



REAL PROPERTY **RESEARCH** GROUP  
ATLANTA ■ WASHINGTON/BALTIMORE

## Market Feasibility Analysis

# Bealeton Townhomes

Bealeton, Fauquier County, Virginia

Prepared for:

RST Development, LLC

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## EXECUTIVE SUMMARY

Real Property Research Group, Inc. (RPRG) has been retained by RST Development, LLC to conduct a market feasibility study for Bealeton Townhomes, a proposed new construction townhome rental community to be located at 11114 Marsh Road/US-17 in Fauquier County, Virginia. The rental community will offer 160 units in two-story, three-bedroom, garage townhomes with associated community amenities and common areas. All units will be income-restricted to 50 percent, 60 percent, or 80 percent of the Area Median Income (AMI).

This analysis has been conducted and formatted in accordance with the 2024 Market Study Guidelines of Virginia Housing and the guidelines of the National Council of Housing Market Analysts (NCHMA). The intended use of this report is to accompany applications to Virginia Housing for Low-Income Housing Tax Credits.

The following summarizes the subject's project's proposed unit distribution, average unit sizes, net rents, utility allowances, and income targeting:

Unit Mix/Rents								LIHTC Gross Max
# Bed	# Bath	AMI	Quantity	Net SF	Contract Rent	Utility Allowance	Gross Rent	
3	2.5	50%	48	1,650	\$1,785	\$226	\$2,011	\$2,011
3	2.5	60%	88	1,650	\$2,187	\$226	\$2,413	\$2,413
3	2.5	80%	24	1,650	\$2,521	\$226	\$2,747	\$2,979
<b>3BR Total/Avg</b>			<b>160</b>	<b>1,650</b>	<b>\$2,117</b>		<b>\$2,343</b>	

Contract Rents include trash removal costs

Source: RST Development, LLC

Based on our research, including a site visit on August 12, 2024, we arrived at the following findings:

**Site and Neighborhood Analysis:** The subject site is appropriate for the development of a general occupancy, affordable rental community. The area offers good access to retail amenities, local and regional thoroughfares, and neighborhood services.

- The subject is located adjacent to Bealeton's retail node with grocery, restaurant, convenience store, and service entities just east of the subject site across US-17 within one-quarter mile. Additionally, a retail strip center is located west of US-17 adjacent to the subject's entrance and grocery-anchored retail is planned within Mintbrook roughly three-quarters of mile north of the subject site.
- The subject fronts US-17 and VA-28 which provide access to national brand retail, employment opportunities, and two hospitals within 18 miles in Warrenton to the North and Culpeper to the southwest.
- Considerable investments are planned or currently underway in the subject's surrounding area, including data centers, solar facilities, public improvements, and mixed-use developments.

**Economic Analysis:** Fauquier County has a relatively stable, diverse economy with average annual unemployment rates consistently below the state and national rates and relatively steady job growth prior to the COVID-19 pandemic. Following impacts from the pandemic, the region has steadily recovered, with recent job growth replacing all jobs lost since the pandemic.

- The county's total labor force expanded from 2012 to 2019, adding five percent or 1,800 workers reaching 37,773 in 2019; the number of unemployed workers declined by roughly half

- from 1,813 in 2012 to 908 in 2019. In 2020, the labor force declined by 3.5 percent, while the number of unemployed workers nearly doubled to 1,769. Since then, the employed portion of the labor force increased by more than 3,100 or nine percent and the number of unemployed workers fell to 915 by June 2024, a decrease of more than 850 or 48 percent since 2020.
- Prior to the COVID-19 pandemic, the county's 2019 unemployment rate was 2.4 percent, lower than the state's 2.8 percent and national rate of 3.7 percent. At the onset of the pandemic in 2020, the local unemployment rate spiked 4.9 percent, lower than the state (6.4 percent) and nation (8.1 percent). Since then, the county's unemployment rate dropped in 2021 and 2022, remained steady in 2023, and settled at a monthly average of 2.4 percent through June 2024, lower than the state and national averages of 2.7 and 3.8 percent, respectively, and matching the county's pre-pandemic 2019 annual rate.
  - Between 2011 and 2019, the region added a net of 2,104 jobs or roughly ten percent. In 2019, the city's At-Place Employment level stood at 22,250 before losing 880 jobs or 4.0 percent in 2020 due to impacts of the pandemic. Since then, the county added 441 jobs in 2021, 541 jobs in 2022, and 576 jobs in 2023 more than replacing all of the jobs lost in 2020.
  - Fauquier County has a relatively diverse economy with four industry sectors comprising at least 12 percent of the region's employment base including Government accounting for 19.0 percent of county jobs, Trade-Transportation-Utilities accounting for 16.7 percent of jobs, Education-Health accounting for 13.3 percent, and Professional-Business accounting for 12.0 percent. The Leisure-Hospitality and Construction sectors are also each relatively significant in Fauquier County as each account for roughly 11 percent of jobs, roughly matching the national Leisure-hospitality sector and more than doubling the national Construction sector.

**Population and Household Trends:** The Bealeton Market Area had strong household growth over the past 14 years. Household growth is projected to continue over the next five years.

- The market area gained 17,800 net people (16.5 percent) and 6,031 households (16.2 percent) between 2010 and 2024. This equates to annual growth rates of 1.2 percent among both population and households.
- Growth in the market area is projected to moderate over the next five years with the net addition of 7,390 people (5.9 percent) and 3,194 households (7.4 percent) from 2024 to 2029; annual growth over this period is projected at 1,478 people (1.2 percent) and 639 households (1.5 percent). The Bealeton Market Area will have 132,759 people and 46,444 households by 2029.

**Demographic and Income Analysis:** Households within the market area have a lower propensity to rent and lower median incomes compared to the region as a whole.

- The median age of the Bealeton Market Area population is 40, slightly older than the Tri-County Region median of 37. Adults aged 35 to 61 comprise 36.6 percent of the market area population while children and youth aged 19 and under comprise 24.9 percent. Young adults aged 20 to 34 make up roughly 16.6 percent of the market area and seniors aged 62+ comprise 21.9 percent.
- As of the 2020 Census, approximately half (50.5 percent) of households in the Bealeton Market Area were multi-person households without children, compared to 42.2 percent regionwide. Households with children represented 30.9 percent of households in the Bealeton Market Area compared to a greater 40.5 percent in the region.
- Roughly 17 percent of households in the Bealeton Market Area are renters as of 2024, lower than the regionwide proportion of 23.1 percent. Renter households accounted for just 1.2 percent of net household growth in the market area over the past 14 years. RPRG projects renters to account for 16.6 percent of net household growth through 2029.





- Approximately 24 percent of renter households in the Bealeton Market Area and 29 percent in the Tri-County Region are young renters under age 35. Meanwhile, roughly 56 percent of renter households in the market area are adults aged 35 to 64, compared to 57 percent in the region. More than 41 percent of market area renter households have three or more persons and another 26.4 percent have two persons.
- The Bealeton Market Area's 2024 median income of \$139,581 is 14 percent lower than the regionwide median household income of \$161,877. The median income of renters in the Bealeton Market Area as of 2024 is \$98,439, roughly 66 percent of the median income of owner households (\$149,589). Approximately 14 percent of market area renter households have incomes of less than \$35,000, while another 23.4 percent have incomes between \$35,000 and \$75,000. Roughly 13 percent of renter households in the market area earn from \$75,000 to \$99,999, 25.7 percent earn from \$100,000 to \$149,999, and 23.5 percent earn \$150,000 or more.
- Roughly 33 percent of all renter households residing in the Bealeton Market Area have rent burdens of 35 percent or higher, and 28.1 percent of all renter households have rent burdens of 40 percent or higher.

**Competitive Housing Analysis:** The existing rental inventory of the Bealeton Market Area is performing well with very low vacancy rates among all price points .

- The multi-family rental housing stock is moderately aged with the market area average year built of 1989. Of the seven surveyed market area communities, the newest is The Villages at Goose Pond, a townhome community built in 2014 and 2015. Market rate communities are older with an average year built of 1987 compared to 1992 among LIHTC communities. Surveyed Near Market communities have placed in service dates from 2005 to 2013.
- As of our survey, just six of 528 units in the market area were reported vacant for a very low rate of 1.1 percent. Only two vacancies were reported among the 390 units at LIHTC communities, representing a very low vacancy rate of 0.5 percent.
- The effective rents for market rate one-bedroom units in the market area average \$1,275 (\$1.97 per square foot); the two-bedroom units average \$1,412 (\$1.53 per square foot); and three-bedroom units average \$1,771 (\$1.25 per square foot).
- The effective rents for Near Market one-bedroom apartments average \$2,242 (\$2.56 per square foot); two-bedroom units average \$2,605 (\$2.21 per square foot); and three-bedroom units average \$2,949 (\$2.09 per square foot).
- Among the LIHTC communities in the market area:
  - **One-bedroom** LIHTC units are available at one community (Steeplechase, 60 percent AMI) for \$1,065 for 804 square feet or \$1.32 per square foot.
  - **Two-bedroom** LIHTC rents average \$1,497 for 999 square feet or \$1.50 per square foot. Two-bedroom LIHTC rents range from \$1,160 for 60 percent units at Steeplechase to \$1,675 for 60 percent units at The Aspens.
  - **Three-bedroom** LIHTC rents average \$1,842 for 1,270 square feet or \$1.45 per square foot. Three-bedroom LIHTC rents range from \$1,790 for 50 percent units at The Aspens to \$1,886 for 60 percent units at Highland Commons.
- RPRG identified two near term projects totaling 195 units expected to be placed in service in the next three years and three long term projects less likely to be placed in service during the three-year demand period. One Near Term development with 60 units will be an income restricted LIHTC community.



**Net Demand:** The results of the Net Demand analysis indicate demand for approximately 400 rental units over the next three years. Accounting for anticipated pipeline additions to the market as well as the proposed subject, the market area will have demand for roughly 60 additional rental units over the next three years. The very low vacancy throughout the market supports this estimate of demand. Additionally, we note that over two-thirds of near term pipeline units will be unrestricted market rate units that will not compete with the subject's proposed affordable product.

**Effective Demand – Affordability/Capture and Penetration:** The affordability capture rates indicate a sufficient number of income qualified renter households within the projected target market for the units proposed at Bealeton Townhomes. The capture rate for the subject is 7.1 percent among 2,240 income qualified renter households earning from \$68,949 to \$128,720. The overall renter capture rate is achievable, particularly since the proposed townhomes will be among the newest and most attractive affordable rental community within the market area. The penetration rate of 13.3 percent leaves more than 85 percent of income qualified renter households within the market area to lease lower priced or scattered site rentals or pay more than 35 percent of their income towards rent. Additionally, Given the subject will only include three-bedroom units, the capture and penetration rates when considering only larger renter households with three or more persons of 17.4 percent and 32.3 percent are achievable.

**Virginia Housing Demand Methodology:** RPRG considers the subject's capture rate to be achievable, indicating sufficient demand to absorb all 160 units at Bealeton Townhomes. Although somewhat elevated at 40.5 percent, the overall capture rate is achievable in the context of such a limited multi-family rental market as demonstrated by the low penetration rate with a clear need for additional affordable rental units as market conditions, including nearly full occupancy among tax credit communities, indicate strong demand for quality rental units targeting low and moderate-income households. Taking into consideration these factors, we have estimated a project lease-up pace of roughly 12 to 13 months for the subject, reflecting an average absorption pace of 12 units per month.

**Target Markets:** The location of the subject site will offer future residents convenient access to retail, services, and primary thoroughfares. Combining these benefits with the subject's affordable rents and proposed three-bedroom townhome units, we would expect it to attract multi-person households such as families, including those with children, married and unmarried couples, those in roommate situations, and empty nesters which income qualify for the units. The subject's proposed 50 percent, 60 percent, and 80 percent AMI units will target low to moderate-income households.

**Product Evaluation:** Considered in the context of the competitive environment, the relative position of the proposed Bealeton Townhomes is as follows:

- **Location:** The site offers commercial/retail surroundings fronting US-17 including Food Lion, Walgreens, multiple convenience shops, and other nearby retailers, eateries, and services within one-quarter mile. US-17 is a primary thoroughfare in the area providing access northward to Warrenton and to the southwest to Culpeper, including two hospitals, big box brand retail, and employment opportunities within 18 miles. The subject's location is appropriate for an affordable rental community and will be well received by the target market.
- **Structure Type:** The community is proposed to include 25 blocks of two-story townhomes. This design is appropriate for the subject site and low-density suburban surroundings, consistent with the leading market area community, Villages at Goose Pond.

- **Project Size:** The Developer has proposed 160 units, which would position the subject property as the second largest community in the market area, but much smaller than the Near Market average. The proposed community size will support an adequate amenity package, and the Net Demand estimate indicates sufficient demand to support a project of this size. The only identified multi-family rental community with a similar location to the subject in Bealeton is The Aspens, a mixed-income tax credit community which is also the largest community in the market area at 238 units. Though the subject's 160 units would represent a 30 percent expansion of the market area's total rental stock, a rolling delivery of townhome units would be appropriate and should ease concerns regarding absorption and any effects on the existing market inventory.
- **Income Targeting:** Bealeton Townhomes, as proposed, will offer 48 units at 50 percent AMI, 88 units at 60 percent AMI, and 24 units at 80 percent AMI; supporting a range of incomes from \$68,949 to \$128,720. This broad range in target income will allow the property to accommodate a relatively large household base. The capture and penetration rates demonstrate the large number of households which income qualify for a unit at the proposed subject in context of the market's limited inventory of rental stock.
- **Unit Distribution:** The 160-unit subject community is proposed to include all three-bedroom units. Market area communities include 62 percent two-bedroom units, 20 percent three-bedroom units, ten percent one-bedroom units, and eight percent four-bedroom units. Near Market communities feature a greater weighting of one-bedroom units. The subject's offering of all three-bedroom units is appropriate for the proposed two-story townhome product and surrounding lower-density exurban area. The leading market area community, Villages at Goose Pond, has historically been very successful offering only three and four-bedroom townhomes. Furthermore, the capture and penetration rates support the subject's entry into the market at the proposed distribution.
- **Unit Size:** The proposed weighted average three-bedroom unit sizes for Bealeton Townhomes are 1,650 square feet. The subject's proposed unit sizes are larger than all surveyed communities except Villages at Goose Pond, which features 2,003-square-foot three-bedroom units and 1,951-square-foot four-bedroom units. As such, the subject's proposed unit sizes will be well received by the target market and provide a marketing advantage in nearly all cases.
- **Unit Features:** Units at the subject will have Energy Star appliances including a refrigerator, oven/range, dishwasher, and built-in microwave as well as in-unit laundry. As only two tax credit communities include microwaves and only two include in-unit washer/dryers, the subject's features are at least on par with or above all of the tax credit inventory. These unit features are appropriate for the target market.
- **Common Area Amenities:** The property will have an amenity package including a standalone clubhouse with a fitness center, resident lounge, and leasing office as well as a swimming pool and sundeck area, furnished outdoor gathering spaces, grilling areas, an outdoor recreation area, pocket parks, and dog park space. These amenities are relatively well appointed for an affordable community, offering a competitive advantage in many cases, and will be well received by the target market.
- **Parking:** The subject will include an integral one-car garage with each unit as well as a short driveway. Villages at Goose Pond offers attached two-car garages with each townhome, while all other communities in the market are offer free surface parking. As such, the proposed parking arrangement is appropriate for the subject's location and structure type and will provide a marketing advantage over the bulk of rental stock in the area.

**Price Position/Rents:** The tax credit rents proposed by the developer for Bealeton Townhomes are all at or below the allowable maximums for the designated AMI levels, given the assumed utility allowance of \$226. As demonstrated in the previous Derivation of Market Rent section, the



proposed LIHTC rents offer a significant market advantage. When viewed within the context of the directly competitive rental supply, the proposed rents are reasonable and competitively positioned.

The subject's three-bedroom 50 percent AMI rents are positioned similar to 50 percent AMI units at The Aspens and below most other surveyed communities. The 60 percent AMI rents at the subject community are positioned higher than 60 percent AMI units at The Aspens and Highland Commons but lower than market rate units at Villages at Goose Pond and those of the surveyed Near Market stock. The subject's 80 percent AMI rents are positioned similar to unrestricted three and four-bedroom units at Villages at Goose Pond and below all of the contemporary surveyed Near Market stock. In terms of size, the subject's units are generally larger than all three-bedroom units, including all LIHTC units, and smaller only than units at Village at Goose Pond.

Based on our review of the site, product, and competitive environment, the proposed pricing is appropriate, allowing the subject to offer quality, modern housing to lower and moderate-income residents.

**Absorption Estimate:** Based on our analysis of household projections, employment trends, competitive market conditions, product position, pipeline activity, and proposed rents at Bealeton Townhomes, RPRG conservatively projects the 160 LIHTC units restricted to 50 percent, 60 percent, and 80 percent AMI at the subject will lease at an average of **12 units per month**. The resulting absorption period to 95 percent occupancy would be 12 to 13 months. A rolling delivery of units could be coordinated to complement the absorption pace.

**Impact on Existing Market:** RPRG does not anticipate that the construction of Bealeton Townhomes, an LIHTC community, will have a negative impact on other rental communities in the market area. Only two vacancies were reported among the market's existing LIHTC stock. Under a broader perspective, the rental market as a whole is tight, with a very low aggregate vacancy rate of 1.1 percent.

Demographic data for the market area indicates a broad base across all household incomes, suggesting a need for rental units at a broad range in price points. Given the development environment and the tendency for new communities to focus on luxury units, it is critical that the affordable rental stock continue to expand to meet the needs of low to moderate-income households in the area. Additionally, larger multi-person renter households are common in this market and likely underserved by the existing stock of rental units. The subject property will address these needs by offering quality new construction townhome units at affordable rents restricted to households earning from 50 to 80 percent AMI. Furthermore, given the demand for rental housing in this market, whatever turnover may be experienced at competitive properties, will quickly be addressed by the market.

## I. INTRODUCTION

### A. Overview of Subject

The subject of this report is the proposed development of Bealeton Townhomes, a new construction Low Income Housing Tax Credit (LIHTC) rental community at 11114 Marsh Road/US-17 in unincorporated Bealeton in Fauquier County, Virginia. The plan calls for 160 three-bedroom townhome units restricted to households earning at or below 50 percent, 60 percent, and 80 percent of the Area Median Income (AMI) (Table 1). The subject community will be financed using 4 percent Low Income Housing Tax Credits.

### B. Purpose

The purpose of this study is to perform a market feasibility report and analysis. This report examines the subject site, the economic context of the jurisdiction in which the site is located, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of net demand and effective demand (affordability/penetration analyses).

### C. Format of Report

The report format is Comprehensive. Accordingly, the market study addresses all required items set forth in the most recent Market Study Guidelines of Virginia Housing (VH). Furthermore, the market analyst has considered the recommended model content and market study index of the National Council of Housing Market Analysts (NCHMA).

### D. Client, Intended User, and Intended Use

The Client is RST Development, LLC (Developer). Along with the Client, the Intended Users are representatives of Virginia Housing (VH) and potential investors. VH is an authorized user of the market study and may rely on the representation made therein. This report is expected to be submitted to VH as part of an application for Low Income Housing Tax Credits.

### E. Applicable Requirements

This market study is intended to conform to the requirements of the National Council of Housing Market Analyst's (NCHMA) content standards and VH's 2024 Market Study Guidelines.

### F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below:

- Please refer to Appendix 4 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Timothy Weber (Senior Analyst) conducted visits to the subject site, neighborhood, and market area on August 12, 2024.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community leasing agents and property managers. We also reached out to planners within the local jurisdictions, reviewed development information on planning jurisdiction's websites, reviewed VH information regarding recent LIHTC awards, and contacted developers.

- All pertinent information obtained was incorporated in the appropriate section(s) of this report.

**Table 1 LIHTC Income and Rent Limits, Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area**

HUD 2024 Median Household Income																			
Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area					\$154,700														
Very Low Income for 4 Person Household					\$77,350														
2024 Computed Area Median Gross Income					<b>\$154,700</b>														
Utility Allowance:					3 Bedroom		\$226												
Household Income Limits by Household Size:																			
Household Size	30%		40%		50%		60%		80%		100%		120%		150%		200%		
1 Person	\$32,490		\$43,320		\$54,150		\$64,980		\$86,640		\$108,300		\$129,960		\$162,450		\$216,600		
2 Persons	\$37,140		\$49,520		\$61,900		\$74,280		\$99,040		\$123,800		\$148,560		\$185,700		\$247,600		
3 Persons	\$41,790		\$55,720		\$69,650		\$83,580		\$111,440		\$139,300		\$167,160		\$208,950		\$278,600		
4 Persons	\$46,410		\$61,880		\$77,350		\$92,820		\$123,760		\$154,700		\$185,640		\$232,050		\$309,400		
5 Persons	\$50,130		\$66,840		\$83,550		\$100,260		\$133,680		\$167,100		\$200,520		\$250,650		\$334,200		
6 Persons	\$53,850		\$71,800		\$89,750		\$107,700		\$143,600		\$179,500		\$215,400		\$269,250		\$359,000		
Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):																			
Persons	# Bed-rooms	30%		40%		50%		60%		80%		100%		120%		150%		200%	
1	0	\$32,490		\$43,320		\$54,150		\$64,980		\$86,640		\$108,300		\$129,960		\$162,450		\$216,600	
1.5	1	\$34,815		\$46,420		\$58,025		\$69,630		\$92,840		\$116,050		\$139,260		\$174,075		\$232,100	
3	2	\$41,790		\$55,720		\$69,650		\$83,580		\$111,440		\$139,300		\$167,160		\$208,950		\$278,600	
4.5	3	\$48,270		\$64,360		\$80,450		\$96,540		\$128,720		\$160,900		\$193,080		\$241,350		\$321,800	
6	4	\$53,850		\$71,800		\$89,750		\$107,700		\$143,600		\$179,500		\$215,400		\$269,250		\$359,000	
LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom):																			
# Persons	30%		40%		50%		60%		80%										
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net									
3 Bedroom	\$1,206	\$980	\$1,609	\$1,383	\$2,011	\$1,785	\$2,413	\$2,187	\$3,218	\$2,992									

Source: U.S. Department of Housing and Urban Development

## G. Report Limitations

The conclusions reached in a market assessment are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made, or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix 1 of this report.

## H. Other Pertinent Remarks

None.



## II. PROJECT DESCRIPTION

### A. Project Overview

The subject of this report is Bealeton Townhomes, a 160-unit proposed tax credit rental community that will be built using 4 percent Low Income Housing Tax Credits (LIHTCs). The subject community's location is 11114 Marsh Road (also known as US-17) near the southwest corner of Catlett Road/VA-28 in the unincorporated census-designated place of Bealeton in Fauquier County, Virginia. The community is planned to include three-bedroom units among two-story, townhome structures with integral one-car garages. The community will be restricted to households earning from 50 percent to 80 percent AMI. Applicable income and rent limits for the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area are presented in Table 1 on page 14.

### B. Project Type and Target Market

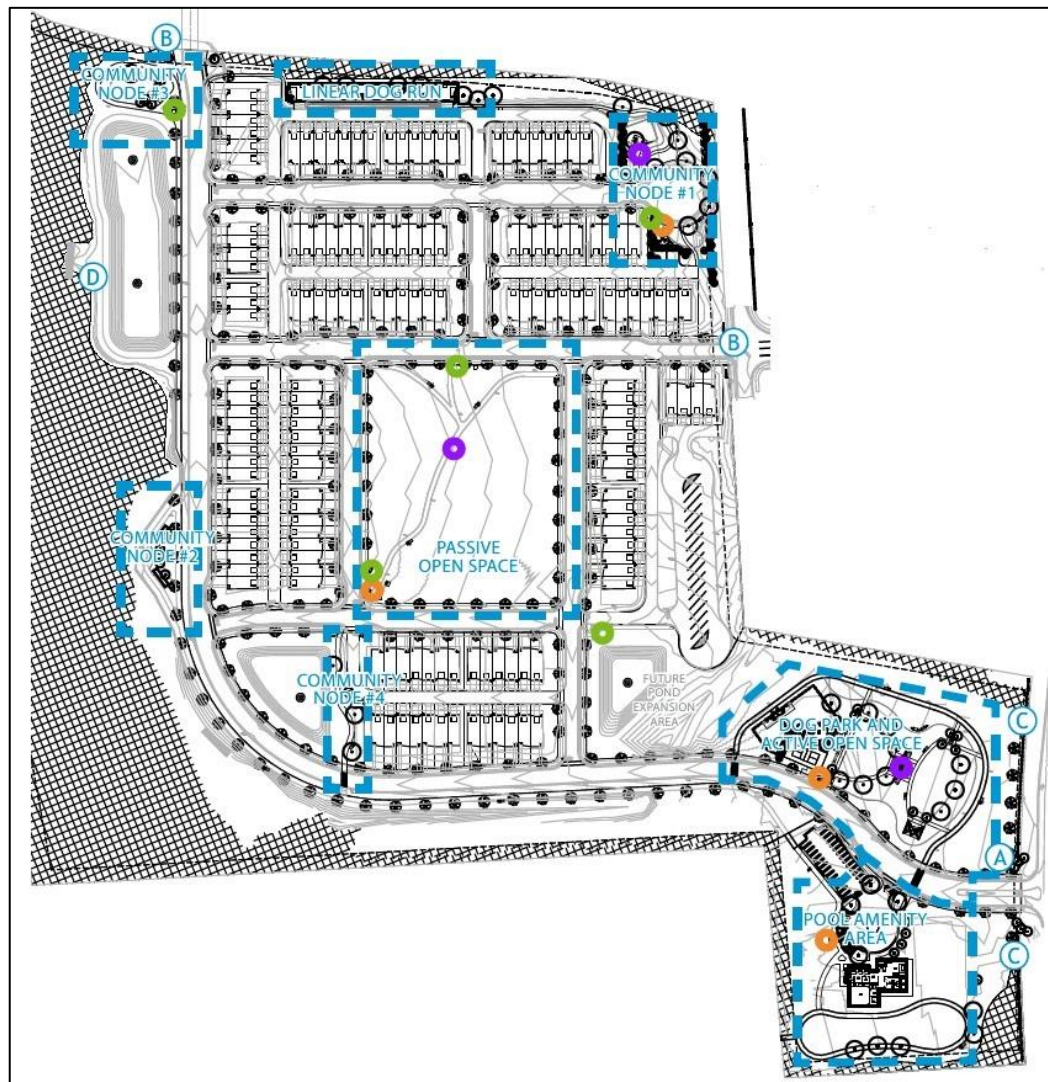
Bealeton Townhomes will include 160 general occupancy, townhome units restricted to households earning at or below 50 percent, 60 percent, or 80 percent AMI. With all three-bedroom townhome floor plans, the community will target couples (both married and unmarried), those in roommate situations, empty nesters, and families including those with children, which income qualify for the units.

### C. Building Types and Placement

The community will consist of 25 blocks of two-story townhomes with modern facades including brick and siding features (Figure 1). Each unit will include a one-car garage and short driveway on the backside, accessible via an alleyway. Units will be oriented around a central open space with pocket parks on the perimeter. A standalone clubhouse building, swimming pool and sundeck area, and outdoor recreation areas will be positioned southeast of the units near the community's primary entrance on US-17 (Figure 2).

**Figure 1**      **Rendering,**  
**Bealeton Townhomes**



**Figure 2 Site Plan, Bealeton Townhomes**


Source: RST Development, LLC

## D. Detailed Project Description

### 1. Project Description

The community will include 160 three-bedroom townhome units (Table 2). All units will be income restricted including 48 units (30 percent) at 50 percent AMI, 88 units (55 percent) at 60 percent AMI, and 24 units (15 percent) at 80 percent AMI.

All units will measure 1,650 net square feet and include two full bathrooms and one half bathroom. Unit heat will be electric, and contract rents will include the costs of trash removal. The proposed utility allowance for Bealeton Townhomes is \$226 per unit. The proposed unit features and community amenities are appropriate for an affordable community in this market (Table 3).



**Table 2 Proposed Unit Mix, Unit Sizes and Rents, Bealeton Townhomes**

Unit Mix/Rents								
# Bed	# Bath	AMI	Quantity	Net SF	Contract Rent	Utility Allowance	Gross Rent	LIHTC Gross Max
3	2.5	50%	48	1,650	\$1,785	\$226	\$2,011	\$2,011
3	2.5	60%	88	1,650	\$2,187	\$226	\$2,413	\$2,413
3	2.5	80%	24	1,650	\$2,521	\$226	\$2,747	\$2,979
<b>3BR Total/Avg</b>			<b>160</b>	<b>1,650</b>	<b>\$2,117</b>		<b>\$2,343</b>	

Contract Rents include trash removal costs

Source: RST Development, LLC

**Table 3 Unit Features and Community Amenities, Bealeton Townhomes**

Unit Features	Community Amenities
<ul style="list-style-type: none"> <li>• Energy Star appliances including: <ul style="list-style-type: none"> <li>○ Refrigerator</li> <li>○ Oven/range</li> <li>○ Dishwasher</li> <li>○ Microwave</li> </ul> </li> <li>• In-unit washer/dryer</li> <li>• Integral one-car garage</li> </ul>	<ul style="list-style-type: none"> <li>• Standalone clubhouse including: <ul style="list-style-type: none"> <li>○ Fitness center</li> <li>○ Resident lounge</li> <li>○ Leasing office</li> </ul> </li> <li>• Swimming pool and sundeck area</li> <li>• Furnished outdoor gathering spaces</li> <li>• Grilling areas</li> <li>• Outdoor recreation area</li> <li>• Large central open green space</li> <li>• Pocket parks</li> <li>• Multiple dog park/run areas</li> </ul>

Source: RST Development, LLC

## 2. Proposed Timing of Development

For the purposes of this analysis, construction is expected to begin in 2025 with the first units delivering in 2026. The community is anticipated to have a rolling delivery of blocks of units becoming available for occupancy as they are completed.

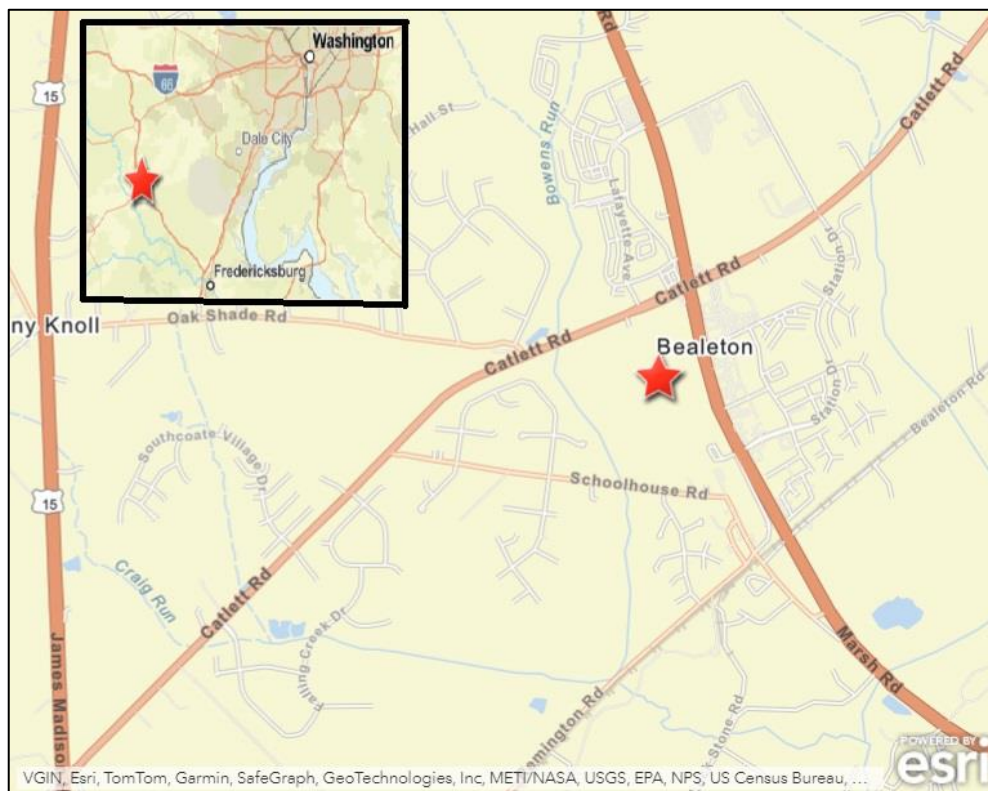
### III. SITE AND NEIGHBORHOOD ANALYSIS

#### A. Site Analysis

##### 1. Site Location

The subject site is located at 11114 Marsh Road in unincorporated Bealeton in Fauquier County, Virginia on the west side of US-17 (Marsh Road), roughly one-quarter mile south of Catlett Road/VA-28 (Map 1). From a regional perspective, the subject site is ten miles south of Warrenton, 18 miles east of Culpeper, 20 miles southwest of Manassas and the Northern Virginia metro region, and 27 miles northwest of Fredericksburg. The site is roughly 20 miles south of access to I-66 and about 25 miles west of access to I-95.

**Map 1 Site Location, Bealeton Townhomes Apartments**



##### 2. Size, Shape and Topography

The roughly 52-acre subject site is generally flat and roughly 'L' shaped (Figure 3). The site is currently used as agricultural land and includes some overgrown wooded areas; a single-family structure and associated yard encompass an approximately three-acre rectangle on the site's southeastern-most portion.

**Figure 3 Views of Subject Site****View of site facing west from US-17****View of site facing northwest from US-17****Site's eastern frontage on US-17 facing north****Entrance to existing single-family property on site's southeastern portion**

### **3. General Description of Land Uses Near the Subject Site**

The site is centrally located in Bealeton, an unincorporated, census-designated place in Fauquier County. The subject site fronts US-17, the primary north-south commercial corridor in Bealeton featuring shopping/strip center and freestanding retail properties directly to the east and north of the subject site, including a grocer. Commercial/retail development in Bealeton is somewhat limited and largely concentrated along US-17. In general, scattered residential properties and single-family subdivisions make up the majority of Bealeton giving way to rural environs further from the subject's central location. Agricultural properties, which are interspersed among the residential development nearby, encompass the most common use among properties one mile or more from the subject site in each direction. Other notable properties nearby include Cedar Lee Middle School directly south of the subject site, Liberty High and Grace Miller Elementary Schools to the northwest of the site northwest of the intersection between US-17 and VA-28, and a quarry, solar farm, and light industrial properties between one-half and 2.5 miles south of the subject site near US-17, Remington Road, and Luck Stone Road.



## Map 2 Aerial View of Site



Source: Fauquier County Tax Parcel Viewer GIS Map

### 4. Specific Identification of Land Uses Surrounding the Subject Site

The land uses surrounding the subject site, starting from the north and proceeding in a clockwise direction, are as follows (see Figure 4):

- **North:** Wooded/undeveloped land, single-family homes, a gas station, and a cemetery.
- **East:** Strip center, shopping center, and standalone retail properties.
- **South:** A single-family home and Cedar Lee Middle School.
- **West:** A stream and single-family homes.



**Figure 4 Views of Surrounding and Neighboring Land Uses**



**Wooded land north of site**



**Single-family home north of site (fronting VA-28)**



**Undeveloped property north of site**



**Exxon gas station north of site  
(southwest corner of US-17 and VA-28)**



**Cedar Grove Cemetery north of site**



**Polo Station strip center east of site**





**Compassion Animal Hospital east of site**



**US-17/Marsh Rd east of site**



**Food Lion anchored Bealeton Village Center east of site  
(east of US-17)**



**Liberty Station retail center east of site  
(east of US-17)**



**Single-family property south of site**



**Cedar Lee Middle School south of site**



Bowens Run west of site



Single-family homes on Crest Ln west of site

## B. Neighborhood Analysis

The subject site is located in Bealeton, an unincorporated area centrally positioned in Fauquier County. Bealeton has historically been a rural town in northern Virginia lacking significant concentrations of population, commercial development, and employment opportunities compared to nearby municipalities including Warrenton to the north and Culpeper to the southwest. However, regional growth patterns and shifts in housing preferences following the pandemic have resulted in increased interest in the Bealeton area among residents and some businesses. Bealeton and the surrounding area's rural setting represent a notable contrast to the suburban sprawl found in the Northern Virginia metro region to the northeast, including that of Haymarket, Gainesville, and Manassas roughly 20 miles north of the subject site near I-66. Commercial development in the area is largely concentrated along US-17 just east of the subject site including a Food Lion anchored shopping center as well as strip center and freestanding retail, restaurants, and services, both national brand and local. Outside of Bealeton and the other noted municipalities, the surrounding area is primarily agricultural in nature.

Recent growth and development in and near Bealeton has primarily consisted of for-sale single-family subdivisions. Overall, nearby residential development includes a mix of older, established neighborhoods and newer emerging nodes, most of which feature single-family detached homes, though townhomes, condominium properties, and rental apartments are also present. Single-family homes currently for sale in the area are largely priced in the \$600,000 to \$700,000 range, though some are listed for more than \$1 million. Foxhaven, a new construction subdivision currently under development by Richmond American Homes off Catlett Road roughly 1.5 miles west of the subject site, currently has homes on the market from \$499,999 to \$689,999.

### 1. Neighborhood Investment

The subject site is located in Bealeton, a growing community in central Fauquier County. Multiple data center developments representing significant investment in the area have been proposed throughout the county over the past few years, including:

- **Remington Technology Park** is a 234-acre, \$1 billion data center business park planned by PointOne in Remington roughly five miles southwest of the subject site. Once built, the property will feature up to six data centers ranging from 240,000 square feet to 310,000 square feet. This development is approved but has yet to break ground. At full built out, the property is expected to generate \$15 to \$20 million in annual revenue to the county.

- **Gigaland** has proposed a six-building data center development on roughly 200 acres on Luck Hill Road adjacent to Remington Technology Park. The campus would total 1.6 million to 3.2 million square feet, depending on the number of stories in each building. Gigaland is expected to submit its first rezoning application for this development to the county by fall 2024.
- **Amazon** is planning to invest \$550 million into a 220,000-square-foot data center development in Warrenton. Though this project was approved in 2023, it has faced ongoing opposition from local residents and has yet to break ground.
- **Headwaters**, a Texas-based developer, has proposed a 1.4 million-square-foot data center development on the east side of Catlett Road north of Gaskins Lane in Catlett. The development is planned to include between three and five data center buildings.

Additionally, Fauquier County has numerous public investment projects that have recently completed, are in development, or are planned (Table 4).

**Table 4 Fauquier County Public Investment Projects**

Project	Start/End Dates	Status
Central Fauquier Sports Complex Utility Plan (Warrenton)	9/6/22- 10/30/23	Second submission comments from Community Development processing.
Rappahannock Station Civil War Battlefield (Remington)	Design: May 2020 Construction: TBD	100% plans completed. Need to consolidate and accept land to be donated to the County by the Civil war Trust.
Grace Miller Safe Route to School (Bealeton)	10/20/20- 10/20/24	Status- 60% plans in review by VDOT
Vint Hill Village Green Master Plan	7/22/22- 4/1/23	Master Plan Complete
Marshall Community Center Master Plan	7/2021-6/2022	Master Plan Complete
Crockett Park ADA Fish Pier and Path	11/15/23-11/15/24	Construction drawings at 90%.
Vint Hill Main Entrance ADA Renovation	Design Complete 8/2023 Construction Spring 2024	On site kick off meet completed. Contractor in the process of permitting and shop drawings.
Crockett Park-Decks\Boat Docks-Engineering Design	Spring 2024 through Summer 2024	Kick off meeting held with stakeholders.
Shared Use Path-Rt. 602 to Kettle Run High School	TBD	Approved in the County CIP. Grant application underway. Conceptual Design complete. Cost estimates complete.
Shared Use Path-Laurel Ridge CC to Central Sports Complex	TBD	Approved in the CIP. Grant application underway. Conceptual Design complete. Cost estimates complete.
Ballfield light replacement at Cedar Lee Middle School	Construction June/July 2024	Footers and trenching completed.
Catlett Rd (VA-28) and Old Dumfries Rd (VA-667) Roundabout	TBD	Seeking funding through Round 5 (FY 2024) of Virginia's SmartScale Transportation Funding Program
Catlett Rd (Route 28) and Station Dr (Route 853) Roundabout	TBD	Seeking funding through Round 5 (FY 2024) of Virginia's SmartScale Transportation Funding Program
Dumfries Rd (VA-605) and Greenwich Rd (VA-603) Roundabout	TBD	Seeking funding through Round 5 (FY 2024) of Virginia's SmartScale Transportation Funding Program

Source: Fauquier County Community Development and Parks and Recreation Departments, updated 6/27/24

Other notable recent and ongoing investments in the surrounding area include solar farm developments and mixed-use developments incorporating residential and commercial uses.

- **Bealeton Solar Facility** is 93-acre solar farm proposed for a site about one mile south of the subject site and just north of an existing similarly sized solar farm. The Fauquier County



Planning Commission gave its support for the project in April 2024. Additional permitting and approvals are required before construction can begin.

- **Fitch Solar Facility** is another proposed solar farm for a site roughly five miles south of Bealeton off US-17. This roughly 1,000-acre project, planned by AES, is currently seeking permits and will provide enough clean energy to power an estimated 20,000 homes.
- **Mintbrook** is a mixed-use, town-center style development underway just north of Catlett Road in Bealeton. The property features 550 existing residential units, including single-family detached homes, townhomes, and senior rental apartments, as well as a standalone Arby's, AT&T Store, and Starbucks. Additional retail space is currently under development as the site is also planned for a grocery anchor, strip center retail, and Home2 Suites hotel in addition to a future elementary school, middle school, fire station, community center, and public parks.

## C. Site Visibility and Accessibility

### 1. Visibility

The subject property has visibility from US-17/Marsh Road on the east side of the site. US-17 is the primary commercial corridor and major north-south thoroughfare through Bealeton with a traffic count of 20,000 vehicles per day providing local access to Catlett Road/VA-28 just north of the subject site and regionally to Warrenton roughly ten miles to the north and I-95 and Fredericksburg about 25 miles to the southeast. Visibility will also be enhanced by patrons visiting adjacent existing property uses including several strip centers, a Food Lion-anchored shopping center, freestanding retail and restaurant properties, and Cedar Lee Middle School. Due to the overgrown/wooded nature of properties directly to the north, the subject is not expected to have visibility from VA-28

### 2. Vehicular Access

The community will have convenient ingress and egress from US-17 on the east side of the subject site. As US-17 is a median-divided thoroughfare, access will be limited to right-hand turns only, both into and out of the property. Based on observations during our site visit, no issues are anticipated with access to or from the subject community as a traffic light at US-17 and VA-28 just north of the subject site facilitates breaks in traffic allowing for access.

### 3. Availability of Public Transit

Public transportation services in central Fauquier County are limited. Virginia Regional Transit provides fixed route services in nearby Warrenton and Culpeper but lacks regional connections to the more sparsely populated portions of the region, including Bealeton.

In terms of available regional transit in the area, Amtrak provides passenger rail service to and from a station on South Commerce Street in Culpeper roughly 16 miles southwest of the subject site with services to the northeast to Washington, DC and to the southwest to Charlotte, NC.

The nearest major airport to Bealeton is Washington-Dulles International Airport (IAD) located roughly 40 miles northeast of the subject site. IAD services flights for all major airlines with destinations throughout the US and internationally.

### 4. Pedestrian Access

Pedestrian access is moderate at the subject site, though the surrounding area is largely vehicle oriented. Publicly accessible parkland and features are directly south of the subject site at Cedar Lee Middle School and select retailers and services within the Polo Station strip center are directly

north of the subject's entrance on the west side of US-17 offering easy walking access for the subject's residents. Though a relatively sizeable selection of retailers including Food Lion (grocery), Walgreens, Family Dollar, Virginia ABC, and local and national eateries are east of US-17 across from the subject site, pedestrian access to such features at the subject site is somewhat limited as US-17 is not pedestrian friendly and contains no sidewalks. Though many nearby surrounding streets and interior neighborhood roadways include sidewalks, the subject site will be accessible directly from US-17 and with limited connections to neighboring properties as they currently exist. In general, the retail node near the subject site is largely not pedestrian friendly, lacking a full sidewalk network with most development oriented toward automobile traffic, though select strip center services are adjacent to the subject. A signaled intersection and crosswalk at US-17 and Patrick Henry Boulevard (directly across US-17 from the subject site) would enhance the subject's pedestrian access to nearby retail.

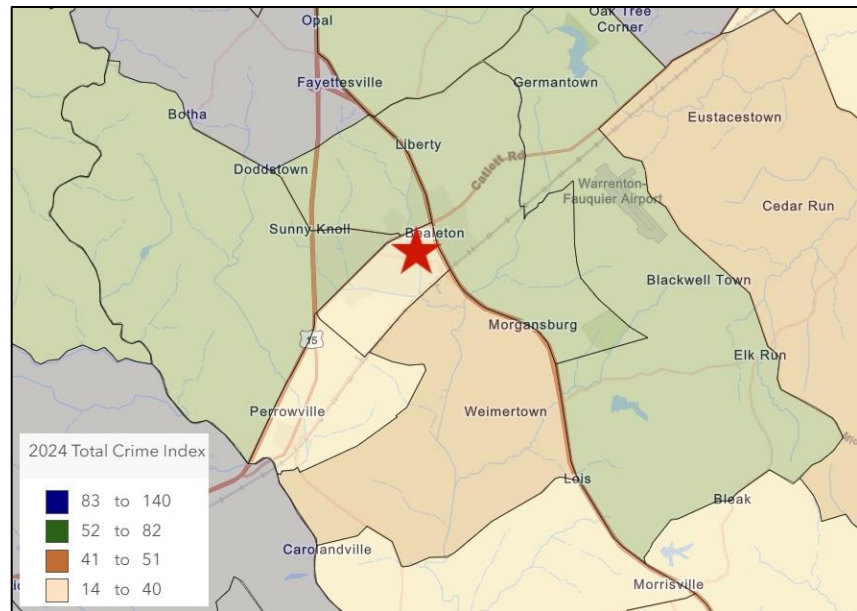
## **5. Accessibility Improvements Under Construction and Planned**

We reviewed information on VDOT's website as well as available information for Fauquier County to determine whether any capital improvement projects affecting road or transit access to the subject site are currently underway or likely to begin within the next few years. No improvement projects were identified that would affect mobility access to the subject site in the near term.

## **D. Public Safety**

CrimeRisk is a census tract level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. An index of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the census tract level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However, it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

Map 3 displays the 2024 CrimeRisk Index for the block groups in the general vicinity of the subject site. The relative risk of crime is displayed in gradations from beige (least risk) to purple (most risk). The subject's immediate surroundings are shaded beige indicating a crime risk well below the national average. The whole of Bealeton and the surrounding area largely have similar crime risks below the national average, though some areas shaded purple to the north approaching Warrenton and to the southwest approaching Culpeper have slightly elevated crime risks similar to the national average. RPRG does not expect that the risk of crime or perceived risk of crime will have a significant negative effect on the marketability of the subject community.

**Map 3 CrimeRisk Index,  
Bealeton area**


## E. Residential Support Network

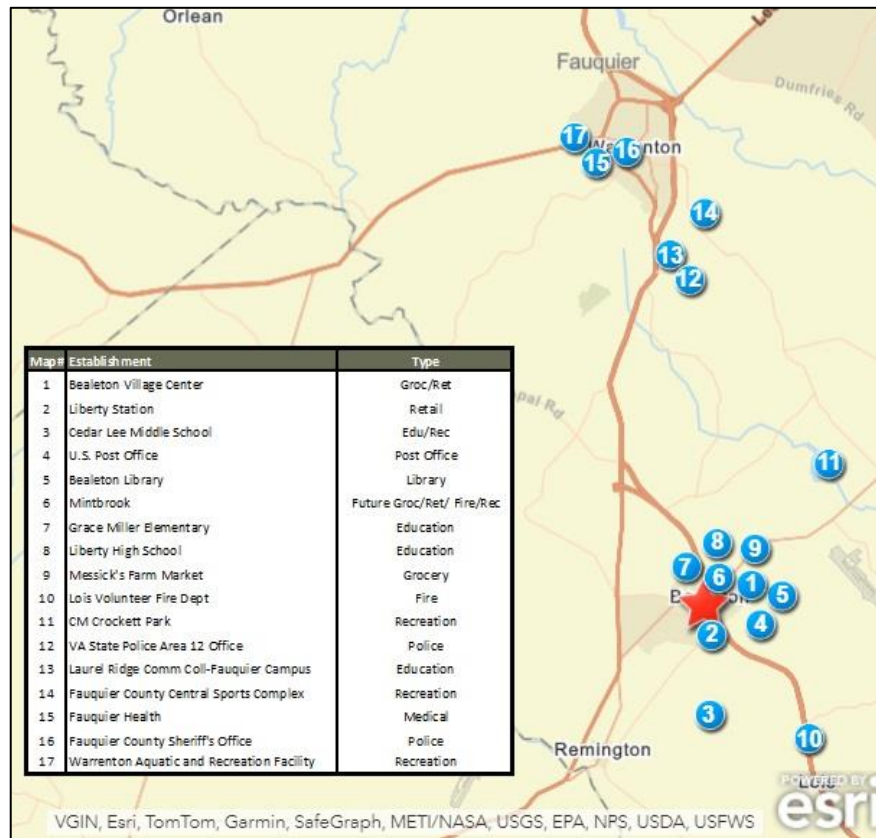
### 1. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part on its proximity to those facilities and services required on a daily basis. Key facilities and services are listed in Table 5. The location of those facilities is plotted on Map 4.

**Table 5 Key Facilities and Services**

Establishment	Type	Address	City	Driving Distance (miles)
Bealeton Village Center (Food Lion, Family Dollar, Walgreens)	Grocery/Retail	6364 Village Center Dr	Bealeton	0.2
Liberty Station (VA ABC, Advance Auto Parts)	Retail	11083 Marsh Rd	Bealeton	0.2
Cedar Lee Middle School	Education/Recreation	11138 Marsh Rd	Bealeton	0.2
U.S. Post Office	Post Office	6189 Station Dr	Bealeton	0.3
Bealeton Library	Library	10877 Willow Dr	Bealeton	0.4
Mintbrook	Future Grocery/Retail/ Fire/Recreation	NWQ US-17 & VA-28	Bealeton	0.7
Grace Miller Elementary	Education	6248 Catlett Rd	Bealeton	0.9
Liberty High School	Education	6300 Independence Ave	Bealeton	1.1
Messick's Farm Market	Grocery	6025 Catlett Rd	Bealeton	1.6
Lois Volunteer Fire Department	Fire	12067 Marsh Rd	Bealeton	3.9
CM Crockett Park	Recreation	10066 Rogues Rd	Midland	6.5
VA State Police Area 12 Office	Police	8440 Bingham Rd	Warrenton	9.1
Laurel Ridge Community College - Fauquier Campus	Education	6480 College Ave	Warrenton	9.2
Fauquier County Central Sports Complex	Recreation	5469 Rodgers Dr	Warrenton	9.8
Fauquier Health	Medical	500 Hospital Dr	Warrenton	11.2
Fauquier County Sheriff's Office	Police	78 W Lee St	Warrenton	11.4
Warrenton Aquatic and Recreation Facility	Recreation	800 Waterloo Rd	Warrenton	12.1

Source: Field and Internet Research; Real Property Research Group, Inc.

**Map 4 Neighborhood Features**

## 2. Health Care

Fauquier Health is the closest hospital facility to Bealeton, located on the west side of Warrenton roughly 11 miles north the subject site. The 97-bed acute care hospital operates with 225 physicians and offers surgical services (including robotics), a 24-hour Emergency Department, medical imaging capabilities, an Intensive Care Unit, orthopedics and spine services, a Cardiac Catheterization Lab, a Family Birthing Center, and Intermediate Care Nursery. Fauquier Health also encompasses the Fauquier Health Rehabilitation and Nursing Center, The Villa at Suffield Meadows assisted living facility, the Wellness Center, the Wound Healing Center, and the Sleep Center. Another nearby hospital is UVA Health Culpeper Medical Center located in Culpeper roughly 18 miles to the southwest. The 70-bed facility offers a full range of hospital services, including emergency care, oncology, cardiology, labs and imaging, pregnancy and birth services, disability services, and more. The Bealeton Village Center directly across US-17 east of the subject site includes a standalone Walgreens pharmacy.

## 3. Education

The State of Virginia administers Standards of Learning (SOL) Assessment Tests to monitor student performance and the quality of classroom instruction in public school systems throughout the state. The most comprehensive testing occurs in the 5<sup>th</sup> and 8<sup>th</sup> grades as well as high school. Elementary and middle school students are tested in core areas including English, mathematics, science, and writing. High school tests are conducted upon students' completion of relevant coursework and focus on more specific subject areas such as algebra II, biology, and geometry, in

addition to English and writing. The results of SOL tests can be used to compare the performance of students in various schools and school districts, and by extension the quality of the schools themselves. To construct this comparison, we compiled and analyzed data on the percentage of students testing at the state-defined 'proficient' level or 'advanced' level in core subject areas in the 2022-2023 school year. For the purposes of this analysis the included pool of comparison schools is from the bi-county area of Culpeper and Fauquier Counties.

School-age residents of the subject site would be assigned to Grace Miller Elementary School on Cetlett Road 0.9 mile to the north, Cedar Lee Middle School on Marsh Road directly to the south, and Liberty High School on Independence Avenue 1.1 miles to the north (Table 6). Composite test results place Grace Miller Elementary 13<sup>th</sup> of 17 elementary schools in Culpeper and Fauquier Counties, while Cedar Lee Middle ranked 6<sup>th</sup> of seven middle schools and Liberty High ranked 5<sup>th</sup> of five high schools, all three of which have composite scores below the bi-county and statewide averages. The graduation rate of Bealeton High is 93 percent, slightly above the bi-county and state averages. Given the overwhelming need for quality affordable housing, school scores will not significantly impact the ability of the subject property to reach and maintain stabilization.

**Table 6 2022-2023 Test Scores, Fauquier and Culpeper County Public Schools,**

Elementary Schools					Middle Schools				
SOL-2023		Grade 3			SOL-2023		Grade 8		
Rank	School	English	Math	Composite	Rank	School	English	Math	Composite
1	A.G. Richardson	84.0%	86.0%	85.0%	1	Auburn	79.0%	74.0%	76.5%
2	C. Hunter Ritchie	78.0%	80.0%	79.0%	2	Warrenton	80.0%	65.0%	72.5%
3	P.B. Smith	75.0%	80.0%	77.5%	3	Floyd T. Binns	67.0%	74.0%	70.5%
4	C.M. Bradley	73.0%	77.0%	75.0%	4	Marshall	73.0%	67.0%	70.0%
5	W.G. Coleman	76.0%	74.0%	75.0%	5	Culpeper	63.0%	65.0%	64.0%
6	James G. Brumfield	67.0%	77.0%	72.0%	6	Cedar Lee	63.0%	56.0%	59.5%
7	Greenville	63.0%	78.0%	70.5%	7	W.C. Taylor	59.0%	47.0%	53.0%
8	Emerald Hill	61.0%	73.0%	67.0%	Bi-County Avg		69.1%	64.0%	66.6%
9	Pearl Sample	62.0%	69.0%	65.5%	Virginia State Avg		60.0%	62.0%	61.0%
10	Yowell	58.0%	60.0%	59.0%	High Schools				
11	Mary Walter	53.0%	62.0%	57.5%	SOL-2023				
12	Claude Thompson	61.0%	53.0%	57.0%	Rank	School	English	Math	Composite
13	Grace Miller	52.0%	61.0%	56.5%	1	Kettle Run	93.0%	81.0%	87.0%
14	Margaret M. Pierce	50.0%	51.0%	50.5%	2	Fauquier	87.0%	83.0%	85.0%
15	H.M. Pearson	46.0%	49.0%	47.5%	3	Culpeper County	81.0%	79.0%	80.0%
16	Farmington	39.0%	49.0%	44.0%	4	Eastern View	80.0%	76.0%	78.0%
17	Sycamore Park	40.0%	41.0%	40.5%	5	Liberty	76.0%	73.0%	74.5%
Bi-County Avg		61.1%	65.9%	63.5%	Bi-County Avg		83.4%	78.4%	80.9%
Virginia State Avg		44.0%	78.0%	61.0%	Virginia State Avg		75.0%	71.0%	73.0%
									92%

Source: Virginia Department of Education

For those seeking higher education, Laurel Ridge Community College's Fauquier Campus is south of Warrenton off US-15 roughly nine miles north of the subject site. The community college offers more than 75 associate degree and certificate programs and more than 60 fast-track career training programs including those in advanced manufacturing, skilled trades, arts and communication, business, hospitality, computer and information technology, education, healthcare, logistics and transportation, public service and safety, and science, math, and engineering.



#### **4. Shopping**

The subject site is located in the heart of Bealeton's commercial node near the intersection of US-17 and VA-28 offering a somewhat robust list of retailers within roughly one-quarter mile. Polo Station is a strip center immediately east of the subject site on the west side of US-17 (directly north of the subject's entrance) featuring local services and retailers including a dance studio, nail salon, physical therapy office, and tobacco store in addition to an adjacent animal hospital. Additionally, a relatively large selection of retailers is just east of the subject site on the east side of US-17 including Food Lion (grocery), Walgreens, Family Dollar, Virginia ABC, Advance Auto Parts, and several inline and standalone retailers, restaurants, and services. Furthermore, several convenience store/gas stations can be found among properties to the east and north of the subject site including Sheetz, Exxon, 7-Eleven, and Marathon. Also, the mixed-use Mintbrook development, with portions currently under construction roughly three-quarters of a mile north of the subject site on the north side of VA-28, will include a grocery store and several inline and standalone retail/restaurant spaces when fully built out. Another grocer option in the area includes Messick's Farm Market on Catlett Road 1.6 miles northeast of the subject site. Messick's offers local produce and meats as well as farm-prepared made-to-order meals, local and packaged sweets, local wines, ice cream, and seasonal activities.

Several additional shopping centers, including numerous large properties and a variety of national big box brands and grocers, can be found between nine and 13 miles to the north in Warrenton and from 14 to 18 miles to the southwest in Culpeper. Retailers within these corridors include Walmart Supercenter, Target, Marshalls, Big Lots, TJ Maxx, Rent-A-Center, Kohl's, and more.

#### **5. Recreational and Other Community Amenities**

Cedar Lee Middle School directly south of the subject site features publicly accessible park space including multiple sports fields and baseball diamonds, open green space, and basketball and tennis courts. The Bealeton Library and nearest post office are each less than one-half mile east of the subject site at the corner of Station Drive and Willow Drive. The in-development Mintbrook includes publicly accessible park space with additional features and parkland planned. We also note that though the nearest fire station is roughly four miles to the south, a new closer fire station is planned within Mintbrook. Another park in the area is CM Crockett Park, the county's largest lakeside park 6.5 miles northeast of the subject site, offering a wide range of recreational opportunities including fishing, seasonal boat rentals and concessions, boat launch facilities, picnicking areas including shelters, volleyball, horseshoes, orienteering courses, and woodland trails. Other recreational facilities in the area include the Fauquier County Central Sports Complex, a 74-acre park including multiple grass and turf sports fields and several baseball fields on Rodgers Drive roughly ten miles to the north, and the Warrenton Aquatic and Recreation Facility (WARF), a recreational property featuring an 11-lane Olympic-size indoor pool, large leisure pool with water slide, lazy river, vortex, and zero depth entry, large fitness room, sports fields, hiking trails, a skate park, playground, and other features on Waterloo Road about 12 miles to the north.

#### **F. Overall Site Conclusions**

The subject's location adjacent to Bealeton's retail node among the surrounding suburban and rural area is an appealing setting for renters. Nearby grocery, eatery, convenience store, and service entities are near US-17 within one-quarter mile of the subject site, including some adjacent to the subject's entrance. Additionally, grocery-anchored retail is also planned within Mintbrook roughly three-quarters of mile north of the subject site. In addition to regional access, US-17 and VA-28 provide easy access to amenities in nearby Warrenton and Culpeper between ten and 18 miles from the subject, including two hospital facilities and a large selection of national brand retailers.

## IV. ECONOMIC CONTEXT

### A. Introduction

This section of the report focuses primarily on economic trends and conditions in Fauquier County, the jurisdiction in which the subject site is located. Economic trends in Virginia and the nation are also discussed for comparison purposes.

### B. Labor Force, Resident Employment, and Unemployment

#### 1. Trends in Annual Average Labor Force and Unemployment Data

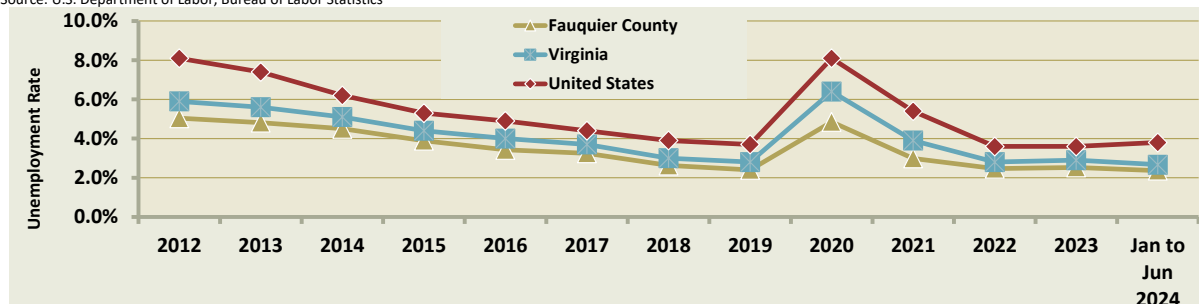
Fauquier County's labor force increased from 35,975 in 2012 to 37,773 in 2019, an increase of five percent or approximately 1,800 workers (Table 7). The number of unemployed workers fell by roughly half during this period, dropping from 1,813 in 2012 to 908 in 2019, a decline of 49.9 percent. In 2020, the labor force declined by 3.5 percent while the number of unemployed workers nearly doubled to 1,769. Since then, the county's labor force has increased slightly each year settling at 38,702 through June 2024, representing a roughly six percent increase since 2020. During the same period, the employed portion of the labor force increased by more than 3,100 or nine percent while the number of unemployed workers fell to a monthly average of 915 in June 2024, a decrease of more than 850 or 48 percent since 2020.

Since 2012, Fauquier County's unemployment rate has remained slightly below that of Virginia, both of which remained below the nation. From 2012 to 2019, Bealeton's unemployment rate steadily declined, reaching a low of 2.4 percent in 2019, compared to 2.8 percent in the state and 3.7 percent in the nation. The county's average unemployment rate increased to 4.9 percent in 2020 due to impacts from the COVID-19 pandemic, lower than Virginia's 6.4 percent peak and the nation's 8.1 percent. Since then, the county's unemployment rate dropped in 2021 and 2022, remained steady in 2023, and settled at a monthly average of 2.4 percent through June 2024, lower than the state and national averages of 2.7 and 3.8 percent, respectively, and matching the county's pre-pandemic 2019 annual rate.

**Table 7 Annual Average Labor Force and Unemployment Data**

Annual Average Unemployment	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Jan to Jun 2024
Labor Force	35,975	35,928	36,049	35,873	35,977	36,269	36,835	37,773	36,446	36,584	37,720	38,687	38,702
Employment	34,162	34,198	34,427	34,477	34,745	35,091	35,867	36,865	34,677	35,490	36,790	37,710	37,787
Unemployment	1,813	1,730	1,622	1,396	1,232	1,178	968	908	1,769	1,094	930	977	915
Unemployment Rate													
Fauquier County	5.0%	4.8%	4.5%	3.9%	3.4%	3.2%	2.6%	2.4%	4.9%	3.0%	2.5%	2.5%	2.4%
Virginia	5.9%	5.6%	5.1%	4.4%	4.0%	3.7%	3.0%	2.8%	6.4%	3.9%	2.8%	2.9%	2.7%
United States	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%	8.1%	5.4%	3.6%	3.6%	3.8%

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

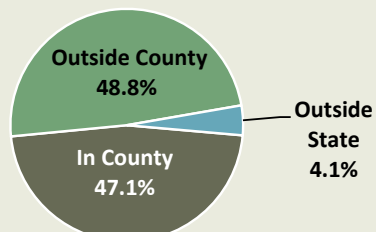


### C. Commuting Patterns

According to 2018-2022 American Community Survey (ACS) data, just over half (50.2 percent) of the workers residing in the market area spent less than 30 minutes commuting to work or worked from home (Table 8). Another 16.5 percent of workers spent 30 to 44 minutes commuting to work, and one-third (33.3 percent) spent 45 minutes or more commuting.

Roughly 47 percent of workers residing in the market area worked in Fauquier County. Approximately 49 percent of market area workers are employed in another Virginia jurisdiction and four percent worked outside the state of Virginia.

**Table 8 2018-2022 Commutation Data, Bealeton Market Area**

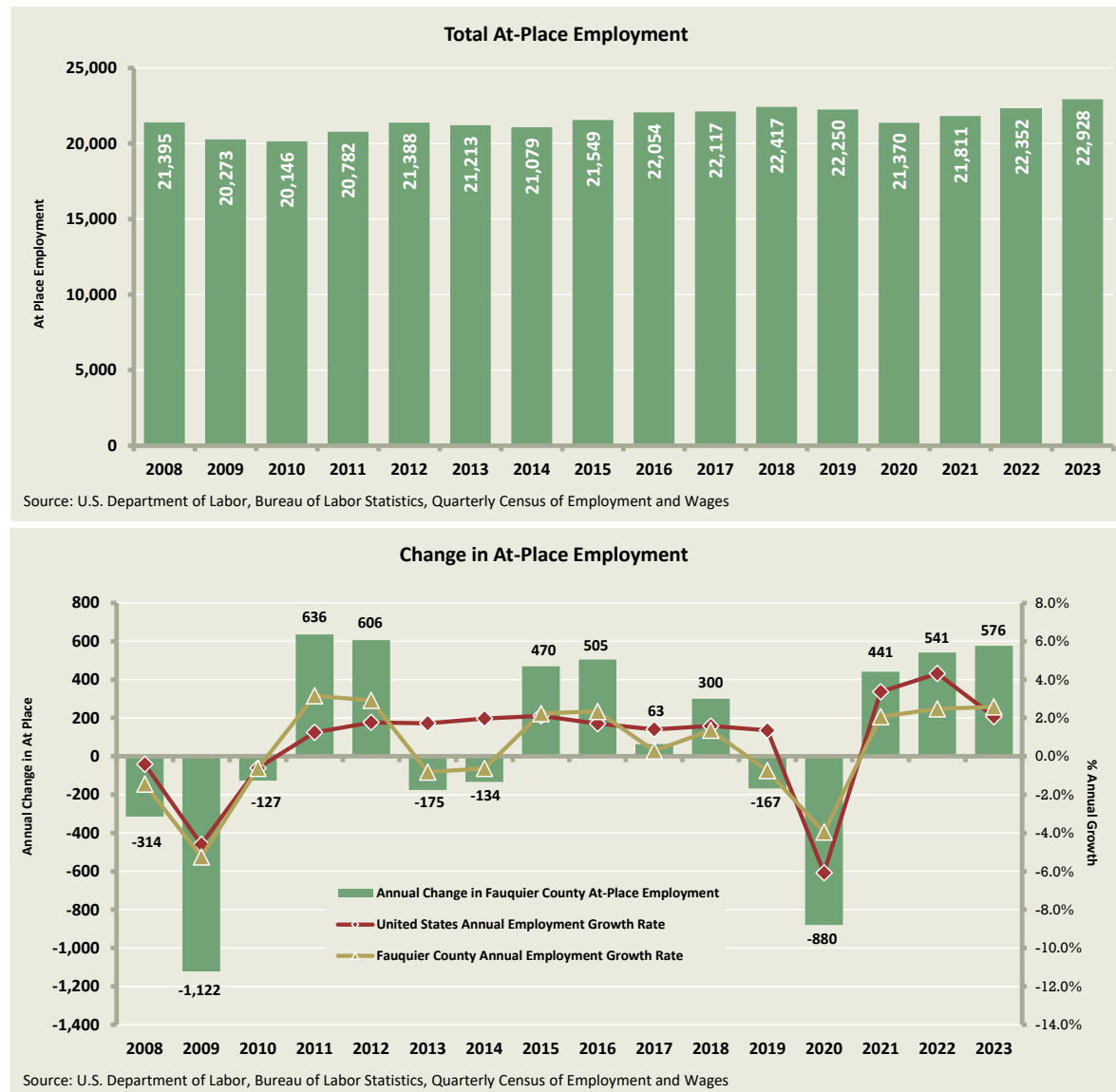
Travel Time to Work			Place of Work		
Workers 16 years+	#	%	Workers 16 years and over	#	%
Did not work at home:	32,701	85.8%	Worked in state of residence:	36,526	95.9%
Less than 5 minutes	828	2.2%	Worked in county of residence	17,935	47.1%
5 to 9 minutes	2,659	7.0%	Worked outside county of residence	18,591	48.8%
10 to 14 minutes	2,548	6.7%	Worked outside state of residence	1,571	4.1%
15 to 19 minutes	3,400	8.9%	<b>Total</b>	<b>38,097</b>	<b>100%</b>
20 to 24 minutes	2,990	7.8%	Source: American Community Survey 2018-2022		
25 to 29 minutes	1,290	3.4%	<b>2018-2022 Commuting Patterns, Bealeton Market Area</b> 		
30 to 34 minutes	3,594	9.4%			
35 to 39 minutes	971	2.5%			
40 to 44 minutes	1,728	4.5%			
45 to 59 minutes	5,033	13.2%			
60 to 89 minutes	5,336	14.0%			
90 or more minutes	2,324	6.1%			
Worked at home	5,396	14.2%			
<b>Total</b>	<b>38,097</b>				

Source: American Community Survey 2018-2022

### D. At-Place Employment Trends

At-Place Employment in Fauquier County exhibited growth in six of the nine years from 2011 through 2019, prior to the COVID-19 pandemic; the county lost between 134 and 167 jobs in 2013, 2014, and 2019. From 2011 through 2019, the county added 2,104 net jobs, an increase of roughly ten percent, reaching 22,250 in 2019 (Figure 5). The county lost 880 jobs or 4.0 percent of jobs in 2020 at the onset of the pandemic, proportionally less than the nation's 6.1 percent loss. Since then, Fauquier County added 441 jobs in 2021 (2.1 percent), 541 jobs in 2022 (2.5 percent), and 576 jobs in 2023 (2.6 percent), more than replacing the jobs lost in 2020. Comparatively, the nation added jobs in 2021 (3.4 percent) and 2022 (4.3 percent) at rates of increase higher than Fauquier County and added jobs in 2023 at a rate (2.1 percent) slightly lower than the county.



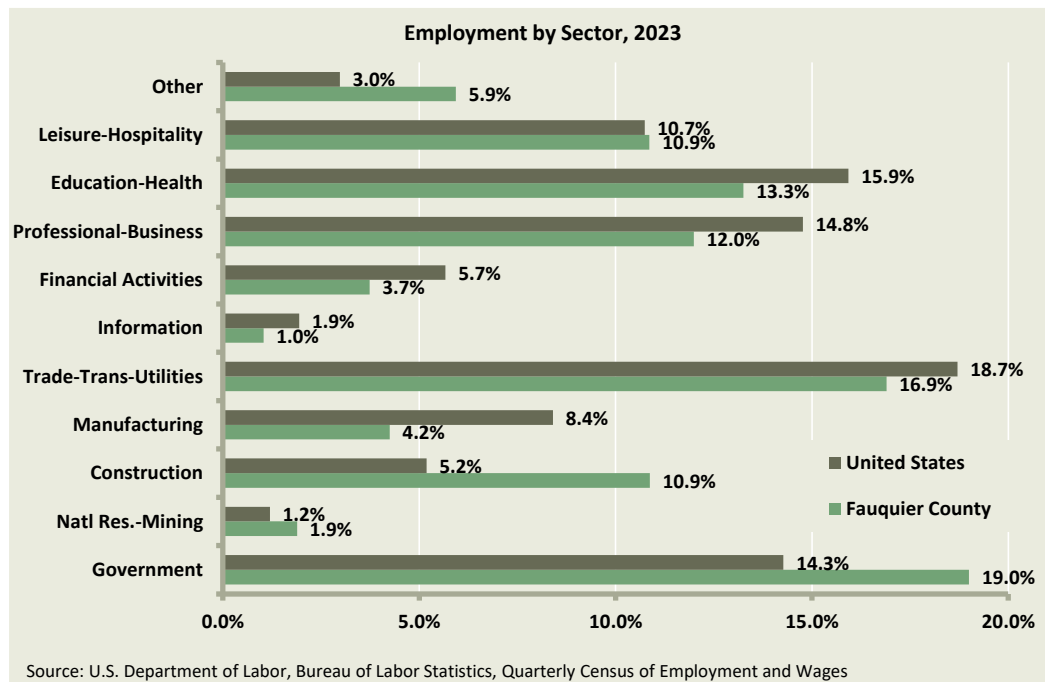
**Figure 5 At-Place Employment, Fauquier County**

## E. At-Place Employment by Industry Sector

The local economy is relatively diverse with four industry sectors each representing at least 12 percent of the county's employment base. The Government sector is the largest sector in the county, accounting for 19.0 percent of jobs, followed by Trade-Transportation-Utilities at 16.9 percent, Education-Health at 13.3 percent, and Professional-Business at 12.0 percent (Figure 6). Three of the four largest sectors in Fauquier County represent proportionally less than their national counterparts; Government is the only large sector which represents more than its corresponding national sector. The Leisure-Hospitality and Construction sectors are also each relatively significant in Fauquier County as each account for roughly 11 percent of jobs, roughly matching the national Leisure-hospitality sector and more than doubling the national Construction sector. Among the remaining sectors, the Other sector accounts for roughly twice the proportion

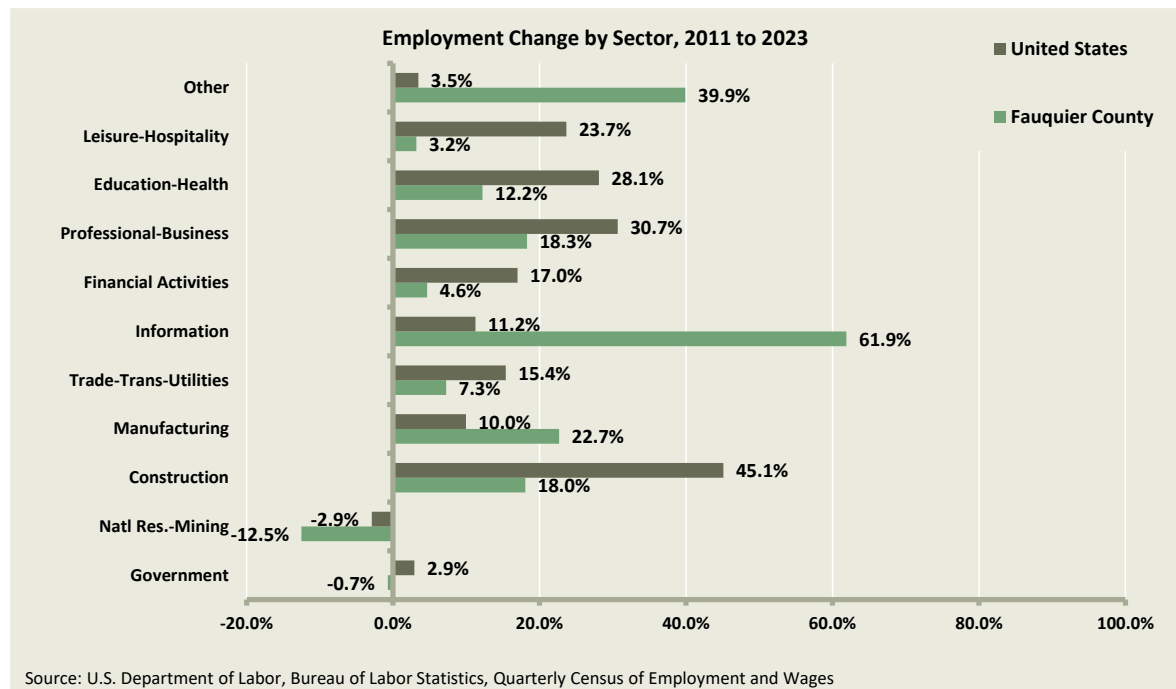
of jobs of its national counterpart while Manufacturing represents roughly of its national counterpart.

**Figure 6 Total Employment by Sector, 2023**



Sector	Other	Leisure-Hospitality	Education-Health	Professional-Business	Financial Activities	Information	Trade-Trans-Utilities	Manufacturing	Construction	Natl. Res.-Mining	Government	Total Employment
Jobs	1,426	2,490	3,039	2,749	856	238	3,874	974	2,493	433	4,356	22,928

From 2011 through 2023, inclusive of impacts from the COVID-19 pandemic, nine of the 11 economic sectors added jobs in Fauquier County. The most significant proportional increase (61.9 percent) was in Information which represents just one percent of countywide employment. Among the largest sectors, Trade-Transportation-Utilities increased by 7.3 percent, Education-Health increased by 12.2 percent, and Professional-Business increased by 18.3 percent, while Government remained relatively steady dropping by just 0.7 percent (Figure 7). Additional sectors with notable growth include Other which expanded by 39.9 percent and represents 5.9 percent of county jobs, Manufacturing which grew by 22.7 percent and represents 4.2 percent of jobs, and Construction which grew by 18.0 percent and represents 10.9 percent of jobs. In addition to Government, the Natural Resources-Mining sector also decreased, dropping by 12.5 percent but this sector represents just 1.9 percent of county jobs.

**Figure 7 Employment Change by Sector, 2011-2023**

## F. Wages

The 2023 average annual wage in Fauquier County was \$62,941, roughly 15 percent lower than the statewide average of \$74,255 and 13 percent lower than the national average of \$72,357 (Table 9). Fauquier County's average annual wage in 2023 represents an increase of approximately \$21,500 or 52 percent since 2010; the region's average annual wage increased by a relatively significant 9.8 percent from 2019 to 2020 and from 5.1 percent to 5.5 percent each year from 2021 to 2023.

**Table 9 Average Annual Pay, Fauquier County**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fauquier County	\$41,379	\$42,842	\$43,113	\$42,789	\$44,590	\$46,076	\$47,026	\$47,785	\$49,260	\$50,697	\$54,907	\$57,622	\$61,606	\$62,941
Virginia	\$49,651	\$50,657	\$51,646	\$51,918	\$52,929	\$54,276	\$54,836	\$56,503	\$58,239	\$60,200	\$65,159	\$67,990	\$71,134	\$74,255
United States	\$46,751	\$48,043	\$49,289	\$49,808	\$51,364	\$52,942	\$53,621	\$55,390	\$57,266	\$59,209	\$64,021	\$67,610	\$69,985	\$72,357

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

The average local wage was higher among just two sectors when compared to that of the nation, including Government with an average of \$96,179 and Professional-Business with an average of \$99,948, each of which are among the largest sectors in the county. The highest earning sector in the county is Financial Activities with an annual average of \$110,090, below the average annual wage of \$118,893 nationally. Among the other large sectors, Trade-Transportation-Utilities averaged \$47,467 and Education-Health averaged \$52,457. Seven of the county's economic sectors have an average annual wage of at least \$50,000 including four which exceed \$96,000 (Figure 8).

**Figure 8 Wages by Industry Sector, Fauquier County**

## G. Major Employers

Retailers make up five of the county's 15 largest employers, while three each are represented by healthcare organizations and government entities (Table 10); the remaining large employers in the county include two construction/development companies, an education institution, and a manufacturer. Major employers are concentrated in Warrenton between ten to 15 miles north of the subject site.

**Table 10 Major Employers, Fauquier County**

Rank	Name	Sector
1	Fauquier County School Board	Education
2	Fauquier County	Local Government
3	U.S. Dept. of Transportation	Federal Government
4	Fauquier Health System	Healthcare
5	Wal-Mart	Retail
6	Apt-Ability	Healthcare
7	Town of Warrenton	Local Government
8	White Horse Opco, Inc	Construction
9	Food Lion	Grocery
10	CES Consulting, LLC	Construction
11	Blue Ridge Orthopaedic	Healthcare
12	The Home Depot	Retail
13	Pepsi Cola Bottling Co	Manufacturing
14	Harris Teeter Supermarket	Grocery
15	Country Chevrolet, Peugeot	Auto Retail

Source: Virginia Employment Commission



## **H. Economic Conclusions**

Prior to the COVID-19 pandemic, Fauquier County's At-Place Employment increased in six of nine years from 2011 to 2019 with net growth of 2,104 jobs or ten percent. At-Place employment declined by 880 jobs (4.0 percent) in 2020 at the onset of the pandemic followed by gains of 441, 541, and 576 jobs in 2021, 2022, and 2023, respectively, more than replacing the jobs lost in 2020. Prior to the COVID-19 pandemic, the county's 2019 unemployment rate was 2.4 percent, lower than the state's 2.8 percent and national rate of 3.7 percent. With the onset of the pandemic the local unemployment rate peaked at 4.9 percent in 2020, remaining below the state's 6.4 percent and national 8.1 percent. Since then, the unemployment rate has dropped in all three areas to a monthly average through June 2023 of 2.4 percent in the county (matching the 2019 pre-pandemic annual level), 2.7 percent in the state, and 3.8 percent in the nation. The Fauquier County economy is relatively diverse with four industry sectors each representing at least 12 percent of the county's employment base: Government, Trade-Transportation-Utilities, Education Health, and Professional-Business. Retailers make up five of the county's 15 largest employers, while three each are represented by healthcare organizations and government entities.

## V. HOUSING MARKET AREA INTRODUCTION

The primary market area for the subject is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive rental housing alternatives are located. In defining the Bealeton Market Area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

### A. Delineation of Market Area

The subject site is in Bealeton, an unincorporated area centrally located in Fauquier County. For purposes of this analysis, we defined the Bealeton Market Area as encompassing the entirety of Fauquier County as well as similar, nearby portions of Prince William, Stafford, and Culpeper Counties (Map 5). This area is largely exurban, acting as a gateway from rural central Virginia to the more densely populated Northern Virginia portion of the Washington Metropolitan Area. This portion of exurban Northern Virginia has grown significantly over the past two decades. The housing stock and demographic composition are concentrated in the area's primary municipalities of New Baltimore, Warrenton (the county seat), Bealeton, and several smaller towns with populations of less than 1,000 residents.

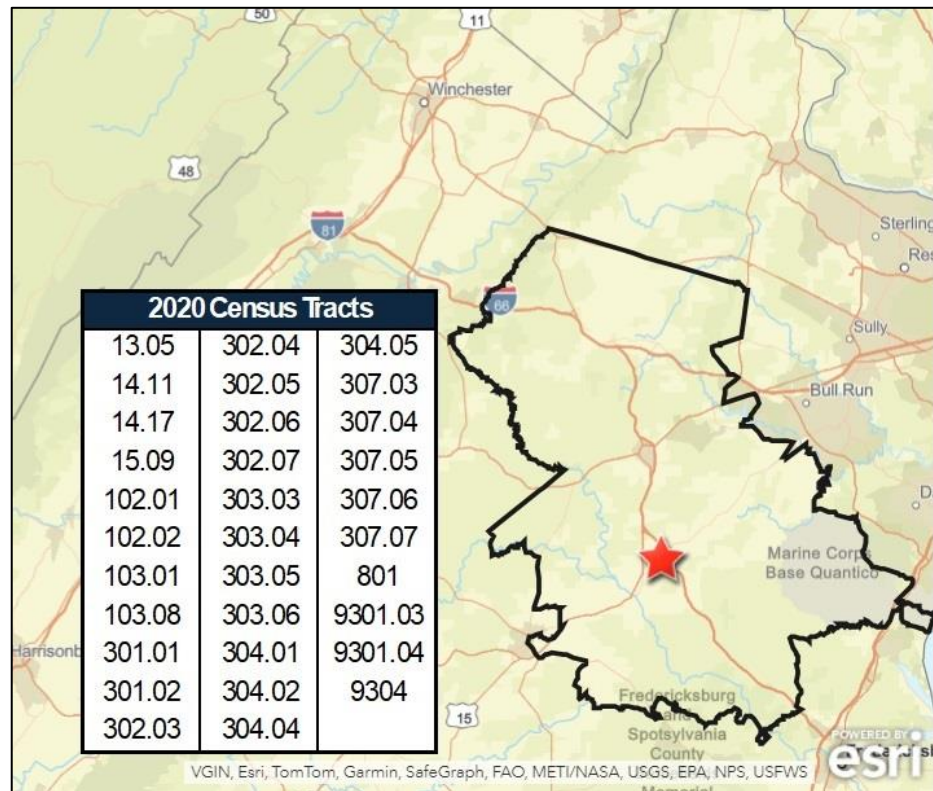
Areas to the east and northeast along the I-95 and I-66 corridors are more densely developed with significant employment and commercial centers, integrated with the Washington DC suburban area. In contrast, areas to the west and south are largely rural and less populated.

The approximate boundaries of the Bealeton Market Area and their distance from the subject site is as follows:

- **North:** Loudon County/US-50 (26.9 miles)
- **East:** US-15/Linton Hall Rd/Vint Hill Rd/Cedar Run/I-95 (18.4 miles)
- **South:** Hazel River Rd/VA-3/Germanna Hwy/Rapidan River (14.6 miles)
- **West:** Warren County/Rappahannock County/Rixeyville Rd (12.5 miles)

As appropriate for this analysis, the Bealeton Market Area is compared and contrasted to the Tri-County Region, consisting of Fauquier County, Loudoun County, and Stafford County. This can be perceived as a secondary market area, though demand estimates are based only on the Bealeton Market Area.

**Map 5 Bealeton Market Area**



## VI. DEMOGRAPHIC ANALYSIS

### A. Introduction and Methodology

RPRG analyzed recent trends and characteristics of population and households in the Bealeton Market Area and Tri-County Region using U.S. Census Bureau data sources including the 2010 and 2020 Censuses of Population and Housing and the American Community Survey (ACS) for the years 2018 to 2022. Current and historical small area estimates and projections of population and households prepared by Esri, a national data vendor, were also considered. Additionally, we examined the Round 10 forecasts of the Metropolitan Washington Council of Governments (MWCOC), the metropolitan planning organization for the Washington, DC region, which were most recently released in summer 2023. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered.

Upon examining population and household estimates and projections from trended Census data, Esri, and MWCOC, we elected to use MWCOC's local area projections as a base. When available, RPRG typically relies on data from local metropolitan planning organizations, as local government members have intimate knowledge of local development patterns. MWCOC's forecasts appear realistic in light of past performances and unfolding trends.

### B. Trends in Population and Households

#### 1. Recent Past Trends

Between 2010 and 2024, the population of the Bealeton Market Area increased by 16.5 percent, from 107,568 to 125,368 persons, an annual increase of 1.2 percent or 1,271 people (Table 11). During the same period, the number of market area households increased by 16.2 percent, from 37,219 to 43,250 households or an annual increase of 1.2 percent or 431 households. During the same period, the population and household base of the Tri-County Region grew annually by 2.6 percent and 2.4 percent, respectively.

#### 2. Projected Trends

Based on MWCOC forecasts, RPRG projects that the market area's population will increase by 7,390 persons (an annual increase of 1,478 people or 1.2 percent) from 2024 to 2029, bringing the total population to 132,759 persons by 2029. The number of households will increase at a rate of 1.5 percent or 639 new households per annum, resulting in a projected total of 46,444 households by 2029. Across the Tri-County Region, the population base is projected to grow by 1.5 percent annually and the household base is projected to grow by 1.7 percent annually.

#### 3. Building Permit Trends

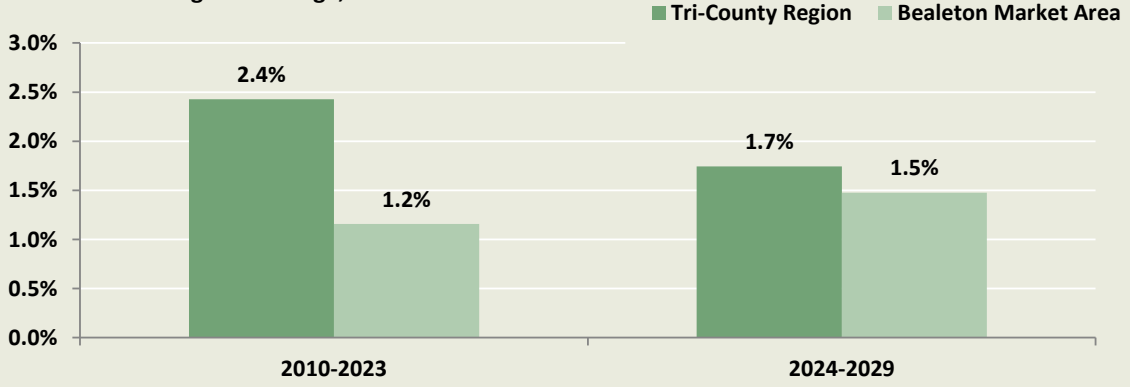
Residential permit activity in the Tri-County Region averaged 4,362 units annually from 2012 through 2023, roughly matching the average per year growth among households in the region since 2010 (Table 12). Outside of the peak year of 2013 (6,195 units permitted), permit activity steadily grew from 4,639 units permitted in 2012 to 5,371 units permitted in 2017, before steadily declining year over year to a low of 2,570 units permitted in 2023. Permit activity averaged 4,938 units permitted per year from 2012 to 2019 and 3,210 units permitted per year from 2020 to 2023. Roughly 79 percent of permitted units during this period were in single-family structures and 21 percent were in multi-family structures with five or more units; only 50 units in two-unit structures were permitted since 2012.



**Table 11 Population and Household Trends**

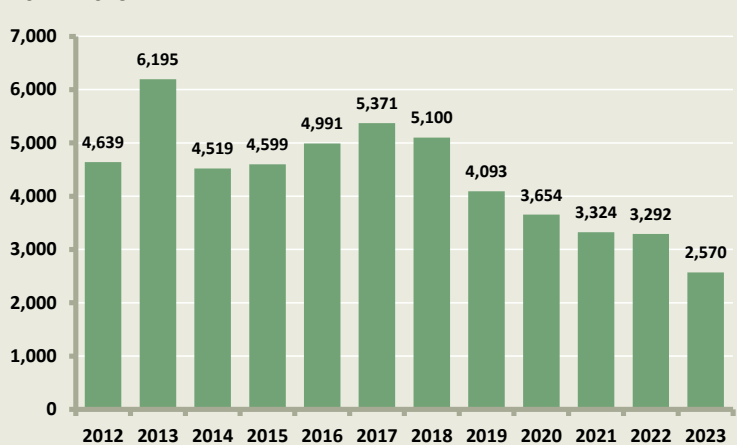
Tri-County Region						Bealeton Market Area					
Population	Count	Total Change		Annual Change		Count	Total Change		Annual Change		
		#	%	#	%		#	%	#	%	
2010	506,529					107,568					
2024	691,510	184,981	36.5%	13,213	2.6%	125,368	17,800	16.5%	1,271	1.2%	
2029	744,798	53,288	7.7%	10,658	1.5%	132,759	7,390	5.9%	1,478	1.2%	
Households	Count	Total Change		Annual Change		Count	Total Change		Annual Change		
		#	%	#	%		#	%	#	%	
2010	170,026					37,219					
2024	227,813	57,787	34.0%	4,128	2.4%	43,250	6,031	16.2%	431	1.2%	
2029	247,661	19,848	8.7%	3,970	1.7%	46,444	3,194	7.4%	639	1.5%	

Source: 2010 Census; 2020 Census; Esri; and Real Property Research Group, Inc.

**Annual Percentage HH Change, 2010 to 2029****Table 12 Building Permits by Structure Type, Tri-County Region**

Tri-County Region					
Year	Single Unit	Two Units	3-4 Units	5+ Units	Ann. Total
2012	3,782	34	0	823	4,639
2013	4,854	2	0	1,339	6,195
2014	3,862	0	0	657	4,519
2015	3,620	0	0	979	4,599
2016	4,187	0	0	804	4,991
2017	4,195	8	0	1,168	5,371
2018	3,848	6	0	1,246	5,100
2019	3,252	0	0	841	4,093
2020	2,980	0	0	674	3,654
2021	2,656	0	0	668	3,324
2022	2,042	0	0	1,250	3,292
2023	1,924	0	0	646	2,570
2012-2023	41,202	50	0	11,095	52,347
Ann. Avg.	3,434	4	0	925	4,362

Source: U.S. Census Bureau, C-40 Building Permit Reports.

**Total Housing Units Permitted  
2012 - 2023**

## C. Demographic Characteristics

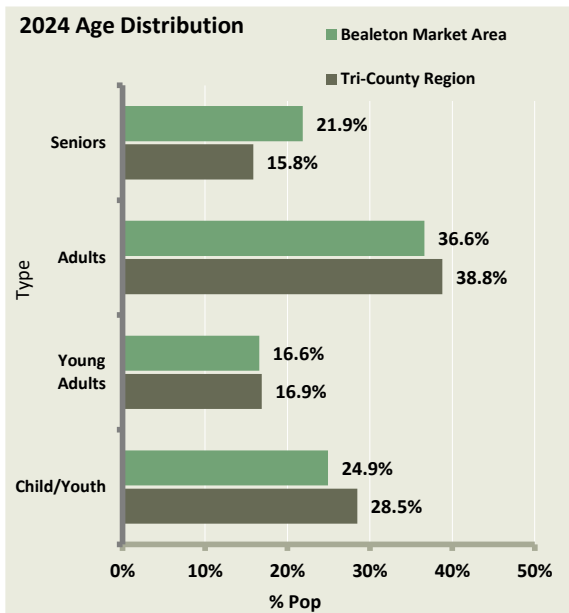
### 1. Age Distribution and Household Type

According to Esri data, the median age of the Bealeton Market Area is 40, slightly older than the Tri-County Region median of 37. The most common age cohort is Adults aged 35 to 61, comprising 36.6 percent of the market area and 38.8 percent of the region. Children and youth under age 20 comprise 24.9 percent of the market area population and 28.5 percent of the region (Table 13). Young adults aged 20 to 34 make up roughly 17 percent of both the market area and Tri-County Region, while seniors aged 62 and older comprise approximately 22 percent of the market area and 16 percent of the region.

**Table 13 2024 Age Distribution**

2024 Age Distribution	Tri-County Region		Bealeton Market Area	
	#	%	#	%
<b>Children/Youth</b>	<b>196,930</b>	<b>28.5%</b>	<b>31,247</b>	<b>24.9%</b>
Under 5 years	42,016	6.1%	6,611	5.3%
5-9 years	50,366	7.3%	8,001	6.4%
10-14 years	54,059	7.8%	8,340	6.7%
15-19 years	50,489	7.3%	8,295	6.6%
<b>Young Adults</b>	<b>116,741</b>	<b>16.9%</b>	<b>20,800</b>	<b>16.6%</b>
20-24 years	40,974	5.9%	7,870	6.3%
25-34 years	75,766	11.0%	12,931	10.3%
<b>Adults</b>	<b>268,302</b>	<b>38.8%</b>	<b>45,923</b>	<b>36.6%</b>
35-44 years	108,186	15.6%	16,501	13.2%
45-54 years	102,688	14.8%	16,690	13.3%
55-61 years	57,429	8.3%	12,732	10.2%
<b>Seniors</b>	<b>109,537</b>	<b>15.8%</b>	<b>27,398</b>	<b>21.9%</b>
62-64 years	24,612	3.6%	5,457	4.4%
65-74 years	50,439	7.3%	13,037	10.4%
75-84 years	26,203	3.8%	6,951	5.5%
85 and older	8,283	1.2%	1,953	1.6%
<b>TOTAL</b>	<b>691,510</b>	<b>100%</b>	<b>125,368</b>	<b>100%</b>
<b>Median Age</b>	<b>37</b>		<b>40</b>	

Source: Esri; RPRG, Inc.

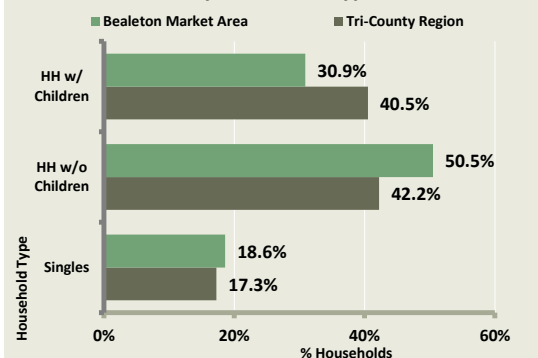


The Bealeton Market Area had a larger proportion of multi-person households without children at 50.5 percent compared to the Tri-County Region at 42.2 percent as of the 2020 Census. This classification includes married and unmarried couples as well as those in roommate situations. The market area also had a higher proportion of single-person households at 18.6 percent compared to 17.3 percent in the region (Table 14). In contrast, households with children represented 30.9 percent of households in the Bealeton Market Area compared to a greater 40.5 percent in the region.

**Table 14 2020 Households by Household Type**

2020 Households by Household Type	Tri-County Region		Bealeton Market Area	
	#	%	#	%
Married/ Cohabiting w/Children	74,442	34.7%	11,351	26.7%
Other w/ Children	12,519	5.8%	1,784	4.2%
<b>Households w/ Children</b>	<b>86,961</b>	<b>40.5%</b>	<b>13,135</b>	<b>30.9%</b>
Married/ Cohabiting w/o Children	72,275	33.7%	17,532	41.2%
Other Family w/o Children	14,443	6.7%	3,225	7.6%
Non-Family w/o Children	3,979	1.9%	708	1.7%
<b>Households w/o Children</b>	<b>90,697</b>	<b>42.2%</b>	<b>21,465</b>	<b>50.5%</b>
<b>Singles</b>	<b>37,053</b>	<b>17.3%</b>	<b>7,915</b>	<b>18.6%</b>
<b>Total</b>	<b>214,711</b>	<b>100%</b>	<b>42,515</b>	<b>100%</b>

Source: 2020 Census; RPRG, Inc.

**2020 Households by Household Type**

## 2. Households by Tenure

### a) Recent Tenure Trends

As of the 2010 Census, 7,120 households (19.1 percent) were renters in the market area, while 30,099 households were owners (80.9 percent) (Table 15). Regionally, renters represented 22.4 percent of households in 2010. As of 2024, the market area renter percentage decreased to 16.6 percent in the market area while increasing to 23.1 percent in the region. However, the market area renter base grew by 70 renter households (1.0 percent) over the past 14 years as renters comprised 1.2 percent of net household growth since 2010. Renters comprised 25.4 percent of the region's net household growth during this period.

**Table 15 Households by Tenure, 2010-2024**

Tri-County Region	2010		2020		2024		Change 2010-2024				% of Change 2010 - 2024
							Total Change		Annual Change		
Housing Units	#	%			#	%			#	%	
Owner Occupied	131,972	77.6%	165,380	77.0%	175,076	76.9%	43,104	32.7%	3,079	2.0%	74.6%
Renter Occupied	38,054	22.4%	49,331	23.0%	52,737	23.1%	14,683	38.6%	1,049	2.4%	25.4%
Total Occupied	170,026	100%	214,711	100%	227,813	100%	57,787	34.0%	4,128	2.1%	100%
Total Vacant	9,011		8,405		7,160						
TOTAL UNITS	179,037		223,116		234,973						

Bealeton Market Area	2010		2020		2024		Change 2010-2024				% of Change 2010 - 2024
							Total Change		Annual Change		
Housing Units	#	%			#	%			#	%	
Owner Occupied	30,099	80.9%	35,335	83.1%	36,060	83.4%	5,961	19.8%	426	1.3%	98.8%
Renter Occupied	7,120	19.1%	7,180	16.9%	7,190	16.6%	70	1.0%	5	0.1%	1.2%
Total Occupied	37,219	100%	42,515	100%	43,250	100%	6,031	16.2%	431	1.1%	100%
Total Vacant	2,701		2,570		2,463						
TOTAL UNITS	39,920		45,085		45,713						

Source: U.S. Census of Population and Housing, 2010, 2020; RPRG, Inc.

### b) Projected Trends

A review of current growth and development trends, discussions with local planning officials, and considering the current high-interest rate environment and tight for-sale housing market indicate renter demand is likely to remain at least at historic levels if not greater, though renter household growth in the area is likely constrained by a lack of available rental housing. RPRG projects renter households to contribute 16.6 percent of the market area's net household growth over the next

five years, consistent with the 2024 renter ratio of market area households (Table 16). At this rate, the market area will add 106 new renter households annually through 2029 reaching a total of 7,720 renter households.

**Table 16 Households by Tenure, 2024-2029**

Bealeton Market Area	2024		2029 RPRG HH by Tenure		RPRG Change by Tenure		Annual Change by Tenure	
Housing Units	#	%	#	%	#	%	#	%
Owner Occupied	36,060	83.4%	38,723	83.4%	2,663	83.4%	533	1.5%
Renter Occupied	7,190	16.6%	7,720	16.6%	531	16.6%	106	1.5%
<b>Total Occupied</b>	<b>43,250</b>	<b>100%</b>	<b>46,444</b>	<b>100%</b>	<b>3,194</b>	<b>100%</b>	<b>639</b>	<b>1.5%</b>
Total Vacant	2,463		2,390					
<b>TOTAL UNITS</b>	<b>45,713</b>		<b>48,834</b>					

Source: Esri, RPRG, Inc.

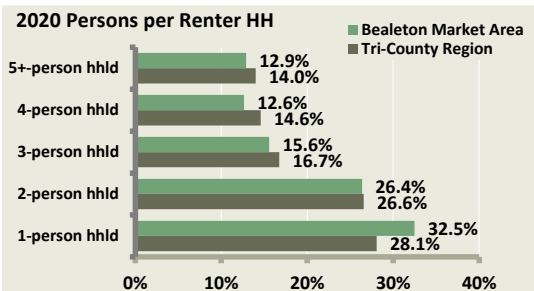
### 3. Renter Household Characteristics

More than one-quarter (25.5 percent) of renter households in the Bealeton Market Area had four or more persons, less than the 28.6 percent share of regionwide renter households. Households with three members comprised 15.6 percent of the primary market area's renter base, slightly less than the 16.7 percent of the renter base in the Tri-County Region (Table 17). Single-person households are the most common household type among renter households in the market area representing 32.5 percent of renter households, more than the regionwide proportion of 28.1 percent. Two-person households accounted for 26.4 percent of renter households in the primary market area and 26.6 percent in Tri-County Region overall.

**Table 17 Renter Households by Persons per Household**

Renter Occupied	Tri-County Region		Bealeton Market Area	
	#	%	#	%
1-person hhld	13,844	28.1%	2,333	32.5%
2-person hhld	13,113	26.6%	1,895	26.4%
3-person hhld	8,260	16.7%	1,119	15.6%
4-person hhld	7,199	14.6%	908	12.6%
5+-person hhld	6,915	14.0%	925	12.9%
<b>TOTAL</b>	<b>49,331</b>	<b>100%</b>	<b>7,180</b>	<b>100%</b>

Source: 2020 Census

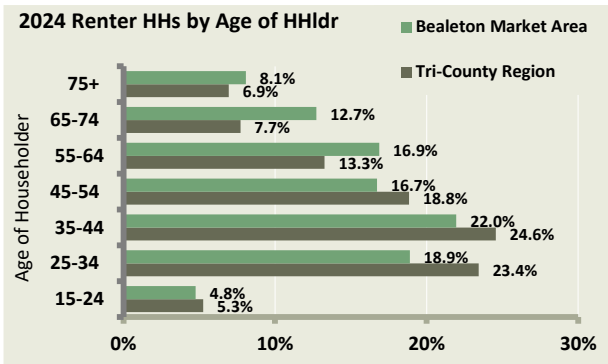


Approximately 24 percent of renter households in the Bealeton Market Area and 29 percent in the Tri-County Region are young renters under age 35 (Table 18). Roughly 56 percent of renter households in the market area are adults aged 35 to 64, compared to about 57 percent in the region. Renter households comprised of seniors aged 65 and older make up approximately 21 percent of market area renters and 15 percent of regionwide renters.

**Table 18 Renter Households by Age of Householder**

Renter Households	Tri-County Region		Bealeton Market Area	
Age of HHldr	#	%	#	%
15-24 years	2,773	5.3%	332	4.8%
25-34 years	12,355	23.4%	1,319	18.9%
35-44 years	12,950	24.6%	1,533	22.0%
45-54 years	9,931	18.8%	1,168	16.7%
55-64 years	6,997	13.3%	1,178	16.9%
65-74 years	4,069	7.7%	888	12.7%
75+ years	3,661	6.9%	563	8.1%
<b>Total</b>	<b>52,737</b>	<b>100%</b>	<b>6,981</b>	<b>100%</b>

Source: Esri, Real Property Research Group, Inc.



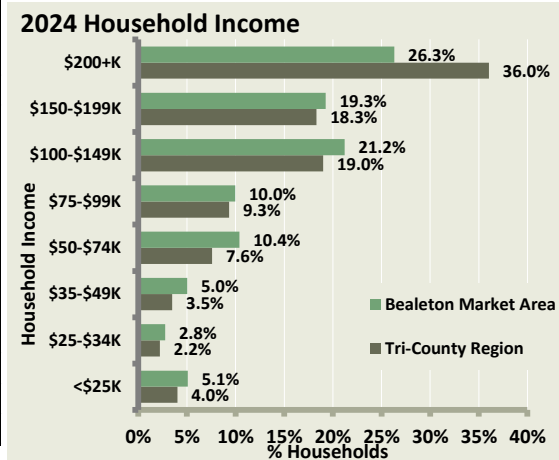
## D. Income Characteristics

The Bealeton Market Area's 2024 median income of \$139,581 is 14 percent lower than the regionwide median household income of \$161,877 (Table 19). Roughly just eight percent of market area households earn less than \$35,000, while 15.4 percent earn from \$35,000 to \$74,999 and a significant 76.7 percent earn \$75,000 or more.

**Table 19 2024 Household Income**

Estimated 2024 Household Income		Tri-County Region		Bealeton Market Area	
		#	%	#	%
less than \$25,000		9,148	4.0%	2,196	5.1%
\$25,000 - \$34,999		5,063	2.2%	1,195	2.8%
\$35,000 - \$49,999		7,953	3.5%	2,171	5.0%
\$50,000 - \$74,999		17,295	7.6%	4,498	10.4%
\$75,000 - \$99,999		21,277	9.3%	4,306	10.0%
\$100,000 - \$149,999		43,261	19.0%	9,171	21.2%
\$150,000 - \$199,999		41,716	18.3%	8,332	19.3%
\$200,000 or over		82,100	36.0%	11,382	26.3%
<b>Total</b>		<b>227,813</b>	<b>100%</b>	<b>43,250</b>	<b>100%</b>
<b>Median Income</b>		<b>\$161,877</b>		<b>\$139,581</b>	

Source: ESRI; Real Property Research Group, Inc.

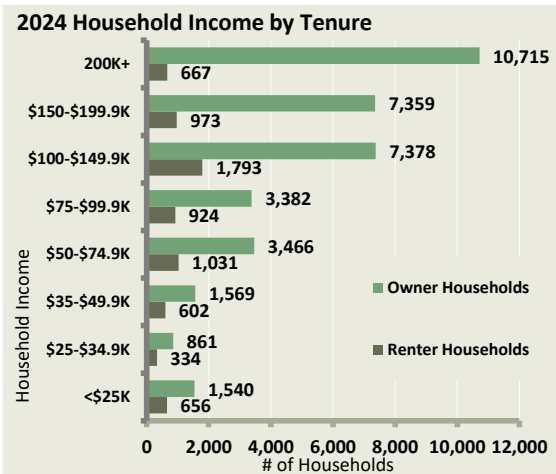


Based on the U.S. Census Bureau's American Community Survey data, Esri data, the breakdown of tenure, and household estimates, RPRG estimates the median income of renters in the Bealeton Market Area as of 2024 at \$98,439, roughly 66 percent of the \$149,589 median income among owner households (Table 20). Approximately 14 percent of market area renter households have incomes of less than \$35,000, while another 23.4 percent have incomes between \$35,000 and \$75,000. Roughly 13 percent of renter households in the market area earn from \$75,000 to \$99,999, 25.7 percent earn from \$100,000 to \$149,999, and 23.5 percent earn \$150,000 or more.

**Table 20 2024 Household Income by Tenure, Bealeton Market Area**

Estimated 2024 HH Income		Renter Households		Owner Households	
Bealeton Market Area		#	%	#	%
less than	\$25,000	656	9.4%	1,540	4.2%
	\$25,000 \$34,999	334	4.8%	861	2.4%
	\$35,000 \$49,999	602	8.6%	1,569	4.3%
	\$50,000 \$74,999	1,031	14.8%	3,466	9.6%
	\$75,000 \$99,999	924	13.2%	3,382	9.3%
	\$100,000 \$149,999	1,793	25.7%	7,378	20.3%
	\$150,000 \$199,999	973	13.9%	7,359	20.3%
	\$200,000 over	667	9.6%	10,715	29.5%
<b>Total</b>		<b>6,981</b>	<b>100%</b>	<b>36,269</b>	<b>100%</b>
<b>Median Income</b>		<b>\$98,439</b>		<b>\$149,589</b>	

Source: American Community Survey 2018-2022 Estimates, Esri, RPRG



## E. Cost-Burdened Renter Households and Substandard Housing

‘Rent Burden’ is defined as the ratio of a household’s gross monthly housing costs – rent paid to landlords plus utility costs – to that household’s monthly income. Virginia Housing requires that household rent burdens under the Low Income Housing Tax Credit (LIHTC) program be no higher than 35 percent.

Data regarding the concept of rent burden from the 2018-2022 ACS highlight that lower-income renter households in the Bealeton Market Area tend to pay a very high percentage of their monthly income toward housing costs (Table 21). Roughly 33 percent of all renter households residing in the Bealeton Market Area have rent burdens of 35 percent or higher, and more than 28 percent of all renter households have significant rent burdens of 40 percent or higher. The cost-burdened situation of many low to moderate-income renter households is a primary indicator of a need for new affordable income and rent-restricted rental housing in the primary market area. Additionally, 2.7 percent of the rental housing stock within the market area can be considered substandard, i.e., lacking complete plumbing facilities, or overcrowded with more than 1.0 occupants per room.

**Table 21 Rent Cost Burdened and Substandard Housing**

Rent Cost Burden			Substandardness	
Total Households	#	%	Total Households	
Less than 10.0 percent	312	5.3%	<b>Owner occupied:</b>	
10.0 to 14.9 percent	618	10.6%	Complete plumbing facilities:	
15.0 to 19.9 percent	1,106	18.9%	1.00 or less occupants per room	
20.0 to 24.9 percent	729	12.5%	1.01 or more occupants per room	
25.0 to 29.9 percent	437	7.5%	Lacking complete plumbing facilities:	
30.0 to 34.9 percent	247	4.2%	Overcrowded or lacking plumbing	
35.0 to 39.9 percent	244	4.2%	<b>Renter occupied:</b>	
40.0 to 49.9 percent	432	7.4%	Complete plumbing facilities:	
50.0 percent or more	1,013	17.3%	1.00 or less occupants per room	
Not computed	715	12.2%	1.01 or more occupants per room	
<b>Total</b>	<b>5,853</b>	<b>100.0%</b>	Lacking complete plumbing facilities:	
<b>&gt; 35% income on rent</b>			Overcrowded or lacking plumbing	
<b>&gt; 40% income on rent</b>			<b>Substandard Housing</b>	
			<b>% Total Stock Substandard</b>	
			<b>% Rental Stock Substandard</b>	

Source: American Community Survey 2018-2022

## VII. COMPETITIVE HOUSING ANALYSIS

### A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Bealeton Market Area. First, we highlight characteristics of the existing housing stock in the market using data from the American Community Survey. Next, we present the results of primary research in the form of surveys of competitive rental communities completed in August 2024. The competitive housing analysis concludes with information on the development pipeline in the Bealeton Market Area, sourced from planning officials, available VH information, local publications, and local developers.

### B. Overview of Market Area Housing Stock

Based on the 2018-2022 ACS survey, rental housing in multi-family buildings of five or more units accounted for 18.2 percent of renter-occupied housing units in the market area and 44.2 percent of renter units in Tri-County Region (Table 22). Approximately 68 percent of the rental housing stock in the market area consists of single-family detached or attached homes, and units in structures with two to four units accounted for 11.6 percent. Owner-occupied housing units were mostly comprised of single-family detached or attached homes accounting for 96 percent or more of units in both the market area and region.

**Table 22 Dwelling Units by Structure and Tenure**

Structure Type	Owner Occupied				Renter Occupied			
	Tri-County Region		Bealeton Market Area		Tri-County Region		Bealeton Market Area	
	#	%	#	%	#	%	#	%
1, detached	120,727	72.1%	18,739	93.0%	11,707	24.8%	3,399	58.1%
1, attached	38,866	23.2%	797	4.0%	11,750	24.9%	602	10.3%
2	348	0.2%	0	0.0%	976	2.1%	281	4.8%
3-4	693	0.4%	13	0.1%	1,385	2.9%	399	6.8%
5-9	1,352	0.8%	35	0.2%	3,505	7.4%	118	2.0%
10-19	1,688	1.0%	157	0.8%	9,266	19.6%	366	6.3%
20+ units	2,289	1.4%	15	0.1%	8,150	17.2%	579	9.9%
Mobile home	1,479	0.9%	385	1.9%	542	1.1%	109	1.9%
<b>TOTAL</b>	<b>167,442</b>	<b>100%</b>	<b>20,141</b>	<b>100%</b>	<b>47,281</b>	<b>100%</b>	<b>5,853</b>	<b>100%</b>

Source: American Community Survey 2018-2022

The median year built for rental units in the market area is 1981, older than the region median of 1996 (Table 23). Roughly 46 percent of the renter-occupied housing units in the market area were built prior to 1980 and are at least 40 years old. On the other end of the spectrum, 16.8 percent of renter housing units were built in 2000 or later. The owner occupied housing stock in the market area and region is newer than the renter occupied stock with a median year built of 1988 in the market area and 1999 in Tri-County Region. Approximately 30 percent of owner occupied units in the market area were built before 1980.



**Table 23 Dwelling Units by Year Built and Tenure**

Year Built	Owner Occupied				Renter Occupied			
	Tri-County Region		Bealeton Market Area		Tri-County Region		Bealeton Market Area	
	#	%	#	%	#	%	#	%
2020 or later	1,110	0.7%	47	0.2%	205	0.4%	10	0.2%
2010 to 2019	33,580	20.1%	1,802	8.9%	8,654	18.3%	484	8.3%
2000 to 2009	47,488	28.4%	4,652	23.1%	10,855	22.9%	490	8.4%
1990 to 1999	35,389	21.1%	3,293	16.3%	10,668	22.5%	766	13.1%
1980 to 1989	21,764	13.0%	4,296	21.3%	7,144	15.1%	1,391	23.8%
1970 to 1979	14,206	8.5%	2,694	13.4%	3,576	7.5%	668	11.4%
1960 to 1969	5,531	3.3%	966	4.8%	2,315	4.9%	407	7.0%
1950 to 1959	2,860	1.7%	792	3.9%	1,462	3.1%	541	9.2%
1940 to 1949	1,165	0.7%	330	1.6%	550	1.2%	188	3.2%
1939 or earlier	4,384	2.6%	1,286	6.4%	1,967	4.2%	908	15.5%
<b>TOTAL</b>	<b>167,477</b>	<b>100%</b>	<b>20,158</b>	<b>100%</b>	<b>47,396</b>	<b>100%</b>	<b>5,853</b>	<b>100%</b>
<b>MEDIAN YEAR BUILT</b>	<b>1999</b>		<b>1988</b>		<b>1996</b>		<b>1981</b>	

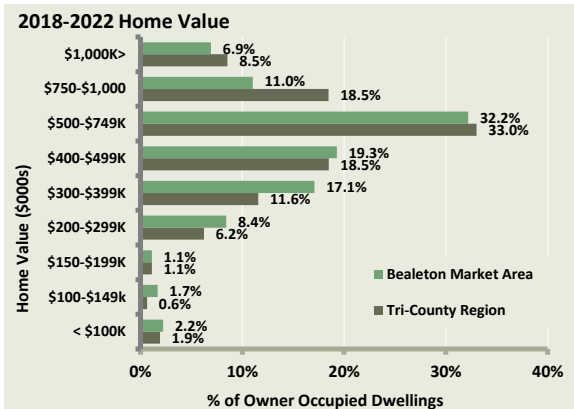
Source: American Community Survey 2018-2022

According to ACS data, the median value among owner-occupied housing units in the Bealeton Market Area as of 2018-2022 was \$501,201, roughly 13 percent lower than the regionwide median of \$579,015 (Table 24). ACS home value estimates are based upon respondent's assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices than actual sales data but is typically a strong gauge of relative home values across two or more areas.

**Table 24 Value of Owner-Occupied Housing Stock**

2018-2022 Home Value		Tri-County Region		Bealeton Market Area	
		#	%	#	%
less than \$100,000		3,221	1.9%	450	2.2%
\$100,000 \$149,999		1,073	0.6%	341	1.7%
\$150,000 \$199,999		1,868	1.1%	227	1.1%
\$200,000 \$299,999		10,438	6.2%	1,698	8.4%
\$300,000 \$399,999		19,367	11.6%	3,445	17.1%
\$400,000 \$499,999		30,965	18.5%	3,888	19.3%
\$500,000 \$749,999		55,301	33.0%	6,488	32.2%
\$750,000 \$999,999		30,945	18.5%	2,225	11.0%
\$1,000,000 over		14,299	8.5%	1,396	6.9%
<b>Total</b>		<b>167,477</b>	<b>100%</b>	<b>20,158</b>	<b>100%</b>
<b>Median Value</b>		<b>\$579,015</b>		<b>\$501,201</b>	

Source: American Community Survey 2018-2022



## C. Survey of General Occupancy Rental Communities

### 1. Introduction

The Bealeton Market Area multi-family rental market is limited. RPRG surveyed seven multi-family rental communities in the Bealeton Market Area consisting of 528 units. The surveyed communities cover a range of product quality and price points and include three unrestricted market rate communities and three Low Income Housing Tax Credit (LIHTC) properties. One LIHTC community,

The Aspens, includes 108 income-restricted units (50 and 60 percent AMI) and 100 market rate units without restrictions.

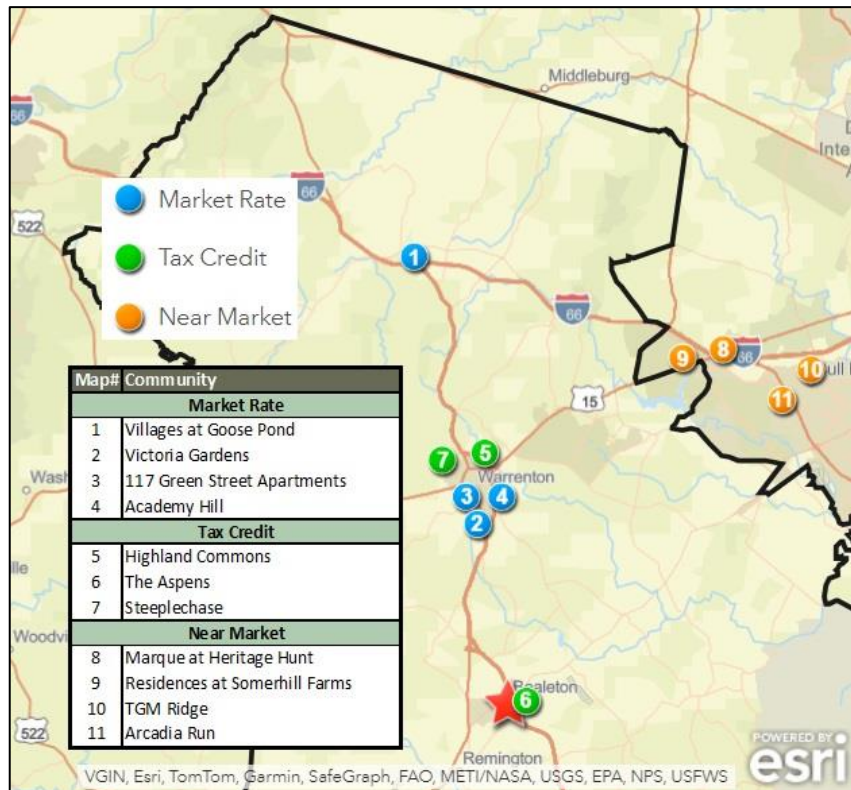
As the market area has a very limited rental inventory, we also surveyed four market rate multi-family communities located near the market area, reflecting a modern product more similar to that which is proposed for the subject, though none offer townhome units. Age-restricted and deeply subsidized communities were excluded from the analysis. Profile sheets with detailed information on each surveyed community, including photographs, are attached as Appendix 2.

## 2. Location

Of the market area communities, one community (The Aspens, mixed-income) is across US-17 east of the subject site in Bealeton, while five communities are located ten to 12 miles to the north in Warrenton and one is roughly 22 miles to the north in Marshall (Map 6). Communities in Warrenton have locational advantages compared to Bealeton with greater concentrations of population, employment, and retail amenities as well as slightly higher household incomes. Villages at Goose Pond is located in Marshall close to a grocer and select retail as well as I-66.

Of the four surveyed Near Market communities, two are located about 22 miles northeast of the subject site in Gainesville in Prince William County and two are located roughly 21 miles northeast of the subject site in the independent city of Manassas. These properties offer more desirable locations compared to the subject site and communities in the market area, as they are close to I-66 within the more densely populated portions of Northern Virginia with closer proximity to a larger selection of retail options, services, and employment as well as Washington, DC.

**Map 6 Surveyed Rental Communities Bealeton Market Area**



### 3. Age of Communities

The market area surveyed communities are moderately aged with an average year built of 1989 (Table 25). Of the seven surveyed market area communities, the newest is The Villages at Goose Pond, a townhome community built in 2014 and 2015. Market rate communities were built from 1972 to 2014/2015 with an average year built of 1987, slightly older than the LIHTC average of 1992. One LIHTC community (Steeplechase) was renovated in 2021. Near Market communities reflect more modern construction with placed in service dates ranging from 2006 to 2013 and an average of 2008.

**Table 25 Summary, Surveyed Rental Communities**

Map #	Community	Year Built	Year Rehab	Structure Type	Total Units	Vacant Units	Vacancy Rate	Avg 1BR Rent (1)	Avg 2BR Rent (1)	Avg 3BR Rent (1)	Incentives
	Subject Property - 50% AMI				48					\$1,785	
	Subject Property - 60% AMI				88					\$2,187	
	Subject Property - 80% AMI				24					\$2,521	
	<b>Total</b>	<b>2026</b>			<b>160</b>						
<b>Market Rate Communities</b>											
1	Villages at Goose Pond	2014		TH	71	4	5.6%			\$2,475	None
2	Victoria Gardens	1979		Gar	24	0	0.0%	\$1,500	\$1,650	\$1,950	None
3	117 Green Street Apartments	1972		Gar	12	0	0.0%		\$1,475		None
4	Academy Hill	1984		Gar	31	0	0.0%	\$829	\$869	\$894	None
	<b>Market Rate Total</b>				<b>138</b>	<b>4</b>	<b>2.9%</b>				
	<b>Market Rate Average</b>	<b>1987</b>			<b>35</b>			<b>\$1,165</b>	<b>\$1,331</b>	<b>\$1,773</b>	
<b>Tax Credit Communities</b>											
5	Highland Commons *	1995		Gar	96	1	1.0%		\$1,675	\$1,911	None
6	The Aspens *	2001		Gar/TH	238	1	0.4%	\$1,500	\$1,675	\$1,807	None
7	Steeplechase *	1980	2021	Gar	56	0	0.0%	\$1,080	\$1,180		None
	<b>Tax Credit Total</b>				<b>390</b>	<b>2</b>	<b>0.5%</b>				
	<b>Tax Credit Average</b>	<b>1992</b>			<b>130</b>			<b>\$1,290</b>	<b>\$1,510</b>	<b>\$1,859</b>	
	<b>Market Area Total</b>				<b>528</b>	<b>6</b>	<b>1.1%</b>				
	<b>Market Area Average</b>	<b>1989</b>			<b>75</b>			<b>\$1,227</b>	<b>\$1,421</b>	<b>\$1,807</b>	
<b>Near Market Communities</b>											
8	Marque at Heritage Hunt	2006		MRise	200	1	0.5%	\$2,422	\$2,720	\$3,149	None
9	Residences at Somerhill Farms	2006		Gar	140	0	0.0%	\$2,155	\$2,583	\$3,064	None
10	TGM Ridge	2007		MRise	402	7	1.7%	\$2,242	\$2,572	\$0	None
11	Arcadia Run	2013		MRise	616	1	0.2%	\$2,130	\$2,527	\$2,623	None
	<b>Near Market Total</b>				<b>1,358</b>	<b>9</b>	<b>0.7%</b>				
	<b>Near Market Average</b>	<b>2008</b>			<b>340</b>			<b>\$2,237</b>	<b>\$2,600</b>	<b>\$2,209</b>	

(1) Rent is contract rent, and not adjusted for utilities or incentives

(\*) LIHTC

Source: Phone Survey, RPRG, Inc. August 2024

### 4. Structure Type

The structure types of market area rental communities reflect the area's lower density nature. Garden units are the most common structure type in the market area, found among six of seven communities; the remaining community (Villages at Goose Pond, market rate) exclusively offers townhouse units. The mixed-income The Aspens primarily offers garden units along with 30 townhomes. Among Near Market communities, three offer mid-rise elevator structures and one features garden units.

### 5. Size of Communities

The surveyed market area communities range in size from 12 to 238 units with an average of 75 units per community. Market rate communities are smaller on average at 35 units per community

compared to 130 units among the LIHTC stock. Near Market communities are much larger than the market area with an average of 340 units per community.

## **6. Vacancy Rates**

Market area communities are performing very well with an aggregate vacancy rate of only 1.1 percent, representing six vacancies among a total of 528 units. Only two vacancies were reported among the 390 units at LIHTC communities, representing a very low vacancy rate of 0.5 percent. Among Near Market communities, nine vacancies were reported among 1,358 units, for a very low aggregate vacancy rate of 0.7 percent.

## **7. Rent Concessions**

Reflective of a strong market, none of the surveyed market area communities are offering any rent concessions.

## **8. Absorption History**

As none of the surveyed market area or Near Market communities delivered within the past five years, absorption data is neither available nor relevant.

# **D. Analysis of Rental Products and Pricing**

## **1. Payment of Utility Costs**

Among communities in the market area, two market rate and two LIHTC communities include the cost of water/sewer and trash removal in the rent, two market rate communities include no utility costs in rent, and one LIHTC community includes the cost of trash removal in rent (Table 26). Fewer Near Market communities include utilities: two include only trash removal in the rent and two do not include any utility costs.

## **2. Unit Features & Finishes**

All market area communities include ranges/stoves, refrigerators, and central air conditioning in each apartment. Dishwashers are available at six communities in the market area, patio/balconies are found at five, and microwaves are available at three. Additionally, in-unit washer/dryers are found at one market rate community and two LIHTC communities. The highest-priced market rate community (Villages at Goose Pond) offers black appliances and granite countertops, while the three other market rate communities offer white appliances and laminate countertops. Near Market communities offer a more extensive slate of upscale features including a dishwasher, microwave, in-unit laundry, central air conditioning, patio/balcony, and granite countertops. Three Near Market communities feature stainless steel appliances.

## **3. Parking**

Six market area communities offer free surface parking as the standard parking option, while the townhome Villages at Goose Pond includes an integral two-car garage with each unit. All Near Market communities offer free surface parking. Additionally, TGM Ridge offers optional detached garages for \$150 per month, and The Marque at Heritage Hunt offers optional carport parking for \$50 per month and detached garages for \$125 per month.

**Table 26 Utility Arrangement and Unit Features, Surveyed Rental Communities**

Community	Heat Source	Utilities Included in Rent						Dish-washer	Micro-wave	In Unit Laundry	Patio Balcony
		Heat	Hot Water	Cooking	Electric	Water	Trash				
<b>Subject Property</b>	<b>Elec</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<b>STD</b>	<b>STD</b>	<b>STD - Full</b>	
<b>Market Rate Communities</b>											
Villages at Goose Pond	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	STD - Full	STD
Victoria Gardens	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD			STD
117 Green Street Apartments	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD			STD
Academy Hill	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
<b>Tax Credit Communities</b>											
Highland Commons *	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD		STD - Full	STD
The Aspens *	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	STD - Stack	STD
Steeplechase *	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD		
<b>Near Market Communities</b>											
Marque at Heritage Hunt	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	STD - Full	Sel Units
Residences at Somerhill Farms	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	STD - Full	STD
TGM Ridge	Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	STD	STD	STD - Full	STD
Arcadia Run	Elec	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	STD	STD	STD - Full	STD

Source: Phone Survey, RPRG, Inc. August 2024

(\*) LIHTC

#### 4. Community Amenities

Community amenities are generally limited in the market area. Among market rate communities in the market area, Academy Hill is the only community to offer amenities and only offers a playground (Table 26). Among LIHTC communities, Steeplechase includes a clubhouse, while The Aspens and Highland Commons offer more extensive amenity packages each including a fitness center, swimming pool, and playground. Highland Commons additionally includes a clubhouse and tennis courts.

**Table 27 Community Amenities, Surveyed Rental Communities**

Community	Clubhouse	Fitness Room	Outdoor Pool	Hot Tub	Playground	Tennis	Business Center
<b>Subject Property</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Market Rate Communities</b>							
Villages at Goose Pond	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Victoria Gardens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
117 Green Street Apartments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Academy Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Tax Credit Communities</b>							
Highland Commons *	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Aspens *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Steeplechase *	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Near Market Communities</b>							
Marque at Heritage Hunt	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Residences at Somerhill Farms	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TGM Ridge	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arcadia Run	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source: Phone Survey, RPRG, Inc. August 2024

(\*) LIHTC

Community amenities are more extensive at Near Market communities, as all four feature an outdoor pool, three feature a clubhouse, fitness room, and/or playground, and two feature a business center. Additional amenities among Near Market communities include hot tubs, dog parks, and outdoor picnic/barbecue areas.

#### 5. Unit Distribution

The unit distribution was available for six of seven market area communities accounting for



95.5 percent of the rental inventory (Table 28). Two-bedroom floor plans are found at six communities in the market area including all three LIHTC communities, while three-bedroom units are present at five communities in the market area and one-bedroom units are present at four. Two LIHTC communities include three-bedroom units and two include one-bedroom units; we note that only market rate units at The Aspens include one-bedroom floor plans. One community, The Villages at Goose Pond, offers four-bedroom units.

Among the market area properties, two-bedroom units are the most common at 62.3 percent followed by three-bedroom units with 19.8 percent and one-bedroom units at just 9.7 percent. The 31 four-bedroom units at Villages at Goose Pond represent 8.1 percent of the market area unit distribution. Near Market communities have a greater weighting of one-bedroom units and much lower weighting of three-bedroom units.

## 6. Unit Pricing

Unit rents presented in Table 28 are net or effective rents, as opposed to street or advertised rents. We typically apply downward adjustments to street rents to account for current rental incentives, though none were reported. We further make adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where the cost of trash removal is included in rent, the proposed utility arrangement for the subject community.

Among market rate communities in the market area:

- **One-bedroom** units have an average effective rent of \$1,275 for 648 square feet or \$1.97 per square foot. Average effective two-bedroom rents range from \$814 to \$1,510.
- **Two-bedroom** units have an average effective rent of \$1,412 for 922 square feet or \$1.53 per square foot. Average effective two-bedroom rents range from \$849 to \$1,685.
- **Three-bedroom** units have an average effective rent of \$1,771 for 1,417 square feet or \$1.25 per square foot. Average effective three-bedroom rents range from \$869 to \$2,485.
- **Four-bedroom** units at Villages at Goose Pond have an average effective rent of \$2,535 for 1,951 square feet or \$1.30 per square foot.

Tax credit communities include units targeting 50 percent and 60 percent of the Area Median Income (AMI):

- One-bedroom LIHTC units are available at one community (Steeplechase, 60 percent AMI) for \$1,065 for 804 square feet or \$1.32 per square foot.
- Two-bedroom LIHTC rents average \$1,497 for 999 square feet or \$1.50 per square foot. Two-bedroom LIHTC rents range from \$1,160 for 60 percent units at Steeplechase to \$1,675 for 60 percent units at The Aspens.
- Three-bedroom LIHTC rents average \$1,842 for 1,270 square feet or \$1.45 per square foot. Three-bedroom LIHTC rents range from \$1,790 for 50 percent units at The Aspens to \$1,886 for 60 percent units at Highland Commons.

Near Market rents are much higher with averages of \$2,242 for one-bedroom units, \$2,605 for two-bedroom units, and \$2,949 for three-bedroom units.

**Table 28 Unit Distribution, Size and Pricing, Surveyed Rental Communities**

Community	Total Units	One Bedroom Units				Two Bedroom Units				Three Bedroom Units				Four Bedroom Units			
		Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF	Units	Rent (1)	SF	Rent/SF
Subject - 50% AMI	48									48	\$1,785	1,650	\$1.08				
Subject - 60% AMI	88									88	\$2,187	1,650	\$1.33				
Subject - 80% AMI	24									24	\$2,521	1,650	\$1.53				
<b>Total</b>	<b>160</b>									<b>160</b>							
<b>Market Rate Communities</b>																	
Villages at Goose Pond	71									30	\$2,485	2,003	\$1.24	41	\$2,535	1,951	\$1.30
The Aspens-Mkt	100	40	\$1,500	761	\$1.97	60	\$1,685	972	\$1.73								
Victoria Gardens	24		\$1,510	600	\$2.52		\$1,660	775	\$2.14		\$1,960	1,379	\$1.42				
117 Green St Apts	12					12	\$1,455	1,200	\$1.21								
Academy Hill	31	8	\$814	584	\$1.39	19	\$849	742	\$1.14	4	\$869	870	\$1.00				
<b>Market Rate Total/Avg</b>	<b>238</b>		<b>\$1,275</b>	<b>648</b>	<b>\$1.97</b>		<b>\$1,412</b>	<b>922</b>	<b>\$1.53</b>		<b>\$1,771</b>	<b>1,417</b>	<b>\$1.25</b>		<b>\$2,535</b>	<b>1,951</b>	<b>\$1.30</b>
<b>Market Rate Unit Distr</b>	<b>214</b>	<b>48</b>				<b>91</b>				<b>34</b>				<b>41</b>			
<b>Market Rate % of Total</b>	<b>89.9%</b>	<b>22.4%</b>				<b>42.5%</b>				<b>15.9%</b>				<b>19.2%</b>			
<b>Tax Credit Communities</b>																	
Highland Commons-60% *	96					72	\$1,655	944	\$1.75	24	\$1,886	1,178	\$1.60				
The Aspens-60% *	108					96	\$1,675	979	\$1.71	12	\$1,850	1,171	\$1.58				
Steeplechase-60% *	56	1	\$1,065	804	\$1.32	55	\$1,160	1,074	\$1.08								
The Aspens-50% *	30									30	\$1,790	1,461	\$1.23				
<b>Tax Credit Total/Avg</b>	<b>290</b>		<b>\$1,065</b>	<b>804</b>	<b>\$1.32</b>		<b>\$1,497</b>	<b>999</b>	<b>\$1.50</b>		<b>\$1,842</b>	<b>1,270</b>	<b>\$1.45</b>				
<b>Tax Credit Unit Distr</b>	<b>290</b>	<b>1</b>				<b>223</b>				<b>66</b>				<b>0</b>			
<b>Tax Credit % of Total</b>	<b>100.0%</b>	<b>0.3%</b>				<b>76.9%</b>				<b>22.8%</b>				<b>0.0%</b>			
<b>Total/Avg</b>	<b>528</b>		<b>\$1,222</b>	<b>687</b>	<b>\$1.78</b>		<b>\$1,448</b>	<b>955</b>	<b>\$1.52</b>		<b>\$1,807</b>	<b>1,344</b>	<b>\$1.34</b>		<b>\$2,535</b>	<b>1,951</b>	<b>\$1.30</b>
<b>Unit Distr</b>	<b>504</b>	<b>49</b>				<b>314</b>				<b>100</b>				<b>41</b>			
<b>% of Total</b>	<b>95.5%</b>	<b>9.7%</b>				<b>62.3%</b>				<b>19.8%</b>				<b>8.1%</b>			
<b>Near Market Communities</b>																	
Marque at Heritage Hunt	200	73	\$2,422	913	\$2.65	96	\$2,720	1,199	\$2.27	31	\$3,149	1,528	\$2.06				
Res at Somerhill Farms	140		\$2,165	866	\$2.50		\$2,593	1,129	\$2.30		\$3,074	1,360	\$2.26				
TGM Ridge	402	148	\$2,252	959	\$2.35	254	\$2,582	1,245	\$2.07								
Arcadia Run	616	280	\$2,130	769	\$2.77	296	\$2,527	1,132	\$2.23	40	\$2,623	1,338	\$1.96				
<b>Near Market Total/Avg</b>	<b>1,358</b>		<b>\$2,242</b>	<b>877</b>	<b>\$2.56</b>		<b>\$2,605</b>	<b>1,176</b>	<b>\$2.21</b>		<b>\$2,949</b>	<b>1,409</b>	<b>\$2.09</b>				
<b>Near Market Unit Distr</b>	<b>1,218</b>	<b>501</b>				<b>646</b>				<b>71</b>				<b>0</b>			
<b>Near Market % of Total</b>	<b>89.7%</b>	<b>41.1%</b>				<b>53.0%</b>				<b>5.8%</b>				<b>0.0%</b>			

(1) Rent is adjusted to include trash, and Incentives

(\*) LIHTC

Source: Phone Survey, RPRG, Inc. August 2024

## E. Derivation of Market Rent

### 1. Introduction

To better understand how the proposed tax credit rents are positioned within the rental market, rent levels of the most comparable market rate units are adjusted for a variety of factors including: location, curb appeal, unit size (square footage), in-unit appliances and other features, common area amenities, concessions, and utility arrangements for each bedroom type. The purpose of this exercise is to determine whether the proposed tax credit rents offer an appropriate discount relative to market rate rent levels within a given market area. The rent derived for bedroom type is not to be confused with an appraisal or rent comparability study (RCS) based approach, which is more specific as it compares specific models in comparable rental communities to specific floor plans at the subject property and is used for income/expense analysis and valuation.

## 2. Selection of Comparable Properties

Three comparable communities were used in this analysis: Villages at Goose Pond, the leading market rate community in the market area which offers only three and four-bedroom townhome units; market rate units at The Aspens; and the Near Market Residences at Somerhill. We selected rental comparable properties most relevant to the subject property in terms of target market (family, senior), structure types offered (garden, townhomes, mid-rise), floor plans offered, age and condition, and community features and amenities offered.

## 3. Description of Rent Adjustments

An explanation of each rent adjustment made to comparable communities is below. A summary of rent adjustments can be found in Table 29.

- **Rents Charged** – current asking rents, adjusted for utilities and incentives, if applicable.
- **Design, Location, Condition** – adjustments made in this section include:
  - **Structure/Stories** – The subject will offer townhome units, matching Villages at Goose Pond. An adjustment of \$25 was made for garden units at The Aspens and Residences at Somerhill Farms.
  - **Year Built/Renovated** – The Comparable communities were built in 2014, 2006, and 2001. Differences between comparables and the subject property (2026) are accounted for by an adjustment of \$1.00 per year.

**Table 29 Rent Adjustments Summary**

Rent Adjustments Summary	
<b>B. Design, Location, Condition</b>	
Structure / Stories	\$25.00
Year Built / Renovated	\$1.00
Quality/Street Appeal	\$25.00
Location	\$25.00
<b>C. Unit Equipment / Amenities</b>	
Number of Bedrooms	\$50.00
Number of Bathrooms	\$30.00
Unit Interior Square Feet	\$0.75
Balcony / Patio / Porch	\$5.00
AC Type:	\$5.00
Range / Refrigerator	\$25.00
Microwave / Dishwasher	\$5.00
Washer / Dryer: In Unit	\$25.00
Washer / Dryer: Hook-ups	\$5.00
<b>D. Site Equipment / Amenities</b>	
Parking (\$ Fee)	\$25.00
Club House	\$10.00
Pool	\$10.00
Recreation Areas	\$5.00
Fitness Center	\$10.00
Playground	\$10.00

- **Quality/Street Appeal** – The subject will have excellent quality and street appeal. The Aspens is considered to have average street appeal while Villages at Goose Pond is considered to have above average street appeal and Residences at Somerhill Farms is considered to have excellent street appeal. An adjustment of \$25 was made to account for the difference in appeal at Villages at Goose Pond and a \$50 adjustment was made to account for the appeal at The Aspens.
- **Location** – The subject has an average location close to a grocer and other retail in Bealeton. The Aspens is just east of the subject site with a roughly similar location in Bealeton. Villages at Goose Pond is considered to have an above average location in Marshall close to a grocery store and select retail as well roughly adjacent access to I-66 providing for easy regional access. The Residences at Somerhill Farms is considered to have an excellent location in Gainesville with close access to a large selection of retail including grocers and big box brands as well as I-66. As such, a \$25 adjustment was made for Villages at Goose Pond's location and a \$50 adjustment was made for Residences at Somerhill Farms' location.



- **Unit Equipment / Amenities**— adjustments made in this section include:
  - **Bedroom/Bathroom** – An adjustment of \$50 was made for two-bedroom units at The Aspens as the community does not offer unrestricted market rate three-bedroom units.
  - **Square Footage** – Differences between comparables and the subject property are accounted for by an adjustment of \$0.75 per foot.
  - **Unit Equipment/Amenities** – No adjustments were made for unit amenities included or excluded at the subject property as each comparable community offers similar features including in-unit laundry.
- **Site Equipment / Amenities** – As the subject will include an integral garage with each unit, adjustments of \$25 were made for parking at The Aspens and Residences at Somerhill Farms, each of which only offer surface parking. A \$5, \$10, or \$20 adjustment was made for the inclusion or exclusion of a community amenity (Clubhouse/community room, swimming pool, recreation areas, fitness facility, and playground). The exact value of each specific feature is somewhat subjective as particular amenities are more attractive to certain renters and less important to others.

According to our adjustment calculations, the estimated market rent for the three-bedroom units at Bealeton Townhomes is \$2,656 (Table 30). The proposed 50 percent AMI rents at the subject have a rent advantage of 32.8 percent; the proposed 60 percent AMI rents at the subject have a rent advantage of 17.7 percent; and the proposed 80 percent AMI rents have a rent advantage of 5.3 percent (Table 31).

**Table 30 Market Rent Analysis, Three-Bedroom Units**

Three Bedroom Units							
Subject Property	Comparable Property #1		Comparable Property #2		Comparable Property #3		
Bealeton Townhomes 11114 Marsh Rd Bealeton, VA	Villages at Goose Pond		The Aspens-Mkt		Res at Somerhill Farms		
	4605 Whiting Rd		6337 Village Center Drive		7351 Yountville Dr		
	Marshall	VA	Bealeton	VA	Gainesville	VA	
A. Rents Charged	Subject	Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Street Rent - 60% AMI	\$2,187	\$2,475	\$0	\$1,685	\$0	\$3,064	\$0
Utilities Included	T	None	\$10	T	\$0	None	\$10
Rent Concessions		None	\$0	None	\$0	None	\$0
<b>Effective Rent</b>	<b>\$2,187</b>	<b>\$2,485</b>		<b>\$1,685</b>		<b>\$3,074</b>	
<i>In parts B thru D, adjustments were made only for differences</i>							
B. Design, Location, Condition		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Structure / Stories	TH	TH	\$0	Garden/3	\$25	Garden/3	\$25
Year Built / Condition	2026	2014	\$12	2001	\$25	2006	\$20
Quality/Street Appeal	Excellent	Above Average	\$25	Average	\$50	Excellent	\$0
Location	Average	Above Average	(\$25)	Average	\$0	Excellent	(\$50)
C. Unit Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Number of Bedrooms	3	3	\$0	2	\$50	3	\$0
Number of Bathrooms	2	2	\$0	2	\$0	2	\$0
Unit Interior Square Feet	1,650	2,003	(\$265)	972	\$509	1,360	\$218
Balcony / Patio / Porch	Yes	Yes	\$0	Yes	\$0	Yes	\$0
AC: (C)entral / (W)all / (N)on	Central	Central	\$0	Central	\$0	Central	\$0
Range / Refrigerator	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Microwave / Dishwasher	Yes / Yes	Yes / Yes	\$0	Yes / Yes	\$0	Yes / Yes	\$0
Washer / Dryer: In Unit	Yes	Yes	\$0	Yes	\$0	Yes	\$0
D. Site Equipment / Amenities		Data	\$ Adj.	Data	\$ Adj.	Data	\$ Adj.
Parking (\$ Fee)	Att Gar	Att Gar	\$0	Surface	\$25	Surface	\$25
Club House	Yes	No	\$10	Yes	\$0	Yes	\$0
Pool	Yes	No	\$20	Yes	\$0	Yes	\$0
Recreation Areas	Yes	No	\$5	Yes	\$0	Yes	\$0
Fitness Center	Yes	No	\$10	Yes	\$0	Yes	\$0
Playground	Yes	No	\$10	Yes	\$0	Yes	\$0
E. Adjustments Recap		Positive	Negative	Positive	Negative	Positive	Negative
Total Number of Adjustments		7	2	6	0	4	1
Sum of Adjustments B to D		\$92	(\$290)	\$684	\$0	\$288	(\$50)
F. Total Summary							
Gross Total Adjustment		\$382		\$684		\$338	
Net Total Adjustment		(\$198)		\$684		\$238	
G. Adjusted And Achievable Rents		Adj. Rent		Adj. Rent		Adj. Rent	
Adjusted Rent		\$2,287		\$2,369		\$3,312	
% of Effective Rent		92.0%		140.6%		107.7%	
<b>Estimated Market Rent</b>	<b>\$2,656</b>						
<b>Rent Advantage \$</b>	<b>\$469</b>						
<b>Rent Advantage %</b>	<b>17.7%</b>						



**Table 31 Market Rent Advantage Summary****F. Achievable Restricted Rents**

The market rent derived above is an estimate of what a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay for a unit at the subject community. However, the maximum rent at a tax credit unit is a gross rent based on bedroom size and the annualized median gross income in the subject area. If these LIHTC maximum gross rents are below the market rent, then the maximum rent also functions as the *achievable rents* for each unit type and income band. Conversely, if the market rent is below the LIHTC maximum rents, then the market rent serves as the *achievable rents*. Additionally, the tax credit rents (up to 60 percent AMI) should have a 10 percent advantage over market rent. Therefore, the achievable rent is the lower of the (reduced) market rent or LIHTC rent.

LIHTC units should not have a rent advantage over derived rents based on other restricted properties in the market area. Rents on other restricted properties are subject to programmatic restrictions and not reflective of market rents. Several non-market related factors can affect the rents of these properties such as when the community received their allocations, programmatic restrictions, or organizational policy objectives. While units restricted to 60 percent AMI or lower designations are typically expected to have a ten percent rent advantage over comparable market rate units, units at higher income limits (such as the subject's 80 percent AMI units) are not necessarily expected to have as large an advantage. As such, we have evaluated the subject's 80 percent AMI units using a five percent rent advantage designation.

As shown in Table 32, the achievable rent for the subject's 50 and 60 percent AMI units is the maximum LIHTC rent for those units as they are below the (reduced) estimated market rents. The achievable rent for the subject's 80 percent AMI units is the reduced estimated market rent for those units as they are below the maximum 80 percent AMI LIHTC rent. All proposed rents for the subject community are at or below the achievable rents.

**Table 32 Achievable Tax Credit Rent**

Three Bedroom Units	
50% AMI Units	
Subject Rent	\$1,785
Estimated Market Rent	\$2,656
Rent Advantage (\$)	\$871
Rent Advantage (%)	32.8%
Three Bedroom Units	
60% AMI Units	
Subject Rent	\$2,187
Estimated Market Rent	\$2,656
Rent Advantage (\$)	\$469
Rent Advantage (%)	17.7%
Three Bedroom Units	
80% AMI Units	
Subject Rent	\$2,521
Estimated Market Rent	\$2,656
Rent Advantage (\$)	\$135
Rent Advantage (%)	5.1%

Three Bedroom Units	
50% AMI Units	
Estimated Market Rent	\$2,656
Less 10%	\$2,390
Maximum LIHTC Rent*	\$1,772
<b>Achievable Rent</b>	<b>\$1,772</b>
SUBJECT RENT	\$1,785
Three Bedroom Units	
60% AMI Units	
Estimated Market Rent	\$2,656
Less 10%	\$2,390
Maximum LIHTC Rent*	\$2,174
<b>Achievable Rent</b>	<b>\$2,174</b>
SUBJECT RENT	\$2,187
Three Bedroom Units	
80% AMI Units	
Estimated Market Rent	\$2,656
Less 5%	\$2,524
Maximum LIHTC Rent*	\$2,979
<b>Achievable Rent</b>	<b>\$2,524</b>
SUBJECT RENT	\$2,521

\*Assumes utility allowances of \$226

## G. Proposed and Pipeline Rental Communities

We pursued several avenues of research to identify residential rental projects that are actively being planned or that are currently under construction within the Bealeton Market Area. We reviewed pipeline information using various online sources such as local media outlets and local municipality's websites. Additionally, we reached out to planners with Fauquier, Culpeper, Stafford, and Prince William Counties as well as the Towns of Warrenton and Culpeper, checked listings of recent LIHTC awards, and spoke to developers and lenders as necessary.

The pipeline communities are divided into two categories: near term and long term. Near term projects include those that are under construction, and those that we believe have the greatest likelihood of delivering in the next three years. Near term projects are considered in our derivation of three-year rental demand in the market. Long term projects do not have financing secured, are on hold for the present, and/or have estimated delivery dates beyond the next three years. While it is RPRG's best estimate that such projects are long term, it is entirely possible that such projects could secure financing and deliver in a three-year period. Conversely, it is also possible that near term projects could become stalled, tabled, or abandoned all together. Determinations regarding near term and long-term projects were based on current activity, developers' comments regarding project timing, status of financing, and insights provided by planning officials.

Based on our research, RPRG has identified two rental developments totaling 195 units in the near term pipeline for the Bealeton Market Area, including one 60-unit LIHTC community (Map 7). RPRG also identified three proposed rental communities that are less likely to be placed in service during the three-year demand period (or possibly stalled) and thus classified as long term. The following is a brief description of all identified projects:

### Near Term:

- **Vint Hill Lofts:** An adaptive reuse project is planned for the conversion of a former World War II-era barracks facility into market rate rental housing using federal and Virginia Historic Rehabilitation Tax Credit Programs (HTC). The community, located roughly 15 miles north of the subject site on Sigler Road east of Warrenton, will be developed in two phases. The first phase of the community will comprise 135 units and the second phase will include 48 additional units. Vint Hill Lofts will be an upscale community positioned at the top of the market. The project is expected to begin construction in 2024. Only the first 135-unit phase is expected to be delivered within the near term.
- **Lightfoot Apartments:** People Inc. held a groundbreaking ceremony for a planned affordable rental community on Lightfoot and Bickers Streets close to US-522 in Culpeper roughly 17 miles southwest of the subject site in August 2024. The new community will contain 60 units including 12 one, 36 two, and 12 three-bedroom units, all of which will be restricted to households earning at or below 60 percent AMI. The project was awarded LIHTCs in 2023 and delivery is expected by 2026.

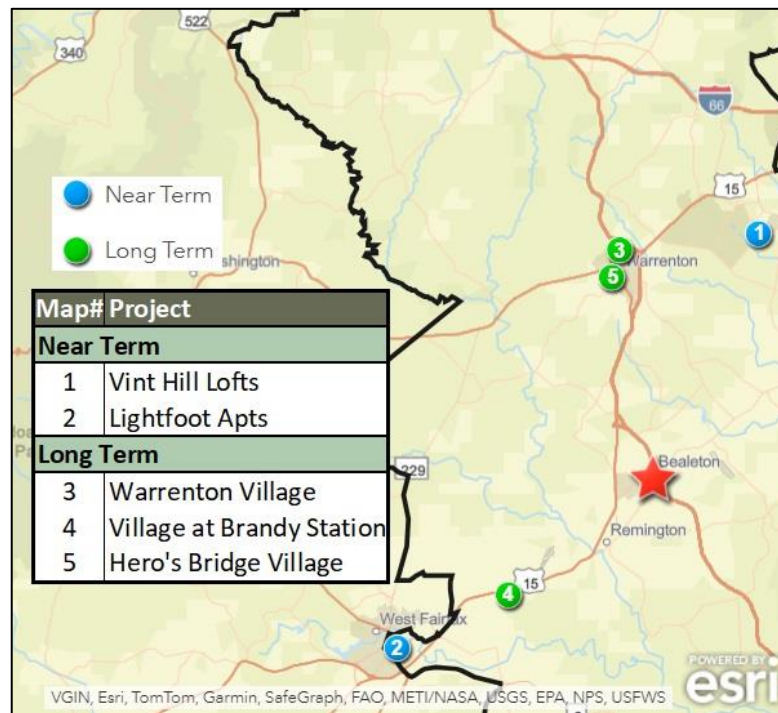
### Long Term:

- **Warrenton Village Redevelopment:** NewCastle Development Group has proposed adding residential uses to the existing Warrenton Village shopping center at 251 West Lee Highway roughly 12 miles north of the subject site. The plan for the development includes 320 apartments, 32 townhomes, and 34 stacked flat/two-over-twos north of the existing commercial/retail space onsite. Fifty-four of the 386 planned residential units will be designated as affordable dwelling units by the town of Warrenton. The Warrenton Town Council approved initial plans of the project in mid-August 2024. However, the project will have 18 months or more of approvals and permitting before ground is broken and another

anticipated 18 months to two years before units are made available for occupancy. As such, delivery of rental units at this property is likely beyond the next three years.

- Village at Brandy Station:** David Martin has plans to build a mixed-use community including 384 low-income units and commercial/retail space off Brandy Road in Brandy Station approximately ten miles southwest of the subject site. Preliminary plans for the development include eight, three-story apartment buildings fronting Brandy Road and three commercial buildings along Stevensburg Road, separated by undisturbed wetlands. As this is proposed as a low-income rental community, it will likely need an allocation of tax credits before moving forward. As such, this project is considered speculative until those credits are assigned.
- Hero's Bridge Village:** The nonprofit Hero's Bridge is planning a 44-unit affordable housing complex for senior veterans adjacent to Warrenton United Methodist Church at Moser and Church Streets in Warrenton about 12 miles north of the subject site. The project was awarded \$1 million in March 2024 through fiscal year 2024 federal appropriations bills. The development is proposed to include 22 L-shaped duplex units as well as a central community center with visiting physicians, faith services, and engaging activities. As this project will likely need an allocation of tax credits before moving forward, it is considered speculative until those credits are assigned.

**Map 7 Multifamily Rental Pipeline, Bealeton Market Area**



## VIII. FINDINGS AND CONCLUSIONS

### A. Key Findings

Based on the preceding review of the subject property, its neighborhood surroundings, and economic, demographic, and competitive housing trends in the Bealeton Market Area, RPRG offers the following key findings:

#### 1. Site and Neighborhood Analysis

The subject site is appropriate for the development of a general occupancy, affordable rental community. The area offers good access to retail amenities, local and regional thoroughfares, and neighborhood services.

- The subject is located adjacent to Bealeton's retail node with grocery, restaurant, convenience store, and service entities just east of the subject site across US-17 within one-quarter mile. Additionally, a retail strip center is located west of US-17 adjacent to the subject's entrance and grocery-anchored retail is planned within Mintbrook roughly three-quarters of mile north of the subject site.
- The subject fronts US-17 and VA-28 which provide access to national brand retail, employment opportunities, and two hospitals within 18 miles in Warrenton to the North and Culpeper to the southwest.
- Considerable investments are planned or currently underway in the subject's surrounding area, including data centers, solar facilities, public improvements, and mixed-use developments.

#### 2. Economic Context

Fauquier County has a relatively stable, diverse economy with average annual unemployment rates consistently below the state and national rates and relatively steady job growth prior to the COVID-19 pandemic. Following impacts from the pandemic, the region has steadily recovered, with recent job growth replacing all jobs lost since the pandemic.

- The county's total labor force expanded from 2012 to 2019, adding five percent or 1,800 workers reaching 37,773 in 2019; the number of unemployed workers declined by roughly half from 1,813 in 2012 to 908 in 2019. In 2020, the labor force declined by 3.5 percent, while the number of unemployed workers nearly doubled to 1,769. Since then, the employed portion of the labor force increased by more than 3,100 or nine percent and the number of unemployed workers fell to 915 by June 2024, a decrease of more than 850 or 48 percent since 2020.
- Prior to the COVID-19 pandemic, the county's 2019 unemployment rate was 2.4 percent, lower than the state's 2.8 percent and national rate of 3.7 percent. At the onset of the pandemic in 2020, the local unemployment rate spiked 4.9 percent, lower than the state (6.4 percent) and nation (8.1 percent). Since then, the county's unemployment rate dropped in 2021 and 2022, remained steady in 2023, and settled at a monthly average of 2.4 percent through June 2024, lower than the state and national averages of 2.7 and 3.8 percent, respectively, and matching the county's pre-pandemic 2019 annual rate.
- Between 2011 and 2019, the region added a net of 2,104 jobs or roughly ten percent. In 2019, the city's At-Place Employment level stood at 22,250 before losing 880 jobs or 4.0 percent in 2020 due to impacts of the pandemic. Since then, the county added 441 jobs in 2021, 541 jobs in 2022, and 576 jobs in 2023 more than replacing all of the jobs lost in 2020.

- Fauquier County has a relatively diverse economy with four industry sectors comprising at least 12 percent of the region's employment base including Government accounting for 19.0 percent of county jobs, Trade-Transportation-Utilities accounting for 16.7 percent of jobs, Education-Health accounting for 13.3 percent, and Professional-Business accounting for 12.0 percent. The Leisure-Hospitality and Construction sectors are also each relatively significant in Fauquier County as each account for roughly 11 percent of jobs, roughly matching the national Leisure-hospitality sector and more than doubling the national Construction sector.

### 3. Population and Household Trends

The Bealeton Market Area had strong household growth over the past 14 years. Household growth is projected to continue over the next five years.

- The market area gained 17,800 net people (16.5 percent) and 6,031 households (16.2 percent) between 2010 and 2024. This equates to annual growth rates of 1.2 percent among both population and households.
- Growth in the market area is projected to moderate over the next five years with the net addition of 7,390 people (5.9 percent) and 3,194 households (7.4 percent) from 2024 to 2029; annual growth over this period is projected at 1,478 people (1.2 percent) and 639 households (1.5 percent). The Bealeton Market Area will have 132,759 people and 46,444 households by 2029.

### 4. Demographic and Income Analysis

Households within the market area have a lower propensity to rent and lower median incomes compared to the region as a whole.

- The median age of the Bealeton Market Area population is 40, slightly older than the Tri-County Region median of 37. Adults aged 35 to 61 comprise 36.6 percent of the market area population while children and youth aged 19 and under comprise 24.9 percent. Young adults aged 20 to 34 make up roughly 16.6 percent of the market area and seniors aged 62+ comprise 21.9 percent.
- As of the 2020 Census, approximately half (50.5 percent) of households in the Bealeton Market Area were multi-person households without children, compared to 42.2 percent regionwide. Households with children represented 30.9 percent of households in the Bealeton Market Area compared to a greater 40.5 percent in the region.
- Roughly 17 percent of households in the Bealeton Market Area are renters as of 2024, lower than the regionwide proportion of 23.1 percent. Renter households accounted for just 1.2 percent of net household growth in the market area over the past 14 years. RPRG projects renters to account for 16.6 percent of net household growth through 2029.
- Approximately 24 percent of renter households in the Bealeton Market Area and 29 percent in the Tri-County Region are young renters under age 35. Meanwhile, roughly 56 percent of renter households in the market area are adults aged 35 to 64, compared to 57 percent in the region. More than 41 percent of market area renter households have three or more persons and another 26.4 percent have two persons.
- The Bealeton Market Area's 2024 median income of \$139,581 is 14 percent lower than the regionwide median household income of \$161,877. The median income of renters in the Bealeton Market Area as of 2024 is \$98,439, roughly 66 percent of the median income of owner households (\$149,589). Approximately 14 percent of market area renter households have incomes of less than \$35,000, while another 23.4 percent have incomes between \$35,000 and \$75,000. Roughly 13 percent of renter households in the market area earn from \$75,000



- to \$99,999, 25.7 percent earn from \$100,000 to \$149,999, and 23.5 percent earn \$150,000 or more.
- Roughly 33 percent of all renter households residing in the Bealeton Market Area have rent burdens of 35 percent or higher, and 28.1 percent of all renter households have rent burdens of 40 percent or higher.

## 5. Competitive Housing Analysis

The existing rental inventory of the Bealeton Market Area is performing well with very low vacancy rates among all price points.

- The multi-family rental housing stock is moderately aged with the market area average year built of 1989. Of the seven surveyed market area communities, the newest is The Villages at Goose Pond, a townhome community built in 2014 and 2015. Market rate communities are older with an average year built of 1987 compared to 1992 among LIHTC communities. Surveyed Near Market communities have placed in service dates from 2005 to 2013.
- As of our survey, just six of 528 units in the market area were reported vacant for a very low rate of 1.1 percent. Only two vacancies were reported among the 390 units at LIHTC communities, representing a very low vacancy rate of 0.5 percent.
- The effective rents for market rate one-bedroom units in the market area average \$1,275 (\$1.97 per square foot); the two-bedroom units average \$1,412 (\$1.53 per square foot); and three-bedroom units average \$1,771 (\$1.25 per square foot).
- The effective rents for Near Market one-bedroom apartments average \$2,242 (\$2.56 per square foot); two-bedroom units average \$2,605 (\$2.21 per square foot); and three-bedroom units average \$2,949 (\$2.09 per square foot).
- Among the LIHTC communities in the market area:
  - **One-bedroom** LIHTC units are available at one community (Steeplechase, 60 percent AMI) for \$1,065 for 804 square feet or \$1.32 per square foot.
  - **Two-bedroom** LIHTC rents average \$1,497 for 999 square feet or \$1.50 per square foot. Two-bedroom LIHTC rents range from \$1,160 for 60 percent units at Steeplechase to \$1,675 for 60 percent units at The Aspens.
  - **Three-bedroom** LIHTC rents average \$1,842 for 1,270 square feet or \$1.45 per square foot. Three-bedroom LIHTC rents range from \$1,790 for 50 percent units at The Aspens to \$1,886 for 60 percent units at Highland Commons.
- RPRG identified two near term projects totaling 195 units expected to be placed in service in the next three years and three long term projects less likely to be placed in service during the three-year demand period. One Near Term development with 60 units will be an income restricted LIHTC community.

## B. Derivation of Demand

### 1. Net Demand Methodology

RPRG's Derivation of Demand calculation is intended to gauge whether sufficient demand from renter households would be available in the primary market area to absorb the number of units proposed for the subject Bealeton Townhomes Apartments plus those units proposed at other pipeline rental communities that are expected to be brought online over a coming typical three-

year period. The result of this analysis can be either a positive number (which shows the extent to which available demand for rental units would exceed available supply) or a negative number (which shows the extent to which available supply would exceed the number of units needed/demanded over the period in question). The closer the concluded number is to zero, the closer the rental market would be to an effective balance of supply and demand.

The three-year period in question for this analysis is the period from August 2024 through August 2027. RPRG's Derivation of Demand calculation is a gross analysis, meaning that the calculation balances the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable market-rate, tax credit, rent-subsidized, and age-restricted) versus the upcoming supply of rental housing units of all types. The Derivation of Demand calculation is an incremental or net analysis, in that it focuses on the change in demand over the period in question as opposed to focusing on the market's total demand. Considerations such as household incomes and the floor plan types and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand; rather, we address the interplay of these factors within the Affordability Analysis and Penetration Analysis in the next section of this report.

RPRG sums demand generated from three broad sources in order to arrive at 'Total Demand for New Rental Units' over the August 2024 to August 2027 period:

- **Projected Change in the Household Base.** Earlier in this report, RPRG presented projections of household change within the primary market area over the 2024 to 2029 period. For this analysis, we factor in three years' worth of the household change suggested by the annual rate of household growth or decline (2024 to 2025, 2025 to 2026, and 2026 to 2027). Note that net household change incorporates growth or decline stemming from both household migration into and out of the market area and organic changes within existing households (i.e. new household formation as a result of children moving out of their parents' homes, divorces, roommates beginning to rent separately).
- **Need for Housing Stock Upgrades.** Demand for new housing units within a primary market area is generated when the stock of available housing units ceases to meet the housing needs of households that wish to remain residents of that primary market. In such instances, the housing stock needs to be upgraded – either through the renovation of existing units or the construction of new units. That a particular housing unit has ceased to meet the housing needs of a market area's households becomes evident in any number of ways, including:
  - **Physical Removal or Demolition.** Clearly, if a unit is demolished or otherwise physically removed from a market, it is no longer available to serve local households. A number of factors contribute to the removal of housing units. Housing units are occasionally removed from any given market through disasters such as fires and various types of weather phenomenon. While such disasters occur somewhat randomly, the decision whether to repair or demolish a unit is based on the economic value of the property. Thus, a unit being permanently lost in a disaster should be correlated with factors such as its age, structure type, and physical condition. Demolitions can also be instigated through the loss of economic value or in response to a situation where vacant land has become more valuable than the land plus its existing structure. Based on American Housing Survey data, researchers have analyzed Components of Inventory Change (CINCH) (Table 33). CINCH data indicated that renter-occupied or vacant units were far more likely to be demolished than owner-occupied units; among renter-occupied and vacant units, single-family detached units were more likely to be demolished than multifamily units.

**Table 33 Components of Inventory Change in Housing (CINCH)**

A. Characteristics	C. Present in 2011	D. 2011 units present in 2013	2011 Unit change							TOTAL Lost to Stock	Total exclude MH	2011-13 Annual
			E. Change in characteristics	F. lost due to conversion /merger	G. house or mobile home moved out	H. changed to non residential use	I. lost through demolition or disaster	J. badly damaged or condemned	K. lost in other ways			
<b>Total Housing Stock</b>	<b>132,420</b>	<b>130,852</b>		98	161	202	470	212	424	1,567	1,406	703
				0.07%	0.12%	0.15%	0.35%	0.16%	0.32%	1.18%	1.06%	0.53%
<b>Occupancy</b>												
<b>Occupied units</b>	<b>114,907</b>	<b>105,864</b>	8,313	58	99	68	238	59	207	729	630	315
				0.05%	0.09%	0.06%	0.21%	0.05%	0.18%	0.63%	0.55%	0.27%
<b>Vacant</b>	<b>13,381</b>	<b>5,123</b>	7,642	38	50	85	175	110	158	616	566	283
				0.28%	0.37%	0.64%	1.31%	0.82%	1.18%	4.60%	4.23%	2.11%
<b>Seasonal</b>	<b>4,132</b>	<b>2,132</b>	1,778	2	11	49	57	43	59	221	210	105
				0.05%	0.27%	1.19%	1.38%	1.04%	1.43%	5.35%	5.08%	2.54%
<b>Region (All Units)</b>												
<b>Northeast</b>	<b>23,978</b>	<b>23,718</b>		38	0	28	55	40	99	260	260	130
				0.16%	0.00%	0.12%	0.23%	0.17%	0.41%	1.08%	1.08%	0.54%
<b>Midwest</b>	<b>29,209</b>	<b>28,849</b>		14	28	49	117	56	95	359	331	166
				0.05%	0.10%	0.17%	0.40%	0.19%	0.33%	1.23%	1.13%	0.57%
<b>South</b>	<b>50,237</b>	<b>49,526</b>		29	120	75	235	94	159	712	592	296
				0.06%	0.24%	0.15%	0.47%	0.19%	0.32%	1.42%	1.18%	0.59%
<b>West</b>	<b>28,996</b>	<b>28,759</b>		17	13	50	63	23	71	237	224	112
				0.06%	0.04%	0.17%	0.22%	0.08%	0.24%	0.82%	0.77%	0.39%
<b>Owner occupied</b>	<b>76,092</b>	<b>69,324</b>	6,418	14	83	14	116	26	97	350	267	134
				0.02%	0.11%	0.02%	0.15%	0.03%	0.13%	0.46%	0.35%	0.18%
<b>Renter occupied</b>	<b>38,815</b>	<b>31,181</b>	7,253	45	16	54	122	33	110	380	364	182
				0.12%	0.04%	0.14%	0.31%	0.09%	0.28%	0.98%	0.94%	0.47%
<b>Metro Status</b>												
<b>In Central Cities</b>	<b>37,400</b>	<b>36,974</b>		49	3	70	124	67	112	425	422	211
				0.13%	0.01%	0.19%	0.33%	0.18%	0.30%	1.14%	1.13%	0.56%
<b>In Suburbs</b>	<b>65,872</b>	<b>65,311</b>		26	57	54	169	69	186	561	504	252
				0.04%	0.09%	0.08%	0.26%	0.10%	0.28%	0.85%	0.77%	0.38%
<b>Outside Metro Area</b>	<b>29,148</b>	<b>28,567</b>		23	101	78	177	76	125	580	479	240
				0.08%	0.35%	0.27%	0.61%	0.26%	0.43%	1.99%	1.64%	0.82%

Source: American Housing Survey, Components of Inventory Change 2011-2013; Prepared by Ecometrica, Inc. for U.S. Department of Housing & Urban Development Office of Policy Development & Research; April 2016. Note: Data in Thousands

- **Permanent Abandonment.** Housing units can be technically removed from the stock available to serve households without being physically removed. This happens when a housing unit's owner elects to permanently abandon the unit – due to obsolescence, overwhelming repair costs, or other factors – without going through the steps (and costs) of demolishing it. If a dilapidated unit was occupied up until the time of permanent abandonment, the former occupant represents a source of demand for other units in the area.
- **Overcrowding.** As defined by the U.S. Census Bureau, a housing unit is classified as overcrowded if the household occupying the unit has more people than the housing unit has rooms. Particularly in markets with high housing costs, lower-income individuals and families are often driven into an overcrowded housing situation. Overcrowded households constitute pent-up demand for new housing units not typically captured in household growth projections; were two affordable units to become available, an overcrowded household would very likely split into two households and generate an additional net unit of housing demand.
- **Mismatch between Household Incomes and Housing Stock Quality.** While permanent abandonment and overcrowding are two factors likely to lead to net new demand for affordable housing units, limited recent housing construction in a stable, long-established neighborhood can be an indicator of pent-up demand for new housing units serving middle- to upper-income households. Areas that exhibit this phenomenon are often downtown, inner city, or inner ring suburban locations that currently have – and have had for years – limited to no undeveloped land available for new housing construction/growth. When a neighborhood is stable in terms of overall

household numbers but near the point of build-out for many years, many resident households develop a desire for a modern housing unit and the wherewithal to rent or purchase one but have no stock of modern units from which to choose. Such households are ‘under-housed’ in that the quality of the housing stock in the area where they live (and wish to remain) does not match the type of housing they demand and could afford. Such pent-up demand is rarely captured in public projections of household growth and is difficult to translate to specific calculations. However, this pent-up demand is a very real factor driving demand for new housing units in stable, established residential neighborhoods.

- **Competitive Multifamily Vacancy Rates.** The final source of demand that factors into RPRG’s calculation of demand for rental units is the observed vacancy rate in the primary market area’s competitive rental market. RPRG assumes that a 5.0 percent vacancy rate is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. When the market vacancy rate is below 5.0 percent, additional units are needed to ensure an adequate number of available units from which to choose. When the market vacancy rate is above 5.0 percent, the market has the capacity to absorb some additional demand (whereby that amount of demand would not need to be met through the development of new units).

In considering competitive vacancy rates, we focus on multi-family units for several reasons. One of the primary reasons is that the scattered market in single-family homes, condominiums, and other properties is extremely fluid and cannot be relied upon to consistently serve renter households, since the inventory can convert to homeownership very quickly.

## 2. Net Demand Calculation

The steps in the derivation of demand for rental housing are detailed below (Table 34):

- Per the household trend information discussed previously, RPRG estimates that 43,250 households reside in the Bealeton Market Area as of January 2024, a number projected to increase to 46,444 by January 2029. Using interpolation, RPRG derived that 43,623 households reside in the market area as of August 2024 and 45,539 households will reside in the market area in August 2027. The Bealeton Market Area would thus gain 1,916 net new households during the three-year study period.
- Using national statistical observations from 2011 and 2013 CINCH data, Econometrica determined that the average annual loss of occupied housing units in the United States between 2011 and 2013 (for all reasons other than the moving of homes, particularly mobile homes) was 0.27 percent of the total occupied stock (See Table 33). This blended rate includes an annual loss of 0.47 percent of renter-occupied units and 0.18 percent of owner-occupied units. In the interest of conservatively estimating demand, we assume the lower blended rate of 0.27 percent rather than the higher renter-occupied rate of 0.47 percent. We determined the size of the housing stock in 2024, 2025, and 2026 via interpolation of household projections. Applying the 0.27 percent removal rate over the three years in question, we estimate that 375 units are likely to be lost.
- Combining this figure with household changes, total demand for 2,291 new housing units will exist in the market between August 2024 and August 2027.
- As detailed previously, RPRG projects renter households will contribute 16.6 percent of net household growth over the next five years in the market area. Applying this renter percentage to new housing demand results in demand for 381 new rental units over the next three years.

**Table 34 Derivation of Net Demand, Bealeton Market Area**

<b>Demand</b>			
<i>Projected Change in Household Base</i>			<i>Units</i>
August 2024 Households			43,623
August 2027 Households			45,539
<b>Net Change in Households</b>			<b>1,916</b>
Add: Units Removed from Housing Stock	Housing Stock	Removal Rate	Units Removed
2024 Housing Stock	45,612	0.27%	123
2025 Housing Stock	46,258	0.27%	125
2026 Housing Stock	46,903	0.27%	127
<b>Total Units Removed from Housing Stock</b>			<b>375</b>
<b>New Housing Demand</b>			<b>2,291</b>
Average Percent Renter Households over Analysis Period			16.6%
<b>New Rental Housing Demand</b>			<b>381</b>
Add: Multifamily Competitive Vacancy	Inventory		Vacant
Total Competitive Inventory	528		6
Market Vacancy at 5%			26
Less: Current Vacant Units			-6
<b>Vacant Units Required to Reach 5% Market Vacancy</b>			<b>20</b>
<b>Total Demand for New Rental Units</b>			<b>401</b>
<b>Planned Additions to the Supply</b>			
		Total Units	95% Occupancy
Vint Hill Lofts		135	128
Lightfoot Apts (LIHTC)		60	57
<b>Subject Property</b>		<b>160</b>	<b>152</b>
<b>Total New Rental Supply</b>		<b>355</b>	<b>337</b>
<b>Excess Demand for Rental Housing</b>			<b>64</b>

Source: RPRG, Inc.

- RPRG's survey of the rental communities in the market area consisted of 528 rental units. Of these, six are currently vacant for a vacancy rate of 1.1 percent. Typically, it is assumed that a 5.0 percent vacancy rate is required to keep a rental market relatively fluid. There must be some number of quality units vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. Given the total competitive inventory of 528 units, 26 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the six vacant units in the market from this number reveals a demand for 20 units to reach 5.0 percent vacancy. Thus, we add these 20 units to demand.
- Combining the effects of household trends, necessary unit replacement, and the preferred structural vacancy rate, demand will exist for 401 additional rental units in the market area over the three-year period.
- Total rental demand must be balanced against new rental stock likely to be added between August 2024 and August 2027. In addition to the subject's 160 proposed rental units, we include the two near term pipeline projects, combining for a new rental supply of 355 units.



- Subtracting 95 percent of these units (337) from the total demand for 401 units yields demand for 64 additional units in the market area through August 2027.

### 3. Conclusions on Net Demand

The results of the Net Demand analysis indicate demand for approximately 400 rental units over the next three years. Accounting for anticipated pipeline additions to the market as well as the proposed subject, the market area will have demand for roughly 60 additional rental units over the next three years. The very low vacancy throughout the market supports this estimate of demand. Additionally, we note that over two-thirds of near term pipeline units will be unrestricted market rate units that will not compete with the subject's proposed affordable product.

## C. Effective Demand – Affordability/Capture & Penetration Analyses

### 1. Methodology

Following our estimate of the depth of demand for net new rental units in the market area, we next test whether sufficient income-qualified households would be available to support the specific units at the subject property and properties in the same broad segment of the rental market in terms of pricing. This analysis is conducted independently of the Derivation of Demand as units at the subject property are likely to be filled by a combination of new households (either moving to or created within the market area) and existing households moving within the market area. The total demand—comprised of the net or incremental demand and the demand from existing households—is the relevant frame of reference for the analysis. The affordability analysis tests the percent of income-qualified households in the market area that the subject community must capture to achieve full occupancy. The penetration analysis tests the percent of income-qualified households in the market area that the subject community and comparable competitive communities combined must capture to achieve full occupancy. The combination of the Derivation of Demand, Affordability and Penetration Analyses determines if the primary market area can support additional rental units and if sufficient households exist in the target income range to support the proposed units.

Using 2026 as our target year for this analysis, RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2018-2022 American Community Survey with estimates and projected income growth since the Census (Table 35).

**Table 35 2026 Total and Renter Income Distribution**

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types—monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent, and utility bills is referred to as a household's 'gross rent burden'. For the Affordability and Penetration

Bealeton Market Area		2026 Total Households		2026 Renter Households	
2026 Income		#	%	#	%
less than	\$15,000	1,017	2.3%	315	4.3%
	\$15,000 \$24,999	1,075	2.4%	332	4.6%
	\$25,000 \$34,999	1,119	2.5%	324	4.5%
	\$35,000 \$49,999	2,043	4.6%	587	8.1%
	\$50,000 \$74,999	4,351	9.8%	1,033	14.2%
	\$75,000 \$99,999	4,219	9.5%	937	12.9%
	\$100,000 \$149,999	9,413	21.1%	1,905	26.2%
	\$150,000 Over	21,290	47.8%	1,825	25.1%
<b>Total</b>		<b>44,527</b>	<b>100%</b>	<b>7,258</b>	<b>100%</b>
<b>Median Income</b>		<b>\$144,828</b>		<b>\$102,642</b>	

Source: American Community Survey 2018-2022 Estimates, Esri, RPRG

Analyses, RPRG employs a 35 percent gross rent burden. The 35 percent rent burden is the rent burden mandated by Virginia Housing for use in evaluating proposed general occupancy LIHTC communities.

## 2. Affordability Analysis

The affordability analysis for combined Bealeton Townhomes is presented in Table 36. The steps of the analysis are demonstrated for three-bedroom units restricted to 60 percent AMI, the most common proposed floor plan. This analysis can be similarly applied to the other units. The steps in the affordability analysis are as follows:

- The three-bedroom units restricted to 60 percent AMI have a gross rent burden of \$2,413 (\$2,187 contract rent plus \$226 utility allowance for tenant-paid utilities). Applying a 35 percent rent burden to this gross rent, we determined that these three-bedroom units would be affordable to households earning at least \$82,731 per year. The projected number of market area renter households earning at least this amount in 2026 is 4,464.
- On the assumption of 1.5 persons per bedroom, the maximum income for households renting a three-bedroom unit restricted to 60 percent AMI at the subject is \$96,540. According to the interpolated income distribution for 2026, a projected 3,936 renter households will reside in the market area with incomes exceeding this upper income limit.
- Subtracting the 3,936 renter households with incomes above the maximum income limit from the 4,464 renter households who have the minimum income necessary to rent this unit, RPRG calculates that 528 renter households in the market area would be income-qualified for the subject's three-bedroom 60 percent AMI units. The subject would have to capture 16.7 percent of these renter households to fill the 88 proposed three-bedroom units restricted to 60 percent AMI.
- Following the same methodology, we tested the affordability of the remaining units at the other income bands as well as the project overall. The capture rates among other income bands are 10.4 percent for units at 50 percent AMI and 1.8 percent for units at 80 percent AMI.
- All 160 tax credit units proposed for Bealeton Townhomes would need to capture 7.1 percent of the 2,240 income-qualified renter households.

As all units will be three-bedroom townhomes likely occupied by larger households, we also performed a large household analysis restricting the pool of income-qualified renter households to those with three or more persons. Applying the 41.1 percent share of larger households to the total number of income-qualified renter households yields 921 income-qualified large households, resulting in a capture rate of 17.4 percent for all 160 proposed units.

**Table 36 Affordability Analysis, Bealeton Townhomes**

50% AMI		35% Rent Burden					
Number of Units				48			
Net Rent				\$1,785			
Gross Rent				\$2,011			
Income Range (Min, Max)				\$68,949		\$80,450	
Renter Households							
Range of Qualified Hhlds				5,015		4,551	
# Qualified Households				463			
Renter HH Capture Rate				10.4%			
60% AMI		35% Rent Burden					
Number of Units				88			
Net Rent				\$2,187			
Gross Rent				\$2,413			
Income Range (Min, Max)				\$82,731		\$96,540	
Renter Households							
Range of Qualified Hhlds				4,464		3,936	
# Qualified Households				528			
Renter HH Capture Rate				16.7%			
80% AMI		35% Rent Burden					
Number of Units				24			
Net Rent				\$2,521			
Gross Rent				\$2,747			
Income Range (Min, Max)				\$94,183		\$128,720	
Renter Households							
Range of Qualified Hhlds				4,026		2,688	
# Qualified Households				1,338			
Renter HH Capture Rate				1.8%			

	Income Target	# Units	Renter Households = 7,402				
			Band of Qualified Hhlds		# Qualified HHs	Capture Rate	
50% AMI		48	Income Households	\$68,949 5,015	\$80,450 4,551	463	10.4%
60% AMI		88	Income Households	\$82,731 4,464	\$96,540 3,936	528	16.7%
80% AMI		24	Income Households	\$94,183 4,026	\$128,720 2,688	1,338	1.8%
Total Units		160	Income Households	\$68,949 5,015	\$128,720 2,688	2,240	7.1%

Source: Income Projections, RPRG, Inc.

### 3. Penetration Analysis

To provide further insight into the market dynamics, we have also conducted a Penetration Analysis (Table 37). The Penetration Analysis evaluates the capacity of the market area to serve the entire inventory of directly competitive rental units. Our analysis utilizes the same target date of 2026; the same 35 percent rent burden; and income levels as presented in the Affordability Analysis. To test the most competitive and relevant subset of the rental stock, RPRG limited communities to those that offer three-bedroom LIHTC units at 50 and 60 percent AMI, as well as unrestricted market rate communities with three or four-bedroom units priced within roughly \$100 of the subject's proposed 80 percent AMI rents, which includes the 71 units at Villages at Goose Pond. The 12 three-bedroom units at the LIHTC near term pipeline project were also included (all units restricted to 60 percent AMI).

This analysis indicates that the directly competitive tax credit and similarly priced market rate three and four-bedroom units would need to capture just 13.3 percent of income-qualified renters to fill all comparable units in the market area in 2026.

We have also run this analysis restricting the pool of income-qualified renter households to those with three or more persons. Applying the 41.1 percent share of larger households to the total number of income-qualified renter households yields 957 income-qualified large households, resulting in a still low penetration rate of 32.3 percent.

**Table 37 Penetration Analysis, Bealeton Market Area**

50% Units	
Competitive Units	Units
The Aspens-50%	30
subtotal	30
Pipeline Units	Units
subtotal	0
Subject Property	Units
50% units	48
Total	78

60% Units	
Competitive Units	Units
Highland Comm-60%	24
The Aspens-60%	12
subtotal	36
Pipeline Units	Units
Lightfoot Apts-60%	12
subtotal	12
Subject Property	Units
60% units	88
Total	136

80% Units	
Competitive Units	Units
Vill at Goose Pond	71
subtotal	71
Pipeline Units	Units
subtotal	0
Subject Property	Units
80% units	24
Total	95

Income Target	Total Competitive	Renter Households = 7,402		# Qualified HHs	Penetration
		Band of Qualified Hhlds			
		Three Bedroom	Three Bedroom		
50% Units	78	\$68,949	\$80,450	463	16.8%
		5,015	4,551		
		Three Bedroom	Three Bedroom		
60% Units	136	\$82,731	\$96,540	528	25.8%
		4,464	3,936		
		Three Bedroom	Three Bedroom		
80% Units	95	\$94,183	\$128,720	1,338	7.1%
		4,026	2,688		
		Three Bedroom	Three Bedroom		
Total Units	309	\$68,949	\$128,720	2,327	13.3%
		5,015	2,688		

#### 4. Conclusions on Affordability and Penetration

The affordability capture rates indicate a sufficient number of income qualified renter households within the projected target market for the units proposed at Bealeton Townhomes. The capture rate for the subject is 7.1 percent among 2,240 income qualified renter households earning from \$68,949 to \$128,720. The overall renter capture rate is achievable, particularly since the proposed townhomes will be among the newest and most attractive affordable rental community within the market area. The penetration rate of 13.3 percent leaves more than 85 percent of income qualified renter households within the market area to lease lower priced or scattered site rentals or pay more than 35 percent of their income towards rent. Additionally, Given the subject will only include three-bedroom units, the capture and penetration rates when considering only larger renter households with three or more persons of 17.4 percent and 32.3 percent are achievable.

### D. Virginia Housing Demand Methodology

#### 1. Virginia Housing Demand Analysis

Virginia Housing (VH) mandates a particular demand methodology in evaluating applications for Low-Income Housing Tax Credits. VH opts for a need-driven demand methodology which factors the topics of cost-burdened renters and substandard rental housing into the demand equation. In this section, RPRG calculates demand according to the VH methodology for Bealeton Townhomes. VH's demand methodology for general occupancy LIHTC projects such as the subject accounts for the following components of potential need/demand:

- **Household Growth or Decline.** The household trend required by VH is the net increase or decrease in the number of income-qualified renter households in the primary market area between a base year of 2024 and a target year of 2027.
- **Cost Burdened Renters.** VH's second component of demand is cost burdened renters, a designation which is defined as those renter households paying more than 35 percent of household income for housing costs. RPRG uses the 2018-2022 ACS data on cost-burdened renter households presented earlier in Table 21 to estimate the percentage and number of income-qualified renters for the subject property that will be cost-burdened as of 2024. We conservatively use a rent burden of 40 percent, which accounts for 28.1 percent of renter households.
- **Renter Households in Substandard Housing.** VH's third component of demand accounts for income-qualified renter households living in substandard units, defined as overcrowded units (having 1.01 or more persons per room) and/or units lacking complete plumbing facilities. According to the 2018-2022 ACS, the percentage of renter households in the primary market area that lived in substandard conditions was 2.7 percent.
- **Existing Tenants Likely to Remain.** For projects that constitute the renovation of an existing property with current tenants, VH requests that analysts consider the percentage of current tenants that are likely to remain following the proposed renovation. Bealeton Townhomes Apartments will be a new construction project and, as such, VH's fourth component of demand is not relevant.

Table 38 outlines the detailed VH demand calculations for Bealeton Townhomes. Total demand available for the 160-unit project is expected to include 58 net new renter households, 368 cost-burdened households, and 35 households currently residing in substandard housing. The calculation thus yields a total demand for 462 units serving the targeted 50 percent, 60 percent, and 80 percent AMI income bands.



Comparable units that are presently available or that likely would be available constitute supply that must be subtracted from total VH demand to arrive at VH net demand. Based on the competitive rental survey, six vacancies were reported among existing comparable LIHTC and unrestricted units. The near-term pipeline projects will have a combined 60 units restricted to 60 percent AMI. Subtracting the vacant existing and pipeline units, VH net demand totals 395 units.

Given the net LIHTC demand of 395, the 160-unit subject would need to capture 40.5 percent of income-qualified renter households per VH's demand methodology.

**Table 38 VH Demand by Income Targeting, Bealeton Townhomes**

<i>Income Target</i>	<b>50% AMI</b>	<b>60% AMI</b>	<b>80% AMI</b>	<b>Project Total</b>
<i>Minimum Income Limit</i>	\$68,503	\$82,286	\$93,977	\$68,503
<i>Maximum Income Limit</i>	\$80,450	\$96,540	\$128,720	\$128,720
<b>(A) Renter Income Qualification Percentage</b>	<b>6.5%</b>	<b>7.4%</b>	<b>18.2%</b>	<b>30.7%</b>
Demand from New Renter Households - <i>Calculation (C-B)*F*A</i>	21	23	58	58
+ Demand from Rent Overburdened HHs - <i>Calculation: B*E*F*A</i>	132	149	368	368
+ Demand from Substandard Housing - <i>Calculation B*D*F*A</i>	13	14	35	35
<b>Total Income Qualified Renter Demand</b>	<b>165</b>	<b>187</b>	<b>461</b>	<b>461</b>
<b>Less: Comparable Vacant Units</b>	0	2	4	6
<b>Less: Comparable Pipeline Units</b>	0	60	0	60
<b>Net Demand</b>	<b>165</b>	<b>125</b>	<b>457</b>	<b>395</b>
Subject Proposed Units	48	88	24	160
<b>Capture Rate</b>	<b>29.1%</b>	<b>70.6%</b>	<b>5.3%</b>	<b>40.5%</b>

<b>Demand Calculation Inputs</b>	
A). % of Renter HHlds with Qualifying Income	see above
B). 2024 Households	43,250
C). 2027 Households	45,166
D). Substandard Housing (% of Rental Stock)	2.7%
E). Rent Overburdened (% of Renter HHlds at >40%)	28.1%
F). Renter Percentage (% of all 2024 HHlds)	16.6%

Project Wide Capture Rate All Units: 40.5%

Project Wide Absorption Period: 12 - 13  
(Months)

## 2. Conclusions on Virginia Housing Demand

RPRG considers the subject's capture rate to be achievable, indicating sufficient demand to absorb all 160 units at Bealeton Townhomes. Although somewhat elevated at 40.5 percent, the overall capture rate is achievable in the context of such a limited multi-family rental market as demonstrated by the low penetration rate with a clear need for additional affordable rental units as market conditions, including nearly full occupancy among tax credit communities, indicate strong demand for quality rental units targeting low and moderate-income households. Taking into consideration these factors, we have estimated a project lease-up pace of roughly 12 to 13 months for the subject, reflecting an average absorption pace of 12 units per month.

## E. Target Markets

The location of the subject site will offer future residents convenient access to retail, services, and primary thoroughfares. Combining these benefits with the subject's affordable rents and proposed three-bedroom townhome units, we would expect it to attract multi-person households such as families, including those with children, married and unmarried couples, those in roommate situations, and empty nesters which income qualify for the units. The subject's proposed 50 percent, 60 percent, and 80 percent AMI units will target low to moderate-income households.

## F. Product Evaluation

Considered in the context of the competitive environment, the relative position of the proposed Bealeton Townhomes is as follows:

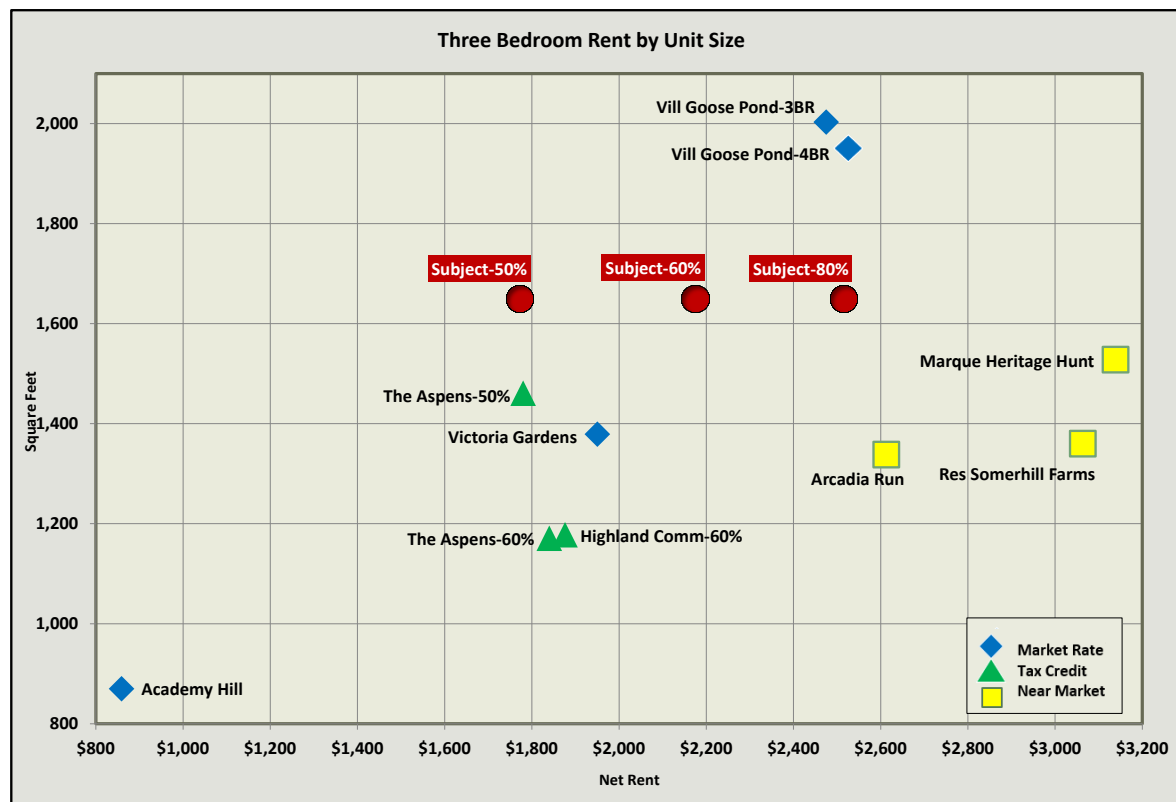
- **Location:** The site offers commercial/retail surroundings fronting US-17 including Food Lion, Walgreens, multiple convenience shops, and other nearby retailers, eateries, and services within one-quarter mile. US-17 is a primary thoroughfare in the area providing access northward to Warrenton and to the southwest to Culpeper, including two hospitals, big box brand retail, and employment opportunities within 18 miles. The subject's location is appropriate for an affordable rental community and will be well received by the target market.
- **Structure Type:** The community is proposed to include 25 blocks of two-story townhomes. This design is appropriate for the subject site and low-density suburban surroundings, consistent with the leading market area community, Villages at Goose Pond.
- **Project Size:** The Developer has proposed 160 units, which would position the subject property as the second largest community in the market area, but much smaller than the Near Market average. The proposed community size will support an adequate amenity package, and the Net Demand estimate indicates sufficient demand to support a project of this size. The only identified multi-family rental community with a similar location to the subject in Bealeton is The Aspens, a mixed-income tax credit community which is also the largest community in the market area at 238 units. Though the subject's 160 units would represent a 30 percent expansion of the market area's total rental stock, a rolling delivery of townhome units would be appropriate and should ease concerns regarding absorption and any effects on the existing market inventory.
- **Income Targeting:** Bealeton Townhomes, as proposed, will offer 48 units at 50 percent AMI, 88 units at 60 percent AMI, and 24 units at 80 percent AMI; supporting a range of incomes from \$68,949 to \$128,720. This broad range in target income will allow the property to accommodate a relatively large household base. The capture and penetration rates demonstrate the large number of households which income qualify for a unit at the proposed subject in context of the market's limited inventory of rental stock.
- **Unit Distribution:** The 160-unit subject community is proposed to include all three-bedroom units. Market area communities include 62 percent two-bedroom units, 20 percent three-bedroom units, ten percent one-bedroom units, and eight percent four-bedroom units. Near Market communities feature a greater weighting of one-bedroom units. The subject's offering of all three-bedroom units is appropriate for the proposed two-story townhome product and surrounding lower-density exurban area. The leading market area community, Villages at Goose Pond, has historically been very successful offering only three and four-bedroom townhomes. Furthermore, the capture and penetration rates support the subject's entry into the market at the proposed distribution.
- **Unit Size:** The proposed weighted average three-bedroom unit sizes for Bealeton Townhomes are 1,650 square feet. The subject's proposed unit sizes are larger than all surveyed communities except Villages at Goose Pond, which features 2,003-square-foot three-bedroom units and 1,951-square-foot four-bedroom units. As such, the subject's proposed unit sizes will be well received by the target market and provide a marketing advantage in nearly all cases.
- **Unit Features:** Units at the subject will have Energy Star appliances including a refrigerator, oven/range, dishwasher, and built-in microwave as well as in-unit laundry. As only two tax credit communities include microwaves and only two include in-unit washer/dryers, the subject's features are at least on par with or above all of the tax credit inventory. These unit features are appropriate for the target market.

- Common Area Amenities:** The property will have an amenity package including a standalone clubhouse with a fitness center, resident lounge, and leasing office as well as a swimming pool and sundeck area, furnished outdoor gathering spaces, grilling areas, an outdoor recreation area, pocket parks, and dog park space. These amenities are relatively well appointed for an affordable community, offering a competitive advantage in many cases, and will be well received by the target market.
- Parking:** The subject will include an integral one-car garage with each unit as well as a short driveway. Villages at Goose Pond offers attached two-car garages with each townhome, while all other communities in the market are offer free surface parking. As such, the proposed parking arrangement is appropriate for the subject's location and structure type and will provide a marketing advantage over the bulk of rental stock in the area.

## G. Price Position

The tax credit rents proposed by the developer for Bealeton Townhomes are all at or below the allowable maximums for the designated AMI levels, given the assumed utility allowance of \$226. As demonstrated in the previous Derivation of Market Rent section, the proposed LIHTC rents offer a significant market advantage. When viewed within the context of the directly competitive rental supply, the proposed rents are reasonable and competitively positioned. Figure 9 provides a graphic representation of the price and size positions of the subject's proposed three-bedroom units restricted to 50 percent, 60 percent, and 80 percent AMI.

**Figure 9 Price Position of Bealeton Townhomes**



The subject's three-bedroom 50 percent AMI rents are positioned similar to 50 percent AMI units at The Aspens and below most other surveyed communities. The 60 percent AMI rents at the subject community are positioned higher than 60 percent AMI units at The Aspens and Highland Commons but lower than market rate units at Villages at Goose Pond and those of the surveyed Near Market stock. The subject's 80 percent AMI rents are positioned similar to unrestricted three and four-bedroom units at Villages at Goose Pond and below all of the contemporary surveyed Near Market stock. In terms of size, the subject's units are generally larger than all three-bedroom units, including all LIHTC units, and smaller only than units at Village at Goose Pond.

Based on our review of the site, product, and competitive environment, the proposed pricing is appropriate, allowing the subject to offer quality, modern housing to lower and moderate-income residents.

## H. Absorption Estimate

As none of the surveyed market area or Near Market communities delivered within the past five years, initial absorption data is unavailable. Beyond the initial absorption experience of other properties in the market, the projected absorption rate of the subject property is based on a variety of market factors including:

- A very low aggregate vacancy rate of 1.1 percent among market area communities and only two vacancies reported among 390 units at LIHTC communities.
- The market area's renter household base is projected to continue growing with the net addition of 106 renter households per year.
- An affordability capture rate of 7.1 percent and a penetration rate of 13.3 percent. Each of which are considered low and achievable in the context of the limited Bealeton Market Area rental stock.
- Net Demand over the next three years to support existing communities, the subject property, identified and likely pipeline, and roughly 60 additional units.

Based on our analysis of household projections, employment trends, competitive market conditions, product position, pipeline activity, and proposed rents at Bealeton Townhomes, RPRG conservatively projects the 160 LIHTC units restricted to 50 percent, 60 percent, and 80 percent AMI at the subject will lease at an average of **12 units per month**. The resulting absorption period to 95 percent occupancy would be 12 to 13 months. A rolling delivery of units could be coordinated to complement the absorption pace.

## I. Impact on Existing Market

RPRG does not anticipate that the construction of Bealeton Townhomes, an LIHTC community, will have a negative impact on other rental communities in the market area. Only two vacancies were reported among the market's existing LIHTC stock. Under a broader perspective, the rental market as a whole is tight, with a very low aggregate vacancy rate of 1.1 percent.

Demographic data for the market area indicates a broad base across all household incomes, suggesting a need for rental units at a broad range in price points. Given the development environment and the tendency for new communities to focus on luxury units, it is critical that the affordable rental stock continue to expand to meet the needs of low to moderate-income households in the area. Additionally, larger multi-person renter households are common in this market and likely underserved by the existing stock of rental units. The subject property will address these needs by offering quality new construction townhome units at affordable rents restricted to households earning from 50 to 80 percent AMI. Furthermore, given the demand for



rental housing in this market, whatever turnover may be experienced at competitive properties, will quickly be addressed by the market.

We hope you find this analysis helpful in your decision-making process.

A handwritten signature in black ink, appearing to read 'Tim Weber'.

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Timothy Weber  
Senior Analyst

A handwritten signature in black ink, appearing to read 'E. Reed'.

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Ethan Reed  
Senior Analyst

A handwritten signature in black ink, appearing to read 'Bob Lefenfeld'.

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Bob Lefenfeld  
Founding Principal





## **IX. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS**

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



## X. APPENDIX 2 RENTAL COMMUNITY PROFILES

ADDRESS	COMMUNITY TYPE	STRUCTURE TYPE	UNITS	VACANCY	OPENED IN
117 Green Street, Warrenton, VA, 20186	Market Rate - General	2 Story – Garden	12	0.0 % (0 Units) as of 08/15/24	1972



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Central Laundry	
Two	100%	\$1,445	1,200	\$120		
Features						
Standard			Dishwasher, Patio Balcony, Disposal			
Central / Heat Pump			Air Conditioning			
Hardwood			Flooring Type 1			
White			Appliances			
Laminate			Countertops			
Parking					Contacts	
Parking Description		Free Surface Parking			Owner / Mgmt.	Long & Foster
Parking Description #2					Phone	540-270-5598 / 540-349-1400
Comments						
Long & Foster manages renting units, rarely available.						

Floorplans (Published Rents as of 08/15/2024) (2)									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Garden		2	1.0	12	\$1,475	1,200	\$123	Market	-

Historic Vacancy & Eff. Rent (1)			
Date	08/15/24	08/24/23	06/28/22
% Vac	0.0%	0.0%	0.0%
Two	\$1,475	\$1,450	\$0

Adjustments to Rent	
Incentives	None
Utilities in Rent	Water/Sewer, Trash
Heat Source	Electric

117 Green Street Apartments

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent  
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

# Academy Hill



ADDRESS	COMMUNITY TYPE	STRUCTURE TYPE	UNITS	VACANCY	OPENED IN
49 Academy Hill Rd, Warrenton, VA, 20186	Market Rate - General	3 Story – Garden	31	0.0 % (0 Units) as of 08/15/24	1984



Unit Mix & Effective Rent (1)					Community Amenities
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Central Laundry, Playground
One	26%	\$804	584	\$1.38	
Two	61%	\$839	742	\$1.13	
Three	13%	\$859	870	\$0.99	

Features	
Standard	Disposal
Central / Heat Pump	Air Conditioning
Carpet	Flooring Type 1
Parking	Contacts
Parking Description	Free Surface Parking
Parking Description #2	Owner / Mgmt. Humphrey Management
	Phone 540-347-3361 / academy@hrehllc.com

Comments
Rural development community, displayed rents are the market rents

Floorplans (Published Rents as of 08/15/2024) (2)									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Garden		1	1.0	8	\$829	584	\$1.42	RD	-
Garden		2	1.0	19	\$869	742	\$1.17	RD	-
Garden		3	1.0	4	\$894	870	\$1.03	RD	-

Historic Vacancy & Eff. Rent (1)			
Date	08/15/24	08/21/23	11/26/14
% Vac	0.0%	0.0%	0.0%
One	\$829	\$789	\$0
Two	\$869	\$829	\$0
Three	\$894	\$854	\$0

Adjustments to Rent	
Incentives	None
Utilities in Rent	Water/Sewer, Trash
Heat Source	Electric

Academy Hill

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent  
(2) Published Rent is rent as quoted by management.



Multifamily Community Profile

# Arcadia Run



ADDRESS	COMMUNITY TYPE	STRUCTURE TYPE	UNITS	VACANCY	OPENED IN
11775 Baltonia Drive, Manassas, VA, 20109	Market Rate - General	4 Story – Mid Rise	616	0.2 % (1 Units) as of 08/15/24	2013



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	43%	\$2,119	763	\$2.78
One/Den	3%	\$2,133	865	\$2.47
Two	36%	\$2,484	1,118	\$2.22
Two/Den	12%	\$2,619	1,177	\$2.23
Three	6%	\$2,613	1,338	\$1.95

Community Amenities
Clubhouse, Fitness Room, Playground, Outdoor Pool, Basketball, Firepit, Computer Center, Dog Park, Picnic Area, Outdoor Kitchen, Parcel Lockers

Features	
Standard	Dishwasher, Disposal, Microwave, Patio Balcony
Central / Heat Pump	Air Conditioning
Ceramic	Flooring Type 1
Vinyl/Linoleum	Flooring Type 2
Standard - Full	In Unit Laundry
In Building/Fee	Storage
Granite	Countertops
SS	Appliances
Select Units	Accessibility

Parking	
Parking Description	Free Surface Parking
Parking Description #2	

Contacts	
Owner / Mgmt.	Bozzuto Management
Phone	571-267-3203

Comments
9' ceilings, island kitchen, window coverings. Media center, conference room, Community Demonstration Kitchen with Bar, Theater Room with Bar Top, Professionally Landscaped Grounds, Walking and Biking Trails Nearby, Smoke-Free Community, Complimentary moving assistance through Updater, 24-hour emergency maintenance, Package concierge, Daily Hospitality Bar, "Away from Home" services, Monthly Resident Events

Floorplans (Published Rents as of 08/15/2024) (2)									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Mayfield Garden		1	1.0	48	\$1,991	619	\$3.22	Market	-
Bull Run Garden		1	1.0	208	\$2,161	789	\$2.74	Market	-
Bull Run Plus Garden	Den	1	1.0	16	\$2,143	865	\$2.48	Market	-
Freestone Garden		1	1.0	8	\$2,133	953	\$2.24	Market	-
Broad Run Garden		2	2.0	192	\$2,503	1,117	\$2.24	Market	-
Cannon Branch Garden		2	2.0	32	\$2,440	1,123	\$2.17	Market	-
Broad Run Plus Garden	Den	2	2.0	72	\$2,629	1,177	\$2.23	Market	-
Bristoe Garden		3	2.0	40	\$2,623	1,338	\$1.96	Market	-

Historic Vacancy & Eff. Rent (1)			
Date	08/15/24	08/21/23	08/22/22
% Vac	0.2%	0.0%	0.0%
One	\$1,571	\$1,407	\$1,399
One/Den	\$2,143	\$1,970	\$1,960
Two	\$1,648	\$1,484	\$1,477
Two/Den	\$2,629	\$2,364	\$2,293
Three	\$2,623	\$2,513	\$2,453

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash
Heat Source	Electric

Arcadia Run

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent  
(2) Published Rent is rent as quoted by management.

ADDRESS12 Walker Drive, Warrenton, VA, 20186

COMMUNITY TYPELIHTC - General

STRUCTURE TYPE3 Story - Garden

UNITS96

VACANCY1.0 % (1 Units) as of 08/15/24

OPENED IN1995



Unit Mix & Effective Rent (1)					Community Amenities
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	
Two	75%	\$1,645	944	\$174	
Three	25%	\$1,876	1,178	\$1.59	Fitness Room, Outdoor Pool, Tennis, Playground

Features	
Standard	Dishwasher, Disposal, Patio Balcony
Select Units	High Ceilings
Central / Heat Pump	Air Conditioning
Carpet	Flooring Type 1
Standard - Full	In Unit Laundry
Standard - In Unit	Storage
White	Appliances
Laminate	Countertops
Vinyl/Linoleum	Flooring Type 2

Parking		Contacts	
Parking Description	Free Surface Parking	Owner / Mgmt.	Highmark Residential
Parking Description #2		Phone	540-349-6604 / 540-501-5095

Comments
Walking paths, outdoor BBQ area, sports courts mini blinds, vertical blinds, double pane windows, breakfast bar

Floorplans (Published Rents as of 08/15/2024) (2)								
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program
		2	1.0	36	\$1,598	877	\$1.82	LIHTC
		2	2.0	36	\$1,752	1,010	\$1.73	LIHTC
		3	2.0	24	\$1,911	1,178	\$1.62	LIHTC

Historic Vacancy & Eff. Rent (1)			
Date	08/15/24	08/21/23	07/08/22
% Vac	1.0%	0.0%	0.0%
Two	\$1,675	\$1,625	\$1,631
Three	\$1,911	\$1,937	\$1,896

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash, Water/Sewer
Heat Source	Electric

Highland Commons

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent  
(2) Published Rent is rent as quoted by management.

ADDRESS13550 Heathcote Boulevard, Gainesville, VA, 20155

COMMUNITY TYPEMarket Rate - General

STRUCTURE TYPE4 Story – Mid Rise

UNITS200

VACANCY0.5 % (1 Units) as of 08/15/24

OPENED IN2006



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	30%	\$2,400	900	\$2.67
One/Den	7%	\$2,464	967	\$2.55
Two	44%	\$2,707	1,186	\$2.28
Two/Den	5%	\$2,735	1,334	\$2.05
Three	16%	\$3,139	1,528	\$2.05

Community Amenities
Fitness Room, Sauna, Outdoor Pool, Hot Tub, Business Center, Concierge, Computer Center, Community Room, Elevators, Picnic Area

Features	
Standard	Dishwasher, Disposal, Microwave, Ceiling Fan
Select Units	Patio Balcony, Fireplace
Central / Heat Pump	Air Conditioning
Carpet	Flooring Type 1
Standard - Full	In Unit Laundry
SS	Appliances
Granite	Countertops
Ceramic	Flooring Type 2
Community Security	Keyed Bldg Entry

Parking	
Parking Description	Free Surface Parking
Parking Description #2	Detached Garage — \$125
Surface On Site	Carport — \$50

Contacts	
Owner / Mgmt.	Van Metre Management Company
Phone	833-974-3213 / 703-754-7711

Comments
Van Metre. Theater, library, game room, resident vegetable garden, walk-in closet, breakfast bar.

Floorplans (Published Rents as of 08/15/2024) (2)									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Canterbury	Patio/Balcony	1	1.5	23	\$2,380	870	\$2.74	Market	-
Allston, Coventry	Patio/Balcony	1	1.0	22	\$2,380	884	\$2.69	Market	-
Fieldstone	Den	1	1.5	14	\$2,474	967	\$2.56	Market	-
Derby	Patio/Balcony	1	1.5	14	\$2,505	975	\$2.57	Market	-
La Marchand IV/Normandy/La Marchand V	Patio/Balcony	2	2.0	44	\$2,705	1,165	\$2.32	Market	-
La Marchand II/La Marchand III	Patio/Balcony	2	2.0	43	\$2,730	1,207	\$2.26	Market	-
Monique II/La Marchand/La Monde	Den	2	2.0	9	\$2,745	1,334	\$2.06	Market	-
Versailles		3	2.0	31	\$3,149	1,528	\$2.06	Market	-

Historic Vacancy & Eff. Rent (1)			
Date	08/15/24	08/21/23	06/28/22
% Vac	0.5%	2.0%	0.0%
One	\$1,940	\$1,741	\$0
One/Den	\$2,474	\$2,371	\$0
Two	\$1,812	\$1,778	\$0
Two/Den	\$2,745	\$2,685	\$0
Three	\$3,149	\$3,073	\$0

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash
Heat Source	Natural Gas

Marque at Heritage Hunt

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent  
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Residences at Somerhill Farms



ADDRESS7351 Yountville Drive, Gainesville, VA, 20155

COMMUNITY TYPEMarket Rate - General

STRUCTURE TYPE3 Story – Garden

UNITS140

VACANCY0.0 % (0 Units) as of 08/15/24

OPENED IN2006



Unit Mix & Effective Rent (1)					Community Amenities Clubhouse, Community Room, Fitness Room, Playground, Outdoor Pool, Picnic Area, Dog Park, Outdoor Kitchen, Elevators
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	
One	0%	\$2,155	866	\$2.49	
Two	0%	\$2,583	1,129	\$2.29	
Three	0%	\$3,064	1,360	\$2.25	

Features	
Standard	Dishwasher, Disposal, Microwave, Patio Balcony, Ceiling Fan
Select Units	High Ceilings, Fireplace
Central / Heat Pump	Air Conditioning
Vinyl/Linoleum	Flooring Type 1
Standard - Full	In Unit Laundry
Carpet	Flooring Type 2
Granite	Countertops
SS	Appliances

Parking		Contacts	
Parking Description	Free Surface Parking	Owner / Mgmt.	Capital Square Living
Parking Description #2		Phone	703-936-9667

Comments
Breakfast bar/kitchen island, walk-in closet, dual sink vanity. 1st parking stall is free, 2nd is \$40/mo. Valet trash- \$15/mo Unit mix unavailable at time of survey

Floorplans (Published Rents as of 08/15/2024) (2)									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Garden		1	1.0		\$2,155	866	\$2.49	Market	-
Garden		2	2.0		\$2,583	1,129	\$2.29	Market	-
Garden		3	2.0		\$3,064	1,360	\$2.25	Market	-

Historic Vacancy & Eff. Rent (1)			
Date	08/15/24	08/21/23	07/08/22
% Vac	0.0%	0.0%	0.0%
One	\$2,155	\$1,866	\$1,700
Two	\$2,583	\$2,457	\$2,400
Three	\$3,064	\$2,987	\$2,900

Adjustments to Rent	
Incentives	None
Utilities in Rent	
Heat Source	Natural Gas

Residences at Somerhill Farms

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(2) Published Rent is rent as quoted by management.



ADDRESS361 Roebling Street, Warrenton, VA, 20186

COMMUNITY TYPELIHTC - General

STRUCTURE TYPE3 Story – Garden

UNITS56

VACANCY0.0 % (0 Units) as of 08/15/24

OPENED IN1980



Unit Mix & Effective Rent (1)					Community Amenities
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	
One	2%	\$1,055	804	\$131	
Two	98%	\$1,150	1,074	\$107	

Clubhouse, Community Room, Central Laundry, Car Wash

Features

Standard	Dishwasher, Disposal, Microwave
Central / Heat Pump	Air Conditioning
Carpet	Flooring Type 1
Vinyl/Linoleum	Flooring Type 2
Black	Appliances
Granite	Countertops

Parking

Parking Description	Free Surface Parking
Parking Description #2	

Contacts

Owner / Mgmt.	Mark Dana Management
Phone	540-349-4297

Comments

Formerly Hunt Country Manor) Hirschfield Properties. WL: closed as of 8/2024  
Reno took 1 yr, 2020-2021

Floorplans (Published Rents as of 08/15/2024) (2)									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
		1	1.0	1	\$1,080	804	\$134	LIHTC	60%
		2	1.0	45	\$1,180	1,057	\$112	LIHTC	60%
		2	2.0	10	\$1,180	1,150	\$1.03	LIHTC	60%

Historic Vacancy & Eff. Rent (1)			
Date	08/15/24	08/21/23	07/08/22
% Vac	0.0%	0.0%	0.0%
One	\$1,080	\$1,180	\$1,080
Two	\$1,180	\$1,258	\$1,165

Adjustments to Rent

Incentives	None
Utilities in Rent	Water/Sewer, Trash
Heat Source	Electric

Steeplechase

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(2) Published Rent is rent as quoted by management.



ADDRESS  
10901 Wild Ginger Circle, Manassas, VA, 20109

COMMUNITY TYPE  
Market Rate - General

STRUCTURE TYPE  
4 Story – Mid Rise

UNITS  
402

VACANCY  
1.7 % (7 Units) as of 08/15/24

OPENED IN  
2007



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	16%	\$2,123	863	\$2.46
One/Den	21%	\$2,332	1,031	\$2.26
Two	55%	\$2,526	1,221	\$2.07
Two/Den	8%	\$2,888	1,411	\$2.05

Community Amenities

Clubhouse, Community Room, Playground, Business Center, Outdoor Pool, Car Wash, Picnic Area, Dog Park, Parcel Lockers

Features	
Standard	Dishwasher, Disposal, Microwave, IceMaker, Patio Balcony
Select Units	High Ceilings, Fireplace
Central / Heat Pump	Air Conditioning
Carpet	Flooring Type 1
Vinyl/Linoleum	Flooring Type 2
Standard - Full	In Unit Laundry
Granite	Countertops
Black	Appliances

Parking	
Parking Description	Free Surface Parking
Parking Description #2	Detached Garage — \$200

Contacts	
Owner / Mgmt.	TGM Communities
Phone	866-663-1506 Faith

Comments

TGM Communities, breakfast bar, 9" ceilings, children's playground

Floorplans (Published Rents as of 08/15/2024) (2)									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
Chesapeake		1	1.0	24	\$2,193	842	\$2.60	Market	-
Shenandoah		1	1.0	40	\$2,082	876	\$2.38	Market	-
Conway	Den	1	1.0	44	\$2,347	1,030	\$2.28	Market	-
York	Den	1	1.0	40	\$2,317	1,033	\$2.24	Market	-
Holston		2	2.0	72	\$2,451	1,106	\$2.22	Market	-
James		2	2.0	150	\$2,563	1,276	\$2.01	Market	-
Potomac	Den	2	2.0	32	\$2,888	1,411	\$2.05	Market	-

Historic Vacancy & Eff. Rent (1)			
Date	08/15/24	08/21/23	08/22/22
% Vac	1.7%	3.2%	1.5%
One	\$1,069	\$901	\$883
One/Den	\$2,332	\$2,084	\$1,919
Two	\$1,671	\$1,423	\$1,407
Two/Den	\$2,888	\$2,525	\$2,260

Adjustments to Rent	
Incentives	None;
Utilities in Rent	
Heat Source	Natural Gas

TGM Ridge

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent  
(2) Published Rent is rent as quoted by management.



The Aspens



ADDRESS	COMMUNITY TYPE	STRUCTURE TYPE	UNITS	VACANCY	OPENED IN
6337 Village Center Drive, Bealeton, VA, 22712	LIHTC - General	3 Story – Garden/TH	238	0.4 % (1 Units) as of 08/19/24	2001



Unit Mix & Effective Rent (1)				
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt
One	17%	\$1,490	761	\$1.96
Two	66%	\$1,665	976	\$1.71
Three	18%	\$1,797	1,378	\$1.30

Community Amenities
Clubhouse, Community Room, Fitness Room, Playground, Outdoor Pool, Picnic Area

Features	
Standard	Dishwasher, Disposal, Microwave, Ceiling Fan, Patio Balcony
Central / Heat Pump	Air Conditioning
Granite	Countertops
White	Appliances
Carpet	Flooring Type 1
Vinyl/Linoleum	Flooring Type 2
Standard - Stacked	In Unit Laundry
Standard - In Unit	Storage

Parking		Contacts	
Parking Description	Free Surface Parking	Owner / Mgmt.	Coastatlantic
Parking Description #2		Phone	540-439-6768

Comments
Bike storage, granite ct in select units. Community has 3 parts: The Aspen (market rate), Aspen Club (tax credit), and Aspen Village Townhomes (tax credit) Currently renovating. Roughly 20-40 units unavailable at a time, management said it's very fluid as tenants are moved around.

Floorplans (Published Rents as of 08/19/2024) (2)									
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program	IncTarg%
The Aspen		1	1.0	40	\$1,500	761	\$1.97	Market	-
The Aspen		2	2.0	60	\$1,675	972	\$1.72	Market	-
Aspen Club		2	2.0	96	\$1,675	979	\$1.71	LIHTC	60%
Aspen Club		3	2.0	12	\$1,850	1,171	\$1.58	LIHTC	60%
Aspen Village TH Townhouse		3	2.0	30	\$1,790	1,461	\$1.23	LIHTC	50%

Historic Vacancy & Eff. Rent (1)			
Date	08/19/24	08/21/23	07/08/22
% Vac	0.4%	0.8%	0.0%
One	\$1,500	\$1,450	\$1,500
Two	\$1,675	\$1,675	\$1,600
Three	\$1,820	\$1,795	\$1,650

Adjustments to Rent	
Incentives	None
Utilities in Rent	Trash
Heat Source	Electric

The Aspens

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent  
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

# Victoria Gardens



ADDRESS	COMMUNITY TYPE	STRUCTURE TYPE	UNITS	VACANCY	OPENED IN
129 Green Street, Warrenton, VA, 20186	Market Rate - General	3 Story – Garden	24	0.0 % (0 Units) as of 08/19/24	1979



Unit Mix & Effective Rent (1)					Community Amenities	
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	Central Laundry	
One	0%	\$1,500	600	\$2.50		
Two	0%	\$1,650	775	\$2.13		
Three	0%	\$1,950	1,379	\$1.41		
Features						
Standard			Dishwasher, Disposal, Patio Balcony			
White			Appliances			
Laminate			Countertops			
Carpet			Flooring Type 1			
Vinyl/Linoleum			Flooring Type 2			
Standard - In Unit			Storage			
Central / Heat Pump			Air Conditioning			
Parking					Contacts	
Parking Description		Free Surface Parking		Owner / Mgmt.	BPG Property Management	
Parking Description #2				Phone	571-210-0140	
Comments						

Floorplans (Published Rents as of 08/19/2024) (2)								
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program
Garden		1	1.0		\$1,500	600	\$2.50	Market
Garden		2	1.0		\$1,650	775	\$2.13	Market
Garden		3	2.0		\$1,950	1,379	\$1.41	Market

Historic Vacancy & Eff. Rent (1)	
Date	08/19/24
% Vac	0.0%
One	\$1,500
Two	\$1,650
Three	\$1,950

Adjustments to Rent	
Incentives	None
Utilities in Rent	
Heat Source	Natural Gas

Victoria Gardens

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent  
(2) Published Rent is rent as quoted by management.

ADDRESS4603 Whiting Road, Marshall, VA, 20115

COMMUNITY TYPEMarket Rate - General

STRUCTURE TYPE3 Story – Townhouse

UNITS71

VACANCY5.6 % (4 Units) as of 08/19/24

OPENED IN2014



Unit Mix & Effective Rent (1)					Community Amenities
Bedroom	%Total	Avg Rent	Avg SqFt	Avg \$/SqFt	
Three	42%	\$2,475	2,003	\$124	
Four+	58%	\$2,525	1,951	\$129	

Features	
Standard	Dishwasher, Disposal, Microwave, Patio Balcony, High Ceilings
Standard - Full	In Unit Laundry
Central / Heat Pump	Air Conditioning
Carpet	Flooring Type 1
Vinyl/Linoleum	Flooring Type 2
Black	Appliances
Granite	Countertops

Parking	
Parking Description	Free Surface Parking
Parking Description #2	Attached Garage

Contacts	
Owner / Mgmt.	Wellworth Properties
Phone	540-359-5223 / aselfe@wellworthproperties.com

Comments
Started leasing 11/1/2014. Under construction; completion mid 2015. Tash \$20 Breakfast bar, kitchen island

Floorplans (Published Rents as of 08/19/2024) (2)								
Description	Feature	BRs	Bath	# Units	Rent	SqFt	Rent/SF	Program
Pomeranian Townhouse	Garage	3	3.5	15	\$2,425	1,931	\$126	-
Venetian Townhouse	Garage	3	3.5	15	\$2,525	2,075	\$122	-
Toulouse Townhouse	Garage	4	3.5	41	\$2,525	1,951	\$129	-

Historic Vacancy & Eff. Rent (1)			
Date	08/19/24	08/21/23	05/15/20
% Vac	5.6%	2.8%	1.4%
Three	\$2,475	\$2,375	\$1,900
Four+	\$2,525	\$2,475	\$1,945

Adjustments to Rent	
Incentives	None
Utilities in Rent	
Heat Source	Electric

Villages at Goose Pond

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent  
(2) Published Rent is rent as quoted by management.



## XI. APPENDIX 3 NCHMA CERTIFICATION

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

Real Property Research Group, Inc. is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Real Property Research Group, Inc. is an independent market analyst. No principal or employee of Real Property Research Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies Real Property Research Group, Inc., the certification is always signed by the individual completing the study and attesting to the certification.

**Real Property Research Group, Inc.**



Tad Scepianiak

Name

Managing Principal

Title

August 20, 2024

Date

## XII. APPENDIX 4 NCHMA CHECKLIST

Introduction: The National Council of Housing Market Analysts provides a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

Component (*First occurring page is noted)		*Page(s)
<b>Executive Summary</b>		
1.	Executive Summary	VI
<b>Project Summary</b>		
2.	Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances	16
3.	Utilities (and utility sources) included in rent	16
4.	Project design description	15
5.	Unit and project amenities; parking	16
6.	Public programs included	15
7.	Target population description	15
8.	Date of construction/preliminary completion	17
9.	If rehabilitation, existing unit breakdown and rents	N/A
10.	Reference to review/status of project plans	N/A
<b>Location and Market Area</b>		
11.	Market area/secondary market area description	38
12.	Concise description of the site and adjacent parcels	18
13.	Description of site characteristics	18
14.	Site photos/maps	19
15.	Map of community services	28
16.	Visibility and accessibility evaluation	23
17.	Crime information	26
<b>Employment and Economy</b>		
18.	Employment by industry	33
19.	Historical unemployment rate	31

20.	Area major employers	32
21.	Five-year employment growth	32
22.	Typical wages by occupation	35
23.	Discussion of commuting patterns of area workers	32
<b>Demographic Characteristics</b>		
24.	Population and household estimates and projections	40
25.	Area building permits	40
26.	Distribution of income	44
27.	Households by tenure	42
<b>Competitive Environment</b>		
28.	Comparable property profiles	80
29.	Map of comparable properties	49
30.	Comparable property photos	80
31.	Existing rental housing evaluation	47
32.	Comparable property discussion	48
33.	Area vacancy rates, including rates for tax credit and government-subsidized communities	51
34.	Comparison of subject property to comparable properties	74
35.	Availability of Housing Choice Vouchers	15
36.	Identification of waiting lists	80
37.	Description of overall rental market including share of market-rate and affordable properties	48
38.	List of existing LIHTC properties	48
39.	Discussion of future changes in housing stock	53
40.	Discussion of availability and cost of other affordable housing options, including homeownership	N/A
41.	Tax credit and other planned or under construction rental communities in market area	53
<b>Analysis/Conclusions</b>		
42.	Calculation and analysis of Capture Rate	68
43.	Calculation and analysis of Penetration Rate	69
44.	Evaluation of proposed rent levels	75
45.	Derivation of Achievable Market Rent and Market Advantage	54
46.	Derivation of Achievable Restricted Rent	55
47.	Precise statement of key conclusions	61





48.	Market strengths and weaknesses impacting project	63
49.	Recommendation and/or modification to project description	74, if applicable
50.	Discussion of subject property's impact on existing housing	76
51.	Absorption projection with issues impacting performance	76
52.	Discussion of risks or other mitigating circumstances impacting project	76, if applicable
53.	Interviews with area housing stakeholders	14
<b>Certifications</b>		
54.	Preparation date of report	Cover
55.	Date of field work	Cover
56.	Certifications	81
57.	Statement of qualifications	85
58.	Sources of data not otherwise identified	N/A
59.	Utility allowance schedule	17



### XIII. APPENDIX 5 ANALYST RESUMES

#### **TAD SCEPANIAK** **Managing Principal**

Tad Scepianiak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market-rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad served as National Council of Housing Market Analysts (NCHMA) and previously served as Vice Chair and Co-Chair of its Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

##### **Areas of Concentration:**

- Low Income Tax Credit Rental Housing: Mr. Scepianiak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- Senior Housing: Mr. Scepianiak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.
- Market Rate Rental Housing: Mr. Scepianiak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

##### **Education:**

Bachelor of Science – Marketing; Berry College – Rome, Georgia



## **ROBERT M. LEFENFELD**

### **Founding Principal**

Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob provides input and guidance for the completion of the firm's research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

#### **Areas of Concentration:**

- **Strategic Assessments:** Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
- **Feasibility Analysis:** Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
- **Information Products:** Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

#### **Education:**

Master of Urban and Regional Planning; The George Washington University.  
Bachelor of Arts - Political Science; Northeastern University.



**ETHAN REED**  
**Senior Analyst**

Ethan Reed joined RPRG in 2016 where he focuses on rental market studies and community and economic analyses for development projects. Throughout his extensive career, Ethan has served in various analysis and advisory capacities in the residential and commercial real estate industry. Ethan's experience includes advising lenders, developers, homebuilders, investors, nonprofit organizations, and government agencies through market and property analysis, economic analysis, site selection, and marketing strategy.

Prior to joining RPRG, Ethan served as Senior Research Manager with CoStar Group, leading market research & analysis efforts as well as developing new research and analysis products & services for the commercial real estate industry. Ethan's additional experience includes directing regional research and marketing efforts for CBRE as well as providing valuation, analysis and advisory services for commercial and residential clients throughout Texas. Appraisal and consulting assignments have included, but are not limited to apartment complexes, for sale subdivisions, agricultural land, shopping centers, office, and industrial buildings. Valuations have been prepared on proposed, renovated, and existing structures.

**Areas of Concentration:**

- Low Income Housing Tax Credits: Ethan prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.
- FHA Section 221(d)(4): Ethan prepares comprehensive feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies
- Market and Product Advisory Analysis: Ethan provides detailed analysis of existing markets, product and pricing recommendations, and targeted marketing suggestions for developers and land owners in the preliminary stages of development.
- Commercial Feasibility: Ethan conducts feasibility analyses of proposed commercial and industrial uses in the context of the existing marketplace.
- New Markets Tax Credits: Ethan conducts community development and economic impact analyses to illustrate the impacts of development projects that utilize federally-regulated New Markets Tax Credits. Components of these reports include employment projections, local and regional economic impacts, and fiscal impacts on local governments.

**Education:**

Masters of Business Administration; Liberty University  
Bachelor of Science – Business Administration; University of Texas at Dallas



**TIMOTHY WEBER**  
**Senior Analyst**

Timothy Weber joined Real Property Research Group (RPRG) as an analyst in 2017 bringing real estate research experience from the commercial real estate industry. His educational background consists of coursework in statistical analysis, market analysis, and economics. As an analyst with RPRG, Timothy focuses on rental market studies for multifamily development projects.

Prior to joining RPRG, Timothy served as a Senior Research Associate with CoStar Group, leading market research & analysis efforts for the commercial real estate industry. In his previous experience, Timothy has conducted submarket studies, quarterly market reports, and collected competitive real estate market statistical information.

**Areas of Concentration:**

- **FHA Section 221(d)(4):** Timothy prepares feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies
- **Low Income Housing Tax Credits:** Timothy prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.

**Education:**

Bachelor of Arts – History; University of Maryland, College Park, MD



#### XIV. APPENDIX 6 VIRGINIA HOUSING CERTIFICATION

I affirm the following:

- 1.) I have made a physical inspection of the site and market area.
- 2.) The appropriate information has been used in the comprehensive evaluation of the need and demand for 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 a relationship with the ownership entity.
- 5.) Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
- 6.) Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.
- 7.) Evidence of my NCHMA membership is included.

A handwritten signature in black ink, appearing to read 'Tim Weber', written over a horizontal line.

Timothy Weber  
Senior Analyst

August 20, 2024

Date