

**MARKET STUDY OF**

**“LANDMARK APARTMENTS”  
2900 FIRESIDE ROAD  
CHESAPEAKE CITY, VIRGINIA 23324**

**PREPARED FOR**

**ESTELLE CHAN  
FAIRSTEAD  
250 WEST 55TH STREET, 35TH FLOOR  
NEW YORK, NEW YORK 10013**

**DATE OF VALUATION**

**MARCH 6, 2025**

**DATE OF REPORT**

**APRIL 29, 2025**

**TKR**

Real Estate Appraisers and  
Consultants

**TONY KAMAND REALTY LLC**

Phone 732-286-9250 \* Fax 732-286-1900

[www.TonyKamand.com](http://www.TonyKamand.com)



**TONY KAMAND REALTY LLC**  
**Sound advice for a better future**

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April 29, 2025

Estelle Chan  
Fairstead  
250 West 55th Street, 35th Floor  
New York, New York 10013

RE: "Landmark Apartments"  
2900 Fireside Road  
Chesapeake City, Virginia 23324

Dear Estelle Chan:

As per your request, *Tony Kamand Realty LLC* has completed a market study on the above referenced property as of March 6, 2025. The purpose of this study was to analyze the demographics of the area and overall supply/demand of the market in the primary trade area.

This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice. The report also conforms to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA). FIRREA requires that real estate appraisals/market studies used in conjunction with federally related transactions be performed in accordance with USPAP. The report also conforms to the requirements and guidelines of the Fairstead.

The subject of this market study is a government subsidized multifamily apartment complex located at 2900 Fireside Road in Chesapeake. The property consists of 120 units with a mix of 72 two bedroom units and 48 three bedroom units. At the current time the subject property is 95% occupied with 6 vacant units. The property was built in 1989 and is currently in average condition. The subject property does not suffer from any deferred maintenance (curable depreciation)

The total site size is 7.503 acres, and there is adequate parking, ingress, and egress. The site has 1,027.18 feet of street frontage on Fireside Road, 352.44 feet of street frontage on Stalham Road and 1008.37 feet of street frontage on Parkside Drive. There is adequate visibility from the roadway. The topography of the site is level and at street grade.

The subject property consists of 120 units known as Landmark Apartments. The 120 units are affordable units made available to households with qualifying income levels. This report will attempt to identify the demographics of the trade area, review the existing apartment stock available and determine the continuing demand for such units.

Estelle Chan  
Fairstead

Page 2

Extraordinary Assumption: We have inspected several units in the property (what was made available). According to our client and contact the units we were unable to inspect are of similar quality and condition as the ones that we did inspect. We have made the extraordinary assumption that this is true and correct. The as renovated portion of this report utilizes Project Based Section 8 rents for 60 of the units, that the client has stated are approved by CRHA and will be in effect at the time of closing on the property (estimated to be September 6, 2025). This report is subject to the extraordinary assumption that the stated contract rents for the 60 Project Based Section 8 units will be in effect upon closing. The value conclusions are subject to the preceding extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

Hypothetical Condition: We have valued the subject property as-is and as renovated. Our as renovated analysis is subject to the hypothetical condition that the renovations are completed on the property at the time of closing, estimated to be September 6, 2025. The value conclusions are based on the preceding hypothetical condition that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is assumed as fact for the purpose of the analysis.

We certify that we have no present or contemplated future interest in the property and that our employment and compensation are in no way contingent upon the facts reported.

This transmittal letter must remain attached to our report, which contains our analysis plus related exhibits, in order for the value opinion set forth to be considered valid. It must be noted that only our client who has contracted us and paid for this report is permitted to use this report. This report and the data, analysis and ideas incorporated herein, as an instrument of professional services, is the property of Tony Kamand Realty LLC and is not to be used, in whole or in part for any other purpose without the written consent of Tony Kamand Realty LLC.

If there are any questions or further details that you need please do not hesitate to contact us.

Respectfully submitted,

**TONY KAMAND REALTY LLC**



Tony F. Kamand Jr., MAI  
NJ Certified General Real Estate Appraiser, No. RG-668



Jacqueline Marmur  
VA Certified General Real Estate Appraiser, No. 4001018200

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**ADDENDA**

Comparable Rentals, photographs, and location map, Definitions and Qualifications

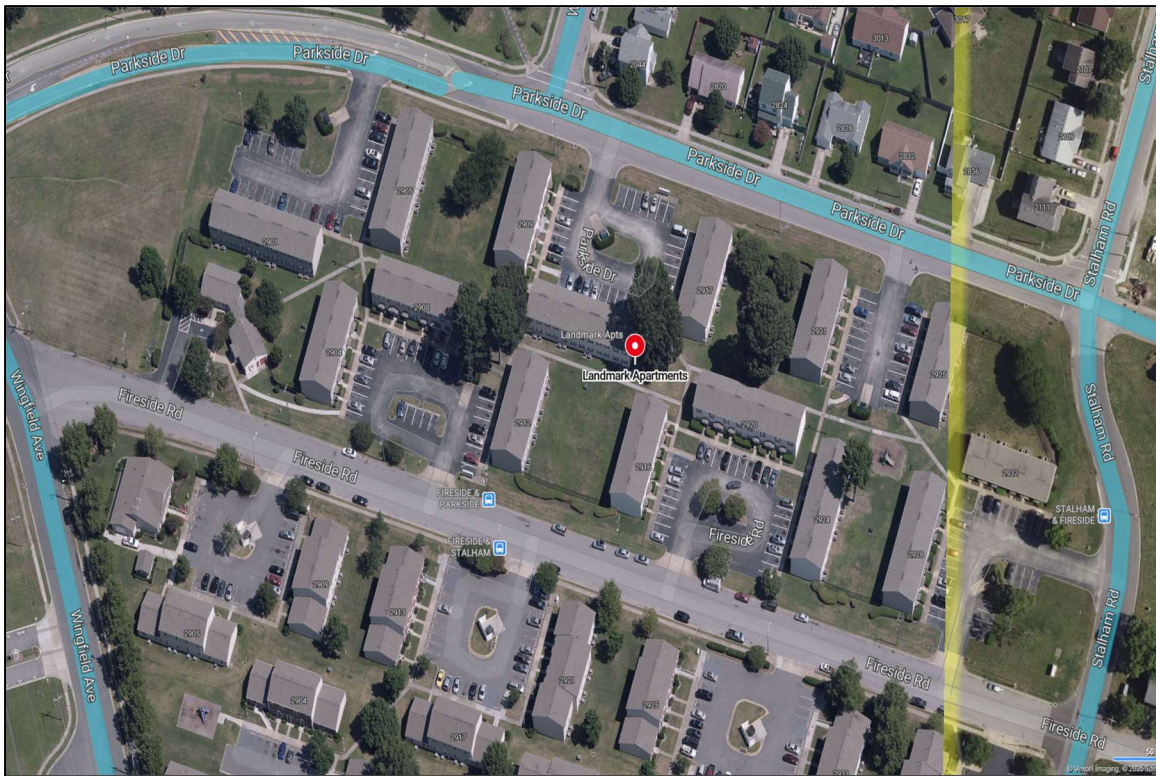


## DESCRIPTION OF SUBJECT PROPERTY

The subject property consists of a government subsidized multifamily complex. A summary of the subject is as follows:

Summary of Subject Property	
Address:	2900 Fireside Road, Chesapeake, Chesapeake City County Virginia 23324
Parcel ID - Block / Lot:	1360000000101
Census Tract:	201.00
Site Size:	7.503 acres
Zoning:	R-MF-1, Multifamily Residential District
Building Size:	105,134 square foot
Condition:	Average

## AERIAL PHOTOGRAPH



## SCOPE OF WORK

The real estate appraisal process typically includes defining the problem, inspecting the subject property and its surroundings, considering the subject's highest and best use, conducting a survey of relevant market activity, applying the appropriate methods and reconciling the indicated conclusions into an opinion.

The scope of this report involved all the necessary research and analysis in order to prepare a market study. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for a market study. The report is also intended to comply with the reporting guidelines of the National Council of Housing Market Analysts.

The report presents discussions of the data, reasoning, and analyses that were used to develop the appraiser's opinion. Some supporting documentation concerning the data, reasoning, and analyses may be retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated. The appraiser is not responsible for unauthorized use of this report. A review of the scope of work for this assignment was as follows:

Scope of Work	
Property Type:	Government Subsidized Multifamily
Inspection Date:	March 6, 2025
Inspected By:	Jackie Marmur and Tony F. Kamand Jr.
Extent of Inspection:	We have inspected several units in the property (what was made available). Based on conversations with our client and the contact we have made the extraordinary assumption that the units we were unable to inspect are of similar quality and condition as the ones that were inspected. We have also inspected the interior common areas, exterior grounds, and the surrounding area.
Effective Date of Report:	March 6, 2025 and Prospective Future Value as Renovated as of September 6, 2025
Photos Taken On:	March 6, 2025
Intended Client:	Fairstead
Intended User(s):	Fairstead and the Virginia Housing Development Authority
Intended Use of Report:	LIHTC Application. Use or reliance on this report, regardless of whether such use or reliance is known or authorized by Tony Kamand Realty LLC (TKR) or the appraiser, constitutes acknowledgement and acceptance of the general assumptions and limiting conditions, any extraordinary assumptions or hypothetical conditions, and any other terms and / or conditions stated within this report.
Purpose of Report:	Determine the continued demand for the subject units
Land and Building Measurements:	Subject land dimensions and area as well as building size was obtained from public records. Improvement size was also verified from the appraiser's field measurements.

## SCOPE OF WORK (CONT.)

Scope of Work (cont.)	
Extent of Research:	<p>Data for this report was compiled from the public records in the City of Chesapeake. We obtained information from Chesapeake City Hall, Chamber of Commerce and several demographic services. Information was also obtained from company files, web sites, local newspaper articles, U.S Census Data, demographic studies and regional economic news. In addition, we have had conversations with other professionals knowledgeable within this market area.</p> <p>In summary, the scope of this report included the collection, verification, and analysis of market data and property specific data. The data was then assembled and analyzed in order to reach our conclusions.</p>
Extraordinary Assumptions:	<p>We have inspected several units in the property (what was made available). According to our client and contact the units we were unable to inspect are of similar quality and condition as the ones that we did inspect. We have made the extraordinary assumption that this is true and correct. The as renovated portion of this report utilizes Project Based Section 8 rents for 60 of the units, that the client has stated are approved by CRHA and will be in effect at the time of closing on the property (estimated to be September 6, 2025). This report is subject to the extraordinary assumption that the stated contract rents for the 60 Project Based Section 8 units will be in effect upon closing. The value conclusions are subject to the preceding extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.</p>
Hypothetical Conditions:	<p>We have valued the subject property as-is and as renovated. Our as renovated analysis is subject to the hypothetical condition that the renovations are completed on the property at the time of closing, estimated to be September 6, 2025. The value conclusions are based on the preceding hypothetical condition that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is assumed as fact for the purpose of the analysis.</p>

## **CONFIDENTIALITY**

The appraisers are not entitled to divulge the content of this report and analytical findings or conclusions, or give a copy of this report to anyone other than the client or his designee, as specified in writing, except as may be required by the Appraisal Institute, as they may request in confidence for ethic enforcement, or by a court of law with the power of subpoena. All conclusions and opinions concerning the analyses as set forth herein are prepared by the appraisers whose signatures appear. No change of any item in the report shall be made by anyone other than the appraiser, and the firm shall have no responsibility if any such unauthorized change is made.

Whenever the appraisers opinion herein with respect to the existence or absence of fact is qualified by the phrase or phrases "to the best of the appraisers knowledge", "it appears" or "indicated", it is intended to indicate that, during the course of our review and investigation of the property, no information has come to the appraisers attention which would give us actual knowledge of the existence or absence of such facts.

The client shall notify the appraisers of any error, omission, or invalid data herein within 10 days of receipt and return of the report, along with all copies, to the appraisers for corrections prior to any use whatsoever. Neither the appraisers name nor this report, in whole or any part of may be used in connection with any financing plans which would be classified as a public offering under State or Federal Security Laws. This report, in whole or any part (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser and the firm.

## **COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT**

Possession of this report, or any copy thereof, does not carry with it the right of publication, nor may it be used for other than its intended use. Portions of the report can and may contain confidential information that is only intended for the client. The physical report remains the property of *Tony Kamand Realty LLC* and is for the use of the client only. This report may not be used for any purpose by any person or corporation other than the client of the party to whom the report is addressed. Additional copies may not be made without the written consent of an officer of the firm, and then only in its entirety.



## SITE ANALYSIS

Site Physical Characteristics	
Gross Site Size:	7.503 acres or 326,831 square feet
Usable Site Size:	7.503 acres or 326,831 square feet
Usable Land %:	100.0%
Depth:	352.44 feet
Site Shape:	Irregular
Topography:	Level
Drainage:	Adequate
Utilities:	All public
Landscaping:	Trees, shrubs and grass
Site Improvements:	Asphalt paving, concrete sidewalks and curbs

## GIS TAX MAP



## SITE ANALYSIS (CONT.)

Site Frontage, Visibility and Access	
Visibility:	Adequate
Corner Lot	Yes
Signal / Traffic Light	No
Primary Frontage:	1,027.18 feet on Fireside Road
Curb Cuts - Primary Street:	4
Secondary Frontage:	352.44 feet on Stalham Road
Curb Cuts - Secondary St.:	1
Tertiary Frontage:	1008.37 Feet on Parkside Drive
Vehicle Access:	Adequate

## TAX MAP

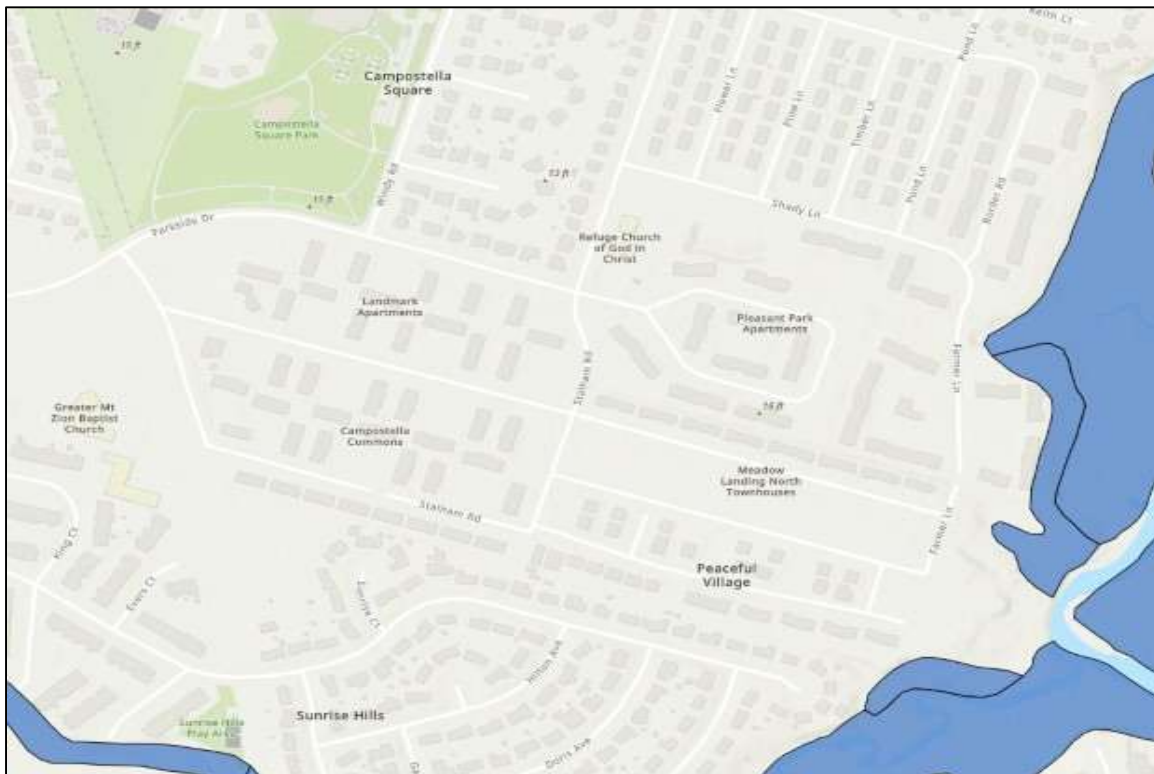




## SITE ANALYSIS (CONT.)

Site Restrictions, Conditions and Flood Zone Information	
Land Restrictions:	5' C&P telephone easement, 10' drainage easement, variable width drainage easement, 25' drainage easement, variable width utility easement. The easements have no major adverse effect on value or marketability.
Wetlands:	No letter of interpretation (LOI) was provided illustrating any wetlands delineation.
Soil Conditions:	We assume that the soil's load-bearing capacity is sufficient to support the existing and/or proposed building(s).
Subject In Flood Zone:	No
Flood Map Information:	Flood Map #510034 0016D, Zone X, dated 12-16-2014.

## GIS WETLANDS MAP



## SITE ANALYSIS (CONT.)

### FLOOD MAP



Site Coverage, Parking and Environmental	
Building Coverage:	16.45%
Land to Building Ratio:	3.11:1
Floor Area Ratio (FAR):	0.32
On-Site Parking:	167 on-site parking spaces. This reflects 1.39 spaces per unit. The market typically requires a parking ratio of 1 space per Apartment Unit for similar properties.
Environmental:	There were no noted hazardous substances observed during our inspection. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of potentially hazardous materials may affect the value of the property. The value estimates are predicated on the assumption that there were no such materials on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for expertise or engineering knowledge required to discover them. It is suggested that an environmental expert be retained to verify our observations.



## DESCRIPTION OF IMPROVEMENTS

The subject property has a total of 120 units. The apartment unit mix or layout consists of the following:

Subject Property Unit Mix						
Unit Description	Unit Type		Size (SF)	No. of Units	% of Units	NRA Sq. Ft.
	BR	BA				
2 Bedroom	2	1	713	72	60%	51,336
3 Bedroom	3	1.5	928	48	40%	44,544
	<b>Totals</b>		<b>799</b>	<b>120</b>	<b>100%</b>	<b>95,880</b>

A further description of the property is as follows:

Improvement Summary	
Number of Units:	120
Number of Buildings:	14
Stories / Floors:	2
Elevator:	No
Gross Building Area:	105,134 square feet
Net Rentable Area:	95,880 square feet
Total Rooms:	2
Average Unit Size:	799 square feet
Units Inspected:	We have inspected several units in the property (what was made available). Based on conversations with our client and the contact we have made the extraordinary assumption that the units we were unable to inspect are of similar quality and condition as the ones that were inspected. We have also inspected the interior common areas, exterior grounds, and the surrounding area.

A summary of the age and condition of the subject property is as follows:

Age and Condition	
Year Built:	1989
Chronological Age:	36 years
Property Renovated:	No
Effective Age:	20 years
Total Economic Life:	55 years
Remaining Economic Life:	35 years assuming normal maintenance
Overall Condition:	Average



## DESCRIPTION OF IMPROVEMENTS (CONT.)

### EXTERIOR PHOTOGRAPHS



Exterior view of management office



Front view of typical subject building



Front view of typical subject building



Front view of typical subject buildings



Front view of typical subject buildings



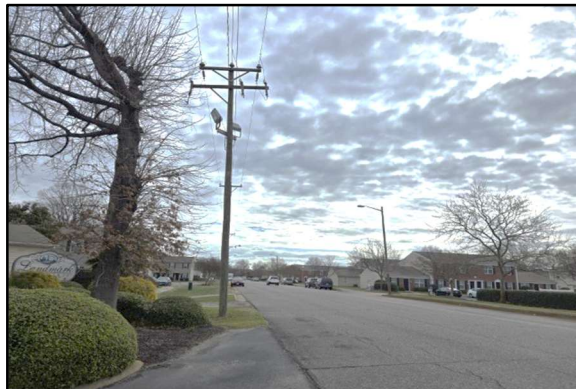
Rear view of typical subject building

## DESCRIPTION OF IMPROVEMENTS (CONT.)

### EXTERIOR PHOTOGRAPHS (CONT.)



Rear view of typical subject building



Fireside Road facing east



Fireside Road facing west



Stalham Road facing north



Stalham Road facing south



Parkside Drive facing west



## DESCRIPTION OF IMPROVEMENTS (CONT.)

### EXTERIOR PHOTOGRAPHS (CONT.)



Parkside Drive facing east

A summary of the construction details of the subject property is as follows:

Construction Details	
Construction Class:	D - Wood Frame
Construction Quality:	Average
Foundation:	Poured concrete
Basement:	Slab on grade
Type of Framing:	Wood frame
Roof Structure:	Gable
Roof Covering:	Asphalt shingle
Exterior Walls:	Vinyl siding
Window Type:	Double hung, thermal pane
Ceiling Height:	8 feet
Fire Protection - Sprinklers:	None

A summary of the mechanical details on the subject property is as follows:

Mechanical Details	
Heating Type:	Heat pump, electric fired
Heating - Number of Units:	120
Central Cooling:	Central air conditioning
Potable Hot Water:	50 gallon electric fired
Hot Water-Number of Units:	120
Electrical:	Circuit breakers and conduit wiring
Plumbing:	Plumbing system is assumed to be adequate and in compliance with local laws and building codes
Security/Safety Features:	Smoke detectors in apartments and hallways.

## DESCRIPTION OF IMPROVEMENTS (CONT.)

A summary of the interior details of the subject property is as follows:

Interior Details	
Interior Walls:	Sheetrock
Interior Flooring:	Vinyl tile and carpeting
Interior Ceilings:	Sheetrock
Lighting:	Incandescent
Baths:	Bathrooms have vinyl tile floors
ADA Compliant:	It would appear that the subject property has complied with most of the provisions of ADA (Americans with Disabilities Act), however we are not engineers proficient in assessing actual compliance or non-compliance with ADA. The value estimate is predicated on the assumption that there is no material lack of compliance with ADA that would cause a loss in value. The client is urged to retain an expert in this field to perform an ADA inspection, if desired.

Physical, Functional and External Obsolescence	
Deferred Maintenance:	The subject property does not suffer from any deferred maintenance (curable depreciation)
Functional Obsolescence:	The subject property does not suffer from any functional obsolescence
External Obsolescence:	The subject property does not suffer from any external obsolescence

A summary of the kitchen equipment in each unit is as follows:

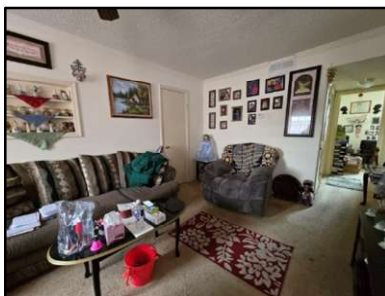
Apartment Unit Kitchen Equipment	
Refrigerator:	Yes
Stove:	Yes
Dishwasher:	Yes
Microwave:	No
Disposal:	No

## DESCRIPTION OF IMPROVEMENTS (CONT.)

### INTERIOR AND ADDITIONAL PHOTOGRAPHS OF SUBJECT PROPERTY



View of clubhouse



View of typical living room



View of typical living room



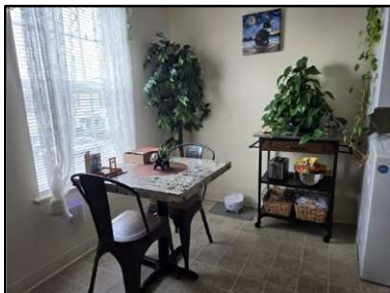
View of typical living room



View of typical living room in vacant unit



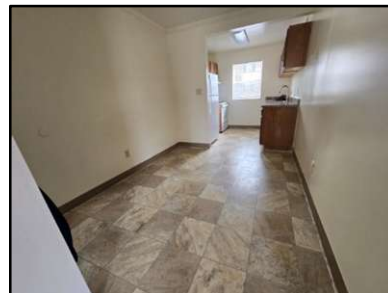
View of typical dining area



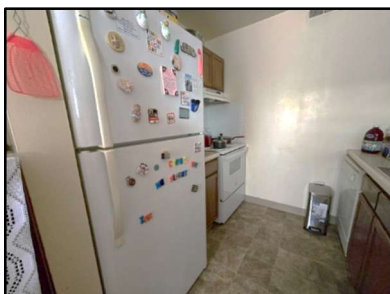
View of typical dining area



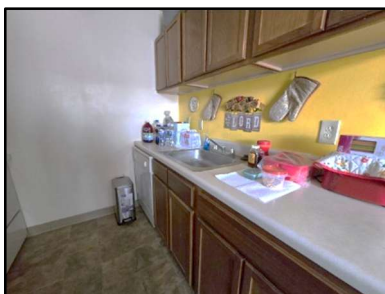
View of typical dining area



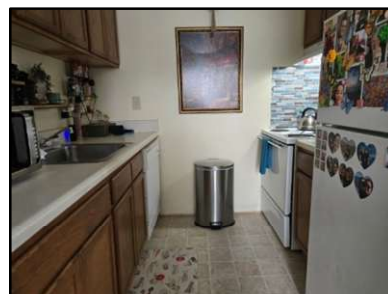
View of typical dining area in vacant unit



View of typical kitchen



View of typical kitchen



View of typical kitchen

## DESCRIPTION OF IMPROVEMENTS (CONT.)

### INTERIOR AND ADDITIONAL PHOTOGRAPHS OF SUBJECT PROPERTY (CONT.)



View of typical kitchen



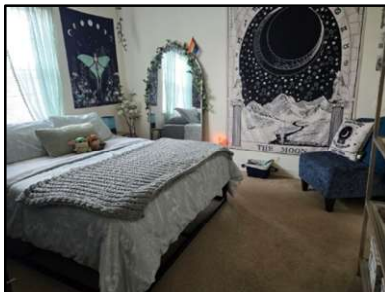
View of typical kitchen in vacant unit



View of typical bedroom



View of typical bedroom



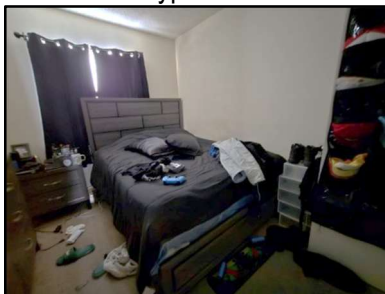
View of typical bedroom



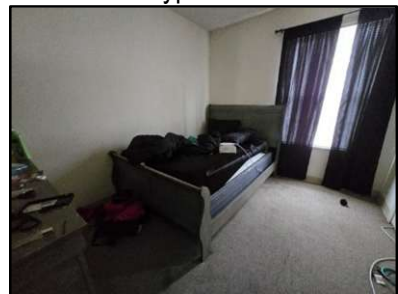
View of typical bedroom



View of typical bedroom



View of typical bedroom



View of typical bedroom



View of typical bedroom in vacant unit



View of typical bedroom in vacant unit



View of typical bedroom in vacant unit



## DESCRIPTION OF IMPROVEMENTS (CONT.)

### INTERIOR AND ADDITIONAL PHOTOGRAPHS OF SUBJECT PROPERTY (CONT.)



View of typical bedroom in vacant unit



View of typical bedroom in vacant unit



View of typical bathroom



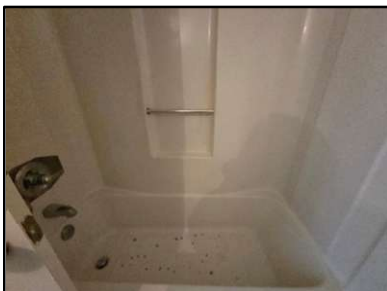
View of typical bathroom



View of typical half bathroom



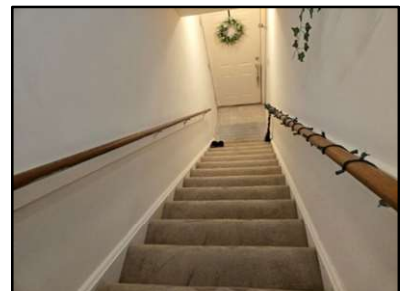
View of typical bathroom in vacant unit



View of typical bathroom in vacant unit



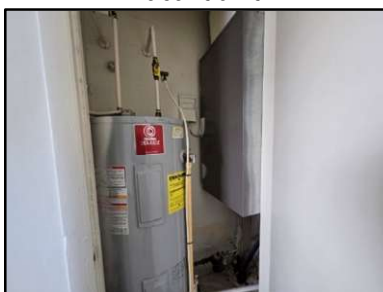
View of typical half bath in vacant unit



View of typical interior stairwell



View of typical electric panel in unit



View of typical hot water heater



View of laundry room

## DESCRIPTION OF IMPROVEMENTS (CONT.)

### INTERIOR AND ADDITIONAL PHOTOGRAPHS OF SUBJECT PROPERTY (CONT.)



View of laundry room



View of maintenance shop

There are currently 6 units at the subject property that are in the process of being vacated or will become vacant in the very near future. This reflects a 95% occupancy rate.

The tenants are responsible for the following utilities:

Utility	Type	Tenant Pays
Heat:	Electric	Yes
Air Conditioning:	Electric	Yes
Lighting:	Electric	Yes
Hot Water:	Electric	Yes
Cooking:	Electric	Yes
Cold Water:	Municipal	Yes
Sewer:	Municipal	No
Trash Collection:	Municipal	No

A summary of the individual unit amenities at the subject property is as follows:

Apartment Unit Amenities	
Balcony/Patio:	No
Central Air Conditioning:	Central air conditioning
Handrails:	No
Grab Bars:	No
Pull Cords:	No
Washer / Dryer in Units:	No
Washer / Dryer Hook Ups:	No















## DESCRIPTION OF IMPROVEMENTS (CONT.)

The subject property has the following project amenities that are available to the tenants:


Property On-Site Amenities			
<b>Clubhouse:</b>	<b>Yes</b>	<b>Storage:</b>	<b>No</b>
Fitness:	No	Business Center:	No
Recreation Area:	No	Computer Center:	No
Playground:	No	Concierge:	No
Picnic Area:	No	<b>On-Site Management:</b>	<b>Yes</b>
Basketball Court:	No	Community Room:	No
Outdoor Tennis Courts:	No	Service Coordination:	No
Indoor Tennis Courts:	No	Non-Shelter Services:	No
No. of Outdoor Pools:	0	Neighborhood Network:	No
No. of Indoor Pools:	0	Courtyard:	No
Gated:	No	<b>Laundry Room:</b>	<b>Yes</b>
Security Patrol:	No	Security Cameras:	No

Below are the income limits and maximum rents for the subject's area:

LIHTC Income Limits for 2024 (Based on 2024 MTSP Income)									
	Charts	60%	20%	30%	40%	50%	80%	Next Available Unit Rule 140%	140%
1 Person		\$42,300	\$14,100	\$21,150	\$28,200	\$35,250	\$56,400	\$59,220	\$98,700
2 Persons		\$48,360	\$16,120	\$24,180	\$32,240	\$40,300	\$64,480	\$67,704	\$112,840
3 Persons		\$54,420	\$18,140	\$27,210	\$36,280	\$45,350	\$72,560	\$76,188	\$126,980
4 Persons		\$60,420	\$20,140	\$30,210	\$40,280	\$50,350	\$80,560	\$84,588	\$140,980
5 Persons		\$65,280	\$21,760	\$32,640	\$43,520	\$54,400	\$87,040	\$91,392	\$152,320
6 Persons		\$70,140	\$23,380	\$35,070	\$46,760	\$58,450	\$93,520	\$98,196	\$163,660
7 Persons		\$74,940	\$24,980	\$37,470	\$49,960	\$62,450	\$99,920	\$104,916	\$174,860
8 Persons		\$79,800	\$26,600	\$39,900	\$53,200	\$66,500	\$106,400	\$111,720	\$186,200
9 Persons		\$84,600	\$28,200	\$42,300	\$56,400	\$70,500	\$112,800	\$118,440	\$197,400
10 Persons		\$89,400	\$29,800	\$44,700	\$59,600	\$74,500	\$119,200	\$125,160	\$208,600
11 Persons		\$94,260	\$31,420	\$47,130	\$62,840	\$78,550	\$125,680	\$131,964	\$219,940
12 Persons		\$99,060	\$33,020	\$49,530	\$66,040	\$82,550	\$132,080	\$138,684	\$231,140

Source: Novogradac

DESCRIPTION OF IMPROVEMENTS (CONT.)

LIHTC Rent Limits for 2024 (Based on 2024 MTSP Income)								
Bedrooms (People)	Charts	60%	20%	30%	40%	50%	80%	FMR
2 Bedrooms (3)		\$1,438	\$479	\$719	\$959	\$1,198	\$1,918	\$1,493
3 Bedrooms (4.5)		\$1,662	\$554	\$831	\$1,108	\$1,385	\$2,216	\$2,079

Source: Novogradac

## DESCRIPTION OF SUBJECT NEIGHBORHOOD

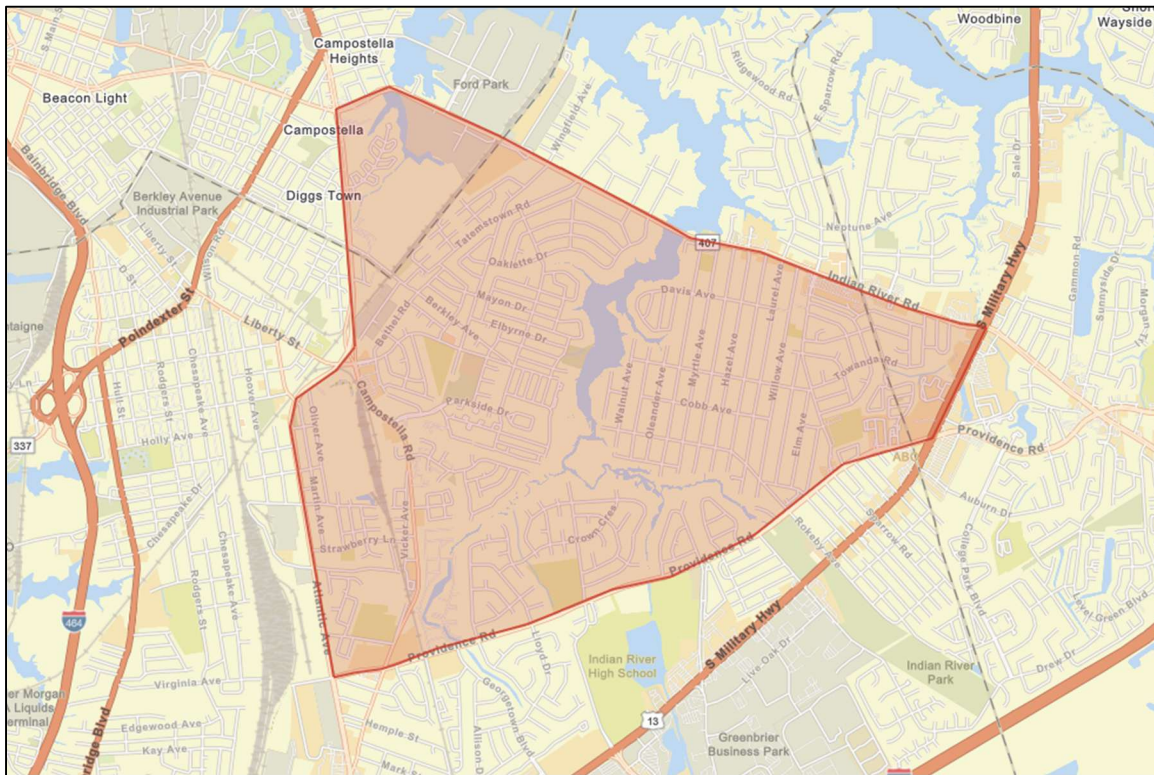
Within a community, there is a marked tendency toward the grouping of land uses. The areas devoted to these various uses are termed "physical neighborhoods". Neighborhood use in this context is further defined as follows:

*"A portion of a larger community, or an entire community, in which there is a homogenous grouping of inhabitants, buildings or business enterprises. Inhabitants of a neighborhood usually have a more than casual community of interests and a similarity of economic level or cultural background. Neighborhood boundaries may consist of well defined, natural or man-made barriers or they may be, more or less, well defined by distinct change in land use or in the character of the inhabitants."*

Neighborhoods typically evolve through four distinct stages, which are as follows:

Growth	A period in which the area gains acceptance
Stability	A period of equilibrium
Decline	A period of slowing demand
Revitalization	A period of renewal, redevelopment, modernization and increasing demand

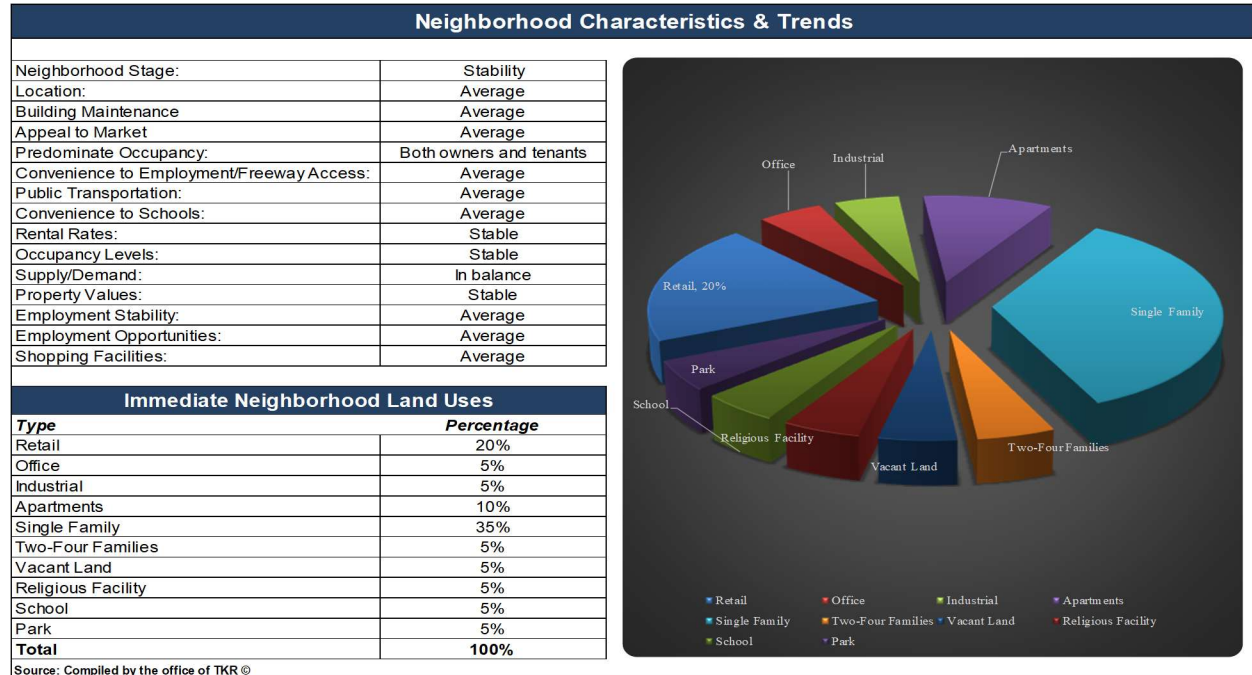
In review of the subject's area the boundaries of the subject's immediate neighborhood can be delineated as; Indian River Road to the north, Providence Road to the south, Route 13 to the east and Atlantic Avenue to the west. The following map illustrates the immediate neighborhood:



The subject is located on Fireside Road in Chesapeake, as illustrated on the above map. Detailed information about the subject neighborhood is as follows.

## DESCRIPTION OF SUBJECT NEIGHBORHOOD (CONT.)

Based on our observation the composition or breakdown of the land uses as well as a rating of the subject's immediate neighborhood is as follows:



The subject street and immediate neighborhood have a variety of real estate uses including retail, office and residential. The predominate use in the neighborhood is single families. Properties near the subject appear to be approximately 25 to 60+ years old and adequately maintained. Occupancy levels in the neighborhood appear adequate (95%+). Change in current land use is unlikely. Property compatibility is good with no adverse effects.

The subject property location to area services and amenities is indicated as follows:

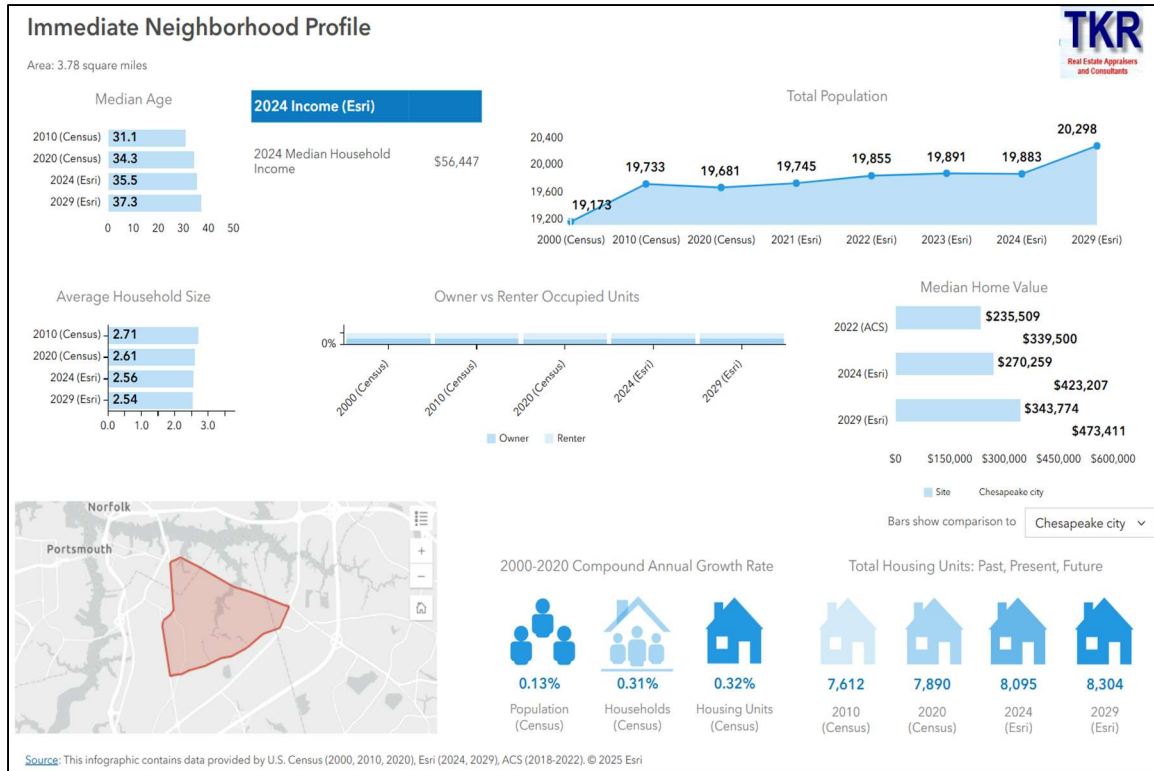
Service / Amenity		Estimated Distance from Subject
Major Airport	Norfolk International Airport	11.3 miles
Area Hospital	Sentara Norfolk General Hospital	5.6 miles
Houses of Worship	Various	1.5 miles
Major Employment Centers	Downtown Norfolk	3.9 miles
Parks	Campostella Square Park	1 block
Public Transportation	Parkside and Bethel (bus stop)	0.2 mile
Restaurants	Various	0.6 mile
Schools (Grades K-12)	Thurgood Marshall Elementary School	0.6 mile
Local Shopping	Various	2 miles

The subject neighborhood is well located close to all major services including area hospitals, houses of worship and local shopping facilities. The major roadways servicing the subjects immediate neighborhood include Route 464, which runs in a north-south direction and provides access to Norfolk. In addition, the subject neighborhood has access to Routes 13 and 64, which are north-south roadways and Route 264, which runs in an east-west direction and provides access to Virginia Beach.



## DESCRIPTION OF SUBJECT NEIGHBORHOOD (CONT.)

We have reviewed the general demographics of the subjects immediate neighborhood (which has been previously delineated). The demographics of the immediate neighborhood is summarized as follows:



Property maintenance in the neighborhood is average. Overall the subject immediate neighborhood is established and stable with no large expectation in population growth over the next few years.

There were no adverse conditions noted in the immediate neighborhood that would have a negative effect on the value of the subject property. The future marketability of the neighborhood should remain satisfactory.

## PHOTOGRAPHS OF SUBJECT PROPERTY NEIGHBORHOOD



View of shopping center in the neighborhood

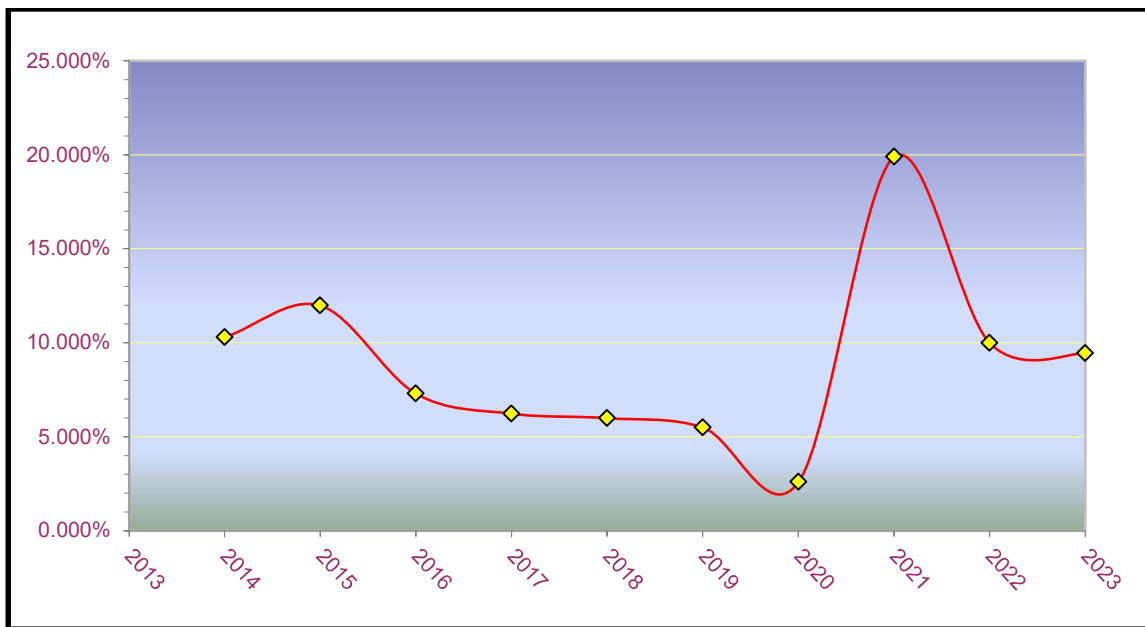


View of residential dwellings in the neighborhood

## NATIONAL APARTMENT MARKET

Multifamily rental housing is an attractive opportunity for investors. Apartments account for approximately one-fourth of the nation's stock of income property. Direct investments in multi-family rental housing have historically provided competitive returns relative to the other major property types - office, retail, and industrial.

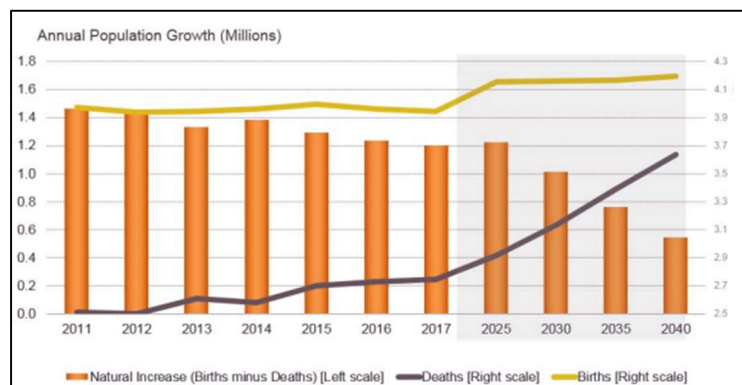
### MULTI-FAMILY TOTAL ANNUAL RETURN



Source: NCREIF/NMHC

The market saw a strong and noticeable increase in returns over the past several years at record levels. As of late demand and total returns have been strong but are beginning to level off. However, overall the multifamily market should remain stable going forward in the near future.

What has helped the market is that population of the United States over the last decade grew by 22.7 million people. Not all of these people will need housing but a more relevant measure of potential demand for apartments is household growth. The U.S. currently has roughly 120 million households. Annual household growth over the decade is forecasted to average 0.75% to 1.0%. This alone should generate new demand



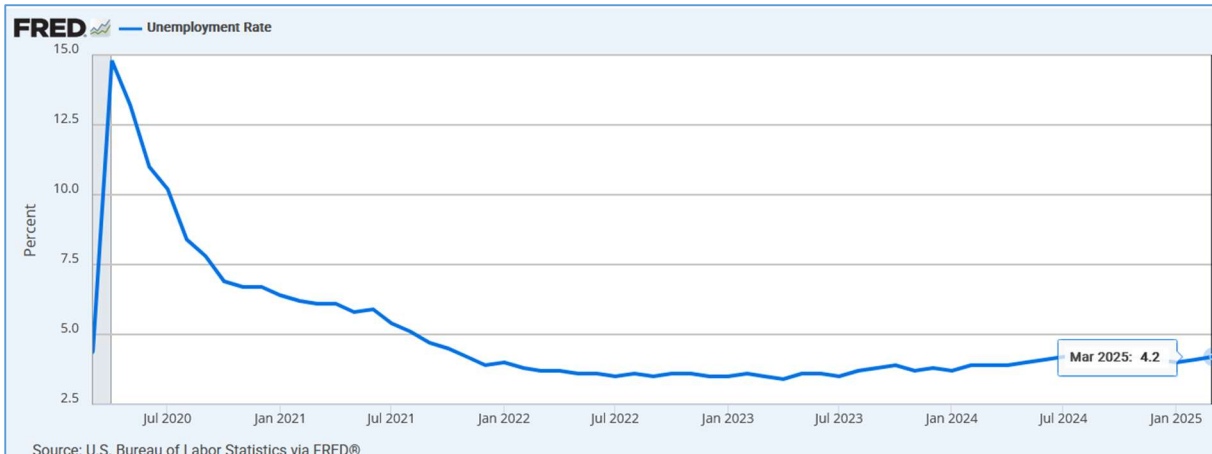
for 1.1 million housing units per year. While some of this demand will go to single family homes, condominiums, and other types of housing the foundation for new or future demand looks good. In addition, the Millennium generation now shows a preference towards rental housing due to job demand and mobility. It should also be noted that with an ageing population and a stable to little growth in the number of births the annual population growth is expected to start declining in the near future.



## NATIONAL APARTMENT MARKET (CONT.)

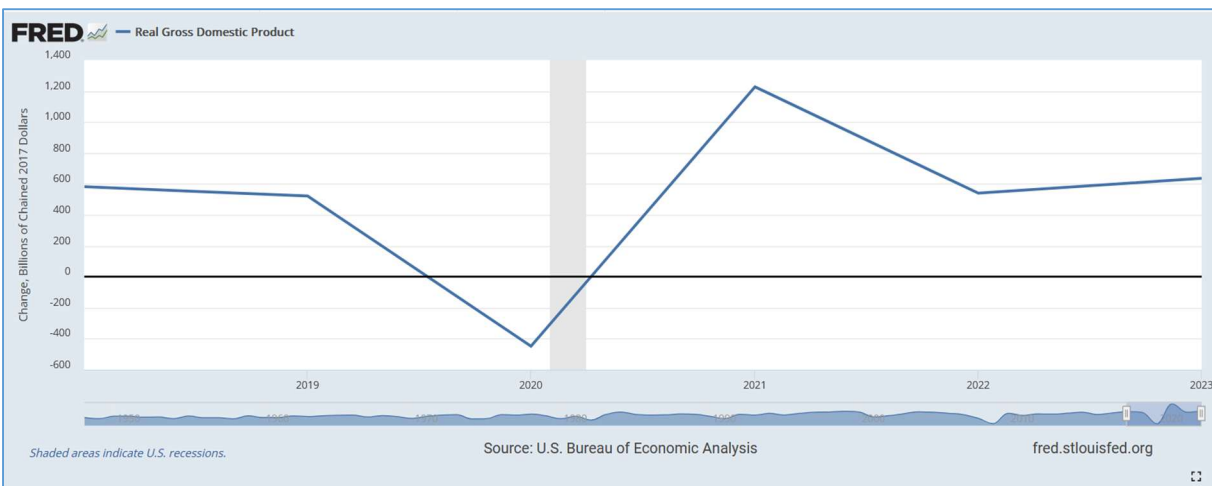
The unemployment rate was fairly stable and declining until 2020 when the Covid pandemic struck. The unemployment rate throughout the country spike upward during the pandemic, but in most parts of the country employment is back to pre-pandemic levels. Over the past several years (sans the pandemic) we have seen historically low unemployment rates nationwide. A review of total employment (seasonally adjusted) is as follows:

### UNITED STATES UNEMPLOYMENT RATE (SEASONALLY ADJUSTED)



Although the unemployment rate has seemed to normalize, the overall and long term effects of the pandemic are still somewhat unknown. With inflation at all-time record levels, history has indicated that a recession could be around the corner.

Over the past couple years the Gross Domestic Product (GDP) has increased, which indicates that companies are operating efficiently and producing and expanding. However, we expect that overall the Gross Domestic Product (GDP) may flatten and decline in the near future due to inflation and the difficulty for business to expand. There still seems there may be an impending recession in the near future. A review of the GDP over the past few years is as follows:



## NATIONAL APARTMENT MARKET (CONT.)

A review of the percentage of apartment households in the country is as follows:

### APARTMENT HOUSEHOLDS AS A SHARE OF ALL HOUSEHOLDS (%)

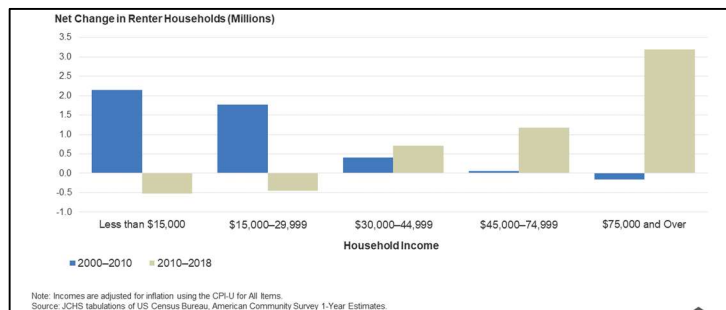
Region		Metropolitan Area	
Northeast	18.9	Central city	27.4
Midwest	11.9	Suburbs	12.4
South	12.3	Non-metro	6.0
West	18.6		

Source: U.S. Census

Much of the new construction is concentrated in higher end apartment complexes and senior housing. Luxury units continue to be developed for lifestyle renters (married, childless professionals and affluent singles). While adult retirement and assisted living communities are expanding to serve the aging population.

In a recent National Housing Survey by Fannie Mae, 41% of renters say they rent "as a matter of choice" and not out of necessity. There are an increasing number of household's who now prefer apartment living, even though they could afford to buy a home. As life gets more hectic and the age and composition of our population changes, many households are deciding that apartment living is a preferred lifestyle.

Research reveals that despite the nation's historically high homeownership rate, the number of apartment renters has grown in the highest-income groups. For the past few years, households making \$100,000 or more have been the fastest growing segment of the apartment market.



These households are part of a growing number who now choose to rent an apartment for lifestyle and not economic reasons. For many of these households, apartments offer hassle-free living in superior locations near jobs, entertainment and shopping. They also make it easier for households to move from one job to another without incurring the cost of selling a house.

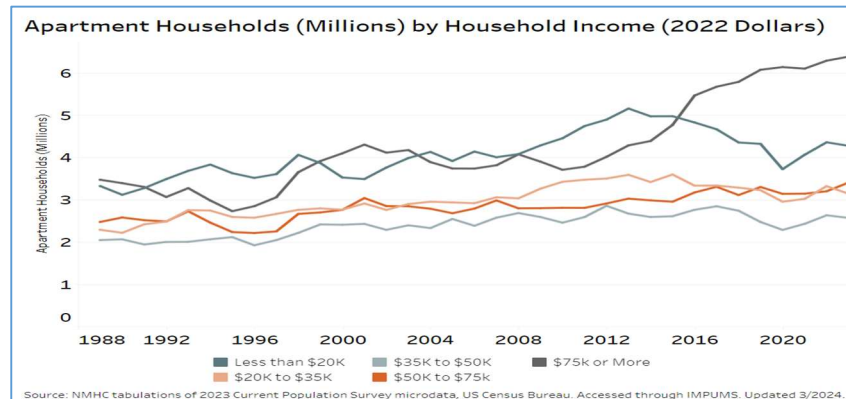
The makeup of the American population is changing, and some of these changes are helping apartment demand. Two of the fastest growing age groups over the next 10 years (people in their mid-20's and empty nesters in their 50's) are two of the groups most likely to select apartment living. After more than two decades of declining in number, the population in the traditional renting years (age 20-29) is expected to increase.

The second demographic factor at work is the shakeup in what constitutes the "typical household". Traditionally, that was a married couple with children. However, these households have been declining in number since 1970, and now account for just one quarter of all households. In their place are a growing number of non-traditional households who are more likely to choose apartment living - childless couples, people who live alone and non-family/non-related households. The Census Bureau is projecting a boom in the population groups most likely to choose an apartment; young adults, one-person households and married couples without children.

## NATIONAL APARTMENT MARKET (CONT.)

Today's apartments are larger with numerous amenities. A single call to the on-site concierge can arrange babysitting, housekeeping, pet care, grocery shopping or a night on the town. The luxury/upscale or lifestyle apartment market is the fastest growing segment.

### APARTMENT HOUSEHOLD INCOMES FASTEST GROWTH RECORDED IN UPSCALE MARKET



This segment (luxury) of the market is expected to continue especially in the urban areas of the country. A review of tenant characteristics for different apartment segments are as follows:

### RESIDENT CHARACTERISTICS IN THE THREE MARKETS FOR MULTIFAMILY RENTAL HOUSING

	Affordable Market		Middle Market	Lifestyle Market	All Apartments Households
	Total	Fed. Assisted			
Share of all apartment households (%)	49	19	37	14	100
<i>Age of householder</i>					
Median	41	44	33	38	37
Mean	47	49	38	42	43
Percent less than 30 years old	26	21	39	20	30
Percent that are 65+ years old	23	31	8	10	16
<i>Household Size</i>					
Mean	2.1	2.3	2.2	1.4	2.0
Percent that are 1 person	50	43	31	65	46
Percent that are 4+ persons	17	19	14	0	5
Percent with 1 or more children	35	50	31	0	29
<i>Household income (\$)</i>					
Mean	11,795	10,944	42,752	62,382	29,603
Median	10,444	7,608	32,100	48,928	21,000

Source: U.S. Census

As the previous table shows, the affordable market is almost 50% of the renting households in this country. This segment of the market remains strong. The luxury market makes up about 14% of the market. The median household income in the affordable market is \$10,444, while in the lifestyle or luxury market it is \$48,928.

## NATIONAL APARTMENT MARKET (CONT.)

New interest in smart growth is making it easier to get new apartment construction approved. Suburban jurisdictions hoping to address voter concerns about traffic and pollution realize that apartments use existing infrastructure more efficiently than detached housing and that apartments can help create the pedestrian-friendly neighborhoods that voters claim to want.

Urban areas realize that the lifestyle renter market is a key market to target in trying to recruit middle and upper income households to return downtown, and they are doing their part to facilitate new construction of high quality apartments.

### RENTERS VS. OWNERS BY METROPOLITAN AREA

Cities	Population	Residents in All Occupied Housing Units	Residents in Occupied Units	Apartment Resident Share of All Occupied Housing
New York-Newark-Jersey City, NY-NJ-PA	19,768,458	19,388,251	4,976,114	26%
Los Angeles-Long Beach-Anaheim, CA	12,997,353	12,764,914	2,981,443	23%
Chicago-Naperville-Elgin, IL-IN-WI	2,261,665	2,213,540	234,279	11%
Houston-The Woodlands-Sugar Land, TX	7,759,615	7,681,627	1,307,439	17%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,228,601	6,070,292	585,337	10%
Phoenix-Mesa-Chandler, AZ	4,946,145	4,869,169	604,346	12%
San Antonio-New Braunfels, TX	2,601,788	2,560,890	328,075	13%
San Diego-Chula Vista-Carlsbad, CA	3,286,069	3,194,798	663,898	21%
Dallas-Fort Worth-Arlington, TX	7,759,615	7,681,627	1,307,439	17%
San Jose-Sunnyvale-Santa Clara, CA	1,952,185	1,917,927	345,263	18%

Source: 2021 American Community Survey, 1-Year Estimates, US Census Bureau. Updated 11/2022.

In lower-tier to mid-tier apartment properties, renovation offers an opportunistic investment. Lack of affordable, or at least reasonable, rental communities to meet the changing demand from demographic and ethnic shifts plagues many areas. As immigrant populations become more affluent and welfare-to-work programs encourage employment, a new segment of the population is looking for clean, safe, affordable housing with moderate amenities.

In many urban areas new apartment development is not always possible, but major rehabilitation of the existing, aging apartment stock does. Developers of these properties are finding that once the project is complete, the complex fills rapidly, vacancy rates remain low and the ability to substantially increase rents is present.

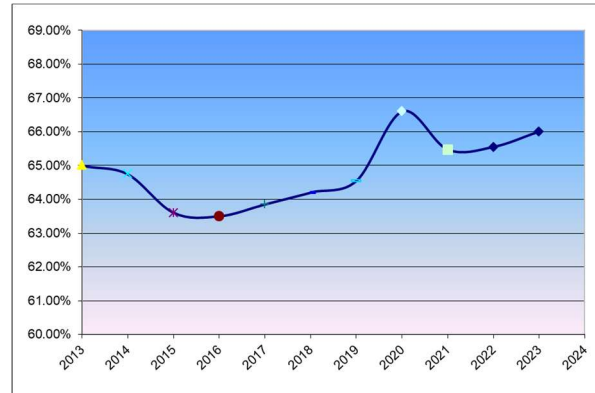
Employment growth is critical to the increase for apartment demand. The unemployment rate has been decreasing and is back to pre-pandemic levels in most parts of the country. The increasing employment level may cause some workers to look into purchasing a single family home. However, many workers are somewhat scared due to an unsettled economy and world outlook. In addition, many workers now feel they need the mobility that they get by rental housing because of changing job demands.

Rising home ownership (due to low interest rates) had drained away some apartment demand. From 1994 home ownership in the United States began to increase sharply peaking at 69% in 2005. However, this trend is reversing rapidly and is expected to decrease in the near future.



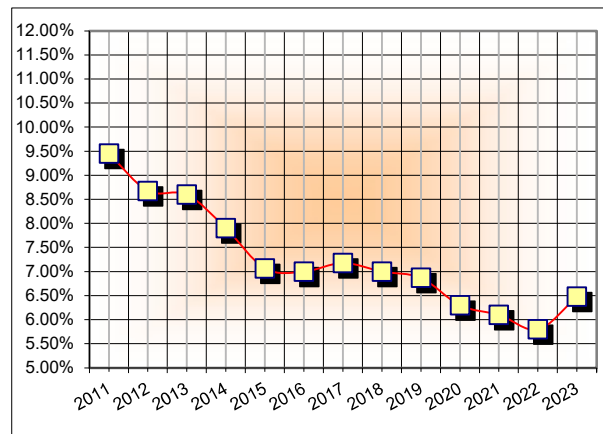
## NATIONAL APARTMENT MARKET (CONT.)

About two-thirds of all households are homeowners and a 1% increase in homeownership rates would cause a 3% decline in rental demand, all other things being equal. Homeownership decreased from 2008 to 2015 and then showed a steady increase upward since that time. A review of historical homeownership rates in the United States (from U.S. Census) is shown to the right.



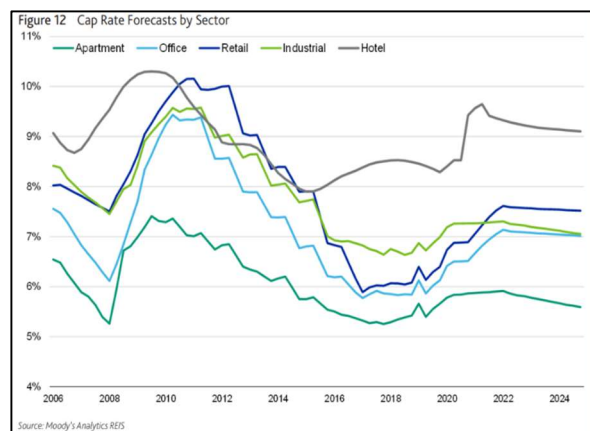
Demand for home ownership had increased significantly and we saw a peak during the past Covid 19 pandemic when values increased dramatically. This upward trend may reverse itself due to lifestyle changes as it is expected that going forward homeownership rates may again decline.

Demand for rentals apartments has increased. Overall apartment vacancy rates for the nation have been decreasing over the past several years and it appears that vacancy rates should stabilize somewhat over the next few years. According to U.S. Census Bureau the average vacancy rate in the country over the past several years has been in the low 6% range as illustrated on the graph to the right.



As vacancy rates have decreased and demand for apartments have increased, apartment capitalization rates had decreased over the past several years.

The chart to the right illustrates the mean capitalization rate trends over the past five years (Reis/Moody's). The apartment market of course is dependent on many factors; namely job growth and demand in the marketplace. The supply of apartments may continue to increase in the near term as there is still massive building going on nationwide, but real future job growth is going to have to play catch up to meet this supply.



The long-term outlook for the apartment market is good as household growth is still forecasted to be strong in the near terms. The affordable housing market as well as the "lifestyle renter" (baby boomers) will continue to drive the market. The "lifestyle renter" enjoys the hassle-free lifestyle that apartments can offer. Both of these segments of the market may be a main driver of future demand. Overall, the foundation of the apartment market is strong and should continue to remain that way into the near future.

## VIRGINIA HOUSING MARKET

New Jersey's economy continues to struggle somewhat, along with the national economy. Inflation is high and rising costs have hurt both consumers and businesses. Nationally, total employment did increase slightly over the past year with all sectors of the economy positively affected.

The economy of Virginia is diverse, with many sources of income. These include military installations, defense contractors, and components of the government sector. Although these sectors have been affected over the past several years, it appears that they were affected to a slightly lesser extent. Many businesses in all sectors of our state economy are cautious and not in an expansion mode at this time. The unemployment rate for the state has continued to decline since the peak in April 2020 and is currently slightly lower than the national unemployment.

Globalization, deregulation, and accelerating technological change have been the predominant force in the world economy. Virginia has seen employment losses in farming, mining, information technology and military sectors. However, transportation and warehousing, finance and insurance, real estate, administrative, education, healthcare, arts and entertainment, accommodation and other services have grown in recent years. The breakdown of growth by sector is presented as follows:

### VIRGINIA'S SHIFT IN EMPLOYMENT – JOB GROWTH

Major Industry	Employment				Actual Growth		Standardized		
	2010		2022				Growth <sup>2</sup>		Employment <sup>3</sup>
	Level	Share <sup>1</sup>	Level	Share <sup>1</sup>	Percent	Net	Percent	Net	2022
Farm Employment	53,862	1.14	45,900	0.82	-14.78	-7,962	-2.62	-1,410	52,452
Forestry, Fishing, and Related Activities	12,103	0.26	13,625	0.24	12.58	1,522	13.42	1,624	13,727
Mining	14,895	0.31	9,153	0.16	-38.55	-5,742	-17.24	-2,568	12,327
Utilities	11,514	0.24	11,606	0.21	0.80	92	4.02	463	11,977
Construction	271,482	5.72	321,219	5.74	18.32	49,737	35.31	95,865	367,347
Manufacturing	240,138	5.06	258,604	4.62	7.69	18,466	11.83	28,412	268,550
Wholesale Trade	120,333	2.54	129,262	2.31	7.42	8,929	12.25	14,738	135,071
Retail Trade	469,985	9.91	519,275	9.27	10.49	49,290	11.03	51,854	521,839
Transportation and Warehousing	130,882	2.76	274,811	4.91	109.97	143,929	109.90	143,838	274,720
Information	90,248	1.90	92,656	1.65	2.67	2,408	19.84	17,903	108,151
Finance and Insurance	191,912	4.05	275,590	4.92	43.60	83,678	41.11	78,887	270,799
Real Estate and Rental and Leasing	205,481	4.33	292,070	5.22	42.14	86,589	53.84	110,641	316,122
Professional, Scientific, and Technical Services	508,177	10.71	620,179	11.08	22.04	112,002	35.94	182,651	690,828
Management of Companies and Enterprises	76,370	1.61	92,830	1.66	21.55	16,460	46.34	35,393	111,763
Administrative and Waste Services	266,388	5.62	342,218	6.11	28.47	75,830	25.59	68,180	334,568
Educational Services	96,034	2.02	113,641	2.03	18.33	17,607	19.28	18,518	114,552
Health Care and Social Assistance	431,689	9.10	530,153	9.47	22.81	98,464	23.39	100,980	532,669
Arts, Entertainment, and Recreation	92,251	1.94	115,195	2.06	24.87	22,944	17.72	16,346	108,597
Accommodation and Food Services	313,576	6.61	361,453	6.45	15.27	47,877	23.17	72,664	386,240
Other Services (except Public Administration)	271,496	5.72	317,938	5.68	17.11	46,442	19.19	52,102	323,598
Federal Civilian	191,161	4.03	206,269	3.68	7.90	15,108	-3.79	-7,243	183,918
Military	152,360	3.21	119,212	2.13	-21.76	-33,148	-11.00	-16,760	135,600
State Government	156,114	3.29	157,604	2.81	0.95	1,490	-1.11	-1,726	154,388
Local Government	374,726	7.90	379,122	6.77	1.17	4,396	-0.49	-1,821	372,905
Total Employment	4,743,177	100.00	5,599,585	100.00	18.06	856,408	22.34	1,059,533	5,802,710

1 Share: The percentage share of total employment by industry.

2 Standardized Growth: at the same rate as its counterpart at the national level had each industry grown.

3 Standardized Employment, 2022: The 2022 level of employment in each industry had it grown at the same rate as its counterparts at the national level since 2010.

Note: Percent growth figures may not add due to rounding by a factor of ± 0.01%

Source: Calculations by the United States Regional Economic Analysis Project (US-REAP) with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis

November 2023

SHIFTSHARE

## VIRGINIA HOUSING MARKET (CONT.)

On the positive side, median home prices have increased over the past few years as the market seems to have stabilized from the previous decline. Residential construction in the state has increased over the past few years. A review of building permits for apartments (5 or more units) in the state has been as follows:

### VIRGINIA PERMITS (5 OR MORE UNITS)

Year	# of Total Units	Percentage of Change
2005	10,423	-
2006	7,644	-26.66%
2007	6,694	-12.43%
2008	7,154	6.87%
2009	4,770	-33.32%
2010	4,544	-4.74%
2011	7,491	64.85%
2012	9,259	23.60%
2013	10,779	16.42%
2014	9,522	-11.66%
2015	8,349	-12.32%
2016	9,012	7.94%
2017	10,729	19.05%
2018	9,916	-7.58%
2019	10,664	7.54%
2020	8,809	-21.06%
2021	13,612	54.52%
2022	18,125	33.15%
2023	14,230	-21.49%
2024	10,924	-23.24%

Source: Census.gov

New residential permits of five-or-more units have averaged 9,633 per year since 2005. Apartment construction in the state peaked in 2005 and declined sharply in 2006 and again in 2009. Construction also appears to have peaked in 2022 and has declined the past two years.

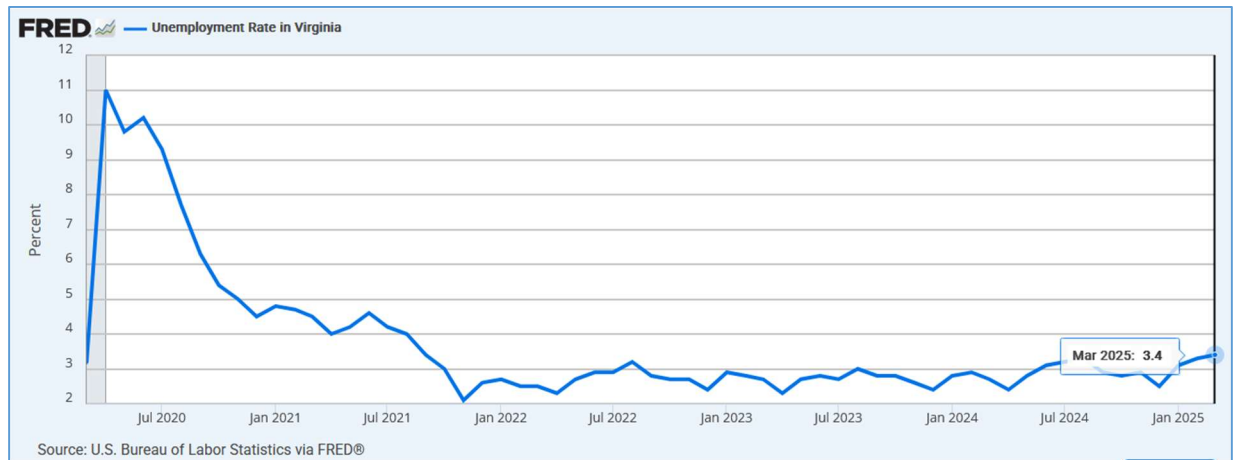
More than half of the state's housing stock can be classified as old since it was built before 1990. About 20% of the housing units were built before 1960 and 7.2% before 1940.

Although Virginia's economy was on a somewhat roller coaster ride, slipping in and out of a recession it appears that we may be heading into a recession. The real estate and housing market throughout the state was good during the Covid 19 pandemic, but peaked and prices are starting to decline. However, the multi family market appears to remain strong with constantly rising rental rates.

## VIRGINIA HOUSING MARKET (CONT.)

A review of unemployment rates in the state is shown below (data up to November 2023). Unemployment rates in the state have declined since its peak during Covid 19. The spike was temporary and the current unemployment rate is in line with pre-pandemic levels.

### VIRGINIA UNEMPLOYMENT RATE



Looking into the future, economists were saying that once the pandemic is behind us, Virginia as well as the national economy will again prosper. However, we are now experiencing record high levels of inflation and it appears that we may be close to entering into a recession. Overall market values for apartments have remained strong and should further benefit from the now softening single family housing market. With increasing mortgage rates, which has lowered demand for owner occupied housing, the rental market has benefited.



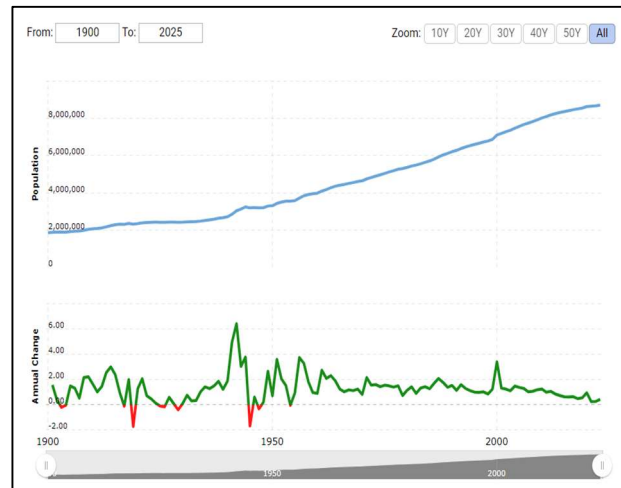
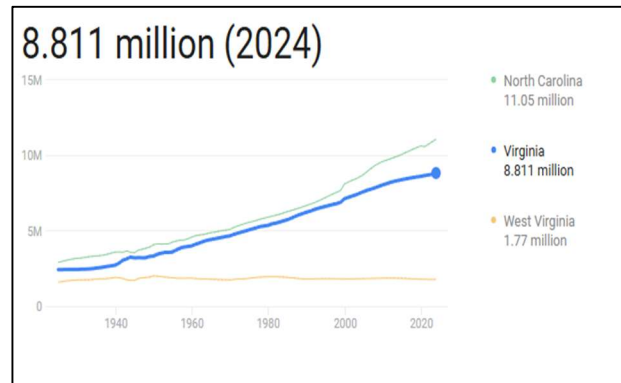
## VIRGINIA HOUSING MARKET (CONT.)

Despite low single-family home affordability throughout the region, slower new home sales have affected rental demand in the state. Virginia is not known as a particularly affordable single-family housing market, but as new home sales slowed the demand for rentals has increased.

The state population has grown over the past decade. It is also expected that there will be future household growth within the state over the next five years. Data is from the U.S. Census.

The state population has grown over the past decade. It is also expected that there will be household growth within the state over the next five years (data from U.S. Census). With the growth in the number of households (projected to be about 8.9 million in 2028) over the next few years we should see an increase in demand for housing.

The economy in this region has been strong and apartments remain in demand. The long term outlook for the Virginia market is good as household growth is forecasted to continue to increase. The affordable housing market will drive a portion of the Virginia market while the remainder of the market will benefit from good fundamentals that are already in place.



## MARKET ANALYSIS - SUBJECTS TRADE AREA

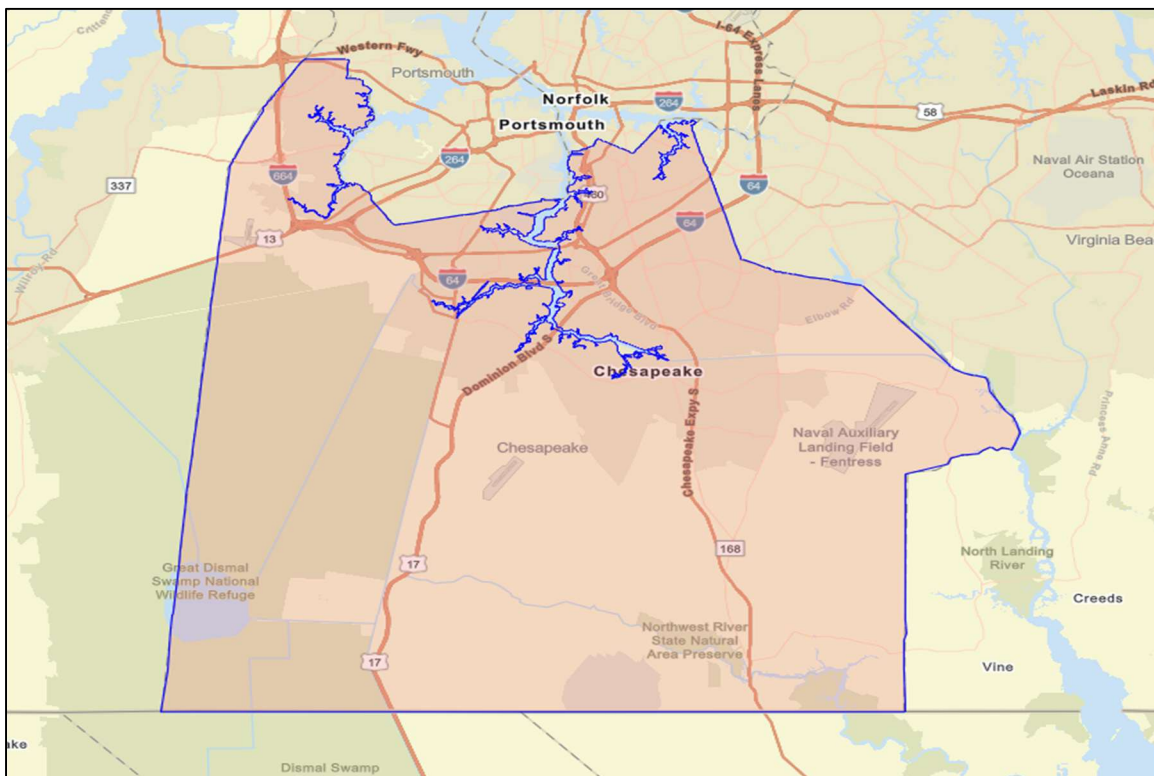
A trade area or market area is defined as the geographic area within lives most of the residents/tenants that will provide a main source of revenue for the apartments. Trade areas are typically divided into primary, secondary and tertiary (fringe) zones. A trade area can be influenced by many interrelated factors. These factors include location, socio-economic composition and demographic characteristics (tenure, income, rent levels, etc.), transportation, employment and the location of comparable and/or potential competitors. Infrastructure also shapes the trade area, as natural boundaries may limit travel to an area. In addition, market perceptions can influence the actual delineation of the trade area as social stigmas often exist in which residents from one side of a market area may not move to a nearby neighborhood, regardless of housing opportunities.

In analyzing the subject site and the surrounding market area we have estimated that the subject property will draw its residents from Chesapeake City. The basic boundaries of the subject trade area are defined as follows:

To the North:	Portsmouth
To the South:	North Carolina State Line
To the East:	Virginia Beach
To the West:	Suffolk

The primary trade area is illustrated as follows:

### TRADE AREA MAP



We have summarized the demographics of the primary trade area on the following pages.

## DEMOGRAPHICS

### POPULATION AND HOUSEHOLDS

According to the **Environmental Systems Research Institute (ESRI) Demographic Service**, a review of the trade area population and households are as follows. A household consists of all people who occupy a housing unit. A household includes the related family members and all unrelated people, if any who share the housing unit.

Population	
2010 Population	222,184
2020 Population	249,422
2024 Population	257,529
2029 Population	264,042
2010-2020 Annual Rate	1.16%
2020-2024 Annual Rate	0.76%
2024-2029 Annual Rate	0.50%
2020 Male Population	48.7%
2020 Female Population	51.3%
2020 Median Age	38.0
2024 Male Population	49.5%
2024 Female Population	50.5%
2024 Median Age	38.6
In the identified area, the current year population is 257,529. In 2020, the Census count in the area was 249,422. The rate of change since 2020 was 0.76% annually. The five-year projection for the population in the area is 264,042 representing a change of 0.50% annually from 2024 to 2029. Currently, the population is 49.5% male and 50.5% female.	
Median Age	
The median age in this area is 38.6, compared to U.S. median age of 39.3.	
Race and Ethnicity	
2024 White Alone	54.5%
2024 Black Alone	29.3%
2024 American Indian/Alaska Native Alone	0.5%
2024 Asian Alone	4.0%
2024 Pacific Islander Alone	0.1%
2024 Other Race	2.9%
2024 Two or More Races	8.7%
2024 Hispanic Origin (Any Race)	7.7%
Persons of Hispanic origin represent 7.7% of the population in the identified area compared to 19.6% of the U.S. population. Persons of Hispanic Origin may be of any race. The Diversity Index, which measures the probability that two people from the same area will be from different race/ethnic groups, is 66.4 in the identified area, compared to 72.5 for the U.S. as a whole.	
Households	
2024 Wealth Index	109
2010 Households	79,563
2020 Households	91,162
2024 Households	94,737
2029 Households	98,059
2010-2020 Annual Rate	1.37%
2020-2024 Annual Rate	0.91%
2024-2029 Annual Rate	0.69%
2024 Average Household Size	2.68
The household count in this area has changed from 91,162 in 2020 to 94,737 in the current year, a change of 0.91% annually. The five-year projection of households is 98,059, a change of 0.69% annually from the current year total. Average household size is currently 2.68, compared to 2.69 in the year 2020. The number of families in the current year is 68,039 in the specified area.	

## POPULATION AND HOUSEHOLDS (CONT.)

2020 Households by Size	
Total	91,162
1 Person Household	21.6%
2 Person Household	32.5%
3 Person Household	19.2%
4 Person Household	15.5%
5 Person Household	7.2%
6 Person Household	2.7%
7 + Person Household	1.3%

The trade area population has increased over the past several years and is expected to increase slightly in the near future. The number of households also increased (from 2010 – 2020) at a greater rate than the population which would indicate that household size is decreasing. The current average household size in the trade area is 2.68 persons. It is expected that the number of households will increase by 0.69% over the next 5 years, more than the expected population increase.

## INCOME

A review of the income levels in the trade area is as follows:

Median Household Income	
2024 Median Household Income	\$91,393
2029 Median Household Income	\$104,186
2024-2029 Annual Rate	2.65%
Average Household Income	
2024 Average Household Income	\$119,344
2029 Average Household Income	\$136,692
2024-2029 Annual Rate	2.75%
Per Capita Income	
2024 Per Capita Income	\$43,965
2029 Per Capita Income	\$50,825
2024-2029 Annual Rate	2.94%
GINI Index	
2024 Gini Index	37.6
Households by Income	
Current median household income is \$91,393 in the area, compared to \$79,068 for all U.S. households. Median household income is projected to be \$104,186 in five years, compared to \$91,442 all U.S. households.	
Current average household income is \$119,344 in this area, compared to \$113,185 for all U.S. households. Average household income is projected to be \$136,692 in five years, compared to \$130,581 for all U.S. households.	
Current per capita income is \$43,965 in the area, compared to the U.S. per capita income of \$43,829. The per capita income is projected to be \$50,825 in five years, compared to \$51,203 for all U.S. households.	



# **INCOME (CONT.)**

				2024		2029	
Income Inequality Measures				Number	Percent	Number	Percent
Household Income Base				94,737	100%	98,059	100%
<\$15,000				6,644	7.0%	6,232	6.4%
\$15,000-\$24,999				4,719	5.0%	3,851	3.9%
\$25,000-\$34,999				4,597	4.9%	3,893	4.0%
\$35,000-\$49,999				7,335	7.7%	6,387	6.5%
\$50,000-\$74,999				15,205	16.0%	14,135	14.4%
\$75,000-\$99,999				12,429	13.1%	11,910	12.1%
\$100,000-\$149,999				18,935	20.0%	20,789	21.2%
\$150,000-\$199,999				12,633	13.3%	15,345	15.6%
\$200,000+				12,240	12.9%	15,517	15.8%
Median Household Income				\$91,393		\$104,186	
Average Household Income				\$119,344		\$136,692	
Per Capita Income				\$43,965		\$50,825	

The current median household income level in the trade area is \$91,393 with a per capita income of \$43,965. Income levels are expected to increase over the next five years.

Income is a key characteristic in analyzing housing markets. As the previous chart shows 7% of the households in the primary trade area currently have income levels below \$15,000. The over 55-year-old households in the trade area have a median household income level of \$74,659.

## AGE OF POPULATION

A review of the age of the population in the trade area is as follows:

2020 Population by Age	
Total	249,422
0 - 4	5.9%
5 - 9	6.7%
10 - 14	7.1%
15 - 24	12.6%
25 - 34	13.3%
35 - 44	13.8%
45 - 54	12.4%
55 - 64	13.7%
65 - 74	9.0%
75 - 84	4.1%
85 +	1.4%
18 +	75.9%
2024 Population by Age	
Total	257,529
0 - 4	5.8%
5 - 9	6.5%
10 - 14	6.7%
15 - 24	12.5%
25 - 34	13.0%
35 - 44	14.9%
45 - 54	12.2%
55 - 64	12.3%
65 - 74	9.7%
75 - 84	4.8%
85 +	1.5%
18 +	77.0%
2029 Population by Age	
Total	264,042
0 - 4	5.7%
5 - 9	6.0%
10 - 14	6.5%
15 - 24	11.8%
25 - 34	13.2%
35 - 44	14.6%
45 - 54	12.9%
55 - 64	11.1%
65 - 74	10.5%
75 - 84	5.9%
85 +	1.7%
18 +	78.1%
2020 Population by Sex	
Males	121,412
Females	128,010
2024 Population by Sex	
Males	127,573
Females	129,956
2029 Population by Sex	
Males	130,083
Females	133,959

## AGE OF POPULATION (CONT.)

The median age in the trade area is 38.6 years. In the trade area, the senior population consists of about 41,205 persons or 16% of the population. This is a rather low percentage of seniors as the trade area is younger. A review of the demographics of the older population in the trade area is as follows:

				2024-2029	2024-2029
Demographic Summary	Census 2020	2024	2029	Change	Annual Rate
Total Population	249,422	257,529	264,042	6,513	0.50%
Population 50+	85,786	88,528	92,684	4,156	0.92%
Median Age	38.0	38.6	39.7	1.1	0.56%
Households	91,162	94,737	98,059	3,322	0.69%
% Householders 55+	45.0%	44.9%	45.7%	0.8	0.35%
Total Owner-Occupied Housing Units	64,014	68,492	72,860	4,368	1.24%
Total Renter-Occupied Housing Units	27,148	26,245	25,199	-1,046	-0.81%
Owner/Renter Ratio (per 100 renters)	236	261	289	28	2.06%
Median Home Value	-	\$423,207	\$473,411	\$50,204	2.27%
Average Home Value	-	\$451,769	\$526,764	\$74,995	3.12%
Median Household Income	-	\$91,393	\$104,186	\$12,793	2.65%
Median Household Income for Householder 55+	-	\$74,659	\$84,704	\$10,045	2.56%

Going forward the number of elderly persons in the trade area is expected to continue to grow.

## HOME OWNERSHIP VS RENTER

In this market the breakdown of home owners and renters is as follows:

Housing Unit Summary	
2000 Housing Units	72,662
Owner Occupied Housing Units	72.0%
Renter Occupied Housing Units	24.2%
Vacant Housing Units	3.8%
2010 Housing Units	83,184
Owner Occupied Housing Units	69.9%
Renter Occupied Housing Units	25.8%
Vacant Housing Units	4.4%
2020 Housing Units	94,829
Owner Occupied Housing Units	67.5%
Renter Occupied Housing Units	28.6%
Vacant Housing Units	3.9%
2024 Housing Units	98,192
Owner Occupied Housing Units	69.8%
Renter Occupied Housing Units	26.7%
Vacant Housing Units	3.5%
2029 Housing Units	101,400
Owner Occupied Housing Units	71.9%
Renter Occupied Housing Units	24.9%
Vacant Housing Units	3.3%

In the subject trade area 26.7% of the total housing units are renter occupied. The majority of the trade area are owners.

## LAND USES AND HOUSING

According to the **Environmental Systems Research Institute (ESRI) Demographic Service**, the trade area contains a total number of housing units as follows:

Housing Units by Occupancy Status and Tenure	Census 2020		2024		2029	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	94,829	100.0%	98,192	100.0%	101,400	100.0%
Occupied	91,162	96.1%	94,737	96.5%	98,059	96.7%
Owner	64,014	67.5%	68,492	69.8%	72,860	71.9%
Renter	27,148	28.6%	26,245	26.7%	25,199	24.9%
Vacant	3,667	3.9%	3,455	3.5%	3,341	3.3%
Owner Occupied Housing Units by Value	2024		2029			
	Number	Percent	Number	Percent	Number	Percent
Total	68,492	100.0%	72,860	100.0%		
<\$50,000	1,875	2.7%	1,249	1.7%		
\$50,000-\$99,999	409	0.6%	167	0.2%		
\$100,000-\$149,999	743	1.1%	264	0.4%		
\$150,000-\$199,999	2,419	3.5%	1,054	1.4%		
\$200,000-\$249,999	4,451	6.5%	2,519	3.5%		
\$250,000-\$299,999	5,726	8.4%	4,078	5.6%		
\$300,000-\$399,999	14,561	21.3%	12,974	17.8%		
\$400,000-\$499,999	17,503	25.6%	19,241	26.4%		
\$500,000-\$749,999	16,751	24.5%	23,375	32.1%		
\$750,000-\$999,999	2,945	4.3%	5,509	7.6%		
\$1,000,000-\$1,499,999	741	1.1%	1,666	2.3%		
\$1,500,000-\$1,999,999	1	0.0%	0	0.0%		
\$2,000,000+	367	0.5%	764	1.0%		
Median Value			\$423,207		\$473,411	
Average Value			\$451,769		\$526,764	
Census 2020 Housing Units					Number	Percent
Total					94,829	100.0%
Housing Units In Urbanized Areas					88,939	93.8%
Rural Housing Units					5,890	6.2%

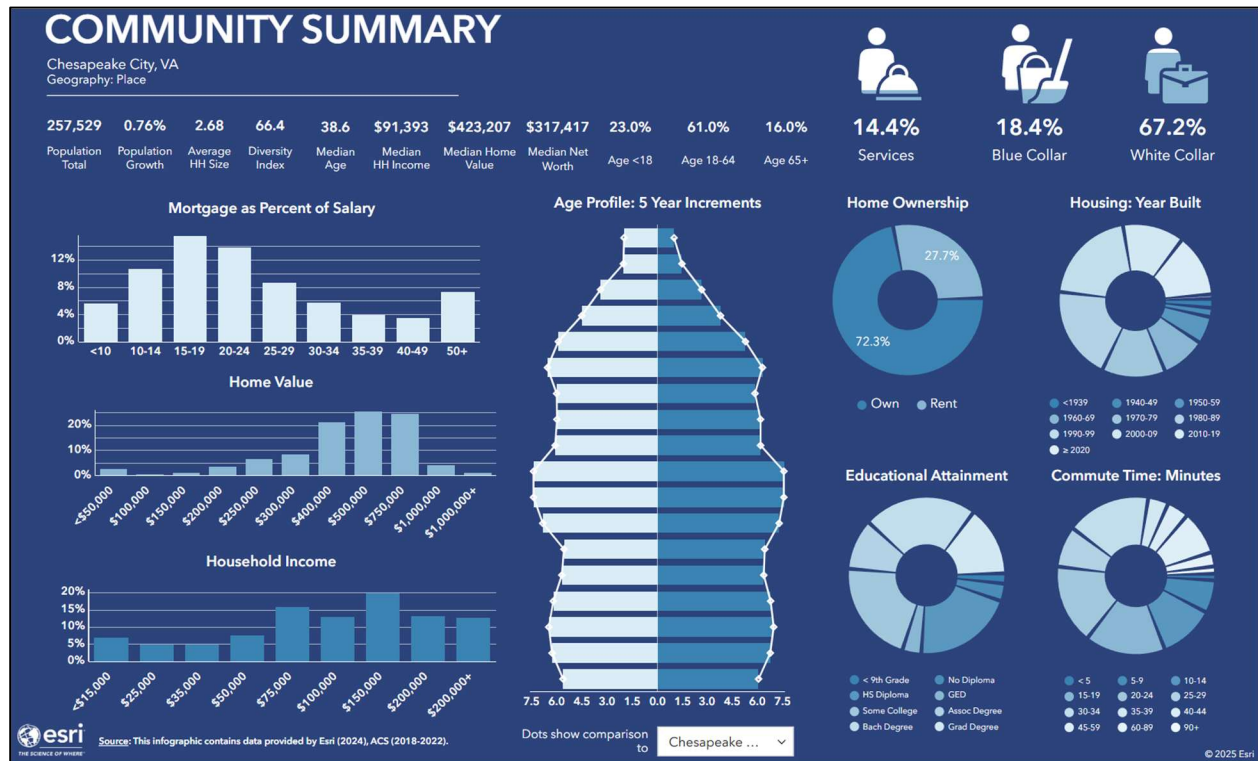
The total housing units in the trade area is expected to remain relatively stable with a small increase projected as the area is fully developed. Any new units will be via redevelopment of either existing housing stock or the conversion of other types of buildings (i.e. industrial, commercial, etc.). Most of the housing in the trade area is owner occupied (69.8%) and there are 26.7% renter occupied units. A review of the properties in the trade area by year built is as follows:

HOUSING UNITS BY YEAR STRUCTURE BUILT		
Total	95,076	100.0%
Built 2020 or later	601	0.6%
Built 2010 to 2019	12,666	13.3%
Built 2000 to 2009	12,393	13.0%
Built 1990 to 1999	19,532	20.5%
Built 1980 to 1989	18,786	19.8%
Built 1970 to 1979	12,830	13.5%
Built 1960 to 1969	9,013	9.5%
Built 1950 to 1959	5,526	5.8%
Built 1940 to 1949	1,867	2.0%
Built 1939 or earlier	1,862	2.0%
Median Year Structure Built	1,989	

Most of the housing stock in the county was built before 1990.



## SUMMARY OF THE TRADE AREA



The rental market in the trade area is rather low at 26.7% and the median household income levels is below State. However, with the population aging in place and household size decreasing it is expected that demand for rental housing may increase. Many empty nesters whose children have grown up and gone to college or work are downsizing by selling their homes and either downsizing or moving into an apartment.

Also, young adults ages 22 to 30 ("Millennials") who are a target demographic for many of the new apartment properties hitting the market and are likely to be in their first or second post-college home away from their parents have still been a prime source of renters in this trade area.

## SCHOOLING/EDUCATION

Virginia conducts Standards of Learning (SOL) testing in reading, writing, mathematics, science, and history/social science. A review of the Pass Rate for Chesapeake City over the past several years is presented as follows:

Div Name	Subject	Subgroup	2021-2022 Pass Rate	2022-2023 Pass Rate	2023-2024 Pass Rate
Chesapeake City	English: Reading	All Students	78	78	79
Chesapeake City	English: Writing	All Students	70	72	78
Chesapeake City	History and Social Science	All Students	74	74	72
Chesapeake City	Mathematics	All Students	74	77	78
Chesapeake City	Science	All Students	72	74	74

Source: Virginia DOE

The above table illustrates that students in Chesapeake City had SOL test results that have increased in reading, writing and mathematics, and fallen in history and social sciences.

A review of the graduation rate in Chesapeake City is presented below.

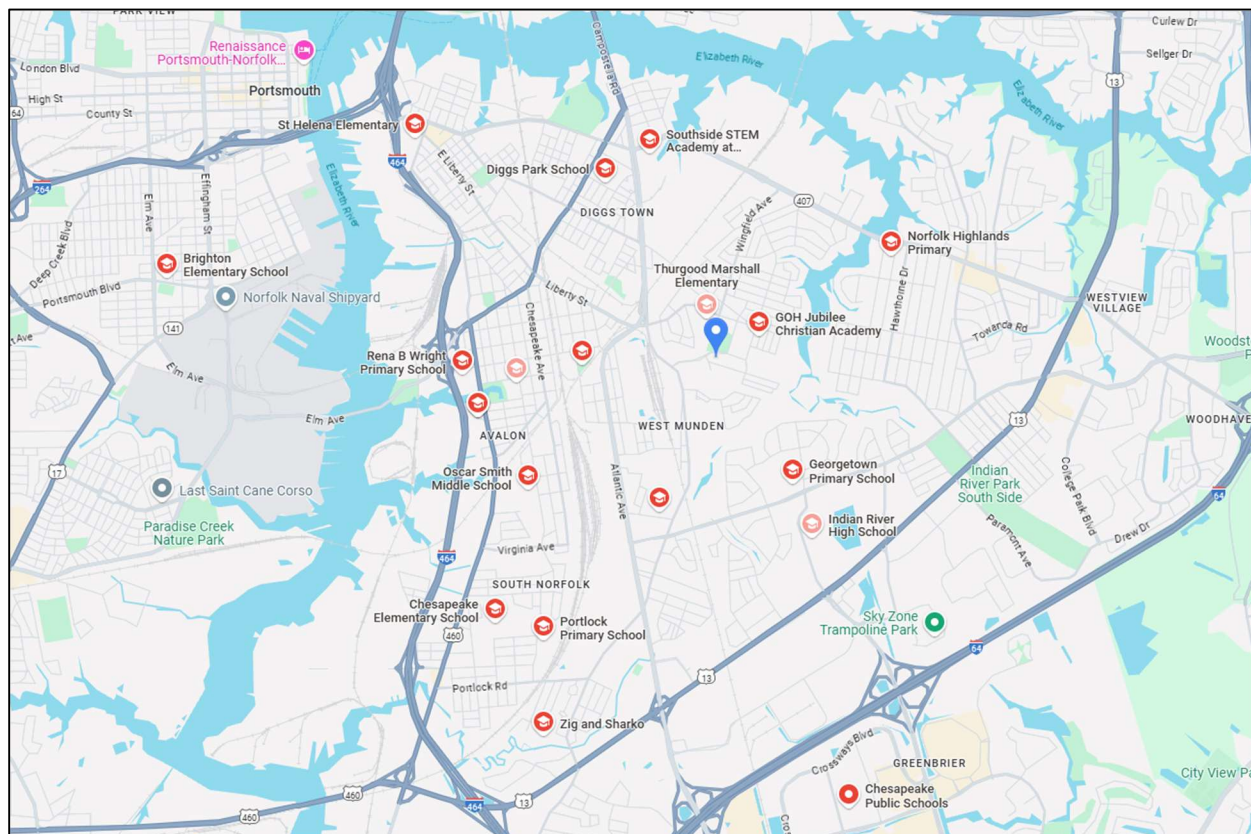
Cohort Year	Division Number	Division Name	Type of Graduation Rate	Rate Type	Graduation Rate
2021	136	Chesapeake City	On-Time Graduation Rate	4 yr rate	93.74%
2022	136	Chesapeake City	On-Time Graduation Rate	4 yr rate	93.51%
2023	136	Chesapeake City	On-Time Graduation Rate	4 yr rate	92.23%
2024	136	Chesapeake City	On-Time Graduation Rate	4 yr rate	93.54%

Source: Virginia DOE

The graduation rate for 2024 was 93.54%, with a dropout rate of 1.27%. The graduation rate fell slightly between 2021 and 2023, but increased slightly between 2023 and 2024.

The subject property is located approximately 0.6 mile southeast of Thurgood Marshall Elementary School, located on Border Road. Truitt Intermediate School is located approximately 1.7 miles east of the subject property on Holly Avenue. Indian River High School is located 3 miles south of the subject property on Dunbarton Drive. A map of the subject property and surrounding schools is presented on the following page.

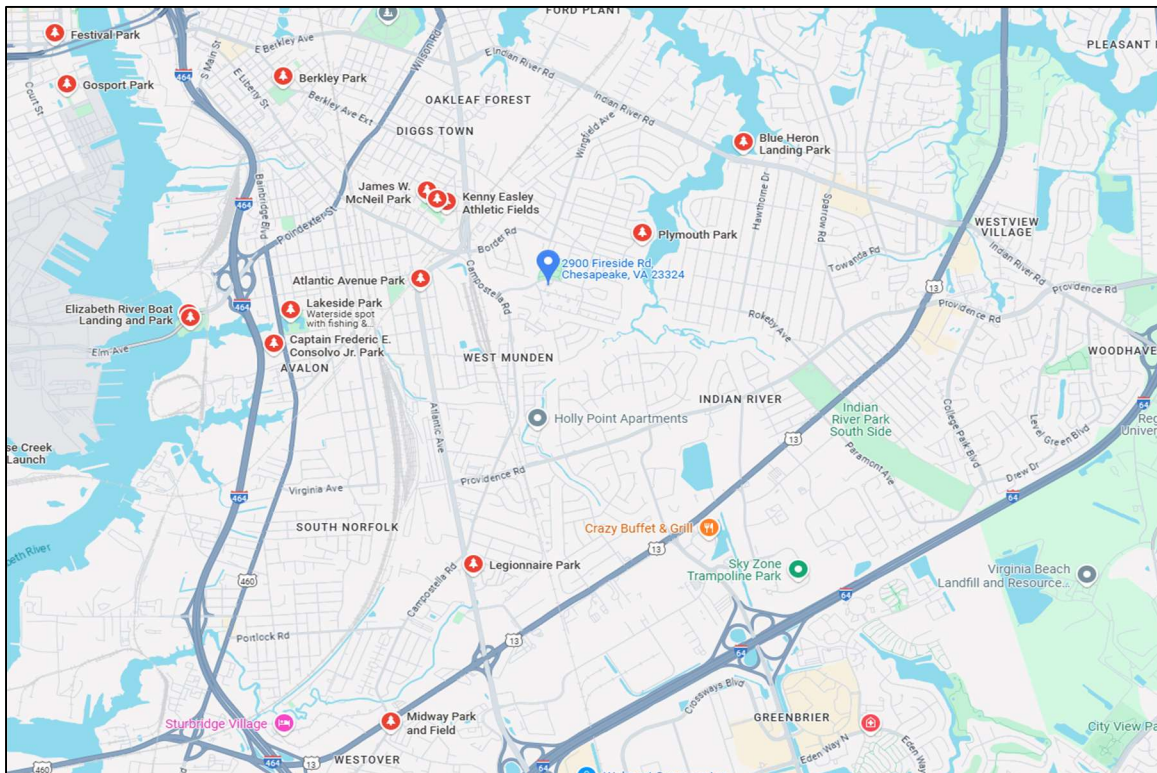
## SCHOOLING/EDUCATION (CONT.)



## RECREATION

The subject property is located on Fireside Road, adjacent to Campostella Square Park and approximately 3.6 miles west of Indian River Park. The subject property is located approximately 18 miles west of the Virginia Beach oceanfront. The oceanfront resort area contains a 3 three mile boardwalk with numerous high-rise resorts, restaurants and bars and other recreation uses, including the Virginia Beach Fishing Pier and Atlantic Fun Park.

The southern portion of Chesapeake City contains several nature preserves, including Cavalier Wildlife Management Area, Northwest River Natural Area, North Landing River Natural Area and the Great Dismal Swamp National Wildlife Refuge. A map of the subject property and surrounding parks is presented below.



## PUBLIC TRANSPORTATION

The subject's location on Fireside Road is residential in nature. Hampton Roads Transit bus line has a stop at Stalham Road and Fireside, at the subject. Hampton Roads Transit also has stops along Campostella Road, to the west of the subject. This line also provides access to downtown Norfolk and Naval Station Norfolk. The subject property is also located approximately 11 miles southwest of Norfolk International Airport and approximately 90 miles southeast of Richmond International Airport.



## SHOPPING/MEDICAL FACILITIES

The subject property is located in a mostly residential area. There is a small retail strip center approximately 0.5 mile north of the subject at the corner of Bethel Road and Border Road, which contains a Mr. Food Mart, convenience store, T-Mobile, Family Dollar and a restaurant. A Food Lion supermarket is located approximately 2 miles south of the subject property on Atlantic Avenue. Parkview Shopping Center, a larger center containing a mix of retail stores and fast food restaurants, is located approximately 3 miles south of the subject property on South Military Highway. Sentara Norfolk General Hospital is located approximately 5.4 miles northeast of the subject property in Norfolk. There are several smaller urgent cares located within 3 miles of the subject property (Concentra Urgent Care on Poindexter Street and NowCare Medical Center – Indian River).

## EMPLOYMENT

A review of the top 50 employers in the Chesapeake area is as follows:

Top 50 Major Employers	
1. Chesapeake City Public School Board	26. Lowes' Home Centers, Inc.
2. City of Chesapeake	27. Oceaneering International
3. Chesapeake General Hospital	28. Children's Hospital of the King's Daughters
4. Walmart	29. Family Dollar Stores Inc
5. Amazon Fulfillment Services Inc.	30. Prwt Services INC
6. Dollar Tree Management	31. Mid Eastern Builders
7. Food Lion	32. Chugach Government Solution LLC
8. United Services Automobile Association	33. Plasser American Corporation
9. Cox Communications Hampton	34. Southeast Virginia Training Center
10. Sentara Healthcare	35. Usui International Corp
11. Anthem	36. Sumitomo
12. Norfolk Cent YMCA	37. Prism Maritime LLC
13. Dollar Tree Store	38. Cracker Barrel Old Country Store
14. The Home Depot	39. Técnico Corporation
15. QVC Chesapeake	40. St. Brides Correctional Center
16. U.S. Department of Homeland Defense	41. Innovative Staffing Technology
17. Fiserv Solutions Inc	42. Medical Management Service Inc
18. International Marine & Industrial Applicators	43. Delight Restaurant Group
19. Kroger	44. Electric Motor and Contracting Inc.
20. Target Corp	45. T-Solutions Inc
21. MAC Services	46. Carter Machinery Company
22. Texas Roadhouse	47. Serco Inc.
23. Anteon Corporation	48. Burns & McDonnell
24. Dollar Tree Distribution	49. Love Thy Neighbor, LLC
25. Genesis Logistics INC	50. Archer Western Const, LLC

Source: Chesapeake Virginia Economic Development

## MARKET RENTAL UNITS

A survey of several projects in the area was completed and the following rentals were uncovered (Refer to Addenda for complete write-up of Market rentals):

### SUMMARY OF MARKET BASED RENTALS – 2 BEDROOM – As-Is

Create New Grid		OMB Approval # 2502-0507 (exp. 04/30/2021)									
Rent Comparability Grid		Unit Type	2 Bedroom		As Is		Subject's FHA #:				
Subject	Data	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5					
Landmark Apartments		ReNew Banbury Lake	ReNew Virginia Beach	Hideaway at Greenbrier	The Amber at Greenbrier	Holly Point					
2900 Fireside Road	on	6464 Chartwell Drive	6100 Silversmith Court	150 Coveside Lane	1100 Ivystone	2540 Holly Point Boulevard					
Chesapeake, Chesapeake City	Subject	Virginia Beach, Virginia Beach City	Virginia Beach, Virginia Beach City	Chesapeake, Chesapeake City	Chesapeake, Chesapeake City	Chesapeake, Chesapeake City					
Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1 \$ Last Rent / Restricted?		\$1,857		\$1,695		\$1,755		\$1,572		\$1,782	
2 Date Last Leased (mo/yr)		Mar-25		Mar-25		Mar-25		Mar-25		Mar-25	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		92%		94%		89%		91%		96%	
5 Effective Rent & Rent/ sq. ft		\$1,857	1.68	\$1,695	1.52	\$1,755	1.44	\$1,572	1.75	\$1,782	1.59
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6 Structure / Stories	G/2	G/3		G/2		G/3		G/2		G/2	
7 Yr. Built/Yr. Renovated	1989/	1978 / 2023		1973 / 2022	(\$17)	2004 / 2021		1985 / 2021		1985 / 2022	
8 Condition / Street Appeal	A	G	(\$87)	G	(\$179)	G	(\$183)	G	(\$135)	G	(\$168)
9 Neighborhood	A	G	(\$74)	G	(\$68)	G	(\$70)	G	(\$63)	G	(\$53)
10 Same Market/ Miles to Subj		Y / 3.90 miles		Y / 4.40 miles		Y / 5.10 miles		Y / 4.90 miles		Y / 1.90 miles	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11 # Bedrooms	2	2		2		2		2		2	
12 # Baths	1.0	2.0	(\$100)	2.0	(\$100)	2.0	(\$100)	1.0		1.0	
13 Unit Interior Sq. Ft.	713	1106	(\$150)	1116	(\$140)	1220	(\$170)	897	(\$65)	1120	(\$145)
14 Balcony/ Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15 AC: Central/ Wall	C	C		C		C		C		C	
16 Range/ refrigerator	RF	RF		RF		RF		RF		RF	
17 Microwave/ Dishwasher	ND	ND		ND		ND		MD	(\$5)	ND	
18 Washer/Dryer	L	WD	(\$30)	WD	(\$30)	HU	(\$10)	WD	(\$30)	WD	(\$30)
19 Floor Coverings	VT,C	C,VT		C,VT		C,VT		C,VT		C,VT	
20 Window Coverings	B	B		B		B		B		B	
21 Cable/ Satellite/Internet	CI	CI		CI		CI		CI		CI	
22 Special Features	N	N		N		N		N		N	
23											
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24 Parking ( \$ Fee)	L/\$0	L/\$0		L/\$0		L/C/\$0	(\$5)	L/\$0		L/\$0	
25 Extra Storage	N	N		Y	(\$5)	N		Y	(\$5)	N	
26 Security	N	N		N		N		N		N	
27 Clubhouse/ Meeting Rooms	C	N	\$10	C		C		C		C	
28 Pool/ Recreation Areas	N	EPRRR	(\$45)	EPT	(\$35)	EPRR	(\$40)	EPR	(\$35)	EPRR	(\$40)
29 Business Center	N	N		N		BC	(\$10)	BC	(\$10)	N	
30 Service Coordination	N	N		N		N		N		N	
31 Non-shelter Services	N	N		N		N		N		N	
32 Neighborhood Networks	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33 Heat (in rent? / type)	N/E	N/G		N/G		N/E		N/G		N/E	
34 Cooling (in rent? / type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent? / type)	N/E	N/G		N/G		N/E		N/E		N/E	
36 Hot Water (in rent? / type)	N/E	N/G		N/G		N/E		N/G		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	N/Y	N/N	\$42	N/N	\$133	Y/Y		N/N	\$133	N/N	\$133
39 Trash/Recycling	Y	N	\$14	N	\$14	Y		N	\$14	N	\$14
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40 # Adjustments B to D		1	7	0	9	0	9	0	9	0	6
41 Sum Adjustments B to D		\$10	(\$491)	\$0	(\$579)	\$0	(\$593)	\$0	(\$353)	\$0	(\$441)
42 Sum Utility Adjustments		\$56	\$0	\$147	\$0	\$0	\$0	\$147	\$0	\$147	\$0
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjustments B to E		(\$425)	\$557	(\$432)	\$726	(\$593)	\$593	(\$206)	\$500	(\$294)	\$588
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$1,432		\$1,263		\$1,162		\$1,366		\$1,488	
45 Adj Rent/Last rent			77%		75%		66%		87%		84%
46 Estimated Market Rent	\$1,450	\$2.03	Estimated Market Rent/ Sq. Ft								
<p>Appraiser's Signature: <i>Tony Kamand</i> Date: 3/6/2025</p> <p>Attached are explanations of:</p> <p>a. why &amp; how each adjustment was made b. how market rent was derived from adjusted rents c. how this analysis was used for a similar unit type</p> <p>Grid was prepared: <input type="checkbox"/> Manually <input checked="" type="checkbox"/> Using HUD's Excel form</p> <p>form HUD-92273-S8 (04/2002)</p>											

## SUMMARY OF MARKET BASED RENTALS – 3 BEDROOM – AS-IS

Create New Grid		OMB Approval # 2502-0507 (exp. 04/30/2021)									
Rent Comparability Grid		Unit Type →		3 Bedroom		As Is		Subject's FHA #:			
Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Landmark Apartments		ReNew Banbury Lake		ReNew Virginia Beach		Hideaway at Greenbrier		The Amber at Greenbrier		Holly Point	
2900 Fireside Road		6464 Chartwell Drive		6100 Silversmith Court		150 Coveside Lane		1100 Ivystone		2540 Holly Point Boulevard	
Chesapeake, Chesapeake City		Virginia Beach, Virginia Beach City		Virginia Beach, Virginia Beach City		Chesapeake, Chesapeake City		Chesapeake, Chesapeake City		Chesapeake, Chesapeake City	
Rents Charged		Data		Data		Data		Data		Data	
1 \$ Last Rent / Restricted?		\$2,322		\$1,695		\$2,339		\$2,261		\$1,782	
2 Date Last Leased (mo/yr)		Mar-25		Mar-25		Mar-25		Mar-25		Mar-25	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		92%		94%		89%		91%		96%	
5 Effective Rent & Rent/ sq. ft		\$2,322 1.76		\$1,695 1.52		\$2,339 1.81		\$2,261 1.77		\$1,782 1.59	
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6 Structure / Stories		G/2		G/2		G/2		G/2		G/2	
7 Yr. Built/Yr. Renovated		1989/ 1978 / 2023		1973 / 2022 (\$17)		2004 / 2021		1985 / 2021		1985 / 2022	
8 Condition /Street Appeal		A G (\$93)		G (\$179)		G (\$194)		G (\$192)		G (\$168)	
9 Neighborhood		A G (\$198)		G (\$68)		G (\$94)		G (\$90)		G (\$53)	
10 Same Market? Miles to Subj		Y / 3.90 miles		Y / 4.40 miles		Y / 5.10 miles		Y / 4.90 miles		Y / 1.90 miles	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11 # Bedrooms		3		2 \$300		3		3		2 \$300	
12 # Baths		1.5 2.0 (\$50)		2.0 (\$50)		2.0 (\$50)		2.0 (\$50)		1.0 \$50	
13 Unit Interior Sq. Ft.		928 1318 (\$150)		1116 (\$55)		1290 (\$140)		1280 (\$135)		1120 (\$55)	
14 Balcony/ Patio		N Y (\$5)		Y (\$5)		Y (\$5)		Y (\$5)		Y (\$5)	
15 AC: Central/ Wall		C		C		C		C		C	
16 Range/ refrigerator		RF		RF		RF		RF		RF	
17 Microwave/ Dishwasher		ND		ND		ND		ND		ND	
18 Washer/Dryer		L WD (\$30)		WD (\$30)		HU (\$10)		WD (\$30)		WD (\$30)	
19 Floor Coverings		VT,C C,VT		C,VT		C,VT		C,VT		C,VT	
20 Window Coverings		B		B		B		B		B	
21 Cable/ Satellite/Internet		CI		CI		CI		CI		CI	
22 Special Features		N		N		N		N		N	
23											
D Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24 Parking ( \$ Fee)		L/\$0		L/\$0		L/C/\$0 (\$5)		L/\$0		L/\$0	
25 Extra Storage		N		Y (\$5)		N		Y (\$5)		N	
26 Security		N		N		N		N		N	
27 Clubhouse/ Meeting Rooms		C N \$10		C		C		C		C	
28 Pool/ Recreation Areas		N EPRRR (\$45)		EPT (\$35)		EPRR (\$40)		EPR (\$35)		EPRR (\$40)	
29 Business Center		N		N		BC (\$10)		BC (\$10)		N	
30 Service Coordination		N		N		N		N		N	
31 Non-shelter Services		N		N		N		N		N	
32 Neighborhood Networks		N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
33 Heat (in rent?/ type)		N/E N/G		N/G		N/E		N/G		N/E	
34 Cooling (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)		N/E		N/G		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)		N/E		N/G		N/E		N/G		N/E	
37 Other Electric		N		N		N		N		N	
38 Cold Water/ Sewer		N/Y N/N \$50		N/N \$133		Y/Y		N/N \$162		N/N \$133	
39 Trash/Recycling		Y N \$14		N \$14		Y		N \$14		N \$14	
F. Adjustments Recap		Pos Neg		Pos Neg		Pos Neg		Pos Neg		Pos Neg	
40 # Adjustments B to D		1 7		1 9		0 9		0 10		2 6	
41 Sum Adjustments B to D		\$10 (\$571)		\$300 (\$444)		\$0 (\$548)		\$0 (\$557)		\$350 (\$351)	
42 Sum Utility Adjustments		\$64 \$0		\$147 \$0		\$0 \$0		\$176 \$0		\$147 \$0	
43 Net/ Gross Adjustments B to E		Net Gross (\$497) \$645		Net Gross \$3 \$891 (\$548) \$548		Net Gross (\$381) \$733		Net Gross \$146 \$848			
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$1,825		\$1,698		\$1,791		\$1,880		\$1,928	
45 Adj Rent/Last rent				79%		100%		77%		83%	
46 Estimated Market Rent		\$1,825 \$1.97									
<p>Attached are explanations of:</p> <p>a. why &amp; how each adjustment was made</p> <p>b. how market rent was derived from adjusted rents</p> <p>c. how this analysis was used for a similar unit type</p>											
Appraiser's Signature		Date		Grid was prepared:		Manually		Using HUD's Excel form		form HUD-92273-S8 (04/2002)	

## MARKET RENTAL UNITS (CONT.)

### CONCLUDED MARKET RENTS – AS-IS

Estimated Market Rent							
Unit Type		Size (SF)	No. of Units	Market Rent		Annual Rent	Total Sq Ft
BR	BA			Monthly	Per SF		
2	1	713	72	\$1,450	\$2.03	\$1,252,800	51,336
3	1.5	928	48	\$1,825	\$1.97	\$1,051,200	44,544
Totals		799	120	\$1,600	\$2.00	\$2,304,000	95,880

Source: Compiled by the office of TKR ©

In addition to their monthly rent the tenants will pay for electric and cold water. The tenants will receive a utility allowance to assist them in paying their utilities.

### AFFORDABLE HOUSING

In the state and the nation there seems to be a shortage of affordable housing. More than 40% of the working poor renters nationwide spend more than half of their income on rent and utilities. Affordable housing is a problem in Virginia and Chesapeake City. In talking with property managers there is good demand for affordable housing in the area. The tables below illustrate the market rent of a typical apartment, the income needed and the hourly wage to afford in the state, county and subjects primary trade area.

### TYPICAL FAIR MARKET RENTS FOR VIRGINIA AND CHESAPEAKE CITY

Location	Studio	One Bedroom	Two Bedroom	Three Bedroom
Virginia	\$1,335	\$1,363	\$1,573	\$2,044
Chesapeake City	\$1,279	\$1,287	\$1,493	\$2,079

\*Typical FMR from National Low-Income Housing Coalition (NLIHC)

Based on our concluded market rents in the Income Approach of this report the wage needed to afford a market-based apartment in the subject trade area is as follows:

### TRADE AREA – MARKET BASED APARTMENTS

	Type	Market Rent*	Income Needed to Afford	Hourly Wage Needed to Afford
Primary Trade Area	2 BR	\$1,450	\$58,000	\$27.88
	3 BR	\$1,825	\$73,000	\$35.10

\*Based on conclusion of Market Rent in Income Approach



## AFFORDABLE HOUSING (CONT.)

### TRADE AREA HOUSEHOLDS UNABLE TO AFFORD AN APARTMENT

Unit Type	Estimated Percentage Unable to Afford	Number of Households Unable to Afford
2 Bedroom	29.73%	28,161
3 Bedroom	39.36%	37,284

The previous tables reflect market rents in the primary trade area. There is a sizable number of households who cannot afford to rent a market-based apartment in this area. In our primary trade area, about 39% of the households are unable to afford the market rent on a three-bedroom apartment. This is a sizable amount and there definitely is a need for affordable housing units in the primary trade area.

We have reviewed low-moderate income projects within the area that could be competitive with the subject property as follows:

### CHESAPEAKE LOW-MODERATE INCOME PROJECTS

HUD ID Number:	Project Name:	Project Address:	Project City:	Project State:	Project ZIP Code:	Total Number of Units:	Total Low-Income Units:	Compliance Monitoring Status
VAA19910105	SHERBROOKE APTS	4115 JENNIFER CRES	CHESAPEAKE	VA	23321	160	160	No Longer Monitored
VAA19950045	DOMINION PINES	529 PINE VALLEY RUN	CHESAPEAKE	VA	23320	118	118	Not Indicated
VAA19950180	WOODBRIDGE APTS (CHESAPEAKE)	615 MAPLE BRIDGE CT	CHESAPEAKE	VA	23320	152	152	Not Indicated
VAA19960100	MILL CREEK I	217 MILL CREEK PKWY	CHESAPEAKE	VA	23323	72	72	Not Indicated
VAA19960115	ACORN GROVE	404 ACORN GROVE LN	CHESAPEAKE	VA	23320	107	48	Not Indicated
VAA19970100	MILL CREEK II	201 MILL CREEK PKWY	CHESAPEAKE	VA	23323	48	48	Not Indicated
VAA19980270	CHESAPEAKE CROSSING SENIORS I	1937 ROBERT HALL BLVD	CHESAPEAKE	VA	23324	159	159	Not Indicated
VAA19980283	GOVERNOR'S POINTE APTS	412 NICHOLAS CT	CHESAPEAKE	VA	23320	88	88	Not Indicated
VAA19980302	TAYLOR POINTE	3300 PAMPUS LN	CHESAPEAKE	VA	23321	120	120	Not Indicated
VAA20050055	CROSSWINDS PLACE	910 PROVIDENCE RD	CHESAPEAKE	VA	23325	109	109	Not Indicated
VAA20050065	FOREST COVE I	2218 FARMER LN	CHESAPEAKE	VA	23324	101	100	Not Indicated
VAA19990334	CHESAPEAKE CROSSING SENIORS II	10101 ROBERT HALL BLVD	CHESAPEAKE	VA		135	135	Not Indicated
VAA19990335	CHESAPEAKE CROSSING SENIORS III	6306 ROBERT HALL BLVD	CHESAPEAKE	VA		228	228	Not Indicated
VAA20000100	GREENBRIER SENIORS	1509 RING RD	CHESAPEAKE	VA	23320	92	91	Not Indicated
VAA20000447	WESTBRIDGE COMMONS	537 CEDAR RD	CHESAPEAKE	VA	23322	60	60	Not Indicated
VAA20010220	COMMONS AT CHESAPEAKE	335 GAINSBOROUGH SQ	CHESAPEAKE	VA	23320	101	101	Not Indicated
VAA20010466	COMMONS AT CHURCHLAND	3504 EXECUTIVE CTR DR	CHESAPEAKE	VA	23321	124	104	Not Indicated
VAA20030622	WAVERTON PLACE CHESAPEAKE	2023 BROOKLAND DR	CHESAPEAKE	VA	23324	304	304	Not Indicated
VAA20050070	FOREST COVE II	2218 FARMER LN	CHESAPEAKE	VA	23324	100	100	Not Indicated
VAA20050075	FOREST COVE III	2218 FARMER LN	CHESAPEAKE	VA	23324	101	101	Not Indicated
VAA20050090	HUNTERS POINT I	4200 REID ST	CHESAPEAKE	VA	23324	124	124	Not Indicated
VAA20050095	HUNTERS POINT II	4200 REID ST	CHESAPEAKE	VA	23324	32	32	Not Indicated
VAA20120130	MAPLEWOOD	3824 MAPLEFIELD DR	CHESAPEAKE	VA	23321	320	320	Not Indicated
VAA20060759	COTTAGES AT GREAT BRIDGE I	625 BETTES WAY	CHESAPEAKE	VA	23320	96	96	Not Indicated
VAA20060760	COTTAGES AT GREAT BRIDGE II	700 COZY COR	CHESAPEAKE	VA	23320	32	32	Not Indicated
VAA20060789	OAKDALE SQUARE	1717 OAKDALE WAY	CHESAPEAKE	VA	23324	40	40	Not Indicated
VAA20070015	LANDMARK APTS II	2900 FIRESIDE RD	CHESAPEAKE	VA	23324	120	120	Not Indicated
VAA20070779	CANTERBURY CROSSING	33 GRADY CRES	CHESAPEAKE	VA	23324	30	30	Not Indicated
VAA20110830	ARBOR GLEN	2610 GOLDEN LEAF DR	CHESAPEAKE	VA	23324	240	240	Not Indicated
VAA20120180	RIVERS APTS	847 WINDWARD PL	CHESAPEAKE	VA	23320	240	240	Not Indicated
VAA20130010	CAMPOSTELLA COMMONS	2905 FIRESIDE RD	CHESAPEAKE	VA	23324	132	132	Not Indicated
VAA20130017	HERON'S LANDING	2133 S MILITARY HWY	CHESAPEAKE	VA	23320	60	60	Not Indicated
VAA20160022	SHIRE	KEMET ROAD BERKLEY AVENUE	CHESAPEAKE CITY	VA	23325	40	40	Not Indicated
VAA20170005	BAINBRIDGE COMMONS	30 GRADY STREET	CHESAPEAKE	VA	23324-1351	92	92	Not Indicated
VAA20170011	CATALINA CROSSING	2081 SOUTH MILITARY HIGHWAY	CHESAPEAKE	VA	23320	124	124	Not Indicated
VAA20170035	THRIVE	1020 THRIVE PLACE, #101	CHESAPEAKE	VA	23323	102	102	Not Indicated
VAA20192004	CYPRESS LANDING	40 KNEELS RIDGE BLVD	CHESAPEAKE	VA	23320	50	50	Not Indicated

Source: HUD

There is a total of about 4,152 low-moderate income rental units in the area that would be competitive with the subject property. In surveying the area, talking with property managers and rental agents there currently appears a need to build more affordable housing units in the area.

Given the foregoing demographic information, there is a need for additional affordable housing in the area. A moderate percentage of the population in this area are renters and most of the current housing stock is older.



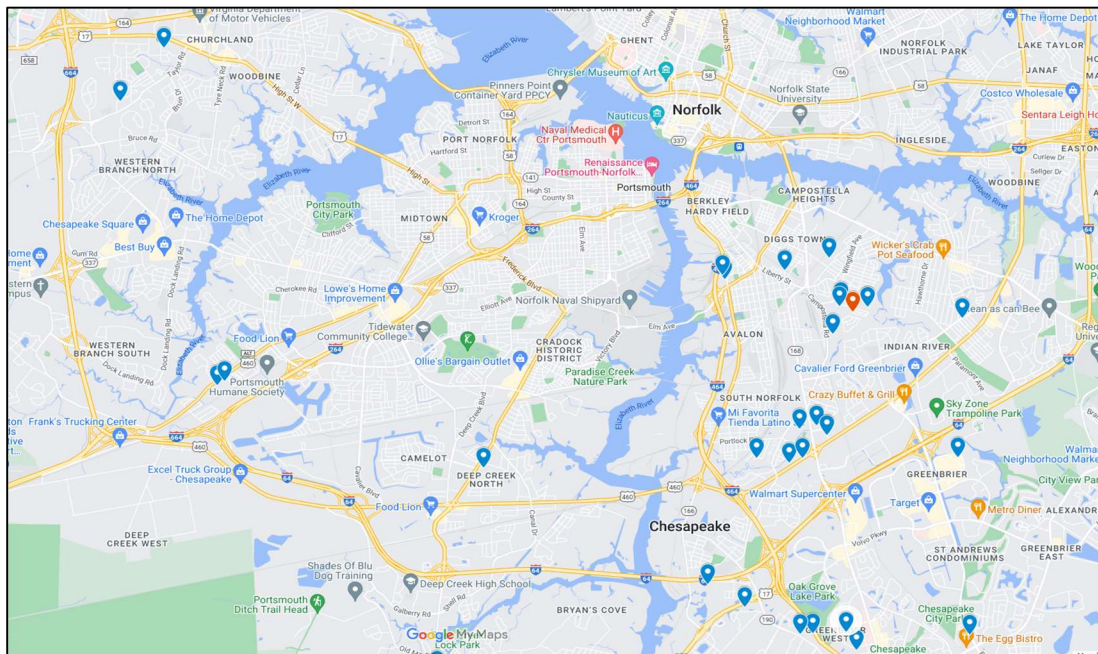
## AFFORDABLE HOUSING (CONT.)

A survey of competing LIHTC projects in the area was completed and the following rentals were uncovered:

Comparable LIHTC Rentals			
Unit Type	1 Bedroom	2 Bedroom	3 Bedroom
<b>Forest Cove 2 Apartments</b>			
Monthly Rent	\$1,111	\$1,340	\$1,634
Rent Per Square Foot	\$1.73	\$1.58	\$1.46
<b>Campostella Commons</b>			
Monthly Rent		\$994	
Rent Per Square Foot		\$1.17	
<b>Crosswinds Place</b>			
Monthly Rent	\$986	\$1,181	\$1,341
Rent Per Square Foot	\$1.47	\$1.41	\$1.25

The rentals in the market are reflecting between \$1.17 and \$1.73 per square foot.

A map of the subject and competing properties is presented as follows:



## SUPPLY AND DEMAND – As Is

The apartment market in the subject trade area is a market with relatively strong demand. Its location near public transportation and major highways makes this area a prime location. The population of the area is composed primarily of younger workers. The potential tenants for the subject development include existing households who now live in the trade area. It will appeal to potential tenants who have incomes to pay the proposed rents and find the development attractive in terms of price and amenities. It also will attract households that the trade area gains between now and when the development is ready for occupancy. The trade area is gaining 664 households per year.

Based on the previous comparables the market rents for the subject property were estimated as follows:

Estimated Market Rent							
Unit Type		Size (SF)	No. of Units	Market Rent		Annual Rent	Total Sq Ft
BR	BA			Monthly	Per SF		
2	1	713	72	\$1,450	\$2.03	\$1,252,800	51,336
3	1.5	928	48	\$1,825	\$1.97	\$1,051,200	44,544
Totals		799	120	\$1,600	\$2.00	\$2,304,000	95,880

Source: Compiled by the office of TKR ©

In addition to their monthly rent the tenants will pay for electric and water. The tenants will receive a utility allowance to assist them in paying their utilities.

Our concluded as-is rents for the property are \$1,450 for the two bedroom and \$1,825 for the three bedroom. The developer plans on having 30 two bedroom LIHTC units at 60% AMI at \$1,330 per month and 30 two bedroom LIHTC units at 80% AMI at a projected rent of \$1,810 per month. These are below the rent limits as previously presented in this report, and are used in the as-is analysis. The concluded rents for the subject property, as-is, are as follows:

Projected Annual Potential Gross Income				
Bedroom Type	# Of Units	Avg. Monthly	Total Monthly	Total Annual
2 Bedroom S8	12	\$1,450	\$17,400	\$208,800
3 Bedroom S8	48	\$1,825	\$87,600	\$1,051,200
2 Bedroom LIHTC 60%	30	\$1,330	\$39,900	\$478,800
2 Bedroom LIHTC 80%	30	\$1,810	\$54,300	\$651,600
	120	Total	\$199,200	\$2,390,400
*Vacant Units at Market		Average Monthly		\$1,660

Source: Compiled by the office of TKR ©

## PRIMARY TRADE AREA – COMPETITIVE SUPPLY

Total Units
4,152

There are 4,152 units in the trade that would be of comparable to the subject. This would reflect a total of 4,272 housing units (this includes the subject property) and was used in our analysis.

## SUPPLY AND DEMAND (CONT.)

The concluded market rents previously shown and illustrated in this report range from \$1,450 to \$1,825 per month. The rents are targeted to households that have annual income levels between \$39,900 and \$73,000. In the primary trade area this reflects about 20.42% of the total households. We have utilized a factor of 20.42% of the households in the trade area could be a candidate to rent an apartment in the subject.

### INCOME ELIGIBLE HOUSEHOLDS

Household Income Levels	Trade Area Households		Qualified Households	
	Number	Percentage	Number	Percentage
Less Than \$15,000	6,644	7.01%	0	0.00%
\$15,000 to \$24,999	4,719	4.98%	0	0.00%
\$25,000 to \$34,999	4,597	4.85%	0	0.00%
\$35,000 to \$49,999	7,335	7.74%	5,355	73.00%
\$50,000 to \$74,999	15,205	16.05%	13,989	92.00%
\$75,000 to \$99,999	12,429	13.12%	0	0.00%
\$100,000 to \$149,999	18,938	19.99%	0	0.00%
\$150,000 to \$199,999	12,633	13.33%	0	0.00%
Over \$200,000	12,240	12.92%	0	0.00%
<b>Total</b>	<b>94,740</b>	<b>100.00%</b>	<b>19,343</b>	
<b>Income Qualified</b>	<b>20.42%</b>			

We have analyzed the trade area's housing units (direct competition) and households. We have surveyed the competition to see if it possible for more units to be absorbed into the market.

### CAPTURE RATE – As-Is

Capture Rate is defined as follows:

*"The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area."*

The number of income qualified households based on household size and percentage of renters in the primary trade area is as follows:

Household Distribution	% of Households	# of Households	% Income Qualified	% Renters	Total Demand - HH
1 person	21.6%	20,463	20.42%	26.7%	1,116
2 person	32.5%	30,790	20.42%	26.7%	1,678
3 person	19.2%	18,190	20.42%	26.7%	992
4 person	15.5%	14,684	20.42%	26.7%	800
5 person	7.2%	6,821	20.42%	26.7%	372
6 person	2.7%	2,558	20.42%	26.7%	139
7+ person	1.3%	1,232	20.42%	26.7%	67
<b>Total</b>	<b>100.0%</b>	<b>94,737</b>			

The subject property unit mix consists of 72 two bedroom units and 48 three bedroom units. The distribution or rental demand for each unit type is estimated as follows:

### CAPTURE RATE – As Is (CONT.)

Income Qualified Renter Demand	# of Households	2BR	3BR
1 person household	1,116		
2 person household	1,678		
3 person household	992	50%	
4 person household	800	50%	40%
5 person household	372	10%	20%
6 person household	139		
7+ person household	67		
1.5 persons per bedroom			
<b>Total</b>	<b>5,164</b>	<b>933</b>	<b>395</b>

Our analysis of the capture rate is illustrated in the following table:

### CAPTURE RATE FOR PROPOSED SUBJECT PROPERTY

Subject Unit Mix	Units	Qualified HH	Plus Outside Demand	Total Demand	Capture Rate
2BR	72	933	3.0%	961	7.5%
3BR	48	395	3.0%	406	11.8%
<b>Total Units</b>	<b>120</b>	<b>1,328</b>		<b>1,368</b>	<b>8.8%</b>

## **PENETRATION RATE – As Is**

Penetration Rate is defined as follows:

*"The percentage of age and income qualified renter households in the primary market area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the stabilized level of occupancy. Funding agencies may require restrictions to the qualified Households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors."*

The market penetration level of the proposed project was analyzed as follows:

Total Number of Households	94,740
Percentage of Renters	26.70%
Percentage of Owners	73.30%
Total Number of Rental Households	25,296
Number of Subject Units by Type	120
<b>Existing Renter Demand</b>	
Number of Renters in Trade Area	25,296
Projected Average Rent	\$1,660
Average Required Income Needed to Afford	\$66,400
Total Income Qualified in Trade Area	20.42%
Demand from Income Qualified Households	5,165
Mobility Factors	100%
Net Demand from Existing Households	5,165
<b>Demand from Renter Household Growth</b>	
Household Growth (5 years)	3,322
Total Income Qualified	20.42%
Percentage of Renters	26.70%
Demand from Household Growth	181
<b>Total Demand from Existing HH &amp; HH Growth</b>	
	<b>5,346</b>
<b>Average Market Penetration Rate</b>	
	<b>2.24%</b>

The capture rate reflects 2.24%, which is considered reasonable.



## SUPPLY AND DEMAND – AS RENOVATED

The apartment market in the subject trade area is a market with relatively strong demand. Its location near public transportation and major highways makes this area a prime location. The population of the area is composed primarily of younger workers. The potential tenants for the subject development include existing households who now live in the trade area. It will appeal to potential tenants who have incomes to pay the proposed rents and find the development attractive in terms of price and amenities. It also will attract households that the trade area gains between now and when the development is ready for occupancy. The trade area is gaining 664 households per year.

The estimated market rents for the subject property, as renovated, are presented as follows:

## SUMMARY OF MARKET BASED RENTALS – 2 BEDROOM – AS-IS

Create New Grid		OMB Approval # 2502-0507 (exp. 04/30/2021)									
Rent Comparability Grid		Unit Type	2 Bedroom		Renovated		Subject's FHA #:				
Subject	Data	Comp #1	Comp #2	Comp #3	Comp #4	Comp #5					
Landmark Apartments		ReNew Banbury Lake	ReNew Virginia Beach	Hideaway at Greenbrier	The Amber at Greenbrier	Holly Point					
2900 Fireside Road	on	6464 Chartwell Drive	6100 Silversmith Court	150 Covese Lane	1100 Ivystone	2540 Holly Point Boulevard					
Chesapeake, Chesapeake City	Subject	Virginia Beach, Virginia Beach City	Virginia Beach, Virginia Beach City	Chesapeake, Chesapeake City	Chesapeake, Chesapeake City	Chesapeake, Chesapeake City					
Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1. Last Rent / Restricted?		\$1,857		\$1,695		\$1,755		\$1,572		\$1,782	
2. Date Last Leased (mo/yr)		Mar-25		Mar-25		Mar-25		Mar-25		Mar-25	
3. Rent Concessions		None		None		None		None		None	
4. Occupancy for Unit Type		92%		94%		89%		91%		96%	
5. Effective Rent & Rent/ sq. ft		\$1,857	1.68	\$1,695	1.52	\$1,755	1.44	\$1,572	1.75	\$1,782	1.59
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6. Structure / Stories	G/2	G/3		G/2		G/3		G/2		G/2	
7. Yr. Built/Yr. Renovated	1989/2025	1978 / 2023	\$19	1973 / 2022		2004 / 2021	\$18	1985 / 2021	\$16	1985 / 2022	\$18
8. Condition / Street Appeal	G	G		G		G		G		G	
9. Neighborhood	A	G	(\$74)	G	(\$68)	G	(\$70)	G	(\$63)	G	(\$55)
10. Same Market? Miles to Subj		Y / 3.90 miles		Y / 4.40 miles		Y / 5.10 miles		Y / 4.90 miles		Y / 1.90 miles	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11. # Bedrooms	2	2		2		2		2		2	
12. # Baths	1.0	2.0	(\$100)	2.0	(\$100)	2.0	(\$100)	1.0		1.0	
13. Unit Interior Sq. Ft.	713	1106	(\$150)	1116	(\$140)	1220	(\$170)	897	(\$65)	1120	(\$145)
14. Balcony/ Patio	N	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15. AC: Central/ Wall	C	C		C		C		C		C	
16. Range/ refrigerator	RF	RF		RF		RF		RF		RF	
17. Microwave/ Dishwasher	ND	ND		ND		ND		ND	(\$5)	ND	
18. Washer/Dryer	L	WD	(\$30)	WD	(\$30)	HU	(\$10)	WD	(\$30)	WD	(\$30)
19. Floor Coverings	VT,C	C,VT		C,VT		C,VT		C,VT		C,VT	
20. Window Coverings	B	B		B		B		B		B	
21. Cable/ Satellite/Internet	CI	CI		CI		CI		CI		CI	
22. Special Features	N	N		N		N		N		N	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24. Parking ( \$ Fee)	L/\$0	L/\$0		L/\$0		L/C/\$0	(\$5)	L/\$0		L/\$0	
25. Extra Storage	N	N		Y	(\$5)	N		Y	(\$5)	N	
26. Security	N	N		N		N		N		N	
27. Clubhouse/ Meeting Rooms	C	N		C		C		C		C	
28. Pool/ Recreation Areas	N	EPRRR	(\$45)	EPT	(\$35)	EPRRR	(\$40)	EPR	(\$35)	EPRRR	(\$40)
29. Business Center	N	N		N		BC	(\$10)	BC	(\$10)	N	
30. Service Coordination	N	N		N		N		N		N	
31. Non-shelter Services	N	N		N		N		N		N	
32. Neighborhood Networks	N	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33. Heat (in rent? / type)	N/E	N/G		N/G		N/E		N/G		N/E	
34. Cooling (in rent? / type)	N/E	N/E		N/E		N/E		N/E		N/E	
35. Cooking (in rent? / type)	N/E	N/G		N/G		N/E		N/E		N/E	
36. Hot Water (in rent? / type)	N/E	N/G		N/G		N/E		N/G		N/E	
37. Other Electric	N	N		N		N		N		N	
38. Cold Water/ Sewer	N/Y	N/N	\$42	N/N	\$133	Y/Y		N/N	\$133	N/N	\$133
39. Trash/Recycling	Y	N	\$14	N	\$14	Y		N	\$14	N	\$14
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40. # Adjustments B to D		2	6	0	7	1	8	1	8	1	5
41. Sum Adjustments B to D		\$29	(\$404)	\$0	(\$383)	\$18	(\$410)	\$16	(\$218)	\$18	(\$273)
42. Sum Utility Adjustments		\$56	\$0	\$147	\$0	\$0	\$0	\$147	\$0	\$147	\$0
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43. Net/ Gross Adjustments B to E		(\$319)	\$459	(\$256)	\$330	(\$392)	\$428	(\$355)	\$381	(\$108)	\$438
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44. Adjusted Rent (5+ 43)		\$1,538		\$1,459		\$1,363		\$1,517		\$1,674	
45. Adj Rent/Last rent			83%		86%		78%		97%		94%
46. Estimated Market Rent	\$1,550	\$2,17									
<p>Attached are explanations of:</p> <p>a. why &amp; how each adjustment was made</p> <p>b. how market rent was derived from adjusted rents</p> <p>c. how this analysis was used for a similar unit type</p>											
<p>Appraiser's Signature</p> <p>3/6/2025</p> <p>Date</p>		<p>Grid was prepared: <input type="checkbox"/> Manually <input checked="" type="checkbox"/> Using HUD's Excel form</p> <p>form HUD-92273-S8 (04/2002)</p>									

## SUMMARY OF MARKET BASED RENTALS – 3 BEDROOM – As-Is

[Create New Grid](#)

OMB Approval # 2502-0507 (exp. 04/30/2021)

Rent Comparability Grid		Unit Type →	3 Bedroom		Renovated	Subject's FHA #:					
Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Landmark Apartments		ReNew Banbury Lake		ReNew Virginia Beach		Hideaway at Greenbrier		The Amber at Greenbrier		Holly Point	
2900 Fireside Road		6464 Chartwell Drive		6100 Silversmith Court		150 Coveside Lane		1100 Ivystone		2540 Holly Point Boulevard	
Chesapeake, Chesapeake City		Virginia Beach, Virginia Beach City		Virginia Beach, Virginia Beach City		Chesapeake, Chesapeake City		Chesapeake, Chesapeake City		Chesapeake, Chesapeake City	
Data		Data		Data		Data		Data		Data	
S Adj		S Adj		S Adj		S Adj		S Adj		S Adj	
1 \$ Last Rent / Restricted?		\$2,322		\$1,695		\$2,339		\$2,261		\$1,782	
2 Date Last Leased (mo/yr)		Mar-25		Mar-25		Mar-25		Mar-25		Mar-25	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		92%		94%		89%		91%		96%	
5 Effective Rent & Rent/ sq. ft		\$2,322 1.76		\$1,695 1.52		\$2,339 1.81		\$2,261 1.77		\$1,782 1.59	
In Parts B thru E, adjust only for differences the subject's market values.											
Data		Data		Data		Data		Data		Data	
S Adj		S Adj		S Adj		S Adj		S Adj		S Adj	
6 Structure / Stories		G/2		G/2		G/3		G/2		G/2	
7 Yr. Built/Yr. Renovated		1989/2025		1978 / 2023		1973 / 2022		2004 / 2021		1985 / 2021	
8 Condition /Street Appeal		G		G		G		G		G	
9 Neighborhood		A		G (\$198)		G (\$68)		G (\$94)		G (\$90)	
10 Same Market? Miles to Subj		Y / 3.90 miles		Y / 4.40 miles		Y / 5.10 miles		Y / 4.90 miles		Y / 1.90 miles	
Data		Data		Data		Data		Data		Data	
S Adj		S Adj		S Adj		S Adj		S Adj		S Adj	
11 # Bedrooms		3		2		3		3		2	
12 # Baths		1.5		2.0 (\$50)		2.0 (\$50)		2.0 (\$50)		1.0 \$50	
13 Unit Interior Sq. Ft.		928		1318 (\$150)		1116 (\$55)		1290 (\$140)		1280 (\$135)	
14 Balcony/ Patio		N		Y (\$5)		Y (\$5)		Y (\$5)		Y (\$5)	
15 A/C: Central/ Wall		C		C		C		C		C	
16 Range/ refrigerator		RF		RF		RF		RF		RF	
17 Microwave/ Dishwasher		ND		ND		ND		ND		ND	
18 Washer/Dryer		L		WD (\$30)		WD (\$30)		HU (\$10)		WD (\$30)	
19 Floor Coverings		VT,C		C,VT		C,VT		C,VT		C,VT	
20 Window Coverings		B		B		B		B		B	
21 Cable/ Satellite/Internet		CI		CI		CI		CI		CI	
22 Special Features		N		N		N		N		N	
Data		Data		Data		Data		Data		Data	
S Adj		S Adj		S Adj		S Adj		S Adj		S Adj	
24 Parking (\$ Fee)		L/\$0		L/\$0		LC/\$0 (\$5)		L/\$0		L/\$0	
25 Extra Storage		N		N		Y (\$5)		Y (\$5)		Y (\$5)	
26 Security		N		N		N		N		N	
27 Clubhouse/ Meeting Rooms		C		N \$10		C		C		C	
28 Pool/ Recreation Areas		N		EPRRR (\$45)		EPT (\$35)		EPRR (\$40)		EPRR (\$35)	
29 Business Center		N		N		BC (\$10)		BC (\$10)		N	
30 Service Coordination		N		N		N		N		N	
31 Non-shelter Services		N		N		N		N		N	
32 Neighborhood Networks		N		N		N		N		N	
Data		Data		Data		Data		Data		Data	
S Adj		S Adj		S Adj		S Adj		S Adj		S Adj	
33 Heat (in rent?/ type)		N/E		N/G		N/E		N/G		N/E	
34 Cooling (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)		N/E		N/G		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)		N/E		N/G		N/E		N/G		N/E	
37 Other Electric		N		N		N		N		N	
38 Cold Water/ Sewer		N/Y		N/N \$50		Y/Y \$133		N/N \$162		N/N \$133	
39 Trash/ Recycling		Y		N \$14		Y		N \$14		N \$14	
Pos		Neg		Pos		Neg		Pos		Neg	
40 # Adjustments B to D		2		6		1		8		3	
41 Sum Adjustments B to D		\$33 (\$478)		\$300 (\$248)		\$23 (\$354)		\$23 (\$365)		\$368 (\$183)	
42 Sum Utility Adjustments		\$64 \$0		\$147 \$0		\$0 \$0		\$176 \$0		\$147 \$0	
		Net Gross		Net Gross		Net Gross		Net Gross		Net Gross	
43 Net/ Gross Adjustments B to E		(\$381) \$575		\$199 \$695		(\$331) \$377		(\$166) \$564		\$332 \$698	
Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$1,941		\$1,894		\$2,008		\$2,095		\$2,114	
45 Adj Rent/Last rent				84%		112%		86%		93%	
46 Estimated Market Rent		\$2,000 \$2.16									
← Estimated Market Rent/ Sq. Ft											

*Tony Kamand*

Appraiser's Signature

3/6/2025

Date

Attached are explanations of:

a. why & how each adjustment was made

b. how market rent was derived from adjusted rents

c. how this analysis was used for a similar unit type

Grid was prepared: ☐ Manually ☒ Using HUD's Excel form

form HUD-92273-S8 (04/2002)

### POTENTIAL GROSS INCOME CONCLUSIONS – AS RENOVATED

The appraisers were advised that, upon closing, the subject property will receive the following rents for the 60 Project Based Section 8 units at the subject property:

Bedroom	Base Rent	Escalator	Total
2	\$ 1,696	110%	\$ 1,866
3	\$ 2,361	100%	\$ 2,361

Per the client, the CRHA payment standards provide for 110% of fair market rents for the 2 bedroom units, with the 3 bedroom units receiving 100% of fair market rents. As previously discussed, this report is subject to the hypothetical condition that the property is renovated as of the date of closing (anticipated to be September 6, 2025), and the extraordinary assumption that the concluded rents will be in effect. Therefore, the Project Based Section 8 units were projected at the above rents, as these are the rents the CRHA will be issuing. As renovated, we have also projected the 60 LIHTC units at the maximum allowable rents. Our concluded potential gross income for the subject property, as renovated, is as follows:

Projected Annual Potential Gross Income				
Bedroom Type	# Of Units	Avg. Monthly	Total Monthly	Total Annual
2 Bedroom S8	12	\$1,866	\$22,392	\$268,704
3 Bedroom S8	48	\$2,361	\$113,328	\$1,359,936
2 Bedroom LIHTC 60%	30	\$1,438	\$43,140	\$517,680
2 Bedroom LIHTC 80%	30	\$1,918	\$57,540	\$690,480
	<b>120</b>	<b>Total</b>	<b>\$236,400</b>	<b>\$2,836,800</b>
*Vacant Units at Market		Average Monthly		\$1,970
Source: Compiled by the office of TKR ©				

### PRIMARY TRADE AREA – COMPETITIVE SUPPLY

Total Units
4,152

There are 4,152 units in the trade that would be of comparable to the subject. This would reflect a total of 4,272 housing units (this includes the subject property) and was used in our analysis.

## SUPPLY AND DEMAND (CONT.)

The concluded Section 8 rents, as renovated, previously shown and illustrated in this report range from \$1,866 to \$2,361 per month. The rents are targeted to households that have annual income levels between \$43,140 to \$94,440. In the primary trade area this reflects about 30.15% of the total households. We have utilized a factor of 30.15% of the households in the trade area could be a candidate to rent an apartment in the subject.

### INCOME ELIGIBLE HOUSEHOLDS

Household Income Levels	Trade Area Households		Qualified Households	
	Number	Percentage	Number	Percentage
Less Than \$15,000	6,644	7.01%	0	0.00%
\$15,000 to \$24,999	4,719	4.98%	0	0.00%
\$25,000 to \$34,999	4,597	4.85%	0	0.00%
\$35,000 to \$49,999	7,335	7.74%	3,912	53.33%
\$50,000 to \$74,999	15,205	16.05%	15,205	100.00%
\$75,000 to \$99,999	12,429	13.12%	9,446	76.00%
\$100,000 to \$149,999	18,938	19.99%	0	0.00%
\$150,000 to \$199,999	12,633	13.33%	0	0.00%
Over \$200,000	12,240	12.92%	0	0.00%
<b>Total</b>	<b>94,740</b>	<b>100.00%</b>	<b>28,563</b>	
<b>Income Qualified</b>	<b>30.15%</b>			

We have analyzed the trade area's housing units (direct competition) and households. We have surveyed the competition to see if it is possible for more units to be absorbed into the market.

### CAPTURE RATE – AS RENOVATED

Capture Rate is defined as follows:

*"The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area."*

The number of income qualified households based on household size and percentage of renters in the primary trade area is as follows:

Household Distribution	% of Households	# of Households	% Income Qualified	% Renters	Total Demand - HH
1 person	21.6%	20,463	30.15%	26.7%	1,647
2 person	32.5%	30,790	30.15%	26.7%	2,478
3 person	19.2%	18,190	30.15%	26.7%	1,464
4 person	15.5%	14,684	30.15%	26.7%	1,182
5 person	7.2%	6,821	30.15%	26.7%	549
6 person	2.7%	2,558	30.15%	26.7%	206
7+ person	1.3%	1,232	30.15%	26.7%	99
<b>Total</b>	<b>100.0%</b>	<b>94,737</b>			

The subject property unit mix consists of 72 two bedroom units and 48 three bedroom units. The distribution or rental demand for each unit type is estimated as follows:

**CAPTURE RATE – AS RENOVATED (CONT.)**

**CAPTURE RATE – AS RENOVATED**

Income Qualified Renter Demand	# of Households	2BR	3BR
1 person household	1,647		
2 person household	2,478		
3 person household	1,464	50%	
4 person household	1,182	50%	40%
5 person household	549	10%	20%
6 person household	206		
7+ person household	99		
1.5 persons per bedroom			
<b>Total</b>	<b>7,626</b>	<b>1,378</b>	<b>583</b>

Our analysis of the capture rate is illustrated in the following table:

**CAPTURE RATE FOR PROPOSED SUBJECT PROPERTY**

Subject Unit Mix	Units	Qualified HH	Plus Outside Demand	Total Demand	Capture Rate
2BR	72	1,378	3.0%	1,419	5.1%
3BR	48	583	3.0%	600	8.0%
<b>Total Units</b>	<b>120</b>	<b>1,961</b>		<b>2,019</b>	<b>5.9%</b>



## **PENETRATION RATE – AS RENOVATED**

Penetration Rate is defined as follows:

*"The percentage of age and income qualified renter households in the primary market area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the stabilized level of occupancy. Funding agencies may require restrictions to the qualified Households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors."*

The market penetration level of the proposed project was analyzed as follows:

Total Number of Households	94,740
Percentage of Renters	26.70%
Percentage of Owners	73.30%
Total Number of Rental Households	25,296
Number of Subject Units by Type	120
<b>Existing Renter Demand</b>	
Number of Renters in Trade Area	25,296
Projected Average Rent	\$1,970
Average Required Income Needed to Afford	\$78,800
Total Income Qualified in Trade Area	30.15%
Demand from Income Qualified Households	7,627
Mobility Factors	100%
Net Demand from Existing Households	7,627
<b>Demand from Renter Household Growth</b>	
Household Growth (5 years)	3,322
Total Income Qualified	30.15%
Percentage of Renters	26.70%
Demand from Household Growth	267
<b>Total Demand from Existing HH &amp; HH Growth</b>	
	<b>7,894</b>
<b>Average Market Penetration Rate</b>	
	<b>1.52%</b>

The capture rate reflects 1.52%, which is considered reasonable.

## **CONCLUSIONS**

We have reviewed the demographics of the area and the subject's trade area. Several conclusions can be drawn.

- The population is increasing and there is a need for additional affordable housing units in the area. Many projects have waiting lists.
- The subject is centrally located near major highways.
- The design of the units should attract potential renters within this market area.
- The current apartment market in this area is strong with apartments being rented up quickly.

Based on the current market we feel the subject units, with proper marketing and management should continue to compete well within this market.

## CERTIFICATION

Tony F. Kamand Jr., MAI and Jacqueline Marmur certify to the best of their knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and our personal, impartial, unbiased professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. We will maintain confidentiality and privacy of customer/client information obtained during the course of this assignment.
6. Our engagement in this assignment was not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the use of this appraisal.
7. Our compensation for the preparation of this report is not in any way contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, or a minimum valuation, the attainment of a stipulated result, the approval of a loan, or the occurrence of a subsequent event.
8. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
9. We have made a personal inspection of the property that is the subject of this report.
10. No one provided significant professional assistance to the undersigned in the preparation of the analyses, conclusions and opinions concerning real estate that are set forth in this appraisal report.
11. We comply with the Competency Provision in USPAP as adopted in FIRREA and have sufficient education and experience to perform the appraisal of the subject property.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. We have not performed any prior services on the subject property, as an appraiser or in any other capacity, within the three-year period immediately preceding acceptance of this assignment.
14. The undersigned will be responsive to any inquiries during any review process that are part of this assignment. In addition, if contacted by the client's loan production staff (if applicable) we will immediately direct the inquiry to the client's appraiser or their designee of said inquiry.
15. As of the date of this report, Tony F. Kamand Jr. has completed the requirements under the continuing education program of the Appraisal Institute, and is currently a state certified general real estate appraiser in the state in which the subject of this report is located.



Tony F. Kamand Jr., MAI  
NJ Certified General Real Estate Appraiser, No. RG-668



Jacqueline Marmur  
VA Certified General Real Estate Appraiser, No. 4001018200

## **UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS**

This specific appraisal report is subject to the following underlying assumptions and limiting conditions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. There are no existing judgments or pending or threatened litigation, which could affect the value of the property.
3. The property is appraised free and clear of any liens and encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed.
5. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
6. All engineering studies are assumed to be correct. Any illustrative material in this report is included only to help the reader visualize the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
8. It is assumed that the property is in full compliance with all federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
9. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
10. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
13. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
14. An appraisal is inherently subjective and represents only an estimate of a property's fair market value.
15. No environmental impact studies were conducted in conjunction with this appraisal, and our value opinions are subject to revision based upon any such studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
16. Any income and expense estimates contained in this appraisal are used only for the purpose of estimating current fair market value and do not constitute predictions of future operating results.
17. Possession of this report, or a copy thereof, does not carry with it the right of publication.

## **UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS**


18. The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
19. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
20. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
21. Any proposed improvements are assumed to have been completed unless otherwise stipulated; any construction is assumed to conform to the building plans referenced in the report.
22. The forecasts, projections, or estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
23. We reserve the right to require, as a condition to our rendering an opinion as to value, the engagement of professional experts in certain disciplines. The engagement of any such expert and the compensation of such expert shall be solely the responsibility of the client.
24. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from these Underlying Assumptions and Limiting Conditions.
25. This appraisal is made with the understanding that the subject can obtain a negative declaration from the Department of Environmental Protection pursuant to the regulations and requirements of the Environmental Cleanup Responsibility Act of 1983 (ECRA), as amended. This act requires as a pre-condition of any cessation of operation or the transfer of real property, which used or stored regulated hazardous substances, the testing, cleanup and disposal of any such material. The appraisers are not qualified to determine the existence of any such hazardous material and therefore, have expressed a value of the subject property as if free and clear of any such substances.
26. In conjunction with the preceding paragraph, the appraisers have not been apprised of, nor are they qualified to ascertain, the existence of Radon, a radioactive gas that occurs naturally in the soil of certain identified areas. This gas, in concentrated form has been shown to be detrimental and its existence would create a negative impact on value. As in the above instance, the value estimate assumes the subject is free and clear of Radon gas.
27. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA in estimating the value of the subject.

The Appraisal Institute conducts a continuing education program for its designated members. Tony F. Kamand Jr., MAI is currently certified under this program.



# ADDENDA

## Multi-Family Lease No. 1

Property Identification					
Record ID	43230				
Property Type	Garden, Low-Rise				
Property Name	ReNew Banbury Lake				
Location	6464 Chartwell Drive, Virginia Beach, Virginia 23464				
County / Borough	Virginia Beach City				
Assessor's Parcel #	14562269870000				
Owner	Banbury Lake Village Associates				
Subsidized	No				
LIHTC Project	No				
Data Verification					
Lease Date Verification	03-31-2025		Current Occupancy	92.3%	
Verification Name	Melissa - Rental Agent		Confirmed By	Jackie Marmur	
Phone Number	(855) 419-4799				
Property Physical Data					
Total Units in Project	187	Number of Stories	3	Elevators	No
Land Size (Acres/Sq. Ft.)	12.904 / 562,083	Number of Buildings	18	Topography	Level
Construction Quality	Average	Construction Class	D - Wood Frame	Estimated Effective Age	10 years
Year Built	1978	Condition	Good		
Major Renovations	Yes 2023				
Parking Type	Lined				
Project Amenities					
Standard Door Locks	Yes	Recreation Area	Yes	Doorman / Concierge	No
Cameras / Intercom	No / No	Playground / Picnic Area	Yes / Yes	Service Coordination	No
Gated / Security Patrol	No / No	Courtyard	No	Non-Shelter Services	No
Clubhouse	No	Pools - Outdoor / Indoor	1 / 0	Neighborhood Network	No
Community Room	No	Tennis - Outdoor/Indoor	No / No	On-Site Management	Yes
Business Center	No	Volleyball Court	No		
Computer Center	No	Basketball Court	No		
Fitness Area / Room	Yes	Laundry Room	Yes		
Unit Amenities					
Balcony / Patio	Yes	W/D in Unit	Yes	Cable/Satellite	Yes
Storage / Storage Fee	No \$.00	W/D Hook Ups in Unit	No	Internet Included	No
Air Conditioning	central			Grab Bars & Handrails	No / No
Floor Coverings	Carpet and vinyl tile plank			Pull Cords	No
Kitchen Equipment					
Stove / Refrigerator	Yes / Yes	Microwave / Dishwasher	No / Yes	Disposal	No
Tenant Expenses					
Tenant Pays Heat	Yes	Gas	Tenant Pays Cold Water	Yes	
Tenant Pays Cooking	Yes	Gas	Tenant Pays Sewer	Yes	
Tenant Pays Hot Water	Yes	Gas	Tenant Pays Trash	Yes	
Tenant Pays Electric	Yes		Tenant Pays Cable	Yes	
Comments, Unit Mix and Current Rentals Rates					

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
3-1-1	1 Bd 1.0 Ba		754					
4-2-2*	2 Bd 2.0 Ba		1,106		\$1,857		\$1.68	
5-3-2*	3 Bd 2.0 Ba		1,318		\$2,322		\$1.76	

In the Unit Mix table presented above, an asterisk (\*) or the unit type highlighted in bold signifies the unit type utilized in the report. The information pertaining to unit mix and sizes has been sourced from public records and/or property management. The unit mix illustrates the total variety of unit types within the property. It is important to note that some unit types may have been averaged and may not individually represent every unit within the building; however, they serve as a representative sample of the comparable property and its various unit types. The appraiser conducted an exterior inspection of this comparable property. Should weather conditions, lighting, traffic, human activity, or other unforeseen factors have impacted the appraiser's photographs, a marketing photo may have been employed as a substitute. According to the Section 8 Renewal Guide, "The RCS appraiser must take color photos of each comparable's exterior, demonstrating its location on the site as well as its exterior design and condition" (Section 8 Renewal Guide, Page 19). In this instance, the appraiser has provided a color photograph of the comparable property as mandated.

## Multi-Family Lease No. 2

Property Identification					
Record ID	43231				
Property Type	Garden, Low-Rise				
Property Name	ReNew Virginia Beach				
Location	6100 Silversmith Court, Virginia Beach, Virginia 23464				
County / Borough	Virginia Beach City				
Assessor's Parcel #	14564041050000				
Owner	VA7 Providence Green, LLC				
Subsidized	No				
LIHTC Project	No				
					
Data Verification					
Lease Date Verification	03-31-2025		Current Occupancy	93.5%	
Verification Name	Melanie - Rental Agent		Confirmed By	Jackie Marmur	
Phone Number	(855) 487-1360				
Property Physical Data					
Total Units in Project	352	Number of Stories	2	Elevators	No
Land Size (Acres/Sq. Ft.)	20.801 / 906,092	Number of Buildings	23	Topography	Level
Construction Quality	Average	Construction Class	D - Wood Frame	Estimated Effective Age	10 years
Year Built	1973	Condition	Good	Parking Ratio	1.42
Major Renovations	Yes 2022	No. of Parking Spaces	500		
Parking Type	Lined				
Project Amenities					
Standard Door Locks	Yes	Recreation Area	No	Doorman / Concierge	No
Cameras / Intercom	No / No	Playground / Picnic Area	No / No	Service Coordination	No
Gated / Security Patrol	No / No	Courtyard	No	Non-Shelter Services	No
Clubhouse	Yes	Pools - Outdoor / Indoor	1 / 0	Neighborhood Network	No
Community Room	No	Tennis - Outdoor/Indoor	Yes / No	On-Site Management	Yes
Business Center	No	Volleyball Court	No		
Computer Center	No	Basketball Court	No		
Fitness Area / Room	Yes	Laundry Room	Yes		
Unit Amenities					
Balcony / Patio	Yes	W/D in Unit	Yes	Cable/Satellite	Yes
Storage / Storage Fee	Yes \$.00	W/D Hook Ups in Unit	No	Internet Included	No
Air Conditioning	central			Grab Bars & Handrails	No / No
Floor Coverings	Carpet and vinyl tile plank			Pull Cords	No
Kitchen Equipment					
Stove / Refrigerator	Yes / Yes	Microwave / Dishwasher	No / Yes	Disposal	Yes
Tenant Expenses					
		Type/Source			
Tenant Pays Heat	Yes	Gas	Tenant Pays Cold Water	Yes	
Tenant Pays Cooking	Yes	Gas	Tenant Pays Sewer	Yes	
Tenant Pays Hot Water	Yes	Gas	Tenant Pays Trash	Yes	
Tenant Pays Electric	Yes		Tenant Pays Cable	Yes	
Comments, Unit Mix and Current Rentals Rates					

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
3-1-1	1 Bd 1.0 Ba		912					
4-2-2	2 Bd 2.0 Ba		1,090					
<b>4-2-2*</b>	<b>2 Bd 2.0 Ba</b>		<b>1,116</b>		<b>\$1,695</b>		<b>\$1.52</b>	
5-3-2	3 Bd 2.0 Ba		1,328					

In the Unit Mix table presented above, an asterisk (\*) or the unit type highlighted in bold signifies the unit type utilized in the report. The information pertaining to unit mix and sizes has been sourced from public records and/or property management. The unit mix illustrates the total variety of unit types within the property. It is important to note that some unit types may have been averaged and may not individually represent every unit within the building; however, they serve as a representative sample of the comparable property and its various unit types. The appraiser conducted an exterior inspection of this comparable property. Should weather conditions, lighting, traffic, human activity, or other unforeseen factors have impacted the appraiser's photographs, a marketing photo may have been employed as a substitute. According to the Section 8 Renewal Guide, "The RCS appraiser must take color photos of each comparable's exterior, demonstrating its location on the site as well as its exterior design and condition" (Section 8 Renewal Guide, Page 19). In this instance, the appraiser has provided a color photograph of the comparable property as mandated.


## Multi-Family Lease No. 3

Property Identification					
Record ID	40340				
Property Type	Garden, Low-Rise				
Property Name	Hideaway at Greenbrier				
Location	150 Coveside Lane, Chesapeake, Virginia 23320				
County / Borough	Chesapeake City				
Assessor's Parcel #	0280000000070				
Owner	Chesapeake Cvsd Ln Apts Prop Own				
Subsidized	No				
LIHTC Project	No				
Data Verification					
Lease Date Verification	03-31-2025		Current Occupancy	88.7%	
Verification Name	Darrell - Rental Agent		Confirmed By	Jackie Marmur	
Phone Number	(757) 361-0072				
Property Physical Data					
Total Units in Project	378	Number of Stories	3	Elevators	No
Land Size (Acres/Sq. Ft.)	24.903 / 1,084,775	Number of Buildings	17	Topography	Level
Construction Quality	Average	Construction Class	D - Wood Frame	Estimated Effective Age	5 years
Year Built	2004	Condition	Good	Parking Ratio	1.93
Major Renovations	Yes 2021	No. of Parking Spaces	728		
Parking Type	Lined and covered				
Project Amenities					
Standard Door Locks	Yes	Recreation Area	No	Doorman / Concierge	No
Cameras / Intercom	No / No	Playground / Picnic Area	Yes / Yes	Service Coordination	No
Gated / Security Patrol	No / No	Courtyard	No	Non-Shelter Services	No
Clubhouse	Yes	Pools - Outdoor / Indoor	1 / 0	Neighborhood Network	No
Community Room	No	Tennis - Outdoor/Indoor	No / No	On-Site Management	Yes
Business Center	Yes	Volleyball Court	No		
Computer Center	No	Basketball Court	No		
Fitness Area / Room	Yes	Laundry Room	No		
Unit Amenities					
Balcony / Patio	Yes	W/D in Unit	No	Cable/Satellite	Yes
Storage / Storage Fee	No \$.00	W/D Hook Ups in Unit	Yes	Internet Included	No
Air Conditioning	central			Grab Bars & Handrails	No / No
Floor Coverings	Vinyl tile and carpeting			Pull Cords	No
Kitchen Equipment					
Stove / Refrigerator	Yes / Yes	Microwave / Dishwasher	No / Yes	Disposal	Yes
Tenant Expenses					
Tenant Pays Heat	Yes	Electric	Tenant Pays Cold Water	No	
Tenant Pays Cooking	Yes	Electric	Tenant Pays Sewer	No	
Tenant Pays Hot Water	Yes	Electric	Tenant Pays Trash	No	
Tenant Pays Electric	Yes		Tenant Pays Cable	Yes	
Comments, Unit Mix and Current Rentals Rates					

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
3-1-1	1 Bd 1.0 Ba		650					
3-1-1	1 Bd 1.0 Ba		743					
3-1-1	1 Bd 1.0 Ba		797					
4-2-2	2 Bd 2.0 Ba		995					
4-2-2	2 Bd 2.0 Ba		1,115					
<b>4-2-2*</b>	<b>2 Bd 2.0 Ba</b>		<b>1,220</b>		<b>\$1,755</b>		<b>\$1.44</b>	
<b>5-3-2*</b>	<b>3 Bd 2.0 Ba</b>		<b>1,290</b>		<b>\$2,339</b>		<b>\$1.81</b>	
5-3-2	3 Bd 2.0 Ba		1,401					

In the Unit Mix table presented above, an asterisk (\*) or the unit type highlighted in bold signifies the unit type utilized in the report. The information pertaining to unit mix and sizes has been sourced from public records and/or property management. The unit mix illustrates the total variety of unit types within the property. It is important to note that some unit types may have been averaged and may not individually represent every unit within the building; however, they serve as a representative sample of the comparable property and its various unit types. The appraiser conducted an exterior inspection of this comparable property. Should weather conditions, lighting, traffic, human activity, or other unforeseen factors have impacted the appraiser's photographs, a marketing photo may have been employed as a substitute. According to the Section 8 Renewal Guide, "The RCS appraiser must take color photos of each comparable's exterior, demonstrating its location on the site as well as its exterior design and condition" (Section 8 Renewal Guide, Page 19). In this instance, the appraiser has provided a color photograph of the comparable property as mandated.

## Multi-Family Lease No. 4

Property Identification					
Record ID	41399				
Property Type	Garden, Low-Rise				
Property Name	The Amber at Greenbrier				
Location	1100 Ivystone, Chesapeake, Virginia 23320				
County / Borough	Chesapeake City				
Assessor's Parcel #	0280000000300				
Owner	Mountain Energy Ivystone, LLC				
Subsidized	No				
LIHTC Project	No				
Data Verification					
Lease Date Verification	03-31-2025		Current Occupancy	91.3%	
Verification Name	Ashley - Rental Agent		Confirmed By	Jackie Marmur	
Phone Number	(757) 347-0005				
Property Physical Data					
Total Units in Project	450	Number of Stories	2	Elevators	No
Land Size (Acres/Sq. Ft.)	6.829 / 297,471	Number of Buildings	14	Topography	Level
Construction Quality	Average	Construction Class	D - Wood Frame	Estimated Effective Age	5 years
Year Built	1985	Condition	Good		
Major Renovations	Yes 2021				
Parking Type	Lined				
Project Amenities					
Standard Door Locks	Yes	Recreation Area	No	Doorman / Concierge	No
Cameras / Intercom	No / No	Playground / Picnic Area	No / Yes	Service Coordination	No
Gated / Security Patrol	No / No	Courtyard	No	Non-Shelter Services	No
Clubhouse	Yes	Pools - Outdoor / Indoor	1 / 0	Neighborhood Network	No
Community Room	No	Tennis - Outdoor/Indoor	No / No	On-Site Management	Yes
Business Center	Yes	Volleyball Court	No		
Computer Center	No	Basketball Court	No		
Fitness Area / Room	Yes	Laundry Room	No		
Unit Amenities					
Balcony / Patio	Yes	W/D in Unit	Yes	Cable/Satellite	Yes
Storage / Storage Fee	Yes \$.00	W/D Hook Ups in Unit	No	Internet Included	No
Air Conditioning	central			Grab Bars & Handrails	No / No
Floor Coverings	Carpet and vinyl tile plank			Pull Cords	No
Kitchen Equipment					
Stove / Refrigerator	Yes / Yes	Microwave / Dishwasher	Yes / Yes	Disposal	No
Tenant Expenses					
Tenant Pays Heat	Yes	Gas	Tenant Pays Cold Water	Yes	
Tenant Pays Cooking	Yes	Electric	Tenant Pays Sewer	Yes	
Tenant Pays Hot Water	Yes	Gas	Tenant Pays Trash	Yes	
Tenant Pays Electric	Yes		Tenant Pays Cable	Yes	
Comments, Unit Mix and Current Rentals Rates					

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
3-1-1	1 Bd 1.0 Ba		668					
3-1-1	1 Bd 1.0 Ba		725					
<b>4-2-1*</b>	<b>2 Bd 1.0 Ba</b>		<b>897</b>		<b>\$1,572</b>		<b>\$1.75</b>	
4-2-2	2 Bd 2.0 Ba		897					
<b>5-3-2*</b>	<b>3 Bd 2.0 Ba</b>		<b>1,280</b>		<b>\$2,261</b>		<b>\$1.77</b>	
5-3-2	3 Bd 2.0 Ba		1,378					

In the Unit Mix table presented above, an asterisk (\*) or the unit type highlighted in bold signifies the unit type utilized in the report. The information pertaining to unit mix and sizes has been sourced from public records and/or property management. The unit mix illustrates the total variety of unit types within the property. It is important to note that some unit types may have been averaged and may not individually represent every unit within the building; however, they serve as a representative sample of the comparable property and its various unit types. The appraiser conducted an exterior inspection of this comparable property. Should weather conditions, lighting, traffic, human activity, or other unforeseen factors have impacted the appraiser's photographs, a marketing photo may have been employed as a substitute. According to the Section 8 Renewal Guide, "The RCS appraiser must take color photos of each comparable's exterior, demonstrating its location on the site as well as its exterior design and condition" (Section 8 Renewal Guide, Page 19). In this instance, the appraiser has provided a color photograph of the comparable property as mandated.



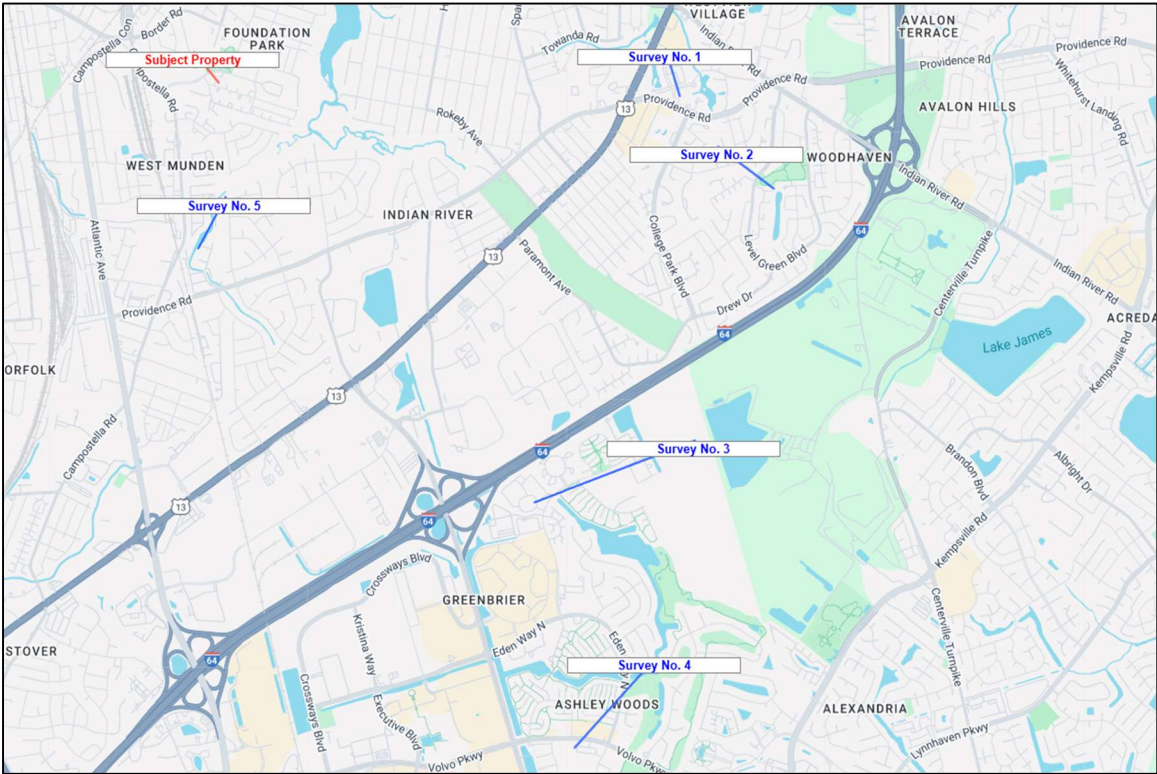
## Multi-Family Lease No. 5

Property Identification					
Record ID	40336				
Property Type	Garden, Low-Rise				
Property Name	Holly Point				
Location	2540 Holly Point Boulevard, Chesapeake, Virginia 23325				
County / Borough	Chesapeake City				
Assessor's Parcel #	0190000000025				
Owner	Woodlake Company Limited Ptnrshp				
Subsidized	No				
LIHTC Project	No				
Data Verification					
Lease Date Verification	03-31-2025	Current Occupancy	95.9%		
Verification Name	Traci – Rental Agent	Confirmed By	Jackie Marmur		
Phone Number	(757) 384-1890				
Property Physical Data					
Total Units in Project	619	Number of Stories	2	Elevators	No
Land Size (Acres/Sq. Ft.)	57.421 / 2,501,259	Number of Buildings	54	Topography	Level
Construction Quality	Average	Construction Class	D - Wood Frame	Estimated Effective Age	5 years
Year Built	1985	Condition	Good	Parking Ratio	1.62
Major Renovations	Yes 2022	No. of Parking Spaces	1,000	Parking Fee	\$
Parking Type	Lined				
Project Amenities					
Standard Door Locks	Yes	Recreation Area	No	Doorman / Concierge	No
Cameras / Intercom	No / No	Playground / Picnic Area	Yes / Yes	Service Coordination	No
Gated / Security Patrol	No / No	Courtyard	No	Non-Shelter Services	No
Clubhouse	Yes	Pools - Outdoor / Indoor	1 / 0	Neighborhood Network	No
Community Room	No	Tennis – Outdoor/Indoor	No / No	On-Site Management	Yes
Business Center	No	Volleyball Court	No		
Computer Center	No	Basketball Court	No		
Fitness Area / Room	Yes	Laundry Room	No		
Unit Amenities					
Balcony / Patio	Yes	W/D in Unit	Yes	Cable/Satellite	Yes
Storage / Storage Fee	No \$.00	W/D Hook Ups in Unit	No	Internet Included	No
Air Conditioning	central			Grab Bars & Handrails	No / No
Floor Coverings	Vinyl tile and carpeting			Pull Cords	No
Kitchen Equipment					
Stove / Refrigerator	Yes / Yes	Microwave / Dishwasher	No / Yes	Disposal	Yes
Tenant Expenses					
Tenant Pays Heat	Yes	Electric	Tenant Pays Cold Water	Yes	
Tenant Pays Cooking	Yes	Electric	Tenant Pays Sewer	Yes	
Tenant Pays Hot Water	Yes	Electric	Tenant Pays Trash	Yes	
Tenant Pays Electric	Yes		Tenant Pays Cable	Yes	
Comments, Unit Mix and Current Rentals Rates					

Unit Description	Unit Type	Units	Unit Mix		Avg Rent/Mo	Total Rent	Rent/SF	% of Total
			Avg Unit SF	Total SF				
3-1-1	1 Bd 1.0 Ba		850					
3-1-1	1 Bd 1.0 Ba		900					
3-1-1	1 Bd 1.0 Ba		960					
4-2-1	2 Bd 1.0 Ba		1,140					
<b>4-2-1*</b>	<b>2 Bd 1.0 Ba</b>		<b>1,120</b>		<b>\$1,782</b>		<b>\$1.59</b>	
4-2-1.5	2 Bd 1.5 Ba		1,210					
4-2-2	2 Bd 2.0 Ba		1,290					
4-2-2	2 Bd 2.0 Ba		1,400					
4-2-2	2 Bd 2.0 Ba		1,570					
4-2-2	2 Bd 2.0 Ba		1,660					
5-3-2	3 Bd 2.0 Ba		1,580					
5-3-2.5 TH	2 Bd 2.5 Ba		1,840					

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COMPARABLE RENTALS LOCATION MAP



## DEFINITIONS OF SOME COMMON APPRAISAL TERMINOLOGY

Source: *The Dictionary of Real Estate Appraisal*

*Absorption period* - The actual or expected period of time required from when a property is initially offered for purchase or use by its eventual users until all portions have been disposed of by sale or until stabilized occupancy has been achieved.

*Accrued depreciation* - The difference between an improvement's reproduction or replacement cost and its market value as of the date of appraisal.

*Ad valorem tax* - a real estate tax based on property value.

*Assessed value* - the value according to the tax rolls in ad valorem taxation.

*Band of investment* - A technique in which cash flow rates attributable to components of a capital investment are weighted and combined to derive a weighted average rate attributable to the total investment.

*Base rent* - the minimum rent stipulated in a lease.

*Basis point* - one one-hundredth of one percentage point.

*BOMA standard* - the standard method of floor measurement for office buildings as defined by the Building and Officers Managers Association.

*Bundle of rights theory* - the concept that compares property ownership to a bundle of sticks with each stick representing a distinct and separate right of the property owner, e.g., the right to use real estate, to sell it, to lease it, to give it away, or to choose to exercise all or none of these rights.

*Capitalization Rate* - any rate used to convert income into value.

*Cash equivalent* - a price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts.

*Cash flow analysis* - a study of the anticipated movement of cash in or out of real estate.

*Cash on cash* - the ratio of the annual equity income to the equity investment. Also called the equity capitalization rate of equity dividend rate.

*Common Area* - The total area within a property that is not designated for sale or rental, but is available for common use by all owners, tenants or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, public toilets and service facilities.

*Common Area Maintenance (CAM)* - expenses of operating and maintaining common areas.

*Concession* - an inducement to a tenant to lease space, usually in the form of free rent, additional tenant improvement allowance, moving costs, etc.

*Consumer Price Index (CPI)* - a measurement of the cost of living determined by the U.S. Bureau of Labor Statistics.

*Contract rent* - the actual rental income specified in a lease.

*Debt coverage ratio* - the ratio of net operating income to annual debt service ( $DCR = NOI/I_M$ ).

*Deferred maintenance* - curable physical deterioration that should be corrected immediately, although work has not commenced.

*Development right* - the right to build on or beneath a property, subject to local zoning, building codes, etc.

*Direct capitalization* - the method used to convert an estimate of a single year's income expectancy or an average of several years' income expectancies into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor.

*Discounted cash flow analysis* - a set of procedures in which the quantity, variability, timing, and duration of periodic income, as well as the quantity and timing of reversions, are specified and discounted to a present value or a specified yield.

*Discount rate* - a rate of return commensurate with the perceived risk used to convert future payments or receipts into present value.

*Easement* - an interest in real property that conveys use, but not ownership, of a portion of an owner's property.

*Easement appurtenant* - an easement that is attached to, benefits, and passes with the conveyance of the dominant estate.

*Economic age-life method* - the method of estimating accrued depreciation in which the ratio of a building's effective age to its total life is applied to the current cost of the improvements to obtain a lump sum deduction.

## DEFINITIONS OF SOME COMMON APPRAISAL TERMINOLOGY

*Economic life* - the period over which improvements to real property contribute to property value.

*Effective age* - the age indicated by the condition and utility of a structure.

*Effective gross income (EGI)* - the anticipated income from all operations of real property adjusted for vacancy and collection loss.

*Effective tax rate* - the ratio between a property's annual property tax and its market value; the tax rate times the assessed value divided by the market value; the official tax rate times the assessment ratio.

*Equity capitalization (dividend) rate* - an income rate that reflects the relationship between a single's year pre-tax cash flow expectancy and the equity investment.

*Equity yield rate* - an annualized rate of return on equity capital, as distinguished from the rate of return on debt capital or interest.

*External obsolescence* - an element of accrued depreciation; a defect, usually incurable, caused by negative influences outside a site.

*Exposure time* - the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is always presumed to occur prior to the effective date of the appraisal.

*Extraordinary Assumptions* - an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.

*Fee simple estate* - absolute ownership unencumbered by any other interest or estate subject to only the four powers of government.

*Functional obsolescence* - a defect caused by a defect in the structure, materials, or design.

*Hypothetical conditions* - that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

*Internal rate of return* - a measurement of investment performance; the rate of return on capital that is generated within an investment over a period of ownership.

*Land-to-building ratio* - the proportion of land area to gross building area.

*Leased fee estate* - an ownership interest held by a landlord with the right of use an occupancy conveyed by lease to others.

*Marketing time* - the time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal.

*Market rent* - the rental income that a property would most probably command in the open market.

*Net operating income* - the actual or anticipated net income remaining after deducting all operating expenses from effective gross income, but before deducting mortgage debt service and book depreciation.

*Potential gross income* - the total income attributable to real property at full occupancy before deduction for vacancy and operating expenses.

*Present value* - the value of a future payment or series of future payment discounted to the current date or to time period zero.

*Rentable Area* - This is the usable area of an office area, with its associated share of both floor common area and building common area added on. Rentable area is determined by multiplying the Usable area by the combined R/U ratio.

*R/U Ratio* - The combined conversion factor, obtained by multiplying the Floor R/U by the Building R/U ratios, which when applied to any Usable area, gives the Rentable area of that office or store area.

*Terminal capitalization rate* - the rate used to convert income into an indication of the anticipated value of the subject real property at the end of the holding period.

*Vacancy and collection loss* - an allowance for reduction in potential income attributable to vacancies, tenant turnover, and nonpayment of rent.

## PROFESSIONAL QUALIFICATIONS OF TONY F. KAMAND JR., MAI

### REAL ESTATE VALUATION AND CONSULTING (1986 TO PRESENT)

Real estate valuation of all types of improved and unimproved real property. Properties have been located throughout the United States with extensive experience on multifamily properties. The main geographic area of expertise has been in New Jersey, New York, Maryland and Pennsylvania on the following property types:

Apartments	LIHTC Projects	HUD Projects
Rent Comparability Studies	Healthcare Properties	Retail Centers
Industrial	Office	Special Purpose Properties

### PROFESSIONAL LICENSES AND CERTIFICATIONS

State of New Jersey - Certified General Real Estate Appraiser - RG-00668  
 State of New York - Certified General Real Estate Appraiser – 46000026069  
 State of Pennsylvania - Certified General Real Estate Appraiser - GA001862  
 State of Maryland - Certified General Real Estate Appraiser – 27830

### PROFESSIONAL AFFILIATIONS

MAI Member of the Appraisal Institute  
 Past President (2005, 2011 and 2012) - Appraisal Institute, Central New Jersey Chapter  
 Past Treasurer (1995 to 2004) - Appraisal Institute, Central New Jersey Chapter

### QUALIFIED AS EXPERT WITNESS

Federal Bankruptcy Court, New Jersey Tax Court, New York Tax Court, Pennsylvania Tax Court, Various County Tax Boards and Zoning Boards

### EDUCATION

Bloomfield College - B.S. in Business Administration

#### The Appraisal Institute

Real Estate Appraisal Principles	Residential Valuation
Basic Valuation	Standards of Ethics & Professional Practice
Capitalization Theory/Techniques Part A	Capitalization Theory/Techniques Part B
Case Studies in Real Estate Valuation	Report Writing in Real Estate Valuation

#### Additional Courses/Seminars

Governor's Conference - Multi-Family Housing, HUD Third Party Technical Training for MAP, The Economy and Rates, Urban Land Institute - Improving Shopping Center Performance, Real Estate Commercial Markets, Appraisal Institute - Appraising Retail Properties, Argus Real Estate Analysis Software, Numerous other seminars and courses

### REPRESENTATIVE CLIENTS

Banks, Attorneys, Developers, Government Agencies, Fortune 500 Companies, Insurance Companies and Institutional Investors.



## PROFESSIONAL QUALIFICATIONS OF

### JACQUELINE MARMUR

#### REAL ESTATE VALUATION AND CONSULTING (2005 TO PRESENT)

Real estate valuation of all types of improved and unimproved real property. Properties have been located throughout the United States with experience in the following property types:

LIHTC and Affordable Apartments  
Free-standing retail  
Healthcare properties

Industrial properties  
Condominiums  
Retail Strip Center

Vacant land  
Rent Comparability Studies  
Special purpose properties

#### PROFESSIONAL LICENSES AND CERTIFICATIONS

State of New Jersey - Certified General Real Estate Appraiser - RG-2523  
State of Illinois - Certified General Real Estate Appraiser - RG 553.002852  
Commonwealth of Virginia - Certified General Real Estate Appraiser - 4001018200  
State of North Carolina - Certified General Real Estate Appraiser - A8796  
Commonwealth of Massachusetts – Certified General Real Estate Appraiser - 1000261

#### PROFESSIONAL AFFILIATIONS

Appraisal Institute, Central New Jersey Chapter

#### QUALIFIED AS EXPERT WITNESS

Various County Tax Boards in New Jersey

#### EDUCATION

Bachelor of Science-Business Administration Concentration: Marketing  
Rowan University, Glassboro, NJ  
May 2002

Master of Business Administration  
Rowan University, Glassboro, NJ  
May 2004

The Appraisal Institute  
Fundamentals Of Real Estate Appraisal  
15 Hour National USPAP  
Preparing A Single Family Residential Report

#### REPRESENTATIVE CLIENTS

Banks, Attorneys, Developers, Government Agencies, Fortune 500 Companies, Insurance Companies and Institutional Investors.