



**BOWEN  
NATIONAL  
RESEARCH**

# Market Feasibility Analysis

Simms Pointe  
270 Lucy Drive  
Harrisonburg, Virginia 22801

*Prepared For*

Ms. Chelsea Arlantino  
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500 South Front Street, 10th Floor  
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*Authorized User*

Virginia Housing  
601 South Belvidere Street  
Richmond, Virginia 23220

*Effective Date*

February 1, 2022

*Job Reference Number*

22-122 JW

# Market Study Certification

## NCHMA Certification

This certifies that Jonathan Kabat, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Harrisonburg, Virginia. Further, the information contained in this report is true and accurate as of February 1, 2022.

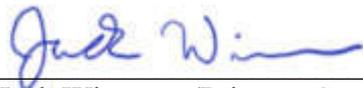
Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

## Virginia Housing 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 the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low-Income Housing Tax Credit (LIHTC) program in Virginia as administered by Virginia Housing.
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 Virginia Housing or in any way acting for, at the request, or on behalf of Virginia Housing.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.
7. Evidence of my NCHMA membership is included.

Certified:



Jack Wiseman (Primary Contact)

Market Analyst

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Date: February 1, 2022



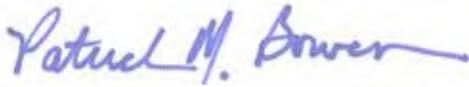
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Date: February 1, 2022



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Date: February 1, 2022

# Certificate of Professional Designation

*This certificate verifies that*

**Patrick Bowen**

Bowen National Research

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



Formerly known as  
NCAHMA

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**Membership Term**  
1/1/2022 to 12/31/2022



A handwritten signature in black ink, appearing to read 'Thomas Amdur'.

**Thomas Amdur**  
President, NCHMA

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# I. Introduction

## A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Harrisonburg, Virginia. This study was initiated by Ms. Chelsea Arlantino of Woda Cooper Companies, Inc. and complies with the guidelines of Virginia Housing. This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted 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 end users.

## B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The Site PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. Site PMAs are not defined by radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors that include, but are not limited to:

- A detailed demographic and socioeconomic evaluation.
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns.
- A drive-time analysis to the site.
- Personal observations of the field analyst.
- An evaluation of existing housing supply characteristics and trends.
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property. The information in this survey was collected through a variety of methods, including phone surveys, in-person visits, email and fax. The contact person for each property is listed in *Section XII: Field Survey of Conventional Rentals*.

- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the proposed development. An in-depth evaluation of those two property types provides an indication of the potential of the proposed development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the proposed project opens and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- We conduct an analysis following Virginia Housing and NCHMA market study guidelines of the subject project's required capture of the number of income-appropriate households within the Site PMA. This analysis is conducted on a renter household level and a market capture rate is determined for the subject development. This capture rate is compared with acceptable capture rates for similar types of projects to determine whether the subject development's capture rate is achievable. In addition, Bowen National Research also compares all existing and planned LIHTC housing within the market to the number of income-appropriate households. The resulting penetration rate is evaluated in conjunction with the project's capture rate.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item-by-item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit.

### **C. SOURCES**

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- U.S. Department of Labor
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- U.S. Department of Housing and Urban Development (HUD)

### **D. REPORT LIMITATIONS**

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of data sources to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of Woda Cooper Companies, Inc. or Bowen National Research is strictly prohibited.

## II. Executive Summary

*Based on the findings contained in this report, it is our opinion that a market exists for the development of the proposed Simms Pointe rental community in Harrisonburg, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program.* The following points support this conclusion:

### Project Description

Simms Pointe involves the new construction of 40 apartments at one location at 270 Lucy Drive in Harrisonburg. The project will target family (general-occupancy) households earning up to 30%, 40%, 50%, 70% and 80% of Area Median Household Income (AMHI) under the LIHTC program. A total of eight units within the subject development will receive Project-Based Vouchers (PBVs) through the HUD Section 8 program. The proposed project is expected to be complete by June 2024. Additional details of the subject project can be found in Section III - *Project Description* of this report.

### Site Evaluation

The subject site consists of vacant lot located on the southside of Lucy Drive in the southeastern portion of Harrisonburg. Surrounding land uses include residential dwellings, an assisted living facility, pharmacies, fire station, several medical offices, a mall, several office buildings, a bank and a furniture store. Most of the surrounding buildings range from fair to good condition. Visibility of the site is considered good within the immediate area; however, it is not visible from highly traveled roadways. As such, promotional signage is recommended throughout the market area to enhance its awareness during the initial lease-up process. Access to the site is considered good, as it is within 1.2 miles of State Route 710, U.S. Highway 33 and Interstate 81. Most essential community services, including shopping, dining, education, public safety services and recreation can be accessed within 2.6 miles of the site. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

### Primary Market Area (PMA)

The Harrisonburg Site PMA includes all of Harrisonburg, Dayton, Bridgewater, Mount Crawford and the Census-Designated Place (CDP) of Massanetta Springs and portions of the Massanutten CDP, as well as the surrounding unincorporated areas of Rockingham County. Specifically, the boundaries of the Site PMA generally include State Route 780, State Route 42, Trissels Road, Zion Church Road, Simmers Valley Road, Longs Pump Road, State Route 721, Fridleys Gap Road and Airey Lane to the north; Third Mountain, Second Mountain, Del Webb Drive, Palmer Road, State Route 647, U.S. Highway 33 and South Fork Shenandoah River to the east; North River and the Augusta-Rockingham County boundary to the south; and State Route 747, North

River, Dry River, State Route 257, Limestone Lane, Rushville Road, Bumblebee Road, Coakley Town Road, Bank Church Road, U.S. Highway 33, State Route 701, State Route 613, Snapps Creek Road, Glen Hollow Road and Mt. Zion Road to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in Section IV, beginning on page IV-9.

### Demographic Trends

The Harrisonburg Site PMA is projected to experience both population and household growth between 2022 and 2027, a trend which has been ongoing since 2000 and is expected to result in increased demand for housing within the market. Renter households are also projected to experience growth during the same time frame, increasing by 381, or 2.5%. While low-income renters (generally those earning below \$50,000) are projected to decline during the projection period, they will still represent over 53.0% of all renter households within the market by 2027. Based on the preceding analysis, a large base of lower-income renter households will continue to exist in the market during this time period. Detailed demographic trends are included in Section IV, beginning on page IV-11.

### Economic Trends

Based on data provided by the State of Virginia Department of Labor and the U.S. Department of Labor, the local economy generally experienced growth between 2011 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Harrisonburg City employment base declined by nearly 1,375 jobs, or 5.7%, and its unemployment rate increased by over three percentage points. Specifically, between March and April 2020, the unemployment rate within the city spiked by nearly nine percentage points. On a positive note, the local economy improved in 2021, as the employment base experienced growth and the unemployment rate declined. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for nearly 23.0% of the market's labor force and provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable. Detailed economic trends are included in Section IV, beginning on page IV-16.

### Overall Rental Housing Market Conditions

We identified and personally surveyed 15 conventional housing projects containing a total of 2,096 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.9%, a strong rate for rental housing. The surveyed rental developments broken out by project type are summarized in the table on the following page.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	10	1,541	44	97.1%
Market-rate/Tax Credit	1	66	0	100.0%
Market-rate/Government-Subsidized	1	199	0	100.0%
Tax Credit	1	148	0	100.0%
Tax Credit/Government-Subsidized	1	112	0	100.0%
Government-Subsidized	1	30	0	100.0%
Total	15	2,096	44	97.9%

As the preceding table illustrates, all rental housing segments surveyed within the market are performing at strong occupancy levels, as none have a combined occupancy rate lower than 97.1%. In fact, all affordable rental housing communities surveyed are fully occupied, illustrating that pent-up demand exists for this type of housing. The subject project will be able to accommodate a portion of this unmet demand.

#### Competitive/Comparable Tax Credit Analysis

We identified and surveyed two family (general-occupancy) projects that offer non-subsidized LIHTC units within the Harrisonburg Site PMA. While these properties offer units set aside at 60% of AMHI, a set aside that will not be present at the site, they were selected for comparability purposes, as they provide a baseline of the non-subsidized affordable rents that are achievable within the market. Given the limited number of LIHTC product surveyed within the market, we identified and surveyed two additional LIHTC communities outside of the Site PMA, but within the region in Staunton and Weyers Cave. Note that these two LIHTC properties outside of the market will not compete with the subject development, as they derive demographic support from a different geographical region and were selected for comparability purposes only. The four LIHTC properties and the proposed subject development are summarized in the following table:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Simms Pointe</b>	<b>2024</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 30%, 40%, 50%, 70% &amp; 80% AMHI &amp; PBV</b>
1	Chestnut Ridge I & II	1998	148	100.0%	1.1 Miles	3 Months	Families; 60% AMHI
2	Colonnade at Rocktown I & II	2010	60*	100.0%	2.6 Miles	9 HH	Families; 60% AMHI
905	Frontier Ridge Apts.	2005	100	100.0%	26.9 Miles	45 HH	Families; 50% AMHI
908	Landings at Weyers Cave	2012	84	100.0%	13.4 Miles	5 HH	Families; 40% AMHI

OCC. – Occupancy

HH - Households

\*Tax Credit units only

900 series Map IDs are located outside Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain a waiting list, illustrating that pent-up demand exists for additional affordable rental housing within the market and region. The subject project will be able to accommodate a portion of this unmet demand.

It should also be pointed out that the subject project will be at least 14 years newer than the comparable LIHTC projects surveyed within the *market*. This will position the site at a competitive advantage.

The gross rents for the comparable projects and the proposed/programmatic rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
		\$383/30% (1)	\$457/30% (2)	\$529/30% (1)	
		\$513*/40% (2)	\$616*/40% (3)	\$711*/40% (3)	
		\$638/50% (1)	\$767/50% (5)	\$884/50% (2)	
<b>Site</b>	<b>Simms Pointe</b>	\$638/50% (1)	\$1,042/70% (2)	\$1,149/70% (2)	
		\$873/80% (1)	\$1,052/80% (11)	\$1,159/80% (4)	-
1	Chestnut Ridge I & II	-	\$870-\$920/60% (112/0)	\$983-\$1,033/60% (36/0)	None
2	Colonnade at Rocktown I & II	\$792/60% (6/0)	\$972/60% (32/0)	\$1,126/60% (22/0)	None
905	Frontier Ridge Apts.	-	\$802/50% (50/0)	\$925/50% (50/0)	None
908	Landings at Weyers Cave	-	\$838/40% (44/0)	\$962/40% (40/0)	None

\*2021 maximum allowable gross LIHTC rent  
900 series Map IDs are located outside Site PMA

Note that the subject project will be the only LIHTC project relative to those surveyed to offer units set aside at 30%, 70% and 80% of AMHI within the market and nearby region. As such, the subject development will offer an affordable rental housing alternative to low- and moderate-income households that are currently underserved, which will bode well in the demand of the subject units.

While the proposed subject rents set aside at 70% and 80% of AMHI, ranging from \$873 to \$1,159, will be the highest LIHTC rents within the market and region, as these units will target households with higher incomes, this will enable these specific units to charge higher rents. Notably, these proposed rent levels are only \$23 to \$81 higher than the 60% of AMHI rents offered at the comparable properties. In fact, the comparable properties could likely charge higher rents without having a significant adverse impact on occupancy levels, given that they are fully occupied with waiting lists. Additionally, given the subject's newness and superior amenities package, this will enable the subject project to charge higher rents. Overall, it appears that the proposed subject rents are appropriately positioned within the Harrisonburg Site PMA.

Comparable Tax Credit Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market and region, it is our opinion that the proposed subject development will be very marketable. In fact, the subject project will be the newest LIHTC rental community within the Harrisonburg Site PMA, offering a superior amenities package, and will also be the only LIHTC project within the *market* to offer units set aside at 30%, 40%, 70% and 80% of AMHI.

These factors will position the subject project at a competitive advantage. While the proposed rents set aside at 70% and 80% of AMHI will be the highest LIHTC rents within the market, given the higher targeted income levels, this will enable such units to charge higher rents. Overall, it appears that the subject project is appropriately positioned within the Site PMA and these factors have been considered in our absorption projections.

Perception of Value

Based on HUD Rent Comparability Grids in Section VI, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$1,085 for a one-bedroom unit, \$1,205 for a two-bedroom unit and \$1,455 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed/ Programmatic Collected Rent	% AMHI	Achievable Market Rent	Market Rent Advantage
One-Br.	\$295	30%	\$1,085	72.8%
	\$425*	40%		60.8%
	\$550	50%		49.3%
	\$785	80%		27.6%
Two-Br.	\$355	30%	\$1,205	70.5%
	\$514*	40%		57.3%
	\$665	50%		44.8%
	\$940	70%		22.0%
	\$950	80%		21.2%
Three-Br.	\$405	30%	\$1,455	72.2%
	\$587*	40%		59.7%
	\$760	50%		47.8%
	\$1,025	70%		29.6%
	\$1,035	80%		28.9%

\*Maximum allowable gross rent less the value of tenant-paid utilities

Typically, Tax Credit units should represent approximately a 10.0% market rent advantage. As such, the proposed subject Tax Credit rents will likely be perceived as excellent values within the market, as they represent market rent advantages ranging from 21.2% to 72.8%, depending upon bedroom type and targeted income level.

Capture Rate Estimates

The following are summaries of our demand calculations:

*As Proposed with PBV*

Demand Component	30% AMHI (\$13,131-\$22,170)	40% AMHI (\$0-\$29,560)	50% AMHI (\$21,874-\$36,950)	70% AMHI (\$35,726-\$51,730)	80% AMHI (\$29,931-\$59,120)	Overall (\$0-\$59,120)
Net Demand	1,278	3,648	1,515	624	1,346	5,283
Proposed Units	4	8	8	4	16	40
Proposed Units / Net Demand	4 / 1,278	8 / 3,648	8 / 1,515	4 / 624	16 / 1,346	40 / 5,283
Capture Rate	= 0.3%	= 0.2%	= 0.5%	= 0.6%	= 1.2%	= 0.8%

*LIHTC Only*

Demand Component	30% AMHI (\$13,131-\$22,170)	40% AMHI (\$17,589-\$29,560)	50% AMHI (\$21,874-\$36,950)	70% AMHI (\$35,726-\$51,730)	80% AMHI (\$29,931-\$59,120)	Overall (\$13,131-\$59,120)
Net Demand	1,278	1,350	1,515	624	1,346	3,537
Proposed Units	4	8	8	4	16	40
Proposed Units / Net Demand	4 / 1,278	8 / 1,350	8 / 1,515	4 / 624	16 / 1,346	40 / 3,537
Capture Rate	= 0.3%	= 0.6%	= 0.5%	= 0.6%	= 1.2%	= 1.1%

Regardless of if the property operates as proposed with a subsidy on select units or exclusively under the LIHTC program, capture rates are low, as none exceed 1.2%. This illustrates that a substantial base of demographic support will exist for the subject development.

Penetration Rate

The 356 existing non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and proposed subject Tax Credit units is \$13,131 to \$59,120. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be an estimated 7,672 renter households with eligible incomes in 2024. The 396 existing and proposed subject Tax Credit units represent a penetration rate of 5.2% of the 7,672 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Existing & Subject)	396
Income-Eligible Renter Households – 2024	/ 7,672
Overall Market Penetration Rate	= 5.2%

It is our opinion that the 5.2% penetration rate for the LIHTC units, existing and proposed subject, is very low and easily achievable.

Absorption Projections

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 40 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in approximately three months of opening, with or without a subsidy on select units. This absorption period is based on an average monthly absorption rate of approximately 12 to 13 units per month.

These absorption projections assume a June 2024 opening date. An earlier/later opening date may have a slowing impact on the initial absorption of the subject project. Further, these absorption projections assume that the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

### III. Project Description

Project Name:	<b>Simms Pointe</b>
Location:	270 Lucy Drive, Harrisonburg, Virginia 22801
Census Tract:	2.05
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 40-unit Simms Pointe rental community at one location at 270 Lucy Drive in Harrisonburg, Virginia. The project will target family (general-occupancy) households earning up to 30%, 40%, 50%, 70% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. A total of eight units within the subject development will receive Project-Based Vouchers (PBVs) through the HUD Section 8 program. The proposed project is expected to be complete by June 2024. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
1	One-Br.	1.0	Garden	712	30%	\$295	\$88	\$383	\$385
2	One-Br.	1.0	Garden	712	40%/PBV	\$690	\$105	\$795	\$513
1	One-Br.	1.0	Garden	712	50%	\$550	\$88	\$638	\$641
1	One-Br.	1.0	Garden	712	80%	\$785	\$88	\$873	\$1,027
2	Two-Br.	1.5	Garden	919	30%	\$355	\$102	\$457	\$462
3	Two-Br.	1.5	Garden	919	40%/PBV	\$900	\$146	\$1,046	\$616
5	Two-Br.	1.5	Garden	919	50%	\$665	\$102	\$767	\$770
2	Two-Br.	1.5	Garden	919	70%	\$940	\$102	\$1,042	\$1,078
5	Two-Br.	1.5	Garden	919	80%	\$950	\$102	\$1,052	\$1,232
6	Two-Br.	1.5	Garden	919	80%	\$950	\$102	\$1,052	\$1,232
1	Three-Br.	2.0	Garden	1,148	30%	\$405	\$124	\$529	\$533
3	Three-Br.	2.0	Garden	1,148	40%/PBV	\$1,162	\$208	\$1,370	\$711
2	Three-Br.	2.0	Garden	1,148	50%	\$760	\$124	\$884	\$889
2	Three-Br.	2.0	Garden	1,148	70%	\$1,025	\$124	\$1,149	\$1,245
4	Three-Br.	2.0	Garden	1,148	80%	\$1,035	\$124	\$1,159	\$1,423
40	Total								

Source: Woda Cooper Companies, Inc.

AMHI – Area Median Household Income (Harrisonburg, VA MSA; 2021)

PBV – Project-Based Voucher

*The maximum allowable LIHTC gross rents ranging from \$513 to \$711 are the programmatic limits for units targeting households earning up to 40% of AMHI for the MSA. However, these limits would only apply in the unlikely scenario that the property did not operate with PBVs on these units. Nonetheless, as the proposed contract rents under the PBV program are above these maximum allowable limits, we have evaluated these unit types assuming the maximum allowable limits throughout the remainder of this report.*

Building/Site Information	
Residential Buildings:	One (1) three-story building
Building Style:	Elevator-served
Community Space:	Integrated throughout
Acres:	2.9 of 4.7

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	March 2023
Begin Preleasing:	April 2024
Construction End:	June 2024

Unit Amenities		
• Electric Range	• Microwave	• Composite Flooring
• Refrigerator	• Washer/Dryer Hookups	• Window Blinds
• Garbage Disposal	• Central Air Conditioning	• Controlled Access/Key Fob
• Dishwasher		

Community Amenities		
• Bike Racks/Storage	• Business/Computer Center	• Clubhouse/Community Room
• Community Kitchen	• Common Area Wi-Fi	• Laundry Room
• Elevator	• Grilling Area	• Dog Park/Pet Care
• On-Site Management	• Playground	• Fitness Center
• CCTV/Cameras	• Surface Parking Lot (65 Spaces)	• Covered Outdoor Area

Utility Responsibility							
	Heat	Hot Water	Cooking	General Electric	Cold Water	Sewer	Trash
Paid By	Tenant	Tenant	Tenant	Tenant	Tenant	Tenant	Landlord
Source	Electric	Electric	Electric				

**FLOOR AND SITE PLAN REVIEW:**

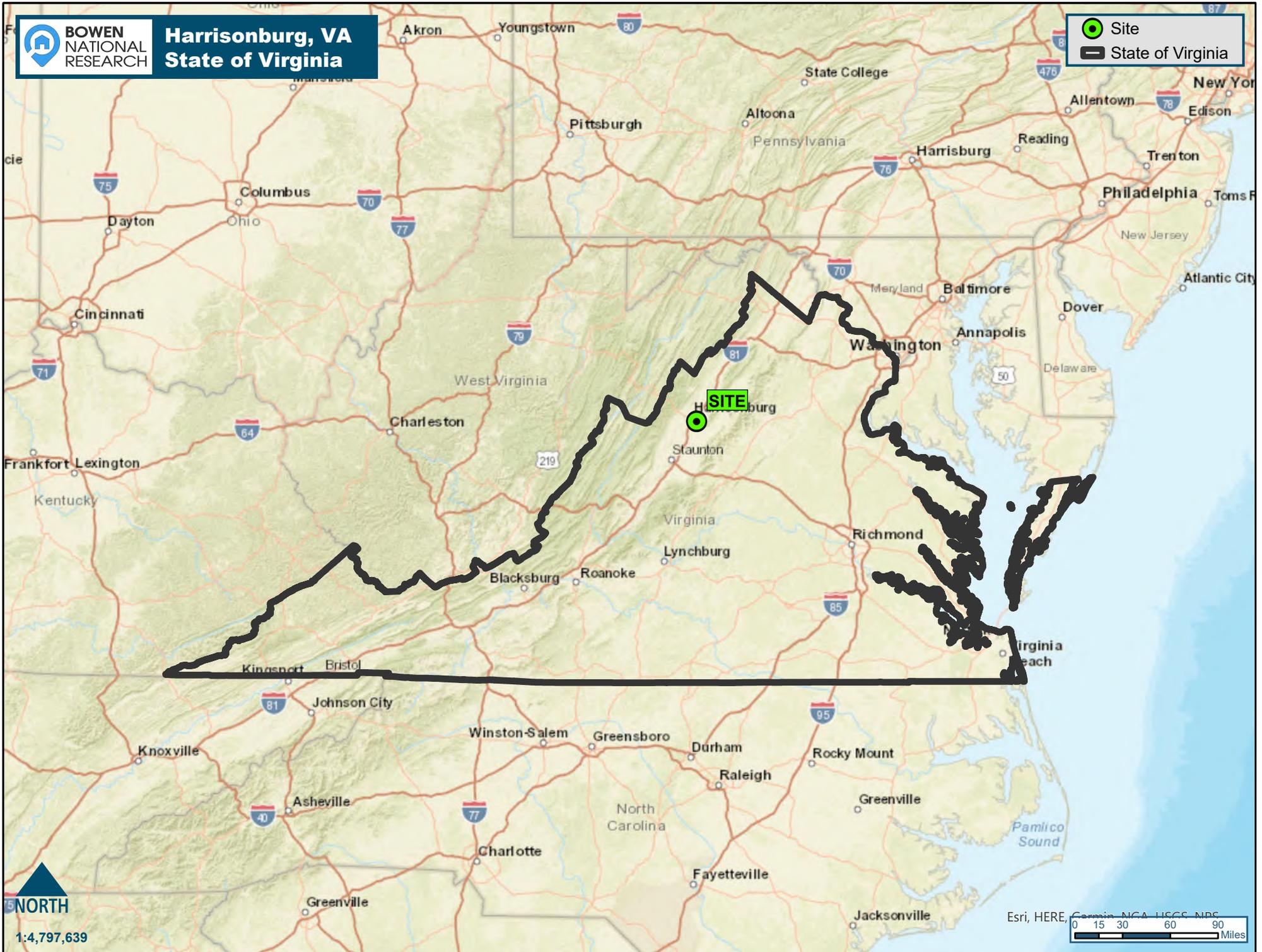
A site plan was provided; however, floor plans were not available for review at the time this report was issued. However, based on information provided by the developer, the proposed project involves the new construction of 40 one-, two- and three-bedroom apartments. The two-bedroom units will include 1.5 bathrooms, while the three-bedroom units will include two full bathrooms. Square footages will range from 712 to 1,148 square feet, which are considered appropriate for the targeted population. The inclusion of washer/dryer hookups, dishwasher and microwave within the units will be very appealing to the targeted demographic. Overall, the subject project appears to be well-positioned to be very marketable, assuming that floor plans are appropriately positioned.

A state map, an area map and a site neighborhood map are on the following pages.



# Harrisonburg, VA State of Virginia

● Site  
▭ State of Virginia



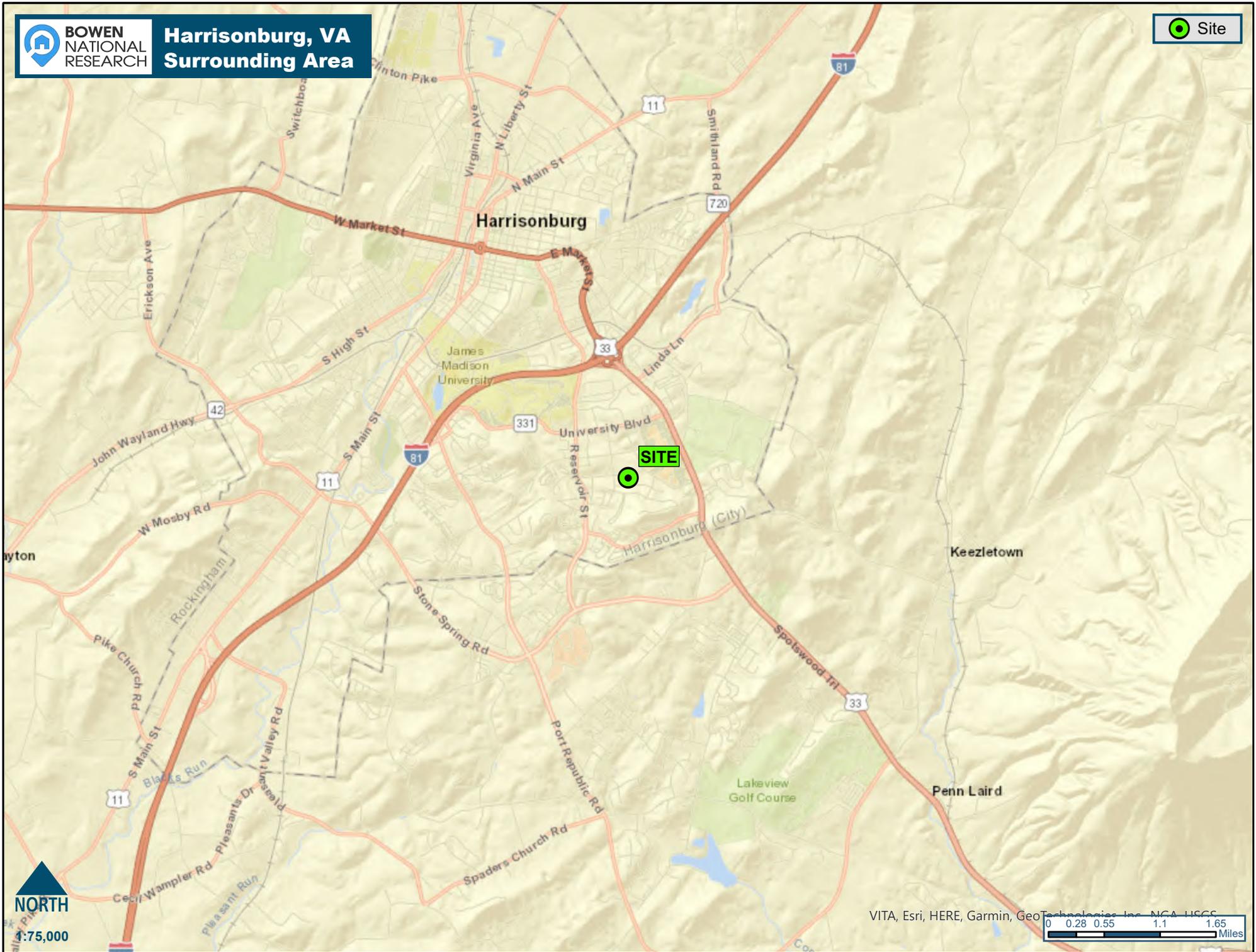
NORTH

1:4,797,639

Esri, HERE, Garmin, NGA, USGS, NPS  
0 15 30 60 90 Miles



# Harrisonburg, VA Surrounding Area



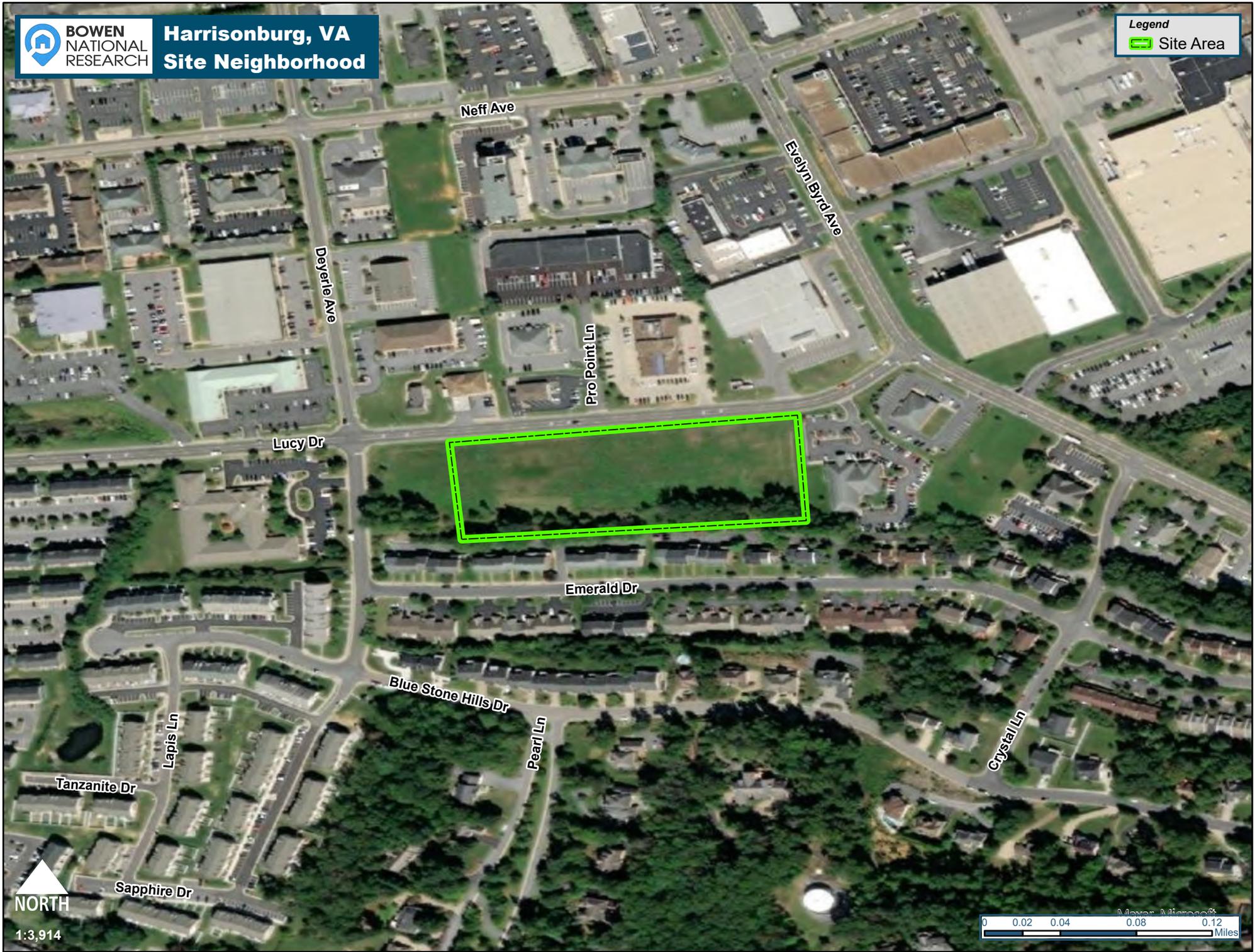
NORTH  
1:75,000

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc, NGA, USGS  
0 0.28 0.55 1.1 1.65 Miles



# Harrisonburg, VA Site Neighborhood

Legend  
Site Area



NORTH  
1:3,914

0 0.02 0.04 0.08 0.12 Miles

## IV. Area Analysis

### A. SITE DESCRIPTION AND EVALUATION

#### 1. LOCATION

The subject site consists of undeveloped land located at 270 Lucy Drive in the southeastern portion of Harrisonburg, Virginia. An independent city enveloped by Rockingham County, Harrisonburg is approximately 35.0 miles northwest of Charlottesville, Virginia and approximately 71.0 miles north of Lynchburg, Virginia. The subject site was visited on February 1, 2022.

#### 2. SURROUNDING LAND USES

The subject site is located in a mixed-use area of Harrisonburg. Surrounding land uses include residential dwellings, an assisted living facility, pharmacies, fire station, medical facilities, a mall, office buildings, a bank and a furniture store. Adjacent land uses are detailed as follows:

<b>North -</b>	The northern boundary is defined by Lucy Drive, a two-lane roadway with a center turn lane consisting of light traffic patterns. Extending out to the north are BioLife Plasma Services, Medicap Pharmacy, Harrisonburg Dieticians, Tangle’s Day Spa, F&M Mortgage, Mountain Ridge Pediatrics, Valley Plastic Surgery, HRAR, Daniels, Alexiou Hearing & Sinus Center, TeleMedia Productions, City of Harrisonburg Fire Station 3, North American Spine & Pain, Restorative Massage Therapy, Precision Locksmith & Door, Shewels Home, Kawneer, Staffmark, Great Eastern Resort Corporation, Benjamin Moore Shenandoah Paint & Decorating Center, Comfort Inn & Suites, BB&T, Wells Fargo Advisors, Rockingham Dermatology, Early Katering, Muddy Feet Graphics, South Park Professional Plaza, C&F Mortgage Corporation, Mountain View Psychology, West View Title, Miracle-Ear Hearing Aid Center, Export Compliance Training Institute, Good Shepard School & Day Care, Emergicare Harrisonburg, Good Shepard Learning Center and Packaging Corporation of America. All structures to the north are maintained in fair to good condition.
<b>East -</b>	The eastern boundary is defined by several doctors’ offices. Extending out to the east are Evelyn Byrd Avenue, a four-lane roadway with light to moderate traffic patterns, Grand Home Furnishings, single-family homes and Valley Mall and Skyline Village, malls which contain a multitude of stores, namely Target, Kohl’s and Dick’s Sporting Goods. All structures to the east are maintained in fair to good condition.

<b>South -</b>	The southern boundary is defined by residential dwellings. Extending out to the south are additional residential dwellings and wooded land. All structures to the south are maintained in fair to good condition.
<b>West -</b>	The western boundary is defined undeveloped land and Deyerle Avenue, a two-lane roadway with light traffic patterns, and Brookdale Harrisonburg, an assisted living facility. Extending out to the west are Charleston Townes, the Townes of Bluestone, Harrisonburg Hearing Services, Valley Fitness, Cornerstone Insurance Solutions, Arnel Investment Corporation, Harriet Tubman Cultural Center, Mabel Memorial Chapel, a dentist's office and Mabel Memorial Cemetery. All structures to the west are maintained in fair to good condition.

The site is within a mixed-use neighborhood of Harrisonburg, surrounded primarily by residential dwellings, office and commercial developments. Most of the surrounding structures are in fair to good condition. The surrounding land is heavily developed and the convenience of having several businesses in close proximity should positively contribute to the marketability of the site. Overall, the subject property is expected to fit well with the surrounding land uses and they should contribute to its marketability.

Photographs of the site can be found in Section VII of this report.

### **3. VISIBILITY AND ACCESS**

The site is clearly visible from two adjacent roadways, Lucy Drive and Deyerle Avenue, with no obstructions present. As previously stated, Lucy Drive and Deyerle Avenue are both two-lane roadways with light traffic patterns. Entryway signage will be placed along Lucy Drive to improve the visibility of the site. However, given the light traffic patterns along the adjacent roadways, which is primarily limited to those residing in the area and their guests, it is recommended that promotional signage is utilized throughout the market area to enhance the subject's awareness during the initial lease-up period.

There will be one point of entry to the site to the north via Lucy Drive. As previously stated, the traffic patterns on Lucy Drive are light. Therefore, ingress and egress are anticipated to be convenient, with clear lines of sight provided in both directions of travel. Additionally, State Route 710, U.S. Highway 33 and Interstate 81 are within 1.2 miles of the site, further enhancing accessibility. Lastly, the Harrisonburg Department of Public Transportation (HDPT) maintains bus routes in and around Harrisonburg, with several bus stops available within walking distance from the site along Lucy Drive. Overall, access to and from the subject site is considered good.

#### 4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance from Site (miles)
Major Highways	State Route 710	0.3 West
	U.S. Highway 33	0.7 East
	Interstate 81	1.2 North
Public Bus Stop	HDPT	< 0.1 West
Major Employers/ Employment Centers	Walmart Supercenter	1.2 North
	James Madison University	1.6 Northwest
	Sentara RMH Medical Center	1.9 South
	Cargill Inc Dayton Facility	6.4 West
Convenience Store	7-Eleven	0.5 West
	Sheetz	0.8 Northwest
	Circle K	1.1 North
Grocery	Target Grocery	0.5 East
	Martin's Food	0.6 East
	Kroger	1.0 Northeast
	Aldi	1.1 Northeast
Discount Department Store	Gabe's	0.9 North
	Dollar Tree	1.1 North
	Walmart Supercenter	1.2 North
	T.J. Maxx	1.2 Northeast
Shopping Center/Mall	Valley Mall	0.5 East
	Skyline Village	0.7 East
	Spotswood Shopping Center	1.0 Northeast
Schools:		
Elementary	Spotswood Elementary School	1.9 North
Middle/Junior High	Skyline Middle School	1.7 Northeast
High	Harrisonburg High School	6.1 West
Hospital	Sentara RMH Medical Center	1.9 South
Police	Harrisonburg Police Department	2.6 Northwest
Fire	City of Harrisonburg Fire Station 3	<0.1 North
Post Office	U.S. Post Office	2.7 Northwest
Bank	BB&T	0.3 North
	First Bank	0.3 Northeast
	Dupont Community Credit Union	0.5 West
Recreational Facilities	Valley Fitness	0.2 Northeast
	University Park	2.2 West
Gas Station	7-Eleven	0.5 West
	Sheetz	0.8 Northwest
	Shell	1.1 North
Pharmacy	Medicap Pharmacy	< 0.1 North
	CVS Pharmacy	0.5 East
	Martin's Pharmacy	0.6 East
Restaurant	Macado's	0.3 North
	Jalisco Mexican Restaurant 3	0.3 North
	Pollo a la Brasa	0.4 Northeast
Day Care	Good Shepard Day Care	0.3 Northwest
Community Center	Cecil F. Gilkerson Community Activities Center	3.9 Northwest

Most essential community services, including shopping, dining, employment, education and recreation can be accessed within 2.6 miles of the site. The nearest shopping center is located just 0.5 miles from the site. Discount stores, childcare and banks can also be accessed within 1.2 miles. Major employers, including James Madison University and Sentara RMH Medical Center, are within 1.9 miles of the site. Many of these services are north of the site along the Evelyn Bird Avenue commercial corridor.

Public safety services are provided by the Harrisonburg Police and Fire departments, both within 2.6 miles of the site. A U.S. Post Office is located within 2.7 miles. The nearest full-service hospital with an emergency department, Sentara RMH Medical Center, is located 1.9 miles from the site.

Overall, the site's proximity to community services should positively contribute to its marketability.

## **5. OVERALL SITE EVALUATION**

The subject site consists of vacant lot located on the southside of Lucy Drive in the southeastern portion of Harrisonburg. Surrounding land uses include residential dwellings, an assisted living facility, pharmacies, fire station, several medical offices, a mall, several office buildings, a bank and a furniture store. Most of the surrounding buildings range from fair to good condition. Visibility of the site is considered good within the immediate area; however, it is not visible from highly traveled roadways. As such, promotional signage is recommended throughout the market area to enhance its awareness during the initial lease-up process. Access to the site is considered good, as it is within 1.2 miles of State Route 710, U.S. Highway 33 and Interstate 81. Most essential community services, including shopping, dining, education, public safety services and recreation can be accessed within 2.6 miles of the site. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability.

## **6. CRIME ISSUES**

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk for the site’s ZIP Code is 68, with an overall personal crime index of 42 and a property crime index of 73. Total crime risk for Harrisonburg City is 76, with indexes for personal and property crime of 56 and 79, respectively.

	Crime Risk Index	
	Site ZIP Code	Harrisonburg City
<b>Total Crime</b>	<b>68</b>	<b>76</b>
<b>Personal Crime</b>	<b>42</b>	<b>56</b>
Murder	63	67
Rape	59	112
Robbery	28	28
Assault	44	58
<b>Property Crime</b>	<b>73</b>	<b>79</b>
Burglary	49	55
Larceny	84	92
Motor Vehicle Theft	30	28

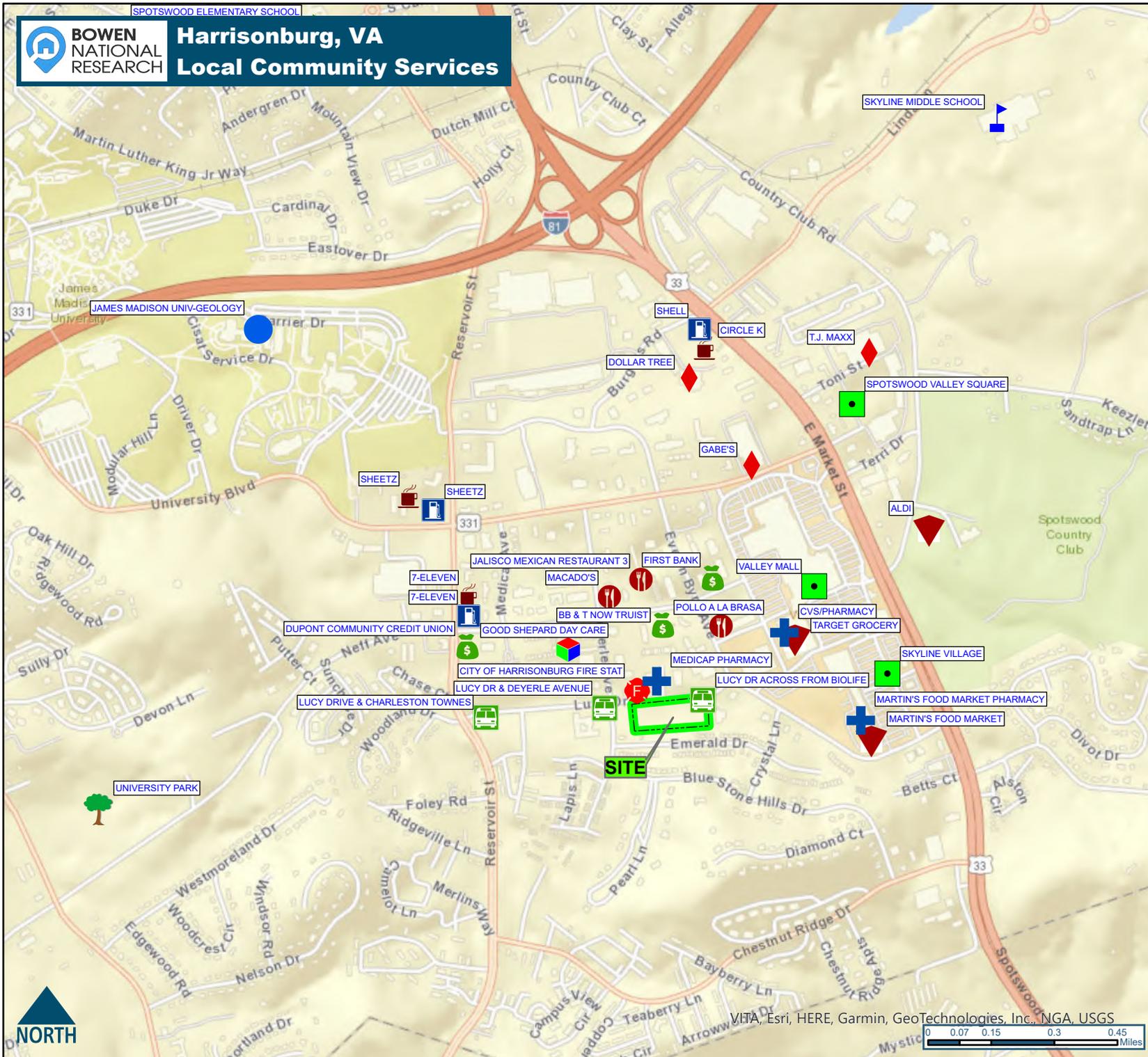
Source: Applied Geographic Solutions

The crime risk index within the site’s ZIP Code (68) is below both those for the city of Harrisonburg (76) and the nation (100). As such, the perception of crime, or lack thereof, within the area will have a positive impact on site marketability.

Maps illustrating the location of community services and crime risk are on the following pages.



# Harrisonburg, VA Local Community Services



**Legend**

- Site Area
- Bank
- Child Care
- Convenience Store
- Elementary School
- Fire
- Gas
- Grocery
- Middle School
- Park
- Pharmacy
- Restaurant
- Shopping
- Transit
- Employer 1000-5000
- Shopping Center



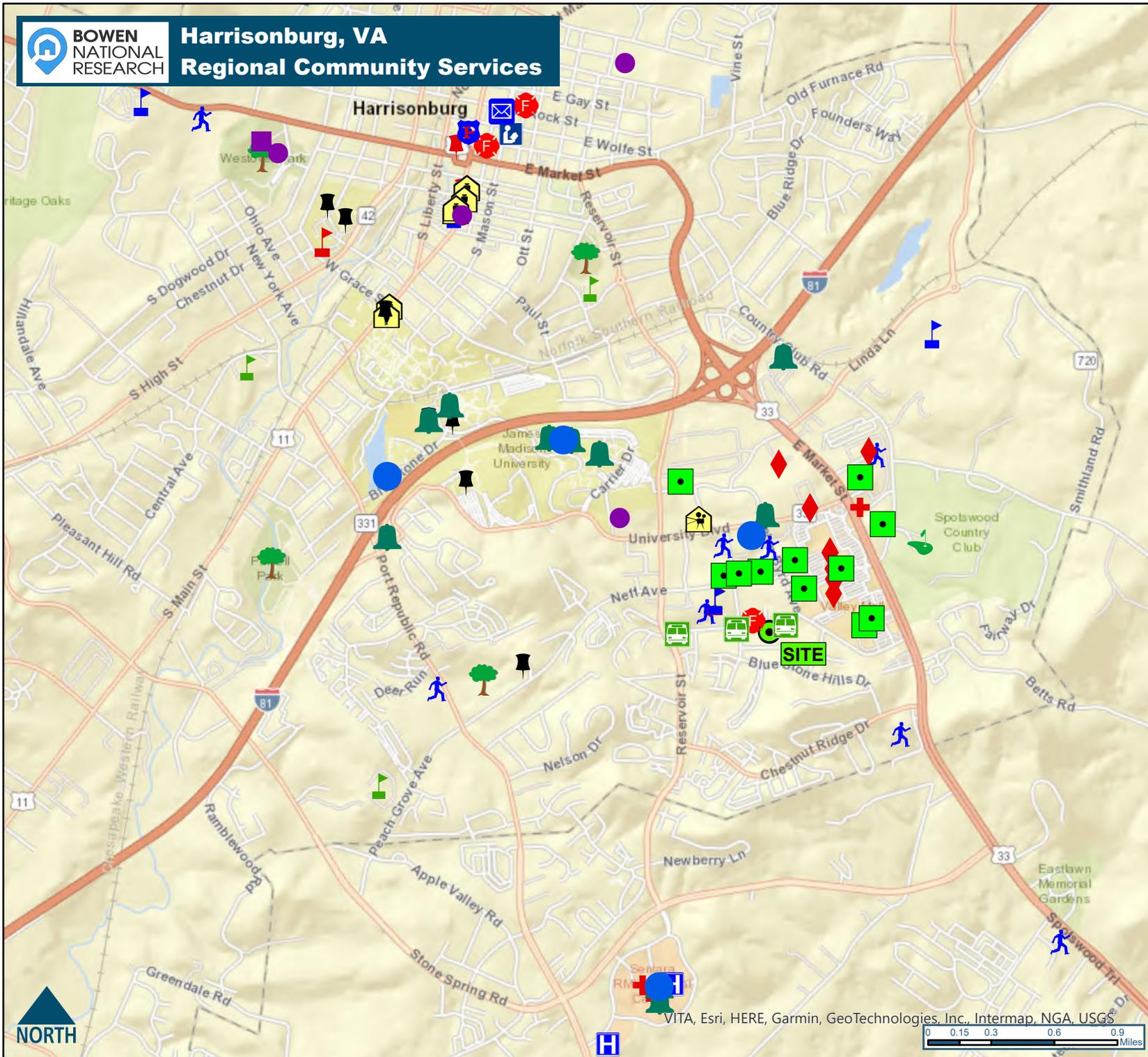
VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., NGA, USGS



1:20,000



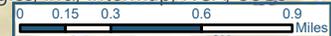
# Harrisonburg, VA Regional Community Services



- Legend**
- Site
  - Entertainment
  - Cinema
  - Elementary School
  - Fire
  - Fitness Center
  - Golf
  - High School
  - Hospital
  - Library
  - Medical Center
  - Middle School
  - Museum
  - Park
  - Police
  - Post Office
  - Recreation Center
  - Senior Services
  - Shopping
  - Stadium
  - Transit
  - University
  - Employer 1000-5000
  - Shopping Center



VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., Intermap, NGA, USGS



1:40,000



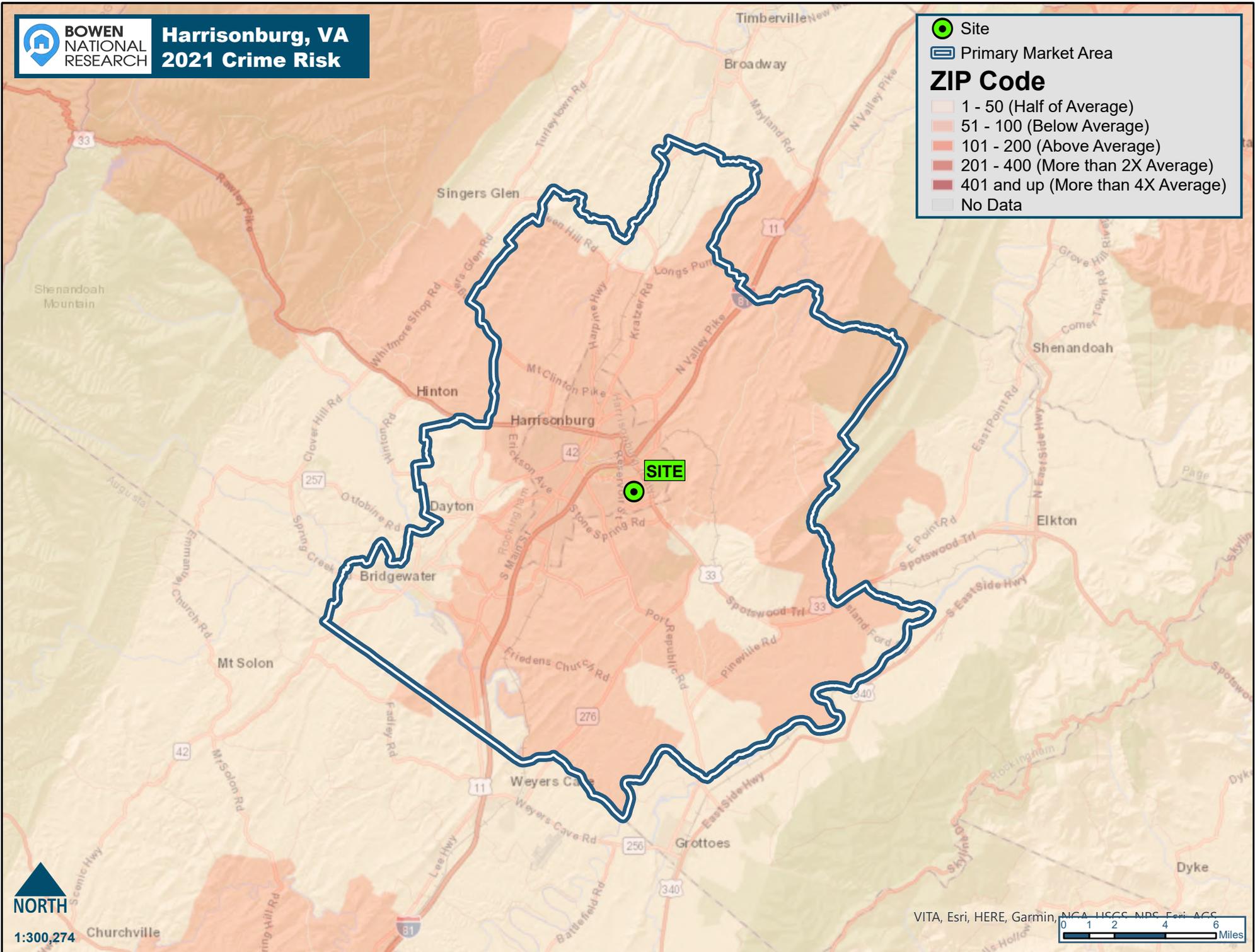
# Harrisonburg, VA 2021 Crime Risk

Site

Primary Market Area

**ZIP Code**

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



1:300,274

Churchville

VITA, Esri, HERE, Garmin, NGA, USGS, NPS, Esri, ACS

Miles

## **B. PRIMARY MARKET AREA DELINEATION**

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Harrisonburg Site PMA was determined through interviews with area leasing and real estate agents and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Harrisonburg Site PMA includes all of Harrisonburg, Dayton, Bridgewater, Mount Crawford and the Census-Designated Place (CDP) of Massanetta Springs and portions of the Massanutten CDP, as well as the surrounding unincorporated areas of Rockingham County. Specifically, the boundaries of the Site PMA generally include State Route 780, State Route 42, Trissels Road, Zion Church Road, Simmers Valley Road, Longs Pump Road, State Route 721, Fridleys Gap Road and Airey Lane to the north; Third Mountain, Second Mountain, Del Webb Drive, Palmer Road, State Route 647, U.S. Highway 33 and South Fork Shenandoah River to the east; North River and the Augusta-Rockingham County boundary to the south; and State Route 747, North River, Dry River, State Route 257, Limestone Lane, Rushville Road, Bumblebee Road, Coakley Town Road, Bank Church Road, U.S. Highway 33, State Route 701, State Route 613, Snapps Creek Road, Glen Hollow Road and Mt. Zion Road to the west.

Vanessa Martinez, Property Manager of Colonnade at Rocktown I & II (Map ID 2), a Tax Credit and market-rate property in Harrisonburg, confirmed the boundaries of the Site PMA, indicating that a majority of support comes from Harrisonburg and localities that border Harrisonburg. Specifically, Ms. Martinez stated that Bridgewater, Dayton and the unincorporated areas of Edom and Linville provide a majority of support for her project.

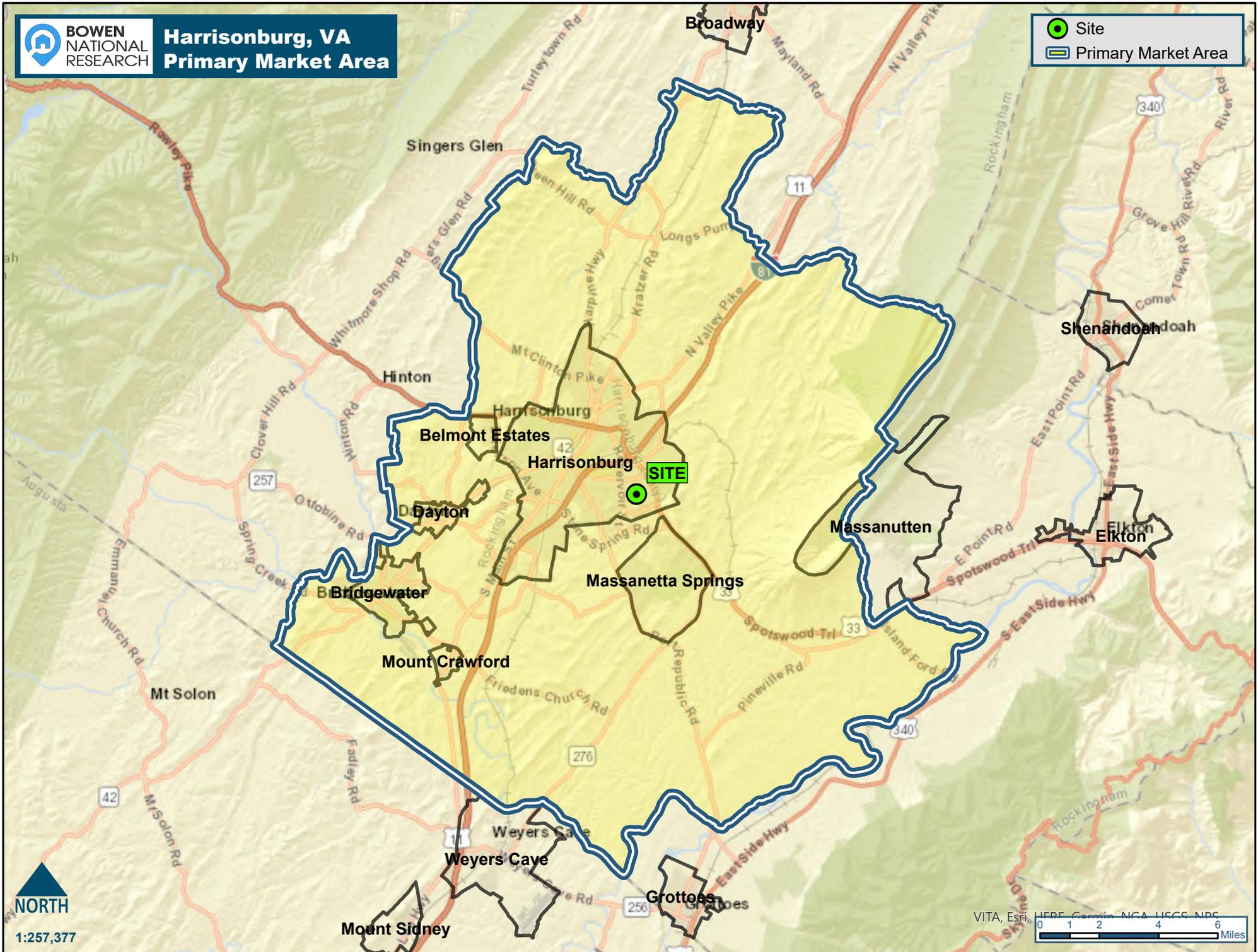
The communities to the south could provide some support for the project; however, the majority of support is expected to come from residents living within the Site PMA. Therefore, we have not considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



# Harrisonburg, VA Primary Market Area

● Site  
▭ Primary Market Area



NORTH

1:257,377

VITA, Esri, HERE, DeLorme, NGA, USGS, NPS  
0 1 2 4 6 Miles

## C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

### 1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2022 (estimated) and 2027 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2022 (Estimated)	2027 (Projected)
Population	68,684	82,647	92,851	97,049
Population Change	-	13,963	10,204	4,198
Percent Change	-	20.3%	12.3%	4.5%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Harrisonburg Site PMA population base increased by 13,963 between 2000 and 2010. This represents a 20.3% increase from the 2000 population base, or an annual rate of 1.9%. Between 2010 and 2022, the population increased by 10,204, or 12.3%. It is projected that the population will increase by 4,198, or 4.5%, between 2022 and 2027.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	23,113	28.0%	24,319	26.2%	25,181	25.9%	862	3.5%
20 to 24	15,908	19.2%	15,985	17.2%	16,383	16.9%	398	2.5%
25 to 34	9,716	11.8%	12,063	13.0%	11,547	11.9%	-516	-4.3%
35 to 44	8,123	9.8%	9,691	10.4%	10,797	11.1%	1,106	11.4%
45 to 54	8,788	10.6%	8,297	8.9%	8,707	9.0%	410	4.9%
55 to 64	7,245	8.8%	8,895	9.6%	8,663	8.9%	-232	-2.6%
65 to 74	4,591	5.6%	7,273	7.8%	8,259	8.5%	986	13.6%
75 & Over	5,163	6.2%	6,328	6.8%	7,512	7.7%	1,184	18.7%
Total	82,647	100.0%	92,851	100.0%	97,049	100.0%	4,198	4.5%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 42% of the population is expected to be between 25 and 64 years old in 2022. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

## 2. HOUSEHOLD TRENDS

Household trends within the Harrisonburg Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2022 (Estimated)	2027 (Projected)
Households	23,423	28,608	32,327	33,911
Household Change	-	5,185	3,719	1,584
Percent Change	-	22.1%	13.0%	4.9%
Household Size	2.93	2.89	2.59	2.59

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Harrisonburg Site PMA, households increased by 5,185 (22.1%) between 2000 and 2010. Between 2010 and 2022, households increased by 3,719, or 13.0%. By 2027, there will be 33,911 households, an increase of 1,584 households, or 4.9%, from 2022. This is an increase of approximately 317 households annually over the next five years.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	4,584	16.0%	4,487	13.9%	4,635	13.7%	148	3.3%
25 to 34	4,493	15.7%	5,327	16.5%	5,074	15.0%	-253	-4.7%
35 to 44	4,313	15.1%	4,943	15.3%	5,448	16.1%	505	10.2%
45 to 54	4,882	17.1%	4,418	13.7%	4,587	13.5%	169	3.8%
55 to 64	4,227	14.8%	4,957	15.3%	4,764	14.0%	-193	-3.9%
65 to 74	2,818	9.9%	4,285	13.3%	4,804	14.2%	519	12.1%
75 to 84	2,190	7.7%	2,381	7.4%	2,800	8.3%	419	17.6%
85 & Over	1,101	3.8%	1,529	4.7%	1,799	5.3%	270	17.7%
Total	28,608	100.0%	32,327	100.0%	33,911	100.0%	1,584	4.9%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2022 and 2027, the greatest growth among household age groups is projected to be among those between 65 and 74. Households between the ages of 35 and 44 are also projected to experience notable growth during the same time frame. These trends illustrate that there will likely be an increasing need for housing for both seniors and families within the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	15,175	53.0%	17,374	53.7%	18,577	54.8%
Renter-Occupied	13,433	47.0%	14,953	46.3%	15,334	45.2%
Total	28,608	100.0%	32,327	100.0%	33,911	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, renter households within the market are projected to increase by 381, or 2.5%, between 2022 and 2027. These trends further illustrate that there will likely be an increasing need for rental housing within the Harrisonburg Site PMA.

The household sizes by tenure within the Site PMA, based on the 2022 estimates and 2027 projections, were distributed as follows:

Persons Per Renter Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	5,119	34.2%	5,381	35.1%	262	5.1%
2 Persons	4,061	27.2%	4,094	26.7%	33	0.8%
3 Persons	2,576	17.2%	2,659	17.3%	83	3.2%
4 Persons	1,937	13.0%	1,899	12.4%	-38	-2.0%
5 Persons+	1,261	8.4%	1,302	8.5%	41	3.3%
Total	14,953	100.0%	15,334	100.0%	381	2.5%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Persons Per Owner Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	3,639	20.9%	3,894	21.0%	255	7.0%
2 Persons	6,664	38.4%	7,003	37.7%	339	5.1%
3 Persons	2,984	17.2%	3,274	17.6%	289	9.7%
4 Persons	2,430	14.0%	2,639	14.2%	209	8.6%
5 Persons+	1,657	9.5%	1,768	9.5%	111	6.7%
Total	17,374	100.0%	18,578	100.0%	1,204	6.9%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The one- through three-bedroom units proposed at the subject site are expected to generally house up to five-person households. As such, the subject project will be able to accommodate virtually all renter households in the market, based on household size.

### 3. INCOME TRENDS

The distribution of households by income within the Harrisonburg Site PMA is summarized as follows:

Household Income	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	2,294	8.0%	1,898	5.9%	1,620	4.8%
\$10,000 to \$19,999	3,388	11.8%	2,518	7.8%	2,146	6.3%
\$20,000 to \$29,999	3,269	11.4%	2,840	8.8%	2,540	7.5%
\$30,000 to \$39,999	2,979	10.4%	3,495	10.8%	3,265	9.6%
\$40,000 to \$49,999	3,016	10.5%	3,297	10.2%	3,271	9.6%
\$50,000 to \$59,999	2,561	9.0%	2,157	6.7%	2,224	6.6%
\$60,000 to \$74,999	3,013	10.5%	3,195	9.9%	3,446	10.2%
\$75,000 to \$99,999	3,271	11.4%	4,475	13.8%	5,054	14.9%
\$100,000 to \$124,999	2,103	7.4%	3,163	9.8%	3,832	11.3%
\$125,000 to \$149,999	1,063	3.7%	1,553	4.8%	1,845	5.4%
\$150,000 to \$199,999	964	3.4%	1,902	5.9%	2,405	7.1%
\$200,000 & Over	687	2.4%	1,834	5.7%	2,264	6.7%
Total	28,608	100.0%	32,327	100.0%	33,912	100.0%
Median Income	\$47,871				\$59,807	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$47,871. This increased by 24.9% to \$59,807 in 2022. By 2027, it is projected that the median household income will be \$68,226, an increase of 14.1% from 2022.

The following tables illustrate renter household income by household size for 2010, 2022 and 2027 for the Harrisonburg Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	513	490	296	329	152	1,780
\$10,000 to \$19,999	765	643	389	432	200	2,429
\$20,000 to \$29,999	579	557	337	374	173	2,020
\$30,000 to \$39,999	496	470	284	315	146	1,710
\$40,000 to \$49,999	389	425	257	286	132	1,489
\$50,000 to \$59,999	282	284	172	191	88	1,016
\$60,000 to \$74,999	312	340	206	229	106	1,193
\$75,000 to \$99,999	261	272	164	183	84	964
\$100,000 to \$124,999	99	103	62	69	32	367
\$125,000 to \$149,999	55	51	31	34	16	187
\$150,000 to \$199,999	47	44	27	30	14	162
\$200,000 & Over	34	32	19	21	10	116
Total	3,834	3,710	2,245	2,492	1,153	13,433

Source: ESRI; Urban Decision Group

Renter Households	2022 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	447	429	272	205	133	1,486
\$10,000 to \$19,999	671	483	306	231	150	1,842
\$20,000 to \$29,999	692	495	314	236	154	1,890
\$30,000 to \$39,999	748	569	361	272	177	2,127
\$40,000 to \$49,999	605	465	295	222	144	1,731
\$50,000 to \$59,999	317	257	163	123	80	940
\$60,000 to \$74,999	487	373	237	178	116	1,391
\$75,000 to \$99,999	428	369	234	176	115	1,321
\$100,000 to \$124,999	294	261	166	124	81	927
\$125,000 to \$149,999	149	127	80	60	39	455
\$150,000 to \$199,999	142	119	75	56	37	429
\$200,000 & Over	139	113	72	54	35	414
Total	5,119	4,061	2,576	1,937	1,261	14,953

Source: ESRI; Urban Decision Group

Renter Households	2027 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	391	345	224	160	110	1,230
\$10,000 to \$19,999	588	397	258	184	127	1,554
\$20,000 to \$29,999	668	440	286	204	140	1,737
\$30,000 to \$39,999	710	511	332	237	163	1,953
\$40,000 to \$49,999	612	450	292	208	143	1,705
\$50,000 to \$59,999	349	268	174	124	85	1,001
\$60,000 to \$74,999	569	403	262	187	128	1,550
\$75,000 to \$99,999	477	408	265	189	130	1,468
\$100,000 to \$124,999	443	387	251	180	123	1,383
\$125,000 to \$149,999	219	184	119	86	58	666
\$150,000 to \$199,999	182	155	101	72	49	559
\$200,000 & Over	173	145	94	68	46	526
Total	5,381	4,094	2,659	1,899	1,302	15,334

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

### Demographic Summary

The Harrisonburg Site PMA is projected to experience both population and household growth between 2022 and 2027, a trend which has been ongoing since 2000 and is expected to result in increased demand for housing within the market. Renter households are also projected to experience growth during the same time frame, increasing by 381, or 2.5%. While low-income renters (generally those earning below \$50,000) are projected to decline during the projection period, they will still represent over 53.0% of all renter households within the market by 2027. Based on the preceding analysis, a large base of lower-income renter households will continue to exist in the market during this time period.

## **D. LOCAL ECONOMIC PROFILE AND ANALYSIS**

### **1. LABOR FORCE PROFILE**

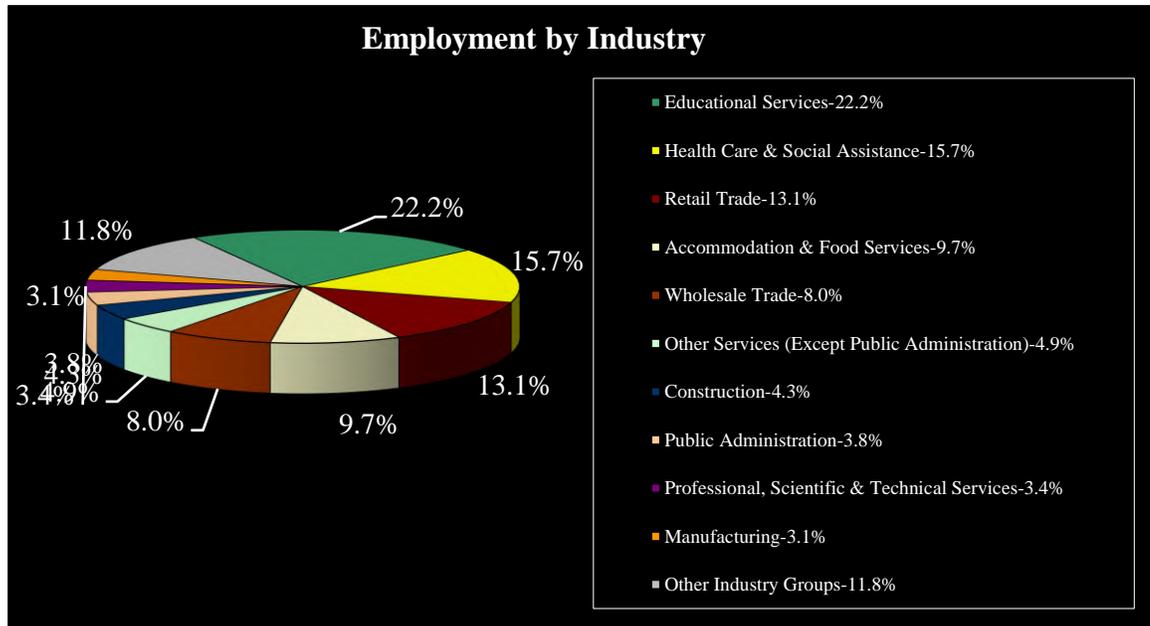
The labor force within the Harrisonburg Site PMA is based primarily in three sectors. Educational Services (which comprises 22.2%), Health Care & Social Assistance and Retail Trade comprise approximately 51% of the Site PMA labor force. Employment in the Harrisonburg Site PMA, as of 2022, was distributed as follows:

<b>NAICS Group</b>	<b>Establishments</b>	<b>Percent</b>	<b>Employees</b>	<b>Percent</b>	<b>E.P.E.</b>
Agriculture, Forestry, Fishing & Hunting	39	1.1%	429	0.7%	11.0
Mining	3	0.1%	52	0.1%	17.3
Utilities	7	0.2%	200	0.3%	28.6
Construction	205	5.7%	2,618	4.3%	12.8
Manufacturing	107	3.0%	1,898	3.1%	17.7
Wholesale Trade	127	3.5%	4,840	8.0%	38.1
Retail Trade	604	16.8%	7,984	13.1%	13.2
Transportation & Warehousing	69	1.9%	1,051	1.7%	15.2
Information	68	1.9%	1,084	1.8%	15.9
Finance & Insurance	215	6.0%	1,632	2.7%	7.6
Real Estate & Rental & Leasing	164	4.6%	969	1.6%	5.9
Professional, Scientific & Technical Services	264	7.4%	2,056	3.4%	7.8
Management of Companies & Enterprises	1	0.0%	4	0.0%	4.0
Administrative, Support, Waste Management & Remediation Services	82	2.3%	570	0.9%	7.0
Educational Services	119	3.3%	13,481	22.2%	113.3
Health Care & Social Assistance	357	10.0%	9,529	15.7%	26.7
Arts, Entertainment & Recreation	79	2.2%	964	1.6%	12.2
Accommodation & Food Services	310	8.6%	5,883	9.7%	19.0
Other Services (Except Public Administration)	525	14.6%	3,004	4.9%	5.7
Public Administration	93	2.6%	2,292	3.8%	24.6
Nonclassifiable	147	4.1%	201	0.3%	1.4
<b>Total</b>	<b>3,585</b>	<b>100.0%</b>	<b>60,741</b>	<b>100.0%</b>	<b>16.9</b>

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Harrisonburg Metropolitan Statistical Area (MSA) are compared with those of Virginia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Harrisonburg MSA	Virginia
Management Occupations	\$109,090	\$142,170
Business and Financial Occupations	\$67,680	\$88,480
Computer and Mathematical Occupations	\$74,660	\$107,130
Architecture and Engineering Occupations	\$81,950	\$94,480
Community and Social Service Occupations	\$46,970	\$53,450
Art, Design, Entertainment and Sports Medicine Occupations	\$48,850	\$65,300
Healthcare Practitioners and Technical Occupations	\$87,120	\$84,620
Healthcare Support Occupations	\$30,540	\$30,330
Protective Service Occupations	\$45,020	\$50,600
Food Preparation and Serving Related Occupations	\$23,730	\$25,950
Building and Grounds Cleaning and Maintenance Occupations	\$27,780	\$31,480
Personal Care and Service Occupations	\$29,000	\$31,230
Sales and Related Occupations	\$36,020	\$45,750
Office and Administrative Support Occupations	\$37,670	\$42,870
Construction and Extraction Occupations	\$46,310	\$48,430
Installation, Maintenance and Repair Occupations	\$48,220	\$53,610
Production Occupations	\$39,890	\$41,270
Transportation and Moving Occupations	\$36,930	\$39,160

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$23,730 to \$48,850 within the Harrisonburg MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$84,100. It is important to note that most occupational types within the Harrisonburg MSA have lower typical wages than the State of Virginia's typical wages.

The ten largest employers within the Harrisonburg area comprise a total of between 10,957 and 11,755 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
James Madison University	Education	3,840
Sentara Healthcare	Health Care	2,500-2,999
Harrisonburg City Public Schools	Education	1,020
City of Harrisonburg	Government	850
DRiV Automotive	Vehicle Products and Services	700
Farmer Focus (Shenandoah Valley Organic)	Food Manufacturer	650
Aramark Campus LLC	Special Food Service	500
George's Foods	Food Products Suppliers	300-599
Eastern Mennonite University	Education	392
Virginia Mennonite Retirement	Retirement Community	205
Total		10,957-11,755

Source: Harrisonburg Economic Development (January 2022)

According to a representative with the Harrisonburg Economic Development, the Harrisonburg economy is improving. A large part of the local economy is reliant on the two local universities. During the COVID-19 pandemic, a large percentage of the students left Harrisonburg and returned to their homes. The spending power of those students, along with part-time staffing and athletic/cultural events, negatively impacted the area economy. With restrictions being lifted, sales tax revenues are on the rise. The unemployment rate is steadily decreasing and with that, area employers are having a difficult time finding workers.

Notable business announcements in Harrisonburg include SIBO USA, which is planning a \$2.6 million expansion that will add 24 jobs; Valley Guard Supply announced a new \$1 million facility; and Farmer Focus announced a \$64 million expansion and will add 110 new positions over the next three years.

### Infrastructure

Harrisonburg is building a second \$100 million high school that is expected to be completed in August 2024; the Public Utilities Department is running a 24-mile raw supply line from the eastern city limits to the Shenandoah River, a fifth fire station was recently approved.

The following table summarizes COVID-19 vaccination rates by age group for Harrisonburg, Virginia as of February 11, 2022:

City of Harrisonburg Vaccination Rates (as of February 11, 2022)	
Age Group	Vaccination Rate
5 to 11	39.9%
12 to 17	42.5%
18 to 64	42.8%
65+	68.7%
Fully Vaccinated with Booster (All Eligible Ages)	1.8%

Source: Centers for Disease Control

WARN (layoff notices):

WARN Notices were reviewed in February 2022 and according to the Virginia Employment Commission, there has been one WARN notice reported for Harrisonburg over the past 12 months. Below is a table summarizing this notice:

WARN Notices			
Company	Jobs	Notice Date	Effective Date
Rosetta Stone	64	5/11/2021	7/11/2021

**2. EMPLOYMENT TRENDS**

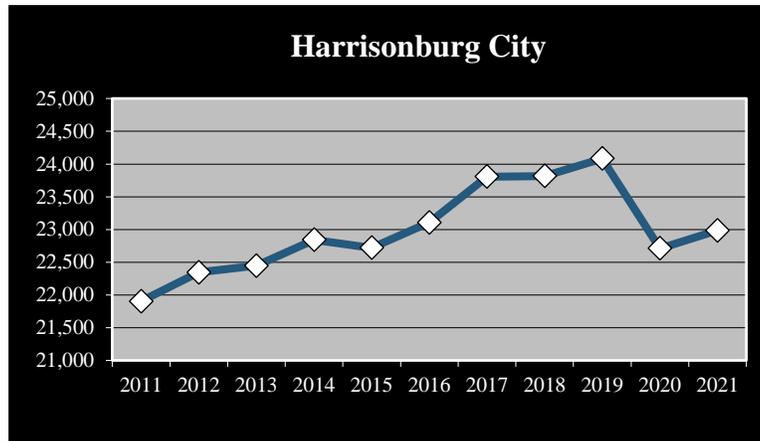
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the city/county in which the site is located.

Excluding 2021, the employment base has declined by 1.7% over the past five years in Harrisonburg City, more than the Virginia state decline of 0.2%. Total employment reflects the number of employed persons who live within the city/county.

The following illustrates the total employment base for Harrisonburg City, Virginia and the United States.

Year	Total Employment					
	Harrisonburg City		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2011	21,903	-	3,929,008	-	141,714,419	-
2012	22,345	2.0%	3,967,151	1.0%	143,548,588	1.3%
2013	22,446	0.5%	4,002,057	0.9%	144,904,568	0.9%
2014	22,843	1.8%	4,040,908	1.0%	147,293,817	1.6%
2015	22,722	-0.5%	4,048,081	0.2%	149,540,791	1.5%
2016	23,107	1.7%	4,084,822	0.9%	151,934,228	1.6%
2017	23,808	3.0%	4,174,453	2.2%	154,214,749	1.5%
2018	23,817	0.0%	4,232,972	1.4%	156,134,717	1.2%
2019	24,084	1.1%	4,308,622	1.8%	158,154,548	1.3%
2020	22,712	-5.7%	4,075,237	-5.4%	148,639,745	-6.0%
2021	22,986	1.2%	4,081,546	0.2%	153,575,957	3.3%

Source: Department of Labor; Bureau of Labor Statistics

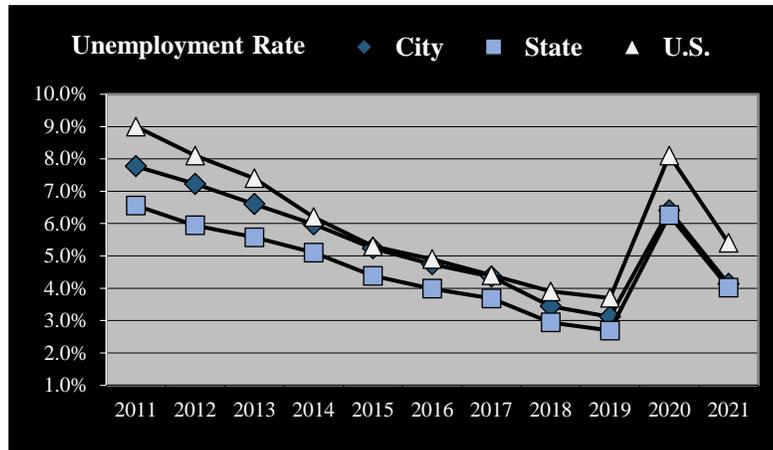


As the preceding illustrates, the Harrisonburg City employment base generally experienced growth between 2011 and 2019. Between 2019 and 2020, the city’s employment base declined by 5.7% as the result of the COVID-19 pandemic. On a positive note, the county’s economy has improved in 2021, as its employment base increased by 1.2%.

Unemployment rates for Harrisonburg City, Virginia and the United States are illustrated as follows:

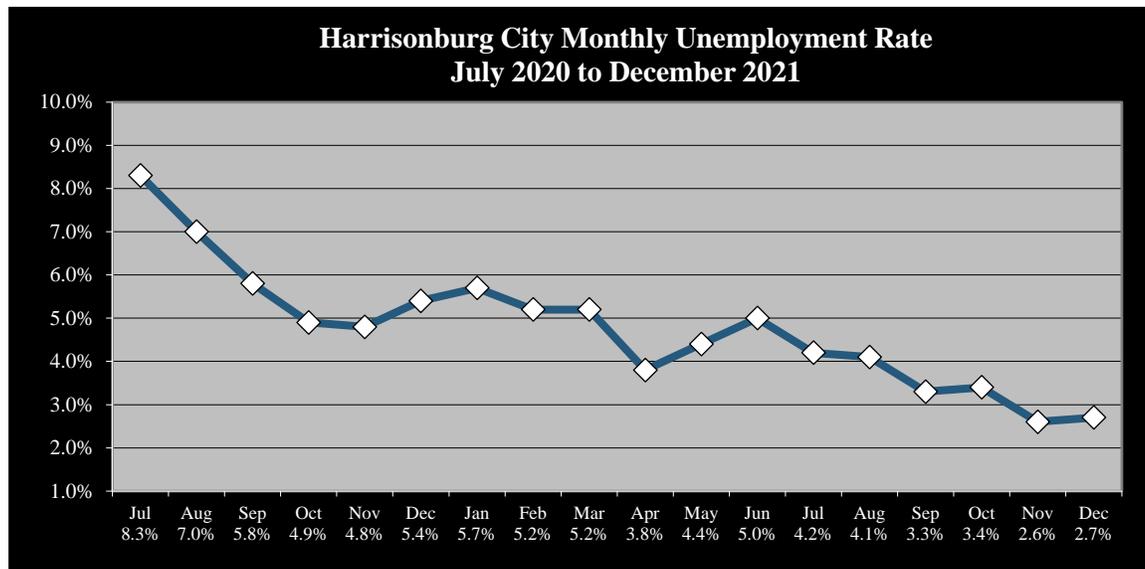
Year	Unemployment Rate		
	Harrisonburg City	Virginia	United States
2011	7.8%	6.6%	9.0%
2012	7.2%	5.9%	8.1%
2013	6.6%	5.6%	7.4%
2014	6.0%	5.1%	6.2%
2015	5.2%	4.4%	5.3%
2016	4.7%	4.0%	4.9%
2017	4.4%	3.7%	4.4%
2018	3.4%	2.9%	3.9%
2019	3.1%	2.7%	3.7%
2020	6.4%	6.3%	8.1%
2021	4.1%	4.0%	5.4%

Source: Department of Labor, Bureau of Labor Statistics



Between 2011 and 2019, the unemployment rate within Harrisonburg declined by nearly five percentage points, then increased by over three percentage points between 2019 and 2020 as the result of the COVID-19 pandemic. Similar to employment trends, the unemployment rate within the city has improved in 2021, which has declined by over two percentage points.

The following table illustrates the monthly unemployment rate in Harrisonburg City for the most recent 18-month period for which data is currently available.



The *monthly* unemployment rate for Harrisonburg peaked at 8.3% in July 2020 within the preceding 18-month period. On a positive note, the county’s monthly unemployment rate has generally been declining since.

The following table illustrates the monthly unemployment rate since January 2020:

Monthly Unemployment Rate	
Month	Harrisonburg City
January 2020	2.9%
February 2020	2.5%
March 2020	3.1%
April 2020	11.7%
May 2020	10.5%
June 2020	10.0%
July 2020	8.3%
August 2020	7.0%
September 2020	5.8%
October 2020	4.9%
November 2020	4.8%
December 2020	5.4%
January 2021	5.7%
February 2021	5.2%
March 2021	5.2%
April 2021	3.8%
May 2021	4.4%
June 2021	5.0%
July 2021	4.2%
August 2021	4.1%
September 2021	3.3%
October 2021	3.4%
November 2021	2.6%
December 2021	2.7%

Source: Department of Labor, Bureau of Labor Statistics

The monthly unemployment rate reached a high of 11.7% during the initial impact of the pandemic in April of 2020. Since, however, the monthly unemployment rate has declined by nine full percentage points to a rate of 2.7% in December of 2021.

In-place employment reflects the total number of jobs within the city/county regardless of the employee's city/county of residence. The following illustrates the total in-place employment base for Harrisonburg City.

In-Place Employment Harrisonburg City			
Year	Employment	Change	Percent Change
2011	31,365	-	-
2012	31,443	78	0.2%
2013	29,921	-1,522	-4.8%
2014	30,204	283	0.9%
2015	30,608	404	1.3%
2016	31,363	755	2.5%
2017	31,560	197	0.6%
2018	31,373	-187	-0.6%
2019	31,668	295	0.9%
2020	28,864	-2,804	-8.9%
2021*	29,117	253	0.9%

Source: Department of Labor, Bureau of Labor Statistics

\*Through June

Data for 2020, the most recent year that year-end figures are available, indicates in-place employment in Harrisonburg City to be 127.1% of the total Harrisonburg City employment. This means that Harrisonburg City has more employed persons coming to the city from other cities/counties for work (daytime employment) than those who both live and work there.

### 3. ECONOMIC FORECAST

Based on data provided by the State of Virginia Department of Labor and the U.S. Department of Labor, the local economy generally experienced growth between 2011 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Harrisonburg City employment base declined by nearly 1,375 jobs, or 5.7%, and its unemployment rate increased by over three percentage points. Specifically, between March and April 2020, the unemployment rate within the city spiked by nearly nine percentage points. On a positive note, the local economy improved in 2021, as the employment base experienced growth and the unemployment rate declined. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for nearly 23.0% of the market’s labor force and provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

### 4. COMMUTING PATTERNS

Based on the American Community Survey (2015-2019), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	31,001	73.3%
Carpooled	5,121	12.1%
Public Transit	530	1.3%
Walked	2,780	6.6%
Other Means	1,021	2.4%
Worked at Home	1,842	4.4%
Total	42,295	100.0%

Source: American Community Survey (2015-2019); ESRI; Urban Decision Group; Bowen National Research

Over 73% of all workers drove alone, 12.1% carpooled and only 1.3% used public transportation.

Typical travel times to work for the Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	18,852	44.6%
15 to 29 Minutes	15,836	37.4%
30 to 44 Minutes	3,668	8.7%
45 to 59 Minutes	823	1.9%
60 or More Minutes	1,274	3.0%
Worked at Home	1,842	4.4%
Total	42,295	100.0%

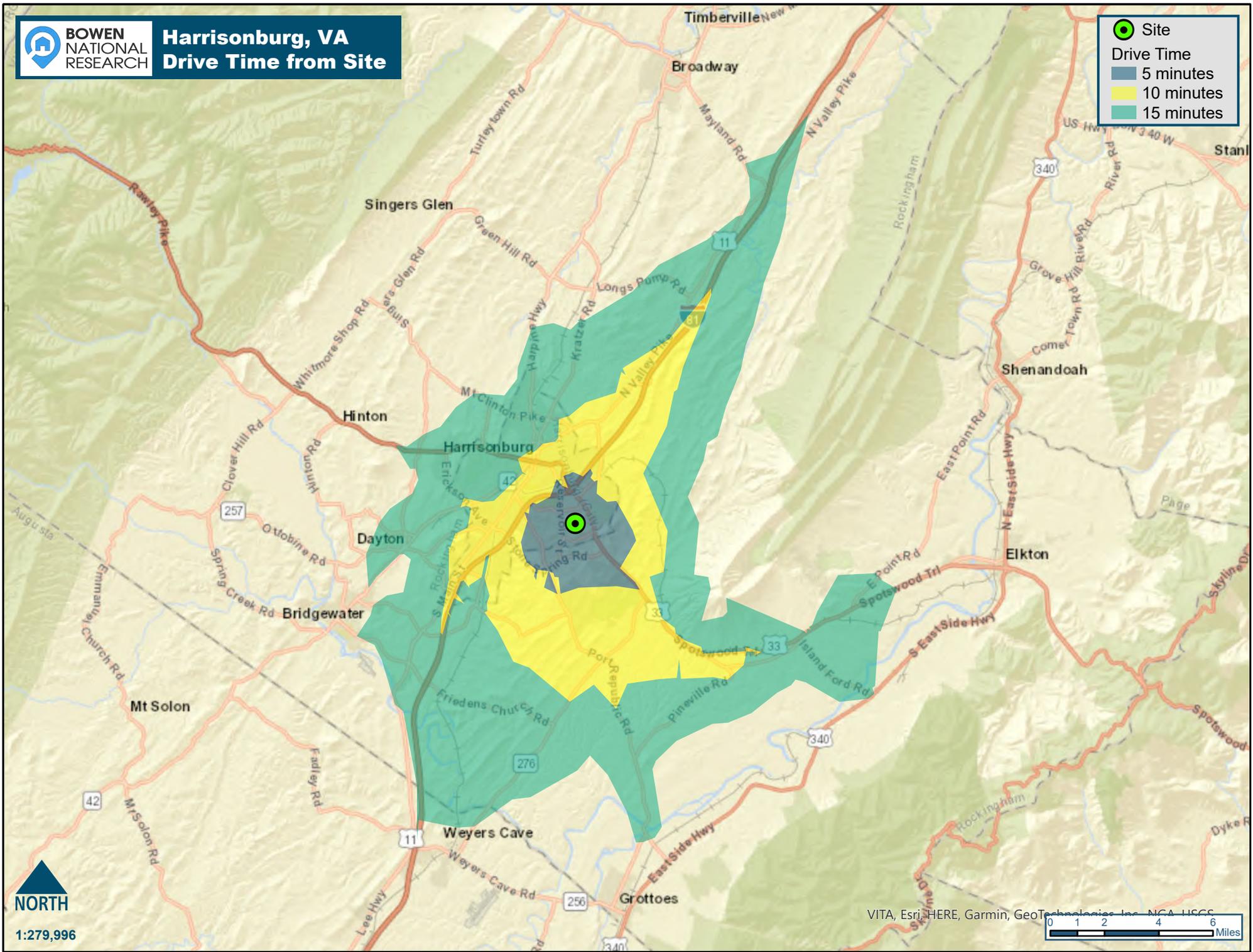
Source: American Community Survey (2015-2019); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should contribute to its marketability. A drive-time map for the subject site is on the following page.



# Harrisonburg, VA Drive Time from Site

● Site  
Drive Time  
■ 5 minutes  
■ 10 minutes  
■ 15 minutes



NORTH  
1:279,996

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc, NGA, USGS  
0 1 2 4 6 Miles

## V. Rental Housing Analysis (Supply)

### A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Harrisonburg Site PMA in 2010 and 2022 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2022 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	28,608	90.0%	32,327	89.8%
Owner-Occupied	15,175	53.0%	17,374	53.7%
Renter-Occupied	13,433	47.0%	14,953	46.3%
Vacant	3,179	10.0%	3,677	10.2%
Total	31,787	100.0%	36,004	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2022 update of the 2010 Census, of the 36,004 total housing units in the market, 10.2% were vacant. In 2022, it was estimated that homeowners occupied 53.7% of all occupied housing units, while the remaining 46.3% were occupied by renters. The share of renters is considered typical for a market of this size and the 14,953 renter households estimated in 2022 represent a deep base of potential support for the subject site.

#### Conventional Apartments

We identified and personally surveyed 15 conventional housing projects containing a total of 2,096 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.9%, a strong rate for rental housing. The surveyed rental developments broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	10	1,541	44	97.1%
Market-rate/Tax Credit	1	66	0	100.0%
Market-rate/Government-Subsidized	1	199	0	100.0%
Tax Credit	1	148	0	100.0%
Tax Credit/Government-Subsidized	1	112	0	100.0%
Government-Subsidized	1	30	0	100.0%
Total	15	2,096	44	97.9%

As the preceding table illustrates, all rental housing segments surveyed within the market are performing at strong occupancy levels, as none have a combined occupancy rate lower than 97.1%. In fact, all affordable rental housing communities surveyed are fully occupied, illustrating that pent-up demand exists for this type of housing. The subject project will be able to accommodate a portion of this unmet demand.

In addition to the three projects surveyed in the market that offer Tax Credit units, there is one additional family (general-occupancy) Tax Credit development within the market we were unable survey at the time this report was issued. This project, Robinson Park, is located at 2280 Bullpen Drive in Harrisonburg and offers 88 one-, two- and three-bedroom units targeting households earning up to 50% and 60% of Area Median Household Income (AMHI).

Lastly, per the request of Virginia Housing, we identified one additional Tax Credit project within the market that was excluded from our survey, as it targets a different demographic than the site. This project, Lineweaver Annex, is located at 265 Main Street in Harrisonburg and offers 60 one-bedroom units targeting senior households ages 62 and older earning up to 60% of AMHI.

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	15	0.9%	0	0.0%	\$1,008
One-Bedroom	1.0	350	21.3%	20	5.7%	\$1,086
One-Bedroom	2.0	61	3.7%	0	0.0%	\$1,850
Two-Bedroom	1.0	406	24.7%	1	0.2%	\$1,089
Two-Bedroom	1.5	4	0.2%	0	0.0%	\$1,506
Two-Bedroom	2.0	447	27.1%	23	5.1%	\$1,506
Two-Bedroom	3.0	122	7.4%	0	0.0%	\$2,060
Three-Bedroom	1.0	78	4.7%	0	0.0%	\$1,348
Three-Bedroom	1.5	32	1.9%	0	0.0%	\$1,073
Three-Bedroom	2.0	101	6.1%	0	0.0%	\$1,679
Three-Bedroom	3.0	21	1.3%	0	0.0%	\$2,358
Four-Bedroom	2.0	10	0.6%	0	0.0%	\$1,174
<b>Total Market-rate</b>		<b>1,647</b>	<b>100.0%</b>	<b>44</b>	<b>2.7%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	6	2.9%	0	0.0%	\$792
Two-Bedroom	2.0	144	69.2%	0	0.0%	\$920
Three-Bedroom	2.0	58	27.9%	0	0.0%	\$1,033
<b>Total Tax Credit</b>		<b>208</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	-

As the preceding table illustrates, the median gross Tax Credit rents are well below the corresponding median gross market-rate rents. As such, Tax Credit product likely represents an excellent value to low-income renters within the Site PMA. This is further evidenced by the combined vacancy rate of 0.0% among all non-subsidized Tax Credit units surveyed within the market.

The following is a distribution of non-subsidized units surveyed by year built for the Site PMA:

Year Built	Projects	Units	Vacancy Rate
Before 1970	1	165	0.0%
1970 to 1979	3	380	1.1%
1980 to 1989	2	186	0.0%
1990 to 1999	2	298	0.0%
2000 to 2009	2	266	0.0%
2010 to 2014	1	66	0.0%
2015	1	408	0.0%
2016 to 2020	0	0	0.0%
2021	1	86	46.5%
2022*	0	0	0.0%

\*As of February

Vacancies are the highest among the one rental property surveyed built in 2021, which is still in lease-up. As all other vacancy levels are very low at or below 1.1%, it can be concluded that there is no correlation between age and vacancies within the Harrisonburg rental housing market.

The newest rental community surveyed within the market, Preston Lake (Map ID 13), is a market-rate community that opened in August 2021. This property currently offers 86 apartments, of which 46 are occupied, yielding an absorption rate of approximately eight units per month, a slow rate for market-rate rental housing. However, it should be noted that there are 58 units still under construction at this property, which is likely a deterrent to potential applicants. It should also be pointed out that Preston Lake offers some of the highest rents within the market, which may also be putting downward pressure on its absorption rate.

We rated each property surveyed on a scale of "A" through "F". All non-subsidized properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A+	1	408	0.0%
A	1	86	46.5%
A-	2	200	0.0%
B	3	270	0.0%
B-	3	439	0.9%
C	2	244	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	1	60	0.0%
B+	1	148	0.0%

Excluding the market-rate property with a quality rating of an “A”, which is still in lease-up, vacancies are no higher than 0.9% when broken out by quality. As such, it can also be concluded that there is no correlation between appearance and vacancies within the Harrisonburg rental housing market.

Government-Subsidized

We identified and surveyed three properties that offer government-subsidized units within the Site PMA. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Two-Bedroom	1.0	56	50.0%	0	0.0%
Three-Bedroom	1.0	40	35.7%	0	0.0%
Four-Bedroom	2.0	16	14.3%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>112</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	50	38.8%	0	0.0%
Two-Bedroom	1.0	49	38.0%	0	0.0%
Three-Bedroom	1.0	30	23.3%	0	0.0%
<b>Total Subsidized</b>		<b>129</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

All government-subsidized units surveyed within the market are fully occupied and maintain a waiting list. This illustrates that pent-up demand exists for very low-income rental housing within the market.

Additional information regarding the Harrisonburg Site PMA apartment market is found in Section XII of this report.

**B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES**

We identified and surveyed two family (general-occupancy) projects that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units within the Harrisonburg Site PMA. While these properties offer units set aside at 60% of AMHI, a set aside that will not be present at the site, they were selected for comparability purposes, as they provide a baseline of the non-subsidized affordable rents that are achievable within the market. Given the limited number of LIHTC product surveyed within the market, we identified and surveyed two additional LIHTC communities outside of the Site PMA, but within the region in Staunton and Weyers Cave. Note that these two LIHTC properties outside of the market will not compete with the subject development, as they derive demographic support from a different geographical region and were selected for comparability purposes only. The four LIHTC properties and the proposed subject development are summarized in the table on the following page.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>Simms Pointe</b>	<b>2024</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 30%, 40%, 50%, 70% &amp; 80% AMHI &amp; PBV</b>
1	Chestnut Ridge I & II	1998	148	100.0%	1.1 Miles	3 Months	Families; 60% AMHI
2	Colonnade at Rocktown I & II	2010	60*	100.0%	2.6 Miles	9 HH	Families; 60% AMHI
905	Frontier Ridge Apts.	2005	100	100.0%	26.9 Miles	45 HH	Families; 50% AMHI
908	Landings at Weyers Cave	2012	84	100.0%	13.4 Miles	5 HH	Families; 40% AMHI

OCC. – Occupancy

HH - Households

\*Tax Credit units only

900 series Map IDs are located outside Site PMA

The four LIHTC projects have a combined occupancy rate of 100.0%, all of which maintain a waiting list, illustrating that pent-up demand exists for additional affordable rental housing within the market and region. The subject project will be able to accommodate a portion of this unmet demand.

It should also be pointed out that the subject project will be at least 14 years newer than the comparable LIHTC projects surveyed within the *market*. This will position the site at a competitive advantage.

The gross rents for the comparable projects and the proposed/programmatic rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
<b>Site</b>	<b>Simms Pointe</b>	<b>\$383/30% (1)</b> <b>\$513*/40% (2)</b> <b>\$638/50% (1)</b> <b>\$873/80% (1)</b>	<b>\$457/30% (2)</b> <b>\$616*/40% (3)</b> <b>\$767/50% (5)</b> <b>\$1,042/70% (2)</b> <b>\$1,052/80% (11)</b>	<b>\$529/30% (1)</b> <b>\$711*/40% (3)</b> <b>\$884/50% (2)</b> <b>\$1,149/70% (2)</b> <b>\$1,159/80% (4)</b>	<b>-</b>
1	Chestnut Ridge I & II	-	\$870-\$920/60% (112/0)	\$983-\$1,033/60% (36/0)	None
2	Colonnade at Rocktown I & II	\$792/60% (6/0)	\$972/60% (32/0)	\$1,126/60% (22/0)	None
905	Frontier Ridge Apts.	-	\$802/50% (50/0)	\$925/50% (50/0)	None
908	Landings at Weyers Cave	-	\$838/40% (44/0)	\$962/40% (40/0)	None

\*2021 maximum allowable gross LIHTC rent

900 series Map IDs are located outside Site PMA

Note that the subject project will be the only LIHTC project relative to those surveyed to offer units set aside at 30%, 70% and 80% of AMHI within the market and nearby region. As such, the subject development will offer an affordable rental housing alternative to low- and moderate-income households that are currently underserved, which will bode well in the demand of the subject units.

While the proposed subject rents set aside at 70% and 80% of AMHI, ranging from \$873 to \$1,159, will be the highest LIHTC rents within the market and region, as these units will target households with higher incomes, this will enable these specific units to charge higher rents. Notably, these proposed rent levels are only \$23 to \$81 higher than the 60% of AMHI rents offered at the comparable properties. In fact, the comparable properties could likely charge higher rents without having a significant adverse impact on occupancy levels, given that they are fully occupied with waiting lists. Additionally, given the subject’s newness and superior amenities package (as illustrated later in this section), this will enable the subject project to charge higher rents. Overall, it appears that the proposed subject rents are appropriately positioned within the Harrisonburg Site PMA.

The following table identifies the comparable LIHTC properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
1	Chestnut Ridge I & II	148	30	20.3%
2	Colonnade at Rocktown I & II	60*	N/A	-
905	Frontier Ridge Apts.	100	20	20.0%
908	Landings at Weyers Cave	84	N/A	-
Total		248	50	20.2%

\*Tax Credit units only

N/A – Not Available (units not included in total)

900 series Map IDs are located outside Site PMA

As the preceding table illustrates, there are a total of approximately 50 units that are occupied by Voucher holders among the two comparable LIHTC projects surveyed within the market and region that provided such information. The 50 units occupied by Voucher holders comprise 20.2% of these comparable units. This illustrates that nearly 80.0% of these comparable Tax Credit units are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the aforementioned projects in the market and region are achievable.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market and region are compared with the subject development in the following tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Simms Pointe</b>	<b>712</b>	<b>919</b>	<b>1,148</b>
1	Chestnut Ridge I & II	-	988	1,128
2	Colonnade at Rocktown I & II	717	900	1,100
905	Frontier Ridge Apts.	-	959	1,234
908	Landings at Weyers Cave	-	1,054	1,235

900 series Map IDs are located outside Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Simms Pointe</b>	<b>1.0</b>	<b>1.5</b>	<b>2.0</b>
1	Chestnut Ridge I & II	-	2.0	2.0
2	Colonnade at Rocktown I & II	1.0	2.0	2.0
905	Frontier Ridge Apts.	-	2.0	2.0
908	Landings at Weyers Cave	-	2.0	2.0

900 series Map IDs are located outside Site PMA

The subject project will offer unit sizes (square feet) within the range of those offered at the comparable LIHTC projects surveyed within the market and region and, therefore, are considered appropriately positioned. However, the lack of an additional full bathroom within the subject's two-bedroom units will position them at a competitive disadvantage and has been considered in our achievable market rent analysis illustrated later in Section VI of this report.

The following tables compare the appliances and the unit and project amenities of the subject site with existing Tax Credit properties in the market and region.

Tax Credit Unit Amenities by Map ID						
	Site*	1	2	905	908	
Appliances	Dishwasher	X	X	X	X	X
	Disposal	X	X	X	X	
	Microwave	X				
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	W/D Hookup	X	X	X	X	X
	W/D			X		X
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony/ Patio/ Sunroom		X	S		
	Basement					
	Ceiling Fan				X	
	Controlled Access	X		X		
	E-Call System					
	Furnished					
	Walk-In Closet		X			
	Window Treatments	X	X	X	X	X
	Carpet		X	X	X	X
Flooring	Ceramic Tile					
	Hardwood					
	Finished Concrete					
	Composite/Vinyl/Laminate	X	X	X	X	X
Upgraded	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High/Vaulted Ceilings					
	Oversized Windows					
Parking	Attached Garage					
	Detached Garage					
	Street Parking					
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	No Provided Parking					

◆ - Senior Property

\* Proposed Site(s): Simms Pointe

X = All Units, S = Some Units, O = Optional with Fee

\*\* Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

	Site*	1	2	905	908	
	Bike Racks / Storage	X				
	Computer/Business Center	X		X		
	Car Care **					
	Community Garden					
Community	Multipurpose Room	X	X	X	X	
	Chapel					
	Community Kitchen	X		X		
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Terrace					
	Concierge Service **					
	Convenience Amenities **		X			
	Covered Outdoor Area **	X				
	Elevator	X		X		
Laundry Room	X	X		X		
On-Site Management	X	X	X	X	X	
Pet Care **	X			X		
Recreation	Basketball					
	Bocce Ball					
	Firepit					
	Fitness Center	X	X	X	X	X
	Grilling Area	X	X		X	X
	Game Room - Billiards					
	Walking Path					
	Hot Tub					
	Library					
	Media Room / Theater					
	Playground	X	X		X	X
	Putting Green					
	Racquetball					
	Shuffleboard					
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor		X		X	
Tennis						
Volleyball						
Security	CCTV	X				
	Courtesy Officer					
	Security Gate				X	
	Social Services **					
	Storage - Extra		X		X	
Common Space WiFi	X					

◆ - Senior Property

\* Proposed Site(s): Simms Pointe

X = All Units, S = Some Units, O = Optional with Fee

\*\* Details in Comparable Property Profile Report

As the preceding tables illustrate, the amenities package to be included at the site will generally be superior to those offered at the comparable LIHTC projects surveyed within the market and region. In terms of unit amenities, the subject project will be the only LIHTC community to include a microwave. Regarding project amenities, the subject project will be the only LIHTC project to offer bike racks and one of two to include a computer center, community kitchen and dog park. The inclusion of the aforementioned amenities will position the site at a competitive advantage and will enable it to charge higher rents.

#### Comparable Tax Credit Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market and region, it is our opinion that the proposed subject development will be very marketable. In fact, the subject project will be the newest LIHTC rental community within the Harrisonburg Site PMA, offering a superior amenities package, and will also be the only LIHTC project within the *market* to offer units set aside at 30%, 40%, 70% and 80% of AMHI. These factors will position the subject project at a competitive advantage. While the proposed rents set aside at 70% and 80% of AMHI will be the highest LIHTC rents within the market, given the higher targeted income levels, this will enable such units to charge higher rents. Overall, it appears that the subject project is appropriately positioned within the Site PMA and these factors have been considered in our absorption projections.

A map depicting the location of the most comparable LIHTC properties is included on the following page.



# Harrisonburg, VA Comparable LIHTC Property Locations

- Site
- Apartments
- Type
- Mkt-Rate/Tax Credit
- Tax Credit



NORTH  
1:252,422

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., NGA, USGS  
0 0.75 1.5 3 4.5 Miles

### **C. PLANNED MULTIFAMILY DEVELOPMENT**

From interviews with planning representatives that responded to our inquiries, and from extensive online research and the observations of our analyst while in the field, it was determined there are several conventional rental housing projects within the development pipeline in the Site PMA, which are summarized as follows:

- Preston Lake (Map ID 13) recently completed 86 market-rate apartments located at 385 Greenfield Lane in Harrisonburg, with an additional 58 units under construction.
- Locust Grove Village, to be located at Boyers Road and Stone Spring Road in Harrisonburg, is a planned 86-unit market rate development. The project is being developed by Cosner Investments LLC.
- There is a proposed development in the surplus parking lot of the Harrisonburg Regal Cinema, between University Boulevard and Evelyn Byrd Avenue in Harrisburg. The project proposal includes 274 market-rate units with 250 in a five-story building and the remaining 24 in a four-story building. The proposal includes a four-story parking deck. The developer is Armada Hoffler Properties.
- The Apartments at Peach Grove at 1051 and 1351 Peach Grove Avenue, off Port Republic Road, in Harrisburg was proposed in August 2021. The plans include a six-story 460-unit project with retail and restaurant space on the ground floor. The project would be targeted to students and will be developed by Skylar and Talli LLC.
- A 160-unit townhome market-rate project located on the east side off Volunteer Drive in Bridgewater, is being planned by Herman Construction. Bridgewater Town Council approved the plans in October 2021. No construction date or timeline has been established.
- A market-rate project located on Chester Way and Joyce Drive in Bridgewater is currently under construction. The project consists of three sets of townhomes with a total of 123 units. Two sets of townhomes are under construction, and one is still in the permitting stages.

As none of the aforementioned rental communities within the development pipeline will target a similar demographic as the subject development, they will have no tangible impact on its marketability.

**D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES**

The anticipated occupancy rates of the existing comparable non-subsidized Tax Credit developments surveyed within the *market* during the first year of occupancy at the subject project are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2024
1	Chestnut Ridge I & II	100.0%	95.0%+
2	Colonnade at Rocktown I & II	100.0%	95.0%+

Both family projects surveyed that offer non-subsidized LIHTC units are fully occupied and maintain a waiting list. Given these strong occupancy levels and the fact that significant demographic support exists in the market for the subject development, as illustrated in Section VII - *Capture Rate Analysis*, it is not anticipated that the subject project will have any significant impact on the existing comparable LIHTC projects' marketability. It is expected that the comparable LIHTC projects will maintain occupancy levels at or above 95.0% during the subject development's first year of occupancy. This is especially true, considering that the LIHTC communities surveyed within the market target households at different income levels than the subject project.

**E. BUY VERSUS RENT ANALYSIS**

According to ESRI, the median home value within the Site PMA was \$270,525. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$270,525 home is \$1,628, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$270,525
Mortgaged Value = 95% of Median Home Price	\$256,999
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$1,302
Estimated Taxes and Insurance*	\$326
Estimated Monthly Mortgage Payment	\$1,628

\*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents at the subject property are well below the cost of a monthly mortgage for a typical home in the area. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

## VI. Achievable Market Rent Analysis

### A. INTRODUCTION

We identified five market-rate properties within or near the Harrisonburg Site PMA that we consider comparable to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The proposed subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Simms Pointe</b>	<b>2024</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>5 (-)</b>	<b>23 (-)</b>	<b>12 (-)</b>
5	Greens at Chestnut Ridge	1990	150	100.0%	-	38 (100.0%)	82 (100.0%)	30 (100.0%)
9	Longview Oaks	1987	138	100.0%	-	43 (100.0%)	82 (100.0%)	13 (100.0%)
14	Reserve at Stoneport	2015	408	100.0%	-	123 (100.0%)	244 (100.0%)	41 (100.0%)
15	Urban Exchange	2009	194	100.0%	15 (100.0%)	15 (100.0%)	146 (100.0%)	18 (100.0%)
901	Apartments at Goose Creek	2015	352	100.0%	-	109 (100.0%)	189 (100.0%)	54 (100.0%)

Occ. – Occupancy

Map ID 901 is located outside Site PMA

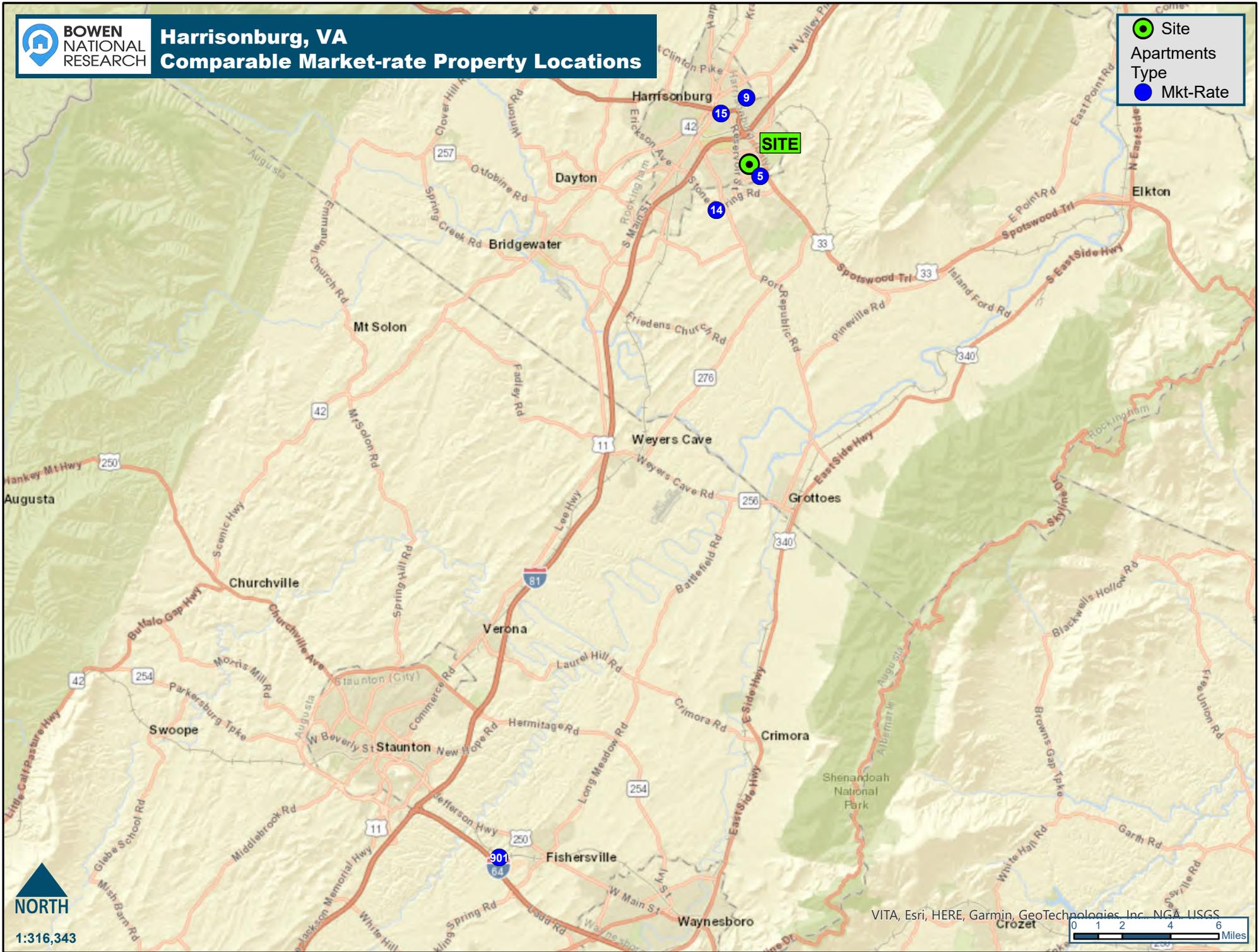
The five selected market-rate projects have a combined total of 1,242 units with an overall occupancy rate of 100.0%, a very strong rate for rental housing. This indicates that these projects have been very well received within the market and nearby region and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development. Preceding the Rent Comparability Grids is a map of the location of the comparable market-rate developments in relation to the location of the subject site.



# Harrisonburg, VA Comparable Market-rate Property Locations

- Site
- Apartments
- Mkt-Rate



**NORTH**  
1:316,343

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., NGA, USGS  
0 1 2 4 6 Miles

**Rent Comparability Grid**

Unit Type →

**ONE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Simms Pointe		Greens at Chestnut Ridge		Longview Oaks		Reserve at Stoneport		Urban Exchange		Apartments at Goose Creek	
270 Lucy Drive		128 Chestnut Ridge Dr		480 Vine St.		2015 Reserve Cir.		238 E. Water St.		80 Goose Pointe Ln	
Harrisonburg, VA		Harrisonburg, VA		Harrisonburg, VA		Harrisonburg, VA		Harrisonburg, VA		Fishersville, VA	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$1,190		\$1,010		\$1,380		\$1,010		\$1,143	
2	Date Surveyed	Jan-22		Jan-22		Jan-22		Jan-22		Jan-22	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,190	1.77	\$1,010	1.49	\$1,380	1.70	\$1,010	1.61	\$1,143	1.50
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	EE/3		WU/2		EE/4		EE/5		EE/3,4	
7	Yr. Built/Yr. Renovated	2024	\$34	1987	\$37	2015	\$9	2009	\$15	2015	\$9
8	Condition/Street Appeal	E	\$15	G	\$15	E		E		E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		No	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	712	\$15	680	\$13	810	(\$40)	627	\$34	764	(\$21)
14	Patio/Balcony/Sunroom	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y	\$5	N/Y	\$5	Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	V		C/V		C/V		W		C/T/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y	\$3	N	\$3	N	\$3	Y		Y	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	N/N		Y/N	(\$5)
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Community Space	Y	\$5	N	\$5	Y		Y		Y	
28	Pool/Recreation Areas	F	(\$13)	P/F/J	(\$13)	P/F/GR/J/MT	(\$19)	F/WT/L	(\$6)	P/F/S/GR/MT	(\$19)
29	Computer/Business Center	Y	\$3	N	\$3	N	\$3	Y		Y	
30	Grilling Area	Y		Y		N	\$3	N	\$3	Y	
31	Playground	Y		Y		Y		N	\$3	N	\$3
32	Social Services	N		N		N		N		N	
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N	(\$15)	Y/Y	(\$37)	N/N		N/N	
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	8	4	9	4	5	5	4	3	2	5
41	Sum Adjustments B to D	\$85	(\$48)	\$89	(\$48)	\$23	(\$94)	\$55	(\$36)	\$12	(\$75)
42	Sum Utility Adjustments				(\$15)		(\$37)				
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$37	\$133	\$26	\$152	(\$108)	\$154	\$19	\$91	(\$63)	\$87
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,227		\$1,036		\$1,272		\$1,029		\$1,080	
45	Adj Rent/Last rent		103%		103%		92%		102%		94%
46	Estimated Market Rent	\$1,085		\$1.52 ←		Estimated Market Rent/ Sq. Ft					

**Rent Comparability Grid**

Unit Type → **TWO-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Simms Pointe		Greens at Chestnut Ridge		Longview Oaks		Reserve at Stoneport		Urban Exchange		Apartments at Goose Creek	
270 Lucy Drive		128 Chestnut Ridge Dr		480 Vine St.		2015 Reserve Cir.		238 E. Water St.		80 Goose Pointe Ln	
Harrisonburg, VA		Harrisonburg, VA		Harrisonburg, VA		Harrisonburg, VA		Harrisonburg, VA		Fishersville, VA	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$1,380		\$1,135		\$1,755		\$1,130		\$1,319	
2	Date Surveyed	Jan-22		Jan-22		Jan-22		Jan-22		Jan-22	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,380	1.49	\$1,135	1.32	\$1,755	1.49	\$1,130	1.24	\$1,319	1.21
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	EE/3		WU/2		EE/4		EE/5		EE/3,4	
7	Yr. Built/Yr. Renovated	2024	\$34	1987	\$37	2015	\$9	2009	\$15	2015	\$9
8	Condition/Street Appeal	E	\$15	G	\$15	E		E		E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		No	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1.5	(\$15)	1	\$15	2	(\$15)	2	(\$15)	2	(\$15)
13	Unit Interior Sq. Ft.	919	(\$2)	860	\$20	1180	(\$88)	914	\$2	1092	(\$58)
14	Patio/Balcony/Sunroom	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y	\$5	N/Y	\$5	Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	V		C/V		C/V		W		C/T/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y	\$3	N	\$3	N	\$3	Y		Y	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fan/Storage	N/N	(\$5)	N/Y	(\$5)	Y/N	(\$5)	N/N		Y/N	(\$5)
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Community Space	Y	\$5	N	\$5	Y		Y		Y	
28	Pool/Recreation Areas	F	(\$13)	P/F/T	(\$13)	P/F/GR/J/MT	(\$19)	F/WT/L	(\$6)	P/F/S/GR/MT	(\$19)
29	Computer/Business Center	Y	\$3	N	\$3	N	\$3	Y		Y	
30	Grilling Area	Y		Y		N	\$3	N	\$3	Y	
31	Playground	Y		Y		Y		N	\$3	N	\$3
32	Social Services	N		N		N		N		N	
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N	(\$35)	Y/Y	(\$51)	N/N		N/N	
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	7	6	10	4	5	6	4	4	2	6
41	Sum Adjustments B to D	\$70	(\$65)	\$111	(\$48)	\$23	(\$157)	\$23	(\$51)	\$12	(\$127)
42	Sum Utility Adjustments				(\$35)		(\$51)				
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$5	\$135	\$28	\$194	(\$185)	\$231	(\$28)	\$74	(\$115)	\$139
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,385		\$1,163		\$1,570		\$1,102		\$1,204	
45	Adj Rent/Last rent		100%		102%		89%		97%		91%
46	Estimated Market Rent	\$1,205	\$1.31 ←	Estimated Market Rent/ Sq. Ft							

**Rent Comparability Grid**

Unit Type → **THREE-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Simms Pointe		Greens at Chestnut Ridge		Longview Oaks		Reserve at Stoneport		Urban Exchange		Apartments at Goose Creek	
270 Lucy Drive		128 Chestnut Ridge Dr		480 Vine St.		2015 Reserve Cir.		238 E. Water St.		80 Goose Pointe Ln	
Harrisonburg, VA		Harrisonburg, VA		Harrisonburg, VA		Harrisonburg, VA		Harrisonburg, VA		Fishersville, VA	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$1,490		\$1,320		\$1,925		\$1,560		\$1,528	
2	Date Surveyed	Jan-22		Jan-22		Jan-22		Jan-22		Jan-22	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,490	1.33	\$1,320	1.14	\$1,925	1.45	\$1,560	1.34	\$1,528	1.13
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	EE/3		WU/2		EE/4		EE/5		EE/3,4	
7	Yr. Built/Yr. Renovated	2024	\$34	1987	\$37	2015	\$9	2009	\$15	2015	\$9
8	Condition/Street Appeal	E	\$15	G	\$15	E		E		E	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		No	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1148	\$9	1160	(\$4)	1330	(\$58)	1164	(\$5)	1357	(\$67)
14	Patio/Balcony/Sunroom	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y	\$5	N/Y	\$5	Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	V		C/V		C/V		W		C/T/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y	\$3	N	\$3	N	\$3	Y		Y	
22	Garbage Disposal	Y		Y		Y		Y		Y	
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	N/N		Y/N	(\$5)
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Features	Y	\$5	N	\$5	N	\$5	Y		Y	
27	Community Space	Y	\$5	N	\$5	Y		Y		Y	
28	Pool/Recreation Areas	F	(\$13)	P/F/J	(\$13)	P/F/GR/J/MT	(\$19)	F/WT/L	(\$6)	P/F/S/GR/MT	(\$19)
29	Computer/Business Center	Y	\$3	N	\$3	N	\$3	Y		Y	
30	Grilling Area	Y		Y		N	\$3	N	\$3	Y	
31	Playground	Y		Y		Y		N	\$3	N	\$3
32	Social Services	N		N		N		N		N	
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		Y/Y	(\$45)	N/N		N/N	
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	8	4	8	5	5	5	3	4	2	5
41	Sum Adjustments B to D	\$79	(\$48)	\$76	(\$52)	\$23	(\$112)	\$21	(\$41)	\$12	(\$121)
42	Sum Utility Adjustments				(\$45)		(\$64)				
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	\$31	\$127	(\$21)	\$173	(\$153)	\$199	(\$20)	\$62	(\$109)	\$133
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,521		\$1,299		\$1,772		\$1,540		\$1,419	
45	Adj Rent/Last rent		102%		98%		92%		99%		93%
46	Estimated Market Rent	\$1,455	\$1.27 ←	Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$1,085 for a one-bedroom unit, \$1,205 for a two-bedroom unit and \$1,455 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed/ Programmatic Collected Rent	% AMHI	Achievable Market Rent	Market Rent Advantage
One-Br.	\$295	30%	\$1,085	72.8%
	\$425*	40%		60.8%
	\$550	50%		49.3%
	\$785	80%		27.6%
Two-Br.	\$355	30%	\$1,205	70.5%
	\$514*	40%		57.3%
	\$665	50%		44.8%
	\$940	70%		22.0%
	\$950	80%		21.2%
Three-Br.	\$405	30%	\$1,455	72.2%
	\$587*	40%		59.7%
	\$760	50%		47.8%
	\$1,025	70%		29.6%
	\$1,035	80%		28.9%

\*Maximum allowable gross rent less the value of tenant-paid utilities

Typically, Tax Credit units should represent approximately a 10.0% market rent advantage. As such, the proposed subject Tax Credit rents will likely be perceived as excellent values within the market, as they represent market rent advantages ranging from 21.2% to 72.8%, depending upon bedroom type and targeted income level.

**B. Rent Adjustment Explanations (Rent Comparability Grid)**

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1987 and 2015. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar-for-dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project.
- 24.-32. The proposed project offers a comprehensive project amenity package yet considered generally inferior to those offered at the selected market-rate developments. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

## VII. Capture Rate Analysis

### A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project's potential.

Under the Low-Income Housing Tax Credit program (LIHTC), household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Harrisonburg, Virginia MSA, which has a median four-person household income of \$66,700 for 2021. The subject property will be restricted to households with incomes of up to 30%, 40%, 50%, 70% and 80% of AMHI. The following table summarizes the maximum allowable income by household size and income level:

Household Size	Targeted AMHI Maximum Allowable Income				
	30%	40%	50%	70%	80%
One-Person	\$14,370	\$19,160	\$23,950	\$33,530	\$38,320
Two-Person	\$16,440	\$21,920	\$27,400	\$38,360	\$43,840
Three-Person	\$18,480	\$24,640	\$30,800	\$43,120	\$49,280
Four-Person	\$20,520	\$27,360	\$34,200	\$47,880	\$54,720
Five-Person	\$22,170	\$29,560	\$36,950	\$51,730	\$59,120

#### 1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to generally house up to five-person households. As such, the maximum allowable income at the subject site is **\$59,120**.

#### 2. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to Virginia Housing market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while elderly projects have a 40% rent-to-income ratio.

The lowest proposed LIHTC rent at the subject site is \$383. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$4,596. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$13,131**.

### 3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges by targeted income level are illustrated as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 30% of AMHI)	\$13,131	\$22,170
Tax Credit w/ PBV (Limited to 40% of AMHI)	\$0	\$29,560
Tax Credit (Limited to 40% of AMHI)	\$17,589	\$29,560
Tax Credit (Limited to 50% of AMHI)	\$21,874	\$36,950
Tax Credit (Limited to 70% of AMHI)	\$35,726	\$51,730
Tax Credit (Limited to 80% of AMHI)	\$29,931	\$59,120
<b>Overall Tax Credit w/ PBV</b>	<b>\$0</b>	<b>\$59,120</b>
<b>Overall Tax Credit</b>	<b>\$13,131</b>	<b>\$59,120</b>

### B. CAPTURE RATE CALCULATIONS

Per Virginia Housing market study requirements, analysts are required to use net demand in calculating capture rates and the absorption period. Net demand is determined by subtracting the supply of vacant comparable units in the PMA, completed or pipeline, from Total Demand. Total Demand includes New Renter Household Growth and Demand from Existing Households (defined below).

The following are the demand components as outlined by Virginia Housing:

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2022 as the base year and projecting forward to 2024, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*
  - a) **Rent overburdened households, if any, within the age group, income groups and renters targeted for the proposed development.** *“Overburdened” is defined by Virginia Housing as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 18.6% to 76.8% of income-appropriate renter households, depending upon income level, within the market are considered to be rent overburdened.

- b) **Households in substandard housing** (*i.e. overcrowded and/or lack of plumbing: Must be age and income group appropriate. Analysts must use their knowledge of the market area and the proposed development to determine if demand from this source is realistic. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 5.0% of all households within the market are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

- c) **Elderly Homeowners likely to convert to rental housing:** *This component may not comprise more than 20% of total demand. The analyst must provide a narrative describing how these numbers were derived. Analysts are encouraged to be conservative in this regard.*

Not applicable; subject site is general-occupancy.

- d) **Existing qualifying tenants likely to remain after renovations:** *This component of demand applies only to existing developments undergoing rehabilitations.*

The sum of demand from rental household growth and demand from all components of existing households will constitute total demand.

### C. DEMAND/CAPTURE RATE CALCULATIONS

As discussed earlier in *Section V*, no vacancies exist at the comparable LIHTC properties surveyed and there are no LIHTC projects within the development pipeline in the market. Therefore, there were no units considered as part of the supply component within the subject's demand analyses illustrated on the following page.

As Proposed with PBV

Demand Component	30% AMHI (\$13,131-\$22,170)	40% AMHI (\$0-\$29,560)	50% AMHI (\$21,874-\$36,950)	70% AMHI (\$35,726-\$51,730)	80% AMHI (\$29,931-\$59,120)	Overall (\$0-\$59,120)
Demand from New Rental Households (Income-Appropriate)	1,583 - 1,675 = -92	4,859 - 5,135 = -276	2,916 - 3,014 = -98	2,766 - 2,802 = -36	4,670 - 4,728 = -58	9,597 - 9,933 = -336
+						
Demand from Existing Households (Rent Overburdened)	1,675 X 76.8% = 1,286	5,135 X 71.4% = 3,667	3,014 X 48.5% = 1,462	2,802 X 18.6% = 520	4,728 X 24.7% = 1,168	9,933 X 51.6% = 5,122
+						
Demand from Existing Households (Renters in Substandard Housing)	1,675 X 5.0% = 84	5,135 X 5.0% = 257	3,014 X 5.0% = 151	2,802 X 5.0% = 140	4,728 X 5.0% = 236	9,933 X 5.0% = 497
+						
Demand from Existing Households (Elderly Homeowner Conversion)	N/A					
+						
Existing Qualifying Tenants to Remain After Renovation	N/A					
=						
<b>Total Demand</b>	<b>1,278</b>	<b>3,648</b>	<b>1,515</b>	<b>624</b>	<b>1,346</b>	<b>5,283</b>
-						
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	0	0	0	0	0	0
=						
<b>Net Demand</b>	<b>1,278</b>	<b>3,648</b>	<b>1,515</b>	<b>624</b>	<b>1,346</b>	<b>5,283</b>
Proposed Units	4	8	8	4	16	40
Proposed Units / Net Demand	4 / 1,278	8 / 3,648	8 / 1,515	4 / 624	16 / 1,346	40 / 5,283
Capture Rate	= 0.3%	= 0.2%	= 0.5%	= 0.6%	= 1.2%	= 0.8%
Total Absorption Period	< 1 Month	< 1 Month	< 1 Month	< 1 Month	1 Month	3 Months

N/A - Not Applicable

LIHTC Only

Demand Component	30% AMHI (\$13,131-\$22,170)	40% AMHI (\$17,589-\$29,560)	50% AMHI (\$21,874-\$36,950)	70% AMHI (\$35,726-\$51,730)	80% AMHI (\$29,931-\$59,120)	Overall (\$13,131-\$59,120)
Demand from New Rental Households (Income-Appropriate)	1,583 - 1,675 = -92	2,165 - 2,251 = -86	2,916 - 3,014 = -98	2,766 - 2,802 = -36	4,670 - 4,728 = -58	7,672 - 7,870 = -198
+						
Demand from Existing Households (Rent Overburdened)	1,675 X 76.8% = 1,286	2,251 X 58.8% = 1,323	3,014 X 48.5% = 1,462	2,802 X 18.6% = 520	4,728 X 24.7% = 1,168	7,870 X 42.5% = 3,341
+						
Demand from Existing Households (Renters in Substandard Housing)	1,675 X 5.0% = 84	2,251 X 5.0% = 113	3,014 X 5.0% = 151	2,802 X 5.0% = 140	4,728 X 5.0% = 236	7,870 X 5.0% = 394
+						
Demand from Existing Households (Elderly Homeowner Conversion)	N/A					
+						
Existing Qualifying Tenants to Remain After Renovation	N/A					
=						
<b>Total Demand</b>	<b>1,278</b>	<b>1,350</b>	<b>1,515</b>	<b>624</b>	<b>1,346</b>	<b>3,537</b>
-						
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	0	0	0	0	0	0
=						
<b>Net Demand</b>	<b>1,278</b>	<b>1,350</b>	<b>1,515</b>	<b>624</b>	<b>1,346</b>	<b>3,537</b>
Proposed Units	4	8	8	4	16	40
Proposed Units / Net Demand	4 / 1,278	8 / 1,350	8 / 1,515	4 / 624	16 / 1,346	40 / 3,537
Capture Rate	= 0.3%	= 0.6%	= 0.5%	= 0.6%	= 1.2%	= 1.1%
Total Absorption Period	< 1 Month	< 1 Month	< 1 Month	< 1 Month	1 Month	3 Months

N/A - Not Applicable

Regardless of if the property operates as proposed with a subsidy on select units or exclusively under the LIHTC program, capture rates are low, as none exceed 1.2%. This illustrates that a substantial base of demographic support will exist for the subject development.

**D. PENETRATION RATE CALCULATIONS**

The 356 existing non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and proposed subject Tax Credit units is \$13,131 to \$59,120. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be an estimated 7,672 renter households with eligible incomes in 2024. The 396 existing and proposed subject Tax Credit units represent a penetration rate of 5.2% of the 7,672 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Existing & Subject)	396
Income-Eligible Renter Households – 2024	/ 7,672
Overall Market Penetration Rate	= 5.2%

It is our opinion that the 5.2% penetration rate for the LIHTC units, existing and proposed subject, is very low and easily achievable.

**E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS**

According to a representative with the Harrisonburg Redevelopment and Housing Authority, there are approximately 802 Housing Choice Voucher holders within the housing authority’s jurisdiction, and 1,128 households currently on the waiting list for additional Vouchers. The waiting list is closed and is expected to open in March 2022. Annual turnover is estimated at 96 households. This reflects the continuing need for Housing Choice Voucher assistance.

If the rents do not exceed the payment standards established by the local housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Harrisonburg Redevelopment and Housing Authority, the local payment standards, as well as the proposed/programmatic subject gross rents, are summarized in the table on the following page.

Bedroom Type	Payment Standards	Proposed/Programmatic Tax Credit Gross Rents (AMHI)
One-Bedroom	\$795	\$383 (30%) \$513* (40%) \$638 (50%) \$873 (80%)
Two-Bedroom	\$1,046	\$457 (30%) \$616* (40%) \$767 (50%) \$1,042 (70%) \$1,052 (80%)
Three-Bedroom	\$1,370	\$529 (30%) \$711* (40%) \$884 (50%) \$1,149 (70%) \$1,159 (80%)

\*2021 maximum allowable gross LIHTC rent

As the preceding table illustrates, most of the proposed LIHTC gross rents are below the local payment standards. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections.

**F. ABSORPTION PROJECTIONS**

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 40 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in approximately three months of opening, with or without a subsidy on select units. This absorption period is based on an average monthly absorption rate of approximately 12 to 13 units per month.

These absorption projections assume a June 2024 opening date. An earlier/later opening date may have a slowing impact on the initial absorption of the subject project. Further, these absorption projections assume that the project will be built as outlined in this report. Changes to the project’s rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project’s initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

## VIII. Local Perspective (Interviews)

We conducted numerous interviews with local sources familiar with the Harrisonburg area and the housing, economic and/or demographic characteristics that impact the need for affordable housing. These include, but are not limited to, interviews with local planning and building department representatives, local chamber of commerce and/or economic development officials, housing authority representatives, local real estate professionals and/or apartment managers.

Summaries of key interviews regarding the need for affordable rental housing within the area follow:

- Brian Shull, Economic Development Director with Harrisonburg Virginia Economic Development, stated that there is a need for additional affordable rental housing in the area. A recently conducted comprehensive housing assessment in the area confirms the inventory of housing stock is below demand levels across all rental price levels. Mr. Shull noted that as new families come into the Harrisonburg market for employment opportunities, rental housing is needed to allow them to decide if/when/where they want to purchase a home and many young professionals often want single-family home properties but may not have the down payment required to purchase, so rental housing is a strong option. Mr. Shull also stated that seniors who wish to downsize and/or do not want to be burdened with a mortgage contribute to significant demand for the rental housing market in the area.
- Gwen Gottfried, Town Planner for Bridgewater, stated that there is a need for additional affordable housing in the area. Ms. Gottfried noted that the area is mostly built-out, but there are a few locations that would provide space for additional multi-family housing. Ms. Gottfried also stated that the area continues to grow and the need for all types of housing is critical at this time.
- Michael Wong, Executive Director of the Harrisonburg Redevelopment and Housing Authority, explained that there is a need for additional affordable housing of all types in the area. Mr. Wong noted that there is less than a 2.0% vacancy rate and the units that are vacant are turn-overs and units in need of extensive repairs. Mr. Wong also stated that there are more than 2,000 households on the waiting list and additional affordable housing of all types and bedroom sizes is badly needed.
- Liz Webb, Harrisonburg Redevelopment and Housing Authority Housing Choice Voucher Manager, stated there is a need for additional affordable housing in the area. Ms. Webb explained that the vacancy rate is 2.0% in the area. Ms. Webb also stated area rents are skyrocketing faster than payment standards for those who have Vouchers, and low-income families without Vouchers are paying a high percent of their monthly income for rent.

- Vanessa Martinez, Property Manager of Colonnade at Rocktown I & II (Map ID 2), a Tax Credit and market-rate property within Harrisonburg, confirmed the need for affordable housing in the area. Ms. Martinez indicated that her property has always been in high demand since she has started working there and they typically maintain a waitlist for the affordable units. Additionally, Ms. Martinez noted that she would expect any new affordable properties to be in lease up for less than six months from completion of said project.

## IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 40 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be very competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. Notably, the proposed/programmatic subject rents represent market rent advantages of between 21.2% and 72.8%, illustrating that they will likely represent excellent values to low- and moderate-income renters within the market.

Given that all comparable LIHTC developments surveyed within the Site PMA and region are 100.0% occupied and maintain waiting lists, the subject project will offer a housing alternative to low-income households that has limited availability in the area. This is especially true, considering that the subject project will be the only LIHTC project in the *market* to offer units set aside at 30%, 40%, 70% and 80% of Area Median Household Income (AMHI). The subject project will provide an affordable rental housing alternative to very low- to moderate-income renter households that are currently underserved within the Harrisonburg Site PMA. This is expected to bode very well in the demand of the subject units.

As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 0.8% of income-eligible renter households in the market, there is significant support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

## SITE PHOTOGRAPHS

Simms Pointe



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest

Simms Pointe



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



Southeast view from site

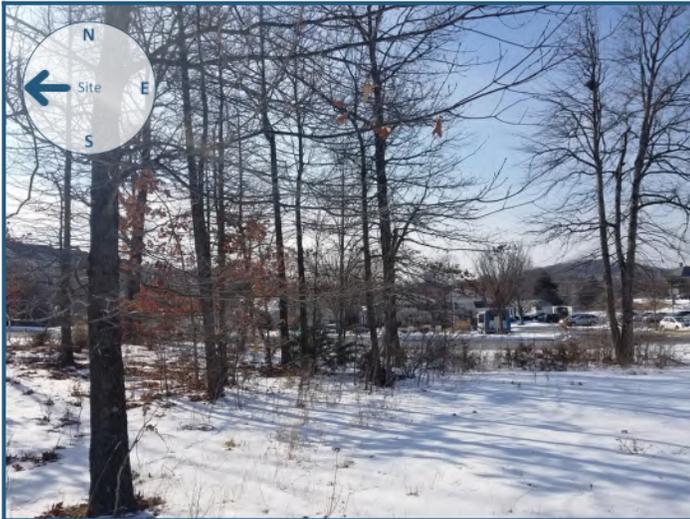
Simms Pointe



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: East view of Lucy Drive



Streetscape: West view of Lucy Drive

XI.

COMPARABLE  
PROPERTY PROFILES

**1** Chestnut Ridge I & II 1.1 miles to site



Address: 181 Chestnut Ridge Dr, Harrisonburg, VA 22801  
 Phone: (540) 574-2252 Contact: Online Chat  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 148 Year Built: 1998  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2,3  
 Waitlist: 3 mos  
 Rent Special: None

Ratings  
 Quality: B+  
 Neighborhood: B+  
 Access/Visibility: B/B

Notes: Tax Credit

### Features And Utilities

Utility Schedule Provided by: Harrisonburg Redevelopment & Housing Authority  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; W/D Hookup; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Cafe / Coffee Bar; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool); Extra Storage

Parking Type: Surface Lot

### Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	112	0	988	\$0.81 - \$0.86	\$800 - \$850	60%
3	2	G	36	0	1,128	\$0.80 - \$0.84	\$900 - \$950	60%

\*Adaptive Reuse

\*DTS is based on drive time

**2** Colonnade at Rocktown I & II 2.6 miles to site



Address: 119 N. Mason St., Harrisonburg, VA 22802  
 Phone: (540) 442-7368 Contact: Vanessa  
 Property Type: Market Rate, Tax Credit  
 Target Population: Family  
 Total Units: 66 Year Built: 2010  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 4 (w/Elev)  
 Waitlist: 9 HH  
 Rent Special: None

Ratings  
 Quality: A-  
 Neighborhood: B-  
 Access/Visibility: B/A

Notes: Market-rate (6 units); Tax Credit (60 units)



**Features And Utilities**

Utility Schedule Provided by: Harrisonburg Redevelopment & Housing Authority  
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Controlled Access; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Elevator; On-Site Management; Recreation Areas (Fitness Center)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	6	0	717	\$0.98	\$700	60%
2	2	G	32	0	900	\$0.95	\$851	60%
2	2	G	6	0	900	\$1.22	\$1,095	Market
3	2	G	22	0	1,100	\$0.89	\$979	60%

\*Adaptive Reuse

\*DTS is based on drive time

**5 Greens at Chestnut Ridge 0.9 miles to site**



Address: 128 Chestnut Ridge Dr, Harrisonburg, VA 22801  
 Phone: (540) 564-0011 Contact: Anna  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 150 Year Built: 1990  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2,3  
 Waitlist: 6 HH  
 Rent Special: None

Ratings  
 Quality: B  
 Neighborhood: B+  
 Access/Visibility: B/B

Notes: Rent range due to floor level

**Features And Utilities**

Utility Schedule Provided by: Harrisonburg Redevelopment & Housing Authority  
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Ceiling Fan; Fireplace; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Car Care (Car Wash Area); On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Hot Tub, Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	38	0	674	\$1.77 - \$1.81	\$1,190 - \$1,220	Market
2	1	G	39	0	894	\$1.49 - \$1.53	\$1,335 - \$1,365	Market
2	2	G	43	0	926	\$1.49 - \$1.60	\$1,380 - \$1,480	Market
3	2	G	30	0	1,120	\$1.33 - \$1.36	\$1,490 - \$1,520	Market

\*Adaptive Reuse

\*DTS is based on drive time

**9 Longview Oaks 3.3 miles to site**



Address: 480 Vine St., Harrisonburg, VA 22802  
 Phone: (540) 501-6505 Contact: Daniel  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 138 Year Built: 1987  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 2  
 Waitlist: 12 HH  
 Rent Special: None

Ratings  
 Quality: B-  
 Neighborhood: B  
 Access/Visibility: B/B

Notes:



**Features And Utilities**

Utility Schedule Provided by: Harrisonburg Redevelopment & Housing Authority  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: On-Site Management; Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool, Tennis); Extra Storage

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	43	0	680	\$1.43	\$1,010	Market
2	1 - 2	G	82	0	860 - 1,160	\$1.25 - \$0.93	\$1,135	Market
3	2	G	13	0	1,160	\$1.08	\$1,320	Market

\*Adaptive Reuse

\*DTS is based on drive time

**14 Reserve at Stoneport** 2.5 miles to site



Address: 2015 Reserve Cir., Harrisonburg, VA 22801  
 Phone: (540) 434-2000 Contact: Kristen  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 408 Year Built: 2015  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 4 (w/Elev)  
 Waitlist: 14 HH  
 Rent Special: None

Ratings  
 Quality: A+  
 Neighborhood: B+  
 Access/Visibility: B+/B+

Notes:



**Features And Utilities**

Utility Schedule Provided by: Harrisonburg Redevelopment & Housing Authority  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Car Care (Car Wash Area); Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Game Room-Billiards, Hot Tub, Media Room / Theater, Playground, Outdoor Swimming Pool); Extra Storage

Parking Type: Detached Garage; Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1 - 2	G	123	0	810 - 1,065	\$1.70 - \$1.69	\$1,380 - \$1,795	Market
2	2 - 3	G	244	0	1,180 - 1,490	\$1.49 - \$1.34	\$1,755 - \$1,990	Market
3	2 - 3	G	41	0	1,330 - 1,610	\$1.45 - \$1.41	\$1,925 - \$2,275	Market

\*Adaptive Reuse

\*DTS is based on drive time

**15 Urban Exchange** 2.4 miles to site



Address: 238 E. Water St., Harrisonburg, VA 22801  
 Phone: (540) 434-5150      Contact: Scptt  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 194      Year Built: 2009  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 5 (w/Elev)  
 Waitlist: None  
 Rent Special: None

Ratings  
 Quality: A-  
 Neighborhood: B-  
 Access/Visibility: B+/A

Notes: Condominiums for lease



**Features And Utilities**

Utility Schedule Provided by: Harrisonburg Redevelopment & Housing Authority  
 Utility Type & Responsibility: Landlord pays Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Controlled Access; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Hardwood); Premium Countertops

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Car Care (Charging Stations); Outdoor Seating Area; Elevator; On-Site Management; Recreation Areas (Fitness Center, Walking Path, Library); CCTV; Social Services (Parties / Picnics); WiFi

Parking Type: Surface Lot; Parking Garage

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	15	0	578 - 720	\$1.57 - \$1.35	\$910 - \$970	Market
1	1	G	15	0	627 - 957	\$1.61 - \$1.14	\$1,010 - \$1,090	Market
2	1	G	27	0	828 - 931	\$1.32	\$1,090 - \$1,225	Market
2	2	G	115	0	914 - 1,267	\$1.24 - \$1.12	\$1,130 - \$1,425	Market
2	1.5	T	4	0	850 - 1,370	\$1.59 - \$1.09	\$1,350 - \$1,500	Market
3	2	G	17	0	1,164 - 1,234	\$1.34 - \$1.31	\$1,560 - \$1,620	Market
3	3	G	1	0	1,242	\$1.41	\$1,755	Market

\*Adaptive Reuse

\*DTS is based on drive time

**901 Apartments at Goose Creek** 29.9 miles to site



Address: 80 Goose Pointe Ln, Fishersville, VA 22939  
 Phone: (540) 712-2459      Contact: Timber  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 352      Year Built: 2015  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 3,4 (w/Elev)  
 Waitlist: None  
 Rent Special: None

Ratings  
 Quality: A  
 Neighborhood: B+  
 Access/Visibility: B/C

Notes: Rent range based on the view

**Features And Utilities**

Utility Schedule Provided by: Harrisonburg Redevelopment & Housing Authority  
 Utility Type & Responsibility: Landlord pays Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; Fireplace; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Ceramic Tile, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Premium Cabinetry; Premium Fixtures; High/Vaulted Ceilings

Property Amenities: Community Kitchen; Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Game Room-Billiards, Media Room / Theater, Shuffleboard, Outdoor Swimming Pool); CCTV; Social Services (Parties / Picnics); WiFi

Parking Type: Detached Garage; Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1 - 1.5	G	109	0	764 - 1,095	\$1.50 - \$1.22	\$1,143 - \$1,334	Market
2	2	G	189	0	1,092 - 1,184	\$1.21 - \$1.28	\$1,319 - \$1,516	Market
3	2	G	54	0	1,357 - 1,420	\$1.13 - \$1.20	\$1,528 - \$1,703	Market

\*Adaptive Reuse

\*DTS is based on drive time

**905** Frontier Ridge Apts. 26.9 miles to site



Address: 20 Ridge Ct, Staunton, VA 24401  
 Phone: (540) 887-3337      Contact: Trisha  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 100      Year Built: 2005  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 3  
 Waitlist: 45 HH  
 Rent Special: None

Ratings  
 Quality: B+  
 Neighborhood: B  
 Access/Visibility: B/B

Notes: Tax Credit



**Features And Utilities**

Utility Schedule Provided by: Harrisonburg Redevelopment & Housing Authority  
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: Community Kitchen; Laundry Room; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool); Extra Storage

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	50	0	959	\$0.76	\$732	50%
3	2	G	50	0	1,234	\$0.68	\$842	50%

\*Adaptive Reuse

\*DTS is based on drive time

**908** Landings at Weyers Cave 13.4 miles to site



Address: 20 Landings Dr, Weyers Cave, VA 24486  
 Phone: (540) 234-8899      Contact: Mariah  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 84      Year Built: 2012  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 3,4  
 Waitlist: 5 HH  
 Rent Special: None

Ratings  
 Quality: A  
 Neighborhood: B-  
 Access/Visibility: B/B

Notes: Tax Credit

**Features And Utilities**

Utility Schedule Provided by: Harrisonburg Redevelopment & Housing Authority  
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; W/D Hookup; W/D; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate)

Property Amenities: On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Playground); Security Gate

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	44	0	1,054	\$0.68	\$717	40%
3	2	G	40	0	1,235	\$0.66	\$815	40%

\*Adaptive Reuse

\*DTS is based on drive time

## XII.

# FIELD SURVEY OF CONVENTIONAL RENTALS

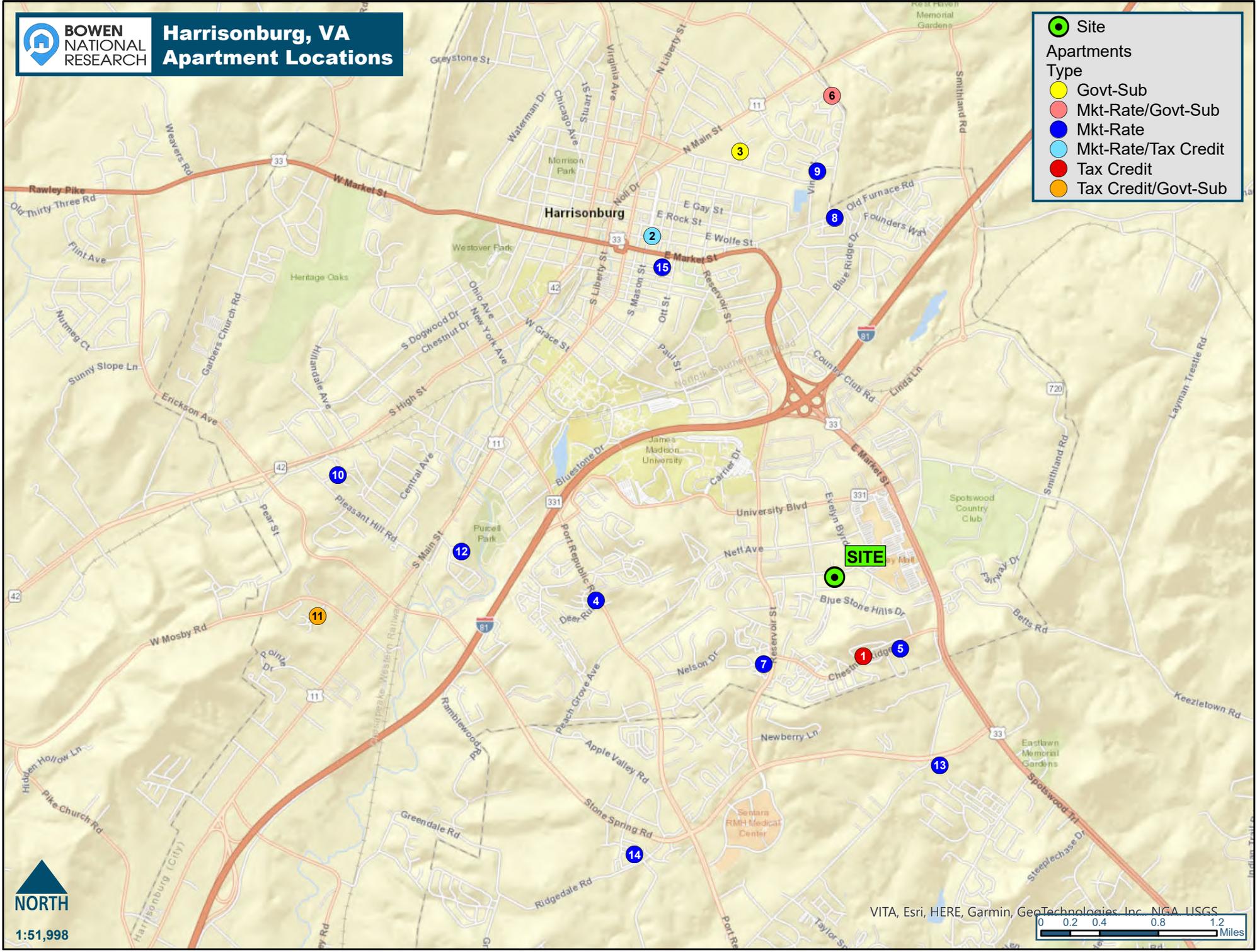


# Harrisonburg, VA Apartment Locations

**Site**  
● Site

**Apartments Type**

- Govt-Sub
- Mkt-Rate/Govt-Sub
- Mkt-Rate
- Mkt-Rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-Sub



1:51,998

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
✓ 1	Chestnut Ridge I & II	TAX	B+	1998	148	0	100.0%	1.1
✓ 2	Colonnade at Rocktown I & II	MRT	A-	2010	66	0	100.0%	2.6
3	Commerce Village	GSS	B	2015	30	0	100.0%	3.7
4	Deer Run	MRR	C	1979	144	0	100.0%	1.7
✓ 5	Greens at Chestnut Ridge	MRR	B	1990	150	0	100.0%	0.9
6	Harris Gardens I & II	MRG	C	1974	199	0	100.0%	3.8
7	Hillmont Apts.	MRR	B	2009	72	0	100.0%	0.9
8	Lexington Square	MRR	B	1988	48	0	100.0%	3.2
✓ 9	Longview Oaks	MRR	B-	1987	138	0	100.0%	3.3
10	Meriwether Hills	MRR	B-	1969	165	0	100.0%	5.1
11	Mosby Heights	TGS	C	2004	112	0	100.0%	4.7
12	Park Apts.	MRR	B-	1972	136	4	97.1%	4.7
13	Preston Lake	MRR	A	2021	86	40	53.5%	2.0
✓ 14	Reserve at Stoneport	MRR	A+	2015	408	0	100.0%	2.5
✓ 15	Urban Exchange	MRR	A-	2009	194	0	100.0%	2.4
✓ 901	Apartments at Goose Creek	MRR	A	2015	352	0	100.0%	29.9
✓ 905	Frontier Ridge Apts.	TAX	B+	2005	100	0	100.0%	26.9
✓ 908	Landings at Weyers Cave	TAX	A	2012	84	0	100.0%	13.4

\*Drive distance in miles

✓ Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
◆ Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Government-Subsidized	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(MRT) Market-Rate & Tax Credit	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	(GSS) Government-Subsidized
(MRG) Market-Rate & Government-Subsidized	(TIN) Tax Credit & Income-Restricted (not LIHTC)	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
(MIN) Market-Rate & Income-Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Government-Subsidized	



1	<b>Chestnut Ridge I &amp; II</b> 181 Chestnut Ridge Dr, Harrisonburg, VA 22801	Contact: Online Chat Phone: (540) 574-2252
	Total Units: 148    UC: 0    Occupancy: 100.0%    Stories: 2,3    Year Built: 1998 BR: 2, 3    Vacant Units: 0    Waitlist: 3 mos    AR Year: Target Population: Family    Yr Renovated: Rent Special: None Notes: Tax Credit	



2	<b>Colonnade at Rocktown I &amp; II</b> 119 N. Mason St., Harrisonburg, VA 22802	Contact: Vanessa Phone: (540) 442-7368
	Total Units: 66    UC: 0    Occupancy: 100.0%    Stories: 4    w/Elevator    Year Built: 2010 BR: 1, 2, 3    Vacant Units: 0    Waitlist: 9 HH    AR Year: Target Population: Family    Yr Renovated: Rent Special: None Notes: Market-rate (6 units); Tax Credit (60 units)	

3	<b>Commerce Village</b> 21 Elon Rhodes Ln, Harrisonburg, VA 22801	Contact: Michael Wong Phone: (540) 615-5557
	Total Units: 30    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 2015 BR: 1    Vacant Units: 0    Waitlist: 334 HH    AR Year: Target Population: Homeless, Permanent Supportive Housing    Yr Renovated: Rent Special: None Notes: Public Housing	

4	<b>Deer Run</b> 899 Port Republic Rd., Harrisonburg, VA 22801	Contact: Lindy Phone: (540) 434-3173
	Total Units: 144    UC: 0    Occupancy: 100.0%    Stories: 2,3    Year Built: 1979 BR: 1, 2, 3    Vacant Units: 0    Waitlist: None    AR Year: Target Population: Family    Yr Renovated: 2010 Rent Special: None Notes:	



5	<b>Greens at Chestnut Ridge</b> 128 Chestnut Ridge Dr, Harrisonburg, VA 22801	Contact: Anna Phone: (540) 564-0011
	Total Units: 150    UC: 0    Occupancy: 100.0%    Stories: 2,3    Year Built: 1990 BR: 1, 2, 3    Vacant Units: 0    Waitlist: 6 HH    AR Year: Target Population: Family    Yr Renovated: Rent Special: None Notes: Rent range due to floor level	

Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Government-Subsidized	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(MRT) Market-Rate & Tax Credit	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	(GSS) Government-Subsidized
(MRG) Market-Rate & Government-Subsidized	(TIN) Tax Credit & Income-Restricted (not LIHTC)	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
(MIN) Market-Rate & Income-Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Government-Subsidized	

<b>6</b>	<b>Harris Gardens I &amp; II</b> 215 Vine St, Harrisonburg, VA 22802	Contact: Becky Phone: (540) 434-6569
	Total Units: 199 UC: 0 Occupancy: 100.0% Stories: 2.5 Year Built: 1974 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 28 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Market-rate (100 units); HUD Section 8 (99 units)	
<b>7</b>	<b>Hillmont Apts.</b> 709 Hillmont Cir., Harrisonburg, VA 22801	Contact: Phil Phone: (540) 434-5152
	Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2009 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
<b>8</b>	<b>Lexington Square</b> 1188 Old Furnace Rd., Harrisonburg, VA 22801	Contact: Jon Phone: (540) 810-3201
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1988 BR: 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
<b>9</b>	<b>Longview Oaks</b> 480 Vine St., Harrisonburg, VA 22802	Contact: Daniel Phone: (540) 501-6505
	Total Units: 138 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1987 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 12 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
<b>10</b>	<b>Meriwether Hills</b> 151 Colonial Dr., Harrisonburg, VA 22801	Contact: Tina Phone: (540) 434-4300
	Total Units: 165 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1969 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2007 Rent Special: None Notes:	



 Comparable Property	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
 Senior Restricted	 (TAX) Tax Credit	 (INR) Income-Restricted (not LIHTC)
 (MRR) Market-Rate	 (TGS) Tax Credit & Government-Subsidized	 (ING) Income-Restricted (not LIHTC) & Government-Subsidized
 (MRT) Market-Rate & Tax Credit	 (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	 (GSS) Government-Subsidized
 (MRG) Market-Rate & Government-Subsidized	 (TIN) Tax Credit & Income-Restricted (not LIHTC)	 (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
 (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (TMG) Tax Credit, Market-Rate & Government-Subsidized	

<p>11</p> 	<p><b>Mosby Heights</b> 2510 Mosby Ct., Harrisonburg, VA 22801</p> <p>Total Units: 112 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2004 BR: 2, 3, 4 Vacant Units: 0 Waitlist: 100 HH Target Population: Family AR Year: Rent Special: None Yr Renovated: Notes: Tax Credit; HUD Section 8</p>	<p>Contact: Angela Phone: (540) 434-5490</p>
<p>12</p> 	<p><b>Park Apts.</b> 200 Rocco Ave, Harrisonburg, VA 22801</p> <p>Total Units: 136 UC: 0 Occupancy: 97.1% Stories: 2 Year Built: 1972 BR: 1, 2, 3 Vacant Units: 4 Waitlist: None Target Population: Family AR Year: Rent Special: None Yr Renovated: Notes: Rent range on renovated units</p>	<p>Contact: Liza Phone: (540) 433-2621</p>
<p>13</p> 	<p><b>Preston Lake</b> 385 Greenfield Ln, Harrisonburg, VA 22801</p> <p>Total Units: 86 UC: 58 Occupancy: 53.5% Stories: 2 Year Built: 2021 BR: 1, 2, 3 Vacant Units: 40 Waitlist: None Target Population: Family AR Year: Rent Special: None Yr Renovated: Notes: Preleasing 7/2021, opened 8/2021, still in lease-up; 58 additional units UC</p>	<p>Contact: Gracie Phone: (540) 418-1120</p>
<p>14</p> 	<p><b>Reserve at Stoneport</b> 2015 Reserve Cir., Harrisonburg, VA 22801</p> <p>Total Units: 408 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2015 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 14 HH Target Population: Family AR Year: Rent Special: None Yr Renovated: Notes:</p>	<p>Contact: Kristen Phone: (540) 434-2000</p>
<p>15</p> 	<p><b>Urban Exchange</b> 238 E. Water St., Harrisonburg, VA 22801</p> <p>Total Units: 194 UC: 0 Occupancy: 100.0% Stories: 5 w/Elevator Year Built: 2009 BR: 0, 1, 2, 3 Vacant Units: 0 Waitlist: None Target Population: Family AR Year: Rent Special: None Yr Renovated: Notes: Condominiums for lease</p>	<p>Contact: Scptt Phone: (540) 434-5150</p>

<p>✓ Comparable Property</p> <p>◆ Senior Restricted</p> <p>■ (MRR) Market-Rate</p> <p>■ (MRT) Market-Rate &amp; Tax Credit</p> <p>■ (MRG) Market-Rate &amp; Government-Subsidized</p> <p>■ (MIN) Market-Rate &amp; Income-Restricted (not LIHTC)</p>	<p>■ (MIG) Market-Rate, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</p> <p>■ (TAX) Tax Credit</p> <p>■ (TGS) Tax Credit &amp; Government-Subsidized</p> <p>■ (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)</p> <p>■ (TIN) Tax Credit &amp; Income-Restricted (not LIHTC)</p> <p>■ (TMG) Tax Credit, Market-Rate &amp; Government-Subsidized</p>	<p>■ (TIG) Tax Credit, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</p> <p>■ (INR) Income-Restricted (not LIHTC)</p> <p>■ (ING) Income-Restricted (not LIHTC) &amp; Government-Subsidized</p> <p>■ (GSS) Government-Subsidized</p> <p>■ (ALL) Tax Credit, Market-Rate, Govt-Subsidized &amp; Income-Restricted</p>
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901	Apartments at Goose Creek		Contact: Timber									
	80 Goose Pointe Ln, Fishersville, VA 22939		Phone: (540) 712-2459									
	Total Units:	352	UC:	0	Occupancy:	100.0%	Stories:	3,4	w/Elevator	Year Built:	2015	
	BR:	1, 2, 3		Vacant Units:	0		Waitlist:	None		AR Year:		
	Target Population:	Family									Yr Renovated:	
	Rent Special:	None										
	Notes:	Rent range based on the view										



905	Frontier Ridge Apts.		Contact: Trisha									
	20 Ridge Ct, Staunton, VA 24401		Phone: (540) 887-3337									
	Total Units:	100	UC:	0	Occupancy:	100.0%	Stories:	3		Year Built:	2005	
	BR:	2, 3		Vacant Units:	0		Waitlist:	45 HH		AR Year:		
	Target Population:	Family									Yr Renovated:	
	Rent Special:	None										
	Notes:	Tax Credit										



908	Landings at Weyers Cave		Contact: Mariah									
	20 Landings Dr, Weyers Cave, VA 24486		Phone: (540) 234-8899									
	Total Units:	84	UC:	0	Occupancy:	100.0%	Stories:	3,4		Year Built:	2012	
	BR:	2, 3		Vacant Units:	0		Waitlist:	5 HH		AR Year:		
	Target Population:	Family									Yr Renovated:	
	Rent Special:	None										
	Notes:	Tax Credit										

Comparable Property	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
Senior Restricted	(TAX) Tax Credit	(INR) Income-Restricted (not LIHTC)
(MRR) Market-Rate	(TGS) Tax Credit & Government-Subsidized	(ING) Income-Restricted (not LIHTC) & Government-Subsidized
(MRT) Market-Rate & Tax Credit	(TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	(GSS) Government-Subsidized
(MRG) Market-Rate & Government-Subsidized	(TIN) Tax Credit & Income-Restricted (not LIHTC)	(ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
(MIN) Market-Rate & Income-Restricted (not LIHTC)	(TMG) Tax Credit, Market-Rate & Government-Subsidized	

Source: Harrisonburg Redevelopment & Housing Authority  
 Effective: 01/2021

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	17	20	23	27	29	33	17	20	23	27	29	33
	+Base Charge	18	18	18	18	18	18	18	18	18	18	18	18
	Bottled Gas	60	69	84	93	108	117	60	69	84	93	108	117
	Electric	11	13	18	22	27	32	11	13	18	22	27	32
	Heat Pump	10	12	14	16	17	19	10	12	14	16	17	19
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Cooking	Natural Gas	2	3	4	4	5	7	2	3	4	4	5	7
	Bottled Gas	7	7	12	17	22	24	7	7	12	17	22	24
	Electric	3	3	5	6	8	9	3	3	5	6	8	9
Other Electric	15	17	22	27	32	37	15	17	22	27	32	37	
+Base Charge	10	10	10	10	10	10	10	10	10	10	10	10	
Air Conditioning	2	3	4	5	6	7	2	3	4	5	6	7	
Water Heating	Natural Gas	4	5	8	11	13	16	4	5	8	11	13	16
	Bottled Gas	19	22	29	38	48	57	19	22	29	38	48	57
	Electric	7	9	11	13	16	18	7	9	11	13	16	18
	Oil	0	0	0	0	0	0	0	0	0	0	0	0
Water	13	16	21	26	32	37	13	16	21	26	32	37	
Sewer	17	21	30	38	46	55	17	21	30	38	46	55	
Trash Collection	25	25	25	25	25	25	25	25	25	25	25	25	
Internet*	20	20	20	20	20	20	20	20	20	20	20	20	
Cable*	20	20	20	20	20	20	20	20	20	20	20	20	
Alarm Monitoring*	0	0	0	0	0	0	0	0	0	0	0	0	

\* Estimated- not from source

## XIII. Qualifications

### The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

### Company Leadership

**Patrick Bowen** is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

**Desireé Johnson** is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

### Market Analysts

**Craig Rupert**, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown State University.

**Jack Wiseman**, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

**Jeff Peters**, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

**Christopher T. Bunch**, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

**Lisa Goff**, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

**Jonathan Kabat**, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Kabat graduated from The Ohio State University with a Bachelor of Art in History and a minor in Geography.

**Andrew Lundell**, Market Analyst, has an experienced background in customer service and financial analysis. He has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Mr. Lundell has a Bachelor of Arts in Criminal Justice from Ohio University.

**Sidney McCrary**, Market Analyst, is experienced in the on-site analysis of residential and commercial properties. He has the ability to analyze a site's location in relation to community services, competitive properties and the ease of access and visibility. Mr. McCrary has a Bachelor of Science in Business Administration from Ohio Dominican University.

**Gregory Piduch**, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

**Ron Pompey**, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

**Nathan Stelts**, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

**Chris Wilhoit**, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Wilhoit also has a background in architectural photography.

### **Research Staff**

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

**June Davis**, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

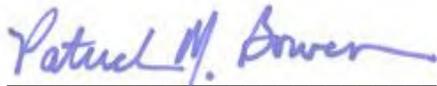
**Stephanie Viren** is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

**Kelly Wiseman**, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

## Addendum A – Member Certification & Checklist

This market study has been prepared by Bowen National Research, 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 Housing Projects*, and *Model Content Standards for the Content of Market Studies for 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.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.

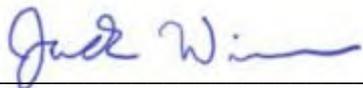


Patrick M. Bowen

President

[patrickb@bowennational.com](mailto:patrickb@bowennational.com)

Date: February 1, 2022



Jack Wiseman (Primary Contact)

Market Analyst

[jackw@bowennational.com](mailto:jackw@bowennational.com)

Date: February 1, 2022

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

## ADDENDUM-MARKET STUDY INDEX

### A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

### B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. 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 'VAR' (variation) with a comment explaining the conflict.

### C. CHECKLIST

		Section (s)
<b>Executive Summary</b>		
1.	Executive Summary	II
<b>Project Description</b>		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	III
3.	Utilities (and utility sources) included in rent	III
4.	Project design description	III
5.	Unit and project amenities; parking	III
6.	Public programs included	III
7.	Target population description	III
8.	Date of construction/preliminary completion	III
9.	If rehabilitation, existing unit breakdown and rents	III
10.	Reference to review/status of project plans	III
<b>Location and Market Area</b>		
11.	Market area/secondary market area description	IV
12.	Concise description of the site and adjacent parcels	IV
13.	Description of site characteristics	IV
14.	Site photos/maps	X
15.	Map of community services	IV
16.	Visibility and accessibility evaluation	IV
17.	Crime Information	IV

## CHECKLIST (Continued)

		Section (s)
<b>Employment and Economy</b>		
18.	Employment by industry	IV
19.	Historical unemployment rate	IV
20.	Area major employers	IV
21.	Five-year employment growth	IV
22.	Typical wages by occupation	IV
23.	Discussion of commuting patterns of area workers	IV
<b>Demographic Characteristics</b>		
24.	Population and household estimates and projections	IV
25.	Area building permits	V
26.	Distribution of income	IV
27.	Households by tenure	IV
<b>Competitive Environment</b>		
28.	Comparable property profiles	XI
29.	Map of comparable properties	X
30.	Comparable property photographs	XI
31.	Existing rental housing evaluation	V
32.	Comparable property discussion	V
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	V
34.	Comparison of subject property to comparable properties	V
35.	Availability of Housing Choice Vouchers	V
36.	Identification of waiting lists	V & XII
37.	Description of overall rental market including share of market-rate and affordable properties	V
38.	List of existing LIHTC properties	V
39.	Discussion of future changes in housing stock	V
40.	Discussion of availability and cost of other affordable housing options including homeownership	V
41.	Tax Credit and other planned or under construction rental communities in market area	V
<b>Analysis/Conclusions</b>		
42.	Calculation and analysis of Capture Rate	VII
43.	Calculation and analysis of Penetration Rate	VII
44.	Evaluation of proposed rent levels	V & VI
45.	Derivation of Achievable Market Rent and Market Advantage	VI
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	II
48.	Market strengths and weaknesses impacting project	II
49.	Recommendations and/or modification to project discussion	II
50.	Discussion of subject property's impact on existing housing	V
51.	Absorption projection with issues impacting performance	II
52.	Discussion of risks or other mitigating circumstances impacting project projection	II
53.	Interviews with area housing stakeholders	V

**CHECKLIST (Continued)**

<b>Other Requirements</b>		<b>Section (s)</b>
54.	Preparation date of report	Title Page
55.	Date of Field Work	Certification
56.	Certifications	Certification
57.	Statement of qualifications	XIII
58.	Sources of data not otherwise identified	I
59.	Utility allowance schedule	XII