

**A MARKET FEASIBILITY STUDY OF:**  
**TWIN PINES**

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# **TWIN PINES**

3993 Twin Pines Road  
Portsmouth, Portsmouth City, Virginia 23703

Effective Date: April 2, 2025  
Report Date: April 30, 2025

Prepared for:  
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April 30, 2025

Michael Schmeiler  
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777 W Putnam Avenue  
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Re: Application Market Study for Twin Pines  
3993 Twin Pines Road  
Portsmouth, Portsmouth City, Virginia 23703

Dear Michael Schmeiler:

At your request, Novogradac & Company LLP, doing business under the brand name Novogradac Consulting (Novogradac), has performed a study of the multifamily rental market in the Portsmouth, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We are concurrently preparing an appraisal for the Subject. We previously prepared an application market study and appraisal of the Subject property in June 2024.

The purpose of this market study is to assess the viability of the proposed 82-unit senior (55+) LIHTC/Project Based Voucher (PBV) development, restricted to households earning 30, 50 and 60 percent of the Area Median Income (AMI), or less. All 82 units will operate with rental assistance through Project Based Vouchers (PBV), where tenants will pay 30 percent of their income towards rent, not in excess of the LIHTC maximum allowable levels. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Virginia Housing, including the following:

- Inspecting the site of the proposed Subject, and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.
- Investigating the general economic health and conditions of the multifamily rental market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary and Secondary Market Area(s), if applicable.
- Surveying competing projects, both LIHTC and market-rate.

The depth of discussion contained in the report is compliant with both the requirements of Virginia Housing Market Study Guidelines and the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). NCHMA is a professional organization chartered to promote the development of high-quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report, which Novogradac certifies as a NCHMA-compliant comprehensive market analysis full narrative report, conforms to those standards; any slight modifications or departures from those standards are considered incidental. The report and the conclusions are subject to the Assumptions and Limiting Conditions attached. This report

contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

TRG Community Development is the client in this engagement and intended user of this report. Furthermore, Virginia Housing is an authorized user of this market study and Virginia Housing may rely on representations made herein. As our client, TRG Community Development owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

The Stated Purpose of this assignment is for application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

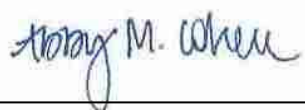
Pursuant to Virginia Housing requirements, we certify:

1. We have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of our knowledge the market can support the demand shown in this study. We understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
4. No one at this firm has any interest in the proposed development or a relationship with the ownership entity.
5. No one at this firm, nor anyone acting on behalf of the firm in connection with the preparation of this report, has communicated to others that the firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for our services is not contingent on this development receiving a LIHTC reservation or allocation.
7. Evidence of our NCHMA membership is included.



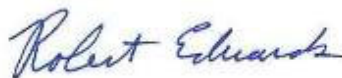
Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,  
Novogradac



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## **A. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

<b>Subject Site and Location:</b>	Twin Pines (Subject) is a proposed LIHTC/PBV senior (55+) apartment property that will be located at 3993 Twin Pines Road in Portsmouth, Portsmouth City, Virginia. The maximum tenant income will be restricted to the 30, 50 and 60 percent AMI levels. All 82 units will operate with rental assistance through project based vouchers (PBV), where tenants will pay 30 percent of their income towards rent not in excess of the LIHTC maximum allowable levels. The Subject will offer 70 one-bedroom units and 12 two-bedroom units in one, four-story, midrise, elevator-serviced residential building. Construction is scheduled to begin in November 2025 with completion anticipated in May 2027.
<b>Surrounding Land Uses:</b>	The Subject site is located in the Churchland neighborhood of Portsmouth. Land uses to the north of the Subject consist of single-family homes in average to good condition. Land uses to the east consist of wooded land, Westwinds Apartments, a market rate development utilized as a comparable in this report, as well as single-family homes in average to good condition. Land uses to the south consists of retail and commercial uses alongside Twin Pines Road. Land uses to the west consist single-family homes in average to good condition. Commercial areas in the Subject's neighborhood are approximately 90 percent occupied.
<b>Site Description:</b>	The overall Subject site is irregular in shape and has frontage along the east side of Twin Pines Road. The overall site for the proposed 82-unit development, targeting seniors, is 3.734 acres, or 162,651 square feet, according to a survey prepared by MidAtlantic Surveying and Land Design, dated November 10, 2021. The site exhibits topography that is generally level and is not located in a floodplain. Upon completion, the Subject will consist of one, four-story, midrise, elevator-serviced residential building. The Subject's larger overall development will offer 123 off-street surface parking spaces at the property for no additional fees.
<b>Scope of Construction:</b>	The proposed Subject will be new construction. The proposed Subject is anticipated to begin construction in November 2025 with completion anticipated in May 2027. The Subject site will be improved with one four-story midrise, elevator-serviced residential building.
<b>Proposed Rents:</b>	The following table details the proposed rents for the Subject's units.

**PROPOSED RENTS**

Unit Type	Unit Size (SF) (1)	Number of Units	Contract Rent (2)	Utility Allowance (3)	Gross Rent	2025 LIHTC Maximum Allowable Gross Rent	2025 HUD Fair Market Rents
@30% (PBV)							
1BR / 1BA	628	7	\$1,505	\$68	\$1,573	\$599	\$1,483
2BR / 2BA	908	2	\$1,717	\$87	\$1,804	\$719	\$1,696
@50% (PBV)							
1BR / 1BA	628	35	\$1,505	\$68	\$1,573	\$998	\$1,483
2BR / 2BA	908	6	\$1,717	\$87	\$1,804	\$1,198	\$1,696
@60% (PBV)							
1BR / 1BA	628	28	\$1,505	\$68	\$1,573	\$1,198	\$1,483
2BR / 2BA	908	4	\$1,717	\$87	\$1,804	\$1,438	\$1,696
<b>82</b>							

Notes (1) Weighted average unit size per Developer.

(2) Proposed contract rent.

(3) Source of Utility Allowance provided by the Developer.

The Subject is a proposed LIHTC/PBV property that will offer a total of 82 units, all of which are revenue-generating and all of which will operate with rental assistance through project-based vouchers (PBV), where tenants will pay 30 percent of their income towards rent. The Subject's rents are contract rents are set above the 2025 maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would have to be lowered to comply with the LIHTC program requirements.

**Target Household Income Levels:**

Based on the proposed unit mix and rent levels, the range of annual household income levels is depicted below.

**55+ INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30% (PBV)		@50% (PBV)		@60% (PBV)	
1BR	\$0	\$25,560	\$0	\$42,600	\$0	\$51,120
2BR	\$0	\$25,560	\$0	\$42,600	\$0	\$51,120

**55+ INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$17,970	\$25,560	\$29,940	\$42,600	\$35,940	\$51,120
2BR	\$21,570	\$25,560	\$35,940	\$42,600	\$43,140	\$51,120

Economic Conditions

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 39 percent of local employment. The large share of PMA employment

in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Employment in the MSA declined by 5.7 percent in 2020 amid the pandemic, slightly below the national decline of 6.2 percent. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a peak level. As of December 2024, employment in the MSA is increasing at an annualized rate of 0.7 percent, higher than 0.3 percent growth rate across the nation. The regional economy is in an expansion period.

### Primary Market Area

We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as a portion of Portsmouth. The PMA boundaries generally consist of Elizabeth river to the north, the Elizabeth River to the east, Interstate 264 to the south, and Interstate 664 to the west. The PMA encompasses approximately 41 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 20 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The SMA is defined as the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA), which consists of the independent cities of Norfolk, Chesapeake, Hampton, Newport News, Portsmouth, Suffolk, Virginia Beach, Williamsburg, Poquoson, and Gloucester, as well as the counties of Isle of Wright, Mathews, James City, and York in Virginia, and the counties of Currituck and Gates in North Carolina and encompasses 3,023 square miles. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

### Demographic Data

Senior (age 55+) population in the PMA increased at an annualized rate of 2.2 percent between 2010 and 2024. Comparatively the MSA and the nation experienced an annualized growth rate of 2.7 percent. The percentage of senior renter households in the PMA rose between 2010 and 2024 and is estimated to be 23.9 percent as of 2024. This is similar to the estimated 24 percent of senior renter households across the overall nation. The median income in the PMA as of 2024 is lower than the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2029. Overall, the combination of rising senior population and median household income bodes well for future demand for multifamily housing.

### Vacancy

The following table summarizes overall weighted vacancy levels at the surveyed properties.

### OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	vacant Units	Vacancy Rate
Arbour Reach Apartments	LIHTC	Family	92	1	1.1%
Crescent Place	LIHTC	Family	156	0	0.0%
Stone Ridge Apartments	LIHTC	Family	207	12	5.8%
Victory Square Apartments	LIHTC	Senior	112	8	7.1%
Century Hampton Roads	Market	Family	216	4	1.9%
Clairmont At Harbour View Station*	Market	Family	276	5	1.8%
Era At Park 216	Market	Senior	104	21	20.2%
Park 216	Market	Family	266	15	5.6%
Westwinds Apartments	Market	Family	408	24	5.9%
<b>Total LIHTC</b>			<b>567</b>	<b>21</b>	<b>3.7%</b>
<b>Total Market Rate</b>			<b>1,270</b>	<b>69</b>	<b>5.4%</b>
<b>Stabilized Market Rate**</b>			<b>1,166</b>	<b>48</b>	<b>4.1%</b>
<b>Overall Total</b>			<b>1,837</b>	<b>90</b>	<b>4.9%</b>
<b>Stabilized Total**</b>			<b>1,733</b>	<b>69</b>	<b>4.0%</b>

\*Located outside of the PMA

\*\*Excludes Era at Park 216, which is in its initial absorption period

The stabilized comparables reported vacancy rates ranging from zero to 7.1 percent, with an overall weighted average of 4.0 percent. It should be noted that Era at Park 216 opened in February 2024, is in its initial absorption period, and has been leasing units at a pace of six units per month. Managers at one of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 3.7 percent, slightly below the 4.1 percent average reported by the stabilized market rate properties. The contact at Victory Square Apartments indicated that the current vacancy rate of 7.1 percent is higher than typical as this property does not currently have a permanent manager. One of the eight vacant units is preleased to a new tenant. The vacancy rate at this property is property specific and not reflective of the performance of the overall market. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent or less upon completion.

The following table details vacancy by bedroom type for the comparable properties surveyed:

### VACANCY BY BEDROOM TYPE

Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Arbour Reach Apartments	LIHTC	Family	-	1.1%	-	1.1%
Crescent Place	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Stone Ridge Apartments	LIHTC	Family	-	-	-	5.8%
Victory Square Apartments	LIHTC	Senior	-	-	-	7.1%
Century Hampton Roads	Market	Family	-	2.8%	-	1.9%
Clairmont At Harbour View Station*	Market	Family	0.8%	3.0%	-	0.0%
Era At Park 216	Market	Senior	-	-	-	20.2%
Park 216	Market	Family	-	-	-	5.6%
Westwinds Apartments	Market	Family	-	-	-	5.9%

\*Located outside the PMA

The Subject will consist of one and two-bedroom units. The vacancy rates for these unit types are low among the stabilized comparables. None of the LIHTC comparables reported maintaining a waiting list, some as a matter of policy. Overall, we believe there is demand for additional rental housing in the market. The Subject is not expected to negatively impact the existing properties in the market.

### Absorption Estimate

The following table details the absorption pace of recently completed properties in the Hampton Roads region.

#### ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)
Era at Park 216	Market	Senior	Suffolk	2024	104	6
The Apartments at Hallstead Reserve	Market	Family	Suffolk	2023	312	15
The Gallery at Godwin	Market	Family	Suffolk	2023	255	26
Riverside Station	LIHTC	Family	Norfolk	2022	236	33
Holley Pointe	LIHTC	Family	Portsmouth	2022	50	12
Port 58 Apartments at Hillpoint	Market	Family	Suffolk	2022	230	18
<b>Average LIHTC</b>					<b>143</b>	<b>23</b>
<b>Average Market Rate</b>					<b>225</b>	<b>16</b>
<b>Overall Average</b>					<b>198</b>	<b>18</b>

We obtained absorption data from six properties in the Hampton Roads region. These properties were completed over the 2022 to 2024 period. These properties reported absorption rates ranging from six to 33 units per month, with an overall average of 18 units per month. The LIHTC properties reported higher absorption rates on average compared to the market rate properties. The sole senior property, Era at Park 216, reports the lowest absorption pace, although this is a market rate property. Overall, we expect the Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately eight to nine months.

### Summary of Competitive Market Conditions

In general, we believe there is demand in the marketplace for the Subject as proposed. The Subject will be well-positioned in the market as a newly constructed property, and generally in similar to superior condition to the majority of the comparable properties. The market exhibits strong demand for both affordable and market rate housing, with limited vacancy. Further, the comparable LIHTC properties reported an overall average vacancy rate of 3.7 percent. Based on the performance of the comparable properties, we expect the Subject to operate with an annual vacancy loss of five percent, or less. Our estimated achievable market rents for the Subject are illustrated below.

#### MARKET RENT COMPARISON

Property Name	1BR	2BR
<b>Subject Pro Forma</b>	<b>\$1,505*</b>	<b>\$1,717*</b>
Century Hampton Roads	\$1,673	\$1,844
	-	\$1,625
Clairmont At Harbour View Station	\$1,525	\$2,067
	\$1,575	\$2,082
Era At Park 216	\$1,779	-
	\$1,679	\$1,856
Park 216	\$1,729	\$2,056
	-	\$2,596
	-	\$2,896
Westwinds Apartments	\$1,346	\$1,518
<b>Average</b>	<b>\$1,615</b>	<b>\$2,060</b>
<b>Achievable Market Rent</b>	<b>\$1,400</b>	<b>\$1,700</b>



**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@30% (PBV)	\$531	\$1,346	\$1,779	\$1,615	\$1,400	62%
1BR / 1BA	@50% (PBV)	\$930	\$1,346	\$1,779	\$1,615	\$1,400	34%
1BR / 1BA	@60% (PBV)	\$1,130	\$1,346	\$1,779	\$1,615	\$1,400	19%
2BR / 2BA	@30% (PBV)	\$632	\$1,518	\$2,896	\$2,060	\$1,700	63%
2BR / 2BA	@50% (PBV)	\$1,111	\$1,518	\$2,896	\$2,060	\$1,700	35%
2BR / 2BA	@60% (PBV)	\$1,351	\$1,518	\$2,896	\$2,060	\$1,700	21%

The Subject's achievable LIHTC rents, absent subsidy, are below the achievable market rents. The Subject's achievable LIHTC rents represent a rent advantage of 19 to 63 percent over the achievable market rents. We concluded that achievable market rents for the Subject's units are above the rents at Westwinds Apartments and below the rents at Era at Park 216.

Westwinds Apartments is a 408-unit, garden-style development located 0.2 miles southeast of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 1989, and currently exhibits inferior condition relative to the proposed Subject, which will be new construction. The manager at Westwinds Apartments reported a low vacancy rate of 5.9 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with Westwinds Apartments.

**SUBJECT COMPARISON TO WESTWINDS APARTMENTS**

Unit Type	Rent Level	Subject Achievable Market Rent	Square Feet	Subject RPSF	Westwinds Apartments Rent	Square Feet	Westwinds Apartments RPSF
1BR / 1BA	@30% (PBV)	\$1,400	628	\$2.23	\$1,346	900	\$1.50
1BR / 1BA	@50% (PBV)	\$1,400	628	\$2.23	\$1,346	900	\$1.50
1BR / 1BA	@60% (PBV)	\$1,400	628	\$2.23	\$1,346	900	\$1.50
2BR / 2BA	@30% (PBV)	\$1,700	908	\$1.87	\$1,518	950	\$1.60
2BR / 2BA	@50% (PBV)	\$1,700	908	\$1.87	\$1,518	950	\$1.60
2BR / 2BA	@60% (PBV)	\$1,700	908	\$1.87	\$1,518	950	\$1.60

Westwinds Apartments offers a playground and a swimming pool, both of which the proposed Subject will lack. However, the Subject will offer microwaves, a business center, and a fitness center, none of which are provided by Westwinds Apartments. On balance, we believe the in-unit and property amenity packages offered by Westwinds Apartments to be slightly superior and similar relative to the proposed Subject, respectively. The Subject's unit sizes are smaller than those at Westwinds Apartments. In overall terms, we believe the Subject will be a superior product relative to the Westwinds Apartments, primarily due to its excellent condition.

Era at Park 216 is a 104-unit, midrise development located 1.4 miles west of the Subject site, in a neighborhood considered superior relative to the Subject's location. All units at this market property are restricted to senior (age 55+) households. The property was built in 2024, and currently exhibits similar condition relative to the proposed Subject, which will be new construction. This property is in its initial absorption period. The following table compares the Subject with Era at Park 216.

**SUBJECT COMPARISON TO ERA AT PARK 216**

Unit Type	Rent Level	Subject Achievable Market Rent	Square Feet	Subject RPSF	Era At Park 216 Rent	Square Feet	Era At Park 216 RPSF
1BR / 1BA	@30% (PBV)	\$1,400	628	\$2.23	\$1,529	773	\$1.98
1BR / 1BA	@50% (PBV)	\$1,400	628	\$2.23	\$1,529	773	\$1.98
1BR / 1BA	@60% (PBV)	\$1,400	628	\$2.23	\$1,529	773	\$1.98
2BR / 2BA	@30% (PBV)	\$1,700	908	\$1.87	\$1,996	1,016	\$1.96
2BR / 2BA	@50% (PBV)	\$1,700	908	\$1.87	\$1,996	1,016	\$1.96
2BR / 2BA	@60% (PBV)	\$1,700	908	\$1.87	\$1,996	1,016	\$1.96

Era at Park 216 offers washer/dryers, a swimming pool, and volleyball court, all of which the proposed Subject will lack. However, the proposed Subject will offer a computer room and picnic area, neither of which are offered by Era at Park 216. On balance, we believe the in-unit and property amenity packages offered by Era at Park 216 to be superior and slightly superior relative to the proposed Subject, respectively. The Subject's units are smaller than those at Era at Park 216. In overall terms, we believe the Subject will be a slightly inferior product relative to Era at Park 216. Our concluded achievable market rents for the Subject's units are below the rents reported by Era at Park 216.

**Demand**

The demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 3.2 percent, as proposed, and 7.0 percent, absent subsidy.

**DEMAND CONCLUSION**

Calculation	As Proposed	Absent Subsidy
@30% (PBV)	0.5%	1.6%
@50% (PBV)	1.8%	12.0%
@60% (PBV)	1.2%	7.1%
All Units	3.2%	7.0%
Annual Demand	5.8%	12.8%
Penetration Rate Methodology One	4.5%	10.4%
Penetration Rate Methodology Two	26.4%	33.4%

We note that the capture rate for the units at the 50 and 60 percent of the AMI levels absent subsidy appears elevated; however, this is a hypothetical scenario as all units are proposed to operate with subsidy and we believe there is adequate demand for the Subject absent subsidy, especially given the high occupancy rates among the majority of the LIHTC comparables. These capture rates are reasonable to moderate taking into account the other indications of demand such as low vacancy rates and waiting lists reported by the comparable properties. The Demand Analysis illustrates demand for the Subject based on captures rates of income-eligible renter households. The annual demand calculation indicates there are approximately 1,354 units and 608 units of demand in the first year of the Subject's operation for the Subject's as proposed and absent subsidy scenarios, respectively. The Subject will need to accommodate 78 units of demand in order to stabilize at five percent vacancy. The demand analysis illustrates adequate demand for the Subject's units. Additionally, all penetration rates as proposed and absent subsidy are low to slightly elevated and indicative of demand for additional affordable housing supply such as the Subject. It is noted that the absent subsidy penetration rates are elevated, however we believe there is sufficient demand as the penetration rates do not consider leakage, senior population growth in the PMA, or seniors converting from homeownership. Additionally, the Subject as proposed will be fully subsidized, and therefore the absent subsidy demand analysis is somewhat moot.

The Virginia Housing net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table in the as proposed scenario.

Project Wide Capture Rate - LIHTC Units	7.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	7.3%
Project Wide Absorption Period (Months)	8-9 months

The following table illustrates the conclusions from this table in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	16.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	16.3%
Project Wide Absorption Period (Months)	8-9 months

These capture rates are moderate. We believe there is sufficient demand for the Subject based on the high occupancy rates among the majority of the LIHTC comparables.

### Strengths

- The Subject will offer excellent condition as a new construction development, similar to superior to the comparable properties.
- The Subject will offer a midrise, elevator-serviced design, similar to slightly superior to the comparables.
- All of the comparable LIHTC properties reported achieving 2024 maximum allowable rents. The 2025 maximum allowable rents were recently released as of the date of our interviews and have not yet been implemented as of the effective date of our report.
- There is ample demand for affordable housing as evidenced by low capture rates and low vacancy rates, at the majority of the comparable properties.

### Weaknesses

- The Subject's proposed one-bedroom unit size is the smallest among the comparables and the Subject's two-bedroom units are smaller than the comparable average while remaining in the comparable range. Comparables such as Victory Square Apartments, a senior LIHTC comparable, offer similarly small units and reported a stabilized occupancy rate, is achieving the 2024 maximum allowable rents, indicating that the small unit sizes at this development have not negatively impacted occupancy. Therefore, we anticipate that the Subject's unit sizes will be well accepted in the market.

### Recommendations and Overall Conclusion

In general, we believe there is demand in the marketplace for the Subject as proposed. We recommend no changes for the Subject property.

## **B. INTRODUCTION AND SCOPE OF WORK**

## INTRODUCTION AND SCOPE OF WORK

<b>Report Description:</b>	Novogradac has performed a comprehensive market study of the multifamily rental market in the Portsmouth, Virginia area relative to Twin Pines, a proposed senior (55+) LIHTC/PBV development. The Subject's units will be restricted to households earning 30, 50 and 60 percent of the Area Median Income (AMI), or less. All 82 units will operate with rental assistance through project based vouchers (PBV), where tenants will pay 30 percent of their income towards rent. The Subject will consist of 70 one-bedroom units and 12 two-bedroom units contained in one four-story midrise, elevator-serviced residential building. Construction is scheduled to begin in November 2025 with completion anticipated in May 2027. Upon completion, the Subject will be in excellent condition.
<b>Developer/Client Information:</b>	TRG Community Development.
<b>Intended Use and Users of the Report:</b>	TRG Community Development is the Client for this market study. Along with the Client, the Intended Users are representatives of Virginia Housing and potential investors. The Subject report will be submitted to Virginia Housing as part of an application for tax credits.
<b>Type of Report:</b>	Comprehensive Market Analysis Full Narrative Report
<b>Scope of the Report:</b>	<ul style="list-style-type: none"> <li>▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.</li> <li>▪ In-person inspection of the Subject site and its general location.</li> <li>▪ Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.</li> <li>▪ Investigating the general economic health and conditions of the multifamily rental market.</li> <li>▪ Estimating the number of income-eligible households and performing an analysis of relevant demographic demand for the Subject.</li> <li>▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income-eligible tenants in the Primary Market Area.</li> <li>▪ Reviewing relevant public records and contacting public agencies.</li> <li>▪ Analysis of the economic and social conditions in the market area, in relation to the project.</li> <li>▪ Establishing the Subject's Primary Market Area, if applicable.</li> <li>▪ Surveying competing projects, both LIHTC and market-rate.</li> </ul>
<b>Effective Date:</b>	The Subject site was last inspected on April 2, 2025, which shall serve as the effective date of this report.
<b>Primary Contacts for the Report:</b>	Abby Cohen – Abby.Cohen@novoco.com and 240-235-1705 Robert Edwards – Bob.Edwards@novoco.com

## **C. PROJECT DESCRIPTION**

## PROJECT DESCRIPTION

The project description will discuss the physical features of the Subject, the proposed unit mix, and rents.

### Subject Property Description:

Twin Pines (Subject) is a proposed LIHTC/PBV senior (55+) apartment property that will be located at 3993 Twin Pines Road in Portsmouth, Virginia. The maximum tenant income will be restricted to the 30, 50 and 60 percent AMI level. All 82 units will operate with rental assistance through project based vouchers (PBV), where tenants will pay 30 percent of their income towards rent not in excess of the LIHTC maximum allowable levels. The Subject will offer 70 one-bedroom units and 12 two-bedroom units in one four-story midrise, elevator-serviced residential building. Construction is scheduled to begin in November 2025 with completion anticipated in May 2027.

Notable amenities will include bike storage, a business center, a clubhouse, courtyard, picnic area, elevators, an exercise facility, off-street parking, a central laundry facility, on-site management, and a pet park, package room, a pet park, Wi-Fi in the common areas, balconies/patios, dishwashers, garbage disposals, coat closets, ceiling fans, an intercom (buzzer) system, and limited access.

The Subject's overall development will be an 82-unit affordable senior (55+) development, with the Subject offering units targeting seniors ages 55 and older. The Subject's units will be restricted to households earning 30, 50 and 60 percent of AMI, or less. All units will have project-based subsidy where tenants pay 30 percent of their income as rent.

### Construction Type:

The Subject's units will be contained within one four-story midrise, elevator-serviced residential building.



Source: Developer, April 2025

### Target Population and Occupancy Type:

The proposed Subject will target one to two person senior (55+) households earning 30, 50 and 60 percent of the AMI or below. Based on the unit mix and proposed rent levels, the qualifying annual incomes for the Subject's proposed units will range from \$0 to \$51,120 as proposed and \$17,970 to \$51,120 absent subsidy.

### Proposed Rents:

The following table details the proposed rents for the Subject's units.

#### PROPOSED RENTS

Unit Type	Unit Size (SF) (1)	Number of Units	Contract Rent (2)	Utility Allowance (3)	Gross Rent	2025 LIHTC Maximum Allowable Gross Rent	2025 HUD Fair Market Rents
@30% (PBV)							
1BR / 1BA	628	7	\$1,505	\$68	\$1,573	\$599	\$1,483
2BR / 2BA	908	2	\$1,717	\$87	\$1,804	\$719	\$1,696
@50% (PBV)							
1BR / 1BA	628	35	\$1,505	\$68	\$1,573	\$998	\$1,483
2BR / 2BA	908	6	\$1,717	\$87	\$1,804	\$1,198	\$1,696
@60% (PBV)							
1BR / 1BA	628	28	\$1,505	\$68	\$1,573	\$1,198	\$1,483
2BR / 2BA	908	4	\$1,717	\$87	\$1,804	\$1,438	\$1,696
		<b>82</b>					

Notes (1) Weighted average unit size per Developer.

(2) Proposed contract rent.

(3) Source of Utility Allowance provided by the Developer.

The Subject is a proposed LIHTC/PBV property that will offer a total of 82 units, all of which are revenue-generating and all of which will operate with rental assistance through project-based vouchers (PBV), where tenants will pay 30 percent of their income towards rent. The Subject's rents are contract rents are set above the 2025 maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would have to be lowered to comply with the LIHTC program requirements.



**Assisted Housing Program:**

Of the total units, all 82 units will operate with rental assistance through project-based vouchers (PBV), where tenants will pay 30 percent of their income towards rent.

**Construction Date:**

The Subject is anticipated to begin construction in November 2025 and be completed in May 2027.

**Target Household Income Levels:**

Based on the proposed restrictions, the range of annual household income levels is depicted below.

**55+ INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30% (PBV)		@50% (PBV)		@60% (PBV)	
1BR	\$0	\$25,560	\$0	\$42,600	\$0	\$51,120
2BR	\$0	\$25,560	\$0	\$42,600	\$0	\$51,120

**55+ INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$17,970	\$25,560	\$29,940	\$42,600	\$35,940	\$51,120
2BR	\$21,570	\$25,560	\$35,940	\$42,600	\$43,140	\$51,120

**Utility Structure:**

Tenants at the Subject will be responsible for electric heat, hot water, cooking, central air conditioning, and general electricity expenses. The cold water, sewer, and trash removal expenses will be paid by the landlord. The comparable properties' utility structures are illustrated in the respective property summaries and are adjusted appropriately to account for differences relative to the Subject's utility structure, based on the large apartment utility allowances from the Portsmouth Redevelopment and Housing Authority (PRHA), effective January 1, 2025.

### HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR
Heating - Electric	Tenant	\$13	\$15
Cooking - Electric	Tenant	\$5	\$8
Other Electric*	Tenant	\$28	\$36
Air Conditioning	Tenant	\$9	\$12
Water Heating - Electric	Tenant	\$13	\$16
Water	Landlord	\$30	\$38
Sewer	Landlord	\$21	\$30
Trash	Landlord	\$29	\$29
<b>TOTAL - Paid By Landlord</b>		<b>\$80</b>	<b>\$97</b>
<b>TOTAL - Paid By Tenant</b>		<b>\$68</b>	<b>\$87</b>
<b>TOTAL - Paid By Tenant Provided by Developer</b>		<b>\$68</b>	<b>\$87</b>
<b>DIFFERENCE</b>		<b>100%</b>	<b>100%</b>

Source: Portsmouth Redevelopment and Housing Authority, effective 1/2025

\*Included \$8 base electric fee

The developer utility allowance estimates are identical to the PRHA estimates. The PRHA estimates are used to adjust the comparable properties with differing utility structures to the Subject's utility structure for an "apples-to-apples" comparison.

#### Unit Mix:

The following table illustrates the Subject's proposed detailed unit mix and unit sizes, as provided by the developer:

### UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	70	628	43,960
2BR / 2BA	12	908	10,896
<b>TOTAL</b>	<b>82</b>		<b>54,856</b>

Source: developer

#### Net Leasable Area:

Approximately 54,856 square feet, as illustrated above.

#### Unit Amenities:

The Subject unit amenities will consist of a balcony/patio, blinds, carpet and vinyl plank flooring, central air conditioning, coat closets, dishwashers, ceiling fans, garbage disposals, microwaves, range/ovens, and refrigerators.

#### Common Area Amenities:

The Subject common area amenities will consist of bike storage, a business center, community room, courtyard, elevators, an exercise facility, central laundry facility, on-site management, a pet park, picnic area, a package room, recreation areas, and Wi-Fi in the common areas.

#### Parking:

The Subject will offer a total of 123 off-street parking spaces for the 82 units, which equates to approximately 1.5 spaces per unit. There will be no fee for parking. Given the Subject's

senior tenancy, we expect the number of parking spaces will be adequate.

**Number of Stories and Buildings:**

There will be one four-story midrise, elevator-serviced residential building. The Subject will exhibit excellent overall condition following completion.

**Americans with  
Disabilities Act of 1990:**

As newly constructed development, we assume the Subject property will not have any violations of the Americans with Disabilities Act of 1990.

**Quality of Construction Condition  
and Deferred Maintenance:**

We anticipate that the Subject will be constructed using good-quality materials. As new construction, the Subject will not suffer from deferred maintenance and will be in excellent condition.

**Functional Utility:**

We were provided with preliminary floor plans for the Subject's overall development. Based upon our review of the Subject floor plans, as well as local interviews, we believe the Subject will be functional upon completion. Copies of the floor plans are included in the *Addenda* of this report.

**Architectural Plans:**

We were provided with preliminary architectural plans for the Subject's overall development. A copy of the site and architectural plans are included in the addenda of this report.

**Conclusion:**

The Subject property is a proposed 82-unit new construction LIHTC/PBV senior (55+) development that will be in excellent condition following construction. As a new construction development with market-oriented floor plans, the Subject will not suffer from functional obsolescence and will provide good utility for its intended use. Additionally, the Subject will be amongst the newest supply of affordable housing in the market and will be superior to the existing supply of affordable housing.

Twin Pines		
Location	3993 Twin Pines Road Portsmouth, VA 23703	
Units	82	
Vacant Units	N/A	
Vacancy Rate	N/A	
Type	Midrise (age-restricted) (4 stories)	
Year Built / Renovated	2027 / n/a	

Utilities			
A/C	not included – central	Other Electric	not included
Cooking	not included – electric	Water	included
Water Heat	not included – electric	Sewer	included
Heat	not included – electric	Trash Collection	included

Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Midrise	7	628	\$1,505	\$0	@30% (PBV)	N/A	N/A	N/A	N/A
1	1	Midrise	35	628	\$1,505	\$0	@50% (PBV)	N/A	N/A	N/A	N/A
1	1	Midrise	28	628	\$1,505	\$0	@60% (PBV)	N/A	N/A	N/A	N/A
2	2	Midrise	2	908	\$1,717	\$0	@30% (PBV)	N/A	N/A	N/A	N/A
2	2	Midrise	6	908	\$1,717	\$0	@50% (PBV)	N/A	N/A	N/A	N/A
2	2	Midrise	4	908	\$1,717	\$0	@60% (PBV)	N/A	N/A	N/A	N/A

Amenities			
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Vinyl Plank Flooring	Property	Bike Storage Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Courtyard Elevators Exercise Facility Central Laundry Library Off-Street Parking On-Site Management Pet Park Picnic Area Recreation Areas Wi-Fi
Security	Intercom (Buzzer) Limited Access	Premium	none
Services	none	Other	none

## **D. LOCATION**



## LOCATION

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow.



Source: Google Earth, April 2025

**Subject Site Location:**

The Subject site is located at 3993 Twin Pines Road Portsmouth, Virginia 23703.

**Size:**

According to a survey prepared by MidAtlantic Surveying and Land Design, dated November 10, 2021, the size of the Subject site is 3.734 acres of 162,651 square feet.

**Shape:**

The Subject site is irregular in shape.

**Frontage:**

The Subject site has frontage along the east side of Twin Pines Road.

**Topography:**

The Subject site generally level topography.

**Visibility/Views:**

The Subject site has excellent visibility along Twin Pines Road. Views to the north consist of vacant wooded land. Views to the east consist of single-family homes in average

to good condition. Views southeast consist of Westwinds Apartments, a market rate development that has been included as a comparable in this report. To the west, views consist of single-family homes in average to good condition. Overall, visibility is considered excellent, and views are considered average.

### Surrounding Land Uses:

The Subject site is located in the Churchland neighborhood of Portsmouth. Land uses to the north of the Subject consist of single-family homes in average to good condition. Land uses to the east consists of wooded land, Westwinds Apartments, a market rate development utilized as a comparable in this report, as well as single-family homes in average to good condition. Land uses to the south consists of retail and commercial uses alongside Twin Pines Road. Land uses to the west consist single-family homes in average to good condition. Commercial areas in the Subject's neighborhood are approximately 90 percent occupied.



View along Twin Pines Road looking north



View along Twin Pines Road looking south

### Access and Traffic Flow:

The Subject will be accessible from Twin Pines road, which is a two-lane road traversing north/south throughout the Subject's neighborhood. Twin Pines Road provides access to Virginia State Route 164, approximately 0.2 miles to the south. Virginia State Route 164 is a four-lane limited access highway that traverses east/west throughout the northern portions of Portsmouth and Suffolk. Virginia State Route 164 provides access to Interstate 664, approximately 1.4 miles to the west. Northbound Interstate 664 leads to Interstate 64 in Hampton, which in turn provides access to Richmond to the west. Overall, access and traffic flow are considered good.



**Layout and Curb Appeal:**

Summary of Subject Site Characteristics	
Visibility	Excellent
Views	Average
Access/Traffic Flow	Good
Layout/Curb Appeal	Good

**Drainage:**

Appears adequate, however, no specific tests were performed. Further, we are not experts in this field and cannot opine on this issue.

**Soil and Subsoil Conditions:**

Novogradac did not perform any soil or subsoil tests upon inspection of the site, as this is beyond the scope of this report. We are not experts in this field, and assume the soil is adequate for development.

**Environmental Assessment:**

We were provided with a Phase I Environmental Site Assessment for the Subject property prepared by Timmins Group, dated January 24, 2024. According to the report, one recognized environmental condition (REC) was identified in connection with the Subject property. This is the presence of a gas station at 3909 Town Pines Road to the south of the Subject. There were petroleum releases from this facility in the 1980s and 1990s. Due to the documented releases of petroleum in the ground water, this presents a REC due to its proximity to the Subject site. We also reviewed a Phase I Environmental Site Assessment for the Subject property prepared by Timmins Group, dated September 6, 2024. The results of this investigation did not uncover any hazards on the Subject site and no further action was recommended. During our site inspection, we walked the Subject's grounds and did not observe any obvious indicators of environmental contamination. Nonetheless, Novogradac are not experts in this field and further analysis is beyond the scope of this report.

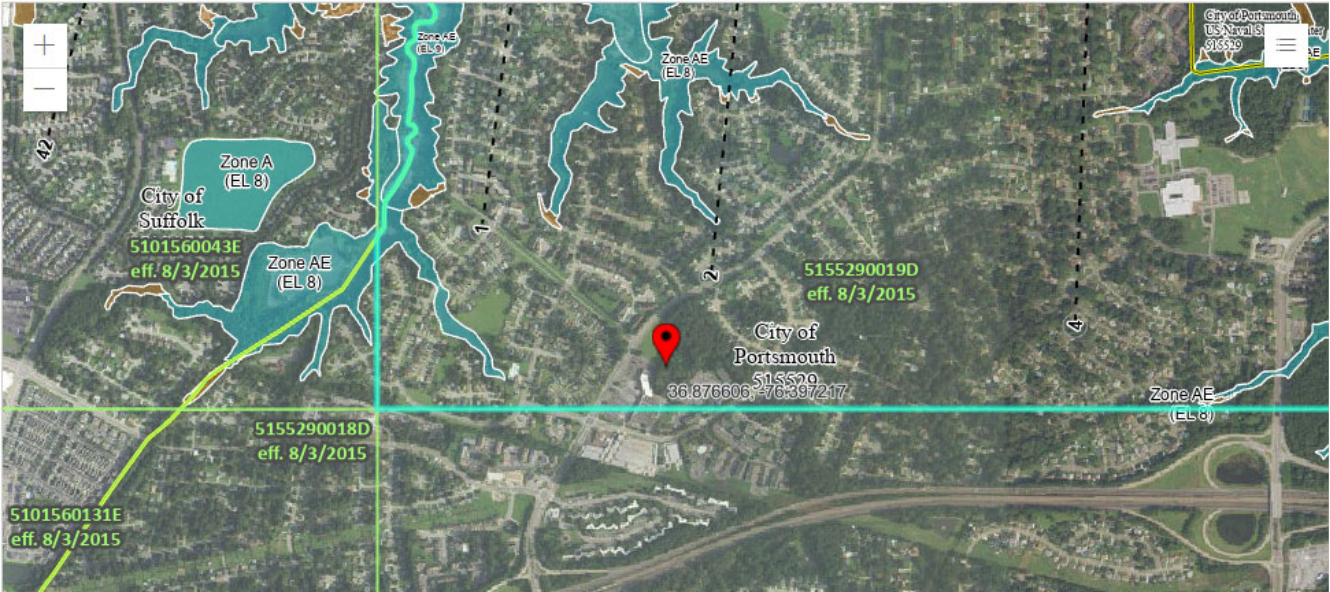
**Detrimental Influences:**

At the time of the site inspection, there were no detrimental influences that would adversely impact the marketability of the Subject.

**Flood Zone:**

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 5155290019D, dated August 3, 2015, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the 0.2 percent annual chance floodplains.

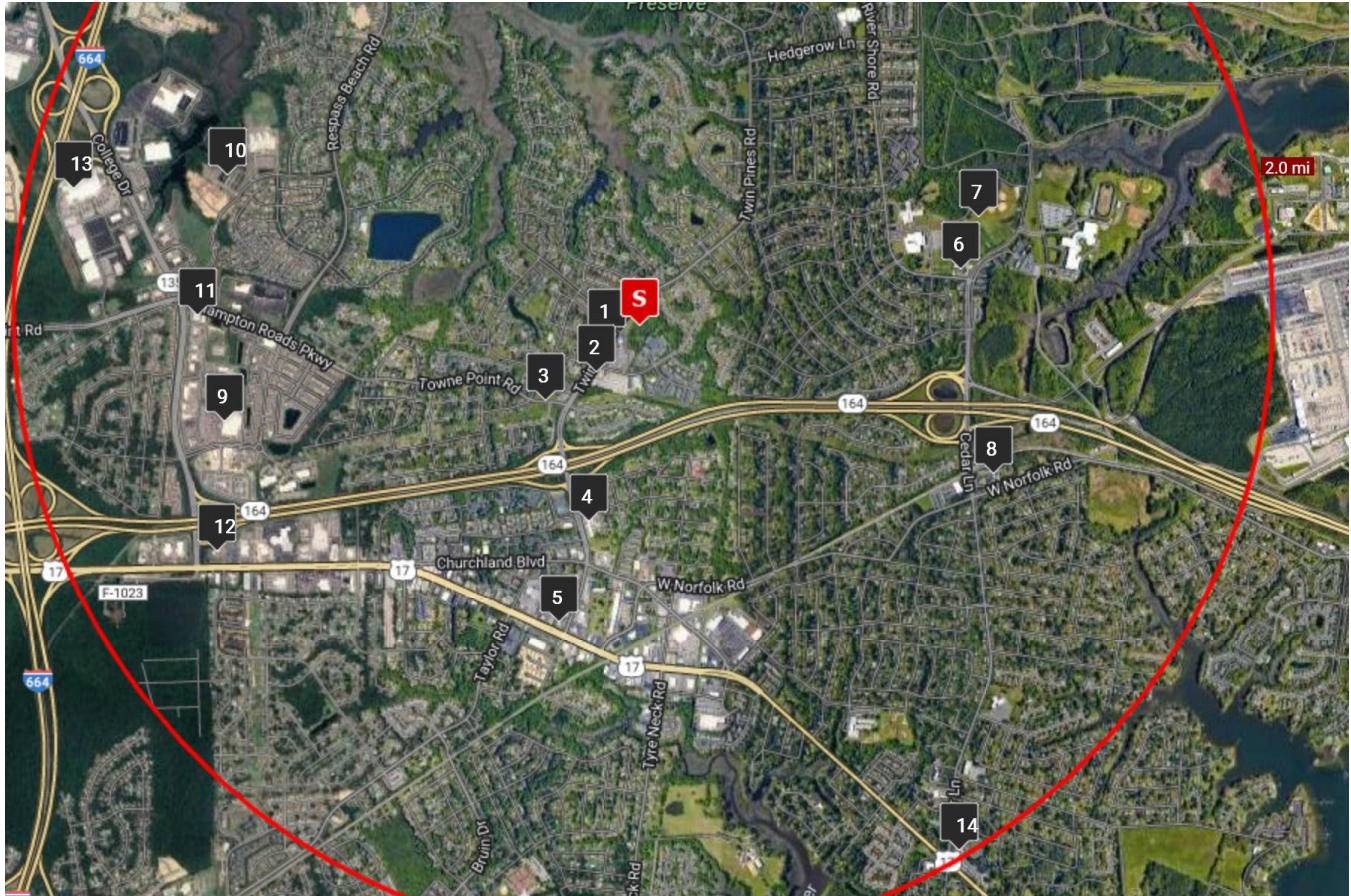




Source: FEMA Flood Map Service Center, April 2025

**Locational Amenities:**

The following table and map illustrate the Subject's proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.



Source: Google Earth, April 2025

#### LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	#	Service or Amenity	Distance to Subject
1	Dollar General	0.1 miles	8	Commonwealth Senior Living	1.2 miles
2	Gas Station	0.2 miles	9	Kroger	1.3 miles
3	Bus Stop (Towne Point & Pepperwood)	0.4 miles	10	Virginia State Police	1.4 miles
4	United States Postal Services	0.6 miles	11	Rite Aid Pharmacy	1.4 miles
5	Wells Fargo Bank	1.0 miles	12	Lakeview Medical Center	1.5 miles
6	Portsmouth Fire Station	1.1 miles	13	Walmart	1.8 miles
7	Churchland Park	1.1 miles	14	Portsmouth Public Library	2.0 miles

#### Public Transportation:

Public transportation is provided by Hampton Roads Transit. The closest bus stop is located 0.4 miles east of the subject, at the intersection of Towne Point and Pepperwood. A one-way fare is \$2.00 for adults and \$1.00 seniors aged 65 and older, Medicare cardholders, persons with disabilities, or children aged 17 and younger.

#### Crime Statistics:

The table below illustrates crime indices in the PMA and MSA in comparison to that of the nation. A crime index below 100 is below the national average and anything over 100 is above the nation's crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime



index of 200 would be twice that of the national average. Crime indices were provided by 2023 ESRI Demographics data.

#### 2024 CRIME INDICES

	PMA	MSA
<b>Total Crime*</b>	<b>88</b>	<b>73</b>
<b>Personal Crime*</b>	<b>85</b>	<b>63</b>
Murder	194	122
Rape	110	91
Robbery	93	61
Assault	76	57
<b>Property Crime*</b>	<b>89</b>	<b>75</b>
Burglary	63	54
Larceny	98	83
Motor Vehicle Theft	64	50

Source: Esri Demographics 2024, Novogradac, April 2025

\*Unweighted aggregations

Total crime indices in the PMA are slightly below the national average and above the MSA. Both geographic areas feature crime indices below the overall nation. The proposed Subject will offer intercom (buzzer) and limited access. All of the comparable properties offer some form of security feature. The Subject's security features appear to be market-oriented.

#### Conclusion:

The Subject site is located in Portsmouth approximately 1.4 miles west of Interstate 664. The immediate neighborhood consists of single-family homes, multifamily developments, retail and commercial uses. Residential uses in the Subject's neighborhood are generally in average to good condition. A number of retail properties are located west of the Subject site along Twin Pines Road, including restaurants, Kroger grocery, coffee shops, banks, and other local businesses. Commercial areas in the Subject's neighborhood are approximately 90 percent occupied. The Subject site is designated as "Car Dependent" by WalkScore with a score of 21, indicating that almost all errands require a car. The surrounding housing stock in the Subject's neighborhood consisting of single-family homes and townhomes were constructed after 1979 and are in average to good condition. According to Zillow, the current median home value in the Subject's zip code is approximately \$303,635.

## Subject Property & Neighborhood Photos



Subject site from Twin Pines Road



Subject site from Twin Pines Road



Subject site from Twin Pines Road



Southern edge of Subject site looking east



Interior of Subject site looking south



Interior of Subject site looking west





Southern edge of Subject site looking west



Interior of Subject site looking northwest



Retail center immediately south of Subject site



Retail center immediately south of Subject site



Gas station/convenience store south of Subject site



Self-storage facility to the south of Subject site





Westwinds Apartments to the east of Subject site



Townhomes to the west of Subject site



Townhomes to the west of Subject site



Duplex homes to the west of Subject site



Duplex homes to the west of Subject site



Duplex homes to the west of Subject site





Single-family homes to the west of Subject site



Single-family homes to the west of Subject site



Single-family homes to the northwest of Subject site



Single-family homes to the northwest of Subject site



Single-family homes to the northwest of Subject site



Single-family home to the northwest of Subject site

## **E. MARKET AREA DEFINITION**



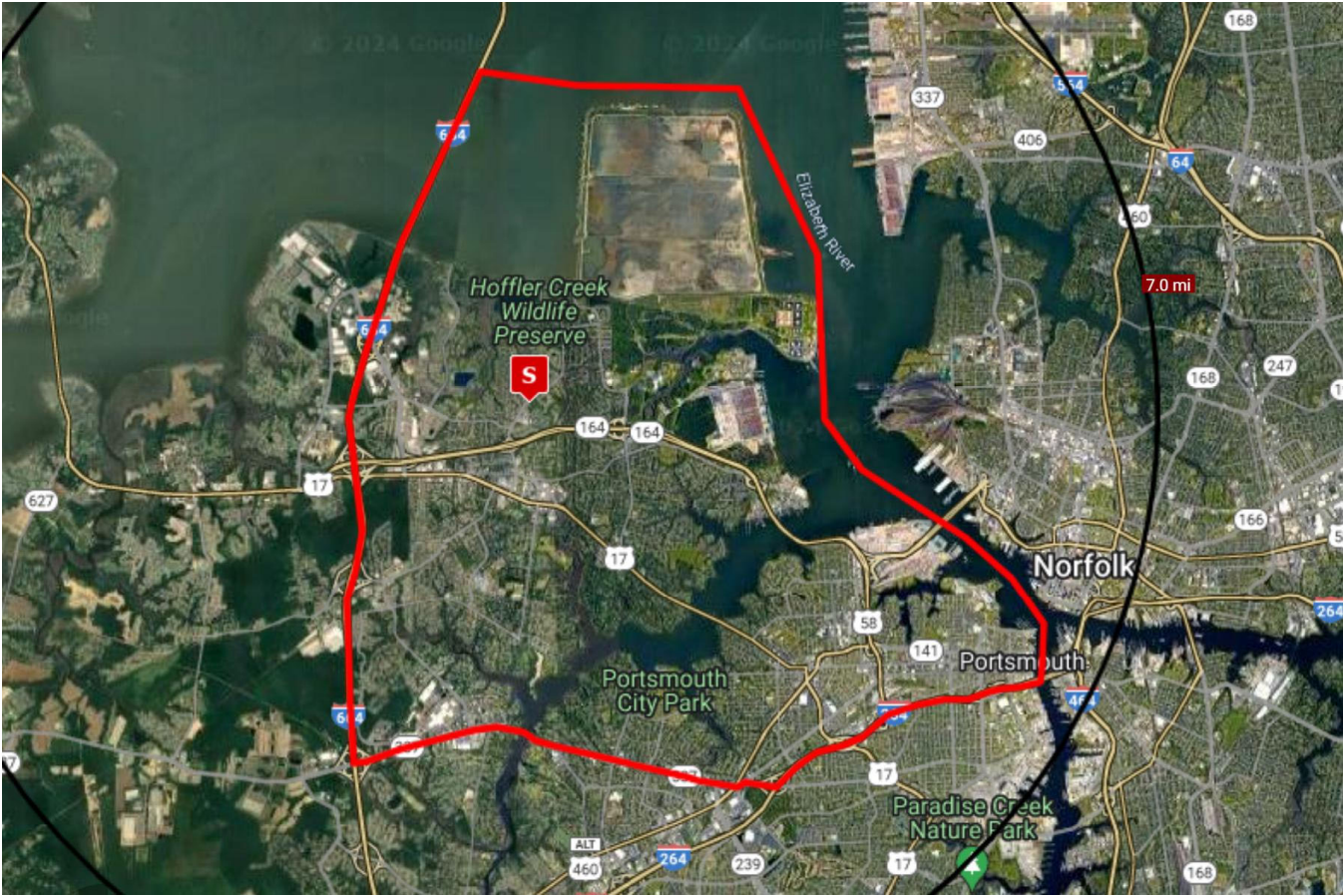
## MARKET AREA

For the purpose of this study, it is necessary to define the competitive Primary Market Area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as a portion of Portsmouth. The PMA boundaries generally consist of Elizabeth River to the north, the Elizabeth River to the east, Interstate 264 to the south, and Interstate 664 to the west. The PMA encompasses approximately 41 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 20 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The SMA is defined as the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA), which consists of the independent cities of Norfolk, Chesapeake, Hampton, Newport News, Portsmouth, Suffolk, Virginia Beach, Williamsburg, Poquoson, and Gloucester, as well as the counties of Isle of Wright, Mathews, James City, and York in Virginia, and the counties of Currituck and Gates in North Carolina and encompasses 3,023 square miles. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

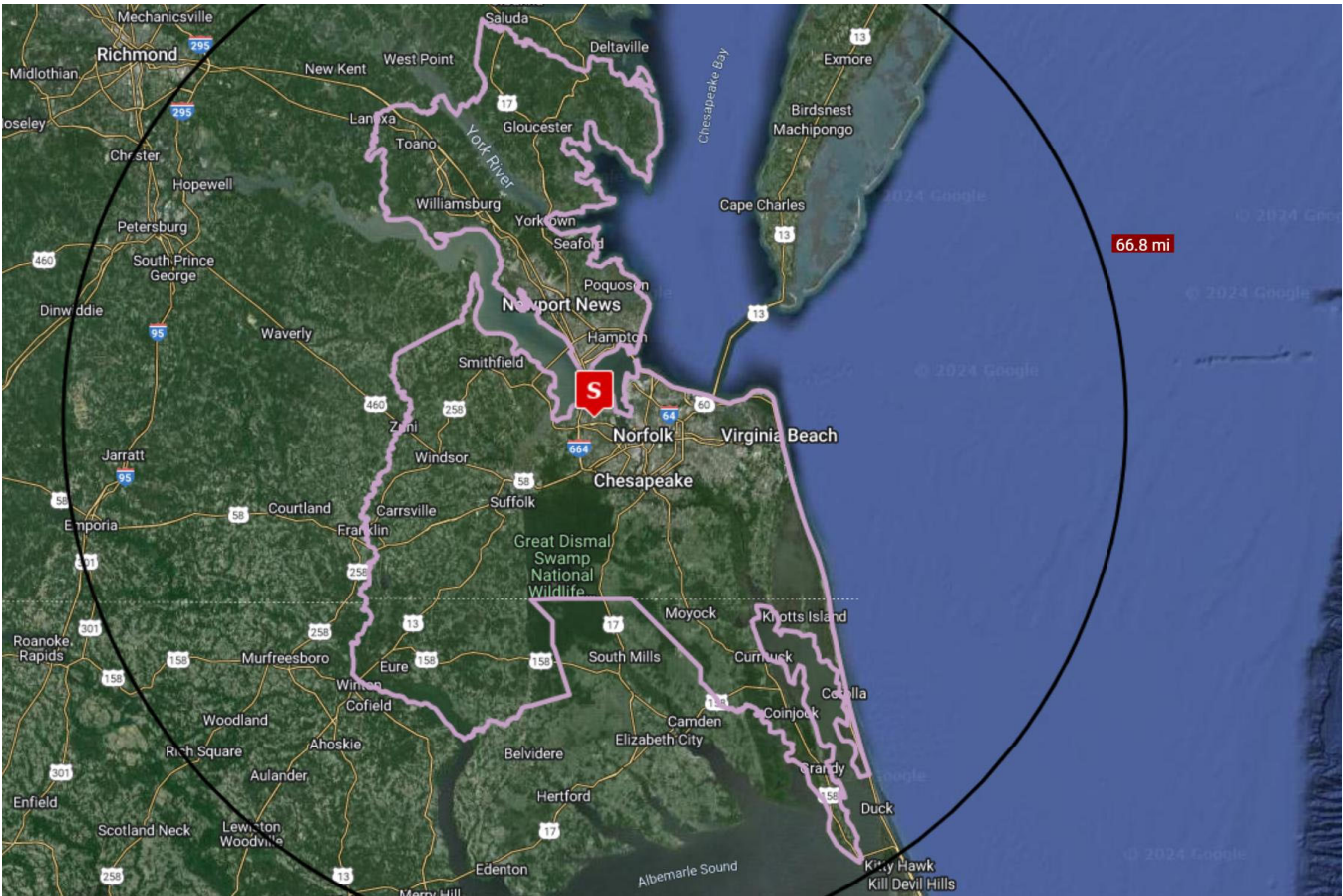
The PMA boundaries and overall market health assessment are based upon analyses of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. No physical boundaries were identified that would inhibit anyone from relocating to the Subject. The market area boundaries identified are a reasonable approximation regarding the potential renter market for the Subject. Overall, we anticipate that the majority of the Subject’s tenants will come from within the boundaries of the PMA. The following map outlines the PMA.

Primary Market Area Map



Source: Google Earth, April 2025

**Metropolitan Statistical Area (MSA) Map**



Source: Google Earth, April 2025.

## **F. EMPLOYMENT AND ECONOMY**



## ECONOMIC ANALYSIS

### Employment by Industry

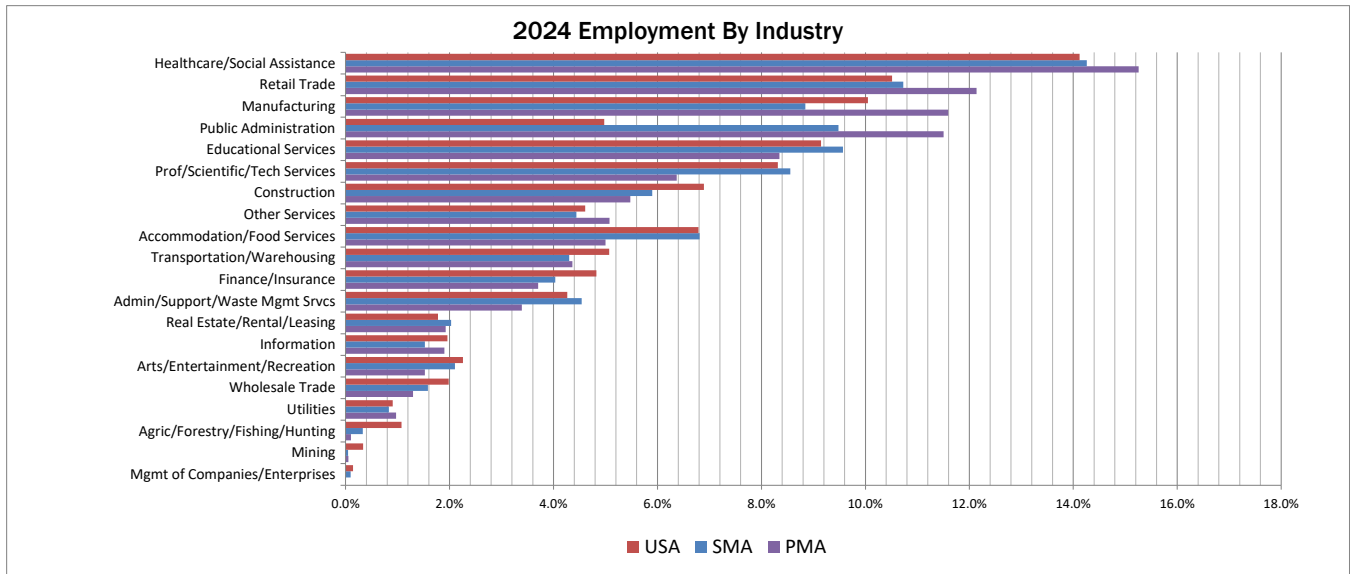
The following table illustrates employment by industry for the PMA and nation as of 2024.

**2024 EMPLOYMENT BY INDUSTRY**

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	6,664	15.3%	23,456,754	14.1%
Retail Trade	5,302	12.1%	17,466,879	10.5%
Manufacturing	5,064	11.6%	16,689,019	10.0%
Public Administration	5,026	11.5%	8,264,977	5.0%
Educational Services	3,645	8.3%	15,195,042	9.1%
Prof/Scientific/Tech Services	2,782	6.4%	13,808,768	8.3%
Construction	2,393	5.5%	11,451,658	6.9%
Other Services	2,218	5.1%	7,659,177	4.6%
Accommodation/Food Services	2,184	5.0%	11,278,763	6.8%
Transportation/Warehousing	1,905	4.4%	8,419,689	5.1%
Finance/Insurance	1,617	3.7%	8,016,602	4.8%
Admin/Support/Waste Mgmt Svcs	1,481	3.4%	7,081,387	4.3%
Real Estate/Rental/Leasing	840	1.9%	2,954,339	1.8%
Information	831	1.9%	3,255,493	2.0%
Arts/Entertainment/Recreation	667	1.5%	3,747,153	2.3%
Wholesale Trade	567	1.3%	3,291,556	2.0%
Utilities	424	1.0%	1,502,053	0.9%
Agric/Forestry/Fishing/Hunting	45	0.1%	1,785,076	1.1%
Mining	23	0.1%	561,373	0.3%
Mgmt of Companies/Enterprises	0	0.0%	237,343	0.1%
<b>Total Employment</b>	<b>43,678</b>	<b>100.0%</b>	<b>166,123,101</b>	<b>100.0%</b>

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 39 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the public administration, retail trade, and manufacturing industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, accommodation/food services, and construction industries.



### Growth by Industry

The following table illustrates the change in total employment by sector in the PMA from 2010 to 2024.

**2010-2024 CHANGE IN EMPLOYMENT - PMA**

Industry	2010		2024		2010-2024	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	4,064	14.4%	6,664	15.3%	2,600	4.6%
Retail Trade	3,303	11.7%	5,302	12.1%	1,999	4.3%
Manufacturing	2,664	9.4%	5,064	11.6%	2,400	6.4%
Public Administration	2,162	7.6%	5,026	11.5%	2,864	9.5%
Educational Services	4,304	15.2%	3,645	8.3%	-659	-1.1%
Prof/Scientific/Tech Services	1,083	3.8%	2,782	6.4%	1,699	11.2%
Construction	1,741	6.2%	2,393	5.5%	652	2.7%
Other Services	1,424	5.0%	2,218	5.1%	794	4.0%
Accommodation/Food Services	2,484	8.8%	2,184	5.0%	-300	-0.9%
Transportation/Warehousing	820	2.9%	1,905	4.4%	1,085	9.5%
Finance/Insurance	1,000	3.5%	1,617	3.7%	617	4.4%
Admin/Support/Waste Mgmt Svcs	1,135	4.0%	1,481	3.4%	346	2.2%
Real Estate/Rental/Leasing	521	1.8%	840	1.9%	319	4.4%
Information	429	1.5%	831	1.9%	402	6.7%
Arts/Entertainment/Recreation	300	1.1%	667	1.5%	367	8.7%
Wholesale Trade	537	1.9%	567	1.3%	30	0.4%
Utilities	224	0.8%	424	1.0%	200	6.4%
Agric/Forestry/Fishing/Hunting	100	0.4%	45	0.1%	-55	-3.9%
Mining	7	0.0%	23	0.1%	16	16.3%
Mgmt of Companies/Enterprises	0	0.0%	0	0.0%	0	0.0%
<b>Total Employment</b>	<b>28,302</b>	<b>100.0%</b>	<b>43,678</b>	<b>100.0%</b>	<b>15,376</b>	<b>3.9%</b>

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

\*Industry data current as of 2010. Other projections current as of 2024.

\* Change in percentage is calculated as a rate of change by industry.

Total employment in the PMA increased at an annualized rate of 3.9 percent between 2010 and 2020. The industries which expanded most substantially during this period include public administration, healthcare/social assistance, and manufacturing. Conversely, the educational services, accommodation/food services, and agric/forestry/fishing/hunting sectors experienced the least growth.

### Major Employers

The table on the following page details the major employers in Portsmouth, VA. It is noted that the exact number of employees at each of these entities was not available.

#### MAJOR EMPLOYERS

Portsmouth, VA

Employer Name	Industry	# Of Employees
U.S. Department of Defense	Federal Government	1,000+
Portsmouth City Public Schools	Local Government	1,000+
Bon Secours Health System	Healthcare	1,000+
City of Portsmouth	Local Government	1,000+
Virginia International Terminal	Transportation and Warehousing	500-999
Ceres Marine Terminals Inc.	Transportation and Warehousing	500-999
Pines Residential Treatment	Healthcare	250-499
U.S. Department of Homeland Security	Federal Government	250-499
Food Lion	Retail Trade	250-499
Aya Healthcare	Administration & Support	250-499
Professional Contract Services	Administration & Support	250-499
Wal-Mart	Retail Trade	250-499
Tidewater Community College	Education	250-499
International Marine	Manufacturing	250-499

Source: Hampton Roads Alliance 2022, accessed April 2025

The largest employers in the area are concentrated primarily in the military, healthcare, government, education, and retail sectors. The largest employer in Portsmouth is the Department of Defense and the Norfolk Naval Shipyard. Approximately 15 percent of the Norfolk Naval Shipyard workforce comes from Portsmouth. The Hampton Roads region has 15 military installations and over 80,000 active-duty personnel. Tens of thousands of civilians also support the defense industry.

### WARN Notices

We reviewed publications by the Virginia Employment Commission's WARN (Worker Adjustment and Retraining Notification Act) notices since 2023 in Portsmouth, VA. These layoffs are illustrated in the following table.

#### WARN LISTINGS PORTSMOUTH, VA 2023- YTD

Company	Industry	Employees Affected	Layoff Date
Morrison Healthcare	Healthcare	74	5/7/2023
<b>Total</b>		<b>74</b>	

Source: Virginia Employment Commission; retrieved April 2025

As illustrated in the previous table, there were a total of 74 layoffs in the Subject's market area since January 2023. There were no layoff announcements in 2024 or the first three months of 2025. Due to the size of the Portsmouth area labor market, these recent WARN filings are not anticipated to substantively affect total employment in the PMA or MSA as overall job growth has far exceeded these losses.

### Employment Expansions

We attempted to reach a representative with the Portsmouth Economic Development Department. To date, our emails and phone calls have not been returned. We researched various online publications for information on recent business expansions in the city of Portsmouth and the surrounding Hampton Roads area. Our findings are detailed below.

- LS Greenlink announced plans in 2024 to construct a \$681 million submarine cable manufacturing facility. To be located in Chesapeake, this facility is expected to employ approximately 330 workers once fully operational.
- In 2024, Kongsberg Defense & Aerospace, a missile manufacturer for the Department of Defense, announced a \$100 million investment in James City County, which is expected to create approximately 180 new jobs.
- Sirius Analysis, a defense software consulting firm, is expanding its operations in Virginia Beach. This announcement, made in 2024, is expected to create approximately 105 new jobs.
- In 2024, Currie Medical announced an expansion of their Norfolk facility, which is expected to create approximately 60 new jobs in medical device reprocessing and distribution.
- In March 2024, Huntington Ingalls Industries (HII) Newport News shipbuilding division announced it's working to hire an expected 3,000 skilled trades workers this year and an expected total of 19,000 within the decade. Newport News Shipbuilding, a division of HII, is the state's largest industrial employer with a workforce of 25,000. It is the sole manufacturer of nuclear-powered aircraft carriers for the U.S. Navy and one of two yards that builds nuclear-powered submarines.
- In January 2023, Rivers Casino Portsmouth opened three miles southwest of downtown Portsmouth. The \$340 million project features over 400,000-square-feet of event spaces, restaurants, hotel rooms, restaurants, and a movie theater. The Casino is expected to hire up to 1,300 total new employees.
- In January 2022, Lyon Shipyard announced a \$24 million expansion that includes the addition of an 820-ton boat hoist and is expected to create over 100 new jobs.



## Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2008 to December 2024.

### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Virginia Beach-Chesapeake-Norfolk, VA-NC MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2008	806,911	-	4.3%	-	145,363,000	-	5.8%	-
2009	780,233	-3.3%	7.0%	2.7%	139,878,000	-3.8%	9.3%	3.5%
2010	780,742	0.1%	7.3%	0.3%	139,064,000	-0.6%	9.6%	0.3%
2011	784,876	0.5%	7.0%	-0.2%	139,869,000	0.6%	9.0%	-0.7%
2012	789,216	0.6%	6.5%	-0.5%	142,469,000	1.9%	8.1%	-0.9%
2013	799,366	1.3%	6.1%	-0.5%	143,929,000	1.0%	7.4%	-0.7%
2014	807,824	1.1%	5.5%	-0.6%	146,305,000	1.7%	6.2%	-1.2%
2015	803,660	-0.5%	4.9%	-0.7%	148,833,000	1.7%	5.3%	-0.9%
2016	807,307	0.5%	4.6%	-0.3%	151,436,000	1.7%	4.9%	-0.4%
2017	824,881	2.2%	4.0%	-0.6%	153,337,000	1.3%	4.4%	-0.5%
2018	833,910	1.1%	3.3%	-0.8%	155,761,000	1.6%	3.9%	-0.4%
2019	841,794	0.9%	3.0%	-0.2%	157,538,000	1.1%	3.7%	-0.2%
2020	793,393	-5.7%	7.4%	4.3%	147,795,000	-6.2%	8.1%	4.4%
2021	812,710	2.4%	4.4%	-3.0%	152,581,000	3.2%	5.4%	-2.7%
2022	839,751	3.3%	3.0%	-1.4%	158,291,000	3.7%	3.7%	-1.7%
2023	863,133	2.8%	2.9%	-0.1%	161,037,000	1.7%	3.6%	0.0%
4 YTD Average*	869,866	0.8%	3.0%	0.1%	161,345,500	0.2%	4.0%	0.4%
Dec-2023	860,628	-	2.6%	-	160,754,000	-	3.5%	-
Dec-2024	866,842	0.7%	2.7%	0.1%	161,294,000	0.3%	3.8%	0.3%

Source: U.S. Bureau of Labor Statistics, April 2025

\*2024 data is through October

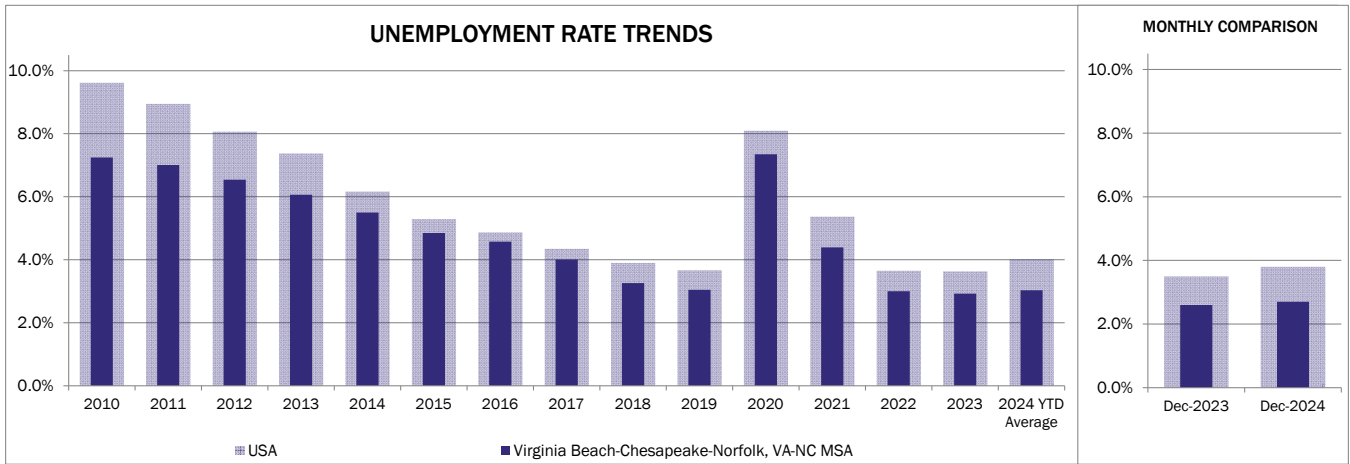
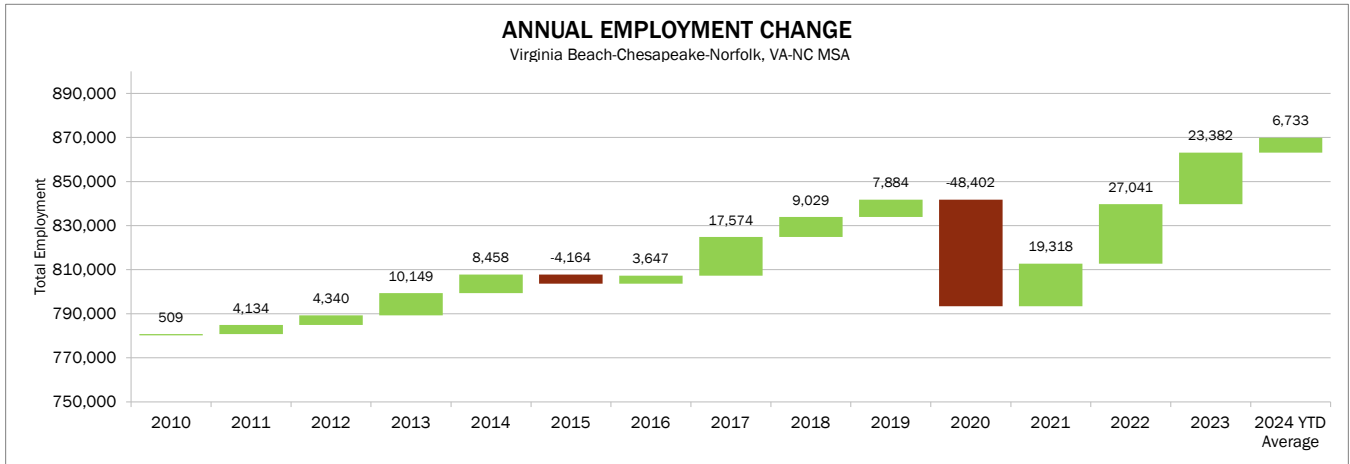
Employment in the MSA declined by 5.7 percent in 2020 amid the pandemic, slightly below the national decline of 6.2 percent. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a peak level. As of December 2024, employment in the MSA is increasing at an annualized rate of 0.7 percent, higher than 0.3 percent growth rate across the nation. The regional economy is in an expansion period.

The MSA unemployment rate increased substantially by 4.3 percentage points in 2020 amid the pandemic, reaching a high of 7.4 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated December 2024, the MSA unemployment rate is 2.7 percent. This is below the national unemployment rate of 3.8 percent.

Inflation and fluctuating interest rates have created an uncertain economic climate over the last several years. In December 2024, the Federal Reserve announced interest rates will be lowered by 25 basis points to the 4.25 to 4.50 percent range, which marks the third rate cut since COVID-19 and brings the rates to a level not seen since 2022. Overall, the Federal Reserve cut interest rates by 100 basis points across three meetings between September 2024 and December 2024. The most recent Federal Reserve interest rate decisions occurred in January and March 2025 and rates were held steady in each instance. The Fed began imposing interest rate hikes in March 2022 to combat rising inflation. From March 2022 through July 2023, the Fed increased interest rates eleven times.

Currently, inflation remains above the committee's target rate of 2.0 percent. According to the 12-month percentage of change in the consumer price index, the inflation rate increased 2.4 percent between March 2024 and March 2025. According to a report published by CBS News in December 2024, the Federal Reserve projects a slower pace of interest rate cuts in 2025, with two interest rate cuts projected over the next year.

Despite the interest rate cuts that have occurred in 2024, mortgage rates continue to remain around 20-year highs.



### Wages by Occupation

The following table illustrates the wages by occupation for the Virginia Beach-Norfolk-Newport News, VA-NC MSA.

**MSA - 2ND QTR 2023 AREA WAGE ESTIMATES**

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
<b>All Occupations</b>	<b>737,200</b>	<b>\$28.86</b>	<b>\$60,040</b>
Management	37,680	\$60.42	\$125,680
Legal	4,250	\$51.79	\$107,730
Computer and Mathematical	24,910	\$49.73	\$103,440
Healthcare Practitioners and Technical	44,520	\$47.94	\$99,710
Architecture and Engineering	20,200	\$46.95	\$97,650
Business and Financial Operations	57,140	\$40.89	\$85,060
Life Physical and Social Science	6,710	\$40.66	\$84,570
Educational Instruction and Library	44,800	\$29.58	\$61,520
Arts Design Entertainment Sports and Media	8,370	\$28.73	\$59,760
Community and Social Service	13,070	\$26.85	\$55,840
Installation Maintenance and Repair	31,960	\$26.52	\$55,150
Construction and Extraction	34,800	\$25.39	\$52,820
Production	36,330	\$25.09	\$52,190
Protective Service	19,550	\$24.91	\$51,820
Transportation and Material Moving	59,850	\$21.54	\$44,800
Sales and Related	69,500	\$21.41	\$44,540
Office and Administrative Support	82,690	\$20.99	\$43,650
Farming Fishing and Forestry	630	\$20.47	\$42,580
Personal Care and Service	17,330	\$17.12	\$35,610
Healthcare Support	29,210	\$16.92	\$35,190
Building and Grounds Cleaning and Maintenance	22,220	\$16.39	\$34,080
Food Preparation and Serving Related	71,490	\$15.73	\$32,710

Source: Department of Labor, Occupational Employment Statistics, May 2023, retrieved April 2025

The preceding table shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$15.73 per hour. The highest average hourly wage of \$60.42, is for those in the management occupations. The qualifying incomes for the Subject's tenants will range from \$0 to \$51,120 as proposed and from \$17,970 to \$51,120 absent subsidy. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect part-time employment and entry-level positions will be common among the Subject's tenant base. Additionally, as the Subject will target seniors, we expect many tenants to be reliant on social security for their sole source of income.

### Commuting Patterns

The chart below shows the travel time to work for the PMA according to ESRI Demographics.

## COMMUTING PATTERNS

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	804	2.0%
Travel Time 5-9 min	3,431	8.7%
Travel Time 10-14 min	6,493	16.5%
Travel Time 15-19 min	6,684	17.0%
Travel Time 20-24 min	6,033	15.3%
Travel Time 25-29 min	2,420	6.2%
Travel Time 30-34 min	7,277	18.5%
Travel Time 35-39 min	1,022	2.6%
Travel Time 40-44 min	876	2.2%
Travel Time 45-59 min	2,910	7.4%
Travel Time 60-89 min	949	2.4%
Travel Time 90+ min	439	1.1%
<b>Weighted Average</b>	<b>25 minutes</b>	

Source: US Census 2024, Novogradac Consulting LLP, April 2025

As shown in the preceding table, the weighted average commute time in the PMA is approximately 25 minutes. More than 59 percent of PMA commuters travel under 24 minutes, indicating many households work outside of the PMA, likely elsewhere in the Hampton Roads area. The average commute time across the overall nation is approximately 28 minutes.

### Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 39 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Employment in the MSA declined by 5.7 percent in 2020 amid the pandemic, slightly below the national decline of 6.2 percent. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a peak level. As of December 2024, employment in the MSA is increasing at an annualized rate of 0.7 percent, higher than 0.3 percent growth rate across the nation. The regional economy is in an expansion period.

## **G. DEMOGRAPHIC CHARACTERISTICS**

## DEMOGRAPHIC CHARACTERISTICS

### Population and Households

The table below illustrates population and household trends in the PMA, the MSA, and the nation from 2010 through 2029.

Year	PMA		POPULATION Virginia Beach-Chesapeake- Norfolk, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	81,130	-	1,693,860	-	308,736,216	-
2024	87,227	0.5%	1,804,873	0.5%	338,436,229	0.7%
2029	88,056	0.2%	1,816,522	0.1%	344,868,049	0.4%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

Historical population growth in the PMA between 2010 and 2024 was similar to the surrounding MSA. Both geographic areas experienced growth rates slightly below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.2 percent through 2029, which is slightly above growth expectations for the MSA but below the nation.

Year	HOUSEHOLDS PMA		Virginia Beach-Chesapeake- Norfolk, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	31,484	-	636,895	-	116,712,903	-
2024	35,636	0.9%	713,830	0.8%	130,714,038	0.8%
2029	36,592	0.5%	731,463	0.5%	134,926,628	0.6%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

Historical household growth in the PMA slightly exceeded the MSA between 2010 and 2024. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.5 percent through 2029, which is similar to growth expectations for the MSA and slightly below the nation.

### Senior Population and Households

The proposed Subject is age-restricted to senior households; thus, we included a demographic analysis of the senior population. The following tables illustrate senior population and household trends in the PMA, MSA, and nation from 2010 through 2024, as well as projections through 2029.

Year	SENIOR POPULATION, 55+ PMA		Virginia Beach-Chesapeake- Norfolk, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	18,821	-	384,782	-	76,748,105	-
2024	24,679	2.2%	534,030	2.7%	102,959,124	2.4%
2029	25,967	1.0%	557,431	0.9%	109,313,592	1.2%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

**SENIOR POPULATION, 65+**

Year	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	9,445	-	196,513	-	40,266,748	-
2024	14,320	3.6%	312,655	4.1%	61,397,883	3.7%
2029	16,423	2.9%	358,885	3.0%	69,702,608	2.7%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

Historical senior (age 55+) population growth in the PMA trailed the MSA and nation between 2010 and 2024. According to ESRI demographic projections, annualized PMA growth is expected to slow to 1.0 percent through 2029, which is slightly above the MSA and slightly below the nation.

**HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+**

Year	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	12,933	-	263,010	-	50,931,069	-
2024	14,887	1.1%	315,820	1.4%	60,574,761	1.3%
2029	16,307	1.9%	342,790	1.7%	65,815,178	1.7%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

**HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 65+**

Year	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	6,825	-	137,818	-	27,340,694	-
2024	8,505	1.7%	180,457	2.2%	35,504,901	2.1%
2029	10,074	3.7%	211,318	3.4%	40,819,707	3.0%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

Historical senior (age 55+) household growth in the PMA trailed the MSA and nation between 2010 and 2024. According to ESRI demographic projections, annualized PMA growth is expected to accelerate to 1.9 percent through 2029, which is similar to the MSA and nation.

## Population by Age

### POPULATION BY AGE IN 2024

Age Cohort	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	5,303	6.1%	102,929	5.7%	18,584,565	5.5%
5-9	5,382	6.2%	107,185	5.9%	19,791,939	5.8%
10-14	5,185	5.9%	104,727	5.8%	20,423,998	6.0%
15-19	5,217	6.0%	115,196	6.4%	21,774,384	6.4%
20-24	5,789	6.6%	132,274	7.3%	23,042,011	6.8%
25-29	6,536	7.5%	129,607	7.2%	22,101,332	6.5%
30-34	6,918	7.9%	135,575	7.5%	23,753,070	7.0%
35-39	6,409	7.3%	125,653	7.0%	22,701,131	6.7%
40-44	5,775	6.6%	117,061	6.5%	22,381,558	6.6%
45-49	4,977	5.7%	98,790	5.5%	20,062,709	5.9%
50-54	5,056	5.8%	101,846	5.6%	20,860,408	6.2%
55-59	5,041	5.8%	104,854	5.8%	20,263,436	6.0%
60-64	5,318	6.1%	116,521	6.5%	21,297,805	6.3%
65-69	4,813	5.5%	102,821	5.7%	19,399,830	5.7%
70-74	3,807	4.4%	80,194	4.4%	15,842,202	4.7%
75-79	2,826	3.2%	60,674	3.4%	12,056,452	3.6%
80-84	1,583	1.8%	36,300	2.0%	7,260,236	2.1%
85+	1,291	1.5%	32,666	1.8%	6,839,163	2.0%
<b>Total</b>	<b>87,226</b>	<b>100.0%</b>	<b>1,804,873</b>	<b>100.0%</b>	<b>338,436,229</b>	<b>100.0%</b>

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

Seniors aged 55 and older make up approximately 28 percent of the population in the PMA.

## General Household Income Distribution

The following tables illustrate household income distribution in 2024 and 2029 in the PMA and MSA.

### HOUSEHOLD INCOME PMA

Income Cohort	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,770	5.0%	1,658	4.5%	-22	-1.3%
\$10,000-19,999	2,865	8.0%	2,694	7.4%	-34	-1.2%
\$20,000-29,999	3,155	8.9%	3,024	8.3%	-26	-0.8%
\$30,000-39,999	2,959	8.3%	2,712	7.4%	-49	-1.7%
\$40,000-49,999	3,153	8.8%	2,937	8.0%	-43	-1.4%
\$50,000-59,999	3,146	8.8%	3,174	8.7%	6	0.2%
\$60,000-74,999	4,251	11.9%	4,240	11.6%	-2	-0.1%
\$75,000-99,999	5,016	14.1%	5,203	14.2%	37	0.7%
\$100,000-124,999	3,637	10.2%	3,903	10.7%	53	1.5%
\$125,000-149,999	2,200	6.2%	2,533	6.9%	67	3.0%
\$150,000-199,999	1,912	5.4%	2,326	6.4%	83	4.3%
\$200,000+	1,572	4.4%	2,188	6.0%	123	7.8%
<b>Total</b>	<b>35,636</b>	<b>100.0%</b>	<b>36,592</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, April 2025



## HOUSEHOLD INCOME SMA

Income Cohort	Virginia Beach-Chesapeake-Norfolk, VA-NC MSA					
	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	38,348	5.4%	35,212	4.8%	-627	-1.6%
\$10,000-19,999	50,244	7.0%	45,572	6.2%	-934	-1.9%
\$20,000-29,999	55,208	7.7%	50,949	7.0%	-852	-1.5%
\$30,000-39,999	55,103	7.7%	50,727	6.9%	-875	-1.6%
\$40,000-49,999	56,932	8.0%	52,257	7.1%	-935	-1.6%
\$50,000-59,999	54,822	7.7%	52,844	7.2%	-396	-0.7%
\$60,000-74,999	76,417	10.7%	74,328	10.2%	-418	-0.5%
\$75,000-99,999	100,076	14.0%	101,342	13.9%	253	0.3%
\$100,000-124,999	76,187	10.7%	80,266	11.0%	816	1.1%
\$125,000-149,999	51,147	7.2%	58,795	8.0%	1,530	3.0%
\$150,000-199,999	49,727	7.0%	60,674	8.3%	2,189	4.4%
\$200,000+	49,619	7.0%	68,497	9.4%	3,776	7.6%
<b>Total</b>	<b>713,830</b>	<b>100.0%</b>	<b>731,463</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, April 2025

The qualifying incomes for the Subject's tenants will range from \$0 to \$51,120 as proposed and from \$17,970 to \$51,120 absent subsidy.

## Senior Household Income Distribution

The following tables illustrate senior household income distribution in 2024 and 2029 in the PMA and MSA.

## HOUSEHOLD INCOME PMA 55+

Income Cohort	PMA					
	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	680	4.6%	690	4.2%	2	0.3%
\$10,000-19,999	1,719	11.5%	1,708	10.5%	-2	-0.1%
\$20,000-29,999	1,603	10.8%	1,651	10.1%	10	0.6%
\$30,000-39,999	1,063	7.1%	1,072	6.6%	2	0.2%
\$40,000-49,999	1,324	8.9%	1,348	8.3%	5	0.4%
\$50,000-59,999	1,007	6.8%	1,159	7.1%	30	3.0%
\$60,000-74,999	1,646	11.1%	1,749	10.7%	21	1.3%
\$75,000-99,999	1,927	12.9%	2,147	13.2%	44	2.3%
\$100,000-124,999	1,472	9.9%	1,675	10.3%	41	2.8%
\$125,000-149,999	1,069	7.2%	1,289	7.9%	44	4.1%
\$150,000-199,999	722	4.8%	919	5.6%	39	5.5%
\$200,000+	655	4.4%	900	5.5%	49	7.5%
<b>Total</b>	<b>14,887</b>	<b>100.0%</b>	<b>16,307</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, April 2025

**HOUSEHOLD INCOME SMA 55+**

Income Cohort	Virginia Beach-Chesapeake-Norfolk, VA-NC MSA					
	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	16,057	5.1%	15,606	4.6%	-90	-0.6%
\$10,000-19,999	30,073	9.5%	28,620	8.3%	-291	-1.0%
\$20,000-29,999	25,926	8.2%	25,594	7.5%	-66	-0.3%
\$30,000-39,999	24,319	7.7%	24,168	7.1%	-30	-0.1%
\$40,000-49,999	24,268	7.7%	23,792	6.9%	-95	-0.4%
\$50,000-59,999	21,748	6.9%	22,546	6.6%	160	0.7%
\$60,000-74,999	32,141	10.2%	33,519	9.8%	276	0.9%
\$75,000-99,999	40,371	12.8%	43,280	12.6%	582	1.4%
\$100,000-124,999	31,395	9.9%	34,916	10.2%	704	2.2%
\$125,000-149,999	23,181	7.3%	27,887	8.1%	941	4.1%
\$150,000-199,999	22,081	7.0%	28,136	8.2%	1,211	5.5%
\$200,000+	24,260	7.7%	34,726	10.1%	2,093	8.6%
<b>Total</b>	<b>315,820</b>	<b>100.0%</b>	<b>342,790</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, April 2025

**Average Household Size**

The following table is a summary of the average household size in the PMA, MSA, and nation in 2010, 2024, as well as 2029.

**AVERAGE HOUSEHOLD SIZE**

Year	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	2.43	-	2.56	-	2.57	-
2024	2.42	0.0%	2.45	-0.3%	2.53	-0.1%
2029	2.38	-0.3%	2.40	-0.4%	2.50	-0.2%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

The average household size in the PMA is similar to the MSA and slightly below the overall nation. According to ESRI demographic projections, the average household size in the PMA is expected to decrease through 2029.

## Renter Households by Number of Persons

The following table is a summary of the renter households by number of persons in the household in 2024 and 2029.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
	2010		2024		2029	
Household Size	Total	Percent	Total	Percent	Total	Percent
1 persons	3,873	35.4%	5,186	38.1%	4,981	38.5%
2 persons	2,935	26.8%	3,534	26.0%	3,311	25.6%
3 persons	2,060	18.8%	2,368	17.4%	2,227	17.2%
4 persons	1,072	9.8%	1,223	9.0%	1,156	8.9%
5+ persons	1,011	9.2%	1,303	9.6%	1,260	9.7%
<b>Total</b>	<b>10,951</b>	<b>100.0%</b>	<b>13,614</b>	<b>100.0%</b>	<b>12,935</b>	<b>100.0%</b>

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

As shown in the table above, approximately 64 percent of renter households in the PMA have one to two persons in the household. The Subject will offer one and two-bedroom units, which seems reasonable given the household size distribution.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION 55+						
	2010		2024		2029	
Household Size	Total	Percent	Total	Percent	Total	Percent
1 persons	1,617	59.4%	2,189	61.6%	2,191	61.5%
2 persons	552	20.3%	705	19.8%	731	20.5%
3 persons	314	11.5%	330	9.3%	322	9.0%
4 persons	91	3.3%	153	4.3%	137	3.8%
5+ persons	146	5.4%	176	5.0%	180	5.1%
<b>Total</b>	<b>2,720</b>	<b>100.0%</b>	<b>3,553</b>	<b>100.0%</b>	<b>3,561</b>	<b>100.0%</b>

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

As shown in the table above, approximately 81 percent of senior renter households in the PMA have one to two persons in the household. The Subject will offer one and two-bedrooms, which seems reasonable given the household size distribution.

## General Household Tenure

The following table illustrates the tenure patterns in the PMA for the years 2010 and 2024, as well as the projected tenure patterns for the year 2029.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	20,533	65.2%	10,951	34.8%
2024	22,022	61.8%	13,614	38.2%
2029	23,657	64.7%	12,935	35.3%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

The percentage of renter households in the PMA increased between 2010 and 2024, and is estimated to be 38.2 percent as of 2024. The current percentage of renter households in the PMA is similar to the estimated 35 percent of renter households across the overall nation. According to the ESRI demographic projections, the percentage of renter households in the PMA is expected to decline through 2029.

### Senior (55+) Household Tenure

The following table is a summary of the senior tenure patterns of the housing stock in the PMA.

**PMA TENURE PATTERNS OF SENIORS 55+**

Year	Owner-Occupied	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	10,213	79.0%	2,720	21.0%
2024	11,334	76.1%	3,553	23.9%
2029	12,746	78.2%	3,561	21.8%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

The percentage of senior renter households in the PMA increased between 2010 and 2024, and is estimated to be 23.9 percent as of 2024. The current percentage of renter households in the PMA is similar to the estimated 24 percent of senior renter households across the overall nation. According to the ESRI demographic projections, the percentage of senior renter households in the PMA is expected to decline through 2029. Nonetheless, the absolute number of senior renter households in the PMA is still expected to increase over this time period, driven by overall population growth.

### Median Household Income Levels

The following table illustrates median household income levels in the PMA, MSA, and nation from 2010 through 2029. Note that this is based on data for all household sizes and is independent of the calculation of AMI. *It should be noted that median household income data for senior households was not available.*

**MEDIAN HOUSEHOLD INCOME**

Year	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	\$45,188	-	\$54,991	-	\$55,535	-
2024	\$69,718	2.2%	\$78,865	1.8%	\$79,067	1.7%
2029	\$77,965	2.4%	\$89,903	2.8%	\$91,442	3.1%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

As of 2024, the median income in the PMA is below the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2010 and 2024. Growth in both geographic areas exceeded the nation during the same time period. Relative to the nation, household income in the PMA increased slightly from 81 percent of the national median income in 2010 to 88 percent in 2024. According to ESRI demographic projections, annualized PMA growth is expected to slow to 2.4 percent through 2029, which is below the projected growth in the MSA and nation.

### General Renter Household Income Distribution

The following table illustrates renter household income distribution in the PMA.

## RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,311	9.6%	1,169	9.0%	-28	-2.2%
\$10,000-19,999	1,730	12.7%	1,547	12.0%	-37	-2.1%
\$20,000-29,999	1,779	13.1%	1,610	12.4%	-34	-1.9%
\$30,000-39,999	1,667	12.2%	1,432	11.1%	-47	-2.8%
\$40,000-49,999	1,450	10.7%	1,309	10.1%	-28	-1.9%
\$50,000-59,999	1,517	11.1%	1,428	11.0%	-18	-1.2%
\$60,000-74,999	1,247	9.2%	1,194	9.2%	-11	-0.9%
\$75,000-99,999	1,374	10.1%	1,431	11.1%	11	0.8%
\$100,000-124,999	631	4.6%	737	5.7%	21	3.4%
\$125,000-149,999	443	3.3%	494	3.8%	10	2.3%
\$150,000-199,999	203	1.5%	239	1.8%	7	3.5%
\$200,000+	262	1.9%	345	2.7%	17	6.3%
<b>Total</b>	<b>13,614</b>	<b>100.0%</b>	<b>12,935</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, April 2025

As illustrated, the income cohorts with the largest concentrations of renter households are concentrated in the \$20,000-29,999, \$10,000-19,999, and \$30,000-39,999 income cohorts. As of 2024, approximately 58 percent of renter households in the PMA earn less than \$50,000 annually. The large percentage of low-income renter households is a positive indicator of demand for the Subject's proposed low-income units.

## Senior (55+) Renter Household Income Distribution

The following table illustrates senior renter household income distribution in the PMA.

## RENTER HOUSEHOLD INCOME 55+

Income Cohort	PMA					
	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	363	10.2%	341	9.6%	-4	-1.2%
\$10,000-19,999	839	23.6%	780	21.9%	-12	-1.4%
\$20,000-29,999	600	16.9%	573	16.1%	-5	-0.9%
\$30,000-39,999	230	6.5%	200	5.6%	-6	-2.6%
\$40,000-49,999	293	8.2%	294	8.3%	0	0.1%
\$50,000-59,999	220	6.2%	206	5.8%	-3	-1.3%
\$60,000-74,999	309	8.7%	309	8.7%	0	0.0%
\$75,000-99,999	217	6.1%	241	6.8%	5	2.2%
\$100,000-124,999	210	5.9%	253	7.1%	9	4.1%
\$125,000-149,999	83	2.3%	104	2.9%	4	5.1%
\$150,000-199,999	73	2.1%	86	2.4%	3	3.6%
\$200,000+	116	3.3%	174	4.9%	12	10.0%
<b>Total</b>	<b>3,553</b>	<b>100.0%</b>	<b>3,561</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, April 2025

As illustrated, the income cohorts with the largest concentrations of senior renter households are concentrated in the \$10,000-19,999, \$20,000-29,999, and \$0-9,999 income cohorts. As of 2024, approximately 65 percent of senior renter households in the PMA earn less than \$50,000 annually. The large percentage of low-income senior renter households is a positive indicator of demand for the Subject's proposed low-income units.

### Rent Overburdened Households

The following table illustrates the percentage of all households paying greater than 35 percent of their income towards housing in the PMA, MSA, and nation.

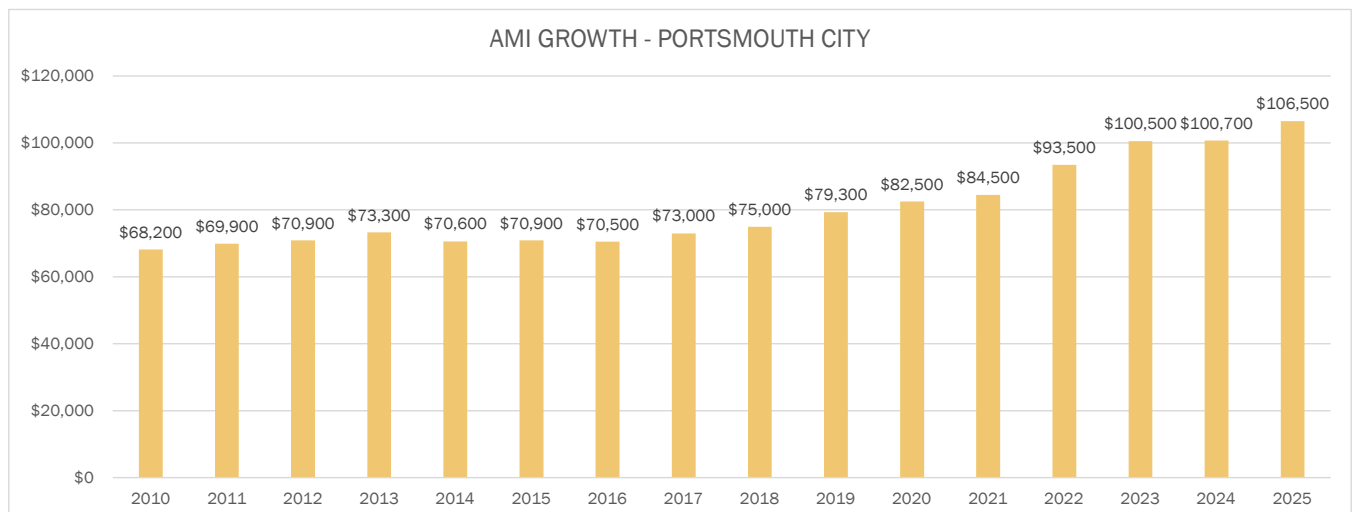
Year	RENT OVERBURDENED					
	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2024	4,950	46.0%	105,590	44.9%	16,632,947	42.7%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

The percentage of rent-overburdened households in the PMA is above the MSA and the nation. The large share of rent-burdened households in the Subject's PMA underscores the need for affordable units, such as those offered by the proposed Subject.

### Area Median Income

For Section 42 LIHTC rent determination purposes, HUD begins with the Area Median Income (AMI). The following chart illustrates the HUD-published area median income in Portsmouth City, VA. Portsmouth County is part of the Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro Fair Market Rent (FMR) Area.



Overall, the AMI increased at an annual rate of 4.0 percent between 2010 and 2025. The AMI for Portsmouth City reached a peak AMI level in 2025. Rising AMI levels bode well for future rent growth at affordable developments, such as the proposed Subject.

PORTSMOUTH CITY AMI GROWTH (2013-2025)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
AMI	\$73,300	\$70,600	\$70,900	\$70,500	\$73,000	\$75,000	\$79,300	\$82,500	\$84,500	\$93,500	\$100,500	\$100,700	\$106,500
Percentage	3.4%	-3.7%	0.4%	-0.6%	3.5%	2.7%	5.7%	4.0%	2.4%	10.7%	7.5%	0.2%	5.8%

All of the Subjects units will operate with a project-based subsidy. Therefore, rent increases for its units will not be directly dependent upon future increases in the AMI.

## Conclusion

Senior (age 55+) population in the PMA increased at an annualized rate of 2.2 percent between 2010 and 2024. Comparatively the MSA and the nation experienced an annualized growth rate of 2.7 percent. The percentage of senior renter households in the PMA rose between 2010 and 2024 and is estimated to be 23.9 percent as of 2024. This is similar to the estimated 24 percent of senior renter households across the overall nation. The median income in the PMA as of 2024 is lower than the MSA and overall nation. According to ESRI demographic projections, population, household, and median income levels are all expected to rise through 2029. Overall, the combination of rising senior population and median household income bodes well for future demand for multifamily housing.

## **H. COMPETITIVE ENVIRONMENT**

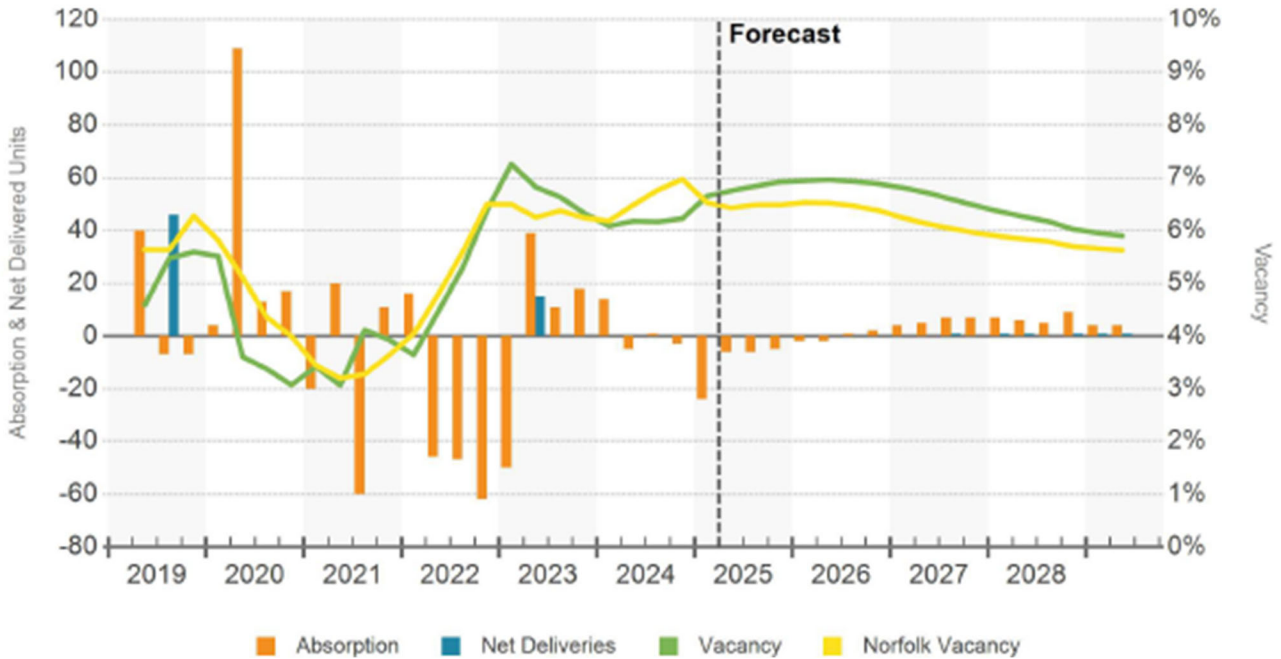


## HOUSING SUMMARY

According to CoStar as of April 2025, there are currently 5,709 existing multifamily units within the Subject's Portsmouth submarket. The current vacancy rate in the submarket is 6.7 percent and over the past five years has averaged 6.4 percent. The vacancy rate in the submarket is expected to increase slightly through 2026, before beginning a slow decline through 2028. Very few additions to supply are expected to enter the market after 2025.

### Portsmouth Submarket

#### ABSORPTION, NET DELIVERIES & VACANCY

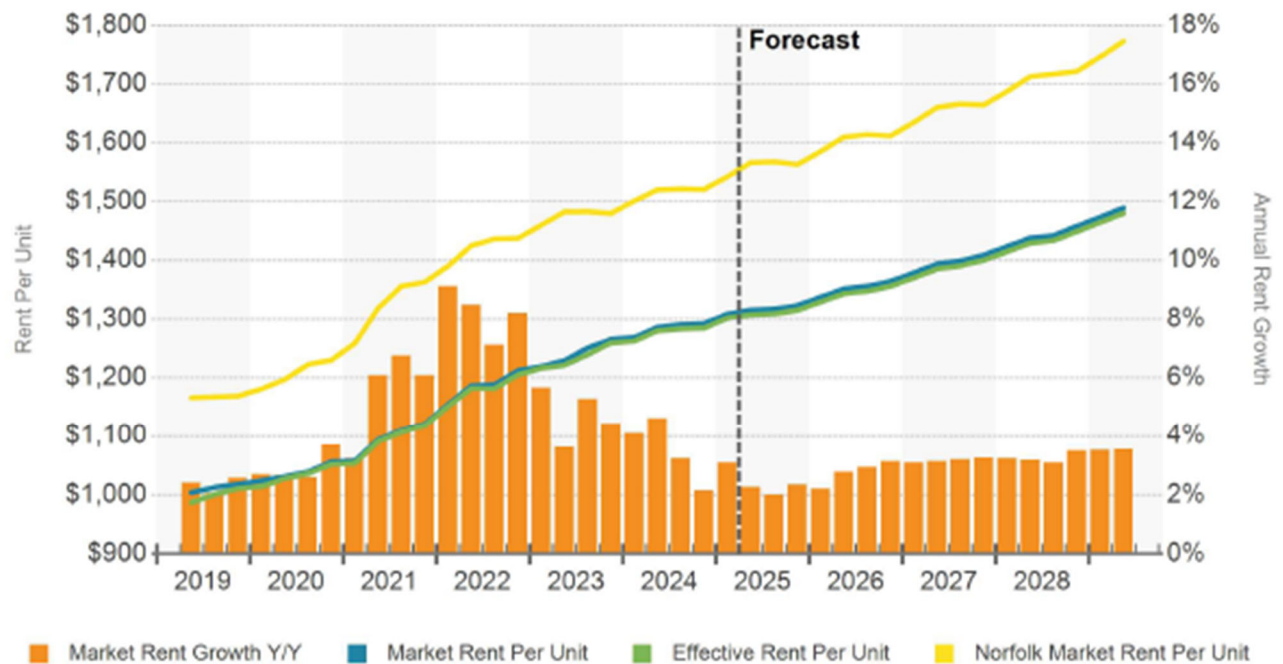


Source: CoStar, April 2025

As vacancy rates in the submarket have fluctuated over the last several years, rent growth has been steady. Rent growth is expected to continue through 2025 and slightly increase through 2028 at approximately three percent annual rent growth.

## Portsmouth Submarket

### MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, April 2025

## Age of Housing Stock

The following table illustrates the age of the existing housing stock in the PMA, MSA, and nation.

HOUSING STOCK BY YEAR BUILT

	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
Built 2010 or later	2,636	7.1%	66,861	8.9%	11,588,353	8.3%
Built 2000 to 2009	3,418	9.1%	94,080	12.5%	19,083,030	13.6%
Built 1990 to 1999	5,279	14.1%	108,779	14.5%	18,595,726	13.3%
Built 1980 to 1989	4,772	12.8%	139,447	18.6%	18,543,181	13.2%
Built 1970 to 1979	6,218	16.6%	111,399	14.9%	20,613,288	14.7%
Built 1960 to 1969	4,040	10.8%	86,557	11.5%	14,350,524	10.2%
Built 1950 to 1959	4,169	11.2%	68,816	9.2%	13,899,149	9.9%
Built 1940 to 1949	2,931	7.8%	32,143	4.3%	6,504,533	4.6%
Built 1939 or earlier	3,897	10.4%	41,836	5.6%	16,976,065	12.1%
Total Housing Units	37,360	100.0%	749,918	100.0%	140,153,849	100.0%

Source: US Census American Community Estimates, April 2025

As illustrated in the previous table, a majority of the housing stock in the PMA was built prior to 1979. As new construction, the Subject will have a significant advantage over the existing housing stock.

## Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard. According to HUD, substandard housing includes: dilapidated unit, unit lacks operable indoor plumbing, unit lacks a usable flush toilet for the exclusive use of a family, unit lacks a usable bathtub or shower for the exclusive use of the

a family, unit lacks electricity or has inadequate or unsafe electrical services, unit lacks a safe or adequate source of heat, unit should, but lacks a kitchen, and unit has been declared inhabitable by an agency or government entity.

### SUBSTANDARD HOUSING

Year	PMA	Virginia Beach-Chesapeake-Norfolk, VA-NC MSA	USA
	Percentage	Percentage	Percentage
2024	1.37%	1.02%	1.70%

Source: Esri Demographics 2024, Novogradac Consulting LLP, April 2025

The percentage of residents living in substandard housing in the PMA and MSA is below the nation.

### Building Permits

The following table demonstrates building permit information from 2000 through 2024 for Portsmouth Virginia.

### BUILDING PERMITS: PORTSMOUTH 1997 - 2024

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
1997	213	0	96	309
1998	248	0	0	248
1999	247	0	0	247
2000	197	0	0	197
2001	218	18	12	248
2002	153	0	0	153
2003	132	0	246	378
2004	159	52	168	379
2005	206	21	0	227
2006	185	0	0	185
2007	203	15	174	392
2008	97	0	238	335
2009	85	0	0	85
2010	66	0	0	66
2011	153	0	0	153
2012	55	0	84	139
2013	87	0	132	219
2014	141	0	12	153
2015	94	0	0	94
2016	124	0	0	124
2017	158	0	0	158
2018	137	0	0	137
2019	93	0	0	93
2020	280	0	0	280
2021	196	0	0	196
2022	106	0	0	106
2023	73	0	0	73
2024	188	0	112	300
<b>Average</b>	<b>154</b>	<b>4</b>	<b>45</b>	<b>203</b>

Source: US Census Bureau, Novogradac, April 2025

Permit issuance declined by 83 percent during the recession, reaching a low in 2010. Permit issuance increased in six out of 14 years between 2010 and 2024. Permit issuance peaked in 2007, near the onset the national recession. The most recent years with finalized data indicate construction activity has fluctuated

since 2020 with the number of units authorized in 2024 the highest since 2008. Additionally worth noting is that the share of overall permit issuance attributable to large-scale multifamily projects declined to 11 percent between 2009 and 2022, compared to 28 percent between 1997 and 2008.

### Rent/Buy Analysis

The Subject will target seniors ages 55 and older upon completion. Housing costs in the market are high and seniors are less likely to move from one owner home to another. As such, we do not believe that homeownership will be competitive with the Subject's units, and will not conduct a rent/buy analysis.

### Additions to Supply

We consulted a CoStar new construction report regarding planned, proposed, and under construction developments within the PMA. We also researched LIHTC allocations in the Subject's PMA awarded tax credits by Virginia Housing since 2021. According to our sources, there are multiple proposed, under construction, and recently completed developments within the PMA, illustrated in the following table.

PLANNED DEVELOPMENT							
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
Bain's Pointe	LIHTC/PBRA	Family	50	0	2024	Proposed	5.6 miles
Mt. Hermon Village	LIHTC/PBRA	Senior	91	0	2021	Existing	4.7 miles
The Port	Market	Senior	192	0	n/a	Proposed	1.3 miles
<b>Totals</b>			<b>333</b>	<b>0</b>			

Source: Virginia Housing, CoStar, April 2025

Following is a discussion of the proposed and under construction properties with an affordable component.

- Bain's Pointe is a proposed LIHTC/PBRA development located 5.8 miles southeast of the Subject site that was awarded LIHTC in 2024 and will consist of 50 units for families. As the Subject will target seniors, we do not believe any of these units will be directly competitive with the Subject as proposed and have not deducted any from our demand analysis.
- Mt. Hermon Village is an existing LIHTC/PBRA development located 4.7 miles southeast of the Subject site that was awarded LIHTC for renovations in 2021. The property consists of 91 units for seniors. As the Subject will also target seniors and benefit from a rental subsidy, we believe all of these units will be directly competitive with the Subject as proposed, however as the property is existing and will likely not have to undergo a full re-absorption period upon renovations, we have not deducted any from our demand analysis.

There are no competitive units in LIHTC properties that received a tax credit allocation. Additionally, none of the market rate units proposed or under construction will be competitive with the proposed Subject.

### Recent LIHTC Allocations

The table below lists LIHTC allocations awarded in the Subject's PMA since 2021.

RECENT LIHTC ALLOCATIONS IN THE PMA						
Property Name	LIHTC Allocation Year	Rent Structure	Tenancy	Total Units	Competitive Units	Competitive Subsidized Units
Bain's Pointe	2024	LIHTC/PBRA	Family	50	0	0
Mt. Hermon Village	2021	LIHTC/PBRA	Senior	91	0	91
<b>Totals</b>				<b>141</b>	<b>0</b>	<b>91</b>

Source: Virginia Housing, April 2025

As detailed above, only two developments totaling 141 units have received tax credit allocation in the PMA since 2021. A detailed description of these projects was previously presented.

## SURVEY OF COMPARABLE PROPERTIES

Comparable properties are examined on the basis of physical characteristics; i.e., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

### Description of Property Types Surveyed/Determination of Number of Tax Credit Units

To evaluate the competitive position of the Subject, we surveyed a total of 1,837 units in nine rental properties. The availability of LIHTC data is considered good. We included four affordable developments located between 0.3 and 5.7 miles from the Subject site, all of which are located within the PMA. The availability of market rate data is considered average. We included five market rate properties located between 0.2 and 5.1 miles from the Subject site, one of which is located outside the PMA (Clairmont at Harbour View Station). It should be noted we were able to contact two properties, one LIHTC and one market rate, that target a senior tenancy, similar to the Subject. Overall, we believe the availability of data is adequate to support our conclusions.

The comparable properties were chosen primarily based on location, age, condition, design, and amenities. Several properties were excluded for various reasons. The following table illustrates the properties that are excluded from the supply analysis of this report.

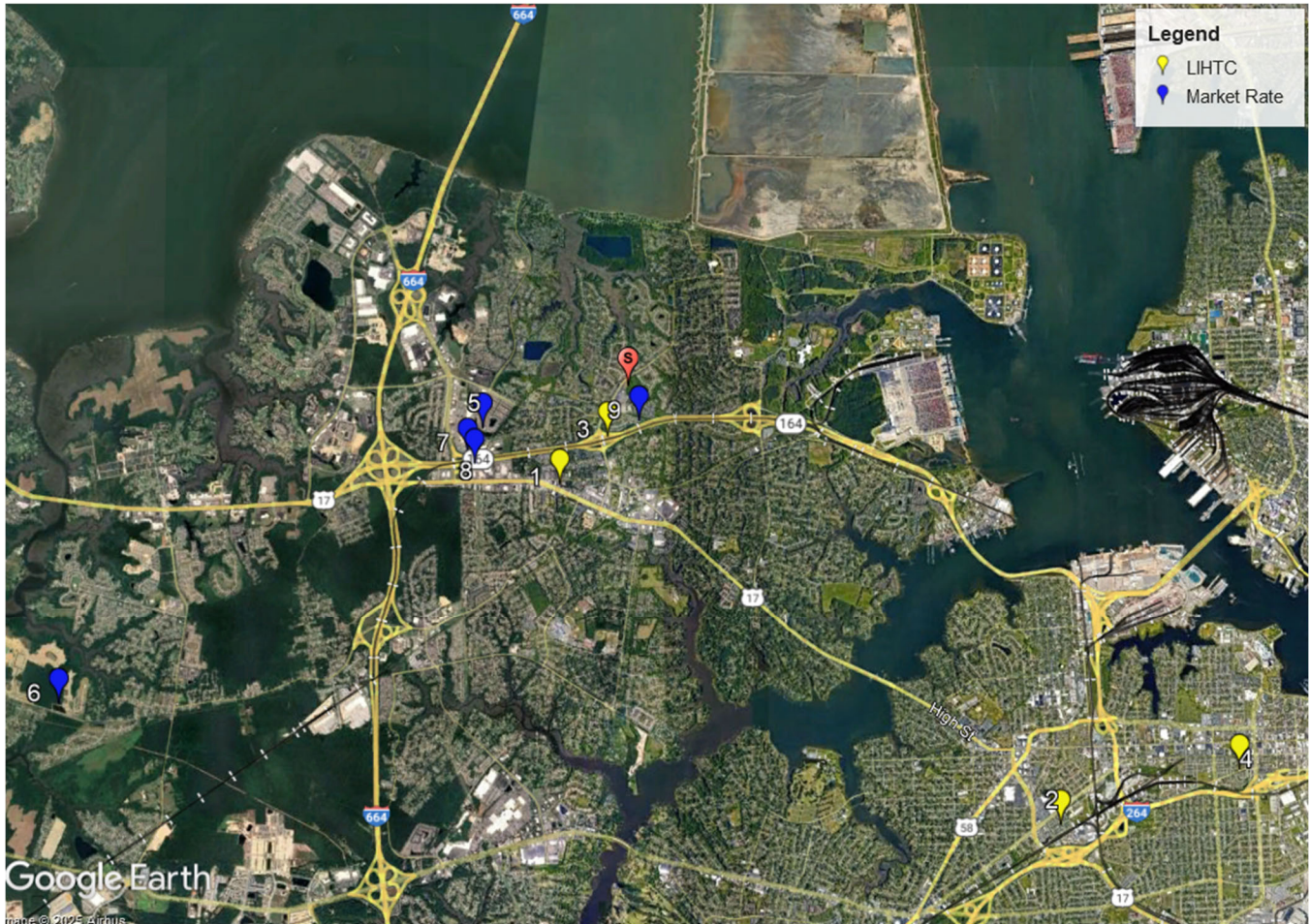
#### EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Reason for Exclusion
Commons At Churchland	LIHTC	Senior	Unable to contact
Holley Pointe	LIHTC	Family	More proximate comparables available
King Square	LIHTC	Family	More proximate comparables available
Pine Street Village	LIHTC	Family	More proximate comparables available
Seaboard Square I and II	LIHTC	Family	More proximate comparables available
Shea Terrace Senior Apartments	LIHTC	Senior	Unable to contact
Taylor Pointe Apartments	LIHTC	Family	Inferior condition
Westbury Cottages	LIHTC	Family	More proximate comparables available
Westbury Pine	LIHTC	Family	More proximate comparables available
Whispering Oaks Apartments	LIHTC	Family	More proximate comparables available
Malvern Hills Apartments	LIHTC/ Section 8	Senior	Subsidized rents
Arbours at Western Branch	LIHTC/Market	Senior	Unable to contact
Hamilton Place I and II	LIHTC/PBRA	Family	Subsidized rents
Phoebus Square	LIHTC/PBRA	Senior	Subsidized rents
Abelia Square	Market	Family	Inferior condition
Cedar Creek	Market	Family	Inferior condition
Churchland Square Apartments	Market	Family	Unable to contact
Ebenezer Plaza Apartments	Market	Family	More proximate comparables available
Harbor Tower Apartments	Market	Family	More proximate comparables available
Harbor Vista At Crawford Street	Market	Family	More proximate comparables available
Nav850	Market	Family	More proximate comparables available
Oxford Place	Market	Family	More proximate comparables available
Preston Trails Apartment Homes	Market	Family	More proximate comparables available
The Connelly	Market	Family	Unable to contact
The Towers	Market	Family	More proximate comparables available
Turnpike Terrace Apartments	Market	Family	Inferior condition
Waterview Colonial Manor Apartments	Market	Family	Inferior condition
Wellington At Western Branch	Market	Family	Inferior condition
London Oaks	Section 8	Family	Subsidized rents
Mount Hermon Elderly	Section 8	Family	Subsidized rents



### Comparable Rental Property Map

The following map illustrates the location of the Subject in relation to the comparable properties.



Source: Google Maps, April 2025

#### COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
<b>S</b>	<b>Twin Pines</b>	<b>Portsmouth</b>	<b>@30% (PBV), @50% (PBV), @60% (PBV)</b>	<b>Senior</b>	<b>-</b>
1	Arbour Reach Apartments	Portsmouth	@60%	Family	0.9 miles
2	Crescent Place	Portsmouth	@60%	Family	4.8 miles
3	Stone Ridge Apartments	Portsmouth	@60%	Family	0.3 miles
4	Victory Square Apartments	Portsmouth	@60%	Senior	5.7 miles
5	Century Hampton Roads	Suffolk	Market	Family	1.2 miles
6	Clairmont At Harbour View Station*	Suffolk	Market	Family	5.1 miles
7	Era At Park 216	Suffolk	Market	Senior	1.4 miles
8	Park 216	Suffolk	Market	Family	1.3 miles
9	Westwinds Apartments	Portsmouth	Market	Family	0.2 miles

\*Located outside PMA

## TWIN PINES - PORTSMOUTH, VIRGINIA – MARKET STUDY

**SUMMARY MATRIX**

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate						
Subject	Twin Pines 3993 Twin Pines Road Portsmouth, VA 23703	-	Midrise 4-stories 2027 / n/a Senior	@30% (PBV), @50% (PBV), @60% (PBV)	1BR / 1BA	7	8.5%	628	@30% (PBV)	\$1,505	N/A	N/A	N/A	N/A						
					1BR / 1BA	35	32.9%	628	@50% (PBV)	\$1,505	N/A	N/A	N/A	N/A						
					1BR / 1BA	28	43.9%	628	@60% (PBV)	\$1,505	N/A	N/A	N/A	N/A						
					2BR / 2BA	2	2.4%	908	@30% (PBV)	\$1,717	N/A	N/A	N/A	N/A						
					2BR / 2BA	6	6.1%	908	@50% (PBV)	\$1,717	N/A	N/A	N/A	N/A						
					2BR / 2BA	4	6.1%	908	@60% (PBV)	\$1,717	N/A	N/A	N/A	N/A						
					82							N/A	N/A							
1	Arbour Reach Apartments 3624 Tejo Lane Portsmouth, VA 23703	0.9 miles	Garden 2-stories 1998 / n/a Family	@60%	2BR / 2BA	92	100.0%	1,030	@60%	\$1,315	No	No	1	1.1%						
													92						1	1.1%
2	Crescent Place 2804 Turnpike Road Portsmouth, VA 23707	4.8 miles	Midrise 4-stories 2008 / n/a Family	@60%	1BR / 1BA	16	10.3%	812	@60%	\$1,056	No	No	0	0.0%						
					2BR / 2BA	104	66.7%	1,181	@60%	\$1,261	No	No	0	0.0%						
					3BR / 2BA	36	23.1%	1,379	@60%	\$1,450	No	No	0	0.0%						
													156						0	0.0%
3	Stone Ridge Apartments 6200 Hightower Road Portsmouth, VA 23703	0.3 miles	Garden 2-stories 1976 / 2000 Family	@60%	1BR / 1BA	39	18.8%	850	@60%	\$991	No	No	N/A	N/A						
					2BR / 1BA	100	48.3%	920	@60%	\$1,210	No	No	N/A	N/A						
					3BR / 1.5BA	68	32.9%	1,020	@60%	\$1,302	No	No	N/A	N/A						
													207						12	5.8%
4	Victory Square Apartments 900 County Street Portsmouth, VA 23704	5.7 miles	Lowrise 4-stories 2005 / n/a Senior	@60%	1BR / 1BA	98	87.5%	675	@60%	\$1,085	No	No	N/A	N/A						
					2BR / 1BA	14	12.5%	880	@60%	\$1,306	No	No	N/A	N/A						
													112						8	7.1%
5	Century Hampton Roads 2019 Barclay Place Suffolk, VA 23435	1.2 miles	Garden 3-stories 2013 / 2024 Family	Market	1BR / 1BA	36	16.7%	734	Market	\$1,673	N/A	No	0	0.0%						
					2BR / 2BA	12	5.6%	1,028	Market	\$1,844	N/A	No	1	8.3%						
					2BR / 2BA	132	61.1%	1,052	Market	\$1,625	N/A	No	3	2.3%						
					3BR / 2BA	24	11.1%	1,276	Market	\$2,458	N/A	No	0	0.0%						
					3BR / 2BA	12	5.6%	1,279	Market	\$2,458	N/A	No	0	0.0%						
													216						4	1.9%
6	Clairmont At Harbour View Station 3001 Gateway Drive Suffolk, VA 23435	5.1 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	108	39.1%	784	Market	\$1,525	N/A	No	1	0.9%						
					1BR / 1BA	12	4.4%	798	Market	\$1,575	N/A	No	0	0.0%						
					2BR / 2BA	48	17.4%	1,166	Market	\$2,067	N/A	No	2	4.2%						
					2BR / 2BA	84	30.4%	1,174	Market	\$2,082	N/A	No	2	2.4%						
					3BR / 2BA	24	8.7%	1,339	Market	\$2,295	N/A	No	0	0.0%						
													276						5	1.8%
7	Era At Park 216 901 Beringer Road Suffolk, VA 23435	1.4 miles	Midrise 4-stories 2024 / n/a Senior	Market	1BR / 1BA	39	37.5%	891	Market	\$1,654	N/A	N/A	N/A	N/A						
					1BR / 1BA	N/A	N/A	1,009	Market	\$1,779	N/A	N/A	N/A	N/A						
					1BR / 1BA	N/A	N/A	773	Market	\$1,529	N/A	N/A	N/A	N/A						
					2BR / 1BA	22	21.2%	991	Market	\$1,851	N/A	N/A	N/A	N/A						
					2BR / 1BA	N/A	N/A	1,095	Market	\$1,956	N/A	N/A	N/A	N/A						
					2BR / 1BA	N/A	N/A	887	Market	\$1,746	N/A	N/A	N/A	N/A						
					2BR / 2BA	43	41.4%	1,281	Market	\$2,461	N/A	N/A	N/A	N/A						
					2BR / 2BA	N/A	N/A	1,546	Market	\$2,926	N/A	N/A	N/A	N/A						
					2BR / 2BA	N/A	N/A	1,016	Market	\$1,996	N/A	N/A	N/A	N/A						
																		104		
8	Park 216 1001 Beringer Road Suffolk, VA 23435	1.3 miles	Garden 3-stories 2019 / n/a Family	Market	1BR / 1BA	112	42.1%	708	Market	\$1,679	N/A	No	N/A	N/A						
					1BR / 1BA	12	4.5%	765	Market	\$1,729	N/A	No	N/A	N/A						
					2BR / 1BA	48	18.1%	892	Market	\$1,856	N/A	No	N/A	N/A						
					2BR / 2BA	86	32.3%	1,112	Market	\$2,056	N/A	No	N/A	N/A						
					2BR / 2BA	4	1.5%	1,308	Market	\$2,596	N/A	No	N/A	N/A						
					2BR / 2.5BA	4	1.5%	1,747	Market	\$2,896	N/A	No	N/A	N/A						
													266						15	5.6%
9	Westwinds Apartments 3601 Gateway Drive Portsmouth, VA 23703	0.2 miles	Garden 3-stories 1989 / n/a Family	Market	1BR / 1BA	108	26.5%	900	Market	\$1,346	N/A	No	N/A	N/A						
					2BR / 2BA	228	55.9%	950	Market	\$1,518	N/A	No	N/A	N/A						
					3BR / 2BA	72	17.7%	1,150	Market	\$1,812	N/A	No	N/A	N/A						
					408							24	5.9%							

## Location

The following table compares locational statistics in the Subject's neighborhood relative to the locations of the comparable properties.

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Twin Pines	Portsmouth	Senior	LIHTC	-	\$69,739	\$207,100	\$1,109	71	21	6.4%	37.4%
1	Arbour Reach Apartments	Portsmouth	Family	LIHTC	0.9 miles	\$62,604	\$207,100	\$1,109	85	47	8.4%	67.5%
2	Crescent Place	Portsmouth	Family	LIHTC	4.8 miles	\$34,665	\$164,300	\$867	176	66	8.6%	55.1%
3	Stone Ridge Apartments	Portsmouth	Family	LIHTC	0.3 miles	\$71,371	\$207,100	\$1,109	73	31	7.1%	49.7%
4	Victory Square Apartments	Portsmouth	Senior	LIHTC	5.7 miles	\$37,556	\$149,500	\$935	176	77	7.1%	62.2%
5	Century Hampton Roads	Suffolk	Family	Market	1.2 miles	\$76,408	\$274,400	\$1,416	87	65	1.0%	5.7%
6	Clairmont At Harbour View Station*	Suffolk	Family	Market	5.1 miles	\$140,996	\$274,400	\$1,416	84	1	4.8%	59.0%
7	Era At Park 216	Suffolk	Senior	Market	1.4 miles	\$73,833	\$274,400	\$1,416	88	57	3.5%	48.5%
8	Park 216	Suffolk	Family	Market	1.3 miles	\$73,833	\$274,400	\$1,416	88	54	4.6%	60.4%
9	Westwinds Apartments	Portsmouth	Family	Market	0.2 miles	\$60,739	\$207,100	\$1,109	71	21	6.9%	41.2%

\*Located outside of the PMA

The Subject site is located in the Churchland neighborhood of Portsmouth. The Subject's location is designated 'car-dependent' by Walk Score with a score of 21, indicating most daily errands require a car.

Three of the comparables, Arbour Reach Apartments, Stone Ridge Apartments, and Westwinds Apartments are located within 0.9 miles of the Subject site in a location considered similar to that of the Subject site. The locations of these comparables offer generally similar median household incomes, home values, and rents, as well as similar crime indices and Walk Scores to the Subject's location.

Four of the comparables, Clairmont at Harbour View Station, Era at Park 216, Century Hampton Roads, and Park 216, are located 1.2 to 5.1 miles west of the Subject site in Suffolk, Virginia in locations considered superior to that of the Subject site. The locations of these comparables offer slightly higher to higher median household incomes, median home values, and median rents as well as higher crime indices and Walk Scores.

The remaining two comparables, Crescent Place and Victory Square Apartments are located 4.8 and 5.1 miles southeast of the Subject in Portsmouth in locations considered inferior to that of the Subject site. These locations offer a lower median household income, median home value, and median rents, as well as higher crime indices, but also higher Walk Scores.

## Age, Condition, and Design

The following table illustrates the Subject's design and condition in comparison to the comparable properties.

	Subject	Arbour Reach Apartments	Crescent Place	Stone Ridge Apartments	Victory Square Apartments	Century Hampton Roads	Clairmont At Harbour View Station	Era At Park 216	Park 216	Westwinds Apartments
<b>Rent Structure</b>	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
<b>Tenancy</b>	Senior	Family	Family	Family	Senior	Family	Family	Senior	Family	Family
<b>Building</b>										
<b>Property Type</b>	Midrise	Garden	Midrise	Garden	Lowrise	Garden	Garden	Midrise	Garden	Garden
<b># of Stories</b>	4-stories	2-stories	4-stories	2-stories	4-stories	3-stories	3-stories	4-stories	3-stories	3-stories
<b>Year Built</b>	2027	1998	2008	1976	2005	2013	2018	2024	2019	1989
<b>Year Renovated</b>	n/a	n/a	n/a	2000	n/a	2024	n/a	n/a	n/a	n/a
<b>Elevators</b>	yes	no	yes	no	yes	no	no	yes	no	no
<b>Courtyard</b>	yes	no	no	no	no	yes	no	no	yes	no

The Subject will exhibit excellent condition upon completion. The LIHTC comparables were constructed or renovated between 1998 and 2008, while the market rate comparables were constructed or renovated between 1989 and 2024. The LIHTC comparables exhibit inferior to slightly condition relative to the proposed Subject. The market rate comparables exhibit inferior to similar condition relative to the proposed Subject. Clairmont at Harbour View Station, Era at Park 216, and Park 216 are in excellent condition, similar to the anticipated condition of the Subject.

The Subject will offer a four-story, midrise, elevator-serviced design, similar to the elevator serviced midrise and lowrise designs. Five comparables offer a garden-style design without elevators, which is considered inferior to the Subject's proposed design.

### Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject's unit size relative to the surveyed average unit sizes in the market.

#### UNIT SIZE COMPARISON

Bedroom Type	1BR	2BR
<b>Subject</b>	<b>628</b>	<b>908</b>
Average	808	1,119
Min	675	880
Max	1,009	1,747
<b>Advantage/Disadvantage</b>	<b>-22%</b>	<b>-19%</b>

#### UNIT SIZE COMPARISON - SENIOR PROPERTIES

Bedroom Type	1BR	2BR
<b>Subject</b>	<b>628</b>	<b>908</b>
Average	837	1,099
Min	675	880
Max	1,009	1,546
<b>Advantage/Disadvantage</b>	<b>-25%</b>	<b>-17%</b>

We reflect the weighted average of the Subject's unit sizes throughout this report. As illustrated, the Subject's proposed one-bedroom unit size is the smallest among the comparables and the Subject's two-bedroom units are smaller than the comparable average while remaining in the comparable range. Comparables such as Victory Square Apartments, a senior LIHTC comparable, offer similarly small units and reported 93 percent occupancy as well as a waiting list, indicating that the small unit sizes at this development have not negatively impacted occupancy. Therefore, we anticipate that the Subject's unit sizes will be well accepted in the market. The Subject's unit sizes are considered in our determination of achievable rents. The following table ranks the Subject's unit sizes to the unit sizes at the comparable properties.



SQUARE FOOTAGE RANKING COMPARISON

One Bedroom One Bath		Two Bedroom Two Bath	
Property Name	Size	Property Name	Size
Era At Park 216 (Market)	1,009	Park 216 (Market)(2.5BA)	1,747
Westwinds Apartments (Market)	900	Era At Park 216 (Market)	1,546
Era At Park 216 (Market)	891	Park 216 (Market)	1,308
Stone Ridge Apartments (@60%)	850	Era At Park 216 (Market)	1,281
Crescent Place (@60%)	812	Crescent Place (@60%)	1,181
Clairmont At Harbour View Station (Market)	798	Clairmont At Harbour View Station (Market)	1,174
Clairmont At Harbour View Station (Market)	784	Clairmont At Harbour View Station (Market)	1,166
Era At Park 216 (Market)	773	Park 216 (Market)	1,112
Park 216 (Market)	765	Era At Park 216 (Market)(1BA)	1,095
Century Hampton Roads (Market)	734	Century Hampton Roads (Market)	1,052
Park 216 (Market)	708	Arbour Reach Apartments (@60%)	1,030
Victory Square Apartments (@60%)	675	Century Hampton Roads (Market)	1,028
<b>Twin Pines (@60%)</b>	<b>628</b>	Era At Park 216 (Market)	1,016
<b>Twin Pines (@30%)</b>	<b>628</b>	Era At Park 216 (Market)(1BA)	991
<b>Twin Pines (@50%)</b>	<b>628</b>	Westwinds Apartments (Market)	950
		Stone Ridge Apartments (@60%)(1BA)	920
		<b>Twin Pines (@60%)</b>	<b>908</b>
		<b>Twin Pines (@50%)</b>	<b>908</b>
		<b>Twin Pines (@30%)</b>	<b>908</b>
		Park 216 (Market)(1BA)	892
		Era At Park 216 (Market)(1BA)	887
		Victory Square Apartments (@60%)(1BA)	880

Utility Structure

The following table details the Subject's utility structure in comparison to the comparable properties. The utility conventions differ at the comparable properties; therefore, we have adjusted "base" or "asking" rents of the comparable properties to "net" rents, reflecting the Subject's utility convention.

	Subject	Arbour Reach Apartments	Crescent Place	Stone Ridge Apartments	Victory Square Apartments	Century Hampton Roads	Clairmont At Harbour View Station	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Family	Senior	Family	Family	Senior	Family	Family
Utility Structure										
Cooking	no	no	no	yes	no	no	no	no	no	no
Water Heat	no	no	no	yes	no	no	no	no	no	no
Heat	no	no	no	yes	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	yes	no	no	no	no	no	no
Sewer	yes	no	yes	yes	no	no	no	no	no	no
Trash	yes	yes	yes	yes	yes	no	no	no	no	yes

In-Unit Amenities

The following table compares the Subject's in-unit amenities with comparable properties.



	Subject	Arbour Reach Apartments	Crescent Place	Stone Ridge Apartments	Victory Square Apartments	Century Hampton Roads	Clairmont At Harbour View Station	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Family	Senior	Family	Family	Senior	Family	Family
<b>Accessibility</b>										
Hand Rails	no	no	no	no	yes	no	no	no	no	no
Pull Cords	no	no	no	no	yes	no	no	no	no	no
<b>Unit Amenities</b>										
Balcony/Patio	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	yes	no	no	no	no	no	no	no	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	yes	no	no	no	no	no	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	no	no	no	yes	yes	no	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	no	no	no	yes
Exterior Storage	no	yes	no	no	no	yes	no	no	no	no
Walk-In Closet	no	yes	yes	yes	yes	yes	yes	yes	yes	no
Washer/Dryer	no	no	no	no	no	yes	yes	yes	yes	no
W/D Hookup	no	yes	yes	no	no	yes	no	no	no	yes
<b>Kitchen</b>										
Dishwasher	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Microwave	yes	no	no	no	no	yes	yes	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject unit amenities will consist of a balcony/patio, blinds, carpet flooring, central air conditioning, coat closets, dishwashers, ceiling fans, garbage disposals, microwaves, range/ovens, refrigerators, and vinyl plank flooring. The majority of the surveyed comparables offer unit amenities ranging from slightly superior to superior relative to the proposed Subject. These properties offer features such as walk-in closets, washer/dryer hook-ups, and washer/dryers, none of which are included in the Subject's proposed amenity scheme. The amenity packages offered by Arbour Reach Apartments, Crescent Place, and Stone Ridge Apartments are considered similar to the Subject. Overall, we believe the Subject's proposed unit amenities will be competitive in the market.

### Property Amenities

The following table compares the Subject's property amenities with the comparable properties.

	Subject	Arbour Reach Apartments	Crescent Place	Stone Ridge Apartments	Victory Square Apartments	Century Hampton Roads	Clairmont At Harbour View Station	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Family	Senior	Family	Family	Senior	Family	Family
<b>Community</b>										
Business Center	yes	no	no	no	no	yes	yes	no	yes	no
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	no	no	no	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Concierge	no	no	no	no	no	no	no	yes	no	no
<b>Recreation</b>										
Exercise Facility	yes	no	yes	no	yes	yes	yes	yes	yes	no
Playground	no	no	no	yes	no	no	yes	no	no	yes
Swimming Pool	no	yes	yes	yes	no	yes	yes	yes	yes	yes
Picnic Area	yes	yes	no	no	no	yes	no	no	yes	yes
Theatre	no	no	no	no	no	no	yes	no	no	no
Recreational Area	yes	no	no	no	no	no	no	no	no	no
Volleyball Court	no	no	no	no	no	no	no	yes	yes	no
WiFi	yes	no	no	no	no	no	no	no	yes	no

The Subject common area amenities will consist of bike storage, a business center, clubhouse, courtyard, elevators, an exercise facility, picnic area, central laundry facility, on-site management, a pet park, a package room, recreation areas, and Wi-Fi in the common areas. The majority of the surveyed comparables offer

property amenities ranging from slightly inferior to slightly superior relative to the proposed Subject. The amenity packages of Arbour Reach Apartments, Stone Ridge Apartments, and Westwinds Apartments offer features that are considered similar to the Subject. Overall, we believe the Subject's property amenities will be competitive in the market.

### Security Features

The following table compares the Subject's security features with comparable properties.

	Subject	Arbour Reach Apartments	Crescent Place	Stone Ridge Apartments	Victory Square Apartments	Century Hampton Roads	Clairmont At Harbour View Station	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Family	Senior	Family	Family	Senior	Family	Family
Crime Index	71	85	175	73	176	87	84	88	88	71
<b>Security</b>										
In-Unit Alarm	no	yes	no	no	no	no	no	no	no	no
Intercom (Buzzer)	yes	no	yes	no	yes	no	no	yes	no	no
Limited Access	yes	no	yes	no	yes	yes	yes	yes	yes	yes
Patrol	no	no	no	yes	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	yes	yes	no	no	no	no	no
Video Surveillance	no	no	no	yes	yes	no	no	no	no	no

The proposed Subject will offer intercom (buzzer) and limited access. All of the comparable properties offer some form of security feature. The Subject's security features appear to be market-oriented.

### Parking

The following table compares the Subject's parking amenities with comparable properties.

	Subject	Arbour Reach Apartments	Crescent Place	Stone Ridge Apartments	Victory Square Apartments	Century Hampton Roads	Clairmont At Harbour View Station	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Family	Senior	Family	Family	Senior	Family	Family
Walk Score	21	47	66	31	77	65	1	57	54	21
Parking Ratio	-	-	-	-	-	-	-	-	-	-
<b>Parking</b>										
Garage	no	no	no	no	no	no	yes	no	no	no
Garage Fee	n/a	n/a	n/a	n/a	n/a	n/a	\$95	n/a	n/a	n/a
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The Subject's overall larger development will offer a total of 123 off-street parking spaces for the 82 units, which equates to approximately 1.5 spaces per unit. There will be no fee for parking. Given the Subject's senior tenancy, we expect the number of parking spaces will be adequate. All of the comparables offer off-street parking included in the cost of rent. Clairmont at Harbour View Station also offers garages for a monthly fee of \$95. The proposed parking at the Subject is considered similar to the comparables.

### Conclusion

The Subject's construction is set to begin in November 2025 and be completed in May 2027. The Subject will exhibit excellent overall condition upon completion. The LIHTC comparables were constructed or renovated between 1998 and 2008, while the market rate comparables were constructed or renovated between 1989 and 2024. The LIHTC comparables exhibit inferior to slightly inferior condition relative to the proposed Subject. The market rate comparables exhibit inferior to similar condition relative to the proposed Subject. The majority of the surveyed comparables offer property amenities ranging from slightly inferior to slightly superior relative to the proposed Subject. The majority of the surveyed comparables offer slightly inferior to slightly superior unit amenities relative to the proposed Subject. The Subject's proposed one-bedroom unit size is the smallest among the comparables and the Subject's two-bedroom units are smaller than the comparable average while

remaining in the comparable range. Comparables such as Victory Square Apartments, a senior LIHTC comparable, offer similarly small units and reported 93 percent occupancy as well as a waiting list, indicating that the small unit sizes at this development have not negatively impacted occupancy. Therefore, we anticipate that the Subject's unit sizes will be well accepted in the market. Overall, we believe the Subject will be well accepted in the market as proposed.

## MARKET CHARACTERISTICS

The following table details voucher usage reported by the comparable properties.

### TENANTS WITH VOUCHERS

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Arbour Reach Apartments	LIHTC	Family	60%
Crescent Place	LIHTC	Family	80%
Stone Ridge Apartments	LIHTC	Family	6%
Victory Square Apartments	LIHTC	Senior	30%
Century Hampton Roads	Market	Family	0%
Clairmont At Harbour View Station*	Market	Family	0%
Era At Park 216	Market	Senior	0%
Park 216	Market	Family	0%
Westwinds Apartments	Market	Family	30%

\*Located outside of the PMA

The comparable properties reported voucher usage ranging from zero to 80 percent. All four of the LIHTC properties reported voucher usage of six to 80 percent with an average of 44 percent. One of the market rate properties, Westwinds Apartments, reported voucher usage. As proposed, the Subject is fully subsidized. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 40 percent, absent subsidy.

## Turnover

The following table illustrates reported turnover for the comparable properties.

### TURNOVER

Property Name	Rent Structure	Tenancy	Annual Turnover
Arbour Reach Apartments	LIHTC	Family	13%
Crescent Place	LIHTC	Family	25%
Stone Ridge Apartments	LIHTC	Family	12%
Victory Square Apartments	LIHTC	Senior	16%
Century Hampton Roads	Market	Family	N/A
Clairmont At Harbour View Station*	Market	Family	21%
Era At Park 216	Market	Senior	N/A
Park 216	Market	Family	19%
Westwinds Apartments	Market	Family	29%
<b>Average Turnover</b>			<b>19%</b>

\*Located outside of the PMA

It should be noted that we were unable to obtain turnover data for one of the surveyed stabilized properties. The remaining comparables reported turnover rates ranging from 12 to 29 percent, with an overall average of 19 percent. The LIHTC comparables operate with an average turnover rate of 17 percent, which is above the 23 percent average reported by the market rate properties. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a turnover rate of approximately 15 percent as proposed.

## Vacancy

The following table summarizes overall weighted vacancy levels at the surveyed properties.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	vacant Units	Vacancy Rate
Arbour Reach Apartments	LIHTC	Family	92	1	1.1%
Crescent Place	LIHTC	Family	156	0	0.0%
Stone Ridge Apartments	LIHTC	Family	207	12	5.8%
Victory Square Apartments	LIHTC	Senior	112	8	7.1%
Century Hampton Roads	Market	Family	216	4	1.9%
Clairmont At Harbour View Station*	Market	Family	276	5	1.8%
Era At Park 216	Market	Senior	104	21	20.2%
Park 216	Market	Family	266	15	5.6%
Westwinds Apartments	Market	Family	408	24	5.9%
<b>Total LIHTC</b>			<b>567</b>	<b>21</b>	<b>3.7%</b>
<b>Total Market Rate</b>			<b>1,270</b>	<b>69</b>	<b>5.4%</b>
<b>Stabilized Market Rate**</b>			<b>1,166</b>	<b>48</b>	<b>4.1%</b>
<b>Overall Total</b>			<b>1,837</b>	<b>90</b>	<b>4.9%</b>
<b>Stabilized Total**</b>			<b>1,733</b>	<b>69</b>	<b>4.0%</b>

\*Located outside of the PMA

\*\*Excludes Era at Park 216, which is in its initial absorption period

The stabilized comparables reported vacancy rates ranging from zero to 7.1 percent, with an overall weighted average of 4.0 percent. It should be noted that Era at Park 216 opened in February 2024, is in its initial absorption period, and has been leasing units at a pace of six units per month. Managers at one of the five LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 3.7 percent, slightly below the 4.1 percent average reported by the stabilized market rate properties. The contact at Victory Square Apartments indicated that the current vacancy rate of 7.1 percent is higher than typical as this property does not currently have a permanent manager. One of the eight vacant units is preleased to a new tenant. The vacancy rate at this property is property specific and not reflective of the performance of the overall market. Based on the performance of the LIHTC comparables, we expect the Subject will operate with a vacancy rate of approximately five percent or less upon completion.

The following table details vacancy by bedroom type for the comparable properties surveyed:

VACANCY BY BEDROOM TYPE						
Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Arbour Reach Apartments	LIHTC	Family	-	1.1%	-	1.1%
Crescent Place	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Stone Ridge Apartments	LIHTC	Family	-	-	-	5.8%
Victory Square Apartments	LIHTC	Senior	-	-	-	7.1%
Century Hampton Roads	Market	Family	-	2.8%	-	1.9%
Clairmont At Harbour View Station*	Market	Family	0.8%	3.0%	-	0.0%
Era At Park 216	Market	Senior	-	-	-	20.2%
Park 216	Market	Family	-	-	-	5.6%
Westwinds Apartments	Market	Family	-	-	-	5.9%

\*Located outside the PMA

The Subject will consist of one and two-bedroom units. The vacancy rates for these unit types are low among the stabilized comparables. None of the LIHTC comparables reported maintaining a waiting list, some as a



matter of policy. Overall, we believe there is demand for additional rental housing in the market. The Subject is not expected to negatively impact the existing properties in the market.

### Historical Vacancy

The following table details historical vacancy levels for the properties included as comparables.

HISTORICAL VACANCY							
Property Name	Program	Total Units	2022 Q4	2023 Q1	2023 Q2	2024 Q2	2025 Q2
Arbour Reach Apartments	LIHTC	92	N/A	0.0%	N/A	1.1%	1.1%
Crescent Place	LIHTC	156	0.0%	2.6%	3.8%	0.0%	0.0%
Stone Ridge Apartments	LIHTC	207	N/A	N/A	N/A	19.8%	5.8%
Victory Square Apartments	LIHTC	112	0.9%	8.9%	1.8%	2.7%	7.1%
Century Hampton Roads	Market	216	N/A	1.4%	N/A	0.0%	1.9%
Clairmont At Harbour View Station	Market	276	N/A	N/A	N/A	0.0%	1.8%
Era At Park 216	Market	104	N/A	N/A	N/A	68.3%	20.2%
Park 216	Market	266	N/A	N/A	N/A	2.3%	5.6%
Westwinds Apartments	Market	408	N/A	2.2%	N/A	0.2%	5.9%

As illustrated in the table above, the vacancy rates at the majority of comparable properties improved or remained stable since our previous interviews. This is indicative of continued demand for affordable housing in the market. It should be noted that Era at Park 216 is in its initial absorption period.

### Concessions

Two of the market rate comparable properties, Century Hampton Roads and Clairmont at Harbour View Station, reported offering concessions at this time. The former is offering one month of free rent for a one year lease while the latter is offering monthly discounts of \$125 to \$300 for its one and two-bedroom units. Given the lack of concessions offered in the market by the LIHTC comparables, we do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate upon completion.

### Waiting Lists

None of the comparable developments maintain a waiting list at this time. Two LIHTC properties, Arbour Reach and Crescent Place, only lease units on a first come, first served basis. Nonetheless, we expect the Subject will have a waiting list upon completion.

### Projected Absorption

The following table details the absorption pace of recently completed properties in the Hampton Roads region.

ABSORPTION							
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	
Era at Park 216	Market	Senior	Suffolk	2024	104	6	
The Apartments at Hallstead Reserve	Market	Family	Suffolk	2023	312	15	
The Gallery at Godwin	Market	Family	Suffolk	2023	255	26	
Riverside Station	LIHTC	Family	Norfolk	2022	236	33	
Holley Pointe	LIHTC	Family	Portsmouth	2022	50	12	
Port 58 Apartments at Hillpoint	Market	Family	Suffolk	2022	230	18	
Average LIHTC					143	23	
Average Market Rate					225	16	
Overall Average					198	18	

We obtained absorption data from six properties in the Hampton Roads region. These properties were completed over the 2022 to 2024 period. These properties reported absorption rates ranging from six to 33 units per month, with an overall average of 18 units per month. The LIHTC properties reported higher absorption rates on average compared to the market rate properties. The sole senior property, Era at Park 216, reports the lowest absorption pace, although this is a market rate property. Overall, we expect the Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately eight to nine months.

### Rent Growth

We were able to obtain the most recent rental adjustment data from the comparable properties. The following table outlines the rental history for comparable properties.

RENT GROWTH			
Property Name	ent Structur	Tenancy	Rent Growth
Arbour Reach Apartments	LIHTC	Family	Increased to 2024 max
Crescent Place	LIHTC	Family	Increased to 2024 max
Stone Ridge Apartments	LIHTC	Family	Increased 7%-19%
Victory Square Apartments	LIHTC	Senior	Increased to 2024 max
Century Hampton Roads	Market	Family	No change to dec 20%
Clairmont At Harbour View Station*	Market	Family	Decreased 2%
Era At Park 216	Market	Senior	N/A
Park 216	Market	Family	None
Westwinds Apartments	Market	Family	Increased 2%

\*Located outside of the PMA

All of the LIHTC comparable properties reported achieving rent growth. Of these properties, Arbour Reach Apartments, Crescent Place, and Victory Square Apartments are achieving rents at the 2024 maximum allowable levels. The manager at Stone Ridge Apartments reported that the management team had recently taken over and are in the process of slowly increasing rents to the LIHTC maximum allowable levels. It is noted that recent rent growth has been minimal at best at the market rate comparables.

### Reasonability of Rents

The table below illustrates the Subject's proposed rents and unit mix.

Bedroom Type	AMI Level	UNITS			Developer Pro Forma*	RENTS			ACHIEVABLE LIHTC vs.	
		SF	#	% of Total		Achievable LIHTC Rents	Market <sup>1</sup>	Section 42 Max <sup>2</sup>	Market as % of	Section 42 Max as % of
1BR / 1BA	@30%	628	7	8.5%	\$1,505	\$531	\$1,400	\$531	37.9%	100.0%
1BR / 1BA	@50%	628	35	42.7%	\$1,505	\$930	\$1,400	\$930	66.4%	100.0%
1BR / 1BA	@60%	628	28	34.1%	\$1,505	\$1,130	\$1,400	\$1,130	80.7%	100.0%
2BR / 2BA	@30%	908	2	2.4%	\$1,717	\$632	\$1,700	\$632	37.2%	100.0%
2BR / 2BA	@50%	908	6	7.3%	\$1,717	\$1,111	\$1,700	\$1,111	65.4%	100.0%
2BR / 2BA	@60%	908	4	4.9%	\$1,717	\$1,351	\$1,700	\$1,351	79.5%	100.0%
<b>OVERALL WEIGHTED AVG</b>			<b>82</b>	<b>100.0%</b>	<b>\$1,536</b>	<b>\$991</b>	<b>\$1,444</b>	<b>\$991</b>	<b>68.7%</b>	<b>100.0%</b>
@30% Units			9	11.0%	\$1,552	\$553	\$1,467	\$553	37.8%	100.0%
@50% Units			41	50.0%	\$1,536	\$956	\$1,444	\$956	66.3%	100.0%
@60% Units			32	39.0%	\$1,532	\$1,158	\$1,438	\$1,158	80.6%	100.0%

<sup>1</sup> Market rent estimates reflect achievable rent assuming the property were 100% market rate and available for occupancy as of the effective date of the report.

<sup>2</sup> Maximum Section 42 rents have been adjusted by the appropriate utility allowance.

\* Proposed contract rents.

## Comparable LIHTC Rents

The following tables compare the Subject's and the comparable properties' rents. For the purposes of this market study, "Base Rents" are the actual rents quoted to the tenant and are most frequently those rents that potential renters consider when making a housing decision. "Net rents" are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property and help to provide an "apples-to-apples" comparison of rents. Note that some of the comparable property's LIHTC rents appear to be below or above the maximum levels; however, the majority are the result of differing utility allowance structures at the comparables.

The table below illustrates the Subject's contract rents and unit mix.

PROPOSED RENTS							
Unit Type	Unit Size (SF) (1)	Number of Units	Contract Rent (2)	Utility Allowance (3)	Gross Rent	2025 LIHTC Maximum Allowable Gross Rent	2025 HUD Fair Market Rents
@30% (PBV)							
1BR / 1BA	628	7	\$1,505	\$68	\$1,573	\$599	\$1,483
2BR / 2BA	908	2	\$1,717	\$87	\$1,804	\$719	\$1,696
@50% (PBV)							
1BR / 1BA	628	35	\$1,505	\$68	\$1,573	\$998	\$1,483
2BR / 2BA	908	6	\$1,717	\$87	\$1,804	\$1,198	\$1,696
@60% (PBV)							
1BR / 1BA	628	28	\$1,505	\$68	\$1,573	\$1,198	\$1,483
2BR / 2BA	908	4	\$1,717	\$87	\$1,804	\$1,438	\$1,696
<b>82</b>							

Notes (1) Weighted average unit size per Developer.

(2) Proposed contract rent.

(3) Source of Utility Allowance provided by the Developer.

The Subject is a proposed LIHTC/PBV property that will offer a total of 82 units, all of which are revenue-generating. All 82 units will benefit from rental assistance through project based vouchers, where tenants will pay 30 percent of their income towards rent. The Subject's contract rents at the 30, 50 and 60 percent of AMI level are set above the 2025 maximum allowable levels. Thus, if the Subject were to lose the rental subsidies, the proposed rents for these units would have to be lowered to comply with the LIHTC program requirements.

### 30, 50 and 60% AMI Levels

#### LIHTC RENT COMPARISON @30%

Property Name	Tenancy	1BR	2BR	Rents at Max?
Twin Pines	Senior	\$1,505*	\$1,717*	N/A
2024 LIHTC Maximum Rent (Net)		\$498	\$593	
2025 LIHTC Maximum Rent (Net)		\$531	\$632	
Achievable LIHTC Rent		\$531	\$632	Yes

\*Proposed contract rents

#### LIHTC RENT COMPARISON @50%

Property Name	Tenancy	1BR	2BR	Rents at Max?
Twin Pines	Senior	\$1,505*	\$1,717*	N/A
2024 LIHTC Maximum Rent (Net)		\$876	\$1,046	
2025 LIHTC Maximum Rent (Net)		\$930	\$1,111	
Achievable LIHTC Rent		\$930	\$1,111	Yes

\*Proposed contract rents

#### LIHTC RENT COMPARISON @60%

Property Name	Tenancy	1BR	2BR	Rents at Max?
Twin Pines	Senior	\$1,505*	\$1,717*	N/A
2024 LIHTC Maximum Rent (Net)		\$1,065	\$1,273	
2025 LIHTC Maximum Rent (Net)		\$1,130	\$1,351	
Arbour Reach Apartments	Family	-	\$1,315	Yes - 2024
Crescent Place	Family	\$1,056	\$1,261	Yes - 2024
Stone Ridge Apartments	Family	\$991	\$1,210	Yes - 2024
Victory Square Apartments	Senior	\$1,085	\$1,306	Yes - 2024
Average		\$1,044	\$1,273	
Achievable LIHTC Rent		\$1,130	\$1,351	Yes

\*Proposed contract rents

The Subject's proposed rents for its one and two-bedroom units at the 30, 50 and 60 percent of AMI level are contract rents set above the 2025 maximum allowable levels. None of the comparable properties reported offering units at the 30 or 50 percent of AMI levels. All four of the comparable properties reported offering units at the 60 percent of AMI level. As indicated, these comparables that feature units at the 60 percent of AMI levels report achieving rents at the 2024 maximum allowable levels.

The Subject is most similar to Victory Square Apartments, a 112-unit lowrise development restricted to seniors, located 5.7 miles southeast of the Subject site, in a neighborhood considered inferior relative to the Subject's location. The property was built in 2005 and currently exhibits inferior condition, relative to the proposed Subject, which will be new construction. The manager at Victory Square Apartments reported a moderate vacancy rate of 7.1 percent, indicating the current rents are generally reasonable. This contact did indicate that many prospective senior tenants are under income-qualified to rent at this property, although it is noted that the Subject has a superior location compared to this comparable. Victory Square Apartments offers walk-in closets, which the Subject will lack. However, the Subject will offer balconies/patios, microwaves, and a

computer area, none of which are provided by Victory Square Apartments. The in-unit and property amenity packages offered by Victory Square Apartments are both considered slightly inferior relative to the proposed Subject's amenities. The Subject's one-bedroom units are slightly smaller than those at Victory Square Apartments, while its two-bedroom units are larger than those at Victory Square Apartments. In overall terms, we believe the Subject will be superior relative to Victory Square Apartments. Therefore, we believe the Subject would be capable of achieving rents at the 2025 maximum allowable levels for its units at 30, 50 and 60 percent of the AMI, absent subsidy, which are \$45 above the rents at Victory Square Apartments.

### Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the proposed Subject, we conclude that the Subject's achievable LIHTC rents, absent subsidy, are below the achievable market rents. The following table shows both market rent comparisons and achievable market rents.

MARKET RENT COMPARISON		
Property Name	1BR	2BR
<b>Subject Pro Forma</b>	<b>\$1,505*</b>	<b>\$1,717*</b>
Century Hampton Roads	\$1,673	\$1,844
	-	\$1,625
Clairmont At Harbour View Station	\$1,525	\$2,067
	\$1,575	\$2,082
Era At Park 216	\$1,779	-
Park 216	\$1,679	\$1,856
	\$1,729	\$2,056
	-	\$2,596
	-	\$2,896
Westwinds Apartments	\$1,346	\$1,518
<b>Average</b>	<b>\$1,615</b>	<b>\$2,060</b>
<b>Achievable Market Rent</b>	<b>\$1,400</b>	<b>\$1,700</b>

SUBJECT COMPARISON TO MARKET RENTS							
Unit Type	Rent Level	Subject Achievable LIHTC Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@30% (PBV)	\$531	\$1,346	\$1,779	\$1,615	\$1,400	62%
1BR / 1BA	@50% (PBV)	\$930	\$1,346	\$1,779	\$1,615	\$1,400	34%
1BR / 1BA	@60% (PBV)	\$1,130	\$1,346	\$1,779	\$1,615	\$1,400	19%
2BR / 2BA	@30% (PBV)	\$632	\$1,518	\$2,896	\$2,060	\$1,700	63%
2BR / 2BA	@50% (PBV)	\$1,111	\$1,518	\$2,896	\$2,060	\$1,700	35%
2BR / 2BA	@60% (PBV)	\$1,351	\$1,518	\$2,896	\$2,060	\$1,700	21%

The Subject's achievable LIHTC rents, absent subsidy, are below the achievable market rents. The Subject's achievable LIHTC rents represent a rent advantage of 19 to 63 percent over the achievable market rents. We concluded that achievable market rents for the Subject's units are above the rents at Westwinds Apartments and below the rents at Era at Park 216.

Westwinds Apartments is a 408-unit, garden-style development located 0.2 miles southeast of the Subject site, in a neighborhood considered similar relative to the Subject's location. The property was built in 1989, and currently exhibits inferior condition relative to the proposed Subject, which will be new construction. The manager at Westwinds Apartments reported a low vacancy rate of 5.9 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with Westwinds Apartments.



**SUBJECT COMPARISON TO WESTWINDS APARTMENTS**

Unit Type	Rent Level	Subject Achievable Market Rent	Square Feet	Subject RPSF	Westwinds Apartments Rent	Square Feet	Westwinds Apartments RPSF
1BR / 1BA	@30% (PBV)	\$1,400	628	\$2.23	\$1,346	900	\$1.50
1BR / 1BA	@50% (PBV)	\$1,400	628	\$2.23	\$1,346	900	\$1.50
1BR / 1BA	@60% (PBV)	\$1,400	628	\$2.23	\$1,346	900	\$1.50
2BR / 2BA	@30% (PBV)	\$1,700	908	\$1.87	\$1,518	950	\$1.60
2BR / 2BA	@50% (PBV)	\$1,700	908	\$1.87	\$1,518	950	\$1.60
2BR / 2BA	@60% (PBV)	\$1,700	908	\$1.87	\$1,518	950	\$1.60

Westwinds Apartments offers a playground and a swimming pool, both of which the proposed Subject will lack. However, the Subject will offer microwaves, a business center, and a fitness center, none of which are provided by Westwinds Apartments. On balance, we believe the in-unit and property amenity packages offered by Westwinds Apartments to be slightly superior and similar relative to the proposed Subject, respectively. The Subject's unit sizes are smaller than those at Westwinds Apartments. In overall terms, we believe the Subject will be a superior product relative to the Westwinds Apartments, primarily due to its excellent condition.

Era at Park 216 is a 104-unit, midrise development located 1.4 miles west of the Subject site, in a neighborhood considered superior relative to the Subject's location. All units at this market property are restricted to senior (age 55+) households. The property was built in 2024, and currently exhibits similar condition relative to the proposed Subject, which will be new construction. This property is in its initial absorption period. The following table compares the Subject with Era at Park 216.

**SUBJECT COMPARISON TO ERA AT PARK 216**

Unit Type	Rent Level	Subject Achievable Market Rent	Square Feet	Subject RPSF	Era At Park 216 Rent	Square Feet	Era At Park 216 RPSF
1BR / 1BA	@30% (PBV)	\$1,400	628	\$2.23	\$1,529	773	\$1.98
1BR / 1BA	@50% (PBV)	\$1,400	628	\$2.23	\$1,529	773	\$1.98
1BR / 1BA	@60% (PBV)	\$1,400	628	\$2.23	\$1,529	773	\$1.98
2BR / 2BA	@30% (PBV)	\$1,700	908	\$1.87	\$1,996	1,016	\$1.96
2BR / 2BA	@50% (PBV)	\$1,700	908	\$1.87	\$1,996	1,016	\$1.96
2BR / 2BA	@60% (PBV)	\$1,700	908	\$1.87	\$1,996	1,016	\$1.96

Era at Park 216 offers washer/dryers, a swimming pool, and volleyball court, all of which the proposed Subject will lack. However, the proposed Subject will offer a computer room and picnic area, neither of which are offered by Era at Park 216. On balance, we believe the in-unit and property amenity packages offered by Era at Park 216 to be superior and slightly superior relative to the proposed Subject, respectively. The Subject's units are smaller than those at Era at Park 216. In overall terms, we believe the Subject will be a slightly inferior product relative to Era at Park 216. Our concluded achievable market rents for the Subject's units are below the rents reported by Era at Park 216.

**Summary Evaluation of the Project**

The Subject will be a newly constructed senior (55+) LIHTC/PBV development. The strengths of the Subject will be its excellent condition upon completion. Weaknesses of the Subject are its small unit sizes, although they are within the comparable range. Nonetheless, other comparable properties with smaller unit sizes are performing reasonably well. Therefore, we anticipate that the Subject's unit sizes will be well accepted in the market. The average vacancy rate among the surveyed LIHTC properties is at 3.7 percent, slightly below the 4.1 percent average reported by the stabilized market rate properties. The contact at Victory Square

Apartments indicated that the current vacancy rate of 7.1 percent is higher than typical as this property does not currently have a permanent manager. One of the eight vacant units is preleased to a new tenant. None of the comparable developments maintain a waiting list at this time. Two LIHTC properties, Arbour Reach and Crescent Place, only lease units on a first come, first served basis. All four comparable LIHTC properties report achieving the 2024 maximum allowable rents at the 60 percent of AMI levels. Upon completion, we believe the Subject will be capable of achieving rents at the 2025 maximum allowable levels at the 30, 50 and 60 percent of AMI restrictions. Our concluded achievable market rents are below the average rents of the surveyed market comparables. The Subject's achievable LIHTC rents at the 30, 50 and 60 percent AMI levels offer a discount to the Novogradac estimate of achievable market rents.

### **Impact on Existing Housing Stock**

All the data combined with interviews of real estate professionals demonstrate a continuing need for affordable housing over the foreseeable term. The comparables surveyed include a total of 1,837 units in nine rental properties. The LIHTC comparables in the area reported vacancy rates of 5.8 percent or lower. It should be noted that Era at Park 216 opened in February 2024, is in its initial absorption period, and has been leasing units at a pace of approximately six units per month. Managers at one of the four LIHTC properties reported being fully occupied. Additionally, the high occupancy rates at the vast majority of market rate comparables in the PMA are evidence of a stable rental market and strong demand.

Our demand calculations illustrate a need for affordable housing in the area when we consider the Subject's achievable LIHTC rents. The existing apartment developments will not hinder each other's ability to maintain high occupancy due to the lack of multifamily development in the area. Additionally, the construction of the property through the LIHTC program will have a positive impact on the surrounding neighborhood, and will not adversely affect the existing and awarded housing located in the PMA.

# **I. AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES AND PENETRATION RATES**

## AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES, AND PENETRATION RATES

### Introduction

When evaluating demand for a particular proposed development we rely primarily on two methods. These are a supply analysis and a demand analysis. The supply analysis focuses on satisfied demand and anecdotal reports from property managers and market participants regarding demand. We believe this evidence of demand is the clearest and most reliable when measuring housing need in a market area. We explored that indication in the previous sections of this report.

This section focuses on analyzing demographic data to determine housing need. According to NCHMA model content standards there are two measurements used to evaluate demand based on the demographic data. The first measurement is termed the capture rate. NCHMA defines Capture Rate as: The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to fill the units. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area.”

The second measurement is the Penetration Rate, which has similarities to the capture rate. NCHMA defines Penetration Rate as the percentage of age and income qualified renter households in the primary market area that all existing and proposed properties, to be completed within six months of the Subject, and which are competitively priced to the subject that must be captured to achieve the stabilized level of occupancy.”

### Capture Rate Determination

The following analysis will take the reader through a multi-step process in determining an appropriate capture rate for the Subject. Our analysis takes the entire population and distributes it by the following characteristics:

1. PMA Demography
2. Income Qualified
3. Income Distribution
4. Income Eligible - Renter Households by Number of People in Household
5. Unit Size Appropriate
6. Capture Rate by Bedroom Mix

The following text will examine each step through the process.

### Step One – PMA Demography

#### Primary Market Area Defined

##### MARKET AREA

For the purpose of this study, it is necessary to define the competitive Primary Market Area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as a portion of Portsmouth. The PMA boundaries generally consist of Elizabeth river to the north, the Elizabeth River to the east, Interstate 264 to the south, and Interstate 664 to the west. The PMA encompasses approximately 41 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 20 percent.

## Demographic Information

The basic demographic information is based upon the definition of a primary market area (PMA”) and an estimate of the characteristics of the people living within that geographic definition.

Demographic data originates from the Census and is compiled by a third party data provider. Novogradac & Company uses data provided by the ESRI Business Analyst. Business Analyst brings in data as produced by ESRI's team of demographers. Sources include the US Census, American Community Survey, and other reputable sources. Housing characteristics are derived from several data sources, including construction data from Hanley Wood Market Intelligence, building permits from counties, the USPS, HUD, BLS, and the Census bureau. Owner and renter occupied units come from the Current Population Survey (BLS) and the Housing Vacancy Survey (Census). Data has been ground-truthed by ESRI staff and proven effective.

ESRI's products are used by almost all US federal agencies (including HUD and USDA), top state level agencies, over 24,000 state and local governments worldwide, as well as many industry leading technology users—AT&T, Citrix, SAP, Oracle, Microsoft. ESRI produces timely updates based on new releases of data.

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who reach the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data for the given age-restriction proposed for the Subject. The demographic information was detailed in the demographic section of this report.

### Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Jurisdiction:	Portsmouth City, VA
2025 AMI for four-person household:	\$106,500
Tenancy:	Senior
Affordability percentage:	40 percent
Leakage:	20 percent

To establish the number of income-eligible potential tenants for the Subject, the calculations are as follows:

First, we estimate the Subject's minimum and maximum income levels (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family-oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the applicable percentage to determine an income level. For example, if a property has a one-bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent.

The 'As Proposed' scenario reflects the Subject as proposed with subsidy. In the 'Absent Subsidy' scenario, the minimum income limits are based on the achievable LIHTC rents. In the 'As Proposed' scenario, minimum income can be as low as \$0 for the units with project-based subsidy.

**55+ INCOME LIMITS - AS PROPOSED**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30% (PBV)		@50% (PBV)		@60% (PBV)	
1BR	\$0	\$25,560	\$0	\$42,600	\$0	\$51,120
2BR	\$0	\$25,560	\$0	\$42,600	\$0	\$51,120

**55+ INCOME LIMITS - ABSENT SUBSIDY**

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
1BR	\$17,970	\$25,560	\$29,940	\$42,600	\$35,940	\$51,120
2BR	\$21,570	\$25,560	\$35,940	\$42,600	\$43,140	\$51,120

Second, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject property. This income distribution was illustrated previously in the demographic analysis section of this report.

**RENTER HOUSEHOLD INCOME 55+**

Income Cohort	PMA					
	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	363	10.2%	341	9.6%	-4	-1.2%
\$10,000-19,999	839	23.6%	780	21.9%	-12	-1.4%
\$20,000-29,999	600	16.9%	573	16.1%	-5	-0.9%
\$30,000-39,999	230	6.5%	200	5.6%	-6	-2.6%
\$40,000-49,999	293	8.2%	294	8.3%	0	0.1%
\$50,000-59,999	220	6.2%	206	5.8%	-3	-1.3%
\$60,000-74,999	309	8.7%	309	8.7%	0	0.0%
\$75,000-99,999	217	6.1%	241	6.8%	5	2.2%
\$100,000-124,999	210	5.9%	253	7.1%	9	4.1%
\$125,000-149,999	83	2.3%	104	2.9%	4	5.1%
\$150,000-199,999	73	2.1%	86	2.4%	3	3.6%
\$200,000+	116	3.3%	174	4.9%	12	10.0%
<b>Total</b>	<b>3,553</b>	<b>100.0%</b>	<b>3,561</b>	<b>100.0%</b>		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac Consulting LLP, April 2025

**Step Three – Income Distribution**

Third, we combine the allowable income bands with the income distribution analysis in order to determine the number of potential income-qualified households. The Cohort Overlap is defined as the income amount within income bands defined above that falls within the ESRI provided Income Cohort. The % in Cohort is simply the cohort overlap divided by the income cohort range (generally \$10,000). The # in Cohort is determined by multiplying total renter households by the % in Cohort determination. In some cases, the income-eligible band overlaps with more than one income cohort. In those cases, the cohort overlap for more than one income cohort will be calculated. The sum of these calculations provides an estimate of the total number of households that are income-eligible, both by AMI level and in total.



55+ INCOME DISTRIBUTION 2024 - AS PROPOSED

Income Cohort	Total Renter Households	@30% (PBV)			@50% (PBV)			@60% (PBV)			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	363	9,999	100.0%	363	9,999	100.0%	363	9,999	100.0%	363	9,999	100.0%	363
\$10,000-19,999	839	9,999	100.0%	839	9,999	100.0%	839	9,999	100.0%	839	9,999	100.0%	839
\$20,000-29,999	600	5,561	55.6%	334	9,999	100.0%	600	9,999	100.0%	600	9,999	100.0%	600
\$30,000-39,999	230				9,999	100.0%	230	9,999	100.0%	230	9,999	100.0%	230
\$40,000-49,999	293				2,601	26.0%	76	9,999	100.0%	293	9,999	100.0%	293
\$50,000-59,999	220							1,121	11.2%	25	1,121	11.2%	25
\$60,000-74,999	309												
\$75,000-99,999	217												
\$100,000-124,999	210												
\$125,000-149,999	83												
\$150,000-199,999	73												
\$200,000+	116												
<b>Total</b>	<b>3,553</b>		<b>43.2%</b>	<b>1,536</b>		<b>59.3%</b>	<b>2,108</b>		<b>66.1%</b>	<b>2,350</b>		<b>66.1%</b>	<b>2,350</b>

55+ INCOME DISTRIBUTION 2024 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@30%			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-9,999	363												
\$10,000-19,999	839	2,028	20.3%	170							2,028	20.3%	170
\$20,000-29,999	600	5,561	55.6%	334	58	0.6%	3				5,619	56.2%	337
\$30,000-39,999	230				9,999	100.0%	230	4,058	40.6%	93	9,999	100.0%	230
\$40,000-49,999	293				2,601	26.0%	76	9,999	100.0%	293	9,999	100.0%	293
\$50,000-59,999	220							1,121	11.2%	25	1,121	11.2%	25
\$60,000-74,999	309												
\$75,000-99,999	217												
\$100,000-124,999	210												
\$125,000-149,999	83												
\$150,000-199,999	73												
\$200,000+	116												
<b>Total</b>	<b>3,553</b>		<b>14.2%</b>	<b>504</b>		<b>8.7%</b>	<b>310</b>		<b>11.6%</b>	<b>411</b>		<b>29.7%</b>	<b>1,055</b>

**Step Four – Income Eligible - Renter Households by Number of People in Household**

At this point we know how many income eligible renter households there are within the PMA by AMI level. Using that household figure, we calculate the percentage of income eligible households to total households by AMI level (AMI percentage eligible). However, in order to provide a demand analysis by bedroom type the number of households must now be allocated to a bedroom mix. The first step in that process is to determine the number of income qualified renter households by the number of persons per household. This can be completed by applying the total number of rental households by person by the AMI percentage eligible. The total number of renter households by person is information provided by ESRI and illustrated in the demographic discussion.

**Step Five – Unit Size Appropriate**

Household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. Additionally, HUD assumes that one-person households are accommodated in one-bedroom units. For LIHTC income purposes, the actual size of the household is used.

The distribution of households by unit type is dependent on the following assumptions. This table has been developed by Novogradac as a result of market research.

## HOUSEHOLD DISTRIBUTION

1BR	90%	Of 1-person households in 1BR units
	20%	Of 2-person households in 1BR units
2BR	10%	Of 1-person households in 2BR units
	80%	Of 2-person households in 2BR units

The projected renter household demand by bedroom size can then be determined by applying these weightings to the number of income qualified renter households determined in Step Four.

**Step Six – Capture Rate by Bedroom Mix**

The capture rate is simply determined by dividing the number of units by unit type for the subject by the total number of qualified renter households for that unit type. This calculation is then adjusted for leakage to arrive at a final determination of capture rate by bedroom type and AMI level.

In order to determine demand for the proposed market mix, we also analyze the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for all AMI levels.

**Capture Rate - 30% (PBV) - As Proposed****PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE***Renter Household Distribution 2024*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	61.6%	2,189
2 persons	19.8%	705
3 persons	9.3%	330
4 persons	4.3%	153
5+ persons	5.0%	176
<b>Total</b>	<b>100.0%</b>	<b>3,553</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,189	x	43.2%	946
2 persons	705	x	43.2%	305
3 persons	330	x	43.2%	143
4 persons	153	x	43.2%	66
5+ persons	176	x	43.2%	76
<b>Total</b>	<b>3,553</b>			<b>1,536</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	912
2BR	444
<b>Total</b>	<b>1,356</b>

*Capture Rate Analysis - @30% (PBV) - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	7	0.77%
2BR	2	0.45%
<b>Total/Overall</b>	<b>9</b>	<b>0.66%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	7	0.61%
2BR	2	0.36%
<b>Total/Overall</b>	<b>9</b>	<b>0.53%</b>

**Capture Rate - 50% (PBV) - As Proposed**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2024*

	Renter Household Size	Total Number of Renter
	Distribution	Households
1 person	61.6%	2,189
2 persons	19.8%	705
3 persons	9.3%	330
4 persons	4.3%	153
5+ persons	5.0%	176
<b>Total</b>	<b>100.0%</b>	<b>3,553</b>

*Income-Qualified Renter Demand*

	Total Number of Renter		% Income-Qualified	Number Qualified
	Households		Renter Households	Renter Households
1 person	2,189	x	59.3%	1,299
2 persons	705	x	59.3%	418
3 persons	330	x	59.3%	196
4 persons	153	x	59.3%	91
5+ persons	176	x	59.3%	104
<b>Total</b>	<b>3,553</b>			<b>2,108</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,253
2BR	609
<b>Total</b>	<b>1,862</b>

*Capture Rate Analysis - @50% (PBV) - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	35	2.79%
2BR	6	0.98%
<b>Total/Overall</b>	<b>41</b>	<b>2.20%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	35	2.24%
2BR	6	0.79%
<b>Total/Overall</b>	<b>41</b>	<b>1.76%</b>

**Capture Rate - 60% (PBV) - As Proposed****PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE***Renter Household Distribution 2024*

	Renter Household Size	Total Number of Renter
	Distribution	Households
1 person	61.6%	2,189
2 persons	19.8%	705
3 persons	9.3%	330
4 persons	4.3%	153
5+ persons	5.0%	176
<b>Total</b>	<b>100.0%</b>	<b>3,553</b>

*Income-Qualified Renter Demand*

	Total Number of Renter		% Income-Qualified	Number Qualified
	Households		Renter Households	Renter Households
1 person	2,189	x	66.1%	1,448
2 persons	705	x	66.1%	466
3 persons	330	x	66.1%	218
4 persons	153	x	66.1%	101
5+ persons	176	x	66.1%	116
<b>Total</b>	<b>3,553</b>			<b>2,350</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,396
2BR	679
<b>Total</b>	<b>2,075</b>

*Capture Rate Analysis - @60% (PBV) - As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	28	2.01%
2BR	4	0.59%
<b>Total/Overall</b>	<b>32</b>	<b>1.54%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	28	1.60%
2BR	4	0.47%
<b>Total/Overall</b>	<b>32</b>	<b>1.23%</b>



**Capture Rate - All Units - As Proposed****PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE***Renter Household Distribution 2024*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	61.6%	2,189
2 persons	19.8%	705
3 persons	9.3%	330
4 persons	4.3%	153
5+ persons	5.0%	176
<b>Total</b>	<b>100.0%</b>	<b>3,553</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,189	x	66.1%	1,448
2 persons	705	x	66.1%	466
3 persons	330	x	66.1%	218
4 persons	153	x	66.1%	101
5+ persons	176	x	66.1%	116
<b>Total</b>	<b>3,553</b>			<b>2,350</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	1,396
2BR	679
<b>Total</b>	<b>2,075</b>

*Capture Rate Analysis - All Units As Proposed*

	Developer's Unit Mix	Capture Rate
1BR	70	5.01%
2BR	12	1.77%
<b>Total/Overall</b>	<b>82</b>	<b>3.95%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	70	4.01%
2BR	12	1.41%
<b>Total/Overall</b>	<b>82</b>	<b>3.16%</b>

**Capture Rate - 30% - Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2024*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	61.6%	2,189
2 persons	19.8%	705
3 persons	9.3%	330
4 persons	4.3%	153
5+ persons	5.0%	176
<b>Total</b>	<b>100.0%</b>	<b>3,553</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,189	x	14.2%	310
2 persons	705	x	14.2%	100
3 persons	330	x	14.2%	47
4 persons	153	x	14.2%	22
5+ persons	176	x	14.2%	25
<b>Total</b>	<b>3,553</b>			<b>504</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	299
2BR	146
<b>Total</b>	<b>445</b>

*Capture Rate Analysis - @30% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	7	2.34%
2BR	2	1.37%
<b>Total/Overall</b>	<b>9</b>	<b>2.02%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	7	1.87%
2BR	2	1.10%
<b>Total/Overall</b>	<b>9</b>	<b>1.62%</b>

**Capture Rate - 50% - Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2024*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	61.6%	2,189
2 persons	19.8%	705
3 persons	9.3%	330
4 persons	4.3%	153
5+ persons	5.0%	176
<b>Total</b>	<b>100.0%</b>	<b>3,553</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,189	x	8.7%	191
2 persons	705	x	8.7%	61
3 persons	330	x	8.7%	29
4 persons	153	x	8.7%	13
5+ persons	176	x	8.7%	15
<b>Total</b>	<b>3,553</b>			<b>310</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	184
2BR	90
<b>Total</b>	<b>274</b>

*Capture Rate Analysis - @50% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	35	19.02%
2BR	6	6.70%
<b>Total/Overall</b>	<b>41</b>	<b>14.99%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	35	15.22%
2BR	6	5.36%
<b>Total/Overall</b>	<b>41</b>	<b>11.99%</b>

**Capture Rate - 60% - Absent Subsidy**

**PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE**

*Renter Household Distribution 2024*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	61.6%	2,189
2 persons	19.8%	705
3 persons	9.3%	330
4 persons	4.3%	153
5+ persons	5.0%	176
<b>Total</b>	<b>100.0%</b>	<b>3,553</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,189	x	11.6%	253
2 persons	705	x	11.6%	82
3 persons	330	x	11.6%	38
4 persons	153	x	11.6%	18
5+ persons	176	x	11.6%	20
<b>Total</b>	<b>3,553</b>			<b>411</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	244
2BR	119
<b>Total</b>	<b>363</b>

*Capture Rate Analysis - @60% Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	28	11.47%
2BR	4	3.37%
<b>Total/Overall</b>	<b>32</b>	<b>8.82%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	28	9.17%
2BR	4	2.69%
<b>Total/Overall</b>	<b>32</b>	<b>7.05%</b>

**Capture Rate - All Units – Absent Subsidy****PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE***Renter Household Distribution 2024*

	Renter Household Size Distribution	Total Number of Renter Households
1 person	61.6%	2,189
2 persons	19.8%	705
3 persons	9.3%	330
4 persons	4.3%	153
5+ persons	5.0%	176
<b>Total</b>	<b>100.0%</b>	<b>3,553</b>

*Income-Qualified Renter Demand*

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	2,189	x	29.7%	650
2 persons	705	x	29.7%	209
3 persons	330	x	29.7%	98
4 persons	153	x	29.7%	45
5+ persons	176	x	29.7%	52
<b>Total</b>	<b>3,553</b>			<b>1,055</b>

*Projected Renter Household Demand by Bedroom Size*

	Number of Qualified Renter Households
1BR	627
2BR	305
<b>Total</b>	<b>932</b>

*Capture Rate Analysis - All Units Absent Subsidy*

	Developer's Unit Mix	Capture Rate
1BR	70	11.17%
2BR	12	3.94%
<b>Total/Overall</b>	<b>82</b>	<b>8.80%</b>

*Adjusted for Leakage from Outside of the PMA*

20%

1BR	70	8.93%
2BR	12	3.15%
<b>Total/Overall</b>	<b>82</b>	<b>7.04%</b>



## ANNUAL CAPTURE RATE ANALYSIS

The following calculation derives an estimated market capture rate based on per annum demand. This is an indication of the percentage of net demand that the Subject must attract in order to reach stabilized occupancy. This measure essentially takes the available household demand searching for apartments in the market area and deducts competition in order to determine net demand available to the Subject.

### Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population change from 2024 to 2029. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

### New Construction/Development

PLANNED DEVELOPMENT							
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
Bain's Pointe	LIHTC/PBRA	Family	50	0	2024	Proposed	5.6 miles
Mt. Hermon Village	LIHTC/PBRA	Senior	91	0	2021	Existing	4.7 miles
The Port	Market	Senior	192	0	n/a	Proposed	1.3 miles
<b>Totals</b>			<b>333</b>	<b>0</b>			

Source: Virginia Housing, CoStar, April 2025

Following is a discussion of the proposed and under construction properties with an affordable component.

- Bain's Pointe is a proposed LIHTC/PBRA development located 5.8 miles southeast of the Subject site that was awarded LIHTC in 2024 and will consist of 50 units for families. As the Subject will target seniors, we do not believe any of these units will be directly competitive with the Subject as proposed and have not deducted any from our demand analysis.
- Mt. Hermon Village is an existing LIHTC/PBRA development located 4.7 miles southeast of the Subject site that was awarded LIHTC for renovations in 2021. The property consists of 91 units for seniors. As the Subject will also target seniors and benefit from a rental subsidy, we believe all of these units will be directly competitive with the Subject as proposed, however as the property is existing and will likely not have to undergo a full re-absorption period upon renovations, we have not deducted any from our demand analysis.

There are no competitive units in LIHTC properties that received a tax credit allocation. Additionally, none of the market rate units proposed or under construction will be competitive with the proposed Subject. Therefore, we will not deduct any units from our demand analysis.

**Annual Demand – As Proposed**

<b>ANNUAL DEMAND - AS PROPOSED</b>		
<b>Calculation</b>		<b>PMA</b>
<b>Number of Renter Households in 2024</b>		3,553
<b>Increase in Number of Renter Households</b>		8
<b>Number of Renter Households in 2029</b>		3,561
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		23.9%
Percentage of Income-Qualified Renter Households		66.1%
Number of Income-Qualified Renter Households		2,350
Percentage of Rent-Overburdened		46.0%
<b>Existing Income-Qualified Renter Household Turnover</b>		<b>1,082</b>
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		2
Percentage of Income-Qualified Renter Households		66.1%
<b>New Rental Income Qualified Households</b>		<b>1</b>
<i>Capture Rate Analysis</i>		
Number of Units in Subject		82
Occupied Units at Subject With Vacancy of:	5%	78
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		1,083
Portion Originating within PMA		80%
Total Demand (Turnover and Growth) from within PMA		1,354
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
<b>Total Demand after Competition (Turnover and Growth)</b>		<b>1,354</b>
<b>Yielded Annual Capture Rate of Available Demand in 2025</b>		<b>5.8%</b>

**Annual Demand - Absent Subsidy**

<b>ANNUAL DEMAND - ABSENT SUBSIDY</b>		
<b>Calculation</b>		<b>PMA</b>
<b>Number of Renter Households in 2024</b>		3,553
<b>Increase in Number of Renter Households</b>		8
<b>Number of Renter Households in 2029</b>		3,561
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		23.9%
Percentage of Income-Qualified Renter Households		29.7%
Number of Income-Qualified Renter Households		1,055
Percentage of Rent-Overburdened		46.0%
<b>Existing Income-Qualified Renter Household Turnover</b>		<b>486</b>
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		2
Percentage of Income-Qualified Renter Households		29.7%
<b>New Rental Income Qualified Households</b>		<b>1</b>
<i>Capture Rate Analysis</i>		
Number of Units in Subject		82
Occupied Units at Subject With Vacancy of:	5%	78
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		486
Portion Originating within PMA		80%
Total Demand (Turnover and Growth) from within PMA		608
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
<b>Total Demand after Competition (Turnover and Growth)</b>		<b>608</b>
<b>Yielded Annual Capture Rate of Available Demand in 2025</b>		<b>12.8%</b>

## VIRGINIA HOUSING DEMAND ANALYSIS

We have also included the required demand table from the Virginia Housing market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject site. The supply illustrates all proposed or under construction units in the PMA. We determined that there are no proposed competitive affordable units in the PMA. Existing vacancies in the PMA are based on the vacancies at the comparable LIHTC properties in this analysis.

### Virginia Housing Demand Table – As Proposed

We have determined the overall LIHTC weighted average vacancy rate among comparable properties is 3.7 percent. As noted previously, we have included one senior LIHTC property in the PMA as a comparable in this report and it has reported a total of seven vacant units that are not preleased to new tenants. We have deducted these seven units from these properties in our analysis.

As indicated, there are no units with or without subsidy in the planning stages, that will target a similar tenancy to the proposed Subject. When combining vacant units with planned units, there are eight units of supply as proposed (eight vacant units + zero units with subsidy + zero affordable units).

The table below illustrates the resulting capture rate for demand currently proposed in PMA.

VIRGINIA HOUSING DEMAND ANALYSIS (AS PROPOSED)				
Income Restrictions	Up to 30% (\$0 to \$25,560)	Up to 50% (\$0 to \$42,600)	Up to 60% (\$0 to \$51,120)	Project Total (\$0 to \$51,120)
New Rental Households	1	1	1	1
+				
Existing Households - Overburdened	707	971	1,082	1,082
+				
Existing Households - Substandard Housing	21	29	32	32
+				
Senior Households - Likely to Convert to Rental Housing	15	21	23	23
+				
Existing Qualifying Tenants - to Remain After Renovation	0	0	0	0
<b>Total Demand</b>	<b>744</b>	<b>1,022</b>	<b>1,139</b>	<b>1,138</b>
-				
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	8	8	8	8
<b>Net Demand</b>	<b>736</b>	<b>1,014</b>	<b>1,131</b>	<b>1,130</b>
Proposed Units	9	41	32	82
<b>Capture Rate</b>	<b>1.2%</b>	<b>4.0%</b>	<b>2.8%</b>	<b>7.3%</b>
Absorption Period	8-9 months	8-9 months	8-9 months	8-9 months

- **New Rental Households:** The number of new renter households was calculated previously in Annual Demand using the increase in renter households per annum and the percentage of income-qualified renter households.
- **Existing Households – Overburdened:** We calculated the number of existing households that are rent-overburdened using the percentage of households that are rent-overburdened in the PMA (46.0 percent) and the total number of income-qualified renter households in the PMA.

- Existing Households – Substandard Housing: We calculated the number of existing households that are living in substandard housing using the percentage of households that are living in substandard housing in the PMA (1.4 percent) and the total number of income-qualified renter households in the PMA.
- Absorption Period: We calculated the absorption period for each AMI level and the project total by applying our concluded absorption rate of 10 units per month to the number of proposed units.
- Senior Households – Likely to Convert: We estimated that 10 percent of total demand would come from senior homeowners selling homes.

In our previous demand calculations and discussions, we used a leakage rate of 20 percent. Virginia Housing does not require a capture rate calculation with leakage. However, according to the Virginia Housing guidelines, “the analyst is free to state other measures of demand in the body of the report.”

We believe there is adequate demand for the Subject as proposed, especially given the high occupancy rates among the majority of the LIHTC comparables, as well as the prevalence of waiting lists at all of the LIHTC comparables. Our concluded capture rate and absorption period is shown in the table below as proposed.

Project Wide Capture Rate - LIHTC Units	7.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	7.3%
Project Wide Absorption Period (Months)	8-9 months

### Virginia Housing Demand Table – Absent Subsidy

The table below illustrates the resulting capture rate for demand currently proposed in PMA in the absent subsidy scenario.

As indicated, there are no affordable units with no subsidy. When combining vacant units with planned units, there are eight units of supply as proposed (eight vacant units + zero affordable units).



## VIRGINIA HOUSING DEMAND ANALYSIS (AS PROPOSED)

Income Restrictions	Up to 30% (\$17,970 to \$25,560)	Up to 50% (\$29,940 to \$42,600)	Up to 60% (\$35,940 to \$51,120)	Project Total (\$17,970 to \$51,120)
New Rental Households	0	0	0	0
+				
Existing Households - Overburdened	232	143	189	486
+				
Existing Households - Substandard Housing	7	4	6	14
+				
Senior Households - Likely to Convert to Rental Housing	5	3	4	11
+				
Existing Qualifying Tenants - to Remain After Renovation	0	0	0	0
<b>Total Demand</b>	<b>244</b>	<b>150</b>	<b>199</b>	<b>511</b>
-				
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	8	8	8	8
<b>Net Demand</b>	<b>236</b>	<b>142</b>	<b>191</b>	<b>503</b>
Proposed Units	9	41	32	82
<b>Capture Rate</b>	<b>3.8%</b>	<b>28.9%</b>	<b>16.7%</b>	<b>16.3%</b>
Absorption Period	8-9 months	8-9 months	8-9 months	8-9 months

- New Rental Households: The number of new renter households was calculated previously in Annual Demand using the increase in renter households per annum and the percentage of income-qualified renter households.
- Existing Households – Overburdened: We calculated the number of existing households that are rent-overburdened using the percentage of households that are rent-overburdened in the PMA (46.0 percent) and the total number of income-qualified renter households in the PMA.
- Existing Households – Substandard Housing: We calculated the number of existing households that are living in substandard housing using the percentage of households that are living in substandard housing in the PMA (1.4 percent) and the total number of income-qualified renter households in the PMA.
- Absorption Period: We calculated the absorption period for each AMI level and the project total by applying our concluded absorption rate of 10 units per month to the number of proposed units.
- Senior Households – Likely to Convert: We estimated that 10 percent of total demand would come from senior homeowners selling homes.

We note that the capture rates for the units at the 50 and 60 percent of the AMI level and all units absent subsidy appear elevated; however, this is a hypothetical scenario as all units are proposed to operate with subsidy and we believe there is adequate demand for the Subject absent subsidy, especially given the high occupancy rates among the majority of the LIHTC comparables. Our concluded capture rate and absorption period is shown in the table below.

Project Wide Capture Rate - LIHTC Units	16.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	16.3%
Project Wide Absorption Period (Months)	8-9 months

### Capture Rate and Virginia Housing Conclusion

The Novogradac demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation for the LIHTC units indicates a capture rate of 7.2 percent as proposed and 16.3 percent absent subsidy.

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is based on new income-eligible renter households moving into the area (in the Subject's first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This is a subset of the income-eligible renter households used previously and yields a more conservative annual capture rate. This annual Novogradac capture rate is 5.8 percent as proposed, indicating that there are 1,354 units of demand in the PMA in the first year of the Subject's operation. Absent subsidy, the capture rate is 12.8 percent, indicating that there are 608 units of demand in the PMA in the first year of the Subject's operation. These capture rates are low to moderate, indicating sufficient demand for additional affordable rental housing in the market.

The Virginia Housing net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table in the as proposed scenario.

Project Wide Capture Rate - LIHTC Units	7.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	7.3%
Project Wide Absorption Period (Months)	8-9 months

The following table illustrates the conclusions from this table in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	16.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	16.3%
Project Wide Absorption Period (Months)	8-9 months

These capture rates are low to moderate. We believe there is sufficient demand for the Subject based on the high occupancy rates among the majority of the LIHTC comparables.

## PENETRATION RATE ANALYSIS

This calculation derives an estimated Penetration Rate. We will present two different methodologies for the Penetration Rate calculation. In Methodology One, we calculate a Penetration Rate with the Subject focus. In this methodology, the Penetration Rate is calculated by subtracting out existing LIHTC units and proposed LIHTC units in the PMA and then dividing the Subject's total number of units by the remaining demand after competition.

In Methodology Two, we calculate a Penetration Rate with a market focus. In this methodology, the Penetration Rate is calculated by totaling all existing and proposed (including the Subject) competitive affordable units within the PMA, and dividing by the total number of income eligible renter households. Penetration Rates are more difficult to calculate in urban areas with a significant volume of affordable housing, as it is difficult to obtain detailed information on all the True comparable properties that make up the supply and to obtain detail on the various AMI levels at the properties.

The following table illustrates the LIHTC properties within the Primary Market Area.

**EXISTING AFFORDABLE PROPERTIES IN PMA**

Property Name	Rent Structure	Tenancy	Total Units	Competitive LIHTC Units	Competitive Subsidized Units
Arbour Reach Apartments	LIHTC	Family	92	0	0
Commons At Churchland	LIHTC	Senior	104	104	0
Crescent Place	LIHTC	Family	156	0	0
Holley Pointe	LIHTC	Family	50	0	0
King Square	LIHTC	Family	57	0	0
Pine Street Village	LIHTC	Family	58	0	0
Seaboard Square I and II	LIHTC	Family	221	0	0
Shea Terrace Senior Apartments	LIHTC	Senior	21	21	0
Stone Ridge Apartments	LIHTC	Family	207	0	0
Taylor Pointe Apartments	LIHTC	Family	120	0	0
Victory Square Apartments	LIHTC	Senior	112	112	0
Westbury Cottages	LIHTC	Family	16	0	0
Westbury Pine	LIHTC	Family	59	0	0
Whispering Oaks Apartments	LIHTC	Family	180	0	0
Malvern Hills Apartments	LIHTC/ Section 8	Senior	55	0	55
Arbors at Western Branch	LIHTC/Market	Senior	163	33	0
Hamilton Place I and II	LIHTC/PBRA	Family	168	0	0
Mt. Hermon Village	LIHTC/PBRA	Senior	91	0	91
Phoebus Square	LIHTC/PBRA	Senior	122	0	122
London Oaks	Section 8	Family	296	0	0
<b>Totals</b>			<b>2,348</b>	<b>270</b>	<b>268</b>

As shown above, there are 538 competitive affordable units in the PMA as proposed. This includes 270 LIHTC units and 268 subsidized units. Absent subsidy, there are 270 competitive LIHTC units, which excludes the 268 units with subsidy. These units are deducted from our analysis.

### Penetration Rate - As Proposed

As shown in the income distribution previously, there are 2,350 income eligible renter households in the PMA for the Subject's units as proposed. The following table illustrates our penetration rate using Methodology One.

PENETRATION RATE - Methodology One (Subject Focus)	
Income Eligible Households - All AMI Levels	2,350
Number of Existing Competitive Senior Affordable Units in the PMA	538
Number of Proposed Competitive Affordable Units in the PMA	0
Remaining Income Eligible Renter Households	1,812
Number of Proposed Affordable Units at the Subject	82
<b>Overall Penetration Rate - Subject Focus</b>	<b>4.5%</b>

For Methodology One, after deductions for existing and proposed competitive units in the PMA, the resulting penetration rate is 4.5 percent.

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive Affordable Units in the PMA	0
	+
Number of Existing Competitive Senior Affordable Units in the PMA	538
	+
Number of Proposed Affordable Units at the Subject	82
	=
Total	620
	/
Income Eligible Households - All AMI Levels	2,350
	=
<b>Overall Penetration Rate - Market Focus (NCHMA)</b>	<b>26.4%</b>

After deductions for existing and proposed competitive units in the PMA, the resulting penetration rate is 26.4 percent.

### Penetration Rate - Absent Subsidy

As shown in the income distribution previously, there are 1,055 income eligible renter households in the PMA for the Subject's units absent a subsidy. The following table illustrates our penetration rate using Methodology One.

PENETRATION RATE - Methodology One (Subject Focus)	
Income Eligible Households - All AMI Levels	1,055
Number of Existing Competitive Senior LIHTC Units in the PMA	270
Number of Proposed Competitive LIHTC Units in the PMA	0
Remaining Income Eligible Renter Households	785
Number of Proposed LIHTC Units at the Subject	82
<b>Overall Penetration Rate - Subject Focus</b>	<b>10.4%</b>

After deductions for existing and proposed competitive units in the PMA, the resulting penetration rate, absent subsidy, is 10.4 percent.

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	0
	+
Number of Existing Competitive Senior <i>LIHTC</i> Units in the PMA	270
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	82
	=
Total	352
	/
Income Eligible Households - All AMI Levels	1,055
	=
<b>Overall Penetration Rate - Market Focus (NCHMA)</b>	<b>33.4%</b>

After deductions for existing and proposed competitive units in the PMA, the resulting penetration rate, absent subsidy, is 33.4 percent.

### Demand Conclusions

The demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 3.2 percent, as proposed, and 7.0 percent, absent subsidy.

DEMAND CONCLUSION		
Calculation	As Proposed	Absent Subsidy
@30% (PBV)	0.5%	1.6%
@50% (PBV)	1.8%	12.0%
@60% (PBV)	1.2%	7.1%
All Units	3.2%	7.0%
Annual Demand	5.8%	12.8%
Penetration Rate Methodology One	4.5%	10.4%
Penetration Rate Methodology Two	26.4%	33.4%

We note that the capture rate for the units at the 50 and 60 percent of the AMI levels absent subsidy appears elevated; however, this is a hypothetical scenario as all units are proposed to operate with subsidy and we believe there is adequate demand for the Subject absent subsidy, especially given the high occupancy rates among the majority of the *LIHTC* comparables. These capture rates are reasonable to moderate taking into account the other indications of demand such as low vacancy rates and waiting lists reported by the comparable properties. The Demand Analysis illustrates demand for the Subject based on captures rates of income-eligible renter households. The annual demand calculation indicates there are approximately 1,354 units and 608 units of demand in the first year of the Subject's operation for the Subject's as proposed and absent subsidy scenarios, respectively. The Subject will need to accommodate 78 units of demand in order to stabilize at five percent vacancy. The demand analysis illustrates adequate demand for the Subject's units. Additionally, all penetration rates as proposed and absent subsidy are low to slightly elevated and indicative of demand for additional affordable housing supply such as the Subject. It is noted that the absent subsidy penetration rates are elevated, however we believe there is sufficient demand as the penetration rates do not consider leakage, senior population growth in the PMA, or seniors converting from homeownership. Additionally, the Subject as proposed will be fully subsidized, and therefore the absent subsidy demand analysis is somewhat moot.

The Virginia Housing net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table in the as proposed scenario.

Project Wide Capture Rate - LIHTC Units	7.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	7.3%
Project Wide Absorption Period (Months)	8-9 months

The following table illustrates the conclusions from this table in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	16.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	16.3%
Project Wide Absorption Period (Months)	8-9 months

These capture rates are moderate. We believe there is sufficient demand for the Subject based on the high occupancy rates among the majority of the LIHTC comparables.

### Absorption Estimate

The following table details the absorption paces of recently completed properties in the Hampton Roads region.

ABSORPTION							
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	
Era at Park 216	Market	Senior	Suffolk	2024	104	6	
The Apartments at Hallstead Reserve	Market	Family	Suffolk	2023	312	15	
The Gallery at Godwin	Market	Family	Suffolk	2023	255	26	
Riverside Station	LIHTC	Family	Norfolk	2022	236	33	
Holley Pointe	LIHTC	Family	Portsmouth	2022	50	12	
Port 58 Apartments at Hillpoint	Market	Family	Suffolk	2022	230	18	
<b>Average LIHTC</b>					<b>143</b>	<b>23</b>	
<b>Average Market Rate</b>					<b>225</b>	<b>16</b>	
<b>Overall Average</b>					<b>198</b>	<b>18</b>	

We obtained absorption data from six properties in the Hampton Roads region. These properties were completed over the 2022 to 2024 period. These properties reported absorption rates ranging from six to 33 units per month, with an overall average of 18 units per month. The LIHTC properties reported higher absorption rates on average compared to the market rate properties. The sole senior property, Era at Park 216, reports the lowest absorption pace, although this is a market rate property. Overall, we expect the Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately eight to nine months.



# **J. LOCAL PERSPECTIVES OF RENTAL HOUSING MARKET AND HOUSING ALTERNATIVES**

## INTERVIEWS

In order to ascertain the need for housing and specifically affordable housing in the Subject's area, interviews were conducted with various local officials.

### Portsmouth Redevelopment and Housing Authority

We attempted to speak with a representative from the Portsmouth Redevelopment and Housing Authority. However, as of the date of this report, we have been unable to speak with a representative. The payment standards for one and two-bedroom units are illustrated in the following table.

**PAYMENT STANDARDS**

Unit Type	Achievable Gross LIHTC Rent	Gross Payment Standard	Subject Rent Differential to Payment Standard
1BR @30%	\$599	\$1,573	62%
2BR @30%	\$719	\$1,804	60%
1BR @50%	\$998	\$1,573	37%
2BR @50%	\$1,198	\$1,804	34%
1BR @60%	\$1,198	\$1,573	24%
2BR @60%	\$1,438	\$1,804	20%

Source: Portsmouth Redevelopment and Housing Authority, effective January 2025

It should be noted that the Subject's proposed rents are contract rents and tenants will contribute 30 percent of their income towards rent, not in excess of the LIHTC maximum allowable levels. The payment standards are above the Subject's achievable LIHTC rents, indicating that voucher tenants will not have to pay additional rent out of pocket, absent subsidy.

## Planning Discussion

We consulted a CoStar new construction report regarding planned, proposed, and under construction developments within the PMA. We also researched LIHTC allocations in the Subject's PMA since 2021. According to our sources, there are multiple proposed, under construction, and recently completed developments within the PMA, illustrated in the following table.

**PLANNED DEVELOPMENT**

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	LIHTC Allocation Year	Construction Status	Distance to Subject
Bain's Pointe	LIHTC/PBRA	Family	50	0	2024	Proposed	5.6 miles
Mt. Hermon Village	LIHTC/PBRA	Senior	91	0	2021	Existing	4.7 miles
The Port	Market	Senior	192	0	n/a	Proposed	1.3 miles
<b>Totals</b>			<b>333</b>	<b>0</b>			

Source: Virginia Housing, CoStar, April 2025

Following is a discussion of the proposed and under construction properties with an affordable component.

- Bain's Pointe is a proposed LIHTC/PBRA development located 5.8 miles southeast of the Subject site that was awarded LIHTC in 2024 and will consist of 50 units for families. As the Subject will target seniors, we do not believe any of these units will be directly competitive with the Subject as proposed and have not deducted any from our demand analysis.
- Mt. Hermon Village is an existing LIHTC/PBRA development located 4.7 miles southeast of the Subject site that was awarded LIHTC for renovations in 2021. The property consists of 91 units for seniors. As the Subject will also target seniors and benefit from a rental subsidy, we believe all of these units will be directly competitive with the Subject as proposed, however as the property is existing and will likely not have to undergo a full re-absorption period upon renovations, we have not deducted any from our demand analysis.

There are no competitive units in LIHTC properties that received a tax credit allocation. Additionally, none of the market rate units proposed or under construction will be competitive with the proposed Subject.

### Recent LIHTC Allocations

The table below lists LIHTC allocations awarded in the Subject's PMA since 2021.

RECENT LIHTC ALLOCATIONS IN THE PMA						
Property Name	LIHTC Allocation Year	Rent Structure	Tenancy	Total Units	Competitive Units	Competitive Subsidized Units
Bain's Pointe	2024	LIHTC/PBRA	Family	50	0	0
Mt. Hermon Village	2021	LIHTC/PBRA	Senior	91	0	91
<b>Totals</b>				<b>141</b>	<b>0</b>	<b>91</b>

Source: Virginia Housing, April 2025

As detailed above, only two developments totaling 141 units have received tax credit allocation in the PMA since 2021. A detailed description of these projects was previously presented.

## **K. ANALYSIS/CONCLUSIONS**

## Recommendations

In general, we believe there is demand in the marketplace for the Subject as proposed. We recommend no changes for the Subject property.

## Demand Summary

We believe there is adequate demand for the Subject as proposed and absent subsidy, especially given the high occupancy rates among the majority of the LIHTC comparables. Our concluded capture rates and absorption period are shown in the tables below.

The Virginia Housing net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table in the as proposed scenario.

Project Wide Capture Rate - LIHTC Units	7.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	7.3%
Project Wide Absorption Period (Months)	8-9 months

The following table illustrates the conclusions from this table in the absent subsidy scenario.

Project Wide Capture Rate - LIHTC Units	16.3%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	16.3%
Project Wide Absorption Period (Months)	8-9 months

These capture rates are moderate. We believe there is sufficient demand for the Subject based on the high occupancy rates among the majority of the LIHTC comparables.

## Strengths

- The Subject will offer excellent condition as a new construction development, similar to superior to the comparable properties.
- The Subject will offer a midrise, elevator-serviced design, similar to slightly superior to the comparables.
- All of the comparable LIHTC properties reported achieving 2024 maximum allowable rents.
- There is ample demand for affordable housing as evidenced by low capture rates and low vacancy rates, at the majority of the comparable properties.

## Weaknesses

- The Subject's proposed one-bedroom unit size is the smallest among the comparables and the Subject's two-bedroom units are smaller than the comparable average while remaining in the comparable range. Comparables such as Victory Square Apartments, a senior LIHTC comparable, offer similarly small units and reported a stabilized occupancy rate, is achieving the 2024 maximum

allowable rents, indicating that the small unit sizes at this development have not negatively impacted occupancy. Therefore, we anticipate that the Subject's unit sizes will be well accepted in the market.

### Absorption Estimate

The following table details the absorption pace of recently completed properties in the Hampton Roads region.

ABSORPTION							
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	
Era at Park 216	Market	Senior	Suffolk	2024	104	6	
The Apartments at Hallstead Reserve	Market	Family	Suffolk	2023	312	15	
The Gallery at Godwin	Market	Family	Suffolk	2023	255	26	
Riverside Station	LIHTC	Family	Norfolk	2022	236	33	
Holley Pointe	LIHTC	Family	Portsmouth	2022	50	12	
Port 58 Apartments at Hillpoint	Market	Family	Suffolk	2022	230	18	
<b>Average LIHTC</b>					<b>143</b>	<b>23</b>	
<b>Average Market Rate</b>					<b>225</b>	<b>16</b>	
<b>Overall Average</b>					<b>198</b>	<b>18</b>	

We obtained absorption data from six properties in the Hampton Roads region. These properties were completed over the 2022 to 2024 period. These properties reported absorption rates ranging from six to 33 units per month, with an overall average of 18 units per month. The LIHTC properties reported higher absorption rates on average compared to the market rate properties. The sole senior property, Era at Park 216, reports the lowest absorption pace, although this is a market rate property. Overall, we expect the Subject will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately eight to nine months.

### Conclusions

The Subject will be a newly constructed senior (55+) LIHTC/PBV development. The strengths of the Subject will be its excellent condition upon completion. Weaknesses of the Subject are its small unit sizes, although they are within the comparable range. Nonetheless, other comparable properties with smaller unit sizes are performing reasonably well. Therefore, we anticipate that the Subject's unit sizes will be well accepted in the market. The average vacancy rate among the surveyed LIHTC properties is at 3.7 percent, slightly below the 4.1 percent average reported by the stabilized market rate properties. The contact at Victory Square Apartments indicated that the current vacancy rate of 7.1 percent is higher than typical as this property does not currently have a permanent manager. One of the eight vacant units is preleased to a new tenant. None of the comparable developments maintain a waiting list at this time. Two LIHTC properties, Arbour Reach and Crescent Place, only lease units on a first come, first served basis. All four comparable LIHTC properties report achieving the 2024 maximum allowable rents at the 60 percent of AMI levels. Upon completion, we believe the Subject will be capable of achieving rents at the 2025 maximum allowable levels at the 30, 50 and 60 percent of AMI restrictions. Our concluded achievable market rents are below the average rents of the surveyed market comparables. The Subject's achievable LIHTC rents at the 30, 50 and 60 percent AMI levels offer a discount to the Novogradac estimate of achievable market rents.



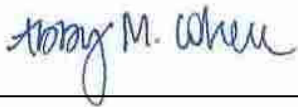
## **L. OTHER REQUIREMENTS**

Pursuant to Virginia Housing Requirements, we certify:

1. We have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of our knowledge the market can support the demand shown in this study. We understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
4. No one at this firm has any interest in the proposed development or a relationship with the ownership entity.
5. No one at this firm, nor anyone acting on behalf of the firm in connection with the preparation of this report, has communicated to others that the firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for our services is not contingent on this development receiving a LIHTC reservation or allocation.
7. Evidence of our NCHMA membership is included.

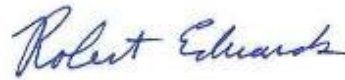
Novogradac,

Date: April 22, 2025



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## **ADDENDUM A**

### **Assumptions and Limiting Conditions**

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the market analyst. Nor shall the market analyst, firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

**ADDENDUM B**  
**Subject Property and Neighborhood Photographs**



## SUBJECT PHOTOS



Subject site from Twin Pines Road



Subject site from Twin Pines Road



Subject site from Twin Pines Road



Southern edge of Subject site looking east



Interior of Subject site looking south



Interior of Subject site looking west





View along Twin Pines Road looking north



View along Twin Pines Road looking south



Southern edge of Subject site looking west



Interior of Subject site looking northwest



Retail center immediately south of Subject site



Retail center immediately south of Subject site





Gas station/convenience store south of Subject site



Self-storage facility to the south of Subject site



Westwinds Apartments to the east of Subject site



Townhomes to the west of Subject site



Townhomes to the west of Subject site



Duplex homes to the west of Subject site





Duplex homes to the west of Subject site



Duplex homes to the west of Subject site



Single-family homes to the west of Subject site



Single-family homes to the west of Subject site



Single-family homes to the northwest of Subject site



Single-family homes to the northwest of Subject site



Single-family homes to the northwest of Subject site



Single-family home to the northwest of Subject site

## **ADDENDUM C**

### **Subject Matrices and Property Profile**



Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Twin Pines	-	Midrise	@30% (PBV), @50%	1BR / 1BA	7	8.5%	628	@30% (PBV)	\$1,505	N/A	N/A	N/A	N/A
	3993 Twin Pines Road		4-stories	(PBV), @60% (PBV)	1BR / 1BA	35	32.9%	628	@50% (PBV)	\$1,505	N/A	N/A	N/A	N/A
	Portsmouth, VA 23703		2027 / n/a		1BR / 1BA	28	43.9%	628	@60% (PBV)	\$1,505	N/A	N/A	N/A	N/A
			Senior		2BR / 2BA	2	2.4%	908	@30% (PBV)	\$1,717	N/A	N/A	N/A	N/A
					2BR / 2BA	6	6.1%	908	@50% (PBV)	\$1,717	N/A	N/A	N/A	N/A
					2BR / 2BA	4	6.1%	908	@60% (PBV)	\$1,717	N/A	N/A	N/A	N/A
						82							N/A	N/A
1	Arbour Reach Apartments 3624 Tejo Lane Portsmouth, VA 23703	0.9 miles	Garden 2-stories 1998 / n/a Family	@60%	2BR / 2BA	92	100.0%	1,030	@60%	\$1,315	No	No	1	1.1%
						92							1	1.1%
2	Crescent Place 2804 Turnpike Road Portsmouth, VA 23707	4.8 miles	Midrise 4-stories 2008 / n/a Family	@60%	1BR / 1BA	16	10.3%	812	@60%	\$1,056	No	No	0	0.0%
					2BR / 2BA	104	66.7%	1,181	@60%	\$1,261	No	No	0	0.0%
					3BR / 2BA	36	23.1%	1,379	@60%	\$1,450	No	No	0	0.0%
						156							0	0.0%
3	Stone Ridge Apartments 6200 Hightower Road Portsmouth, VA 23703	0.3 miles	Garden 2-stories 1976 / 2000 Family	@60%	1BR / 1BA	39	18.8%	850	@60%	\$991	No	No	N/A	N/A
					2BR / 1BA	100	48.3%	920	@60%	\$1,210	No	No	N/A	N/A
					3BR / 1.5BA	68	32.9%	1,020	@60%	\$1,302	No	No	N/A	N/A
						207							12	5.8%
4	Victory Square Apartments 900 County Street Portsmouth, VA 23704	5.7 miles	Lowrise 4-stories 2005 / n/a Senior	@60%	1BR / 1BA	98	87.5%	675	@60%	\$1,085	No	No	N/A	N/A
					2BR / 1BA	14	12.5%	880	@60%	\$1,306	No	No	N/A	N/A
						112							8	7.1%
5	Century Hampton Roads 2019 Barclay Place Suffolk, VA 23435	1.2 miles	Garden 3-stories 2013 / 2024 Family	Market	1BR / 1BA	36	16.7%	734	Market	\$1,673	N/A	No	0	0.0%
					2BR / 2BA	12	5.6%	1,028	Market	\$1,844	N/A	No	1	8.3%
					2BR / 2BA	132	61.1%	1,052	Market	\$1,625	N/A	No	3	2.3%
					3BR / 2BA	24	11.1%	1,276	Market	\$2,458	N/A	No	0	0.0%
					3BR / 2BA	12	5.6%	1,279	Market	\$2,458	N/A	No	0	0.0%
						216							4	1.9%
6	Clairmont At Harbour View Station 3001 Gateway Drive Suffolk, VA 23435	5.1 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA	108	39.1%	784	Market	\$1,525	N/A	No	1	0.9%
					1BR / 1BA	12	4.4%	798	Market	\$1,575	N/A	No	0	0.0%
					2BR / 2BA	48	17.4%	1,166	Market	\$2,067	N/A	No	2	4.2%
					2BR / 2BA	84	30.4%	1,174	Market	\$2,082	N/A	No	2	2.4%
					3BR / 2BA	24	8.7%	1,339	Market	\$2,295	N/A	No	0	0.0%
						276							5	1.8%
7	Era At Park 216 901 Beringer Road Suffolk, VA 23435	1.4 miles	Midrise 4-stories 2024 / n/a Senior	Market	1BR / 1BA	39	37.5%	891	Market	\$1,654	N/A	N/A	N/A	N/A
					1BR / 1BA	N/A	N/A	1,009	Market	\$1,779	N/A	N/A	N/A	N/A
					1BR / 1BA	N/A	N/A	773	Market	\$1,529	N/A	N/A	N/A	N/A
					2BR / 1BA	22	21.2%	991	Market	\$1,851	N/A	N/A	N/A	N/A
					2BR / 1BA	N/A	N/A	1,095	Market	\$1,956	N/A	N/A	N/A	N/A
					2BR / 1BA	N/A	N/A	887	Market	\$1,746	N/A	N/A	N	

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	1,837	Weighted Occupancy:	95.9%
	Market Rate	1,270	Market Rate	94.6%
	Tax Credit	567	Tax Credit	96.3%
One Bedroom One Bath		Two Bedroom Two Bath		
Property		Average	Property	Average
RENT	Era At Park 216 (Market)	\$1,779	Park 216 (Market)(2.5BA)	\$2,896
	Park 216 (Market)	\$1,729	Park 216 (Market)	\$2,596
	Park 216 (Market)	\$1,679	Clairmont At Harbour View Station (Market)	\$2,082
	Century Hampton Roads (Market)	\$1,673	Clairmont At Harbour View Station (Market)	\$2,067
	Clairmont At Harbour View Station (Market)	\$1,575	Park 216 (Market)	\$2,056
	Clairmont At Harbour View Station (Market)	\$1,525	Park 216 (Market)(1BA)	\$1,856
	<b>Twin Pines (@60%)</b>	<b>\$1,505</b>	Century Hampton Roads (Market)	\$1,844
	<b>Twin Pines (@30%)</b>	<b>\$1,505</b>	<b>Twin Pines (@60%)</b>	<b>\$1,717</b>
	<b>Twin Pines (@50%)</b>	<b>\$1,505</b>	<b>Twin Pines (@50%)</b>	<b>\$1,717</b>
	Westwinds Apartments (Market)	\$1,346	<b>Twin Pines (@30%)</b>	<b>\$1,717</b>
	Victory Square Apartments (@60%)	\$1,085	Century Hampton Roads (Market)	\$1,625
	Crescent Place (@60%)	\$1,056	Westwinds Apartments (Market)	\$1,518
	Stone Ridge Apartments (@60%)	\$991	Arbour Reach Apartments (@60%)	\$1,315
			Victory Square Apartments (@60%)(1BA)	\$1,306
			Crescent Place (@60%)	\$1,261
			Stone Ridge Apartments (@60%)(1BA)	\$1,210
SQUARE FOOTAGE	Era At Park 216 (Market)	1,009	Park 216 (Market)(2.5BA)	1,747
	Westwinds Apartments (Market)	900	Era At Park 216 (Market)	1,546
	Era At Park 216 (Market)	891	Park 216 (Market)	1,308
	Stone Ridge Apartments (@60%)	850	Era At Park 216 (Market)	1,281
	Crescent Place (@60%)	812	Crescent Place (@60%)	1,181
	Clairmont At Harbour View Station (Market)	798	Clairmont At Harbour View Station (Market)	1,174
	Clairmont At Harbour View Station (Market)	784	Clairmont At Harbour View Station (Market)	1,166
	Era At Park 216 (Market)	773	Park 216 (Market)	1,112
	Park 216 (Market)	765	Era At Park 216 (Market)(1BA)	1,095
	Century Hampton Roads (Market)	734	Century Hampton Roads (Market)	1,052
	Park 216 (Market)	708	Arbour Reach Apartments (@60%)	1,030
	Victory Square Apartments (@60%)	675	Century Hampton Roads (Market)	1,028
	<b>Twin Pines (@60%)</b>	<b>628</b>	Era At Park 216 (Market)	1,016
	<b>Twin Pines (@30%)</b>	<b>628</b>	Era At Park 216 (Market)(1BA)	991
	<b>Twin Pines (@50%)</b>	<b>628</b>	Westwinds Apartments (Market)	950
			Stone Ridge Apartments (@60%)(1BA)	920
			<b>Twin Pines (@60%)</b>	<b>908</b>
			<b>Twin Pines (@50%)</b>	<b>908</b>
			<b>Twin Pines (@30%)</b>	<b>908</b>
RENT PER SQUARE FOOT	<b>Twin Pines (@60%)</b>	<b>\$2.40</b>	Park 216 (Market)(1BA)	\$2.08
	<b>Twin Pines (@50%)</b>	<b>\$2.40</b>	Park 216 (Market)	\$1.98
	<b>Twin Pines (@30%)</b>	<b>\$2.40</b>	<b>Twin Pines (@60%)</b>	<b>\$1.89</b>
	Park 216 (Market)	\$2.37	<b>Twin Pines (@30%)</b>	<b>\$1.89</b>
	Century Hampton Roads (Market)	\$2.28	<b>Twin Pines (@50%)</b>	<b>\$1.89</b>
	Park 216 (Market)	\$2.26	Park 216 (Market)	\$1.85
	Clairmont At Harbour View Station (Market)	\$1.97	Century Hampton Roads (Market)	\$1.79
	Clairmont At Harbour View Station (Market)	\$1.95	Clairmont At Harbour View Station (Market)	\$1.77
	Era At Park 216 (Market)	\$1.76	Clairmont At Harbour View Station (Market)	\$1.77
	Victory Square Apartments (@60%)	\$1.61	Park 216 (Market)(2.5BA)	\$1.66
	Westwinds Apartments (Market)	\$1.50	Westwinds Apartments (Market)	\$1.60
	Crescent Place (@60%)	\$1.30	Century Hampton Roads (Market)	\$1.54
	Stone Ridge Apartments (@60%)	\$1.17	Victory Square Apartments (@60%)(1BA)	\$1.48
			Stone Ridge Apartments (@60%)(1BA)	\$1.32
			Arbour Reach Apartments (@60%)	\$1.28
			Crescent Place (@60%)	\$1.07

## AMENITY MATRIX

	Subject	Arbour Reach Apartments	Crescent Place	Stone Ridge Apartments	Victory Square Apartments	Century Hampton Roads	Clairmont At Harbour View Station	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Family	Senior	Family	Family	Senior	Family	Family
Building										
Property Type	Midrise	Garden	Midrise	Garden	Lowrise	Garden	Garden	Midrise	Garden	Garden
# of Stories	4–stories	2–stories	4–stories	2–stories	4–stories	3–stories	3–stories	4–stories	3–stories	3–stories
Year Built	2027	1998	2008	1976	2005	2013	2018	2024	2019	1989
Year Renovated	n/a	n/a	n/a	2000	n/a	2024	n/a	n/a	n/a	n/a
Elevators	yes	no	yes	no	yes	no	no	yes	no	no
Courtyard	yes	no	no	no	no	yes	no	no	yes	no
Utility Structure										
Cooking	no	no	no	yes	no	no	no	no	no	no
Water Heat	no	no	no	yes	no	no	no	no	no	no
Heat	no	no	no	yes	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	yes	no	no	no	no	no	no
Sewer	yes	no	yes	yes	no	no	no	no	no	no
Trash	yes	yes	yes	yes	yes	no	no	no	no	yes
Accessibility										
Hand Rails	no	no	no	no	yes	no	no	no	no	no
Pull Cords	no	no	no	no	yes	no	no	no	no	no
Unit Amenities										
Balcony/Patio	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	yes	no	no	no	no	no	no	no	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	yes	no	no	no	no	no	yes
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	no	no	no	yes	yes	no	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	no	no	no	yes
Exterior Storage	no	yes	no	no	no	yes	no	no	no	no
Walk-In Closet	no	yes	yes	yes	yes	yes	yes	yes	yes	no
Washer/Dryer	no	no	no	no	no	yes	yes	yes	yes	no
W/D Hookup	no	yes	yes	no	no	yes	no	no	no	yes
Kitchen										
Dishwasher	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	no	yes	yes	yes	yes	no	yes
Microwave	yes	no	no	no	no	yes	yes	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community										
Business Center	yes	no	no	no	no	yes	yes	no	yes	no
Community Room	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Central Laundry	yes	yes	yes	yes	yes	no	no	no	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	no	yes	yes	yes
Concierge	no	no	no	no	no	no	no	yes	no	no
Recreation										
Exercise Facility	yes	no	yes	no	yes	yes	yes	yes	yes	no
Playground	no	no	no	yes	no	no	yes	no	no	yes
Swimming Pool	no	yes	yes	yes	no	yes	yes	yes	yes	yes
Picnic Area	yes	yes	no	no	no	yes	no	no	yes	yes
Theatre	no	no	no	no	no	no	yes	no	no	no
Recreational Area	yes	no	no	no	no	no	no	no	no	no
Volleyball Court	no	no	no	no	no	no	no	yes	yes	no
WiFi	yes	no	no	no	no	no	no	no	yes	no
Security										
In-Unit Alarm	no	yes	no	no	no	no	no	no	no	no
Intercom (Buzzer)	yes	no	yes	no	yes	no	no	yes	no	no
Limited Access	yes	no	yes	no	yes	yes	yes	yes	yes	yes
Patrol	no	no	no	yes	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	yes	yes	no	no	no	no	no
Video Surveillance	no	no	no	yes	yes	no	no	no	no	no
Parking										
Garage	no	no	no	no	no	no	yes	no	no	no
Garage Fee	n/a	n/a	n/a	n/a	n/a	n/a	\$95	n/a	n/a	n/a
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

# PROPERTY PROFILE REPORT

## Arbour Reach Apartments

Effective Rent Date	4/02/2025
Location	3624 Tejo Lane Portsmouth, VA 23703 Portsmouth County
Distance	0.9 miles
Units	92
Vacant Units	1
Vacancy Rate	1.1%
Type	Garden (2 stories)
Year Built/Renovated	1998 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Belleville Harbour Apartments
Tenant Characteristics	One-third seniors
Contact Name	Erica
Phone	757-686-4822



### Market Information

Program	@60%
Annual Turnover Rate	13%
Units/Month Absorbed	N/A
HCV Tenants	60%
Leasing Pace	Within two months
Annual Chg. in Rent	Increased to 2024 max
Concession	None
Waiting List	None

### Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	92	1,030	\$1,247	\$0	@60%	No	1	1.1%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,247	\$0	\$1,247	\$68	\$1,315

### Amenities

In-Unit	Security	Services
Balcony/Patio Cable/Satellite/Internet Central A/C Dishwasher Garbage Disposal Refrigerator Washer/Dryer hookup	In-Unit Alarm	None
Blinds Carpeting Coat Closet Exterior Storage Oven Walk-In Closet		
Property	Premium	Other
Clubhouse/Meeting Room/Community Off-Street Parking Picnic Area	None	None
Central Laundry On-Site Management Swimming Pool		

## Arbour Reach Apartments, continued

### Comments

The rents are set to the 2024 maximum allowable levels. The contact could not say if 2025 maximum allowable rents were achievable. Only two-bedroom units are featured at this property. The property does not maintain a waiting list to avoid undue administrative burden. Units are leased on a first come, first served basis. The sole vacant unit is preleased to a new tenant.



Photos



# PROPERTY PROFILE REPORT

## Crescent Place

Effective Rent Date	4/02/2025
Location	2804 Turnpike Road Portsmouth, VA 23707 Portsmouth County
Distance	4.8 miles
Units	156
Vacant Units	0
Vacancy Rate	0.0%
Type	Midrise (4 stories)
Year Built/Renovated	2008 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Catalina Crossing
Tenant Characteristics	50% seniors
Contact Name	Trisha
Phone	757-673-3962



### Market Information

Program	@60%
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	80%
Leasing Pace	Pre-leased to two weeks
Annual Chg. in Rent	Increased to 2024 max
Concession	None
Waiting List	No, not maintained

### Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	16	812	\$1,056	\$0	@60%	No	0	0.0%	no	None
2	2	Midrise (4 stories)	104	1,181	\$1,261	\$0	@60%	No	0	0.0%	no	None
3	2	Midrise (4 stories)	36	1,379	\$1,450	\$0	@60%	No	0	0.0%	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,056	\$0	\$1,056	\$0	\$1,056
2BR / 2BA	\$1,261	\$0	\$1,261	\$0	\$1,261
3BR / 2BA	\$1,450	\$0	\$1,450	\$0	\$1,450



Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

According to the contact, rents are at the 2024 maximum allowable levels. The contact could not offer an opinion if 2025 maximum allowable rents were achievable. Since mid-2024, rents increased by no more than \$5 due to a change in the utility allowance calculation. A formal waiting list is not maintained and units are typically leased on a first come, first served basis. The property features elevators, which are desirable for senior households. Approximately half of the tenants at this property are senior households.

Photos



# PROPERTY PROFILE REPORT

## Stone Ridge Apartments

Effective Rent Date	4/02/2025
Location	6200 Hightower Road Portsmouth, VA 23703 Portsmouth County
Distance	0.3 miles
Units	207
Vacant Units	12
Vacancy Rate	5.8%
Type	Garden (2 stories)
Year Built/Renovated	1976 / 2000
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Crescent Place
Tenant Characteristics	None Identified
Contact Name	Lizz
Phone	757-484-1000



### Market Information

Program	@60%
Annual Turnover Rate	12%
Units/Month Absorbed	N/A
HCV Tenants	6%
Leasing Pace	Within one month
Annual Chg. in Rent	Increased 7%-19%
Concession	None
Waiting List	None

### Utilities

A/C	not included – central
Cooking	included – gas
Water Heat	included – gas
Heat	included – gas
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	39	850	\$1,022	\$0	@60%	No	N/A	N/A	no	None
2	1	Garden (2 stories)	100	920	\$1,249	\$0	@60%	No	N/A	N/A	no	None
3	1.5	Garden (2 stories)	68	1,020	\$1,349	\$0	@60%	No	N/A	N/A	no	None

### Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,022	\$0	\$1,022	-\$31	\$991
2BR / 1BA	\$1,249	\$0	\$1,249	-\$39	\$1,210
3BR / 1.5BA	\$1,349	\$0	\$1,349	-\$47	\$1,302

Stone Ridge Apartments, continued

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Patrol	None
Carpet/Hardwood	Carpeting	Perimeter Fencing	
Central A/C	Coat Closet	Video Surveillance	
Oven	Refrigerator		
Walk-In Closet			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

The contact reported they took over management in mid-2024 and have been working to evict tenants and re-lease units ever since. The property had approximately 40 vacant units when the current management began operations. Eight of the 12 vacant units are pre-leased. The property just increased rents to the 2024 maximum allowable levels. It was not known by the contact if 2025 maximum allowable rents are achievable.



Photos



## Victory Square Apartments

## Utilities

<b>A/C</b>	not included – central
<b>Cooking</b>	not included – electric
<b>Water Heat</b>	not included – electric
<b>Heat</b>	not included – electric
<b>Other Electric</b>	not included
<b>Water</b>	not included
<b>Sewer</b>	not included
<b>Trash Collection</b>	included

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (4 stories)	98	675	\$1,034	\$0	@60%	No	N/A	N/A	no	None
2	1	Lowrise (4 stories)	14	880	\$1,238	\$0	@60%	No	N/A	N/A	no	None

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,034	\$0	\$1,034	\$51	\$1,085
2BR / 1BA	\$1,238	\$0	\$1,238	\$68	\$1,306

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Garbage Disposal	Perimeter Fencing	
Hand Rails	Oven	Video Surveillance	
Pull Cords	Refrigerator		
Walk-In Closet			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		



## Victory Square Apartments, continued

### Comments

The current vacancy rate of 7.1 percent is slightly elevated according to the contact. Typically, vacancy is no more than five percent. A reason for this is that the property does not have a permanent manager at this time. The current manager is overseeing this property on a temporary basis. Of the eight vacant units, one is preleased to a new tenant. The contact stated that many prospective tenants are under income-qualified to afford the asking rents, which are at the 2024 maximum allowable levels. The rents increased by approximately \$15 since mid-2024 due to a change in the utility allowance calculation. Approximately 25 percent of existing tenants own a car. The property has some signs of deferred maintenance such as stains on the exterior siding.

## Victory Square Apartments, continued

### Photos



# PROPERTY PROFILE REPORT

## Century Hampton Roads

Effective Rent Date	4/02/2025
Location	2019 Barclay Place Suffolk, VA 23435 Suffolk County
Distance	1.2 miles
Units	216
Vacant Units	4
Vacancy Rate	1.9%
Type	Garden (3 stories)
Year Built/Renovated	2013 / 2024
Marketing Began	6/01/2013
Leasing Began	10/01/2013
Last Unit Leased	4/01/2014
Major Competitors	Meridian Harbor View
Tenant Characteristics	None identified
Contact Name	Cassandra
Phone	757-686-8600



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	13
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	No change to dec 20%
Concession	One month free rent
Waiting List	None

### Utilities

A/C	not included – central
Cooking	not included – electric
Water Heat	not included – electric
Heat	not included – electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	36	734	\$1,738	\$145	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	12	1,028	\$1,906	\$159	Market	No	1	8.3%	N/A	None
2	2	Garden (3 stories)	132	1,052	\$1,666	\$138	Market	No	3	2.3%	N/A	None
3	2	Garden (3 stories)	24	1,276	\$2,352	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	12	1,279	\$2,352	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,738	\$145	\$1,593	\$80	\$1,673
2BR / 2BA	\$1,666 - \$1,906	\$138 - \$159	\$1,528 - \$1,747	\$97	\$1,625 - \$1,844
3BR / 2BA	\$2,352	\$0	\$2,352	\$106	\$2,458

Century Hampton Roads, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Courtyard	Exercise Facility		
Off-Street Parking	On-Site Management		
Picnic Area	Swimming Pool		

Comments

This property was formerly known as Hampton Roads Crossing Apartment Homes. The contact was unable to provide information on turnover, leasing pace, or senior tenancy at the property. The property does accept Housing Choice Vouchers, though no tenants are currently using vouchers. The property is currently in the process of renovating units with new countertops, backsplash, and lighting; these units carry a premium of an additional \$130, which is reflected in the profile rents. Despite a low vacancy rate, a concession of one month of free rent for a one year lease is being offered on vacant units. Three-bedroom rents were not quoted as none have recently been leased. Therefore, the indicated three-bedroom rents in this profile are from July 2024.



Photos



# PROPERTY PROFILE REPORT

## Clairmont At Harbour View Station

Effective Rent Date	4/02/2025
Location	3001 Gateway Drive Suffolk, VA 23435 Suffolk County
Distance	5.1 miles
Units	276
Vacant Units	5
Vacancy Rate	1.8%
Type	Garden (3 stories)
Year Built/Renovated	2018 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Manager
Phone	(757) 273-7433



### Market Information

Program	Market
Annual Turnover Rate	21%
Units/Month Absorbed	21
HCV Tenants	0%
Leasing Pace	10 days
Annual Chg. in Rent	Decreased 2%
Concession	Reduced rents select units
Waiting List	None

### Utilities

A/C	not included – central
Cooking	not included – gas
Water Heat	not included – gas
Heat	not included – gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	108	784	\$1,745	\$300	Market	No	1	0.9%	N/A	None
1	1	Garden (3 stories)	12	798	\$1,695	\$200	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	48	1,166	\$2,095	\$125	Market	No	2	4.2%	N/A	None
2	2	Garden (3 stories)	84	1,174	\$2,110	\$125	Market	No	2	2.4%	N/A	None
3	2	Garden (3 stories)	24	1,339	\$2,189	\$0	Market	No	0	0.0%	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,695 - \$1,745	\$200 - \$300	\$1,445 - \$1,495	\$80	\$1,525 - \$1,575
2BR / 2BA	\$2,095 - \$2,110	\$125	\$1,970 - \$1,985	\$97	\$2,067 - \$2,082
3BR / 2BA	\$2,189	\$0	\$2,189	\$106	\$2,295



Clairmont At Harbour View Station, continued

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C		
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vinyl Plank Flooring	Walk-In Closet		
Washer/Dryer			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	SS, Quartz, Grill, gameroom
Exercise Facility	Garage(\$95.00)		
Off-Street Parking	Playground		
Swimming Pool	Theatre		

Comments

The rents depicted in this profile are the starting rents. Floor and view premiums are up to \$125. A current rent for the three-bedroom units could not be quoted as none are available. Therefore, the indicated rent for this bedroom type is from July 2024. Despite a lower vacancy rate, concessions of \$125 to \$300 off the monthly rent are being offered for the one and two-bedroom units. The manager was unwilling to provide any further comment.

# PROPERTY PROFILE REPORT

## Era At Park 216

Effective Rent Date	4/02/2025
Location	901 Beringer Road Suffolk, VA 23435 Suffolk County
Distance	1.4 miles
Units	104
Vacant Units	21
Vacancy Rate	20.2%
Type	Midrise (age-restricted) (4 stories)
Year Built/Renovated	2024 / N/A
Marketing Began	N/A
Leasing Began	2/01/2024
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Most households in their 60s and 70s; some former homeowners
Contact Name	Jin
Phone	(757) 538-7468



### Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	6
HCV Tenants	0%
Leasing Pace	N/A
Annual Chg. in Rent	N/A
Concession	None
Waiting List	None

### Utilities

A/C	not included – central
Cooking	not included – gas
Water Heat	not included – gas
Heat	not included – gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	39	891	\$1,574	N/A	Market	N/A	N/A	N/A	N/A	AVG*
1	1	Midrise (4 stories)	N/A	1,009	\$1,699	\$0	Market	N/A	N/A	N/A	N/A	HIGH*
1	1	Midrise (4 stories)	N/A	773	\$1,449	N/A	Market	N/A	N/A	N/A	N/A	LOW*
2	1	Midrise (4 stories)	22	991	\$1,754	N/A	Market	N/A	N/A	N/A	N/A	AVG*
2	1	Midrise (4 stories)	N/A	1,095	\$1,859	N/A	Market	N/A	N/A	N/A	N/A	HIGH*
2	1	Midrise (4 stories)	N/A	887	\$1,649	N/A	Market	N/A	N/A	N/A	N/A	LOW*
2	2	Midrise (4 stories)	43	1,281	\$2,364	N/A	Market	N/A	N/A	N/A	N/A	AVG*
2	2	Midrise (4 stories)	N/A	1,546	\$2,829	N/A	Market	N/A	N/A	N/A	N/A	HIGH*
2	2	Midrise (4 stories)	N/A	1,016	\$1,899	N/A	Market	N/A	N/A	N/A	N/A	LOW*

Era At Park 216, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,449 - \$1,699	\$0	\$0 - \$1,699	\$80	\$0 - \$1,779
2BR / 1BA	\$1,649 - \$1,859	\$0	N/A	\$97	N/A
2BR / 2BA	\$1,899 - \$2,829	\$0	N/A	\$97	N/A

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Dishwasher	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vinyl Plank Flooring		
Walk-In Closet	Washer/Dryer		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Concierge	None	SS Appliances, GC, game room,
Elevators	Exercise Facility		
Off-Street Parking	On-Site Management		
Pet Park	Swimming Pool		
Volleyball Court			

Comments

This senior (age 55+) market rate property was completed in February 2024 and is still in its initial absorption period. It is currently 73 percent occupied and 80 percent leased. This represents an absorption pace of approximately six units per month from the date of completion. A concession of one month of free rent was being offered but this incentive has expired. All of the one-bedroom units are reportedly leased and only two-bedroom units remain.

Photos



# PROPERTY PROFILE REPORT

## Park 216

Effective Rent Date	4/02/2025
Location	1001 Beringer Road Suffolk, VA 23435 Suffolk County
Distance	1.3 miles
Units	266
Vacant Units	15
Vacancy Rate	5.6%
Type	Garden (3 stories)
Year Built/Renovated	2019 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Shaun
Phone	(757) 538-7188



### Market Information

Program	Market
Annual Turnover Rate	19%
Units/Month Absorbed	16
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	None
Concession	None
Waiting List	None

### Utilities

A/C	not included – central
Cooking	not included – gas
Water Heat	not included – gas
Heat	not included – gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	112	708	\$1,599	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	12	765	\$1,649	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	48	892	\$1,759	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	86	1,112	\$1,959	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	4	1,308	\$2,499	\$0	Market	No	N/A	N/A	N/A	None
2	2.5	Garden (3 stories)	4	1,747	\$2,799	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,599 - \$1,649	\$0	\$1,599 - \$1,649	\$80	\$1,679 - \$1,729
2BR / 1BA	\$1,759	\$0	\$1,759	\$97	\$1,856
2BR / 2BA	\$1,959 - \$2,499	\$0	\$1,959 - \$2,499	\$97	\$2,056 - \$2,596
2BR / 2.5BA	\$2,799	\$0	\$2,799	\$97	\$2,896

Park 216, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C		
Dishwasher	Ceiling Fan		
Microwave	Oven		
Refrigerator	Vinyl Plank Flooring		
Walk-In Closet	Washer/Dryer		
Property		Premium	Other
Bike Storage	Business Center/Computer Lab	None	Grill, Key Fob entry, gameroom,
Clubhouse/Meeting Room/Community	Courtyard		
Exercise Facility	Off-Street Parking		
On-Site Management	Picnic Area		
Swimming Pool	Volleyball Court		
Wi-Fi			

Comments

Of the 15 vacant units, six are preleased to new tenants. Rents have been held steady over the past year.



Photos



# PROPERTY PROFILE REPORT

## Westwinds Apartments

Effective Rent Date	4/02/2025
Location	3601 Gateway Drive Portsmouth, VA 23703 Portsmouth County
Distance	0.2 miles
Units	408
Vacant Units	24
Vacancy Rate	5.9%
Type	Garden (3 stories)
Year Built/Renovated	1989 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Wellington at Western Branch
Tenant Characteristics	None identified
Contact Name	Terrill
Phone	757-483-3702



### Market Information

Program	Market
Annual Turnover Rate	29%
Units/Month Absorbed	N/A
HCV Tenants	30%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 2%
Concession	None
Waiting List	None

### Utilities

A/C	not included – central
Cooking	not included – gas
Water Heat	not included – electric
Heat	not included – gas
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	108	900	\$1,295	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	228	950	\$1,450	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	72	1,150	\$1,735	\$0	Market	No	N/A	N/A	N/A	None

### Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,295	\$0	\$1,295	\$51	\$1,346
2BR / 2BA	\$1,450	\$0	\$1,450	\$68	\$1,518
3BR / 2BA	\$1,735	\$0	\$1,735	\$77	\$1,812

Westwinds Apartments, continued

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Limited Access	None
Cable/Satellite/Internet	Carpet/Hardwood	Patrol	
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

The contact reported a 94 percent occupancy rate, which is lower than typical. A reason for this lower rate was not provided. Basic cable is included in rent for all units. The property does accept Housing Choice Vouchers. The contact was unable to provide information on senior tenancy. The community building is currently undergoing a gut rehabilitation and expansion.



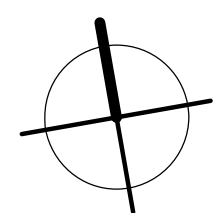
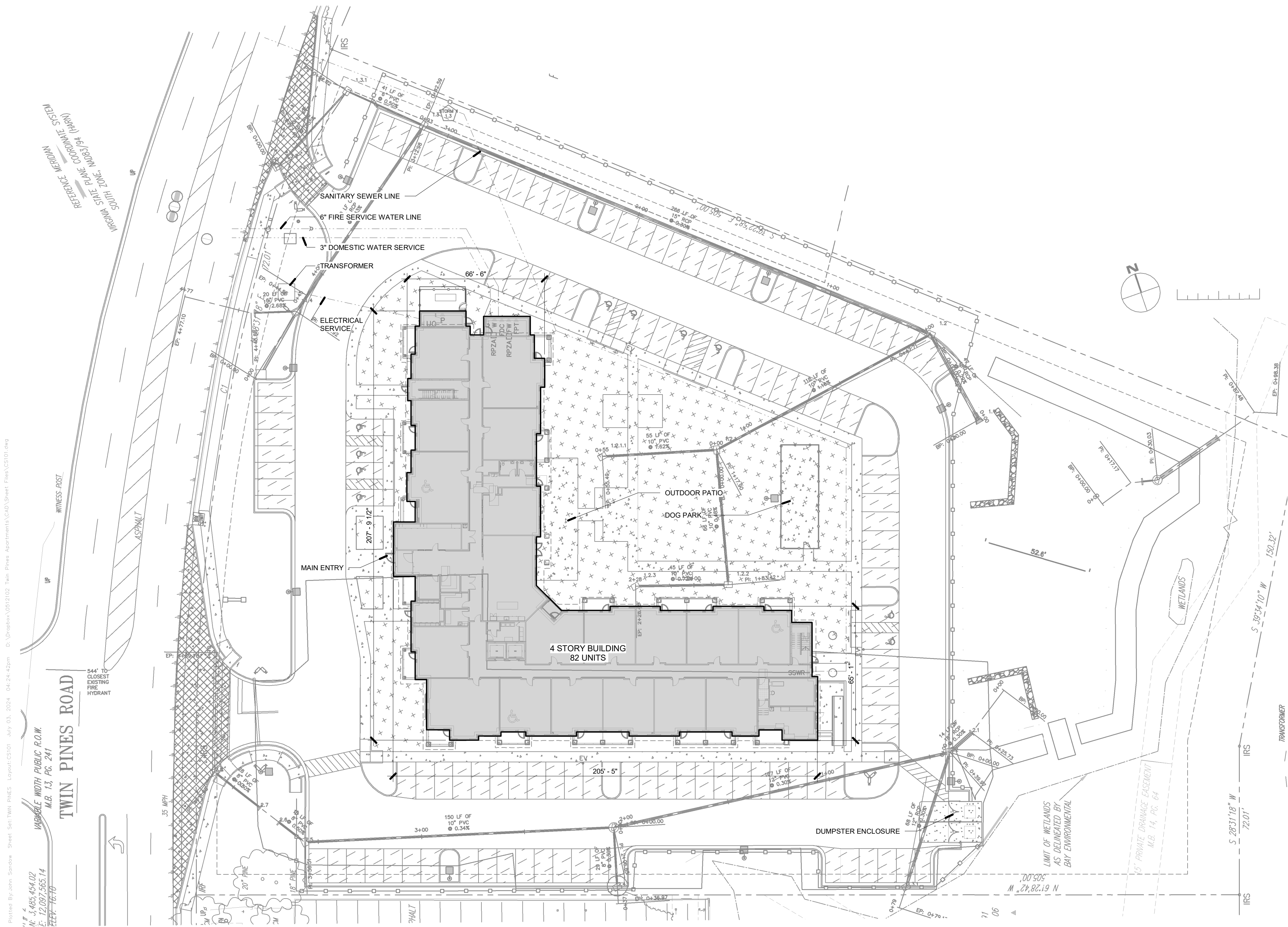
Photos



## **ADDENDUM D**

### **Site and Floor Plans**



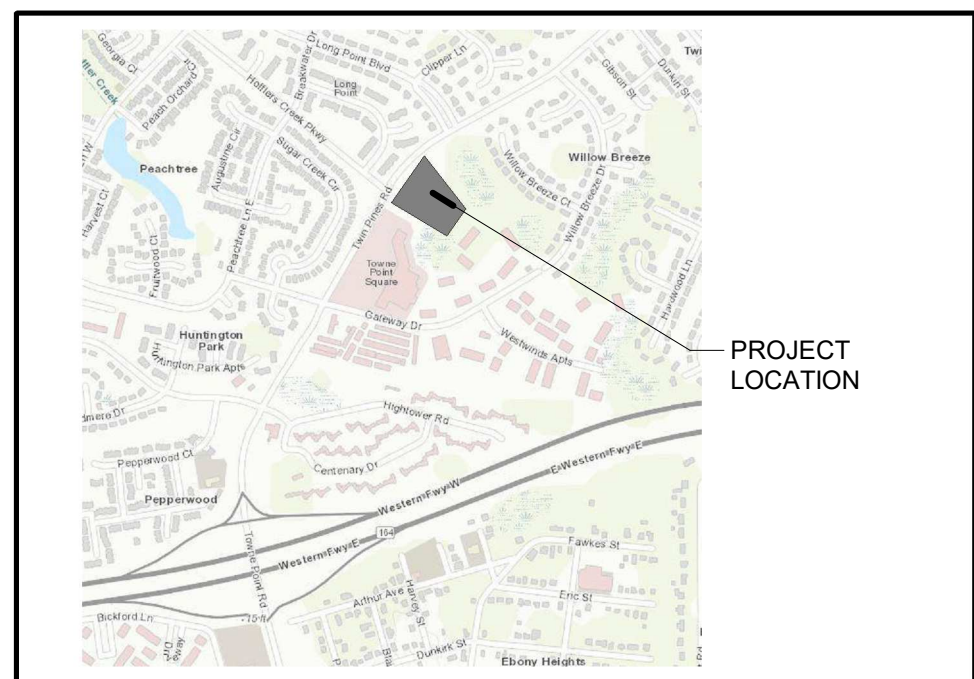


**OVERALL SITE PLAN**

1" = 30'-0"

UNIT BREAKDOWN					
	1ST FLR	2ND FLR	3RD FLR	4TH FLR	TOTAL:
1 BR	14	16	20	20	70
2 BR	3	3	3	3	12
TOTAL:	17	19	23	23	82

BUILDING BREAKDOWN	
GRAND TOTALS:	
1ST FLOOR:	20,501 SF
2ND FLOOR:	17,228 SF
3RD FLOOR:	19,497 SF
4TH FLOOR:	19,497 SF
TOTAL:	76,723 SF
TOTAL NET RESIDENTIAL:	54,840 SF (71% OF GROSS BLDG)
TOTAL GROSS RESIDENTIAL:	58,731 SF (77% OF GROSS BLDG)



**LOCATION MAP**

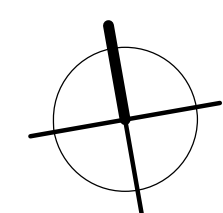
## OVERALL SITE PLAN | PR-1.0

TWIN PINES SENIOR APARTMENTS

3993 TWIN PINES ROAD, PORTSMOUTH, VA 23703

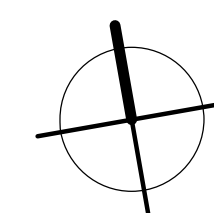
7/16/2024





**OVERALL SECOND FLOOR PLAN**

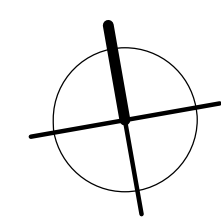
1/16" = 1'-0"



**OVERALL FIRST FLOOR PLAN**

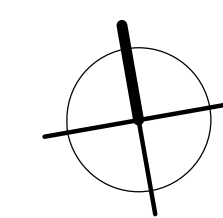
1/16" = 1'-0"





**OVERALL FOURTH FLOOR PLAN**

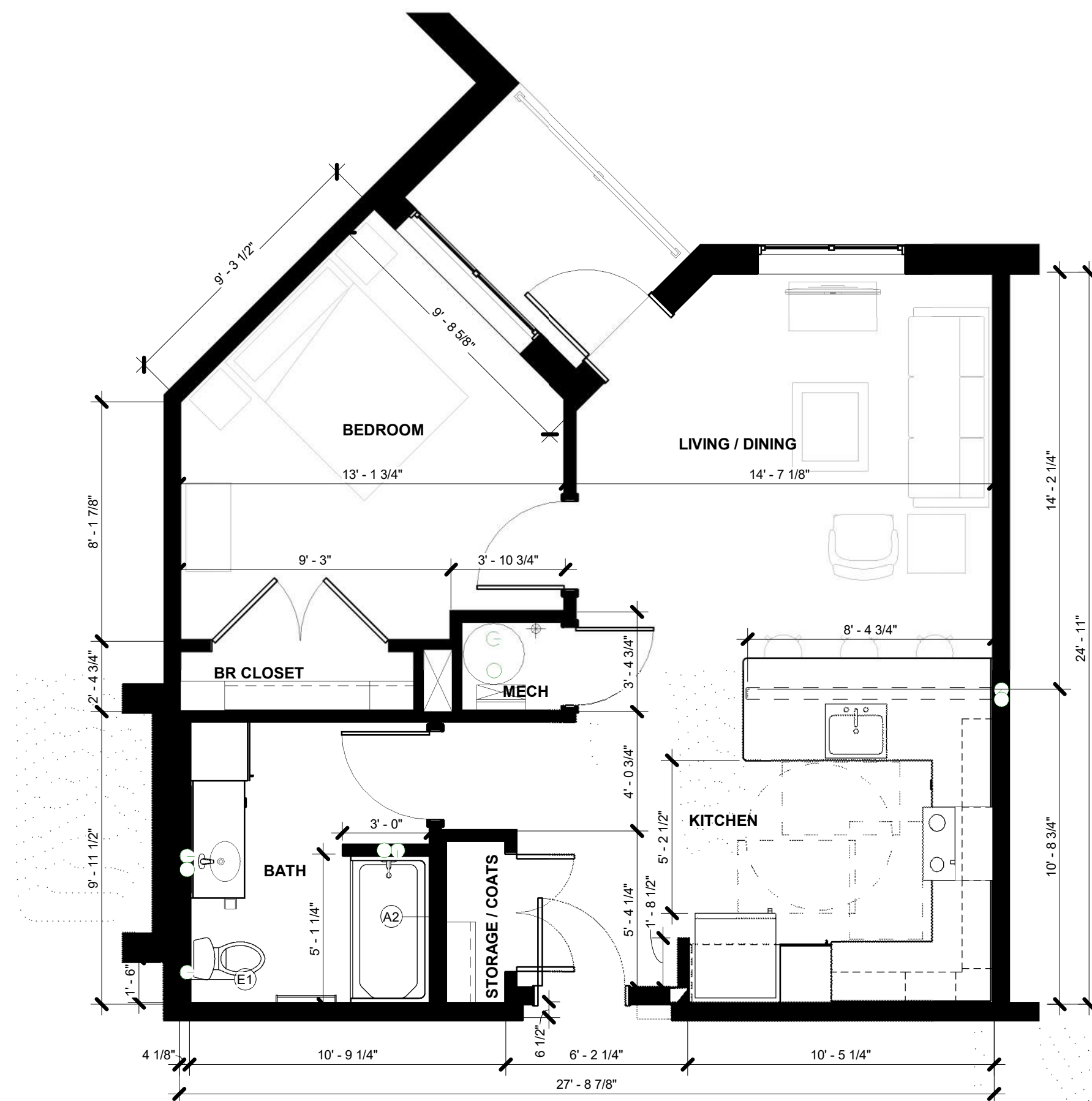
1/16" = 1'-0"



**OVERALL THIRD FLOOR PLAN**

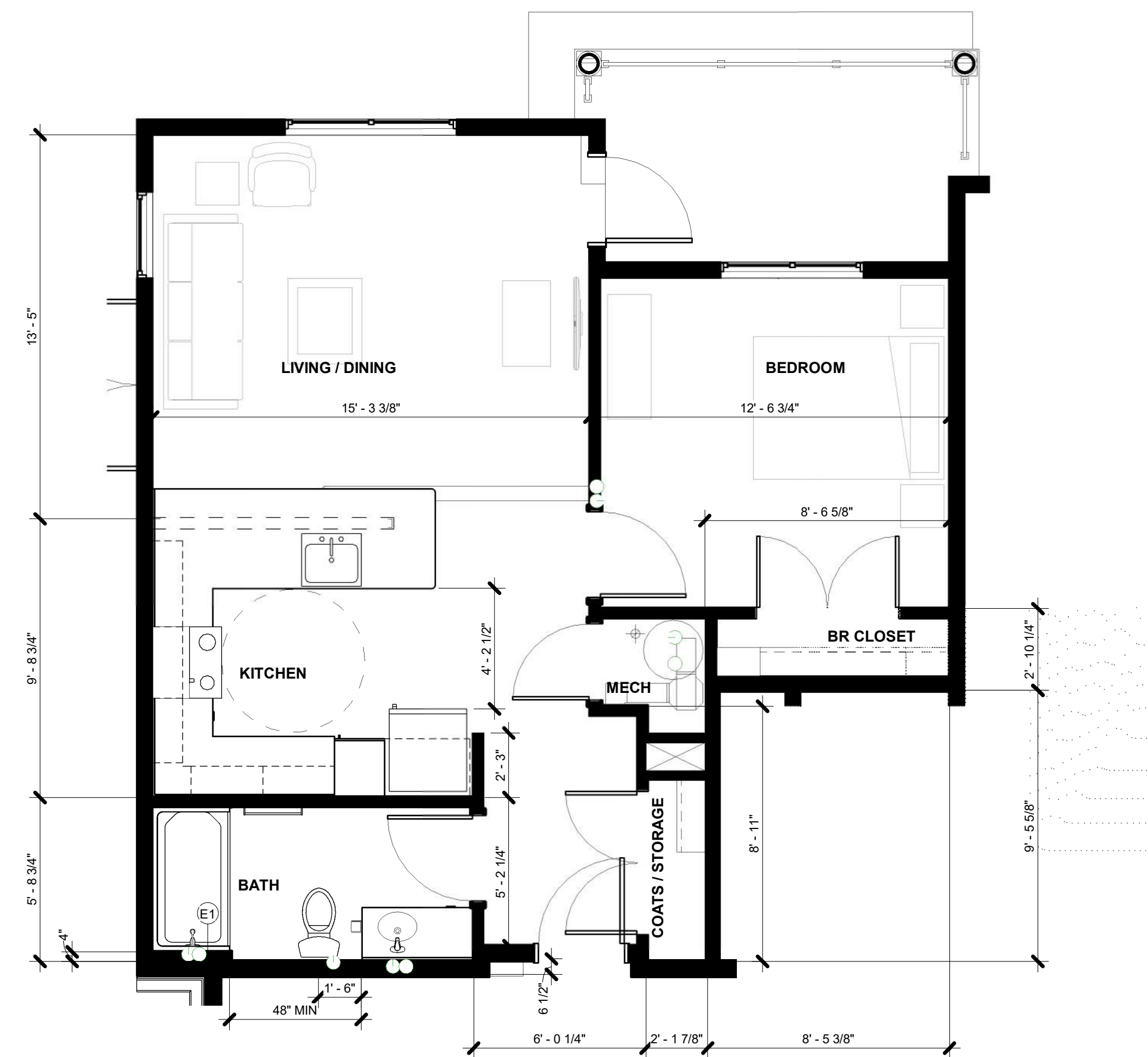
1/16" = 1'-0"





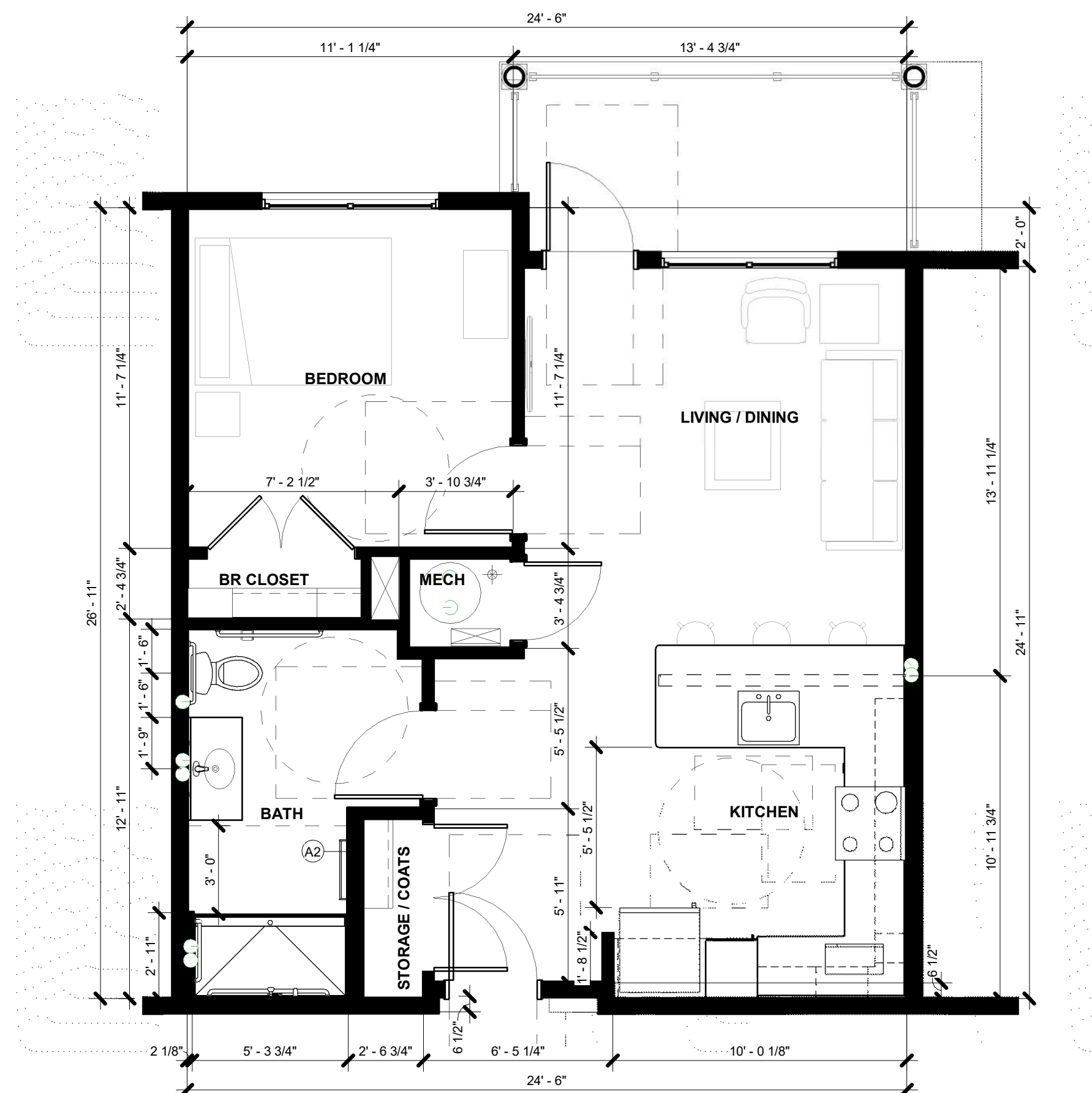
UNIT 1BR-4 - FLOOR PLAN

1/4" = 1'-0"



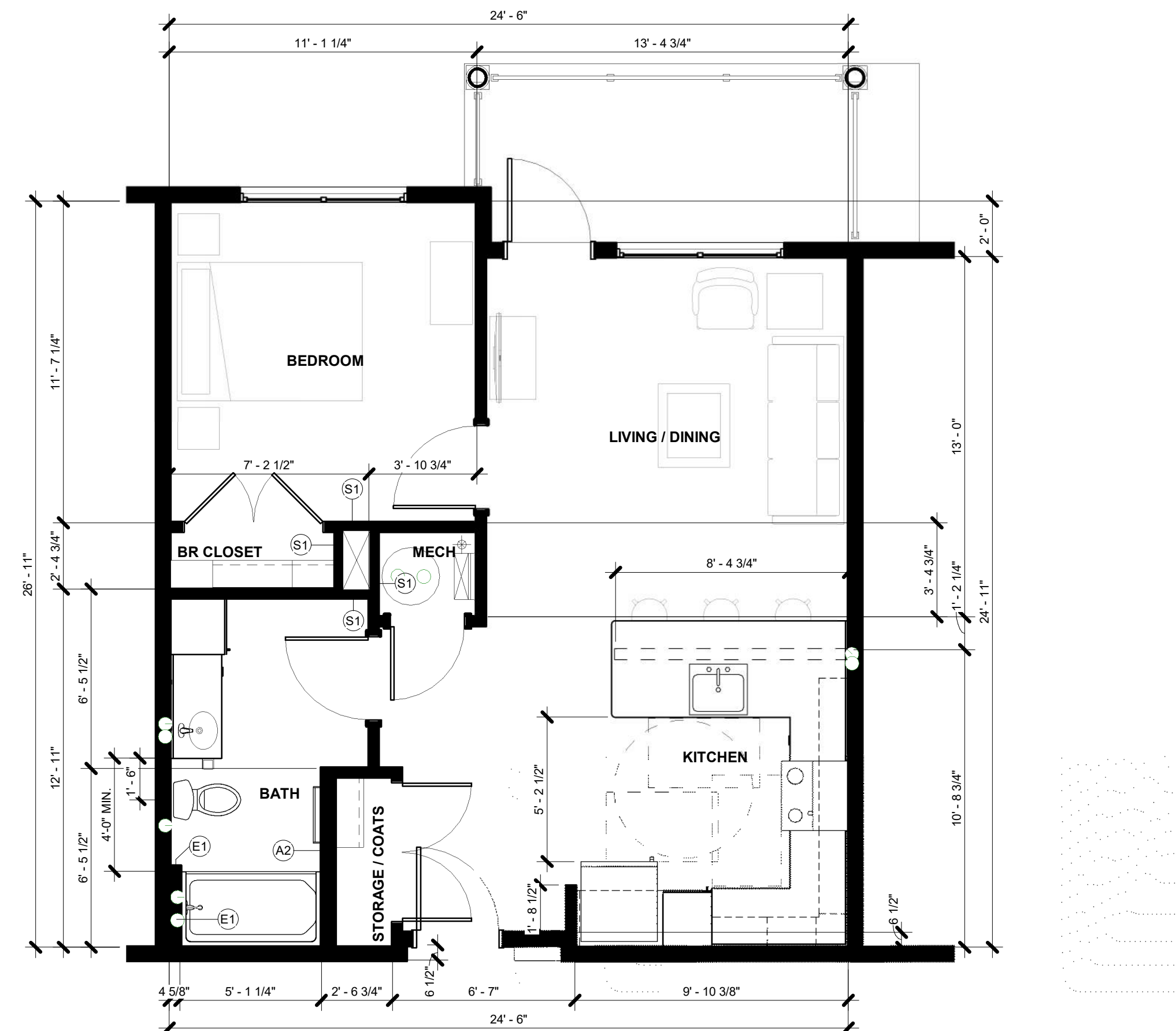
UNIT 1BR-3 - FLOOR PLAN

1/4" = 1'-0"



UNIT 1BR-2 TYPE A / UFAS - FLOOR PLAN

1/4" = 1'-0"



UNIT 1BR-1 - FLOOR PLAN

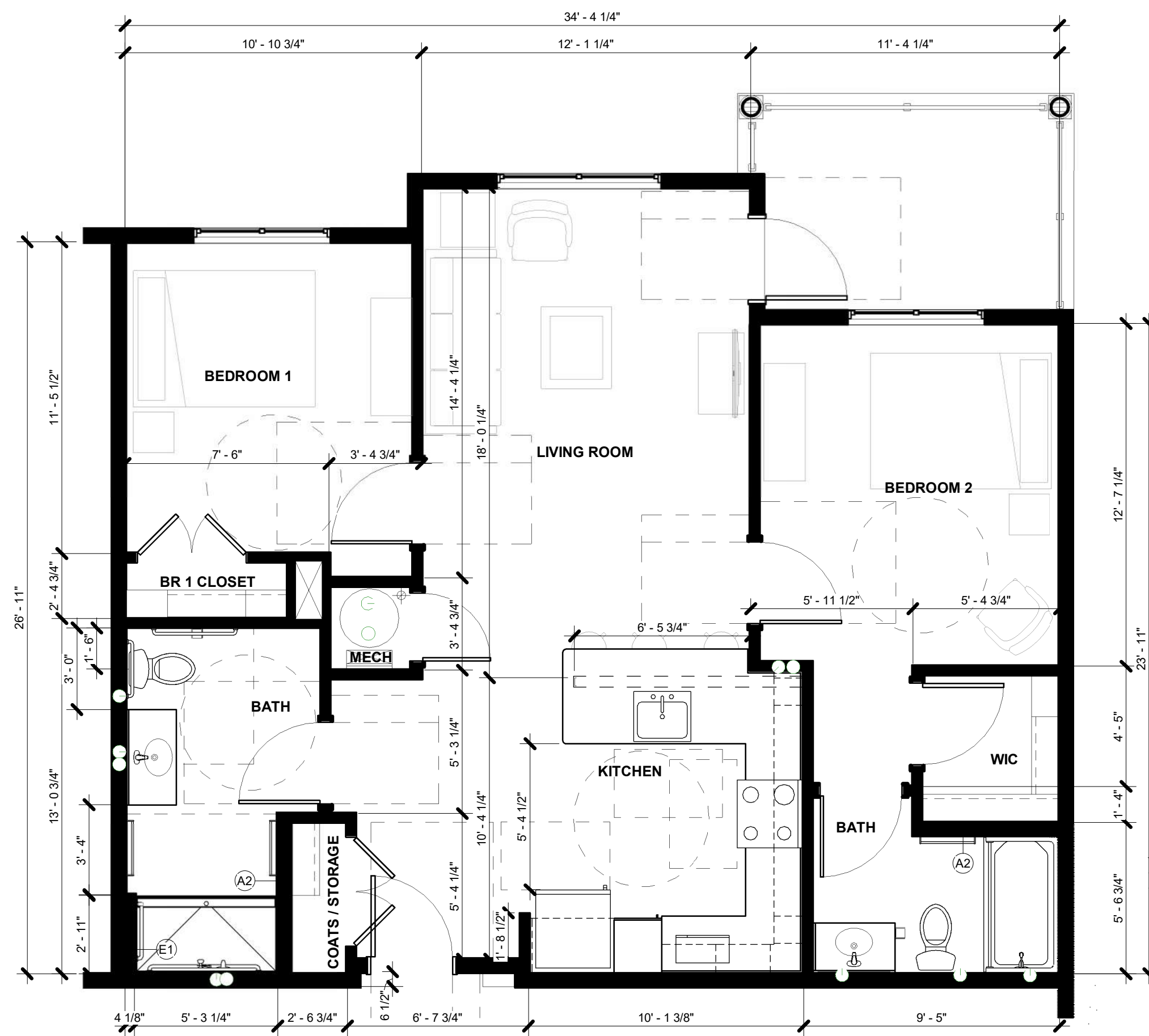
1/4" = 1'-0"

# ONE BEDROOM UNIT PLANS | PR-3.1

TWIN PINES SENIOR APARTMENTS

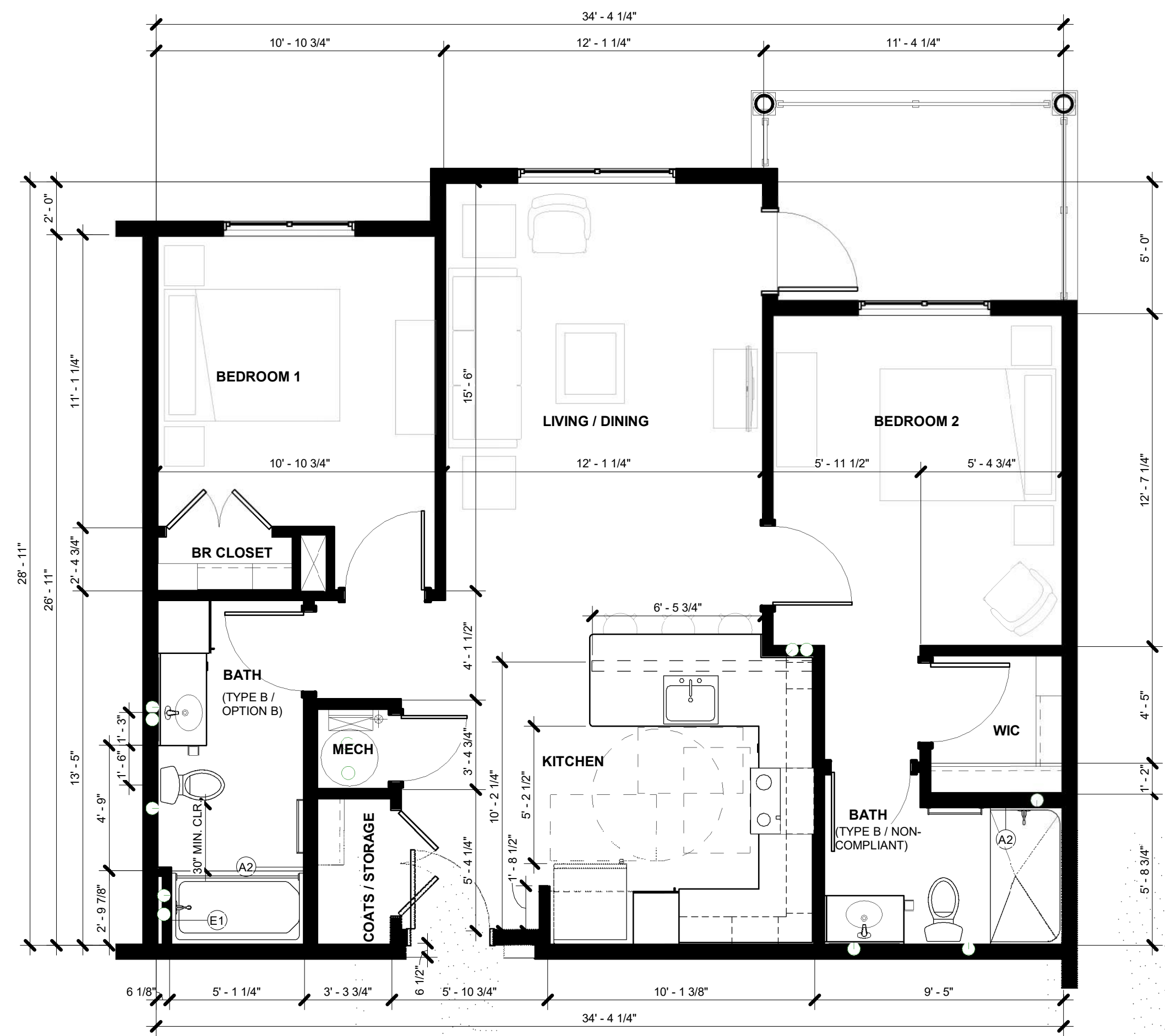
3993 TWIN PINES ROAD, PORTSMOUTH, VA 23703

7/16/2024



UNIT 2BR-2 TYPE A / UFAS - FLOOR PLAN

1/4" = 1'-0"



UNIT 2BR-1 - FLOOR PLAN

1/4" = 1'-0"

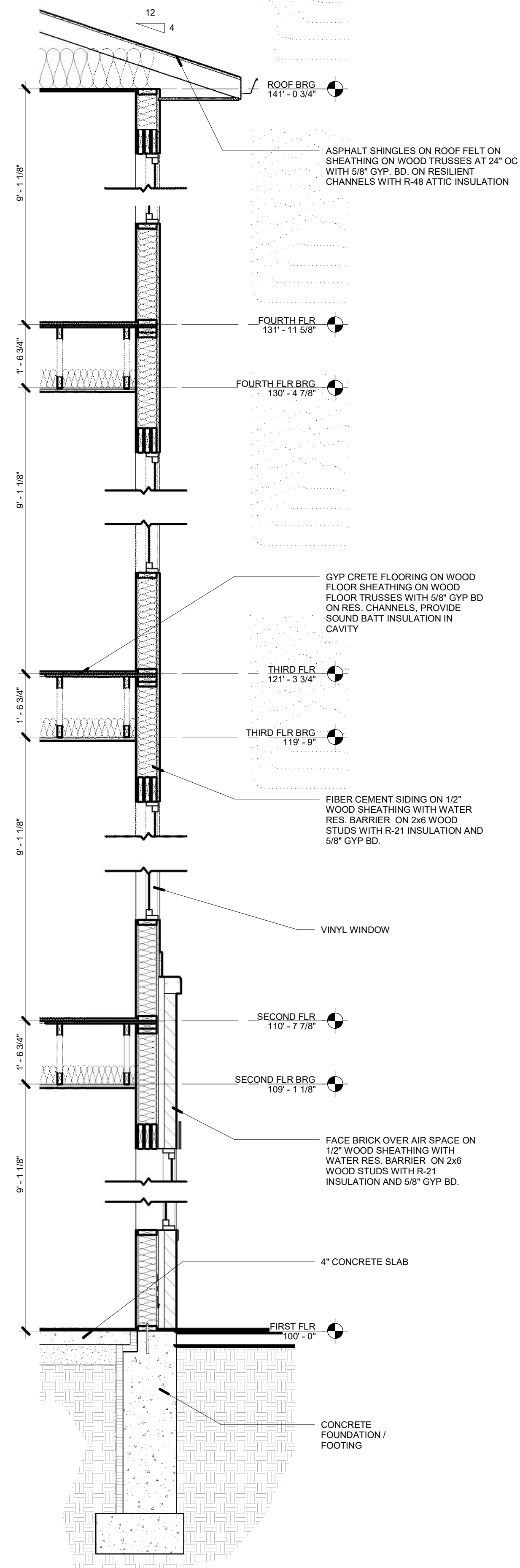




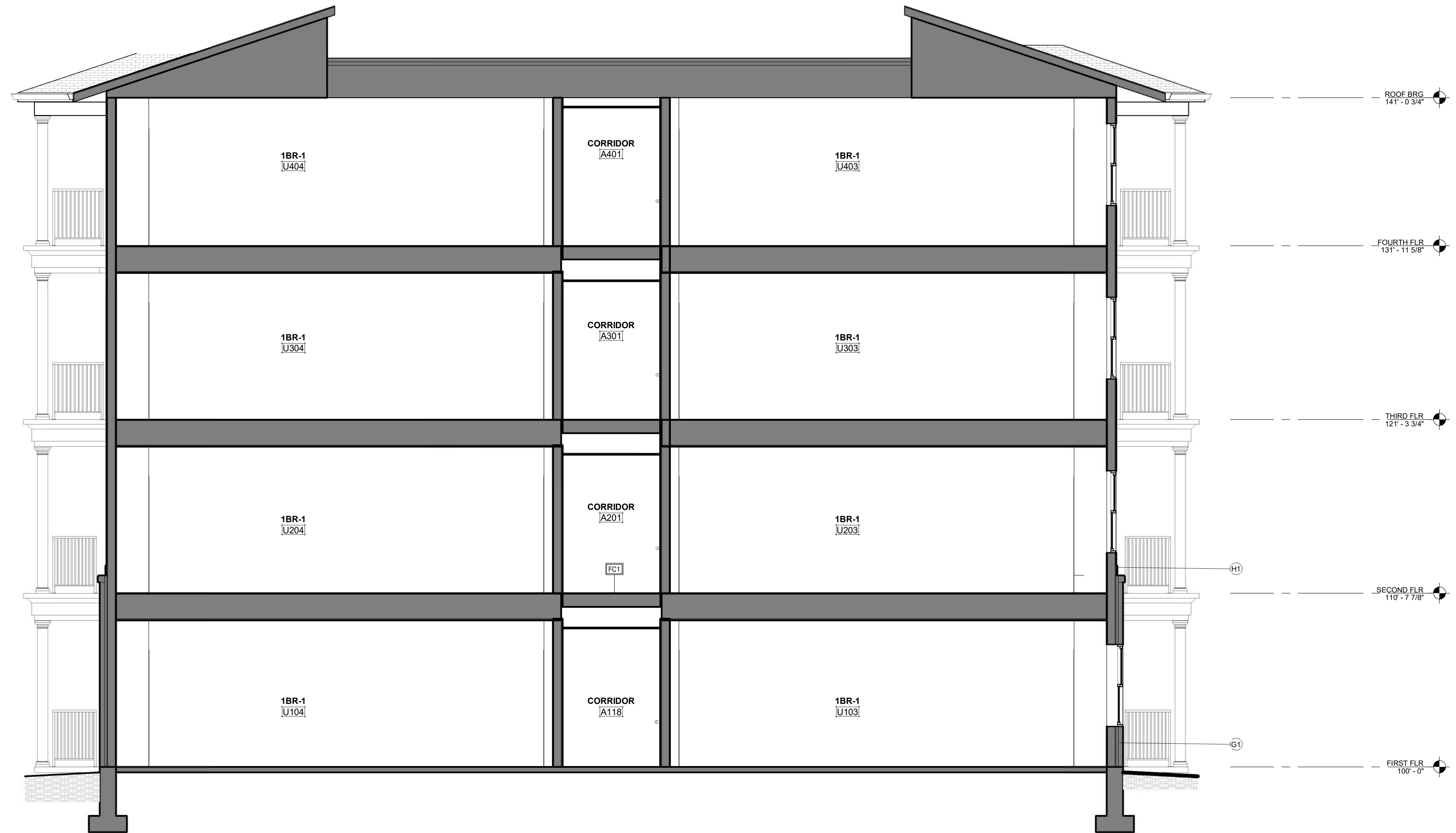
OVERALL FRONT / WEST ELEVATION

1/8" = 1'-0"





**TYPICAL WALL SECTION**  
1/2" = 1'-0"



**TYPICAL BUILDING SECTION**  
1/4" = 1'-0"

## BUILDING / WALL SECTION | PR-5.1

TWIN PINES SENIOR APARTMENTS

3993 TWIN PINES ROAD, PORTSMOUTH, VA 23703

7/16/2024



**ADDENDUM E**  
Utility Allowance

# Utility Allowance Schedule

See Public Reporting and Instructions on back.

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(exp. 04/30/2026)

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA <b>Portsmouth Redevelopment &amp; Housing Authority, VA</b>		Unit Type: <b>High-Rise (5+ units)/Low-Rise (2-4 units)/Apartments</b>						Date (mm/dd/yyyy) 01/01/2025
Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Heating	Natural Gas	\$25.00	\$29.00	\$34.00	\$39.00	\$42.00	\$46.00	\$49.00
	Bottle Gas	\$51.00	\$63.00	\$72.00	\$81.00	\$87.00	\$99.00	\$105.00
	Electric	\$12.00	\$15.00	\$19.00	\$23.00	\$28.00	\$32.00	\$34.00
	Electric Heat Pump	\$11.00	\$13.00	\$15.00	\$17.00	\$19.00	\$21.00	\$22.00
	Fuel Oil	\$53.00	\$65.00	\$72.00	\$80.00	\$88.00	\$95.00	\$103.00
Cooking	Natural Gas	\$5.00	\$5.00	\$8.00	\$9.00	\$12.00	\$14.00	\$15.00
	Bottle Gas	\$9.00	\$9.00	\$15.00	\$21.00	\$27.00	\$30.00	\$33.00
	Electric	\$5.00	\$5.00	\$8.00	\$10.00	\$13.00	\$15.00	\$16.00
Other Electric		\$17.00	\$20.00	\$28.00	\$36.00	\$44.00	\$52.00	\$56.00
Air Conditioning		\$7.00	\$9.00	\$12.00	\$16.00	\$19.00	\$22.00	\$24.00
Water Heating	Natural Gas	\$9.00	\$11.00	\$17.00	\$22.00	\$26.00	\$31.00	\$34.00
	Bottle Gas	\$21.00	\$24.00	\$36.00	\$45.00	\$57.00	\$66.00	\$72.00
	Electric	\$11.00	\$13.00	\$16.00	\$20.00	\$24.00	\$27.00	\$29.00
	Fuel Oil	\$19.00	\$23.00	\$34.00	\$46.00	\$57.00	\$65.00	\$69.00
Water		\$29.00	\$30.00	\$38.00	\$38.00	\$38.00	\$38.00	\$38.00
Sewer		\$21.00	\$21.00	\$30.00	\$39.00	\$47.00	\$56.00	\$62.00
Trash Collection		\$29.00	\$29.00	\$29.00	\$29.00	\$29.00	\$29.00	\$29.00
Other specify: Electric Charge \$7.58		\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Other specify: Natural Gas Charge \$20.73		\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00
Range/Microwave		\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00	\$11.00
Refrigerator		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Actual Family Allowances-May be used by the family to compute allowance while searching for a unit.					Utility/Service/Appliance		Allowance	
					Heating			
Head of Household Name					Cooking			
					Other Electric			
					Air Conditioning			
					Water Heating			
Unit Address					Water			
					Sewer			
					Trash Collection			
					Other			
Number of Bedrooms					Range/Microwave			
					Refrigerator			
					Total			



adapted from form HUD-52667

(04/2023)

The Nelrod Company 8/2024 Initial

## **ADDENDUM F**

### **Qualifications of Consultants**

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **ABBY M. COHEN**

### **I. Education**

The Pennsylvania State University, University Park, PA, Bachelor of Arts

### **II. Licensing and Professional Affiliation**

Certified General Appraiser, AK License #213395  
Certified General Appraiser, FL License #RZ4143  
Certified General Appraiser, GA License #427009  
Certified General Appraiser, MD License #40032823  
Certified General Appraiser, NC License #A8127  
Certified General Appraiser, NJ License #42RG00255000  
Certified General Appraiser, SC License #7487  
Certified General Appraiser, TX License #1381138-G

Designated Member of the National Council of Housing Market Analysts (NCHMA)

### **III. Professional Experience**

Novogradac & Company LLP, Partner  
Novogradac & Company LLP, Principal  
Novogradac & Company LLP, Manager  
Novogradac & Company LLP, Senior Real Estate Analyst

### **IV. Professional Training**

7-Hour National USPAP Update for 2024-2025, March 2024  
GSE Appraisal Requirements and Guidelines, March 2024  
Fair Housing Bias and Discrimination, March 2024  
Market Disturbances – Appraisals in Atypical Markets and Cycles, March 2024  
Appraisal of Land Subject to Ground Leases, December 2017  
Business Practices and Ethics, January 2017  
General Appraiser Report Writing and Case Studies, February 2015  
General Appraiser Sales Comparison Approach, February 2015  
General Appraiser Site Valuation and Cost Approach, February 2015  
Expert Witness for Commercial Appraisers, January 2015  
Commercial Appraisal Review, January 2015  
Real Estate Finance Statistics and Valuation Modeling, December 2014  
General Appraiser Income Approach Part II, December 2014  
General Appraiser Income Approach Part I, November 2014  
General Appraiser Market Analysis and Highest & Best Use, November 2014  
Basic Appraisal Procedures, March 2013  
Basic Appraisal Principles, January 2013

### **V. Publications**

Co-authored “Determining Whether a Developer Fee is Reasonable and Market-Oriented for Purposes of the Revenue Procedure 2014-12 Historic Tax Credit Safe Harbor,” Novogradac Journal of Tax Credits, March 2021  
Co-authored “Reasonableness of Historic Tax Credit Related-Party Fees a Complicated, Changing Question in Context of Rev. Proc. 2014-12,” Novogradac Journal of Tax Credits, March 2021  
Co-authored “Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions,” Novogradac Journal of Tax Credits, March 2016

## **VI. Real Estate Assignments**

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall prime lease terms.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## Robert C. Edwards

### I. Education

George Washington University  
Master of Business Administration, Finance and Investments

St. Bonaventure University  
Bachelor of Science, Economics

### II. Licensure

District of Columbia Certified General Appraiser, License Number GA12355  
Illinois Certified General Real Estate Appraiser, License Number 553.002855  
Indiana Certified General Appraiser, License Number CG42100058  
Kentucky Certified General Real Property Appraiser, License Number 5235  
Maryland Certified General Real Property Appraiser, License Number 40033019  
Michigan Certified General Appraiser, License Number 1205075824  
New York Certified Real Estate General Appraiser, License Number 46000052142  
Ohio Certified General Appraiser, License Number ACG0.2018000555  
Pennsylvania Certified General Appraiser, License Number GA004299  
Tennessee Certified General Real Estate Appraiser, License Number 6368  
Virginia Certified General Appraiser, License Number 4001017477  
West Virginia Certified General Appraiser License Number CG567

### III. Professional Experience

Senior Real Estate Analyst, Novogradac Consulting, Bethesda, MD  
Senior Associate, Associated Real Estate Advisors, Bethesda, MD  
Review Appraiser, PNC Bank, Pittsburgh, PA  
Project Director, Delta Associates, Alexandria, VA

### IV. Real Estate Assignments

- Provided appraisal assistance on a wide variety of properties including multifamily developments, office, industrial, retail, vacant land, special-use, and proposed new construction. Performed site inspections, and conducted in-depth property, economic and market data research, expense analyses, and revenue projections. Have also reviewed appraisals by others for compliance.
- Performed market studies on over 450 multifamily properties in 48 states, specializing with the Low-Income Housing Tax Credit program. Have also performed analyses on multifamily properties that are HUD subsidized or operated under the USDA Rural Development program. Specialized housing types such as single-room-occupancy, disabled, veterans, and Native American housing, have also been analyzed. Also have provided assistance on over 300 appraisals and over 50 rent comparability studies of multifamily properties.

### V. Professional Training

15-Hour National USPAP Equivalent, 2015-2022  
Basic Appraisal Procedures, 2015  
Basic Appraisal Principals, 2015  
General Appraiser Market Analysis Highest and Best Use, 2016  
Real Estate Statistics and Valuation Modeling, 2016  
General Appraiser Report Writing and Case Studies, 2016  
General Appraiser Sales Comparison Approach, 2016  
General Appraiser Site Valuation and Cost Approach, 2016  
General Appraiser Income Approach, 2016



**ADDENDUM G**  
**NCHMA Certification and Checklist**



Formerly known as  
National Council of Affordable  
Housing Market Analysts

#### NCHMA MEMBER CERTIFICATION

This market study has been prepared by **Novogradac**, 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.

**Novogradac** 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. **Novogradac** is an independent market analyst. No principal or employee of **Novogradac** has any financial interest whatsoever in the development for which this analysis has been undertaken.

---

Abby Cohen  
Partner

# Certificate of Professional Designation

*This certificate verifies that*

**Abby Cohen**

Novogradac & Company LLP

*Has completed NCHMA's Professional Designation Requirements  
and is hence an approved member in good standing of:*



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

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



A handwritten signature in blue ink, reading "Kaitlyn Snyder".

Kaitlyn Snyder  
Managing Director, NH&RA

## 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.

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

## 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.

		Section(s)
<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	
32	Affordability analysis with capture rate	
33	Penetration rate analysis with capture rate	
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	
36	Precise statement of key conclusions	
37	Market strengths and weaknesses impacting project	
38	Product recommendations and/or suggested modifications to subject	
39	Discussion of subject property's impact on existing housing	
40	Discussion of risks or other mitigating circumstances impacting subject	
41	Interviews with area housing stakeholders	
<b>Other Requirements</b>		
42	Certifications	
43	Statement of qualifications	
44	Sources of data not otherwise identified	