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Washington, DC 20005  
P: 202-281-5311

Market Study Prepared For:  
Mr. Ed Solarz  
Director of Development

**Genesis Properties**  
101 West Commerce Road, 2nd Floor  
Richmond, VA 23224

Site:  
Ivy Farms Apartments  
617 Adams Drive  
Newport News, VA 23601

July 26, 2018
July 26, 2018

Mr. Ed Solarz
101 W Commerce Road, 2nd FL
Richmond, VA 23224

Dear Mr. Solarz:

Attached is our market study for the proposed renovation of Ivy Farms Apartments in Newport News, Virginia for submittal to officials of VHDA. The report shows full market support for the acquisition and renovation of this project. The report is prepared according to the 2018 VHDA market study requirements.

Sincerely,

Curvin Leatham

Curvin Leatham
Managing Member
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EXECUTIVE SUMMARY

The following provides a brief summary of each of the major sections in the market analysis.

Ivy Farms is located at 617 Adams Drive in Newport News, Virginia. There are no apparent physical, environmental, or other constraints that would limit the renovation of the subject property.

Ivy Farms Apartments consists of 168 two-bedroom units on roughly 8 acres of land. Each unit is 975 square feet in size, amenities include a swimming pool, laundry facility, fitness center, clubroom, and on-site parking.

The PMA is defined as the addressable market based on the intended audience and the characteristic of the surrounding community.

Source: Google Maps
The boundaries of the Ivy Farms PMA are as follows:

**North:** J Clyde Morris Blvd (2.9 miles)
**South:** Mercury Blvd (3.6 miles)
**East:** Big Bethel Road (3.2 miles)
**West:** Tyler Avenue (1.9 miles)

We believe the project under consideration is appropriate for the primary market area (PMA). The client is proposing to lease each unit upon renovation for $815 which is below the average rent for a two-bedroom unit based on the properties surveyed, and the unit size is above average. We conducted two demand estimates for this report to first provide the client with a demand estimate based on the confined geography highlighted in the PMA, then we expanded our data set to provide a secondary market analysis.

The change in future demographics (households making less than $50K per year will decrease by 2023), and a narrow PMA resulted in a capture rate of 38%.

Although this may seem relatively high, the age/conditions of apartment buildings surrounding Ivy Farms, and limited amenities package offered lead us to believe the property could be leased (93%) in 6 months upon renovations. There is very little development activity taking place in the PMA, and the only new LIHTC property to come online in years, Ada Park Apartment (January 2018) is fully leased with a waitlist.

The demand analysis for the secondary market produced a capture rate of 12.6%. We are confident that the larger target market would lead to stabilization in 4 months.
Demand Analysis – Primary Market Area

<table>
<thead>
<tr>
<th>Demand Component</th>
<th>Value</th>
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<tbody>
<tr>
<td>New Rental Households</td>
<td>-2</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Demand From Existing Households</td>
<td>355</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Existing Households - Substandard Housing</td>
<td>13.4</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Elderly Housing - Likely to Convert to Rental Housing</td>
<td>0</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Existing Qualifying Tenants - to Remain After Renovation</td>
<td>138</td>
</tr>
<tr>
<td>=</td>
<td></td>
</tr>
<tr>
<td>Total Demand</td>
<td>504.4</td>
</tr>
<tr>
<td>MINUS</td>
<td></td>
</tr>
<tr>
<td>Supply (includes directly compare vacant units completed or in the pipeline in PMA)</td>
<td>64</td>
</tr>
<tr>
<td>Net Demand</td>
<td>440.4</td>
</tr>
<tr>
<td>Existing Property</td>
<td>168</td>
</tr>
<tr>
<td>Capture Rate</td>
<td>38.0%</td>
</tr>
<tr>
<td>Total Absorption Period</td>
<td>6 Months</td>
</tr>
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Demand Analysis – Secondary Market Area
The boundaries of the Ivy Farms SMA are as follows:

**North:** Mennonite Lane & Warwick Blvd (5.5 miles)
**South:** Mercury Blvd (3.6 miles)
**East:** Oyster Point Road (4.2 miles)
**West:** Riverside Drive (3.7 miles)

<table>
<thead>
<tr>
<th>Internal Demands</th>
<th>Up to 60% AMI</th>
</tr>
</thead>
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<tr>
<td>New Rental Households</td>
<td>-8</td>
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<tr>
<td>PLUS Demand From Existing Households</td>
<td>1,219</td>
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<tr>
<td>PLUS Existing Households - Substandard Housing</td>
<td>49</td>
</tr>
<tr>
<td>PLUS Elderly Housing - Likely to Convert to Rental Housing</td>
<td>0</td>
</tr>
<tr>
<td>PLUS Existing Qualifying Tenants - to Remain After Renovation</td>
<td>138</td>
</tr>
<tr>
<td><strong>Total Demand</strong></td>
<td>1,398</td>
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<tr>
<td>MINUS Supply (includes directly compare vacant units completed or in the pipeline in PMA)</td>
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<tr>
<td><strong>Net Demand</strong></td>
<td>1,334</td>
</tr>
<tr>
<td>Net Demand</td>
<td></td>
</tr>
<tr>
<td><strong>Existing Property</strong></td>
<td>168</td>
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<tr>
<td>Capture Rate</td>
<td>12.6%</td>
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<tr>
<td><strong>Total Absorption Period</strong></td>
<td>4 Months</td>
</tr>
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</table>

**CONCERNS/RISK FACTORS**

In the respective PMA, Ivy Farms will be a higher priced LIHTC property. The only other general-occupancy LIHTC site (Ada Park Apartments), and the two closest market rate comps mentioned in the study (Deer Park and Regency Square Apartments) have lower asking rents. Conversely, Ada Park Apartment is at 100% occupancy with a growing waitlist which presents a conversation for higher rents; the current rate for a 2-bedroom unit at Ada Park is $690. The constraint that Ada Park faces with regards to commanding higher rents is the property offers very little on-site amenities.
PROJECT DESCRIPTION

Genesis Properties has commissioned AreaProbe to conduct a market study to evaluate the opportunity to renovate Ivy Farms Apartments, which is an existing 168 unit two-story walk up apartment complex across two parcels of land in Newport News, Virginia. Ivy Farms was built in 1966 and is currently being managed by Greenbrier Management. The client is seeking to secure a 4 percent tax exempt bond from Virginia Housing Development Authority to finance the proposed project.

Purpose

The purpose of this report is to provide Genesis Properties with an assessment of the existing properties within the primary market area, in addition to providing a demand analysis for households up to 60% AMI.

Target Audience

The client will market to family households generating up to 60% AMI. Each unit in the existing property (Ivy Farms) is 975 square feet. Currently, tenants pay $690 for a 2 bedroom/1 bath apartment and according to Shanita Eure, the Property Manager at Ivy Farms, occupancy is roughly 90 percent. Tenants pay for electric, water, and cable.

Rehabilitation Timeline

The client expects to complete renovations 12-18 months after closing.

Requirements

- The report will conform to the requirements of the 2018 guidelines provided by VHDA
- The market study will be structured to meet the standard of NCHMA’s model content standard

Methodology

AreaProbe conducted a visit on July 12, 2018 to examine the neighborhood. Curvin Leatham was responsible for collecting primary information and communicating with the local stakeholders.
SITE LOCATION

Ivy Farms is a 8.05 acre site with units on Adams Drive in Newport News, Virginia. The immediate area consists of two-level multi-family apartment buildings, discount retail stores, fast food restaurants catering to low income households, used car dealerships and auto repair stores. There is a neighborhood Walmart roughly 0.8 mile away from the subject, and community amenities such as the Pinedale Manor Boys and Girls Club, and the Newport News Public Library are within walking distance.

WalkScore.com has Ivy Farms apartments rated as a 44 out of 100 which represents as car-dependent neighborhood where residents require a car for most errands. According to the City of Newport News, Ivy Farms is positioned within Zoning Ordinance R7 which permits “medium density, multiple-family dwelling units.”

Map A – Site Location

Ivy Farms is located off the main intersection of Jefferson Avenue (Route 143), a north-south four-lane thoroughfare, and the subject property is approximately 5 miles away from highway I-64. The site located at 617 Adams Drive is triangle shaped and covers 6.34 acres.
### Current Rents

<table>
<thead>
<tr>
<th>Building</th>
<th>Bed</th>
<th>Bath</th>
<th>Income Level</th>
<th>Quantity</th>
<th>SF</th>
<th>Rent</th>
<th>PSF</th>
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</thead>
<tbody>
<tr>
<td>617 Adams Drive</td>
<td>2</td>
<td>1</td>
<td>Up to 60% AMI</td>
<td>168</td>
<td>975</td>
<td>$690</td>
<td>$0.71</td>
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<td>624 Dresden Drive</td>
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<td>1</td>
<td>N/A</td>
<td>16</td>
<td>800</td>
<td>$640</td>
<td>$0.80</td>
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### Post Renovation Rents

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<th>Bath</th>
<th>Income Level</th>
<th>Quantity</th>
<th>SF</th>
<th>Rent</th>
<th>PSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>617 Adams Drive</td>
<td>2</td>
<td>1</td>
<td>Up to 60% AMI</td>
<td>168</td>
<td>975</td>
<td>$815</td>
<td>$0.84</td>
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<tr>
<td>624 Dresden Drive</td>
<td>2</td>
<td>1</td>
<td>N/A</td>
<td>16</td>
<td>800</td>
<td>$815</td>
<td>$1.02</td>
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</table>

Tenant will be responsible for all utilities except for trash.
Property Inspection

AreaProbe inspected the property on July 12, 2018; based on our observation, the exterior of the property needs improvement which the renovation plan for the property will address.

We did not enter any particular dwelling unit during our inspection.

Images of the Subject Property

*Ivy Farms Leasing Office – 621 Adams Drive (AreaProbe July 2018)*

*Ivy Farms Building – 617 Adams Drive (AreaProbe July 2018)*
Ivy Farms Units – Adams Drive (AreaProbe July 2018)

Ivy Farms Units on 692 Dresden Drive (AreaProbe July 2018)

Ivy Farms Units & Stairwell on 692 Dresden Drive (AreaProbe July 2018)
Shared Laundry Facility – 617 Adams Drive (AreaProbe July 2018)

Shared Laundry Facility – 617 Adams Drive (AreaProbe July 2018)

Shared Laundry Facility – 617 Adams Drive (AreaProbe July 2018)
Genesis Properties has plans to make renovations to the existing property. The scope of the renovations include new kitchen appliances, bathroom tubs and showers, new flooring and interior finishes, repairs to damaged windows and doors, repairs to damaged asphalt, and adding washers & dryers hookups in each unit.

Other renovations include replacing the current centralized laundry facility with a fitness center, and replacing an unused storage area with a clubroom that will also be designed to connect residents to the pool area via a walkway.
Land Uses Surrounding the Subject Site

The land uses directly bordering the subject site are as follows:

Ivy Farms is bounded Dresden Drive to the North, Adams Drive to the West, Arden Drive to the South and Kendell Drive to the East.

**North:** Dresden Drive is composed of single family residences once you pass the Ivy Farms apartment complex. Ada Park Apartments, a new low-income community that began leasing in January of 2018 is situated next to Ivy Farms Apartments on Dresden, and The Ivy Farms Church of the Brethren is located directly from Ivy Farms Apartments.

South: Arden Drive is made up of single family homes. The homes along this street are well maintained.
West: Jefferey Drive is located southwest of Adams Drive. This street consists of single family residences. Tricia Lane & Dresden is northwest of the subject property. This intersection introduces commercial retail options to residents such as, 1 Stop Food Store which is a convenience store that offers check cashing services, snacks, and an instore Delicatessen. Across the street from 1 Stop Food Store is a police station and a Family Dollar. A beauty supply store is adjacent to 1 Stop Food Store.

East: Kendall Drive is located east of the subject property. This is a residential community.
Neighborhood Analysis

The subject property is located in the Ivy Farms neighborhood of Newport News, Virginia. This was verified by an Associate within the City of Newport News Engineering division on July 19, 2018. The neighborhood is characterized by single – and multifamily residential uses; budget retail stores, religious institutions, police station and community centers.

Visibility and Accessibility

Ivy Farms apartments is nestle in a residential community off Jefferson Avenue. According to ESRI, the intersection of Jefferson Avenue and Dresden Drive attracts proximately 39,000 vehicles daily. The northbound route of Jefferson Avenue leads to Newport News International Airport and Patrick Henry Mall. The southbound route leads to Newport News Shipbuilding and the Newport News Transfer Center.

Availability of Public Transit

Hampton Road Transit (HRT) is the primary provider of public transportation in the PMA. The HRT network includes Norfolk, Portsmouth, Chesapeake, Virginia Beach, and Hampton. The nearest northbound bus stop is 0.4 mile away (Jefferson Avenue & Dresden Drive). Distance from the subject property to Patrick Henry Mall is 29 minutes via the 112 bus line.

Riders can take the 414 bus southbound to Downtown Newport News Transfer Center (25 minutes away). From the Newport News Transfer center, riders can connect to various bus lines to travel the City of Hampton (1 hour, and 11 minutes), Virginia Beach (3 hours, and 30 minutes), Portsmouth (2 hours, and 50 minutes), Norfolk (1 hour, and 46 minutes).
Distance From Regional Transit

Newport News/Williamsburg International Airport (PHF) is located 6.3 miles away from the subject property. The airport services American Airlines and Delta customers. Norfolk International Airport (ORF) services a wider selection of airline carriers such as Allegiant, American, Delta, Frontier, Southwest, and United Airlines.

Access to Healthcare

Newport News is home to a number of major hospitals including Bon Secours, Sentara Hospital, Mary Immaculate Hospital, Chesapeake Regional Healthcare, Children’s Hospital of The King’s Daughters, and Riverside Regional Medical Center.

The nearest medical center to the subject is Riverside Regional Medical Center. Riverside Regional was established in 1916 and operates on a 72-acre campus at 500 J. Clyde Morris Blvd in Newport News, VA. By car it takes 8 minutes to travel 2.3 miles to the hospital from 617 Adams Drive.

Riverside Regional is a 450-bed facility, that responds to 67,000 emergencies annually, and delivers 3000 babies each year. Below is a list of medical centers in the surrounding area.

<table>
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<th>Medical Center</th>
<th>Address</th>
<th>City</th>
<th>Distance</th>
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<tbody>
<tr>
<td>Riverside Regional Medical Center</td>
<td>500 J. Clyde Morris Blvd</td>
<td>Newport News</td>
<td>2.3 Miles</td>
</tr>
<tr>
<td>Mary Immaculate Hospital</td>
<td>2 Bernardine Dr</td>
<td>Newport News</td>
<td>7.5 Miles</td>
</tr>
<tr>
<td>Hampton Veterans Affairs Medical Center</td>
<td>100 Emancipation Dr</td>
<td>Hampton</td>
<td>10.5 Miles</td>
</tr>
<tr>
<td>Keystone Newport News Hospital</td>
<td>17579 Warwick Blvd</td>
<td>Newport News</td>
<td>15.5 Miles</td>
</tr>
<tr>
<td>Bon Secours Maryview Medical Center</td>
<td>3636 High St</td>
<td>Portsmouth</td>
<td>21.1 Miles</td>
</tr>
<tr>
<td>Sentara Norfolk General Hospital</td>
<td>600 Gresham Dr</td>
<td>Norfolk</td>
<td>22.8 Miles</td>
</tr>
<tr>
<td>Children’s Hospital of The King’s Daughters</td>
<td>601 Children’s Ln</td>
<td>Norfolk</td>
<td>23.2 Miles</td>
</tr>
<tr>
<td>Bon Secours -DePaul Medical center</td>
<td>150 Kingsley Ln</td>
<td>Norfolk</td>
<td>26.4 Miles</td>
</tr>
<tr>
<td>Eastern State Hospital</td>
<td>4601 Ironbound Rd</td>
<td>Williamsburg</td>
<td>29.3 Miles</td>
</tr>
<tr>
<td>Sentara Williamsburg Regional Medical Center</td>
<td>100 Sentara Cir</td>
<td>Williamsburg</td>
<td>30.3 Miles</td>
</tr>
<tr>
<td>Lake Taylor Transitional Care Hospital</td>
<td>1309 Kempsville Rd</td>
<td>Norfolk</td>
<td>32.0 Miles</td>
</tr>
<tr>
<td>Chesapeake Regional Healthcare</td>
<td>800 N Battlefield Blvd</td>
<td>Chesapeake</td>
<td>32.4 Miles</td>
</tr>
<tr>
<td>Sentara Leigh Hospital</td>
<td>830 Kempsville Rd</td>
<td>Norfolk</td>
<td>32.5 Miles</td>
</tr>
<tr>
<td>Sentara Princess Anne Hospital</td>
<td>2025 Glenn Mitchell Dr</td>
<td>Virginia Beach</td>
<td>40.1 Miles</td>
</tr>
</tbody>
</table>

Source: Google Maps, U.S. News
Map of Surrounding Medical Centers – Numbered based on the table above
Community Facilities

The subject property is located within a close vicinity to many of the public service outlets in the community. As displayed below, the Police Station and Library is within walking distance to the subject.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Address</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post Office</td>
<td>739 Thimble Shoals</td>
<td>2.8 Miles</td>
</tr>
<tr>
<td>Police Station</td>
<td>611 Dresden Drive</td>
<td>0.2 Miles</td>
</tr>
<tr>
<td>Fire Station</td>
<td>12455 Warwick Blvd</td>
<td>3.8 Miles</td>
</tr>
<tr>
<td>Library</td>
<td>746 Adams Drive</td>
<td>0.3 Miles</td>
</tr>
</tbody>
</table>
## Facilities and Services

The retail tenant mix of a community illustrates the type of access residents have to quality goods and services. Below is a table that highlights the key facilities near the subject property.

<table>
<thead>
<tr>
<th>Establishment</th>
<th>Type</th>
<th>Address</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Stop Mini Market</td>
<td>Convenience Store</td>
<td>614 Dresden Drive</td>
<td>0.2 Mile</td>
</tr>
<tr>
<td>Boys and Girls Club</td>
<td>Recreation</td>
<td>705 Adams Dr</td>
<td>0.2 Mile</td>
</tr>
<tr>
<td>Family Dollar</td>
<td>Retail</td>
<td>605 Dresden Drive</td>
<td>0.3 Mile</td>
</tr>
<tr>
<td>CVS</td>
<td>Convenience Store</td>
<td>11127 Jefferson Ave</td>
<td>0.7 Mile</td>
</tr>
<tr>
<td>Neighborhood Walmart</td>
<td>Grocery Store</td>
<td>11214 Jefferson Avenue</td>
<td>0.8 Mile</td>
</tr>
<tr>
<td>Brentwood Shopping Center</td>
<td>Community Shopping</td>
<td>10500 Jefferson Avenue</td>
<td>1.0 Mile</td>
</tr>
<tr>
<td>Game's Farmers Market</td>
<td>Grocery Store</td>
<td>503 Harpersville Rd</td>
<td>1.1 Miles</td>
</tr>
<tr>
<td>Midtown Aquatics Center</td>
<td>Recreation</td>
<td>570 McLawhorne Dr</td>
<td>1.2 Miles</td>
</tr>
<tr>
<td>Bank of America</td>
<td>Banking Center</td>
<td>608 J. Clyde Morris Blvd</td>
<td>1.8 Miles</td>
</tr>
<tr>
<td>Walgreens</td>
<td>Convenience Store</td>
<td>9976 Jefferson Ave</td>
<td>1.8 Miles</td>
</tr>
<tr>
<td>Rite-Aid</td>
<td>Convenience Store</td>
<td>671 J Clyde Morris Blvd</td>
<td>2.1 Miles</td>
</tr>
<tr>
<td>The Shoppes at Oyster Point</td>
<td>Retail Center</td>
<td>Pilot House Drive</td>
<td>2.3 Miles</td>
</tr>
<tr>
<td>Food Lion</td>
<td>Grocery Store</td>
<td>11712-0 Jefferson Avenue</td>
<td>2.4 Miles</td>
</tr>
<tr>
<td>Lidl</td>
<td>Grocery Store</td>
<td>11880 Jefferson Avenue</td>
<td>3.0 Miles</td>
</tr>
<tr>
<td>7-Eleven</td>
<td>Convenience Store</td>
<td>11825 Jefferson Ave</td>
<td>3.0 Miles</td>
</tr>
<tr>
<td>Soap N Suds</td>
<td>Laundry Mart</td>
<td>6044 Jefferson Ave</td>
<td>3.3 Miles</td>
</tr>
<tr>
<td>Aldi's</td>
<td>Grocery Store</td>
<td>11975 Jefferson Avenue</td>
<td>3.7 Miles</td>
</tr>
<tr>
<td>WholeFoods</td>
<td>Grocery Store</td>
<td>12090 Jefferson Ave</td>
<td>4.1 Miles</td>
</tr>
<tr>
<td>Patrick Henry Mall</td>
<td>Mall</td>
<td>12300 Jefferson Ave</td>
<td>4.8 Miles</td>
</tr>
</tbody>
</table>

*Source: Area Probe LLC & Internet Search*
Game’s Farmers Market is a local family owned grocery store that has been in operations since the early 1920s. The store is 1.1 mile away from the subject, and offers an alternative option to purchase nutritious foods. There is also a Whole Foods, Lidl, Aldi’s and Food Lion within a 5 mile radius of Ivy Farms.

Access to Higher Education

The chart below lists the closest Higher Education institutions. Based on a distance calculation, Christopher Newport University (CNU) is the closest. CNU is public institution that was founded in 1960. The university sits on a 260 acre campus, and has a total enrollment of 5,042.

<table>
<thead>
<tr>
<th>School</th>
<th>Address</th>
<th>City</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christopher Newport University</td>
<td>1 Ave of the Arts</td>
<td>Newport News</td>
<td>3.1 Miles</td>
</tr>
<tr>
<td>Thomas Nelson Community College</td>
<td>99 Thomas Nelson Dr</td>
<td>Hampton</td>
<td>3.9 Miles</td>
</tr>
<tr>
<td>Hampton University</td>
<td>100 E Queen St</td>
<td>Hampton</td>
<td>9.0 Miles</td>
</tr>
<tr>
<td>Old Dominion University</td>
<td>5115 Hampton Blvd</td>
<td>Norfolk</td>
<td>22.8 Miles</td>
</tr>
<tr>
<td>Norfolk State University</td>
<td>700 Park Avenue</td>
<td>Norfolk</td>
<td>24.0 Miles</td>
</tr>
<tr>
<td>Tidewater Community College</td>
<td>121 College Place</td>
<td>Norfolk</td>
<td>24.3 Miles</td>
</tr>
<tr>
<td>William &amp; Mary University</td>
<td>400 Brooks Street</td>
<td>Williamsburg</td>
<td>25.4 Miles</td>
</tr>
</tbody>
</table>
Education

Early Childhood

AreaProbe visited the nearest childcare center, Tiny Tykes Academy located at 10745 Jefferson Avenue on July 12th. The center accommodates children from 6 weeks to 5 years old and operates from Monday through Friday, 6:00am – 6:30pm. The center has the capacity to care for 26 children. Weekly rates range from $110 - $140 based on the age of the child. Upon doing further research, AreaProbe discovered that the childcare facility has had a number of violations during unannounced monitoring inspections; the last violation was on May 15th.

Elementary Schools

Sedgefield Elementary School is the assigned elementary school for residents at Ivy Farms. Sedgefield is located at 804 Main Street, which is 1.5 miles away from the subject property. Below is a table that illustrates the performance of local elementary schools within Newport News, Virginia.

Sedgefield ranks as the lowest performing elementary school with a composite (average) score of 47.3. The average score for schools within Newport News is 72 and statewide, the average is 80.3.

<table>
<thead>
<tr>
<th>School</th>
<th>Grade Span</th>
<th>Enrollment</th>
<th>Reading</th>
<th>Math</th>
<th>Science</th>
<th>Composite</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Marshall Early Childhood Center</td>
<td>Elementary (PK-KG)</td>
<td>353</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Deer Park Elementary</td>
<td>Elementary (PK-05)</td>
<td>547</td>
<td>96</td>
<td>94</td>
<td>100</td>
<td>96.7</td>
</tr>
<tr>
<td>Hilton Elementary</td>
<td>Elementary (PK-05)</td>
<td>394</td>
<td>92</td>
<td>94</td>
<td>96</td>
<td>94.0</td>
</tr>
<tr>
<td>General Stanford Elementary</td>
<td>Elementary (PK-05)</td>
<td>456</td>
<td>90</td>
<td>90</td>
<td>90</td>
<td>90.0</td>
</tr>
<tr>
<td>Achievable Dream Academy</td>
<td>Elementary (PK-05)</td>
<td>668</td>
<td>83</td>
<td>79</td>
<td>91</td>
<td>84.3</td>
</tr>
<tr>
<td>Kiln Creek Elementary</td>
<td>Elementary (PK-05)</td>
<td>683</td>
<td>82</td>
<td>85</td>
<td>80</td>
<td>82.3</td>
</tr>
<tr>
<td>R.O. Nelson Elementary</td>
<td>Elementary (PK-05)</td>
<td>595</td>
<td>82</td>
<td>85</td>
<td>79</td>
<td>82.0</td>
</tr>
<tr>
<td>Richneck Elementary</td>
<td>Elementary (PK-05)</td>
<td>691</td>
<td>77</td>
<td>78</td>
<td>81</td>
<td>78.7</td>
</tr>
<tr>
<td>Richard T. Yates Elementary</td>
<td>Elementary (PK-05)</td>
<td>499</td>
<td>76</td>
<td>72</td>
<td>77</td>
<td>75.0</td>
</tr>
<tr>
<td>Riverside Elementary</td>
<td>Elementary (PK-05)</td>
<td>552</td>
<td>74</td>
<td>69</td>
<td>82</td>
<td>75.0</td>
</tr>
<tr>
<td>Willis A. Jenkins Elementary</td>
<td>Elementary (PK-05)</td>
<td>414</td>
<td>75</td>
<td>76</td>
<td>74</td>
<td>75.0</td>
</tr>
<tr>
<td>David A. Dutrow Elementary</td>
<td>Elementary (PK-05)</td>
<td>483</td>
<td>73</td>
<td>74</td>
<td>77</td>
<td>74.7</td>
</tr>
<tr>
<td>T. Ryland Sanford Elementary</td>
<td>Elementary (PK-05)</td>
<td>576</td>
<td>69</td>
<td>74</td>
<td>76</td>
<td>73.0</td>
</tr>
<tr>
<td>B.C. Charles Elementary</td>
<td>Elementary (PK-05)</td>
<td>504</td>
<td>76</td>
<td>74</td>
<td>64</td>
<td>71.3</td>
</tr>
<tr>
<td>Oliver C. Greenwood Elementary</td>
<td>Elementary (PK-05)</td>
<td>683</td>
<td>64</td>
<td>63</td>
<td>61</td>
<td>62.7</td>
</tr>
<tr>
<td>Sedgefield Elementary</td>
<td>Elementary (PK-05)</td>
<td>473</td>
<td>69</td>
<td>71</td>
<td>76</td>
<td>72.0</td>
</tr>
<tr>
<td>District Average</td>
<td>Elementary (PK-05)</td>
<td>473</td>
<td>69</td>
<td>71</td>
<td>76</td>
<td>72.0</td>
</tr>
<tr>
<td>State Average</td>
<td>Elementary (PK-05)</td>
<td>695</td>
<td>80</td>
<td>79</td>
<td>82</td>
<td>80.3</td>
</tr>
</tbody>
</table>
Middle Schools

Homer L Hines Middle School is the assigned middle school for residents. The middle school is located at 561 McLawhorne Drive; roughly 1.18 miles away from the subject property. Homer Hines is the worst school in the evaluation according to the composite score in the table below.

<table>
<thead>
<tr>
<th>School</th>
<th>Grade Span</th>
<th>Enrollment</th>
<th>Reading</th>
<th>Math</th>
<th>Science</th>
<th>Composite</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.T. Washington Middle</td>
<td>Middle (06-08)</td>
<td>439</td>
<td>85</td>
<td>67</td>
<td>88</td>
<td>80.0</td>
</tr>
<tr>
<td>Achievable Dream Middle</td>
<td>Middle (06-08)</td>
<td>439</td>
<td>69</td>
<td>84</td>
<td>66</td>
<td>73.0</td>
</tr>
<tr>
<td>Ethel M. Gildersleeve Middle</td>
<td>Middle (06-08)</td>
<td>1037</td>
<td>71</td>
<td>64</td>
<td>76</td>
<td>70.3</td>
</tr>
<tr>
<td>J.M. Dozier Middle</td>
<td>Middle (06-08)</td>
<td>1074</td>
<td>68</td>
<td>63</td>
<td>71</td>
<td>67.3</td>
</tr>
<tr>
<td>Crittenden Middle</td>
<td>Middle (06-08)</td>
<td>996</td>
<td>66</td>
<td>42</td>
<td>64</td>
<td>57.3</td>
</tr>
<tr>
<td>Mary Passage Middle</td>
<td>Middle (06-08)</td>
<td>787</td>
<td>57</td>
<td>51</td>
<td>60</td>
<td>56.0</td>
</tr>
<tr>
<td>Homer L. Hines Middle</td>
<td>Middle (06-08)</td>
<td>895</td>
<td>51</td>
<td>43</td>
<td>55</td>
<td>49.7</td>
</tr>
<tr>
<td>District</td>
<td></td>
<td>61</td>
<td>46</td>
<td>63</td>
<td></td>
<td>56.7</td>
</tr>
<tr>
<td>State</td>
<td></td>
<td>76</td>
<td>74</td>
<td>79</td>
<td></td>
<td>76.3</td>
</tr>
</tbody>
</table>

High Schools

Warwick High School is the designated public school for residents of Ivy Farms. The school is located at 51 Copeland Lane, which is 1.22 miles away from the subject property. Warwick High is the third largest school within the district, and the third best performing high school based on the composite score.

<table>
<thead>
<tr>
<th>School</th>
<th>Grade Span</th>
<th>Enrollment</th>
<th>Reading</th>
<th>Math</th>
<th>Science</th>
<th>Composite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodside High</td>
<td>High (09-12)</td>
<td>1933</td>
<td>87</td>
<td>83</td>
<td>85</td>
<td>85.0</td>
</tr>
<tr>
<td>Menchville High</td>
<td>High (09-12)</td>
<td>1556</td>
<td>86</td>
<td>78</td>
<td>85</td>
<td>83.0</td>
</tr>
<tr>
<td>Warwick High</td>
<td>High (09-12)</td>
<td>1534</td>
<td>75</td>
<td>74</td>
<td>85</td>
<td>78.0</td>
</tr>
<tr>
<td>Heritage High</td>
<td>High (09-12)</td>
<td>1252</td>
<td>80</td>
<td>74</td>
<td>78</td>
<td>77.3</td>
</tr>
<tr>
<td>Denbigh High</td>
<td>High (09-12)</td>
<td>1380</td>
<td>79</td>
<td>72</td>
<td>80</td>
<td>77.0</td>
</tr>
<tr>
<td>District</td>
<td></td>
<td>69</td>
<td>71</td>
<td>74</td>
<td></td>
<td>71.3</td>
</tr>
<tr>
<td>State</td>
<td></td>
<td>80</td>
<td>79</td>
<td>82</td>
<td></td>
<td>80.3</td>
</tr>
</tbody>
</table>

Parents that are seeking to enroll their children into academic programs in this area face significant challenges. As students matriculate from daycare to elementary school, then junior high; the test results reflect a difficult learning environment. Warwick High School, however, has outperformed the District in each of the core subjects (Reading, Math, Science), and outperformed the State in Science.
CrimeRisk is a software that aggregates data from the FBI’s UCR (Uniform Crime Reporting) program. The map above illustrates crime in the primary market area and the surrounding communities. The subject property is situated in a section of the city that has “above average” crime according to the USA Crime Index.

There are three Precinct’s in Newport News: North, South, and Central Precinct. Ivy Farms falls within the Central Precinct Crime District. Below is a chart that displays crime in the Central District from 2009-2017. Vehicle theft is down by 106%, aggravated assault is down by 29%, robbery and burglary incidents are down by 24%. Homicide and rape are the only categories that increased. Rape is up by 100% and homicide 17%.

The images below are screenshots of the recorded incidents for the North and South Precinct as a comparison to the details previously provided above (Central Precinct).

Both the North and the South Precinct had less crime than the Central Precinct which supports the USA Crime Index map. Rape incidents seem to be the only category that went up for all three regions. Larceny, Burglary and Robbery went down for all three Precincts.

### North Precinct Crime Statistics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Homicide</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Rape</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>14</td>
<td>10</td>
<td>20</td>
<td>22</td>
<td>21</td>
<td>36</td>
</tr>
<tr>
<td>Robbery</td>
<td>92</td>
<td>68</td>
<td>119</td>
<td>76</td>
<td>51</td>
<td>65</td>
<td>71</td>
<td>70</td>
<td>77</td>
</tr>
<tr>
<td>Aggravated Assault</td>
<td>136</td>
<td>119</td>
<td>86</td>
<td>86</td>
<td>136</td>
<td>145</td>
<td>131</td>
<td>146</td>
<td>147</td>
</tr>
<tr>
<td>Burglary</td>
<td>493</td>
<td>360</td>
<td>309</td>
<td>284</td>
<td>245</td>
<td>319</td>
<td>344</td>
<td>292</td>
<td>283</td>
</tr>
<tr>
<td>Larceny</td>
<td>1,358</td>
<td>1,344</td>
<td>1,430</td>
<td>1,466</td>
<td>1,407</td>
<td>1,262</td>
<td>1,310</td>
<td>1,290</td>
<td>1,330</td>
</tr>
<tr>
<td>Vehicle Theft</td>
<td>78</td>
<td>70</td>
<td>106</td>
<td>83</td>
<td>110</td>
<td>112</td>
<td>130</td>
<td>178</td>
<td>184</td>
</tr>
<tr>
<td>Total</td>
<td>2,198</td>
<td>1,991</td>
<td>2,079</td>
<td>2,013</td>
<td>1,961</td>
<td>1,930</td>
<td>2,017</td>
<td>2,005</td>
<td>2,063</td>
</tr>
</tbody>
</table>

Source: https://www.nngov.com/831/North-Precinct-Crime-Statistics

### South Precinct Crime Statistics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Homicide</td>
<td>9</td>
<td>11</td>
<td>5</td>
<td>14</td>
<td>8</td>
<td>14</td>
<td>10</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Rape</td>
<td>17</td>
<td>22</td>
<td>15</td>
<td>15</td>
<td>12</td>
<td>23</td>
<td>15</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>Robbery</td>
<td>182</td>
<td>172</td>
<td>148</td>
<td>105</td>
<td>105</td>
<td>89</td>
<td>87</td>
<td>81</td>
<td>67</td>
</tr>
<tr>
<td>Aggravated Assault</td>
<td>263</td>
<td>220</td>
<td>199</td>
<td>225</td>
<td>229</td>
<td>215</td>
<td>197</td>
<td>221</td>
<td>276</td>
</tr>
<tr>
<td>Burglary</td>
<td>464</td>
<td>466</td>
<td>460</td>
<td>441</td>
<td>426</td>
<td>270</td>
<td>294</td>
<td>313</td>
<td>322</td>
</tr>
<tr>
<td>Larceny</td>
<td>1,288</td>
<td>1,365</td>
<td>1,266</td>
<td>1,277</td>
<td>1,100</td>
<td>1,226</td>
<td>1,219</td>
<td>1,101</td>
<td>1,170</td>
</tr>
<tr>
<td>Vehicle Theft</td>
<td>232</td>
<td>168</td>
<td>132</td>
<td>103</td>
<td>147</td>
<td>107</td>
<td>135</td>
<td>206</td>
<td>198</td>
</tr>
<tr>
<td>Total</td>
<td>2,455</td>
<td>2,424</td>
<td>2,225</td>
<td>2,130</td>
<td>2,027</td>
<td>1,944</td>
<td>1,957</td>
<td>1,953</td>
<td>2,059</td>
</tr>
</tbody>
</table>

Source: https://www.nngov.com/832/South-Precinct-Crime-Statistics
Gray shaded area represents the North precinct, green represents the Central Precinct, and yellow reflects the coverage area for the South Precinct.

https://www.nngov.com/786/Precinct-Maps
REGIONAL ANALYSIS

Economic & Employment Trends for Newport News, VA

Newport News is an independent city in the Hampton Roads region, centrally located in the middle of coastal Virginia, the birthplace of American History. It is the fifth largest city in the state of Virginia, at approximately 23 miles long and 3 miles wide. Newport News is a short drive from Hampton, Williamsburg, and Virginia Beach.

The location on the harbor has facilitated the expansion of a large boating industry, forming a connection between the sea and rails. The Newport News/Williamsburg International Airport is in the city limits, and the east-west Highway 64 links the cities of Hampton Roads.

Map of Hampton Roads Area in VA, Source: http://www.hreda.com/data-research/additional-resources/

Map of Major Cities in Hampton Roads, VA, Source: http://www.hreda.com/map-center/?map=majorcities
Newport News Workforce

The Virginia Employment Center defines the Newport News Workforce Investment Area, an area where 250,000 workers make up the Labor Market Area (consisting of the City of Newport News, the City of Hampton, the City of Williamsburg, the city of Poquoson, Gloucester County, Isle of Wright County, James City County, Matthews County, and York County); and the entire Norfolk- Virginia Beach- Newport News MSA that encompasses 800,000 workers.

The city’s economy is tied to the military. Many residents are employed at the U.S. Army base at Fort Eustis, Northrop Grumman, and other military bases and suppliers. The economic trend for the Virginia Beach-Norfolk-Newport News, VA-NC area reflects its ability to sustain labor force growth.

Largest Employers in the Newport News Area

<table>
<thead>
<tr>
<th>Name</th>
<th>Industry</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of State</td>
<td>Government</td>
<td>Various</td>
</tr>
<tr>
<td>Huntington Ingalls Industries Inc.</td>
<td>Manufacturing</td>
<td>Newport News</td>
</tr>
<tr>
<td>Walmart</td>
<td>Retail</td>
<td>Various</td>
</tr>
<tr>
<td>Riverside Regional Medical Center</td>
<td>Medical</td>
<td>Newport News</td>
</tr>
<tr>
<td>Newport News Public Schools</td>
<td>Government</td>
<td>Newport News</td>
</tr>
<tr>
<td>City of Newport News</td>
<td>Government</td>
<td>Newport News</td>
</tr>
<tr>
<td>Farm Fresh</td>
<td>Retail</td>
<td>Various</td>
</tr>
<tr>
<td>Anthem</td>
<td>Retail</td>
<td>Various</td>
</tr>
</tbody>
</table>

TOTAL EMPLOYMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Newport News City</th>
<th>% Change</th>
<th>Virginia</th>
<th>% Change</th>
<th>United States</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>98,773</td>
<td>-</td>
<td>3,672,958</td>
<td>-</td>
<td>135,366,106</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>98,317</td>
<td>-0.5%</td>
<td>3,665,654</td>
<td>-0.2%</td>
<td>134,805,659</td>
<td>-0.4%</td>
</tr>
<tr>
<td>2009</td>
<td>95,622</td>
<td>-2.7%</td>
<td>3,545,623</td>
<td>-3.3%</td>
<td>128,607,842</td>
<td>-4.6%</td>
</tr>
<tr>
<td>2010</td>
<td>95,481</td>
<td>-0.1%</td>
<td>3,536,676</td>
<td>-0.3%</td>
<td>127,820,442</td>
<td>-0.6%</td>
</tr>
<tr>
<td>2011</td>
<td>96,309</td>
<td>0.9%</td>
<td>3,578,848</td>
<td>1.2%</td>
<td>129,411,095</td>
<td>1.2%</td>
</tr>
<tr>
<td>2012</td>
<td>96,261</td>
<td>0.0%</td>
<td>3,619,176</td>
<td>1.1%</td>
<td>131,696,378</td>
<td>1.8%</td>
</tr>
<tr>
<td>2013</td>
<td>97,302</td>
<td>1.1%</td>
<td>3,640,209</td>
<td>0.6%</td>
<td>133,968,434</td>
<td>1.7%</td>
</tr>
<tr>
<td>2014</td>
<td>98,179</td>
<td>0.9%</td>
<td>3,654,831</td>
<td>0.4%</td>
<td>136,613,609</td>
<td>2.0%</td>
</tr>
<tr>
<td>2015</td>
<td>97,536</td>
<td>-0.7%</td>
<td>3,735,713</td>
<td>2.2%</td>
<td>139,491,699</td>
<td>2.1%</td>
</tr>
<tr>
<td>2016</td>
<td>96,225</td>
<td>-1.3%</td>
<td>3,789,744</td>
<td>1.4%</td>
<td>141,870,066</td>
<td>1.7%</td>
</tr>
<tr>
<td>2017</td>
<td>97,687</td>
<td>1.5%</td>
<td>3,838,030</td>
<td>1.3%</td>
<td>143,860,904</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Labor Statistics

The table above was retrieved from the Bureau of Labor Statistics quarter census of employment and wages (In-place employment). The table represents the total number of jobs within the county/state/country regardless of the employee’s residence. 2015 and 2016 presented periods of loss in the labor force for Newport News City, while the state of Virginia and the United States continued to increase in size.
The table below exhibits the labor force trends by: (1) civilian labor force employment, (2) covered employment, (3) covered unemployment, and (4) changes in covered employment by sector for the Virginia Beach-Norfolk-Newport News, VA-NC labor market area.

**Virginia Beach-Norfolk-Newport News, VA-NC Labor Force Trends**

<table>
<thead>
<tr>
<th>Data Series</th>
<th>Dec 2017</th>
<th>Jan 2018</th>
<th>Feb 2018</th>
<th>Mar 2018</th>
<th>Apr 2018</th>
<th>May 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor Force Data</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civilian Labor Force(1)</td>
<td>(R)834.5</td>
<td>833.0</td>
<td>843.2</td>
<td>849.0</td>
<td>849.1</td>
<td>(P)856.0</td>
</tr>
<tr>
<td>Employment(1)</td>
<td>(R)803.0</td>
<td>799.5</td>
<td>812.4</td>
<td>818.4</td>
<td>822.9</td>
<td>(P)829.2</td>
</tr>
<tr>
<td>Unemployment(1)</td>
<td>(R)31.6</td>
<td>33.5</td>
<td>30.8</td>
<td>30.6</td>
<td>26.2</td>
<td>(P)26.8</td>
</tr>
<tr>
<td>Unemployment Rate(2)</td>
<td>(R)3.8</td>
<td>4.0</td>
<td>3.7</td>
<td>3.6</td>
<td>3.1</td>
<td>(P)3.1</td>
</tr>
<tr>
<td><strong>Nonfarm Wage and Salary Employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Nonfarm(3)</td>
<td>779.5</td>
<td>761.2</td>
<td>769.4</td>
<td>773.7</td>
<td>780.5</td>
<td>(P)787.7</td>
</tr>
<tr>
<td>12-month % change</td>
<td>0.2</td>
<td>0.1</td>
<td>0.2</td>
<td>0.1</td>
<td>-0.1</td>
<td>(P)0.7</td>
</tr>
<tr>
<td>Mining, Logging, and Construction</td>
<td>37.8</td>
<td>36.5</td>
<td>37.3</td>
<td>37.7</td>
<td>37.9</td>
<td>(P)38.6</td>
</tr>
<tr>
<td>12-month % change</td>
<td>1.9</td>
<td>0.6</td>
<td>1.6</td>
<td>1.9</td>
<td>1.6</td>
<td>(P)2.4</td>
</tr>
<tr>
<td>Manufacturing(3)</td>
<td>52.9</td>
<td>52.9</td>
<td>53.5</td>
<td>53.7</td>
<td>53.7</td>
<td>(P)54.0</td>
</tr>
<tr>
<td>12-month % change</td>
<td>2.3</td>
<td>2.7</td>
<td>3.5</td>
<td>3.5</td>
<td>3.1</td>
<td>(P)3.6</td>
</tr>
<tr>
<td>Trade, Transportation, and Utilities(3)</td>
<td>137.9</td>
<td>132.3</td>
<td>132.2</td>
<td>132.4</td>
<td>133.4</td>
<td>(P)135.5</td>
</tr>
<tr>
<td>12-month % change</td>
<td>-0.4</td>
<td>0.1</td>
<td>0.5</td>
<td>0.4</td>
<td>0.5</td>
<td>(P)1.2</td>
</tr>
<tr>
<td>Information(3)</td>
<td>11.1</td>
<td>11.0</td>
<td>11.1</td>
<td>11.1</td>
<td>11.0</td>
<td>(P)11.3</td>
</tr>
<tr>
<td>12-month % change</td>
<td>-0.9</td>
<td>-1.8</td>
<td>-1.8</td>
<td>-0.9</td>
<td>-1.8</td>
<td>(P)0.9</td>
</tr>
<tr>
<td>Financial Activities(3)</td>
<td>37.1</td>
<td>36.7</td>
<td>37.2</td>
<td>37.0</td>
<td>37.2</td>
<td>(P)37.1</td>
</tr>
<tr>
<td>12-month % change</td>
<td>-1.9</td>
<td>-0.8</td>
<td>0.0</td>
<td>-0.5</td>
<td>-0.5</td>
<td>(P)-2.1</td>
</tr>
<tr>
<td>Professional and Business Services(3)</td>
<td>108.7</td>
<td>106.4</td>
<td>107.1</td>
<td>108.2</td>
<td>108.8</td>
<td>(P)110.6</td>
</tr>
<tr>
<td>12-month % change</td>
<td>3.3</td>
<td>2.6</td>
<td>0.8</td>
<td>1.0</td>
<td>-0.3</td>
<td>(P)2.2</td>
</tr>
<tr>
<td>Education and Health Services(3)</td>
<td>109.9</td>
<td>108.6</td>
<td>109.5</td>
<td>109.4</td>
<td>110.6</td>
<td>(P)108.3</td>
</tr>
<tr>
<td>12-month % change</td>
<td>-0.7</td>
<td>-1.7</td>
<td>-1.9</td>
<td>-2.1</td>
<td>-0.9</td>
<td>(P)-1.4</td>
</tr>
<tr>
<td>Leisure and Hospitality(3)</td>
<td>85.8</td>
<td>82.2</td>
<td>85.5</td>
<td>87.8</td>
<td>90.9</td>
<td>(P)96.5</td>
</tr>
<tr>
<td>12-month % change</td>
<td>-2.4</td>
<td>-1.2</td>
<td>0.7</td>
<td>0.0</td>
<td>-1.7</td>
<td>(P)0.6</td>
</tr>
<tr>
<td>Other Services(3)</td>
<td>36.2</td>
<td>35.8</td>
<td>35.9</td>
<td>36.2</td>
<td>36.5</td>
<td>(P)36.8</td>
</tr>
<tr>
<td>12-month % change</td>
<td>0.6</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.6</td>
<td>(P)1.1</td>
</tr>
<tr>
<td>Government(3)</td>
<td>162.1</td>
<td>158.8</td>
<td>160.1</td>
<td>160.2</td>
<td>160.5</td>
<td>(P)159.0</td>
</tr>
<tr>
<td>12-month % change</td>
<td>-0.1</td>
<td>-0.3</td>
<td>-0.6</td>
<td>-0.4</td>
<td>-0.3</td>
<td>(P)-0.3</td>
</tr>
</tbody>
</table>

Unemployment Trends

The unemployment rate for the Virginia Beach-Norfolk-Newport News MSA has steadily declined over the past 18 months. In April and May, the unemployment rate was 3.1 percent which is the lowest the unemployment rate has been since October 2007.

The unemployment rate in Newport News City, VA in May of 2018 was 3.4% which falls between the state average unemployment (3.2%) and the national unemployment rate (3.8%). The results indicate there has been improvement in the unemployment rate in Newport News each month.

<table>
<thead>
<tr>
<th></th>
<th>Newport News</th>
<th>Hampton</th>
<th>Norfolk</th>
<th>Virginia Beach</th>
<th>Virginia</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>4.6</td>
<td>4.9</td>
<td>4.4</td>
<td>3.5</td>
<td>3.6</td>
<td>4.1</td>
</tr>
<tr>
<td>February</td>
<td>4.2</td>
<td>4.6</td>
<td>4.1</td>
<td>3.1</td>
<td>3.5</td>
<td>4.1</td>
</tr>
<tr>
<td>March</td>
<td>4</td>
<td>4.5</td>
<td>4</td>
<td>3.1</td>
<td>3.4</td>
<td>4.1</td>
</tr>
<tr>
<td>April</td>
<td>3.4</td>
<td>3.8</td>
<td>3.4</td>
<td>2.7</td>
<td>3.3</td>
<td>3.9</td>
</tr>
<tr>
<td>May</td>
<td>3.4</td>
<td>3.8</td>
<td>3.5</td>
<td>2.8</td>
<td>3.2</td>
<td>3.8</td>
</tr>
</tbody>
</table>
The table below exhibits the labor force area trends specific to the Newport News city and its comparison to Hampton Roads: (1) civilian labor force employment, (2) civilian labor force unemployment, (3) and unemployment rate as of February 2018.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian Labor Force</td>
<td>88,472</td>
<td>828,017</td>
</tr>
<tr>
<td>Employed</td>
<td>85,740</td>
<td>798,008</td>
</tr>
<tr>
<td>Unemployed</td>
<td>3,732</td>
<td>30,009</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>4.2%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

*Includes Newport News, Poquoson, Williamsburg, York, James City County, and Hampton
**Virginia Beach–Norfolk–Newport News, VA–NC MSA, VA Part

In 2014, the median household income in Newport News was $48,440 according to the U.S. Census Bureau. In 2016, the median average income was $50,686; and to date it is $53,352; see table below for more details.
Williamsburg is the top paying city in most of the sectors analyzed below (does not include the state of Virginia). The only major sector listed below that pays an annual average salary above $80,000 in the Newport News is Government. Information, Manufacturing, and Professional Business Services each pay an average of over $60,000 per year in Newport News which exhibits a demand for workers within those categories.

Source: Virginia Labor Market Information
There are about 5.2 candidates available per job opening (2,969 jobs are available).

**Job Openings and Average Wage Distribution**

<table>
<thead>
<tr>
<th>Major Occupational Group</th>
<th>Percent of Total Employment - MSA</th>
<th>Percent of Total Employment - United States</th>
<th>Mean Hourly Wage - United States</th>
<th>Mean Hourly Wage - MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, all occupations</td>
<td>100</td>
<td>100</td>
<td>$24.34</td>
<td>$22.79</td>
</tr>
<tr>
<td>Management</td>
<td>5.1</td>
<td>3.5</td>
<td>57.65</td>
<td>56.07</td>
</tr>
<tr>
<td>Business and financial operations</td>
<td>5.2</td>
<td>5.6</td>
<td>36.7</td>
<td>35.8</td>
</tr>
<tr>
<td>Computer and mathematical</td>
<td>3</td>
<td>2.9</td>
<td>43.18</td>
<td>40.2</td>
</tr>
<tr>
<td>Architecture and engineering</td>
<td>1.8</td>
<td>2.9</td>
<td>41.44</td>
<td>39.18</td>
</tr>
<tr>
<td>Life, physical, and social science</td>
<td>0.8</td>
<td>0.8</td>
<td>35.76</td>
<td>33.73</td>
</tr>
<tr>
<td>Community and social service</td>
<td>1.5</td>
<td>1.5</td>
<td>23.1</td>
<td>23.34</td>
</tr>
<tr>
<td>Legal</td>
<td>0.8</td>
<td>0.6</td>
<td>51.62</td>
<td>37.49</td>
</tr>
<tr>
<td>Education, training, and library</td>
<td>6.1</td>
<td>6</td>
<td>26.67</td>
<td>27.75</td>
</tr>
<tr>
<td>Arts, design, entertainment, sports, and media</td>
<td>1.4</td>
<td>1.1</td>
<td>28.34</td>
<td>23.42</td>
</tr>
<tr>
<td>Healthcare practitioners and technical</td>
<td>6</td>
<td>5.9</td>
<td>38.83</td>
<td>37.15</td>
</tr>
<tr>
<td>Healthcare support</td>
<td>2.9</td>
<td>2.8</td>
<td>15.05</td>
<td>15.26</td>
</tr>
<tr>
<td>Protective service</td>
<td>2.4</td>
<td>2.8</td>
<td>22.69</td>
<td>20.47</td>
</tr>
<tr>
<td>Food preparation and serving related</td>
<td>9.3</td>
<td>9.6</td>
<td>11.88</td>
<td>11.17</td>
</tr>
<tr>
<td>Building and grounds cleaning and maintenance</td>
<td>3.1</td>
<td>3.2</td>
<td>13.91</td>
<td>12.16</td>
</tr>
<tr>
<td>Personal care and service</td>
<td>3.6</td>
<td>3.7</td>
<td>13.11</td>
<td>12.05</td>
</tr>
<tr>
<td>Sales and related</td>
<td>10.2</td>
<td>11.3</td>
<td>19.56</td>
<td>16.27</td>
</tr>
<tr>
<td>Office and administrative support</td>
<td>15.4</td>
<td>14.7</td>
<td>18.24</td>
<td>17.4</td>
</tr>
<tr>
<td>Farming, fishing, and forestry</td>
<td>0.3</td>
<td>0.1</td>
<td>13.87</td>
<td>14.61</td>
</tr>
<tr>
<td>Construction and extraction</td>
<td>4</td>
<td>5</td>
<td>24.01</td>
<td>21.18</td>
</tr>
<tr>
<td>Installation, maintenance, and repair</td>
<td>3.9</td>
<td>4.6</td>
<td>23.02</td>
<td>23.06</td>
</tr>
<tr>
<td>Production</td>
<td>6.3</td>
<td>4.6</td>
<td>18.3</td>
<td>19.85</td>
</tr>
<tr>
<td>Transportation and material moving</td>
<td>7</td>
<td>6.8</td>
<td>17.82</td>
<td>17.8</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics

Figure 7 – Advertised Job Openings and Average Wage Distribution in VA County, Source: Online advertised job data and Source: U.S. Bureau of Labor Statistics
The industries with the highest job openings advertised in Newport News on July 11, 2018

<table>
<thead>
<tr>
<th>Rank</th>
<th>Industry</th>
<th>Job Openings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health Care and Social Assistance</td>
<td>432</td>
</tr>
<tr>
<td>2</td>
<td>Accommodation and Food Services</td>
<td>356</td>
</tr>
<tr>
<td>3</td>
<td>Retail Trade</td>
<td>277</td>
</tr>
<tr>
<td>4</td>
<td>Manufacturing</td>
<td>228</td>
</tr>
<tr>
<td>5</td>
<td>Professional, Scientific, and Technical Services</td>
<td>297</td>
</tr>
<tr>
<td>6</td>
<td>Administrative and Support and Waste Management and Remediation Services</td>
<td>171</td>
</tr>
<tr>
<td>7</td>
<td>Wholesale Trade</td>
<td>109</td>
</tr>
<tr>
<td>8</td>
<td>Educational Services</td>
<td>102</td>
</tr>
<tr>
<td>9</td>
<td>Finance and Insurance</td>
<td>55</td>
</tr>
<tr>
<td>10</td>
<td>Real Estate and Rental and Leasing</td>
<td>47</td>
</tr>
</tbody>
</table>


**Income Distribution**

The counties with the highest total income in Virginia; see Figure 9 and accompanying graph.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Area Name</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Loudoun County</td>
<td>$24,463,869,000</td>
</tr>
<tr>
<td>2</td>
<td>Virginia Beach city</td>
<td>$23,072,795,000</td>
</tr>
<tr>
<td>3</td>
<td>Arlington County</td>
<td>$18,871,919,000</td>
</tr>
<tr>
<td>4</td>
<td>Henrico County</td>
<td>$16,038,443,000</td>
</tr>
<tr>
<td>5</td>
<td>Chesterfield County</td>
<td>$15,787,470,000</td>
</tr>
<tr>
<td>6</td>
<td>Alexandria city</td>
<td>$11,815,588,000</td>
</tr>
<tr>
<td>7</td>
<td>Chesapeake city</td>
<td>$10,945,486,000</td>
</tr>
<tr>
<td>8</td>
<td>Richmond city</td>
<td>$10,194,205,000</td>
</tr>
<tr>
<td>9</td>
<td>Norfolk city</td>
<td>$9,439,861,000</td>
</tr>
<tr>
<td>10</td>
<td>Newport News city</td>
<td>$7,045,829,000</td>
</tr>
</tbody>
</table>

*Counties with the highest total income in Virginia, Source: 2014 Bureau of Economic Analysis*

75 percent of the workforce reported an average commute of less than 30 minutes. In the Virginia Beach-Norfolk-Newport News, VA-NC MSA, 1 out of 4 employees leave their home after 9am.
The table below was retrieved from the United State Census Bureau’s Fact Finder web portal. The results provide a general breakdown to display access to vehicle transportation for households in Newport News City.

Per the estimated figures from the 2012-2016 American Community Survey, 91% of households in Newport News City have access to at least 1 vehicle. The group that has the greatest challenge are 1-person households. 17% of 1-person households do not have a vehicle available to them.
<table>
<thead>
<tr>
<th>Household Type</th>
<th>Estimate</th>
<th>Margin of Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total:</td>
<td>69,247</td>
<td>+/- 810</td>
</tr>
<tr>
<td>No vehicle available</td>
<td>6,471</td>
<td>+/- 514</td>
</tr>
<tr>
<td>1 vehicle available</td>
<td>26,669</td>
<td>+/- 1,057</td>
</tr>
<tr>
<td>2 vehicles available</td>
<td>23,717</td>
<td>+/- 898</td>
</tr>
<tr>
<td>3 vehicles available</td>
<td>8,496</td>
<td>+/- 560</td>
</tr>
<tr>
<td>4 or more vehicles</td>
<td>3,894</td>
<td>+/- 402</td>
</tr>
<tr>
<td>1-person household</td>
<td>22,409</td>
<td>+/- 842</td>
</tr>
<tr>
<td>No vehicle available</td>
<td>3,797</td>
<td>+/- 397</td>
</tr>
<tr>
<td>1 vehicle available</td>
<td>15,344</td>
<td>+/- 785</td>
</tr>
<tr>
<td>2 vehicles available</td>
<td>2,790</td>
<td>+/- 338</td>
</tr>
<tr>
<td>3 vehicles available</td>
<td>339</td>
<td>+/- 100</td>
</tr>
<tr>
<td>4 or more vehicles</td>
<td>139</td>
<td>+/- 74</td>
</tr>
<tr>
<td>2-person household</td>
<td>22,404</td>
<td>+/- 823</td>
</tr>
<tr>
<td>No vehicle available</td>
<td>1,304</td>
<td>+/- 270</td>
</tr>
<tr>
<td>1 vehicle available</td>
<td>6,033</td>
<td>+/- 522</td>
</tr>
<tr>
<td>2 vehicles available</td>
<td>10,979</td>
<td>+/- 589</td>
</tr>
<tr>
<td>3 vehicles available</td>
<td>3,083</td>
<td>+/- 399</td>
</tr>
<tr>
<td>4 or more vehicles</td>
<td>1,005</td>
<td>+/- 174</td>
</tr>
<tr>
<td>3-person household</td>
<td>11,309</td>
<td>+/- 660</td>
</tr>
<tr>
<td>No vehicle available</td>
<td>440</td>
<td>+/- 163</td>
</tr>
<tr>
<td>1 vehicle available</td>
<td>2,755</td>
<td>+/- 416</td>
</tr>
<tr>
<td>2 vehicles available</td>
<td>4,428</td>
<td>+/- 444</td>
</tr>
<tr>
<td>3 vehicles available</td>
<td>2,783</td>
<td>+/- 317</td>
</tr>
<tr>
<td>4 or more vehicles</td>
<td>903</td>
<td>+/- 168</td>
</tr>
<tr>
<td>4-or-more-person house</td>
<td>13,125</td>
<td>+/- 676</td>
</tr>
<tr>
<td>No vehicle available</td>
<td>930</td>
<td>+/- 231</td>
</tr>
<tr>
<td>1 vehicle available</td>
<td>2,537</td>
<td>+/- 345</td>
</tr>
<tr>
<td>2 vehicles available</td>
<td>5,520</td>
<td>+/- 487</td>
</tr>
<tr>
<td>3 vehicles available</td>
<td>2,291</td>
<td>+/- 287</td>
</tr>
<tr>
<td>4 or more vehicles</td>
<td>1,847</td>
<td>+/- 297</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates
Housing Trends

The most common housing types found in the city of Newport News are single-family detached homes, which accounts for about 50% of the housing stock. Other housing types available are multifamily apartments (40%), duplexes, row homes, and attached homes (10%). Homes in Newport News were built as early as 1939 with most of the housing stock built between 1970 and 2000 (over 50%); followed by housing built between 1940 and 1969 (33%).

Estimated Demand for New Market-Rate Sales Housing in the Norfolk- Virginia Beach- Newport News MSA During the Forecast Period (January 1, 2016 – January 1, 2019)

<table>
<thead>
<tr>
<th>Price Range ($)</th>
<th>Units of Demand</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>From 150,000</td>
<td>To 199,999</td>
<td>670</td>
</tr>
<tr>
<td>From 200,000</td>
<td>To 249,999</td>
<td>2,025</td>
</tr>
<tr>
<td>From 250,000</td>
<td>To 299,999</td>
<td>2,025</td>
</tr>
<tr>
<td>From 300,000</td>
<td>To 349,999</td>
<td>2,700</td>
</tr>
<tr>
<td>From 350,000</td>
<td>To 399,999</td>
<td>2,025</td>
</tr>
<tr>
<td>From 400,000</td>
<td>To 499,999</td>
<td>2,025</td>
</tr>
<tr>
<td>From 500,000</td>
<td>To 699,999</td>
<td>1,350</td>
</tr>
<tr>
<td>700,000 and higher</td>
<td></td>
<td>670</td>
</tr>
</tbody>
</table>

Estimated Demand for New Market-Rate Sales Housing, Virginia Beach-Norfolk-Newport News
Source: U.S. Department of Housing and Urban Development

The median sales price for a home in the Hampton Roads market according to Long and Foster, is $249,900. On average, sellers are receiving 98.6 percent of their asking price when listed, and 60 percent of the homes sold are between $150,000 - $450,000.

Median Sales Price

Source: Long & Foster Market Conditions Report – June 2018

In June of 2018, 2,821 housing units were sold which is a 89.8 percent increase from January, and a year-over-year (Y-o-Y) increase of 3.7 percent.
There is less inventory on the market now compared to January of this year (6 months ago). Results show a 22.1 percent decline in total active inventory from January to June, and a 94 percent decline y-o-y.

The graph below reflects the narrative stated above. There is less inventory on the market compared to last year. The City of Newport News has experienced a 41 percent drop in active supply.
Although the active inventory has declined in the Hampton Roads housing market, the number of new listings has increased for the City of Newport News and the City of Chesapeake.

The latest figures for the number of new contracts increased in the City of Newport News by 43.6 percent y-o-y which indicate that new opportunities are becoming available.
The number of total units sold has increased y-o-y for each of the top five counties, except for Virginia Beach, and the average amount of time that a property stays on the market has declined significantly since January (reduced by 22 days).

*Source: Long & Foster Market Conditions Report – June 2018*

These are signs of a healthy for-sale housing market in the City of Newport News.


**Conclusion**

The economy of the Norfolk- Virginia Beach- Newport News MSA has expanded since 2011. In 2017, civilian labor force increased, outpaced payroll growth by 0.7 percent. The current level of nonfarm payrolls of 88,472 jobs, has steadily increased since 2010 and the Government continues to be the largest sector in the Norfolk- Virginia Beach- Newport News MSA, accounting for about than 20 percent of payrolls. The Navy, which has the greatest presence in the area, accounts for several of the major employers.

The unemployment rate in Newport News City at 3.4% falls between the Virginia state unemployment rate (3.2%) and the national average unemployment (3.8%) according to May 2018 data sources. Although the county trails the state, a rate of 3.4 percent signifies economic strength.

As previously mentioned the housing market conditions in the Hampton Roads area seem healthy. The average number of days a property is listed on the market has declined by 11 percent year-over-year, the total volume sold last month (June 2018) was 5 percent greater than June of 2017, and the number of new contracts in June surpassed the June 2017 figures.
The primary market area (PMA) for the proposed renovation of Ivy Farms Apartments is defined as the addressable market based on the intended audience and the characteristic of the surrounding community.

The boundaries of the Ivy Farms PMA are as follows:

North: J Clyde Morris Blvd (2.9 miles)
South: Mercury Blvd (3.6 miles)
East: Big Bethel Road (3.2 miles)
West: Tyler Avenue (1.9 miles)

Ivy Farms Apartments will be compared to properties primarily in Newport News, Virginia.
DEMOGRAPHIC CHARACTERISTICS

AreaProbe conducted a demographic analysis of the primary market area to further understand the characteristics of the community. To support this effort, AreaProbe utilized Claritas, Census, and HISTA.

Households and Populations Trends

The total population in the PMA is approximately 24,000 and has remained close to that figure since the 2000 Census, with small fluctuations through 2018; slight growth is projected for 2023 with an additional 215 or 0.9% persons. The population growth in the state of Virginia is expected to decline from 2018 to 2023, however Newport News is estimated to continue to grow by 1.7 percent.

<table>
<thead>
<tr>
<th>Year</th>
<th>PMA</th>
<th>% Change</th>
<th>Newport News</th>
<th>% Change</th>
<th>Virginia</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>24,057</td>
<td>0.4%</td>
<td>180,281</td>
<td>0.2%</td>
<td>7,078,681</td>
<td>13.0%</td>
</tr>
<tr>
<td>2010</td>
<td>24,149</td>
<td>-0.2%</td>
<td>180,719</td>
<td>1.1%</td>
<td>8,001,024</td>
<td>6.1%</td>
</tr>
<tr>
<td>2018</td>
<td>24,112</td>
<td>0.9%</td>
<td>185,681</td>
<td>1.7%</td>
<td>8,806,073</td>
<td>3.7%</td>
</tr>
<tr>
<td>2023</td>
<td>24,328</td>
<td>0.9%</td>
<td>185,681</td>
<td>1.7%</td>
<td>8,806,073</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Source: Claritas Demographics - July 2018

Household totals have shown consistent modest growth since 2000, rising from 9,435 in 2000 to 9,833 in 2018. Growth is projected for 2023 with an additional 155 or 1.7% households. Growth is larger for households than the population, due to shrinking household sizes. The City of Newport News is expect to see a 3 basis point increase in household growth from 2018 to 2023.

<table>
<thead>
<tr>
<th>Year</th>
<th>PMA</th>
<th>% Change</th>
<th>Newport News</th>
<th>% Change</th>
<th>Virginia</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>9,959</td>
<td>4.1%</td>
<td>69,755</td>
<td>1.3%</td>
<td>2,699,207</td>
<td>13.2%</td>
</tr>
<tr>
<td>2010</td>
<td>10,370</td>
<td>2.8%</td>
<td>70,664</td>
<td>1.5%</td>
<td>3,056,058</td>
<td>6.3%</td>
</tr>
<tr>
<td>2018</td>
<td>10,662</td>
<td>1.7%</td>
<td>72,968</td>
<td>1.8%</td>
<td>3,371,965</td>
<td>3.8%</td>
</tr>
<tr>
<td>2023</td>
<td>10,846</td>
<td>1.7%</td>
<td>72,968</td>
<td>1.8%</td>
<td>3,371,965</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Source: Claritas Demographics – July 2018
The average household size in PMA has declined since 2000 as individuals continue to seek their own living space.

<table>
<thead>
<tr>
<th>Average Household Size (PMA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2018</td>
</tr>
<tr>
<td>2023</td>
</tr>
</tbody>
</table>

Housing unit totals have grown faster than household totals until 2018 with over 700 units added; growth closer to household growth rates is projected with 184 new units added by 2023. As a result, vacant units have increased over the period.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Housing Units</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>9,959</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>10,370</td>
<td>4.1%</td>
</tr>
<tr>
<td>2018</td>
<td>10,662</td>
<td>2.8%</td>
</tr>
<tr>
<td>2023</td>
<td>10,846</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

The total number of vacant units within the PMA is projected to continue to increase.

<table>
<thead>
<tr>
<th>Vacant Units Within the PMA</th>
<th>Year</th>
<th>Number of Vacant Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>525</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>676</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>811</td>
</tr>
<tr>
<td></td>
<td>2023</td>
<td>839</td>
</tr>
</tbody>
</table>
Homeowner rates have held close to 61% throughout the period with a slight decrease occurring between 2000 and 2010, mostly likely due to the 2008 financial crisis. Homeownership is estimated to have crept up slightly since 2010. The most recent national homeownership rate published by the US Census Bureau is 64.2% for the first quarter of 2018.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,804</td>
<td>3,649</td>
<td>5,851</td>
<td>3,825</td>
<td>5,964</td>
<td>3,860</td>
<td>6,068</td>
<td>3,907</td>
</tr>
<tr>
<td></td>
<td>61.4%</td>
<td>38.6%</td>
<td>60.5%</td>
<td>39.5%</td>
<td>60.7%</td>
<td>39.3%</td>
<td>60.8%</td>
<td>39.2%</td>
</tr>
</tbody>
</table>

While there are no age restrictions proposed for the subject property, the age trends of the population in the primary market area are important to understand, as older households may have housing preferences that direct them to age-appropriate housing.

- The median age is 37.4 years, slightly younger than the national figure of 38.4. Like the rest of the country, the population in the PMA is aging with a median of 38.9 projected for 2023.
- The largest age cohort in 2018 is 25 to 34 years with just over 3,900 members; these persons will remain the largest group in 2023 as they age into the 35 to 44 cohort. The 25 to 34 cohort is projected to shrink.
- The 35 to 64 age groups are currently the next largest groups, all containing above 3,000 people.
- While senior households in the cohorts over age 65 years are smaller in number, they are projected to increase rapidly by 2023 during a time when many of the younger cohorts are losing population.
- The 18 to 24 age groups are losing population with nearly 600 losses (-22%) between 2010 and 2018 and nearly 240 (-10%) more by 2023.
In 2010, 50 percent of the population in the PMA were 35 years of age or older, in 2018, that number increased to 53 percent, and in 2023, it is estimated that 56 percent of the population within this PMA will be over 35. The most significant increase from 2018 to 2023 will be those that are 35-44 years old and 65-74 years of age.

### Population By Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Total</th>
<th>Age</th>
<th>Total</th>
<th>Age</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 4 Years</td>
<td>1,619</td>
<td>0 to 4 Years</td>
<td>1,536</td>
<td>0 to 4 Years</td>
<td>1,511</td>
</tr>
<tr>
<td>5 to 9 Years</td>
<td>1,491</td>
<td>5 to 9 Years</td>
<td>1,505</td>
<td>5 to 9 Years</td>
<td>1,545</td>
</tr>
<tr>
<td>10 to 14 Years</td>
<td>1,443</td>
<td>10 to 14 Years</td>
<td>1,437</td>
<td>10 to 14 Years</td>
<td>1,510</td>
</tr>
<tr>
<td>15 to 17 Years</td>
<td>892</td>
<td>15 to 17 Years</td>
<td>840</td>
<td>15 to 17 Years</td>
<td>884</td>
</tr>
<tr>
<td>18 to 20 Years</td>
<td>949</td>
<td>18 to 20 Years</td>
<td>818</td>
<td>18 to 20 Years</td>
<td>794</td>
</tr>
<tr>
<td>21 to 24 Years</td>
<td>1,720</td>
<td>21 to 24 Years</td>
<td>1,256</td>
<td>21 to 24 Years</td>
<td>1,041</td>
</tr>
<tr>
<td>25 to 34 Years</td>
<td>3,713</td>
<td>25 to 34 Years</td>
<td>3,901</td>
<td>25 to 34 Years</td>
<td>3,509</td>
</tr>
<tr>
<td>35 to 44 Years</td>
<td>2,953</td>
<td>35 to 44 Years</td>
<td>3,112</td>
<td>35 to 44 Years</td>
<td>3,543</td>
</tr>
<tr>
<td>45 to 54 Years</td>
<td>3,951</td>
<td>45 to 54 Years</td>
<td>3,005</td>
<td>45 to 54 Years</td>
<td>2,718</td>
</tr>
<tr>
<td>55 to 64 Years</td>
<td>2,521</td>
<td>55 to 64 Years</td>
<td>3,239</td>
<td>55 to 64 Years</td>
<td>3,235</td>
</tr>
<tr>
<td>65 to 74 Years</td>
<td>1,500</td>
<td>65 to 74 Years</td>
<td>1,925</td>
<td>65 to 74 Years</td>
<td>2,359</td>
</tr>
<tr>
<td>75 to 84 Years</td>
<td>967</td>
<td>75 to 84 Years</td>
<td>1,039</td>
<td>75 to 84 Years</td>
<td>1,163</td>
</tr>
<tr>
<td>5 Years and Up</td>
<td>431</td>
<td>85 Years and Up</td>
<td>498</td>
<td>85 Years and Up</td>
<td>515</td>
</tr>
<tr>
<td>Total</td>
<td>24,149</td>
<td>Total</td>
<td>24,112</td>
<td>Total</td>
<td>24,328</td>
</tr>
<tr>
<td>62+ Years Median Age</td>
<td>3,503</td>
<td>62+ Years</td>
<td>4,310</td>
<td>62+ Years</td>
<td>4,985</td>
</tr>
</tbody>
</table>

**Median Age**

<table>
<thead>
<tr>
<th>Census 2010</th>
<th>Current Year Estimates 2018</th>
<th>Five-Year Projections 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Age</td>
<td>35.8</td>
<td>Median Age</td>
</tr>
<tr>
<td>Median Age</td>
<td>37.4</td>
<td>Median Age</td>
</tr>
<tr>
<td>Median Age</td>
<td>38.9</td>
<td>Median Age</td>
</tr>
</tbody>
</table>
Building Permits Filed


<table>
<thead>
<tr>
<th>Year</th>
<th>Single-Family</th>
<th>Multi-Family</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>407</td>
<td>0</td>
<td>407</td>
</tr>
<tr>
<td>2001</td>
<td>481</td>
<td>114</td>
<td>595</td>
</tr>
<tr>
<td>2002</td>
<td>319</td>
<td>973</td>
<td>1292</td>
</tr>
<tr>
<td>2003</td>
<td>257</td>
<td>215</td>
<td>472</td>
</tr>
<tr>
<td>2004</td>
<td>280</td>
<td>463</td>
<td>743</td>
</tr>
<tr>
<td>2005</td>
<td>198</td>
<td>452</td>
<td>650</td>
</tr>
<tr>
<td>2006</td>
<td>200</td>
<td>198</td>
<td>398</td>
</tr>
<tr>
<td>2007</td>
<td>124</td>
<td>439</td>
<td>563</td>
</tr>
<tr>
<td>2008</td>
<td>99</td>
<td>290</td>
<td>389</td>
</tr>
<tr>
<td>2009</td>
<td>86</td>
<td>307</td>
<td>393</td>
</tr>
<tr>
<td>2010</td>
<td>129</td>
<td>59</td>
<td>188</td>
</tr>
<tr>
<td>2011</td>
<td>146</td>
<td>639</td>
<td>785</td>
</tr>
<tr>
<td>2012</td>
<td>161</td>
<td>126</td>
<td>287</td>
</tr>
<tr>
<td>2013</td>
<td>92</td>
<td>123</td>
<td>215</td>
</tr>
<tr>
<td>2014</td>
<td>109</td>
<td>221</td>
<td>330</td>
</tr>
<tr>
<td>2015</td>
<td>107</td>
<td>405</td>
<td>512</td>
</tr>
<tr>
<td>2016</td>
<td>120</td>
<td>112</td>
<td>232</td>
</tr>
<tr>
<td>2017</td>
<td>100</td>
<td>341</td>
<td>441</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,415</td>
<td>5,477</td>
<td>8,892</td>
</tr>
</tbody>
</table>

% of Activity 38% 62%

Source: HUD
COMPETITIVE ENVIRONMENT

Introduction

This section presents information to further assess the characteristic of the PMA. AreaProbe identified properties that were within the surrounding area based on our proprietary database of LIHTC and Section 8 properties. We also conducted in-person interviews with local property managers. The in-person interviews took place on July 12, 2018. We engaged in conversations with property managers of market rate and affordable housing communities.

Location

The map below shows the locations of the properties surveyed on July 12th and the type of property. Ada Apartments, Regency Square, and Harper’s Landing are the three closest properties to the subject with regards to distance.
Overall, the properties in our evaluation primarily offer two bedroom units.
The subject property will offer one of the larger 2-bedroom floorplans in the market based on the assessment above. AreaProbe interviewed an existing tenant at Ivy Farms while surveying the community; the tenant noted that he thought the 2 bedroom units were too large at Ivy Farms and was discouraged about not having the option to lease a one bedroom apartment.

Average 1 Bedroom Rent: $745

Average 2 Bedroom Rent: $840
Average 3 Bedroom Rent: $936

<table>
<thead>
<tr>
<th></th>
<th>Avg. 1 BD PSF</th>
<th>Avg. 2 BD PSF</th>
<th>Avg. 3 BD PSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellesley Woods</td>
<td>$0.90</td>
<td>$1.05</td>
<td>$1.29</td>
</tr>
</tbody>
</table>

Target Audience for Existing Comparables

<table>
<thead>
<tr>
<th>Apartment</th>
<th>Target</th>
<th>Distance (miles)</th>
<th>Building Quality</th>
<th>Waitlist</th>
<th>Voucher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellesley Woods</td>
<td>60% AMI</td>
<td>4.5</td>
<td>B-</td>
<td>Does Not Keep a Waitlist</td>
<td>Yes</td>
</tr>
<tr>
<td>Sharps Landing</td>
<td>60% AMI</td>
<td>2.3</td>
<td>B-</td>
<td>Does Not Keep a Waitlist</td>
<td>Yes</td>
</tr>
<tr>
<td>Pavillion Apartments</td>
<td>60% AMI</td>
<td>2.3</td>
<td>B-</td>
<td>Does Not Keep a Waitlist</td>
<td>Yes</td>
</tr>
<tr>
<td>Westover Station</td>
<td>60% AMI</td>
<td>3.7</td>
<td>B-</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Ada Apartments</td>
<td>60% AMI</td>
<td>0.1</td>
<td>A-</td>
<td>Waitlist</td>
<td>Yes</td>
</tr>
<tr>
<td>Forrest Landing Phase I</td>
<td>60% AMI</td>
<td>2.2</td>
<td>B+</td>
<td>Waitlist</td>
<td>Yes</td>
</tr>
<tr>
<td>Forrest Landing Phase II</td>
<td>60% AMI</td>
<td>2.2</td>
<td>A-</td>
<td>Waitlist</td>
<td>Yes</td>
</tr>
<tr>
<td>Tarrytown Apartments</td>
<td>60% AMI</td>
<td>0.5</td>
<td>C</td>
<td>Does Not Keep a Waitlist</td>
<td>Yes</td>
</tr>
</tbody>
</table>

We believe the each of the eight properties listed above are close competitors to the subject property. The greatest competitor based on our knowledge of the area would be Ada Apartments, and Forrest Landing due to its proximity, and recent renovation. However, Ada Apartments is fully occupied and Forrest Landing (phase II) is 92 percent occupied after opening in June of 2018.

The following property profiles will provide more details on the sites above.
Wellesley Woods

Address
600 Huntgate Circle, Newport News, VA 23606

Phone: 757-249-5553  Contact: Shellie Cypress-Gardner

Total Units: 120  Vacancies: 0

Percent Occupied: 100%  Distance: 4.5 miles

Project Type: Tax Credit

Year Open: 1996 (renovate units as they come offline)

Concessions: None

Parking: Surface Level Parking

Waiting List: None

Quality Rating: B-

Neighborhood Rating: B+

Target/Notes: 60% AMI
Housing Choice Voucher: Accepts Vouchers

Features and Utilities

Utilities
Landlord Pays Water, Sewer, Trash

Unit Amenities
Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio, Deck/Balcony

Property Amenities
Swimming Pool, On-Site Management, Laundry Facility, Fitness Center, Playground, Clubhouse, Car Wash Area

Unit Mix

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Baths</th>
<th>Type</th>
<th>Units</th>
<th>Vacant Units</th>
<th>SF</th>
<th>Collected Rent</th>
<th>PSF</th>
<th>AMIHI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>2</td>
<td>G</td>
<td>84</td>
<td>0</td>
<td>1000</td>
<td>$883</td>
<td>$0.88</td>
<td>60%</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>G</td>
<td>36</td>
<td>0</td>
<td>1320</td>
<td>$1,014</td>
<td>$0.77</td>
<td>60%</td>
</tr>
</tbody>
</table>

Strengths: Quiet Community, Spacious Units, Established Property Management Firm
Weakness: 0.5 mile from the nearest bus stop
Sharps Landing

Address
126 Candlewood Way, Newport News, VA 23606

Phone: 757-595-7759  Contact: Erin Hymans

Total Units: 180  Vacancies: 4

Percent Occupied: 98%  Distance: 2.3 miles

Project Type: Tax Credit

Year Open: 1965

Concessions: None

Parking: Surface Level Parking

Waiting List: None

Quality Rating: B-

Neighborhood Rating: B+

Target/Notes: 60% AMI Housing Choice Voucher: Accepts Vouchers

Features and Utilities

Utilities
Landlord Pays: Sewer, Trash

Unit Amenities
Refrigerator, Range, Dishwasher, Central AC, Washer/Dryer Hook Up, Deck/Balcony

Property Amenities
Swimming Pool, On-Site Management, Laundry Facility, Fitness Center, Playground, Clubhouse

Unit Mix

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Baths</th>
<th>Type</th>
<th>Units</th>
<th>Vacant Units</th>
<th>SF</th>
<th>Collected Rent</th>
<th>PSF</th>
<th>AMI/CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>G</td>
<td>16</td>
<td>0</td>
<td>653</td>
<td>$721</td>
<td>$1.10</td>
<td>60%</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>G</td>
<td>164</td>
<td>0</td>
<td>883</td>
<td>$860</td>
<td>$0.97</td>
<td>60%</td>
</tr>
</tbody>
</table>

Strengths: Quiet Community, Family Oriented Amenities
Weakness: High turnover in the property management office
Pavillion Apartments

Address
126 Candlewood Way, Newport News, VA 23606

Phone: 757-595-7759  Contact: Erin Hymans

Total Units: 32  Vacancies: 0

Percent Occupied: 100%  Distance: 2.3 miles

Project Type: Tax Credit

Year Open: 1965

Concessions: None

Parking: Surface Level Parking

Waiting List: None

Quality Rating: B-

Neighborhood Rating: B+

Target/Notes: 60% AMI

Housing Choice Voucher: Accepts Vouchers

Features and Utilities

Utilities
Landlord Pays: Sewer, Trash

Unit Amenities
Refrigerator, Range, Dishwasher, Central AC, Washer/Dryer Hook Up, Deck/Balcony

Property Amenities
Swimming Pool, On-Site Management, Laundry Facility, Fitness Center, Playground, Clubhouse

Unit Mix

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Baths</th>
<th>Type</th>
<th>Units</th>
<th>Vacant Units</th>
<th>SF</th>
<th>Collected Rent</th>
<th>PSF</th>
<th>AMI-HI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>G</td>
<td>6</td>
<td>0</td>
<td>651</td>
<td>$721</td>
<td>$1.11</td>
<td>60%</td>
</tr>
<tr>
<td>2</td>
<td>1.5</td>
<td>G</td>
<td>24</td>
<td>0</td>
<td>851</td>
<td>$840</td>
<td>$0.97</td>
<td>60%</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>G</td>
<td>2</td>
<td>0</td>
<td>959</td>
<td>$956</td>
<td>$1.00</td>
<td>60%</td>
</tr>
</tbody>
</table>

Note: This is on the same site as Sharp's Landing. Same Property Management firm as well.

Strengths: Quiet Community, Family Oriented Amenities
Weakness: High office turnover (same management/site as Sharp’s Landing)
Westover Station

Address
805 Roam Court, Newport News, VA 23605

Phone: 757-380-5804       Contact: Latrice Oglesby

Total Units: 108       Vacancies: 0

Percent Occupied: 100%       Distance: 3.7 miles

Project Type: Tax Credit

Year Open: 1992

Concessions: None

Parking: Surface Level Parking

Waiting List: None

Quality Rating: B-

Neighborhood Rating: B-

Target/Notes: 60% AMI

Housing Choice Voucher: Accepts Vouchers

Features and Utilities

Utilities
Landlord Pays: Water, Sewer, Trash

Unit Amenities
Refrigerator, Range, Dishwasher, Central AC, Washer/Dryer Hook Up, Deck/Balcony

Property Amenities
Swimming Pool, On-Site Management, Laundry Facility, Fitness Center, Picnic Area, Grill, Clubhouse

Unit Mix

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Baths</th>
<th>Type</th>
<th>Units</th>
<th>Vacant Units</th>
<th>SF</th>
<th>Collected Rent</th>
<th>PSF</th>
<th>AMI/HI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>G</td>
<td>48</td>
<td>0</td>
<td>661</td>
<td>$707</td>
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<td>60%</td>
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<tr>
<td>2</td>
<td>1</td>
<td>G</td>
<td>60</td>
<td>0</td>
<td>870</td>
<td>$840</td>
<td>$0.97</td>
<td>60%</td>
</tr>
</tbody>
</table>

Strengths: Wide selection of 1 bedroom units, Close to Bus Line
Weakness: Proximity to Quality Retail Stores
Ada Park Apartments

Address
674 Summer Day Court, Newport News, VA 23601

Phone: 757-926-4811    Contact: Teresa

Total Units: 42    Vacancies: 0

Percent Occupied: 100%    Distance: 0.1 miles

Project Type: Tax Credit

Year Open: January 2018

Concessions: None

Parking: Surface Level Parking

Waiting List: Property Manager Keeps a Running Waitlist

Quality Rating: A-

Neighborhood Rating: B-

Target/Notes: 40/50/60% AMI

Housing Choice Voucher: Accepts; 10 Current Voucher Tenants

Features and Utilities

Utilities
Landlord Pays: Trash

Unit Amenities
Carpeting, Central Air, Refrigerator, Oven, Washer/Dryer Hookup

Property Amenities
On-Site Management, Clubhouse, Laundry Facility

Unit Mix

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Baths</th>
<th>Type</th>
<th>Units</th>
<th>Vacant Units</th>
<th>SF</th>
<th>Collected Rent</th>
<th>PSF</th>
<th>AMHI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>2</td>
<td>G</td>
<td>30</td>
<td>0</td>
<td>866</td>
<td>$690</td>
<td>$0.80</td>
<td>40/50/60%</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>G</td>
<td>12</td>
<td>0</td>
<td>1,068</td>
<td>$800</td>
<td>$0.75</td>
<td>60%</td>
</tr>
</tbody>
</table>

Strengths: Price Point, Size of Living Space
Weakness: Small Property Management Team, Limited Amenities
Tarrytown Apartments

Address
11112 Jefferson Avenue, Newport News, VA 23601

Phone: 757-595-0922       Contact: Della

Total Units: 103       Vacancies: 10

Percent Occupied: 90%       Distance: 0.5 miles

Project Type: Tax Credit

Year Open: 1971

Concessions: $599 per month for 12 months

Parking: Surface Level Parking

Waiting List: None

Quality Rating: C

Neighborhood Rating: B-

Target/Notes: 60% AMI

Housing Choice Voucher: Accepts Vouchers

Features and Utilities

Utilities
Landlord Pays: Trash

Unit Amenities
Carpeting, Central Air, Refrigerator, Oven, Washer/Dryer

Property Amenities
On-Site Management

Unit Mix

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Baths</th>
<th>Type</th>
<th>Units</th>
<th>Vacant Units</th>
<th>SF</th>
<th>Collected Rent</th>
<th>PSF</th>
<th>AMI %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>1</td>
<td>G</td>
<td>103</td>
<td>10</td>
<td>850</td>
<td>$695</td>
<td>$0.82</td>
<td>60%</td>
</tr>
</tbody>
</table>

Strengths: Price Point
Weakness: Weak Amenities, No Renovation Since 1971
Forrest Landing Phase I

Address
518 Purlieu Drive. Newport News, VA 23606

Phone: 757-327-0230  Contact: Kiara

Total Units: 120  Vacancies: 1

Percent Occupied: 99%  Distance: 2.2 miles

Project Type: Tax Credit

Year Open: 2010

Concessions: None

Parking: Surface Level Parking

Waiting List: Property Manager Keeps a Running Waitlist

Quality Rating: B+

Neighborhood Rating: A-

Target/Notes: 60% AMI

Housing Choice Voucher: Accepts Vouchers

Features and Utilities

Utilities
Landlord Pays: Trash

Unit Amenities
Carpeting, Central Air, Refrigerator, Oven, Washer/Dryer

Property Amenities
On-Site Management, Clubhouse, Pool, Playground, Gym, Dog Park

Unit Mix

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Baths</th>
<th>Type</th>
<th>Units</th>
<th>Vacant Units</th>
<th>SF</th>
<th>Collected Rent</th>
<th>PSF</th>
<th>AMI-HI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>G</td>
<td>18</td>
<td>1</td>
<td>800</td>
<td>$740</td>
<td>$0.93</td>
<td>60%</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>G</td>
<td>72</td>
<td>0</td>
<td>1,056</td>
<td>$863</td>
<td>$0.82</td>
<td>60%</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>G</td>
<td>30</td>
<td>0</td>
<td>1,232</td>
<td>$954</td>
<td>$0.77</td>
<td>60%</td>
</tr>
</tbody>
</table>

Strengths: Size of Living Space, Washer and Dryer Included, Quality Retail Stores, Close to Bus Line
Weakness: No Renovation Since 2010
Forrest Landing Phase II

Address
518 Purlieu Drive. Newport News, VA 23606

Phone: 757-327-0230  Contact: Kiara

Total Units: 64  Vacancies: 4

Percent Occupied: 92%  Distance: 2.2 miles

Project Type: Tax Credit

Year Open: June 2018

Concessions: None

Parking: Surface Level Parking

Waiting List: Property Manager Keeps a Running Waitlist

Quality Rating: A-

Neighborhood Rating: A-

Target/Notes: 60% AMI
Housing Choice Voucher: Accepts Vouchers

Utilities
Landlord Pays: Trash

Unit Amenities
Carpeting, Central Air, Refrigerator, Oven, Washer/Dryer

Property Amenities
On-Site Management, Clubhouse, Pool, Playground, Gym, Dog Park

Unit Mix

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>Baths</th>
<th>Type</th>
<th>Units</th>
<th>Vacant Units</th>
<th>SF</th>
<th>Collected Rent</th>
<th>PSF</th>
<th>AMI/FL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>G</td>
<td>24</td>
<td>3</td>
<td>744</td>
<td>$740</td>
<td>$0.99</td>
<td>60%</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>G</td>
<td>12</td>
<td>0</td>
<td>1,012</td>
<td>$863</td>
<td>$0.85</td>
<td>60%</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>G</td>
<td>24</td>
<td>1</td>
<td>1,156</td>
<td>$954</td>
<td>$0.83</td>
<td>60%</td>
</tr>
</tbody>
</table>

Strengths: Size of Living Space, Washer and Dryer Included, Quality Retail Stores, Close to Bus Line
Weakness: Limited Office Staff
Structure

The surveyed communities are comprised of primarily two story walk-up garden style apartment buildings. There were two townhome communities; City Line, and Hampstead Heath.

Size of Communities

The 17 surveyed communities ranged from 32 units to 404 units. The largest property surveyed was a market rate site called Riverland Apartments, and the smallest was a LIHTC property known as Pavillon Apartments in Newport News. The average size of an affordable community is 118 units, while the market rate properties had an average size of 224 units.

Vacancy Rates

Out of the 10 LIHTC/Affordable properties surveyed, the average reported vacancy rate was 2 percent which is below the industry standard of 5 percent. As shown in the table above, the market rate projects experienced a higher vacancy rate, however, Riverland Apartments and Harper’s landing are the driving force behind the relatively high vacancy rate.

Rent Concessions

Of the communities we interviewed, there were only 5 properties that offered concessions. 4 of these properties were market rate projects; Harpers Landing, Riverland, Deer Park and Park Place. Tarrytown Apartments, a tax-credit property ½ mile from the subject is offering close to $100 off per month. Harpers landing is offering a free month (their lease specials change on a weekly basis), Riverland has a $25 off monthly discount to preferred employers according to the property manager, and we found a “move-in” promotion that runs through July 31st for a 2 bedroom apartment for $99 to hold space.

Park Place, a luxury apartment building is offering between $50-$100 off rent, and Deer Park is offering $100 off for the first 4 months of a 12 month lease agreement. According to a current resident, Deep Park use to offer a $100 monthly reduction for 12 months prior to offering this new promotion.

Absorption History

Ada Apartments which is adjacent to the subject property on Dresden Drive was developed in 2017 and began leasing in January of 2018. According to Teresa, the property manager on duty, the community is completely leased with a running waitlist. There are 42 total units at Ada Apartments.

Forrest Landing is a recently completed tax credit project in Newport News that was completed June of 2018. Kiara, the Leasing Representative on call indicated that it took 4 months to achieve 92 percent occupancy. There are 4 units left.

In addition, we interviewed Barbara Brown, Property Manager at City Line Apartment to learn how long it took to lease the property after acquisition & renovation. Barbara indicated they keep an
active waitlist since the property is 100 percent occupied, and if there is turnover, units are leased within days. City Line promotes to households making 30% or below AMI.

Many of the properties listed in the evaluation are older which limits the ability to gauge how long it took to achieve stability when completed. Property Managers and leasing agents typically are unaware of the details if the property is old.

Parking

Parking at the LIHTC/affordable housing sites were generally complementary; Arboretum offered garage parking for $100 per month, Park Place which is a market rate property offers covered parking for $30 per month.

Unit Distribution

Out of the 3,669 units surveyed, 1,344 units (37 percent) were tax credit properties, or properties receiving subsidies. 100 percent of the affordable housing properties offered 2-bedroom apartments. 80 percent offered 1-bedroom units, and 50 percent offered 3-bedroom apartments. None of the surveyed LIHTC communities offered 4-bedroom units.

Utility Costs

The core utilities covered based on our analysis are trash, and water. Many of the properties examined offered dishwashers for tenants as part of their lease package. Most of the communities offer electric heat.
Community Amenities

Most of the communities surveyed offer a fitness center, pool, and club house as part of the basic amenity package. Ada Park Apartments which is adjacent to the subject property, does not offer any amenities except for access to the clubhouse. The larger properties offer BBQ grilling stations, and storage; however, storage is an additional monthly fee.
We believe that the proposed amenity package for Ivy Farms is adequate based on the existing market offering.

<table>
<thead>
<tr>
<th>Number</th>
<th>Apartment</th>
<th>Clubhouse</th>
<th>Fitness Room</th>
<th>Pool</th>
<th>Hot Tub</th>
<th>Playground</th>
<th>Tennis/Basketball Court</th>
<th>Gated Entry</th>
<th>Storage Space</th>
<th>BBQ Grilling Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Subject Property</strong></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Market Rate Communities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Hampstead Health Apartments &amp; Townhomes</td>
<td>X</td>
<td>X</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
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</tr>
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<td>3</td>
<td>Park Place Apartments</td>
<td>X</td>
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<td>X</td>
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<td>4</td>
<td>Regency Square Apartments</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>5</td>
<td>Riverland Apartments</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Harper's Landing*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td><strong>LIHTC/Affordable Communities</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>7</td>
<td>Wellesley Woods</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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</tr>
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<td>8</td>
<td>Sharps Landing</td>
<td>X</td>
<td>X</td>
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<td></td>
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<td></td>
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<tr>
<td>9</td>
<td>Pavillion Apartments</td>
<td>X</td>
<td>X</td>
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</tr>
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<td>10</td>
<td>CityLine Apartments</td>
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<td></td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>11</td>
<td>Westover Station</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Ada Apartments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Arboretum Place*</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>14</td>
<td>Silver Hill*</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>15</td>
<td>Tarrytown Apartments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Forrest Landing Phase I</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>17</td>
<td>Forrest Landing Phase II</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
PLANNED/IN-PROGRESS DEVELOPMENT

HUNTINGTON VILLAGE – LIHTC (outside of PMA, within Secondary Market)

Huntington Village is a planned affordable housing project in Newport News, VA. The development project includes the new construction of the 96-unit rental community on an a 4.9-acre site located at 12752-12778 Nettles Drive in Newport News, Virginia. The project is expected to be completed in December of 2019.

The project will offer (72) two-bedroom and (24) three bedroom garden-style units within four (4), three-story, walk-up residential buildings together with integrated community space. Nettles Drive will be developed using Low-Income Housing Tax Credit (LIHTC) financing and will target lower-income family households earning up to 50% and 60% of Area Median Household Income.

“The proposed collected Tax Credit rents range from $518 to $950, depending on unit size and AMHI level. Ten of the units within the subject development will receive project-based rental assistance through the HUD Section 8 program. The proposed project is expected to be complete by December 2019” according to the market study submitted to the VHDA.

Distance to 12778 Nettles Drive from 617 Adams Drive (4.0 miles)
DEMAND ANALYSIS

The purpose of this analysis is to determine the number of renter households with incomes up to 60% of area median income (AMI) within the market area. The following series of tables shows the data and calculations performed to produce estimates of households that fall below these limits for their household size:

**Rents at 50% AMI**

<table>
<thead>
<tr>
<th>50% AMI</th>
<th>1-Person Household</th>
<th>2-Person Household</th>
<th>3-Person Household</th>
<th>4-Person Household</th>
<th>5-Person Household</th>
<th>6-Person Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Income</td>
<td>$26,250</td>
<td>$30,000</td>
<td>$33,750</td>
<td>$37,500</td>
<td>$40,500</td>
<td>$43,500</td>
</tr>
<tr>
<td>Maximum Rent</td>
<td>$765.63</td>
<td>$875.00</td>
<td>$984.38</td>
<td>$1,093.75</td>
<td>$1,181.25</td>
<td>$1,268.75</td>
</tr>
</tbody>
</table>

**Rents at 60% AMI**

<table>
<thead>
<tr>
<th>60% AMI</th>
<th>1-Person Household</th>
<th>2-Person Household</th>
<th>3-Person Household</th>
<th>4-Person Household</th>
<th>5-Person Household</th>
<th>6-Person Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Income</td>
<td>$31,500</td>
<td>$36,000</td>
<td>$40,500</td>
<td>$45,000</td>
<td>$48,600</td>
<td>$52,200</td>
</tr>
<tr>
<td>Maximum Rent</td>
<td>$918.75</td>
<td>$1,050.00</td>
<td>$1,181.25</td>
<td>$1,312.50</td>
<td>$1,417.50</td>
<td>$1,522.50</td>
</tr>
</tbody>
</table>

Note: According to the HUD User website, income limits for properties placed in service prior to 2009 are the same as for new projects in this area.

The minimum income for tenants to qualify is based on the gross rent being no more than 35% of their incomes:

<table>
<thead>
<tr>
<th>2 BR</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Proposed Monthly Rent</td>
<td>$815</td>
</tr>
<tr>
<td></td>
<td>% of Income for Rent</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td>Minimum Income Required</td>
<td>$27,943</td>
</tr>
</tbody>
</table>

Because only 2-bedroom units are proposed, households with more than four people are excluded from the calculations.
PMA Demand Analysis

A total of 3,860 renters are estimated to live in the PMA; this number is expected to increase slightly to 3,907 by 2023, although the increases are among the income levels above $50,000 with losses among the lower income levels.

<table>
<thead>
<tr>
<th>CURRENT RENTS</th>
<th>Bed</th>
<th>Bath</th>
<th>Income Level</th>
<th>Quantity</th>
<th>SF</th>
<th>Rent</th>
<th>PSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>617 Adams Drive</td>
<td>2</td>
<td>1</td>
<td>Up to 60%</td>
<td>168</td>
<td>975</td>
<td>$690.00</td>
<td>$1.41</td>
</tr>
<tr>
<td>624 Dresden Drive</td>
<td>2</td>
<td>1</td>
<td>N/A</td>
<td>16</td>
<td>800</td>
<td>$640.00</td>
<td>$1.25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROPOSED RENTS</th>
<th>Bed</th>
<th>Bath</th>
<th>Income Level</th>
<th>Quantity</th>
<th>SF</th>
<th>Rent</th>
<th>PSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>617 Adams Drive</td>
<td>2</td>
<td>1</td>
<td>Up to 60%</td>
<td>168</td>
<td>975</td>
<td>$815.00</td>
<td>$1.20</td>
</tr>
<tr>
<td>624 Dresden Drive</td>
<td>2</td>
<td>1</td>
<td>N/A</td>
<td>16</td>
<td>800</td>
<td>$815.00</td>
<td>$0.98</td>
</tr>
</tbody>
</table>

HISTA Data

<table>
<thead>
<tr>
<th>Renter Households - Primary Market Area</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Person Households</td>
<td>0-10,000</td>
</tr>
<tr>
<td>2-Person Households</td>
<td>10,000-20,000</td>
</tr>
<tr>
<td>3-Person Households</td>
<td>20,000-30,000</td>
</tr>
<tr>
<td>4-Person Households</td>
<td>30,000-40,000</td>
</tr>
<tr>
<td>5-Person Households</td>
<td>40,000-50,000</td>
</tr>
<tr>
<td>6+Person Households</td>
<td>50,000-60,000</td>
</tr>
<tr>
<td></td>
<td>60,000-75,000</td>
</tr>
<tr>
<td></td>
<td>75,000-100,000</td>
</tr>
<tr>
<td></td>
<td>100,000-125,000</td>
</tr>
<tr>
<td></td>
<td>125,000-150,000</td>
</tr>
<tr>
<td></td>
<td>150,000-200,000</td>
</tr>
<tr>
<td></td>
<td>200,000+</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>
The table below estimates the number of households that fall below the above incomes for each household size. It is assumed that households are evenly distributed among the $10,000 income bands.

<table>
<thead>
<tr>
<th>Total</th>
<th>1-Person Household</th>
<th>2-Person Households</th>
<th>3-Person Households</th>
<th>4-Person Households</th>
<th>5-Person Households</th>
<th>6+-Person Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-10,000</td>
<td>267</td>
<td>53</td>
<td>13</td>
<td>46</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>$10,000-</td>
<td>233</td>
<td>41</td>
<td>41</td>
<td>30</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>$20,000-</td>
<td>206</td>
<td>217</td>
<td>115</td>
<td>51</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td>$30,000-</td>
<td>194</td>
<td>67</td>
<td>68</td>
<td>31</td>
<td>32</td>
<td>21</td>
</tr>
<tr>
<td>$40,000-</td>
<td>80</td>
<td>200</td>
<td>85</td>
<td>103</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>$50,000-</td>
<td>94</td>
<td>77</td>
<td>130</td>
<td>43</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>$60,000-</td>
<td>77</td>
<td>228</td>
<td>53</td>
<td>12</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>$75,000-100,000</td>
<td>142</td>
<td>99</td>
<td>54</td>
<td>37</td>
<td>35</td>
<td>17</td>
</tr>
<tr>
<td>$100,000-125,000</td>
<td>58</td>
<td>30</td>
<td>56</td>
<td>4</td>
<td>22</td>
<td>13</td>
</tr>
<tr>
<td>$125,000-150,000</td>
<td>72</td>
<td>31</td>
<td>77</td>
<td>1</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>$150,000-200,000</td>
<td>29</td>
<td>28</td>
<td>10</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>$200,000+</td>
<td>16</td>
<td>6</td>
<td>19</td>
<td>6</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>1,470</td>
<td>1,077</td>
<td>722</td>
<td>364</td>
<td>179</td>
<td>95</td>
</tr>
</tbody>
</table>
A total of 355 one- to four-person renter households are estimated to fall within the eligible income ranges for 60% AMI in 2018.

<table>
<thead>
<tr>
<th>Minimum Income Required</th>
<th>1-Person Household</th>
<th>2-Person Household</th>
<th>3-Person Household</th>
<th>4-Person Household</th>
<th>5-Person Household</th>
<th>6+ Person Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Income Allowed</td>
<td>$27,943</td>
<td>$27,943</td>
<td>$27,943</td>
<td>$27,943</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Percent of $0-$10k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $0-$10k</td>
<td>282</td>
<td>59</td>
<td>16</td>
<td>46</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Estimated eligible $0-$10k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $10-$20k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $10-$20k</td>
<td>247</td>
<td>48</td>
<td>54</td>
<td>35</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Estimated eligible $10-$20k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $20-$30k income band</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $20-$30k</td>
<td>215</td>
<td>236</td>
<td>113</td>
<td>55</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Estimated eligible $20-$30k households</td>
<td>44</td>
<td>49</td>
<td>23</td>
<td>11</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $30-$40k income band</td>
<td>15%</td>
<td>60%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $30-$40k</td>
<td>204</td>
<td>78</td>
<td>68</td>
<td>32</td>
<td>41</td>
<td>26</td>
</tr>
<tr>
<td>Estimated eligible $30-$40k households</td>
<td>31</td>
<td>47</td>
<td>68</td>
<td>32</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $40-$50k income band</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>50%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $40-$50k</td>
<td>73</td>
<td>216</td>
<td>88</td>
<td>92</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Estimated eligible $40-$50k households</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>46</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $50-$60k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $50-$60k</td>
<td>79</td>
<td>82</td>
<td>129</td>
<td>39</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Estimated eligible $50-$60k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $60-$75k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $60-$75k</td>
<td>70</td>
<td>220</td>
<td>53</td>
<td>13</td>
<td>22</td>
<td>15</td>
</tr>
<tr>
<td>Estimated eligible $60-$75k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $75-$100k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $75-$100k</td>
<td>132</td>
<td>93</td>
<td>56</td>
<td>39</td>
<td>37</td>
<td>19</td>
</tr>
<tr>
<td>Estimated eligible $75-$100k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Total: 355
The subject property is expected to be ready for occupation in 12 to 18 months from the date of this study. The following shows the projected change in households by 2019, estimated from the average annual change between 2018 and 2023:
A total of 2 fewer income eligible households are projected for the PMA in 2019.

This number is used in the capture rate calculations as prescribed in the VHDA guidelines. For the “existing qualifying tenants expected to remain”, we used 75% of the residents will remain post renovation, and with regards to “existing households-substandard housing” field we used 4%.

<table>
<thead>
<tr>
<th>Up to 60% AMI</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Rental Households</td>
<td>0</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Demand From Existing Households</td>
<td>355</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Existing Households - Substandard Housing</td>
<td>13.4</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Elderly Housing - Likely to Convert to Rental Housing</td>
<td>0</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Existing Qualifying Tenants - to Remain After Renovation</td>
<td>138</td>
</tr>
<tr>
<td>=</td>
<td></td>
</tr>
<tr>
<td><strong>Total Demand</strong></td>
<td>504.4</td>
</tr>
<tr>
<td>MINUS</td>
<td></td>
</tr>
<tr>
<td>Supply (includes directly compare vacant units completed or in the pipeline in PMA)</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Demand</td>
<td>440.4</td>
</tr>
<tr>
<td>Existing Property</td>
<td>168</td>
</tr>
<tr>
<td>Capture Rate</td>
<td>38.0%</td>
</tr>
<tr>
<td><strong>Total Absorption Period</strong></td>
<td>6 Months</td>
</tr>
</tbody>
</table>

The change in future demographics, and a narrow PMA is the reason for the relatively high capture rate. However, due to the age/conditions of apartment buildings, and limited amenities package, we expect Ivy Farms to obtain stability (93%) in 6 months or less. We believe having the in-place tenant base helps accelerates the lease up process.
DEMAND ANALYSIS – SECONDARY MARKET AREA

We have also examined a broader, secondary market area (SMA) as the PMA is conservatively drawn and the development is expected to receive some support from the surrounding areas.

This broader area comprises 16 census tracts, as shown in the following map:

Source: Google Maps

We chose to expand the scope of the study area to examine the opportunities beyond the narrow PMA previously discussed. The map above covers roughly 20 square miles according to Google Maps.

The boundaries of the Ivy Farms SMA are as follows:

**North:** Mennonite Lane & Warwick Blvd (5.5 miles)
**South:** Mercury Blvd (3.6 miles)
**East:** Oyster Point Road (4.2 miles)
**West:** Riverside Drive (3.7 miles)
The following table shows Data for 2018, showing estimated renter households of all ages in this area.

<table>
<thead>
<tr>
<th>HISTA Data</th>
<th>Renter Households - Primary Market Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-Person Household</td>
</tr>
<tr>
<td>$0-10,000</td>
<td>732</td>
</tr>
<tr>
<td>$10,000-20,000</td>
<td>761</td>
</tr>
<tr>
<td>$20,000-30,000</td>
<td>711</td>
</tr>
<tr>
<td>$30,000-40,000</td>
<td>938</td>
</tr>
<tr>
<td>$40,000-50,000</td>
<td>654</td>
</tr>
<tr>
<td>$50,000-60,000</td>
<td>427</td>
</tr>
<tr>
<td>$60,000-75,000</td>
<td>338</td>
</tr>
<tr>
<td>$75,000-100,000</td>
<td>438</td>
</tr>
<tr>
<td>$100,000-125,000</td>
<td>165</td>
</tr>
<tr>
<td>$125,000-150,000</td>
<td>126</td>
</tr>
<tr>
<td>$150,000-200,000</td>
<td>88</td>
</tr>
<tr>
<td>$200,000+</td>
<td>121</td>
</tr>
<tr>
<td>Total</td>
<td>5,499</td>
</tr>
</tbody>
</table>

Source: HISTA
A total of 13,414 renters are estimated to live in the SMA; this number is expected to increase slightly to 13,773 by 2023, although, as with the PMA, the increases are among the income levels above $50,000 with losses among the lower income levels.

The following table estimates the number of households that fall within the eligible income ranges shown earlier for each household size in 2018.
<table>
<thead>
<tr>
<th></th>
<th>1-Person Household</th>
<th>2-Person Household</th>
<th>3-Person Household</th>
<th>4-Person Household</th>
<th>5-Person Household</th>
<th>6+ Person Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Income Required</td>
<td>$27,943</td>
<td>$27,943</td>
<td>$27,943</td>
<td>$27,943</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Maximum Income Allowed</td>
<td>$31,500</td>
<td>$36,000</td>
<td>$40,500</td>
<td>$45,000</td>
<td>$48,600</td>
<td>$52,200</td>
</tr>
<tr>
<td>Percent of $0-$10k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $0-$10k</td>
<td>732</td>
<td>189</td>
<td>67</td>
<td>58</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Estimated eligible $0-$10k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $10-$20k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $10-$20k</td>
<td>761</td>
<td>222</td>
<td>172</td>
<td>84</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Estimated eligible $10-$20k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $20-$30k income band</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $20-$30k</td>
<td>711</td>
<td>519</td>
<td>342</td>
<td>112</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>Estimated eligible $20-$30k households</td>
<td>146</td>
<td>107</td>
<td>70</td>
<td>23</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $30-$40k income band</td>
<td>15%</td>
<td>60%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $30-$40k</td>
<td>938</td>
<td>312</td>
<td>272</td>
<td>163</td>
<td>111</td>
<td>65</td>
</tr>
<tr>
<td>Estimated eligible $30-$40k households</td>
<td>141</td>
<td>187</td>
<td>272</td>
<td>163</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $40-$50k income band</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>50%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $40-$50k</td>
<td>654</td>
<td>674</td>
<td>258</td>
<td>193</td>
<td>51</td>
<td>29</td>
</tr>
<tr>
<td>Estimated eligible $40-$50k households</td>
<td>0</td>
<td>0</td>
<td>13</td>
<td>97</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $50-$60k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $50-$60k</td>
<td>427</td>
<td>232</td>
<td>395</td>
<td>102</td>
<td>87</td>
<td>28</td>
</tr>
<tr>
<td>Estimated eligible $50-$60k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $60-$75k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $60-$75k</td>
<td>338</td>
<td>582</td>
<td>247</td>
<td>140</td>
<td>57</td>
<td>31</td>
</tr>
<tr>
<td>Estimated eligible $60-$75k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $75-$100k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $75-$100k</td>
<td>438</td>
<td>514</td>
<td>166</td>
<td>280</td>
<td>104</td>
<td>52</td>
</tr>
<tr>
<td>Estimated eligible $75-$100k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>287</td>
<td>294</td>
<td>355</td>
<td>283</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1219</td>
</tr>
</tbody>
</table>
A total of 1,219 one- to four-person renter households are estimated to fall within the eligible income ranges for 60% AMI in the SMA in 2018. To fully lease the 168 units at the subject property the capture rate is 12.6%.

The chart below shows the projected change in households by 2019 in the SMA, estimated from the average annual change between 2018 and 2023. A total of 8 fewer income eligible households are projected for the PMA in 2019. This number is used in the capture rate calculations as prescribed in the VHDA guidelines.

<table>
<thead>
<tr>
<th></th>
<th>Up to 60% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Rental Households</td>
<td>-8</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Demand From Existing Households</td>
<td>1219</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Existing Households - Substandard Housing</td>
<td>49</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Elderly Housing - Likely to Convert to Rental Housing</td>
<td>0</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
</tr>
<tr>
<td>Existing Qualifying Tenants - to Remain After Renovation</td>
<td>138</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Demand</strong></td>
<td>1398</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>MINUS</td>
<td></td>
</tr>
<tr>
<td>Supply (includes directly compare vacant units completed or in the pipeline in PMA)</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Demand</td>
<td>1334</td>
</tr>
<tr>
<td>Existing Property</td>
<td>168</td>
</tr>
<tr>
<td>Capture Rate</td>
<td>12.6%</td>
</tr>
<tr>
<td><strong>Total Absorption Period</strong></td>
<td>4 Months</td>
</tr>
</tbody>
</table>
## Calculation of Potential Income-Eligible Households

### Renter Households

**2019 Projected Change, Based on HISTA 2018 Estimates and 2023 Projections**

<table>
<thead>
<tr>
<th>Minimum Income Required</th>
<th>1-Person Household</th>
<th>2-Person Household</th>
<th>3-Person Household</th>
<th>4-Person Household</th>
<th>5-Person Household</th>
<th>6+ Person Household</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$27,943</strong></td>
<td>$27,943</td>
<td>$27,943</td>
<td>$27,943</td>
<td>$27,943</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Maximum Income Allowed</td>
<td>$31,500</td>
<td>$36,000</td>
<td>$40,500</td>
<td>$45,000</td>
<td>$48,600</td>
<td>$52,200</td>
</tr>
<tr>
<td>Percent of $0-$10k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $0-$10k</td>
<td>-1</td>
<td>-4</td>
<td>-1</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Estimated eligible $0-$10k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $10-$20k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $10-$20k</td>
<td>-3</td>
<td>-5</td>
<td>-6</td>
<td>-1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Estimated eligible $10-$20k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $20-$30k income band</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $20-$30k</td>
<td>-1</td>
<td>-10</td>
<td>0</td>
<td>-1</td>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td>Estimated eligible $20-$30k households</td>
<td>0</td>
<td>-1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $30-$40k income band</td>
<td>15%</td>
<td>60%</td>
<td>100%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $30-$40k</td>
<td>-14</td>
<td>-6</td>
<td>0</td>
<td>-2</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Estimated eligible $30-$40k households</td>
<td>0</td>
<td>-1</td>
<td>0</td>
<td>-2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $40-$50k income band</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>50%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $40-$50k</td>
<td>21</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Estimated eligible $40-$50k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $50-$60k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $50-$60k</td>
<td>7</td>
<td>3</td>
<td>0</td>
<td>-1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Estimated eligible $50-$60k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $60-$75k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $60-$75k</td>
<td>7</td>
<td>3</td>
<td>0</td>
<td>-1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Estimated eligible $60-$75k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percent of $75-$100k income band</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Number of renter households $75-$100k</td>
<td>8</td>
<td>6</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Estimated eligible $75-$100k households</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Estimated Households in Income Ranges</strong></td>
<td>-2</td>
<td>-5</td>
<td>0</td>
<td>-1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total:** -8
PENETRATION RATE

The 934 existing non-subsidized general-occupancy Tax Credit units (both surveyed and unsurveyed). The planned LIHTC project at 12752 Nettles Drive was included in this figure. The following table summarizes our market penetration rate for the subject project, based on data contained in the Demographic Characteristics and Trends Section of this report.

<table>
<thead>
<tr>
<th></th>
<th>Market Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Existing + Proposed LIHTC Properties</td>
<td>934</td>
</tr>
<tr>
<td>Income Eligible Household 2019</td>
<td>1211</td>
</tr>
<tr>
<td>Overall Market Penetration</td>
<td>77%</td>
</tr>
</tbody>
</table>

*Based on the Secondary Market Area*
MARKET RATE ADVANTAGE

We identified three market-rate properties within the Newport News Site PMA that we consider comparable to the proposed subject development.

These properties were used to determine market rents for a project with similar features/amenities to the proposed subject development and the subject property’s market advantage. The purpose of this section is to evaluate these market-rate properties to determine rents that can be achieved in the conventional market without maximum income and rent restrictions.

<table>
<thead>
<tr>
<th>Apartment</th>
<th>Year Built</th>
<th>Year Rehab</th>
<th>Structure</th>
<th>Total Units</th>
<th>Vacant Units</th>
<th>Vacancy Rate</th>
<th>Studio</th>
<th>Avg 1 BR</th>
<th>Avg 2 BR</th>
<th>Avg 3 BR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject Property</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deer Park Apartments</td>
<td>1966</td>
<td>Garden</td>
<td>52</td>
<td>2</td>
<td>4%</td>
<td>$710</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Park Place Apartments</td>
<td>2004</td>
<td>Garden</td>
<td>363</td>
<td>18</td>
<td>5%</td>
<td>$1,141</td>
<td>$1,388</td>
<td>$1,754</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regency Square Apartments</td>
<td>1970</td>
<td>Garden</td>
<td>128</td>
<td>6</td>
<td>5%</td>
<td>$699</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There are a total of 543 units with an overall occupancy rate of 95%. The two older apartments (Deer Park and Regency) offer competitive pricing, however, during an interview with Graci Johnson, Property Manager at Regency Square Apartments, she indicated that residents have left her property to sign leases with tax credit properties because of the amenity package.

Park Place is a luxury apartment complex with 363 units. We believe that this is the best “model” property to use for a newer market rate property. In the table below, we based the estimated market rate results on Park Place Apartments.

Description of Rent Adjustments

Year Built/Renovated: If a property was built after 2000, but before 2010, $100. If a property was built after 2010, $200.

Quality/Street Appeal: Above Average $50 / Excellent $100

Location: Above Average $50 / Excellent $100

Bedrooms: +/- $15

Bathrooms: +/- $15

Square Feet: +/- .25 per square feet

Units Features: $5 per feature (except for in-unit W/D $10)

Amenities: $10 per amenity
<table>
<thead>
<tr>
<th>Design, Location, Condition</th>
<th>Data</th>
<th>Adjustment</th>
<th>Data</th>
<th>Adjustment</th>
<th>Data</th>
<th>Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure/Stories</td>
<td>Garden</td>
<td>Garden</td>
<td>Garden</td>
<td>Garden</td>
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</tr>
<tr>
<td>Year Built/Renovated</td>
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<td>1964</td>
<td>1970</td>
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<td>Quality/Street Appeal</td>
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<table>
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<tbody>
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<td>2</td>
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<td>Refrigerator/Range</td>
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<tr>
<td>Microwave/Dishwasher</td>
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<td>Yes</td>
<td>Yes</td>
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<td>Clubhouse</td>
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<td>Pool</td>
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<td>Playground</td>
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<td>No</td>
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<td>Fitness Center</td>
<td>Yes</td>
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<table>
<thead>
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<th>Negative</th>
<th>Positive</th>
<th>Negative</th>
<th>Data</th>
<th>Adjustment</th>
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<td>Number of Adjustments Made</td>
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<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>8</td>
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<tr>
<td>Sum of B-D</td>
<td>15</td>
<td>-11</td>
<td>16.25</td>
<td>-5</td>
<td>-371.25</td>
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**Total Summary**

| Gross Total Adjustment      | 26       | 21.25    | -381.25  |
| Net Total Adjustment        | 4        | 11.25    | -381.25  |

<table>
<thead>
<tr>
<th>Adjusted And Achievable Rents</th>
<th>Adjusted Rent</th>
<th>Adjusted Rent</th>
<th>Adjusted Rent</th>
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</thead>
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<tr>
<td>Adjusted Rent</td>
<td>$ 746.00</td>
<td>$ 665.25</td>
<td>$ 1,056.75</td>
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| % Effective Rent              | 99%          | 102%         | 73%          |
| Estimated Market Rent         | $ 1,056.75   | $ 241.75     | $ 191.75     |
| Rent Advantage                | 26%          | 11%          | 7%           |
| Rent Advantage %              | 23%          | 11%          | 7%           |
RECOMMENDATIONS

We recommend that the client proceed with the project as proposed. We strongly suggest accepting vouchers, and consider creating one bedroom units based on our conversations with existing renters in the marketplace.

There are approximately 158 people on the waitlist for Vouchers; annual turnover is 180 households which supports the need for affordable housing and Voucher assistance.

CONCLUSION

The Primary Market Area is comprised of dated natural affordable housing units where tenants have access to limited property amenities. Ada Park Apartments currently has a waitlist of potential renters after opening a 42-unit development project in January. The second phase to the Forrest Landing site was completed in June of this year; leasing representatives have already began creating a waitlist after reaching 92 percent occupancy in 4 months.

We expect Ivy Farm to stabilize in 4-6 months with the assumption that 75 percent of the in-place tenants will return, and a natural demand for affordable housing based on the research outlined in this study.
PROJECT IMPACT

We believe that the Ivy Farms renovation will accommodate the need for upgraded housing options in this market. The PMA is made up of old properties, and aside from Ada Park Apartments, there hasn’t been much activity around Ivy Farms.

The new construction project on Nettles Drive is slated to open in December of 2019, and when completed there will be 96-unit of low income housing (50-60% AMI). This project is a direct competitor; however because of its location (3.9 miles north of the subject property), we believe Nettles Drive will face more competition from the existing properties in that area.
INTERVIEWS WITH AREA HOUSING STAKEHOLDERS

AreaProbe interviewed property managers, public officials, local residents, and business owners to provide a narrative for this market study.

*Property Managers/Leasing Reps Surveyed*

<table>
<thead>
<tr>
<th>Apartment</th>
<th>Representative</th>
<th>Title</th>
<th>Interview Date</th>
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<tbody>
<tr>
<td>Ada Apartments</td>
<td>Teresa</td>
<td>Property Manager</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Arboretum</td>
<td>Marshay Carter</td>
<td>Community Manager</td>
<td>6/12/18</td>
</tr>
<tr>
<td>City Line</td>
<td>Barbara Brown</td>
<td>Property Manager</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Deer Park Apartments</td>
<td>Ellen Stevenson</td>
<td>Property Manager</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Forrest Landing Phase I</td>
<td>Kiara</td>
<td>Leasing Representative</td>
<td>6/24/18</td>
</tr>
<tr>
<td>Forrest Landing Phase II</td>
<td>Kiara</td>
<td>Leasing Representative</td>
<td>6/24/18</td>
</tr>
<tr>
<td>Harper's Landing</td>
<td>Renita</td>
<td>Leasing Representative</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Hempstead Heath Apartments</td>
<td>Christy</td>
<td>Property Manager</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Ivy Farms</td>
<td>Shanita Eure</td>
<td>Property Manager</td>
<td>6/23/18</td>
</tr>
<tr>
<td>Park Place Apartments</td>
<td>Leanna Winston-Phillips</td>
<td>Leasing Representative</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Pavillion Apartments</td>
<td>Erin Hymans</td>
<td>Leasing Representative</td>
<td>6/12/18</td>
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<tr>
<td>Regency Square Apartments</td>
<td>Graci Johnson</td>
<td>Property Manager</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Riverland Apartments</td>
<td>Latrice Oglesby</td>
<td>Property Manager</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Sharps Landing</td>
<td>Erin Hymans</td>
<td>Leasing Representative</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Silver Hill</td>
<td>Marshay Carter</td>
<td>Community Manager</td>
<td>6/12/18</td>
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<tr>
<td>Tarrytown Apartments</td>
<td>Delia</td>
<td>Leasing Representative</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Wellesley Woods</td>
<td>Shellie Cypress-Gardener</td>
<td>Property Manager</td>
<td>6/12/18</td>
</tr>
<tr>
<td>Westover Station</td>
<td>Latrice Oglesby</td>
<td>Property Manager</td>
<td>6/12/18</td>
</tr>
</tbody>
</table>
APPENDIX
Certificate of Membership

AreaProbe
Is a Member Firm in Good Standing of

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

Membership Term
1/1/2018 to 12/31/2018

Thomas Amdur Executive Director,
NH&RA
1. I have made a physical inspection of the site and market area.

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

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

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

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

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

Curvis Leatham 7/26/2018
Market Analyst Date
STATEMENT OF QUALIFICATIONS

The Company
Area Probe LLC is a Washington, DC-based housing research firm. We use technology to support our on the ground research efforts to ensure we provide a comprehensive perspective of a market before completing a study.

Company Leadership

Curvin Leatham is the Managing Member of Area Probe, LLC. Curvin gained experience in real estate as a consultant for a boutique private equity company in Silver Spring, MD. He received his Master’s Degree in Real Estate Finance & Development from Georgetown, and Bachelor of Science degree from Hampton University in Hampton, Virginia. In addition, Curvin has performed research for projects valued at over $350MM.

Curvin has published seven articles focused on residential housing in the United States. He is Co-Chair of the DCBIA office, retail, commercial committee, member of ULI, HAND, NH&RA, NCHMA, and AAREP.

AreaProbe clients include, Investment Banks, Private Equity Firms, Lenders, Real Estate Developers, and Development Consultants.
DATA SOURCES

2000 U.S Census
2010 U.S. Census
2012 – 2016 ACS
U.S. Bureau of Labor Statistics
Nielsen Claritas
Ribbon Demographics (A nationally recognized demographics forecaster)
Office of the City Clerk

The information used in the market study was obtained from a variety of sources including: the U.S. Census Bureau, Ribbon Demographics, U.S. Bureau of Labor Statistics, Nielsen Claritas, interviews with local property managers, and business owners.
DEMOGRAPHIC TRENDS—PRIMARY MARKET AREA

Demographic data from Claritas and assembled by Ribbon Demographics is used to assess population and other trends in the primary market area, as described below.

The total population in the PMA is approximately 24,000 and has remained close to that figure since the 2000 Census, with small fluctuations through 2018; slight growth is projected for 2023 with an additional 215 or 0.9% persons.

<table>
<thead>
<tr>
<th>Total Population</th>
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</thead>
<tbody>
<tr>
<td>Census 2000</td>
<td>24,057</td>
</tr>
<tr>
<td>Census 2010</td>
<td>24,149</td>
</tr>
<tr>
<td>Current Year Estimates 2018</td>
<td>24,112</td>
</tr>
<tr>
<td>Five-Year Projections 2023</td>
<td>24,328</td>
</tr>
<tr>
<td>Change 2000 - 2010</td>
<td>92</td>
</tr>
<tr>
<td>Estimated Change 2010 - 2018</td>
<td>-37</td>
</tr>
<tr>
<td>Projected Change 2018 - 2023</td>
<td>215</td>
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</table>

Source: Ribbon Demographics; Claritas
### Total Households

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>2018</th>
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<tbody>
<tr>
<td>Census 2000</td>
<td>9,435</td>
<td>9,677</td>
<td>9,833</td>
<td>9,988</td>
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<tr>
<td>Change 2000 - 2010</td>
<td>242</td>
<td>2.6%</td>
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<tr>
<td>Estimated Change</td>
<td>156</td>
<td>1.6%</td>
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<tr>
<td>Projected Change</td>
<td>155</td>
<td>1.6%</td>
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<tr>
<td>Average Household Size</td>
<td>2.51</td>
<td>2.45</td>
<td>2.40</td>
<td>2.38</td>
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### Total Housing Units

<table>
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<th>2023</th>
</tr>
</thead>
<tbody>
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<td>Census 2000</td>
<td>9,959</td>
<td>10,370</td>
<td>10,662</td>
<td>10,846</td>
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<tr>
<td>Change 2000 - 2010</td>
<td>410</td>
<td>4.1%</td>
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<tr>
<td>Estimated Change</td>
<td>292</td>
<td>2.8%</td>
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<tr>
<td>Projected Change</td>
<td>184</td>
<td>1.7%</td>
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<tr>
<td>Total Vacant</td>
<td>525</td>
<td>676</td>
<td>811</td>
<td>839</td>
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</table>
While there are no age restrictions proposed for the subject property, the age trends of the population in the primary market area are important to understand, as older households may have housing preferences that direct them to age-appropriate housing.

- The median age is 37.4 years, slightly younger than the national figure of 38.4. Like the rest of the country, the population in the PMA is aging with a median of 38.9 projected for 2023.
- The largest age cohort in 2018 is 25 to 34 years with just over 3,900 members; these persons will remain the largest group in 2023 as they age into the 35 to 44 cohort. The 25 to 34 cohort is projected to shrink.
- The 35 to 64 age groups are currently the next largest groups, all containing above 3,000 people.
- While senior households in the cohorts over age 65 years are smaller in number, they are projected to increase rapidly by 2023 during a time when many of the younger cohorts are losing population.
- The 18 to 24 age groups are losing population with nearly 600 losses (-22%) between 2010 and 2018 and nearly 240 (-10%) more by 2023.
### Population by Age

#### Newport News, VA PMA

<table>
<thead>
<tr>
<th>Age</th>
<th>Census 2010 Total</th>
<th>Current Year Estimates 2018 Total</th>
<th>Five-Year Projections 2023 Total</th>
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</thead>
<tbody>
<tr>
<td>0 to 4 Years</td>
<td>1,619</td>
<td>0 to 4 Years 1,536</td>
<td>0 to 4 Years 1,511</td>
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<tr>
<td>5 to 9 Years</td>
<td>1,491</td>
<td>5 to 9 Years 1,505</td>
<td>5 to 9 Years 1,545</td>
</tr>
<tr>
<td>10 to 14 Years</td>
<td>1,443</td>
<td>10 to 14 Years 1,437</td>
<td>10 to 14 Years 1,510</td>
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<tr>
<td>15 to 17 Years</td>
<td>892</td>
<td>15 to 17 Years 840</td>
<td>15 to 17 Years 884</td>
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<tr>
<td>18 to 20 Years</td>
<td>949</td>
<td>18 to 20 Years 818</td>
<td>18 to 20 Years 794</td>
</tr>
<tr>
<td>21 to 24 Years</td>
<td>1,720</td>
<td>21 to 24 Years 1,256</td>
<td>21 to 24 Years 1,041</td>
</tr>
<tr>
<td>25 to 34 Years</td>
<td>3,713</td>
<td>25 to 34 Years 3,901</td>
<td>25 to 34 Years 3,509</td>
</tr>
<tr>
<td>35 to 44 Years</td>
<td>2,953</td>
<td>35 to 44 Years 3,112</td>
<td>35 to 44 Years 3,543</td>
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<tr>
<td>45 to 54 Years</td>
<td>3,951</td>
<td>45 to 54 Years 3,005</td>
<td>45 to 54 Years 2,718</td>
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<tr>
<td>55 to 64 Years</td>
<td>2,521</td>
<td>55 to 64 Years 3,239</td>
<td>55 to 64 Years 3,235</td>
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<tr>
<td>65 to 74 Years</td>
<td>1,500</td>
<td>65 to 74 Years 1,925</td>
<td>65 to 74 Years 2,359</td>
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<tr>
<td>75 to 84 Years</td>
<td>967</td>
<td>75 to 84 Years 1,039</td>
<td>75 to 84 Years 1,163</td>
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<tr>
<td>85 Years and Up</td>
<td>431</td>
<td>85 Years and Up 498</td>
<td>85 Years and Up 515</td>
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<tr>
<td><strong>Total</strong></td>
<td>24,149</td>
<td><strong>Total</strong> 24,112</td>
<td><strong>Total</strong> 24,328</td>
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</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Census 2010 Total</th>
<th>Current Year Estimates 2018 Total</th>
<th>Five-Year Projections 2023 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>62+ Years</td>
<td>3,503</td>
<td>62+ Years 4,310</td>
<td>62+ Years 4,985</td>
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</table>

**Median Age:**
- Census 2010: 35.8
- Current Year Estimates 2018: 37.4
- Five-Year Projections 2023: 38.9

![2018 Population by Age](image)
DEMOGRAPHIC REPORTS – SECONDARY MARKET

Demographic data from Claritas and assembled by Ribbon Demographics is used to assess population and other trends in the secondary market area.

### Total Population

<table>
<thead>
<tr>
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<th>2023</th>
</tr>
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<td>Census</td>
<td>67,010</td>
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<td>Current Year Estimates</td>
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<td>Five-Year Projections</td>
<td>72,185</td>
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</tr>
<tr>
<td>Change 2000 - 2010</td>
<td>3,237</td>
<td>4.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Change 2010 - 2018</td>
<td>761</td>
<td>1.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projected Change 2018 - 2023</td>
<td>1,177</td>
<td>1.7%</td>
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</table>

### Total Households

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
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<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Census</td>
<td>27,830</td>
<td>28,525</td>
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<td></td>
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<tr>
<td>Current Year Estimates</td>
<td>29,078</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Five-Year Projections</td>
<td>29,649</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change 2000 - 2010</td>
<td>695</td>
<td>2.5%</td>
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</tr>
<tr>
<td>Estimated Change 2010 - 2018</td>
<td>553</td>
<td>1.9%</td>
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</tr>
<tr>
<td>Projected Change 2018 - 2023</td>
<td>571</td>
<td>2.0%</td>
<td></td>
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</tr>
</tbody>
</table>

Average Household Size 2000: 2.36
Average Household Size 2010: 2.34
Average Household Size 2018: 2.31
Average Household Size 2023: 2.29

Source: Ribbon Demographics; Claritas
Household Trends
Newport News, VA SMA

Source: Ribbon Demographics; Claritas

<table>
<thead>
<tr>
<th></th>
<th>Total Housing Units</th>
</tr>
</thead>
<tbody>
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<td>Census 2000</td>
<td>28,966</td>
</tr>
<tr>
<td>Census 2010</td>
<td>30,452</td>
</tr>
<tr>
<td>Current Year Estimates 2018</td>
<td>31,471</td>
</tr>
<tr>
<td>Five-Year Projections 2023</td>
<td>32,153</td>
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<td>Change 2000 - 2010</td>
<td>1,486</td>
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<tr>
<td>Estimated Change 2010 - 2018</td>
<td>1,019</td>
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<td>Projected Change 2018 - 2023</td>
<td>682</td>
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<tr>
<td>Total Vacant Housing Units 2000</td>
<td>1,136</td>
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<tr>
<td>Total Vacant Housing Units 2010</td>
<td>1,927</td>
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<td>Total Vacant Housing Units 2018</td>
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<td>Total Vacant Housing Units 2023</td>
<td>2,504</td>
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**Households by Tenure**

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<tbody>
<tr>
<td>0 to 4 Years</td>
<td>15,582</td>
<td>12,248</td>
<td>15,551</td>
<td>12,974</td>
<td>15,664</td>
<td>13,414</td>
<td>15,876</td>
<td>13,773</td>
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<tr>
<td>5 to 9 Years</td>
<td>3,877</td>
<td>4,101</td>
<td>3,858</td>
<td>4,297</td>
<td>4,579</td>
<td>4,872</td>
<td>4,227</td>
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<tr>
<td>10 to 14 Years</td>
<td>3,934</td>
<td>2,450</td>
<td>3,588</td>
<td>2,397</td>
<td>4,747</td>
<td>6,216</td>
<td>2,462</td>
<td>4,595</td>
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<tr>
<td>15 to 17 Years</td>
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<td>4,747</td>
<td>3,858</td>
<td>4,297</td>
<td>4,747</td>
<td>6,216</td>
<td>4,595</td>
<td>4,081</td>
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<tr>
<td>18 to 24 Years</td>
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<td>4,297</td>
<td>4,297</td>
<td>6,216</td>
<td>6,216</td>
<td>4,595</td>
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<td>25 to 34 Years</td>
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<td>35 to 44 Years</td>
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<td>45 to 64 Years</td>
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<td>65 to 74 Years</td>
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<td>75 to 84 Years</td>
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<tr>
<td>85 Years and Up</td>
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<tr>
<td>Total</td>
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<td>62+ Years</td>
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<td>12,491</td>
<td>14,209</td>
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**Median Age**

- Census 2010: 34.2
- Current Year Estimates 2018: 34.9
- Five-Year Projections 2023: 36.4