Market Feasibility Analysis

**Renaissance Apartments I**

Virginia Beach, Virginia

Prepared for:

Renaissance Apts. I, L.P.

Project #18-5738

Effective Date: February 16, 2018

Site Inspection: February 16, 2018
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABLE OF CONTENTS</td>
<td>II</td>
</tr>
<tr>
<td>TABLES, FIGURES AND MAPS</td>
<td>V</td>
</tr>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>VII</td>
</tr>
<tr>
<td>I. INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>A. Overview of Subject</td>
<td>1</td>
</tr>
<tr>
<td>B. Purpose</td>
<td>1</td>
</tr>
<tr>
<td>C. Format of Report</td>
<td>1</td>
</tr>
<tr>
<td>D. Client, Intended User, and Intended Use</td>
<td>1</td>
</tr>
<tr>
<td>E. Applicable Requirements</td>
<td>2</td>
</tr>
<tr>
<td>F. Scope of Work</td>
<td>2</td>
</tr>
<tr>
<td>G. Report Limitations</td>
<td>3</td>
</tr>
<tr>
<td>H. Other Pertinent Remarks</td>
<td>3</td>
</tr>
<tr>
<td>II. PROJECT DESCRIPTION</td>
<td>4</td>
</tr>
<tr>
<td>A. Project Overview</td>
<td>4</td>
</tr>
<tr>
<td>B. Project Type and Target Market</td>
<td>4</td>
</tr>
<tr>
<td>C. Building Types and Placement</td>
<td>5</td>
</tr>
<tr>
<td>D. Detailed Project Description</td>
<td>5</td>
</tr>
<tr>
<td>1. Project Description</td>
<td>5</td>
</tr>
<tr>
<td>2. Other Proposed Uses</td>
<td>7</td>
</tr>
<tr>
<td>3. Zoning and Government Review</td>
<td>7</td>
</tr>
<tr>
<td>4. Proposed Timing of Development</td>
<td>8</td>
</tr>
<tr>
<td>III. SITE AND NEIGHBORHOOD ANALYSIS</td>
<td>9</td>
</tr>
<tr>
<td>A. Site Analysis</td>
<td>9</td>
</tr>
<tr>
<td>1. Site Location</td>
<td>9</td>
</tr>
<tr>
<td>2. Size, Shape and Topography</td>
<td>9</td>
</tr>
<tr>
<td>3. Existing Uses</td>
<td>9</td>
</tr>
<tr>
<td>4. General Description of Land Uses Surrounding the Subject Site</td>
<td>11</td>
</tr>
<tr>
<td>5. Specific Identification of Land Uses Surrounding the Subject Site</td>
<td>12</td>
</tr>
<tr>
<td>B. Neighborhood Analysis</td>
<td>13</td>
</tr>
<tr>
<td>C. Site Visibility and Accessibility</td>
<td>14</td>
</tr>
<tr>
<td>1. Visibility</td>
<td>14</td>
</tr>
<tr>
<td>2. Vehicular Access</td>
<td>14</td>
</tr>
<tr>
<td>3. Availability of Public Transit</td>
<td>15</td>
</tr>
<tr>
<td>4. Availability of Inter Regional Transit</td>
<td>15</td>
</tr>
<tr>
<td>5. Pedestrian Access</td>
<td>16</td>
</tr>
<tr>
<td>6. Accessibility Improvements Under Construction and Planned</td>
<td>16</td>
</tr>
<tr>
<td>D. Public Safety</td>
<td>16</td>
</tr>
<tr>
<td>E. Residential Support Network</td>
<td>18</td>
</tr>
<tr>
<td>1. Key Facilities and Services near the Subject Site</td>
<td>18</td>
</tr>
<tr>
<td>2. Essential Services</td>
<td>19</td>
</tr>
<tr>
<td>3. Commercial Goods and Services</td>
<td>23</td>
</tr>
<tr>
<td>4. Recreational and Other Community Amenities</td>
<td>24</td>
</tr>
<tr>
<td>IV. ECONOMIC CONTEXT</td>
<td>25</td>
</tr>
<tr>
<td>A. Introduction</td>
<td>25</td>
</tr>
<tr>
<td>B. Resident Unemployment</td>
<td>25</td>
</tr>
</tbody>
</table>
C. Commuting Patterns ............................................................................................................. 26
D. At-Place Employment ........................................................................................................... 26
1. Trends in Total At-Place Employment .............................................................................. 26
2. At-Place Employment by Industry Sector ......................................................................... 27
3. Major Private Employers .................................................................................................... 29
E. Wage Trends ......................................................................................................................... 29

V. HOUSING MARKET AREA .................................................................................................. 31
A. Introduction .......................................................................................................................... 31
B. Delineation of Market Area ................................................................................................. 31

VI. DEMOGRAPHIC ANALYSIS ............................................................................................... 33
A. Introduction and Methodology ............................................................................................ 33
B. Trends in Population and Households .................................................................................. 33
1. Recent Past Trends ............................................................................................................. 33
2. Projected Trends .................................................................................................................. 34
3. Building Permit Trends ...................................................................................................... 34
C. Demographic Characteristics ............................................................................................... 35
1. Age Distribution and Household Type ............................................................................... 35
2. Renter Household Characteristics .................................................................................... 36
D. Income Characteristics ......................................................................................................... 38
E. Cost-Burdened Renter Households .................................................................................... 39

VII. COMPETITIVE HOUSING ANALYSIS .......................................................................... 41
A. Introduction and Sources of Information ............................................................................. 41
B. Overview of Market Area Housing Stock ............................................................................ 41
C. Survey of General Occupancy Rental Communities ............................................................ 42
1. Introduction ........................................................................................................................ 42
2. Location ............................................................................................................................... 43
3. Age of Communities .......................................................................................................... 43
4. Structure Type .................................................................................................................... 45
5. Size of Communities ......................................................................................................... 45
6. Vacancy Rates .................................................................................................................... 46
7. Rent Concessions ................................................................................................................ 46
8. Absorption History ............................................................................................................. 46
D. Analysis of Rental Products and Pricing .............................................................................. 46
1. Payment of Utility Costs .................................................................................................... 46
2. Parking ............................................................................................................................... 47
3. Kitchen Features & Finishes .............................................................................................. 47
4. Other Unit Features & Finishes ........................................................................................ 48
5. Community Amenities ...................................................................................................... 48
6. Unit Distribution ................................................................................................................ 49
7. Unit Size ............................................................................................................................ 51
8. Unit Pricing ....................................................................................................................... 51
E. Subsidized Rental Communities & Housing Choice Voucher Statistics ................................ 51
F. Derivation of Market Rent .................................................................................................. 52
G. Achievable Restricted Rents ............................................................................................... 57
H. Proposed and Pipeline Rental Communities ....................................................................... 58

VIII. FINDINGS AND CONCLUSIONS .................................................................................. 61
A. Key Findings ....................................................................................................................... 61
1. Site and Neighborhood Analysis ....................................................................................... 61
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Economic Context</td>
<td>61</td>
</tr>
<tr>
<td>3. Demographic Analysis</td>
<td>62</td>
</tr>
<tr>
<td>4. Competitive Housing Analysis</td>
<td>62</td>
</tr>
<tr>
<td>B. Derivation of Demand</td>
<td>63</td>
</tr>
<tr>
<td>1. Net Demand Methodology</td>
<td>63</td>
</tr>
<tr>
<td>2. Net Demand Calculation</td>
<td>64</td>
</tr>
<tr>
<td>3. Conclusions on Net Demand</td>
<td>66</td>
</tr>
<tr>
<td>C. Effective Demand – Affordability/Capture &amp; Penetration Analyses</td>
<td>67</td>
</tr>
<tr>
<td>1. Methodology</td>
<td>67</td>
</tr>
<tr>
<td>2. Affordability Analysis</td>
<td>68</td>
</tr>
<tr>
<td>3. Penetration Analysis</td>
<td>70</td>
</tr>
<tr>
<td>4. Conclusions on Affordability and Penetration</td>
<td>71</td>
</tr>
<tr>
<td>D. VHDA Demand Methodology</td>
<td>71</td>
</tr>
<tr>
<td>1. VHDA Demand Analysis</td>
<td>71</td>
</tr>
<tr>
<td>2. Conclusions on VHDA Demand</td>
<td>74</td>
</tr>
<tr>
<td>E. Target Markets</td>
<td>74</td>
</tr>
<tr>
<td>F. Product Evaluation</td>
<td>74</td>
</tr>
<tr>
<td>G. Price Position</td>
<td>76</td>
</tr>
<tr>
<td>H. Absorption Estimate</td>
<td>78</td>
</tr>
<tr>
<td>I. Impact on Existing Market</td>
<td>79</td>
</tr>
<tr>
<td>IX. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS</td>
<td>80</td>
</tr>
<tr>
<td>X. APPENDIX 2 RENTAL COMMUNITY PROFILES</td>
<td>82</td>
</tr>
<tr>
<td>XI. APPENDIX 3 NCHMA CERTIFICATION</td>
<td>83</td>
</tr>
<tr>
<td>XII. APPENDIX 4 NCHMA CHECKLIST</td>
<td>84</td>
</tr>
<tr>
<td>XIII. APPENDIX 5 ANALYST RESUMES</td>
<td>87</td>
</tr>
<tr>
<td>XIV. APPENDIX 6 VHDA CERTIFICATION</td>
<td>90</td>
</tr>
</tbody>
</table>
Figure 9 Employment Change by Sector, 2011 – 2nd Quarter 2017 ................................................................. 28
Figure 10 Annualized Wage Data by Sector .................................................................................................. 30
Figure 11 Price Position of Renaissance Apartments.................................................................................. 76

Map 1 Site Location ........................................................................................................................................... 9
Map 2 Total Crime Index by Block Group ...................................................................................................... 17
Map 3 Neighborhood Amenities ..................................................................................................................... 19
Map 4 Renaissance Market Area .................................................................................................................... 32
Map 5 Competitive Rental Communities, Renaissance Market Area ............................................................. 44
Map 6 Pipeline Communities in Renaissance Market Area ....................................................................... 60
EXECUTIVE SUMMARY

Real Property Research Group, Inc. (RPRG) has been retained by Renaissance Apts. I, L.P. to conduct a market feasibility study for a proposed new construction multifamily rental community to be located at 273 North Witchduck Road in the City of Virginia Beach, Virginia. The rental community will include a total of 192 apartments, all of which will target households with incomes at or below 40 percent, 50 percent, and 60 percent of the Area Median Income (AMI), although 10 units (5.2 percent) will have project-based rental subsidies. A portion of the community, 96 units (50 percent), will be financed with equity raised from the sale of nine percent Low Income Housing Tax Credits, while the remaining 96 units (50 percent) will be financed with four percent Low Income Housing Tax Credits and tax-exempt bond financing.

The subject of this report, Renaissance Apartments I, is that portion of the proposed rental community that includes the first 96-unit phase and the common area amenities financed with equity raised from the sale of nine percent Low Income Housing Tax Credits.

This analysis has been conducted and formatted in accordance with the 2018 Market Study Guidelines of the Virginia Housing Development Authority (VHDA) and the guidelines of the National Council of Housing Market Analysts (NCHMA). The intended use of this report is to accompany applications to VHDA for nine percent (competitive) Low-Income Housing Tax Credits.

The following summarizes the subject’s project’s proposed unit distribution, average unit sizes, net rents, utility allowances, and income targeting:

<table>
<thead>
<tr>
<th>Unit</th>
<th>Units</th>
<th>Income Level</th>
<th>Rent Subsidy</th>
<th>Net Unit Size (2)</th>
<th>Contract Rent (1)</th>
<th>Utility Allowance</th>
<th>Gross Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR/1BA</td>
<td>1</td>
<td>40% Sect 8</td>
<td>$465</td>
<td>$81</td>
<td>$546</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1BR/1BA</td>
<td>1</td>
<td>40%</td>
<td>$465</td>
<td>$81</td>
<td>$546</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1BR/1BA</td>
<td>6</td>
<td>50%</td>
<td>$600</td>
<td>$81</td>
<td>$681</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1BR/1BA</td>
<td>8</td>
<td>60%</td>
<td>$740</td>
<td>$81</td>
<td>$821</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>6</td>
<td>40% Sect 8</td>
<td>$545</td>
<td>$109</td>
<td>$654</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>1</td>
<td>50% Sect 8</td>
<td>$710</td>
<td>$109</td>
<td>$819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>21</td>
<td>50%</td>
<td>$710</td>
<td>$109</td>
<td>$819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>28</td>
<td>60%</td>
<td>$875</td>
<td>$109</td>
<td>$984</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>2</td>
<td>40% Sect 8</td>
<td>$610</td>
<td>$146</td>
<td>$756</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>10</td>
<td>50%</td>
<td>$800</td>
<td>$146</td>
<td>$946</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>12</td>
<td>60%</td>
<td>$990</td>
<td>$146</td>
<td>$1,136</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal/Avg</td>
<td>96</td>
<td></td>
<td></td>
<td></td>
<td>$781</td>
<td>$114</td>
<td>$894</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit</th>
<th>Units</th>
<th>Income Level</th>
<th>Rent Subsidy</th>
<th>Net Unit Size (2)</th>
<th>Contract Rent (1)</th>
<th>Utility Allowance</th>
<th>Gross Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR/1BA</td>
<td>16</td>
<td>60%</td>
<td>$740</td>
<td>$81</td>
<td>$821</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>56</td>
<td>60%</td>
<td>$875</td>
<td>$109</td>
<td>$984</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>24</td>
<td>60%</td>
<td>$990</td>
<td>$146</td>
<td>$1,136</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal/Avg</td>
<td>96</td>
<td></td>
<td></td>
<td></td>
<td>$881</td>
<td>$115</td>
<td>$996</td>
</tr>
</tbody>
</table>

Grand Total 192

(1) Contract rents include trash collection.
Source: Renaissance Apts. I, L.P.

Based on our research, including a site visit on February 16, 2018, we arrived at the following findings:
Site: Located in a neighborhood with a vibrant mix of commercial and institutional uses, the subject site affords good access to regional transportation and employment opportunities and is within roughly two miles of the highly desirable Virginia Beach Town Center. The plan to reposition the subject parcel of land to a high quality, affordable rental property will benefit the local community. The site is located within one of the City of Virginia Beach’s Strategic Growth Areas, adjacent to the new Renaissance Academy, in a setting that is targeted for other redevelopment efforts. The site is located within walking distance of public bus transportation along Virginia Beach Boulevard. For those residents with private vehicles, the site affords easy access to the region’s major commuting routes, most particularly Virginia Beach Boulevard and I-264. The subject’s central Virginia Beach neighborhood provides numerous opportunities for convenience and comparison retail shopping. The desirability of this location will be enhanced with the opening of a new Wegman’s grocery store adjacent to the local Walmart within roughly 1.5 miles from the subject site. The City of Virginia Beach (as well as nearby Norfolk) offers residents all of the necessary community amenities within a short drive.

Economic Analysis: The City of Virginia Beach is demonstrating low unemployment and an expanding job base after rebounding from a period of economic contraction during the recent recession. The unemployment rate increased rapidly from 2008 to 2010, though city unemployment rates remained below state and national levels. Virginia Beach unemployment rates peaked at 6.5 percent in 2010, but remained 60 basis points lower than the statewide rate and 3.1 percentage points lower than the national rate. Since then, the rate has consistently fallen while remaining below the state and national levels. As of the second quarter of 2017, the Virginia Beach unemployment rate averaged just 3.7 percent, ten basis points below the state rate of 3.8 percent and 90 basis points below the national rate of 4.6 percent. Strong job growth from 2012 to 2016 helped return the city employment level to near pre-recession highs, averaging over 5,100 new jobs per year during this period. At-place employment reached 176,469 in 2016 and continued its growth trend through the second quarter of 2017 to 177,187 jobs. As of 2nd quarter 2017, the City of Virginia Beach’s economy is well diversified across several sectors. The largest sector, Trade-Transportation-Utilities, accounts for 16.6 percent of all jobs while Government accounts for 16.1 percent. Three other sectors account for nearly the same proportion of jobs: Leisure-Hospitality (15.7 percent); Professional-Business (15.4 percent); and, Education-Health (14.8 percent). Since 2011, the City of Virginia Beach’s economy has experienced strong expansion in several significant sectors, most notably the Education-Health sector which has expanded at an average rate of 17.3 percent.

Demographic Analysis: The Renaissance Market Area’s household base increased at a steady pace between 2000 and 2018, with continued household growth projected for the next five years. The Renaissance Market Area added a net of nearly 1,200 households, representing growth of 4.3 percent, between the 2000 and 2010 Censuses and an estimated 1,630 households since that time. As of 2018, an estimated 31,093 households reside in the Renaissance Market Area. Based on Esri trends, RPRG projects that the market area will add households at an average net rate of 0.7 percent (236 households) per year between 2018 and 2023. Nearly one-half (45.8 percent) of households in the Renaissance Market Area are renters as of 2018. Close to one-half (46.8 percent) of the primary market area’s renters are younger adults under the age of 35. Households between the ages of 35 and 54 represent one-third (33.5 percent) of all renters. Many of these are households who are most likely to be permanent renters – renting more out of necessity than choice. The estimated 2018 median household income in the Renaissance Market Area is $59,854. The primary market area’s median renter household earns $51,495 per year. Roughly three out of ten (28.9 percent) of the primary market area’s renters have annual incomes below $35,000. One-third (33.2 percent) pay more than 40 percent towards housing. This excludes those households who
reside in subsidized rent situations because their housing expenses are capped at 30 percent of their income.

- **Competitive Housing Analysis:** Based on low vacancies reported in RPRG’s survey of the income restricted general occupancy rental communities, the affordable rental market in the Renaissance Market Area is tight, pointing to its ability to support the proposed subject apartments.

The multifamily rental housing stock has expanded steadily over the past ten years although most new apartments have targeted the highest income renter households. These rental communities typically have a mid-rise elevator structure and have effective average rents far in excess of those being achieved in the Lower Tier market rate and affordable tax credit communities. The effective rents for Upper Tier efficiency units average $1,093 ($1.88 per square foot); one-bedroom apartments average $1,311 ($1.60 per square foot); the two-bedroom units average $1,487 ($1.40 per square foot); and the three-bedroom units average $1,957 ($1.37 per square foot).

The Lower Tier rental communities are generally older (30+ years) but several have been renovated in recent years or are in the process of renovating units. These communities are typically walk-up garden apartment buildings that are larger in size and have more amenities than the smaller, income restricted rental communities. The effective rents for Lower Tier market rate one-bedroom apartments average $960 ($1.22 per square foot); the two-bedroom units average $1,093 ($1.06 per square foot); and the three-bedroom units average $1,312 ($1.06 per square foot).

Income-restricted affordable rental units in the Renaissance Market Area account for only 11.7 percent of the surveyed multifamily stock and all operate under LIHTC guidelines. Effective rents for affordable one-bedroom apartments average $652 ($0.88 per square foot); the two-bedroom units average $779 ($0.79 per square foot); and the three-bedroom units average $890 ($0.76 per square foot).

The current combined stabilized vacancy rate across these 24 rental communities is 3.9 percent with 191 available units. The vacancy rate in the income restricted rental supply is much lower with only 18 vacancies, or a 2.5 vacancy rate. This is indicative of a tight affordable rental market.

RPRG identified five communities in the near term pipeline totaling 1,278 rental units. Of these, only one LIHTC rental community with 264 units is considered to be competitive with the proposed subject. All other near term pipeline communities include market rate units targeting upper-income households.

- **Net Demand:** RPRG projects a temporary oversupply of 586 rental units in the primary market area over the next three years. Of the proposed projects, all except the subject’s own 192 units and another LIHTC general occupancy project with 264 units, will target higher income renters. As a result, the market imbalance will temporarily impact the Upper Tier rental communities operating within the Renaissance Market Area rather than the income-restricted and affordable communities.

- **Effective Demand – Affordability/Capture and Penetration:** Assuming a 35 percent rent burden, the subject’s units without rental subsidies would need to capture 2.4 percent of the 7,675 income-qualified households and 4.4 percent of the 4,092 income-qualified renter households as of 2020 to lease all 182 non-subsidized units. Including those units with project-based rental subsidies, the overall capture drops to 1.7 percent and the renter capture rate declines to 3.1 percent.
The overall renter penetration rate is calculated to be very low at 24.4 percent, including all income-restricted units without subsidies currently operating and planned for the market area. RPRG considers these capture and penetration rates to be readily achievable, particularly given the subject’s proposed modern design, large units and extensive community amenities.

- **VHDA Demand Methodology:** Given a calculated net demand of 2,000 households, the 192-unit Renaissance Apartments would need to capture 9.6 percent of income-qualified renter households per the demand methodology mandated by VHDA. For those units without project-based rental subsidies, the capture rate is 14.3 percent. We believe these capture rates to be reasonable and achievable.

- **Target Market:** The groups most likely to reside at the subject’s income restricted units include individuals working in service sectors such as retail, leisure and hospitality, or in civilian positions associated with the numerous military installations in the area. Other persons likely to reside at the subject project include government or contract workers; local public servants such as firefighters, police officers, and teachers; and early career workers in the professional-business, financial activities, information, and health sectors. It is also possible that military personnel posted to the Hampton Roads region would find the subject’s apartments to be an attractive housing alternative to on-base housing.

  With one-, two- and three-bedroom units, the proposed community would have the capacity to serve single-person households, married and unmarried couples, roommate households, and single- and dual-parent families with as many as four children.

Considered in the context of the competitive environment, the relative position of the proposed Renaissance Apartments is as follows:

- **Structure Type:** Most competitive Lower Tier market rate and income-restricted rental communities include two- and three-story garden buildings. While the subject will have four-story garden buildings, the garden-style structure is consistent with the market area’s rental housing dynamics.

- **Project Size:** The surveyed rental communities within the market area range in size from 24 to 456 units, with an average size of 205 units. Although the 192-unit Renaissance Apartments will be larger than the income-restricted average of 120 units, it is smaller than the market area average as well as the largest tax credit community, Mayfair with 197 units. The subject’s size will appropriately allow it to provide on-site management and services similar to other market area rental communities.

- **Unit Distribution:** The subject will offer one-bedroom units (17 percent); two-bedroom units (58 percent); and three-bedroom units (25 percent). The subject’s unit distribution is similar to the distribution of units in the other tax credit rental properties where one-bedroom units account for 15 percent of all units; two-bedroom units account for 60 percent; and three-bedroom units account for 25 percent of the supply. The proposed unit distribution positions the subject to target a wide variety of households, including single-person households, couples, roommates, single parent households and families. We believe that the proposed unit distribution is reasonable within the context of the directly competitive rental supply.

- **Income Targeting:** The subject’s income targeting is as follows: 10 units (5 percent) will address households with incomes at or below 40 percent of AMI; 38 units (20 percent) will address households with incomes at or below 50 percent of AMI; and 144 units (75 percent) will target households with incomes at or below 60 percent of AMI. RPRG’s penetration analysis indicates that all of the subject’s units as well as those existing and future units without
rental subsidies addresses less than one out of four (24.4 percent) of all income-qualified households.

- **Unit Size:** The proposed unit sizes for Renaissance Apartments average 739 square feet for one-bedroom units; 1,034 square feet for two-bedroom units; and 1,224 square feet for the three-bedroom units. The subject’s two- and three-bedroom units are larger than in the directly competitive affordable rental supply within the market area. The one-bedroom unit is comparable to the LIHTC average and well within the competitive range. Additionally, the units are planned with an open and modern floor plan. We believe that the size of the subject’s units will be marketable and will be directly competitive with (or superior to) the other rental units in the multifamily supply.

- **Number of Bathrooms:** All of the subject’s one-bedroom units will have one full bathroom, while the two- and three-bedroom units will have two bathrooms. Within the directly competitive tax credit rental supply, only Baker Woods and Summer Haven offers two baths for all two- and three-bedroom units. As a result, the availability of two baths in these units is viewed as a competitive advantage.

- **Kitchen Features:** All unit kitchens at Renaissance Apartments will include features not typically found in the affordable rental supply, such as a microwave and garbage disposal. Additionally, the fact that the units will have energy-efficient and modern appliances is also a positive feature.

- **Laundry:** The Developer intends to equip all units at Renaissance Apartments with full-size washers and dryers. While in-unit washer/dryers are available in select Lower Tier market rate, this is a feature that is not currently available in the affordable rental supply except Summer Haven. As a result, this feature is considered to provide the subject with a competitive advantage.

- **Other Unit Features:** Units at Renaissance Apartments will have carpeted bedrooms and living areas and attractive vinyl flooring in the kitchen, hallway and bath. Carpeting is the primary flooring material throughout the market. All of the subject’s units will have private outdoor space with either a patio or balcony. This is also a desirable feature that is appreciated by tenants and not always available in the competitive supply.

- **Utilities Included in Rent:** The Developer proposes to include trash removal costs in monthly rents in Renaissance Apartments, leaving tenants responsible for paying all other utility bills. With the exception of Baker Woods and Summer Haven, all of the other tax credit rental communities include water, sewer and trash (and one property also includes gas cooking). The trend in newer rental communities is to include only trash collection as it places more responsibility on tenants and promotes energy conservation.

- **Common Area Amenities:** The Developer intends to provide a significant offering of common area amenities at the subject, including clubhouse with community meeting space, a fitness center, and an outdoor swimming pool. The proposed slate of amenities would position the subject community comparably to most market rate properties in the primary market area. Clubhouses/community rooms, fitness centers, and outdoor pools are typically available in the market rate multifamily rental communities but are less available among tax credit communities. The proposed amenity slate is considered to be a competitive advantage in many cases.

- **Parking:** The subject will have free surface parking which is consistent with the other rental communities. We do not believe that other parking options are necessary in the Renaissance Market Area. As such, surface parking is not considered to be either an advantage or disadvantage within this market area but comparable to what is currently available.
Price Position/Rents: The tax credit rents proposed for Renaissance Apartments are at or below the allowable maximums, given the assumed utility allowances of $81 for one-bedroom units; $109 for two-bedroom units; and $146 for three-bedroom units. The subject’s rents are quite reasonable when viewed in the context of both the market rate and affordable rental supply, given the rental community’s new construction, unit features and finishes, and strong amenity package.

Absorption Estimate: The Upper Tier market rate rental communities that opened within the past five years have experienced lease up paces ranging from 14 to 18 units per month. The overall desirability of the market area is evidenced in that several Upper Tier market rate communities were able to achieve these relatively strong leased up rates while simultaneously marketing although, given their significantly higher pricing structure, the relevance of this data is somewhat limited.

Among the income-restricted properties, two communities have opened since 2015, both experiencing absorption rates averaging 19 units per month. However, the demand for these apartments was very strong and the lease up pace is a reflection of when the buildings and units were released for occupancy rather than market interest. Prior to opening, Baker Woods had an interest list of over 400 households, and Summer Haven experienced significant pre-leasing prior to delivering any units. Both Baker Woods and Summer Haven currently maintain extensive pre-qualified wait lists.

We note that Price Street Apartments will deliver 264 affordable units within roughly one year prior to the subject’s estimated delivery date. While a substantial portion of the Price Street Apartments units will likely be leased, we conservatively assume an overlap in lease up. With this consideration and given the fact that most of the subject’s units will target households with incomes up to 60 percent of AMI, we believe that it is prudent to plan for a slightly less aggressive absorption pace of 12 to 14 units per month. Assuming this absorption pace, we would expect that the subject would attain stabilized occupancy in approximately 13 to 15 months.

Impact on Existing Market: RPRG does not anticipate that the subject will have an adverse impact on the existing rental market. The overall vacancy rate for the income-restricted rental communities within the market area is very low at 2.5 percent. Additionally, the subject’s VHDA capture rate for all units is 9.6 percent while the capture rate for those units without rental subsidies is 14.3 percent. Both are reasonable and achievable. Importantly, the overall penetration rate for the income-restricted units is very low at 24.4 percent.
I. INTRODUCTION

A. Overview of Subject

Renaissance Apartments is a proposed new construction multifamily rental community to be located at 273 North Witchduck Road in the City of Virginia Beach, Virginia. The rental community will include a total of 192 rental units, all of which will be income-restricted in accordance with the Department of Housing and Urban Development’s 2017 median household income for the Virginia Beach-Norfolk-Newport News-VA-NC MSA (Table 1).

Phase I will consist of 96 apartments (50 percent) to be financed, in part, with equity raised from the sale of nine percent Low Income Housing Tax Credits. Phase II will also include 96 units (50 percent) to be financed with four percent Low Income Housing Tax Credits and tax-exempt bond financing. The project will be developed in two phases, but constructed simultaneously.

This report is intended to be submitted as part of an application for nine percent Low Income Housing Tax Credits for the 96 rental units planned for Phase I.

B. Purpose

The purpose of this study is to perform a market feasibility report and analysis. This report examines the subject site, the economic context of the jurisdiction in which the site is located, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of net demand and effective demand (affordability/penetration analyses). In accordance with Virginia Housing Development Authority’s 2018 Market Study Guidelines, both net and effective demand will include all of the subject’s units proposed for both phases of development.

C. Format of Report

The report format is Comprehensive. Accordingly, the market study addresses all required items set forth in the 2018 Market Study Guidelines of the Virginia Housing Development Authority (VHDA). Furthermore, the market analyst has considered the recommended model content and market study index of the National Council of Housing Market Analysts (NCHMA).

D. Client, Intended User, and Intended Use

Renaissance Apts. I, L.P. is Real Property Research Group’s (RPRG’s) Client for this market study. Along with the Client, the Intended Users are representatives of VHDA and potential investors. The subject report will be submitted to VHDA as part of an application for nine percent (competitive) tax credits. A separate report will be submitted to VHDA as part of an application for four percent (non-competitive) tax credits.
Table 1 HUD Rent & Income Limits

<table>
<thead>
<tr>
<th>HUD 2017 Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area</td>
</tr>
<tr>
<td>Very Low Income for 4 Person Household</td>
</tr>
<tr>
<td>2017 Computed Area Median Gross Income</td>
</tr>
</tbody>
</table>

Utility Allowance:

- 1 Bedroom: $81
- 2 Bedroom: $109
- 3 Bedroom: $146

Household Income Limits by Household Size:

<table>
<thead>
<tr>
<th>Household Size</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
<th>150%</th>
<th>200%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Person</td>
<td>$15,330</td>
<td>$20,440</td>
<td>$25,550</td>
<td>$30,660</td>
<td>$40,880</td>
<td>$51,100</td>
<td>$61,320</td>
<td>$76,650</td>
<td>$102,200</td>
</tr>
<tr>
<td>2 Persons</td>
<td>$17,520</td>
<td>$23,360</td>
<td>$29,200</td>
<td>$35,040</td>
<td>$46,720</td>
<td>$58,400</td>
<td>$70,080</td>
<td>$87,600</td>
<td>$116,800</td>
</tr>
<tr>
<td>3 Persons</td>
<td>$19,710</td>
<td>$26,280</td>
<td>$32,850</td>
<td>$39,420</td>
<td>$52,560</td>
<td>$65,700</td>
<td>$78,840</td>
<td>$98,550</td>
<td>$131,400</td>
</tr>
<tr>
<td>4 Persons</td>
<td>$21,900</td>
<td>$29,200</td>
<td>$36,500</td>
<td>$43,800</td>
<td>$58,400</td>
<td>$73,000</td>
<td>$87,600</td>
<td>$109,500</td>
<td>$146,000</td>
</tr>
<tr>
<td>5 Persons</td>
<td>$23,670</td>
<td>$31,560</td>
<td>$39,450</td>
<td>$47,340</td>
<td>$63,120</td>
<td>$78,900</td>
<td>$94,680</td>
<td>$118,350</td>
<td>$157,800</td>
</tr>
<tr>
<td>6 Persons</td>
<td>$25,410</td>
<td>$33,880</td>
<td>$42,350</td>
<td>$50,820</td>
<td>$67,760</td>
<td>$84,700</td>
<td>$101,640</td>
<td>$127,050</td>
<td>$169,400</td>
</tr>
</tbody>
</table>

Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom):

<table>
<thead>
<tr>
<th>Persons</th>
<th># Bedrooms</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
<th>150%</th>
<th>200%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>$15,330</td>
<td>$20,440</td>
<td>$25,550</td>
<td>$30,660</td>
<td>$40,880</td>
<td>$51,100</td>
<td>$61,320</td>
<td>$76,650</td>
<td>$102,200</td>
</tr>
<tr>
<td>1.5</td>
<td>1</td>
<td>$16,425</td>
<td>$21,900</td>
<td>$27,375</td>
<td>$32,850</td>
<td>$43,800</td>
<td>$54,750</td>
<td>$65,700</td>
<td>$82,125</td>
<td>$109,500</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>$19,710</td>
<td>$26,280</td>
<td>$32,850</td>
<td>$39,420</td>
<td>$52,560</td>
<td>$65,700</td>
<td>$78,840</td>
<td>$98,550</td>
<td>$131,400</td>
</tr>
<tr>
<td>4.5</td>
<td>3</td>
<td>$22,785</td>
<td>$30,380</td>
<td>$37,975</td>
<td>$45,570</td>
<td>$60,760</td>
<td>$75,950</td>
<td>$91,140</td>
<td>$113,925</td>
<td>$151,900</td>
</tr>
<tr>
<td>6</td>
<td>4</td>
<td>$25,410</td>
<td>$33,880</td>
<td>$42,350</td>
<td>$50,820</td>
<td>$67,760</td>
<td>$84,700</td>
<td>$101,640</td>
<td>$127,050</td>
<td>$169,400</td>
</tr>
</tbody>
</table>

LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom):

<table>
<thead>
<tr>
<th># Persons</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>$410</td>
<td>$329</td>
<td>$547</td>
<td>$684</td>
<td>$603</td>
<td>$821</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$492</td>
<td>$383</td>
<td>$657</td>
<td>$548</td>
<td>$821</td>
<td>$712</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>$569</td>
<td>$423</td>
<td>$759</td>
<td>$613</td>
<td>$949</td>
<td>$803</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Housing and Urban Development

E. Applicable Requirements

This market study will conform to the requirements of the following:

- VHDA’s 2018 Market Study Guidelines.
- NCHMA’s Model Content Standards and Market Study Checklist.

F. Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the market study, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

- Please refer to Appendix 2 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Ethan Reed, Senior Analyst for Real Property Research Group, Inc., conducted a visit to the subject site, its immediate neighborhood, and wider primary market area on February 16, 2018.
• RPRG gathered primary information through field and phone interviews with rental community leasing agents and property managers. In the course of research, we obtained information on proposed developments through interviews with Kim Dotson, City of Virginia Beach Department of Planning; Andrew Friedman, City of Virginia Beach Department of Housing and Neighborhood Preservation; Karen Prochilo, City of Virginia Beach Department of Human Services; and, Christine Gay, City of Virginia Beach Strategic Growth Area Division.

• All information obtained is incorporated in the appropriate section(s) of this report.

G. Report Limitations

The conclusions reached in a market feasibility analysis are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors, including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions contained in Appendix 1 of this report.

H. Other Pertinent Remarks

None.
II. PROJECT DESCRIPTION

A. Project Overview

Renaissance Apartments is a proposed Low Income Housing Tax Credit (LIHTC) multifamily rental community to be located at 273 North Witchduck Road in the City of Virginia Beach, Virginia. The rental community will include 192 apartments and associated community amenities. The project will have two separate financing structures. Phase I, the subject of this report, will consist of 96 units and the clubhouse/swimming pool to be constructed on a 5.16-acre site. These apartments will be financed, in part, with equity raised from the sale of nine percent (competitive) tax credits. Phase II will include the remaining 96 units to be constructed on a 3.45-acre site with equity proceeds from the sale of four percent (non-competitive) tax credits and tax-exempt bond financing. The Developer for Phase I is Renaissance Apts. I, L.P. and the developer for Phase II is Renaissance Apts. II, L.P. (to be formed). Figure 1 illustrates the conceptual rendering for the proposed apartment buildings.

![Figure 1 Building Rendering, Renaissance Apartments](source: Renaissance Apts. I, L.P.)

B. Project Type and Target Market

Renaissance Apartments will be a general occupancy multifamily rental complex that will target low- and moderate-income renter households. The project will have two separate financing structures, but will be constructed as one project. Of the 192 apartments, 10 units (5.2 percent) will have project-based Section 8 rental subsidies and the remaining 182 units (94.8 percent) will require that tenants pay the contract rent or have their own Housing Choice voucher. These units will restrict occupancy to households with incomes at or below 40 percent, 50 percent, and 60 percent of the area median income (AMI) for the Virginia Beach-Norfolk-Newport News-VA-NC MSA, as adjusted for household size. Renaissance Apartments Phase I 96 units will be financed, in part, with equity raised from the sale of nine percent (competitive) tax credits. The remaining 96 units in a second phase will be financed with four percent (non-competitive) tax credits and tax-exempt bonds. With a unit mix of one-, two-and three-bedroom units, the community will target a range of renter households, including single-person households, couples, roommates, and families with as many as six persons.
C. Building Types and Placement

The proposed Renaissance Apartments will consist of two components to be financed with tax credits. The nine percent LIHTC component will be located on a 5.16-acre site and will include three (3) four-story open stairwell residential buildings with a total of 96 units as well as the community’s clubhouse with outdoor swimming pool, and associated surface parking.

One of the Phase 1 buildings will be located on the eastern portion of the site, fronting North Witchduck Road, while the second building will be within the interior of the site, and the third building toward the western portion of the site. A second project component will be financed with four percent tax credits and will include two (2) four-story open stairwell residential buildings with associated parking on a 3.45-acre site (Figure 2). The main entrance into the rental community will be from west side of North Witchduck Road, just south of Virginia Beach Boulevard.

Figure 2  Site Plan, Renaissance Apartments

Source: Renaissance Apts. I, L.P.

D. Detailed Project Description

1. Project Description

Renaissance Apartments will include a total of 192 one-, two-, and three-bedroom units. All of the apartments and community amenities will be constructed as one project, although with two different financing structures. From a renter perspective, there will be no visible distinction between the portion of the rental community financed with nine percent tax credits compared
with the portion financed with four percent tax credits. Table 2 summarizes the proposed project’s two components based upon financing structure as well as their associated unit distribution, income targeting, unit sizes, net rents, and utility allowances.

### Table 2  Unit Distribution, Unit Sizes and Net Rents, Renaissance Apartments

<table>
<thead>
<tr>
<th>Unit</th>
<th>Units</th>
<th>Income Level</th>
<th>Rent Subsidy</th>
<th>Net Unit Size (2)</th>
<th>Contract Rent (1)</th>
<th>Utility Allowance</th>
<th>Gross Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR/1BA</td>
<td>1</td>
<td>40%</td>
<td>Sect 8</td>
<td>739</td>
<td>$465</td>
<td>$81</td>
<td>$546</td>
</tr>
<tr>
<td>1BR/1BA</td>
<td>1</td>
<td>40%</td>
<td></td>
<td>739</td>
<td>$465</td>
<td>$81</td>
<td>$546</td>
</tr>
<tr>
<td>1BR/1BA</td>
<td>6</td>
<td>50%</td>
<td></td>
<td>739</td>
<td>$600</td>
<td>$81</td>
<td>$681</td>
</tr>
<tr>
<td>1BR/1BA</td>
<td>8</td>
<td>60%</td>
<td></td>
<td>739</td>
<td>$740</td>
<td>$81</td>
<td>$821</td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>6</td>
<td>40%</td>
<td>Sect 8</td>
<td>1,034</td>
<td>$545</td>
<td>$109</td>
<td>$654</td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>1</td>
<td>50%</td>
<td>Sect 8</td>
<td>1,034</td>
<td>$710</td>
<td>$109</td>
<td>$819</td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>21</td>
<td>50%</td>
<td></td>
<td>1,034</td>
<td>$710</td>
<td>$109</td>
<td>$819</td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>28</td>
<td>60%</td>
<td></td>
<td>1,034</td>
<td>$875</td>
<td>$109</td>
<td>$984</td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>2</td>
<td>40%</td>
<td>Sect 8</td>
<td>1,224</td>
<td>$610</td>
<td>$146</td>
<td>$756</td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>10</td>
<td>50%</td>
<td></td>
<td>1,224</td>
<td>$800</td>
<td>$146</td>
<td>$946</td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>12</td>
<td>60%</td>
<td></td>
<td>1,224</td>
<td>$990</td>
<td>$146</td>
<td>$1,136</td>
</tr>
<tr>
<td><strong>Subtotal/Avg</strong></td>
<td><strong>96</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$781</strong></td>
<td><strong>$114</strong></td>
<td><strong>$894</strong></td>
</tr>
</tbody>
</table>

#### 4% LIHTC

<table>
<thead>
<tr>
<th>Unit</th>
<th>Units</th>
<th>Rent Subsidy</th>
<th>Net Unit Size (2)</th>
<th>Contract Rent (1)</th>
<th>Utility Allowance</th>
<th>Gross Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR/1BA</td>
<td>16</td>
<td>60%</td>
<td></td>
<td>739</td>
<td>$740</td>
<td>$81</td>
</tr>
<tr>
<td>2BR/2BA</td>
<td>56</td>
<td>60%</td>
<td></td>
<td>1,034</td>
<td>$875</td>
<td>$109</td>
</tr>
<tr>
<td>3BR/2BA</td>
<td>24</td>
<td>60%</td>
<td></td>
<td>1,224</td>
<td>$990</td>
<td>$146</td>
</tr>
<tr>
<td><strong>Subtotal/Avg</strong></td>
<td><strong>96</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$881</strong></td>
<td><strong>$115</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>192</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Contract rents include trash collection.

Source: Renaissance Apts. I, L.P.

In Renaissance Apartments I, the proposed one-bedroom units will have one bathroom while the two- and three-bedroom units will have two full bathrooms. The one-bedroom units will average 739 square feet; the two-bedroom units will average 1,034 square feet; and the three-bedroom units will average 1,224 square feet. The monthly net rents at Renaissance Apartments will include the cost of trash removal. The other utility costs, including general electricity, electric-fueled hot water, cooking, heating and cooling, will be the direct responsibility of future tenants. The proposed utility allowances are as follows: $81 for one-bedrooms; $109 for two-bedrooms; and $146 for three-bedrooms. The site will include unrestricted free surface parking.

While most units in the initial phase (as well as in the second phase) will require that tenants pay a contract rent or utilize their own Housing Choice voucher, 10 units (5.2 percent) will have project-based Section 8 rental subsidies. These units will be located in the portion of the community financed with nine percent tax credits (Renaissance Apartments I).

All units at Renaissance Apartments will be equipped with electric range, refrigerator with an icemaker, dishwasher, microwave, range hood, and garbage disposal (Table 3). Kitchen appliances will have standard finishes. The kitchens will have laminate countertops and will feature breakfast bars with an open floor design.
A full-size washer/dryer will be provided in each unit. All units will have central air conditioning and the units will have 8-foot ceiling heights. The units will have vinyl flooring in the hallways, kitchen and baths and carpet in the living areas and bedrooms. The units will have private patios or balconies and window coverings.

Common area amenities which will be available to all residents will include a furnished clubhouse with on-site management, fitness room, and swimming pool with pool deck seating areas.

2. Other Proposed Uses

In addition to the proposed apartment buildings and its associated clubhouse with outdoor pool as well as surface parking, there are no other proposed uses for the subject site. A second phase with two residential garden-style walk-up buildings will be constructed simultaneously with Renaissance Apartments I. A third phase including market rate units is contemplated as well to be constructed at a later date with no defined timing.

<table>
<thead>
<tr>
<th>Table 3 Salient Project Information, Renaissance Apartments I</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Information</strong></td>
</tr>
<tr>
<td>Number of Residential Buildings</td>
</tr>
<tr>
<td>Building Type</td>
</tr>
<tr>
<td>Number of Stories</td>
</tr>
<tr>
<td>Construction Type</td>
</tr>
<tr>
<td>Exterior Design Elements</td>
</tr>
<tr>
<td>Garden</td>
</tr>
<tr>
<td>New construction</td>
</tr>
<tr>
<td>Brick, Vinyl Siding &amp; Fiber Cement Board</td>
</tr>
<tr>
<td><strong>Common Area Amenities</strong></td>
</tr>
<tr>
<td>On site amenities include clubhouse with fitness center, community meeting space, management office, outdoor swimming pool</td>
</tr>
<tr>
<td><strong>Unit Features</strong></td>
</tr>
<tr>
<td>All Units: Standard kitchen appliances (range/oven, refrigerator, microwave, dishwasher); Garbage disposal; Laminate countertops; Full-size washer/dryer; Breakfast bar with open floor plan; Vinyl flooring in kitchen and foyer and carpet in living room &amp; bedrooms; Central air conditioning; 8’ foot ceilings; Patio/balcony; Shades/blinds window coverings.</td>
</tr>
<tr>
<td><strong>Kitchen Amenities</strong></td>
</tr>
<tr>
<td>Dishwasher</td>
</tr>
<tr>
<td>Disposal</td>
</tr>
<tr>
<td>Microwave</td>
</tr>
<tr>
<td>Range</td>
</tr>
<tr>
<td>Refrigerator w/ icemaker</td>
</tr>
<tr>
<td><strong>Utilities Included</strong></td>
</tr>
<tr>
<td>Cold Water/Sewer</td>
</tr>
<tr>
<td>Trash Removal</td>
</tr>
<tr>
<td>Heat</td>
</tr>
<tr>
<td>Hot Water</td>
</tr>
<tr>
<td>Electricity</td>
</tr>
<tr>
<td>Cooking</td>
</tr>
<tr>
<td>Cooking Source</td>
</tr>
<tr>
<td>Hot Water Source</td>
</tr>
<tr>
<td>Heat Source</td>
</tr>
</tbody>
</table>

Source: Renaissance Apts. I, L.P.

3. Zoning and Government Review

The site has been rezoned from B-2 Community Business to Conditional A-24 Apartment. The proposed use is allowable for this site.
4. **Proposed Timing of Development**

The Developer intends to begin construction in March 2019. The project’s first apartment units are scheduled to be delivered as of March 2020. The Developer expects to complete construction by mid-2020. The Developer will engage in pre-leasing, likely beginning 60 days prior to the delivery of the first units.
III. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The subject site is along the west side of North Witchduck Road, just south of Virginia Beach Boulevard in the City of Virginia Beach, Virginia (Map 1). The site is located in one of the eight Strategic Growth Areas in Virginia Beach, the Pembroke Strategic Growth Area. The site has good visibility from North Witchduck Road and limited visibility from Virginia Beach Boulevard.

2. Size, Shape and Topography

The targeted combined acreage of 8.61 acres (5.16 acres for the section financed with nine percent tax credits and 3.45 acres for the section financed with four percent tax credits) is rectangular in shape. The site’s overall topography is flat.

3. Existing Uses

As observed during RPRG’s recent site visit on February 16, 2018, the subject site is partially paved, being used as a parking lot, but clear of any vertical improvements (Figure 3).
Figure 3  Views of Subject Site

- View of site facing west from N. Witchduck Rd.
- View of site facing southwest
- Subject’s eastern boundary facing north along N. Witchduck Road
- Subject eastern boundary facing south along N. Witchduck Road
- View of site facing northwest from North Witchduck Road
- Subject northern boundary facing west from adjacent shopping center
4. General Description of Land Uses Surrounding the Subject Site

The areas near the subject site include a variety of uses, including retail, commercial, and institutional uses as well as light industrial buildings. Residential uses are located just north of Virginia Beach Boulevard.

The subject’s neighborhood is located in one of Virginia Beach’s eight Strategic Growth Areas (SGA); the Pembroke SGA. The vision for this area includes a mix of high density urban uses near the Virginia Beach Town Center. As part of the strategic planning effort, there is an emphasis on transit-oriented development opportunities as well as workforce housing. Of the six subareas in the Pembroke SGA, the subject is located in the Western Campus District (Figure 4).

According to the Pembroke Strategic Growth Area 4 Implementation Plan dated November 10, 2009, “This area is intended to be a mid to low-rise academic village and service district. Given its location, educational and service infrastructure, it lays the groundwork for a campus environment that will provide educational-related activities, service-oriented businesses and a creative and arts incubator. This district will feed from the neighboring Central Village District’s urban fabric and bohemian art district, and ethnic restaurants. Accordingly, the buildings are smaller in scale and height. The existing Renaissance Academy is paired with a new elementary /middle school which may be necessary to serve the increased population in this and other districts” (page 35). This is an area within the City of Virginia Beach that is targeted for future growth and investment by both public and private entities.

**Figure 4 Western Campus District, Pembroke Strategic Growth Area**

Source: City of Virginia Beach
5. **Specific Identification of Land Uses Surrounding the Subject Site**

The land uses directly bordering the subject site are as follows and are presented in Figure 5:

- **North:** A shopping center, a variety of retail and commercial uses along Virginia Beach Boulevard.
- **East:** Retail and commercial uses along North Witchduck Road and northeast along Virginia Beach Boulevard.
- **South:** Renaissance Academy, commercial uses along North Witchduck Road, further south is the new Housing Resource Center under construction.
- **West:** Light commercial and industrial uses.

It is important to note that significant changes are planned for the subject’s surrounding neighborhood. According to Christine Gay, City of Virginia Beach Strategic Growth Area planner, and Karen Prochilo with the City of Virginia Beach Department of Housing and Neighborhood Preservation, redevelopment efforts are already underway, especially in the area to the south of the subject site. A new Housing Resource Center is being constructed at the intersection of Southern Boulevard and North Witchduck Road, less than one mile south of the subject site. This 60,000+/- square foot building will provide services for homeless and low income individuals and families. In addition to some administrative offices, the building will include a medical clinic operated by the Health Department; a day support center; an overnight shelter for single men and women; an overnight shelter for families; and 30 single-room occupancy units.

---

**Figure 5 Views of Surrounding Land Uses**

![Renaissance Academy south of subject site along North Witchduck Road](image1)

![Shopping center north of subject site along Virginia Beach Boulevard](image2)
B. Neighborhood Analysis

The subject site is located in the City of Virginia Beach, Virginia, a popular tourist destination and vibrant community within the Greater Hampton Roads metropolitan area. The subject is located within roughly 1.5 miles from the Virginia Beach Town Center and approximately three miles east of the I-64 and I-264 interchange. Residents living in this portion of Virginia Beach have access to an urban setting with numerous employment opportunities, yet convenient access to the region’s recreational amenities.

The subject site is located just north of I-264, a major east-west interstate that connects the Virginia Beach ocean front west to the City of Norfolk and subsequently travels under the Elizabeth River south towards the City of Chesapeake. The subject site is also located along the Virginia Beach Boulevard corridor, an important commercial corridor for the City of Virginia Beach. This roadway leads directly to the Virginia Beach Town Center, a $500 million multi-phased master planned development that includes more than 300,000 square feet of Class A office space. Across from the Town Center is the regional Pembroke Mall with more than 100 retail stores. Continuing roughly 11 miles to the east are the oceanfront beaches.
The subject’s immediate neighborhood is strategically located in the Western Campus District near the Virginia Beach Town Center. The area’s current uses include a vibrant mix of residential, light retail, commercial, industrial, and institutional. In addition, redevelopment efforts are underway to enhance the sustainability of the surrounding neighborhood. For example, just south of the subject site along Witchduck Road is the Renaissance Academy, a 289,000-square-foot public high school that opened in 2010. The high school has a capacity for 1,600 students and was constructed at a cost of $66 million. The facility has many high quality environmentally friendly designs that have earned it a LEED Gold designation.

As mentioned previously, the City of Virginia Beach’s Department of Housing and Neighborhood Preservation is constructing a new Housing Resource Center at the intersection of Southern Boulevard and Witchduck Road. This 60,000-square-foot building will provide services for homeless and low income individuals and families. In addition to some administrative offices, the building will include a medical clinic operated by the Health Department; a day support center; an overnight shelter for single men and women; an overnight shelter for families; and 30 single-room occupancy units.

C. Site Visibility and Accessibility

1. Visibility
The subject site is located on the west side of North Witchduck Road, just south of Virginia Beach Boulevard. As both thoroughfares serve as prominent transportation arterials with high traffic and popular retail and institutional destinations, we would expect that the proposed community will have excellent drive-by visibility.

2. Vehicular Access
Vehicular access to the subject site will be from the newly redesigned and constructed North Witchduck Road (Figure 6). The new roadway will be part of the improvements that are scheduled for North Witchduck Road. North Witchduck Road will be constructed with sidewalks to insure a pedestrian-friendly environment.

The subject’s general neighborhood is well connected to both local and regional thoroughfares. I-264 connects to the other major interstates serving the Hampton Roads region. North Witchduck Road is a major north-south route that connects to several of the important east-west roadways, including Virginia Beach Boulevard and beyond to Independence Boulevard to the north as well as Princess Anne and Providence Roads to the south. From Virginia Beach Boulevard, residents will have convenient access throughout central Virginia Beach to the east and Norfolk to the west.
3. **Availability of Public Transit**

Hampton Roads Transit (HRT) is the primary provider of mass transit services to the citizens of Virginia Beach. The other regional cities incorporated within the HRT transit network are Chesapeake, Portsmouth, Norfolk, Hampton, and Newport News. Most of the HRT transit routes are bus routes, though the system also includes a trolley along the oceanfront in Virginia Beach and a paddlewheel ferry that links downtown Portsmouth and downtown Norfolk. The region’s light rail system, The Tide, travels 7.4 miles from the Eastern Virginia Medical Center to the west, through downtown Norfolk to the Newtown Road Park-and-Ride parking lot at the border with Virginia Beach City. Planning and discussion continues for a potential expansion of The Tide into Virginia Beach to either Virginia Beach Town Center or the Virginia Beach oceanfront. The Pembroke Strategic Growth Area 4 Implementation Plan highlights potential light rail station locations along Southern Boulevard. If implemented, the subject site would be within one mile of mass transit.

HRT Bus Route 20 has a fixed stop along Virginia Beach Boulevard at North Witchduck Road, adjacent to the subject site. This route travels between the Downtown Norfolk Transit Center and the Virginia Beach oceanfront, stopping at Sentara Leigh Hospital. Bus service is available daily from roughly 5:00 a.m. to after midnight. Connecting bus routes are also available and are well-utilized throughout Virginia Beach. As an example, residents attending Tidewater Community College could do so via HRT Routes 12 & 26.

4. **Availability of Inter Regional Transit**

Amtrak has service from the rail station adjacent to Harbor Park in Norfolk at 280 Park Avenue, 7.4 miles west of the subject site. The Norfolk station has service along Amtrak’s Northeast Regional route which links to other major cities on the East Coast, including Washington, D.C., Philadelphia, New York, and Boston. Greyhound Bus also has a station in downtown Norfolk at 701 Monticello Avenue, eight miles to the west.
Norfolk International Airport is located at 2200 Norview Avenue, seven miles northwest of the site. American Airlines, Delta Air Lines, Southwest Airlines and United Airlines offer daily flights into and out of Norfolk International. Destinations that can be reached via non-stop service from Norfolk International include Washington, DC, Baltimore, Philadelphia, New York, Charlotte, Atlanta, Boston, Detroit, Chicago, Nashville, Jacksonville, Orlando, Tampa, Miami, Houston, Dallas, Minneapolis, and Las Vegas.

5. Pedestrian Access

The subject site is planned with sidewalks to encourage pedestrian access. In the immediate vicinity of the subject site, there are sidewalks along North Witchduck Road and Virginia Beach Boulevard.

6. Accessibility Improvements Under Construction and Planned

Through site visit observations, a review of the Virginia Department of Transportation’s (VDOT) Fiscal Years current Six-Year Improvement Program and a review of their website, RPRG assessed whether any capital improvement projects impacting road, transit, or pedestrian access to the subject site are currently underway or likely to commence in the next few years. As mentioned previously, major capital improvements are planned for Witchduck Road, including the planned extension of North Witchduck Road and its reconfiguration. Witchduck Road will be redesigned and widened from four to six lanes from I-264 to Virginia Beach Boulevard. These improvements will also include wide outside lanes for bicyclists and sidewalks for pedestrians. Roadway modifications are scheduled for Pennsylvania Avenue, North Witchduck Road, Southern Boulevard, Cleveland Street and Admiral Wright Road. All of these improvements will have a beneficial impact on the subject neighborhood.

Similarly, numerous VDOT road projects are either underway or under study to mitigate traffic congestion throughout the entire Hampton Roads region. Some of these projects include the replacement of bridges throughout the region, the widening of roads and improvements in intersections, the construction of a new I-564 intermodal connector, among others.

D. Public Safety

The 3rd precinct of the Virginia Beach Police Department, which is responsible for the subject site’s neighborhood, is located 3.3 miles to the north at 926 Independence Boulevard. The subject site is located in the #324 substation area. The subject site is located roughly equidistant from two fire stations. The Fire Station 7 – Town Center is the closest to the subject site, roughly one miles to the east. This facility is the newest and largest station in Virginia Beach, also serving as the administrative headquarters. Roughly equidistant to the south is Fire Station 9 – Kempsville at 5145 Ruritan Court. Emergency responders should thus generally be able to reach the subject site quickly when needed.

In order to gauge the topic of crime in the vicinity of the subject site, RPRG considered CrimeRisk data provided by Applied Geographic Solutions (AGS). CrimeRisk is an index that measures the relative risk of crime compared to a national average at the narrow geographic level of U.S. Census block groups. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the Federal Bureau of Investigations (FBI) under the Uniform Crime Reporting (UCR) program. The UCR program tracks violent crimes (murder, forcible rape, robbery, and aggravated assault) and property crimes (burglary, larceny-theft, auto theft, and arson).
Based on modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the block-group level. Aggregate indexes have been prepared as a total crime index (as well as separately for violent and property crimes in accordance with the reporting procedures used in the UCR reports). An index value of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. In considering the indexes, note that they are not weighted, such that a murder is weighted no more heavily than a purse snatching. The indexes provide a useful measure of the relative overall crime risk in an area but are most useful when considered in conjunction with other measures.

Map 2 displays the 2017 CrimeRisk index for the block groups near the subject site. The relative risk is displayed in gradations from yellow (least risk) to deep red (most risk). The block groups that contain the subject site and immediately adjacent parcels are shaded green and light yellow, indicative of an overall lower level of crime. Inspections of the subject site and surrounding neighborhood as well as interviews with local property managers indicate crime or the perception of crime are not expected to negatively impact the subject site.

**Map 2 Total Crime Index by Block Group**
E. Residential Support Network

1. Key Facilities and Services near the Subject Site

The appeal of a residential community is based in part on its proximity to facilities and services that are required on a day-to-day basis. Key facilities and services and their distances from the subject site are listed in Table 4 and the locations of those facilities are plotted on Map 3.

<table>
<thead>
<tr>
<th>Establishment</th>
<th>Type</th>
<th>Address</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renaissance Academy</td>
<td>Public Education</td>
<td>5100 Cleveland Street</td>
<td>0.1 mi</td>
</tr>
<tr>
<td>Aragona Village Shopping Center</td>
<td>Grocery/Services</td>
<td>4848 Virginia Beach Blvd</td>
<td>0.8 mi</td>
</tr>
<tr>
<td>Fire Station #7 - Town Center</td>
<td>Emergency Services</td>
<td>4817 Columbus Street</td>
<td>1.0 mi</td>
</tr>
<tr>
<td>Walmart</td>
<td>Retail/Pharmacy</td>
<td>4821 Virginia Beach Blvd</td>
<td>1.1 mi</td>
</tr>
<tr>
<td>Wegman’s (future)</td>
<td>Grocery</td>
<td>4821 Virginia Beach Blvd</td>
<td>1.1 mi</td>
</tr>
<tr>
<td>Fire Station #9 - Kempsville</td>
<td>Emergency Services</td>
<td>5145 Ruritan Ct</td>
<td>1.2 mi</td>
</tr>
<tr>
<td>Town Center of Virginia Beach</td>
<td>Retail</td>
<td>222 Central Park Ave</td>
<td>1.5 mi</td>
</tr>
<tr>
<td>Pembroke Mall</td>
<td>Retail</td>
<td>4554 Virginia Beach Blvd</td>
<td>1.5 mi</td>
</tr>
<tr>
<td>Art Institute of Virginia Beach</td>
<td>Higher Education</td>
<td>4500 Main Street</td>
<td>1.7 mi</td>
</tr>
<tr>
<td>Kempsville High School</td>
<td>Public Education</td>
<td>5194 Chief Trail</td>
<td>1.8 mi</td>
</tr>
<tr>
<td>ECPI University</td>
<td>Higher Education</td>
<td>5555 Greenwich Road</td>
<td>1.9 mi</td>
</tr>
<tr>
<td>Kempsville Area Library</td>
<td>Library</td>
<td>832 Kempsville Rd</td>
<td>2.1 mi</td>
</tr>
<tr>
<td>CVS Pharmacy</td>
<td>Pharmacy</td>
<td>6678 Virginia Beach Blvd</td>
<td>2.2 mi</td>
</tr>
<tr>
<td>Sandler Center for Performing Arts</td>
<td>Recreation</td>
<td>201 Market St</td>
<td>2.3 mi</td>
</tr>
<tr>
<td>Bryant &amp; Stratton College</td>
<td>Higher Education</td>
<td>301 Centre Pointe Drive</td>
<td>2.4 mi</td>
</tr>
<tr>
<td>Williams Farm Recreation Center</td>
<td>Recreation</td>
<td>5252 Learning Circle</td>
<td>2.6 mi</td>
</tr>
<tr>
<td>Kempsville Recreation Center</td>
<td>Recreation</td>
<td>800 Monmouth Lane</td>
<td>2.6 mi</td>
</tr>
<tr>
<td>Point O’View Elementary School</td>
<td>Public Education</td>
<td>5400 Parliament Dr</td>
<td>2.7 mi</td>
</tr>
<tr>
<td>Sentara Leigh Hospital</td>
<td>Medical</td>
<td>830 Kempsville Road</td>
<td>2.7 mi</td>
</tr>
<tr>
<td>Virginia Beach Police</td>
<td>Emergency Services</td>
<td>926 Independence Blvd</td>
<td>2.9 mi</td>
</tr>
<tr>
<td>Larkspur Middle School</td>
<td>Public Education</td>
<td>4696 Princess Anne Road</td>
<td>2.9 mi</td>
</tr>
<tr>
<td>Haygood Shopping Center (Farm Fresh)</td>
<td>Retail/Pharmacy</td>
<td>1020 Independence Blvd</td>
<td>2.9 mi</td>
</tr>
<tr>
<td>Mount Trashmore Park</td>
<td>Recreation</td>
<td>310 Edwin Dr</td>
<td>3.0 mi</td>
</tr>
<tr>
<td>Kemps River Crossing Shopping Center</td>
<td>Retail</td>
<td>1255 Fordham Drive</td>
<td>3.5 mi</td>
</tr>
<tr>
<td>Virginia Wesleyan College</td>
<td>Education</td>
<td>1584 Wesleyan Dr</td>
<td>3.5 mi</td>
</tr>
<tr>
<td>Tidewater Community College</td>
<td>Higher Education</td>
<td>1700 College Crescent</td>
<td>6.5 mi</td>
</tr>
<tr>
<td>Norfolk International Airport</td>
<td>Airport</td>
<td>2200 Norview Avenue</td>
<td>6.8 mi</td>
</tr>
</tbody>
</table>

Source: Field and Internet Research, Real Property Research Group, Inc.
2. Essential Services

a. Health Care

The site has good access to an inpatient medical center within three miles from the subject site. Sentara Leigh Hospital, located at 830 Kempsville Road in Norfolk, has 250 inpatient beds as well as outpatient services and an emergency room. The hospital and surgical and emergency facilities recently received a $20.5 million upgrade. Currently, a $126 million construction project is nearing completion with one new five-story inpatient tower opening in November 2013 and a second completed in April 2015. The hospital is completing its major expansion, with additional parking and new areas for outpatient care and community education. Orthopedics, gynecological services and urology are specialized treatment centers at Sentara Leigh Hospital.

Beyond the full-service hospitals, there are extensive medical and dental offices scattered throughout Virginia Beach as well as the adjoining jurisdictions of Norfolk, Chesapeake and Portsmouth.
b. Education

The Commonwealth of Virginia administers Standards of Learning (SOL) Assessment Tests to monitor student performance and the quality of classroom instruction in public school systems across the state. The most comprehensive testing occurs in the 3rd, 5th, 8th, and 11th grades. Elementary and middle school students are tested in core areas including English, history, mathematics, science, and writing. High school tests are conducted upon students’ completion of relevant coursework, and focus on more specific subject areas such as algebra I, algebra II, biology, chemistry, and geometry, in addition to English and writing.

The results of SOL tests can be used to compare the performance of students in various schools and school districts. To construct this comparison, we compiled data on the percentage of students testing at the state-defined ‘proficient’ level or ‘advanced’ level in core subject areas. We compiled data for the 2016 to 2017 school year to compare overall school performance on a county-by-county basis in Virginia (Table 5) and school performance across the school district.

Table 5 Standards of Learning Test Results, Cities/Counties of Virginia – 2016/2017 School Year

<table>
<thead>
<tr>
<th>Rank</th>
<th>County or City</th>
<th>Grade 5</th>
<th>Grade 8</th>
<th>High School</th>
<th>Total Composite</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>English</td>
<td>Math</td>
<td>English</td>
<td>Math</td>
</tr>
<tr>
<td>1</td>
<td>West Point</td>
<td>89.0</td>
<td>94.0</td>
<td>89.0</td>
<td>92.0</td>
</tr>
<tr>
<td>2</td>
<td>Wise County</td>
<td>82.0</td>
<td>91.0</td>
<td>87.0</td>
<td>97.0</td>
</tr>
<tr>
<td>3</td>
<td>Falls Church</td>
<td>93.0</td>
<td>87.0</td>
<td>90.0</td>
<td>89.0</td>
</tr>
<tr>
<td>4</td>
<td>York County</td>
<td>93.0</td>
<td>92.0</td>
<td>84.0</td>
<td>83.0</td>
</tr>
<tr>
<td>5</td>
<td>Poquoson</td>
<td>92.0</td>
<td>93.0</td>
<td>88.0</td>
<td>70.0</td>
</tr>
<tr>
<td>6</td>
<td>Russell County</td>
<td>85.0</td>
<td>89.0</td>
<td>77.0</td>
<td>93.0</td>
</tr>
<tr>
<td>7</td>
<td>Washington County</td>
<td>91.0</td>
<td>90.0</td>
<td>80.0</td>
<td>87.0</td>
</tr>
<tr>
<td>8</td>
<td>Tazewell County</td>
<td>87.0</td>
<td>88.0</td>
<td>79.0</td>
<td>87.0</td>
</tr>
<tr>
<td>9</td>
<td>Scott County</td>
<td>89.0</td>
<td>91.0</td>
<td>76.0</td>
<td>91.0</td>
</tr>
<tr>
<td>10</td>
<td>Botetourt County</td>
<td>89.0</td>
<td>89.0</td>
<td>87.0</td>
<td>79.0</td>
</tr>
<tr>
<td>11</td>
<td>Lexington</td>
<td>91.0</td>
<td>91.0</td>
<td>87.0</td>
<td>83.0</td>
</tr>
<tr>
<td>12</td>
<td>Goochland County</td>
<td>89.0</td>
<td>87.0</td>
<td>83.0</td>
<td>87.0</td>
</tr>
<tr>
<td>13</td>
<td>Roanoke County</td>
<td>87.0</td>
<td>85.0</td>
<td>83.0</td>
<td>81.0</td>
</tr>
<tr>
<td>14</td>
<td>Arlington County</td>
<td>89.0</td>
<td>88.0</td>
<td>85.0</td>
<td>84.0</td>
</tr>
<tr>
<td>15</td>
<td>Loudoun County</td>
<td>89.0</td>
<td>88.0</td>
<td>86.0</td>
<td>69.0</td>
</tr>
<tr>
<td>16</td>
<td>Hanover County</td>
<td>86.0</td>
<td>82.0</td>
<td>84.0</td>
<td>87.0</td>
</tr>
<tr>
<td>17</td>
<td>Virginia Beach</td>
<td>89.0</td>
<td>85.0</td>
<td>82.0</td>
<td>79.0</td>
</tr>
<tr>
<td>18</td>
<td>Dickenson County</td>
<td>81.0</td>
<td>93.0</td>
<td>88.0</td>
<td>89.0</td>
</tr>
<tr>
<td>19</td>
<td>Southampton County</td>
<td>84.0</td>
<td>79.0</td>
<td>75.0</td>
<td>90.0</td>
</tr>
<tr>
<td>20</td>
<td>Chesterfield County</td>
<td>87.0</td>
<td>82.0</td>
<td>79.0</td>
<td>90.0</td>
</tr>
</tbody>
</table>

| Virginia Composite Averages | 79.2 | 78.7 | 72.2 | 69.8 | 88.8 | 84.7 | 81.7 | 79.3 |

Source: Virginia Department of Education.

The site for Renaissance Apartments lies in the jurisdiction of the Virginia Beach Public Schools. Based on composite 2016-2017 SOL results for the 3rd, 5th, and 8th grades and the high school level, the Virginia Beach Public Schools ranked 17th out of the state’s 132 public school districts. Virginia Beach students’ composite score of 86.6 percent proficient or advanced in comparison to the state-wide score of 79.3 percent.
According to current attendance zones, school-age residents of Renaissance Apartments attending public schools would be assigned to Point O’ View Elementary School (Grades K-6), Larkspur Middle School (Grades 7-8), and Kempsville High School. Point O’ View Elementary is 2.7 miles from the subject site at 5400 Parliament Drive. Larkspur Middle School is located 2.9 miles south at 4696 Princess Anne Road. Kempsville High School is located 1.8 miles south of the subject site at 5194 Chief Trail.

Based on the measure employed in this analysis (2016-2017 SOL results), the elementary school serving Renaissance Apartments ranked 35th out of the 54 public elementary schools in the City of Virginia Beach with 84.7 percent of students tested as either proficient or advanced (Table 6). In comparison, 85.9 percent of all students in the Virginia Beach Public Schools achieved at either a proficient or advanced level. In the Commonwealth of Virginia, the overall corresponding proportion was 79.7 percent.

### Table 6 Test Results, Virginia Beach Elementary Schools – 2016/2017 School Year

<table>
<thead>
<tr>
<th>Rank</th>
<th>School</th>
<th>Grade 5</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>English</td>
<td>Math</td>
<td>Science</td>
<td>Composite</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Old Donation School</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Kingston Elementary</td>
<td>99.0</td>
<td>97.0</td>
<td>96.0</td>
<td>97.3</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>John B. Dey Elementary</td>
<td>97.0</td>
<td>97.0</td>
<td>95.0</td>
<td>96.3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Red Mill Elementary</td>
<td>98.0</td>
<td>95.0</td>
<td>93.0</td>
<td>95.3</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Thoroughgood Elementary</td>
<td>98.0</td>
<td>94.0</td>
<td>94.0</td>
<td>95.3</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Pembroke Meadows Elementary</td>
<td>90.0</td>
<td>87.0</td>
<td>78.0</td>
<td>85.0</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Rosemont Elementary</td>
<td>94.0</td>
<td>83.0</td>
<td>78.0</td>
<td>85.0</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Alanton Elementary</td>
<td>91.0</td>
<td>82.0</td>
<td>81.0</td>
<td>84.7</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Christopher Farms Elementary</td>
<td>89.0</td>
<td>86.0</td>
<td>79.0</td>
<td>84.7</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Malibu Elementary</td>
<td>85.0</td>
<td>84.0</td>
<td>85.0</td>
<td>84.7</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Point O’ View Elementary</td>
<td>90.0</td>
<td>79.0</td>
<td>85.0</td>
<td>84.7</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>Shelton Park Elementary</td>
<td>88.0</td>
<td>85.0</td>
<td>81.0</td>
<td>84.7</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Woodstock Elementary</td>
<td>83.0</td>
<td>84.0</td>
<td>84.0</td>
<td>83.7</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Salem Elementary</td>
<td>94.0</td>
<td>84.0</td>
<td>72.0</td>
<td>83.3</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Arrowhead Elementary</td>
<td>88.0</td>
<td>85.0</td>
<td>75.0</td>
<td>82.7</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Birdneck Elementary</td>
<td>83.0</td>
<td>81.0</td>
<td>83.0</td>
<td>82.3</td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>Parkway Elementary</td>
<td>80.0</td>
<td>77.0</td>
<td>75.0</td>
<td>77.3</td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>Green Run Elementary</td>
<td>77.0</td>
<td>76.0</td>
<td>69.0</td>
<td>74.0</td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>Lynnhaven Elementary</td>
<td>79.0</td>
<td>73.0</td>
<td>67.0</td>
<td>73.0</td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>Seatack Elementary</td>
<td>77.0</td>
<td>64.0</td>
<td>76.0</td>
<td>72.3</td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>Williams Elementary</td>
<td>75.0</td>
<td>70.0</td>
<td>71.0</td>
<td>72.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Virginia Department of Education.

At Larkspur Middle School, 72.5 percent of students achieved proficient or advanced ratings on the 2016-2017 SOL assessments (Table 7). With this achievement level, Larkspur Middle ranked 14th out of 14 public middle schools in the City of Virginia Beach. Students in the school district had an average performance score of 82.5 percent while the statewide performance score with 75.5 percent.
At the high school level, 88 percent of students at Kempsville High School achieved SOL assessment scores that qualified them as ‘proficient’ or advanced (Table 8). In comparison, the citywide average was 92.3 percent while the statewide average was 91.1 percent. Kempsville High School ranked 10th out of 12 public high schools in the City of Virginia Beach.

Multiple institutions of higher learning are located relatively close to the subject site. Located 1.9 miles west of the subject site, East Coast Polytechnic Institute (ECPI) University’s Virginia Beach campus at 5555 Greenwich Road provides undergraduate and graduate level education in an accelerated format. ECPI offers bachelor and master’s degrees among five colleges: College of Technology, College of Business & Criminal Justice, College of Nursing, College of Health Science, and College of Culinary Arts.

The Virginia Beach campus of Bryant and Stratton College is located three miles southeast of the subject site at 301 Centre Pointe Drive. With total enrollment of over 700 students, Bryant and
Stratton College offers 16 associate and bachelor’s degree programs. The Art Institute of Virginia Beach, located two miles northeast of the subject site at 4500 Main Street, provides degree programs in the areas of design, media arts, fashion, and culinary arts.

Virginia Wesleyan College is a private, four-year liberal arts college located at 1584 Wesleyan Drive, roughly four miles northwest of the subject site. Founded in 1961, the school’s enrollment is approximately 1,400 students, offering bachelor’s degrees in 33 major disciplines.

Tidewater Community College (TCC), located at 1700 College Crescent, is roughly 7.0 miles south of the subject site. TCC is the second largest of the 23 community colleges in Virginia. The Virginia Beach campus is the largest in the TCC system, with programs in engineering, electronics technology, health sciences and hospitality, among others. TCC has an enrollment of nearly 40,000 students system-wide.

3. Commercial Goods and Services

   a. Convenience Goods

   The term “convenience goods” refers to inexpensive, nondurable items that households purchase on a frequent basis and for which they generally do not comparison shop. Examples of convenience goods are groceries, health and personal care products, household cleaning products, newspapers, and gasoline. Restaurants, banks, gas stations, and personal care establishments such as salons and barbershops are examples of convenience services.

   Convenience shopping in this portion of Virginia Beach is primarily located along Virginia Beach Boulevard. The nearest full service grocery store, Food Lion, is located roughly one mile northeast of the subject site in the Aragona Village Shopping Center. This community shopping center also includes PNC Bank, several restaurants and eateries (Sunrise Pizzeria, Jolly Frog, China Town, El Parian Mexican) and small businesses (hair salon, nail salon, tax preparation firm). Directly across Virginia Beach Boulevard is Walmart. Further to the north in the Independence Boulevard corridor, the Haygood Shopping Center is anchored by Farm Fresh, Dollar Tree, Rite Aid, Marshall’s and includes a variety of smaller retailers. Another large shopping enclave is located just south of the subject site in the Kemps River Crossing Shopping Center (1255 Fordham Road – four miles south). This center includes over 70 shops and restaurants, including Rite Aid Pharmacy and the U.S. Post Office.

   Wegman’s has recently started construction on a new grocery store on a site immediately to the east of Walmart at the intersection of Virginia Beach and Independence Boulevards. The store will take over a vacant parcel and the city will help fund the necessary road improvements. The store will have roughly 130,000 square feet of space as well as a parking deck and mezzanine level café. This will be a major investment in the Virginia Beach Town Center and will provide an additional 500+/- jobs in the local economy.

   b. Shoppers Goods

   The term “shoppers goods” refers to larger ticket merchandise that households purchase on an infrequent basis and for which they usually comparison shop. The category is sometimes called “comparison goods.” Examples of shoppers goods are apparel and accessories, furniture and home furnishings, appliances, jewelry, and sporting goods.

   A regional shopping center, the Pembroke Mall, is located roughly two miles east of the subject site along Virginia Beach Boulevard. The center includes over 60 stores and eateries and is
anchored by Target, Sears, Kohl’s, and Stein Mart. The mall has been renovated and expanded in the last decade or so. Slightly further to the east, the Virginia Beach Town Center offers additional shopping, dining and entertainment venues. Several big box retailers are located here, including Dick’s Sporting Goods, as well as large number of boutiques and smaller retailers.

To the west of the subject site at 880 North Military Highway is the Military Circle Mall. Although this center has recently lost its major anchor department stores, it still includes Ross Dress-for-Less and a Cinemark multiplex movie theater. This location has been discussed as the potential site of a new sports arena. The nearby J.A.N.F. Shopping Yard is a one million square foot strip center with several major retailers, such as BJ’s, TJ Maxx, Petco, among others.

4. **Recreational and Other Community Amenities**

There are several attractive recreational amenities in the subject’s neighborhood. The large 165-acre Mount Trashmore Park is located three miles to the east of subject site and includes two man-made mountains, two recreational lakes, several playgrounds, a skate park and multi-use paths. Several city-operated recreational centers are in close proximity to the subject site. The Williams Farm Recreation Center, located two miles to the north, is a 71,000 square foot facility with cardio and circuit training equipment, indoor track, indoor pool with lap lanes and aquatic rock-climbing wall as well as indoor gymnasium and sports wall. Immediately adjacent is the Williams Farm Park, a 36-acre community park. Roughly equidistant to the south, the Kempsville Recreation Center was recently completed. The center includes over 87,000 square feet with two gymnasiuems, indoor track, fitness area, indoor swimming pool and recreational space.

Other noteworthy recreational and cultural establishments in Virginia Beach include the Sandler Center for the Performing Arts, located in Town Center. This 1,200-seat hall hosts the Virginia Symphony as well as opera, ballet & other performing arts. The closest public library is the Kempsville branch of the Virginia Beach Public Library System, located at 832 Kempsville Road, roughly two miles south. The quality of the community amenities and the availability of both natural and recreational features contribute to the overall desirability of Virginia Beach.
IV. ECONOMIC CONTEXT

A. Introduction

This section focuses on economic trends and conditions in the City of Virginia Beach, the jurisdiction in which the proposed Renaissance Apartments is located. For purposes of comparison, we also discuss economic trends in the Commonwealth of Virginia and the nation.

B. Resident Unemployment

The unemployment rate among Virginia Beach residents tracked slightly lower than or comparable to Virginia’s statewide unemployment rate over the last decade (Table 9). Increases and decreases in city unemployment mirrored national and statewide trends. Unemployment in the city was a low 2.7 percent in 2007. Following the national economic recession, unemployment rates increased rapidly from 2008 to 2010, though city unemployment rates remained below state and national levels. Virginia Beach unemployment rates peaked at 6.5 percent in 2010, but remained 60 basis points lower than the statewide rate and 3.1 percentage points lower than the national rate. Since then, the rate has consistently fallen while remaining below the state and national levels. As of the second quarter of 2017, the Virginia Beach unemployment rate averaged just 3.7 percent, ten basis points below the statewide rate of 3.8 percent and 90 basis points below the national rate of 4.6 percent.

Table 9 Labor Force and Unemployment Rates, City of Virginia Beach

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<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>Labor Force</td>
<td>221,582</td>
<td>222,978</td>
<td>225,849</td>
<td>219,738</td>
<td>226,894</td>
<td>229,211</td>
<td>229,035</td>
<td>230,969</td>
<td>232,015</td>
<td>228,501</td>
<td>228,787</td>
<td>230,774</td>
</tr>
<tr>
<td>Employment</td>
<td>215,051</td>
<td>216,854</td>
<td>217,654</td>
<td>206,585</td>
<td>212,145</td>
<td>215,118</td>
<td>215,892</td>
<td>218,481</td>
<td>220,531</td>
<td>218,687</td>
<td>219,775</td>
<td>222,274</td>
</tr>
<tr>
<td>Unemployment</td>
<td>6,531</td>
<td>6,124</td>
<td>8,195</td>
<td>13,153</td>
<td>14,749</td>
<td>14,093</td>
<td>13,143</td>
<td>12,488</td>
<td>11,484</td>
<td>9,812</td>
<td>9,012</td>
<td>8,500</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>2.9%</td>
<td>2.7%</td>
<td>3.6%</td>
<td>6.0%</td>
<td>6.5%</td>
<td>6.1%</td>
<td>5.7%</td>
<td>5.4%</td>
<td>4.9%</td>
<td>4.3%</td>
<td>3.9%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Virginia Beach City</td>
<td>3.1%</td>
<td>3.0%</td>
<td>3.9%</td>
<td>6.7%</td>
<td>7.1%</td>
<td>6.6%</td>
<td>6.1%</td>
<td>5.7%</td>
<td>5.2%</td>
<td>4.5%</td>
<td>4.0%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Virginia</td>
<td>4.6%</td>
<td>4.6%</td>
<td>5.8%</td>
<td>9.3%</td>
<td>9.6%</td>
<td>8.8%</td>
<td>8.3%</td>
<td>7.4%</td>
<td>6.2%</td>
<td>5.3%</td>
<td>4.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td>United States</td>
<td>4.6%</td>
<td>4.6%</td>
<td>5.8%</td>
<td>9.3%</td>
<td>9.6%</td>
<td>8.8%</td>
<td>8.3%</td>
<td>7.4%</td>
<td>6.2%</td>
<td>5.3%</td>
<td>4.9%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Labor, Bureau of Labor Statistics
C. Commuting Patterns

The City of Virginia Beach is one of the economic engines of the large and economically diverse Hampton Roads region, which is also comprised of the municipalities Chesapeake, Portsmouth, Norfolk, Hampton and Newport News, among others. The economic integration of the Hampton Roads region is demonstrated by reference to commuting patterns for residents of the primary market area for the subject project – labeled the Renaissance Market Area and defined in the next section. Data from the 2012 to 2016 American Community Survey (ACS) show that more than one-half (57.6 percent) worked within their local jurisdiction, while 41 percent commuted to jobs located outside Virginia Beach (Table 10). A small proportion (1.3 percent) of employed primary market area residents traveled to out of state locations.

Roughly one-quarter (25.6 percent) of Renaissance Market Area workers reported average commute times of 30 minutes or more each way as of 2012-2016 while the vast majority (74.4 percent) of primary market area residents commuted less than 30 minutes each way or worked from home.

### Table 10 2012-2016 Commutation Data, Renaissance Market Area

<table>
<thead>
<tr>
<th>Travel Time to Work</th>
<th>Workers 16 years+</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not work at home:</td>
<td>38,383</td>
<td>97.2%</td>
<td></td>
</tr>
<tr>
<td>Less than 5 minutes</td>
<td>690</td>
<td>1.7%</td>
<td></td>
</tr>
<tr>
<td>5 to 9 minutes</td>
<td>3,039</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td>10 to 14 minutes</td>
<td>4,512</td>
<td>11.4%</td>
<td></td>
</tr>
<tr>
<td>15 to 19 minutes</td>
<td>8,007</td>
<td>20.3%</td>
<td></td>
</tr>
<tr>
<td>20 to 24 minutes</td>
<td>8,838</td>
<td>22.4%</td>
<td></td>
</tr>
<tr>
<td>25 to 29 minutes</td>
<td>3,171</td>
<td>8.0%</td>
<td></td>
</tr>
<tr>
<td>30 to 34 minutes</td>
<td>5,275</td>
<td>13.4%</td>
<td></td>
</tr>
<tr>
<td>35 to 39 minutes</td>
<td>752</td>
<td>1.9%</td>
<td></td>
</tr>
<tr>
<td>40 to 44 minutes</td>
<td>1,147</td>
<td>2.9%</td>
<td></td>
</tr>
<tr>
<td>45 to 59 minutes</td>
<td>1,272</td>
<td>3.2%</td>
<td></td>
</tr>
<tr>
<td>60 to 89 minutes</td>
<td>1,216</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>90 or more minutes</td>
<td>464</td>
<td>1.2%</td>
<td></td>
</tr>
<tr>
<td>Worked at home</td>
<td>1,098</td>
<td>2.8%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>39,481</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Place of Work</th>
<th>Workers 16 years and over</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worked in state of residence:</td>
<td>38,958</td>
<td>98.7%</td>
<td></td>
</tr>
<tr>
<td>Worked in county of residence</td>
<td>22,754</td>
<td>57.6%</td>
<td></td>
</tr>
<tr>
<td>Worked outside county of residence</td>
<td>16,204</td>
<td>41.0%</td>
<td></td>
</tr>
<tr>
<td>Worked outside state of residence</td>
<td>523</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>39,481</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Source: American Community Survey 2012-2016

D. At-Place Employment

1. Trends in Total At-Place Employment

The number of jobs in City of Virginia Beach has fluctuated from 2000 through 2017, with growth through 2006 followed by decline and then stabilization through the rest of the period (Figure 7). At-place employment in the city increased steadily from 165,230 jobs in 2000 to a high of 178,225 jobs in 2006, followed by a decline through 2012, during the national recession. Strong job growth from 2012 to 2016 helped return the city employment level to near pre-recession highs, averaging over 5,100 new jobs per year during this period. At-place employment reached 176,469 in 2016 and continued its growth trend through the second quarter of 2017 to 177,187 jobs.
According to the Virginia Beach Economic Development Corporation, Virginia Beach continues to add jobs at a moderate pace. Recent expansion announcements include LifeNet Health adding 321 new jobs, OWL Metabolomics relocating their headquarters, IKEA adding over 250 new jobs, SANJO establishing a new headquarters with 85 new jobs, TASTE relocating to Virginia Beach adding 40 new jobs, Hill Investment Group adding 30 new jobs, and BN Media Associates adding 15 new jobs.

2. At-Place Employment by Industry Sector

An examination of City of Virginia Beach and its employment by industry sectors reveals that the city has a diverse economic base (Figure 8). The City has strong representation among five major employment sectors: Trade-Transportation-Utilities (16.6 percent), Government (16.1 percent), Professional-Business (15.4 percent), Leisure-Hospitality (15.7 percent), and Education-Health (14.8 percent). The manufacturing sector is represented by several top employers within the City of Virginia Beach, although the sector only accounts for 3.2 percent of city employment. The largest sector, trade-transportation-utilities includes positions in wholesale and retail trade and reflects the presence of many distribution-related companies situated near I-264, U.S. 58, and I-64. The
City has proportionally more jobs than the nation within its Government, Professional-Business, Leisure Hospitality, Financial Activities, and Construction sectors.

**Figure 8 Total Employment by Sector, 2nd Quarter 2017**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>28,586</td>
</tr>
<tr>
<td>Federal</td>
<td>6,258</td>
</tr>
<tr>
<td>State</td>
<td>1,905</td>
</tr>
<tr>
<td>Local</td>
<td>20,423</td>
</tr>
<tr>
<td>Private Sector</td>
<td>148,601</td>
</tr>
<tr>
<td>Goods-Producing</td>
<td>15,691</td>
</tr>
<tr>
<td>Natural Resources-Mining</td>
<td>81</td>
</tr>
<tr>
<td>Construction</td>
<td>9,866</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5,744</td>
</tr>
<tr>
<td>Service Providing</td>
<td>132,531</td>
</tr>
<tr>
<td>Trade-Trans-Utilities</td>
<td>29,427</td>
</tr>
<tr>
<td>Information</td>
<td>3,355</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>12,424</td>
</tr>
<tr>
<td>Professional-Business</td>
<td>27,216</td>
</tr>
<tr>
<td>Education-Health</td>
<td>26,231</td>
</tr>
<tr>
<td>Leisure-Hospitality</td>
<td>27,849</td>
</tr>
<tr>
<td>Other</td>
<td>6,029</td>
</tr>
<tr>
<td>Unclassified</td>
<td>379</td>
</tr>
<tr>
<td>Total Employment</td>
<td>177,187</td>
</tr>
</tbody>
</table>

**Figure 9 Employment Change by Sector, 2011 – 2nd Quarter 2017**

Figure 9 shows the change in jobs by industry sector since 2011. All but one of the eleven Virginia Beach industry sectors expanded through the last six years. Five sectors experienced moderate to strong growth of over five percent including Education-Health (17.3 percent), Leisure-Hospitality (15.9 percent), Professional-Business (11.7 percent), Construction (10.4 percent), and the “Other” sector (6.9 percent) which includes several smaller sectors. Only one sector experienced declines with Financial Activities losing 1.1 percent. However, this sector is the second smallest sector throughout the City.
3. Major Private Employers

Table 11 outlines City of Virginia Beach’s largest employers in terms of number of employees, as currently reported by Virginia Beach Economic Development. The list reflects the diversity of employment across economic sectors. The two largest employers are local military bases. Six of the top employers are in the Manufacturing sector; three are in the Financial Activities/Insurance sector; and three are in the Education-Health sector.

Table 11 Largest Employers in the City of Virginia Beach, 2017

<table>
<thead>
<tr>
<th>Rank</th>
<th>Name</th>
<th>Sector</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Joint Expeditionary Base Little Creek/Ft. Story</td>
<td>Military Base</td>
<td>6,000</td>
</tr>
<tr>
<td>2</td>
<td>Naval Air Station Oceana/Dam Neck</td>
<td>Military Base</td>
<td>3,600</td>
</tr>
<tr>
<td>3</td>
<td>GEICO General Insurance Company</td>
<td>Insurance</td>
<td>2,700</td>
</tr>
<tr>
<td>4</td>
<td>Lynnhaven Mall</td>
<td>Retail Trade</td>
<td>2,600</td>
</tr>
<tr>
<td>5</td>
<td>STIHL Incorporated</td>
<td>Manufacturing</td>
<td>2,067</td>
</tr>
<tr>
<td>6</td>
<td>AMERIGROUP (Wellpoint)</td>
<td>Insurance</td>
<td>1,850</td>
</tr>
<tr>
<td>7</td>
<td>Gold Key/PHR Hotels &amp; Resorts</td>
<td>Hospitality</td>
<td>1,000</td>
</tr>
<tr>
<td>8</td>
<td>The Christian Broadcasting Network, Inc.</td>
<td>Information</td>
<td>700</td>
</tr>
<tr>
<td>9</td>
<td>LifeNet Health</td>
<td>Health Care</td>
<td>560</td>
</tr>
<tr>
<td>10</td>
<td>Lockheed Martin Corporation</td>
<td>Information</td>
<td>510</td>
</tr>
<tr>
<td>11</td>
<td>AMSEC, LLC</td>
<td>Manufacturing</td>
<td>500</td>
</tr>
<tr>
<td>12</td>
<td>ECPI University</td>
<td>Education</td>
<td>500</td>
</tr>
<tr>
<td>13</td>
<td>SAIC (Science Applications International Corp)</td>
<td>Manufacturing</td>
<td>500</td>
</tr>
<tr>
<td>14</td>
<td>Architectural Graphics, Inc.</td>
<td>Manufacturing</td>
<td>450</td>
</tr>
<tr>
<td>15</td>
<td>M. &amp; G. Electronics Corp.</td>
<td>Manufacturing</td>
<td>439</td>
</tr>
<tr>
<td>16</td>
<td>ADS Tactical, Inc.</td>
<td>Transportation</td>
<td>420</td>
</tr>
<tr>
<td>17</td>
<td>Electronic Systems, Inc.</td>
<td>Manufacturing</td>
<td>400</td>
</tr>
<tr>
<td>18</td>
<td>Liberty Tax Services/JTH Holding, Inc.</td>
<td>Financial Services</td>
<td>400</td>
</tr>
<tr>
<td>19</td>
<td>S.B. Ballard Construction Company</td>
<td>Construction</td>
<td>400</td>
</tr>
</tbody>
</table>

Source: Virginia Beach Economic Development, 2017

E. Wage Trends

The average annual wage in 2016 for Virginia Beach was $40,996 (Table 12). In 2016, Virginia Beach’s average annual wage was below the average annual wage throughout Virginia ($54,855) and the average wage nationally ($53,611). The average annual wage in Virginia Beach has consistently trended upward since 2005 with the sole exception of a small dip in 2013.

Table 12 Average Annual Wage

<table>
<thead>
<tr>
<th>Year</th>
<th>Virginia Beach City</th>
<th>Virginia</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$30,443</td>
<td>$40,534</td>
<td>$39,354</td>
</tr>
<tr>
<td>2005</td>
<td>$31,898</td>
<td>$42,287</td>
<td>$40,677</td>
</tr>
<tr>
<td>2006</td>
<td>$33,494</td>
<td>$44,051</td>
<td>$42,535</td>
</tr>
<tr>
<td>2007</td>
<td>$35,752</td>
<td>$47,995</td>
<td>$44,458</td>
</tr>
<tr>
<td>2008</td>
<td>$35,473</td>
<td>$47,241</td>
<td>$45,563</td>
</tr>
<tr>
<td>2009</td>
<td>$35,262</td>
<td>$48,239</td>
<td>$45,559</td>
</tr>
<tr>
<td>2010</td>
<td>$36,794</td>
<td>$49,651</td>
<td>$46,751</td>
</tr>
<tr>
<td>2011</td>
<td>$38,032</td>
<td>$50,657</td>
<td>$48,043</td>
</tr>
<tr>
<td>2012</td>
<td>$39,454</td>
<td>$51,646</td>
<td>$49,289</td>
</tr>
<tr>
<td>2013</td>
<td>$39,940</td>
<td>$51,918</td>
<td>$51,361</td>
</tr>
<tr>
<td>2014</td>
<td>$39,776</td>
<td>$52,929</td>
<td>$52,942</td>
</tr>
<tr>
<td>2015</td>
<td>$40,735</td>
<td>$54,276</td>
<td>$53,611</td>
</tr>
<tr>
<td>2016</td>
<td>$40,996</td>
<td>$54,855</td>
<td>$53,611</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 10 compares the average annual wage by economic sector for City of Virginia Beach to the average annual wage by economic sector for the United States as of 2016. Average City of Virginia Beach wages in all 11 economic sectors were lower than average wages across the nation. The highest annual wages are in the white-collar sectors of Financial Activities, Professional-Business and in the Manufacturing sector. As is the case across the country, the lowest wages are in the Leisure-Hospitality sector, which incorporates jobs in establishments such as restaurants and hotels.
Figure 10: Annualized Wage Data by Sector

![Average Annual Pay by Sector 2016](image)

Source: U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages
V. HOUSING MARKET AREA

A. Introduction

The primary market area for any new residential community is defined as the geographic area from which future residents of the community would primarily be drawn and in which competitive housing alternatives are located. In defining the primary market area, RPRG sought to accommodate the joint interests of conservatively estimating housing demand and reflecting the realities of the local rental housing marketplace.

B. Delineation of Market Area

The primary market area defined by RPRG to evaluate the proposed Renaissance Apartments rental community is depicted in Map 4. The seventeen 2010 Census tracts comprising the primary market area are listed on the edge of the map. The primary market area will be referred to as the Renaissance Market Area for the remainder of this report.

The Renaissance Market Area includes the northwestern portion of the City of Virginia Beach. The Virginia Beach Expressway (I-264) runs east-west through this area while Independence Boulevard (VA Route 225) travels north-south. The Thurston Branch stream serves as a natural eastern boundary of the market area while I-64 partially defines the western boundary. Beyond the northern and southern boundaries of the market area, the neighborhoods become more suburban and are dominated by single family detached homes.

The approximate boundaries of the Renaissance Market Area and their distances from the subject site are as follows:

- **North:** Wesleyan Drive to Haygood Road (2.9 miles)
- **East:** Constitution Drive to Bonney Road to S. Rosement to Plaza Trail (4.5 miles).
- **South:** Providence Road (2.9 miles)
- **West:** I-64 to Newtown Road (3.0 miles)

As appropriate for this analysis, RPRG compares and contrasts the Renaissance Market Area with the City of Virginia Beach. We consider the City of Virginia Beach to be the secondary market area for Renaissance Apartments although we judge that there is sufficient demand from within the market area to fill the subject’s proposed units.
Map 4 Renaissance Market Area
VI. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends in population and households in the Renaissance Market Area and the wider City of Virginia Beach secondary market using the following data sources:

- The U.S. Census Bureau’s 2000 & 2010 Census of Population and Housing
- The U.S. Census Bureau’s American Community Survey for the years 2011 through 2015
- 2017 estimates and 2022 projections by Census tract from Esri, which incorporate 2010 Census data. Esri is a national vendor of demographic data.
- Data on permits for new residential units in City of Virginia Beach, compiled by the U.S. Census Bureau

In considering population and household trends moving forward from the 2010 Census, RPRG utilized Esri estimates and projections.

B. Trends in Population and Households

1. Recent Past Trends

At the time of the 2000 Census, 73,358 persons and 27,953 households resided in the Renaissance Market Area (Table 13). Based on the 2010 Census, the population of the Renaissance Market Area stood at 72,841 in 2010, reflecting a 0.7 percent decrease since 2000. In contrast, the primary market area’s 2010 household base of 29,145 reflected a modest increase of 4.3 percent versus the 2000 base. Between 2000 and 2010, the City of Virginia Beach grew by 12,737 persons and 10,634 households. These overall increases translate to annual growth rates of 0.3 percent for population and 0.7 percent household growth. As of 2010, 437,994 persons and 165,089 households resided in the City of Virginia Beach.

Esri projects that population and household totals have increased since 2010 and this trend will continue over the next five years. Based on Esri data, RPRG estimates that the primary market area’s population grew by 593 persons (0.8 percent) per year and its household base grew by 244 households (0.8 percent) annually. The estimated population and household totals for the Renaissance Market Area as of 2018 are 77,581 persons and 31,093 households. For the City of Virginia Beach, RPRG estimates that the population and household bases increased by 0.8 percent (3,380 persons) and 0.7 percent (1,231 households) each year between 2010 and 2018.
2. Projected Trends

Based on Esri data, RPRG projects that the Renaissance Market Area will continue to experience steady net population increases at an average rate of 0.7 percent, or 575 persons per year over the next five years. The primary market area’s household base will expand by a net of 236 households (0.7 percent) per year through 2023. The City of Virginia Beach will experience both population and household growth of 0.7 percent on an annual basis through 2023.

3. Building Permit Trends

Trends in residential building permits across the City of Virginia Beach generally reflect its ongoing household growth pattern. Between 2000 and 2016, the City of Virginia Beach reportedly authorized an average of 1,512 new residential units per year (Table 14). The permitting activity underlying this average reflects the strong 2000 to 2005 period, when the city approved an average of 1,984 units per year. Between 2006 and 2019, the average number of units authorized dropped to 1,129 per year. Multifamily building permits accounted for roughly one-third (34.1 percent) of all permits issued in the City of Virginia Beach over this 17 year period.
C. Demographic Characteristics

1. Age Distribution and Household Type

The median age in the Renaissance Market Area is 34, two years younger than the median age of residents of the City of Virginia Beach (Table 15). Young adults comprise a higher percentage of the primary market area’s population than that of the City of Virginia Beach population – 25.3 percent versus 23.2 percent. Adults ages 35 to 61 account for one third (33 percent) of the market area population but represent 34.9 percent of all persons in the City of Virginia Beach. Senior citizens aged 62 and older account for 17.6 percent of the primary market area’s population, comparable to the proportion of seniors in the City of Virginia Beach (17.5 percent). Children and youth under age 20 comprise roughly one-quarter of the population in both areas.

According to the 2010 Census, individuals living alone – a category that typically includes many young adults and seniors – accounted for over one-quarter (26.5 percent) of the households in the Renaissance Market Area and 23.3 percent of the households throughout the City of Virginia Beach as of 2010 (Table 16). In the primary market area, 8.5 percent of households fell into the ‘non-family without children’ category, a designation that includes roommate living arrangements and unmarried couples. The percentage of households with children in the Renaissance Market Area (33.6 percent) is lower than the percentage of households with children throughout the City of Virginia Beach (36.1 percent). Married households without children account for 23.9 of all households in the primary market area and a significantly higher proportion (27.0 percent) in the City of Virginia Beach.
2. Renter Household Characteristics

According to the 2000 Census, 40.8 percent of all households in the primary market area were renters (Table 17). By 2010, the proportion of renters had increased to 42.3 percent, as roughly three-quarters (76.7 percent) of all net new households in the market area were renters. As of 2010, the rentership rate in the market area was higher than in the City of Virginia Beach, where roughly one-third (34.7 percent) were renters.

The proportion of renters in the primary market area continued increasing from 2010 through 2018 to 45.8 percent as almost all net new household growth in the market area was among renters.
This trend is expected to continue through the next five years with the rentership rate expected to increase to 46.1 percent by 2023 as 53.4 percent of all net new households will be renters.

### Table 17 2000-2023 Households by Occupancy Status

<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>Owner Occupied</td>
<td>101,308</td>
<td>65.6%</td>
<td>107,778</td>
<td>65.3%</td>
<td>6,470</td>
<td>60.8%</td>
<td>112,315</td>
<td>62.0%</td>
</tr>
<tr>
<td>Renter Occupied</td>
<td>53,147</td>
<td>34.4%</td>
<td>57,311</td>
<td>34.7%</td>
<td>4,164</td>
<td>39.2%</td>
<td>68,905</td>
<td>38.0%</td>
</tr>
<tr>
<td>Total Occupied</td>
<td>154,455</td>
<td>100%</td>
<td>165,089</td>
<td>100%</td>
<td>10,634</td>
<td>100%</td>
<td>181,220</td>
<td>100%</td>
</tr>
<tr>
<td>Total Vacant</td>
<td>7,822</td>
<td></td>
<td>12,790</td>
<td></td>
<td></td>
<td>13,411</td>
<td>13,795</td>
<td></td>
</tr>
<tr>
<td>TOTAL UNITS</td>
<td>162,277</td>
<td></td>
<td>177,879</td>
<td></td>
<td></td>
<td>188,351</td>
<td>195,015</td>
<td></td>
</tr>
</tbody>
</table>

<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>Owner Occupied</td>
<td>16,547</td>
<td>59.2%</td>
<td>16,825</td>
<td>57.7%</td>
<td>278</td>
<td>23.3%</td>
<td>17,389</td>
<td>53.9%</td>
</tr>
<tr>
<td>Renter Occupied</td>
<td>11,406</td>
<td>40.8%</td>
<td>12,320</td>
<td>42.3%</td>
<td>914</td>
<td>76.7%</td>
<td>14,884</td>
<td>46.1%</td>
</tr>
<tr>
<td>Total Occupied</td>
<td>27,953</td>
<td>100%</td>
<td>29,145</td>
<td>100%</td>
<td>1,192</td>
<td>100%</td>
<td>32,273</td>
<td>100%</td>
</tr>
<tr>
<td>Total Vacant</td>
<td>1,109</td>
<td></td>
<td>1,773</td>
<td></td>
<td></td>
<td>1,870</td>
<td>1,888</td>
<td></td>
</tr>
<tr>
<td>TOTAL UNITS</td>
<td>29,062</td>
<td></td>
<td>30,918</td>
<td></td>
<td></td>
<td>32,163</td>
<td>34,161</td>
<td></td>
</tr>
</tbody>
</table>

### Table 18 Renter Households by Household Size

<table>
<thead>
<tr>
<th>Renter Households by Household Size</th>
<th>Virginia Beach City</th>
<th>Renaissance Market Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-person hhld</td>
<td>17,198</td>
<td>3,725</td>
</tr>
<tr>
<td>2-person hhld</td>
<td>16,736</td>
<td>3,735</td>
</tr>
<tr>
<td>3-person hhld</td>
<td>10,641</td>
<td>2,391</td>
</tr>
<tr>
<td>4-person hhld</td>
<td>7,389</td>
<td>1,451</td>
</tr>
<tr>
<td>5+-person hhld</td>
<td>5,347</td>
<td>1,018</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>57,311</strong></td>
<td><strong>12,320</strong></td>
</tr>
</tbody>
</table>

Source: U.S. Census of Population and Housing, 2000, 2010; Esri, RPRG, Inc.

One- and two-person households combined accounted for 60.5 percent of the renter households in the Renaissance Market Area and a comparable proportion (59.2 percent) throughout the City of Virginia Beach, as of the 2010 Census (Table 18). Renter households with three to four members accounted for one-third (31.2 percent) of all renter households in the market area and roughly the same proportion (31.5 percent) throughout the City. Renter households with five or more members were slightly less common in the primary market area (8.3 percent of renters) than throughout the City of Virginia Beach (9.3 percent).

The Renaissance Market Area has a slightly higher proportion of younger renters than does the City of Virginia Beach as a whole (Table 19). Roughly one-half (46.8 percent) of primary market area renters as of 2018 are estimated to be below the age of 35 while only 44.3 percent are represented throughout the City of Virginia Beach. Renter households between the ages of 35 and 54 account for 33.5 percent of all renter households within the market area and 33.7 percent of renters in the City of Virginia Beach. These are the households who are most likely to be permanent renters.
renters, renting more out of necessity than lifestyle preference. Seniors aged 55 and older represent 19.7 percent of all renters within the market area and 22 percent citywide.

Table 19 Renter Households by Age of Householder

<table>
<thead>
<tr>
<th>Age of HHldr</th>
<th>Total</th>
<th>Percentage</th>
<th>Renaissance Market Area</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24 years</td>
<td>7,611</td>
<td>11.5%</td>
<td>1,852</td>
<td>13.0%</td>
<td></td>
</tr>
<tr>
<td>25-34 years</td>
<td>21,683</td>
<td>32.8%</td>
<td>4,820</td>
<td>33.8%</td>
<td></td>
</tr>
<tr>
<td>35-44 years</td>
<td>13,446</td>
<td>20.3%</td>
<td>3,006</td>
<td>21.1%</td>
<td></td>
</tr>
<tr>
<td>45-54 years</td>
<td>8,898</td>
<td>13.4%</td>
<td>1,774</td>
<td>12.4%</td>
<td></td>
</tr>
<tr>
<td>55-64 years</td>
<td>6,211</td>
<td>9.4%</td>
<td>1,234</td>
<td>8.7%</td>
<td></td>
</tr>
<tr>
<td>65-74 years</td>
<td>4,085</td>
<td>6.2%</td>
<td>776</td>
<td>5.4%</td>
<td></td>
</tr>
<tr>
<td>75+ years</td>
<td>4,267</td>
<td>6.4%</td>
<td>792</td>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>66,200</td>
<td>100%</td>
<td>14,253</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Esri, Real Property Research Group, Inc.

D. Income Characteristics

The Renaissance Market Area is a moderate-income market with incomes on average less than incomes throughout the City of Virginia Beach (Table 20). Based on income projections from Esri, RPRG estimates the median annual household income in the Renaissance Market Area at $59,854, roughly 15 percent lower than the City of Virginia Beach’s overall median household income of $70,066. One out of four (24.6 percent) of primary market area households have annual incomes below $35,000 while two fifths (40.1 percent) have incomes between $35,000 and $75,000. The highest income households, i.e., those with incomes of $75,000 or more, account for the remaining 35.3 percent of all households within the market area.

Table 20 2018 Household Income

<table>
<thead>
<tr>
<th>Estimated 2018 Household Income</th>
<th>Virginia Beach City</th>
<th>Renaissance Market Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $15,000</td>
<td>11,411</td>
<td>2,542</td>
</tr>
<tr>
<td>$15,000-$24,999</td>
<td>10,437</td>
<td>2,019</td>
</tr>
<tr>
<td>$25,000-$34,999</td>
<td>13,722</td>
<td>3,077</td>
</tr>
<tr>
<td>$35,000-$49,999</td>
<td>23,005</td>
<td>4,934</td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>35,999</td>
<td>7,546</td>
</tr>
<tr>
<td>$75,000-$99,999</td>
<td>26,643</td>
<td>4,557</td>
</tr>
<tr>
<td>$100,000-$149,999</td>
<td>31,735</td>
<td>4,455</td>
</tr>
<tr>
<td>$150,000+</td>
<td>21,988</td>
<td>1,963</td>
</tr>
<tr>
<td>Total</td>
<td>174,940</td>
<td>31,093</td>
</tr>
</tbody>
</table>

Source: Esri, Real Property Research Group, Inc.

Table 21 presents distributions of 2018 household incomes for renter and homeowner households in the Renaissance Market Area. Based on income estimate data from the 2012-2016 ACS, Esri income projections, and RPRG’s household estimates, the median annual income among the primary market area’s renter households as of 2018 is estimated at $51,495. The median income of homeowner households in the Renaissance Market Area ($67,148) is 30 percent higher than the
median renter income. Roughly three out of ten (28.9 percent) of the primary market area’s renters have annual incomes below $35,000. Roughly 40 percent earn between $35,000 and $75,000, while the remaining 26.8 percent have incomes of $75,000 or more.

### Table 21 2018 Household Income by Tenure

<table>
<thead>
<tr>
<th>Estimated 2018 HH Income</th>
<th>Renter Households</th>
<th>Owner Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renaissance Market Area</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>less than $15,000</td>
<td>1,513</td>
<td>10.6%</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>1,202</td>
<td>8.4%</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>1,398</td>
<td>9.8%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>2,804</td>
<td>19.7%</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>3,516</td>
<td>24.7%</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>1,920</td>
<td>13.5%</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>1,480</td>
<td>10.4%</td>
</tr>
<tr>
<td>$150,000 - over</td>
<td>421</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,253</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2012-2016 Estimates, RPRG, Inc.

### E. Cost-Burdened Renter Households

‘Rent Burden’ is defined as the ratio of a household’s gross monthly housing costs – rent paid to landlords plus utility costs – to that household’s monthly income. VHDA requires that household rent burdens under the LIHTC program be no higher than 35 percent.

Rent burden data from the 2012-2016 ACS highlights that lower-income renter households in the Renaissance Market Area tend to pay a very high percentage of their monthly income toward housing costs (Table 22). Roughly one out of three (33.2 percent) of all renter households residing in the Renaissance Market Area have rent burdens of 40 percent or higher. The cost-burdened situation of many low- to moderate-income renter households is a primary indicator of a need for new affordable income- and rent-restricted rental housing in the primary market area. Additionally, 3.0 percent of the rental housing stock within the market area can be considered substandard, i.e., lacking complete plumbing facilities, or overcrowded with more than 1.0 occupants per room.
### Table 22 Rent Burden by Household Income, 2012-2016, Renaissance Market Area

#### Rent Cost Burden

<table>
<thead>
<tr>
<th>Total Households</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10.0 percent</td>
<td>212</td>
<td>1.6%</td>
</tr>
<tr>
<td>10.0 to 14.9 percent</td>
<td>868</td>
<td>6.6%</td>
</tr>
<tr>
<td>15.0 to 19.9 percent</td>
<td>1,346</td>
<td>10.2%</td>
</tr>
<tr>
<td>20.0 to 24.9 percent</td>
<td>1,628</td>
<td>12.3%</td>
</tr>
<tr>
<td>25.0 to 29.9 percent</td>
<td>2,036</td>
<td>15.4%</td>
</tr>
<tr>
<td>30.0 to 34.9 percent</td>
<td>1,290</td>
<td>9.7%</td>
</tr>
<tr>
<td>35.0 to 39.9 percent</td>
<td>1,209</td>
<td>9.1%</td>
</tr>
<tr>
<td>40.0 to 49.9 percent</td>
<td>1,393</td>
<td>10.5%</td>
</tr>
<tr>
<td>50.0 percent or more</td>
<td>2,869</td>
<td>21.7%</td>
</tr>
<tr>
<td>Not computed</td>
<td>382</td>
<td>2.9%</td>
</tr>
<tr>
<td>Total</td>
<td>13,233</td>
<td>100%</td>
</tr>
</tbody>
</table>

| > 40% income on rent | 4,262 | 33.2% |

Source: American Community Survey 2012-2016

#### Substandardness

<table>
<thead>
<tr>
<th>Total Households</th>
<th>Owner occupied:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complete plumbing facilities:</td>
<td>16,131</td>
</tr>
<tr>
<td></td>
<td>1.00 or less occupants per room</td>
<td>15,934</td>
</tr>
<tr>
<td></td>
<td>1.01 or more occupants per room</td>
<td>197</td>
</tr>
<tr>
<td></td>
<td>Lacking complete plumbing facilities:</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Overcrowded or lacking plumbing</td>
<td>197</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Households</th>
<th>Renter occupied:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complete plumbing facilities:</td>
<td>13,188</td>
</tr>
<tr>
<td></td>
<td>1.00 or less occupants per room</td>
<td>12,834</td>
</tr>
<tr>
<td></td>
<td>1.01 or more occupants per room</td>
<td>354</td>
</tr>
<tr>
<td></td>
<td>Lacking complete plumbing facilities:</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Overcrowded or lacking plumbing</td>
<td>399</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Substandard Housing</th>
<th>596</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Total Stock Substandard</td>
<td>2.0%</td>
</tr>
<tr>
<td>% Rental Stock Substandard</td>
<td>3.0%</td>
</tr>
</tbody>
</table>
VII. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Renaissance Market Area. We provide data regarding structure types, structure age, and home values from the 2012-2016 ACS. We then report the results of our survey of competitive rental communities in February 2018. Furthermore, we identify residential rental projects actively planned or that currently under construction, based on interviews with local government officials, on-line resources, and RPRG site visit observations.

B. Overview of Market Area Housing Stock

As recorded in the 2012-2016 ACS, more than two out of five (44.8 percent) of the renter-occupied housing stock of the Renaissance Market Area was found in single-family rentals structures – detached homes, attached townhouses or duplexes (Table 23). Multifamily structures of at least 10 units accounted for one-quarter (24.1 percent) of all rentals while the remaining units were in small 3- to 9-unit buildings (30.1 percent). Throughout City of Virginia Beach, more renter-occupied units were in single-family structures (46.6 percent) and fewer were in large multifamily structures (22.5 percent), while 27.8 percent of rental units were in smaller multifamily buildings.

Table 23 Rental Dwelling Units by Structure Type

<table>
<thead>
<tr>
<th>Renter Occupied</th>
<th>Virginia Beach City</th>
<th>Renaissance Market Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>1, detached</td>
<td>12,945</td>
<td>21.0%</td>
</tr>
<tr>
<td>1, attached</td>
<td>15,360</td>
<td>24.9%</td>
</tr>
<tr>
<td>2</td>
<td>1,896</td>
<td>3.1%</td>
</tr>
<tr>
<td>3-4</td>
<td>6,351</td>
<td>10.3%</td>
</tr>
<tr>
<td>5-9</td>
<td>10,803</td>
<td>17.5%</td>
</tr>
<tr>
<td>10-19</td>
<td>6,534</td>
<td>10.6%</td>
</tr>
<tr>
<td>20+ units</td>
<td>7,341</td>
<td>11.9%</td>
</tr>
<tr>
<td>Mobile home</td>
<td>446</td>
<td>0.7%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>61,676</td>
<td>100%</td>
</tr>
</tbody>
</table>

The housing stock of the Renaissance Market Area as observed during the 2012-2016 ACS was similar in age to the City of Virginia Beach (Table 24). The median rental unit in both the Renaissance Market Area and City of Virginia was constructed in 1983. Roughly half of all rental units in the primary market area (51.6 percent) and City of Virginia (51.9 percent) were built in the 1970’s and 1980’s. Since 2000, roughly 17 percent of all market area renter units were placed in service, compared to 14.8 percent among all citywide renter units.
Per the 2012-2016 ACS, both the Renaissance Market Area and City of Virginia Beach offer moderately priced for-sale housing (Table 25). The median value across the owner-occupied housing stock in the primary market area as of 2012-2016 was $215,599. The median homeownership unit in City of Virginia Beach as a whole was higher at $266,929. Affordable homeownership opportunities in the Renaissance Market Area are limited, as an estimated 1,024 units (6.3 percent) are valued at less than $100,000.

### Table 25 Value of Owner Occupied Housing Stock

<table>
<thead>
<tr>
<th>2012-2016 Home Value</th>
<th>Virginia Beach City</th>
<th>Renaissance Market Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>less than $60,000</td>
<td>3,193</td>
<td>3.0%</td>
</tr>
<tr>
<td>$60,000 - $99,999</td>
<td>13,311</td>
<td>1.3%</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>7,216</td>
<td>6.8%</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>16,021</td>
<td>15.1%</td>
</tr>
<tr>
<td>$200,000 - $299,999</td>
<td>37,585</td>
<td>35.5%</td>
</tr>
<tr>
<td>$300,000 - $499,999</td>
<td>19,735</td>
<td>18.6%</td>
</tr>
<tr>
<td>$400,000 - $499,999</td>
<td>8,400</td>
<td>7.9%</td>
</tr>
<tr>
<td>$500,000 - $749,999</td>
<td>8,039</td>
<td>7.6%</td>
</tr>
<tr>
<td>$750,000+</td>
<td>4,313</td>
<td>4.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>105,833</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Median Value**: $266,929 for Virginia Beach City, $215,599 for Renaissance Market Area

*Source: American Community Survey 2012-2016*

### C. Survey of General Occupancy Rental Communities

#### 1. Introduction

In order to gauge the status of the rental market within which the proposed subject would compete, RPRG surveyed 24 general occupancy rental communities in the Renaissance Market Area in February 2018. Eighteen properties offer strictly conventional market rate units; five communities are LIHTC properties; and one rental community includes both market rate and tax credit units.
We have divided the rental communities into three categories for ease of comparison: Upper Tier market rate; Lower Tier market rate; and Affordable/Tax Credit. The six Upper Tier market rate communities represent the most modern and highest priced rental product available within the market area and typically offer an extensive community amenity package. The 12 Lower Tier market rate communities surveyed are lower priced, older communities which are generally more modest in the amenities available to residents. The Affordable/Tax Credit rental communities are typically older properties that have been purchased and renovated with tax credit equity. These communities generally are able to offer a competitive (or even superior) product as the Lower Tier rental properties. We note that the market rate and income-restricted units in Mayfair Apartments are separately presented.

The detailed competitive survey excludes age-restricted senior rental properties. A separate discussion of rental communities with project-based rental subsidies will be presented later in this section. Profile sheets with detailed information on each surveyed general occupancy community, including photographs, are attached as Appendix 2.

2. Location

Map 5 shows the locations of the 24 surveyed competitive communities in relation to the subject site. Of the six rental communities with income-restricted units, four are located to the north of the subject; one is located to the southwest and one is located to the southeast. Of the market rate communities, the Upper Tier rental properties are generally clustered along Independence Boulevard, either north or south of I-264. Among the Lower Tier market rate communities, there are a cluster of properties south of I-264 to the east along Plaza Trail and another cluster to the northwest along Newtown Road.

3. Age of Communities

The surveyed stock of market rate general occupancy rental communities has an average year built of 1991, translating to an average structure age of 27 years (Table 26). The Upper Tier market rate rental communities are relatively modern with an average year built of 2011, while the Lower Tier market rate and tax credit communities are older with an average year built of 1982 and 1988, respectively.

Among the Lower Tier market rate and tax credit rental communities, six properties have undergone significant renovation and likely others have done so as well although this information was not reported.
Map 5 Competitive Rental Communities, Renaissance Market Area

<table>
<thead>
<tr>
<th>Map #</th>
<th>Community Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Cosmopolitan</td>
</tr>
<tr>
<td>2</td>
<td>Encore 4505 @ Town Center</td>
</tr>
<tr>
<td>3</td>
<td>525 Historic Kempsville</td>
</tr>
<tr>
<td>4</td>
<td>Middletown at Town Center</td>
</tr>
<tr>
<td>5</td>
<td>Greenwich Village</td>
</tr>
<tr>
<td>6</td>
<td>Cambria at Cornerstone</td>
</tr>
<tr>
<td>7</td>
<td>Aspen</td>
</tr>
<tr>
<td>8</td>
<td>Columbus Station</td>
</tr>
<tr>
<td>9</td>
<td>Shoreline</td>
</tr>
<tr>
<td>10</td>
<td>St Croix</td>
</tr>
<tr>
<td>11</td>
<td>Ashbrook</td>
</tr>
<tr>
<td>12</td>
<td>Hunter's Mill</td>
</tr>
<tr>
<td>13</td>
<td>Chase Arbor</td>
</tr>
<tr>
<td>14</td>
<td>Pembroke Town Center</td>
</tr>
<tr>
<td>15</td>
<td>Baywatch Pointe</td>
</tr>
<tr>
<td>16</td>
<td>Pines of Newpointe</td>
</tr>
<tr>
<td>17</td>
<td>Ridgewood Club Apts</td>
</tr>
<tr>
<td>18</td>
<td>Amhurst</td>
</tr>
<tr>
<td>19</td>
<td>Aden Park</td>
</tr>
<tr>
<td>20</td>
<td>Thalia Landing</td>
</tr>
<tr>
<td>21</td>
<td>Mayfair</td>
</tr>
<tr>
<td>22</td>
<td>Ebbett's Plaza</td>
</tr>
<tr>
<td>23</td>
<td>Baker Woods</td>
</tr>
<tr>
<td>24</td>
<td>Summer Haven</td>
</tr>
</tbody>
</table>

Legend:
- Upper Tier - Market Rate
- Lower Tier - Market Rate
- Affordable/Tax Credit
4. Structure Type

Garden-style buildings are the most common with 16 properties having this structure type. Generally, these communities have either two or three stories. Three tax credit communities have a mix of both garden and townhouse units. The Upper Tier rental communities have a more varied structure type, including one high-rise rental property and three communities with mid-rise buildings. The newest rental community, 525 Historic Kempsville, currently has a limited number of units in a former school building although additional phases include mid-rise buildings.

5. Size of Communities

The 24 surveyed rental communities offer 4,920 market rate and affordable units, with an overall average size of 205 units per community. The average size among the Upper Tier market rate rental communities is larger with 279 units, while the Lower Tier market rate communities have an average size of 211 unit. The tax credit communities are smaller with an average of 120 units.
6. **Vacancy Rates**

As of our survey, 191 of the 4,920 units were reported vacant, yielding an overall vacancy rate of 3.9 percent. Among the Upper Tier market rate communities, the vacancy rate is 4.1 percent. The Lower Tier market rate communities reported an overall vacancy rate of 4.2 percent while the Affordable/Tax Credit communities have a vacancy rate of only 2.5 percent. However, all reported vacant units among Affordable/Tax Credit communities were market rate units within Mayfair Apartments, a LIHTC mixed-income community. The low vacancy rates for the Lower Tier market rate and affordable communities are indicative of a tight rental market, given that 5.0 percent is a typical stabilized vacancy standard.

7. **Rent Concessions**

Among the 24 surveyed rental communities, six market rate rental properties are advertising some leasing concessions, ranging from reduced monthly rent up to one month of free rent. The lower priced market rate and income-restricted rental communities are not offering any leasing concessions.

8. **Absorption History**

Among the income-restricted properties, only Baker Woods and Summer Haven have opened within the recent past.

- **Baker Woods** opened in May 2015 and was fully leased as of October 2015, reflecting an absorption pace of roughly 19 units per month. However, the demand for these apartments was very strong and the lease up pace is a reflection of when the buildings were released for occupancy rather than market interest. Prior to opening, this community had an interest list of over 400 households. Baker Woods currently maintains a pre-qualified wait list of 150+/- households.

- **Summer Haven** opened in March 2017 with a significant number of pre-leased units. All 54 units were fully leased by June 2017 for an average absorption pace of 19 units per month, and the community now reports an extensive wait list.

Among the Upper Tier market rate rental communities that opened within the past five years:

- **Greenwich Village** experienced a lease up pace of roughly 16 units per month between May 2012 and June 2013.

- **Cambria at Cornerstone** leased up simultaneously with Greenwich Village and experienced an overall absorption pace of roughly 18 units per month.

- **Encore 4505 @ Town Center** opened in September 2014 and stabilized in March 2016, or an average lease up pace of 15 units per month.

The overall desirability of the market area is evidenced in that several Upper Tier market rate communities were able to achieve these relatively strong leased up rates while simultaneously marketing.

D. **Analysis of Rental Products and Pricing**

1. **Payment of Utility Costs**

Among Upper Tier market rate communities, trash removal only is included in monthly rents at one community, while tenants pay all utilities in the remaining properties (Table 27). Among the
Lower Tier rental communities, three communities include only trash; two communities include water, sewer and trash; and two communities include gas cooking as well as some other utilities. Six Lower Tier market rate communities include no utilities in the monthly contract rent. Among the tax credit communities, three communities include water, sewer and trash; one property includes gas cooking as well as water, sewer and trash; while the two newest tax credit communities include only trash. Five communities include cable TV in the monthly rents.

2. Parking

All surveyed rental communities incorporate on-site surface or structured parking at no charge to residents. Three market rate communities offer detached garages for monthly fees of up to $150.

| Table 27 Utility Arrangement and Unit Features, Renaissance Market Area Communities |

<table>
<thead>
<tr>
<th>Community</th>
<th>Heat Type</th>
<th>Heat</th>
<th>Hot Water</th>
<th>Hot Water</th>
<th>Electric</th>
<th>Water</th>
<th>Trash</th>
<th>Dishwasher</th>
<th>Microwave</th>
<th>Parking</th>
<th>Laundry</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subject</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Upper Tier - Market Rate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>Gas</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☧</td>
<td>☩</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Encore 4505 @ Town Center</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>525 Historic Kempsville</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Midtown at Town Center</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Greenwich Village</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Cambria at Cornerstone</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td><strong>Lower Tier - Market Rate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aspen</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Columbus Station</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Shoreline</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>St Croix</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Ashbrook</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Hunter's Mill</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Chase Arbor</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Pembroke Town Center</td>
<td>Gas</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Baywatch Pointe</td>
<td>Gas</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Pines of Newpointe</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Ridgewood Club Apts</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Amhurst</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td><strong>Affordable/Tax Credit Communities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aden Park</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Thalia Landing</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Mayfair</td>
<td>Gas</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Ebbett’s Plaza</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Baker Woods</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
<tr>
<td>Summer Haven</td>
<td>Elec</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
<td>☦</td>
</tr>
</tbody>
</table>

Source: Field Survey, Real Property Research Group, Inc. February 2018

3. Kitchen Features & Finishes

All unit kitchens at the surveyed rental communities are equipped with stoves/ranges and refrigerators; dishwashers are available in all units except in one Lower Tier market rate property and in one income-restricted rental community. Microwaves are available in all of the Upper Tier
market rate properties and in some of the units at two Lower Tier communities. This feature is not available within the income-restricted tax credit rental supply.

As expected, the Upper Tier market rate communities have the highest level of finish, including units with granite countertop, stainless steel appliances, laminate wood (or similar) flooring. The level of finish among the Lower Tier market rate and income-restricted rental supply is more basic, generally including laminated countertop and white appliances. Baker Woods, and Summer Haven, the newest tax credit rental communities, include black appliances and dark cabinets.

Several properties report varying levels of renovation, upgrading unit features as well as building structures. For example, Aspen recently installed new black kitchen appliances and granite countertops. Similar upgrades were recently completed at Baywatch Pointe and Pembrooke Town Center.

4. Other Unit Features & Finishes

All of the units in Upper Tier market rate communities have an in-unit washer/dryer. Among the Lower Tier market rate communities, nine communities have this feature in some (or all) units. Two Lower Tier market rate and two tax credit rental communities have washer/dryer hook-ups in some or all units. Several communities offer washer/dryer units available for monthly rental fees of $20 - $35 per month. Summer Haven, the newest tax credit community, offers in-unit washer/dryers.

Private outdoor space in the form of patios or balconies is incorporated in some or all of the units at most rental communities. Within the Upper Tier market rate supply, this feature is available in only select units in the elevator-serviced communities but is available in all units at both garden-style communities. Within the Lower Tier and tax credit rental communities, this feature is typically available.

Other features that are available in some rental communities include fireplaces; extra storage; and unit alarms. All of the Upper Tier market rate communities include higher end finishes and extra features, such as high ceilings; upgraded flooring (laminate faux wood or composite vinyl) in the kitchen and other high traffic areas; track or recessed lighting; built-in computer nooks, etc.

5. Community Amenities

As shown in Table 28, almost all of the surveyed rental communities in the Renaissance Market Area incorporate common area amenities for the convenience or enjoyment of tenants. All of the Upper Tier market rate communities include a clubhouse (or dedicated community center space) with fitness center and outdoor swimming pool. Four of these communities have a business center and the two garden-style communities have playgrounds. The most typical common area amenity among the Lower Tier market rate communities is a swimming pool, available in ten of the 12 surveyed communities. A clubhouse or community room is available in seven Lower Tier market rate properties and most of these communities also include a fitness room. Five properties have playgrounds available for residents.

Among the income-restricted rental supply, playgrounds are available in all communities and three communities include dedicated community spaces and swimming pool. Baker Woods also has a fitness center and dog park.
Other features available within the competitive rental supply include hot tub or sauna (five properties) and tennis courts (three communities). There are no gated rental communities within the market area.

### Table 28 Community Amenities, Renaissance Market Area Rental Communities

<table>
<thead>
<tr>
<th>Community</th>
<th>Clubhouse</th>
<th>Fitness Room</th>
<th>Pool</th>
<th>Hot Tub</th>
<th>Sauna</th>
<th>Playground</th>
<th>Tennis Court</th>
<th>Business Center</th>
<th>Gated Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Tier - Market Rate</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Encore 4505 @ Town Center</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>525 Historic Kempsville</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Midtown at Town Center</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Greenwich Village</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Cambria at Cornerstone</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Lower Tier - Market Rate</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Aspen</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Columbus Station</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Shoreline</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>St Croix</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Ashbrook</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Hunter’s Mill</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Chase Arbor</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Pembroke Town Center</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Baywatch Pointe</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Pines of Newpointe</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Ridgewood Club Apts</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Amhurst</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Affordable/Tax Credit</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Aden Park</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Thalia Landing</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Mayfair</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Ebbett’s Plaza</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Baker Woods</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
<tr>
<td>Summer Haven</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
<td>XX</td>
</tr>
</tbody>
</table>

Source: Field Survey, Real Property Research Group, Inc. February 2018

### 6. Unit Distribution

Table 29 presents details on the unit distribution of those properties within our competitive survey. Of the six Upper Tier market rate communities, the unit distribution is known for 1,280 units, or 77 percent of the total. Two-bedroom units are most common in the known distribution, accounting for 48.2 percent of the unit total. One-bedroom units account for the next largest percentage at 26.8 percent, while three-bedroom units represent 13.7 percent of the known Upper Tier unit distribution. Roughly 11 percent of all Upper Tier rental units are efficiencies.
### Table 29: Unit Distribution, Size and Pricing, Renaissance Market Area Communities

<table>
<thead>
<tr>
<th>Community Type</th>
<th>Total Units</th>
<th>Efficiency Units</th>
<th>One Bedroom Units</th>
<th>Two Bedroom Units</th>
<th>Three Bedroom Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subject 40%</strong></td>
<td>9</td>
<td>1</td>
<td>6</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Subject 40%</strong></td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subject 50%</strong></td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subject 50%</strong></td>
<td>37</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subject 60%</strong></td>
<td>48</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Upper Tier - Market Rate</strong></td>
<td>1,672</td>
<td>1,280</td>
<td>343</td>
<td>617</td>
<td>175</td>
</tr>
<tr>
<td><strong>Lower Tier - Market Rate</strong></td>
<td>2,667</td>
<td>2,531</td>
<td>673</td>
<td>1,592</td>
<td>266</td>
</tr>
<tr>
<td><strong>Affordable/Tax Credit Communities</strong></td>
<td>575</td>
<td>567</td>
<td>84</td>
<td>341</td>
<td>142</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community</th>
<th>Type</th>
<th>Total Rent</th>
<th>SF</th>
<th>Rent/ SF</th>
<th>Total Rent</th>
<th>SF</th>
<th>Rent/ SF</th>
<th>Total Rent</th>
<th>SF</th>
<th>Rent/ SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject 40% - Subsidized</td>
<td></td>
<td>1,182</td>
<td>570</td>
<td>2.07</td>
<td>1,378</td>
<td>718</td>
<td>1.92</td>
<td>570</td>
<td>940</td>
<td>1.67</td>
</tr>
<tr>
<td>Subject 40%</td>
<td>1,345</td>
<td>935</td>
<td>1.44</td>
<td>1,551</td>
<td>1,069</td>
<td>1.45</td>
<td>1,875</td>
<td>1,476</td>
<td>1.27</td>
<td></td>
</tr>
<tr>
<td>Subject 50% - Subsidized</td>
<td></td>
<td>1,004</td>
<td>593</td>
<td>1.69</td>
<td>1,451</td>
<td>804</td>
<td>1.80</td>
<td>1,453</td>
<td>1,061</td>
<td>1.37</td>
</tr>
<tr>
<td>Subject 50%</td>
<td>1</td>
<td>710</td>
<td>1,034</td>
<td>0.69</td>
<td>1</td>
<td>710</td>
<td>1,034</td>
<td>0.69</td>
<td>10</td>
<td>800</td>
</tr>
<tr>
<td>Subject 60%</td>
<td>740</td>
<td>739</td>
<td>1.00</td>
<td>875</td>
<td>1,034</td>
<td>0.85</td>
<td>990</td>
<td>1,224</td>
<td>0.81</td>
<td></td>
</tr>
<tr>
<td><strong>Total Efficiency Units</strong></td>
<td>1,093</td>
<td>1,026</td>
<td>1,062</td>
<td>1,062</td>
<td>1,233</td>
<td>1,062</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Rent</strong></td>
<td>2,667</td>
<td>2,531</td>
<td>1,592</td>
<td>2,531</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rent/ SF</strong></td>
<td>4,233</td>
<td>4,233</td>
<td>1,592</td>
<td>1,592</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
- (**) Tax Credit Communities
- (1) Rent is adjusted to include only Trash and incentives

Source: Field Survey, Real Property Research Group, Inc. February 2018

The unit distribution is known for 94.9 percent of the Lower Tier rental communities. Of these, two-bedroom units account for nearly two-thirds (62.9 percent) of all units; one-bedroom units...
make up 26.6 percent; and three-bedroom units account for 10.5 percent. Two Lower Tier rental communities also have four-bedroom units that are not included in Table 29.

The income-restricted rental supply has a comparable proportion (60.1 percent) of two-bedroom units as the Lower Tier market rate units but a higher proportion (25 percent) of three-bedroom units. One-bedroom units account for 14.8 percent of the supply while four-bedroom units are available in two tax credit communities but are not presented in our analysis.

7. Unit Size

The average unit sizes for the surveyed Upper Tier market rate units are 817 square feet for the one-bedroom units; 1,062 square feet for two-bedroom units; and 1,425 square feet for three-bedroom units. The Lower Tier market rate units are slightly smaller in size across all unit types with average sizes of 784 square feet for the one-bedroom units; 1,026 square feet for the two-bedroom units; and 1,233 square feet for the three-bedroom units. Among the tax credit rental supply, units are slightly smaller than in the market rate properties with an average of 742 square feet for the one-bedroom units; 989 square feet for the two-bedroom units; and 1,170 square feet for the three-bedroom units.

8. Unit Pricing

The rents listed in Table 29 are net or effective rents, as opposed to published or street rents. We calculated effective rents in order to facilitate an ‘apples to apples’ comparison of tenants’ housing costs across the surveyed communities. To derive effective rents, we first applied downward adjustments to relevant published rents for units impacted by current rental incentives. Second, the effective rents reflect upward or downward adjustments to published rents to equalize the impact of utility expenses across properties. Specifically, the effective rents reflect the hypothetical situation where tenants of each community are responsible for utility bills other than those for trash removal. This is the proposed utility billing arrangement for Renaissance Apartments. One final downward adjustment of $35 was taken at those communities which include cable TV as a standard feature in the contract rent.

The Upper Tier one-bedroom adjusted monthly contract rent averages $1,311; the two-bedroom average net rent is $1,487; and the three-bedroom monthly contract rent averages $1,957. Average per square foot rents for Upper Tier units in the Renaissance Market Area step down from $1.60 for one-bedroom units; $1.40 for two-bedroom units; and $1.37 for three-bedroom units.

The Lower Tier adjusted net market rent for a one-bedroom unit averages $960; the two-bedroom net rent is $1,093; and the three-bedroom rent is $1,312. The average rents per square foot range from $1.06 to $1.22.

The one-bedroom income-restricted monthly contract rent averages $652; the two-bedroom average rent is $779; and the three-bedroom monthly contract rent average is $890. Average per square foot rents for affordable units step down from $0.88 for one-bedrooms to $0.79 for two-bedroom units and $0.76 for three-bedroom units.

E. Subsidized Rental Communities & Housing Choice Voucher Statistics

We have identified only one multifamily rental community with project-based rental subsidies, commonly referred to as “deep” subsidy rental housing. Deep subsidy units include those where rental assistance is provided in the form of project-based Section 8 rent subsidies or other governmental programs, such as in public housing. In many subsidized arrangements, tenants pay
an amount roughly equivalent to 30 percent of their income toward housing costs (rents plus utility costs), while the rent subsidy covers the remainder of the relevant housing costs.

**Carriage House** is a 200-unit multifamily rental community located at 5340 Carriage House Drive, roughly three miles north of the subject site. The leasing staff would not provide any property information but did state that the waiting list for all unit types is closed and that there are 36 households on the waiting list for the one-bedroom units; 12 households on the two-bedroom waiting list; and five households on the three-bedroom waiting list.

In addition, the Department of Housing and Neighborhood Preservation with the City of Virginia Beach administers the Housing Choice Voucher (HCV) program. According to statistics provided by Andrew Friedman, Director, there are 2,059 vouchers. Of these, 1,959 (95.0 percent) are actively utilized at this time.

The waiting list for the HCV program is extensive with 10,603 active applications. Of these, the screening preference make-up is as follows: 1,563 persons are homeless; 7,500 are comprised of families with children; 201 are elderly/disabled; and 219 are veterans. Additionally, of those on the waiting list, nearly three-quarters (7,847 persons or 73.5 percent) are considered to be extremely low income; 2,656 persons (24.9 percent) are very low income; 81 persons (0.8 percent) are low income; and 82 persons (0.8 percent) are over-income.

### F. Derivation of Market Rent

To better understand how the proposed contract rents for Renaissance Apartments compare with the surveyed rental market, the contract rents of comparable communities can be adjusted for differences in a variety of factors including curb appeal, structure age, square footage, the handling of utilities, and shared amenities. Market-rate communities are the most desirable comparables to be used in this type of analysis, as the use of market-rate communities allows RPRG to derive an estimate of market rent.

The purpose of this exercise is to determine whether the proposed LIHTC rents for the subject offer a value relative to market-rate rent levels within a given market area. The rent derived for bedroom type is not to be confused with an appraisal or rent comparability study (RCS) based approach, which is more specific as it compares specific models in comparable rental communities to specific floor plans at the subject and is used for income/expense analysis and valuation.

We elected to compare the units at the subject to the comparable floor plans at Cambria at Cornerstone, Chase Arbor, and Ashbrook. Once a particular floor plan’s market rent has been determined, it can be used to evaluate: a.) whether or not the subject project has a rent advantage or disadvantage versus competing communities, and b.) the extent of that rent advantage or disadvantage.

The derivation of achievable rent calculations for the 60 percent of AMI units are displayed in Table 30, Table 31 and Table 32. The results of the calculations are summarized in Table 33. The assumptions used in the calculations are shown in Table 34.
## Table 30 Market Rent Analysis – One-Bedroom Units

### One Bedroom Units

<table>
<thead>
<tr>
<th>Subject Property</th>
<th>Comparable Property #1</th>
<th>Comparable Property #2</th>
<th>Comparable Property #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renaissance Apartments</td>
<td>Cambria @ Cornerstone</td>
<td>Chase Arbor</td>
<td>Ashbrook</td>
</tr>
<tr>
<td>273 N Witchduck Rd</td>
<td>4884 Traverline Ave</td>
<td>1500 Chase Arbor Common</td>
<td>205 Silverbrook Lane</td>
</tr>
<tr>
<td>Virginia Beach, Virginia 23462</td>
<td>Virginia Beach VA</td>
<td>Virginia Beach VA</td>
<td>Virginia Beach VA</td>
</tr>
</tbody>
</table>

### A. Rents Charged

<table>
<thead>
<tr>
<th>Data</th>
<th>Subject</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Rent - 60% AMI</td>
<td>$740</td>
<td>$1,270</td>
<td>$938</td>
<td>$0,106</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities Included</td>
<td>T</td>
<td>None</td>
<td>$10</td>
<td>None</td>
<td>$10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent Concessions</td>
<td>None</td>
<td>$0</td>
<td>Yes</td>
<td>(58)</td>
<td>Yes</td>
<td>(42)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Effective Rent $740**

In parts B thru D, adjustments were made only for differences.

### B. Design, Location, Condition

<table>
<thead>
<tr>
<th>Data</th>
<th>Subject</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure / Stories</td>
<td>Garden/4</td>
<td>Garden/3</td>
<td>$0</td>
<td>Garden/3</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year Built / Renovated</td>
<td>2020</td>
<td>2012</td>
<td>$6</td>
<td>1983</td>
<td>$28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality/Street Appeal</td>
<td>Excellent</td>
<td>Above Average</td>
<td>$10</td>
<td>Above Average</td>
<td>$10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location Average</td>
<td>Excellent</td>
<td>Above Average</td>
<td>($20)</td>
<td>Above Average</td>
<td>($10)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### C. Unit Equipment / Amenities

<table>
<thead>
<tr>
<th>Data</th>
<th>Subject</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Bedrooms</td>
<td>1</td>
<td>1</td>
<td>$0</td>
<td>1</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Bathrooms</td>
<td>1</td>
<td>1</td>
<td>$0</td>
<td>1</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Interior Square Feet</td>
<td>739</td>
<td>895</td>
<td>($39)</td>
<td>690</td>
<td>$12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balcony / Patio / Porch</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC Type:</td>
<td>Central</td>
<td>Central</td>
<td>$0</td>
<td>Central</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Range / Refrigerator</td>
<td>Yes / Yes</td>
<td>Yes / Yes</td>
<td>$0</td>
<td>Yes / Yes</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Microwave / Dishwasher</td>
<td>Yes / Yes</td>
<td>Yes / Yes</td>
<td>$0</td>
<td>Yes / Yes</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washer / Dryer: In Unit</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washer / Dryer: Hook-ups</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### D. Site Equipment / Amenities

<table>
<thead>
<tr>
<th>Data</th>
<th>Subject</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking ($ Fee)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Club House</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pool</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation Areas</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fitness Center</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### E. Adjustments Recap

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
<th>Positive</th>
<th>Negative</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Adjustments</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Sum of Adjustments B to D</td>
<td>$6</td>
<td>($59)</td>
<td>$50</td>
<td>($10)</td>
<td>$24</td>
</tr>
</tbody>
</table>

### F. Total Summary

| Gross Total Adjustment | $65 | $60 | $58 |
| Net Total Adjustment | ($53) | $40 | ($10) |

### G. Adjusted And Achievable Rents

<table>
<thead>
<tr>
<th>Adj. Rent</th>
<th>Adj. Rent</th>
<th>Adj. Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Rent</td>
<td>$1,227</td>
<td>$980</td>
</tr>
<tr>
<td>% of Effective Rent</td>
<td>95.9%</td>
<td>104.3%</td>
</tr>
</tbody>
</table>

**Estimated Market Rent $1,060**

Rent Advantage $ $320

Rent Advantage % 30.2%
<table>
<thead>
<tr>
<th>Two Bedroom Units</th>
<th>Renaissance Apartments 273 N Witchduck Rd Virginia Beach, Virginia 23462</th>
<th>Cambria @ Cornerstone 4884 Traverline Ave Virginia Beach, Virginia VA</th>
<th>Chase Arbor 1500 Chase Arbor Common Virginia Beach, Virginia VA</th>
<th>Ashbrook 205 Silverbrook Lane Virginia Beach, Virginia VA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Rents Charged</strong></td>
<td><strong>Subject</strong></td>
<td><strong>Data</strong></td>
<td><strong>$ Adj.</strong></td>
<td><strong>Data</strong></td>
</tr>
<tr>
<td>Street Rent - 60%</td>
<td>$875</td>
<td>$1,430</td>
<td>$0</td>
<td>$1,062</td>
</tr>
<tr>
<td>Utilities Included</td>
<td>T</td>
<td>None</td>
<td>$10</td>
<td>None</td>
</tr>
<tr>
<td>Rent Concessions</td>
<td>None</td>
<td>$0</td>
<td>Yes</td>
<td>$(8)</td>
</tr>
<tr>
<td><strong>Effective Rent</strong></td>
<td>$875</td>
<td>$1,440</td>
<td>$1,064</td>
<td>$1,114</td>
</tr>
</tbody>
</table>

In parts B thru D, adjustments were made only for differences.

<table>
<thead>
<tr>
<th>B. Design, Location, Condition</th>
<th><strong>Subject</strong></th>
<th><strong>Data</strong></th>
<th><strong>$ Adj.</strong></th>
<th><strong>Data</strong></th>
<th><strong>$ Adj.</strong></th>
<th><strong>Data</strong></th>
<th><strong>$ Adj.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure / Stories</td>
<td>Garden/4</td>
<td>Garden/3</td>
<td>$0</td>
<td>Garden/3</td>
<td>$0</td>
<td>Garden/3</td>
<td>$0</td>
</tr>
<tr>
<td>Year Built / Condition</td>
<td>2020</td>
<td>2012</td>
<td>$6</td>
<td>1983</td>
<td>$28</td>
<td>2001</td>
<td>$14</td>
</tr>
<tr>
<td>Quality/Street Appeal</td>
<td>Excellent</td>
<td>Excellent</td>
<td>$0</td>
<td>Above Average</td>
<td>$10</td>
<td>Above Average</td>
<td>$10</td>
</tr>
<tr>
<td>Location</td>
<td>Average</td>
<td>Excellent</td>
<td>$(520)</td>
<td>Above Average</td>
<td>$(510)</td>
<td>Excellent</td>
<td>$(520)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Unit Equipment / Amenities</th>
<th><strong>Subject</strong></th>
<th><strong>Data</strong></th>
<th><strong>$ Adj.</strong></th>
<th><strong>Data</strong></th>
<th><strong>$ Adj.</strong></th>
<th><strong>Data</strong></th>
<th><strong>$ Adj.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Bedrooms</td>
<td>2</td>
<td>2</td>
<td>$0</td>
<td>2</td>
<td>$0</td>
<td>2</td>
<td>$0</td>
</tr>
<tr>
<td>Number of Bathrooms</td>
<td>2</td>
<td>2</td>
<td>$0</td>
<td>2</td>
<td>$0</td>
<td>2</td>
<td>$0</td>
</tr>
<tr>
<td>Unit Interior Square Feet</td>
<td>1,034</td>
<td>1,035</td>
<td>$0</td>
<td>1,229</td>
<td>$(549)</td>
<td>995</td>
<td>$10</td>
</tr>
<tr>
<td>Balcony / Patio / Porch</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
</tr>
<tr>
<td>AC: (C)entral / (W)all / (N)one</td>
<td>Central</td>
<td>Central</td>
<td>$0</td>
<td>Central</td>
<td>$0</td>
<td>Central</td>
<td>$0</td>
</tr>
<tr>
<td>Range / Refrigerator</td>
<td>Yes / Yes</td>
<td>Yes / Yes</td>
<td>$0</td>
<td>Yes / Yes</td>
<td>$0</td>
<td>Yes / Yes</td>
<td>$0</td>
</tr>
<tr>
<td>Microwave / Dishwasher</td>
<td>Yes / Yes</td>
<td>Yes / Yes</td>
<td>$0</td>
<td>Yes / Yes</td>
<td>$0</td>
<td>Yes / Yes</td>
<td>$0</td>
</tr>
<tr>
<td>Washer / Dryer: In Unit</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
</tr>
<tr>
<td>Washer / Dryer: Hook-ups</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
</tr>
<tr>
<td><strong>D. Site Equipment / Amenities</strong></td>
<td><strong>Subject</strong></td>
<td><strong>Data</strong></td>
<td><strong>$ Adj.</strong></td>
<td><strong>Data</strong></td>
<td><strong>$ Adj.</strong></td>
<td><strong>Data</strong></td>
<td><strong>$ Adj.</strong></td>
</tr>
<tr>
<td>Parking ($ Fee)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Club House</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
</tr>
<tr>
<td>Pool</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
</tr>
<tr>
<td>Recreation Areas</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
</tr>
<tr>
<td>Fitness Center</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
<td>Yes</td>
<td>$0</td>
</tr>
<tr>
<td><strong>E. Adjustments Recap</strong></td>
<td>Positive</td>
<td>Negative</td>
<td>Positive</td>
<td>Negative</td>
<td>Positive</td>
<td>Negative</td>
<td></td>
</tr>
<tr>
<td>Total Number of Adjustments</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Sum of Adjustments B to D</td>
<td>$6</td>
<td>$(520)</td>
<td>$38</td>
<td>$(559)</td>
<td>$34</td>
<td>$(520)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F. Total Summary</th>
<th>Gross Total Adjustment</th>
<th>$26</th>
<th>$97</th>
<th>$54</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Total Adjustment</td>
<td>$(14)</td>
<td>$(21)</td>
<td>$14</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G. Adjusted And Achievable Rents</th>
<th>Adj. Rent</th>
<th>Adj. Rent</th>
<th>Adj. Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Rent</td>
<td>$1,426</td>
<td>$1,043</td>
<td>$1,128</td>
</tr>
<tr>
<td>% of Effective Rent</td>
<td>99.0%</td>
<td>98.0%</td>
<td>101.3%</td>
</tr>
<tr>
<td>Estimated Market Rent</td>
<td>$1,199</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent Advantage</td>
<td>$324</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent Advantage %</td>
<td>27.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 32 Market Rent Analysis – Three-Bedroom Units

<table>
<thead>
<tr>
<th>Subject Property</th>
<th>Comparable Property #1</th>
<th>Comparable Property #2</th>
<th>Comparable Property #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renaissance Apartments</td>
<td>Cambria @ Cornerstone</td>
<td>Chase Arbor</td>
<td>Ashbrook</td>
</tr>
<tr>
<td>273 N Witchduck Rd</td>
<td>4884 Traverline Ave</td>
<td>1500 Chase Arbor Common</td>
<td>205 Silverbrook Lane</td>
</tr>
<tr>
<td>Virginia Beach, Virginia 23462</td>
<td>Virginia Beach VA</td>
<td>Virginia Beach VA</td>
<td>Virginia Beach VA</td>
</tr>
</tbody>
</table>

#### A. Rents Charged

<table>
<thead>
<tr>
<th>Street Rent - 60%</th>
<th>Subject Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
<th>$ Adj.</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Beach</td>
<td>$990</td>
<td>$1,625</td>
<td>$0</td>
<td>$1,544</td>
<td>$0</td>
<td>$1,337</td>
<td>$0</td>
</tr>
</tbody>
</table>

#### B. Design, Location, Condition

<table>
<thead>
<tr>
<th>Structure / Stories</th>
<th>Year Built / Condition</th>
<th>Quality/Street Appeal</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden/4</td>
<td>2020</td>
<td>Excellent</td>
<td>Average</td>
</tr>
<tr>
<td>Garden/3</td>
<td>2012</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
<tr>
<td>Garden/3</td>
<td>2012</td>
<td>Above Average</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

#### C. Unit Equipment / Amenities

<table>
<thead>
<tr>
<th>Number of Bedrooms</th>
<th>Number of Bathrooms</th>
<th>Unit Interior Square Feet</th>
<th>Balcony / Patio / Porch</th>
<th>AC: (C)entral / (W)all / (N)one</th>
<th>Range / Refrigerator</th>
<th>Microwave / Dishwasher</th>
<th>Washer / Dryer: In Unit</th>
<th>Washer / Dryer: Hook-ups</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>2</td>
<td>1,224</td>
<td>Yes</td>
<td>Central</td>
<td>Yes / Yes</td>
<td>Yes / Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

#### D. Site Equipment / Amenities

<table>
<thead>
<tr>
<th>Parking ($ Fee)</th>
<th>Club House</th>
<th>Pool</th>
<th>Recreation Areas</th>
<th>Fitness Center</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>$0</td>
</tr>
</tbody>
</table>

#### E. Adjustments Recap

<table>
<thead>
<tr>
<th>Total Number of Adjustments</th>
<th>Sum of Adjustments B to D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$6 ($29)</td>
</tr>
</tbody>
</table>

#### F. Total Summary

<table>
<thead>
<tr>
<th>Gross Total Adjustment</th>
<th>Net Total Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35</td>
<td>($23)</td>
</tr>
</tbody>
</table>

#### G. Adjusted And Achievable Rents

<table>
<thead>
<tr>
<th>Adjusted Rent</th>
<th>% of Effective Rent</th>
<th>Estimated Market Rent</th>
<th>Rent Advantage $</th>
<th>Rent Advantage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,612</td>
<td>98.6%</td>
<td>$1,477</td>
<td>$487</td>
<td>33.0%</td>
</tr>
</tbody>
</table>

In parts B thru D, adjustments were made only for differences.
### Table 33  Market Rent Advantage - Summary

<table>
<thead>
<tr>
<th>40% AMI Units</th>
<th>One Bedroom Units</th>
<th>Two Bedroom Units</th>
<th>Three Bedroom Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject Rent</td>
<td>$465</td>
<td>$545</td>
<td>$610</td>
</tr>
<tr>
<td>Estimated Market Rent</td>
<td>$1,060</td>
<td>$1,199</td>
<td>$1,477</td>
</tr>
<tr>
<td>Rent Advantage ($)</td>
<td>$595</td>
<td>$654</td>
<td>$867</td>
</tr>
<tr>
<td>Rent Advantage (%)</td>
<td>56.1%</td>
<td>54.5%</td>
<td>58.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>50% AMI Units</th>
<th>One Bedroom Units</th>
<th>Two Bedroom Units</th>
<th>Three Bedroom Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject Rent</td>
<td>$600</td>
<td>$710</td>
<td>$800</td>
</tr>
<tr>
<td>Estimated Market Rent</td>
<td>$1,060</td>
<td>$1,199</td>
<td>$1,477</td>
</tr>
<tr>
<td>Rent Advantage ($)</td>
<td>$460</td>
<td>$489</td>
<td>$677</td>
</tr>
<tr>
<td>Rent Advantage (%)</td>
<td>43.4%</td>
<td>40.8%</td>
<td>45.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>60% AMI Units</th>
<th>One Bedroom Units</th>
<th>Two Bedroom Units</th>
<th>Three Bedroom Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject Rent</td>
<td>$740</td>
<td>$875</td>
<td>$990</td>
</tr>
<tr>
<td>Estimated Market Rent</td>
<td>$1,060</td>
<td>$1,199</td>
<td>$1,477</td>
</tr>
<tr>
<td>Rent Advantage ($)</td>
<td>$320</td>
<td>$324</td>
<td>$487</td>
</tr>
<tr>
<td>Rent Advantage (%)</td>
<td>30.2%</td>
<td>27.0%</td>
<td>33.0%</td>
</tr>
</tbody>
</table>

### Table 34  Market Rent Advantage – Adjustment Table

<table>
<thead>
<tr>
<th>Rent Adjustments Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B. Design, Location, Condition</strong></td>
</tr>
<tr>
<td>Structure / Stories</td>
</tr>
<tr>
<td>Year Built / Renovated</td>
</tr>
<tr>
<td>Quality/Street Appeal</td>
</tr>
<tr>
<td>Location</td>
</tr>
<tr>
<td><strong>C. Unit Equipment / Amenities</strong></td>
</tr>
<tr>
<td>Number of Bedrooms</td>
</tr>
<tr>
<td>Number of Bathrooms</td>
</tr>
<tr>
<td>Unit Interior Square Feet</td>
</tr>
<tr>
<td>Balcony / Patio / Porch</td>
</tr>
<tr>
<td>AC Type:</td>
</tr>
<tr>
<td>Range / Refrigerator</td>
</tr>
<tr>
<td>Microwave / Dishwasher</td>
</tr>
<tr>
<td>Washer / Dryer: In Unit</td>
</tr>
<tr>
<td>Washer / Dryer: Hook-ups</td>
</tr>
<tr>
<td><strong>D. Site Equipment / Amenities</strong></td>
</tr>
<tr>
<td>Parking ($ Fee)</td>
</tr>
<tr>
<td>Learning Center</td>
</tr>
<tr>
<td>Club House</td>
</tr>
<tr>
<td>Pool</td>
</tr>
<tr>
<td>Recreation Areas</td>
</tr>
<tr>
<td>Fitness Center</td>
</tr>
</tbody>
</table>
After adjustments, the estimated market rent for a one-bedroom unit is $1,060, providing the subject’s 60 percent of AMI one-bedroom units with a market advantage of 30.2 percent. The estimated market rent for two-bedroom/two bath unit is $1,199, resulting in the subject’s 60 percent of AMI units having a 27.0 percent rent advantage. The estimated market rent for three-bedroom/two bath unit is $1,477, resulting in the subject’s 60 percent of AMI units having a 33.0 percent rent advantage.

G. Achievable Restricted Rents

The market rent derived above is an estimate of what a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay for a unit at the subject. However, as a tax credit community, the maximum rent that a project owner can charge for a low-income unit is a gross rent based on bedroom size and applicable HUD’s median household income for the subject area. If these LIHTC maximum gross/net rents are below the market rent (adjusted downward by ten percent), then the maximum rents also function as the achievable rents for each unit type and income band. Conversely, if the adjusted market rents are below the LIHTC maximum rents, then the adjusted market rents (less ten percent) act as the achievable rents. Therefore, achievable rents are the lower of the market rent or maximum LIHTC rent.

As shown in Table 35, all the maximum LIHTC rents are well below estimated adjusted market rents. Therefore, the maximum LIHTC rents are the achievable rents for all LIHTC units. All proposed LIHTC rents for the subject are at or below the achievable rents.

<table>
<thead>
<tr>
<th>Table 35 Achievable Tax Credit Rent</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>40%AMI Units</th>
<th>One Bedroom Units</th>
<th>Two Bedroom Units</th>
<th>Three Bedroom Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Market Rent</td>
<td>$1,060</td>
<td>$1,199</td>
<td>$1,477</td>
</tr>
<tr>
<td>Less 10%</td>
<td>$954</td>
<td>$1,079</td>
<td>$1,329</td>
</tr>
<tr>
<td>Maximum LIHTC Rent*</td>
<td>$466</td>
<td>$548</td>
<td>$613</td>
</tr>
<tr>
<td>Achievable Rent</td>
<td>$466</td>
<td>$548</td>
<td>$613</td>
</tr>
<tr>
<td>SUBJECT RENT</td>
<td>$465</td>
<td>$545</td>
<td>$610</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>50%AMI Units</th>
<th>One Bedroom Units</th>
<th>Two Bedroom Units</th>
<th>Three Bedroom Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Market Rent</td>
<td>$1,060</td>
<td>$1,199</td>
<td>$1,477</td>
</tr>
<tr>
<td>Less 10%</td>
<td>$954</td>
<td>$1,079</td>
<td>$1,329</td>
</tr>
<tr>
<td>Maximum LIHTC Rent*</td>
<td>$603</td>
<td>$712</td>
<td>$803</td>
</tr>
<tr>
<td>Achievable Rent</td>
<td>$603</td>
<td>$712</td>
<td>$803</td>
</tr>
<tr>
<td>SUBJECT RENT</td>
<td>$600</td>
<td>$710</td>
<td>$800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>60%AMI Units</th>
<th>One Bedroom Units</th>
<th>Two Bedroom Units</th>
<th>Three Bedroom Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Market Rent</td>
<td>$1,060</td>
<td>$1,199</td>
<td>$1,477</td>
</tr>
<tr>
<td>Less 10%</td>
<td>$954</td>
<td>$1,079</td>
<td>$1,329</td>
</tr>
<tr>
<td>Maximum LIHTC Rent*</td>
<td>$740</td>
<td>$876</td>
<td>$993</td>
</tr>
<tr>
<td>Achievable Rent</td>
<td>$740</td>
<td>$876</td>
<td>$993</td>
</tr>
<tr>
<td>SUBJECT RENT</td>
<td>$740</td>
<td>$875</td>
<td>$990</td>
</tr>
</tbody>
</table>

*Assumes utility allowances of $81 (1BR); $109 (2BR); $146 (3BR)
H. Proposed and Pipeline Rental Communities

RPRG pursued several avenues of research to identify residential rental projects that are actively being planned or that are currently under construction within the Renaissance Market Area. In the course of research, we obtained information on proposed developments through interviews with Kim Dotson, Development Services/Planning Department with the City of Virginia Beach. We also accessed listings of projects that recently received or applied for allocations of Low-Income Housing Tax Credits from the Virginia Housing Development Authority (VHDA). Lastly, we relied upon previous work conducted in the City of Virginia Beach over the past several years.

The pipeline communities are divided into two categories; near term and long term. Near term projects include those that are under construction and those that we believe have the greatest likelihood of delivering in the next three years. Near term projects are taken into account in our derivation of three-year rental demand in the market. Long term projects do not have financing secured, are on hold for the present, and/or have estimated delivery dates beyond the next three years. Long term projects also include those for which rezoning or site plan approval is still required. While it is RPRG’s best estimate that such projects are long term, it is entirely possible that such projects could deliver in a three-year period. Conversely, it is also possible that near term projects could become stalled, tabled, or abandoned all together.

Through this research, RPRG identified five communities in the near term pipeline: two rental communities that are now under construction and three additional proposed rental communities that are likely to deliver within the next three years. We identified two long-term development projects that are not as likely to come on line within the next three years. These projects are described below and their location in relation to the subject site is highlighted on Map 6.

Near Term:

- **The Marq.** The Breeden Companies is currently constructing an upscale market rate rental community with 264 market rate units in four-story mid-rise buildings. The Marq will be adjacent to Cambria at Cornerstone, but will have its own amenities. This project was awarded mortgage insurance through the U.S. Department of Housing and Urban Development (HUD) 221(d)(4) program. The project began construction in May 2016 and the clubhouse and initial apartments are slated to be delivered by spring of 2018 with all units constructed by mid-year.

- **Nexus Flats.** Boyd Homes is constructing a 268-unit upscale market rate rental community on the site of the former Newtown Square Shopping Center at the intersection of Newtown and Baker Roads (544 Newtown Road). The project includes one- and two-bedroom apartments in two connecting buildings. In addition, 18,000 square feet of commercial space will be constructed on an adjacent parcel. These units are currently under construction and expected to be delivered mid-2018.

- **Waterford Apartments:** A 200-unit market rate rental community is planned at 4933 and 4937 Cleveland Street by Kotarides Development. According to City planning officials, preliminary plans were recently submitted to the City of Virginia Beach Planning Department, but are still in review. The developer reported the project as still in the design phase but expected to deliver in the next three years.

- **Price Street Apartments:** Located at 200 Price Street in Virginia Beach, this 264-unit LIHTC rental community will have two separate financing structures. Phase I will consist of 152 units and a clubhouse/swimming pool to be constructed on a 5.751-acre site. These apartments will be financed, in part, with equity raised from the sale of nine percent (competitive) tax credits.
Phase II will include the remaining 112 units to be constructed on a 4.324-acre site with equity proceeds from the sale of four percent (non-competitive) tax credits and tax-exempt bond financing. Both phases are anticipated to be completed in the next three years.

- **Mezzo Apartments.** S.L. Nusbaum Realty has proposed constructing a 282-unit upscale market rate rental community at 5404 Virginia Beach Boulevard near Hunters Mill Road. The developer has submitted a pre-application to HUD for Section 221(d)(4) financing, although plans have not yet been approved with the City of Virginia Beach. The developer has stated a desire to move forward with this project early 2018.

**Long-Term Pipeline:**

- **Midtown at Town Center Phase II.** Ripley Heatwole has plans to expand their existing rental community near the intersection of Bonney Road and Bendix Drive. Currently under design, the second phase will be a mixture of uses including residential, office, and retail. When completed, Phase II of Midtown at Town Center will contain approximately 50,000 to 125,000 square feet of office/retail commercial space, 250 rental apartment homes, 30 loft style condominium homes, and 100 luxury condominium homes. The land has been rezoned but no site development plans have been submitted.

- **Ridgewood Club Redevelopment.** Commonwealth Properties purchased this existing 194-unit rental community in April 2013 from the Virginia Housing and Development Authority. The Developer has explored the possibility of demolishing the existing apartments and constructing a new community on this site. At this time, however, there are no immediate plans to proceed. If this project moves forward, there is the potential for 300 units as a result of a zoning change.
Map 6 Pipeline Communities in Renaissance Market Area
A. Key Findings

Based on the preceding review of the subject project, its neighborhood surroundings, and economic, demographic and competitive housing trends in the Renaissance Market Area, RPRG offers the following key findings:

1. Site and Neighborhood Analysis

Located in a neighborhood with a vibrant mix of commercial and institutional uses, the subject site affords good access to regional transportation and employment opportunities and is within roughly two miles of the highly desirable Virginia Beach Town Center.

- The plan to reposition the subject parcel of land to a high quality, affordable rental property will benefit the local community. The site is located within one of the City of Virginia Beach’s Strategic Growth Areas, adjacent to the new Renaissance Academy, in a setting that is targeted for other redevelopment efforts.
- The site is located within walking distance of public bus transportation along Virginia Beach Boulevard. For those residents with private vehicles, the site affords easy access to the region’s major commuting routes, most particularly Virginia Beach Boulevard and I-264.
- The subject’s central Virginia Beach neighborhood provides numerous opportunities for convenience and comparison retail shopping. The desirability of this location will be enhanced with the opening of a new Wegman’s grocery store adjacent to the local Walmart within roughly 1.5 miles from the subject site. The City of Virginia Beach (as well as nearby Norfolk) offers residents all of the necessary community amenities within a short drive.

2. Economic Context

The City of Virginia Beach is demonstrating low unemployment and an expanding job base after rebounding from a period of economic contraction during the recent recession.

- Unemployment rates increased rapidly from 2008 to 2010, following the national economic recession, though city unemployment rates remained below state and national levels. Virginia Beach unemployment rates peaked at 6.5 percent in 2010, but remained 60 basis points lower than the statewide rate and 3.1 percentage points lower than the national rate. Since then, the rate has consistently fallen while remaining below the state and national levels. As of the second quarter of 2017, the Virginia Beach unemployment rate averaged just 3.7 percent, ten basis points below the state rate of 3.8 percent and 90 basis points below the national rate of 4.6 percent.
- Strong job growth from 2012 to 2016 helped return the city employment level to near pre-recession highs, averaging over 5,100 new jobs per year during this period. At-place employment reached 176,469 in 2016 and continued its growth trend through the second quarter of 2017 to 177,187 jobs.
- As of 2nd quarter 2017, the City of Virginia Beach’s economy is well diversified across several sectors. The largest sector, Trade-Transportation-Utilities, accounts for 16.6 percent of all jobs while Government accounts for 16.1 percent. Three other sectors account for nearly the same proportion of jobs: Leisure-Hospitality (15.7 percent); Professional-Business (15.4 percent); and Education-Health (14.8 percent). Since 2011, the City of Virginia Beach’s economy has
Renaissance Apartments I | Findings and Conclusions

experienced strong expansion in several significant sectors, most notably the Education-Health sector which has expanded at an average rate of 17.3 percent.

3. Demographic Analysis

The Renaissance Market Area’s household base increased at a steady pace between 2000 and 2018, with continued household growth projected for the next five years.

- The Renaissance Market Area added a net of nearly 1,200 households, representing growth of 4.3 percent, between the 2000 and 2010 Censuses and an estimated 1,630 households since that time. As of 2018, an estimated 31,093 households reside in the Renaissance Market Area. Based on Esri trends, RPRG projects that the market area will add households at an average net rate of 0.7 percent (236 households) per year between 2018 and 2023.
- Nearly one-half (45.8 percent) of households in the Renaissance Market Area are renters as of 2018. Close to one-half (46.8 percent) of the primary market area’s renters are younger adults under the age of 35. Households between the ages of 35 and 54 represent one-third (33.5 percent) of all renters. Many of these are households who are most likely to be permanent renters – renting more out of necessity than choice.
- The estimated 2018 median household income in the Renaissance Market Area is $59,854. The primary market area’s median renter household earns $51,495 per year. Roughly three out of ten (28.9 percent) of the primary market area’s renters have annual incomes below $35,000.
- One-third (33.2 percent) pay more than 40 percent towards housing. This excludes those households who reside in subsidized rent situations because their housing expenses are capped at 30 percent of their income.

4. Competitive Housing Analysis

Based on low vacancies reported in RPRG’s survey of the income restricted general occupancy rental communities, the affordable rental market in the Renaissance Market Area is tight, pointing to its ability to support the proposed subject apartments.

- The multifamily rental housing stock has expanded steadily over the past ten years although most new apartments have targeted the highest income renter households. These rental communities typically have a mid-rise elevator structure and have effective average rents far in excess of those being achieved in the Lower Tier market rate and affordable tax credit communities. The effective rents for Upper Tier efficiency units average $1,093 ($1.88 per square foot); one-bedroom apartments average $1,311 ($1.60 per square foot); the two-bedroom units average $1,487 ($1.40 per square foot); and the three-bedroom units average $1,957 ($1.37 per square foot).
- The Lower Tier rental communities are generally older (30+ years) but several have been renovated in recent years or are in the process of renovating units. These communities are typically walk-up garden apartment buildings that are larger in size and have more amenities than the smaller, income restricted rental communities. The effective rents for Lower Tier market rate one-bedroom apartments average $960 ($1.22 per square foot); the two-bedroom units average $1,093 ($1.06 per square foot); and the three-bedroom units average $1,312 ($1.06 per square foot).
- Income-restricted affordable rental units in the Renaissance Market Area account for only 11.7 percent of the surveyed multifamily stock and all operate under LIHTC guidelines. Effective rents for affordable one-bedroom apartments average $652 ($0.88 per square foot); the two-
bedroom units average $779 ($0.79 per square foot); and the three-bedroom units average $890 ($0.76 per square foot).

- The current combined stabilized vacancy rate across these 24 rental communities is 3.9 percent with 191 available units. The vacancy rate in the income restricted rental supply is much lower with only 18 vacancies, or a 2.5 vacancy rate. This is indicative of a tight affordable rental market.

- RPRG identified five communities in the near term pipeline totaling 1,278 rental units. Of these, only one LIHTC rental community with 264 units is considered to be competitive with the proposed subject. All other near term pipeline communities include market rate units targeting upper-income households.

B. Derivation of Demand

1. Net Demand Methodology

RPRG’s Derivation of Demand calculation is intended to gauge whether sufficient demand from renter households would be available in the primary market area to absorb the number of units proposed for the subject Renaissance Apartments plus those units proposed at other pipeline rental communities that are expected to be brought online over a coming three-year period. The result of this analysis can be either a positive number (which shows the extent to which available demand for rental units would exceed available supply) or a negative number (which shows the extent to which available supply would exceed the number of units needed/demanded over the period in question). The closer the concluded number is to zero, the closer the rental market would be to an effective balance of supply and demand.

The three-year period in question for this analysis is the period from February 2018 through February 2021. We restrict the analysis to a three-year period in part to avoid artificially inflating demand by incorporating demand that would not be created until well after the subject project was introduced to the market and in part due to the difficulty in accurately predicting the likely supply of competing rental units beyond the three-year period.

RPRG’s Derivation of Demand calculation is a gross analysis, meaning that the calculation balances the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable market-rate, tax credit, rent-subsidized, and age-restricted) versus the upcoming supply of rental housing units of all types. The Derivation of Demand calculation is an incremental or net analysis, in that it focuses on the change in demand over the period in question as opposed to focusing on the market’s total demand. Considerations such as household incomes and the floor plan types and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand; rather, we address the interplay of these factors within the Affordability Analysis and Penetration Analysis in the next section of this report.

RPRG sums demand generated from three broad sources in order to arrive at ‘Net Demand for New Rental Units’ over the 2018 to 2021 period:

- Projected Change in the Household Base. Earlier in this report, RPRG presented projections of household change within the primary market area over the 2018 to 2023 period. For this analysis, we factor in three years’ worth of the household change suggested by the annual rate of household growth or decline (2018 to 2019, 2019 to 2020, and 2020 to 2021). Note that net household change incorporates growth or decline stemming from both household migration into and out of the market area and organic changes within existing households (i.e.
new household formation as a result of children moving out of their parents’ homes, divorces, roommates beginning to rent separately).

- **Units Removed from the Housing Stock.** A number of factors contribute to the removal of housing units in a given geographic area. An April 2016 report prepared for the U.S. Department of Housing and Urban Development by Econometrica, Inc. provides quantitative evidence of such removal factors.\(^1\) Using data collected as part of the national American Housing Survey (AHS) in 2011 and 2013, Econometrica highlighted the portions of the total number of housing units lost attributable to each of the following: units lost through demolition or natural disasters; units badly damaged or condemned (and thus unlivable); units lost due to merger of two or more units into a single unit or the conversion of a single unit into multiple units; units changed from residential to non-residential use; units (primarily mobile homes) moved out from their 2011 location; and units lost in other (unclassified) ways. Econometrica tabulated Components of Inventory Change (CINCH) data based on a range of unit characteristics such as occupancy (occupied, vacant, or seasonal); region (Northeast, Midwest, South, or West); tenure (owner- or renter-occupied); metro status (units located in central cities, suburban areas, or outside of metro areas); and year built.

- **Competitive Multifamily Vacancy Rates.** The final source of demand that factors into RPRG’s calculation of net demand for new rental units is the observed vacancy rate in the primary market area’s competitive rental market. RPRG assumes that a 5.0 percent vacancy rate – a typical underwriting standard – is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. When the market vacancy rate is below 5.0 percent, additional units are needed to ensure an adequate number of available units from which to choose. When the market vacancy rate is above 5.0 percent, the market has the capacity to absorb some additional demand, whereby that amount of demand would not need to be met through the development of new units. In considering competitive vacancy rates, we focus on multifamily units in part because the scattered market in single-family homes, condominiums, and other properties is extremely fluid and cannot be relied upon to consistently serve renter households, since the inventory can convert to homeownership very quickly.

2. **Net Demand Calculation**

Table 36 applies the discussion of sources of demand for new rental units to the Renaissance Market Area. The steps in our Derivation of Demand analysis for the three-year period between February 2018 and February 2021 are as follows:

- Based on Esri trends, RPRG estimates that there are 31,113 households in the Renaissance Market Area as of February 2018, a number that is projected to increase to 31,821 by February 2021. The Renaissance Market Area is expected to add approximately 708 net households during the three-year period.

- Using national statistical observations from 2011-2013 CINCH data, Econometrica determined that the average annual loss of occupied housing units in the United States (for all reasons other than the moving of homes, particularly mobile homes) was 0.27 percent of the total occupied stock.

---

We determined the size of the housing stock in the primary market area for 2017, 2018, and 2019 by applying the ratio of occupied to total housing units from the 2010 Census to RPRG’s projected household totals. Applying the average 0.27 percent removal rate over the three years in question, we estimate that 269 units are likely to be lost.

- Summing the net household increases from the number of units removed from the market, we calculate the net new demand for housing units of all types over the three-year period to be 977 units.

- According to Esri estimates, 53.4 percent of all net new households will be renters over the next five years. However, current development activity indicates the future rentership rate is likely to be closer to the recent 99.2 percent of all net new households experienced over the last eight years. We conservatively average the recent and projected renter ratio of net new household growth in the Renaissance Market Area. Applying this average 76.3 percent renter ratio translates to a net new demand for 746 rental housing units through February 2018.

- RPRG’s survey of the stabilized general occupancy rental communities in the primary market area consisted of 4,920 units. Of these, 191 are currently vacant, yielding a 3.9 percent vacancy rate. Additionally, one deep subsidy rental community with 200 units is located within the market area with no reported vacancies. In total, RPRG calculates that the competitive inventory consists of 5,120 units with 191 vacant units, or an overall vacancy rate of 3.7 percent.

- Typically, it is assumed that a 5.0 percent vacancy rate is required to keep a rental market relatively fluid. There must be some number of quality units vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. Given the total competitive inventory of 5,120 units, 256 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the 191 vacant units in the market from this number reveals a demand for 61 units at 5.0 percent vacancy. Thus, we add 65 units to demand.

- Summing demand from household change, projected unit removals, and the vacancy rate in the existing market, there would be total demand for 811 new rental units in the primary market area over the next three years.

- Net demand for new rental units must be balanced against new rental stock likely to be added to the market area’s inventory over this period. In addition to the subject’s proposed 192 units among both phases, one additional LIHTC community totaling 264 units is planned to deliver within the next three years. Four market rate communities in the near term pipeline are expected to deliver an additional 1,014 market rate units to the existing rental supply. After adjusting for 95 percent occupancy, all near term pipeline projects, including the subject, will add 1,397 rental units to the existing supply.

- Upon subtracting the expected additions to the supply (1,397 units) from net demand for new rental units (811 units), we arrive at an excess supply of 586 rental units in the Renaissance Market Area between 2018 and 2021.
### Table 36 Derivation of Net Demand, Renaissance Market Area

#### Demand

<table>
<thead>
<tr>
<th>Projected Change in Household Base</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2018 Households</td>
<td>31,113</td>
</tr>
<tr>
<td>February 2021 Households</td>
<td>31,821</td>
</tr>
<tr>
<td>Net Change in Households</td>
<td>708</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Add: Units Removed from Housing Stock</th>
<th>Housing Stock</th>
<th>Removal Rate</th>
<th>Units Removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Housing Stock</td>
<td>32,963</td>
<td>0.27%</td>
<td>89</td>
</tr>
<tr>
<td>2019 Housing Stock</td>
<td>33,203</td>
<td>0.27%</td>
<td>90</td>
</tr>
<tr>
<td>2020 Housing Stock</td>
<td>33,443</td>
<td>0.27%</td>
<td>90</td>
</tr>
<tr>
<td>Total Units Removed from Housing Stock</td>
<td></td>
<td></td>
<td>269</td>
</tr>
</tbody>
</table>

| New Housing Demand                   | 977            |

| Average Percent Renter Households over Analysis Period | 76.3%           |

| New Rental Housing Demand             | 746            |

<table>
<thead>
<tr>
<th>Add: Multifamily Competitive Vacancy</th>
<th>Inventory</th>
<th>Vacant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stabilized Multifamily Communities</td>
<td>4,920</td>
<td>191</td>
</tr>
<tr>
<td>Deep-Subsidy Multifamily Communities</td>
<td>200</td>
<td>0</td>
</tr>
<tr>
<td>Subtotal Stabilized Communities</td>
<td>5,120</td>
<td>191</td>
</tr>
</tbody>
</table>

| Communities Under Lease Up            | 0              | 0     |

| Total Competitive Inventory            | 5,120          | 191   |

| Market Vacancy at 5%                   | 256            |
| Less: Current Vacant Units             | -191           |

| Vacant Units Required to Reach 5% Market Vacancy | 65             |

| Total Demand for New Rental Units      | 811            |

#### Planned Additions to the Supply

<table>
<thead>
<tr>
<th>Subject Property - Renaissance Phase 2</th>
<th>Total Units</th>
<th>95% Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renaissance Phase 1</td>
<td>96</td>
<td>91</td>
</tr>
<tr>
<td>Price Street Apartments (LIHTC)</td>
<td>264</td>
<td>251</td>
</tr>
<tr>
<td>Mezzo (Market Rate)</td>
<td>282</td>
<td>268</td>
</tr>
<tr>
<td>Waterford Apartments (Market Rate)</td>
<td>200</td>
<td>190</td>
</tr>
<tr>
<td>Nexus Flats (Market Rate)</td>
<td>268</td>
<td>255</td>
</tr>
<tr>
<td>The Marq (Market Rate)</td>
<td>264</td>
<td>251</td>
</tr>
</tbody>
</table>

| Total New Rental Supply                | 1,470        | 1,397         |

| Excess Demand for Rental Housing       | -586         |

Source: RPRG, Inc.

### 3. Conclusions on Net Demand

While the Renaissance Market Area is likely to experience a temporary oversupply of roughly 586 units, most of these units (1,014 of the planned 1,278 near term units, or 79 percent) target higher income households than does the subject. As a result, while the overall rental market may experience some imbalance until the excess market rate rental units are absorbed, only one pipeline rental community addresses the same income target as the proposed subject. The
demand for the subject’s units as well as for all of the income-restricted units within the market area will be addressed in the next section related to Effective Demand.

C. Effective Demand – Affordability/Capture & Penetration Analyses

1. Methodology

Following our estimate of the depth of demand for net new rental units in the primary market area, we next test whether sufficient income-qualified households would be available to support the specific units at the subject property and properties in the same broad segment of the rental market in terms of pricing. This analysis is conducted independently of the Net Demand Analysis as units at the subject property are likely to be filled by a combination of new households (either moving to or created in the market area) and existing households moving within the market area. The total demand – comprised of the net or incremental demand and the demand from existing households – is the relevant frame of reference for the analysis.

The Affordability/Capture Analysis tests the percentage of income-qualified households in the primary market area that the subject community must capture in order to achieve full occupancy. The Penetration Analysis tests the percentage of income-qualified households in the market area that the subject community and comparable competitive communities combined must capture in order to achieve full occupancy. The combination of the Net Demand, Affordability/Capture, and Penetration Analyses determines if the primary market area can support additional rental units and if sufficient households exist in the targeted income range to support the proposed units.

The first component of the Effective Demand analysis involves looking at total income and renter income among Renaissance Market Area households for the target year. The Developer projects that units at Renaissance Apartments will initially be placed in service in 2020 and as such, 2020 is used as the target year for these analyses. RPRG calculated 2020 income distributions for total households and renter households based on RPRG household projections, income estimates from the 2012-2016 ACS, and income projections from Esri (Table 37).

<table>
<thead>
<tr>
<th>Renaissance Market Area</th>
<th>Total Households</th>
<th>Renter Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 Income</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>less than $15,000</td>
<td>2,611</td>
<td>8.3%</td>
</tr>
<tr>
<td>$15,000 - $24,999</td>
<td>2,022</td>
<td>6.4%</td>
</tr>
<tr>
<td>$25,000 - $34,999</td>
<td>3,010</td>
<td>9.5%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>4,816</td>
<td>15.3%</td>
</tr>
<tr>
<td>$50,000 - $74,999</td>
<td>7,417</td>
<td>23.5%</td>
</tr>
<tr>
<td>$75,000 - $99,999</td>
<td>4,730</td>
<td>15.0%</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>4,776</td>
<td>15.1%</td>
</tr>
<tr>
<td>Over $150,000</td>
<td>2,180</td>
<td>6.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31,565</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Median Income: $61,195, $52,316

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit.
In the case of rental units, these expenses are generally of two types – monthly contract rents paid to property owners and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household’s ‘gross rent burden’. For the Affordability/Capture and Penetration Analyses, RPRG employs a 35 percent gross rent burden. The 35 percent rent burden is the rent burden mandated by VHDA for use in evaluating proposed general occupancy LIHTC communities. Rent burdens of 35 percent are also typically used in underwriting multifamily rental communities in the Mid-Atlantic region, particularly communities with rents targeting low- and moderate-income households in areas with high housing costs.

All of the units at the subject will be restricted to households with incomes at 40 percent, 50 percent, and 60 percent of AMI although 10 units will also have project-based rental subsidies so that these households could essentially have incomes as low as $0. The household sizes assume 1.5 persons per bedroom for the one-, two-, and three-bedroom units.

2. Affordability Analysis

The steps in our Affordability Analysis for Renaissance Apartments at the Developer’s proposed rents are as follows (Table 38). We note, per instructions from VHDA, that both components of the project (the units which are expected to be financed with nine percent tax credits and the units which are expected to be financed with four percent tax credits) are analyzed as one combined property. We further assume no minimum income for subsidized units.

- The overall shelter cost (gross rent) for a 60 percent two-bedroom unit at Renaissance Apartments – the most numerous unit type at the subject – would be $984 per month ($875 rent plus a $109 utility allowance for utility costs beyond those for trash removal).
- By applying a 35 percent rent burden to this gross rent, we determined that the 60 percent two-bedroom unit would be affordable to households earning at least $33,737 per year. The projected number of primary market area households earning at least $33,737 in 2020 is 24,301.
- A household occupying a two-bedroom unit (assuming 1.5 persons/bedroom) and earning 60 percent of AMI for the Virginia Beach-Norfolk-Newport News-VA-NC MSA would have an income of up to $39,420. According to the interpolated income distribution for 2020, there would be 22,502 households in the primary market area with incomes exceeding the upper income bound.
- Subtracting the 22,502 households with incomes above the 60 percent maximum income limit from the 24,301 households that could afford to rent this unit, we calculate that 1,799 households in the primary market area as of 2020 would be in the band of affordability for the subject’s 60 percent two-bedroom units. Renaissance Apartments would need to capture 4.7 percent of these income-qualified households to absorb all 84 of the 60 percent two-bedroom units.
- We next tested the range of qualified households that are projected to be renters in 2020. Approximately 989 of the market area renter households would be income-qualified for the subject’s two-bedroom 60 percent units. To absorb 84 two-bedroom units with the proposed rents targeting households earning up to 60 percent of AMI, Renaissance Apartments would need to capture 8.5 percent of income-qualified renter households as of 2020.
## Table 38 2020 Affordability Analysis for Renaissance Apartments, Assuming 35% Rent Burden

<table>
<thead>
<tr>
<th>Subsidized</th>
<th>One Bedroom Units</th>
<th>Two Bedroom Units</th>
<th>Three Bedroom Units</th>
<th>Subsidized 50%</th>
<th>Two Bedroom Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Units</td>
<td>1</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Net Rent</td>
<td>$465</td>
<td>$546</td>
<td>$610</td>
<td>$710</td>
<td>$709</td>
</tr>
<tr>
<td>Gross Rent</td>
<td>$546</td>
<td>$654</td>
<td>$756</td>
<td>$819</td>
<td>$709</td>
</tr>
<tr>
<td>% Income for Shelter</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>Income Range (Min, Max)</td>
<td>no min $21,900</td>
<td>no min $26,280</td>
<td>no min $30,380</td>
<td>no min $32,850</td>
<td>no min $32,850</td>
</tr>
<tr>
<td>Total Households</td>
<td>31,565</td>
<td>75,558</td>
<td>31,565</td>
<td>25,312</td>
<td>31,565</td>
</tr>
<tr>
<td># Qualified Households</td>
<td>4,007</td>
<td>2,961</td>
<td>6,253</td>
<td>3,868</td>
<td>6,253</td>
</tr>
<tr>
<td>Renter HH Capture Rate</td>
<td>0.0%</td>
<td>0.2%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

### 40% Units

| Number of Units | 6 | 5 | 5 |
| Net Rent | $600 | $710 | $800 |
| Gross Rent | $681 | $819 | $946 |
| % Income for Shelter | 35% | 35% | 35% |
| Income Range (Min, Max) | $23,349 | $27,375 | $32,850 |
| Total Households | 27,265 | 26,216 | 24,568 |
| # Qualified Households | 1,049 | 1,436 | 1,728 |
| Unit Total HH Capture Rate | 0.6% | 1.5% |
| Renter Households | 28,201 | 643 |
| # Qualified Households | 31,565 | |
| Renter HH Capture Rate | 0.3% |

### 50% Units

| Number of Units | 6 | 6 | 6 |
| Net Rent | $740 | $875 | $990 |
| Gross Rent | $821 | $984 | $1,136 |
| % Income for Shelter | 35% | 35% | 35% |
| Income Range (Min, Max) | $28,149 | $32,850 | $37,975 |
| Total Households | 25,984 | 25,984 | 22,502 |
| # Qualified Households | 4,300 | 2,130 | 1,126 |
| Unit Total HH Capture Rate | 1.7% | 4.7% |
| Renter Households | 27,265 | 27,265 |
| # Qualified Households | 27,558 | 11,921 |
| Renter HH Capture Rate | 1.1% |

### 60% Units

| Number of Units | 24 | 24 | 24 |
| Net Rent | $740 | $875 | $990 |
| Gross Rent | $821 | $984 | $1,136 |
| % Income for Shelter | 35% | 35% | 35% |
| Income Range (Min, Max) | $28,149 | $32,850 | $37,975 |
| Total Households | 25,984 | 25,984 | 22,502 |
| # Qualified Households | 649 | 896 | 1,220 |
| Unit Total HH Capture Rate | 1.7% | 4.7% |
| Renter Households | 27,265 | 27,265 |
| # Qualified Households | 27,558 | 11,921 |
| Renter HH Capture Rate | 1.1% |

<table>
<thead>
<tr>
<th>Income Target</th>
<th># Units</th>
<th>Band of Qualified HHs</th>
<th># Units</th>
<th>Band of Qualified HHs</th>
<th># Units</th>
<th>Band of Qualified HHs</th>
<th># Units</th>
<th>Band of Qualified HHs</th>
<th># Units</th>
<th>Band of Qualified HHs</th>
<th># Units</th>
<th>Band of Qualified HHs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidized 40% and 50%</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>40% Units</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>50% Units</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>60% Units</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
</tr>
<tr>
<td>UHTC Units</td>
<td>302</td>
<td>302</td>
<td>302</td>
<td>302</td>
<td>302</td>
<td>302</td>
<td>302</td>
<td>302</td>
<td>302</td>
<td>302</td>
<td>302</td>
<td>302</td>
</tr>
</tbody>
</table>

Source: Income Projections, RPRG, Inc.
Following the same methodology, we tested the affordability of the remaining unit types at each of the income bands as well as those units which are subsidized with no minimum incomes required for residency. The capture rates among income-qualified renter households for these distinct unit types by income band range from less than one percent (for the subsidized units at 40 percent and 50 percent of AMI) to 8.5 percent (for the two-bedroom units at 60 percent of AMI).

The 182 tax credit units without project-based subsidies would need to capture 2.4 percent of the income-qualified households and 4.4 percent of the income-qualified renter households. This analysis conservatively assumes a minimum income of $18,720 and excludes the minimum income for the 10 subsidized units. Including the 10 subsidized units with no minimum income, the subject’s 192 units would need to capture 3.1 percent of all income-qualified renter households.

3. Penetration Analysis

In order to provide further insight into the market dynamics, we have also conducted a Penetration Analysis (Table 39). The Penetration Analysis evaluates the capacity of the market area to serve the entire inventory of directly competitive rental units. Our analysis utilizes the same target date of 2020; the same 35 percent rent burden; and income levels as presented in the Affordability Analysis.

The steps in our Penetration Analysis for Renaissance Apartments follow:

- Based on effective rents from RPRG’s survey, the stock of existing rental units that would be closely competitive with the subject’s 40 percent, 50 percent, and 60 percent of AMI units consists of a total of 773 units in the existing subsidized and affordable rental communities. In addition to the subject’s proposed units, Price Street Apartments will include an additional 264 income-restricted units. Summing the existing units with the anticipated supply, the relevant stock of directly competitive one-bedroom, two-bedroom and three-bedroom units consists of 1,229 units, including the subject. Of these, 236 units have project-based rental subsidies and 993 units have no rental subsidies.

- The range of household incomes employed in our analysis of those units without rental subsidies ranges from $18,720 for the subject’s 40 percent one-bedroom unit up to the maximum allowable household income for a three-bedroom unit at 60 percent of AMI ($45,570). This analysis utilizes the subject’s proposed utility allowances when calculating the minimum income required for the total housing cost as well as a 35 percent housing affordability ratio.

- As of 2020, an estimated 4,092 renter households in the primary market area will be in the band of affordability for the relevant income-restricted tax credit one-, two- and three-bedroom rental stock. The existing and planned affordable (non-subsidized) supply would need to capture 24.4 percent of these renter households in order to reach full occupancy.

- We have repeated this analysis for all units within the competitive supply, including the existing and future units with project-based subsidies. The range of qualifying incomes expands from $0 up to the three-bedroom maximum income at 60 percent of AMI. The total inventory of 1,229 units would need to be filled from the estimated 6,113 income-qualified renter households. This reflects an overall penetration rate of 20.1 percent.
Renaissance Apartments I | Findings and Conclusions

4. Conclusions on Affordability and Penetration

RPRG judges that the tax credit renter capture rate of 4.4 percent for those units without project-based subsidies is readily achievable, particularly since the proposed apartments will be the newest and most attractive affordable rental community within the market area. RPRG considers the calculated penetration rate for the tax credit units of 24.4 percent of income-restricted renter households to be reasonable within the context of the Renaissance Market Area. In essence, our analysis suggests that the most directly competitive rental units will need to capture less than one out of every four income-qualified renter households. Both the capture and penetration rates are well within a reasonable and achievable range.

D. VHDA Demand Methodology

1. VHDA Demand Analysis

The Virginia Housing Development Authority (VHDA) mandates a particular demand methodology in evaluating applications for Low-Income Housing Tax Credits. VHDA opts for a need-driven...
demand methodology which factors the topics of cost-burdened renters and substandard rental housing into the demand equation. In this section, RPRG calculates demand according to the VHDA methodology for Renaissance Apartments. VHDA’s demand methodology for general occupancy LIHTC projects such as the subject accounts for as many as four primary components of potential need/demand:

- **Household Growth or Decline.** The household trend required by VHDA is the net increase or decrease in the number of income-qualified renter households in the primary market area between a base year of 2017 and a target year of 2020.

- **Cost Burdened Renters.** VHDA’s second component of demand is cost burdened renters, a designation which is typically defined as those renter households paying more than 35 percent of household income for housing costs. To be conservative, RPRG uses the 2012-2016 ACS data on cost-burdened renter households presented earlier in Table 22 to estimate the percentage and number of income-qualified renters for the subject project that will be cost-burdened as of 2018 as defined by spending 40 percent of income on rent, or 33.2 percent of renters.

- **Renter Households in Substandard Housing.** VHDA’s third component of demand accounts for income-qualified renter households living in substandard units, defined as overcrowded units (having 1.01 or more persons per room) and/or units lacking complete plumbing facilities. According to the 2012-2016 ACS, the percentage of renter households in the primary market area that lived in substandard conditions was 3.0 percent.

- **Existing Tenants Likely to Remain.** For projects that constitute the renovation of an existing property with current tenants, VHDA requests that analysts consider the percentage of current tenants that are likely to remain following the proposed renovation. Renaissance Apartments will be a new construction project and, as such, VHDA’s fourth component of demand is not relevant.

Table 40 outlines the detailed VHDA demand calculations for Renaissance Apartments that stem from the three relevant demand components. Total demand available for the 192-unit proposed affordable project is expected to include 91 net new renter households, 1,992 cost-burdened households, and 181 households currently residing in substandard housing. The calculation thus yields a total demand for 2,264 additional units of rental housing serving the targeted income bands.
Comparable units that are presently available or that would likely be available constitute supply that must be subtracted from total VHDA demand to arrive at VHDA net demand. Based on our February 2018 competitive survey, no subsidized or income-restricted units were reported vacant in the affordable rental supply. The near term pipeline consists of one 264-unit LIHTC project. Subtracting the vacant existing and pipeline units, VHDA net demand totals 2,000 units.

Given net demand for 2,000 units, the 192-unit Renaissance Apartments would need to capture 9.6 percent of income-qualified renter households per VHDA’s demand methodology. The 182 unsubsidized units would need to capture 14.3 percent of all income-qualified renter households.

Table 41 calculates demand for the proposed subject’s three-bedroom units without any subsidies. In this analysis, we have applied a large family factor of 39 percent in order to reflect the proportion of three-person and larger households within the market area, as referenced in Table 18. The VHDA capture rate for this unit type is 13.7 percent.
2. Conclusions on VHDA Demand

RPRG considers the key captures rates for Renaissance Apartments to be both reasonable and readily achievable, particularly since the project’s overall capture rate is less than ten percent. For those units without rental subsidies, the capture rate is just slightly higher at 14.3 percent. Taking into consideration all of these factors, we have conservatively estimated an overall project lease up pace of roughly 13 to 15 months, reflecting an average absorption pace of 12 to 14 units per month. According to Virginia Beach planning officials, affordable housing is a dire need throughout the city, including the subject neighborhood. In addition, property managers at Baker Woods and Summer Haven report extremely high demand among lower-income households with consistently long wait lists at both tax credit communities.

E. Target Markets

As indicated in the Effective Demand Analysis (Affordability/Capture & Penetration), the subject’s income-restricted units without rental subsidies would serve households with incomes between $18,720 and $45,570. The groups most likely to reside at the subject’s income restricted units include individuals working in service sectors such as retail, leisure and hospitality, or in civilian positions associated with the numerous military installations in the area. Other persons likely to reside at the subject project include government or contract workers; local public servants such as firefighters, police officers, and teachers; and early career workers in the professional-business, financial activities, information, and health sectors. It is also possible that military personnel posted to the Hampton Roads region would find the subject’s apartments to be an attractive housing alternative to on-base housing.

With one-, two- and three-bedroom units, the proposed community would have the capacity to serve single-person households, married and unmarried couples, roommate households, and single- and dual-parent families with as many as four children.

F. Product Evaluation

Considered in the context of the competitive environment, the relative position of the proposed Renaissance Apartments is as follows:

- **Structure Type:** Most competitive Lower Tier market rate and income-restricted rental communities include two- and three-story garden buildings. While the subject will have four-story garden buildings, the garden-style structure is consistent with the market area’s rental housing dynamics.

- **Project Size:** The surveyed rental communities within the market area range in size from 24 to 456 units, with an average size of 205 units. Although the 192-unit Renaissance Apartments will be larger than the income-restricted average of 120 units, it is smaller than the market area average as well as the largest tax credit community, Mayfair with 197 units. The subject’s size will appropriately allow it to provide on-site management and services similar to other market area rental communities.

- **Unit Distribution:** The subject will offer one-bedroom units (17 percent); two-bedroom units (58 percent); and three-bedroom units (25 percent). The subject’s unit distribution is similar to the distribution of units in the other tax credit rental properties where one-bedroom units account for 15 percent of all units; two-bedroom units account for 60 percent; and three-bedroom units account for 25 percent of the supply. The proposed unit distribution positions the subject to target a wide variety of households, including single-person households, couples, roommates, single parent households and families. We believe that the proposed unit distribution is reasonable within the context of the directly competitive rental supply.
- **Income Targeting:** The subject’s income targeting is as follows: 10 units (5 percent) will address households with incomes at or below 40 percent of AMI; 38 units (20 percent) will address households with incomes at or below 50 percent of AMI; and 144 units (75 percent) will target households with incomes at or below 60 percent of AMI. RPRG’s penetration analysis indicates that all of the subject’s units as well as those existing and future units without rental subsidies addresses less than one out of four (24.4 percent) of all income-qualified households.

- **Unit Size:** The proposed unit sizes for Renaissance Apartments average 739 square feet for one-bedroom units; 1,034 square feet for two-bedroom units; and 1,224 square feet for the three-bedroom units. The subject’s two- and three-bedroom units are larger than in the directly competitive affordable rental supply within the market area. The one-bedroom unit is comparable to the LIHTC average and well within the competitive range. Additionally, the units are planned with an open and modern floor plan. We believe that the size of the subject’s units will be marketable and will be directly competitive with (or superior to) the other rental units in the multifamily supply.

- **Number of Bathrooms:** All of the subject’s one-bedroom units will have one full bathroom, while the two- and three-bedroom units will have two bathrooms. Within the directly competitive tax credit rental supply, only Baker Woods and Summer Haven offers two baths for all two- and three-bedroom units. As a result, the availability of two baths in these units is viewed as a competitive advantage.

- **Kitchen Features:** All unit kitchens at Renaissance Apartments will include features not typically found in the affordable rental supply, such as a microwave and garbage disposal. Additionally, the fact that the units will have energy-efficient and modern appliances is also a positive feature.

- **Laundry:** The Developer intends to equip all units at Renaissance Apartments with full-size washers and dryers. While in-unit washer/dryers are available in select Lower Tier market rate, this is a feature that is not currently available in the affordable rental supply except Summer Haven. As a result, this feature is considered to provide the subject with a competitive advantage.

- **Other Unit Features:** Units at Renaissance Apartments will have carpeted bedrooms and living areas and attractive vinyl flooring in the kitchen, hallway and bath. Carpentry is the primary flooring material throughout the market. All of the subject’s units will have private outdoor space with either a patio or balcony. This is also a desirable feature that is appreciated by tenants and not always available in the competitive supply.

- **Utilities Included in Rent:** The Developer proposes to include trash removal costs in monthly rents in Renaissance Apartments, leaving tenants responsible for paying all other utility bills. With the exception of Baker Woods and Summer Haven, all of the other tax credit rental communities include water, sewer and trash (and one property also includes gas cooking). The trend in newer rental communities is to include only trash collection as it places more responsibility on tenants and promotes energy conservation.

- **Common Area Amenities:** The Developer intends to provide a significant offering of common area amenities at the subject, including clubhouse with community meeting space, a fitness center, and an outdoor swimming pool. The proposed slate of amenities would position the subject community comparably to most market rate properties in the primary market area. Clubhouses/community rooms, fitness centers, and outdoor pools are typically available in the market rate multifamily rental communities but are less available among tax credit communities. The proposed amenity slate is considered to be a competitive advantage in many cases.
• **Parking:** The subject will have free surface parking which is consistent with the other rental communities. We do not believe that other parking options are necessary in the Renaissance Market Area. As such, surface parking is not considered to be either an advantage or disadvantage within this market area but comparable to what is currently available.

**G. Price Position**

The tax credit rents proposed by the Developer for Renaissance Apartments are at or below the allowable maximums for all unit types, given the assumed utility allowances of $81 for one-bedroom units; $109 for two-bedroom units; and $146 for three-bedroom units. The proposed rents are considered to be reasonable when viewed within the context of the directly competitive rental supply. The scatter charts indicate that the rents for the affordable rental supply are generally far below those without income restrictions. Figure 11 provides a graphic representation of the competitive positions of the rents and square footages proposed for the subject’s one-, two-, and three-bedroom units.

![Figure 11 Price Position of Renaissance Apartments](image-url)
H. Absorption Estimate

In estimating an absorption pace for the subject community, we consider recent absorption activity in the market in addition to demand and supply factors. As mentioned previously, RPRG obtained data on the absorption experiences of three rental communities in the market area that have opened since 2013. Among the Upper Tier market rate rental communities that opened within the past five years:

- **Greenwich Village** experienced a lease up pace of roughly 16 units per month between May 2012 and June 2013.
- **Cambria at Cornerstone** leased up simultaneously and experienced an overall absorption pace of roughly 18 units per month.
- **Encore 4505 @ Town Center** opened in September 2014 and stabilized in March 2016, or an average lease up pace of 15 units per month.

The overall desirability of the market area is evidenced in that several Upper Tier market rate communities were able to achieve these relatively strong leased up rates while simultaneously marketing. However, given their significantly higher pricing structure, the relevance of this data is somewhat limited.

Among the income-restricted properties:

- **Baker Woods** opened in May 2015 and was fully leased as of October 2015, reflecting an absorption pace of roughly 19 units per month. However, the demand for these apartments was very strong and the lease up pace is a reflection of when the buildings were released for occupancy rather than market interest. Prior to opening, this community had an interest list of over 400 households. Baker Woods currently maintains a pre-qualified wait list of 150+/- households.
- **Summer Haven** opened in March 2017 with a significant number of pre-leased units. All 54 units were fully leased by June 2017 for an average absorption pace of 19 units per month, and the community now reports an extensive wait list.

The demand for these apartments was very strong and the lease up pace is actually a reflection of when the buildings and units were released for occupancy rather than market interest. Prior to opening, Baker Woods had an interest list of over 400 households, and Summer Haven experienced significant pre-leasing prior to delivering any units. Both Baker Woods and Summer Haven currently maintain extensive pre-qualified wait lists. We note that Price Street Apartments is expected to deliver 264 affordable units within roughly one year prior to the subject’s estimated delivery date. While a substantial portion of the Price Street units will likely be leased, we conservatively assume an overlap in lease up. With this consideration and given the fact that most of the subject’s units will target households with incomes up to 60 percent of AMI, we believe that it is prudent to plan for a slightly less aggressive absorption pace of:

**12 to 14 units per month**

Assuming this absorption pace, we would expect that the subject would attain stabilized occupancy in approximately 13 to 15 months.
I. Impact on Existing Market

RPRG does not anticipate that the subject will have an adverse impact on the existing rental market. The overall vacancy rate for the income-restricted rental communities within the market area is very low at 2.5 percent. Additionally, the subject’s VHDA capture rate for all units is 9.6 percent while the capture rate for those units without rental subsidies is 14.3 percent. Both are reasonable and achievable. Importantly, the overall penetration rate for the income-restricted units is very low at 24.4 percent.

We hope you find this analysis helpful in your decision making process.

_______________________    _______________________
  Ethan Reed               Robert M. Lefenfeld
  Senior Analyst           Managing Principal
IX. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.

2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.

3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.

4. The subject project will be served by adequate transportation, utilities and governmental facilities.

5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.

6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.

7. The subject project will be developed, marketed and operated in a highly professional manner.

8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.

9. There are no existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.
The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.

2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.

3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.

4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.

5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.

6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.
X. APPENDIX 2 RENTAL COMMUNITY PROFILES
525 Historic Kempsville
525 Kempsville Rd
Virginia Beach, VA 23464

168 Units 0.0% Vacant (0 units vacant) as of 2/7/2018

Opened in 2017

Community Type: Market Rate - General
Structure Type: 3-Story Adaptive Reuse

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>--</td>
<td>$1,316</td>
<td>827</td>
<td>$1.59</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>$1,449</td>
<td>1,150</td>
<td>$1.26</td>
</tr>
<tr>
<td>Two</td>
<td>--</td>
<td>$1,571</td>
<td>1,069</td>
<td>$1.47</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>--</td>
<td>$1,900</td>
<td>1,476</td>
<td>$1.29</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.

Community Amenities

- Clubhouse:
- Pool-Outdr:
- Comm Rm:
- Basketball:
- Centrl Lndry:
- Tennis:
- Elevator:
- Volleyball:
- Fitness:
- CarWash:
- Hot Tub:
- BusinessCtr:
- Sauna:
- ComputerCtr:
- Playground:

Features

- Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Cable TV; Hardwood
- Select Units: Ceiling Fan; Patio/Balcony
- Optional($):
- Security: Intercom; Keyed Bldg Entry

Parking 1:
- Free Surface Parking
- Fee: --

Parking 2:
- Covered Spaces
- Fee: --

Property Manager: Ripley Heatwole Com
Owner: --

Comments

24 units in former school. Opened Aug’16. All units leased mid 1/2017. 72 Units opened mid 3/2017, leased by June, 72 opened 6/27/17. 35 units preleased, leased by Dec. Glass stove top, nickel hardware, built in wine racks, granite CT, garden tubs in select units. Coffee bar, billiards, shuffleboard, & poolside grill. 62-1BR, 88-2BR, 16-3BR

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>chief/rollenston/arrowhea</td>
<td>Den</td>
<td>1 1</td>
<td>--</td>
<td>$1,353</td>
<td>1,052</td>
<td>$1.29</td>
<td></td>
</tr>
<tr>
<td>kempsville/woodstock</td>
<td>1 1</td>
<td>--</td>
<td>$1,410</td>
<td>1,086</td>
<td>$1.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>kempsville w/den / Garde</td>
<td>Den</td>
<td>1 1</td>
<td>--</td>
<td>$1,495</td>
<td>1,249</td>
<td>$1.20</td>
<td></td>
</tr>
<tr>
<td>salem/tallwood / Garden</td>
<td>--</td>
<td>1 1</td>
<td>--</td>
<td>$1,258</td>
<td>713</td>
<td>$1.76</td>
<td></td>
</tr>
<tr>
<td>brandon / Garden</td>
<td>--</td>
<td>1 1</td>
<td>--</td>
<td>$1,245</td>
<td>728</td>
<td>$1.71</td>
<td></td>
</tr>
<tr>
<td>carraway/elizabeth / Gard</td>
<td>--</td>
<td>1 1</td>
<td>--</td>
<td>$1,250</td>
<td>782</td>
<td>$1.60</td>
<td></td>
</tr>
<tr>
<td>greenwich/dunmore/singl</td>
<td>--</td>
<td>2 2</td>
<td>--</td>
<td>$1,525</td>
<td>1,074</td>
<td>$1.42</td>
<td></td>
</tr>
<tr>
<td>logan/princess anne / Ga</td>
<td>--</td>
<td>2 2</td>
<td>--</td>
<td>$1,583</td>
<td>1,178</td>
<td>$1.34</td>
<td></td>
</tr>
<tr>
<td>centerville upper/centervi</td>
<td>--</td>
<td>2 2</td>
<td>--</td>
<td>$1,515</td>
<td>957</td>
<td>$1.58</td>
<td></td>
</tr>
<tr>
<td>kemp w/den / Garden</td>
<td>Den</td>
<td>3 2</td>
<td>--</td>
<td>$1,825</td>
<td>1,417</td>
<td>$1.29</td>
<td></td>
</tr>
<tr>
<td>farfield/providence/walke</td>
<td>--</td>
<td>3 2</td>
<td>--</td>
<td>$1,905</td>
<td>1,536</td>
<td>$1.24</td>
<td></td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/18</td>
<td>0.0%</td>
<td>$1,360</td>
<td>$1,571</td>
<td>$1,900</td>
</tr>
<tr>
<td>11/1/17</td>
<td>12.2%</td>
<td>$1,331</td>
<td>$1,537</td>
<td>$1,878</td>
</tr>
<tr>
<td>6/23/17</td>
<td>31.0%</td>
<td>$1,320</td>
<td>$1,540</td>
<td>$1,869</td>
</tr>
<tr>
<td>2/2/17</td>
<td>0.0%</td>
<td>$1,316</td>
<td>$1,528</td>
<td>$1,869</td>
</tr>
</tbody>
</table>

Initial Absorption

Open: 6/1/2016
Closed: 10/28/2017
Months: 16.0
9.9 units/month

Adjustments to Rent

Incentives:
- none

Utilities in Rent:
- Heat Fuel: Electric
- Cooking:
- Wtr/Swr:
- Electricity:
- Trash:

© 2018 Real Property Research Group, Inc.
Aden Park
5161 Weaver Dr
Virginia Beach, VA 23462

0.0% Vacant (0 units vacant) as of 2/7/2018

Community Type: LIHTC - General
Structure Type: 2-Story Garden&TH

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>16.0%</td>
<td>$758</td>
<td>625</td>
<td>$1.21</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>64.0%</td>
<td>$903</td>
<td>980</td>
<td>$0.92</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>20.0%</td>
<td>$1,035</td>
<td>1,100</td>
<td>$0.94</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.

Community Amenities

- Clubhouse: □
- Pool-Outdr: □
- Comm Rm: □
- Basketball: □
- Centrl Lndry: □
- Tennis: □
- Elevator: □
- Volleyball: □
- Fitness: □
- CarWash: □
- Hot Tub: □
- BusinessCtr: □
- Sauna: □
- ComputerCtr: □
- Playground: □

Features

- Standard: Central A/C; Carpet
- Select Units: --
- Optional($): --
- Security: --

Parking 1: Free Surface Parking
Parking 2: --

Property Manager: Peak Living
Owner: --

Comments

Tax Credit.
No WL

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td>$758</td>
<td>625</td>
<td>$1.21</td>
<td>LIHTC/ 60%</td>
<td>2/7/18</td>
<td>0.0%</td>
<td>$758</td>
<td>$903</td>
<td>$1,035</td>
</tr>
<tr>
<td>Townhouse</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>80</td>
<td>$903</td>
<td>980</td>
<td>$0.92</td>
<td>LIHTC/ 60%</td>
<td>10/10/17</td>
<td>0.0%</td>
<td>$758</td>
<td>$903</td>
<td>$1,035</td>
</tr>
<tr>
<td>Townhouse</td>
<td>--</td>
<td>3</td>
<td>1</td>
<td>25</td>
<td>$1,035</td>
<td>1,100</td>
<td>$0.94</td>
<td>LIHTC/ 60%</td>
<td>8/8/17</td>
<td>1.6%</td>
<td>$758</td>
<td>$903</td>
<td>$1,035</td>
</tr>
</tbody>
</table>

Adjustments to Rent

- Incentives: none
- Utilities in Rent: Heat Fuel: Electric
  - Heat: □
  - Cooking: □
  - Wtr/Swr: □
  - Hot Water: □
  - Electricity: □
  - Trash: □

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/18</td>
<td>0.0%</td>
<td>$758</td>
<td>$903</td>
<td>$1,035</td>
</tr>
<tr>
<td>10/10/17</td>
<td>0.0%</td>
<td>$758</td>
<td>$903</td>
<td>$1,035</td>
</tr>
<tr>
<td>6/26/17</td>
<td>0.8%</td>
<td>$758</td>
<td>$903</td>
<td>$1,035</td>
</tr>
</tbody>
</table>
Amhurst
524 Aylesbury Drive
Virginia Beach, VA 23462

Community Type: Market Rate - General
Structure Type: 2-Story Garden
Opened in 1987

88 Units 1.1% Vacant (1 units vacant) as of 2/7/2018

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>25.0%</td>
<td>$759</td>
<td>718</td>
<td>$1.06</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>75.0%</td>
<td>$863</td>
<td>869</td>
<td>$0.99</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse
- Pool-Outdr
- Comm Rm
- Basketball
- Centrl Lndry
- Tennis
- Elevator
- Volleyball
- Fitness
- CarWash
- Hot Tub
- BusinessCln
- Sauna
- ComputerCln
- Playground

Features

- Standard: Dishwasher; Disposal; Ice Maker; In Unit Laundry (Stacked); Central A/C; Carpet
- Select Units: --
- Optional($): --
- Security: --
- Parking 1: Free Surface Parking
  Fee: --
- Parking 2: --
  Fee: --

Property Manager: Rose & Womble
Owner: --

Comments

Very strict credit checks-property has low turnover.

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td>$740</td>
<td>650</td>
<td>$1.14</td>
<td>Market</td>
<td>2/7/18</td>
<td>1.1%</td>
<td>$759</td>
<td>$863</td>
<td>--</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>12</td>
<td>$775</td>
<td>775</td>
<td>$1.00</td>
<td>Market</td>
<td>10/10/17</td>
<td>0.0%</td>
<td>$749</td>
<td>$820</td>
<td>--</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>34</td>
<td>$815</td>
<td>825</td>
<td>$.99</td>
<td>Market</td>
<td>8/8/17</td>
<td>0.0%</td>
<td>$749</td>
<td>$820</td>
<td>--</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>32</td>
<td>$915</td>
<td>915</td>
<td>$1.00</td>
<td>Market</td>
<td>6/26/17</td>
<td>0.0%</td>
<td>$749</td>
<td>$820</td>
<td>--</td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/18</td>
<td>1.1%</td>
<td>$759</td>
<td>$863</td>
<td>--</td>
</tr>
<tr>
<td>10/10/17</td>
<td>0.0%</td>
<td>$749</td>
<td>$820</td>
<td>--</td>
</tr>
<tr>
<td>8/8/17</td>
<td>0.0%</td>
<td>$749</td>
<td>$820</td>
<td>--</td>
</tr>
<tr>
<td>6/26/17</td>
<td>0.0%</td>
<td>$749</td>
<td>$820</td>
<td>--</td>
</tr>
</tbody>
</table>

Adjustments to Rent

Incentives:
None

Utilities in Rent:
- Heat Fuel:
- Heat: [ ]
- Cooking: [ ]
- Wtr/Swr: [ ]
- Hot Water: [ ]
- Electricity: [ ]
- Trash: [ ]

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
# Ashbrook

## Multifamily Community Profile

**205 Silverbrook Ln**  
Virginia Beach, VA 23462  

**Map Ref:** 222-K6  
**Community Type:** Market Rate - General  
**Structure Type:** 3-Story Garden  

<table>
<thead>
<tr>
<th>Units</th>
<th>Vacant</th>
<th>As of</th>
<th>Opened</th>
<th>Last Major Rehab</th>
</tr>
</thead>
<tbody>
<tr>
<td>156</td>
<td>2.6%</td>
<td>2/7/18</td>
<td>1986</td>
<td>2001</td>
</tr>
</tbody>
</table>

## Property Information
- **Property Manager:** Breeden Company  
- **Opened in:** 1986  
- **Last Major Rehab in:** 2001  
- **Community Type:** Market Rate - General  
- **Structure Type:** 3-Story Garden  
- **Address:** 205 Silverbrook Ln, Virginia Beach, VA 23462  
- **Units:** 156  
- **Vacancy:** 2.6% (4 units vacant) as of 2/7/2018

## Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>23.1%</td>
<td>$1,041</td>
<td>794</td>
<td>$1.31</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>61.5%</td>
<td>$1,176</td>
<td>995</td>
<td>$1.18</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>15.4%</td>
<td>$1,372</td>
<td>1,206</td>
<td>$1.14</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjustments to Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Look N Lease: $500 off</td>
</tr>
</tbody>
</table>

## Community Amenities
- **Clubhouse:**
- **Pool-Outdr:**
- **Comm Rm:**
- **Basketball:**
- **Centrl Lndry:**
- **Tennis:**
- **Elevator:**
- **Volleyball:**
- **Fitness:**
- **CarWash:**
- **Hot Tub:**
- **BusinessCtr:**
- **Sauna:**
- **ComputerCtr:**
- **Playground:**

## Community Features
- **Standard:** Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Cable TV; Carpet
- **Select Units:** High Ceilings
- **Optional($):**
- **Security:**
- **Parking 1:** Free Surface Parking
- **Pricing:**
- **Parking 2:**
- **Fee:**

## Historical Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/18</td>
<td>2.6%</td>
<td>$1,041</td>
<td>$1,176</td>
<td>$1,372</td>
</tr>
<tr>
<td>6/23/17</td>
<td>0.6%</td>
<td>$949</td>
<td>$1,164</td>
<td>$1,432</td>
</tr>
<tr>
<td>1/31/17</td>
<td>2.6%</td>
<td>$1,026</td>
<td>$1,122</td>
<td>$1,410</td>
</tr>
<tr>
<td>7/27/16</td>
<td>1.3%</td>
<td>$982</td>
<td>$1,161</td>
<td>$1,434</td>
</tr>
</tbody>
</table>

## Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>36</td>
<td>$1,016</td>
<td>794</td>
<td>$1.28</td>
<td>Market</td>
<td>2/7/18</td>
<td>2.6%</td>
<td>$1,041</td>
<td>$1,176</td>
<td>$1,372</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>96</td>
<td>$1,146</td>
<td>995</td>
<td>$1.15</td>
<td>Market</td>
<td>6/23/17</td>
<td>0.6%</td>
<td>$949</td>
<td>$1,164</td>
<td>$1,432</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>24</td>
<td>$1,337</td>
<td>1,206</td>
<td>$1.11</td>
<td>Market</td>
<td>1/31/17</td>
<td>2.6%</td>
<td>$1,026</td>
<td>$1,122</td>
<td>$1,410</td>
</tr>
</tbody>
</table>

## Adjustments to Rent

- **Incentives:**
  - Look N Lease: $500 off

## Utilities in Rent
- **Heat:** Electric
- **Cooking:**
- **Wtr/Swr:**
- **Electricity:**
- **Trash:**

---

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.  
(2) Published Rent is rent as quoted by management.
Aspen

4217 South Plaza Trail
Virginia Beach, VA

Map Ref: 223-A10

Community Type: Market Rate - General
Structure Type: 2-Story Garden

148 Units 10.8% Vacant (16 units vacant) as of 2/13/2018 Last Major Rehab in 2017 Opened in 1973

Property Manager: Clark Whitehall

Opened in 1973
Last Major Rehab in 2017
CommunityType: Market Rate - General
Structure Type: 2-Story Garden

Bedroom %Total Avg Rent Avg SqFt Avg $/SqFt
Eff -- -- -- -- --
One 17.6% $1,320 1,300 $1.02
One/Den -- -- -- -- --
Two 82.4% $1,425 1,600 $0.89
Two/Den -- -- -- -- --
Three -- -- -- -- --
Four+ -- -- -- -- --

Community Amenities
Clubhouse: Pool-Outdr:
Comm Rm: Basketball:
Centrl Lndry: Tennis:
Elevator: Volleyball:
Fitness: CarWash:
Hot Tub: BusinessCtr:
Sauna: ComputerCtr:
Playground:

Features
Standard: Dishwasher; Disposal; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Cable TV; Broadband Internet; Carpet

Select Units: Fireplace
Optional($): --
Security: --
Parking 1: Free Surface Parking Fee: --
Parking 2: --

Owner: --

Comments
Total rehab 2017: new appliances, plumbing, flooring, soundproofing, windows, etc.
Granite cc, blk appl.; Vacancies: 14-2BR, 2-1BR

Historic Vacancy & Eff. Rent (1)

Date %Vac 1BR $ 2BR $ 3BR $
2/13/18 10.8% $1,320 $1,425 --
6/23/17 7.4% $1,270 $1,425 --
1/30/17 2.7% $1,305 $1,550 --
7/25/16 2.7% $1,270 $1,550 --

Adjustments to Rent
Incentives: None
Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr: Electricity: Trash:

Floorplans (Published Rents as of 2/13/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>% Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>26</td>
<td>$1,295</td>
<td>1,300</td>
<td>$1.00</td>
<td>Market</td>
<td>2/13/18</td>
<td>10.8%</td>
<td>$1,320</td>
<td>$1,425</td>
<td>--</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>122</td>
<td>$1,395</td>
<td>1,600</td>
<td>$.87</td>
<td>Market</td>
<td>6/23/17</td>
<td>7.4%</td>
<td>$1,270</td>
<td>$1,425</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/30/17</td>
<td>2.7%</td>
<td>$1,305</td>
<td>$1,550</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7/25/16</td>
<td>2.7%</td>
<td>$1,270</td>
<td>$1,550</td>
<td>--</td>
</tr>
</tbody>
</table>

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.
(2) Published Rent is rent as quoted by management.
**Baker Woods**

5609 Lone Holly Lane  
Virginia Beach, VA 23462

**Community Profile**

- **Address:** 5609 Lone Holly Lane, Virginia Beach, VA 23462
- **Property Manager:** Lawson Companies
- **Units:** 96
- **Vacancy:** 0.0%
- **Opened:** 2015
- **Community Type:** LIHTC - General
- **Structure Type:** 3-Story Garden

**Unit Mix & Effective Rent (1)**

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>68.8%</td>
<td>$740</td>
<td>1,036</td>
<td>$0.71</td>
</tr>
<tr>
<td>One/Den</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two</td>
<td>31.3%</td>
<td>$816</td>
<td>1,178</td>
<td>$0.69</td>
</tr>
<tr>
<td>Two/Den</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Four+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Community Amenities**

- Clubhouse: 
- Pool-Outdr:
- Comm Rm:
- Basketball:
- Centrl Lndry: 
- Tennis:
- Elevator:
- Volleyball:
- Fitness:
- CarWash:
- Hot Tub:
- BusinessCtr:
- Sauna:
- ComputerCtr:
- Playground:

**Features**

- **Standard:** Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony
- **Select Units:** --
- **Optional($):** --
- **Security:** --
- **Parking 1:** Free Surface Parking
  - Fee: --
- **Parking 2:** --
  - Fee: --
- **Property Manager:** Lawson Companies
- **Owner:** --

**Historic Vacancy & Eff. Rent (1)**

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/8/18</td>
<td>0.0%</td>
<td>$740</td>
<td>$816</td>
<td></td>
</tr>
<tr>
<td>10/10/17</td>
<td>0.0%</td>
<td>$745</td>
<td>$855</td>
<td></td>
</tr>
<tr>
<td>8/2/17</td>
<td>0.0%</td>
<td>$662</td>
<td>$792</td>
<td></td>
</tr>
<tr>
<td>6/23/17</td>
<td>0.0%</td>
<td>$662</td>
<td>$792</td>
<td></td>
</tr>
</tbody>
</table>

*Indicates initial lease-up.

**Floorplans (Published Rents as of 2/8/2018) (2)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td></td>
<td>2</td>
<td>2</td>
<td>10</td>
<td>$910</td>
<td>1,036</td>
<td>$0.88</td>
<td>Section B/ 40%</td>
</tr>
<tr>
<td>Garden</td>
<td></td>
<td>2</td>
<td>2</td>
<td>56</td>
<td>$686</td>
<td>1,036</td>
<td>$0.66</td>
<td>LIHTC/ 50%</td>
</tr>
<tr>
<td>Garden</td>
<td></td>
<td>3</td>
<td>2</td>
<td>30</td>
<td>$791</td>
<td>1,178</td>
<td>$0.67</td>
<td>LIHTC/ 50%</td>
</tr>
</tbody>
</table>

**Adjustments to Rent**

- **Incentives:** None
- **Utilities in Rent:**
  - Heat Fuel: Electric
  - Heat: 
  - Cooking:
  - Wtr/Swr: 
  - Hot Water: 
  - Electricity: 
  - Trash: 

**Comments**

Waitlist: 40 HH, Completed lease up in October 2015. Opened 5/15
dog park, blk appli, dark cabinets.

---

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent  
(2) Published Rent is rent as quoted by management.  

© 2018 Real Property Research Group, Inc.
Baywatch Pointe
5414 Catina Arch
Virginia Beach, VA 23462

Multifamily Community Profile

Community Type: Market Rate - General
Structure Type: 2-Story Garden
Opened in 1973

160 Units 6.3% Vacant (10 units vacant) as of 2/13/2018

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>% Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>12.5%</td>
<td>$814</td>
<td>587</td>
<td>$1.39</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>57.5%</td>
<td>$1,062</td>
<td>970</td>
<td>$1.10</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>20.0%</td>
<td>$1,090</td>
<td>1,147</td>
<td>$0.95</td>
</tr>
<tr>
<td>Four+</td>
<td>10.0%</td>
<td>$1,240</td>
<td>1,229</td>
<td>$1.01</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse: ☑
- Pool-Outd: ☑
- Comm Rm: ☑
- Basketball: ☑
- Centrl Lndry: ☑
- Tennis: ☑
- Elevator: ☑
- Volleyball: ☑
- Fitness: ☑
- CarWash: ☑
- Hot Tub: ☑
- BusinessCtr: ☑
- Sauna: ☑
- ComputerCtr: ☑
- Playground: ☑

Features

- Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Patio/Balcony
- Select Units: --
- Optional($): --
- Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: Cedar Grove
Owner: --

Remarks:

- Renovated & 4BR have Hook ups; Some 2BR units have been upgraded to incl espreso cab, black appli.; Fitness room
- Vacancy: 2 1BR, 6 2BR, 2 3BR

Floorplans (Published Rents as of 2/13/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>% Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td>$789</td>
<td>587</td>
<td>$1.34</td>
<td>Market</td>
<td>2/13/18</td>
<td>6.3%</td>
<td>$814</td>
<td>$1,062</td>
<td>$1,090</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>8</td>
<td>$899</td>
<td>860</td>
<td>$1.05</td>
<td>Market</td>
<td>10/10/17</td>
<td>8.8%</td>
<td>$824</td>
<td>$955</td>
<td>$1,090</td>
</tr>
<tr>
<td>Townhouse</td>
<td>--</td>
<td>2</td>
<td>1.5</td>
<td>84</td>
<td>$1,045</td>
<td>980</td>
<td>$1.07</td>
<td>Market</td>
<td>8/8/17</td>
<td>1.3%</td>
<td>$800</td>
<td>$931</td>
<td>$1,090</td>
</tr>
<tr>
<td>Townhouse</td>
<td>--</td>
<td>3</td>
<td>1.5</td>
<td>32</td>
<td>$1,055</td>
<td>1,147</td>
<td>$0.92</td>
<td>Market</td>
<td>6/23/17</td>
<td>3.1%</td>
<td>$800</td>
<td>$946</td>
<td>$1,090</td>
</tr>
<tr>
<td>Townhouse</td>
<td>--</td>
<td>4</td>
<td>1.5</td>
<td>16</td>
<td>$1,200</td>
<td>1,229</td>
<td>$0.98</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>% Vac</th>
<th>1BR $</th>
<th>2BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/13/18</td>
<td>6.3%</td>
<td>$814</td>
<td>$1,062</td>
</tr>
<tr>
<td>10/10/17</td>
<td>8.8%</td>
<td>$824</td>
<td>$955</td>
</tr>
<tr>
<td>8/8/17</td>
<td>1.3%</td>
<td>$800</td>
<td>$931</td>
</tr>
<tr>
<td>6/23/17</td>
<td>3.1%</td>
<td>$800</td>
<td>$946</td>
</tr>
</tbody>
</table>

Adjustments to Rent

- Incentives: Reduced
- Utilities in Rent: Heat Fuel: Gas
  - Heat: ☑
  - Cooking: ☑
  - Wtr/Swr: ☑
  - Hot Water: ☑
  - Electricity: ☑
  - Trash: ☑

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
Multifamily Community Profile

Cambria at Cornerstone

4884 Traverline Avenue
Virginia Beach, VA 23462

Community Type: Market Rate - General
Structure Type: 3-Story Garden
Opened in 2012

456 Units 4.2% Vacant (19 units vacant) as of 2/7/2018

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>21.7%</td>
<td>$1,295</td>
<td>895</td>
<td>$1.45</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>52.2%</td>
<td>$1,460</td>
<td>1,035</td>
<td>$1.41</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>26.1%</td>
<td>$1,660</td>
<td>1,261</td>
<td>$1.32</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse: ☑
- Pool-Outdr: ☑
- Comm Rm: ☐
- Basketball: ☐
- Centrl Lndry: ☑
- Tennis: ☐
- Elevator: ☐
- Volleyball: ☐
- Fitness: ☑
- CarWash: ☐
- Hot Tub: ☑
- BusinessCtr: ☐
- Sauna: ☒
- ComputerCtr: ☑
- Playground: ☑

Features

- Standard: Dishwasher; Disposal; Microwave; Ice Maker; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings; Carpet / Ceramic
- Select Units: --
- Optional($): --
- Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: Breeden
Owner: --

Comments

Phase I=276 units began leasing 5/12 & stabilized 8/13; Phase II=180 units began lease 11/13 & stabilized 11/14.

Dog park, bocce court, splash park, garden, billiards, 2 pools and 2 gyms. Vinyl plank floor in kitchen.

Granite counters, nickel hardware, black appl, crown molding, garden tub, walk-in closets, built-in desk, 2" blinds.

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>99</td>
<td>$1,270</td>
<td>895</td>
<td>Market</td>
<td>2/7/18</td>
<td>4.2%</td>
<td>$1,295</td>
<td>$1,460</td>
<td>$1,660</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>238</td>
<td>$1,430</td>
<td>1,035</td>
<td>Market</td>
<td>6/26/17</td>
<td>0.4%</td>
<td>$1,295</td>
<td>$1,460</td>
<td>$1,710</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>119</td>
<td>$1,625</td>
<td>1,261</td>
<td>Market</td>
<td>1/31/17</td>
<td>7.2%</td>
<td>$1,220</td>
<td>$1,350</td>
<td>$1,585</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7/25/16</td>
<td>3.9%</td>
<td>$1,189</td>
<td>$1,400</td>
<td>$1,570</td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

Date | % Vac | 1BR $ | 2BR $ | 3BR $ |
2/7/18 | 4.2% | $1,295 | $1,460 | $1,660 |
6/26/17 | 0.4% | $1,295 | $1,460 | $1,710 |
1/31/17 | 7.2% | $1,220 | $1,350 | $1,585 |
7/25/16 | 3.9% | $1,189 | $1,400 | $1,570 |

* Indicates initial lease-up.

Incentives: None, Daily Pricing

Utilities in Rent: Heating Fuel: Electric
Cooking: ☐ Wtr/Swr: ☐
Heat: ☐ Electricity: ☐ Trash: ☐

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
Chase Arbor
1500 Chase Arbor Common
Virginia Beach, VA 23462

Property Manager: JRK Residential
Opened in 1983

Community Type: Market Rate - General
Structure Type: 3-Story Garden

430 Units 5.1% Vacant (22 units vacant) as of 2/8/2018

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>53.0%</td>
<td>$963</td>
<td>753</td>
<td>$1.28</td>
</tr>
<tr>
<td>One</td>
<td>43.3%</td>
<td>$1,092</td>
<td>1,229</td>
<td>$0.89</td>
</tr>
<tr>
<td>Two/Den</td>
<td>3.7%</td>
<td>$1,579</td>
<td>1,500</td>
<td>$1.05</td>
</tr>
</tbody>
</table>

Features
- Standard: Dishwasher; Disposal; Microwave; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Storage (In Unit); Cable TV; Carpet

Select Units: --
Optional($): Fireplace ($20.00)

Security: --
Parking 1: Free Surface Parking
Fee: $0
Parking 2: Free
Fee: --

Property Manager: JRK Residential
Owner: JRK Residential

Comments
Short term lease premiums.
vacant: 1BR - 8 , 2BR - 14 , 3BR - 0

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/8/18</td>
<td>5.1%</td>
<td>$963</td>
<td>$1,092</td>
<td>$1,579</td>
</tr>
<tr>
<td>6/26/17</td>
<td>1.2%</td>
<td>$937</td>
<td>$1,111</td>
<td>$1,533</td>
</tr>
<tr>
<td>2/2/17</td>
<td>1.4%</td>
<td>$870</td>
<td>$1,035</td>
<td>$1,512</td>
</tr>
<tr>
<td>7/25/16</td>
<td>0.0%</td>
<td>$983</td>
<td>$1,245</td>
<td>$1,565</td>
</tr>
</tbody>
</table>

Floorplans (Published Rents as of 2/8/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspen / Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>108</td>
<td>$920</td>
<td>690</td>
<td>$1.33</td>
<td>Market</td>
</tr>
<tr>
<td>Birch / Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>120</td>
<td>$955</td>
<td>810</td>
<td>$1.18</td>
<td>Market</td>
</tr>
<tr>
<td>Elm / Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>126</td>
<td>$1,025</td>
<td>1,100</td>
<td>$.93</td>
<td>Market</td>
</tr>
<tr>
<td>Cypress / Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>60</td>
<td>$1,139</td>
<td>1,500</td>
<td>$.76</td>
<td>Market</td>
</tr>
<tr>
<td>Ficus / Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>15</td>
<td>$1,544</td>
<td>1,500</td>
<td>$1.03</td>
<td>Market</td>
</tr>
</tbody>
</table>

Adjusted to Rent
- Incentives:
  $100 off 1 month
- Utilities in Rent:
  Heat: Electric
  Cooking: Eletric
  Hot Water: Electric
  Trasch: Electric

© 2018 Real Property Research Group, Inc.
(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
Columbus Station

4516 Pinta Ln
Virginia Beach, VA 23462

Map Ref: 222-J6

Community Type: Market Rate - General
Structure Type: 3-Story Garden

306 Units 3.9% Vacant (12 units vacant) as of 2/7/2018
Last Major Rehab in 1999 Opened in 1987

Property Manager: The Dragas Company

Opened in 1987
Last Major Rehab in 1999

Community Amenities
- Clubhouse: Yes
- Pool-Outdr: Yes
- Comm Rm: No
- Basketball: No
- Centrl Lndry: Yes
- Tennis: No
- Elevator: No
- Volleyball: No
- Fitness: Yes
- CarWash: No
- Hot Tub: No
- BusinessCtr: No
- Sauna: No
- ComputerCtr: No
- Playground: Yes

Bedroom | %Total | Avg Rent | Avg SqFt | Avg $/SqFt
--- | --- | --- | --- | ---
Eff | -- | -- | -- | --
One | 10.5% | $1,213 | 660 | $1.84
One/Den | -- | -- | -- | --
Two | 83.0% | $1,345 | 866 | $1.55
Two/Den | -- | -- | -- | --
Three | 6.5% | $1,698 | 1,073 | $1.58
Four+ | -- | -- | -- | --

Utilities in Rent:
- Heat: Electric
- Cooking: Electric
- Wtr/Swr: No
- Trash: Yes

Incentives:
- $100 off 2BR

Parking 1: Free Surface Parking
Parking 2: 

Features
- Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Storage (In Unit); Cable TV; Carpet
- Select Units: Microwave
- Optional($): --
- Security: --

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>BRs</th>
<th>Bath</th>
<th>Rent</th>
<th>SqFt</th>
<th>Program</th>
<th>Rent/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>$1,198</td>
<td>660</td>
<td>Market</td>
<td>$1.81</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>$1,425</td>
<td>866</td>
<td>Market</td>
<td>$1.65</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>$1,425</td>
<td>866</td>
<td>Market</td>
<td>$1.65</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>$1,673</td>
<td>1,073</td>
<td>Market</td>
<td>$1.56</td>
</tr>
</tbody>
</table>

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discovery/Tierra / Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>32</td>
<td>$1,198</td>
<td>660</td>
<td>$1.81</td>
<td>Market</td>
</tr>
<tr>
<td>Explorer / Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>72</td>
<td>$1,425</td>
<td>866</td>
<td>$1.65</td>
<td>Market</td>
</tr>
<tr>
<td>Columbus / Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>182</td>
<td>$1,425</td>
<td>866</td>
<td>$1.65</td>
<td>Market</td>
</tr>
<tr>
<td>Santa Maria / Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>20</td>
<td>$1,673</td>
<td>1,073</td>
<td>$1.56</td>
<td>Market</td>
</tr>
</tbody>
</table>

Adjustments to Rent
- Incentives: $100 off 2BR

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/18</td>
<td>3.9%</td>
<td>$1,213</td>
<td>$1,345</td>
<td>$1,698</td>
</tr>
<tr>
<td>6/23/17</td>
<td>4.2%</td>
<td>$1,213</td>
<td>$1,334</td>
<td>$1,698</td>
</tr>
<tr>
<td>1/30/17</td>
<td>2.9%</td>
<td>$1,089</td>
<td>$1,210</td>
<td>$1,512</td>
</tr>
<tr>
<td>7/25/16</td>
<td>3.9%</td>
<td>$1,213</td>
<td>$1,354</td>
<td>$1,700</td>
</tr>
</tbody>
</table>

Comments
- meditation garden, outdoor kitchen

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
Cosmopolitan

4544 Columbus St
Virginia Beach, VA 23462

342 Units  5.8% Vacant (20 units vacant) as of 2/7/2018

CommunityProfile

Community Type: Market Rate - General
Structure Type: 14-Story High Rise

Opened in 2005

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>10.5%</td>
<td>$1,017</td>
<td>593</td>
<td>$1.71</td>
</tr>
<tr>
<td>One</td>
<td>34.2%</td>
<td>$1,466</td>
<td>804</td>
<td>$1.82</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>44.2%</td>
<td>$1,473</td>
<td>1,061</td>
<td>$1.39</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>11.1%</td>
<td>$2,460</td>
<td>1,422</td>
<td>$1.73</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse: ✔
- Pool-Outdr: ✔
- Comm Rm: ☐
- Basketball: ☐
- Centrl Lndry: ☐
- Tennis: ☐
- Elevator: ☐
- Volleyball: ☐
- Fitness: ✔
- CarWash: ☐
- Hot Tub: ☐
- BusinessCtr: ☐
- Sauna: ☐
- ComputerCtr: ☐
- Playground: ☐

Features

- Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Carpet / Ceramic
- Select Units: Fireplace; Patio/Balcony; HighCeilings
- Optional($): Cable TV ($81.00); Broadband Internet ($81.00)
- Security: Unit Alarms; Keyed Bldg Entry; Staffed Door

Parking 1: Structured Garage
Fee: $0

Parking 2: Reserved
Fee: $65

Property Manager: Drucker & Falk
Owner: --

Comments


Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rio/Singapore / High Ris</td>
<td>Eff</td>
<td>1</td>
<td>1</td>
<td>36</td>
<td>$1,194</td>
<td>593</td>
<td>$2.01</td>
<td>Market</td>
</tr>
<tr>
<td>London/Prague / High Ri</td>
<td></td>
<td>1</td>
<td>55</td>
<td>$1,429</td>
<td>773</td>
<td>$1.85</td>
<td></td>
<td>Market</td>
</tr>
<tr>
<td>Bombay / High Rise - Ele</td>
<td></td>
<td>1</td>
<td>39</td>
<td>$1,417</td>
<td>779</td>
<td>$1.82</td>
<td></td>
<td>Market</td>
</tr>
<tr>
<td>Milan/Manhattan / High R</td>
<td></td>
<td>1</td>
<td>23</td>
<td>$1,512</td>
<td>923</td>
<td>$1.64</td>
<td></td>
<td>Market</td>
</tr>
<tr>
<td>Montreal/Florence/Barcel</td>
<td></td>
<td>2</td>
<td>44</td>
<td>$1,602</td>
<td>1,015</td>
<td>$1.58</td>
<td></td>
<td>Market</td>
</tr>
<tr>
<td>Rome/VIenna/Paris / High</td>
<td></td>
<td>2</td>
<td>53</td>
<td>$1,650</td>
<td>1,040</td>
<td>$1.59</td>
<td></td>
<td>Market</td>
</tr>
<tr>
<td>Madrid/Sydney / High Ris</td>
<td></td>
<td>2</td>
<td>54</td>
<td>$1,794</td>
<td>1,120</td>
<td>$1.60</td>
<td></td>
<td>Market</td>
</tr>
<tr>
<td>Cairo/Santa Fe / High Ris</td>
<td></td>
<td>3</td>
<td>20</td>
<td>$2,358</td>
<td>1,328</td>
<td>$1.78</td>
<td></td>
<td>Market</td>
</tr>
<tr>
<td>Casablanca / High Ris</td>
<td></td>
<td>3</td>
<td>18</td>
<td>$2,500</td>
<td>1,526</td>
<td>$1.64</td>
<td></td>
<td>Market</td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/18</td>
<td>5.8%</td>
<td>$1,466</td>
<td>$1,473</td>
<td>$2,460</td>
</tr>
<tr>
<td>6/26/17</td>
<td>6.4%</td>
<td>$1,188</td>
<td>$1,541</td>
<td>$2,154</td>
</tr>
<tr>
<td>2/1/17</td>
<td>7.3%</td>
<td>$1,282</td>
<td>$1,509</td>
<td>$2,209</td>
</tr>
<tr>
<td>7/25/16</td>
<td>5.3%</td>
<td>$1,378</td>
<td>$1,805</td>
<td>$2,489</td>
</tr>
</tbody>
</table>

Adjustments to Rent

- Incentives: 1 mo free & $100 off for Feb lease, 2BR
- Utilities in Rent: Heat: Gas

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
Ebbett's Plaza

512 Featherstone Court
Virginia Beach, VA 23462

90 Units 0.0% Vacant (0 units vacant) as of 2/14/2018
Opened in 1973

Community Type: LIHTC - General
Structure Type: 2-Story Garden/TH

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>33.3%</td>
<td>$620</td>
<td>661</td>
<td>$0.94</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>33.3%</td>
<td>$740</td>
<td>897</td>
<td>$0.82</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>33.3%</td>
<td>$839</td>
<td>1,047</td>
<td>$0.80</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent

Community Amenities

- Clubhouse: 
- Pool-Outdr: 
- Comm Rm: 
- Basketball: 
- Centrl Lndry: 
- Tennis: 
- Elevator: 
- Volleyball: 
- Fitness: 
- CarWash: 
- Hot Tub: 
- BusinessCtr: 
- Sauna: 
- ComputerCtr: 
- Playground: 

Features

- Standard: Dishwasher; Central A/C; Patio/Balcony; Carpet
- Select Units: 
- Optional($): 
- Security: 

Parking 1: Free Surface Parking
Fee: 
Parking 2: 
Fee: 

Property Manager: CapREIT
Owner: 

Comments

Utility allowances: 1BR-$60, 2BR-$80, 3BR-$114.
No WL

Floorplans (Published Rents as of 2/14/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>% Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>30</td>
<td>$620</td>
<td>661</td>
<td>$.94</td>
<td>LIHTC/ 50%</td>
<td>2/14/18</td>
<td>0.0%</td>
<td>$620</td>
<td>$740</td>
<td>$839</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>30</td>
<td>$740</td>
<td>897</td>
<td>$.82</td>
<td>LIHTC/ 50%</td>
<td>6/26/17</td>
<td>0.0%</td>
<td>$620</td>
<td>$740</td>
<td>$839</td>
</tr>
<tr>
<td>Townhouse</td>
<td>--</td>
<td>3</td>
<td>1</td>
<td>30</td>
<td>$839</td>
<td>1,047</td>
<td>$.80</td>
<td>LIHTC/ 50%</td>
<td>1/30/17</td>
<td>0.0%</td>
<td>$560</td>
<td>$660</td>
<td>$725</td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

Adjustments to Rent

Incentives:
None

Utilities in Rent:
- Heat Fuel: Electric
- Cooking: 
- Wtr/Swr: 
- Hot Water: 
- Electricity: 
- Trash: 

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
**Encore 4505 @ Town Center**

**Multifamily Community Profile**

4505 Main Street  
Virginia Beach, VA 23462

286 Units  4.9% Vacant (14 units vacant) as of 2/14/2018

**Unit Mix & Effective Rent (1)**

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>38.1%</td>
<td>$1,195</td>
<td>570</td>
<td>$2.10</td>
</tr>
<tr>
<td>One</td>
<td>29.0%</td>
<td>$1,363</td>
<td>680</td>
<td>$2.00</td>
</tr>
<tr>
<td>One/Den</td>
<td>6.6%</td>
<td>$1,525</td>
<td>883</td>
<td>$1.73</td>
</tr>
<tr>
<td>Two</td>
<td>26.2%</td>
<td>$1,590</td>
<td>940</td>
<td>$1.69</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

**Community Amenities**

- Clubhouse: ✔
- Pool-Outdr: ✔
- Comm Rm: ☐
- Basketball: ☐
- Centrl Lndry: ☐
- Tennis: ☐
- Elevator: ☐
- Volleyball: ☐
- Fitness: ✔
- CarWash: ☐
- Hot Tub: ☐
- BusinessCtr: ☐
- Sauna: ☐
- ComputerCtr: ☐
- Playground: ☐

**Features**

- Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C
- Select Units: Patio/Balcony

**Floorplans (Published Rents as of 2/14/2018) (2)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrymore / Mid Rise - El</td>
<td>Eff 1</td>
<td>24</td>
<td>1</td>
<td>$1,160</td>
<td>560</td>
<td>$2.07</td>
<td>Market</td>
<td></td>
<td>2/14/18</td>
<td>4.9%</td>
<td>$1,393</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Ambassador / Mid Rise -</td>
<td>Eff 1</td>
<td>85</td>
<td>1</td>
<td>$1,175</td>
<td>573</td>
<td>$2.05</td>
<td>Market</td>
<td></td>
<td>2/12/18</td>
<td>1.0%</td>
<td>$1,331</td>
<td>$1,590</td>
<td>--</td>
</tr>
<tr>
<td>Imperial / Mid Rise - Elev</td>
<td>1 1</td>
<td>66</td>
<td>1</td>
<td>$1,300</td>
<td>653</td>
<td>$1.99</td>
<td>Market</td>
<td></td>
<td>6/26/17</td>
<td>0.3%</td>
<td>$1,391</td>
<td>$1,629</td>
<td>--</td>
</tr>
<tr>
<td>Marquis / Mid Rise - Elev</td>
<td>1 1</td>
<td>10</td>
<td>1</td>
<td>$1,375</td>
<td>700</td>
<td>$1.96</td>
<td>Market</td>
<td></td>
<td>2/1/17</td>
<td>3.8%</td>
<td>$1,374</td>
<td>$1,605</td>
<td>--</td>
</tr>
<tr>
<td>Gershwin / Mid Rise - Ele</td>
<td>1 1</td>
<td>4</td>
<td>1</td>
<td>$1,700</td>
<td>870</td>
<td>$1.95</td>
<td>Market</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Majestic / Mid Rise - Elev</td>
<td>Den 1</td>
<td>19</td>
<td>1</td>
<td>$1,500</td>
<td>883</td>
<td>$1.70</td>
<td>Market</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadway/Broadhurst / M</td>
<td>1 1</td>
<td>3</td>
<td>1</td>
<td>$1,560</td>
<td>953</td>
<td>$1.64</td>
<td>Market</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>St.James / Mid Rise - Ele</td>
<td>2 2</td>
<td>75</td>
<td>2</td>
<td>$1,560</td>
<td>940</td>
<td>$1.66</td>
<td>Market</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Historic Vacancy & Eff. Rent (1)**

- 4.9% Vacant (14 units vacant) as of 2/14/2018
- Owner: SL Nusbaum

**Incentives:**

- None

**Utilities in Rent:**

- Heat: ☐
- Cooking: ☐
- Wtr/Swr: ☐
- Electricity: ☐
- Trash: ☐

**Comments**

Granite counters, SS apl, walk-in closets.  
Fire pit, bocce ball, billiards, concierge. 4 courtyard, sports court, chess board  
Vacancies- 9 1BR, 5 2BR

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent  
(2) Published Rent is rent as quoted by management.
Greenwich Village

5321 Greenwich Rd
Virginia Beach, VA 23462

Opened in 2012

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>--</td>
<td>$1,125</td>
<td>744</td>
<td>$1.51</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>--</td>
<td>$1,394</td>
<td>1,115</td>
<td>$1.25</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.

Community Amenities

- Clubhouse: 
- Comm Rm: 
- Centrl Lndry: 
- Elevator: 
- Fitness: 
- Hot Tub: 
- Sauna: 
- Pool-Outdr: 
- Basketball: 
- Tennis: 
- Volleyball: 
- CarWash: 
- BusinessCtr: 
- ComputerCtr: 

Features

- Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; HighCeilings
- Select Units: --
- Optional($): --
- Security: --
- Parking 1: Free Surface Parking
- Parking 2: --

Comments

SS appliances, granite counters, walk-in closets. Stand up shower in 2nd bath. Master: dual sinks, soaking tub.
Laminate floor in kitchen. Dog park, fire pit.
Trash fee: $7.50 Vacant: 4 1BR, 9 2BR

Floorplans (Published Rents as of 2/8/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Soho / Mid Rise  - Elev</td>
<td>--</td>
<td>1 1</td>
<td>1,108</td>
<td>705</td>
<td>$1,57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hudson / Mid Rise - Elev</td>
<td>--</td>
<td>1 1</td>
<td>1,033</td>
<td>714</td>
<td>$1,45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chelsea / Mid Rise - Elev</td>
<td>--</td>
<td>1 1</td>
<td>$1,160</td>
<td>813</td>
<td>$1.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Madison / Mid Rise - Elev</td>
<td>--</td>
<td>2 2</td>
<td>$1,373</td>
<td>1,021</td>
<td>$1.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carnegie / Mid Rise - Ele</td>
<td>--</td>
<td>2 2</td>
<td>$1,294</td>
<td>1,097</td>
<td>$1.18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadway / Mid Rise - Ele</td>
<td>--</td>
<td>2 2</td>
<td>$1,294</td>
<td>1,097</td>
<td>$1.18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rockefeller / Mid Rise - E</td>
<td>--</td>
<td>2 2</td>
<td>$1,495</td>
<td>1,243</td>
<td>$1.20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/8/18</td>
<td>5.8%</td>
<td>$1,125</td>
<td>$1,394</td>
<td>--</td>
</tr>
<tr>
<td>6/23/17</td>
<td>4.5%</td>
<td>$1,124</td>
<td>$1,449</td>
<td>--</td>
</tr>
<tr>
<td>1/30/17</td>
<td>3.1%</td>
<td>$1,123</td>
<td>$1,411</td>
<td>--</td>
</tr>
<tr>
<td>7/27/16</td>
<td>1.3%</td>
<td>$1,231</td>
<td>$1,479</td>
<td>--</td>
</tr>
</tbody>
</table>

Initial Absorption

- Opened: 5/1/2012
- Closed: 6/1/2013
- Months: 13.0
- 17.2 units/month

Adjustments to Rent

- Incentives: LRO
- Utilities in Rent: Heat: Electric, Cooking: Electricity: Trash: 

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.
(2) Published Rent is rent as quoted by management.
Hunter's Mill

Multifamily Community Profile

397 Brixton Drive
Virginia Beach, VA 23462

Community Type: Market Rate - General
Structure Type: 3-Story Garden

Opened in 1987

180 Units
2.8% Vacant (5 units vacant) as of 2/14/2018

Community Amenities

- Clubhouse: ✓
- Pool-Outdr: ✓
- Comm Rm: 
- Basketball: 
- Centrl Lndry: 
- Tennis: 
- Elevator: 
- Volleyball: 
- Fitness: ✓
- CarWash: 
- Hot Tub: ✓
- BusinessCtr: ✓
- Sauna: 
- ComputerCtr: 
- Playground: 

Features

- Standard: Dishwasher; Disposal; In Unit Laundry (Full Size); Patio/Balcony; Carpet / Vinyl/Linoleum
- Select Units: 
- Optional($): 
- Security: 

Parking

- Parking 1: Free Surface Parking
  - Fee: 
- Parking 2: 
  - Fee: 

Property Manager: Breeden Co.
Owner: 

Comments

Pet stations & picnic area with grill station.
Vacant: 2-1BR; 3-2BR/1BA

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>20.0%</td>
<td>$955</td>
<td>850</td>
<td>$1.12</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>80.0%</td>
<td>$1,103</td>
<td>1,070</td>
<td>$1.03</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/14/18</td>
<td>2.8%</td>
<td>$955</td>
<td>$1,103</td>
<td>--</td>
</tr>
<tr>
<td>10/25/17</td>
<td>1.7%</td>
<td>$955</td>
<td>$1,120</td>
<td>--</td>
</tr>
<tr>
<td>8/2/17</td>
<td>2.2%</td>
<td>$955</td>
<td>$1,103</td>
<td>--</td>
</tr>
<tr>
<td>6/26/17</td>
<td>2.8%</td>
<td>$955</td>
<td>$1,103</td>
<td>--</td>
</tr>
</tbody>
</table>

Floorplans (Published Rents as of 2/14/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>36</td>
<td>$930</td>
<td>850</td>
<td>$1.09</td>
<td>Market</td>
<td>2/14/18</td>
<td>2.8%</td>
<td>$955</td>
<td>$1,103</td>
<td>--</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>108</td>
<td>$1,090</td>
<td>1,100</td>
<td>$0.99</td>
<td>Market</td>
<td>10/25/17</td>
<td>1.7%</td>
<td>$955</td>
<td>$1,120</td>
<td>--</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>36</td>
<td>$1,020</td>
<td>980</td>
<td>$1.04</td>
<td>Market</td>
<td>8/2/17</td>
<td>2.2%</td>
<td>$955</td>
<td>$1,103</td>
<td>--</td>
</tr>
</tbody>
</table>

Adjustments to Rent

- Incentives: None
- Utilities in Rent: Heat Fuel: Electric
  - Heat: 
  - Cooking: 
  - Wtr/Swr: 
  - Electricity: 
  - Trash: 

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.
(2) Published Rent is rent as quoted by management.

VA810-020241
Mayfair
5826 Newtown Arch
Virginia Beach, VA 23462

Multifamily Community Profile

Community Type: LIHTC - General
Structure Type: 2-Story Garden
Opened in 1974

197 Units
9.1% Vacant (18 units vacant) as of 2/7/2018

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>14.2%</td>
<td>$723</td>
<td>682</td>
<td>$1.06</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>58.9%</td>
<td>$806</td>
<td>900</td>
<td>$0.90</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>22.8%</td>
<td>$938</td>
<td>1,112</td>
<td>$0.84</td>
</tr>
<tr>
<td>Four+</td>
<td>4.1%</td>
<td>$1,069</td>
<td>1,377</td>
<td>$0.78</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse: ✓
- Pool-Expired: ✓
- Comm Rm: 
- Basketball: 
- Centrl Lndry: ✓
- Tennis: 
- Elevator: 
- Volleyball: 
- Fitness: 
- CarWash: 
- Hot Tub: ✓
- BusinessCtr: ✓
- Sauna: 
- ComputerCtr: 
- Playground: ✓

Features

- Standard: Dishwasher; Disposal; Central A/C; carpet

Select Units: --
Optional($): --
Security: --
Parking 1: Free Surface Parking
Fee: --
Parking 2: --
Fee: --

Property Manager: Landmark Properties
Owner: --

Comments

Vacant: all Market - 1BR: 6 2BR: 9 3BR: 3

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>$669</td>
<td>682</td>
<td>$0.98</td>
<td>LIHTC/ 50%</td>
<td>2/7/18</td>
<td>9.1%</td>
<td>$723</td>
<td>$806</td>
<td>$938</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>22</td>
<td>$745</td>
<td>682</td>
<td>$1.09</td>
<td>Market</td>
<td>6/27/17</td>
<td>0.0%</td>
<td>$716</td>
<td>$794</td>
<td>$957</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>75</td>
<td>$848</td>
<td>900</td>
<td>$.94</td>
<td>Market</td>
<td>2/2/17</td>
<td>7.1%</td>
<td>$737</td>
<td>$815</td>
<td>$960</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>41</td>
<td>$743</td>
<td>900</td>
<td>$.83</td>
<td>LIHTC/ 50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>10</td>
<td>$851</td>
<td>1,112</td>
<td>$.77</td>
<td>LIHTC/ 50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>35</td>
<td>$976</td>
<td>1,112</td>
<td>$.88</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>$944</td>
<td>1,377</td>
<td>$.69</td>
<td>LIHTC/ 50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>$1,127</td>
<td>1,377</td>
<td>$.82</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/18</td>
<td>9.1%</td>
<td>$723</td>
<td>$806</td>
<td>$938</td>
</tr>
<tr>
<td>6/27/17</td>
<td>0.0%</td>
<td>$716</td>
<td>$794</td>
<td>$957</td>
</tr>
<tr>
<td>2/2/17</td>
<td>7.1%</td>
<td>$737</td>
<td>$815</td>
<td>$960</td>
</tr>
</tbody>
</table>

Adjustments to Rent

- Incentives: None
- Utilities in Rent: Heat Fuel: Gas
  - Heat: 
  - Cooking: ✓
  - Wtr/Swr: ✓
  - Hot Water: 
  - Electricity: 
  - Trash: ✓

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
Midtown at Town Center

4432 Bonney Road
Virginia Beach, VA 23462

196 Units
1.0% Vacant (2 units vacant) as of 2/14/2018

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>12.8%</td>
<td>$1,315</td>
<td>807</td>
<td>$1.63</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>78.1%</td>
<td>$1,554</td>
<td>1,150</td>
<td>$1.35</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>9.2%</td>
<td>$1,907</td>
<td>1,541</td>
<td>$1.24</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse
- Pool-Outd:
- Comm Rm:
- Basketball:
- Centrl Lndry:
- Tennis:
- Elevator:
- Volleyball:
- Fitness:
- CarWash:
- Hot Tub:
- BusinessCtr:
- Sauna:
- ComputerCtr:
- Playground:

Features

- Standard: Dishwasher; Disposal; Microwave; Ice Maker; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; High Ceilings; Carpet / Ceramic
- Select Units:
- Optional($):
  - Cable TV ( $70.00)
- Security: Patrol; Intercom; Keyed Bldg Entry
- Parking 1: Structured Garage
  - Fee: --
- Parking 2: Free Surface Parking
  - Fee: --
- Property Manager: Ripley-Heatwole
  - Owner: --

Community Type: Market Rate - General
Structure Type: 5-Story Mid Rise

Opened in 2008

Chapter I opened in November 2008. Absorption rate 11.9 units per month.
Phase II will bring 245 apartments, 130 condos, retail & office space, rooftop pool, maple countertops, blk appl, 3% mil disc.
pref employers, Vacancies: 1BR: 0 2BR: 2 3BR: 0

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Description</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gershwin/Julliard Loft / Loft</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>$1,530</td>
<td>1,003</td>
<td>$1.53</td>
<td>Market</td>
<td>2/14/18</td>
<td>1.0%</td>
<td>$1,315</td>
<td>$1,554</td>
<td>$1,907</td>
</tr>
<tr>
<td>Gershwin / Mid Rise - Ele</td>
<td>--</td>
<td>1</td>
<td>11</td>
<td>$1,269</td>
<td>750</td>
<td>$1.69</td>
<td>Market</td>
<td>6/26/17</td>
<td>0.5%</td>
<td>$1,288</td>
<td>$1,536</td>
<td>$1,892</td>
</tr>
<tr>
<td>Julliard/Hudson / Mid Ris</td>
<td>--</td>
<td>1</td>
<td>7</td>
<td>$1,269</td>
<td>778</td>
<td>$1.63</td>
<td>Market</td>
<td>2/2/17</td>
<td>5.1%</td>
<td>$1,281</td>
<td>$1,520</td>
<td>$1,883</td>
</tr>
<tr>
<td>Empire / Mid Rise - Eleva</td>
<td>--</td>
<td>1</td>
<td>4</td>
<td>$1,269</td>
<td>868</td>
<td>$1.46</td>
<td>Market</td>
<td>7/26/16</td>
<td>0.0%</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Broadway / Mid Rise - Ele</td>
<td>--</td>
<td>2</td>
<td>9</td>
<td>$1,425</td>
<td>1,059</td>
<td>$1.35</td>
<td>Market</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Fairmount / Mid Rise - El</td>
<td>--</td>
<td>2</td>
<td>3</td>
<td>$1,615</td>
<td>1,106</td>
<td>$1.46</td>
<td>Market</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Kingston / Mid Rise - Ele</td>
<td>--</td>
<td>2</td>
<td>4</td>
<td>$1,635</td>
<td>1,189</td>
<td>$1.38</td>
<td>Market</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Carnegie / Mid Rise - Ele</td>
<td>--</td>
<td>2</td>
<td>4</td>
<td>$1,665</td>
<td>1,274</td>
<td>$1.31</td>
<td>Market</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Broadway Loft / Mid Rise</td>
<td>--</td>
<td>2</td>
<td>24</td>
<td>$1,695</td>
<td>1,292</td>
<td>$1.31</td>
<td>Market</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Dakota / Mid Rise - Elevat</td>
<td>--</td>
<td>2</td>
<td>29</td>
<td>$1,698</td>
<td>1,294</td>
<td>$1.31</td>
<td>Market</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Fairmount Loft / Mid Rise Loft</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>$1,995</td>
<td>1,385</td>
<td>$1.44</td>
<td>Market</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Abbey / Mid Rise - Elevat</td>
<td>--</td>
<td>3</td>
<td>17</td>
<td>$1,875</td>
<td>1,550</td>
<td>$1.21</td>
<td>Market</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Adjustments to Rent

- Incentives: None
- Utilities in Rent: Heat: Electric
  - Heat: 
  - Cooking: 
  - Wtr/Swr:
  - Electricity: 
  - Trash: 

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.
(2) Published Rent is rent as quoted by management.
Pembrooke Town Center

Multifamily Community Profile

4616 Broad Street
Virginia Beach, VA 23462

389 Units 3.3% Vacant (13 units vacant) as of 2/7/2018

Opened in 1964

CommunityType: Market Rate - General
Structure Type: 2-Story Garden

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>37.0%</td>
<td>$905</td>
<td>825</td>
<td>$1.10</td>
</tr>
<tr>
<td>One/Den</td>
<td>5.9%</td>
<td>$892</td>
<td>927</td>
<td>$0.96</td>
</tr>
<tr>
<td>Two</td>
<td>55.3%</td>
<td>$991</td>
<td>1,055</td>
<td>$0.94</td>
</tr>
<tr>
<td>Two/Den</td>
<td>7.2%</td>
<td>$1,035</td>
<td>1,157</td>
<td>$0.89</td>
</tr>
<tr>
<td>Three</td>
<td>5.9%</td>
<td>$1,139</td>
<td>1,225</td>
<td>$0.93</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse: ☑
- Pool-Outdr: ☑
- Comm Rm: ☑
- Basketball: ☑
- Centrl Lndry: ☑
- Tennis: ☑
- Fitness: ☑
- Elevator: ☑
- Volleyball: ☑
- Hot Tub: ☑
- BusinessCtr: ☑
- Sauna: ☑
- ComputerCtr: ☑
- CarWash: ☑

Features

Standard: Disposal, Central A/C, Patio/Balcony

Select Units: Dishwasher, In Unit Laundry

Optional($): --

Security: --

Parking 1: Free Surface Parking
Fee: --

Parking 2: --
Fee: --

Property Manager: S L Nusbaum
Owner: --

Comments

Price range reflects upgraded units. W/d $35
Property has been renov common areas & units; $50 for upgraded units. (SS appliances; mosaic tile backsplash; new cabinets & counters)

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bella / Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>144</td>
<td>$900</td>
<td>825</td>
<td>$1.09</td>
<td>Market</td>
<td>2/7/18</td>
<td>3.3%</td>
<td>$903</td>
<td>$996</td>
<td>$1,139</td>
</tr>
<tr>
<td>Oasis / Garden</td>
<td>Den</td>
<td>1</td>
<td>1</td>
<td>23</td>
<td>$925</td>
<td>927</td>
<td>$1.00</td>
<td>Market</td>
<td>10/12/17</td>
<td>0.5%</td>
<td>$876</td>
<td>$1,039</td>
<td>$1,185</td>
</tr>
<tr>
<td>Cosmopolitan / Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>215</td>
<td>$1,029</td>
<td>1,055</td>
<td>$.98</td>
<td>Market</td>
<td>8/7/17</td>
<td>0.8%</td>
<td>$923</td>
<td>$1,132</td>
<td>$1,210</td>
</tr>
<tr>
<td>Metropolitan / Garden</td>
<td>Den</td>
<td>2</td>
<td>1</td>
<td>28</td>
<td>$1,075</td>
<td>1,157</td>
<td>$.93</td>
<td>Market</td>
<td>6/26/17</td>
<td>1.3%</td>
<td>$908</td>
<td>$1,039</td>
<td>$1,185</td>
</tr>
<tr>
<td>Manhattan / Garden</td>
<td>--</td>
<td>3</td>
<td>1.5</td>
<td>23</td>
<td>$1,188</td>
<td>1,225</td>
<td>$.97</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adjustments to Rent

Incentives:
None 1/2 off one month for Feb

Utilities in Rent:
- Heat: ☑
- Cooking: ☑
- Wtr/Swr: ☑

© 2018 Real Property Research Group, Inc.
Pines of Newpointe

544 Newtowne rd
Virginia Beach, VA 23462

104 Units 5.8% Vacant (6 units vacant) as of 2/7/2018

Opened in 1996

Community Type: Market Rate - General
Structure Type: 2-Story Garden

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>50.0%</td>
<td>$1,032</td>
<td>880</td>
<td>$1.17</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>50.0%</td>
<td>$1,306</td>
<td>1,312</td>
<td>$0.99</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse
- Comm Rm
- Centrl Lndry
- Fitness
- Pool-Outd
- Basketball
- Tennis
- Elevator
- Volleyball
- CarWash
- Hot Tub
- BusinessCtr
- Sauna
- ComputerCtr
- Playground

Features

- Standard: Dishwasher; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; HighCeilings; Carpet
- Select Units: Patio/Balcony
- Optional($): --
- Security: Unit Alarms
- Parking 1: Free Surface Parking
- Parking 2: --

Property Manager: --
Owner: Boyd Homes

Comments

$200 pet fee($20 mo)
Vacancies: 4-2BR/2BA; 2 -3BR

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1.5</td>
<td>17</td>
<td>$1,033</td>
<td>875</td>
<td>$1.18</td>
<td>Market</td>
<td>2/7/18</td>
<td>5.8%</td>
<td>$1,032</td>
<td>$1,306</td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>18</td>
<td>$1,033</td>
<td>875</td>
<td>$1.18</td>
<td>Market</td>
<td>6/26/17</td>
<td>2.9%</td>
<td>$910</td>
<td>$1,187</td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>17</td>
<td>$970</td>
<td>889</td>
<td>$1.09</td>
<td>Market</td>
<td>2/2/17</td>
<td>5.8%</td>
<td>$1,067</td>
<td>$1,343</td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2.5</td>
<td>17</td>
<td>$1,320</td>
<td>1,239</td>
<td>$1.07</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>17</td>
<td>$1,261</td>
<td>1,318</td>
<td>$.96</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>18</td>
<td>$1,262</td>
<td>1,376</td>
<td>$.92</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/18</td>
<td>5.8%</td>
<td>$1,032</td>
<td>$1,306</td>
<td></td>
</tr>
<tr>
<td>6/26/17</td>
<td>2.9%</td>
<td>$910</td>
<td>$1,187</td>
<td></td>
</tr>
<tr>
<td>2/2/17</td>
<td>5.8%</td>
<td>$1,067</td>
<td>$1,343</td>
<td></td>
</tr>
</tbody>
</table>

Adjustments to Rent

- Incentives: None
- Utilities in Rent: Heat Fuel: Electric
- Heat: --
- Cooking: --
- Wtr/Swr: --
- Hot Water: --
- Electricity: --
- Trash: --

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
Community Type: Market Rate - General
Structure Type: 2-Story Garden
Opened in 1975

Vacant: 1BR: 1, 2BR: 3, 3BR: 3

Features
Standard: Dishwasher; Disposal; Ceiling Fan; Central A/C; Storage (In Unit); Carpet
Select Units: --
Optional($): --
Security: --

Parking 1: Free Surface Parking
Fee: --
Parking 2: --
Fee: --

Property Manager: Drucker & Faulk
Owner: Commonwealth Properties

Comments
VHDA purch property in foreclosure 5/12, no max income restrict; only minor renov when purch by Commonwealth
W/S/T/1BR$48, 2BR$66, 3BR$88.

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>$785</td>
<td>625</td>
<td>$1.26</td>
<td>Market</td>
<td>2/7/18</td>
<td>3.6%</td>
<td>$814</td>
<td>$962</td>
<td>$1,189</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>$835</td>
<td>702</td>
<td>$1.19</td>
<td>Market</td>
<td>6/23/17</td>
<td>4.2%</td>
<td>$804</td>
<td>$937</td>
<td>$1,164</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1.5</td>
<td>8</td>
<td>$1,024</td>
<td>1,052</td>
<td>$.97</td>
<td>Market</td>
<td>2/3/17</td>
<td>3.1%</td>
<td>$805</td>
<td>$937</td>
<td>$1,164</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>88</td>
<td>$924</td>
<td>1,000</td>
<td>$1.03</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>1.5</td>
<td>44</td>
<td>$1,145</td>
<td>1,200</td>
<td>$.95</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>$1,249</td>
<td>1,351</td>
<td>$.92</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6% 2/7/18</td>
<td></td>
<td>$814</td>
<td>$962</td>
<td>$1,189</td>
</tr>
<tr>
<td>4.2% 6/23/17</td>
<td></td>
<td>$804</td>
<td>$937</td>
<td>$1,164</td>
</tr>
<tr>
<td>3.1% 2/3/17</td>
<td></td>
<td>$805</td>
<td>$937</td>
<td>$1,164</td>
</tr>
</tbody>
</table>

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>$785</td>
<td>625</td>
<td>$1.26</td>
<td>Market</td>
<td>2/7/18</td>
<td>3.6%</td>
<td>$814</td>
<td>$962</td>
<td>$1,189</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>$835</td>
<td>702</td>
<td>$1.19</td>
<td>Market</td>
<td>6/23/17</td>
<td>4.2%</td>
<td>$804</td>
<td>$937</td>
<td>$1,164</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1.5</td>
<td>8</td>
<td>$1,024</td>
<td>1,052</td>
<td>$.97</td>
<td>Market</td>
<td>2/3/17</td>
<td>3.1%</td>
<td>$805</td>
<td>$937</td>
<td>$1,164</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>88</td>
<td>$924</td>
<td>1,000</td>
<td>$1.03</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>1.5</td>
<td>44</td>
<td>$1,145</td>
<td>1,200</td>
<td>$.95</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>$1,249</td>
<td>1,351</td>
<td>$.92</td>
<td>Market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Adjustments to Rent
Incentives: None
Utilities in Rent: Heat Fuel: Electric
Heat: Cooking: Wtr/Swr: Electricity: Trash:  

© 2018 Real Property Research Group, Inc. (1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.
(2) Published Rent is rent as quoted by management.
Shoreline

4133 Shoreline Circle
Virginia Beach, VA 23452

Multifamily Community Profile

Community Type: Market Rate - General
Structure Type: 2-Story Garden

216 Units 1.9% Vacant (4 units vacant) as of 2/7/2018
Last Major Rehab in 1998  Opened in 1986

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>16.7%</td>
<td>$1,175</td>
<td>829</td>
<td>$1.42</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>76.9%</td>
<td>$1,340</td>
<td>1,068</td>
<td>$1.25</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>7.4%</td>
<td>$1,695</td>
<td>1,305</td>
<td>$1.30</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent

Utilities in Rent:
- Heat: Electric
- Cooking: Electric
- Wtr/Swr: Included
- Trash: Included

Features

- Standard: Dishwasher; Disposal; In Unit Laundry (Full Size); Central A/C; Woodburning Fireplace; Patio/Balcony; Storage (In Unit); Carpet
- Select Units: --
- Optional($): --
- Security: --
- Parking: Free Surface Parking
- Parking 2: --

Community Amenities

- Comm Rm: Centrl Lndry: Elevator: Fitness: Hot Tub: BusinessCtr:

Owners:

Property Manager: Clark Whitehall

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/7/18</td>
<td>1.9%</td>
<td>$1,175</td>
<td>$1,340</td>
<td>$1,695</td>
</tr>
<tr>
<td>6/23/17</td>
<td>1.4%</td>
<td>$1,019</td>
<td>$1,285</td>
<td>$1,640</td>
</tr>
<tr>
<td>1/30/17</td>
<td>6.5%</td>
<td>$955</td>
<td>$1,148</td>
<td>$1,620</td>
</tr>
<tr>
<td>7/25/16</td>
<td>0.5%</td>
<td>$1,110</td>
<td>$1,277</td>
<td>$1,575</td>
</tr>
</tbody>
</table>

Floorplans (Published Rents as of 2/7/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>36</td>
<td>$1,160</td>
<td>829</td>
<td>$1.40</td>
<td>Market</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>82</td>
<td>$1,263</td>
<td>1,038</td>
<td>$1.22</td>
<td>Market</td>
</tr>
<tr>
<td>Loft / Garden</td>
<td>Loft 2</td>
<td>2</td>
<td>2</td>
<td>42</td>
<td>$1,435</td>
<td>1,096</td>
<td>$1.31</td>
<td>Market</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>42</td>
<td>$1,318</td>
<td>1,100</td>
<td>$1.20</td>
<td>Market</td>
</tr>
<tr>
<td>Garden</td>
<td>Loft 2</td>
<td>3</td>
<td>2</td>
<td>16</td>
<td>$1,670</td>
<td>1,305</td>
<td>$1.28</td>
<td>Market</td>
</tr>
</tbody>
</table>

Adjustments to Rent

Incentives:
- 1 month free for 1BR or $1025 entire lease

© 2018 Real Property Research Group, Inc. (1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent (2) Published Rent is rent as quoted by management.
Spence Crossing, The Apt @

3900 Spence Crossing Way
Virginia Beach, VA 23456

288 Units 6.3% Vacant (18 units vacant) as of 2/8/2018

Opened in 2013

Community Type: Market Rate - General
Structure Type: 3-Story Garden

RealProperty Group
Research

Spence Crossing, The Apt @

Multifamily Community Profile

Property Manager: Dragas Companies
Owner: --

Community Amenities:

- Clubhouse:
- Comm Rm:
- Centrl Lndry:
- Elevator:
- Fitness:
- Hot Tub:
- Sauna:
- Pool-Outdr:
- BusinessCtr:
- ComputerCtr:
- Playground:

Features:

- Standard: Dishwasher; Disposal; Microwave; In Unit Laundry (Full Size); Central A/C; Patio/Balcony; Storage (In Unit)
- Select Units: --
- Optional($): --
- Security: --

Parking 1: Detached Garage
Parking Fee: $150

Parking 2: Free Surface Parking
Fee: --

Community Type: Market Rate - General
Structure Type: 3-Story Garden

Unit Mix & Effective Rent (1):

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>8.3%</td>
<td>$1,350</td>
<td>925</td>
<td>$1.46</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>83.3%</td>
<td>$1,619</td>
<td>1,282</td>
<td>$1.26</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>8.3%</td>
<td>$1,858</td>
<td>1,530</td>
<td>$1.21</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Bedroom Mix:

- One Bedroom: 24 units
- Two Bedroom: 120 units
- Three Bedroom: 24 units
- Four+ Bedroom: 0 units

Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.

Utilities in Rent:

- Heat: Electric
- Cooking: Electric
- Hot Water: Electric
- Trash: Electric

Floorplans (Published Rents as of 2/8/2018) (2):

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oxford / Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>24</td>
<td>$1,335</td>
<td>925</td>
<td>$1.44</td>
<td>Market</td>
</tr>
<tr>
<td>Brentwood / Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>120</td>
<td>$1,565</td>
<td>1,273</td>
<td>$1.23</td>
<td>Market</td>
</tr>
<tr>
<td>Biltmore / Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>120</td>
<td>$1,633</td>
<td>1,291</td>
<td>$1.26</td>
<td>Market</td>
</tr>
<tr>
<td>Summerset / Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>24</td>
<td>$1,833</td>
<td>1,530</td>
<td>$1.20</td>
<td>Market</td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1):

<table>
<thead>
<tr>
<th>Date</th>
<th>% Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/8/18</td>
<td>6.3%</td>
<td>$1,350</td>
<td>$1,619</td>
<td>$1,858</td>
</tr>
<tr>
<td>6/23/17</td>
<td>3.5%</td>
<td>$1,360</td>
<td>$1,581</td>
<td>$1,868</td>
</tr>
<tr>
<td>1/30/17</td>
<td>5.2%</td>
<td>$1,308</td>
<td>$1,562</td>
<td>$1,816</td>
</tr>
<tr>
<td>7/26/16</td>
<td>3.1%</td>
<td>$1,338</td>
<td>$1,593</td>
<td>$1,848</td>
</tr>
</tbody>
</table>

* Indicates initial lease-up.

Comments:

SS appl, white cabinets, quartz c-tops; dog park, open-air kitchen & wetbar, coffee bar.


Phase II includes 88 units; Vacancies: 16 2BR, 1 1BR, 1 3BR

Incentives:

---

Adjustments to Rent:

- Utilities in Rent: Heat Fuel: Electric
  - Heat: Electric
  - Cooking: Electric
  - Hot Water: Electric
  - Trash: Electric

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent.
(2) Published Rent is rent as quoted by management.
St Croix
801 Caribe Place
Virginia Beach, VA 23462

Community Type: Market Rate - General
Structure Type: 2-Story Garden

Opened in 1988

160 Units
3.1% Vacant (5 units vacant) as of 2/8/2018

City: Virginia Beach, VA

Multifamily Community Profile

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>--</td>
<td>$1,000</td>
<td>768</td>
<td>$1.30</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>--</td>
<td>$1,226</td>
<td>917</td>
<td>$1.34</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse: ✓
- Pool-Outdr: ✓
- Comm Rm: ●
- Basketball: □
- Centrl Lndry: ✓
- Tennis: □
- Elevator: □
- Volleyball: □
- Fitness: ✓
- CarWash: □
- Hot Tub: □
- BusinessCtr: □
- Sauna: □
- ComputerCtr: □
- Playground: □

Features

- Standard: Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Full Size); Central A/C; Patio/Balcony
- Select Units: Fireplace
- Optional($): --
- Security: --

Utilities in Rent:
- Heat: Electric
- Cooking: Electric
- Wtr/Swr: Electric
- Trash: Electric

Floorplans (Published Rents as of 2/8/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>--</td>
<td>$975</td>
<td>768</td>
<td>$1.27</td>
<td>Market</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>--</td>
<td>$1,155</td>
<td>826</td>
<td>$1.40</td>
<td>Market</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>--</td>
<td>$1,175</td>
<td>942</td>
<td>$1.25</td>
<td>Market</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>--</td>
<td>$1,258</td>
<td>984</td>
<td>$1.28</td>
<td>Market</td>
</tr>
</tbody>
</table>

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/8/18</td>
<td>3.1%</td>
<td>$1,000</td>
<td>$1,226</td>
<td>--</td>
</tr>
<tr>
<td>10/11/17</td>
<td>2.5%</td>
<td>$925</td>
<td>$1,007</td>
<td>--</td>
</tr>
<tr>
<td>8/7/17</td>
<td>1.3%</td>
<td>$905</td>
<td>$1,003</td>
<td>--</td>
</tr>
<tr>
<td>6/26/17</td>
<td>3.8%</td>
<td>$935</td>
<td>$1,017</td>
<td>--</td>
</tr>
</tbody>
</table>

Comments

Trash fee $20
Vacancies all 2BR

Incentives:
None

Adjustments to Rent

Utilities in Rent:
- Heat Fuel: Electric
- Cooking: Electric
- Wtr/Swr: Electric
- Trash: Electric

© 2018 Real Property Research Group, Inc.

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
Summer Haven

741 Gourmet Way
Virginia Beach, VA 23462

57 Units
0.0% Vacant (0 units vacant) as of 2/8/2018

Opened in 2017

Community Type: LIHTC - General
Structure Type: 3-Story Garden

Property Manager: Lawson Realty
Owner: Lawson Companies

Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>8.8%</td>
<td>$475</td>
<td>766</td>
<td>$0.62</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>49.1%</td>
<td>$627</td>
<td>1,065</td>
<td>$0.59</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>42.1%</td>
<td>$823</td>
<td>1,212</td>
<td>$0.68</td>
</tr>
<tr>
<td>Four+</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Community Amenities

- Clubhouse:
- Comm Rm:
- Centrl Lndry: ☑
- Elevator:
- Fitness:
- Hot Tub:
- BusinessCtr:
- Sauna:
- ComputerCtr:
- Pool-Outdr:
- Basketball:
- Tennis:
- Volleyball:
- CarWash:
- Sauna:
- ComputerCtr:
- Playground:

Features

- Standard: Dishwasher; Disposal; In Unit Laundry (Full Size); Central A/C; Carpet / Vinyl/Linoleum
- Select Units: --
- Optional($): --
- Security: --
- Parking 1: Free Surface Parking
- Parking 2: --

Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/8/18</td>
<td>0.0%</td>
<td>$478</td>
<td>$629</td>
<td>$825</td>
</tr>
<tr>
<td>10/24/17</td>
<td>0.0%</td>
<td>$478</td>
<td>$629</td>
<td>$825</td>
</tr>
<tr>
<td>8/15/17</td>
<td>0.0%</td>
<td>$433</td>
<td>$601</td>
<td>$781</td>
</tr>
<tr>
<td>6/26/17</td>
<td>0.0%</td>
<td>$433</td>
<td>$601</td>
<td>$781</td>
</tr>
<tr>
<td>12/16/17</td>
<td>0.0%</td>
<td>$433</td>
<td>$601</td>
<td>$781</td>
</tr>
</tbody>
</table>

Floorplans (Published Rents as of 2/8/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>%Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>--</td>
<td>766</td>
<td>$.76</td>
<td>LIHTC/ 50%</td>
<td>10/24/17</td>
<td>0.0%</td>
<td>$478</td>
<td>$629</td>
<td>$825</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>$579</td>
<td>766</td>
<td>$.76</td>
<td>LIHTC/ 50%</td>
<td>6/26/17</td>
<td>0.0%</td>
<td>$433</td>
<td>$601</td>
<td>$781</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>--</td>
<td>1,065</td>
<td>$.64</td>
<td>LIHTC/ 50%</td>
<td>8/15/17</td>
<td>0.0%</td>
<td>$433</td>
<td>$601</td>
<td>$781</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>2</td>
<td>25</td>
<td>$682</td>
<td>1,065</td>
<td>$.64</td>
<td>LIHTC/ 50%</td>
<td>12/26/17</td>
<td>0.0%</td>
<td>$433</td>
<td>$601</td>
<td>$781</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>--</td>
<td>1,212</td>
<td>$.64</td>
<td>LIHTC/ 50%</td>
<td>6/26/17</td>
<td>0.0%</td>
<td>$433</td>
<td>$601</td>
<td>$781</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>11</td>
<td>$778</td>
<td>1,212</td>
<td>$.64</td>
<td>LIHTC/ 50%</td>
<td>6/26/17</td>
<td>0.0%</td>
<td>$433</td>
<td>$601</td>
<td>$781</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>11</td>
<td>$968</td>
<td>1,212</td>
<td>$.80</td>
<td>LIHTC/ 60%</td>
<td>6/26/17</td>
<td>0.0%</td>
<td>$433</td>
<td>$601</td>
<td>$781</td>
</tr>
</tbody>
</table>

Comments

Blk appli, Project is under construction-initial 3 bldgs expected to open in 3/16 & 2 final bldgs by end of 4/16; Waitlist-20+/-prequalified hh. 5 Blds-1st bldg opened March 25th. Fully leased as of June 25th.

Same leasing office as Baker Woods. Wait list-Approx. 1yr

Utilities in Rent:
- Heat Fuel: Electric
- Cooking:
- Wtr/Swr:
- Electricity:
- Trash:

Adjustments to Rent

- Incentives: None

© 2018 Real Property Research Group, Inc.
VA810-024321

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
# Thalia Landing

**Multifamily Community Profile**

- **RealProperty Group**
- **Research**
- **4101 Pine Oak Circle, Virginia Beach, VA 23452**
- **154 Units**
- **0.0% Vacant (0 units vacant) as of 2/8/2018**
- **Community Type**: LIHTC - General
- **Structure Type**: 2-Story Garden/TH
- **Opened in 1981**
- **Last Major Rehab in 2001**

## Unit Mix & Effective Rent (1)

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>%Total</th>
<th>Avg Rent</th>
<th>Avg SqFt</th>
<th>Avg $/SqFt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eff</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>One</td>
<td>15.6%</td>
<td>$682</td>
<td>860</td>
<td>$0.79</td>
</tr>
<tr>
<td>One/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Two</td>
<td>64.3%</td>
<td>$837</td>
<td>1,000</td>
<td>$0.84</td>
</tr>
<tr>
<td>Two/Den</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Three</td>
<td>16.2%</td>
<td>$1,001</td>
<td>1,250</td>
<td>$0.80</td>
</tr>
<tr>
<td>Four+</td>
<td>3.9%</td>
<td>$1,037</td>
<td>1,350</td>
<td>$0.77</td>
</tr>
</tbody>
</table>

## Community Amenities

- Clubhouse: ✔
- Pool-Outdr: ✔
- Comm Rm: ☐
- Basketball: ☐
- Centrl Lndry: ✔
- Tennis: ☐
- Elevator: ☐
- Volleyball: ☐
- Fitness: ☐
- CarWash: ☐
- Hot Tub: ✔
- BusinessCtr: ☐
- Sauna: ☐
- ComputerCtr: ☐
- Playground: ✔

### Features

- Standard: Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Cable TV; Carpet
- Select Units: --
- Optional($): --
- Security: --
- Parking 1: Free Surface Parking
  - Fee: --
- Parking 2: --
  - Fee: --

### Property Manager

- Ripley-Heatwole

### Owner

- --

### Comments

- Income target breakdown not avail.; Garden apts-139 units, Townhouses-15 units
- Rent includes satellite tv. No WL

## Floorplans (Published Rents as of 2/8/2018) (2)

<table>
<thead>
<tr>
<th>Description</th>
<th>Feature</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>Rent/SF</th>
<th>Program</th>
<th>Date</th>
<th>% Vac</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>12</td>
<td>$613</td>
<td>860</td>
<td>$0.71</td>
<td>LIHTC/50%</td>
<td>2/8/18</td>
<td>0.0%</td>
<td>$682</td>
<td>$837</td>
<td>$1,001</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>1</td>
<td>1</td>
<td>12</td>
<td>$750</td>
<td>860</td>
<td>$0.87</td>
<td>LIHTC/60%</td>
<td>6/23/17</td>
<td>0.0%</td>
<td>$682</td>
<td>$837</td>
<td>$1,001</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>50</td>
<td>$755</td>
<td>1,000</td>
<td>$0.76</td>
<td>LIHTC/50%</td>
<td>1/30/17</td>
<td>0.0%</td>
<td>$657</td>
<td>$802</td>
<td>$911</td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>2</td>
<td>1</td>
<td>49</td>
<td>$920</td>
<td>1,000</td>
<td>$0.92</td>
<td>LIHTC/60%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Townhouse</td>
<td>--</td>
<td>3</td>
<td>1.5</td>
<td>4</td>
<td>$930</td>
<td>1,250</td>
<td>$0.74</td>
<td>LIHTC/50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Townhouse</td>
<td>--</td>
<td>3</td>
<td>1.5</td>
<td>5</td>
<td>$1,143</td>
<td>1,250</td>
<td>$0.91</td>
<td>LIHTC/60%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>1.5</td>
<td>8</td>
<td>$879</td>
<td>1,250</td>
<td>$0.70</td>
<td>LIHTC/50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>3</td>
<td>1.5</td>
<td>8</td>
<td>$1,069</td>
<td>1,250</td>
<td>$0.86</td>
<td>LIHTC/60%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>4</td>
<td>1.5</td>
<td>3</td>
<td>$930</td>
<td>1,350</td>
<td>$0.69</td>
<td>LIHTC/50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>--</td>
<td>4</td>
<td>1.5</td>
<td>3</td>
<td>$1,143</td>
<td>1,350</td>
<td>$0.85</td>
<td>LIHTC/60%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Historic Vacancy & Eff. Rent (1)

<table>
<thead>
<tr>
<th>Description</th>
<th>BRs</th>
<th>Bath</th>
<th>#Units</th>
<th>Rent</th>
<th>SqFt</th>
<th>%Vac</th>
<th>Date</th>
<th>1BR $</th>
<th>2BR $</th>
<th>3BR $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>1</td>
<td>1</td>
<td>12</td>
<td>$613</td>
<td>860</td>
<td>0.0%</td>
<td>2/8/18</td>
<td>$682</td>
<td>$837</td>
<td>$1,001</td>
</tr>
<tr>
<td>Garden</td>
<td>1</td>
<td>1</td>
<td>12</td>
<td>$750</td>
<td>860</td>
<td>0.0%</td>
<td>6/23/17</td>
<td>$682</td>
<td>$837</td>
<td>$1,001</td>
</tr>
<tr>
<td>Garden</td>
<td>2</td>
<td>1</td>
<td>50</td>
<td>$755</td>
<td>1,000</td>
<td>0.0%</td>
<td>1/30/17</td>
<td>$657</td>
<td>$802</td>
<td>$911</td>
</tr>
<tr>
<td>Garden</td>
<td>2</td>
<td>1</td>
<td>49</td>
<td>$920</td>
<td>1,000</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Townhouse</td>
<td>3</td>
<td>1.5</td>
<td>4</td>
<td>$930</td>
<td>1,250</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Townhouse</td>
<td>3</td>
<td>1.5</td>
<td>5</td>
<td>$1,143</td>
<td>1,250</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>3</td>
<td>1.5</td>
<td>8</td>
<td>$879</td>
<td>1,250</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>3</td>
<td>1.5</td>
<td>8</td>
<td>$1,069</td>
<td>1,250</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>4</td>
<td>1.5</td>
<td>3</td>
<td>$930</td>
<td>1,350</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garden</td>
<td>4</td>
<td>1.5</td>
<td>3</td>
<td>$1,143</td>
<td>1,350</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Adjustments to Rent

<table>
<thead>
<tr>
<th>Utilities in Rent</th>
<th>Heat Fuel</th>
<th>Cooking</th>
<th>Wtr/Swr</th>
<th>Trash</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Heat: ☐</td>
<td>Cooking:☐</td>
<td>Wtr/Swr:✔</td>
<td>Trash:✔</td>
</tr>
</tbody>
</table>

© 2018 Real Property Research Group, Inc.

---

(1) Effective Rent is Published Rent, net of concessions and assumes that water, sewer and trash is included in rent
(2) Published Rent is rent as quoted by management.
XI. APPENDIX 3 NCHMA CERTIFICATION

This market study has been prepared by Real Property Research Group, Inc., a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts’ industry. These standards include the Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects and Model Content Standards for the Content of Market Studies for Affordable Housing Projects. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Real Property Research Group, Inc. is duly qualified and experienced in providing market analysis for Affordable Housing. The company’s principals participate in NCHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Real Property Research Group, Inc. is an independent market analyst. No principal or employee of Real Property Research Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies Real Property Research Group, Inc., the certification is always signed by the individual completing the study and attesting to the certification.

Real Property Research Group, Inc.

Bob Lefenfeld

Name

Managing Principal

Title

February 16, 2018

Date
XII. APPENDIX 4 NCHMA CHECKLIST

Introduction: The National Council of Housing Market Analysts provides a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

<table>
<thead>
<tr>
<th>Component (*First occurring page is noted)</th>
<th>*Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Summary</strong></td>
<td></td>
</tr>
<tr>
<td>1. Executive Summary</td>
<td>VI</td>
</tr>
<tr>
<td><strong>Project Summary</strong></td>
<td></td>
</tr>
<tr>
<td>2. Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances</td>
<td>6</td>
</tr>
<tr>
<td>3. Utilities (and utility sources) included in rent</td>
<td>7</td>
</tr>
<tr>
<td>4. Project design description</td>
<td>5</td>
</tr>
<tr>
<td>5. Unit and project amenities; parking</td>
<td>7</td>
</tr>
<tr>
<td>6. Public programs included</td>
<td>4</td>
</tr>
<tr>
<td>7. Target population description</td>
<td>4</td>
</tr>
<tr>
<td>8. Date of construction/preliminary completion</td>
<td>8</td>
</tr>
<tr>
<td>9. If rehabilitation, existing unit breakdown and rents</td>
<td>N/A</td>
</tr>
<tr>
<td>10. Reference to review/status of project plans</td>
<td>7</td>
</tr>
<tr>
<td><strong>Location and Market Area</strong></td>
<td></td>
</tr>
<tr>
<td>11. Market area/secondary market area description</td>
<td>31</td>
</tr>
<tr>
<td>12. Concise description of the site and adjacent parcels</td>
<td>9</td>
</tr>
<tr>
<td>13. Description of site characteristics</td>
<td>9</td>
</tr>
<tr>
<td>14. Site photos/maps</td>
<td>12</td>
</tr>
<tr>
<td>15. Map of community services</td>
<td>9</td>
</tr>
<tr>
<td>16. Visibility and accessibility evaluation</td>
<td>14</td>
</tr>
<tr>
<td>17. Crime information</td>
<td>16</td>
</tr>
<tr>
<td><strong>Employment and Economy</strong></td>
<td></td>
</tr>
<tr>
<td>18. Employment by industry</td>
<td>28</td>
</tr>
<tr>
<td>19. Historical unemployment rate</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>20.</td>
<td>Area major employers</td>
</tr>
<tr>
<td>21.</td>
<td>Five-year employment growth</td>
</tr>
<tr>
<td>22.</td>
<td>Typical wages by occupation</td>
</tr>
<tr>
<td>23.</td>
<td>Discussion of commuting patterns of area workers</td>
</tr>
</tbody>
</table>

### Demographic Characteristics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>24.</td>
<td>Population and household estimates and projections</td>
</tr>
<tr>
<td>25.</td>
<td>Area building permits</td>
</tr>
<tr>
<td>26.</td>
<td>Distribution of income</td>
</tr>
<tr>
<td>27.</td>
<td>Households by tenure</td>
</tr>
</tbody>
</table>

### Competitive Environment

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>28.</td>
<td>Comparable property profiles</td>
</tr>
<tr>
<td>29.</td>
<td>Map of comparable properties</td>
</tr>
<tr>
<td>30.</td>
<td>Comparable property photos</td>
</tr>
<tr>
<td>31.</td>
<td>Existing rental housing evaluation</td>
</tr>
<tr>
<td>32.</td>
<td>Comparable property discussion</td>
</tr>
<tr>
<td>33.</td>
<td>Area vacancy rates, including rates for tax credit and government-subsidized communities</td>
</tr>
<tr>
<td>34.</td>
<td>Comparison of subject property to comparable properties</td>
</tr>
<tr>
<td>35.</td>
<td>Availability of Housing Choice Vouchers</td>
</tr>
<tr>
<td>36.</td>
<td>Identification of waiting lists</td>
</tr>
<tr>
<td>37.</td>
<td>Description of overall rental market including share of market-rate and affordable properties</td>
</tr>
<tr>
<td>38.</td>
<td>List of existing LIHTC properties</td>
</tr>
<tr>
<td>39.</td>
<td>Discussion of future changes in housing stock</td>
</tr>
<tr>
<td>40.</td>
<td>Discussion of availability and cost of other affordable housing options, including homeownership</td>
</tr>
<tr>
<td>41.</td>
<td>Tax credit and other planned or under construction rental communities in market area</td>
</tr>
</tbody>
</table>

### Analysis/Conclusions

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>42.</td>
<td>Calculation and analysis of Capture Rate</td>
</tr>
<tr>
<td>43.</td>
<td>Calculation and analysis of Penetration Rate</td>
</tr>
<tr>
<td>44.</td>
<td>Evaluation of proposed rent levels</td>
</tr>
<tr>
<td>45.</td>
<td>Derivation of Achievable Market Rent and Market Advantage</td>
</tr>
<tr>
<td>46.</td>
<td>Derivation of Achievable Restricted Rent</td>
</tr>
<tr>
<td>47.</td>
<td>Precise statement of key conclusions</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>48.</td>
<td>Market strengths and weaknesses impacting project</td>
</tr>
<tr>
<td>49.</td>
<td>Recommendation and/or modification to project description</td>
</tr>
<tr>
<td>50.</td>
<td>Discussion of subject property's impact on existing housing</td>
</tr>
<tr>
<td>51.</td>
<td>Absorption projection with issues impacting performance</td>
</tr>
<tr>
<td>52.</td>
<td>Discussion of risks or other mitigating circumstances impacting project</td>
</tr>
<tr>
<td>53.</td>
<td>Interviews with area housing stakeholders</td>
</tr>
<tr>
<td>54.</td>
<td>Preparation date of report</td>
</tr>
<tr>
<td>55.</td>
<td>Date of field work</td>
</tr>
<tr>
<td>56.</td>
<td>Certifications</td>
</tr>
<tr>
<td>57.</td>
<td>Statement of qualifications</td>
</tr>
<tr>
<td>58.</td>
<td>Sources of data not otherwise identified</td>
</tr>
<tr>
<td>59.</td>
<td>Utility allowance schedule</td>
</tr>
</tbody>
</table>

**Certifications**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>54.</td>
<td>Preparation date of report</td>
</tr>
<tr>
<td>55.</td>
<td>Date of field work</td>
</tr>
<tr>
<td>56.</td>
<td>Certifications</td>
</tr>
<tr>
<td>57.</td>
<td>Statement of qualifications</td>
</tr>
<tr>
<td>58.</td>
<td>Sources of data not otherwise identified</td>
</tr>
<tr>
<td>59.</td>
<td>Utility allowance schedule</td>
</tr>
</tbody>
</table>
XIII. APPENDIX 5 ANALYST RESUMES

TAD SCEPANIAK
Managing Principal

Tad Scepaniak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm’s research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market-rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad is National Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Vice Chair and Co-Chair of Standards Committee. He has taken a lead role in the development of the organization’s Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

- **Low Income Tax Credit Rental Housing**: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.

- **Senior Housing**: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however, his experience includes assisted living facilities and market rate senior rental communities.

- **Market Rate Rental Housing**: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

- **Public Housing Authority Consultation**: Tad has worked with Housing Authorities throughout the United States to document trends in rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia
Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm’s consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company’s active building operation.

Bob provides input and guidance for the completion of the firm’s research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

Areas of Concentration:

- **Strategic Assessments**: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

- **Feasibility Analysis**: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.

- **Information Products**: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

**Education:**

Master of Urban and Regional Planning; The George Washington University.  
Bachelor of Arts - Political Science; Northeastern University.
ETHAN REED
Senior Analyst

Ethan Reed joined RPRG in 2016 where he focuses on rental market studies and community and economic analyses for development projects. Throughout his extensive career, Ethan has served in various analysis and advisory capacities in the residential and commercial real estate industry. Ethan’s experience includes advising lenders, developers, homebuilders, investors, nonprofit organizations, and government agencies through market and property analysis, economic analysis, site selection, and marketing strategy.

Prior to joining RPRG, Ethan served as Senior Research Manager with CoStar Group, leading market research & analysis efforts as well as developing new research and analysis products & services for the commercial real estate industry. Ethan’s additional experience includes directing regional research and marketing efforts for CBRE as well as providing valuation, analysis and advisory services for commercial and residential clients throughout Texas. Appraisal and consulting assignments have included, but are not limited to apartment complexes, for sale subdivisions, agricultural land, shopping centers, office, and industrial buildings. Valuations have been prepared on proposed, renovated, and existing structures.

Areas of Concentration:

- **Low Income Housing Tax Credits**: Ethan prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.
- **FHA Section 221(d)(4)**: Ethan prepares comprehensive feasibility studies for submission to HUD regional offices as part of a lender’s application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD’s Multifamily Accelerated Processing (MAP) guidelines for market studies
- **Market and Product Advisory Analysis**: Ethan provides detailed analysis of existing markets, product and pricing recommendations, and targeted marketing suggestions for developers and land owners in the preliminary stages of development.
- **Commercial Feasibility**: Ethan conducts feasibility analyses of proposed commercial and industrial uses in the context of the existing marketplace.
- **New Markets Tax Credits**: Ethan conducts community development and economic impact analyses to illustrate the impacts of development projects that utilize federally-regulated New Markets Tax Credits. Components of these reports include employment projections, local and regional economic impacts, and fiscal impacts on local governments

Education:

Masters of Business Administration; Liberty University
Bachelor of Science – Business Administration; University of Texas at Dallas
XIV. APPENDIX 6 VHDA CERTIFICATION

I affirm the following:

1.) I have made a physical inspection of the site and market area.
2.) The appropriate information has been used in the comprehensive evaluation of the need and demand for 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.

__________________________
Ethan Reed
Market Analyst

February 16, 2018
Date