



Market Analysis

Bluestone Town Center Apartments Harrisonburg, Virginia

June 2026

Prepared for:

**Timothy McCarty
EP Harrisonburg Owner LLC**

Prepared by:



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June 16, 2026

Timothy McCarty
Managing Director
EP Harrisonburg Owner LLC
1888 Main Street, Suite C163
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Dear Mr. McCarty,

Attached is our full-narrative market analysis for the proposed Bluestone Town Center Apartments at 1645 Erickson Avenue in the City of Harrisonburg, Virginia. The development is proposed to be financed with 4% Low-Income Housing Tax Credits paired with tax-exempt bond financing. This report has been prepared in accordance with Virginia Housing's market study guidelines for LIHTC developments.

Bluestone Town Center Apartments is planned as a newly constructed, general-occupancy affordable rental community of 83 two- and three-bedroom apartment units within the larger Bluestone Town Center master-planned development. The proposed income mix includes 48 units at 60% of the Area Median Income (AMI) and 35 three-bedroom units supported by project-based vouchers under a 20-year rental assistance contract.

Based on the Virginia Housing demand methodology summarized in the report, the proposed development has an overall capture rate of 3.5 percent and an estimated absorption period of approximately five months. In the unlikely scenario that voucher assistance is not available and all 83 units operate at 60% of AMI, the capture rate is 14.3 percent, with an estimated absorption period of approximately eight months. Both results fall well within Virginia Housing's accepted thresholds.

Competitive market conditions are tight, with 1,110 units across 10 surveyed communities and an overall vacancy rate of 1.4 percent. The affordable communities are effectively full, with two vacant units and waiting lists at every property, and no new LIHTC community has opened in the market area since 2017. The analysis supports the feasibility of Bluestone Town Center Apartments as proposed.

The attached report includes detailed data and analysis supporting our findings and conclusions. We appreciate the opportunity to complete this study and look forward to discussing it further and addressing any questions you may have.

Sincerely,



Ariel Goldring, President
S. Patz & Associates, Inc.

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Introduction

The following full-narrative market study evaluates the feasibility of Bluestone Town Center Apartments, a proposed affordable, general-occupancy rental community in the City of Harrisonburg, Virginia.

The proposed development will consist of new construction and will include 83 two- and three-bedroom apartment units designed for families. The site is located at 1645 Erickson Avenue, near the northeastern intersection with Garbers Church Road. The development will be financed with 4% Low-Income Housing Tax Credits (LIHTC) paired with tax-exempt bond financing. EP Harrisonburg Owner LLC retained S. Patz & Associates for this market study. According to the application materials, BTC Family I LLC will own the development, and the Harrisonburg Redevelopment and Housing Authority will serve as the developer. Construction is expected to begin in January 2027, with initial occupancy projected for December 2028. The development will be built on a single site and is not a scattered-site proposal.

Once completed, Bluestone Town Center Apartments is proposed to operate as an income-restricted rental community with no age restrictions. The development will serve households meeting applicable HUD income guidelines for LIHTC apartment properties in the City of Harrisonburg. S. Patz & Associates conducted a site inspection of the subject property and the competitive apartment market on June 8, 2026, the effective date of the physical analysis of this report.

This market study has been prepared in accordance with Virginia Housing market study guidelines applicable to LIHTC developments and follows a full-narrative format used for underwriting and allocation review. The report is organized into seven sections, summarized below:

- **Section I: Site Description and Setting:** This section describes the physical characteristics of the approximately three-acre development site within the 46.33-acre Bluestone Town Center tract and its surrounding land uses in the City of Harrisonburg, near the boundary with Rockingham County. It evaluates zoning, access, public utilities, and proximity to major roads, public transit, medical care, schools, and shopping.

- **Section II: Proposed Development Program:** This section summarizes the proposed development program for Bluestone Town Center Apartments, including the unit mix, unit sizes, proposed rents, income restrictions, and gross rents relative to HUD maximum allowable limits. It also describes the site plan, building configuration, parking supply, architectural character, and amenities.
- **Section III: Market Area Definition:** This section defines the market area as the City of Harrisonburg and Rockingham County, based on commuting patterns, household mobility, and the location of comparable rental communities. A secondary market area provides regional context only and is excluded from the quantitative demand analysis to keep the assessment conservative.
- **Section IV: Market Area Economic Overview:** This section examines economic conditions within the market area, including employment by place of work, labor force trends, wage levels, commuting times, major employers, publicly announced job activity, and WARN notices.
- **Section V: Market Area Demographic Analysis:** This section analyzes demographic trends with a focus on renter households, including population and household projections, tenure characteristics, income-qualified demand, rent burden, and substandard housing conditions.
- **Section VI: Competitive Apartment Market:** This section evaluates the competitive supply of rental communities, excluding properties with deep rental subsidies or materially different program structures, to assess achievable rents, occupancy conditions, and competitive positioning.
- **Section VII: Market Study Conclusions:** This final section integrates demographic trends, competitive supply conditions, and demand estimates to evaluate overall market support for Bluestone Town Center Apartments. It includes a review of the development pipeline, penetration and capture rate analyses, a net demand calculation, and final conclusions regarding project feasibility and anticipated absorption performance.

Executive Summary

EP Harrisonburg Owner LLC has retained S. Patz & Associates to conduct a market feasibility analysis for Bluestone Town Center Apartments, a proposed 83-unit income-restricted rental development in the City of Harrisonburg, Virginia. The project will provide new affordable housing options for general-occupancy households.

Table 1 summarizes the proposed unit mix, income restrictions, unit sizes, and rents for Bluestone Town Center Apartments. The development will include 42 two-bedroom, two-bathroom units and 41 three-bedroom, two-bathroom units. The two-bedroom units include six units at 993 square feet and 36 units at 996 square feet, all restricted to 60% of AMI. The three-bedroom units, at 1,172 square feet, include six units restricted to 60% of AMI and 35 units designated for project-based voucher (PBV) assistance.

If voucher assistance is available as planned, the 35 PBV-designated three-bedroom units will be restricted at 30% of AMI and operate at PBV rents, with a contract rent of \$1,609 under a 20-year project-based rental assistance contract with an option to renew. In the unlikely event that voucher assistance is not available, these units will be restricted to 60% of AMI and will operate at the 60% of AMI rent shown in **Table 1**.

For the 60% of AMI units, proposed rents are \$1,201 per month for the two-bedroom units and \$1,389 per month for the three-bedroom units, equating to \$1.21 and \$1.19 per square foot, respectively. The 35 PBV-designated three-bedroom units will operate at a \$1,609 PBV contract rent if voucher assistance is available, as planned. Rents include trash collection, and all units will be equipped with a washer and dryer.

Table 1: Proposed Unit Characteristics
Bluestone Town Center Apartments

Unit Type	Units	Income Restrictions	Square Feet	Rent ¹	Rent per Square Foot
2BR/ 2BA	6	60% of AMI	993	\$1,201	\$1.21
2BR/ 2BA	36	60% of AMI	996	\$1,201	\$1.21
3BR/ 2BA	6	60% of AMI	1,172	\$1,389	\$1.19
3BR/ 2BA ²	35	30% of AMI (PBV)	1,172	\$1,609	\$1.37
		60% of AMI (if PBV Unavailable)	1,172	\$1,389	\$1.19
Total	83				

¹ Rent includes trash collection. All units to be equipped with a washer and dryer.

² The 35 PBV-designated three-bedroom units will be restricted at 30% of AMI and operate at the \$1,609 PBV contract rent if voucher assistance is available. The \$1,609 rent is the rent to owner, not the tenant-paid rent. If voucher assistance is not available, these units will be restricted at 60% of AMI and operate at the \$1,389 60% of AMI rent.

Source: EP Harrisonburg Owner LLC

Based on research conducted by S. Patz & Associates, the following conclusions summarize the findings of this market analysis:

- **Site Location Assessment:** Bluestone Town Center Apartments is planned on an approximately three-acre site within the larger 46.33-acre Bluestone Town Center tract at 1645 Erickson Avenue, near the northeast corner of Erickson Avenue and Garbers Church Road on the western edge of Harrisonburg, close to the Rockingham County boundary. The site is approximately three miles southwest of Downtown Harrisonburg, 2.5 miles from James Madison University, and about four miles northwest of Sentara RMH Medical Center.

The site is mostly flat and visible from both Erickson Avenue and Garbers Church Road, and will be accessed from Erickson Avenue along the southern boundary. Public water and sewer are available. Transit service is provided by the Route 3 Line, which connects directly to Downtown Harrisonburg and James Madison University. The nearest stop is directly south of the site along Erickson Avenue. The closest grocery options are the Walmart Supercenter at Garber's Crossing and the Food Lion in the Food Lion Shopping Center, both located at the intersection of SR 42 and Erickson Avenue, roughly one-half mile from the site.

- **Economic Assessment:** The market area economy has recovered from the pandemic downturn and is stable. At-place employment fell by 3,852 jobs in 2020, then rose to 66,095 jobs in 2024, which is 588 jobs above the 2019 level of 65,507. Preliminary 2025 data show little change, with approximately 66,150 jobs. Labor conditions remain tight, with a 2025 resident labor force of 71,082 workers, 68,800 employed residents, and a 3.2 percent unemployment rate.

Announced economic development projects with stated hiring plans, led by Merck, the Virginia Poultry Growers Cooperative, Farmer Focus, and Veronesi Holding, are expected

to generate approximately 1,460 jobs, some of which have already been filled. A review of Virginia WARN notices found no qualifying plant closures or mass layoffs in Harrisonburg or Rockingham County during the past two years.

- **Demographic Assessment:** Market area renter households are projected to increase from 20,605 in 2026 to 21,415 in 2031, a gain of 810 households. Within the development's two target income bands, however, renter households are projected to decline by a combined 398 households. The 60% of AMI band, with incomes from \$48,040 to \$58,620, is projected to decline by 26 households to 1,603. The 30% of AMI project-based voucher band, with incomes from \$0 to \$29,310, is projected to decline by 372 households to 5,318. These declines stem from a gradual upward shift in renter incomes rather than a drop in overall rental demand.

Housing cost burden is the largest source of demand, with 35.1 percent of market area renter households paying more than 35 percent of gross income toward rent and utilities. Substandard housing also contributes to demand, with 3.4 percent of renter-occupied units classified as substandard, almost entirely due to overcrowding rather than incomplete plumbing.

- **Competitive Apartment Assessment:** The competitive inventory includes 10 apartment communities totaling 1,110 units, including 358 LIHTC units and 752 market-rate units. Overall vacancy is low at 1.4 percent. Vacancy is also limited within both the LIHTC segment, at 0.6 percent with two vacant units, both at Highlands I & II, and the market-rate segment, at 1.9 percent.

Property interviews and surveys identified waiting lists at every affordable community, ranging from five households at Chestnut Ridge I & II to more than 300 at Robinson Park. Waiting lists do not measure qualified demand and may include duplicate or ineligible households, but the reported lists, combined with low vacancy, point to limited near-term availability. The affordable inventory is also mature, with no new LIHTC deliveries in the market area since Robinson Park in 2017.

- **Pipeline Apartment Assessment:** The only competitive income-restricted rental development identified in the market area pipeline is BJS Harrisonburg Family I, a proposed 80-unit affordable community at 280 West Mosby Road in Harrisonburg. Virginia Housing awarded the project tax credits in 2024, and the developer reports that construction is expected to begin within the month. The development will include eight one-bedroom, 42 two-bedroom, and 30 three-bedroom units in one four-story elevator-served building, with units restricted at 40%, 50%, 60%, and 80% of AMI.

The 18 units at 40% of AMI will carry deep subsidies, including 10 units reserved for the Section 811 supportive housing program and eight units supported by project-based vouchers. Tenants in all 18 units will pay 30 percent of income toward rent. Only the 18 units at 60% of AMI, including 11 two-bedroom and seven three-bedroom units, would compete directly with Bluestone Town Center Apartments in the unlikely event that project-based vouchers are unavailable.

- **Penetration Rate Assessment:** The penetration rate measures the share of income-eligible renter households needed to occupy the supply of comparable family-oriented rental units. This helps determine whether the market has enough depth to support existing and proposed developments. The market area is projected to have 1,603 income-eligible renter households at 60% of AMI in 2031, the lower of the two period estimates.

The analysis conservatively tests all 83 Bluestone Town Center Apartments units against the 60% of AMI band, the unlikely scenario in which voucher assistance is not available. Comparable supply under this test includes the 83 subject units, 276 existing competitive units, and 18 pipeline units at BJS Harrisonburg Family I, for a total of 377 units. This results in a penetration rate of approximately 23.5 percent.

As proposed, with 35 units serving the deeper 30% of AMI band at project-based voucher rents, only 48 subject units would compete in the 60% of AMI band, and the required penetration rate would be lower. Even under the conservative all-60% test, fewer than one in four eligible renter households would be needed to support the combined comparable inventory, evidence of sufficient market depth for the proposed development.

- **Net Demand, Capture Rate, and Absorption Assessment:** Using the Virginia Housing demand methodology, total gross demand is estimated at 2,419 households across the two target income bands, including 601 households at 60% of AMI and 1,818 households in the project-based voucher band. This estimate includes a net decline of 398 renter households based on projected demographic trends, plus demand from 2,569 rent-overburdened households and 248 households in substandard housing. No demand is attributed to elderly homeowner conversion or existing tenants remaining after renovation.

After subtracting 38 vacant and pipeline units, net demand is estimated at 2,381 households, including 581 at 60% of AMI and 1,800 in the project-based voucher band. As proposed, with 48 units at up to 60% of AMI and 35 project-based voucher units at up to 30% of AMI, the project-wide capture rate is 3.5 percent. Capture rates are 8.3 percent at 60% of AMI and 1.9 percent in the project-based voucher band, with an estimated absorption period of approximately five months.

The analysis also tests the unlikely scenario in which all 83 units operate at 60% of AMI without voucher assistance. Under that scenario, the capture rate is 14.3 percent, and the estimated absorption period is approximately eight months. Both scenarios are below the 20.0 percent threshold for especially strong demographic support. Demand is sufficient to support the proposed 83 units under either configuration.

Based on the analyses and assumptions in this report, Bluestone Town Center Apartments is feasible as proposed, and no findings call for any modifications to the program. Demand exceeds the planned 83 units under both the proposed configuration and the unlikely scenario in which all units operate at 60% of AMI. The only competitive pipeline development would add just 18 units at the same income level, and the proposed development can be absorbed without

drawing tenants from the market area's existing affordable communities, each of which operates at or near full occupancy with a waiting list.

SECTION I

Site Description and Setting

This section provides an overview of the study site and its surrounding context. It includes a description of the property's physical characteristics, location, and general setting. The discussion also addresses accessibility and proximity to public transit, schools, retail options, and medical services.

I.1: Site Description

Map A shows the location of the Bluestone Town Center Apartments site at 1645 Erickson Avenue. This irregularly shaped 46.33-acre tract sits near the northeast corner of Erickson Avenue and Garbers Church Road. The proposed apartment site covers approximately three acres within the larger Bluestone Town Center tract. The site is mostly flat and visible from both Erickson Avenue and Garbers Church Road. Access is currently from Erickson Avenue along the site's southern boundary.

The site sits at Harrisonburg's western edge near the Rockingham County boundary, approximately three miles southwest of Downtown Harrisonburg, 2.5 miles from James Madison University, and about four miles northwest of the Sentara RMH Medical Center.



Public water and sewer serve the site. **Map B** shows the site is entirely vacant, with cleared green areas and wooded sections.

The surrounding area is mixed-use. To the south, fronting Erickson Avenue, are May Supply Harrisonburg, the Erickson Professional Park, a multi-tenant, three-building office complex, and a building fully occupied by Rockingham Family Physicians. To the west of the property are older structures, mostly used for poultry farming. On the site's eastern side lies the Hidden Creek Apartments, an 80-unit apartment complex developed primarily during the mid-1980s and mid-1990s.

Other major non-residential developments near the study site include three churches, Harrisonburg High School, and the Walmart Supercenter-anchored Garber's Crossing shopping area.



The apartments under study will be built as part of a larger mixed-income development called Bluestone Town Center. This 897-unit master-planned community will include 133 manufactured homes available for purchase, 324 townhomes, and 440 apartments, all with income restrictions. The for-sale homes will target households earning 80% to 120% of the Area Median Income (AMI), with prices ranging from the mid-\$200,000s to mid-\$300,000s.



View of Study Site from Erickson Avenue



View of Study Site from Erickson Avenue



I.2: Site Setting

Neighboring development includes residential, community, and commercial uses. **Map C** shows the site's setting off Erickson Avenue, roughly half a mile northwest of SR 42.

SR 42, a state highway, runs parallel to and west of I-81. Near the study site, it provides direct access to the Town of Bridgewater, approximately 5.5 miles to the southwest, and Downtown Harrisonburg, approximately 3.0 miles to the northeast. Downtown Harrisonburg has a mix of retailers and restaurants. SR 42 also leads north to the towns of Broadway and Timberville in neighboring Rockingham County.

The development along SR 42 near the study site is primarily commercial. Nearby centers include Garber's Crossing, anchored by a Walmart Supercenter, and the Food Lion Shopping Center, which house the two nearest grocery stores to the study site.

Erickson Avenue, which defines the southern boundary of the study site, extends in a north-south direction. To the south, it provides direct access to SR 42 and U.S. Route 11, a major commercial road leading to Downtown Harrisonburg. To the north, Erickson Avenue connects directly to U.S. Route 33, a U.S. Highway stretching from Elkhart, Indiana, to Richmond, Virginia. Route 33 runs east-west across the Harrisonburg region and passes through Downtown Harrisonburg.

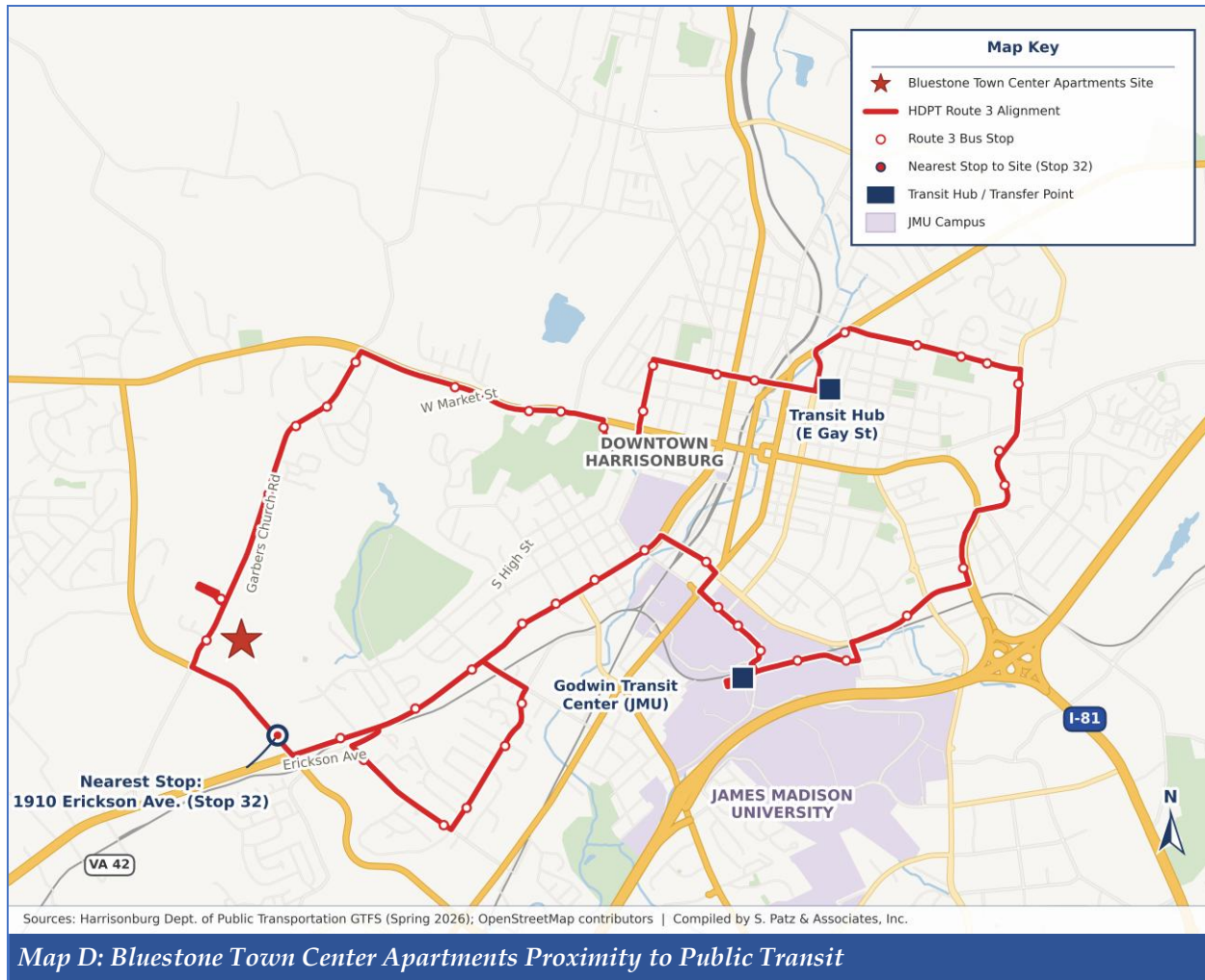
Adjacent to the west of the study site, Garbers Church Road runs north-south, linking SR 42 in the south to U.S. Route 33 in the north. Development along this road is primarily residential, with notable exceptions such as the Heritage Oaks Golf Course, Harrisonburg High School, Bluestone Elementary School, and several churches.

Map C also shows the study site's distance to two major institutions. James Madison University, the region's economic anchor, is approximately 2.5 miles from the site. This public research university spans 721 acres, enrolls more than 23,000 students, and employs more than 3,300 faculty and staff. Sentara RMH Medical Center sits about four miles southeast of the study site near the junction of Stone Spring Road and Port Republic Road.



I.2.a: *Public Transit*

Map D illustrates the Route 3 Line public bus route in Harrisonburg, which serves the neighborhood where the Bluestone Town Center Apartments will be located. The map shows that this route provides a direct connection to Downtown Harrisonburg and James Madison University. The nearest bus stop, Number 32, is located directly south of the study site along Erickson Avenue.



I.2.b: Public Safety

Table 2 shows reported crime in Harrisonburg over the past ten years. Violent crime has remained within a narrow range of 112 to 138 offenses per year, with no clear trend. Property crime fell from 1,243 offenses in 2015 to 874 in 2024, a decline of 29.7 percent. The data show no safety concern for the site or the surrounding neighborhood.

Table 2: Reported Crime Offenses
City of Harrisonburg, VA (2015-2024)

Offense Category	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Violent Crime (Total)	119	116	133	112	121	121	130	133	114	138
Homicide	1	3	4	4	0	1	2	1	1	0
Rape	24	23	30	19	37	19	33	30	19	30
Robbery	12	29	10	13	18	14	9	8	14	11
Aggravated Assault	82	61	89	76	66	87	86	94	80	97
Property Crime (Total)	1,243	1,104	900	839	948	828	819	941	1,054	874
Arson	3	3	3	3	6	2	5	1	2	3
Burglary	158	165	114	98	69	75	64	65	100	70
Larceny-Theft	1,049	896	740	713	829	699	725	823	902	756
Motor Vehicle Theft	33	40	43	25	44	52	25	52	50	45

Source: FBI Crime Data Explorer (NIBRS), Harrisonburg Police Department.

I.2.c: *Public and Commercial Facilities*

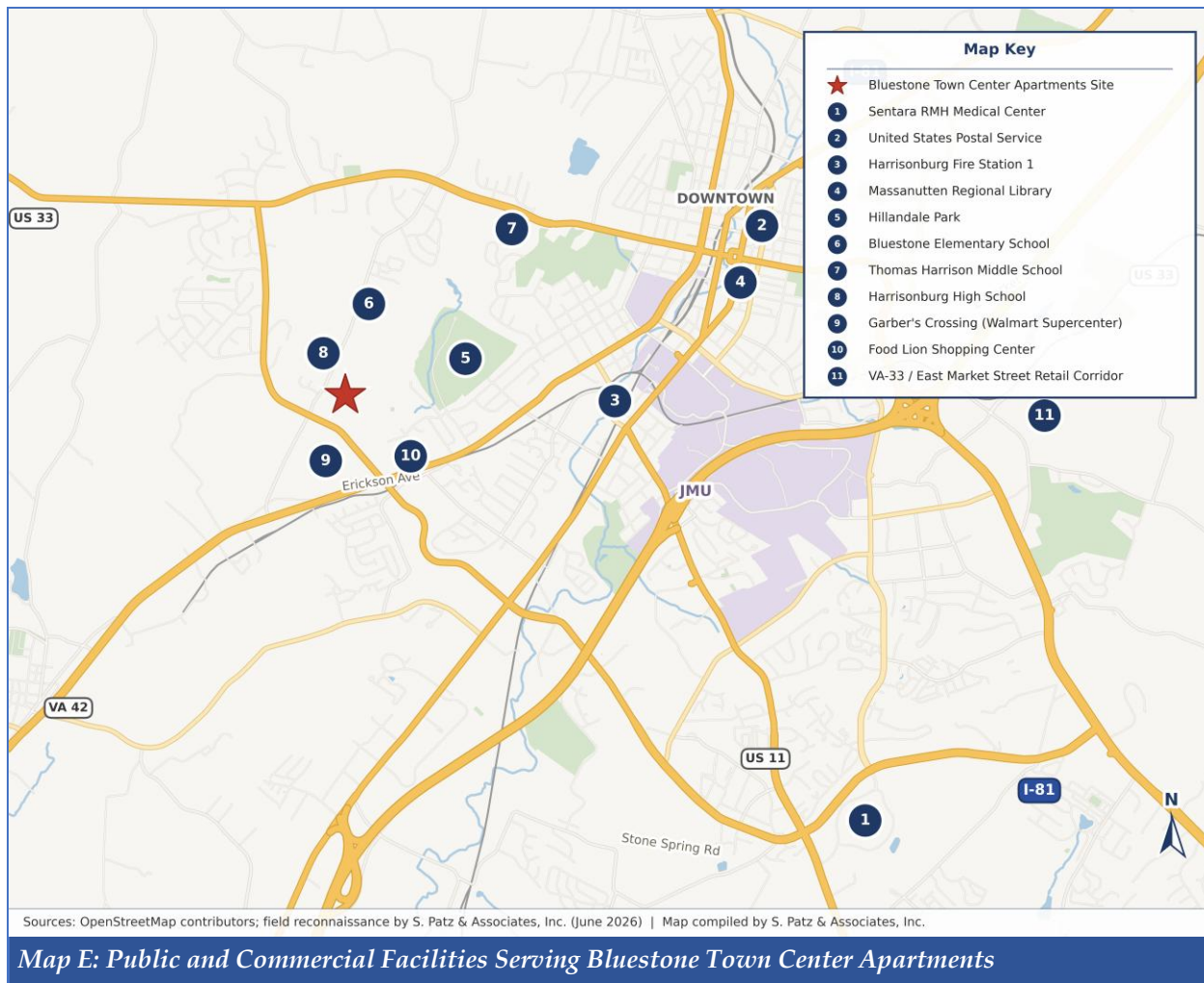
The following summarizes the public and commercial facilities nearest the site.

- **Medical Care:** Sentara RMH Medical Center, the closest hospital to the study site, is located approximately four miles southeast at 2010 Health Campus Drive. The hospital relocated from downtown in 2010.
- **Community Facilities:** Hillandale Park, located at 801 Hillandale Avenue, is the closest public park to the study site. This 74-acre park has 12 picnic shelters, playground equipment, a 1.3-mile walking trail, a sand volleyball court, two asphalt basketball courts, and three restroom facilities. It is also the entrance to the Rocktown Bike Trails.
- **Education:** Harrisonburg City Public Schools will serve school-age children at Bluestone Town Center Apartments. The district consists of six elementary schools, two middle schools, and two high schools. Children at the development will attend Bluestone Elementary School (750 Garbers Church Road), Thomas Harrison Middle School (1311 W Market Street), and Harrisonburg High School (1001 Garbers Church Road).
- **Shopping:** Near the study site, two small shopping centers are located at the intersection of SR 42 and Erickson Avenue: Garber's Crossing, which includes a Walmart Supercenter, Dollar Tree, and Virginia ABC, and the Food Lion Shopping Center, anchored by Food Lion with additional tenants such as OneMain Financial and Tobacco Vape.

Larger retail concentrations are located along U.S. Route 33/East Market Street, south of I-81, approximately five miles east of the site. These include Valley Mall, a 506,000-square-foot regional mall anchored by Belk, JCPenney, Old Navy, Target, and Books-A-Million, with more than 65 specialty shops. Market Square East is a 65,360-square-foot neighborhood center with tenants such as PetSmart, Dollar Tree, and several restaurants.

Spotswood Valley Square, a 205,380-square-foot center, is anchored by Kroger and includes TJ Maxx and Office Depot. Skyline Village, an approximately 181,000-square-foot center, is anchored by Martin's and Kohl's. Harrisonburg Crossing, a 458,380-square-foot power center, is anchored by Walmart Supercenter and Home Depot with additional national retailers and restaurants. Other nearby big-box retailers include Costco (4.6 miles east) and Lowe's Home Improvement (4.8 miles east) along the East Market Street corridor.

Map E illustrates the locations of public and commercial facilities serving future residents of Bluestone Town Center Apartments.



The site is well-suited for the proposed development. It is flat, visible from Erickson Avenue and Garbers Church Road, served by public water, sewer, and transit, and close to schools, parks, shopping, and medical care.

SECTION II

Proposed Development Program

This section provides an overview of the proposed development program for Bluestone Town Center Apartments, including the planned unit mix, site layout, and design characteristics. It summarizes the number, size, and configuration of units, along with proposed rents. The section also describes the overall site plan, including building placement, parking areas, open space, and access points.

II.1: Proposed Unit Characteristics

Bluestone Town Center Apartments will include 83 rental units, all with two or three bedrooms and two bathrooms. The unit mix includes 42 two-bedroom units at 993 to 996 square feet and 41 three-bedroom units at 1,172 square feet. The proposed 60% of AMI rents are \$1,201 for the two-bedroom units, or \$1.21 per square foot, and \$1,389 for the three-bedroom units, or \$1.19 per square foot.

Of the 41 three-bedroom units, 35 are expected to receive project-based voucher (PBV) assistance. If the vouchers are available, these 35 units will be restricted at 30% of AMI and operate at PBV rents. The application lists a contract rent of \$1,609 for the PBV units under a 20-year project-based rental assistance contract with an option to renew. If the vouchers are not available, these units will instead be restricted at 60% of AMI and operate at the 60% of AMI rent shown in **Table 3**. All rents include trash collection. No supportive services are planned for residents.

Table 3: Proposed Unit Characteristics*Bluestone Town Center Apartments*

Unit Type	Units	Income Restrictions	Square Feet	Rent ¹	Rent per Square Foot
2BR/ 2BA	6	60% of AMI	993	\$1,201	\$1.21
2BR/ 2BA	36	60% of AMI	996	\$1,201	\$1.21
3BR/ 2BA	6	60% of AMI	1,172	\$1,389	\$1.19
3BR/ 2BA ²	35	30% of AMI (PBV)	1,172	\$1,609	\$1.37
		60% of AMI (if PBV Unavailable)	1,172	\$1,389	\$1.19
Total	83				

¹ Rent includes trash collection. All units to be equipped with a washer and dryer.

² The 35 PBV-designated three-bedroom units will be restricted at 30% of AMI and operate at the \$1,609 PBV contract rent if voucher assistance is available. The \$1,609 rent is the rent to owner, not the tenant-paid rent. If voucher assistance is not available, these units will be restricted at 60% of AMI and operate at the \$1,389 60% of AMI rent.

Source: EP Harrisonburg Owner LLC

II.1.a: Comparison with HUD Maximum Allowable Rents

Table 4 compares the proposed 60% of AMI rents with HUD maximum allowable gross rents for the income-restricted units. Gross rent is calculated by adding the applicable tenant-paid utility allowance to the proposed net rent. The utility allowance is \$97 for the two-bedroom units and \$115 for the three-bedroom units, based on the sponsor's utility allowance schedule. The allowance is based on the proposed unit sizes, building design, and energy-efficient HVAC systems and appliances. Trash is included in rent, so no trash allowance is included.

The proposed gross rents are below HUD's maximum allowable rent limits for the City of Harrisonburg. The two-bedroom units restricted at 60% of AMI have a proposed net rent of \$1,201 and a gross rent of \$1,298, which is below the HUD maximum gross rent of \$1,320. The three-bedroom units restricted at 60% of AMI have a proposed net rent of \$1,389 and a gross rent of \$1,504, which is below the HUD maximum gross rent of \$1,524. Because the combined rent and utility allowance remains below the applicable HUD limit for each unit type, the proposed rents are allowable under the program rent limits.

The 35 PBV-designated three-bedroom units are not shown separately in Table 4 because the \$1,609 rent listed in the application is the PBV contract rent, or rent to owner, not the tenant-paid rent. If voucher assistance is available, these units will be income-restricted at 30% of AMI, and tenants will pay rent based on household income, with the project-based voucher subsidy covering the balance. Using the sponsor's \$115 three-bedroom utility allowance, the \$1,609 PBV

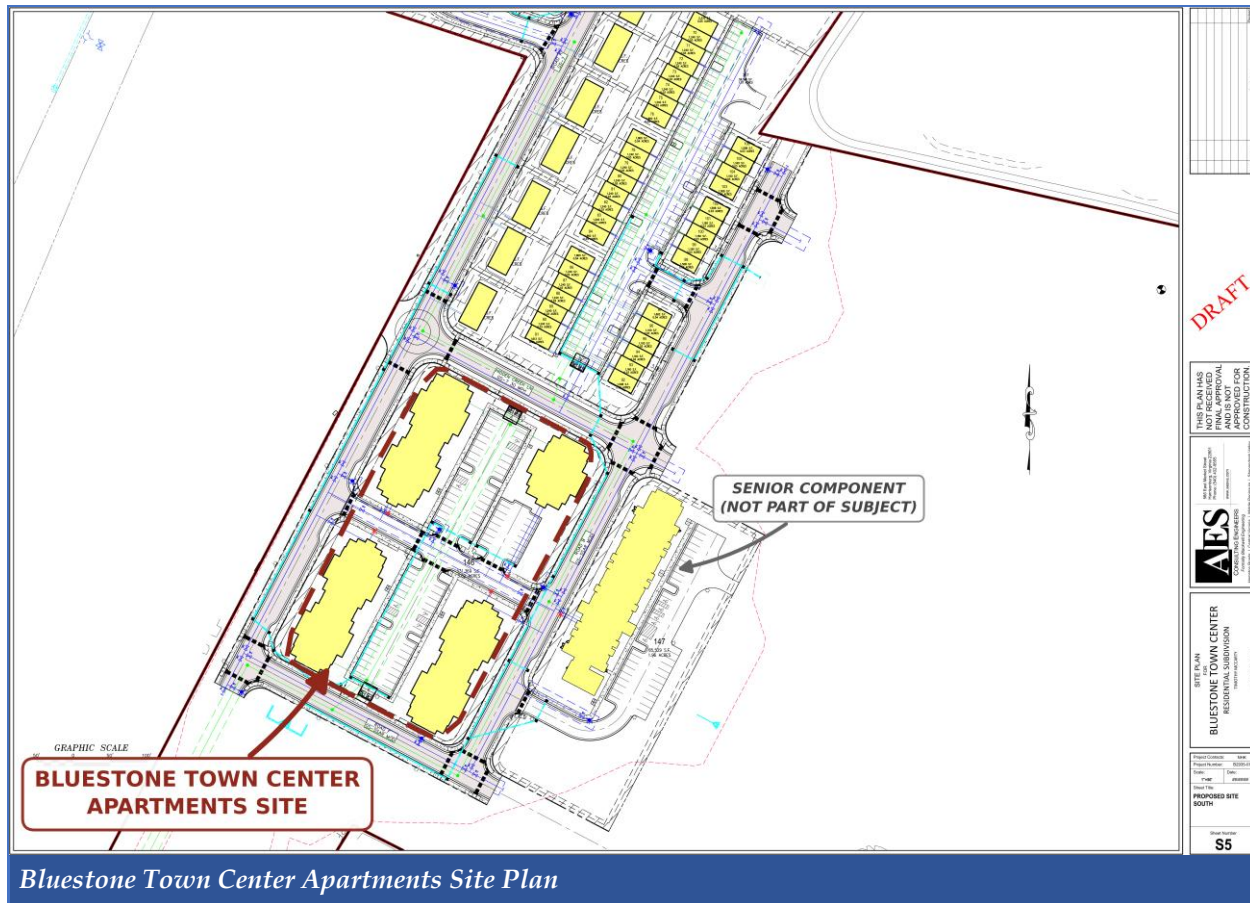
contract rent results in a gross rent of \$1,724. This is below the applicable three-bedroom voucher payment standard of \$1,801. If voucher assistance is not available, these units will instead operate at the \$1,389 60% of AMI rent shown in **Table 4**.

Table 4: HUD Maximum Allowable Rent Comparison <i>Bluestone Town Center Apartments</i>				
Unit Type	Net Rent	Utility Allowance	Gross Rent	HUD Maximum Allowable Rent
2BR/ 2BA (60% of AMI)	\$1,201	\$97	\$1,298	\$1,320
3BR/ 2BA (60% of AMI)	\$1,389	\$115	\$1,504	\$1,524
Source: U.S. Department of Housing and Urban Development (HUD), FY 2026 Multifamily Tax Subsidy Project (MTSP) Income Limits and EP Harrisonburg Owner LLC				

II.2: Site Plan Overview

The proposed site plan for Bluestone Town Center Apartments shows four garden-style apartment buildings directly west of Bluestone Town Center Senior I, a planned 62-unit affordable, age-restricted community. Both communities will be part of the larger Bluestone Town Center development. Three of the apartment buildings will include 24 units each. Building 2 will include 11 units, along with the community room and leasing office.

Access to Bluestone Town Center Apartments will be provided from Erickson Avenue to the south. Surface parking between the buildings will provide 84 spaces, equal to 1.01 spaces per apartment unit. Additional parking will be available along the internal roadways within Bluestone Town Center.



II.3: Building Elevations

The proposed exterior elevations for the garden apartment buildings are shown below. Bluestone Town Center Apartments will include four three-story residential buildings, all served by stairs. One building will also include a community room. The buildings will be wood-frame construction and protected throughout by an automatic wet-pipe sprinkler system. The development is designed to meet the EarthCraft Virginia Multifamily New Construction Gold standard and Virginia Housing Minimum Design and Construction Requirements.

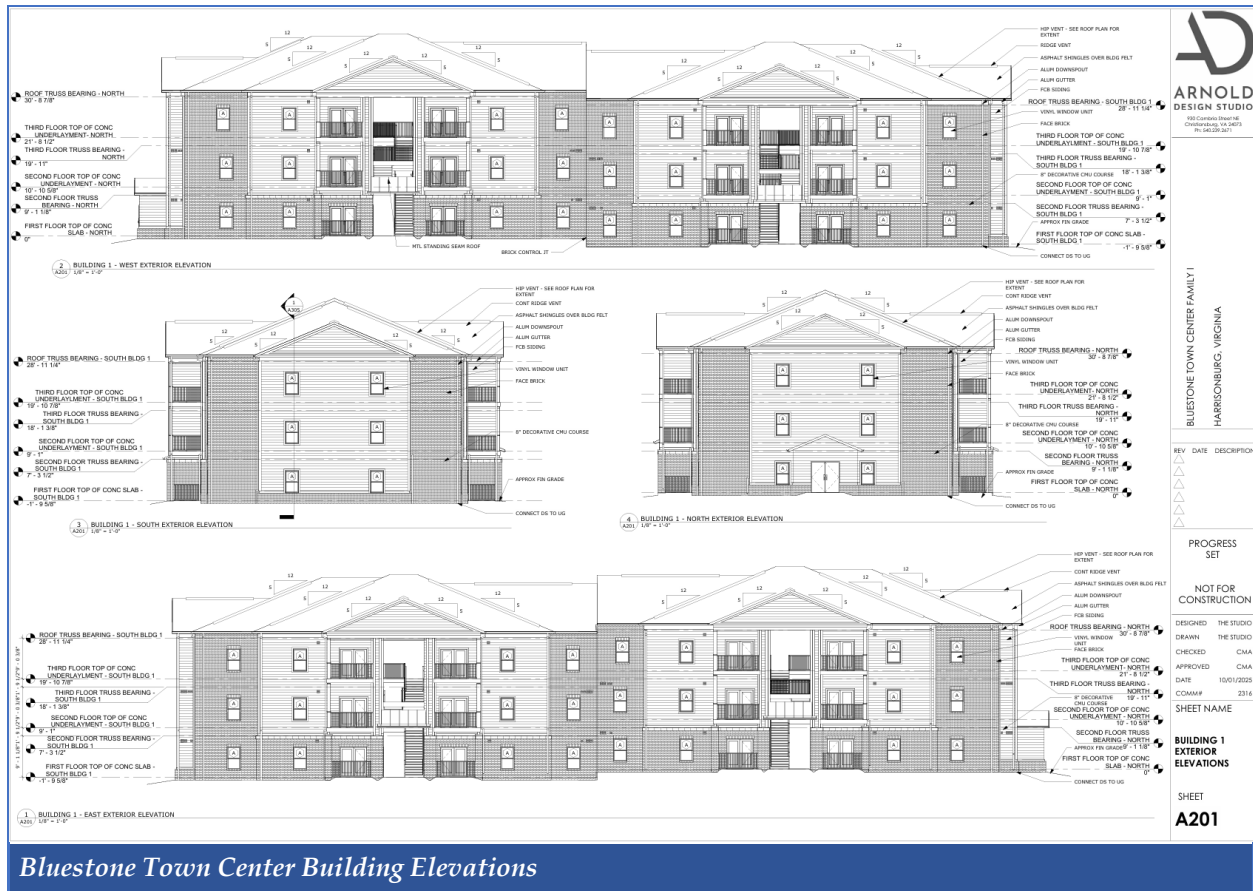
The architectural plans specify slab-on-grade foundations and wood-frame construction. Exterior walls will be framed with 2x6 wood studs, sheathed with one-inch ZIP System insulated panels, and finished with approximately 50 percent brick veneer and 50 percent fiber cement siding. Floors and ceilings will be supported by pre-engineered wood trusses. The floor assembly will include an oriented strand board subfloor, a 3/4-inch concrete underlayment, and an acoustical mat, resulting in a one-hour rated system with a Sound Transmission Class rating of

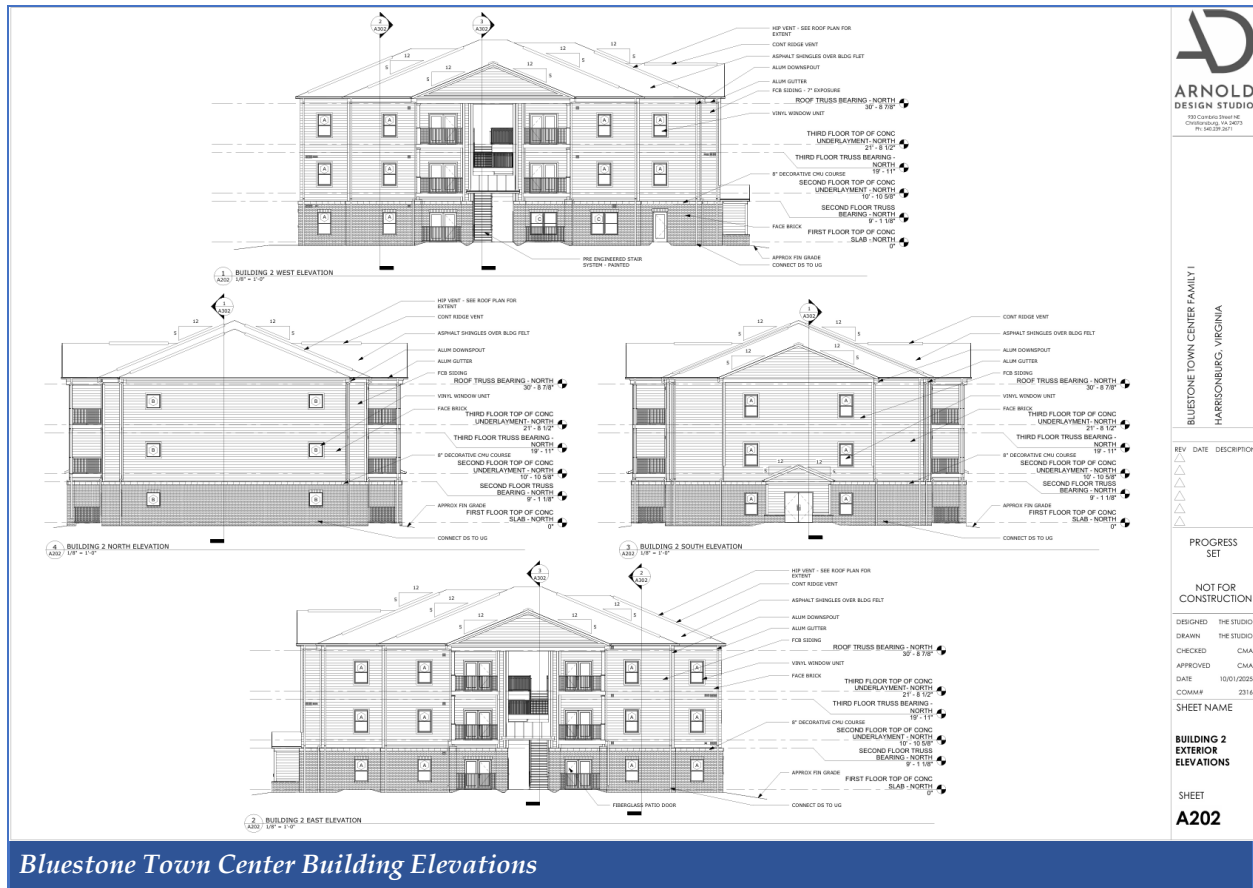
58. The roof will use pre-engineered wood trusses with plywood sheathing. Windows will be vinyl single-hung units, and the primary and patio entries will have fiberglass insulated doors.

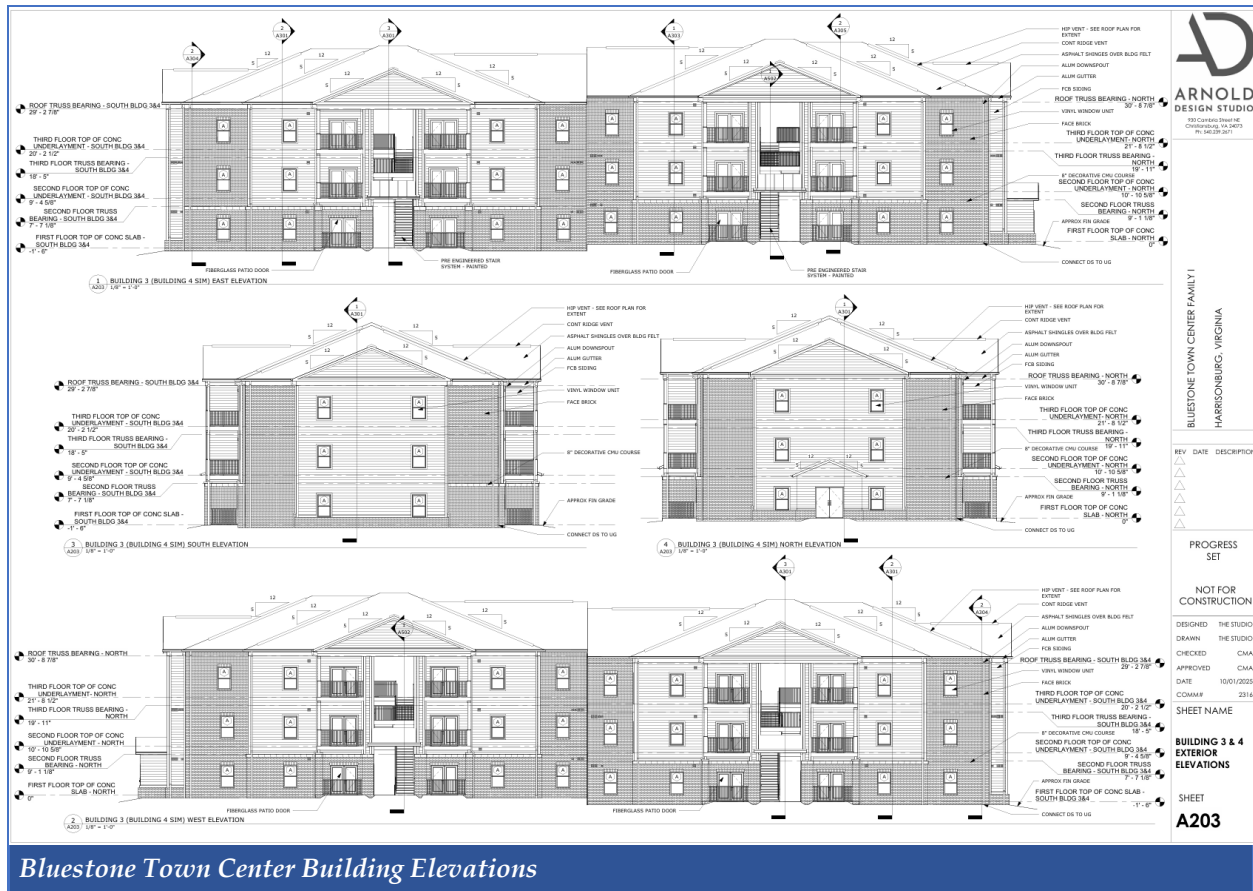
The buildings will have hip roofs finished with asphalt shingles over 30-pound felt, with R-60 blown insulation in the attic. Domestic water lines will use either PEX or CPVC, and wastewater lines will use PVC. Each apartment will have an individual electric hot water heater and a split-system electric heat pump for heating and cooling, with the outdoor unit set on a concrete pad. Cooking appliances will be electric. Electrical service will be 125 amps, with copper wiring throughout the buildings. Lighting will be provided by LED fixtures.

The roof, floor, and exterior wall assemblies will each have a one-hour fire rating. Walls between units will also be one-hour rated and designed for sound control, with a Sound Transmission Class rating of 50. For energy performance, above-grade walls will combine R-20 cavity insulation with R-3.6 continuous insulation, slab perimeters will be insulated to R-15, and windows will have a 0.24 U-factor and a 0.23 solar heat gain coefficient. These specifications exceed the 2021 Virginia Energy Conservation Code minimums.

All 27 ground-floor units will meet ANSI A117.1 Type B accessibility standards. Nine of these units will also meet Type A standards, including five two-bedroom units and four three-bedroom units. Two of the Type A units will be designated for residents with sight and hearing impairments.







II.4: Typical Building Floor Plans

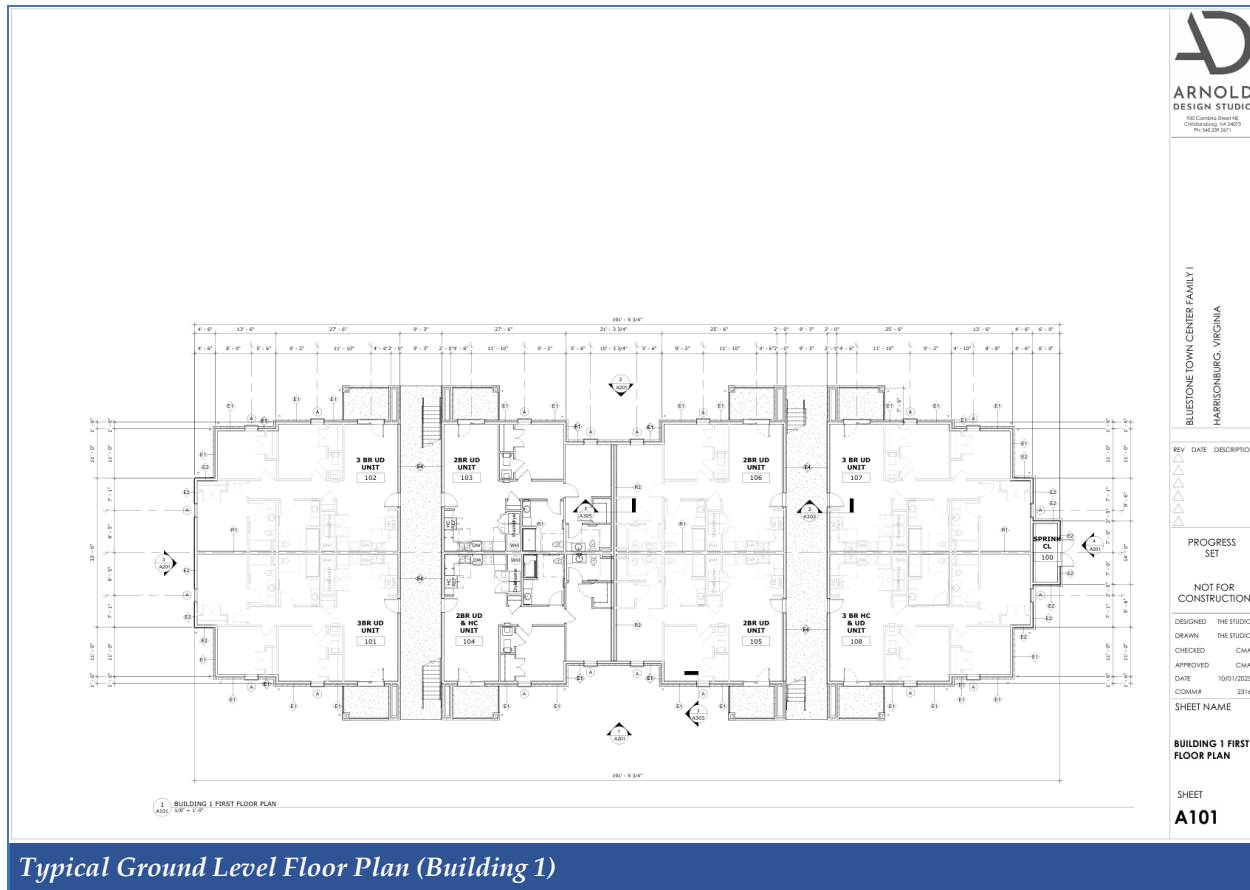
Typical building floor plans are shown next. Apart from Building 2, which includes the community room, the remaining three buildings will be entirely residential.

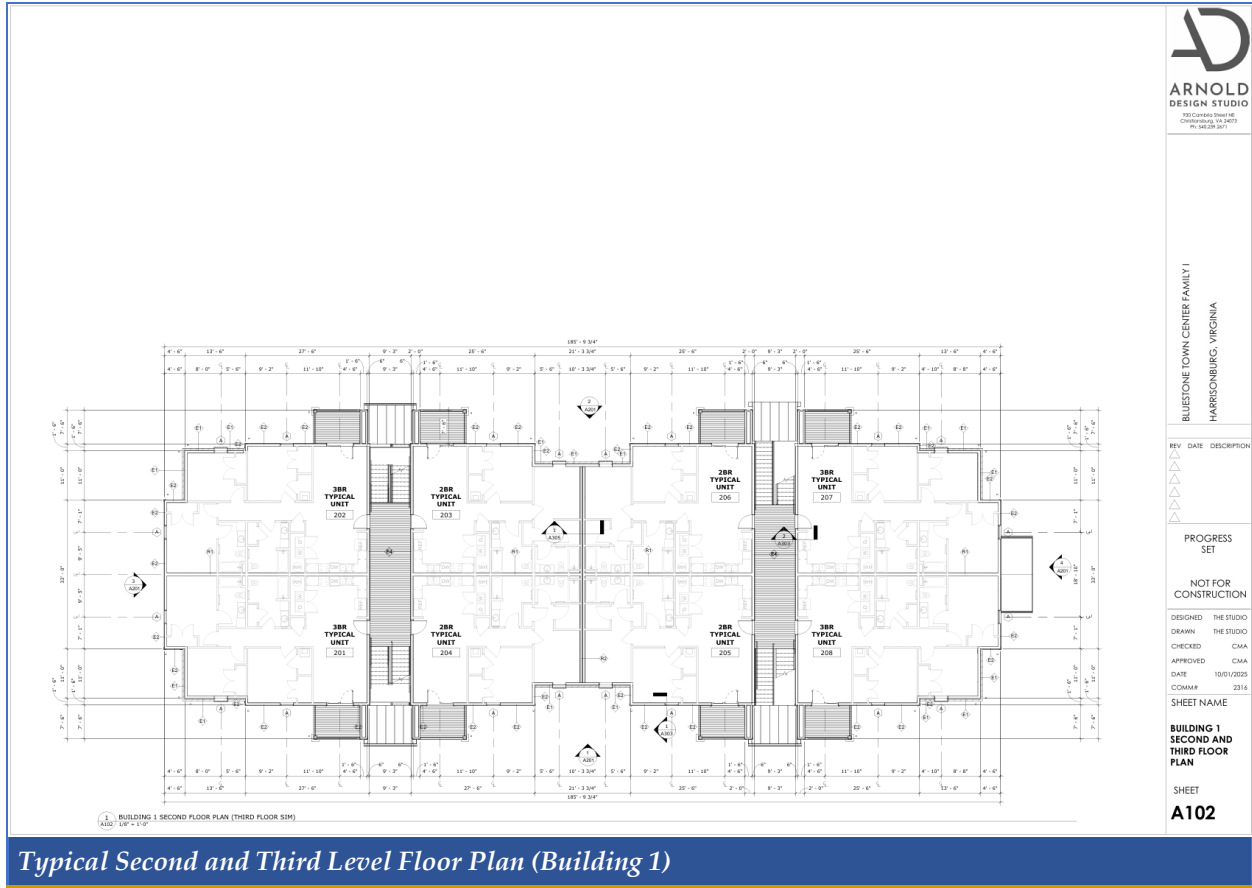
Buildings 1, 3, and 4 share the same floor plan. Each building will include 24 units, with eight units on each floor. Each floor will contain four two-bedroom units and four three-bedroom units, resulting in 12 two-bedroom units and 12 three-bedroom units per building. The first floor will sit at grade, follow universal design, and include two fully accessible units. The second and third floors will repeat the same unit layout with typical units. Each of these three buildings will measure approximately 192 feet by 58 feet.

Building 2 will include 11 units and a community room. The first floor will contain three units, including two two-bedroom units and one three-bedroom unit, next to the community room. The community room area will include an office, kitchen, two accessible restrooms, and a

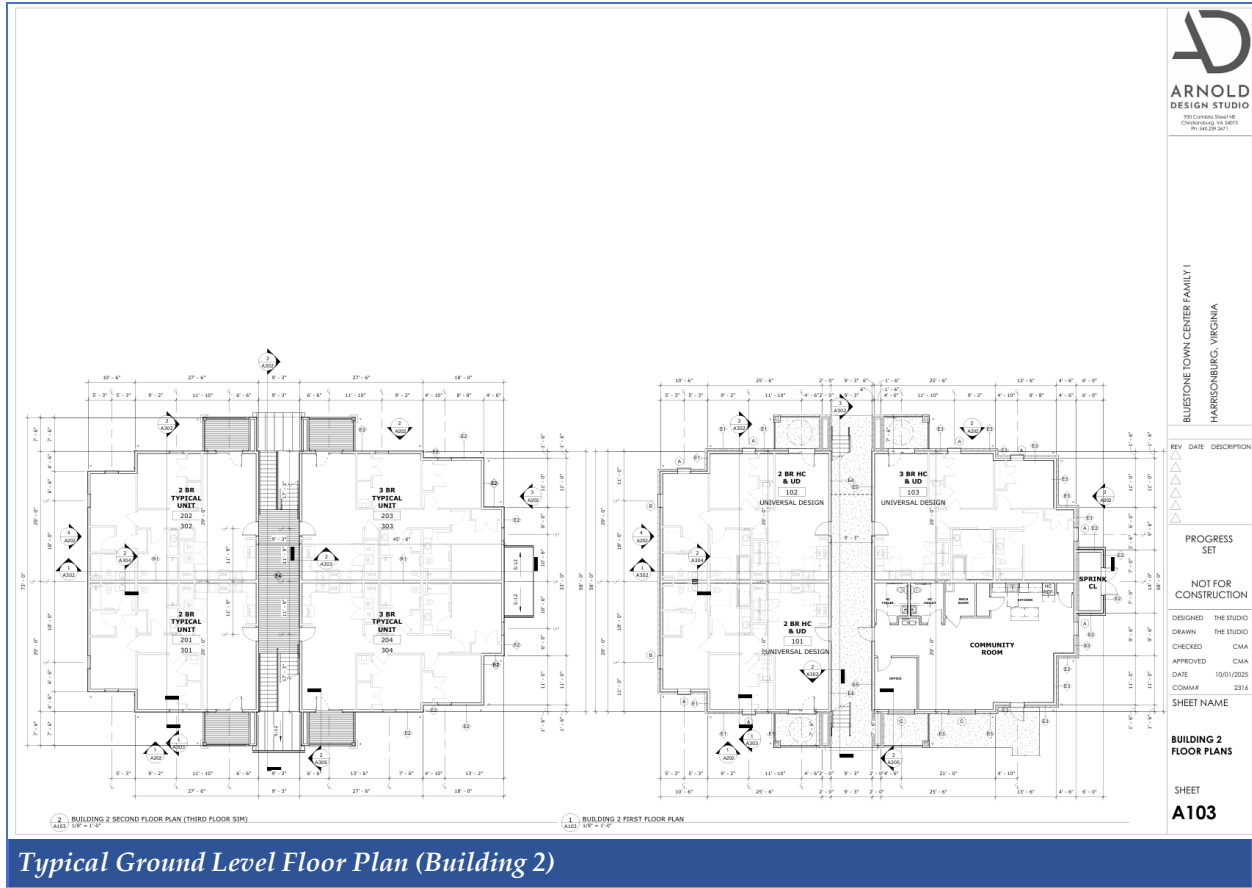
mechanical room. The second and third floors will each include four units, with two two-bedroom units and two three-bedroom units per floor. In total, Building 2 will include six two-bedroom units and five three-bedroom units. All three first-floor units in Building 2 will follow universal design and will be fully accessible.

The floor plans place the accessible units on the entry level. All 27 ground-floor units will follow universal design, including the nine fully accessible units: two each in Buildings 1, 3, and 4, and three in Building 2. Each floor will also include a sprinkler riser closet. The roof plan shows hip roofs with a 5:12 pitch, continuous ridge and hip vents, aluminum gutters and downspouts, and ice-and-water shield at the hips, valleys, eaves, and rakes.





Typical Second and Third Level Floor Plan (Building 1)



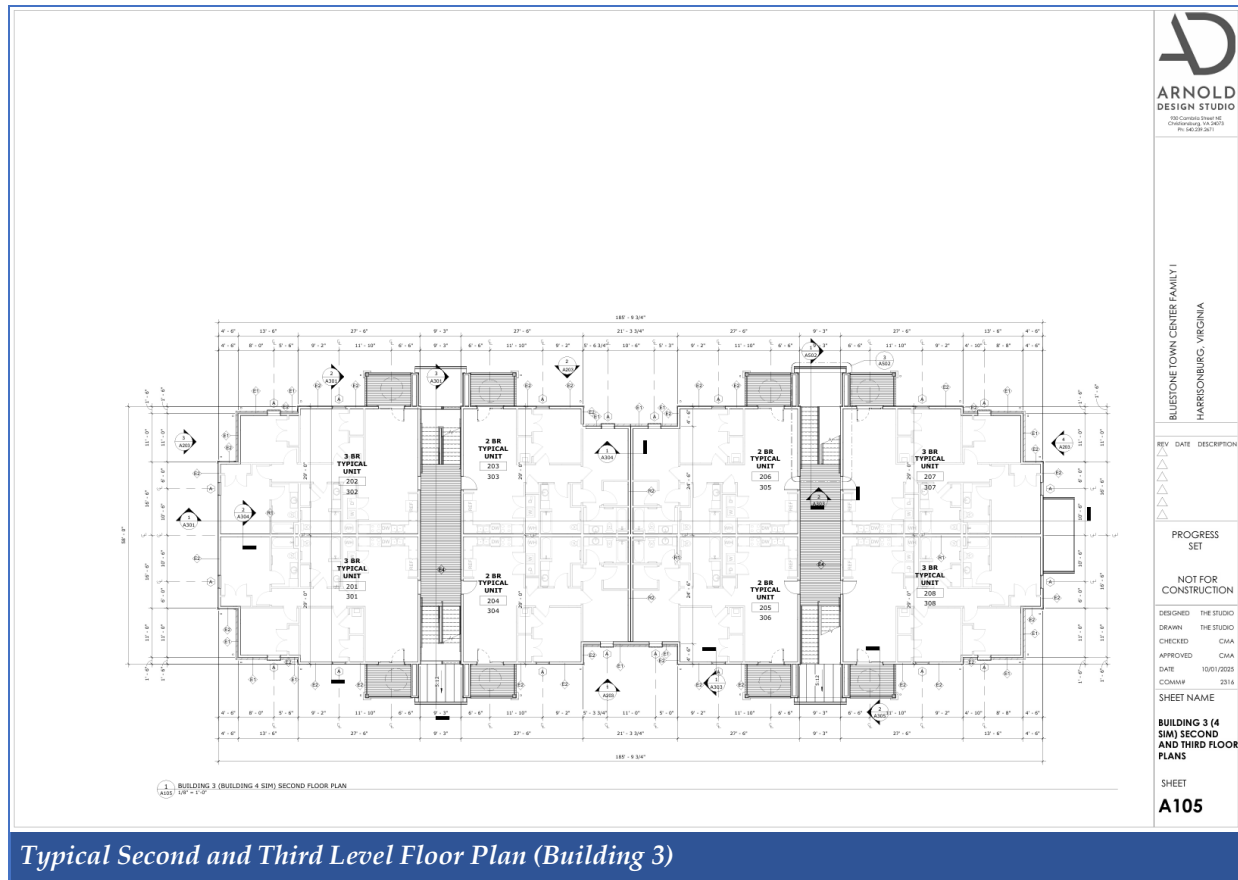


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APPROVED	CMA	
DATE	10/01/2021	
COMM#	231	
SHEET NAME		

**BUILDING 3 (4
SIM) FIRST FLOOR
PLAN**

SHEET
A104

Typical Ground Level Floor Plan (Building 3)



II.5: Typical Unit and Community Room Floor Plans

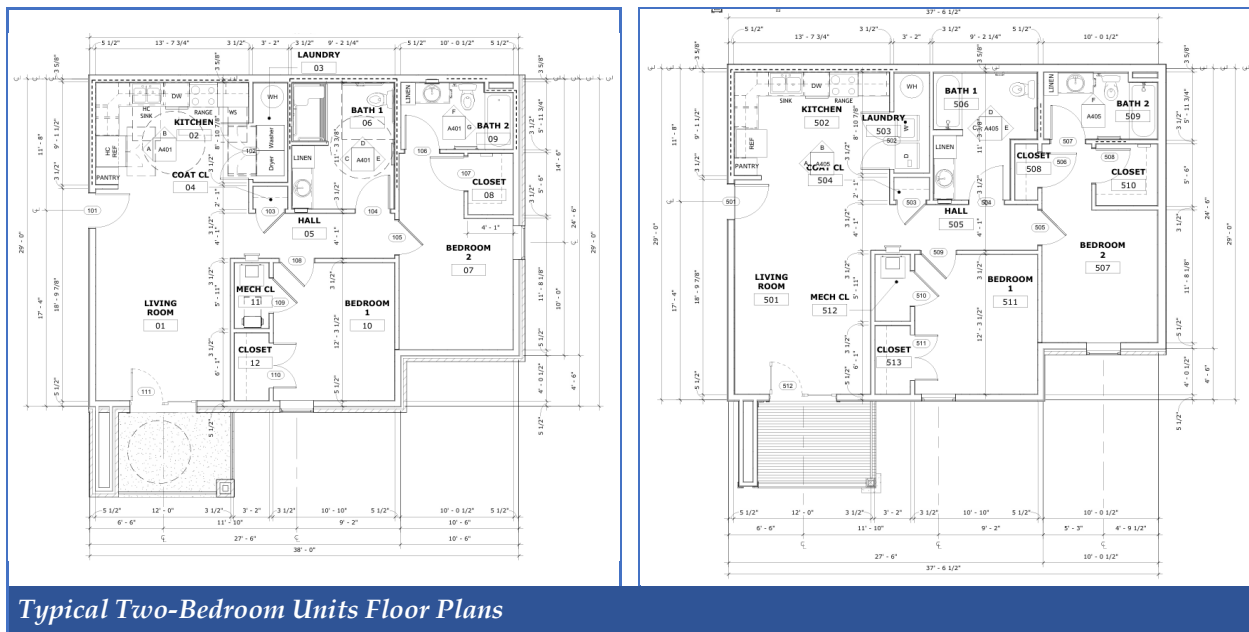
Typical floor plans for the two-bedroom and three-bedroom units are shown next. Each unit will include an open kitchen, a combined living and dining area, two bathrooms, an in-unit laundry room, and a private patio or balcony.

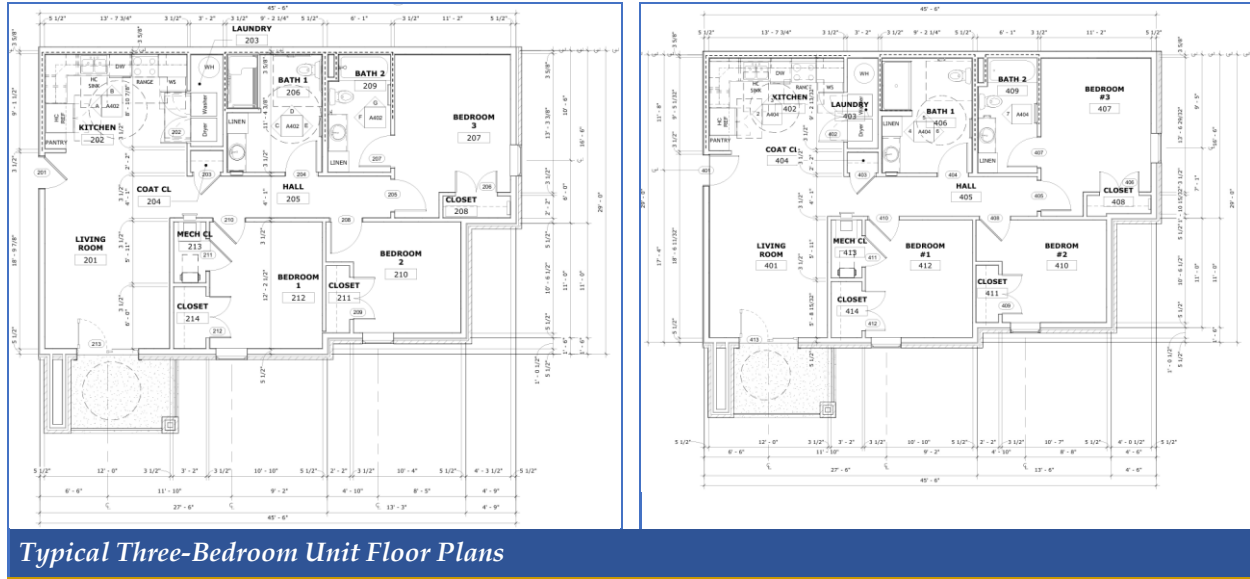
Each unit will have an individual air-to-air split-system heat pump for heating and cooling, with a programmable thermostat and backup electric heat. Mechanical ventilation will meet the ASHRAE 62.2 standard through the air handler and an in-unit exhaust fan, and each unit will include a permanent dehumidification system to manage indoor humidity. Heating, cooling, and cooking will be electric. Each unit will also have its own water meter. Bathroom faucets, toilets, and showerheads will carry the WaterSense label.

Unit finishes will include luxury vinyl tile flooring and solid-core interior doors for sound control. Cooktops will include fire suppression. Each unit will receive free high-speed internet,

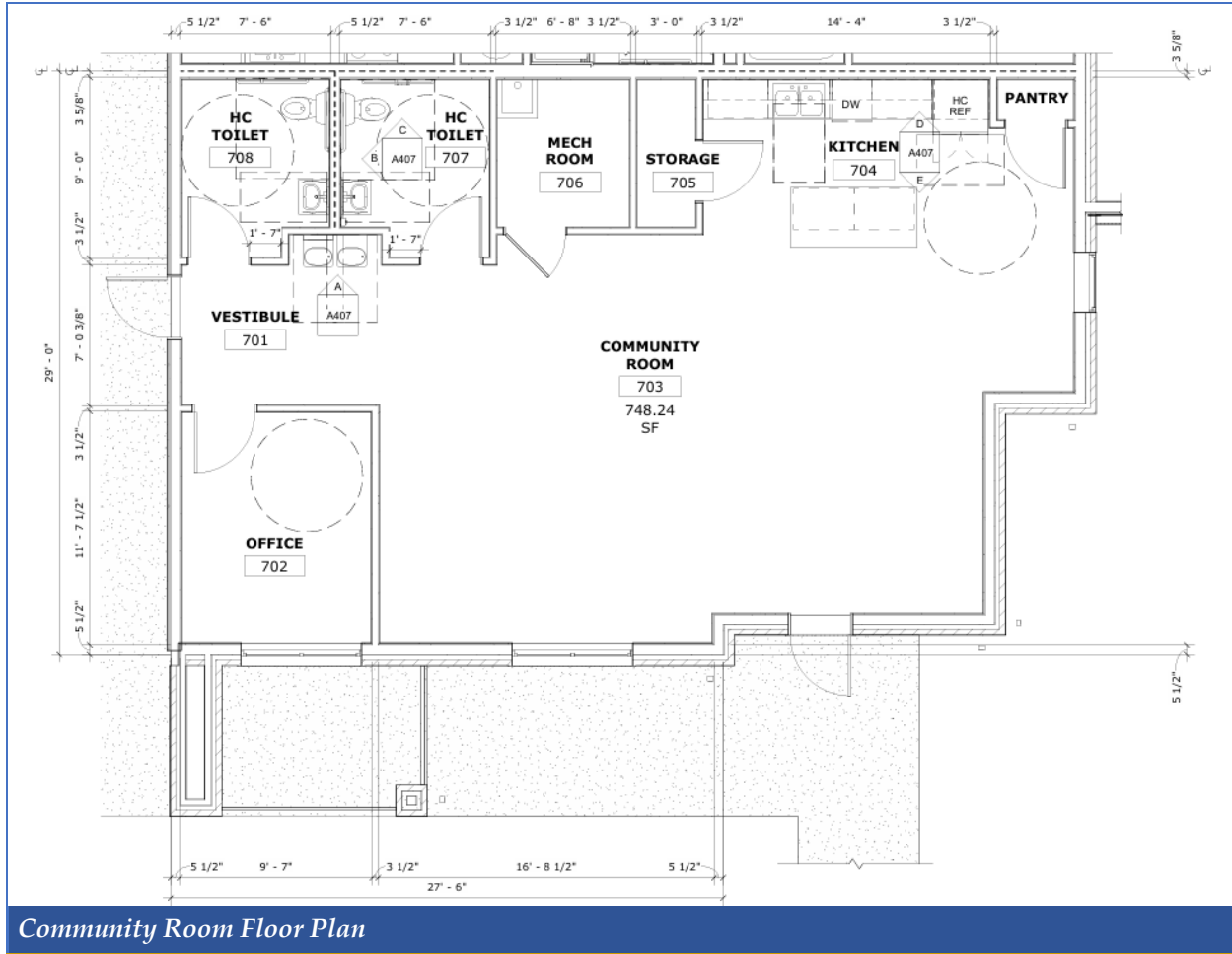
and USB charging receptacles will be provided in the kitchen, living room, and bedrooms. Windows will include blinds, and each unit will include a washer and dryer at no added cost. Each patio or balcony will be at least five feet deep and at least 30 square feet.

The development will be built to EarthCraft Gold certification, and the applicant will pursue the Zero Energy Ready Home standard. The roof structure is designed to support rooftop photovoltaic panels, and the applicant has committed to installing a renewable energy electric system. All 27 ground-floor units, equal to approximately 32.5 percent of the total, will meet Virginia Housing's Universal Design standards.





Shown next is the floor plan for the community room, which is located on the first floor of Building 2. The at-grade, accessible space will include a kitchen, office, storage area, mechanical room, two accessible restrooms, and an entry vestibule. The community room will contain approximately 749 square feet. Residents will have free Wi-Fi access in the community room.



SECTION III

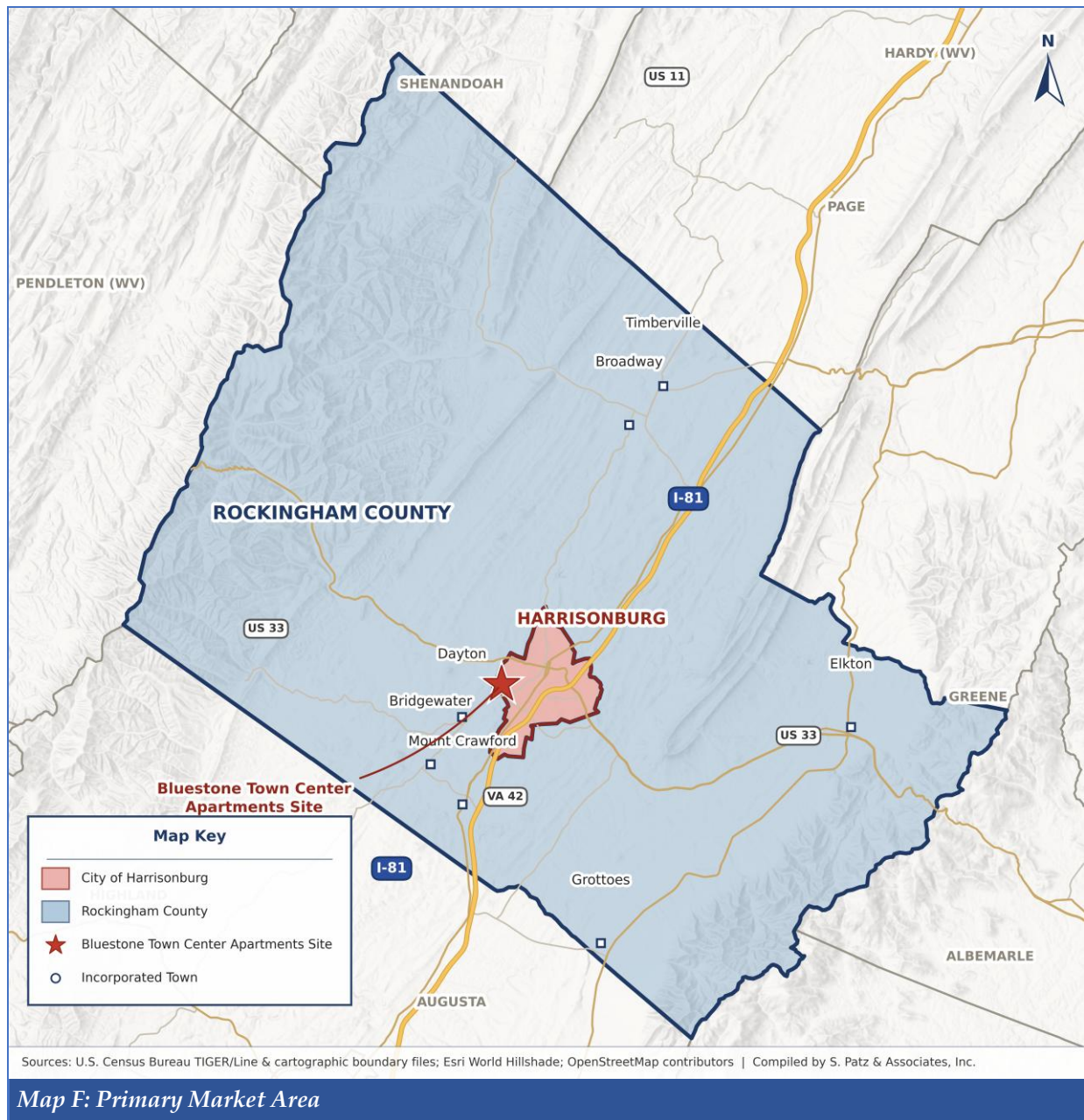
Market Area Definition

The market area for a housing development is the geographic area from which the project is expected to draw most of its residents. It follows from local housing choices, access to jobs and services, transportation patterns, and the demographic and economic conditions that shape rental demand. Defining the market area is necessary to evaluate rental supply and demand, rent levels, vacancy conditions, and the competitive setting for the proposed development.

For Bluestone Town Center Apartments, the market area is defined as the City of Harrisonburg and Rockingham County, as shown in **Map F**. This definition is based on interviews with property managers at affordable apartment communities in the region and staff from the Harrisonburg Redevelopment and Housing Authority (HRHA). These interviews found that tenants at affordable apartment communities and HRHA-managed properties in the area come almost entirely from Harrisonburg and Rockingham County. Management at income-restricted and modest-rent apartment properties in Rockingham County also confirmed that their properties compete with rental properties in Harrisonburg.

Harrisonburg and Rockingham County have traditionally been studied as a single housing market. Although Rockingham County includes substantial rural areas, communities such as Elkton, Grottoes, and Broadway include moderate-income renter households and are part of the broader rental market serving Harrisonburg. As a result, Bluestone Town Center Apartments is expected to attract some renters from nearby locations outside the City of Harrisonburg.

Adjacent counties and cities were excluded from the market area based on interviews with on-site apartment managers. These interviews found that Harrisonburg-area apartments do not directly compete with the limited apartment supply in neighboring communities, and no nearby apartment communities in adjacent counties were identified as direct competitors to rental properties in Harrisonburg.



Additional demand may come from households outside the primary market area, since some tenants may relocate from nearby jurisdictions. To account for this potential inflow, a secondary market area is identified for Bluestone Town Center Apartments.

The secondary market area is the Harrisonburg-Staunton-Stuarts Draft, Virginia Combined Statistical Area, as defined by the U.S. Office of Management and Budget. This area includes the Harrisonburg, VA Metropolitan Statistical Area, which consists of Rockingham

County and the City of Harrisonburg, and the Staunton-Waynesboro, VA Metropolitan Statistical Area, which consists of Augusta County and the independent cities of Staunton and Waynesboro. These jurisdictions form a connected regional labor and housing market, with commuting patterns and economic ties that could support some relocation to the subject property.

No leakage factor is applied in the quantitative demand analysis. Household projections, demand estimates, and penetration calculations, including those shown in the Virginia Housing demand tables, are based only on demand generated within the primary market area. Any demand from outside the primary market area would provide additional support beyond the demand estimates presented in this study.

SECTION IV

Market Area Economic Overview

This section reviews economic conditions in the market area, with emphasis on job growth by place of work, labor force and employment trends, and planned development activity expected to create additional jobs. The analysis also considers major employers, WARN layoff notices, average commute times, and industry wage levels. These measures provide context for the employment base and near-term economic conditions that influence rental housing demand.

Employment stability and job growth support population retention, in-migration, and household formation, all of which affect housing demand.

IV.1: Employment by Place of Work (At-Place Employment)

At-place employment counts jobs located within Harrisonburg or Rockingham County, regardless of where workers live. **Table 5** reports 65,507 at-place jobs in 2019. The data are from the Quarterly Census of Employment and Wages (QCEW), which covers jobs insured under unemployment insurance. QCEW includes most wage and salary employment, but excludes self-employed workers and certain other employment categories.

In smaller markets, QCEW suppresses industry figures that could disclose information about individual employers. These entries are shown as “ND” in the table. The annual total still includes suppressed industries, so it is greater than the sum of the disclosed rows.

Total at-place employment fell by 3,852 jobs in 2020, primarily due to the COVID-19 pandemic. The largest disclosed losses occurred in Accommodation and Food Services, which declined by 1,757 jobs, and Health Care, which declined by 672 jobs. Employment then recovered, adding 1,770 jobs in 2021, 1,295 jobs in 2022, and 1,284 jobs in 2023.

By 2023, total employment had exceeded its 2019 level, reaching 66,004 jobs. A smaller gain of 91 jobs in 2024 brought total employment to 66,095 jobs, a net increase of 588 jobs since 2019.

The net increase in total employment should be interpreted carefully because several industries are not disclosed in all years. Among industries with reported employment in both 2019 and 2024, employment declined by a combined 2,205 jobs. The overall gain of 588 jobs is therefore tied to industries that are not disclosed in both years.

Local Government and State Government were not disclosed through 2021 but are reported from 2022 through 2024. Local Government increased from 5,594 jobs in 2022 to 5,980 jobs in 2024, and State Government increased from 4,902 jobs to 5,094 jobs over the same period. Transportation and Warehousing, by contrast, was reported at 3,753 jobs in 2019 but was not disclosed from 2020 forward.

Manufacturing remained the largest disclosed industry in 2024, with 10,167 jobs, equal to 15.4 percent of total employment. The sector lost 625 jobs between 2019 and 2024. Accommodation and Food Services was the second-largest disclosed industry, with 7,531 jobs, or 11.4 percent of total employment, despite remaining 266 jobs below its 2019 level. Health Care followed with 7,322 jobs, or 11.1 percent of total employment, down 552 jobs since 2019.

Several smaller and mid-sized sectors added jobs between 2019 and 2024, showing some breadth in the recovery. These included Construction, up 377 jobs, Management of Companies, up 186 jobs, Administrative and Waste Services, up 101 jobs, Arts, Entertainment, and Recreation, up 100 jobs, Other Services, up 88 jobs, and Real Estate, up 57 jobs.

The largest losses occurred in Retail Trade, down 1,109 jobs, Manufacturing, down 625 jobs, and Health Care, down 552 jobs. Other declines occurred in Information, down 334 jobs, Accommodation and Food Services, down 266 jobs, Finance and Insurance, down 151 jobs, Education, down 56 jobs, Professional and Technical Services, down 14 jobs, and Federal Government, down seven jobs. The market area recovered from the 2020 employment loss and

modestly exceeded its 2019 total by 2024, although growth was uneven across industries and the largest disclosed private sectors remained below their 2019 employment levels.

Table 5: At-Place Employment by Industry

City of Harrisonburg and Rockingham County, VA (2019-2024) ¹

Industry	2019	2020	2021	2022	2023	2024	Net Change
Agriculture	ND	ND	ND	ND	ND	ND	–
Mining	ND	ND	ND	ND	ND	ND	–
Utilities	ND	ND	ND	ND	ND	ND	–
Construction	3,906	3,946	3,887	3,921	4,069	4,283	377
Manufacturing	10,792	10,512	10,059	9,805	10,027	10,167	-625
Wholesale Trade	ND	ND	ND	ND	ND	ND	–
Retail Trade	8,168	8,028	8,187	8,114	7,235	7,059	-1,109
Transportation/ Warehousing	3,753	ND	ND	ND	ND	ND	–
Information	890	853	779	661	552	556	-334
Finance/Insurance	1,191	1,129	1,124	1,136	1,075	1,040	-151
Real Estate	901	803	798	918	939	958	57
Professional/Technical Services	1,775	1,777	1,812	1,772	1,757	1,761	-14
Management of Companies	390	378	448	565	557	576	186
Administrative/ Waste Services	1,797	1,784	1,866	1,799	1,940	1,898	101
Education	1,232	1,154	1,195	1,248	1,200	1,176	-56
Health Care	7,874	7,202	7,278	7,290	7,558	7,322	-552
Arts/ Entertainment/ Recreation	401	315	369	413	456	501	100
Accommodations/ Food Services	7,797	6,040	6,696	7,066	7,513	7,531	-266
Other Services	1,461	1,406	1,489	1,512	1,541	1,549	88
Local Government	ND	ND	ND	5,594	5,790	5,980	–
State Government	ND	ND	ND	4,902	4,987	5,094	–
Federal Government	353	366	338	330	336	346	-7
Total	65,507	61,655	63,425	64,720	66,004	66,095	+588

¹ ND: Not Disclosable. Data do not meet BLS or State agency disclosure standards.

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW)

Year-end employment data for 2025 are not yet available, but the U.S. Bureau of Labor Statistics (BLS) has released preliminary monthly QCEW figures for all of 2025. The figures discussed here combine the Harrisonburg City and Rockingham County series and are not seasonally adjusted.

At-place employment in 2025 was little changed from 2024. The preliminary 2025 monthly average was approximately 66,150 jobs. Monthly employment ranged from 64,478 jobs in January to 66,858 jobs in October.

Month-to-month patterns in 2025 remained close to 2024, with no clear shift in direction. Employment was below the prior-year level during the first quarter and again in July, and above the prior-year level in the remaining eight months. The largest year-over-year gains occurred in May, at 704 jobs, and June, at 706 jobs. The largest shortfall occurred in January, when employment was 808 jobs below January 2024.

Federal civilian employment is a small part of the market area, accounting for about 346 jobs in 2024, or roughly 0.5 percent of total employment, as shown in **Table 5**. As a result, the federal workforce reductions that received national attention in 2025 had little direct effect on this market, unlike in areas with a larger federal employment base. The preliminary 2025 figures remained within the range of recent years, although BLS may revise them in later releases.

IV.2: Resident Labor Force, Employment, and Unemployment

Table 6 reports labor force, employment, and unemployment trends for residents of Harrisonburg and Rockingham County from 2019 through 2025. The data are from the U.S. Bureau of Labor Statistics Local Area Unemployment Statistics program. These figures measure the employment status of area residents, regardless of where they work. They differ from the at-place employment figures in **Table 5**, which count jobs located in Harrisonburg and Rockingham County, regardless of where the workers live.

The resident labor force increased from 70,212 in 2019 to 71,082 in 2025, a net gain of 870 workers, or 1.2 percent. Resident employment increased from 68,445 to 68,800 over the same period, a gain of 355 workers, or 0.5 percent. Because the labor force grew faster than resident employment, the unemployment rate rose from 2.5 percent in 2019 to 3.2 percent in 2025. The rate reached 3.5 percent in 2020 during the pandemic, fell to 2.2 percent in 2021, rose to 3.0 percent by 2023, edged down to 2.9 percent in 2024, and reached 3.2 percent in 2025.

Both employment measures declined in 2020. Resident employment fell by 2,811 workers, while at-place employment fell by 3,852 jobs. The larger decline in at-place employment stems from the local concentration of job losses in Accommodation and Food Services and Health Care. Resident employment was less affected because it includes residents working outside the market

area and workers in categories not fully captured by the at-place employment series, such as self-employment and agricultural work.

Resident employment was higher than at-place employment in every year shown. In 2024, the area had 69,174 employed residents and 66,095 at-place jobs, a difference of 3,079 workers. This was modestly higher than the 2019 difference of 2,938 workers. The gap comes from both residents commuting to jobs outside the area and employment categories excluded from the at-place series, including self-employment and most farm work.

Labor force and resident employment both declined in 2025. The labor force fell from 71,243 in 2024 to 71,082 in 2025, a loss of 161 workers. Resident employment fell from 69,174 to 68,800, a loss of 374 workers. The unemployment rate increased to 3.2 percent, its highest level since 2020. The 2025 figures are 11-month averages that exclude October, when BLS did not collect data during the federal government shutdown, so they are not directly comparable to the full-year figures for earlier years. This softening matches the flat 2025 at-place employment trend discussed above.

Table 6: Labor Force, Employment, and Unemployment Trends <i>City of Harrisonburg and Rockingham County, VA (2019-2025) ¹</i>				
	Labor Force	Employment	Unemployment	Percent Unemployed
2019	70,212	68,445	1,767	2.5%
2020	68,036	65,634	2,402	3.5%
2021	69,741	68,202	1,539	2.2%
2022	71,591	69,729	1,862	2.6%
2023	71,725	69,591	2,134	3.0%
2024	71,243	69,174	2,069	2.9%
2025 ²	71,082	68,800	2,282	3.2%
Net Change	+870	+355	+515	+0.7 pts
¹ Data were subject to revision on May 19, 2026.				
² Annual estimates for 2025 are 11-month averages that exclude October. Data for October 2025 were not collected due to the federal government shutdown.				
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS)				

IV.3: Average Annual Wages by Industry

Table 7 reports average annual pay by industry across Harrisonburg and Rockingham County in 2024, based on QCEW data published by the U.S. Bureau of Labor Statistics. The area-

wide average annual pay was \$54,034. The area has a varied employment base, with a large Manufacturing sector paying above the market average, several smaller high-wage professional and financial sectors, and several large service sectors paying well below the average.

The highest-paying disclosed sectors were Finance and Insurance, at \$83,068, Professional and Technical Services, at \$81,198, Management of Companies, at \$79,322, and Information, at \$75,940. These sectors employ relatively few workers, together accounting for about 6.0 percent of all jobs. The federal government paid \$73,490 but employed only 346 workers. The market area does not have a large high-wage sector that dominates local employment. Manufacturing is the largest higher-paying sector, with average annual pay of \$62,897 across 10,167 workers, or 15.4 percent of all jobs. This sector pays above the area average and supports the overall wage base.

Several other large sectors also pay above the area-wide average of \$54,034. Construction averaged \$64,608 across 4,283 workers. State Government averaged \$62,620 across 5,094 workers, including those employed by James Madison University. Health Care averaged \$58,489 across 7,322 workers.

Pay falls below the area average across the remaining disclosed sectors. Real Estate averaged \$51,949. Local Government averaged \$48,981 across 5,980 workers. Administrative and Waste Services averaged \$45,947. Other Services averaged \$42,973, and Education averaged \$38,130.

The lowest-paying sectors are also among the largest. Retail Trade averaged \$34,899 across 7,059 workers. Accommodation and Food Services averaged \$23,780 across 7,531 workers. Arts, Entertainment, and Recreation averaged \$21,827. These three sectors employ about 15,000 workers, or 22.8 percent of all jobs, at average annual pay below \$35,000.

Table 7: Average Annual Wages by Industry*City of Harrisonburg and Rockingham County, VA (2024) ¹*

Industry	Number of Employees	Average Annual Pay
Agriculture	ND	–
Mining	ND	–
Utilities	ND	–
Construction	4,283	\$64,608
Manufacturing	10,167	\$62,897
Wholesale Trade	ND	–
Retail Trade	7,059	\$34,899
Transportation/ Warehousing	ND	–
Information	556	\$75,940
Finance/Insurance	1,040	\$83,068
Real Estate	958	\$51,949
Professional/Technical Services	1,761	\$81,198
Management of Companies	576	\$79,322
Administrative/ Waste Services	1,898	\$45,947
Education	1,176	\$38,130
Health Care	7,322	\$58,489
Arts/ Entertainment/ Recreation	501	\$21,827
Accommodations/ Food Services	7,531	\$23,780
Other Services	1,549	\$42,973
Local Government	5,980	\$48,981
State Government	5,094	\$62,620
Federal Government	346	\$73,490
Total	66,095	\$54,034

¹ ND: Not Disclosable. Data do not meet BLS or State agency disclosure standards.

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW)

IV.4: Principal Employers

Table 8 lists the 15 largest employers in the market area. The list is led by James Madison University, a state government employer and major driver of the local economy, and includes other stable public and institutional employers such as Harrisonburg City Public Schools, the City of Harrisonburg, Sentara Healthcare, the Rockingham County Community Services Board, Virginia Mennonite Retirement, and Eastern Mennonite University.

Manufacturing is also well represented, with Shenandoah Valley Organic, George's Foods, Driv Automotive, Tenneco Packaging, and LSC Communications Book LLC supporting the area's food production, automotive supply, packaging, and printing sectors. Other large employers include Aramark Campus LLC, Walmart, and Food Lion. The largest-employer base is balanced, with stable government, education, and health care jobs complemented by manufacturing, retail, and service jobs that are more exposed to business-cycle changes.

Table 8: Principal Employers*City of Harrisonburg and Rockingham County, VA*

Employer	Industry
James Madison University	State Government
Harrisonburg City Public Schools	Local Government
Shenandoah Valley Organic LLC	Food Manufacturing
City of Harrisonburg	Local Government
Aramark Campus LLC	Facilities Management
Sentara Healthcare	Health Care
George's Foods	Food Manufacturing
Driv Automotive, Inc.	Manufacturing
Eastern Mennonite University	Higher Education
Walmart	Retail
Virginia Mennonite Retirement	Retirement Community
Tenneco Packaging	Manufacturing
LSC Communications Book LLC	Commercial Printing
Food Lion	Retail
Rockingham County Community Services Board	Local Government

Source: Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW), 2nd Quarter (April, May, June) 2025.

IV.5: Travel Time to Work

Table 9 groups 59,783 commuting workers in the market area by travel time to work. Commutes are concentrated in the short to moderate range. The largest share of workers commute 10 to 14 minutes, at 19.0 percent, followed by 15 to 19 minutes, at 18.3 percent. The median commute falls in the 15 to 19 minute range.

Most workers have commutes of less than 30 minutes. This includes 3.7 percent who commute less than five minutes, 14.6 percent who commute five to nine minutes, 19.0 percent who commute 10 to 14 minutes, 18.3 percent who commute 15 to 19 minutes, 14.3 percent who commute 20 to 24 minutes, and 8.1 percent who commute 25 to 29 minutes. Together, these groups account for 78.0 percent of commuting workers.

Longer commutes are less common. Workers commuting 30 to 34 minutes account for 9.7 percent of the total. Smaller shares commute 35 to 39 minutes, at 2.5 percent, 40 to 44 minutes, at 2.4 percent, 45 to 59 minutes, at 3.2 percent, 60 to 89 minutes, at 2.7 percent, and 90 minutes or more, at 1.3 percent.

The concentration of commutes below 30 minutes points to a job base close to where workers live. **Table 9** includes only workers who commute and does not include people who work from home.

Table 9: Travel Time to Work		
<i>City of Harrisonburg and Rockingham County, VA</i>		
Travel Time	Workers	Percent of Total
Less than 5 Minutes	2,227	3.7%
5 To 9 Minutes	8,751	14.6%
10 To 14 Minutes	11,339	19.0%
15 To 19 Minutes	10,949	18.3%
20 To 24 Minutes	8,547	14.3%
25 To 29 Minutes	4,865	8.1%
30 To 34 Minutes	5,824	9.7%
35 To 39 Minutes	1,517	2.5%
40 To 44 Minutes	1,442	2.4%
45 To 59 Minutes	1,908	3.2%
60 To 89 Minutes	1,629	2.7%
90 Or More Minutes	785	1.3%
Total	59,783	100.0%
Source: U.S. Census Bureau, ACS 2024 (5-Year Estimates), Table B08303		

IV.6: Economic Development Pipeline

The following paragraphs summarize recent economic development announcements in the market area that are expected to contribute to net job growth. The announcements with stated hiring plans are projected to generate approximately 1,460 new jobs, and some of these positions have already been filled. Several named projects, including a planned Kroger store and the Massanutten Resort hotel expansion, have not announced hiring counts. This estimate excludes spinoff and temporary construction employment. It also excludes developments at JMU, which are discussed separately.

Because local, regional, and state economic development agencies do not track smaller-scale expansions or incremental hiring associated with organic business growth, this figure likely understates the overall level of job creation.

- **Merck:** Ground was broken in October 2025 on a new \$3 billion, 400,000 square foot pharmaceutical manufacturing facility in Elkton that is expected to create 500 full-time positions. The new plant will expand U.S. production of vaccines and medicines,

including active pharmaceutical ingredients and new small-molecule manufacturing and testing capacity. Construction is expected to be completed in 2029.

- **Virginia Poultry Growers Cooperative:** In April 2026, this Rockingham County turkey cooperative announced a \$113.9 million multi-phase expansion that is expected to create 146 new jobs. The project includes a nearly two-million-cubic-foot feed mill and grain processing facility in Linville with the largest grain storage capacity on the East Coast, a new rail spur, water treatment upgrades at the Hinton plant, and added turkey processing capacity. The county approved a special use permit for the feed mill in May 2025, and ground was broken in April 2026.
- **Farmer Focus:** In February 2023, this organic chicken company announced plans to expand its processing facility in Harrisonburg by doubling its capacity to 78,000 square feet. The company hired more than 300 employees by the end of 2025 to support the expansion, bringing the workforce to roughly 1,200.
- **Veronesi Holding S.p.A:** In October 2021, this producer of cured meats announced plans to establish its first U.S. production facility in Rockingham County. The company committed to hiring at least 150 employees by the end of 2025. The new 315,400-square-foot facility, on 75.8 acres in Innovation Village, will age, process, and package products for distribution in the U.S. The site also has capacity for a 200,000-square-foot future expansion.
- **AeroNimble:** In April 2026, this Harrisonburg aerospace startup announced a \$2.5 million expansion that is expected to create 51 new jobs. The company, founded in 2025, overhauls PT6 aircraft engines and manufactures blade components. It partnered with Blue Ridge Community College to fill entry-level positions with graduates at starting salaries of \$62,000.
- **Shenandoah Valley Produce Auction:** A proposed expansion includes a 59,280-square-foot warehouse addition.
- **Harrisonburg Innovation:** This planned 26,000-square-foot business incubator will support startups, solo entrepreneurs, and established businesses. The facility will include up to 60 offices, multiple shared conference rooms, an AV room, a rooftop event deck, and coworking spaces.
- **Crownpoint Retirement Community:** This age-restricted active adult rental community off Stone Spring Road will include 116 units, with eight duplex units, 20 townhomes, and an 88-unit apartment building. The duplexes and townhomes were completed in 2023 and 2024, and the apartment building is scheduled for completion in 2026, with pre-leasing underway.
- **Buc-ee's:** In September 2023, Buc-ee's announced plans for a new location on 21.3 acres at I-81 and Friedens Church Road in Rockingham County. The facility has 75,000 square feet of retail space, 120 fueling stations, electric vehicle chargers, and parking for over 650

vehicles, including dedicated bus spaces. Construction is complete, and the facility opened in summer 2025 with about 200 jobs.

- **Boxer Gifts:** In May 2024, British novelty gift manufacturer Boxer Gifts announced plans to establish its first U.S. operation in Harrisonburg. The company is investing \$1.4 million to create a light manufacturing, distribution, and wholesale facility and has purchased a 10,000-square-foot warehouse at 955 Sawtooth Oak Circle. The new site will allow Boxer Gifts to ship products more efficiently to U.S. customers and is expected to create about 15 jobs in the City.
- **Leiber:** In September 2023, this German company, which processes brewers' yeast into animal food and supplements, announced plans to launch operations in Rockingham County with 35 new employees.
- **The Manufactory Collective:** Completed in March 2023, this 20,000-square-foot facility at 1157 South High Street in Harrisonburg provides studio space, workbenches, storage, and shared manufacturing equipment for small entrepreneurs.
- **New Creation VA:** This Harrisonburg nonprofit broke ground in May 2025 on a \$2.55 million expansion that will add a warehouse, office space, and expanded retail space, including a social enterprise coffee shop and café that will provide employment opportunities for women.
- **Winchester Equipment Co.:** In December 2024, this rental equipment company submitted plans to convert a 30,000-square-foot building at 160 Carpenter Lane in Harrisonburg. The layout will allocate 50 percent to service bays, 30 percent to an appliance warehouse, and 20 percent to a retail showroom.
- **Massanutten Resort:** Construction began in April 2024 on two additions to the resort's Indoor WaterPark. One 6,000-square-foot addition will connect a new hotel and atrium to existing facilities. A second 22,000-square-foot addition will be built on the opposite side of the WaterPark. These expansions will connect to a new 144-room hotel with a 6,500-square-foot atrium that includes accessible paths, glass walls, and waterfalls. Completion is expected in winter 2026.
- **Caf2Code:** In April 2025, Caf2Code, a software development and IT consulting firm, announced an expansion of its Harrisonburg headquarters. The company will invest approximately \$135,000 to expand its operations, relocating to an additional 5,000 square feet of office space to accommodate new staff. This expansion will add 20 high-tech jobs.
- **Kerry:** In April 2024, Ireland-based Kerry Group, a producer of broths and seasonings, announced an \$8.4 million expansion of its Harrisonburg manufacturing facility. Kerry purchased the former Ariake Foods plant in 2018. This project will upgrade and expand production lines for broth and seasoning products and is expected to create 47 new jobs.
- **UVA Community Credit Union:** Construction of a new UVA Credit Union branch was completed in September 2025 at 210 University Boulevard in Harrisonburg. The branch is

the credit union's ninth in Virginia, joining a network that stretches from Orange County to Nelson County. It offers banking services, including savings and credit accounts, as well as mortgage and business loans.

- **Little Roots Early Learning Center:** The 2,300-square-foot building at 910 North Liberty Street in Harrisonburg, previously used by Anicira Veterinary Center as a spay/neuter clinic and pet food pantry, is being remodeled for Little Roots Early Learning Center. The childcare center will serve children aged 12 weeks to six with a maximum capacity of 30 children.
- **Berea Christian School:** Plans were approved in 2024 to expand Berea Christian School, a private school at 1351 Garbers Church Road outside Harrisonburg, by 7,000 square feet. The expansion will allow the school to enroll 50 additional students.
- **New Beginnings Montessori School:** Rockingham County approved plans to expand this school at 7021 Arch Drive in Mt. Crawford. The project will add another primary classroom, doubling enrollment potential. The school opened in 2021 with 20 students and has since grown to 28 students.
- **1784 Holdings:** Rockingham County approved a proposal in 2024 for the construction of a four-story, 97,296-square-foot climate-controlled self-service storage facility at 19000 Stone Spring Road.
- **Broadway Business Plaza:** A site plan is under review to construct a 4,256-square-foot office building at the northeastern intersection of South Timber Way and Birdsong Lane in the Town of Broadway.
- **Kroger 319 Market Place:** Rockingham County staff are reviewing a site plan to construct a 99,000-square-foot Kroger store with a new fuel center on the south side of Stone Spring Road, just west of U.S. Route 33.
- **Tractor Supply:** Construction is ongoing on a new Tractor Supply store on New Market Road in Timberville. The store will have 15,400 square feet of interior space and a 3,700-square-foot exterior garden center, all under a canopy.
- **Helmuth Builders Warehouse:** A site plan is under review by Rockingham County to construct a 28,200-square-foot warehouse and office space on the north side of Cecil Wampler Road, just east of Route 11.
- **Covenant Presbyterian Church:** This church at 546 West Mosby Road in Rockingham County plans to expand its chapel, classrooms, and office space by 31,184 square feet. A site plan is currently under review.
- **Vanguard Renewables:** Rockingham County staff are reviewing a site plan to construct a 21,180-square-foot biomass conversion facility near the intersection of Port Republic Road and Lawyer Road.

- **RT. 33 Warehouse Facility:** A site plan is under review to construct a 50,250-square-foot warehouse and a 3,600-square-foot storage building on the north side of Spotswood Trail in Elkton.
- **Route 42 Driving School:** A site plan is under review to construct a 17,920-square-foot commercial office building just east of Dayton on the south side of SR 42.

IV.7: James Madison University

In addition to the job-generating development activity described earlier, James Madison University remains a major institutional employer in the region and a consistent source of local economic activity. The university's campus spans 721 acres.

Table 10 summarizes employment trends at James Madison University from the 2018-2019 academic year through the 2024-2025 academic year. Employment increased from 3,078 positions in 2018-2019 to 3,346 positions in 2024-2025, a net gain of 268 positions. Employment rose to 3,159 positions in 2019-2020, declined during the following two academic years, and returned to 3,078 positions in 2021-2022. Since then, employment has increased each year, reaching 3,205 positions in 2022-2023, 3,289 positions in 2023-2024, and 3,346 positions in 2024-2025.

James Madison University has recovered from its pandemic-period decline and now exceeds its 2018-2019 employment level. The university remains an important part of the local economy, providing direct employment and supporting area businesses through university operations, student spending, and institutional purchasing.

Table 10: Employment Trends <i>James Madison University</i>	
Academic Year	Total Employment
2018-2019	3,078
2019-2020	3,159
2020-2021	3,113
2021-2022	3,078
2022-2023	3,205
2023-2024	3,289
2024-2025	3,346
Net Growth	+268
Source: James Madison University, Office of Institutional Research	

Several major capital projects on the JMU campus are under construction or planned, and the academic expansions among them are expected to support future job growth. These projects are summarized below:

- **Carrier Library Renovation and Expansion:** Construction began in June 2023 on a \$95.7 million renovation and expansion of Carrier Library, funded by the Commonwealth of Virginia. The project adds approximately 56,400 square feet of new space and renovates 121,200 square feet of existing space. Major construction concluded in early 2026, and the building is scheduled to reopen to students in August 2026.
- **Johnston Hall Renovation and Expansion:** The plan includes the renovation of 18,700 square feet and the addition of 11,000 square feet, for a total of 29,700 square feet. The project will bring the facility into compliance with code and ADA standards and will collocate Graduate Psychology with the Center for Assessment and Research Studies.
- **College of Health and Behavioral Studies Expansion:** JMU is requesting \$115.3 million for a five-story, 125,367-square-foot addition to the 2016 CHBS building to consolidate dispersed programs and add laboratory and simulation space for expanding health programs. The Commonwealth appropriated \$7.9 million in planning funds for the expansion in the 2024-2026 state budget.
- **Moody Hall Renovation and Expansion:** This project includes the renovation of 18,724 square feet and the addition of 26,000 square feet to modernize the 1961 facility. The improvements will provide classrooms, meeting rooms, offices, and support spaces for College of Arts and Letters departments. The current six-year plan allocates \$49.13 million, with a separate future request for furnishings and equipment.
- **Physics and Chemistry Building Addition:** JMU plans a \$70.19 million addition to the Physics and Chemistry Building to support College of Science and Math programs, add general education classrooms, and relocate offices currently in Roop Hall. The addition is included in the 2026 biennium capital requests, with furnishings and equipment planned in the following biennium.

The number of new permanent jobs created by these developments will depend on each facility's roles, scale of operations, and mix of faculty, researchers, administrative staff, and maintenance personnel.

S. Patz & Associates submitted a Freedom of Information Act (FOIA) request to James Madison University seeking any recent official reports or projections of future employment growth at the Harrisonburg campus. The firm specifically requested documentation of projected employment growth associated with JMU's planned facilities. JMU responded that the university does not prepare or maintain employment projections.

A precise estimate of the direct employment impact would require detailed staffing plans, which JMU staff did not provide. A conservative approach assumes an average of 0.5 to 1.0 new job per 1,000 square feet of academic space. Johnston Hall, the College of Health and Behavioral Studies expansion, and Moody Hall together total approximately 200,000 square feet of new and renovated space, which translates to approximately 100 to 200 new permanent jobs, before counting the Physics and Chemistry Building addition.

Carrier Library is excluded from this estimate because the project renovates and expands an existing facility whose staff already work at JMU, so it is not expected to add permanent positions in proportion to its square footage. Although speculative, this conservative estimate provides a useful starting point for assessing the long-term employment growth these projects may generate at JMU.

Table 11 reports total fall enrollment at James Madison University from the 2019-2020 academic year through 2025-2026, along with the number of students living off campus. Enrollment grew from 21,820 in fall 2019 to 23,157 in fall 2025, a gain of 1,337 students, or 6.1 percent. Students living off campus grew by 825 over the same period, to 16,400. These students rent in the surrounding market, so enrollment growth adds directly to local rental demand.

Table 11: Fall Enrollment Trends <i>James Madison University (2019-2026)</i>		
Academic Year	Total Fall Enrollment	Students Living Off Campus
2019-2020	21,820	15,575
2020-2021	21,593	15,621
2021-2022	22,166	15,936
2022-2023	22,224	15,791
2023-2024	22,758	16,274
2024-2025	22,879	16,373
2025-2026	23,157	16,400
Source: State Council of Higher Education for Virginia (SCHEV), Fall Headcount Enrollment (E02)		

James Madison University is also adding on-campus housing. Potomac Hall, a five-story residence hall with approximately 460 beds, opened in fall 2025 as the first phase of a multi-building redevelopment of the Village housing area, replacing the 205-bed Ikenberry Hall. In April 2026, the JMU Board of Visitors approved the 2027 Campus Master Plan, which sets a long-term goal of housing 60 percent of students on campus by 2040.

The master plan is conceptual and does not set a construction schedule. Because the Village redevelopment replaces existing halls one building at a time and the 60 percent goal extends well beyond the projection period, planned on-campus housing is not expected to reduce off-campus rental demand through 2031. Bluestone Town Center Apartments will serve family households at restricted incomes rather than the student market, so campus housing plans have little bearing on its demand.

IV.8: Layoff Notices (WARN Act)

The federal Worker Adjustment and Retraining Notification Act (WARN Act) requires employers with 100 or more full-time employees to give at least 60 days' advance notice before closing a facility or conducting a mass layoff that affects 50 or more workers. Analysts track WARN filings as an early signal of near-term employment contraction.

A review of the Virginia WARN notice listings found no filings for employers in Harrisonburg or Rockingham County over the past two years. This absence aligns with the employment trends in **Tables 5** and **6**, which show stable to expanding employment through

2024, and with the pipeline of new investment described in the preceding section. Smaller workforce reductions below the Act's thresholds remain possible, but no large-scale employment disruptions appear likely in the near term.

IV.9: Market Area Economic Overview Summary

The local economy has moved past the pandemic downturn, but the recovery has been uneven. Total jobs located in Harrisonburg and Rockingham County are now slightly above the 2019 level, and employment was flat in 2024 and 2025. This points to a stable economy rather than a fast-growing one. The area's strength is its mix of employers rather than broad job growth. Manufacturing remains the largest private-sector anchor, while government, education, and health care provide a steadier base that is less likely to swing sharply with the business cycle.

The resident labor force tells a similar story. More residents are employed than there are jobs located in the market area, which means the area already depends on commuting patterns in both directions. Some residents leave the area for work, while some local jobs are filled by workers who live elsewhere. Unemployment remains low, even with some softening in 2025, so there is limited unused labor available to absorb a major increase in hiring.

The next phase of demand is therefore likely to come less from recent employment growth and more from the jobs already in the development pipeline. Private-sector projects with announced hiring plans, led by Merck, the Virginia Poultry Growers Cooperative, Farmer Focus, and Veronesi Holding, are expected to support approximately 1,460 positions over the next several years, with some of those jobs already filled. Planned academic projects at James Madison University could add another 100 to 200 permanent jobs. These projects point to roughly 1,560 to 1,660 announced direct positions combined, before accounting for projects without stated hiring counts and for related hiring supported by new payrolls, supplier activity, and local spending.

For housing, the market cannot rely solely on unemployed residents to fill the already planned jobs. In 2024, the area had about 2,069 unemployed residents, and many of those workers will not match the skills, locations, or schedules required by the new positions. Filling these jobs will require some combination of in-commuting, worker attraction, and household growth. That

supports demand for additional housing, including a broader range of price points and unit types than the market currently offers.

SECTION V

Market Area Demographic Analysis

This section analyzes trends and projections for population, households, group quarters population, household size, and tenure patterns in the Bluestone Town Center Apartments market area, defined as the City of Harrisonburg and Rockingham County. It then identifies the income-qualified renter households the proposed units would serve. The analysis covers 2010 through 2031 and draws on the 2010 and 2020 Decennial Censuses, Ribbon Demographics projections for 2026 and 2031, and the HUD FY 2026 Multifamily Tax Subsidy Project (MTSP) income limits that set the development's income restrictions.

V.1: Population and Household Trends and Projections

Table 12 summarizes population and household trends for the Bluestone Town Center Apartments market area, which includes the City of Harrisonburg and Rockingham County, from 2010 through 2031. The 2010 and 2020 figures are from the Decennial Census. Ribbon Demographics provides the 2026 estimate and 2031 projection. This section focuses on total population and household growth. Renter and owner household trends are discussed in the next subsection.

The market area grew from 125,230 residents in 2010 to 135,571 in 2020, a gain of 10,341 residents, or 8.3 percent. Growth has continued since 2020, but at a slower pace. Ribbon estimates the market area population at 140,555 in 2026 and projects 145,079 residents by 2031.

In annual terms, the area added about 1,034 residents per year during the 2010s. That pace slowed to about 831 residents per year from 2020 to 2026. Ribbon projects growth of about 905 residents per year from 2026 to 2031. Population growth continues but has settled below the pace of the prior decade.

Over the full 2010 to 2031 period, the market area is projected to add 19,849 residents, equal to a 15.9 percent increase. Most of that growth occurred before 2020, but the area is still projected to add about 4,500 residents between 2026 and 2031.

Household growth is also expected to continue. Total households increased from 45,167 in 2010 to 49,426 in 2020 and are estimated at 51,530 in 2026. Ribbon projects 53,403 households by 2031. That equals a projected gain of about 1,900 households between 2026 and 2031, supporting continued demand for additional housing.

The slower population growth since the 2010s likely stems from fewer people moving into the area, a smaller gap between births and deaths, and some leveling off in James Madison University enrollment after earlier growth. JMU remains important to the population outlook because it affects both on-campus students and off-campus rental demand. Group living, household population, household size, total households, and tenure are discussed in more detail in the following subsections.

Table 12: Population and Household Trends

Bluestone Town Center Apartments Market Area (2010-2031)

	2010	2020	2026	2031
Market Area Population ¹	125,230	135,571	140,555	145,079
Group Quarters Population ²	9,054	9,574	9,657	9,822
Household Population	116,176	125,997	130,898	135,257
Persons Per Household	2.57	2.55	2.54	2.53
Total Households	45,167	49,426	51,530	53,403
Renter Households	17,409	19,890	20,605	21,415
Percent Renter Households	38.5%	40.2%	40.0%	40.1%
Owner Households	27,758	29,536	30,925	31,988
Percent Owner Households	61.5%	59.8%	60.0%	59.9%

¹ Includes City of Harrisonburg and Rockingham County, VA.

² Group quarters population includes residents living outside traditional households. In 2026, Ribbon Demographics estimates 9,657 group quarters residents in the market area, including 8,132 college or university student housing residents, 223 residents in other noninstitutional facilities, 1,087 nursing home residents, and 215 residents in correctional facilities.

Source: U.S. Census Bureau, 2010 and 2020 Decennial Census; Ribbon Demographics

V.1.a: *Group Quarters Population*

Group quarters residents live in settings such as college dorms, nursing homes, military barracks, correctional facilities, and group homes, rather than in regular housing. They are not counted as households, and they do not add to housing demand the way households do.

The market area's group quarters population grew from 9,054 residents in 2010 to 9,574 in 2020. Ribbon Demographics estimates 9,657 residents in 2026 and projects 9,822 by 2031. Group quarters made up about 7 percent of all residents in 2020, a share that edges down toward 6.8 percent by 2031 as the rest of the population grows faster.

Most of the area's group quarters residents are college students living on campus, led by James Madison University, with Eastern Mennonite University and Bridgewater College also housing students. Nursing homes and other facilities account for the rest. Changes in the group quarters count therefore follow college enrollment and on-campus housing capacity, not conditions in the broader housing market. The slow growth in on-campus group quarters, set against faster growth in the household population, suggests that more students live off campus over time, which adds to rental demand rather than to the group quarters count.

V.1.b: *Household Population and Household Size*

Table 12 shows the household population, the residents who live in households rather than group quarters, growing from 116,176 in 2010 to 125,997 in 2020, an increase of 8.5 percent. Ribbon Demographics estimates a population of 130,898 in 2026 and projects 135,257 by 2031. Because group quarters grew slowly over the period, the household population grew slightly faster than the market area as a whole.

Average household size edged down from 2.57 persons in 2010 to 2.55 in 2020, 2.54 in 2026, and a projected 2.53 by 2031. This follows the broader pattern. Between 2010 and 2020, average household size fell from 2.54 to 2.53 in Virginia and from 2.58 to 2.55 nationally, based on the 2010 and 2020 Decennial Censuses. The area's 2020 figure of 2.55 matched the national average and ran slightly above Virginia's.

The decline comes from an aging population and the growth of one- and two-person households. The area's larger family households in Rockingham County and its shared student households near the colleges keep its average a little above the state's. A slow decline in household size still matters for housing because it means the number of households and the demand for housing units grow faster than the population.

V.1.c: *Households and Tenure Trends*

Table 12 shows total household growth of 9.4 percent during the 2010s and a net gain of 8,236 households over the full 2010 to 2031 period. Owner households make up about 60 percent of that total. The owner share was 61.5 percent in 2010 and 59.8 percent in 2020, and Ribbon projects it to hold near that level, at 60.0 percent in 2026 and 59.9 percent in 2031. The area's 2020 homeownership rate of 59.8 percent fell below both the Virginia rate of 64.9 percent and the national rate of 63.1 percent, based on the 2020 Decennial Census. The larger renter share owes mainly to the area's college students, many of whom rent off campus near James Madison University and the other colleges, along with the rental supply in the City of Harrisonburg.

The mix shifted toward renting during the 2010s. The renter share rose from 38.5 percent in 2010 to 40.2 percent in 2020, while renter households grew by 14.3 percent over the decade, compared with 6.4 percent growth among owner households. This shift followed the area's growing off-campus student population and the national pattern after 2008 of later homeownership among younger households. Since 2020, the mix has held near 60 percent owner and 40 percent renter. From 2020 to 2031, owner households are projected to grow 8.3 percent and renter households 7.7 percent, leaving the owner share at 59.9 percent in 2031.

Homeownership is the main alternative to renting for the target households. The median value of an owner-occupied home in the City of Harrisonburg is \$299,100, based on 2024 ACS five-year estimates. With a 10 percent down payment and a 6.48 percent mortgage rate from the Freddie Mac Primary Mortgage Market Survey for the week of June 4, 2026, the monthly ownership cost comes to about \$2,050, including the City of Harrisonburg real estate tax rate of \$1.01 per \$100 of assessed value and property insurance at 0.40 percent of value.

That cost requires an annual income near \$82,000 at a 30 percent housing cost ratio, well above the \$58,620 maximum income at 60% of AMI. Homeownership is therefore not a realistic alternative for the target renters at current prices.

V.2: Age and Household Composition

Table 13 shows the market area's population by age. The prime renter age group of 25 to 44 holds 32,482 residents in 2026 and grows to 33,133 by 2031. The 18-to-24 cohort remains large at 24,872 residents, or 17.7 percent of the population. Residents age 75 and older grow fastest, up 2,470 by 2031, and the median age rises from 35.5 to 36.5. The population under 18 holds steady at about 28,500 across the period and supports a stable family base for the two- and three-bedroom units.

Household composition also supports family-oriented rentals. Ribbon Demographics counts 13,706 households with children under 18 in 2026, or 26.6 percent of all households. Married couples head 48.3 percent of households, female householders without a spouse or partner 27.6 percent, male householders 17.4 percent, and cohabiting couples 6.7 percent. One-person households number 13,688, also 26.6 percent of the total.

Table 13: Population by Age			
<i>Bluestone Town Center Apartments Market Area (2020-2031)</i>			
Age Group	2020 Census	2026 Estimate	2031 Projection
Under 18	27,756	28,383	28,591
18 to 24	26,338	24,872	24,828
25 to 34	15,751	16,131	16,673
35 to 44	14,720	16,351	16,460
45 to 54	13,917	15,020	15,971
55 to 64	15,159	14,909	14,570
65 to 74	12,139	13,688	14,315
75 and older	9,791	11,201	13,671
Total	135,571	140,555	145,079
Median age	33.7	35.5	36.5
Source: U.S. Census Bureau, 2020 Decennial Census; Ribbon Demographics			

V.3: Income-Qualified Target Market

Table 14 projects the income-qualified renter households for the two bands the development serves, in 2026 and 2031, in constant 2026 dollars. The market area holds 51,530 households in 2026 and 53,403 in 2031, of which 20,605 and 21,415 are renters. The development offers 48 units at 60% of AMI and 35 units at 30% of AMI with project-based vouchers, and each band draws from that renter base.

- **60% of AMI:** For units restricted to households earning up to 60% of AMI, the target group is renter households with incomes from \$48,040 to \$58,620. The lower bound is the income needed to afford the units at 30 percent of income, set by the lowest 60% rent, and the upper bound is the 60% of AMI limit for a four-person household, capped at four to stay conservative because larger households qualify at higher limits. In 2026, this band held 1,629 renter households, 7.9 percent of all renter households. By 2031, it is projected to decline by 26 households to 1,603, or 7.5 percent.
- **Project-Based Vouchers:** These units carry project-based vouchers, so the band runs from \$0 to \$29,310. The upper bound is the 30% of AMI limit for a four-person household, half the 60% limit. There is no lower bound, because a project-based voucher caps the tenant's payment at 30 percent of income, so a household with little or no income can still afford the unit. In 2026, this band held 5,690 renter households, 27.6 percent of all renter households. By 2031, it is projected to decline by 372 households to 5,318, or 24.8 percent.

Both pools shrink slightly over the period even as total renters grow by 810 households, so a smaller share of renters falls in each band by 2031. The 30% band is more than three times the size of the 60% band, which fits the area's large low-income renter base. These pools form the demand side of the capture rate analysis that follows.

Table 14: Projections of Target Renter Households <i>Bluestone Town Center Apartments Market Area (2026-2031) ¹</i>			
	2026	2031	Net Change
Market Area Households	51,530	53,403	1,873
Market Area Renter Households	20,605	21,415	810
Target Market			
60% of AMI (\$48,040-\$58,620)			
Total Renter Households	1,629	1,603	-26
Percent Renter Households	7.9%	7.5%	-0.4% pts
30% of AMI - PBV (\$0-\$29,310)			
Total Renter Households	5,690	5,318	-372
Percent Renter Households	27.6%	24.8%	-2.8% pts
¹ Constant 2026 dollars			
Source: Ribbon Demographics			

V.4: Renter Households by Household Size

Table 15 breaks the market area's 20,605 renter households into five size groups. Small households make up most of the renter base. One-person households are the largest group at 35.0 percent, and one- and two-person households together account for 61.3 percent of all renters. Households of three or more come to 38.7 percent, split among 14.9 percent at three people, 13.8 percent at four, and 9.9 percent at five or more.

The concentration in one- and two-person households fits a market with a large student and young-adult renter population near the area's colleges. Larger families remain a steady presence, with about one renter household in four holding four or more people. This spread, weighted toward small households but with a sizable share of larger families, points to renter demand for both smaller and larger units.

Table 15: Renter Households by Household Size <i>Bluestone Town Center Apartments Market Area (2026)</i>		
Household Size	Renter Households	Percent of Total
1-Person Household	7,219	35.0%
2-Person Household	5,418	26.3%
3-Person Household	3,067	14.9%
4-Person Household	2,852	13.8%
5-or-more-Person Household	2,049	9.9%
Total Households	20,605	100.0%
Source: Ribbon Demographics		

V.5: Rent-Overburdened Households

A renter household is rent-overburdened when it spends more than 35 percent of gross income on gross rent, including rent and utilities. Rent burden is an important measure of how well local renter incomes match local housing costs and helps show the need for income-restricted rental housing.

Table 16 shows that 6,520 renter households in the market area are rent-overburdened, equal to 35.1 percent of all renter households. Thus, more than one in three renters pay more than 35 percent of their income toward rent and utilities.

The burden is concentrated among renters earning less than \$35,000. These households account for 5,170 of the 6,520 rent-overburdened renter households, or 79.3 percent of the total. Within these income ranges, 72.8 percent of renters earning less than \$10,000, 81.3 percent earning \$10,000 to \$19,999, and 75.3 percent earning \$20,000 to \$34,999 are rent-overburdened.

Rent burden falls sharply above \$35,000. About one-third of renters earning \$35,000 to \$49,999 are rent-overburdened. The rate drops to 11.2 percent for renters earning \$50,000 to \$74,999 and falls below 3.0 percent for renters earning \$75,000 or more. The concentration of rent burden below \$35,000 points to real cost pressure among lower-income renter households.

Table 16: Rent-Overburdened Households <i>Bluestone Town Center Apartments Market Area</i>		
Income	Renter Households	Percent of Total
Less Than \$10,000	1,759	9.5%
Less than 35.0 Percent	0	0.0%
More than 35.0 Percent	1,281	6.9%
Not Computed	478	2.6%
\$10,000 to \$19,999	1,994	10.7%
Less than 35.0 Percent	244	1.3%
More than 35.0 Percent	1,622	8.7%
Not Computed	128	0.7%
\$20,000 to \$34,999	3,012	16.2%
Less than 35.0 Percent	570	3.1%
More than 35.0 Percent	2,267	12.2%
Not Computed	175	0.9%
\$35,000 to \$49,999	2,687	14.5%
Less than 35.0 Percent	1,704	9.2%
More than 35.0 Percent	883	4.8%
Not Computed	100	0.5%
\$50,000 to \$74,999	3,519	18.9%
Less than 35.0 Percent	2,975	16.0%
More than 35.0 Percent	393	2.1%
Not Computed	151	0.8%
\$75,000 to \$99,999	2,325	12.5%
Less than 35.0 Percent	2,208	11.9%
More than 35.0 Percent	66	0.4%
Not Computed	51	0.3%
\$100,000 or More	3,291	17.7%
Less than 35.0 Percent	3,139	16.9%
More than 35.0 Percent	8	0.0%
Not Computed	144	0.8%
Total	18,587	100.0%
More than 35.0 Percent	6,520	35.1%
Source: U.S. Census Bureau, ACS 2024 (5-Year Estimates), Table B25074		

V.6: Renter Households in Substandard Housing

Table 17 reports the number of occupied housing units in the market area by tenure, plumbing, and crowding. A unit is counted as substandard if it lacks complete plumbing or has more than one occupant per room. The data are from the American Community Survey.

Substandard housing is limited in the market area. Of 50,046 occupied units, 1,158 units, or 2.3 percent, are substandard. Among renter-occupied units, 641 of 18,587 units are substandard, equal to 3.4 percent.

For renters, substandard conditions are tied almost entirely to crowding rather than plumbing. Only 13 renter-occupied units lack complete plumbing. By contrast, all 641 substandard renter units are overcrowded, including 426 units with 1.01 to 1.50 occupants per room and 215 units with 1.51 or more occupants per room.

Crowding is more common among renters than owners. The renter rate is 3.4 percent, compared with 1.1 percent for owner-occupied units. This points to a modest but real need for larger or more affordable rental units, especially for renter households sharing space due to cost or limited availability. The development's three-bedroom units could help address a portion of this need.

Table 17: Substandard Housing by Tenure*Bluestone Town Center Apartments Market Area ¹*

	Total Households	Percent of Total
Owner Occupied		
Complete Plumbing Facilities:	31,293	62.5%
1.00 or Less Occupants Per Room	30,942	61.8%
1.01 to 1.50 Occupants Per Room	267	0.5%
1.51 or More Occupants Per Room	84	0.2%
Lacking Complete Plumbing Facilities:	166	0.3%
1.00 or Less Occupants Per Room	166	0.3%
1.01 to 1.50 Occupants Per Room	0	0.0%
1.51 or More Occupants Per Room	0	0.0%
<i>Subtotal</i>	<i>31,459</i>	<i>62.9%</i>
Renter Occupied		
Complete Plumbing Facilities:	18,574	37.1%
1.00 or Less Occupants Per Room	17,946	35.9%
1.01 to 1.50 Occupants Per Room	426	0.9%
1.51 or More Occupants Per Room	202	0.4%
Lacking Complete Plumbing Facilities:	13	0.0%
1.00 or Less Occupants Per Room	0	0.0%
1.01 to 1.50 Occupants Per Room	0	0.0%
1.51 or More Occupants Per Room	13	0.0%
<i>Subtotal</i>	<i>18,587</i>	<i>37.1%</i>
<i>Total</i>	<i>50,046</i>	<i>100.0%</i>
Lacking Complete Plumbing	179	0.4%
With Plumbing but Overcrowded	979	2.0%
Total Substandard Housing	1,158	2.3%
Rental Substandard Housing ²	641	3.4%
¹ Substandard housing lacks complete plumbing or holds more than one occupant per room. Units that both lack plumbing and are overcrowded are counted once.		
² The Rental Substandard Housing rate uses renter-occupied units (18,587) as its base. All other percentages in the table use the total number of occupied units (50,046) as the base.		
Source: U.S. Census Bureau, ACS 2024 (5-Year Estimates), Table B25016		

V.7: Trends in Residential Building Permits

Table 18 shows steady residential permitting in the market area, with 6,113 units permitted between 2016 and 2025, or about 611 units per year. Permitting increased in recent years, rising from 595 units in 2023 to 770 in 2024 and 847 in 2025, the highest total in the ten years shown.

Most new permitted housing has been single-family. One-unit structures accounted for 5,520 permits, or 90.3 percent of the total. Larger multifamily buildings with five or more units

accounted for 365 permits, or 6.0 percent. Recent housing production has been weighted heavily toward single-family construction, with limited new multifamily rental supply.

Table 18: Residential Building Permit Trends <i>Bluestone Town Center Apartments Market Area</i>					
Year	1-Unit	2-Units	3-4 Units	5+ Units	Total Units
2016	620	0	0	24	644
2017	446	0	0	6	452
2018	450	0	0	33	483
2019	361	0	0	0	361
2020	575	0	0	21	596
2021	628	6	0	21	655
2022	649	14	8	39	710
2023	500	62	4	29	595
2024	629	70	0	71	770
2025	662	64	0	121	847
Total	5,520	216	12	365	6,113
Percent of Total	90.3%	3.5%	0.2%	6.0%	100.0%
Source: U.S. Census Bureau Building Permits Survey					

SECTION VI

Competitive Apartment Market

This section surveys the apartment communities most likely to compete with the proposed Bluestone Town Center Apartments. The competitive set includes affordable communities and lower-rent market-rate properties, which are the main alternatives for renters who qualify for the development's 60% of AMI units. The set is drawn broadly because the market area has few dedicated affordable communities, and many income-eligible renters occupy units without rent restrictions.

The survey excludes seven general-occupancy properties with deep rent subsidies that together contain 552 units. These are the 30-unit Commerce Village, 44-unit Elkmont Manor, 129-unit Franklin Heights, 106-unit Grottoes, 99-unit Harris Gardens, 112-unit Mosby Heights, and 32-unit Plains Apartments. They serve very low-income households at rents set near 30 percent of income, well below the development's restricted rents, and therefore would not compete directly with the proposed units. All are reported fully occupied, and most carry waitlists.

HRHA administers nearly 800 vouchers and holds a waitlist of more than 3,000 applicants. That waitlist points to substantial unmet demand for rental assistance in the market area. The development's 35 voucher-supported three-bedroom units would meet part of that demand through project-based vouchers, which cap the tenant payment at 30 percent of income and place those units outside the market competition surveyed here. Should the vouchers not be secured, an unlikely outcome, the same communities would form the competitive set for those units, so this survey also provides a conservative estimate of the project's market position.

The survey also excludes higher-rent market-rate communities, where rents run well above what the target renters can afford, and communities that house mainly JMU students. Neither group competes for the same renters as the development.

For each surveyed community, the analysis records the year built, occupancy, unit characteristics, unit mix, and amenities. These data place the proposed property within its market, support the rents it can achieve, and inform the estimate of rental demand.

VI.1: Characteristics of the Competitive Apartment Market

Table 19 lists the competitive set. It spans 1,110 units across 10 communities, four LIHTC properties and six modest market-rate communities, selected primarily on rent. The LIHTC communities are the closest comparison, since they serve the income-qualified renters the development targets.

The four LIHTC communities operate without project-based voucher subsidies and hold 358 units built between 1998 and 2017. Each is described below.

- **Robinson Park:** The newest LIHTC community in the market area, Robinson Park opened in August 2017 in Harrisonburg with 88 income-restricted units. It carries the deepest restrictions in the set, with nine units at 40% of AMI, 35 at 50%, and 44 at 60%. The unit mix is 12 one-bedroom, 44 two-bedroom, and 32 three-bedroom units, and the property has no vacancies. About 35 percent of the units house voucher holders, and management reports more than 300 households across its waitlists, the largest in the market area. The garden-style community offers a clubroom, business center, and on-site laundry.
- **Colonnade Apartments:** The market area's only mixed-income community, Colonnade opened in December 2010 in a single elevator-served building. It has 60 units restricted to 60% of AMI plus six two-bedroom units at market rents, which **Table 19** excludes. The affordable unit mix is six one-bedroom, 42 two-bedroom, and 12 three-bedroom units, and the property has no vacancies. It is the only LIHTC community in the market area with in-unit washers and dryers at no extra cost, and it also offers a clubroom and fitness center. Fewer than half of the units house voucher holders, and management reports 15 households on the waitlist.
- **Highlands I & II:** Built in two phases in 2002 and 2004 in the Town of Broadway, Highlands is a 62-unit garden community and the smallest of the four, with 38 units at 50% of AMI and 24 at 60% of AMI. The unit mix is 12 one-bedroom, 26 two-bedroom, and 24 three-bedroom units. It holds the only two vacancies among the affordable communities, and management reports 10 households on the waitlist. Amenities include a clubroom and a laundry facility.
- **Chestnut Ridge I & II:** Built in two phases in 1998 and 1999, Chestnut Ridge is the largest affordable community and the one with the most amenities, with 148 units all restricted

to 60% of AMI. It has no one-bedroom floor plans, with 116 two-bedroom and 32 three-bedroom units, and is fully occupied. Management reports five households on the waitlist. Amenities include a clubroom, fitness center, business center, swimming pool, playground, and laundry facility.

The study also surveyed six modest market-rate communities, 752 units built between 1940 and 1990, several with later renovations. These are the lower-rent, non-student properties in a Harrisonburg market where much of the market-rate supply houses JMU students renting off-campus.

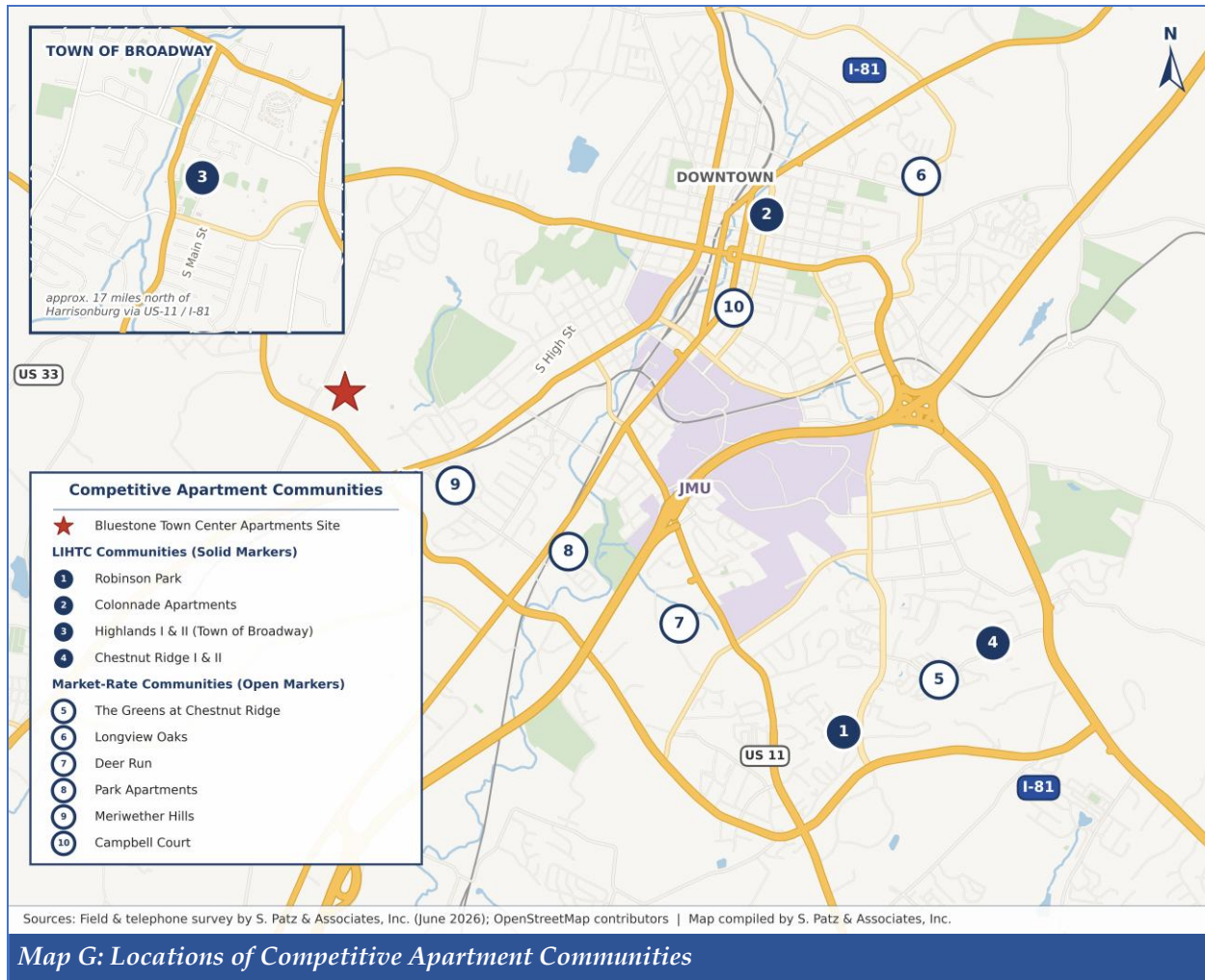
Occupancy is tight across the market. The 358 affordable units carry a 0.6 percent vacancy rate, with the only two vacancies at Highlands and a waitlist at every property, from five households at Chestnut Ridge to more than 300 at Robinson Park. The 752 market-rate units run looser but remain tight at 1.9 percent. The market-wide rate of 1.4 percent sits well below the 5.0 percent often treated as a balanced rental market, and the affordable segment is tighter still.

The affordable stock is also aging. Robinson Park, the newest of the four, opened in 2017, so the competitive affordable set has not grown in nearly a decade. Full affordable properties, standing waitlists, and aging supply point to unmet demand. Bluestone Town Center Apartments would add 83 units to that inventory. Because no competitive community has opened since Robinson Park, there is no recent absorption experience in the market area to draw on.

Table 19: Characteristics of the Competitive Apartment Market
Bluestone Town Center Apartments Market Area (June 2026)

	Year Built/ Reno	Income Restrictions	Total Units	Vacant Units
LIHTC Apartments				
Robinson Park	Aug-17	40% (9) / 50% (35) / 60% (44)	88	0
Colonnade Apartments	Dec-10	60% (60)/ Market (6)	60 ¹	0
Highlands I & II	2002/04	50% (38)/ 60% (24)	62	2
Chestnut Ridge I & II	1998/99	60% (148)	148	0
<i>Subtotal</i>			358	2
Modest Market-Rate Apartments				
The Greens at Chestnut Ridge	1990	Market (150)	150	5
Longview Oaks	1987	Market (138)	138	2
Deer Run	1975/13	Market (144)	144	4
Park Apartments	1974/11	Market (136)	136	0
Meriwether Hills	1960	Market (165)	165	3
Campbell Court	1940/08	Market (19)	19	0
<i>Subtotal</i>			752	14
Total			1,110	16
LIHTC Vacancy Rate				0.6%
Modest Market-Rate Vacancy Rate				1.9%
Market Area Vacancy Rate				1.4%
¹ Excludes higher-rent market-rate units.				
Source: Field and Telephone Survey by S. Patz & Associates, Inc.				

Map G shows the location of each property in Table 19. One property, Highlands, sits in the Town of Broadway, just east of South Main Street. The rest are in the Harrisonburg area. The closest to the study site, Meriwether Hills, is just east of South High Street, and the remaining communities lie east of Route 11.



The photographs below show the surveyed properties. Colonnade Apartments is the only one with an elevator. The remaining are garden-style communities built for families.



Robinson Park



Colonnade Apartments



Highlands



Chestnut Ridge



The Greens at Chestnut Ridge



Longview Oaks



Deer Run



Park Apartments



Meriwether Hills



Campbell Court

VI.2: Distribution of Income Restrictions

Table 20 distributes the 1,116 units in the competitive set by income restriction, six more than **Table 19**, because it counts Colonnade's six market-rate units. Of these, 358 units carry an income restriction and 758 rent at market-rate, so just under a third of the set is restricted and just over two-thirds is market-rate. The restricted units are divided into nine at 40% of AMI, 73 at 50% of AMI, and 276 at 60% of AMI. The 60% of AMI tier, at 24.7 percent of the set, accounts for most of the restricted supply.

Table 20: Distribution of Income Restrictions at Competitive Apartments
Bluestone Town Center Apartments Market Area (June 2026)

	40% of AMI	50% of AMI	60% of AMI	Market-Rate	Total Units
Robinson Park	9	35	44	0	88
Colonnade Apartments	0	0	60	6	66
Highlands I & II	0	38	24	0	62
Chestnut Ridge I & II	0	0	148	0	148
The Greens at Chestnut Ridge	0	0	0	150	150
Longview Oaks	0	0	0	138	138
Deer Run	0	0	0	144	144
Park Apartments	0	0	0	136	136
Meriwether Hills	0	0	0	165	165
Campbell Court	0	0	0	19	19
Total	9	73	276	758	1,116
Percent of Total	0.8%	6.5%	24.7%	67.9%	100.0%
Bluestone Town Center Apartments ¹	0	0	83	0	83

¹ Bluestone Town Center Apartments is proposed for 35 three-bedroom units with project-based vouchers at 30% of AMI. This table shows the unlikely case where the vouchers are not secured and all 83 units carry a 60% of AMI restriction.

Source: Field and Telephone Survey by S. Patz & Associates, Inc.

VI.3: Net Rental Rates

Table 21 lists the net rents at the competitive communities. The rents include trash collection only, to match the proposed rent structure at Bluestone Town Center Apartments. The affordable figures are the 60% of AMI rents, since the deeper 40% and 50% of AMI rents would not compete with the development.

Among the affordable communities, only Colonnade Apartments offers an in-unit washer and dryer at no extra cost. Among the market-rate communities, The Greens at Chestnut Ridge, Longview Oaks, Deer Run, Park Apartments, and Campbell Court offer them, while Meriwether Hills does not. Every unit at Bluestone Town Center Apartments would include a washer and dryer. None of the surveyed communities offer rent concessions.

Because Bluestone Town Center Apartments would offer only two- and three-bedroom units, the comparison centers on those floor plans. The affordable two-bedroom units average \$1,097 at 60% of AMI, and the proposed net rent of \$1,201 sits \$104 above that figure. Highlands, in the rural Town of Broadway, holds the average down at \$850. The three Harrisonburg-area affordable comparables, Robinson Park, Colonnade, and Chestnut Ridge, charge \$1,160, \$1,183, and \$1,194, an average of \$1,179, so the proposed rent runs only about two percent above the in-

town affordable stock. Market-rate two-bedroom units average \$1,431, so the proposed rent sits about 16 percent below the market-rate average.

The three-bedroom rents follow the same pattern. The affordable units average \$1,254, again with Highlands the low point at \$930, while the three in-town comparables average \$1,362, within about two percent of the proposed \$1,389. Market-rate three-bedroom units average \$1,639, so the proposed rent sits about 15 percent below the market-rate average.

Rents have climbed since January 2025. The 60% of AMI two-bedroom average rose from \$942 to \$1,097, and the three-bedroom average from \$1,071 to \$1,254, as maximum allowable LIHTC rents increased. Market-rate movement was smaller. The two-bedroom average rose from \$1,363 to \$1,431, and the three-bedroom average slipped from \$1,654 to \$1,639.

These rents place Bluestone Town Center Apartments between the two segments, just above the Harrisonburg-area affordable stock and 15 to 16 percent below the market-rate averages. Chestnut Ridge, built in the late 1990s, charges \$1,194 and \$1,382 for its two- and three-bedroom units, each about \$7 below the proposed rents, and stays full with a waitlist, which points to demand at this rent level. New construction and larger units support the small premium over the older affordable stock.

The market-rate communities, even at the lower end of the local market, cost more than the development's target renters can afford. A two-bedroom at the \$1,431 market-rate average requires about \$57,000 to keep rent within 30 percent of income, near the top of the 60% of AMI band, so the proposed rents open the unit to renters the market-rate stock cannot serve.

Table 21: Net Rental Rates at Competitive Apartments*Bluestone Town Center Apartments Market Area (June 2026) ¹*

	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom
LIHTC Apartments (60% of AMI)				
Robinson Park	–	\$870	\$1,160	\$1,344
Colonnade Apartments ²	–	\$983	\$1,183	\$1,360
Highlands I & II	–	\$750	\$850	\$930
Chestnut Ridge I & II	–	–	\$1,194	\$1,382
<i>Average</i>	–	\$868	\$1,097	\$1,254
Modest Market-Rate Apartments				
The Greens at Chestnut Ridge ^{2 4}	–	\$1,460	\$1,678	\$1,823
Longview Oaks ^{2 4 5}	–	\$1,270	\$1,475	\$1,643
Deer Run ^{2 3 5}	–	\$1,440	\$1,595	\$1,655
Park Apartments ^{2 4 5}	\$1,154	\$1,292	\$1,412	\$1,584
Meriwether Hills ^{3 6}	\$663	\$813	\$1,025	\$1,488
Campbell Court ²	\$1,100	\$1,200	\$1,400	–
<i>Average</i>	\$972	\$1,246	\$1,431	\$1,639
Overall Average	\$972	\$1,120	\$1,297	\$1,468
Bluestone Town Center Apartments ²	–	–	\$1,201	\$1,389

¹ Rents adjusted to include trash collection only. Non-competitive 40% and 50% of AMI rents excluded.² Includes in-unit washer and dryer.³ All two-bedroom units have 1.0 bathroom.⁴ Smaller two-bedroom units have 1.0 bathroom.⁵ Higher rents are for renovated units.⁶ Three-bedroom units have 1.5 bathrooms.

Source: Field and Telephone Survey by S. Patz & Associates, Inc.

VI.4: Unit Sizes and Rent per Square Foot

Table 22 presents the competitive rents per square foot, which removes the effect of size differences across the communities. Per-square-foot rates fall as unit size rises in both segments. The affordable communities average \$1.24, \$1.17, and \$1.15 per square foot for one-, two-, and three-bedroom units, against \$1.92, \$1.58, and \$1.47 at the market-rate communities. The market-rate figures run well above the affordable ones mainly because affordable rents are capped at 60% of AMI.

At Bluestone Town Center Apartments, the proposed rents are \$1.21 per square foot for two-bedroom units and \$1.19 for three-bedroom units. These sit just above the affordable averages of \$1.17 and \$1.15, about three percent higher, and about 23 percent and 19 percent below the market-rate averages. The roughly 10 percent net-rent premium over the full affordable

average shown in **Table 21** shrinks to about three percent per square foot, because the proposed units are larger. Several affordable comparables charge more per square foot than the development would, including Robinson Park at \$1.31 for two-bedroom units and Chestnut Ridge at \$1.23 for three-bedroom units, since their units are smaller.

Table 22: Rent per Square Foot at Competitive Apartments <i>Bluestone Town Center Apartments Market Area (June 2026) ¹</i>				
	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom
LIHTC Apartments (60% of AMI)				
Robinson Park	–	\$1.32	\$1.31	\$1.28
Colonnade Apartments ²	–	\$1.37	\$1.13	\$1.20
Highlands I & II	–	\$1.03	\$1.01	\$0.89
Chestnut Ridge I & II	–	–	\$1.21	\$1.23
<i>Average</i>	–	\$1.24	\$1.17	\$1.15
Modest Market-Rate Apartments				
The Greens at Chestnut Ridge ^{2 4}	–	\$2.17	\$1.84	\$1.62
Longview Oaks ^{2 4 5}	–	\$1.87	\$1.46	\$1.42
Deer Run ^{2 3 5}	–	\$2.12	\$1.81	\$1.79
Park Apartments ^{2 4 5}	\$2.75	\$2.20	\$1.64	\$1.37
Meriwether Hills ^{3 6}	\$1.66	\$1.25	\$1.15	\$1.13
Campbell Court ^{2 7}	–	–	–	–
<i>Average</i>	\$2.21	\$1.92	\$1.58	\$1.47
Overall Average	\$2.21	\$1.67	\$1.40	\$1.33
Bluestone Town Center Apartments ²	–	–	\$1.21	\$1.19
¹ Rents adjusted to include trash collection only. Non-competitive 40% and 50% of AMI rents excluded.				
² Includes in-unit washer and dryer.				
³ All two-bedroom units have 1.0 bathroom.				
⁴ Smaller two-bedroom units have 1.0 bathroom.				
⁵ Higher rents are for renovated units.				
⁶ Three-bedroom units have 1.5 bathrooms.				
⁷ Data not provided by management				
Source: Field and Telephone Survey by S. Patz & Associates, Inc.				

Table 23 lists the unit sizes behind those rates. The proposed two-bedroom units, at 993 to 996 square feet with two full bathrooms each, run about 55 square feet larger than the 939-square-foot affordable average. Affordable two-bedrooms range from 838 square feet at Highlands to 1,106 square feet at Colonnade Apartments.

The proposed three-bedroom units, at 1,172 square feet, run 82 square feet above the affordable average of 1,090 and 36 square feet above the market-rate average of 1,136. The largest

affordable three-bedroom in the survey is Colonnade's at 1,138 square feet, so the proposed three-bedroom would be the most spacious affordable unit of its type in the market area.

Because the proposed units are larger, renters would get more total space than at the affordable communities for nearly the same rate per square foot, and far more space per dollar than at the market-rate stock. This supports the proposed rents in **Table 21**.

Table 23: Apartment Unit Sizes at Competitive Apartments <i>Bluestone Town Center Apartments Market Area (June 2026)</i>				
	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom
LIHTC Apartments				
Robinson Park	–	660	884	1,048
Colonnade Apartments	–	717	988-1,106	1,138
Highlands I & II	–	726	838	1,045
Chestnut Ridge I & II	–	–	988	1,128
<i>Average</i>	–	<i>701</i>	<i>939</i>	<i>1,090</i>
Modest Market-Rate Apartments				
The Greens at Chestnut Ridge	–	674	894-926	1,122
Longview Oaks	–	680	860-1,156	1,160
Deer Run	–	679	879	924
Park Apartments	419	563-613	863	1,155
Meriwether Hills	346-450	519-778	660-1,124	1,320
Campbell Court ¹	–	–	–	–
<i>Average</i>	<i>409</i>	<i>654</i>	<i>910</i>	<i>1,136</i>
Overall Average	409	672	923	1,116
Bluestone Town Center Apartments	–	–	993-996	1,172
¹ Data not provided by management. Source: Field and Telephone Survey by S. Patz & Associates, Inc.				

VI.5: Apartment Unit Mix

Table 24 shows the bedroom mix at the competitive apartment communities. Two-bedroom units make up most of the competitive set, at 649 of 1,110 units, or 58.5 percent. Three-bedroom units follow at 226, or 20.4 percent, then one-bedroom units at 186, or 16.8 percent. Studios and four-bedroom units are rare, at 39 and 10 units.

The affordable communities offer a tighter range, with 228 two-bedroom units, 100 three-bedroom units, and 30 one-bedroom units, and no studios or four-bedroom units. Bluestone Town Center Apartments would add 42 two-bedroom and 41 three-bedroom units, split almost

evenly and with no smaller units. Its 41 three-bedroom units would lift the affordable three-bedroom supply from 100 to 141, an increase of 41 percent, in a market where three-bedroom units are the scarcer family type.

Table 24: Apartment Unit Mix at Competitive Apartments
Bluestone Town Center Apartments Market Area (June 2026)

	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Total Units
LIHTC Apartments						
Robinson Park	0	12	44	32	0	88
Colonnade Apartments ¹	0	6	42	12	0	60
Highlands I & II	0	12	26	24	0	62
Chestnut Ridge I & II	0	0	116	32	0	148
<i>Subtotal</i>	<i>0</i>	<i>30</i>	<i>228</i>	<i>100</i>	<i>0</i>	<i>358</i>
Modest Market-Rate Apartments						
The Greens at Chestnut Ridge	0	38	82	30	0	150
Longview Oaks	0	46	72	20	0	138
Deer Run	0	24	72	48	0	144
Park Apartments	12	14	102	8	0	136
Meriwether Hills	24	24	87	20	10	165
Campbell Court	3	10	6	0	0	19
<i>Subtotal</i>	<i>39</i>	<i>156</i>	<i>421</i>	<i>126</i>	<i>10</i>	<i>752</i>
Total	39	186	649	226	10	1,110
Percent of Total	3.5%	16.8%	58.5%	20.4%	0.9%	100.0%
Bluestone Town Center Apartments	0	0	42	41	0	83

¹ Excludes six high-rent market-rate units.

Source: Field and Telephone Survey by S. Patz & Associates, Inc.

VI.6: Community Amenities

Table 25 compares the amenities at the competitive communities with the proposed amenities at Bluestone Town Center Apartments. Bluestone Town Center Apartments would include a community room with a kitchen. Eight of the 10 communities offer a clubroom, half have swimming pools, and seven include fitness centers.

Elevators are rare, since most are low-rise walk-up communities, and Colonnade Apartments is the only community in the survey that offers one. Swimming pools cluster at the market-rate communities (four of six) and are uncommon among the affordable ones (one of

four). Bluestone Town Center Apartments would provide a community room with a kitchen but fewer shared amenities than the larger affordable comparables, Chestnut Ridge and Colonnade.

	Elevator	Clubroom	Fitness	Business	Pool	Laundry
LIHTC Apartments						
Robinson Park	○	●	○	●	○	●
Colonnade Apartments	●	●	●	○	○	○
Highlands I & II	○	●	○	○	○	●
Chestnut Ridge I & II	○	●	●	●	●	●
Modest Market-Rate Apartments						
The Greens at Chestnut Ridge	○	●	●	●	●	○
Longview Oaks	○	●	●	○	●	●
Deer Run	○	●	●	○	○	○
Park Apartments	○	●	●	●	●	○
Meriwether Hills	○	○	●	○	●	●
Campbell Court	○	○	○	○	○	○
Bluestone Town Center Apartments	○	●	○	○	○	○
Source: Field and Telephone Survey by S. Patz & Associates, Inc.						

VI.7: Local Perspective on the Rental Housing Market

S. Patz & Associates interviewed property managers and developers who build affordable apartments in the Harrisonburg region, local planning officials, and staff at the HRHA. These sources know the local rental market well, particularly the affordable segment.

Those interviewed described a wide gap between supply and demand for affordable housing in the market area, one that has pushed some residents to seek housing outside the region. They reported that few apartments in the region offer affordable rents, and most that do are older and fully occupied. They expected that a new affordable development, such as Bluestone Town Center Apartments, would lease up quickly and not draw renters away from the existing stock.

SECTION VII

Market Study Conclusions

The analysis above shows a stable market area economy. At-place employment fell sharply in 2020, regained its losses over the next three years, and is now slightly above its pre-pandemic level, with preliminary 2025 data showing little change. The market's strength is its diverse employment base, anchored by Manufacturing, Health Care, government, and James Madison University, rather than rapid job growth. Announced private-sector projects are expected to add approximately 1,460 jobs over the next several years.

Labor conditions remain tight. In 2025, the resident labor force totaled 71,082 workers, including 68,800 employed residents, and the unemployment rate was 3.2 percent. A review of Virginia WARN notices found no qualifying plant closures or mass layoffs in the market area during the past two years.

Demographic projections show continued household growth through 2031. Total households are projected to increase from 51,530 in 2026 to 53,403 in 2031, while renter households are projected to increase from 20,605 to 21,415. Renter households within the development's two target income bands are projected to decline by a combined 398 households over the same period. The declines stem from an upward shift in renter incomes rather than weaker rental demand.

Affordability-related demand remains substantial despite the projected decline within the target income bands. In the market area, 35.1 percent of renter households pay more than 35 percent of gross income toward rent and utilities, and 3.4 percent of renter-occupied units are classified as substandard, almost entirely due to overcrowding. These conditions account for 2,569 rent-overburdened households and 248 households in substandard housing under the Virginia Housing demand methodology and provide demand support well beyond household growth alone.

Competitive supply is tight and largely built out. The competitive inventory totals 1,110 units, with an overall vacancy rate of 1.4 percent. The affordable segment is effectively full, with only two vacant units, waiting lists at every property, and no new LIHTC deliveries since Robinson Park in 2017. Only one income-restricted pipeline development was identified, BJS Harrisonburg Family I, with 80 units.

The following section examines these supply and demand conditions in more detail, including income-qualified renter demand, penetration and capture rates, and projected absorption for the proposed development.

VII.1: Demand Analysis

This demand analysis tests whether the market can support Bluestone Town Center Apartments as proposed. It compares the proposed 83 units against the demand conditions summarized above.

The analysis proceeds in five steps. It first identifies any planned or approved rental communities that would compete for the same renters. It then compares the proposed rents and unit sizes with the competitive inventory to confirm that the units are priced and sized to lease.

The final steps quantify demand. The penetration rate analysis measures the share of income-eligible renters needed to support all comparable units. The Virginia Housing demand and capture rate analysis estimates net demand for the proposed units and the likely absorption period. Because 35 of the 83 units are planned with project-based vouchers, the analysis tests the development both as proposed and under the unlikely scenario in which all units operate at 60% of AMI.

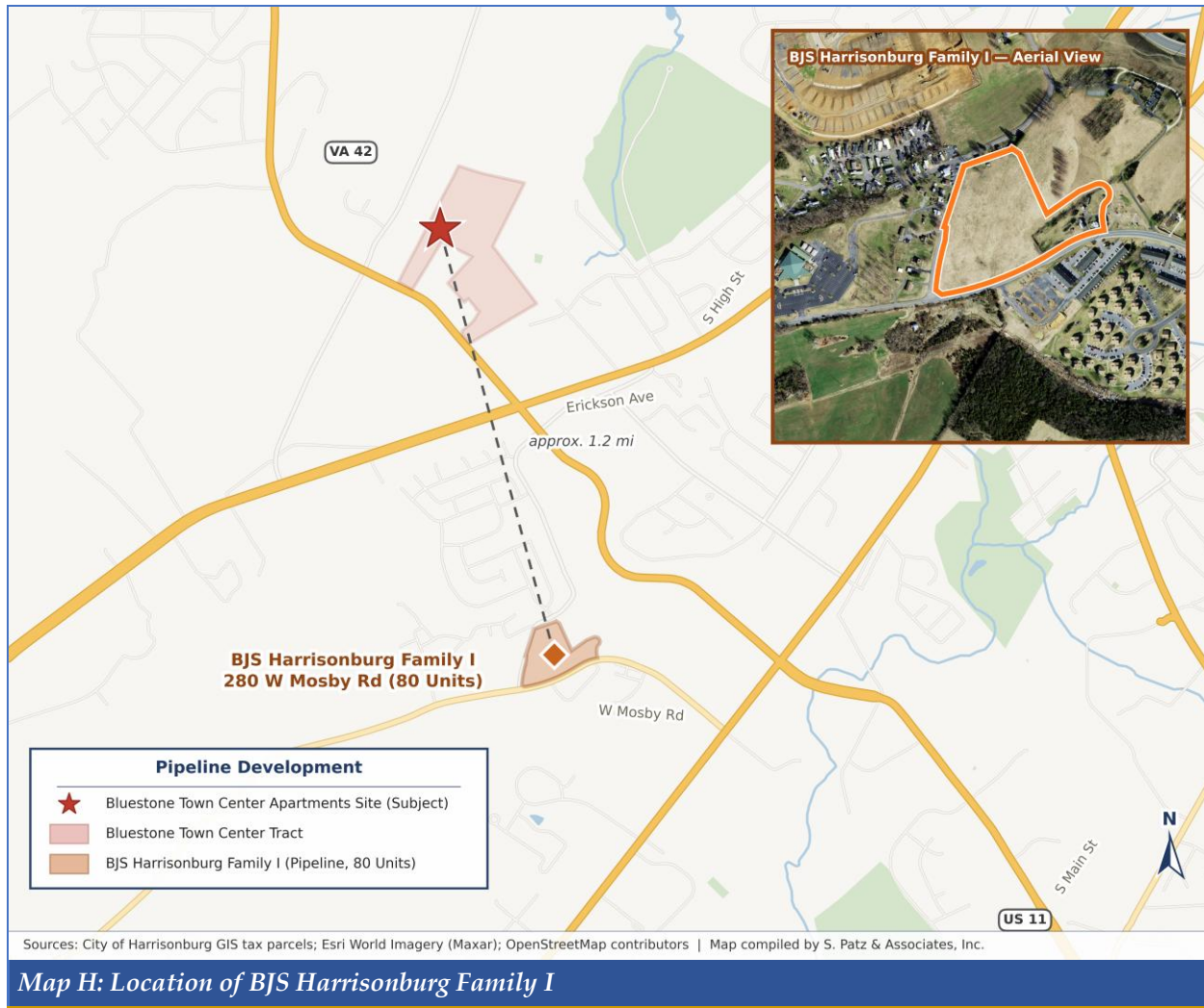
VII.1.a: *Competitive Apartment Development Pipeline*

S. Patz & Associates searched the market area for any rental developments underway or planned that would compete with Bluestone Town Center Apartments, meaning affordable communities aimed at renters with similar incomes. The firm interviewed planning staff at the

City of Harrisonburg and Rockingham County, read local planning documents and news coverage, reviewed Virginia Housing tax credit applications, and checked its own past studies. Where it could, it reached the developers to confirm how many units each development would hold, when it would be built, and whether it was still moving forward.

The market area has one development that could compete with Bluestone Town Center Apartments once it is built. That development, BJS Harrisonburg Family I, sits at 280 West Mosby Road in Harrisonburg, and Virginia Housing awarded it tax credits in 2024.

Map H shows the location of BJS Harrisonburg Family I relative to the study site. The 12.2-acre parcel at 280 West Mosby Road sits about 1.2 miles south of the study site, on the south side of West Mosby Road between South High Street and Route 11. The aerial inset shows the parcel, which is vacant and bordered by existing residential development on its east and west sides.



BJS Harrisonburg Family I will have 80 units, eight one-bedroom, 42 two-bedroom, and 30 three-bedroom units in a single four-story building with an elevator. Its units are restricted at 40%, 50%, 60%, and 80% of AMI. Eighteen sit at the lowest of these, 40% of AMI. Ten of them, the one- and two-bedroom units, are reserved for the Section 811 program, which provides supportive housing for people with disabilities, and the other eight, the two- and three-bedroom units, come with project-based vouchers. Tenants in all 18 pay 30 percent of their income toward rent.

Of the 80 units, only the 18 at 60% of AMI would compete directly with Bluestone Town Center Apartments, 11 two-bedroom and seven three-bedroom units. The other 62, at 40%, 50%, and 80% of AMI, serve lower or higher incomes, so they would not compete.

S. Patz & Associates interviewed the developer, who said construction is set to begin within the month.

VII.1.b: *Net Rent Evaluation*

The proposed net rents of \$1,201 for two-bedroom units and \$1,389 for three-bedroom units sit between the two segments of the competitive set in **Table 21**. They run about two percent above the average at the three Harrisonburg-area affordable comparables and 15 to 16 percent below the market-rate averages of \$1,431 and \$1,639. Chestnut Ridge, the closest comparable pricing, charges \$1,194 and \$1,382, within \$7 of the proposed rents, and remains full with a waitlist. Renters in the market area already pay these rent levels for older, smaller units, so the proposed rents are achievable.

The per-square-foot comparison in **Table 22** supports the same conclusion. At \$1.21 and \$1.19 per square foot, the proposed rents stand about three percent above the affordable averages and 19 to 23 percent below the market-rate averages. Several affordable comparables charge more per square foot than the development would, and the proposed units are larger, so renters would receive more space for nearly the same rate.

The proposed rents also comply with the program limits in **Table 4**. The gross rents of \$1,298 and \$1,504 fall \$22 and \$20 below the FY 2026 HUD maximum allowable rents. The 35 project-based voucher units would be restricted at 30% of AMI and operate at PBV rents where voucher assistance is available, and tenants would pay 30 percent of household income toward rent. Absent voucher assistance, those units would instead be restricted at 60% of AMI. With a 0.6 percent vacancy rate and a waitlist at every affordable community, the proposed rents support full occupancy at Bluestone Town Center Apartments.

VII.1.c: *Unit Size and Mix Evaluation*

Table 23 shows the proposed units at or above the size of every competitive average. The two-bedroom units, at 993 to 996 square feet, run about 55 square feet larger than the affordable average and about 85 square feet larger than the market-rate average. The three-bedroom units, at 1,172 square feet, would be the largest affordable units of their type in the market area, 82

square feet above the affordable average and 34 square feet above the largest existing affordable three-bedroom unit at Colonnade Apartments.

Each unit includes two full bathrooms and a washer and dryer. Among the affordable comparables, only Colonnade Apartments offers in-unit laundry at no extra cost.

The two- and three-bedroom mix fits the family households that the development targets. **Table 15** shows that 38.7 percent of the market area's renter households have three or more people, and households of four or more make up 23.8 percent. Three-bedroom units are the scarcer family floor plan in the competitive set, accounting for 226 of 1,110 units, while affordable communities offer only 100. The 41 proposed three-bedroom units would raise that supply by 41 percent, and the 42 two-bedroom units would serve three-person households and smaller families. The unit sizes and bedroom mix match this renter base and support the proposed rents.

VII.1.d: *Penetration Rate Analysis*

The penetration rate measures how much of the market area's income-eligible renter demand all of the directly competitive housing would need to attract. It adds every comparable unit at 60% of AMI: the 83 proposed units, the 276 existing competitive units, and the 18 competitive pipeline units at BJS Harrisonburg Family I. It then divides that total by the number of income-eligible renter households. A lower rate means more renters per unit, so units fill more easily.

Table 26 shows the calculation. Set against 1,603 income-eligible renter households at 60% of AMI, the 2031 projection and the lower of the two period estimates, the 377 competitive units come to a penetration rate of 23.5 percent. The market area would need to attract fewer than one in four income-eligible renters to fill every competitive unit, including the proposed development. Bluestone Town Center Apartments would need only 5.2 percent of them on its own. With the affordable vacancy rate at 0.6 percent and a waitlist at every affordable community, both shares are well within reach.

The rate is conservative. It leaves out renters who hold housing vouchers, households moving into the area from outside it, and owners who might decide to rent, all of whom would add to demand. Counting any of them would lower the rate. Bluestone Town Center Apartments would therefore fill from unmet demand without taking renters from the existing affordable communities.

Table 26: Penetration Rate Analysis	
	60% of AMI
Income Eligible Renter Households	1,603
Subject Proposal	83
Existing Competitive Units	276
Pipeline Competitive Units	18
<i>Total Inventory</i>	<i>377</i>
Penetration Rate	23.5%
Source: Ribbon Demographics; S. Patz & Associates, Inc.	

VII.1.e: Virginia Housing Demand and Capture Rate Analysis

Table 27 presents Virginia Housing’s standard demand table for Low-Income Housing Tax Credit applications. The calculation adds demand from five components: the projected change in income-qualified renter households, existing rent-overburdened renter households, renter households in substandard housing, elderly homeowners likely to convert to rental housing, and existing qualifying tenants expected to remain after renovation.

Because 35 of the 83 units are planned with project-based vouchers, **Table 27** tests demand under two scenarios. The “With PBV” columns reflect the development as proposed, with 48 units at 60% of AMI and 35 PBV units at 30% of AMI. The “Without PBV” column tests the unlikely fallback scenario in which project-based vouchers are not available, and all 83 units operate at 60% of AMI. This approach confirms whether sufficient demand exists for the proposed development both with and without the vouchers.

Total demand equals 601 households at 60% of AMI and 1,818 households in the PBV income range, or 2,419 households across both groups. Demand is calculated as follows:

- **New Renter Household Growth:** Table 14 projects both income ranges to decline between 2026 and 2031. Renter households at 60% of AMI, earning \$48,040 to \$58,620, decline by 26, and households in the PBV income range, earning up to \$29,310, decline by 372. Together, this equals a loss of 398 households. Table 27 subtracts these declines from demand rather than counting them as zero. This is the more conservative approach because it lowers the demand totals. Household growth, therefore, adds no demand in either income range.
- **Existing Rent-Overburdened Households:** The largest source of demand is renter households paying more than 35 percent of gross income toward rent and utilities. Table 16 places this rate at 35.1 percent of market area renter households. Applied to the 1,629 income-qualified households at 60% of AMI and the 5,690 households in the PBV income range, this equals 572 and 1,997 households, respectively, or 2,569 households in total. These households already rent in the market area and could lower their housing costs by moving to the development.
- **Existing Households in Substandard Housing:** Table 17 reports that 3.4 percent of market area renter households live in units that lack complete plumbing or have more than one occupant per room. Applied to the same household totals, this adds 55 households at 60% of AMI and 193 households in the PBV income range, for a total of 248 households. Crowding, rather than plumbing deficiencies, accounts for nearly all substandard renter housing in the market area. The development's 41 three-bedroom units would give some of these households the additional space they need.
- **Elderly Households Likely to Convert to Rental Housing:** Bluestone Town Center Apartments is a general-occupancy community, so this category does not add to demand.
- **Existing Qualifying Tenants to Remain After Renovation:** The development is new construction with no existing tenants, so this category does not add to demand.

Available competitive supply is limited. The 60% of AMI band includes 20 units, made up of the two vacant units in the surveyed inventory and the 18 units planned at the same level at BJS Harrisonburg Family I. The PBV band includes that development's 18 deep-subsidy units. After subtracting this supply, net demand totals 581 households at 60% of AMI, 1,800 in the PBV band, and 2,381 overall.

As proposed, the 48 units at 60% of AMI must capture 8.3 percent of the income range's net demand, the 35 PBV units must capture 1.9 percent, and the full 83-unit development must capture 3.5 percent of net demand across both income ranges. For this analysis, capture rates below 30.0 percent are generally acceptable, and rates below 20.0 percent reflect particularly strong demand. Bluestone Town Center Apartments' overall capture rate of 3.5 percent is well below both benchmarks and confirms sufficient demand for the development as proposed.

The PBV rate is the lowest because the income range includes more than three times as many households as the 60% of AMI income range, and HRHA's waitlist exceeds 3,000 applicants. Net demand is nearly 29 households per proposed unit, and neither income range requires a capture rate above 10.0 percent as proposed.

The fallback scenario also remains supported by demand. With all 83 units at 60% of AMI, the capture rate rises to 14.3 percent, or about one in seven income-qualified households in that income range. That rate also remains well below the 20.0 percent benchmark, so demand is sufficient even if the vouchers are not secured and all 83 units operate at 60% of AMI.

The absorption periods are based on an estimated lease-up pace of approximately 10 units per month for the 60% of AMI units. This pace reflects the depth of unmet demand documented above, including a 0.6 percent affordable vacancy rate and waiting lists at every affordable community. At that pace, the 48 units at 60% of AMI would be leased in about five months as proposed.

If the vouchers are not secured and all 83 units operate at 60% of AMI, the lease-up period would extend to about eight months. The PBV units are projected to be absorbed in approximately two months, given HRHA's voucher waitlist. Because the 60% of AMI and PBV units would lease at the same time, the development is projected to reach full occupancy in about five months as proposed.

Table 27: Virginia Housing Net Demand and Capture Rate Analysis
Bluestone Town Center Apartments Market Area

Demand Component	Without PBV	With PBV (As Proposed)		
	All 83 Units at 60% of AMI (\$48,040-\$58,620)	48 Units at 60% of AMI (\$48,040-\$58,620)	35 PBV Units at 30% of AMI (\$0-\$29,310)	Project Total 83 Units ⁶
New Renter Household Growth (2026-2031) ¹	-26	-26	-372	-398
+				
Existing Rent-Overburdened Households ²	572	572	1,997	2,569
+				
Existing Households in Substandard Housing ³	55	55	193	248
+				
Elderly Households – Likely to Convert to Rental Housing ⁴	0	0	0	0
+				
Existing Qualifying Tenants – To Remain After Renovation ⁴	0	0	0	0
=				
Total Demand	601	601	1,818	2,419
-				
Supply (Vacant and Pipeline Comparable Units) ⁵	20	20	18	38
=				
Net Demand	581	581	1,800	2,381
Proposed Units	83	48	35	83
Capture Rate	14.3%	8.3%	1.9%	3.5%
Absorption Period	~8 months	~5 months	~2 months	~5 months

¹ Five-year projected change in income-qualified renter households, 2026 to 2031, from **Table 14**.

² Applies the rent-overburdened rate of 35.1% from **Table 16**.

³ Applies the renter substandard housing rate of 3.4% from **Table 17**.

⁴ Not applicable to a general-occupancy new construction development.

⁵ Two vacant 60% of AMI units plus the 18 pipeline units at 60% of AMI at BJS Harrisonburg Family I. The voucher column counts that development's 18 deep-subsidy units.

⁶ The two income bands do not overlap, so the Project Total column is the sum of the two unit-type columns with no double-counting.

Source: Ribbon Demographics; U.S. Census Bureau ACS 2024 (5-Year Estimates); S. Patz & Associates, Inc.

Table 28 shows low capture rates under both scenarios. Without project-based vouchers, the development would need to capture 14.3 percent of income-qualified renter demand, with an estimated absorption period of approximately eight months. As proposed, with 35 project-based voucher units, the required capture rate falls to 3.5 percent, with an estimated absorption period of approximately five months. Both scenarios show sufficient market depth to support the proposed 83 units.

Table 28: Virginia Housing Capture Rate Table <i>Bluestone Town Center Apartments Market Area</i>		
	Without PBV	With PBV (As Proposed)
Project Wide Capture Rate – LIHTC Units	14.3%	3.5%
Project Wide Capture Rate – Market-Rate Units	–	–
Project Wide Capture Rate – All Units	14.3%	3.5%
Project Wide Absorption Rate	~8 months	~5 months
Source: Ribbon Demographics; S. Patz & Associates, Inc.		

Market Analyst Disclosure

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 Virginia Housing.
4. Neither I nor anyone at my firm has any interest in the proposed development or 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 Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.

Date: June 16, 2026

Market Analyst: 

Data Sources

Federal	U.S. Census Bureau: 2010 and 2020 Decennial Census; American Community Survey (ACS), 2024 5-Year Estimates (Tables B08303, B25074, and B25016); Building Permits Survey U.S. Department of Labor, Bureau of Labor Statistics (BLS): Quarterly Census of Employment and Wages (QCEW); Local Area Unemployment Statistics (LAUS) U.S. Department of Labor: Worker Adjustment and Retraining Notification (WARN) Act Filings U.S. Department of Housing and Urban Development (HUD): Office of Policy Development and Research, FY 2026 Multifamily Tax Subsidy Project (MTSP) Income Limits U.S. Department of Justice, Federal Bureau of Investigation (FBI): Crime Data Explorer (NIBRS) and Harrisonburg Police Department
State and Regional	Virginia Employment Commission: Economic Information and Analytics, Quarterly Census of Employment and Wages (QCEW) Virginia Housing: Low-Income Housing Tax Credit (LIHTC) Application Materials, Demand Methodology, and Design and Construction Standards State Council of Higher Education for Virginia (SCHEV): Fall Headcount Enrollment (E02) James Madison University: Office of Institutional Research, Board of Visitors Meeting Materials, and University Announcements Commonwealth of Virginia: Appropriation Acts and Capital Outlay Amendments, Legislative Information System
Industry and Commercial	Ribbon Demographics Freddie Mac: Primary Mortgage Market Survey (PMMS)
Local Government	City of Harrisonburg: Department of Community Development, Planning Division; Site Plan Reviews and Planning Documents; Real Estate Tax Rate (Fiscal Year 2026-2027) Rockingham County: Department of Community Development, Planning Division; Site Plan Reviews and Planning Documents Harrisonburg-Rockingham Metropolitan Planning Organization
Media and News	<i>Virginia Business; Daily News-Record; The Harrisonburg Citizen; WHSV-TV3; Rocktown Now</i>

Field Research

S. Patz & Associates, Inc.

Field and Telephone Survey of Competitive Apartment Communities

Site Visits and Physical Inspections of the Study Site and Competitive Apartment Communities

Interviews with City of Harrisonburg and Rockingham County Planning, Community Development, and Economic Development Staff

Interviews with Local Developers, Property Managers, and Real Estate Professionals

Map Sources

U.S. Census Bureau: TIGER/Line Shapefiles and Cartographic Boundary Files (County, Place, and Primary/Secondary Road Geographies)

City of Harrisonburg, Geographic Information Services: Tax Map Parcels and Real Estate Records

Harrisonburg Department of Public Transportation (HDPT): General Transit Feed Specification (GTFS) Data and Published Route 3 Map and Schedule

OpenStreetMap and Its Contributors: Base Map Data: Roads, Water Features, Parks, and Building Footprints

Esri: World Imagery (Maxar) Aerial Photography; World Hillshade Terrain Shading

Disclaimer and Limiting Conditions

This market study is prepared by S. Patz & Associates, an independent real estate market research firm based in Potomac Falls, Virginia. This report has been prepared for EP Harrisonburg Owner LLC and for submission to Virginia Housing in connection with the proposed 4% LIHTC and tax-exempt bond financing application. Virginia Housing is an authorized user of this report and may rely on it for application review and underwriting purposes. This report is intended solely for informational and analytical purposes and does not constitute a guarantee, warranty, or prediction of future market performance.

1. S. Patz & Associates maintains a neutral position regarding the subject property, market area, and any parties involved in or affected by this study. Our compensation is not influenced by, nor contingent upon, any specific outcome or action resulting from this study.
2. This report relies on data obtained from third-party sources, including public and proprietary datasets from federal, state, and local government agencies as well as private data providers. S. Patz & Associates has applied professional judgment in evaluating and incorporating these data, but has not independently audited or verified their underlying accuracy at the raw level and assumes no responsibility for errors, omissions, or inaccuracies originating from these sources.
3. The analysis and conclusions in this report reflect conditions observed and data available as of the date of preparation. S. Patz & Associates assumes no obligation to update or revise this report after its date of issuance. Any party relying on this report at a later date does so at their own risk.
4. Forward-looking statements, projections, and demand estimates are based on professional analysis and reasonable assumptions, not guarantees of future performance. Actual outcomes may differ materially due to factors including, but not limited to, changes in economic conditions, regulatory or land use policy shifts, interest rate movements, changes in property management or ownership, construction cost fluctuations, and other unforeseen events.
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S. Patz & Associates Background

S. Patz & Associates is a real estate consulting firm based in Potomac Falls, Virginia, with more than 20 years of industry experience. The firm provides market research and strategic consulting services to a broad range of clients, including lenders, developers, builders, investors, and public-sector agencies.

Known for its rigorous, data-driven approach, S. Patz & Associates applies a consistent analytical framework grounded in demographic, economic, and real estate market data to deliver objective insights and actionable recommendations. Clients rely on the firm to support due diligence, guide investment decisions, and evaluate the feasibility of proposed development projects across a range of asset types.

With a portfolio that includes hundreds of completed studies, S. Patz & Associates has established itself as a trusted advisor to both private- and public-sector clients. The firm's expertise encompasses rental and for-sale housing, senior living, commercial and industrial development, hotels, and mixed-use projects. It also frequently partners with housing finance agencies, planning departments, and economic development organizations to support public policy and both local and regional planning efforts.

S. Patz & Associates combines market intelligence with clear, well-supported conclusions tailored to each client's goals, regulatory requirements, and financial context. Findings are frequently used in applications for tax credits, zoning approvals, bond financing, and other entitlement processes, and help inform project design, scale, and phasing.

Our core services include:

- **Rental Housing Market Studies:** We conduct market studies across the United States for a variety of rental housing types, including general occupancy, student housing, special-needs housing, and mixed-use developments. Our expertise also encompasses senior housing, including assisted living, independent living, and memory care. We provide both preliminary and comprehensive feasibility studies for internal use or for submission to financial institutions and lenders, including HUD, under the Multifamily Accelerated Processing (MAP) guidelines.
- **Affordable Housing Market Studies:** We work with both for-profit and non-profit housing developers to conduct market studies for affordable housing communities. These include Low-Income Housing Tax Credit (LIHTC) properties for families, seniors, and special-needs populations, including individuals with disabilities and veterans. S. Patz & Associates is approved by multiple state housing agencies and serves as a trusted provider for national tax credit syndicators.
- **For-Sale Housing Market Studies:** We conduct housing studies for a wide range of for-sale housing types, including single-family homes, townhomes, condominiums, and specialized markets such as retirement and resort housing. Our expertise also covers feasibility studies

for large master-planned communities, smaller subdivisions, infill projects, and active adult communities.

- **Hotel and Resort Market Studies:** We provide comprehensive market research and feasibility analysis for a variety of hotel and resort developments. Recognizing the role of these facilities in supporting tourism and local economic growth, we prepare objective reports that help developers and operators assess the potential of their projects.
- **Commercial and Industrial Market Studies:** We assess the feasibility of commercial developments, including retail, office, self-service storage, and industrial spaces. Our clients include both private developers and public-sector agencies.
- **Area-Wide Housing Studies:** We frequently conduct area-wide studies to assist public agencies in developing effective housing strategies. Our work with state housing agencies, planning departments, and economic development organizations has provided critical insights into local housing markets, guiding the development of informed housing policies and strategies.
- **Fiscal Impact Analyses:** We evaluate the net fiscal impact of proposed development projects for local governments by estimating the public revenues generated by new development and comparing them with the projected costs of providing public services. These analyses help public- and private-sector clients understand whether proposed projects are expected to generate a net positive or negative fiscal impact on the local jurisdiction.
- **Appraisals:** We offer specialized appraisal services for multifamily properties, with expertise in both market-rate and affordable housing, including HUD MAP, Section 8, LIHTC, and USDA programs. The firm has completed hundreds of HUD-compliant appraisals covering Sections 223(f), 221(d)(4), 231, 241, and 220, as well as Rent Comparability Studies (RCS) that meet Section 8 Renewal Guide standards. We also provide appraisals for LIHTC applications across the Mid-Atlantic region, support Fannie Mae and Freddie Mac financing efforts, and conduct USDA portfolio valuations. Additional services include appraisal reviews, such as HUD MAP Quality Control and RCS reviews for state Housing Assistance Payment (HAP) administrators.
- **Proffer Analyses:** Developers and municipalities throughout Virginia engage us to assess and calculate impact fees, which are one-time charges used to fund capital improvements required to support new development. Our reports provide legally sound recommendations for proffer amounts, tailored to each project's characteristics and the needs of the local jurisdiction. These analyses evaluate the impacts of proposed rezonings and identify mitigation strategies to support public services, including schools, police, fire and rescue, and parks.