

A MARKET FEASIBILITY STUDY OF:
TWIN PINES

A MARKET FEASIBILITY STUDY OF:

TWIN PINES

3993 Twin Pines Road
Portsmouth, Virginia 23703

Effective Date: February 26, 2026
Report Date: March 11, 2026

Prepared for:
Michael Schmeiler
Assistant Vice President
TRG Community Development, an affiliate of The Richman Group of Companies
777 W Putnam Avenue
Greenwich, CT 06830

Prepared by:
Novogradac
4416 East-West Highway, Suite 200
Bethesda, MD 20814
240-235-1701





March 11, 2026

Michael Schmeiler
Assistant Vice President
TRG Community Development, an affiliate of The Richman Group of Companies
777 W Putnam Avenue
Greenwich, CT 06830

Re: Application Market Study for Twin Pines
3993 Twin Pines Road
Portsmouth, Virginia 23703

Dear Michael Schmeiler:

At your request, Novogradac Valuation Services (“Novogradac”, “we”, “us”, “our”), 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. Novogradac Valuation Services is a division of Novogradac Consulting LLP. Novogradac Consulting LLP is not a licensed CPA firm and, therefore, this engagement does not constitute any form of attestation engagement, such as an audit, compilation or review, which are types of services offered by Novogradac & Company LLP, an independent CPA firm. Novogradac Valuation Services utilizes staff employed by Novogradac & Company LLP in the provision of our services.

We previously prepared an application market study and appraisal of the Subject property in June 2024 and April 2025.

The purpose of this market study is to assess the viability of the proposed 82-unit senior (62+) LIHTC/Project Based Voucher (PBV) development, restricted to households earning 30, 50 and 60 percent of the Area Median Income (AMI), or less. Of the total 82 units, 41 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 remaining 41 units will not have subsidy. 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.

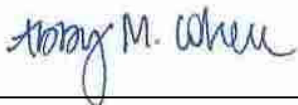
The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

Pursuant to Virginia Housing requirements, we certify:

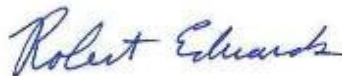
1. We have made a physical inspection of the site and market area.
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of our knowledge the market can support the demand shown in this study. We understand that 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



Abby M. Cohen
Partner
Abby.Cohen@novoco.com
240-235-1705



Robert Edwards
Senior Analyst
Bob.Edwards@novoco.com



Pretlow Parrott
Junior Analyst
Pretlow.Parrott@novoco.com

TABLE OF CONTENTS

A. Executive Summary	1
EXECUTIVE SUMMARY	2
B. Introduction and Scope of Work	11
INTRODUCTION AND SCOPE OF WORK	12
C. Project Description	13
PROJECT DESCRIPTION.....	14
D. Location	20
LOCATION	21
E. Market Area Definition	31
MARKET AREA.....	32
F. Employment and Economy	35
ECONOMIC ANALYSIS	36
G. Demographic Characteristics	48
DEMOGRAPHIC CHARACTERISTICS	49
H. Competitive Environment	58
HOUSING SUMMARY	59
SURVEY OF COMPARABLE PROPERTIES	63
MARKET CHARACTERISTICS	75
I. Affordability Analysis, Demand Analysis, Capture Rates and Penetration Rates	86
AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES, AND PENETRATION RATES	87
MARKET AREA.....	87
ANNUAL CAPTURE RATE ANALYSIS.....	101
VIRGINIA HOUSING DEMAND ANALYSIS	104
PENETRATION RATE ANALYSIS.....	108
J. Local Perspectives of Rental Housing Market and Housing Alternatives	112
INTERVIEWS	113
K. Analysis/Conclusions	115
L. Other Requirements	118

ADDENDUM A - ASSUMPTIONS AND LIMITING CONDITIONS

ADDENDUM B - SUBJECT PROPERTY AND NEIGHBORHOOD PHOTOGRAPHS

ADDENDUM C - SUBJECT MATRICES AND PROPERTY PROFILES

ADDENDUM D - SITE AND FLOOR PLANS

ADDENDUM E - UTILITY ALLOWANCE

ADDENDUM F - QUALIFICATIONS OF CONSULTANTS

ADDENDUM G - NCHMA CERTIFICATION AND CHECKLIST

A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- Subject Site and Location:** Twin Pines (Subject) is a proposed LIHTC/PBV senior (62+) 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 levels. Of the total 82 units, 41 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 remaining 41 units will not have subsidy. 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 2026 with completion anticipated in May 2028.
- 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 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.
- Site Description:** 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 102 off-street surface parking spaces at the property for no additional fee.
- Scope of Construction:** The proposed Subject will be new construction. The proposed Subject is anticipated to begin construction in November 2026 with completion anticipated in May 2028. The Subject site will be improved with one four-story midrise, elevator-serviced residential building.
- 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	Asking Rent	Utility Allowance (2)	Gross Rent	2025 LIHTC Maximum Allowable Gross Rent	2026 HUD Fair Market Rents	
@30% (PBV) (3)								
1BR / 1BA	628	10	\$1,496	\$77	\$1,573	\$599	\$1,483	
@50%								
1BR / 1BA	628	13	\$921	\$77	\$998	\$998	\$1,483	
@50% (PBV) (3)								
1BR / 1BA	628	19	\$1,496	\$77	\$1,573	\$998	\$1,483	
2BR / 2BA	908	12	\$1,712	\$92	\$1,804	\$1,198	\$1,696	
@60%								
1BR / 1BA	628	28	\$1,121	\$77	\$1,198	\$1,198	\$1,483	
		82						

Notes (1) Weighted average unit size per Developer.

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

(3) Proposed contract rent.

The Subject is a proposed LIHTC/PBV property that will offer a total of 82 units, all of which will be revenue-generating and 41 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 for the units with subsidy are the contract rents, which 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.

62+ INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30% (PBV)		@50%		@50% (PBV)		@60%	
1BR	\$0	\$25,560	\$29,940	\$42,600	\$0	\$42,600	\$35,940	\$51,120
2BR	-	-	-	-	\$0	\$42,600	-	-

62+ 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	-	-	\$35,940	\$42,600	-	-

Economic Conditions

Employment in the PMA is concentrated in healthcare/social assistance, retail trade, and manufacturing, which collectively comprise 38.5 percent of local employment. The large share of PMA employment in

manufacturing and retail trade is notable as these industries are historically volatile, and prone to contraction during economic recessions. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during recessionary periods. Relative to the nation, the PMA features comparatively greater employment in the public administration, manufacturing, and retail trade industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, accommodation/food services, and construction sectors. Employment in the MSA declined by 5.7 percent in 2020 amid the pandemic, similar to the overall nation. The regional economy quickly recovered and total employment in the MSA reached a peak level in 2024. As of December 2025, employment in the MSA is declining at an annualized rate of 3.0 percent, compared to positive 1.5 percent growth across the nation.

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 and 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 62+) population in the PMA increased at an annualized rate of 3.4 percent between 2010 and 2025. Comparatively the MSA experienced an annualized growth rate of 3.9 percent. The number of senior renters in the PMA increased from 2010 to 2025 and is projected to further increase through 2030. The median income in the PMA as of 2025 is below the MSA and overall nation. According to ESRI demographic projections, senior population, household, renter households, and median income levels in the PMA are all expected to rise through 2030. Overall, the combination of rising senior population, renter households, 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	8	5.1%
Stone Ridge Apartments	LIHTC	Family	207	11	5.3%
The Arbors at Western Branch	LIHTC/ Market	Senior	163	0	0.0%
The Orchards at Belleville Harbour Apartments*	LIHTC/ Market	Senior	136	2	1.5%
Victory Square Apartments	LIHTC	Senior	112	10	8.9%
Century Hampton Roads	Market	Family	216	13	6.0%
Clairmont At Harbour View Station*	Market	Family	276	2	0.7%
Commons At Churchland	Market	Senior	104	0	0.0%
Era At Park 216	Market	Senior	104	0	0.0%
Park 216	Market	Family	266	7	2.6%
Westwinds Apartments	Market	Family	408	1	0.2%
Total LIHTC			866	32	3.7%
Total Market Rate			1,374	23	1.7%
Overall Total			2,240	55	2.5%

*Located outside of the PMA

The stabilized comparables reported vacancy rates ranging from zero to 8.9 percent, with an overall weighted average of 2.5 percent. Managers at one of the six LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 3.7 percent, slightly above the 1.7 percent average reported by the stabilized market rate properties. The contact at Victory Square Apartments indicated that the current vacancy rate of 8.9 percent is higher than typical, although four of the ten vacant units are preleased to new tenants. None of the remaining LIHTC properties report a vacancy rate well in excess of five percent. 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	-	-	-	5.1%
Stone Ridge Apartments	LIHTC	Family	-	-	-	5.3%
The Arbors at Western Branch	LIHTC/Market	Senior	0.0%	0.0%	-	0.0%
The Orchards at Belleville Harbour Apartments*	LIHTC/Market	Senior	-	-	-	1.5%
Victory Square Apartments	LIHTC	Senior	-	-	-	8.9%
Century Hampton Roads	Market	Family	2.8%	7.0%	5.6%	6.0%
Clairmont At Harbour View Station*	Market	Family	-	-	-	0.7%
Commons at Churchland	Market	Senior	-	0.0%	-	0.0%
Era At Park 216	Market	Senior	0.0%	0.0%	-	0.0%
Park 216	Market	Family	-	-	-	2.8%
Westwinds Apartments	Market	Family	-	-	-	0.2%

*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. Few 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)
Lexington Reserve	LIHTC/Section 8	Senior	Portsmouth	2025	105	105
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					130	50
Average Market Rate					225	16
Overall Average					185	31

We obtained absorption data from seven properties in the Hampton Roads region. These properties were completed over the 2022 to 2025 period. These properties reported absorption rates ranging from six to 105 units per month, with an overall average of 31 units per month. The LIHTC properties reported higher absorption rates on average compared to the market rate properties. All units at Lexington Reserve have project-based subsidy, where tenants pay 30 percent of their income as rent. In addition, it is likely that some tenants at this property formerly lived in public housing that was demolished on this site. For these reasons, we believe the absorption pace at Lexington Reserve, which was fully leased within one month of completion in December 2025, is not necessarily reflective of this market as a whole. The sole senior market rate property, Era at Park 216, reports the lowest absorption pace, although this is a market rate property. Overall, we expect the Subject, where half of its units will be subsidized, 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
Subject Pro Forma @30% (PBV)*	\$1,496	-
Subject Pro Forma @50%	\$921	-
Subject Pro Forma @ 50% (PBV)*	\$1,496	\$1,712
Subject Pro Forma @60%	\$1,121	-
	\$1,757	\$1,895
	\$1,832	\$1,895
The Arbors at Western Branch	\$1,832	\$1,995
	-	\$1,895
	-	\$2,350
	-	\$1,995
	\$1,155	\$1,400
The Orchards at Belleville Harbour Apartments	\$1,232	\$1,420
	-	\$1,440
Century Hampton Roads	\$1,872	\$2,118
	-	\$2,058
Clairmont At Harbour View Station	\$1,777	\$2,021
	\$1,777	\$1,943
	-	\$1,220
Commons At Churchland	-	\$1,390
	-	\$1,565
	\$1,955	\$1,929
	\$1,831	\$2,199
Era At Park 216	\$1,781	\$2,153
	-	\$2,989
	-	\$2,929
	-	\$2,129
	\$1,731	\$1,829
Park 216	\$1,781	\$2,004
	-	\$2,699
	-	\$3,199
Westwinds Apartments	\$1,358	\$1,541
Average	\$1,691	\$2,007
Achievable Market Rent	\$1,400	\$1,700

*Proposed contract rents

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)	\$522	\$1,155	\$1,955	\$1,691	\$1,400	63%
1BR / 1BA	@50%	\$921	\$1,155	\$1,955	\$1,691	\$1,400	34%
1BR / 1BA	@50% (PBV)	\$921	\$1,155	\$1,955	\$1,691	\$1,400	34%
1BR / 1BA	@60%	\$1,121	\$1,155	\$1,955	\$1,691	\$1,400	20%
2BR / 2BA	@50% (PBV)	\$1,106	\$1,220	\$3,199	\$2,024	\$1,700	35%

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 20 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 0.2 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	Subject Achievable Market Rent	Square Feet	Subject RPSF	Westwinds Apartments Rent	Square Feet	Westwinds Apartments RPSF
1BR / 1BA	\$1,400	628	\$2.23	\$1,358	900	\$1.51
2BR / 2BA	\$1,700	908	\$1.87	\$1,541	950	\$1.62

Westwinds Apartments offers a playground and a swimming pool, both of which the proposed Subject will lack. However, the Subject will offer a computer area and a fitness center, neither 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 fully occupied. The following table compares the Subject with Era at Park 216.

SUBJECT COMPARISON TO ERA AT PARK 216

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Era At Park 216 Rent	Square Feet	Era At Park 216 RPSF
1BR / 1BA	\$1,400	628	\$2.23	\$1,831	773	\$2.37
2BR / 2BA	\$1,700	908	\$1.87	\$2,989	1,016	\$2.94

Era at Park 216 offers in-unit 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 4.3 percent, as proposed, and 9.7 percent, absent subsidy.

DEMAND CONCLUSION

Calculation	As Proposed	Absent Subsidy
@30% (PBV)	1.2%	3.5%
@50%	7.1%	17.0%
@50% (PBV)	1.8%	-
@60%	12.7%	12.7%
All Units	4.3%	9.7%
Annual Demand	7.9%	17.7%
Penetration Rate Methodology One	6.7%	14.2%
Penetration Rate Methodology Two	31.1%	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, 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 986 units and 441 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, half of the Subject's units as proposed will be fully subsidized.

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	10.0%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	10.0%
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	22.5%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	22.5%
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.
- The majority of the comparable LIHTC properties reported achieving 2025 maximum allowable rents.
- There is ample demand for affordable housing as evidenced by 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 The Orchards at Belleville Harbour Apartments, a senior LIHTC comparable, offer similarly small units and reported a stabilized occupancy rate, 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

Report Description:	Novogradac has performed a comprehensive market study of the multifamily rental market in the Portsmouth, Virginia area relative to Twin Pines, a proposed senior (62+) 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. Of the total 82 units, 41 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 remaining 41 units will not have subsidy. 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 2026 with completion anticipated in May 2028. Upon completion, the Subject will be in excellent condition.
Developer/Client Information:	TRG Community Development.
Intended Use and Users of the Report:	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.
Type of Report:	Comprehensive Market Analysis Full Narrative Report
Scope of the Report:	<ul style="list-style-type: none"> ▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site. ▪ In-person inspection of the Subject site and its general location. ▪ 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. ▪ Estimating the number of income-eligible households and performing an analysis of relevant demographic demand for the Subject. ▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income-eligible tenants in the Primary Market Area. ▪ Reviewing relevant public records and contacting public agencies. ▪ Analysis of the economic and social conditions in the market area, in relation to the project. ▪ Establishing the Subject’s Primary Market Area, if applicable. ▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was last inspected on February 26, 2026, which shall serve as the effective date of this report.
Primary Contacts for the Report:	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 (62+) 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. Of the total 82 units, 41 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 remaining 41 units will not have subsidy. 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 2026 with completion anticipated in May 2028.

Notable amenities will include bike storage, a business center, a community room, courtyard, theater/media room, arts and crafts room, picnic area, elevators, an exercise facility, off-street parking, a central laundry facility, on-site management, package room, a pet park, Wi-Fi in the common areas, balconies/patios, dishwashers, coat closets, ceiling fans, washer/dryer connections, an intercom (buzzer) system, and video surveillance.

The Subject will be an 82-unit affordable development, with the Subject offering units targeting seniors ages 62 and older. The Subject's units will be restricted to senior households earning 30, 50 and 60 percent of AMI, or less. Of the total 82 units, 41 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, February 2026

Target Population and Occupancy Type:

The proposed Subject will target one to two person senior (62+) 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	Asking Rent	Utility Allowance (2)	Gross Rent	2025 LIHTC Maximum Allowable Gross Rent	2026 HUD Fair Market Rents	
@30% (PBV) (3)								
1BR / 1BA	628	10	\$1,496	\$77	\$1,573	\$599	\$1,483	
@50%								
1BR / 1BA	628	13	\$921	\$77	\$998	\$998	\$1,483	
@50% (PBV) (3)								
1BR / 1BA	628	19	\$1,496	\$77	\$1,573	\$998	\$1,483	
2BR / 2BA	908	12	\$1,712	\$92	\$1,804	\$1,198	\$1,696	
@60%								
1BR / 1BA	628	28	\$1,121	\$77	\$1,198	\$1,198	\$1,483	
		82						

Notes (1) Weighted average unit size per Developer.

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

(3) Proposed contract rent.

The Subject is a proposed LIHTC/PBV property that will offer a total of 82 units, all of which will be revenue-generating and 41 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 for the units with subsidy are the contract rents, which 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 82 units, 41 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 2026 and be completed in May 2028.

Target Household Income Levels:

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

62+ INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30% (PBV)		@50%		@50% (PBV)		@60%	
1BR	\$0	\$25,560	\$29,940	\$42,600	\$0	\$42,600	\$35,940	\$51,120
2BR	-	-	-	-	\$0	\$42,600	-	-

62+ 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	-	-	\$35,940	\$42,600	-	-

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 utility allowances from the Portsmouth Redevelopment and Housing Authority (PRHA), effective August 1, 2025.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR
Heating - Electric	Tenant	\$15	\$18
Cooking - Electric	Tenant	\$6	\$9
Other Electric*	Tenant	\$32	\$42
Air Conditioning	Tenant	\$10	\$14
Water Heating - Electric	Tenant	\$15	\$19
Water	Landlord	\$31	\$39
Sewer	Landlord	\$22	\$32
Trash	Landlord	\$29	\$29
TOTAL - Paid By Landlord		\$82	\$100
TOTAL - Paid By Tenant		\$78	\$102
TOTAL - Paid By Tenant Provided by Developer		\$77	\$92
DIFFERENCE		99%	90%

Source: Portsmouth Redevelopment & Housing Authority, effective 8/2025

*Includes \$8 base electric service fee

The developer utility allowance estimates are similar to slightly below 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
TOTAL	82		54,856

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, vinyl plank flooring, central air conditioning, coat closets, dishwashers, ceiling fans, range/ovens, refrigerators, and washer/dryer connections.

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, an arts and crafts room, a theater, a package room, recreation areas, and Wi-Fi in the common areas.

Parking:

The Subject will offer a total of 102 off-street parking spaces for the 82 units, which equates to approximately 1.24 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 (62+) 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 - PORTSMOUTH, VIRGINIA – MARKET STUDY

Twin Pines	
Location	3993 Twin Pines Road Portsmouth, VA 23703
Units	82
Vacant Units	N/A
Vacancy Rate	N/A
Type	Midrise (age-restricted)
Year Built / Renovated	2028 / 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	10	628	\$1,496	\$0	@30% (PBV)	N/A	N/A	N/A	N/A
1	1	Midrise	13	628	\$921	\$0	@50%	N/A	N/A	N/A	Yes
1	1	Midrise	19	628	\$1,496	\$0	@50% (PBV)	N/A	N/A	N/A	N/A
1	1	Midrise	28	628	\$1,121	\$0	@60%	N/A	N/A	N/A	Yes
2	2	Midrise	12	908	\$1,712	\$0	@50% (PBV)	N/A	N/A	N/A	N/A

Amenities			
In-Unit	Balcony/Patio	Property	Bike Storage
	Blinds		Computer Lab
	Vinyl Plank Flooring		Community Room
	Central A/C		Courtyard
	Coat Closet		Elevators
	Dishwasher		Exercise Facility
	Ceiling Fan		Central Laundry
	Oven		Library
	Refrigerator		Off-Street Parking
	Washer/Dryer Connections		On-Site Management
Security	Intercom (Buzzer) Access	Premium	Pet Park
	Video Surveillance		Picnic Area
Services	none	Other	Theater/Crafts Room
			Wi-Fi
			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, February 2026

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 consist 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:

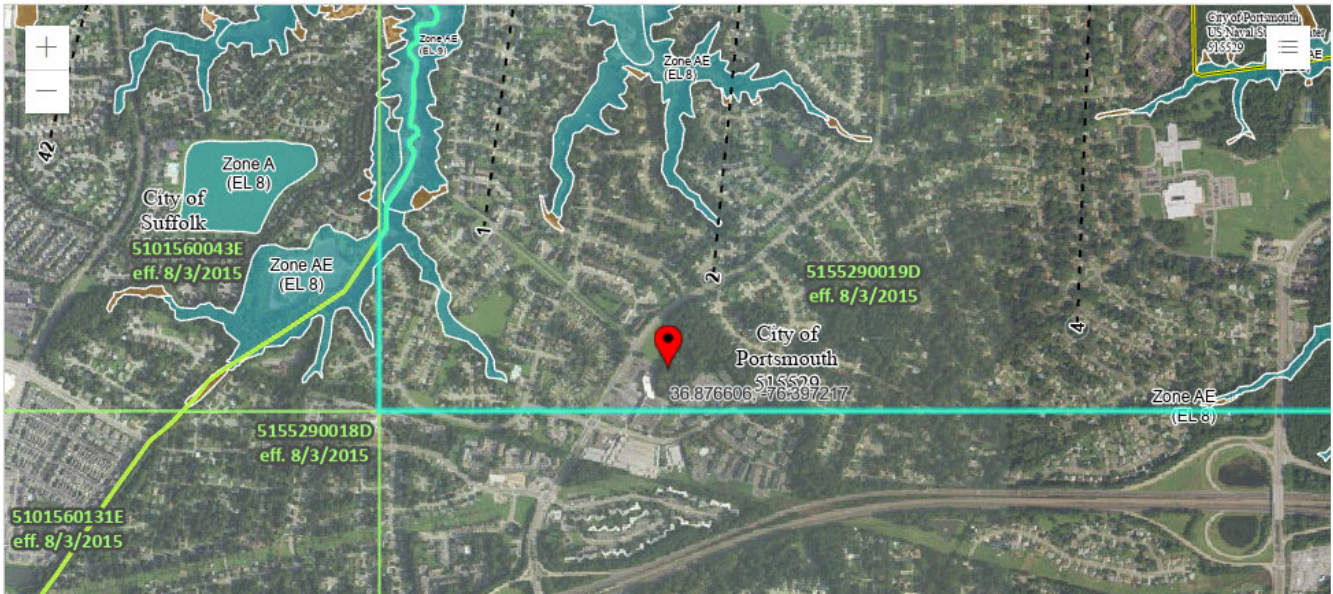
We were provided with a Phase I Environmental Site Assessment for the Subject property prepared by Timmins Group, dated January 24, 2024. According to the report, one recognized environmental condition (REC) was identified in connection with the Subject property. This is the presence of a gas station 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 II 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:

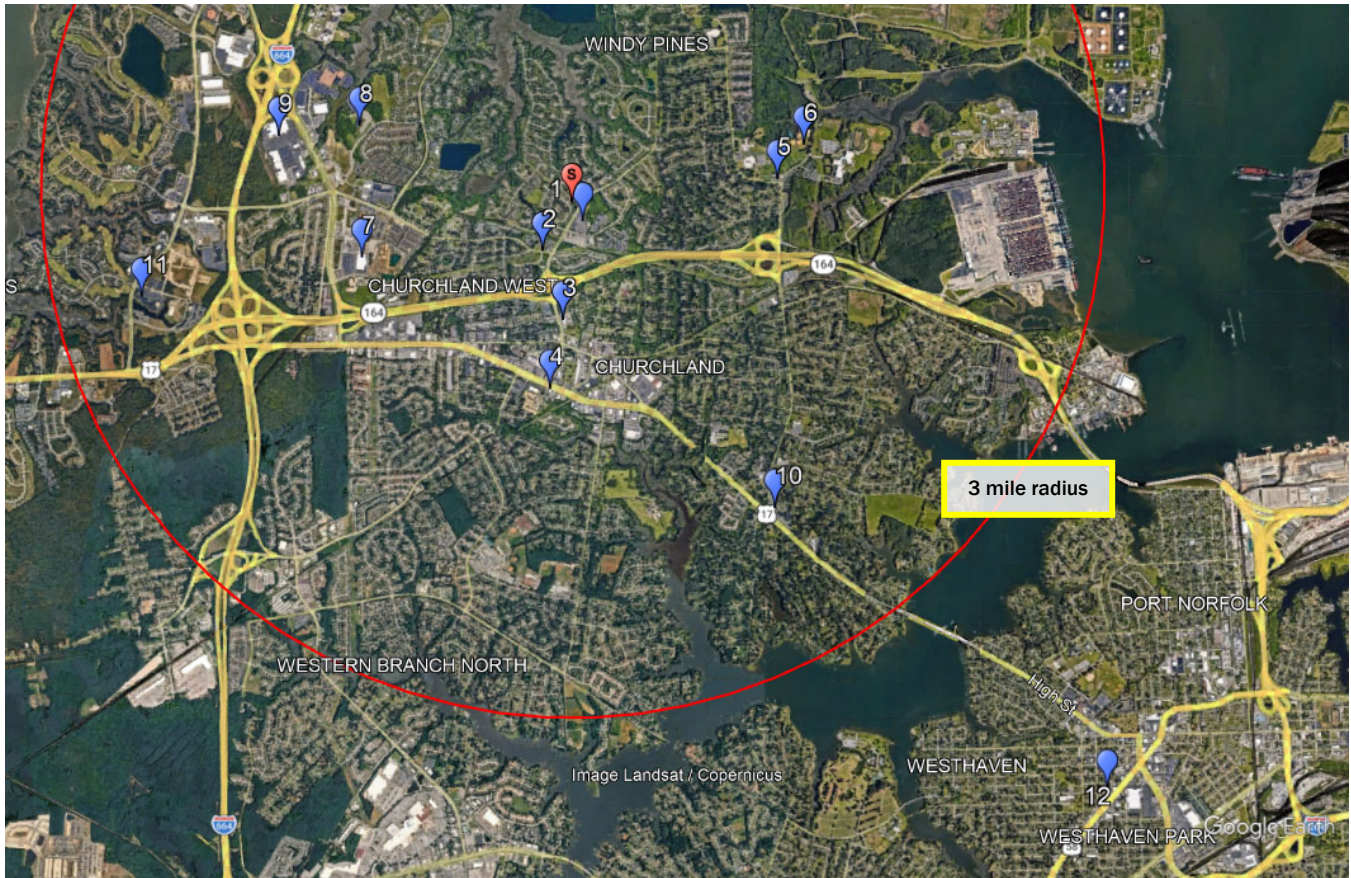
According to Flood Insights and Flood Insurance Rate Map Community Panel Number 5155290019D, dated August 3, 2015, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the 0.2 percent annual chance floodplains.



Source: FEMA Flood Map Service Center, February 2026

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, February 2026

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Dollar General	0.1 miles
2	Bus Stop (Towne Point & Pepperwood)	0.4 miles
3	U.S. Post Office	0.6 miles
4	Truist Bank	1.0 miles
5	Portsmouth Fire Station 3	1.1 miles
6	Churchland Park	1.1 miles
7	Kroger Marketplace Grocery/Pharmacy	1.3 miles
8	Virginia Station Police	1.4 miles
9	Walmart Supercenter	1.8 miles
10	Portsmouth Library Churchland Branch	2.0 miles
11	Bon Secours Harbor View Medical Center	2.5 miles
12	The Senior Station	4.4 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 for 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 2025 ESRI Demographics data.

2025 CRIME INDICES

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

Source: Esri Demographics 2025, Novogradac, February 2026
 *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/pharmacy, 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 22, 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 \$307,639.

Subject Property & Neighborhood Photos



Subject site from Twin Pines Road



Subject site from adjacent parking area



Subject site from adjacent parking area



Subject site from Twin Pines Road



Subject site from Twin Pines Road



Subject site from Twin Pines Road



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



Townhomes to the west of Subject site



Townhomes to the west of Subject site



Townhomes to the west of Subject site



Single-family homes to the west of Subject site



Single-family home to the west of Subject site



Single-family home to the west of Subject site



Single-family homes to the east of Subject site



Single-family homes to the east of Subject site



Townhomes to the west of Subject site



Townhomes 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 west of Subject site



Single-family homes to the west of Subject site

E. MARKET AREA DEFINITION

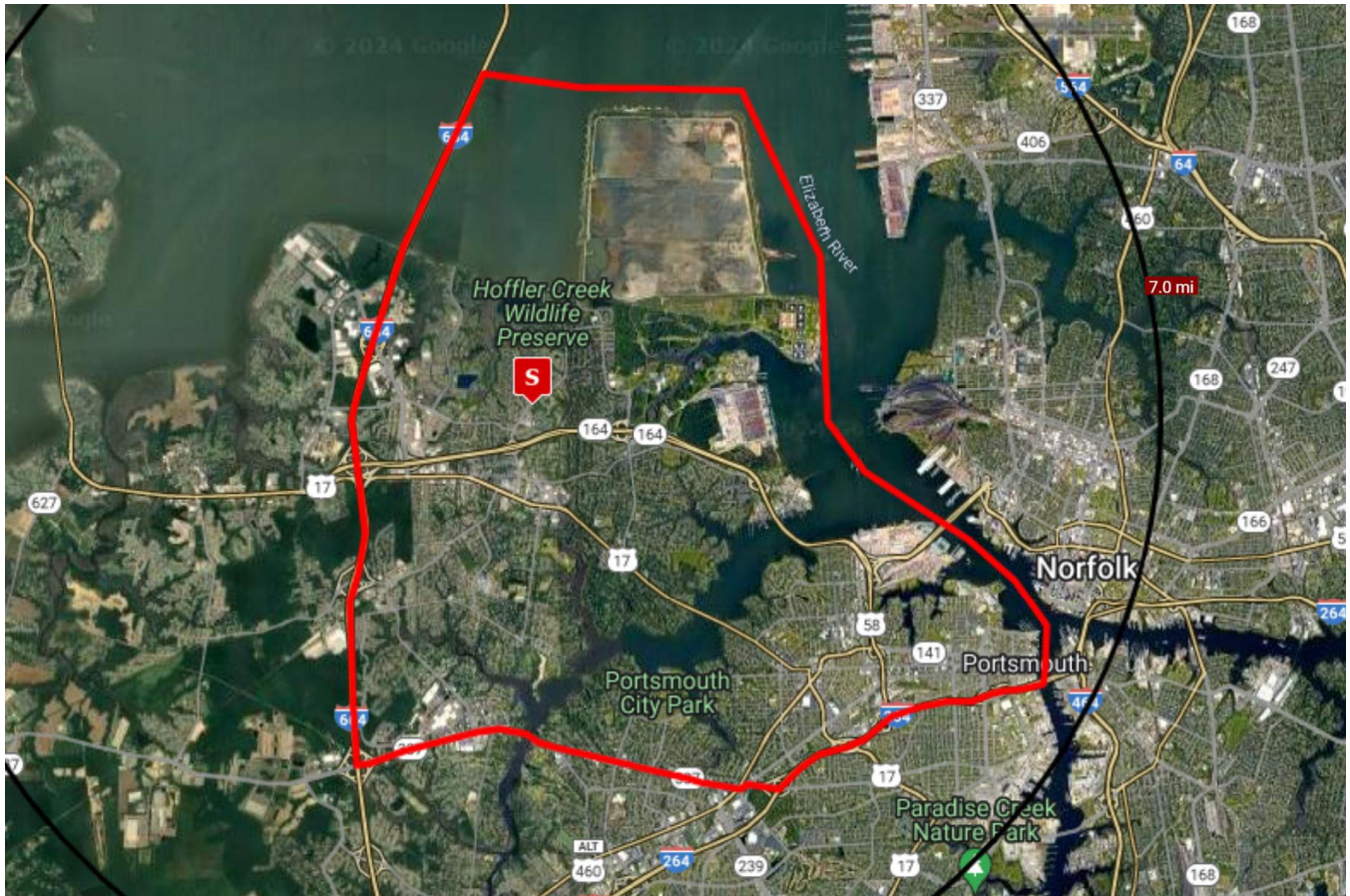
MARKET AREA

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.

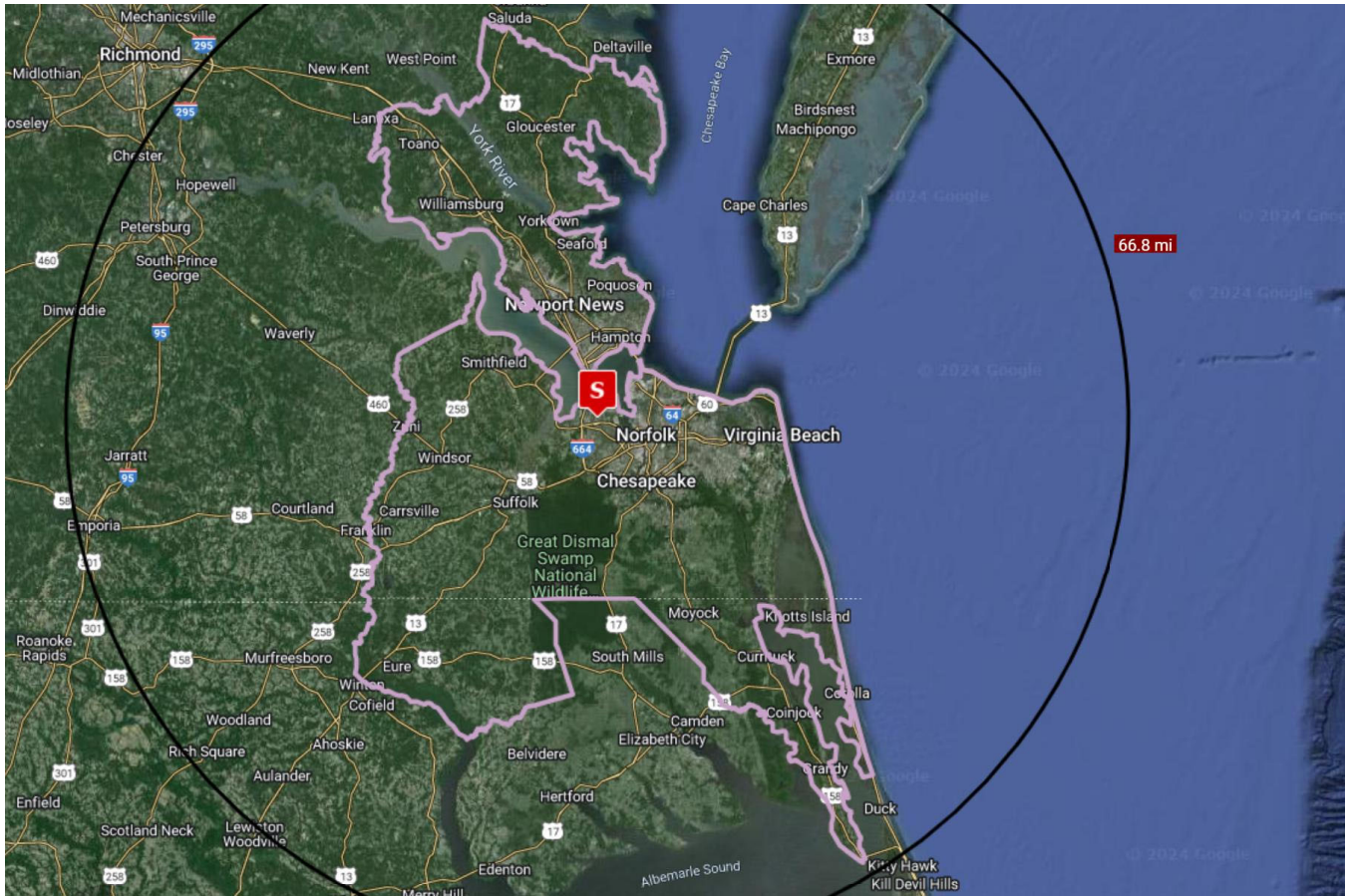
The PMA boundaries and overall market health assessment are based upon analyses of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation 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, February 2026.

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, February 2026.

F. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

Employment by Industry

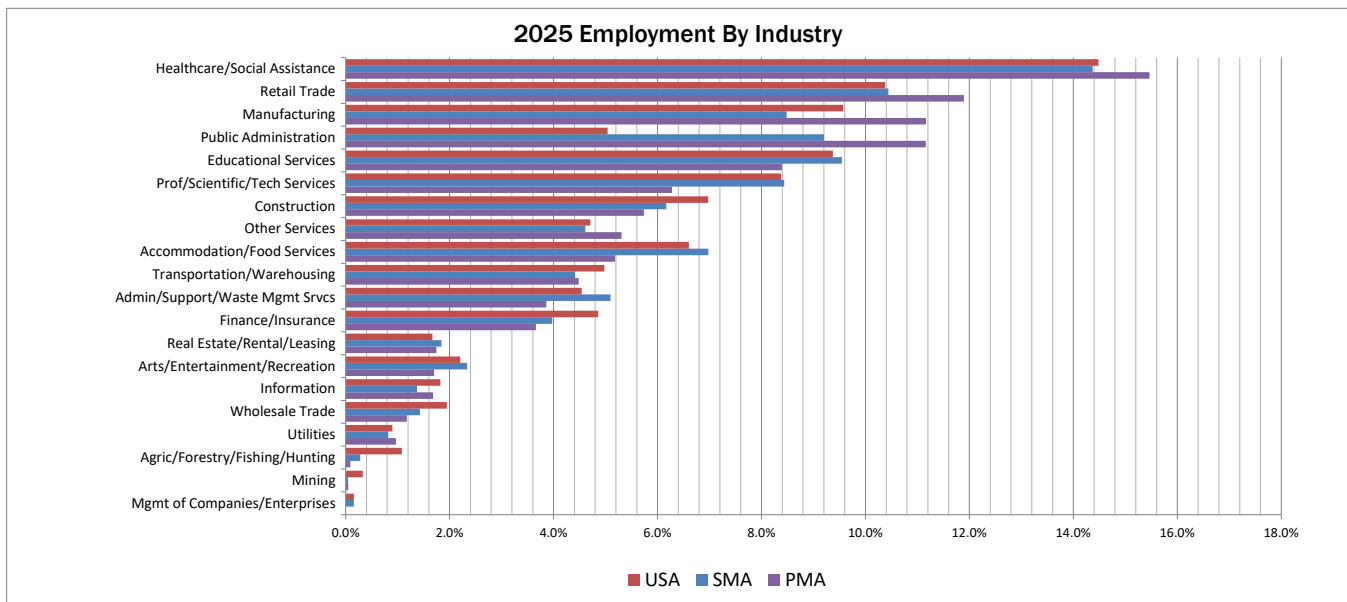
The following table illustrates employment by industry for the PMA and nation as of 2025.

2025 - EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	6,897	15.5%	24,278,206	14.5%
Retail Trade	5,304	11.9%	17,402,034	10.4%
Manufacturing	4,980	11.2%	16,045,519	9.6%
Public Administration	4,978	11.2%	8,451,488	5.0%
Educational Services	3,742	8.4%	15,710,904	9.4%
Prof/Scientific/Tech Services	2,800	6.3%	14,048,749	8.4%
Construction	2,558	5.7%	11,691,363	7.0%
Other Services	2,366	5.3%	7,889,450	4.7%
Accommodation/Food Services	2,312	5.2%	11,070,255	6.6%
Transportation/Warehousing	1,999	4.5%	8,347,884	5.0%
Admin/Support/Waste Mgmt Svcs	1,722	3.9%	7,614,452	4.5%
Finance/Insurance	1,632	3.7%	8,142,606	4.9%
Real Estate/Rental/Leasing	779	1.7%	2,796,715	1.7%
Arts/Entertainment/Recreation	760	1.7%	3,695,283	2.2%
Information	750	1.7%	3,056,146	1.8%
Wholesale Trade	524	1.2%	3,261,614	1.9%
Utilities	431	1.0%	1,506,008	0.9%
Agric/Forestry/Fishing/Hunting	39	0.1%	1,809,302	1.1%
Mining	22	0.0%	551,845	0.3%
Mgmt of Companies/Enterprises	0	0.0%	260,253	0.2%
Total Employment	44,595	100.0%	167,630,076	100.0%

Source: Esri Demographics 2025, Novogradac, February 2026

Employment in the PMA is concentrated in healthcare/social assistance, retail trade, and manufacturing, which collectively comprise 38.5 percent of local employment. Relative to the nation, the PMA features comparatively greater employment in the public administration, manufacturing, and retail trade industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, accommodation/food services, and construction sectors.



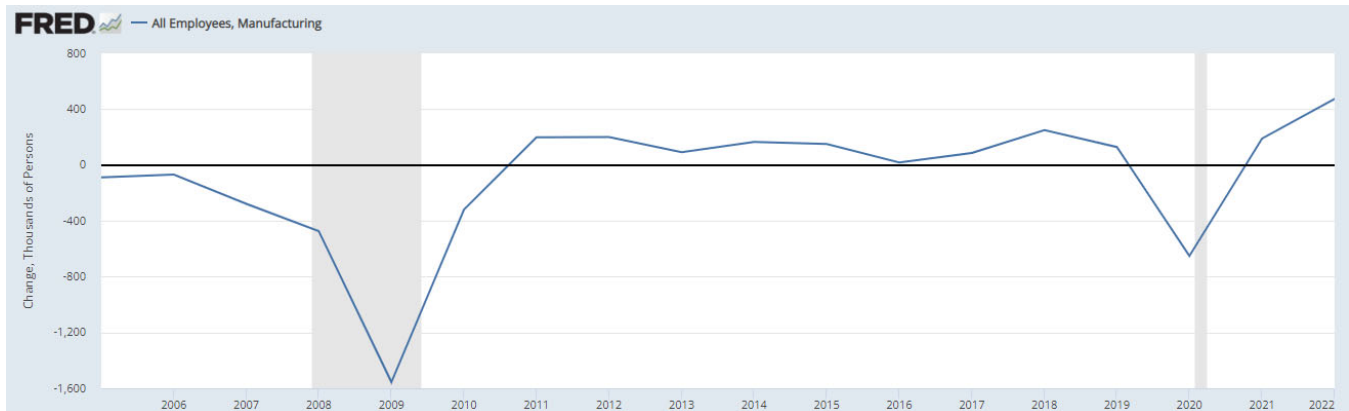
Manufacturing Sector Trends

In the years preceding the COVID-19 pandemic, manufacturing in the U.S. grew at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Over the past fifty years employment within the U.S. manufacturing sector has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

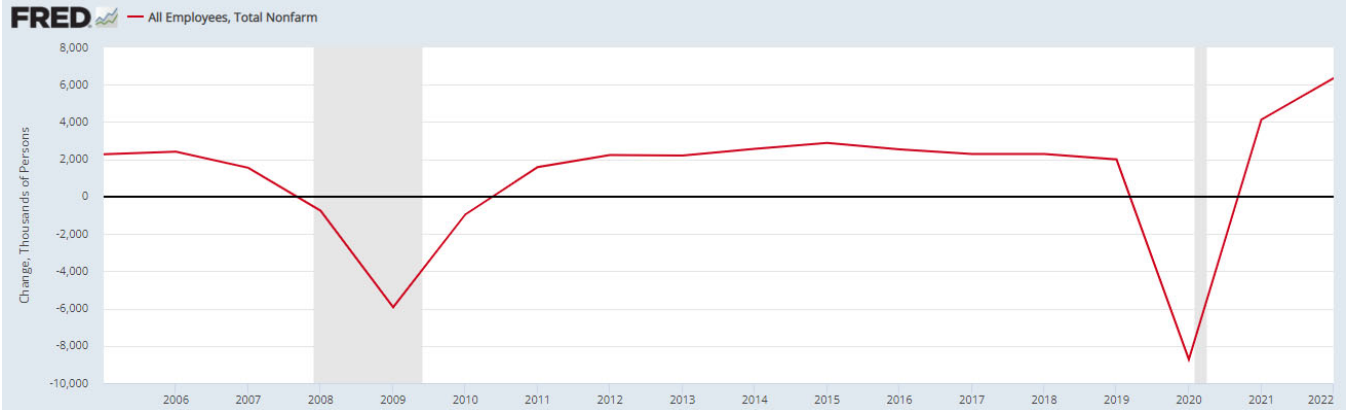
Manufacturing employment peaked in 1979 with approximately 20,000,000 persons employed in the sector. This compares to approximately 13,000,000 in 2022. This decrease stretches over fifty years and is the product of globalization. Competition from more inexpensive labor and infrastructure gains in many foreign countries yielded greater competition for those employed in manufacturing. This disadvantage was somewhat pronounced in the period from 1980 to 2000. Foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. The pace of job losses accelerated in the early 2000s and then again during the recession of 2010. However, as global markets became more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation. Interestingly, after the 2010 recession manufacturing employment began a period of moderate growth until the COVID-19 pandemic recession.

Employment is the focus of our analysis as it is a key input into housing demand. Growth in economic output and employment levels have not been equivalent as technological and productivity gains allowed manufacturers to increase per employee output. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth, leading to a disconnect between economic output and employment growth. Although recent employment growth in the U.S. manufacturing sector bodes well for the MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for 10.8 percent of the U.S. economy in 2020 and as a major source of employment for the MSA, manufacturing employment should continue to be monitored closely.

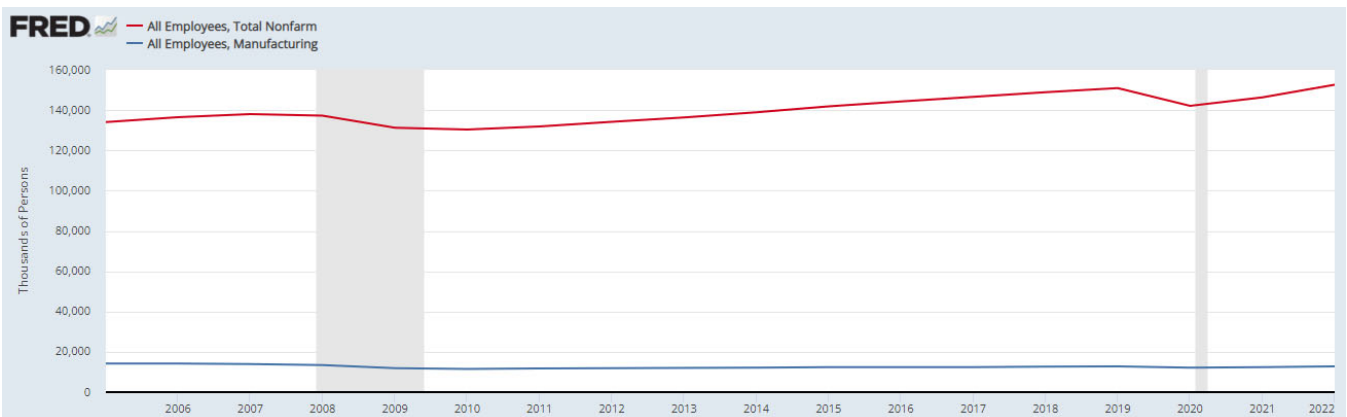
The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2005.



Source: Federal Reserve Bank of St. Louis, 3/2023.
 Note: Shaded area indicates U.S. recessions.



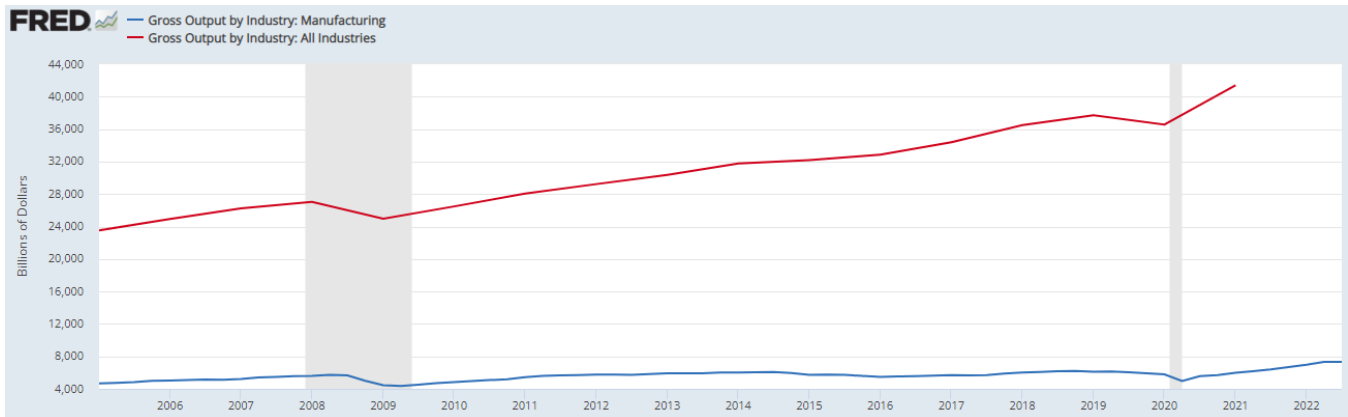
Source: Federal Reserve Bank of St. Louis, 3/2023.
 Note: Shaded area indicates U.S. recessions.



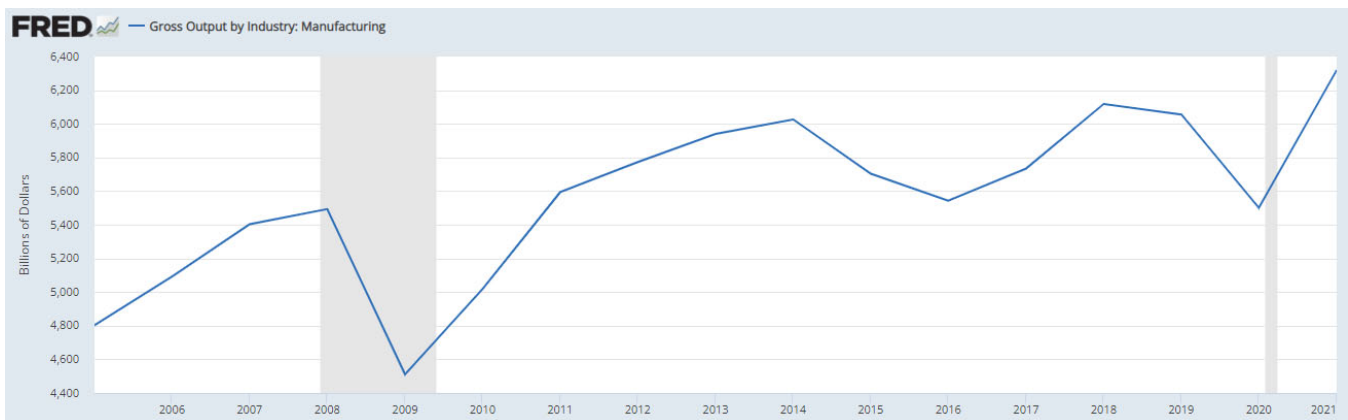
Source: Federal Reserve Bank of St. Louis, 3/2023.
 Note: Shaded area indicates U.S. recessions.

Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the previous national recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. From the end of the recession and before the onset of the COVID-19 pandemic, total employment in non-farm industries steadily increased, though the manufacturing sector experienced a slower recovery than other non-farm industries. At the onset of the COVID-19 pandemic, employment in all industries, except farming, declined sharply. Employment sharply increased after the initial decline and is continuing to increase. Employment for all industries except farming has increased above 2012-2019 levels, but employment increases in manufacturing has increased at a slower rate and is marginally above 2019 levels.

The following charts illustrate U.S. manufacturing gross output compared to that across all industries since 2005.



Source: Federal Reserve Bank of St. Louis, 3/2023.
 Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 3/2023.
 Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 15 percent of the gross output of all private industries as of 2020. Manufacturing output surpassed pre-recessionary output levels in 2011, three years following the national recession. However, manufacturing output decreased for both 2015 and 2016, increased in 2017 and 2018, but then decreased in 2019 immediately preceding the pandemic. All industries and manufacturing output have reached a new peak in 2021 and 2022 during the pandemic recovery. A 2023 Deloitte manufacturing outlook report indicates “US manufacturing has demonstrated continued strength in 2022, building on the momentum it gained emerging from the pandemic, and surpassing expectations from the prior two years. Policy initiatives such as the Creating Helpful Incentives to Produce Semiconductors for America Act (CHIPS Act) and Inflation Reduction Act (IRA) have the potential to help sustain recovery in the manufacturing industry.” This report anticipates a 2.5 percent growth in GDP in the manufacturing industry.

While the rebound in manufacturing output following the short recession resulting from the onset of the COVID-19 pandemic is noteworthy, this has not necessarily turned into significant job creation for the national economy. Job creation in the manufacturing sector continues to lag the overall economy. A 2021 article from Deloitte highlights some of the long-term challenges the manufacturing sector is facing. These challenges include a shortage of skilled employees, supply chain instability, and cybersecurity threats. Overall, we believe it is reasonable to assume that the Hampton Roads region, similar to the rest of the nation, will continue to be negatively impacted by automation and other challenges in the manufacturing sector, leading to a continued decline in manufacturing employment.

Growth by Industry

The following table illustrates the change in total employment by sector in the PMA from 2010 to 2025.

2010-2025 CHANGE IN EMPLOYMENT - PMA

Industry	2010		2025		2010-2025	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	4,064	14.4%	6,897	15.5%	2,833	4.6%
Retail Trade	3,303	11.7%	5,304	11.9%	2,001	4.0%
Manufacturing	2,664	9.4%	4,980	11.2%	2,316	5.8%
Public Administration	2,162	7.6%	4,978	11.2%	2,816	8.7%
Educational Services	4,304	15.2%	3,742	8.4%	-562	-0.9%
Prof/Scientific/Tech Services	1,083	3.8%	2,800	6.3%	1,717	10.6%
Construction	1,741	6.2%	2,558	5.7%	817	3.1%
Other Services	1,424	5.0%	2,366	5.3%	942	4.4%
Accommodation/Food Services	2,484	8.8%	2,312	5.2%	-172	-0.5%
Transportation/Warehousing	820	2.9%	1,999	4.5%	1,179	9.6%
Admin/Support/Waste Mgmt Svcs	1,135	4.0%	1,722	3.9%	587	3.4%
Finance/Insurance	1,000	3.5%	1,632	3.7%	632	4.2%
Real Estate/Rental/Leasing	521	1.8%	779	1.7%	258	3.3%
Arts/Entertainment/Recreation	300	1.1%	760	1.7%	460	10.2%
Information	429	1.5%	750	1.7%	321	5.0%
Wholesale Trade	537	1.9%	524	1.2%	-13	-0.2%
Utilities	224	0.8%	431	1.0%	207	6.2%
Agric/Forestry/Fishing/Hunting	100	0.4%	39	0.1%	-61	-4.1%
Mining	7	0.0%	22	0.0%	15	14.3%
Mgmt of Companies/Enterprises	0	0.0%	0	0.0%	0	0.0%
Total Employment	28,302	100.0%	44,595	100.0%	16,293	3.8%

Source: Esri Demographics 2025, Novogradac, February 2026

Total employment in the PMA increased at an annualized rate of 3.8 percent between 2010 and 2025. The industries that nominally expanded most substantially during this period include healthcare/social assistance, public administration, and manufacturing. Conversely during this same period, the educational services, accommodation/food services, and agriculture/forestry/fishing/hunting sectors experienced declines. Overall, we view overall rise in employment as a positive aspect of the local economy.

Major Employers

The table on the following page details the major employers in the South Hampton Roads region, which is defined as the cities of Portsmouth, Virginia Beach, Norfolk, Chesapeake, Suffolk, as well as Isle of Wight County.

**MAJOR EMPLOYERS
SOUTH HAMPTON ROADS REGION**

Employer Name	Location	Industry	# Of Employees
United States Government	Various Locations	Military	50,000
Sentara Healthcare	Norfolk	Healthcare	15,000
Virginia Beach City Public Schools	Virginia Beach	Public Schools	10,000
Norfolk Naval Shipyard	Portsmouth	Military	7,000
Norfolk City Public Schools	Norfolk	Public Schools	6,527
Virginia Beach City	Virginia Beach	Government	6,000
Trader Publishing	Norfolk	Publishing	5,700
Walmart Stores	Various Locations	Retail	5,270
Chesapeake City Public Schools	Chesapeake	Public Schools	5,200
Portsmouth Naval Medical Center	Portsmouth	Healthcare	4,770
Farm Fresh	Various Locations	Grocer	4,400
Norfolk City	Norfolk	Government	4,364
Bon Secours Hampton Roads Health System	Suffolk	Healthcare	4,000
Old Dominion University	Norfolk	Higher Education	4,000
Bank of America	Norfolk	Finance	3,600
United States Postal Service	Various Locations	Government	3,500
Smithfield Foods, inc,	Smithfield	Food Processing	3,223
Amerigroup Corporation	Virginia Beach	Insurance	3,000
Portsmouth City Public Schools	Portsmouth	Public Schools	3,000
Totals			148,554

Source: The Virginian-Pilot, February 2026

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. 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
Total		74	

Source: Virginia Employment Commission; retrieved February 2026

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, 2025, or the first two months of 2026. 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.

- In February 2026, Radian Forge, a manufacturer of maritime parts, particularly for the U.S. Navy, announced a \$10.5 million expansion to its facility in Portsmouth that is expected to create 53 new jobs.
- ILS Cable & System Ltd. Announced a \$689 million project in Chesapeake in December 2025. The manufacturer of copper rod, magnet wires, and rare-earth magnets expects to create approximately 430 jobs upon completion. Many of its products are used by the military.
- In June 2025, USAA, an insurance provider and financial institution to military members, announced plans to build a new 200,000-square foot facility in Chesapeake, with plans to move in to the facility in March 2026. USAA is expecting to add 500 new jobs over the next two years at its new facility. Investment figures were not disclosed.
- In April 2025, Publix opened a new location in Chesapeake at Market at Dominion Station. The new location is 48,387 square feet and created 140 new jobs.
- In July 2024, LS GreenLink USA, subsidiary of a South Korean cable manufacturer, announced plans to build a new subsea cable manufacturing plant in Chesapeake. The \$681-million plant will be approximately 750,000 square feet and is expected to create 338 jobs. Construction of the plan began in April 2025.
- In August 2023, VentureX announced plans to open a new flexible coworking space in Chesapeake. The 18,543-square foot facility opened in February 2024 and offers over 80 individual private offices of various sizes.
- In June 2023, Zim American Integrated Shipping Services Co. LLC announced it will invest \$30 million to expand its U.S. headquarters in Virginia Beach. The expansion is expected to create several hundred jobs over the next five years.
- In May 2023, Bauer Compressors, a subsidiary of Germany-based Bauer Kompressoren Group, announced plans to invest \$7.4 million to expand its operations in Norfolk. The expansion will add 47 new jobs in the city.
- In March 2023, Advanced Integrated Technologies, a Norfolk-based ship repair contractor, announced plans for a \$500,000 expansion expected to create 76 new jobs.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2007 to December 2025.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	803,637	-	3.3%	-	146,046,667	-	4.6%	-
2008	806,911	0.4%	4.3%	1.0%	145,362,500	-0.5%	5.8%	1.2%
2009	780,233	-3.3%	7.0%	2.7%	139,877,500	-3.8%	9.3%	3.5%
2010	780,742	0.1%	7.2%	0.3%	139,063,917	-0.6%	9.6%	0.3%
2011	784,876	0.5%	7.0%	-0.2%	139,869,250	0.6%	9.0%	-0.7%
2012	789,216	0.6%	6.5%	-0.5%	142,469,083	1.9%	8.1%	-0.9%
2013	799,366	1.3%	6.1%	-0.5%	143,929,333	1.0%	7.4%	-0.7%
2014	807,824	1.1%	5.5%	-0.6%	146,305,333	1.7%	6.2%	-1.2%
2015	803,660	-0.5%	4.9%	-0.6%	148,833,417	1.7%	5.3%	-0.9%
2016	796,140	-0.9%	4.6%	-0.2%	151,435,833	1.7%	4.9%	-0.4%
2017	816,557	2.6%	4.1%	-0.6%	153,337,417	1.3%	4.3%	-0.5%
2018	825,918	1.1%	3.3%	-0.8%	155,761,000	1.6%	3.9%	-0.4%
2019	833,132	0.9%	3.1%	-0.2%	157,538,083	1.1%	3.7%	-0.2%
2020	786,038	-5.7%	7.4%	4.3%	147,794,750	-6.2%	8.1%	4.4%
2021	804,311	2.3%	4.4%	-3.0%	152,580,667	3.2%	5.4%	-2.7%
2022	830,837	3.3%	3.0%	-1.4%	158,291,083	3.7%	3.6%	-1.7%
2023	853,805	2.8%	2.9%	-0.1%	161,036,583	1.7%	3.6%	-0.0%
2024	856,716	0.3%	3.1%	0.1%	161,345,500	0.2%	4.0%	0.4%
2025 YTD Average*	837,633	-2.2%	3.7%	0.7%	163,526,417	1.4%	4.3%	0.3%
Dec-2024	851,737	-	2.8%	-	161,294,000	-	3.8%	-
Dec-2025	826,271	-3.0%	3.6%	0.8%	163,720,000	1.5%	4.1%	0.3%

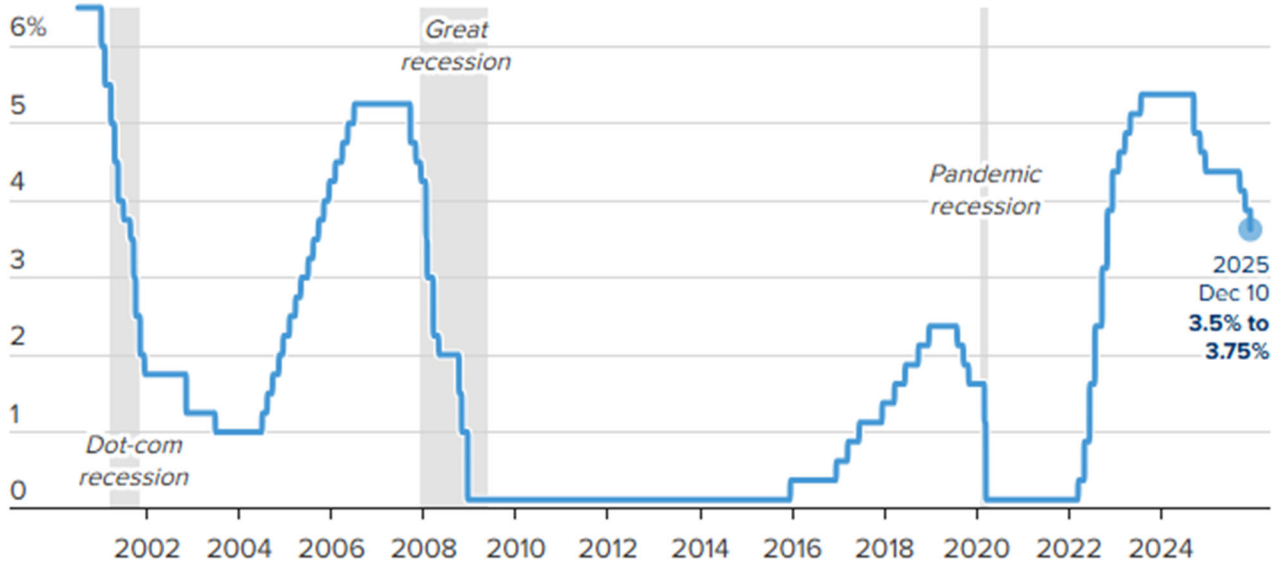
Source: U.S. Bureau of Labor Statistics, February 2026
 *2025 YTD Average is through December

Employment in the MSA declined by 5.7 percent in 2020 amid the COVID-19 pandemic, similar to the overall nation. The regional economy quickly recovered and total employment in the MSA reached a peak level in 2024. As of December 2025, employment in the MSA is declining at an annualized rate of 3.0 percent, compared to positive 1.5 percent growth across the nation.

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 2025, the current MSA unemployment rate is 3.6 percent. This is slightly below the current national unemployment rate of 4.1 percent.

Inflation and fluctuating interest rates have created an uncertain economic climate over the last several years which has impacted the LIHTC market. Higher rates increase borrowing costs and reduce the availability of financing. Inflation impacts construction and operating costs. These are negative impacts. However, the increase in the cost of living has a small but positive impact in the calculation of the LIHTC rent. After rapid interest rate increases over 2022 and 2023 in response to inflation and smaller decreases in 2024, the Federal Reserve cut interest rates again by a quarter percentage point in December 2025. The central bank lowered its benchmark interest rate to a range of 3.50 to 3.75 percent, which is the lowest range since 2022 and the sixth decrease since September 2024. The Fed continues to be cautious about cutting interest rates, out of concern that Trump's tariffs could rekindle inflation. The Fed met again in January 2026 and held rates steady. According to the Bureau of Labor Statistics, the February 2025 to 2026 CPI increased 2.4 percent, similar to the 2.7 percent increase between January 2025 and 2026. These rates continue to be above the Fed's target of 2.0 but well below the peaks in 2021 and 2022 which hovered in the six to seven percent range.

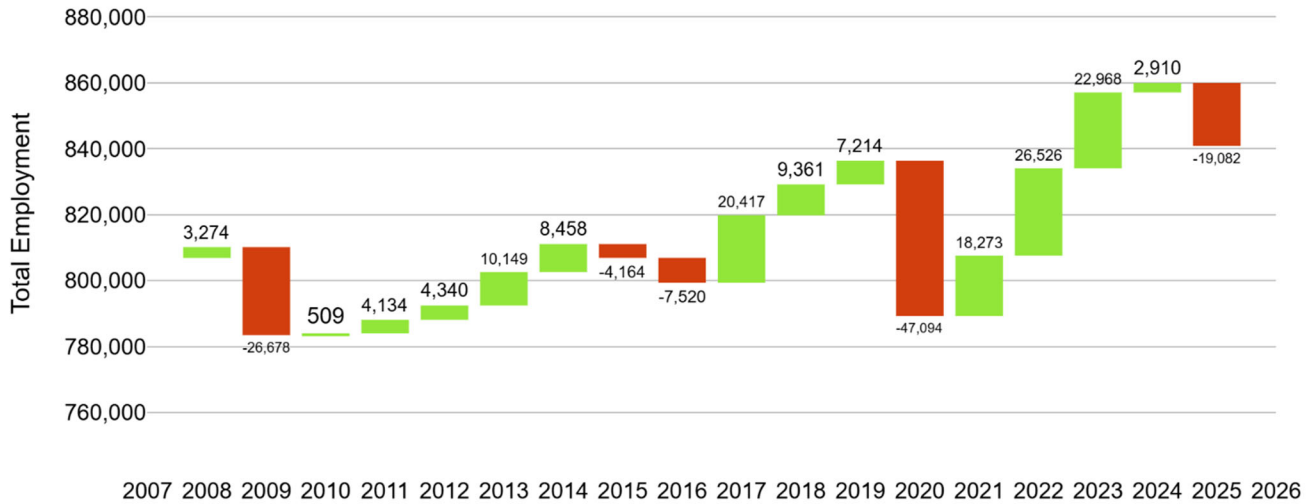
The graph below illustrates federal funds interest rate changes over time as reported by CNBC.

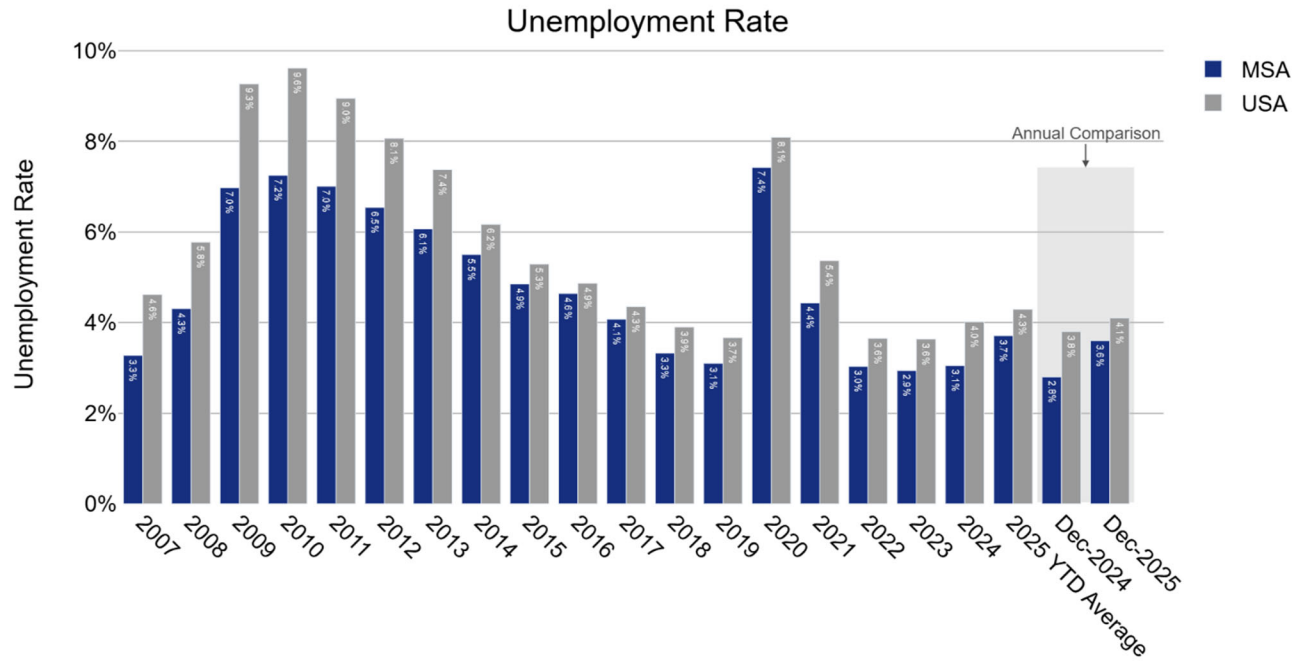


Source: CNBC January 2026

The tables below provide further illustration of the changes in employment and unemployment rate trends in the MSA.

MSA Job Growth





Wages by Occupation

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

MSA - 2ND QTR 2024 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	754,860	\$30.14	\$62,690
Management	38,180	\$62.51	\$130,010
Legal	5,000	\$53.01	\$110,260
Computer and Mathematical	24,560	\$51.97	\$108,100
Architecture and Engineering	21,840	\$48.44	\$100,750
Healthcare Practitioners and Technical	46,310	\$46.89	\$97,540
Business and Financial Operations	58,750	\$42.64	\$88,700
Life Physical and Social Science	7,780	\$42.35	\$88,080
Educational Instruction and Library	44,960	\$31.66	\$65,850
Arts Design Entertainment Sports and Media	10,390	\$29.72	\$61,820
Community and Social Service	12,290	\$29.47	\$61,300
Installation Maintenance and Repair	33,780	\$28.84	\$59,990
Construction and Extraction	39,850	\$27.13	\$56,420
Protective Service	22,040	\$25.91	\$53,880
Production	31,050	\$25.24	\$52,500
Office and Administrative Support	81,000	\$22.68	\$47,170
Transportation and Material Moving	60,050	\$22.46	\$46,720
Farming Fishing and Forestry	550	\$21.98	\$45,710
Sales and Related	68,270	\$21.95	\$45,650
Healthcare Support	30,670	\$17.90	\$37,220
Personal Care and Service	18,730	\$17.89	\$37,210
Building and Grounds Cleaning and Maintenance	23,970	\$17.11	\$35,600
Food Preparation and Serving Related	74,840	\$16.88	\$35,100

Source: Department of Labor, Occupational Employment Statistics, May 2025, retrieved February 2026

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 \$16.88 per hour. The highest average hourly wage, of \$62.51, is for those in management occupations. The qualifying incomes for the Subject's tenants will range from \$0 to \$51,120 as proposed and \$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 amongst the Subject's tenant base. Additionally, as the Subject will target seniors, we expect many tenants to be reliant on social security.

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	908	2.4%
Travel Time 5-9 min	3,485	9.2%
Travel Time 10-14 min	6,051	15.9%
Travel Time 15-19 min	6,579	17.3%
Travel Time 20-24 min	5,968	15.7%
Travel Time 25-29 min	2,735	7.2%
Travel Time 30-34 min	6,400	16.8%
Travel Time 35-39 min	1,159	3.1%
Travel Time 40-44 min	737	1.9%
Travel Time 45-59 min	2,594	6.8%
Travel Time 60-89 min	833	2.2%
Travel Time 90+ min	548	1.4%
Weighted Average	24 minutes	

Source: Esri Demographics 2025, Novogradac, February 2026

As shown in the preceding table, the weighted average commute time in the PMA is approximately 24 minutes. More than 58 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in healthcare/social assistance, retail trade, and manufacturing, which collectively comprise 38.5 percent of local employment. The large share of PMA employment in manufacturing and retail trade is notable as these industries are historically volatile, and prone to contraction during economic recessions. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during recessionary periods. Relative to the nation, the PMA features comparatively greater employment in the public administration, manufacturing, and retail trade industries. Conversely, the PMA is underrepresented in the prof/scientific/tech services, accommodation/food services, and construction sectors. Employment in the MSA declined by 5.7 percent in 2020 amid the pandemic, similar to the overall nation. The regional economy quickly recovered and total employment in the MSA reached a peak level in 2024. As of December 2025, employment in the MSA is declining at an annualized rate of 3.0 percent, compared to positive 1.5 percent growth across the nation.

G. DEMOGRAPHIC CHARACTERISTIC

DEMOGRAPHIC CHARACTERISTICS

Population and Households

The following tables illustrate population and household trends in the PMA, MSA and nation from 2010 through 2025, as well as projections through 2030.

POPULATION

Year	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	81,130	-	1,693,860	-	308,740,573	-
2025	87,233	0.5%	1,806,164	0.4%	339,885,501	0.7%
2030	87,610	0.1%	1,823,944	0.2%	347,145,365	0.4%

Source: Esri Demographics 2025, Novogradac, March 2026

HOUSEHOLDS

Year	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	31,484	-	636,895	-	116,715,188	-
2025	35,948	0.9%	719,311	0.8%	132,422,234	0.9%
2030	36,525	0.3%	735,176	0.4%	136,714,603	0.6%

Source: Esri Demographics 2025, Novogradac, March 2026

Historical population growth in the PMA between 2010 and 2025 was similar to the surrounding MSA. Both geographic areas experienced growth rates below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.1 percent through 2030, which is slightly below growth expectations for the MSA and below the nation.

Historical household growth in the PMA between 2010 and 2025 was similar to the surrounding MSA. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.3 percent through 2030, which is slightly below growth expectations for the MSA and below the nation.

Senior Population and Households

The proposed Subject will be 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 2025, as well as projections through 2030.

SENIOR POPULATION, 62+

Year	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Annual	Number	Annual Change	Number	Annual Change
2010	11,998	-	247,979	-	50,358,374	-
2025	18,152	3.4%	395,298	3.9%	76,349,879	3.4%
2030	19,576	1.6%	427,235	1.6%	82,971,683	1.7%

Source: Esri Demographics 2025, Novogradac, March 2026

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	-	40,267,727	-
2025	15,077	3.9%	326,567	4.3%	63,736,830	3.8%
2030	16,785	2.3%	368,730	2.6%	71,287,099	2.4%

Source: Esri Demographics 2025, Novogradac, March 2026

Historical senior (age 62+) population growth in the PMA trailed the MSA between 2010 and 2025, but was similar to the overall nation. According to ESRI demographic projections, annualized PMA growth is expected to be 1.6 percent through 2030, which is slightly above the MSA and slightly below the nation.

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 62+

Year	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Annual	Number	Annual Change	Number	Annual Change
2010	8,513	-	172,357	-	33,899,484	-
2025	10,375	1.4%	220,328	1.8%	43,096,689	1.8%
2030	11,687	2.5%	248,267	2.5%	48,319,965	2.4%

Source: Esri Demographics 2025, Novogradac, March 2026

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	-	27,341,197	-
2025	8,553	1.7%	182,073	2.1%	35,944,542	2.1%
2030	9,960	3.3%	211,824	3.3%	41,292,699	3.0%

Source: Esri Demographics 2025, Novogradac, March 2026

Historical senior (age 62+) household growth in the PMA trailed the MSA and nation between 2010 and 2025. According to ESRI demographic projections, annualized PMA growth is expected to accelerate to 2.5 percent through 2030, which is similar to the MSA and nation.

Population by Age

POPULATION BY AGE IN 2025

Age Cohort	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	5,148	5.9%	100,678	5.6%	18,339,095	5.4%
5-9	5,426	6.2%	106,475	5.9%	19,544,849	5.8%
10-14	5,125	5.9%	104,618	5.8%	20,333,505	6.0%
15-19	5,256	6.0%	116,551	6.5%	21,975,474	6.5%
20-24	5,432	6.2%	129,032	7.1%	22,721,577	6.7%
25-29	6,373	7.3%	128,021	7.1%	22,802,652	6.7%
30-34	6,729	7.7%	132,135	7.3%	23,553,724	6.9%
35-39	6,486	7.4%	126,374	7.0%	22,676,230	6.7%
40-44	6,046	6.9%	118,906	6.6%	22,284,339	6.6%
45-49	5,051	5.8%	101,010	5.6%	20,339,355	6.0%
50-54	4,972	5.7%	99,158	5.5%	20,418,594	6.0%
55-59	4,988	5.7%	102,087	5.7%	20,137,529	5.9%
60-64	5,125	5.9%	114,552	6.3%	21,021,748	6.2%
65-69	4,905	5.6%	105,750	5.9%	19,820,725	5.8%
70-74	4,023	4.6%	84,101	4.7%	16,552,486	4.9%
75-79	3,078	3.5%	64,077	3.5%	12,694,966	3.7%
80-84	1,761	2.0%	39,781	2.2%	7,889,197	2.3%
85+	1,310	1.5%	32,858	1.8%	6,779,456	2.0%
Total	87,234	100.0%	1,806,164	100.0%	339,885,501	100.0%

Source: Esri Demographics 2025, Novogradac, March 2026

Seniors aged 62 and older make up approximately 29 percent of the population in the PMA.

General Household Income Distribution

The following tables illustrate household income distribution in 2025 and 2030 in the PMA and MSA.

HOUSEHOLD INCOME PMA

Income Cohort	PMA					
	2025		2030		Annual Change 2025 to 2030	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,800	5.0%	1,697	4.6%	-21	-1.1%
\$10,000-19,999	2,903	8.1%	2,728	7.5%	-35	-1.2%
\$20,000-29,999	3,195	8.9%	3,050	8.4%	-29	-0.9%
\$30,000-39,999	2,999	8.3%	2,738	7.5%	-52	-1.7%
\$40,000-49,999	3,183	8.9%	2,952	8.1%	-46	-1.5%
\$50,000-59,999	3,176	8.8%	3,186	8.7%	2	0.1%
\$60,000-74,999	4,284	11.9%	4,213	11.5%	-14	-0.3%
\$75,000-99,999	5,048	14.0%	5,170	14.2%	24	0.5%
\$100,000-124,999	3,656	10.2%	3,853	10.5%	39	1.1%
\$125,000-149,999	2,212	6.2%	2,501	6.8%	58	2.6%
\$150,000-199,999	1,913	5.3%	2,284	6.3%	74	3.9%
\$200,000+	1,579	4.4%	2,153	5.9%	115	7.3%
Total	35,948	100.0%	36,525	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, March 2026

HOUSEHOLD INCOME SMA

Income Cohort	Virginia Beach-Chesapeake-Norfolk, VA-NC MSA					
	2025		2030		Annual Change 2025 to 2030	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	38,546	5.4%	35,603	4.8%	-589	-1.5%
\$10,000-19,999	50,540	7.0%	45,986	6.3%	-911	-1.8%
\$20,000-29,999	55,550	7.7%	51,413	7.0%	-827	-1.5%
\$30,000-39,999	55,451	7.7%	51,142	7.0%	-862	-1.6%
\$40,000-49,999	57,322	8.0%	52,651	7.2%	-934	-1.6%
\$50,000-59,999	55,216	7.7%	53,197	7.2%	-404	-0.7%
\$60,000-74,999	77,012	10.7%	74,697	10.2%	-463	-0.6%
\$75,000-99,999	100,920	14.0%	101,742	13.8%	164	0.2%
\$100,000-124,999	76,868	10.7%	80,473	10.9%	721	0.9%
\$125,000-149,999	51,609	7.2%	58,923	8.0%	1,463	2.8%
\$150,000-199,999	50,188	7.0%	60,773	8.3%	2,117	4.2%
\$200,000+	50,089	7.0%	68,576	9.3%	3,697	7.4%
Total	719,311	100.0%	735,176	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, March 2026

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 2025 and 2030 in the PMA and MSA.

HOUSEHOLD INCOME PMA 62+

Income Cohort	PMA					
	2025		2030		Annual Change 2025 to 2030	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	525	5.1%	550	4.7%	5	1.0%
\$10,000-19,999	1,309	12.6%	1,347	11.5%	8	0.6%
\$20,000-29,999	1,265	12.2%	1,335	11.4%	14	1.1%
\$30,000-39,999	796	7.7%	831	7.1%	7	0.9%
\$40,000-49,999	962	9.3%	1,024	8.8%	12	1.3%
\$50,000-59,999	704	6.8%	855	7.3%	30	4.3%
\$60,000-74,999	1,165	11.2%	1,279	10.9%	23	2.0%
\$75,000-99,999	1,218	11.7%	1,422	12.2%	41	3.3%
\$100,000-124,999	1,074	10.4%	1,250	10.7%	35	3.3%
\$125,000-149,999	643	6.2%	807	6.9%	33	5.1%
\$150,000-199,999	433	4.2%	585	5.0%	30	7.0%
\$200,000+	281	2.7%	402	3.4%	24	8.6%
Total	10,375	100.0%	11,687	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, March 2026

HOUSEHOLD INCOME SMA 62+

Income Cohort	Virginia Beach-Chesapeake-Norfolk, VA-NC MSA					
	2025		2030		Annual Change 2025 to 2030	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	10,967	5.0%	11,321	4.6%	71	0.6%
\$10,000-19,999	24,044	10.9%	23,788	9.6%	-51	-0.2%
\$20,000-29,999	20,454	9.3%	21,009	8.5%	111	0.5%
\$30,000-39,999	18,868	8.6%	19,538	7.9%	134	0.7%
\$40,000-49,999	18,316	8.3%	18,720	7.5%	81	0.4%
\$50,000-59,999	15,805	7.2%	17,163	6.9%	272	1.7%
\$60,000-74,999	23,441	10.6%	25,576	10.3%	427	1.8%
\$75,000-99,999	26,838	12.2%	30,345	12.2%	701	2.6%
\$100,000-124,999	20,812	9.4%	24,354	9.8%	708	3.4%
\$125,000-149,999	14,236	6.5%	18,178	7.3%	788	5.5%
\$150,000-199,999	12,519	5.7%	16,966	6.8%	889	7.1%
\$200,000+	14,028	6.4%	21,309	8.6%	1,456	10.4%
Total	220,328	100.0%	248,267	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, March 2026

Average Household Size

The following table is a summary of the average household size in the PMA, MSA, and nation in 2010, 2025, as well as 2030.

AVERAGE HOUSEHOLD SIZE

Year	PMA		MSA		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2010	2.43	-	2.56	-	2.57	-
2025	2.40	-0.1%	2.43	-0.3%	2.50	-0.2%
2030	2.37	-0.2%	2.40	-0.2%	2.48	-0.2%

Source: Esri Demographics 2025, Novogradac, February 2026

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 2030.

Renter Households by Number of Persons

The following table is a summary of the renter households by number of persons in the household in 2010, 2025, and 2030.

PMA HOUSEHOLD SIZE DISTRIBUTION

Household Size	2010		2025		2030	
	Total	Percent	Total	Percent	Total	Percent
1 persons	8,371	26.6%	10,013	27.9%	10,142	27.8%
2 persons	10,105	32.1%	11,380	31.7%	11,613	31.8%
3 persons	5,767	18.3%	6,538	18.2%	6,625	18.1%
4 persons	4,173	13.3%	4,518	12.6%	4,575	12.5%
5+ persons	3,068	9.7%	3,499	9.7%	3,570	9.8%
Total	31,484	100.0%	35,948	100.0%	36,525	100.0%

Source: Esri Demographics 2025, Novogradac, March 2026

As shown in the table above, approximately 60 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 HOUSEHOLD SIZE DISTRIBUTION 62+

Household Size	2010		2025		2030	
	Total	Percent	Total	Percent	Total	Percent
1 persons	3,449	40.5%	4,168	40.2%	4,605	39.4%
2 persons	3,651	42.9%	4,497	43.3%	5,147	44.0%
3 persons	688	8.1%	805	7.8%	926	7.9%
4 persons	354	4.2%	490	4.7%	528	4.5%
5+ persons	371	4.4%	415	4.0%	481	4.1%
Total	8,513	100.0%	10,375	100.0%	11,687	100.0%

Source: Esri Demographics 2025, Novogradac, March 2026

As shown in the table above, approximately 84 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 2025, as well as the projected tenure patterns for the year 2030.

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	20,533	65.2%	10,951	34.8%
2025	22,039	61.3%	13,909	38.7%
2030	23,050	63.1%	13,475	36.9%

Source: Esri Demographics 2025, Novogradac, March 2026

The percentage of renter households in the PMA increased between 2010 and 2025, and is estimated to be 38.7 percent as of 2025. 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 2030.

Senior (62+) 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 62+

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2010	6,836	80.3%	1,677	19.7%
2025	7,924	76.4%	2,451	23.6%
2030	9,058	77.5%	2,629	22.5%

Source: Esri Demographics 2025, Novogradac, March 2026

The percentage of senior renter households in the PMA increased between 2010 and 2025, and is estimated to be 23.6 percent as of 2025. 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 2030. 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 2030. 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.*

Year	MEDIAN HOUSEHOLD INCOME					
	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	\$45,188	-	\$54,645	-	\$60,686	-
2025	\$73,172	2.5%	\$82,713	2.0%	\$81,623	1.4%
2030	\$81,786	2.4%	\$92,556	2.4%	\$92,476	2.7%

Source: Esri Demographics 2025, Novogradac, March 2026

As of 2025, the median income in the PMA is below the surrounding MSA and the overall nation. Median household income growth in the PMA exceeded the MSA between 2010 and 2025. The median household income in the PMA is projected to edge down to 2.4 percent per annum through 2030, a growth rate slightly below the nation and a growth rate similar to the MSA. As of 2030, the median household income is projected to be slightly below that of the MSA and nation.

General Renter Household Income Distribution

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

Income Cohort	RENTER HOUSEHOLD INCOME					
	PMA					
	2025		2030		Annual Change 2025 to 2030	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,341	9.6%	1,219	9.0%	-24	-1.8%
\$10,000-19,999	1,767	12.7%	1,610	11.9%	-31	-1.8%
\$20,000-29,999	1,817	13.1%	1,677	12.4%	-28	-1.5%
\$30,000-39,999	1,707	12.3%	1,493	11.1%	-43	-2.5%
\$40,000-49,999	1,480	10.6%	1,363	10.1%	-23	-1.6%
\$50,000-59,999	1,546	11.1%	1,487	11.0%	-12	-0.8%
\$60,000-74,999	1,278	9.2%	1,244	9.2%	-7	-0.5%
\$75,000-99,999	1,404	10.1%	1,492	11.1%	18	1.3%
\$100,000-124,999	644	4.6%	768	5.7%	25	3.9%
\$125,000-149,999	452	3.2%	515	3.8%	13	2.8%
\$150,000-199,999	204	1.5%	250	1.9%	9	4.5%
\$200,000+	269	1.9%	357	2.6%	18	6.5%
Total	13,909	100.0%	13,475	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, March 2026

As illustrated, the income cohorts with the largest concentrations of renter households are the \$20,000-29,999, \$10,000-19,999, and \$30,000-39,999 income cohorts. As of 2025, 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 (62+) Renter Household Income Distribution

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

Income Cohort	RENTER HOUSEHOLD INCOME 62+							
	2025		PMA		2030		Annual Change 2025 to 2030	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	268	10.9%	273	10.4%	1	0.4%		
\$10,000-19,999	581	23.7%	578	22.0%	-1	-0.1%		
\$20,000-29,999	430	17.5%	445	16.9%	3	0.7%		
\$30,000-39,999	178	7.3%	159	6.0%	-4	-2.1%		
\$40,000-49,999	185	7.5%	205	7.8%	4	2.2%		
\$50,000-59,999	171	7.0%	170	6.5%	0	-0.1%		
\$60,000-74,999	188	7.7%	207	7.9%	4	2.0%		
\$75,000-99,999	102	4.2%	129	4.9%	5	5.3%		
\$100,000-124,999	182	7.4%	232	8.8%	10	5.5%		
\$125,000-149,999	43	1.8%	53	2.0%	2	4.7%		
\$150,000-199,999	48	2.0%	63	2.4%	3	6.3%		
\$200,000+	75	3.1%	115	4.4%	8	10.7%		
Total	2,451	100.0%	2,629	100.0%				

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, March 2026

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 2025, approximately 63 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.

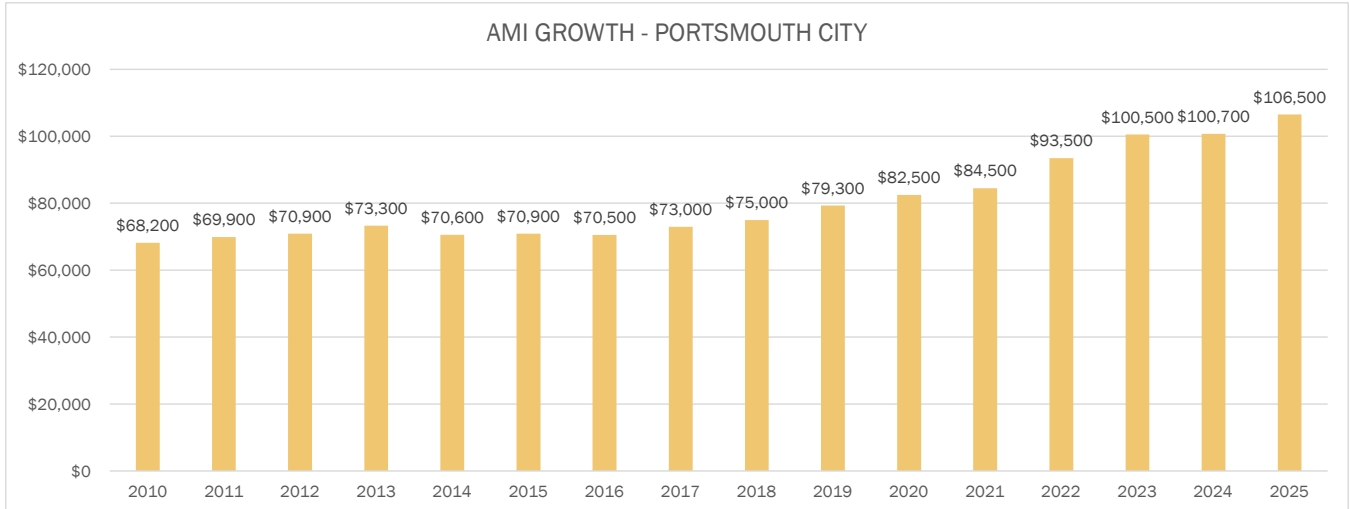
Year	PMA		MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2025	4,950	46.0%	105,823	44.9%	16,657,944	42.7%

Source: US Census 2025, Novogradac, February 2026

The percentage of rent-overburdened households in the PMA is slightly above the MSA and above 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, VA. The city of Portsmouth 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 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%

The proposed rents for the Subject’s units without subsidy are at the maximum allowable levels. Therefore, rent increases for these units will be directly dependent upon future increases in the AMI.

Conclusion

Senior (age 62+) population in the PMA increased at an annualized rate of 3.4 percent between 2010 and 2025. Comparatively the MSA experienced an annualized growth rate of 3.9 percent. The number of senior renters in the PMA increased from 2010 to 2025 and is projected to further increase through 2030. The median income in the PMA as of 2025 is below the MSA and overall nation. According to ESRI demographic projections, senior population, household, renter households, and median income levels in the PMA are all expected to rise through 2030. Overall, the combination of rising senior population, renter households, and median household income bodes well for future demand for multifamily housing.

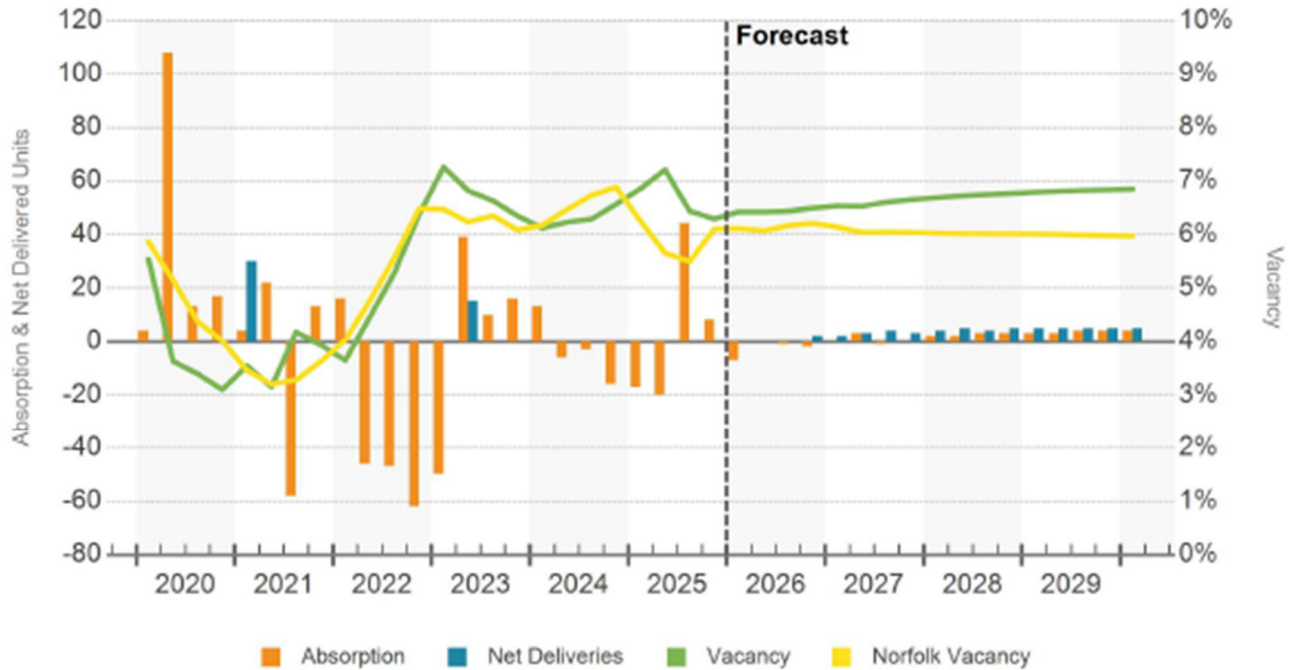
H. COMPETITIVE ENVIRONMENT

HOUSING SUMMARY

According to CoStar as of February 2026, there are currently 5,678 existing multifamily units within the Subject’s Portsmouth submarket. The current vacancy rate in the submarket is 6.4 percent and over the past five years has averaged 6.4 percent. The vacancy rate in the submarket is expected to increase slightly through 2029. Very few additions to supply are expected to enter the market over the projection period.

Portsmouth Submarket

ABSORPTION, NET DELIVERIES & VACANCY

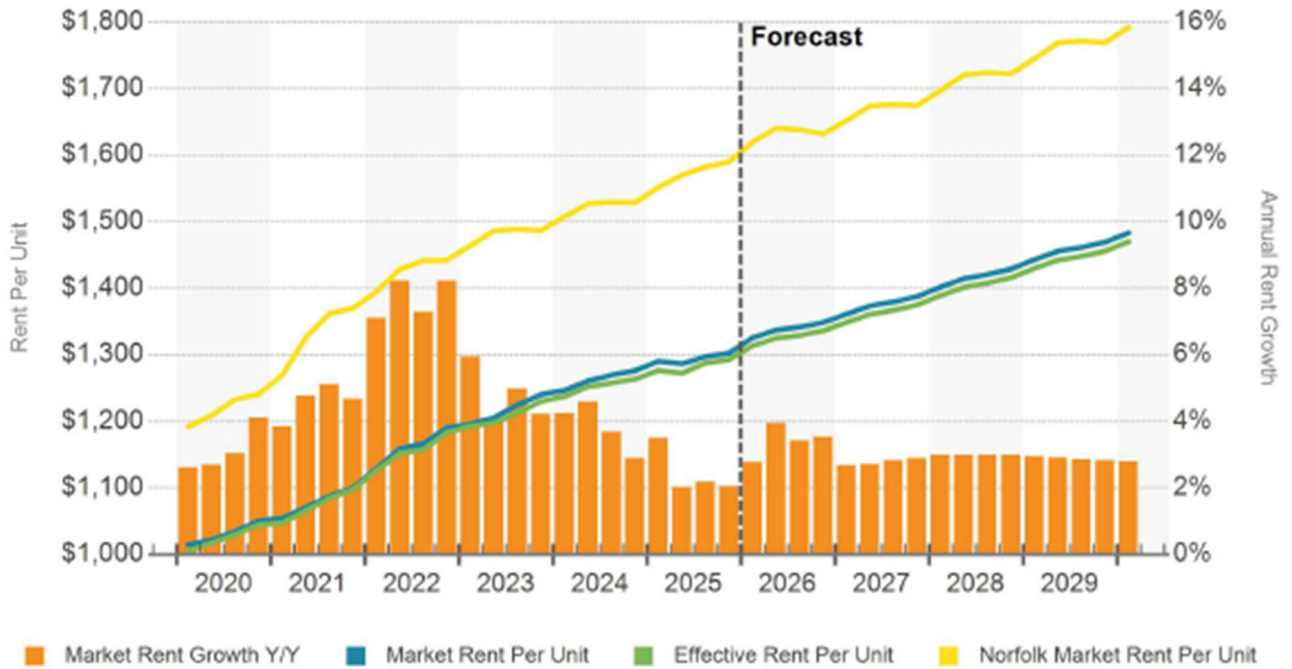


Source: CoStar, February 2026

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 2026 and slightly increase through 2029 at approximately three percent annual rent growth.

Portsmouth Submarket

MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, February 2026

Age of Housing Stock

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

	PMA		Virginia Beach-Chesapeake-Norfolk, VA-NC MSA		USA	
	Units	%	Units	%	Units	%
Built 2010 or later	2,947	7.9%	73,142	9.7%	12,735,794	9.1%
Built 2000 to 2009	3,467	9.3%	95,664	12.7%	19,322,643	13.7%
Built 1990 to 1999	5,084	13.6%	105,996	14.1%	18,210,121	12.9%
Built 1980 to 1989	4,660	12.4%	137,283	18.3%	18,541,192	13.2%
Built 1970 to 1979	5,977	15.9%	108,642	14.5%	20,481,487	14.6%
Built 1960 to 1969	4,412	11.8%	87,224	11.6%	14,250,091	10.1%
Built 1950 to 1959	4,110	11.0%	69,172	9.2%	13,780,881	9.8%
Built 1940 to 1949	2,893	7.7%	31,849	4.2%	6,428,338	4.6%
Built 1939 or earlier	3,925	10.5%	42,259	5.6%	16,916,823	12.0%
Total Housing Units	37,475	100.0%	751,231	100.0%	140,667,370	100.0%

Source: US Census American Community Estimates, March 2026

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
2025	1.36%	1.04%	1.70%

Source: Esri Demographics 2025, Novogradac, March 2026

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 1997 through 2025 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
2025	125	4	50	179
Average	152	4	46	202

Source: US Census Bureau, Novogradac, March 2026

Permit issuance declined by 83 percent during the 2007-2009 recession, reaching a low in 2010. Permit issuance increased in six out of 15 years between 2010 and 2025. The number of units authorized 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 15 percent between 2009 and 2025, compared to 28 percent between 1997 and 2008.

Rent/Buy Analysis

The Subject will target seniors ages 62 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 2022. According to our sources, there are two proposed and under construction 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	Under construction	5.6 miles
The Port	Market	Senior	192	0	N/A	Proposed	1.3 miles
Totals			242	0			

Source: Virginia Housing, CoStar, March 2026

Following is a discussion of the under construction property, which will be an affordable property.

- Bain’s Pointe is an under construction 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.

There are no directly competitive units in LIHTC properties that received a recent 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 2022.

RECENT LIHTC ALLOCATIONS IN PMA						
Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Competitive Subsidized Units
Bain's Pointe	2024	LIHTC/PBRA	Family	50	0	0
				50	0	0

Source: Virginia Housing, March 2026

As detailed above, only one 50-unit development, known as Bain’s Pointe, has received a tax credit allocation in the PMA since 2022. 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 2,240 units in 12 rental properties. The availability of LIHTC data is considered average. We included six affordable/mixed income developments located between 0.3 and 5.7 miles from the Subject site, one of which are located outside the PMA (The Orchards at Belleville Harbor Apartments). Three of these properties are restricted to senior households. 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). One of the market rate properties is restricted to senior households. Overall, we believe the availability of data is adequate to support our conclusions.

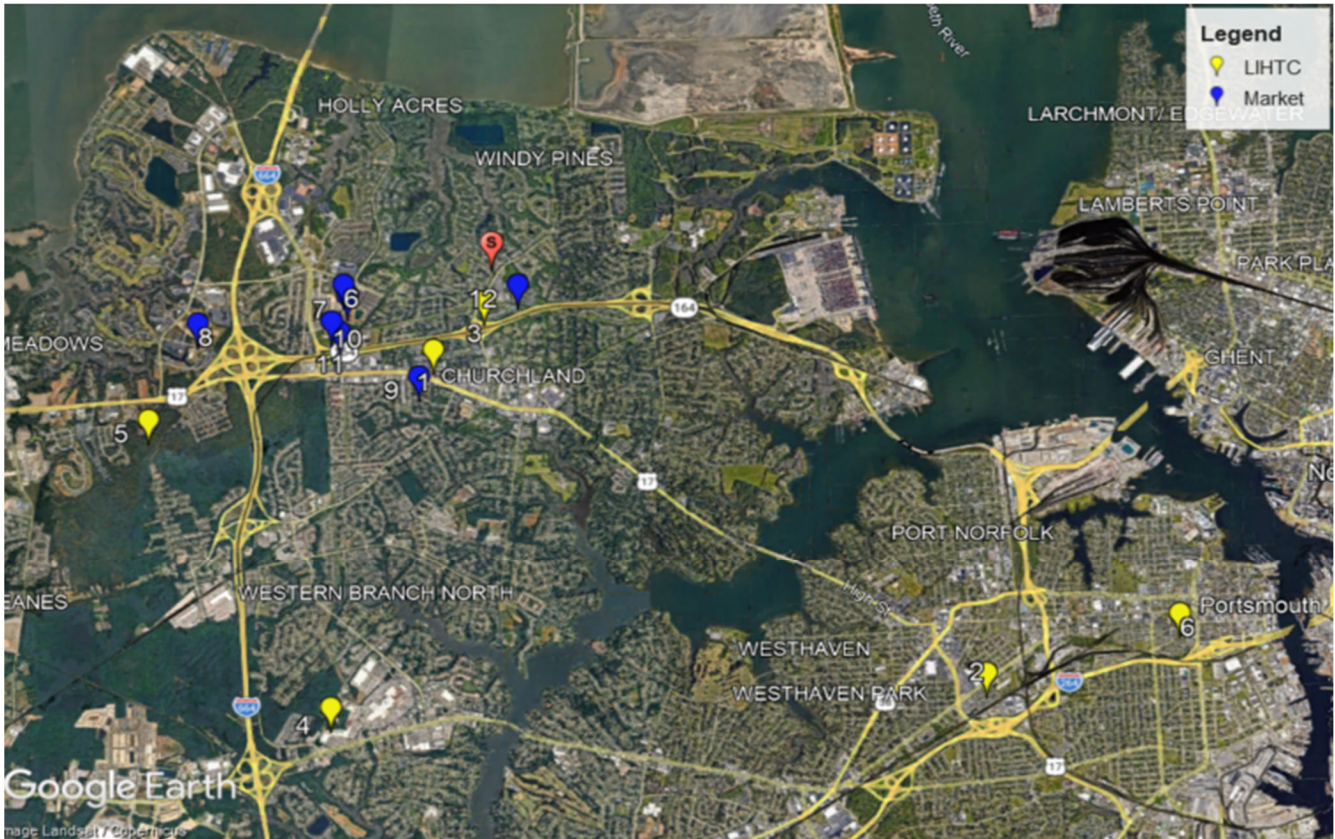
The comparable properties were chosen primarily based on location, age, condition, design, and amenities. Several properties were excluded for various reasons. The following table illustrates the properties that are excluded from the supply analysis of this report.

EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Reason for Exclusion
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
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, February 2026

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to Subject
S	Twin Pines	Portsmouth	@30% (PBV), @50% (PBV), @50%, @60%	Senior	-
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	The Arbors at Western Branch	Chesapeake	@50%, Market	Senior	3.8 miles
5	The Orchards at Belleville Harbour Apartments*	Suffolk	@60%, Market	Senior	2.9 miles
6	Victory Square Apartments	Portsmouth	@60%	Senior	5.7 miles
7	Century Hampton Roads	Suffolk	Market	Family	1.2 miles
8	Clairmont At Harbour View Station*	Suffolk	Market	Family	5.1 miles
9	Commons At Churchland	Chesapeake	Market	Senior	1.1 miles
10	Era At Park 216	Suffolk	Market	Senior	1.4 miles
11	Park 216	Suffolk	Market	Family	1.3 miles
12	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 2028 / n/a Senior	@30% (PBV), @50% (PBV), @50%, @60%	1BR / 1BA	10	23.2%	628	@30% (PBV)	\$1,496	N/A	N/A	N/A	N/A
					1BR / 1BA	13	15.9%	628	@50%	\$921	Yes	N/A	N/A	N/A
					1BR / 1BA	19	12.2%	628	@50% (PBV)	\$1,496	N/A	N/A	N/A	N/A
					1BR / 1BA	28	34.2%	628	@60%	\$1,121	Yes	N/A	N/A	N/A
					2BR / 2BA	12	14.6%	908	@50% (PBV)	\$1,712	N/A	N/A	N/A	N/A
					82							0	0.0%	
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%	\$1,358	Yes	No	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 2BR / 2BA 3BR / 2BA	16 104 36	10.3% 66.7% 23.1%	812 1,181 1,379	@60% @60% @60%	\$1,109 \$1,330 \$1,534	No No No	No No No	N/A N/A N/A	N/A N/A N/A
					156								8	5.1%
3	Stone Ridge Apartments 6200 Hightower Road Portsmouth, VA 23703	0.3 miles	Garden 2-stories 1976 / 2000 Family	@60%	1BR / 1BA 2BR / 1BA 3BR / 1.5BA	39 100 68	18.8% 48.3% 32.9%	850 920 1,020	@60% @60% @60%	\$1,121 \$1,340 \$1,542	Yes Yes Yes	No No No	N/A N/A N/A	N/A N/A N/A
					207								11	5.3%
4	The Arbors at Western Branch 2500 Chesapeake Square Ring Road Chesapeake, VA 23321	3.8 miles	Midrise 4-stories 2022 / n/a Senior	@50%, Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 1.5BA 2BR / 2BA	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	794 794 846 928 1,029 1,029 1,037 1,104 1,174 1,216 1,077	@50% Market Market Market @50% Market Market Market Market Market Market	\$1,042 \$1,757 \$1,832 \$1,832 \$1,240 \$1,895 \$1,895 \$1,995 \$1,895 \$2,350 \$1,995	Yes N/A N/A N/A Yes N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	0 0 0 0 0 0 0 0 0 0 0	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A
					136								2	1.5%
5	The Orchards at Belleville Harbour Apartments 1050 Belle Orchard Lane Suffolk, VA 23435	2.9 miles	Lowrise 3-stories 2007 / n/a Senior	@60%, Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 1BA	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	628 628 683 683 814 893 914 814 893 914	@60% @60% Market Market @60% @60% @60% Market Market Market	\$1,155 \$1,232 \$1,155 \$1,232 \$1,305 \$1,325 \$1,345 \$1,400 \$1,420 \$1,440	No Yes No No No No Yes No N/A N/A	No No No No No No No No No No	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A
					112								10	8.9%
6	Victory Square Apartments 900 County Street Portsmouth, VA 23704	5.7 miles	Lowrise 4-stories 2005 / n/a Senior	@60%	1BR / 1BA 2BR / 1BA	98 14	87.5% 12.5%	675 880	@60% @60%	\$1,163 \$1,403	Yes Yes	No No	N/A N/A	N/A N/A
					216								13	6.0%
7	Century Hampton Roads 2019 Barclay Place Suffolk, VA 23435	1.2 miles	Garden 3-stories 2013 / 2024 Family	Market	1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA 3BR / 2BA	36 12 132 12 24	16.7% 5.6% 61.1% 5.6% 11.1%	734 1,028 1,052 1,279 1,276	Market Market Market Market Market	\$1,872 \$2,118 \$2,058 -	N/A N/A N/A N/A N/A	No No No No No	1 4 6 0 2	2.8% 33.3% 4.6% 0.0% 8.3%
					276								2	0.7%
8	Clairmont At Harbour View Station 3001 Gateway Drive Suffolk, VA 23435	5.1 miles	Garden 3-stories 2018 / n/a Family	Market	1BR / 1BA 1BR / 1BA 2BR / 2BA 2BR / 2BA 3BR / 2BA	108 12 48 84 24	39.1% 4.4% 17.4% 30.4% 8.7%	784 798 1,166 1,174 1,339	Market Market Market Market Market	\$1,777 \$1,777 \$2,021 \$1,943 \$2,404	N/A N/A N/A N/A N/A	No No No No No	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A
					104								0	0.0%
9	Commons At Churchland 3504 Executive Center Drive Chesapeake, VA 23321	1.1 miles	Lowrise 3-stories 1995 / n/a Senior	Market	2BR / 1BA 2BR / 1.5BA 2.5BR / 1.5BA	N/A N/A N/A	N/A N/A N/A	820 940 1,050	Market Market Market	\$1,220 \$1,390 \$1,565	Yes Yes N/A	Yes Yes Yes	N/A N/A N/A	N/A N/A N/A
					104								0	0.0%
10	Era At Park 216 901 Beringer Road Suffolk, VA 23435	1.4 miles	Midrise 4-stories 2024 / n/a Senior	Market	1BR / 1BA 1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2BA	N/A N/A 39 N/A N/A N/A N/A N/A	N/A N/A 37.5% N/A N/A N/A N/A N/A	1,009 773 891 887 1,095 991 1,016 1,546	Market Market Market Market Market Market Market Market	\$1,955 \$1,831 \$1,781 \$1,929 \$2,199 \$2,153 \$2,989 \$2,929	N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A N/A N/A
					266								7	2.6%
11	Park 216 1001 Beringer Road Suffolk, VA 23435	1.3 miles	Garden 3-stories 2019 / n/a Family	Market	1BR / 1BA 1BR / 1BA 2BR / 1BA 2BR / 2BA 2BR / 2BA 2BR / 2.5BA	112 12 48 86 4 4	42.1% 4.5% 18.1% 32.3% 1.5% 1.5%	708 765 892 1,112 1,308 1,747	Market Market Market Market Market Market	\$1,731 \$1,781 \$1,829 \$2,004 \$2,699 \$3,199	N/A N/A N/A N/A N/A N/A	No No No No No No	N/A N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A N/A
					163								0	0.0%
12	Westwinds Apartments 3601 Gateway Drive Portsmouth, VA 23703	0.2 miles	Garden 3-stories 1989 / n/a Family	Market	1BR / 1BA 2BR / 2BA 3BR / 2BA	108 228 72	26.5% 55.9% 17.7%	900 950 1,150	Market Market Market	\$1,358 \$1,541 \$1,825	N/A N/A N/A	No No No	N/A N/A N/A	N/A N/A N/A
					408								1	0.2%

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	-	\$73,242	\$207,100	\$1,109	144	22	5.7%	36.6%
1	Arbour Reach Apartments	Portsmouth	Family	LIHTC	0.9 miles	\$68,118	\$207,100	\$1,109	136	45	6.9%	54.5%
2	Crescent Place	Portsmouth	Family	LIHTC	4.8 miles	\$35,674	\$164,300	\$867	380	67	8.3%	56.5%
3	Stone Ridge Apartments	Portsmouth	Family	LIHTC	0.3 miles	\$76,770	\$207,100	\$1,109	135	29	7.2%	50.5%
4	The Arbors at Western Branch	Chesapeake	Senior	LIHTC/Market	3.8 miles	\$111,828	\$248,100	\$1,217	84	39	2.9%	26.4%
5	The Orchards at Belleville Harbour	Suffolk	Senior	LIHTC/Market	2.9 miles	\$84,435	\$274,400	\$1,416	96	3	4.8%	56.9%
6	Victory Square Apartments	Portsmouth	Senior	LIHTC	5.7 miles	\$39,495	\$149,500	\$935	356	78	8.8%	62.6%
7	Century Hampton Roads	Suffolk	Family	Market	1.2 miles	\$77,621	\$274,400	\$1,416	114	65	5.6%	55.4%
8	Clairmont At Harbour View Station*	Chesapeake	Family	Market	5.1 miles	\$147,477	\$274,400	\$1,416	117	65	4.0%	13.4%
9	Commons At Churchland	Chesapeake	Senior	Market	1.1 miles	\$68,118	\$248,100	\$1,217	136	49	5.7%	49.4%
10	Era At Park 216	Suffolk	Senior	Market	1.4 miles	\$76,346	\$274,400	\$1,416	114	57	5.6%	59.8%
11	Park 216	Suffolk	Family	Market	1.3 miles	\$76,346	\$274,400	\$1,416	114	54	5.8%	59.1%
12	Westwinds Apartments	Portsmouth	Family	Market	0.2 miles	\$73,242	\$207,100	\$1,109	144	21	6.4%	42.4%

*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 22, indicating most daily errands require a car.

Four of the comparables, Arbour Reach Apartments, Stone Ridge Apartments, Commons at Churchland, and Westwinds Apartments are located within 1.1 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.

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.

The remaining two properties, The Arbors at Western Branch and The Orchards at Belleville Harbour, are located 3.8 and 2.9 miles from the Subject, respectively. The former property has a slightly superior location given its higher median household income and Walk Score. The latter property has a generally similar location, as its higher median rent is offset by its lower Walk Score.

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	The Arbors at Western Branch	The Orchards at Belleville Harbour Apartments	Victory Square Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/Market	LIHTC/Market	LIHTC
Tenancy	Senior	Family	Family	Family	Senior	Senior	Senior
Building							
Property Type	Midrise	Garden	Midrise	Garden	Midrise	Lowrise	Lowrise
# of Stories	4-stories	2-stories	4-stories	2-stories	4-stories	3-stories	4-stories
Year Built	2028	1998	2008	1976	2022	2007	2005
Year Renovated	n/a	n/a	n/a	2000	n/a	n/a	n/a
Elevators	yes	no	yes	no	yes	yes	yes
Courtyard	yes	no	no	no	no	no	no

	Subject	Century Hampton Roads	Clairmont At Harbour View Station	Commons At Churchland	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Senior	Family	Family
Building							
Property Type	Midrise	Garden	Garden	Lowrise	Midrise	Garden	Garden
# of Stories	4-stories	3-stories	3-stories	3-stories	4-stories	3-stories	3-stories
Year Built	2028	2013	2018	1995	2024	2019	1989
Year Renovated	n/a	2024	n/a	n/a	n/a	n/a	n/a
Elevators	yes	no	no	yes	yes	no	no
Courtyard	yes	yes	no	yes	no	yes	no

The Subject will exhibit excellent condition upon completion. The LIHTC comparables were constructed or renovated between 1998 and 2022, while the market rate comparables were constructed or renovated between 1989 and 2024. The LIHTC comparables exhibit inferior to similar condition relative to the proposed Subject. The market rate comparables exhibit inferior to similar condition relative to the proposed Subject as well. The Arbors at Western Branch, 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. Six 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.

Bedroom Type	1BR	2BR
Subject	628	908
Average	784	1,056
Min	628	814
Max	1,009	1,747
Advantage/Disadvantage	-20%	-14%

UNIT SIZE COMPARISON - SENIOR PROPERTIES

Bedroom Type	1BR	2BR
Subject	628	908
Average	778	1,018
Min	628	814
Max	1,009	1,546
Advantage/Disadvantage	-19%	-11%

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 The Orchards at Belleville Harbour Apartments, a senior LIHTC comparable, offer similarly small units and reported 98 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
The Arbors at Western Branch (Market)	928	Era At Park 216 (Market)	1,546
Westwinds Apartments (Market)	900	Park 216 (Market)	1,308
Era At Park 216 (Market)	891	Era At Park 216 (Market)	1,281
Stone Ridge Apartments (@60%)	850	The Arbors at Western Branch (Market)(1.5BA)	1,216
The Arbors at Western Branch (Market)	846	Crescent Place (@60%)	1,181
Crescent Place (@60%)	812	The Arbors at Western Branch (Market)(1.5BA)	1,174
Clairmont At Harbour View Station (Market)	798	Clairmont At Harbour View Station (Market)	1,174
The Arbors at Western Branch (Market)	794	Clairmont At Harbour View Station (Market)	1,166
The Arbors at Western Branch (@50%)	794	Park 216 (Market)	1,112
Clairmont At Harbour View Station (Market)	784	The Arbors at Western Branch (Market)(1.5BA)	1,104
Era At Park 216 (Market)	773	Era At Park 216 (Market)(1BA)	1,095
Park 216 (Market)	765	The Arbors at Western Branch (Market)	1,077
Century Hampton Roads (Market)	734	Century Hampton Roads (Market)	1,052
Park 216 (Market)	708	The Arbors at Western Branch (Market)(1.5BA)	1,037
The Orchards at Belleville Harbour Apartments (Market)	683	Arbour Reach Apartments (@60%)	1,030
The Orchards at Belleville Harbour Apartments (Market)	683	The Arbors at Western Branch (@50%)(1.5BA)	1,029
Victory Square Apartments (@60%)	675	The Arbors at Western Branch (Market)(1.5BA)	1,029
The Orchards at Belleville Harbour Apartments (@60%)	628	Century Hampton Roads (Market)	1,028
Twin Pines (@50%)	628	Era At Park 216 (Market)	1,016
The Orchards at Belleville Harbour Apartments (@60%)	628	Era At Park 216 (Market)(1BA)	991
Twin Pines (@60%)	628	Westwinds Apartments (Market)	950
Twin Pines (@30%)	628	Commons At Churchland (Market)(1.5BA)	940
Twin Pines (@50%)	628	Stone Ridge Apartments (@60%)(1BA)	920
		The Orchards at Belleville Harbour Apartments (@60%)(1BA)	914
		The Orchards at Belleville Harbour Apartments (Market)(1BA)	914
		Twin Pines (@50%)	908
		The Orchards at Belleville Harbour Apartments (@60%)(1BA)	893
		The Orchards at Belleville Harbour Apartments (Market)(1BA)	893
		Park 216 (Market)(1BA)	892
		Era At Park 216 (Market)(1BA)	887
		Victory Square Apartments (@60%)(1BA)	880
		Commons At Churchland (Market)(1BA)	820
		The Orchards at Belleville Harbour Apartments (Market)(1BA)	814
		The Orchards at Belleville Harbour Apartments (@60%)(1BA)	814

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	The Arbors at Western Branch	The Orchards at Belleville Harbour Apartments	Victory Square Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC/ Market	LIHTC
Tenancy	Senior	Family	Family	Family	Senior	Senior	Senior
Utility Structure							
Cooking	no	no	no	yes	no	no	no
Water Heat	no	no	no	yes	no	no	no
Heat	no	no	no	yes	no	no	no
Other Electric	no	no	no	no	no	no	no
Water	yes	no	yes	yes	no	no	no
Sewer	yes	no	yes	yes	no	no	no
Trash	yes	yes	yes	yes	no	no	yes

	Subject	Century Hampton Roads	Clairmont At Harbour View Station	Commons At Churchland	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Senior	Family	Family
Utility Structure							
Cooking	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no
Water	yes	no	no	yes	no	no	no
Sewer	yes	no	no	yes	no	no	no
Trash	yes	no	no	yes	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	The Arbors at Western Branch	The Orchards at Belleville Harbour Apartments	Victory Square Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC/ Market	LIHTC
Tenancy	Senior	Family	Family	Family	Senior	Senior	Senior
Accessibility							
Hand Rails	no	no	no	no	no	no	yes
Pull Cords	no	no	no	no	no	yes	yes
Unit Amenities							
Balcony/Patio	yes	yes	yes	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	yes	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	no	yes
Hardwood	no	no	no	yes	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	no	no	no	no	no	no
Coat Closet	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	no	no
Walk-In Closet	no	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	yes	no	no
W/D Hookup	yes	yes	yes	no	yes	yes	no
Kitchen							
Dishwasher	yes	yes	yes	no	yes	yes	yes
Disposal	no	yes	yes	no	no	yes	yes
Microwave	yes	no	no	no	yes	no	no
Oven	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes

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

The Subject unit amenities will consist of a balcony/patio, blinds, vinyl plank flooring, central air conditioning, coat closets, dishwashers, ceiling fans, range/ovens, refrigerators, and washer/dryer connections. 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, microwaves, garbage disposals, and washer/dryer appliances, none of which are included in the Subject's proposed amenity scheme. The amenity packages offered by Arbour Reach Apartments, Crescent Place, Stone Ridge Apartments, and The Orchards at Belleville Harbor 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	The Arbors at Western Branch	The Orchards at Belleville Harbour Apartments	Victory Square Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC/ Market	LIHTC
Tenancy	Senior	Family	Family	Family	Senior	Senior
Community						
Business Center	yes	no	no	no	yes	no
Community Room	yes	yes	yes	yes	yes	yes
Central Laundry	yes	yes	yes	yes	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes
Concierge	no	no	no	no	no	no
Recreation						
Exercise Facility	yes	no	yes	no	yes	yes
Playground	no	no	no	yes	no	no
Swimming Pool	no	yes	yes	yes	no	no
Picnic Area	yes	yes	no	no	yes	no
Theatre	yes	no	no	no	no	no
Recreational Area	yes	no	no	no	no	no
Volleyball Court	no	no	no	no	no	no
WiFi	yes	yes	yes	yes	no	yes
Shuttle Service	no	no	no	no	no	no
Senior Services						
Hairdresser/Barber	no	no	no	no	yes	yes

Subject	Century Hampton Roads	Clairmont At Harbour View Station	Commons At Churchland	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Senior	Family
Community						
Business Center	yes	yes	yes	no	no	yes
Community Room	yes	yes	yes	yes	yes	yes
Central Laundry	yes	no	no	no	no	no
On-Site Mgmt	yes	yes	no	yes	yes	yes
Concierge	no	no	no	no	yes	no
Recreation						
Exercise Facility	yes	yes	yes	yes	yes	yes
Playground	no	no	yes	no	no	no
Swimming Pool	no	yes	yes	no	yes	yes
Picnic Area	yes	yes	no	yes	no	yes
Theatre	yes	no	yes	no	no	no
Recreational Area	yes	no	no	no	no	no
Volleyball Court	no	no	no	no	yes	yes
WiFi	yes	yes	yes	no	yes	yes
Shuttle Service	no	no	no	yes	no	no
Senior Services						
Hairdresser/Barber	no	no	no	no	no	no

The Subject common area amenities will consist of bike storage, a business center, a community room, courtyard, theater/media room, arts and crafts room, picnic area, elevators, an exercise facility, off-street parking, a central laundry facility, on-site management, package room, a pet park, 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	The Arbors at Western Branch	The Orchards at Belleville Harbour Apartments	Victory Square Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/ Market	LIHTC/ Market	LIHTC
Tenancy	Senior	Family	Family	Family	Senior	Senior	Senior
Crime Index	144	136	380	135	84	96	356
Security							
In-Unit Alarm	no	yes	no	no	no	no	no
Intercom (Buzzer)	yes	no	yes	no	yes	yes	yes
Limited Access	yes	no	yes	no	yes	yes	yes
Patrol	no	no	no	yes	no	no	no
Perimeter Fencing	no	no	no	yes	no	no	yes
Video Surveillance	no	no	no	yes	no	no	yes

	Subject	Century Hampton Roads	Clairmont At Harbour View Station	Commons At Churchland	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Senior	Family	Family
Crime Index	144	114	117	136	114	114	144
Security							
In-Unit Alarm	no	no	no	no	no	no	no
Intercom (Buzzer)	yes	no	no	no	yes	no	no
Limited Access	yes	yes	yes	no	yes	yes	yes
Patrol	no	no	no	no	no	no	yes
Perimeter Fencing	no	no	no	no	no	no	no
Video Surveillance	no	no	no	no	no	no	no

The proposed Subject will offer intercom (buzzer) and video surveillance. All but one 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	The Arbors at Western Branch	The Orchards at Belleville Harbour Apartments	Victory Square Apartments
Rent Structure	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/Market	LIHTC/Market	LIHTC
Tenancy	Senior	Family	Family	Family	Senior	Senior	Senior
Walk Score	22	45	67	29	39	3	78
Parking							
Garage	no	no	no	no	no	no	no
Garage Fee	n/a	n/a	n/a	n/a	n/a	\$0	n/a
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	n/a	\$0	\$0

	Subject	Century Hampton Roads	Clairmont At Harbour View Station	Commons At Churchland	Era At Park 216	Park 216	Westwinds Apartments
Rent Structure	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Senior	Family	Family	Senior	Senior	Family	Family
Walk Score	22	65	1	49	57	54	21
Parking							
Garage	no	no	yes	no	no	no	no
Garage Fee	n/a	n/a	\$95	\$0	n/a	n/a	n/a
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The Subject’s overall larger development will offer a total of 102 off-street parking spaces for the 82 units, which equates to approximately 1.24 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 2026 and be completed in May 2028. The Subject will exhibit excellent overall condition upon completion. The LIHTC comparables were constructed or renovated between 1998 and 2022, while the market rate comparables were constructed or renovated between 1989 and 2024. The LIHTC comparables exhibit inferior to similar condition relative to the proposed Subject. The market rate comparables exhibit inferior to similar condition relative to the proposed Subject as well. 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 The Orchards at Belleville Harbour Apartments, a senior LIHTC comparable, offer similarly small units and reported 98 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%
The Arbors at Western Branch	LIHTC/ Market	Senior	2%
The Orchards at Belleville Harbour Apartments*	LIHTC/ Market	Senior	N/A
Victory Square Apartments	LIHTC	Senior	30%
Century Hampton Roads	Market	Family	0%
Clairmont At Harbour View Station*	Market	Family	0%
Commons At Churchland	Market	Senior	N/A
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. The LIHTC properties reported voucher usage of two to 80 percent with an average of 21 percent. One of the market rate properties, Westwinds Apartments, reported voucher usage. Based on the performance of the LIHTC comparables, we expect the Subject will operate with voucher usage of approximately 25 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%
The Arbors at Western Branch	LIHTC/ Market	Senior	2%
The Orchards at Belleville Harbour Apartments*	LIHTC/ Market	Senior	N/A
Victory Square Apartments	LIHTC	Senior	16%
Century Hampton Roads	Market	Family	N/A
Clairmont At Harbour View Station*	Market	Family	21%
Commons At Churchland	Market	Senior	6%
Era At Park 216	Market	Senior	N/A
Park 216	Market	Family	19%
Westwinds Apartments	Market	Family	29%
Average Turnover			16%

*Located outside of the PMA

It should be noted that we were unable to obtain turnover data for three of the surveyed properties. The remaining comparables reported turnover rates ranging from two to 29 percent, with an overall average of 16 percent. The LIHTC comparables operate with an average turnover rate of 14 percent, which is above the 19 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	8	5.1%
Stone Ridge Apartments	LIHTC	Family	207	11	5.3%
The Arbors at Western Branch	LIHTC/ Market	Senior	163	0	0.0%
The Orchards at Belleville Harbour Apartments*	LIHTC/ Market	Senior	136	2	1.5%
Victory Square Apartments	LIHTC	Senior	112	10	8.9%
Century Hampton Roads	Market	Family	216	13	6.0%
Clairmont At Harbour View Station*	Market	Family	276	2	0.7%
Commons At Churchland	Market	Senior	104	0	0.0%
Era At Park 216	Market	Senior	104	0	0.0%
Park 216	Market	Family	266	7	2.6%
Westwinds Apartments	Market	Family	408	1	0.2%
Total LIHTC			866	32	3.7%
Total Market Rate			1,374	23	1.7%
Overall Total			2,240	55	2.5%

*Located outside of the PMA

The stabilized comparables reported vacancy rates ranging from zero to 8.9 percent, with an overall weighted average of 2.5 percent. Managers at one of the six LIHTC properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 3.7 percent, slightly above the 1.7 percent average reported by the stabilized market rate properties. The contact at Victory Square Apartments indicated that the current vacancy rate of 8.9 percent is higher than typical, although four of the ten vacant units are preleased to new tenants. None of the remaining LIHTC properties report a vacancy rate well in excess of five percent. 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	-	-	-	5.1%
Stone Ridge Apartments	LIHTC	Family	-	-	-	5.3%
The Arbors at Western Branch	LIHTC/Market	Senior	0.0%	0.0%	-	0.0%
The Orchards at Belleville Harbour Apartments*	LIHTC/Market	Senior	-	-	-	1.5%
Victory Square Apartments	LIHTC	Senior	-	-	-	8.9%
Century Hampton Roads	Market	Family	2.8%	7.0%	5.6%	6.0%
Clairmont At Harbour View Station*	Market	Family	-	-	-	0.7%
Commons at Churchland	Market	Senior	-	0.0%	-	0.0%
Era At Park 216	Market	Senior	0.0%	0.0%	-	0.0%
Park 216	Market	Family	-	-	-	2.8%
Westwinds Apartments	Market	Family	-	-	-	0.2%

*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. Few 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	2026 Q1
Arbour Reach Apartments	LIHTC	92	N/A	0.0%	N/A	1.1%	1.1%	1.1%
Crescent Place	LIHTC	156	0.0%	2.6%	3.8%	0.0%	0.0%	5.3%
Stone Ridge Apartments	LIHTC	207	N/A	N/A	N/A	19.8%	5.8%	5.8%
The Arbors at Western Branch	LIHTC/Market	163	N/A	N/A	N/A	N/A	N/A	0.0%
The Orchards at Belleville Harbour Apartments	LIHTC/Market	136	N/A	N/A	N/A	N/A	N/A	1.5%
Victory Square Apartments	LIHTC	112	0.9%	8.9%	1.8%	2.7%	7.1%	8.9%
Century Hampton Roads	Market	216	N/A	1.4%	N/A	0.0%	1.9%	6.0%
Clairmont At Harbour View Station	Market	276	N/A	N/A	N/A	0.0%	1.8%	0.7%
Commons at Churchland	Market	104	N/A	N/A	N/A	N/A	N/A	0.0%
Era At Park 216	Market	104	N/A	N/A	N/A	68.3%	20.2%	0.0%
Park 216	Market	266	N/A	N/A	N/A	2.3%	5.6%	2.6%
Westwinds Apartments	Market	408	N/A	2.2%	N/A	0.2%	5.9%	0.2%

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 was in its initial absorption period in 2024 and 2025.

Concessions

Two of the comparable properties, Crescent Place and Clairmont at Harbour View Station, reported offering concessions at this time. The former is offering a \$250 gift card for a one year lease while the latter is offering one month of free rent for two-bedroom units. Given the relative 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

Two of the comparable developments, The Arbors at Western Branch and Commons at Churchland, maintain a waiting list at this time. The Arbors at Western Branch has a waiting list of unspecified length for its restricted units only. Commons at Churchland, a former senior LIHTC property that was recently converted to market rate, has a six to seven month waiting list at this time. Several LIHTC properties do not maintain a waiting list as a matter of policy. 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)
Lexington Reserve	LIHTC/Section 8	Senior	Portsmouth	2025	105	105
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					130	50
Average Market Rate					225	16
Overall Average					185	31

We obtained absorption data from seven properties in the Hampton Roads region. These properties were completed over the 2022 to 2025 period. These properties reported absorption rates ranging from six to 105 units per month, with an overall average of 31 units per month. The LIHTC properties reported higher absorption rates on average compared to the market rate properties. All units at Lexington Reserve have project-based subsidy, where tenants pay 30 percent of their income as rent. In addition, it is likely that some tenants at this property formerly lived in public housing that was demolished on this site. For these reasons, we believe the absorption pace at Lexington Reserve, which was fully leased within one month of completion in December 2025, is not necessarily reflective of this market as a whole. The sole senior market rate property, Era at Park 216, reports the lowest absorption pace, although this is a market rate property. Overall, we expect the Subject, where half of its units will be subsidized, 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	Rent Structure	Tenancy	Rent Growth
Arbour Reach Apartments	LIHTC	Family	Increased to the 2025 max
Crescent Place	LIHTC	Family	Increased 5%
Stone Ridge Apartments	LIHTC	Family	Increased to the 2025 max
The Arbors at Western Branch	LIHTC/ Market	Senior	Increased 2%-3%
The Orchards at Belleville Harbour Apartments*	LIHTC/ Market	Senior	NA
Victory Square Apartments	LIHTC	Senior	Increased to the 2025 max
Century Hampton Roads	Market	Family	Increased 2% to 15%
Clairmont At Harbour View Station*	Market	Family	Decreased 4% to increased 4%
Commons At Churchland	Market	Senior	Increased 13% to 18%
Era At Park 216	Market	Senior	Decreased 14% to increased 17%
Park 216	Market	Family	Decreased 2% to increased 10%
Westwinds Apartments	Market	Family	Increased 1%

*Located outside of the PMA

All of the LIHTC comparable properties reported achieving rent growth. Of these properties, all but Crescent Place are achieving rents at the 2025 maximum allowable levels. Crescent Place is offering a modest concession and its effective rents are close to the LIHTC maximum allowable levels. It is noted that recent rent growth has been minimal at best at the market rate comparables and some have decreased rents.

Reasonability of Rents

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

Bedroom Type	AMI Level	UNITS			RENTS				ACHIEVABLE LIHTC vs. Market Section 42 Max	
		SF	#	% of Total	Developer Pro Forma*	Achievable LIHTC Rents	Market ¹	Section 42 Max ²	as % of	as % of
1BR / 1BA	@30%	628	10	12.2%	\$1,496	\$522	\$1,400	\$522	37.3%	100.0%
1BR / 1BA	@50%	628	13	15.9%	\$921	\$921	\$1,400	\$921	65.8%	100.0%
1BR / 1BA	@50%	628	19	23.2%	\$1,496	\$921	\$1,400	\$921	65.8%	100.0%
1BR / 1BA	@60%	628	28	34.1%	\$1,121	\$1,121	\$1,400	\$1,121	80.1%	100.0%
2BR / 2BA	@50%	908	12	14.6%	\$1,712	\$1,106	\$1,700	\$1,106	65.1%	100.0%
OVERALL WEIGHTED AVG			82	100.0%	\$1,308	\$968	\$1,444	\$968	67.1%	100.0%
@30% Units			10	12.2%	\$1,496	\$522	\$1,400	\$522	37.3%	100.0%
@50% Units			44	53.7%	\$1,385	\$971	\$1,482	\$971	65.6%	100.0%
@60% Units			28	34.1%	\$1,121	\$1,121	\$1,400	\$1,121	80.1%	100.0%

¹ 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.

² Maximum Section 42 rents have been adjusted by the appropriate utility allowance.

* Proposed contract rents for the units with subsidy.

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 proposed rents and unit mix.

PROPOSED RENTS

Unit Type	Unit Size (SF) (1)	Number of Units	Asking Rent	Utility Allowance (2)	Gross Rent	2025 LIHTC Maximum Allowable Gross Rent	2026 HUD Fair Market Rents	
@30% (PBV) (3)								
1BR / 1BA	628	10	\$1,496	\$77	\$1,573	\$599	\$1,483	
@50%								
1BR / 1BA	628	13	\$921	\$77	\$998	\$998	\$1,483	
@50% (PBV) (3)								
1BR / 1BA	628	19	\$1,496	\$77	\$1,573	\$998	\$1,483	
2BR / 2BA	908	12	\$1,712	\$92	\$1,804	\$1,198	\$1,696	
@60%								
1BR / 1BA	628	28	\$1,121	\$77	\$1,198	\$1,198	\$1,483	
		82						

Notes (1) Weighted average unit size per Developer.

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

(3) Proposed contract rent.

The Subject is a proposed LIHTC/PBV property that will offer a total of 82 units, all of which are revenue-generating. Of the total 82 units, 41 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 and 50 percent of AMI levels 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	Rents at Max?
Twin Pines	Senior	\$1,496*	N/A
LIHTC Maximum Rent (Net)		\$522	
Achievable LIHTC Rent		\$522	Yes

*Proposed contract rent

LIHTC RENT COMPARISON @50%

Property Name	Tenancy	1BR	2BR	Rents at Max?
Twin Pines	Senior	\$921/\$1,496*	\$1,712*	Yes/ N/A
LIHTC Maximum Rent (Net)		\$921	\$1,106	
The Arbors at Western Branch	Senior	\$1,042	\$1,240	Yes
Average		\$1,042	\$1,240	
Achievable LIHTC Rent		\$921	\$1,106	Yes

*Proposed contract rent

LIHTC RENT COMPARISON @60%

Property Name	Tenancy	1BR	Rents at Max?
Twin Pines	Senior	\$1,121	Yes
LIHTC Maximum Rent (Net)		\$1,121	
Crescent Place	Family	\$1,109	No
Stone Ridge Apartments	Family	\$1,121	Yes
The Orchards at Belleville Harbour Apartments	Senior	\$1,232	Yes
Victory Square Apartments	Senior	\$1,163	Yes
Average		\$1,156	
Achievable LIHTC Rent		\$1,121	Yes

The Subject’s proposed rents for its one and two-bedroom units with subsidy at the 30 and 50 percent of AMI level are contract rents set above the maximum allowable levels. The Subject’s units at the 50 percent AMI level without subsidy are at the maximum allowable levels. None of the comparable properties reported offering units at the 30 percent of AMI level. Only one comparable, The Arbors at Western Branch, features units at the 50 percent AMI level. An additional four comparable properties reported offering units at the 60 percent of AMI level. As indicated, the majority of these comparables that feature units at the 60 percent of AMI levels report achieving rents at the maximum allowable levels. The exception is Crescent Place, which is offer a \$250 gift card as a minor concession.

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 8.9 percent, indicating the current rents are generally reasonable. Of the ten vacant units at this property, four are preleased to new tenants. 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 and a computer area, neither 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 maximum allowable levels for its units at 30, 50 and 60 percent of the AMI, absent subsidy, which are approximately \$40 below the rents at Victory Square Apartments due to a differing utility allowance calculation.

We also compare the Subject to The Orchards at Belleville Harbor Apartments, which is located 2.9 miles west of the Subject in a similar location. Completed in 2007, this property is in good condition, slightly inferior to the newly constructed Subject. The Orchards at Belleville Harbor Apartments features a garbage disposal, which the Subject will lack, although this property excludes a ceiling fan, which the Subject will offer. The Orchards at Belleville Harbor Apartments does not feature a computer area, picnic area, and theatre, all of which will be offered by the Subject. Therefore, in-unit amenities at The Orchards at Belleville Harbor Apartments are similar to the Subject while its property amenities are slightly inferior. One-bedroom unit sizes at this comparable are similar to the Subject's. In summary, the Subject is slightly superior to The Orchards at Belleville Harbor. This property reports achieving maximum allowable rents at the 60 percent AMI level, and we believe the Subject could similarly achieve maximum allowable rents as well. Due to a differing utility allowance schedule, the adjusted one-bedroom 60 percent rent at The Orchards at Belleville Harbor Apartments appears significantly higher than the Subject's proposed rent.

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
Subject Pro Forma @30% (PBV)*	\$1,496	-
Subject Pro Forma @50%	\$921	-
Subject Pro Forma @ 50% (PBV)*	\$1,496	\$1,712
Subject Pro Forma @60%	\$1,121	-
	\$1,757	\$1,895
	\$1,832	\$1,895
The Arbors at Western Branch	\$1,832	\$1,995
	-	\$1,895
	-	\$2,350
	-	\$1,995
	\$1,155	\$1,400
The Orchards at Belleville Harbour Apartments	\$1,232	\$1,420
	-	\$1,440
Century Hampton Roads	\$1,872	\$2,118
	-	\$2,058
	\$1,777	\$2,021
Clairmont At Harbour View Station	\$1,777	\$1,943
	-	\$1,220
Commons At Churchland	-	\$1,390
	-	\$1,565
	\$1,955	\$1,929
	\$1,831	\$2,199
Era At Park 216	\$1,781	\$2,153
	-	\$2,989
	-	\$2,929
	-	\$2,129
	\$1,731	\$1,829
Park 216	\$1,781	\$2,004
	-	\$2,699
	-	\$3,199
Westwinds Apartments	\$1,358	\$1,541
Average	\$1,691	\$2,007
Achievable Market Rent	\$1,400	\$1,700

*Proposed contract rents

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)	\$522	\$1,155	\$1,955	\$1,691	\$1,400	63%
1BR / 1BA	@50%	\$921	\$1,155	\$1,955	\$1,691	\$1,400	34%
1BR / 1BA	@50% (PBV)	\$921	\$1,155	\$1,955	\$1,691	\$1,400	34%
1BR / 1BA	@60%	\$1,121	\$1,155	\$1,955	\$1,691	\$1,400	20%
2BR / 2BA	@50% (PBV)	\$1,106	\$1,220	\$3,199	\$2,024	\$1,700	35%

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 20 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 0.2 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	Subject Achievable Market Rent	Square Feet	Subject RPSF	Westwinds Apartments Rent	Square Feet	Westwinds Apartments RPSF
1BR / 1BA	\$1,400	628	\$2.23	\$1,358	900	\$1.51
2BR / 2BA	\$1,700	908	\$1.87	\$1,541	950	\$1.62

Westwinds Apartments offers a playground and a swimming pool, both of which the proposed Subject will lack. However, the Subject will offer a computer area and a fitness center, neither 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 fully occupied. The following table compares the Subject with Era at Park 216.

SUBJECT COMPARISON TO ERA AT PARK 216

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Era At Park 216 Rent	Square Feet	Era At Park 216 RPSF
1BR / 1BA	\$1,400	628	\$2.23	\$1,831	773	\$2.37
2BR / 2BA	\$1,700	908	\$1.87	\$2,989	1,016	\$2.94

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 (62+) LIHTC/PBV development. The strengths of the Subject will be its excellent condition upon completion. Weaknesses of the Subject are its small unit sizes. 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, below the 1.7 percent average reported by the stabilized market rate properties. Few of the comparable developments have a waiting list at this time, and some do not maintain waiting lists as a matter of policy. Most comparable LIHTC properties report achieving the 2025

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 2,240 units in 12 rental properties. The LIHTC comparables in the area reported vacancy rates of 8.9 percent or lower. It should be noted that Era at Park 216 opened in February 2024, and was leasing units at a pace of approximately six units per month before stabilization. Managers at one of the six 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.

**H. 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 and 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 on 41 units. 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.

62+ INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30% (PBV)		@50%		@50% (PBV)		@60%	
1BR	\$0	\$25,560	\$29,940	\$42,600	\$0	\$42,600	\$35,940	\$51,120
2BR	-	-	-	-	\$0	\$42,600	-	-

62+ 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	-	-	\$35,940	\$42,600	-	-

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 62+

Income Cohort	PMA					
	2025		2030		Annual Change 2025 to 2030	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	268	10.9%	273	10.4%	1	0.4%
\$10,000-19,999	581	23.7%	578	22.0%	-1	-0.1%
\$20,000-29,999	430	17.5%	445	16.9%	3	0.7%
\$30,000-39,999	178	7.3%	159	6.0%	-4	-2.1%
\$40,000-49,999	185	7.5%	205	7.8%	4	2.2%
\$50,000-59,999	171	7.0%	170	6.5%	0	-0.1%
\$60,000-74,999	188	7.7%	207	7.9%	4	2.0%
\$75,000-99,999	102	4.2%	129	4.9%	5	5.3%
\$100,000-124,999	182	7.4%	232	8.8%	10	5.5%
\$125,000-149,999	43	1.8%	53	2.0%	2	4.7%
\$150,000-199,999	48	2.0%	63	2.4%	3	6.3%
\$200,000+	75	3.1%	115	4.4%	8	10.7%
Total	2,451	100.0%	2,629	100.0%		

Source: HISTA Data / Ribbon Demographics 2022, Novogradac, March 2026

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.

62+ INCOME DISTRIBUTION 2025 - AS PROPOSED

Income Cohort	Total Renter Households	@30% (PBV)			@50%			@50% (PBV)			@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	cohort overlap	% in cohort	# in cohort					
\$0-9,999	268	9,999	100.0%	268						9,999	100.0%	268				9,999	100.0%	268			
\$10,000-19,999	581	9,999	100.0%	581						9,999	100.0%	581				9,999	100.0%	581			
\$20,000-29,999	430	5,561	55.6%	239	58	0.6%	2	9,999	100.0%	430						9,999	100.0%	430			
\$30,000-39,999	178				9,999	100.0%	178	9,999	100.0%	178	4,058	40.6%	72	9,999	100.0%	178	9,999	100.0%	178		
\$40,000-49,999	185				2,601	26.0%	48	2,601	26.0%	48	9,999	100.0%	185	9,999	100.0%	185	9,999	100.0%	185		
\$50,000-59,999	171										1,121	11.2%	19	1,121	11.2%	19	1,121	11.2%	19		
\$60,000-74,999	188																				
\$75,000-99,999	102																				
\$100,000-124,999	182																				
\$125,000-149,999	43																				
\$150,000-199,999	48																				
\$200,000+	75																				
Total	2,451			44.4%	1,088			9.3%	229			61.4%	1,505			11.3%	276			67.8%	1,661

62+ INCOME DISTRIBUTION 2025 - 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	268																
\$10,000-19,999	581	2,028	20.3%	118													
\$20,000-29,999	430	5,561	55.6%	239	58	0.6%	2	9,999	100.0%	178	4,058	40.6%	72				
\$30,000-39,999	178				9,999	100.0%	178	9,999	100.0%	178	9,999	100.0%	178				
\$40,000-49,999	185				2,601	26.0%	48	2,601	26.0%	48	9,999	100.0%	185				
\$50,000-59,999	171							1,121	11.2%	19	1,121	11.2%	19				
\$60,000-74,999	188																
\$75,000-99,999	102																
\$100,000-124,999	182																
\$125,000-149,999	43																
\$150,000-199,999	48																
\$200,000+	75																
Total	2,451			14.6%	357			9.3%	229			11.3%	276			30.3%	742

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 2025

	Renter Household Size Distribution	Total Number of Renter Households
1 person	66.6%	1,633
2 persons	19.3%	472
3 persons	6.4%	156
4 persons	3.8%	92
5+ persons	4.0%	98
Total	100.0%	2,451

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,633	x	44.4%	725
2 persons	472	x	44.4%	210
3 persons	156	x	44.4%	69
4 persons	92	x	44.4%	41
5+ persons	98	x	44.4%	44
Total	2,451			1,088

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	694
2BR	-
Total	694

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

	Developer's Unit Mix	Capture Rate
1BR	10	1.44%
2BR	-	-
Total/Overall	10	1.44%

Adjusted for Leakage from Outside of the PMA

20%

1BR	10	1.15%
2BR	-	-
Total/Overall	10	1.15%

Capture Rate - 50% - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2025

	Renter Household Size Distribution	Total Number of Renter Households
1 person	66.6%	1,633
2 persons	19.3%	472
3 persons	6.4%	156
4 persons	3.8%	92
5+ persons	4.0%	98
Total	100.0%	2,451

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,633	x	9.3%	152
2 persons	472	x	9.3%	44
3 persons	156	x	9.3%	15
4 persons	92	x	9.3%	9
5+ persons	98	x	9.3%	9
Total	2,451			229

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	146
2BR	-
Total	146

Capture Rate Analysis - @50% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	13	8.91%
2BR	-	-
Total/Overall	13	8.91%

Adjusted for Leakage from Outside of the PMA

20%

1BR	13	7.13%
2BR	-	-
Total/Overall	13	7.13%

Capture Rate - 50% (PBV) - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2025

	Renter Household Size Distribution	Total Number of Renter Households
1 person	66.6%	1,633
2 persons	19.3%	472
3 persons	6.4%	156
4 persons	3.8%	92
5+ persons	4.0%	98
Total	100.0%	2,451

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,633	x	61.4%	1,003
2 persons	472	x	61.4%	290
3 persons	156	x	61.4%	96
4 persons	92	x	61.4%	56
5+ persons	98	x	61.4%	60
Total	2,451			1,505

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	960
2BR	407
Total	1,367

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

	Developer's Unit Mix	Capture Rate
1BR	19	1.98%
2BR	12	2.95%
Total/Overall	31	2.27%

Adjusted for Leakage from Outside of the PMA

20%

1BR	19	1.58%
2BR	12	2.36%
Total/Overall	31	1.81%

Capture Rate - 60% - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2025

	Renter Household Size Distribution	Total Number of Renter Households
1 person	66.6%	1,633
2 persons	19.3%	472
3 persons	6.4%	156
4 persons	3.8%	92
5+ persons	4.0%	98
Total	100.0%	2,451

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,633	x	11.3%	184
2 persons	472	x	11.3%	53
3 persons	156	x	11.3%	18
4 persons	92	x	11.3%	10
5+ persons	98	x	11.3%	11
Total	2,451			276

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	176
2BR	-
Total	176

Capture Rate Analysis - @60% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	28	15.87%
2BR	-	-
Total/Overall	28	15.87%

Adjusted for Leakage from Outside of the PMA

20%

1BR	28	12.70%
2BR	-	-
Total/Overall	28	12.70%

Capture Rate - All Units - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2025

	Renter Household Size Distribution	Total Number of Renter Households
1 person	66.6%	1,633
2 persons	19.3%	472
3 persons	6.4%	156
4 persons	3.8%	92
5+ persons	4.0%	98
Total	100.0%	2,451

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,633	x	67.8%	1,107
2 persons	472	x	67.8%	320
3 persons	156	x	67.8%	106
4 persons	92	x	67.8%	62
5+ persons	98	x	67.8%	66
Total	2,451			1,661

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	1,060
2BR	449
Total	1,509

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	70	6.60%
2BR	12	2.67%
Total/Overall	82	5.43%

Adjusted for Leakage from Outside of the PMA 20%

1BR	70	5.28%
2BR	12	2.14%
Total/Overall	82	4.35%

Capture Rate - 30% - Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2025

	Renter Household Size Distribution	Total Number of Renter Households
1 person	66.6%	1,633
2 persons	19.3%	472
3 persons	6.4%	156
4 persons	3.8%	92
5+ persons	4.0%	98
Total	100.0%	2,451

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,633	x	14.6%	238
2 persons	472	x	14.6%	69
3 persons	156	x	14.6%	23
4 persons	92	x	14.6%	13
5+ persons	98	x	14.6%	14
Total	2,451			357

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	228
2BR	-
Total	228

Capture Rate Analysis - @30% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	10	4.39%
2BR	-	-
Total/Overall	10	4.39%

Adjusted for Leakage from Outside of the PMA

20%

1BR	10	3.51%
2BR	-	-
Total/Overall	10	3.51%

Capture Rate - 50% - Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2025

	Renter Household Size Distribution	Total Number of Renter Households
1 person	66.6%	1,633
2 persons	19.3%	472
3 persons	6.4%	156
4 persons	3.8%	92
5+ persons	4.0%	98
Total	100.0%	2,451

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,633	x	9.3%	152
2 persons	472	x	9.3%	44
3 persons	156	x	9.3%	15
4 persons	92	x	9.3%	9
5+ persons	98	x	9.3%	9
Total	2,451			229

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	146
2BR	62
Total	208

Capture Rate Analysis - @50% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	32	21.93%
2BR	12	19.43%
Total/Overall	44	21.19%

Adjusted for Leakage from Outside of the PMA

20%

1BR	32	17.55%
2BR	12	15.54%
Total/Overall	44	16.95%

Capture Rate - 60% - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2025

	Renter Household Size Distribution	Total Number of Renter Households
1 person	66.6%	1,633
2 persons	19.3%	472
3 persons	6.4%	156
4 persons	3.8%	92
5+ persons	4.0%	98
Total	100.0%	2,451

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,633	x	11.3%	184
2 persons	472	x	11.3%	53
3 persons	156	x	11.3%	18
4 persons	92	x	11.3%	10
5+ persons	98	x	11.3%	11
Total	2,451			276

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	176
2BR	-
Total	176

Capture Rate Analysis - @60% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	28	15.87%
2BR	-	-
Total/Overall	28	15.87%

Adjusted for Leakage from Outside of the PMA

20%

1BR	28	12.70%
2BR	-	-
Total/Overall	28	12.70%

Capture Rate - All Units – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2025

	Renter Household Size Distribution	Total Number of Renter Households
1 person	66.6%	1,633
2 persons	19.3%	472
3 persons	6.4%	156
4 persons	3.8%	92
5+ persons	4.0%	98
Total	100.0%	2,451

Income-Qualified Renter Demand

	Total Number of Renter Households		% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	1,633	x	30.3%	494
2 persons	472	x	30.3%	143
3 persons	156	x	30.3%	47
4 persons	92	x	30.3%	28
5+ persons	98	x	30.3%	30
Total	2,451			742

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	473
2BR	200
Total	674

Capture Rate Analysis - All Units Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	70	14.79%
2BR	12	5.99%
Total/Overall	82	12.17%

Adjusted for Leakage from Outside of the PMA

20%

1BR	70	11.83%
2BR	12	4.79%
Total/Overall	82	9.74%

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 2025 to 2030. 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	Under construction	5.6 miles
The Port	Market	Senior	192	0	N/A	Proposed	1.3 miles
Totals			242	0			

Source: Virginia Housing, CoStar, March 2026

Following is a discussion of the under construction property, which will be an affordable property.

- Bain’s Pointe is an under construction 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.

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

Annual Demand – As Proposed

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2025		2,451
Increase in Number of Renter Households		178
Number of Renter Households in 2030		2,629
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		23.6%
Percentage of Income-Qualified Renter Households		67.8%
Number of Income-Qualified Renter Households		1,661
Percentage of Rent-Overburdened		46.0%
Existing Income-Qualified Renter Household Turnover		765
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		36
Percentage of Income-Qualified Renter Households		67.8%
New Rental Income Qualified Households		24
<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		789
Portion Originating within PMA		80%
Total Demand (Turnover and Growth) from within PMA		986
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		986
Yielded Annual Capture Rate of Available Demand in 2026		7.9%

Annual Demand - Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2025		2,451
Increase in Number of Renter Households		178
Number of Renter Households in 2030		2,629
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		23.6%
Percentage of Income-Qualified Renter Households		30.3%
Number of Income-Qualified Renter Households		742
Percentage of Rent-Overburdened		46.0%
Existing Income-Qualified Renter Household Turnover		342
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		36
Percentage of Income-Qualified Renter Households		30.3%
New Rental Income Qualified Households		11
<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		352
Portion Originating within PMA		80%
Total Demand (Turnover and Growth) from within PMA		441
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		441
Yielded Annual Capture Rate of Available Demand in 2026		17.7%

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 two senior LIHTC properties in the PMA as a comparable in this report and they has reported a total of six vacant units that are not preleased to new tenants. We have deducted these six 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 six units of supply as proposed (six vacant units (not preleased) + 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% (PBV) (\$0 to \$25,560)	Up to 50% (\$29,940 to \$42,600)	Up to 50% (PBV) (\$0 to \$42,600)	Up to 60% (\$35,940 to \$51,120)	Project Total (\$0 to \$51,120)
New Rental Households	16	3	22	4	24
+					
Existing Households - Overburdened	501	105	693	127	765
+					
Existing Households - Substandard Housing	15	3	21	4	23
+					
Senior Households - Likely to Convert to Rental Housing	11	2	15	3	17
+					
Existing Qualifying Tenants - to Remain After Renovation	0	0	0	0	0
Total Demand	543	114	751	138	828
-					
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	6	6	6	6	6
Net Demand	537	108	745	132	822
Proposed Units	10	13	31	28	82
Capture Rate	1.9%	12.0%	4.2%	21.2%	10.0%
Absorption Period	8-9 months	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	10.0%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	10.0%
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 planned affordable senior units without subsidy. When combining vacant units with planned units, there are six units of supply as proposed (six vacant units + zero affordable units).

VIRGINIA HOUSING DEMAND ANALYSIS (ABSENT SUBSIDY)

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	5	3	4	11
+				
Existing Households - Overburdened	164	105	127	341
+				
Existing Households - Substandard Housing	5	3	4	10
+				
Senior Households - Likely to Convert to Rental Housing	4	2	3	7
+				
Existing Qualifying Tenants - to Remain After Renovation	0	0	0	0
Total Demand	178	114	138	370
-				
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	6	6	6	6
Net Demand	172	108	132	364
Proposed Units	10	44	28	82
Capture Rate	5.8%	40.7%	21.2%	22.5%
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, 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	22.5%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	22.5%
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 10.0 percent as proposed and 22.5 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 7.9 percent as proposed, indicating that there are 986 units of demand in the PMA in the first year of the Subject’s operation. Absent subsidy, the capture rate is 17.7 percent, indicating that there are 441 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	10.0%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	10.0%
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	22.5%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	22.5%
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
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
South Bay	LIHTC	Family	60	0	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
Totals			2,304	166	268

As shown above, there are 434 competitive affordable units in the PMA as proposed. This includes 166 LIHTC units and 268 subsidized units. Absent subsidy, there are 166 competitive LIHTC units, which excludes 268 units with subsidy. These units are deducted from our analysis.

Penetration Rate - As Proposed

As shown in the income distribution previously, there are 1,661 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	1,661
Number of Existing Competitive Senior Affordable Units in the PMA	434
Number of Proposed Competitive Affordable Units in the PMA	0
Remaining Income Eligible Renter Households	1,227
Number of Proposed Affordable Units at the Subject	82
Overall Penetration Rate - Subject Focus	6.7%

For Methodology One, after deductions for existing and proposed competitive units in the PMA, the resulting penetration rate is 6.7 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	434
	+
Number of Proposed Affordable Units at the Subject	82
	=
Total	516
	/
Income Eligible Households - All AMI Levels	1,661
	=
Overall Penetration Rate - Market Focus (NCHMA)	31.1%

After deductions for existing and proposed competitive units in the PMA, the resulting penetration rate is 31.1 percent.

Penetration Rate - Absent Subsidy

As shown in the income distribution previously, there are 742 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	742
Number of Existing Competitive Senior LIHTC Units in the PMA	166
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	0
Remaining Income Eligible Renter Households	576
Number of Proposed <i>LIHTC</i> Units at the Subject	82
Overall Penetration Rate - Subject Focus	14.2%

After deductions for existing and proposed competitive units in the PMA, the resulting penetration rate, absent subsidy, is 14.2 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	166
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	82
	=
Total	248
	/
Income Eligible Households - All AMI Levels	742
	=
Overall Penetration Rate - Market Focus (NCHMA)	33.4%

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 4.3 percent, as proposed, and 9.7 percent, absent subsidy.

DEMAND CONCLUSION		
Calculation	As Proposed	Absent Subsidy
@30% (PBV)	1.2%	3.5%
@50%	7.1%	17.0%
@50% (PBV)	1.8%	-
@60%	12.7%	12.7%
All Units	4.3%	9.7%
Annual Demand	7.9%	17.7%
Penetration Rate Methodology One	6.7%	14.2%
Penetration Rate Methodology Two	31.1%	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, 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 986 units and 441 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, half of the Subject's units as proposed will be fully subsidized.

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	10.0%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	10.0%
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	22.5%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	22.5%
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							Total	Absorption
Property Name	Program	Tenancy	City	Year		Units	(units/month)	
Lexington Reserve	LIHTC/Section 8	Senior	Portsmouth	2025		105	105	
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						130	50	
Average Market Rate						225	16	
Overall Average						185	31	

We obtained absorption data from seven properties in the Hampton Roads region. These properties were completed over the 2022 to 2025 period. These properties reported absorption rates ranging from six to 105 units per month, with an overall average of 31 units per month. The LIHTC properties reported higher absorption rates on average compared to the market rate properties. All units at Lexington Reserve have project-based subsidy, where tenants pay 30 percent of their income as rent. In addition, it is likely that some tenants at this property formerly lived in public housing that was demolished on this site. For these reasons, we believe the absorption pace at Lexington Reserve, which was fully leased within one month of completion in December 2025, is not necessarily reflective of this market as a whole. The sole senior market rate property, Era at Park 216, reports the lowest absorption pace, although this is a market rate property. Overall, we expect the Subject, where half of its units will be subsidized, will experience an absorption rate of 10 units per month. This equates to an absorption period of approximately eight to nine months.

I. 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%
1BR @50%	\$998	\$1,573	37%
2BR @50%	\$1,198	\$1,804	34%
1BR @60%	\$1,198	\$1,573	24%

Source: Portsmouth Redevelopment and Housing Authority, effective January 2026

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 2022. 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	Under construction	5.6 miles
The Port	Market	Senior	192	0	N/A	Proposed	1.3 miles
Totals			242	0			

Source: Virginia Housing, CoStar, March 2026

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

- Bain's Pointe is an under construction 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.

There are no directly competitive units in LIHTC properties that received a recent 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 2022.

RECENT LIHTC ALLOCATIONS IN PMA

Property Name	Year Allocated	Rent Structure	Tenancy	Total Units	Competitive Units	Competitive Subsidized Units
Bain's Pointe	2024	LIHTC/PBRA	Family	50	0	0
				50	0	0

Source: Virginia Housing, March 2026

As detailed above, only one 50-unit development, known as Bain's Pointe, has received a tax credit allocation in the PMA since 2022. A detailed description of these projects was previously presented.

J. 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	10.0%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	10.0%
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	22.5%
Project Wide Capture Rate - Market Units	N/A
Project Wide Capture Rate - All Units	22.5%
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.
- Most of the comparable LIHTC properties reported achieving 2025 maximum allowable rents.
- There is ample demand for affordable housing as evidenced by 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 The Orchards at Belleville Harbour Apartments, a senior LIHTC comparable, offer similarly small units and reported 98 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.

Absorption Estimate

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

ABSORPTION							Total	Absorption
Property Name	Program	Tenancy	City	Year		Units	(units/month)	
Lexington Reserve	LIHTC/Section 8	Senior	Portsmouth	2025		105	105	
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						130	50	
Average Market Rate						225	16	
Overall Average						185	31	

We obtained absorption data from seven properties in the Hampton Roads region. These properties were completed over the 2022 to 2025 period. These properties reported absorption rates ranging from six to 105 units per month, with an overall average of 31 units per month. The LIHTC properties reported higher absorption rates on average compared to the market rate properties. All units at Lexington Reserve have project-based subsidy, where tenants pay 30 percent of their income as rent. In addition, it is likely that some tenants at this property formerly lived in public housing that was demolished on this site. For these reasons, we believe the absorption pace at Lexington Reserve, which was fully leased within one month of completion in December 2025, is not necessarily reflective of this market as a whole. The sole senior market rate property, Era at Park 216, reports the lowest absorption pace, although this is a market rate property. Overall, we expect the Subject, where half of its units will be subsidized, 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 (62+) LIHTC/PBV development. The strengths of the Subject will be its excellent condition upon completion. Weaknesses of the Subject are its small unit sizes. 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, below the 1.7 percent average reported by the stabilized market rate properties. Few of the comparable developments have a waiting list at this time, and some do not maintain waiting lists as a matter of policy. Most comparable LIHTC properties report achieving the 2025 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.

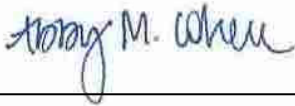
K. OTHER REQUIREMENTS

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: March 11, 2026



Abby M. Cohen
Partner
Abby.Cohen@novoco.com
240-235-1705



Robert Edwards
Senior Analyst
Bob.Edwards@novoco.com



Pretlow Parrott
Junior Analyst
Pretlow.Parrott@novoco.com

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 adjacent parking area



Subject site from adjacent parking area



Subject site from Twin Pines Road



Subject site from Twin Pines Road



Subject site from Twin Pines Road



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



Townhomes to the west of Subject site



Townhomes to the west of Subject site



Townhomes to the west of Subject site



Single-family homes to the west of Subject site



Single-family home to the west of Subject site



Single-family home to the west of Subject site



Single-family homes to the east of Subject site



Single-family homes to the east of Subject site



Townhomes to the west of Subject site



Townhomes 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 west of Subject site



Single-family homes to the west of Subject site

ADDENDUM C
Subject Matrices and Property Profile

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 2028 / n/a Senior	@30% (PBV), @50% (PBV), @50%, @60%	1BR / 1BA	10	23.2%	628	@30% (PBV)	\$1,496	N/A	N/A	N/A	N/A
					1BR / 1BA	13	15.9%	628	@50%	\$921	Yes	N/A	N/A	N/A
					1BR / 1BA	19	12.2%	628	@50% (PBV)	\$1,496	N/A	N/A	N/A	N/A
					1BR / 1BA	28	34.2%	628	@60%	\$1,121	Yes	N/A	N/A	N/A
					2BR / 2BA	12	14.6%	908	@50% (PBV)	\$1,712	N/A	N/A	N/A	N/A
					82							0	0.0%	
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%	\$1,358	Yes	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%	\$1,109	No	No	N/A	N/A
					2BR / 2BA	104	66.7%	1,181	@60%	\$1,330	No	No	N/A	N/A
					3BR / 2BA	36	23.1%	1,379	@60%	\$1,534	No	No	N/A	N/A
						156							8	5.1%
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%	\$1,121	Yes	No	N/A	N/A
					2BR / 1BA	100	48.3%	920	@60%	\$1,340	Yes	No	N/A	N/A
					3BR / 1.5BA	68	32.9%	1,020	@60%	\$1,542	Yes	No	N/A	N/A
						207							11	5.3%
4	The Arbors at Western Branch 2500 Chesapeake Square Ring Road Chesapeake, VA 23321	3.8 miles	Midrise 4-stories 2022 / n/a Senior	@50%, Market	1BR / 1BA	N/A	N/A	794	@50%	\$1,042	Yes	N/A	0	N/A
					1BR / 1BA	N/A	N/A	794	Market	\$1,757	N/A	N/A	0	N/A
					1BR / 1BA	N/A	N/A	846	Market	\$1,832	N/A	N/A	0	N/A
					1BR / 1BA	N/A	N/A	928	Market	\$1,832	N/A	N/A	0	N/A
					2BR / 1.5BA	N/A	N/A	1,029	@50%	\$1,240	Yes	N/A	0	N/A
					2BR / 1.5BA	N/A	N/A	1,029	Market	\$1,895	N/A	N/A	0	N/A
					2BR / 1.5BA	N/A	N/A	1,037	Market	\$1,895	N/A	N/A	0	N/A
					2BR / 1.5BA	N/A	N/A	1,104	Market	\$1,995	N/A	N/A	0	N/A
					2BR / 1.5BA	N/A	N/A	1,174	Market	\$1,895	N/A	N/A	0	N/A
					2BR / 1.5BA	N/A	N/A	1,216	Market	\$2,350	N/A	N/A	0	N/A
					2BR / 2BA	N/A	N/A	1,077	Market	\$1,995	N/A	N/A	0	N/A
						136							2	1.5%
5	The Orchards at Belleville Harbour Apartments 1050 Belle Orchard Lane Suffolk, VA 23435	2.9 miles	Lowrise 3-stories 2007 / n/a Senior	@60%, Market	1BR / 1BA	N/A	N/A	628	@60%	\$1,155	No	No	N/A	N/A
					1BR / 1BA	N/A	N/A	628	@60%	\$1,232	Yes	No	N/A	N/A
					1BR / 1BA	N/A	N/A	683	Market	\$1,155	N/A	No	N/A	N/A
					1BR / 1BA	N/A	N/A	683	Market	\$1,232	N/A	No	N/A	N/A
					2BR / 1BA	N/A	N/A	814	@60%	\$1,305	No	No	N/A	N/A
					2BR / 1BA	N/A	N/A	893	@60%	\$1,325	No	No	N/A	N/A
					2BR / 1BA	N/A	N/A	914	@60%	\$1,345	Yes	No	N/A	N/A
					2BR / 1BA	N/A	N/A	814	Market	\$1,400	N/A	No	N/A	N/A
					2BR / 1BA	N/A	N/A	893	Market	\$1,420	N/A	No	N/A	N/A
					2BR / 1BA	N/A	N/A	914	Market	\$1,440	N/A	No	N/A	N/A
						112							10	8.9%
6	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%	\$1,163	Yes	No	N/A	N/A
					2BR / 1BA	14	12.5%	880	@60%	\$1,403	Yes	No	N/A	N/A
						216							13	6.0%
7	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	\$1,872	N/A	No	1	2.8%
					2BR / 2BA	12	5.6%	1,028	Market	\$2,118	N/A	No	4	33.3%
					2BR / 2BA	132	61.1%	1,052	Market	\$2,058	N/A	No	6	4.6%
					3BR / 2BA	12	5.6%	1,279	Market	-	N/A	No	0	0.0%
					3BR / 2BA	24	11.1%	1,276	Market	\$2,547	N/A	No	2	8.3%
						276							2	0.7%
8	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	\$1,777	N/A	No	N/A	N/A
					1BR / 1BA	12	4.4%	798	Market	\$1,777	N/A	No	N/A	N/A
					2BR / 2BA	48	17.4%	1,166	Market	\$2,021	N/A	No	N/A	N/A
					2BR / 2BA	84	30.4%	1,174	Market	\$1,943	N/A	No	N/A	N/A
					3BR / 2BA	24	8.7%	1,339	Market	\$2,404	N/A	No	N/A	N/A
						104							0	0.0%
9	Commons At Churchland 3504 Executive Center Drive Chesapeake, VA 23321	1.1 miles	Lowrise 3-stories 1995 / n/a Senior	Market	2BR / 1BA	N/A	N/A	820	Market	\$1,220	Yes	Yes	N/A	N/A
					2BR / 1.5BA	N/A	N/A	940	Market	\$1,390	N/A	Yes	N/A	N/A
					2.5BR / 1.5BA	N/A	N/A	1,050	Market	\$1,565	N/A	Yes	N/A	N/A
						104							0	0.0%
10	Era At Park 216 901 Beringer Road Suffolk, VA 23435	1.4 miles	Midrise 4-stories 2024 / n/a Senior	Market	1BR / 1BA	N/A	N/A	1,009	Market	\$1,955	N/A	N/A	N/A	N/A
					1BR / 1BA	N/A	N/A	773	Market	\$1,831	N/A	N/A	N/A	N/A
					1BR / 1BA	39	37.5%	891	Market	\$1,781	N/A	N/A	N/A	N/A
					2BR / 1BA	N/A	N/A	887	Market	\$1,929	N/A	N/A	N/A	N/A
					2BR / 1BA	N/A	N/A	1,095	Market	\$2,199	N/A	N/A	N/A	N/A
					2BR / 1BA	22	21.2%	991	Market	\$2,153	N/A	N/A	N/A	N/A
					2BR / 2BA	N/A	N/A	1,016	Market	\$2,989	N/A	N/A	N/A	N/A
					2BR / 2BA	N/A	N/A	1,546	Market	\$2,929	N/A	N/A	N/A	N/A
					2BR / 2BA	43	41.4%	1,281	Market	\$2,129	N/A	N/A	N/A	N/A
						266							7	2.6%
11	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	\$1,731	N/A	No	N/A	N/A
					1BR / 1BA	12	4.5%	765	Market	\$1,781	N/A	No	N/A	N/A
					2BR / 1BA	48	18.1%	892	Market	\$1,829	N/A	No	N/A	N/A
					2BR / 2BA	86	32.3%	1,112	Market	\$2,004	N/A	No	N/A	N/A
					2BR / 2BA	4	1.5%	1,308	Market	\$2,699	N/A	No	N/A	N/A
					2BR / 2.5BA	4	1.5%	1,747	Market	\$3,199	N/A	No	N/A	N/A
						163							0	0.0%
12	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	\$1,358	N/A	No	N/A	N/A
					2BR / 2BA	228	55.9%	950	Market	\$1,541	N/A	No	N/A	N/A
					3BR / 2BA	72	17.7%	1,150	Market	\$1,825	N/A	No	N/A	N/A
						408							1	0.2%

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.				
	Units Surveyed:	2,240	Weighted Occupancy:	97.5%
	Market Rate	1,374	Market Rate	98.3%
	Tax Credit	866	Tax Credit	96.3%
One Bedroom One Bath		Average	Two Bedroom Two Bath	
Property			Property	Average
RENT	Era At Park 216 (Market)	\$1,955	Park 216 (Market)(2.5BA)	\$3,199
	Century Hampton Roads (Market)	\$1,872	Era At Park 216 (Market)	\$2,989
	The Arbors at Western Branch (Market)	\$1,832	Era At Park 216 (Market)	\$2,929
	The Arbors at Western Branch (Market)	\$1,832	Park 216 (Market)	\$2,699
	Era At Park 216 (Market)	\$1,831	The Arbors at Western Branch (Market)(1.5BA)	\$2,350
	Era At Park 216 (Market)	\$1,781	Era At Park 216 (Market)(1BA)	\$2,199
	Park 216 (Market)	\$1,781	Era At Park 216 (Market)(1BA)	\$2,153
	Clairmont At Harbour View Station (Market)	\$1,777	Era At Park 216 (Market)	\$2,129
	Clairmont At Harbour View Station (Market)	\$1,777	Century Hampton Roads (Market)	\$2,118
	The Arbors at Western Branch (Market)	\$1,757	Century Hampton Roads (Market)	\$2,058
	Park 216 (Market)	\$1,731	Clairmont At Harbour View Station (Market)	\$2,021
	Twin Pines (@30%)	\$1,496	Park 216 (Market)	\$2,004
	Twin Pines (@50%)	\$1,496	The Arbors at Western Branch (Market)(1.5BA)	\$1,995
	Twin Pines (628 SF)(AMR)	\$1,400	The Arbors at Western Branch (Market)	\$1,995
	Westwinds Apartments (Market)	\$1,358	Clairmont At Harbour View Station (Market)	\$1,943
	The Orchards at Belleville Harbour Apartments (@60%)	\$1,232	Era At Park 216 (Market)(1BA)	\$1,929
	The Orchards at Belleville Harbour Apartments (Market)	\$1,232	The Arbors at Western Branch (Market)(1.5BA)	\$1,895
	Victory Square Apartments (@60%)	\$1,163	The Arbors at Western Branch (Market)(1.5BA)	\$1,895
	The Orchards at Belleville Harbour Apartments (@60%)	\$1,155	The Arbors at Western Branch (Market)(1.5BA)	\$1,895
	The Orchards at Belleville Harbour Apartments (Market)	\$1,155	Park 216 (Market)(1BA)	\$1,829
	Twin Pines (@60%)	\$1,121	Twin Pines (@50%)	\$1,712
	Stone Ridge Apartments (@60%)	\$1,121	Twin Pines (908 SF)(AMR)	\$1,700
	Twin Pines (@60%)(ALR)	\$1,121	Westwinds Apartments (Market)	\$1,541
	Crescent Place (@60%)	\$1,109	The Orchards at Belleville Harbour Apartments (Market)(1BA)	\$1,440
	The Arbors at Western Branch (@50%)	\$1,042	The Orchards at Belleville Harbour Apartments (Market)(1BA)	\$1,420
	Twin Pines (@50%)(ALR)	\$921	Victory Square Apartments (@60%)(1BA)	\$1,403
	Twin Pines (@50%)	\$921	The Orchards at Belleville Harbour Apartments (Market)(1BA)	\$1,400
	Twin Pines (@30%)(ALR)	\$522	Commons At Churchland (Market)(1.5BA)	\$1,390
			Arbour Reach Apartments (@60%)	\$1,358
			The Orchards at Belleville Harbour Apartments (@60%)(1BA)	\$1,345
			Stone Ridge Apartments (@60%)(1BA)	\$1,340
			Crescent Place (@60%)	\$1,330
			The Orchards at Belleville Harbour Apartments (@60%)(1BA)	\$1,325
			The Orchards at Belleville Harbour Apartments (@60%)(1BA)	\$1,305
			The Arbors at Western Branch (@50%)(1.5BA)	\$1,240
		Commons At Churchland (Market)(1BA)	\$1,220	
		Twin Pines (@50%)(ALR)	\$1,106	
SQUARE FOOTAGE	Era At Park 216 (Market)	1,009	Park 216 (Market)(2.5BA)	1,747
	The Arbors at Western Branch (Market)	928	Era At Park 216 (Market)	1,546
	Westwinds Apartments (Market)	900	Park 216 (Market)	1,308
	Era At Park 216 (Market)	891	Era At Park 216 (Market)	1,281
	Stone Ridge Apartments (@60%)	850	The Arbors at Western Branch (Market)(1.5BA)	1,216
	The Arbors at Western Branch (Market)	846	Crescent Place (@60%)	1,181
	Crescent Place (@60%)	812	The Arbors at Western Branch (Market)(1.5BA)	1,174
	Clairmont At Harbour View Station (Market)	798	Clairmont At Harbour View Station (Market)	1,174
	The Arbors at Western Branch (Market)	794	Clairmont At Harbour View Station (Market)	1,166
	The Arbors at Western Branch (@50%)	794	Park 216 (Market)	1,112
	Clairmont At Harbour View Station (Market)	784	The Arbors at Western Branch (Market)(1.5BA)	1,104
	Era At Park 216 (Market)	773	Era At Park 216 (Market)(1BA)	1,095
	Park 216 (Market)	765	The Arbors at Western Branch (Market)	1,077
	Century Hampton Roads (Market)	734	Century Hampton Roads (Market)	1,052
	Park 216 (Market)	708	The Arbors at Western Branch (Market)(1.5BA)	1,037
	The Orchards at Belleville Harbour Apartments (Market)	683	Arbour Reach Apartments (@60%)	1,030
	The Orchards at Belleville Harbour Apartments (Market)	683	The Arbors at Western Branch (Market)(1.5BA)	1,029
	Victory Square Apartments (@60%)	675	The Arbors at Western Branch (@50%)(1.5BA)	1,029
	The Orchards at Belleville Harbour Apartments (@60%)	628	Century Hampton Roads (Market)	1,028
	The Orchards at Belleville Harbour Apartments (@60%)	628	Era At Park 216 (Market)	1,016
	Twin Pines (@60%)	628	Era At Park 216 (Market)(1BA)	991
	Twin Pines (@50%)	628	Westwinds Apartments (Market)	950
	Twin Pines (@50%)	628	Commons At Churchland (Market)(1.5BA)	940
	Twin Pines (@30%)	628	Stone Ridge Apartments (@60%)(1BA)	920
			The Orchards at Belleville Harbour Apartments (@60%)(1BA)	914
			The Orchards at Belleville Harbour Apartments (Market)(1BA)	914
			Twin Pines (@50%)	908
			The Orchards at Belleville Harbour Apartments (@60%)(1BA)	893
			The Orchards at Belleville Harbour Apartments (Market)(1BA)	893
			Park 216 (Market)(1BA)	892
			Era At Park 216 (Market)(1BA)	887
			Victory Square Apartments (@60%)(1BA)	880
			Commons At Churchland (Market)(1BA)	820
			The Orchards at Belleville Harbour Apartments (@60%)(1BA)	814
			The Orchards at Belleville Harbour Apartments (Market)(1BA)	814
RENT PER SQUARE FOOT	Century Hampton Roads (Market)	\$2.55	Era At Park 216 (Market)	\$2.94
	Park 216 (Market)	\$2.44	Era At Park 216 (Market)(1BA)	\$2.17
	Twin Pines (@50%)	\$2.38	Era At Park 216 (Market)(1BA)	\$2.17
	Twin Pines (@30%)	\$2.38	Park 216 (Market)	\$2.06
	Era At Park 216 (Market)	\$2.37	Century Hampton Roads (Market)	\$2.06
	Park 216 (Market)	\$2.33	Park 216 (Market)(1BA)	\$2.05
	Clairmont At Harbour View Station (Market)	\$2.27	Era At Park 216 (Market)(1BA)	\$2.01
	Twin Pines (628 SF)(AMR)	\$2.23	Century Hampton Roads (Market)	\$1.96
	Clairmont At Harbour View Station (Market)	\$2.23	The Arbors at Western Branch (Market)(1.5BA)	\$1.93
	The Arbors at Western Branch (Market)	\$2.21	Era At Park 216 (Market)	\$1.89
	The Arbors at Western Branch (Market)	\$2.17	Twin Pines (@50%)	\$1.89
	Era At Park 216 (Market)	\$2.00	Twin Pines (908 SF)(AMR)	\$1.87
	The Arbors at Western Branch (Market)	\$1.97	The Arbors at Western Branch (Market)	\$1.85
	The Orchards at Belleville Harbour Apartments (@60%)	\$1.96	The Arbors at Western Branch (Market)(1.5BA)	\$1.84
	Era At Park 216 (Market)	\$1.94	Park 216 (Market)(2.5BA)	\$1.83
	The Orchards at Belleville Harbour Apartments (@60%)	\$1.84	The Arbors at Western Branch (Market)(1.5BA)	\$1.83
	The Orchards at Belleville Harbour Apartments (Market)	\$1.80	The Arbors at Western Branch (Market)(1.5BA)	\$1.81
	Twin Pines (@60%)	\$1.79	Park 216 (Market)	\$1.80
	Twin Pines (@60%)(ALR)	\$1.79	Clairmont At Harbour View Station (Market)	\$1.73
	Victory Square Apartments (@60%)	\$1.72	The Orchards at Belleville Harbour Apartments (Market)(1BA)	\$1.72
	The Orchards at Belleville Harbour Apartments (Market)	\$1.69	Era At Park 216 (Market)	\$1.66
	Westwinds Apartments (Market)	\$1.51	Clairmont At Harbour View Station (Market)	\$1.66
	Twin Pines (@50%)	\$1.47	Westwinds Apartments (Market)	\$1.62
	Twin Pines (@50%)(ALR)	\$1.47	The Arbors at Western Branch (Market)(1.5BA)	\$1.61
	Crescent Place (@60%)	\$1.37	The Orchards at Belleville Harbour Apartments (@60%)(1BA)	\$1.60
	Stone Ridge Apartments (@60%)	\$1.32	Victory Square Apartments (@60%)(1BA)	\$1.59
	The Arbors at Western Branch (@50%)	\$1.31	The Orchards at Belleville Harbour Apartments (Market)(1BA)	\$1.59
	Twin Pines (@30%)(ALR)	\$0.83	The Orchards at Belleville Harbour Apartments (Market)(1BA)	\$1.58
			Commons At Churchland (Market)(1BA)	\$1.49
			The Orchards at Belleville Harbour Apartments (@60%)(1BA)	\$1.48
			Commons At Churchland (Market)(1.5BA)	\$1.48
			The Orchards at Belleville Harbour Apartments (@60%)(1BA)	\$1.47
			Stone Ridge Apartments (@60%)(1BA)	\$1.46
			Arbour Reach Apartments (@60%)	\$1.32
			Twin Pines (@50%)(ALR)	\$1.22
		The Arbors at Western Branch (@50%)(1.5BA)	\$1.21	
		Crescent Place (@60%)	\$1.13	

PROPERTY PROFILE REPORT

Arbour Reach Apartments

Effective Rent Date	2/16/2026
Location	3624 Tejo Lane Portsmouth, VA 23703 Portsmouth
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	Vicky
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 the 2025 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	\$1,287	\$0	@60%	No	1	1.1%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
2BR / 2BA	\$1,287	\$0	\$1,287	\$71	\$1,358

Amenities

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

Comments

Only two-bedroom units are featured at this property. The rents are set to the 2025 maximum allowable levels. The property currently has one vacant unit and maintains a waiting list of unknown length.

Arbour Reach Apartments, continued

Photos



PROPERTY PROFILE REPORT

Crescent Place

Effective Rent Date	2/23/2026
Location	2804 Turnpike Road Portsmouth, VA 23707 Portsmouth
Distance	4.8 miles
Units	156
Vacant Units	8
Vacancy Rate	5.1%
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	757-586-4699



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 5%
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	\$1,130	\$21	@60%	No	N/A	N/A	no	None
2	2	Midrise (4 stories)	104	1,181	\$1,351	\$21	@60%	No	N/A	N/A	no	None
3	2	Midrise (4 stories)	36	1,379	\$1,555	\$21	@60%	No	N/A	N/A	no	None

Crescent Place, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,130	\$21	\$1,109	\$0	\$1,109
2BR / 2BA	\$1,351	\$21	\$1,330	\$0	\$1,330
3BR / 2BA	\$1,555	\$21	\$1,534	\$0	\$1,534

Amenities

In-Unit		Security	Services
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			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Elevators	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		

Comments

According to the contact, quoted rents are at the 2025 maximum allowable levels. However, a \$250 gift card is awarded for new tenants; therefore, the effective rents are slightly below maximum allowable levels. 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. Three of the eight vacant units are preleased to new tenants.

Crescent Place, continued

Photos



PROPERTY PROFILE REPORT

Stone Ridge Apartments

Effective Rent Date 2/16/2026
Location 6200 Hightower Road
 Portsmouth, VA 23703
 Portsmouth
Distance 0.3 miles
Units 207
Vacant Units 11
Vacancy Rate 5.3%
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 to the 2025 max
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	\$1,157	\$0	@60%	No	N/A	N/A	yes	None
2	1	Garden (2 stories)	100	920	\$1,386	\$0	@60%	No	N/A	N/A	yes	None
3	1.5	Garden (2 stories)	68	1,020	\$1,598	\$0	@60%	No	N/A	N/A	yes	None

Stone Ridge Apartments, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,157	\$0	\$1,157	\$-36	\$1,121
2BR / 1BA	\$1,386	\$0	\$1,386	\$-46	\$1,340
3BR / 1.5BA	\$1,598	\$0	\$1,598	\$-56	\$1,542

Amenities

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

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. The property is achieving the 2025 maximum allowable levels. The property currently has 11 vacant units and it was not revealed if any are preleased to new tenants. A waiting list is not maintained.

Stone Ridge Apartments, continued

Photos



PROPERTY PROFILE REPORT

The Arbors at Western Branch

Effective Rent Date 2/20/2026
Location 2500 Chesapeake Square Ring Road
 Chesapeake, VA 23321

Distance 3.8 miles
Units 163
Vacant Units 0
Vacancy Rate 0%
Type Midrise (4 stories)
Year Built/Renovated 2022 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics Senior tenants from the Chesapeake area
Contact Name Jeanine
Phone 757-937-2832



Market Information

Program @50%, Market
Annual Turnover Rate 2%
Units/Month Absorbed N/A
HCV Tenants 2%
Leasing Pace N/A
Annual Chg. In Rent Increased 2%-3%
Concession None
Waiting List Yes, unspecified length for LIHTC units

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	Midrise (4 stories)	N/A	794	\$960	\$0	@50%	N/A	0	N/A	yes	None
1	1	Midrise (4 stories)	N/A	794	\$1,675	\$0	Market	N/A	0	N/A	N/A	None
1	1	Midrise (4 stories)	N/A	846	\$1,750	\$0	Market	N/A	0	N/A	N/A	None
1	1	Midrise (4 stories)	N/A	928	\$1,750	\$0	Market	N/A	0	N/A	N/A	None
2	1.5	Midrise (4 stories)	N/A	1,029	\$1,140	\$0	@50%	N/A	0	N/A	yes	None
2	1.5	Midrise (4 stories)	N/A	1,029	\$1,795	\$0	Market	N/A	0	N/A	N/A	None
2	1.5	Midrise (4 stories)	N/A	1,037	\$1,795	\$0	Market	N/A	0	N/A	N/A	None
2	1.5	Midrise (4 stories)	N/A	1,104	\$1,895	\$0	Market	N/A	0	N/A	N/A	None
2	1.5	Midrise (4 stories)	N/A	1,174	\$1,795	\$0	Market	N/A	0	N/A	N/A	None
2	1.5	Midrise (4 stories)	N/A	1,216	\$2,250	\$0	Market	N/A	0	N/A	N/A	None
2	2	Midrise (4 stories)	N/A	1,077	\$1,895	\$0	Market	N/A	0	N/A	N/A	None

The Arbors at Western Branch, continued

Photos



PROPERTY PROFILE REPORT

The Orchards at Belleville Harbour Apartments

Effective Rent Date 2/23/2026
Location 1050 Belle Orchard Lane
 Suffolk, VA 23435

Distance 2.9 miles
Units 136
Vacant Units 2
Vacancy Rate 1.5%
Type Lowrise (3 stories)
Year Built/Renovated 2007 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics N/A
Contact Name AJ
Phone 757-484-7045



Market Information

Program @60%, Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace Within two weeks
Annual Chg. In Rent N/A
Concession N/A
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	Lowrise (3 stories)	N/A	628	\$1,073	\$0	@60%	No	N/A	N/A	no	None
1	1	Lowrise (3 stories)	N/A	628	\$1,150	\$0	@60%	No	N/A	N/A	yes	None
1	1	Lowrise (3 stories)	N/A	683	\$1,073	\$0	Market	No	N/A	N/A	N/A	None
1	1	Lowrise (3 stories)	N/A	683	\$1,150	\$0	Market	No	N/A	N/A	N/A	None
2	1	Lowrise (3 stories)	N/A	814	\$1,205	\$0	@60%	No	N/A	N/A	no	None
2	1	Lowrise (3 stories)	N/A	893	\$1,225	\$0	@60%	No	N/A	N/A	no	None
2	1	Lowrise (3 stories)	N/A	914	\$1,245	\$0	@60%	No	N/A	N/A	yes	None
2	1	Lowrise (3 stories)	N/A	814	\$1,300	\$0	Market	No	N/A	N/A	N/A	None
2	1	Lowrise (3 stories)	N/A	893	\$1,320	\$0	Market	No	N/A	N/A	N/A	None
2	1	Lowrise (3 stories)	N/A	914	\$1,340	\$0	Market	No	N/A	N/A	N/A	None

The Orchards at Belleville Harbour Apartments, continued

Photos



PROPERTY PROFILE REPORT

Victory Square Apartments

Effective Rent Date	2/18/2026
Location	900 County Street Portsmouth, VA 23704 Portsmouth
Distance	5.7 miles
Units	112
Vacant Units	10
Vacancy Rate	8.9%
Type	Lowrise (4 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Phoebus Square
Tenant Characteristics	Most senior tenants from Portsmouth
Contact Name	Tamera
Phone	757-397-9991



Market Information

Program	@60%
Annual Turnover Rate	16%
Units/Month Absorbed	N/A
HCV Tenants	30%
Leasing Pace	Units are pre-leased, within two weeks
Annual Chg. In Rent	Increased to the 2025 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
1	1	Lowrise (4 stories)	98	675	\$1,110	\$0	@60%	No	N/A	N/A	yes	None
2	1	Lowrise (4 stories)	14	880	\$1,332	\$0	@60%	No	N/A	N/A	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,110	\$0	\$1,110	\$53	\$1,163
2BR / 1BA	\$1,332	\$0	\$1,332	\$71	\$1,403

Amenities

In-Unit	Security	Services
Blinds	Intercom (Buzzer)	None
Central A/C	Limited Access	
Dishwasher	Perimeter Fencing	
Hand Rails	Video Surveillance	
Pull Cords		
Walk-In Closet		
Property	Premium	Other
Clubhouse/Meeting Room/Community	None	None
Exercise Facility		
Off-Street Parking		

Comments

The contact noted the property has increased its rents to the 2025 maximum allowable levels. The property currently has 10 vacant units, and the elevated vacancy rate is due to a recent number of deaths at the property. Four of the 10 vacant units are pre-leased. Typically, the vacancy rate is no more than five percent. The property does not maintain a waiting list. 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 2/13/2026
Location 2019 Barclay Place
 Suffolk, VA 23435
 Suffolk
Distance 1.2 miles
Units 216
Vacant Units 13
Vacancy Rate 6.0%
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 Increased two to 15 percent
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 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	\$1,790	\$0	Market	No	1	2.8%	N/A	None
2	2	Garden (3 stories)	12	1,028	\$2,018	\$0	Market	No	4	33.3%	N/A	None
2	2	Garden (3 stories)	132	1,052	\$1,958	\$0	Market	No	6	4.5%	N/A	None
3	2	Garden (3 stories)	12	1,279	N/A	\$0	Market	No	0	0.0%	N/A	None
3	2	Garden (3 stories)	24	1,276	\$2,438	\$0	Market	No	2	8.3%	N/A	None

Century Hampton Roads, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,790	\$0	\$1,790	\$82	\$1,872
2BR / 2BA	\$1,958 - \$2,018	\$0	\$1,958 - \$2,018	\$100	\$2,058 - \$2,118
3BR / 2BA	\$2,438	\$0	\$2,438	\$109	\$2,547

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			

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. Three-bedroom rents for the 1,279 square foot units were not quoted as none have recently been leased. Furnished units are also available at a premium.

Century Hampton Roads, continued

Photos



PROPERTY PROFILE REPORT

Clairmont At Harbour View Station

Effective Rent Date 2/17/2026
Location 3001 Gateway Drive
 Suffolk, VA 23435
 Suffolk
Distance 5.1 miles
Units 276
Vacant Units 2
Vacancy Rate 0.7%
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 Megan
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 Stayed the same, increased four percent and decreased two to four percent
Concession One month for two bedrooms
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	\$1,695	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	12	798	\$1,695	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	48	1,166	\$2,095	\$174	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	84	1,174	\$2,010	\$167	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	24	1,339	\$2,295	\$0	Market	No	N/A	N/A	N/A	None

Clairmont At Harbour View Station, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,695	N/A	\$1,695	\$82	\$1,777
2BR / 2BA	\$2,010 - \$2,095	\$167 - \$174	\$1,843 - \$1,921	\$100	\$1,943 - \$2,021
3BR / 2BA	\$2,295	N/A	\$2,295	\$109	\$2,404

Amenities

In-Unit		Security	Services
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			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	SS, Quartz, Grill, gameroom
Exercise Facility	Garage (\$95.00)		
Off-Street Parking	Playground		
Theatre			

Comments

The rents depicted in this profile are the starting rents. Floor and view premiums are up to \$125. The property currently has two vacant units and does not maintain a waiting list. The property is offering one month of free rent as a concession for its for two-bedroom units only. This concession is being offered despite the property's overall low vacancy rate.

PROPERTY PROFILE REPORT

Commons At Churchland

Effective Rent Date 2/20/2026
Location 3504 Executive Center Drive
 Chesapeake, VA 23321

Distance 1.1 miles
Units 104
Vacant Units 0
Vacancy Rate 0%
Type Lowrise (3 stories)
Year 1995 / N/A
Built/Renovated
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant 55+ seniors
Characteristics
Contact Name Theresa
Phone 757-484-8697



Market Information

Program Market
Annual Turnover Rate 6%
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace N/A
Annual Chg. In Rent Increased 13 to 18 percent annually
Concession N/A
Waiting List Yes, six to seven months in length

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
2	1	Lowrise (3 stories)	N/A	820	\$1,220	\$0	Market	Yes	N/A	N/A	yes	None
2	1.5	Lowrise (3 stories)	N/A	940	\$1,390	\$0	Market	Yes	N/A	N/A	N/A	None
2.5	1.5	Lowrise (3 stories)	N/A	1,050	\$1,565	\$0	Market	Yes	N/A	N/A	N/A	None

Commons At Churchland, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
2BR / 1BA	\$1,220	\$0	\$1,220	\$0	\$1,220
2BR / 1.5BA	\$1,390	\$0	\$1,390	\$0	\$1,390
2.5BR / 1.5BA	\$1,565	\$0	\$1,565	\$0	\$1,565

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	Shuttle Service
Central A/C	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer Hookup			

Property		Premium	Other
Clubhouse/Meeting Room/Community	Courtyard	None	None
Elevators	Exercise Facility		
Off-Street Parking	On-Site Management		
Picnic Area			

Comments

This senior property was previously operated under the LIHTC program. It has since been converted to market rate effective January 2026. The contact stated that the current asking rents are lower as this property is attempting to remain an affordable option for senior households. There are currently no vacant units but two will become available in the coming month. The property maintains a waiting list of six to seven months in length. Select units have a balcony/patio and/or washer/dryer appliances.

PROPERTY PROFILE REPORT

Era At Park 216

Effective Rent Date	2/17/2026
Location	901 Beringer Road Suffolk, VA 23435 Suffolk
Distance	1.4 miles
Units	104
Vacant Units	0
Vacancy Rate	0%
Type	Midrise (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	Janelle
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	Stayed the same, increased 11 to 17 percent and decreased 14 percent
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	\$1,699	\$0	Market	N/A	N/A	N/A	N/A	AVG*
1	1	Midrise (4 stories)	N/A	1,009	\$1,873	\$0	Market	N/A	N/A	N/A	N/A	HIGH*
1	1	Midrise (4 stories)	N/A	773	\$1,749	\$0	Market	N/A	N/A	N/A	N/A	LOW*
2	1	Midrise (4 stories)	22	991	\$2,053	\$0	Market	N/A	N/A	N/A	N/A	AVG*
2	1	Midrise (4 stories)	N/A	1,095	\$2,099	\$0	Market	N/A	N/A	N/A	N/A	HIGH*
2	1	Midrise (4 stories)	N/A	887	\$1,829	\$0	Market	N/A	N/A	N/A	N/A	LOW*
2	2	Midrise (4 stories)	43	1,281	\$2,029	\$0	Market	N/A	N/A	N/A	N/A	AVG*
2	2	Midrise (4 stories)	N/A	1,546	\$2,829	\$0	Market	N/A	N/A	N/A	N/A	HIGH*
2	2	Midrise (4 stories)	N/A	1,016	\$2,889	\$0	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	\$1,699 - \$1,873	\$0	\$1,699 - \$1,873	\$82	\$1,781 - \$1,955
2BR / 1BA	\$1,829 - \$2,099	\$0	\$1,829 - \$2,099	\$100	\$1,929 - \$2,199
2BR / 2BA	\$2,029 - \$2,889	\$0	\$2,029 - \$2,889	\$100	\$2,129 - \$2,989

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, cyber cafe, grill
Elevators	Exercise Facility		
Off-Street Parking	On-Site Management		
Pet Park	Volleyball Court		

Comments

This senior (age 55+) market rate property was completed in February 2024 and was approximately 80 percent occupied as of April 2025. The property is currently fully occupied and does not maintain a waiting list. A concession of one month of free rent was being offered but this incentive has expired. The contact did not know when this property reached stabilization. The indicated absorption pace of six units per month was as of April 2025.

Era At Park 216, continued

Photos



PROPERTY PROFILE REPORT

Park 216

Effective Rent Date 2/13/2026
Location 1001 Beringer Road
 Suffolk, VA 23435
 Suffolk
Distance 1.3 miles
Units 266
Vacant Units 7
Vacancy Rate 2.6%
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 Increased three to 10 percent and decreased one to two percent
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	\$1,649	\$0	Market	No	N/A	N/A	N/A	None
1	1	Garden (3 stories)	12	765	\$1,699	\$0	Market	No	N/A	N/A	N/A	None
2	1	Garden (3 stories)	48	892	\$1,729	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	86	1,112	\$1,904	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	4	1,308	\$2,599	\$0	Market	No	N/A	N/A	N/A	None
2	2.5	Garden (3 stories)	4	1,747	\$3,099	\$0	Market	No	N/A	N/A	N/A	None

Park 216, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,649 - \$1,699	\$0	\$1,649 - \$1,699	\$82	\$1,731 - \$1,781
2BR / 1BA	\$1,729	\$0	\$1,729	\$100	\$1,829
2BR / 2BA	\$1,904 - \$2,599	\$0	\$1,904 - \$2,599	\$100	\$2,004 - \$2,699
2BR / 2.5BA	\$3,099	\$0	\$3,099	\$100	\$3,199

Amenities

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

Comments

It was not revealed if any of the vacant units are preleased to new tenants. Rents have been held steady over the past year.

Park 216, continued

Photos



PROPERTY PROFILE REPORT

Westwinds Apartments

Effective Rent Date 2/13/2026
Location 3601 Gateway Drive
 Portsmouth, VA 23703
 Portsmouth
Distance 0.2 miles
Units 408
Vacant Units 1
Vacancy Rate 0.2%
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 Sherrie
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 one percent
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	\$1,305	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	228	950	\$1,470	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	72	1,150	\$1,745	\$0	Market	No	N/A	N/A	N/A	None

Westwinds Apartments, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,305	\$0	\$1,305	\$53	\$1,358
2BR / 2BA	\$1,470	\$0	\$1,470	\$71	\$1,541
3BR / 2BA	\$1,745	\$0	\$1,745	\$80	\$1,825

Amenities

In-Unit		Security	Services
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			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Picnic Area	Playground		

Comments

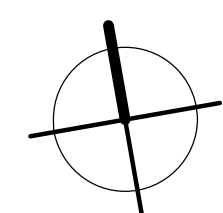
Basic cable is included in rent for all units. The property does accept Housing Choice Vouchers. The contact was unable to provide information on senior tenancy. The community building was recently rehabilitated and expanded. The property currently has one vacant unit with three more becoming available at the end of the month. The property does not maintain a waiting list.

Westwinds Apartments, continued

Photos

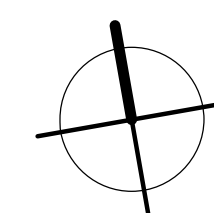


ADDENDUM D
Site and Floor Plans



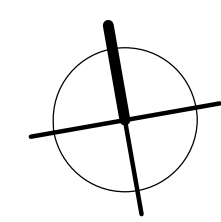
OVERALL SECOND FLOOR PLAN

1/16" = 1'-0"



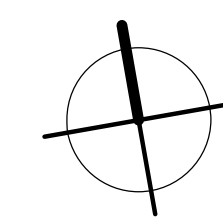
OVERALL FIRST FLOOR PLAN

1/16" = 1'-0"



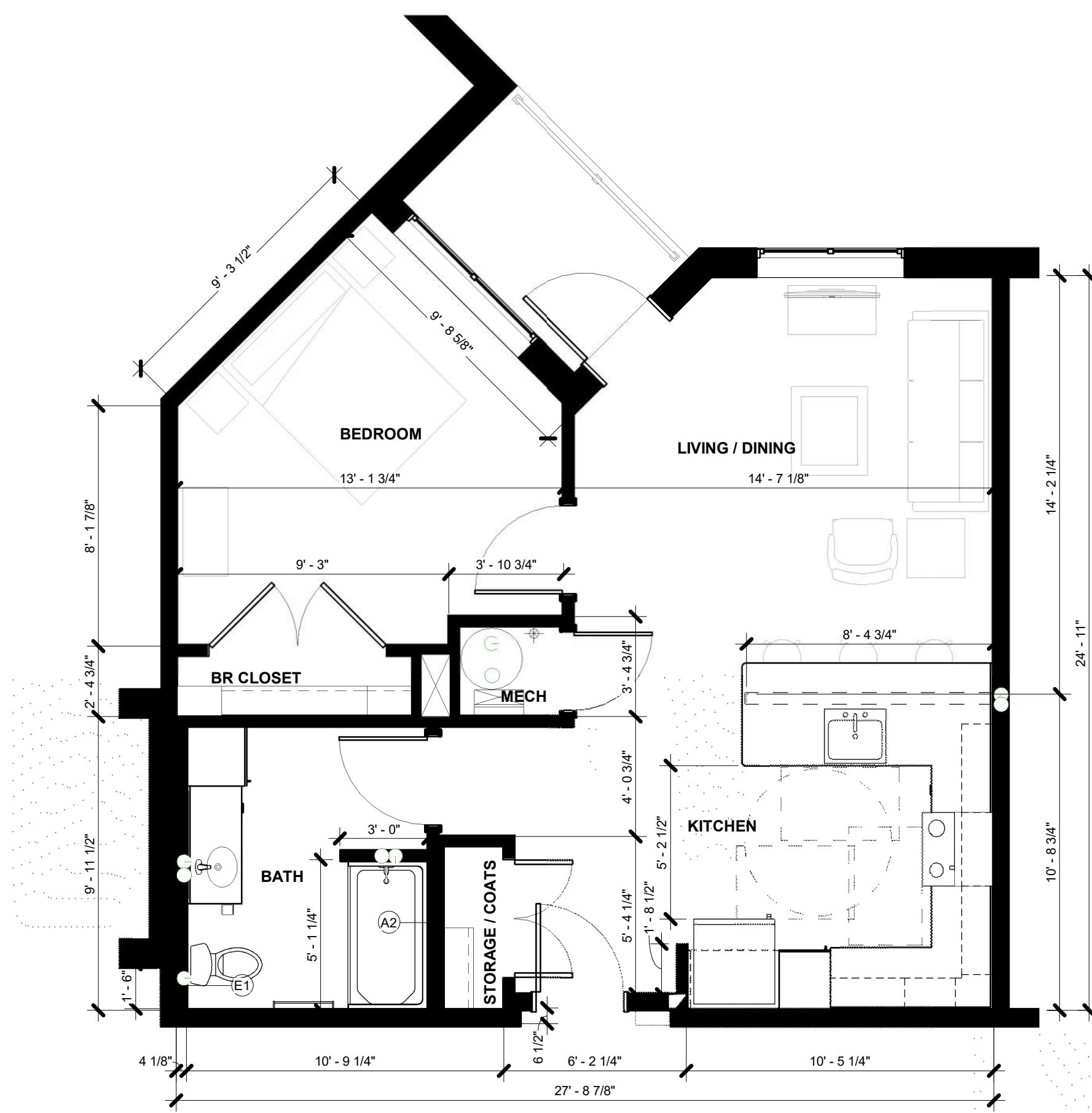
OVERALL FOURTH FLOOR PLAN

1/16" = 1'-0"



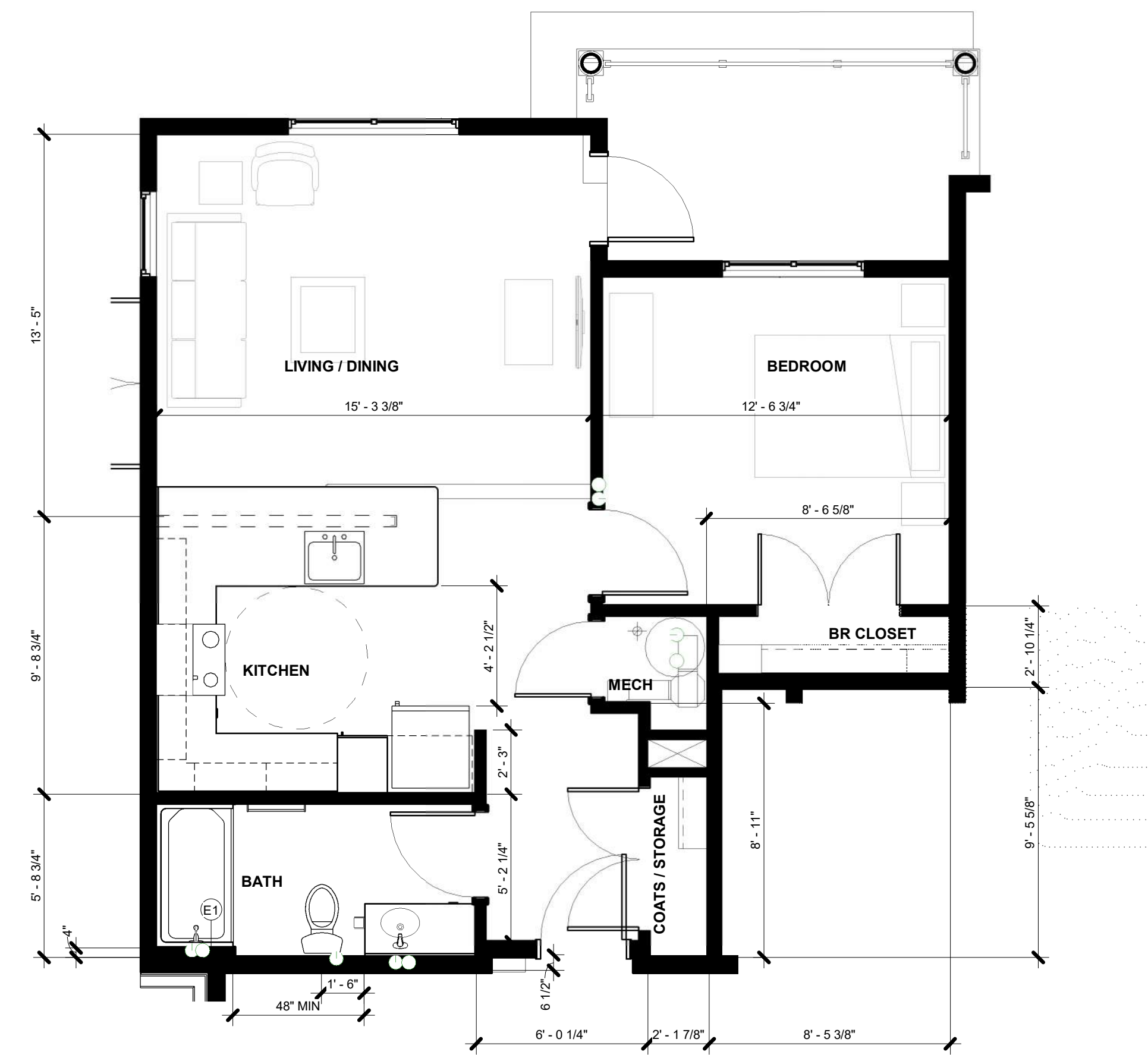
OVERALL THIRD FLOOR PLAN

1/16" = 1'-0"



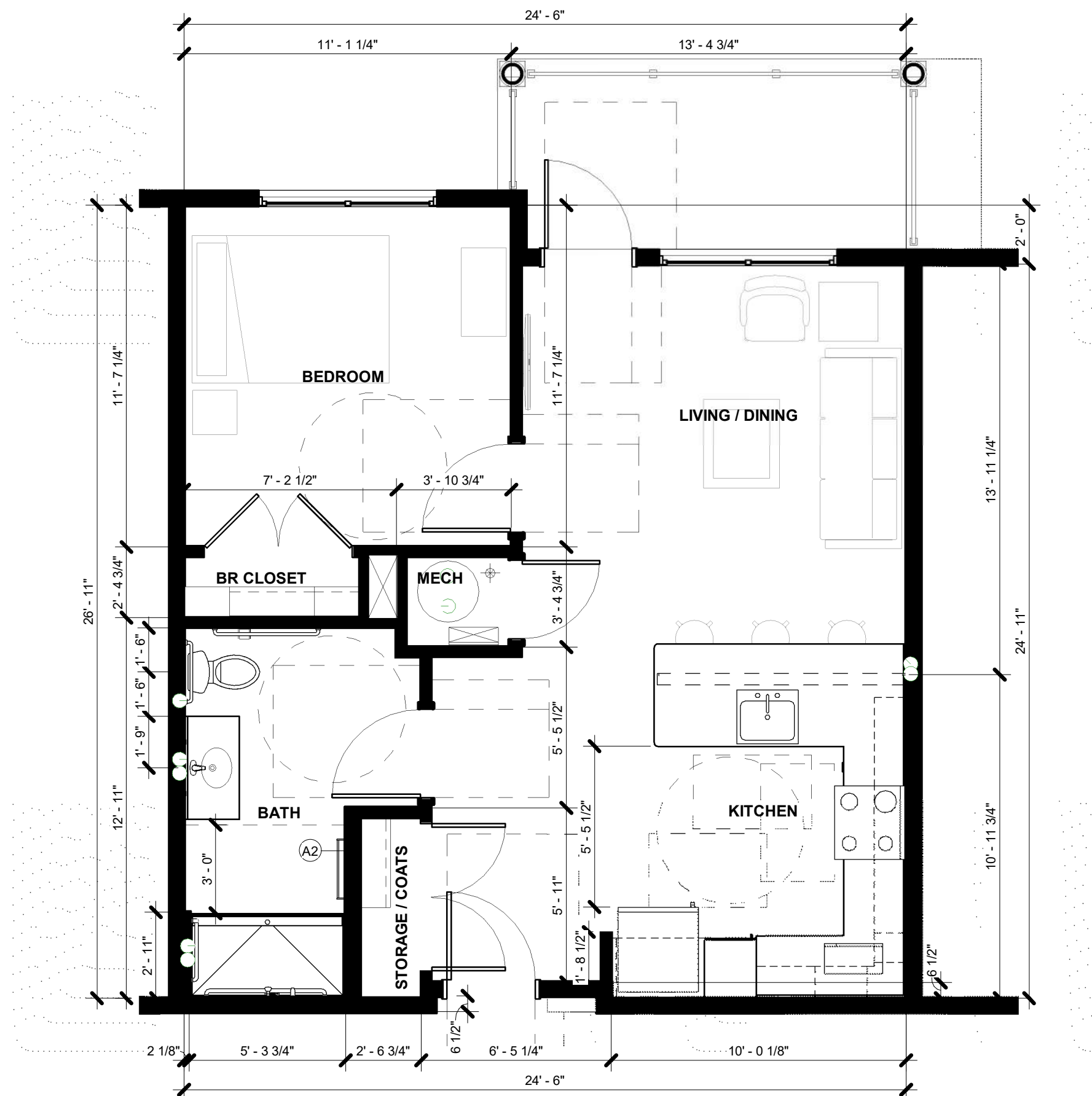
UNIT 1BR-4 - FLOOR PLAN

1/4" = 1'-0"



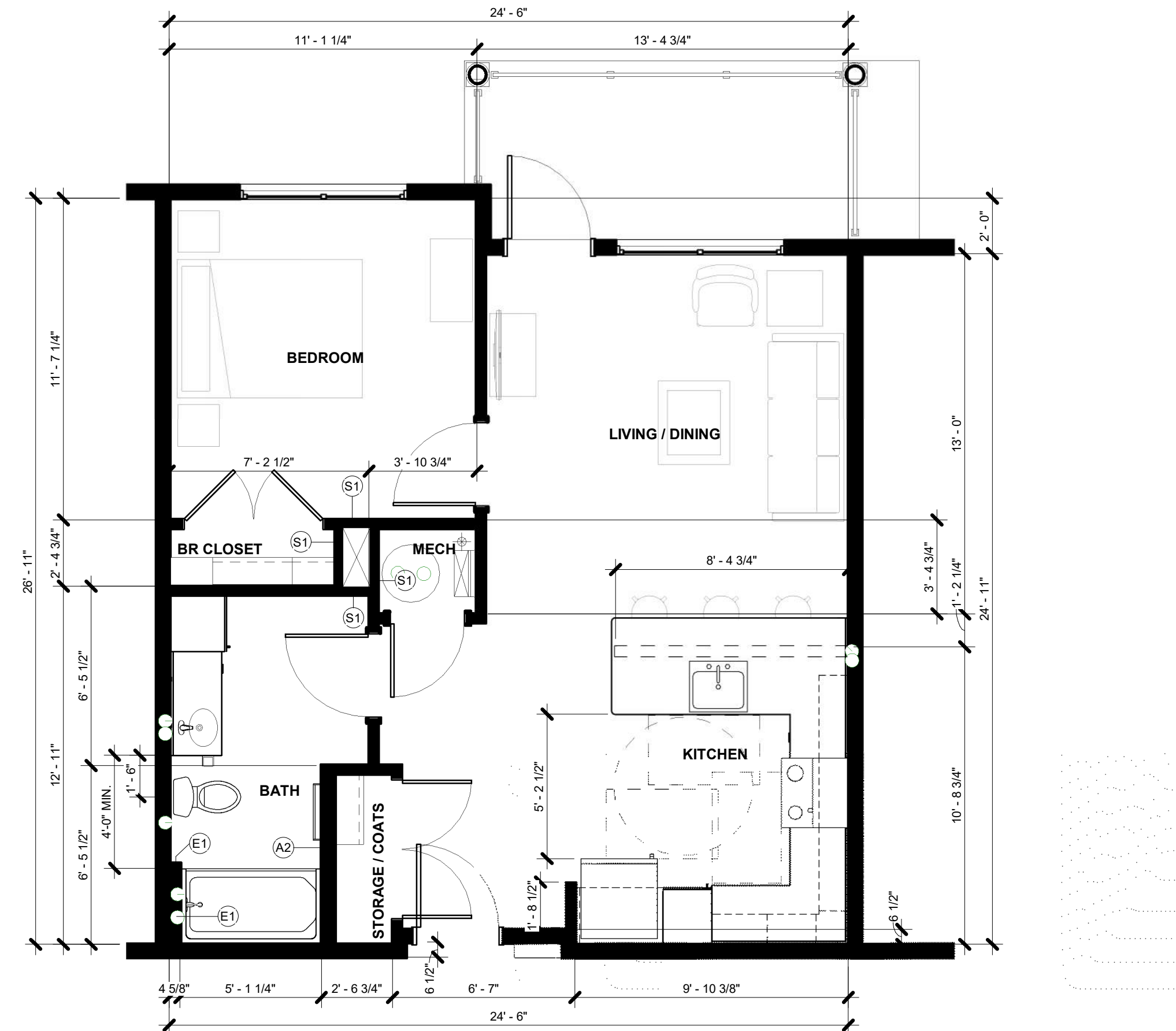
UNIT 1BR-3 - FLOOR PLAN

1/4" = 1'-0"



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

1/4" = 1'-0"



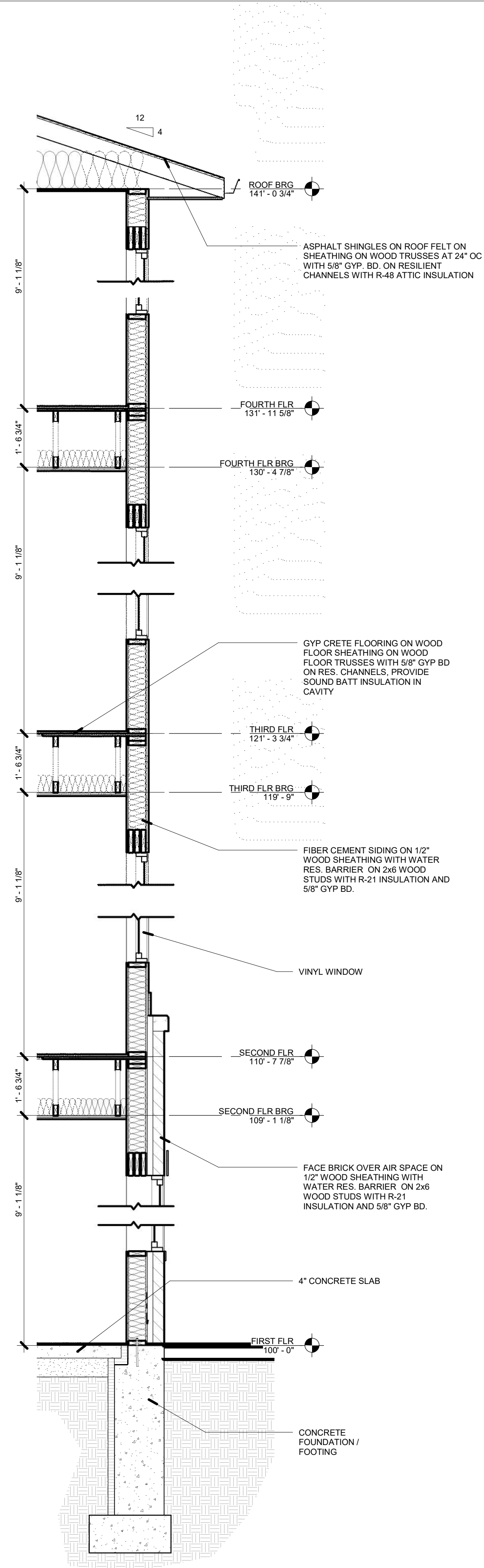
UNIT 1BR-1 - FLOOR PLAN

1/4" = 1'-0"

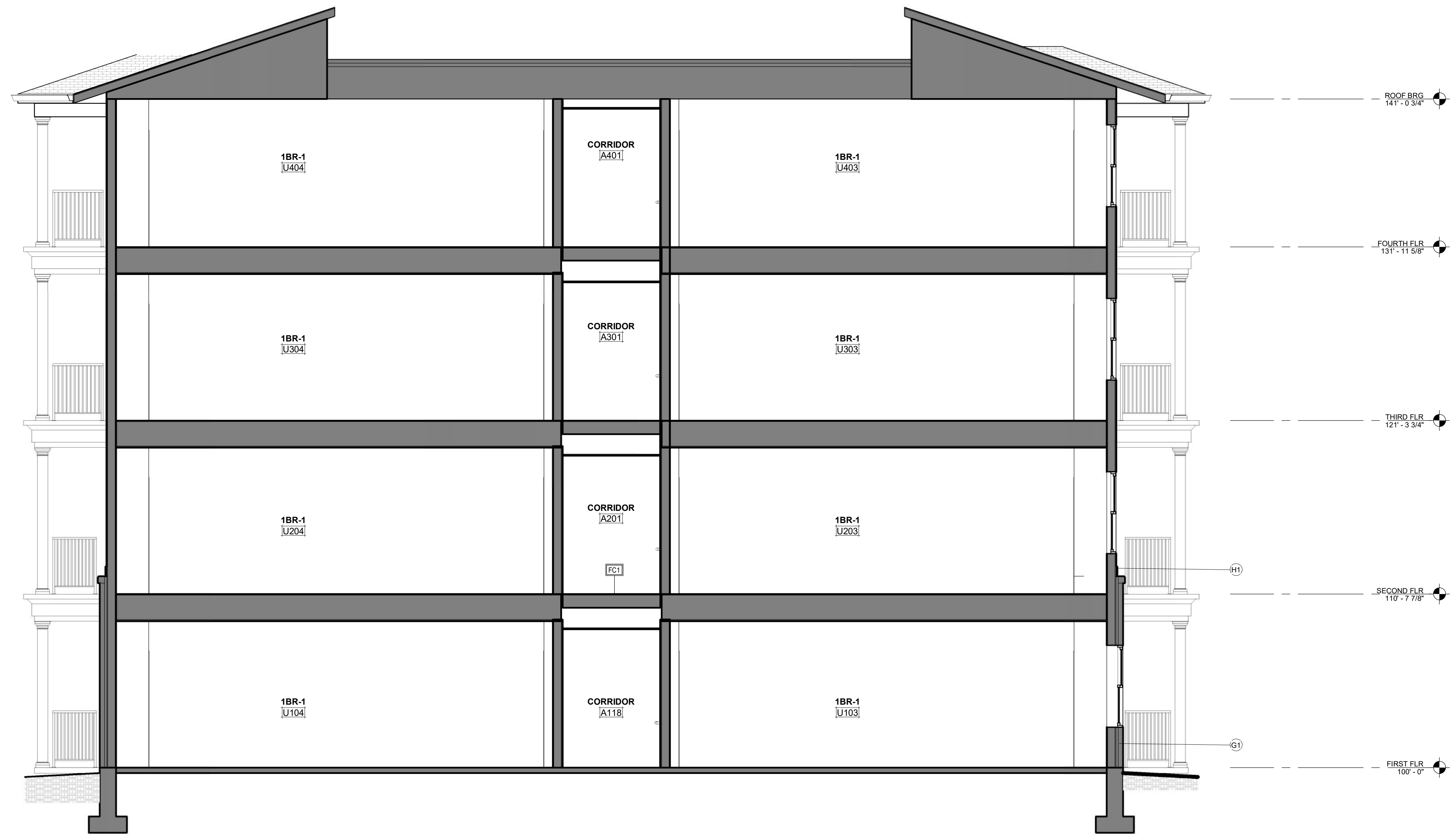


OVERALL FRONT / WEST ELEVATION

1/8" = 1'-0"



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



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

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 Portsmouth Redevelopment & Housing Authority, VA		Unit Type: High-Rise (5+ units)/Low-Rise (2-4 units)/Apartments					Date (mm/dd/yyyy)	
Utility of Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Heating	Natural Gas	\$27.00	\$32.00	\$37.00	\$42.00	\$46.00	\$51.00	\$54.00
	Bottle Gas	\$34.00	\$42.00	\$48.00	\$54.00	\$58.00	\$66.00	\$70.00
	Electric	\$15.00	\$17.00	\$23.00	\$28.00	\$33.00	\$38.00	\$41.00
	Electric Heat Pump	\$13.00	\$15.00	\$18.00	\$20.00	\$22.00	\$25.00	\$27.00
	Fuel Oil	\$50.00	\$61.00	\$68.00	\$75.00	\$82.00	\$90.00	\$97.00
Cooking	Natural Gas	\$5.00	\$5.00	\$8.00	\$10.00	\$14.00	\$15.00	\$17.00
	Bottle Gas	\$6.00	\$6.00	\$10.00	\$14.00	\$18.00	\$20.00	\$22.00
	Electric	\$5.00	\$6.00	\$9.00	\$12.00	\$15.00	\$18.00	\$19.00
Other Electric		\$21.00	\$24.00	\$34.00	\$43.00	\$53.00	\$62.00	\$67.00
Air Conditioning		\$9.00	\$10.00	\$14.00	\$18.00	\$22.00	\$26.00	\$29.00
Water Heating	Natural Gas	\$10.00	\$12.00	\$19.00	\$24.00	\$29.00	\$34.00	\$37.00
	Bottle Gas	\$14.00	\$16.00	\$24.00	\$30.00	\$38.00	\$44.00	\$48.00
	Electric	\$13.00	\$15.00	\$19.00	\$24.00	\$28.00	\$32.00	\$35.00
	Fuel Oil	\$18.00	\$21.00	\$32.00	\$43.00	\$54.00	\$61.00	\$64.00
Water		\$30.00	\$31.00	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00
Sewer		\$22.00	\$22.00	\$32.00	\$41.00	\$50.00	\$59.00	\$65.00
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 \$21.84		\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00	\$22.00
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	
Head of Household Name					Heating			
					Cooking			
Unit Address					Other Electric			
					Air Conditioning			
					Water Heating			
Number of Bedrooms					Water			
					Sewer			
					Trash Collection			
					Other			
					Range/Microwave			
					Refrigerator			
					Total			



adapted from form HUD-52667
(04/2023)

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

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

III. Professional Experience

Partner, Novogradac Valuation Services division of Novogradac
Principal, Novogradac Valuation Services division of Novogradac
Manager, Novogradac Valuation Services division of Novogradac
Senior Real Estate Analyst, Novogradac Valuation Services division of Novogradac

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 Valuation Services division of Novogradac, 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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Pretlow Parrott

I. Education

American University, December 2025
Master of Public Policy

Sewanee: The University of The South, May 2021
Bachelor of Arts – History

II. Professional Experience

Junior Real Estate Analyst, Novogradac Valuation Services division of
Novogradac, February 2026 - Present

Intern, Novogradac Valuation Services division of Novogradac, September 2025
– January 2026

Fellow, Trendency Research, May 2024 – August 2025

Fellow, Lincoln Park Strategies, May 2024 – August 2025

III. Real Estate Assignments

- Assisted in appraisals of proposed rehabilitation, and existing Low Income Housing Tax Credit properties. Analysis included property screenings, valuation analysis, capitalization rate analysis, expense comparability analysis, determination of market rents, and general market analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects throughout the United States.
- Performed Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and housing choice voucher information.
- 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, assisted living, large family, and acquisition with rehabilitation.

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

Abby Cohen
Partner
March 11, 2026

Certificate of Professional Designation

This certificate verifies that

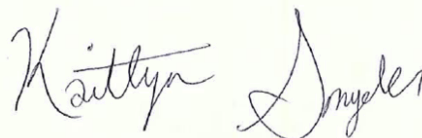
Abby Cohen
Novogradac Valuation Services

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



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

Membership Term
1/1/2026 - 12/31/2026



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)
Executive Summary		
1	Executive Summary	
Scope of Work		
2	Scope of Work	
Project Description		
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	
Location		
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	
Market Area		
13	PMA description	
14	PMA Map	
Employment and Economy		
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	
Demographic Characteristics		
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	
Competitive Environment		
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)
Affordability, Demand, and Penetration Rate Analysis		
31	Estimate of demand	
32	Affordability analysis with capture rate	
33	Penetration rate analysis with capture rate	
Analysis/Conclusions		
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	
Other Requirements		
42	Certifications	
43	Statement of qualifications	
44	Sources of data not otherwise identified	