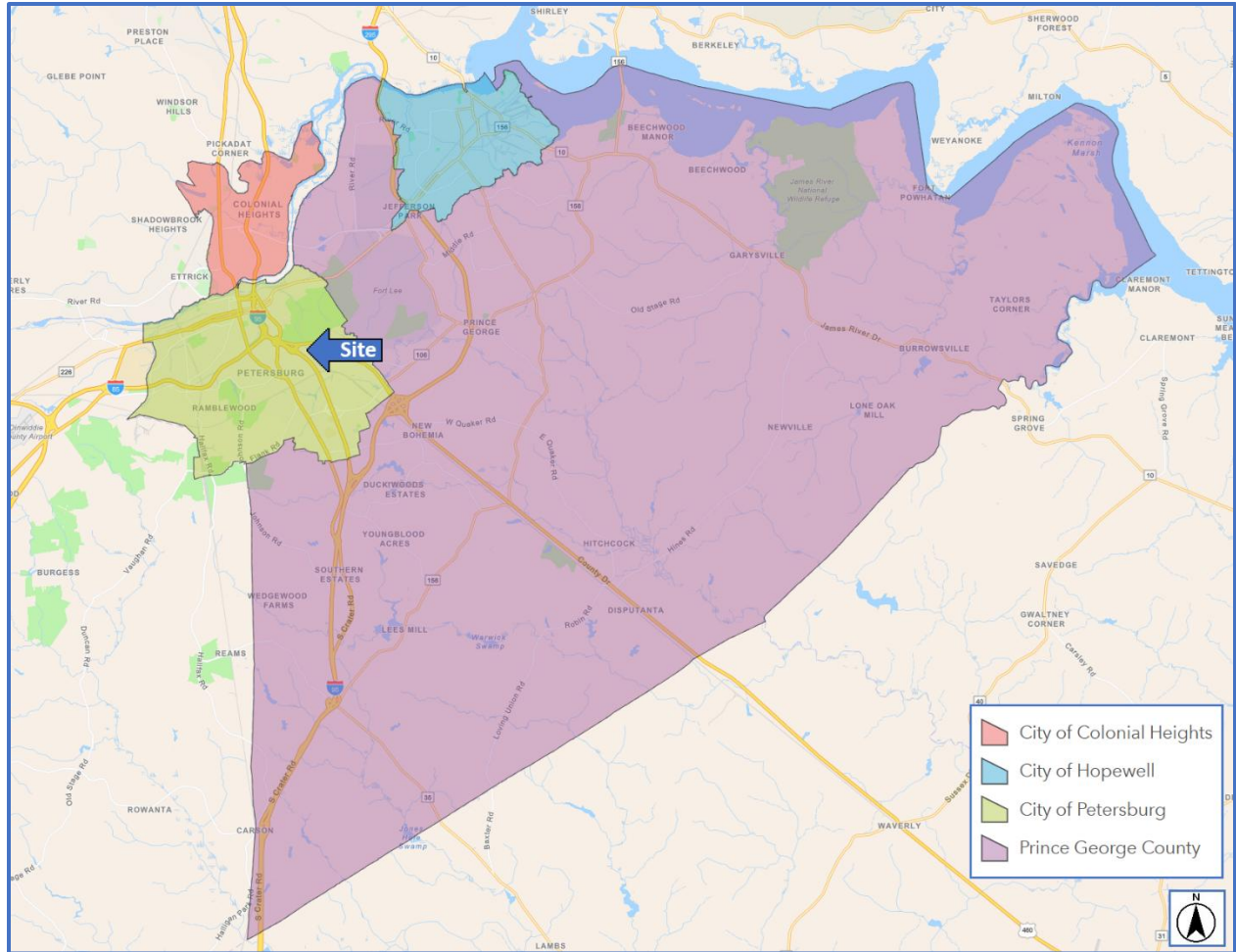
The market area for a housing development represents the geographic region from which a project is expected to draw the majority of its residents. It reflects patterns of housing choice, employment access, commuting behavior, transportation connectivity, and broader economic and demographic relationships that influence housing demand. A clearly defined market area is essential for evaluating rental housing supply and demand, assessing rent levels and vacancy conditions, and understanding the competitive environment in which a proposed development will operate.

The City of Petersburg is located within the Tri-Cities region, which includes the independent cities of Hopewell and Colonial Heights, and is closely integrated with surrounding portions of Prince George County. These jurisdictions function as a closely connected housing and employment area, with residents commonly relocating between communities in response to housing costs, employment location, and availability. Petersburg plays an important role in this regional housing system by providing comparatively affordable rental housing relative to nearby jurisdictions, particularly for households employed in service, logistics, healthcare, government, and military occupations.

The regional economy is anchored by Fort Lee, major distribution and logistics facilities in Prince George County, retail employment in Colonial Heights, and a range of public- and private-sector employers throughout the Tri-Cities area. Property managers at existing apartment communities reported strong demand from military personnel and civilian employees associated with Fort Lee, workers employed at regional distribution and industrial facilities, and households employed in eastern Chesterfield County and surrounding jurisdictions who seek more affordable rental options than are available closer to their workplaces. These patterns support Petersburg's role as a regional source of workforce housing rather than a market limited primarily to city residents.

The transportation network reinforces these regional housing relationships. Interstates 95 and 85 intersect in Petersburg and provide direct access to Richmond, Prince George County, and employment centers to the north and south. U.S. Route 460 connects Petersburg to Prince George County and major industrial and logistics areas, while U.S. Route 301 and State Route 36 link the city with Hopewell and Colonial Heights. These corridors support daily commuting flows in multiple directions, allowing residents of Petersburg to work throughout the Tri-Cities area and enabling workers employed outside the city to seek housing within Petersburg. As a result, the local rental market draws from a broader regional labor shed rather than from the city alone.

Based on these economic and commuting relationships, the primary market area for the proposed affordable apartment community is defined as the Tri-Cities region (Petersburg, Hopewell, and Colonial Heights) and adjacent portions of Prince George County. This geography reflects established housing search patterns among workforce households, aligns with the location of major employment centers, and provides a logical and conservative basis for evaluating demand for affordable rental housing in Petersburg. The market area is illustrated in **Map E**.



Map E - Malone Trace II Market Area

Additional demand is expected to originate from households located outside the defined primary market area. For analytical purposes, a leakage factor of approximately 10 percent is assumed, reflecting the likelihood that a limited share of tenants may relocate from nearby jurisdictions rather than from within the primary market area.

To frame this potential inflow geographically, a secondary market area is identified for the proposed affordable apartment community. The secondary market area is defined as the Richmond, Virginia Metropolitan Statistical Area (MSA), which includes the City of Richmond; the counties of Chesterfield, Henrico, Hanover, Goochland, Powhatan, New Kent, and Charles City; and the independent cities of Petersburg, Hopewell, and Colonial Heights. This area

represents the region's broader housing and employment base and reflects established economic and commuting relationships within Central Virginia.

Regional connectivity is supported by major transportation corridors, including Interstate 95 and 85, which provide direct access between Petersburg and employment centers in the Richmond metropolitan area. Additional connections are provided by Interstate 295 and U.S. Route 1, which facilitate commuting between the Tri-Cities area and major employment concentrations in Chesterfield and Henrico counties. These transportation linkages enable some households employed elsewhere in the Richmond region to consider more affordable housing options in the Petersburg area.

While the secondary market area provides a useful regional context, no demand from this area is incorporated into the quantitative demand analysis presented in this study. All household projections, demand estimates, and penetration calculations, including those shown in the Virginia Housing demand tables, reflect demand generated solely from the primary market area. As a result, any households relocating from elsewhere within the Richmond MSA would represent incremental support beyond that reflected in the study's demand estimates.

Section IV: Market Area Economic Overview

This section provides an overview of economic conditions in the market area, focusing on three primary indicators: (1) job growth by place of work, (2) labor force and employment trends, and (3) active development plans expected to generate additional employment. It also includes information on major employers, WARN layoff notices, average commute times, and wages by industry. Together, these measures characterize recent economic performance and near-term conditions, providing context for the demand drivers that influence housing feasibility. These indicators provide a framework for evaluating the market area's economic stability and its capacity to support new investment, including residential development.

A core premise of this analysis is that stable employment levels and sustained job growth contribute to population retention and household formation over time, which are key drivers of housing demand, particularly for rental housing. Accordingly, an assessment of economic conditions within the market area is necessary to evaluate its capacity to accommodate future population growth and associated housing needs.

IV.1: Employment by Place of Work (At-Place Employment)

At-place employment refers to the number of civilian jobs located within a defined geographic area. As shown in **Table 4**, the market area supported approximately 46,576 civilian jobs as of year-end 2019, immediately prior to the onset of the COVID-19 pandemic. Total employment declined by approximately 277 jobs between 2018 and 2019 and by 306 jobs between 2015 and 2019.

Despite this modest net decline, total employment in 2019 remained above the pre-recession level observed in 2008. Job losses in 2019 followed the addition of approximately 481 jobs between 2017 and 2018, reflecting short-term volatility rather than a sustained downward trend. It is important to note that the employment data presented exclude military personnel stationed at Fort Lee, which are analyzed separately.

As is common in smaller or lower-density markets, industry-level disclosure limitations affect the reporting of detailed employment counts for several sectors. These limitations reflect federal and state confidentiality requirements rather than the absence of economic activity. Notwithstanding these constraints, the total employment figures reported in **Table 4** capture all civilian jobs across the market area's jurisdictions and provide a reliable basis for evaluating overall employment trends.

The Tri-Cities region's economic trajectory has been shaped primarily by the long-term expansion and continued presence of Fort Lee. Although military employment is excluded from the at-place employment data, the modest civilian job losses shown in **Table 4** do not fully capture the region's underlying economic activity. Spin-off employment, population growth, and demand for local services associated with Fort Lee have supported ongoing development throughout the market area.

While employment growth is not the sole determinant of regional economic performance, stable job levels provide an important foundation for household formation and housing demand. Prior to the pandemic, the region's economy was less dependent on broad-based civilian job growth and more closely tied to the stabilizing influence of Fort Lee. Military-related activities support a range of civilian jobs through defense contracting, logistics, training, technical services, and supply chain operations. These dynamics are discussed in greater detail in the following sections.

Healthcare is widely recognized as the largest civilian employment sector in the market area; however, disclosure limitations preclude precise quantification of total healthcare employment. Major healthcare employers in the region include TriCities Hospital (Hopewell), Hopewell Healthcare Center (Hopewell), River View on the Appomattox (Hopewell), Bon Secours Southside Medical Center (Petersburg), Beverly Home Care (Petersburg), Good Neighbor Homes (Petersburg), Rehabilitation Hospital of Petersburg, and Colonial Heights Convalescent Home (Colonial Heights). Collectively, these facilities contribute substantially to the region's employment base and service economy.

Accommodation and food services are among the largest reported civilian employment categories, accounting for approximately 10.9 percent of total market-area employment in 2019. Employment in this sector increased by roughly 130 jobs between 2015 and 2019, making it the fastest-growing industry among those with publicly reported data. Much of this growth appears to be associated with hotel and hospitality development serving Fort Lee and related military activity. A notable contributor is the Fort Lee Lodge, a 1,000-room facility that opened on the base in 2013.

The federal government also plays a significant role in the local economy, accounting for approximately 10.4 percent of total civilian employment in 2019. A substantial share of these jobs is concentrated at the Federal Correctional Complex in Petersburg (FCC Petersburg). Between 2015 and 2019, federal civilian employment declined by approximately 444 jobs, contributing to the net reduction in total at-place employment during the period, even as overall military-related activity associated with Fort Lee continued to support regional economic stability.

Manufacturing remains a stable component of the local job base, representing approximately 7.4 percent of total employment in 2019. The sector added roughly 33 jobs between 2015 and 2019, reflecting relative stability rather than expansion or contraction.

In summary, economic conditions in the Tri-Cities region have been shaped largely by the sustained presence of Fort Lee and related federal activity. While modest declines occurred in certain civilian employment categories between 2015 and 2019, overall employment levels remained stable prior to the pandemic. Healthcare, accommodation, and food services constitute key civilian employment sectors, although industry-level reporting constraints limit precise measurement. The combination of military-driven economic activity, a stable manufacturing base, and service-sector employment has supported regional economic resilience despite short-term fluctuations in civilian job counts.

Table 4: At-Place Employment by Industry — Malone Trace II Market Area (2015–2019)
(Includes Petersburg, Hopewell, Colonial Heights, and Prince George County)

Industry	2015	2016	2017	2018	2019	Net Change
Agriculture	ND	ND	ND	ND	ND	--
Mining	ND	ND	ND	ND	ND	--
Utilities	ND	ND	ND	ND	ND	--
Construction	ND	ND	ND	ND	ND	--
Manufacturing	3,433	3,441	3,516	3,479	3,466	33
Wholesale Trade	ND	1,347	1,316	1,198	1,016	--
Retail Trade	ND	ND	ND	ND	ND	--
Transportation/ Warehousing	ND	ND	ND	ND	ND	--
Information	ND	ND	ND	ND	ND	--
Finance/Insurance	720	725	685	616	613	-107
Real Estate	485	510	509	488	501	16
Professional/Technical Services	ND	ND	ND	ND	ND	--
Management of Companies	ND	ND	ND	ND	ND	--
Administrative/Waste Services	ND	ND	ND	ND	ND	--
Education	ND	ND	ND	ND	ND	--
Health Care	ND	ND	ND	ND	ND	--
Arts/Entertainment/Recreation	357	ND	365	371	373	16
Accommodation/Food Services	4,954	ND	5,174	5,230	5,084	130
Other Services	1,720	1,739	1,834	1,847	1,697	-23
Local Government	ND	ND	ND	5,722	ND	--
State Government	ND	ND	ND	675	ND	--
Federal Government	5,301	5,036	4,863	4,892	4,857	-444
Total	46,882	46,729	46,372	46,853	46,576	-306

Notes: ND = Data do not meet BLS or state agency disclosure standards.

Source: United States Department of Labor, Bureau of Labor Statistics

The market area comprises a substantial number of hourly-wage jobs in hotels, restaurants, and other service-sector businesses, many of which support the Fort Lee market. While these positions contribute meaningfully to the local economy, they also reflect a structural characteristic of the regional labor market, namely a high reliance on hourly-wage employment.

Overall, the Tri-Cities region has maintained a generally stable economic base and has not experienced sustained job losses tied to long-term structural decline. However, the concentration of lower-wage employment poses ongoing challenges for income stability and housing affordability, particularly for renter households.

Table 5 summarizes at-place employment trends in the market area since 2019, a period shaped heavily by the COVID-19 pandemic and its aftermath. Data are reported only for sectors that meet BLS and state disclosure standards, and several industries include suppressed values

in later years, limiting full sector-by-sector comparisons. Total civilian employment declined sharply in 2020, falling from 46,576 jobs in 2019 to 43,531 jobs in 2020, a loss of 3,045 jobs, or approximately 6.5 percent.

Job losses in 2020 were widespread across the regional economy. The largest absolute decline occurred in Accommodation and Food Services, which lost approximately 594 jobs, followed by Other Services, which declined by about 322 jobs. Finance and Insurance and Arts, Entertainment, and Recreation also experienced measurable reductions. These declines reflect temporary business closures, reduced travel, lower discretionary spending, and weakened consumer demand during the height of the pandemic. In contrast, Manufacturing and Wholesale Trade recorded net gains in 2020, together adding approximately 369 jobs, highlighting relative resilience among goods-producing and distribution-oriented sectors during the initial downturn.

Employment continued to decline in 2021, with total employment falling by an additional 906 jobs relative to 2020, bringing the regional total to 42,625 jobs. This decline reflects lingering pandemic effects, particularly within service-oriented industries, as well as continued contraction in federal civilian employment.

Between 2021 and 2023, the region experienced a partial employment recovery. Total employment increased by approximately 1,300 jobs during this period, reaching 43,925 jobs in 2023. Despite this rebound, employment levels remained below pre-pandemic conditions. As of 2024, total employment stood at 43,660 jobs, representing a net decline of approximately 2,916 jobs relative to 2019.

Table 5: At-Place Employment by Industry — Malone Trace II Market Area (2019–2024)
(Includes Petersburg, Hopewell, Colonial Heights, and Prince George County)

Industry	2019	2020	2021	2022	2023	2024	Net Change
Manufacturing	3,466	3,807	3,436	3,594	3,688	3,568	102
Wholesale Trade	1,016	1,044	1,049	1,060	ND	ND	--
Finance/Insurance	613	580	553	555	531	570	-43
Real Estate	501	464	445	443	477	477	-24
Arts/Entertainment/Recreation	373	336	363	ND	357	ND	--
Accommodation/Food Services	5,084	4,490	4,827	ND	4,830	ND	--
Other Services	1,697	1,375	1,390	1,434	1,452	1,414	-283
Federal Government	<u>4,857</u>	<u>4,861</u>	<u>4,779</u>	<u>4,745</u>	<u>4,760</u>	<u>4,674</u>	<u>-183</u>
Total	46,576	43,531	42,625	43,725	43,925	43,660	-2,916

Notes: ND = Data do not meet BLS or state agency disclosure standards.

Source: United States Department of Labor, Bureau of Labor Statistics

IV.2: Employment and Labor Force

Employment and at-place employment are distinct measures that reflect different aspects of labor market conditions. Resident employment refers to the number of employed individuals living within the market area, regardless of job location, whereas at-place employment measures the number of jobs physically located within the market area. Together, these metrics provide insight into commuting patterns, labor market integration, and the relationship between local job availability and resident workforce participation.

As shown in **Table 6**, resident employment in the market area reached 50,119 workers in 2024. By comparison, at-place employment totaled 43,660 jobs in the same year, as summarized in **Table 5**. This difference of approximately 6,459 jobs reflects a substantial net out-commuting pattern, with many residents traveling outside the market area for work. This pattern is consistent with the area’s proximity to larger employment centers, including Chesterfield County and the broader Richmond metropolitan region, which offer a wider range of employment opportunities across multiple industries.

The divergence between resident employment and at-place employment is especially evident over the 2019 to 2024 period. Resident employment increased by 5,571 jobs, while at-place employment declined by 2,916 jobs over the same timeframe. This contrast suggests that the post-pandemic employment recovery for residents of the market area was driven primarily by job

growth outside the immediate market area rather than by expansion of locally based employment. This dynamic reflects both uneven pandemic impacts on local employers and the ability of residents to access jobs in surrounding regional employment centers.

The onset of the COVID-19 pandemic in 2020 resulted in a sharp labor market disruption. Resident employment declined from 44,548 workers in 2019 to 41,245 in 2020, while unemployment increased from 1,917 to 4,599 individuals, and the unemployment rate rose from 4.1 percent to 10.0 percent. Labor market conditions began to stabilize in 2021, with employment increasing each year thereafter and unemployment declining steadily.

On net, the labor force expanded over the 2019 to 2024 period, increasing from 46,465 workers to 52,072 workers, a gain of 5,607. This growth was uneven over time. The labor force declined in 2020 and 2021 before rebounding in 2022 and increasing sharply between 2023 and 2024, when it grew by more than 4,400 workers. This increase likely reflects a combination of population growth, improving labor market conditions, and the re-entry of individuals who exited the labor force during the pandemic, although the relative contributions of each factor cannot be quantified.

Despite the rapid increase in the labor force, unemployment remained relatively low by 2024. The unemployment rate declined to 3.8 percent, below the pre-pandemic level of 4.1 percent and well below the 2020 peak. Over the full 2019 to 2024 period, unemployment increased by only 36 individuals, indicating that employment growth largely kept pace with labor force expansion.

Taken together, these trends point to a labor market that has largely recovered from pandemic-related disruptions and is increasingly integrated with the broader regional economy. Strong resident employment growth, rising labor force participation, and low unemployment support household stability and underlying housing demand, even as a significant share of employment activity remains located outside the immediate market area.

**Table 6: Labor Force, Employment, and Unemployment Trends —
Malone Trace II Market Area (2019–2024)**
(Includes Petersburg, Hopewell, Colonial Heights, and Prince George County)

	Labor Force	Employment	Unemployment	Percent Unemployed
2019	46,465	44,548	1,917	4.1%
2020	45,844	41,245	4,599	10.0%
2021	45,288	42,275	3,013	6.7%
2022	46,163	44,277	1,886	4.1%
2023	47,667	45,704	1,963	4.1%
2024	52,072	50,119	1,953	3.8%
Net Change	5,607	5,571	36	-0.3%

Source: United States Department of Labor, Bureau of Labor Statistics

IV.3: Annual Wages by Industry

Table 7 summarizes at-place employment counts and average annual wages by industry for the City of Petersburg. Reported employment totals 11,753 jobs, with an overall average annual wage of \$53,542. Several industries are suppressed due to disclosure limitations and are therefore excluded from detailed wage and employment comparisons.

Employment within the City of Petersburg is concentrated primarily in service-oriented and public-sector industries. Health Care represents the largest reported employment sector, with 3,794 jobs and an average annual wage of \$58,406. Local Government is another major employer, accounting for 1,774 jobs with an average annual wage of \$57,002. Retail Trade also represents a sizable employment base, with 1,237 jobs, although wages in this sector are relatively low, averaging \$33,005 annually.

Wage levels vary considerably across industries, reflecting differences in occupational mix, skill requirements, and the relative share of public- and private-sector employment. Among higher-wage industries with disclosed data, Manufacturing reports an average annual wage of \$79,666 across 944 employees. Wholesale Trade also offers relatively high wages, averaging \$73,491 among 293 employees. Federal Government employment, while smaller in scale at 140 jobs, reports an average annual wage of \$74,959. Finance and Insurance positions average \$68,055, while State Government employment averages \$59,321.

Several industries with meaningful employment bases offer more moderate wage levels. Health Care and Local Government both report average wages modestly above the citywide average, reflecting a mix of professional, technical, and support occupations. Other Services employs 575 workers with an average annual wage of \$41,514, while Administrative and Waste Services reports 720 employees earning an average of \$38,241 annually. Education, with 97 reported employees, has an average annual wage of \$38,083.

Overall, the wage structure in the City of Petersburg reflects a labor market with a substantial share of mid- and lower-wage service employment, alongside smaller concentrations of higher-wage employment in manufacturing, wholesale trade, and government. This distribution has direct implications for household income levels, housing affordability, and the range of housing types and price points likely to be supported within the local market.

Industry	Number of Employees	Average Annual Pay
Agriculture	ND	--
Mining	ND	--
Utilities	ND	--
Construction	ND	--
Manufacturing	944	\$79,666
Wholesale Trade	293	\$73,491
Retail Trade	1,237	\$33,005
Transportation/ Warehousing	ND	--
Information	ND	--
Finance/Insurance	122	\$68,055
Real Estate	146	\$59,169
Professional/Technical Services	ND	--
Management of Companies	ND	--
Administrative/ Waste Services	720	\$38,241
Education	97	\$38,083
Health Care	3,794	\$58,406
Arts/ Entertainment/ Recreation	ND	--
Accommodations/ Food Services	ND	--
Other Services	575	\$41,514
Local Government	1,774	\$57,002
State Government	197	\$59,321
Federal Government	140	\$74,959
Total/ Average	11,753	\$53,542

Notes: ND = Data do not meet BLS or state agency disclosure standards.
Source: United States Department of Labor, Bureau of Labor Statistics

IV.4: Major Employers

Table 8 identifies major employers in the Virginia Gateway Region in 2025 and illustrates the central role of federal government activity, logistics and distribution, health care, higher education, utilities, and manufacturing in the regional employment base. The largest single employer is Fort Lee, which supports more than 23,000 jobs through Army logistics operations and culinary training functions. This federal installation represents a foundational component of the regional economy and contributes materially to employment stability.

While Fort Lee contributes significantly to regional economic stability, its long-term economic influence remains tied to federal budget priorities and defense spending decisions. As of March 2026, no major workforce reductions were identified in the sources reviewed for this report. Based on its mission focus, Fort Lee may be less exposed than some installations to workforce reductions associated with future Base Realignment and Closure (BRAC) actions. Installations focused on logistics, training, and sustainment functions have historically demonstrated relative resilience during periods of defense restructuring, which supports Fort Lee's continued role in the regional employment base.

Several large private-sector employers further anchor the regional labor market. Dominion Energy employs approximately 5,400 workers across electric utility operations, including its headquarters in Richmond. Large-scale logistics and distribution employers also play a prominent role, including Amazon, Walmart, and Delhaize America's Food Lion distribution center, each employing several hundred to more than 1,000 workers. These employers reflect the region's location within the broader Richmond-area transportation and supply chain network.

Health care and education represent additional core employment sectors. Bon Secours and HCA Virginia Health System each employ between approximately 500 and more than 1,000 workers, providing a range of clinical, professional, and support positions. Virginia State University is also a major institutional employer, with more than 1,000 jobs associated with higher education instruction, research activity, and campus operations.

Manufacturing and industrial employment is represented by a diverse group of firms spanning chemical production, paperboard manufacturing, poultry distribution, and metal fabrication. AdvanSix, Evonik Industries, Alliance Group Rock, Perdue Foods, Chaparral, and Service Center Metals each employ several hundred workers, supporting skilled production, technical, and logistics-related occupations. Grocery operations, including Food Lion stores, also contribute to regional employment, with staffing levels ranging from approximately 300 to 650 employees.

Overall, the mix of major employers reflects a diversified regional employment base anchored by federal government activity and supported by utilities, logistics and distribution, health care, higher education, manufacturing, and retail grocery operations. This diversity contributes to economic stability and supports employment opportunities across a range of skill levels and wage categories, with implications for sustained housing demand within the region.

Table 8: Major Employers — Virginia Gateway Region (2025) ¹

Employer Name	Industry	Employees
Fort Lee	Army logistics and culinary training	23,000+
Dominion Energy	Electric utility (incl. HQ in Richmond)	5,400
Amazon	E-commerce fulfillment	1,000+
Bon Secours	Healthcare	1,000+
Walmart	Retail, distribution center	1,000+
Virginia State University	Higher education	1,000+
AdvanSix	Chemicals, fibers, and R&D center	500-999
Delhaize America	Food Lion distribution center	600-1,250
HCA Virginia Health System	Healthcare	500-999
Food Lion	Grocery	300-650
Perdue Foods	Poultry products (distribution)	250-500
Alliance Group Rock	Paperboard	250-500
Evonik Industries	Chemicals for skin & hair products, R&D	250-500
Chaparral	Metal manufacturing	250-500
Service Center Metals	Metal manufacturing	250

¹ Also includes larger nearby employers outside of the market area.
Source: Virginia Gateway Region

IV.5: Travel Time to Work

Table 9 summarizes commute times for workers age 16 and over who do not work from home in the City of Petersburg. Commute patterns are weighted toward short and moderate travel times, with the largest share of workers traveling 10 to 19 minutes, accounting for 36.8 percent of all commuters. An additional 19.2 percent of workers report commute times of 20 to 29 minutes.

Shorter commutes are common overall. Approximately 47.5 percent of workers report commute times of less than 20 minutes, including 10.7 percent with travel times of under 10 minutes. This distribution suggests that many employed residents commute to jobs within the city or nearby jurisdictions, consistent with the City's role within a localized employment area.

Longer commutes remain a meaningful component of the labor market profile, reflecting Petersburg's integration within a broader regional labor shed. Approximately 33.3 percent of workers report commute times of 30 minutes or longer. Within this group, 12.8 percent travel 40 to 59 minutes, while a combined 6.9 percent report commute times of 60 minutes or longer. The share of workers with very long commutes of 90 minutes or more, at 3.7 percent, reflects a smaller but notable segment of the workforce that travels substantial distances for employment.

Overall, these commuting patterns suggest that the City of Petersburg functions both as a location for nearby employment and as a residential base for workers commuting to jobs elsewhere in the region. This pattern is consistent with the City's proximity to surrounding employment centers and regional transportation corridors and supports the labor market dynamics discussed in preceding sections.

Table 9: Travel Time to Work for Workers 16 Years and Over (Who Did Not Work At Home) — City of Petersburg, VA

Driving Time	Total Workers	Percent of Total
Less than 10 Minutes	1,404	10.7%
10 to 19 Minutes	4,843	36.8%
20 to 29 Minutes	2,518	19.2%
30 to 39 Minutes	1,787	13.6%
40 to 59 Minutes	1,685	12.8%
60 to 89 Minutes	422	3.2%
90 or More Minutes	488	3.7%
Total	13,147	100.0%

Source: U.S. Census Bureau, ACS 2024 (5-Year Estimates)

IV.6: Economic Development Activity

Staff from S. Patz & Associates conducted interviews with economic development officials and planning staff representing local and regional agencies to assess near-term employment growth in Petersburg and surrounding jurisdictions and its implications for regional housing demand.

Based on these interviews, approximately 2,065 new permanent jobs are associated with confirmed or highly likely development projects across the region. This estimate reflects projects with identified sponsors, defined scopes, or active public-sector support. The estimate excludes smaller office leases, which are not consistently tracked by local or state economic development agencies, as well as temporary construction employment and indirect spin-off jobs. While excluded from the numeric estimate, these additional employment effects are expected to contribute to broader economic activity.

In addition, the TriPoint Distribution Center in Prince George County has the capacity to support up to approximately 1,400 full-time jobs at buildout; however, tenants had not been secured as of the publication of this report. As a result, these potential jobs are excluded from the regional employment projection. Actual employment outcomes for this project will depend on future leasing activity, tenant mix, and timing of occupancy.

A summary of major new and expanding employers across the market area is provided below.

IV.6.a: City of Hopewell Economic Development Activity

The most significant new development in Hopewell is Good Ship Brewing and Eatery, which completed construction in March 2025. Located at 204 E. Cawson Street, a brewpub and beer garden serve as the anchor of the project. A two-story building to the rear, at 207 ½ E. Broadway, houses the brewery's production area and includes a rentable retail space beneath a pair of two-bedroom apartments. An adjacent structure at 208 E. Cawson Street may eventually be incorporated into the complex and converted into an arcade bar.

Altogether, the Good Ship complex has the potential to expand to over 25,000 square feet. The brewery operates a five-barrel brewing system and offers up to 16 beers on tap, focusing on ales alongside rotating selections of stouts, sours, lagers, and other styles. The food menu features pizza, sandwiches, and bratwursts.

IV.6.b: Prince George County Economic Development Activity

Several new developments in Prince George County are expected to generate significant employment opportunities, potentially adding approximately 1,750 new jobs. The TriPoint Distribution Center represents the largest share of this total, with up to 1,400 positions anticipated upon securing a tenant.

Smaller projects, such as Stepping Stones Family Learning Center, Next Level Development Academy, Triumph Residential Services, and ScholarQuest, could collectively contribute an additional 50 new jobs. While the overall outlook is promising, the full economic impact of the TriPoint Distribution Center remains contingent on final tenant commitments.

- **Lego Group:** Lego announced in May 2025 that it would construct a 2-million-square-foot warehouse at 8800 Wells Station Road in the Crosspointe Business Centre in Prince George County. Construction on the facility, which is across from the former Rolls-Royce facility, is expected to begin by the end of 2025 and open in 2027. Lego signed a build-to-suit lease for the warehouse with Crosspointe Business Centre, a joint venture between The Silverman Group, headquartered in New Jersey, and Texas-based Hillwood Investment Properties. The warehouse will be operated by a third-party logistics company and is expected to employ 305 people.

-
- **TriPoint Distribution Center:** Lingerfelt and SCOA Real Estate Partners (SREP) are currently developing approximately 348,000 square feet of speculative warehouse space at 5160 Chudoba Parkway in Prince George County. The facility is located near the I-295/U.S. 460 interchange, between Prince George and Petersburg, and in proximity to I-95. Construction began in September 2024, with completion targeted for August 2025. Once operational, TriPoint is expected to have the potential to support up to 1,400 full-time jobs.
 - **Stepping Stones Family Learning Center:** Plans submitted in early 2025 propose converting an industrial building at 4433 Crossings Boulevard into a daycare facility. The center will serve pre-kindergarten and kindergarten-age children, as well as offer after-school programs and summer camps. It is expected to employ approximately 10 staff members and enroll between 50 and 55 students.
 - **Next Level Development Academy (NLA):** In early 2025, plans were submitted to repurpose a former motel at 16905 Parkdale Road into a Career & Technical Training School. The academy will offer career education, vocational skills training, and employment services designed to prepare students for college or specific occupational fields. NLA proposes to use up to 50 dual-occupancy rooms as dormitories, creating a campus-like environment across four 12-week semester sessions each year. Approximately 24 rooms will be converted into 12 classrooms, while other structures will serve as administrative offices, a second-floor assembly space, and a first-floor cafeteria with an existing commercial kitchen. A new 6,000-square-foot metal-frame vocational workshop will also be constructed on-site to house state-of-the-art trade skill development stations. The academy aims to enroll up to 150 students, with housing available for up to 100 residents.
 - **Triumph Residential Services:** In the summer of 2024, plans were submitted to convert an existing commercial building at 4224 Branchester Parkway into a day support center for individuals with developmental and intellectual disabilities.
 - **ScholarQuest:** Plans submitted in the fall of 2024 propose the establishment of a private, faith-based Christian school at 4902 Prince George Drive. The school will operate out of one of three units in the building (Unit 4902). It will offer educational instruction, extracurricular activities, and summer programs for students from kindergarten through twelfth grade. The 2,047-square-foot facility will accommodate between 40 and 50 students, depending on age group distribution.

IV.6.c: City of Colonial Heights Economic Development Activity

Three current or proposed projects in Colonial Heights are collectively projected to generate approximately 65 new jobs across the medical, hospitality, and storage sectors. These include Roslyn Farm Lot 12 (a medical office), Temple Avenue Storage, and the proposed Home2 Suites hotel.

-
- **Roslyn Farm Lot 12:** Construction is underway on a 7,998-square-foot medical office building located at 201 Temple Lake Drive in Colonial Heights. The facility will support healthcare employment and expand access to outpatient services in the area.
 - **Temple Avenue Storage:** Construction is nearing completion on a four-story, fully enclosed mini-warehouse and self-storage facility totaling 121,372 square feet, located along Temple Avenue. The project is expected to create several operational and administrative roles.
 - **Home2 Suites:** A proposal is in place for the development of a 145-room extended-stay hotel along Charles Dimmock Parkway. The project will generate new jobs in hospitality and property management upon approval and construction.

IV.6.d: City of Petersburg Economic Development Activity

The following projects in the City of Petersburg are expected to create more than 1,600 new jobs, with the most significant impact projected from the Virginia Live! Casino Resort, which alone is anticipated to generate 1,400 permanent positions. Additional developments, including Grants Supermarket, Hotel Petersburg, Phlow Corp.'s expansion, and the proposed Jamestown Drive Data Center, will contribute dozens of additional jobs. Separately, Novo Nordisk's acquisition of the AMPAC Fine Chemicals facility secures 100 existing positions, helping to maintain critical employment in the City's pharmaceutical sector.

- **Grants Supermarket:** Construction is underway on a new grocery store within the Sycamore Grove mixed-use development at 801 S. Sycamore Street, the former site of Southside Regional Medical Center. The project, expected to open in October 2024, will include 172 townhomes priced between \$350,000 and \$500,000, alongside 61,000 square feet of commercial space. Grants Supermarkets, a family-owned chain with 16 locations across Virginia and West Virginia, will occupy a significant portion of this space. The store is expected to create 30 to 40 jobs, including approximately 20 full-time positions.
- **416 Third Street:** Waukeshaw Development completed the conversion of this long-vacant warehouse in Petersburg in the summer of 2024 into five commercial suites, totaling 9,131 square feet, ranging from 1,534 to 1,940 square feet.
- **Jamestown Drive Data Center:** This proposed facility would consist of two two-story buildings at 2255 Jamestown Drive, one measuring 428,544 square feet and the other 662,124 square feet. Data centers serve as secure hubs for computing infrastructure and typically include support components such as substations, generators, cooling systems, and fire suppression technology. Employment estimates have not yet been finalized.

-
- **Center for Kidney & Vascular Health:** In the summer of 2024, plans were announced to build a kidney and vascular treatment center on a vacant lot across West Washington Street from the Petersburg Area Transit Multimodal Center. Initially proposed as a 30,000-square-foot, two-story building, ECIMED-1 LLC has since revised its plans, now aiming to construct a 75,000-square-foot, five-story complex after securing commitments from several community partners. The facility will provide both primary and specialty care services.
 - **Novo Nordisk:** In December 2024, Novo Nordisk, the world's second-largest pharmaceutical company, announced an agreement to acquire AMPAC Fine Chemicals' 600,000-square-foot facility in Petersburg. The site will support small molecule API manufacturing and development for future Novo Nordisk products. The company does not anticipate any changes to the existing 100-employee workforce. As part of the agreement, all current employees at the site will transition to Novo Nordisk.
 - **Hotel Petersburg:** Construction of Hotel Petersburg was completed in December 2024. The seven-story, 64-room hotel blends original architectural details with modern amenities, from the restored marble-columned lobby and ground-floor restaurant to the open-air rooftop bar and lounge offering panoramic views of downtown Petersburg. Additional features include a lobby bar, a 48-seat banquet room with 2,200 square feet of space, a 36-seat courtyard, a fitness room, and multiple meeting and gathering areas. A speakeasy-style lounge is also planned for the building's former boiler room. The century-old structure at 20 W. Tabb St. last operated as a hotel in 1969 and had remained largely unused until its recent transformation. The hotel currently employs over 50 staff members.
 - **Phlow Corp.:** This pharmaceutical company began manufacturing ingredients for medicines at its facility at 2818 N. Normandy Drive in Petersburg in April 2024. The 19,200-square-foot facility can produce 250 to 500 kilograms of material annually. By the end of 2024, the facility became fully operational, expanding with an additional 18,000-square-foot space capable of production on a metric-ton scale. The facility employs approximately 50 people.
 - **Virginia Live! Casino Resort:** Construction began in March 2025 on a new casino development spanning 92 acres near the intersection of Wagner Road and Interstate 95. The project will include more than 450,000 square feet of gaming, hotel, and dining space, along with over 75,000 square feet of meeting and convention space. Plans also feature a 200-room hotel with 20 suites, a resort pool and fitness center, 1,600 slot machines, table areas, a 22-table poker room, and a 4,000-seat entertainment venue. The casino resort is expected to generate approximately 6,100 temporary construction jobs and up to 1,400 permanent jobs at full buildout by 2038. The permanent positions are expected to offer annual wages ranging from \$60,000 to \$70,000.

Developers also plan to open a temporary casino with 900 slot machines, 33 table games, a bar, and a quick-service restaurant, employing approximately 500 people. The temporary casino is opened in fourth quarter of 2025. The full casino resort is scheduled

to open in 2027, after which the temporary facility will be demolished. Virginia Live! Casino Resort has also reached an agreement with Richard Bland College to establish an educational program for training students in casino dealing. The program is expected to begin in the summer of 2025.

- **Civica:** This nonprofit drugmaker announced in May 2025 that it is in the early stages of planning an administrative office and warehouse space to expand its existing 140,000-square-foot plant at 1 Civica Way in Petersburg. The proposed office facility would replace a 10,000-square-foot two-story modular annex that was added to the site earlier this year. Civica has not finalized a construction timeline or square footage for either project.

IV.6.e: Regional Employment Growth Projections

Although Chesterfield County lies outside the defined market area, its ongoing job expansion continues to influence housing demand across the region. Local property managers report that some Chesterfield employees choose to live in the Tri-Cities to take advantage of comparatively lower rental costs.

A substantial share of this expansion has occurred at Meadowville Technology Park, which currently comprises over 2.6 million square feet of industrial space and employs more than 4,000 workers. The park has nearly 700 acres remaining for future development, with several industrial and warehouse projects either underway or actively planned. Recent project announcements are expected to create more than 5,000 new jobs. The following paragraphs highlight key developments contributing to this growth:

- **Axial Industrial:** In April 2023, Axial Industrial announced plans to construct a 500,000-square-foot warehouse at 16401 Walthall Industrial Parkway, a 66-acre site adjacent to Interstate 95, just north of Colonial Heights. Known as Axial Gateway 95, this will be the company's first LEED-certified industrial facility. The site plan includes 115 trailer spaces along the interstate-facing side and 430 employee parking spaces on the opposite side.
- **Plenty Unlimited Inc:** Completed in 2024, Plenty Unlimited's vertical indoor farming campus is expected to be the largest of its kind globally. Located on 120 acres within Meadowville Technology Park, the campus will include multiple structures, beginning with a 100,000-square-foot vertical farm dedicated to growing Driscoll's strawberries. The facility is projected to employ approximately 300 people.

-
- **Lego Group:** In the summer of 2023, LEGO began construction on a 1.7-million-square-foot manufacturing facility in Meadowville Technology Park, expected to create 1,761 jobs by 2033. The plant is scheduled to begin production in 2025, manufacturing LEGO bricks and packaging kits. In the interim, LEGO has leased a temporary packaging facility at 1600 Ruffin Mill Road in Chesterfield, which is expected to begin operations in early 2024 and employ 500 workers, a figure included in the total projected employment for the new plant.
 - **Starplast USA:** In December 2021, Starplast USA, a subsidiary of Israel-based Starplast, announced plans to retrofit an existing industrial building on Bermuda Hundred Road near Meadowville Technology Park. The facility is expected to employ 300 people by 2026.
 - **Chirisa:** In April 2024, Chirisa announced plans to construct a 139,000-square-foot data center at 1401 Meadowville Technology Parkway. Completion is anticipated by late 2025. The new facility will be located adjacent to the company's existing 244,000-square-foot data center.
 - **Topsoe:** In May 2024, Danish manufacturer Topsoe announced a 280,000-square-foot facility in Meadowville Technology Park to produce solid oxide electrolyzer cells, which generate what the company describes as "clean hydrogen" for fuel use. The facility will employ 150 people. In May 2025, the firm announced it would build an additional 300,000-square-foot facility at the property.
 - **Project Gale:** In February 2024, WestDulles Properties announced a 2.4-million-square-foot industrial project on 169 acres at 1400 Battery Brooke Parkway, northeast of Chester in the James River Industrial Center. The development will include a 2-million-square-foot structure with 25,000 square feet of office space and a 421,000 square-foot building with 10,000 square feet of office. Plans also include 1,100 standard parking spaces, 480 tractor-trailer spaces, and nearly 300 loading docks.
 - **ARC:** In December 2024, Commonwealth Fusion Systems announced plans to build a nuclear fusion facility at 1201 Battery Brooke Parkway. The plant is scheduled to become operational in the early 2030s and is expected to generate enough electricity to power approximately 150,000 homes. The site, previously under consideration by Dominion Energy for a natural gas plant, will now be leased to CFS for the fusion project. Approximately 150 full-time employees will be required upon initial launch.
 - **Tract:** In January 2025, developer Tract filed a rezoning application to allow the construction of up to 11 data centers totaling approximately 2 million square feet on more than 700 acres just outside Colonial Heights. The proposal includes multiple parcels, including 16100 Branders Bridge Road.
 - **Condair:** In October 2024, Switzerland-based Condair completed a 400,000-square-foot production facility on Willis Road, east of Interstate 95. The plant, which manufactures evaporative cooling products, is expected to generate 180 jobs and be fully operational by mid-2025.

-
- **Atlantic Constructors:** In June 2024, Atlantic Constructors, a contractor specializing in mechanical, electrical, plumbing, and fire protection services, announced plans for a second facility: a 170,000-square-foot building on an 18-acre site adjacent to its current location. The new facility will primarily serve as a warehouse and manufacturing space, with a portion dedicated to office use. Approximately 50 new positions are anticipated.
 - **PNK Park Ashton:** New York-based PNK Group began construction in early 2025 on a 846,000-square-foot industrial facility at 1640 Ashton Park Drive in Chesterfield County. The one-story building is being constructed on spec and is planned to feature a 45-foot ceiling, more than 100 loading docks, and nearly 570 trailer spaces. PNK stated that the project is designed for manufacturing or distribution and could be leased to either a single user or multiple tenants.
 - **Civica:** This nonprofit drugmaker announced in May 2025 that it would begin construction in the summer of 2025 on a 50,000-square-foot facility at 11731 Meadowville Lane in the Meadowville Technology Park. The lab will support research and development and quality testing for Civica’s nearby pharmaceutical plant in Petersburg. Civica plans to hire approximately 50 employees for the lab. A 10,000-square-foot portion of the Meadowville facility is planned to house a VCU Medicines for All Institute lab dedicated to scaling drug production.

IV.7: Fort Lee

Fort Lee is a major U.S. Army installation that serves as the headquarters for several key military training and operational entities. The installation is home to the U.S. Army Combined Arms Support Command (CASCOM) and the Sustainment Center of Excellence (SCoE), which together support Army sustainment training, doctrine development, and operational planning. In addition, Fort Lee houses specialized training institutions, including the U.S. Army Quartermaster School, the U.S. Army Ordnance School, and the U.S. Army Transportation School, each focused on logistics, maintenance, and transportation.

The installation also hosts the Army Sustainment University (ASU), which provides advanced professional education in sustainment and logistics disciplines. Other organizations based at Fort Lee include the Defense Contract Management Agency (DCMA), which oversees government contracts, and the Defense Commissary Agency (DeCA), which manages the military commissary system.

Fort Lee spans approximately 5,907 acres and includes more than 494 buildings supporting administrative, training, and operational activities. The installation comprises 27 designated training areas for hands-on instruction and scenario-based training, as well as eight training ranges that support weapons qualification and field exercises.

As one of the Army's largest sustainment and logistics training centers, Fort Lee supports military readiness through a combination of training, headquarters, and support functions. Its role as a centralized location for sustainment-related activities positions the installation as a long-term institutional presence within the region.

The installation supports a daily population exceeding 29,000, including active-duty personnel, government civilians, contractors, and family members. Each year, up to approximately 70,000 service members receive training at Fort Lee, making it one of the Army's largest individual training sites by throughput.

Table 10 summarizes on-base employment trends at Fort Lee since 2017, excluding temporary trainees, military dependents, and other transient populations. As of May 2023, the installation employed 11,389 permanent personnel and contractors, representing a net increase of 944 positions since 2017. Employment growth during this period was driven primarily by increases in permanent military personnel (+792) and contractors (+196). Army civilian employment declined modestly (-91), while employment among other Department of Defense civilians increased slightly (+47).

Table 10: On-Base Employment Trends — Fort Lee ¹

Period	Military (Permanent)	Army Civilians	Other DoD Civilians	Contractors	Total
05/2023	4,370	2,177	2,988	1,854	11,389
07/2019	3,836	2,638	2,941	1,518	10,933
02/2017	3,578	2,268	2,941	1,658	10,445
Change	792	-91	47	196	944

¹ Excludes temporary trainees and military dependents.

Source: USAG Fort Lee PAO

Fort Lee offers 1,503 on-base single-family homes and duplex units for active-duty military personnel and their dependents, distributed across seven residential neighborhoods: Adams Chase, Harrison Villa, Jefferson Terrace, Madison Park, Monroe Manor, Valor Circle, and Washington Grove.

Washington Grove is designated for officers, while Adams Chase is reserved for senior enlisted personnel. The remaining five neighborhoods, Jefferson Terrace, Harrison Villa, Monroe Manor, Madison Park, and Valor Circle, are designated for enlisted personnel. Housing options range from two to five bedrooms, with a limited number of units adapted for residents with disabilities.

As shown in **Table 10**, Fort Lee has approximately 4,370 permanent military personnel who qualify for on-base housing. With only 1,503 units available, on-base housing can accommodate approximately 34.4 percent of eligible personnel. No new on-base housing units have been delivered within the past five years. Occupancy in Fort Lee Family Housing has ranged from 95 to 99 percent over the past 12 months, averaging approximately 97 percent. As of the most recent reporting period, 187 households were on the housing waitlist.

According to the base's Housing Division Chief, the housing office continues to support civilian employees transitioning back to in-person work arrangements. In addition, the office assists service members and their families with temporary housing needs during assignment transitions, typically for periods of six to eight months prior to reassignment to other installations.

IV.8: WARN (Layoff) Notices

WARN notices, issued under the federal Worker Adjustment and Retraining Notification Act, require covered employers to provide advance notice of qualifying plant closures or mass layoffs. In Virginia, as in other states, these notices are intended to provide affected workers with advance time to pursue alternative employment, retraining opportunities, or support services.

A review of WARN notices in the market area found no qualifying plant closures or mass layoff notices reported during the past two years. While the absence of WARN filings does not capture smaller-scale layoffs or employment reductions below reporting thresholds, this pattern is consistent with the broader evidence of relatively stable employment conditions within the market area.

IV.9: Market Area Economic Overview Summary

The market area's economy is characterized by long-term stability anchored by Fort Lee and related federal activity, rather than by sustained growth in locally based civilian employment. Prior to the COVID-19 pandemic, at-place civilian employment remained generally stable, with modest year-to-year fluctuations and no evidence of structural decline. Key employment sectors included health care, accommodation and food services, manufacturing, and federal government employment, which together supported a relatively steady civilian employment base.

The pandemic led to a sharp contraction in on-site employment in 2020, followed by further declines in 2021. While employment recovered modestly between 2021 and 2023, total at-place employment was essentially flat in 2024 and remained well below pre-pandemic levels. Total at-place employment declined from 46,576 jobs in 2019 to 43,660 jobs in 2024, representing a net loss of 2,916 positions. Ongoing softness in service-oriented industries, combined with continued reductions in federal civilian employment, constrained the pace of recovery.

In contrast, resident employment recovered more quickly and exceeded pre-pandemic levels by 2024. Between 2019 and 2024, resident employment increased from 44,548 to 50,119, a gain of 5,571 jobs. Over the same period, the labor force expanded by approximately 5,600 individuals. This divergence between resident employment growth and declining at-place employment reflects the market area's role as a net exporter of labor, with a substantial share of residents commuting to employment centers in Chesterfield County and the broader Richmond metropolitan area.

Labor force growth occurred without a corresponding increase in unemployment. After peaking at 10.0 percent in 2020, the unemployment rate declined steadily and reached 3.8 percent in 2024, below pre-pandemic levels. These trends reflect improving labor market conditions and stronger integration with the surrounding regional economy, rather than expansion of locally based employment opportunities.

Recent and planned economic development activities indicate the potential for employment growth, although much of the projected activity is phased or contingent on future leasing, approvals, and project execution. Several projects in logistics, manufacturing, health care, entertainment, and related sectors are expected to add jobs over time, although much of the anticipated growth is phased or contingent on future leasing and project execution. The absence of recent WARN notices or reported mass layoffs is consistent with overall employment stability within the market area.

Overall, employment trends, labor force conditions, wage patterns, and commuting behavior describe a stable regional economy closely tied to Fort Lee and to employment growth in surrounding jurisdictions. While locally based job growth contributes to housing demand, the strength of the broader Richmond-area labor market and sustained out-commuting remain important drivers of population stability, household formation, and ongoing housing demand within the market area.

Section V: Competitive Apartment Market Analysis

This section focuses on the supply and demand for the proposed apartment units at Malone Trace II and is divided into two parts.

The first part presents trends and projections for the market area's population, households, and tenure characteristics. It also includes projections of target-income households, with all demographic data projected through 2031.

The second part analyzes the competitive landscape of existing affordable and market-rate rental properties, which represent the most directly competitive apartment units in the market area. Research conducted by S. Patz & Associates identified 33 competitive, professionally managed apartment communities totaling 5,026 rental units. This total includes 16 LIHTC properties and 17 market-rate properties. These properties are evaluated based on occupancy, rent levels, unit mix, features, and amenities to establish Malone Trace II's competitive position within the market area.

V.1: Market Area Demographic Analysis

The demographic analysis of the market area is presented in the following subsection. The analysis examines population and household trends and projections, with particular focus on renter households, which represent the target market for Malone Trace II. This subsection also includes data on rent-burdened households, households residing in substandard housing, and residential building permit trends within the market area.

V.1.a: Population Trends and Projections

The market area population totaled 108,065 in 2010 and increased to 117,671 by 2020, representing a net increase of 9,606 persons over the decade. This corresponds to an average annual increase of approximately 961 residents and a compound annual growth rate of

approximately 0.86 percent. Population gains during this period reflect steady, incremental growth rather than rapid expansion.

Population growth slowed after 2020. Between 2020 and 2026, the population of the market area is estimated to have increased by approximately 1,920 persons, to 119,591. This represents an average annual increase of approximately 320 residents and a growth rate of approximately 0.3 percent, reflecting a clear deceleration relative to the prior decade.

Looking ahead, the population of the market area is projected to reach 121,062 by 2031, an increase of approximately 1,471 persons from 2026. This reflects an average annual gain of approximately 294 residents and a growth rate of approximately 0.2 percent. Overall, the projections indicate continued population growth at a modest, gradually slowing pace, consistent with a maturing market area and more limited net in-migration assumptions.

Table 11: Trends and Projections of Population and Households — Malone Trace II Market Area (2010-2031)				
	2010	2020	2026	2031
Market Area Population ¹	108,065	117,671	119,591	121,062
Group Quarters Population	6,234	10,292	10,283	10,465
Household Population	101,831	107,379	109,308	110,597
Persons Per Household	2.46	2.39	2.36	2.34
Total Households	41,453	44,987	46,304	47,170
Renter Households	17,032	21,329	22,146	22,758
Percent Renter Households	41.1%	47.4%	47.8%	48.2%
Owner Households	24,421	23,658	24,158	24,412
Percent Owner Households	58.9%	52.6%	52.2%	51.8%

¹ Includes City of Petersburg, City of Colonial Heights, City of Hopewell and Prince George County.
Source: U.S. Census Bureau; Ribbon Demographics

V.1.b: Group Quarters Population

The group quarters population within the market area totaled 6,234 residents in 2010 and increased to 10,292 by 2020, representing a net increase of 4,058 residents over the decade. This growth reflects a substantial expansion in non-household living arrangements during the 2010s, driven primarily by increases in military and correctional populations within the market area.

Following 2020, the group quarters population is estimated to have remained effectively stable. Between 2020 and 2026, the group quarters population declined slightly from 10,292 to 10,283 residents, a decrease of nine individuals, reflecting no material change. As of 2026, group quarters residents accounted for approximately 8.6 percent of the total market area population, based on total population estimates shown in **Table 11**.

Detailed data from Ribbon Demographics show that of the 10,283 group quarters residents in 2026, approximately 54 percent reside in noninstitutional settings. This segment consists primarily of individuals housed in military quarters, estimated at roughly 5,600 residents, along with smaller numbers in other noninstitutional group living arrangements. The remaining approximately 46 percent of group quarters residents are housed in institutional settings, including about 3,943 individuals in adult correctional facilities, approximately 70 individuals in juvenile facilities, and roughly 640 residents in nursing homes.

Looking ahead, the group quarters population is projected to increase modestly to 10,465 residents by 2031, an increase of approximately 180 residents from 2026. Despite this increase, group quarters residents are expected to remain a relatively stable share of the overall population, consistent with the absence of major new institutional or congregate facility development during the projection period.

Because group quarters residents do not occupy conventional housing units, they are excluded from estimates of household-based housing demand. Subtracting the group quarters population from total population produces the household population totals shown in **Table 11**, which form the basis for household growth projections and subsequent estimates of housing unit demand within the market area.

V.1.c: Household Population and Household Formation Trends

After accounting for the group quarters population, the household population in the market area totaled 101,831 residents in 2010 and increased to 107,379 by 2020, reflecting a net increase of 5,548 residents over the decade. This increase closely tracked overall population

growth during the period and reflects that most population gains were absorbed within conventional household living arrangements.

Household population growth moderated after 2020. Between 2020 and 2026, the household population is estimated to have increased by approximately 1,929 residents, reaching 109,308. By 2031, the household population is projected to increase further to 110,597, representing an additional increase of approximately 1,289 residents between 2026 and 2031. These projections indicate continued household population growth at a modest, gradually slowing pace, consistent with the broader population trends discussed previously.

Household formation trends closely mirror changes in household population. Total households increased from 41,453 in 2010 to 44,987 in 2020, an increase of 3,534 households over the decade. This corresponds to an average annual increase of approximately 353 households, assuming a linear trend over the period. Between 2020 and 2026, the total number of households is projected to increase by approximately 1,317, reaching 46,304. From 2026 to 2031, household growth is expected to continue at a somewhat slower pace, adding approximately 866 households and bringing the total to 47,170 by 2031.

Average household size declined gradually over the analysis period, decreasing from 2.46 persons per household in 2010 to 2.39 in 2020, and is projected to continue edging downward to 2.36 in 2026 and 2.34 by 2031. This pattern reflects gradual shifts in household composition, including a reduction in household size. As a result, even relatively modest population growth is expected to sustain incremental demand for housing units in the market area, as household formation outpaces population growth on a proportional basis.

V.1.d: Housing Tenure Trends (Owner and Renter Households)

Housing tenure patterns in the market area have shifted gradually over time, reflecting changes in household composition, affordability conditions, and housing availability. In 2010, the market area contained 24,421 owner households and 17,032 renter households. Owner

households accounted for 58.9 percent of all households, while renter households comprised 41.1 percent, reflecting a substantial rental presence at the beginning of the analysis period.

By 2020, renter households increased to 21,329, a net gain of 4,297 households over the decade. Over the same period, owner households declined to 23,658 in 2020, a net decrease of 763 households relative to 2010, before gradually increasing during the projection period. As a result, the renter share of households increased to 47.4 percent, while the owner share declined to 52.6 percent. All net household growth between 2010 and 2020 occurred within the rental sector, while the number of owner households contracted modestly over the same period.

Renter household growth continued after 2020, though at a more moderate pace. Between 2020 and 2026, renter households are projected to increase by approximately 817 households, reaching 22,146. Owner households are projected to increase by approximately 500 households over the same period, reaching 24,158. As a result, renter households are expected to account for 47.8 percent of total households in 2026, while owner households comprise 52.2 percent, reflecting relative stability in tenure shares following the sharper shift observed during the prior decade.

Looking ahead to 2031, renter households are projected to increase further to 22,758, an additional 612 households over 2026. Owner households are projected to increase by approximately 254 households, reaching 24,412. By 2031, renter households are expected to represent 48.2 percent of all households, while owner households account for 51.8 percent. These projections point to a continued, gradual movement toward a more balanced tenure distribution, without a full reversal of owner household predominance.

Overall, between 2010 and 2031, the market area is projected to add approximately 5,726 renter households, while the number of owner households remains effectively flat, increasing by a net total of nine households. This pattern underscores the role of rental housing in accommodating the majority of household growth over the analysis and projection period, alongside a relatively stable base of owner-occupied housing.

V.1.e: Target Renter Market Demographics

Table 12 presents projections of income-qualified renter households within the market area for 2026 and 2031, reported in constant 2025 dollars and derived from Ribbon Demographics. Ribbon Demographics prepares household and income estimates and projections using U.S. Census and American Community Survey benchmarks, combined with Claritas demographic modeling and trend-based forecasting methods. These projections extend recent patterns in population growth, household formation, tenure, and income distribution, and therefore primarily reflect historical trends rather than assumptions about major new economic development, substantial changes in migration patterns, or other structural market shifts.

The target market analysis applies HUD Area Median Income (AMI) limits for the market area to the projected renter household base to estimate the number of renter households within each income tier. Rent affordability is evaluated under the standard assumption that households allocate up to 30 percent of gross income toward housing costs. Income limits are applied using typical LIHTC occupancy standards, which assume up to three persons for a two-bedroom unit and up to four persons for a three-bedroom unit.

Within the lowest income tier, renter households at 30% of AMI (\$26,000 to \$30,660) are projected to decline from 876 households in 2026, representing 4.0 percent of renter households, to 854 households in 2031, or 3.8 percent, a net decrease of 22 households over the projection period.

Renter households at 50% of AMI (\$46,440 to \$56,750) are projected to decrease from 1,846 households in 2026, or 8.3 percent of renter households, to 1,730 households in 2031, or 7.6 percent, reflecting a net decline of 116 households.

At the 60% of AMI level (\$65,080 to \$68,100), the number of renter households is projected to decline modestly from 505 households in 2026, representing 2.3 percent of renter households, to 490 households in 2031, or 2.2 percent, a reduction of 15 households.

In contrast, renter households at the 80% of AMI level (\$85,200 to \$90,800) are projected to increase slightly from 613 households in 2026, or 2.3 percent of renter households, to 659 households in 2031, or 2.9 percent, an increase of 46 households, although the share increases only slightly as overall renter growth occurs across multiple income ranges.

Across all relevant income tiers, total income-qualified renter households are projected to decline from 3,840 households in 2026, representing 17.3 percent of renter households, to 3,733 households in 2031, or 16.4 percent, a net decrease of 107 households. During the same period, total renter households in the market area are projected to increase from 22,146 to 22,758, a gain of 612 households. This pattern reflects a modest shift in the renter population toward higher-income households rather than a reduction in overall renter demand.

Because Ribbon Demographics projections are trend-based and do not fully capture the potential effects of recently announced or planned economic expansion, the estimates shown in **Table 12** should be considered conservative. As discussed in **Section IV**, the market area and the broader region are experiencing recent and near-term employment growth. If job growth occurs as anticipated, additional household formation and in-migration could result in renter household growth exceeding levels implied by historical trends, including within LIHTC-relevant income ranges.

**Table 12: Projections of Target Households —
Malone Trace II Market Area (2026-2031)**

	2026	2031	Net Change
Market Area Households	46,304	47,170	866
Market Area Renter Households	22,146	22,758	612
Target Markets			
30% of AMI (\$26,000-\$30,660)			
Total Renter Households	876	854	-22
Percent of Renter Households	4.0%	3.8%	
50% of AMI (\$46,440-\$56,750)			
Total Renter Households	1,846	1,730	-116
Percent of Renter Households	8.3%	7.6%	
60% of AMI (\$65,080-\$68,100)			
Total Renter Households	505	490	-15
Percent of Renter Households	2.3%	2.2%	
80% of AMI (\$85,200-90,800)			
Total Renter Households	613	659	46
Percent of Renter Households	2.8%	2.9%	
Combined			
Total Renter Households	3,840	3,733	-107
Percent of Renter Households	17.3%	16.4%	

¹ Reported in constant 2025 dollars.

Source: Ribbon Demographics

V.1.f: Rent Overburdened Households

Renter households are classified as rent-overburdened if they spend more than 35 percent of gross household income on housing costs, including rent and utilities, consistent with the threshold applied in **Table 13**. This threshold is widely used to evaluate housing affordability stress and reflects reduced capacity to meet other essential household expenses.

Within the Malone Trace II Market Area, rent burden affects a substantial share of renter households. As shown in **Table 13**, 7,889 renter households, or 41.3 percent of all renter households, spend more than 35 percent of income on housing costs.

Rent burden is concentrated among lower-income renter households. Households earning less than \$20,000 annually total 4,944 renter households, representing 25.9 percent of all renter households. Within these income bands, a majority are rent-overburdened. Specifically,

1,658 households earning less than \$10,000 and 2,231 households earning \$10,000 to \$19,999 spend more than 35 percent of income on housing costs. Rent burden remains elevated among households earning \$20,000 to \$34,999, where 2,317 renter households exceed the 35 percent threshold.

Affordability pressure declines at higher income levels but does not fully dissipate. Among renter households earning \$35,000 to \$49,999, 977 households are rent-overburdened. Rent burden declines further among those earning \$50,000 to \$74,999, where 680 households spend more than 35 percent of income on housing costs. At incomes of \$75,000 and above, rent burden is comparatively limited, and no rent-overburdened households are reported among renters earning \$100,000 or more, based on the available data.

Overall, the distribution of rent-overburdened households is most pronounced among renters earning less than \$35,000 annually, for whom housing costs consume a disproportionate share of limited household resources. This concentration underscores the role of affordability constraints rather than housing preferences in shaping rental demand and supports the need for additional rental options priced to be affordable to lower-income households, where rent burden is most widespread and persistent.

**Table 13: Rent-Overburdened Households by Income —
Malone Trace II Market Area**

Income	Total Households	Share of Total
Less Than \$10,000	2,186	11.5%
Less than 35.0 Percent	58	0.3%
More than 35.0 Percent	1,658	8.7%
Not Computed	470	2.5%
\$10,000 To \$19,999	2,758	14.5%
Less than 35.0 Percent	475	2.5%
More than 35.0 Percent	2,231	11.7%
Not Computed	52	0.3%
\$20,000 To \$34,999	2,650	13.9%
Less than 35.0 Percent	253	1.3%
More than 35.0 Percent	2,317	12.1%
Not Computed	80	0.4%
\$35,000 To \$49,999	2,609	13.7%
Less than 35.0 Percent	1,561	8.2%
More than 35.0 Percent	977	5.1%
Not Computed	71	0.4%
\$50,000 To \$74,999	4,013	21.0%
Less than 35.0 Percent	3,173	16.6%
More than 35.0 Percent	680	3.6%
Not Computed	160	0.8%
\$75,000 To \$99,999	1,715	9.0%
Less than 35.0 Percent	1,654	8.7%
More than 35.0 Percent	26	0.1%
Not Computed	35	0.2%
\$100,000 Or More	3,154	16.5%
Less than 35.0 Percent	3,108	16.3%
More than 35.0 Percent	0	0.0%
Not Computed	46	0.2%
Total	19,085	100.0%
More than 35.0 Percent	7,889	41.3%

Source: U.S. Census Bureau, ACS 2024 (5-Year Estimates)

V.1.g: Renter Households in Substandard Housing

Table 14 quantifies households in the market area living in substandard housing conditions using two Census-derived indicators, the absence of complete plumbing facilities and overcrowding, defined as households with more than 1.00 occupants per room, including those with 1.01 to 1.50 occupants per room and those with 1.51 or more occupants per room. These measures are widely used to assess basic housing adequacy and identify units that may pose health, safety, or livability concerns.

Across all tenure types, 847 households in the market area are classified as living in substandard housing conditions, representing 1.9 percent of the 44,535 total households. Of this total, 118 households, or 0.3 percent, lack complete plumbing facilities. A larger share, 729 households, or 1.6 percent, have complete plumbing but are considered overcrowded. According to these Census benchmarks, overcrowding accounts for the majority of substandard housing conditions within the market area.

Renter households account for a disproportionate share of substandard housing. Of the 19,085 renter households identified in the ACS 2024 5-year estimates, 595 households are classified as living in substandard conditions, representing 3.1 percent of all renter households. By comparison, an estimated 252 owner households experience substandard conditions, representing approximately 1.0 percent of the 25,450 owner households. On a proportional basis, substandard housing conditions are therefore more than three times as prevalent among renter households as among owner households.

The concentration of substandard conditions among renters is driven primarily by overcrowding rather than plumbing deficiencies. While a limited number of renter households lack complete plumbing, the majority of affected households reside in units where household size exceeds standard occupancy thresholds. This pattern is consistent with affordability pressures and constrained unit availability, which can lead households to occupy smaller or shared units that do not adequately match household size.

Overall, although the share of households living in substandard housing remains modest at the market-wide level, the elevated incidence among renter households highlights ongoing pressures within the rental stock.

Table 14: Households in Substandard Housing — Malone Trace II Market Area		
	Total Households	Percent of Total
Owner Occupied		
Complete Plumbing Facilities:	25,415	57.1%
1.00 Or Less Occupants Per Room	25,198	56.6%
1.01 To 1.50 Occupants Per Room	200	0.4%
1.51 Or More Occupants Per Room	17	0.0%
Lacking Complete Plumbing Facilities:	35	0.1%
1.00 Or Less Occupants Per Room	35	0.1%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
<i>Subtotal</i>	<i>25,450</i>	<i>57.1%</i>
Renter Occupied		
Complete Plumbing Facilities:	19,002	42.7%
1.00 Or Less Occupants Per Room	18,490	41.5%
1.01 To 1.50 Occupants Per Room	242	0.5%
1.51 Or More Occupants Per Room	270	0.6%
Lacking Complete Plumbing Facilities:	83	0.2%
1.00 Or Less Occupants Per Room	83	0.2%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
<i>Subtotal</i>	<i>19,085</i>	<i>42.9%</i>
Total	44,535	100.0%
Lacking Complete Plumbing	118	0.3%
With Plumbing but Overcrowded	729	1.6%
Total Substandard Housing	847	1.9%
Rental Substandard Housing	595	3.1%

Source: U.S. Census Bureau, ACS 2024 (5-Year Estimates)

V.1.h: Renter Households by Household Size

Table 15 summarizes renter households in the market area by household size in 2026. Renter households are predominantly small, with one-person households representing the largest segment. A total of 9,266 renter households consist of a single individual, accounting for 41.8 percent of all renter households. Two-person households are the next most common, totaling 4,899 households, or 22.1 percent of the renter household base. Combined, one- and two-person households account for 63.9 percent of all renter households in the market area.

Larger renter households are less prevalent. Three-person households total 3,490 households, representing 15.8 percent of renter households, while four-person households

account for 2,335 households, or 10.5 percent. Households with five or more persons represent the smallest segment, totaling 2,156 households, or 9.7 percent of renter households.

Overall, the renter market is weighted toward smaller household sizes, supporting demand for one-bedroom and smaller two-bedroom rental units. At the same time, the presence of a nontrivial share of three- and four-person renter households suggests ongoing, though more limited, demand for larger rental units relative to smaller household types.

	Renter Households	Percent of Total
1-Person Household	9,266	41.8%
2-Person Household	4,899	22.1%
3-Person Household	3,490	15.8%
4-Person Household	2,335	10.5%
5-or-more-Person Household	<u>2,156</u>	<u>9.7%</u>
Total Households	22,146	100.0%

Source: Ribbon Demographics

V.1.i: Trends in Residential Building Permits

Table 16 summarizes residential building permits issued in the market area between 2019 and 2023. Over this five-year period, a total of 1,030 residential units were permitted, averaging approximately 206 units annually. Single-unit construction accounted for the majority of activity, with 728 units, representing 70.7 percent of all permitted units. Development in buildings containing five or more units accounted for 300 units, or 29.1 percent of total permitting activity. Permits for duplexes and small multifamily buildings with three to four units were minimal, totaling two units over the entire period.

Annual permitting levels fluctuated over the period. Total permitted units ranged from 144 in 2019 to a peak of 304 in 2022, then declined to 148 in 2023. Single-unit permitting increased sharply in 2022, reflecting heightened single-family development activity, while multifamily permitting was concentrated primarily between 2020 and 2022, with no five-plus-unit permits recorded in 2023.

Overall, the permitting data reflect a development pattern dominated by single-unit construction, with multifamily development occurring episodically through larger projects rather than as a steady flow of smaller-scale multifamily activity. This pattern aligns with a market in which recent housing supply has been driven primarily by single-family development, with limited diversification of housing types during the period under review.

**Table 16: Residential Building Permits —
Malone Trace II Market Area (2019-2023)**

Year	1-Unit	2-Units	3-4 Units	5+ Units	Total Units
2019	121	0	0	23	144
2020	120	0	0	90	210
2021	135	0	0	89	224
2022	206	0	0	98	304
2023	146	2	0	0	148
Total	728	2	0	300	1,030
Average	146	0	0	60	206
Percent of Total	70.7%	0.2%	0.0%	29.1%	100.0%

Source: U.S. Census Bureau Building Permits Survey

V.2: Apartment Market Analysis

This subsection evaluates rental apartment communities within the market area that would compete with Malone Trace II. The competitive inventory includes both income-restricted LIHTC properties and general-occupancy market-rate apartment communities that serve renter households within the same geographic market, providing a comprehensive view of the housing alternatives available to income-qualified and moderate-income renter households.

The analysis begins with an overview of the competitive inventory’s size, age, geographic distribution, and current occupancy and vacancy conditions, followed by a review of the distribution of income restrictions across the market. Subsequent sections examine unit mix, unit sizes, net rental rates, and rent per square foot, allowing for a detailed comparison of the proposed rents and floor plans relative to existing supply.

Additional analysis evaluates the availability of common community amenities and accessibility features, providing context for the proposed design and amenity package at Malone

Trace II within the broader market environment and helping to assess the project's relative positioning within the competitive set.

The subsection concludes with insights from local market participants, including property managers, developers, and planning officials, offering a qualitative perspective on the local affordable rental market.

V.2.a: Characteristics of the Competitive Apartment Market

This section evaluates the competitive rental apartment market within the market area. For purposes of this analysis, the competitive inventory includes both income-restricted LIHTC communities and general-occupancy market-rate apartment properties that serve renter households within the same geographic market. Properties in initial delivery or lease-up are excluded from stabilized vacancy calculations, so vacancy rates reflect ongoing operating conditions rather than temporary availability associated with undelivered units.

As shown in **Table 17**, the competitive market comprises 33 apartment communities containing 5,026 units. Of this total, 1,663 units, or 33.1 percent, are LIHTC units, while 3,363 units, or 66.9 percent, are market-rate. The LIHTC segment includes a range of affordability structures. Several properties are restricted at 60% of AMI only, while others offer mixed-income structures at 40%, 50%, 60%, 70%, and 80% of AMI, and multiple communities include PBV units in addition to LIHTC income limits.

The age profile of the competitive inventory reflects a market dominated by older apartments, with limited recent additions relative to the scale of existing supply. Within the LIHTC segment, three stabilized communities were built in 2018 or later, ArtistSpace Lofts (2021), Freedman Point (2019), and Cavalier II (2018), while most of the remaining affordable inventory was developed between the mid-1990s and mid-2000s.

The market-rate inventory is generally older, with many properties built in the 1970s and 1980s, and only two properties first delivered in 2009 or later, 1200 Acqua and Independence

Place. Most other market-rate properties date to 2000 or earlier, reinforcing the limited pace of new development. In this context, Dorsey Homes represents the most recent addition to the LIHTC inventory. Although **Table 17** lists 39 vacant units at Dorsey Homes, the supporting note clarifies that this figure reflects ongoing delivery rather than stabilized vacancy: eight homes have been built to date, all occupied, and 39 additional homes are scheduled for completion at a pace of about four per month from March through December 2026. For this reason, Dorsey Homes is excluded from the vacancy rate calculations summarized at the bottom of the table.

Stabilized vacancy levels across the competitive market are low. Excluding Dorsey Homes, the LIHTC segment reports a 4.3 percent vacancy rate, equivalent to 70 vacant units among 1,616 stabilized LIHTC units. Vacancies are concentrated in a small number of properties, and the pattern suggests property-specific operating or market positioning factors rather than broad-based softening across the affordable segment. Bailey's Ridge (19 vacant units) and Clearfield Apartments (20 vacant units) account for a sizable share of LIHTC vacancies, and based on field and telephone survey discussions with management, leasing performance at both properties is influenced by eligibility dynamics and pricing. In particular, management reported that some households became over-income at recertification and subsequently moved to market-rate housing.

Rents at Bailey's Ridge and Clearfield Apartments are higher than those at several other affordable communities in the market area, despite both properties being nearly 30 years old. This pricing structure may narrow the income-qualified renter pool and contribute to the observed vacancy levels. By contrast, Walnut Hill, which reports 13 vacant units, is reported by management to be at or near full occupancy but has recently experienced turnover related to delinquency-related move-outs. At The Legend at Walnut Hill, which reports six vacant units, management reported that the vacant units are offline for renovation rather than actively marketed.

Demand signals from property management further support the conclusion that many competitive affordable communities remain highly occupied. Several LIHTC properties reported

waitlists, including ArtistSpace Lofts (21 households), Liberty Pointe (24 households), Henry Williams (35 households), and Mattox Landing (six households). While waitlist data are property-reported and may include inactive or duplicate applicants, the reported levels are generally consistent with tight operating conditions.

Market-rate vacancy is lower. The market-rate segment reports a 2.4 percent vacancy rate, representing 81 vacant units among 3,363 units, and many properties report zero vacant units. Reported vacancies are concentrated in a small number of larger communities, including Addison Crater Woods (25 vacant units) and Tanglewood Apartments (10 vacant units), while most other properties report only minimal availability.

When combined across both segments, the overall stabilized vacancy rate is 3.0 percent, representing 151 vacant units among 4,979 stabilized units. Overall, **Table 17** depicts a competitive apartment market characterized by an aging inventory and very low stabilized vacancy levels, with the limited availability that does exist largely aligned with identifiable, property-specific factors.

Table 17: Characteristics of Competitive Apartments — Malone Trace II Market Area (February 2026) ¹

	Map F Key	Year Built	Restrictions	Total Units	Vacant Units
LIHTC					
Dorsey Homes	1	Oct-25	60% of AMI	47	39 ⁴
ArtistSpace Lofts	2	2021	40%/50%/60%/70%/80% of AMI	226	1
Freedman Point	3	2019	PBV/40%/50%/60% of AMI	68	0
Cavalier II	4	2018	40%/50%/60% of AMI	66	0
Liberty Pointe	5	2015	40%/50% of AMI	48	1
The Summit	6	2014	PBV/40%/50% of AMI	56	3
Puddledock Place I & II	7	2014	40%/50% of AMI	156	0
Henry Williams	8	2011	60% of AMI	42	0
Jesse Lee	9	2008	50% of AMI	108	2
Walnut Hill ¹	10	2005	60% of AMI	168	13
Mattox Landing	11	2000	60% of AMI	88	2
Terrace View	12	1997	60% of AMI	62	0
Bailey's Ridge	13	1997	60% of AMI	156	19
Pinetree	14	1995	60% of AMI	144	3
Clearfield Apartments	15	1993/12	60% of AMI	144	20
The Legend at Walnut Hill ²	16	1947/71/25	60% of AMI	84	6
<i>Subtotal</i>				<i>1,663</i>	<i>109</i>
Market-Rate ⁷					
Independence Place	17	2011/12	Market-Rate	225	6
1200 Acqua	18	2009/10/11	Market-Rate	336	0
Jefferson Pointe	19	2000	Market-Rate	220	2
Branchester Lakes	20	1998/14	Market-Rate	120	0
Oaks of Dunlop Farms ⁵	21	1992/12	Market-Rate	144	5
Addison Crater Woods	22	1985/08/10	Market-Rate	636	25
Twin Rivers	23	1986	Market-Rate	155	4
Canterbury Townhomes	24	1984/08	Market-Rate	142	4
Farmingdale Townhouses	25	1972/09	Market-Rate	121	0
Riverside Park	26	1969/00	Market-Rate	120	0
Crater Square Apartments	27	1975	Market-Rate	130	9
Ivy Gates Townhomes	28	1974	Market-Rate	120	3
Tanglewood Apartments	29	1972/01	Market-Rate	408	10
Woodmere Apartments	30	1963	Market-Rate	148	3
Lakeview Terrace	31	1978	Market-Rate	75	3
Lakeview Village	32	1978	Market-Rate	63	3
Aubrey Apartments ³	33	1974/00/13	Market-Rate	<u>200</u>	<u>4</u>
<i>Subtotal</i>				<i>3,363</i>	<i>81</i>
Total				5,026	190
LIHTC Vacancy Rate ⁶					4.3%
Market-Rate Vacancy Rate					2.4%
Overall Vacancy Rate ⁶					3.0%

1 Formerly Lieutenant's Run

2 Formerly Westover Commons

3 Formerly Jefferson South of the James

4 Eight homes have been built to date, all of which are occupied. 39 more are scheduled to be completed at a rate of about four per month, March to December 2026.

5 Formerly a LIHTC property.

6 Excludes properties in lease-up (Dorsey Homes)

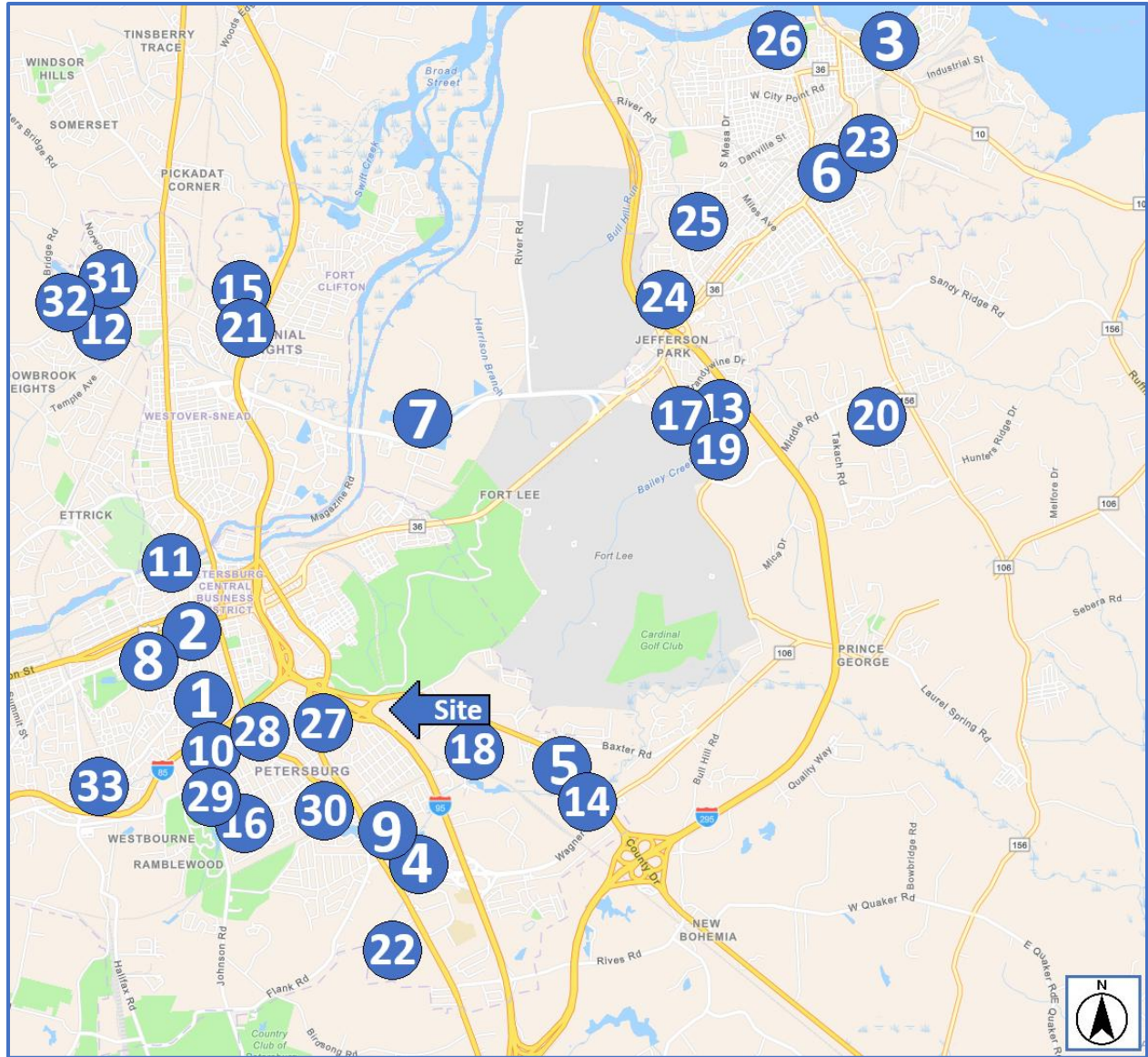
7 Excludes smaller adaptive-reuse properties.

Source: Field and Telephone Survey by S. Patz & Associates, Inc.

Map F illustrates the locations of the competitive apartment communities included in the analysis. The map reflects the geographic distribution of the competitive inventory across the Tri-Cities area and surrounding jurisdictions, providing context for the locational relationships and potential competitive overlap among properties.

Among the competitive properties, the City of Petersburg contains the largest concentration, with nine LIHTC communities and eight market-rate properties. This total includes two of the newest competitive developments, Dorsey Homes and ArtistSpace Lofts. The concentration of inventory in Petersburg reflects its role as the primary rental market center within the market area.

Colonial Heights includes four LIHTC properties and two market-rate properties within the competitive set. The City of Hopewell contains two LIHTC properties and four market-rate properties. Prince George County includes five competitive communities, consisting of two LIHTC properties and three market-rate properties. The more limited inventory in these jurisdictions suggests that many renter households rely on housing options across jurisdictional boundaries, reinforcing the regional nature of the competitive market.



Map F - Locations of Competitive Apartments

Photographs of each competitive apartment property are presented on the following pages. Dorsey Homes is a unique community, as it consists of detached modular homes. ArtistSpace Lofts is the only adaptive reuse property. Freedman Point is the only newly constructed community with elevator access. The remaining properties feature traditional two- and three-story garden-style buildings or two-story townhome-style layouts.



Dorsey Homes



ArtistSpace Lofts



Freedman Point



Cavalier II



Liberty Pointe



The Summit



Puddledock Place



Henry Williams



Jesse Lee



Walnut Hill



Mattox Landing



Terrace View



Bailey's Ridge



Pinetree



Clearfield Apartments



Oaks of Dunlop Farms



The Legend at Walnut Hill



Independence Place



1200 Acqua



Jefferson Pointe



Branchester Lakes



Addison Crater Woods



Twin Rivers



Canterbury Townhomes



Farmingdale Townhouses



Riverside Park



Crater Square Apartments



Ivy Gates Townhomes



Tanglewood Apartments



Woodmere Apartments



Lakeview Terrace



Lakeview Village



Aubrey Apartments

V.2.b: Distribution of Income Restrictions

Table 18 summarizes the distribution of income restrictions across competitive apartment communities within the Malone Trace II market area. The competitive inventory includes a total of 5,026 units, consisting of 1,663 income-restricted LIHTC units and 3,363 market-rate units. Market-rate housing represents 66.9 percent of the overall supply, while income-restricted units account for the remaining 33.1 percent.

Within the income-restricted inventory, units affordable at 60% of AMI represent the dominant affordability tier. A total of 1,101 units are restricted at this level, accounting for 21.9 percent of the total competitive inventory and approximately 66.2 percent of the LIHTC inventory

(1,101 of 1,663 units). Numerous communities operate primarily at the 60% of AMI level, making this income band the prevailing affordability benchmark within the competitive market.

Units restricted at 50% of AMI total 432 units, representing 8.6 percent of the overall inventory. These units are generally incorporated into mixed-income LIHTC developments rather than into properties operating at a single affordability level. Deeper affordability remains limited, with no units restricted at 30% of AMI and 43 units (0.9 percent) restricted at 40% of AMI. In addition, 33 units (0.7 percent) are supported by project-based vouchers. Combined, units affordable at 50% of AMI or below total 508 units, representing approximately 10.1 percent of the overall competitive inventory, reflecting a relatively limited supply of deeper affordability options.

At the higher end of the LIHTC spectrum, only 27 units (0.5 percent) are restricted at 70% of AMI and 27 units (0.5 percent) at 80% of AMI, indicating minimal availability of moderate-income LIHTC options. Overall, the distribution reflects a competitive environment heavily concentrated at the 60% of AMI level, with relatively limited supply at both deeper affordability tiers and higher LIHTC income levels.

Malone Trace II will introduce additional units across several underrepresented tiers, including five units at 30% of AMI, 18 units at 50% of AMI, six units at 60% of AMI, and 16 units at 80% of AMI, which will modestly increase the supply of both deeply affordable and moderate-income units within the market area, although the overall competitive distribution will remain centered at the 60% of AMI level.

**Table 18: Distribution of Income Restrictions at Competitive Apartments —
Malone Trace II Market Area (February 2026)**

	PBV	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	Market Rate	Total Units
LIHTC									
Dorsey Homes	0	0	0	0	47	0	0	0	47
ArtistSpace Lofts ¹	0	0	20	52	100	27	27	0	226
Freedman Point	3	0	5	26	34	0	0	0	68
Cavalier II	0	0	7	27	32	0	0	0	66
Liberty Pointe	0	0	5	43	0	0	0	0	48
The Summit	30	0	0	26	0	0	0	0	56
Puddledock Place I & II	0	0	6	150	0	0	0	0	156
Henry Williams	0	0	0	0	42	0	0	0	42
Jesse Lee	0	0	0	108	0	0	0	0	108
Walnut Hill	0	0	0	0	168	0	0	0	168
Mattox Landing	0	0	0	0	88	0	0	0	88
Terrace View	0	0	0	0	62	0	0	0	62
Bailey's Ridge	0	0	0	0	156	0	0	0	156
Pinetree	0	0	0	0	144	0	0	0	144
Clearfield Apartments	0	0	0	0	144	0	0	0	144
The Legend at Walnut Hill	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>84</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>84</u>
<i>Subtotal</i>	<i>33</i>	<i>0</i>	<i>43</i>	<i>432</i>	<i>1,101</i>	<i>27</i>	<i>27</i>	<i>0</i>	<i>1,663</i>
Market-Rate									
Independence Place	0	0	0	0	0	0	0	225	225
1200 Acqua	0	0	0	0	0	0	0	336	336
Jefferson Pointe	0	0	0	0	0	0	0	220	220
Branchester Lakes	0	0	0	0	0	0	0	120	120
Oaks of Dunlop Farms	0	0	0	0	0	0	0	144	144
Addison Crater Woods	0	0	0	0	0	0	0	636	636
Twin Rivers	0	0	0	0	0	0	0	155	155
Canterbury Townhomes	0	0	0	0	0	0	0	142	142
Farmingdale Townhouses	0	0	0	0	0	0	0	121	121
Riverside Park	0	0	0	0	0	0	0	120	120
Crater Square Apartments	0	0	0	0	0	0	0	130	130
Ivy Gates Townhomes	0	0	0	0	0	0	0	120	120
Tanglewood Apartments	0	0	0	0	0	0	0	408	408
Woodmere Apartments	0	0	0	0	0	0	0	148	148
Lakeview Terrace	0	0	0	0	0	0	0	75	75
Lakeview Village	0	0	0	0	0	0	0	63	63
Aubrey Apartments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200</u>	<u>200</u>
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>3,363</i>	<i>3,363</i>
Total	33	0	43	432	1,101	27	27	3,363	5,026
Percent of Total	0.7%	0.0%	0.9%	8.6%	21.9%	0.5%	0.5%	66.9%	100.0%
Malone Trace II	0	5	0	18	6	0	16	0	45

¹ Estimate based on an interview with on-site management

Source: Field and Telephone Survey by S. Patz & Associates, Inc.

V.2.c: Net Rent Analysis

Table 19 presents net rental rates for one-bedroom, two-bedroom, and three-bedroom units at competitive LIHTC and market-rate apartment communities within the Malone Trace II market area. Rents were adjusted to include only the cost of trash collection, making the rental structure comparable to Malone Trace II.

The competitive inventory reflects a range of rent levels based on affordability restrictions. Among LIHTC properties, one-bedroom rents range from approximately \$672 at the 40% of AMI level to \$1,155 at the 60% of AMI level. Average LIHTC rents are \$714 at 40% of AMI, \$938 at 50% of AMI, and \$1,072 at 60% of AMI.

Two-bedroom LIHTC rents average \$861 at 40% of AMI, \$1,063 at 50% of AMI, and \$1,259 at 60% of AMI. Limited units are also available at higher LIHTC tiers, with average rents of \$1,184 at 70% of AMI and \$1,234 at 80% of AMI. Three-bedroom LIHTC rents average \$949 at 40% of AMI, \$1,190 at 50% of AMI, and \$1,468 at 60% of AMI. These figures demonstrate a consistent increase in rents across higher-income tiers within the LIHTC inventory.

Market-rate properties operate at higher rent levels across all unit types. One-bedroom market rents average \$1,163 and generally range from approximately \$741 to \$1,537. Two-bedroom market rents average \$1,359, ranging from approximately \$724 to \$1,724, while three-bedroom rents average \$1,540 and extend from approximately \$1,006 to \$1,955. Variation within the market-rate inventory reflects differences in property age, unit size, renovation status, and amenity packages.

The proposed rents for Malone Trace II are competitive relative to the existing affordable inventory and address affordability tiers that are limited or unavailable in the market area. No existing LIHTC properties surveyed offer units at the 30% of AMI level, and only ArtistSpace Lofts includes units at the 80% of AMI level. As a result, the proposed development will expand the availability of both deeply affordable and moderate-income LIHTC units within the competitive market.

The proposed two-bedroom rent of \$650 at 30% of AMI will serve households with extremely limited housing options. At the 50% of AMI level, the proposed two-bedroom rent of \$1,161 is approximately \$98 above the market area average of \$1,063. However, several comparable properties achieve higher rents at this affordability level. For example, Puddledock Place I & II reports two-bedroom rents of \$1,222 at 50% of AMI, and these units are fully occupied.

The proposed three-bedroom rent of \$1,332 at the 50% of AMI level is approximately \$142 above the market area average of \$1,190. The existing LIHTC inventory demonstrates that rents in this range are achievable: Puddledock Place I & II reports three-bedroom rents of \$1,284 at 50% of AMI with no vacant units, and Liberty Pointe achieves \$1,241 at 50% of AMI. The proposed rent of \$1,332 is a modest increment above these levels and is consistent with the new-construction premium that Malone Trace II will carry relative to older LIHTC product.

At the 60% of AMI level, the proposed three-bedroom rent of \$1,627 is approximately \$159 above the market area average of \$1,468. Several existing properties achieve comparable rents, including Terrace View (\$1,593), Mattox Landing (\$1,626), and Clearfield Apartments (\$1,623), demonstrating the market's ability to support rents in this range.

The proposed three-bedroom rent of \$2,130 at the 80% of AMI level exceeds both the market-rate average of \$1,540 and the upper end of observed market-rate three-bedroom rents in the area (\$1,955). However, this difference largely reflects the age and condition of the existing market-rate three-bedroom supply rather than a pricing level inconsistent with local market conditions. As shown in **Table 17**, none of the existing market-rate properties offering three-bedroom units were constructed after 2000, and the majority of the supply was developed between the 1960s and 1980s. The market-rate average of \$1,540 is therefore influenced by a comparison set dominated by older and functionally dated product.

Properties that offer higher-quality or renovated three-bedroom units command materially higher rents. Addison Crater Woods, renovated in 2008 and 2010, achieves \$1,893 to \$1,933; Ivy Gates Townhomes, a townhome-format community, achieves \$1,755 to \$1,955 despite

being built in 1974; and Oaks of Dunlop Farms, renovated in 2012, achieves \$1,656 to \$1,756. These properties cluster toward the upper end of the market-rate range, generally between \$1,900 and \$1,955, reflecting stronger pricing for renovated or higher-quality units within an otherwise aging supply base.

Importantly, no new market-rate community offering three-bedroom units has been delivered within the market area in more than two decades. As a new construction community, Malone Trace II will offer contemporary finishes, modern building systems, and amenities that are not typically present in the existing three-bedroom inventory. The proposed rent is further supported by the market-rate vacancy rate of 2.4 percent, which suggests limited available supply across the competitive inventory and generally tight rental conditions within the market area.

Table 19: Net Rental Rates at Competitive Apartments — Malone Trace II Market Area (February 2026) ¹

	One-Bedroom	Two-Bedroom	Three-Bedroom
LIHTC			
Dorsey Homes ^{4 10}	--	\$1,059 (60%)	\$1,136 (60%)
ArtistSpace Lofts	\$738 (40%)/ \$934 (50%)/ \$964 (60%)	\$882 (40%)/ \$1,134 (60%)/ \$1,184 (70%)/ \$1,234 (80%)	--
Freedman Point ⁴	--	\$868 (40%)/ \$1,053 (50%)/ \$1,301 (60%)	\$1,203 (50%)/ \$1,498 (60%)
Cavalier II	\$672 (40%)/ \$1,098 (60%)	\$1,050 (50%)/ \$1,309 (60%)	\$1,191 (50%)/ \$1,486 (60%)
Liberty Pointe ⁴	--	\$834 (40%)/ \$1,087 (50%)	\$949 (40%)/ \$1,241 (50%)
The Summit	--	\$873 (50%)	\$1,000 (50%)
Puddledock Place I & II	\$731 (40%)/ \$942 (50%)	\$1,222 (50%)	\$1,284 (50%)
Henry Williams ⁴	--	\$1,277 (60%)	\$1,475 (60%)
Jesse Lee ³	--	\$1,090 (50%)	\$1,222 (50%)
Walnut Hill ¹⁰	--	\$1,346 (60%)	\$1,518 (60%)
Mattox Landing ⁴	--	\$1,450 (60%)	\$1,626 (60%)
Terrace View ⁴	\$1,155 (60%)	\$1,387 (60%)	\$1,593 (60%)
Bailey's Ridge ¹⁰	--	\$1,104 (60%)	\$1,253 (60%)
Pinetree ^{2 10}	--	--	--
Clearfield Apartments	--	\$1,412 (60%)	\$1,623 (60%)
Legend at Walnut Hill ³	--	\$1,019-\$1,119 (60%)	--
Market-Rate			
Independence Place ¹⁰	\$1,537	\$1,704	--
1200 Acqua ¹⁰	\$1,305-\$1,335	\$1,425-\$1,595	--
Jefferson Pointe ^{9 10}	\$1,200	\$1,325	\$1,575
Branchester Lakes ¹⁰	\$1,244	\$1,420	\$1,635
Oaks of Dunlop Farms ¹⁰	\$1,241-\$1,341	\$1,474-\$1,574	\$1,656-\$1,756
Addison Crater Woods ¹⁰	\$1,008-\$1,417	\$1,634-\$1,724	\$1,893-\$1,933
Twin Rivers ⁴	--	\$939-\$1,054	--
Canterbury Townhomes ⁵	--	\$1,374-\$1,474	--
Farmingdale Townhouses ^{5 10}	--	\$1,455	--
Riverside Park ³	\$741-\$1,141	\$724-\$1,224	\$1,006-\$1,406
Crater Square Apts ^{3 6}	\$989	\$1,099-\$1,249	\$1,259
Ivy Gates Townhomes ⁷	--	\$1,435-\$1,705	\$1,755-\$1,955
Tanglewood Apartments ^{4 6 10}	\$975-\$1,050	\$1,050-\$1,249	\$1,299-\$1,499
Woodmere Apartments ⁵	\$948	\$1,085-\$1,141	\$1,143-\$1,423
Lakeview Terrace ^{4 6 10}	\$1,091-\$1,286	\$1,429	\$1,731
Lakeview Village ⁴	\$1,091-\$1,286	\$1,429	--
Aubrey Apartments ^{3 8 10}	\$1,050	\$1,225	\$1,375
Average 30% of AMI	--	--	--
Average 40% of AMI	\$714	\$861	\$949
Average 50% of AMI	\$938	\$1,063	\$1,190
Average 60% of AMI	\$1,072	\$1,259	\$1,468
Average 70% of AMI	--	\$1,184	--
Average 80% of AMI	--	\$1,234	--
Average Market-Rate	\$1,163	\$1,359	\$1,540
Malone Trace II (30%)	--	\$650	--
Malone Trace II (50%)	--	\$1,161	\$1,332
Malone Trace II (60%)	--	--	\$1,627
Malone Trace II (80%)	--	--	\$2,130

¹ Rents adjust to include trash collection only. One-bedroom units have 1.0 bathrooms, two-bedroom units have 2.0 bathrooms, and three-bedroom units have 2.0 bathrooms unless specified otherwise.

² Data not provided by on-site management

³ Two-bedroom units have 1.0 bathrooms.

⁴ Two-bedroom units have 1.5 bathrooms.

⁵ Smaller two-bedroom units have 1.0 bathrooms. Larger two-bedroom units have 1.5 bathrooms.

⁶ Three-bedroom units have 1.5 bathrooms.

⁷ Three-bedroom units have 2.5 bathrooms.

⁸ Three-bedroom units have 1.0 bathrooms.

⁹ Larger two-bedroom units have dens

¹⁰ Includes in-unit washer and dryer.

Source: Field and Telephone Survey by S. Patz & Associates, Inc.

V.2.d: Rent per Square Foot

Table 20 compares rent per square foot for one-bedroom, two-bedroom, and three-bedroom units at competitive LIHTC and market-rate apartment communities within the market area. The analysis provides an additional measure of relative pricing that accounts for differences in unit size across properties and enables more direct comparisons of pricing across unit types and communities.

Among LIHTC properties, rent per square foot generally increases across the primary affordability tiers. Average one-bedroom rents are \$0.98 at 40% of AMI, \$1.27 at 50% of AMI, and \$1.46 at 60% of AMI. For two-bedroom units, LIHTC averages are \$0.94 at 40% of AMI, \$1.17 at 50% of AMI, and \$1.34 at 60% of AMI. Three-bedroom units average \$0.87, \$1.07, and \$1.27 per square foot at the 40%, 50%, and 60% of AMI levels, respectively.

Limited higher-tier data are available, including two-bedroom averages of \$1.12 at 70% of AMI and \$1.17 at 80% of AMI. No surveyed properties offer units at the 30% of AMI level, and no surveyed LIHTC three-bedroom units are reported at the 70% or 80% of AMI levels. As a result, comparisons at these tiers should be interpreted with caution due to the limited sample size.

Market-rate properties operate at higher rent per square foot levels across all unit types, averaging \$1.65 per square foot for one-bedroom units, \$1.42 for two-bedroom units, and \$1.32 for three-bedroom units. Individual three-bedroom market-rate rents range from approximately \$1.11 to \$1.69 per square foot, reflecting variation in unit size, age, renovation status, and amenity levels, with newer or more upgraded communities generally achieving higher per-square-foot pricing than older properties.

The proposed rents for Malone Trace II are competitive relative to the existing LIHTC inventory. The proposed two-bedroom rent at 30% of AMI equates to \$0.68 per square foot, well below the 40% of AMI average of \$0.94 and consistent with the project's deeper affordability targeting.

At the 50% of AMI level, the proposed two-bedroom rent of \$1.22 per square foot modestly exceeds the LIHTC average of \$1.17 but remains within the range achieved by existing properties. The proposed three-bedroom rent of \$1.18 per square foot at 50% of AMI exceeds the average of \$1.07 but remains within the range achieved by existing properties.

At the 60% of AMI level, the proposed three-bedroom rent of \$1.45 per square foot is approximately \$0.18 above the LIHTC average of \$1.27 and is comparable to the higher rents achieved among existing properties, including Clearfield Apartments (\$1.42) and Mattox Landing (\$1.52).

The proposed three-bedroom rent of \$1.89 per square foot at the 80% of AMI level is positioned above the overall market-rate average of \$1.32; however, this difference reflects the fact that Malone Trace II will be a newly constructed, elevator-served community offering contemporary finishes and modern building systems. In contrast, the existing market-rate three-bedroom inventory consists almost entirely of mature properties developed several decades ago, many of which lack comparable design standards.

Overall, the proposed rent structure aligns with or modestly exceeds existing LIHTC levels on a per-square-foot basis while remaining competitive within the broader market. Because per-square-foot comparisons are sensitive to differences in unit size and layout efficiency, these results should be considered alongside the net rent analysis presented in the prior section.

Table 20: Rent per Square Foot at Competitive Apartments — Malone Trace II Market Area (February 2026) ¹

	One-Bedroom	Two-Bedroom	Three-Bedroom
LIHTC			
Dorsey Homes ^{4 10}	--	\$1.41 (60%)	\$1.15 (60%)
ArtistSpace Lofts	\$1.01 (40%)/ \$1.28 (50%)/ \$1.32 (60%)	\$0.84 (40%)/ \$1.07 (60%)/ \$1.12 (70%)/ \$1.17 (80%)	--
Freedman Point ⁴	--	\$1.03 (40%)/ \$1.25 (50%)/ \$1.54 (60%)	\$1.07 (50%)/ \$1.33 (60%)
Cavalier II	\$0.96 (40%)/ \$1.57 (60%)	\$1.08 (50%)/ \$1.34 (60%)	\$1.08 (50%)/ \$1.35 (60%)
Liberty Pointe ⁴	--	\$0.95 (40%)/ \$1.23 (50%)	\$0.87 (40%)/ \$1.14 (50%)
The Summit	--	\$0.92 (50%)	\$0.81 (50%)
Puddledock Place I & II	\$0.97 (40%)/ \$1.26 (50%)	\$1.25 (50%)	\$1.14 (50%)
Henry Williams ⁴	--	\$1.16 (60%)	\$1.10 (60%)
Jesse Lee ³	--	\$1.31 (50%)	\$1.19 (50%)
Walnut Hill ¹⁰	--	\$1.37 (60%)	\$1.26 (60%)
Mattox Landing ⁴	--	\$1.63 (60%)	\$1.52 (60%)
Terrace View ⁴	\$1.48 (60%)	\$1.28 (60%)	\$1.17 (60%)
Bailey's Ridge ¹⁰	--	\$1.13 (60%)	\$1.16 (60%)
Pinetree ^{2 10}	--	--	--
Clearfield Apartments	--	\$1.52 (60%)	\$1.42 (60%)
Legend at Walnut Hill ³	--	\$1.34 (60%)	--
Market-Rate			
Independence Place ¹⁰	\$2.12	\$1.76	--
1200 Acqua ¹⁰	\$1.51	\$1.44	--
Jefferson Pointe ^{9 10}	\$1.38	\$1.19	\$1.23
Branchester Lakes ¹⁰	\$1.74	\$1.50	\$1.49
Oaks of Dunlop Farms ¹⁰	\$1.88	\$1.65	\$1.69
Addison Crater Woods ¹⁰	\$1.61	\$1.62	\$1.42
Twin Rivers ⁴	--	\$1.11	--
Canterbury Townhomes ⁵	--	\$1.43	--
Farmingdale Townhouses ^{5 10}	--	\$1.39	--
Riverside Park ³	\$1.49	\$1.30	\$1.13
Crater Square Apts ^{3 6}	\$1.53	\$1.52	\$1.34
Ivy Gates Townhomes ⁷	--	\$1.15	\$1.11
Tanglewood Apartments ^{4 6 10}	\$1.41	\$1.24	\$1.14
Woodmere Apartments ⁵	\$1.36	\$1.20	\$1.15
Lakeview Terrace ^{4 6 10}	\$2.12	\$1.66	\$1.61
Lakeview Village ⁴	\$2.12	\$1.66	--
Aubrey Apartments ^{3 8 10}	\$1.24	\$1.30	\$1.25
Average 30% of AMI	--	--	--
Average 40% of AMI	\$0.98	\$0.94	\$0.87
Average 50% of AMI	\$1.27	\$1.17	\$1.07
Average 60% of AMI	\$1.46	\$1.34	\$1.27
Average 70% of AMI	--	\$1.12	--
Average 80% of AMI	--	\$1.17	--
Average Market-Rate	\$1.65	\$1.42	\$1.32
Malone Trace II (30%)	--	\$0.68	--
Malone Trace II (50%)	--	\$1.22	\$1.18
Malone Trace II (60%)	--	--	\$1.45
Malone Trace II (80%)	--	--	\$1.89

¹ Rents adjust to include trash collection only. One-bedroom units have 1.0 bathrooms, two-bedroom units have 2.0 bathrooms, and three-bedroom units have 2.0 bathrooms unless specified otherwise.

² Data not provided by on-site management

³ Two-bedroom units have 1.0 bathrooms.

⁴ Two-bedroom units have 1.5 bathrooms.

⁵ Smaller two-bedroom units have 1.0 bathrooms. Larger two-bedroom units have 1.5 bathrooms.

⁶ Three-bedroom units have 1.5 bathrooms.

⁷ Three-bedroom units have 2.5 bathrooms.

⁸ Three-bedroom units have 1.0 bathrooms.

⁹ Larger two-bedroom units have dens

¹⁰ Includes in-unit washer and dryer.

Source: Field and Telephone Survey by S. Patz & Associates, Inc.

V.2.e: Apartment Unit Sizes

Table 21 compares apartment unit sizes across competitive apartment communities within the market area, including both LIHTC and market-rate properties. Overall, the data show that the existing inventory is characterized by relatively compact unit sizes, particularly among one-bedroom and two-bedroom units, reflecting the age and design standards of many existing developments.

Across the full competitive set, average unit sizes are approximately 718 square feet for one-bedroom units, 948 square feet for two-bedroom units, and 1,166 square feet for three-bedroom units. When disaggregated by property type, LIHTC developments average 740 square feet for one-bedroom units, 942 square feet for two-bedroom units, and 1,157 square feet for three-bedroom units. Market-rate properties average 710 square feet, 953 square feet, and 1,177 square feet, respectively. Differences between the LIHTC and market-rate segments are modest, suggesting broadly similar unit sizes across the competitive inventory. In both segments, unit availability varies by property, with several developments offering a limited range of unit types and, in some cases, only larger family-oriented units.

Malone Trace II is proposed with two-bedroom units of 950 square feet and three-bedroom units of 1,125 square feet. The proposed two-bedroom units are essentially equal to the overall market average and slightly larger than the LIHTC average, while remaining consistent with the typical size range observed across the competitive inventory. This positioning is appropriate for the unit type that represents the majority of existing and proposed family-oriented rental housing in the market area.

Proposed three-bedroom units at Malone Trace II are modestly smaller than the overall market average of 1,166 square feet and the LIHTC average of 1,157 square feet but remain within the prevailing size range observed among comparable properties. Many existing communities, including both LIHTC and market-rate developments, offer three-bedroom units at or below the proposed size, which supports the functional competitiveness of the proposed floor plans.

Overall, while the development does not provide a significant size premium, the proposed floor plans align with prevailing market norms and should support competitive positioning for family-oriented rental housing, assuming unit layouts are efficient and comparable to those of competing properties.

**Table 21: Apartment Unit Sizes at Competitive Apartments —
Malone Trace II Market Area (February 2026)**

	One-Bedroom	Two-Bedroom	Three-Bedroom
LIHTC			
Dorsey Homes	--	752	992
ArtistSpace Lofts	561-898	862-1,248	--
Freedman Point	--	828-858	1,129
Cavalier II	700	975	1,100
Liberty Pointe	--	881	1,092
The Summit	--	944	1,229
Puddledock Place I & II	750	975	1,125
Henry Williams	--	1,104	1,341
Jesse Lee	--	834	1,023
Walnut Hill	--	985	1,208
Mattox Landing	--	891	1,071
Terrace View	780	1,080	1,364
Bailey's Ridge	--	978	1,078
Pinetree	700-780	1,000-1,080	1,264-1,344
Clearfield Apartments	--	931	1,144
The Legend at Walnut Hill	--	800	--
<i>Average</i>	<i>740</i>	<i>942</i>	<i>1,157</i>
Market-Rate			
Independence Place	725	967	--
1200 Acqua	875	1,050	--
Jefferson Pointe	872	1,112	1,282
Branchester Lakes	717	947	1,100
Oaks of Dunlop Farms	686	922	1,010
Addison Crater Woods	638-868	881-1,196	1,349
Twin Rivers	--	900	--
Canterbury Townhomes	--	950-1,050	--
Farmingdale Townhouses	--	1,008-1,088	--
Riverside Park	500-760	750	1,070
Crater Square Apartments	648	774	942
Ivy Gates Townhomes	--	1,369	1,677
Tanglewood Apartments	720	926	1,224
Woodmere Apartments	698	896-964	1,120
Lakeview Terrace	560	860	1,075
Lakeview Village	560	860	--
Aubrey Apartments	850	945	1,100
<i>Average</i>	<i>710</i>	<i>953</i>	<i>1,177</i>
Average	718	948	1,166
Malone Trace II	--	950	1,125
<i>Source: Field and Telephone Survey by S. Patz & Associates, Inc.</i>			

V.2.f: Apartment Unit Mix

Table 22 summarizes the apartment unit mix across competitive apartment communities within the market area. The existing inventory is heavily concentrated in two-bedroom units, which represent the dominant unit type across both LIHTC and market-rate properties.

Across the full competitive inventory of 5,026 units, two-bedroom units total 3,401 units and account for 67.7 percent of the supply. One-bedroom units total 864 units, or 17.2 percent, while three-bedroom units account for 685 units, representing 13.6 percent of the inventory. Studio units are extremely limited, totaling just 13 units (0.3 percent), and four-bedroom units account for 63 units, or 1.3 percent of the total. This distribution reflects a market primarily oriented toward two-bedroom households, with relatively limited availability of both smaller units and larger family-sized units.

Within the LIHTC inventory, which totals 1,663 units, two-bedroom units account for 1,133 units, or approximately 68 percent of the income-restricted supply. Three-bedroom units total 348 units (approximately 21 percent), representing a meaningful component of the LIHTC inventory and reflecting demand for larger family-oriented affordable housing. One-bedroom units total 143 units, while studio and four-bedroom units are limited to 13 units and 26 units, respectively. Overall, LIHTC developments are concentrated in two- and three-bedroom configurations, with minimal supply of smaller unit types.

Market-rate properties exhibit a similar pattern, though with a somewhat smaller share of larger units. Of the 3,363 market-rate units, two-bedroom units total 2,268 units, or approximately 67 percent of the supply. One-bedroom units account for 721 units (21 percent), while three-bedroom units total 337 units (approximately 10 percent). Four-bedroom units are limited to 37 units, and no studio units were identified within the market-rate segment. As with the LIHTC inventory, the market-rate supply is dominated by two-bedroom units, with more limited availability of larger family-oriented housing.

Malone Trace II is proposed with a unit mix consisting of 14 two-bedroom units and 31 three-bedroom units, totaling 45 units. Three-bedroom units will account for approximately 69 percent of the proposed development, compared with 13.6 percent across the overall market area.

While three-bedroom units represent a larger share of the LIHTC inventory (approximately 21 percent), both the LIHTC and market-rate segments remain primarily concentrated in two-bedroom units. The proposed development, therefore, places a substantially greater emphasis on larger family-oriented housing than is typical of the existing inventory.

Table 22: Apartment Unit Mix at Competitive Apartments — Malone Trace II Market Area (February 2026)

	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Total Units
LIHTC						
Dorsey Homes	0	0	2	23	22	47
ArtistSpace Lofts	13	101	112	0	0	226
Freedman Point	0	0	48	20	0	68
Cavalier II	0	12	30	24	0	66
Liberty Pointe	0	0	36	12	0	48
The Summit	0	0	26	26	4	56
Puddledock Place I & II	0	12	102	42	0	156
Henry Williams	0	0	18	24	0	42
Jesse Lee	0	0	78	30	0	108
Walnut Hill	0	0	84	84	0	168
Mattox Landing	0	0	68	20	0	88
Terrace View	0	10	42	10	0	62
Bailey's Ridge	0	0	135	21	0	156
Pinetree	0	8	128	8	0	144
Clearfield Apartments	0	0	140	4	0	144
The Legend at Walnut Hill	0	0	84	0	0	84
<i>Subtotal</i>	<i>13</i>	<i>143</i>	<i>1,133</i>	<i>348</i>	<i>26</i>	<i>1,663</i>
Market-Rate						
Independence Place	0	94	94	0	37	225
1200 Acqua	0	132	204	0	0	336
Jefferson Pointe	0	16	170	34	0	220
Branchester Lakes	0	46	58	16	0	120
Oaks of Dunlop Farms	0	12	108	24	0	144
Addison Crater Woods	0	136	423	77	0	636
Twin Rivers	0	0	155	0	0	155
Canterbury Townhomes	0	0	142	0	0	142
Farmingdale Townhouses	0	0	121	0	0	121
Riverside Park	0	40	40	40	0	120
Crater Square Apartments	0	16	70	44	0	130
Ivy Gates Townhomes	0	0	92	28	0	120
Tanglewood Apartments	0	112	280	16	0	408
Woodmere Apartments	0	40	96	12	0	148
Lakeview Terrace	0	12	47	16	0	75
Lakeview Village	0	17	46	0	0	63
Aubrey Apartments	0	48	122	30	0	200
<i>Subtotal</i>	<i>0</i>	<i>721</i>	<i>2,268</i>	<i>337</i>	<i>37</i>	<i>3,363</i>
Total	13	864	3,401	685	63	5,026
Percent of Total	0.3%	17.2%	67.7%	13.6%	1.3%	100.0%
Malone Trace II	0	0	14	31	0	45

Source: Field and Telephone Survey by S. Patz & Associates, Inc.

V.2.g: Community Amenities

Table 23 compares the availability of selected community amenities at competitive apartment communities within the market area. Overall, the existing inventory offers a moderate range of common amenities, although the extent of features varies by property and by housing segment.

Across the competitive set, laundry facilities are among the most consistently provided amenities, particularly in LIHTC properties, where shared laundry rooms are common. Clubhouse or community room space is also widely available, especially within the LIHTC inventory and at many market-rate communities, and represents one of the most prevalent shared amenities in the market.

Fitness facilities are provided at a number of LIHTC and market-rate properties but are not universal. Business centers are less frequently offered and typically limited to fewer communities. Swimming pools are relatively common in the market-rate segment and are present at several LIHTC properties, particularly in larger or newer developments. Overall, the distribution of amenities reflects variation based on property age, scale, and target market.

Regarding accessibility, elevator service is limited within the market area. Elevators are provided at only a small number of LIHTC communities, including ArtistSpace Lofts and Freedman Point, while the majority of competitive properties consist of walk-up buildings or townhouse-style units without elevator access. As a result, elevator-served housing remains relatively uncommon within the existing inventory.

Malone Trace II is proposed to include elevator service, a community room, and on-site laundry facilities. These features are generally consistent with the types of shared amenities provided within the competitive inventory. In a market where elevator access is available at only a limited number of properties, the inclusion of an elevator may provide an accessibility advantage relative to most existing communities.

Elevator service improves mobility and convenience for residents, reduces physical barriers to upper-floor units, and supports long-term occupancy for households with mobility limitations. This feature may be particularly beneficial for older adults, persons with disabilities, and households seeking accessible housing options.

In this context, the proposed amenity package aligns with prevailing market standards for shared indoor space while offering an accessibility feature that remains relatively uncommon. Overall, the amenity program is expected to support competitive positioning relative to existing apartment communities within the market area.

**Table 23: Community Amenities at Competitive Apartments —
Malone Trace II Market Area (February 2026)**

	Elevator	Clubhouse	Business	Pool	Fitness	Laundry
LIHTC	○	○	○	○	○	○
Dorsey Homes	○	●	●	○	●	●
ArtistSpace Lofts	●	●	●	○	○	●
Freedman Point	●	●	●	●	●	●
Cavalier II	○	●	○	○	○	●
Liberty Pointe	○	○	○	○	○	○
The Summit	○	●	●	○	●	●
Puddledock Place I & II	○	●	○	○	○	●
Henry Williams	○	●	○	●	○	●
Jesse Lee	○	●	○	●	●	○
Walnut Hill	○	●	○	●	●	●
Mattox Landing	○	●	○	○	●	●
Terrace View	○	●	○	●	●	○
Bailey’s Ridge	○	●	○	●	●	○
Pinetree	○	●	○	●	●	●
Clearfield Apartments	○	●	○	○	○	●
The Legend at Walnut Hill	○	○	○	○	○	○
Market-Rate						
Independence Place	○	●	○	●	●	○
1200 Acqua	○	●	●	●	○	○
Jefferson Pointe	○	●	●	●	○	○
Branchester Lakes	○	●	●	●	○	○
Oaks of Dunlop Farms	○	○	○	○	○	●
Addison Crater Woods	○	○	●	●	○	○
Twin Rivers	○	○	●	●	○	○
Canterbury Townhomes	○	○	○	○	●	●
Farmingdale Townhouses	○	○	○	●	●	●
Riverside Park	○	●	○	●	●	○
Crater Square Apartments	○	○	○	○	○	●
Ivy Gates Townhomes	○	●	●	●	○	●
Tanglewood Apartments	○	○	○	●	○	○
Woodmere Apartments	○	●	●	●	○	○
Lakeview Terrace	○	○	○	●	○	●
Lakeview Village	○	○	○	○	○	○
Aubrey Apartments	○	○	○	○	○	○
Malone Trace II	●	●	○	○	○	●

● = Amenity available; ○ = Amenity not available.
Source: Field and Telephone Survey by S. Patz & Associates, Inc.

V.2.h: Local Perspective of the Rental Housing Market

As part of this analysis, S. Patz & Associates conducted interviews with local market participants, including property managers, developers, and planning officials, to supplement the

quantitative findings with on-the-ground perspectives regarding current rental market conditions within the market area.

A consistent theme from these discussions is that overall vacancies remain limited across both the LIHTC and market-rate segments, and this condition has persisted for several years. In addition to recent local job growth, stakeholders reported that in-migration from the Richmond metropolitan area, particularly Chesterfield County, has contributed to rental demand. Chesterfield County has experienced strong employment growth in recent years, and rental rates there are typically higher than those available within the market area, making local properties a more affordable alternative for some households.

Where vacancies are present within the LIHTC segment, interview feedback suggests that they are generally attributable to property-specific conditions rather than a broad-based softening in demand. Management at Bailey's Ridge and Clearfield Apartments reported that leasing performance is influenced by eligibility dynamics and pricing, including households that become over-income at recertification and subsequently transition to market-rate housing. Managers also noted that rents at these properties are higher than those at several other affordable communities, despite the properties' age, which may narrow the eligible renter pool.

At Walnut Hill, recent availability was reported to reflect turnover associated with delinquency-related move-outs. At The Legend at Walnut Hill, vacant units were reported to be offline for renovation and were not actively available for lease at the time of the interview.

Section VI: Market Study Conclusions

The preceding analysis reflects a generally stable economic and demographic environment within the market area, with conditions that support sustained demand for affordable, family-oriented rental housing. The Tri-Cities region benefits from a diversified employment base anchored by Fort Lee, health care, logistics and distribution, manufacturing, and public-sector employment. Although at-place employment has not fully returned to pre-pandemic levels, resident employment has increased substantially since 2019, and the unemployment rate declined to 3.8 percent in 2024, reflecting improved labor market conditions and strong connectivity to the broader Richmond regional economy.

Importantly, the market area functions as part of a broader regional labor shed. Resident employment exceeds locally based jobs by a wide margin, and a significant share of workers commute to employment centers in Chesterfield County, Henrico County, and other parts of the Richmond region. These commuting patterns expand the effective employment base supporting housing demand and reinforce the role of the Tri-Cities area as a relatively affordable residential alternative within the larger metropolitan housing market. This regional integration reduces reliance on local job growth alone to support renter demand.

Population and household trends reflect continued, moderate growth, with the renter base projected to expand through the forecast period. Within LIHTC-relevant income ranges, the number of income-qualified renter households is projected to remain generally stable. While growth within these income tiers is limited, the existing base of income-qualified renters remains substantial. In addition, a significant share of renter households is cost-burdened, and a portion occupies units with physical deficiencies or overcrowding, conditions that reflect persistent affordability pressures and support ongoing demand for additional income-restricted units.

Supply conditions further reinforce the presence of unmet demand. The competitive inventory includes a large number of older properties, and stabilized vacancy levels remain low across both the LIHTC and market-rate segments. Interviews with property managers suggest

that most vacancies reflect normal turnover or property-specific factors rather than broad-based weakening in demand. The identified development pipeline totals approximately 170 affordable units expected to begin construction in 2026, which represents a modest addition relative to the size of the existing income-qualified renter population and is not expected to materially affect market conditions during the anticipated lease-up period for Malone Trace II.

The following Demand Analysis section examines these supply and demand dynamics in greater detail, quantifying income-qualified renter household trends, the competitive inventory, and projected absorption over the forecast period.

VI.1: Analysis of Demand

VI.1.a: Competitive Apartment Development Pipeline

S. Patz & Associates conducted research to identify planned, proposed, and under-construction rental developments within the defined market area that would compete directly with Malone Trace II, defined for this analysis as general-occupancy rental communities with income restrictions comparable to those proposed for Malone Trace II.

Research efforts included interviews with planning staff from the City of Petersburg, the City of Hopewell, the City of Colonial Heights, Prince George County, as well as a review of local planning documents, recent media coverage, Virginia Housing 9% and 4% LIHTC application materials, and prior S. Patz & Associates studies. For each identified proposal, developers or project representatives were contacted, where possible, to confirm the proposed unit mix, income targeting, anticipated development timing, and current project status. Where direct confirmation was not available, project information was based on the most recent publicly available sources.

Table 24 summarizes the characteristics of the competitive affordable apartment pipeline within the market area as of February 2026. The identified pipeline consists of three developments totaling 170 units, all of which are supported by Low-Income Housing Tax Credits and are either under construction or expected to begin construction in 2026.

Malone Place is the largest project in the pipeline with 76 units. The income distribution includes 8 units at 30% of AMI, 30 units at 50% of AMI, 22 units at 70% of AMI, and 16 units at 80% of AMI.

Two additional developments, Wells Pointe (42 units) and Malone Trace I (52 units), are expected to begin construction in 2026. Wells Pointe includes five units at 30% of AMI, eight units at 50% of AMI, and 21 units at 80% of AMI. Malone Trace I includes six units at 30% of AMI, 22 units at 50% of AMI, six units at 60% of AMI, and 18 units at 80% of AMI.

Collectively, the pipeline is concentrated at moderate-income levels, with 60 units at 50% AMI and 55 units at 80% AMI. An additional 22 units are planned at 70% of AMI, while 19 units are targeted to households at 30% of AMI. No units are currently planned at the 40% of AMI level, and only six units are planned at 60% of AMI.

Table 24: Characteristics of Competitive Apartment Pipeline — Malone Trace II Market Area (February 2026) ¹

	Map G Key	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	Total Units	Status
Malone Place	1	8	0	30	0	22	16	76	2026 Start
Wells Pointe ²	2	5	0	8	0	0	21	42	2026 Start
Malone Trace I	3	6	0	22	6	0	18	52	2026 Start
Total		19	0	60	6	22	55	170	

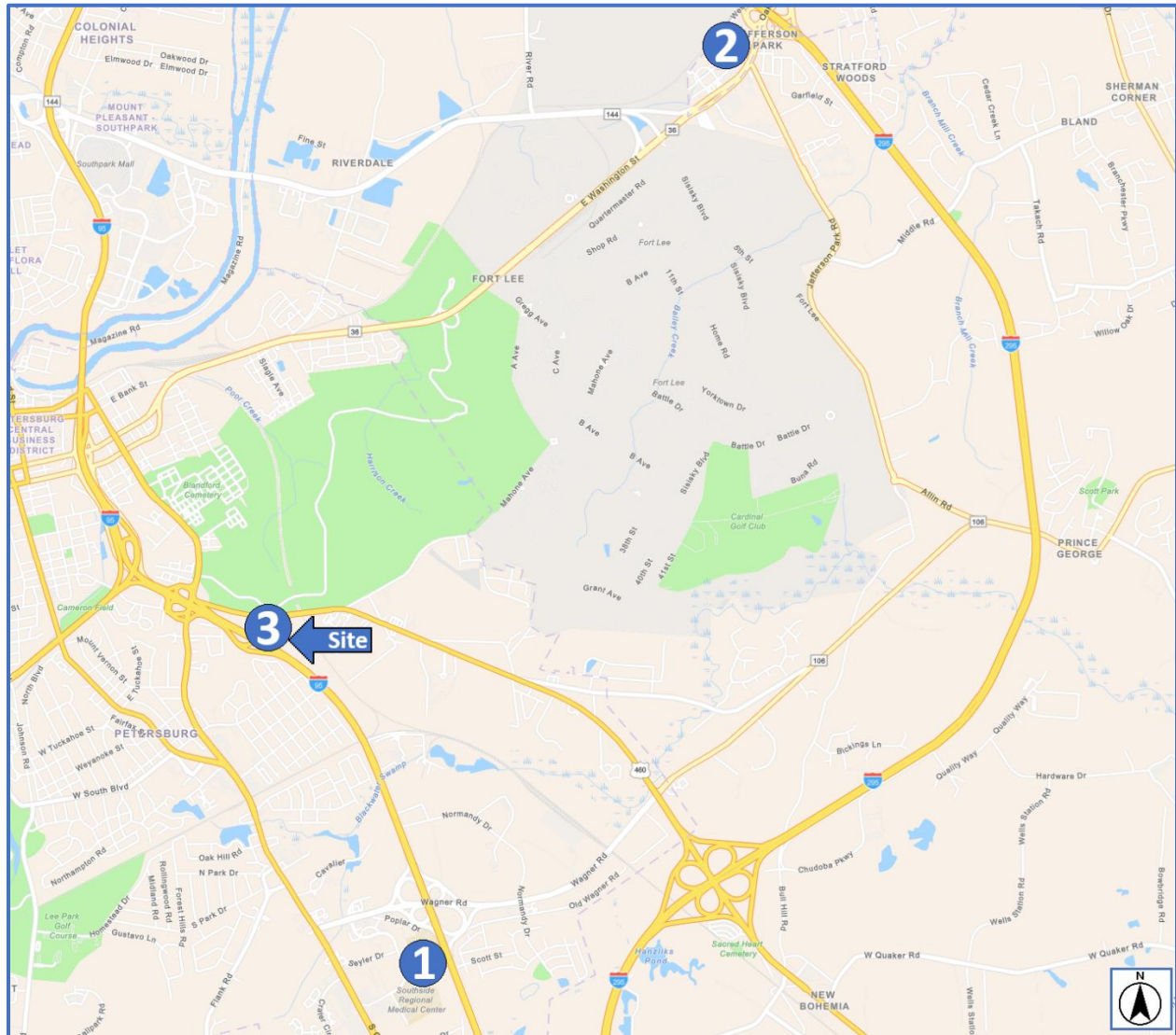
¹ Excludes The Rendezvous, planned by the Hopewell Redevelopment & Housing Authority for 64 units. All will be supported by project-based vouchers.

² Eight units supported by project-based vouchers.

Source: S. Patz & Associates, Inc.

Map G illustrates the locations of the three affordable apartment developments included in the competitive pipeline. Malone Trace I will be constructed adjacent to the proposed Malone Trace II site, resulting in a concentration of new affordable units at this location. Wells Pointe will be developed on the south side of the intersection of Cousins Avenue and Western Street in the City of Hopewell. Malone Place will be constructed along Medical Park Boulevard in the City of Petersburg.

No income-restricted, general-occupancy rental developments were identified in the pipeline for the City of Colonial Heights or Prince George County, indicating that near-term affordable supply growth is concentrated in Petersburg and Hopewell.



Map G - Locations of Pipeline Apartments

The paragraphs below summarize the characteristics of each apartment development included in the competitive pipeline:

- **Malone Place:** Woda Cooper Companies has proposed a 76-unit affordable apartment community at 230 Medical Park Boulevard in the City of Petersburg. The development will include 14 one-bedroom, 44 two-bedroom, and 18 three-bedroom units. Income

restrictions include eight units at 30% of AMI, 30 units at 50% of AMI, 22 units at 70% of AMI, and 16 units at 80% of AMI. The community will comprise a three-story, garden-style building constructed of wood frame. Each unit will be newly constructed and equipped with Energy Star-rated appliances, including a refrigerator, range with hood, disposal, dishwasher, and microwave, as well as air conditioning, washer and dryer hookups, flooring, and window blinds. Units will include either one or two full bathrooms. Community amenities will include a laundry room, a community room, an on-site management office, a computer room, and an elevator. Outdoor features will include picnic and patio areas, a playground with seating, bicycle racks, and surface parking. The proposal received 4% Low-Income Housing Tax credits in 2024.

- **Wells Point:** Woda Cooper Companies has proposed a 42-unit general-occupancy affordable apartment community on the south side of Cousins Avenue and Western Street in the City of Hopewell. The development will target households earning up to 30%, 50%, and 80% of AMI under the LIHTC program. Eight units will be supported by project-based vouchers, seven of which will be reserved for households experiencing homelessness or at risk of homelessness. Residents in these units will pay up to 30 percent of adjusted household income toward rent and utilities. In addition, three two-bedroom units at the 30% AMI level will be designed as live/work units. The unit mix will include six one-bedroom, 27 two-bedroom, and nine three-bedroom units. Income restrictions include five units at 30% of AMI, eight units at 50% of AMI, and 21 units at 80% of AMI. The community will comprise a single four-story building with an elevator. Planned amenities include a community room, community kitchen, laundry facilities, a playground, and a social service coordinator. The development received a 9% allocation of Low-Income Housing Tax Credits in the 2025 funding round. Construction is expected to begin in April 2026, with pre-leasing anticipated in February 2027 and completion projected for May 2027.
- **Malone Trace I:** This development is a proposed 52-unit affordable apartment community at the intersection of Winfield Road and County Drive in the City of Petersburg. The income distribution includes six units at 30% of AMI, 22 units at 50% of AMI, six units at 60% of AMI, and 18 units at 80% of AMI. The unit mix will consist of 16 two-bedroom and 36 three-bedroom apartments. The property will feature a single three-story building with elevator service. Common-area and site amenities will include a multipurpose room and laundry facilities. The developer was awarded 9% Low-Income Housing Tax Credits in the 2025 funding round. Construction is expected to begin in the summer of 2026, with an anticipated opening in late-2027.

Photographs of the pipeline development sites are presented on the following pages. The images show that construction has not begun on any of these proposals.



Malone Place



Wells Point



Malone Trace I

VI.1.b: Net Rent Evaluation

On a monthly rent basis, the proposed rents are generally consistent with the competitive LIHTC range for comparable unit types, with the 30% of AMI tier intentionally priced below prevailing LIHTC rents. The proposed two-bedroom rents of \$650 at 30% of AMI and \$1,161 at 50% of AMI compare to the LIHTC two-bedroom averages of \$861 at 40% of AMI and \$1,063 at 50% of AMI. No LIHTC two-bedroom rents are reported at the 30% of AMI level. Accordingly, the proposed \$650 rent is below the lowest LIHTC two-bedroom rent reported (\$834 at Liberty Pointe, 40% of AMI).

At 50% of AMI, the proposed two-bedroom rent is \$98 above the LIHTC average, and \$61 below the highest LIHTC 50% two-bedroom rent reported (Puddledock Place I & II at \$1,222), but it remains below the LIHTC two-bedroom average at 60% of AMI (\$1,259) and within the broader LIHTC two-bedroom rent spectrum observed in the survey.

At 50% of AMI, the proposed three-bedroom rent of \$1,332 is \$142 above the LIHTC average of \$1,190 and \$48 above the highest 50% three-bedroom rent reported in the survey (Puddledock Place I & II at \$1,284), while remaining \$136 below the 60% of AMI average of \$1,468. Because most surveyed three-bedroom LIHTC units are restricted to 60% of AMI, the 60% tier provides the most direct benchmark for three-bedroom LIHTC rents in the survey.

At 60% of AMI, the proposed three-bedroom rent of \$1,627 exceeds the LIHTC average of \$1,468 by \$159, but is comparable to rents achieved at several surveyed properties, including Terrace View (\$1,593), Mattox Landing (\$1,626), and Clearfield Apartments (\$1,623).

At 80% of AMI, the proposed three-bedroom rent of \$2,130 is \$590 above the market-rate average of \$1,540 and exceeds the observed market-rate three-bedroom ceiling of \$1,955. As discussed in Section V.2.c, however, every market-rate property offering three-bedroom units was built before 2000, and the majority date to the 1960s through 1980s. The market-rate average and ceiling are therefore benchmarks for aged product. The proposed rent reflects the new-construction premium that Malone Trace II will carry over the existing supply, consistent with the pricing differential observed between higher-quality properties and the broader aged market-rate inventory.

Rent-per-square-foot comparisons are consistent with these patterns. At 30% of AMI, the proposed two-bedroom rent equates to \$0.68 per square foot, well below the LIHTC two-bedroom average of \$0.94 at 40% of AMI, and below the lowest LIHTC two-bedroom rent per square foot reported (\$0.84 at ArtistSpace Lofts, 40% of AMI). At 50% of AMI, the proposed two-bedroom rent is \$1.22 per square foot, approximately \$0.05 above the LIHTC average of \$1.17, while the proposed three-bedroom rent is \$1.18 per square foot, above the LIHTC average of \$1.07.

At 60% of AMI, the proposed three-bedroom rent is \$1.45 per square foot, \$0.18 above the LIHTC average of \$1.27 and within the upper end of the competitive LIHTC range, including Clearfield Apartments (\$1.42) and Mattox Landing (\$1.52). At 80% of AMI, the proposed three-bedroom rent is \$1.89 per square foot, above the market-rate average of \$1.32 and above the observed market-rate range for three-bedroom units (approximately \$1.11 to \$1.69). This positioning reflects the new-construction quality of Malone Trace II relative to the aged market-rate three-bedroom supply and is consistent with the premium that new construction generates over decades-old product.

Unit size comparisons provide additional context. Malone Trace II two-bedroom units average 950 square feet, essentially consistent with the overall market average of 948 square feet. Three-bedroom units average 1,125 square feet, modestly below the overall market average of 1,166 square feet. The slightly smaller three-bedroom unit size partly offsets the higher rent-per-square-foot positioning in terms of total monthly rent, even though the proposed three-bedroom rents are positioned near the upper end of LIHTC levels observed in the survey.

Overall, the proposed rents fall within prevailing competitive ranges reported in the survey and are positioned near the upper end of LIHTC rent levels for comparable unit types, consistent with new construction and current competitive conditions. The proposed three-bedroom rent at 80% of AMI exceeds the current market-rate average, however, this reflects a comparison set composed entirely of aging stock with no new three-bedroom construction having entered the market in over two decades. Based on the rent and unit comparisons summarized above, the proposed rents considered are achievable.

VI.1.c: Achievable Market Rent Analysis

To estimate achievable market rents for Malone Trace II, this analysis focuses on the five newest market-rate properties in the competitive inventory: Independence Place (2011/2012), 1200 Acqua (2009 to 2011), Jefferson Pointe (2000), Branchester Lakes (1998, renovated 2014), and Oaks of Dunlop Farms (1992, renovated 2012). These properties represent the most comparable inventory in terms of building age, unit design, and overall product positioning. Most other

market-rate properties in the competitive inventory were constructed during the 1970s and 1980s and therefore do not represent an appropriate benchmark for a newly delivered apartment community.

The achievable market rent analysis derived from these comparable properties is summarized below.

- **Comparable Market Rent Baseline:** Two-bedroom rents at the five reference properties average \$1,497 per month. Three-bedroom rents average \$1,639 per month across the three properties that offer that unit type, as Independence Place and 1200 Acqua do not include three-bedroom units. The newest market-rate property offering three-bedroom units is Jefferson Pointe (built 2000), which will be approximately 28 years old at the time of Malone Trace II's anticipated delivery.
- **Unit Size Comparability:** Unit sizes at Malone Trace II are generally consistent with the newer market-rate reference set, which supports direct rent comparison. The proposed two-bedroom units (950 square feet) align closely with the market-rate average (953 square feet) and fall within the observed competitive range of 922 to 1,112 square feet. The proposed three-bedroom units (1,125 square feet) are also consistent with the newer three-bedroom reference range of 1,010 to 1,282 square feet.
- **Amenity and Configuration Adjustments:** Several adjustments are required before applying a new construction premium. All five reference properties include in-unit washers and dryers, while Malone Trace II will not provide this feature, resulting in a downward adjustment of \$50 per month. Malone Trace II will also be the only elevator-served community among the reference properties, supporting an upward adjustment of \$50 per month. In addition, the proposed two-bedroom units include one-and-one-half-bathroom layouts, whereas comparable market-rate units commonly provide two full bathrooms, resulting in an additional downward adjustment of \$40 per month for the two-bedroom analysis.
- **Adjusted Base Rent:** After applying these adjustments, the adjusted base rent is estimated at \$1,457 per month for two-bedroom units and \$1,639 per month for three-bedroom units, as summarized in **Table 25**.
- **New Construction Premium:** Malone Trace II is projected to deliver in September 2028 and will be the newest market-rate community in the competitive area by a considerable margin. Based on original construction dates, the primary reference properties will range from approximately 16 to 36 years old at that time, even after accounting for renovations

at Branchester Lakes and Oaks of Dunlop Farms. Newly delivered apartment communities typically command a rent premium relative to substantially older inventory.

- **Two-Bedroom Achievable Rent:** Applying a new construction premium of 15 percent, or \$219 per month, to the adjusted base of \$1,457 supports an achievable market rent of approximately \$1,676 per month. This estimate remains broadly consistent with current performance at Independence Place, which already achieves approximately \$1,704 for two-bedroom units despite being approximately 17 years old at the time of Malone Trace II's projected delivery and including in-unit washers and dryers.
- **Three-Bedroom Achievable Rent:** Because Independence Place and 1200 Acqua do not offer three-bedroom units, the comparable three-bedroom inventory consists entirely of properties built between 1992 and 2000, which will be approximately 28 to 36 years old at the time of Malone Trace II's delivery. Applying a new construction premium of approximately 30 percent, or \$492 per month, to the adjusted base of \$1,639 supports an achievable market rent of approximately \$2,131 per month. This premium reflects the substantial age gap between Malone Trace II and the existing market-rate inventory. The newest comparable property offering three-bedroom units, Jefferson Pointe, was built in 2000 and will be approximately 28 years old at the time of Malone Trace II's projected delivery. Other comparable properties date to the 1990s and early 2000s, and even after renovations will be roughly 28 to 36 years old. Newly delivered apartment communities typically achieve a meaningful pricing advantage relative to substantially older inventory, particularly when the existing supply includes no recently constructed elevator-served properties.

Based on this analysis, achievable market rents for Malone Trace II are estimated at approximately \$1,676 per month for two-bedroom units and \$2,131 per month for three-bedroom units. As summarized in **Table 25**, these estimates reflect adjustments for amenity differences, bathroom configuration, and the pricing advantages associated with new construction.

Table 25: Achievable Market Rent Analysis — Malone Trace II

Property	Year Built	2BR Rent	3BR Rent	In-Unit W/D	Elevator
Independence Place	2011/12	\$1,704	--	●	○
1200 Acqua	2009/11	\$1,425-\$1,595	--	●	○
Jefferson Pointe	2000	\$1,325	\$1,575	●	○
Branchester Lakes	1998/14	\$1,420	\$1,635	●	○
Oaks of Dunlop Farms	1992/12	\$1,474-\$1,574	\$1,656-\$1,756	●	○
Newer Average		\$1,497	\$1,639		
Less: No In-Unit W/D		-\$50	-\$50		
Plus: Elevator Service		+\$50	+\$50		
Less: Bathroom Configuration		-\$40	=		
Adjusted Base		\$1,457	\$1,639		
Plus: New Construction Premium (~15%/30%)		\$219	\$492		
Achievable Market Rent		\$1,676	\$2,131	○	●

Source: S. Patz & Associates, Inc.

VI.1.d: Unit Size and Mix Evaluation

As was shown in **Table 22**, the competitive apartment inventory is heavily concentrated in two-bedroom units, which account for 3,401 of 5,026 units (67.7 percent). Three-bedroom units total 685 units (13.6 percent), while one-bedroom units comprise 864 units (17.2 percent). Studio units are extremely limited (13 units, or 0.3 percent), and four-bedroom units represent 63 units (1.3 percent).

In contrast, Malone Trace II proposes a unit mix consisting exclusively of two- and three-bedroom units, including 14 two-bedroom units and 31 three-bedroom units (45 units total). Three-bedroom units will account for approximately 68.9 percent of the proposed mix, compared with 13.6 percent across the competitive inventory, representing a substantially greater concentration of larger units than is typical in the market area. This mix will increase the supply of family-sized units within a market dominated by smaller configurations.

This emphasis aligns with the characteristics of renter households shown in **Table 15**. Households with three or more persons account for 7,981 households. While larger households represent a minority of the renter population, these data reflect a meaningful segment of demand for units with three bedrooms or more.

Table 21 shows that Malone Trace II's proposed unit sizes are generally consistent with prevailing market standards. Two-bedroom units will average 950 square feet, compared with an overall market average of 948 square feet. Three-bedroom units will average 1,125 square feet, compared with an overall market average of 1,166 square feet. While the proposed three-bedroom units are modestly smaller than the market average, they fall within the typical range observed among both LIHTC and market-rate properties and help moderate total monthly housing costs for larger households.

Overall, the proposed unit mix will increase the availability of three-bedroom units in a market where such units represent a limited share of the existing inventory, while unit sizes remain consistent with prevailing market norms.

VI.1.e: Penetration Rate Analysis

For this analysis, the penetration rate represents the share of income-eligible renter households required to occupy Malone Trace II, along with existing and proposed competitive apartment units. This measure assesses the market area's capacity to absorb the total inventory of directly comparable rental housing.

The analysis results in a penetration rate of 42.9 percent, as shown in **Table 26**. This calculation compares 1,603 total comparable units to 3,733 income-eligible renter households within the market area. The comparable inventory includes 45 units at Malone Trace II, 1,418 units at existing competitive communities, and 140 units in proposed developments.

The penetration rate should be viewed as a conservative estimate because it does not account for renter households relocating from outside the market area or households with incomes above the target ranges who may still choose to occupy units at Malone Trace II. These factors can expand the effective demand base beyond the income-qualified renter households included in the calculation.

In addition, some renter households within the market area currently occupy housing outside professionally managed apartment communities, including single-family rentals, duplexes, or other small-scale properties. As a result, a portion of these households may transition to professionally managed apartments when new units become available, which can further support absorption of Malone Trace II and other comparable developments.

Overall, the penetration analysis suggests that the combined inventory of existing, proposed, and subject units can be absorbed within the market area without requiring an excessive share of income-eligible renter households, supporting stable market conditions.

Table 26: Penetration Rate Analysis — Malone Trace II Market Area	
	Total
Income-Eligible Renter Households	3,733
Malone Trace II	45
Existing Competitive Units ¹	1,418
Proposed Competitive Units	140
<i>Total Inventory</i>	<i>1,603</i>
Penetration Rate	42.9%
<p>¹ Penetration rate calculations reflect only comparable units, defined as units with two or three bedrooms. Estimates were utilized for ArtistSpace Lofts, based on interviews with on-site management. This community includes 112 two-bedroom units and no three-bedroom floorplans. Based on the income distribution for the development, it is reasonable to assume that no two-bedroom units are restricted at 30% of AMI, and that the family-oriented inventory is concentrated at higher income levels. Accordingly, the two-bedroom units are estimated to include approximately 25 units at 50% of AMI, 49 units at 60% of AMI, 12 units at 70% of AMI, and 14 units at 80% of AMI.</p> <p><i>Source: Ribbon Demographics; S. Patz & Associates, Inc.</i></p>	

VI.1.f: Virginia Housing Demand Analysis

The Virginia Housing Demand Table, presented in **Table 27**, summarizes the standardized methodology used by Virginia Housing to evaluate demand for Low-Income

Housing Tax Credit applications. This methodology estimates demand based on projected changes in income-qualified renter households, the number of cost-burdened renters, the incidence of substandard housing conditions, the potential for elderly homeowners to convert to rental housing, and the number of existing qualifying tenants expected to remain following renovation.

As shown in **Table 27**, total demand for income-restricted rental housing within the target income ranges is estimated at 1,618 households. This estimate is derived from the following components.

- **New Renter Households:** Projected demographic trends show a modest overall decline in renter households within several income bands between 2026 and 2031. As shown in **Table 12**, renter households in the 30%, 50%, to 60% of AMI income bands are projected to decline by 22, 116, and 15 households, respectively, while the number of households in 80% of AMI band is projected to increase by 46 households. Overall, this results in a net change of negative 107 renter households across the combined target income ranges, indicating that household growth is not a primary source of demand within the lower-income bands.
- **Rent Overburdened Households:** The largest component of demand is generated by existing renter households paying more than 35 percent of income toward housing costs. This component accounts for 1,605 households, including 362 in the 30% of AMI income band, 762 in the 50% of AMI income band, 209 in the 60% of AMI income band, and 272 in the 80% of AMI income band. This distribution is consistent with **Table 13**, which shows that 41.3 percent of market area renter households are cost-burdened, reflecting widespread affordability pressure across the market area.
- **Renter Households in Substandard Housing:** Additional demand is attributable to households living in substandard housing conditions, defined as units lacking complete plumbing or experiencing overcrowding. As shown in **Table 27**, this component contributes 120 households to total demand, including 27 households at 30% of AMI, 57 households at 50% of AMI, 16 households at 60% of AMI, and 20 households at 80% of AMI. This distribution is consistent with **Table 14**, which indicates that 3.1 percent of market area renters live in substandard conditions.
- **Elderly Households Likely to Convert to Rental Housing:** Because Malone Trace II is a general occupancy community rather than age-restricted housing, no demand is attributed to elderly homeowner conversion.

-
- **Existing Qualifying Tenants to Remain After Renovation:** Because Malone Trace II represents new construction and does not involve rehabilitation of an existing occupied property, no demand is attributed to tenants remaining after renovation.

After accounting for all demand components, total demand equals 1,618 units, including 367 units up to 30% of AMI, 703 units up to 50% of AMI, 210 units up to 60% of AMI, and 338 units up to 80% of AMI.

Existing competitive vacant and pipeline units total 248 units across the target income ranges, including 19 units up to 30% of AMI, 66 units up to 50% of AMI, 108 units up to 60% of AMI, and 55 units up to 80% of AMI. After subtracting this supply, net demand is estimated at 1,370 units, including 348 units up to 30% of AMI, 637 units up to 50% of AMI, 102 units up to 60% of AMI, and 283 units up to 80% of AMI.

Malone Trace II will include 45 income-restricted units, consisting of five units up to 30% of AMI, 18 units up to 50% of AMI, six units up to 60% of AMI, and 16 units up to 80% of AMI. This distribution results in an overall capture rate of 3.3 percent, with capture rates of 1.4 percent up to 30% of AMI, 2.8 percent up to 50% of AMI, 5.9 percent up to 60% of AMI, and 5.7 percent up to 80% of AMI.

The calculated absorption periods range from one to two months by income band, including one month for the 30% and 60% of AMI tiers and two months for the 50% and 80% of AMI tiers. These estimates reflect the limited number of proposed units relative to the depth of identified demand. The distribution of units across multiple income levels will allow management to market to a broader range of income-qualified households and maintain leasing flexibility as individual income tiers are absorbed, supporting a stable and efficient initial lease-up period.

Table 27: Virginia Housing Demand Table

	Up to 30% of AMI	Up to 50% of AMI	Up to 60% of AMI	Up to 80% of AMI	Total
New Rental Households PLUS	-22	-116	-15	46	-107
Existing Households - Overburdened PLUS	362	762	209	272	1,605
Existing Households - Substandard Housing PLUS	27	57	16	20	120
Elderly Households-Likely to Convert to Rental Housing PLUS	0	0	0	0	0
Existing Qualifying Tenants – to Remain After Renovation	0	0	0	0	0
Total Demand MINUS	367	703	210	338	1,618
Supply (Vacant and Pipeline Units) EQUALS	19	66	108	55	248
Net Demand	348	637	102	283	1,370
Proposed Units	5	18	6	16	45
Capture Rate	1.4%	2.8%	5.9%	5.7%	3.3%
Absorption Period (in months)	1	2	1	2	2

The Virginia Housing capture rate table below indicates a project-wide capture rate of 3.3 percent and a two-month lease-up period.

Table 28: Virginia Housing Capture Rate Table

Project Wide Capture Rate – LIHTC Units	3.3%
Project Wide Capture Rate – Market Rate Units	--
Project Wide Capture Rate – All Units	3.3%
Project Wide Absorption Rate (Months)	2

Market Analyst Disclosure

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 Virginia Housing.
4. Neither I nor anyone at my firm has any interest in the proposed development or relationship with the ownership entity.
5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.

Ariel Goldring

Market Analyst

March 6, 2026

Date

Data Sources

S. Patz & Associates utilizes various sources to gather and confirm the data used in this report. These sources include the following:

- Chesterfield County Economic Development
- Chesterfield County Planning Department
- City of Colonial Heights Economic Development
- City of Colonial Heights Planning & Community Development
- City of Hopewell Assessor's Office
- City of Hopewell Commissioner of the Revenue
- City of Hopewell Economic Development and Tourism
- City of Hopewell Planning & Development
- City of Petersburg Economic Development
- City of Petersburg Planning and Community Development
- Claritas; Ribbon Demographics
- Crater Planning District Commission
- Fort Lee
- Greater Richmond Partnership
- Hopewell Redevelopment and Housing Authority (HRHA)
- Management of all rental properties surveyed
- Prince George County Economic Development
- Prince George County Planning and Zoning Department
- Richmond BizSense
- Richmond Times-Dispatch
- Sponsors of all pipeline rental proposals
- The Progress-Index
- U.S. Census Bureau
- U.S. Department of Housing & Urban Development (HUD)
- U.S. Department of Labor
- Virginia Business
- Virginia Economic Development Partnership
- Virginia Employment Commission
- Virginia Housing
- Virginia's Gateway Region (VGR)
- Weldon Cooper Center for Public Service

Market Study Disclaimer and Limiting Conditions

This market study is prepared by S. Patz & Associates, an independent real estate market research firm based in Potomac Falls, Virginia. The analysis, opinions, and conclusions presented herein are derived from data sourced from various entities, believed to be reliable, and are subject to the assumptions and limiting conditions set forth in this document.

1. S. Patz & Associates maintains a neutral position regarding the subject property and any parties involved. We have no financial interest or personal bias concerning the subject matter. Our compensation is neither influenced by nor contingent upon any specific outcome or action resulting from the findings or conclusions of this study.
2. The data and information utilized in this report have been sourced from entities believed to be accurate and trustworthy. While S. Patz & Associates exerts every effort to validate the precision of this data, we cannot provide an absolute guarantee of its accuracy. Consequently, we disclaim any responsibility for errors, omissions, or inaccuracies arising from external sources.
3. The analysis, opinions, and conclusions encapsulated in this report are subject to change and may evolve as new information emerges or as underlying assumptions are re-evaluated. This report is accurate as of its preparation date. Analyses conducted on subsequent dates might yield different outcomes.
4. The conclusions reached in this market study are inherently subjective. They should not be solely relied upon as definitive predictors of future performance. Actual outcomes may diverge due to factors including but not limited to shifts in local or general economic conditions, management performance, regulatory shifts, and other unforeseen events.
5. To the fullest extent permitted by law, S. Patz & Associates shall not be liable for any direct, indirect, special, incidental, or consequential damages, including but not limited to loss of profit, business interruption, or loss of data, arising out of or in connection with the use of, or the inability to use, the information in this report.

S. Patz & Associates, Inc. Company Background

S. Patz & Associates is a Potomac Falls, Virginia-based real estate consulting firm with over two decades of industry experience. The firm provides comprehensive market research and strategic consulting services to a wide range of clients, including lenders, developers, builders, investors, and public agencies.

Known for its rigorous, data-driven approach, S. Patz & Associates applies a consistent analytical framework grounded in demographic, economic, and real estate market data to deliver objective insights and actionable recommendations. Clients rely on the firm to support due diligence, guide investment decisions, and evaluate the feasibility of proposed development projects across a range of asset types.

With a portfolio that includes hundreds of completed studies, S. Patz & Associates has established itself as a trusted advisor to both private- and public-sector clients. The firm's expertise encompasses rental and for-sale housing, senior living, commercial and industrial development, hotels, and mixed-use projects. It also frequently partners with housing finance agencies, planning departments, and economic development organizations to support public policy and both local and regional planning efforts.

S. Patz & Associates combines market intelligence with clear, well-supported conclusions tailored to each client's goals, regulatory requirements, and financial context. Its findings are frequently used in applications for tax credits, zoning approvals, bond financing, and other entitlement processes. In addition, the firm's analysis plays a key role in demonstrating market feasibility for financing and informing project design, scale, and phasing.

Our core services include:

- **Rental Housing Market Studies:** We conduct market studies across the United States for a variety of rental housing types, including general occupancy, student housing, special-needs housing, and mixed-use developments. Our expertise also encompasses senior housing, including assisted living, independent living, and memory care. We provide both preliminary and comprehensive feasibility studies for internal use or for submission to financial institutions and lenders, including HUD, under the Multifamily Accelerated Processing (MAP) guidelines.
- **Affordable Housing Market Studies:** We work with both for-profit and non-profit housing developers to conduct market studies for affordable housing communities. These include Low-Income Housing Tax Credit (LIHTC) properties for families, seniors, and special-needs populations, including individuals with disabilities and veterans. S. Patz & Associates is approved by multiple state housing agencies and serves as a trusted provider for national tax credit syndicators.
- **For-Sale Housing Market Studies:** We conduct housing studies for a wide range of for-sale housing types, including single-family homes, townhomes, condominiums, and

specialized markets such as retirement and resort housing. Our expertise also covers feasibility studies for large master-planned communities, smaller subdivisions, infill projects, and active adult communities.

- **Hotel and Resort Market Studies:** We provide comprehensive market research and feasibility analysis for a variety of hotel and resort developments. Recognizing the role of these facilities in supporting tourism and local economic growth, we prepare objective reports that help developers and operators assess the potential of their projects.
- **Commercial and Industrial Market Studies:** We assess the feasibility of commercial developments, including retail, office, self-service storage, and industrial spaces. Our clients include both private developers and public-sector agencies.
- **Area-Wide Housing Studies:** We frequently conduct area-wide studies to assist public agencies in developing effective housing strategies. Our work with state housing agencies, planning departments, and economic development organizations has provided critical insights into local housing markets, guiding the development of informed housing policies and strategies.
- **Fiscal Impact Analyses:** We evaluate the net fiscal impact of proposed development projects for local governments, using detailed models, including those based on U.S. Bureau of Economic Analysis RIMS II data. These analyses assess the economic impact of new development on local communities.
- **Appraisals:** We offer specialized appraisal services for multifamily properties, with expertise in both market-rate and affordable housing, including HUD MAP, Section 8, LIHTC, and USDA programs. The firm has completed hundreds of HUD-compliant appraisals covering Sections 223(f), 221(d)(4), 231, 241, and 220, as well as Rent Comparability Studies (RCS) that meet Section 8 Renewal Guide standards. We also provide appraisals for LIHTC applications across the Mid-Atlantic region, support Fannie Mae and Freddie Mac financing efforts, and conduct USDA portfolio valuations. Additional services include appraisal reviews, such as HUD MAP Quality Control and RCS reviews for state Housing Assistance Payment (HAP) administrators.
- **Proffer Analyses:** Developers and municipalities throughout Virginia engage us to assess and calculate impact fees, which are one-time charges used to fund capital improvements required to support new development. Our reports provide legally sound recommendations for proffer amounts, tailored to each project's characteristics and the needs of the local jurisdiction. These analyses evaluate the impacts of proposed rezonings and identify mitigation strategies to support public services, including schools, police, fire and rescue, and parks.