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**Need and Demand Analysis For
Sussex Trace Apartments
7144 Leneave Lane
Waverly, Virginia 23890**

**Prepared For
Green Street Housing
212 East Main Street, Suite 200
Salisbury, Virginia 23220**

**Effective Date
March 25, 2025**

**Date of Report
April 25, 2025**



April 25, 2025

Mr. Jake Lanza
Green Street Housing
212 East Main Street, Suite 200
Salisbury, Virginia 23220

Dear Mr. Lanza:

Following is a market study which was completed for Green Street Housing, under the guidelines set forth by Virginia Housing. Sussex Trace Apartments consists of an existing Section 8 development that is designated for families and consists of eight two-story townhome buildings containing a total of 50 units. The complex also contains an accessory building which housing the laundry facility, leasing office and maintenance area. The subject will be rehabilitated. Once rehabilitation is complete, the subject will continue to be Section 8 and will also be Low Income Housing Tax Credit (LIHTC) at 60 percent of the area median income. The buildings have brick and vinyl siding exteriors and asphalt shingle roofs.

The purpose of the following market study is to determine if the community has a need for the rehabilitated subject units. To do so, the analyst, Jonathan Richmond, utilized data from the U.S. Census Bureau; Ribbon Demographics, 2025 Data; and various other demographic resources. Community information and opinion was also utilized. This information was collected during a field survey conducted by Jonathan Richmond while visiting the subject on March 25, 2025. An attempt was made to survey 100 percent of all competitive housing in the area.

We certify that there is not now nor will there be an identity of interest between or among the applicant, contractor, architect, engineer, attorney, interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to Virginia Housing and written consent to such identity of interest by Virginia Housing. All recommendations and conclusions are based solely on the professional opinion and best efforts of the analysts. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

Jonathan Richmond
Market Analyst

Janice F. Gill, MAI
Market Analyst



TABLE OF CONTENTS	
TABLE OF CONTENTS	4
CERTIFICATION	6
IDENTITY OF INTEREST	7
NCHMA MEMBER CERTIFICATION	8
Executive Summary	9
Project Description	9
Income Averaging	10
Housing Profile	10
Market Feasibility	10
Evaluation of Project	11
Positive/Negative Attributes	11
Conclusions	11
Introduction and Scope of Work	12
Project Description	15
Project Design	15
Unit Features	15
Common Amenities and Services	15
Parking	15
Utilities	15
Unit Mix, Size and Rent Structure	16
Tenant Services	17
Scope of Work	17
Location/Site Characteristics	17
Project Location	17
Location Map	18
Vicinity Map	19
Community and Site Information	20
Site Characteristics	20
Surrounding Land Uses	20
Subject Photos	21
Nearby Employment Opportunities	33
Regional and Area Data	33
Crime	34
Community Services Legends and Maps	35
Competing Properties Map	51
Summary of Site Strengths and Weaknesses	52
Delineation of Market Area	53
Primary Market Area Map	55
Employment and Economy	56
Major Employers	58
Place of Work Employment	60
Future Employment Trends	61
Wages	62
Employment Outside the County	62
Summary of Employment Trends in Market Area	63
Population and Households Trends and Analysis	64
Housing Market	68
Tenure	68
Rent Overburdened Households	70
Substandard Households	70
Income Eligibility Analysis	71
Sources of Demand	74
Required Unit Mix	74



Eligible Households	74
Penetration Rate	75
Demand Analysis - With Subsidies	76
Demand Analysis Summary - With Subsidies	76
Demand Analysis - Without Subsidies	78
Demand Analysis Summary - Without Subsidies	78
Capture Rate Analysis	79
Housing Profile	81
Market Area Overview	81
Housing Inventory	81
Projects Planned or Under Construction	81
Unit Condition	81
Housing Units	82
Age of Rental Units	82
Unit Types	83
Unit Size	83
Rental Vacancy Rates	84
Vacancy Analysis	84
Lease Terms and Concessions	85
Likely Impact of Rehabilitated Development on Rental Occupancy Rates	85
Comparable Profile Pages	86
Existing Comparables Map	130
Competing Properties Map	131
Additional Developments	132
Market Rent Analysis	133
HUD Forms 92273-S8 and Explanations – As Complete	134
Evaluation of the Development	153
Project Design	153
Project Amenities	153
Parking	153
Unit Mix	153
Utilities	153
Unit Amenities	153
Tenant Services	153
Impact of Existing/Planned Rental Housing	153
Summary of Developments Strength and Weaknesses	154
Local Interviews	155
RECOMMENDATIONS AND CONCLUSIONS	156
Project Description	156
Income Averaging	156
Housing Profile	157
Market Feasibility	157
Evaluation of Project	158
Positive/Negative Attributes	158
Conclusions	158
Qualifications of the Analyst	159
ADDENDUM A – DATA SOURCES	166
ADDENDUM B – MARKET STUDY TERMINOLOGY	167
ADDENDUM C – NCHMA INDEX	177
ADDENDUM D – SUBJECT INFO	179
ADDENDUM E – FLOOD DATA	214



CERTIFICATION

This is to certify that a field visit was made by the market analyst or one of his associates and information was obtained from publications of federal, state and local agencies. Interviews were held with apartment owners or managers, local officials and others as appropriate who may be knowledgeable of the housing market in Waverly.

In accordance with Virginia Housing, I hereby certify that the information provided in this Market Study was written according to Virginia Housing's market study requirements and is truthful and accurate to the best of my knowledge and belief. The estimates of demand for multifamily housing made by this report are based on the assumption of a free market situation, unencumbered by local mores, affirmative fair housing marketing or prejudice toward the site location.

This is to affirm that I will receive no fees which are contingent upon approval of the project by Virginia Housing, before or after the fact, and that I will have no interest in the housing project.

Jonathan Richmond
Market Analyst
Tax ID Number: 43-1352932

Janice F. Gill, MAI
Market Analyst

April 25, 2025



IDENTITY OF INTEREST

We understand and agree that Virginia Housing will consider an identity of interest to exist between the loan applicant as the party of the first part and general contractors, architects, engineers, attorneys, interim lenders, subcontractors, material suppliers or equipment lessors as parties of the second part under any of the following conditions:

1. When there is any financial interest of the party of the first part in the party of the second part;
2. When one or more of the officers, directors, stockholders or partners of the party of the first part is also an officer, director, stockholder or partner of the party of the second part;
3. When any officer, director, stockholder or partner of the party of the first part has any financial interest whatsoever in the party of the second part;
4. When the party of the second part advances any funds to the party of the first part other than an interim lender advancing funds to enable the applicant to pay for construction and other authorized and legally eligible expenses during the construction period;
5. When the party of the second part provides and pays on behalf of the party of the first part the cost of any legal services, architectural services or interim financing other than those of the survey, general superintendent or engineer employed by a general contractor in connection with obligations under the construction contract;
6. When the party of the second part takes stock or any interest in the party of the first part as part of the consideration to be paid them; and
7. When there exists or comes into being any side deals, agreements, contracts or undertakings entered into thereby altering, amending or canceling any of the required closing documents or approval conditions as approved by Virginia Housing.

We certify that there is not now nor will there be an identity of interest between or among the applicant, contractor, architect, interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to Virginia Housing and written consent to such identity of interest by Virginia Housing. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

There is no identity of interest between the loan applicant and the Market Analyst or Gill Group.

Jonathan Richmond
Market Analyst

Janice F. Gill, MAI
Market Analyst

April 25, 2025



NCHMA MEMBER CERTIFICATION



Formerly known as
National Council of Affordable
Housing Market Analysts

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

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

Jonathan Richmond
Market Analyst
Gill Group

April 25, 2025



Executive Summary

It is the opinion of the analyst that a market exists for the proposed rehabilitation of the existing 50-unit development designed for families and that there is no need for alterations of any kind. This recommendation is made based on the information included in this report and assuming that the project is completed as detailed in this report. Any changes to the proposed rehabilitation of the subject could alter the findings in this report.

Project Description

The subject, Sussex Trace Apartments, is an existing Section 8 development designated for families that contains 50 units. All units contains subsidies. The subject will undergo renovation. Once renovation is complete, the subject will remain a Section 8 development with subsidies for all units as well be 100 percent LIHTC. The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$73,560 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$46,971 and \$73,560 would be eligible for the rehabilitated development.

The following chart lists the subject's unit mix.

Unit Type	# of Units	Square Feet	Total Square Footage
2/1	30	876	26,280
3/1.5	17	1,086	18,462
3/1.5 HC	3	1,086	3,258
	50		48,000

The following chart list the subject property's existing unit distributions by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
2/1	30	876	\$816	\$103
3/1.5	17	1,086	\$908	\$151
3/1.5 HC	3	1,086	\$938	\$82
	50			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
2/1	30	876	60%	\$1,533	\$1,370	\$95	\$1,275
3/1.5	17	1,086	60%	\$1,770	\$1,668	\$108	\$1,560
3/1.5 HC	3	1,086	60%	\$1,770	\$1,633	\$108	\$1,525

Since the property will retain its Section 8 contract, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. However, tenants will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants be required to pay more than the maximum allowable LIHTC rent.



Income Averaging

The developer has not selected to use the Income-Averaging option.

Housing Profile

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The vacancy rate for the surveyed affordable housing units is 8.0 percent. Two of the comparables, Jersey Park Apartments and Wood Edge, reported elevated vacancy rates. Jersey Park Apartments reported an elevated vacancy rate of 17 percent. According to the contact for Jersey Park Apartments the property is holding units vacant for upcoming renovations. Wood Edge reported a vacancy rate of 12 percent with seven vacant units. According to the contact for Wood Edge the property had several move-outs; however, the property is preleased to 95 percent. Additionally, the subject reported an elevated vacancy rate of 14 percent with seven vacant units. However, several units at the subject are being held vacant in anticipation of upcoming renovations. Historically the subject has maintained a stabilized occupancy rate. Without considering these properties, the affordable housing vacancy rate is 4.7 percent. The current vacancy rate in surveyed market-rate apartment complexes is 4.3 percent. The current vacancy rate of the competitive properties in the market area is 4.7 percent.

The proposed rehabilitation of the existing Section 8 development will not have an adverse impact on the market area. As complete, the property will be 100 percent LIHTC at 60 percent of the area median income and will also be Section 8. There were 15 income-restricted developments, including the subject property, which were surveyed. Of the confirmed income-restricted developments, 14 directly compete with the subject. The majority of the developments maintain high occupancy rates, and most maintain waiting lists from the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing.

Market Feasibility

The following tables show the capture rates for the rehabilitated development both with and without considering subsidies.

CAPTURE RATE - WITH SUBSIDY	
Project Wide Capture Rate - LIHTC Units	0.5%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	0.5%
Project Wide Absorption Period (Months)	1 Month

CAPTURE RATE - WITHOUT SUBSIDY	
Project Wide Capture Rate - LIHTC Units	10.9%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	10.9%
Project Wide Absorption Period (Months)	4-5 Months

The market shows a net demand of 1,536 households for all units when considering the Section 8 subsidy and a net demand of 459 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 development that is currently 86 percent occupied, with seven vacant units. The property has a short waiting list. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contracts, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 50 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 0.5 percent and is considered good. The capture rate, without considering the subsidy, is 10.9 percent, which is considered acceptable. In addition, the



majority of the affordable housing developments maintain waiting lists and the majority of the comparables maintain high occupancy rates. Therefore, it is the belief of the analysts that the property will continue to be viable within the market area without subsidies, and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Evaluation of Project

Sussex Trace Apartments is easily accessed via Leneave Lane. Leneave Lane connects to State Highway 40/West Main Street, a major thoroughfare in the town. Therefore, the subject has average visibility and easy access. The subject's existing site plan and project design are similar to competing apartment developments. The subject's existing unit mix of two and three-bedroom units is suitable in the market.

Positive/Negative Attributes

Strengths: The subject's location is comparable to other developments in the market area. Its current and proposed in-unit and common area amenities are competitive with the other developments in the market area. When these factors are taken into consideration, the subject's rehabilitated units will provide a good value to prospective tenants.

Weaknesses: There are no apparent weaknesses.

Conclusions

The subject can retain its required share of the market area for the following reasons:

- The subject's rehabilitated design and amenities will be competitive with other existing projects. Therefore, no modifications to the subjects are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2030, indicating a need for additional housing the market area. In addition, the majority of the restricted properties confirmed maintain high occupancy rates, and the majority maintain waiting lists, it appears the market is not oversaturated with affordable rental housing.
- The subject is an existing 50-unit Section 8 development that will be rehabilitated. Once rehabilitated is complete, the subject will continue to be Section 8 development with subsidies for all units, as well as be 100 percent LIHTC at 60 percent of the area median income. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is an existing Section 8 development that is currently 86 percent occupied, with seven vacant units. It should be noted, several of the vacant units are being held offline in anticipation of renovations. The subject also maintains a short waiting list. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property was to lose its Section 8 contract, none of the existing tenants would remain income-eligible, and all 50 units would need to be absorbed into the market. After considering all factors, it is estimated that the subject property could absorb 10 to 15 units per month, resulting in a 95 percent occupancy level within four to five months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the rehabilitated development will be suitable for the market area. Given the current low vacancy rates for income-restricted properties as well as the waiting lists at most properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.



Introduction and Scope of Work

The Scope of Work Rule requires us to gather and analyze information about those assignment elements that are necessary to properly identify the problem to be solved. According to the Standards Rule 1-2, identification of the problem to be solved requires us to identify the following assignment elements.

- Client and any other intended users: The client and developer for this market study assignment is Green Street Housing. The intended users of the report are Green Street Housing and Virginia Housing. No other users are intended.
- Intended use of the analyst's opinions and conclusions: The intended use of this market study is to apply for Low Income Housing Tax Credits through Virginia Housing.
- Effective date of the analyst's opinions and conclusions: The effective date of the rental estimate is March 25, 2025.
- Subject of the assignment and its relevant characteristics: The subject property is an existing 50-unit apartment complex known as Sussex Trace Apartments. Sussex Trace Apartments is located along Leneave Lane, just east of West Main Street. Its physical address is 7144 Leneave Lane.
- Assignment conditions: Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, supplemental standards, jurisdictional exceptions, and other conditions that affect the scope of work. The following assumptions are used in this market study assignment: *The market study was written under the extraordinary assumption that the property will be rehabilitated as indicated in the Scope of Work. The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*
- An environmental audit was not provided. I am not qualified to complete an environmental audit. The stated opinion of rental rates is predicated on the assumption that no hazardous substances or conditions materially affect the subject property.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. No specific compliance survey or analysis of the identified property has been made to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property will not comply with one or more of the requirements of the Act. If so, this fact could have an adverse impact upon the value of the property. Since there is no direct evidence relating to this issue, it is assumed that no substantial immediate outlays will be mandated by governing authorities to meet ADA requirements.
- Unemployment statistics are based on the information available from the U.S. Department of Labor Bureau of Labor Statistics. The data shown in this report is based on the data available as of the effective date of the analysis. The Department of Labor will periodically revise the data by incorporating additional information that was not available at the time of the initial publication of the estimates. The initial data is revised twice, first within two months of initial publication in order to incorporate additional sample data from respondents in the survey and recalculate seasonal adjustment factors, and second on an annual basis to incorporate a benchmark revision that estimates nearly complete employment counts available from unemployment insurance tax records.
- The U.S. Census Bureau American Community Survey (ACS) uses a series of monthly samples to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. Initially, five years of samples were required to produce these small-area data. Once the U.S. Census Bureau released its first five-year estimates, new small-area statistics were produced annually. The Census Bureau also produces three-year and one-year data products for larger geographic areas.
- The American Housing Survey (AHS) is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau. The survey provides up-to-date information about the quality and cost of housing in the United States and major metropolitan areas. It also includes questions about the physical condition of homes and neighborhoods, the cost of financing and maintaining homes and the characteristics of people who live in these



homes. The survey is conducted every other year and covers all 50 states and the District of Columbia. The 2015 AHS underwent a major redesign. Prior to this survey, the same households were re-surveyed every two years. A new sample was redrawn in 2015 for the first time since 1985, and new households were asked to participate in the survey. Additionally, the questionnaire was redesigned with some variables added and others dropped or modified. Imputation methods were also streamlined, and the weighting methodology changed. Therefore, some estimates in 2015 are not comparable to previous years.

- The building improvements meet all governing codes, unless otherwise noted in this report.

An **extraordinary assumption**¹ is defined as:

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The analyst has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The analyst complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.²

A **hypothetical condition**³ is defined as:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market condition or trends; or about the integrity of data used in an analysis.

A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The analyst complies with the disclosure requirements set forth in USPAP for hypothetical conditions.⁴

¹ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (Effective January 1, 2020 through December 31, 2023) (The Appraisal Foundation, 2020), pg. 4

² Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (Effective January 1, 2020 through December 31, 2023) (The Appraisal Foundation, 2020), pg. 14

³ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (Effective January 1, 2020 through December 31, 2023) (The Appraisal Foundation, 2020), pg. 4

⁴ Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition (Effective January 1, 2020 through December 31, 2023) (The Appraisal Foundation, 2020), pg. 14



The following extraordinary assumptions are used in this market study consultation assignment: *The market study was written under the extraordinary assumption that the property will be rehabilitated as indicated in the Scope of Work.*

The following hypothetical condition are used in this market study consultation assignment: *The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*

This market study was completed in accordance with the requirements set forth in Virginia Housing's 2025 Market Study Guidelines.

Janice F. Gill, MAI, State Certified General Real Estate Appraiser and Market Analyst, oversaw and supervised all data collection and analysis and performed the research. The following actions were taken to complete this market study.

- On March 25, 2025, Todd Doulgas Poer, a Market Analyst, conducted an interior and exterior inspection of the subject property to determine the property's physical and functional characteristics. Todd Doulgas Poer inspected all common areas and at least one unit of each varying type. He interviewed Adam Stewart to determine the rental rates, services and amenities offered to the tenants of the subject property.
- The purpose of this market study is to determine if the community has a need for the subject units. To do so, the analysts utilize data from the U.S. Census Bureau; Ribbon Demographics, 2025 Data; and various other demographic resources. Community information and opinion was also utilized. The research retrieved data from several of the following: internet sites, local newspapers and rental publications, city records, owners and managers of local apartment properties, local real estate brokers, fellow analysts and the analyst's office files.
- During the week of March 25, 2025, Jonathan Richmond inspected the exterior of each comparable property used in the analysis. During the site inspections or in separate telephone interviews, Jonathan Richmond, Janice F. Gill, MAI, or one of their associates, spoke with the managers of the comparable properties to confirm all data and to collect additional information about each comparable including size, age, amenities, occupancy rates and general market information. The property manager provided floor plans or other information describing the size of comparable units after it was explained that the interior size was needed.
- Jonathan Richmond and Janice F. Gill, MAI, the primary market analysts, completed the data and adjustments columns of the Rent Comparability Grids and determined the final estimate of rents. After completing the Rent Comparability Grids, Jonathan Richmond and Janice F. Gill, MAI, derived an estimated market rent and an estimated achievable rent for each unit type. Jonathan Richmond and Janice F. Gill, MAI, also completed the demand, penetration rate and capture rate conclusions through analysis of all aspects of the subject, market area and demographic data available to the analyst.



Project Description

Project Name: Sussex Trace Apartments
Location: 7144 Leneave Lane
Waverly, Virginia
Project Type: Family
Construction Type: Rehabilitated
Developer: Green Street Housing
Area Median Family Income: \$113,500

The subject, Sussex Trace Apartments, is an existing Section 8 development designated for families. The subject consists of eight two-story townhome buildings with 50 units. The complex also contains an accessory building which housing the laundry facility, leasing office and maintenance area. The subject property will undergo renovation. Once renovation is complete, the subject will continue to be a Section 8 property with subsidies for all units as well as 100 percent LIHTC. The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$73,560 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$46,971 and \$73,560 would be eligible for the rehabilitated development.

Project Design

Sussex Trace Apartments is comprised of eight two-story townhome buildings. The complex also contains an accessory building which housing the laundry facility, leasing office and maintenance area. The buildings have concrete slab foundations and wood framing, with brick and vinyl siding exteriors and asphalt shingle roofs. The complex was constructed in 1980 and will be rehabilitated. Landscaping is minimal and consist of grass, trees and shrubs. The property is not a scattered site development.

Unit Features

Each unit contains the following amenities: refrigerator, range/oven, garbage disposal, washer hook-ups (2BR only), washer/dryer hook-ups (3BR only), carpet and vinyl flooring, blinds, storage and patio. Upon completion of rehabilitation, the units will contain a dishwasher, microwave, washer and dryer.

Common Amenities and Services

The property provides the following project amenities: picnic area, playground, tot lot, basketball court, laundry facility, on-site management, on-site maintenance and video surveillance. Once rehabilitation is complete, the property will also contain a community center and computer room.

Parking

The complex contains an open asphalt parking lot with a total of 90 parking spaces. Therefore, the subject has a parking ratio 1.80 parking spaces per unit.

Utilities

The following tables describe the subject property's utility combination.

UTILITY SCHEDULE		
Utility	Type	Who Pays
Heat	Central Electric	Tenant
Air Conditioning	Central Electric	Tenant
Hot Water	Electric	Tenant
Cooking	Electric	Tenant
Other Electric	Electric	Tenant
Cold Water/Sewer	N/A	Landlord
Trash Collection	N/A	Landlord



Unit Mix, Size and Rent Structure

The following chart lists the subject's unit mix.

Unit Type	# of Units	Square Feet	Total Square Footage
2/1	30	876	26,280
3/1.5	17	1,086	18,462
3/1.5 HC	3	1,086	3,258
	50		48,000

The following chart list the subject property's existing unit distributions by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
2/1	30	876	\$816	\$103
3/1.5	17	1,086	\$908	\$151
3/1.5 HC	3	1,086	\$938	\$82
	50			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
2/1	30	876	60%	\$1,533	\$1,370	\$95	\$1,275
3/1.5	17	1,086	60%	\$1,770	\$1,668	\$108	\$1,560
3/1.5 HC	3	1,086	60%	\$1,770	\$1,633	\$108	\$1,525

Since the property will retain its Section 8 contract, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. However, tenants will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants be required to pay more than the maximum allowable LIHTC rent.

The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$73,560 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$46,971 and \$73,560 would be eligible for the rehabilitated development.

LIHTC INCOME LIMITS	
Person in Households	60%
1	\$47,700
2	\$54,480
3	\$61,320
4	\$68,100
5	\$73,560
6	\$79,020

Source: HUD



Tenant Services

The subject does not offer any tenants services.

Scope of Work

The property will undergo a substantial rehabilitation and will be in good condition. The proposed scope of work is comprehensive and includes replacement of appliances, kitchen cabinets, bath vanities and medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior and wall supports, roofing and re-grading and striping of the parking lots. In addition, once rehabilitation is complete, all units will contain a washer and dryer, dishwasher, microwave and new vinyl plank flooring. Furthermore, the property will contain a new community center and computer room. The total estimated cost of rehabilitation is \$5,250,000, or \$105,000 per unit. The rehabilitation will begin November 2025 and complete December 2026.

Location/Site Characteristics

The subject consists of one rectangular-shaped tract of land that contains a total of 4.68 acres. The subject property is zoned R-1, General Residential District. Therefore, the subject is a legal, conforming use. A zoning change is unlikely. The subject is not a scattered site development. The subject is located in Census Tract #8703.00.

The subject neighborhood is comprised primarily of vacant land and is 60 percent built up. Approximately 40 percent of the land use is made up of vacant land. About 40 percent is comprised of single-family residences. Another 15 percent of the land use is made up of commercial properties. The remaining five percent is multifamily dwellings. Vacant land and single-family residences are located north and west of the site. Vacant land is located south and east of the site. The area is mostly rural.

Project Location

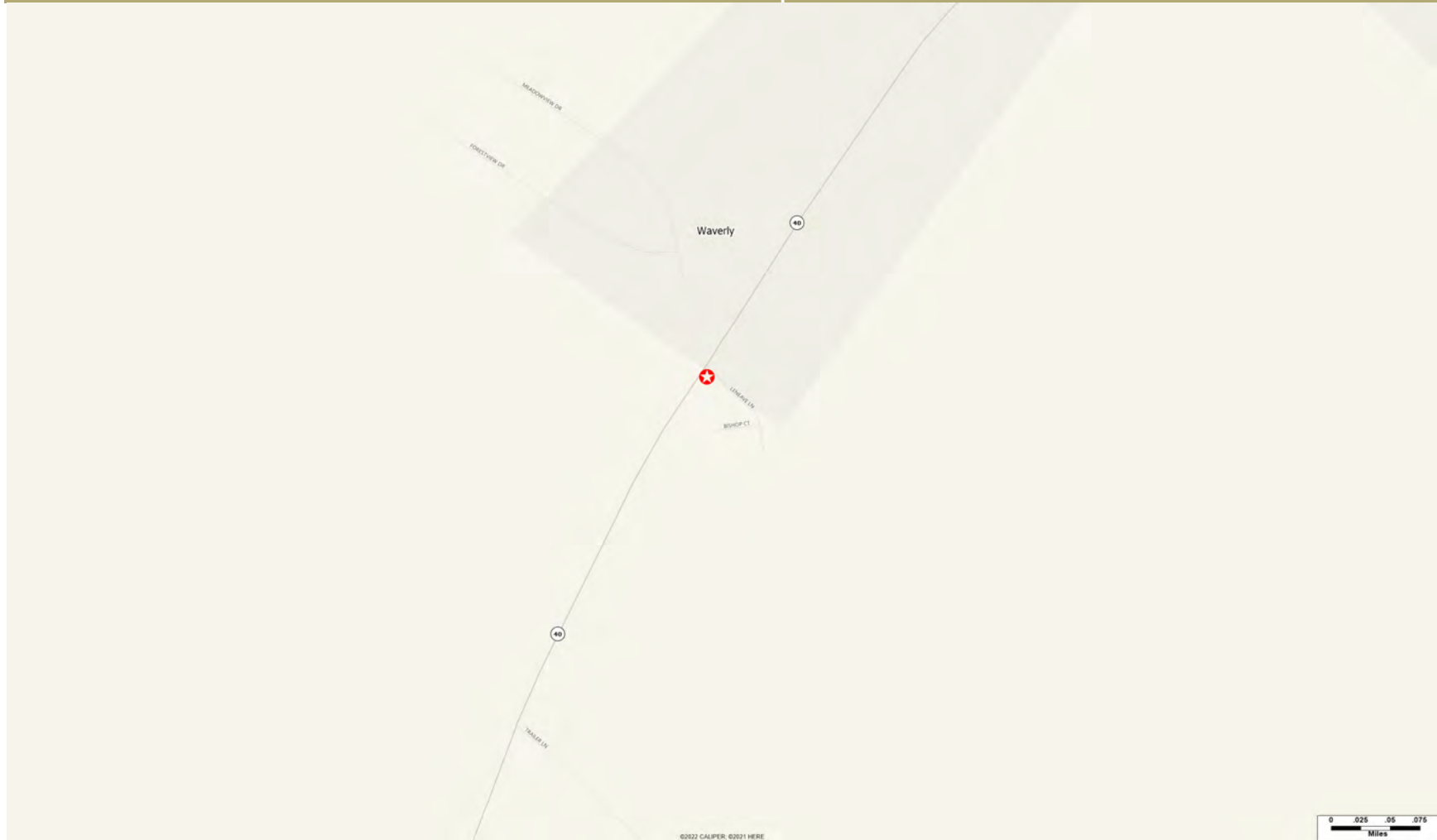
The subject property, Sussex Trace Apartments, is an existing Section 8 development with a total of 50 units and is located in Waverly, Virginia. As complete, the property will continue to be Section 8 with subsidies for all units, as well as 100 percent LIHTC with income levels at 60 percent of the area median income.

Waverly is a town located in Sussex County which is located in the southern portion of Virginia. Nearby cities include Wakefield, Newport News, Hampton, Petersburg, Norfolk and Richmond. Sussex County has the following boundaries: North – Prince George and Dinwiddie Counties; East – Surry County; South – Southampton County; and West – Greenville County.

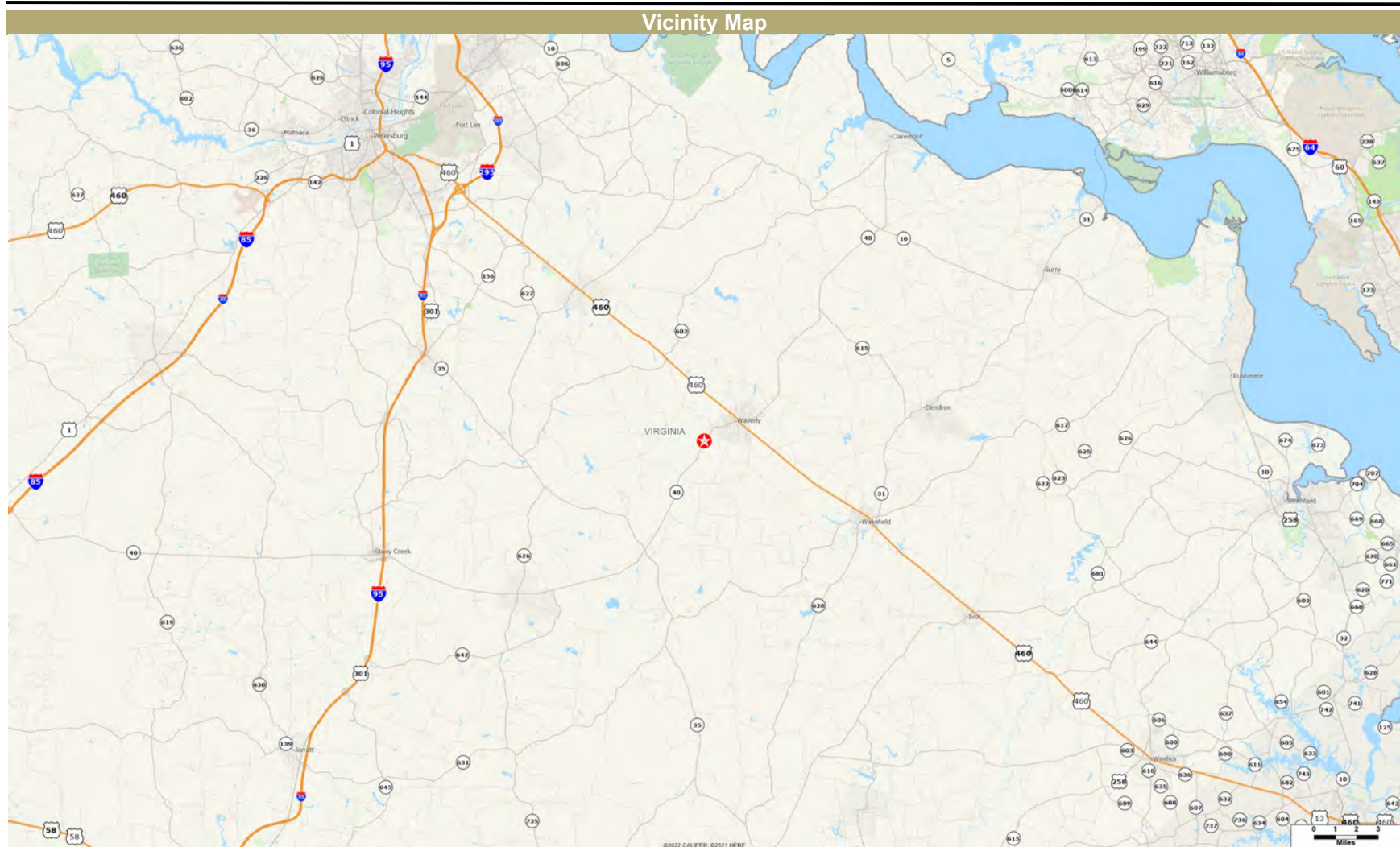
Major highways in Sussex County include Interstate 95; U.S. Highway 460; and State Highways 35, 40, 602, 622, 631, 645 and 655. The nearest major airport is Richmond International Airport in Richmond, Virginia, 44 miles north of Waverly. Interstate and intrastate bus services are provided by Greyhound, with a bus stop 34 miles north in Williamsburg. Amtrak provides commuter rail services to the area via a station located in Williamsburg. Sussex County Skylands Ride offers public transportation to the area.



Location Map



Sussex Trace Apartments
7144 Leneave Lane
Waverly, Virginia 23890





Community and Site Information

Site Characteristics

The subject property is located in a residential neighborhood in the southwestern portion of Waverly. The subject is located along Leneave Lane, just east of West Main Street.

Sussex Trace Apartments is easily accessed via Leneave Lane. Leneave Lane connects to State Highway 40/West Main Street, a major thoroughfare in the town. Therefore, the subject has average visibility and easy access.

The subject consists of one rectangular-shaped tract of land that contains a total of 4.68 acres. The subject property is zoned R-1, General Residential District. Therefore, the subject is a legal, conforming use. A zoning change is unlikely. The subject is not a scattered site development. The subject is located in Census Tract #8703.00.

Surrounding Land Uses

The subject neighborhood is comprised primarily of vacant land and is 60 percent built up. Approximately 40 percent of the land use is made up of vacant land. About 40 percent is comprised of single-family residences. Another 15 percent of the land use is made up of commercial properties. The remaining five percent is multifamily dwellings. Vacant land and single-family residences are located north and west of the site. Vacant land is located south and east of the site. The area is mostly rural.





Subject Photos



View of Sign



View of Entrance



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Accessory Building



View of Laundry Facility



View of Mail Center



View of Typical Living Area



View of Typical Kitchen



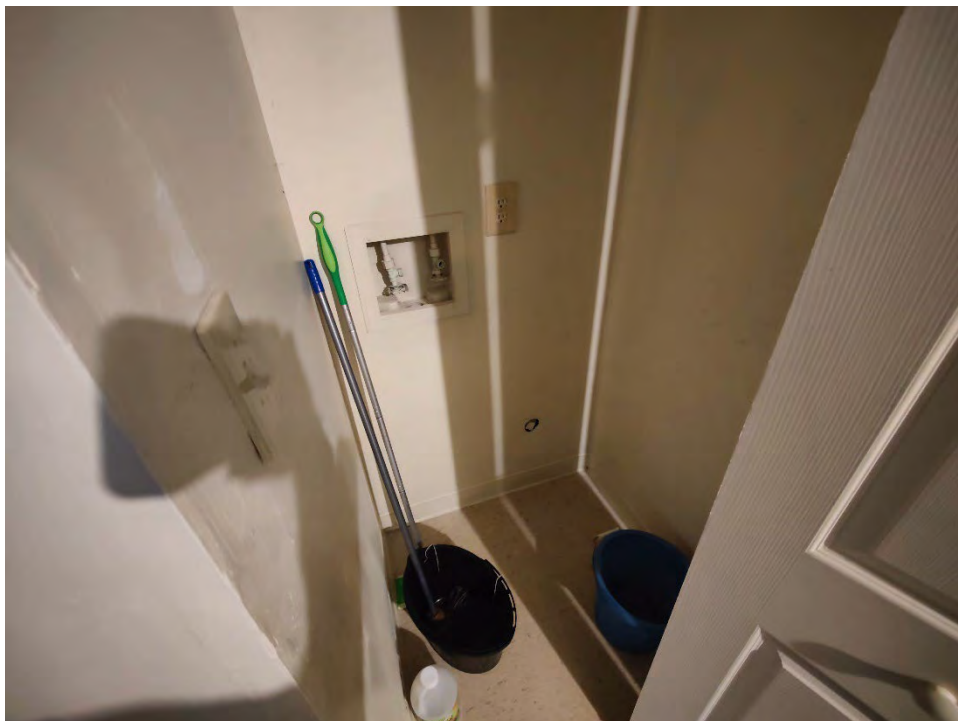
View of Typical Bedroom



View of Typical Bath



View of Dining Area



View of Utility Closet



View of Tot Lot



View of Playground



View of Basketball Court



View of Street



View to North



View to South



View to East



View to West



Nearby Employment Opportunities

Most market area tenants have white collar occupations. According to the Claritas and Ribbon Demographics, approximately 50.5 percent of the market area works in white collar occupations; 29.1 percent work in blue collar occupations; and 20.4 percent work in service and farming occupations.

Regional and Area Data

Parks and Recreational Opportunities

Recreational facilities and areas in Sussex County and the surrounding areas include but are not limited to the following: Stony Creek Park, Southeast 4-H Educational Center, Miles B. Carpenter Folk Art Museum, Wakefield Foundation Center for the Arts, Surry County Historical Society & Museums, Bacon's Castle Museum, Prince George Golf Course, Chippokes Plantation State Park, Rawls Museum of the Arts, Southampton Agriculture & Forestry Museum & Heritage Village, Isle of Wight Museum, Mansion House & Antiques Gallery, Smithfield Little Theatre, Cypress Creek Swim Club, and Cypress Creek Golf Course.

Government/Public Safety

The Town of Waverly operates under a Council-Mayor form of government; one mayor and a five-member Town Council. The Town is served by Waverly Police Department and the Sussex County Sheriff's Office. The Waverly Police Department has five police officer. In addition, the town is served by the Waverly Volunteer Fire Department which has 30 volunteers.

Utilities

The Town of Waverly provides water and sewer services to the residents of the town. Electricity is provided by Dominion Power or Prince George Electric. Natural gas is provided by Columbia Gas of Virginia. B Cellular services are provided by Verizon and AT&T.

Health Care

Healthcare facilities in Sussex County include Stony Creek Community Health, Waverly Health & Rehabilitation Center and Greenville Health Department. There are several medical and healthcare facilities located in Richmond, 44 miles northeast of Waverly.

Transportation

Major highways in Sussex County include Interstate 95; U.S. Highway 460; and State Highways 35, 40, 602, 622, 631, 645 and 655. The nearest major airport is Richmond International Airport in Richmond, Virginia, 44 miles north of Waverly. Interstate and intrastate bus services are provided by Greyhound, with a bus stop 34 miles north in Williamsburg. Amtrak provides commuter rail services to the area via a station also located in Williamsburg. Sussex County Skylands Ride offers public transportation to the area.



Crime

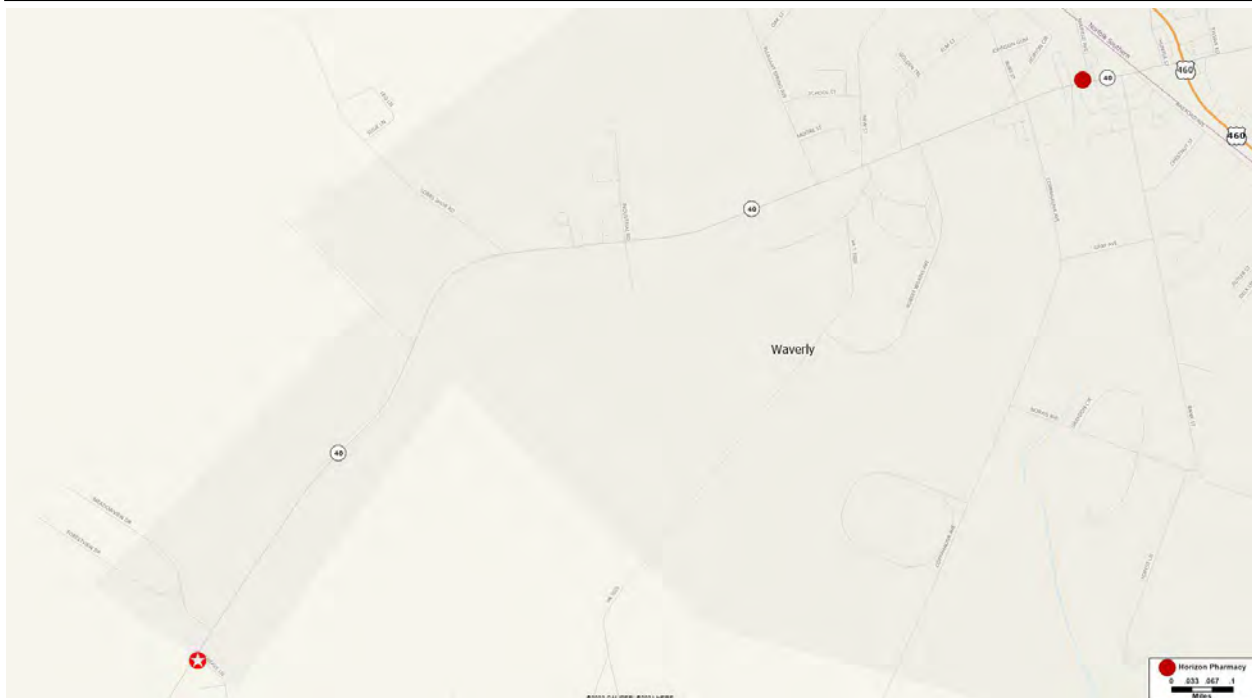
According to AreaVibes, approximately 130 per 100,000 residents are victims of a violent crime annually, and approximately 913 per 100,000 residents are victims of a property crime each year. There has been a total of N/A crimes in the city within the past year, N/A of which are violent crimes and N/A of which are property crimes. The crime rate for Waverly is 44.9 percent lower than for the state. The total number of crimes in the city has increased 11.0 percent within the past year, according to AreaVibes. There is a 1 in 771 chance of being the victim of a violent crime and a 1 in 110 chance of being the victim of a property crime. The life cycle is generally in the stability stage. The subject has security features which help offset any adverse influence due to crime. The subject contains video surveillance, which provides protection from crime. Therefore, there are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area.



Community Services Legends and Maps

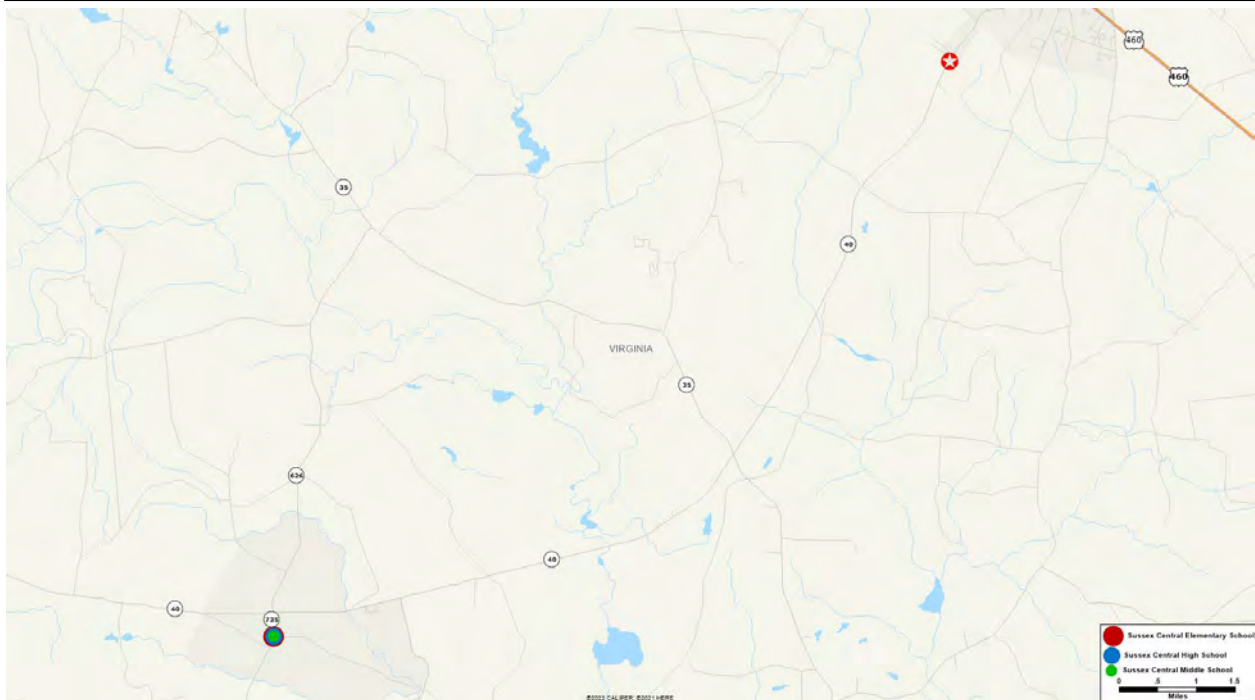


MEDICAL FACILITIES	
Service	Distance From Site (in Miles)
Waverly Medical Center	1.8



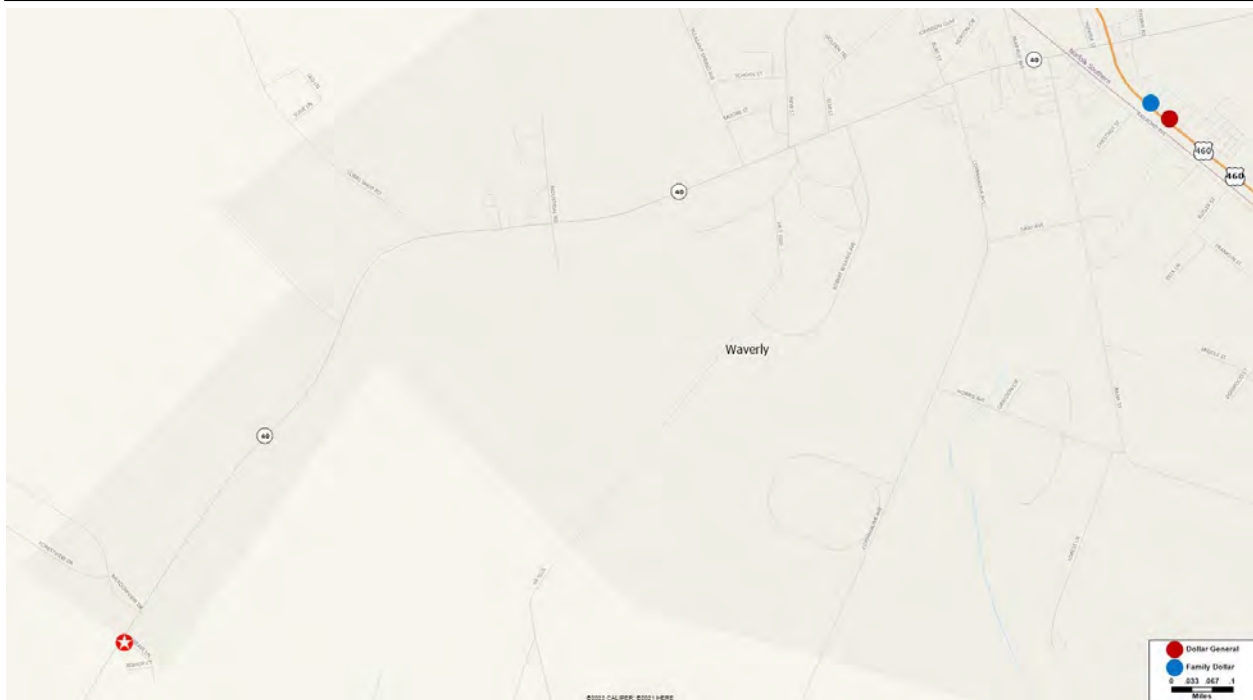
PHARMACIES

	Service	Distance From Site (in Miles)
Horizon Pharmacy		1.9



SCHOOLS

Service	Distance From Site (in Miles)
Sussex Central Elementary School	11.2
Sussex Central High School	11.2
Sussex Central Middle School	11.3

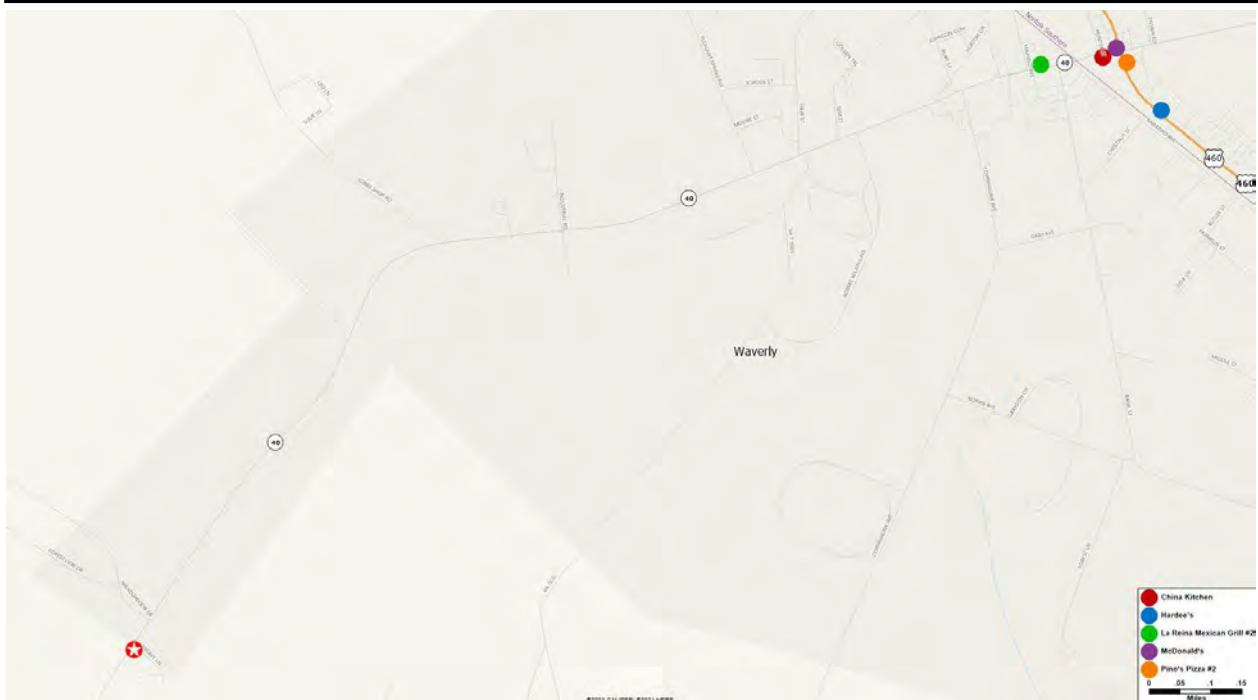


GROCERY STORES/SUPERMARKETS

Service	Distance From Site (in Miles)
Dollar General	2.2
Family Dollar	2.4

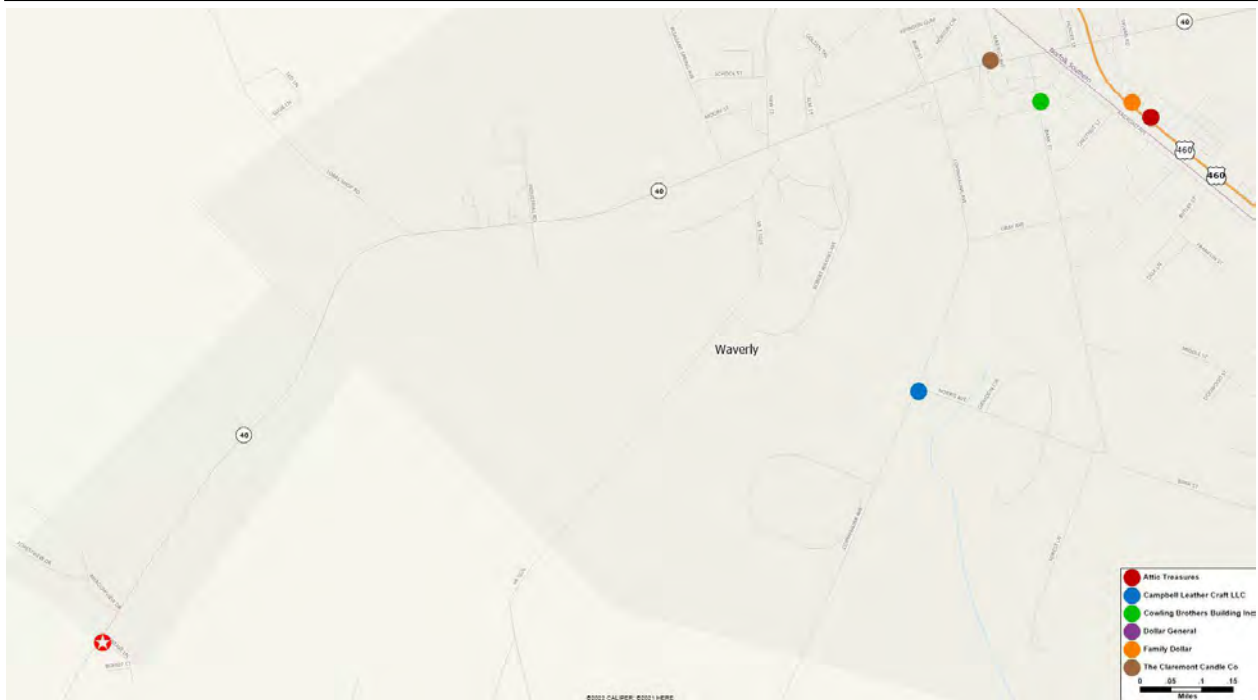


BANKS/LENDING INSTITUTIONS		
	Service	Distance From Site (in Miles)
Primis Bank		1.9



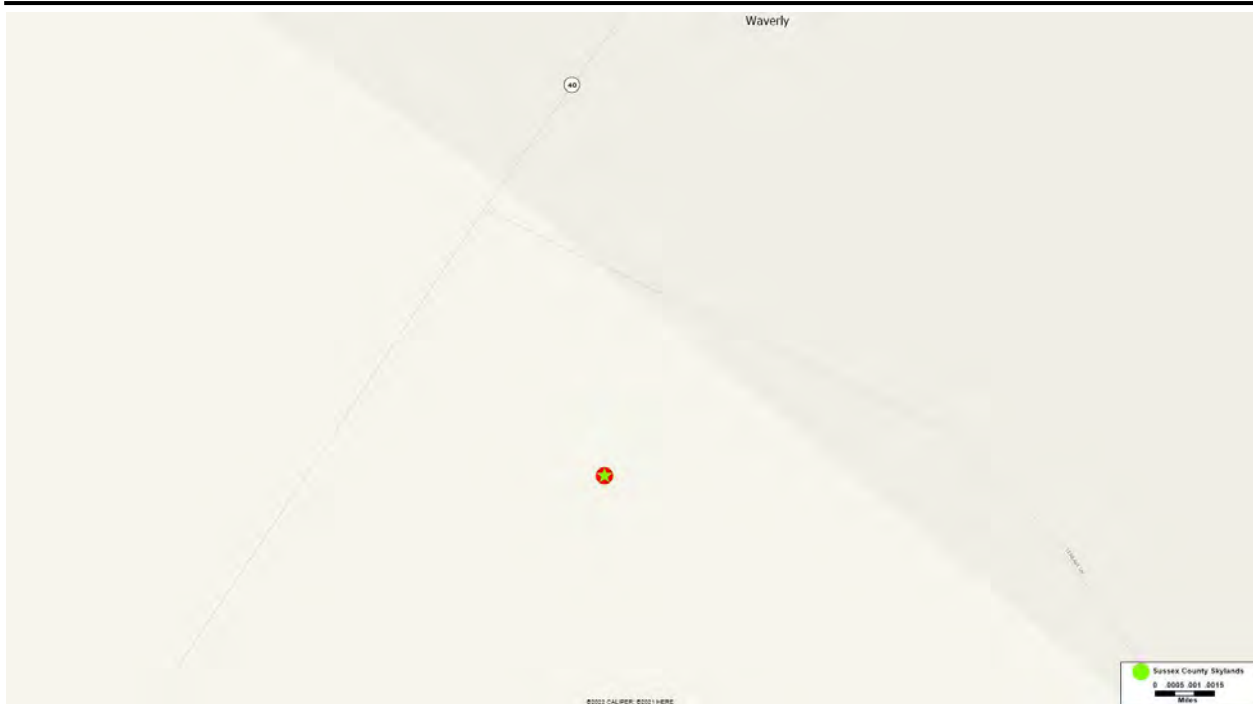
RESTAURANTS

Service	Distance From Site (in Miles)
La Reina Mexican Grill #2	1.9
McDonald's	2.0
China Kitchen	2.0
Pino's Pizza #2	2.1
Hardee's	2.4

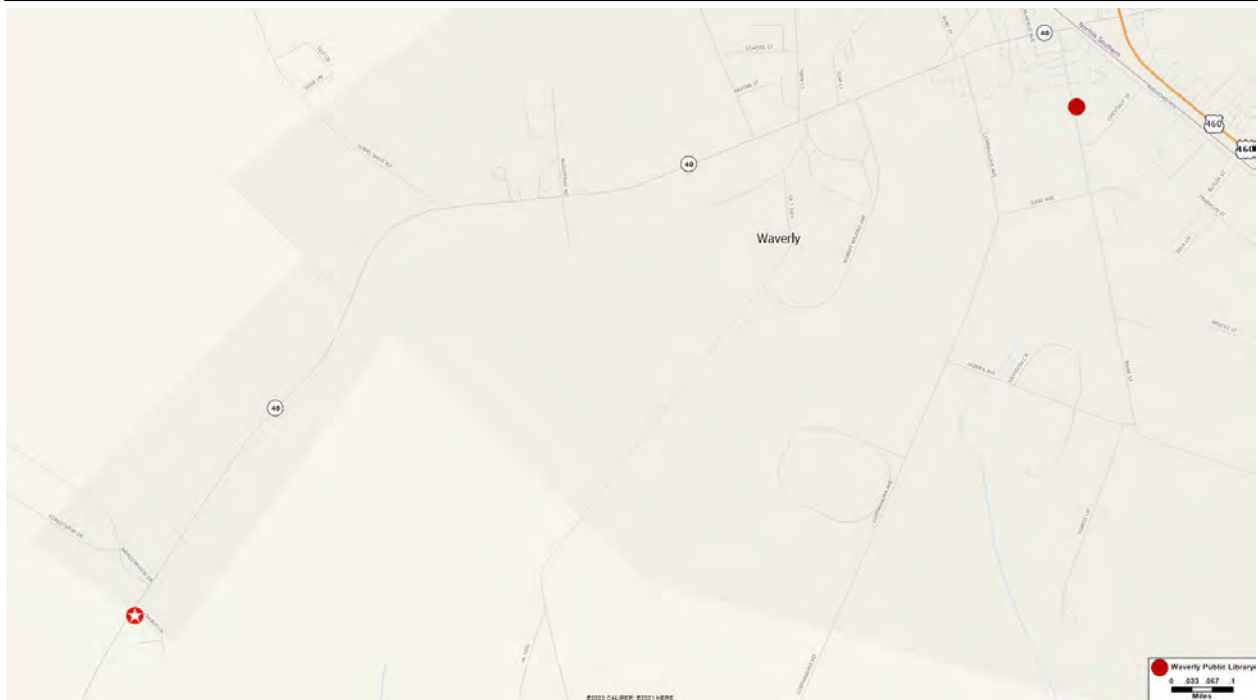


SHOPPING

Service	Distance From Site (in Miles)
The Claremont Candle Co	1.9
Cowling Brothers Building Inc	2.0
Dollar General	2.2
Attic Treasures	2.2
Campbell Leather Craft LLC	2.3
Family Dollar	2.4

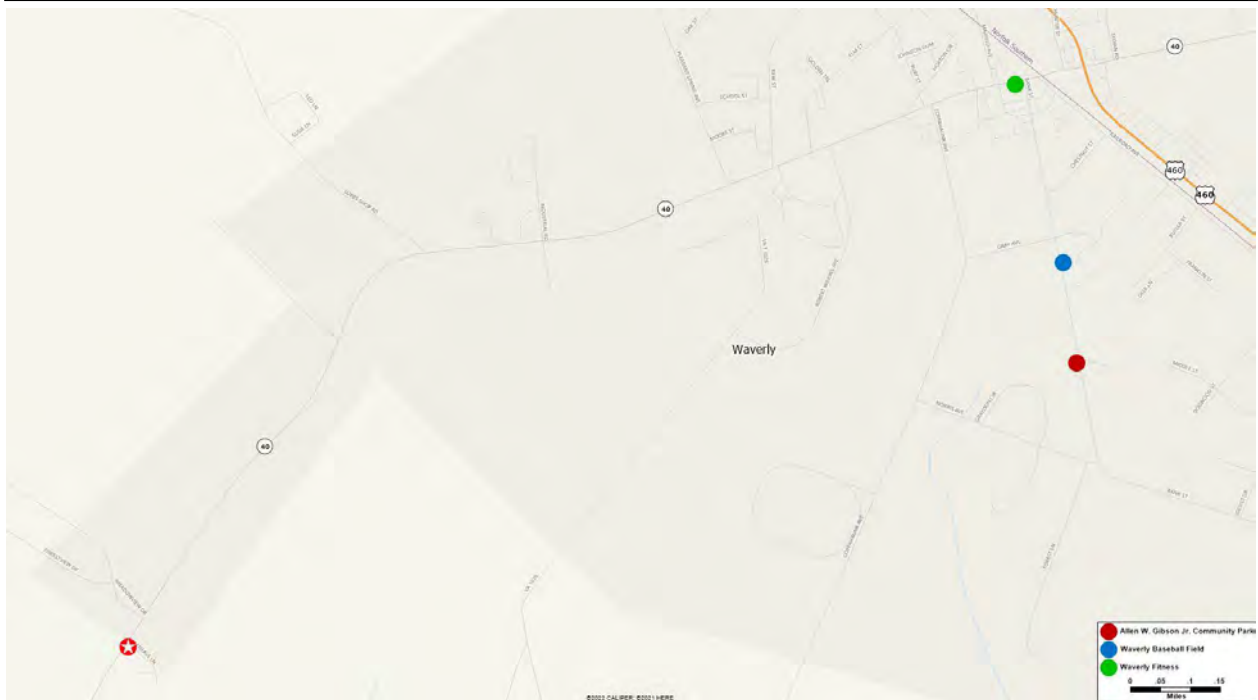


Sussex County Skylands	Service	Distance From Site (in Miles)
		0.0



LIBRARIES

	Service	Distance From Site (in Miles)
Waverly Public Library		2.1



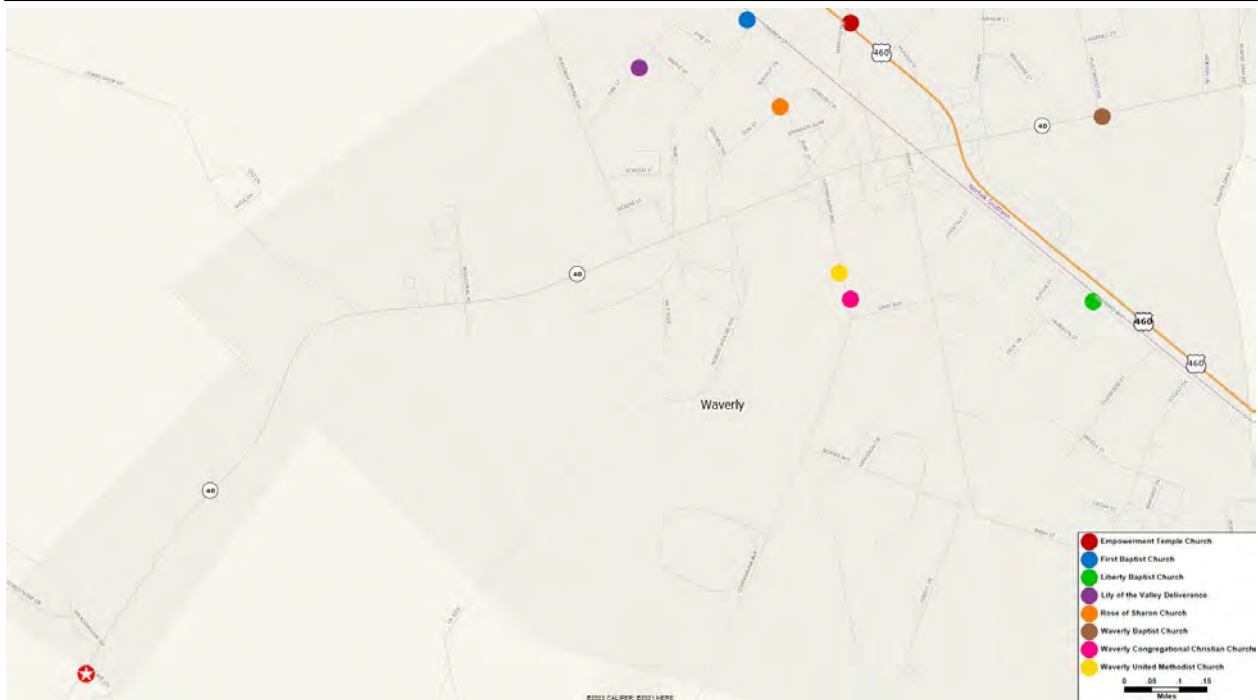
PARKS/RECREATION

Service	Distance From Site (in Miles)
Waverly Fitness	1.9
Waverly Baseball Field	2.4
Allen W. Gibson Jr. Community Park	2.5



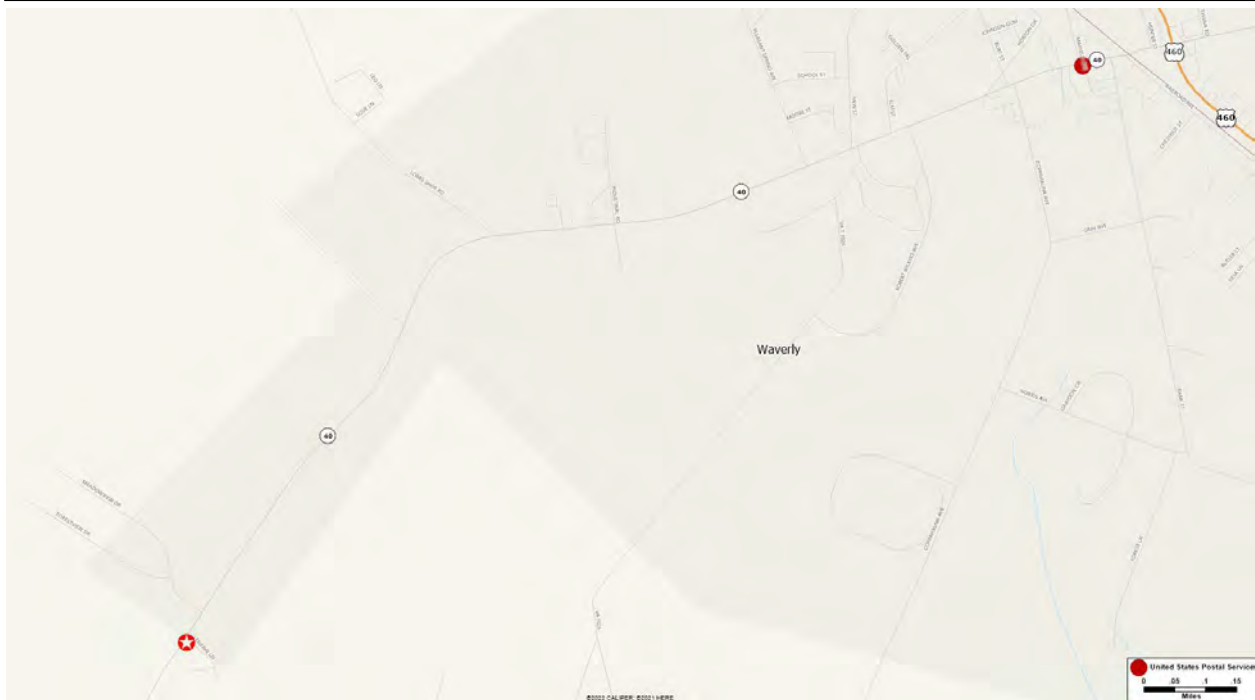
CONVENIENCE STORES

Service	Distance From Site (in Miles)
Waverly Sunoco	2.0
Waverly Citgo	2.1
7-Eleven	2.1



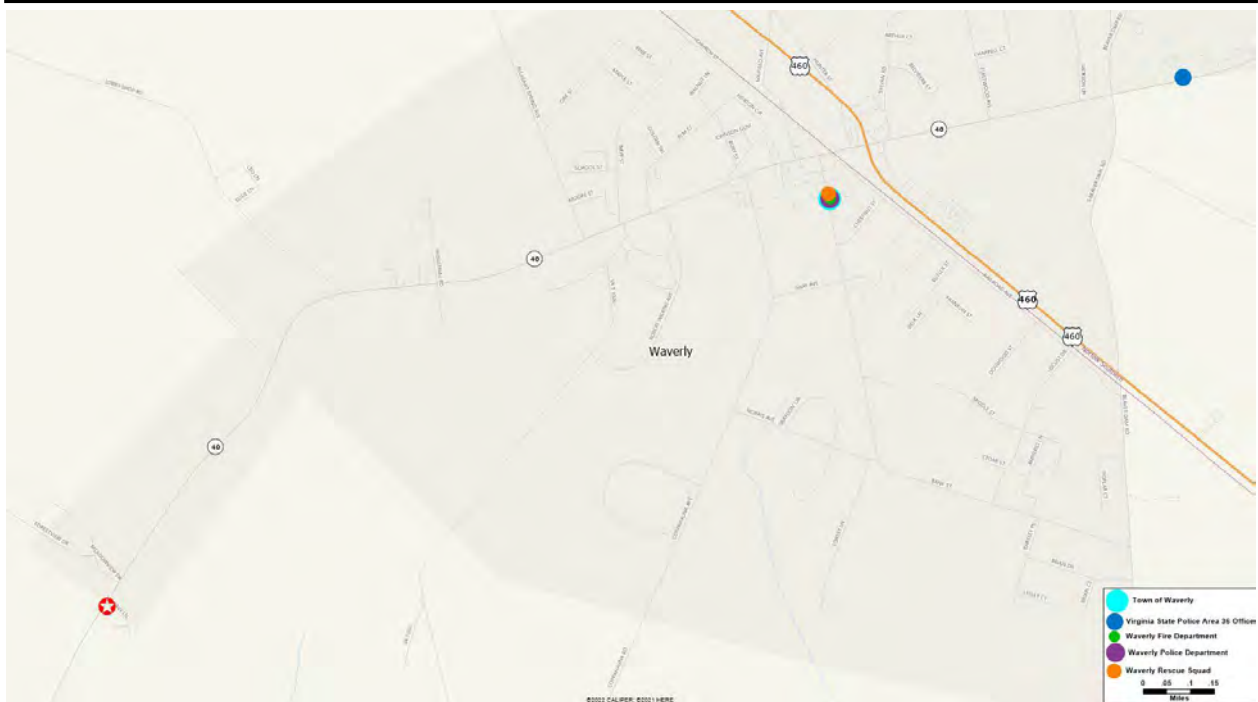
HOUSES OF WORSHIP

Service	Distance From Site (in Miles)
Rose of Sharon Church	1.7
Lily of the Valley Deliverance	1.8
Waverly United Methodist Church	1.9
Waverly Congregational Christian Church	1.9
First Baptist Church	2.0
Empowerment Temple Church	2.3
Waverly Baptist Church	2.3
Liberty Baptist Church	2.4



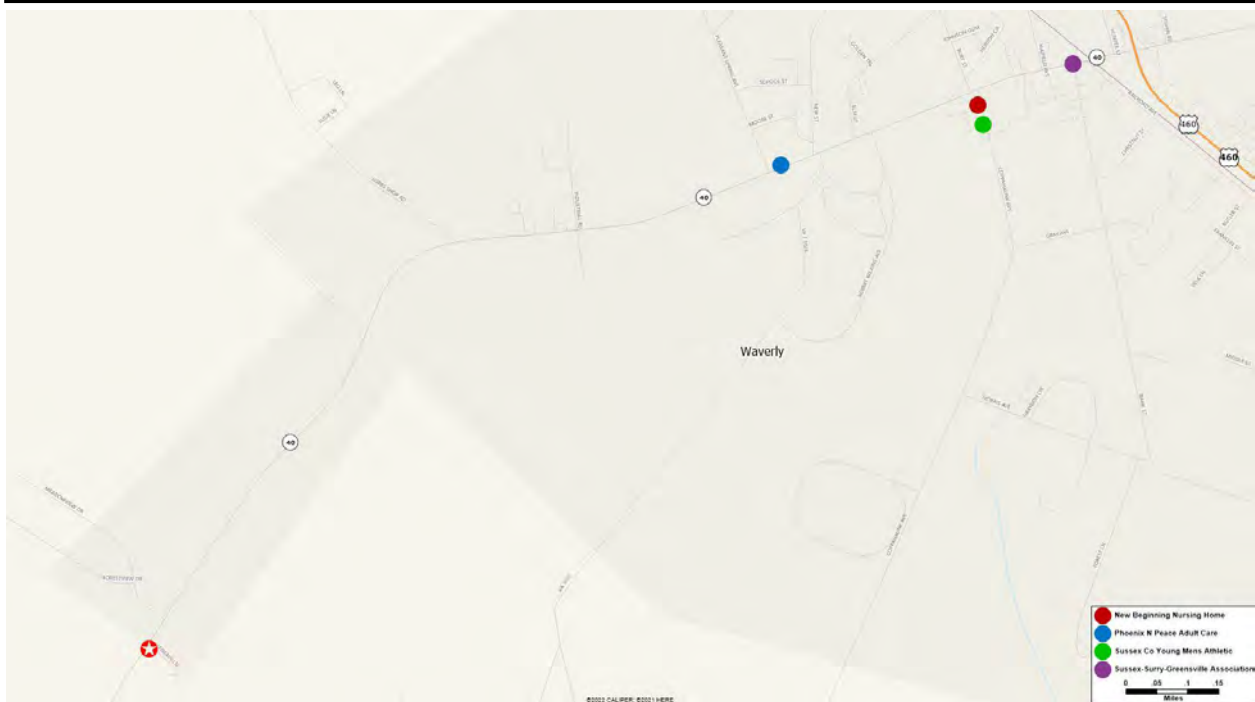
POST OFFICES

Service	Distance From Site (in Miles)
United States Postal Service	1.9



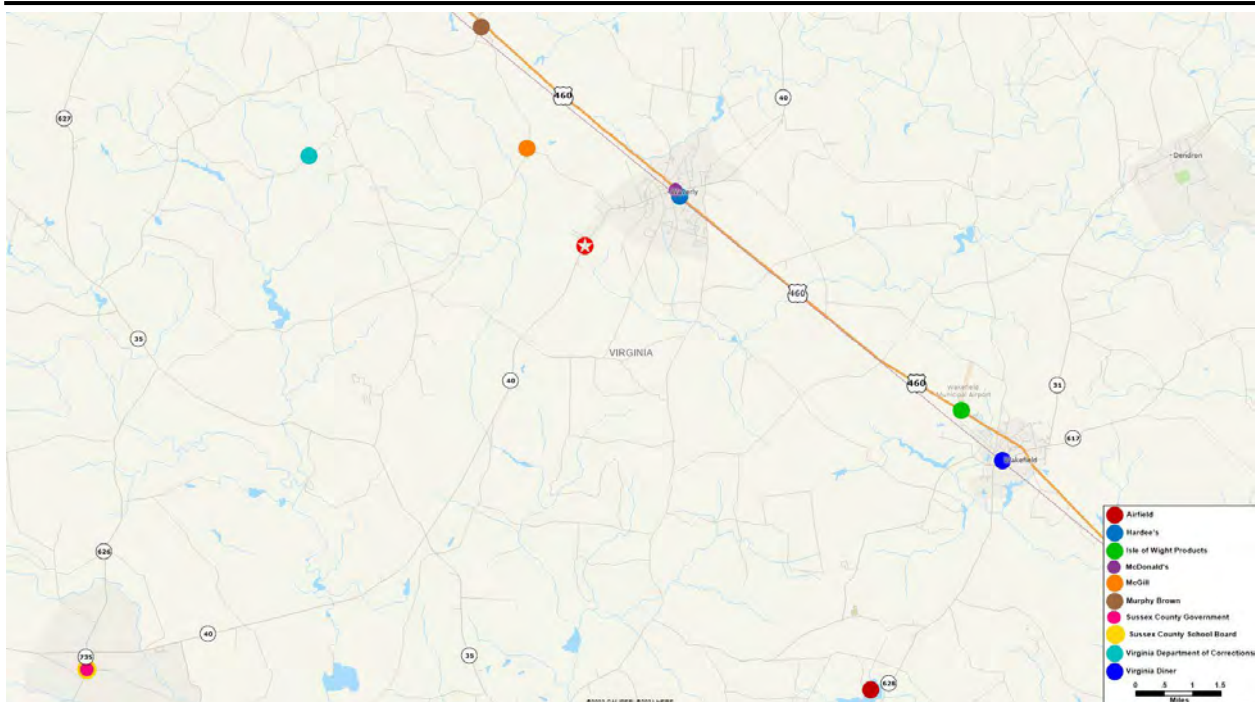
PUBLIC SAFETY/GOVERNMENT

Service	Distance From Site (in Miles)
Town of Waverly	1.9
Waverly Police Department	2.0
Waverly Fire Department	2.0
Waverly Rescue Squad	2.0
Virginia State Police Area 36 Office	2.7



SOCIAL SERVICES

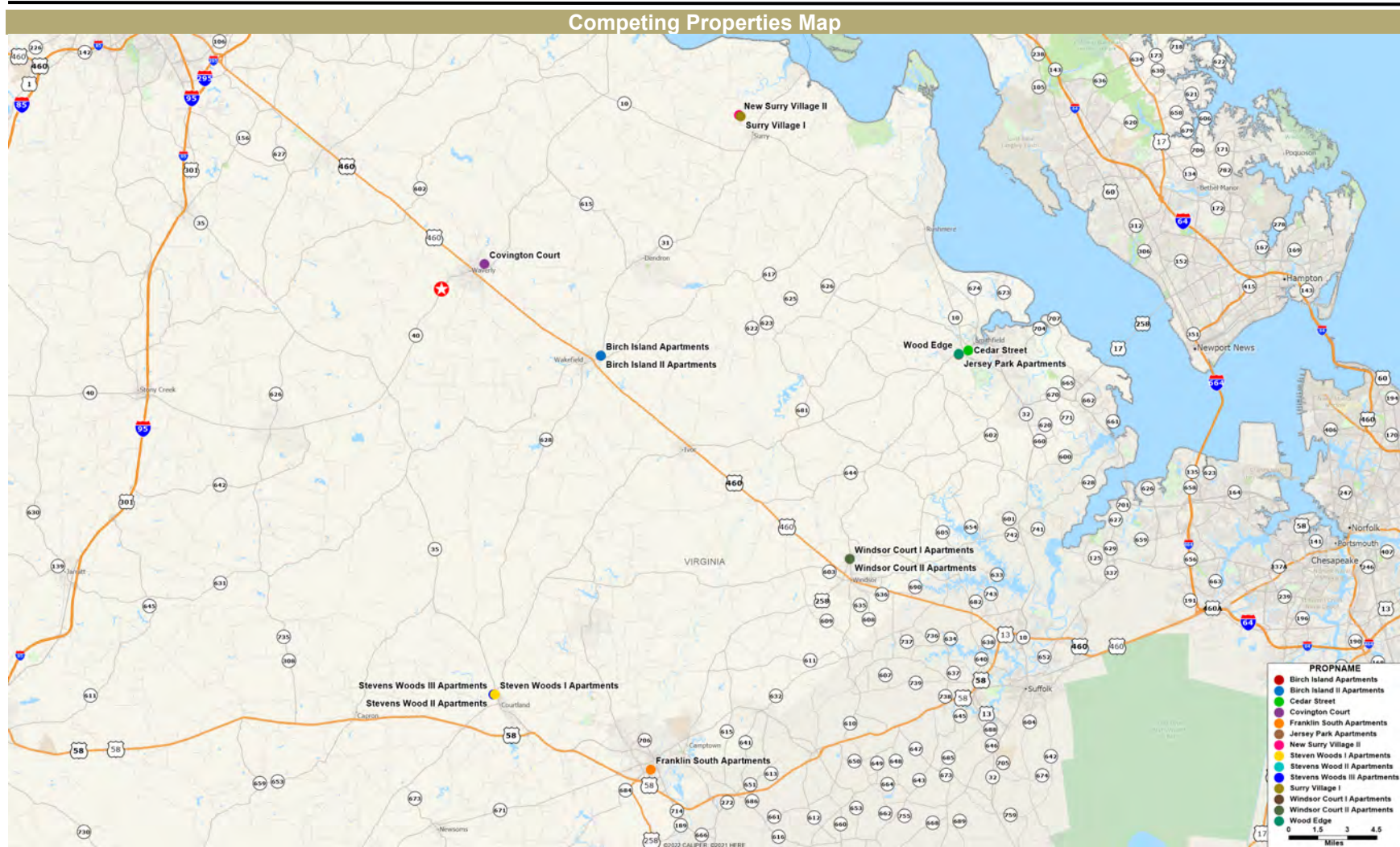
Service	Distance From Site (in Miles)
Phoenix N Peace Adult Care	1.4
New Beginning Nursing Home	1.8
Sussex Co Young Mens Athletic	1.8
Sussex-Surry-Greenville Association	1.9



MAJOR EMPLOYERS

Service	Distance From Site (in Miles)
McDonald's	2.1
Hardee's	2.4
McGill	3.5
Murphy Brown	5.4
Virginia Department of Corrections	8.0
Isle of Wight Products	9.2
Virginia Diner	9.2
Sussex County School Board	11.2
Sussex County Government	12.7
Airfield	15.8

Sussex Trace Apartments
7144 Leneave Lane
Waverly, Virginia 23890



As renovated, the subject will have both Section 8 and LIHTC restrictions at 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



Summary of Site Strengths and Weaknesses

Strengths – The site has average visibility and access. The subject is close to employment centers, healthcare services, government and public services. In addition, the town provides low cost living, low cost housing and has a low crime rate. Furthermore, the subject's location provides easy access to major thoroughfares and several recreation and shopping opportunities.

Weaknesses – None



Delineation of Market Area

Following is a list of considerations used when determining the market area:

- **Population and Households Counts:** The number of households in a market area is directly proportionate to its geographic size within an individual market. Total householders residing in a market area can greatly influence demand calculations.
- **General Demographics:** The socio-economic composition of a market area including income, household size and tenure can be largely influenced by the erroneous inclusion or exclusions of non-comparable areas.
- **Demand:** Too large of a market may result in overstating demand for a proposed development. Conversely, too conservative of a market area may discount the demand for new product, especially if a lack of quality housing currently exists.
- **Supply Analysis:** While a larger market area generally includes higher household totals, it likewise may include a higher number of directly comparable units. If using demand methodologies that net out recently constructed and comparable rental units from the demand estimate, the increase in the number of comparable units can outweigh the increase in demand.
- **Competitive Stock:** The existing rental stock surveyed for a market study is dependent on the number of rental properties in a given market and therefore the boundaries of a primary market area. If existing developments are going to be used as “comparables”, they should be located in the primary market area, if possible.
- **Attainable Rents:** If the market area includes non-comparable areas, the analysis may use comparables projects that suggest that a project can achieve rents that area significantly higher or lower than the rents its micro location will support.
- **Location of Competitive Properties:** A primary consideration in defining a market area is identifying those locations that offer alternative opportunities to a potential renter for a subject site. The managers of existing comparable properties near the site are excellent sources in determining those competitive locations.
- **Accessibility:** Available transportation linkages including both traffic arteries and mass transit options can influence the size of the market. Mass transit can have a significant impact on projects addressing very low income households for which transportation options may be limited.
- **Natural Boundaries:** Natural boundaries including rivers and mountains can restrict the mover-ship within a market due to a lack of accessibility.
- **Housing Project Characteristics:** The availability of a unique structure type such as a high rise may alter the typical draw of a potential project.
- **Market Perceptions:** Whether grounded in reality or not, market perceptions can be a significant determinant of market area boundaries. Social stigmas often exist within sub-markets, with residents from one side of a submarket may not move to a close by neighborhood, regardless of housing opportunities. The construction of a new, attractive rental community may not necessarily relieve this perception.
- **Commuting Patterns:** The time spent commuting and employment destination could often reveal distinct patterns. High percentages of workers with long commutes or working in neighboring counties are often indicators of a lack of affordable housing options near employment centers.
- **Target Market:** Proposed developments targeting a special needs population such as seniors generally draw from a larger geographic region. Given the smaller pool of qualified householders, the location and quantity of comparable stock is of additional importance. An acceptable market area for a family oriented rental community will often be too conservative for a rental community targeting senior rental householders.
- **Jurisdictional Boundaries:** Differences in the quality and services provided by school districts, municipalities, or counties often influence consumer location choices.
- **Local Agency Service Boundaries:** The geographic areas covered by local agencies, such as housing authorities, senior citizen centers, community-based organizations, or churches can be a strong indicator of market area boundaries, especially when the project has a community-based sponsor or co-sponsor.



-
- Non-Geographic Factors: Employees who might be expected to reside in a development as a result of planned or existing job opportunities and special needs households who are served by a multi-jurisdictional agency that covers communities that are clearly distinct market areas.

The determination of the market area is based on the boundaries between governmental units. In such a method, county, division or city boundaries become the boundaries of the market area. The market area for the subject consists of the following census tracts in Sussex County: 8702.01, 8702.02, 8703.00 and 8704.00; the following census tracts in Isle of Wight County: 2802.00, 2803.00 and 2804.00; the following census tract in Southampton County: 2001.00; and the following census tract in Surry County: 8602.00. The market area has the following boundaries: North – Colonial Trail West, Colonial Trail East, State Highway 626/Jones Drive, State Highway 621/Mill Swamp Road, State Highway 680/Stallings Creek Drive, State Highway 680/Magnet Drive, State Highway 709/Waterworks Road, U.S. Highway 258/Courthouse Highway, State Highway 620/Scotts Factory Road, State Highway 620/Muddy Cross Drive, State Highway 620/Tan Road and Brewers Creek; South – Raccoon Creek, Nottoway River, Carys Bridge Road, State Highway 35/Plank Road, State Highway 628/Wakefield Road, State Highway 728/Guy Place Road, State Highway 616/Ivor Road, Nottoway Swamp, State Highway 642/Maple Avenue, Cypress Swamp, State Highway 635/Black Creek Road, State Highway 619/Burdette Road and Franklin City limits; East – Suffolk City; and West – Nottoway River and Prince George County. The analysis was conducted using only the demographics data from the primary market area. However, according to the market study guidelines for Virginia Housing, a secondary or tertiary market area was also determined. The secondary market area is defined as the Sussex County.



Employment and Economy

The economy of Sussex County is based on retail trade, leisure and hospitality, education and health services, and professional and business services sectors. Each of these categories has experienced reasonable growth within the past few years.

The following table shows the number of employees per industry in the Sussex County since 2013:

AT-PLACE EMPLOYMENT TRENDS											
INDUSTRY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Agriculture, Forestry and Fisheries	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	109
Mining	255	241	228	169	140	139	177	176	176	163	168
Construction	120	120	131	85	82	74	62	85	162	160	129
Manufacturing	85	93	83	72	67	62	63	64	53	53	79
Transportation and Warehousing	77	91	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Utilities	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Wholesale Trade	N/A*	N/A*	144	138	147	146	116	N/A*	116	144	131
Retail Trade	335	337	342	362	373	351	333	334	339	372	372
Leisure and Hospitality	437	434	384	426	426	385	371	271	256	299	304
Education and Health Services	592	608	617	606	530	543	558	511	405	364	509
Professional and Business Services	145	153	332	357	341	381	421	460	280	312	317
Financial Activities	44	46	40	41	39	37	32	35	30	32	32
Information	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*
Other Services	87	101	77	58	71	69	49	48	45	41	48
Public Administration (Local Government)	171	177	176	170	167	173	179	173	N/A*	164	186

Source: U.S. Bureau of Labor Statistics

*Data was not available.

Unemployment in the Sussex County reached a high of 10.9 percent in 2010 and was at its lowest in 2023 with 3.1 percent. The rate for the Sussex County in February 2025 was 4.0 percent. The number employed has increased 1.2 percent per year since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR SUSSEX COUNTY					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	4,270	3,805	89.1%	465	10.9%
2011	4,354	3,917	90.0%	437	10.0%
2012	4,262	3,861	90.6%	401	9.4%
2013	4,182	3,806	91.0%	376	9.0%
2014	4,116	3,804	92.4%	312	7.6%
2015	4,082	3,808	93.3%	274	6.7%
2016	4,856	4,609	94.9%	247	5.1%
2017	4,824	4,600	95.4%	224	4.6%
2018	4,725	4,537	96.0%	188	4.0%
2019	4,688	4,517	96.4%	171	3.6%
2020	4,514	4,184	92.7%	330	7.3%
2021	4,490	4,261	94.9%	229	5.1%
2022	4,495	4,346	96.7%	149	3.3%
2023	4,622	4,481	96.9%	141	3.1%
2024	4,671	4,505	96.4%	166	3.6%
2025**	4,651	4,465	96.0%	186	4.0%

* Data based on place of residence.

**Preliminary - based on monthly data through February 2025

Source: U.S. Bureau of Labor Statistics



The State of Virginia reached a high of 6.8 percent in 2010 and was at its lowest point in 2024 with 2.2 percent. The rate for the State of Virginia in February 2025 was 3.3 percent. The number employed has increased 1.0 percent per year since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR VIRGINIA					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	4,156,228	3,872,674	93.2%	283,554	6.8%
2011	4,192,637	3,928,933	93.7%	263,704	6.3%
2012	4,212,221	3,967,373	94.2%	244,848	5.8%
2013	4,238,414	4,003,905	94.5%	234,509	5.5%
2014	4,256,191	4,040,771	94.9%	215,420	5.1%
2015	4,228,912	4,044,175	95.6%	184,737	4.4%
2016	4,251,531	4,081,183	96.0%	170,348	4.0%
2017	4,326,559	4,169,561	96.4%	156,998	3.6%
2018	4,352,465	4,222,546	97.0%	129,919	3.0%
2019	4,404,760	4,283,473	97.2%	121,287	2.8%
2020	4,331,844	4,051,401	93.5%	280,443	6.5%
2021	4,317,221	4,151,661	96.2%	165,560	3.8%
2022	4,433,149	4,313,701	97.3%	119,448	2.7%
2023	4,556,785	4,433,696	97.3%	123,089	2.7%
2024	4,554,394	4,454,616	97.8%	99,778	2.2%
2025**	4,554,394	4,403,071	96.7%	151,323	3.3%

* Data based on place of residence.

**Preliminary - based on monthly data through February 2025

Source: U.S. Bureau of Labor Statistics

According to the U.S. Bureau of Labor Statistics, unemployment trends for Sussex County are slightly higher than to the unemployment trends for the State of Virginia.

CHANGE IN TOTAL EMPLOYMENT FOR SUSSEX COUNTY				
PERIOD	NUMBER		PERCENT	
	TOTAL	ANNUAL	TOTAL	ANNUAL
2010-2015	3	1	0.1%	0.0%
2015-2024	697	77	18.3%	2.0%

Source: U.S. Bureau of Labor Statistics

The changes in employment since 2010 by time period are listed in the above table. The data shows that the number of persons employed in Sussex County increased an average of 1.0 percent per year between 2010 and 2024.

RECENT CHANGES IN EMPLOYMENT FOR SUSSEX COUNTY			
YEAR	NUMBER EMPLOYED	ANNUAL CHANGE	% OF LABOR FORCE UNEMPLOYED
2015	3,808	4	6.7%
2016	4,609	801	5.1%
2017	4,600	(9)	4.6%
2018	4,537	(63)	4.0%
2019	4,517	(20)	3.6%
2020	4,184	(333)	7.3%
2021	4,261	77	5.1%
2022	4,346	85	3.3%
2023	4,481	135	3.1%
2024	4,505	24	3.6%

Source: U.S. Bureau of Labor Statistics



The previous table shows the changes in employment and percent unemployed for the past ten years. The unemployment rate for Sussex County has fluctuated from 3.1 percent to 7.3 percent since 2015.

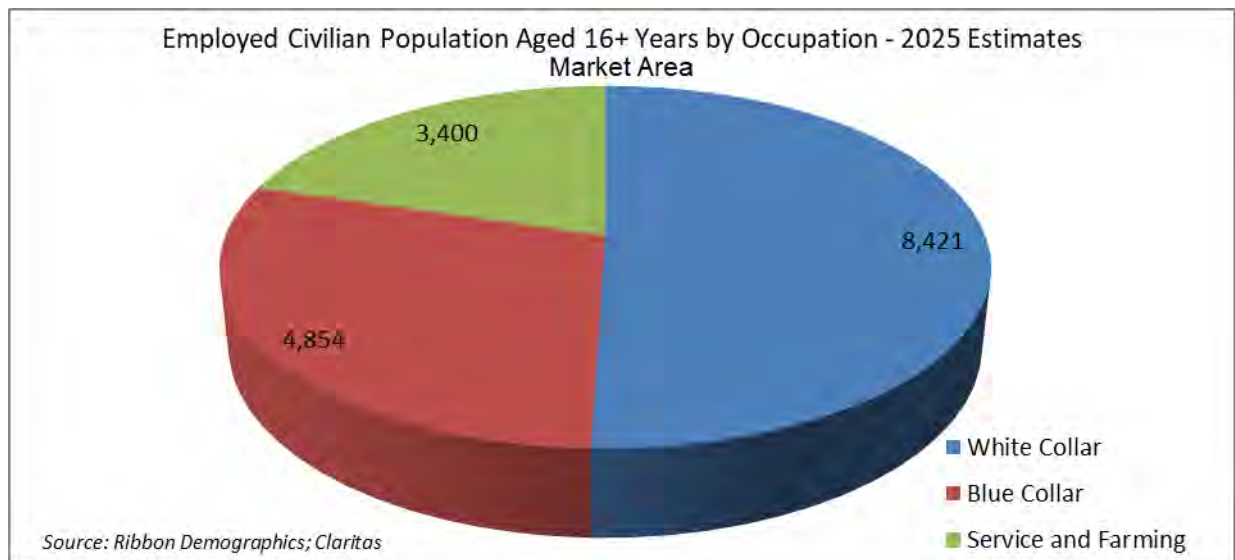
Major Employers

Major employers for the Sussex County and the industry are shown in the following table:

MAJOR EMPLOYERS		
Name	Product/Service	Total Employees
Virginia Department of Corrections	Prison System	11,000
Sussex County Government	Government	1,646
Isle of Wight Products	Lumber	500
Sussex County School Board	Education	414
Davis Oil	Oil	125
Murphy Brown	Pork	116
Virginia Diner	Food/Catalog Sales	58
McGill	Landscaping	50
Airfield	Youth Development	41
Hardee's	Fast Food	27
McDonald's	Fast Food	27

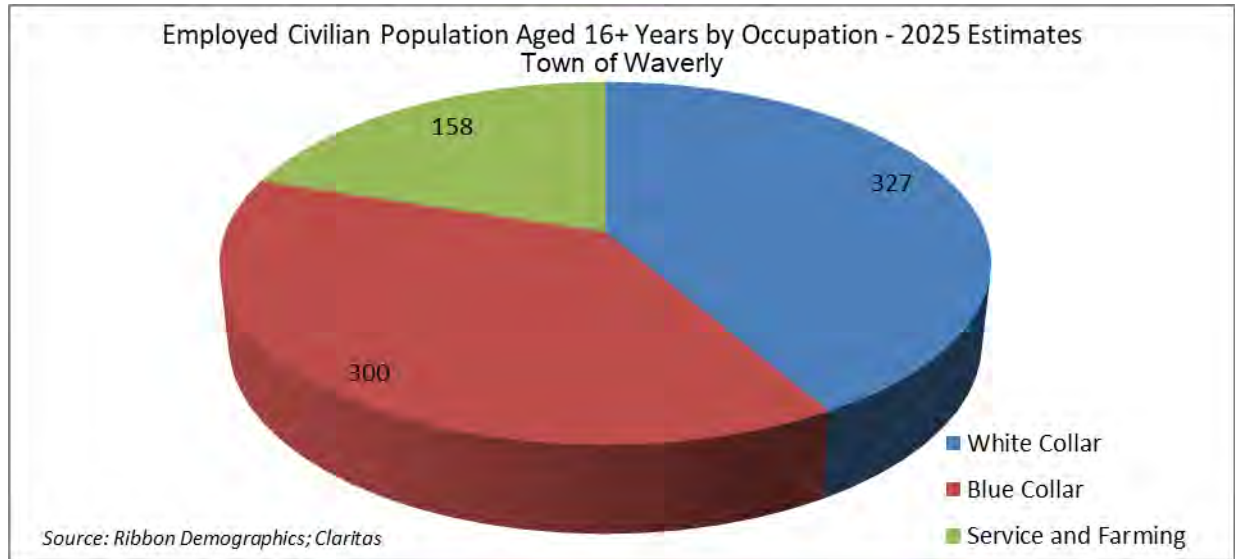
Source: Sussex County Chamber of Commerce

The majority of the civilian population within the market area are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the market area.

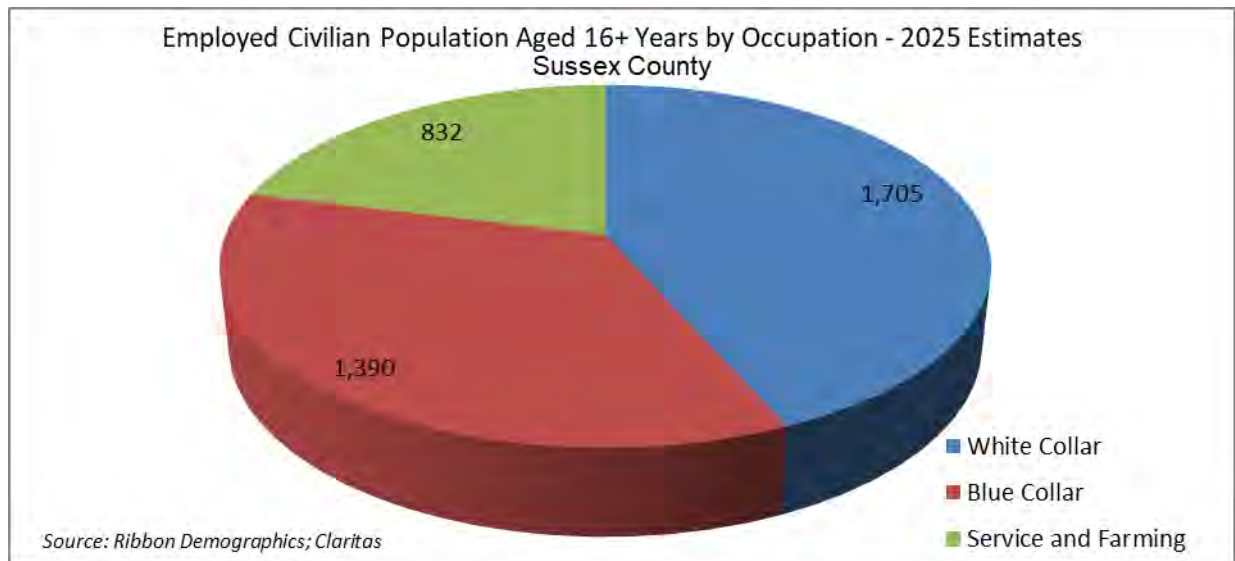




The majority of the civilian population within the city are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the city.



The majority of the civilian population within the county are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the county.





Place of Work Employment

The following chart shows the number of people employed in different sectors of the market area economy in 2025.

Market Area Employed Civilian Population Aged 16+ Years by Industry		
Current Year Estimates - 2025		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	883	5.3%
Administrative/Support/Waste Management	859	5.2%
Agriculture/Forestry/Fishing/Hunting/Mining	466	2.8%
Arts/Entertainment/Recreation	284	1.7%
Construction	1,168	7.0%
Educational Services	1,679	10.1%
Finance/Insurance/Real Estate/Rent/Lease	668	4.0%
Health Care/Social Assistance	2,330	14.0%
Information	101	0.6%
Management of Companies and Enterprises	9	0.1%
Manufacturing	2,532	15.2%
Other Services Except Public Administration	762	4.6%
Professional/Scientific/Technical Services	747	4.5%
Public Administration	1,261	7.6%
Retail Trade	1,427	8.6%
Transportation/Warehousing/Utilities	1,176	7.1%
Wholesale Trade	<u>323</u>	<u>1.9%</u>
Total:	16,675	100.0%

Source: Ribbon Demographics; Claritas

The following chart shows the number of people employed in different sectors of the town economy in 2025.

Town of Waverly Employed Civilian Population Aged 16+ Years by Industry		
Current Year Estimates - 2025		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	64	8.2%
Administrative/Support/Waste Management	72	9.2%
Agriculture/Forestry/Fishing/Hunting/Mining	18	2.3%
Arts/Entertainment/Recreation	2	0.3%
Construction	35	4.5%
Educational Services	58	7.4%
Finance/Insurance/Real Estate/Rent/Lease	31	3.9%
Health Care/Social Assistance	100	12.7%
Information	5	0.6%
Management of Companies and Enterprises	0	0.0%
Manufacturing	137	17.5%
Other Services Except Public Administration	28	3.6%
Professional/Scientific/Technical Services	50	6.4%
Public Administration	35	4.5%
Retail Trade	71	9.0%
Transportation/Warehousing/Utilities	69	8.8%
Wholesale Trade	<u>10</u>	<u>1.3%</u>
Total:	785	100.0%

Source: Ribbon Demographics; Claritas



The following chart shows the number of people employed in different sectors of the county economy in 2025.

Sussex County Employed Civilian Population Aged 16+ Years by Industry Current Year Estimates - 2025		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	235	6.0%
Administrative/Support/Waste Management	156	4.0%
Agriculture/Forestry/Fishing/Hunting/Mining	126	3.2%
Arts/Entertainment/Recreation	10	0.3%
Construction	425	10.8%
Educational Services	214	5.4%
Finance/Insurance/Real Estate/Rent/Lease	118	3.0%
Health Care/Social Assistance	558	14.2%
Information	43	1.1%
Management of Companies and Enterprises	0	0.0%
Manufacturing	492	12.5%
Other Services Except Public Administration	176	4.5%
Professional/Scientific/Technical Services	166	4.2%
Public Administration	315	8.0%
Retail Trade	565	14.4%
Transportation/Warehousing/Utilities	240	6.1%
Wholesale Trade	88	2.2%
Total:	3,927	100.0%

Source: Ribbon Demographics; Claritas

The above charts show the number of people employed in different sectors of the market area, the town of Waverly, and Sussex County economy in 2025. According to interviews conducted by the analyst, employers in the area indicate that the area economy should remain stable in the next two to five years.

Future Employment Trends

W.A.R.N. notices require employers with 100 or more employees to provide at least 60 calendar days advance written notice of plant closings and mass layoffs affecting 50 or more employees at a single site of employment. Exceptions to giving notice may be allowed in an economic crisis which is considered to be an unforeseen business circumstance. According to the Virginia Employment Commission, there has been one Worker Adjustment and Retraining Notifications (W.A.R.N.) notice issued in Sussex County within the past two years, which is illustrated in the following table.

W.A.R.N. NOTICES			
Company	City	Employees Lost	Layoff Date
Boar's Head	Jarrett	600	9/13/2024
Total:		600	

Source: Virginia Works

According to the Greater Richmond Area Economic Development Department, there has been some new and expanding businesses in the area over the last two years. Restoration Bioproducts recently broke ground for its new facility in Waverly – the first such site in the entire commonwealth. The company, which deploys pyrolysis-based solutions to sustainably produce biochar and syngas, will invest \$5.8 million at the site over the next three years, create five high-paying jobs, and purchase 34,560 tons of Virginia-grown wood products. Furthermore, the Sussex County Board of Supervisors recently announced the county has been awarded \$247,900 from the Virginia Economic Development Partnership's Virginia Business Ready Sites Program. The funding resulted from a competitive evaluation of sites across the entire Commonwealth with 21 sites being selected for grants. The project is also being funded by the Tobacco Region Revitalization Commission and Sussex County for a total project cost of \$370,000.



Additionally, there have been several new small businesses opening. Also, The Newport Development Service District in northern Isle of Wight County has 1.1 million square feet of new retail and office space and over 2,000 residential units on Route 17. The county also has three speculative industrial developments for warehousing and distribution, and light manufacturing. Also, the Virginia Department of Health announced its approval of the new Riverside Smithfield Hospital which will create 100 new jobs. Green Mountain Coffee Roasters announced it will be expanding and create 800 new jobs for the area. As a result, it is expected that the area will remain stable for the next two to five years.

Wages

The average annual wage of employees in Sussex County was \$52,260 in 2023. Wages have been increasing 6.4 percent per year.

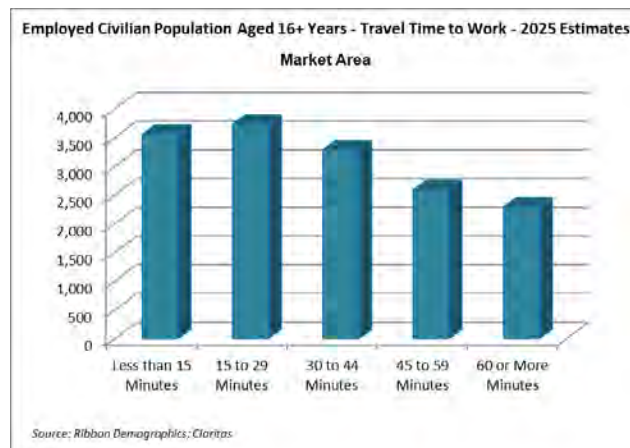
AVERAGE ANNUAL WAGE BY SECTOR			
INDUSTRY	2022	2023	% INCREASE
Agriculture, Forestry and Fisheries	N/A*	\$58,134	N/A*
Mining	\$64,358	\$67,091	4.2%
Construction	\$81,143	\$86,920	7.1%
Manufacturing	\$53,811	\$60,219	11.9%
Transportation and Warehousing	N/A*	N/A*	N/A*
Utilities	N/A*	N/A*	N/A*
Wholesale Trade	\$45,097	\$49,604	10.0%
Retail Trade	\$32,914	\$34,465	4.7%
Leisure and Hospitality	\$24,450	\$21,777	-10.9%
Education and Health Services	\$40,944	\$42,691	4.3%
Professional and Business Services	\$61,950	\$75,246	21.5%
Financial Activities	\$45,559	\$48,154	5.7%
Information	N/A*	N/A*	N/A*
Other Services	\$45,139	\$37,729	-16.4%
Public Administration (Local Government)	\$44,803	\$45,087	0.6%

Source: U.S. Bureau of Labor Statistics

*Data was not available.

Employment Outside the County

In 2025, for residents employed in market area, the travel time to work from the site is less than 15 minutes. For the majority of those employed in other parts of the town, the travel time would be within 30 minutes. According to the chart below, 23.0 percent have a travel time of less than 15 minutes; 24.2 percent have a travel time of 15 to 29 minutes; and 52.8 percent have a travel time of over 30 minutes. This relatively low travel time indicates that the subject site is in an area in close proximity to employment centers.





Summary of Employment Trends in Market Area

The properties are applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain their HAP contracts, households with two to five persons and incomes below \$73,560 will be eligible for the rehabilitated development. If the subjects were to lose the HAP contracts, households with two to five persons and incomes between \$46,971 and \$73,560 would be eligible for the rehabilitated developments. Major employers shown on Page 58 are included in the education and health services; government services; retail trade; and other services sectors. The available employment is well-suited to the targeted population of the proposed rehabilitated Section 8 and LIHTC development.



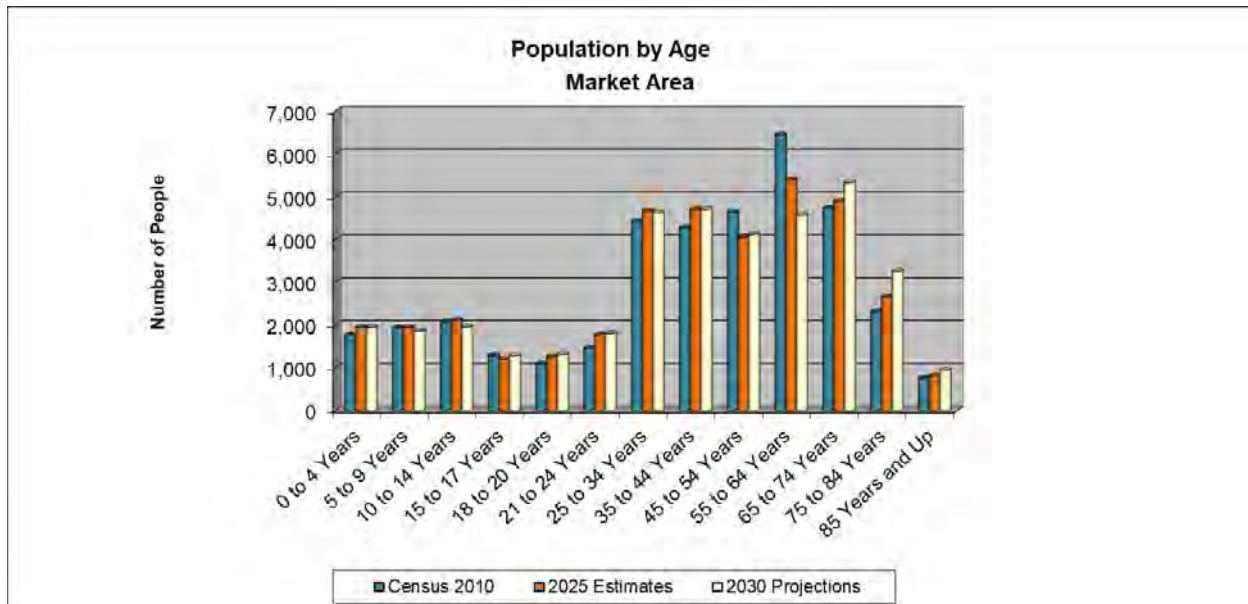
Population and Households Trends and Analysis

The housing Market Area for the rehabilitated units is an area in which people could locate their residences and have fairly equal access to the same job market, community services and amenities and be in the socio-economic community they choose.

The market area for the subject consists of the following census tracts in Sussex County: 8702.01, 8702.02, 8703.00 and 8704.00; the following census tracts in Isle of Wight County: 2802.00, 2803.00 and 2804.00; the following census tract in Southhampton County: 2001.00; and the following census tract in Surry County: 8602.00.

Market Area Population by Age & Sex											
Census 2020				Current Year Estimates - 2025				Five-Year Projections - 2030			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	928	840	1,768	0 to 4 Years	994	953	1,947	0 to 4 Years	995	955	1,950
5 to 9 Years	970	972	1,942	5 to 9 Years	1,013	934	1,947	5 to 9 Years	947	914	1,861
10 to 14 Years	1,037	1,042	2,079	10 to 14 Years	1,055	1,061	2,116	10 to 14 Years	1,023	935	1,958
15 to 17 Years	662	628	1,290	15 to 17 Years	611	588	1,199	15 to 17 Years	647	636	1,283
18 to 20 Years	595	494	1,089	18 to 20 Years	675	583	1,258	18 to 20 Years	687	624	1,311
21 to 24 Years	796	663	1,459	21 to 24 Years	1,021	757	1,778	21 to 24 Years	1,014	784	1,798
25 to 34 Years	2,494	1,928	4,422	25 to 34 Years	2,738	1,925	4,663	25 to 34 Years	2,746	1,874	4,620
35 to 44 Years	2,337	1,941	4,278	35 to 44 Years	2,612	2,096	4,708	35 to 44 Years	2,631	2,074	4,705
45 to 54 Years	2,309	2,318	4,627	45 to 54 Years	2,089	1,976	4,065	45 to 54 Years	2,152	1,966	4,118
55 to 64 Years	3,248	3,189	6,437	55 to 64 Years	2,705	2,688	5,393	55 to 64 Years	2,303	2,263	4,566
65 to 74 Years	2,249	2,477	4,726	65 to 74 Years	2,312	2,578	4,890	65 to 74 Years	2,523	2,802	5,325
75 to 84 Years	1,041	1,268	2,309	75 to 84 Years	1,196	1,463	2,659	75 to 84 Years	1,452	1,807	3,259
85 Years and Up	264	504	768	85 Years and Up	275	544	819	85 Years and Up	335	605	940
Total	18,930	18,264	37,194	Total	19,296	18,146	37,442	Total	19,455	18,239	37,694
62+ Years	n/a	n/a	9,611	62+ Years	n/a	n/a	10,064	62+ Years	n/a	n/a	11,020
Median Age:			46	Median Age:			43.1	Median Age:			43.6

Source: Claritas; Ribbon Demographics



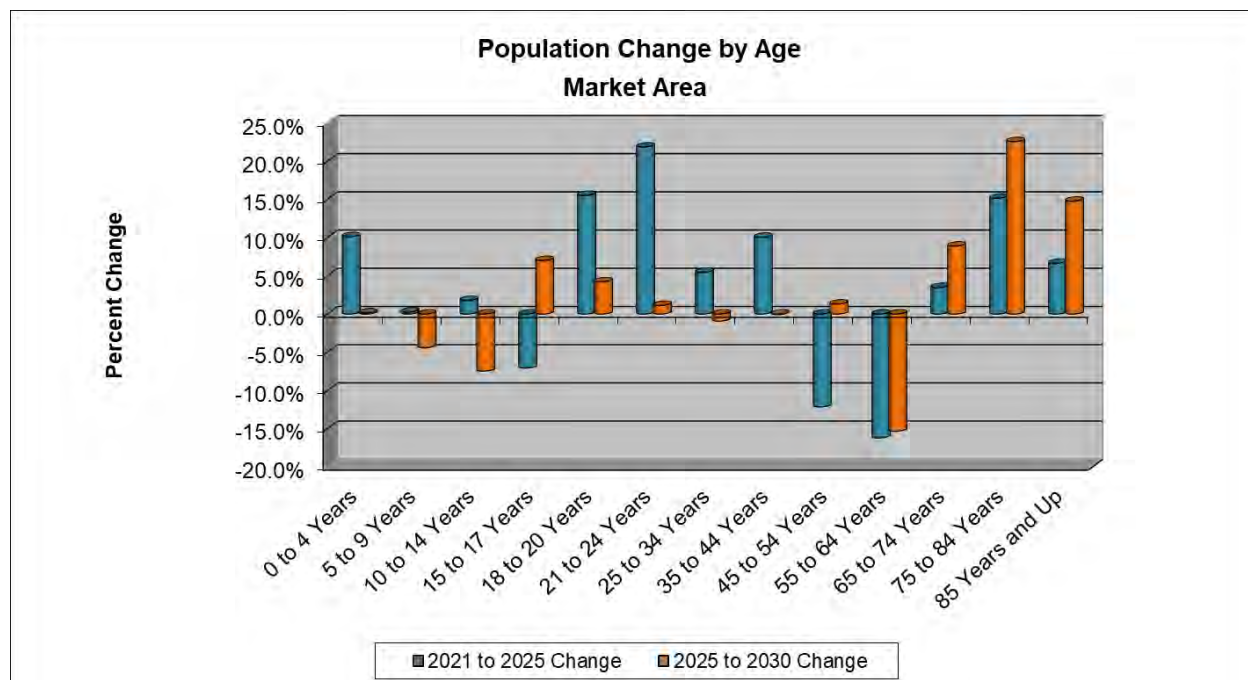
Source: Claritas; Ribbon Demographics



In 2010, this geographic market area contained an estimated population of 39,187. The population in 2020 in the market area decreased 5.1 percent to 37,194. In 2025, the population in this market area increased 0.7 percent to 37,442. It is projected that between 2025 and 2030, population in the market area will increase 0.7 percent to 37,694. Population estimates and projections are based on the most recent data from Claritas and Ribbon Demographics. The following tables show the population change by age in the market area.

Market Area									
Changes in Population by Age & Sex									
Estimated Change - 2020 to 2025					Projected Change - 2025 to 2030				
Age	Male	Female	Total Change	Percent Change	Age	Male	Female	Total Change	Percent Change
0 to 4 Years	66	113	179	10.1%	0 to 4 Years	1	2	3	0.2%
5 to 9 Years	43	-38	5	0.3%	5 to 9 Years	-66	-20	-86	-4.4%
10 to 14 Years	18	19	37	1.8%	10 to 14 Years	-32	-126	-158	-7.5%
15 to 17 Years	-51	-40	-91	-7.1%	15 to 17 Years	36	48	84	7.0%
18 to 20 Years	80	89	169	15.5%	18 to 20 Years	12	41	53	4.2%
21 to 24 Years	225	94	319	21.9%	21 to 24 Years	-7	27	20	1.1%
25 to 34 Years	244	-3	241	5.5%	25 to 34 Years	8	-51	-43	-0.9%
35 to 44 Years	275	155	430	10.1%	35 to 44 Years	19	-22	-3	-0.1%
45 to 54 Years	-220	-342	-562	-12.1%	45 to 54 Years	63	-10	53	1.3%
55 to 64 Years	-543	-501	-1,044	-16.2%	55 to 64 Years	-402	-425	-827	-15.3%
65 to 74 Years	63	101	164	3.5%	65 to 74 Years	211	224	435	8.9%
75 to 84 Years	155	195	350	15.2%	75 to 84 Years	256	344	600	22.6%
85 Years and Up	11	40	51	6.6%	85 Years and Up	60	61	121	14.8%
Total	366	-118	248	0.7%	Total	159	93	252	0.7%
62+ Years	n/a	n/a	453	4.7%	62+ Years	n/a	n/a	956	9.5%

Source: Claritas; Ribbon Demographics



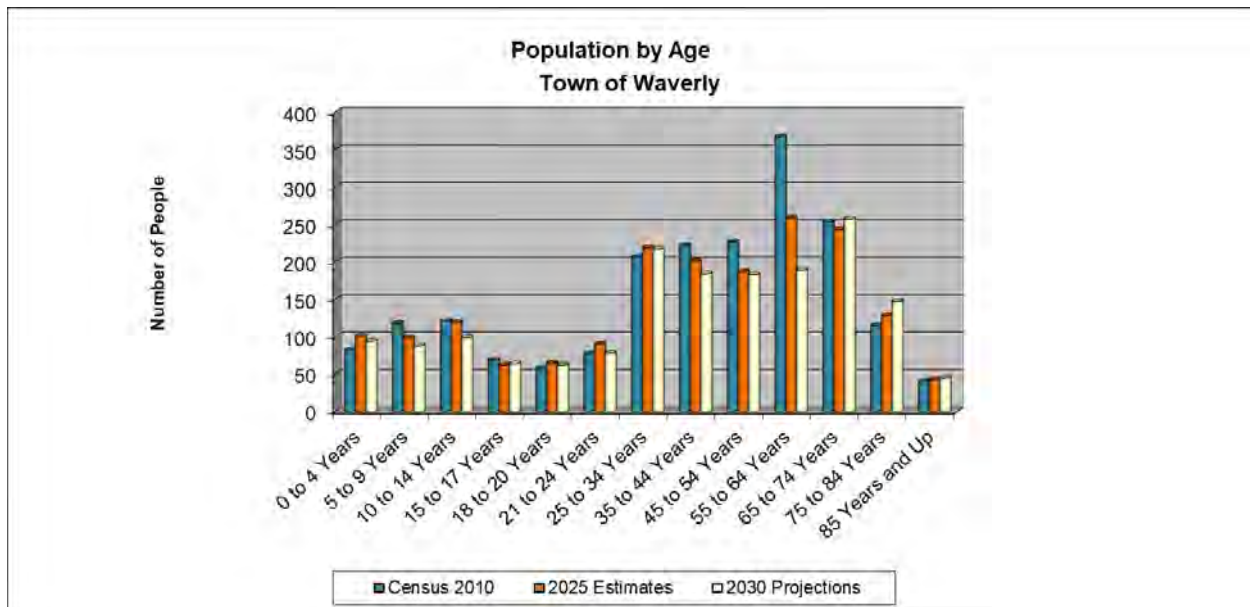
Source: Claritas; Ribbon Demographics



The total population in the market area is projected to increase; while the population for the town and county are projected to decrease. The following tables show the changes in population for the town and county.

Town of Waverly Population by Age & Sex											
Census 2020				Current Year Estimates - 2025				Five-Year Projections - 2030			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	44	38	82	0 to 4 Years	54	47	101	0 to 4 Years	49	45	94
5 to 9 Years	57	61	118	5 to 9 Years	53	46	99	5 to 9 Years	47	41	88
10 to 14 Years	68	53	121	10 to 14 Years	62	57	119	10 to 14 Years	56	43	99
15 to 17 Years	35	34	69	15 to 17 Years	33	29	62	15 to 17 Years	33	31	64
18 to 20 Years	29	29	58	18 to 20 Years	36	29	65	18 to 20 Years	31	31	62
21 to 24 Years	32	45	77	21 to 24 Years	47	43	90	21 to 24 Years	43	35	78
25 to 34 Years	102	104	206	25 to 34 Years	116	103	219	25 to 34 Years	113	104	217
35 to 44 Years	95	127	222	35 to 44 Years	90	111	201	35 to 44 Years	92	92	184
45 to 54 Years	88	139	227	45 to 54 Years	76	111	187	45 to 54 Years	80	103	183
55 to 64 Years	180	187	367	55 to 64 Years	120	139	259	55 to 64 Years	77	112	189
65 to 74 Years	109	144	253	65 to 74 Years	103	140	243	65 to 74 Years	114	143	257
75 to 84 Years	46	69	115	75 to 84 Years	52	76	128	75 to 84 Years	59	88	147
85 Years and Up	15	25	40	85 Years and Up	13	30	43	85 Years and Up	14	31	45
Total	900	1,055	1,955	Total	855	961	1,816	Total	808	899	1,707
62+ Years	n/a	n/a	521	62+ Years	n/a	n/a	499	62+ Years	n/a	n/a	514
Median Age:			46	Median Age:			42.6	Median Age:			43.2

Source: Claritas; Ribbon Demographics

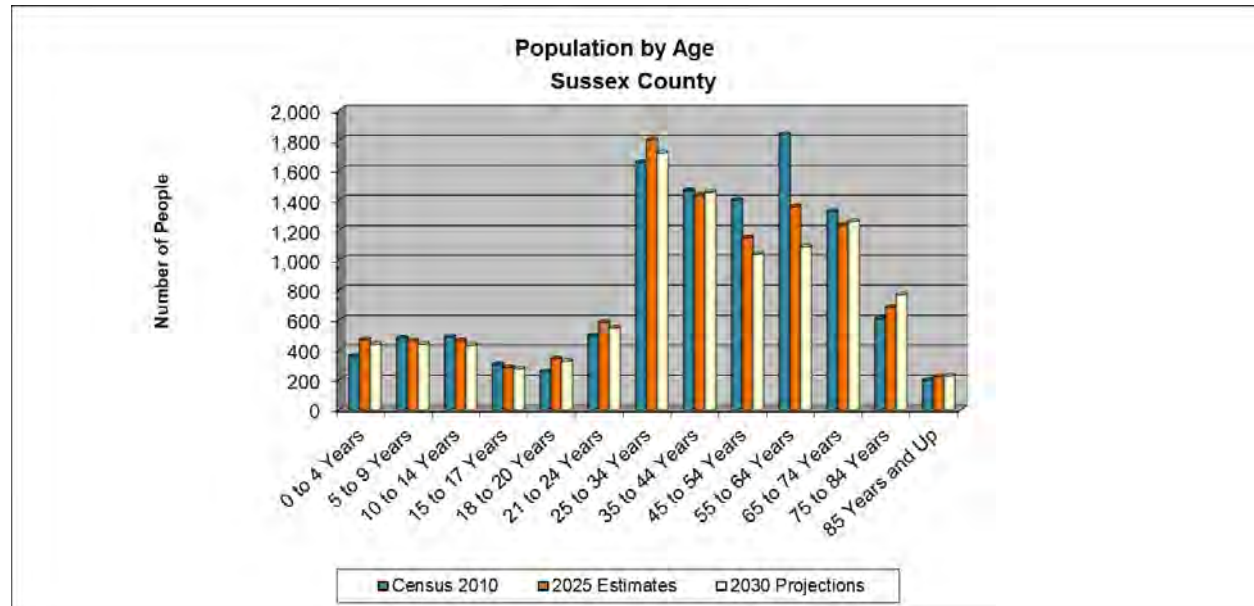


Source: Claritas; Ribbon Demographics



Sussex County Population by Age & Sex											
Census 2020				Current Year Estimates - 2025				Five-Year Projections - 2030			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	183	174	357	0 to 4 Years	248	219	467	0 to 4 Years	222	212	434
5 to 9 Years	250	226	476	5 to 9 Years	246	212	458	5 to 9 Years	232	205	437
10 to 14 Years	235	248	483	10 to 14 Years	236	223	459	10 to 14 Years	230	198	428
15 to 17 Years	155	147	302	15 to 17 Years	148	134	282	15 to 17 Years	145	124	269
18 to 20 Years	154	98	252	18 to 20 Years	203	135	338	18 to 20 Years	193	128	321
21 to 24 Years	323	169	492	21 to 24 Years	405	177	582	21 to 24 Years	376	167	543
25 to 34 Years	1,160	490	1,650	25 to 34 Years	1,325	474	1,799	25 to 34 Years	1,290	423	1,713
35 to 44 Years	994	467	1,461	35 to 44 Years	956	474	1,430	35 to 44 Years	993	458	1,451
45 to 54 Years	785	612	1,397	45 to 54 Years	689	457	1,146	45 to 54 Years	635	404	1,039
55 to 64 Years	1,011	825	1,836	55 to 64 Years	711	644	1,355	55 to 64 Years	576	511	1,087
65 to 74 Years	656	665	1,321	65 to 74 Years	594	638	1,232	65 to 74 Years	608	646	1,254
75 to 84 Years	242	364	606	75 to 84 Years	278	402	680	75 to 84 Years	319	448	767
85 Years and Up	79	117	196	85 Years and Up	81	140	221	85 Years and Up	84	141	225
Total	6,227	4,602	10,829	Total	6,120	4,329	10,449	Total	5,903	4,065	9,968
62+ Years	n/a	n/a	2,641	62+ Years	n/a	n/a	2,541	62+ Years	n/a	n/a	2,582
Median Age:			45	Median Age:			40.9	Median Age:			40.8

Source: Claritas; Ribbon Demographics



Source: Claritas; Ribbon Demographics



Housing Market

The demand for additional housing in a market area is a function of population growth, household formations and, also, a replacement of units lost through demolition and extreme obsolescence. Also, within the overall demand are segments of the market asking for more or less expense (related to income) and for ownership or rental.

Some of the demand has been, or will be, satisfied by units which have been built, or will be built, by the time the project is renting. The difference between demand and supply, the residual, is the total market of which the project's market will be a share.

The "tenure" of existing housing will be examined first as a guide to the future proportion of ownership and rentals; then characteristics of the housing stock will be noted.

The most important analysis is that of demand, supply and residual demand which follows. Its product is the number of type rental units which will be demanded.

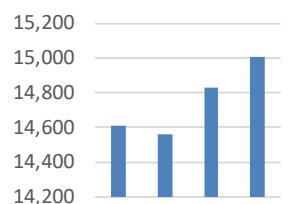
Tenure

The percentage of renters in the market area in 2025 is 28.9 percent, the percentage of renters in the town of Waverly in 2025 is 40.1 percent, and the percentage of renters in Sussex County in 2025 is 32.0 percent. Household estimates and projections are based on the most recent data from Claritas and Ribbon Demographics.

Market Area

Total Households

Census 2010	14,608	
Census 2020	14,562	
Current Year Estimates 2025	14,828	
Five-Year Projections 2030	15,009	
<i>Change 2010 - 2020</i>	<i>-46</i>	<i>-0.3%</i>
<i>Estimated Change 2021 - 2025</i>	<i>266</i>	<i>1.8%</i>
<i>Projected Change 2025 - 2030</i>	<i>181</i>	<i>1.2%</i>



Average Household Size 2010	2.48
Average Household Size 2020	2.39
Average Household Size 2025	2.37
Average Household Size 2030	2.35



Households by Tenure

2020 Owner	10,309	70.8%
2020 Renter	4,253	29.2%
2025 Owner	10,537	71.1%
2025 Renter	4,291	28.9%
2030 Owner	10,724	71.5%
2030 Renter	4,285	28.5%

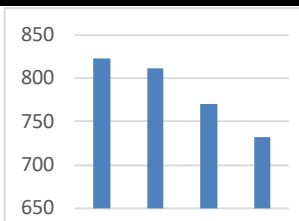
Source: Claritas; Ribbon Demographics



Town of Waverly

Total Households

Census 2010	822	
Census 2020	811	
Current Year Estimates 2025	770	
Five-Year Projections 2030	732	
<i>Change 2010 - 2020</i>	<i>-11</i>	<i>-1.3%</i>
<i>Estimated Change 2021 - 2025</i>	<i>-41</i>	<i>-5.1%</i>
<i>Projected Change 2025 - 2030</i>	<i>-38</i>	<i>-4.9%</i>



Average Household Size 2010	2.46
Average Household Size 2020	2.33
Average Household Size 2025	2.28
Average Household Size 2030	2.24



Households by Tenure

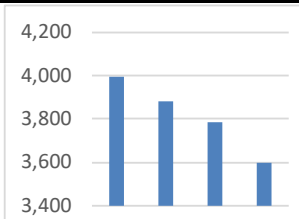
2020 Owner	486	59.9%
2020 Renter	325	40.1%
2025 Owner	461	59.9%
2025 Renter	309	40.1%
2030 Owner	439	60.0%
2030 Renter	293	40.0%

Source: Claritas; Ribbon Demographics

Sussex County

Total Households

Census 2010	3,994	
Census 2020	3,878	
Current Year Estimates 2025	3,787	
Five-Year Projections 2030	3,599	
<i>Change 2010 - 2020</i>	<i>-116</i>	<i>-2.9%</i>
<i>Estimated Change 2021 - 2025</i>	<i>-91</i>	<i>-2.3%</i>
<i>Projected Change 2025 - 2030</i>	<i>-188</i>	<i>-5.0%</i>



Average Household Size 2010	2.38
Average Household Size 2020	2.24
Average Household Size 2025	2.19
Average Household Size 2030	2.17



Households by Tenure

2020 Owner	2,637	68.0%
2020 Renter	1,241	32.0%
2025 Owner	2,577	68.0%
2025 Renter	1,210	32.0%
2030 Owner	2,449	68.0%
2030 Renter	1,150	32.0%

Source: Claritas; Ribbon Demographics



Rent Overburdened Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2021 (the most recent data available), there were 165 renter-occupied households in the county with incomes greater than 30 percent and less than or equal to 50 percent that are considered rent overburdened. The rent overburdened households represent 80.5 percent of the households in the county with incomes greater than 30 percent and less than or equal to 50 percent. The percentage of rent-overburdened households was used in the demand analysis to calculate the number of households within the subject's income range that are rent-overburdened.

Income by Cost Burden (Renters only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income <= 30% HAMFI	210	135	275
Household Income >30% to <=50% HAMFI	165	30	205
Household Income >50% to <=80% HAMFI	4	0	275
Household Income >80% to <=100% HAMFI	0	0	90
Household Income >100% HAMFI	0	0	170
Total	379	165	1,015

Source: CHAS 2017-2021 American Community Survey

Substandard Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2021 (the most recent data available), there were 385 renter-occupied households in the county with at least one of the four following housing problems: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room and cost burden greater than 30 percent. This data includes rent-overburdened households which have already been addressed. Therefore, it is necessary to remove the rent-overburdened households from the data to determine the remaining substandard households. The previous table indicates there are 205 total rent overburdened households with incomes greater than 30 percent and less than or equal to 50 percent. These 205 households that were rent-overburdened were subtracted from the 385 households that are substandard. The result of 180 households represents 17.7 percent of the total renter households in the county. The percentage of substandard households was used in the demand analysis to calculate the number of households within the subject's income range that are considered substandard.

Housing Problems Overview	Owner	Renter	Total
Household Has At Least 1 of 4 Housing Problems	445	385	830
Household Has None of 4 Housing Problems or Cost Burden Not Available, No Other Problems	2,195	635	2,830
Total	2,640	1,015	3,655

Source: CHAS 2017-2021 American Community Survey



Income Eligibility Analysis

Renter Households						
All Age Groups						
Year 2025 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	322	27	32	12	33	426
\$10,000-20,000	266	146	38	17	30	497
\$20,000-30,000	208	140	74	26	35	483
\$30,000-40,000	102	179	64	14	38	397
\$40,000-50,000	132	76	15	73	49	345
\$50,000-60,000	106	76	104	7	16	309
\$60,000-75,000	120	152	57	51	8	388
\$75,000-100,000	90	177	142	66	16	491
\$100,000-125,000	67	52	23	33	19	194
\$125,000-150,000	176	68	17	41	31	333
\$150,000-200,000	117	53	14	31	31	246
\$200,000+	<u>99</u>	<u>30</u>	<u>19</u>	<u>7</u>	<u>27</u>	<u>182</u>
Total	1,805	1,176	599	378	333	4,291

Source: Claritas and Ribbon Demographics

Owner Households						
All Age Groups						
Year 2025 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	170	53	12	6	3	244
\$10,000-20,000	298	82	17	12	5	414
\$20,000-30,000	373	167	55	15	5	615
\$30,000-40,000	305	244	66	8	24	647
\$40,000-50,000	209	399	95	23	26	752
\$50,000-60,000	216	365	45	72	19	717
\$60,000-75,000	172	607	193	66	17	1,055
\$75,000-100,000	230	521	327	196	140	1,414
\$100,000-125,000	146	591	281	317	108	1,443
\$125,000-150,000	168	391	209	99	106	973
\$150,000-200,000	124	374	238	320	185	1,241
\$200,000+	<u>139</u>	<u>332</u>	<u>255</u>	<u>82</u>	<u>214</u>	<u>1,022</u>
Total	2,550	4,126	1,793	1,216	852	10,537

Source: Claritas and Ribbon Demographics



Renter Households						
All Age Groups						
Year 2030 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	281	25	28	18	34	386
\$10,000-20,000	256	125	25	12	27	445
\$20,000-30,000	186	130	70	20	24	430
\$30,000-40,000	95	142	55	11	45	348
\$40,000-50,000	133	98	11	57	47	346
\$50,000-60,000	110	69	86	12	17	294
\$60,000-75,000	124	140	55	51	13	383
\$75,000-100,000	95	198	163	71	24	551
\$100,000-125,000	75	51	29	34	21	210
\$125,000-150,000	189	70	16	48	26	349
\$150,000-200,000	140	51	13	31	46	281
\$200,000+	<u>145</u>	<u>39</u>	<u>27</u>	<u>10</u>	<u>41</u>	<u>262</u>
Total	1,829	1,138	578	375	365	4,285

Source: Claritas and Ribbon Demographics

Owner Households						
All Age Groups						
Year 2030 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	165	53	14	2	2	236
\$10,000-20,000	277	77	16	8	2	380
\$20,000-30,000	375	146	42	6	2	571
\$30,000-40,000	288	230	50	4	23	595
\$40,000-50,000	185	361	98	17	17	678
\$50,000-60,000	225	353	40	73	15	706
\$60,000-75,000	166	576	149	64	14	969
\$75,000-100,000	274	507	289	171	122	1,363
\$100,000-125,000	155	585	285	310	81	1,416
\$125,000-150,000	186	421	203	106	77	993
\$150,000-200,000	158	392	277	365	179	1,371
\$200,000+	<u>199</u>	<u>486</u>	<u>365</u>	<u>107</u>	<u>289</u>	<u>1,446</u>
Total	2,653	4,187	1,828	1,233	823	10,724

Source: Claritas and Ribbon Demographics



The subject's units are most suitable for households with two to five persons below \$73,560 when considering subsidies and between \$46,971 and \$73,560 without considering subsidies. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2025 and 2030. However, this analysis is primarily concerned with target incomes of renters as shown in the following tables:

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (60%)	\$1,370	\$0	\$73,560	62.9%	1,563
2 BR (60%)	\$1,370	\$0	\$61,320	55.7%	989
3 BR (60%)	\$1,633	\$0	\$73,560	59.7%	782

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITHOUT SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (60%)	\$1,370	\$46,971	\$73,560	20.5%	510
2 BR (60%)	\$1,370	\$46,971	\$61,320	12.7%	226
3 BR (60%)	\$1,633	\$55,989	\$73,560	11.9%	156

Source: Claritas; Ribbon Demographics and HUD

Target incomes for the different unit types are derived by the analyst. For the low end of the range, the lowest rent charged in an income limit (i.e., 60% AMI) for a unit is divided by 35 percent. The resulting number is then multiplied by 12 to derive an annual income ($\$1,370 / 35\% = \$3,914.29 \times 12 = \$46,971$). This process is based on the premise that a tenant should not pay more than 35 percent of his annual income on rent. However, the subject is an existing Section 8 development with subsidies for all units. The Section 8 contract will remain with the property once rehabilitation is complete. As a result, a tenant will never be required to pay more than 30 percent of their income towards rent, and there is no minimum income limit.

For the high end of the range, the analyst consults the income limits set by the state housing authority. If the largest unit in an income limit (i.e., 60% AMI) is a three-bedroom unit, the analyst utilizes the three-person households to find how many people could reside in that unit. The analyst then consults the state income limits to set the high end of the range (3 bedroom $\times$ 1.5 = 5 people/unit; therefore, the 60% 5-person maximum income would be used).

The following table shows the maximum income limits at each income level as determined by the U.S. Department of Housing and Urban Development.

LIHTC INCOME LIMITS	
Person in Households	60%
1	\$47,700
2	\$54,480
3	\$61,320
4	\$68,100
5	\$73,560
6	\$79,020

Source: HUD



Sources of Demand

The potential tenants for the rehabilitated development include households who now live within the market area. It will appeal to potential tenants who have adequate incomes to pay the proposed rents and find the development more attractive in terms of price, unit features and project amenities than other available rental units. It also will attract households that the market area gains between now and when the development is ready for occupancy.

Required Unit Mix

The LIHTC program is based on the premise that no more than two persons will occupy rental units. We expect that 10 percent of one-person households will occupy efficiency units. Ninety percent (90%) of one-person households and 25 percent of two-person households will occupy one-bedroom units. We expect that 75 percent of one-person household and 50 percent of two-person households will occupy two-bedroom units. We expect that 50 percent of three-person households, 90 percent of four-person households and 90 percent of households with five persons or more will occupy three-bedroom units. We expect that 10 percent of four-person households and 10 percent of five-person or more households will occupy four-bedroom units.

The following table illustrates the ratio of units required by each household size. These occupancy patterns suggest that efficiency units should account for 4.2 percent of the renter housing demand; one-bedroom units should account for 44.7 percent; two-bedroom units should account for 27.5 percent; three-bedroom units should account for 21.9 percent, and units with four or more bedrooms should account for 1.7 percent of the renter housing demand in the market area.

RENTAL HOUSING DEMAND BY NUMBER OF BEDROOMS						
HOUSEHOLD SIZE	0 BR	1 BR	2 BR	3 BR	4 BR	TOTAL
1 Person	181	1,625	0	0	0	1,805
2 Persons	0	294	882	0	0	1,176
3 Persons	0	0	300	300	0	599
4 Persons	0	0	0	340	38	378
5 or More Persons	0	0	0	300	33	333
TOTAL	181	1,919	1,182	939	71	4,291
PERCENT	4.2%	44.7%	27.5%	21.9%	1.7%	100.0%

Source: Claritas; Ribbon Demographics

Eligible Households

Landlords evaluate a potential tenant's income and credit to decide if applicant can pay the required rents. Commercial underwriters and owners of conventional market rate developments generally require that the monthly contract rent should not exceed one-third of a tenant's income. This is increased to 35 percent for tenants in the LIHTC program.

The subject's units are most suitable for households with two to five persons below \$73,560 when considering subsidies and between \$46,941 and \$73,560 without considering subsidies. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2025 and 2030. However, this analysis is primarily concerned with target incomes of renters as shown in the following tables:

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (60%)	\$1,370	\$0	\$73,560	62.9%	1,563
2 BR (60%)	\$1,370	\$0	\$61,320	55.7%	989
3 BR (60%)	\$1,633	\$0	\$73,560	59.7%	782

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITHOUT SUBSIDY					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (60%)	\$1,370	\$46,971	\$73,560	20.5%	510
2 BR (60%)	\$1,370	\$46,971	\$61,320	12.7%	226
3 BR (60%)	\$1,633	\$55,989	\$73,560	11.9%	156

Source: Claritas; Ribbon Demographics and HUD



Penetration Rate

There are no planned developments in the market area. There are currently 42 vacant competing units in the market area. The subject is an existing Section 8 developments that is currently 86 percent occupied with seven vacant units. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the total affordable inventory would be 49 units. The chart below indicates a penetration rate of 3.1 percent for the market area when considering the subject's subsidies.

REQUIRED PENETRATION RATE - WITH SUBSIDY	
Income-Eligible Renter Households	1,563
Existing Vacant LIHTC Units	42
LIHTC Units Planned	0
Vacant Units In Subject	7
Total Inventory	49
Penetration Rate	3.1%

When considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the penetration rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. There are no planned developments in the market area. There are currently 42 vacant competing units in the market area when considering the subject without subsidies. Therefore, the total affordable inventory is 92 units. The chart below indicates a penetration rate of 18.0 percent for the market area without considering the subject's subsidies and if all units were vacant.

REQUIRED PENETRATION RATE - WITHOUT SUBSIDY	
Income-Eligible Renter Households	510
Existing Vacant LIHTC Units	42
LIHTC Units Planned	0
Proposed Units in Subject	50
Total Inventory	92
Penetration Rate	18.0%



Demand Analysis - With Subsidies

The following table will contain the summary demand estimates for the units.

REQUIRED DEMAND - WITH SUBSIDY	
	All Units - 60% (\$0 - \$73,560)
New Rental Households	0
	+
Existing Households - Overburdened	1,258
	+
Existing Households - Substandard Living	277
	+
Existing Qualifying Tenants - To Remain After Renovation	43
	=
TOTAL DEMAND	1,578
	(-)
Supply (Includes Directly Comparable Vacant Units Completed or in Pipeline Within PMA)	42
	=
NET DEMAND	1,536
	/
VACANT UNITS	7
	=
CAPTURE RATE	0.5%
ABSORPTION PERIOD	1 Month

*See Page 77 for absorption period explanation.

CAPTURE RATE - WITH SUBSIDY	
Project Wide Capture Rate - LIHTC Units	0.5%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	0.5%
Project Wide Absorption Period (Months)	1 Month

Demand Analysis Summary - With Subsidies

New Rental Households: The demand from new renter household growth is calculated by taking the new rental households projected between 2025 and 2030 divided by five years and then multiplying by one year since the rehabilitation will be complete in 2026. This resulted in a new renter household decrease of one household per year. As such, the demand from new household growth is zero for all subsidized units.

Existing Households – Rent Overburdened: The total number of income-eligible households is 1,563. The percent overburdened percentage of 80.5 percent determined on Page 70 was applied to this number to derive the existing households – rent overburdened shown on the demand chart on the previous page.

Existing Households – Substandard Housing: The total number of income-eligible households is 1,563. The percent of substandard households as determined on Page 70 was applied to this number to derive the substandard households as shown on the demand chart on the previous page.

Existing Qualifying Tenants Likely to Remain After Renovation: The subject is an existing Section 8 development that is currently 86 percent occupied, with seven vacant units. As complete, the property will



retain its subsidies for all units, as well as be 100 percent LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the subject's 43 occupied units were included.

Supply: There are no planned developments in the market area that will compete with the subject. In addition, there are currently 42 vacant competing units in the market area. Therefore, a total of 42 units were subtracted from the supply.

Total Net Demand and Conclusion: The market shows a net demand of 1,578 units for all units when considering subsidies. The subject is a Section 8 development that is currently 86 percent occupied, with seven vacant units. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. The capture rate for the subject is 0.5 percent, which is considered good. In addition, based on the occupancy rates of apartment complexes in the market area, the existing waiting lists, the projected population and household growth and the economic factors, it is believed that property will continue to be viable within the market area even if all units were vacant. Therefore, after researching the vacancy rates of the existing units in the area, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Absorption Period: The subject is an existing Section 8 development that is currently 86 percent occupied with seven vacant units. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, it will only take one month to stabilize the subject property.



Demand Analysis - Without Subsidies

The following table will contain the summary demand estimates for the units without considering the subject's subsidies.

REQUIRED DEMAND - WITHOUT SUBSIDY	
	All Units - 60% (\$46,971 - \$73,560)
New Rental Households	0
	+
Existing Households - Overburdened	410
	+
Existing Households - Substandard Living	90
	+
Existing Qualifying Tenants - To Remain After Renovation	0
	=
TOTAL DEMAND	501
	(-)
Supply (Includes Directly Comparable Vacant Units Completed or in Pipeline Within PMA)	42
	=
NET DEMAND	459
	/
VACANT UNITS	50
	=
CAPTURE RATE	10.9%
ABSORPTION PERIOD	4-5 Months

*See Page 79 for absorption period explanation.

CAPTURE RATE - WITHOUT SUBSIDY	
Project Wide Capture Rate - LIHTC Units	10.9%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	10.9%
Project Wide Absorption Period (Months)	4-5 Months

Demand Analysis Summary - Without Subsidies

New Rental Households: The demand from new renter household growth is calculated by taking the new rental households projected between 2025 and 2030 divided by five years and then multiplying by one year since the rehabilitation will be complete in 2026. This resulted in a new renter household decrease of one household per year. As such, the demand from new household growth is zero for all subsidized units. The demand from new household growth is zero for all units.

Existing Households – Rent Overburdened: The total number of income-eligible households is 510. The percent overburdened percentage of 80.5 percent determined on Page 70 was applied to this number to derive the existing households - rent overburdened shown on the demand chart on the previous page.

Existing Households – Substandard Housing: The total number of income-eligible households is 510. The percent of substandard households as determined on Page 70 was applied to this number to derive the substandard households as shown on the demand chart on the previous page.



Existing Qualifying Tenants Likely to Remain After Renovation: The subject is an existing Section 8 development that is currently 86 percent occupied. When considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, no units were included in this portion of the analysis.

Supply: There are no planned developments in the market area that will compete with the subject. In addition, there are currently 42 vacant competing units in the market area. Therefore, a total of 42 units were subtracted from the supply.

Total Net Demand and Conclusion: The market shows a net demand of 459 units for all units without considering subsidies. The subject is an existing Section 8 development that is currently 86 percent occupied. After rehabilitation, the property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. However, when considering the properties without subsidy, it is unlikely most of the current residents would remain income-qualified. The capture rate, without considering the subsidy, is 10.9 percent, which is also considered acceptable. In addition, the majority of the affordable housing developments maintain waiting lists and the majority of the comparables maintain high occupancy rates. Therefore, it is the belief of the analysts that the property will continue to be viable within the market area without subsidies, and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Absorption Period: The subject is an existing Section 8 development that is currently 86 percent occupied. The property will retain its subsidies for all units as well as be LIHTC at 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the current residents will be income-eligible for the units once the renovation is complete. However, when considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the absorption rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. The absorption level is typically based on the most recent multifamily developments. However, there were no newly constructed developments in the market area that could disclose lease-up data. Therefore, it was necessary to consider the opinions of local real estate agents and property managers, the current waiting list of the affordable housing developments and the occupancy rates of the surveyed comparables. After considering all factors, it is estimated that the development could absorb 10 to 15 units per month, resulting in a 95 percent occupancy level within four to five months.

Capture Rate Analysis

The following tables show the capture rates for the rehabilitated development both with and without considering subsidies.

CAPTURE RATE - WITH SUBSIDY	
Project Wide Capture Rate - LIHTC Units	0.5%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	0.5%
Project Wide Absorption Period (Months)	1 Month

CAPTURE RATE - WITHOUT SUBSIDY	
Project Wide Capture Rate - LIHTC Units	10.9%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	10.9%
Project Wide Absorption Period (Months)	4-5 Months



The market shows a net demand of 1,536 households for all units when considering the Section 8 subsidy and a net demand of 459 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 development that is currently 86 percent occupied, with seven vacant units. The property has a short waiting list. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contracts, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 50 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 0.5 percent and is considered good. The capture rate, without considering the subsidy, is 10.9 percent, which is considered acceptable. In addition, the majority of the affordable housing developments maintain waiting lists and the majority of the comparables maintain high occupancy rates. Therefore, it is the belief of the analysts that the property will continue to be viable within the market area without subsidies, and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.



Housing Profile

Market Area Overview

The rental housing stock in the market area is comprised of single-family homes as well as market-rate and restricted apartment complexes. The majority of the housing stock was built in the 1980s and 1990s.

Housing Inventory

From 2010 through February 2025, permit-issuing jurisdictions in Sussex County reported a total of 430 single-family and multifamily dwelling permits. Multifamily units were estimated at zero percent of the planned construction activity.

BUILDING PERMITS ISSUED			
YEAR	SINGLE-FAMILY	MULTIFAMILY	TOTAL
2010	15	0	15
2011	15	0	15
2012	26	0	26
2013	29	0	29
2014	20	0	20
2015	18	0	18
2016	24	0	24
2017	33	0	33
2018	33	0	33
2019	40	0	40
2020	37	0	37
2021	33	0	33
2022	32	0	32
2023	43	0	43
2024*	29	0	29
2025**	3	0	3
TOTAL	430	0	430

*Preliminary Numbers through December 2024

**Preliminary Numbers through February 2025

Source: SOCDS

Projects Planned or Under Construction

According to Virginia Housing, there have not been any developments awarded tax credit in the market area in the last five years.

Unit Condition

The market area's rental housing stock is in varying condition. Overall, the developments are well maintained.



Housing Units

The following tables show significant characteristics of the market area's housing stock in 2025. According to Claritas and Ribbon Demographics, there are 16,785 total housing units in the market area, 14,828 of which are occupied. There are 10,537 owner-occupied households and 4,291 renter-occupied households for 2025. In addition, there are 1,957 total vacant housing units in the market area.

Market Area Housing Unit Summary		
Current Year Estimates - 2025		
	Number	Percent
Housing Units	16,785	100.0%
Vacant Housing Units	1,957	11.7%
Renter-Occupied	4,291	28.9%
Owner-Occupied	<u>10,537</u>	<u>71.1%</u>
Total Occupied:	14,828	100.0%

Source: Ribbon Demographics; Claritas

Age of Rental Units

In 2025, there are 1,769 households constructed prior to 1939. According to Claritas and Ribbon Demographics, 1,576 households were built in 2010 or later.

Market Area Housing Units by Year Structure Built		
Current Year Estimates - 2025		
Year	Number	Percent
2020 or Later	440	2.6%
2010 - 2019	1,136	6.8%
2000 - 2009	2,330	13.9%
1990 - 1999	2,770	16.5%
1980 - 1989	2,137	12.7%
1970 - 1979	2,184	13.0%
1960 - 1969	1,516	9.0%
1950 - 1959	1,684	10.0%
1940 - 1949	819	4.9%
1939 or Earlier	<u>1,769</u>	<u>10.5%</u>
Total:	16,785	100.0%

Source: Ribbon Demographics; Claritas



Unit Types

In 2025, there were 12,999 single-family housing units, 1,611 multifamily housing units and 2,175 mobile homes or other housing in the market area.

Market Area		
Housing Units by Units in Structure		
Current Year Estimates - 2025		
Unit	Number	Percent
I Unit Detached	12,834	76.5%
I Unit Attached	165	1.0%
2 Units	546	3.3%
3 to 4 Units	338	2.0%
5 to 19 Units	577	3.4%
20 to 49 Units	44	0.3%
50 or More Units	106	0.6%
Mobile Home	2,175	13.0%
Other	0	0.0%
Total:	16,785	100.0%

Source: Ribbon Demographics; Claritas

Unit Size

The average size of the two-bedroom units is 831 square feet for two-bedroom units. The average size of the three-bedroom units in the surveyed developments is 1,116 square feet. The subject's unit sizes are within the comparable range. In addition, the majority of the surveyed comparables maintain stable occupancy rates and the majority of the affordable developments maintain waiting lists. The subject is currently 86 percent occupied with seven vacant units; however, it should be noted several units are being held offline in anticipation of upcoming renovations. The subject has historically maintained a stabilized occupancy rate. Consequently, it is believed the subject's existing unit sizes will continue to be competitive in this market.

AVERAGE APARTMENT SIZE OF COMPARABLE APARTMENTS					
Unit Type	COMPARABLES			Subject (SF)	Subject's Advantage
	Minimum (SF)	Maximum (SF)	Average (SF)		
2 BR	540	1,057	831	876	5.4%
3 BR	1,013	1,250	1,116	1,086	-2.7%

Source: Gill Group Field Survey



Rental Vacancy Rates

According to RealtyRates.com Market Survey, the vacancy rate for the South Atlantic Region has fluctuated only slightly. For 2023, the vacancy rate ranged from 5.0 percent to 5.1 percent, with an average of 5.2 percent. The vacancy rate for the region for 2024 ranged from 5.2 to 5.5 percent, with an average of 5.4 percent. The vacancy rate for the region as of the first quarter 2025 is 5.5 percent.

REALTY RATES MARKET SURVEY - REGIONAL VACANCY RATES			
QUARTER	2023	2024	2025
1st Quarter	5.1%	5.2%	5.5%
2nd Quarter	5.0%	5.3%	-
3rd Quarter	5.0%	5.5%	-
4th Quarter	5.1%	5.5%	-

Source: RealtyRates.com Market Survey, South Atlantic Region

Vacancy Analysis

The vacancy rate for the surveyed affordable housing units is 8.0 percent. Two of the comparables, Jersey Park Apartments and Wood Edge, reported elevated vacancy rates. Jersey Park Apartments reported an elevated vacancy rate of 17 percent. According to the contact for Jersey Park Apartments the property is holding units vacant for upcoming renovations. Wood Edge reported a vacancy rate of 12 percent with seven vacant units. According to the contact for Wood Edge the property had several move-outs; however, the property is preleased to 95 percent. Additionally, the subject reported an elevated vacancy rate of 14 percent with seven vacant units. However, several units at the subject are being held vacant in anticipation of upcoming renovations. Historically the subject has maintained a stabilized occupancy rate. Without considering these properties, the affordable housing vacancy rate is 4.7 percent. The following table shows the vacancy rates for all affordable housing verified in the market area, including the subjects.

AFFORDABLE HOUSING VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Sussex Trace Apartments (Subject)	50	7	14.0%
Birch Island Apartments	48	3	6.0%
Birch Island II Apartments	16	0	0.0%
Cedar Street	24	2	8.0%
Covington Court	24	1	4.0%
Franklin South Apartments	32	2	6.0%
Jersey Park Apartments	80	14	17.0%
New Surry Village II	48	3	6.0%
Steven Woods I Apartments	60	2	3.0%
Stevens Wood II Apartments	24	1	4.0%
Stevens Woods III Apartments	36	3	8.0%
Surry Village I	48	3	6.0%
Windsor Court I Apartments	40	1	2.0%
Windsor Court II Apartments	24	0	0.0%
Wood Edge	60	7	12.0%
Totals	614	49	8.0%



The current vacancy rate in surveyed market-rate apartment complexes is 4.3 percent. The following table shows the vacancy rates for each conventional property verified in the area.

MARKET VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Meadowridge Apartments	97	6	6.0%
Morris Creek Landing Apartments	88	4	4.5%
Sadler Pond Apartments	97	2	2.0%
Eagle Harbor Phase II	144	12	8.0%
Eagle Harbor Phase I	240	14	6.0%
Suffolk Station Apartments	112	7	6.0%
Forest Pine Apartments	244	0	0.0%
Patriots Landing Apartments	15	0	0.0%
Totals	1,037	45	4.3%

The overall rental vacancy rate of the surveyed comparables is 5.7 percent. Of the 1,651 total units verified, 94 were vacant. Two of the comparables, Jersey Park Apartments and Wood Edge, reported elevated vacancy rates. Jersey Park Apartments reported an elevated vacancy rate of 17 percent. According to the contact for Jersey Park Apartments the property is holding units vacant for upcoming renovations. Wood Edge reported a vacancy rate of 12 percent with seven vacant units. According to the contact for Wood Edge the property had several move-outs; however, the property is preleased to 95 percent. Additionally, the subject reported an elevated vacancy rate of 14 percent with seven vacant units. However, several units at the subject are being held vacant in anticipation of upcoming renovations. Historically the subject has maintained a stabilized occupancy rate. Without considering these properties, the overall housing vacancy rate is 4.4 percent.

Lease Terms and Concessions

The typical lease is twelve months. At the time of the writing of this report, there were no properties offering any rental concessions.

Likely Impact of Rehabilitated Development on Rental Occupancy Rates

The proposed rehabilitation of the existing Section 8 development will not have an adverse impact on the market area. Its two and three-bedroom units are suitable in the market. In addition, the property is currently 86 percent occupied, with seven vacant units. It should be noted, several of the vacant units are being held offline in anticipation of renovations. The subject also maintains a short waiting list. Therefore, the rehabilitation of the project is unlikely to materially impact the existing properties in the market area which exhibit strong occupancy rates.



Comparable Profile Pages
Multi-Family Lease No. 1



Property Identification

Record ID 30968
Property Type Walk-Up
Property Name Birch Island Apartments
Address 10322 Penny Lane, Wakefield, Sussex County, Virginia 23888
Market Type Rural Development/LIHTC
Verification Patrice Holloway; 757-899-4803, February 24, 2025

<u>Unit Mix</u>				
<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1 (50%)	16	591	\$959	\$1.62
1/1 (60%)		591	\$1,216	\$2.06
2/1 (50%)	24	761	\$1,007	\$1.32
2/1 (60%)		761	\$1,312	\$1.72
3/1 (50%)	8	1,013	\$1,112	\$1.10
3/1 (60%)		1,013	\$1,469	\$1.45

Occupancy 94%
Rent Premiums N
Total Units 48
Unit Size Range 591 - 1,013
Avg. Unit Size 817
Monthly Rent Range \$959 - \$1,469
Avg. Rent/Unit \$1,034
Avg. Rent/SF \$1.27

SF 39,200



Physical Data

No. of Buildings	6
Construction Type	Siding
HVAC	Baseboard Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/O
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven Carpet, Vinyl, Blinds, Coat Closet, Meeting Room, Playground, Laundry Facility, On-Site Management, On-Site Maintenance, Video Surveillance

Remarks

The complex is a LIHTC/Rural Development property designated for families at 50 and 60 percent of the area median income. The occupancy is 94 percent due to recent move outs. Of the forty-eight units total, thirty-four receive Rental Assistance. The utility allowance for one-bedroom units is \$109, \$128 for two-bedroom units, and \$135 for three-bedroom units. The complex maintains an active wait list with twelve to fifteen applicants. The annual turnover rate is 50 percent.



Multi-Family Lease No. 2



Property Identification

Record ID 30719
Property Type Walk-Up
Property Name Birch Island II Apartments
Address 10322 Penny Lane, Wakefield, Sussex County, Virginia 23888
Market Type Rural Development/LIHTC
Verification Patrice Holloway; 757-899-4803, February 24, 2025

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1 (40%)	8	601	\$976	\$1.62
1/1 (50%)		601	\$1,139	\$1.90
2/1 (40%)	8	780	\$1,207	\$1.55
2/1 (50%)		780	\$2,185	\$2.80
Occupancy	100%			
Rent Premiums	N			
Total Units	16			
Unit Size Range	601 - 780			
Avg. Unit Size	690			
Monthly Rent Range	\$976 - \$2,185			
Avg. Rent/Unit	\$1,092			
Avg. Rent/SF	\$1.58			
SF	11,048			

Physical Data



No. of Buildings	2
Construction Type	Siding
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/O
Year Built	1984/2009
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Dishwasher, Carpet, Wood Composite, Blinds, Ceiling Fans, Coat Closet, Meeting Room, Playground, Laundry Facility, Video Surveillance

Remarks

The complex is a LIHTC/Rural Development property designated for families at 40 and 50 percent of the area median income. Of the total sixteen units, fourteen units receive Rental Assistance. The utility allowance for one-bedroom units is \$79 and \$103 for two-bedroom units. The complex maintains an active wait list with six appliances. The annual turnover rate is 6.2 percent.



Multi-Family Lease No. 3



Record ID 50026
Property Type Walk-Up
Property Name Cedar Street
Address 545 Cedar Street, Smithfield, Isle of Wight County, Virginia 23430
Market Type Rural Development/LIHTC
Verification Lori; 240-683-0300, February 26, 2025

<u>Unit Type</u>	<u>Unit Mix</u>		<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>		
2/1 (40%)	4	792	\$907	\$1.15
2/1 (50%)	20	792	\$1,113	\$1.41

Occupancy 92%
Rent Premiums N
Total Units 24
Unit Size Range 0 - 792
Avg. Unit Size 792
Monthly Rent Range \$907 - \$1,113
Avg. Rent/Unit \$1,079
Avg. Rent/SF \$1.36

SF 19,008

Physical Data

HVAC Central Elec/Central Elec
Stories 2
Utilities with Rent Water, Sewer, Trash Collection
Parking L/O



Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Drapes/Shades, Walk-In Closet, Coat Closet, Meeting Room, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks



Multi-Family Lease No. 4



Property Identification

Record ID 30716
Property Type Garden
Property Name Covington Court
Address 900 Covington Court, Waverly, Sussex County, Virginia 23890
Market Type Rural Development

Verification Denise; 804-834-2762, February 24, 2025

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1 (40%)	24	600	\$603	\$1.01
1/1 (50%)		600	\$842	\$1.40

Occupancy 96%
Rent Premiums N
Total Units 24
Unit Size Range 0 - 600
Avg. Unit Size 600
Monthly Rent Range \$603 - \$842
Avg. Rent/Unit \$603
Avg. Rent/SF \$1.00

SF 14,400

Physical Data

No. of Buildings 7
HVAC Central Elec/Central Elec



Stories	1
Utilities with Rent	None
Parking	L/O
Year Built	1990
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Coat Closet, Patio, Pull Cords, Meeting Room, Laundry Facility, On-Site Management

Remarks

The complex is a Rural Development property designated for seniors 62 years and older. The occupancy is 96 percent. The utility allowance for one-bedroom units is \$144 per month. An active wait list is maintained but the contact was unable to provide the length. The annual turnover rate is 4.1 percent. This property is not directly comparable to the subject due to senior tenancy; however, has been included due to the lack of affordable housing within the city of Waverly.



Multi-Family Lease No. 5



Property Identification

Record ID 30839
Property Type Townhouse
Property Name Franklin South Apartments
Address 1205 South Street, Franklin, Franklin City County, Virginia 23851
Market Type LIHTC/Rural Development
Verification Matthew; 757-569-9706, February 26, 2025

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1 (40%)	1	582	\$878	\$1.51
2/1 (40%)	2	734	\$918	\$1.25

Occupancy 94%
Rent Premiums N
Total Units 32
Unit Size Range 582 - 734
Avg. Unit Size 683
Monthly Rent Range \$878 - \$918
Avg. Rent/Unit \$905
Avg. Rent/SF \$1.32

SF 22,272

Physical Data

No. of Buildings 4
Construction Type Siding



HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1987/2006
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Ceiling Fans, Meeting Room, Playground, Laundry Facility, On-Site Management, On-Site Maintenance, Video Surveillance

Remarks

The complex is a LIHTC/Rural Development property designated for families at 40 and 60 percent of the area median income. The occupancy is 94 percent, which is the average occupancy. The complex has a set utility allowance, but the contact did not disclose the rates. An active wait list is maintained for the one-bedroom units, but the length is unknown. The annual turnover rate was not disclosed.



Multi-Family Lease No. 6



Property Identification

Record ID 15170
Property Type Walk-Up
Property Name Jersey Park Apartments
Address 775 Wrenn Road, Smithfield, Isle of Wright County, Virginia 23420
Market Type LIHTC/Section 8

Verification June; 757-357-7250, February 24, 2025

<u>Unit Type</u>	<u>Unit Mix</u>		<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>		
1/1 (60%)	16	568	\$1,000	\$1.76
2/1 (60%)	64	728	\$1,215	\$1.67

Occupancy 83%
Rent Premiums N
Total Units 80
Unit Size Range 568 - 728
Avg. Unit Size 696
Monthly Rent Range \$1,000 - \$1,215
Avg. Rent/Unit \$1,172
Avg. Rent/SF \$1.68

SF 55,680

Physical Data

No. of Buildings 9
Construction Type Siding



HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1976/2006
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Wood, Blinds, Ceiling Fans, Safety Bars, Coat Closet, Blinds, Meeting Room, Playground, Basketball Court, Computer Room, Laundry Facility, On-Site Management, On-Site Maintenance, Security Patrol

Remarks

The property is a Section 8/LIHTC property designated for families. The occupancy is 83 percent due to no applicants being accepted because of the scheduled rehab between May and June of 2025. The contact indicated the complex also underwent previous renovations in 2006. The utility allowance is \$84 per month for one-bedroom units and \$118 for two-bedroom units. An active wait list is maintained with none current applicants. The annual turnover rate is 10 percent.



Multi-Family Lease No. 7



Record ID 49958
Property Type Walk-Up
Property Name New Surry Village II
Address 30 Pinewood Court, Spring Grove, Surry County, Virginia 23881
Market Type Rural Development/LIHTC
Verification Lucinda; 757-294-3120, February 24, 2025

<u>Unit Type</u>	<u>Unit Mix</u>		<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>		
1/1 (40%)		582	\$808	\$1.39
1/1 (50%)		582	\$808	\$1.39
2/2 (40%)		757	\$881	\$1.16
2/2 (50%)		757	\$881	\$1.16

Occupancy 94%
Rent Premiums N
Total Units 48
Unit Size Range 582 - 757
Monthly Rent Range \$808 - \$881

Physical Data
No. of Buildings 10
HVAC Central Elec/Central Elec
Stories 2
Utilities with Rent None
Parking L/O



Year Built	1985/2011
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Wood Composite, Blinds, Clubhouse, Laundry Facility, On-Site Management

Remarks

The complex is a LIHTC/Rural Development property designated for families at 40 and 50 percent of the area median income. The occupancy is 94 percent, but the contact was unable to provide the reasoning for the high vacancy. The utility allowance for one-bedroom units is \$83 per month and the utility allowance for two-bedroom units is \$110 per month. The contact indicated the building was built in 1985 and underwent a full rehab in 2011. An Active wait list is maintained with twenty-three applicants for one-bedroom units and twenty-four applicants for two-bedroom units. The annual turnover rate is 2 percent.



Multi-Family Lease No. 8



Property Identification

Record ID 46586
Property Type Townhouse
Property Name Steven Woods I Apartments
Address 25131 Oak Trail, Courtland, Southampton County, Virginia 23837
Market Type Rural Development/LIHTC
Verification Claudia; 757-653-2001, February 24, 2025

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1 (60%)	16	601	\$686	\$1.14
2/1 (60%)	44	780	\$780	\$1.00

Occupancy 97%
Rent Premiums N
Total Units 60
Unit Size Range 601 - 780
Avg. Unit Size 732
Monthly Rent Range \$686 - \$780
Avg. Rent/Unit \$755
Avg. Rent/SF \$1.03

SF 43,936

Physical Data

No. of Buildings 7
Construction Type Siding



HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1982/2011
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Dishwasher, Carpet, Wood Composite, Ceramic Tile, Blinds, Playground, Basketball Court, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks

The complex is a LIHTC/Rural Development property designated for families at 60 percent of area median income. The occupancy is 97 percent with one unit preleased. The contact would not disclose the utility allowance. There is no active waiting list maintained for the property. The annual turnover rate was not disclosed.



Multi-Family Lease No. 9



Property Identification

Record ID 46587
Property Type Walk-Up
Property Name Stevens Wood II Apartments
Address 25090 Oak Trail Road, Courtland, Southampton County, Virginia 23837
Market Type Rural Development/LIHTC
Verification Cheryl; 757-653-9096, April 05, 2024

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1 (60%)	8	601	\$883	\$1.47
2/1 (60%)	8	780	\$948	\$1.22
3/1 (60%)	8	1,034	\$996	\$0.96

Occupancy 96%
Rent Premiums N
Total Units 24
Unit Size Range 601 - 1,034
Avg. Unit Size 805
Monthly Rent Range \$883 - \$996
Avg. Rent/Unit \$942
Avg. Rent/SF \$1.17

SF 19,320

Physical Data

No. of Buildings 3



Construction Type	Stucco
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Year Built	1982
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Dishwasher, Carpet, Wood Composite, Ceramic Tile, Blinds, Playground, Basketball Court, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks

The complex is designated for families at 60 percent of the area median income. In addition, all units receive Rental Assistance. The complex maintains a four to five-month waiting list. The annual turnover rate was not disclosed. The development has a utility allowance of \$86 per month for one-bedroom units, \$123 per month for two-bedroom units, and \$129 per month for three-bedroom units.



Multi-Family Lease No. 10



Property Identification

Record ID 46588
Property Type Walk-Up
Property Name Stevens Woods III Apartments
Address 25090 Oak Trail Road, Courtland, Southampton County, Virginia 23837
Market Type Rural Development/LIHTC
Verification GGI Appraisal; March 06, 2025

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1 (60%)	12	601	\$866	\$1.44
2/1 (60%)	24	780	\$935	\$1.20

Occupancy 92%
Rent Premiums N
Total Units 36
Unit Size Range 601 - 780
Avg. Unit Size 720
Monthly Rent Range \$866 - \$935
Avg. Rent/Unit \$912
Avg. Rent/SF \$1.27

SF 25,932

Physical Data

No. of Buildings 5
Construction Type Frame



HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1988
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet, Pull Cords (ADA), Safety Bars (ADA), Clubhouse, Picnic Area, Playground, Laundry Facility, On-Site Management, On-Site Maintenance, Library

Remarks

The complex is designated for families at 60 percent of the area median income. In addition, 34 of the total 36 units receive Rental Assistance. The complex maintains a four to five-month waiting list. The annual turnover rate was not disclosed. The development has a utility allowance of \$63 per month for one-bedroom units, and \$84 per month for two-bedroom units



Multi-Family Lease No. 11



Property Identification

Record ID 50284
Property Type Walk-Up
Property Name Surry Village I
Address 82 Surry Village Drive, Spring Grove, Surry County, Virginia 23881
Market Type Rural Development/LIHTC
Verification GGI Appraisal; March 06, 2025

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	16	541	\$808	\$1.49
2/1	32	732	\$881	\$1.20

Occupancy 94%
Rent Premiums N
Total Units 48
Unit Size Range 541 - 732
Avg. Unit Size 668
Monthly Rent Range \$808 - \$881
Avg. Rent/Unit \$857
Avg. Rent/SF \$1.28

SF 32,080

Physical Data

No. of Buildings 6
Construction Type Frame



HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1987
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Ceiling Fans, Coat Closet, Meeting Room, Playground, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks



Multi-Family Lease No. 12



Record ID 49960
Property Type Walk-Up
Property Name Windsor Court I Apartments
Address 101 Georgie D'Tyler Drive, Windsor, Isle of Wight County, Virginia 23487
Market Type Rural Development/LIHTC
Verification Roshanda; 757-242-9465, February 24, 2025

<u>Unit Type</u>	<u>Unit Mix</u>			<u>Mo. Rent/SF</u>
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	
1/1 (40%)	16	480	\$880	\$1.83
1/1 (50%)		480	\$880	\$1.83
1/1 (60%)		480	\$880	\$1.83
2/1 (40%)	24	540	\$931	\$1.72
2/1 (50%)		540	\$931	\$1.72
2/1 (60%)		540	\$931	\$1.72

Occupancy 98%
Rent Premiums N
Total Units 40
Unit Size Range 480 - 540
Monthly Rent Range \$880 - \$931

Physical Data
HVAC Central Elec/Central Elec
Stories 2
Utilities with Rent Water, Sewer, Trash Collection
Parking L/O



Year Built	1987/2005
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Coat Closet, Laundry Facility, On-Site Management

Remarks

The complex is a LIHTC/Rural Development property designated for families at 40, 50, and 60 percent of the area median income. The occupancy is 98 percent. The utility allowance for one-bedroom units is \$71 per month and \$92 for two-bedroom units. The complex maintains an active wait list six months to one year in length. The annual turnover rate is 7.5 percent.



Multi-Family Lease No. 13



Record ID 49961
Property Type Walk-Up
Property Name Windsor Court II Apartments
Address 101 Georgie D'Tyler Drive, Windsor, Isle of Wight County, Virginia 23487
Market Type Rural Development/LIHTC
Verification Roshanda; 757-242-9465, February 24, 2025

<u>Unit Type</u>	<u>Unit Mix</u>			
	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1 (60%)	16	480	\$950	\$1.98
2/1 (60%)	8	540	\$1,026	\$1.90

Occupancy 100%
Rent Premiums N
Total Units 24
Unit Size Range 480 - 540
Monthly Rent Range \$950 - \$1,026

Physical Data

HVAC Central Elec/Central Elec
Stories 2
Utilities with Rent Water, Sewer, Trash Collection
Parking L/0
Year Built 1997
Condition Average
Gas Utilities None
Electric Utilities All



Amenities

Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Coat Closet, Clubhouse, Laundry Facility, On-Site Management

Remarks

The complex is a LIHTC/Rural Development property designated for families at 60 percent of the area median income. The complex is fully occupied. The utility allowance for one-bedroom units is \$92 per month and \$124 per month for two-bedroom units. An active wait list is maintained with six months to one year in length. The annual turnover rate is 4.1 percent.



Multi-Family Lease No. 14



Record ID 50028
Property Type Walk-Up
Property Name Wood Edge
Address 764 Wrenn Road, Smithfield, Isle of Wight County, Virginia 23430
Market Type Rural Development/LIHTC
Verification June; 757-357-3263, February 26, 2025

<u>Unit Mix</u>				
<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1 (50%)	17	500	\$944	\$1.89
1/1 (60%)	7	500	\$1,133	\$2.27
2/1 (50%)	24	780	\$1,133	\$1.45
2/1 (60%)	4	780	\$1,336	\$1.71
3/1 (50%)	5	1,100	\$1,287	\$1.17
3/1 (60%)	3	1,100	\$1,571	\$1.43
Occupancy	88%			
Rent Premiums	N			
Total Units	60			
Unit Size Range	500 - 1,100			
Avg. Unit Size	711			
Monthly Rent Range	\$944 - \$1,571			
Avg. Rent/Unit	\$1,128			
Avg. Rent/SF	\$1.59			
SF	42,640			

Physical Data



HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	1978
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Carpet, Vinyl, Blinds, Drapes/Shades, Walk-In Closet, Laundry Facility, On-Site Management, On-Site Maintenance, Video Surveillance

Remarks

The complex is a LIHTC/Rural Development property designated for families at 50 and 60 percent of the area median income. The occupancy is 88 percent and pre-leased at 95 percent. A utility allowance is set for \$81 for one-bedroom units, \$121 for two-bedroom units, and \$151 for three-bedroom units. An active wait list is maintained with fourteen applicants for one-bedroom units, five applicants for two-bedroom units, and five applicants for three-bedroom units. The annual rate is 10 percent.



Multi-Family Lease No. 15



Property Identification

Record ID 8543
Property Type Walk-Up
Property Name Meadowridge Apartments
Address 340 North College Drive, Franklin, Franklin City County, Virginia 23851
Market Type Market
Verification Annie; 757-276-4322, February 19, 2025

<u>Unit Type</u>	<u>Unit Mix</u>		<u>Rent/Mo</u>	<u>Mo. Rent/S</u>
	<u>No. of Units</u>	<u>Size SF</u>		
1/1	16	765	\$1,215	\$1.59
2/1	21	940	\$1,295	\$1.38
2/2	28	1,006	\$1,355	\$1.35
3/2	32	1,090	\$1,435	\$1.32

Occupancy	94%
Rent Premiums	N
Total Units	97
Unit Size Range	765 - 1,090
Avg. Unit Size	980
Monthly Rent Range	\$1,215 - \$1,435
Avg. Rent/Unit	\$1,345



Avg. Rent/SF	\$1.37
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Net Rentable SF	95,028
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Physical Data

Construction Type	Brick
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Trash Collection
Parking	L/0
Year Built	1991/2015
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Ceiling Fans, Balcony, Patio, Vinyl, Laminate, Laundry Facility, Barbeque Area, Playground, On-Site Management

Remarks

The property does not maintain a waiting list, and the annual turnover rate is approximately 25 percent. The units are updated as needed.



Multi-Family Lease No. 16



Property Identification

Record ID	15126
Property Type	Walk-Up
Property Name	Morris Creek Landing Apartments
Address	982 John Rolfe Drive, Smithfield, Isle of Wright County, Virginia 23430
Market Type	Market
Verification	Lea; 757-357-0102, February 19, 2025

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	20	650	\$1,049	\$1.61
2/2	67	898	\$1,339	\$1.49
2/2		898	\$1,429	\$1.59

Occupancy	95.5%
Rent Premiums	N
Total Units	88
Unit Size Range	650 - 898
Avg. Unit Size	841
Monthly Rent Range	\$1,049 - \$1,429
Avg. Rent/Unit	\$1,272
Avg. Rent/SF	\$1.51



SF 73,166

Physical Data

No. of Buildings	5
Construction Type	Siding
HVAC	Central Gas/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/O
Year Built	1988/2004
Condition	Average
Gas Utilities	Heating, Hot Water, Cooking
Electric Utilities	Cooling, Other Elec

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer (Select), Dryer (Select), Carpet, Vinyl, Blinds, Swimming Pool, Laundry Facility, On-Site Management, On-Site Maintenance

Remarks

This property does not maintain a waiting list, and the annual turnover rate was not disclosed. The units are updated as needed. The two-bedroom units with a higher rental rate also contain a washer and dryer.



Multi-Family Lease No. 17



Property Identification

Record ID 3128
Property Type Walk-Up
Property Name Sadler Pond Apartments
Address 2500 Sandy Spring Lane, Suffolk, Suffolk County, Virginia 23434
Market Type Market

Verification Lisa; 757-934-0738, January 17, 2025

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/2	47	1,000	\$1,275	\$1.28
2/2	25	1,000	\$1,375	\$1.38
3/2	20	1,100	\$1,375	\$1.25
3/2	5	1,100	\$1,475	\$1.34

Occupancy 98%
Rent Premiums N
Total Units 97
Unit Size Range 1,000 - 1,100
Avg. Unit Size 1026
Monthly Rent Range \$1,275 - \$1,475
Avg. Rent/Unit \$1,332



Avg. Rent/SF	\$1.30
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Net SF	99,500
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Physical Data

No. of Buildings	9
Construction Type	Siding
HVAC	Central Elec/Central Elec
Stories	3
Utilities with Rent	Trash Collection, Flat Fee
Parking	L/O
Year Built	1989/2012
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer/Dryer Hook-Ups, Carpet, Vinyl, Wood Composite (Select), Blinds, Ceiling Fans, Vaulted Ceilings (Select), Walk-In Closet, Balcony, Patio, Swimming Pool, Picnic Area, Extra Storage, Bike Rack, On-Site Management, On-Site Maintenance

Remarks

This property does not maintain a waiting list. The units are updated as needed. The annual turnover rate was not disclosed. There are currently no rental concessions available at this time. There is a flat fee of \$10 per month for trash pickup. In 2012 the property renovated approximately 30 units which included kitchens, baths, floor coverings, fixtures and appliances. The rent range is due to these renovations. Extra storage is located on the private balconies or patios.



Multi-Family Lease No. 18



Property Identification

Record ID 15171
Property Type Walk-Up
Property Name Eagle Harbor Phase II
Address 220 Marsh Landing Drive, Carrollton, Isle of Wright
 County, Virginia 23314
Market Type Market

Verification Susan; 757-517-8704, February 19, 2025

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	48	850	\$1,545	\$1.82
2/2	72	1,000	\$1,635	\$1.64
3/2	24	1,250	\$1,859	\$1.49

Occupancy 92%
Rent Premiums N
Total Units 144
Unit Size Range 850 - 1,250
Avg. Unit Size 992
Monthly Rent Range \$1,545 - \$1,859
Avg. Rent/Unit \$1,642
Avg. Rent/SF \$1.66



SF 142,800

Physical Data

No. of Buildings	8
Construction Type	Brick/Siding
HVAC	Central Elec/Central Elec
Stories	3
Utilities with Rent	Cable, Internet
Parking	L/0, G/175
Year Built	2011
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer, Dryer, Carpet, Vinyl, Wood Composite (Select), Blinds, Ceiling Fans, Balcony, Patio, Picnic Area, Playground, On-Site Management, On-Site Maintenance, Crown Molding

Remarks

This is a Daily Pricing Property. This property does maintain a waiting list of two applicants, and the annual turnover rate is approximately 21 percent. The units are updated as needed. Phase II tenants have access to Phase I's swimming pool, volleyball court and dog park amenities.



Multi-Family Lease No. 19



Property Identification

Record ID 15172
Property Type Walk-Up
Property Name Eagle Harbor Phase I
Address 220 Marsh Landing Drive, Carrollton, Isle of Wright
County, Virginia 23314
Market Type Market

Verification Susan; 757-517-8704, February 19, 2025

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	72	850	\$1,399	\$1.65
2/2	144	1,000	\$1,549	\$1.55
3/2	24	1,250	\$1,995	\$1.60

Occupancy 94%
Rent Premiums N
Total Units 240
Unit Size Range 850 - 1,250
Avg. Unit Size 980
Monthly Rent Range \$1,399 - \$1,995
Avg. Rent/Unit \$1,549
Avg. Rent/SF \$1.58



SF 235,200

Physical Data

No. of Buildings	12
Construction Type	Siding
HVAC	Central Elec/Central Elec
Stories	3
Utilities with Rent	Cable, Internet
Parking	L/0, G/175
Year Built	2005
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer, Dryer, Carpet, Vinyl, Wood Composite (Select), Blinds, Ceiling Fans, Fireplace (Select), Coat Closet, Balcony, Patio, Security Alarms, Swimming Pool, Picnic Area, Playground, Volleyball Court, Theater, On-Site Management, On-Site Maintenance, Dog Park, Crown Molding, Firepit, Sundeck

Remarks

This is a Daily Pricing Property. This property does not maintain a waiting list, and the annual turnover rate is approximately 15 percent. The units are updated as needed.



Multi-Family Lease No. 20



Property Identification

Record ID 3129
Property Type Walk-Up
Property Name Suffolk Station Apartments
Address 100 Forest Oak Lane, Suffolk, Suffolk County, Virginia 23434
Market Type Market
Verification Ashley; 757-934-3444, January 17, 2025

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/2	80	1,000	\$1,175	\$1.18
3/2	32	1,100	\$1,250	\$1.14

Occupancy 94%
Rent Premiums N
Total Units 112
Unit Size Range 1,000 - 1,100
Avg. Unit Size 1029
Monthly Rent Range \$1,175 - \$1,250
Avg. Rent/Unit \$1,196
Avg. Rent/SF \$1.16



Net SF	115,200
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Physical Data

No. of Buildings	13
Construction Type	Siding
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Trash Collection, Flat Fee
Parking	L/0
Year Built	1987/2010
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Washer/Dryer
Hook-Ups, Carpet, Vinyl, Blinds, Vaulted Ceilings, Walk-In Closet, Balcony, Patio,
Playground, Picnic Area, Walking Trail, On-Site Management, On-Site Maintenance

Remarks

This property does not maintain a waiting list. The units are updated as needed. The annual turnover rate was not disclosed. The units that were renovated in 2020 are listed at a higher rental rate. There are currently no rental concessions. There is a flat fee of \$25 per month for trash pickup.



Multi-Family Lease No. 21



Property Identification

Record ID 8544
Property Type Walk-Up
Property Name Forest Pine Apartments
Address 201 Forest Pine Road, Franklin, Franklin City County, Virginia 23851
Market Type Market
Verification Brittany; 757-653-5126, February 19, 2025

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
1/1	16	630	\$1,000	\$1.59
1/1	4	768	\$1,000	\$1.30
2/1	24	834	\$1,075	\$1.29
2/1	24	928	\$1,075	\$1.16
2/2	32	955	\$1,175	\$1.23
2/2	32	960	\$1,175	\$1.22
2/2	68	1,012	\$1,175	\$1.16
2/2	8	1,057	\$1,175	\$1.11
3/1	8	1,085	\$1,150	\$1.06
3/2	16	1,133	\$1,275	\$1.13
3/2	12	1,127	\$1,275	\$1.13



Occupancy	100%
Rent Premiums	Y
Total Units	244
Unit Size Range	630 - 1,133
Avg. Unit Size	960
Monthly Rent Range	\$1,000 - \$1,275
Avg. Rent/Unit	\$1,094
Avg. Rent/SF	\$1.14

SF	234,324
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Physical Data

No. of Buildings	60
Construction Type	Brick
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection, Flat Fee
Parking	L/O
Year Built	1963
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer (Select), Dryer (Select), Carpet, Vinyl, Blinds, Ceiling Fans, Walk-In Closet, Coat Closet, Balcony (Select), Patio, Swimming Pool, Exercise Room, Playground, Laundry Facility, On-Site Management, On-Site Maintenance, Sundeck

Remarks

This property does not maintain a waiting list, and the annual turnover rate is 20 percent. The units are updated as needed. There is the following flat fee for water, sewer and trash collection: one-bedroom units - \$75; two-bedroom units - \$85; and three-bedroom units - \$95.



Multi-Family Lease No. 22



Property Identification

Record ID 15127
Property Type Walk-Up
Property Name Patriots Landing Apartments
Address 513 Cedar Street, Smithfield, Isle of Wright County, Virginia 23430
Market Type Market
Verification Sherri; 757-357-3113, February 19, 2025

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>Size SF</u>	<u>Rent/Mo.</u>	<u>Mo. Rent/SF</u>
2/1	13	1,000	\$875	\$0.88
3/2	2	1,250	\$1,275	\$1.02

Occupancy 100%
Rent Premiums N
Total Units 15
Unit Size Range 1,000 - 1,250
Avg. Unit Size 1033
Monthly Rent Range \$875 - \$1,275
Avg. Rent/Unit \$928
Avg. Rent/SF \$0.90



SF	15,500
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Physical Data

No. of Buildings	3
Construction Type	Siding
HVAC	Central Elec/Central Elec
Stories	2
Utilities with Rent	Water, Sewer, Trash Collection
Parking	L/0
Year Built	2010
Condition	Average
Gas Utilities	None
Electric Utilities	All

Amenities

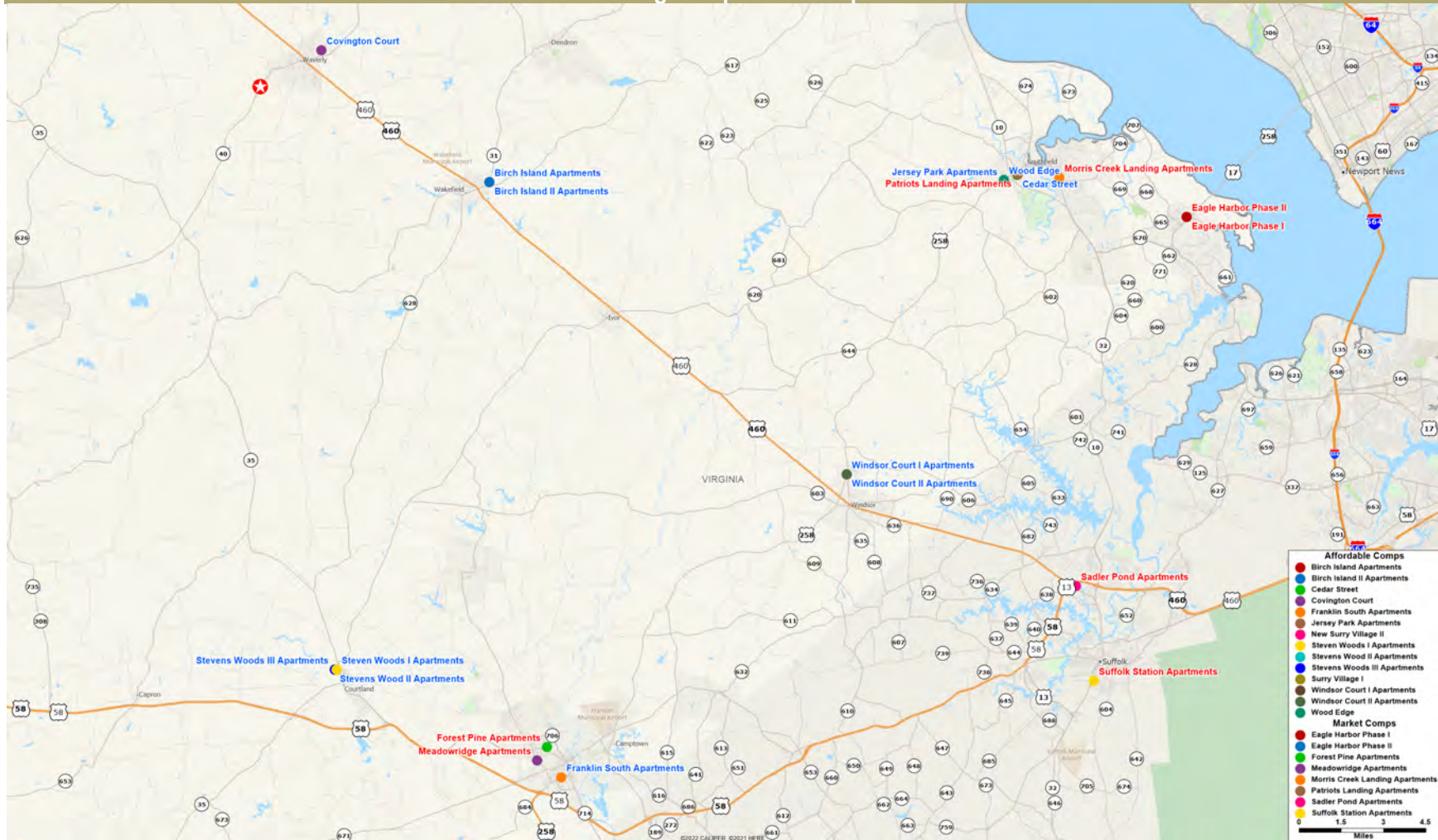
Refrigerator, Range/Oven, Dishwasher, Microwave, Washer, Dryer, Carpet, Vinyl, Blinds, Balcony, Patio, Video Surveillance

Remarks

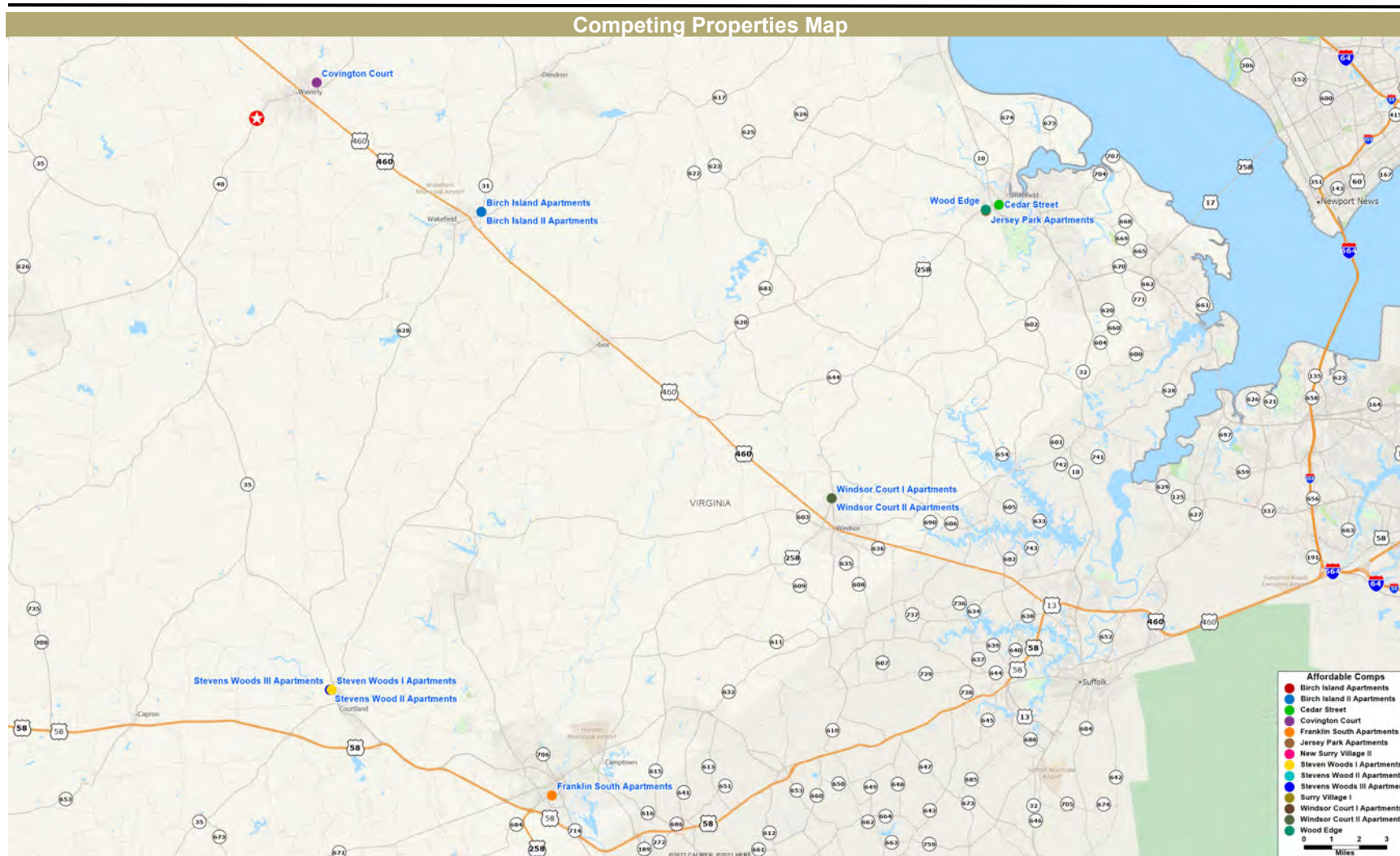
This property does not maintain a waiting list, and the annual turnover rate is approximately seven percent. The units are updated as needed.



Existing Comparables Map



Sussex Trace Apartments
7144 Leneave Lane
Waverly, Virginia 23890



As renovated, the subject will have both Section 8 and LIHTC restrictions at 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



Additional Developments

The market area also includes additional developments that were excluded from the analysis due to non-competitiveness or inability to verify information. The developments located in the market area that were excluded from the survey are illustrated as follows:

EXCLUDED PROPERTIES IN THE PMA				
Property Name	City	Type	Tenancy	Reason for Exclusion
Waverly Village Apartments	Waverly	LIHTC/USDA	Family	Unable to contact
The Neighbors Place	Zuni	Section 8	Senior	Dissimilar tenancy
Springdale Apartments I & II	Franklin	Section 8	Senior	Dissimilar tenancy
Berkley Court	Franklin	LIHTC/USDA	Family	Unable to contact
Holland Trace	Franklin	LIHTC/USDA	Senior	Dissimilar tenancy
Dorchester Square	Franklin	LIHTC/Section 8	Family	Unable to contact
Pretlow-Old Towne Apartments	Franklin	LIHTC/Section 8	Family	Unable to contact
Newport Village	Franklin	LIHTC/USDA	Family	Unable to contact

Market-Rate Properties (Not Comparable in Restrictions or Tenant Base)

Meadowridge Apartments - Franklin, VA
Morris Creek Landing Apartments- Smithfield, VA
Sadler Pond Apartments - Suffolk, VA
Eagle Harbor Phase I - Carrollton, VA
Eagle Harbor Phase II - Carrollton, VA
Suffolk Station Apartments - Suffolk, VA
Forest Pine Apartments – Franklin, VA
Patriots Landing Apartments - Smithfield, VA



Market Rent Analysis

The market analyst researched rental housing in the market area and identified several apartment communities in and around the market area of the subject. The analyst identified the market-rate communities in the area that would directly compete with the subject. These comparables were then compared to the subject and adjusted for differences in amenities. These differences include, but are not limited to, location, structure, condition, unit size, number of bedrooms, number of baths, unit amenities (range/oven, refrigerator, microwave, dishwasher, etc.), project amenities (parking, storage, clubhouse, meeting room, pool, recreation area, etc.) and utilities provided. The adjustments made were based on the experience of the analyst, interviews with local officials, apartment managers and residents and information received from third-party sources (rent-to-own facilities, utility providers and housing authorities.) Additional adjustments were also determined using paired rental analysis. The paired rental analysis ranges are determined by comparing comparables with different numbers of bedrooms and factoring out any other differences (amenities, utilities provided, etc.) The resulting difference is assumed to be attributable to the differing number of bedrooms. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected.



HUD Forms 92273-S8 and Explanations – As Complete

Two-Bedroom Units (876 SF) – As Complete

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

Rent Comparability Grid		Unit Type →	Two-Bedroom		Subject's FHA #:		VA36H027226				
Subject		Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Sussex Trace Apartments		Meadowridge Apartments		Morris Creek Landing Apartments		Sadler Pond Apartments		Eagle Harbor Phase II		Eagle Harbor Phase I	
7144 Leneave Lane		340 North College Drive		982 John Rolfe Drive		2500 Sandy Spring Lane		220 Marsh Landing Drive		220 Marsh Landing Drive	
Waverly Sussex		Franklin Franklin City		Smithfield Isle of Wright		Suffolk Suffolk		Carrollton Isle of Wright		Carrollton Isle of Wright	
A. Rents Charged		Data		Data		Data		Data		Data	
1 \$ Last Rent / Restricted?		\$1,295		\$1,339		\$1,375		\$1,635		\$1,549	
2 Date Last Leased (mo/yr)		Feb-25		Mar-25		Apr-24		Feb-25		Feb-25	
3 Rent Concessions		N		N		N		N		N	
4 Occupancy for Unit Type		94%		96%		100%		92%		94%	
5 Effective Rent & Rent/sq. ft		\$1,295 \$1.38		\$1,339 \$1.49		\$1,375 \$1.38		\$1,635 \$1.64		\$1,549 \$1.55	
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data		Data		Data		Data		Data	
6 Structure / Stories		T/2 WU/2 \$10		WU/2 \$10		WU/3 \$10		WU/3 \$10		WU/3 \$10	
7 Yr. Built/Yr. Renovated		1980/2026		1991/2015		1988/2004		1989/2012		2011 2005	
8 Condition /Street Appeal		G		G		A \$65		A \$65		G \$65	
9 Neighborhood		A		F \$39		G (\$67)		G (\$110)		G (\$114)	
10 Same Market? Miles to Subj		N/32.4		N/34.6		N/36.4		N/40.7		N/40.7	
C. Unit Equipment/ Amenities		Data		Data		Data		Data		Data	
11 # Bedrooms		2		2		2		2		2	
12 # Baths		1		2		2		2		2	
13 Unit Interior Sq. Ft.		876		940 (\$25)		898 (\$30)		1,000 (\$45)		1,000 (\$45)	
14 Balcony/ Patio		Y		Y		N \$10		Y		Y	
15 AC: Central/ Wall		C		C		C		C		C	
16 Range/ Refrigerator		RF		RF		RF		RF		RF	
17 Microwave/ Dishwasher		MD		D \$5		D \$5		MD		MD	
18 Washer/Dryer		WD		L \$30		L \$30		WD \$25		WD	
19 Floor Coverings		VP		C		C		C		C	
20 Window Coverings		B		B		B		B		B	
21 Cable/ Satellite/Internet		N		N		N		CI (\$40)		CI (\$40)	
22 Special Features		N		N		N		CM (\$5)		CM (\$5)	
D. Site Equipment/ Amenities		Data		Data		Data		Data		Data	
24 Parking (\$ Fee)		L/0		L/0		L/0		L/0, G/175		L/0, G/175	
25 Extra Storage		Y/\$0		N \$10		Y/0 \$10		N \$10		N \$10	
26 Security		Y		N \$5		N \$5		Y		Y	
27 Clubhouse/ Meeting Rooms		DR		N \$5		N \$5		N \$5		N \$5	
28 Pool/ Recreation Areas		R		R \$15		P \$10		PR (\$25)		PR (\$25)	
29 Business Ctr / Nhd Netwk		N		N \$5		N \$5		N \$5		N \$5	
30 Service Coordination		N		N		N		N		N	
31 Non-shelter Services		N		N		N		N		N	
32 Neighborhood Networks		N		N		N		N		N	
E. Utilities		Data		Data		Data		Data		Data	
33 Heat (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)		N/E		N/E		N/E		N/E		N/E	
37 Other Electric		N		N		N		N		N	
38 Cold Water/ Sewer		Y		N \$76		Y		N \$76		N \$76	
39 Trash /Recycling		Y		Y		Y/\$		N \$10		N \$15	
F. Adjustments Recap		Pos		Neg		Pos		Neg		Pos	
40 # Adjustments B to D		9		1		10		2		8	
41 Sum Adjustments B to D		\$124 (\$25)		\$155 (\$97)		\$125 (\$185)		\$95 (\$259)		\$30 (\$253)	
42 Sum Utility Adjustments		\$76 \$0		\$0 \$86		\$0 \$86		\$91 \$0		\$91 \$0	
43 Net/ Gross Adjmts B to E		\$175 \$225		\$58 \$252		\$26 \$396		(\$73) \$445		(\$132) \$374	
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44 Adjusted Rent (5+ 43)		\$1,470		\$1,397		\$1,401		\$1,562		\$1,417	
45 Adj Rent/Last rent		114%		104%		102%		96%		91%	
46 Estimated Market Rent		\$1,425		\$1.63		Estimated Market Rent/ Sq. Ft					

Appraiser's Signature

3/25/2025
Date

Attached are
explanations of:

- a. why & how each adjustment was made
b. how market rent was derived from adjusted rents
c. how this analysis was used for a similar unit type

Grid was prepared: ☐ Manually ☒ Using HUD's Excel form form HUD-92273-S8 (04/2002)



Sussex Trace Apartments
Primary Unit Type – Two-Bedroom Units (876 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: "For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

A rent comparability grid was prepared for the primary unit type with 876 square feet. Comparable apartments used include the following: Meadowridge Apartments (Comparable 1), Morris Creek Landing Apartments (Comparable 2), Sadler Pond Apartments (Comparable 3), Eagle Harbor Phase II (Comparable 4) and Eagle Harbor Phase I (Comparable 5).

\$ Last Rent/Restricted – All of the units are currently rented at the rates shown on the grid. Rents range from \$1,295 to \$1,635. No unit used in this analysis has any rent restrictions.

Date Last Leased – The grid shows the effective date of the leases most recently signed. Effective dates are all April 2025. No adjustments were necessary.

Rent Concessions – The subject is not currently offering concessions. None of the comparables are currently offering concessions. No adjustments were made.

Occupancy for Unit Type – The subject's current occupancy rate is 96 percent. The comparables' occupancy rates range from 92 to 100 percent. No adjustments were needed.

Structure/Stories – The subject is located in two-story townhome buildings. All comparables are located in two or three-story walk-up buildings. Townhouse structures are typically considered more appealing in design than walk-up structures. Therefore, an adjustment is warranted for the townhouse structures. There is no market data available by which an adjustment could be determined. Per the Section 8 Renewal Policy, specifically Chapter 9-1-2 Line 6: Structure/Stories, the RCS appraiser should try to select comparables that have the same structure type as the subject. If the comparables have a different configuration than the subject, adjustment may be warranted based on market preferences. For instance, the RCS appraiser may make an adjustment for configuration differences such as townhome versus a stacked unit. In addition, the guide states the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable's unadjusted rent. Due to insufficient market data by which to extrapolate a market-based adjustment for structure/stories, the appraiser elected to adjust the comparables upward \$10, as deemed acceptable by the Section 8 Guide. Consequently, all comparables were adjusted upward \$10 per month.

Year Built/Year Renovated – The subject was built in 1980 and will be rehabilitated. Comparable 1 was constructed in 1991 and renovated in 2015. Comparable 2 was built in 1988 and renovated in 2004. Comparable 3 was built in 1989 and renovated in 2012. Comparable 4 was constructed in 2011. Comparable 5 was built in 2005. As year built/year renovated numbers play a large part in the condition of the subject, any adjustment needed for year built/year renovated were incorporated into the condition/street appeal adjustment.

Condition/Street Appeal – The subject has brick and siding construction. The landscaping consists of grass, trees and shrubs. As indicated in the Section 8 Renewal Policy Guide, specifically Chapter 9-1-2 Line 8: Condition/Street Appeal, the appraiser should consider the overall appearance of the project, such as whether the grounds are clean, whether the landscaping is well maintained and whether or not the paint and siding are in good condition. Other considerations would be whether the architecture of the



buildings and layout of the site are appealing (open space, shrubbery, etc.). In summary, the appraiser must evaluate whether the comparables' condition/street appeal could cause tenants to pay more or less than they would pay at the subject. The following table illustrates the descriptions of the ratings levels considered in the condition/street appeal analysis.

Condition	Description
Excellent	Desirable curb appeal, luxury or high end amenities and finishes, no deferred maintenance
Good	Well maintained or recently renovated property, limited deferred maintenance
Average	Some original finishes and amenities, Only minor upgrades needed
Fair	In need of repair, obvious deferred maintenance
Poor	Substantial need of major repairs or significant deferred maintenance

The subject will be rehabilitated and once complete, in good condition. Primary the differences in condition are due to the dates of construction. However, some buildings constructed in the same time period will not have the same amount of "wear and tear". Therefore, a building constructed in 1970 could feasibly be better maintained than a building constructed in 1980. Considering this, Comparables, 1, 4 and 5 were considered to be similar the subject "as complete" since they are in good condition. Comparables 2 and 3 were deemed to be inferior to the subject "as complete" and these properties are in average condition. The following analysis details the method used to calculate appropriate adjustments for condition/street appeal.

Property Name	Rating Level	2 BR	3 BR	Average
Morris Creek Landing Apartments	Average	\$1,277	\$1,457	\$1,367
Sadler Pond Apartments	Average	\$1,281	\$1,446	\$1,364
Average Rent		\$1,279	\$1,452	\$1,365
Meadowridge Apartments	Good	\$1,415	\$1,492	\$1,454
Eagle Harbor Phase II	Good	\$1,442	\$1,573	\$1,508
Eagle Harbor Phase I	Good	\$1,362	\$1,699	\$1,531
Average Rent		\$1,406	\$1,588	\$1,497
Difference in Average Rents		\$127	\$137	\$132
Difference per Rating Level		\$127	\$137	\$132
50% Difference per Rating Level		\$66		

The average ending rents of the comparables were compared at each rating level. Average rent differences between fair and average and between average and good were determined, and the differences were utilized as the adjustments for condition/street appeal. As previously indicated, the subject will be in good condition once rehabilitation is complete. Comparables 1, 4 and 5 were considered to be in good condition, therefore, will be similar to the subject "as complete". Therefore, Comparables 1, 4 and 5 were not adjusted. Comparables 2 and 3 were considered average in condition, and were, therefore, adjusted upward \$65 (rounded from \$66) as indicated in the previous analysis.

Neighborhood – The subject's neighborhood is rated average, with easy access to all services available within the town limits. In order to determine if adjustments were needed for differences in location between the subject and the comparables, eleven factors were compared. Those factors include livability, amenities available, cost of living, crime factors, employment factors, housing factors, schools in the area, population counts, median rent levels and median income levels. The comparison between the subject and comparables is shown in the following table:



	Waverly	Franklin	Smithfield	Suffolk	Carrollton Isle of Wight
Livability	66	58	77	77	72
Amenities	F	F	F	C	F
Cost of Living	A	A	C	C	D
Crime	A	F	B	D	A
Employment	C	D	A	A	A
Housing	B	A	A	A	A
Schools	F	B	B	A	A
Population	2,641	8,015	8,492	91,383	6,340
Median Rent	\$1,022	\$833	\$995	\$1,231	\$1,483
Median Housing Value	\$106,500	\$179,200	\$299,200	\$265,600	\$322,100
Median Income	\$59,718	\$49,811	\$83,977	\$79,899	\$100,066

Source: AreaVibes

The data shown in the table was verified through www.areavibes.com. Each category was given a rating of 1 to 5, with 1 being the worst and 5 being the best. The ratings for each category were added together for each comparable, and the total sum was compared to the combined sum for the subject and a percent difference from the subject was determined. The results are shown in the following table:

	Waverly	Franklin	Smithfield	Suffolk	Carrollton Isle of Wight
Livability	4	3	4	4	4
Amenities	1	1	1	3	1
Cost of Living	5	5	3	3	2
Crime	5	1	4	2	5
Employment	3	2	5	5	5
Housing	4	5	5	5	5
Schools	1	4	4	5	5
Population	1	1	1	3	1
Median Rent	5	4	4	5	5
Median Housing Value	3	3	4	4	4
Median Income	3	3	5	4	5
Total	38	35	43	46	45
% Different	---	3.0%	-5.0%	-8.0%	-7.0%

The percentage was applied to the unadjusted rent level of the comparables. The result was applied to the comparables for differences in location. The following table shows the calculation for each comparable requiring an adjustment:

Comparable #	Unadjusted Rent	% Difference	Adjustment
1	\$1,295	3.0%	\$39
2	\$1,339	-5.0%	-\$67
3	\$1,375	-8.0%	-\$110
4	\$1,635	-7.0%	-\$114
5	\$1,549	-7.0%	-\$108

The comparables were adjusted as indicated in the previous table (rounded to the nearest \$5).

Same Market/Miles to Subject – Due to the lack of conventional apartments within the primary market area, it was necessary to go outside the market area for all comparables. Where possible, adjustments



for neighborhood are separated from market area, and adjustments are applied on each line item. However, it is often difficult to distinguish between these two line items as quality and appearance of a neighborhood and market area often factor in the same items. In this market area, it was difficult to distinguish rent differences between neighborhood and market area. In order to avoid double-dipping, I elected to adjust in the neighborhood line item my collective thoughts on neighborhood and market issues rather than adjusting in the two separate lines. Separating the two would require making assumptions about one or the other and would not change my rent adjustment for these factors. In order to avoid making arbitrary assumptions, the differences in neighborhood and market area were adjusted on the neighborhood line item. Therefore, no adjustment was needed.

of Bedrooms – The subject contains two-bedroom units. All comparables are similar. No adjustments were needed.

of Baths – The subject contains one bath in the two-bedroom units. Each complex with a differing number of baths than the subject was adjusted \$15 per half-bath and \$30 per full bath per month. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of \$6 to \$56 per full bath, as can be seen in the table below.

	Meadowridge Apartments	Forest Pine Apartments
Small 2 BR Rent	\$1,295	\$1,075
Small 2 BR Size	940	834
Small # of Baths	1.0	1.0
Large 2 BR Rent	\$1,355	\$1,175
Large 2 BR Size	1,090	955
Large # of Baths	2.0	2.0
Size Adj Factor	\$0.36	\$0.36
Size Difference	150	121
Indicated Size Adj.	\$54	\$44
Adjusted 2 BR Rent	\$1,301	\$1,131
Difference in # of Baths	1.0	1.0
Indicated Full Bath Adj.	\$6	\$56

The paired rental analysis range is determined by comparing units with differing numbers of baths and factoring out any other differences (amenities, utilities provided, etc.) if necessary. The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. As there was no majority for this paired analysis, a \$30 full bath adjustment and a \$15 per half bath adjustment was selected.

Unit Interior Square Footage – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In



addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparables’ dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.37. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

Balcony/Patio – The subject contains patios. All of the comparables except Comparable 2 are similar to the subject. Comparable 2 was adjusted upward \$10 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Per the Section 8 Renewal Policy, the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable’s unadjusted rent. Due to insufficient market data by which to extrapolate a market-based adjustment for balcony or patio, the appraiser elected to adjust the comparables \$10, as deemed acceptable by the Section 8 Guide.

AC: Central/Wall – The subject contains central air conditioning as do all comparables. No adjustments were needed.

Range/Refrigerator – The subject and all comparables contain both amenities. No adjustments were needed.

Microwave/Dishwasher – As complete, the subject will contain dishwashers and microwaves in the units. Comparables 4 and 5 are similar. Comparables 1, 2, and 3 contain only a dishwasher in the units and were adjusted upward \$5 per month. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves.

Washer/Dryer – As complete, the subject will contain a washer and dryer in each unit. Comparables 4 and 5 are similar. Comparables 1 and 2 each contain a laundry facility. Comparable 3 contains washer/dryer hook-ups in the units. Units with these amenities provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. In order to determine the appropriate adjustment for these features, the *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay from \$30.69 to \$39.40 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$35 per month, washer/dryer hooks ups were valued at \$10 per month (or \$5 each) and an on-site laundry facility was valued at \$5 per month. Therefore, Comparables 1 and 2 were each adjusted upward \$30 per month, and Comparable 3 was adjusted upward \$25 per month.



Floor Coverings – The subject contains carpet and vinyl floor coverings. All comparables have carpet floor coverings. The market did not indicate a rent differential based on floor coverings. Therefore, no adjustments were needed.

Window Coverings – The subject and all comparables contain window coverings. No adjustment was needed.

Cable/Satellite/Internet – The subject does not provide more than access to cable, satellite or internet services. Comparables 1, 2 and 3 are similar. Comparables 4 and 5 provide cable and Internet to the units. In order to determine an appropriate adjustment for these services, cable/Internet fees for local cable providers were researched. The following table shows the cable providers contacted and the fees for each provider for basic cable/internet packages. After considering all factors, Comparables 4 and 5 were adjusted downward \$40 per month

Provider	Basic Cable/Internet Fee
AT&T	\$55.00
Spectrum	\$49.99
Xfinity	\$35.00
Viasat	\$49.99
HughNet	\$35.00

Special Features – The subject does not contain special features. None of the comparables except Comparables 4 and 5 contain special features. Comparables 4 and 5 contain crown molding. Crown molding contributes to the appeal of the units and are considered an enhancement. No complex in the market area shows a rent differential based on this particular item; however, a nominal adjustment was considered appropriate. Therefore, a \$5 adjustment was selected for crown molding.

Parking – The subject and all comparables contain parking lots with no additional fee. Comparables 4 and 5 each contain garage parking for an additional \$175 per month. Since these properties also contain parking that is similar to the subject, no adjustment is needed.

Extra Storage – The subject contains extra storage for no additional fee. None of the comparables contain storage and were adjusted upward \$10 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Per the Section 8 Renewal Policy, the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable's unadjusted rent. Due to insufficient market data by which to extrapolate a market-based adjustment for storage, the appraiser elected to adjust the comparables \$10, as deemed acceptable by the Section 8 Guide.

Security – The subject contains video surveillance. Comparables 4 and 5 contain security alarms. None of the remaining comparables contain security features. No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex. Video surveillance and security alarms provide added protection for residents at the properties. Therefore, properties with these features were adjusted \$5 per feature when compared to properties with no security. Consequently, Comparables 1, 2 and 3 were adjusted upward \$5 per month.

Clubhouse/Meeting Rooms/Dining Room – The subject will contain a community center once rehabilitation is complete. None of the comparables contain any of these features and were adjusted upward \$5 per month. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command



a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features.

Pool/Exercise Room/Recreation Areas – The following table shows the amenities at the subject and each comparable:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool			\$10	\$10	\$10	\$10
Picnic Area	\$5			\$5	\$5	\$5
Play Area	\$5	\$5			\$5	\$5
Tot Lot	\$5					
Volleyball Court					\$5	\$5
Basketball Court	\$5					
Pet Park					\$5	\$5
Theatre					\$5	\$5
Sundeck					\$5	\$5
Firepit					\$5	\$5
Total	\$20	\$5	\$10	\$15	\$45	\$45
Indicated Adjustment		\$15	\$10	\$5	(\$25)	(\$25)

Although there is little market data available concerning units with these features, the added amenities are an enhancement. Swimming pools are typically considered a more desirable feature than other recreation features. Therefore, a \$10 adjustment was determined for swimming pool, and a \$5 adjustment per feature was determined for each additional recreation area. The adjustments for the comparables are shown at the bottom of the table.

Business Center – The subject will contain a computer room once rehabilitation is complete. None of the comparables contain any of these features and were adjusted upward \$5 per month. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features.

Service Coordination – The subject does not contain this feature. None of the comparables contain this feature. No adjustments were needed.

Non-Shelter Services – The subject does not contain these features. None of the comparables contain these features. No adjustment was needed.

Neighborhood Network – The subject does not contain this feature. None of the comparables contain this feature. No adjustment was needed.

Heat – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooling – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooking – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.



Hot Water – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Other Electric – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cold Water/Sewer – The subject provides cold water and sewer. Comparable 2 is similar to the subject. The remaining comparables do not provide these utilities and were adjusted upward \$76 per month based on the Allowances for Tenant-Furnished Utilities and Other Services for Two Exposed Walls provided by Virginia Housing Development Authority. The amounts were substantiated through local utility providers.

Trash/Recycling – The subject provides this utility. Comparables 1 and 2 are similar to the subject. Comparable 3 charges a flat rate fee of \$10 per month for this service. Therefore, Comparable 3 was adjusted upward \$10 per month. Comparables 4 and 5 do not provide this utility and were adjusted upward \$15 per month based on the Allowances for Tenant-Furnished Utilities and Other Services for Two Exposed Walls provided by Virginia Housing Development Authority. The amount was substantiated through local utility providers.

Conclusion of Market Rent

The adjusted rents range from \$1,397 to \$1,562. Market rent was selected giving consideration to all comparables. However, the analyst gave greater consideration Comparables 1, 4 and 5 since they are the most similar to the subject in condition/street appeal “as complete”. After considering all factors, the appraiser concluded the market rent for the units as follows:

- **876 SF Two-Bedroom Units - \$1,425, or \$1.63 per square foot**



Three-Bedroom Units (1,086 SF) – As Complete

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

Rent Comparability Grid		Unit Type →	Three-Bedroom		Subject's FHA #:		VA36H027226				
Subject		Comparable 1		Comparable 2		Comparable 3		Comparable 4		Comparable 5	
Sussex Trace Apartments		Meadowridge Apartments		Morris Creek Landing Apartments		Sadler Pond Apartments		Eagle Harbor Phase II		Eagle Harbor Phase I	
7144 Leneave Lane		340 North College Drive		982 John Rolfe Drive		2500 Sandy Spring Lane		220 Marsh Landing Drive		220 Marsh Landing Drive	
Waverly Sussex		Franklin Franklin City		Smithfield Isle of Wright		Suffolk Suffolk		Carrollton Isle of Wright		Carrollton Isle of Wright	
A. Rents Charged		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
1	\$ Last Rent / Restricted?		\$1,435		\$1,339		\$1,475		\$1,859		\$1,995
2	Date Last Leased (mo/yr)		Feb-25		Mar-25		Apr-24		Feb-25		Feb-25
3	Rent Concessions		N		N		N		N		N
4	Occupancy for Unit Type		94%		96%		99%		92%		94%
5	Effective Rent & Rent/ sq. ft		\$1,435	\$1.32	\$1,339	\$1.49	\$1,475	\$1.34	\$1,859	\$1.49	\$1,995
In Parts B thru E, adjust only for differences the subject's market values.											
B. Design, Location, Condition		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
6	Structure / Stories	T/2	WU/2	\$10	WU/2	\$10	WU/3	\$10	WU/3	\$10	WU/3
7	Yr. Built/Yr. Renovated	1980/2026	1991/2015		1988/2004		1989/2012		2011		2005
8	Condition / Street Appeal	G	G		A	\$65	A	\$65	G	\$65	G
9	Neighborhood	A	F	\$43	G	(\$67)	G	(\$118)	G	(\$130)	G
10	Same Market? Miles to Subj		N/32.4		N/34.6		N/36.4		N/40.7		N/40.7
C. Unit Equipment/ Amenities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
11	# Bedrooms	3	3		2	\$100	3		3		3
12	# Baths	1.5	2	(\$15)	2	(\$15)	2	(\$15)	2	(\$15)	2
13	Unit Interior Sq. Ft.	1,086	1,090		898	\$70	1,100		1,250	(\$60)	1,250
14	Balcony/ Patio	Y	Y		N	\$10	Y		Y		Y
15	AC: Central/ Wall	C	C		C		C		C		C
16	Range/ Refrigerator	RF	RF		RF		RF		RF		RF
17	Microwave/ Dishwasher	MD	D	\$5	D	\$5	D	\$5	MD		MD
18	Washer/Dryer	WD	L	\$30	L	\$30	HU	\$25	WD		WD
19	Floor Coverings	VP	C		C		C		C		C
20	Window Coverings	B	B		B		B		B		B
21	Cable/ Satellite/Internet	N	N		N		N		CI	(\$40)	CI
22	Special Features	N	N		N		N		CM	(\$5)	CM
D. Site Equipment/ Amenities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
24	Parking (\$ Fee)	L/0	L/0		L/0		L/0		L/0, G/175		L/0, G/175
25	Extra Storage	Y/\$0	N	\$10	N	\$10	Y/0		N	\$10	N
26	Security	Y	N	\$5	N	\$5	N	\$5	Y		Y
27	Clubhouse/ Meeting Rooms	DR	N	\$5	N	\$5	N	\$5	N	\$5	N
28	Pool/ Recreation Areas	R	R	\$15	P	\$10	PR	\$5	PR	(\$25)	PR
29	Business Ctr / Nhd Netwk	N	N	\$5	N	\$5	N	\$5	N	\$5	N
30	Service Coordination	N	N		N		N		N		N
31	Non-shelter Services	N	N		N		N		N		N
32	Neighborhood Networks	N	N		N		N		N		N
E. Utilities		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj		Data \$ Adj	
33	Heat (in rent?/ type)	N/E	N/E		N/G		N/E		N/E		N/E
34	Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E
35	Cooking (in rent?/ type)	N/E	N/E		N/G		N/E		N/E		N/E
36	Hot Water (in rent?/ type)	N/E	N/E		N/G		N/E		N/E		N/E
37	Other Electric	N	N		N		N		N		N
38	Cold Water/ Sewer	Y	N	\$94	Y		N	\$94	N	\$94	N
39	Trash / Recycling	Y	Y		Y	\$10	Y/\$	\$10	N	\$15	N
F. Adjustments Recap		Pos Neg		Pos Neg		Pos Neg		Pos Neg		Pos Neg	
40	# Adjustments B to D		9	1	12	2	8	2	5	6	4
41	Sum Adjustments B to D		\$128	(\$15)	\$325	(\$82)	\$125	(\$133)	\$95	(\$275)	\$30
42	Sum Utility Adjustments		\$94	\$0	\$0	\$0	\$104	\$0	\$109	\$0	\$109
			Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
43	Net/ Gross Adjmts B to E		\$207	\$237	\$243	\$407	\$96	\$362	(\$71)	\$479	(\$146)
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)		\$1,642		\$1,582		\$1,571		\$1,788		\$1,849
45	Adj Rent/Last rent			114%		118%	107%		96%		93%
46	Estimated Market Rent	\$1,650	\$1.52	Estimated Market Rent/ Sq. Ft							

[Signature]
Appraiser's Signature

3/25/2025
Date

Attached are explanations
of:

- a. why & how each adjustment was made
- b. how market rent was derived from adjusted rents
- c. how this analysis was used for a similar unit type

Grid was prepared:

☐

Manually

☒

Using HUD's Excel form

form HUD-92273-S8 (04/2002)



Sussex Trace Apartments
Primary Unit Type – Three-Bedroom Units (1,086 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser's evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: "For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent."

A rent comparability grid was prepared for the primary unit type with 1,086 square feet. Comparable apartments used include the following: Meadowridge Apartments (Comparable 1), Morris Creek Landing Apartments (Comparable 2), Sadler Pond Apartments (Comparable 3), Eagle Harbor Phase II (Comparable 4) and Eagle Harbor Phase I (Comparable 5).

\$ Last Rent/Restricted – All of the units are currently rented at the rates shown on the grid. Rents range from \$1,399 to \$1,995. No unit used in this analysis has any rent restrictions.

Date Last Leased – The grid shows the effective date of the leases most recently signed. Effective dates are all April 2025. No adjustments were necessary.

Rent Concessions – The subject is not currently offering concessions. None of the comparables are currently offering concessions. No adjustments were made.

Occupancy for Unit Type – The subject's current occupancy rate is 96 percent. The comparables' occupancy rates range from 92 to 100 percent. No adjustments were needed.

Structure/Stories – The subject is located in two-story townhome buildings. All comparables are located in two or three-story walk-up buildings. Townhouse structures are typically considered more appealing in design than walk-up structures. Therefore, an adjustment is warranted for the townhouse structures. There is no market data available by which an adjustment could be determined. Per the Section 8 Renewal Policy, specifically Chapter 9-1-2 Line 6: Structure/Stories, the RCS appraiser should try to select comparables that have the same structure type as the subject. If the comparables have a different configuration than the subject, adjustment may be warranted based on market preferences. For instance, the RCS appraiser may make an adjustment for configuration differences such as townhome versus a stacked unit. In addition, the guide states the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable's unadjusted rent. Due to insufficient market data by which to extrapolate a market-based adjustment for structure/stories, the appraiser elected to adjust the comparables upward \$10, as deemed acceptable by the Section 8 Guide. Consequently, all comparables were adjusted upward \$10 per month.

Year Built/Year Renovated – The subject was built in 1980 and will be rehabilitated. Comparable 1 was constructed in 1991 and renovated in 2015. Comparable 2 was built in 1988 and renovated in 2004. Comparable 3 was built in 1989 and renovated in 2012. Comparable 4 was constructed in 2011. Comparable 5 was built in 2005. As year built/year renovated numbers play a large part in the condition of the subject, any adjustment needed for year built/year renovated were incorporated into the condition/street appeal adjustment.

Condition/Street Appeal – The subject has brick and siding construction. The landscaping consists of grass, trees and shrubs. As indicated in the Section 8 Renewal Policy Guide, specifically Chapter 9-1-2 Line 8: Condition/Street Appeal, the appraiser should consider the overall appearance of the project, such as whether the grounds are clean, whether the landscaping is well maintained and whether or not the paint and siding are in good condition. Other considerations would be whether the architecture of the



buildings and layout of the site are appealing (open space, shrubbery, etc.). In summary, the appraiser must evaluate whether the comparables' condition/street appeal could cause tenants to pay more or less than they would pay at the subject. The following table illustrates the descriptions of the ratings levels considered in the condition/street appeal analysis.

Condition	Description
Excellent	Desirable curb appeal, luxury or high end amenities and finishes, no deferred maintenance
Good	Well maintained or recently renovated property, limited deferred maintenance
Average	Some original finishes and amenities, Only minor upgrades needed
Fair	In need of repair, obvious deferred maintenance
Poor	Substantial need of major repairs or significant deferred maintenance

The subject will be rehabilitated and once complete, in good condition. Primary the differences in condition are due to the dates of construction. However, some buildings constructed in the same time period will not have the same amount of "wear and tear". Therefore, a building constructed in 1970 could feasibly be better maintained than a building constructed in 1980. Considering this, Comparables, 1, 4 and 5 were considered to be similar the subject "as complete" since they are in good condition. Comparables 2 and 3 were deemed to be inferior to the subject "as complete" and these properties are in average condition. The following analysis details the method used to calculate appropriate adjustments for condition/street appeal.

Property Name	Rating Level	2 BR	3 BR	Average
Morris Creek Landing Apartments	Average	\$1,277	\$1,457	\$1,367
Sadler Pond Apartments	Average	\$1,281	\$1,446	\$1,364
Average Rent		\$1,279	\$1,452	\$1,365
Meadowridge Apartments	Good	\$1,415	\$1,492	\$1,454
Eagle Harbor Phase II	Good	\$1,442	\$1,573	\$1,508
Eagle Harbor Phase I	Good	\$1,362	\$1,699	\$1,531
Average Rent		\$1,406	\$1,588	\$1,497
Difference in Average Rents		\$127	\$137	\$132
Difference per Rating Level		\$127	\$137	\$132
50% Difference per Rating Level				\$66

The average ending rents of the comparables were compared at each rating level. Average rent differences between fair and average and between average and good were determined, and the differences were utilized as the adjustments for condition/street appeal. As previously indicated, the subject will be in good condition once rehabilitation is complete. Comparables 1, 4 and 5 were considered to be in good condition, therefore, will be similar to the subject "as complete". Therefore, Comparables 1, 4 and 5 were not adjusted. Comparables 2 and 3 were considered average in condition, and were, therefore, adjusted upward \$100 as indicated in the previous analysis.

Neighborhood – The subject's neighborhood is rated average, with easy access to all services available within the town limits. In order to determine if adjustments were needed for differences in location between the subject and the comparables, eleven factors were compared. Those factors include livability, amenities available, cost of living, crime factors, employment factors, housing factors, schools in the area, population counts, median rent levels and median income levels. The comparison between the subject and comparables is shown in the following table:



	Waverly	Franklin	Smithfield	Suffolk	Carrollton Isle of Wight
Livability	66	58	77	77	72
Amenities	F	F	F	C	F
Cost of Living	A	A	C	C	D
Crime	A	F	B	D	A
Employment	C	D	A	A	A
Housing	B	A	A	A	A
Schools	F	B	B	A	A
Population	2,641	8,015	8,492	91,383	6,340
Median Rent	\$1,022	\$833	\$995	\$1,231	\$1,483
Median Housing Value	\$106,500	\$179,200	\$299,200	\$265,600	\$322,100
Median Income	\$59,718	\$49,811	\$83,977	\$79,899	\$100,066

Source: AreaVibes

The data shown in the table was verified through www.areavibes.com. Each category was given a rating of 1 to 5, with 1 being the worst and 5 being the best. The ratings for each category were added together for each comparable, and the total sum was compared to the combined sum for the subject and a percent difference from the subject was determined. The results are shown in the following table:

	Waverly	Franklin	Smithfield	Suffolk	Carrollton Isle of Wight
Livability	4	3	4	4	4
Amenities	1	1	1	3	1
Cost of Living	5	5	3	3	2
Crime	5	1	4	2	5
Employment	3	2	5	5	5
Housing	4	5	5	5	5
Schools	1	4	4	5	5
Population	1	1	1	3	1
Median Rent	5	4	4	5	5
Median Housing Value	3	3	4	4	4
Median Income	3	3	5	4	5
Total	38	35	43	46	45
% Different	---	3.0%	-5.0%	-8.0%	-7.0%

The percentage was applied to the unadjusted rent level of the comparables. The result was applied to the comparables for differences in location. The following table shows the calculation for each comparable requiring an adjustment:

Comparable #	Unadjusted Rent	% Difference	Adjustment
1	\$1,435	3.0%	\$43
2	\$1,339	-5.0%	-\$67
3	\$1,475	-8.0%	-\$118
4	\$1,859	-7.0%	-\$130
5	\$1,995	-7.0%	-\$140

The comparables were adjusted as indicated in the previous table (rounded to the nearest \$5).

Same Market/Miles to Subject – Due to the lack of conventional apartments within the primary market area, it was necessary to go outside the market area for all comparables. Where possible, adjustments



for neighborhood are separated from market area, and adjustments are applied on each line item. However, it is often difficult to distinguish between these two line items as quality and appearance of a neighborhood and market area often factor in the same items. In this market area, it was difficult to distinguish rent differences between neighborhood and market area. In order to avoid double-dipping, I elected to adjust in the neighborhood line item my collective thoughts on neighborhood and market issues rather than adjusting in the two separate lines. Separating the two would require making assumptions about one or the other and would not change my rent adjustment for these factors. In order to avoid making arbitrary assumptions, the differences in neighborhood and market area were adjusted on the neighborhood line item. Therefore, no adjustment was needed.

of Bedrooms – The subject contains three-bedroom units. Due to the lack of conventional three-bedroom units in the area, one two-bedroom apartment was used to compare to the subject's three-bedroom units. Each comparable with a differing number of bedrooms than the subject was adjusted \$100 per bedroom per month. The majority of the difference in number of bedrooms is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional bedrooms. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of -\$18 to \$356, with an average of \$116 per month. The paired rental analysis ranges are determined by comparing bedroom types within the same comparable and factoring out any other differences (amenities, utilities provided, etc.) if necessary. The resulting difference is assumed to be attributable to the differing number of bedrooms. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. As there was no majority for this paired analysis, a \$100 adjustment was determined for bedroom.

	Meadowridge Apartments	Sadler Pond Apartments	Eagle Harbor Phase II	Eagle Harbor Phase I	Suffolk Station Apartments	Autumn Ridge Apartments I & II	Forest Pine Apartments
2 BR Rent	\$1,295	\$1,275	\$1,635	\$1,549	\$1,175	\$1,050	\$1,075
2 BR Size	940	1,000	1,000	1,000	1,000	731	834
3 BR Rent	\$1,435	\$1,375	\$1,859	\$1,995	\$1,250	\$1,300	\$1,150
3 BR Size	1,090	1,100	1,250	1,250	1,100	990	1,085
Size Adj Factor	\$0.37	\$0.37	\$0.37	\$0.37	\$0.36	\$0.36	\$0.37
Size Difference	150	100	250	250	100	259	251
Indicated Size Adj.	\$56	\$37	\$93	\$93	\$36	\$93	\$93
Adjusted 3 BR Rent	\$1,380	\$1,338	\$1,767	\$1,903	\$1,214	\$1,207	\$1,057
Indicated BR Adj.	\$85	\$63	\$132	\$354	\$39	\$157	-\$18

of Baths – The subject contains one-and-one-half-bath in the three-bedroom units. Each complex with a differing number of baths than the subject was adjusted \$15 per half-bath and \$30 per full bath per month. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of \$6 to \$56 per full bath, as can be seen in the following table.



	Meadowridge Apartments	Forest Pine Apartments
Small 2 BR Rent	\$1,295	\$1,075
Small 2 BR Size	940	834
Small # of Baths	1.0	1.0
Large 2 BR Rent	\$1,355	\$1,175
Large 2 BR Size	1,090	955
Large # of Baths	2.0	2.0
Size Adj Factor	\$0.36	\$0.36
Size Difference	150	121
Indicated Size Adj.	\$54	\$44
Adjusted 2 BR Rent	\$1,301	\$1,131
Difference in # of Baths	1.0	1.0
Indicated Full Bath Adj.	\$6	\$56

The paired rental analysis range is determined by comparing units with differing numbers of baths and factoring out any other differences (amenities, utilities provided, etc.) if necessary. The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. As there was no majority for this paired analysis, a \$30 full bath adjustment and a \$15 per half bath adjustment was selected.

Unit Interior Square Footage – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparables’ dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the units is \$0.37. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

Balcony/Patio – The subject contains patios. All of the comparables except Comparable 2 are similar to the subject. Comparable 2 was adjusted upward \$10 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Per the Section 8 Renewal Policy, the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable’s unadjusted rent. Due



to insufficient market data by which to extrapolate a market-based adjustment for balcony or patio, the appraiser elected to adjust the comparables \$10, as deemed acceptable by the Section 8 Guide.

AC: Central/Wall – The subject contains central air conditioning as do all comparables. No adjustments were needed.

Range/Refrigerator – The subject and all comparables contain both amenities. No adjustments were needed.

Microwave/Dishwasher – As complete, the subject will contain dishwashers and microwaves in the units. Comparables 4 and 5 are similar. Comparables 1, 2, and 3 contain only a dishwasher in the units and were adjusted upward \$5 per month. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves.

Washer/Dryer – As complete, the subject will contain a washer and dryer in each unit. Comparables 4 and 5 are similar. Comparables 1 and 2 each contain a laundry facility. Comparable 3 contains washer/dryer hook-ups in the units. Units with these amenities provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. In order to determine the appropriate adjustment for these features, the *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay from \$30.69 to \$39.40 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$35 per month, washer/dryer hooks ups were valued at \$10 per month (or \$5 each) and an on-site laundry facility was valued at \$5 per month. Therefore, Comparables 1 and 2 were each adjusted upward \$30 per month, and Comparable 3 was adjusted upward \$25 per month.

Floor Coverings – The subject contains carpet and vinyl floor coverings. All comparables have carpet floor coverings. The market did not indicate a rent differential based on floor coverings. Therefore, no adjustments were needed.

Window Coverings – The subject and all comparables contain window coverings. No adjustment was needed.

Cable/Satellite/Internet – The subject does not provide more than access to cable, satellite or internet services. Comparables 1, 2 and 3 are similar. Comparables 4 and 5 provide cable and Internet to the units. In order to determine an appropriate adjustment for these services, cable/Internet fees for local cable providers were researched. The following table shows the cable providers contacted and the fees for each provider for basic cable/internet packages. After considering all factors, Comparables 4 and 5 were adjusted downward \$40 per month

Provider	Basic Cable/Internet Fee
AT&T	\$55.00
Spectrum	\$49.99
Xfinity	\$35.00
Viasat	\$49.99
HughNet	\$35.00



Special Features – The subject does not contain special features. None of the comparables except Comparables 4 and 5 contain special features. Comparables 4 and 5 contain crown molding. Crown molding contributes to the appeal of the units and are considered an enhancement. No complex in the market area shows a rent differential based on this particular item; however, a nominal adjustment was considered appropriate. Therefore, a \$5 adjustment was selected for crown molding.

Parking – The subject and all comparables contain parking lots with no additional fee. Comparables 4 and 5 each contain garage parking for an additional \$175 per month. Since these properties also contain parking that is similar to the subject, no adjustment is needed.

Extra Storage – The subject contains extra storage for no additional fee. None of the comparables contain storage and were adjusted upward \$10 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Per the Section 8 Renewal Policy, the RCS appraiser must explain the basis for any adjustment exceeding the larger of \$10, or two percent of the comparable's unadjusted rent. Due to insufficient market data by which to extrapolate a market-based adjustment for storage, the appraiser elected to adjust the comparables \$10, as deemed acceptable by the Section 8 Guide.

Security – The subject contains video surveillance. Comparables 4 and 5 contain security alarms. None of the remaining comparables contain security features. No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex. Video surveillance and security alarms provide added protection for residents at the properties. Therefore, properties with these features were adjusted \$5 per feature when compared to properties with no security. Consequently, Comparables 1, 2 and 3 were adjusted upward \$5 per month.

Clubhouse/Meeting Rooms/Dining Room – The subject will contain a community center once rehabilitation is complete. None of the comparables contain any of these features and were adjusted upward \$5 per month. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features.

Pool/Exercise Room/Recreation Areas – The following table shows the amenities at the subject and each comparable:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool			\$10	\$10	\$10	\$10
Picnic Area	\$5			\$5	\$5	\$5
Play Area	\$5	\$5			\$5	\$5
Tot Lot	\$5					
Volleyball Court					\$5	\$5
Basketball Court	\$5					
Pet Park					\$5	\$5
Theatre					\$5	\$5
Sundeck					\$5	\$5
Firepit					\$5	\$5
Total	\$20	\$5	\$10	\$15	\$45	\$45
Indicated Adjustment		\$15	\$10	\$5	(\$25)	(\$25)

Although there is little market data available concerning units with these features, the added amenities are an enhancement. Swimming pools are typically considered a more desirable feature than other



recreation features. Therefore, a \$10 adjustment was determined for swimming pool, and a \$5 adjustment per feature was determined for each additional recreation area. The adjustments for the comparables are shown at the bottom of the table.

Business Center – The subject will contain a computer room once rehabilitation is complete. None of the comparables contain any of these features and were adjusted upward \$5 per month. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features.

Service Coordination – The subject does not contain this feature. None of the comparables contain this feature. No adjustments were needed.

Non-Shelter Services – The subject does not contain these features. None of the comparables contain these features. No adjustment was needed.

Neighborhood Network – The subject does not contain this feature. None of the comparables contain this feature. No adjustment was needed.

Heat – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooling – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cooking – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Hot Water – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Other Electric – The subject does not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

Cold Water/Sewer – The subject provides cold water and sewer. Comparable 2 is similar to the subject. The remaining comparables do not provide these utilities and were adjusted upward \$94 per month based on the Allowances for Tenant-Furnished Utilities and Other Services for Two Exposed Walls provided by Virginia Housing Development Authority. The amounts were substantiated through local utility providers.

Trash/Recycling – The subject provides this utility. Comparables 1 and 2 are similar to the subject. Comparable 3 charges a flat rate fee of \$10 per month for this service. Therefore, Comparable 3 was adjusted upward \$10 per month. Comparables 4 and 5 do not provide this utility and were adjusted upward \$15 per month based on the Allowances for Tenant-Furnished Utilities and Other Services for Two Exposed Walls provided by Virginia Housing Development Authority. The amount was substantiated through local utility providers.



Conclusion of Market Rent

The adjusted rents range from \$1,571 to \$1,849. Market rent was selected giving consideration to all comparables. However, the analyst gave greater consideration Comparables 1, 4 and 5 since they are the most similar to the subject in condition/street appeal "as complete". After considering all factors, the appraiser concluded the market rent for the units as follows:

- **1,086 SF Three-Bedroom Units - \$1,650, or \$1.52 per square foot**

The developer is proposing affordable rents as follows: \$1,275, \$1,560 and \$1,525. In addition, the maximum net tax credit rents are as follows: \$1,438 for two-bedroom units and \$1,662 for three-bedroom units. The proposed rents are below than all achievable rents determined on the rent grids and the maximum net tax credit rents. In addition, as all the units contain Section 8 rental subsidy, tenants will never be asked to pay more than 30 percent of their gross annual income for rent. Therefore, the proposed rents were determined to be competitive within the market area.

Unit Type	% of AMI	Proposed Rent	Market Rent	\$ Rent Advantage	% Rent Advantage
2/1	60%	\$1,275	\$1,425	\$150	10.5%
3/1.5	60%	\$1,560	\$1,650	\$90	5.5%
3/1.5 HC	60%	\$1,525	\$1,650	\$125	7.6%



Evaluation of the Development

Project Design

Sussex Trace Apartments is comprised of eight two-story townhome buildings. The complex also contains an accessory building which housing the laundry facility, leasing office and maintenance area. The buildings have concrete slab foundations and wood framing, with brick and vinyl siding exteriors and asphalt shingle roofs. The complex was constructed in 1980 and will be rehabilitated. Landscaping is minimal and consist of grass, trees and shrubs. The property is not a scattered site development.

Project Amenities

The property provides the following project amenities: picnic area, playground, tot lot, basketball court, laundry facility, on-site management, on-site maintenance and video surveillance. Once rehabilitation is complete, the property will also contain a community center and computer room. The subject's project amenities will be competitive with the comparables in the market area.

Parking

The complex contains an open asphalt parking lot with a total of 90 parking spaces. Therefore, the subject has a parking ratio 1.80 parking spaces per unit. The parking is sufficient for the development.

Unit Mix

The subject's unit mix of two and three-bedroom units is suitable in the market area.

Utilities

The subject contains central electric heating and cooling. Cooking and hot water are also electric. The landlord provides water, sewer and trash collection services. This arrangement is similar to the majority of the comparables in the market area.

Unit Amenities

Each unit contains the following amenities: refrigerator, range/oven, garbage disposal, washer hook-ups (2BR only), washer/dryer hook-ups (3BR only), carpet and vinyl flooring, blinds, storage and patio. Upon completion of rehabilitation, the units will contain a dishwasher, microwave, washer and dryer. The unit amenities are competitive with the comparables in the market area.

Tenant Services

The subject will not provide tenant services. None of the comparables offer tenant services.

Impact of Existing/Planned Rental Housing

The market area exhibits sufficient demand for the proposed rehabilitation of the existing property. Based on the occupancy level of the apartment complexes in the market area, the waiting lists, the projected population and household growth and the economic factors, it is believed that when the rehabilitation is completed, the property will have no adverse impact on the existing and/or planned market-rate rental housing properties in the market area.



Summary of Developments Strength and Weaknesses

Strengths

- The subject's site plan and design are competitive with the surveyed comparables.
- The development will be superior to most of the comparable developments in condition upon completion of the rehabilitation.
- The subject's current and proposed unit and project amenities will be competitive with the comparables in the market area.
- The subject's unit sizes are within the comparable range. Therefore ,the subject's unit sizes are competitive within the market area.
- The subject's proposed rents will provide a good value to prospective tenants.

Weaknesses

- There are no apparent weaknesses.



Local Interviews

Southside Outreach Group Inc.

According to Brenda Drew, Housing Choice Vouchers Program Manager with the Southside Outreach Group Inc., the agency covers Emporia City, Greenville County, Surry County and Sussex County. Extended Service Areas: Halifax, Cumberland, Appomattox, Amelia, Prince Edward, Nottoway, Dinwiddie, Charlotte, Lunenburg, Pittsylvania Brunswick, Mecklenburg, Greenville, Emporia, Sussex, Surry, and Isle of Wight. She further reported that the agency currently has 257 vouchers, and the vouchers are not separated out per county or city. Ms. Drew stated that all vouchers are currently allocated and the agency does maintain a waiting list. Ms. Drew reported that there are over 200 households on the waiting list currently. She noted that if the residents lives in Sussex, the household will be at the top of the list, residents that only work within Sussex county but reside somewhere else are second, and those that do not live or work in Sussex being at the bottom of the list. The waiting list is currently closed and the state will not reopen the list until it has 50 or less applicants. Ms. Drew estimated that approximately three to four residents leave the program annually. She also stated that the area definitely is in need of additionally housing as the current affordable housing stock is not sufficient to meet the current demand. She noted that agency prefers single-family home rentals that offer options for purchase, or multifamily apartment complex that are three-stories or lower. The phone number for the Southside Outreach Group Inc. is 434-637-0147.

Greater Richmond Area Economic Development Department

According to the Greater Richmond Area Economic Development Department, there has been some new and expanding businesses in the area over the last two years. Restoration Bioproducts recently broke ground for its new facility in Waverly – the first such site in the entire commonwealth. The company, which deploys pyrolysis-based solutions to sustainably produce biochar and syngas, will invest \$5.8 million at the site over the next three years, create five high-paying jobs, and purchase 34,560 tons of Virginia-grown wood products. Furthermore, the Sussex County Board of Supervisors recently announced the county has been awarded \$247,900 from the Virginia Economic Development Partnership's Virginia Business Ready Sites Program. The funding resulted from a competitive evaluation of sites across the entire Commonwealth with 21 sites being selected for grants. The project is also being funded by the Tobacco Region Revitalization Commission and Sussex County for a total project cost of \$370,000. Additionally, there have been several new small business opening. Also The Newport Development Service District in northern Isle of Wight County has 1.1 million square feet of new retail and office space and over 2,000 residential units on Route 17. The county also has three speculative industrial developments for warehousing and distribution, and light manufacturing. Also, the Virginia Department of Health announced its approval of the new Riverside Smithfield Hospital which will create 100 of new jobs. Green Mountain Coffee Roasters announced it will be expanding and create 800 new jobs for the area. As a result, it is expected that the area will remain stable for the next two to five years. The phone number for the Greater Richmond Area Economic Development Department is 804-643-3227.

Hampton Roads Alliance

According to Michael Poarch, Planner with the Sussex County Planning Department, the subject site is located in both the city and county jurisdictions. The site is currently zoned R-1, General Residential District. He noted that the subject is a legal, conforming use of the zoning district. He further stated that there is no limit to the number of building permits that can be issued annually. He stated that there have not been any recently constructed or planned developments in the area that would compete with the subject. The phone number for the Sussex County Planning Department is 434-426-1043.



RECOMMENDATIONS AND CONCLUSIONS

Project Description

The subject, Sussex Trace Apartments, is an existing Section 8 development designated for families that contains 50 units. All units contains subsidies. The subject will undergo renovation. Once renovation is complete, the subject will remain a Section 8 development with subsidies for all units as well be 100 percent LIHTC. The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 60 percent of the area median income. As the subject will also retain its HAP contract, households with two to five persons and incomes below \$73,560 will be eligible for the rehabilitated development. If the subject were to lose the HAP contract, households with two to five persons and incomes between \$46,971 and \$73,560 would be eligible for the rehabilitated development.

The following chart lists the subject's unit mix.

Unit Type	# of Units	Square Feet	Total Square Footage
2/1	30	876	26,280
3/1.5	17	1,086	18,462
3/1.5 HC	3	1,086	3,258
	50		48,000

The following chart list the subject property's existing unit distributions by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
2/1	30	876	\$816	\$103
3/1.5	17	1,086	\$908	\$151
3/1.5 HC	3	1,086	\$938	\$82
	50			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
2/1	30	876	60%	\$1,533	\$1,370	\$95	\$1,275
3/1.5	17	1,086	60%	\$1,770	\$1,668	\$108	\$1,560
3/1.5 HC	3	1,086	60%	\$1,770	\$1,633	\$108	\$1,525

Since the property will retain its Section 8 contract, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. However, tenants will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants be required to pay more than the maximum allowable LIHTC rent.

Income Averaging

The developer has not elected the income-averaging option.



Housing Profile

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The vacancy rate for the surveyed affordable housing units is 8.0 percent. Two of the comparables, Jersey Park Apartments and Wood Edge, reported elevated vacancy rates. Jersey Park Apartments reported an elevated vacancy rate of 17 percent. According to the contact for Jersey Park Apartments the property is holding units vacant for upcoming renovations. Wood Edge reported a vacancy rate of 12 percent with seven vacant units. According to the contact for Wood Edge the property had several move-outs; however, the property is preleased to 95 percent. Additionally, the subject reported an elevated vacancy rate of 14 percent with seven vacant units. However, several units at the subject are being held vacant in anticipation of upcoming renovations. Historically the subject has maintained a stabilized occupancy rate. Without considering these properties, the affordable housing vacancy rate is 4.7 percent. The current vacancy rate in surveyed market-rate apartment complexes is 4.3 percent. The current vacancy rate of the competitive properties in the market area is 4.7 percent.

The proposed rehabilitation of the existing Section 8 development will not have an adverse impact on the market area. As complete, the property will be 100 percent LIHTC at 60 percent of the area median income and will also be Section 8. There were 15 income-restricted developments, including the subject property, which were surveyed. Of the confirmed income-restricted developments, 14 directly compete with the subject. The majority of the developments maintain high occupancy rates, and most maintain waiting lists from the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing.

Market Feasibility

The following tables show the capture rates for the rehabilitated development both with and without considering subsidies.

CAPTURE RATE - WITH SUBSIDY	
Project Wide Capture Rate - LIHTC Units	0.5%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	0.5%
Project Wide Absorption Period (Months)	1 Month

CAPTURE RATE - WITHOUT SUBSIDY	
Project Wide Capture Rate - LIHTC Units	10.9%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	10.9%
Project Wide Absorption Period (Months)	4-5 Months

The market shows a net demand of 1,536 households for all units when considering the Section 8 subsidy and a net demand of 459 households for all units when not considering the Section 8 subsidy. The subject is an existing Section 8 development that is currently 86 percent occupied, with seven vacant units. The property has a short waiting list. As complete, the property will continue to be Section 8 and will also be 100 percent LIHTC at 60 percent of the area median income. As the property will retain its Section 8 contracts, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Section 8 contract, none of the existing tenants would remain income-eligible; therefore, all of the subject's 50 units would need to be absorbed into the market. The capture rate, when considering the Section 8 subsidy, is 0.5 percent and is considered good. The capture rate, without considering the subsidy, is 10.9 percent, which is considered acceptable. In addition, the majority of the affordable housing developments maintain waiting lists and the majority of the comparables maintain high occupancy rates. Therefore, it is the belief of the analysts that the property will



continue to be viable within the market area without subsidies, and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Evaluation of Project

Sussex Trace Apartments is easily accessed via Leneave Lane. Leneave Lane connects to State Highway 40/West Main Street, a major thoroughfare in the town. Therefore, the subject has average visibility and easy access. The subject's existing site plan and project design are similar to competing apartment developments. The subject's existing unit mix of two and three-bedroom units is suitable in the market.

Positive/Negative Attributes

Strengths: The subject's location is comparable to other developments in the market area. Its current and proposed in-unit and common area amenities are competitive with the other developments in the market area. When these factors are taken into consideration, the subject's rehabilitated units will provide a good value to prospective tenants.

Weaknesses: There are no apparent weaknesses.

Conclusions

The subject can retain its required share of the market area for the following reasons:

- The subject's rehabilitated design and amenities will be competitive with other existing projects. Therefore, no modifications to the subjects are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2030, indicating a need for additional housing the market area. In addition, the majority of the restricted properties confirmed maintain high occupancy rates, and the majority maintain waiting lists, it appears the market is not oversaturated with affordable rental housing.
- The subject is an existing 50-unit Section 8 development that will be rehabilitated. Once rehabilitated is complete, the subject will continue to be Section 8 development with subsidies for all units, as well as be 100 percent LIHTC at 60 percent of the area median income. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is an existing Section 8 development that is currently 86 percent occupied, with seven vacant units. It should be noted, several of the vacant units are being held offline in anticipation of renovations. The subject also maintains a short waiting list. As the property will retain its Section 8 contract, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property was to lose its Section 8 contract, none of the existing tenants would remain income-eligible, and all 50 units would need to be absorbed into the market. After considering all factors, it is estimated that the subject property could absorb 10 to 15 units per month, resulting in a 95 percent occupancy level within four to five months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the rehabilitated development will be suitable for the market area. Given the current low vacancy rates for income-restricted properties as well as the waiting lists at most properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.



Qualifications of the Analyst

Gill Group is a nationwide marketing and real estate consulting firm specializing in market studies and real estate appraisals for low-income housing developments. For more than 30 years, Gill Group has been performing market research and appraisals on all types of properties. Primary data from field inspectors, analysts and appraisers is used. Our inspectors, analysts and appraisers personally inspect and examine every property included in the reports. Additional data is obtained from the U.S. Census Bureau, local public officials and reliable market data research companies such as ESRI Business Information Solutions. Gill Group's market studies have been used by clients in the Low Income Housing Tax Credit program and in obtaining and renewing state and federal subsidies for low-income housing developments and multifamily rental housing. Jonathan Richmond has been active in the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (M.A.P.) and Mark-to-Market programs.



Jonathan Richmond
512 North One Mile Road
P.O. Box 784
Dexter, Missouri 63841
573-624-6614 (phone)
573-624-2942 (fax)
jon.richmond@gillgroup.com

OVERVIEW	Multifamily and commercial experience specializing in work for private contractors, the Department of Housing and Urban Development (HUD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program. Has completed over 100 market studies in the past five years.
ACCREDITATIONS	State Certified Real Estate Appraiser Missouri State License Number 2014040824 Housing Credit Certified Professional (HCCP) National Council of Affordable Housing Market Analysts (NCAHMA)
EMPLOYMENT	Hanley Wood 2001 – 2005 Specialized in Market Research Coordination by providing residential construction information for residential real estate development and new home construction. Gill Group 2005 – Present Specializes in multi-family market studies, appraisals, and physical inspections.
EDUCATION	Bachelor of Science in Business Administration/Management The University of Phoenix Advanced Microsoft Excel Training New Horizons Microsoft Excel 2003-Level 2 State Registered Appraiser of Real Estate Steve W. Vehmeier Appraisal School General Education Classes Manatee Community College
EXPERIENCE (2008 TO PRESENT)	Provider of appraisals for HUD, Public Housing Authorities, Property Management Companies, Non-Profit Entities, For-Profit Entities, Commercial Property Chains, Banks and Lenders everywhere. Inspector for Gill Group Provides Property Condition Assessments for the following property types: • Multi-Family • Office Provided Inspections for the following property types



- Single-Family
- Multi-Family
 - o Conventional
 - o Section 8
 - o Section 42 w/ File Audits
 - o Section 202
 - o Section 221(d)(3)
 - o Section 221(d)(4)
 - o Section 236
- Hotels
- Motels
- Department Stores
- Retail Centers
- Warehouse
- Large, Multi-Unit Mini-Storage Facilities

RECENT PROJECTS

Proposed 52 Unit Family Complex – Guthrie, OK
43 Unit Multifamily Property – Waggaman, LA
32 Unit Multifamily Property – Waggaman, LA
24 Unit Family Complex – Republic, MO
112 Unit Multifamily Apartment Complex – Santa Clara, CA
28 Senior Unit Property – Ozark, AR
19 New Construction Single Family Homes – Butler, MO
44 Unit Multifamily Property – Nevada, MO
52 Senior Unit Complex – Savannah, MO
36 Unit Multifamily Property – Corbin, KY



Janice F. Gill, MAI
512 North One Mile Road
P.O. Box 784
Dexter, Missouri 63841
573-624-6614 (phone)
573-624-2942 (fax)

OVERVIEW	Extensive multifamily experience specializing in work for the Department of Housing and Urban Development (HUD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program. Also, many years of experience with nursing homes and typical commercial appraisals.
ACCREDITATIONS	MAI Designated Member of the Appraisal Institute State Certified General Real Estate Appraiser Missouri State License Number: 2002024410 Virginia State License Number: 4001016982 Maryland State License Number: 32198 Also regularly receives temporary licenses in the following states: Colorado, Florida, Hawaii, Minnesota, Oklahoma and Texas.
EDUCATION	Bachelor of Science Degree <i>Southeast Missouri State University</i> Associate of Arts Degree <i>Three Rivers Community College</i> Professional Standards of Practice <i>National Association of Independent Fee Appraisers</i> Introductions to Income Properties <i>National Association of Independent Fee Appraisers</i> Concepts, Terminology & Techniques <i>National Association of Independent Fee Appraisers</i> Financial Analysis of Income Properties <i>National Association of Independent Fee Appraisers</i> 1.4B Report Writing-Non Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> Principles of Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> 1.4A Report Writing-Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> Economics I <i>Three Rivers Community College</i> 1.4A Report Writing Non-Residential Real Estate Appraising <i>National Association of Independent Fee Appraisers</i> Advanced Highest & Best Use and Market Analysis <i>Appraisal Institute</i> Advanced Sales Comparison & Cost Approaches <i>Appraisal Institute</i> Advanced Income Capitalization <i>Appraisal Institute</i>



Report Writing & Valuation Analysis

Appraisal Institute

National USPA Update

McKissock

**EXPERIENCE
(1991 TO PRESENT)**

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring. Have worked with HUD in this capacity for several years.

Contract appraiser for Kentucky Housing Corporation for the eastern half of the State of Kentucky.

Provider of nursing home appraisals and hotel appraisals as well as typical commercial appraisals nationwide.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide.

Partial list of clients include: Boston Capital, Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, Reznick Group, Siegel Group, Signet Partners and Wachovia Securities.



Certificate of Membership

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National Council of Housing Market Analysts
1400 16th St. NW, Suite 420
Washington, DC 20036
202-939-1750

Designation Maintained By
Samuel Gill

Membership Term
1/1/2025 - 12/31/2025



Kaitlyn Snyder
Managing Director, NH&RA



We affirm that we have made a physical inspection of the site and market area. We also affirm that the appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units. To the best of our knowledge the market can support the demand shown in this study. We understand that any misrepresentations in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by the Virginia Housing. We also affirm that neither we nor anyone at our firm has any interest in the proposed development or relationship with the ownership entity. In addition, we affirm that neither we nor anyone at our firm nor anyone acting on behalf of our firm in connection with the preparation of this report has communication to others that my firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing. Finally, we affirm that compensation for our services is not contingent upon this development receiving a reservation or allocation of tax credits.

Jonathan Richmond
Market Analyst

Janice F. Gill, MAI
Market Analyst

Date: April 25, 2025



ADDENDUM A – DATA SOURCES

2010 U.S. Census
American Community Survey
Claritas; Ribbon Demographics (A nationally recognized demographics forecaster)
U.S. Bureau of Labor Statistics

Information used in the market study was obtained from various sources including: the U.S. Census Bureau, Ribbon Demographics, U.S. Bureau of Labor Statistics, interviews with local area and government officials and interview with local property owners or managers.



ADDENDUM B – MARKET STUDY TERMINOLOGY

Absorption Period

The period of time necessary for a newly constructed or renovated property to achieve the Stabilized Level of Occupancy. The Absorption Period begins when the first temporary or permanent certificate of occupancy is issued and ends when the last unit to reach the Stabilized Level of Occupancy has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is expected to begin should accompany all absorption estimates.

Absorption Rate

The average number of units rented each month during the Absorption Period.

Acceptable Rent Burden

The rent-to-income ratio used to qualify tenants for both income restricted and non-income restricted units. The Acceptable Rent Burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

Affordable Housing

Housing where the tenant household pays no more than 30 percent of its annual income on Gross Rent.

Amenity

Tangible or intangible benefits offered to a tenant at no fee (with the exception of day care), typically on-site recreational facilities or planned programs, services and activities.

Annual Demand

The total estimated demand present in the market in any one year for the type of units proposed. Annual demand estimates factor in tenure, tenant age, income restrictions, family size and turnover.

Area Median Income (AMI)

One-hundred percent of the gross median household income for a specific metropolitan statistical area, county or non-metropolitan area established annually by HUD.

Assisted Housing

Housing where the monthly costs to the tenants are subsidized by federal, state or other programs.

Attached Housing

Two or more dwelling units connected with party walls (e.g., townhouses or flats).

Basic Rent

The minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223 (d)(3) Below Market Interest Rate Program. The Basic Rent is calculated on the rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Below Market Interest Rate Program (BMIR)

Program targeted to renters with income not exceeding 80 percent of area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract to subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

Capture Rate



The percentage of age, size, and income qualified renter households in the Primary Market Area that the property must capture to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the Primary Market Area. See Penetration Rate for rate for entire market area.

Census Tract

A small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Central Business District (CBD)

The center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC)

Entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Comparable Property

A market-rate or Affordable Housing property that is representative of the rental housing choices of the subject's Primary Market Area and that is similar in construction, size, amenities, or age. These Comparables and Competitives are generally used to derive market rent.

Competitive Property

A property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

Concession

Discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specified lease term or for free amenities which are normally charged separately (i.e., washer/dryer, parking).

Condominium

A form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract Rent

1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenants, to the owner, inclusive of all terms of the lease (HUD & RD).
2. The monthly rent agreed to between a tenant and a landlord (Census).

Demand

An estimate of the total number of market households that have both the desire and the ability to obtain the product and/or services offered. These households must be of the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.



Difficult Development Area (DDA)

An area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130 percent of eligible basis for the purpose of calculating the Tax Credit allocation.

Detached Housing

A freestanding dwelling unit, typically single-family, situated on its own lot.

Effective Rents

Market Rents less concessions.

Elderly or Senior Housing

Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80 percent of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely Low Income

Person or household with income below 30 percent of Area Median Income adjusted for household size.

Fair Market Rent (FMR)

The estimates established by HUD of the Gross Rents (Contract Rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40 percent of the rental units have rents below the FMR. In rental markets with a shortage of lower-priced rental units, HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Family

A family consists of a householder (i.e., one who occupies or owns a house/head of a household) and one or more other persons living in the same household who are related to the householder by birth, marriage or adoption. Not all households contain families since a household may comprise a group of unrelated persons or one person living alone. (Source: U.S. Census)

Garden Apartments

Apartments in low-rise buildings (typically two to four stories) that feature low density, ample open-space around the buildings, and on-site parking.

Gross Rent

The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

High-rise

A residential building having more than ten stories.

Household

All the persons who occupy a housing unit as their usual place of residence. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. (Source: U.S. Census)

Household Trends



Changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.g., at marriage or separation) and decreasing average household size.

Housing Unit

House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program)

Federal rent subsidy program under Section 8 of the U.S. Housing Act which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30 percent of adjusted income (or 10 percent of gross income, whichever is greater). In cases where 30 percent of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (HFA)

State or local agencies responsible for financing housing and administering Assisted Housing programs.

HUD Section 8 Program

Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenant's adjusted income.

HUD Section 202 Program

Federal program which provides direct capital assistance (i.e., grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50 percent of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30 percent of tenant income.

HUD Section 811 Program

Federal program which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50 percent of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.

HUD Section 236 Program

Federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80 percent of area median income who pay rent equal to the greater of Basic Rent of 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income Band

The range of incomes of households that can pay a specific rent but do not have more income than is allowed by the Income Limits of a particular housing program. The minimum household income typically is based on a defined Acceptable Rent Burden percentage and the maximum typically is pre-defined by specific programmatic requirements or by general market parameters.

Income Limits



Maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30, 50, 60 or 80 percent of AMI. HUD publishes Income Limits each year for 30 percent median, Very Low Income (50%), and Low-Income (80%), for households with one through eight people.

Infrastructure

Services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Low Income

Person or household with gross household income below 80 percent of Area Median Income adjusted for household size.

Low Income Housing Tax Credit

A program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60 percent or less of Area Median Income, and that the rents on these units be restricted accordingly.

Low Rise Building

A building with one to three stories.

Market Advantage

The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.

Market Analysis

A study of real estate market conditions for a specific type of property.

Market Area

A geographic area from which a property is expected to draw the majority of its residents.

Market Area, Primary (PMA)

The most likely geographic area from which a property would draw its support.

Market Area, Secondary (SMA)

The portion of a market area that supplies additional support to an apartment property beyond that provided by the primary market area.

Market Demand

The number of units required in a defined market area to accommodate demand (i.e., households that desire to improve the quality of their housing without significantly increasing their economic burden). Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining demand.

Market Feasibility Analysis



An analysis that determines whether a proposed development can attain its target rents, taking into account the development's characteristics (location, size, unit mix, design and amenities), the depth of its target market, and the strength of its appeal in comparison to other existing and planned options available to potential consumers.

Market Rent

The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the open market considering its location, features, amenities. Market rent should be adjusted for concessions and owner paid utilities included in the rent.

Market Study

A comprehensive review of the housing market in a defined market area. A market study can be used to determine the demand for specific proposed development or to examine the overall condition of an area's housing market. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography. At a minimum, market studies include a review of location, economic conditions, demographics, and existing and proposed housing stock.

Marketability

The manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

Market Vacancy Rate – Physical

Average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same Market Area, excluding units in properties which are in the lease-up stage.

Market Vacancy Rate – Economic

Percentage of rent loss due to concessions and vacancies.

Metropolitan Statistical Area (MSA)

A geographic entity defined by the federal Office of Management and Budget, for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise

A building with four to ten stories.

Mixed Income Property

An apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more Income Limits (i.e., Low Income Tax Credit property with income limits of 30, 50 and 60 percent).

Mobility

The ease with which people move from one location to another.



Moderate Income

Person or household with gross household income between 80 and 120 percent of Area Median Income adjusted for household size.

Move-Up Demand

An estimate of how many consumers are able and willing to relocate to more expensive or desirable units, such as tenants who move up from Class C properties to Class B; and Class B tenants that move up to Class A properties; and tenants that move from Class C and B properties to a new superior Low Income Tax Credit property. For purposes of demonstrating move-up demand both changes in Class Construction Type and changes in Quality Classification of five or more may be considered (Reference the Virginia State Board of Equalization Assessor's Handbook Section 531, January 2003, pages 4-5 for definitions of Class and Quality Classifications.)

Multifamily

Structures that contain two or more housing units.

Neighborhood

An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net Rent (also referred to as Contract or Lease Rent)

Gross Rent less Tenant Paid Utilities.

Penetration Rate

The percentage of age and income qualified renter households in the Primary Market Area that live in all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. See Capture Rate for property specific rate.

Pent-up Demand

A market in which there is a scarcity of supply and vacancy rates are very low.

Population Trends

Changes in population levels for a particular area over a specific period of time – which is a function of the levels of births, deaths, and net migration.

Primary Market Area

See Market Area

Programmatic Rents

The proposed rents for a Tax Credit or other income restricted property relative to comparable market rate properties and rents being achieved at another Low Income Housing Tax Credit or other income restricted properties in the market. Can be no greater than maximum rents permitted by the Low Income Housing Tax Credit or other program regulations.

Project Based Rent Assistance

Rental assistance from a federal, state or local program that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Public Housing or Low Income Conventional Public Housing



HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low Income Households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT)

Any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income less than 60 percent of Area Median Income or where the poverty rate is at least 25 percent. A project located in a QCT and receiving Low Income Housing Tax Credits may qualify for up to 130 percent of eligible basis for the purpose of calculating the Tax Credit allocation.

Redevelopment

The redesign or rehabilitation of existing properties.

Rent Burden

Contract Rent plus Tenant Paid Utilities divided by the gross monthly household income.

Rent Burdened Households

Households with rent burden above the level determined by the lender, investor or public program to be an acceptable rent-to-income ratio.

Restricted Rent

The maximum allowable rent under the restrictions of a specific housing program or subsidy.

Rural Development (RD) Market Rent

A monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an un-subsidized mortgage and provide an adequate return to the property owner. This rent is the maximum rent that a tenant can pay at an RD property.

Rural Development (RD) Program

Federal program which provides low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, whichever is the higher (but not exceeding the market rent). The Program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Saturation

The point at which there is no longer demand to support additional units.

Secondary Market Area

The portion of a market area that supplies additional support to an apartment property beyond that provided by the Primary Market Area.

Single-Family Housing

A dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Special Needs Population

Specific market niche that is typically not catered to in a conventional apartment property. This population should exhibit certain criteria, which can be well defined, in order, for example, to assess the need and demand from this source. Examples of special needs populations include substance abusers, visually impaired person or persons with mobility limitations.

Stabilized Level of Occupancy



The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units. For TCAC projects these percentages are equal to a physical occupancy rate that will generate 90 percent of aggregate restricted rents for SRO and Special Needs units and generate 95 percent of aggregate restricted rents for all other types of units.

State Data Center (SDC)

A state agency or university facility identified by the governor of each state to participate in the U.S. Census Bureau's cooperative network for the dissemination of the census data.

Subsidy

Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's Contract Rent and the amount paid by the tenant toward rent.

Substandard Conditions

Housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Target Income Band

The estimated Income Band from which the subject will likely draw tenants.

Target Population

Market niche a development will appeal or cater to. State agencies often use Target Population to refer to various income set asides, elderly v. family, etc.

Tenant

One who rents real property from another.

Tenant Paid Utilities

The cost of utilities necessary for the habitation of a dwelling unit, which are paid by the tenant. Tenant Paid Utilities do not include costs for telephone or cable service.

Tenure

The distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House)

Single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a row house.

Turnover

An estimate of the number of housing units in a Market Area as a percentage of total housing units in the Market Area that will likely change occupants in any one year. Only turnover in the primary market area rental market (i.e., number of rental housing units as a percentage of total rental housing units that will likely change occupants) shall be considered for purposes of constructing demand estimates. See Vacancy Period.

Unmet Housing Need

New units required in the Market Area to accommodate household growth, homeless households, and housing in substandard conditions.

Unrestricted Rents

The recommended rents for the market rate units at a Mixed-Income Property.



Vacancy Period

The amount of time that an apartment remains vacant and available for rent.

Vacancy Rate – Economic

Maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The economic vacancy rate should be used exclusively for project rent proformas, and not for reporting the vacancy rate of rent comparables.

Vacancy Rate – Physical

The number of total habitable units that are vacant divided by the total number of units in the property. The physical vacancy rate shall be used when reporting comparable vacancy rates.

Very Low Income

Person or household whose gross household income does not exceed 50 percent of Area Median Income adjusted for household size.

Zoning

Classification and regulation of land by local governments according to use categories (zones); often also includes density designations.



ADDENDUM C – NCHMA INDEX

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
Executive Summary		
1	Executive Summary	9
Scope of Work		
2	Scope of Work	12
Project Description		
3	Unit mix including bedrooms, bathrooms, square footage, rents and income targeting	16
4	Utilities (and utility sources) included in rent	16
5	Target market/population description	15
6	Project description including unit features and community amenities	15
7	Date of construction/preliminary completion	15
8	If rehabilitation, scope of work, existing rents and existing vacancies	16
Location		
9	Concise description of the site and adjacent parcels	21
10	Site photos/maps	22
11	Map of community services	35
12	Site evaluation/neighborhood including visibility, accessibility and crime	33
Market Area		
13	PMA description	53
14	PMA Map	55
Employment and Economy		
15	At-Place employment trends	56
16	Employment by sector	60
17	Unemployment rates	56
18	Area major employers/employment centers and proximity to site	58
19	Recent or planned employment expansions/reductions	61
Demographic Characteristics		
20	Population and household estimates and projections	64
21	Area building permits	80
22	Population and household characteristics including income, tenure and size	67
23	For senior or special needs projects, provide data specific to target market	N/A
Competitive Environment		
24	Comparable property profiles and photos	85
25	Map of comparable properties	94
26	Existing rental housing evaluation including vacancy and rents	84
27	Comparison of subject property to comparable properties	129
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	130



NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

		Page Number(s)
29	Rental communities under construction, approved, or proposed	80
30	For senior or special needs populations, provide data specific to target market	N/A
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	75
32	Affordability analysis with capture rate	79
33	Penetration rate analysis with capture rate	74
Analysis/Conclusions		
34	Absorption rate and estimated stabilized occupancy for subject	78
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	98
36	Precise statement of key conclusions	130
37	Market strengths and weaknesses impacting project	130
38	Product recommendations and/or suggested modifications to subject	130
39	Discussion of subject property's impact on existing housing	130
40	Discussion of risks or other mitigating circumstances impacting subject	130
41	Interviews with area housing stakeholders	131
Other Requirements		
42	Certifications	6
43	Statement of qualifications	135
44	Sources of data not otherwise identified	Addendum A



ADDENDUM D – SUBJECT INFO

Rent Roll with Lease Charges

Sussex Trace Apartments (604)

As Of = 12/31/2024

Month Year = 01/2025

Page 1

Unit	Unit Type	Unit Sq Ft	Resident Name	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
Current/Notice/Vacant Residents										
A101	604B963	963.00	10029193 ELIZABETH PARKER	816.00	0.00	353.00	0.00	4/23/2010	4/30/2011	0.00
				Total	0.00					
A102	604B963	963.00	10031149 Rebecca Wages	816.00	0.00	423.00	0.00	8/27/2021	8/31/2022	-251.00
				Total	0.00					
A103	604C1211	1,211.00	10058262 Nakiya Speaks	908.00	0.00	50.00	0.00	6/30/2023	8/30/2024	247.00
				Total	0.00					
A104	604B963	963.00	10029200 DOMINIQUE MACK	816.00	0.00	203.00	60.00	3/25/2015	8/1/2021	995.00
				Total	0.00					
A105	604B963	963.00	10032044 Demetria Silver	816.00	0.00	78.00	0.00	1/20/2022	1/31/2023	26.00
				Total	0.00					
A106	604C1177	1,177.00	10029190 JANETTE WINFIELD	938.00 RENT	905.00	368.00	0.00	11/22/2002	11/1/2021	9,880.00
				Total	905.00					
B207	604B963	963.00	10060538 Jessica Jones	816.00 RENT	816.00	90.00	0.00	1/2/2024	1/1/2025	3,677.69
				Total	816.00					
B208	604B963	963.00	10030936 LaShanah Wynn	816.00	0.00	0.00	0.00	8/11/2021	8/31/2022	198.00
				Total	0.00					
B209	604C1211	1,211.00	10029203 CHYNA GRAY	908.00	0.00	79.00	0.00	8/7/2017	8/1/2021	3,654.00
				Total	0.00					
B210	604B963	963.00	10029187 ANGELA WILLIAMS	816.00 RENT	816.00	61.00	0.00	7/10/1992	8/1/2025	-1,242.00
				Total	816.00					
B211	604B963	963.00	10060875 Carolyn Barrow	816.00	0.00	78.00	0.00	11/6/2023	11/5/2024	0.00
				Total	0.00					
B212	604C1177	1,177.00	10059519 Marquita Coffey	938.00	0.00	345.00	0.00	8/15/2023	8/31/2024	262.00
				Total	0.00					
C313	604B963	963.00	10040474 Stephanie Rose	816.00	0.00	221.00	0.00	2/21/2023	2/29/2024	82.70
				Total	0.00					

Tuesday, February 04, 2025
03:51 PM

Rent Roll with Lease Charges

Sussex Trace Apartments (604)

As Of = 12/31/2024

Month Year = 01/2025

Page 2

Unit	Unit Type	Unit Sq Ft	Resident Name	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
C314	604C1211	1,211.00	10029214 RENITA LENSEY	908.00 RENT	840.00	535.00	0.00	7/9/2019	7/1/2021	840.00
				Total	840.00					
C315	604C1211	1,211.00	10035163 Tyreshia Ferebee	908.00	0.00	50.00	0.00	7/29/2022	7/31/2023	31.90
				Total	0.00					
C316	604B963	963.00	10061199 Sandy Boone	816.00	0.00	267.00	0.00	5/6/2024	5/31/2025	7.96
				Total	0.00					
C317	604C1211	1,211.00	10037866 Tayshauna Perry	908.00	0.00	50.00	0.00	3/20/2023	2/29/2024	318.52
				Total	0.00					
C318	604C1211	1,211.00	VACANT VACANT	908.00	0.00	0.00	0.00			0.00
				Total	0.00					
C319	604B963	963.00	10030391 Corey Scott	816.00	0.00	56.00	0.00	6/25/2021	6/30/2022	104.00
				Total	0.00					
D420	604B963	963.00	10029212 DIAMOND EVANS	816.00	0.00	50.00	0.00	6/3/2019	6/1/2021	357.00
				Total	0.00					
D421	604B963	963.00	10056160 Jameel Parker	816.00	0.00	380.00	0.00	6/21/2023	6/30/2024	2,732.29
				Total	0.00					
D422	604C1211	1,211.00	10029210 JAMAYA SHEPPARD	908.00	0.00	50.00	0.00	4/9/2024	4/30/2025	277.11
				Total	0.00					
D423	604B963	963.00	10030478 Jasmine Newby	816.00	0.00	804.00	0.00	7/2/2021	8/30/2022	4,545.00
				Total	0.00					
D424	604B963	963.00	10040884 D'Nyjah Jones	816.00	0.00	50.00	0.00	3/9/2023	3/31/2024	1,377.60
				Total	0.00					
D425	604C1211	1,211.00	VACANT VACANT	908.00	0.00	0.00	0.00			0.00
				Total	0.00					
E526	604B963	963.00	10029209 SHERA HARRIS	816.00	0.00	430.00	0.00	3/23/2019	3/1/2022	2,059.00
				Total	0.00					

Tuesday, February 04, 2025
03:51 PM



Rent Roll with Lease Charges

Sussex Trace Apartments (604)

As Of = 12/31/2024

Month Year = 01/01/2025

Page 3

Month Year = 01/2025	Unit	Unit Type	Unit Resident Sq Ft	Name	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance	
E527	604B963	0.00	10070041	Doricka Anderson	816.00	0.00	33.00	0.00	10/4/2024	10/31/2025	28.10	
				Total		0.00						
E528	604C1211	1,211.00	10064178	Cadesta White	908.00	0.00	38.92	0.00	2/9/2024	2/28/2025	36.08	
				Total		0.00						
E529	604B963	963.00	VACANT	VACANT	816.00	0.00	0.00	0.00			0.00	
				Total		0.00						
E530	604B963	963.00	VACANT	VACANT	816.00	0.00	0.00	0.00			0.00	
				Total		0.00						
E531	604C1211	1,211.00	10036128	Tashauna Burgess	908.00	0.00	50.00	0.00	11/23/2022	11/30/2023	32.00	
				Total		0.00						
F632	604B963	963.00	VACANT	VACANT	816.00	0.00	0.00	0.00			0.00	
				Total		0.00						
F633	604B963	963.00	10031365	Sherry Harris	816.00	0.00	153.00	0.00	9/23/2021	9/30/2022	1,590.00	
				Total		0.00						
F634	604C1211	1,211.00	10072606	LYonetta Taylor	908.00	0.00	50.00	0.00	6/11/2021	6/30/2022	1/21/2025	32.00
				Total		0.00						
F635	604B963	963.00	10051456	Arkisha Rose	816.00	0.00	50.00	0.00	5/23/2023	5/31/2024	127.07	
				Total		0.00						
F636	604B963	963.00	10030299	Jarva' Ellis	816.00	0.00	12.00	0.00	6/15/2021	6/30/2022	1,219.00	
				Total		0.00						
F637	604C1177	1,177.00	VACANT	VACANT	938.00	0.00	0.00	0.00			0.00	
				Total		0.00						
G738	604B963	963.00	10031054	Adesha Motton	816.00	0.00	205.00	0.00	8/20/2021	8/31/2022	108.00	
				Total		0.00						
G739	604C1211	1,211.00	10031355	Kemon Price	908.00	0.00	198.00	0.00	9/22/2021	9/30/2022	2,904.00	
				Total		0.00						

Tuesday, February 04, 2025
03:51 PM

Rent Roll with Lease Charges

Sussex Trace Apartments (604)

As Of = 12/31/2024

Month Year = 01/01/2025

Page 4

Unit	Unit Type	Unit Resident Sq Ft	Name	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
G740	604C1211	1,211.00	10030938 Krystal Crockett	908.00	0.00	283.00	0.00	6/11/2021	8/31/2022	679.00
			Total		0.00					
G741	604B963	963.00	10029198 GARY GOLDSMITH	816.00	0.00	250.00	0.00	5/12/2015	5/1/2021	253.00
			Total		0.00					
G742	604C1211	1,211.00	10030131 Marsha Joyner	908.00	0.00	275.00	0.00	6/11/2021	8/30/2022	29.00
			Total		0.00					
G743	604C1211	1,211.00	10029195 LATONYA RICKS	908.00	0.00	64.00	0.00	8/30/2011	8/31/2022	9.40
			Total		0.00					
G744	604B963	963.00	10029188 BARBARA BECKETT	816.00	0.00	55.00	0.00	3/7/1996	4/1/2021	538.00
			Total		0.00					
H845	604B963	963.00	10032682 William Johnson	816.00	0.00	84.00	0.00	10/22/2024	10/21/2025	685.43
			Total		0.00					
H846	604B963	963.00	10052272 Zhanasia Shaw	816.00	0.00	690.00	0.00	6/16/2023	6/30/2024	1,771.00
			Total		0.00					
H847	604C1211	1,211.00	VACANT VACANT	908.00	0.00	0.00	0.00			0.00
			Total		0.00					
H848	604B963	963.00	10029863 Kamisha Smith	816.00	0.00	169.00	0.00	5/14/2021	5/31/2022	-101.00
			Total		0.00					
H849	604B963	963.00	10029189 MARY WYATT	816.00	0.00	83.00	0.00	8/27/1987	9/1/2021	402.00
			Total		0.00					
H850	604C1211	1,211.00	10046451 Chimere Taylor	908.00	0.00	781.00	0.00	4/18/2023	4/17/2024	5,781.00
			Total		0.00					
Total Sussex Trace Apartments(604)				42,730.00	3,377.00	8,594.92	60.00			48,393.05

Summary Groups	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% Sqft Occupied	Balance
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Tuesday, February 04, 2025
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Rent Roll with Lease Charges

Page 5

Sussex Trace Apartments (904)

As Of = 12/31/2024

Month Year = 01/2025

Unit	Unit Type	Unit Resident Sq Ft	Name	Market Charge Rent Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move Out	Balance	
Current/Notice/Vacant Residents				52,045.00	42,730.00	3,377.00	8,594.92	60.00	50	86.00	85.20	46,393.05
Future Residents/Applicants				0.00	0.00	0.00	0.00	0				0.00
Occupied Units				44,346.00	36,620.00			43	86.00	85.20		
Total Non Rev Units				0.00	0.00			0	0.00	0.00		
Total Vacant Units				7,699.00	6,110.00			7	14.00	14.79		
Totals:				52,045.00	42,730.00	3,377.00	8,594.92	60.00	50	100.00	100.00	46,393.05

Summary of Charges by Charge Code

(Current/Notice Residents Only)

Charge Code	Amount
RENT	3377
Total	3,377.00

Tuesday, February 04, 2025
05:51 PM

OMB Approval No. 2502-0012
(exp. 11/30/2020)

Project Name	FHA Project Number	Date Rents Will Be Effective (mm/dd/yyyy)
SUSSEX TRACE	N/A	09/01/2024

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents		Col. 5 Utility Allowances (Effective Date (mm/dd/yyyy) 09/01/2024)	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only)	
		Col. 3 Rent Per Unit	Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)			Col. 7 Rent Per Unit	Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
2 Bedrooms	30	816	24,480	103	919	0	0
3 Bedroom H	3	938	2,814	82	1,020	0	0
3 Bedrooms	17	908	15,436	151	1,059	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
		0	0	0	0	0	0
Total Units	50	Monthly Contract Rent Potential (Add Col. 4)* \$42,730				Monthly Market Rent Potential (Add Col. 8)* \$0	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* \$512,760				Yearly Market Rent Potential (Col. 8 Sum x 12)* \$0	

[illegible]



Part G — Information on Mortgagor Entity

Name of Entity

Sussex Village Apartments TM LLC

Type of Entity

☐ Individual

☐ General Partnership

☐ Joint Tenancy/Tenants in Common

☒ Other (specify) Limited Liability

☐ Corporation

☐ Limited Partnership

☐ Trust

Company

List all Principals Comprising Mortgagor Entity:

provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:

- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H — Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title

Robert B. Margolis, GP

Authorized Official's Signature

4/18/2024

Date (mm/dd/yyyy)

Part I — HUD/Lender Approval

Addendum Number

HAP Contract Number

VA36H027226

Exhibit Number

Loan Servicer Signature

Date (mm/dd/yyyy)

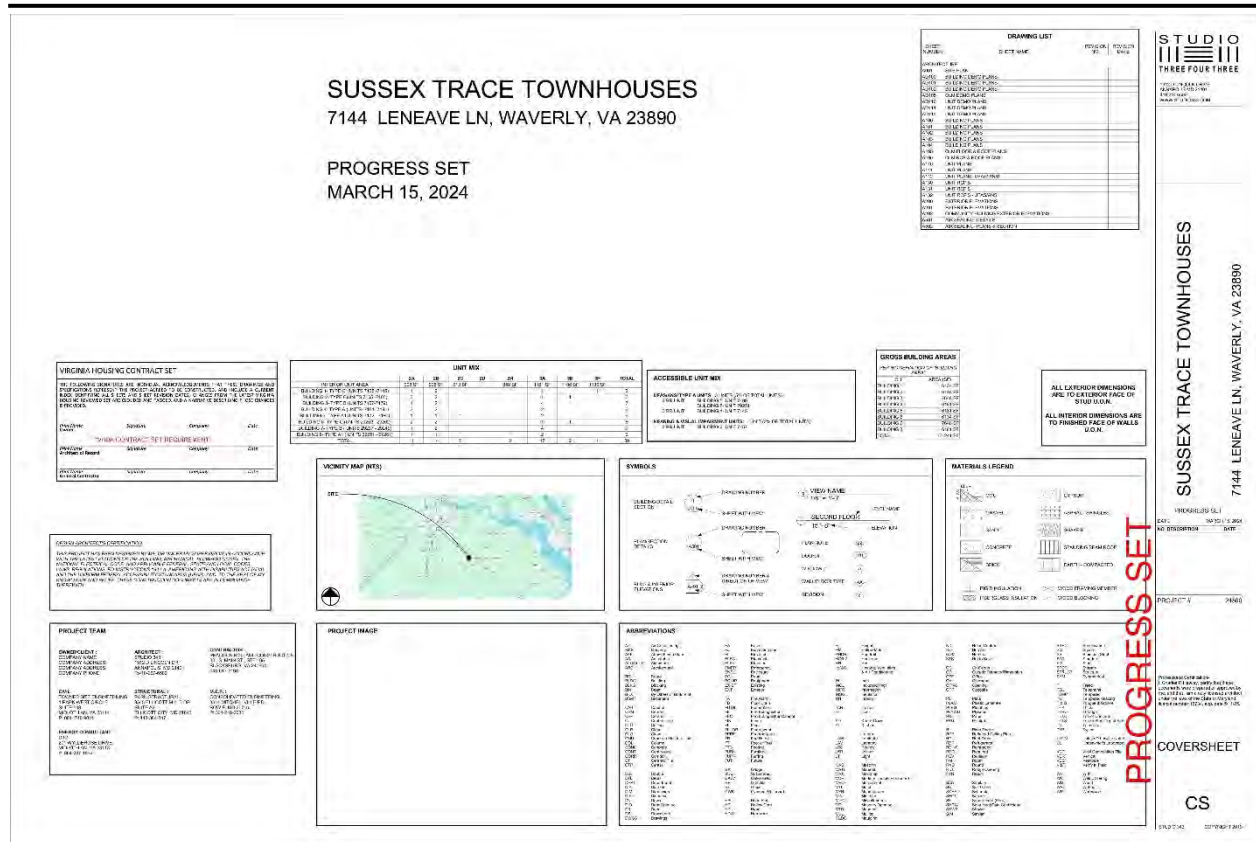
Branch Chief/Lender Official Signature

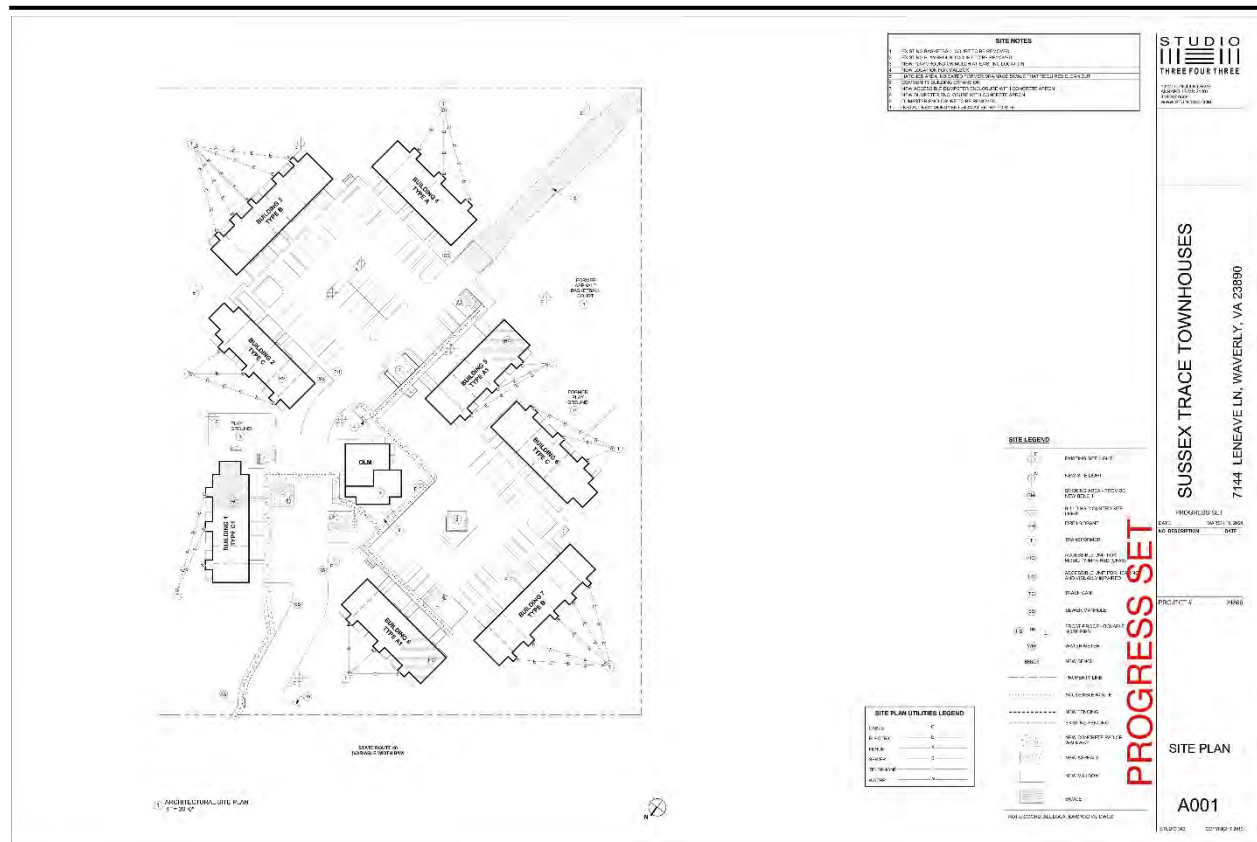
Date (mm/dd/yyyy)

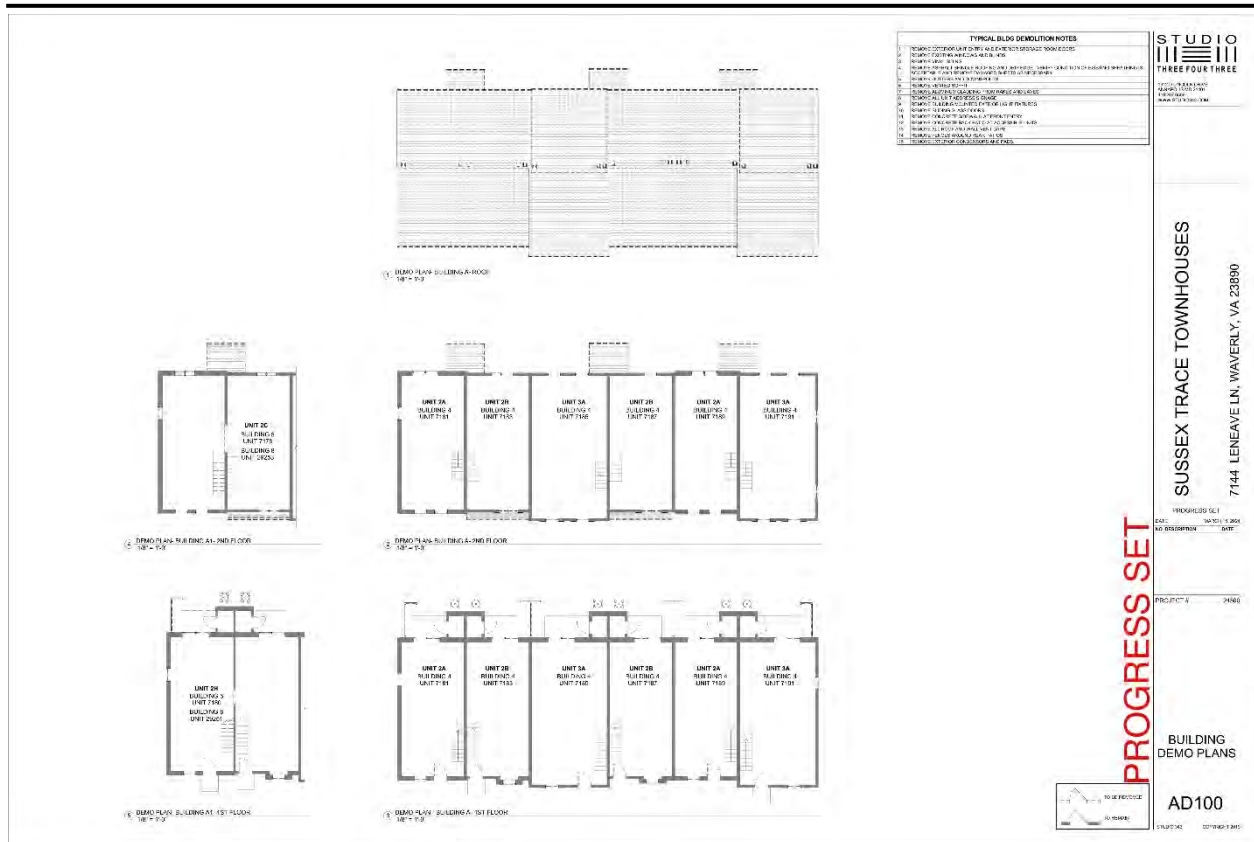
04/19/2024

Director, Housing Management Division Signature

Date (mm/dd/yyyy)





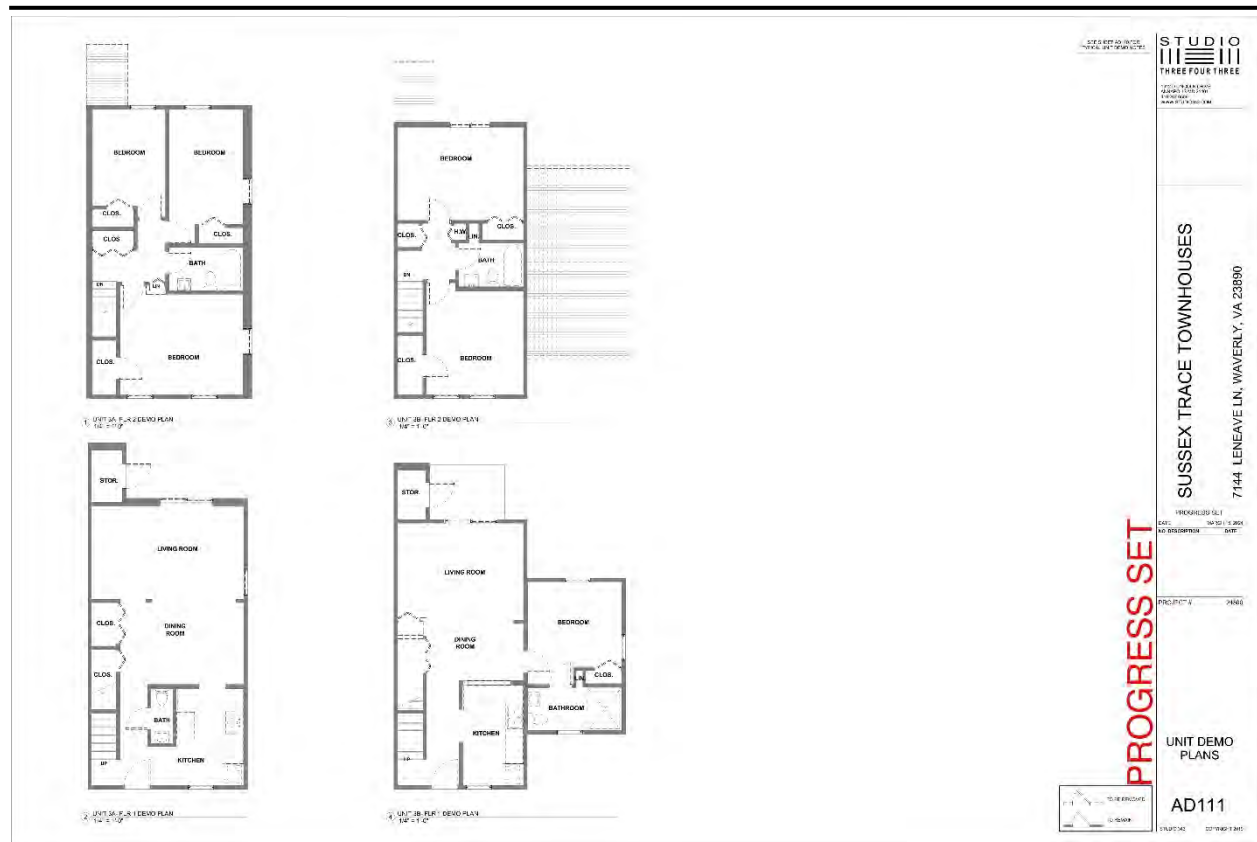




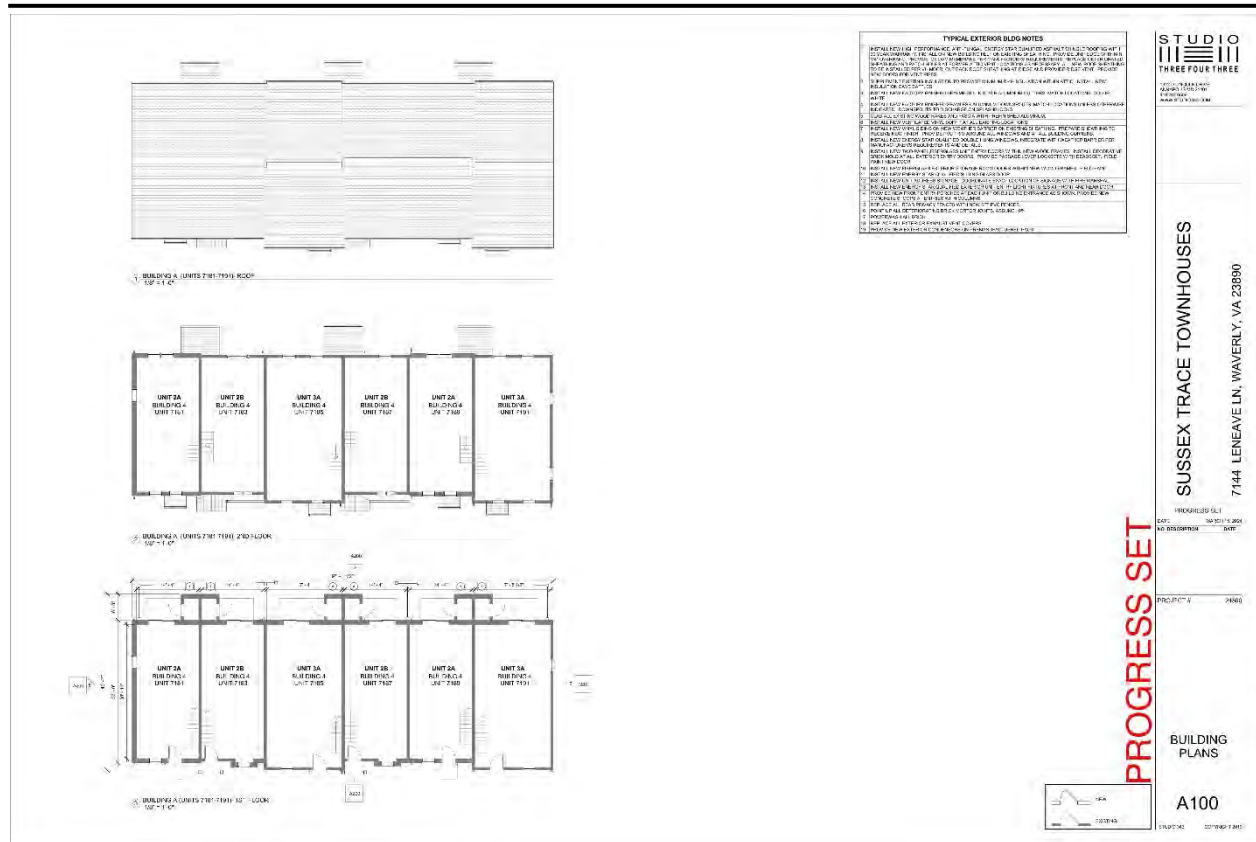


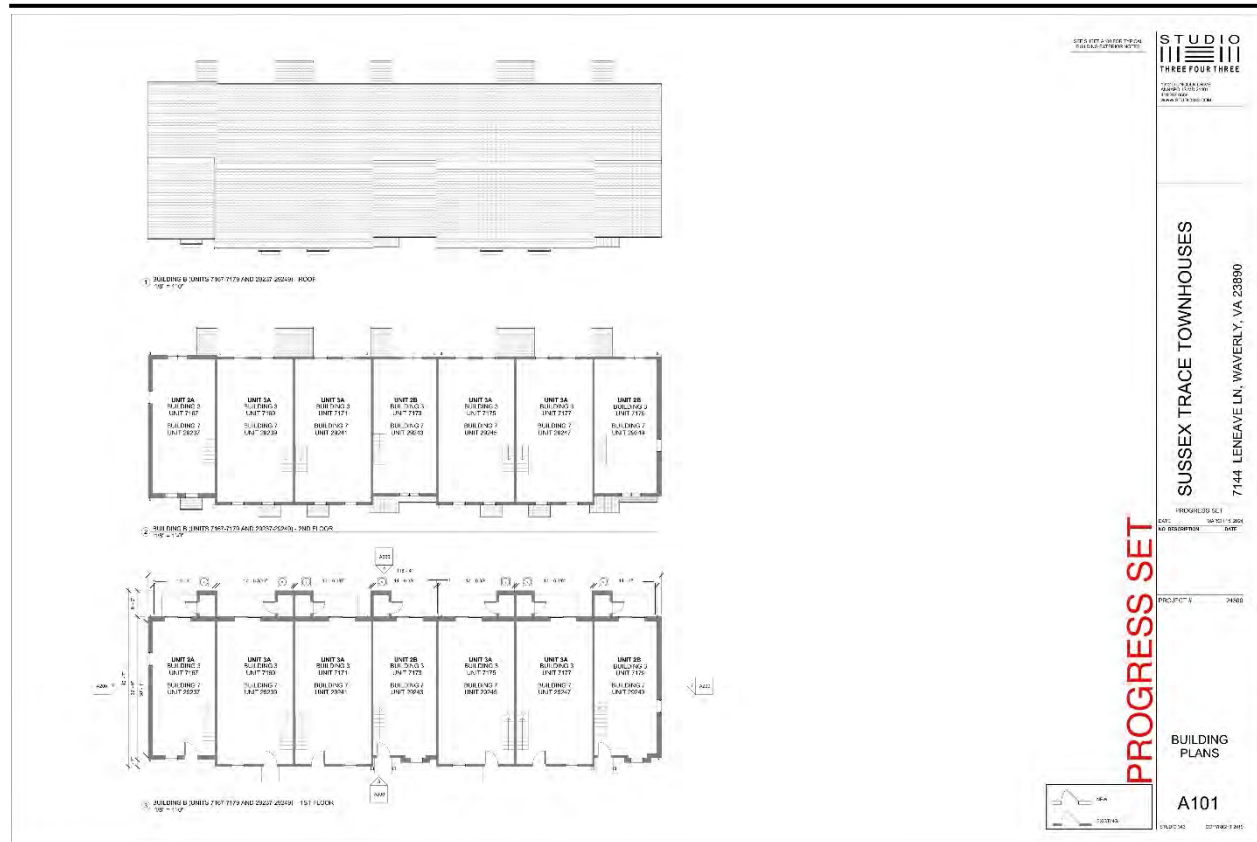


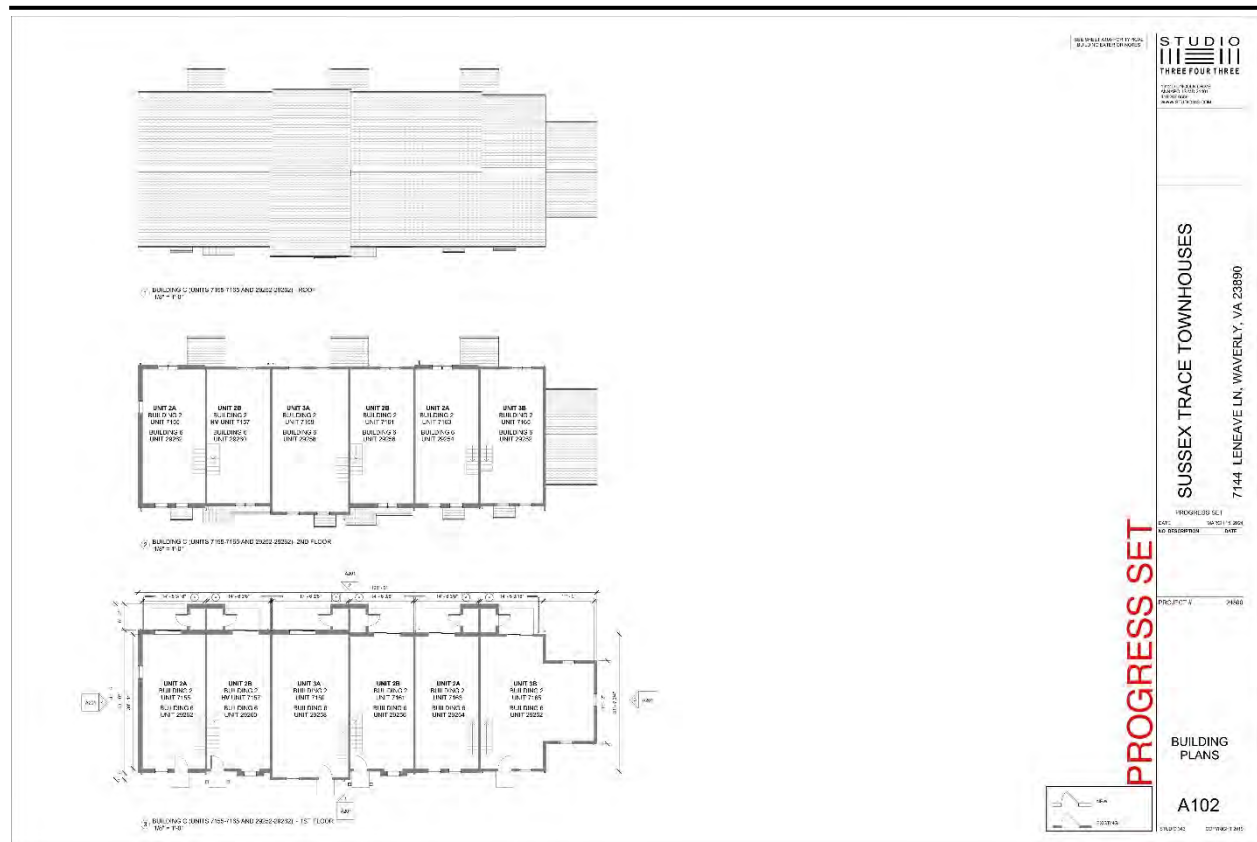




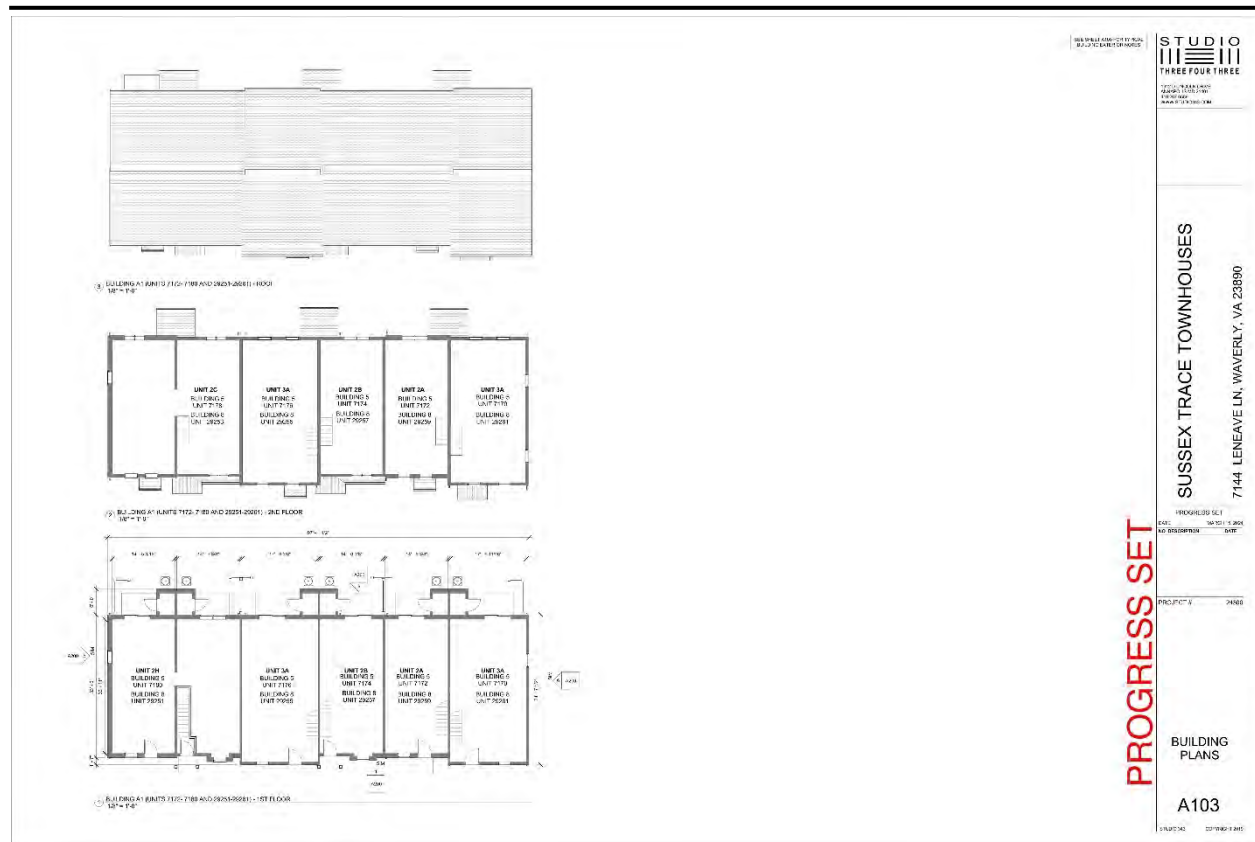






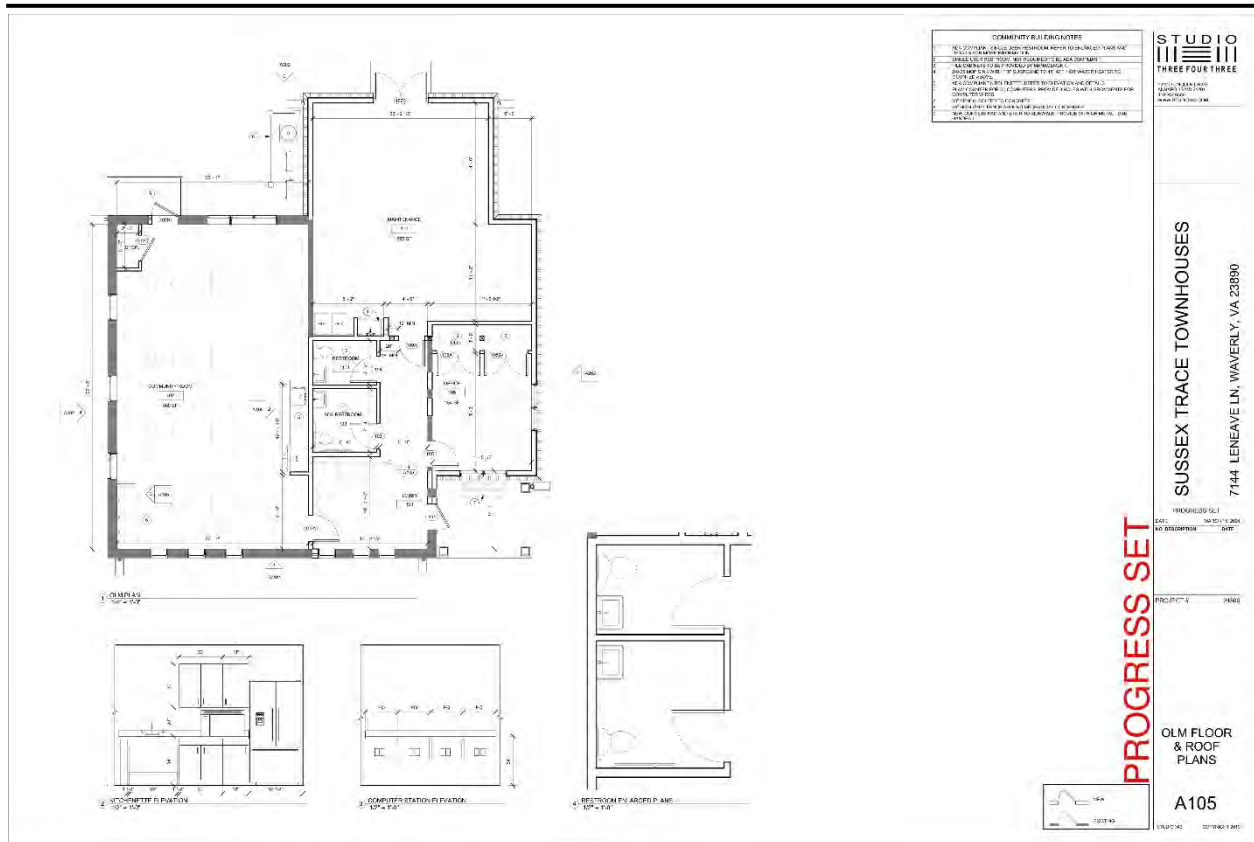


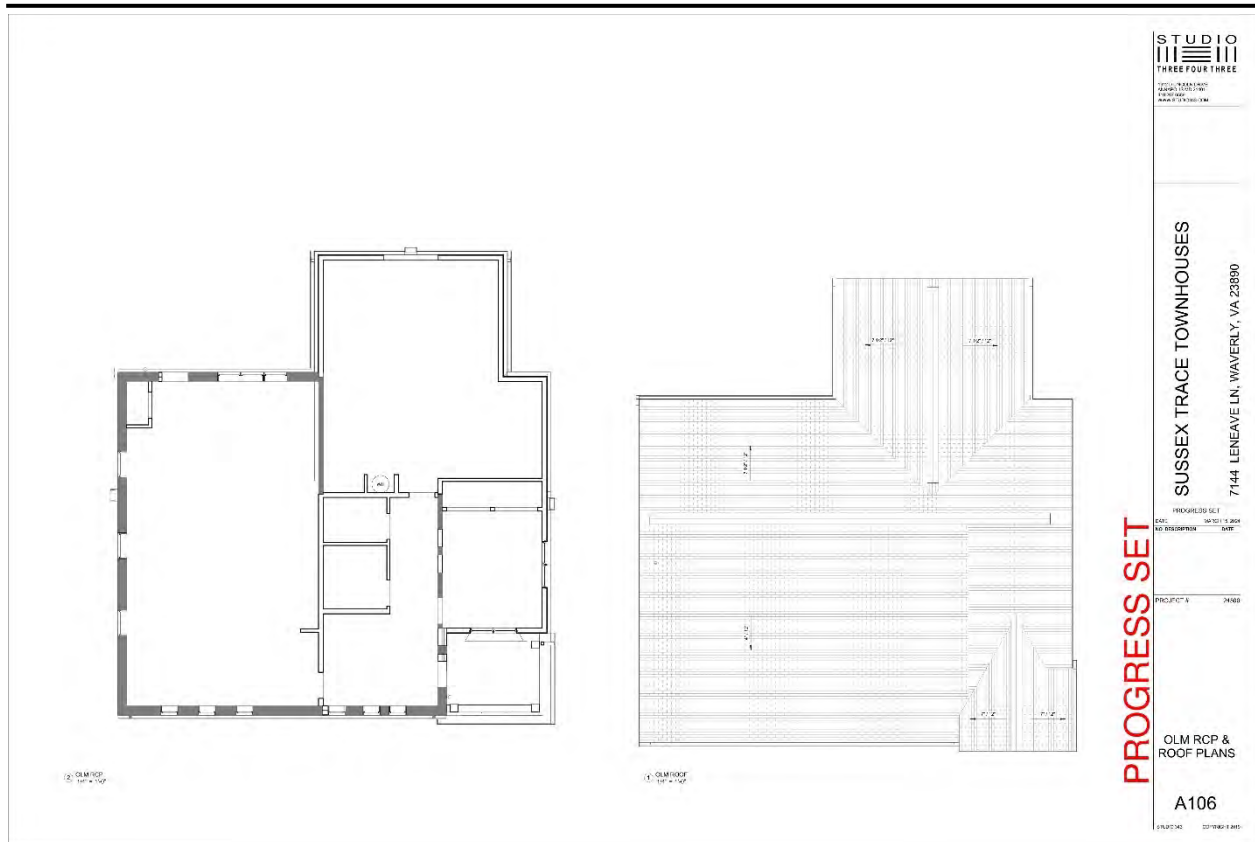
Sussex Trace Apartments
7144 Leneave Lane
Waverly, Virginia 23890





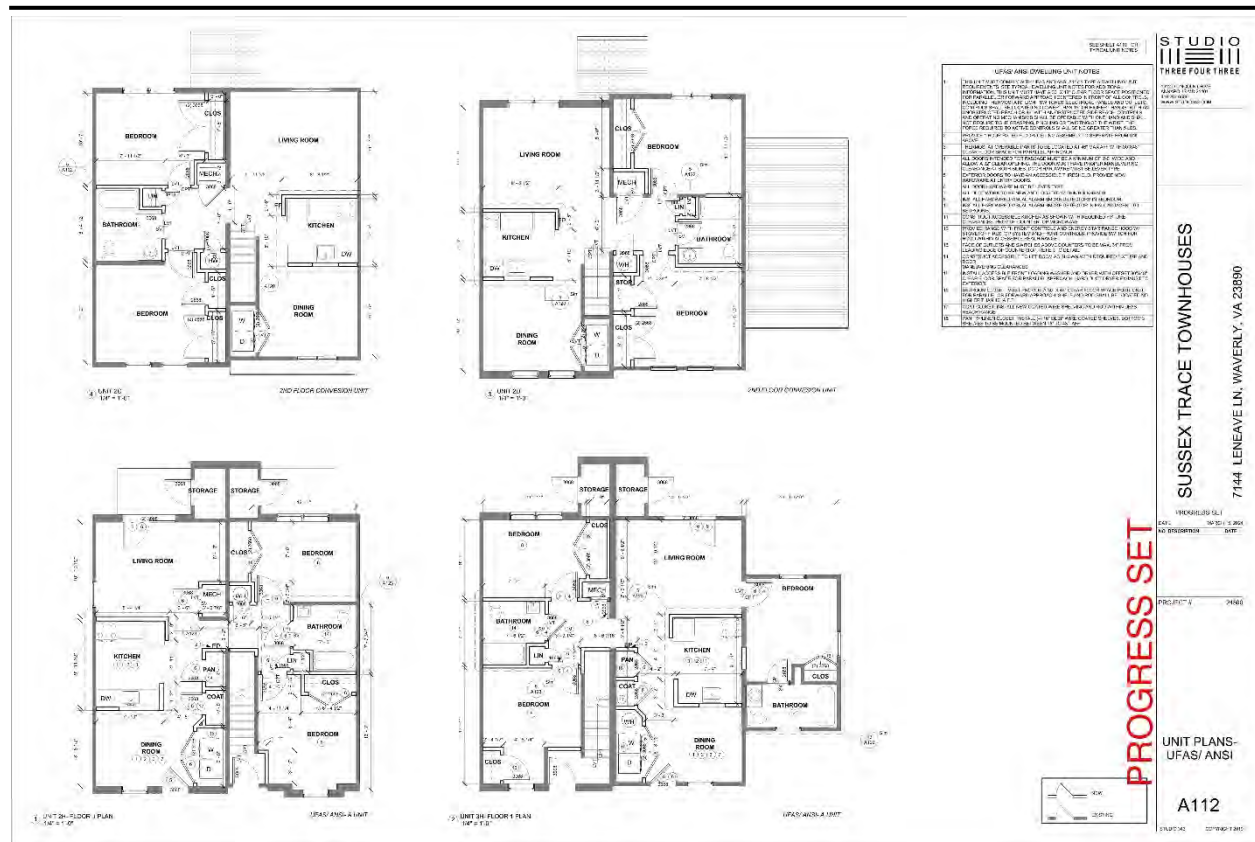
Sussex Trace Apartments
7144 Leneave Lane
Waverly, Virginia 23890

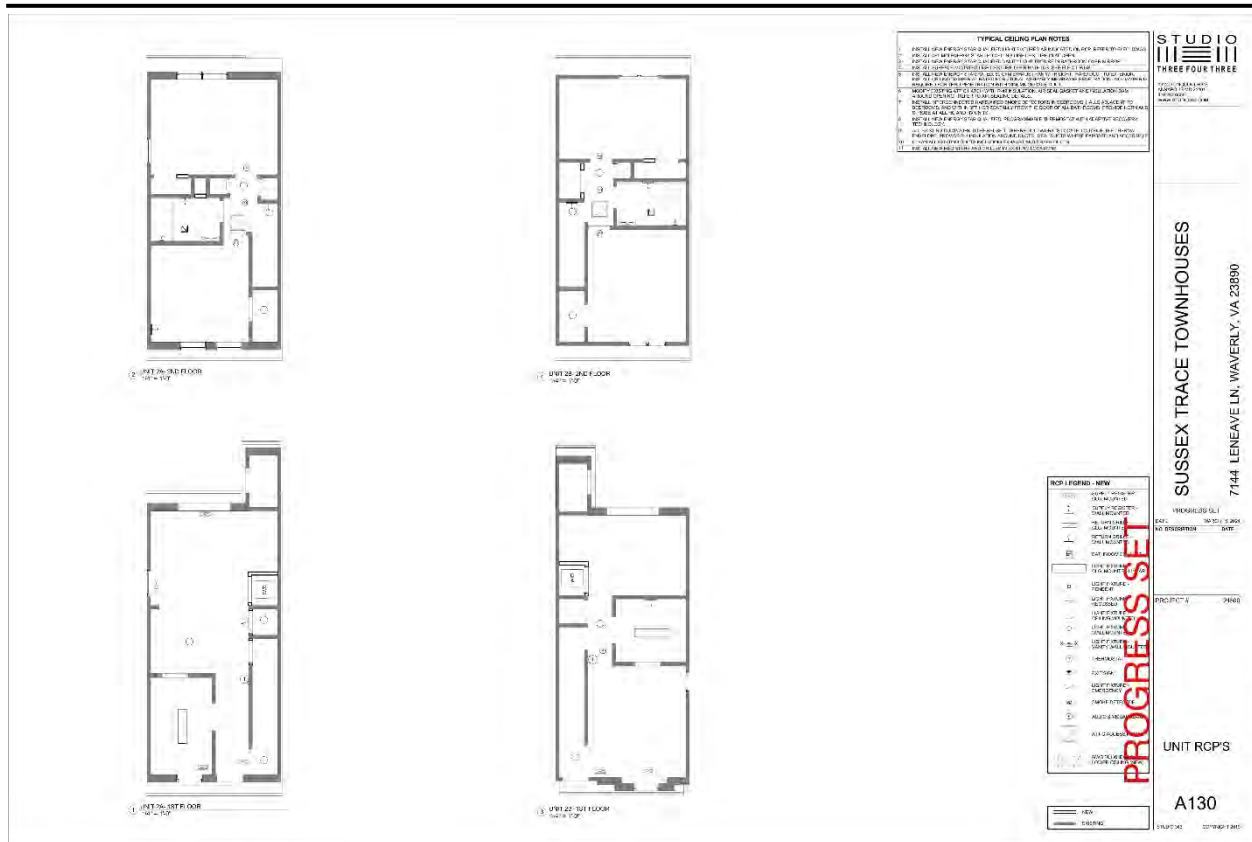










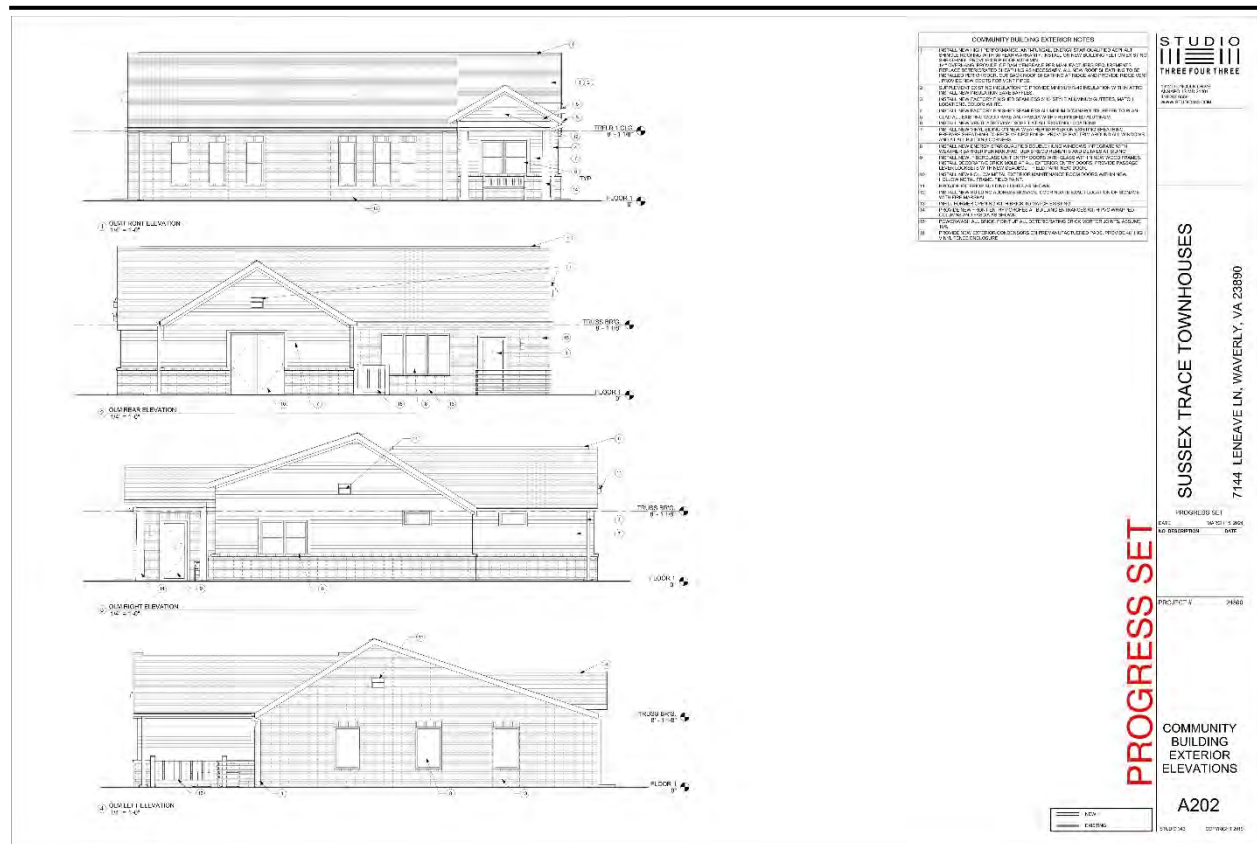


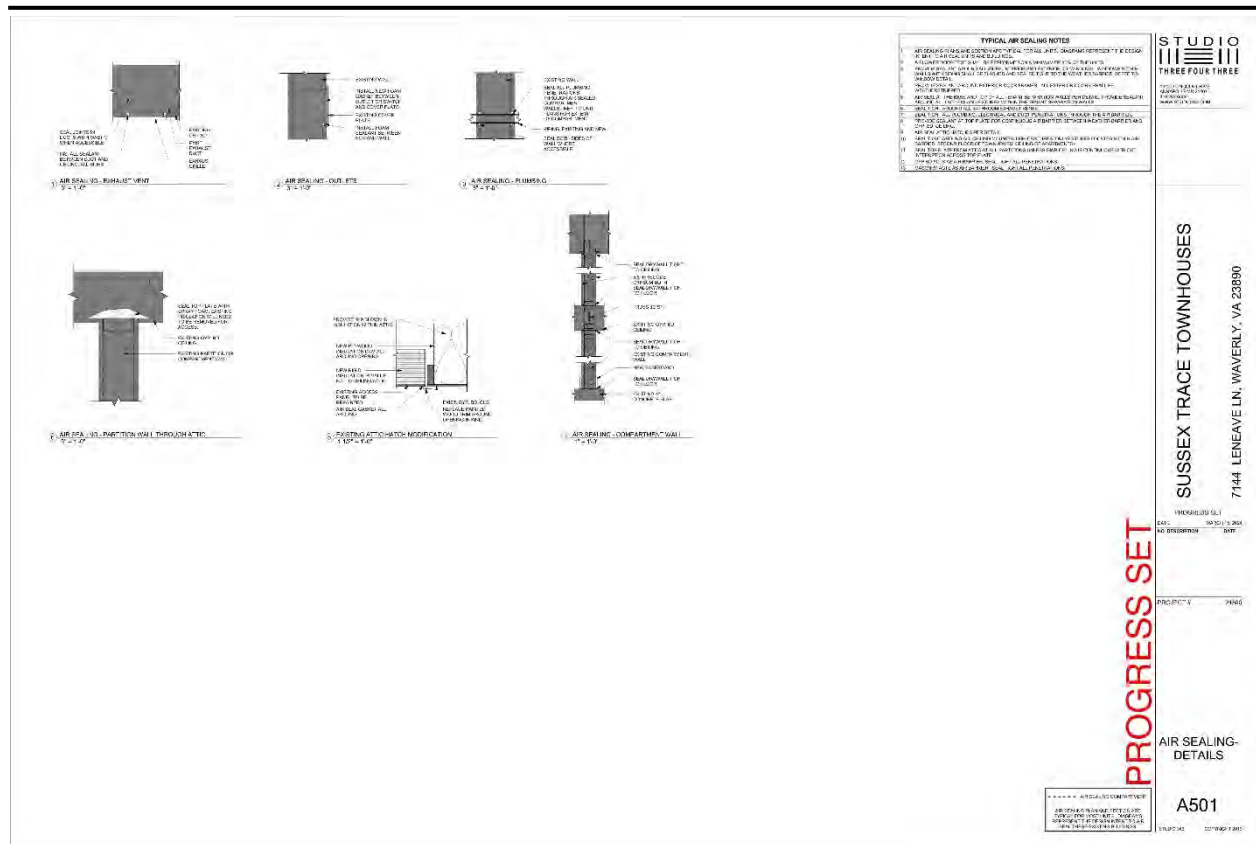
















3/22/2024				
Unit by Unit Scope of Work				
Sussex Trace Apartments				
<u>General:</u>				
• Install new ducted split system heat pump				
• Install Rough in for future Dehumidifier in all units.				
• Construct bulkheads where necessary.				
• Clean existing ducts.				
• Install new High Efficiency Electric Water Heater and pan.				
• Replace carpet and pad in bedrooms and bedroom closets. Bathrooms, utility closets, and laundry closets are to receive new sheet vinyl flooring. Luxury Vinyl planks (LVP) is to be installed in all other areas. Including but not limited to the kitchen, living room, corridors, hall closets.				
• Install wood base. Vinyl base will be installed in mechanical closets and water heater closets..				
• Patch drywall throughout units.				
• Paint interior of units with low VOC paint.				
• Replace switches, receptacles and plates at all interior spaces. Provide USB in kitchen, living room, and bedroom.				
• Install cable TV outlets at all bedrooms - install media cabinet in each unit				
• Install stacked washer and dryers				
• Replace all interior locksets.				
• Replace all interior doors. Bedrooms and bathroom door will be solid core; closet doors will be hollow core. All bi-fold doors will be replaced with swing doors				
• Install new blinds at all windows - no pull string				
• Install new all new double hung windows.				
• Install new handles and dead bolts at all entry doors.				
• Install new vase shaped door knockers with eye viewer on new entry doors.				
• Provide three computer work stations with internet in the community center.				
• Install passive radon system with plugs in attic for future fan				
• Install new vinyl coated wire shelving in pantry closet.				
• Install new shelf and rod in coat closet				
• Provide air sealing throughout unit.				
<u>Living/Dining Area:</u>				
• Replace/Install LVT plank flooring. Provide underlayment at second floor units				
<u>Kitchen:</u>				
• Provide kitchens that are open to living/dining area.				
• Replace wall cabinets				
• Replace base cabinets				
• Replace countertops				
• Replace sink faucet				
• Replace sink				
• Install Energy Star LED light fixture				
• Install aluminum range guards at adjacent wall(s)				
• Install GFCI receptacles				
• Install Energy Star dishwasher				
• Install Energy Star refrigerator				
• Install 30" electric coil range with rear controls				
• Install a pair of fire suppression pucks above ranges				
• Replace range hood with combo energy star microwave/hood, vented directly to the exterior.				
• Install LVT plank flooring. Provide 1/4" underlayment at second floor units.				
<u>Hall/Stairs/Mechanical Closet:</u>				
• Install smoke detector at hall and top of stairs (where applicable)				
• Install Energy Star light fixture at hall, closet over stairs, and top of stairs (where applicable)				
• Install Energy Star light fixture in mechanical closet.				
• Install new water heater, pan, and fan coil unit as shown on plans.				



3/22/2024				
Unit by Unit Scope of Work				
Sussex Trace Apartments				
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ADDENDUM E – FLOOD DATA

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) <i>Zone A, X, APX</i>
	With BFE or Depth <i>Zone AE, AO, AH, V1, V2, AR</i>
	Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depths less than one foot or with drainage areas of less than one square mile <i>Zone X</i>
	Future Conditions 1% Annual Chance Flood Hazard <i>Zone X</i>
	Area with Reduced Flood Risk due to Levees. See Notes, <i>Zone X</i>
	Area with Flood Risk due to Levee <i>Zone D</i>
OTHER AREAS	NO SCREEN Area of Minimal Flood Hazard <i>Zone A</i>
	Effective LOMs
	Area of Undetermined Flood Hazard <i>Zone D</i>
GENERAL STRUCTURES	Channel, Culvert, or Storm Sewer
	Levee, Dike, or Floodwall
OTHER FEATURES	Cross Sections with 1% Annual Chance Water Surface Elevation
	Coastal Tract
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
	Coastal Tract Baseline
	Profile Baseline
	Hydrographic Feature
MAP PANELS	Digital Data Available
	No Digital Data Available
	Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The base map shown complies with FEMA's base map accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/29/2024 at 4:20 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: base map imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodified areas cannot be used for regulatory purposes.