EAJOSEPH

APPRAISAL & CONSULTATION

A Market Study Report Of:

Commerce Heights
(Address not yet assigned)
NE Intersection of Ingram Avenue and E. 17th Street
Richmond, VA 23224

Prepared For:

Harper Associates Real Estate Development
Acquisitions and Investments
Herein referred to as Harper Assoc.
5607 Grove Avenue
Richmond, Virginia 23226

Authorized User:
Virginia Housing
601 S. Belvidere Street
Richmond, Virginia 23220

Date of Report: January 7, 2026
EAJoseph File No. C2511003B

January 7, 2026

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To Whom It May Concern:

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

Commerce Heights consists of approximately 4.5 acres of land at the north east intersection of Ingram Avenue and E. 17th Street intersection within the larger proposed mixed use development; Commerce Yards. Commerce Yards is a proposed, district-scale redevelopment in South Richmond along the Commerce Road industrial corridor, centered on large landholdings at 1220 and 1260 Ingram Avenue (23224). The concept—described publicly as a "generational redevelopment"—would transform roughly 47 acres of former industrial property into a new mixed-use neighborhood featuring affordable housing, commercial space, and recreational/community amenities, with development expected to occur in phases over time and positioned near the Oak Grove, Bellemeade, Blackwell, and Hillside Court areas. The subject will create two 4-story new-construction buildings containing 231 apartments, under the 4% Tax-Exempt Bond LIHTC program, with rents and incomes restricted to an average of 60% AMI. This study focuses on apartment housing in the Primary Market Area (PMA) surrounding the subject as detailed herein. The purpose of this market study is to;

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

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

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

Respectfully submitted,

EAJoseph Appraisal & Consultation

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

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SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

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

- The residual demand is positive throughout our mid-range forecast period. The residential demand is 4,792 dwelling units at the 60% of AMI level.

- VH requires the analyst to consider the impact, if any, on the analysis for proposed communities in which 20% or more of the units contain at least 3 bedrooms. The subject contains approximately 35% three bedrooms and therefore, we have considered this impact and adjusted the average household size from 2.48 to 2.65 persons per house.

- The subject's capture rate is calculated as the percentage of residential demand the subject would have to capture to achieve stabilization. The total number of units for the subject is segmented by the percentage of units captured in the subject's PMA and a typical vacancy allowance. The adjusted total number of units is 198 units. The subject's overall blended capture rate is 4.12% which indicates a strong demand for affordable house.

- The subject is expected to be absorbed into the market at a pace of 18 dwelling units per month. Financing is currently available at attractive terms, and the feasibility rent is sufficient to cover costs of construction and return a reasonable yield to the investor. This combined with the low capture rate indicates a strong demand for the subject's product type.

- The site is attractive and well located in regard to its access and proximity to employment, community services, shopping, medical, and transportation routes which provide extended access to all points throughout the MSA.

- The location, rents, and amenity package will appeal to the low to moderate income families and professionals.

- The bedroom mix of units, the household size distribution, the capabilities, and the unit vacancy levels indicate that the subject's bedroom mix is appropriate in this market at the rent levels. Market rents are sufficient to support new construction, and a positive residual demand indicates new construction in this market is likely.

- Project features are adequate in this portion of the city. The inventory is mixed ranging from older 30+ year inventory to newer inventory. The subject's amenity package and features are generally commensurate with other similar class properties in the subject's market.

- The subject property is proposed and will be new construction. The economic infrastructure for the subject properties PMA is fundamentally sound and should continue to grow at a constant and moderate pace.

- The overall development scheme is appropriate and well suited for the market. We make no further recommendations and/ or modifications to the development.

- There do not appear to be any detrimental influences that would impede the absorption rate already established at 20 units per month.

- Our analysis contained herein incorporated the opinions of property managers and leasing agents as well as local market participants that are considered experts in their respective fields.

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

Noteworthy Issues: None.

SWOT ANALYSIS

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

STRENGTHS INCLUDE

- **New construction, modern product** –providing contemporary finishes and reducing near-term capital needs.
- **Strong amenity package for affordable housing** – Pool, dog park, fitness, in-unit W/D, granite counters, stainless appliances, tile backsplash, oversized closets.
- **Affordable, below-market positioning** – Rents compare favorably to broader Richmond market.
- **Scale and community design** – 231 units in across two 4-story building with a larger campus feel.
- **Purpose-built affordable brand** – Attractive for stable, long-term residents seeking affordability + modern finishes.
- **Larger units** – the dwelling units, on average are materially larger than its competitors.
- **Wider unit mix**– Heavy concentration of 3BR options in a market saturated with 1 and 2 BR's.

WEAKNESSES INCLUDE

- **Income-restricted tenant base** – LIHTC rules limit rent growth and restrict qualified applicants.
- **Higher operating/compliance complexity** – Ongoing LIHTC and reporting requirements.
- **Car-centric site layout** – Large surface parking areas and less walkable form.
- **New brand with limited track record**

OPPORTUNITIES

- **High regional demand for affordable housing** – Policy and market support strongly favor LIHTC communities.
- **Proximity to employment & services** – Near Chippenham Hospital and major employment corridors.
- **Partnership and ESG potential** – Health, workforce, or community partners could expand services or grants.
- **Marketing position** – "Urban access + suburban quiet" can appeal to renters seeking balance.

THREATS

- **Policy or funding risk** – Changes in LIHTC rules or local grants could impact revenue & compliance costs.
- **Neighborhood competition** – Competing Class B/C or new LIHTC projects may pressure pricing or absorption.
- **Auto dependence & limited transit** – Lower scores for walkability, transit, and bikeability challenge low-income renters.

- **Macro-economic pressures** – Insurance, utilities, and taxes may rise faster than allowable rent increases.
- **Long-term physical risk** – Car-oriented suburban mid-rise design may age less favorably vs. future infill trends.

The subject will be a newly built, modern affordable housing community that delivers strong value through updated finishes, extensive amenities, and below-market rents. Its scale, proximity to major employers, and purpose-built LIHTC structure position it well for stable occupancy and long-term demand. The community's contemporary design, high-quality interiors, and curated amenities outperform most comparable affordable properties in the Richmond area, providing a competitive advantage in attracting residents seeking both affordability and comfort.

Purpose of the Market Study

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

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

A. EXECUTIVE SUMMARY

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

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

The subject site, upon completion, will consist of a single 4.5±acre parcel, which is accessible via Ingram Avenue (primarily). The site is generally irregular in shape and generally level and at road grade. The property is located in the south eastern portion of the city. All relevant utilities are available to the site. The shape of the site does not appear to impose any extraordinary developmental issues. Based on a physical inspection of the site, there do not appear to be any adverse conditions that would impede the marketability of the site.

Commerce Yards is a proposed, district-scale redevelopment in South Richmond that would transform a large former industrial area off the Commerce Road corridor into a new mixed-use neighborhood. The project is being advanced by Harper Associates, which is pursuing rezoning for roughly 47 acres of land it owns at 1220 and 1260 Ingram Avenue (23224).

The concept, described publicly as a “generational redevelopment,” envisions a long-term, phased buildout that includes affordable housing alongside commercial uses and recreational/community amenities, shifting the area from a primarily industrial landscape into a more walkable, residential and mixed-use district.

Commerce Yards is positioned near South Richmond neighborhoods including Oak Grove, Bellemeade, Blackwell, and Hillside Court, and reflects the broader trend of redevelopment pressure moving southward from Manchester and the riverfront as the Commerce Road industrial corridor evolves.

Current land use (today)

Right now, the Commerce Yards properties sit within a Southside industrial zone characterized by former and active industrial land uses—large, low-rise warehouse/yard parcels, trucking-access streets, and heavy infrastructure typical of Commerce Road’s industrial corridor. Public reporting describes the site specifically as “former Southside industrial sites” and frames the opportunity as the reuse of a legacy industrial tract south of the James.

Future land use (proposed)

The Commerce Yards vision is to transition this industrial land into a mixed-use redevelopment district, meaning the dominant use would shift toward residential (including affordable housing) supported by commercial space and recreation/community amenities, built out in phases over many years. The reporting describes this as a “generational redevelopment” of 47 acres, and other coverage indicates the rezoning concept would support multi-use buildings potentially reaching up to eight stories (suggesting denser, urban-style development than what exists today).

What that change represents

In practical terms, Commerce Yards represents a planned land-use conversion from industrial-heavy property into a neighborhood-scale environment: fewer industrial yards and warehouses, more housing and pedestrian-oriented uses, and potentially a new local activity center for nearby neighborhoods like Oak Grove, Bellemeade, Blackwell, and Hillside Court. This is consistent with the City's broader push to re-purpose underused industrial corridors for housing and mixed-use growth, but at a particularly large Southside scale.

2. A Brief Summary Of The Project Including The Proposed Population To Be Served.

The subject property is a proposed multifamily use project and that will consist of 231-units. The sponsor is proposing develop the proposed units with below-market debt and/or tax credit financing. The community will be a low-income property which will have rent and income restrictions at 60% of AMI. The subject will consist of a mix of one, two and three bedroom dwelling units. This study focuses on apartment housing in the Primary Market Area (PMA) surrounding the subject located.

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

3. Summary Of Economic Conditions

The Richmond, VA Metropolitan Statistical Area has a diverse, growing economy valued at roughly $117 billion in 2023, reflecting strong post-pandemic expansion. Population growth of over 3% from 2020 to 2023—led by Chesterfield County's rapid gains—has supported a labor force of about 728,000 with an unemployment rate near 3%. Job growth is outpacing national trends, driven by sectors such as education and health services, logistics, manufacturing, and finance, with more than $5 billion in new investment and over 16,000 announced jobs between mid-2022 and 2024. The MSA benefits from its role as a logistics and distribution hub and a center for corporate headquarters, with high concentrations of business, finance, and professional service employment.

High incomes and affordability add to the MSA's economic appeal. The median household income of about $84,300 is above the national average, while the cost of living remains roughly 5% lower than U.S. norms. This balance of economic opportunity and relative affordability has helped Richmond attract and retain both employers and talent. Supported by a broad industry base, strong infrastructure, and steady population inflows, the Richmond MSA is positioned for continued growth and resilience in the near term.

4. Brief Description and Support of the Defined Primary Market Area;

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

5. Summary of Key Demographic Data

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

6. Summary of Competitive Market Conditions

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

Richmond's multifamily market (with the City of Richmond as its core) has moved into a post–supply-surge normalization phase: demand remains durable but rent growth and leasing power are more moderate than the 2021–2022 peak. Recent market tracking shows asking rents around ~$1,590–$1,600 with year-over-year growth still positive (roughly low single digits) and stabilized occupancy in the mid-90% range. That combination—high occupancy, modest rent growth, and continued but digestible deliveries—suggests a market that is still fundamentally healthy, though increasingly segmented by product type and affordability level.

On the market-rate side, development continues to concentrate in high-growth nodes (Downtown/Midtown, Scott's Addition, The Diamond area), where new mixed-use and mid/high-rise product is reshaping the skyline. Cushman & Wakefield notes that Midtown Richmond (including The Diamond and Scott's Addition) represents a large share of units under construction, highlighting how supply is clustered rather than citywide uniform. That concentration matters for LIHTC and naturally occurring affordable housing (NOAH): when large volumes of market-rate product deliver in a few neighborhoods, it can increase competitive pressure on older Class B/C properties while also creating displacement risk if rents rise faster than incomes in adjacent blocks.

From a capital markets perspective, Richmond has remained investable because it has repeatedly demonstrated the ability to absorb new units while maintaining generally strong occupancy. Even during the slower transaction environment of 2024, research briefs observed healthy fundamentals but reduced deal volume due to interest rates, with pricing adjusting from 2022 peaks and cap rates generally settling in the mid-to-high 5% range (depending on asset quality and location). This backdrop has encouraged a "wait for clarity" approach among some investors—particularly for value-add deals—while mission-driven and LIHTC investors have continued to pursue projects due to the structure of tax credit equity and persistent affordable demand.

Where Richmond stands out most is in the affordable and LIHTC segment, which remains structurally undersupplied relative to need. LIHTC remains the country's primary tool for producing and preserving income-restricted rental housing, and HUD maintains both property- and tenant-level LIHTC datasets that underscore how central the program is nationally. In Richmond, the relevance is amplified by rising renter cost burdens and the widening gap between wage growth and market rents—meaning that income-restricted inventory is often fully utilized and frequently has long waiting lists, particularly for deeply affordable units (e.g., 30%–60% AMI).

Virginia Housing's annual LIHTC allocation process provides a clear window into Richmond-area activity, because awards and rankings reflect which projects are most competitive for credits. The 2024 LIHTC final rankings list includes projects in the Richmond City / Richmond MSA pool, illustrating that the region remains an active contender for new construction and supportive housing credits. Even when specific Richmond City projects shift year-to-year based on scoring and pooling mechanics, the broader takeaway is consistent: Richmond-area proposals continue to compete strongly for credits, and the pipeline includes both general occupancy and supportive housing concepts. That trend aligns with Richmond's policy focus on homelessness and deeply affordable housing, where LIHTC often must be layered with local gap financing.

Local government funding is increasingly important because LIHTC rarely "pencils" on credits alone—especially in a market where construction costs, insurance, and interest rates have risen. In April 2025, the City of Richmond announced a Notice of Funding Availability (NOFA) for its Equitable Affordable Housing Program (EAHP), making up to $13 million available for multifamily development and preservation (as well as other housing initiatives). This kind of local subsidy is a critical companion to LIHTC: it can fill feasibility gaps, support deeper affordability targets, and enable preservation transactions that protect existing income-restricted units from recapitalization-driven rent increases.

For LIHTC properties specifically, Richmond's current multifamily dynamics create a two-sided story: operational stability but financial pressure. On one hand, high occupancy in the region supports strong collections and predictable leasing for well-managed LIHTC assets (especially those in transit-accessible or service-rich neighborhoods). On the other hand, rising operating costs and the need for periodic capital repairs make resyndication (using LIHTC again at Year 15+) and preservation financing more urgent. As nearby market-rate rents remain high, LIHTC properties can face increased demand that outstrips supply, reinforcing the importance of active asset management, compliance capacity, and long-term capital planning. (HUD's LIHTC datasets are often used by researchers and practitioners to track the location and characteristics of this inventory over time.)

Looking ahead, the outlook for Richmond's LIHTC market is defined by three themes:

- production needs,
- preservation urgency, and
- policy alignment.

Market fundamentals—steady occupancy and moderate rent growth—support continued development interest, but most new market-rate supply is concentrated in specific growth nodes, leaving affordability gaps elsewhere. Richmond's expanding use of local funding (like the EAHP NOFA) improves the feasibility of credit deals, while Virginia Housing's LIHTC pipeline suggests continued competition for allocations. In practice, the City's greatest opportunity may lie in pairing LIHTC with local dollars to preserve existing affordable stock, target supportive housing, and reduce displacement pressures as redevelopment continues in high-growth corridors.

7. Summary Of Demand For The Proposed Development

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

- The residual demand is positive throughout our mid-range forecast period. The residential demand is 4,792 dwelling units at the 60% of AMI level.
- Based upon our market survey, the subject's proposed rents are achievable.
- The subject is expected to be absorbed into the market at a pace of 18 dwelling units per month. The subject is existing.
- The site is attractive and well located regarding its access and proximity to employment, community services, shopping, medical, and transportation routes which provide extended access to all points throughout the PMA.
- The location, rents, and amenity package will appeal to the low to moderate income families.
- The bedroom mix of units, the household size distribution, the capabilities, and the unit vacancy levels indicate that the subject's bedroom mix is appropriate in this market at the rent levels.

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

8. A Summary Of Positive And Negative Attributes

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

(+) The subject provides housing to a growing population and is well positioned in the market.
(+) The Richmond MSA is experiencing a shortage of multifamily housing, and specifically income and rent restricted multifamily housing.
(+) The subject is in a suburban location with a very diverse industry based which tends to be more insulated from economic variations.
(+) The subject will generate additional revenue for purchases of goods and services which will help the local economy. The local spending index potential is as below.
(-) Overconcentration narrative: Reporting noted that the city has signed off on many affordable-unit agreements, but residents may not know about them; the area becoming an "affordable hub" can bring both benefits and political scrutiny (concerns about equitable distribution of affordable housing citywide).

Market Profile | 38 Census Tracts | Geography: Census Tract

2025 Consumer Spending	VA(5104110040...
Apparel & Services: Total $	$118,900,324
Average Spent	$1,948.48
Spending Potential Index	80
Education: Total $	$81,698,840
Average Spent	$1,338.84
Spending Potential Index	75
Entertainment/Recreation: Total $	$189,345,538
Average Spent	$3,102.91
Spending Potential Index	76
Food at Home: Total $	$358,604,416
Average Spent	$5,876.64
Spending Potential Index	79
Food Away from Home: Total $	$195,563,049
Average Spent	$3,204.80
Spending Potential Index	78
Health Care: Total $	$362,053,188
Average Spent	$5,933.16
Spending Potential Index	77
HH Furnishings & Equipment: Total $	$136,314,047
Average Spent	$2,233.85
Spending Potential Index	77
Personal Care Products & Services: Total $	$50,278,909
Average Spent	$823.95
Spending Potential Index	79
Shelter: Total $	$1,247,059,937
Average Spent	$20,436.24
Spending Potential Index	77
Support Payments/Gifts in Kind: Total $	$149,247,874
Average Spent	$2,445.80
Spending Potential Index	74

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

9. Precise Statement Of Key Conclusions Reached By The Analyst.

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

10. Recommendations And/ Or Suggest Modifications To The Proposed Project Is Appropriate.

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

11. Absorption Rate

The absorption rate analysis for the city of Richmond is summarized as follows:

Absorption in the Richmond, VA apartment market (Greater Richmond/metro area) has remained positive overall, indicating the market is still taking down new units, but the pace has been volatile quarter-to-quarter. Recent reports show Q2 2025 net absorption of ~752 units (CBRE) and a stronger Q1 2025 absorption environment, with market trackers noting rolling four-quarter absorption of ~3,080 units around that period (Thalhimer/Cushman & Wakefield). On a longer view, total absorption has stayed solid: full-year 2024 absorption was ~3,050 units, and cumulative absorption since the start of 2024 through Q3 2025 totaled ~6,045 units, outpacing deliveries over the same timeframe in at least one published analysis.

That said, absorption has not been uniform—some quarters have been meaningfully softer as new supply enters the market. For example, a Newmark Mid-Atlantic report cited Q3 2025 absorption of ~250 units alongside 653 units delivered, illustrating the near-term risk that deliveries can temporarily exceed demand even in a fundamentally healthy market. The overall takeaway is that Richmond's absorption rates continue to support stable occupancy and investment interest, but leasing velocity depends heavily on delivery timing and submarket concentration, with stronger performance typically where new supply is phased appropriately, and demand drivers remain durable.

Conclusion

To estimate the absorption rate for the subject, we surveyed other similar assets in the subject's PMA to determine how quickly those assets leased up and achieved stabilization. Within the area, newer developments are absorbing at around 8 to 20 dwelling units per month, depending on size. Given the subject's size, we anticipate an average monthly absorption rate of 18 units per month. The subject is expected to retain its tenant base. There is adequate demand for the subject and demand is anticipated to increase in the near future based on demographic data.

B. Introduction and Scope of Work

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

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

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

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

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

5. Date of Field Work and Site Visit; Field work and site visits were conducted on January 4, 2026.
6. Person conducting field work; Eugene A. Joseph, Jr., MAI, SRA, AI-GRS
7. Primary analyst researching conclusions of report; Eugene A. Joseph, Jr., MAI, SRA, AI-GRS

C. Project Description

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

1. Unit Tabulations (Proposed)

This will change bc of unit mix and gross rent exceeds max allowable for 1 BR

No.	Unit Type	SF	Rent	UA	Gross $	Gross $ Limit	Rent %	Inc. %	PBV Units	Type
72	1	705	$1,208	$69	$1,277	$1,277	60%	60%	0	LIHTC
78	2	1052	$1,448	$85	$1,533	$1,533	60%	60%	0	LIHTC
81	3	1,309	$1,675	$95	$1,770	$1,770	60%	60%	0	LIHTC
231										

2. The Communities Target Market and Any Tenancy Restrictions

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

The maximum incomes for the MSA are as follows;

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

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

The maximum rents are as follows;

Maximum Gross Rents

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

3. Utility

The landlord pays for water/ sewer and trash. All the appliances are electric. Nothing is gas. The utility allowance estimate is included in the above table.

4. Description of Development

a. The subject is a proposed multifamily development that will contain 231 apartment units.
b. Common/ site amenities include; rental office, community rooms, limited access facility, fitness facilities, onsite parking, elevator access, outdoor amenity area with splash pad.
c. Unit amenities include range/ oven, refrigerator, microwave, dishwasher, disposal, range hood, central air/heat, shades/ blinds, cable/internet ready and washer/dryer, ceiling fans, upgraded countertops, garden tubs, upgraded lighting, cabinets and appliances will be stainless steel.
d. Parking options – on site parking (198 spaces) and a reciprocal parking agreement offsite (160 spaces).

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

5. For Rehabilitation Projects

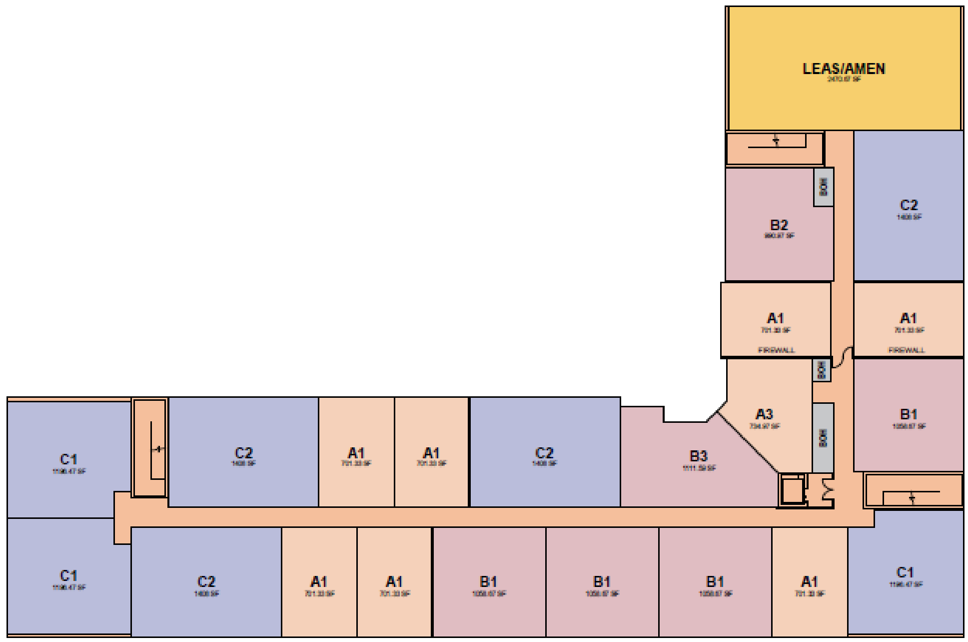
Not Applicable

6. Include The Status Or Date Of Architectural Plans

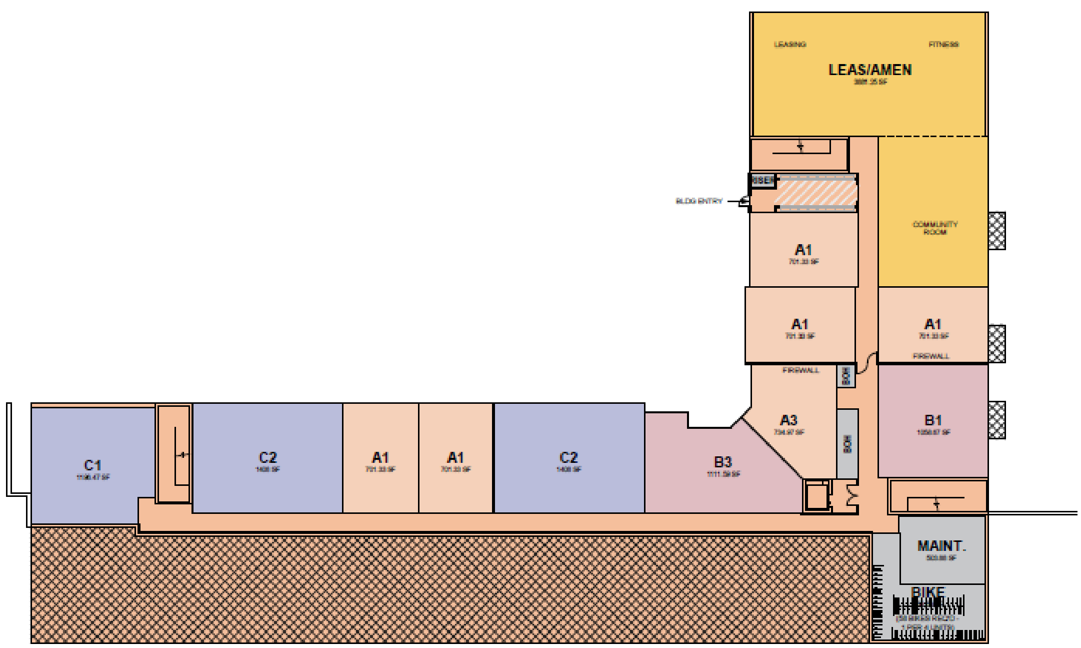
Abstracts of relevant portions of the plans are contained on the following pages;

Subject Rendering

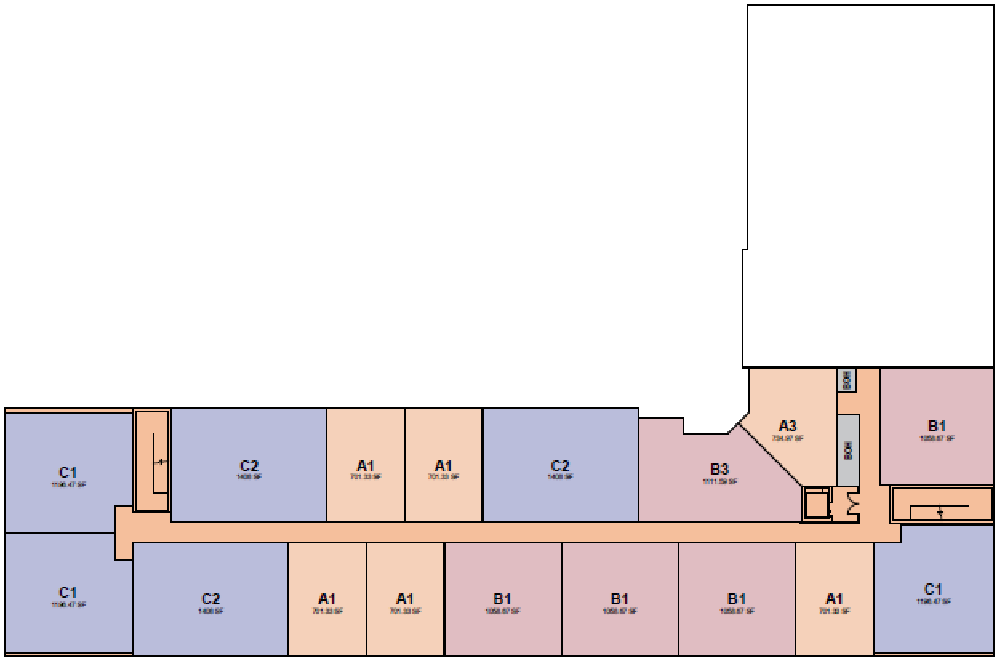
FLOORPLANS



2 OVERALL CONCEPT PLAN - LEVEL 2 - BLDG 1000
1/16" = 1'-0"



1 OVERALL CONCEPT PLAN - LEVEL 1 - BLDG 1000
1/16" = 1'-0"



2 OVERALL CONCEPT PLAN - LEVEL 5 - BLDG 1000
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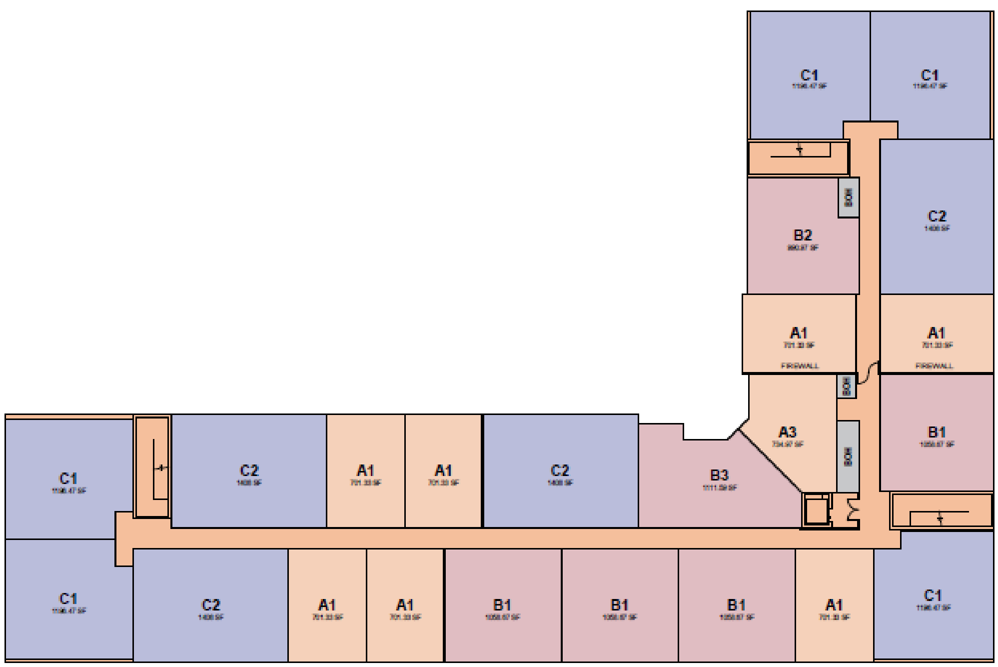
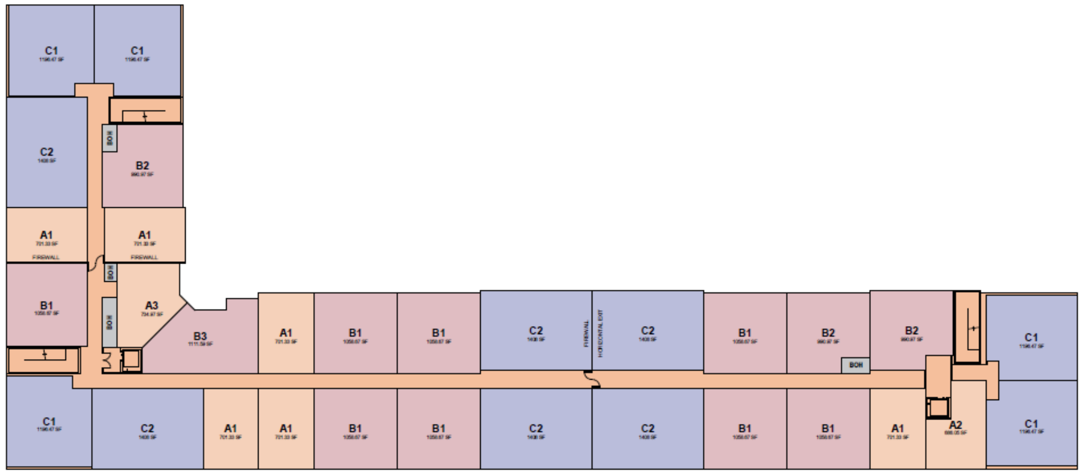
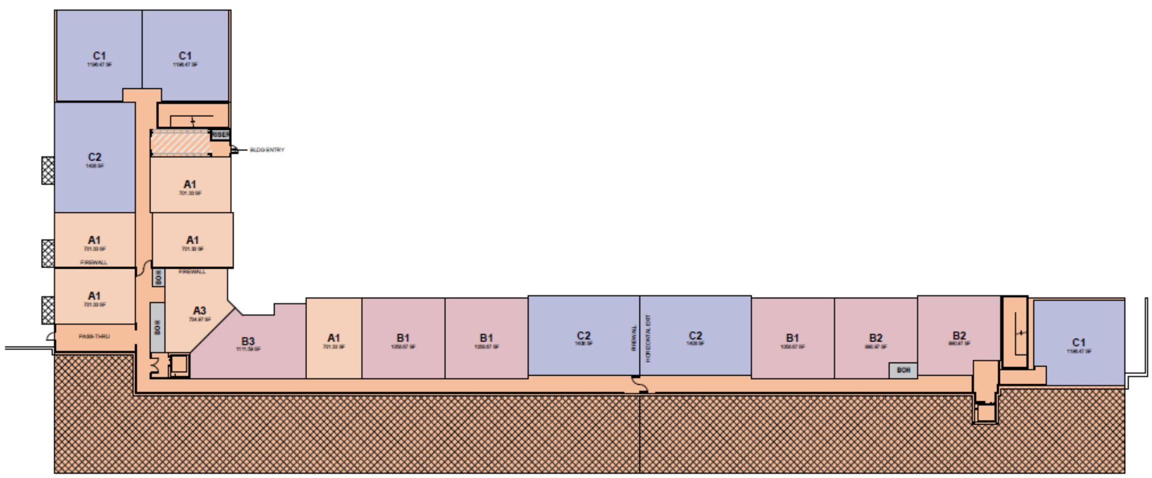


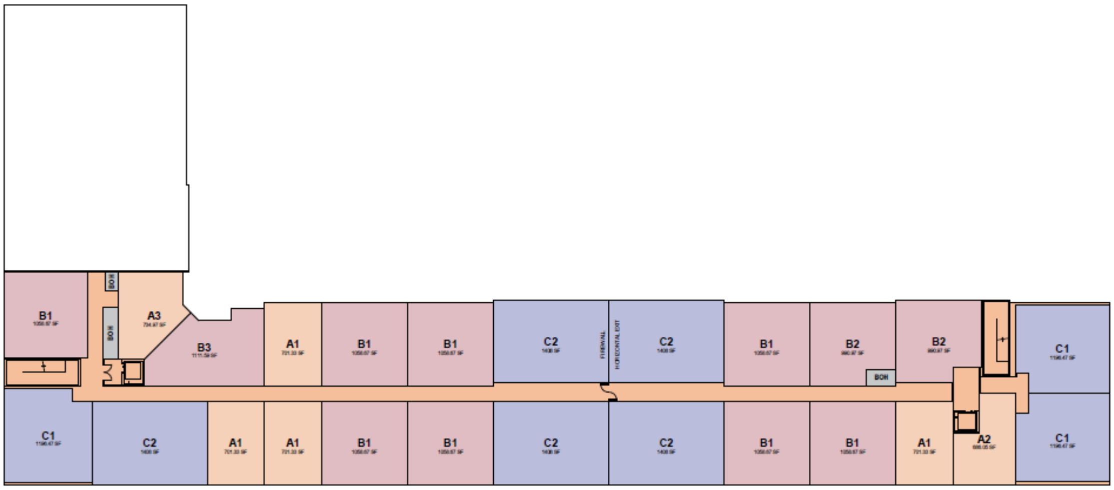
1 OVERALL CONCEPT PLAN - LEVELS 3 & 4 - BLDG 1000
1/16" = 1'-0"



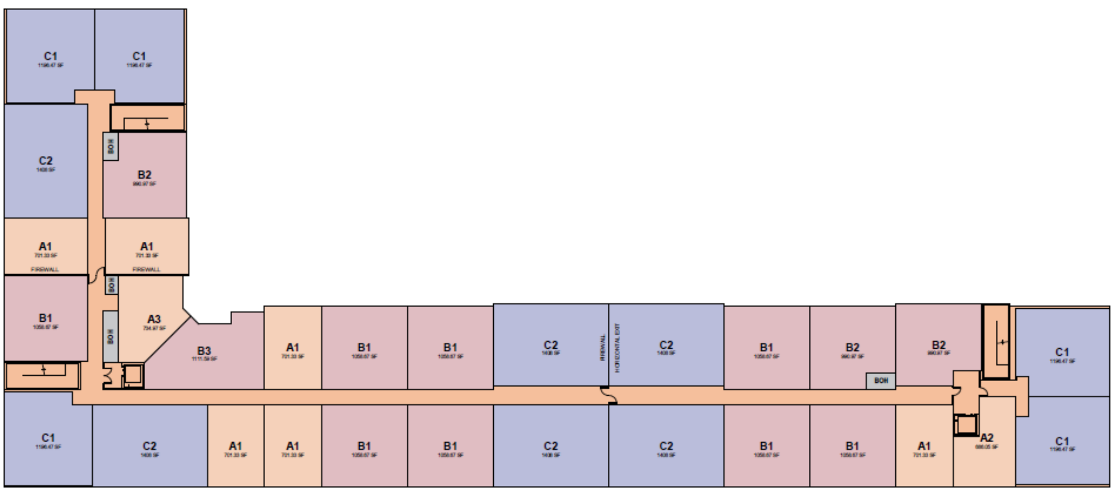
2 OVERALL CONCEPT PLAN - LEVEL 2 - BLDG 2000
1/16" = 1'-0"



1 OVERALL CONCEPT PLAN - LEVEL 1 - BLDG 2000
1/16" = 1'-0"



2 OVERALL CONCEPT PLAN - LEVEL 5 - BLDG 2000
1/16" = 1'-0"



1 OVERALL CONCEPT PLAN - LEVELS 3 & 4 - BLDG 2000
1/16" = 1'-0"

ELEVATIONS

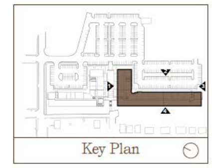
(1) Bldg. 1000 - North Elevation
Scale: 1" = 30'-0"

(2) Bldg. 1000 - East Elevation
Scale: 1" = 30'-0"

(3) Bldg. 1000 - South Elevation
Scale: 1" = 30'-0"

(4) Bldg. 1000 - West Elevation

Bldg. 2000



1 Bldg. 2000 - North Elevation
Scale: 1" = 30'-0"

2 Bldg. 2000 - East Elevation
Scale: 1" = 30'-0"

3 Bldg. 2000 - South Elevation
Scale: 1" = 30'-0"

4 Bldg. 2000 - West Elevation

7. Relevant Dates:

Relevant Dates	
Start Construction	11/1/2026
Complete	5/1/2028
Months to Build	18
Pre-Lease Begins	2/1/2028
Months prior to completion	3
Pace	20
Units Pre-Leased	59
Units Total	231
Stabilized	219
Remaining Units	160
Months	8.01
Anticipated Date of Stabilization	12/30/2028

8. Description Of Supportive Services Provided For Residences, If Provided.

Not Applicable

(Additional VHDA 2016 Market Study Guidelines; Project Description)

1. Construction Type – Proposed
2. Occupancy Type – Family
3. Special Needs Population – Not applicable
4. Structure Type – Mid-Rise, contemporary
5. The subject is not a scattered site development
6. Site amenities – rental office, community rooms, limited access facility, fitness facilities, onsite parking, elevator access, outdoor amenity area with splash pad.

Improvement Analysis and Conclusions

Effective Age

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

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

Remaining Economic Life

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

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

Functional Utility

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

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

The subject is a 231-unit apartment complex with a mixture of one, two- and three-bedroom units. The design and function are like other newer competing properties in the market. The quality is commensurate with that of similar type properties of similar age. The subject has a commensurate site amenity package with that of similar properties of similar age.

Property Rating

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

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

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

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

Property Rating Sheet

Subject Apartment Building Rating									
Impact of Productivity		Inferior			Typical			Superior	
	High	Mod.	Slight		Average		Slight	Mod.	High
Design and apearance								x	
Quality of Construction								x	
Conditon of Improvements								x	
Room Sizes/ Layout						x			
Closets/ Storage					x				
Appliances								x	
Unit Amenities								x	
Site Amenities								x	
Parking					x				
Number of Items	0	0	0	0	2	1	0	6	0
Times Category Score (weighting)	1	2	3		4		5	6	7
Subtotal Score									
Subtotal Score	0	0	0	0	8	4	0	36	0
Total Subject Score									48

The subject's score is 48, or 133% of the standard score which indicates the subject is generally superior than the current inventory in the subjects respective market. The subject property ranked typical in 3 of the 9 categories and is considered superior in the balance of categories. The subject did not rank inferior in any respect. The subject's improvements have an overall rating of superior as compared to other multifamily complexes located in the subjects PMA.

D. LOCATION

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

I. SUBJECT SITE PHOTOGRAPHS AND ENVIRONS

Street Scene

Street Scene

Site

Site

Site

Site

SUBJECT RENDERINGS


COMMERCE YARDS


COMMERCE YARDS


COMMERCE YARDS

IMMEDIATE MARKET ENVIRONS

Immediate Market Envnirons

Immediate Market Environs

Immediate Market Environs

Immediate Market Environs

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

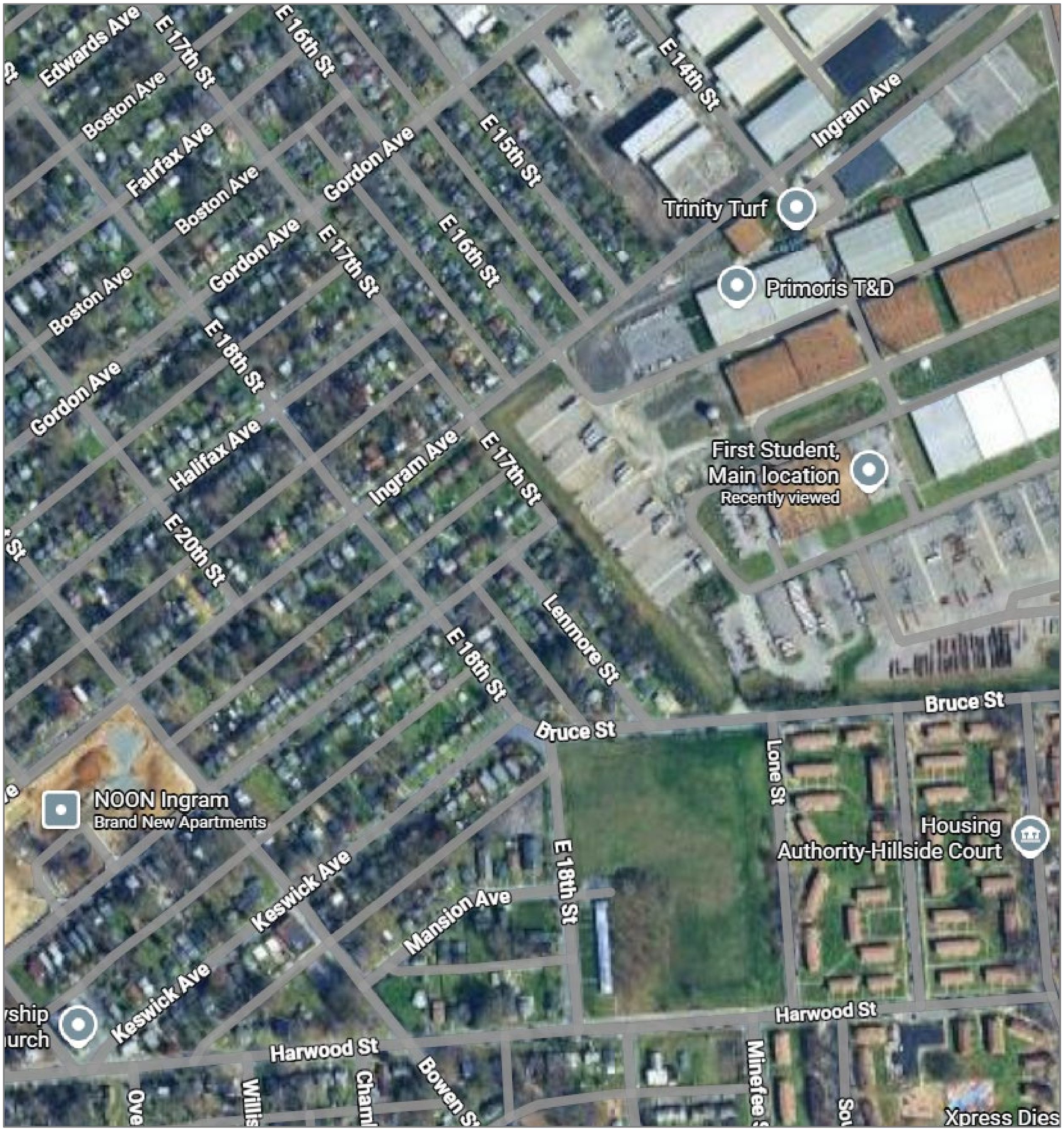
Land uses in the immediate area are consistent with and complementary to the development. A brief description of immediate land uses is as follows;

The surrounding land use pattern today around Commerce Yards (Ingram Ave / Commerce Road corridor) is still dominated by legacy industrial and logistics uses—large warehouse and yard parcels, truck-oriented access, and low-rise industrial buildings typical of the Southside Commerce Road manufacturing/warehousing district. The Commerce Yards site itself is described as a former industrial area, and nearby parcels are commonly marketed and documented as industrial/warehouse properties, reinforcing that the immediate context is still primarily employment/industrial land rather than residential neighborhood fabric.

At the same time, the edges of this industrial zone transition quickly into long-established residential neighborhoods, including Oak Grove, Hillside Court, Bellemeade, and Blackwell, where the land use pattern is primarily single-family and small-scale residential with scattered neighborhood-serving uses. City planning work in the broader area (including the Oak Grove–Hillside–Bellemeade planning efforts) reflects a push to guide redevelopment pressure along the corridor—especially where public parcels and former industrial sites can support more mixed-use, transit-oriented, or trail-oriented development—while buffering and integrating with surrounding residential communities

Existing land use patterns are expected to remain the same as the area undergoes development; however, as previously described this area is expected to transition into a mixed use community.

AERIAL VIEW OF LAND USES



3. Map of Subject Site

(North Orientation)

4. Ingress/ Egress

Primary ingress/ egress is gained from Ingram Avenue. Overall access potential is considered adequate for the sites intended use.

5. Describe and evaluate the visibility of the subject site

The subject site has good visibility. Visibility and access do not adversely affect the subjects' marketability. The subject site appears suitable for its proposed use.

6. Provide Analysis of Neighborhood Amenities;

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

- Shopping/ Retail
- Schools
- Transportation linkages

- Medical services
- Places of worship
- Employment Centers

Shopping/ Retail

Commerce Yards (around 1220–1260 Ingram Ave, 23224) sits in a part of South Richmond that is much closer to small convenience retail and neighborhood-serving stores than to full-scale shopping centers. The closest day-to-day options are corner markets and small groceries along the Commerce Rd / Hull St / Manchester-area street network—examples include Bruce Market (1641 Commerce Rd) and Manchester Market (500 Hull St), along with other small convenience outlets clustered nearby. These places typically cover quick needs (snacks, basics, beer/wine in some cases), but they're not the same as a full-service supermarket experience.

For more "true retail" (multiple stores, services, and big-box style shopping), the nearest established concentration is generally the Belt Blvd / Hull St corridor, which includes Circle Shopping Center (a multi-tenant center at 425–527 Belt Blvd & 3900–3916 Hull St). That corridor functions as a broader retail spine for Southside (discount retail, small shops, food, services) compared with the more industrial character immediately surrounding Commerce Yards. Larger-format grocery chains and major regional retail districts exist in Richmond (Kroger/Food Lion networks citywide), but Manchester/Southside is often described as underserved for full-size grocery relative to its growth—meaning residents frequently travel outside the immediate area for a full weekly shop.

Schools

Commerce Yards (around 1220–1260 Ingram Ave, Richmond 23224) is in close proximity to several Richmond Public Schools campuses, with multiple elementary and secondary options located within the surrounding South Richmond neighborhoods. Because school assignment depends on RPS attendance boundaries, the *exact* "assigned" schools can vary by parcel—but RPS provides an official School Locator / zone maps to confirm by address.

Nearby public schools commonly associated with this area
Based on location-based listings for 1220 Ingram Ave, nearby schools include:

- Blackwell Elementary School (nearby elementary option)
- Open High School (citywide specialty high school option)
- Armstrong High School (nearby comprehensive high school option)
- In addition, Oak Grove Elementary School is also located directly on Ingram Avenue (2200/2220 Ingram Ave), meaning there is another elementary campus within the same corridor.

Transportation linkages

Commerce Yards (centered on 1220 & 1260 Ingram Ave, 23224, near Ingram Ave & E 17th St) sits in a highly connected freight + roadway corridor with local bus access, quick links to regional highways, and proximity to major rail infrastructure—but it is not currently in the same immediate "high-frequency" transit zone as Downtown/Manchester's core routes. The site is within the

Commerce Road industrial transportation network, where the City has also invested in corridor safety, drainage, and multimodal upgrades to support both businesses and future redevelopment.

For public transit, the nearest practical service is through GRTC's Southside routes, including routes that directly serve the Bellemeade/Oak Grove/Blackwell/Manchester area (notably Route 87 – Bellemeade/Hopkins, and other Southside routes shown on the GRTC system map), which provide connections into Manchester and Downtown where riders can transfer to the broader network (including Pulse BRT on Broad Street). On the regional network side, the site's location near Commerce Road provides fast access to I-95 / I-64 via Downtown connections, and it lies within a rail-heavy Richmond corridor where CSX has invested in capacity projects to improve freight/passenger rail flow—context that matters because the surrounding area is shaped by industrial logistics access and rail infrastructure.

Medical services

Commerce Yards (around 1220–1260 Ingram Ave, Richmond 23224) is within easy reach of major hospitals and multiple community health/primary care clinics, with the strongest concentration of full-service specialty and trauma care located a short drive north in Downtown (VCU/MCV). In practical terms, residents and workers in the Commerce Yards area would have access to three tiers of medical services: (1) regional hospitals for ER/trauma and specialty care, (2) community health centers for primary care, behavioral health, and dental, and (3) urgent care networks across Metro Richmond.

For hospital and emergency care, the closest major destination is typically VCU Health Medical Center / VCU Medical Center Main Hospital in Downtown (address 1250 E. Marshall St, Richmond, VA 23298), a large academic medical center serving the region. Additional nearby full-service hospitals include Chippenham Hospital (address 7101 Jahnke Rd, Richmond, VA 23225) and Johnston-Willis Hospital (both part of HCA's system), providing ER services and broad medical/surgical care options on the Southside/nearby Midlothian corridor. For community-based primary care, two prominent nearby providers that serve South Richmond residents include Daily Planet Health Services (multiple locations including Belt Blvd, offering primary care, behavioral health, dental, and case management) and Crossover Healthcare Ministry (clinic at 108 Cowardin Ave, Richmond, VA 23224, including pharmacy services), which are especially relevant for uninsured/Medicaid populations and neighborhood-scale access.

Places of worship

Commerce Yards (near 1220–1260 Ingram Ave, Richmond 23224) is in close proximity to several places of worship, especially along the Hull Street / Commerce Road / Southside corridor where many congregations and faith communities are located. Within the broader South Richmond area, you'll find multiple Christian churches as well as Islamic and Jewish congregations within an easy drive, reflecting Richmond's diverse religious landscape.

Nearby / South Richmond–area places of worship (examples)

- Central United Methodist Church (1213 Porter St, Richmond 23224) — South Richmond congregation very near the Commerce Yards ZIP code area.
- Masjid Al Rahman (1320 Hull St, Richmond 23224) — mosque located directly in the same South Richmond / Hull Street corridor.

- Muhammad Mosque No. 24 (Nation of Islam) (800 Prince Hall Dr, Richmond 23224) — also within South Richmond.
- Congregation Or Ami — a Reform Jewish congregation on Richmond's Southside (broader Southside area, not far by car).

Proximity to Employment Centers

Commerce Yards (at 1220–1260 Ingram Ave, 23224) is positioned close to several of Richmond's largest and most stable employment centers, largely because it sits just south of the river with quick access into Downtown and the region's primary transportation corridors. The nearest major employment concentration is Downtown Richmond, which includes VCU / VCU Health, state government offices, and a dense cluster of legal, financial, and professional services jobs. VCU Medical Center (VCU Health)—one of the region's largest employment anchors—is located at 1250 E. Marshall St in Downtown Richmond and is a short trip from the Commerce Road corridor, offering a major source of healthcare, research, and support-service jobs.

In addition to Downtown, the site is also near large institutional and logistics-oriented employment nodes that shape the Southside economy. Virginia state government is a major employer with a strong presence in and around Capitol Square and across the Commonwealth. The broader region also benefits from the federal/military employment base at Fort Lee (formerly Fort Gregg-Adams) in Prince George County; the installation's daily population averages 29,000+ and it supports substantial civilian and contractor employment in addition to military personnel and training functions—making it a significant employment center within commuting distance of Richmond.

7. Comment Of Availability Of Public Transportation.

Commerce Yards (around 1220–1260 Ingram Ave, 23224) has nearby access to GRTC bus service, with the strongest local fixed-route connection coming from Route 87 (Bellemeade/Hopkins)—a Southside route that links the Bellemeade/Hopkins area to Downtown Richmond and the Transfer Station, making it a practical transit spine for residents traveling north across the river for jobs, services, and transfers. GRTC provides official schedules and maps for Route 87, and the broader GRTC system map shows how this Southside service connects into the larger network.

Beyond immediate local routes, Commerce Yards is also positioned to benefit from Richmond's evolving regional transit network, because Southside routes feed into Downtown transfer points where riders can connect to higher-frequency services (including Pulse BRT on Broad Street). In addition, GRTC is actively planning longer-term rapid transit expansion—including a proposed north–south Pulse rapid transit line, which is in planning/design phases and could improve future connectivity between Southside/Manchester and the rest of the region (though construction is not expected until later in the decade).

8. Crime

The Commerce Yards area (South Richmond 23224, near Ingram Ave / E 17th St and the Commerce Rd industrial corridor) is generally considered a higher-crime part of the city relative to Richmond's overall average, reflecting long-standing patterns in some nearby Southside neighborhoods (including parts of Blackwell/Bellemeade) where violent crime and property crime rates tend to be elevated compared with citywide benchmarks. That said, conditions can vary block-to-block, and the most reliable way to characterize current risk for the immediate vicinity is to use the Richmond Police Department's Crime Incident Information / CrimeInfo tools, which publish founded incident data and allow searches by date range and geography for the exact area around Commerce Yards.

9. Provide Conclusion Concerning The Suitability Of The Proposed Site For The Proposed Use.

Site Suitability Conclusion – Proposed LIHTC Multifamily Use (Commerce Yards / Ingram Ave Area, Richmond, VA 23224)

Overall Suitability. The subject site is considered generally suitable for development as a LIHTC multifamily community, provided that project planning and due diligence proactively address certain site-specific constraints common to transitioning industrial corridors. The location benefits from proximity to major employment centers in Downtown Richmond, including the VCU/VCU Health complex, as well as Southside medical and service corridors, supporting resident access to jobs and essential services. The surrounding area also includes multiple public schools and neighborhood institutions, and the broader planning and redevelopment context (including large-scale reinvestment interest along the Commerce Road / Ingram Avenue corridor) supports the site's positioning as part of a longer-term neighborhood improvement trajectory. Collectively, these factors are consistent with the locational characteristics of successful LIHTC communities, particularly those serving workforce households that require access to employment and public-serving infrastructure.

Key Locational Strengths. The subject site's most notable strengths include (i) regional accessibility via proximity to major roadway networks connecting to Downtown and the broader metro, (ii) reasonable access to public transit through nearby GRTC Southside routes with connections to Downtown transfer points, (iii) availability of community services and schools within the surrounding South Richmond neighborhoods, and (iv) a redevelopment environment that supports residential reuse of underutilized industrial land. These characteristics should be favorable in underwriting, as they support resident stability and mobility while reinforcing the narrative of catalytic investment in a corridor undergoing land-use transition. The site's context also allows the proposed LIHTC community to be framed as an infill project that can support equitable reinvestment in historically industrial and underserved areas—an approach aligned with many local and state affordable housing priorities.

Primary Constraints and Required Mitigations. Despite the positive indicators above, the site presents several important constraints that must be mitigated to ensure long-term project performance and market acceptance. The immediate area has a strong industrial legacy, which raises potential risks related to environmental conditions, including contamination, soil vapor, and heavy vehicle activity; therefore, thorough Phase I/Phase II environmental investigations and any required remediation or vapor mitigation measures should be completed early in the development process. Additionally, the surrounding submarket is often characterized by elevated crime rates relative to broader city averages, which may impact resident perceptions and leasing velocity; accordingly, the development should incorporate strong CPTED-based site design (lighting, visibility, controlled access, clear circulation), enhanced security planning, and robust property management and community programming strategies. Lastly, although neighborhood-serving retail and services exist nearby, the broader area remains comparatively limited in walkable, full-service retail options; the project would benefit from a clear resident services plan and mobility strategy (transit connectivity, bike/pedestrian linkages, and partnerships for health/food access) to address this gap.

Conclusion. Considering the subject site's accessibility, service proximity, and alignment with corridor-scale redevelopment trends, the location is appropriate for LIHTC multifamily development, contingent upon adequate mitigation of industrial legacy conditions and public safety/amenity concerns. With comprehensive environmental due diligence, careful site planning to buffer industrial activity, and a proactive safety and resident services strategy, the subject site can support a stable and successful affordable housing community and can be credibly positioned as a meaningful component of ongoing South Richmond reinvestment.

Location Analysis

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

Location Rating Factor (by Submarket)

Rating Factor	Subject	Matoaco	Dale
Proximity to Existing Development	3	3	3
Public Planning/ Development Support	3	3	3
Path of Growth	3	2	3
Reputation/ Prestige	2	2	2
Access/ linkages (now and future)	3	3	3
Schools	2	1	2
Restaurants/ Shopping	2	2	3
Employment Center	2	2	2
Higher Income Housing	2	2	2
Recreational Facilities	2	2	2
Aesthetics- natural features	2	2	2
Infrastructure- existing and committed	2	2	2
*Detrimental Influences	2	2	2
Score	30	28	31

The subject's PMA is compared to the two closest districts. The subject scored 30 out of a possible 39, which equates to 77%. There are no known hazards, nuisances, or detrimental influences in the area. The subject's submarket appears to be suitable for low to moderate income housing.

E. Market Area Definition

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

I. Define the Primary Market Area

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

Time-Distance Concepts

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

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

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

Direct Survey Method

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

Commuting Patterns

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

Commuting to Work (16+)	%
Less than 5 minutes	0.70%
5 to 9	5.90%
10 to 14	9.50%
15 to 19	17.10%
20 to 24	22.50%
25 to 29	10.40%
30 to 34	18.70%
35 to 39	3.60%
40 to 44	3.30%
45 to 59	3.30%
60 to 89	2.40%
90+	2.50%
Mean travel time to work (min.)	23.7

Approximately 85% of commuters have a commute time of less than the 35-minute mean travel time to work.

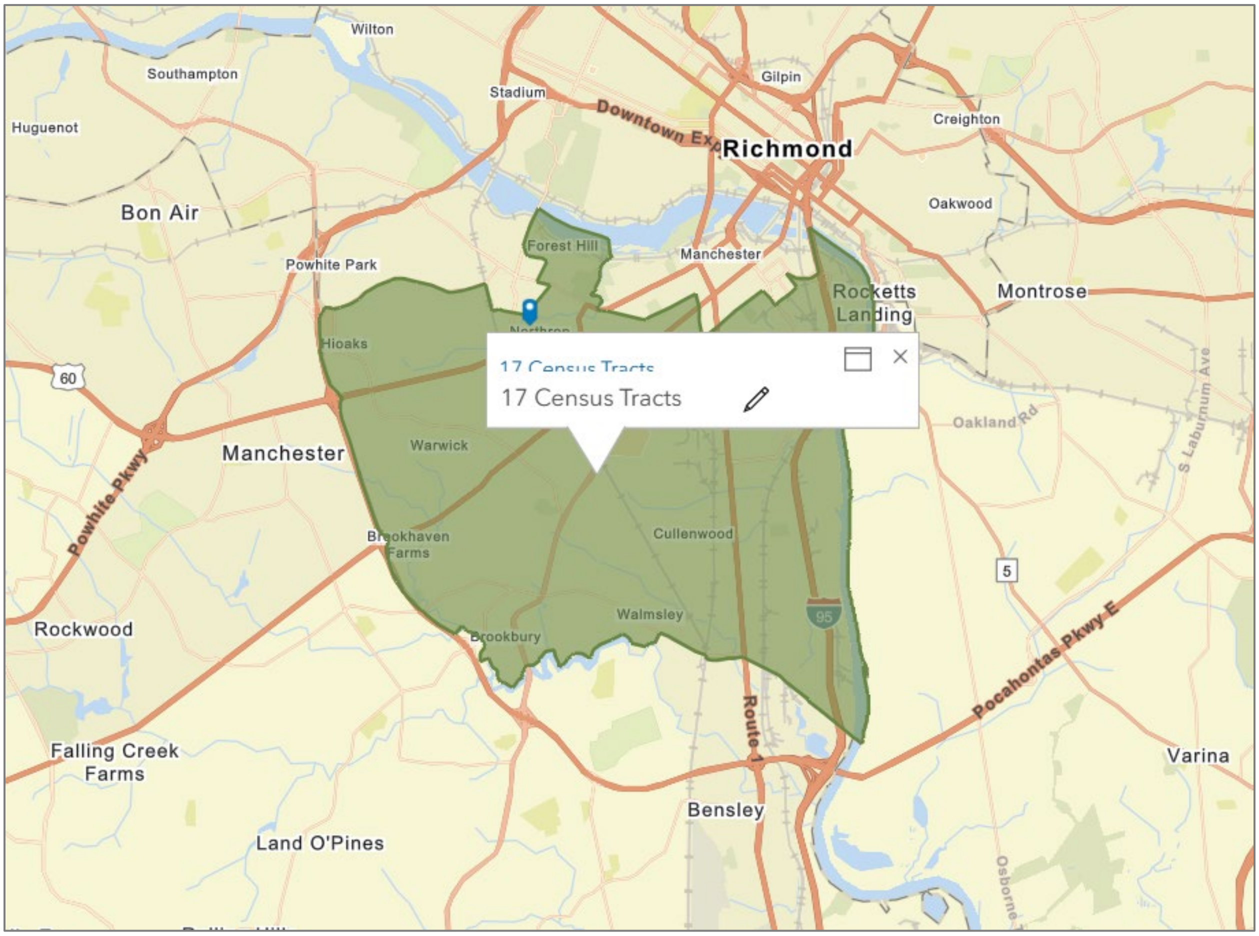
CONCLUSION

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

PMA			
Census Tracts	Jurisdiction	Census Tracts	Jurisdiction
517600602.00	City of Richmond	517600708.02	City of Richmond
517600604.00	City of Richmond	517600708.03	City of Richmond
517600605.02	City of Richmond	517600708.04	City of Richmond
517600607.00	City of Richmond	517600709.01	City of Richmond
517600608.00	City of Richmond	517600709.02	City of Richmond
517600609.00	City of Richmond	517600710.02	City of Richmond
517600706.01	City of Richmond	517600710.03	City of Richmond
517600706.02	City of Richmond	517600710.04	City of Richmond
517600707.00	City of Richmond		

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

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



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

F. Employment and Economy

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

1 & 2 Employment by Industry

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

Total Employment by Industry	City of Richmond	% of Total
Agriculture, Forestry, Fishing and Hunting	22	0.01%
Mining, Quarrying, and Oil and Gas Extraction	0	0.00%
Utilities	191	0.12%
Construction	5,519	3.34%
Manufacturing	4,908	2.97%
Wholesale Trade	4,026	2.43%
Retail Trade	7,481	4.52%
Transportation and Warehousing	3,787	2.29%
Information	1,241	0.75%
Finance and Insurance	8,804	5.32%
Real Estate and Rental and Leasing	4,870	2.94%
Professional, Scientific, and Technical Servi	11,419	6.90%
Management of Companies and Enterprises	8,970	5.42%
Administrative and Support and Waste Management	11,740	7.10%
Educational Services	4,356	2.63%
Health Care and Social Assistance	25,951	15.69%
Arts, Entertainment, and Recreation	2,580	1.56%
Accommodation and Food Services	11,932	7.21%
Other Services (except Public Administration)	5,572	3.37%
Government Total	41,715	25.22%
Unclassified	333	0.20%
Total, All Industries	165,417	100%

3. Historical Unemployment Rate

Unemployment rates in the county have historically been lower than the state and with US levels.

Year	Richmond City	VA	US
2014	6.00%	5.10%	3.20%
2015	5.10%	4.40%	5.30%
2016	4.30%	4.00%	4.90%
2017	3.90%	3.60%	4.40%
2018	3.30%	3.00%	3.90%
2019	3.00%	2.80%	3.70%
2020	8.60%	6.50%	8.10%
2021	5.00%	3.80%	5.30%
2022	3.00%	2.70%	3.60%
2023	3.10%	2.70%	3.60%
2024	3.20%	2.90%	4.00%

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

Month/ Yr.	Richmond City	VA	US
Jul-24	3.60%	2.90%	4.50%
Aug-24	3.70%	2.70%	4.40%
Sep-24	3.30%	2.70%	3.90%
Oct-24	3.20%	2.90%	3.90%
Nov-24	3.30%	2.40%	4.00%
Dec-24	2.90%	2.30%	3.80%
Jan-25	3.50%	2.70%	4.40%
Feb-25	3.70%	3.00%	4.50%
Mar-25	3.90%	3.30%	4.20%
Apr-25	3.70%	3.50%	3.90%
May-25	3.90%	3.10%	4.00%
Jun-25	4.10%	2.90%	4.40%
Jul-25	4.20%	3.00%	4.60%

Monthly trends have been consistent with years past.

4. Area Major Employers

PMA MAJOR EMPLOYER LIST (by order of number of employees)	
Employer Name	Jurisdiction
MCV	Richmond
VCU	Richmond
HCA	Richmond
Richmond Public Schools	Richmond
City of Richmond	Richmond
US Dept of VA	Richmond
Costar	Richmond
MCV Physicians	Richmond
University of Richmond	Richmond
Dominion Resources	Richmond

5. Comment of Recent Or Planned Major Employment Expansions.

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

Major Manufacturing & Industrial Expansions

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

Corporate & Office Developments

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

Distribution & Logistics Growth

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

Data Centers & Tech Infrastructure

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

Education & Research

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

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

6. In relevant Markets, Comment of Availability of Affordable Housing

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

Not Applicable

7. Typical wages by occupation

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

Estimated Average Weekly Wages by Occupational Group (May 2024, Richmond MSA)

Major Occupational Group	Mean Hourly Wage	Estimated Weekly Wage
Management	$69.24	~$2,770
Legal	$59.80	~$2,392
Computer & Mathematical	$53.39	~$2,136
Healthcare Practitioners & Technical	$47.60	~$1,904
Business & Financial Operations	$43.23	~$1,729
Architecture & Engineering	$46.45	~$1,858
Office & Administrative Support	$23.74	~$950
Sales & Related	$25.46	~$1,018
Food Preparation & Serving Related	$17.26	~$690
Building & Grounds Cleaning & Maintenance	$17.51	~$700
Personal Care & Service	$18.24	~$730
All Occupations (average)	$31.78	~$1,271

8. COMMUTING PATTERNS

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

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

There are approximately 34,011 people who reside and work in the city. The total number of persons commuting into the city is more than those that commute out of the by approximately 65,000 persons.

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

Average Commute Times & Driving Trends

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

Public Transit & Carpooling

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

Remote Work & Long-Distance Commuting

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

Active Transportation & Micro-Mobility

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

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

9. Conclusions

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

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

Richmond’s economy is anchored by a large government and institutional base that provides stability across economic cycles. As the state capital, the city has substantial employment tied to state government, public administration, and education, alongside a major concentration of health care and higher education institutions that serve both the city and the broader metro. This base is complemented by a sizable professional-services footprint and a growing mix of private-sector employers, which helps diversify the employment profile beyond government alone. Recent city reporting shows continued job growth in Richmond (measured by BLS QCEW), indicating that the employment base has been expanding in the most recent annual period tracked.

In terms of labor-market conditions, Richmond remains part of a generally strong regional economy with low-to-moderate unemployment by recent historical standards, although levels can vary depending on whether you look at the city-only measure or metro-wide data. BLS local labor market indicators show that the Richmond area entered late 2025 with conditions that remained comparatively healthy, and recent summaries highlight that the region has largely avoided the sustained labor weakening seen in some other Mid-Atlantic metros. At the same time, the broader Virginia economy has shown mixed signals in 2025 (some months adding jobs and others showing losses), which is typical in a mature expansion and underscores why Richmond's diversified employer mix matters for resilience.

Looking forward, Richmond's growth fundamentals are supported by its role as a regional services hub—particularly in health care, education, public administration, and professional/business services—and by its strategic location in the I-95 corridor that supports logistics and business connectivity. City economic indicator reporting highlights that Richmond has been adding jobs while maintaining a stable economic footing, and regional GDP measures for the Richmond metro area show a long-term upward trajectory (through the latest BEA series available), reinforcing the area's structural growth trend. Overall, Richmond's economy is best characterized as stable and institutionally anchored, with steady private-sector growth layered on top—making it less volatile than single-industry cities while still benefiting from broader regional expansion.

Conclusions

Richmond's economy can be best summarized as stable, diverse, and institutionally anchored, with a strong foundation in state government, health care, and education that supports consistent employment even during slower economic periods. This core is complemented by a growing mix of professional services, finance/administration, and regional service industries, which broadens the city's economic base beyond the public sector. Recent employment indicators show continued job presence and growth, reinforcing Richmond's role as the primary employment and service hub for Central Virginia.

Overall, the city's economic outlook is supported by its capital-city function, deep institutional footprint, and strategic position within the I-95 corridor, which strengthens connectivity to major Mid-Atlantic markets. While Richmond remains subject to broader statewide and national labor-market shifts, its combination of stable anchor employers and expanding private-sector activity creates a resilient environment for investment and long-term development. In short, Richmond offers a balanced economic profile—less volatile than many peer markets yet still positioned to benefit from ongoing regional growth trends.

G. DEMOGRAPHIC CHARACTERISTICS

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

POPULATION AND HOUSEHOLD ESTIMATES AND PROJECTIONS

General Population Trends

The population for the subject's PMA increased approximately 5% between 2010 and 2025 and is expected to level off/ slight decline by 2030. This change in population over this time span is considered moderate and thus we can conclude that the population in the subject's PMA is growing at a constant and deliberate pace.

General Population Trends			
Year	No.	% Change	Annual % Change
2010	59,140	Base Year	Base
2025	62,233	5.23%	0.40%
2030 (est)	61,270	-1.55%	-0.31%

POPULATION BY AGE

Population By Age	2025	%	2030 (est)	%
0-4	4,393	7.00%	4,190	6.80%
5-9	4,471	7.20%	4,058	6.70%
10-14	4,187	6.70%	4,089	6.70%
15-24	7,795	12.60%	8,121	13.30%
25-34	9,097	14.60%	7,632	12.40%
35-44	9,205	14.80%	9,069	14.80%
45-54	6,713	10.80%	7,564	12.40%
55-64	6,598	10.60%	5,924	9.60%
65-74	6,032	9.60%	5,954	9.70%
75-84	2,812	4.50%	3,627	5.90%
85+	930	1.49%	1,042	1.70%

As indicated above, approximately 46% of the population is 35 years of age or younger, which is the typical age range for an apartment dweller. There does not appear to be any significant shifts in the age composition of the population over our survey period.

General Housing Trends

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

Housing Trends; PMA					
Year	Population in HH	Households	Housing Units	Persons per HH	Occupancy %
2020	62,544	24,918	27,079	2.51	92%
2025	61,187	24,672	26,845	2.48	92%
2030 (est)	60,314	24,320	26,971	2.48	90%
Household Trend Analysis					
	Number		Growth Rate (%)		
Year	Total	Annual	Total	Annual	
2020-2025	-246	(49)	-0.99%	-0.08%	
2026-2030	-352	(70)	-1.43%	-0.29%	
Housing Unit Trend Analysis					
	Number		Growth Rate (%)		
Year	Total	Annual	Total	Annual	
2020-2025	-234	(47)	-0.86%	-0.07%	
2026-2030	126	25	0.47%	0.09%	

Housing Trends in macro-PMA

- Persons in occupied housing units generally remained level
- Households generally remained level over our survey period.
- Housing units generally remained level over our survey period.
- Persons per HH was 2.51 in 2020 and decreased to 2.48 in 2025 and is expected to remain level through 2030. Because the subject has a higher percentage of 3 BR dwelling units, the average household size is adjusted upwards from 2.48 to 2.65 persons per household.
- Occupancy rates have generally remained level.

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

HOUSEHOLDS BY TENURE

Owner/ Renter Occupancy in PMA						
	2020	%	2025	%	2030 (est)	%
Owner	8,944	33%	9,776	36%	10,181	38%
Renter	15,974	59%	14,896	55%	14,139	52%
Vacant	2,161	8%	2,173	8%	2,651	10%
TOTAL:	27,079	100%	26,845	100%	26,971	100%
Households	24,918		24,672		24,320	
*Adj Renter %	64%		60%		58%	

*- nets out vacant households

Based upon information provided by the Site to do Business, the ratio of renters to owners in the subject PMA has remained relatively level over our survey period. This ratio is expected to increase by about one percent over the next five years. The ratio of multifamily households is approximately 33%, after netting out vacant households.

DISTRIBUTION OF INCOME

Income Restrictions

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

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

The analysis is contained on the following page.

INCOME LIMIT DERIVATION PMA			
LIHTC			
Income/Rent Restriction	60%/60%	60%/ 60%	60%/ 60%
Unit Type (No. of BR's)	1x1	2x2	3x2
No. of Units	72	78	81
No. of PBV Units (assuming all LIHTC)	0	0	0
Proposed Rents	$1,208	$1,448	$1,675
UTILITY ALLOWANCE	69	85	95
GROSS RENTS	$1,277	$1,533	$1,770
Annual Rent	$15,324	$18,396	$21,240
Incomes needed to Support Gross Rents (with no subsidy component considered)	$43,783	$52,560	$60,686
Proportion of Units Eligible for Restrictions			
Eligible Households:	100%	100%	100%
Eligible Income, Upper Limit @ 30% of AMI			
Eligible Income, Upper Limit @ 50% of AMI			
Eligible Income, Upper Limit @ 60% of AMI	$51,090	$61,320	$70,830
Eligible Income, Upper Limit @ 80% of AMI			
Maximum Tax Credit Eligible Gross Rents (30%)			
Maximum Tax Credit Eligible Gross Rents (50%)			
Maximum Tax Credit Eligible Gross Rents (60%)	$1,277	$1,533	$1,770
Maximum Tax Credit Eligible Gross Rents (80%)			
Target Income Ranges:	$43,783	$52,560	$60,686
to	$51,090	$61,320	$70,830

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

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

AFFORDABILITY INDEX

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

Household Income Distribution; PMA					Overall	1x1	2x2	3x2
Household Income Range			% of HH	# of HH		60%	60%	60%
$0	to	$14,999	21%	3,128				
$15,000	to	$24,999	11%	1,639				
$25,000	to	$34,999	12%	1,788				
$35,000	to	$49,999	17%	2,532	1,049	1,049		
$50,000	to	$74,999	18%	2,681	2,234	117	940	1,088
$75,000	to	$99,999	13%	1,936				
$100,000	to	$149,999	5%	745				
$150,000	+		3%	447				
Renter HH			100%	14,896	3,284	1,166	940	1,088
Min Income					$43,783	$43,783	$52,560	$60,686
Max Income					$70,830	$51,090	$61,320	$70,830
Affordability Index					22%	8%	6%	7%

The overall affordability index is 22% for all units. The affordability index is simply the ratio of renter qualified households by the total number of renter households. The affordability index is further segmented by bedroom as demonstrated in the above table.

Adjust for Normal Vacancy

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

Demand Generators

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

Change in population

Initially, the change in population is the primary component which drives household demand. As population increases/ decreases, the demand for housing increases/ decreases relative to household size. If average household size remains constant, as population increases, the demand for households also increases. Conversely, if population decreases, the demand for households decreases. The change in population has the potential of increasing/ decreasing overall household demand. This form of demand is new demand.

Existing Inventory

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

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

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

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

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

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

Adjust for Movership Demand

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

Trends

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

Adjust for Latent Demand

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

Cost Burden Renters are those renters that spending more than 35% of income for housing costs. Based upon information provided by the US Census Bureau, approximately **47%** of renter households in the subject PMA are considered cost burden households.

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

We have estimated that **around 48**% of *current* renter households are a combination of cost burden and substandard households. Not all the cost burden households and substandard households will qualify for the subject; however, more than the average affordability index will qualify given that the subject is designed to cater to this household segment. Therefore, we have estimated the affordability index at **50**% for this household segment. The balance of those households that would not qualify would likely remaining in their current house or find housing with a deeper form of subsidy.

H. Competitive Environment

Comparable Property Profiles

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

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

Existing Stock of Competitive Properties

Predominate type of development and conformity.

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

Existing Properties

Using quantitative data obtained from municipal lists of existing apartments and unit totals, we estimated the multifamily inventory within the subject's PMA at approximately 15,000 multifamily units (including LIHTC units). Not all these units are competitive with the subject. Some units are occupied by tenants with household incomes above or below the range specified for the subject. The subject is a family oriented LIHTC property and only other family oriented LIHTC properties are expected to compete with the subject. Therefore, we have conducted a survey on the existing inventory of family oriented LIHTC properties contained in the subject's PMA.

Planned Projects

We are aware of several competitive projects that are coming online in the near term;

- 700 W 44th is currently under construction and consists of two phases for a total of 144 dwelling units.
- Afton Bellmeade is currently under construction and consists of 150 dwelling units.
- Walmsley Family Gardens is currently under construction and consists of 216 dwelling units. (not located in our PMA)
- Lambert Landing has completed 70 of their proposed 295 dwelling units which equates to an additional 225 dwelling units coming online in the near future.
- NOON Hioaks Phase II is underway with 151 affordable units.

This equates to 886 dwelling units that will come online in the short term of which 617 are in the subject's PMA. Based upon conversations with city/ county officials and housing trends, a total allowance of 620 competitive new dwelling units is estimated within the subject's PMA over the mid-range forecast (5 years).

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

Analysis of Competitive Supply and Rating of the Subject Against the Competition

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

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

The subject will is a LIHTC community and all other LIHTC properties in the subject's PMA will compete with the subject. Subsidized properties and elderly properties were excluded from our analysis. Our ranking analysis is as follows;

Property	Have Write-Up	Submarket	Age Group	Units	Property Class	Overall Rating	Type
Port City	No	within PMA	5 to 10	282	A	8	LIHTC
Chicago Manor	Yes	within PMA	15 to 30	74	C	7	LIHTC
Mirage Manchester	Yes	within PMA	0 to 5	139	A	8	LIHTC
Noon Ingram	Yes	within PMA	0 to 5	243	A	8	LIHTC
Urbanna at Hiaoks	Yes	within PMA	0 to 5	216	A	8	LIHTC
Alexander at 1090	Yes	within PMA	1 to 5	96	A	8	LIHTC
Noon at Hioks	Yes	within PMA	1 to 5	218	A	8	LIHTC
Graystone Place	Yes	within PMA	15 to 30	134	C	5	LIHTC
Heights at Brady Square	Yes	within PMA	1 to 5	66	A	9	LIHTC
McGuire Park	Yes	within PMA	15 to 30	80	C	5	LIHTC
Park at Vue	Yes	within PMA	15 to 30	295	B	7	LIHTC
Townhomes at Warwick Place	Yes	within PMA	1 to 5	40	B	8	LIHTC
Tuscany Townhomes	Yes	within PMA	15 to 30	132	C	7	LIHTC

Total Units Surveyed in PMA	2,015
Competitve Units	2,015

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

Class	No. of Communities	% of Total Units	No. of Units per Class	Rating Scores
A	7	54%	1,260	9+
B	2	15%	335	7, 8
C	4	31%	420	<5
Total	13	100%	2,015	

Conclusion of Competitive analysis

Class A

- There are 7 Class A projects containing 636 units located within the subject's PMA.

Class B

- There is a total of 2 Class B projects containing 1,367 units within the subject's PMA. The rating scores are 7 and 8.

Class C

- There is a total of 4 Class C project containing 538 dwelling units in the subject's PMA. The rating scores have a range from 5 and below.

The subject is expected to compete with all other LIHTC properties.

Comparable Property Photos and Property Profiles

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

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

Property	Status
Port City	Unable to update
Chicago Manor	Updated online
Mirage Manchester	Updated online
Noon Ingram	Updated online
Urbanna at Hiaoks	Updated online
Alexander at 1090	Updated online
Noon at Hioks	Updated online
Graystone Place	Updated online
Heights at Brady Square	Updated online
McGuire Park	Updated online
Park at Vue	Updated online
Townhomes at Warwick Place	Updated online
Tuscany Townhomes	Updated online

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

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

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

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

Property Name: Commerce Heights

Property Address: Ingram Avenue, Richmond, VA Phone:

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

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

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

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

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

Has the property been renovated? If so, what was the scope of the work?: No, this is a new build.

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

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

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

Unit Mix: 231 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	Type	Low	High	Low	High	$/ PSF	$/ PSF	Restrictions	Conc.	Other
72	1x1	705		1,208.00		1.71		60%/ 60%	None	
78	2x2	1,052		1,448.00		1.38		60%/ 60%	None	
81	3x2	1,309		1,675.00		1.28		60%/ 60%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

			Build	*Property Class:*
( ) Pool	( ) Playground/Tot Lots	(x) Elevator 2	( ) Garden	( ) A
( ) Tennis	( ) Deck Parking/Garages	( ) Storage	( ) TH	(x) B
(x) Rental Office	(x) Limited Access;	(x) Other; please specify:	(x) Mid Rise	( ) C
( ) Car Wash Area	(x) Fitness Center	Outdoor amenity area	( ) High Rise	( ) Other
(x) Business Office for Residents	( ) Laundry Facility	splash pad		
(x) Clubhouse/ community room	(x) On-Site Parking			

Utilities and Services Included in Rent: Check where appropriate

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

Tenant Retention (Annual)
Renewal Rate as $/% of Market Growth:
Typical Annual Market Growth Rate:
Marketing Period

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

Rendering

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

COMMENTS:
None

CONTACT PERSON: POSITION:
EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

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

Property Name: Alexander at 1090 Apartments

Property Address: 1090 German School Rd., Richmond, VA Phone: -

Physical Occupancy: Unknown % Estimated ( ) Actual (x) As of (date): Dec-25

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

Your impression of the Property: Good (x) Average ( ) Poor ( ) Actual/ Effective Age: 2020+/ Like new

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

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

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

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

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

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

Unit Mix: 96 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	**Type**	**Low**	**High**	**Low**	**High**	**$/ PSF**	**$/ PSF**	**Restrictions**	**Conc.**	**Other**
	2x2	879	901	1,391.00		1.54	$1.58	60%/ 60%	None	
	3x2	1,031		1,605.00		1.56		60%/ 60%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

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

Utilities and Services Included in Rent: Check where appropriate

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

Tenant Retention (Annual)

Renewal Rate as $/% of Market Growth:

Typical Annual Market Growth Rate:

Marketing Period

Newer Property Only

Pre-Leasing Began:

Construction Complete:

Stabilization:

Months:

Stabilized Units:

Monthly Absorption Rate:

Key

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

COMMENTS:

None

CONTACT PERSON: POSITION:

EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market ( ) Tax Credit (x) at of AMI Other ( ) Describe
Property Name: NOON Hiaoks Phase I
Property Address: 475 and 575 Hioaks I, Richmond, VA Phone:
Physical Occupancy: 95 % Estimated ( ) Actual (x) As of (date): Current
Specify the property's exterior: Brick (x) Vinyl ( ) T1-11 ( ) Wood ( ) Other (x); Describe Cement Fiber
Your impression of the Property: Good (x) Average ( ) Poor ( ) Actual/ Effective Age: New
What condition was the property in considering its age?: Good (x) Average ( ) Poor ( )

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

Has the property been renovated? If so, what was the scope of the work?: No, this is a new build.

Is the property located on or near public transportation; if so, what? Yes
Is the property accessed off a primary road or secondary / residential street? Describe: Primary, the comparable is located along a primary transportation route.
Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ( )

Unit Mix: 218 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	Type	Low	High	Low	High	$/ PSF	$/ PSF	Restrictions	Conc.	Other
67	1x1	579		977.00		1.69		50%/ 50%	None	
64	1x1	584		1,190.00		2.04		60%/ 60%	None	
47	1x1	586		1,403.00		2.39		70%/ 70%	None	
5	2x2	841		1,166.00		1.39		50%/ 50%	None	
4	2x2	841		1,422.00		1.69		60%/ 60%	None	
20	2x2	843		1,677.00		1.99		70%/ 70%	None	
2	3x2	1,162		1,339.00		1.15		50%/ 50%	None	
2	3x2	1,157		1,668.00		1.44		60%/ 60%	None	
7	3x2	1,157		1,929.00		1.67		70%/ 70%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

				Build	*Property Class:*
(x) Pool	(x) Playground/Tot Lots	(x) Elevator	3	( ) Garden	( ) A
( ) Tennis	( ) Deck Parking/Garages	( ) Storage		( ) TH	(x) B
(x) Rental Office	( ) Limited Access;	(x) Other; please specify:		(x) Mid Rise	( ) C
( ) Car Wash Area	(x) Fitness Center	BBQ Area		( ) High Rise	( ) Other
( ) Business Office for Residents	( ) Laundry Facility	Dog Park			
(x) Clubhouse/ community room	(x) On-Site Parking				

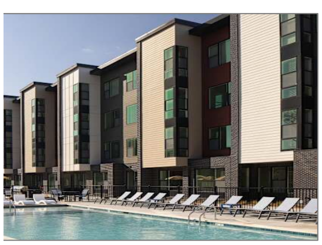
Utilities and Services Included in Rent: Check where appropriate

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

Tenant Retention (Annual)
Renewal Rate as $/% of Market Growth:
Typical Annual Market Growth Rate:
Marketing Period

Newer Property Only

Pre-Leasing Began:	Aug-24
Construction Complete:	Oct-24
Stabilization:	Jun-25
Months:	10.85
Stabilized Units:	207
Monthly Absorption Rate:	19.09



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

COMMENTS:
None

CONTACT PERSON: POSITION:
EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

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

Property Name: Graystone Place Apartments

Property Address: 2200 Lynhaven Avenue, Richmond, VA Phone:

Physical Occupancy: 98 % Estimated ( ) Actual (x) As of (date): Dec-25

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

Your impression of the Property: Good ( ) Average (x) Poor ( ) Actual/ Effective Age: 1970/ 35+/-years

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

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

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

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

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

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

Unit Mix: 134 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	**Type**	**Low**	**High**	**Low**	**High**	**$/ PSF**	**$/ PSF**	**Restrictions**	**Conc.**	**Other**
110	1x1	450		950.00		2.11		60%/ 60%	None	
24	2x1	785		1,187.00		1.51		60%/ 60%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

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

Utilities and Services Included in Rent: Check where appropriate

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

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

Newer Property Only

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

Key

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

COMMENTS:

None

CONTACT PERSON: POSITION:

EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

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

Property Name: The Heights at Brady Square

Property Address: 2351 Krouse Street, Richmond, VA Phone: -

Physical Occupancy: Leasing Up % Estimated ( ) Actual (x) As of (date): Dec-25

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

Your impression of the Property: Good (x) Average ( ) Poor ( ) Actual/ Effective Age: 2025/ new

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

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

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

market.

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

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

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

Unit Mix: 66 Total Units

		Square Footage		***Rent***				***Income/ Rent***		
# Units	***Type***	***Low***	***High***	***Low***	***High***	***$/ PSF***	***$/ PSF***	***Restrictions***	***Conc.***	***Other***
1	1x1	525		435.00		0.83		30%/ 30%	None	
2	1x1	525		822.00		1.57		50%/ 50%	None	
3	1x1	578		822.00		1.42		50%/ 50%	None	
1	1x1	610		822.00		1.35		50%/ 50%	None	
6	1x1	610		822.00		1.35		60%/ 60%	None	
3	2x1.5	752		520.00		0.69		30%/30%	None	
2	2x1.5	788		520.00		0.66		30%/ 30%	None	
15	2x1.5	788		984.00		1.25		50%/ 50%	None	
17	2x1.5	788		1,117.00		1.42		60%/60%	None	
3	3x2	825		1,117.00		1.35		60%/ 60%	None	
1	3x2	898		595.00		0.66		30%/ 30%	None	
2	3x2	898		1,132.00		1.26		50%/ 50%	None	
3	3x2	942		1,132.00		1.20		50%/ 50%	None	
7	3x2	963		1,321.00		1.37		60%/ 60%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

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

Utilities and Services Included in Rent: Check where appropriate

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

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

Newer Property Only

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

Key

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

COMMENTS:

None

CONTACT PERSON: POSITION:

EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

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

Property Name: McGuire Park Apartments

Property Address: 3611 McGuire Dr., Richmond, VA Phone:

Physical Occupancy: 98 % Estimated ( ) Actual (x) As of (date): Dec-25

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

Your impression of the Property: Good ( ) Average (x) Poor ( ) Actual/ Effective Age: 1945/ 25+/-ears

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

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

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

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

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

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

Unit Mix: 80 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	**Type**	**Low**	**High**	**Low**	**High**	**$/ PSF**	**$/ PSF**	**Restrictions**	**Conc.**	**Other**
48	1x1	650		757.00		1.16		50% at 50%/50% and 50% at 60%/ 60%		
32	2x1	840		800.00		0.95		50% at 50%/50% and 50% at 60%/ 60%		

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

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

Utilities and Services Included in Rent: Check where appropriate

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

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

Newer Property Only

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

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

COMMENTS:

None

CONTACT PERSON: POSITION:

EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market ( ) Tax Credit (x) at of AMI Other ( ) Describe
Property Name: Noon Ingram
Property Address: 2200 Ingram Ave, Richmond, VA Phone:
Physical Occupancy: Leasing Up % Estimated ( ) Actual (x) As of (date): Current
Specify the property's exterior: Brick (x) Vinyl ( ) T1-11 ( ) Wood ( ) Other (x); Describe Cement Fiber
Your impression of the Property: Good (x) Average ( ) Poor ( ) Actual/ Effective Age: New
What condition was the property in considering its age?: Good (x) Average ( ) Poor ( )

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

Has the property been renovated? If so, what was the scope of the work?: No, this is a new build.

Is the property located on or near public transportation; if so, what? Yes
Is the property accessed off a primary road or secondary / residential street? Describe: Primary, the comparable is located along a primary transportation route.
Does the property have a prominent entrance sign visible from the primary road? Yes (x) No ( )

Unit Mix: 243 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	***Type***	***Low***	***High***	***Low***	***High***	***$/ PSF***	***$/ PSF***	***Restrictions***	***Conc.***	***Other***
1	Stuidio	541		1,124.00		2.08		60%/ 60%	None	
20	1x1	611		756.00		1.24		50%/ 50%	None	
152	1x1	611		1,182.00		1.93		60%/ 60%	None	
14	1x1	609		1,395.00		2.29		70%/ 70%	None	
4	2x2	868		1,004.00		1.16		50%/ 50%	None	
30	2x2	856		1,413.00		1.65		60%/ 60%	None	
8	2x2	880		1,671.00		1.90		70%/ 70%	None	
1	3x2	1,181		1,032.00		0.87		50%/50%	None	
10	3x2	1,181		1,622.00		1.37		60%/60%	None	
3	3x2	1,181		1,928.00		$1.63		70%/70%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

				Build	***Property Class:***
(x) Pool	(x) Playground/Tot Lots	(x) Elevator	3	( ) Garden	( ) A
( ) Tennis	( ) Deck Parking/Garages	( ) Storage		( ) TH	(x) B
(x) Rental Office	( ) Limited Access;	(x) Other; please specify:		(x) Mid Rise	( ) C
( ) Car Wash Area	(x) Fitness Center	BBQ Area		( ) High Rise	( ) Other
( ) Business Office for Residents	( ) Laundry Facility	Dog Park			
(x) Clubhouse/ community room	(x) On-Site Parking	Area for kids			

Utilities and Services Included in Rent: Check where appropriate

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

Tenant Retention (Annual)
Renewal Rate as $/% of Market Growth:
Typical Annual Market Growth Rate:
Marketing Period

Newer Property Only
Pre-Leasing Began: Aug-24
Construction Complete: Oct-24
Stabilization: Lesaing Up
Months:
Stabilized Units:
Monthly Absorption Rate:

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

COMMENTS:
None

CONTACT PERSON: POSITION:
EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

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

Property Name: Park Vue Place (Village South, Swansboro and Southgate)

Property Address: 801 Holly Springs Avenue, Richmond, VA Phone:

Physical Occupancy: 95 % Estimated ( ) Actual (x) As of (date): Dec-25

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

Your impression of the Property: Good ( ) Average (x) Poor ( ) Actual/ Effective Age: 1963/ 20+/-years

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

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

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

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

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

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

Unit Mix: 295 Total Units

		Square Footage		***Rent***				***Income/ Rent***		
# Units	***Type***	***Low***	***High***	***Low***	***High***	***$/ PSF***	***$/ PSF***	***Restrictions***	***Conc.***	***Other***
Southgate										
36	1x1TH	675		1,013.00		1.50		60%/ 60%		
40	2x1TH	850		1,125.00		1.32		60%/ 60%		
36	3x1TH	1,000		1,301.00		1.30		60%/ 60%		
Swansboro										
44	2x1GA	760		1,329.00		1.75		60%/ 60%		
18	2x1.5TH	912		1,362.00		1.49		60%/ 60%		
Village South										
121	2x1	795		1,076.00		1.35		50%/ 50%		

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

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

Utilities and Services Included in Rent: Check where appropriate

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

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

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

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

COMMENTS:
None

CONTACT PERSON: POSITION:
EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

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

Property Name: Townhomes at Warwick Place

Property Address: 6278 Old Warwick Rd, Richmond, VA Phone: -

Physical Occupancy: 95 % Estimated ( ) Actual (x) As of (date): Dec-25

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

Your impression of the Property: Good (x) Average ( ) Poor ( ) Actual/ Effective Age: 2013/ 2018/ 5+/-years

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

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

Has the property been renovated? If so, what was the scope of the work?: No, the property has been well maintained.

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

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

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

Unit Mix: 40 Total Units

# Units	Type	Square Footage Low	Square Footage High	Rent Low	Rent High	$/ PSF	$/ PSF	Income/ Rent Restrictions	Conc.	Other
	3x2.5TH	1,458	1,502	801.00		0.53	$0.55	50%/ 40%	None	
	3x2.5TH	1,458	1,502	1,078.00		0.72	$0.74	50%/ 50%	None	
	3x2.5TH	1,458	1,502	1,355.00		0.90	$0.93	60%/ 60%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

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

Utilities and Services Included in Rent: Check where appropriate

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

Tenant Retention (Annual)
Renewal Rate as $/% of Market Growth:
Typical Annual Market Growth Rate:
Marketing Period

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

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

COMMENTS:

None

CONTACT PERSON: POSITION:
EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market ( ) Tax Credit (x) at of AMI Other ( ) Describe
Property Name: Tuscany TH's
Property Address: 3124 Snead Ct., Richmond, VA Phone:
Physical Occupancy: 95 % Estimated ( ) Actual (x) As of (date): Dec-25
Specify the property's exterior: Brick (x) T1-11 ( ) Wood ( ) Other ( ); Describe
Your impression of the Property: Good ( ) Average (x) Poor ( ) Actual/ Effective Age: 1965/ 25+/- years
What condition was the property in considering its age?: Good ( ) Average (x) Poor ( )

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

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

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

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

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

Unit Mix: 132 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	**Type**	**Low**	**High**	**Low**	**High**	**$/ PSF**	**$/ PSF**	**Restrictions**	**Conc.**	**Other**
132	2x1.5TH	1,250		1,231.00		0.98		50%/ 50%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

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

Utilities and Services Included in Rent: Check where appropriate

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

Tenant Retention (Annual)
Renewal Rate as $/% of Market Growth:
Typical Annual Market Growth Rate:
Marketing Period

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

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

COMMENTS:
None

CONTACT PERSON: POSITION:
EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

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

Property Name: The Mirage Manchester

Property Address: 1125 Commerce Road, Richmond, VA Phone:

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

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

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

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

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

Has the property been renovated? If so, what was the scope of the work?: No, this is a newer adaptive reuse project.

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

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

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

Unit Mix: 139 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	Type	Low	High	Low	High	$/ PSF	$/ PSF	Restrictions	Conc.	Other
110	1x1	590		1,177.00		1.99		60%/ 60%	None	
20	1x1.5	749		1,177.00		1.57		60%/ 60%	None	
9	2x2	866		1,465.00		1.69		60%/ 60%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

			Build	Property Class:
(x) Pool	( ) Playground/Tot Lots	(x) Elevator 2	( ) Garden	( ) A
( ) Tennis	( ) Deck Parking/Garages	( ) Storage	( ) TH	(x) B
(x) Rental Office	(x) Limited Access;	(x) Other; please specify:	(x) Mid Rise	( ) C
( ) Car Wash Area	(x) Fitness Center	Rooftop deck	( ) High Rise	( ) Other
(x) Business Office for Residents	( ) Laundry Facility			
(x) Clubhouse/ community room	(x) On-Site Parking			

Utilities and Services Included in Rent: Check where appropriate

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

Tenant Retention (Annual)	60%
Renewal Rate as $/% of Market Growth:	75%
Typical Annual Market Growth Rate:	3%
Marketing Period	2 weeks

Newer Property Only

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

Key

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

COMMENTS:

None

CONTACT PERSON: POSITION:
EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

Property Type: Market ( ) Tax Credit (x) at of AMI Other ( ) Describe
Property Name: Chicago Manor TH's
Property Address: 1822 Chicago Avenue, Richmond, VA Phone: -
Physical Occupancy: 95 % Estimated ( ) Actual (x) As of (date): Dec-25
Specify the property's exterior: Brick (x) Vinyl (x) T1-11 ( ) Wood ( ) Other ( ); Describe 1962/ 35 years
Your impression of the Property: Good (x) Average ( ) Poor ( ) Actual/ Effective Age: 2013/ 2018/ 5+/-years
What condition was the property in considering its age?: Good ( ) Average (x) Poor ( )

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

Has the property been renovated? If so, what was the scope of the work?: No, the property has undergone periodic updating in order to stay competitive in its respective market.

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

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

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

Unit Mix: 74 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	**Type**	**Low**	**High**	**Low**	**High**	**$/ PSF**	**$/ PSF**	**Restrictions**	**Conc.**	**Other**
74	2x1	750		895.00		$1.19		60%/ 60%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

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

Utilities and Services Included in Rent: Check where appropriate

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

Tenant Retention (Annual)
Renewal Rate as $/% of Market Growth:
Typical Annual Market Growth Rate:
Marketing Period

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

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

COMMENTS:
None

CONTACT PERSON: POSITION:
EAJoseph Appraisal & Consultation

EXHIBIT 1
INFORMATION ON COMPARABLE/ SUBJECT

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

Property Name: Urbanna at Hioaks

Property Address: 161 Hioaks Rd, Richmond, VA Phone:

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

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

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

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

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

Has the property been renovated? If so, what was the scope of the work?: No, this is a new build.

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

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

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

Unit Mix: 216 Total Units

		Square Footage		Rent				Income/ Rent		
# Units	***Type***	***Low***	***High***	***Low***	***High***	***$/ PSF***	***$/ PSF***	***Restrictions***	***Conc.***	***Other***
40	1x1	760		1,190.00		1.57		60%/ 60%	None	
130	2x2	1,002		1,400.00		1.40		60%/ 60%	None	
46	3x2	1,175		1,601.00		1.36		60%/ 60%	None	

Unit Amenities: Check where appropriate

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

Site Amenities: Check where appropriate

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

Utilities and Services Included in Rent: Check where appropriate

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

Tenant Retention (Annual)

Renewal Rate as $/% of Market Growth:

Typical Annual Market Growth Rate:

Marketing Period

Newer Property Only

Pre-Leasing Began:

Construction Complete:

Stabilization:

Months:

Stabilized Units:

Monthly Absorption Rate:

Key

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

COMMENTS:

None

CONTACT PERSON: POSITION:

EAJoseph Appraisal & Consultation

CONFORMITY

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

Unit Profile	Kitchen					Central	Flooring		
	Range	Ref.	Micro.	Dish.	Disp.	HVAC	Carpet	Vinyl	Other
Subject	x	x	x	x	x	x	x	x	
LIHTC									
Port City	x	x	x	x	x	x	x	x	x
Chicago Manor	x	x				x	x	x	
Mirage Manchester	x	x	x	x	x	x	x	x	x
Noon Ingram	x	x	x	x	x	x	x	x	x
Urbanna at Hiaoks	x	x	x	x	x	x	x	x	x
Alexander at 1090	x	x		x	x	x	x	x	
Noon at Hioks	x	x	x	x	x	x	x	x	
Graystone Place	x	x				x	x	x	
Heights at Brady Square	x	x	x	x	x	x	x	x	
McGuire Park	x	x		x	x	x	x	x	
Park at Vue	x	x	x	x	x	x	x	x	
Townhomes at Warwick Place	x	x		x	x	x	x	x	
Tuscany Townhomes	x	x		x	x	x	x	x	

	13	13	7	12	12	13	13	13	9
Compliance Ratio	100%	100%	54%	92%	92%	100%	100%	100%	69%
Overall Compliance Ratio		90%							

The subject's overall compliance ratio with the competitive set is 90%.

Unit Profile	Shades	Bal/ Pat.	W/D	Hook ups	Upgrades	High Ceilings
Subject	x		x	x	x	x
LIHTC						
Port City	x		x	x	x	x
Chicago Manor	x	x				
Mirage Manchester	x	x	$	x	x	x
Noon Ingram	x	x	x	x	x	x
Urbanna at Hiaoks	x			x	x	x
Alexander at 1090	x	x		x	x	
Noon at Hioks	x		x	x	x	x
Graystone Place	x					
Heights at Brady Square	x	x			x	x
McGuire Park	x					
Park at Vue	x		$	x		
Townhomes at Warwick Place	x	x			x	x
Tuscany Townhomes	x	x	$	x		
	13	6	6	8	8	8
Compliance Ratio	100%	46%	46%	62%	62%	62%
Overall Compliance Ratio		63%				

The subject's overall compliance ratio with the competitive set is 63%.

Site Profile	Pool	C.H.	Play Gds.	Fitness	Laundry	Site Parking	Office
Subject	x	x	x	x		x	x
LIHTC							
Port City	x	x	x	x	x	x	x
Chicago Manor					x	x	
Mirage Manchester	x	x		x		x	x
Noon Ingram	x	x		x		x	x
Urbanna at Hiaoks	x	x		x	x	x	x
Alexander at 1090		x	x	x	x	x	x
Noon at Hioks	x	x	x	x	x	x	x
Graystone Place	x				x	x	x
Heights at Brady Square		x	x		x	x	x
McGuire Park						x	
Park at Vue					x	x	x
Townhomes at Warwick Place						x	
Tuscany Townhomes	x	x	x		x	x	x
	7	8	5	6	4	13	10
Compliance Ratio	54%	62%	38%	46%	31%	100%	77%
Overall Compliance Ratio		58%					

The subject's overall compliance ratio with the competitive set is 58%.

Utility Structure	Water	Sewer	Trash	Heat	Hot Water	Cook	Elec.	Other
Subject	x	x	x					
Port City	x	x	x					
Chicago Manor	x	x	x					
Mirage Manchester	x	x	x					
Noon Ingram	x	x	x					
Urbanna at Hiaoks	x	x	x					
Alexander at 1090			x					
Noon at Hioks	x	x	x					
Graystone Place	x	x	x					
Heights at Brady Square			x					
McGuire Park			x					
Park at Vue			x					
Townhomes at Warwick Place			x					
Tuscany Townhomes	x	x	x					
	8	8	13	13	13	13	13	13
Compliance Ratio	62%	62%	100%	100%	100%	100%	100%	100%
Overall Compliance Ratio		90%						

The subject's overall compliance ratio with the competitive set is 90%.The subject's overall compliance ratio across all sets of comparable data is 77%.

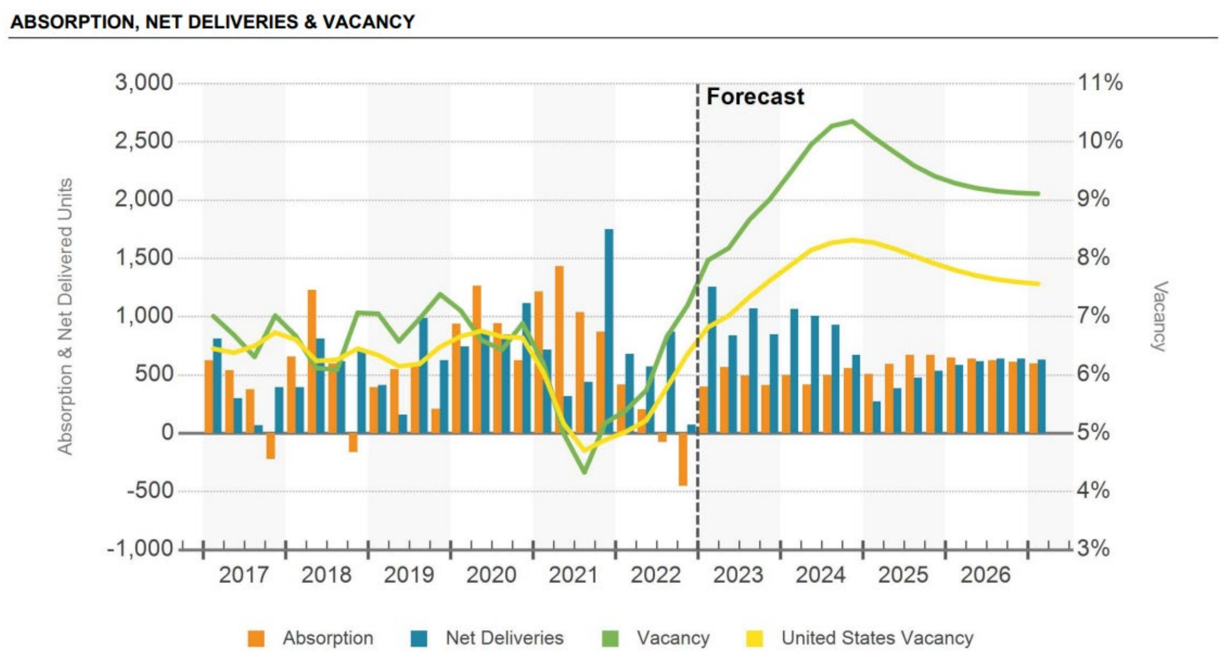
Unix Mix	Units	Studio	1 BR	2 BR	3 BR	Other
Subject	231	0%	31%	34%	35%	0%
LIHTC Properties						
Port City	126					
Chicago Manor	74	0%	0%	100%	0%	0%
Mirage Manchester	139	0%	94%	6%	0%	0%
Noon Ingram	243	0%	77%	17%	6%	0%
Urbanna at Hiaoks	216	0%	19%	60%	21%	0%
Alexander at 1090	96	0%	52%	48%	48%	0%
Noon at Hioks	218	52%	13%	5%	5%	0%
Graystone Place	134	82%	18%	8%	8%	0%
Heights at Brady Square	66	20%	56%	24%	24%	0%
McGuire Park	80	60%	40%	0%	0%	0%
Park at Vue	295	12%	76%	13%	13%	0%
Townhomes at Warwick Place	40	0%	0%	100%	100%	0%
Tuscany Townhomes	192	0%	83%	17%	17%	0%
Overall Ratio		0%	38%	45%	14%	0%

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

AREA VACANCY RATES

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

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



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

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

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

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

- Availability of Affordable Housing Options

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

- Discussion of future changes in housing stock

The market is expected to grow at a constant and deliberate pace.

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

Planned Projects

We are aware of several competitive projects that are coming online in the near term;

- 700 W 44th is currently under construction and consists of two phases for a total of 144 dwelling units.
- Afton Bellmeade is currently under construction and consists of 150 dwelling units.
- Walmsley Family Gardens is currently under construction and consists of 216 dwelling units. (not located in our PMA)
- Lambert Landing has completed 70 of their proposed 295 dwelling units which equates to an additional 225 dwelling units coming online in the near future.
- NOON Hioaks Phase II is underway with 151 affordable units.

This equates to 886 dwelling units that will come online in the short term of which 617 are in the subject's PMA. Based upon conversations with city/ county officials and housing trends, a total allowance of 620 competitive new dwelling units is estimated within the subject's PMA over the mid-range forecast (5 years).

I. FUNDAMENTAL MARKET ANALYSIS (FMA) & CONCLUSIONS

MARKET EQUILIBRIUM

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

RESIDUAL DEMAND CONCEPTS

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

OBSERVATIONS ON EQUILIBRIUM ANALYSIS

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

CAPTURE/ PENETRATION RATES

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

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

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

Total Current Population in HH (2025)			61,187
Average Family Household Size			2.65
Current Household Demand Estimate (2025)			23,089
Renter Ratio			60%
Total Demand			13,940
Affordability Index at 60%			22%
Total Potential Demand in Subject's Economic Segment			3,073
Existing Competitve Supply			1,179
Current Residual Demand			1,894
Residual Demand from Existing Inventory			**1,894**
Projected Households (2030)			24,320
Projected Change in Households			1,231
Renter Ratio			60%
Projected Change in Renter Households			743
Affordability Index			22%
Demand from Income Qualified Multifamily Growth			164
Vacancy Allowance	5%		
Adjusted Demand			172
Less: New Competitive Rental Housing (U/C or Planned)			620
Residual Multifamily Demand			(448)
Adjusted Residual Demand from Growth			**(448)**
Demand from Existing Households			
Current Number of Renter Households			13,940
Turnover Demand from Cost Burden & Substandard HH		48%	6,691
Movership Demand		0.0%	0
Marginal Demand from all Turnover			**6,691**
Affordability Index			50%
Adjusted Demand			**3,346**
Tenant Retention			**0**
Net Demand-New & Existing Income Qualified Renter Households			**4,792**
# of Units (Subject)			231
Times: % drawn from PMA			90%
Adjusted Number of Units to be captured in PMA			208
Times: Ratio of stabilized occupancy			95%
Adjusted Number of Units to be captured in PMA			198

Rate Analysis				
	Penetration Rate	Units	Competitive Units	
		14,896	1,997	13.40%
	Capture Rate	Subject Units	Units in Demand	
		198	4,792	4.12%

Total Renter HH Demand @ 60%; LIHTC				13,940
		1 BR	2 BR	3 BR
Tenure by BR		37.69%	45.17%	14.21%
Adjusted Demand by BR		5,255	6,297	1,981
Affordability Index		8%	6%	7%
Total Potential Demand in Subject's Economic Segment		1,060	854	988
Existing Competitve Supply		0	0	0
Current Residual Demand		**1,060**	**854**	**988**
Projected Change in Renter Households		280	336	106
Affordability Index		8%	6%	7%
Demand from Income Qualified Multifamily Growth		21.93	21.17	7.71
Vacancy Allowance	5%			
Adjusted Demand		23.09	22.28	8.12
Less: New Competitive Rental Housing (U/C or Planned)		234	280	88
Residual Demand from Growth		**(211)**	**(258)**	**(80)**
Turnover Demand from Cost Burden & SS Housing	48%	2,522	3,023	951
Affordability Index	50%			
Adjusted Demand		**1,261**	**1,511**	**475**
Net Demand - New & Existing Income Qualified Renter Households		2,110	2,107	1,384
Subject Units		72	78	81
Times: % drawn from PMA	90%			
Times: Ratio of stabilized occupancy	95%			
Adjusted Subject Units		62	67	69
Capture Rate		2.92%	3.17%	5.00%

EVALUATION OF PROPOSED RENTS

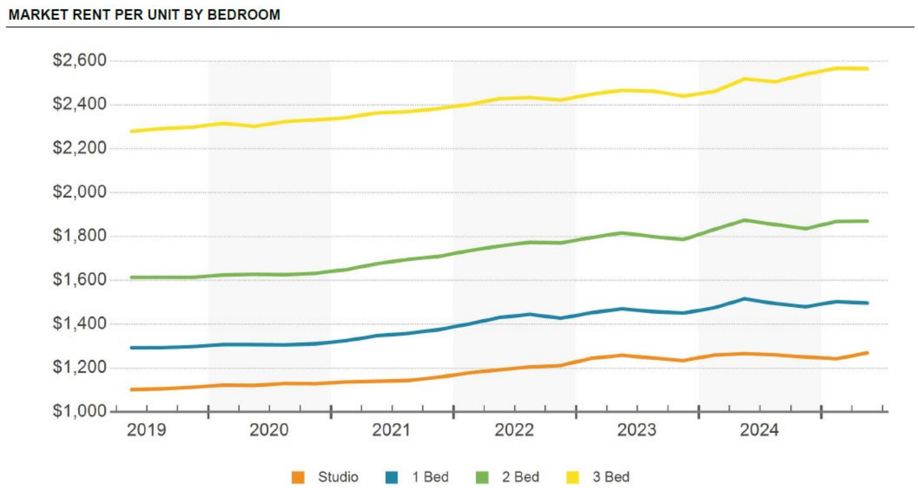
The subject contains ONE, two- and three-bedroom dwelling units with rent restrictions at 60% of AMI. In order to decide of whether the subject's rent levels are reasonable, we surveyed other similar class LIHTC oriented properties contained in the subject's PMA. The results of our analysis are as follows;

Rents for Similar Class LIHTC Assets							
	Restrictions						
Property		1 BR	$ / PSF	2 BR	$ / PSF	3 BR	$ / PSF
Subject	60%	$1,208	$1.71	$1,448	$1.38	$1,675	$1.28
Lambert Landing	60%			$1,575	$1.87	$1,660	$1.55
Alexander at 1090	60%			$1,391	$1.58	$1,605.00	$1.56
NOON at Hioaks I	60%	$1,190	$2.04	$1,422	$1.69	$1,668.00	$1.44
Arbor Lakes	60%	$1,173	$1.82	$1,420	$1.61	$1,630.00	$1.59
Grand Oaks	60%	$1,213	$1.37	$1,480	$1.34	$1,707.00	$1.28
	60%			$1,575	$1.43	$1,660.00	$1.25
	Min			$1,391.00	$1.34	$1,605.00	$1.25
	Max			$1,575.00	$1.87	$1,707.00	$1.59
	Average			$1,477.17	$1.59	$1,655.00	$1.44

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

Rents for Similar Class Market Assets							
Property		1 BR	$/ PSF	2 BR	$ / PSF	3 BR	$ / PSF
Aura Stonebridge		$1,743	$2.32	$2,356	$2.13	$3,156	$1.90
Austin Woods		$1,455	$2.20	$1,866	$1.91	$2,350	$1.67
The Jane at Moore's Lake		$1,767	$2.78	$1,859	$2.03	$2,301	$1.80
The Village at Westlake		$1,714	$2.13	$1,830	$1.76	$2,199	$1.65
	Min			$1,830	$1.76	$2,199	$1.65
	Max			$2,356	$2.13	$3,156	$1.90
	Average			$1,978	$1.96	$2,502	$1.76
LIHTC rent advantage				25%	19%	34%	18%

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

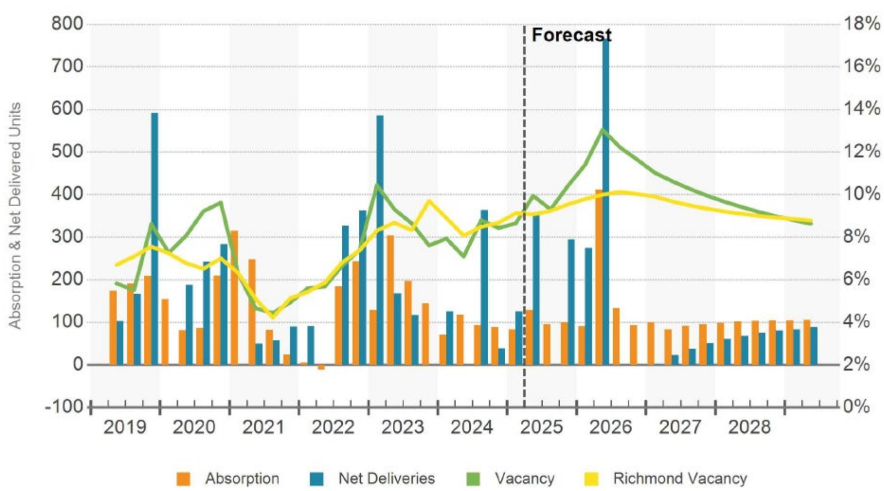


Absorption

Richmond, Virginia's multifamily housing market in 2024 and portions of 2025 exhibited robust absorption, with over 3,050 units absorbed throughout the year, marking a 24.2% increase compared to the previous year. This strong demand was fueled by sustained population growth and job creation in sectors like healthcare and logistics. Despite the influx of new units, the market maintained healthy occupancy levels, with a projected year-end occupancy rate of 95.1%, surpassing the national average. However, the rapid pace of new construction led to a temporary oversupply in certain submarkets, resulting in an areawide vacancy rate of 8.4%. Rent growth stabilized at 2.8% annually, indicating a balanced market after previous years of significant increases. Looking ahead, with a slowdown in new housing permits and continued population growth, the market is expected to tighten, potentially leading to upward pressure on rents.

To estimate the absorption rate for the subject, we surveyed other similar assets in the subject's PMA to determine how quickly those assets leased up and achieved stabilization. Within the area, newer developments are absorbing at around 8 to 25 dwelling units per month, depending on size. Given the subject's size, we anticipate an average monthly absorption rate of 18 units per month. There is adequate demand for the subject and demand is anticipated to increase in the near future based on demographic data.

ABSORPTION, NET DELIVERIES & VACANCY



Given the subject's size and more intensive marketing efforts associated with such projects, we have estimated a monthly absorption rate of 18 dwelling units per month.

CONCLUSIONS

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

- The residual demand is positive throughout our mid-range forecast period. The residential demand is 4,792 dwelling units at the 60% of AMI level.

- VH requires the analyst to consider the impact, if any, on the analysis for proposed communities in which 20% or more of the units contain at least 3 bedrooms. The subject contains approximately 35% three bedrooms and therefore, we have considered this impact and adjusted the average household size from 2.48 to 2.65 persons per house.

- The subject's capture rate is calculated as the percentage of residential demand the subject would have to capture to achieve stabilization. The total number of units for the subject is segmented by the percentage of units captured in the subject's PMA and a typical vacancy allowance. The adjusted total number of units is 198 units. The subject's overall blended capture rate is 4.12% which indicates a strong demand for affordable house.

- The subject is expected to be absorbed into the market at a pace of 18 dwelling units per month. Financing is currently available at attractive terms, and the feasibility rent is sufficient to cover costs of construction and return a reasonable yield to the investor. This combined with the low capture rate indicates a strong demand for the subject's product type.

- The site is attractive and well located in regard to its access and proximity to employment, community services, shopping, medical, and transportation routes which provide extended access to all points throughout the MSA.

- The location, rents, and amenity package will appeal to the low to moderate income families and professionals.

- The bedroom mix of units, the household size distribution, the capabilities, and the unit vacancy levels indicate that the subject's bedroom mix is appropriate in this market at the rent levels. Market rents are sufficient to support new construction, and a positive residual demand indicates new construction in this market is likely.

- Project features are adequate in this portion of the city. The inventory is mixed ranging from older 30+ year inventory to newer inventory. The subject's amenity package and features are generally commensurate with other similar class properties in the subject's market.

- The subject property exists and will undergo a comprehensive rehabilitation. The economic infrastructure for the subject properties PMA is fundamentally sound and should continue to grow at a constant and moderate pace.

- The overall development scheme is appropriate and well suited for the market. We make no further recommendations and/ or modifications to the development.

- There do not appear to be any detrimental influences that would impede the absorption rate already established at 15 units per month.

- Our analysis contained herein incorporated the opinions of property managers and leasing agents as well as local market participants that are considered experts in their respective fields.

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

VH Net Demand Table

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

Income Restrictions	60%, LIHTC
Min.	$43,783
Max	$70,830
Demand from Existing HH	1,894
New Rental HH's	(448)
PLUS	
*Existing HH's	
(Rent Overburdened+ Substandard HH+ Turnover)	3,346
PLUS	
Existing HH's	see above
(Substandard HH's)	
PLUS	
Homeowners	
converting to Rental HH's	0
PLUS	
Existing Qualifying Tenants	
(retain post rehab)	0
EQUALS	
Demand	4,792
MINUS	
**Supply	0
EQUALS	
NET DEMAND	4,792
TOTAL ABSORPTION PERIOD (months)	8.01

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

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

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

MARKET ANALYSIS STATEMENT OF EXPERIENCE

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

• Have managed and conducted numerous market and feasibility studies for affordable and conventional housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

• Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered (LIHTC) and unencumbered values were typically derived.

• In accordance with HUD Notice H 00-12, Mr. Joseph has completed numerous rent comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.

Selected vendors for demographic information and forecasts include:

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

J. OTHER REQUIREMENTS

ANALYST STATEMENT:

I affirm the following:

1. I have made a physical inspection of the site and market area.

2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.

3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low-Income Housing Tax Credit Program in Virginia as administered by VHDA.

4. Neither I nor anyone at my firm has any interest in the proposed development or a relationship with the ownership entity.

5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing VH or in any way acting for, at the request of, or on behalf of VH.

6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.

______________	January 4, 2026
Market Analyst	Date

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.

- Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraisers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- The appraisers have no present or prospective interest in the property that is the subject of this report, or personal interest with the parties involved. The appraisers have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.

- The appraisers have not performed services, as an appraiser or in any other capacity, regarding the property that is the subject of this report during the three-year period immediately preceding acceptance of this assignment.

- The appraisers have no bias with respect to the subject property or to the parties involved with this assignment.

- This engagement is not contingent upon developing or reporting predetermined results.

- Compensation paid to the appraisers is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.

- Reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation.

- A statement regarding observation of the subject property by the appraisers is listed below. This viewing, if any, did not attempt to probe, study, investigate, detect, or discover unfavorable physical features.

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

- No one provided significant real property appraisal assistance to the appraiser(s) signing this certification.

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics &

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

- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, Eugene A., Joseph, Jr., MAI, SRA has completed the continuing education program for Designated Members of the Appraisal Institute.

EAJoseph Appraisal & Consultation

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

Sequence of Addenda Materials

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

Eugene A. Joseph, Jr., MAI, SRA, AI-GRS
Proprietor
Office: +1 804 353 1757
Fax: +1 888 977 3716
Mobile: +1 804 467 2517
gene@eajoseph.com

EAJoseph Appraisal & Consultation
PO Box 8225
Richmond, Virginia 23226

CONTINGENT AND LIMITING CONDITIONS

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these Contingent and Limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all Contingent and Limiting conditions contained throughout this document.

2. The "Subject" or "Subject Property" refers to the real property that is the subject of this report. An Appraiser is defined as an individual person who is licensed to prepare real estate appraisal-related services in the State of Virginia and affixes his / her signature to this document.

3. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" also refer collectively to "EAJoseph Appraisal & Consultation ", its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".

4. In these Contingent and Limiting Conditions, the "Parties" refers to all of the following collectively: (a) the Appraiser(s), (b) EAJoseph Appraisal & Consultation, (c) the client, and (d) all intended users.

5. These Contingent and Limiting Conditions are an integral part of this report along with all certifications, definitions, descriptions, facts, statements, assumptions, disclosures, hypotheses, analyses, and opinions.

6. All contents of this report are prepared solely for the explicitly identified client and other explicitly identified intended users. The liability of the Appraiser is limited solely to the client. There is no accountability, obligation, or liability to any other third party. Other intended users may read but not rely on this report.

7. This document communicates the results of an appraisal assignment. This communication is not an inspection, engineering, construction, legal, or architectural report. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is not responsible for any costs incurred to discover, or correct any deficiency in the property.

8. As part of this appraisal, information was gathered and analyzed to form opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.

9. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.

10. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold EAJoseph Appraisal & Consultation , its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands and agrees to all these conditions.

11. For appraisals of multiunit residential, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, construction quality, and interior finish of unseen units are similar to the functionality, physical condition, construction quality, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, quality, or finish, the Appraiser reserves the right to amend theses analysis and/or value opinion(s).

12. If the appraised property consists of a physical portion of a larger parcel is subject to the following limitations. The value opinion for the property appraised pertains only to that portion defined as the subject property. This value opinion should not be construed as applying with equal validity to other complementary portions of the same parcel. The value opinion for the physical portion appraised + the value of all other complementary physical portions may or may not equal the value of the whole parcel.

13. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.

14. If this report involves an appraisal that values an interest, which is less than the whole fee simple estate, then the following disclosure applies. The value for any fractional interest appraised + the value of all other complementary fractional interests may or may not equal the value of the entire fee simple estate.

15. If this appraisal values the subject as though construction, repairs, alterations, remodeling, renovation, or rehabilitation will be completed in the future, then it is assumed such work will be completed in a timely fashion, using non-defective materials, and proper workmanship. All previously completed work is assumed completed in substantial conformance with plans, specifications, descriptions, or attachments made or referred to herein. It is also assumed all planned, in-progress, or recently completed construction complies with the zoning ordinance, and all applicable building codes. A prospective value opinion has an effective value date that is beyond or in the future relative to this report's preparation date. If this appraisal includes a prospective valuation, it is understood and agreed the Appraiser is not responsible for an unfavorable value effect caused by unforeseeable events that occur before completion of the project.

16. This valuation may or may not include an observation of the appraised property by an Appraiser. The extent of any observation is disclosed in the Scope of Work section of this report. Any observation by an Appraiser is not a professional property inspection. Viewing of the subject was limited to components that were not concealed, clearly observable, and readily accessible without a ladder on the property observation date. As used herein, readily accessible means within the Appraiser's normal reach without the movement of any man made or natural object. Comments or descriptions about physical condition of the improvements are based solely on a superficial visual observation. These comments are intended to familiarize the reader with the property in a very general fashion.

17. Electric, heating, cooling, plumbing, water supply, sewer or septic, mechanical equipment, and other property systems were not tested. No determination was made regarding the operability, capacity, or remaining physical life of any component in, on, or under the real estate appraised. All building components are assumed adequate and in good working order unless stated otherwise. Private water wells and private septic systems are assumed sufficient to comply with federal, state, or local health safety standards. No liability is assumed for the soundness of structural members since structural elements were not tested or studied to determine their structural integrity. The roof cover for all structures is assumed water tight unless otherwise noted. This document is not an inspection, engineering or architectural report. If the client has any concern regarding structural, mechanical, or protective components of the improvements, or the adequacy or quality of sewer, water or other utilities, the client should hire an expert in the appropriate discipline before relying upon this report. No warranties or guarantees of any kind are expressed or implied regarding the current or future physical condition or operability of any property component.

18. The allocation of value between the subject's land and improvements, if any, represents our judgment only under the existing use of the property. A re-evaluation should be made if the improvements are removed, substantially altered, or the land is utilized for another purpose.

19. The Client and all intended users agree to all the following. (A) This appraisal does not serve as a warranty on the physical condition or operability of the property appraised. (B) All users of this report should take all

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

20. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) It is assumed ownership of the property appraised is lawful. (D) It is also assumed the subject property is operated under competent and prudent management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.

21. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.

22. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.

23. Conversion of the subject's income into a market value opinion is based upon typical financing terms that were readily available from a disinterested, third party lender on this report's effective date. Atypical financing terms and conditions do not influence market value, but may affect investment value.

24. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.

25. This appraisal was prepared by EAJoseph Appraisal & Consultation and consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4).

26. The Appraiser is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraiser for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.

27. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.

28. EAJoseph Appraisal & Consultation and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value

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

29. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may differ from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence

30. No warrantees are made by the Appraiser concerning the property's conformance with any applicable government code or property covenant including but not limited to all laws, ordinances, regulations, agreements, declarations, easements, condominium regulations, restrictions, either recorded or unrecorded. The client is urged to engage the services of a licensed attorney to confirm any legal issue affecting the property appraised. No liability or responsibility is assumed by the Appraiser to determine the cost of replacing or curing any supposedly defective physical component.

31. In the event of an alleged claim due to some defective physical component, the client must notify EAJoseph Appraisal & Consultation and allow its representatives and experts to examine and test the alleged defective component before any repairs or modifications are made. If any type of repair or modification is made without the knowledge of the Appraisers, the Appraiser is released from all liability, real or alleged.

32. The client and all explicitly identified intended users agree to notify in writing EAJoseph Appraisal & Consultation , within one year of this report's preparation date, of any claim relating to or arising from this report regardless of any statute of limitations. If EAJoseph Appraisal & Consultation does not receive this written notification within the year period defined in the paragraph, then the claimant releases the Appraiser from all claims arising from or related to this report.

33. The client and all explicitly identified intended users acknowledge that any claim relating to this report shall be settled in accordance with the commercial arbitration rules of the American Arbitration Association with the Parties each paying an equal share of all associated costs.

34. Any alleged claim must be filed in the Circuit Court for the County that encompasses most of or all of Richmond, Virginia 23226 where the Appraiser's business office is located. If a court of law voids any portion of these Contingent and Limiting Conditions, then the remainder remains in full force and effect. The claimants(s) agree not to contest the venue set forth herein and to submit to, and not contest, the exercise of personal jurisdiction over them by the foregoing court. The claimant(s) waive all rights concerning the exercise of personal jurisdiction of them by the foregoing courts and all claims of or concerning forum non-conveniences in the foregoing forum.

35. Superseding all comments to the contrary regardless of date, this report may not be transferred or assigned without the prior written consent of EAJoseph Appraisal & Consultation.

36. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of EAJoseph Appraisal & Consultation. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from EAJoseph Appraisal & Consultation, the copyright holder.

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

PROPRIETOR & CEO
Appraisal & Consultation Services

Gene@eajoseph.com

EDUCATION AND QUALIFICATIONS

Virginia Commonwealth University, Richmond, VA

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

Graduate Certificate of Real Estate and Urban Land Development

STATE CERTIFICATION

Virginia

CONTACT DETAILS

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

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

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

EXPERIENCE

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

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

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

PROFESSIONAL AFFILIATIONS AND ACCREDITATIONS

MAI, SRA, AI-GRS; Appraisal Institute

Member of National Council of Housing Marketing Analyst (NCHMA)

HUD Certified

APPRAISAL INSTITUTE COURSES

1A1, Real Estate Principals

1A2, Basic Valuation Procedures

Course 510, Advanced Income Analysis

Course 520, Highest and Best Use and Market Analysis

Course 530, Advanced Sales Comparison and Cost Approaches

Course 540, Advanced Report Writing

Course 550, Advanced Applications

CE as needed

OTHER RELATED COURSES

Real Estate Principals

Real Estate Law

Real Estate Finance

Real Property Management

Real Estate Appraisal

Real Estate Negotiation

Advanced Real Estate Appraisal

Advanced Valuation Analysis (Graduate Level)

Real Estate Investment Analysis (Graduate Level)

Commercial Mortgage Lending (Graduate Level)

Real Property Investment Law (Graduate Level)

Real Estate Development (Graduate Level)

COMMONWEALTH of VIRGINIA
Department of Professional and Occupational Regulation
9960 Mayland Drive, Suite 400, Richmond, VA 23233
Telephone: (804) 367-8500

EXPIRES ON
04-30-2027

NUMBER
4001009492

REAL ESTATE APPRAISER BOARD

CERTIFIED GENERAL REAL ESTATE APPRAISER

EUGENE ALBER JOSEPH JR
4612 W FRANKLIN STREET
RICHMOND, VA 23226

DPOR

BRIAN WOLFORD, DIRECTOR

Status can be verified at http://www.dpor.virginia.gov

(SEE REVERSE SIDE FOR PRIVILEGES AND INSTRUCTIONS)

DPOR-LIC (02/2017)

PO Box 8225, Richmond, VA 23226
804.353.1757 (o)
804.467.2517 (m)

SKYWARD SPECIALTY INSURANCE | Professional

11/13/2025

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

INSURANCE BINDER FOR: EA Joseph Appraisal & Consultation Services, LLC
POLICY NUMBER: MEO-HS-0006008-02

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

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

Sincerely,

Jung Lee-Stouffer

Jung Lee-Stouffer

SKYWARD SPECIALTY INSURANCE | Professional

INSURANCE BINDER

Insurance Company: Houston Specialty Insurance Company
Policy Number: MEO-HS-0006008-02
Named Insured: EA Joseph Appraisal & Consultation Services, LLC

CERTIFICATES OF INSURANCE

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

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

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

SKYWARD SPECIALTY INSURANCE | Professional

INSURANCE BINDER

Policy Number: MEO-HS-0006008-02

NAMED INSURED: EA Joseph Appraisal & Consultation Services, LLC

4612 W. Franklin St
Richmond, VA 23226

Policy Period: From 1/12/2026 to 1/12/2027 at 12:01 A.M. Standard Time at your mailing address shown above.

COVERAGES

Professional Services:	Real Estate Appraisal Services
Retroactive Date:	1/12/2015

LIMITS OF INSURANCE

Per Claim	$1,000,000
Aggregate Limit	$1,000,000

DEFENSE COSTS ARE INCLUDED WITHIN THE LIMITS OF LIABILITY

RETENTION

Retention	$2,500 Each & Every Claim

PREMIUM

Policy Premium	$2,980.00
Audit Period	Not Subject To Audit

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

SKYWARD SPECIALTY INSURANCE | Professional

INSURANCE BINDER

Policy Number: MEO-HS-0006008-02

Named Insured: EA Joseph Appraisal & Consultation Services, LLC

SUBJECTIVITIES/REQUIREMENTS

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

N/A

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

SKYWARD SPECIALTY INSURANCE | Professional

FORMS

FORM/ENDORSEMENT NUMBER	NAME
HSIC JACKET-POLICY A (07-2021)	HSIC JACKET-POLICY A (07-2021)
MP PN 01 05 23	NOTICE REGARDING INSURANCE COVERAGE FOR ACTS OF TERRORISM
HSIC CW SOS 05 25	HSIC SERVICE OF SUIT
DS PN Annual (02-22)	SKYWARD PRIVACY NOTICE
MP FORM SCHED 00	FORMS SCHEDULE
HSIC MEO DS 01 04 24	HSIC POLICY DECLARATIONS - MISCELLANEOUS ERRORS AND OMISSIONS LIABILITY INSURANCE
MP 01 08 11 13	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL - OFAC - ADVISORY NOTICE TO POLICYHOLDERS
MP 01 26 1113	IMPORTANT NOTICE
MP 02 52 11 13	PENDING OR PRIOR LITIGATION EXCLUSION
MP 00 01 04 24	MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE POLICY
MP 02 24 11 13	NUCLEAR LIABILITY EXCLUSION
MP 03 10 08 21	APPRAISER ENDORSEMENT
MP 03 20 08 21	EXTENDED REPORTING PERIOD ENDORSEMENT
MP 03 31 03 22	RETENTION REDUCTION FOR MEDIATION ENDORSEMENT
MP 03 39 01 23	LIMITED GENERAL LIABILITY
MP 03 47 05 23	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
MP 03 54 10 25	ARTIFICIAL INTELLIGENCE OFFENSE COVERAGE ENDORSEMENT

PENDING OR PRIOR LITIGATION EXCLUSION – 1/12/2024

ARTIFICIAL INTELLIGENCE OFFENSE COVERAGE ENDORSEMENT:

AI IP Offense - $100K/ $100K
AI Discrimination Claim - $100k/$100k
AI Consumer Protection Violations - $100K/$100K (Sublimit to Address Exclusion L & N, respectively)

SKYWARD SPECIALTY INSURANCE | Professional

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

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

SECRETARY SIGNATURE	PRESIDENT SIGNATURE

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

POLICY NUMBER: MEO-HS-0006008-02
RENEWAL OF POLICY: MEO-HS-0006008-01

Named Insured & Mailing Address:	*Broker Name & Mailing Address:*
EA Joseph Appraisal & Consultation Services, LLC	*RSG Specialty, LLC*
4612 W. Franklin St	*9020 Stony Point Parkway*
Richmond, VA 23226	*Richmond, VA 23235*

Policy Period: From 1/12/2026 to 1/12/2027 at 12:01 A.M. Eastern Time

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

THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY.

RETROACTIVE DATE

1/12/2015

LIMITS OF INSURANCE

Each Claim	$1,000,000
Aggregate Limit	$1,000,000

RETENTION

Each & Every Claim	$2,500.00

PROFESSIONAL SERVICES

Real Estate Appraisal Services

PREMIUM

Premium	$2,980.00

Policy Premium	$2,980.00
Surplus Lines Tax	$68.40
Stamping Fee	$0.00
Policy Fee	$60.00
VirginiaAssessment Fee	$0.76
	$0.00
	$0.00
Total	**$3,109.16**

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

END OF REPORT