Market Analysis

The Arbors at Stafford
Stafford County, Virginia

Prepared for:

Brian Staub
Marlyn Development Corporation

March 2026

S. PATZ & ASSOCIATES, INC
REAL ESTATE CONSULTANTS

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■ REAL ESTATE CONSULTANTS ■

March 3, 2026

Brian L. Staub
Chief Financial Officer
Marlyn Development Corporation
308 35th Street, Suite 101
Virginia Beach, VA 23451

Dear Mr. Staub,

Please find attached our full-narrative market analysis prepared in support of the proposed construction of the Arbors at Stafford, located at the northwest corner of South Campus Boulevard and Old Potomac Church Road in Stafford County, Virginia, east of U.S. Route 1 and south of Stafford Hospital. 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 complies with the agency's market study guidelines for LIHTC developments.

The Arbors at Stafford is planned as a newly constructed, age-restricted rental community consisting of 170 one- and two-bedroom apartment units restricted to seniors aged 62 and older. All units will be restricted to households earning no more than 60% of Area Median Income (AMI), as defined by HUD-published income limits adjusted for household size.

Based on the Virginia Housing demand methodology applied and summarized in the report, net demand for additional senior rental units at 60% of AMI within the defined market area is estimated at 747 units. The proposed 170-unit community would capture an estimated 22.8 percent of this net demand. The report further projects an average lease-up pace of approximately 15 units per month, resulting in an estimated absorption period of approximately 11 months.

Taken together, the supply and demand analysis demonstrates sufficient market support for the proposed development as currently planned. 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.

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Introduction

The following full-narrative market study evaluates the feasibility of the Arbors at Stafford, a proposed age-restricted rental community in Stafford County, Virginia. The development is planned as a new construction community with 170 one- and two-bedroom apartments restricted to seniors aged 62 and older. The site encompasses approximately 8.5 acres, located generally at the northwest corner of South Campus Boulevard and Old Potomac Church Road, east of U.S. Route 1 and south of Stafford Hospital. Construction is anticipated to begin in early 2027, with initial occupancy projected for late 2028.

Once completed, the Arbors at Stafford will operate as an income-restricted, age-restricted rental community, with all units restricted to households at or below 60% of Area Median Income (AMI), as defined by applicable HUD income limits by household size. The development is proposed to be financed using 9% Low-Income Housing Tax Credits (LIHTC) allocated by Virginia Housing. S. Patz & Associates conducted a site inspection of the subject property on February 11, 2026, which serves as the effective date of the physical analysis presented in this report.

This market study has been prepared in accordance with Virginia Housing market study guidelines for LIHTC developments and follows a full-narrative format commonly used for underwriting and allocation review. The report is organized into six sections:

- **Section I: Site Setting and Description:** This section describes the physical characteristics of the approximately 8.5-acre development site and its surrounding land uses within Stafford County. It evaluates zoning, access, availability of public utilities, and proximity to transportation corridors, public transit, medical facilities, senior services, and retail amenities relevant to seniors.

- **Section II: Proposed Development Program**: This section summarizes the proposed development program for the Arbors at Stafford, 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 Stafford County, the City of Fredericksburg, and the northern portion of Spotsylvania County, based on commuting patterns, household mobility, and the geographic distribution of comparable age-restricted rental communities. A Secondary Market Area, defined as the Washington–Arlington–Alexandria, DC–VA–MD–WV Metropolitan Statistical Area, is included for broader economic context only, and demand from the Secondary Market Area is excluded from the quantitative demand analysis.

- **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. Although most future residents are expected to be retired, this analysis provides context regarding regional economic conditions and household support networks.

- **Section V: Competitive Apartment Market Analysis:** This section analyzes demographic trends and projections with a focus on senior renter households, including population and household projections, tenure characteristics, and income-qualified demand. It also evaluates the competitive supply of affordable, age-restricted rental communities, excluding properties with deep rental subsidies or non-comparable program characteristics, 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 the Arbors at Stafford. It includes a review of the development pipeline, penetration and capture rate analyses, a net demand calculation, and final conclusions regarding project feasibility and expected absorption.

Executive Summary

Marlyn Development has retained S. Patz & Associates to conduct a market feasibility analysis for the Arbors at Stafford, a proposed 170-unit age- and income-restricted rental development located in Stafford County, Virginia. Once completed, the Arbors at Stafford will add new, income-restricted rental options for senior households in a market that has experienced considerable growth among older adults in recent years, including those with modest incomes.

Table 1 summarizes the Arbors at Stafford's unit distribution, sizes, and proposed rents. The data include a mix of 60 one-bedroom and 110 two-bedroom apartment units. All units will be restricted to households earning up to 60% of AMI. Proposed monthly rents range from $1,650 to $1,950, and include cold water, sewer, and trash collection.

Table 1: Proposed Unit Characteristics — The Arbors at Stafford

	Number of Units	Restrictions	Square Feet	Rent [1]	Rent per Square Foot
1BR/1BA	60	60% of AMI	706-840	$1,650	$1.96-$2.34
2BR/1.5BA	86	60% of AMI	1,100	$1,800	$1.64
2BR/1.5BA Large	3	60% of AMI	1,290	$1,850	$1.43
2BR/2BA	21	60% of AMI	1,140	$1,950	$1.71
Total	**170**				

1 Rent includes cold water, sewer, and trash collection. Includes washer and dryer.

Source: Marlyn Development Corporation

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

- **Site Location Assessment**: The Arbors at Stafford is planned for an approximately 8.5-acre site at the northwest corner of South Campus Boulevard and Old Potomac Church Road, east of U.S. Route 1 and south of Stafford Hospital. The surrounding land uses reflect a mix of institutional, residential, and employment-oriented development. The site is appropriately zoned for the proposed development and has access to public water and sewer. The location provides proximity to medical services and a nearby retail cluster along Courthouse Road, anchored by a Publix supermarket and several restaurants. Public transit service (FXBGO!) operates in the region and includes stops along South Campus Boulevard, with existing stops south of the site.

- **Economic Assessment**: The market area's labor market has recovered from pandemic-era losses, with at-place employment fully recovering by 2022 and continuing to expand through 2024. At-place employment reached 108,766 jobs in 2024, a net gain of 2,798 jobs since 2019. Resident employment increased by 17,077 workers over the same period, consistent with a market that functions as part of a broader regional labor shed and exports a substantial share of its workforce to employment centers outside the immediate market area. The labor force increased by 17,757 workers between 2019 and 2024, while unemployment remained low at 2.8 percent in 2024.

  More recent partial data for 2025 suggest some softening in resident-side labor market conditions, reflecting commuter-oriented job losses rather than a contraction in the local employment base. As additional context, a May 2025 point-in-time estimate shows 114,552 at-place jobs across Spotsylvania County, Stafford County, and the City of Fredericksburg. This total exceeds the 2024 year-end employment level by more than 5,700, suggesting that employment growth continued into 2025 following the post-pandemic recovery. Because these figures are not identical in time basis, the May 2025 estimate should be interpreted as directional context rather than a direct year-over-year comparison. A review of WARN notices covering the prior two years found no qualifying mass layoff or plant closure notices within the market area.

- **Demographic Assessment**: The target market for the Arbors at Stafford, senior renter households earning annual incomes between $49,500 and $78,720 at 60% of AMI, is projected to increase by approximately 175 households between 2026 and 2031. Census data show that 35.3 percent of senior renter households in the market area spend more than 40 percent of their income on rent, and 5.6 percent live in substandard housing.

- **Competitive Apartment Assessment**: The competitive set includes eight affordable, age-restricted communities totaling 1,026 units. The competitive market reported 55 vacant units, a 5.4 percent vacancy rate. Management at several properties attributed these vacancies primarily to turnover dynamics and winter seasonality, and reported a typical stabilized occupancy of approximately 98 percent. Of the 1,026 units, 796 are restricted at 60% of AMI. The competitive inventory skews older, as 739 units (72.0 percent) were constructed in 2007 or earlier.

- **Pipeline Apartment Assessment**: There is one competitive community in active planning and none under construction. The 198-unit, second phase of Heights at Jackson Village is proposed but has not yet been financed. All units are proposed to be restricted to 60% of AMI, and the development is proposed as a 4% LIHTC project.

- **Penetration Rate Assessment**: The penetration analysis estimates 1,307 income-eligible senior renter households in the target income range of $49,500 to $78,720. When compared with the combined inventory of existing competitive units (796 units) and the Arbors at Stafford (170 units), the resulting penetration rate is 73.9 percent. This estimate is conservative, as many older properties charge rents low enough to be affordable to seniors earning below $49,500, the implicit income floor set by the 40 percent rent-to-income ratio applied to the Arbors at Stafford's proposed rents. This means that a portion of the existing inventory serves a renter pool with incomes below the effective minimum needed to qualify for the proposed development, thereby reducing actual overlap within the income-qualified pool.

- **Net Demand, Capture Rate, and Absorption Assessment**: Using the Virginia Housing demand methodology, S. Patz & Associates estimates total demand of 797 units at 60% of AMI and deducts 50 units of supply, yielding net demand of 747 units. Based on this net demand, the Arbors at Stafford's 170 units represent an estimated capture rate of 22.8 percent. Lease-up is projected at approximately 15 units per month, resulting in an estimated absorption period of approximately 11 months.

  Several existing age-restricted rental communities in the competitive set, including the proposed Heights at Jackson Village, permit occupancy by householders aged 55 to 61, whereas the Arbors at Stafford will be restricted exclusively to households aged 62 and older. As a result, a portion of the demand currently reflected in the competitive inventory is attributable to younger senior households who would not qualify to reside at the Arbors at Stafford, which means the reported 22.8 percent capture rate represents a conservative, upper-bound measure of market support.

Based on the analyses and assumptions presented in this report, no market-related weaknesses have been identified that would warrant program modifications at this time, and the development is considered feasible as proposed. Construction and lease-up of the Arbors at Stafford is not expected to materially affect existing competitive communities, provided the project is executed as proposed and lease-up performance aligns with the absorption assumptions described above.

Section I: Site Setting and Description

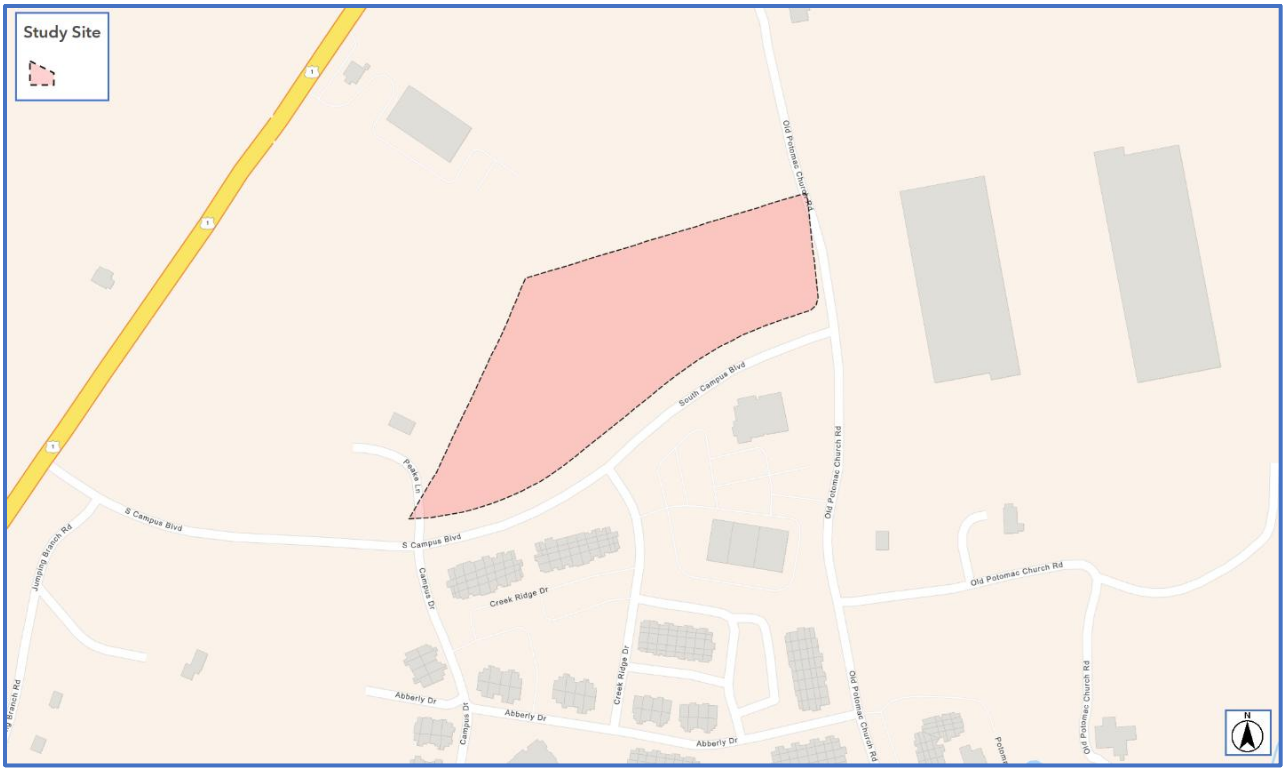
This section provides an overview of the study site and its surrounding context. It includes a description of the property's location, physical characteristics, and overall development setting. The discussion also addresses site access and visibility, and their relationship to adjacent land uses and nearby transportation corridors.

In addition, this section evaluates the site's accessibility to services and amenities that are particularly important for an age-restricted community. These include proximity to public transit, a senior center, grocery and retail options, and nearby medical facilities, as well as other public and community services that will support future residents.

I.1: Site Description

Map A shows the location of the proposed Arbors at Stafford, which is planned for an approximately 8.5-acre site at the northwest corner of South Campus Boulevard and Old Potomac Church Road. The property is located east of U.S. Route 1, approximately nine miles north of Downtown Fredericksburg, and approximately one mile south of Hospital Center Boulevard, which provides access to Interstate 95.

The site is situated south of the Stafford Hospital, north of the Abberly Waterstone Apartment Homes, and immediately west of a two-story, two-building data center totaling approximately 510,000 square feet that is currently under construction and reported to be planned for future occupancy by Amazon. This surrounding land-use pattern reflects a mix of institutional, residential, and employment-oriented development that is compatible with an age-restricted residential community, particularly given its proximity to medical services and established residential uses.



Map A – Study Site Location

The following image presents a north-facing aerial view of the study site. Land immediately north of the property is vacant and wooded, with the only nearby development in that direction consisting of Cavalier Family Skating Center *(Note 1)* and Manny's Moon Pizza Restaurant *(Note 2)*. Both uses are buffered from the study site by wooded areas and are accessible only via U.S. Route 1. Due to this separation and limited direct interaction with the site, these uses are not expected to adversely affect the development or operation of the proposed age-restricted community.

Immediately south of the property is Abberly Waterstone Apartment Homes *(Note 3)*, a 288-unit, market-rate apartment community built in 2018. Given differences in target population, unit mix, and programmatic focus, this fully amenitized, general-occupancy community is not considered a direct competitor to the proposed age-restricted development. Nearby is The Residences at Potomac Crest *(Note 4)*, a 144-unit, affordable apartment community for families earning up to 60% of AMI. On-site management reports that approximately 10 percent of units are occupied by seniors aged 62 or older.

Also located south of the study site is Learning Paths Academy South Campus *(Note 5)*, a daycare center constructed in 2021. Additional development south of the property includes a 39,353-square-foot, two-story office building constructed in 2017, which formerly housed Germanna Community College *(Note 6)*. The building is currently occupied by the Stafford County Registrar's Office and Dominion Physical Therapy, LLC, with approximately 19,700 square feet remaining available for lease.

Immediately east of the study site, a two-building data center complex totaling approximately 510,000 square feet is currently under construction and reported to be planned for occupancy by Amazon. While this use represents a large-scale investment, it is separated from the study site by roadway infrastructure and does not introduce operational characteristics that would be incompatible with the proposed development.

Northern Aerial of the Study Site

Shown next are photographs of the study site taken from S. Campus Boulevard and Old Potomac Church Road. The photographs show that the site is undeveloped and is generally flat.


Northern View of the Study Site from S Campus Boulevard


Western View of the Study Site from Old Potomac Church Road

I.2: Site Setting

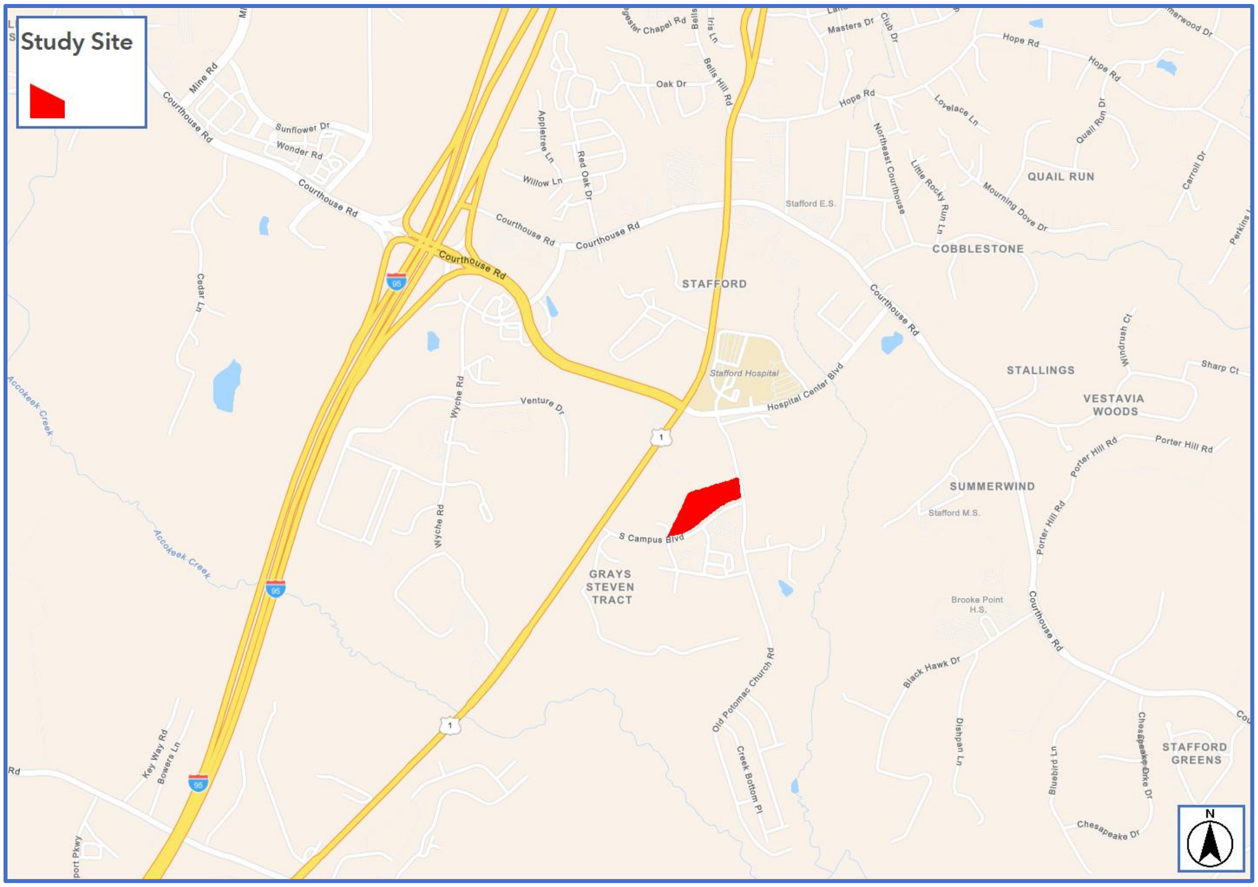
Map B illustrates the study site's broader setting and immediate boundaries. The eastern boundary of the site is Old Potomac Church Road, the southern boundary is South Campus Boulevard, and the northern boundary consists of vacant land. The site is appropriately zoned for the proposed development and has access to public water and sewer, supporting near-term development feasibility without requiring major off-site infrastructure improvements.

South Campus Boulevard is a two-lane, undivided roadway that extends approximately 0.5 miles in an east-west direction between U.S. Route 1 and Old Potomac Church Road. The roadway primarily provides access to Abberly Waterstone Apartment Homes and the adjacent nonresidential uses located south of the study site, and functions as a local access corridor rather than a high-volume regional roadway.

Old Potomac Church Road is a two-lane, undivided roadway that runs in a north-south direction for approximately 1.3 miles between Hospital Center Boulevard, which serves as the entrance to Stafford Hospital, and Potomac Church Farms, a recently completed 212-lot single-family subdivision developed by Ryan Homes. Homes within Potomac Church Farms consist primarily of two-story detached units with three to five bedrooms and two-car garages, with recent sales ranging from the upper-$400,000s to the low-$600,000s. In addition to serving this subdivision, Old Potomac Church Road provides access to The Residences at Potomac Crest and is expected to accommodate additional traffic associated with the adjacent Amazon data center development once operational.

U.S. Route 1 is located to the west of the study site and serves as a major north-south transportation corridor in Virginia, connecting South Hill, Petersburg, Richmond, Fredericksburg, and Alexandria, and extending northward toward the District of Columbia. Within Stafford County, U.S. Route 1 generally runs parallel to Interstate 95 and provides access to nearby employment, retail, and service destinations. Interstate 95 is accessible via nearby interchanges and offers direct regional connectivity to Northern Virginia and the Richmond metropolitan area, supporting commuter access while allowing the study site to remain set back from the most intense traffic volumes.

Retail services serving the study area are concentrated along Courthouse Road, which is accessible from Hospital Center Boulevard and begins just west of Interstate 95. This corridor includes the nearest retail cluster to the site, anchored by a Publix supermarket and several restaurants, providing convenient access to daily goods and services, particularly relevant to residents of an age-restricted community.



Map B – The Arbors at Stafford Site Setting

I.2.a: Public Transit

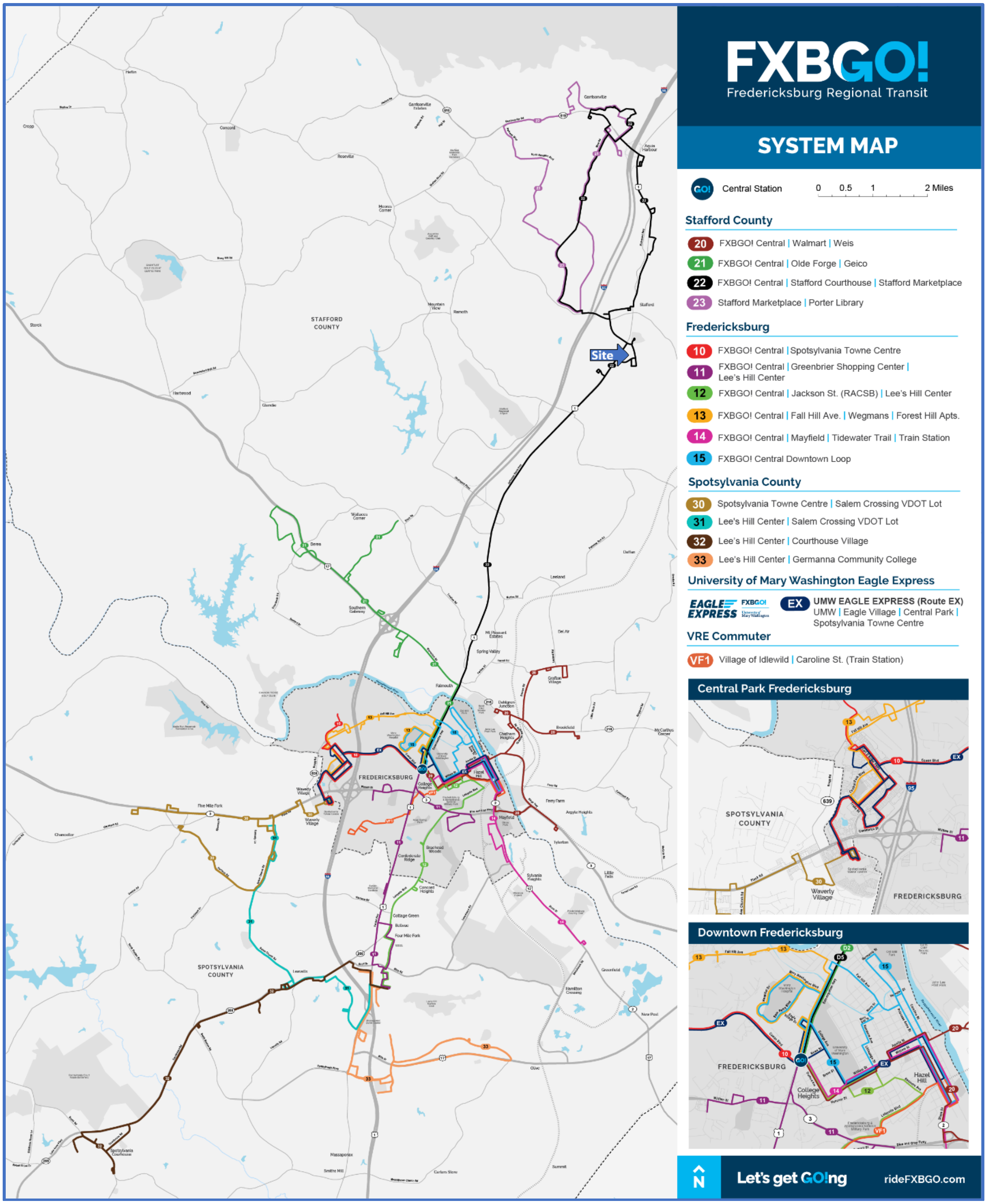
Public transportation service in the study area is provided by Fredericksburg Regional Transit (FXBGO!), which operates fixed-route bus service within the City of Fredericksburg, Stafford County, and Spotsylvania County. FXBGO! serves an approximately 78-square-mile area within the greater Fredericksburg region, providing regional transit connectivity for residents with limited access to or a preference for private vehicle use.

FXBGO! service is primarily provided Monday through Friday, with most routes operating between 6:30 a.m. and 8:30 p.m. and generally running at 60-minute intervals. Limited late-night and weekend service is available through the Eagle Express (EX), which operates during the University of Mary Washington's fall and spring academic semesters. Eagle Express service runs from 7:00 p.m. to 12:30 a.m. on Fridays, 8:00 a.m. to 10:30 p.m. on Saturdays, and 9:00 a.m. to 6:30 p.m. on Sundays.

All FXBGO! routes operate as deviated fixed-route service, allowing buses to travel up to 0.75 miles off the standard route to serve passenger-requested destinations. This operating model is particularly relevant for older adults and other riders who may benefit from more flexible pickup and drop-off locations. This service is available to all riders and requires advance scheduling at least 24 hours prior to the requested pickup.

FXBGO! also provides transit connections to the Fredericksburg VRE and Amtrak station, facilitating access to Virginia Railway Express commuter rail service. VRE operates eight northbound trains from Fredericksburg to Washington Union Station during the morning peak period and seven southbound trains during the evening peak period, with one additional southbound train operating during the midday. These connections provide regional commuter access to employment centers in Northern Virginia and Washington, D.C., including for households with part-time employment or ongoing ties to regional services and institutions.

Map C presents the FXBGO! system map and illustrates transit service along South Campus Boulevard. Existing bus stops are located south of the study site at Abberly Waterstone Apartment Homes, allowing the proposed age-restricted development to be served by established transit routes without requiring new off-site transit infrastructure or service modifications.



Map C – The Arbors at Stafford Proximity to Public Transit

I.2.b: Public and Commercial Facilities

The following are brief descriptions of the public and commercial facilities that will serve future residents of the Arbors at Stafford.

- **Medical Care**: Stafford Hospital *(Note 1)* is a 100-bed community hospital located at 101 Hospital Center Boulevard in Stafford County, less than one mile north of the study site and directly off Interstate 95 at Exit 140. The hospital is part of the nonprofit Mary Washington Healthcare system, which also includes Mary Washington Hospital and an extensive network of outpatient facilities serving the Fredericksburg–Stafford region. The facility opened in 2009 and operates as a full-service acute-care hospital.

  Clinical services include 24-hour emergency services, inpatient medical-surgical care, women's and children's services, orthopedics, cardiology and heart health services, diagnostic imaging (CT, MRI, ultrasound, nuclear medicine, and X-ray), rehabilitation therapies, sleep medicine, and on-site pharmacy and laboratory services. Notable clinical capabilities include a six-bed Level II neonatal intensive care unit operated in collaboration with Children's National and designation as a Center of Excellence in Minimally Invasive Gynecology, demonstrating the availability of specialized medical services near the site.

  Immediately adjacent is the Stafford Medical Pavilion, an attached medical office building that houses specialty clinics, rehabilitation services, and radiation oncology. Additional Mary Washington Medical Group practices, including primary care, OB/GYN, orthopedics, urgent care, imaging, and physical therapy, are located nearby within the broader Stafford and Embrey Mill medical campus area, forming a coordinated cluster of inpatient and outpatient medical services that is particularly relevant for older adult households.

  In addition to Stafford Hospital, the recently constructed Veterans Administration Fredericksburg Health Care Center is located at 10432 Patriot Highway, approximately 13 miles south of the study site in Spotsylvania County. The four-story facility opened in March 2025 and encompasses more than 470,000 square feet, making it the nation's largest VA health care clinic. The center employs approximately 900 staff and provides a broad range of outpatient services, including primary care, mental health services, diagnostic imaging, laboratory services, rehabilitation, and physical therapy. Specialty services include cardiology, neurology, dermatology, gastroenterology, pain management, podiatry, optometry, audiology, dental care, women's health, social work, day surgery, a full-service pharmacy, and whole health programs.

  Property managers in both affordable and market-rate age-restricted rental communities reported that proximity to the Fredericksburg Health Care Center is a significant draw for senior renters. This is particularly true given the area's sizable population of retired federal government and military households, for whom access to VA medical services is an important housing consideration.

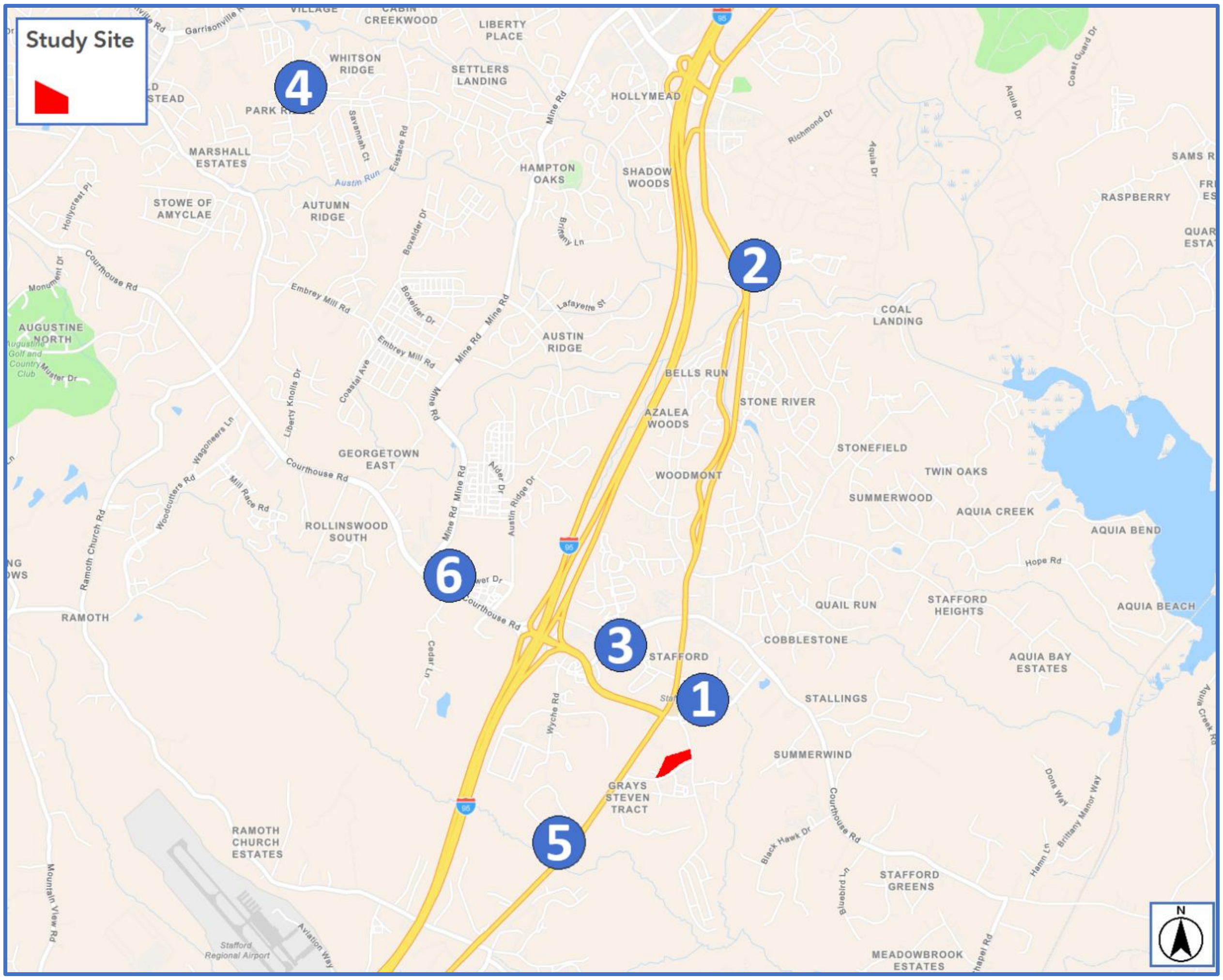
- **Community Facilities**: The nearest post office *(Note 2)* is located at 2650 Richmond Highway, approximately three miles north of the study site. This facility offers standard postal services, including mail and package delivery, as well as post office boxes. The closest fire station, Stafford County Fire and Rescue Station 2 *(Note 3)*, is located approximately 1.3 miles northwest of the study site at 305 Jason Mooney Drive. This station is staffed by career firefighters and is equipped to provide fire suppression and emergency response services to the surrounding area. Additionally, the Central Rappahannock Regional Library *(Note 4)* is located approximately 5.9 miles northeast of the study site at 2001 Parkway Boulevard.

- **Senior Center**: The Rowser Senior Center *(Note 5)* is located approximately one mile southwest of the study site at 1739 Jefferson Davis Highway. The center offers a range of planned programs and activities for older adults, including trips, special events, brunches and luncheons, arts and crafts, and exercise classes. The facility includes a large meeting room, a library, an arts-and-crafts room, a commercial kitchen, and two smaller meeting rooms available for senior use, thereby supporting social engagement and program participation among residents of an age-restricted community.

- **Education**: Given that the Arbors at Stafford is planned as an age-restricted community, no school-aged children are expected to reside at the property. As a result, the proposed development is not anticipated to generate demand for public school capacity or related educational services within Stafford County.

- **Shopping**: The closest grocery store to the study site is a Publix, located within Embrey Mill Town Center *(Note 6)* at 1640 Publix Way, approximately two miles west of the study site. Other tenants within the shopping center include AutoZone, Wawa, and a range of restaurants, including Panera Bread, Popeyes, Chipotle, Mezeh Mediterranean Grill, and Starbucks, providing access to everyday goods and services within a short drive of the property.

Map D illustrates the locations of community facilities serving future residents of the Arbors at Stafford, highlighting the variety of essential services available in the surrounding area.



Map D – The Arbors at Stafford Community Amenities

Section II: Proposed Development Program

This section provides an overview of the proposed development program for the Arbors at Stafford, including the unit mix, unit sizes, proposed rents, and income restrictions. It also describes the site plan, building configuration, parking, architectural character illustrated through renderings and floor plans, and the amenity package. Together, these components define the physical framework of the development and provide a basis for evaluating its market positioning and feasibility.

II.1: Proposed Unit Characteristics

Table 2 provides an overview of the proposed unit characteristics for the Arbors at Stafford, summarizing the planned unit mix, unit sizes, income restrictions, and proposed rents. The development will consist of 170 age-restricted rental apartments, all restricted to households earning up to 60% of AMI.

The Arbors at Stafford will include 60 one-bedroom, one-bath units and 110 two-bedroom units in multiple configurations. One-bedroom units will range from 706 to 840 square feet and are proposed at $1,650 per month (approximately $1.96 to $2.34 per square foot, depending on unit size). Two-bedroom units include 86 two-bedroom, 1.5-bathroom units at 1,100 square feet and $1,800 per month, three larger two-bedroom, 1.5-bathroom units at 1,290 square feet and $1,850 per month, and 21 two-bedroom, two-bathroom units at 1,140 square feet and $1,950 per month.

Overall, rent per square foot generally declines with unit size, consistent with the typical pricing relationship observed in new rental developments. Proposed rents include cold water, sewer, trash collection, and an in-unit washer and dryer for all apartments.

Table 2: Proposed Unit Characteristics — The Arbors at Stafford					
	Number of Units	**Restrictions**	**Square Feet**	**Rent** [1]	**Rent per Square Foot**
1BR/1BA	60	60% of AMI	706-840	$1,650	$1.96-$2.34
2BR/1.5BA	86	60% of AMI	1,100	$1,800	$1.64
2BR/1.5BA Large	3	60% of AMI	1,290	$1,850	$1.43
2BR/2BA	21	60% of AMI	1,140	$1,950	$1.71
Total	**170**				

1 Rent includes cold water, sewer, and trash collection. Includes washer and dryer.

Source: Marlyn Development Corporation

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 Washington–Arlington–Alexandria, DC–VA–MD HUD Metro Fair Market Rent (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 below HUD's maximum allowable gross rents across all unit types. This relationship confirms that the proposed rent structure complies with applicable affordability requirements and remains below regulatory thresholds.

Table 3: HUD Maximum Allowable Rent Comparison — The Arbors at Stafford				
	The Arbors at Stafford			HUD Maximum Allowable Rent
	Net Rent	Utility Allowance	Gross Rent	
One-Bedroom (60% of AMI)	$1,650	$42-$44	$1,692-$1,694	$1,845
Two-Bedroom (60% of AMI)	$1,800-$1,950	$57-$61	$1,857-$2,011	$2,214
Source: U.S. Department of Housing and Urban Development (HUD); Marlyn Development Corporation				

II.2: Site Plan Overview

Shown below is the site plan for the Arbors at Stafford, which encompasses approximately 8.49 acres. The proposed apartment community will be accessible from South Campus Boulevard along the southern edge of the site and from Old Potomac Church Road to the east, providing two vehicular access points that support internal circulation and emergency access.

The development is planned as a single, three-story, wood-framed residential building served by three elevators. A total of 226 surface parking spaces are proposed around the perimeter of the building, resulting in a parking ratio of approximately 1.33 spaces per apartment unit. Parking areas are arranged to provide convenient access to building entrances while maintaining clear vehicular circulation and pedestrian connectivity throughout the site.

Outdoor amenities shown on the site plan include sidewalks surrounding the building, raised garden plots for resident use, a designated grilling area, and a dog park. These features are integrated into the overall site layout to support walkability, resident interaction, and functional open space without disrupting circulation patterns.

The Arbors at Stafford Site Plan

II.3: Building Rendering

The building rendering illustrates the architectural character of the Arbors at Stafford, a contemporary, three-story residential structure with a clearly defined primary entrance facing the street. The exterior incorporates brick, cementitious panels, and vinyl siding, creating visual variation and a scale appropriate to its surroundings.

As depicted in the rendering, the building massing emphasizes a central entry element, with wings extending behind it to reduce the perceived bulk of the structure and enhance streetscape presence. Window placement, material transitions, and façade articulation contribute to a cohesive and visually balanced design.

Upon completion, the Arbors at Stafford is expected to be among the most attractive and upscale affordable rental communities in the region, whether age-restricted or general-occupancy, based on its architectural quality, materials, and level of on-site amenities. The rendering reflects an intentional effort to deliver a building that aligns with contemporary design standards while remaining consistent with the project's affordability objectives.

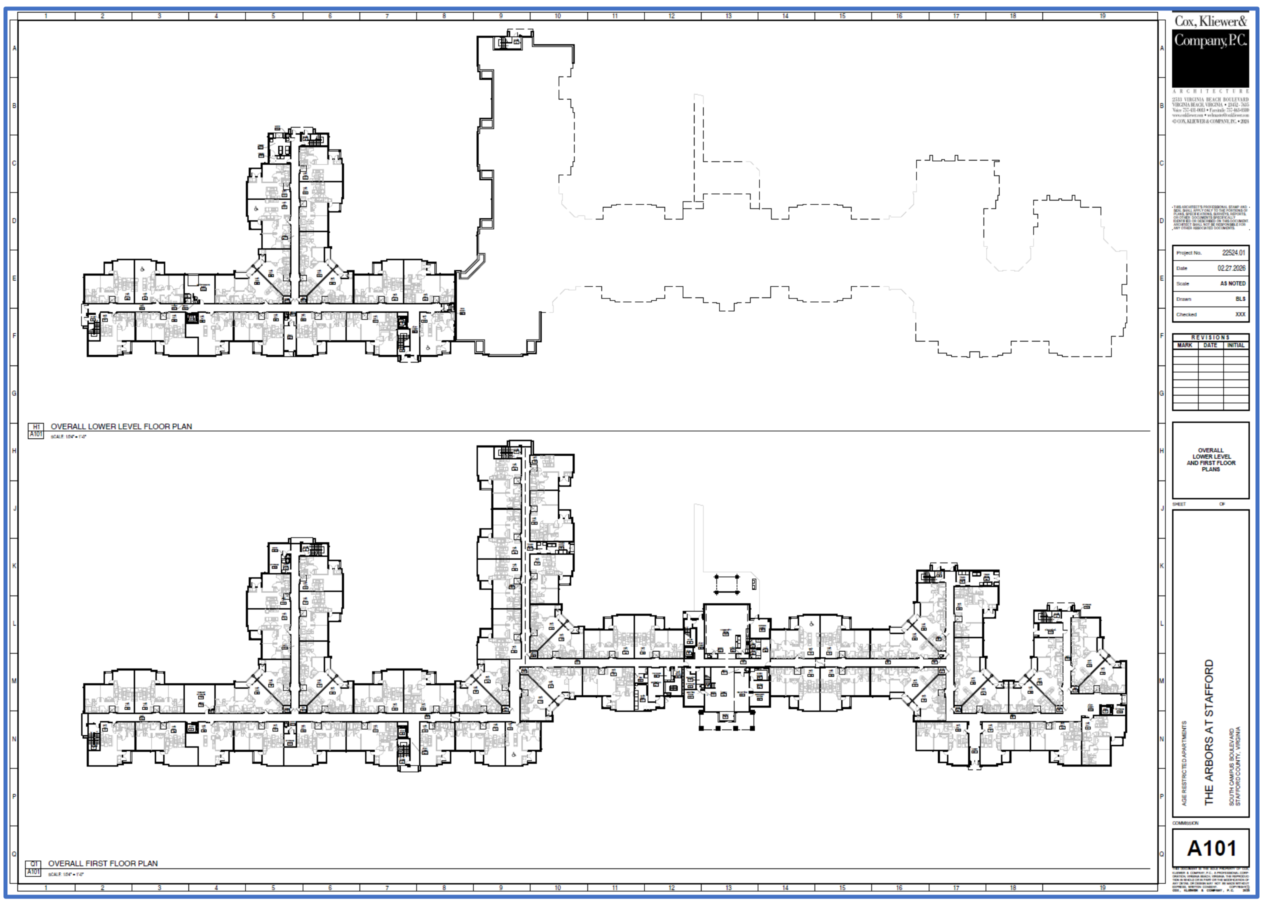
The Arbors at Stafford Building Rendering

II.4: Building Floor Plans

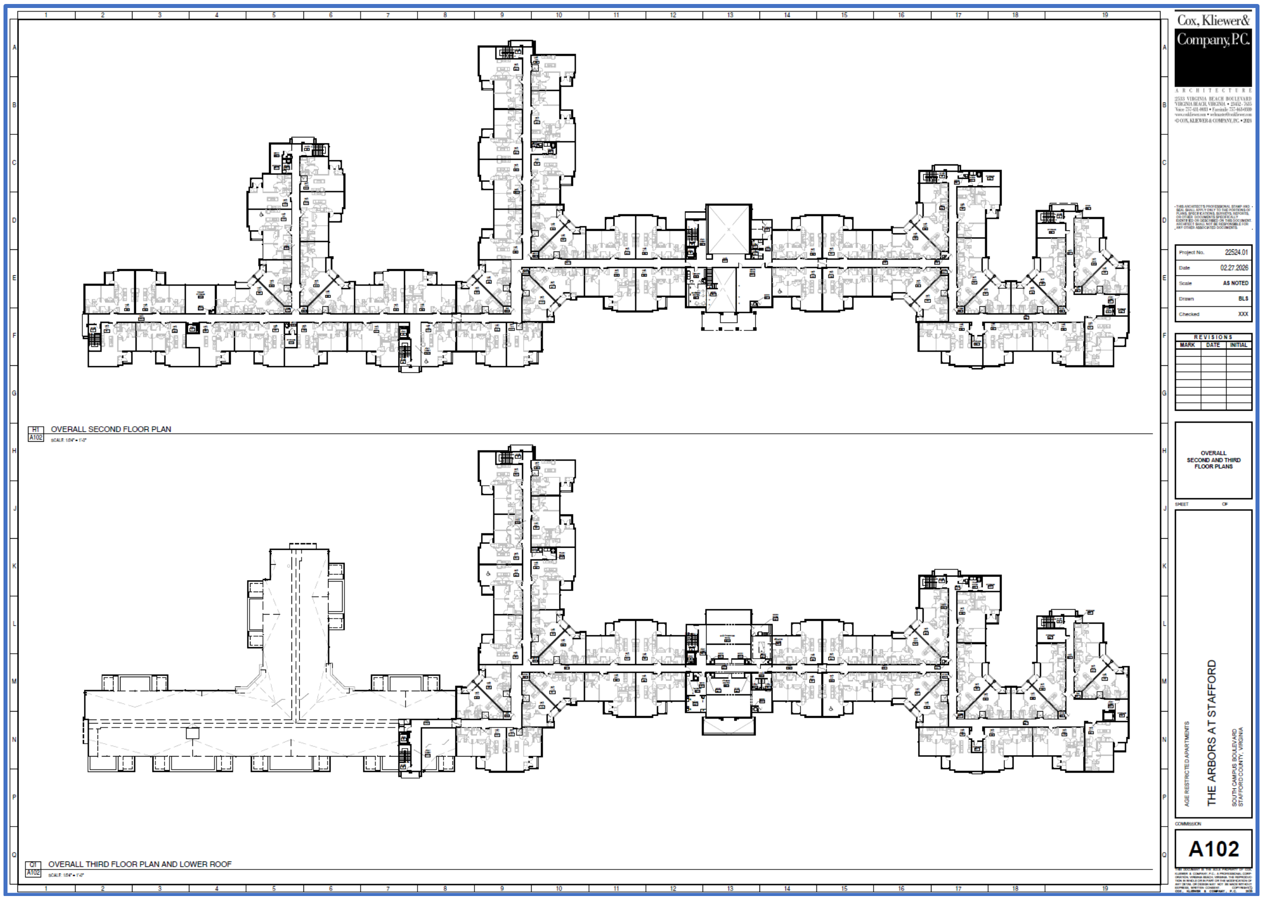
Shown next are the overall building floor plans for The Arbors at Stafford, illustrating the three residential levels that will comprise the development. The plans show a building organized into several connected wings arranged along interior corridors, with apartments located on both sides. The unit mix consists primarily of one- and two-bedroom apartments. Multiple elevators and stairwells are distributed throughout the building to support accessibility and minimize walking distances for residents.

The first level functions as the primary entry and operations area. In addition to residential units, this floor includes the main entrance and reception area, management offices, a community room, a meeting room, mail and package areas, tenant storage, maintenance space, and multiple trash and mechanical rooms. Additional resident-support features on this level include a dog wash and a screened porch.

The upper floors are primarily residential and include several shared amenity spaces, including a library, business center, media room, salon, fitness center, laundry room, billiards room, multipurpose room, and additional storage and common areas. Overall, the layout balances private apartments with centrally located common spaces designed to support independent living and opportunities for resident interaction.



Ground Level Floor Plan



Second and Third Level Floor Plans

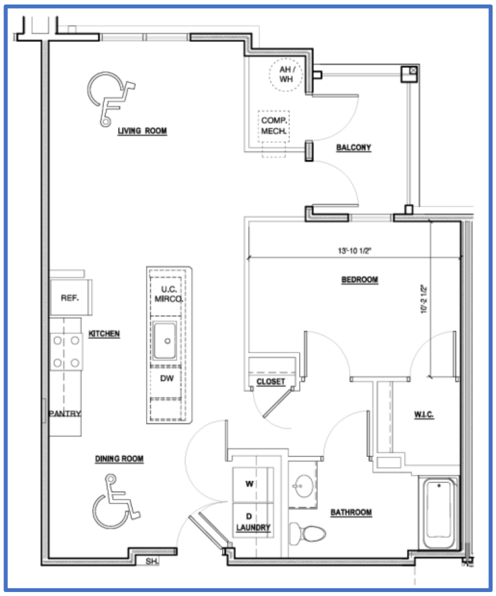
II.5: Apartment Unit Floor Plans

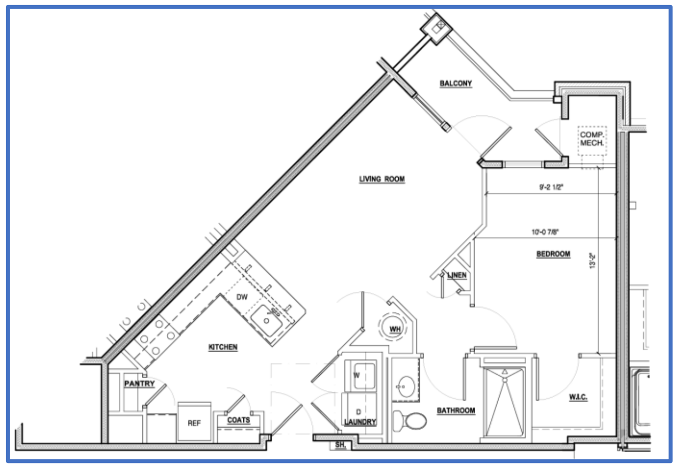
Shown below are typical apartment unit floor plans for the Arbors at Stafford. All units will be equipped with emergency pull cords in both bedrooms and bathrooms to support resident safety and emergency response.

Bathrooms will include one-piece shower or tub fixtures with integrated grab bars, and showers will incorporate molded seating. Living areas will feature a centrally located kitchen with an island, equipped with an electric range, refrigerator, dishwasher, and garbage disposal. Kitchen appliances will have a stainless-steel finish, and countertops will be granite.

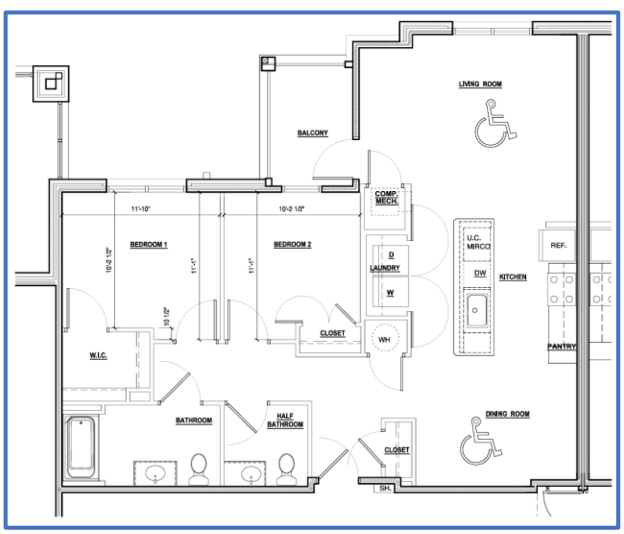
Each unit will include a full-size washer and dryer, nine-foot ceilings, and central air conditioning. Flooring will consist of carpet in bedrooms and wood-grain vinyl in kitchens, foyers, living areas, and bathrooms, selected for durability and ease of maintenance.

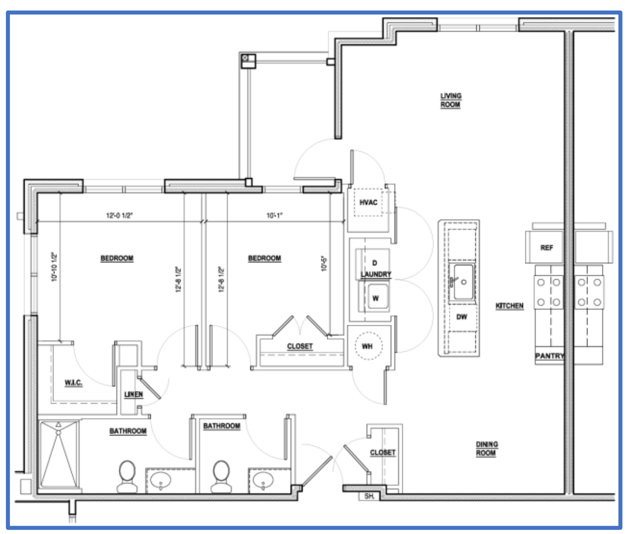
All floor plans will include a walk-in bedroom closet and a separate coat closet, providing functional storage. Each unit will also offer private outdoor space, either a balcony or patio, depending on the unit's location.





Typical One-Bedroom Unit Floor Plans





Typical Two-Bedroom Loft Unit

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, access to employment and services, transportation connectivity, and broader economic and demographic characteristics that influence housing demand. Clearly defining the market area is a critical step in evaluating rental housing supply and demand, analyzing rent levels and vacancy conditions, and assessing the competitive environment within which a proposed development will operate.

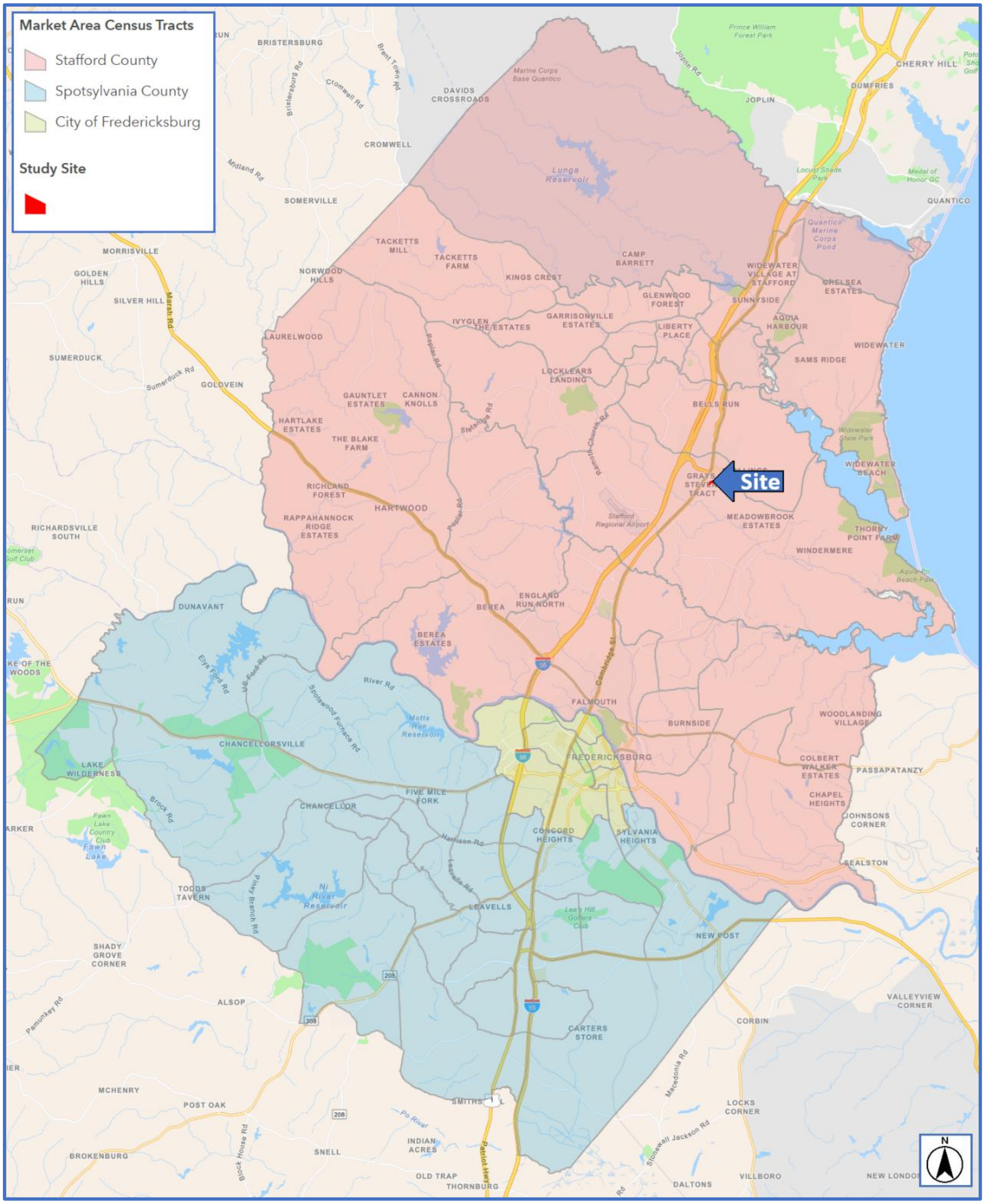
For the Arbors at Stafford, the market area is defined as Stafford County, the City of Fredericksburg, and the northern, more developed portion of Spotsylvania County, as illustrated in **Map E**. This geographic boundary reflects observed commuting patterns, household mobility, and the distribution of comparable rental communities serving similar tenant profiles. The defined market area was further validated through interviews with on-site property managers at existing affordable and age-restricted rental properties in the region, with particular emphasis on communities offering rents generally comparable to those proposed for the Arbors at Stafford upon stabilization.

Although this market area covers a relatively large geographic footprint, such a scale is typical for age-restricted rental housing. Older adults often search across a broader area to identify housing that meets affordability, accessibility, and service needs. Because seniors are less constrained by commuting requirements and place greater emphasis on health care access and proximity to family or support networks, demand commonly extends beyond immediate neighborhood boundaries and into adjacent jurisdictions.

The regional transportation network reinforces this broader pattern of housing search. Interstate 95 serves as the primary north-south spine through Stafford County, providing direct connectivity to Fredericksburg, Spotsylvania County, Prince William County, and the broader Northern Virginia region. U.S. Route 1 parallels I-95 and functions as a key local corridor supporting residential, commercial, and institutional development throughout the market area. Additional east-west arterial roadways facilitate movement between residential areas, shopping centers, medical facilities, and employment nodes, allowing seniors to access needed services across jurisdictional boundaries with relative ease.

Taken together, Stafford County, the City of Fredericksburg, and northern Spotsylvania County have long functioned as an integrated rental housing market. Residents routinely cross municipal and county lines in search of housing options, health care, retail services, and social connections. Rental communities throughout this combined geography compete for similar tenant groups, particularly within the age-restricted and income-sensitive segments of the market. Accordingly, this market area definition provides an appropriate and well-supported analytical framework for evaluating demand, competitive conditions, and pricing potential for the Arbors at Stafford.

Specifically, the market area extends from the Stafford County-Prince William County boundary to the north and generally southward to Hickory Ridge Road, Brock Road, and Massaponax Church Road in northern Spotsylvania County. This boundary captures the area's primary population centers, established rental inventory, and transportation corridors most relevant to the proposed development and reflects the geographic scope within which prospective residents are most likely to consider age-restricted rental housing options.



Map E – The Arbors at Stafford Market Area

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

To frame this potential inflow geographically, a secondary market area is identified for the Arbors at Stafford. The secondary market area is defined as the Washington–Arlington–Alexandria, DC–VA–MD–WV Metropolitan Statistical Area. This region includes the District of Columbia; Jefferson County, West Virginia; Calvert, Charles, Frederick, Montgomery, and Prince George’s counties in Maryland; and the cities and counties of Alexandria, Arlington, Clarke, Culpeper, Fairfax City, Fairfax County, Falls Church City, Fauquier, Fredericksburg City, Loudoun, Manassas City, Manassas Park City, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren in Virginia. In total, the MSA encompasses approximately 6,034 square miles.

While the secondary market area provides a regional context, no demand from it is included in 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 demand captured from outside the PMA 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) employment and labor force trends, and (3) active development plans expected to add future jobs. It also includes data on the largest employers, WARN layoff notices, average commute times, and wages by occupation. Together, these measures describe recent economic performance and near-term trends, providing context for the demand drivers that influence housing feasibility. These indicators are essential for assessing the economic stability of the market area and its capacity to support new investment, including residential development.

Although most future residents are expected to be retired, economic conditions remain a relevant contextual factor. Employment stability supports in-migration by seniors whose location decisions are often tied to their families' ability to remain locally employed, and sustained job growth supports the household formation that drives overall housing demand within the market area.

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

At-place employment refers to jobs located within the market area. For the purposes of this analysis, the market area includes all of Stafford County, Spotsylvania County, and the City of Fredericksburg, as the Bureau of Labor Statistics does not report employment data at the census tract level. As a result, employment totals reflect countywide conditions, and some jobs located in Spotsylvania County extend beyond the defined market area boundaries.

While the market area includes many of the County's primary employment centers, including major commercial corridors, institutional uses, and government facilities, a portion of countywide employment is located outside the immediate market area. Accordingly, at-place employment data for Spotsylvania County are used as a reasonable proxy for overall employment conditions influencing local housing demand, rather than a precise geographic match.

Employment in the market area is concentrated in Stafford and Spotsylvania Counties, with a smaller share in the City of Fredericksburg. In 2024, Stafford County accounted for 46,071 jobs, or about 42 percent of total at-place employment, Spotsylvania County accounted for 37,842 jobs, or about 35 percent, and the City of Fredericksburg accounted for 24,853 jobs, or about 23 percent. Between 2019 and 2024, the market area added 2,798 jobs overall. Spotsylvania County contributed most of this growth, adding 1,843 jobs, or about two-thirds of total net growth, followed by Stafford County with 819 jobs, and Fredericksburg with 136 jobs.

According to **Table 4**, the market area supported approximately 105,968 employment positions in 2019, prior to the onset of the COVID-19 pandemic. In 2020, employment declined sharply to 101,332 positions, a loss of approximately 4,636 jobs, reflecting widespread pandemic-related disruptions. Recovery began in 2021, when employment rebounded to 104,252 positions, followed by continued gains in 2022, when total employment reached 106,819 positions, exceeding the pre-pandemic level. Growth continued in 2023, with employment increasing to 108,139 positions, and into 2024, when at-place employment reached 108,766 positions. Employment losses associated with the pandemic were fully recovered by 2022, and the market area recorded a net gain of approximately 2,798 jobs between 2019 and 2024.

Recent annual trends show that employment growth has moderated following the initial post-pandemic rebound. Between 2021 and 2022, the market area added approximately 2,567 jobs, reflecting strong recovery momentum. Growth continued in 2023, with an additional 1,320 jobs added, before slowing in 2024, when employment increased by 627 jobs. This pattern reflects a transition from rapid recovery to more stable, incremental growth.

Government employment represents a significant and stabilizing component of the market area's employment base. Local government employment increased from 14,020 positions in 2019 to 14,432 in 2024, while federal government employment rose substantially over the same period, increasing from 2,258 positions to 6,781, a net gain of 4,523 jobs. This change likely reflects a combination of staffing changes, reporting shifts, and expanded federal activity during and after the pandemic. State government employment declined modestly between 2019 and 2024.

Several major and mid-sized private-sector industries also recorded meaningful gains over the period. Health Care employment increased by 1,230 positions, reinforcing its role as one of the region's largest employment sectors. Retail Trade expanded by 942 jobs, while Professional and Technical Services added 177 positions. Education employment increased by 285 positions, Arts, Entertainment, and Recreation grew by 327 positions, and Other Services expanded by 465 positions, reflecting broader recovery and incremental diversification across service-oriented industries.

By contrast, a limited number of sectors experienced net declines between 2019 and 2024. Accommodation and Food Services declined by 288 positions, Construction decreased by 74 positions, and State Government employment fell by 216 positions, reflecting lingering post-pandemic adjustments and evolving labor conditions in select industries.

Several industry categories in **Table 4** are reported as ND, indicating that employment data do not meet BLS or state agency disclosure standards. These suppressions typically occur in industries with a limited number of employers or highly concentrated employment, where reporting could risk identifying individual businesses. While this limits detailed trend analysis for certain sectors, the suppressed categories represent a relatively small share of total employment. As a result, the reported totals and observed sector trends provide a reliable basis for evaluating overall employment conditions and housing demand within the market area.

Overall, at-place employment trends demonstrate a sustained post-pandemic recovery, with employment levels surpassing pre-2020 conditions by 2022 and continued, though moderating, growth through 2024. Gains across government, health care, retail, and service sectors have offset declines elsewhere, supporting a stable employment base that sustains ongoing housing demand in the Stafford market area.

Table 4: At-Place Employment by Industry — The Arbors at Stafford Market Area (2019–2024)
(Includes Stafford County, Spotsylvania County, and the City of Fredericksburg)

Industry	2019	2020	2021	2022	2023	2024	Net Change
Agriculture	ND	ND	ND	ND	ND	ND	--
Mining	ND	ND	ND	ND	ND	ND	--
Utilities	ND	ND	ND	ND	ND	ND	--
Construction	5,801	5,456	5,381	5,529	5,572	5,727	-74
Manufacturing	ND	ND	ND	ND	ND	ND	--
Wholesale Trade	ND	ND	ND	ND	ND	ND	--
Retail Trade	15,406	14,792	15,756	15,939	16,070	16,348	942
Transportation/ Warehousing	ND	ND	ND	ND	ND	ND	--
Information	743	645	613	1,014	951	929	186
Finance/Insurance	ND	ND	ND	ND	5,074	3,734	--
Real Estate	ND	ND	ND	ND	1,548	1,455	--
Professional/Technical Services	7,149	7,523	7,900	7,605	7,551	7,326	177
Management of Companies	ND	ND	ND	ND	ND	ND	--
Administrative/ Waste Services	ND	ND	ND	ND	ND	ND	--
Education	1,375	1,321	1,392	1,322	1,448	1,660	285
Health Care	14,436	13,914	14,048	14,112	14,859	15,666	1,230
Arts/ Entertainment/ Recreation	1,440	1,054	1,263	1,429	1,676	1,767	327
Accommodations/ Food Services	12,149	10,140	10,955	11,658	11,983	11,861	-288
Other Services	4,003	3,655	3,903	4,096	4,265	4,468	465
Local Government	14,020	13,108	13,306	13,726	14,069	14,432	412
State Government	2,387	2,295	2,210	2,123	2,139	2,171	-216
Federal Government	2,258	5,310	5,434	5,849	6,520	6,781	4,523
Total	**105,968**	**101,332**	**104,252**	**106,819**	**108,139**	**108,766**	**2,798**

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

Year-end employment data for 2025 are not yet available. However, the most recent monthly data provide context for near-term employment conditions in the market area.

As of May 2025, total at-place employment reached 38,476 jobs in Spotsylvania County, 50,663 jobs in Stafford County, and 25,413 jobs in the City of Fredericksburg, for a combined total of 114,552 jobs across the three jurisdictions. This total exceeds the 2024 year-end employment level of 108,766 jobs by approximately 5,786 jobs, suggesting that employment growth continued into 2025 following the post-pandemic recovery.

While monthly data are subject to revision and are not directly comparable to finalized annual average employment levels, these figures are consistent with continued labor market expansion and support the conclusion that the market area's employment base remains on a positive trajectory.

IV.2: Employment and Labor Force

Employment and at-place employment are distinct metrics that provide different perspectives on a region's workforce dynamics. Employment refers to the number of residents who are employed, regardless of where their jobs are located, while at-place employment measures the number of jobs physically located within the market area.

In 2024, resident employment totaled 177,206 jobs, compared with 108,766 at-place jobs, a difference that reflects a substantial share of employed residents working outside the market area. This gap is consistent with significant outbound commuting to major employment centers in Northern Virginia and the Washington, DC metropolitan area, as well as the continued presence of remote and hybrid work arrangements.

The data in **Table 5** show that the onset of the COVID-19 pandemic in 2020 resulted in a significant decline in employment. Total employment fell from 160,129 jobs in 2019 to 153,168 jobs in 2020, a loss of approximately 6,961 jobs, while the unemployment rate increased from 2.7 percent to 5.8 percent. Recovery began in 2021, when employment rebounded to 160,918 jobs, slightly surpassing the pre-pandemic level. Strong growth continued in 2022, with employment rising to 169,429 jobs, surpassing the 2019 level by more than 9,000. Employment continued to expand in 2023, reaching 175,973 jobs, and growth moderated but remained positive in 2024, when employment increased further to 177,206 jobs.

Over the full 2019 to 2024 period, total resident employment increased by 17,077 jobs, substantially outpacing growth in at-place employment over the same period. This divergence underscores the market area's role as a net labor exporter, with employment growth supported in part by access to regional job centers beyond the immediate market area.

The labor force expanded steadily during this period, increasing from 164,565 workers in 2019 to 182,322 in 2024, a net gain of 17,757 workers. Despite this substantial increase, unemployment remained relatively low, at 2.8 percent in 2024, only slightly above the 2019 level. Taken together, labor force growth alongside sustained low unemployment reflects a resilient labor market, suggesting that pandemic-related disruptions have largely been absorbed and that employment conditions continue to support underlying housing demand within the market area.

Table 5: Labor Force, Employment, and Unemployment Trends — The Arbors at Stafford Market Area (2019–2024)
(Includes Stafford County, Spotsylvania County, and the City of Fredericksburg)

	Labor Force	Employment	Unemployment	Percent Unemployed
2019	164,565	160,129	4,436	2.7%
2020	162,648	153,168	9,480	5.8%
2021	166,764	160,918	5,846	3.5%
2022	173,959	169,429	4,530	2.6%
2023	180,755	175,973	4,782	2.6%
2024	182,322	177,206	5,116	2.8%
Net Change	**17,757**	**17,077**	**680**	**0.1%**

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

Year-end data for 2025 are not yet available; however, partial data through September 2025 suggest a softening in resident labor market conditions within the market area. Over this period, the labor force declined to 181,143 workers, resident employment decreased to 174,899 jobs, and the number of unemployed individuals increased to 6,244, pushing the unemployment rate to approximately 3.4 percent, the highest level observed since the pandemic period. These trends underscore the distinction between resident employment and at-place employment measures.

In contrast, preliminary monthly at-place employment data for 2025 continue to show net growth across the market area, suggesting that local job creation has remained comparatively resilient. The divergence between these measures is likely attributable to disruptions in outbound commuting patterns, including federal layoffs that have disproportionately affected residents employed in Northern Virginia and the Washington, DC metropolitan area, rather than a broad-based contraction in the local employment base.

IV.3: Annual Wages by Occupation

Table 6 summarizes 2024 employment counts and average annual wages by industry for the Stafford market area. Total at-place employment was 108,766 jobs, with an overall average annual wage of $61,525. Employment is concentrated in a small number of large service-oriented sectors, particularly Health Care (15,666 jobs), Retail Trade (16,348 jobs), Accommodation and Food Services (11,861 jobs), and Local Government (14,432 jobs), which together account for a substantial share of total employment within the market area.

Wage levels vary considerably across industries, reflecting differences in skill requirements, occupational mix, and public versus private sector employment. The highest average wages are observed in the Federal Government ($128,889), Information ($107,579), and Professional and Technical Services ($97,887), though these sectors account for a relatively smaller proportion of total employment. Finance and Insurance ($79,791) and Wholesale Trade ($81,080) also report above-average wages, contributing to higher-income employment opportunities despite more limited employment bases.

By contrast, several of the largest employment sectors offer below-average wages, including Accommodation and Food Services ($25,093), Retail Trade ($38,153), and Arts, Entertainment, and Recreation ($24,551). Education ($53,011), Health Care ($65,511), and Local Government ($58,135) fall closer to the market-wide average, reflecting a mix of mid-range wage positions.

Overall, this wage structure reflects a labor market with a large share of lower-wage service employment alongside smaller concentrations of higher-wage professional and government jobs, with implications for household incomes, housing affordability, and the range of housing types and price points likely to be supported within the market area.

Table 6: Annual Wages by Occupation — The Arbors at Stafford Market Area (2024)
(Includes Stafford County, Spotsylvania County, and the City of Fredericksburg)

Industry	Number of Employees	Average Annual Pay
Agriculture	ND	--
Mining	ND	--
Utilities	ND	--
Construction	5,727	$68,527
Manufacturing	ND	--
Wholesale Trade	ND	$81,080
Retail Trade	16,348	$38,153
Transportation/ Warehousing	ND	$58,617
Information	929	$107,579
Finance/Insurance	3,734	$79,791
Real Estate	1,455	$51,707
Professional/Technical Services	7,326	$97,887
Management of Companies	ND	--
Administrative/ Waste Services	ND	--
Education	1,660	$53,011
Health Care	15,666	$65,511
Arts/ Entertainment/ Recreation	1,767	$24,551
Accommodations/ Food Services	11,861	$25,093
Other Services	4,468	$45,428
Local Government	14,432	$58,135
State Government	2,171	$63,261
Federal Government	6,781	$128,889
Total/ Average	**108,766**	$61,525

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 7 identifies the largest employers in the market area in 2025, highlighting the public sector, health care, education, logistics, and large-format retail as prominent contributors to the regional employment base. Federal, state, and local government entities, including the U.S. Department of Defense, county governments, and multiple K-12 school systems, collectively account for a substantial share of major employment, underscoring the importance of public-sector activity to overall economic stability in the market area.

Health care and education also function as key employment anchors. Mary Washington Hospital, HCA Virginia Health System, and the University of Mary Washington provide a wide range of professional, technical, and support positions, contributing to relatively stable employment across multiple skill and wage levels. These institutions also support secondary employment through related services and retail activity, reinforcing their broader economic role within the region.

Private-sector employment is led by Amazon Fulfillment Services, Walmart, GEICO, McLane Mid Atlantic, and several construction and professional services firms. These employers reflect the market area's strategic location along major transportation corridors and its integration with broader Northern Virginia and regional supply chains.

Overall, the mix of major employers reflects a diversified employment base anchored by government and institutional uses and supplemented by logistics, retail, insurance, and service-sector activity, which supports steady housing demand and provides some insulation from sector-specific volatility.

Table 7: Major Employers — The Arbors at Stafford Market Area (2025)
(Includes Stafford County, Spotsylvania County, and the City of Fredericksburg)

Company Name	Industry
U.S. Department of Defense	Federal Government, National Security
Stafford County Schools	Public Education (K–12 School District)
Spotsylvania County School Board	Public Education (K–12 School District)
Mary Washington Hospital	General Medical And Surgical Hospitals
Amazon Fulfillment Services Inc.	E-Commerce Fulfillment And Warehousing
GEICO	Direct Property And Casualty Insurance Carrier
Wal Mart	General Merchandise Retail (Supercenter)
Brothers RC LLC	Construction Contractor (General Construction Services)
County of Stafford	Local Government (General Administration)
County of Spotsylvania	Local Government (General Administration)
University of Mary Washington	Higher Education (Four-Year University)
HCA Virginia Health System	Hospitals And Health Care Services
Fredericksburg City Public Schools	Public Education (K-12 School District)
McLane Mid Atlantic	Grocery And Foodservice Wholesale Distribution
Professional Staff Management Inc.	Human Resources And Payroll Services (PEO)

Source: Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW), 2nd Quarter (April, May, June) 2025.

IV.5: Travel Time to Work

Table 8 summarizes commute times for workers 16 and over who do not work from home within the market area. Commute patterns are broadly distributed, with the largest share of workers traveling 10 to 19 minutes (21.5 percent), followed by 20 to 29 minutes (17.5 percent).

Shorter commutes remain common, with 29.6 percent of workers traveling less than 20 minutes, indicating that a meaningful share of employment opportunities are located within or near the market area.

At the same time, longer commutes are prevalent, underscoring the region's role within a broader labor shed. Approximately 53.0 percent of workers travel 30 minutes or more, including 16.0 percent with commutes of 40 to 59 minutes and 23.9 percent with commutes of 60 minutes or more. The share of workers traveling 90 minutes or more (7.8 percent) is notable and is consistent with substantial outbound commuting to employment centers in Northern Virginia and the Washington, DC metropolitan area. Overall, these patterns support the conclusion that the market area functions as a residential base for a geographically dispersed workforce.

Table 8: Travel Time to Work for Workers 16 Years and Over (Who Did Not Work At Home) — The Arbors at Stafford Market Area
(Includes Stafford County, Spotsylvania County, and the City of Fredericksburg)

Driving Time	Total Workers	Percent of Total
Less than 10 Minutes	11,135	8.1%
10 to 19 Minutes	29,664	21.5%
20 to 29 Minutes	24,205	17.5%
30 to 39 Minutes	18,084	13.1%
40 to 59 Minutes	22,035	16.0%
60 to 89 Minutes	22,217	16.1%
90 or More Minutes	10,711	7.8%
Total	**138,051**	**100.0%**

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

IV.6: Economic Development Activity

Table 9 summarizes publicly announced job announcements in the market area between 2023 and 2026. These announcements include data centers, technology services, manufacturing, recycling, and small-scale food and agricultural operations, representing approximately 454 announced jobs across Stafford County, Spotsylvania County, and the City of Fredericksburg. Several announcements are tied to data center development, particularly in Stafford County, while other projects reflect more incremental growth in specialized manufacturing and local-serving industries.

While these announcements provide useful context on recent and planned investment activity, they account for a relatively small share of overall employment growth within the market area. As shown in **Table 4**, total at-place employment increased by 2,798 jobs between 2019 and 2024, far exceeding the scale of publicly announced projects. This contrast suggests that most employment growth has occurred through incremental expansion among existing employers, public-sector employment changes, post-pandemic labor market recovery, and broader regional economic conditions, rather than through a limited number of discrete job announcements.

Taken together with commuting patterns and the large gap between resident employment and at-place employment, these findings underscore the role of employment opportunities outside the immediate market area in shaping local population and housing demand. A substantial share of residents commute to major employment centers in Northern Virginia and the Washington, DC metropolitan area, meaning that regional job growth, in addition to locally announced projects, continues to influence household growth and housing demand within the market area.

Table 9: Public Job Announcements — The Arbors at Stafford Market Area (2023-2026)
(Includes Stafford County, Spotsylvania County, and the City of Fredericksburg)

Company Name	Location	Business Type	Month Announced	New Jobs
Vantage Data Centers	Stafford County	Data Center	November 2025	50
Aspetto, Inc.	Stafford County	Manufacturer of Tactical Gear	February 2025	98
SK tes	Spotsylvania County	Technology Lifecycle Management	March 2024	100
TES United States	City of Fredericksburg	Recycler of electronic products	September 2023	53
Next Level Mosaic, Inc.	Stafford County	Hydroponic greenhouse	July 2023	8
Full Distance Brewing	Stafford County	Brewery	June 2023	15
Amazon Web Services	Stafford County	Data Center	January 2023	100
Amazon Web Services	Spotsylvania County	Data Center	January 2023	30

Source: Virginia Economic Development Partnership

IV.7: WARN (Layoff) Notices

WARN notices, issued under the federal Worker Adjustment and Retraining Notification Act, require employers to provide advance notice of certain plant closures or mass layoffs. In Virginia, as in other states, this requirement is intended to help affected employees prepare for employment transitions by providing time to seek new job opportunities or access support services.

A review of WARN notices for Stafford County, Spotsylvania County, and the City of Fredericksburg shows that no qualifying plant closures or mass layoff notices have been reported during the past two years. While the absence of WARN activity does not preclude smaller-scale layoffs, this pattern is consistent with relatively stable employment conditions in the market area.

IV.8: Market Area Economic Overview Summary

The market area has experienced a sustained recovery in employment following pandemic-related job losses, with at-place employment fully recovering by 2022 and continuing to expand through at least 2024. Total at-place employment reached 108,766 jobs in 2024, representing a net gain of 2,798 positions compared with 2019. Employment growth has been concentrated in government, health care, retail, and service-oriented industries, which together provide a stable foundation for the local economy even as growth has been uneven across sectors and more modest in select private-sector segments.

Resident employment has increased faster than at-place employment, rising by 17,077 jobs between 2019 and 2024. This divergence reflects the market area's role as a net exporter of labor, with a substantial share of residents commuting to employment centers outside the immediate market area, particularly in Northern Virginia and the Washington, DC metropolitan area, as well as participation in remote and hybrid work arrangements.

More recent partial data for 2025 suggest some moderation in resident-side labor market conditions, reinforcing the sensitivity of resident employment trends to conditions beyond the local employment base. Consistent with this pattern, commuting data show that more than half of workers travel 30 minutes or more to work, reinforcing the market area's function as a residential base within a broader regional labor shed.

The labor force expanded steadily over the period, increasing by 17,757 workers between 2019 and 2024. Despite this growth, unemployment remained low at 2.8 percent in 2024, only slightly above pre-pandemic levels. While early 2025 data point to an uptick in unemployment, local job creation has continued, suggesting that recent labor market softening is more closely tied to disruptions in commuter employment than to weakening conditions within the market area itself.

Employment trends, labor force conditions, wage patterns, and commuting behavior describe a stable, well-integrated regional economy. While employment growth within the immediate market area contributes to housing demand, resident labor market outcomes remain closely tied to the performance and volatility of the broader Northern Virginia and Washington, DC regional economy, which continues to be a key influence on population growth, household formation, and ongoing demand for new housing within the market area.

Section V: Competitive Apartment Market Analysis

This section focuses on the supply and demand for the proposed apartment units at the Arbors at Stafford 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, age-restricted rental properties, which represent the most directly competitive apartment units in the market area. Research conducted by S. Patz & Associates identified eight competitive, professionally managed apartment communities with a total of 1,026 rental units. These properties are evaluated based on occupancy, rent levels, unit mix, features, and amenities to establish the Arbors at Stafford'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 evaluates population and household trends and projections, with a specific focus on senior renter households, which represent the target market for Arbors at Stafford. Demographic projections reflect recent labor market conditions, including updated employment and unemployment trends, and are based on observed population, household, and migration patterns rather than assumptions of accelerating job growth. This subsection also includes data on rent-overburdened senior households, senior households residing in substandard housing, and trends in residential building permits.

V.1.a: Population Trends and Projections

The market area population totaled 251,406 in 2010 and increased to 298,340 by 2020, representing an increase of approximately 46,934 residents over the decade. This reflects an average annual gain of about 4,700 residents and an annual growth rate of roughly 1.7 percent. This period was characterized by sustained in-migration and suburban expansion, supported by the market area's proximity to major employment centers, ongoing residential development activity, and generally favorable regional economic conditions.

Population growth continued after 2020, though at a slightly more moderate pace. Between 2020 and 2026, the population of the market area is estimated to have increased by approximately 28,053 residents, to 326,393. This equates to an average annual increase of roughly 4,675 residents and an annual growth rate of about 1.5 percent. While still strong, this pace reflects a modest deceleration relative to the prior decade, consistent with higher housing costs, evolving development patterns, and broader demographic trends affecting household mobility.

Looking ahead, the population of the market area is projected to reach 343,206 by 2031, an increase of approximately 16,813 residents from 2026. This represents an average annual gain of about 3,360 residents and an annual growth rate of about 1.0 percent. This projected moderation reflects a combination of maturing suburban development patterns and recent labor market adjustments, including softening in resident employment tied to regional commuting dynamics. Even at this reduced pace, the market area is expected to continue adding a substantial number of residents.

Table 10: Trends and Projections of Population and Households — The Arbors at Stafford Market Area (2010-2031) [1]

	2010	2020	2026	2031
Market Area Population	251,406	298,340	326,393	343,206
Group Quarters Population	6,557	5,875	5,821	5,920
Household Population	244,849	292,465	320,572	337,286
Persons Per Household	2.89	2.88	2.88	2.88
Total Households	84,687	101,535	111,283	117,236
Renter Households	22,718	28,654	31,601	33,271
Percent Renter Households	26.8%	28.2%	28.4%	28.4%
Owner Households	61,969	72,881	79,682	83,965
Percent Owner Households	73.2%	71.8%	71.6%	71.6%

1 Includes Stafford County, the City of Fredericksburg, and the following 2020 U.S. Census tracts in Spotsylvania County: 201.04, 201.05, 201.06, 201.07, 201.08, 201.09, 201.10, 201.11, 201.12, 201.13, 201.14, 202.01, 202.02, 202.03, 202.04, 202.06, 202.07, 203.04, 203.05, 203.07, 203.08, 203.09, 203.12, 203.13, 203.14, 203.15, 203.16, and 204.08

Source: U.S. Census Bureau; Ribbon Demographics

V.1.b: Group Quarters Population

The group quarters population within the market area totaled 6,557 residents in 2010 and declined to 5,875 by 2020, representing a net decrease of approximately 682 residents over the decade. As of 2026, the group quarters population is estimated at 5,821 residents, accounting for about 1.8 percent of the total market area population. By 2031, the group quarters population is projected to increase modestly to 5,920 residents, remaining a small and relatively stable share of the overall population.

Within the market area, group quarters populations consist primarily of residents in military quarters, university residence halls, correctional facilities, skilled nursing facilities, assisted living communities, memory care facilities, and other long-term care settings. Smaller components include individuals residing in residential treatment facilities and other limited non-household living arrangements. Unlike markets anchored by large public universities, the study area contains a relatively limited student housing component, and higher education-related group quarters account for only a minor share of the total group quarters population.

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 the total population yields the household population shown in **Table 10**, which serves as 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 244,849 residents in 2010 and increased to 292,465 by 2020, reflecting a growth of approximately 47,616 residents over the decade. This increase closely parallels overall population growth during the period and suggests that most population gains were absorbed within conventional household living arrangements.

Between 2020 and 2026, the household population is estimated to have increased by approximately 28,107 residents, bringing the total to 320,572. This growth rate is consistent with the pace of total population growth over the same period and reflects the continued predominance of household-based living within the market area. By 2031, the household population is projected to increase further to 337,286, representing an additional 16,714 residents. These projections reflect continued household population growth, though at a gradually moderating pace that aligns with broader population trends discussed previously.

Household formation trends mirror these changes in household population. Total households increased from 84,687 in 2010 to 101,535 in 2020, an increase of 16,848 households over the decade. This corresponds to an average annual growth rate of approximately 1,685 households and reflects strong underlying housing demand, driven by in-migration and regional employment expansion during this period. Between 2020 and 2026, the total number of households is projected to increase by approximately 9,748, reaching 111,283. From 2026 to 2031, household growth is expected to continue at a more moderate pace, adding 5,953 households, bringing the total to 117,236 by 2031.

Average household size remains effectively stable across the projection period, declining slightly from 2.89 persons per household in 2010 to 2.88 by 2020 and remaining at 2.88 through 2031. This stability suggests that future household growth will be driven primarily by population increases rather than changes in household composition. Accordingly, projected household growth provides a sound basis for estimating future housing demand within the market area.

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

Housing tenure patterns in the market area have shifted gradually over time, reflecting broader changes in housing affordability, household preferences, and demographic composition. In 2010, the market area included 61,969 owner households and 22,718 renter households, with owner households accounting for 73.2 percent of all households and renter households comprising 26.8 percent. This distribution is characteristic of a predominantly owner-oriented suburban market.

By 2020, the number of renter households increased to 28,654, up 5,936 over the decade, while owner households rose to 72,881, up 10,912. Despite stronger absolute growth among owner households, renter households accounted for a growing share of total households, with the renter share increasing to 28.2 percent and the owner share declining to 71.8 percent. This shift reflects rising rental demand driven by population growth and in-migration, as well as affordability and access constraints that affect homeownership for some households.

Rental household growth has continued since 2020. Between 2020 and 2026, renter households are projected to increase by approximately 2,947, reaching 31,601 households. Over the same period, owner households are projected to increase by approximately 6,801, to 79,682. As a result, renter households are expected to account for 28.4 percent of total households by 2026, while the owner share declines modestly to 71.6 percent. These projections suggest that renter household growth is occurring at a slightly faster pace than owner household growth as a share of overall household formation.

Looking ahead to 2031, renter households are projected to increase further to 33,271, up approximately 1,670 households from 2026. Owner households are projected to grow by about 4,283 over the same period, reaching 83,965 households. The renter share of households is expected to remain stable at 28.4 percent, suggesting that recent tenure shifts are moderating rather than widening over the longer term.

Overall, the market area is projected to add approximately 10,553 renter households and 21,996 owner households between 2010 and 2031. While owner households are expected to remain the majority, sustained growth and the elevated share of renter households underscore the importance of maintaining an adequate supply of rental housing alongside for-sale housing to support future demand.

V.1.e: Senior Demographic Trends and Projections

Table 11 summarizes trends and projections for the senior population and senior households within the Arbors at Stafford market area, focusing on adults aged 62 and over. This age cohort represents the primary target market for the Arbors at Stafford. Senior population growth is less sensitive to short-term employment fluctuations than working-age cohorts, as migration and housing decisions among older adults are more closely tied to housing affordability, health care access, and proximity to family than to local job availability.

The data show a pronounced and sustained increase in both the number and share of seniors aged 62 and over within the market area. The senior population increased from 27,371 residents in 2010 (10.9 percent of the total population) to 45,975 residents in 2020 (15.4 percent). This reflects the growth of approximately 18,604 seniors over the decade. Senior population growth is projected to continue, reaching 57,362 residents in 2026 (17.6 percent of the market area population) and 68,497 residents by 2031, when seniors are projected to account for 20.0 percent of all residents. Between 2010 and 2031, the senior population aged 62 and over is projected to increase by approximately 41,126 residents, representing an increasing share of overall population growth.

Growth in senior households is similarly strong. Senior households increased from 16,479 in 2010, representing 19.5 percent of all households, to 26,997 in 2020, or 26.6 percent. This represents an increase of 10,518 senior households over the decade. Senior households are projected to increase further to 32,708 in 2026 (29.4 percent of all households) and to 38,001 by 2031 (32.4 percent of all households). Between 2010 and 2031, senior households are projected to increase by approximately 21,522, while their share of all households rises by nearly 13 percentage points. This pattern reflects population aging combined with the continued prevalence of smaller, senior-headed households.

Senior renter households represent a growing and increasingly important segment of the rental market. In 2010, senior renter households totaled 3,061, accounting for 13.5 percent of all renter households. By 2020, this figure increased to 5,026, or 17.5 percent of renter households. Senior renter households are projected to increase to 7,124 in 2026, representing 22.5 percent of renter households, and to 8,576 by 2031, when seniors are projected to comprise 25.8 percent of all renter households. Overall, senior renter households are projected to increase by approximately 5,515 between 2010 and 2031, with seniors accounting for a growing share of rental household growth over the projection period.

Collectively, these trends demonstrate that adults aged 62 and over are projected to account for an increasing share of the market area's population, households, and renter households through 2031, supporting ongoing demand for age-restricted rental housing.

Table 11: Trends and Projections of Senior Population and Households — The Arbors at Stafford Market Area (2010-2031)				
	2010	**2020**	**2026**	**2031**
Market Area Population	251,406	298,340	326,393	343,206
Total Households	84,687	101,535	111,283	117,236
Total Renter Households	22,718	28,654	31,601	33,271
Senior Demographics (62+)				
Senior Population	27,371	45,975	57,362	68,497
Percent of Total Population	10.9%	15.4%	17.6%	20.0%
Senior Households	16,479	26,997	32,708	38,001
Percent of Total Households	19.5%	26.6%	29.4%	32.4%
Senior Renter Households	3,061	5,026	7,124	8,576
Percent of Renter Households	13.5%	17.5%	22.5%	25.8%
Source: U.S. Census Bureau; Ribbon Demographics				

V.1.f: Target Senior Market Demographics

Table 12 summarizes projections of senior renter households within the defined target income range for the Arbors at Stafford over the 2026 to 2031 projection period. The analysis focuses on senior renter households at the 60% of AMI level, consistent with the proposed rental structure. In line with Virginia Housing guidelines, the maximum rent-to-income ratio permitted for senior apartment proposals is 40 percent. The maximum allowable income for the income-restricted apartment units is based on the HUD maximum allowable income for a two-person household. All income figures are expressed in constant 2025 dollars.

In 2026, the market area is projected to comprise 111,283 households, of which 32,708 are senior households, and 7,124 are senior renter households. Within this context, an estimated 1,132 senior renter households fall within the 60% of AMI income range of approximately $49,500 to $78,720. These income-qualified households account for about 1.0 percent of all households in the market area, 3.5 percent of senior households, 3.6 percent of renter households, and 15.9 percent of senior renter households. This segment represents the target market for the Arbors at Stafford.

By 2031, total households in the market area are projected to increase to 117,236, while senior households grow to 38,001, and senior renter households increase to 8,576. The number of income-qualified senior renter households is projected to rise to approximately 1,307 households, reflecting a net increase of 175 households over the period. By 2031, these households are projected to represent about 1.1 percent of all households, 3.4 percent of senior households, 3.9 percent of renter households, and 15.2 percent of senior renter households.

Table 12: Projections of Target Senior Households — The Arbors at Stafford Market Area (2026-2031) [1]

	2026	2031	Net Change
Market Area Households	111,283	117,236	5,953
Senior Households	32,708	38,001	5,293
Market Area Renter Households	31,601	33,271	1,670
Senior Renter Households	7,124	8,576	1,452
Target Senior Renter Households			
60% of AMI ($49,500-$78,720)			
Total Renter Households	1,132	1,307	175
Percent of Total Households	1.0%	1.1%	
Percent of Senior Households	3.5%	3.4%	
Percent of Renter Households	3.6%	3.9%	
Percent of Senior Renter Households	15.9%	15.2%	

1 Reported in constant 2025 dollars.

Source: U.S. Census Bureau; Ribbon Demographics

V.1.g: Senior Households Likely to Convert to Rental Housing

Consistent with Virginia Housing guidelines, market studies may assume that a portion of demand for age-restricted rental housing can be generated by senior homeowners who elect to transition from ownership to rental housing.

Based on the income band under review, the market area is projected to include 4,421 senior owner households with incomes between $49,500 and $78,720. These households represent seniors who are income-qualified for the proposed units but currently reside in owner-occupied housing.

Recognizing that many senior homeowners prefer to age in place and that transitions to rental housing typically occur gradually, S. Patz & Associates assumes that 5.0 percent of these income-qualified senior owner households are likely to convert to rental housing. Applying this conservative conversion rate yields an estimated 221 senior households likely to transition from homeownership to rental housing within the market area.

Table 13: Estimate of Owner Households Likely to Convert to Rental Housing — The Arbors at Stafford Market Area	
	Total
Income Band	$49,500-$78,720
Number of Senior Owner Households	4,421
Percent Likely to Convert to Rental Housing	5.0%
Number Likely to Convert to Rental Housing	**221**
Source: Ribbon Demographics	

V.1.h: Rent Overburdened Senior Households

Renter households are considered rent overburdened when a large share of gross household income is allocated toward housing costs, including contract rent and utilities. For senior households, affordability stress is often assessed using a higher threshold than for the general population, given greater reliance on fixed incomes and a more limited capacity to absorb rising costs. In this analysis, senior renter households paying 40 percent or more of gross income toward rent are considered severely cost-burdened, a condition associated with constrained housing choices and increased vulnerability to housing instability.

Data in **Table 14** summarize gross rent as a percentage of household income for renter households headed by adults aged 62 and over within the market area. Of the 5,088 senior renter households captured in the American Community Survey, 2,113 households, or 41.5 percent, allocate 35 percent or more of household income toward gross rent. Because 407 households (8.0 percent) are classified as "Not Computed," these percentages reflect shares of all senior renter households captured by the survey, including cases without computed rent-to-income ratios. This proportion exceeds commonly applied affordability benchmarks and reflects widespread cost pressures among senior renters in the market area.

Among households with a severe rent burden, 1,796 senior renter households (35.3 percent of all senior renter households) allocate 40 percent or more of their gross income to rent. At this level of cost burden, households typically have limited capacity to absorb increases in non-housing expenses, including healthcare, transportation, and basic living costs. This pattern reflects a structural mismatch between senior incomes and prevailing rental housing costs within the market area.

Table 14: Age of Householder by Gross Rent as a Percentage of Household Income — The Arbors at Stafford Market Area

	Total Households	Percent of Total
Householder 62 Years and Over:	5,088	100.0%
Less Than 20.0 Percent	821	16.1%
20.0 To 24.9 Percent	787	15.5%
25.0 To 29.9 Percent	539	10.6%
30.0 To 34.9 Percent	421	8.3%
35.0 Percent Or More	2,113	41.5%
Not Computed	407	8.0%
40.0 Percent or More	**1,796**	**35.3%**

Source: U.S. Census Bureau, ACS 2024 (5-Year Estimates); S. Patz & Associates, Inc.

V.1.i: Senior Households in Substandard Housing

Table 15 quantifies households in the market area living in substandard housing conditions using two Census-based indicators: lack 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 commonly used to identify housing units that fail to meet basic adequacy standards and may present health, safety, or quality-of-life concerns.

Across all tenure types, the market area contains 2,678 households living in substandard housing conditions, representing 2.6 percent of all households. This total includes 139 households lacking complete plumbing facilities and 2,539 households that are overcrowded but otherwise have complete plumbing. Overcrowding accounts for the majority of substandard housing conditions identified within the market area.

Renter households account for a disproportionate share of substandard housing. Based on the ACS 2023 (5-year) tabulation shown in **Table 15**, of the 25,788 renter households in the market area, 1,430 households are classified as living in substandard conditions, representing 5.5 percent of renter households. These ACS-based counts differ from the Ribbon Demographics projections presented earlier, so the tenure totals in **Table 15** should be interpreted as survey estimates rather than 2026 projections.

Senior renter households represent a notable subset of this population. The market area includes 255 senior households estimated to live in substandard housing conditions. This represents 5.6 percent of senior renter households, according to the same survey source. Seniors residing in substandard housing may be more vulnerable due to fixed incomes, mobility limitations, and heightened sensitivity to housing quality deficiencies.

Table 15: Households in Substandard Housing — The Arbors at Stafford Market Area

	Total Households	Percent of Total
Owner Occupied		
Complete Plumbing Facilities:	77,966	75.1%
1.00 Or Less Occupants Per Room	76,798	74.0%
1.01 To 1.50 Occupants Per Room	1,016	1.0%
1.51 Or More Occupants Per Room	152	0.1%
Lacking Complete Plumbing Facilities:	80	0.1%
1.00 Or Less Occupants Per Room	80	0.1%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
Subtotal	*78,046*	*75.2%*
Renter Occupied		
Complete Plumbing Facilities:	25,729	24.8%
1.00 Or Less Occupants Per Room	24,358	23.5%
1.01 To 1.50 Occupants Per Room	1,211	1.2%
1.51 Or More Occupants Per Room	160	0.2%
Lacking Complete Plumbing Facilities:	59	0.1%
1.00 Or Less Occupants Per Room	25	0.0%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	34	0.0%
Subtotal	*25,788*	*24.8%*
Total	103,834	**100.0%**
Lacking Complete Plumbing	**139**	**0.1%**
With Plumbing but Overcrowded	**2,539**	**2.4%**
Total Substandard Housing	**2,678**	**2.6%**
Rental Substandard Housing	**1,430**	**5.5%**
Percent Senior Renter Households	**255**	**5.6%** [1]

1 As a percentage of senior renter households from the same survey.

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

V.1.j: Senior Renter Households by Household Size

Table 16 summarizes the composition of senior renter households by household size within the Arbors at Stafford market area. One-person households represent the largest segment, totaling 3,444 households and accounting for 48.3 percent of all senior renter households. Two-person households are the next most prevalent, comprising 1,865 households (26.2 percent of the total). Collectively, one- and two-person households account for more than 74 percent of senior renter households in the market area.

Larger household sizes are considerably less common. Three-person households account for 11.5 percent, while four-person households represent 7.0 percent of senior renter households. Households with five or more persons account for 7.1 percent of the total. This distribution reflects a senior-renter market dominated by one- and two-person households.

Table 16: Senior Renter Households by Household Size (62+) — The Arbors at Stafford Market Area (2026)

	Renter Households	Percent of Total
1-Person Household	3,444	48.3%
2-Person Household	1,865	26.2%
3-Person Household	816	11.5%
4-Person Household	496	7.0%
5-or-more-Person Household	503	7.1%
Total Households	**7,124**	**100.0%**

Source: Ribbon Demographics

V.1.k: Trends in Residential Building Permits

Table 17 summarizes residential building permits issued in the Arbors at Stafford market area from 2019 through 2023. During this five-year period, a total of 12,017 residential units were permitted. Single-family development accounted for the majority of activity, with 8,126 units (67.6 percent of all permitted units). Multifamily development was limited to larger-scale projects, with 3,891 units (32.4 percent) permitted in buildings with five or more units. No permits were issued for duplexes or small multifamily buildings with three to four units.

Annual permitting levels fluctuated over the period, peaking in 2021 at 2,734 units, then declining to 1,712 units in 2023. Overall, the data reflect a development pattern dominated by single-family construction, with multifamily activity occurring intermittently through larger projects rather than steady, small-scale multifamily development.

Table 17: Residential Building Permits — The Arbors at Stafford Market Area (2019-2023)

Year	1-Unit	2-Units	3-4 Units	5+ Units	Total Units
2019	1,650	0	0	845	2,495
2020	1,847	0	0	632	2,479
2021	1,895	0	0	839	2,734
2022	1,534	0	0	1,063	2,597
2023	1,200	0	0	512	1,712
Total	**8,126**	**0**	**0**	**3,891**	**12,017**
Average	**1,625**	**0**	**0**	**778**	**2,403**
Percent of Total	**67.6%**	**0.0%**	**0.0%**	**32.4%**	**100.0%**

Source: U.S. Census Bureau Building Permits Survey

V.2: Apartment Market Analysis

This subsection examines rental properties within the market area that would directly compete with the Arbors at Stafford once built. The analysis focuses on affordable, age-restricted apartment communities that operate under income restrictions but do not provide deep rental subsidies, as these properties most closely align with the proposed development's target population, rent structure, and operating characteristics.

The analysis begins with an overview of the competitive inventory's size, age, and geographic distribution, followed by a review of income restrictions, unit mix, and unit sizes. Subsequent sections evaluate net rental rates, rent per square foot, and the availability of common amenities, providing context for the proposed rents and design features at the Arbors at Stafford.

The subsection concludes with insights from local market participants, offering a qualitative perspective on current leasing conditions, supply constraints, and demand for affordable, age-restricted rental housing within the market area.

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

The competitive set is defined as income-restricted senior rental communities without deep rental subsidies, where tenant rents follow published rent schedules rather than being set by household income. The 129-unit Mill Park Terrace is excluded due to its deep subsidy structure. Also excluded are the 147-unit Alexander Heights and 130-unit Evergreens at Smith

Run, both market-rate independent living facilities serving a higher-income profile, and all general-occupancy communities, which do not compete for the same target population.

Table 18 summarizes the characteristics of the eight competitive, affordable, age-restricted apartment communities in the market area. Collectively, these properties contain 1,026 units. Apart from Enoch George Manor, which has 60 units, all competitive properties have 100 or more units, reflecting a market dominated by larger-scale senior apartment developments.

The newest property in the competitive set is Heights at Jackson Village, a 187-unit community that began initial move-ins in July 2023. The first 99-unit building opened at that time and reached stabilized occupancy by December 2023, after 38 units were pre-leased prior to opening, and the remaining units were absorbed at an average pace of approximately 18 units per month. The community consists of two residential buildings, both restricted to senior-headed households earning up to 60% of AMI.

The only other affordable, age-restricted apartment property developed within the past decade is Keswick Senior, a 100-unit community completed in 2019. Keswick Senior is a single four-story, elevator-served building and represents the first of three multifamily phases within the larger Keswick development. Unlike most properties in the competitive set, Keswick Senior offers a mix of income restrictions, with units available at 40%, 50%, and 60% of AMI.

All remaining competitive properties were developed prior to the Great Recession, with construction concentrated in the 1990s and early 2000s. Of the 1,026-unit competitive inventory shown in **Table 18**, 410 units were constructed in the 1990s and 329 in the 2000s, totaling 739 units (72.0 percent) constructed in 2007 or earlier. As a result, nearly 40 percent of units are 25 years old or older. This age profile reflects limited development activity in the affordable, age-restricted rental segment over the past two decades, despite substantial growth in the older adult population within the market area.

As shown in **Table 18**, the competitive market reports a combined vacancy rate of 5.4 percent, representing 55 vacant units across the competitive set. While this level is modestly above typical stabilized conditions for senior affordable housing, property managers interviewed for this analysis attributed recent vacancies primarily to resident move-outs and mortality-related turnover, rather than to sustained weakness in leasing. Management interviews consistently noted that occupancy typically approaches 98 percent and that leasing activity slows seasonally in the winter months, when inquiries and move-ins tend to decline. Several property managers reported active inquiries for post-winter move-ins and expect occupancy levels to return to more typical ranges as seasonal patterns normalize.

At English Oaks, management reported that the property historically maintained strong occupancy but typically leased units at rents below the maximum allowable rent. Following a shift by ownership to lease units at maximum rents, the on-site team has experienced difficulty restoring prior occupancy levels, which accounts for the current elevated vacancy rate.

Overall, the competitive market is characterized by an aging inventory, limited recent development, and income restrictions that closely align with those proposed for the Arbors at Stafford. Given the age profile of existing properties and the lack of evidence suggesting persistent leasing weakness, current vacancy levels appear transitional rather than structural, and market conditions remain supportive of additional age-restricted affordable rental housing within the market area.

Table 18: Characteristics of Competitive Age-Restricted Apartments — The Arbors at Stafford Market Area (February 2026) [1]

	Map F Key	Year Built	Restrictions	Total Units	Vacant Units
Heights at Jackson Village	1	July 2023	60%	187	13
Keswick Senior [2]	2	2019	40%/50%/60%	100	3
Gardens of Stafford	3	2007	60%	150	10
Enoch George Manor	4	2006	60%	60	1
English Oaks	5	2003	60%	119	11
Kings Crest	6	1999	50%	100	5
Madonna House at Belmont	7	1998/17	60%	130	5
Meadows at Salem Run	8	1996/97	50%/60%	180	7
Total				**1,026**	**55**
Vacancy Rate					**5.4%**

1 Excludes the following general occupancy LIHTC communities: Colonial Heights, Crestview, Forst Village, Hazel Hill, Heritage Park I & II, Riverside Manor, Townsend Square, Valor, Valor West, Weston Circle, Wicklow Square, Aquia Fifteen at Towne Center, Arbor Grove II & III, Crescent Pointe, England Run I & II, England Run North Townhomes, Mainline I & II, Park Ridge I, Potomac Crest, Sky Terrace, Stafford Lakes, Stonegate, Village at England Run, Courthouse Green, Greens of Salem Run, Keswick I & II, Orchard Ridge at Jackson Village I & II, Overlook Terrace, Palmer's Creek I & II, Pines, Salem Fields, Salem Run I & II, Timber Ridge, and Windover Villas.

2 Several hundred feet outside of the market area, but considered competitive.

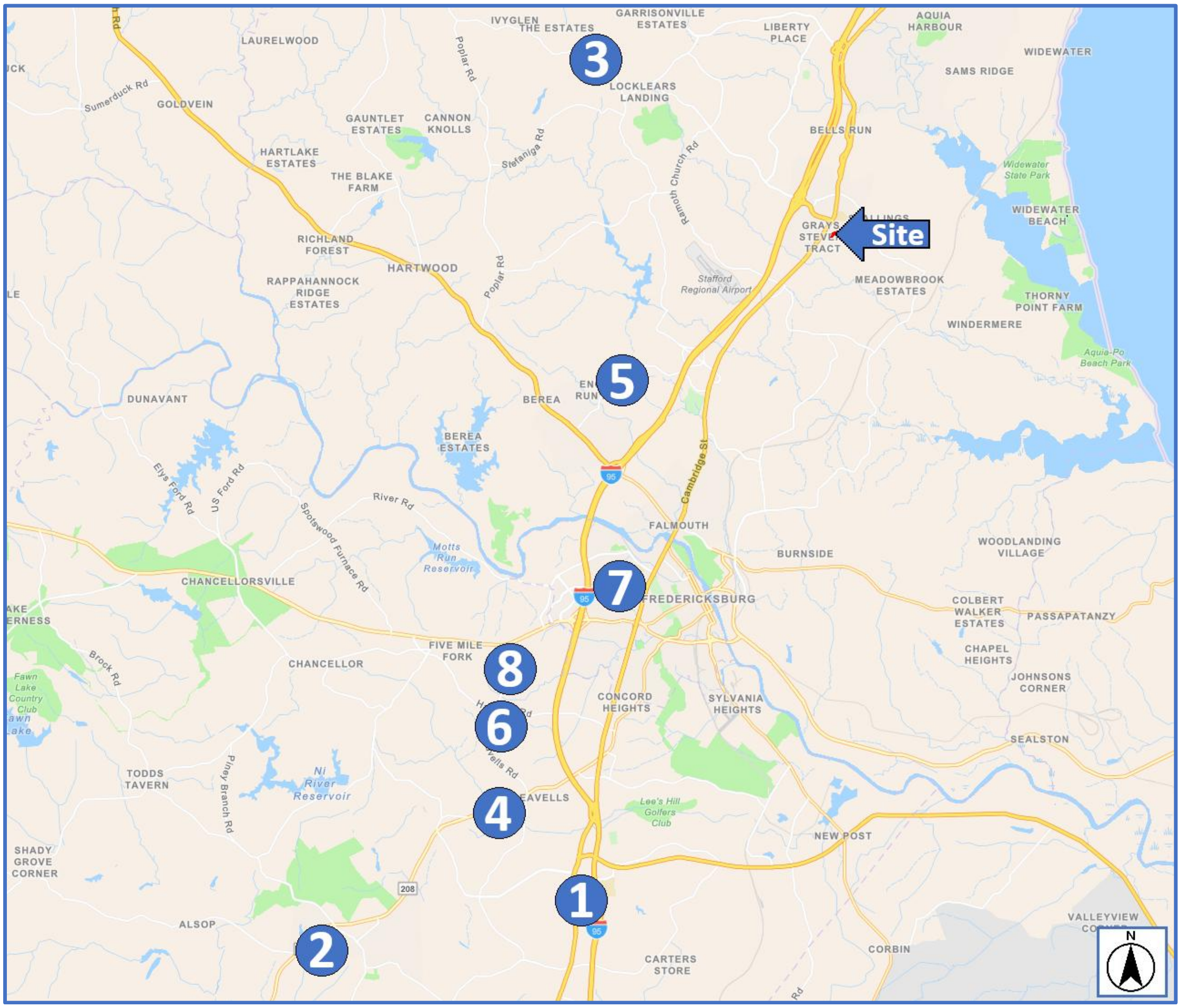
Source: Field and Telephone Survey by S. Patz & Associates, Inc.

Map F illustrates the locations of affordable, age-restricted apartment communities included in the competitive analysis. Only two properties, Gardens of Stafford and English Oaks, are located within Stafford County. Gardens of Stafford is situated in a more peripheral, predominantly residential setting along Mountain View Road, while English Oaks is located closer to the study site, near Interstate 95 and north of Warrenton Road. English Oaks is an older community, developed more than 20 years ago, and reflects earlier design standards that may limit its direct comparability with newer or proposed age-restricted developments.

Within the City of Fredericksburg, only one property, Madonna House at Belmont, is included in the competitive set. This community is also among the older developments, having been constructed in the late 1990s.

The remaining competitive properties are in Spotsylvania County. Kings Crest and Meadows at Salem Run are positioned in the northern portion of the county, just outside the Fredericksburg–Spotsylvania County boundary, and represent the closest competing option within Spotsylvania County to the study site.

Other Spotsylvania County communities included in the competitive set are located farther south or west of the study area, increasing travel distance to Stafford County destinations and reducing functional overlap with the primary market for the Arbors at Stafford. This spatial distribution suggests that, while the broader region contains multiple age-restricted affordable properties, relatively few are positioned to compete directly with the subject site based on location, accessibility, and jurisdictional orientation.



Map F - Locations of Competitive Apartments

Shown below are photographs of each affordable, age-restricted rental community in the market area. The images show that, apart from English Oaks, all of these properties consist of three- and four-story, elevator-served apartment buildings. The communities feature a combination of brick and vinyl exterior finishes. English Oaks, in contrast, consists of single-level, cottage-style apartment units with private entryways.

Heights at Jackson Village

Keswick Senior

Gardens of Stafford

Enoch George Manor

English Oaks

Kings Crest

Madonna House at Belmont

Meadows at Salem Run

V.2.b: Distribution of Income Restrictions

Table 19 summarizes the distribution of income-restricted units across the competitive age-restricted apartment communities in the market area and shows a strong concentration of units restricted at the 60% of AMI level. Of the 1,026 competitive units, 796 (approximately 77.6 percent) are restricted to 60% of AMI. Several properties, including Heights at Jackson Village, Gardens of Stafford, Enoch George Manor, English Oaks, and Madonna House at Belmont, operate exclusively at this income tier.

Units restricted to 50% of AMI account for 220 units, or approximately 21.4 percent of the total competitive supply, and are concentrated in a limited number of communities. Keswick Senior, Kings Crest, and Meadows at Salem Run are the only properties offering units at this income level, with Kings Crest operating entirely at 50% of AMI. Keswick Senior and Meadows at Salem Run each include a mix of 50% and 60% of AMI units, rather than operating at a single restriction level.

Income restrictions at 40% of AMI are extremely limited, totaling just ten units, or approximately 1.0 percent of the competitive inventory, all of which are located at Keswick Senior. No other properties in the competitive set provide units at this deeper affordability level, highlighting the scarcity of senior rental housing serving households below 50% of AMI within the market area.

From a competitive positioning perspective, units restricted at 60% of AMI represent the most relevant comparison for the Arbors at Stafford, as all proposed units at the project are planned at this income threshold. Given that nearly four-fifths of the existing competitive supply operates at the same restriction level, the proposed development will compete directly within the dominant segment of the senior affordable housing market, rather than introducing a materially new affordability tier.

Table 19: Distribution of Income Restrictions at Competitive Age-Restricted Apartments — The Arbors at Stafford Market Area (February 2026)				
	40% of AMI	**50% of AMI**	**60% of AMI**	**Total Units**
Heights at Jackson Village	0	0	187	187
Keswick Senior [1]	10	40	50	100
Gardens of Stafford	0	0	150	150
Enoch George Manor	0	0	60	60
English Oaks	0	0	119	119
Kings Crest	0	100	0	100
Madonna House at Belmont	0	0	130	130
Meadows at Salem Run [2]	0	80	100	180
Total	**10**	**220**	**796**	**1,026**
Arbors at Stafford	**0**	**0**	**170**	**170**

1 40% of AMI (10 1BR); 50% of AMI (24 1BR and 16 2BR); 60% of AMI (26 1BR, 24 2BR).
2 50% of AMI (57 1BR, 23 2BR); 60% of AMI (78 1BR and 22 2BR).
Source: Field and Telephone Survey by S. Patz & Associates, Inc.

V.2.c: Net Rent Analysis

Table 20 compares net rental rates for one-bedroom and two-bedroom units at competitive age-restricted apartment communities in the market area. All rents are presented net of cold water, sewer, and trash collection, consistent with the proposed rental structure at the Arbors at Stafford. Gardens of Stafford and Meadows at Salem Run include in-unit washers and dryers, which align with the amenity package planned at the Arbors at Stafford, while the other competitive properties rely on shared laundry facilities.

All one-bedroom units include one full bathroom. Two-bedroom units generally include two full bathrooms unless otherwise noted. Gardens of Stafford, Enoch George Manor, Kings Crest, and Meadows at Salem Run offer two-bedroom units with only one full bathroom. This configuration reflects older design standards typical of earlier age-restricted developments and may reduce functional comparability with newer properties offering two-bathroom layouts.

One-bedroom rents among competitive properties range from $1,029 to $1,809, with an average of $1,453. Several older communities generate one-bedroom rents comparable to those proposed at the Arbors at Stafford. Keswick Senior reports one-bedroom rents of $1,648, while Gardens of Stafford reports rents ranging from $1,475 to $1,645, both closely aligned with the proposed $1,650 rent at the Arbors at Stafford. Meadows at Salem Run reports a one-bedroom rent of $1,809, which exceeds the proposed rent despite the property's age and one-bathroom two-bedroom unit configuration.

Two-bedroom rents among competitive properties range from $1,257 to $2,169, with an average of $1,691. Heights at Jackson Village and Meadows at Salem Run report two-bedroom rents exceeding $2,000, at $2,025 and $2,169, respectively, both above the proposed $1,800 to $1,950 range at the Arbors at Stafford. Keswick Senior reports two-bedroom rents of $1,826, exceeding the lowest proposed two-bedroom rent at Arbors at Stafford.

Table 20: Net Rental Rates at Competitive Age-Restricted Apartments — The Arbors at Stafford Market Area (February 2026) [1]

	One-Bedroom	Two-Bedroom
Heights at Jackson Village	$1,508	$2,025
Keswick Senior [2]	$1,648	$1,826
Gardens of Stafford [3 4]	$1,475-$1,645	$1,645-$1,785
Enoch George Manor [4]	$1,160	$1,390
English Oaks	$1,595	$1,720
Kings Crest [4]	$1,275	$1,425
Madonna House at Belmont	$1,029-$1,102	$1,257
Meadows at Salem Run [2 3 4]	$1,809	$2,169
Average	**$1,453**	**$1,691**
Arbors at Stafford [3]	**$1,650**	**$1,800-$1,950**

1 Rents adjusted to include cold water, sewer, and trash collection.

2 Only 60% rents are shown.

3 Includes in-unit washer and dryer.

4 Two-bedroom units have 1.0 bathrooms.

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

V.2.d: Rent per Square Foot

Table 21 presents a comparison of rent per square foot for one-bedroom and two-bedroom units at competitive age-restricted apartment communities in the market area. Consistent with the prior rent analysis, all rents are adjusted to include cold water, sewer, and trash collection, ensuring comparability with the proposed rental structure at the Arbors at Stafford.

On a rent-per-square-foot basis, one-bedroom units across the competitive set range from $1.84 to $3.25, with an average of $2.29, while two-bedroom units range from $1.43 to $2.69, with an average of $1.88. This pattern is consistent with typical pricing behavior, in which smaller units achieve higher rent efficiency than larger units.

Several properties demonstrate that comparatively high rent-per-square-foot levels are achievable within the age-restricted affordable market, including among mature communities. Meadows at Salem Run reports the highest rent per square foot for both one-bedroom units at $3.25 and two-bedroom units at $2.69, despite its earlier construction period and the presence of two-bedroom units with fewer bathrooms. Heights at Jackson Village and Keswick Senior also report elevated one-bedroom rent-per-square-foot levels, at $2.33 and $2.44, respectively. In contrast, properties such as Madonna House at Belmont and Gardens of Stafford report lower rent-per-square-foot figures, reflecting older unit layouts, larger average unit sizes, or more limited amenity packages.

Within this context, the Arbors at Stafford is proposed at $1.96 to $2.34 per square foot for one-bedroom units and $1.43 to $1.71 per square foot for two-bedroom units. The proposed one-bedroom rent-per-square-foot range spans from below the competitive average to modestly above it, while the proposed two-bedroom range remains below the competitive average and well below the highest-performing properties in the market.

Table 21: Rent per Square Foot at Competitive Age-Restricted Apartments — The Arbors at Stafford Market Area (February 2026) [1]

	One-Bedroom	Two-Bedroom
Heights at Jackson Village	$2.33	$2.15
Keswick Senior [2]	$2.44	$1.87
Gardens of Stafford [3 4]	$2.06	$1.57
Enoch George Manor [4]	$2.11	$1.72
English Oaks	$2.06	$1.86
Kings Crest [4]	$2.26	$1.77
Madonna House at Belmont	$1.84	$1.43
Meadows at Salem Run [2 3 4]	$3.25	$2.69
Average	**$2.29**	**$1.88**
Arbors at Stafford [3 5]	**$1.96-$2.34**	**$1.43-$1.71**

1 Rents adjusted to include cold water, sewer, and trash collection.

2 Only 60% rents are shown.

3 Includes in-unit washer and dryer.

4 Two-bedroom units have 1.0 bathrooms.

5 89 units have 1.5 bathrooms. 21 have 2.0 bathrooms.

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

V.2.e: Apartment Unit Sizes

Table 22 compares apartment unit sizes at competitive age-restricted communities in the market area and shows that the Arbors at Stafford generally offers larger floor plans than most existing properties.

Across the competitive set, one-bedroom units range from 549 to 880 square feet, averaging 638 square feet, while two-bedroom units range from 803 to 1,334 square feet, averaging 904 square feet. Overall, the existing competitive inventory is characterized by relatively compact unit sizes, particularly among older developments.

Within the one-bedroom segment, English Oaks is the only community where standard one-bedroom units, at 775 square feet, are consistently larger than the lower end of the proposed one-bedroom floor plans at the Arbors at Stafford. In addition, Gardens of Stafford offers a limited number of larger one-bedroom units, with floor plans reaching up to 880 square feet, which exceed the upper end of the proposed one-bedroom range at the subject property. Aside from these limited cases, most competitive one-bedroom units are smaller than those proposed, with several properties offering units primarily in the mid-500- to mid-600-square-foot range.

Size differentiation is more pronounced among the two-bedroom floor plans. Apart from a small number of larger floor plans at Gardens of Stafford, where unit sizes reach 1,334 square feet, the proposed two-bedroom units at the Arbors at Stafford, ranging from 1,100 to 1,290 square feet, are larger than the typical two-bedroom floor plans currently available in the market area. It is important to note that the two larger two-bedroom units at Gardens of Stafford include only one full bathroom, reducing functional comparability with the proposed two-bedroom layouts at the Arbors at Stafford, which will include one-and-a-half or two bathrooms.

Table 22: Apartment Unit Sizes at Competitive Age-Restricted Apartments — The Arbors at Stafford Market Area (February 2026)

	One-Bedroom	Two-Bedroom
Heights at Jackson Village	648	940-941
Keswick Senior	675	975
Gardens of Stafford [1]	632-880	848-1,334
Enoch George Manor [1]	550	810
English Oaks	775	925
Kings Crest [1]	565	803
Madonna House at Belmont	550-610	880
Meadows at Salem Run [1]	549-564	807
Average	**638**	**904**
Arbors at Stafford [2]	**706-840**	**1,100-1,290**

1 Two-bedroom units have 1.0 bathrooms.

2 89 units have 1.5 bathrooms. 21 have 2.0 bathrooms.

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

V.2.f: Apartment Unit Mix

Table 23 summarizes the apartment unit mix at competitive age-restricted communities in the market area and shows that the existing inventory is weighted toward one-bedroom units. Across the competitive set, one-bedroom units comprise 587 units (57.2 percent) and two-bedroom units 439 (42.8 percent). This distribution is consistent with the prevalence of smaller senior households in the market area and reflects sustained demand for two-bedroom units.

Unit mix varies meaningfully by property. Meadows at Salem Run and Madonna House at Belmont are heavily weighted toward one-bedroom units, while English Oaks is primarily composed of two-bedroom units, with 96 two-bedroom units compared with 23 one-bedroom units. Other communities, including Heights at Jackson Village, Keswick Senior, Gardens of Stafford, and Kings Crest, exhibit more balanced unit mixes that closely align with the overall market distribution.

The proposed unit mix at the Arbors at Stafford differs from the prevailing market pattern. The project will include 60 one-bedroom units and 110 two-bedroom units, resulting in approximately 35 percent one-bedroom units and 65 percent two-bedroom units. This represents a substantially higher share of two-bedroom units than is present in the existing competitive inventory and reflects a development strategy oriented toward larger senior households and observed preferences for additional living space.

Table 23: Apartment Unit Mix at Competitive Age-Restricted Apartments — The Arbors at Stafford Market Area (February 2026)

	One-Bedroom	Two-Bedroom	Total Units
Heights at Jackson Village	111	76	187
Keswick Senior [1]	60	40	100
Gardens of Stafford	77	73	150
Enoch George Manor	30	30	60
English Oaks	23	96	119
Kings Crest	52	48	100
Madonna House at Belmont	99	31	130
Meadows at Salem Run [2]	135	45	180
Total	**587**	**439**	**1,026**
Percent of Total	**57.2%**	**42.8%**	**100.0%**
Arbors at Stafford	**60**	**110**	**170**

1 40% of AMI (10 1BR); 50% of AMI (24 1BR and 16 2BR); 60% of AMI (26 1BR, 24 2BR).

2 50% of AMI (57 1BR, 23 2BR); 60% of AMI (78 1BR and 22 2BR).

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

V.2.g: Community Amenities

Table 24 compares the availability of common amenities at competitive age-restricted apartment communities in the market area and shows that most properties provide a limited core set of shared amenities, with variation in the scope of additional offerings. Clubrooms and fitness centers are the most consistently provided amenities across the competitive set and are present at nearly all properties. Laundry facilities are also widely available, although several communities rely on centralized or shared laundry rooms rather than in-unit or expanded laundry amenities.

Amenities such as business centers, pools, salons, and libraries are less consistently provided and are concentrated in fewer communities. Pools are relatively uncommon within the competitive set, and salons and libraries appear only at select properties. Overall, the existing competitive inventory features modest amenity packages, with few properties offering a broad range of indoor communal spaces.

In this context, the Arbors at Stafford is planned with a more extensive set of indoor amenities than is typical among existing competitors. Planned indoor amenities include secure building access with key fob entry and security cameras, a two-story lobby and community room, meeting and multipurpose rooms, a media room, a fitness center, a combined business center and library, a beauty salon, and a billiards room. This amenity profile exceeds that of most competing age-restricted communities in the market area.

The Arbors at Stafford will also include outdoor amenities and resident services that are not widely offered within the competitive set. Planned outdoor features include landscaped walking paths, raised garden plots, a grilling area, and a dog park, along with on-site parking at levels consistent with the needs of senior housing. Resident services will include an activity coordinator, a community van for scheduled outings and shopping trips, and on-site management, leasing, housekeeping, and maintenance staff, with 24-hour on-call coverage.

Overall, the proposed amenity and service package represents a more extensive offering than is typical among existing age-restricted communities in the market area, while remaining aligned with the needs and preferences of senior renter households.

Table 24: Community Amenities at Competitive Age-Restricted Apartments — The Arbors at Stafford Market Area (February 2026)							
	Clubroom	Business	Fitness	Laundry	Pool	Salon	Library
Heights at Jackson Village	●	●	●	●	●	○	○
Keswick Senior	●	●	●	●	○	○	●
Gardens of Stafford	●	●	●	○	○	●	○
Enoch George Manor	●	○	●	●	○	○	○
English Oaks	●	○	○	●	○	●	○
Kings Crest	●	○	●	●	○	●	●
Madonna House at Belmont	●	○	●	●	○	●	○
Meadows at Salem Run	●	●	●	○	○	○	●
Arbors at Stafford	●	●	●	○	○	●	●
Source: Field and Telephone Survey by S. Patz & Associates, Inc.							

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

In the course of this analysis, S. Patz & Associates conducted interviews with a range of local housing market stakeholders, including property managers and developers actively involved in the development and operation of affordable rental housing, as well as local planning officials familiar with senior housing needs and development trends. These discussions provided qualitative insight into current market conditions, particularly within the affordable and age-restricted housing segment.

A consistent theme emerging from these discussions is a persistent imbalance between supply and demand for age-restricted rental housing in the market area, encompassing both affordable and market-rate communities. Interviewees noted that most existing age-restricted affordable properties are mature developments, many constructed in the 1990s or early 2000s, and that very few new communities have been added in recent years. Despite their age, these properties have historically maintained high occupancy levels, which stakeholders attributed primarily to limited supply rather than to unit quality or amenity offerings.

Stakeholders further emphasized that only two affordable, age-restricted communities are located in Stafford County, which limits options for income-qualified seniors seeking housing in the county. As a result, many seniors are reported to rent units that are not specifically designed for older adults, or to seek age-restricted housing outside of Stafford County, including in adjacent jurisdictions such as Spotsylvania County or the City of Fredericksburg. This dynamic was cited as an ongoing structural issue rather than a short-term market fluctuation.

Interviewees acknowledged that current occupancy levels at some age-restricted properties are modestly below historical norms, but attributed this condition to temporary and non-structural factors. On-site managers reported that recent vacancies largely reflect resident move-outs and deaths, combined with seasonal softness in leasing activity during the winter months, when inquiries and move-ins among senior households typically decline. Importantly, property managers universally indicated that these conditions are expected to be temporary and that occupancy typically stabilizes at approximately 98 percent once seasonal patterns normalize in the spring and early summer.

Overall, stakeholder interviews support the conclusion that current vacancy levels do not reflect weakened demand, but rather short-term turnover and seasonal effects within a market that remains undersupplied relative to senior housing needs. This local perspective reinforces the quantitative findings presented earlier in this section, particularly regarding limited supply, aging inventory, and continued demand for age-restricted rental housing in Stafford County and the broader market area.

Section VI: Market Study Conclusions

The above analysis depicts a generally stable and diversified economic base within the Arbors at Stafford market area. Employment levels within the market area have fully recovered from pandemic-related declines and exceeded pre-2020 levels by 2022, supported by growth across government, health care, retail, and service-oriented sectors. Between 2019 and 2024, at-place employment increased by approximately 2,800 jobs, reflecting sustained economic activity rather than a short-term or cyclical rebound.

Government employment has represented a significant component of the market area's employment base during this period, alongside continued expansion in health care and selected private-sector industries. While portions of recent government employment growth reflect pandemic-era conditions, administrative changes, and reporting dynamics, the broader employment trend reflects a local economy supported by multiple sectors rather than reliance on a single employer or industry.

Importantly, the market area also functions as part of a broader regional labor shed, with a substantial share of residents commuting to employment centers in Northern Virginia and the Washington, DC metropolitan area or participating in remote and hybrid work arrangements. Accordingly, recent softening in resident-side labor market conditions is more closely tied to regional commuting dynamics than to weakening employment conditions within the market area itself. As a result, housing demand is influenced by both local employment conditions and broader regional labor market dynamics.

The market area has experienced continued population and household growth, trends that are projected to persist through the forecast period. Between 2010 and 2026, the market area added more than 75,000 residents, with growth moderating somewhat in recent years as development patterns mature. Population projections anticipate continued growth through 2031, supporting ongoing household formation and demand for housing, including rental housing.

Growth among older adults has been a defining demographic trend within the market area. The population aged 62 and older has expanded steadily and is projected to account for an increasing share of the total population over the projection period. A meaningful portion of this growth is expected to occur among renter households, reflecting aging in place, downsizing by long-term residents, and in-migration of older households seeking more manageable housing options with access to services and health care.

Demographic projections show more modest growth among income-qualified senior renter households, a pattern that reflects historical supply constraints rather than an absence of underlying demand. The market area has produced limited new affordable, age-restricted rental housing in recent years, constraining observed growth within this segment. As a result, projections for low- and moderate-income senior renter households should be interpreted as conservative, particularly given evidence of housing cost burden. Census data show that a substantial share of senior renter households in the market area spend more than 40 percent of their income on housing, underscoring unmet affordability needs.

The following Demand Analysis section examines these supply and demand dynamics in greater detail, quantifying the growth of senior renter households, 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 and ongoing rental developments within the defined market area that would compete directly with the Arbors at Stafford, defined for this analysis as age-restricted rental proposals with comparable income restrictions.

Research efforts included interviews with planning staff from Stafford County, Spotsylvania County, and the City of Fredericksburg, 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 were interviewed to confirm unit counts, anticipated development timing, and current project status. This research identified only one competitive rental apartment proposal within the market area: the second phase of The Heights at Jackson Village.

The Heights at Jackson Village Phase II is planned as a continuation of the existing Phase I community and will consist of two five-story, elevator-served mid-rise residential buildings with off-street parking. Residential units will occupy the lower four floors of each building, while the fifth floor will include a shared rooftop terrace intended for resident use. The Phase II site is immediately adjacent to Phase I and is planned to function as an extension of the existing community, with certain amenities shared between the two phases.

Phase II will include 198 apartment units, consisting of 89 one-bedroom units averaging approximately 690 square feet and 109 two-bedroom units averaging approximately 964 square feet. All units will be restricted to households earning up to 60% of AMI, and the development is proposed as a 4% LIHTC project, consistent with the affordability profile of other age-restricted communities in the competitive set.

As part of the broader Heights at Jackson Village community, residents of Phase II are expected to have access to the clubhouse, fitness center, woodworking and arts studio, and swimming pool located in Phase I through a cross-use agreement between the two phases. Residents of both phases will also have access to a shared paved walking trail network behind the site.

According to the developer, KCG Companies, construction of the first building is anticipated to begin following a successful bond closing, currently expected for early fourth quarter 2026, with completion targeted for mid-to-late 2028. Shown next are photos of the current conditions of the site as well as elevations of the building.

Current Conditions

Front Elevations

As of the date of this report, Heights at Jackson Village Phase II has not yet secured bond financing, and no construction start date has been finalized. Given the absence of a confirmed closing and commencement schedule, the project is not incorporated into the primary demand capture and absorption estimates for the Arbors at Stafford.

VI.1.b: Net Rent Evaluation

Tables 20, **21**, and **22** show that the Arbors at Stafford's proposed rents are positioned at the upper end of the competitive set in absolute dollar terms, a pattern that is consistent with the property's larger unit sizes and updated product positioning.

The proposed one-bedroom rent of $1,650 exceeds the competitive average of $1,453, and the proposed two-bedroom rents, ranging from $1,800 to $1,950, are above the competitive average of $1,691. At the same time, **Table 22** showed that Arbors at Stafford's one-bedroom units, ranging from 706 to 840 square feet, and two-bedroom units, ranging from 1,100 to 1,290 square feet, are materially larger than the competitive averages of 638 and 904 square feet, respectively, which supports higher nominal rents when evaluated on an absolute basis.

When rents are evaluated on a rent-per-square-foot basis, the comparative position of the Arbors at Stafford proposal improves. As shown in **Table 21**, the Arbors at Stafford's one-bedroom rents range from $1.96 to $2.34 per square foot, compared with a competitive average of $2.29, placing a portion of the one-bedroom units at or below the market average on a size-adjusted basis. For two-bedroom units, the Arbors at Stafford's rents translate to approximately $1.43 to $1.71 per square foot, versus a competitive average of $1.88, which places the proposed two-bedroom units below prevailing market levels on a size-adjusted basis.

In addition, the Arbors at Stafford will include in-unit washers and dryers in the base rent, an amenity not typically included in the base pricing of many competitive properties. When considered alongside larger floor plans, an extensive on-site amenity package, and a desirable setting near a major hospital, these factors provide additional context for the proposed rent structure relative to the older, competitive properties.

VI.1.c: Unit Size and Mix Evaluation

As was shown in **Table 23**, the competitive age-restricted inventory is weighted toward one-bedroom units, which account for 587 of 1,026 units (57.2 percent), while two-bedroom units comprise 42.8 percent of the total competitive supply. In contrast, the Arbors at Stafford proposes 60 one-bedroom units and 110 two-bedroom units, resulting in a higher concentration of two-bedroom units than is present in the existing competitive set.

This unit mix is supported by senior renter household characteristics shown in **Table 16**. While one-person households account for 48.3 percent of senior renter households, a majority, 51.7 percent, consist of two or more persons, including 26.2 percent that are two-person households. The proposed emphasis on two-bedroom units is therefore consistent with observed household sizes and provides flexibility for senior households that require additional space, including couples and those seeking space for mobility or storage.

Table 22 further showed that the proposed unit sizes at the Arbors at Stafford are materially larger than those offered by most existing competitive properties. One-bedroom units will range from 706 to 840 square feet, compared with a competitive average of 638 square feet, while two-bedroom units will range from 1,100 to 1,290 square feet, compared with a competitive average of 904 square feet. These larger floor plans are expected to enhance the property's marketability and appeal by addressing common space constraints reported in older senior properties and by offering layouts that better accommodate furniture, mobility aids, and in-unit storage.

These size differentials help explain the proposed unit mix and are consistent with the project's rent positioning when evaluated on a rent-per-square-foot basis. Taken together, the proposed unit sizes and unit mix respond to documented household composition and are expected to improve leasing competitiveness relative to the existing inventory, while also addressing functional limitations in the market area's age-restricted rental stock.

VI.1.d: Penetration Rate Analysis

For this analysis, the penetration rate is defined as the share of income-eligible senior renter households within the target income range that would be needed to occupy units at the Arbors at Stafford, together with units in existing competitive affordable communities and units in competitive age-restricted developments proposed for future construction. This measure assesses the market area's capacity to absorb the total inventory of directly comparable, age-restricted, affordable rental housing.

As shown in **Table 25**, the market area includes an estimated 1,307 income-eligible senior renter households within the target income range of $49,500 to $78,720. The total competitive inventory comprises 796 existing age-restricted, affordable units, no confirmed proposed competitive units, and 170 units at the Arbors at Stafford, for a total competitive supply of 966 units. Based on these figures, the resulting penetration rate is 73.9 percent.

At face value, this penetration rate appears elevated; however, its interpretation depends on the composition of the competitive inventory. Many of the older, affordable, age-restricted properties included in the analysis offer relatively low rents and, as a result, tend to house senior households with incomes below the minimum qualifications for units at the Arbors at Stafford. Consequently, a meaningful share of the existing inventory does not directly compete for the same income-qualified renter base, reducing effective overlap among properties and suggesting that the calculated penetration rate overstates the level of direct competition within the market.

Age eligibility further limits effective competition. Several properties within the competitive set permit residency by households aged 55 to 61, while the Arbors at Stafford will be restricted to households aged 62 and older. Including these properties increases the nominal competitive supply but does not reflect competition for the project's target age cohort. As a result, effective penetration of the 62-and-older renter pool is lower than the penetration rate shown, further moderating competitive pressure on the proposed development.

Beyond competitive overlap, the analysis intentionally excludes several established sources of demand. The penetration analysis does not account for potential demand from senior households currently residing outside the primary market area, income-qualified seniors transitioning from homeownership to rental housing, or senior households utilizing housing choice vouchers, each of which represents a source of demand for newly developed, age-restricted rental communities.

When considered alongside the limited recent development of new affordable, age-restricted rental housing in the market area, the penetration analysis supports the conclusion that the market can absorb the Arbors at Stafford without materially displacing occupancy at existing properties.

Table 25: Penetration Rate Analysis — The Arbors at Stafford Market Area

	Total
Target Market Incomes	$49,500-$78,720
Income-Eligible Renter Households	1,307
The Arbors at Stafford	170
Existing Competitive Units	796
Proposed Competitive Units	0
Total Inventory	*966*
Penetration Rate	**73.9%**

Source: Ribbon Demographics; S. Patz & Associates, Inc.

VI.1.e: Virginia Housing Demand Analysis

The Virginia Housing Demand Table, presented in **Table 26**, summarizes the standardized methodology used by Virginia Housing to evaluate demand for Low-Income Housing Tax Credit applications. This methodology evaluates demand based on projected growth in income-eligible senior renter households, the prevalence of rent overburden among senior renters, the proportion of senior renters residing in substandard housing, and the likelihood that senior homeowners will convert to rental housing.

As detailed in **Table 26**, the total demand for senior rental housing at the target age and income range in the market area is estimated at 797 households. This estimate is derived from the following components:

- **New Senior Renter Households**: Over the 2026 to 2031 projection period, the market area is expected to experience continued growth in income-qualified senior renter households. In 2026, the market area includes an estimated 7,124 senior renter households, of which approximately 1,132 fall within the 60% of AMI income range of roughly $49,500 to $78,720, based on HUD income limits for a two-person household and a maximum rent-to-income ratio of 40 percent, consistent with Virginia Housing guidelines. By 2031, the number of income-qualified senior renter households at 60% of AMI is projected to increase to approximately 1,307, reflecting a net gain of 175 households over the period.

- **Rent Overburdened Senior Households**: Rent overburden is defined as senior renter households allocating more than 40 percent of gross income toward housing costs. Approximately 35.3 percent of senior renter households in the market area meet this criterion. When applied to income-qualified senior renter households, this results in an estimated demand of 400 households.

- **Senior Renter Households in Substandard Housing:** This demand component captures senior renters residing in housing units lacking complete plumbing or experiencing overcrowding. Approximately 5.6 percent of senior renter households meet these conditions. After adjusting for income eligibility, the estimated demand is 63 households.

- **Elderly Households Likely to Convert to Rental Housing:** Based on income qualifications, approximately 221 income-qualified senior homeowner households are financially capable of converting to rental housing. Consistent with Virginia Housing guidelines, this component is capped so that conversion demand does not exceed 20 percent of total gross demand. After applying this limitation, the resulting demand contribution equals 159 households.

After accounting for all demand components, total gross demand equals 797 units. From this total, existing and pipeline supply is deducted. As shown in **Table 26**, supply consists of 50 vacant units currently available at 60% of AMI. The competitive set reports 55 vacant units (**Table 18**). Of these, 50 vacancies are assumed to be within properties offering units at 60% of AMI, excluding Kings Crest (50% of AMI).

After subtracting this supply, net demand for additional senior rental units is estimated at 747 units. The proposed 170-unit Arbors at Stafford development would capture approximately 22.8 percent of this net demand.

This capture rate is considered achievable given the characteristics of the existing competitive inventory, which is largely comprised of older age-restricted apartment communities with smaller unit sizes and more limited amenity offerings than those proposed at the Arbors at Stafford. In addition, many competing properties draw from a broader age cohort beginning at age 55, further differentiating the subject property's competitive position and reducing direct overlap within the age-qualified demand pool.

Based on the identified level of net demand and the scale of the proposed development, the Arbors at Stafford is projected to achieve an average lease-up pace of approximately 15 units per month, resulting in an estimated absorption period of approximately 11 months.

The lease-up period may be shorter, however, as comparable age-restricted LIHTC communities in the market area have demonstrated strong pre-leasing performance. Notably, the first 99-unit building at Heights at Jackson Village, among the most competitive properties in the market area, was nearly 40 percent pre-leased prior to opening, indicating that significant pre-lease levels are achievable.

Table 26: Virginia Housing Demand Table	
	Up to 60% of AMI
New Rental Households	175
PLUS	
Existing Households - Overburdened	400
PLUS	
Existing Households - Substandard Housing	63
PLUS	
Elderly Households-Likely to Convert to Rental Housing	159
PLUS	
Existing Qualifying Tenants – to Remain After Renovation	0
Total Demand	**797**
MINUS	
Supply (Vacant and Pipeline Units)	**50**
EQUALS	
Net Demand	**747**
Proposed Units	**170**
Capture Rate	**22.8%**
Absorption Period (in months)	**11**

The Virginia Housing capture rate table below indicates a project-wide capture rate of 22.8 percent and an 11-month lease-up period.

Table 27: Virginia Housing Capture Rate Table	
Project Wide Capture Rate – LIHTC Units	22.8%
Project Wide Capture Rate – Market Rate Units	--
Project Wide Capture Rate – All Units	22.8%
Project Wide Absorption Rate (Months)	11

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	March 3, 2026
Market Analyst	**Date**

Data Sources

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

- City of Fredericksburg
- Fredericksburg Free Press
- Fredericksburg Regional Transit (FXBGO!)
- Management of each rental property surveyed
- Marlyn Development Corporation
- Mary Washington Healthcare / Stafford Hospital
- Ribbon Demographics
- Spotsylvania County
- Sponsors of each pipeline apartment proposal
- Stafford County
- U.S. Census Bureau, Building Permits Survey
- U.S. Department of Housing and Urban Development (HUD)
- U.S. Department of Labor, Bureau of Labor Statistics (BLS)
- United States Census Bureau, American Community Survey (ACS)
- United States Census Bureau, Decennial Census (2000, 2010, 2020)
- Virginia Business
- Virginia Employment Commission (VEC)
- Virginia Housing
- Virginia Railway Express (VRE)
- 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.