



APPRAISAL & CONSULTATION

A Market Study Report Of:

Sevilla Apartments
115 N Jefferson ST
Richmond, VA 23220



Prepared For: Jemal's Sevilla L.L.C.
c/o Douglas Development Corp.
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Authorized User:

Virginia Housing (VH)
601 S. Belvidere St.
Richmond, VA 23220

Date of Report: April 30, 2025
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RE: Sevilla Apartments
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To Whom It May Concern:

At your request, we have completed the attached Market Analysis of family occupancy rental housing in the subject's Primary Market Area (PMA), as detailed herein. EAJoseph Appraisal & Consultation was engaged to conduct an analysis of the apartment rental housing market, particularly as it relates to Low Income Housing Tax Credit (LIHTC) apartments, in the subject's Primary Market Area (PMA) as defined herein.

The subject property consists of the proposed multifamily complex located at 115 N Jefferson Street in the City of Richmond, VA. The sponsor is proposing to develop new apartment units (adaptive reuse) with below-market debt and/or tax credit financing. The community will be a low-income property which will have rent and income restrictions at 60% of the average median income (AMI). The subject will consist of a mix of efficiency and one bedroom dwelling units. This study focuses on apartment housing in the Primary Market Area (PMA) surrounding the subject as detailed herein. The purpose of this market study is to;

- Analyze property productivity
- Delineate the market of property users
- Forecast demand
- Measure competitive supply
- Analyze market equilibrium/ disequilibrium
- Forecast subject capture

The entire PMA has been examined about economic factors, population projections, and the existing multi-family housing market. Emphasized examination was given to the subjects' macro-Primary Market Area (PMA) and sub-markets relevant to this property have also been examined. This is also the date of observation of the subject site and the surrounding market environs.

It has been a pleasure to assist you in this assignment. If you have any questions concerning the report, or if we can be of further assistance, please let us know how we may further serve you.

Respectfully submitted,

EAJoseph Appraisal & Consultation



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Principal Appraiser
Certified General Real Estate Appraiser
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SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The subject is well positioned in the market to capture significant tenancy. The housing serves to satisfy the ever-present and growing need for affordable rental housing. The rental rates for the subject are consistent with the rental rates demonstrated in the PMA.

- The residual demand is positive throughout our mid-range forecast period. The residential demand is 3,685 dwelling units at the 60% of AMI level.
- VH requires the analyst to consider the impact, if any, on the analysis for proposed communities in which 20% or more of the units contain at least 3 bedrooms. The subject does not contain any 3 bedroom dwelling units.
- The subject's capture rate is calculated as the percentage of residential demand the subject would have to capture to achieve stabilization. The total number of units for the subject is segmented by the percentage of units captured in the subject's PMA and a typical vacancy allowance. The adjusted total number of units is 41 units. The subject's overall blended capture rate is 1.11% which indicates a strong demand for affordable house.
- The subject is expected to be absorbed into the market at a pace of 10 dwelling units per month. Financing is currently available at attractive terms, and the feasibility rent is sufficient to cover costs of construction and return a reasonable yield to the investor. This combined with the low capture rate indicates a strong demand for the subject's product type.
- The site is attractive and well located in regard to its access and proximity to employment, community services, shopping, medical, and transportation routes which provide extended access to all points throughout the MSA.
- The location, rents, and amenity package will appeal to the low to moderate income families and professionals.
- The bedroom mix of units, the household size distribution, the capabilities, and the unit vacancy levels indicate that the subject's bedroom mix is appropriate in this market at the rent levels. Market rents are sufficient to support new construction, and a positive residual demand indicates new construction in this market is likely.
- Project features are adequate in this portion of the city. The inventory is mixed ranging from older 30+ year inventory to newer inventory. The subject's amenity package and features are generally commensurate with other similar class properties in the subject's market.
- The subject property is currently proposed. The economic infrastructure for the subject properties PMA is fundamentally sound and should continue to grow at a constant and moderate pace.
- The overall development scheme is appropriate and well suited for the market. We make no further recommendations and/ or modifications to the development.

- There do not appear to be any detrimental influences that would impede the absorption rate already established at 10 units per month.
- Our analysis contained herein incorporated the opinions of property managers and leasing agents as well as local market participants that are considered experts in their respective fields.

Given the indications described above, it is reasonable to conclude that the subject's current actual capture rate will continue throughout the mid-range forecast. Given the positive residual demand and the availability of land and capital, new competition is anticipated to materialize in the short and midterm. We have made appropriate allowances for additional new competition.

Noteworthy Issues: None.

SWOT ANALYSIS

Strengths and weaknesses are specific to the subject whereas opportunities and threats are external.

STRENGTHS INCLUDE;

- Competitive – subject will be competitively priced and will offer commensurate product with its competition

WEAKNESSES INCLUDE;

- No onsite parking.

OPPORTUNITIES

- Strategic Location: Centrally located on the East Coast, with proximity to major cities like Washington D.C. and Charlotte.
- Diverse Economy: Strong sectors including finance, law, government, logistics, manufacturing, and a growing tech scene.
- Rich History and Culture: Historic landmarks, museums, and a vibrant arts scene draw tourists and enrich community life.
- Higher Education Hub: Presence of major universities (VCU, University of Richmond) provides a steady talent pipeline.
- Transportation Infrastructure: Access to major highways (I-95, I-64), railroads, and a growing international airport.
- Relatively Low Cost of Living: Compared to larger East Coast metros, Richmond is more affordable for businesses and residents.
- Downtown and Riverfront Development: Continued redevelopment along the James River and in the downtown core.
- Tech and Innovation Growth: Growing interest from tech startups and investors seeking secondary markets.
- Healthcare Expansion: Growth in medical research and healthcare services, anchored by VCU Health.
- Tourism Growth: Leveraging historical tourism, festivals, and outdoor recreation (like whitewater rafting) for economic growth.

THREATS

- Public School System Challenges: Mixed quality among public schools can deter some families from relocating.
- Aging Infrastructure: Some parts of the city's infrastructure (roads, water systems) require major updates.
- Competition from nearby growing cities (Raleigh, Charlotte)
- Political divisions affecting major projects

PURPOSE OF THE MARKET STUDY

EAJoseph Appraisal & Consultation was engaged by The Client, to prepare an analysis of the family-oriented rental housing, particularly as it relates to Low Income Housing Tax Credit (LIHTC) apartments like the subject. This study focuses on the Primary Market Area surrounding the subject. The purpose of this market study was to;

- Analyze property productivity
- Delineate the market of property users
- Forecast demand
- Measure competitive supply
- Analyze market equilibrium/ disequilibrium
- Forecast subject capture

A. EXECUTIVE SUMMARY

(Format derived from Version 3.0, Adopted 1/14/2013; Section A; NCHMA)

I. A CONCISE DESCRIPTION OF THE SITE AND THE IMMEDIATE SURROUNDING AREA.

The subject site consists of one parcel constituting 0.31±acres, which is accessible via Jefferson and W. Grace Streets. The site is generally rectangular in shape. The site is generally level and at road grade and is almost entirely covered by the structure. The property is located in the eastern portion of the City of Richmond. All relevant utilities are available to the site. The shape of the site does not appear to impose any developmental issues. Based on a physical inspection of the site, there do not appear to be any adverse conditions that would impede the marketability of the site. Surrounding land uses consist of a mix of multifamily, office and retail oriented uses.

Land uses in the immediate area are consistent with and complementary to the development. A brief description of immediate land uses in each direction is as follows;

- North – Parking lot followed by a mixed use building
- South – Historic landmark, Taylor-Mayo House
- East – Parking lot followed by a mixed use building
- West – Parking lot followed by a historic house/ office

Existing land use patterns are residential in nature with some commercial type uses. Land use patterns are expected to remain the same; however, many of the structures will undergo redevelopment/ renovations as the area continues to improve.

2. A BRIEF SUMMARY OF THE PROJECT INCLUDING THE PROPOSED POPULATION TO BE SERVED.

The subject property is a proposed adaptive reuse project and will consist of a 53-unit apartment community (of which 48 dwelling units will be analyzed herein). The sponsor is proposing to construct the proposed units with below-market debt and/or tax credit financing. The community will be a low-income property which will have rent and income restrictions at 60% of AMI. The subject will consist of efficiency and one bedroom dwelling units. This study focuses on apartment housing in the Primary Market Area (PMA) surrounding the subject located in the northeastern part of the City of Richmond.

The target market will be households earning below 60% of AMI. Household sizes will be 1.5 persons per household (based on an average household size of 1.5 persons per bedroom). The minimum household income level will be based upon the assumption that tenants will pay up to 35% of income toward rent.

3. SUMMARY OF ECONOMIC CONDITIONS

Richmond, Virginia's economy in 2025 is experiencing robust growth, marked by a 3.1% increase in nonfarm employment over the past year, significantly outpacing the national average of 1.4%. The education and health services sector led this expansion with an 8.6% rise, adding 9,300 jobs. Major investments, such as CoStar Group's \$460 million corporate campus and LEGO's \$1 billion manufacturing facility, are expected to create thousands of jobs, further bolstering the local economy. The city's unemployment rate has declined to 2.7%, reflecting a strong labor market. Richmond is also emerging as a tech and innovation hub, with the Virginia Bio+Tech Park housing nearly 70 life sciences companies. However, challenges persist, including rising housing costs, with average rents requiring an hourly wage of approximately \$30 to afford, and economic uncertainties impacting small businesses, leading to cautious hiring practices. Despite these issues, Richmond's strategic location, diverse economy, and ongoing infrastructure developments position it as a city with significant economic potential.

4. BRIEF DESCRIPTION AND SUPPORT OF THE DEFINED PRIMARY MARKET AREA;

The subject's PMA is delineated graphically on the following pages. To determine the PMA for the subject, we conducted multiple interviews with the subject's competitive properties to establish where their tenants were being drawn from. Based upon our interviews, the clear majority of the tenant base was drawn from other localities within the described limits. We further considered demographic data, employers, and commuter patterns in framing the subject's PMA.

5. SUMMARY OF KEY DEMOGRAPHIC DATA

- Population is increasing putting upward pressure on the demand for housing
- Incomes are rising
- The number of households is increasing
- Renter ratios are steady; there is a large gap between renter ratio and multifamily ratio which is increasing the demand for additional multifamily housing

6. SUMMARY OF COMPETITIVE MARKET CONDITIONS

A summary of some key multifamily economic indicators in the Richmond area are as follows;

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	7,109	8.8%	\$1,772	\$1,744	24	0	1,366
3 Star	4,991	9.4%	\$1,473	\$1,463	(2)	0	321
1 & 2 Star	2,389	5.8%	\$1,291	\$1,284	(1)	0	0
Submarket	14,489	8.5%	\$1,620	\$1,601	21	0	1,687

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.8% (YOY)	8.6%	10.0%	12.4%	2015 Q2	4.4%	2021 Q3
Absorption Units	369	272	465	874	2023 Q3	(120)	2003 Q3
Delivered Units	528	311	519	1,442	2023 Q2	0	2012 Q3
Demolished Units	0	5	5	90	2021 Q4	0	2025 Q1
Asking Rent Growth	1.1%	1.9%	2.2%	5.5%	2022 Q3	-3.1%	2010 Q4
Effective Rent Growth	0.8%	1.8%	2.1%	5.9%	2022 Q1	-3.1%	2010 Q4
Sales Volume	\$16M	\$41.4M	N/A	\$138.4M	2019 Q1	\$1.6M	2011 Q2

(Source: Costar Submarket Report)

7. SUMMARY OF DEMAND FOR THE PROPOSED DEVELOPMENT

Include a concise statement of the analyst's opinion of market feasibility, determined by factors of market demand.

- The residual demand is positive throughout our mid-range forecast period. The residential demand is 3,685 dwelling units at the 60% of AMI level.
- Based upon our market survey, the subject's proposed rents are achievable.
- The subject is expected to be absorbed into the market at a pace of 10 dwelling units per month. The subject is proposed.
- The site is attractive and well located regarding its access and proximity to employment, community services, shopping, medical, and transportation routes which provide extended access to all points throughout the PMA.
- The location, rents, and amenity package will appeal to the low to moderate income families.
- The bedroom mix of units, the household size distribution, the capabilities, and the unit vacancy levels indicate that the subject's bedroom mix is appropriate in this market at the rent levels.

Economic rent is sufficient to cover debt service and return a reasonable return to the investor with the use of LIHTC equity.

8. A SUMMARY OF POSITIVE AND NEGATIVE ATTRIBUTES

In addition, include issues that will affect the properties marketability, performance and lease-up and points that will mitigate or reduce any negative attributes.

- (+) The subject provides housing to a growing population and is well positioned in the market.
- (+) The Richmond MSA is experiencing a shortage of multifamily housing, and specifically income and rent restricted multifamily housing.
- (+) The subject is in a urban location, located in the City of Richmond, with a very diverse industry based which tends to be more insulated from economic variations.
- (+) The subject will generate additional revenue for purchases of goods and services which will help the local economy. The local spending index potential is as below.
- (-) There is a lack of onsite parking.

Community Profile 26 Census Tracts Geography: Census Tract	
2024 Consumer Spending	VA(5176001110...
Apparel & Services: Total \$	\$62,387,165
Average Spent	\$1,665.48
Spending Potential Index	70
Education: Total \$	\$44,546,590
Average Spent	\$1,189.21
Spending Potential Index	69
Entertainment/Recreation: Total \$	\$93,887,735
Average Spent	\$2,506.41
Spending Potential Index	61
Food at Home: Total \$	\$181,445,400
Average Spent	\$4,843.84
Spending Potential Index	66
Food Away from Home: Total \$	\$98,594,460
Average Spent	\$2,632.06
Spending Potential Index	68
Health Care: Total \$	\$174,130,785
Average Spent	\$4,648.57
Spending Potential Index	60
HH Furnishings & Equipment: Total \$	\$75,172,868
Average Spent	\$2,006.80
Spending Potential Index	63
Personal Care Products & Services: Total \$	\$24,728,472
Average Spent	\$660.15
Spending Potential Index	66
Shelter: Total \$	\$647,865,964
Average Spent	\$17,295.34
Spending Potential Index	65
Support Payments/Gifts in Kind: Total \$	\$72,830,892
Average Spent	\$1,944.28
Spending Potential Index	55

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100.

9. PRECISE STATEMENT OF KEY CONCLUSIONS REACHED BY THE ANALYST.

Given the demand for multifamily housing in the subject's PMA, we anticipate the subject to be successful.

10. RECOMMENDATIONS AND/ OR SUGGEST MODIFICATIONS TO THE PROPOSED PROJECT IS APPROPRIATE.

Based upon our review of plans provided by the developer, no modifications to the current development are suggested. There will be a high degree of conformity with other competitive assets in the subject's PMA.

11. ABSORPTION RATE

Richmond, Virginia's multifamily housing market in 2024 exhibited robust absorption, with over 3,050 units absorbed throughout the year, marking a 24.2% increase compared to the previous year. This strong demand was fueled by sustained population growth and job creation in sectors like healthcare and logistics. Despite the influx of new units, the market maintained healthy occupancy levels, with a projected year-end occupancy rate of 95.1%, surpassing the national average. However, the rapid pace of new construction led to a temporary oversupply in certain submarkets, resulting in a citywide vacancy rate of 8.4%. Rent growth stabilized at 2.8% annually, indicating a balanced market after previous years of significant increases. Looking ahead, with a slowdown in new housing permits and continued population growth, the market is expected to tighten, potentially leading to upward pressure on rents.

To estimate the absorption rate for the subject, we surveyed other similar assets in the subject's PMA to determine how quickly those assets leased up and achieved stabilization. Within the area, newer developments are absorbing at around 8 to 20 dwelling units per month, depending on size. Given the subject's size, we anticipate an average monthly absorption rate of 10 units per month. There is adequate demand for the subject and demand is anticipated to increase in the near future based on demographic data.

B. INTRODUCTION AND SCOPE OF WORK

(Format derived from Version 3.0, Adopted 1/14/2013; Section B; NCHMA)

1. Type of Report – Comprehensive Report
2. Client and project developer – See Letter of Transmittal
3. Intended Use and Users of Report - EAJoseph was engaged to conduct an analysis of the apartment rental housing market. The intended user is the Client and V.H
4. Identify Steps taken in completion of report – See below.

The scope of this study requires compliance with the Uniform Standard of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Guide Notes to the Standards of Professional Appraisal Practice adopted by the Appraisal Institute. The standards contain requirements and specific guidelines that deal with the procedures to be followed in developing an appraisal, market study, analysis, or opinion. These uniform standards set the requirements to communicate in a manner that will be meaningful and not misleading in the marketplace. The appraiser/ analyst researched many different resources in the scope of this narrative report. Such information and the source of this information are as follows;

- Information pertaining to the property and the construction particulars was provided by the developer. In addition, we had several conversations with persons familiar with the subject.
- Information concerning the site was obtained from the owner and confirmed through county records.
- Information pertaining to employment data was provided on-line by the Virginia Employment Commission. We further obtained economic infrastructure information from the respective counties/ city's official web sites.
- Information pertaining to demographic data was obtained on-line from American Factfinder which is part of the U.S. Census Bureau's official website. In addition, we used Site-To-Do-Business (STDB) which is a reputable on-line database. Some extrapolations/ projections were done in-house while others were provided by the above stated providers.
- Information pertaining to multifamily market data for the subject submarket and the overall market is taken from online records, telephone surveys and various publications. This data is considered reliable, and we assume it is correct.
- Pertaining to the competitive rental housing market in the subject properties primary market area (PMA), the analyst interviewed a person or persons familiar with each respective property in an effort to obtain germane information to facilitate the analyst in providing a credible market study report. In addition, the analyst performed a windshield inspection of each property.
- In summary, the appraiser/ analyst thoroughly evaluated the subject property in this narrative report.

The market study report will be prepared in accordance with the Uniform Standards of Professional Practice and VH guidelines as promulgated by the National Council of Housing Market Analysts. The format herein is modeled after the most recent version of the Model Content Standards for Rental Housing Market Studies in conjunction with VH Market Study Guidelines.

5. Date of Field Work and Site Visit; Field work and site visits were conducted on April 15, 2025
6. Person conducting field work; Eugene A. Joseph, Jr., MAI, SRA, AI-GRS
7. Primary analyst researching conclusions of report; Eugene A. Joseph, Jr., MAI, SRA, AI-GRS

C. PROJECT DESCRIPTION

(Format derived from Version 3.0, Adopted 1/14/2013; Section C; Project Description; NCHMA)

I. UNIT TABULATIONS (PROPOSED)

No.	Unit Type	Average SF	Rent	UA	Gross \$	Gross \$ Limit	Rent %	Inc. %	PBV Units	Type
36	Studio	391	\$1,192.50	\$0	\$1,192.50	\$1,192	60%	60%	0	LIHTC
12	1x1	498	\$1,277.25	\$0	\$1,277.25	\$1,277	60%	60%	0	LIHTC

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2. THE COMMUNITIES TARGET MARKET AND ANY TENANCY RESTRICTIONS

The community will remain a low-income property which will have rent and income restrictions at 60% of AMI. The subject consists of studio and one bedroom units. The property does not have any age restrictions placed on the property.

The maximum incomes for the MSA are as follows;

		Maximum Gross Income (Based on 4 person AMI)							
Average Median Income		1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Adj. for Fam. Size		0.7004	0.8000	0.9004	1.0000	1.0802	1.1604	1.2405	1.3207
% of Median Income									
10%	7,950	9,080	10,220	11,350	12,260	13,170	14,080	14,990	
20%	15,900	18,160	20,440	22,700	24,520	26,340	28,160	29,980	
30%	23,850	27,240	30,660	34,050	36,780	39,510	42,240	44,970	
40%	31,800	36,320	40,880	45,400	49,040	52,680	56,320	59,960	
50%	39,750	45,400	51,100	56,750	61,300	65,850	70,400	74,950	
60%	47,700	54,480	61,320	68,100	73,560	79,020	84,480	89,940	
70%	55,650	63,560	71,540	79,450	85,820	92,190	98,560	104,930	
80%	63,600	72,640	81,760	90,800	98,080	105,360	112,640	119,920	
90%	71,550	81,720	91,980	102,150	110,340	118,530	126,720	134,910	
100%	79,500	90,800	102,200	113,500	122,600	131,700	140,800	149,900	
110%	87,450	99,880	112,420	124,850	134,860	144,870	154,880	164,890	
120%	95,400	108,960	122,640	136,200	147,120	158,040	168,960	179,880	
130%	103,350	118,040	132,860	147,550	159,380	171,210	183,040	194,870	
140%	111,300	127,120	143,080	158,900	171,640	184,380	197,120	209,860	
150%	119,250	136,200	153,300	170,250	183,900	197,550	211,200	224,850	

The maximum income at 60% of the AMI adjusted for family size is highlighted above.

The maximum rents are as follows;

	Maximum Gross Rents							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Adj. for Fam. Size	0.7004	0.8000	0.9004	1.0000	1.0802	1.1604	1.2405	1.3207
% of Median Income								
10%	\$199	\$227	\$256	\$284	\$307	\$329	\$352	\$375
20%	\$398	\$454	\$511	\$568	\$613	\$659	\$704	\$750
30%	\$596	\$681	\$767	\$851	\$920	\$988	\$1,056	\$1,124
40%	\$795	\$908	\$1,022	\$1,135	\$1,226	\$1,317	\$1,408	\$1,499
50%	\$994	\$1,135	\$1,278	\$1,419	\$1,533	\$1,646	\$1,760	\$1,874
60%	\$1,193	\$1,362	\$1,533	\$1,703	\$1,839	\$1,976	\$2,112	\$2,249
70%	\$1,391	\$1,589	\$1,789	\$1,986	\$2,146	\$2,305	\$2,464	\$2,623
80%	\$1,590	\$1,816	\$2,044	\$2,270	\$2,452	\$2,634	\$2,816	\$2,998
90%	\$1,789	\$2,043	\$2,300	\$2,554	\$2,759	\$2,963	\$3,168	\$3,373
100%	\$1,988	\$2,270	\$2,555	\$2,838	\$3,065	\$3,293	\$3,520	\$3,748
110%	\$2,186	\$2,497	\$2,811	\$3,121	\$3,372	\$3,622	\$3,872	\$4,122
120%	\$2,385	\$2,724	\$3,066	\$3,405	\$3,678	\$3,951	\$4,224	\$4,497
130%	\$2,584	\$2,951	\$3,322	\$3,689	\$3,985	\$4,280	\$4,576	\$4,872
140%	\$2,783	\$3,178	\$3,577	\$3,973	\$4,291	\$4,610	\$4,928	\$5,247
150%	\$2,981	\$3,405	\$3,833	\$4,256	\$4,598	\$4,939	\$5,280	\$5,621

3. UTILITY

The landlord will pay for all utilities including the trash. All the appliances are electric. Nothing is gas. The utility allowance estimate is included in the above table.

4. DESCRIPTION OF DEVELOPMENT

- a. The subject is a proposed multifamily development which will contain 1 building and 48 apartment units.
- b. Common/ site amenities will include community room, limited access building, fitness facility, laundry facility, elevator access to upper levels and a courtyard
- c. Unit amenities include range/ oven, refrigerator, microwave, dishwasher, disposal, range hood, central air/heat, hardwood/ ceramic flooring, shades/ blinds, cable/internet ready, washer/dryer hookups, stainless steel appliances, upgraded cabinets and high ceilings.
- d. Parking options – street parking and pay for parking in close proximity.

The improvements on this property are of good quality and are of typical design and exhibit high functional utility. The subject has a high level of functional utility, and the improvements are consistent with its market and therefore, there is a good degree of conformity with other similar class projects. Overall, this is a type of improvement that should be competitive in the local real estate rental market.

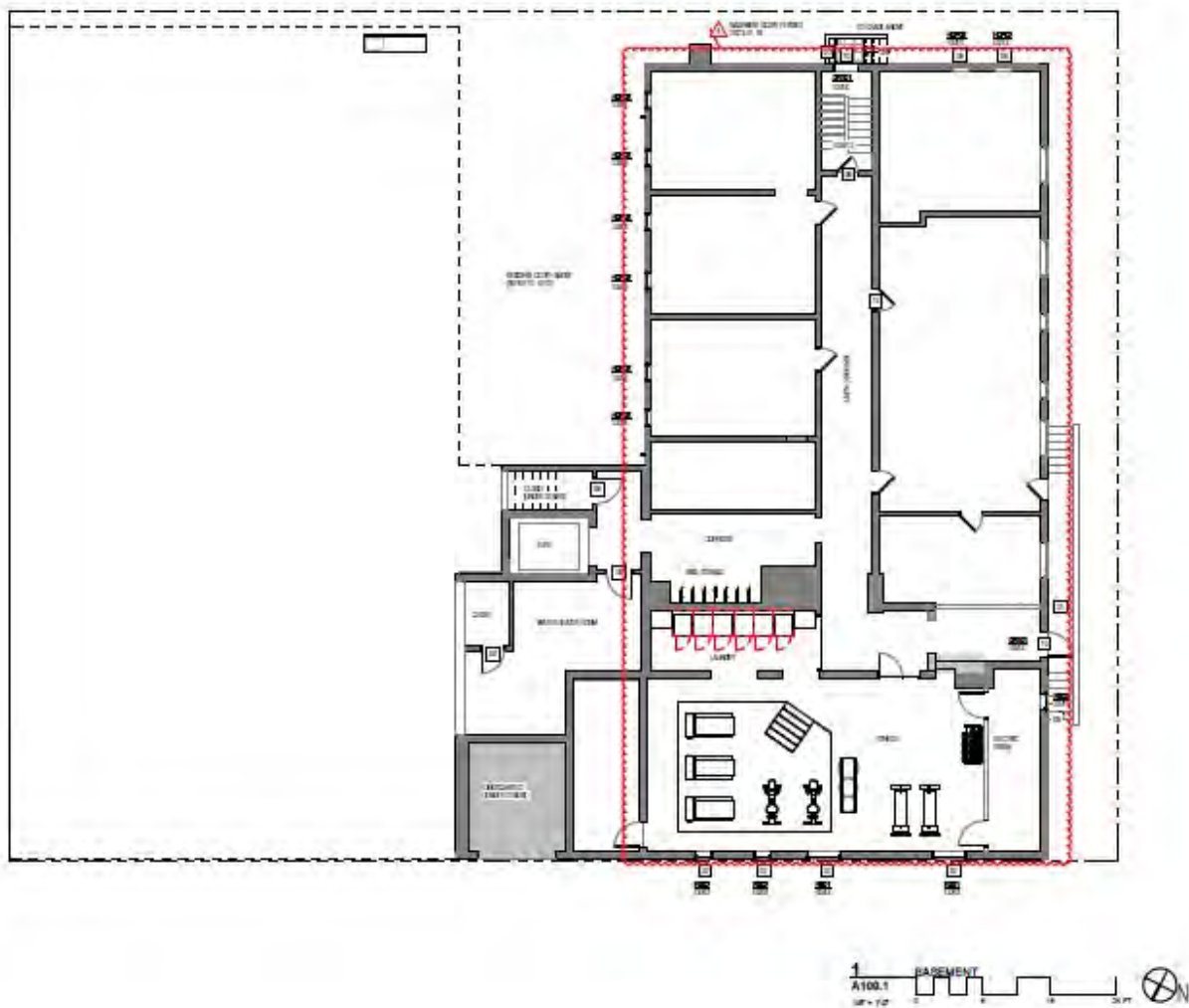
5. FOR REHABILITATION PROJECTS

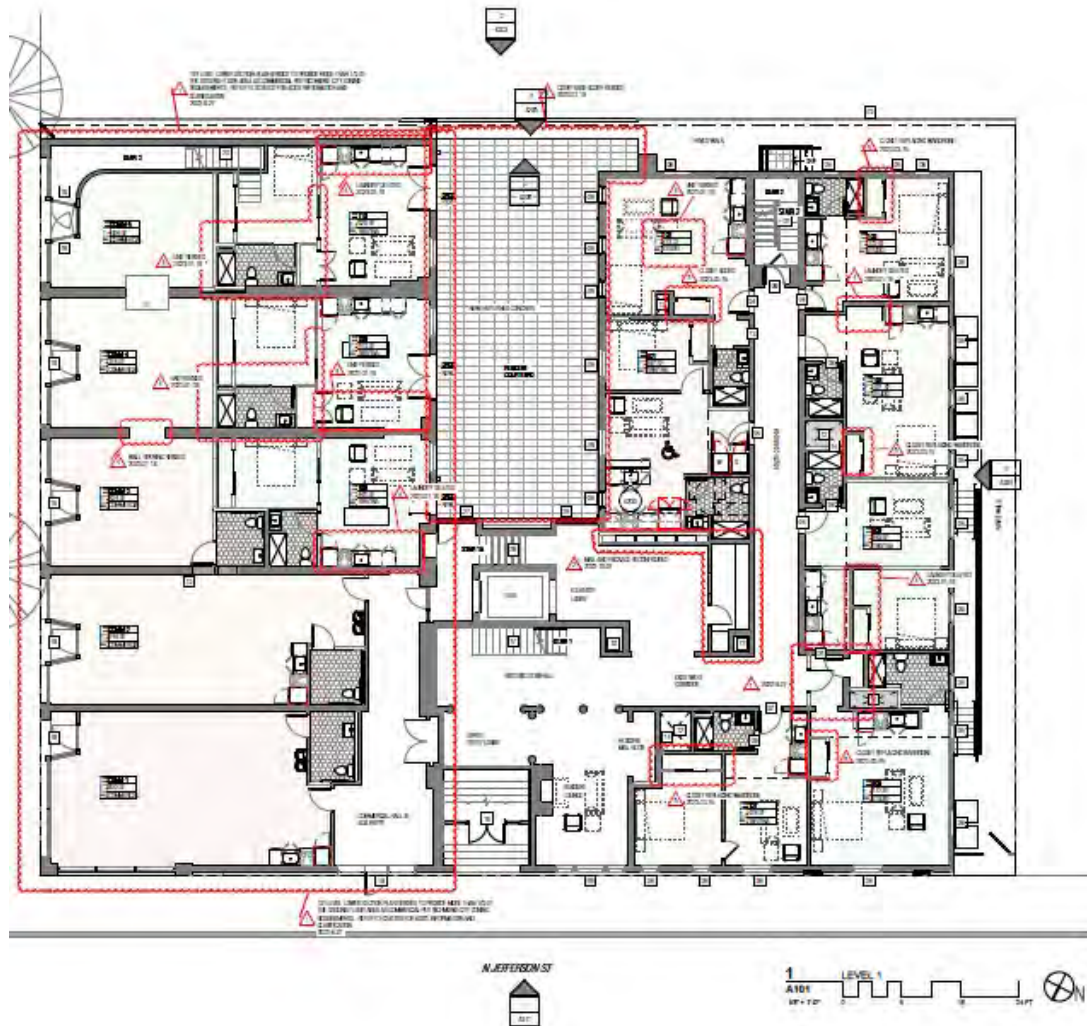
The subject will be an adaptive reuse project and built out per plans/ specifications provided herein.

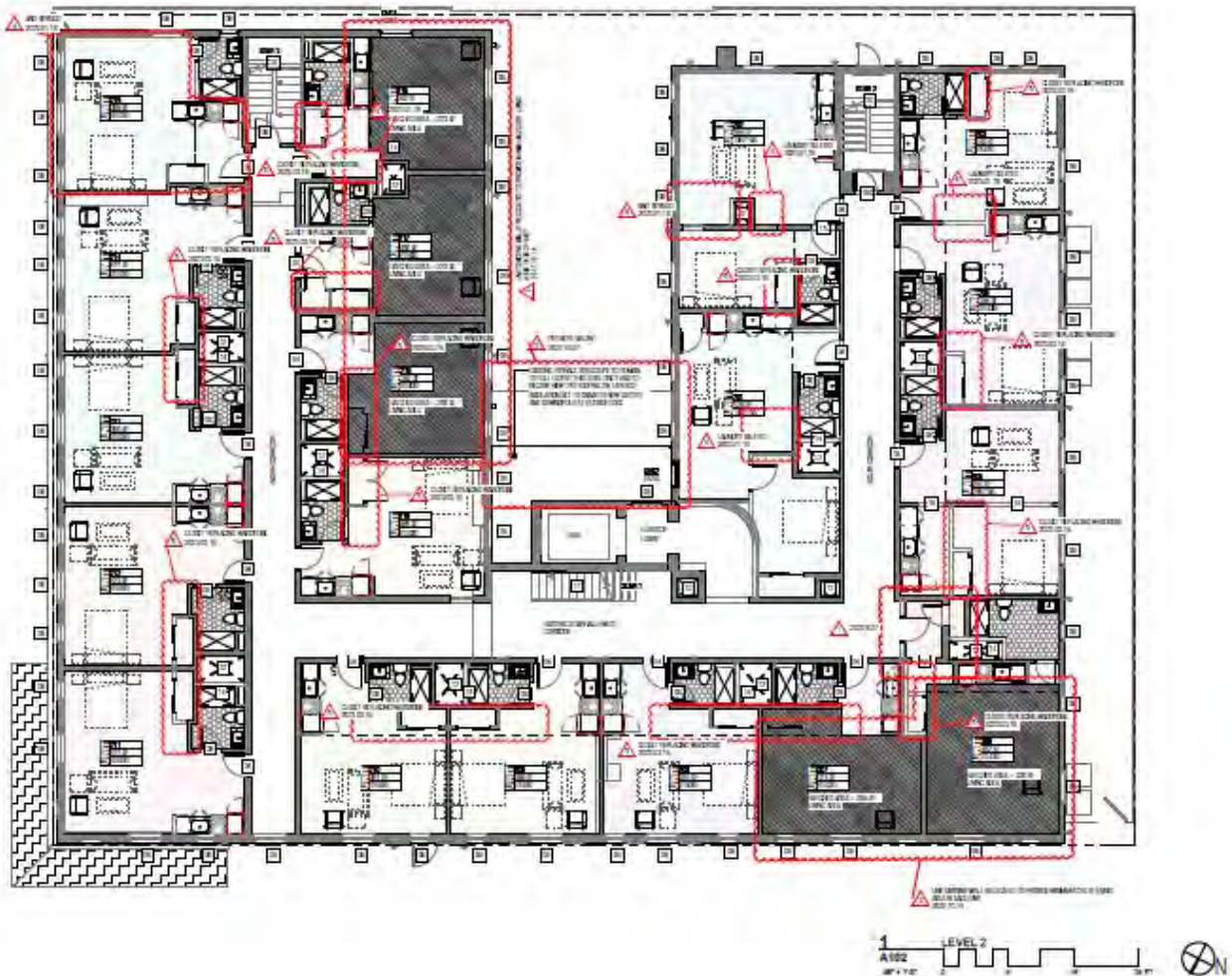
6. INCLUDE THE STATUS OR DATE OF ARCHITECTURAL PLANS

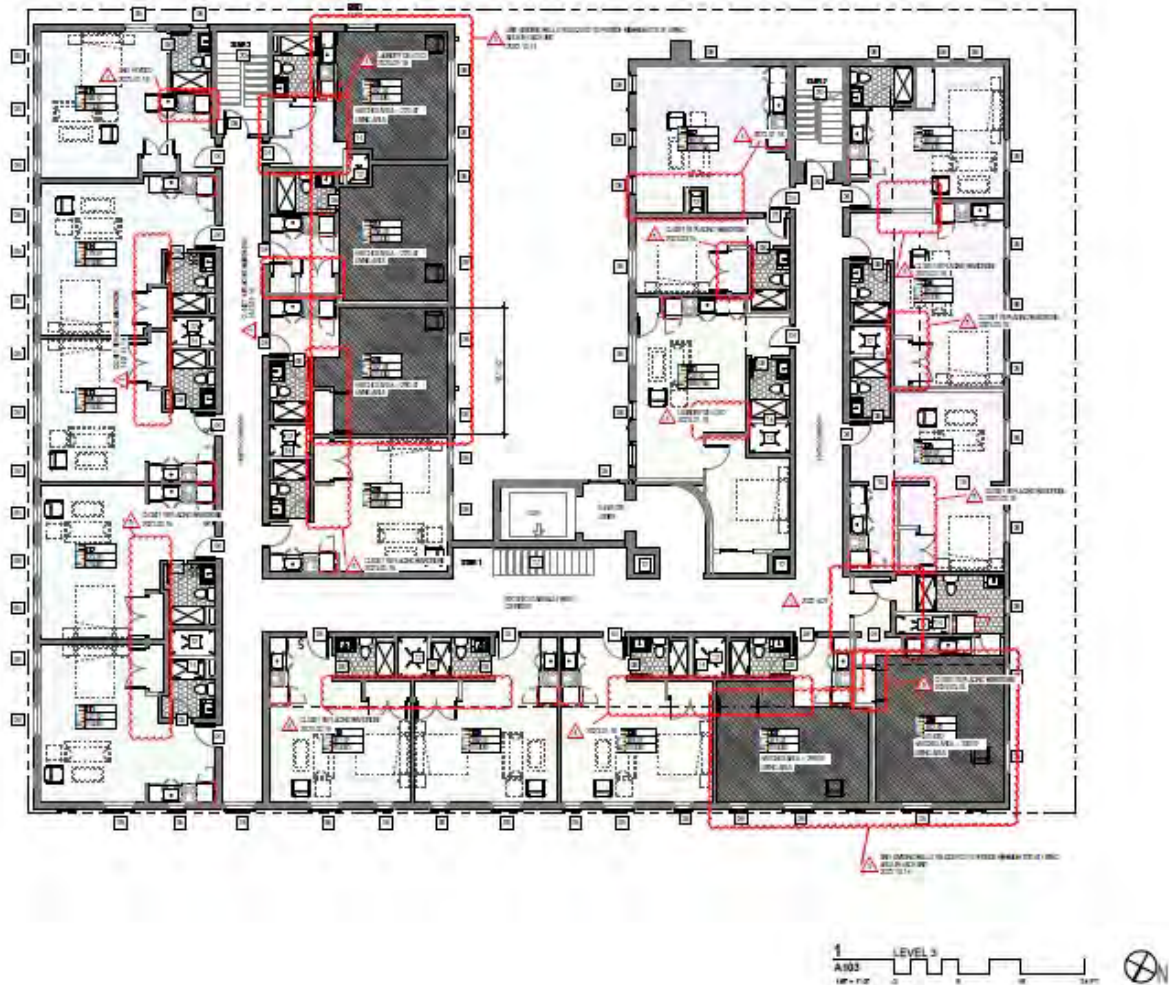
The building permit drawings are dated 8/1/2022. Some of the more relevant portions of the plans are shown on the following pages.

FLOORPLANS









SPACE MATRIX

Jennal's Sevilla LLC 115 N Jefferson St, Richmond, VA				
Unit Detail				
UNIT	Type	Floor	Unit Type	SF
101	1BR/1BA	Level 1	Residential	541
102	STUDIO	Level 1	Residential	432
103	STUDIO	Level 1	Residential	347
104	STUDIO	Level 1	Residential	422
105	1BR/1BA	Level 1	Residential	491
106	STUDIO	Level 1	Residential	529
107	1BR/1BA	Level 1	Residential	493
108	1BR/1BA	Level 1	Residential	489
109	1BR/1BA	Level 1	Residential	557
110	1BR/1BA	Level 1	Residential	556
COMM-1	COMMERCIAL	Level 1	Retail	827
COMM-2	COMMERCIAL	Level 1	Retail	415
COMM-3	COMMERCIAL	Level 1	Retail	415
COMM-4	COMMERCIAL	Level 1	Retail	735
COMM-5	COMMERCIAL	Level 1	Retail	415
201	1BR/1BA	Level 2	Residential	566
202	1BR/1BA	Level 2	Residential	591
203	STUDIO	Level 2	Residential	359
204	STUDIO	Level 2	Residential	410
205	1BR/1BA	Level 2	Residential	488
206	STUDIO	Level 2	Residential	509
207	STUDIO	Level 2	Residential	393
208	STUDIO	Level 2	Residential	402
209	STUDIO	Level 2	Residential	387
210	STUDIO	Level 2	Residential	382
211	STUDIO	Level 2	Residential	447
212	STUDIO	Level 2	Residential	443
213	STUDIO	Level 2	Residential	414
214	STUDIO	Level 2	Residential	435
215	STUDIO	Level 2	Residential	412
216	STUDIO	Level 2	Residential	377
217	STUDIO	Level 2	Residential	383
218	STUDIO	Level 2	Residential	384
219	STUDIO	Level 2	Residential	389
301	1BR/1BA	level 3	Residential	562
302	1BR/1BA	level 3	Residential	591
303	STUDIO	level 3	Residential	359
304	STUDIO	level 3	Residential	410
305	1BR/1BA	level 3	Residential	488
306	STUDIO	level 3	Residential	506
307	STUDIO	level 3	Residential	396
308	STUDIO	level 3	Residential	402
309	STUDIO	level 3	Residential	387
310	STUDIO	level 3	Residential	382
311	STUDIO	level 3	Residential	447
312	STUDIO	level 3	Residential	443
313	STUDIO	level 3	Residential	414
314	STUDIO	level 3	Residential	435
315	STUDIO	level 3	Residential	412
316	STUDIO	level 3	Residential	377
317	STUDIO	level 3	Residential	383
318	STUDIO	level 3	Residential	384
319	STUDIO	level 3	Residential	389

ELEVATIONS



1 W / JEFFERSON ST ELEVATION
A301
NOT TO SCALE



2 N / W GRACE ELEVATION
A301
NOT TO SCALE



1 EAST ELEVATION

A302
NOT TO SCALE



2 SOUTH ELEVATION

A302
NOT TO SCALE

7. RELEVANT DATES:

Relevant Dates	
Start Construction	11/1/2025
Complete Construction	9/30/2026
Months to Build	11
Pre-Lease Begins	8/1/2026
Months prior to completion	2
Pace	10
Units Pre-Leased	20
Units Total	48
Stabilized	46
Remaining Units	26
Months	2.59
Anticipated Date of Stabilization	12/17/2026

8. DESCRIPTION OF SUPPORTIVE SERVICES PROVIDED FOR RESIDENCES, IF PROVIDED.

Not Applicable

(Additional VHDA 2016 Market Study Guidelines; Project Description)

1. Construction Type – Proposed
2. Occupancy Type – Family
3. Special Needs Population – Not applicable
4. Structure Type – Adaptive reuse of historic structure
5. The subject is not a scattered site development
6. Site amenities – None.

IMPROVEMENT ANALYSIS AND CONCLUSIONS

Effective Age

“Effective age is the age indicated by the condition and utility of a structure and is based on an appraiser’s judgement and interpretation of market perceptions”. This may be different than a subject’s actual, or chronological age. Effective age estimate considers not only physical wear and tear but also functional and external considerations.

The subject is an adaptive reuse and will be new upon completion. Based on an observation of the property, there does not currently appear to be any functional obsolescence. The subject is new construction, and the effective age is 0± years upon completion.

Remaining Economic Life

Economic life is the period over which improvements to real property contribute to property value”. “¹Remaining economic life is the estimated period over which existing improvements are expected to continue to contribute economically to property value”.

The remaining economic life is calculated as the total economic life less the effective age of the subject. The subject has an economic life of 50 to 60 years. Therefore, considering the effective age is 0 years upon completion, the remaining economic life is 50 to 60 years.

Functional Utility

Architectural style and functional utility are interrelated and their combined effect on property value must be considered. The subject’s architectural style is a transitional low-rise garden apartment community. The subject’s architectural style is typical of the market for its respective property class status. The multifamily housing market is almost exclusively of this style type and therefore, we can conclude that the subject’s architecture is preferred by the market.

Functional utility is “the ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards. The efficiency of the building’s use in terms of architectural style, design and layout, traffic patterns, and the size and layout of the rooms”. ²Functional utility is the impairment of the functional capacity of a property or building according to market tastes and standard; equivalent to functional obsolescence because ongoing change makes layouts and features obsolete”.

The subject will be a 48-unit apartment complex with a mixture of studio and one bedroom units. The design and function are like other competing properties in the market. The quality is commensurate with that of similar type properties of similar age. The subject has a commensurate site amenity package with that of similar properties of similar age.

¹ Source: The Appraisal of Real Estate, 13th edition published by the Appraisal Institute; page 415

² Source: The Appraisal of Real Estate, 13th edition published by the Appraisal Institute; page 262

Property Rating

The Property Rating Sheet contained simply rates the subject relative to comparable properties located in the subject's competitive market. The elements of comparison considered in the Property Rating Sheet include; design and appearance, quality of construction, condition of improvements, room sizes/ layout, closets/ storage, appliances, unit amenities, site amenities and parking. Future multifamily properties are not expected to differ materially from current projects; hence, the subject is compared with the prevailing competition in the area, which, taken together, epitomizes a comparative standard for the local market. A *typical* rating is assigned a weight of four. Weights range from one through seven with the lower three corresponding to factors rated below typical and weights five through seven are above typical.

The following page displays a chart that itemizes the subject's attributes and rates the relative influence of each. The standard score for the major competition is 36, calculated by multiplying the 9 factors of comparability by each factor's average score of four.

Property Rating Sheet

Subject Apartment Building Rating									
Impact of Productivity	Inferior			Typical			Superior		
	High	Mod.	Slight	Average			Slight	Mod.	High
Design and appearance								x	
Quality of Construction								x	
Condition of Improvements								x	
Room Sizes/ Layout								x	
Closets/ Storage								x	
Appliances								x	
Unit Amenities								x	
Site Amenities				x					
Parking				x					
Number of Items	0	0	0	0	2	0	0	7	0
Times Category Score (weighting)	1	2	3		4		5	6	7
Subtotal Score									
Subtotal Score	0	0	0	0	8	0	0	42	0
Total Subject Score									50

The subject's score is 50, or 139% of the standard score which indicates the subject is in line to its respective market. The subject property ranked typical in 2 of the 9 categories considered and superior in the remaining categories. The subject did not rank inferior in any respect. The subject's improvements have an overall rating of superior as compared to other multifamily complexes located in the subjects PMA.

D. LOCATION

(Format derived from Version 3.0, Adopted 1/14/2013; Section D; Location; NCHMA)

I. SUBJECT SITE PHOTOGRAPHS AND ENVIRONS



Street Scene



Street Scene



Exterior



Exterior



Exterior



Exterior



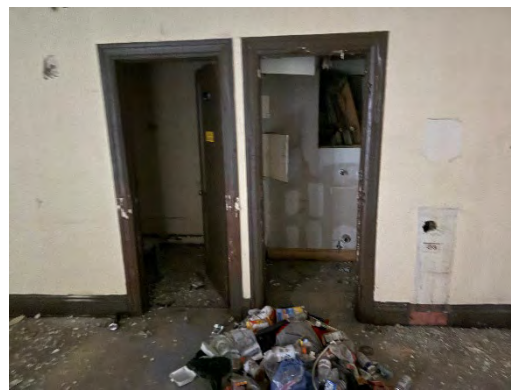
Interior



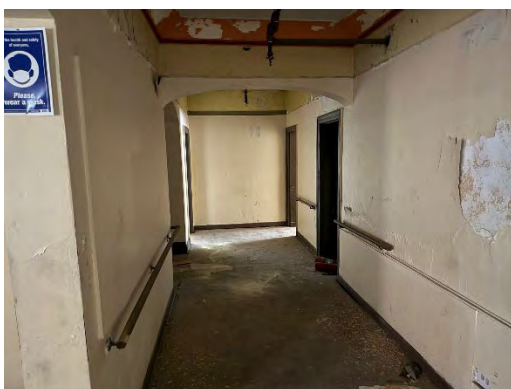
Interior



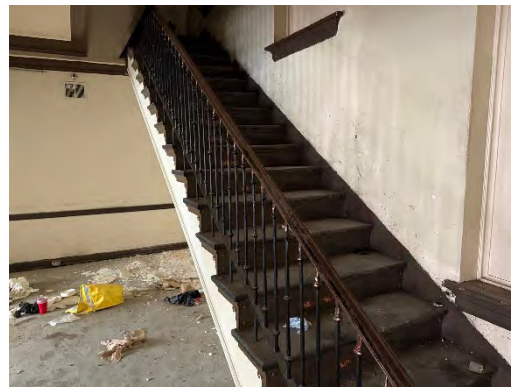
Interior



Interior



Interior



Interior



Interior



Interior



Interior



IMMEDIATE MARKET ENVIRONS



Proximate Development



Proximate Development



Proximate Development



Proximate Development

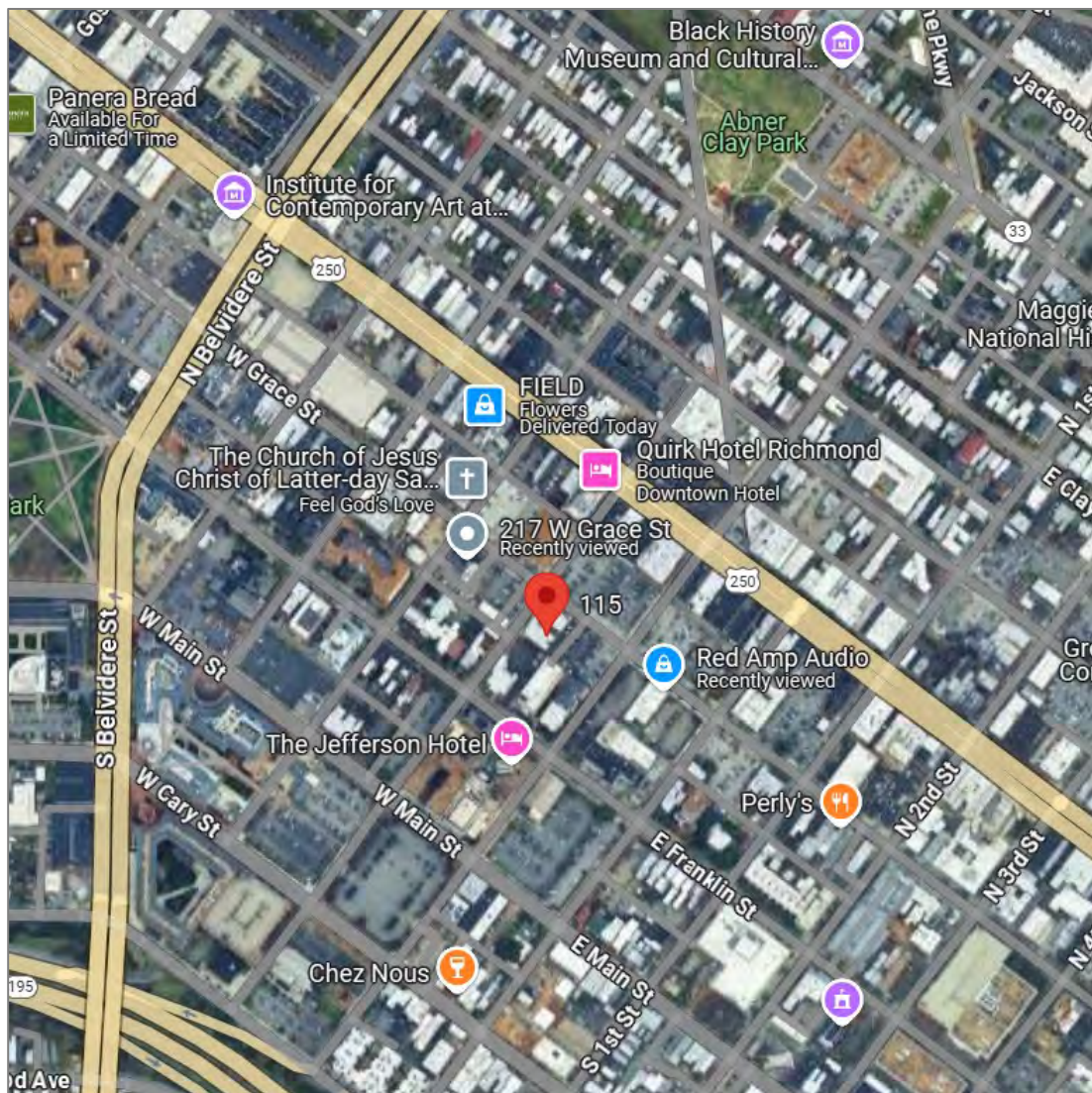
2. IDENTIFY LAND USES DIRECTLY SURROUNDING THE SUBJECT SITE(S)

Land uses in the immediate area are consistent with and complementary to the development. A brief description of immediate land uses in each direction is as follows;

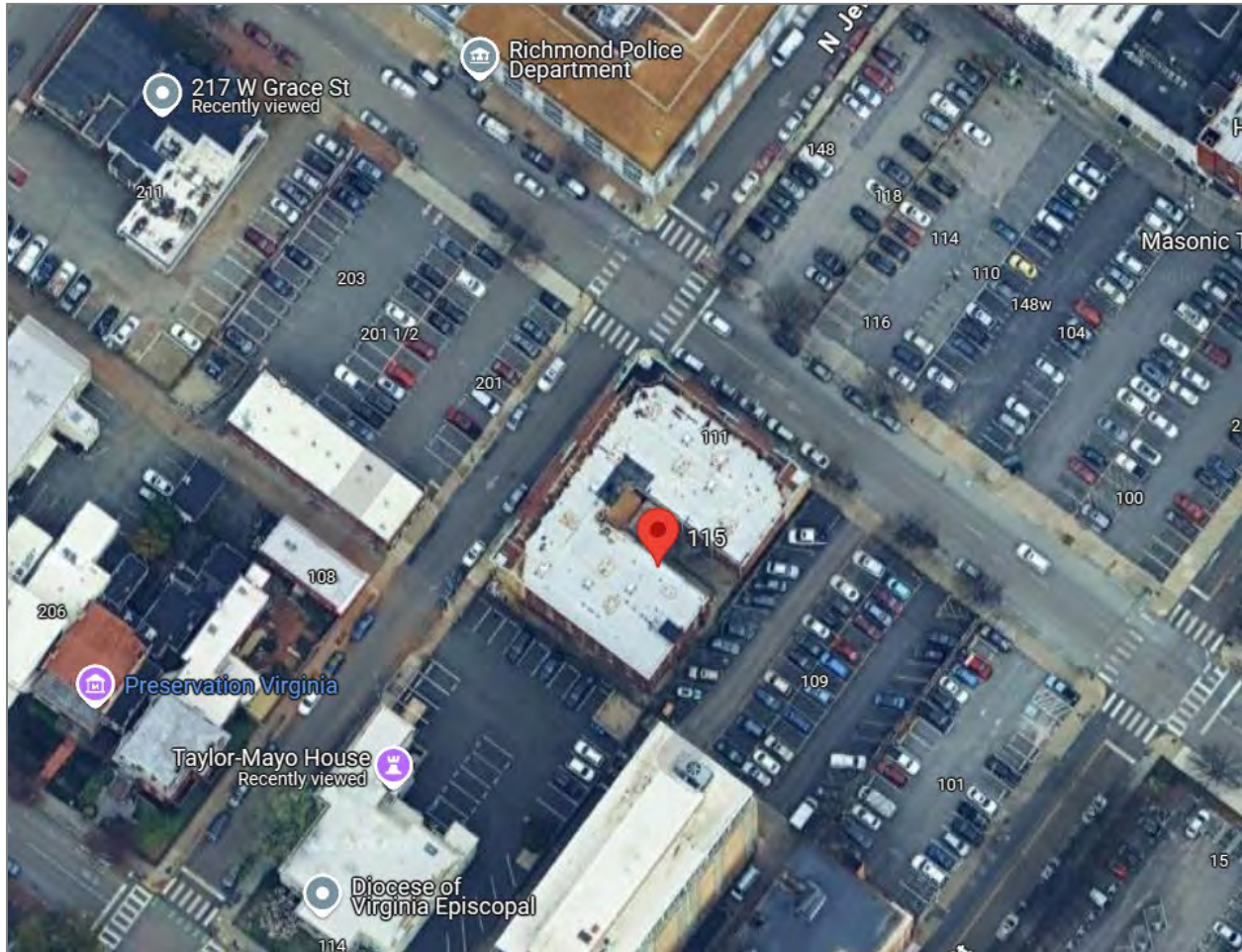
- North – Parking lot followed by a mixed use building
- South – Historic landmark, Taylor-Mayo House
- East – Parking lot followed by a mixed use building
- West – Parking lot followed by a historic house/ office

Existing land use patterns are expected to remain the same as the area undergoes modest development.

AERIAL VIEW OF LAND USES



3. MAP OF SUBJECT SITE



(North Orientation)

4. INGRESS/ EGRESS

Primary ingress/ egress is gained from N Jefferson and W Grace Streets. Overall access potential is considered adequate for the sites intended use.

5. DESCRIBE AND EVALUATE THE VISIBILITY OF THE SUBJECT SITE

The subject site has adequate visibility from several secondary surface streets. Visibility and access do not adversely affect the subjects' marketability. The subject site appears suitable for its proposed use.

6. PROVIDE ANALYSIS OF NEIGHBORHOOD AMENITIES;

The subject's neighborhood is in immediate proximity to a multitude of amenities including;

- Shopping/ Retail
- Schools
- Transportation linkages
- Medical services
- Places of worship

Retail Hubs

1. Carytown – Approximately 1.5 miles west

- Carytown is a vibrant retail district along Cary Street, known for its eclectic mix of over 230 shops, restaurants, and offices. It's a popular destination for both locals and tourists seeking unique shopping and dining experiences.

2. Shockoe Slip & Shockoe Bottom – Approximately 1 mile southeast

- These historic areas feature cobblestone streets lined with a variety of shopping and dining options, as well as elegant art galleries. They offer a blend of Richmond's rich history and modern commerce.

3. Arts District (Broad Street Corridor) – Approximately 0.5 miles north

- Stretching from the Institute for Contemporary Art to the Virginia State Capitol, the Arts District encompasses the Monroe Ward and Jackson Ward neighborhoods. It's a hub for artistic, cultural, civic, and commercial activities, featuring art galleries, eclectic dining, and shopping experiences.

4. Libbie & Grove – Approximately 5 miles west

- This charming shopping area is filled with unique specialty shops and restaurants, offering fashion, antiques, gifts, art galleries, and sidewalk cafes.

5. Stony Point Fashion Park – Approximately 7 miles southwest

- An upscale open-air shopping center featuring 90 specialty stores and high-end retailers such as Saks Fifth Avenue, Tiffany's, and Anthropologie.

6. Short Pump Town Center – Approximately 14 miles northwest

- A two-level, open-air retail center composed of over 140 upscale stores, including anchor stores like Dick's Sporting Goods, Dillard's, and Macy's.

Schools

Elementary Schools

- William Fox Elementary School
Grades: PK–5 | Distance: ~1.4 miles | GreatSchools Rating: 5/10
A well-regarded elementary school serving the local community.
- George W. Carver Elementary School
Grades: PK–5 | Distance: ~1.2 miles
Located in the Jackson Ward area, offering educational programs for early learners.

Middle Schools

- Binford Middle School
Grades: 6–8 | Distance: ~1 mile | GreatSchools Rating: 2/10
Serves students in the Monroe Ward and surrounding neighborhoods.
- Albert Hill Middle School
Grades: 6–8 | Distance: ~2.5 miles
Located in the Museum District, providing a range of academic programs.

High Schools

- Thomas Jefferson High School
Grades: 9–12 | Distance: ~2.9 miles | GreatSchools Rating: 3/10
A historic high school offering various academic and extracurricular activities.
- Open High School
Grades: 9–12 | Distance: ~1.2 miles
Known for its alternative education approach and smaller class sizes.

Specialty and Private Institutions

- Infant and Toddler Care of Metro Richmond
Located at 115 N Jefferson St., this facility offers early childhood education and care services. [Care.com](#)
- Maggie L. Walker Governor's School
Grades: 9–12 | Distance: ~1 mile
A regional magnet school focusing on government and international studies.

Transportation linkages

115 N Jefferson St. in Richmond, VA, boasts excellent connectivity to various transportation options, making it a convenient location for residents and visitors alike. Here's an overview of its proximity to key transportation linkages:

Public Transit Access

GRTC Pulse Bus Rapid Transit (BRT): The property is just one block away from the GRTC Pulse, Richmond's bus rapid transit line. This line runs along Broad and Main Streets, connecting Willow Lawn to Rockett's Landing with 14 stations, including stops at VCU, the Arts District, and Main Street Station. During peak hours on weekdays, buses arrive every 10 minutes, with reduced frequency during off-peak times.

Local Bus Routes: In addition to the Pulse, the area is served by several GRTC local bus routes, providing access to various parts of the city and surrounding areas.

Rail Services

Main Street Station: Located approximately 1 mile southeast of 115 N Jefferson St., Main Street Station offers Amtrak service with three daily Northeast Regional trains. These trains provide direct connections to cities like Washington, D.C., New York, and Boston. The station also serves as a stop on the GRTC Pulse line, enhancing its accessibility.

Staples Mill Road Station: Situated about 5 miles north in Henrico County, this is Richmond's primary Amtrak station, offering a broader range of services. While it's farther from downtown, it remains a vital rail hub for the region.

Roadway Connectivity

Interstate Access: The property benefits from proximity to major highways:

- **I-195 (Beltline Expressway):** Approximately 1 mile west, providing connections to I-64 and I-95.
- **I-64 and I-95:** Accessible via I-195, these interstates offer routes to various destinations, including Charlottesville, Washington, D.C., and beyond.

Downtown Expressway (SR 195): This toll road runs east-west through downtown Richmond, connecting the West End to I-95. It's a convenient route for reaching different parts of the city.

Airport Access

Richmond International Airport (RIC): Located about 10 miles east of downtown, RIC is accessible via the Downtown Expressway and I-64. GRTC Route 7B provides public transit service to the airport, connecting it to downtown Richmond.

In summary, 115 N Jefferson St. offers excellent access to public transit, rail services, major highways, and the airport, making it a well-connected location within Richmond.

Medical services

1. VCU Medical Center – Main Hospital

- **Address:** 1250 E. Marshall Street, Richmond, VA 23219
- **Distance:** Approximately 1 mile east
- **Overview:** A leading academic medical center offering comprehensive services, including emergency care, surgical specialties, and inpatient treatment.

2. Children's Hospital of Richmond at VCU

- **Address:** 1001 E. Marshall Street, Richmond, VA 23219
- **Distance:** Approximately 1 mile east
- **Overview:** Specializes in pediatric care, offering a range of services from general pediatrics to specialized treatments.

3. Richmond Community Hospital (Bon Secours)

- **Address:** 1500 N. 28th Street, Richmond, VA 23223
- **Distance:** Approximately 2.5 miles east
- **Overview:** Provides a variety of medical services, including emergency care, surgical services, and outpatient care.

4. Northside Medical Center (Capital Area Health Network)

- **Address:** 2809 North Avenue, Richmond, VA 23222
- **Distance:** Approximately 3 miles north
- **Overview:** Offers comprehensive primary medical care, utilizing the family practice model to serve patients throughout the clinical lifecycle.

5. VA Richmond Health Care Center

- **Address:** 1201 Broad Rock Boulevard, Richmond, VA 23249
- **Distance:** Approximately 4 miles south

- Overview: Provides a wide range of services to veterans, including primary care, mental health services, and specialty care.

6. Sheltering Arms Physical Rehabilitation Centers

- Location: Multiple locations in the Greater Richmond Region
- Overview: Specializes in rehabilitation and health services, offering in-patient care and case management services to assist patients and families with rehabilitation needs.

Given its central location, 115 N Jefferson St. offers convenient access to a variety of medical facilities, ranging from general hospitals to specialized care centers.

Places of worship

Cathedral of the Sacred Heart

- A historic Catholic cathedral built in 1906, known for its Renaissance Revival architecture and significant role in the Diocese of Richmond.

Congregation Beth Ahabah

- A Reform Jewish synagogue established in 1789, featuring a Neoclassical building completed in 1904 and housing the Beth Ahabah Museum & Archives.

Third Street Bethel A.M.E. Church

- An African Methodist Episcopal church built in 1857, notable for its Victorian Gothic architecture and historical significance.

City Church of Richmond

- A Presbyterian congregation that meets at Grace Covenant Presbyterian Church, offering services and community engagement in the Fan District.

Remnant Church RVA

- A contemporary Christian church with two locations, focusing on community groups and modern worship services.

7. COMMENT OF AVAILABILITY OF PUBLIC TRANSPORTATION.

The subject benefits from good availability of public transportation.

Nearby GRTC Bus Stops and Routes

Several GRTC bus stops are located within a short walking distance from 115 N Jefferson St., providing connectivity to key areas across Richmond:

- 9th & Main (Stop #181): Served by Routes 2A, 2B, 2C, 5, 64, and 82.
- Main & 11th (Stop #1607): Served by Routes 14, 29, 64, 82, and 95.
- Government Center Westbound Station (Stop #3517): Part of the GRTC Pulse Bus Rapid Transit (BRT) line, offering fast and frequent service between Willow Lawn and Rockett's Landing.

These stops are within approximately 0.5 to 0.7 miles from 115 N Jefferson St., making them easily accessible on foot.

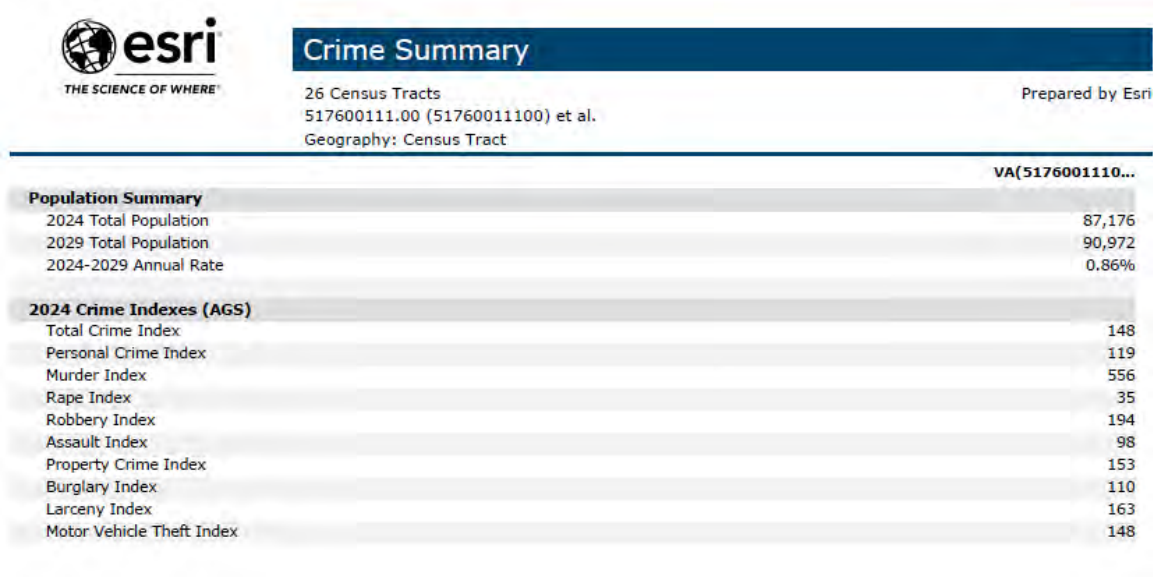
GRTC Pulse Bus Rapid Transit (BRT)

The GRTC Pulse is a flagship BRT line that provides efficient east-west transit across Richmond. The nearest Pulse station to 115 N Jefferson St. is the Government Center Station, located about 0.6 miles away. This line connects key destinations, including:

- Willow Lawn: A major shopping and dining area.
- Virginia Commonwealth University (VCU): A prominent educational institution.
- Downtown Richmond: The city's central business district.
- Rockett's Landing: A mixed-use community along the James River.

The Pulse operates with dedicated lanes and traffic signal priority, ensuring timely service.

8. CRIME



Data Note: The Crime Index is an indication of the relative risk of a crime occurring and is measured against the overall risk at a national level. Values above 100 indicate the area has an above average risk of occurring compared to the US. Values below 100 indicate the area has a below average risk of occurring compared to the US. The Crime Indexes provides an assessment of the relative risk of seven major crime types: murder, rape, robbery, assault, burglary, larceny, and motor vehicle theft. It is modeled using data from the FBI Uniform Crime Report and demographic data from the U.S. Census and Applied Geographic Solutions (AGS).

115 N Jefferson St. is situated in the Monroe Ward neighborhood of Richmond, VA. This area exhibits a mixed crime profile, with certain crime rates below national averages and others aligning more closely with citywide statistics.

Crime Overview for Monroe Ward

- **Safety Percentile:** Monroe Ward ranks in the 59th percentile for safety, indicating it is safer than 59% of U.S. neighborhoods .
- **Violent Crime:** The neighborhood has a slightly lower violent crime rate compared to the national average, earning a B- grade .

- Burglary: The burglary rate stands at approximately 0.95 incidents per 1,000 residents annually. Notably, the northwest section of Monroe Ward is considered the safest, with a burglary risk as low as 1 in 6,739, while eastern areas have a higher risk of about 1 in 323 .

Richmond Citywide Crime Statistics

- Overall Crime Rate: Richmond's total crime rate is 63.2% higher than the national average
- Violent Crime: The city experiences a violent crime rate of 3.69 per 1,000 residents, equating to a 1 in 271 chance of becoming a victim. This is slightly below the national median of 4 per 1,000 .
- Property Crime: Richmond reports a property crime rate of 39.25 per 1,000 residents, significantly higher than the national median of 19 per 1,000. This includes a notable rate of motor vehicle theft, with a 1 in 181 chance of occurrence .

9. PROVIDE CONCLUSION CONCERNING THE SUITABILITY OF THE PROPOSED SITE FOR THE PROPOSED USE.

The proposed site is adequately sized and shaped for the proposed development. See below site plan:

LOCATION ANALYSIS

As part of the location analysis, a competitive location rating of the area is prepared. This rating procedure has two steps. First, each submarket is compared with another area about various factors, and each element of comparison is rated in terms of a numerical score. The higher the rating assigned to an area, the higher its score. Second, the submarkets are ranked relative to one another using a calibrating process. The resulting scores are then totaled. A higher score identifies an area considered superior. The rating numbers will range from 1, being the worst, to 3 being the best.

Rating Factor	Subject	Manchester	The Fan
Proximity to Existing Development	3	3	3
Public Planning/ Development Support	3	3	3
Path of Growth	3	3	3
Reputation/ Prestige	3	3	3
Access/ linkages (now and future)	3	3	3
Schools	1	1	2
Restaurants/ Shopping	3	2	3
Employment Center	3	2	3
Higher Income Housing	2	3	3
Recreational Facilities	3	3	3
Aesthetics- natural features	3	2	3
Infrastructure- existing and committed	3	2	3
*Detrimental Influences	2	1	2
Score	35	31	37
% of Total Scores	90%	79%	95%

The subject's PMA is compared to the two closest PMAs. The subject scored 35 out of a possible 39, which equates to 90%. There are no known hazards, nuisances, or detrimental influences in the area. The subject's submarket appears to be suitable for low to moderate income housing.

E. MARKET AREA DEFINITION

(Format derived from Version 3.0, Adopted 1/14/2013; Section E; Market Area Definition; NCHMA)

I. DEFINE THE PRIMARY MARKET AREA

The definition of a market area for any real estate use is generally limited to the geographical area within which consumers will consider the available product alternatives to be relatively equal. Frequently, a primary area is defined where consumers will have the highest propensity to choose a specific product at a specific location, and a secondary area is defined where consumers are less likely to select a product at that location, but where demand from consumers will still be significant.

Time-Distance Concepts

Time distance relationships are often used to determine a subject's Primary Market Area (PMA). A PMA is the geographical area that the subject is expected to draw most of its tenant base from. Time distance concepts are simply the relationship between the time it takes, and distance one has to travel to get to their respective destination. This concept recognizes the relationship between where a tenant chooses to live and the distance to their respective destination. Some of the most important factors in a time-distance relationship include proximity to work, school, entertainment, or shopping.

Competitive Area (area over which equally desirable properties tend to compete with the subject)

After analyzing the time-distance relationship between the subject and employment and support facilities as well as the market area for competitive housing, the analyst concludes that the market area for the subject apartment project includes generally the northern portion of the City of Richmond.

Direct Survey Method

In employing the Direct Survey Method, we simply surveyed the existing competitive inventory to determine where they are drawing their residents from in terms of geographical location. Of those properties that participated in our survey, we found that approximately 90% of the residents are being drawn from an approximate 3-mile radius to their respective location. Accordingly, based upon our direct survey of the market, we can reasonably account for up to 90% of the dwelling units. Secondary market would make up the balance of the units, but our analysis only focuses on the PMA.

Commuting Patterns

Commuting patterns measure the daily travel between places of residence and places of work. To be classified as a commuter, a worker must cross at least one political boundary when traveling between work and home. This information facilitates the analyst in establishing the demarcations of the subject's PMA. It estimates where employment hubs are in proximity to employee's places of residence. By measuring the mean travel time to work, we can establish the PMA by simply approximating the distance traveled from home to work. This is a good foundation facilitating how far residents are willing to travel to work.

Commuting to Work (16+)	%
Less than 5 minutes	2.50%
5 to 9	11.00%
10 to 14	16.60%
15 to 19	25.30%
20 to 24	17.00%
25 to 29	6.00%
30 to 34	10.20%
35 to 39	1.90%
40 to 44	2.30%
45 to 59	3.00%
60 to 89	2.40%
90+	1.90%

Mean travel time to work (min.) 19.9

Approximately 89% of commuters have a commute time of less than the 35-minute mean travel time to work.

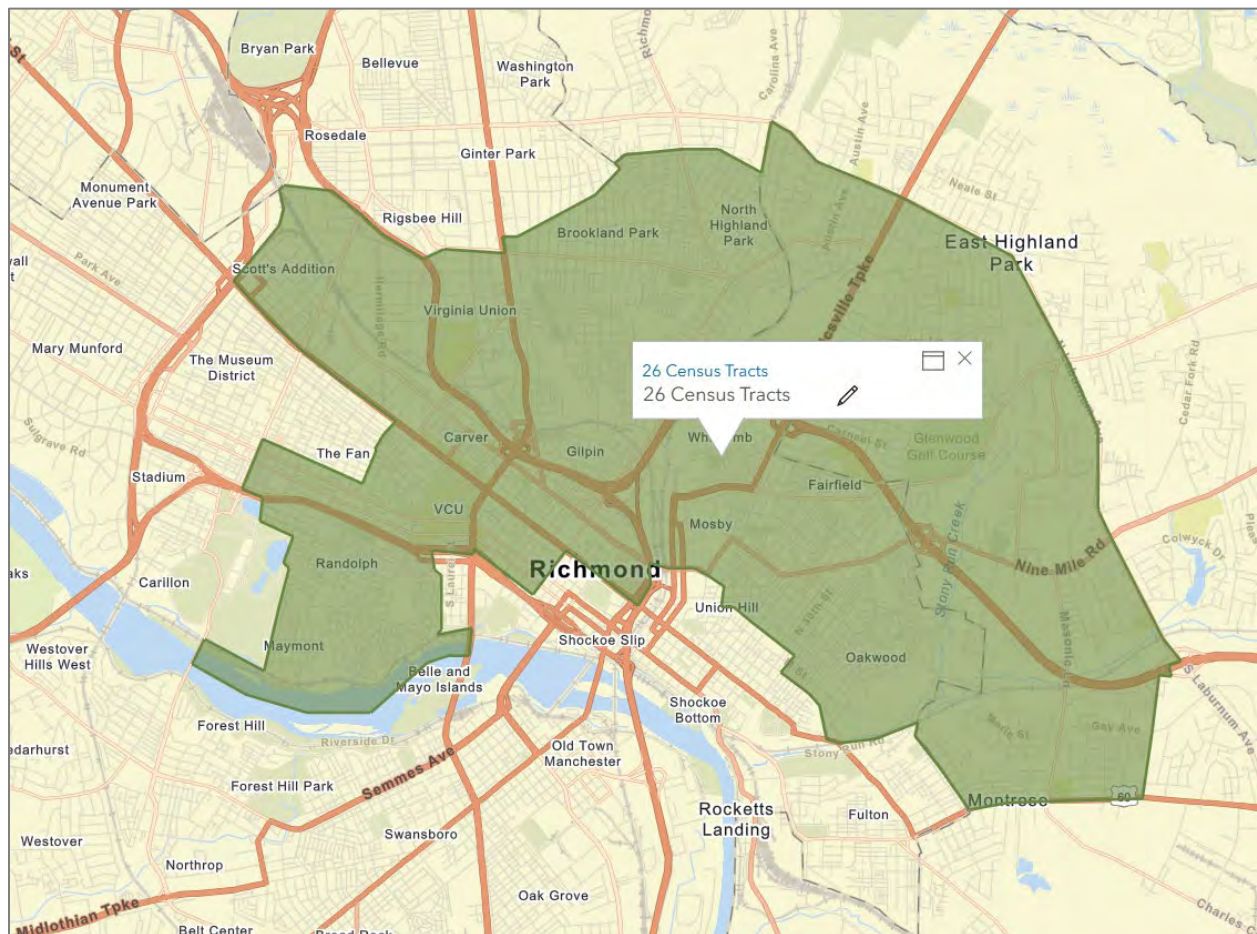
Conclusion

Based on field research and prior analysis of market conditions in the area, along with an assessment of population change and housing development, employment, transportation and geographic patterns, municipality definitions, housing stock conditions, and the location of competitive affordable housing, the effective primary market area for the subject is as follows;

Census Tracts	Jurisdiction
510872010.02	City of Richmond
510872010.03	City of Richmond
510872011.02	City of Richmond
510872011.04	City of Richmond
517600106.00	City of Richmond
517600107.00	City of Richmond
517600108.00	City of Richmond
517600109.00	City of Richmond
517600110.00	City of Richmond
517600111.00	City of Richmond
517600201.00	City of Richmond
517600202.00	City of Richmond
517600203.00	City of Richmond
517600204.00	City of Richmond
517600207.00	City of Richmond
517600209.00	City of Richmond
517600301.00	City of Richmond
517600302.00	City of Richmond
517600305.01	City of Richmond
517600402.01	City of Richmond
517600402.02	City of Richmond
517600403.00	City of Richmond
517600404.00	City of Richmond
517600411.00	City of Richmond
517600413.00	City of Richmond
517600414.00	City of Richmond

Secondary markets include concentric areas outward from previous boundaries determine. A Primary Market Area can further be examined on a macro and micro level. A macro-PMA is defined where consumers will have the highest propensity to choose a specific product at a specific location (as per the above stated definition) and demand may account for absorbing the vast majority of the proposed units. As previously stated, the subject properties macro-PMA is defined above. The micro-PMA examines relevant trends in the subject properties immediate market area. Because the area of study is significantly smaller than the macro-PMA, demand accounts for absorbing only a small portion of the units. Our micro-PMA includes the census tract in which the subject property is located. For illustrative purposes, we will often refer to demographic trends within the county only. We anticipate 30% of the units to be absorbed from the subject's micro-PMA; 60% to be absorbed by the subject's macro-PMA and the remaining 10% to be absorbed by secondary markets. Thus, we anticipate that by focusing on the subject's macro-PMA, we can reasonably account for 90% of derived demand.

2. A MAP OUTLINING THE SUBJECTS PRIMARY MARKET AREA (PMA) IS AS FOLLOWS;



The subject's PMA is defined in the above map. Land uses in the immediate area are consistent with and complementary to the subject's proposed development. In the immediate vicinity of existing residential, office, multifamily, and retail. There is a wide array of land uses in the subject's immediate market area.

F. EMPLOYMENT AND ECONOMY

(Format derived from Version 3.0, Adopted 1/14/2013; Section F; Employment and Economy; NCHMA)

I & 2 EMPLOYMENT BY INDUSTRY

The chart below considers the employment by industry for the area, which most closely approximates the subject's PMA, and the entire MSA. As demonstrated, the composition of employment by industry for the county is consistent with the composition of employment by industry for the entire MSA. This is a diverse industry base with no one sector that is dominating the job sector to the detriment of the rest.

Total Employment by Industry		
	Richmond City	% of Total
Agriculture, Forestry, Fishing and Hunting	18	0.01%
Mining, Quarrying, and Oil and Gas Extraction	42	0.03%
Utilities	187	0.11%
Construction	5,686	3.42%
Manufacturing	5,207	3.13%
Wholesale Trade	3,982	2.39%
Retail Trade	7,457	4.48%
Transportation and Warehousing	3,981	2.39%
Information	1,244	0.75%
Finance and Insurance	9,190	5.53%
Real Estate and Rental and Leasing	4,714	2.83%
Professional, Scientific, and Technical Servi	11,438	6.88%
Management of Companies and Enterprises	8,860	5.33%
Administrative and Support and Waste Management	12,147	7.30%
Educational Services	3,985	2.40%
Health Care and Social Assistance	25,826	15.53%
Arts, Entertainment, and Recreation	2,819	1.69%
Accommodation and Food Services	12,405	7.46%
Other Services (except Public Administration)	5,627	3.38%
Government Total	41,500	24.95%
Total, All Industries	166,315	100%

3. HISTORICAL UNEMPLOYMENT RATE

Unemployment rates in the city have historically been higher than the state and consistent with US levels.

Year	Richmond City	VA	US
2013	6.60%	5.60%	7.40%
2014	6.00%	5.10%	6.20%
2015	5.10%	4.40%	5.30%
2016	4.60%	4.00%	4.90%
2017	4.30%	3.70%	4.40%
2018	3.60%	3.00%	3.90%
2019	3.30%	2.80%	3.70%
2020	9.10%	6.40%	8.10%
2021	5.30%	3.90%	5.30%
2022	3.30%	2.80%	3.60%
2022	3.50%	2.90%	3.60%

Unemployment rates at the city, state and national levels have been trending downwards. Unemployment rates in the city have maintained their lower levels than state and national levels.

Month/ Yr.	Richmond City	VA	US
Nov-23	3.50%	2.90%	3.50%
Dec-23	3.30%	2.70%	3.50%
Jan-24	3.30%	2.70%	4.10%
Feb-24	3.50%	2.90%	4.20%
Mar-24	3.00%	2.40%	3.90%
Apr-24	2.80%	2.30%	3.50%
May-24	3.20%	2.70%	3.70%
Jun-24	3.60%	3.00%	4.30%
Jul-24	3.90%	3.30%	4.50%
Aug-24	4.20%	3.50%	4.40%
Sep-24	3.70%	3.10%	3.90%
Oct-24	3.40%	2.90%	3.90%
Nov-24	3.50%	3.00%	4.00%

Monthly trends have been consistent with years past.

4. AREA MAJOR EMPLOYERS

PMA MAJOR EMPLOYER LIST (by order of number of employees)

(Non Retail)

Employer Name	Jurisdiction	Industry Sector
VCU	City of Richmond	Educational
MCV Hospital	City of Richmond	Medical
City of Richmond	City of Richmond	Government
Richmond City Public Schools	City of Richmond	Educational
US Department of Veterans Affairs	City of Richmond	Government
HCA Virginia Health System	City of Richmond	Medical
BB&T Corp	City of Richmond	Financial
MCV Physicians	City of Richmond	Medical
Federal Reserve Bank, Richmond	City of Richmond	Government
University of Richmond	City of Richmond	Educational

5. COMMENT OF RECENT OR PLANNED MAJOR EMPLOYMENT EXPANSIONS.

Richmond, Virginia, is experiencing significant economic growth, with numerous major employment expansions announced or underway across various sectors. Here are some of the most notable developments:

Major Manufacturing & Industrial Expansions

- LEGO Group: Investing \$1 billion in a 1.7-million-square-foot factory in Chesterfield County, expected to create 1,760 jobs. Although production was initially slated for 2025, it has been delayed to 2027.
- Plenty Unlimited: Opened the world's first indoor vertical berry farm in Chesterfield County in 2024. The \$300 million facility will produce over 4 million pounds of strawberries annually and create 300 jobs.
- Condair Group AG: Established a \$57 million, 400,000-square-foot production facility in Chesterfield County, adding 180 jobs.
- Topsoe: Announced a \$400 million investment to build a 280,000-square-foot facility in Chesterfield County for manufacturing Solid Oxide Electrolyzer Cells, creating 150 jobs.
- Commonwealth Fusion Systems: Planning to build the world's first grid-scale fusion power plant in Chesterfield County, a multi-billion-dollar project expected to create hundreds of jobs and be operational by the early 2030s.

Corporate & Office Developments

- CoStar Group: Continuing construction of its \$460 million, 750,000-square-foot corporate campus in downtown Richmond, projected to bring 2,000 new jobs.
- Haleon (Advil, Tums, Sensodyne): Investing \$54.2 million to upgrade its research and development facility in Richmond, expected to create more local jobs and establish the region as a key player in the pharmaceutical industry.

Distribution & Logistics Growth

- SanMar Corporation: Investing at least \$50 million to establish a 1.1-million-square-foot distribution operation in Hanover County, creating 1,000 jobs.
- Tucker Door & Trim: Investing \$10 million to establish a manufacturing and assembly operation in Henrico County, creating 50 new jobs.

Data Centers & Tech Infrastructure

- Tract: Received zoning approval for a 1,200-acre data center campus in Hanover County, potentially accommodating up to 9 million square feet across multiple campuses.
- Hourigan: Planning to expand White Oak Technology Park in Henrico County, which could support up to 13 data centers, making it Virginia's second-largest industrial park.

Education & Research

- Virginia Commonwealth University (VCU): Surpassed \$500 million in sponsored research funding in 2024, marking a 9% increase from the previous year and reflecting the university's growing national prominence.

These developments underscore Richmond's dynamic economic landscape, characterized by significant investments in manufacturing, technology, logistics, and research sectors.

6. IN RELEVANT MARKETS, COMMENT OF AVAILABILITY OF AFFORDABLE HOUSING

Primary for employees of businesses and industries that draw from PMA.

Not Applicable

7. TYPICAL WAGES BY OCCUPATION

As of May 2023, the Richmond, VA Metropolitan Statistical Area reported an average hourly wage of \$30.55, which translates to approximately \$1,222 per week for full-time workers (based on a 40-hour workweek). This figure is about 3% below the national average hourly wage of \$31.48.

Average Weekly Wages by Major Occupational Group in Richmond (May 2023)

The following table provides the mean hourly wages and their corresponding estimated weekly wages for major occupational groups in the Richmond area:

Occupational Group	Mean Hourly Wage	Estimated Weekly Wage
Management	\$66.84	\$2,674
Business and Financial Operations	\$41.76	\$1,670
Computer and Mathematical	\$52.10	\$2,084
Architecture and Engineering	\$43.99	\$1,760
Life, Physical, and Social Science	\$40.32	\$1,613
Community and Social Service	\$28.52	\$1,141
Legal	\$58.64	\$2,346
Educational Instruction and Library	\$29.52	\$1,181
Arts, Design, Entertainment, Sports, and Media	\$30.79	\$1,232
Healthcare Practitioners and Technical	\$46.67	\$1,867
Healthcare Support	\$17.37	\$695
Protective Service	\$26.46	\$1,058
Food Preparation and Serving Related	\$16.40	\$656
Building and Grounds Cleaning and Maintenance	\$16.97	\$679
Personal Care and Service	\$17.91	\$716
Sales and Related	\$25.58	\$1,023
Office and Administrative Support	\$22.47	\$899
Farming, Fishing, and Forestry	\$20.60	\$824
Construction and Extraction	\$25.44	\$1,018
Installation, Maintenance, and Repair	\$27.21	\$1,088
Production	\$22.49	\$900
Transportation and Material Moving	\$21.48	\$859

8. COMMUTING PATTERNS

Commuting patterns measure the daily travel between places of residence and places of work. To be classified as a commuter, a worker must cross at least one political boundary when traveling between work and home.

Commuting Patterns	Persons
People who live and work in area	34,011
In-Commuters	120,669
Out-Commuters	56,171
Net In-Commuters	64,498

There are approximately 34,011 people who reside and work in the city. The total number of persons commuting into the city is more than those that commute out of the City by approximately 64,498 persons.

Commuting patterns in the Richmond, Virginia area reflects a dynamic blend of urban, suburban, and regional travel behaviors, influenced by infrastructure developments, remote work trends, and regional economic shifts. Here's an overview of the current commuting landscape:

Average Commute Times & Driving Trends

- **Average Commute Duration:** Richmond ranks among the top U.S. cities for commuters, with an average one-way commute of 25 minutes over 8.7 miles.
- **Traffic Congestion:** In 2023, Richmond drivers experienced an average increase of two hours and 14 minutes in annual commute time compared to the previous year, according to TomTom data.

Public Transit & Carpooling

- **GRTC Pulse Expansion:** The Greater Richmond Transit Company (GRTC) is expanding its Bus Rapid Transit (BRT) system, the Pulse, to accommodate growing demand. Plans include station modifications and the introduction of larger buses to increase capacity.
- **Carpooling Statistics:** As of December 2024, approximately 6.9% of Richmond commuters carpoolled with one other person, while 2.9% carpoolled with two others.

Remote Work & Long-Distance Commuting

- **Remote Work Prevalence:** In 2023, about 16.6% of Richmond's workforce, equating to approximately 110,000 employees, worked remotely. This trend is particularly common among college-educated millennials in professional and business services sectors.
- **Super Commuters to D.C.:** An increasing number of Richmond residents are undertaking long commutes to Washington, D.C., often traveling three hours round-trip. This shift is driven by housing affordability in Richmond and the flexibility of hybrid work arrangements.

Active Transportation & Micro-Mobility

- **Cycling Infrastructure:** Richmond has been recognized as one of the best cities in Virginia for cycling, with ongoing efforts to improve bike lanes and promote cycling as a viable commuting option.
- **E-Scooter Availability:** The introduction of Spin's electric scooters has expanded micro-mobility options in Richmond, including underserved areas like South Richmond, enhancing last-mile connectivity.

Richmond's commuting landscape is evolving, with significant investments in public transit, a notable shift towards remote work, and the adoption of alternative transportation modes.

9. CONCLUSIONS

The market should continue to grow at a moderate and deliberate pace. The growth will continue to be fueled by the public sector and Richmond MSA growth. The area will continue to be an attractive business location due to; good location, quality labor supply, and diverse and deep corporate community with global reach.

The velocity of economic activity varies dramatically from an impending upsurge in some submarkets to continued softness in others. The City of Richmond is an economically viable market.

As of early 2025, Richmond, Virginia, demonstrates a robust and dynamic economic landscape, characterized by steady employment growth, sectoral diversification, and strategic development initiatives.

Employment Trends

- **Job Growth:** Between March 2023 and March 2024, Richmond city experienced a 2.7% increase in employment, totaling 164,427 jobs .
- **Unemployment Rate:** As of February 2025, the unemployment rate in the Richmond metropolitan area stood at 3.3%, slightly higher than the previous month but below the long-term average of 4.38% .

Key Economic Sectors

- **Education and Health Services:** This sector led job growth, adding 9,300 positions over the year, with health care and social assistance contributing 7,900 of these jobs .
- **Professional and Business Services:** A significant contributor to employment, this sector reflects Richmond's strengths in law, finance, and government services .
- **Technology:** Richmond is emerging as a tech hub, attracting companies in education technology and healthcare sectors, bolstered by its affordability and collaborative community .

Economic Development Initiatives

- **Enterprise Zones:** In FY 2023, Virginia extended Richmond's enterprise zones for another five years, awarding nearly \$1.4 million to local projects aimed at revitalization and equitable development .
- **Major Investments:** The city has seen significant investments, including the construction of a \$1 billion LEGO manufacturing plant, contributing to job creation and economic diversification.

Economic Outlook

Richmond's economy is on an upward trajectory, with strategic investments and sectoral growth positioning the city as a competitive and attractive location for businesses and workers alike. The combination of a skilled workforce, supportive economic policies, and a focus on innovation underpins this positive outlook.

G. DEMOGRAPHIC CHARACTERISTICS

(Format derived from Version 3.0, Adopted 1/14/2013; Section G; Demographic Characteristics; NCHMA)

POPULATION AND HOUSEHOLD ESTIMATES AND PROJECTIONS

General Population Trends

The population for the subject's PMA increased approximately 12% between 2010 and 2024. The total population for the PMA is estimated at 90,972 in 2029 which represents an annual 0.87% growth rate over the next 5 years. This change in population over this time span is considered moderate and thus we can conclude that the population in the subject's PMA is growing at a constant and deliberate pace.

General Population Trends			
Year	No.	% Change	Annual % Change
2010	77,925	Base Year	Base
2024	87,176	11.87%	0.91%
2029 (est)	90,972	4.35%	0.87%

Population by Age

Population By Age	2024	%	2029 (est)	%
0-4	4,272	4.90%	4,185	4.60%
5-9	3,923	4.50%	3,639	4.00%
10-14	3,400	3.90%	3,548	3.90%
15-24	21,794	25.00%	22,106	24.30%
25-34	18,568	21.30%	18,103	19.90%
35-44	10,293	11.80%	12,190	13.40%
45-54	6,893	7.90%	7,733	8.50%
55-64	7,677	8.80%	7,096	7.80%
65-74	6,277	7.20%	7,005	7.70%
75-84	2,877	3.30%	3,730	4.10%
85+	1,133	1.30%	1,274	1.40%
Total	87,176	100%	90,972	100%
Below 35		59.60%		56.70%

As indicated above, approximately 57.10% of the population is 35 years of age or younger, which is the typical age range for an apartment dweller. There does not appear to be any significant shifts in the age composition of the population over our survey period.

General Housing Trends

To take a more detailed look at the average and projected household size, we will take a closer look at the components of this equation; housing trends and population in households.

Housing Trends; PMA					
Year	Population in HH	Households	Housing Units	Persons per HH	Occupancy %
2020	76,084	35,388	39,144	2.15	90%
2024	79,413	37,459	41,476	2.12	90%
2029 (est)	83,063	40,322	44,298	2.06	91%

Household Trend Analysis				
Year	Number	Growth Rate (%)		
	Total	Annual	Total	Annual
2020-2024	2,071	414	5.85%	0.45%
2024-2029	2,863	573	7.64%	1.53%

Housing Unit Trend Analysis				
Year	Number	Growth Rate (%)		
	Total	Annual	Total	Annual
2020-2024	2,332	466	5.96%	0.46%
2024-2029	2,822	564	6.80%	1.36%

Housing Trends in macro-PMA

- Persons in occupied housing units increased over our survey period
- Households increased over our survey period.
- Housing units increased over our survey period.
- Persons per HH was 2.15 in 2020 and decreased to 2.12 in 2024 and is expected to decrease to 2.06 by 2029.
- Occupancy rates have generally remained level.

In almost every market, rural and urban, there has been a decline in the household size since 1960 because of several sociological factors including smaller families, fewer extended or three generation families, greater number of divorces and single parents, increased personal longevity yielding more elderly, one- and two-person households, etc. (By definition, the minimum household size is 1.0.). The PMA is no exception to this trend.

Households by Tenure

Owner/ Renter Occupancy in PMA

	2020	%	2024	%	2029 (est)	%
Owner	11,735	30%	12,693	31%	13,428	30%
Renter	23,653	60%	24,766	60%	26,894	61%
Vacant	3,756	10%	4,017	10%	3,976	9%
TOTAL:	39,144	100%	41,476	100%	44,298	100%

Households	35,388	37,459	40,322
*Adj Renter %	67%	66%	67%

*- nets out vacant households

Based upon information provided by the Site to do Business, the ratio of renters to owners in the subject PMA has remained relatively level over our survey period. This ratio is expected to increase by about one percent over the next five years. The ratio of multifamily households is approximately 38%, after netting out vacant households.

DISTRIBUTION OF INCOME

Income Restrictions

Establishing the factor to identify which target households are eligible by income requires the definition of the limits of the affordable income range. The following table presents the data used in the MSA market in deriving these ranges. The upper limit is constrained using HUD income limits adjusted for household size. This analysis converts household size into bedroom mix using maximum reasonable occupancies, given the household size distribution. Therefore, the expected household size average of an EFF is 1 person; 1 BR is 1.5 persons; 2 BR is 3 persons, and a 3 BR is 4.5 persons, etc.

Pertaining to the affordable units; the affordability range, including the lower limits, for the analysis, is estimated using expenditure patterns reflecting what consumers typically pay for housing. The lower limits are typically established by assuming a household can reasonably afford to pay no more than **35%** of its income for gross housing expenses, including utilities and maintenance. (The most recent Consumer Expenditure Survey (CEX) by the Census Bureau indicates that the average cost paid by U.S. households is around 38%). The upper limits are established using the HUD limits referred to above.

The analysis is contained on the following page.

The first of two income band tables below consider the subject as all LIHTC units and the second considers the project-based voucher units. The income bands are as follows;

INCOME LIMIT DERIVATION		
PMA		
LIHTC		
Income/Rent Restriction	60%/ 60%	60%/ 60%
Unit Type (No. of BR's)	Studio	1x1
No. of Units	36	12
No. of PBV Units (assuming all LIHTC)	0	0
Proposed Rents	\$1,193	\$1,277
UTILITY ALLOWANCE	0	0
GROSS RENTS	\$1,193	\$1,277
Annual Rent	\$14,310	\$15,327
Incomes needed to Support Gross Rents (with no subsidy component considered)	\$40,886	\$43,791
Proportion of Units Eligible for Restrictions Eligible Households:	100%	100%
Eligible Income, Upper Limit @ 30% of AMI		
Eligible Income, Upper Limit @ 50% of AMI		
Eligible Income, Upper Limit @ 60% of AMI	\$47,700	\$51,090
Eligible Income, Upper Limit @ 80% of AMI		
Maximum Tax Credit Eligible Gross Rents (30%)		
Maximum Tax Credit Eligible Gross Rents (50%)		
Maximum Tax Credit Eligible Gross Rents (60%)	\$1,192.50	\$1,277.25
Maximum Tax Credit Eligible Gross Rents (80%)		
Target Income Ranges:	\$40,886	\$43,791
to	\$47,700	\$51,090

The rent level, the resulting affordability limits, and the income distribution among the lower income households in the market, create a segment for family households. The income range for a rental project is illustrated in the above tables.

It is possible that some households, with higher incomes and larger family sizes, could qualify for units, and that some smaller households will also qualify for the bedroom units or choose to pay more than 35% of their income for housing. However, this range is estimated to include the bulk of the potential tenants. This analysis uses the income distributions for family households in the subject's PMA as the income standard, not the MSA. The inclusion of other county/ city households within the PD may skew the market area medians and result in an inaccurate estimation of demand.

AFFORDABILITY

The affordability index quantifies the number of households that fall within the income range established in the previous table. Those households that fall within the income range can afford the proposed product. Within this analysis, we have assumed an even-spread of households throughout the income range. The affordability indexes are as follows;

Household Income Distribution; PMA					Overall	Studio	IBR
Household Income Range		% of HH	# of HH			60%	60%
\$0	to	\$14,999	25%	6,192			
\$15,000	to	\$24,999	13%	3,220			
\$25,000	to	\$34,999	11%	2,724			
\$35,000	to	\$49,999	14%	3,467	2,107	2,107	1,435
\$50,000	to	\$74,999	15%	3,715	162		162
\$75,000	to	\$99,999	10%	2,477			
\$100,000	to	\$149,999	7%	1,734			
\$150,000	+		5%	1,238			
Renter HH					2,269	2,107	1,597
Min Income					\$40,886	\$40,886	\$43,791
Max Income					\$51,090	\$47,700	\$51,090
Affordability Index					9%	9%	6%

The overall affordability index is 9% for all units. The affordability index is simply the ratio of renter qualified households by the total number of renter households. The affordability index is further segmented by bedroom as demonstrated in the above table.

Adjust for Normal Vacancy

At any given time, some units will be vacant because of seasonal occupancy or the need to refurbish units. A vacancy rate of about 5% is often applied to the demand forecast to reflect a market in equilibrium. In non-valuation studies, such as a feasibility analysis for proposed construction, this adjustment is used to estimate the supportable project size. We have made a 5% allowance in our analysis.

Demand Generators

Marginal demand for real estate is typically of function of two basic indices; Changes in Population and Trends within the Existing Housing Inventory. Within each category, various demand generators are present. A brief description of each form of marginal demand is described below.

Change in population

Initially, the change in population is the primary component which drives household demand. As population increases/ decreases, the demand for housing increases/ decreases relative to household size. If average household size remains constant, as population increases, the demand for households also increases. Conversely, if population decreases, the demand for

households decreases. The change in population has the potential of increasing/ decreasing overall household demand. This form of demand is new demand.

Existing Inventory

Movership demand and latent demand (often referred to as “pent-up” demand)

Movership demand is simply a form of trending within the existing household inventory. Movership demand is created as the existing inventory of housing shifts into/ out of the subject’s target qualification criteria. Movership demand is demand generated by the upward/ downward mobility of lower/ upper-income households. If move-up demand exceeds move-down demand, then a positive “net” demand is created. This marginal demand estimate can be added to or subtracted from the existing demand, thus increasing/ decreasing overall demand. If move-down demand exceeds move-up demand, then a negative “net” demand is created. This marginal demand estimate is subtracted from the existing demand, thus decreasing overall demand.

Latent demand, which is also referred to as pent-up demand, typically results from underbuilding in an area. If, over the last several years, rental building has not kept pace with the population increase and, more importantly, the percentage of the population desiring (or needing) rental units that had been forecast to increase, latent demand might be present.

During our analysis, we have estimated that “latent” demand will be generated from five sources; existing unmet demand (existing demand exceeds existing supply), cost burden renters, substandard households, waiting lists and conversions.

- Existing Demand may be present if current demand for a product exceeds the current supply for a product type.
- Family/ Elderly Cost Burden Renters are those renters that are spending more than 35%/ 40% of their income for housing costs.
- Substandard Households are those households that have incomplete kitchen facilities, incomplete plumbing facilities or more than one person per room.
- Waiting lists is a form of pent-up demand in which a tenant (demand) must wait for a residential unit (supply).
- Conversions are simply those that reside in one form of housing and may convert to another form of housing. Most commonly this occurs between homeowners and renters.

If latent demand exists, then it always represents a positive adjustment to existing demand.

Adjust for Movership Demand

As previously discussed, movership demand is created from trending within the existing inventory.

Trends

Based upon our analysis, we anticipate that “move-up” gains are expected to mostly be cancelled out from “lateral- losses” and thus a 0% additional demand is generated from trending.

Adjust for Latent Demand

Our analysis indicates that the current demand for the subject exceeds the current supply and therefore, a positive residual demand exists.

Cost Burden Renters are those renters that spending more than 35% of income for housing costs. Based upon information provided by the US Census Bureau, approximately **42%** of renter households in the subject PMA are considered cost burden households.

Substandard Households are those households that have incomplete kitchen facilities, incomplete plumbing facilities or more than one person per room. Based upon information provided by the US Census Bureau, approximately **1%** of renter households are considered substandard households.

We have estimated that **around 43%** of *current* renter households are a combination of cost burden and substandard households. Not all the cost burden households and substandard households will qualify for the subject; however, more than the average affordability index will qualify given that the subject is designed to cater to this household segment. Therefore, we have estimated the affordability index at **50%** for this household segment. The balance of those households that would not qualify would likely remaining in their current house or find housing with a deeper form of subsidy.

H. COMPETITIVE ENVIRONMENT

COMPARABLE PROPERTY PROFILES

The first part of the analysis calls for an inventory of available and anticipated competitive supply. Quantitative supply data can be obtained from many sources. The most common sources include; costar, Carolina real data, and various online websites.

In the second part of the supply analysis, a quantitative ranking of competitive apartments is developed. We relied on judgment to complete the quantitative survey and rate the subject against the competition.

EXISTING STOCK OF COMPETITIVE PROPERTIES

Predominate type of development and conformity.

The predominately type of development in the subject's PMA is residential in nature. The multifamily inventory is typically garden style walk up communities. The subject will be a Class A community and is anticipated to have a moderate degree of conformity with other Class A and B projects in the PMA.

Existing Properties

Using quantitative data obtained from municipal lists of existing apartments and unit totals, we estimated the multifamily inventory within the subject's PMA at approximately 1,734 multifamily units (including LIHTC units). Not all these units are competitive with the subject. Some units are occupied by tenants with household incomes above or below the range specified for the subject. The subject will be a family oriented LIHTC property and only other family oriented LIHTC properties are expected to compete with the subject. Therefore, we have conducted a survey on the existing inventory of family oriented LIHTC properties contained in the subject's PMA.

Planned Projects

We are not aware of any new LIHTC projects coming online in the subject's PMA, which are currently under construction or in the planning phase. Based upon conversations with city/ county officials and housing trends, a total allowance of 500 competitive new dwelling units is estimated within the subject's PMA over the mid-range forecast (5 years;).

The lending market for multifamily properties in Richmond, VA in 2024–2025 reflects a broader national trend shaped by rising interest rates, cautious underwriting, and shifting investor sentiment.

ANALYSIS OF COMPETITIVE SUPPLY AND RATING OF THE SUBJECT AGAINST THE COMPETITION

To obtain an inventory of apartment projects that are competitive with the subject, the noncompetitive properties must be segmented out from the existing and anticipated supply. In this step, noncompetitive supply is identified in the rating process. We have rated apartment complexes in the subject's PMA in terms of three major criteria: location, age/ condition, and amenities.

- **Location**
Each of the areas where apartment communities are clustered was assigned a rating on a scale of 1 to 3; the better the location within the PMA, the higher the rating.
- **Age/ Condition**
The age/ condition of the apartment complexes was rated 1 to 3. The older complexes received a lower rating whereas; newer complexes received a higher rating.
- **Amenities**
Property amenities include amenities offered within the apartments and common site amenities. Properties with a superior amenity package received the higher rankings.
- Other factors considered include whether the project is affordable or market oriented and the overall size of the complex. Properties of similar age and physical characteristics may not be considered competitive with the subject because it is not an affordable community. Also, smaller projects may not be considered competitive either. These factors were considered in our ranking analysis.

The subject will be a LIHTC community and those properties within the subject's PMA that are deemed to be class A or be and a rating of 7 or more. Subsidized properties and elderly properties were excluded from our analysis. Our ranking analysis is as follows;

Property	Have Write-Up	Submarket	Age Group	Units	Property Class	Overall Rating	Type
Glenns at Millers Lane	Yes	within PMA	15 to 30	144	C	7	LIHTC
Kingsridge	Yes	within PMA	1 to 5	167	A	9	LIHTC
Armstrong Ren	Yes	within PMA	1 to 5	158	A	9	LIHTC
The Planet Apts	Yes	within PMA	1 to 5	67	A	9	LIHTC
Cary 2000	Yes	within PMA	15 to 30	84	B	8	LIHTC
Egglestone Plaza	No	within PMA	1 to 5	42	A	9	LIHTC
Foundry	Yes	within PMA	1 to 5	200	A	9	LIHTC
Goodwyn at UH	Yes	within PMA	1 to 5	54	A	9	LIHTC
Highland Grove	Yes	within PMA	5 to 15	128	A	9	LIHTC
Highland Park Terrace	Yes	within PMA	15 to 30	66	A	9	LIHTC
Jackson Ward	No	within PMA	30+	18	C	4	LIHTC
Jefferson Mews	Yes	within PMA	15 to 30	56	C	5	LIHTC
Mallard Greens	Yes	within PMA	15 to 30	192	B	6	LIHTC
Oliver	Yes	within PMA	1 to 5	163	A	9	LIHTC
Richmond Dairy	Yes	within PMA	15 to 30	113	B	8	LIHTC
Van De Vyer	Yes	within PMA	1 to 5	82	A	9	LIHTC

Total Units Surveyed in PMA
Competitive Units

1,734
1,516

The communities were sorted by their overall rating. The location ratings, the age ratings and the amenities rating were added to produce the overall rating illustrated above. Using their competitive supply ratings, the 5 communities were grouped into three classes; A, B and C. The following table shows the breakout of the apartment complexes by class.

Class	No. of Communities	% of Total Units	No. of Units per Class	Rating Scores
A	10	63%	1,127	9+
B	3	19%	389	7, 8
C	3	19%	218	<5
Total	16	100%	1,734	

Conclusion of Competitive analysis

Class A

- There are 10 Class A projects located within the subject's PMA.

Class B

- There is a total of 3 Class B projects containing 389 dwelling units. The rating scores are 7 and 8.

Class C

- There is a total of 3 Class C project containing 218 dwelling units. The rating scores have a range from 5 and below.

The subject is expected to compete with other LIHTC family oriented properties with a Class of A or B and a rating of 7 or higher. This equates to 1,516 dwelling units.

Comparable Property Photos and Property Profiles

Per VH Guidelines, a general write-up, including photos of all LIHTC properties contained in the subject's PMA is contained on the following pages. Only those LIHTC units that are family oriented and unsubsidized were included in our survey. No market rate properties were included in our survey; however, LIHTC properties with a market rate component were included in our survey as we feel the subject will effectively compete with those units as well.

In some cases, despite our best efforts, properties may not have been surveyed (not returning phone calls, refusal to cooperate). In instances in which we were unable to reach any party to the property, we may have updated older data based on trends or relied upon online sources. In some cases, in which alternative sources were not available, a property may not have been updated but still included in our analysis. There is a total of 16 LIHTC properties located in the subject's PMA of which 13 units are considered competitive. Those competitive properties and their status include;

Property	Status
Kingsridge	Trended
Armstrong Ren	Trended
The Planet Apts	Trended
Cary 2000	Trended
Egglestone Plaza	Unable
Foundry	Trended
Goodwyn at UH	Trended
Highland Grove	Trended
Highland Park Terrace	Unable
Mallard Greens	Trended
Oliver	Trended
Richmond Dairy	Trended
Van De Vyer	Trended

Several properties may not have been able to be reached for a phone survey. No data was available on these properties publicly. Therefore, they are not included in the following comparable write-ups.

A general write-up of the subject and those properties considered comparable are contained on the following pages. The property profile sheets outline each properties unit matrix, unit amenities, site amenities and utilities/ services included in rent. It's used as a basis for determining the subject's true competition and this analysis further establishes the subject's conformity with its competition and highlights unique aspects of the subject that may serve as a competitive advantage or deficiency.

EXHIBIT 1
INFORMATION ON RENT COMPARABLE

Property Type: Market () Tax Credit (x) at 60% of AMI Other () Describe _____

Property Name: APARTMENTS AT KINGSRIDGE

Property Address: 390 KINGSRIDGE ROAD, RICHMOND, VA 23223 Phone: (804) 781-4695

Physical Occupancy: 100 % Estimated () Actual (x) As of (date): Current

Specify the property's exterior: Brick (x) Vinyl () T1-11 () Wood (x) Other () Describe _____

Your impression of the Property: Good (x) Average () Poor () Actual/ Effective Age: 2019/ +/-03

What condition was the property in considering its age?: Good (x) Average () Poor () _____

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?: _____

Good, relative to other properties it is comparable in quality, amenities, landscaping and maintenance.

Has the property been renovated? If so, what was the scope of the work?: Yes, the property has undergone periodic renovations in
order to stay competitive in its respective market.

Is the property located on or near public transportation; if so, what? Yes.

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the property is located along a secondary
transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ()

167 Total Units						
Unit Mix:			Rent			Unit Type/ Name
# Units	BR/BA/Den	Square Feet	50%	Mkt	60%	
84	2.2	952	\$943.00			none
83	3.2	1,116	\$1,165.00			none

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other		
(x) Range and Oven	(x) Central System	(x) Carpet	(x) Shades/Blinds	() Fireplace	() Views
(x) Frost Free Ref./ Ice maker	() Wall thru	(x) Vinyl	() Cable/ Satellite Ready	() High/ Vaulted Ceiling	() Other, Describe:
() Microwave	() Window A/C Units	() Hardwood	(x) Balcony/Patio	() Upgraded Countertops	
(x) Dishwasher	() Baseboard Heat	() Ceramic	() Washer/ Dryer	() Garden Tubs	
() Garbage Disposal	() Other: Describe	() Other	(x) W/D Hook-ups	() Heavy Molding	
() Range Hood			() Ceiling Fans	() Exposed Brick/ Beam/ Ducts	

Site Amenities: Check where appropriate

() Pool	(X) Clubhouse/ community room	(x) Laundry Facility
() Tennis	(x) Playground/Tot Lots	() On-Site Parking
(x) Rental Office	() Covered Parking/Garages	() Elevator
() Car Wash Area	() Limited Access;	() Basketball Court/ Racquet Ball Court
() Business Office for Residents	(x) Fitness Center	() Other, please specify:
() Jacuzzi/ Sauna	() Grilling Area	

Utilities and Services Included in Rent: Check where appropriate

() Water & Sewer	() Heat (Gas/ Elec)	() All Utilities; includes electricity
() Trash Pickup	() Hot Water (Gas/ Elec)	(x) No Utilities
() Security	() Cooking (Gas/ Elec)	() Other, please specify:

Tenant Retention (Annual) _____

Renewal Rate as % of Market Growth: _____

Typical Annual Market Growth Rate: _____

Marketing Period _____

Newer Property Only

Pre-Leasing Began: _____

Construction Complete: _____

Stabilization: _____

Months: _____

Units: _____

Absorption Rate: _____



Key

x= indicates feature is present

s= present in select units

\$= present for a fee

* See Comments

COMMENTS:

None.

CONTACT PERSON: _____ POSITION: Manager

EUGENE A. JOSEPH, JR. - Certified General Real Estate Appraiser, License VA #4001 009492

EXHIBIT 1
INFORMATION ON RENT COMPARABLE

Property Type: Market () Tax Credit (x) at % of AMI Other () Describe

Property Name: Armstrong Renaissance

Property Address: 1665 N 31st St, Richmond, VA 23235404 Phone:

Physical Occupancy: 95 % Estimated (x) Actual () As of (date): Current

Specify the property's exterior: Brick (x) Vinyl () T1-11 () Wood (x) Other () Describe

Your impression of the Property: Good (X) Average () Poor () Actual/ Effective Age: 4 Years

What condition was the property in considering its age?: Good (x) Average () Poor ()

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?:

Good, relative to other properties it is comparable in quality, amenities, landscaping and maintenance.

Has the property been renovated? If so, what was the scope of the work?: Yes, the property has undergone periodic renovations in order to stay competitive in its respective market.

Is the property located on or near public transportation; if so, what? Yes.

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the property is located along a secondary transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ()

128 Total Units						
Unit Mix:			Rent			
# Units	BR/BA/Den	Square Feet	40%	50%	60%	Unit Type/ Name
5	1x1	642		\$900 to \$1,342		n/a
8	1x1	763		\$1,656.00		n/a
5	1x1	807		\$900 to \$1,342		n/a
4	2x1	900		\$1,250.00		n/a
22	2x1.5	928		\$1,382 to \$1,986		n/a
29	2x2	989		\$1,382 to \$1,986		n/a
5	2x2	1050		\$1,382 to \$1,986		n/a
46	3x2	1423		\$1,570.00		n/a
4	4x2	1600		\$1,750.00		n/a

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other
(x) Range and Oven	(x) Central System	() Carpet	(x) Shades/Blinds
(x) Frost Free Ref./ Ice maker	() Wall thru	(x) Vinyl	(x) Cable/ Satellite Ready
(x) Microwave	() Window A/C Units	(x) Hardwood	() Balcony/Patio
(x) Dishwasher	() Baseboard Heat	() Ceramic	(x) Washer/ Dryer
() Garbage Disposal	() Other: Describe <u> </u>	() Other	() W/D Hook-ups
() Range Hood		(x) Ceiling Fans	() High Ceiling

Site Amenities: Check where appropriate

() Pool	(x) Clubhouse/ community room	(x) Laundry Facility
() Tennis	(x) Playground/Tot Lots	(x) On-Site Parking
() Rental Office	() Covered Parking/Garages	(x) Elevator
() Car Wash Area	(x) Limited Access;	() Basketball Court/ Racquet Ball Court
(x) Business Office for Residents	(x) Fitness Center	() Other; please specify: <u> </u>
() Jacuzzi/ Sauna	() Grilling Area	

Utilities and Services Included in Rent: Check where appropriate

(x) Water & Sewer	() Heat (Gas/ Elec)	() All Utilities; includes electricity
(x) Trash Pickup	() Hot Water (Gas/ Elec)	() No Utilities
() Security	() Cooking (Gas/ Elec)	() Other; please specify: <u> </u>

Tenant Retention (Annual)	<u>70%</u>
Renewal Rate as % of Market Growth:	<u>100%</u>
Typical Annual Market Growth Rate:	<u>2%</u>
Marketing Period	<u>2 weeks</u>



Newer Property Only

Pre-Leasing Began:

Construction Complete:

Stabilization:

Months:

Units:

Absorption Rate:

Key

x= indicates feature is present

s= present in select units

\$= present for a fee

* See Comments

COMMENTS:

None.

CONTACT PERSON: POSITION: Manager

EUGENE A. JOSEPH, JR. - Certified General Real Estate Appraiser, License VA #4001 009492

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market () Tax Credit (x) at of AMI Other () Describe _____

Property Name: The Planet Apartments

Property Address: 107 W. Duval Street, Richmond, VA Phone: _____

Physical Occupancy: 95 % Estimated () Actual (x) As of (date): Current

Specify the property's exterior: Brick (x) Vinyl () T1-11 () Wood () Other (x); Describe Cement Board

Your impression of the Property: Good (x) Average () Poor () Actual/ Effective Age: 2024/ like new

What condition was the property in considering its age?: Good (x) Average () Poor () _____

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?: Good, relative to other properties in the market, the property is anticipated to be comparable in quality, amenities, landscaping and amenities.

Has the property been renovated? If so, what was the scope of the work?: No, the property is in like new condition.

Is the property located on or near public transportation; if so, what? Yes

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the comparable is located along a secondary transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ()

Unit Mix: 67 Total Units ** The rents have been trended year over year

# Units	Type	Square Footage		Rent				Income/ Rent		
		Low	High	Low	High	\$/ PSF	\$/ PSF	Restrictions	Conc.	Other
13	1x1	750			\$643.00		\$0.86	50%/ 50%	None	
39	2x2	1,000			\$743.00		\$0.74	50%/ 50%	None	
15	3x2	1,350			\$843.00		\$0.62	50%/ 50%	None	

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other
(x) Range and Oven	(x) Central System	(x) Carpet	(x) Shades/Blinds () Fireplace () Views
(x) Frost Free Ref./ Ice maker	() Wall thru	(x) Vinyl	(x) Cable/ Satellite Ready () Vaulted/ High Ceiling () Upgraded Lighting
() Microwave	() Window A/C Units	() Hardwood	(x) Balcony/Patio () Upgraded Countertops (x) Upgraded Cabinets
(x) Dishwasher	() Baseboard Heat	() Ceramic	(x) Washer/ Dryer () Garden Tubs (x) Stainless Steel Appl.
(x) Garbage Disposal	() Other: Describe _____	() Other	(s) W/D Hook-ups () Moulding () Other; Describe: _____
(x) Range Hood			(x) Ceiling Fans () Exposed Beam/ Brick

Site Amenities: Check where appropriate

Build	Property Class:
() Pool () Playground/Tot Lots () Elevator (x) Garden () A	
() Tennis () Deck Parking/Garages () Storage () TH (x) B	
() Rental Office () Limited Access; () Other, please specify: () Mid Rise () C	
() Car Wash Area () Fitness Center () High Rise () Other	
() Business Office for Residents () Laundry Facility	
(x) Clubhouse/ community room (x) On-Site Parking	

Utilities and Services Included in Rent: Check where appropriate

() Water & Sewer () Heat (Gas/ Elec) () All Utilities; includes electricity	
(x) Trash Pickup () Hot Water (Gas/ Elec) () No Utilities	
() Security () Cooking (Gas/ Elec) () Other; please specify: Internet/ cable	

Tenant Retention (Annual)	60%
Renewal Rate as % of Market Growth:	100%
Typical Annual Market Growth Rate:	1%
Marketing Period	2 weeks

Newer Property Only

Pre-Leasing Began:	_____
Construction Complete:	_____
Stabilization:	_____
Months:	_____
Stabilized Units:	_____
Monthly Absorption Rate:	_____



Key	
x=	indicates feature is present
s=	present in select units
\$=	present for a fee
*	See Comments

COMMENTS:

None

CONTACT PERSON: EAJoseph Appraisal & Consultation

POSITION:



EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market () Tax Credit (x) at of AMI Other () Describe

Property Name: Cary Preservation (Cary I&II) and Cary III Apartments

Property Address: Various address along Cary St in fan, Richmond, VA Phone: (804) 644-0546 x 124

Physical Occupancy: 98 % Estimated () Actual (x) As of (date): Current

Specify the property's exterior: Brick (x) Vinyl (X) T1-11 () Wood () Other (x); Describe

Your impression of the Property: Good (x) Average () Poor () Actual/ Effective Age: Various/ +/-15 years

What condition was the property in considering its age?: Good (x) Average () Poor ()

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?: Good, relative to other properties in the market, the property is anticipated to be comparable in quality, amenities, landscaping and amenities.

Has the property been renovated? If so, what was the scope of the work?: Yes, the property has undergone various upgrades over the years and most was renovated in 2015.

Is the property located on or near public transportation; if so, what? Yes

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the comparable is located along a secondary transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ()

Unit Mix: 84 Total Units

# Units	Type	Square Footage		Rent			Income/ Rent		
		Low	High	Low	High	\$/ PSF	Restrictions	Conc.	Other
1	1x1		600		\$695	\$1.16	40%/ 40%	None	
1	1x1		600		\$845	\$1.41	50%/ 40%	None	
17	1x1		631		\$735	\$1.16	50%/50%	None	
9	1x1		600		\$977	\$1.63	60%/50%	None	
9	1x1		632		\$780	\$1.23	60%/60%	None	
9	2x1		750		\$898	\$1.20	50%/50%	None	
1	2x1		750		\$911	\$1.21	60%/50%	None	
3	2x1		750		\$873	\$1.16	60%/60%	None	
6	2x1.5		711		\$799	\$1.12	50%/50%	None	
12	2x1.5		728		\$822	\$1.13	60%/60%	None	
2	2x2.5		750		\$911	\$1.21	60%/60%	None	
6	3x1.5		1,233		\$1,032	\$0.84	50%/50%	None	
8	3x1.5		1,300		\$1,028	\$0.79	60%/60%	None	

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other
(x) Range and Oven	(x) Central System	(x) Carpet	(x) Shades/Blinds () Fireplace () Views
(x) Frost Free Ref / Ice maker	() Wall thru	(x) Vinyl	(x) Cable/ Satellite Ready () Vaulted/ High Ceiling () Upgraded Lighting
() Microwave	() Window A/C Units	() Hardwood	(s) Balcony/Patio () Upgraded Countertops () Upgraded Cabinets
(x) Dishwasher	() Baseboard Heat	() Ceramic	(s) Washer/ Dryer () Garden Tubs () Stainless Steel Appl.
(III) Garbage Disposal - III only	() Other: Describe () Other	() W/D Hook-ups	() Moulding () Other: Describe:
(x) Range Hood		() Ceiling Fans	() Exposed Beam/ Brick

Site Amenities: Check where appropriate

Build	Property Class:
() Pool	() Playground/Tot Lots (s) Elevator (x) Garden () A
() Tennis	() Deck Parking/Garages () Storage () TH (x) B
() Rental Office	() Limited Access; () Other, please specify: (x) Mid Rise () C
() Car Wash Area	() Fitness Center () High Rise () Other
() Business Office for Residents	(x) Laundry Facility
() Clubhouse/ community room	(s) On-Site Parking

Utilities and Services Included in Rent: Check where appropriate

(x) Water & Sewer	() Heat (Gas/ Elec)	() All Utilities; includes electricity
(x) Trash Pickup	() Hot Water (Gas/ Elec)	() No Utilities
() Security	() Cooking (Gas/ Elec)	() Other; please specify:

Tenant Retention (Annual)	60%
Renewal Rate as % of Market Growth:	100%
Typical Annual Market Growth Rate:	1%
Marketing Period	2 weeks

Newer Property Only

Pre-Leasing Began:	
Construction Complete:	
Stabilization:	
Months:	
Stabilized Units:	
Monthly Absorption Rate:	



Key
x= indicates feature is present
s= present in select units
\$= present for a fee
* See Comments

COMMENTS:

None

CONTACT PERSON: EAJoseph Appraisal & Consultation

POSITION:



EXHIBIT 1
INFORMATION ON RENT COMPARABLE

Property Type: Market () Tax Credit (x) at 60% of AMI Other () Describe _____

Property Name: The Foundry

Property Address: 946 Sledd St. Richmond, VA Phone: _____

Physical Occupancy: 100 % Estimated () Actual (x) As of (date): Current

Specify the property's exterior: Brick (x) Vinyl () T1-11 () Wood () Other () Describe _____

Your impression of the Property: Good (X) Average () Poor () Actual/ Effective Age: Built 2022

What condition was the property in considering its age?: Good (x) Average () Poor () _____

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?: _____

Good, relative to other properties it is comparable in quality, amenities, landscaping and maintenance.

Has the property been renovated? If so, what was the scope of the work?: New Construction

Is the property located on or near public transportation; if so, what? Yes.

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the property is located along a secondary transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ()

200 Total Units

# Units	BR/BA/Den	Square Feet	Rent			Unit Type/ Name	Concessions
			40%	50%	60%		
36	1.1	630			\$1,129.00		
88	2.1	950			\$1,348.00		
76	3.2	1120			\$1,551.00		

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other
(x) Range and Oven	(x) Central System	(x) Carpet	(x) Shades/Blinds
(x) Frost Free Ref./ Ice maker	() Wall thru	(x) Vinyl	(x) Cable/ Satellite Ready
() Microwave	() Window A/C Units	() Hardwood	() Balcony/Patio
(x) Dishwasher	() Baseboard Heat	() Ceramic	() Washer/ Dryer
(x) Garbage Disposal	() Other: Describe _____	(x) Other	(x) W/D Hook-ups
(x) Range Hood		(x) Ceiling Fans	() Exposed Brick/ Beam/ Ducts

Site Amenities: Check where appropriate

(x) Pool	(x) Clubhouse/ community room	(x) Laundry Facility
() Tennis	(x) Playground/Tot Lots	(x) On-Site Parking
(x) Rental Office	() Covered Parking/Garages	(x) Elevator
() Car Wash Area	() Limited Access;	(x) Basketball Court/ Racquet Ball Court
() Business Office for Residents	(x) Fitness Center	() Other; please specify:
() Jacuzzi/ Sauna	(x) Grilling Area	

Utilities and Services Included in Rent: Check where appropriate

(x) Water & Sewer	() Heat (Gas/ Elec)	() All Utilities; includes electricity
(x) Trash Pickup	() Hot Water (Gas/ Elec)	() No Utilities
() Security	() Cooking (Gas/ Elec)	() Other; please specify: Cable/Internet

Tenant Retention (Annual) _____

Renewal Rate as % of Market Growth: _____

Typical Annual Market Growth Rate: _____

Marketing Period _____

Newer Property Only

Pre-Leasing Began: _____

Construction Complete: _____

Stabilization: _____

Months: _____

Units: _____

Absorption Rate: _____



Key	
x=	indicates feature is present
s=	present in select units
\$=	present for a fee
*	See Comments

COMMENTS:

None.

CONTACT PERSON: _____ POSITION: Manager

EUGENE A. JOSEPH, JR. - Certified General Real Estate Appraiser, License VA #4001 009492

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market () Tax Credit (x) at of AMI Other () Describe _____

Property Name: Goodwyn at Union Hill

Property Address: 2230 Venable Street, Richmond, VA Phone: _____

Physical Occupancy: 95 % Estimated () Actual (x) As of (date): Current

Specify the property's exterior: Brick (x) Vinyl () T1-11 () Wood () Other (x); Describe Cement Board

Your impression of the Property: Good (x) Average () Poor () Actual/ Effective Age: 2019/ like new

What condition was the property in considering its age?: Good (x) Average () Poor () _____

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?: Good, relative to other properties in the market, the property is anticipated to be comparable in quality, amenities, landscaping and amenities.

Has the property been renovated? If so, what was the scope of the work?: No, the property is in like new condition.

Is the property located on or near public transportation; if so, what? Yes

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the comparable is located along a secondary transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ()

Unit Mix: 54 Total Units ** The rents have been trended year over year

# Units	Type	Square Footage		Rent				Income/ Rent		
		Low	High	Low	High	\$/ PSF	\$/ PSF	Restrictions	Conc.	Other
8	1x1	548			\$725.00		\$1.32	50%/ 50%	None	
35	2x2	809			\$1,015.00		\$1.25	50%/ 50%	None	
11	3x2	1,022			\$1,317.00		\$1.29	50%/ 50%	None	

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other
(x) Range and Oven	(x) Central System	(x) Carpet	(x) Shades/Blinds () Fireplace () Views
(x) Frost Free Ref./ Ice maker	() Wall thru	(x) Vinyl	(x) Cable/ Satellite Ready () Vaulted/ High Ceiling () Upgraded Lighting
(x) Microwave	() Window A/C Units	() Hardwood	(x) Balcony/Patio () Upgraded Countertops (x) Upgraded Cabinets
(x) Dishwasher	() Baseboard Heat	() Ceramic	(x) Washer/ Dryer () Garden Tubs (x) Stainless Steel Appl.
(x) Garbage Disposal	() Other: Describe _____	() Other	(s) W/D Hook-ups () Moulding () Other; Describe: _____
(x) Range Hood			(x) Ceiling Fans () Exposed Beam/ Brick

Site Amenities: Check where appropriate

Build	Property Class:
() Pool () Playground/Tot Lots () Elevator (x) Garden () A	
() Tennis () Deck Parking/Garages () Storage () TH (x) B	
() Rental Office () Limited Access; () Other, please specify: () Mid Rise () C	
() Car Wash Area () Fitness Center () High Rise () Other	
() Business Office for Residents () Laundry Facility	
(x) Clubhouse/ community room (x) On-Site Parking	

Utilities and Services Included in Rent: Check where appropriate

() Water & Sewer	() Heat (Gas/ Elec)	() All Utilities; includes electricity
(x) Trash Pickup	() Hot Water (Gas/ Elec)	() No Utilities
() Security	() Cooking (Gas/ Elec)	() Other; please specify: Internet/ cable

Tenant Retention (Annual)	60%
Renewal Rate as % of Market Growth:	100%
Typical Annual Market Growth Rate:	1%
Marketing Period	2 weeks

Newer Property Only

Pre-Leasing Began:	_____
Construction Complete:	_____
Stabilization:	_____
Months:	_____
Stabilized Units:	_____
Monthly Absorption Rate:	_____



Key	
x=	indicates feature is present
s=	present in select units
\$=	present for a fee
*	See Comments

COMMENTS:

None

CONTACT PERSON: EA Joseph Appraisal & Consultation

POSITION:



EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market () Tax Credit (x) at of AMI Other () Describe

Property Name: Highland Grove

Property Address: Various addresses; Dove St., Richmond, VA Phone:

Physical Occupancy: 100 % Estimated () Actual (x) As of (date): Current

Specify the property's exterior: Brick (x) Vinyl () T1-11 () Wood () Other (x); Describe Hard-plank

Your impression of the Property: Good (x) Average () Poor () Actual/ Effective Age: 2013/ +/-5

What condition was the property in considering its age?: Good (x) Average () Poor ()

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?: Good, relative to other properties in the market, the property is anticipated to be comparable in quality, amenities, landscaping and amenities.

Has the property been renovated? If so, what was the scope of the work?: No, the property is newer.

Is the property located on or near public transportation; if so, what? Yes

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the comparable is located along a secondary transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ()

Unit Mix: 128 Total Units RENTS HAVE BEEN TRENDING SINCE LAST SURVEY

# Units	Type	Square Footage		Rent			Income/ Rent		
		Low	High	Low	High	\$/ PSF	Restrictions	Conc.	Other
9	1x1	947			\$844.00	\$0.89	50%/ 50%	None	
11	1x1	947			\$844.00	\$0.89	PH/ 40%	None	
2	1x1	761			\$844.00	\$1.11	50%/ 50%	None	
2	1x1	761			\$844.00	\$1.11	PH/ 40%	None	
2	2x1.5	1,005			\$1,095.00	\$1.09	50%/ 50%	None	
10	2x1.5	1,005			\$1,095.00	\$1.09	50%/ 50%	None	
6	2x1.5	1,056			\$1,095.00	\$1.04	PH/ 40%	None	
4	2x1.5	1,056			\$1,095.00	\$1.04	Market	None	
12	2x1.5	1,056			\$1,095.00	\$1.04	50%/ 50%	None	
2	2x1.5	1,056			\$1,095.00	\$1.04	PH/ 40%	None	
2	2x2	1,088			\$996.00	\$0.92	50%/ 50%	None	
7	2x2	1,155			\$996.00	\$0.86	50%/ 50%	None	
7	2x2	1,084			\$996.00	\$0.92	PH/ 40%	None	
7	3x2	1,371			\$1,444.00	\$1.05	50%/ 50%	None	
7	3x2	1,371			\$1,444.00	\$1.05	PH/ 40%	None	
8	3x2.5	1,511			\$1,151.00	\$0.76	50%/ 50%	None	
6	3x2.5	1,513			\$1,250.00	\$0.83	Market	None	
21	3x2.5	1,513			\$1,151.00	\$0.76	50%/ 50%	None	
3	3x2.5	1,513			\$1,151.00	\$0.76	PH/ 40%	None	

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other		
(x) Range and Oven	(x) Central System	(x) Carpet	(x) Shades/Blinds	() Fireplace	() Views
(x) Frost Free Ref./ Ice maker	() Wall thru	(x) Vinyl	(x) Cable/ Satellite Ready	(x) Vaulted/ High Ceiling	() Upgraded Lighting
(x) Microwave	() Window A/C Units	() Hardwood	(x) Balcony/Patio	() Upgraded Countertops	() Upgraded Cabinets
(x) Dishwasher	() Baseboard Heat	() Ceramic	(x) Washer/ Dryer	() Garden Tubs	() Stainless Steel Appl.
(x) Garbage Disposal	() Other: Describe <u> </u>	() Other	(x) W/D Hook-ups	() Moulding	() Other: Describe: <u> </u>
(x) Range Hood			(x) Ceiling Fans	() Exposed Beam/ Brick	

Site Amenities: Check where appropriate

		Build	Property Class:
(x) Pool	(x) Playground/Tot Lots	() Elevator	(x) Garden () A
() Tennis	() Deck Parking/Garages	() Storage	() TH (x) B
(x) Rental Office	() Limited Access;	() Other, please specify: <u> </u>	() Mid Rise () C
() Car Wash Area	(x) Fitness Center		() High Rise () Other
() Business Office for Residents	() Laundry Facility		
(x) Clubhouse/ community room	(x) On-Site Parking		

Utilities and Services Included in Rent: Check where appropriate

() Water & Sewer	() Heat (Gas/ Elec)	() All Utilities; includes electricity
(x) Trash Pickup	() Hot Water (Gas/ Elec)	(x) No Utilities
() Security	() Cooking (Gas/ Elec)	() Other, please specify: <u> </u>

Tenant Retention (Annual)	80%
Renewal Rate as % of Market Growth:	100%
Typical Annual Market Growth Rate:	1%
Marketing Period	2 weeks

Newer Property Only	
Pre-Leasing Began:	
Construction Complete:	
Stabilization:	
Months:	
Stabilized Units:	
Monthly Absorption Rate:	



Key
 x= indicates feature is present
 s= present in select units
 \$= present for a fee
 * See Comments

COMMENTS:

None

CONTACT PERSON:
EAJoseph Appraisal & Consultation

POSITION:



EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market () Tax Credit (x) at of AMI Other () Describe _____

Property Name: Mallard Green Apartments

Property Address: 2823 Fairfield Avenue, Richmond, VA Phone: (804) 222-8282

Physical Occupancy: 92 % Estimated () Actual (x) As of (date): Current

Specify the property's exterior: Brick (x) Vinyl (x) T1-11 () Wood () Other (x); Describe _____

Your impression of the Property: Good (x) Average () Poor () Actual/ Effective Age: 1965/ +/-20

What condition was the property in considering its age?: Good (x) Average () Poor () _____

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?: Good, relative to other properties in the market, the property is anticipated to be comparable in quality, amenities, landscaping and amenities.

Has the property been renovated? If so, what was the scope of the work?: Yes, the property has undergone a substantial rehabilitation using LIHTC's.

Is the property located on or near public transportation; if so, what? Yes

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the comparable is located along a secondary transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ()

Unit Mix: 192 Total Units

# Units	Type	Square Footage		Rent			Income/ Rent		
		Low	High	Low	High	\$/ PSF	\$/ PSF	Restrictions	Conc.
3	1x1		782		\$1,061.00		\$1.36	60%/ 60%	None
186	2x1		819		\$1,103.00		\$1.35	60%/ 60%	None
3	3x1		910		\$1,305.00		\$1.43	60%/ 60%	None

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other		
(x) Range and Oven	(x) Central System	(x) Carpet	(x) Shades/Blinds	() Fireplace	() Views
(x) Frost Free Ref./ Ice maker	() Wall thru	(x) Vinyl	(x) Cable/ Satellite Ready	() Vaulted/ High Ceiling	() Upgraded Lighting
() Microwave	() Window A/C Units	() Hardwood	(x) Balcony/Patio	() Upgraded Countertops	() Upgraded Cabinets
(x) Dishwasher	() Baseboard Heat	() Ceramic	() Washer/ Dryer	() Garden Tubs	() Stainless Steel Appl.
(x) Garbage Disposal	() Other: Describe _____	() Other	() W/D Hook-ups	() Moulding	() Other: Describe: _____
(x) Range Hood			() Ceiling Fans	() Exposed Beam/ Brick	

Site Amenities: Check where appropriate

			Build	Property Class:
() Pool	(x) Playground/Tot Lots	() Elevator	(x) Garden	() A
() Tennis	() Deck Parking/Garages	() Storage	() TH	(x) B
(x) Rental Office	() Limited Access;	() Other, please specify: _____	() Mid Rise	() C
() Car Wash Area	(x) Fitness Center		() High Rise	() Other
() Business Office for Residents	(x) Laundry Facility			
(x) Clubhouse/ community room	(x) On-Site Parking			

Utilities and Services Included in Rent: Check where appropriate

(x) Water & Sewer	() Heat (Gas/ Elec)	() All Utilities; includes electricity
(x) Trash Pickup	() Hot Water (Gas/ Elec)	() No Utilities
() Security	() Cooking (Gas/ Elec)	() Other, please specify: _____

Tenant Retention (Annual)	<u>60%</u>
Renewal Rate as %/ of Market Growth:	<u>100%</u>
Typical Annual Market Growth Rate:	<u>1%</u>
Marketing Period	<u>2 weeks</u>

Newer Property Only

Pre-Leasing Began:	_____
Construction Complete:	_____
Stabilization:	_____
Months:	_____
Stabilized Units:	_____
Monthly Absorption Rate:	_____



Key	
x=	indicates feature is present
s=	present in select units
\$=	present for a fee
*	See Comments

COMMENTS:

None

CONTACT PERSON: EAJoseph Appraisal & Consultation

POSITION:



EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market (x) Tax Credit (x) at of AMI Other () Describe _____

Property Name: The Richmond Dairy Bldg

Property Address: 201 W. Marshall St., Richmond, VA Phone: (804) 788-8888

Physical Occupancy: 93 % Estimated () Actual (x) As of (date): Current

Specify the property's exterior: Brick (x) Vinyl () T1-11 () Wood () Other (x); Describe _____

Your impression of the Property: Good (x) Average () Poor () Actual/ Effective Age: Early 1900's/ Redeveloped in 2001

What condition was the property in considering its age?: Good (x) Average () Poor ()

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?: Good, relative to other properties in the market, the property is anticipated to be comparable in quality, amenities, landscaping and amenities.

Has the property been renovated? If so, what was the scope of the work?: Yes, the property has undergone periodic upgrades in order to stay competitive in its respective market.

Is the property located on or near public transportation; if so, what? Yes

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the comparable is located along a secondary transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ()

Unit Mix: 113 Total Units

# Units	Type	Square Footage		Rent				Income/ Rent		
		Low	High	Low	High	\$/ PSF	\$/ PSF	Restrictions	Conc.	Other
5	Studio		370		\$815		\$2.20	60%/ 60%		
11	Studio		410		\$845		\$2.06	60%/ 60%		
42	1x1		520		\$955		\$1.84	60%/ 60%		
2	1x1		580		\$955		\$1.65	60%/ 60%		
3	1x1 Bal		515		\$985		\$1.91	60%/ 60%		
1	1x1 Milk Bottle		550		\$980		\$1.78	60%/ 60%		
4	1x1 Milk Bottle		650		\$1,010		\$1.55	60%/ 60%		
7	1x1 Loft		500		\$955		\$1.91	60%/ 60%		
10	1x1 Loft		600		\$1,095		\$1.83	Market		
-	1x1		600		\$1,120		\$1.87	Market		
20	2x2		780		\$1,085		\$1.39	60%/ 60%		
3	2x2 patio		760		\$1,125		\$1.48	60%/ 60%		
1	2x2 patio		780		\$1,125		\$1.44	60%/ 60%		
2	2x2 Milk Bottle		800		\$1,150		\$1.44	Market		
1	2x2.5 MB/ Loft		925		\$1,155		\$1.25	Market		
1	2x2.5 MB/ Loft		1,075		\$1,305		\$1.21	60%/ 60%		
					\$215					

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other
(x) Range and Oven	(x) Central System	(x) Carpet	(x) Shades/Blinds
(x) Frost Free Ref./ Ice maker	() Wall thru	(x) Vinyl	(x) Cable/ Satellite Ready
() Microwave	() Window A/C Units	() Hardwood	(s) Balcony/Patio
(x) Dishwasher	() Baseboard Heat	() Ceramic	(S35) Washer/ Dryer
(x) Garbage Disposal	() Other: Describe	() Other	(x) W/D Hook-ups
(x) Range Hood			() Ceiling Fans
			(s) Exposed Beam/ Brick

Site Amenities: Check where appropriate

Build	Property Class:
() Pool	() Playground/Tot Lots
() Tennis	(S35) Deck Parking/Garages
(x) Rental Office	(x) Limited Access;
() Car Wash Area	(x) Fitness Center
() Business Office for Residents	(x) Laundry Facility
(x) Clubhouse/ community room	(x) On-Site Parking
() Elevator	() Garden
() Storage	() TH
() Other, please specify:	(x) Mid Rise
	() High Rise
	() Other

Utilities and Services Included in Rent: Check where appropriate

(x) Water & Sewer	() Heat (Gas/ Elec)	() All Utilities; includes electricity
(x) Trash Pickup	(x) Hot Water (Gas/ Elec)	() No Utilities
() Security	() Cooking (Gas/ Elec)	() Other, please specify:

Tenant Retention (Annual)	60%
Renewal Rate as % of Market Growth:	100%
Typical Annual Market Growth Rate:	1%
Marketing Period	2 weeks

Newer Property Only
Pre-Leasing Began:
Construction Complete:
Stabilization:
Months:
Stabilized Units:
Monthly Absorption Rate:



Key
 x= indicates feature is present
 s= present in select units
 \$= present for a fee
 * See Comments

COMMENTS:

None

CONTACT PERSON:
EAJoseph Appraisal & Consultation

POSITION:



EXHIBIT 1
INFORMATION ON RENT COMPARABLE

Property Type: Market () Tax Credit (x) at 40, 50% of AMI Other () Describe _____

Property Name: Van De Vyver

Property Address: 701 N 1st St Phone: _____

Physical Occupancy: 100 % Estimated () Actual (x) As of (date): Current

Specify the property's exterior: Brick (x) Vinyl (x) T1-11 () Wood () Other () Describe _____

Your impression of the Property: Good (X) Average () Poor () Actual/ Effective Age: Built 2020

What condition was the property in considering its age?: Good (x) Average () Poor () _____

How would you categorize the property's curb appeal (Good, Average, or Poor) and why?: _____

Good, relative to other properties it is comparable in quality, amenities, landscaping and maintenance.

Has the property been renovated? If so, what was the scope of the work?: Property was constructed in 2020

Is the property located on or near public transportation; if so, what? Yes.

Is the property accessed off a primary road or secondary / residential street? Describe: Secondary, the property is located along a secondary transportation route.

Does the property have a prominent entrance sign visible from the primary road? Yes (x) No () _____

82 Total Units						
Unit Mix:						
# Units	BR/BA/Den	Square Feet	Rent	Rent PSF	Restrictions	Concessions
10	Studio	419	\$1,050	\$2.51	60%/60% Income/Rent	
8	Studio	445	\$1,050	\$2.36	60%/60% Income/Rent	
14	1x1	505	\$1,050	\$2.08	60%/60% Income/Rent	
8	1x1	599	\$1,050.00	\$1.75	60%/60% Income/Rent	
16	1x1	645	\$1,110 to \$1,275		60%/60% Income/Rent	
6	1x1	820	\$1,326.00	\$1.62	60%/60% Income/Rent	
10	2x2	848	\$1,326.00	\$1.56	60%/60% Income/Rent	
10	2x2	883	\$1,326.00	\$1.50	60%/60% Income/Rent	

Unit Amenities: Check where appropriate

Kitchen	Heat and Cool	Flooring	Other
(x) Range and Oven	(x) Central System	(x) Carpet	(x) Shades/Blinds
(x) Frost Free Ref./ Ice maker	() Wall thru	(x) Vinyl	(x) Cable/ Satellite Ready
() Microwave	() Window A/C Units	() Hardwood	(x) Balcony/Patio
(x) Dishwasher	() Baseboard Heat	() Ceramic	(x) Washer/ Dryer
(x) Garbage Disposal	() Other: Describe	(x) Other	(x) W/D Hook-ups
(x) Range Hood	all electric	LVT	() Ceiling Fans
			() Fireplace
			() High/ Vaulted Ceiling
			(x) Upgraded Countertops
			() Garden Tubs
			() Heavy Molding
			() Exposed Brick/ Beam/ Ducts
			(x) Views
			(x) Other: Describe:
			Rooftop Deck

Site Amenities: Check where appropriate

() Pool	(x) Clubhouse/ community room	() Laundry Facility
() Tennis	() Playground/Tot Lots	(x) On-Site Parking
(x) Rental Office	() Covered Parking/Garages	(x) Elevator
() Car Wash Area	(x) Limited Access;	() Basketball Court/ Racquet Ball Court
(x) Business Office for Residents	(x) Fitness Center	() Other: please specify:
() Jacuzzi/ Sauna	() Grilling Area	

Utilities and Services Included in Rent: Check where appropriate

(x) Water & Sewer	() Heat (Gas/ Elec)	() All Utilities; includes electricity
(x) Trash Pickup	() Hot Water (Gas/ Elec)	() No Utilities
() Security	() Cooking (Gas/ Elec)	() Other: please specify:

Tenant Retention (Annual) _____

Renewal Rate as % of Market Growth: _____

Typical Annual Market Growth Rate: _____

Marketing Period _____

Newer Property Only

Pre-Leasing Began: _____

Construction Complete: _____

Stabilization: _____

Months: _____

Units: _____

Absorption Rate: _____



Key	
x=	indicates feature is present
s=	present in select units
\$=	present for a fee
*	See Comments

COMMENTS:

None.

CONTACT PERSON: _____ POSITION: Manager

EUGENE A. JOSEPH, JR. - Certified General Real Estate Appraiser, License VA #4001 009492

CONFORMITY

A part of determining the subjects competitive set was surveying properties in the subject's PMA to determine the subject conformity with the competitive set. This also gives insight into the subject's competitive advantages and disadvantages. Because the subject is considered to be a LIHTC property, we limited our phone survey to other similar class assets. There was no need to survey market rate, elderly or subsidized properties as the subject is not expected to directly compete with these asset classes. The analysis is as follows;

Unit Profile	Range	Ref.	Kitchen Micro.	Dish.	Disp.	Central HVAC	Flooring Carpet	Vinyl	Other
Subject	x	x	x	x	x	x			x
LIHTC									
Kingsridge	x	x		x		x	x		
Armstrong Ren	x	x	x	x	x	x	x	x	x
The Planet Apts	x	x		x	x	x	x	x	
Cary 2000	x	x		x	x	x	x	x	
Foundry	x	x		x	x	x	x	x	
Goodwyn at UH	x	x	x	x	x	x	x	x	
Highland Grove	x	x	x	x	x	x	x	x	
Mallard Greens	x	x		x	x	x	x	x	
Oliver	x	x		x	x	x	x	x	
Richmond Dairy	x	x		x	x	x	x	x	
Van De Vyer	x	x		x	x	x	x	x	
Compliance Ratio	11 100%	11 100%	3 27%	11 100%	10 91%	11 100%	0 0%	1 9%	1 9%
Overall Compliance Ratio	60%								

The subject's overall compliance ratio with the competitive set is 60%.

Unit Profile	Shades	Bal/ Pat.	W/D	Hook ups	Upgrades	High Ceilings
Subject	x			x	x	x
		LIHTC				
Kingsridge	x	x		x	x	
Armstrong Ren	x	x	x	x	x	
The Planet Apts	x	x	x	x	x	
Cary 2000	x	x	x	x	x	
Foundry	x			x	x	
Goodwyn at UH	x	x	x	x	x	
Highland Grove	x	x	x	x	x	
Mallard Greens	x	x				
Oliver	x	x	x	x	x	
Richmond Dairy	x	x		x	x	x
Van De Vyer	x	x	x	x	x	
Compliance Ratio	11 100%	1 9%	3 27%	10 91%	10 91%	2 18%
Overall Compliance Ratio	56%					

The subject's overall compliance ratio with the competitive set is 56%..

Site Profile	Pool	C.H.	Play Gds.	Fitness	Laundry	Site Parking	Office
Subject				x	x		
		LIHTC					
Kingsridge		x	x	x	x	x	x
Armstrong Ren		x	x	x	x	x	x
The Planet Apts		x				x	
Cary 2000					x	x	
Foundry	x	x	x	x	x	x	x
Goodwyn at UH		x				x	
Highland Grove	x	x	x	x		x	
Mallard Greens		x	x	x	x	x	
Oliver		x		x		x	
Richmond Dairy		x		x	x	x	
Van De Vyer		x		x		x	
Compliance Ratio	9 82%	1 8%	6 50%	8 67%	6 50%	0 0%	8 67%
Overall Compliance Ratio	49%						

The subject's overall compliance ratio with the competitive set is 49%.

Utility Structure	Water	Sewer	Trash	Heat	Hot Water	Cook	Elec.	Other
Subject	x	x	x	x	x	x	x	
Kingsridge								
Armstrong Ren	x	x	x					
The Planet Apts			x					
Cary 2000	x	x	x					
Foundry	x	x	x					
Goodwyn at UH			x					
Highland Grove			x					
Mallard Greens	x	x	x					
Oliver	x	x	x					
Richmond Dairy	x	x			x			
Van De Vyer	x	x	x					
Compliance Ratio	7 64%	7 64%	10 91%	0 0%	1 9%	0 0%	0 0%	0 0%
Overall Compliance Ratio	28%							

The subject's overall compliance ratio of 28%.

Unix Mix	Units	Studio	1 BR	2 BR	3 BR	Other
Subject	48	75%	25%	0%	0%	0%
Kingsridge	167	0%	0%	50%	50%	0%
Armstrong Ren	158	0%	99%	1%	1%	0%
The Planet Apts	67	0%	19%	58%	22%	0%
Cary 2000	84	0%	44%	39%	17%	0%
Foundry	200	0%	18%	44%	38%	0%
Goodwyn at UH	54	0%	15%	65%	20%	0%
Highland Grove	128	0%	19%	41%	41%	0%
Mallard Greens	192	0%	2%	97%	2%	0%
Oliver	163	0%	89%	11%	0%	0%
Richmond Dairy	113	14%	53%	33%	0%	0%
Van De Vyer	82	71%	21%	9%	0%	0%
Overall Ratio		5%	35%	41%	18%	0%

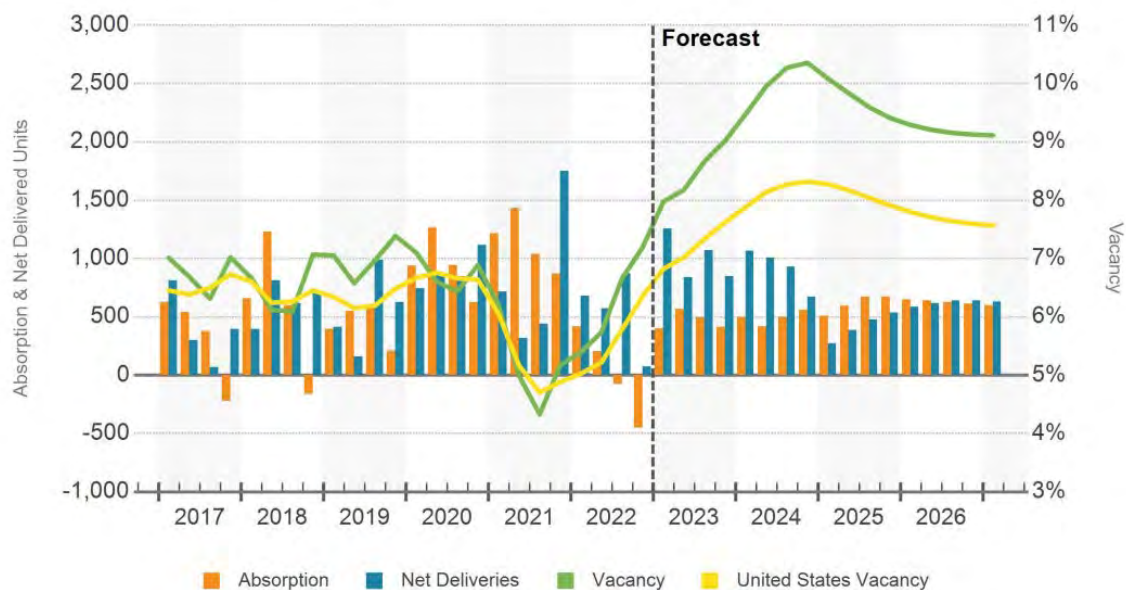
The subject's unit mix is similar to the encumbered properties in the PMA. The subject's overall compliance ratio is adequate and therefore, we can conclude that the subject follows other similar class assets within the subjects PMA.

AREA VACANCY RATES

The subject's PMA was previously defined. Based upon our survey of competitive properties, vacancy levels were around 5%, not counting frictional vacancy from turnover, which is considered low indicating a strong demand for affordable housing. No one property appears to be under or over representative in our survey.

The overall vacancy rate in the subject's PMA has remained relatively stable at around 4-7% stabilized vacancy. There is a shortage of multifamily housing, especially encumbered multifamily housing, in the subjects PMA.

ABSORPTION, NET DELIVERIES & VACANCY



The vacancy rate by unit type has demonstrated a similar pattern of stability over the same time span.

DISCUSSION OF ANY SIGNIFICANT IMPACT OF THE SUBJECT DEVELOPMENT ON THE EXISTING RENTAL HOUSING STOCK.

The subject is proposed and upon completion of the renovation, the subject is anticipated to be consistent with the existing inventory as previously defined. Therefore, the subject is not expected to have a significant impact on the existing rental housing stock.

- Identification of waiting lists – we are not aware of any waiting lists for any of the subject's anticipated competitive inventory. Waiting lists are commonly found among subsidized properties, in which case, subsidized properties are not considered competitive with our subject and therefore, any waiting lists derived at from a subsidized property would be excluded from our analysis.
- Availability of Affordable Housing Options

While there is inventory of LIHTC, public and subsidized housing in the subject's PMA, there is an ever-growing demand for affordable housing.

- Discussion of future changes in housing stock

Based upon conversations with city/ county officials and investor surveys, an annual allowance of **100** competitive new dwelling units is estimated within the subject's PMA over the mid-range forecast. However, more recently, the lending market relaxing, increased occupancy rates and increasing rents again is expected stir new development in the years to come.

TAX CREDIT AND OTHER PLANNED OR UNDER CONSTRUCTION RENTAL COMMUNITIES IN MARKET AREA.

Only those communities that are considered competitive with the subject are considered germane to our analysis. As previously stated, we have made an annual 100-unit annual allowance over the mid-range forecast. This is the annualized estimate of new LIHTC units in the subject's PMA which are estimated to occur within the next five years, which may compete with the subject.

I. FUNDAMENTAL MARKET ANALYSIS (FMA) & CONCLUSIONS

MARKET EQUILIBRIUM

In order to determine the equilibrium status of a particular market, total competitive supply is subtracted from total demand. A negative balance in which supply exceeds demand indicates that there is excess supply. Conversely, a positive balance in which demand exceeds supply indicates excess demand. In this case, qualified demand exceeds competitive supply indicating excess demand.

RESIDUAL DEMAND CONCEPTS

The findings of the demand analysis and competitive supply analysis are considered and analyzed; if demand exceeds supply, then a positive residual demand exists whereas if supply exceeds demand, then the residual demand is negative. In instances where demand exceeds supply, then upward rental trends occur until new inventory is realized. Once the residual demand is offset by additional inventory, rental rates may decline, or rental concessions may become more prevalent. The increased supply brings the market back towards equilibrium. The residual demand in the subject's PMA is positive for each year in mid-range forecast.

OBSERVATIONS ON EQUILIBRIUM ANALYSIS

In order to determine the equilibrium status of a particular market, total competitive supply is subtracted from total demand. A negative balance in which supply exceeds demand indicates that there is excess supply. Conversely, a positive balance in which demand exceeds supply indicates excess demand. In this case, qualified demand exceeds competitive supply indicating excess demand. Our base year analysis indicates an excess demand at all levels.

CAPTURE/ PENETRATION RATES

Fundamental methods were used to estimate the subjects capture and penetration rates, which was then applied to the forecast of the real estate demand for space in the market. The subjects capture rate can be analyzed in a number of ways. We have determined that the most accurate way is to simply divide the marginal demand estimate by the total number of units that would need to be absorbed into the subject properties PMA.

A summary of the table calculating the overall capture rate is contained on the following pages.

TABLE 2
Calculation of Housing Demand Schedule @ 60% of AMI Income

Total Current Population in HH (2024)		79,413
Average Family Household Size		2.12
Current Household Demand Estimate (2024)		37,459
Renter Ratio		66%
Total Demand		24,766
Affordability Index		9%
Total Potential Demand in Subject's Economic Segment		2,269
Existing Competitive Supply		1,516
Current Residual Demand		753
Residual Demand from Existing Inventory		753
Projected Households (2029)		40,322
Projected Change in Households		2,863
Renter Ratio		66%
Projected Change in Renter Households		1,893
Affordability Index		9%
Demand from Income Qualified Multifamily Growth		173
Vacancy Allowance	5%	
Adjusted Demand		183
Less: New Competitive Rental Housing (U/C or Planned)		500
Residual Multifamily Demand		(317)
Adjusted Residual Demand from Growth		(317)
Demand from Existing Households		
Current Number of Renter Households		24,766
Turnover Demand from Cost Burden & Substandard HH	43%	6,499
Movership Demand	0.0%	0
Marginal Demand from all Turnover		6,499
Affordability Index		50%
Adjusted Demand		3,250
Tenant Retention		0
Net Demand-New & Existing Income Qualified Renter Households		3,685
# of Units (Subject)		48
Times: % drawn from PMA		90%
Adjusted Number of Units to be captured in PMA		43
Times: Ratio of stabilized occupancy		95%
Adjusted Number of Units to be captured in PMA		41

Rate Analysis			
Penetration Rate	Units	Competitive Units	
	24,766	2,057	8.31%
Capture Rate	Subject Units	Units in Demand	
	41	3,685	1.11%

Total Renter HH Demand @ 60%; LIHTC		24,766
	0 BR	1 BR
Tenure by BR	5.26%	35.44%
Adjusted Demand by BR	1,302	8,777
Affordability Index	9%	6%
Total Potential Demand in Subject's Economic Segment	857	650
Existing Competitive Supply	0	0
Current Residual Demand	857	650
Projected Change in Renter Households	99	671
Affordability Index	9%	6%
Demand from Income Qualified Multifamily Growth	8.46	43.26
Vacancy Allowance	5%	
Adjusted Demand	8.91	45.53
Less: New Competitive Rental Housing (U/C or Planned)	26	177
Residual Demand from Growth	(17)	(132)
Turnover Demand from Cost Burden & SS Housing	43% 560	3,774
Affordability Index	50%	
Adjusted Demand	280	1,887
Net Demand - New & Existing Income Qualified Renter Households	1,120	2,405
Subject Units	36	12
Times: % drawn from PMA	90%	
Times: Ratio of stabilized occupancy	95%	
Adjusted Subject Units	31	10
Capture Rate	2.75%	0.43%

EVALUATION OF PROPOSED RENTS

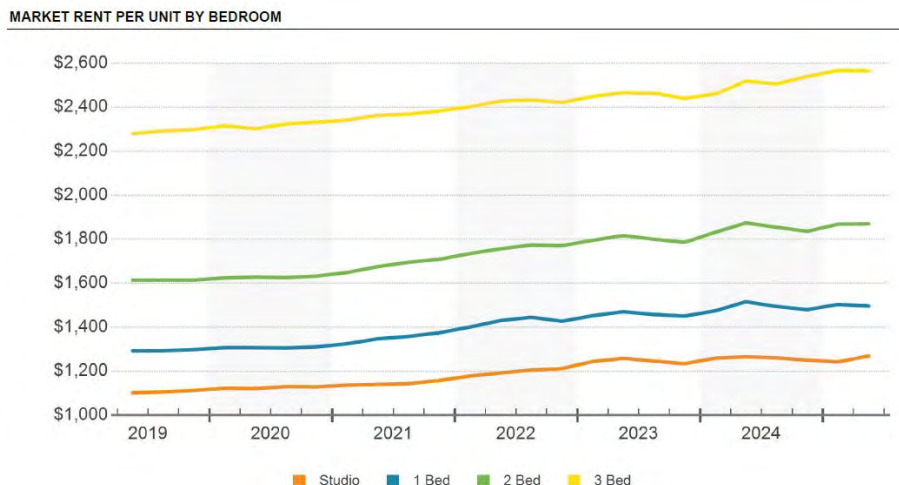
The subject contains one, two- and three-bedroom dwelling units with rent restrictions at 30, 50 60 and 80%. In order to decide of whether the subject's rent levels are reasonable, we surveyed other similar class LIHTC oriented properties contained in the subject's PMA. The results of our analysis are as follows;

Rents for Similar Class LIHTC Assets					
Restrictions					
Property		Studio	\$ / PSF	I BR	\$ / PSF
Subject	60%	\$1,193	\$1.90	\$1,227	\$1.29
Kingsridge	50%				
Armstrong Ren	50%			\$1,342.00	\$1.85
The Planet Apts	50%			\$643.00	\$0.86
Cary 2000	60%			\$780.00	\$1.23
Foundry	60%			\$1,129.00	\$1.79
Goodwyn at UH	50%			\$725.00	\$1.32
Highland Grove	50%			\$844.00	\$1.11
Mallard Greens	60%			\$1,061.00	\$1.36
Oliver	50%			\$1,150.00	\$2.01
Richmond Dairy	50%	\$815.00	\$2.20	\$955.00	\$1.84
Van De Vyer	50%	\$1,050.00	\$2.51	\$1,050.00	\$2.08
	Min	\$815.00	\$2.20	\$643.00	\$0.86
	Max	\$1,050.00	\$2.51	\$1,342.00	\$2.08
	Average	\$932.50	\$2.35	\$967.90	\$1.55

The subject's proposed rents appear to be reasonable based on comparable properties surveyed. Therefore, the subject's proposed rents appear reasonable and obtainable. In order to make a determination of rent advantage, we surveyed other similar class market-oriented properties contained in the subject's PMA. The results of our analysis are as follows;

Rents for Similar Class Market Assets					
Property		Studio	\$ / PSF	I BR	\$ / PSF
1200 W Marshall		\$1,609	\$3.45	\$1,899	\$2.82
2001 East		\$1,637	\$2.80	\$1,788	\$2.59
Ascend Richmond		\$1,600	\$3.52	\$1,600	\$3.04
CENTENNIAL Terrace		\$1,312	\$2.80	\$1,391	\$2.16
	Min	\$1,312	\$2.80	\$1,391	\$2.16
	Max	\$1,637	\$3.52	\$1,899	\$3.04
	Average	\$1,540	\$3.14	\$1,670	\$2.65
LIHTC rent advantage		39%	25%	42%	42%

Within the subject's PMA, asking rates on a per BR basis have been trending upwards as demonstrated in the below graphic.

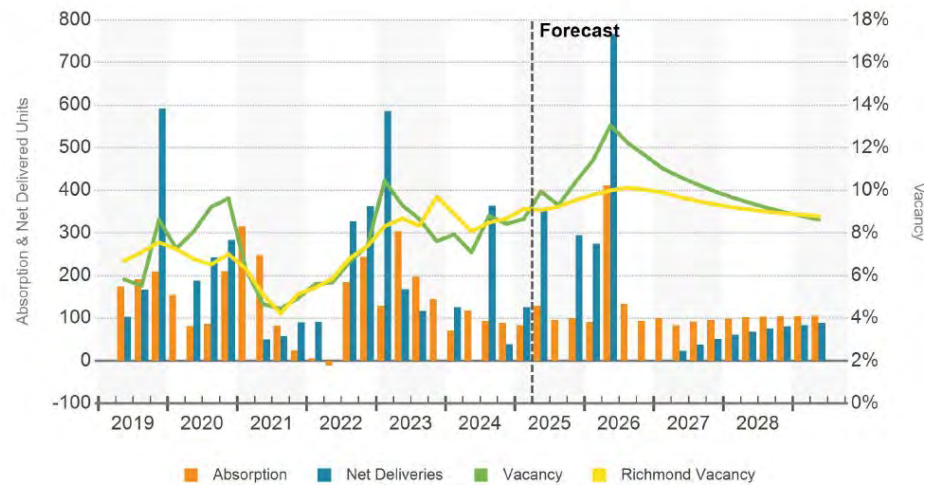


ABSORPTION

Richmond, Virginia's multifamily housing market in 2024 exhibited robust absorption, with over 3,050 units absorbed throughout the year, marking a 24.2% increase compared to the previous year. This strong demand was fueled by sustained population growth and job creation in sectors like healthcare and logistics. Despite the influx of new units, the market maintained healthy occupancy levels, with a projected year-end occupancy rate of 95.1%, surpassing the national average. However, the rapid pace of new construction led to a temporary oversupply in certain submarkets, resulting in a citywide vacancy rate of 8.4%. Rent growth stabilized at 2.8% annually, indicating a balanced market after previous years of significant increases. Looking ahead, with a slowdown in new housing permits and continued population growth, the market is expected to tighten, potentially leading to upward pressure on rents.

To estimate the absorption rate for the subject, we surveyed other similar assets in the subject's PMA to determine how quickly those assets leased up and achieved stabilization. Within the area, newer developments are absorbing at around 8 to 20 dwelling units per month, depending on size. Given the subject's size, we anticipate an average monthly absorption rate of 10 units per month. There is adequate demand for the subject and demand is anticipated to increase in the near future based on demographic data.

ABSORPTION, NET DELIVERIES & VACANCY



Given the subject's size and more intensive marketing efforts associated with such projects, we have estimated a monthly absorption rate of 10 dwelling units per month. The subject is proposed adaptive reuse.

CONCLUSIONS

The subject is well positioned in the market to capture significant tenancy. The housing serves to satisfy the ever-present and growing need for affordable rental housing. The rental rates for the subject are consistent with the rental rates demonstrated in the PMA.

- The residual demand is positive throughout our mid-range forecast period. The residential demand is 3,685 dwelling units at the 60% of AMI level.
- VH requires the analyst to consider the impact, if any, on the analysis for proposed communities in which 20% or more of the units contain at least 3 bedrooms. The subject does not contain any 3 bedroom dwelling units.
- The subject's capture rate is calculated as the percentage of residential demand the subject would have to capture to achieve stabilization. The total number of units for the subject is segmented by the percentage of units captured in the subject's PMA and a typical vacancy allowance. The adjusted total number of units is 41 units. The subject's overall blended capture rate is 1.11% which indicates a strong demand for affordable house.
- The subject is expected to be absorbed into the market at a pace of 10 dwelling units per month. Financing is currently available at attractive terms, and the feasibility rent is sufficient to cover costs of construction and return a reasonable yield to the investor. This combined with the low capture rate indicates a strong demand for the subject's product type.
- The site is attractive and well located in regard to its access and proximity to employment, community services, shopping, medical, and transportation routes which provide extended access to all points throughout the MSA.
- The location, rents, and amenity package will appeal to the low to moderate income families and professionals.
- The bedroom mix of units, the household size distribution, the capabilities, and the unit vacancy levels indicate that the subject's bedroom mix is appropriate in this market at the rent levels. Market rents are sufficient to support new construction, and a positive residual demand indicates new construction in this market is likely.
- Project features are adequate in this portion of the city. The inventory is mixed ranging from older 30+ year inventory to newer inventory. The subject's amenity package and features are generally commensurate with other similar class properties in the subject's market.
- The subject property is currently proposed. The economic infrastructure for the subject properties PMA is fundamentally sound and should continue to grow at a constant and moderate pace.
- The overall development scheme is appropriate and well suited for the market. We make no further recommendations and/ or modifications to the development.

- There do not appear to be any detrimental influences that would impede the absorption rate already established at 10 units per month.
- Our analysis contained herein incorporated the opinions of property managers and leasing agents as well as local market participants that are considered experts in their respective fields.

Given the indications described above, it is reasonable to conclude that the subject's current actual capture rate will continue throughout the mid-range forecast. Given the positive residual demand and the availability of land and capital, new competition is anticipated to materialize in the short and midterm. We have made appropriate allowances for additional new competition.

VH NET DEMAND TABLE

Using VH's required format, Net Demand is summarized on the following table. It should be noted that this format does not break out the net demand on a per bedroom type bases, but instead it represents the total net demand.

Income Restrictions	Up to 60%, LIHTC
Min.	\$40,886
Max	\$51,090
Demand from Existing HH	753
New Rental HH's	(317)
PLUS	
*Existing HH's (Rent Overburdened+ Substandard HH+ Turnover)	3,250
PLUS	
Existing HH's (Substandard HH's)	see above
PLUS	
Homeowners converting to Rental HH's	0
PLUS	
Existing Qualifying Tenants (retain post rehab)	0
EQUALS	
Demand	3,685
MINUS	
**Supply	0
EQUALS	
NET DEMAND	3,685
TOTAL ABSORPTION PERIOD (months)	2.59

*Existing HH's combines substandard and cost burden HH's due to overlapping

**Demand estimates reflect 'net' demand in which supply has already been deducted from demand, therefore net supply is zero

The demand from existing HH's as indicated in the first line is simply latent/ pent up demand in which the existing inventory does not satisfy the existing demand.

MARKET ANALYSIS STATEMENT OF EXPERIENCE

A representative sample of Due Diligence, Consulting or Valuation Engagements for Eugene A. Joseph, Jr, the primary analyst, includes: (see addenda for primary market analysts and review analysts resume).

- Have managed and conducted numerous market and feasibility studies for affordable and conventional housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived.
- In accordance with HUD Notice H 00-12, Mr. Joseph has completed numerous rent comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Selected vendors for demographic information and forecasts include:

- www.stdbonline.com
- <http://www.vec.virginia.gov/>
- <http://factfinder.census.gov/home/>

J. OTHER REQUIREMENTS

ANALYST STATEMENT:

I affirm the following:

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



Market Analyst

April 30, 2025

Date

CERTIFICATION

The appraisers signing this report make the following certifications to the best of their knowledge and belief.

- The statements of fact contained in this report are true and correct.
- Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraisers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The appraisers have no present or prospective interest in the property that is the subject of this report, or personal interest with the parties involved. The appraisers have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- The appraisers have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report during the three-year period immediately preceding acceptance of this assignment.
- The appraisers have no bias with respect to the subject property or to the parties involved with this assignment.
- This engagement is not contingent upon developing or reporting predetermined results.
- Compensation paid to the appraisers is 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 intended use of the appraisal.
- Reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation.
- A statement regarding observation of the subject property by the appraisers is listed below. This viewing, if any, did not attempt to probe, study, investigate, detect, or discover unfavorable physical features.

Appraiser	Observation
Eugene A. Joseph, Jr., MAI, SRA, AI-GRS	Adequate Observation

- No one provided significant real property appraisal assistance to the appraiser(s) signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics &

Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice.

- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Eugene A., Joseph, Jr., MAI, SRA has completed the continuing education program for Designated Members of the Appraisal Institute.

EAJoseph Appraisal & Consultation



Eugene A. Joseph, Jr., MAI, SRA, AI-GRS
Principal Appraiser
Certified General Real Estate Appraiser
License No. 4001 009492

SEQUENCE OF ADDENDA MATERIALS

- Contingent and Limiting Conditions
- Appraiser Qualifications
- License
- Insurance Information
- Service Agreement

Eugene A. Joseph, Jr., MAI, SRA, AI-GRS

Proprietor

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Fax: +1 888 977 3716

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gene@eajoseph.com

EJoseph Appraisal & Consultation

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Richmond, Virginia 23226

CONTINGENT AND LIMITING CONDITIONS

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these Contingent and Limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all Contingent and Limiting conditions contained throughout this document.
2. The "Subject" or "Subject Property" refers to the real property that is the subject of this report. An Appraiser is defined as an individual person who is licensed to prepare real estate appraisal-related services in the State of Virginia and affixes his / her signature to this document.
3. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" also refer collectively to "EAJoseph Appraisal & Consultation ", its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".
4. In these Contingent and Limiting Conditions, the "Parties" refers to all of the following collectively: (a) the Appraiser(s), (b) EAJoseph Appraisal & Consultation, (c) the client, and (d) all intended users.
5. These Contingent and Limiting Conditions are an integral part of this report along with all certifications, definitions, descriptions, facts, statements, assumptions, disclosures, hypotheses, analyses, and opinions.
6. All contents of this report are prepared solely for the explicitly identified client and other explicitly identified intended users. The liability of the Appraiser is limited solely to the client. There is no accountability, obligation, or liability to any other third party. Other intended users may read but not rely on this report.
7. This document communicates the results of an appraisal assignment. This communication is not an inspection, engineering, construction, legal, or architectural report. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is not responsible for any costs incurred to discover, or correct any deficiency in the property.
8. As part of this appraisal, information was gathered and analyzed to form opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
9. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
10. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold EAJoseph Appraisal & Consultation , its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands and agrees to all these conditions.
11. For appraisals of multiunit residential, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, construction quality, and interior finish of unseen units are similar to the functionality, physical condition, construction quality, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, quality, or finish, the Appraiser reserves the right to amend theses analysis and/or value opinion(s).

12. If the appraised property consists of a physical portion of a larger parcel is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject property. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel. The value opinion for the physical portion appraised + the value of all other complementary physical portions may or may not equal the value of the whole parcel.
13. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.
14. If this report involves an appraisal that values an interest, which is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised + the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.
15. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, then it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed completed in substantial conformance with plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to this report's preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.
16. This valuation may or may not include an observation of the appraised property by an Appraiser. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by an Appraiser is not a professional property inspection. Viewing of the subject was limited to components that were not concealed, clearly observable, and readily accessible without a ladder on the property observation date. As used herein, readily accessible means within the Appraiser's normal reach without the movement of any man made or natural object. Comments or descriptions about physical condition of the improvements are based solely on a superficial visual observation. These comments are intended to familiarize the reader with the property in a very general fashion.
17. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other property systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. This document is not an inspection, engineering or architectural report. If the client has any concern regarding structural, mechanical, or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire an expert in the appropriate discipline before relying upon this report. No warranties or guarantees of any kind are expressed or implied regarding the current or future physical condition or operability of any property component.
18. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.
19. The Client and all intended users agree to all the following. (A) This appraisal does not serve as a warranty on the physical condition or operability of the property appraised. (B) All users of this report should take all

necessary precautions before making any significant financial commitments to or for the subject. (C) Any estimate for repair or alternations is a non-warranted opinion of the Appraiser.

20. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) It is assumed ownership of the property appraised is lawful. (D) It is also assumed the subject property is operated under competent and prudent management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.
21. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.
22. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.
23. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.
24. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.
25. This appraisal was prepared by EAJoseph Appraisal & Consultation and consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4).
26. The Appraiser is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraiser for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.
27. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.
28. EAJoseph Appraisal & Consultation and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value

opinions in this communication assume there is no infestation of any type affecting the subject real estate or the Appraiser is not responsible for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.

29. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may differ from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence
30. No warranties are made by the Appraiser concerning the property's conformance with any applicable government code or property covenant including but not limited to all laws, ordinances, regulations, agreements, declarations, easements, condominium regulations, restrictions, either recorded or unrecorded. The client is urged to engage the services of a licensed attorney to confirm any legal issue affecting the property appraised. No liability or responsibility is assumed by the Appraiser to determine the cost of replacing or curing any supposedly defective physical component.
31. In the event of an alleged claim due to some defective physical component, the client must notify EAJoseph Appraisal & Consultation and allow its representatives and experts to examine and test the alleged defective component before any repairs or modifications are made. If any type of repair or modification is made without the knowledge of the Appraisers, the Appraiser is released from all liability, real or alleged.
32. The client and all explicitly identified intended users agree to notify in writing EAJoseph Appraisal & Consultation, within one year of this report's preparation date, of any claim relating to or arising from this report regardless of any statute of limitations. If EAJoseph Appraisal & Consultation does not receive this written notification within the year period defined in the paragraph, then the claimant releases the Appraiser from all claims arising from or related to this report.
33. The client and all explicitly identified intended users acknowledge that any claim relating to this report shall be settled in accordance with the commercial arbitration rules of the American Arbitration Association with the Parties each paying an equal share of all associated costs.
34. Any alleged claim must be filed in the Circuit Court for the County that encompasses most of or all of Richmond, Virginia 23226 where the Appraiser's business office is located. If a court of law voids any portion of these Contingent and Limiting Conditions, then the remainder remains in full force and effect. The claimant(s) agree not to contest the venue set forth herein and to submit to, and not contest, the exercise of personal jurisdiction over them by the foregoing court. The claimant(s) waive all rights concerning the exercise of personal jurisdiction of them by the foregoing courts and all claims of or concerning forum non-conveniences in the foregoing forum.
35. Superseding all comments to the contrary regardless of date, this report may not be transferred or assigned without the prior written consent of EAJoseph Appraisal & Consultation.
36. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of EAJoseph Appraisal & Consultation. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from EAJoseph Appraisal & Consultation, the copyright holder.



Eugene A. Joseph, Jr. MAI, SRA, AI-GRS

PROPRIETOR & CEO
Appraisal & Consultation Services



Gene@eajoseph.com

EDUCATION AND QUALIFICATIONS

Virginia Commonwealth University, Richmond, VA

Bachelor of Science degree in Business, Real Estate and Urban Land Development

Graduate Certificate of Real Estate and Urban Land Development

STATE CERTIFICATION

Virginia

CONTACT DETAILS

MOB +1 804 467 2517
DIR +1 804 353 1757
FAX +1 888 977 3716

EAJoseph Appraisal & Consultation
Richmond Office
PO Box 8225
Richmond, VA 23226

Eugene A. Joseph, Jr. MAI, SRA opened Joseph Appraisal & Consultation in January of 2015 in which Eugene is the owner and operator and is responsible for all phases of real property appraisal and consulting services. In October of 2014, MGMiller Valuations was acquired by Colliers International Valuation & Advisory Services in Richmond, VA. Eugene worked for MGMiller Valuations/ Colliers International since April of 1998 in which he was responsible for all phases of commercial and residential valuation in accordance with USPAP and FIRREA regulations. In 2012, Eugene was promoted to upper management of the commercial division in which his additional responsibilities included performing reviews, scoping and bidding assignments and mentoring members of his commercial team.

EXPERIENCE

Owner and CEO of EAJoseph Appraisal & Consultation, Richmond, VA, January 2015- present

Senior Valuation Services Director, Colliers International Valuation & Advisory Services, Richmond, VA, October 2014- January 2015

Senior Valuation Appraiser and Director, MGMiller Valuations, Richmond, VA., 1998-2014

PROFESSIONAL AFFILIATIONS AND ACCREDITATIONS

MAI, SRA, AI-GRS; Appraisal Institute

Member of National Council of Housing Marketing Analyst (NCHMA)

HUD Certified

APPRAISAL INSTITUTE COURSES

IA1, Real Estate Principals

IA2, Basic Valuation Procedures

Course 510, Advanced Income Analysis

Course 520, Highest and Best Use and Market Analysis

Course 530, Advanced Sales Comparison and Cost Approaches

Course 540, Advanced Report Writing

Course 550, Advanced Applications

CE as needed

OTHER RELATED COURSES

Real Estate Principals

Real Estate Law

Real Estate Finance

Real Property Management

Real Estate Appraisal

Real Estate Negotiation

Advanced Real Estate Appraisal

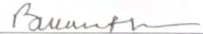
Advanced Valuation Analysis (Graduate Level)

Real Estate Investment Analysis (Graduate Level)

Commercial Mortgage Lending (Graduate Level)

Real Property Investment Law (Graduate Level)

Real Estate Development (Graduate Level)

EXPIRES ON 04-30-2027	COMMONWEALTH of VIRGINIA Department of Professional and Occupational Regulation 9960 Mayland Drive, Suite 400, Richmond, VA 23233 Telephone: (804) 367-8500	NUMBER 4001009492
REAL ESTATE APPRAISER BOARD CERTIFIED GENERAL REAL ESTATE APPRAISER		
	EUGENE ALBER JOSEPH JR 4612 W FRANKLIN STREET RICHMOND, VA 23226	  BRIAN WOLFORD, DIRECTOR
Status can be verified at http://www.dpor.virginia.gov		
(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)		
DPOR-LIC (02/2017)		

11/27/2024

RSG Specialty, LLC
9020 Stony Point Parkway
Richmond, VA 23235

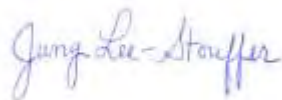
INSURANCE BINDER FOR: EA Joseph Appraisal & Consultation Services, LLC
POLICY NUMBER: MEO-HS-0006008-01

Thank you for binding coverage with Houston Specialty Insurance Company. HSIC is a property and casualty insurer rated A IX by the A.M. Best Company. We are pleased to provide you with the attached binder for insurance.

The commission for this policy will be 11.00%.

The collection and filing of all surplus lines taxes and fees as well as any other applicable surcharges are your responsibility and are not included in the premium set forth in the attached binder. Please note that commissions will not be paid on taxes and/or surcharge amounts.

Sincerely,



Jung Lee-Stouffer

INSURANCE BINDER

Insurance Company: Houston Specialty Insurance Company

Policy Number: MEO-HS-0006008-01

Named Insured: EA Joseph Appraisal & Consultation Services, LLC

CERTIFICATES OF INSURANCE

The Company will not review, accept or retain copies of any certificates of insurance or additional insured endorsements prepared by anyone. Moreover, the Company will not be responsible for any liability resulting from the issuance of any unauthorized endorsement or the issuance of an endorsement which has been authorized by the Company but where the authorized wording is amended or revised in any way, without the prior written approval of the Company. The Company will not be responsible for any liability resulting from the issuance of any certificate of insurance. In no event does anyone have the authority to issue certificates of insurance which include any addition and/or modification of the policy terms and conditions, additional named insureds, waivers of subrogation or any special additional coverages unless expressly approved in writing by the Company.

Copies of all certificates of insurance and any endorsement sent with those certificates must be retained by the issuer for the time period required by state law or regulation in the state in which the certificate of insurance is issued, but in no event less than five years from the date indicated on the certificate.

Unless this policy is physically endorsed, the issuance of a certificate of insurance does not amend, extend, or alter the coverage provided by this policy or change the person(s) or entities to whom such coverage is afforded under this policy. No one without the express written authority of the Company has the authority to issue certificates of insurance or endorsements of any kind including without limitation additional insured endorsements, which include any addition and/or modification of this policy's terms and conditions, or purport to add any additional insured(s) and/or change any term, condition, or provision of this policy unless such policy changes or modifications are first approved by the Company and a policy endorsement is issued by the Company and signed by an officer of the Company.

INSURANCE BINDER

Policy Number: MEO-HS-0006008-01

NAMED INSURED: EA Joseph Appraisal & Consultation Services, LLC

4612 W. Franklin St

Richmond, VA 23226

Policy Period: From 1/12/2025 to 1/12/2026 at 12:01 A.M. Standard Time at your mailing address shown above.

COVERAGES

Professional Services: Real Estate Appraisal Services

Retroactive Date: 1/12/2015

LIMITS OF INSURANCE

Per Claim \$1,000,000

Aggregate Limit \$1,000,000

DEFENSE COSTS ARE INCLUDED WITHIN THE LIMITS OF LIABILITY

RETENTION

Retention \$2,500 Each & Every Claim

PREMIUM

Policy Premium	Premium: \$2,600.00 Policy Fee: \$60.00 Main Fee: \$.67	\$2,600.00
Audit Period	S.L. Tax: \$59.85 Total: \$2,720.52	Not Subject To Audit

All premiums applicable to additional coverage(s) as required during the policy period will be invoiced separately and will not apply toward the estimated policy premiums. **The collection and filing of all surplus lines taxes and fees as well as any other applicable surcharges shall be the sole responsibility of the Excess and Surplus Lines Broker and not included as part of the premiums set forth above.**

INSURANCE BINDER

Policy Number: MEO-HS-0006008-01

Named Insured: EA Joseph Appraisal & Consultation Services, LLC

SUBJECTIVITIES/REQUIREMENTS

Please be advised that coverage has been bound conditional upon receipt, review, verification and approval of the following items within 30 days of binding coverage:

N/A

In order to complete the underwriting process, we require that you send us the subjectivities requested above. We are not required to bind coverage prior to our receipt, review and underwriting approval of the above information. However, if we do bind coverage prior to such approval, it shall be for a temporary period of not more than 30 days. Such temporary binding of coverage shall be void ab initio ("from the beginning") if we have not received, reviewed and approved in writing such material within 30 days from the effective date of the temporary binder.

FORMS

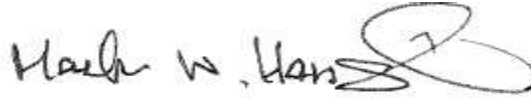
FORM/ENDORSEMENT NUMBER	NAME
HSIC JACKET-POLICY A (07-2021)	HSIC JACKET-POLICY A (07-2021)
SOS HSIC CW 09 13	CW SERVICE OF SUIT CLAUSE
DS PN Annual (02-22)	SKYWARD PRIVACY NOTICE
MP FORM SCHED 00	FORMS SCHEDULE
HSIC MEO DS 01 04 24	HSIC POLICY DECLARATIONS - MISCELLANEOUS ERRORS AND OMISSIONS LIABILITY INSURANCE
MP 01 08 11 13	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL - OFAC - ADVISORY NOTICE TO POLICYHOLDERS
MP 01 26 11 13	IMPORTANT NOTICE
MP 02 52 11 13	PENDING OR PRIOR LITIGATION EXCLUSION
MP 00 01 04 24	MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE POLICY
MP 02 24 11 13	NUCLEAR LIABILITY EXCLUSION
MP 03 10 08 21	APPRAISER ENDORSEMENT
MP 03 20 08 21	EXTENDED REPORTING PERIOD ENDORSEMENT
MP 03 31 03 22	RETENTION REDUCTION FOR MEDIATION ENDORSEMENT

Failure to provide Skyward Specialty Insurance with any of the above-listed items, within the specified time frame, can result in the automatic issuance of a Notice of Cancellation.

In witness whereof, this company has caused this policy to be signed by its President and Secretary but if required by state law, the policy shall not be valid unless countersigned by an authorized representative of the Company.



SECRETARY SIGNATURE



PRESIDENT SIGNATURE

HOUSTON SPECIALTY INSURANCE COMPANY

POLICY DECLARATIONS

MISCELLANEOUS ERRORS AND OMISSIONS

LIABILITY INSURANCE

POLICY NUMBER: MEO-HS-0006008-01

RENEWAL OF POLICY: MEO-HS-0006008-00

Named Insured & Mailing Address:

EA Joseph Appraisal & Consultation Services, LLC

4612 W. Franklin St

Richmond, VA 23226

Broker Name & Mailing Address:

RSG Specialty, LLC

9020 Stony Point Parkway

Richmond, VA 23235

Policy Period: From 1/12/2025 to 1/12/2026at 12:01 A.M. Eastern Time

This policy is issued by the insurance company listed above (herein “Company”).

THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY WHICH COVERS ONLY CLAIMS FIRST MADE

AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD.

PLEASE READ THIS POLICY CAREFULLY.

RETROACTIVE DATE	
	1/12/2015
LIMITS OF INSURANCE	
Each Claim	\$1,000,000
Aggregate Limit	\$1,000,000
RETENTION	
Each & Every Claim	\$2,500.00
PROFESSIONAL SERVICES	
	Real Estate Appraisal Services
PREMIUM	
Premium	\$2,600.00

**HOUSTON SPECIALTY INSURANCE COMPANY
POLICY DECLARATIONS
MISCELLANEOUS ERRORS AND OMISSIONS
LIABILITY INSURANCE**

NOTICES

Notices to Insurance Company:

Notice of Claim or Potential Claim:
Claims Department
claims@skywardinsurance.com
888-321-0714

All other notices:
VP Legal VP
800 Gessner, Suite 600
Houston, TX 77024

IN CONSIDERATION OF THE PAYMENT OF THE PREMIUMS, AND SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY, WE AGREE TO PROVIDE THE INSURED WITH THE INSURANCE AS STATED IN THIS POLICY.

THESE DECLARATIONS, TOGETHER WITH THE COMPLETED AND SIGNED APPLICATION FOR THIS POLICY INCLUDING INFORMATION FURNISHED IN CONNECTION THEREWITH, AND THE COVERAGE FORM AND ANY ENDORSEMENTS ATTACHED HERETO, CONSTITUTE THE ABOVE NUMBERED INSURANCE POLICY.

NOTICE TO THE INSURED

The insurance policy that you have applied for has been placed with or is being obtained from an insurer approved by the State Corporation Commission for issuance of surplus lines insurance in the Commonwealth, but not licensed or regulated by the State Corporation Commission of the Commonwealth of Virginia. Therefore, you, the policyholder, and persons filing a claim against you are not protected under the Virginia Property and Casualty Insurance Guaranty Association Act (Va. Code Ann. §38.2-1600 et seq.) of the Code of Virginia against default of the company due to insolvency. In the event of insurance company insolvency, you may be unable to collect any amount owed to you by the company regardless of the terms of this insurance policy, and you may have to pay for any claims made against you. [Virginia Form SLB-9 (Rev. 9/96)]. (Va. Code Ann. §38.2-4806).

Surplus Line Broker:

Countersigned:

12/18/2024

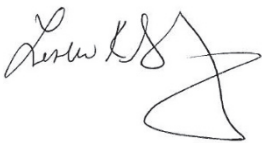
(Date)

By:

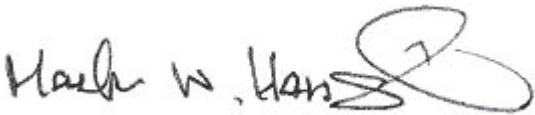
License#

(Authorized Representative)

In witness whereof, this company has caused this policy to be signed by its President and Secretary but if required by state law, the policy shall not be valid unless countersigned by an authorized representative of the Company.



SECRETARY SIGNATURE



PRESIDENT SIGNATURE

COPYRIGHT

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Richmond, Virginia 23226
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All opinions, analyses, and conclusions stated herein are intended for the exclusive use of our client, and other specifically identified intended users. Only the client and other specifically identified intended users may use this report for the sole purpose and intended use stated herein.

END OF REPORT