

Market Analysis

The Heights at Brady Square I Richmond, Virginia

Prepared for:

Brian L. Staub
Marlyn Development Corporation

March 2026



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



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March 9, 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 Heights at Brady Square I, located on the south side of Brady Street, north of Drake Street, and east of Lynhaven Avenue in the Southside area of the City of Richmond, Virginia, just east of U.S. Route 1. 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.

Heights at Brady Square I is planned as a newly constructed, general-occupancy, income-restricted rental community consisting of 66 one-, two-, and three-bedroom apartment units. 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 rental units at up to 60% of AMI within the defined market area is estimated at 462 units. The proposed 66-unit community would capture an estimated 14.3 percent of this net demand.

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 Heights at Brady Square I, a proposed affordable, general-occupancy rental community in the Southside area of the City of Richmond, Virginia. The proposed development consists of new construction and will include 66 one-, two-, and three-bedroom apartment units. The site encompasses approximately 4.95 acres and is located on the south side of Brady Street, north of Drake Street, and east of Lynhaven Avenue, just east of U.S. Route 1.

Upon completion, Heights at Brady Square I will operate as a general-occupancy, income-restricted rental community with no age restrictions. All units will be restricted to households earning up to 60% of Area Median Income (AMI), as defined by applicable HUD income limits by household size, and rents will be set in accordance with LIHTC program requirements. This phase will seek an allocation of 9% Low-Income Housing Tax Credits (LIHTC) from Virginia Housing.

The development represents one phase of a planned four-phase Brady Square community, which was partially constructed but not completed due to financial shortfalls incurred by the prior development team. The overall project is structured with a combined 9% and 4% LIHTC financing. Construction activity has stalled; however, Marlyn Development plans to assume control of the project and complete the remaining phases. The restart and completion schedule is contingent upon financing approval, closing timelines, and construction mobilization.

Based on conservative assumptions regarding financing closure, restart timing, and construction pacing, Certificates of Occupancy are projected to begin in early 2027, with full buildout of the community anticipated by June 2027. S. Patz & Associates conducted a site inspection of the subject property on February 24, 2026, which is the effective date of the physical conditions described 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, summarized below:

- **Section I: Site Setting and Description:** This section describes the physical characteristics of the approximately 4.95-acre development site and its surrounding land uses within the southern part of the City of Richmond. It evaluates zoning, access, availability of public utilities, and proximity to transportation corridors, public transit, medical facilities, schools, and retail amenities.
- **Section II: Proposed Development Program:** This section summarizes the proposed development program for the Heights at Brady Square I, 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 portions of the Southside area of the City of Richmond. A Secondary Market Area, defined as the Richmond, Virginia Metropolitan Statistical Area (MSA), is included for a broader economic context only. Households from the Secondary Market Area are not included in the quantitative demand analysis in order to maintain a conservative estimate of market support.
- **Section IV: Market Area Economic Overview:** This section examines economic conditions within the market area, including employment by place of work, labor force trends, wage levels, commuting times, major employers, publicly announced job activity, and WARN notices.
- **Section V: Competitive Apartment Market Analysis:** This section analyzes demographic trends with a focus on renter households, including population and household projections, tenure characteristics, and income-qualified demand. It also evaluates the supply of comparable affordable rental communities, excluding properties with deep rental subsidies or program structures that are not directly comparable, 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 Heights at Brady Square I. It includes a review of the development pipeline, penetration and capture rate analyses, a net demand calculation, and final conclusions regarding project feasibility and anticipated absorption performance.

Executive Summary

Marlyn Development Corporation has retained S. Patz & Associates to conduct a market feasibility analysis for the Heights at Brady Square I, a proposed 66-unit income-restricted family rental community located in the City of Richmond, Virginia.

Table 1 summarizes the proposed unit mix, sizes, and rents for the Heights at Brady Square I. The development will include 13 one-bedroom units, 40 two-bedroom units, and 13 three-bedroom units, all restricted to households earning up to 60% of Area Median Income (AMI). Unit sizes will be 583 square feet for one-bedroom units, 788 square feet for two-bedroom units, and 934 to 939 square feet for three-bedroom units. Proposed monthly rents are \$1,110 for one-bedroom units, \$1,327 for two-bedroom units, and \$1,440 for three-bedroom units, equivalent to approximately \$1.53 to \$1.90 per square foot, depending on unit type. Rents exclude utilities and include in-unit washers and dryers.

Table 1: Proposed Unit Characteristics — The Heights at Brady Square I

	Number of Units	Restrictions	Square Feet	Rent ¹	Rent per Square Foot
1BR/1BA	13	60% of AMI	583	\$1,110	\$1.90
2BR/1.5BA	40	60% of AMI	788	\$1,327	\$1.68
3BR/2BA	13	60% of AMI	934-939	\$1,440	\$1.53-\$1.54
Total	66				

¹ Rent excludes utilities. 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 Heights at Brady Square I is planned for an approximately 4.95-acre site on the south side of Brady Street, north of Drake Street, and east of Lynhaven Avenue in the Southside area of the City of Richmond, approximately four miles south of Downtown Richmond. The surrounding area consists primarily of established residential neighborhoods and apartment communities, including both market-rate and income-restricted developments. The site is located near U.S. Route 1 with convenient access to Interstate 95, providing connectivity to major employment areas throughout the Richmond region. Retail, services, and community facilities are located along the nearby

U.S. Route 1 corridor, and several GRTC bus stops are located within walking distance along Bellemeade Road and U.S. Route 1. Overall, the site offers good accessibility, proximity to services and employment, and compatibility with surrounding residential land uses, supporting its suitability for the proposed multifamily development.

- **Economic Assessment:** The City of Richmond’s labor market has recovered from pandemic-related losses and continued to expand in recent years. At-place employment increased from 158,794 jobs in 2019 to 165,947 jobs in 2024, representing a net gain of 7,153 positions. Resident employment also grew during this period, increasing from 122,325 to 126,903 workers, while the labor force expanded from 126,125 to 131,163. The unemployment rate remained low at 3.2 percent in 2024. More recent monthly data suggest continued growth into 2025, with at-place employment reaching approximately 168,417 jobs as of June. Major employment sectors include health care, government, professional services, and finance, reflecting Richmond’s role as a regional employment center that supports stable housing demand. A review of recent WARN notices identified several firm-level layoffs; however, their scale remains modest relative to broader employment growth and does not materially alter overall labor market conditions.
- **Demographic Assessment:** The market area has experienced continued population and household growth, trends that are projected to persist through the forecast period. Renter households represent a growing share of the market, accounting for an estimated 66.6 percent of all households by 2026. Within the target income band, renter households earning up to 60% of AMI are projected to decline modestly from 4,576 households in 2026 to 4,413 households in 2031, reflecting a gradual shift in renter incomes rather than a reduction in overall rental demand. Evidence of affordability pressure remains significant, as 41.6 percent of renter households spend more than 35 percent of their income on housing costs and 6.5 percent reside in substandard housing, supporting continued demand for income-restricted rental housing within the market area.
- **Competitive Apartment Assessment:** The competitive market consists of 17 LIHTC apartment communities totaling 2,544 units, of which 1,708 units are restricted at 60% of AMI and represent the primary competitive segment for the proposed development. Excluding a recently opened property still in initial lease-up, 85 of the remaining 1,688 stabilized 60% of AMI units were vacant at the time of the survey, reflecting a vacancy rate of approximately 5.0 percent. This level is consistent with the upper end of the 3 to 5 percent range typically associated with stabilized affordable rental housing. A majority of vacancies are concentrated within older properties constructed between the 1940s and 1980s, where turnover and physical obsolescence contribute to somewhat higher vacancy levels. More recently developed LIHTC communities generally report strong occupancy and, in several cases, maintain active waitlists, supporting the conclusion that demand for income-restricted rental housing at the 60% of AMI level remains stable within the market area.

-
- **Pipeline Apartment Assessment:** The development pipeline within the market area includes 16 planned or under-construction affordable rental communities totaling 1,971 units, of which 1,476 units are considered directly competitive with the proposed development. Directly competitive units are those without project-based vouchers, restricted at 60% of AMI, and offering comparable bedroom configurations. Planned supply is heavily concentrated at the 60% of AMI level, accounting for 1,623 units, or approximately 82 percent of the total pipeline. The pipeline also includes limited numbers of units at deeper affordability levels and a smaller number supported by project-based vouchers, which operate under different leasing and rent structures and therefore represent less direct competition for the proposed development.
 - **Penetration Rate Assessment:** The penetration analysis estimates 4,413 income-eligible renter households in the target income range of \$44,400 to \$68,100. When compared with the combined inventory of existing competitive units (1,708), proposed competitive units (1,476), and The Heights at Brady Square I (66), the resulting penetration rate is 73.6 percent. This estimate is conservative, as it assumes full overlap among all comparable units and does not account for demand from households moving into the market area, homeowners who may shift to renting, larger households that may be drawn to the project's three-bedroom townhouse units, or households currently living in overcrowded or otherwise unsuitable housing. In addition, several mature LIHTC properties report rents below most 60% of AMI units and are therefore likely serving some lower-income households, which reduces effective overlap with the subject's target market.
 - **Net Demand, Capture Rate, and Absorption Assessment:** Using the Virginia Housing demand methodology, S. Patz & Associates estimates total demand of 2,037 units at 60% of AMI and deducts 1,575 units of supply, yielding net demand of 462 units. Based on this net demand, the Heights at Brady Square I's 66 units represent an estimated capture rate of 14.3 percent. The development is projected to achieve absorption over approximately six months, assuming an average lease-up pace of roughly 11 units per month.

Based on the analyses and assumptions presented in this report, no material 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 Heights at Brady Square I 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 describes the property's physical characteristics, location, and overall development setting. The discussion also evaluates accessibility, including proximity to public transit, schools, retail services, and medical facilities, as these factors influence residential desirability and marketability.

I.1: Site Description

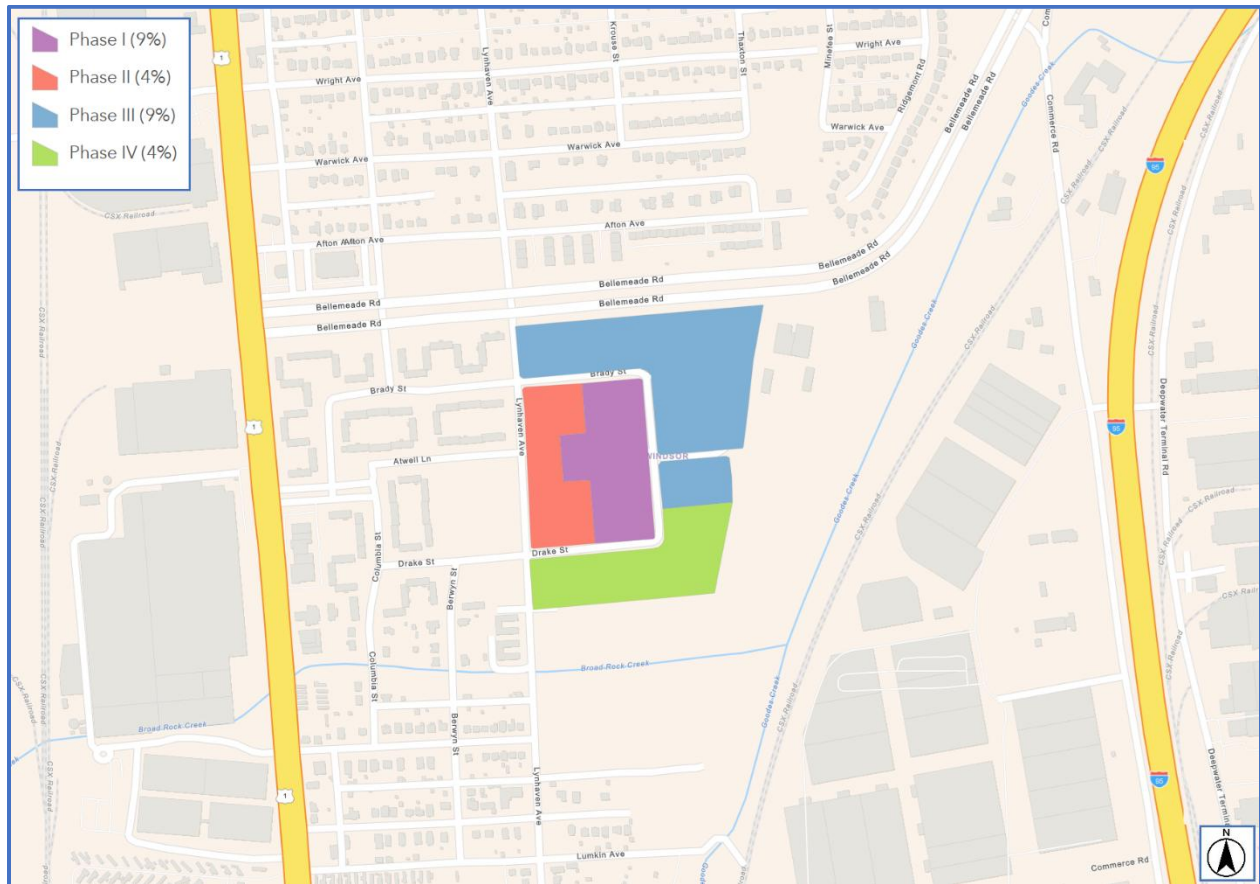
Map A illustrates the location of the Heights at Brady Square I. The site consists of an irregularly shaped 4.95-acre parcel situated on the south side of Brady Street, north of Drake Street, and east of Lynhaven Avenue. The property is located approximately midway between U.S. Route 1 to the west and Interstate 95 to the east, within Richmond's Southside corridor, approximately four miles south of Downtown Richmond. The site is located just off Jefferson Davis Highway, providing convenient access to retail, services, transit, and major transportation routes, while its setback from the corridor creates a quieter residential environment.

The surrounding area includes a mix of older residential neighborhoods and light commercial uses. Nearby multifamily communities include James River Villas and Graystone Place Apartments, along with a substantial number of single-family homes. The project's garden-style layout, modest building heights, and residential-scale setbacks are consistent with surrounding development and support compatibility with the established neighborhood character.

Map A also shows that the site is adjacent to three additional phases of the Heights at Brady Square community, each comprising 66 units with similar garden-style designs and targeted to income-qualified households earning up to 60% of AMI. Upon completion, these phases are expected to function as a coordinated, affordable housing community with a consistent design, income targeting, and management approach.

The Heights at Brady Square I represents one phase of a planned four-phase development that was partially constructed but not completed due to financial shortfalls under the prior development team. The overall Brady Square project is structured with both 9% and 4% Low-Income Housing Tax Credit (LIHTC) financing. Construction activity has stalled; however, Marlyn Development plans to assume control of the project and complete the remaining phases.

Based on conservative assumptions regarding financing closure, restart timing, and construction pacing, Certificates of Occupancy are projected to begin in early 2027, and full buildout of the community is projected by June 2027.



Map A - The Heights at Brady Square Location

The following aerial image provides a north-oriented view of the study site and surrounding development. The image shows that construction activity has occurred across portions of the Heights at Brady Square community, although progress has stopped. With the

exception of ABC Supply Co., Inc. (*Note 1*), a building materials supplier specializing in roofing, windows, and siding, adjacent properties consist primarily of residential apartment development.

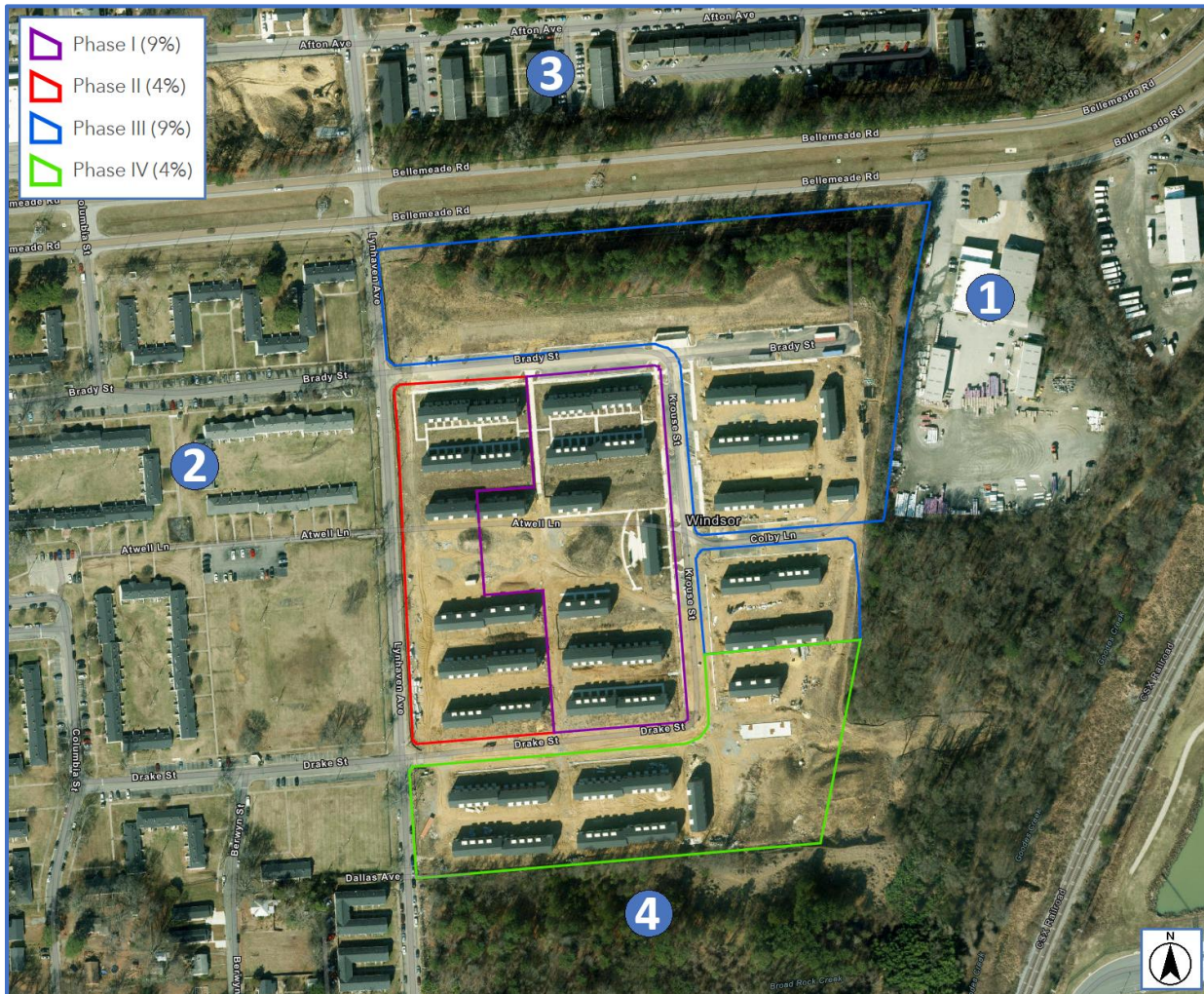
Immediately west of the site, across Lynhaven Avenue, is James River Villas (*Note 2*), a 224-unit market-rate apartment community originally built in 1947 and renovated in 2005. The property includes a mix of 21 one-bedroom units, 182 two-bedroom units, and 21 three-bedroom units, all configured with a single bathroom in single-story townhome-style buildings. At the time of the field survey, property management reported the community as fully occupied, which is consistent with stable rental demand in the immediate area.

North of Heights at Brady Square, on the north side of Bellemeade Road, is Graystone Place Apartments (*Note 3*), a 135-unit Low-Income Housing Tax Credit (LIHTC) community built in 1987 and renovated in 2024. The property comprises 20 one-bedroom units and 115 two-bedroom units, all restricted to households earning up to 60 percent of the Area Median Income (AMI). Units are designed in a townhome-style configuration similar to other nearby affordable communities, reflecting the area's established pattern of family-oriented affordable housing.

South of the study site, at 2510 Lynhaven Avenue, is Lynhaven Ridge (*Note 4*), a 50-unit affordable housing development currently under construction and approximately 30 percent complete. The project includes a range of income targets, with five units supported by project-based rental assistance through Richmond Behavioral Health Authority, five units at 30% of AMI, 16 units at 50% of AMI, six units at 60% of AMI, and 18 units at 80% of AMI, qualifying the development for Low-Income Housing Tax Credit financing. The development comprises a single three-story building with elevator service and a brick-and-fiber-cement exterior. Planned common area amenities include a multipurpose room and a laundry facility.

The presence of multiple established residential neighborhoods, along with a concentration of existing apartment communities, including income-restricted properties, reflects a long-standing pattern of moderate-density residential use in the immediate area. This

established residential context, combined with convenient access to major transportation corridors and proximity to employment centers, supports the site's suitability for additional multifamily development that is consistent with surrounding land uses and neighborhood character.



Northern Aerial of the Heights at Brady Square

Shown below are photographs of the study site taken from adjacent public streets. The images show that construction had begun and was partially underway before work was halted.



Eastern View of Study Site from Lynhaven Avenue



Eastern View of Study Site from Lynhaven Avenue



Eastern View of Study Site from Lynhaven Avenue



I.2: Site Setting

Map B illustrates the site setting for Heights at Brady Square and its relationship to the surrounding transportation network and nearby land uses.

Bellemeade Road forms the northern edge of the broader Brady Square development area. This four-lane roadway extends between U.S. Route 1 to the west and Commerce Road to the east. In the immediate vicinity of the site and toward the west, Bellemeade Road primarily serves residential uses, including Graystone Place Apartments, an affordable housing community located directly north of the study site. Farther east (*Note 1*), the character of the corridor transitions to light industrial uses along Commerce Road, where tenants include Sonoco Products, Leete Tire and Auto Center, Sandu Truck and Trailer Repair, and Xpress Diesel Repair.

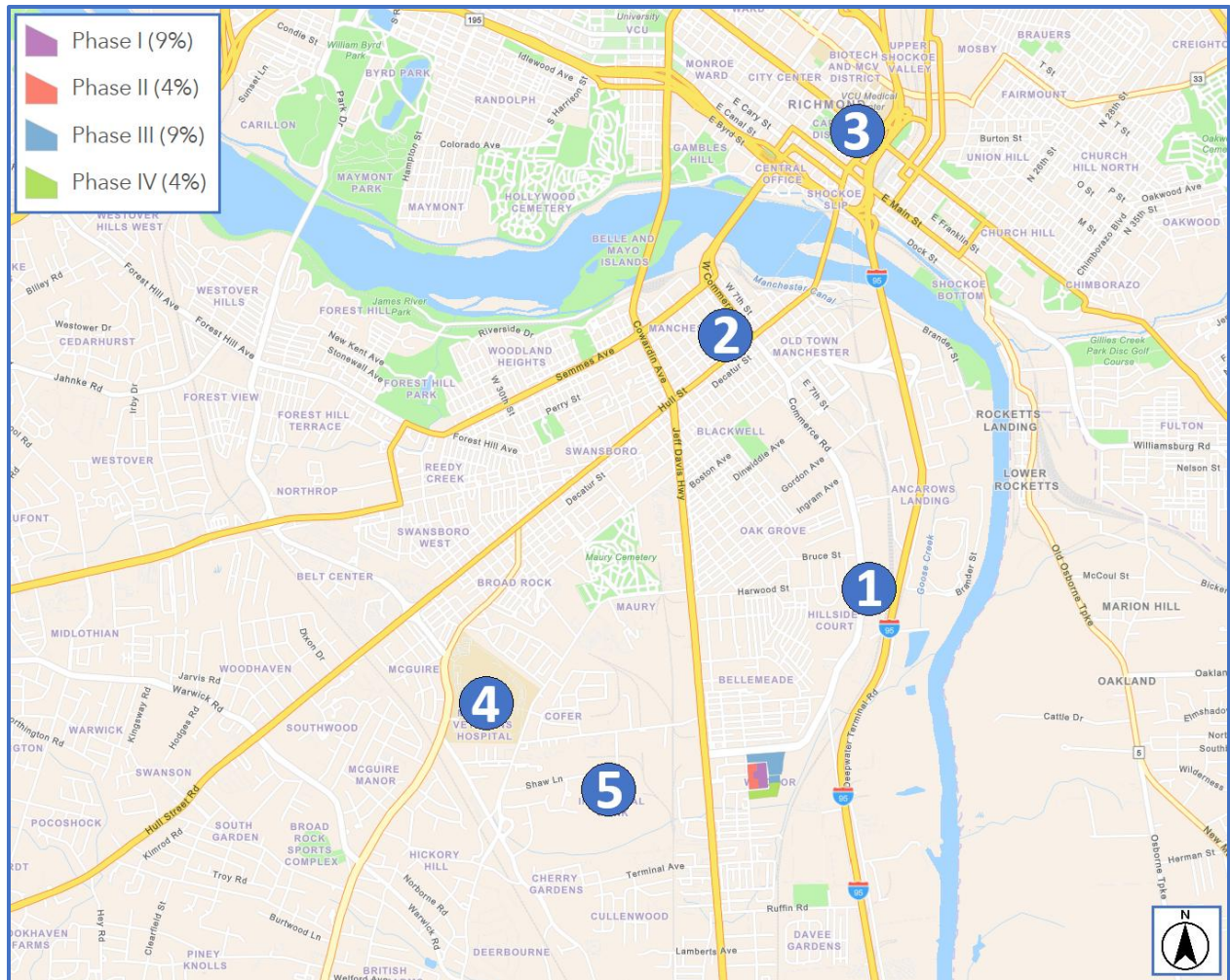
Lynhaven Avenue defines the western boundary of the study site and runs north-south between Webber Avenue and Summer Hill Avenue. With the exception of Oak Grove Elementary School and the Bellemeade Community Center near its northern terminus, the corridor is almost entirely residential in character. The roadway provides access to James River Villas, Graystone Place Apartments, and several established single-family neighborhoods, reinforcing the residential setting of the immediate area.

U.S. Route 1 is located approximately two-tenths of a mile west of the Heights at Brady Square. This major north-south arterial provides convenient regional access, and the nearest access points to Interstate 95 are located approximately three to three and one-half miles north and south of the site. Interstate 95 is the region's primary north-south transportation corridor, providing direct access to many of the Richmond area's major employment concentrations. From the Southside location of the site, I-95 allows efficient travel to Downtown Richmond and the Manchester area to the north, as well as to major employment nodes along the I-95 corridor, including industrial and distribution centers in southern Chesterfield County, the Route 288 interchange area, and logistics facilities serving the regional and interstate freight network.

The Route 1 corridor also provides direct access to the Manchester area (*Note 2*) and to Hull Street, a major east-west route that connects directly to Downtown Richmond (*Note 3*). These corridors provide access to major employment, retail, and service concentrations that support the area's residential base.

Major employment centers located south of Manchester and along the U.S. Route 1 corridor include the Richmond, VA Medical Center (*Note 4*) and the Broad Rock Industrial Park (*Note 5*). The Richmond VA Medical Center is a regional health care facility with approximately 400 beds and more than 3,000 employees, providing a wide range of medical services, including specialized national referral programs. The Broad Rock Industrial Park is a mature employment center home to manufacturing, distribution, and service businesses, including International Paper, United Scrap Metal, ABC Supply Co., Dominion Packaging, Evergreen Packaging, and Old Dominion Freight Line. The park is largely developed, with limited undeveloped acreage remaining.

In summary, the study site is situated within a stable residential neighborhood with strong regional accessibility and proximity to major employment centers. Access to U.S. Route 1 and Interstate 95 supports efficient commuting throughout the Richmond region, and recent investment and redevelopment in Manchester and Downtown have contributed to broader economic growth across the Southside submarket. Together, these factors support continued demand for workforce and affordable rental housing in the area.



Map B - The Heights at Brady Square Regional Setting

I.2.a: Public Transit

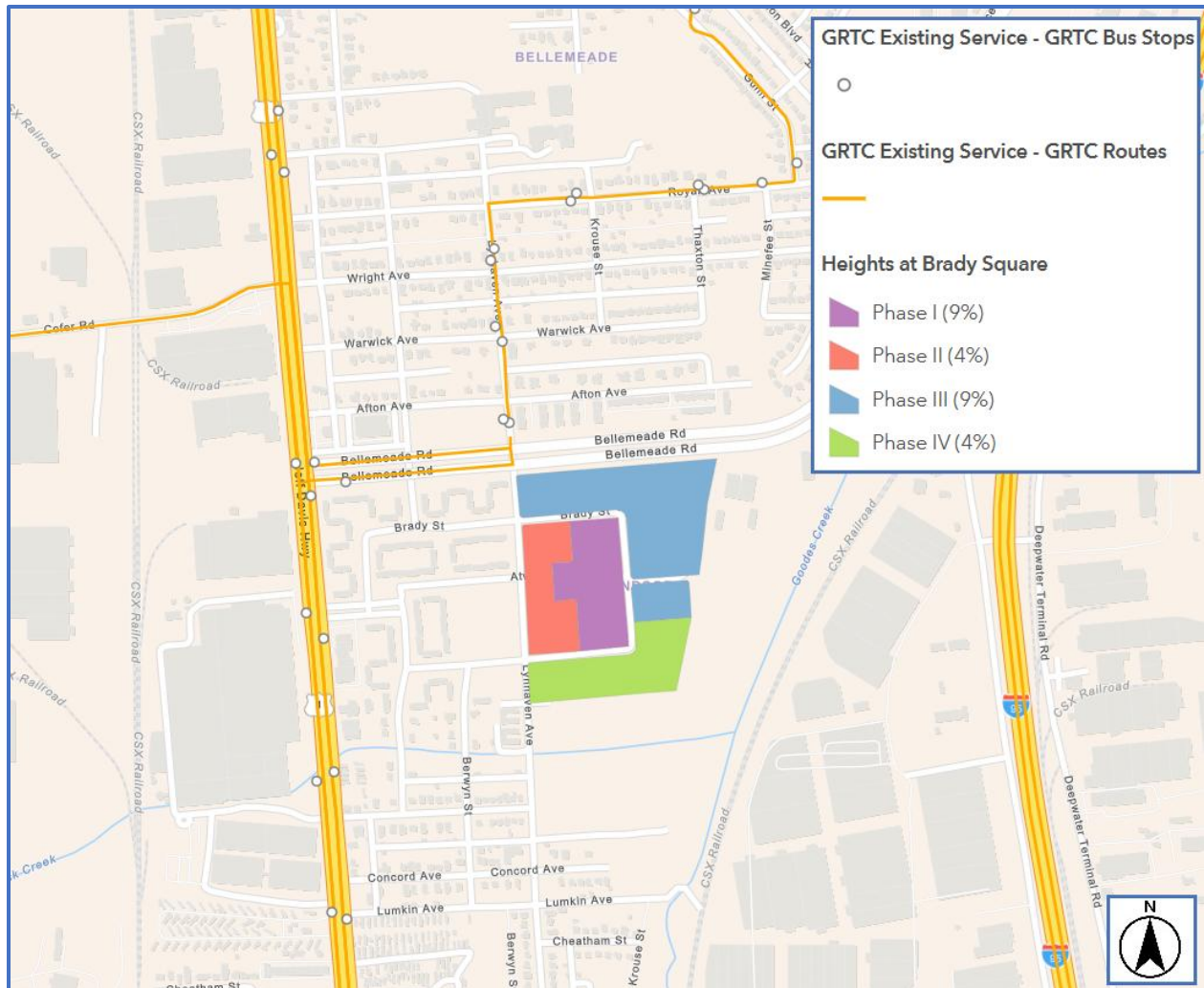
Public transportation in the Richmond area is provided by the Greater Richmond Transit Company (GRTC), the primary fixed-route bus system serving the City of Richmond and portions of surrounding counties. The system operates an extensive network of local bus routes and the high-frequency Pulse Bus Rapid Transit (BRT) service along the Broad Street corridor.

Local routes generally operate seven days a week, with service beginning in the early morning and continuing into the evening hours, although schedules vary by route. GRTC buses are accessible to persons with disabilities and equipped with bicycle racks, providing an important mobility option for residents without access to a personal vehicle. GRTC currently

operates under a zero-fare policy, with funding secured through fiscal year 2026 (ending June 30, 2026); continuation beyond that date remains subject to future funding decisions.

Map C presents GRTC routes and stops in the vicinity of Heights at Brady Square. Several bus stops are located within walking distance of the site, with the closest stops situated along Bellemeade Road and the nearby U.S. Route 1 corridor. These routes provide connections to Downtown Richmond, the Manchester area, and major employment centers along U.S. Route 1, as well as retail and service destinations and transfer points that allow access to the broader regional transit network.

The presence of multiple nearby transit stops enhances access to employment, shopping, medical services, and other daily needs, improving mobility options for households without reliable access to a personal vehicle. This level of transit access supports the site's suitability for households that rely on public transportation.



Map C - The Heights at Brady Square Proximity to Public Transit

I.2.b: Public and Commercial Facilities

The following summarizes key public and commercial facilities accessible to future residents of the Heights at Brady Square.

- **Medical Care:** The closest hospital to the study site is Richmond VA Medical Center (*Note 1*), located at 1201 Broad Rock Boulevard, approximately 2.5 miles west of the site. This 400-bed facility provides primary, secondary, and tertiary care, including services in medicine, surgery, neurology, rehabilitation, spinal cord injury treatment, skilled nursing care, and palliative care. In addition to the VA facility, VCU Medical Center is located approximately five miles north of Heights at Brady Square at 1213 E. Clay Street. This 865-bed academic medical center serves as a regional referral facility and is the region’s only

Level I Trauma Center, offering more than 200 specialty services. Together, these facilities provide access to a full range of hospital and specialty care within a short travel distance.

- **Community Facilities:** The nearest post office is located at 2101 Hopkins Road (*Note 2*), approximately 2.6 miles west of the study site, and provides standard postal services. Fire Station 21 (*Note 3*), located approximately one mile west of the site at 2505 Jefferson Davis Highway, is staffed by career personnel and provides fire protection and emergency response services. The Broad Rock Branch of the Richmond Public Library (*Note 4*), located approximately 3.1 miles southwest at 4820 Old Warwick Road, offers library services, educational resources, and community programming.
- **Education:** Students residing at Heights at Brady Square would be zoned for Oak Grove Elementary School (*Note 5*), located approximately 0.6 miles north of the site at 2409 Webber Avenue; Thomas C. Boushall Middle School (*Note 6*), located 3.1 miles southwest at 3400 Hopkins Road; and Richmond High School for the Arts (*Note 7*), located approximately 4.1 miles northwest at 4314 Crutchfield Street. While these schools are not within walking distance, students would be served by Richmond Public Schools bus transportation, consistent with typical school access patterns within the City of Richmond.
- **Shopping:** The closest grocery option is Big Apple Supermarket (*Note 8*), located less than one mile west of the site at 2916 Jefferson Davis Highway. Additional shopping areas include the Roses Express-anchored Southside Plaza Shopping Center (*Note 9*) at 6040 West Southside Plaza; the Shoppers World and Save-A-Lot-anchored Circle Plaza (*Note 10*) at 425-527 E. Belt Boulevard; the Walmart Neighborhood Market-anchored Meadowbrook Plaza (*Note 11*) at 5610 Hopkins Road; and the Food Lion-anchored Meadowdale Plaza (*Note 12*) at 3950-4152 Meadowdale Boulevard. These centers provide access to grocery stores, discount retailers, pharmacies, and everyday services within a short drive of the site.

Map D illustrates the locations of public and commercial facilities serving future residents of Heights at Brady Square, demonstrating access to essential services within the Southside Richmond area and surrounding neighborhoods. Overall, the site's location provides convenient access to health care, schools, shopping, and community services that support daily household needs.



Section II: Proposed Development Program

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

This section also includes architectural renderings and representative floor plans to illustrate the project's design character, scale, and spatial organization. Together, these materials establish the physical context for evaluating the property's market positioning and feasibility in later sections of this report.

II.1: Proposed Unit Characteristics

Table 2 summarizes the proposed unit mix, unit sizes, income restrictions, and rents for the Heights at Brady Square I. The development will include 66 income-restricted rental units, all restricted to households earning up to 60% of AMI.

The unit mix will consist of 13 one-bedroom, one-bathroom units, 40 two-bedroom, one-and-one-half-bathroom units, and 13 three-bedroom, two-bathroom units. One-bedroom units will be approximately 583 square feet and are proposed at \$1,110 per month, or about \$1.90 per square foot. Two-bedroom units will be approximately 788 square feet and are proposed at \$1,327 per month, or about \$1.68 per square foot. Three-bedroom units will range from approximately 934 to 939 square feet and are proposed at \$1,440 per month, equal to approximately \$1.53 to \$1.54 per square foot, depending on unit size.

Overall, the rent per square foot declines as unit size increases, consistent with typical pricing patterns in multifamily rental housing. Proposed rents exclude utilities and include an in-unit washer and dryer in each apartment.

Table 2: Proposed Unit Characteristics — The Heights at Brady Square I

	Number of Units	Restrictions	Square Feet	Rent ¹	Rent per Square Foot
1BR/1BA	13	60% of AMI	583	\$1,110	\$1.90
2BR/1.5BA	40	60% of AMI	788	\$1,327	\$1.68
3BR/2BA	13	60% of AMI	934-939	\$1,440	\$1.53-\$1.54
Total	66				

¹ Rent excludes utilities. 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 are reflected in the resulting utility cost assumptions.

Gross rents are evaluated against the U.S. Department of Housing and Urban Development (HUD) maximum allowable gross rent limits, which set the highest permissible combined rent and tenant-paid utility costs for income-restricted units. These limits are tied to the Richmond, VA HUD Metro FMR Area and vary by unit size to account for differences in household composition and typical utility usage.

As shown in **Table 3**, the proposed gross rents, inclusive of the calculated utility allowance, remain 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 provides a reasonable margin below regulatory thresholds.

**Table 3: HUD Maximum Allowable Rent Comparison —
The Heights at Brady Square I**

	The Heights at Brady Square I			HUD Maximum Allowable Rent
	Net Rent	Utility Allowance	Gross Rent	
One-Bedroom (60% of AMI)	\$1,110	\$43	\$1,153	\$1,277
Two-Bedroom (60% of AMI)	\$1,327	\$55	\$1,382	\$1,533
Three-Bedroom (60% of AMI)	\$1,440	\$67	\$1,507	\$1,770

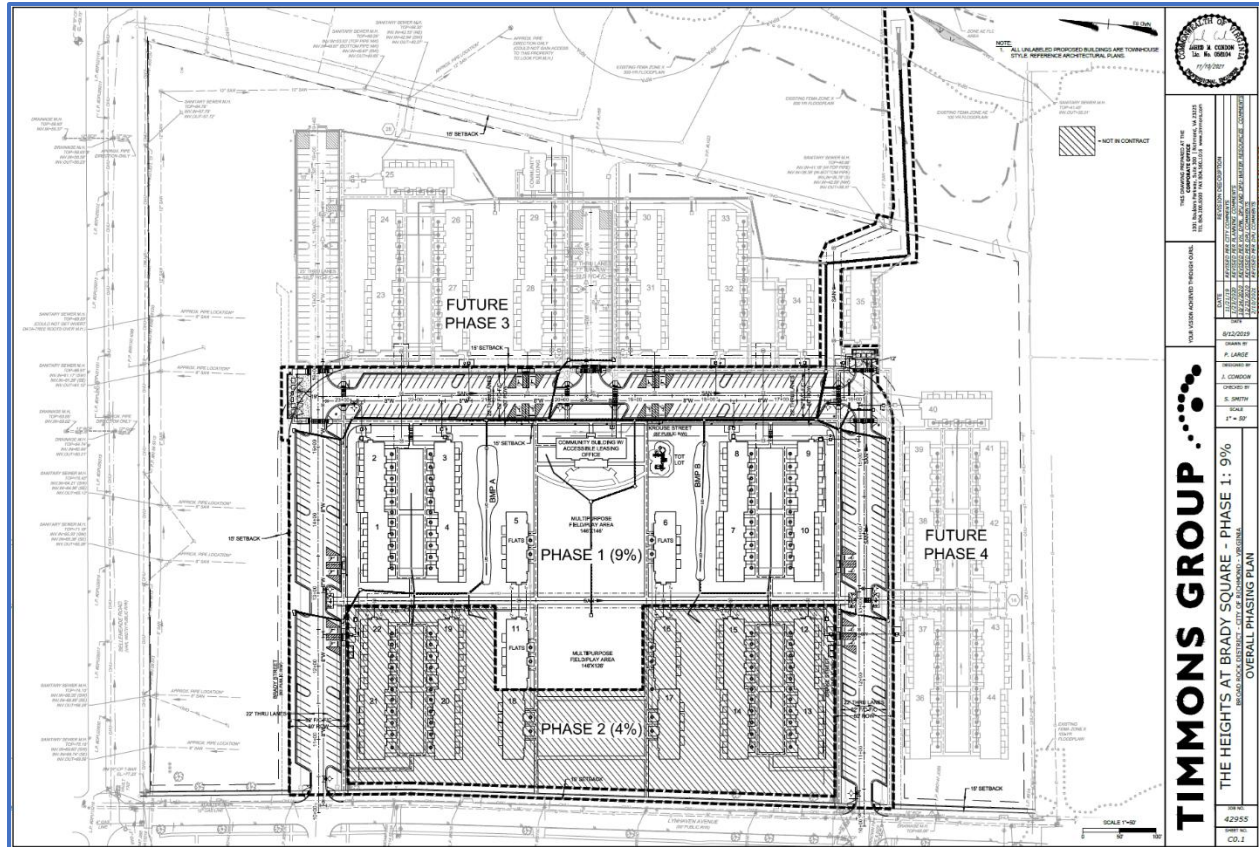
*Source: U.S. Department of Housing and Urban Development (HUD);
Marlyn Development Corporation*

II.2: Site Plan Overview

The site plan for the Heights at Brady Square I is shown below. Phase I will include 66 apartment units across 11 newly constructed townhome garden-style residential buildings, along with a centrally located community building and a multipurpose play area for residents.

The overall site plan also identifies three future phases, each planned to add 66 apartment units in a mix of townhome and garden-style configurations. At full buildout, the entire community will include 264 apartment units and 356 parking spaces, resulting in an overall parking ratio of approximately 1.35 spaces per unit.

Planned community amenities include a community building with an accessible leasing office, fitness center, and resident lounge with television, as well as a children’s playground and a multipurpose field and play area. These amenities are designed to meet typical resident needs and support the community’s functionality. The development will pursue EarthCraft Gold certification, incorporating green building features to improve energy efficiency, support indoor environmental quality, and enhance long-term operational durability.



The Heights at Brady Square I Site Plan

II.3: Building Renderings and Elevations

Shown next are renderings and elevations of the typical residential buildings and community clubhouse at the Heights at Brady Square I.

The townhome buildings are designed as two-story residential structures arranged in a row configuration, with individual units placed side by side within a shared building form. The elevations depict repeating unit sections with regularly spaced windows, individual front entrances, and pitched rooflines with multiple gabled segments that break up the overall building mass. Exterior materials include brick veneer and fiber-cement siding accents, creating visual variation along the façade while maintaining materials selected for durability and reduced long-term maintenance needs. The overall design resembles a series of attached homes rather than a single large structure, providing a residential appearance consistent with traditional townhome development patterns.

The garden buildings are shown as two-story apartment buildings with a rectangular footprint and pitched roof configuration. The elevations illustrate a consistent pattern of windows and entry areas distributed along the building façade. Exterior materials include brick veneer combined with fiber-cement siding accents, providing both durability and visual variation. The building mass is visually divided by modest changes to wall planes, window groupings, and vertical architectural elements, thereby reducing the structure’s apparent length. The overall design reflects a traditional garden-style apartment building format accommodating multiple units within a single structure.

The clubhouse building is designed as a community structure serving as the shared amenity space for residents. The architectural style is consistent with the residential buildings in the development, incorporating similar materials such as brick veneer, fiber-cement siding, and a pitched roof to maintain a cohesive architectural character across the property. The elevations depict a residential-scale building with a defined primary entrance and multiple windows that allow natural light into interior spaces. The clubhouse will serve as the community’s central gathering space and is designed to visually integrate with the surrounding residential buildings.



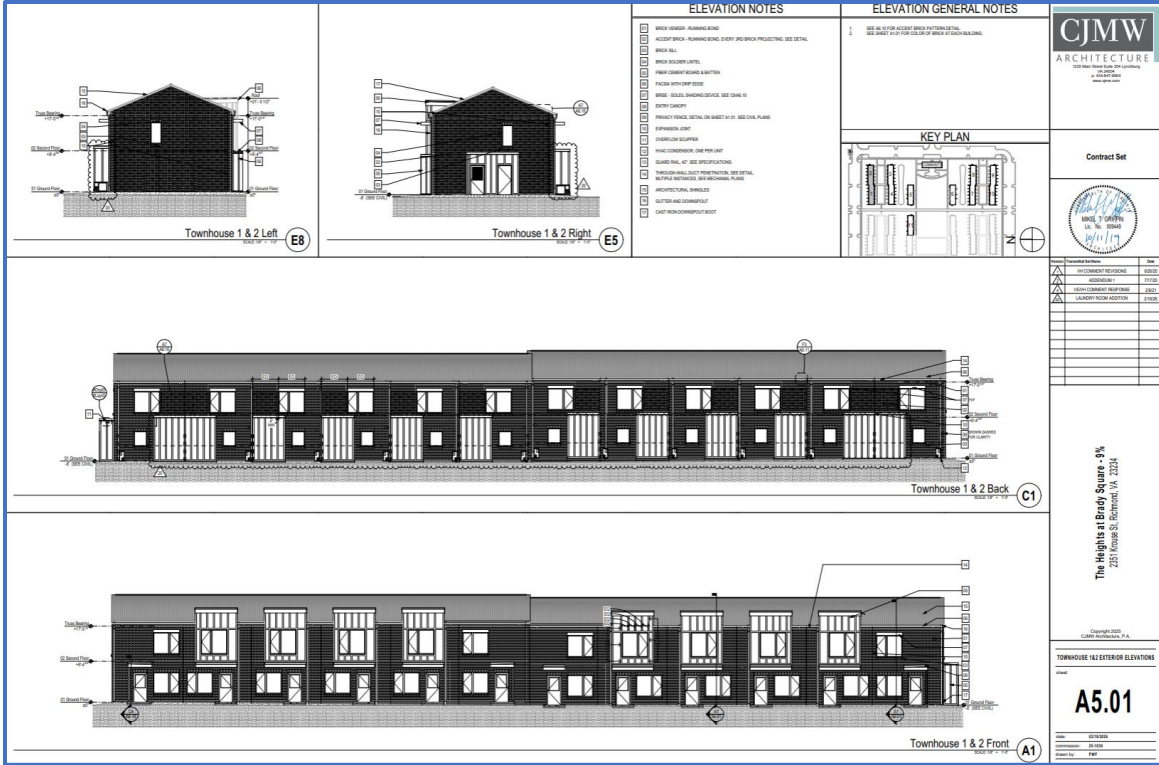
Townhome Renderings



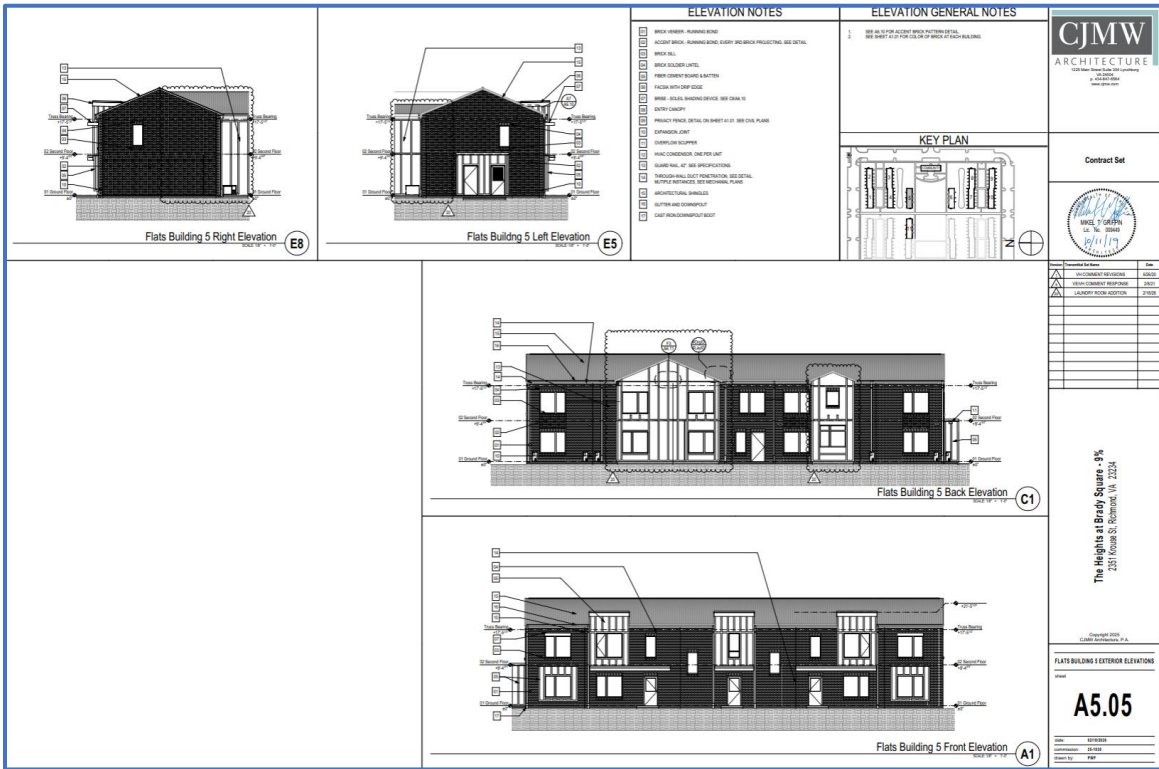
Garden Renderings



Renderings of Community Building



Townhome Elevations



Garden Building Elevations

II.4: Building Floor Plans

Shown below are typical building floor plans for the Heights at Brady Square I. The development will include a mix of garden buildings and townhome-style residential buildings distributed throughout the site, providing a variety of housing configurations within the overall community.

The garden buildings are designed as two-story residential structures containing multiple apartment units within a shared building footprint. These buildings accommodate single-level apartment units on each floor and are organized to provide direct access from common circulation areas to individual units. The overall building configuration reflects a traditional low-rise, garden-style multifamily design commonly used in residential developments.

In addition to the garden buildings, the development will include townhome-style buildings arranged in a row configuration. These buildings contain two-level residential units, providing a townhouse-style living arrangement within the development. The combination of garden buildings and townhome-style buildings introduces architectural variety across the site while providing multiple housing formats within the community.

II.5: Apartment Unit Floor Plans

Shown below are typical unit floor plans for the Heights at Brady Square I. The development will offer a mix of garden and townhome-style apartments, including one-, two-, and three-bedroom floor plans designed to accommodate a range of household sizes within the Richmond market area.

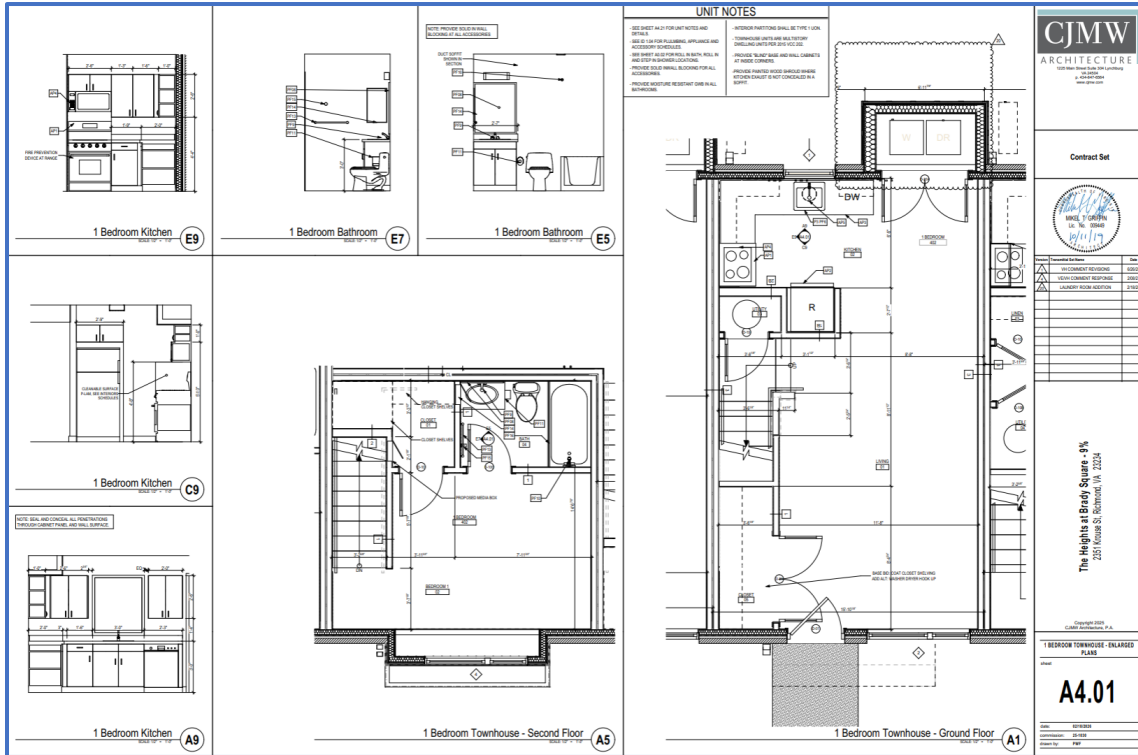
The garden units provide single-level apartment layouts within the two-story buildings, combining living, dining, and kitchen areas with bedrooms and bathrooms within compact and functional floor plans. All one-bedroom flats will include one full bathroom, while two-bedroom flats will include one-and-one-half bathrooms, and three-bedroom flats will include two bathrooms.

All townhome units will be designed as two-level residences, including the one-bedroom floor plans. The one-bedroom townhome units will place the kitchen, living area, and in-unit washer and dryer on the ground floor, while the bedroom and full bathroom will be located on the second floor. The two-bedroom townhome units will include the kitchen, living area, washer and dryer, and a half bathroom on the ground floor, with both bedrooms and a full bathroom located on the upper level. The three-bedroom townhome units will follow a similar configuration, with the kitchen, living area, and washer and dryer on the ground floor, and all three bedrooms and both bathrooms located on the upper level.

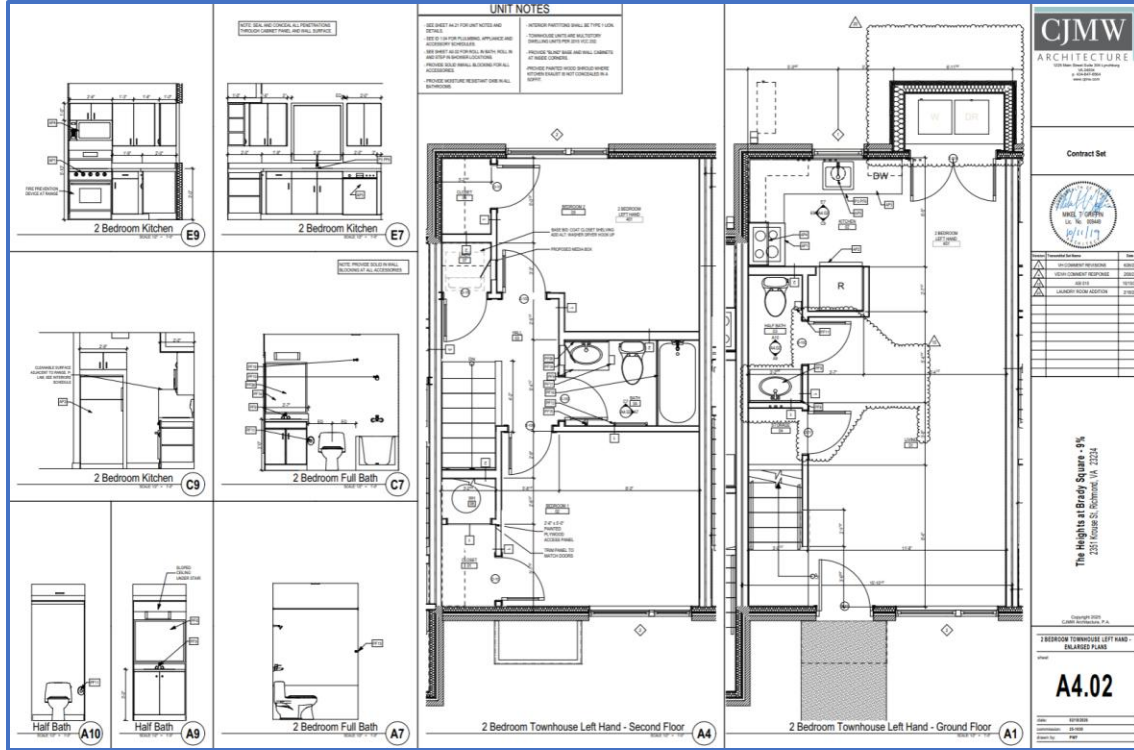
All apartment units will include an in-unit washer and dryer, along with a standard package of residential amenities. Kitchens will feature energy-efficient appliances, including an electric range, microwave, refrigerator, dishwasher, and garbage disposal. Additional interior features will include composite and vinyl flooring, window blinds, central air conditioning, and ceiling fans.

Units will also include walk-in closets and durable interior finishes intended to support long-term residential use. The combination of multiple unit configurations and consistent in-unit

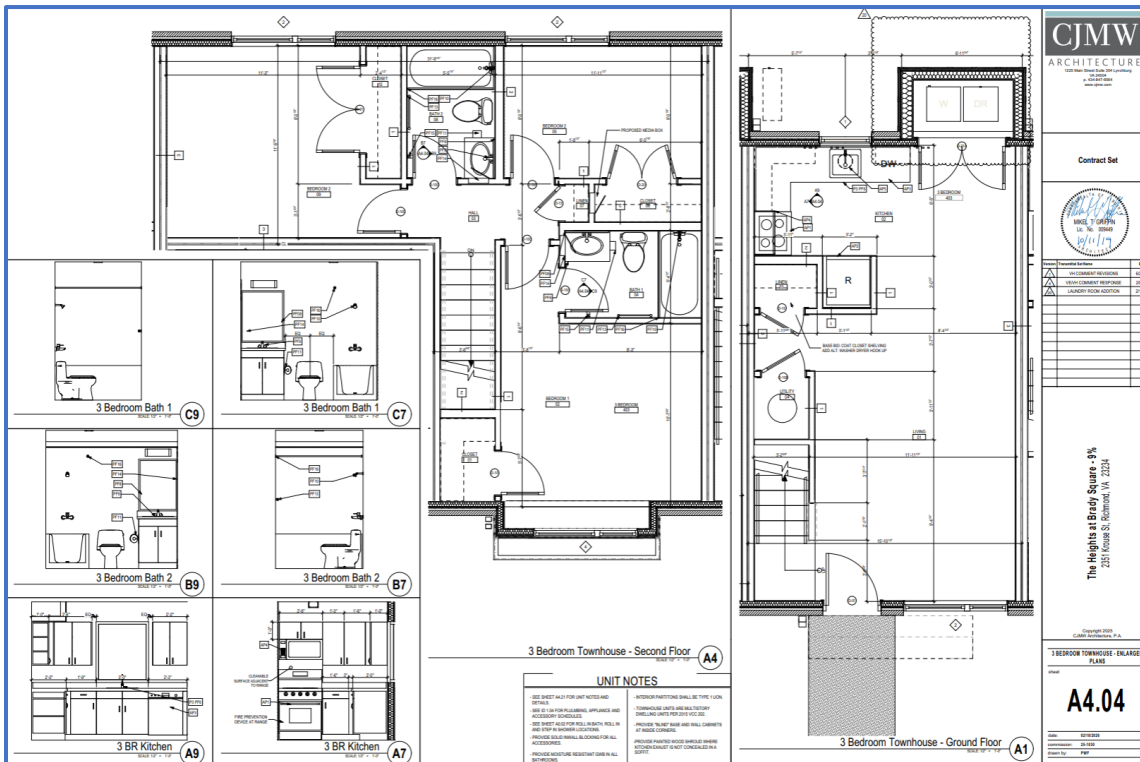
amenities provides a range of layouts while maintaining consistent features across unit types within the Richmond market area.



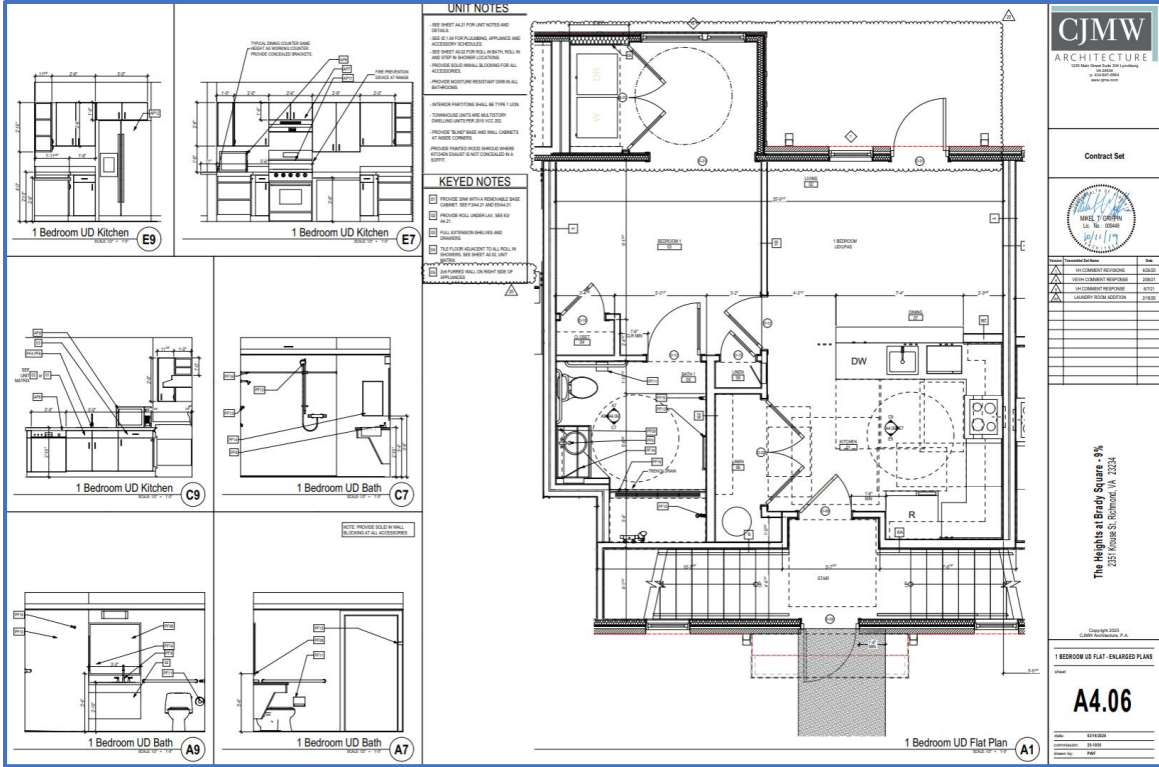
Typical One-Bedroom Townhome Unit



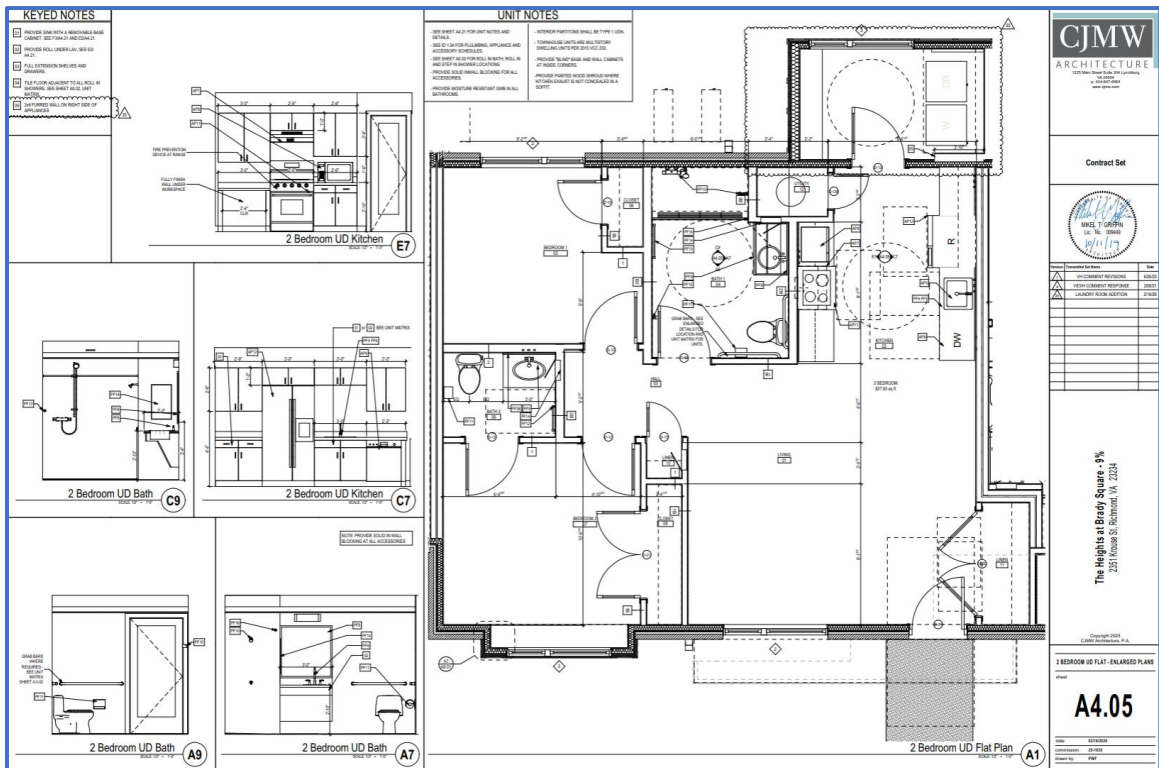
Typical Two-Bedroom Townhome Unit



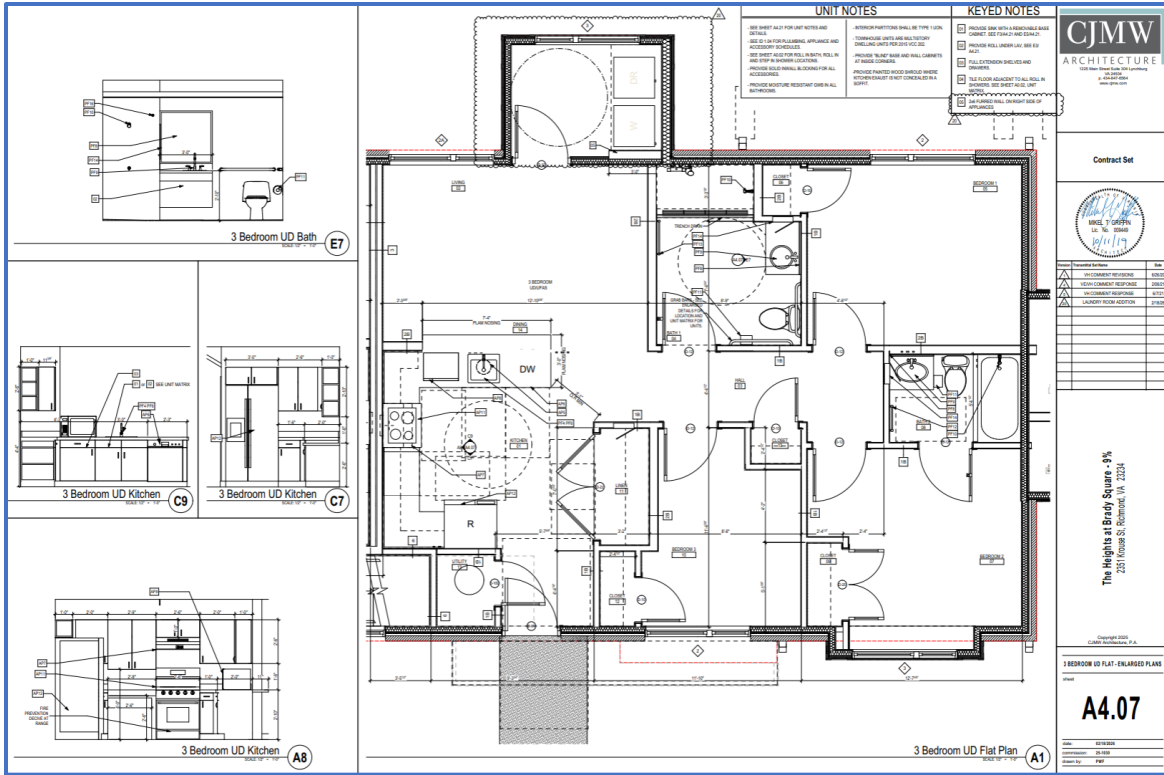
Typical Three-Bedroom Townhome Unit



Typical One-Bedroom Garden Unit



Typical Two-Bedroom Garden Unit



Typical Three-Bedroom Garden 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. A clearly defined market area is essential for evaluating rental housing supply and demand, assessing rent levels and vacancy conditions, and analyzing the competitive environment in which a proposed development will operate.

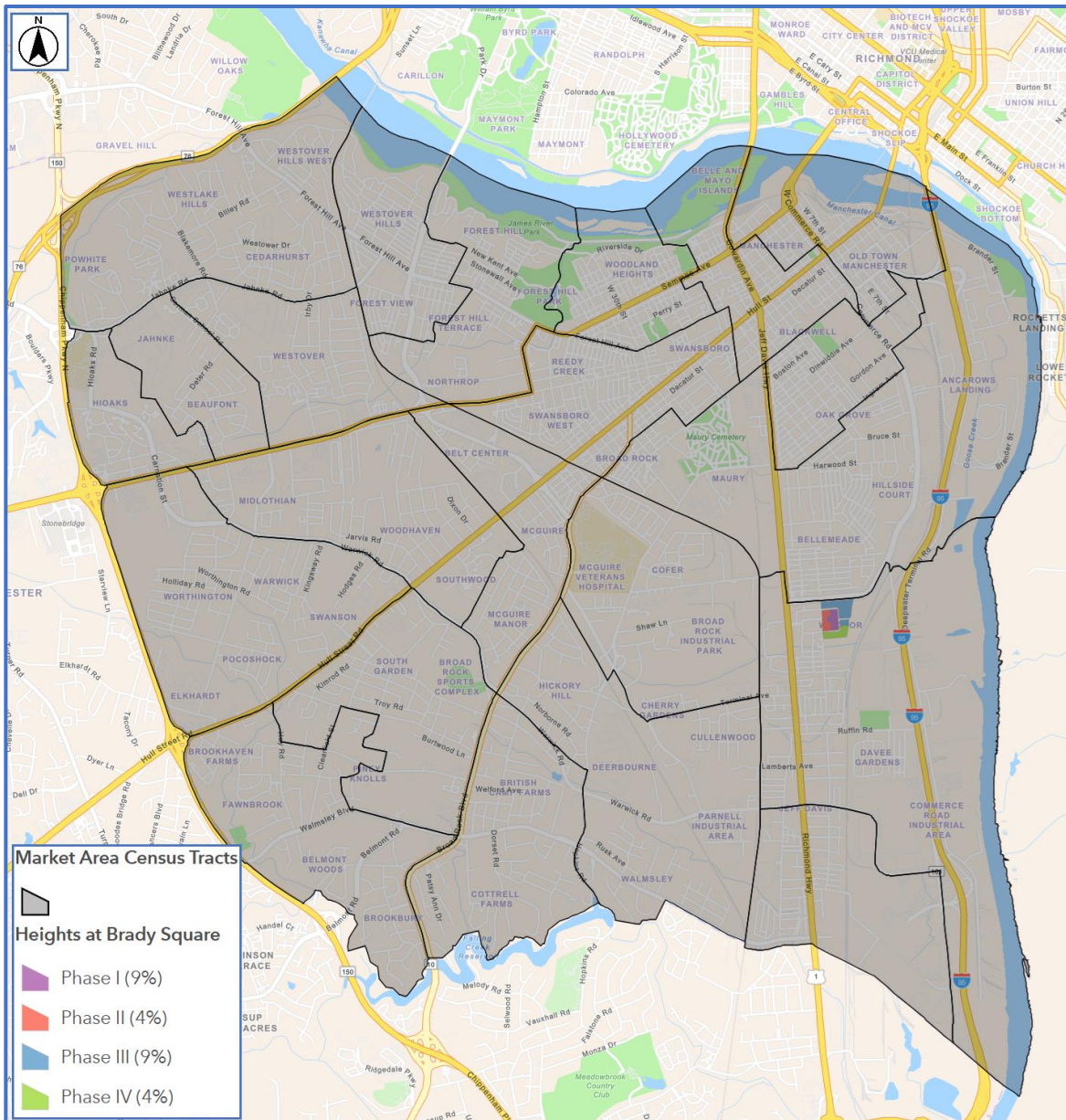
For the Heights at Brady Square I, the market area is defined as the southern portion of the City of Richmond, generally including areas located south of the James River and east of State Route 76, as illustrated in **Map E**. This geographic boundary reflects observed tenant origin patterns and the location of comparable affordable rental communities serving similar income levels and household types. The defined market area was further supported through interviews with on-site property managers at existing affordable apartment communities, which confirmed that many residents relocate from within Richmond's south side rather than from outside the City.

Areas located north of the James River, including the Central Business District, Shockoe Bottom, and Scott's Addition, function as distinct housing submarkets with different rental price structures, development patterns, and tenant profiles. These areas generally serve higher-income renters and are characterized by a greater concentration of market-rate and mixed-use development; therefore, they do not represent primary competitive alternatives for the subject property. Similarly, the adjacent unincorporated portions of Chesterfield County, located to the south and west, were excluded from the defined market area because they contain a smaller concentration of income-restricted rental communities and, in many locations, higher median household incomes, resulting in limited direct competition for income-restricted housing on Richmond's south side.

Within the defined market area, the primary population centers and residential neighborhoods include Broad Rock, Manchester, Oak Grove, Hillside Court, and the surrounding south Richmond communities. These areas contain much of the existing affordable rental inventory, along with neighborhood retail services, schools, community facilities, and employment access points most relevant to prospective residents. Households in these neighborhoods typically search for housing locally due to established community ties and proximity to daily needs.

The regional transportation network supports this localized housing search pattern. Interstate 95 and U.S. Route 1 provide primary north-south access through the south Richmond area, while State Route 76 (Chippenham Parkway) offers a limited-access circumferential route connecting the south side to major employment centers throughout the metropolitan area. In addition, arterial corridors such as Hull Street Road (U.S. Route 360), Jefferson Davis Highway, and Midlothian Turnpike connect residential areas with retail centers, schools, medical facilities, and employment locations.

As shown in **Map E**, the market area generally extends from the James River to the north to the Richmond city limits near the Chesterfield County line to the south. Its western boundary is defined by State Route 76 (Chippenham Parkway), while its eastern boundary follows the developed urban extent of south Richmond near Interstate 95 and U.S. Route 1. This boundary reflects the geographic area from which comparable affordable communities report that the majority of their residents are drawn.



Map E - The Heights at Brady Square I Market Area

A secondary market area is identified to provide geographic context for the broader housing and employment region from which some future residents may originate. The secondary market area is defined as the Richmond, Virginia Metropolitan Statistical Area (MSA), which includes the City of Richmond; the counties of Chesterfield, Henrico, Hanover, Goochland, Powhatan, New Kent, and Charles City; and the independent cities of Petersburg, Hopewell, and

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

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

Section IV: Market Area Economic Overview

This section provides an overview of economic conditions in the market area, focusing on three primary indicators: (1) job growth by place of work, (2) labor force and employment trends, and (3) active development plans expected to generate additional employment. The analysis also incorporates information on major employers, WARN layoff notices, average commute times, and industry wage levels. Together, these measures provide a comprehensive picture of recent economic performance and near-term conditions, establishing a framework for evaluating the market area's economic stability and its capacity to support new investment, including residential development.

A core premise of this analysis is that employment stability and job expansion support population retention, in-migration, and household formation over time, all of which influence housing demand. While housing demand is influenced by multiple factors, an assessment of economic conditions within the market area is necessary to evaluate its capacity to accommodate future population growth and associated housing needs. This relationship is particularly relevant for rental housing, where demand is closely tied to workforce mobility, income levels, and near-term employment prospects.

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

At-place employment refers to jobs located within the City of Richmond. The data presented in **Table 4** are reported by the U.S. Bureau of Labor Statistics and reflect employment by industry within the City limits. These data provide a measure of the local employment base that supports economic activity and helps shape housing demand.

According to **Table 4**, the City of Richmond supported 158,794 jobs in 2019. Employment declined sharply in 2020 to 147,619 jobs, a loss of 11,175 positions (7.0 percent), reflecting the economic disruptions associated with the COVID-19 pandemic. Recovery began in 2021, when employment increased to 148,861, followed by continued growth to 154,383 in 2022. By 2023, total employment had reached 160,471, exceeding the pre-pandemic level, and continued to expand in

2024 to 165,947. Overall, the City added 7,153 jobs between 2019 and 2024, representing approximately 4.5 percent growth. Employment increased by 6,088 jobs between 2022 and 2023 and by 5,476 jobs between 2023 and 2024, reflecting continued expansion in recent years.

Richmond's employment base is concentrated in several large service-oriented industries. Health Care is the City's largest private-sector employment sector, increasing from 23,898 jobs in 2019 to 25,659 jobs in 2024, a gain of 1,761 positions. Professional and Technical Services is another major employment sector, increasing by 1,003 positions from 10,462 to 11,465. Administrative and Waste Services expanded significantly from 9,170 to 11,979 jobs, representing one of the largest increases among private industries, adding 2,809 positions. These sectors reflect the City's role as a regional center for medical services, professional employment, and business operations.

Financial and corporate employment also represents a major component of the local economy. Finance and Insurance employment totaled 9,164 jobs in 2024, an increase of 540 positions since 2019. Management of Companies remained a large sector despite a modest decline, decreasing from 9,128 to 8,781 jobs, a loss of 347 positions. Real Estate recorded substantial growth, increasing from 2,094 to 4,642 jobs, a gain of 2,548 positions.

Government employment represents a significant and stabilizing component of the City's employment base. State government is the largest government sector, with 23,553 jobs in 2024, although this represents a decline of 1,984 positions since 2019. Local government employment increased modestly from 10,397 to 10,638 jobs, a gain of 241 positions. Federal government employment rose from 6,098 to 6,861 jobs, an increase of 763 positions.

Several additional service sectors recorded moderate growth, including Education, which added 403 jobs, Other Services, which added 516 jobs, Arts, Entertainment, and Recreation, which added 204 jobs, and Transportation and Warehousing, which added 213 jobs. Retail Trade declined slightly, decreasing by 36 jobs over the five-year period. Accommodation and Food Services also declined modestly, falling by 293 jobs.

Several goods-producing and traditional industries experienced losses between 2019 and 2024, including Manufacturing, which declined by 492 jobs, Construction, which declined by 270 jobs, Wholesale Trade, which declined by 181 jobs, Information, which declined by 124 jobs, and Utilities, which declined by 114 jobs.

Overall, at-place employment in the City of Richmond reflects a full recovery from pandemic-related losses by 2023 and continued growth through 2024. The employment base is anchored by health care, government, professional and business services, and financial activities, which together support a diversified economic structure associated with stable housing demand within the City.

Table 4: At-Place Employment by Industry — City of Richmond, VA (2019–2024)

Industry	2019	2020	2021	2022	2023	2024	Net Change
Agriculture	23	21	31	34	16	20	-3
Mining	29	32	32	30	33	38	9
Utilities	307	ND	254	234	198	193	-114
Construction	5,909	5,398	5,670	5,828	5,762	5,639	-270
Manufacturing	5,694	5,327	5,543	5,459	5,216	5,202	-492
Wholesale Trade	4,184	4,026	3,933	3,849	3,926	4,003	-181
Retail Trade	7,654	7,249	7,346	7,523	7,543	7,618	-36
Transportation/ Warehousing	3,657	ND	3,725	3,904	3,899	3,870	213
Information	1,408	1,242	1,255	1,337	1,351	1,284	-124
Finance/Insurance	8,624	8,472	8,437	9,088	9,491	9,164	540
Real Estate	2,094	2,196	2,265	3,452	4,392	4,642	2,548
Professional/Technical Services	10,462	10,321	10,691	11,130	11,322	11,465	1,003
Management of Companies	9,128	9,001	8,721	8,424	8,937	8,781	-347
Administrative/ Waste Services	9,170	7,796	8,094	9,258	9,957	11,979	2,809
Education	3,765	3,493	3,542	3,679	4,021	4,168	403
Health Care	23,898	22,970	22,558	22,429	23,768	25,659	1,761
Arts/ Entertainment/ Recreation	2,511	1,884	2,152	2,379	2,597	2,715	204
Accommodations/ Food Services	12,830	8,402	10,002	11,744	12,634	12,537	-293
Other Services	5,107	4,753	5,103	5,409	5,543	5,623	516
Local Government	10,397	10,140	9,856	9,978	10,240	10,638	241
State Government	25,537	24,253	23,018	22,478	22,829	23,553	-1,984
Federal Government	6,098	6,231	6,171	6,160	6,413	6,861	763
Total	158,794	147,619	148,861	154,383	160,471	165,947	7,153

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 City of Richmond.

As of June 2025, total at-place employment reached 168,417 jobs. This level exceeds the 2024 annual average of 165,947 jobs by approximately 2,470 positions, suggesting that employment growth has continued into 2025 following the post-pandemic recovery.

While monthly employment data are subject to revision and are not directly comparable to finalized annual average employment levels, the recent increase is generally consistent with ongoing labor market expansion. Although a single month does not establish a definitive annual trend, the available data suggest that the City's employment base remains on a positive trajectory and has continued to expand beyond 2024 levels.

IV.2: Employment and Labor Force

Employment and at-place employment are distinct measures that provide different perspectives on local workforce dynamics. Resident employment reflects the number of City residents who are employed, regardless of where their jobs are located, while at-place employment measures the number of jobs physically located within the City.

The data in **Table 5** show that the onset of the COVID-19 pandemic in 2020 resulted in a significant decline in resident employment. Employment fell from 122,325 employed residents in 2019 to 115,301 in 2020, a loss of 7,024 workers. At the same time, the unemployment rate increased from 3.0 percent to 8.6 percent. Recovery began in 2021, when resident employment rebounded to 117,586, and continued to 122,738 in 2022. Employment increased further to 125,982 in 2023 and reached 126,903 in 2024, slightly exceeding the pre-pandemic level.

Over the full 2019 to 2024 period, resident employment increased by 4,578 workers. During the same period, at-place employment within the City increased by 7,153 jobs. Because job growth within the City exceeded growth in employed residents, a portion of the new positions has likely been filled by workers residing outside the City. This pattern reflects Richmond's role as a regional employment center, with a large number of commuters traveling into the City from surrounding jurisdictions, particularly Henrico, Chesterfield, and Hanover Counties.

The labor force also expanded during this period, increasing from 126,125 workers in 2019 to 131,163 in 2024, a net gain of 5,038 workers. Despite labor force growth and the sharp disruption in 2020, unemployment conditions improved significantly after the pandemic. The unemployment rate declined from 8.6 percent in 2020 to 5.0 percent in 2021 and returned to approximately pre-pandemic levels by 2022. The rate remained low at 3.1 percent in 2023 and 3.2 percent in 2024.

Overall, the City’s labor market reflects a recovery from pandemic-related disruptions and continued expansion through 2024. The faster growth in at-place employment relative to resident employment underscores Richmond’s function as a regional job center and suggests that employment conditions remain favorable, supporting continued demand for housing in the City.

Table 5: Labor Force, Employment, and Unemployment Trends — City of Richmond, VA (2019–2024)

	Labor Force	Employment	Unemployment	Percent Unemployed
2019	126,125	122,325	3,800	3.0%
2020	126,200	115,301	10,899	8.6%
2021	123,743	117,586	6,157	5.0%
2022	126,524	122,738	3,786	3.0%
2023	130,001	125,982	4,019	3.1%
2024	131,163	126,903	4,260	3.2%
Net Change	5,038	4,578	460	0.2%

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

IV.3: Annual Wages by Occupation

Table 6 summarizes 2024 employment levels and average annual wages by industry for the City of Richmond. Total at-place employment was 165,947 jobs, with an overall average annual wage of \$83,392. Employment is concentrated in several large service-oriented sectors, including Health Care (25,659 jobs), State Government (23,553 jobs), Accommodation and Food Services (12,537 jobs), Administrative and Waste Services (11,979 jobs), Professional and Technical Services (11,465 jobs), and Local Government (10,638 jobs). Finance and Insurance and Management of Companies also represent major employment sectors, with 9,164 and 8,781 jobs, respectively. Together, these industries reflect Richmond’s role as a regional center for government, health care, professional services, and business activity.

Wage levels vary widely across industries, reflecting differences in educational requirements, occupational structures, and the mix of public- and private-sector employment. The highest average wages are in Management of Companies (\$157,266) and Finance and Insurance (\$153,113). Other high-wage sectors include Professional and Technical Services (\$127,003), Utilities (\$125,382), Mining (\$120,000), and Federal Government (\$112,442). Real Estate (\$102,437) and Information (\$97,881) also report average wages above the citywide average. Among the larger employment sectors, both Finance and Insurance and Professional and Technical Services combine relatively high wages with substantial employment levels, supporting a significant number of higher-income positions within the City.

Several major industries offer wage levels near or modestly below the citywide average. Wholesale Trade averages \$86,742, Manufacturing averages \$85,018, Construction averages \$84,664, and State Government averages \$81,002. Health Care, the City's largest private-sector employer, reports an average annual wage of \$72,585, while Education averages \$73,552 and Local Government averages \$69,609.

By contrast, a number of large service sectors are characterized by lower wage levels. Administrative and Waste Services averages \$60,478, Other Services averages \$60,631, and Transportation and Warehousing averages \$65,452. Retail Trade reports an average annual wage of \$39,879, while Arts, Entertainment, and Recreation averages \$33,495. Accommodation and Food Services, one of the City's largest employment sectors, reports the lowest average annual wage at \$29,856.

Overall, Richmond's wage structure reflects a diversified employment base anchored in government, health care, financial, and professional industries, alongside a substantial share of lower-wage employment in retail, hospitality, and personal services. The wide distribution of wages across industries has important implications for household income levels, housing affordability, and the range of housing types and price points supported within the City.

Table 6: Annual Wages by Industry — City of Richmond, VA (2024)

Industry	Number of Employees	Average Annual Pay
Agriculture	20	\$36,187
Mining	38	\$120,000
Utilities	193	\$125,382
Construction	5,639	\$84,664
Manufacturing	5,202	\$85,018
Wholesale Trade	4,003	\$86,742
Retail Trade	7,618	\$39,879
Transportation/ Warehousing	3,870	\$65,452
Information	1,284	\$97,881
Finance/Insurance	9,164	\$153,113
Real Estate	4,642	\$102,437
Professional/Technical Services	11,465	\$127,003
Management of Companies	8,781	\$157,266
Administrative/ Waste Services	11,979	\$60,478
Education	4,168	\$73,552
Health Care	25,659	\$72,585
Arts/ Entertainment/ Recreation	2,715	\$33,495
Accommodations/ Food Services	12,537	\$29,856
Other Services	5,623	\$60,631
Local Government	10,638	\$69,609
State Government	23,553	\$81,002
Federal Government	6,861	\$112,442
Total/ Average	165,947	\$83,392

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

IV.4: Major Employers

Table 7 identifies the largest employers in the City of Richmond in 2025 and illustrates the City’s role as a regional employment center anchored by government, health care, education, financial services, and professional services. Federal, state, and local government entities represent a substantial share of major employment, including the City of Richmond, the U.S. Department of Veterans Affairs, the Virginia Department of Transportation, and Richmond City Public Schools. These public-sector institutions provide a stable employment base and contribute to overall economic stability.

Health care represents one of the City’s primary employment anchors. Major providers include MCV Hospital, HCA Virginia Health System, and MCV Physicians, which together support a wide range of clinical, technical, administrative, and support positions. These institutions serve a broad regional population and support additional economic activity through related services and supplier networks.

Educational institutions also represent an important component of the City's employment base. Virginia Commonwealth University and the University of Richmond provide academic, research, and administrative employment across a wide range of occupations and skill levels, further reinforcing the City's institutional employment foundation.

Financial and professional services constitute another major segment of the local economy. Key employers include the Federal Reserve Bank of Richmond, Truist, CoStar Realty Information Inc., and Insight Global. These organizations reflect Richmond's role as a regional center for banking, real estate analytics, corporate services, and workforce solutions, supporting a concentration of relatively high-wage professional employment.

The City's employment base also includes major private-sector employers in utilities and manufacturing, including Dominion Energy and Philip Morris U.S.A., Inc. These firms contribute to economic diversity and provide a mix of technical, skilled trades, and production occupations.

Overall, the mix of major employers reflects a diversified economic structure led by government, health care, education, finance, and professional services, with additional support from utilities and manufacturing. This concentration of institutional and service-oriented employment is generally associated with stable economic conditions and provides a foundation for ongoing housing demand within the City of Richmond.

Table 7: Major Employers — City of Richmond, VA (2025)

Company Name	Industry
MCV Hospital	Health Care and Social Assistance (Hospital)
Virginia Commonwealth University	Educational Services (Higher Education)
HCA Virginia Health System	Health Care and Social Assistance (Hospital and Health System)
Richmond City Public Schools	Educational Services (Public K-12 Education)
City of Richmond	Public Administration (Local Government)
U.S. Department of Veterans Affairs	Public Administration / Federal Government (Health Care and Veteran Services)
Costar Realty Information Inc	Information / Professional and Business Services (Real Estate Data and Analytics)
MCV Physicians	Health Care and Social Assistance (Physician Services)
University of Richmond	Educational Services (Higher Education)
Dominion Resources	Utilities (Electric and Energy)
Federal Reserve Bank, Richmond	Finance and Insurance (Central Banking)
Truist	Finance and Insurance (Commercial Banking)
Insight Global	Professional and Business Services (Staffing and Workforce Solutions)
Philip Morris U.S.A., Inc	Manufacturing (Tobacco Products)
VDOT	Public Administration (State Government, Transportation)

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 aged 16 and over in the City of Richmond who do not work from home. Commute patterns are strongly concentrated in short travel times. The largest share of workers, 38.8 percent, travel 10 to 19 minutes, while an additional 25.9 percent commute 20 to 29 minutes. Shorter commutes are also common, with 12.0 percent of workers traveling less than 10 minutes. Overall, 50.8 percent of workers commute less than 20 minutes, and 76.7 percent commute less than 30 minutes, suggesting that many residents work within the City or in nearby employment centers.

Longer commute times represent a relatively small share of the workforce. Approximately 23.3 percent of workers travel 30 minutes or more, including 14.2 percent with commutes of 30 to 39 minutes and 9.1 percent with travel times of 40 minutes or longer (including 4.8 percent traveling 40 to 59 minutes, 2.6 percent traveling 60 to 89 minutes, and 1.7 percent traveling 90 minutes or more). Workers with commutes of 60 minutes or longer account for 4.3 percent of the total.

Overall, the predominance of short commute times suggests that many workers are employed within the City or in nearby jurisdictions. These patterns are consistent with

Richmond’s role as a regional employment center and indicate strong local and near-regional employment linkages.

Table 8: Travel Time to Work for Workers 16 Years and Over (Who Did Not Work At Home) — City of Richmond, VA

Driving Time	Total Workers	Percent of Total
Less than 10 Minutes	11,743	12.0%
10 to 19 Minutes	38,052	38.8%
20 to 29 Minutes	25,429	25.9%
30 to 39 Minutes	13,931	14.2%
40 to 59 Minutes	4,681	4.8%
60 to 89 Minutes	2,508	2.6%
90 or More Minutes	1,707	1.7%
Total	98,051	100.0%

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

IV.6: Economic Development Activity

Table 9 summarizes publicly announced job expansions in the City of Richmond between 2019 and 2025. The listed projects represent a diverse mix of industries, including real estate analytics, financial technology, life sciences and research, manufacturing, distribution and logistics, food and beverage production, and other business services. In total, these announcements account for approximately 3,983 new jobs.

The largest single project is CoStar’s December 2021 expansion, which accounts for 1,984 jobs and represents nearly half of all announced positions. Other significant announcements include Aditxt’s life sciences expansion with 347 jobs, Koalifi’s financial technology growth with 274 jobs, Grenova’s laboratory equipment manufacturing expansion with 250 jobs, Intact Technology’s information technology services expansion with 125 jobs, and Nightingale Ice Cream Sandwiches’ May 2025 expansion with 166 jobs. The remaining projects reflect smaller-scale investments across research, manufacturing, distribution, logistics, and specialty food and beverage operations.

While these announcements provide context for recent investment activity, they represent only a portion of the City’s overall employment growth. As shown in **Table 4**, total at-place employment increased by 7,153 jobs between 2019 and 2024, suggesting that a substantial share

of job growth has occurred through incremental expansion among existing employers, growth within major institutional sectors such as government, health care, and education, and broader labor market recovery.

Overall, the pattern of announced projects reflects steady and diversified economic development activity, with notable presence in professional services, technology, life sciences, and advanced manufacturing. This mix of expansion across multiple industries supports the City’s broad economic base and is consistent with continued employment growth and associated housing demand in Richmond.

Table 9: Public Job Announcements — City of Richmond, VA (2019+)

Company Name	Business Type	Month Announced	New Jobs
Nightingale Ice Cream Sandwiches	Ice cream manufacturer	May 2025	166
Sapporo	Brewery and distribution facility	June 2023	68
Babylon Microfarms	Indoor hydroponic systems	April 2023	15
Koalifi	Financial technology firm	October 2022	274
Phlow	R&D lab	September 2022	25
A. Duie Pyle	Transportation and distribution services	March 2022	25
PPD	Bioanalytics R&D lab	March 2022	25
Mafco Worldwide Corporation	Produces natural licorice products	March 2022	15
Intact Technology	IT managed service consulting	January 2022	125
CoStar	Real estate information and analytics	December 2021	1,984
Sutliff Tobacco Company	Distributes tobacco products	June 2021	30
Aditxt	Immune cell reprogramming and monitoring	May 2021	347
Grenova Inc.	Manufactures and supplies laboratory equipment	April 2021	250
Lowe’s Companies, Inc.	Distribution center for Lowe’s Home Improvement	March 2021	100
USP	Nonprofit	February 2021	15
Babylon Micro-Farms	Indoor hydroponic systems	February 2021	24
Piper Sandler	Financial services	February 2021	14
Werner Enterprises	Freight, transportation, and logistics services	March 2020	37
GSK Consumer Healthcare	Consumer healthcare research and development	October 2019	158
PRO Vision	Manufactures vehicle tracking equipment	September 2019	100
Amazon.com, Inc.	Fulfillment center	July 2019	150
HalioDx	R&D for immuno-oncology diagnostic products	February 2019	21
Starr Hill Brewery	Craft brewery	February 2019	15

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. The

purpose of this requirement is to provide affected employees with time to seek new employment or access training and support services.

Table 10 summarizes WARN notices reported for the City of Richmond between 2025 and early 2026. The listed notices total approximately 806 announced job losses. The largest single reduction was reported by Molina Healthcare of Virginia, with 268 positions eliminated in May 2025. Other notable layoffs include Philip Morris, with 135 jobs lost in January 2026, Top Guard Security, with 79 positions in October 2025, Richmond Print Group, with 76 positions in December 2025, Novelis, with 72 positions in March 2025, and several smaller reductions across logistics, retail, government contracting, and distribution services.

While these layoffs represent workforce adjustments within individual firms, their overall scale remains modest relative to broader employment trends in the City. As shown in Table 4, total at-place employment increased by 7,153 jobs between 2019 and 2024. More recent data show continued growth, with employment increasing by approximately 2,470 additional jobs between the 2024 annual average and June 2025. In addition, **Table 9** identifies approximately 3,983 publicly announced job expansions between 2019 and May 2025. Taken together, these data suggest that job losses reported through WARN notices represent a small share of recent employment changes and have occurred alongside broader job growth in the local economy.

Overall, recent WARN activity reflects firm-level workforce adjustments within a large and diversified labor market. When considered alongside broader employment growth, business expansions, and low unemployment rates, these layoffs do not appear to materially alter overall labor market conditions in the City.

**Table 10: Worker Adjustment and Retraining Notification Act (WARN) Notices —
City of Richmond, VA (2025-2026)**

Company Name	Business Type	Notice Date	Jobs Lost
Saks Fifth Avenue	Department store retail	February 2026	40
Philip Morris	Tobacco manufacturing	January 2026	135
Railcre Xpress (RCX)	Rail logistics and transloading services	January 2026	26
Richmond Print Group	Commercial printing services	December 2025	76
Top Guard Security	Security services (contract security staffing)	October 2025	79
Amentum	Government and defense contracting	July 2025	56
Molina Healthcare of Virginia	Managed healthcare services	May 2025	268
Saddle Creek Logistics Services	Third-party logistics and distribution services	May 2025	54
Novelis	Aluminum manufacturing and metal processing	March 2025	72

Source: Virginia Economic Development Partnership

IV.8: Market Area Economic Overview Summary

The City of Richmond has experienced a sustained recovery in employment following pandemic-related losses, with at-place employment fully recovering by 2023 and continuing to expand in 2024. Total at-place employment reached 165,947 jobs in 2024, representing a net gain of 7,153 positions compared with 2019. Preliminary monthly data from the Bureau of Labor Statistics suggest continued growth into 2025, with employment reaching 168,417 jobs as of June. Recent gains have been driven by expansion across a range of industries, including health care, professional and technical services, administrative and business services, and real estate, reflecting the City’s role as a regional center for institutional, professional, and business activity.

Resident employment and labor force trends also reflect recovery and moderate growth. Between 2019 and 2024, resident employment increased by 4,578 workers, while the labor force expanded by 5,038 workers. The unemployment rate declined from a pandemic peak of 8.6 percent in 2020 to 3.2 percent in 2024, consistent with relatively tight labor market conditions. Because job growth within the City exceeded the increase in employed residents, many new positions are likely being filled by workers commuting from surrounding jurisdictions, reinforcing Richmond’s function as a regional employment center.

Overall, employment growth, labor force expansion, low unemployment, diversified industry composition, and ongoing business investment point to a stable and growing local economy. Richmond’s role as a regional employment center, combined with continued job

growth across multiple sectors, provides a solid foundation for population retention, household formation, and continued demand for housing across multiple price points and product types within the City.

Section V: Competitive Apartment Market Analysis

This section examines the supply and demand conditions relevant to the proposed apartment units at the Heights at Brady Square I and is divided into two parts.

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

The second part evaluates the competitive landscape of existing income-restricted rental apartment communities that represent the most directly comparable housing alternatives within the market area. Research conducted by S. Patz & Associates identified 17 competitive LIHTC apartment communities totaling 2,544 rental units, including 1,708 units restricted at 60% of AMI, which represent the primary competitive segment for the proposed development. These properties are evaluated based on occupancy, rent levels, unit mix, building characteristics, and available amenities to establish the Heights at Brady Square I's competitive position within the market area.

V.1: Market Area Demographic Analysis

This subsection presents an analysis of demographic conditions and trends within the market area, including population and household growth and projections. Particular attention is given to renter households, which represent the primary target market for The Heights at Brady Square I. The analysis also examines housing need indicators, including rent-burdened households, households residing in substandard housing, and recent residential building permit activity within the market area.

V.1.a: Population Trends and Projections

The market area population totaled 71,876 in 2010 and increased to 80,208 by 2020, representing a net increase of 8,332 persons over the decade. This corresponds to an average annual increase of approximately 833 residents and a compound annual growth rate of approximately 1.1 percent. Population gains during this period reflect steady, incremental growth rather than rapid expansion. Recent growth has been supported by expanding employment opportunities within the City of Richmond and the broader region, as well as by the delivery of several new multifamily rental communities, including several income-restricted developments that have added attainable housing options for lower- and moderate-income households.

Population growth is projected to moderate after 2020. Between 2020 and 2026, the population of the market area is expected to increase by approximately 3,754 persons, to 83,962. This represents an average annual increase of approximately 626 residents, or about 0.7 to 0.8 percent annual growth.

Looking ahead, the market area's population is projected to reach 86,166 by 2031, an increase of approximately 2,204 persons from 2026. This reflects an average annual gain of approximately 441 residents and an annual growth of roughly 0.5 percent. Overall, the projections reflect continued population growth at a modest pace, with a clear pattern of deceleration over time.

Table 11: Trends and Projections of Population and Households — The Heights at Brady Square I Market Area (2010-2031)

	2010	2020	2026	2031
Market Area Population ¹	71,876	80,208	83,962	86,166
Group Quarters Population	970	1,103	1,112	1,129
Household Population	70,906	79,105	82,850	85,037
Persons Per Household	2.40	2.32	2.27	2.26
Total Households	29,541	34,122	36,476	37,679
Renter Households	17,125	22,115	24,299	25,301
Percent Renter Households	58.0%	64.8%	66.6%	67.1%
Owner Households	12,416	12,007	12,177	12,378
Percent Owner Households	42.0%	35.2%	33.4%	32.9%

¹ Includes the following 2020 U.S. Census tracts in the City of Richmond: 602, 604, 605.01, 605.02, 606, 607, 608, 609, 610.01, 610.02, 706.01, 706.02, 707, 708.02, 708.03, 708.04, 709.01, 709.02, 710.02, 710.03, 710.04, and 711.

Source: U.S. Census Bureau; Ribbon Demographics

V.1.b: Group Quarters Population

The group quarters population within the market area totaled 970 residents in 2010 and increased to 1,103 by 2020, representing a net increase of 133 residents over the decade. Overall, group quarters growth during the 2010s was modest, and group quarters remained a relatively small component of the market area’s total population.

Following 2020, the group quarters population is projected to remain essentially stable. Between 2020 and 2026, the group quarters population is estimated to increase slightly from 1,103 to 1,112 residents, a gain of nine individuals. As of 2026, group quarters residents account for approximately 1.3 percent of the total market area population (1,112 of 83,962), as shown in **Table 11**.

Detailed Ribbon Demographics data for 2026 show that group quarters residents are concentrated in two categories. Noninstitutional group quarters total 693 residents (62.3 percent), all classified as other noninstitutional facilities, with no population in college or university student housing or military quarters. Institutional group quarters total 419 residents (37.7 percent), comprising primarily nursing home residents (411 residents, 37.0 percent of total group

quarters) and eight residents (0.7 percent) classified as other institutional facilities. No group quarters population is reported in adult correctional facilities or juvenile facilities in 2026.

Looking ahead, the group quarters population is projected to increase modestly to 1,129 residents by 2031, up 17 residents from 2026. Given the small scale of group quarters living arrangements in the market area and the absence of group quarters categories associated with large, fluctuating populations, such as military housing, correctional facilities, or student dormitories, group quarters residents are expected to remain a stable, minor share of the overall population.

Because group quarters residents do not occupy conventional housing units, they are excluded from estimates of household-based housing demand. Consistent with **Table 11**, subtracting the group quarters population from the total population yields the household population, which provides the basis for household growth projections and subsequent housing demand estimates.

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

After accounting for the group quarters population, the household population in the market area totaled 70,906 residents in 2010 and increased to 79,105 by 2020, reflecting a net increase of 8,199 residents over the decade. This growth accounted for nearly all population gains during the 2010s, consistent with the market area's relatively small population of group quarters residents.

Household population growth is projected to continue after 2020, but at a gradually slowing pace. Between 2020 and 2026, the household population is estimated to increase by 3,745 residents, reaching 82,850. By 2031, the household population is projected to increase to 85,037, representing an additional 2,187 residents between 2026 and 2031. Overall, the projections reflect continued growth that moderates over time, consistent with the broader population trends shown in **Table 11**.

Household formation trends are stronger than household population growth alone would suggest because average household size is projected to decline. Total households increased from 29,541 in 2010 to 34,122 in 2020, an increase of 4,581 households over the decade. Households are projected to increase to 36,476 by 2026, an increase of 2,354 from 2020, and to 37,679 by 2031, an additional increase of 1,203 from 2026. While the pace of household growth slows after 2026, the market area is expected to add approximately 240 households annually between 2026 and 2031, supporting continued underlying demand for housing.

Average household size declined from 2.40 persons per household in 2010 to 2.32 in 2020 and is projected to decrease further to 2.27 in 2026 and 2.26 by 2031. This continued reduction in persons per household means that even moderate population gains translate into sustained household growth, reinforcing the need for additional housing units over time.

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

Housing tenure patterns in the market area have shifted significantly over time, reflecting changes in affordability, housing supply, and household preferences. In 2010, the market area contained 12,416 owner households and 17,125 renter households. Owner households accounted for 42.0 percent of all households, while renter households comprised 58.0 percent, establishing the market area as renter-oriented at the beginning of the analysis period.

By 2020, renter households had increased to 22,115, a net gain of 4,990 households over the decade. Over the same period, owner households declined to 12,007, a net decrease of 409 households relative to 2010. As a result, the renter share increased substantially to 64.8 percent, while the owner share declined to 35.2 percent. All net household growth between 2010 and 2020 occurred within the rental sector, as the number of owner households decreased modestly.

Renter household growth is projected to continue after 2020, although at a slower pace. Between 2020 and 2026, renter households are projected to increase by 2,184 households, reaching 24,299. Owner households are projected to increase slightly by 170 households, reaching 12,177. As a result, renter households are expected to account for 66.6 percent of total households in 2026,

while owner households comprise 33.4 percent, reflecting continued renter growth alongside only limited recovery in owner households.

By 2031, renter households are projected to increase further to 25,301, an additional 1,002 households over 2026. Owner households are projected to increase by 371 households from 2020 levels and by 201 households from 2026, reaching 12,378. By 2031, renter households are expected to represent 67.1 percent of all households, while owner households account for 32.9 percent, suggesting that the tenure distribution stabilizes at a high renter share rather than shifting back toward ownership.

Overall, between 2010 and 2031, the market area is projected to add approximately 8,176 renter households, while owner households decline by a net 38 households relative to 2010 (12,416 to 12,378). This pattern underscores the central role of rental housing in accommodating nearly all household growth during the analysis and projection period and points to a sustained structural shift toward a predominantly renter-oriented market.

V.1.e: Target Renter Market Demographics

Table 12 presents projections of income-qualified renter households within the market area for 2026 and 2031, reported in constant 2025 dollars and derived from Ribbon Demographics. Ribbon Demographics prepares household and income estimates and projections using U.S. Census and American Community Survey benchmarks, combined with Claritas demographic modeling, to generate cross-tabulations of households by tenure, income, and household size commonly used in housing market analyses.

The target market analysis applies HUD Area Median Income (AMI) limits for the Richmond, Virginia HUD Metro FMR Area to the projected renter household base. Rent affordability is evaluated under the standard assumption that households can allocate up to 30 percent of income to housing costs. Income limits are based on households of up to four persons, consistent with HUD methodology and appropriate for market-wide analysis.

Overall household growth is projected within the market area. Total households are expected to increase from 36,476 in 2026 to 37,679 in 2031, a net gain of 1,203 households. Over the same period, renter households are projected to increase from 24,299 to 25,301, representing a net increase of 1,002 renter households.

Within the target income range for the proposed development, renter households earning up to 60% of AMI (\$44,400 to \$68,100) are projected to decline modestly. The number of income-qualified renter households is expected to decrease from 4,576 households in 2026, representing 18.8 percent of all renter households, to 4,413 households in 2031, or 17.4 percent. This reflects a net reduction of 163 households within the 60% of AMI income tier.

Despite this decline, the target income group remains a substantial segment of the renter market, accounting for more than one in six renter households throughout the projection period. The modest reduction in both the number and share of income-qualified households, occurring alongside overall growth in renter households, is consistent with a gradual shift in the renter income distribution toward higher-income levels rather than with a reduction in overall rental demand or in the need for moderate-income housing.

Table 12: Projections of Target Households — The Heights at Brady Square I Market Area (2026-2031)			
	2026	2031	Net Change
Market Area Households	36,476	37,679	1,203
Market Area Renter Households	24,299	25,301	1,002
Target Markets			
60% of AMI (\$44,400-\$68,100)			
Total Renter Households	4,576	4,413	-163
Percent of Renter Households	18.8%	17.4%	
1 Reported in constant 2025 dollars.			
<i>Source: Ribbon Demographics</i>			

V.1.f: Rent Overburdened Households

Renter households are classified as rent-overburdened if they spend more than 35 percent of gross household income on housing costs, including rent and utilities, consistent with the

definition applied in **Table 13**. This threshold is widely used to evaluate housing affordability stress and reflects reduced capacity to meet other essential household expenses.

Within the market area, rent burden affects a substantial share of renter households. As shown in **Table 13**, 8,375 renter households, or 41.6 percent of the market area's 20,137 renter households, spend more than 35 percent of their household income on housing costs. **Table 13** is based on ACS 2024 (5-year) estimates, so the renter household base differs from the Ribbon Demographics projections presented elsewhere in this section.

Rent burden is most prevalent among lower-income renter households. Households earning less than \$20,000 annually total 4,784 households, representing 23.7 percent of all renter households. Within these income bands, rent burden is widespread. Specifically, 1,308 households earning less than \$10,000 and 1,847 households earning \$10,000 to \$19,999 spend more than 35 percent of their income on housing costs. Rent burden remains pronounced among households earning \$20,000 to \$34,999, where 2,252 renter households exceed the 35 percent threshold.

Affordability pressures moderate at higher income levels but remain significant for moderate-income renters. Among households earning \$35,000 to \$49,999, 2,278 households are rent-overburdened. Rent burden declines substantially among households earning \$50,000 to \$74,999, with 665 households exceeding the threshold. At higher income levels, rent burden is limited: 16 households are overburdened among renters earning \$75,000 to \$99,999, and nine among those earning \$100,000 or more.

Overall, 7,685 of the 8,375 rent-overburdened households, or approximately 91.8 percent, are concentrated among renters earning less than \$50,000 annually, indicating that affordability challenges are heavily concentrated among lower- and moderate-income households. This pattern reflects structural affordability constraints within the lower-income renter market and supports the need for rental housing priced at income levels where cost burdens are most prevalent.

Table 13: Rent-Overburdened Households by Income — The Heights at Brady Square I Market Area		
Income	Total Households	Share of Total
Less Than \$10,000	2,332	11.6%
Less than 35.0 Percent	135	0.7%
More than 35.0 Percent	1,308	6.5%
Not Computed	889	4.4%
\$10,000 To \$19,999	2,452	12.2%
Less than 35.0 Percent	592	2.9%
More than 35.0 Percent	1,847	9.2%
Not Computed	13	0.1%
\$20,000 To \$34,999	2,736	13.6%
Less than 35.0 Percent	376	1.9%
More than 35.0 Percent	2,252	11.2%
Not Computed	108	0.5%
\$35,000 To \$49,999	3,705	18.4%
Less than 35.0 Percent	1,361	6.8%
More than 35.0 Percent	2,278	11.3%
Not Computed	66	0.3%
\$50,000 To \$74,999	3,588	17.8%
Less than 35.0 Percent	2,902	14.4%
More than 35.0 Percent	665	3.3%
Not Computed	21	0.1%
\$75,000 To \$99,999	2,929	14.5%
Less than 35.0 Percent	2,906	14.4%
More than 35.0 Percent	16	0.1%
Not Computed	7	0.0%
\$100,000 Or More	2,395	11.9%
Less than 35.0 Percent	2,332	11.6%
More than 35.0 Percent	9	0.0%
Not Computed	54	0.3%
Total	20,137	100.0%
More than 35.0 Percent	8,375	41.6%

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

V.1.g: Renter Households in Substandard Housing

Table 14 summarizes substandard housing conditions in the market area using two Census-derived indicators: (1) households lacking complete plumbing facilities and (2) overcrowding, defined as households with more than 1.00 occupants per room, including 1.01 to 1.50 occupants per room and 1.51 or more occupants per room. These measures are commonly used to evaluate basic housing adequacy and to identify units that may present health, safety, or livability concerns.

Across all tenure types, 1,655 households are classified as living in substandard housing conditions, representing 4.7 percent of the market area's 35,554 total households. Of this total, 114 households, or 0.3 percent, lack complete plumbing facilities. A much larger share, 1,541 households, or 4.3 percent, have complete plumbing but are overcrowded, indicating that overcrowding accounts for the vast majority of substandard housing conditions within the market area.

Renter households account for a disproportionate share of substandard housing. Of the market area's 20,137 renter households, 1,301 households are classified as living in substandard conditions, representing 6.5 percent of all renter households. By comparison, 354 owner households experience substandard conditions, representing approximately 2.3 percent of the 15,417 owner households. On a proportional basis, substandard housing conditions are therefore nearly three times as common among renter households as among owner households.

Among renters, substandard conditions are driven primarily by overcrowding rather than plumbing deficiencies. Of the 1,301 renter households in substandard housing, 1,271 households, or approximately 97.7 percent, are overcrowded, while only 30 households, or 2.3 percent, lack complete plumbing facilities.

Overall, while substandard housing affects a relatively small share of households market-wide, the higher incidence among renter households reflects capacity constraints within portions of the rental stock and reinforces the need for adequate, appropriately sized rental housing options. These substandard housing metrics are based on ACS 2024 (5-year) estimates, and they therefore reflect a different household base than the Ribbon Demographics projections shown in **Tables 11, 12, and 15**.

Table 14: Households in Substandard Housing — The Heights at Brady Square I Market Area		
	Total Households	Percent of Total
Owner Occupied		
Complete Plumbing Facilities:	15,333	43.1%
1.00 Or Less Occupants Per Room	15,063	42.4%
1.01 To 1.50 Occupants Per Room	215	0.6%
1.51 Or More Occupants Per Room	55	0.2%
Lacking Complete Plumbing Facilities:	84	0.2%
1.00 Or Less Occupants Per Room	84	0.2%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
<i>Subtotal</i>	<i>15,417</i>	<i>43.4%</i>
Renter Occupied		
Complete Plumbing Facilities:	20,107	56.6%
1.00 Or Less Occupants Per Room	18,836	53.0%
1.01 To 1.50 Occupants Per Room	717	2.0%
1.51 Or More Occupants Per Room	554	1.6%
Lacking Complete Plumbing Facilities:	30	0.1%
1.00 Or Less Occupants Per Room	30	0.1%
1.01 To 1.50 Occupants Per Room	0	0.0%
1.51 Or More Occupants Per Room	0	0.0%
<i>Subtotal</i>	<i>20,137</i>	<i>56.6%</i>
Total	35,554	100.0%
Lacking Complete Plumbing	114	0.3%
With Plumbing but Overcrowded	1,541	4.3%
Total Substandard Housing	1,655	4.7%
Rental Substandard Housing	1,301	6.5%
<i>Source: U.S. Census Bureau, ACS 2024 (5-Year Estimates)</i>		

V.1.h: Renter Households by Household Size

Table 15 summarizes renter households in the market area by household size in 2026. Renter households are predominantly small, with one-person households representing the largest segment. A total of 10,277 renter households consist of a single individual, accounting for 42.3 percent of all renter households. Two-person households are the next most common, comprising 6,650 households (27.4 percent of the renter household base). Combined, one- and two-person households account for 69.7 percent of all renter households in the market area.

Larger renter households are less prevalent but still constitute a substantial share of the market. Three-person households total 3,158 households, representing 13.0 percent of renter

households, while four-person households account for 2,171 households, or 8.9 percent. Households with five or more persons represent 2,043 households, or 8.4 percent of renter households. Overall, 30.3 percent of renter households include three or more persons, indicating that although demand is concentrated among smaller households, a substantial share requires larger unit configurations.

**Table 15: Renter Households by Household Size —
The Heights at Brady Square I Market Area (2026)**

	Renter Households	Percent of Total
1-Person Household	10,277	42.3%
2-Person Household	6,650	27.4%
3-Person Household	3,158	13.0%
4-Person Household	2,171	8.9%
5-or-more-Person Household	2,043	8.4%
Total Households	24,299	100.0%

Source: Ribbon Demographics

V.1.i: Trends in Residential Building Permits

Table 16 summarizes residential building permits issued in the City of Richmond between 2019 and 2023. Over this five-year period, a total of 8,277 residential units were permitted, averaging approximately 1,655 units annually.

Development activity during this period was dominated by large multifamily construction. Buildings containing five or more units accounted for 6,248 units, representing 75.5 percent of all permitted units and averaging approximately 1,250 units per year. Single-unit construction totaled 1,993 units, or 24.1 percent of the total. Permits for duplexes and small multifamily buildings were minimal, with eight two-unit structures (0.1 percent) and 28 units in three- to four-unit buildings (0.3 percent) issued over the five-year period.

Annual permitting levels fluctuated but remained elevated in the later years of the period. Total permitted units ranged from 1,023 units in 2020 to a peak of 2,658 units in 2022, followed by 2,289 units in 2023, the second-highest level during the period. Permits for buildings with five or more units were issued each year and accounted for the majority of activity, including a substantial increase to 2,192 units in 2022 and continued high levels at 1,896 units in 2023. Single-

unit permitting varied from 294 units in 2020 to 502 units in 2021, representing a smaller share of overall development.

Overall, the permitting data reflect a development pattern heavily oriented toward large multifamily construction, with limited activity in smaller-scale multifamily formats. This concentration of production in large multifamily properties aligns with the increasing renter share observed in the market area and reinforces the role of apartment development in accommodating recent household growth.

Year	1-Unit	2-Units	3-4 Units	5+ Units	Total Units
2019	353	0	15	872	1,240
2020	294	4	0	725	1,023
2021	502	2	0	563	1,067
2022	457	0	9	2,192	2,658
2023	387	2	4	1,896	2,289
Total	1,993	8	28	6,248	8,277
Average	399	2	6	1,250	1,655
Percent of Total	24.1%	0.1%	0.3%	75.5%	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 Heights at Brady Square I once developed. The analysis focuses on income-restricted LIHTC apartment communities that include units restricted at 60% of AMI and do not rely primarily on deep rental subsidies, as these properties most closely align with the proposed development’s target renter 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 community amenities, providing context for the proposed rents and design characteristics at The Heights at Brady Square I.

The subsection concludes with insights from local market participants, offering a qualitative perspective on current leasing conditions, recent absorption trends, and demand for income-restricted rental housing within the market area.

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

This section evaluates the competitive income-restricted apartment market within the defined market area. Because the proposed Heights at Brady Square I will offer units restricted to households earning at or below 60% of AMI, the analysis focuses specifically on the availability and occupancy of units restricted at the 60% of AMI level across the competitive set. Properties with deep subsidies, where tenant rents are primarily determined by household income rather than published rent schedules, are excluded, as are age-restricted senior communities and market-rate properties, which serve materially different resident profiles.

Table 17 summarizes the characteristics of the 17 competitive LIHTC properties identified within the market area. Collectively, these properties contain 2,544 total units, of which 1,708 (67.1 percent) are restricted to households earning at or below 60% of AMI. The competitive set is organized into two cohorts: 12 newer LIHTC properties containing 1,516 total units (951 restricted at 60% of AMI) and five mature LIHTC properties containing 1,028 total units (757 restricted at 60% of AMI).

Excluding Townhomes at Liberty Place, which remains in initial lease-up and is discussed separately below, 85 of the remaining 1,688 stabilized 60% of AMI units are vacant, yielding a vacancy rate of 5.0 percent. This rate is at the upper end of the 3 to 5 percent range commonly associated with stabilized affordable rental housing, and a closer examination of where vacancies are concentrated provides important context. Of these 85 vacancies, 47 units (55.3 percent) are located at mature properties with original construction dates ranging from the 1940s through the 1980s. These communities are, in several cases, 40 to more than 80 years old, and their vacancy levels are more consistent with normal turnover patterns and physical obsolescence that commonly affect long-standing housing stock.

By contrast, the remaining 38 vacancies are distributed across the newer LIHTC cohort, and, as discussed below, are largely attributable to temporary or property-specific factors rather than a broad weakening in demand for 60% of AMI units within the market area.

The leasing performance of recently delivered communities supports this interpretation. Noon Hioaks, a 218-unit community that began leasing in August 2024, achieved stabilized occupancy by February 2025, absorbing units at an average pace of approximately 31 units per month during its initial lease-up period. As of the survey date, the property carries a waitlist of approximately 30 households, and its four vacant 60% of AMI units are expected to be absorbed quickly.

Urbana at Hioaks, a 216-unit community composed entirely of 60% of AMI units, opened in March 2024 and achieved stabilized occupancy over approximately 12 months, reflecting an absorption pace of roughly 18 units per month. A management transition in late 2025 caused a temporary occupancy decline, which accounts for the community's seven current vacancies; this situation reflects a temporary operational transition rather than underlying market weakness.

Alexander at 1090, a 96-unit community that opened in November 2020, reached full occupancy within approximately three months, absorbing roughly 32 units per month during lease-up. New Manchester Flats V absorbed approximately 35 units per month during its initial lease-up period, and Port City Apartments Phase I leased at a pace of approximately 22 units per month.

Townhomes at Liberty Place, the most recently delivered property in the competitive set, opened in November 2025 with 10 units pre-leased prior to opening across all AMI levels. A staggered construction delivery schedule delayed several early move-ins, and the property's 14 vacant 60% of AMI units reflect these early operational disruptions rather than weak demand. On-site management reports that leasing activity has strengthened since early 2026, and the property's absorption trajectory is expected to normalize as delivery-related issues are resolved.

Taken together, the data demonstrate a consistent pattern. The modest overall vacancy rate is driven disproportionately by older, mature-vintage properties, where vacancy levels are influenced by building age, modernization cycles, and turnover dynamics typical of long-standing housing stock. Newer LIHTC communities have generally achieved stabilized occupancy within typical lease-up timeframes, with several properties reporting waitlists following initial stabilization. These leasing outcomes support the conclusion that demand for well-maintained 60% of AMI units remains strong within the market area.

**Table 17: Characteristics of Competitive Affordable Apartments —
The Heights at Brady Square I Market Area (March 2026) ¹**

	Map F Key	Year Built	Income Restrictions	LIHTC Units	Total 60% Units	Vacant 60% Units
Newer LIHTC Properties						
Townhomes at Liberty Place	1	Nov-25	PBV/50%/60%	40	20	14
Noon Hioaks	2	Aug-24	50%/60%/70%	218	70	4
Urbana at Hioaks	3	Mar-24	60%	216	216	7
Alexander at 1090	4	Nov-20	PBV/40%/50%/60%	96	29	3
New Manchester Flats V	5	Nov-20	30%/40%/50%/60%/70%	104	38	3
The Mirage Manchester	6	Sep-20	60%	140	140	7
Port City Apartments I & II	7	2019-2021	30%/40%/50%/60%/70%/80%	282	133	0
Townhomes at Warwick Place I & II	8	2015/ 21	40%/50%/60%	70	31	1
Miller Lofts at Plant Zero	9	2015	60%	192	192	12
New Manchester Flats IX	10	2010	40%/60%	41	26	0
Old Manchester Plaza	11	2009	50%/60%	46	40	0
New Manchester Flats IV	12	2008	40%/50%/60%	<u>71</u>	<u>16</u>	<u>1</u>
<i>Subtotal</i>				<i>1,516</i>	<i>951</i>	<i>52</i>
Mature LIHTC Properties						
Graystone Place	13	1987/24	60%	135	135	9
Chicago Manor	14	1978/98	60%	74	74	4
Tuscany Townhomes	15	1971/14	50%/60%	132	105	6
Morningside Apartments	16	1964/99	60%/Market	392	248	9
Park Vue Place	17	1947-75/24	50%/60%	<u>295</u>	<u>195</u>	<u>19</u>
<i>Subtotal</i>				<i>1,028</i>	<i>757</i>	<i>47</i>
Total				2,544	1,708	99
Vacancy Rate ²						5.0%

1 Excludes LIHTC properties with deep subsidies, age restrictions, or without units restricted at 60% of AMI.
2 Excludes projects in initial lease-up (Townhomes at Liberty Place)
Source: Field and Telephone Survey by S. Patz & Associates, Inc.

Map F illustrates the locations of the competitive apartment communities evaluated in this analysis. The map shows that seven of the properties are located in the Manchester area. Several properties are located near the intersection of Chippenham Parkway and Midlothian Turnpike, including three of the newer communities, Noon Hioaks, Urbana at Hioaks, and Alexander at 1090.

The newest rental community, Townhomes at Liberty Place, is located on the north side of East Belt Boulevard, just south of Hopkins Road. The remaining properties are generally located within established residential areas along Hull Street Road, West Roanoke Street, and Broad Creek Boulevard.

The geographic distribution shown on the map illustrates a concentration of newer development along major transportation corridors, while older communities are more dispersed within established residential neighborhoods. This pattern reflects typical development trends in the Richmond market, where newer LIHTC projects are frequently developed on larger sites with strong regional access, while older communities are located within earlier residential growth areas.



Map F - Locations of Competitive Apartments

Shown next are photographs of each of the affordable apartment communities included in this analysis.

Among the 12 newer properties, two, Townhomes at Liberty Place and Townhomes at Warwick Place, are townhome-style communities. Noon Hioaks, Alexander at 1090, and New Manchester Flats V are newly constructed mid-rise buildings with elevator service. The Mirage Manchester, Port City Apartments, Miller Lofts at Plant Zero, New Manchester Flats IV, and New Manchester Flats IX are adaptive reuse properties, most of which include elevator service. Urbana at Hioaks features a garden-style walk-up building design.

The older rental properties primarily consist of two-story townhome-style buildings. Most have undergone renovations in recent years, though they generally retain older architectural styles and offer fewer modern amenities than recently developed LIHTC communities.



Townhomes at Liberty Place



Noon Hioaks



Urbana at Hioaks



Alexander at 1090



New Manchester Flats V



The Mirage Manchester



Port City Apartments



Townhomes at Warwick Place



Miller Lofts at Plant Zero



New Manchester Flats IX



Old Manchester Plaza



New Manchester Flats IV



Graystone Place



Chicago Manor



Tuscany Townhomes



Morningside Apartments



Park Vue Place

V.2.b: Distribution of Income Restrictions

Table 18 summarizes the distribution of income restrictions across competitive apartment communities within the market area. The competitive inventory totals 2,544 units, of which 2,368 are income-restricted and 176 are market-rate. Several additional affordable rental communities exist within the market area but were excluded from the competitive set because they do not offer units restricted at 60% of AMI. Because The Heights at Brady Square I will serve households earning at or below 60% of AMI, only properties offering units at that threshold are considered directly competitive. Communities restricted solely at deeper affordability levels, or those relying entirely on project-based rental assistance, operate under different leasing and income-qualification structures and are therefore not expected to draw from the same prospective resident pool.

Units restricted at 60% of AMI represent the dominant affordability tier within the competitive supply, totaling 1,708 units and accounting for 67.1 percent of the total competitive inventory. This concentration reflects the structure of the Low-Income Housing Tax Credit (LIHTC) program, in which 60% of AMI commonly functions as the principal income eligibility ceiling, and confirms that The Heights at Brady Square I will enter a market where this affordability benchmark is well established.

Units restricted at 50% of AMI represent the second-largest affordability tier, totaling 388 units, or 15.3 percent of the competitive inventory. These units typically occur within mixed-

income LIHTC developments that incorporate multiple income tiers rather than operating at a single AMI level. Units restricted at 70% of AMI total 155 units (6.1 percent of the inventory).

More limited supply exists at other affordability levels. Units supported by project-based vouchers total 29 units (1.1 percent). Units restricted at 40% of AMI total 60 units (2.4 percent), and only four units (0.2 percent) are restricted at 30% of AMI. Units restricted at 80% of AMI total 24 units (0.9 percent), while 176 units, or 6.9 percent of the competitive inventory, are market-rate units located within otherwise income-restricted developments.

The Heights at Brady Square I is proposed for 66 units, all restricted at 60% of AMI. This represents approximately 3.9 percent of the existing 1,708-unit supply at that affordability tier, positioning the development within the market's dominant affordability segment while adding a relatively modest increment of supply.

**Table 18: Distribution of Income Restrictions at Competitive Apartments —
The Heights at Brady Square I Market Area (March 2026)**

	PBV	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	Market Rate	Total Units
Newer LIHTC Properties									
Townhomes at Liberty Place	10	0	0	10	20	0	0	0	40
Noon Hioaks	0	0	0	74	70	74	0	0	218
Urbana at Hioaks	0	0	0	0	216	0	0	0	216
Alexander at 1090	19	0	2	46	29	0	0	0	96
New Manchester Flats V	0	3	12	14	38	37	0	0	104
The Mirage Manchester	0	0	0	0	140	0	0	0	140
Port City Apartments I & II	0	1	16	64	133	44	24	0	282
Townhomes at Warwick Place	0	0	7	32	31	0	0	0	70
Miller Lofts at Plant Zero	0	0	0	0	192	0	0	0	192
New Manchester Flats IX	0	0	15	0	26	0	0	0	41
Old Manchester Plaza	0	0	0	6	40	0	0	0	46
New Manchester Flats IV	0	0	8	15	16	0	0	32	71
<i>Subtotal</i>	<i>29</i>	<i>4</i>	<i>60</i>	<i>261</i>	<i>951</i>	<i>155</i>	<i>24</i>	<i>32</i>	<i>1,516</i>
Mature LIHTC Properties									
Graystone Place	0	0	0	0	135	0	0	0	135
Chicago Manor	0	0	0	0	74	0	0	0	74
Tuscany Townhomes	0	0	0	27	105	0	0	0	132
Morningside Apartments	0	0	0	0	248	0	0	144	392
Park Vue Place	0	0	0	100	195	0	0	0	295
<i>Subtotal</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>127</i>	<i>757</i>	<i>0</i>	<i>0</i>	<i>144</i>	<i>1,028</i>
Total	29	4	60	388	1,708	155	24	176	2,544
Percent of Total	1.1%	0.2%	2.4%	15.3%	67.1%	6.1%	0.9%	6.9%	100.0%
The Heights at Brady Square I	0	0	0	0	66	0	0	0	66

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

V.2.c: Net Rent Analysis

Table 19 summarizes the net rental rates at competitive properties within the market area. All rents shown reflect units restricted at 60% of AMI and have been adjusted to exclude utilities on a net basis, enabling consistent comparisons across properties with varying utility structures.

Across the full competitive set, average net rents are \$1,114 for one-bedroom units, \$1,253 for two-bedroom units, and \$1,493 for three-bedroom units, as shown in **Table 19**. However, notable differences exist between the newer and mature LIHTC cohorts, reflecting variations in unit quality, amenities, and the timing of the underlying rent structures.

Newer properties average \$1,133 for one-bedroom units and \$1,311 for two-bedroom units, compared with \$940 and \$1,147, respectively, among mature properties. Three-bedroom

averages are broadly similar across the two cohorts (\$1,492 for newer properties compared with \$1,495 for mature properties), though three-bedroom data are available at only a small number of properties in each group. Because The Heights at Brady Square I is a new construction development, the newer LIHTC cohort provides the most appropriate basis for rent comparison.

The proposed rents for The Heights at Brady Square I are \$1,110 for one-bedroom units, \$1,327 for two-bedroom units, and \$1,440 for three-bedroom units. The proposed one-bedroom rent of \$1,110 is modestly below both the overall average and the newer property average, positioning the development competitively within the market's primary affordability tier. The proposed two-bedroom rent of \$1,327 is slightly above the newer property average of \$1,311, though it remains within the range observed across comparable newer LIHTC communities. The proposed three-bedroom rent of \$1,440 is below the newer property average of \$1,492, representing a competitive price point for a unit type that is offered at relatively few properties within the competitive set.

The Heights at Brady Square I will include in-unit washers and dryers, an amenity offered at the majority of newer LIHTC properties in the competitive set, including Townhomes at Liberty Place, Noon Hioaks, Alexander at 1090, New Manchester Flats V, The Mirage Manchester, Miller Lofts at Plant Zero, New Manchester Flats IX, and New Manchester Flats IV. This feature helps support the proposed rent levels relative to older properties, many of which offer shared laundry facilities or fewer in-unit amenities. Overall, the proposed rents are well aligned with prevailing rents among comparable newer LIHTC communities, falling near or below cohort averages and remaining within the established competitive range.

**Table 19: Net Rental Rates at Competitive Apartments —
The Heights at Brady Square I Market Area (March 2026) ¹**

	One-Bedroom	Two-Bedroom	Three-Bedroom
Newer LIHTC Properties			
Townhomes at Liberty Place ⁹	\$1,064	--	\$1,407
Noon Hioaks ⁹	\$1,190	\$1,422	
Urbana at Hioaks	\$1,149	\$1,347	\$1,540
Alexander at 1090 ⁹	--	\$1,391	\$1,606
New Manchester Flats V ²⁹	\$1,172	\$1,250	--
The Mirage Manchester ⁹	\$1,177	\$1,409	--
Port City Apartments I & II ¹⁰	--	--	--
Townhomes at Warwick Place ³	--	--	\$1,409-\$1,424
Miller Lofts at Plant Zero ^{4 9}	\$1,131	\$1,346	--
New Manchester Flats IX ⁹	\$1,172	\$1,250	--
Old Manchester Plaza	\$971	\$1,134	--
New Manchester Flats IV ⁹	\$1,172	\$1,250	--
<i>Average</i>	<i>\$1,133</i>	<i>\$1,311</i>	<i>\$1,492</i>
Mature LIHTC Properties			
Graystone Place ⁵	\$940	\$998-\$1,023	--
Chicago Manor ⁵	--	\$919	--
Tuscany Townhomes ⁵	--	\$1,224	--
Morningside Apartments ⁵⁷	--	\$1,274-\$1,339	\$1,481-\$1,506
Park Vue Place ⁵⁸	--	\$1,261-\$1,292	\$1,497
<i>Average</i>	<i>\$940</i>	<i>\$1,147</i>	<i>\$1,495</i>
Average	\$1,114	\$1,253	\$1,493
The Heights at Brady Square I ^{9 11}	\$1,110	\$1,327	\$1,440

1 Rents adjust to exclude utilities. One-bedroom units have 1.0 bathrooms, two-bedroom units have 2.0 bathrooms, and three-bedroom units have 2.0 bathrooms unless specified otherwise. Only 60% of AMI rents are shown.

2 Smaller two-bedroom units have 1.0 bathrooms.

3 Three-bedroom units have 2.5 bathrooms.

4 Larger one-bedroom units have 1.5 bathrooms.

5 Two-bedroom units have 1.0 bathrooms.

6 Smaller three-bedroom units have 1.0 bathrooms.

7 Three-bedroom units have 1.5 bathrooms.

8 Three-bedroom units have 1.0 bathrooms.

9 Includes in-unit washer and dryer.

10 Rent not provided by on-site management.

11 Two-bedroom units have 1.5 bathrooms.

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

V.2.d: Rent per Square Foot

Table 20 presents rent per square foot at competitive properties within the market area, adjusted to exclude utilities. As with Table 19, only rents for units restricted at 60% of AMI are shown. Rent per square foot provides a useful supplemental measure for evaluating competitive

positioning, particularly in the LIHTC context where gross rents are constrained by AMI limits rather than by conventional market pricing dynamics. In that environment, differences in rent per square foot across properties generally reflect variation in unit size, and higher rent per square foot levels typically correspond to smaller unit configurations rather than higher overall rent levels.

Across the full competitive set, average rents per square foot are \$1.72 for one-bedroom units, \$1.39 for two-bedroom units, and \$1.29 for three-bedroom units. As with net rents, differences are evident between the newer and mature LIHTC cohorts. Newer properties average \$1.68 per square foot for one-bedroom units and \$1.43 for two-bedroom units, compared with \$2.09 and \$1.32, respectively, among mature properties. The mature cohort's elevated one-bedroom figure reflects a single reported data point (Graystone Place at \$2.09), which limits the usefulness of that cohort average for comparative purposes.

Among newer properties with available three-bedroom data, rents per square foot range from \$0.88 at Townhomes at Liberty Place to \$1.56 at Alexander at 1090, with a cohort average of \$1.20.

The proposed rents per square foot for The Heights at Brady Square I are \$1.90 for one-bedroom units, \$1.68 for two-bedroom units, and \$1.53 to \$1.54 for three-bedroom units. The proposed one-bedroom rate of \$1.90 exceeds the newer cohort average of \$1.68, consistent with a comparatively compact one-bedroom floor plan. The proposed two-bedroom rate of \$1.68 similarly exceeds the newer cohort average of \$1.43, again reflecting unit sizing rather than elevated rent positioning.

The proposed three-bedroom rate of \$1.53 to \$1.54 exceeds the newer cohort average of \$1.20, but falls within the observed range among newer LIHTC properties with available data and therefore remains consistent with the competitive market evidence. Across all unit types, the proposed rents per square foot are consistent with the scale and unit configuration typical of

newly constructed LIHTC communities and do not suggest any concern regarding rent achievability within the competitive market.

Table 20: Rent per Square Foot at Competitive Apartments — The Heights at Brady Square I Market Area (March 2026) ¹			
	One-Bedroom	Two-Bedroom	Three-Bedroom
Newer LIHTC Properties			
Townhomes at Liberty Place ⁹	\$1.30	--	\$0.88
Noon Hioaks ⁹	\$1.87	\$1.69	--
Urbana at Hioaks	\$1.51	\$1.33	\$1.31
Alexander at 1090 ⁹	--	\$1.56	\$1.56
New Manchester Flats V ^{2 9}	\$1.78	\$1.25	--
The Mirage Manchester ⁹	\$1.89	\$1.62	--
Port City Apartments I & II ¹⁰	--	--	--
Townhomes at Warwick Place ³	--	--	\$1.05
Miller Lofts at Plant Zero ^{4 9}	\$1.71	\$1.44	--
New Manchester Flats IX ⁹	\$1.68	\$1.33	--
Old Manchester Plaza	\$1.53	\$1.35	--
New Manchester Flats IV ⁹	\$1.84	\$1.32	--
<i>Average</i>	\$1.68	\$1.43	\$1.20
Mature LIHTC Properties			
Graystone Place ⁵	\$2.09	\$1.29	--
Chicago Manor ⁵	--	\$1.23	--
Tuscany Townhomes ⁵	--	\$0.98	--
Morningside Apartments ^{5 7}	--	\$1.38	\$1.35
Park Vue Place ^{5 8}	--	\$1.73	\$1.60
<i>Average</i>	\$2.09	\$1.32	\$1.47
Average	\$1.72	\$1.39	\$1.29
The Heights at Brady Square I ^{9 11}	\$1.90	\$1.68	\$1.53-\$1.54
1 Rents adjust to exclude utilities. One-bedroom units have 1.0 bathrooms, two-bedroom units have 2.0 bathrooms, and three-bedroom units have 2.0 bathrooms unless specified otherwise. Only 60% of AMI rents are shown.			
2 Smaller two-bedroom units have 1.0 bathrooms.			
3 Three-bedroom units have 2.5 bathrooms.			
4 Larger one-bedroom units have 1.5 bathrooms.			
5 Two-bedroom units have 1.0 bathrooms.			
6 Smaller three-bedroom units have 1.0 bathrooms.			
7 Three-bedroom units have 1.5 bathrooms.			
8 Three-bedroom units have 1.0 bathrooms.			
9 Includes in-unit washer and dryer.			
10 Rent not provided by on-site management.			
11 Two-bedroom units have 1.5 bathrooms.			
<i>Source: Field and Telephone Survey by S. Patz & Associates, Inc.</i>			

V.2.e: Apartment Unit Sizes

Table 21 presents unit sizes in square feet at competitive properties within the market area. Unit size data provide important context for interpreting the net rent and rent-per-square-foot comparisons discussed in the preceding sections, as differences in floor plan configuration directly affect how rents translate on a per-square-foot basis within the AMI-constrained LIHTC environment.

Across the full competitive set, average unit sizes are 662 square feet for one-bedroom units, 947 square feet for two-bedroom units, and 1,217 square feet for three-bedroom units. As with rents, differences are evident between the newer and mature LIHTC cohorts. Newer properties average 681 square feet for one-bedroom units, 971 square feet for two-bedroom units, and 1,281 square feet for three-bedroom units. Mature properties are generally smaller, averaging 569 square feet for one-bedroom units, 895 square feet for two-bedroom units, and 1,024 square feet for three-bedroom units, consistent with the design standards and construction practices typical of earlier development periods.

The proposed units at The Heights at Brady Square I are 583 square feet for one-bedroom units, 788 square feet for two-bedroom units, and 934 to 939 square feet for three-bedroom units. Across all unit types, the proposed floor plans are smaller than both the newer LIHTC cohort averages and the overall competitive averages.

The proposed one-bedroom units are approximately 14 percent smaller than the newer cohort average, while proposed two-bedroom units are approximately 19 percent smaller and proposed three-bedroom units are approximately 27 percent smaller. This more compact configuration helps explain the higher rent-per-square-foot figures reported in **Table 20**, where the proposed development's rates exceed the newer cohort averages despite net rents that remain generally consistent with or below prevailing competitive levels. Accordingly, the higher rent-per-square-foot levels reflect smaller unit footprints rather than higher overall rents.

The proposed unit sizes at The Heights at Brady Square I are more compact than the newer-cohort averages, particularly for two- and three-bedroom units. Even so, the net rent comparison shows that the proposed rents remain aligned with prevailing market levels, which supports the conclusion that the smaller floor plans should not materially hinder leasing.

Table 21: Unit Sizes at Competitive Apartments — The Heights at Brady Square I Market Area (March 2026) ¹			
	One-Bedroom	Two-Bedroom	Three-Bedroom
Newer LIHTC Properties			
Townhomes at Liberty Place	816	--	1,602
Noon Hioaks	579-694	841	1,157
Urbana at Hioaks	760	1,008-1,010	1,175
Alexander at 1090	--	879-901	1,031
New Manchester Flats V	656-659	942-1,064	--
The Mirage Manchester	488-757	868	--
Port City Apartments I & II	677-688	910-1,001	1,211-1,527
Townhomes at Warwick Place	--	--	1,312-1,390
Miller Lofts at Plant Zero	566-758	870-999	--
New Manchester Flats IX	697	940	--
Old Manchester Plaza	586-684	710-972	--
New Manchester Flats IV	459-818	824-1,064	--
<i>Average</i>	<i>681</i>	<i>971</i>	<i>1,281</i>
Mature LIHTC Properties			
Graystone Place	450	785	--
Chicago Manor	--	750	--
Tuscany Townhomes	--	1,250	--
Morningside Apartments	--	874-1,023	1,110
Park Vue Place	687	719-760	912-965
<i>Average</i>	<i>569</i>	<i>895</i>	<i>1,024</i>
Average	662	947	1,217
The Heights at Brady Square I	583	788	934-939

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

V.2.f: Apartment Unit Mix

Table 22 summarizes the apartment unit mix at competitive properties within the market area. The competitive inventory totals 2,544 units across 17 properties, divided between 12 newer LIHTC properties (1,516 units) and five mature LIHTC properties (1,028 units).

Two-bedroom units are the dominant unit type across the competitive market, accounting for 1,366 units, or 53.7 percent of the total inventory. One-bedroom units represent the second-largest share at 859 units (33.8 percent), while three-bedroom units account for 315 units (12.4

percent). New Manchester Flats IV also includes four studio units, equal to 0.2 percent of the total inventory. This distribution reflects a common pattern within LIHTC developments, where two-bedroom units serve as the primary product type because they accommodate a broad range of household sizes while maintaining construction efficiency.

The mix differs substantially between the two cohorts. Among newer properties, one-bedroom units are relatively prevalent, accounting for 823 of 1,516 units (54.3 percent of the newer subtotal). Two-bedroom units represent 462 units (30.5 percent) and three-bedroom units 227 units (15.0 percent).

The mature cohort presents a distinctly different profile, with two-bedroom units dominating at 904 of 1,028 units (87.9 percent) and comparatively limited one-bedroom supply (36 units, 3.5 percent). Three-bedroom units account for 88 units (8.6 percent) of the mature inventory. This distribution reflects the design conventions of earlier LIHTC and subsidized housing developments, which frequently emphasized two-bedroom layouts.

The Heights at Brady Square I is proposed for 66 units, comprising 13 one-bedroom units (19.7 percent), 40 two-bedroom units (60.6 percent), and 13 three-bedroom units (19.7 percent). Relative to the overall competitive market, the proposed mix includes a smaller share of one-bedroom units (19.7 percent compared with 33.8 percent) while allocating a larger share to two-bedroom units and, to a lesser extent, three-bedroom units.

Compared specifically with the newer cohort, which contains a relatively large proportion of one-bedroom units, the proposed development's greater emphasis on two- and three-bedroom units positions it to accommodate somewhat larger income-eligible households within the market area.

Three-bedroom units remain relatively limited across the competitive set, particularly among newer LIHTC developments, where they represent 227 of 1,516 units, or approximately 15.0 percent of the newer inventory. The proposed 13 three-bedroom units therefore contribute

additional supply to a segment of the market where available options remain comparatively constrained.

**Table 22: Apartment Unit Mix at Competitive Apartments —
The Heights at Brady Square I Market Area (March 2026)**

	One-Bedroom	Two-Bedroom	Three-Bedroom	Total Units
Newer LIHTC Properties				
Townhomes at Liberty Place	6	0	34	40
Noon Hioaks	175	32	11	218
Urbana at Hioaks	40	130	46	216
Alexander at 1090	0	32	64	96
New Manchester Flats V	85	19	0	104
The Mirage Manchester	131	9	0	140
Port City Apartments I & II	176	104	2	282
Townhomes at Warwick Place	0	0	70	70
Miller Lofts at Plant Zero	124	68	0	192
New Manchester Flats IX	26	15	0	41
Old Manchester Plaza	29	17	0	46
New Manchester Flats IV ¹	31	36	0	71
<i>Subtotal</i>	823	462	227	1,516
Mature LIHTC Properties				
Graystone Place	20	115	0	135
Chicago Manor	0	74	0	74
Tuscany Townhomes	0	132	0	132
Morningside Apartments	0	320	72	392
Park Vue Place	16	263	16	295
<i>Subtotal</i>	36	904	88	1,028
Total	859	1,366	315	2,544
Percent of Total	33.8%	53.7%	12.4%	99.9%
The Heights at Brady Square I	13	40	13	66
1 Includes four studio units. Percent of Total reflects the three displayed bedroom types only; the four studio units account for the remaining 0.1 percent				
<i>Source: Field and Telephone Survey by S. Patz & Associates, Inc.</i>				

V.2.g: Community Amenities

Table 23 summarizes community amenities at competitive properties within the market area. The data show a clear distinction between the amenity offerings of newer and mature LIHTC communities. Among newer properties, clubhouses, swimming pools, and fitness centers are each provided at nine of the 12 communities. Elevator service is available at eight of the 12 newer properties, while business centers are present at six properties. Playground facilities are

also common among newer communities, while shared laundry facilities are relatively uncommon (two of 12 properties), reflecting the broader shift toward in-unit washers and dryers in newer LIHTC developments.

Mature properties present a considerably more limited amenity profile. Shared laundry facilities are the only amenity provided at all mature communities, and none offer elevator service, a clubhouse, a business center, or a fitness center. Playground facilities are present at several mature properties, though overall amenity offerings remain modest compared with newer developments.

The Heights at Brady Square I will offer a clubhouse, a fitness center, and playground facilities. This amenity package corresponds with several of the most commonly provided amenities among newer LIHTC communities and is consistent with the amenity programming typically observed at smaller-scale new construction developments.

While the proposed development does not include a swimming pool, elevator service, or a business center, its overall amenity offering aligns with the core amenity package observed at many recently developed LIHTC communities and represents a substantially stronger amenity profile than that offered by the mature properties within the competitive set.

**Table 23: Community Amenities at Competitive Apartments —
The Heights at Brady Square I Market Area (March 2026)**

	Elevator	Clubhouse	Business	Pool	Fitness	Playground	Laundry
Newer LIHTC Properties							
Townhomes at Liberty Place	○	○	○	○	○	○	○
Noon Hioaks	●	●	●	●	●	○	○
Urbana at Hioaks	●	●	●	●	●	●	●
Alexander at 1090	●	●	●	●	●	●	○
New Manchester Flats V	●	●	○	●	●	●	○
The Mirage Manchester	○	●	●	●	●	●	○
Port City Apartments I & II	●	●	●	●	●	○	○
Townhomes at Warwick Place	○	○	○	○	○	○	○
Miller Lofts at Plant Zero	○	●	●	●	●	○	○
New Manchester Flats IX	●	●	○	●	●	●	○
Old Manchester Plaza	●	○	○	○	○	○	●
New Manchester Flats IV	●	●	○	●	●	●	○
Mature LIHTC Properties							
Graystone Place	○	○	○	○	○	●	●
Chicago Manor	○	○	○	○	○	○	●
Tuscany Townhomes	○	○	○	●	○	●	●
Morningside Apartments	○	○	○	●	○	●	●
Park Vue Place	○	○	○	○	○	●	●
The Heights at Brady Square I	○	●	○	○	●	●	○

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 involved in the development and operation of affordable rental housing in the Richmond area, as well as local planning and housing officials familiar with development trends in the South Richmond and Manchester submarkets. These discussions provided qualitative insight into current market conditions, particularly within the income-restricted LIHTC rental housing segment.

A consistent theme emerging from these discussions is continued strong demand for income-restricted rental housing within the market area. Interviewees noted that most recently developed LIHTC communities have achieved stabilized occupancy within quick lease-up timeframes, often maintaining high occupancy levels following initial stabilization. Property managers also reported that waitlists are common at several newer communities, reflecting ongoing demand from income-qualified renter households.

Interviewees acknowledged that some individual properties currently report modest vacancy levels, but attributed these conditions primarily to property-specific factors such as recent management transitions, lease-up timing for newly delivered developments, or normal resident turnover rather than to broader market weakness. Property managers indicated that stabilized LIHTC communities in the area typically maintain occupancy levels in the mid- to upper-90 percent range once lease-up periods conclude.

Overall, stakeholder interviews support the conclusion that the competitive LIHTC rental market in the market area remains healthy, with demand supported by a substantial population of income-qualified renter households and a limited supply of newer affordable housing options. This local perspective reinforces the quantitative findings presented earlier in this section, particularly regarding strong absorption at recently delivered communities, limited availability of modern LIHTC units, and continued demand for well-located income-restricted rental housing in the South Richmond market area.

Section VI: Market Study Conclusions

The above analysis depicts a generally stable economic setting for the Heights at Brady Square I market area within the broader City of Richmond economy. Employment levels within the City of Richmond recovered fully from pandemic-related losses by 2023 and continued to expand through 2024, with at-place employment reaching 165,947 jobs, representing a net gain of 7,153 positions compared with 2019. Recent gains have been driven by growth across health care, professional and technical services, administrative and business services, and real estate, reflecting the City's role as a regional center for institutional, professional, and business activity.

Government employment, health care, and professional services collectively represent a significant and stabilizing component of the market area's employment base. The City's concentration of major institutional employers, including VCU Health, Virginia Commonwealth University, and state government agencies, provides a durable foundation for ongoing economic activity. WARN notice activity over the 2025 to early 2026 period, totaling approximately 806 announced job losses, remains modest relative to broader employment gains and does not appear to materially alter overall labor market conditions.

The market area's commuting pattern is consistent with Richmond's role as a regional employment center. Approximately 76.7 percent of workers commute less than 30 minutes, suggesting that many residents are employed within the City or in nearby jurisdictions, and that local employment conditions are directly relevant to housing demand. As a result, continued employment growth and low unemployment, which stood at 3.2 percent in 2024, support population retention and household formation within the market area.

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 12,000 residents, with the population projected to reach 86,166 by 2031. Household formation has outpaced population growth as average household size has declined, and the market area is expected to add approximately 240 households annually between 2026 and 2031.

A defining structural trend within the market area is the sustained shift toward renter occupancy. All net household growth between 2010 and 2020 occurred within the rental sector, as owner-occupied households declined modestly in absolute terms over the decade. By 2026, renter households are projected to account for 66.6 percent of all households, a share that is expected to remain stable through 2031. This pattern underscores the central role of rental housing in accommodating household growth and points to ongoing demand for affordable rental options.

Demographic projections show a modest decline among income-qualified renter households at 60% of AMI, with the total expected to decrease from 4,576 households in 2026 to 4,413 households in 2031. This pattern reflects a gradual shift in the renter income distribution toward higher-income levels rather than a reduction in overall rental demand or in the need for moderate-income housing. The target income group continues to represent more than one in six renter households throughout the projection period, constituting a substantial and persistent segment of the market.

Evidence of unmet affordability need further supports demand for income-restricted rental housing. Census data show that 41.6 percent of renter households in the market area spend more than 35 percent of their income on housing costs. An additional 6.5 percent of renter households reside in substandard housing, a rate nearly three times that observed among owner-occupied households, reflecting capacity constraints in the lower-priced rental stock.

The following Demand Analysis section examines these supply and demand dynamics in greater detail, quantifying income-qualified renter household growth, competitive inventory conditions, 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 under-construction income-restricted rental developments within the defined market area that are expected to compete with Heights at Brady Square I. For this analysis, competitive properties are defined as financed developments offering similar affordability levels and comparable bedroom configurations. To provide a conservative assessment of future competition, the competitive pipeline also includes the remaining planned phases of the Heights at Brady Square development.

Research included interviews with planning staff from the City of Richmond, a review of local planning and zoning documents, recent media reports, Virginia Housing 9% and 4% LIHTC application materials, and prior S. Patz & Associates studies. Developers were contacted, when possible, to confirm unit counts, development timing, and current project status.

Table 24 summarizes the competitive pipeline within the market area. Consistent with this conservative approach, the pipeline includes the remaining phases of Heights at Brady Square in addition to other planned and under-construction developments. The pipeline includes 16 developments totaling 1,971 units, of which 1,476 units are considered directly competitive. Directly competitive units are those without project-based vouchers, restricted to 60% of AMI, and with bedroom types comparable to Heights at Brady Square I.

Planned supply is concentrated at the 60% of AMI level, accounting for 1,623 units, or over 82 percent of all pipeline units. In addition, the pipeline includes 149 units supported by project-based vouchers, as well as limited numbers of units at other affordability levels, including 13 units at 30% of AMI, five units at 40% of AMI, 28 units at 50% of AMI, 135 units at 70% of AMI, and 18 units at 80% of AMI. Units supported by project-based vouchers are less directly competitive because eligibility and leasing processes differ, and tenant-paid rents follow voucher program rules rather than the standard LIHTC rent structure.

Table 24: Competitive Apartment Pipeline — The Heights at Brady Square I Market Area (March 2026)

	Map G Key	PBV	30% of AMI	40% of AMI	50% of AMI	60% of AMI	70% of AMI	80% of AMI	Total Units	Competitive Units
Warwick at Founders Creek ¹	1	0	0	0	0	216	0	0	216	216
Spur Line Lofts ²	2	0	0	0	0	127	0	0	127	127
700 West 44 9% ³	3	18	8	5	12	29	0	0	72	29
700 West 44 4% ⁴	3	18	0	0	0	54	0	0	72	54
Swansboro Place ⁵	4	0	0	0	0	90	0	0	90	90
View at Belle Isle ⁶	5	0	0	0	0	116	0	0	116	116
Afton Avenue Apartments ⁷	6	0	0	0	0	150	0	0	150	122
Heights at Brady Square II ⁸	--	0	0	0	0	66	0	0	66	66
Heights at Brady Square III ⁸	--	0	0	0	0	66	0	0	66	66
Heights at Brady Square IV ⁸	--	0	0	0	0	66	0	0	66	66
Lynhaven Ridge ⁹	7	5	5	0	16	6	0	18	50	6
Noon Hioaks Lofts ¹⁰	8	0	0	0	0	151	0	0	151	151
Semmes Flats ¹¹	9	46	0	0	0	65	135	0	246	65
1401-1407 Hull Street ¹²	10	0	0	0	0	60	0	0	60	60
1501-1511 Hull Street ¹³	11	0	0	0	0	112	0	0	112	112
101 W Commerce ¹⁴	12	0	0	0	0	77	0	0	77	9
Joyfield at School Road ¹⁵	13	62	0	0	0	172	0	0	234	121
Total		149	13	5	28	1,623	135	18	1,971	1,476

1 1BR (54 60% of AMI); 2BR (108 60% of AMI); 3BR (54 60% of AMI)

2 1BR (112 60% of AMI); 2BR (15 60% of AMI)

3 1BR (11 PBV, 1 30% of AMI); 2BR (5 30% of AMI, 5 40% of AMI, 12 50% of AMI, 23 60% of AMI); 3BR (7 PBV, 2 30% of AMI, 6 60% of AMI)

4 1BR (24 60% of AMI); 2BR (24 60% of AMI); 3BR (18 PBV, 6 60% of AMI)

5 1BR (58 60% of AMI); 2BR (24 60% of AMI); 3BR (8 60% of AMI)

6 1BR (85 60% of AMI); 2BR (31 60% of AMI)

7 0BR (28 60% of AMI); 1BR (86 60% of AMI); 2BR (33 60% of AMI); 3BR (3 60% of AMI)

8 1BR (13 60% of AMI); 2BR (40 60% of AMI); 3BR (13 60% of AMI)

9 2BR (5 PBV, 5 30% of AMI, 10 50% of AMI); 3BR (6 50% of AMI, 6 60% of AMI, 18 80% of AMI)

10 1BR (82 60% of AMI); 2BR (69 60% of AMI)

11 1BR (11 PBV, 23 70% of AMI); 2BR (65 60% of AMI, 25 70% of AMI); 3BR (25 PBV, 77 70% of AMI); 4BR (10 PBV, 10 70% of AMI)

12 1BR (60 60% of AMI)

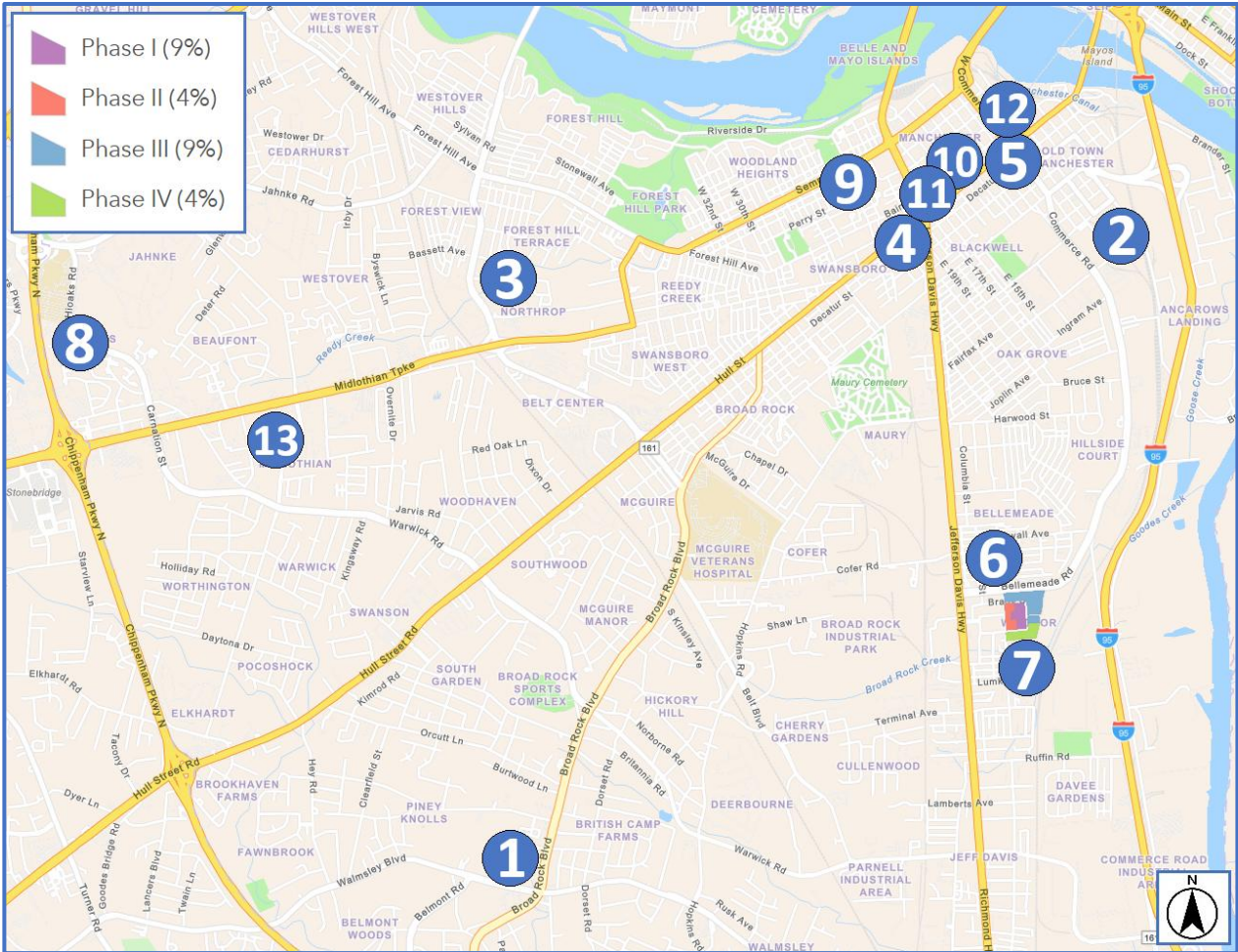
13 1BR (96 60% of AMI); 2BR (16 60% of AMI)

14 0BR (68 60% of AMI); 1BR (9 60% of AMI)

15 3BR (43 PBV, 121 60% of AMI); 4BR (19 PBV, 51 60% of AMI)

Source: S. Patz & Associates, Inc.

Map G shows the locations of each affordable pipeline development within the market area. Most projects are clustered in and around the Historic Manchester neighborhood near the James River. Afton Avenue Apartments and Lynhaven Ridge are the only pipeline developments located near Heights at Brady Square I and therefore represent the most relevant nearby competitive additions.



Map G - Locations of Pipeline Apartments

The following profiles summarize each affordable rental development included in the competitive pipeline. Information reflects current plans and construction status based on available public sources and developer interviews.

- Warwick at Founders Creek:** This project involves the new construction of a 216-unit affordable apartment community at 4850 Walmsley Boulevard. The development is part of a larger master plan that will also include 128 additional affordable age-restricted units (not included in **Table 24**). The property will consist of nine garden-style buildings with a mix of 54 one-bedroom, 108 two-bedroom, and 54 three-bedroom units, all restricted to 60% of AMI. Planned amenities include a clubhouse, business center, fitness center, and outdoor swimming pool. Construction is underway, with initial occupancy expected in March or April 2026.

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- **Spur Line Lofts:** Construction is underway on this mixed-use development at 1021 E 4th Street. The project will include 127 market-rate units, 127 LIHTC units (112 one-bedroom units and 15 two-bedroom units), 45 artist studios, three live-work units, and a 20,000-square-foot elder care facility. All LIHTC units are restricted to 60% of AMI. Amenities will include a swimming pool, volleyball and bocce courts, a dog park, a fitness center, and a clubhouse.
 - **700 West 44:** This development, located at 700 West 44th Street, includes 144 affordable units, split between 4% and 9% LIHTC financing. Of the total, 36 units will receive project-based vouchers, eight will be restricted to 30% of AMI, five to 40% of AMI, 12 to 50% of AMI, and 83 to 60% of AMI. The unit mix includes 36 one-bedroom, 69 two-bedroom, and 39 three-bedroom units, ranging from 705 to 1,113 square feet. Planned amenities include a fitness center, a clubhouse with a business center, an outdoor grilling area, and a swimming pool. Construction is underway.
 - **Swansboro Place:** Construction is underway on this 90-unit general occupancy community at 2006 Hull Street, serving households earning up to 60% of AMI. The development will consist of two four-story, elevator-served buildings with a mix of 58 one-bedroom, 24 two-bedroom, and eight three-bedroom units. Planned amenities include a clubhouse and outdoor grilling area.
 - **The View at Belle Isle:** This development includes 116 affordable units at 812 Hull Street, all restricted to 60% of AMI. The unit mix includes 85 one-bedroom units (500 to 650 square feet) and 31 two-bedroom units (approximately 856 square feet). Planned amenities include a fitness center, bicycle storage, and covered parking. Construction is underway.
 - **Afton Avenue Apartments:** Construction is underway on this 150-unit community at 2400 Afton Avenue, all restricted to 60% of AMI. The unit mix includes 28 studio, 86 one-bedroom, 33 two-bedroom, and three three-bedroom units. Unit sizes range from 472 to 1,205 square feet. The development will consist of a single four-story, elevator-served building with a clubhouse and fitness center.
 - **The Heights at Brady Square II, III, & IV:** Construction is currently on hold; however, the remaining phases are expected to move forward contingent upon the successful development of Heights at Brady Square I. Each of these phases will contain 66 units, all restricted to 60% of AMI. Unit sizes include one-bedroom units at 532 square feet, two-bedroom units ranging from 788 to 800 square feet, and three-bedroom units ranging from 912 to 962 square feet. Each phase is planned to include 13 one-bedroom, 40 two-bedroom, and 13 three-bedroom units. If construction resumes as anticipated, initial occupancy is projected for early 2027.

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- **Lynhaven Ridge:** Construction is underway and approximately 30 percent complete on this 50-unit development at 2510 Lynhaven Avenue. The income mix includes five units supported by project-based rental assistance through Richmond Behavioral Health Authority, five units at 30% of AMI, 16 units at 50% of AMI, six units at 60% of AMI, and 18 units at 80% of AMI. The property will consist of a single three-story, elevator-served building with a multipurpose room and laundry facilities.
 - **Noon Hioaks Lofts:** Construction is underway on this 151-unit community at 475 Hioaks Road, adjacent to Noon Hioaks Phase I. The development will include 82 one-bedroom and 69 two-bedroom units, all restricted to 60% of AMI. Residents will have access to amenities at the adjacent Phase I property, including a swimming pool, fitness center, clubroom, dog park, and EV charging stations. The project is financed with 4% LIHTC.
 - **Semmes Flats:** This proposed 246-unit LIHTC and PBRA development at 2201 McDonough Street will include 34 one-bedroom, 90 two-bedroom, 102 three-bedroom, and 20 four-bedroom units. Within the total, 46 units will receive project-based vouchers, 65 units will be restricted to 60% of AMI, and 135 units will be restricted to 70% of AMI. Planned amenities include a clubhouse, fitness room, playground, on-site management, maintenance, and common area Wi-Fi. Site work began in early 2026.
 - **1401-1407 Hull Street:** Demolition has begun, with construction expected to start in March 2026 on this 60-unit community. All units will be 567-square-foot one-bedroom units restricted to 60% of AMI. The development will consist of a single five-story, elevator-served building with no on-site amenities planned.
 - **1501-1511 Hull Street:** Demolition has begun, with construction expected to start in March 2026 on this 112-unit development. The unit mix will include 96 one-bedroom units (567 square feet) and 16 two-bedroom units (870 square feet), all restricted to 60% of AMI. No on-site amenities are planned.
 - **101 West Commerce Road:** This project involves the adaptive reuse of an existing building into a 77-unit community. The unit mix includes 68 studio units and nine one-bedroom units, all restricted to 60% of AMI. Planned amenities include a clubroom, business center, and laundry facilities. Construction is expected to begin in May 2026.
 - **Joyfield at School Road:** This proposal includes 234 units, consisting of 62 three- and four-bedroom units supported by project-based vouchers and 172 units restricted to 60% of AMI (121 three-bedroom and 51 four-bedroom units). Three-bedroom units will measure approximately 1,602 square feet, and four-bedroom units approximately 1,836 square feet. The development will consist of 25 three-story townhome buildings and a community center with fitness, business, and recreational space. In November 2025, the Richmond

City Council approved the issuance of up to \$45 million in multifamily housing revenue bonds to support acquisition, construction, and development of the project.

The following photographs document the current construction status of select pipeline developments described above, as well as the subject site (Heights at Brady Square I). The images confirm that vertical construction is well underway at Warwick at Founders Creek, Spur Line Lofts, 700 West 44th Street, Swansboro Place, The View at Belle Isle, Afton Avenue Apartments, and Heights at Brady Square I.

Construction at Lynhaven Ridge is approximately 30 percent complete. Site work has begun at Noon Hioaks Lofts, Semmes Flats, 1401-1407 Hull Street, and 1501-1511 Hull Street. Construction has not yet started at 101 West Commerce Road and Joyfield at School Road.



Warwick at Founders Creek



Spur Line Lofts



700 West 44



Swansboro Place



View at Belle Isle



Afton Avenue Apartments



Heights at Brady Square



Lynhaven Ridge



Noon Hioaks Lofts



Semmes Flats



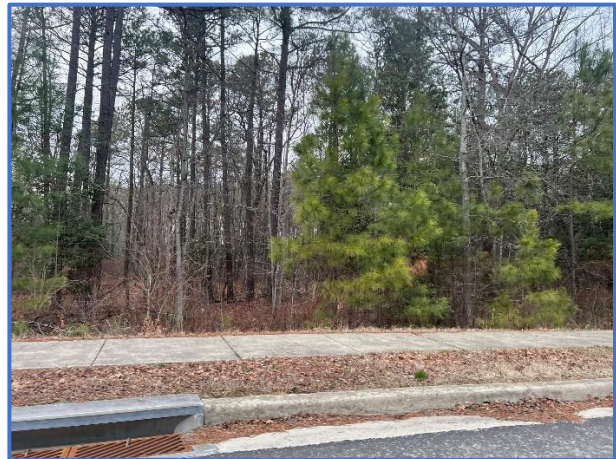
1401-1407 Hull Street



1501-1511 Hull Street



101 W Commerce



Joyfield at School Road

VI.1.b: Net Rent Evaluation

Tables 19, 20, and 21 show that The Heights at Brady Square I's proposed rents are positioned near the overall competitive averages in absolute dollar terms, though that relationship changes when rents are evaluated on a per-square-foot basis.

On a net rent basis (Table 19), the proposed one-bedroom rent of \$1,110 is essentially at the overall competitive average of \$1,114, while the proposed two-bedroom rent of \$1,327 exceeds the competitive average of \$1,253 by \$74. The proposed three-bedroom rent of \$1,440 falls modestly below the competitive average of \$1,493. Relative to the newer LIHTC subset, the proposed one-bedroom rent is below the corresponding average of \$1,133, the proposed two-bedroom rent is slightly above the corresponding average of \$1,311, and the three-bedroom rent sits just below the newer LIHTC average of \$1,492.

When rents are evaluated on a size-adjusted basis (Table 20), the project trends toward the upper end of the competitive range. The proposed one-bedroom rent of \$1.90 per square foot exceeds both the newer LIHTC average of \$1.68 and the overall competitive average of \$1.72, though it remains below the mature LIHTC average of \$2.09. The two-bedroom rent of \$1.68 per square foot is above the newer LIHTC average of \$1.43, the mature LIHTC average of \$1.32, and the overall competitive average of \$1.39. The proposed three-bedroom range of \$1.53 to \$1.54 per square foot also exceeds the newer LIHTC average of \$1.20, the mature LIHTC average of \$1.47, and the overall competitive average of \$1.29.

This pattern largely reflects unit size. As shown in Table 21, The Heights at Brady Square I's one-bedroom units at 583 square feet, two-bedroom units at 788 square feet, and three-bedroom units ranging from 934 to 939 square feet are all below the overall competitive averages of 662, 947, and 1,217 square feet, respectively, and below the newer LIHTC averages of 681, 971, and 1,281 square feet. Smaller floor plans generally produce higher per-square-foot ratios at comparable rent levels, and this dynamic explains much of the differential observed in Table 20.

Considered alongside the property's inclusion of in-unit washers and dryers, which are also offered at several newer LIHTC properties, the proposed rents appear reasonable within the surveyed market. In absolute dollar terms, the rents generally track the competitive averages, while the higher per-square-foot figures largely reflect the project's smaller unit sizes.

VI.1.c: Unit Size and Mix Evaluation

Table 21 shows that The Heights at Brady Square I's proposed unit sizes are below the competitive averages across all bedroom types. One-bedroom units at 583 square feet compare with a competitive average of 662 square feet and a newer LIHTC average of 681 square feet. Two-bedroom units at 788 square feet fall below the competitive average of 947 square feet and the newer LIHTC average of 971 square feet. Three-bedroom units, ranging from 934 to 939 square feet, are similarly below the competitive average of 1,217 square feet and the newer LIHTC average of 1,281 square feet.

While these floor plans are more modest in size than much of the competitive inventory, they are more closely aligned with the mature LIHTC properties surveyed than with the newer LIHTC subset. Mature LIHTC properties average 569, 895, and 1,024 square feet for one-, two-, and three-bedroom units, respectively. This comparison suggests that, on a size basis, The Heights at Brady Square I is positioned closer to the older segment of the market. At the same time, its newer construction and in-unit washers and dryers are more comparable to the newer LIHTC properties.

As discussed in the net rent evaluation, the smaller floor plans at The Heights at Brady Square I produce above-average per-square-foot rents relative to the competitive set, even where absolute rents are at or below competitive averages. This distinction is relevant to competitive positioning, though it does not necessarily mean the units are less affordable in monthly cost terms. Rather, prospective renters will generally pay market-supported monthly rents for units that offer less space than most competing properties. The inclusion of in-unit washers and dryers and the property's newer construction help offset this consideration, but floor plan sizing remains a relevant factor in assessing the property's competitive positioning.

VI.1.d: Penetration Rate Analysis

For this analysis, the penetration rate is defined as the share of income-eligible renter households within the market area that would be required to occupy units at The Heights at Brady Square I, together with units in existing and proposed competitive communities. This measure evaluates the market area's capacity to absorb the combined supply of directly comparable units.

As shown in **Table 25**, the market area contains an estimated 4,413 income-eligible renter households, with target market incomes ranging from \$44,400 to \$68,100. The total comparable inventory includes 66 proposed units at The Heights at Brady Square I, 1,708 existing competitive units, and 1,476 proposed competitive units, for a combined inventory of 3,250 units. When compared to the income-qualified renter household base, the resulting penetration rate is 73.6 percent.

At first consideration, this figure appears elevated. However, the calculation is conservative in several important respects, and those factors support the market area's ability to absorb the proposed development.

Most importantly, the penetration rate compares the full comparable inventory to a narrow measure of current income-qualified renter households within the market area. It does not account for demand from renter households moving into the market area from outside its boundaries, from existing homeowners who may shift to renting, or from households that are doubled up, overcrowded, or living in units that no longer meet their needs. As a result, the 4,413-household base understates the full pool of potential renters who could support the proposed development and the broader competitive inventory.

The calculation is also conservative because it assumes all counted units compete equally for the same households. In practice, direct substitutability is more limited. Differences in location, bedroom mix, townhouse versus conventional apartment design, age, condition, amenities, and overall product appeal reduce the extent to which all existing and proposed units

draw from one identical renter pool. In that context, the 66 units proposed at The Heights at Brady Square I represent just 2.0 percent of the total 3,250-unit inventory included in the penetration rate.

In addition, several mature LIHTC properties report rents that are materially below most 60% of AMI rent levels. Those properties are therefore likely to attract some lower-income households than the subject and many newer LIHTC communities, reducing the degree to which they function as fully interchangeable alternatives. Similarly, to the extent voucher holders occupy some portion of the competitive inventory, those units may be serving households whose effective purchasing power is supported by rental assistance rather than by incomes falling within the target band used in this analysis. This further suggests that the penetration rate overstates the degree of direct competition among all counted units.

The estimate also does not fully capture demand from households larger than four persons. Given the townhouse design and three-bedroom configuration proposed at The Heights at Brady Square I, the development may appeal to some larger households whose housing needs are not as well served by other properties in the market area. To the extent those households fall outside the standard household-size assumptions used in the income qualification framework, their potential demand is not fully reflected in the penetration rate calculation.

Finally, the inventory side of the analysis is conservative because it counts all proposed competitive units as though they will be delivered as projected and will compete during the same general leasing period. In practice, some developments may be delayed, phased, modified, or absorbed over different timeframes, which would lessen near-term competitive pressure on the subject property.

Taken together, these factors suggest that the 73.6 percent penetration rate likely overstates the degree of direct competition facing The Heights at Brady Square I. While the figure warrants consideration, it does not, by itself, undermine the market area's capacity to support the proposed development at stabilized occupancy.

**Table 25: Penetration Rate Analysis —
The Heights at Brady Square I Market Area**

	Total
Target Market Incomes	\$44,400-\$68,100
Income-Eligible Renter Households	4,413
The Heights at Brady Square I	66
Existing Competitive Units	1,708
Proposed Competitive Units	<u>1,476</u>
<i>Total Inventory</i>	<i>3,250</i>
Penetration Rate	73.6%
<i>Source: Ribbon Demographics; S. Patz & Associates, Inc.</i>	

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

As shown in **Table 26**, total gross demand for income-restricted rental housing at up to 60% of AMI is estimated at 2,037 households. This estimate is derived from the following components.

- **New Renter Households:** Projected demographic trends show a modest decline in renter households within the target income band between 2026 and 2031. As reflected in **Table 26**, this component contributes negative demand of 163 households, indicating that household growth alone is not a source of demand within the target income range over the projection period.
- **Rent Overburdened Households:** The largest component of demand is generated by existing renter households paying more than 35 percent of income toward housing costs. As shown in **Table 26**, this component contributes 1,903 households to total demand, reflecting substantial affordability pressures within the market area.

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- **Renter Households in Substandard Housing:** Additional demand is attributable to renter households living in substandard housing conditions. This component contributes 297 households to total demand.
 - **Elderly Households Likely to Convert to Rental Housing:** Because Heights at Brady Square I is proposed as a general-occupancy development, no demand is attributed to elderly homeowner conversion.
 - **Existing Qualifying Tenants to Remain After Renovation:** Because the development represents new construction rather than rehabilitation, no demand is attributed to tenants remaining after renovation.

After accounting for all demand components, total gross demand equals 2,037 households within the target income band. Existing competitive vacant units, totaling 99 across all properties, including the 14 units at Townhomes at Liberty Place currently in initial lease-up, and anticipated pipeline supply of 1,476 units together total 1,575 units. After subtracting this supply, net demand equals 462 units. Heights at Brady Square I is proposed for 66 income-restricted units at up to 60% of AMI, representing a capture rate of 14.3 percent of identified net demand.

Based on this relationship between net demand and proposed supply, the development is projected to achieve an absorption period of approximately six months, assuming an average lease-up pace of roughly 11 units per month.

Recent LIHTC deliveries in the market area have leased at significantly faster rates. For example, Noon Hioaks absorbed approximately 31 units per month, Urbana at Hioaks leased at roughly 18 units per month, and several other recent developments achieved lease-up rates between 22 and 35 units per month during initial occupancy periods.

The absorption estimate for Heights at Brady Square I is intentionally more conservative. A substantial volume of additional income-restricted housing is expected to deliver during the projection period, including multiple developments in the active pipeline. As a result, the six-month absorption assumption reflects the anticipated impact of increased competitive supply entering the market, rather than assuming lease-up conditions consistent with earlier deliveries that occurred under less competitive conditions.

Taken together, the Virginia Housing demand analysis demonstrates that the proposed development represents a modest share of identified net demand and that sufficient support exists to absorb the proposed units within a reasonable lease-up period.

Table 26: Virginia Housing Demand Table	
	<u>Up to 60% of AMI</u>
New Rental Households	-163
PLUS	
Existing Households - Overburdened	1,903
PLUS	
Existing Households - Substandard Housing	297
PLUS	
Elderly Households-Likely to Convert to Rental Housing	0
PLUS	
Existing Qualifying Tenants – to Remain After Renovation	<u>0</u>
Total Demand	2,037
MINUS	
Supply (Vacant and Pipeline Units)	1,575
EQUALS	
Net Demand	462
Proposed Units	66
Capture Rate	14.3%
Absorption Period (in months)	6

The Virginia Housing capture rate table below indicates a project-wide capture rate of 14.3 percent and a six-month lease-up period.

Table 27: Virginia Housing Capture Rate Table	
Project Wide Capture Rate – LIHTC Units	14.3%
Project Wide Capture Rate – Market Rate Units	--
Project Wide Capture Rate – All Units	14.3%
Project Wide Absorption Rate (Months)	6

Market Analyst Disclosure

I affirm the following:

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

Ariel Goldring

Market Analyst

March 9, 2026

Date

Data Sources

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

- City of Richmond
- Greater Richmond Transit Company (GRTC)
- Management of each rental property surveyed
- Marlyn Development Corporation
- Ribbon Demographics
- Sponsors of each pipeline apartment proposal
- U.S. Census Bureau Building Permits Survey
- U.S. Census Bureau, ACS 2024 (5-Year Estimates)
- U.S. Census Bureau, Decennial Census
- U.S. Department of Housing and Urban Development (HUD)
- United States Department of Labor, Bureau of Labor Statistics
- Virginia Economic Development Partnership
- Virginia Employment Commission
- Virginia Housing

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.

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- **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.