



REAL PROPERTY RESEARCH GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

To: Kathleen Kramer, Enterprise Community Development
From: Timothy Weber, RPRG
Date: June 28, 2024
Re: 1030 Alston Court – Twin 9 and 4 Percent Tax Credit Community

Real Property Research Group (RPRG) conducted an analysis of 1030 Alston Court in January 2024 as part of your submission to Virginia Housing (VH) for 9 and 4 percent tax credits. As you have been processing the project, the project configuration has changed. You have asked RPRG to conduct a brief assessment of the new project configuration based on updated household growth estimates and 2024 income limits.

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

Project Description

1030 Alston Court is a proposed 96-unit multi-family rental development located just south of US-340 in Waynesboro, Virginia. Construction on both the 9 percent and 4 percent portions of the development will occur simultaneously and when opened, the combined community will be managed as one property. The community will include one, two, and three-bedroom units restricted to households earning up to 30 percent, 50 percent, 60 percent, and 80 percent of the Area Median Income (AMI). The proposed unit breakdown, income targeting, rents, and utility allowances for 1030 Alston Court are presented in Table 1 and the 2024 Low Income Housing Tax Credit income and rent limits for the Staunton-Waynesboro, VA MSA is presented in Table 2.

Table 1 1030 Alston Court Unit Mix

| Unit Mix/Rents | | | | | | | | LIHTC Gross Max |
|----------------------------|--------|----------|-----------|--------------|----------------|-------------------|----------------|-----------------|
| # Bed | # Bath | AMI | Quantity | Net SF | Contract Rent | Utility Allowance | Gross Rent | |
| Alston Court 9 | | | | | | | | |
| 1 | 1 | 30%/PBRA | 3 | 693 | \$973 | \$92 | \$1,065 | \$506 |
| 1 | 1 | 50% | 2 | 693 | \$678 | \$92 | \$770 | \$843 |
| 1 | 1 | 60% | 1 | 615 | \$836 | \$92 | \$928 | \$1,012 |
| 1 | 1 | 60% | 1 | 512 | \$836 | \$92 | \$928 | \$1,012 |
| 1 | 1 | 80% | 2 | 693 | \$1,100 | \$92 | \$1,192 | \$1,350 |
| 1BR Total/Avg | | | 9 | 664 | \$905 | | \$997 | |
| 2 | 2 | 30%/PBRA | 3 | 942 | \$1,132 | \$111 | \$1,243 | \$607 |
| 2 | 2 | 50% | 5 | 942 | \$816 | \$111 | \$927 | \$1,012 |
| 2 | 2 | 60% | 7 | 942 | \$1,006 | \$111 | \$1,117 | \$1,215 |
| 2 | 2 | 80% | 6 | 942 | \$1,215 | \$111 | \$1,326 | \$1,620 |
| 2BR Total/Avg | | | 21 | 942 | \$1,038 | | \$1,149 | |
| 3 | 2 | 30%/PBRA | 2 | 1,054 | \$1,624 | \$131 | \$1,755 | \$701 |
| 3 | 2 | 50% | 6 | 1,165 | \$942 | \$131 | \$1,073 | \$1,168 |
| 3 | 2 | 60% | 4 | 1,054 | \$1,161 | \$131 | \$1,292 | \$1,402 |
| 3 | 2 | 60% | 1 | 1,165 | \$1,161 | \$131 | \$1,292 | \$1,402 |
| 3 | 2 | 80% | 4 | 1,165 | \$1,400 | \$131 | \$1,531 | \$1,870 |
| 3 | 2 | 80% | 1 | 1,413 | \$1,435 | \$131 | \$1,566 | \$1,870 |
| 3BR Total/Avg | | | 18 | 1,142 | \$1,208 | | \$1,339 | |
| 9 Percent Total/Avg | | | 48 | 581 | \$692 | | \$763 | |
| Alston Court 4 | | | | | | | | |
| 1 | 1 | 50% | 3 | 693 | \$751 | \$92 | \$843 | \$843 |
| 1 | 1 | 60% | 7 | 693 | \$920 | \$92 | \$1,012 | \$1,012 |
| 1 | 1 | 60% | 1 | 615 | \$920 | \$92 | \$1,012 | \$1,012 |
| 1 | 1 | 60% | 1 | 512 | \$920 | \$92 | \$1,012 | \$1,012 |
| 1 | 1 | 60% | 6 | 833 | \$920 | \$92 | \$1,012 | \$1,012 |
| 1BR Total/Avg | | | 18 | 725 | \$892 | | \$984 | |
| 2 | 2 | 50% | 4 | 942 | \$901 | \$111 | \$1,012 | \$1,012 |
| 2 | 2 | 60% | 10 | 942 | \$1,104 | \$111 | \$1,215 | \$1,215 |
| 2 | 2 | 60% | 4 | 942 | \$1,104 | \$111 | \$1,215 | \$1,215 |
| 2BR Total/Avg | | | 18 | 942 | \$1,059 | | \$1,170 | |
| 3 | 2 | 50% | 2 | 1,054 | \$1,037 | \$131 | \$1,168 | \$1,168 |
| 3 | 2 | 60% | 4 | 1,054 | \$1,271 | \$131 | \$1,402 | \$1,402 |
| 3 | 2 | 60% | 5 | 1,165 | \$1,271 | \$131 | \$1,402 | \$1,402 |
| 3 | 2 | 60% | 1 | 1,413 | \$1,271 | \$131 | \$1,402 | \$1,402 |
| 3BR Total/Avg | | | 12 | 1,130 | \$1,232 | | \$1,363 | |
| 4 Percent Total/Avg | | | 48 | 669 | \$775 | | \$856 | |
| Overall Total/Avg | | | | | | | | |
| | | | 96 | | | | | |

Contract Rents include trash removal costs

Source: Enterprise Community Development

Table 2 2023 Tax Credit Income and Tax Credit Limits

| HUD 2024 Median Household Income | | | | | | | | | | |
|---|-------------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------------|
| Staunton-Waynesboro, VA MSA | | | | | | | | | | \$89,900 |
| Very Low Income for 4 Person Household | | | | | | | | | | \$44,950 |
| 2024 Computed Area Median Gross Income | | | | | | | | | | \$89,900 |
| Utility Allowance: | | | | | | | | | | |
| 1 Bedroom | | | | | | | | | | \$92 |
| 2 Bedroom | | | | | | | | | | \$111 |
| 3 Bedroom | | | | | | | | | | \$131 |
| Household Income Limits by Household Size: | | | | | | | | | | |
| Household Size | 30% | 40% | 50% | 60% | 80% | 100% | 120% | 150% | 200% | |
| 1 Person | \$18,900 | \$25,200 | \$31,500 | \$37,800 | \$50,400 | \$63,000 | \$75,600 | \$94,500 | \$126,000 | |
| 2 Persons | \$21,600 | \$28,800 | \$36,000 | \$43,200 | \$57,600 | \$72,000 | \$86,400 | \$108,000 | \$144,000 | |
| 3 Persons | \$24,300 | \$32,400 | \$40,500 | \$48,600 | \$64,800 | \$81,000 | \$97,200 | \$121,500 | \$162,000 | |
| 4 Persons | \$26,970 | \$35,960 | \$44,950 | \$53,940 | \$71,920 | \$89,900 | \$107,880 | \$134,850 | \$179,800 | |
| 5 Persons | \$29,130 | \$38,840 | \$48,550 | \$58,260 | \$77,680 | \$97,100 | \$116,520 | \$145,650 | \$194,200 | |
| 6 Persons | \$31,290 | \$41,720 | \$52,150 | \$62,580 | \$83,440 | \$104,300 | \$125,160 | \$156,450 | \$208,600 | |
| Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom): | | | | | | | | | | |
| Persons | # Bed-rooms | 30% | 40% | 50% | 60% | 80% | 100% | 120% | 150% | 200% |
| 1 | 0 | \$18,900 | \$25,200 | \$31,500 | \$37,800 | \$50,400 | \$63,000 | \$75,600 | \$94,500 | \$126,000 |
| 1.5 | 1 | \$20,250 | \$27,000 | \$33,750 | \$40,500 | \$54,000 | \$67,500 | \$81,000 | \$101,250 | \$135,000 |
| 3 | 2 | \$24,300 | \$32,400 | \$40,500 | \$48,600 | \$64,800 | \$81,000 | \$97,200 | \$121,500 | \$162,000 |
| 4.5 | 3 | \$28,050 | \$37,400 | \$46,750 | \$56,100 | \$74,800 | \$93,500 | \$112,200 | \$140,250 | \$187,000 |
| 6 | 4 | \$31,290 | \$41,720 | \$52,150 | \$62,580 | \$83,440 | \$104,300 | \$125,160 | \$156,450 | \$208,600 |
| LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom): | | | | | | | | | | |
| # Persons | 30% | | 40% | | 50% | | 60% | | 80% | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| 1 Bedroom | \$506 | \$414 | \$675 | \$583 | \$843 | \$751 | \$1,012 | \$920 | \$1,350 | \$1,258 |
| 2 Bedroom | \$607 | \$496 | \$810 | \$699 | \$1,012 | \$901 | \$1,215 | \$1,104 | \$1,620 | \$1,509 |
| 3 Bedroom | \$701 | \$570 | \$935 | \$804 | \$1,168 | \$1,037 | \$1,402 | \$1,271 | \$1,870 | \$1,739 |

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

Primary Market Area

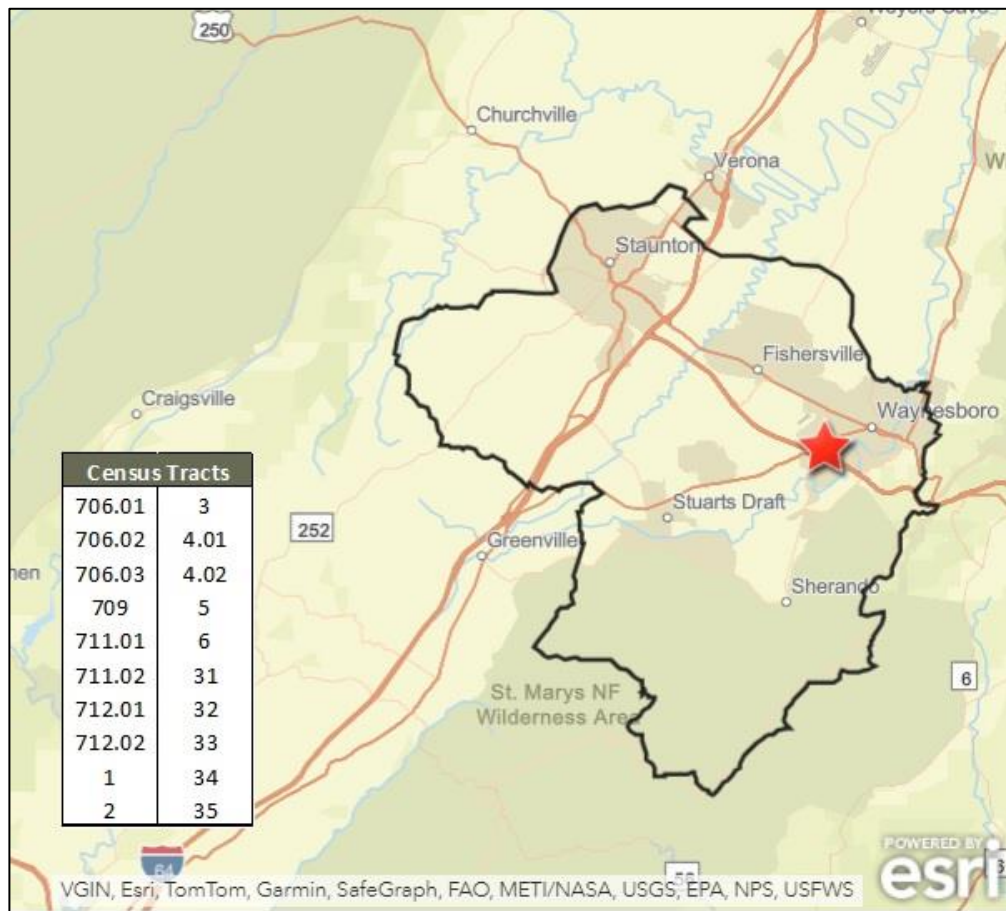
In defining the Alston Court Market Area, RPRG focused on the independent cities of Waynesboro and Staunton and their immediately surrounding areas, representing the population centers in eastern August county along I-64 and I-81. The market area is defined by small urban downtown areas in both Waynesboro and Staunton surrounded by suburban residential development with commercial concentrations along primary routes.

The following are the (rough) market area boundaries:

- **North:** Woodrow Wilson Pkwy/Hermitage Rd/Duke Rd (6.5 miles)
- **East:** Waynesboro City Boundary/Nelson County/Blue Ridge Pkwy (4.1 miles)
- **South:** Mount Tabor Rd/Chestnut Ridge Rd/Blue Ridge Pkwy (8.4 miles)
- **West:** Woodrow Wilson Pkwy/Glebe School Rd (13.7 miles)

As appropriate for this analysis, the market area is compared and contrasted to the Greater Augusta County region as a whole, also referred to as the region or Secondary Market Area (SMA). Greater Augusta County is defined by RPRG as the combined area of Augusta County and the independent cities of Staunton and Waynesboro.

Map 1 Primary Market Area



Demographics

Based on Esri estimates, the market consists of 35,639 households as of 2024, 68 percent of the Greater Augusta County household base (Table 3). The market area grew at an average rate of 292 households per year over the past 14 years. Based on Esri projections, the market area will grow by 215 households a year over the next five years. As of 2029, the market will support 36,715 households.

Table 3 Population and Household Trends

| Greater Augusta County | | | | | | Alston Court Market Area | | | | | |
|------------------------|---------|--------------|------|---------------|------|--------------------------|--------------|-------|---------------|------|--|
| Population | Count | Total Change | | Annual Change | | Count | Total Change | | Annual Change | | |
| | | # | % | # | % | | # | % | # | % | |
| 2010 | 118,502 | | | | | 75,201 | | | | | |
| 2024 | 127,914 | 9,412 | 7.9% | 672 | 0.6% | 83,668 | 8,467 | 11.3% | 605 | 0.8% | |
| 2029 | 129,525 | 1,611 | 1.3% | 322 | 0.3% | 85,373 | 1,705 | 2.0% | 341 | 0.4% | |
| Households | | | | | | | | | | | |
| Households | Count | Total Change | | Annual Change | | Count | Total Change | | Annual Change | | |
| | | # | % | # | % | | # | % | # | % | |
| 2010 | 47,899 | | | | | 31,549 | | | | | |
| 2024 | 52,586 | 4,687 | 9.8% | 335 | 0.7% | 35,639 | 4,090 | 13.0% | 292 | 0.9% | |
| 2029 | 53,861 | 1,275 | 2.4% | 255 | 0.5% | 36,715 | 1,076 | 3.0% | 215 | 0.6% | |

Source: 2010 Census; 2020 Census; Esri; and Real Property Research Group, Inc.

Based in part on recently released Census data, 37.5 percent of market area households rent their home in 2024, higher than the renter share of 31.1 percent in Greater Augusta County overall (Table 4). Based on historic trends, RPRG projects the market area's proportion of renter households to increase slightly to 38.4 percent by 2029.

Table 4 Households by Tenure 2010 to 2029

| Greater Augusta County | 2010 | | 2024 | | 2029 | |
|------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| Housing Units | # | % | # | % | # | % |
| Owner Occupied | 34,598 | 72.2% | 36,232 | 68.9% | 36,598 | 67.9% |
| Renter Occupied | 13,301 | 27.8% | 16,354 | 31.1% | 17,263 | 32.1% |
| Total Occupied | 47,899 | 100% | 52,586 | 100% | 53,861 | 100% |
| Total Vacant | 4,750 | | 4,192 | | 4,182 | |
| TOTAL UNITS | 52,649 | | 56,778 | | 58,043 | |

| Alston Court Market Area | 2010 | | 2024 | | 2029 | |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Housing Units | # | % | # | % | # | % |
| Owner Occupied | 20,950 | 66.4% | 22,269 | 62.5% | 22,616 | 61.6% |
| Renter Occupied | 10,598 | 33.6% | 13,370 | 37.5% | 14,099 | 38.4% |
| Total Occupied | 31,548 | 100.0% | 35,639 | 100.0% | 36,715 | 100.0% |
| Total Vacant | 3,177 | | 2,621 | | 2,598 | |
| TOTAL UNITS | 34,725 | | 38,260 | | 39,313 | |

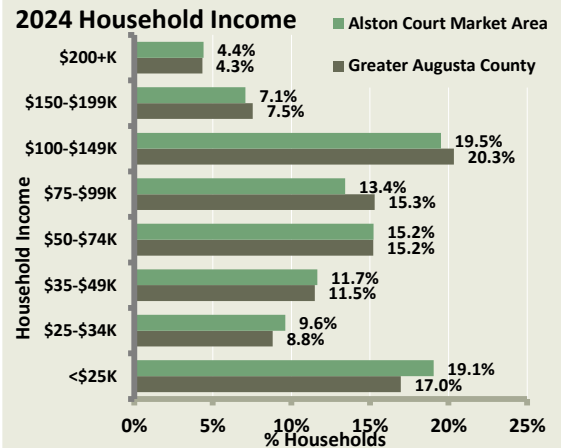
Source: 2010 Census; 2020 Census; Esri; RPRG, Inc.

The median income of households in Alston Court Market Area is \$65,888, roughly \$5,000 less than the median income in Greater Augusta County (Table 5). The 2024 median income for renter households in Alston Court Market Area is \$41,649 compared to a median owner household median income of \$82,924 (Table 6).

Table 5 Household Income

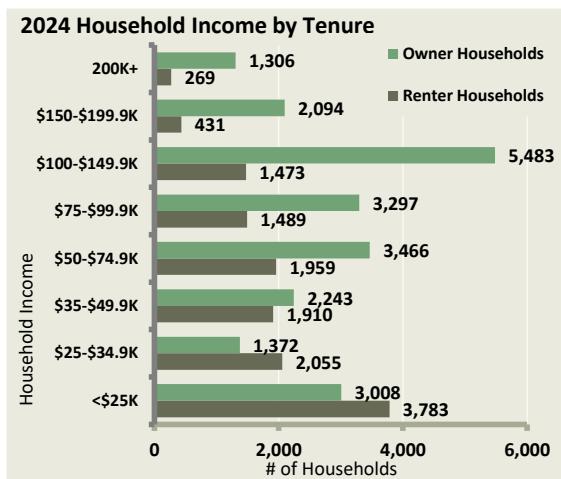
| Estimated 2024 Household Income | | Greater Augusta County | | Alston Court Market Area | |
|---------------------------------|-----------------------|------------------------|-------------|--------------------------|-------------|
| | | # | % | # | % |
| less than | \$25,000 | 8,918 | 17.0% | 6,791 | 19.1% |
| | \$25,000 - \$34,999 | 4,635 | 8.8% | 3,427 | 9.6% |
| | \$35,000 - \$49,999 | 6,041 | 11.5% | 4,153 | 11.7% |
| | \$50,000 - \$74,999 | 8,003 | 15.2% | 5,425 | 15.2% |
| | \$75,000 - \$99,999 | 8,042 | 15.3% | 4,785 | 13.4% |
| | \$100,000 - \$149,999 | 10,697 | 20.3% | 6,957 | 19.5% |
| | \$150,000 - \$199,999 | 3,970 | 7.5% | 2,525 | 7.1% |
| | \$200,000 over | 2,282 | 4.3% | 1,575 | 4.4% |
| Total | | 52,586 | 100% | 35,639 | 100% |
| Median Income | | \$70,929 | | \$65,888 | |

Source: ESRI; Real Property Research Group, Inc.

**Table 6 Household Income by Tenure**

| Estimated 2024 HH Income | | Renter Households | | Owner Households | |
|---------------------------------|-----------------------|-------------------|-------------|------------------|-------------|
| | | # | % | # | % |
| Alston Court Market Area | | | | | |
| less than | \$25,000 | 3,783 | 28.3% | 3,008 | 13.5% |
| | \$25,000 - \$34,999 | 2,055 | 15.4% | 1,372 | 6.2% |
| | \$35,000 - \$49,999 | 1,910 | 14.3% | 2,243 | 10.1% |
| | \$50,000 - \$74,999 | 1,959 | 14.7% | 3,466 | 15.6% |
| | \$75,000 - \$99,999 | 1,489 | 11.1% | 3,297 | 14.8% |
| | \$100,000 - \$149,999 | 1,473 | 11.0% | 5,483 | 24.6% |
| | \$150,000 - \$199,999 | 431 | 3.2% | 2,094 | 9.4% |
| | \$200,000 over | 269 | 2.0% | 1,306 | 5.9% |
| Total | | 13,370 | 100% | 22,269 | 100% |
| Median Income | | \$41,649 | | \$82,924 | |

Source: American Community Survey 2018-2022 Estimates, Esri, RPRG



Rent Burden' is defined as the ratio of a household's gross monthly housing costs – rent paid to landlords plus utility costs – to that household's monthly income. VH requires that household rent burdens under the Low Income Housing Tax Credit (LIHTC) program be no higher than 35 percent.

Rent Burden data from the 2018-2022 American Community Survey highlights that renter households in the Alston Court Market Area tend to pay a high percentage of their monthly income toward housing costs (Table 7). Roughly 45 percent of all renter households residing in the Alston Court Market Area have rent burdens of 35 percent or higher, and more than 38 percent of all renter households have significant rent burdens of 40 percent or higher.

The cost-burdened situation of many low to moderate-income renter households is a primary indicator of a need for new affordable income and rent-restricted rental housing in the primary market area. Additionally, 5.3 percent of the rental housing stock within the market area can be considered substandard, i.e., lacking complete plumbing facilities, or overcrowded with more than 1.0 occupants per room.

Table 7 Rent Burden by Household Income, 2017-2021, Alston Court Market Area

| Rent Cost Burden | | | Substandardness | |
|--------------------------------|---------------|---------------|---------------------------------------|--------------|
| Total Households | # | % | Total Households | |
| Less than 10.0 percent | 524 | 3.6% | Owner occupied: | |
| 10.0 to 14.9 percent | 1,286 | 8.8% | Complete plumbing facilities: | 23,669 |
| 15.0 to 19.9 percent | 2,056 | 14.1% | 1.00 or less occupants per room | 23,412 |
| 20.0 to 24.9 percent | 1,562 | 10.7% | 1.01 or more occupants per room | 188 |
| 25.0 to 29.9 percent | 1,118 | 7.7% | Lacking complete plumbing facilities: | 69 |
| 30.0 to 34.9 percent | 1,210 | 8.3% | Overcrowded or lacking plumbing | 257 |
| 35.0 to 39.9 percent | 970 | 6.7% | Renter occupied: | |
| 40.0 to 49.9 percent | 1,084 | 7.4% | Complete plumbing facilities: | 14,392 |
| 50.0 percent or more | 4,302 | 29.5% | 1.00 or less occupants per room | 13,802 |
| Not computed | 461 | 3.2% | 1.01 or more occupants per room | 590 |
| Total | 14,573 | 100.0% | Lacking complete plumbing facilities: | 181 |
| | | | Overcrowded or lacking plumbing | 771 |
| > 35% income on rent | 6,356 | 45.0% | Substandard Housing | 1,028 |
| > 40% income on rent | 5,386 | 38.2% | % Total Stock Substandard | 2.7% |
| | | | % Rental Stock Substandard | 5.3% |

Source: American Community Survey 2018-2022

Derivation of Market Rent

To better understand how the proposed contract rents for 1030 Alston Court compare with the surveyed rental market, the contract rents of comparable communities can be adjusted for differences in a variety of factors including curb appeal, structure age, square footage, the handling of utilities, and shared amenities.

The purpose of this exercise is to determine whether the proposed LIHTC rents for the subject offer a value relative to market-rate rent levels within a given market area. The rent derived for bedroom type is not to be confused with an appraisal or rent comparability study (RCS) based approach, which is more specific as it compares specific models in comparable rental communities to specific floor plans at the subject and is used for income/expense analysis and valuation. The assumptions used in the calculations are shown in Table 8.

Table 8 Market Rent Advantage – Adjustment Table

Note that we are only documenting the rent advantage for the subject's units without Section 8 PBRA. The pre-set contract rents at the eight proposed 30 percent AMI units with PBRA are not expected to have a rent advantage as the tenant-paid rents for those units are not the posted rent, but rather based on a percentage of each tenant's income. Should these subsidies be removed, the rents for these units would need to be adjusted to the corresponding maximum achievable LIHTC rents, which have a sufficient market rent advantage.

| Rent Adjustments Summary | |
|---------------------------------------|----------|
| B. Design, Location, Condition | |
| Structure | \$50.00 |
| Year Built/Renovated | \$1.00 |
| Quality/Street Appeal | \$50.00 |
| Location | \$50.00 |
| C. Unit Equipment / Amenities | |
| Number of Bedrooms | \$100.00 |
| Number of Bathrooms | \$30.00 |
| Unit Interior Square Feet | \$0.75 |
| Balcony/Patio/Porch/Yard | \$5.00 |
| AC Type: | \$5.00 |
| Range / Refrigerator | \$25.00 |
| Microwave / Dishwasher | \$5.00 |
| Washer / Dryer: In Unit | \$25.00 |
| Washer / Dryer: Hook-ups | \$10.00 |
| D. Site Equipment / Amenities | |
| Parking | Various |
| Clubhouse/Community Rm | \$5.00 |
| Fitness Center | \$5.00 |
| Business/Computer Center | \$5.00 |
| Swimming Pool | \$5.00 |

We elected to compare the units at the subject to the comparable floor plans at Windigrove, Apartments at Goose Creek, and Brandon Ladd Apartments. Profiles of all three communities surveyed are presented in Appendix 2. For the derivation of market rent, we have assumed the subject would include trash removal costs in rent, a community room and business center among common area space, and built-in microwaves and washer/dryer hook ups in each unit.

Once a particular floor plan's market rent has been determined, it can be used to evaluate a.) whether the subject project has a rent advantage or disadvantage versus competing communities, and b.) the extent of that rent advantage or disadvantage. The derivation of market rent and rent advantage for the 60 percent of AMI units by bedroom type is displayed in Table 9, Table 10 and Table 11. After adjustments, the estimated market rent for a one-bedroom unit is \$1,231, providing the subject's 60 percent AMI one-bedroom units with a market advantage of 25.2 percent; the estimated market rent for a two-bedroom unit is \$1,284, resulting in the subject's 60 percent AMI units having an 14.0 percent rent advantage; and the estimated market rent for three-bedroom unit is \$1,433, resulting in the subject's 60 percent AMI units having a 11.3 percent rent advantage. A summary of rent advantages by bedroom and AMI is presented in Table 12.

Table 9 Market Rent Analysis – One Bedroom Units

| One Bedroom Units | | | | | | | |
|--|---------------|--|----------|---|----------|---|----------|
| Subject Property | | Comparable Property #1 | | Comparable Property #2 | | Comparable Property #3 | |
| Alston Court 1030 Alston Ct Waynesboro, VA | | Windigrove 357 Windigrove Dr Waynesboro VA | | Apartments at Goose Creek 80 Goose Point Ln Fishersville VA | | Brandon Ladd Apts 1750 Rosser Ave Waynesboro VA | |
| A. Rents Charged (60% Unit) | Subject | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Street Rent | \$920 | \$1,381 | \$0 | \$1,375 | \$0 | \$895 | \$0 |
| Utilities Included | T | T | \$0 | T | \$0 | W/S, T | (\$15) |
| Rent Concessions | | None | \$0 | None | \$0 | None | \$0 |
| Effective Rent | \$920 | \$1,381 | | \$1,375 | | \$880 | |
| <i>In parts B thru D, adjustments were made only for differences</i> | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Structure | Gar | Gar | \$0 | Gar | \$0 | Gar | \$0 |
| Year Built/Renovated | 2026 | 2014 | \$12 | 2015 | \$11 | 1965 | \$61 |
| Quality/Street Appeal | Excellent | Excellent | \$0 | Excellent | \$0 | Average | \$100 |
| Location | Above Average | Above Average | \$0 | Average | \$50 | Above Average | \$0 |
| C. Unit Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Number of Bedrooms | 1 | 1 | \$0 | 1 | \$0 | 1 | \$0 |
| Number of Bathrooms | 1 | 1 | \$0 | 1 | \$0 | 1 | \$0 |
| Unit Interior Square Feet | 705 | 952 | (\$185) | 785 | (\$60) | 549 | \$117 |
| Balcony/Patio/Porch/Yard | Yes | No | \$5 | Yes | \$0 | No | \$5 |
| AC Type: | Central | Central | \$0 | Central | \$0 | Central | \$0 |
| Range / Refrigerator | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 |
| Microwave / Dishwasher | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | No / No | \$10 |
| Washer / Dryer: In Unit | No | Yes | (\$25) | Yes | (\$25) | Yes | (\$25) |
| Washer / Dryer: Hook-ups | Yes | No | \$10 | No | \$10 | No | \$10 |
| D. Site Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Parking | Surface/\$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 |
| Clubhouse/Community Rm | Yes | Yes | \$0 | Yes | \$0 | No | \$5 |
| Fitness Center | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| Business/Computer Center | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Swimming Pool | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| E. Adjustments Recap | | Positive | Negative | Positive | Negative | Positive | Negative |
| Total Number of Adjustments | | 3 | 4 | 3 | 4 | 7 | 3 |
| Sum of Adjustments B to D | | \$27 | (\$220) | \$71 | (\$95) | \$308 | (\$35) |
| F. Total Summary | | | | | | | |
| Gross Total Adjustment | | \$247 | | \$166 | | \$343 | |
| Net Total Adjustment | | (\$193) | | (\$24) | | \$273 | |
| G. Adjusted And Achievable Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| Adjusted Rent | | \$1,188 | | \$1,351 | | \$1,153 | |
| % of Effective Rent | | 86.0% | | 98.3% | | 131.0% | |
| Estimated Market Rent | | \$1,231 | | | | | |
| Rent Advantage \$ | | \$311 | | | | | |
| Rent Advantage % | | 25.2% | | | | | |

Table 10 Market Rent Analysis – Two Bedroom Units

| Two Bedroom Units | | | | | | | | |
|---|--|------------------------|---------------|---------------------------|-------------|------------------------|---------------|----------|
| Subject Property | | Comparable Property #1 | | Comparable Property #2 | | Comparable Property #3 | | |
| Alston Court 1030 Alston Ct Waynesboro, VA | | Windigrove | | Apartments at Goose Creek | | Brandon Ladd Apts | | |
| | | 357 Windigrove Dr | | 80 Goose Point Ln | | 1750 Rosser Ave | | |
| | | Waynesboro | VA | Fishersville | VA | Waynesboro | VA | |
| A. Rents Charged (60% Unit) | | Subject | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Street Rent | | \$1,104 | \$1,492 | \$0 | \$1,555 | \$0 | \$1,050 | \$0 |
| Utilities Included | | T | T | \$0 | T | \$0 | W/S, T | (\$20) |
| Rent Concessions | | | None | \$0 | None | \$0 | None | \$0 |
| Effective Rent | | \$1,104 | \$1,492 | | \$1,555 | | \$1,030 | |
| In parts B thru D, adjustments were made only for differences | | | | | | | | |
| B. Design, Location, Condition | | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Structure | | | Gar | \$0 | Gar | \$0 | Gar | \$0 |
| Year Built/Renovated | | | 2026 | \$12 | 2015 | \$11 | 1965 | \$61 |
| Quality/Street Appeal | | | Excellent | \$0 | Excellent | \$0 | Excellent | \$100 |
| Location | | | Above Average | \$0 | Average | \$50 | Above Average | \$0 |
| C. Unit Equipment / Amenities | | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Number of Bedrooms | | | 2 | \$0 | 2 | \$0 | 2 | \$0 |
| Number of Bathrooms | | | 2 | \$0 | 2 | \$0 | 1 | \$30 |
| Unit Interior Square Feet | | | 942 | (\$324) | 1,141 | (\$149) | 895 | \$35 |
| Balcony/Patio/Porch/Yard | | | Yes | \$5 | Yes | \$0 | No | \$5 |
| AC Type: | | | Central | \$0 | Central | \$0 | Central | \$0 |
| Range / Refrigerator | | | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 |
| Microwave / Dishwasher | | | Yes / Yes | \$0 | Yes / Yes | \$0 | No / No | \$10 |
| Washer / Dryer: In Unit | | | No | (\$25) | Yes | (\$25) | Yes | (\$25) |
| Washer / Dryer: Hook-ups | | | Yes | \$10 | No | \$10 | No | \$10 |
| D. Site Equipment / Amenities | | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Parking | | | Surface/\$0 | \$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 |
| Clubhouse/Community Rm | | | Yes | \$0 | Yes | \$0 | No | \$5 |
| Fitness Center | | | No | (\$5) | Yes | (\$5) | Yes | (\$5) |
| Business/Computer Center | | | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Swimming Pool | | | No | (\$5) | Yes | (\$5) | Yes | (\$5) |
| E. Adjustments Recap | | | Positive | Negative | Positive | Negative | Positive | Negative |
| Total Number of Adjustments | | | 3 | 4 | 3 | 4 | 8 | 3 |
| Sum of Adjustments B to D | | | \$27 | (\$359) | \$71 | (\$184) | \$256 | (\$35) |
| F. Total Summary | | | | | | | | |
| Gross Total Adjustment | | | \$386 | | \$255 | | \$291 | |
| Net Total Adjustment | | | (\$332) | | (\$113) | | \$221 | |
| G. Adjusted And Achievable Rents | | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| Adjusted Rent | | | \$1,160 | | \$1,442 | | \$1,251 | |
| % of Effective Rent | | | 77.7% | | 92.7% | | 121.5% | |
| Estimated Market Rent | | | \$1,284 | | | | | |
| Rent Advantage \$ | | | \$180 | | | | | |
| Rent Advantage % | | | 14.0% | | | | | |

Table 11 Market Rent Analysis – Three Bedroom Units

| Three Bedroom Units | | | | | | | |
|--|------------------------|----------------|---------------------------|----------------|------------------------|----------------|----------|
| Subject Property | Comparable Property #1 | | Comparable Property #2 | | Comparable Property #3 | | |
| Alston Court 1030 Alston Ct Waynesboro, VA | Windigrove | | Apartments at Goose Creek | | Brandon Ladd Apts | | |
| | 357 Windigrove Dr | | 80 Goose Point Ln | | 1750 Rosser Ave | | |
| | Waynesboro | VA | Fishersville | VA | Waynesboro | VA | |
| A. Rents Charged (60% Unit) | Subject | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Street Rent | \$1,271 | \$1,620 | \$0 | \$1,721 | \$0 | \$1,250 | \$0 |
| Utilities Included | T | T | \$0 | T | \$0 | W/S, T | (\$25) |
| Rent Concessions | | None | \$0 | None | \$0 | None | \$0 |
| Effective Rent | \$1,271 | \$1,620 | | \$1,721 | | \$1,225 | |
| <i>In parts B thru D, adjustments were made only for differences</i> | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Structure / Stories | Gar | Gar | \$0 | Gar | \$0 | TH | (\$50) |
| Year Built / Condition | 2026 | 2014 | \$12 | 2015 | \$11 | 1965 | \$61 |
| Quality/Street Appeal | Excellent | Excellent | \$0 | Excellent | \$0 | Average | \$100 |
| Location | Above Average | Above Average | \$0 | Average | \$50 | Above Average | \$0 |
| C. Unit Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Number of Bedrooms | 3 | 3 | \$0 | 3 | \$0 | 3 | \$0 |
| Number of Bathrooms | 2 | 2 | \$0 | 2 | \$0 | 1.5 | \$15 |
| Unit Interior Square Feet | 1,137 | 1,533 | (\$297) | 1,383 | (\$185) | 1,044 | \$70 |
| Balcony / Patio / Porch | Yes | No | \$5 | Yes | \$0 | Yes | \$0 |
| AC: (C)entral / (W)all / (N)one | Central | Central | \$0 | Central | \$0 | Central | \$0 |
| Range / Refrigerator | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 |
| Microwave / Dishwasher | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | No / No | \$10 |
| Washer / Dryer: In Unit | No | Yes | (\$25) | Yes | (\$25) | Yes | (\$25) |
| Washer / Dryer: Hook-ups | Yes | No | \$10 | No | \$10 | No | \$10 |
| D. Site Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Parking | Surface/\$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 |
| Clubhouse/Community Rm | Yes | Yes | \$0 | Yes | \$0 | No | \$5 |
| Fitness Center | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| Business/Computer Center | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Swimming Pool | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| E. Adjustments Recap | | Positive | Negative | Positive | Negative | Positive | Negative |
| Total Number of Adjustments | | 3 | 4 | 3 | 4 | 7 | 4 |
| Sum of Adjustments B to D | | \$27 | (\$332) | \$71 | (\$220) | \$271 | (\$85) |
| F. Total Summary | | | | | | | |
| Gross Total Adjustment | | \$359 | | \$291 | | \$356 | |
| Net Total Adjustment | | (\$305) | | (\$149) | | \$186 | |
| G. Adjusted And Achievable Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| Adjusted Rent | | \$1,315 | | \$1,572 | | \$1,411 | |
| % of Effective Rent | | 81.2% | | 81.2% | | 81.2% | |
| Estimated Market Rent | \$1,433 | | | | | | |
| Rent Advantage \$ | \$162 | | | | | | |
| Rent Advantage % | 11.3% | | | | | | |

Table 12 Market Rent Advantage - Summary

| 50% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|-----------------------|----------------|----------------|------------------|
| Subject Rent | \$751 | \$901 | \$1,037 |
| Estimated Market Rent | \$1,231 | \$1,284 | \$1,433 |
| Rent Advantage (\$) | \$480 | \$383 | \$396 |
| Rent Advantage (%) | 39.0% | 29.8% | 27.6% |
| Proposed Units | 5 | 9 | 8 |

| 60% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|-----------------------|----------------|----------------|------------------|
| Subject Rent | \$920 | \$1,104 | \$1,271 |
| Estimated Market Rent | \$1,231 | \$1,284 | \$1,433 |
| Rent Advantage (\$) | \$311 | \$180 | \$162 |
| Rent Advantage (%) | 25.2% | 14.0% | 11.3% |
| Proposed Units | 17 | 21 | 15 |

| 80% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|-----------------------|----------------|----------------|------------------|
| Subject Rent | \$1,100 | \$1,215 | \$1,404 |
| Estimated Market Rent | \$1,231 | \$1,284 | \$1,433 |
| Rent Advantage (\$) | \$131 | \$69 | \$29 |
| Rent Advantage (%) | 10.6% | 5.4% | 2.0% |
| Proposed Units | 2 | 6 | 5 |

Achievable Restricted Rents

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

As shown in Table 13, the achievable rent for the subject's 50 and 60 percent AMI units is the maximum LIHTC rent for those units as they are below the (reduced) estimated market rents. The achievable rent for the subject's 80 percent AMI units is the reduced estimated market rent for those units as they are below the maximum 80 percent AMI LIHTC rent. All proposed non-subsidized rents for the subject community are at or below the achievable rents.

Table 13 Achievable Tax Credit Rent

| 50% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|------------------------|----------------|----------------|------------------|
| Estimated Market Rent | \$1,231 | \$1,284 | \$1,433 |
| Less 10% | \$1,108 | \$1,156 | \$1,289 |
| Maximum LIHTC Rent * | \$751 | \$901 | \$1,037 |
| Achievable Rent | \$751 | \$901 | \$1,037 |
| SUBJECT RENT | \$751 | \$901 | \$1,037 |

| 60% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|------------------------|----------------|----------------|------------------|
| Estimated Market Rent | \$1,231 | \$1,284 | \$1,433 |
| Less 10% | \$1,108 | \$1,156 | \$1,289 |
| Maximum LIHTC Rent * | \$920 | \$1,104 | \$1,271 |
| Achievable Rent | \$920 | \$1,104 | \$1,271 |
| SUBJECT RENT | \$920 | \$1,104 | \$1,271 |

| 80% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|------------------------|----------------|----------------|------------------|
| Estimated Market Rent | \$1,231 | \$1,284 | \$1,433 |
| Less 5% | \$1,169 | \$1,220 | \$1,361 |
| Maximum LIHTC Rent * | \$1,258 | \$1,509 | \$1,739 |
| Achievable Rent | \$1,169 | \$1,220 | \$1,361 |
| SUBJECT RENT | \$1,100 | \$1,215 | \$1,404 |

(*) Max LIHTC rents assume the developer's utility allowances: 1BR-\$92; 2BR-\$111; 3BR-\$131

Effective Demand – Affordability Analysis

To conduct the capture rate analysis, we performed an affordability analysis for the project. The Affordability/Capture Analysis tests the percentage of income-qualified households in the primary market area that the subject community must capture to achieve full occupancy.

Table 14 presents the total income distribution and renter income distribution among Alston Court Market Area households for 2026, the year we project that units at 1030 Alston Court will be placed in service.

Table 14 2026 Total and Renter Income Distribution, Alston Court Market Area

| Alston Court Market Area | | 2026 Total Households | | 2026 Renter Households | |
|--------------------------|---------------------|-----------------------|-------------|------------------------|-------------|
| 2026 Income | | # | % | # | % |
| less than | \$15,000 | 3,776 | 10.5% | 2,340 | 17.1% |
| | \$15,000 \$24,999 | 2,849 | 7.9% | 1,458 | 10.7% |
| | \$25,000 \$34,999 | 3,289 | 9.1% | 2,025 | 14.8% |
| | \$35,000 \$49,999 | 4,026 | 11.2% | 1,901 | 13.9% |
| | \$50,000 \$74,999 | 5,398 | 15.0% | 2,001 | 14.6% |
| | \$75,000 \$99,999 | 4,811 | 13.3% | 1,536 | 11.2% |
| | \$100,000 \$149,999 | 7,362 | 20.4% | 1,601 | 11.7% |
| | \$150,000 Over | 4,559 | 12.6% | 799 | 5.9% |
| Total | | 36,069 | 100% | 13,659 | 100% |
| Median Income | | \$68,963 | | \$42,952 | |

Source: American Community Survey 2018-2022 Estimates, Esri, RPRG

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types – monthly contract rents paid to property owners and payment of utility bills for which the tenant is responsible. The sum of the contract rent and utility bills is referred to as a household's 'gross rent burden'. As required by VH, we have set the gross rent burden percentage at 35 percent.

The subject will target households with incomes at 30 percent, 50 percent, 60 percent, and 80 percent AMI. Based on this project configuration, we compute the capture rate for each bedroom type, income target and overall community (Table 15). The renter capture rate by AMI restriction are 0.2 percent for 30 percent AMI units with PBRA; 0.8 percent for 50 percent AMI units; 2.1 percent for 60 percent AMI units; and 0.4 percent for 80 percent AMI units. Accounting for gaps in affordability, the overall capture rate for the project is 1.0 percent.

Additionally, we performed an affordability analysis for the subject community in the unlikely scenario where subsidies are to be unavailable for the eight units restricted to 30 percent AMI in the 9 percent portion of the development. In this scenario, we have assumed the rents for one, two, and three-bedroom units which no longer include subsidies will match the LIHTC 30 percent AMI maximum allowable rents. Without subsidies, the subject's resulting capture rate is 1.4 percent among 6,943 income-qualified renter households (Table 16).

Table 15 2026 Affordability Analysis for 1030 Alston Court including PBRA Subsidies

| Subsidized 30% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--------------------|-------------------|----------|-------------------|----------|---------------------|----------|
| | | Min. | Max. | Min. | Max. | Min. | Max. |
| Number of Units | | 3 | | 3 | | 2 | |
| Net Rent | | \$973 | | \$1,132 | | \$1,624 | |
| Gross Rent | | \$1,065 | | \$1,243 | | \$1,755 | |
| Income Range (Min, Max) | | no min\$ | \$20,250 | no min\$ | \$24,300 | no min\$ | \$28,050 |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 13,659 | 10,554 | 13,659 | 9,964 | 13,659 | 9,244 |
| # Qualified Hhlds | | 3,105 | | 3,695 | | 4,415 | |
| Renter HH Capture Rate | | 0.1% | | 0.1% | | 0.0% | |

| 50% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--------------------|-------------------|----------|-------------------|----------|---------------------|----------|
| Number of Units | | 5 | | 9 | | 8 | |
| Net Rent | | \$722 | | \$854 | | \$966 | |
| Gross Rent | | \$814 | | \$965 | | \$1,097 | |
| Income Range (Min, Max) | | \$27,902 | \$33,750 | \$33,078 | \$40,500 | \$37,603 | \$46,750 |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 9,274 | 8,090 | 8,226 | 7,140 | 7,507 | 6,348 |
| # Qualified Hhlds | | 1,184 | | 1,086 | | 1,159 | |
| Renter HH Capture Rate | | 0.4% | | 0.8% | | 0.7% | |

| 60% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--------------------|-------------------|----------|-------------------|----------|---------------------|----------|
| Number of Units | | 17 | | 21 | | 15 | |
| Net Rent | | \$910 | | \$1,050 | | \$1,234 | |
| Gross Rent | | \$1,002 | | \$1,161 | | \$1,365 | |
| Income Range (Min, Max) | | \$34,358 | \$40,500 | \$39,806 | \$48,600 | \$46,811 | \$56,100 |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 7,967 | 7,140 | 7,228 | 6,114 | 6,341 | 5,449 |
| # Qualified Households | | 827 | | 1,114 | | 892 | |
| Renter HH Capture Rate | | 2.1% | | 1.9% | | 1.7% | |

| 80% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--------------------|-------------------|----------|-------------------|----------|---------------------|----------|
| Number of Units | | 2 | | 6 | | 5 | |
| Net Rent | | \$1,100 | | \$1,215 | | \$1,407 | |
| Gross Rent | | \$1,192 | | \$1,326 | | \$1,538 | |
| Income Range (Min, Max) | | \$40,869 | \$54,000 | \$45,463 | \$64,800 | \$52,731 | \$74,800 |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 7,094 | 5,617 | 6,512 | 4,752 | 5,718 | 3,952 |
| # Qualified Households | | 1,477 | | 1,759 | | 1,766 | |
| Renter HH Capture Rate | | 0.1% | | 0.3% | | 0.3% | |

| | Income Target | # Units | Renter Households = 13,659 | | | | |
|--|-----------------------|---------|----------------------------|--------------------|-------------------|--------------|------|
| | | | Band of Qualified Hhlds | | # Qualified HHs | Capture Rate | |
| | Subsidized 30% AMI | 8 | Income Households | no min\$ 13,659 | \$28,050 9,244 | 4,415 | 0.2% |
| | 50% AMI | 22 | Income Households | \$27,902 9,274 | \$46,750 6,348 | 2,926 | 0.8% |
| | 60% AMI | 53 | Income Households | \$34,358 7,967 | \$56,100 5,449 | 2,519 | 2.1% |
| | 80% AMI | 13 | Income Households | \$40,869 7,094 | \$74,800 3,952 | 3,142 | 0.4% |
| | Total Units | 96 | Income Households | no min\$ 13,659 | \$74,800 3,952 | 9,707 | 1.0% |

Source: Income Projections, RPRG, Inc.

Table 16 2025 Affordability Analysis for 1030 Alston Court without Subsidies

| 30% AMI | | 35% Rent Burden | | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--|-------------------|--|-------------------|--|-------------------|--|---------------------|--|
| | | | | Min. Max. | | Min. Max. | | Min. Max. | |
| Number of Units | | 3 | | 3 | | 2 | | | |
| Net Rent | | \$414 | | \$496 | | \$570 | | | |
| Gross Rent | | \$506 | | \$607 | | \$701 | | | |
| Income Range (Min, Max) | | \$17,349 \$20,250 | | \$20,811 \$24,300 | | \$24,034 \$28,050 | | | |
| Renter Households | | | | | | | | | |
| Range of Qualified Hhlds | | 10,977 10,554 | | 10,472 9,964 | | 10,003 9,244 | | | |
| # Qualified Hhlds | | 423 | | 508 | | 758 | | | |
| Renter HH Capture Rate | | 0.7% | | 0.6% | | 0.3% | | | |

| 50% AMI | | 35% Rent Burden | | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--|-------------------|--|-------------------|--|-------------------|--|---------------------|--|
| Number of Units | | 5 | | 9 | | 8 | | | |
| Net Rent | | \$722 | | \$854 | | \$966 | | | |
| Gross Rent | | \$814 | | \$965 | | \$1,097 | | | |
| Income Range (Min, Max) | | \$27,902 \$33,750 | | \$33,078 \$40,500 | | \$37,603 \$46,750 | | | |
| Renter Households | | | | | | | | | |
| Range of Qualified Hhlds | | 9,274 8,090 | | 8,226 7,140 | | 7,507 6,348 | | | |
| # Qualified Hhlds | | 1,184 | | 1,086 | | 1,159 | | | |
| Renter HH Capture Rate | | 0.4% | | 0.8% | | 0.7% | | | |

| 60% AMI | | 35% Rent Burden | | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--|-------------------|--|-------------------|--|-------------------|--|---------------------|--|
| Number of Units | | 17 | | 21 | | 15 | | | |
| Net Rent | | \$910 | | \$1,050 | | \$1,234 | | | |
| Gross Rent | | \$1,002 | | \$1,161 | | \$1,365 | | | |
| Income Range (Min, Max) | | \$34,358 \$40,500 | | \$39,806 \$48,600 | | \$46,811 \$56,100 | | | |
| Renter Households | | | | | | | | | |
| Range of Qualified Hhlds | | 7,967 7,140 | | 7,228 6,114 | | 6,341 5,449 | | | |
| # Qualified Households | | 827 | | 1,114 | | 892 | | | |
| Renter HH Capture Rate | | 2.1% | | 1.9% | | 1.7% | | | |

| 80% AMI | | 35% Rent Burden | | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--|-------------------|--|-------------------|--|-------------------|--|---------------------|--|
| Number of Units | | 2 | | 6 | | 5 | | | |
| Net Rent | | \$1,100 | | \$1,215 | | \$1,407 | | | |
| Gross Rent | | \$1,192 | | \$1,326 | | \$1,538 | | | |
| Income Range (Min, Max) | | \$40,869 \$54,000 | | \$45,463 \$64,800 | | \$52,731 \$74,800 | | | |
| Renter Households | | | | | | | | | |
| Range of Qualified Hhlds | | 7,094 5,617 | | 6,512 4,752 | | 5,718 3,952 | | | |
| # Qualified Households | | 1,477 | | 1,759 | | 1,766 | | | |
| Renter HH Capture Rate | | 0.1% | | 0.3% | | 0.3% | | | |

| | Income Target | # Units | Renter Households = 13,659 | | | | |
|--|---------------|---------|----------------------------|-----------------------------------|-----------------|--------------|--|
| | | | Band of Qualified Hhlds | | # Qualified HHs | Capture Rate | |
| | 30% AMI | 8 | Income Households | \$17,349 \$28,050 10,977 9,244 | 1,651 | 0.5% | |
| | 50% AMI | 22 | Income Households | \$27,902 \$46,750 9,274 6,348 | 2,926 | 0.8% | |
| | 60% AMI | 53 | Income Households | \$34,358 \$56,100 7,967 5,449 | 2,519 | 2.1% | |
| | 80% AMI | 13 | Income Households | \$40,869 \$74,800 7,094 3,952 | 3,142 | 0.4% | |
| | Total Units | 96 | Income Households | \$17,349 \$74,800 10,977 3,952 | 6,943 | 1.4% | |

Source: Income Projections, RPRG, Inc.

VH Demand Analysis

Table 17 outlines the detailed VH demand calculations for the subject. Total demand available for the 96-unit project is expected to include 172 net new renter households, 3,626 cost-burdened households factoring in the percent of renter households spending 40 percent of their income in gross rent, and 503 households currently residing in substandard housing. The calculation thus yields a total net demand for 4,301 units of affordable rental housing serving the targeted income bands.

Comparable units that are presently available or that likely would be available constitute supply that must be subtracted from total VH demand to arrive at VH net demand. Based on the competitive rental survey in the comprehensive analysis with some updates, RPRG estimates four vacancies among 60 percent and 80 percent AMI LIHTC units. Additionally, several pipeline communities are expected to offer a combined 180 LIHTC units restricted to 30 percent, 50 percent, 60 percent, and 90 percent AMI. Subtracting the vacant units at existing communities and pipeline units, VH net demand totals 4,117 units.

Given the net demand for 4,117 units, the 96-unit subject would need to capture 2.3 percent of income-qualified renter households per VH's demand methodology. We have also run the VH Demand Analysis for the 96-unit combined subject community in the unlikely event that rental assistance subsidies are to be unavailable. In this scenario, VH demand increases to 3.3 percent (Table 18).

As this VH Demand analysis has similar low capture rates when compared to the January comprehensive report, our estimate of a project lease-up pace of roughly three to four months for the subject community is still relevant. This lease-up period reflects an average absorption pace of 20 units per month for the unsubsidized units at 1030 Alston Court. Due to the overwhelming demand for units which include rental assistance subsidies, the subject's subsidized units will likely be filled upon availability. The lease-up pace for the combined community without subsidies is four to five months.

Table 17 2026 VH Affordability Analysis for 1030 Alston Court including PBRA Subsidy

| Income Target | Subsidized | 50% AMI | 60% AMI | 80% AMI | Project Total |
|--|--------------|--------------|--------------|--------------|---------------|
| Minimum Income Limit | no min\$ | \$34,358 | \$40,869 | \$40,869 | no min\$ |
| Maximum Income Limit | \$28,050 | \$56,100 | \$74,800 | \$74,800 | \$74,800 |
| (A) Renter Income Qualification Percentage | 32.3% | 21.4% | 18.4% | 23.0% | 71.1% |
| Demand from New Renter Households - Calculation $(C-B)*F*A$ | 78 | 52 | 45 | 56 | 172 |
| + Demand from Rent Overburdened HHs - Calculation: $B*E*F*A$ | 1,649 | 1,093 | 941 | 1,174 | 3,626 |
| + Demand from Substandard Housing - Calculation $B*D*F*A$ | 229 | 152 | 130 | 163 | 503 |
| Total Income Qualified Renter Demand | 1,956 | 1,296 | 1,116 | 1,392 | 4,301 |
| Less: Comparable Vacant Units | 0 | 0 | 1 | 3 | 4 |
| Less: Comparable Pipeline Units | 38 | 53 | 38 | 51 | 180 |
| Net Demand | 1,918 | 1,243 | 1,077 | 1,338 | 4,117 |
| Subject Proposed Units | 8 | 22 | 53 | 13 | 96 |
| Capture Rate | 0.4% | 1.8% | 4.9% | 1.0% | 2.3% |

| Demand Calculation Inputs | |
|---|-----------|
| A). % of Renter HHlds with Qualifying Income | see above |
| B). 2024 Households | 35,639 |
| C). 2027 Households | 36,285 |
| D). Substandard Housing (% of Rental Stock) | 5.3% |
| E). Rent Overburdened (% of Renter HHlds at >40%) | 38.2% |
| F). Renter Percentage (% of all 2024 HHlds) | 37.5% |

Project Wide Capture Rate All Units: 2.3%
 Project Wide Absorption Period (Months): 3-4 months

Table 18 2026 VH Affordability Analysis for 1030 Alston Court without Subsidy

| <i>Income Target</i> | 30% AMI | 50% AMI | 60% AMI | 80% AMI | Project Total |
|---|--------------|--------------|--------------|--------------|---------------|
| <i>Minimum Income Limit</i> | \$17,349 | \$34,358 | \$40,869 | \$40,869 | \$17,349 |
| <i>Maximum Income Limit</i> | \$28,050 | \$56,100 | \$74,800 | \$74,800 | \$74,800 |
| (A) Renter Income Qualification Percentage | 12.1% | 21.4% | 18.4% | 23.0% | 50.8% |
| Demand from New Renter Households - <i>Calculation (C-B)*F*A</i> | 29 | 52 | 45 | 56 | 123 |
| + Demand from Rent Overburdened HHs - <i>Calculation: B*E*F*A</i> | 617 | 1,093 | 941 | 1,174 | 2,594 |
| + Demand from Substandard Housing - <i>Calculation B*D*F*A</i> | 85 | 152 | 130 | 163 | 360 |
| Total Income Qualified Renter Demand | 732 | 1,296 | 1,116 | 1,392 | 3,076 |
| Less: Comparable Vacant Units | 0 | 0 | 1 | 3 | 4 |
| Less: Comparable Pipeline Units | 38 | 53 | 38 | 51 | 180 |
| Net Demand | 694 | 1,243 | 1,077 | 1,338 | 2,892 |
| Subject Proposed Units | 8 | 22 | 53 | 13 | 96 |
| Capture Rate | 1.2% | 1.8% | 4.9% | 1.0% | 3.3% |

| Demand Calculation Inputs | |
|---|-----------|
| A). % of Renter HHlds with Qualifying Income | see above |
| B). 2024 Households | 35,639 |
| C). 2027 Households | 36,285 |
| D). Substandard Housing (% of Rental Stock) | 5.3% |
| E). Rent Overburdened (% of Renter HHlds at >40%) | 38.2% |
| F). Renter Percentage (% of all 2024 HHlds) | 37.5% |

Project Wide Capture Rate All Units: 3.3%
Project Wide Absorption Period (Months): 4-5 months

Conclusions

The Alston Court Market Area is not expected to have undergone major changes since the January 2024 comprehensive analysis. The subject's proposed pricing for the 60 percent AMI units at 1030 Alston Court has a competitive advantage between 11.3 and 25.2 percent, while the 80 percent AMI units in the 9 percent portion of the development have a competitive advantage from 2.0 to 10.6 percent. The capture rate analysis demonstrates sufficient income qualified renter households in the market to address the overall community.

APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are neither existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.

The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



APPENDIX 2 Select Competitive Rental Profiles

ADDRESS80 Goose Point Lane, Fishersville, VA, 22939

COMMUNITY TYPEMarket Rate - General

STRUCTURE TYPE4 Story – Mix

UNITS352

VACANCY0.0 % (0 Units) as of 01/11/24

OPENED IN2015



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| One | 8% | \$1,321 | 785 | \$1.68 |
| One/Den | 4% | \$1,451 | 1,095 | \$1.33 |
| Two | 37% | \$1,545 | 1,141 | \$1.35 |
| Three | 9% | \$1,711 | 1,383 | \$1.24 |

Community Amenities

Clubhouse, Fitness Room, Outdoor Pool, Business Center, Dog Park, Firepit, Outdoor Kitchen, Picnic Area, Elevator Served

| Features | |
|--------------------|---|
| Standard | Dishwasher, Disposal, Microwave, IceMaker, Ceiling Fan, Patio Balcony, Cable TV, Broadband Internet |
| Standard - Full | In Unit Laundry |
| Standard - Gas | Fireplace |
| Standard - In Unit | Storage |
| Select Units | High Ceilings |
| Ceramic | Flooring Type 1 |
| Carpet | Flooring Type 2 |
| Granite | Countertops |
| SS | Appliances |

| | |
|------------------------|----------------------------|
| Parking | |
| Parking Description | Free Surface Parking |
| Parking Description #2 | Detached Garage — \$125.00 |

| | |
|---------------|---------------|
| Contacts | |
| Owner / Mgmt. | Denstock Mgmt |
| Phone | 540-712-2459 |

Comments

Game rm. Walk/bike trails. Kitchenette in dbhse. outdr patio w/grills.Private theater, multi-purpose sports field. Mix of tenants from Augusta Health, Murphy Deming. Tenant good mix of roommates, families, factory workers, singles. Ph.I- Garden Bldgs; Ph.II-3 Mid-rise & 1 Garden Bldg. No formal waitlist, however, there is a wait of about 4 months.

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Magellan Garden | | 1 | 1.0 | 14 | \$1,384 | 764 | \$1.81 | Market | - |
| Gosling Garden | | 1 | 1.0 | 14 | \$1,279 | 805 | \$1.59 | Market | - |
| Anser Garden | Den | 1 | 1.5 | 14 | \$1,461 | 1,095 | \$1.33 | Market | - |
| Coscoroba Garden | | 2 | 2.0 | 44 | \$1,579 | 1,092 | \$1.45 | Market | - |
| Goose Garden | | 2 | 2.0 | 44 | \$1,508 | 1,149 | \$1.31 | Market | - |
| Greylag Garden | | 2 | 2.0 | 43 | \$1,579 | 1,184 | \$1.33 | Market | - |
| Gander Garden | | 3 | 2.0 | 16 | \$1,677 | 1,348 | \$1.24 | Market | - |
| Orinoco Garden | | 3 | 2.0 | 15 | \$1,768 | 1,420 | \$1.24 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/07/21 |
| % Vac | 0.0% | 0.0% | 23.9% |
| One | \$888 | \$886 | \$1,206 |
| One/Den | \$1,461 | \$1,461 | \$0 |
| Two | \$1,555 | \$1,553 | \$1,380 |
| Three | \$1,722 | \$1,722 | \$1,544 |

| Adjustments to Rent | |
|---------------------|----------|
| Incentives | None |
| Utilities in Rent | Trash |
| Heat Source | Electric |

Apartmentsh1 at Goose Creek

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Brandon Ladd



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|----------------|-------|--------------------------------|-----------|
| 1750 Rosser Avenue, Waynesboro, VA, 22980 | Market Rate - General | Garden/TH | 172 | 0.0 % (0 Units) as of 01/11/24 | 1965 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Studio | 5% | \$752 | 427 | \$176 |
| One | 47% | \$870 | 549 | \$158 |
| Two | 20% | \$1,020 | 895 | \$114 |
| Three | 28% | \$1,215 | 1,044 | \$116 |

| Community Amenities |
|---|
| Central Laundry, Outdoor Pool, Playground |

| Features | |
|---------------------|------------------------------------|
| Select Units | Dishwasher, Patio Balcony, Storage |
| Standard | Disposal |
| Standard - Stacked | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| White | Appliances |
| Laminate | Countertops |

| Parking | |
|------------------------|----------------------|
| Parking Description | Free Surface Parking |
| Parking Description #2 | |

| Contacts | |
|---------------|-------------------------|
| Owner / Mgmt. | Neighborhood Properties |
| Phone | 540-949-5000 Greg |

| Comments |
|--|
| per Greg most leases run from spring to fall; some units have gas heat some have electric heat; 2BR units also include gas in utilities Some renovated units (SS app/ granite CT.). Some units metered utilities, others charge flat fee for gas heat (\$15-25).walking paths |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 0 | 1.0 | 9 | \$775 | 427 | \$1.81 | Market | - |
| Garden | | 1 | 1.0 | 80 | \$895 | 549 | \$1.63 | Market | - |
| Garden | | 2 | 1.0 | 35 | \$1,050 | 895 | \$1.17 | Market | - |
| Townhouse | | 3 | 1.5 | 48 | \$1,250 | 1,044 | \$1.20 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 12/20/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Studio | \$775 | \$775 | \$725 |
| One | \$895 | \$895 | \$830 |
| Two | \$1,050 | \$1,050 | \$935 |
| Three | \$1,250 | \$1,250 | \$1,190 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Other |

Brandon Ladd

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|------------------|-------|--------------------------------|-----------|
| 357 Windigrove Drive, Waynesboro, VA, 22980 | Market Rate - General | 2 Story – Garden | 354 | 1.1 % (4 Units) as of 01/12/24 | 2014 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| One | 25% | \$1,371 | 952 | \$1.44 |
| Two | 57% | \$1,482 | 1,374 | \$1.08 |
| Three | 18% | \$1,610 | 1,533 | \$1.05 |

| Community Amenities |
|--|
| Picnic Area, Dog Park, Clubhouse, Fitness Room, Community Room, Playground, Business Center, Concierge, Outdoor Pool |

| Features | |
|---------------------|---|
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| Standard - Wood | Fireplace |
| Standard | Dishwasher, Disposal, Microwave, IceMaker, Ceiling Fan, High Ceilings |
| SS | Appliances |
| Granite | Countertops |
| Standard - Full | In Unit Laundry |

| Parking | |
|------------------------|--------------------------|
| Parking Description | Detached Garage \$135.00 |
| Parking Description #2 | Attached Garage |

| Contacts | |
|---------------|-----------------------------|
| Owner / Mgmt. | Park Properties |
| Phone | 540-949-7158 / 540-299-1807 |

| Comments |
|---|
| Phase 1 and 2 - 234 units. 1st phase of 117 units opened in Dec 2014 and reached stabilization before end of 2015. 2nd phase of 117 units - stabilization not available. Phase 3 (120 units) - 4 buildings delivered in early Dec 2021 (3 buildings with garages and 1 buildings with no garages = 44 units), another 6 buildings (2 buildings w/garages and 4 buildings w/no garages - 76 units) delivered in April 2022 and was 100% leased before opening. |
| Garage buildings have 10 units/building. Non garage buildings have 14 units/building. |
| BBQ/grills/picnic, sundeck, W/C, lounge w/billiards, yoga room. Detached garages are only available for rent for units in Phases 1 and 2 for \$135. Some Phase 3 units have an attached garage included in rent. |

| Floorplans (Published Rents as of 01/12/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Ph 3 - Osprey Garden | | 1 | 1.0 | 20 | \$1,388 | 790 | \$1.76 | Market | - |
| Ph 3 - Jetty Garden | | 1 | 1.0 | 30 | \$1,438 | 808 | \$1.78 | Market | - |
| Linden Garden | | 1 | 1.0 | 17 | \$1,235 | 965 | \$1.28 | Market | - |
| Skyline Garden | Loft | 1 | 1.0 | 22 | \$1,413 | 1,287 | \$1.10 | Market | - |
| Ph 3 - Ivy Garden | | 2 | 2.0 | 25 | \$1,663 | 1,071 | \$1.55 | Market | - |
| Ph 3 - Bauer Garden | | 2 | 2.0 | 15 | \$1,613 | 1,205 | \$1.34 | Market | - |
| Aspen Garden | | 2 | 2.0 | 78 | \$1,405 | 1,267 | \$1.11 | Market | - |
| Parkway Garden | Loft | 2 | 2.0 | 65 | \$1,450 | 1,584 | \$0.92 | Market | - |
| Ph 3 - Parkton Garden | | 2 | 2.0 | 20 | \$1,663 | 1,617 | \$1.03 | Market | - |
| Hawthorn Garden | | 3 | 2.0 | 52 | \$1,580 | 1,450 | \$1.09 | Market | - |
| Ph 3 - Delta Garden | Garage | 3 | 2.0 | 10 | \$1,825 | 1,966 | \$0.93 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/12/24 | 03/20/23 | 12/20/21 |
| % Vac | 1.1% | 0.0% | 0.8% |
| One | \$1,368 | \$1,349 | \$1,542 |
| Two | \$1,559 | \$1,584 | \$1,376 |
| Three | \$1,703 | \$1,689 | \$1,575 |

| Adjustments to Rent | |
|---------------------|----------|
| Incentives | None |
| Utilities in Rent | Trash |
| Heat Source | Electric |

| Initial Absorption | |
|--------------------|-----------------|
| Opened: 2014-12-01 | Months: 88.0 |
| Closed: 2022-04-15 | 4.0 units/month |

Windigrove

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



REAL PROPERTY **RESEARCH** GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Market Feasibility Analysis

1030 Alston Court – 4%

Waynesboro, Virginia

Prepared for:

Enterprise Community Development

Effective Date: January 3, 2024

Inspection Date: January 3, 2024





TABLE OF CONTENTS

| | |
|--|------------|
| TABLE OF CONTENTS..... | II |
| TABLES, FIGURES AND MAPS..... | V |
| EXECUTIVE SUMMARY | VII |
| I. INTRODUCTION..... | 1 |
| A. Overview of Subject..... | 1 |
| B. Purpose..... | 1 |
| C. Format of Report | 1 |
| D. Client, Intended User, and Intended Use | 1 |
| E. Applicable Requirements | 1 |
| F. Scope of Work | 2 |
| G. Report Limitations | 3 |
| H. Other Pertinent Remarks..... | 3 |
| II. PROJECT DESCRIPTION | 4 |
| A. Project Overview | 4 |
| B. Project Type and Target Market | 4 |
| C. Building Types and Placement..... | 4 |
| D. Detailed Project Description..... | 5 |
| 1. Project Description..... | 5 |
| 2. Proposed Timing of Development | 7 |
| III. SITE AND NEIGHBORHOOD ANALYSIS | 8 |
| A. Site Analysis | 8 |
| 1. Site Location..... | 8 |
| 2. Size, Shape and Topography | 8 |
| 3. General Description of Land Uses Near the Subject Site | 9 |
| 4. Specific Identification of Land Uses Surrounding the Subject Site | 10 |
| B. Neighborhood Analysis..... | 12 |
| 1. Neighborhood Investment..... | 13 |
| C. Site Visibility and Accessibility | 13 |
| 1. Visibility..... | 13 |
| 2. Vehicular Access..... | 14 |
| 3. Availability of Public Transit | 14 |
| 4. Pedestrian Access | 14 |
| 5. Accessibility Improvements Under Construction and Planned..... | 14 |
| D. Public Safety | 15 |
| E. Residential Support Network | 16 |
| 1. Key Facilities and Services near the Subject Site | 16 |
| 2. Health Care | 16 |
| 3. Education | 17 |
| 4. Shopping | 18 |
| 5. Recreational and Other Community Amenities | 18 |
| F. Overall Site Conclusions | 19 |
| IV. ECONOMIC CONTEXT | 20 |
| A. Introduction..... | 20 |
| B. Labor Force, Resident Employment, and Unemployment | 20 |

| | | |
|--------------|---|-----------|
| 1. | Trends in Annual Average Labor Force and Unemployment Data | 20 |
| C. | Commuting Patterns..... | 21 |
| D. | At-Place Employment Trends | 21 |
| E. | At-Place Employment by Industry Sector | 22 |
| F. | Wages | 24 |
| G. | Major Employers | 25 |
| H. | Economic Conclusions | 26 |
| V. | HOUSING MARKET AREA INTRODUCTION | 27 |
| A. | Delineation of Market Area | 27 |
| VI. | DEMOGRAPHIC ANALYSIS | 29 |
| A. | Introduction and Methodology | 29 |
| B. | Trends in Population and Households | 29 |
| 1. | Recent Past Trends | 29 |
| 2. | Projected Trends | 30 |
| 3. | Building Permit Trends..... | 30 |
| C. | Demographic Characteristics..... | 30 |
| 1. | Age Distribution and Household Type | 30 |
| 2. | Households by Tenure | 32 |
| 3. | Renter Household Characteristics..... | 33 |
| D. | Income Characteristics | 34 |
| E. | Cost-Burdened Renter Households and Substandard Housing | 35 |
| VII. | COMPETITIVE HOUSING ANALYSIS | 37 |
| A. | Introduction and Sources of Information | 37 |
| B. | Overview of Market Area Housing Stock..... | 37 |
| C. | Survey of General Occupancy Rental Communities | 38 |
| 1. | Introduction | 38 |
| 2. | Location..... | 39 |
| 3. | Age of Communities..... | 40 |
| 4. | Structure Type..... | 40 |
| 5. | Size of Communities..... | 40 |
| 6. | Vacancy Rates | 40 |
| 7. | Rent Concessions | 40 |
| 8. | Absorption History | 41 |
| D. | Analysis of Rental Products and Pricing..... | 42 |
| 1. | Payment of Utility Costs..... | 42 |
| 2. | Unit Features & Finishes | 43 |
| 3. | Parking | 43 |
| 4. | Community Amenities | 43 |
| 5. | Unit Distribution | 44 |
| 6. | Unit Pricing..... | 44 |
| E. | Subsidized Rental Communities & Housing Choice Voucher Statistics | 46 |
| F. | Derivation of Market Rent..... | 46 |
| 1. | Introduction | 46 |
| 2. | Selection of Comparable Properties | 47 |
| 3. | Description of Rent Adjustments | 47 |
| G. | Achievable Restricted Rents | 52 |
| H. | Proposed and Pipeline Rental Communities | 53 |
| VIII. | FINDINGS AND CONCLUSIONS..... | 57 |



| | | |
|--------------|---|-----------|
| A. | Key Findings | 57 |
| 1. | Site and Neighborhood Analysis | 57 |
| 2. | Economic Context | 57 |
| 3. | Population and Household Trends..... | 58 |
| 4. | Demographic and Income Analysis | 58 |
| 5. | Competitive Housing Analysis | 59 |
| B. | Derivation of Demand | 60 |
| 1. | Net Demand Methodology | 60 |
| 2. | Net Demand Calculation | 62 |
| 3. | Conclusions on Net Demand..... | 64 |
| C. | Effective Demand – Affordability/Capture & Penetration Analyses | 64 |
| 1. | Methodology..... | 64 |
| 2. | Affordability Analysis | 65 |
| 3. | Penetration Analysis | 68 |
| 4. | Conclusions on Affordability and Penetration | 69 |
| D. | Virginia Housing Demand Methodology..... | 69 |
| 1. | Virginia Housing Demand Analysis..... | 69 |
| 2. | Conclusions on Virginia Housing Demand | 71 |
| E. | Target Markets | 72 |
| F. | Product Evaluation | 72 |
| G. | Price Position | 73 |
| H. | Absorption Estimate..... | 75 |
| I. | Impact on Existing Market..... | 76 |
| IX. | APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS..... | 77 |
| X. | APPENDIX 2 RENTAL COMMUNITY PROFILES | 79 |
| XI. | APPENDIX 3 NCHMA CERTIFICATION | 80 |
| XII. | APPENDIX 4 NCHMA CHECKLIST | 81 |
| XIII. | APPENDIX 5 ANALYST RESUMES..... | 84 |
| XIV. | APPENDIX 6 VIRGINIA HOUSING CERTIFICATION | 88 |

TABLES, FIGURES AND MAPS

| | |
|---|----|
| Table 1 LIHTC Income and Rent Limits, Staunton-Waynesboro, VA MSA | 2 |
| Table 2 Proposed Unit Mix, Unit Sizes and Rents, 1030 Alston Court Apartments | 6 |
| Table 3 Unit Features and Community Amenities, 1030 Alston Court | 7 |
| Table 4 Key Facilities and Services | 16 |
| Table 5 2022-2023 Test Scores, Greater Augusta County Public Schools, | 18 |
| Table 6 Annual Average Labor Force and Unemployment Data | 20 |
| Table 7 2017-2021 Commutation Data, Alston Court Market Area | 21 |
| Table 8 Average Annual Pay, Greater Augusta County | 24 |
| Table 9 Major Employers, Greater Augusta County | 25 |
| Table 10 Population and Household Trends | 29 |
| Table 11 Building Permits by Structure Type, Greater Augusta County | 30 |
| Table 12 2024 Age Distribution | 31 |
| Table 13 2020 Households by Household Type | 31 |
| Table 14 Households by Tenure, 2010-2024 | 32 |
| Table 15 Households by Tenure, 2024-2029 | 33 |
| Table 16 Renter Households by Persons per Household | 33 |
| Table 17 Renter Households by Age of Householder | 34 |
| Table 18 2024 Household Income | 34 |
| Table 19 2024 Household Income by Tenure, Alston Court Market Area | 35 |
| Table 20 Rent Cost Burdened and Substandard Housing | 36 |
| Table 21 Dwelling Units by Structure and Tenure | 37 |
| Table 22 Dwelling Units by Year Built and Tenure | 38 |
| Table 23 Value of Owner-Occupied Housing Stock | 38 |
| Table 24 Summary, Surveyed Rental Communities | 41 |
| Table 25 Utility Arrangement and Unit Features, Surveyed Rental Communities | 42 |
| Table 26 Community Amenities, Surveyed Rental Communities | 43 |
| Table 27 Unit Distribution, Size and Pricing, Surveyed Rental Communities | 45 |
| Table 28 Deep Subsidy Rental Communities, Alston Court Market Area | 46 |
| Table 29 Rent Adjustments Summary | 47 |
| Table 30 Market Rent Analysis, One-Bedroom Units | 49 |
| Table 31 Market Rent Analysis, Two-Bedroom Units | 50 |
| Table 32 Market Rent Analysis, Three-Bedroom Units | 51 |
| Table 33 Market Rent Advantage Summary | 52 |
| Table 34 Achievable Tax Credit Rent | 53 |
| Table 35 Components of Inventory Change in Housing (CINCH) | 61 |
| Table 36 Derivation of Net Demand, Alston Court Market Area | 63 |
| Table 37 2026 Total and Renter Income Distribution | 65 |
| Table 38 Affordability Analysis including Subsidies, Combined 1030 Alston Court 9 and 4 Percent | 66 |
| Table 39 Affordability Analysis without Subsidies, Combined 1030 Alston Court 9 and 4 Percent | 67 |
| Table 40 Penetration Analysis including Subsidies, Alston Court Market Area | 68 |
| Table 41 Penetration Analysis without Subsidies, Alston Court Market Area | 69 |
| Table 42 VH Demand by Overall Income Targeting, Combined 1030 Alston Court with Subsidy | 71 |
| Table 43 VH Demand by Overall Income Targeting, Combined 1030 Alston Court without Subsidy | 71 |
| Figure 1 Rendering/Elevation, 1030 Alston Court | 5 |
| Figure 2 Site Plan, 1030 Alston Court | 5 |
| Figure 3 Views of Subject Site | 9 |
| Figure 4 Views of Surrounding and Neighboring Land Uses | 11 |
| Figure 5 At-Place Employment, Greater Augusta County | 22 |



Figure 6 Total Employment by Sector, 2023 (Q1-Q2).....23

Figure 7 Employment Change by Sector, 2011-2023 (Q2)24

Figure 8 Wages by Industry Sector, Greater Augusta County25

Figure 9 Price Position of 1030 Alston Court74

Map 1 Site Location, 1030 Alston Court Apartments8

Map 2 Aerial View of Site10

Map 3 CrimeRisk Index, Waynesboro and the surrounding area.....15

Map 4 Neighborhood Features17

Map 5 Alston Court Market Area28

Map 6 Surveyed Rental Communities, Alston Court Market Area39

Map 7 Multifamily Rental Pipeline, Alston Court Market Area56



EXECUTIVE SUMMARY

Real Property Research Group, Inc. (RPRG) has been retained by Enterprise Community Development to conduct a market feasibility study for 1030 Alston Court, a proposed new construction multi-family rental community to be located at 1030 Alston Court in Waynesboro, Virginia. The rental community will offer 96 units in three-level garden buildings with associated community amenities and common areas, as well as free surface parking. All units will be income-restricted to 30 percent, 50 percent, 60 percent, or 80 percent of the Area Median Income (AMI); 13 units at 30 percent AMI will include Section 8 rental assistance. The subject community will be financed in two parts: one portion (48 units) using 9 percent Low Income Housing Tax Credits (LIHTCs) and one portion (48 units, subject of this report) using 4 percent LIHTCs. Work on both the 9 and 4 percent portions would occur simultaneously.

This analysis has been conducted and formatted in accordance with the 2024 Market Study Guidelines of Virginia Housing and the guidelines of the National Council of Housing Market Analysts (NCHMA). The intended use of this report is to accompany applications to Virginia Housing for Low-Income Housing Tax Credits.

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

| Unit Mix/Rents | | | | | | | | |
|---------------------|--------|----------|----------|--------|---------------|-------------------|------------|-----------------|
| # Bed | # Bath | AMI | Quantity | Net SF | Contract Rent | Utility Allowance | Gross Rent | LIHTC Gross Max |
| Alston Court 9 | | | | | | | | |
| 1 | 1 | 30%/PBRA | 3 | 693 | \$973 | \$113 | \$1,086 | \$474 |
| 1 | 1 | 50% | 2 | 693 | \$678 | \$113 | \$791 | \$791 |
| 1 | 1 | 60% | 1 | 615 | \$836 | \$113 | \$949 | \$949 |
| 1 | 1 | 60% | 1 | 512 | \$836 | \$113 | \$949 | \$949 |
| 1 | 1 | 80% | 2 | 693 | \$1,100 | \$113 | \$1,213 | \$1,266 |
| 1BR Total/Avg | | | 9 | 664 | \$905 | | \$1,018 | |
| 2 | 2 | 30%/PBRA | 3 | 942 | \$1,132 | \$132 | \$1,264 | \$569 |
| 2 | 2 | 50% | 5 | 942 | \$816 | \$132 | \$948 | \$948 |
| 2 | 2 | 60% | 7 | 942 | \$1,006 | \$132 | \$1,138 | \$1,138 |
| 2 | 2 | 80% | 6 | 942 | \$1,215 | \$132 | \$1,347 | \$1,518 |
| 2BR Total/Avg | | | 21 | 942 | \$1,038 | | \$1,170 | |
| 3 | 2 | 30%/PBRA | 2 | 1,054 | \$1,624 | \$154 | \$1,778 | \$657 |
| 3 | 2 | 50% | 6 | 1,165 | \$942 | \$154 | \$1,096 | \$1,096 |
| 3 | 2 | 60% | 4 | 1,054 | \$1,161 | \$154 | \$1,315 | \$1,315 |
| 3 | 2 | 60% | 1 | 1,165 | \$1,161 | \$154 | \$1,315 | \$1,315 |
| 3 | 2 | 80% | 4 | 1,165 | \$1,400 | \$154 | \$1,554 | \$1,754 |
| 3 | 2 | 80% | 1 | 1,413 | \$1,435 | \$154 | \$1,589 | \$1,754 |
| 3BR Total/Avg | | | 18 | 1,142 | \$1,208 | | \$1,362 | |
| 9 Percent Total/Avg | | | 48 | 581 | \$692 | | \$777 | |
| Alston Court 4 | | | | | | | | |
| 1 | 1 | 30%/PBRA | 2 | 693 | \$973 | \$113 | \$1,086 | \$474 |
| 1 | 1 | 50% | 6 | 752 | \$678 | \$113 | \$791 | \$791 |
| 1 | 1 | 60% | 12 | 752 | \$836 | \$113 | \$949 | \$949 |
| 1 | 1 | 80% | 4 | 752 | \$1,100 | \$113 | \$1,213 | \$1,266 |
| 1BR Total/Avg | | | 24 | 747 | \$852 | | \$965 | |
| 2 | 2 | 30%/PBRA | 2 | 942 | \$1,132 | \$132 | \$1,264 | \$569 |
| 2 | 2 | 50% | 2 | 942 | \$816 | \$132 | \$948 | \$948 |
| 2 | 2 | 60% | 2 | 942 | \$1,006 | \$132 | \$1,138 | \$1,138 |
| 2 | 2 | 80% | 2 | 942 | \$1,215 | \$132 | \$1,347 | \$1,518 |
| 2BR Total/Avg | | | 8 | 942 | \$1,042 | | \$1,174 | |
| 3 | 2 | 30%/PBRA | 1 | 1,054 | \$1,624 | \$154 | \$1,778 | \$657 |
| 3 | 2 | 50% | 4 | 1,248 | \$942 | \$154 | \$1,096 | \$1,096 |
| 3 | 2 | 60% | 7 | 1,248 | \$1,161 | \$154 | \$1,315 | \$1,315 |
| 3 | 2 | 80% | 4 | 1,248 | \$1,400 | \$154 | \$1,554 | \$1,754 |
| 3BR Total/Avg | | | 16 | 1,236 | \$1,195 | | \$1,349 | |
| 4 Percent Total/Avg | | | 48 | 553 | \$634 | | \$715 | |
| Overall Total/Avg | | | 96 | | | | | |

Contract Rents include trash removal costs

Source: Enterprise Community Development



Based on our research, including a site visit on January 3, 2024, we arrived at the following findings:

Site and Neighborhood Analysis: The subject site is appropriate for the development of a general occupancy, affordable rental community. The area offers good access to public transportation, retail amenities, local and regional thoroughfares, and neighborhood services.

- Nearby convenience stores, big box national brand retailers (including grocers), and other limited retailers/services are within three-quarters of a mile of the subject site. Additional national brand retail opportunities and downtown Waynesboro are within three miles of the subject site.
- A BRITE bus stop is just north of the subject site at Walmart and access to I-64 is roughly three-quarters of a mile west of the subject site.
- Considerable investments are planned or currently underway in Waynesboro, Staunton, and the surrounding area including Waynesboro Southern Corridor (a new roadway providing access to new business parks), a new Northrup Grumman facility (expected to bring 300 jobs to the area), and Staunton Crossing (a planned large mixed-use commercial development).

Economic Analysis: Greater Augusta County has a relatively stable, diverse economy with average annual unemployment rates consistently below the state and national rates and steady job growth prior to the COVID-19 pandemic. Following impacts from the pandemic, the region has steadily recovered, with recent job growth replacing all jobs lost since the pandemic.

- The city's total labor force expanded from 2012 to 2019, adding three percent or 1,850 workers reaching 60,671 in 2019; the number of unemployed workers declined by more than half from 3,534 in 2012 to 1,551 in 2019. In 2020, the labor force remained roughly stable, while the number of unemployed workers more than doubled to 3,284. The number of unemployed workers fell to 2,033 in 2021 followed by further improvement through November 2023 to 1,671 unemployed workers; the region's labor force decreased slightly in 2021, before growing in 2022 and into 2023, reaching 63,669 by November 2023.
- Prior to the COVID-19 pandemic, the region's 2019 unemployment rate was 2.6 percent, lower than the state's 2.8 percent and national rate of 3.7 percent. At the onset of the pandemic in 2020, the local unemployment rate spiked to 5.5 percent, lower than the state (6.5 percent) and nation (8.1 percent). In 2021, the unemployment rate fell to 3.4 percent in the region, followed by further improvement to 2.6 percent through November 2023, below the 2.9 percent state rate and 3.5 percent national rate.
- Between 2011 and 2019, the region added a net of 3,671 jobs or roughly eight percent. In 2019, the city's At-Place Employment level stood at 48,245 before losing 1,604 jobs or 3.3 percent in 2020 due to impacts of the pandemic. Since then, the region lost another 141 jobs in 2021 before adding 1,828 jobs in 2022 and 1,364 jobs through Q2 2023, equal to increases of 3.9 and 2.8 percent, respectively, and replacing all of the jobs lost in 2020 and 2021.
- Greater Augusta County has a relatively diverse economy with four industry sectors comprising at least 16 percent of the region's employment base including Trade-Transportation-Utilities accounting for 21.7 percent of region jobs, Manufacturing accounting for 17.6 percent, Government accounting for 16.7 percent, and Education-Health accounting for 16.1 percent.

Population and Household Trends: The Alston Court Market Area had strong household growth over the past 14 years. Household growth is projected to moderate over the next five years.

- The market area gained 7,972 net people (10.6 percent) and 3,885 households (12.3 percent) between 2010 and 2024. This equates to annual growth rates of 0.8 percent and 0.9 percent, respectively.



- Growth in the market area is projected to moderate over the next five years with the net addition of 1,082 people (1.3 percent) and 734 households (2.1 percent) from 2024 to 2029; annual growth over this period is projected at 216 people (0.3 percent) and 147 households (0.4 percent). The Alston Court Market Area will have 84,255 people and 36,168 households by 2029.

Demographic and Income Analysis: Households within the market area have a higher propensity to rent and lower median incomes compared to the region as a whole.

- The median age of the Alston Court Market Area population is 43, slightly younger than the Greater Augusta County median of 44. Children and youth aged 19 and under comprise 22.2 percent of the market area population, while young adults aged 20 to 34 make up roughly 16 percent and seniors 62+ comprise 28 percent.
- As of the 2020 Census, approximately 32 percent of households in the Alston Court Market Area were single-person households, compared to 29 percent regionwide. About 46 percent of market area households were multi-person households without children and 23 percent were households which included children.
- More than one-third (37.5 percent) of households in the Alston Court Market Area are renters as of 2024, higher than the regionwide proportion of 31.1 percent. Renter households accounted for 69.3 percent of net household growth in the market area over the past 14 years and RPRG projects this trend to continue with 69.3 percent of net household growth among renters through 2029.
- Approximately 26 percent of renter households in the Alston Court Market Area and Greater Augusta County are young renters under age 35. Meanwhile, roughly 48 percent of renter households in the market area are adults aged 35 to 64, compared to 49 percent in the region. More than 70 percent of market area renter households have one or two persons.
- The Alston Court Market Area's 2024 median income of \$61,115 is six percent lower than the regionwide median household income of \$65,251. About 31 percent of market area households earn less than \$35,000, while 27.7 percent earn from \$35,000 to \$74,999 and 41.0 percent earn \$75,000 or more.
- The median income of renters in the Alston Court Market Area as of 2024 is \$38,721, roughly half the median income of owner households (\$76,594). Approximately 17 percent of market area renter households have incomes of less than \$15,000, while another 29.8 percent of renter households have incomes between \$15,000 and \$35,000 and 28.9 percent have incomes between \$35,000 and \$75,000.
- Forty-five percent of all renter households residing in the Alston Court Market Area have rent burdens of 35 percent or higher, and 30.5 percent of all renter households have rent burdens of 50 percent or higher.

Competitive Housing Analysis: The existing rental inventory of the Alston Court Market Area is performing well with very low vacancy rates among all price points.

- The multi-family rental housing stock is moderately aged with the market area average year built of 1993. Upper Tier communities are newer with an average year built of 2012 compared to 1987 among the Lower Tier and 1997 among LIHTC communities.
- As of our survey, just ten of 3,293 units in the market area were reported vacant for a very low rate of 0.3 percent. LIHTC communities had a vacancy rate of 0.1 percent with just one vacancy reported among 783 tax credit units.
- Mountain Laurel Manor (LIHTC) absorbed all 48 units in its first phase in one month in November 2019, while Phase II and III had initial lease-up paces of 15 units per month in



- January 2021 and March 2022, respectively. Windigrove (Upper Tier market rate) opened all 120 units of its third phase fully leased in December 2021 and April 2022.
- The effective rents for Upper Tier one-bedroom units average \$1,378 (\$1.50 per square foot); the two-bedroom units average \$1,692 (\$1.29 per square foot); and three-bedroom units average \$1,756 (\$1.11 per square foot).
 - The effective rents for Lower Tier market rate one-bedroom apartments average \$899 (\$1.43 per square foot); two-bedroom units average \$1,008 (\$1.10 per square foot); and three-bedroom units average \$1,280 (\$1.05 per square foot). On average, Lower Tier communities are priced roughly \$480, \$685, and \$475 below the Upper Tier among one, two, and three-bedroom units, respectively.
 - Among the LIHTC communities:
 - **One-bedroom** units are offered at **60 percent AMI** at one community for \$720 for 638 square feet (\$1.13 per square foot).
 - **Two-bedroom** units are offered at **60 percent AMI** at four communities for an average of \$876 for 894 square feet (\$0.98 per square foot); at **50 percent AMI** at five communities for \$747 for 1,002 square feet (\$0.75 per square foot); and at **40 percent AMI** at one community for \$585 for 1,090 square feet (\$0.54 per square foot).
 - **Three-bedroom** units are offered at **60 percent AMI** at three communities for an average of \$1,023 for 1,103 square feet (\$0.93 per square foot); at **50 percent AMI** at four communities for \$859 for 1,204 square feet (\$0.71 per square foot); and at **40 percent AMI** at one community for \$664 for 1,206 square feet (\$0.55 per square foot).
 - RPRG identified six near term projects totaling 575 units expected to be placed in service in the next three years and eight long term projects less likely to be placed in service during the three-year demand period. Two Near Term developments with 180 combined units will be income restricted LIHTC communities.

Net Demand: The results of the Net Demand analysis indicate demand for 685 rental units over the next three years. Accounting for anticipated pipeline additions to the market as well as the proposed subject, the market area will have demand for roughly 50 additional rental units over the next three years. Very low vacancy throughout the market, quick lease-up paces at recently introduced communities, and historically strong renter household growth all support this estimate of demand. Additionally, we note that more than two-thirds of near term pipeline units will be unrestricted market rate units that will not compete with the subject's proposed affordable product.

Effective Demand – Affordability/Capture and Penetration: The affordability capture rates indicate a significant number of income qualified renter households within the projected target market for the units proposed at the combined 9 and 4 percent 1030 Alston Court. The capture rate for the subject is 1.0 percent among 9,202 income qualified renter households. The penetration rate of 17.8 percent leaves more than 80 percent of income qualified renter households within the market area to lease lower priced or scattered site rentals or pay more than 35 percent of their income towards rent. In the hypothetical situation where the subject property loses PBRA on its 13 units restricted to 30 percent AMI, the overall capture rate increases to 1.4 percent and the penetration rate increases to 21.2 percent. Both the affordability capture and penetration rates are considered low and achievable, with or without subsidies.

Virginia Housing Demand Methodology: RPRG considers the subject's capture rate to be achievable, indicating sufficient demand to absorb all 96 units at the combined 1030 Alston Court 9 and 4 Percent. Market conditions, including nearly full occupancy among tax credit communities,



indicate strong demand for quality rental units targeting low-income households. Taking into consideration these factors, we have estimated a project lease-up pace of roughly three to four months for the subject, reflecting an average absorption pace of 20 units per month for the unsubsidized units. Due to the overwhelming demand for units which include rental assistance subsidies, the subject's subsidized units will likely be filled upon availability. The lease-up pace for the combined community without subsidies is four to five months.

Target Markets: The location of the subject site will offer future residents convenient access to public transportation, retail, services, and employment centers. Combining these benefits with the subject's affordable rents among one, two, and three-bedroom units, we would expect it to attract singles, couples, those in roommate situations, and small families with children. The subject's proposed 30 percent (subsidized), 50 percent, 60 percent, and 80 percent AMI units will target extremely low to moderate-income households.

Product Evaluation: Considered in the context of the competitive environment, the relative position of the proposed 1030 Alston Court is as follows:

- **Location:** The site offers commercial/retail surroundings adjacent to the US-340 corridor within one-half mile of a BRITE bus stop and less than one mile from I-64. Walmart Supercenter, Martin's grocery store, and other nearby select retailers, eateries, and services are within one-half mile of the site with additional national and local retail and downtown Waynesboro within 2.5 miles. The subject's location is appropriate for an affordable rental community and will be well received by the target market.
- **Structure Type:** The community is proposed to include four three-story garden buildings. Garden buildings are the most common structure in this market featured among two-thirds of the rental stock, at some communities in conjunction with townhome units. All seven LIHTC communities include garden units. This design is appropriate for the subject as it matches the bulk of the area's existing tax credit and affordably priced market rate stock.
- **Income Targeting:** The combined 1030 Alston Court 9 and 4 percent, as proposed, will offer 13 units at 30 percent AMI (including subsidies), 25 units at 50 percent AMI, 35 units at 60 percent AMI, and 23 units at 80 percent AMI; supporting a range of incomes from \$0 to \$70,160. This broad range in target income will allow the property to accommodate a relatively large household base. The low capture and penetration rates demonstrate the large number of households which income qualify for a unit at the proposed subject.
- **Unit Distribution:** Overall, the combined 4 and 9 percent community includes 33 one (34 percent), 29 two (30 percent), and 34 three-bedroom (35 percent) units. Among market area LIHTC communities, just three percent are one-bedroom units, while 61 percent are two-bedroom units and 35 percent are three-bedroom units. The subject will include a similar proportion of three-bedroom units when compared to the market's tax credit inventory, though with a heavier weighting of one-bedroom units. Comparatively, the market area's overall rental stock includes 14 percent one-bedroom units, 62 percent two-bedroom units, and 23 percent three-bedroom units. In contrast to the overall market, the subject will include an emphasis away from two-bedroom units and towards one and three-bedroom units. However, we note the subject includes a more equal distribution between two and three-bedroom units compared to the market's majority of two-bedroom units. Such a weighting toward three-bedroom units is appropriate in this market as more than 3,750 renter households include three or more persons and nearly one-quarter of all households include children. The subject includes a higher proportion of one-bedroom units than the tax credit or overall rental inventory, an appropriate distribution as one-person households are the most common renter households in the market, representing more than 5,300 renter households and likely a cohort underserved by the market's current one-bedroom offerings.



- **Unit Size:** The proposed weighted average unit sizes for 1030 Alston Court are 724 square feet for one-bedroom units, 942 square feet for two-bedroom units, and 1,186 square feet for three-bedroom units. The subject's proposed unit sizes are larger than or similar to the LIHTC and Lower Tier averages of 630 and 638 square feet among one-bedroom units, 916 and 968 square feet among two-bedroom units, and 1,223 and 1,166 square feet among three-bedroom units. As such, the subject's proposed unit sizes will be competitive in the market and well received by the target market.
- **Unit Features:** Units at the subject will be Zero Ready Energy Homes Certified and include a dishwasher and built-in microwave. Other unit features will include vinyl plank flooring, quartz countertops, washer/dryer hook ups, and patio/balconies. These unit features are appropriate for the target market. As only two tax credit communities include microwaves and only two include in-unit washer/dryers, the subject's features are roughly on par with or above all of the tax credit inventory.
- **Common Area Amenities:** The property will have a competitive amenity package including a community room, community kitchen area, business center, small meeting room space, green space, central laundry room, and bike storage. Although somewhat limited, this amenity package is appropriate and comparable to many Lower tier and tax credit competitors.
- **Parking:** The subject will have free surface parking which is the standard offering at all but one community in the market area, including all seven tax credit communities. As such, the proposed parking arrangement is appropriate for the subject's location and key target markets.

Price Position/Rents: The nonsubsidized tax credit rents proposed by the developer for 1030 Alston Court 9 and 4 Percent are all at or below the allowable maximums for all unit types, given the assumed utility allowances of \$113 for one-bedroom units, \$132 for two-bedroom units, and \$154 for three-bedroom units. Note that we are only documenting the price position for the subject's units which do not include Section 8 project based rental assistance. The 13 proposed 30 percent AMI units which will have project-based rental subsidies include set rents that are not relevant to this analysis as tenants do not pay the posted rent and instead pay 30 percent of their income towards rent. The subsidized units allow households earning as little as \$0 to rent these units, providing an excellent value.

The subject's one-bedroom 50 percent AMI rents are positioned lower than the only one-bedroom LIHTC units in the market (60 percent AMI units at Springhill Village), while 60 percent AMI units at the subject property are positioned higher than Springhill. The subject's 80 percent AMI one-bedroom units are positioned among Lower Tier market rate units which have competitive disadvantages compared to the subject property. Two and three-bedroom units restricted to 50 percent AMI at the subject property are positioned among the mid-range of LIHTC rents, above 50 percent AMI units at several communities but below 50 percent AMI units at Frontier Ridge; while the subject's 60 percent AMI units are positioned at the top of LIHTC communities, slightly above Mountain Laurel Manor and Montague Terrace; and 80 percent AMI units at the subject property are positioned among market rate Lower Tier units which have competitive disadvantages compared to the subject property. In terms of size, the subject's units are generally positioned among the larger LIHTC units and among the middle of the unrestricted market rate stock.

Based on our review of the site, product, and competitive environment, the proposed pricing is appropriate, allowing the subject to offer quality, modern housing to lower income residents.

Absorption Estimate: Because of the high demand for units with rental assistance reflected by the full occupancy reported among deeply subsidized communities, the subject's Section 8 units are expected to be filled upon availability. Based on our analysis of household projections, employment trends, competitive market conditions, product position, pipeline activity, and



proposed rents at 1030 Alston Court, RPRG conservatively projects the 43 LIHTC units restricted to 50, 60, and 80 percent AMI at the subject will lease at an average of **20 units per month**. The resulting absorption period to 95 percent occupancy would be roughly two months. At this pace, the 83 LIHTC units within the combined 1030 Alston Court 9 and 4 Percent would reach 95 percent occupied in roughly four months.

Impact on Existing Market: RPRG does not anticipate that the construction of 1030 Alston Court, an LIHTC community, will have a negative impact on other rental communities in the market area. Only one vacancy was reported among the market's existing LIHTC stock. Under a broader perspective, the rental market as a whole is tight, with a very low aggregate vacancy rate of 0.3 percent.

Demographic data for the market area indicates a broad base across all household incomes, suggesting a need for rental units at a broad range in price points. Given the development environment and the tendency for new communities to focus on luxury units, it is critical that the affordable rental stock continue to expand to meet the needs of extremely low to moderate-income households in the area. The subject property will address this need by offering quality new construction units at affordable rents restricted to households earning from 30 percent to 80 percent AMI. Furthermore, given the demand for rental housing in this market, whatever turnover may be experienced at competitive properties, will quickly be addressed by the market.

I. INTRODUCTION

A. Overview of Subject

The subject of this report is the proposed development of 1030 Alston Court Apartments, a new construction multi-family rental community at 1030 Alston Court in Waynesboro, Virginia. The plan calls for 96 apartments among one, two, and three-bedroom units contained within three-story, garden buildings. The community will be an income-restricted community with units addressing households earning at or below 30 percent, 50 percent, 60 percent, and 80 percent of the Area Median Income (AMI). Thirteen units restricted to 30 percent AMI will include project based rental assistance including seven Permanent Supportive Housing (PSH) units. The subject community will be financed in two parts: one portion (48 units) using 9 percent Low Income Housing Tax Credits (LIHTCs) and one portion (48 units, subject of this report) using 4 percent LIHTCs. Work on both the 9 and 4 percent portions would occur simultaneously.

B. Purpose

The purpose of this study is to perform a market feasibility report and analysis. This report examines the subject site, the economic context of the jurisdiction in which the site is located, a demographic analysis of the defined market area, a competitive housing analysis, a derivation of net demand and effective demand (affordability/penetration analyses).

C. Format of Report

The report format is Comprehensive. Accordingly, the market study addresses all required items set forth in the 2023 Market Study Guidelines of Virginia Housing (VH). Furthermore, the market analyst has considered the recommended model content and market study index of the National Council of Housing Market Analysts (NCHMA).

D. Client, Intended User, and Intended Use

The Client is Enterprise Community Development (Developer). Along with the Client, the Intended Users are representatives of Virginia Housing (VH) and potential investors. VH is an authorized user of the market study and may rely on the representation made therein. This report is expected to be submitted to VH as part of an application for Low-Income Housing Tax Credits.

E. Applicable Requirements

This market study is intended to conform to the requirements of the National Council of Housing Market Analyst's (NCHMA) content standards and VH's 2024 Market Study Guidelines.

Table 1 LIHTC Income and Rent Limits, Staunton-Waynesboro, VA MSA

| HUD 2023 Median Household Income | | | | | | | | | | |
|---|-------------|----------|----------|----------|-----------------|----------|-----------|-----------|-----------|-----------|
| Staunton-Waynesboro, VA MSA | | | | | \$92,800 | | | | | |
| Very Low Income for 4 Person Household | | | | | \$42,150 | | | | | |
| 2023 Computed Area Median Gross Income | | | | | \$84,300 | | | | | |
| Utility Allowance: | | | | | 1 Bedroom | | \$113 | | | |
| | | | | | 2 Bedroom | | \$132 | | | |
| | | | | | 3 Bedroom | | \$154 | | | |
| Household Income Limits by Household Size: | | | | | | | | | | |
| Household Size | 30% | 40% | 50% | 60% | 80% | 100% | 120% | 150% | 200% | |
| 1 Person | \$17,730 | \$23,640 | \$29,550 | \$35,460 | \$47,280 | \$59,100 | \$70,920 | \$88,650 | \$118,200 | |
| 2 Persons | \$20,250 | \$27,000 | \$33,750 | \$40,500 | \$54,000 | \$67,500 | \$81,000 | \$101,250 | \$135,000 | |
| 3 Persons | \$22,770 | \$30,360 | \$37,950 | \$45,540 | \$60,720 | \$75,900 | \$91,080 | \$113,850 | \$151,800 | |
| 4 Persons | \$25,290 | \$33,720 | \$42,150 | \$50,580 | \$67,440 | \$84,300 | \$101,160 | \$126,450 | \$168,600 | |
| 5 Persons | \$27,330 | \$36,440 | \$45,550 | \$54,660 | \$72,880 | \$91,100 | \$109,320 | \$136,650 | \$182,200 | |
| 6 Persons | \$29,340 | \$39,120 | \$48,900 | \$58,680 | \$78,240 | \$97,800 | \$117,360 | \$146,700 | \$195,600 | |
| Imputed Income Limits by Number of Bedroom (Assuming 1.5 persons per bedroom): | | | | | | | | | | |
| Persons | # Bed-rooms | 30% | 40% | 50% | 60% | 80% | 100% | 120% | 150% | 200% |
| 1 | 0 | \$17,730 | \$23,640 | \$29,550 | \$35,460 | \$47,280 | \$59,100 | \$70,920 | \$88,650 | \$118,200 |
| 1.5 | 1 | \$18,990 | \$25,320 | \$31,650 | \$37,980 | \$50,640 | \$63,300 | \$75,960 | \$94,950 | \$126,600 |
| 3 | 2 | \$22,770 | \$30,360 | \$37,950 | \$45,540 | \$60,720 | \$75,900 | \$91,080 | \$113,850 | \$151,800 |
| 4.5 | 3 | \$26,310 | \$35,080 | \$43,850 | \$52,620 | \$70,160 | \$87,700 | \$105,240 | \$131,550 | \$175,400 |
| 6 | 4 | \$29,340 | \$39,120 | \$48,900 | \$58,680 | \$78,240 | \$97,800 | \$117,360 | \$146,700 | \$195,600 |
| LIHTC Tenant Rent Limits by Number of Bedrooms (assumes 1.5 persons per bedroom): | | | | | | | | | | |
| # Persons | 30% | | 40% | | 50% | | 60% | | 80% | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| 1 Bedroom | \$474 | \$361 | \$633 | \$520 | \$791 | \$678 | \$949 | \$836 | \$1,266 | \$1,153 |
| 2 Bedroom | \$569 | \$437 | \$759 | \$627 | \$948 | \$816 | \$1,138 | \$1,006 | \$1,518 | \$1,386 |
| 3 Bedroom | \$657 | \$503 | \$877 | \$723 | \$1,096 | \$942 | \$1,315 | \$1,161 | \$1,754 | \$1,600 |

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

F. Scope of Work

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

- Please refer to Appendix 4 for a detailed list of NCHMA requirements and the corresponding pages of requirements within the report.
- Timothy Weber (Senior Analyst) conducted visits to the subject site, neighborhood, and market area on January 3, 2024.
- Primary information gathered through field and phone interviews was used throughout the various sections of this report. The interviewees included rental community leasing agents and property managers. We also reached out to planners with the Cities of Waynesboro and Staunton, as well as Augusta County. We also reviewed development information on the noted planning jurisdiction's websites, reviewed VH information regarding recent LIHTC awards, and contacted developers.
- All pertinent information obtained was incorporated in the appropriate section(s) of this report.



G. Report Limitations

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

H. Other Pertinent Remarks

None.



II. PROJECT DESCRIPTION

A. Project Overview

The subject of this report is 1030 Alston Court 4 Percent, a 48-unit portion of the proposed twin tax credit 1030 Alston Court Apartments (96 units) that will be built using 4 percent Low Income Housing Tax Credits (LIHTCs); the remaining 48 units of the overall community will be built using 9 percent LIHTCs. Construction on both the 9 and 4 percent portions would occur simultaneously. The subject community's location is 1030 Alston Court near the southwest corner of US-340 in the independent city of Waynesboro, Virginia. The community is planned to include one, two, and three-bedroom units among three-story, garden buildings as well as surface parking. Both the 9 and 4 percent portions of 1030 Alston Court Apartments will be restricted to households earning from 30 percent to 80 percent AMI. Thirteen units restricted to 30 percent AMI in the overall development (including both the 9 and 4 percent portions) will include project based rental assistance, seven of which will be PSH units. Applicable income and rent limits for the Staunton-Waynesboro, VA MSA are presented in Table 1 on page 2.

B. Project Type and Target Market

The overall 96-unit rental community will target households among several extremely low to moderate-income levels:

- The subject of this report, 1030 Alston Court 4 Percent, will include 48 one, two, and three-bedroom units restricted to households earning at or below 30 percent, 50 percent, 60 percent, or 80 percent AMI. Five units restricted to 30 percent AMI will include project based rental assistance.
- The 9 Percent portion of the community will include 48 one, two, and three-bedroom general occupancy units restricted to households earning at or below 30 percent, 50 percent, 60 percent, or 80 percent AMI. Eight units restricted to 30 percent AMI will include project based rental assistance.

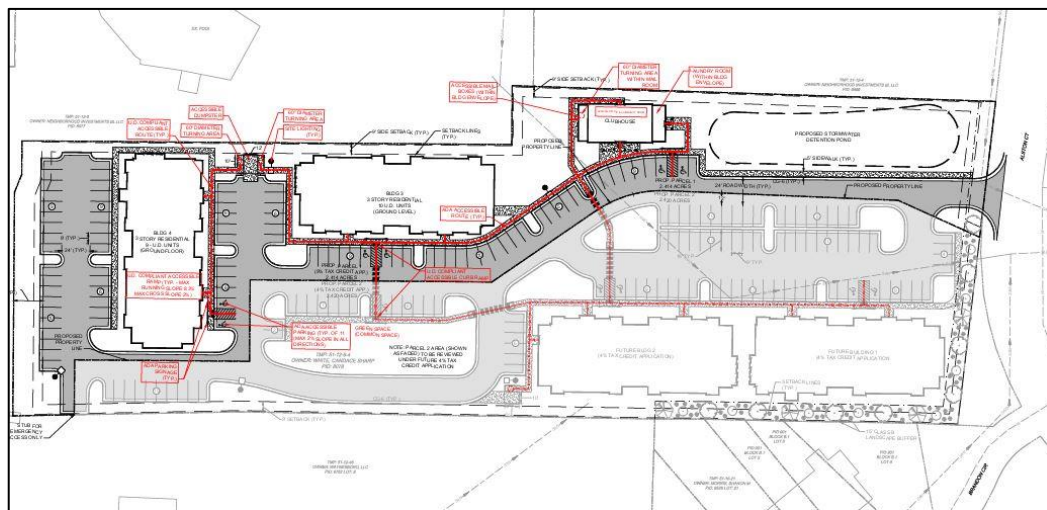
The overall 1030 Alston Court Apartments will include 13 UFAS units. With one, two, and three-bedroom floor plans, the combined community will target singles, couples (both married and unmarried), those in roommate situations, and some small families which income qualify for the units; some of which will require rental assistance.

C. Building Types and Placement

The community will consist of four three-story, garden buildings (Figure 1). Two of the buildings will be oriented north-south and two will be oriented east-west with surface parking between and surrounding the buildings. The site will include an automobile entrance from Alston Court on the south side of the property (Figure 2).

Figure 1 Rendering/Elevation, 1030 Alston Court

Source: Enterprise Community Development

Figure 2 Site Plan, 1030 Alston Court

Source: Enterprise Community Development

D. Detailed Project Description

1. Project Description

The overall community will include a total of 96 one, two, and three-bedroom units. Construction on both the 9 and 4 percent portions of the development will occur simultaneously and once open, the property will be managed as one community. The overall 1030 Alston Court Apartments (inclusive of both the 9 and 4 percent portions) will include 33 one-bedroom units (34 percent), 29 two-bedroom units (30 percent), and 34 three-bedroom units (35 percent); the 4 percent portion will include 24 one-bedroom units (50 percent), eight two-bedroom units (17 percent), and 16 three-bedroom units (33 percent) (Table 2).

All units will be income restricted. The proposed utility allowances for 1030 Alston Court are \$113 for one-bedroom units, \$132 for two-bedroom units, and \$154 for three-bedroom units. The 13 proposed 30 percent AMI units (eight in the 9 percent portion and five in the 4 percent portion) will include project-based rental subsidies. The subsidized units include pre-determined rents that

are positioned above the corresponding LIHTC maximum rents; however, as tenants in these units do not pay the posted rent and instead pay 30 percent of their income towards rent, these units are not restricted to the maximum allowable rents. The subsidized units allow households earning as little as \$0 to rent these units.

Table 2 Proposed Unit Mix, Unit Sizes and Rents, 1030 Alston Court Apartments

| Unit Mix/Rents | | | | | | | | LIHTC Gross Max |
|----------------------------|--------|----------|-----------|--------------|----------------|-------------------|----------------|-----------------|
| # Bed | # Bath | AMI | Quantity | Net SF | Contract Rent | Utility Allowance | Gross Rent | |
| Alston Court 9 | | | | | | | | |
| 1 | 1 | 30%/PBRA | 3 | 693 | \$973 | \$113 | \$1,086 | \$474 |
| 1 | 1 | 50% | 2 | 693 | \$678 | \$113 | \$791 | \$791 |
| 1 | 1 | 60% | 1 | 615 | \$836 | \$113 | \$949 | \$949 |
| 1 | 1 | 60% | 1 | 512 | \$836 | \$113 | \$949 | \$949 |
| 1 | 1 | 80% | 2 | 693 | \$1,100 | \$113 | \$1,213 | \$1,266 |
| 1BR Total/Avg | | | 9 | 664 | \$905 | | \$1,018 | |
| 2 | 2 | 30%/PBRA | 3 | 942 | \$1,132 | \$132 | \$1,264 | \$569 |
| 2 | 2 | 50% | 5 | 942 | \$816 | \$132 | \$948 | \$948 |
| 2 | 2 | 60% | 7 | 942 | \$1,006 | \$132 | \$1,138 | \$1,138 |
| 2 | 2 | 80% | 6 | 942 | \$1,215 | \$132 | \$1,347 | \$1,518 |
| 2BR Total/Avg | | | 21 | 942 | \$1,038 | | \$1,170 | |
| 3 | 2 | 30%/PBRA | 2 | 1,054 | \$1,624 | \$154 | \$1,778 | \$657 |
| 3 | 2 | 50% | 6 | 1,165 | \$942 | \$154 | \$1,096 | \$1,096 |
| 3 | 2 | 60% | 4 | 1,054 | \$1,161 | \$154 | \$1,315 | \$1,315 |
| 3 | 2 | 60% | 1 | 1,165 | \$1,161 | \$154 | \$1,315 | \$1,315 |
| 3 | 2 | 80% | 4 | 1,165 | \$1,400 | \$154 | \$1,554 | \$1,754 |
| 3 | 2 | 80% | 1 | 1,413 | \$1,435 | \$154 | \$1,589 | \$1,754 |
| 3BR Total/Avg | | | 18 | 1,142 | \$1,208 | | \$1,362 | |
| 9 Percent Total/Avg | | | 48 | 581 | \$692 | | \$777 | |
| Alston Court 4 | | | | | | | | |
| 1 | 1 | 30%/PBRA | 2 | 693 | \$973 | \$113 | \$1,086 | \$474 |
| 1 | 1 | 50% | 6 | 752 | \$678 | \$113 | \$791 | \$791 |
| 1 | 1 | 60% | 12 | 752 | \$836 | \$113 | \$949 | \$949 |
| 1 | 1 | 80% | 4 | 752 | \$1,100 | \$113 | \$1,213 | \$1,266 |
| 1BR Total/Avg | | | 24 | 747 | \$852 | | \$965 | |
| 2 | 2 | 30%/PBRA | 2 | 942 | \$1,132 | \$132 | \$1,264 | \$569 |
| 2 | 2 | 50% | 2 | 942 | \$816 | \$132 | \$948 | \$948 |
| 2 | 2 | 60% | 2 | 942 | \$1,006 | \$132 | \$1,138 | \$1,138 |
| 2 | 2 | 80% | 2 | 942 | \$1,215 | \$132 | \$1,347 | \$1,518 |
| 2BR Total/Avg | | | 8 | 942 | \$1,042 | | \$1,174 | |
| 3 | 2 | 30%/PBRA | 1 | 1,054 | \$1,624 | \$154 | \$1,778 | \$657 |
| 3 | 2 | 50% | 4 | 1,248 | \$942 | \$154 | \$1,096 | \$1,096 |
| 3 | 2 | 60% | 7 | 1,248 | \$1,161 | \$154 | \$1,315 | \$1,315 |
| 3 | 2 | 80% | 4 | 1,248 | \$1,400 | \$154 | \$1,554 | \$1,754 |
| 3BR Total/Avg | | | 16 | 1,236 | \$1,195 | | \$1,349 | |
| 4 Percent Total/Avg | | | 48 | 553 | \$634 | | \$715 | |
| Overall Total/Avg | | | | | | | | |
| | | | 96 | | | | | |

Contract Rents include trash removal costs

Source: Enterprise Community Development

All one-bedroom units within the overall community (both 9 and 4 percent portions) will have one bathroom, while two and three-bedroom units will have two bathrooms. The community's heat will be electric. Contract rents will include the costs of trash removal. One-bedroom units will have a weighted average size of 664 net square feet in the 9 percent portion and 747 net square feet in the 4 percent portion; two-bedroom units will measure 942 net square feet in both the 9 and 4 percent portions; and three-bedroom units will have a weighted average size of 1,142 net square feet in the 9 percent portion and 1,236 net square feet in the 4 percent portion. The proposed unit features and community amenities are well appointed for an affordable community in this market (Table 3). We note that units at the subject will be Zero Ready Energy Homes Certified, a designation demonstrating that the development is energy efficient enough for a renewable energy system to offset most or all the annual energy use.

Table 3 Unit Features and Community Amenities, 1030 Alston Court

| Unit Features | Community Amenities |
|--|---|
| <ul style="list-style-type: none"> • Energy efficient appliances: <ul style="list-style-type: none"> ○ Refrigerator ○ Oven/range ○ Dishwasher ○ Microwave • Vinyl plank flooring • Quartz countertops • Zero Ready Energy Homes Certified • Washer/dryer hook ups • Patio/balcony | <ul style="list-style-type: none"> • Community room • Community kitchen • Business center • Small meeting room space • Green space • Bike storage • Central laundry room • Onsite leasing/management office |

Source: Enterprise Community Development

2. Proposed Timing of Development

The developer intends to begin construction in 2025 with completion expected by late 2026.

III. SITE AND NEIGHBORHOOD ANALYSIS

A. Site Analysis

1. Site Location

The subject site is located on the north side of Alston Court, roughly one-quarter mile south of access to US-340 via Tiffany Drive in Waynesboro, Virginia (Map 1). The site is located on the western side of Waynesboro approximately three-quarters of a mile east of access to I-64 and 2.5 miles west of downtown Waynesboro.

Map 1 Site Location, 1030 Alston Court Apartments



2. Size, Shape and Topography

The roughly 4.8-acre subject site is generally flat and roughly rectangular in shape (Figure 3). The site is an open, grassy area with scattered pockets of trees.

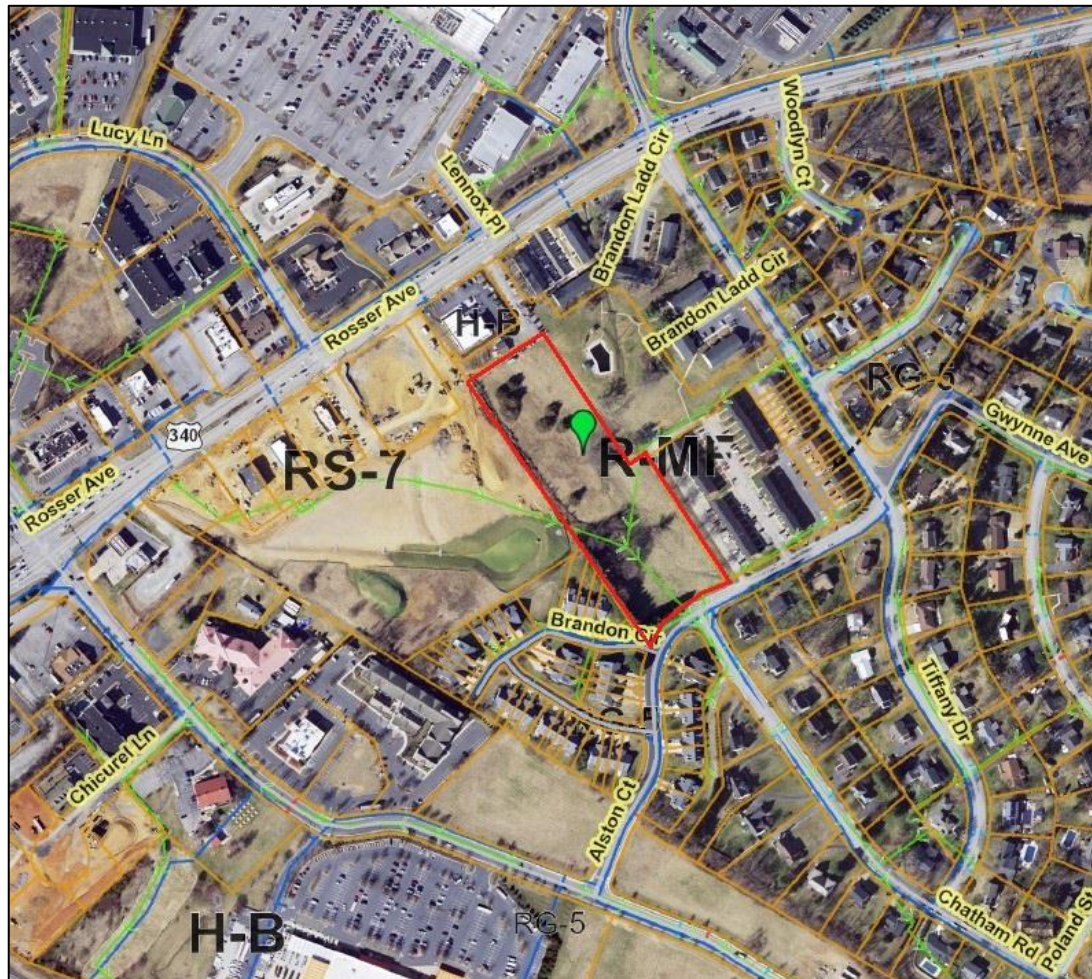
Figure 3 Views of Subject Site**View of site facing north from Alston Ct****Southern edge of site fronting Alston Ct facing east****View of site facing southeast****View of site facing northeast**

3. General Description of Land Uses Near the Subject Site

The site is located in Waynesboro, an independent city surrounded by Augusta County, on the cusp of commercial and residential uses. In general, commercial/retail uses are north and west of the subject site focused along Rosser Drive/US-340. Nearby retail uses directly north of the subject site include Martin's (grocery), Walmart Supercenter, and numerous smaller standalone retail and restaurant properties; while Waynesboro Marketplace is directly west of the subject site, including several new construction freestanding buildings with plans for a larger anchor retailer and numerous inline storefronts. Other large shopping centers and standalone properties are further to the west along US-340. The commercial uses near the subject site comprise Waynesboro's largest concentration of retail, an emerging commercial node centered on the interchange between US-340 and I-64. Beyond the nearby commercial uses, development patterns quickly transition to rural and agricultural uses to the west and southwest of the subject site in unincorporated Augusta County. A pocket of agricultural uses can also be found about one mile to the north of the subject site along Lew Dewitt Boulevard, though new construction residential uses are underway and planned in this area. Established, residential property uses are prevalent to the east and south of the subject site including a garden and townhome rental apartment community (Brandon Ladd Apartments) directly to the east. Most residential uses nearby include single-family detached homes. Those within roughly one mile of the subject site to the east and southeast are

largely two stories and built in the 1960s, 1970s, and 1980s on roughly one-quarter to one-half-acre lots.

Map 2 Aerial View of Site



4. Specific Identification of Land Uses Surrounding the Subject Site

The land uses surrounding the subject site, starting from the north and proceeding in a clockwise direction, are as follows (see Figure 4):

- **North:** A medical office building and garden apartment structures.
- **East:** Townhome rental units.
- **South:** Single-family detached homes and quadplexes.
- **West:** Undeveloped land and standalone retail properties.

Figure 4 Views of Surrounding and Neighboring Land Uses



UVA Health Primary Care north of site



Brandon Ladd Apts garden units north of site



Brandon Ladd Apts townhome units east of site



Alston Ct south of site



Single-family homes south of site



Quadplex homes south of site



Undeveloped land west of site



Sheetz gas station west of site



Standalone Chipotle and Popeyes retail west of site

B. Neighborhood Analysis

The subject site is located in the western portion of Waynesboro, an independent city in Virginia that is surrounded by Augusta County. Located on the South River within the Shenandoah Valley along the western side of the Blue Ridge Mountains, Waynesboro's development patterns have gradually expanded from its historic downtown district to more suburban outer areas of the city. Much of Waynesboro's residential neighborhoods consist of older, smaller single-family detached homes on mid-sized lots, with scattered multi-family communities throughout. Beyond the more densely developed downtown area which includes local boutique shops, art galleries, restaurants/cafes, and more, most of Waynesboro's commercial uses are concentrated along the principal arterial roadways serving the area. The largest commercial cluster in Waynesboro is in the western portion adjacent to the subject site along Rosser Drive/US-340 near its interchange with I-64. Another retail concentration can be found along West Main Street/US-250 roughly two miles north of the subject site, and a sizeable concentration of industrial uses is located along the South River, south of the downtown area approximately 2.5 miles east of the subject site. Moving away from downtown, Waynesboro's development patterns become less dense comprising residential neighborhoods between the noted commercial enclaves, giving way to rural environs near the city's edge.

In contrast to Waynesboro's older, more established neighborhoods near to and surrounding downtown, the western portion of the city has seen an uptick in commercial and residential development in recent years. Several newer retail developments and housing subdivisions are concentrated near the subject site along Lew Dewitt Boulevard and US-340 near I-64. Waynesboro

Marketplace is currently in development immediately west of the subject site fronting US-340 with several standalone buildings that have recently delivered, including Sheetz, Popeyes, and Chipotle, as well as a planned anchor store location and additional inline stores. Additionally, a new home community, Creekwood Village, is currently under construction by Greenwood Homes just north of Walmart and Martin's off Tiffany drive about one-half mile north of the subject site. The new subdivision is planned for more than 200 single-family homes and 180 multi-family units; homes are currently advertised from \$299,000 to \$465,000.

1. Neighborhood Investment

The subject site is located in Waynesboro, a growing city in Central Virginia on I-64 near I-81 and Staunton, another growing municipality. Notable recent and ongoing investments in the surrounding area include:

- **Waynesboro Southern Corridor:** A \$17.3 million new roadway began construction in fall 2023 just south of I-64 roughly two miles south of the subject site which will extend Shenandoah Village Drive from its current terminus to North Oak Lane and ultimately South Delphine Avenue about three miles southeast of the subject site. The new road is designed to alleviate congestion at I-64 exits 94 (near Waynesboro Town Center anchored by Target, Kohl's, and ALDI) and 96, while improving access to numerous industrial, commercial, and residential properties in the southern portion of Waynesboro. Waynesboro Southern Corridor will open access to more than 200 acres of developable land for economic growth with commercial/industrial developments expected in this corridor over the next several years, creating opportunities for new employment. Travel lanes are expected to open by September 2025.
- **Northrop Grumman:** Northrop Grumman, a prominent defense contractor, announced in November 2023 that it will invest more than \$200 million to establish an advanced electronics manufacturing and testing facility in Waynesboro. The new 315,000-square-foot building will be on a 60-acre site on Shenandoah Village Drive near Waynesboro Town Center approximately 1.5 miles south of the subject site. The facility is anticipated to open in 2026 and create an estimated 300 engineering and manufacturing jobs.
- **Staunton Crossing:** Staunton's Economic Development Authority purchased the nearly 300-acre former Western State Hospital property located near I-81 and I-64 from the state in 2009 with plans for Staunton Crossing, a large mixed-use commercial development. In 2016, the front 25 acres along US-250 were sold to developer who has since built two hotels, four restaurants, a standalone retail store, and a convenience store/gas station. The master plan for the remaining 275 acres calls for high-tech buildings, a data center, and advanced manufacturing businesses. The city was awarded an \$850,780 VEDP grant in early 2022 to complete required due diligence reports, engineering, and construction design plans for water and sewer and a \$4.56 million Virginia Business Ready Site Program development grant in January 2023 to complete the site's infrastructure. The development has the potential to create thousands of jobs and millions of dollars per year in tax revenue for the city over the long term.

C. Site Visibility and Accessibility

1. Visibility

The subject property has visibility from Alston Court on the south side of the site. Alston Court serves to provide access to residential areas to the east and south of the subject site. Also, based on the subject site's location immediately south and east of retail/medical properties fronting US-



340, the subject property will have partial visibility from US-340, a major arterial roadway with a daily traffic count of 16,000 automobiles providing access from I-64 southwest of the subject site to the bulk of Waynesboro to the east and northeast of the subject site. Visibility will also be enhanced by patrons visiting the adjacent existing and planned retail properties.

2. Vehicular Access

The community will have convenient ingress and egress from Alston Court on the south side of the subject site. As Alston Court primarily serves as residential access to the surrounding neighborhood, no issues are anticipated with access to or from the subject community. I-64 is roughly three-quarters of a mile west of the subject site via US-340 and provides access to the larger region and highway network including I-81 and Staunton roughly eight miles northwest of the site, as well as US-29 and Charlottesville approximately 25 miles to the east.

3. Availability of Public Transit

Blue Ridge Intercity Transit Express (BRITE) provides fixed route bus service and ADA Compliant Paratransit transportation throughout Waynesboro, Staunton, and Augusta County and into Rockingham County and Harrisonburg along I-81 to the north. The Waynesboro Circulator route provides service locally throughout Waynesboro; the Stuarts Draft route provides service between Waynesboro, the Stuarts Draft area to the southwest, and the Augusta Health campus in Fishersville to the northwest; and the 250 Connector route provides service between Waynesboro and Staunton along US-250. Each of these routes has a stop of Walmart Supercenter about one-half mile north of the subject site.

In terms of available regional transit in the area, Amtrak provides passenger rail service to and from a station on Middlebrook Avenue in Staunton roughly 11 miles northwest of the subject site on the Norfolk Southern Central Virginia line. Additionally, Amtrak provides passenger rail services and Greyhound provides regional bus service from the former Railway Express Agency building on West Main Street in Charlottesville approximately 28 miles to the east.

The nearest airport to Waynesboro with commercial passenger service is the Shenandoah Valley Airport (SHD) located roughly 20 miles north of the subject site on Airport Road in Weyers Cave. SHD services flights to and from Washington-Dulles International Airport (IAD) and Chicago O'Hare International Airport (ORD) via SkyWest Airlines. Another nearby regional airport is Charlottesville Albemarle Airport (CHO) on Bowen Loop in Charlottesville roughly 34 miles to the northeast of Waynesboro. CHO services flights from three major airlines, American Airlines, Delta, and United, with daily destinations including Chicago, New York, Philadelphia, Atlanta, and Washington-Dulles.

4. Pedestrian Access

Though retailers including Martin's (grocery) and Walmart Supercenter are within one-half mile, pedestrian access at the subject site is limited as sidewalks are not available on the surrounding streets. In general, sidewalks become less prevalent further from downtown in Waynesboro and the retail node near the subject site is largely not pedestrian friendly, lacking a full sidewalk network with most development oriented toward automobile traffic.

5. Accessibility Improvements Under Construction and Planned

We reviewed information on VDOT's website as well as available information for the City of Waynesboro to determine whether any capital improvement projects affecting road or transit access to the subject site are currently underway or likely to begin within the next few years. No

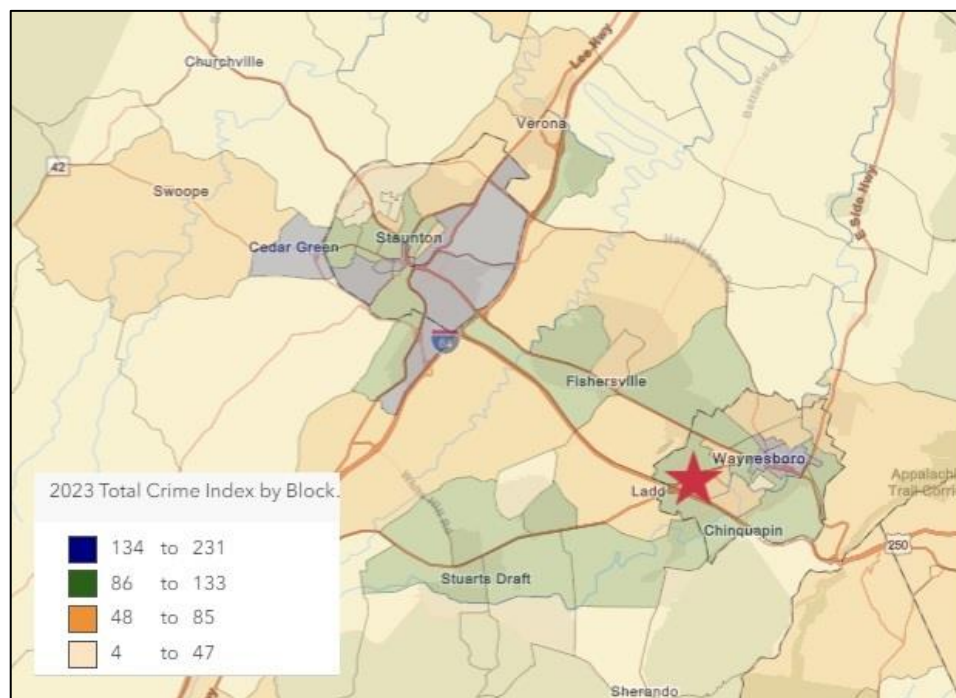
improvement projects were identified that would affect mobility access to the subject site in the near term.

D. Public Safety

CrimeRisk is a census tract level index that measures the relative risk of crime compared to a national average. AGS analyzes known socio-economic indicators for local jurisdictions that report crime statistics to the FBI under the Uniform Crime Reports (UCR) program. An index of 100 reflects a total crime risk on par with the national average, with values below 100 reflecting below average risk and values above 100 reflecting above average risk. Based on detailed modeling of these relationships, CrimeRisk provides a detailed view of the risk of total crime as well as specific crime types at the census tract level. In accordance with the reporting procedures used in the UCR reports, aggregate indexes have been prepared for personal and property crimes separately as well as a total index. However, it must be recognized that these are un-weighted indexes, in that a murder is weighted no more heavily than purse snatching in this computation. The analysis provides a useful measure of the relative overall crime risk in an area but should be used in conjunction with other measures.

Map 3 displays the 2023 CrimeRisk Index for the block groups in the general vicinity of the subject site. The relative risk of crime is displayed in gradations from beige (least risk) to purple (most risk). The subject's immediate surroundings are shaded green indicating the crime risk roughly similar to the national average. Neighborhoods throughout Waynesboro to the east of the subject site as well as those in Stuarts Draft and Fishersville to the southwest and northwest have similar crime risks, while downtown Waynesboro east of the subject site and portions of Staunton to the northwest are shaded purple with somewhat elevated crime risks. RPRG does not expect that the risk of crime or perceived risk of crime will have a significant negative effect on the marketability of the subject community.

Map 3 CrimeRisk Index, Waynesboro and the surrounding area



E. Residential Support Network

1. Key Facilities and Services near the Subject Site

The appeal of any given community is often based in part on its proximity to those facilities and services required on a daily basis. Key facilities and services are listed in Table 4. The location of those facilities is plotted on Map 4.

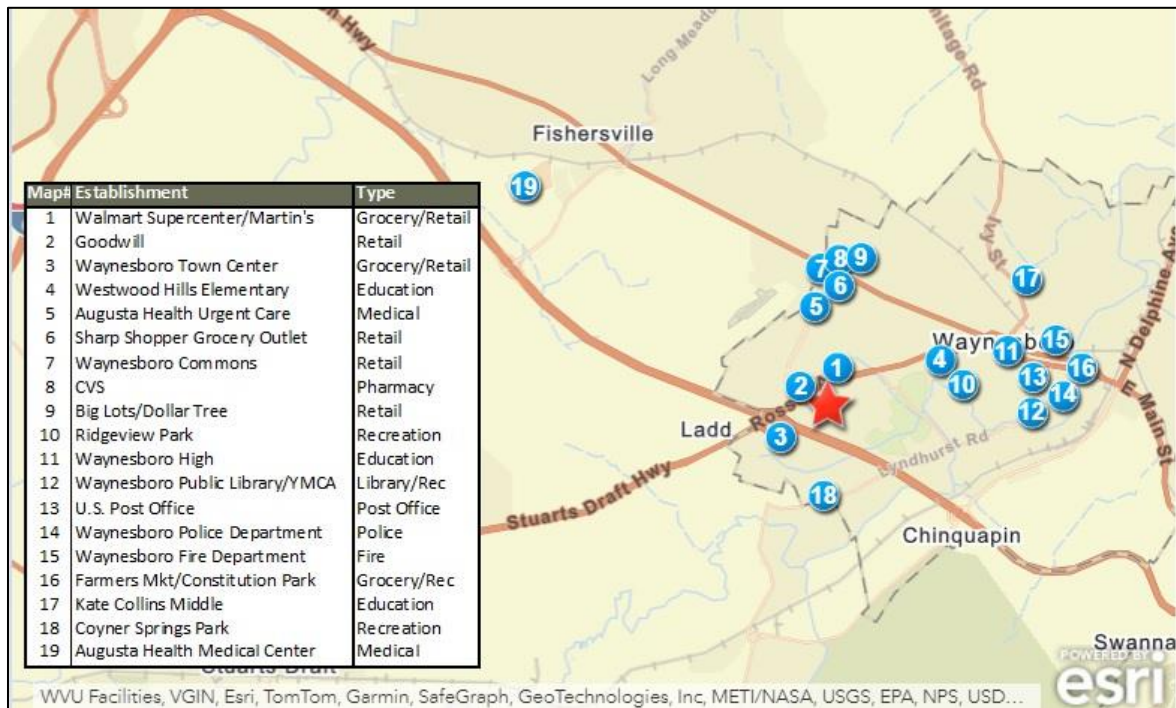
Table 4 Key Facilities and Services

| Establishment | Type | Address | Driving Distance (miles) |
|---|--------------------|----------------------|--------------------------|
| Walmart Supercenter/Martin's | Grocery/Retail | 437 Tiffany Dr | 0.5 |
| Goodwill | Retail | 132 Lucy Ln | 0.7 |
| Waynesboro Town Center (Target, Kohl's, ALDI) | Grocery/Retail | 821 Town Center Dr | 1.2 |
| Westwood Hills Elementary School | Education | 548 Rosser Ave | 1.5 |
| Augusta Health Urgent Care | Medical | 201 Lew Dewitt Blvd | 1.7 |
| Sharp Shopper Grocery Outlet | Retail | 2800 W Main St | 1.9 |
| Waynesboro Commons (Ollie's Bargain Outlet) | Retail | 109 Lew Dewitt Blvd | 1.9 |
| CVS | Pharmacy | 2823 W Main St | 2.1 |
| Big Lots/Dollar Tree | Retail | 2715 W Main St | 2.2 |
| Ridgeview Park | Recreation | 700 S Magnolia Ave | 2.2 |
| Waynesboro High School | Education | 1200 W Main St | 2.3 |
| Waynesboro Public Library/YMCA | Library/Recreation | 600/648 S Wayne Ave | 2.7 |
| U.S. Post Office | Post Office | 200 S Wayne Ave | 2.8 |
| Waynesboro Police Department | Police | 250 S Wayne Ave | 2.8 |
| Waynesboro Fire Department | Fire | 300 W Broad St | 2.9 |
| Waynesboro Farmers Market/Constitution Park | Grocery/Recreation | 215 McElroy St | 3.0 |
| Kate Collins Middle School | Education | 1625 Ivy St | 3.0 |
| Coyner Springs Park | Recreation | 2091 Lyndhurst Rd | 3.1 |
| Augusta Health Medical Center | Medical | 78 Medical Center Dr | 4.9 |

Source: Field and Internet Research; Real Property Research Group, Inc.

2. Health Care

Augusta Health is the closest major medical facility to Waynesboro located on a 230-acre campus roughly five miles northwest the subject site. The 255-bed hospital operates with 260 medical staff and sees more than 55,000 emergency department visits, more than 11,000 patient admissions, and more than 1,000 babies delivered each year. The facility offers a wide range of services including an emergency department, ICU, birthing suite, cancer center, mental health services, and more. Additional medical office buildings including supporting facilities/services associated with the hospital as well as private practice offices are in the same area along Lifecore Drive. The Murphy Deming College of Health Sciences, part of Mary Baldwin University (main campus located in Staunton) is also near the Augusta Health Hospital Campus. Augusta Health also operates an outpatient urgent care clinic located at 201 Lew Dewitt Boulevard in Waynesboro 1.7 miles north of the subject site.

Map 4 Neighborhood Features

3. Education

The State of Virginia administers Standards of Learning (SOL) Assessment Tests to monitor student performance and the quality of classroom instruction in public school systems throughout the state. The most comprehensive testing occurs in the 5th and 8th grades as well as high school. Elementary and middle school students are tested in core areas including English, mathematics, science, and writing. High school tests are conducted upon students' completion of relevant coursework and focus on more specific subject areas such as algebra II, biology, and geometry, in addition to English and writing. The results of SOL tests can be used to compare the performance of students in various schools and school districts, and by extension the quality of the schools themselves. To construct this comparison, we compiled and analyzed data on the percentage of students testing at the state-defined 'proficient' level or 'advanced' level in core subject areas in the 2022-2023 school year.

School-age residents of the subject site would be assigned to Westwood Hills Elementary School, Kate Collins Middle School, and Waynesboro High School (Table 5). Composite test results place Westwood Hills Elementary 7th of 16 elementary schools in Greater Augusta County (including the jurisdictions of Waynesboro, Staunton, and Augusta County) with a composite score above the region average and similar to the statewide average. Kate Collins Middle ranked 6th of six middle schools and Waynesboro High ranked 7th of seven high schools, each of which have composite scores below the regionwide and statewide averages. The graduation rate of Waynesboro High is 88 percent, lower than region and state averages. Given the overwhelming need for quality affordable housing, school score will not significantly impact the ability of the subject property to reach and maintain stabilization.

Table 5 2022-2023 Test Scores, Greater Augusta County Public Schools,

| Elementary Schools | | | | | Middle Schools | | | | |
|--|----------------|---------|-------|-----------|----------------------------|-------------------|---------|-------|-----------|
| SOL-2022 | | Grade 3 | | | SOL-2022 | | Grade 8 | | |
| Rank | School | English | Math | Composite | Rank | School | English | Math | Composite |
| 1 | Churchville | 62.0% | 70.0% | 66.0% | 1 | Beverley Manor | 67.3% | 57.2% | 62.3% |
| 2 | Guy Stump | 59.0% | 70.0% | 64.5% | 2 | Stuarts Draft | 60.5% | 60.0% | 60.3% |
| 3 | Wilson | 62.0% | 63.0% | 62.5% | 3 | S. Gordon Stewart | 64.1% | 52.0% | 58.1% |
| 4 | Bessie Weller | 57.0% | 68.0% | 62.5% | 4 | Wilson | 57.3% | 55.1% | 56.2% |
| 5 | Riverheads | 60.0% | 57.0% | 58.5% | 5 | Shelburne | 54.6% | 50.5% | 52.6% |
| 6 | Craigsville | 52.0% | 62.0% | 57.0% | 6 | Kate Collins | 42.3% | 45.3% | 43.8% |
| 7 | Westwood Hills | 54.0% | 60.0% | 57.0% | Greater Augusta County Avg | | 57.7% | 53.4% | 55.5% |
| 8 | Thomas McSwain | 58.0% | 55.0% | 56.5% | Virginia State Average | | 60.0% | 62.0% | 61.0% |
| 9 | Stuarts Draft | 50.0% | 60.0% | 55.0% | High Schools | | | | |
| 10 | Cassell | 58.0% | 51.0% | 54.5% | SOL-2022 | | | | |
| 11 | Berkeley Glenn | 54.0% | 54.0% | 54.0% | Rank | School | English | Math | Composite |
| 12 | Clymore | 40.0% | 63.0% | 51.5% | 1 | Riverheads | 67.5% | 84.0% | 75.8% |
| 13 | Arthur Ware | 50.0% | 49.0% | 49.5% | 2 | Buffalo Gap | 66.7% | 83.0% | 74.9% |
| 14 | Wenonah | 54.0% | 40.0% | 47.0% | 3 | Wilson Memorial | 67.6% | 77.3% | 72.5% |
| 15 | William Perry | 44.0% | 41.0% | 42.5% | 4 | Stuarts Draft | 65.7% | 77.9% | 71.8% |
| 16 | North River | 39.0% | 36.0% | 37.5% | 5 | Fort Defiance | 54.5% | 88.5% | 71.5% |
| Greater Augusta County Avg | | 53.3% | 56.2% | 54.8% | 6 | Staunton | 65.5% | 70.7% | 68.1% |
| Virginia State Average | | 57.6% | 57.3% | 57.5% | 7 | Waynesboro | 59.7% | 70.8% | 65.3% |
| Source: Virginia Department of Education | | | | | Greater Augusta County Avg | | 63.9% | 78.9% | 71.4% |
| | | | | | Virginia State Average | | 75.0% | 71.0% | 73.0% |
| | | | | | | | | | 92% |

4. Shopping

Several retailers are just north and west of the subject site along US-340 within three-quarters of a mile, including Walmart Supercenter, Martin's (grocery), Goodwill, and several inline and standalone retailers, restaurants, and services. Waynesboro Town Center is a large shopping center on US-340 on the south side of the I-64, 1.2 miles south of the subject site. Stores featured at Waynesboro Town Center include ALDI, Target, Burlington, Michaels, Ross Dress for Less, PetSmart, Kohl's, and Old Navy as well as numerous smaller retailers and restaurants in inline and standalone locations. Another retail node is roughly two miles north of the subject site near Lew Dewitt Boulevard and US-250/West Main Street. Retailers in this area include Sharp Shopper Grocery Outlet, Ollie's Bargain Outlet, CVS, Harbor Freight Tools, Dollar Tree, and Big Lots. Additionally, downtown Waynesboro is roughly 2.5 miles northeast of the subject site and features a healthy selection of local and national shops, storefronts, restaurants, and services including Walmart Neighborhood Market, Roses Discount Store, and Kroger as well as the Waynesboro Farmers Market.

5. Recreational and Other Community Amenities

Waynesboro provides numerous recreational opportunities for its residents. Ridgeview Park is an 85-acre park on the South River and Magnolia Avenue about two miles northeast of the subject site. The park features several gardens, nature trails, baseball diamonds, several athletic fields, tennis courts, a fishing pier, a playground, the 50-meter War Memorial Pool and bathhouse, an amphitheater, and multiple picnic shelters. A YMCA, located on South Wayne Avenue south of downtown adjacent to the Waynesboro Public Library, features a fitness facility, indoor pool, and various youth and adult sports programs, classes, and training opportunities. Constitution Park on the South River anchors downtown with several town events including concerts, festivals, car shows, and Civil War reenactments throughout the year. Coyner Springs Park is another nearby park about three miles south of the subject including a dog park and disc golf course among other



features. Additionally, the southernmost entrance to Shenandoah National Park can be accessed via Skyline Drive roughly seven miles east of the subject site.

F. Overall Site Conclusions

The surrounding area's suburban make-up and nearby retail on US-340 is an appealing setting for renters. Nearby convenience stores, big box national brand retailers (including grocers), and other limited retailers/services are within three-quarters of a mile of the subject site, while public transportation is available nearby via a BRITE bus stop just north of the subject site at Walmart. Furthermore, I-64 is roughly three-quarters of a mile west of the subject site providing easy access to the larger region and highway network. Additional national brand retail opportunities and downtown Waynesboro are within three miles of the subject site and a full-service hospital is roughly five miles from the subject site.

IV. ECONOMIC CONTEXT

A. Introduction

This section of the report focuses primarily on economic trends and conditions in the Greater Augusta County region (including Augusta County as well as the independent cities of Waynesboro and Staunton), the local area in which the subject site is located. Economic trends in the nation are also discussed for comparison purposes.

B. Labor Force, Resident Employment, and Unemployment

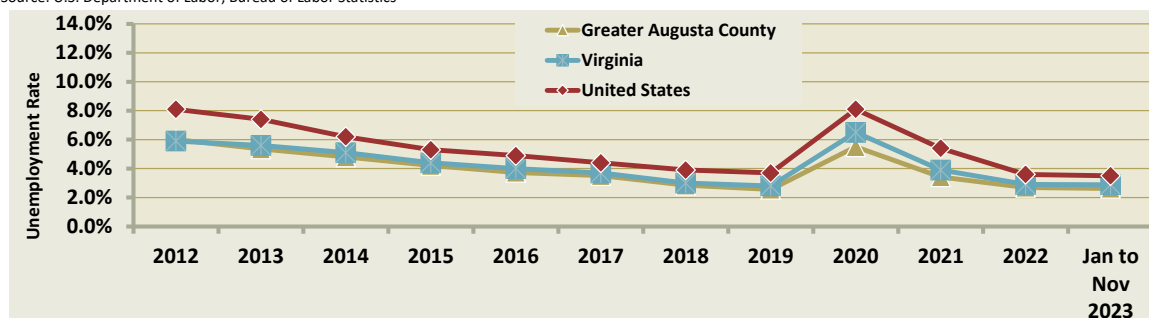
1. Trends in Annual Average Labor Force and Unemployment Data

Greater Augusta County's labor force increased from 58,821 in 2012 to 60,671 in 2019, an increase of three percent or 1,850 workers (Table 6). The number of unemployed workers fell by more than half during this period, dropping from 3,534 in 2012 to 1,551 in 2019, a decline of 56 percent. In 2020, the labor force remained roughly stable while the number of unemployed workers more than doubled to 3,284. Since then, the region's labor force decreased slightly in 2021 before increasing to 63,669 through November 2023, representing a roughly seven percent increase. During the same period, the number of unemployed workers fell to 1,671 in November 2023, a decrease of more than 1,600 or 49 percent since 2020. In contrast, the number of employed works increased by more than 5,500 workers from 2020 through November 2023, an increase of ten percent.

Table 6 Annual Average Labor Force and Unemployment Data

| Annual Average Unemployment | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Jan to Nov 2023 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| Labor Force | 58,821 | 58,892 | 59,164 | 58,698 | 58,911 | 59,567 | 59,576 | 60,671 | 59,696 | 59,451 | 61,421 | 63,669 |
| Employment | 55,287 | 55,739 | 56,321 | 56,228 | 56,712 | 57,477 | 57,879 | 59,120 | 56,412 | 57,418 | 59,766 | 61,998 |
| Unemployment | 3,534 | 3,153 | 2,843 | 2,470 | 2,199 | 2,090 | 1,697 | 1,551 | 3,284 | 2,033 | 1,655 | 1,671 |
| Unemployment | | | | | | | | | | | | |
| Greater Augusta | | | | | | | | | | | | |
| County | 6.0% | 5.4% | 4.8% | 4.2% | 3.7% | 3.5% | 2.8% | 2.6% | 5.5% | 3.4% | 2.7% | 2.6% |
| Virginia | 5.9% | 5.6% | 5.1% | 4.4% | 4.0% | 3.7% | 3.0% | 2.8% | 6.5% | 3.9% | 2.9% | 2.9% |
| United States | 8.1% | 7.4% | 6.2% | 5.3% | 4.9% | 4.4% | 3.9% | 3.7% | 8.1% | 5.4% | 3.6% | 3.5% |

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



Since 2012, Greater Augusta County's unemployment rate has remained slightly below that of Virginia, both of which remained below the nation. From 2012 to 2019, Waynesboro's unemployment rate steadily declined, reaching a low of 2.6 percent in 2019, compared to 2.8 percent in the state and 3.7 percent in the nation. The region's average unemployment rate increased to 5.5 percent in 2020 due to impacts from the COVID-19 pandemic, lower than Virginia's 6.5 percent peak and the nation's 8.1 percent. Since then, the city's unemployment rate dropped

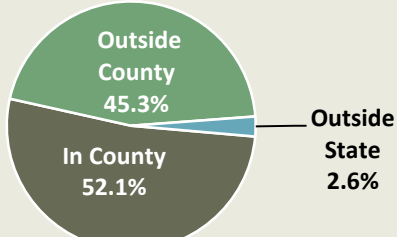
in 2021 and 2022, settling at 2.6 percent through November 2023, lower than the state and national averages of 2.9 and 3.5 percent, respectively.

C. Commuting Patterns

According to 2017-2021 American Community Survey (ACS) data, just over half (52.2 percent) of the workers residing in the market area spent less than 30 minutes commuting to work or worked from home (Table 7). Another 27.2 percent of workers spent 30 to 44 minutes commuting to work, and 25.2 percent spent 45 minutes or more commuting.

Just over half (52.1 percent) of workers residing in the market area worked in the jurisdiction where they live. Approximately 45 percent of market area workers are employed in another Virginia jurisdiction and 2.6 percent worked outside the state of Virginia.

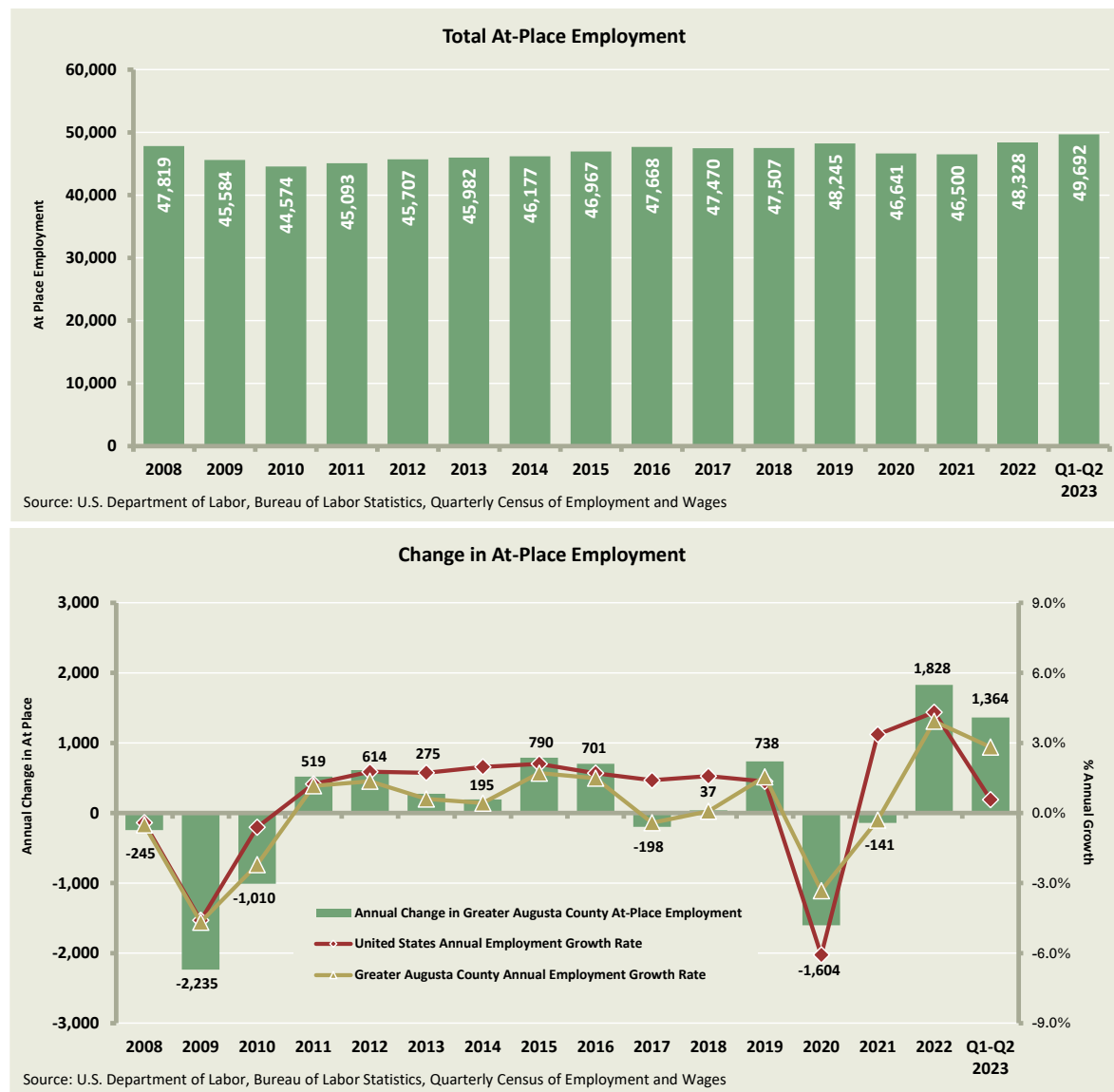
Table 7 2017-2021 Commutation Data, Alston Court Market Area

| Travel Time to Work | | | Place of Work | | |
|-----------------------|---------------|-------|--|---------------|-------------|
| Workers 16 years+ | # | % | Workers 16 years and over | # | % |
| Did not work at home: | 44,803 | 92.4% | Worked in state of residence: | 47,239 | 97.4% |
| Less than 5 minutes | 535 | 1.1% | Worked in county of residence | 25,263 | 52.1% |
| 5 to 9 minutes | 1,679 | 3.5% | Worked outside county of residence | 21,976 | 45.3% |
| 10 to 14 minutes | 4,392 | 9.1% | Worked outside state of residence | 1,250 | 2.6% |
| 15 to 19 minutes | 4,924 | 10.2% | Total | 48,489 | 100% |
| 20 to 24 minutes | 6,015 | 12.4% | Source: American Community Survey 2017-2021 2017-2021 Commuting Patterns Alston Court Market Area  | | |
| 25 to 29 minutes | 4,093 | 8.4% | | | |
| 30 to 34 minutes | 9,132 | 18.8% | | | |
| 35 to 39 minutes | 1,835 | 3.8% | | | |
| 40 to 44 minutes | 2,218 | 4.6% | | | |
| 45 to 59 minutes | 5,139 | 10.6% | | | |
| 60 to 89 minutes | 3,335 | 6.9% | | | |
| 90 or more minutes | 1,506 | 3.1% | | | |
| Worked at home | 3,686 | 7.6% | | | |
| Total | 48,489 | | | | |

Source: American Community Survey 2017-2021

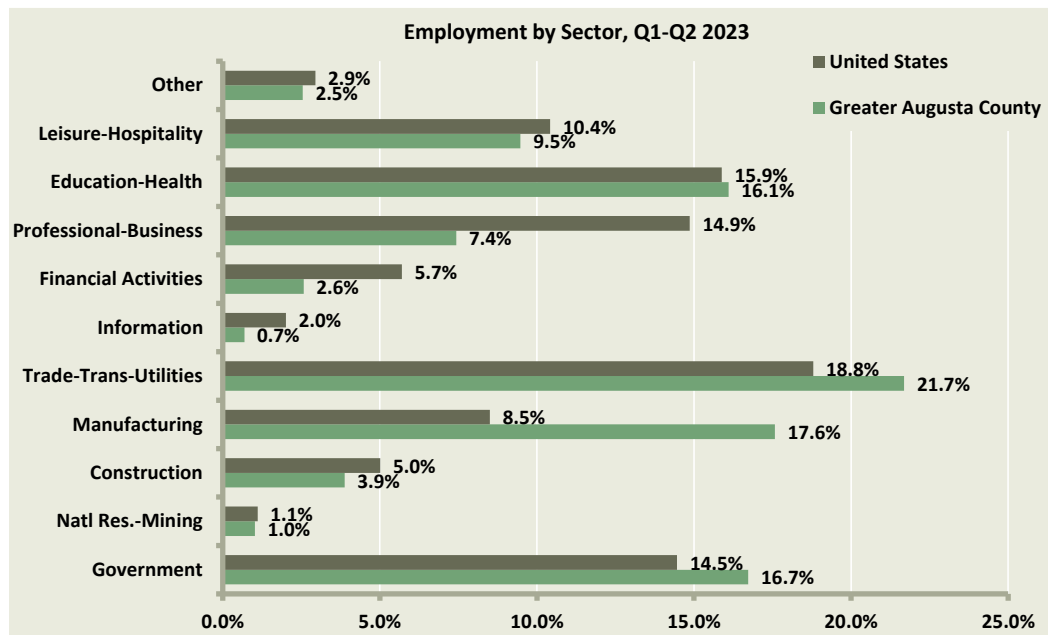
D. At-Place Employment Trends

At-Place Employment in Greater Augusta County exhibited slight growth each year from 2011 through 2019, prior to the COVID-19 pandemic; the only exception to this is in 2017 when the region lost 198 jobs. From 2011 through 2019, the city added 3,671 net jobs, an increase of roughly eight percent, reaching 48,245 in 2019 (Figure 5). The region lost 1,604 jobs or 3.3 percent of jobs in 2020 at the onset of the pandemic, proportionally less than the nation's 6.1 percent loss. The region lost another 141 jobs in 2021 before adding 1,828 jobs in 2022 and 1,364 jobs through Q2 2023, equal to increases of 3.9 percent and 2.8 percent, respectively; the 3,192 total jobs added in 2022 and through Q3 2023 more than replace the 1,463 jobs lost in 2020 and 2021. Comparatively, the nation added jobs in 2021, 2022, and through Q2 2023 with rates of increase roughly matching Greater Augusta County in 2022 (4.3 percent) and falling short of Greater Augusta County through Q2 2023 (0.6 percent).

Figure 5 At-Place Employment, Greater Augusta County

E. At-Place Employment by Industry Sector

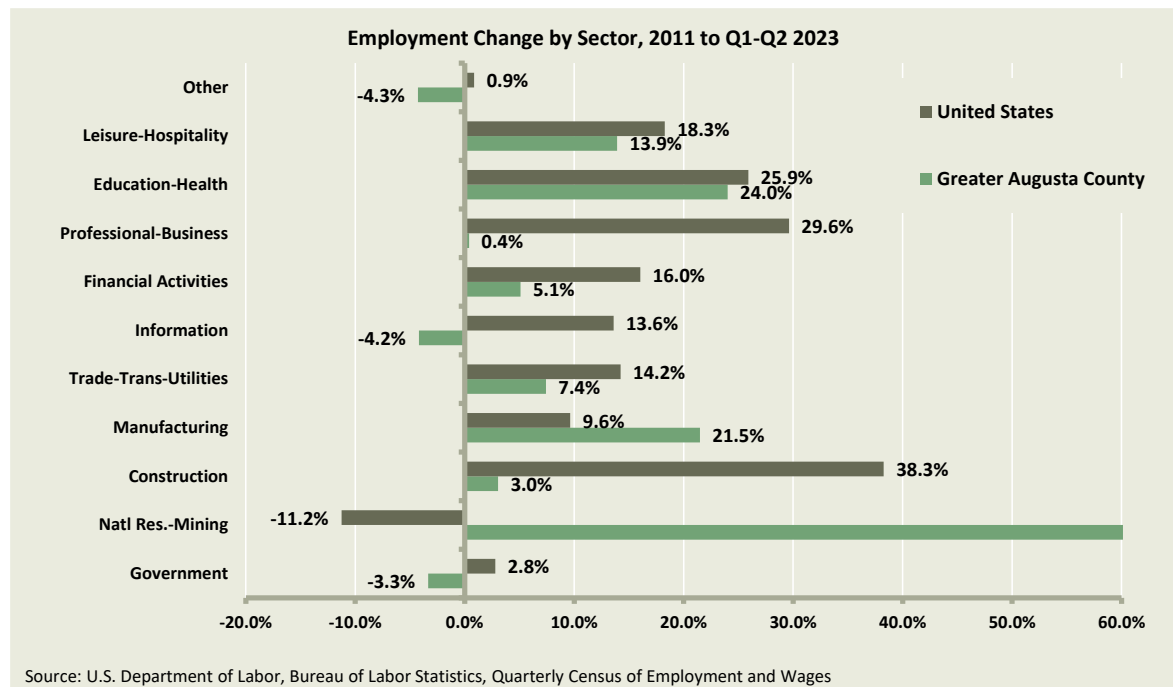
The local economy is relatively diverse with four industry sectors each representing at least 16 percent of the region's employment base. The Trade-Transportation-Utilities sector is the largest sector in the region, accounting for 21.7 percent of jobs regionwide, followed by Manufacturing at 17.6 percent, Government at 16.7 percent, and Education-Health at 16.1 percent (Figure 6). Each of the four largest sectors in Greater Augusta County represent proportionally more than their national counterparts; most notably, Manufacturing accounts for more than double that sector's national proportion of jobs. The remainder of sectors in the region represent proportionally fewer jobs than their corresponding national sector, though most are within 1.5 percent. The Professional-Business and Financial Activities sectors in Greater Augusta County account for approximately half the share of jobs of their national counterparts.

Figure 6 Total Employment by Sector, 2023 (Q1-Q2)

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

| Sector | Other | Leisure-Hospitality | Education-Health | Professional-Business | Financial Activities | Information | Trade-Trans-Utilities | Manufacturing | Construction | Natl. Res. Mining | Government | Total Employment |
|--------|-------|---------------------|------------------|-----------------------|----------------------|-------------|-----------------------|---------------|--------------|-------------------|------------|------------------|
| Jobs | 1,407 | 4,709 | 8,000 | 3,692 | 1,281 | 343 | 10,775 | 8,733 | 1,930 | 510 | 8,312 | 49,692 |

From 2011 through 2023 Q2, inclusive of impacts from the COVID-19 pandemic, eight of the 11 economic sectors added jobs in Greater Augusta County. The most significant proportional increase (113.2 percent) was in Natural Resources-Mining which represents just one percent of regionwide employment. Among the largest sectors, Trade-Transportation-Utilities increased by 7.4 percent, Manufacturing increased by 21.5 percent, and Education-Health increased by 24.0 percent, while Government decreased by 3.3 percent (Figure 7). Another sector with notable growth includes Leisure-Hospitality which expanded by 13.9 percent and represents 9.5 percent of jobs in the region. In addition to Government, the Other and Information sectors each decreased, dropping by 4.3 and 4.2 percent, respectively.

Figure 7 Employment Change by Sector, 2011-2023 (Q2)

F. Wages

The 2022 average annual wage in Greater Augusta County was \$47,980, roughly 33 percent lower than the statewide average of \$71,134 and 31 percent lower than the national average of \$69,985 (Table 8). Greater Augusta County's average annual wage in 2022 represents an increase of approximately \$15,000 or 46 percent since 2010; the region's average annual wage increased by a relatively significant 6.9 percent from 2019 to 2020, 5.1 percent from 2020 to 2021, and 5.5 percent from 2021 to 2022.

Table 8 Average Annual Pay, Greater Augusta County

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Greater Augusta County | \$32,824 | \$33,391 | \$34,611 | \$35,087 | \$35,974 | \$36,675 | \$37,538 | \$39,050 | \$40,031 | \$40,477 | \$43,278 | \$45,472 | \$47,980 |
| Virginia | \$49,651 | \$50,657 | \$51,646 | \$51,918 | \$52,929 | \$54,276 | \$54,836 | \$56,503 | \$58,239 | \$60,200 | \$65,159 | \$67,990 | \$71,134 |
| United States | \$46,751 | \$48,043 | \$49,289 | \$49,808 | \$51,364 | \$52,942 | \$53,621 | \$55,390 | \$57,266 | \$59,209 | \$64,021 | \$67,610 | \$69,985 |

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

The average local wage was lower among all 11 sectors when compared to that of the nation. The highest earning sector in the region is Financial Activities with an annual average of \$74,742, well below the average annual wage of \$116,751 nationally. Among the region's largest sectors, Trade-Transportation-Utilities averaged \$40,851, Manufacturing averaged \$63,686, Government averaged \$53,875, and Education-Health averaged \$48,591. Five of the region's economic sectors have an average annual wage of at least \$50,000, none of which exceed \$75,000 (Figure 8).

Figure 8 Wages by Industry Sector, Greater Augusta County

G. Major Employers

Manufacturers make up six of the region's 15 largest employers, while two each are represented by educational institutions, healthcare employers, retailers, and government entities (Table 9); the remaining large employer in the region is a shipping company. The four largest employers in the region have more than 1,000 employees, including Augusta County School Board, August Medical Center, Hershey Chocolate of Virginia, and Target Corp, while three have between 500 and 1,000 employees, and eight have less than 500.

Table 9 Major Employers, Greater Augusta County

| Rank | Name | Sector | Employment |
|------|-------------------------------|----------------|------------|
| 1 | Augusta County School Board | Education | 1000 + |
| 2 | Augusta Medical Center | Healthcare | 1000 + |
| 3 | Hershey Chocolate of Virginia | Manufacturing | 1000 + |
| 4 | Target Corp | Retail | 1000 + |
| 5 | McKee Foods Corporation | Manufacturing | 500 to 999 |
| 6 | AAF McQuay, Inc. | Manufacturing | 500 to 999 |
| 7 | Hollister, Inc. | Retail | 500 to 999 |
| 8 | County of Augusta | Government | 250 to 499 |
| 9 | NIBCO of Virginia | Manufacturing | 250 to 499 |
| 10 | Variform Inc | Manufacturing | 250 to 499 |
| 11 | Augusta Medical Group | Healthcare | 250 to 499 |
| 12 | Blue Ridge Community College | Education | 250 to 499 |
| 13 | Innovative Refrig Systems Inc | Manufacturing | 250 to 499 |
| 14 | U.P.S. | Transportation | 250 to 499 |
| 15 | Augusta Correctional Center | Government | 250 to 499 |

Source: Virginia Employment Commission; Augusta County Economic Development



H. Economic Conclusions

Prior to the COVID-19 pandemic, Waynesboro's At-Place Employment increased every year but one from 2011 to 2019 with net growth of 3,671 jobs or eight percent. At-Place employment declined by 1,604 jobs (3.3 percent) in 2020 at the onset of the pandemic followed by a loss of 141 jobs in 2021. The region has more than recovered the jobs lost in 2020 and 2021 by adding 1,828 jobs in 2022 and 1,364 jobs through Q2 2023. Prior to the COVID-19 pandemic, the region's 2019 unemployment rate was 2.6 percent, lower than the state's 2.8 percent and national rate of 3.7 percent. With the onset of the pandemic the local unemployment rate peaked to 5.5 percent in 2020, remaining below the state's 6.5 percent and national 8.1 percent. Since then, the unemployment rate has dropped in all three areas to 2.6 percent in the region, 2.9 percent in the state, and 3.5 percent in the nation through November 2023. The Greater Augusta County economy is relatively diverse with four industry sectors each representing at least 16 percent of the regional employment base: Trade-Transportation-Utilities, Manufacturing, Government, and Education Health. Manufacturers make up six of the region's 15 largest employers while two each are represented by educational institutions, healthcare employers, retailers, and government entities.



V. HOUSING MARKET AREA INTRODUCTION

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

A. Delineation of Market Area

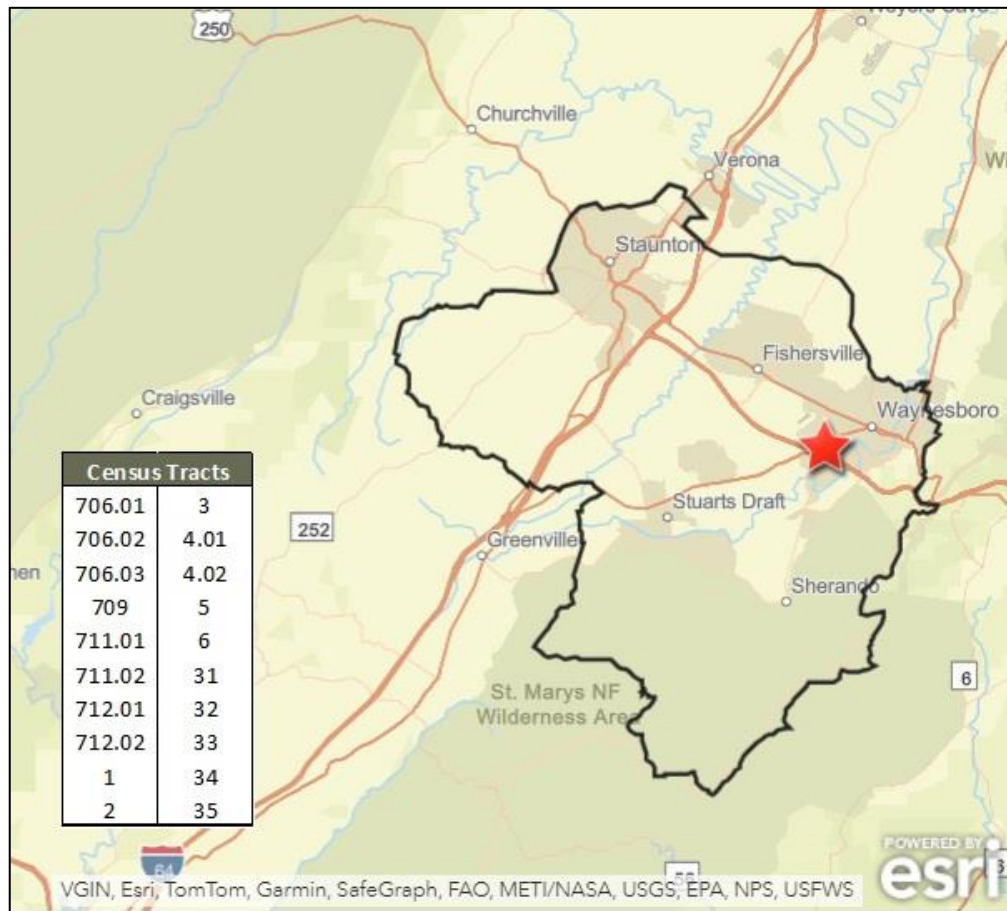
The subject site is in Waynesboro, an independent city in the I-64 corridor in central Virginia encircled by Augusta County. Another nearby independent city and population center in the area is Staunton located roughly ten miles northwest of Waynesboro near the western terminus of I-64 at I-81. As such, RPRG has defined the market area to include Waynesboro and Staunton in their entireties, as well as adjacent portions of Augusta County including the unincorporated areas of Stuarts Draft and Fishersville (Map 5). The market area is defined by small urban downtown areas in both Waynesboro and Staunton surrounded by suburban residential development with commercial concentrations along primary routes. Housing in the area is represented by established neighborhoods largely containing smaller properties closer to the noted downtown districts with modern, emerging subdivisions dominating the area's outer neighborhoods. Areas outside of the market area are largely rural containing agricultural uses and undeveloped land.

The approximate boundaries of the Alston Court Market Area and their distance from the subject site is as follows:

- **North:** Woodrow Wilson Pkwy/Hermitage Rd/Duke Rd (6.5 miles)
- **East:** Waynesboro City Boundary/Nelson County/Blue Ridge Pkwy (4.1 miles)
- **South:** Mount Tabor Rd/Chestnut Ridge Rd/Blue Ridge Pkwy (8.4 miles)
- **West:** Woodrow Wilson Pkwy/Glebe School Rd (13.7 miles)

As appropriate for this analysis, the Alston Court Market Area is compared and contrasted to the Greater Augusta County region, including Augusta County and the independent cities of Staunton and Waynesboro. This can be perceived as a secondary market area, though demand estimates are based only on the Alston Court Market Area.

Map 5 Alston Court Market Area



VI. DEMOGRAPHIC ANALYSIS

A. Introduction and Methodology

RPRG analyzed recent trends and characteristics of population and households in the Alston Court Market Area and Greater Augusta County using U.S. Census Bureau data sources including the 2010 and 2020 Censuses of Population and Housing and the American Community Survey (ACS) for the years 2017 to 2021. For small area estimates, we examined estimates and projections of population and households prepared by Esri, a national data vendor, released in summer 2023. Building permit trends collected from the HUD State of the Cities Data Systems (SOCDS) database were also considered.

B. Trends in Population and Households

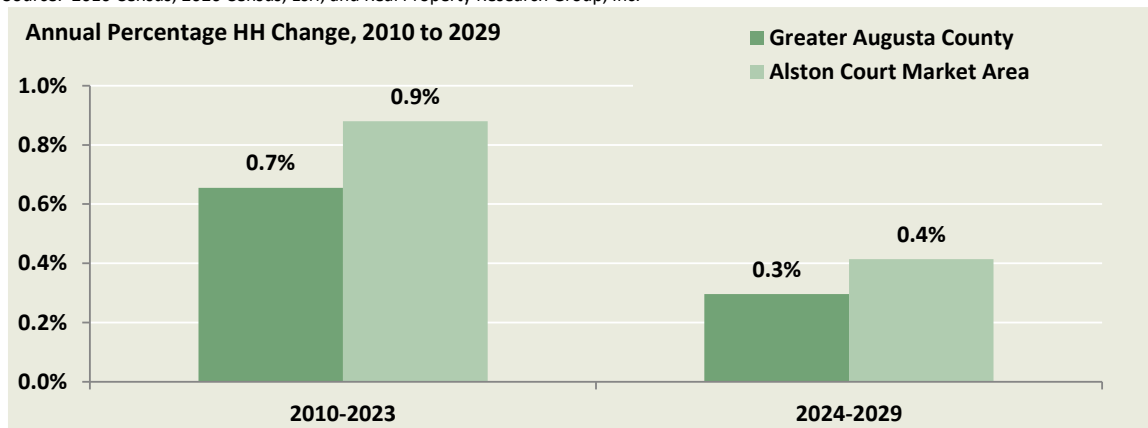
1. Recent Past Trends

Between 2010 and 2024, the population of the Alston Court Market Area increased by 10.6 percent, from 75,201 to 83,173 persons, an annual increase of 0.8 percent or 569 people (Table 10). During the same period, the number of market area households increased by 12.3 percent, from 31,549 to 35,434 households or an annual increase of 0.9 percent or 277 households. During the same period, the population and household base of Greater Augusta County grew annually by 0.5 percent and 0.7 percent, respectively.

Table 10 Population and Household Trends

| Greater Augusta County | | | | | | Alston Court Market Area | | | | | |
|------------------------|---------|--------------|------|---------------|------|--------------------------|--------------|-------|---------------|------|--|
| Population | Count | Total Change | | Annual Change | | Count | Total Change | | Annual Change | | |
| | | # | % | # | % | | # | % | # | % | |
| 2010 | 118,502 | | | | | 75,201 | | | | | |
| 2024 | 127,215 | 8,713 | 7.4% | 622 | 0.5% | 83,173 | 7,972 | 10.6% | 569 | 0.8% | |
| 2029 | 128,001 | 786 | 0.6% | 157 | 0.1% | 84,255 | 1,082 | 1.3% | 216 | 0.3% | |
| Households | Count | Total Change | | Annual Change | | Count | Total Change | | Annual Change | | |
| | | # | % | # | % | | # | % | # | % | |
| 2010 | 47,899 | | | | | 31,549 | | | | | |
| 2024 | 52,292 | 4,393 | 9.2% | 314 | 0.7% | 35,434 | 3,885 | 12.3% | 277 | 0.9% | |
| 2029 | 53,067 | 775 | 1.5% | 155 | 0.3% | 36,168 | 734 | 2.1% | 147 | 0.4% | |

Source: 2010 Census; 2020 Census; Esri; and Real Property Research Group, Inc.



2. Projected Trends

Based on Esri data, RPRG projects that the market area's population will increase by 1,082 persons (an annual increase of 216 people or 0.3 percent) from 2024 to 2029, bringing the total population to 84,255 persons by 2029. The number of households will increase at a rate of 0.4 percent or 147 new households per annum, resulting in a projected total of 36,168 households by 2029. Across Greater Augusta County, the population base is projected to grow by 0.1 percent annually and the household base is projected to grow by 0.3 percent annually.

3. Building Permit Trends

RPRG examines building permit trends as one way of determining if the housing supply is meeting demand, as measured by new households. Annual building permit activity in Greater Augusta County averaged 454 residential units permitted from 2011 to 2022 with activity varying from year to year (Table 11). Annual permitted units ranged from a low of 242 in 2012 to a high of 1,251 in 2017, though eight of the 12 years had less than 500 units permitted. Most recently, permit activity averaged 398 units permitted per year from 2018 through 2022. Over the 12-year period, multi-family units represented 19 percent of all units permitted, or an average of 88 units annually; single-unit permits were the most common representing 58 percent of units permitted.

Table 11 Building Permits by Structure Type, Greater Augusta County

| Greater Augusta County | | | | | |
|------------------------|---------------|------------|------------|--------------|--------------|
| Year | Single - Unit | Two Units | 3-4 Units | 5+ Units | Ann. Total |
| 2011 | 180 | 2 | 0 | 96 | 278 |
| 2012 | 240 | 2 | 0 | 0 | 242 |
| 2013 | 253 | 4 | 0 | 234 | 491 |
| 2014 | 249 | 4 | 0 | 350 | 603 |
| 2015 | 287 | 0 | 0 | 0 | 287 |
| 2016 | 237 | 6 | 8 | 51 | 302 |
| 2017 | 50 | 458 | 689 | 54 | 1,251 |
| 2018 | 232 | 2 | 15 | 68 | 317 |
| 2019 | 312 | 2 | 2 | 3 | 319 |
| 2020 | 421 | 0 | 0 | 80 | 501 |
| 2021 | 341 | 4 | 0 | 68 | 413 |
| 2022 | 379 | 6 | 0 | 57 | 442 |
| 2011-2022 | 3,181 | 490 | 714 | 1,061 | 5,446 |
| Ann. Avg. | 265 | 41 | 60 | 88 | 454 |

Source: U.S. Census Bureau, C-40 Building Permit Reports.

**Total Housing Units Permitted
2011 - 2022**



C. Demographic Characteristics

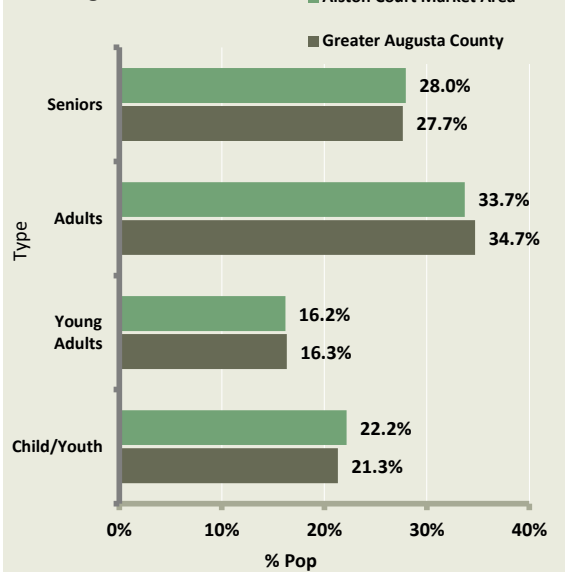
1. Age Distribution and Household Type

According to Esri data, the median age of the Alston Court Market Area is 43, slightly younger than the Greater Augusta County median of 44. The most common age cohort is Adults aged 35 to 61, comprising 33.7 percent of the market area and 34.7 percent of the region. Children and youth aged 19 and under comprise 22.2 percent of the market area population and 21.3 percent of the region (Table 12). Young adults aged 20 to 34 make up roughly 16 percent of both the market area and Greater Augusta County, while seniors aged 62 and older comprise approximately 28 percent of both areas.

Table 12 2024 Age Distribution

| 2024 Age Distribution | Greater Augusta County | | Alston Court Market Area | |
|-----------------------|------------------------|--------------|--------------------------|--------------|
| | # | % | # | % |
| Children/Youth | 27,130 | 21.3% | 18,434 | 22.2% |
| Under 5 years | 6,063 | 4.8% | 4,241 | 5.1% |
| 5-9 years | 6,681 | 5.3% | 4,538 | 5.5% |
| 10-14 years | 7,195 | 5.7% | 4,775 | 5.7% |
| 15-19 years | 7,192 | 5.7% | 4,881 | 5.9% |
| Young Adults | 20,768 | 16.3% | 13,469 | 16.2% |
| 20-24 years | 6,390 | 5.0% | 4,270 | 5.1% |
| 25-34 years | 14,378 | 11.3% | 9,199 | 11.1% |
| Adults | 44,141 | 34.7% | 28,019 | 33.7% |
| 35-44 years | 15,974 | 12.6% | 10,302 | 12.4% |
| 45-54 years | 15,458 | 12.2% | 9,778 | 11.8% |
| 55-61 years | 12,709 | 10.0% | 7,938 | 9.5% |
| Seniors | 35,176 | 27.7% | 23,252 | 28.0% |
| 62-64 years | 5,447 | 4.3% | 3,402 | 4.1% |
| 65-74 years | 16,818 | 13.2% | 10,648 | 12.8% |
| 75-84 years | 9,585 | 7.5% | 6,646 | 8.0% |
| 85 and older | 3,327 | 2.6% | 2,556 | 3.1% |
| TOTAL | 127,215 | 100% | 83,173 | 100% |
| Median Age | 44 | | 43 | |

Source: Esri; RPRG, Inc.

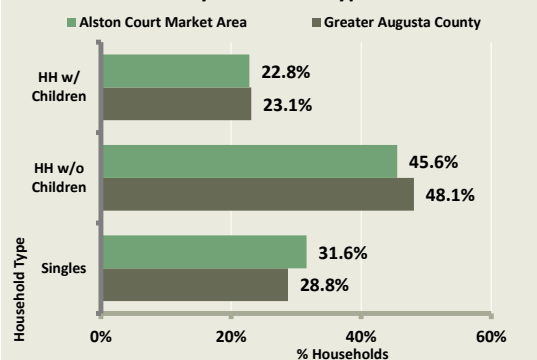
2024 Age Distribution

The Alston Court Market Area had a larger proportion of single-person households at 31.6 percent compared to Greater Augusta County at 28.8 percent as of the 2020 Census. In contrast, multi-person households without children represented 45.6 percent of households in the Alston Court Market Area compared to a greater 48.1 percent in the region (Table 13). This classification includes married and unmarried couples as well as those in roommate situations. Approximately 23 percent of households in the market area and region were households which included children.

Table 13 2020 Households by Household Type

| 2020 Households by Household Type | Greater Augusta County | | Alston Court Market Area | |
|-----------------------------------|------------------------|--------------|--------------------------|--------------|
| | # | % | # | % |
| Married/ Cohabiting w/Children | 8,908 | 17.4% | 5,658 | 16.4% |
| Other w/ Children | 2,918 | 5.7% | 2,198 | 6.4% |
| Households w/ Children | 11,826 | 23.1% | 7,856 | 22.8% |
| Married/ Cohabiting w/o Children | 19,569 | 38.2% | 12,140 | 35.3% |
| Other Family w/o Children | 4,075 | 8.0% | 2,794 | 8.1% |
| Non-Family w/o Children | 974 | 1.9% | 738 | 2.1% |
| Households w/o Children | 24,618 | 48.1% | 15,672 | 45.6% |
| Singles | 14,720 | 28.8% | 10,876 | 31.6% |
| Total | 51,164 | 100% | 34,404 | 100% |

Source: 2020 Census; RPRG, Inc.

2020 Households by Household Type

2. Households by Tenure

a) Recent Tenure Trends

As of the 2010 Census, 10,598 households (33.6 percent) were renters in the market area, while 20,950 households were owners (66.4 percent) (Table 14). Based on recently released DHC data from the 2020 Census, the market area renter household base grew to 12,553 households while the owner base totaled 21,851 households as of 2020. We note that the actual 2020 renter household Census count is above Esri's renter household estimate three years later in 2023. Esri's summer 2023 data likely does not consider the most recent Census data released in May 2023 and likely underestimates rental growth. As such, RPRG trended 2010 to 2020 household growth by tenure forward to arrive at a 2024 estimate and applied those tenure percentages to our 2029 household projection.

The Alston Court Market Area has a renter household share of 37.5 percent as of 2024 compared to Greater Augusta County's 31.1 percent. The market area's annual average growth by tenure over the past 14 years was 192 renter households (1.6 percent) and 85 owner households (0.4 percent). The last column of Table 14 (blue shaded) quantifies the market area's net growth by tenure over the past 14 years; renter households contributed a disproportionate 69.3 percent of the market area's net household growth over this period, similar to the 67.4 percent renter share of growth experienced throughout Greater Augusta County.

Table 14 Households by Tenure, 2010-2024

| Greater Augusta County | 2010 | | 2020 | | 2024 | | Change 2010-2024 | | | | % of Change 2010 - 2024 |
|------------------------|--------|-------|--------|-------|--------|-------|------------------|-------|---------------|------|----------------------------|
| | | | | | | | Total Change | | Annual Change | | |
| Housing Units | # | % | | | # | % | # | % | | | |
| Owner Occupied | 34,598 | 72.2% | 35,708 | 69.8% | 36,029 | 68.9% | 1,431 | 4.1% | 102 | 0.3% | 32.6% |
| Renter Occupied | 13,301 | 27.8% | 15,456 | 30.2% | 16,263 | 31.1% | 2,962 | 22.3% | 212 | 1.4% | 67.4% |
| Total Occupied | 47,899 | 100% | 51,164 | 100% | 52,292 | 100% | 4,393 | 9.2% | 314 | 0.6% | 100% |
| Total Vacant | 4,750 | | 4,010 | | 4,134 | | | | | | |
| TOTAL UNITS | 52,649 | | 55,174 | | 56,426 | | | | | | |

| Alston Court Market Area | 2010 | | 2020 | | 2024 | | Change 2010-2024 | | | | % of Change 2010 - 2024 |
|--------------------------|--------|-------|--------|-------|--------|-------|------------------|-------|---------------|------|----------------------------|
| | | | | | | | Total Change | | Annual Change | | |
| Housing Units | # | % | | | # | % | # | % | | | |
| Owner Occupied | 20,950 | 66.4% | 21,851 | 63.5% | 22,141 | 62.5% | 1,191 | 5.7% | 85 | 0.4% | 30.7% |
| Renter Occupied | 10,598 | 33.6% | 12,553 | 36.5% | 13,293 | 37.5% | 2,695 | 25.4% | 192 | 1.6% | 69.3% |
| Total Occupied | 31,548 | 100% | 34,404 | 100% | 35,434 | 100% | 3,886 | 12.3% | 278 | 0.8% | 100% |
| Total Vacant | 3,177 | | 2,538 | | 2,530 | | | | | | |
| TOTAL UNITS | 34,725 | | 36,942 | | 37,964 | | | | | | |

Source: U.S. Census of Population and Housing, 2010, 2020; RPRG, Inc.

b) Projected Trends

Observed historical tenure trends, strong renter demand reported among multi-family communities, and the long list of multi-family rental pipeline communities in the market (detailed in the Proposed and Pipeline Rental Communities section on page 53) indicate renter households will continue to account for a relatively significant share of growth in the market area. As such, RPRG projects renters will continue to comprise 69.3 percent of net new households added to the market over the next five years, consistent with the historical household tenure trends since 2010. This projection is equal to an average of 102 renter households added to the market each year (Table 15). Thus, by 2029, the market will have 13,802 renter households, accounting for 38.2 percent of all households in the market.

Table 15 Households by Tenure, 2024-2029

| Alston Court Market Area | 2024 | | 2029 RPRG HH by Tenure | | RPRG Change by Tenure | | Annual Change by Tenure | |
|--------------------------|---------------|-------------|------------------------|-------------|-----------------------|-------------|-------------------------|-------------|
| Housing Units | # | % | # | % | # | % | # | % |
| Owner Occupied | 22,141 | 62.5% | 22,366 | 61.8% | 225 | 30.7% | 45 | 0.2% |
| Renter Occupied | 13,293 | 37.5% | 13,802 | 38.2% | 509 | 69.3% | 102 | 0.8% |
| Total Occupied | 35,434 | 100% | 36,168 | 100% | 734 | 100% | 147 | 0.4% |
| Total Vacant | 2,530 | | 2,461 | | | | | |
| TOTAL UNITS | 37,964 | | 38,629 | | | | | |

Source: Esri, RPRG, Inc.

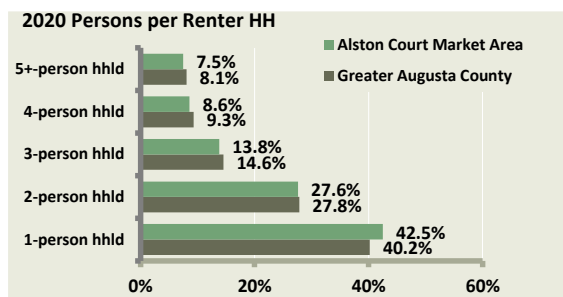
3. Renter Household Characteristics

Single-person households are the most common household type among renter households in the Alston Court Market Area with an estimated 42.5 percent share, more than the regionwide proportion of 40.2 percent (Table 16). Two-person households accounted for 27.6 percent of renter households in the primary market area and 27.8 percent in Greater Augusta County overall. Households with three or more members comprised 29.9 percent of the primary market area's renter base, slightly less than the 31.9 percent of the renter base in the city.

Table 16 Renter Households by Persons per Household

| Renter Occupied | Greater Augusta County | | Alston Court Market Area | |
|-----------------|------------------------|-------------|--------------------------|-------------|
| | # | % | # | % |
| 1-person hhld | 6,216 | 40.2% | 5,334 | 42.5% |
| 2-person hhld | 4,304 | 27.8% | 3,467 | 27.6% |
| 3-person hhld | 2,249 | 14.6% | 1,735 | 13.8% |
| 4-person hhld | 1,437 | 9.3% | 1,079 | 8.6% |
| 5+-person hhld | 1,250 | 8.1% | 938 | 7.5% |
| TOTAL | 15,456 | 100% | 12,553 | 100% |

Source: 2020 Census

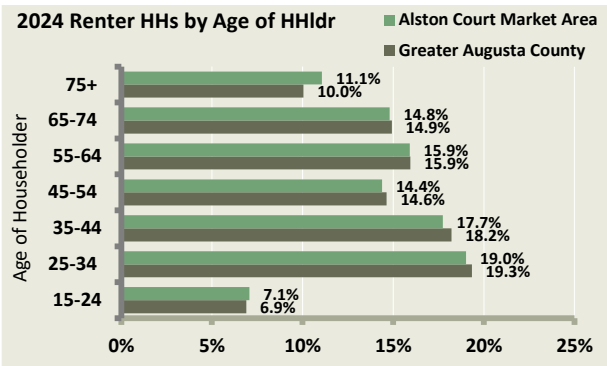


Approximately 26 percent of renter households in the Alston Court Market Area and Greater Augusta County are young renters under age 35 (Table 17). Roughly 48 percent of renter households in the market area are adults aged 35 to 64, compared to about 49 percent in the region. Renter households comprised of seniors aged 65 and older make up approximately one-quarter of both the market area and surrounding region.

Table 17 Renter Households by Age of Householder

| Renter Households | Greater Augusta County | | Alston Court Market Area | |
|-------------------|------------------------|-------------|--------------------------|-------------|
| Age of HHldr | # | % | # | % |
| 15-24 years | 1,121 | 6.9% | 940 | 7.1% |
| 25-34 years | 3,145 | 19.3% | 2,528 | 19.0% |
| 35-44 years | 2,963 | 18.2% | 2,357 | 17.7% |
| 45-54 years | 2,381 | 14.6% | 1,912 | 14.4% |
| 55-64 years | 2,593 | 15.9% | 2,116 | 15.9% |
| 65-74 years | 2,427 | 14.9% | 1,968 | 14.8% |
| 75+ years | 1,633 | 10.0% | 1,472 | 11.1% |
| Total | 16,263 | 100% | 13,293 | 100% |

Source: Esri, Real Property Research Group, Inc.



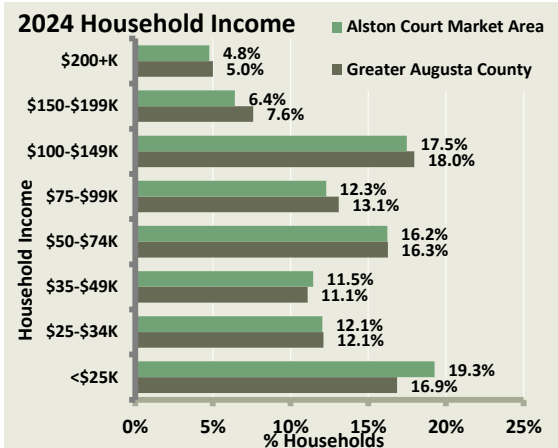
D. Income Characteristics

The Alston Court Market Area's 2024 median income of \$61,115 is six percent lower than the regionwide median household income of \$65,251 (Table 18). About 31 percent of market area households earn less than \$35,000, while 27.7 percent earn from \$35,000 to \$74,999 and 41.0 percent earn \$75,000 or more.

Table 18 2024 Household Income

| Estimated 2024 Household Income | | Greater Augusta County | | Alston Court Market Area | |
|---------------------------------|--|------------------------|-------------|--------------------------|-------------|
| | | # | % | # | % |
| less than \$25,000 | | 8,818 | 16.9% | 6,828 | 19.3% |
| \$25,000 - \$34,999 | | 6,338 | 12.1% | 4,270 | 12.1% |
| \$35,000 - \$49,999 | | 5,801 | 11.1% | 4,060 | 11.5% |
| \$50,000 - \$74,999 | | 8,505 | 16.3% | 5,754 | 16.2% |
| \$75,000 - \$99,999 | | 6,849 | 13.1% | 4,356 | 12.3% |
| \$100,000 - \$149,999 | | 9,398 | 18.0% | 6,197 | 17.5% |
| \$150,000 - \$199,999 | | 3,969 | 7.6% | 2,276 | 6.4% |
| \$200,000 over | | 2,614 | 5.0% | 1,692 | 4.8% |
| Total | | 52,292 | 100% | 35,434 | 100% |
| Median Income | | \$65,251 | | \$61,115 | |

Source: ESRI; Real Property Research Group, Inc.

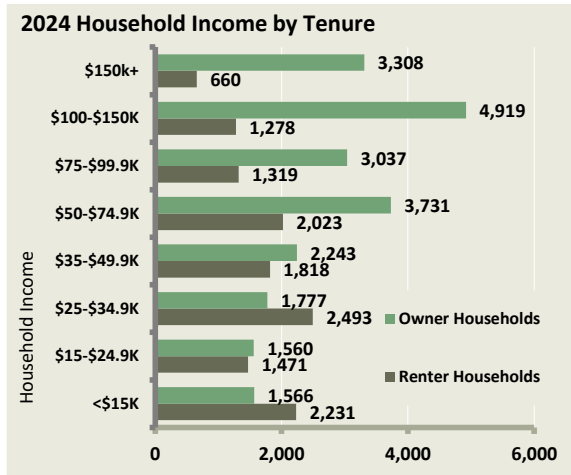


Based on the U.S. Census Bureau's American Community Survey data, Esri data, the breakdown of tenure, and household estimates, RPRG estimates the median income of renters in the Alston Court Market Area as of 2024 at \$38,721, roughly half of the \$76,594 median income among owner households (Table 19). Approximately 17 percent of market area renter households have incomes of less than \$15,000, while another 29.8 percent of renter households have incomes between \$15,000 and \$35,000 and 28.9 percent have incomes between \$35,000 and \$75,000. Roughly one-quarter (24.5 percent) earn \$75,000 or more.

Table 19 2024 Household Income by Tenure, Alston Court Market Area

| Estimated 2024 HH Income | | Renter Households | | Owner Households | |
|--------------------------|--|-------------------|-------------|------------------|-------------|
| Alston Court Market Area | | # | % | # | % |
| less than \$15,000 | | 2,231 | 16.8% | 1,566 | 7.1% |
| \$15,000 \$24,999 | | 1,471 | 11.1% | 1,560 | 7.0% |
| \$25,000 \$34,999 | | 2,493 | 18.8% | 1,777 | 8.0% |
| \$35,000 \$49,999 | | 1,818 | 13.7% | 2,243 | 10.1% |
| \$50,000 \$74,999 | | 2,023 | 15.2% | 3,731 | 16.9% |
| \$75,000 \$99,999 | | 1,319 | 9.9% | 3,037 | 13.7% |
| \$100,000 \$149,999 | | 1,278 | 9.6% | 4,919 | 22.2% |
| \$150,000 over | | 660 | 5.0% | 3,308 | 14.9% |
| Total | | 13,293 | 100% | 22,141 | 100% |
| Median Income | | \$38,721 | | \$76,594 | |

Source: American Community Survey 2017-2021 Estimates, Esri, RPRG



E. Cost-Burdened Renter Households and Substandard Housing

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

Data regarding the concept of rent burden from the 2017-2021 ACS highlight that lower-income renter households in the Alston Court Market Area tend to pay a very high percentage of their monthly income toward housing costs (Table 20). Roughly 45 percent of all renter households residing in the Alston Court Market Area have rent burdens of 35 percent or higher, and more than 38 percent of all renter households have significant rent burdens of 40 percent or higher. The cost-burdened situation of many low to moderate-income renter households is a primary indicator of a need for new affordable income and rent-restricted rental housing in the primary market area. Additionally, 5.3 percent of the rental housing stock within the market area can be considered substandard, i.e., lacking complete plumbing facilities, or overcrowded with more than 1.0 occupants per room.

Table 20 Rent Cost Burdened and Substandard Housing

| Rent Cost Burden | | |
|--------------------------------|---------------|---------------|
| Total Households | # | % |
| Less than 10.0 percent | 524 | 3.6% |
| 10.0 to 14.9 percent | 1,286 | 8.8% |
| 15.0 to 19.9 percent | 2,056 | 14.1% |
| 20.0 to 24.9 percent | 1,562 | 10.7% |
| 25.0 to 29.9 percent | 1,118 | 7.7% |
| 30.0 to 34.9 percent | 1,210 | 8.3% |
| 35.0 to 39.9 percent | 970 | 6.7% |
| 40.0 to 49.9 percent | 1,084 | 7.4% |
| 50.0 percent or more | 4,302 | 29.5% |
| Not computed | 461 | 3.2% |
| Total | 14,573 | 100.0% |
| | | |
| > 35% income on rent | 6,356 | 45.0% |
| > 40% income on rent | 5,386 | 38.2% |

Source: American Community Survey 2017-2021

| Substandardness | |
|---------------------------------------|--------------|
| Total Households | |
| Owner occupied: | |
| Complete plumbing facilities: | 23,669 |
| 1.00 or less occupants per room | 23,412 |
| 1.01 or more occupants per room | 188 |
| Lacking complete plumbing facilities: | 69 |
| Overcrowded or lacking plumbing | 257 |
| Renter occupied: | |
| Complete plumbing facilities: | 14,392 |
| 1.00 or less occupants per room | 13,802 |
| 1.01 or more occupants per room | 590 |
| Lacking complete plumbing facilities: | 181 |
| Overcrowded or lacking plumbing | 771 |
| Substandard Housing | 1,028 |
| % Total Stock Substandard | 2.7% |
| % Rental Stock Substandard | 5.3% |

VII. COMPETITIVE HOUSING ANALYSIS

A. Introduction and Sources of Information

This section presents data and analyses pertaining to the supply of housing in the Alston Court Market Area. First, we highlight characteristics of the existing housing stock in the market using data from the American Community Survey. Next, we present the results of primary research in the form of surveys of competitive rental communities completed in January 2024. The competitive housing analysis concludes with information on the development pipeline in the Alston Court Market Area, sourced from planning officials, available VH information, local publications, and local developers.

B. Overview of Market Area Housing Stock

Based on the 2017-2021 ACS survey, rental housing in multi-family buildings of five or more units accounted for 78.4 percent of renter-occupied housing units in the market area and 61.9 percent of renter units in Greater Augusta County (Table 21). Approximately 16 percent of the rental housing stock in the market area consists of single-family detached or attached homes and units in structures with two to four units accounted for 5.6 percent. Owner-occupied housing units were mostly comprised of single-family detached or attached homes accounting for roughly 92.5 percent of units in both the market area and region.

Table 21 Dwelling Units by Structure and Tenure

| Structure Type | Owner Occupied | | | | Renter Occupied | | | |
|----------------|------------------------|-------------|--------------------------|-------------|------------------------|-------------|--------------------------|-------------|
| | Greater Augusta County | | Alston Court Market Area | | Greater Augusta County | | Alston Court Market Area | |
| | # | % | # | % | # | % | # | % |
| 1, detached | 146,052 | 67.2% | 16,554 | 70.0% | 10,663 | 9.7% | 925 | 6.3% |
| 1, attached | 55,074 | 25.4% | 5,326 | 22.5% | 22,439 | 20.5% | 1,396 | 9.6% |
| 2 | 506 | 0.2% | 70 | 0.3% | 2,729 | 2.5% | 329 | 2.3% |
| 3-4 | 518 | 0.2% | 48 | 0.2% | 5,575 | 5.1% | 480 | 3.3% |
| 5-9 | 2,672 | 1.2% | 210 | 0.9% | 19,495 | 17.8% | 3,390 | 23.3% |
| 10-19 | 4,869 | 2.2% | 363 | 1.5% | 29,051 | 26.5% | 5,203 | 35.7% |
| 20+ units | 5,422 | 2.5% | 1,076 | 4.6% | 19,275 | 17.6% | 2,836 | 19.5% |
| Mobile home | 2,082 | 1.0% | 0 | 0.0% | 396 | 0.4% | 14 | 0.1% |
| TOTAL | 217,195 | 100% | 23,647 | 100% | 109,623 | 100% | 14,573 | 100% |

Source: American Community Survey 2017-2021

The median year built for rental units in the market is 1978, roughly comparable to the region median of 1975 (Table 22). More than half (51.8 percent) of the renter-occupied housing units in the market area were built prior to 1980 and are at least 40 years old. On the other end of the spectrum, 13.5 percent of renter housing units were built in 2000 or later. The owner occupied housing stock in the market area and region is older than the renter occupied stock with a median year built of 1967 in the market area and 1968 in Greater Augusta County. Sixty-five percent of owner occupied units in the market area were built before 1980.

Table 22 Dwelling Units by Year Built and Tenure

| Year Built | Owner Occupied | | | | Renter Occupied | | | |
|--------------------------|------------------------|-------------|--------------------------|-------------|------------------------|-------------|--------------------------|-------------|
| | Greater Augusta County | | Alston Court Market Area | | Greater Augusta County | | Alston Court Market Area | |
| | # | % | # | % | # | % | # | % |
| 2020 or later | 129 | 0.1% | 28 | 0.1% | 22 | 0.0% | 0 | 0.0% |
| 2010 to 2019 | 7,102 | 3.3% | 656 | 2.8% | 5,107 | 4.7% | 517 | 3.5% |
| 2000 to 2009 | 19,225 | 8.8% | 1,940 | 8.2% | 8,013 | 7.3% | 1,457 | 10.0% |
| 1990 to 1999 | 28,808 | 13.3% | 3,220 | 13.6% | 17,100 | 15.6% | 2,512 | 17.2% |
| 1980 to 1989 | 28,532 | 13.1% | 2,431 | 10.3% | 15,933 | 14.5% | 2,541 | 17.4% |
| 1970 to 1979 | 22,138 | 10.2% | 2,482 | 10.5% | 21,383 | 19.5% | 3,251 | 22.3% |
| 1960 to 1969 | 26,164 | 12.0% | 4,799 | 20.3% | 17,133 | 15.6% | 2,573 | 17.7% |
| 1950 to 1959 | 49,841 | 22.9% | 5,214 | 22.0% | 13,176 | 12.0% | 832 | 5.7% |
| 1940 to 1949 | 16,587 | 7.6% | 1,395 | 5.9% | 4,991 | 4.6% | 290 | 2.0% |
| 1939 or earlier | 18,721 | 8.6% | 1,504 | 6.4% | 6,827 | 6.2% | 600 | 4.1% |
| TOTAL | 217,247 | 100% | 23,669 | 100% | 109,685 | 100% | 14,573 | 100% |
| MEDIAN YEAR BUILT | 1968 | | 1967 | | 1975 | | 1978 | |

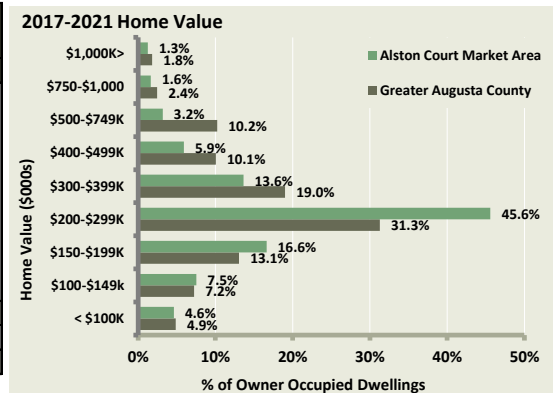
Source: American Community Survey 2017-2021

According to ACS data, the median value among owner-occupied housing units in the Alston Court Market Area as of 2017-2021 was \$246,533, roughly 12 percent lower than the regionwide median of \$279,369 (Table 23). ACS home value estimates are based upon respondent's assessments of the values of their homes. This data is traditionally a less accurate and reliable indicator of home prices than actual sales data but is typically a strong gauge of relative home values across two or more areas.

Table 23 Value of Owner-Occupied Housing Stock

| 2017-2021 Home Value | Greater Augusta County | | Alston Court Market Area | |
|----------------------|------------------------|------------|--------------------------|------------|
| | # | % | # | % |
| less than \$100,000 | 10,559 | 4.9% | 1,094 | 4.6% |
| \$100,000 \$149,999 | 15,739 | 7.2% | 1,783 | 7.5% |
| \$150,000 \$199,999 | 28,372 | 13.1% | 3,936 | 16.6% |
| \$200,000 \$299,999 | 67,977 | 31.3% | 10,791 | 45.6% |
| \$300,000 \$399,999 | 41,295 | 19.0% | 3,227 | 13.6% |
| \$400,000 \$499,999 | 21,846 | 10.1% | 1,401 | 5.9% |
| \$500,000 \$749,999 | 22,239 | 10.2% | 752 | 3.2% |
| \$750,000 \$999,999 | 5,317 | 2.4% | 388 | 1.6% |
| \$1,000,000 over | 3,903 | 1.8% | 297 | 1.3% |
| Total | 217,247 | 98% | 23,669 | 99% |
| Median Value | \$279,369 | | \$246,533 | |

Source: American Community Survey 2017-2021



C. Survey of General Occupancy Rental Communities

1. Introduction

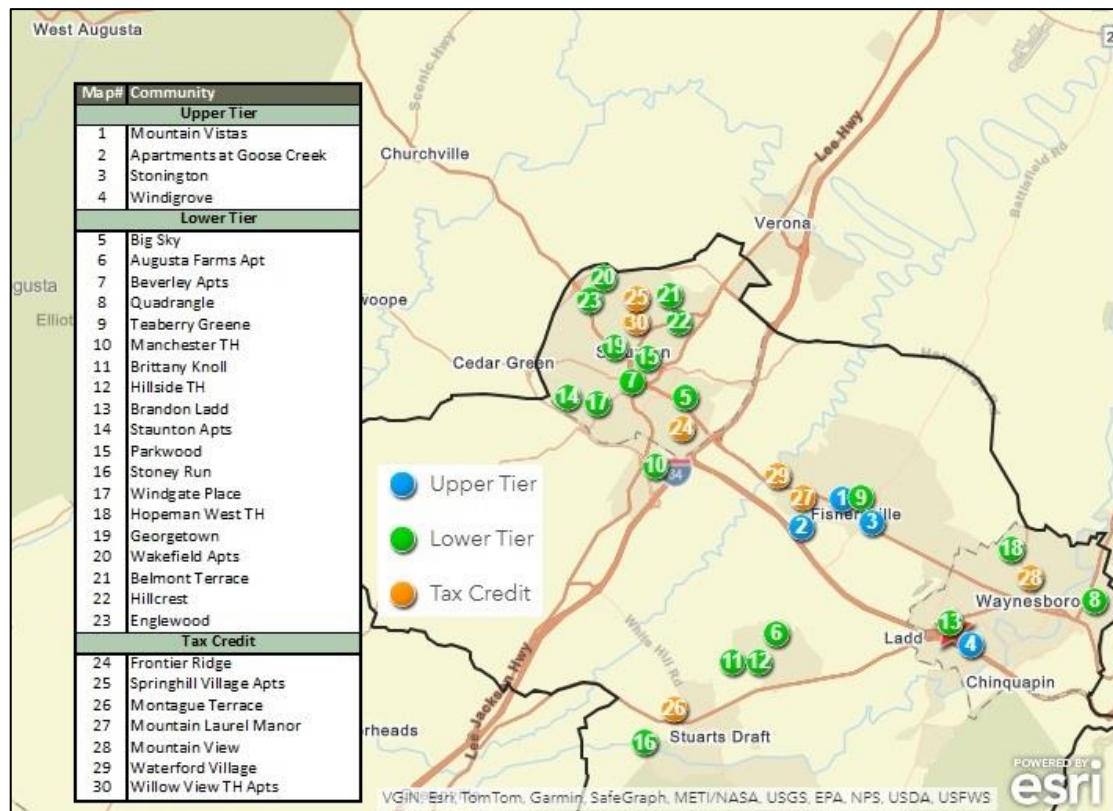
To gauge the status of the rental market within which the proposed 1030 Alston Court Apartments would compete, RPRG surveyed 30 general occupancy rental communities in the Alston Court Market Area. Twenty-three properties are market rate communities and seven are income-and rent-restricted through the Low Income Housing Tax Credit (LIHTC) program. We segmented the rental communities into four Upper Tier market rate, 19 Lower Tier market rate, and seven tax

credit communities. The Upper Tier communities represent the most modern and highest priced rental products available in the market area offering the most extensive unit features and community amenities. The Lower Tier communities are older, lower priced communities which generally offer a more modest selection of amenities and finishes; we note that three Lower Tier communities were placed in service in recent years (since 2017) but are relatively small communities and offer little to no common area space. The detailed competitive survey excludes age-restricted senior rental properties for the purposes. A separate discussion of rental communities with project-based rental subsidies is presented in a subsequent section. Profile sheets with detailed information on each surveyed general occupancy community, including photographs, are attached as Appendix 2.

2. Location

The surveyed communities are concentrated in Staunton, Fishersville, Waynesboro, and Stuarts Draft, matching the population centers in the market area (Map 6). Fourteen communities are located in Staunton west of I-81 to the northwest of the subject site including 11 Lower Tier communities and three tax credit communities. Six communities are along the US-250 corridor in the Fishersville area between Waynesboro and Staunton to the northwest of the subject site including three Upper Tier communities, one Lower tier community, and two tax credit communities. One Upper Tier, three Lower Tier, and one tax credit community are located in Waynesboro similar to the subject site, including Brandon Ladd (Lower Tier) immediately north and east of the subject site and Windigrove (Upper Tier) one-half mile to the south. Properties to the southwest of the subject site along US-340 in the Stuarts Draft area include four Lower Tier communities and one tax credit community.

Map 6 Surveyed Rental Communities, Alston Court Market Area



The subject site, along with Brandon Ladd and Windigrove, offer the most convenient location in the market area adjacent to local and national brand retail on US-340 within one mile I-64 and 2.5 miles of downtown Waynesboro. Select communities in Staunton, including Big Sky (highest priced Lower Tier community) and Frontier Ridge (LIHTC), have roughly similar locations adjacent to retail on US-250 close to I-81. Though some communities in Fishersville are close to retail on US-250 (or the Augusta Health Medical Center), they are generally further from highway access; and the US-250 corridor in Fishersville offers far fewer retail opportunities than those near US-340 in close proximity to the subject site.

3. Age of Communities

The surveyed stock of general occupancy rental communities has an average year built of 1993 (Table 24). The Upper Tier rental communities are relatively modern with an average year built of 2012, while the Lower Tier market rate communities are older with an average year built of 1987. Two Lower Tier properties have undergone recent renovations in 2018 and 2022. The market area's seven tax credit communities were placed in service between 1971 and 2019 with the two oldest having undergone renovations in 2013 and 2018.

4. Structure Type

Garden communities dominate this market, exclusively featured at 14 of the 30 surveyed communities and offered in conjunction with townhome units at five; one Upper Tier community (Apartments at Goose Creek) offers a mix of garden and elevator-served buildings representing the only community in the market with elevators. None of the communities are townhome communities and one is an adaptive reuse property.

5. Size of Communities

The average community size among the 30 surveyed communities is 110 units. Surveyed communities ranging in size from the 28-unit Beverley Apartments to the 354-unit Windigrove. Upper Tier communities are generally larger than the Lower Tier with averages of 202 and 90 units per community, respectively. However, two Upper Tier communities have more than 350 units and two have less than 60. The average tax credit community size is 112 units, ranging from 96 units at Montague Terrace and Waterford Village to the 144-unit Mountain Laurel Manor.

6. Vacancy Rates

The market area multi-family rental stock is performing well with just ten vacancies reported among 30 communities totaling 3,293 units for a very low aggregate vacancy rate of 0.3 percent. Tax credit communities reported an even lower vacancy rate of 0.1 percent with just one vacancy among 783 tax credit units.

Three tax credit communities reported waitlists including Frontier Ridge (more than 20 households), Mountain View (six to nine months), and Waterford Village (15 households).

7. Rent Concessions

Among the 30 surveyed rental communities, none reported leasing incentives which affect the monthly rent; one tax credit community, Waterford Village, was offering reduced security deposit. No communities utilize daily pricing.

Table 24 Summary, Surveyed Rental Communities

| Map # | Community | Year Built | Year Rehab | Structure Type | Total Units | Vacant Units | Vacancy Rate | Avg 1BR Rent (1) | Avg 2BR Rent (1) | Avg 3BR Rent (1) | Incentives |
|-------------------------------|-------------------------------------|-------------|------------|----------------|--------------|--------------|--------------|------------------|------------------|------------------|--------------|
| | Subject Property - 30% AMI/PBRA | | | | 13 | | | \$973 | \$1,132 | \$1,624 | |
| | Subject Property - 50% AMI | | | | 25 | | | \$678 | \$816 | \$942 | |
| | Subject Property - 60% AMI | | | | 35 | | | \$836 | \$1,006 | \$1,161 | |
| | Subject Property - 80% AMI | | | | 23 | | | \$1,100 | \$1,215 | \$1,403 | |
| | Total | 2026 | | Gar | 96 | | | | | | |
| Upper Tier Communities | | | | | | | | | | | |
| 1 | Mountain Vistas | 2009 | | Gar | 55 | 0 | 0.0% | | \$2,050 | \$2,072 | None |
| 2 | Apartments at Goose Creek | 2015 | | Mix | 352 | 0 | 0.0% | \$1,375 | \$1,555 | \$1,721 | None |
| 3 | Stonington | 2008 | | TH | 46 | 0 | 0.0% | | | \$1,635 | None |
| 4 | Windigrove | 2014 | | Gar | 354 | 4 | 1.1% | \$1,381 | \$1,492 | \$1,620 | None |
| | Upper Tier Total | | | | 807 | 4 | 0.5% | | | | |
| | Upper Tier Average | 2012 | | | 202 | | | \$1,378 | \$1,699 | \$1,762 | |
| Lower Tier Communities | | | | | | | | | | | |
| 5 | Big Sky | 2005 | | Gar | 249 | 2 | 0.8% | \$1,136 | \$1,389 | \$1,546 | None |
| 6 | Augusta Farms Apt | 1972 | 2018 | Gar/TH | 50 | 1 | 2.0% | \$1,265 | \$1,333 | \$1,468 | None |
| 7 | Beverley Apts | 2019 | | Reuse | 28 | 1 | 3.6% | \$1,034 | | | None |
| 8 | Quadrangle | 1975 | | TH | 100 | 0 | 0.0% | | \$1,330 | \$1,485 | None |
| 9 | Teaberry Greene | 2004 | | TH | 109 | 0 | 0.0% | | \$1,292 | \$1,450 | None |
| 10 | Manchester TH | 1980 | | TH | 156 | 1 | 0.6% | | \$1,223 | | None |
| 11 | Brittany Knoll | 2001 | 2022 | Gar/TH | 156 | 0 | 0.0% | | \$1,178 | \$1,205 | None |
| 12 | Hillside TH | 1990 | | TH | 116 | 0 | 0.0% | | \$1,068 | \$1,300 | None |
| 13 | Brandon Ladd | 1965 | | Gar/TH | 172 | 0 | 0.0% | \$895 | \$1,050 | \$1,250 | None |
| 14 | Staunton Apts | 2017 | | TH | 39 | 0 | 0.0% | | \$1,000 | \$1,300 | None |
| 15 | Parkwood | 1950 | | Gar | 56 | 0 | 0.0% | \$936 | \$973 | | None |
| 16 | Stoney Run | 2017 | | TH | 36 | 0 | 0.0% | | \$950 | | None |
| 17 | Windgate Place | 2010 | | TH | 57 | 0 | 0.0% | | \$950 | | None |
| 18 | Hopeman West TH | 1981 | | TH | 108 | 0 | 0.0% | \$838 | \$938 | \$1,100 | None |
| 19 | Georgetown | 1963 | 2000 | Gar | 48 | 0 | 0.0% | | \$861 | | None |
| 20 | Wakefield Apts | 1988 | | Gar | 48 | 0 | 0.0% | | \$800 | | None |
| 21 | Belmont Terrace | 1971 | | Gar | 59 | 0 | 0.0% | | \$765 | \$830 | None |
| 22 | Hillcrest | 1970 | | Gar | 64 | 0 | 0.0% | \$600 | \$675 | | None |
| 23 | Englewood | 1979 | | Gar | 52 | 0 | 0.0% | \$575 | \$620 | | None |
| | Lower Tier Total | | | | 1,703 | 5 | 0.3% | | | | |
| | Lower Tier Average | 1987 | | | 90 | | | \$910 | \$1,022 | \$1,293 | |
| Tax Credit Communities | | | | | | | | | | | |
| 24 | Frontier Ridge * | 2006 | | Gar | 100 | 0 | 0.0% | | \$961 | \$1,108 | None |
| 25 | Springhill Village Apts * | 1971 | 2018 | Gar | 108 | 1 | 0.9% | \$805 | \$950 | \$1,036 | None |
| 26 | Montague Terrace * | 2012 | | Gar | 96 | 0 | 0.0% | | \$874 | \$999 | None |
| 27 | Mountain Laurel Manor I, II & III * | 2019 | | Gar/TH | 144 | 0 | 0.0% | | \$857 | \$1,086 | None |
| 28 | Mountain View * | 1973 | 2013 | Gar | 129 | 0 | 0.0% | | \$793 | | None |
| 29 | Waterford Village * | 2011 | | Gar | 96 | 0 | 0.0% | | \$765 | \$874 | \$99 Sec Dep |
| 30 | Willow View TH Apts * | 1987 | | Gar/TH | 110 | 0 | 0.0% | | \$634 | \$761 | None |
| | Tax Credit Total | | | | 783 | 1 | 0.1% | | | | |
| | Tax Credit Average | 1997 | | | 112 | | | \$805 | \$833 | \$977 | |
| | Total Average | 1993 | | | 3,293 | 10 | 0.3% | \$985 | \$1,047 | \$1,292 | |

(1) Rent is contract rent, and not adjusted for utilities or incentives

(*) LIHTC

Source: Phone Survey, RPRG, Inc. January 2024

8. Absorption History

Absorption information was available for two communities which delivered units since 2019, including one tax credit community and the most recent phase of one Upper Tier community:

- **Mountain Laurel Manor (LIHTC)** opened its first 48-unit phase in November 2019, which stabilized within the same month. Phase II, offering another 48 units, opened in October

2020 and stabilized by January 2021 for an initial lease-up pace of 15 units per month. Phase III then opened its 48 units in December 2021 and stabilized by March 2022 for a 15-unit-per-month pace.

- **Windigrove** (Upper Tier market rate) opened its 120-unit Phase III on a rolling delivery with four buildings totaling 44 units in December 2021 and six buildings totaling 76 units in April 2022, all of which were fully leased when opened.

D. Analysis of Rental Products and Pricing

1. Payment of Utility Costs

Among Upper Tier market rate communities, three include trash removal costs in the rent and one include water/sewer and trash removal costs. Among the Lower Tier rental communities, 14 include water/sewer and trash removal costs, while four include only trash removal costs and one includes no utility costs (Table 25). Among the seven tax credit communities, five include the costs of water/sewer and trash removal in the base rent; one includes only trash removal; and one includes all standard utilities except general electricity usage. rents in text

Table 25 Utility Arrangement and Unit Features, Surveyed Rental Communities

| Community | Heat Source | Utilities Included in Rent | | | | | | Dish-washer | Micro-wave | Appliances | Counters | In Unit Laundry | Patio Balcony |
|-------------------------------|-------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------|------------|----------------|---------------|-----------------|---------------|
| | | Heat | Hot Water | Cooking | Electric | Water | Trash | | | | | | |
| Subject Property | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Blk/Wht | Quartz | Hook ups | |
| Upper Tier Communities | | | | | | | | | | | | | |
| Mountain Vistas | Gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | SS | Gran | Hook Ups | STD |
| Apartments at Goose Creek | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | SS | Gran | STD - Full | STD |
| Stonington | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Wht | Lam | STD - Full | STD |
| Windigrove | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | SS | Gran | STD - Full | |
| Lower Tier Communities | | | | | | | | | | | | | |
| Big Sky | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Blk | Lam | STD - Full | STD |
| Augusta Farms Apt | Gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | | | Wht | Lam | | |
| Beverley Apts | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Wht | Gran | STD - Stack | |
| Quadrangle | Gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | STD | STD | SS | Lam | | |
| Teaberry Greene | Gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Wht | Lam | STD - Full | STD |
| Manchester TH | Gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Blk | Lam | Hook Ups | STD |
| Brittany Knoll | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | | | STD - Full | |
| Hillside TH | Gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Wht | Lam | Hook Ups | |
| Brandon Ladd | Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Sel Units | | Wht | Lam | STD - Stack | Sel Units |
| Staunton Apts | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | SS | Lam | STD - Full | STD |
| Parkwood | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | Wht | Lam | | STD |
| Stoney Run | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Wht | Lam | Hook Ups | |
| Windgate Place | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Wht | Lam | | STD |
| Hopeman West TH | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Wht | Lam | Hook Ups | |
| Georgetown | Gas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Wht | Lam | Sel Units | |
| Wakefield Apts | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | Wht | Lam | Hook Ups | |
| Belmont Terrace | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Wht | Lam | | |
| Hillcrest | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | Wht | Lam | | |
| Englewood | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | Wht | Lam | | |
| Tax Credit Communities | | | | | | | | | | | | | |
| Frontier Ridge * | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Wht | Lam | Hook Ups | |
| Springhill Village Apts * | Gas | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Wht | Lam | | |
| Montague Terrace * | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Wht | Lam | Hook Ups | |
| Mountain Laurel Manor * | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Blk | Lam | Hook Ups | |
| Mountain View * | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | STD | Blk | Lam | STD - Stack | STD |
| Waterford Village * | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Wht | Lam | STD - Full | |
| Willow View TH Apts * | Elec | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | STD | | Blk | Lam | Hook Ups | |

Source: Phone Survey, RPRG, Inc. January 2024

(*) LIHTC

2. Unit Features & Finishes

All unit kitchens at the surveyed rental communities are equipped with stoves/ranges and refrigerators. All four Upper Tier communities include dishwashers and microwaves in each unit and three of four include washer/dryers in each unit; Mountain Vistas includes washer/dryer hook ups. As expected, Upper Tier market rate communities have the highest level of finish, including units with granite countertops and stainless steel appliances, each featured at three Upper Tier communities. The fourth Upper Tier community, Stonington, features white appliances and laminate counters.

Five Lower Tier market rate properties do not include dishwashers in units while one includes them in select units. Microwaves and washer/dryers are each featured in units at six of 19 Lower Tier properties; one Lower Tier community includes washer/dryers in select units and five include washer/dryer hook ups. Most unit finishes are more basic among the Lower Tier including black or white appliances and laminate counters. However, two Lower Tier properties feature stainless steel appliances, and one features granite counters; no Lower Tier communities include both stainless steel appliance and granite counters in units.

Among the tax credit stock, all seven communities feature dishwashers in each unit and two feature microwaves. In-unit washer/dryers are included in two tax credit communities while four include washer/dryer hook ups. All seven tax credit properties offer black or white appliances and laminate counters.

3. Parking

All but one surveyed community offers free surface parking as the standard parking option, including all seven tax credit communities. The only exception to this is Beverly Apartments, a 28-unit adaptive reuse rental community located in downtown Staunton, which does not offer parking onsite. Additional parking options are available among Upper Tier communities, including integral attached garages included with each unit at Mountain Vistas, detached garages available for a monthly fee of \$125 at Apartments at Goose Creek, and attached garages available for a monthly fee of \$135 at Windigrove. Additionally, Big Sky in the Lower Tier offers covered parking for \$50 per month and attached garages for \$65 to \$85 per month.

4. Community Amenities

Common area amenities vary among the market area communities (Table 26).

Table 26 Community Amenities, Surveyed Rental Communities

| Community | Clubhouse / Community Rm | Fitness Room | Outdoor Pool | Playground | Tennis | Business Center |
|-------------------------------|--------------------------|--------------|--------------|------------|--------|-----------------|
| Subject Property | ☒ | ☐ | ☐ | ☐ | ☐ | ☒ |
| Upper Tier Communities | | | | | | |
| Mountain Vistas | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Apts at Goose Creek | ☒ | ☒ | ☒ | ☐ | ☐ | ☒ |
| Stonington | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Windigrove | ☒ | ☒ | ☒ | ☒ | ☐ | ☒ |
| Lower Tier Communities | | | | | | |
| Big Sky | ☒ | ☒ | ☒ | ☒ | ☐ | ☐ |
| Augusta Farms Apt | ☐ | ☐ | ☐ | ☒ | ☐ | ☐ |
| Beverly Apts | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Quadrangle | ☐ | ☐ | ☐ | ☒ | ☐ | ☐ |
| Teaberry Greene | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Manchester TH | ☐ | ☐ | ☒ | ☒ | ☒ | ☐ |
| Brittany Knoll | ☐ | ☐ | ☐ | ☒ | ☐ | ☐ |
| Hillside TH | ☐ | ☐ | ☐ | ☒ | ☐ | ☐ |
| Brandon Ladd | ☐ | ☐ | ☒ | ☒ | ☐ | ☐ |
| Staunton Apts | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Parkwood | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Stoney Run | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Windgate Place | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Hopeman West TH | ☐ | ☐ | ☒ | ☐ | ☒ | ☐ |
| Georgetown | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Wakefield Apts | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |
| Belmont Terrace | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Hillcrest | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Englewood | ☐ | ☐ | ☒ | ☐ | ☐ | ☐ |
| Tax Credit Communities | | | | | | |
| Frontier Ridge * | ☒ | ☒ | ☒ | ☒ | ☐ | ☒ |
| Springhill Village Apts * | ☒ | ☒ | ☐ | ☒ | ☐ | ☐ |
| Montague Terrace * | ☒ | ☐ | ☐ | ☒ | ☐ | ☐ |
| Mountain Laurel Manor * | ☒ | ☐ | ☐ | ☐ | ☐ | ☒ |
| Mountain View * | ☐ | ☐ | ☒ | ☒ | ☐ | ☐ |
| Waterford Village * | ☒ | ☒ | ☐ | ☒ | ☐ | ☐ |
| Willow View TH Apts * | ☐ | ☐ | ☐ | ☐ | ☐ | ☐ |

Source: Phone Survey, RPRG, Inc. January 2024 (*) LIHTC

Among the Upper Tier, Apartments at Goose Creek and Windigrove each offer relatively extensive amenity packages including a clubhouse, fitness center, swimming pool, business center, and more. The other two Upper Tier communities offer little to no common area features. Among the Lower Tier stock, Big Sky offers a relatively robust amenity package with a clubhouse, fitness center, swimming pool, and playground, while most other Lower Tier communities offer limited common area features. The most common amenities within the Lower Tier include a swimming pool (eight communities) and a playground (seven communities). Amenity packages among the tax credit inventory differ from community to community with Frontier Ridge offering the most common area space, including a clubhouse, fitness room, swimming pool, playground, and business center. A clubhouse/ community room and playground are the most common amenities in the tax credit stock, each featured at five communities.

5. Unit Distribution

The unit distribution is known for more than 95 percent of all market area units (Table 27). Among all surveyed communities, two-bedroom units are the most common comprising 62 percent of the reported unit distribution followed by three-bedroom units accounting for 23 percent and one-bedroom units accounting for 14 percent. Studio units are available at two Lower Tier communities representing less than one percent of market area units and four-bedroom units are available at one tax credit community (Willow View Townhomes) representing less than one percent of units (not pictured in Table 27).

Among the tax credit inventory, two-bedroom units comprise 61.2 percent of units similar to the overall market, while three-bedroom units account for a larger 34.7 percent and one-bedroom units make up just 3.1 percent.

6. Unit Pricing

Unit rents presented in Table 27 are net or effective rents, as opposed to street or advertised rents. We typically apply downward adjustments to street rents to account for current rental incentives, though none were reported. We further make adjustments to street rents to equalize the impact of utility expenses across complexes. Specifically, the net rents represent the hypothetical situation where the cost of trash removal is included in rent, the proposed utility arrangement for the subject community.

Among Upper Tier market rate communities:

- The average one-bedroom net rent is \$1,378 for 920 square feet or \$1.50 per square foot.
- The average two-bedroom net rent is \$1,692 for 1,310 square feet or \$1.29 per square foot.
- The average three-bedroom net rent is \$1,756 for 1,588 square feet or \$1.11 per square foot.

Among Lower Tier market rate communities

- The average one-bedroom net rent is \$889 for 630 square feet or \$1.43 per square foot.
- The average two-bedroom net rent is \$1,008 for 916 square feet or \$1.10 per square foot.
- The average three-bedroom net rent is \$1,280 for 1,223 square feet or \$1.05 per square foot.

Table 27 Unit Distribution, Size and Pricing, Surveyed Rental Communities

| Community | Total Units | One Bedroom Units | | | | Two Bedroom Units | | | | Three Bedroom Units | | | |
|-------------------------------------|---------------|-------------------|----------------|------------|---------------|-------------------|----------------|--------------|---------------|---------------------|----------------|--------------|---------------|
| | | Units | Rent (1) | SF | Rent/SF | Units | Rent (1) | SF | Rent/SF | Units | Rent (1) | SF | Rent/SF |
| Subject - 30% AMI/PBRA | 13 | 5 | \$973 | 752 | \$1.29 | 5 | \$1,132 | 1,012 | \$1.12 | 3 | \$1,624 | 1,130 | \$1.44 |
| Subject - 50% AMI | 25 | 8 | \$678 | 752 | \$0.90 | 7 | \$816 | 1,012 | \$0.81 | 10 | \$942 | 1,246 | \$0.76 |
| Subject - 60% AMI | 35 | 14 | \$836 | 623 | \$1.34 | 9 | \$1,006 | 1,012 | \$0.99 | 12 | \$1,161 | 1,130 | \$1.03 |
| Subject - 80% AMI | 23 | 6 | \$1,100 | 752 | \$1.46 | 8 | \$1,215 | 1,012 | \$1.20 | 9 | \$1,403 | 1,229 | \$1.14 |
| Total | 96 | 33 | | | | 29 | | | | 34 | | | |
| Upper Tier Communities | | | | | | | | | | | | | |
| Mountain Vistas | 55 | | | | | 28 | \$2,030 | 1,415 | \$1.43 | 27 | \$2,047 | 1,654 | \$1.24 |
| Apartments at Goose Creek | 352 | 42 | \$1,375 | 888 | \$1.55 | 131 | \$1,555 | 1,141 | \$1.36 | 31 | \$1,721 | 1,383 | \$1.24 |
| Stonington | 46 | | | | | | | | | 46 | \$1,635 | 1,784 | \$0.92 |
| Windigrove | 354 | 89 | \$1,381 | 952 | \$1.45 | 203 | \$1,492 | 1,374 | \$1.09 | 62 | \$1,620 | 1,533 | \$1.06 |
| Upper Tier Total/Average | 807 | | \$1,378 | 920 | \$1.50 | | \$1,692 | 1,310 | \$1.29 | | \$1,756 | 1,588 | \$1.11 |
| Upper Tier Unit Distribution | 659 | 131 | | | | 362 | | | | 166 | | | |
| Upper Tier % of Total | 81.7% | 19.9% | | | | 54.9% | | | | 25.2% | | | |
| Lower Tier Communities | | | | | | | | | | | | | |
| Big Sky | 249 | 56 | \$1,136 | 1,007 | \$1.13 | 150 | \$1,389 | 1,205 | \$1.15 | 43 | \$1,546 | 1,433 | \$1.08 |
| Quadrangle | 100 | | | | | 70 | \$1,340 | 784 | \$1.71 | 30 | \$1,495 | 986 | \$1.52 |
| Augusta Farms Apt | 50 | 16 | \$1,265 | 618 | \$2.05 | 26 | \$1,333 | 795 | \$1.68 | 8 | \$1,468 | 1,070 | \$1.37 |
| Beverley Apts | 28 | 14 | \$1,019 | 700 | \$1.46 | | | | | | | | |
| Teaberry Greene | 109 | | | | | 55 | \$1,292 | 1,236 | \$1.05 | 54 | \$1,450 | 2,079 | \$0.70 |
| Manchester TH | 156 | | | | | 156 | \$1,223 | 800 | \$1.53 | | | | |
| Brittany Knoll | 156 | | | | | 114 | \$1,158 | 1,044 | \$1.11 | 42 | \$1,180 | 1,029 | \$1.15 |
| Hillside TH | 116 | | | | | 107 | \$1,048 | 980 | \$1.07 | 9 | \$1,275 | 1,200 | \$1.06 |
| Brandon Ladd | 172 | 80 | \$880 | 549 | \$1.60 | 35 | \$1,030 | 895 | \$1.15 | 48 | \$1,225 | 1,044 | \$1.17 |
| Staunton Apts | 39 | | | | | 14 | \$980 | 1,000 | \$0.98 | 25 | \$1,275 | 1,300 | \$0.98 |
| Parkwood | 56 | 28 | \$921 | 544 | \$1.69 | 28 | \$953 | 720 | \$1.32 | | | | |
| Stoney Run | 36 | | | | | 36 | \$930 | 1,200 | \$0.78 | | | | |
| Windgate Place | 57 | | | | | 57 | \$930 | 1,080 | \$0.86 | | | | |
| Hopeman West TH | 108 | 20 | \$823 | 510 | \$1.61 | 78 | \$918 | 800 | \$1.15 | 10 | \$1,075 | 980 | \$1.10 |
| Georgetown | 48 | | | | | 48 | \$841 | 800 | \$1.05 | | | | |
| Wakefield Apts | 48 | | | | | 48 | \$780 | 738 | \$1.06 | | | | |
| Belmont Terrace | 59 | | | | | 36 | \$745 | 950 | \$0.78 | 23 | \$815 | 1,110 | \$0.73 |
| Hillcrest | 64 | 40 | \$585 | 555 | \$1.05 | 24 | \$655 | 730 | \$0.90 | | | | |
| Englewood | 52 | 24 | \$560 | 555 | \$1.01 | 28 | \$600 | 730 | \$0.82 | | | | |
| Lower Tier Total/Average | 1,703 | | \$899 | 630 | \$1.43 | | \$1,008 | 916 | \$1.10 | | \$1,280 | 1,223 | \$1.05 |
| Lower Tier Unit Distribution | 1,703 | 278 | | | | 1,110 | | | | 292 | | | |
| Lower Tier % of Total | 100.0% | 16.3% | | | | 65.2% | | | | 17.1% | | | |
| Tax Credit Communities | | | | | | | | | | | | | |
| Frontier Ridge-50% * | 100 | | | | | 50 | \$941 | 959 | \$0.98 | 50 | \$1,083 | 1,234 | \$0.88 |
| Springhill Village Apts-60% * | 108 | 24 | \$720 | 638 | \$1.13 | 66 | \$845 | 823 | \$1.03 | 18 | \$906 | 950 | \$0.95 |
| Montague Terrace-50% * | 48 | | | | | 28 | \$764 | 1,084 | \$0.70 | 20 | \$872 | 1,200 | \$0.73 |
| Montague Terrace-60% * | 48 | | | | | 28 | \$943 | 1,084 | \$0.87 | 20 | \$1,076 | 1,200 | \$0.90 |
| Mountain Laurel Manor-60% * | 110 | | | | | 42 | \$941 | 919 | \$1.02 | 68 | \$1,086 | 1,159 | \$0.94 |
| Mountain Laurel Manor-50% * | 34 | | | | | 34 | \$754 | 919 | \$0.82 | | | | |
| Mountain View-60% * | 129 | | | | | 129 | \$773 | 750 | \$1.03 | | | | |
| Waterford Village-40% * | 10 | | | | | 5 | \$585 | 1,090 | \$0.54 | 5 | \$664 | 1,206 | \$0.55 |
| Waterford Village-50% * | 86 | | | | | 43 | \$764 | 1,090 | \$0.70 | 43 | \$871 | 1,206 | \$0.72 |
| Willow View TH Apts-50% * | 110 | | | | | 54 | \$514 | 960 | \$0.54 | 48 | \$611 | 1,176 | \$0.52 |
| Tax Credit Total/Average | 783 | | \$720 | 638 | \$1.13 | | \$782 | 968 | \$0.81 | | \$896 | 1,166 | \$0.77 |
| Tax Credit Unit Distribution | 783 | 24 | | | | 479 | | | | 272 | | | |
| Tax Credit % of Total | 100.0% | 3.1% | | | | 61.2% | | | | 34.7% | | | |
| Total/Average | 3,293 | | \$970 | 683 | \$1.42 | | \$1,001 | 971 | \$1.03 | | \$1,227 | 1,269 | \$0.97 |
| Unit Distribution | 3,145 | 433 | | | | 1,951 | | | | 730 | | | |
| % of Total | 95.5% | 13.8% | | | | 62.0% | | | | 23.2% | | | |

(1) Rent is adjusted to include trash, and Incentives

(*) LIHTC

Source: Phone Survey, RPRG, Inc. January 2024

Note: 23 Studios at 2 Lower Tier communities represent 0.7% of units; 8 4BRs at 1 LIHTC community represents 0.3% of units

LIHTC communities offer units restricted to 40, 50, and 60 percent AMI with a corresponding wide range of pricing. LIHTC pricing is as follows:

- **One-bedroom** units are offered at **60 percent AMI** at one community for \$720 for 638 square feet (\$1.13 per square foot).
- **Two-bedroom** units are offered at **60 percent AMI** at four communities for an average of \$876 for 894 square feet (\$0.98 per square foot); at **50 percent AMI** at five communities for \$747 for 1,002 square feet (\$0.75 per square foot); and at **40 percent AMI** at one community for \$585 for 1,090 square feet (\$0.54 per square foot).
- **Three-bedroom** units are offered at **60 percent AMI** at three communities for an average of \$1,023 for 1,103 square feet (\$0.93 per square foot); at **50 percent AMI** at four communities for \$859 for 1,204 square feet (\$0.71 per square foot); and at **40 percent AMI** at one community for \$664 for 1,206 square feet (\$0.55 per square foot).

E. Subsidized Rental Communities & Housing Choice Voucher Statistics

RPRG identified four general occupancy multi-family rental communities with a combined 219 units in the market area which contain project-based rental subsidies, including one community which also includes LIHTC units (detailed in the previous section). Deep subsidy units include those where rental assistance is provided in the form of project-based Section 8 rent subsidies or other governmental programs, such as in public housing. In many subsidized arrangements, tenants pay an amount equivalent to 30 percent of their income toward housing costs (rents plus utility costs), while the rent subsidy covers the remainder of the relevant housing costs. Among the 219 deeply subsidized units in the market, none were reported vacant. All four communities reported closed waitlists but did not disclose the waitlist lengths.

Table 28 Deep Subsidy Rental Communities, Alston Court Market Area

| Community | Year Built | Structure Type | Total Units | Vacant Units | Vacancy Rate | Waitlist |
|--------------------------|------------|----------------|-------------|--------------|--------------|-----------------|
| Elizabeth Miller Gardens | 1974 | Gar | 67 | 0 | 0.0% | Waitlist Closed |
| Farrier Court | 1979 | Gar | 83 | 0 | 0.0% | Waitlist Closed |
| King's Way | 1984 | Gar | 18 | 0 | 0.0% | Waitlist Closed |
| Springhill Village * | 1971 | Gar | 51 | 0 | 0.0% | Waitlist Closed |
| Total | | | 219 | 0 | 0.0% | |

(*) Community includes LIHTC/market rate and deep subsidy units

Source: Phone Survey, RPRG, Inc. January 2024

F. Derivation of Market Rent

1. Introduction

To better understand how the proposed tax credit rents are positioned within the rental market, rent levels of the most comparable market rate units are adjusted for a variety of factors including: location, curb appeal, unit size (square footage), in-unit appliances and other features, common area amenities, concessions, and utility arrangements for each bedroom type. The purpose of this exercise is to determine whether the proposed tax credit rents offer an appropriate discount relative to market rate rent levels within a given market area. The rent derived for bedroom type is not to be confused with an appraisal or rent comparability study (RCS) based approach, which is more specific as it compares specific models in comparable rental communities to specific floor plans at the subject property and is used for income/expense analysis and valuation.

2. Selection of Comparable Properties

Three unrestricted market rate comparables were used in this analysis: Windigrove, Apartments at Goose Creek, and Brandon Ladd Apartments. We selected rental comparables most relevant to the subject property in terms of target market (family, senior), structure types offered (garden, townhomes, mid-rise), floor plans offered, age and condition, and community features and amenities offered. All units at the subject will be located in garden buildings, which is also the case at all comparables.

3. Description of Rent Adjustments

An explanation of each rent adjustment made to the comparable communities is below. A summary of rent adjustments can be found in Table 29.

- **Rents Charged** – current asking rents, adjusted for utilities and incentives, if applicable.
- **Design, Location, Condition** – adjustments made in this section include:
 - **Structure/Stories** – The subject will offer garden structures, matching all three comparable communities; Brandon Ladd also features townhome units among its three-bedroom floor plans. As townhome units are considered more desirable than garden units, a \$75 adjustment was made for structure type among three-bedroom units a Brandon Ladd.
 - **Year Built/Renovated** – The comparable communities were built in 2014, 2015, and 1965. Differences between comparables and the subject property (2026) are accounted for by an adjustment of \$1.00 per year.

Table 29 Rent Adjustments Summary

- **Quality/Street Appeal** – The subject will have excellent quality and street appeal. Windigrove and Apartments at Goose Creek each have excellent street appeal while the older Brandon Ladd has average street appeal. An adjustment of \$100 was made to account for less appealing Brandon Ladd.
- **Location** – The subject has an above average location within one-half mile of public transportation, Martin’s (grocery), and Walmart Supercenter and within three-quarters of a mile of I-64. Brandon Ladd and Windigrove are located adjacent to the subject site and just south of the subject, respectively, offering roughly similar access to retail, public transportation, and the regional highway network as the subject. As such, no location adjustment was made for those communities. Apartments at Goose Creek, though within one-half mile of August Health Medical Center, is roughly two miles from grocery and local retailers and 1.5 miles from I-64. As such, Apartments at Goose Creek has an average location and an adjustment of \$50 was made.

| Rent Adjustments Summary | |
|---------------------------------------|----------|
| B. Design, Location, Condition | |
| Structure | \$50.00 |
| Year Built/Renovated | \$1.00 |
| Quality/Street Appeal | \$50.00 |
| Location | \$50.00 |
| C. Unit Equipment / Amenities | |
| Number of Bedrooms | \$100.00 |
| Number of Bathrooms | \$30.00 |
| Unit Interior Square Feet | \$0.75 |
| Balcony/Patio/Porch/Yard | \$5.00 |
| AC Type: | \$5.00 |
| Range / Refrigerator | \$25.00 |
| Microwave / Dishwasher | \$5.00 |
| Washer / Dryer: In Unit | \$25.00 |
| Washer / Dryer: Hook-ups | \$10.00 |
| D. Site Equipment / Amenities | |
| Parking | Various |
| Clubhouse/Community Rm | \$5.00 |
| Fitness Center | \$5.00 |
| Business/Computer Center | \$5.00 |
| Swimming Pool | \$5.00 |

- **Unit Equipment / Amenities**– adjustments made in this section include:



- **Bedroom/Bathroom** – An adjustment of \$30 was made for two-bedroom units at Brandon Ladd as they feature just one bathroom compared to the subject’s two-bedroom, two-bathroom units. Additionally, an adjustment of \$15 was made for three-bedroom units at Brandon Ladd as they feature 1.5 bathrooms compared to the subject’s three-bedroom, two-bathroom units.
- **Square Footage** – Differences between comparables and the subject property are accounted for by an adjustment of \$0.75 per foot.
- **Unit Equipment/Amenities** – Adjustments of \$10 to \$25 (washer/dryer) were made for amenities included or excluded at the subject property. The exact value of each specific feature is somewhat subjective as particular amenities are more attractive to certain renters and less important to others.
- **Site Equipment / Amenities** – As each community offers free parking options, no adjustment was made for parking. A \$5 adjustment was made for the inclusion or exclusion of a community amenity (Clubhouse/community room; fitness facilities; business center; and swimming pool).

According to our adjustment calculations, the estimated market rents for the units at 1030 Alston Court are \$1,200 for one-bedroom units (Table 30), \$1,284 for two-bedroom units (Table 31), and \$1,516 for three-bedroom units (Table 32).

The proposed 50 percent AMI rents at the subject enjoy rent advantages of 43.5 percent for one-bedroom units, 36.5 percent for two-bedroom units, and 37.9 percent for three-bedroom units; the proposed 60 percent AMI rents at the subject enjoy rent advantages of 30.3, 21.7, and 23.4 percent for one, two, and three-bedroom units, respectively; and the proposed 80 percent AMI rents have rent advantages of 8.3, 5.4, and 7.4 percent, respectively (Table 33).

Note that we are only documenting the rent advantage for the subject’s units without Section 8 PBRA. The pre-set contract rents at the 13 proposed 30 percent AMI units (among both phases) with PBRA are not expected to have a rent advantage as the tenant-paid rents for those units are not the posted rent, but rather based on a percentage of each tenant’s income. Should these subsidies be removed, the rents for these units would need to be adjusted to the corresponding maximum achievable LIHTC rents, which have a sufficient market rent advantage.

Table 30 Market Rent Analysis, One-Bedroom Units

| One Bedroom Units | | | | | | | |
|--|------------------------|----------------|---------------------------|----------------|------------------------|---------------|----------|
| Subject Property | Comparable Property #1 | | Comparable Property #2 | | Comparable Property #3 | | |
| Alston Court 1030 Alston Ct Waynesboro, VA | Windigrove | | Apartments at Goose Creek | | Brandon Ladd Apts | | |
| | 357 Windigrove Dr | | 80 Goose Point Ln | | 1750 Rosser Ave | | |
| | Waynesboro | VA | Fishersville | VA | Waynesboro | VA | |
| A. Rents Charged (60% Unit) | Subject | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Street Rent | \$836 | \$1,381 | \$0 | \$1,375 | \$0 | \$895 | \$0 |
| Utilities Included | T | T | \$0 | T | \$0 | W/S, T | (\$15) |
| Rent Concessions | | None | \$0 | None | \$0 | None | \$0 |
| Effective Rent | \$836 | \$1,381 | | \$1,375 | | \$880 | |
| <i>In parts B thru D, adjustments were made only for differences</i> | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Structure | Gar | Gar | \$0 | Gar | \$0 | Gar | \$0 |
| Year Built/Renovated | 2026 | 2014 | \$12 | 2015 | \$11 | 1965 | \$61 |
| Quality/Street Appeal | Excellent | Excellent | \$0 | Excellent | \$0 | Average | \$100 |
| Location | Above Average | Above Average | \$0 | Average | \$50 | Above Average | \$0 |
| C. Unit Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Number of Bedrooms | 1 | 1 | \$0 | 1 | \$0 | 1 | \$0 |
| Number of Bathrooms | 1 | 1 | \$0 | 1 | \$0 | 1 | \$0 |
| Unit Interior Square Feet | 664 | 952 | (\$216) | 785 | (\$91) | 549 | \$86 |
| Balcony/Patio/Porch/Yard | Yes | No | \$5 | Yes | \$0 | No | \$5 |
| AC Type: | Central | Central | \$0 | Central | \$0 | Central | \$0 |
| Range / Refrigerator | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 |
| Microwave / Dishwasher | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | No / No | \$10 |
| Washer / Dryer: In Unit | No | Yes | (\$25) | Yes | (\$25) | Yes | (\$25) |
| Washer / Dryer: Hook-ups | Yes | No | \$10 | No | \$10 | No | \$10 |
| D. Site Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Parking | Surface/\$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 |
| Clubhouse/Community Rm | Yes | Yes | \$0 | Yes | \$0 | No | \$5 |
| Fitness Center | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| Business/Computer Center | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Swimming Pool | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| E. Adjustments Recap | | Positive | Negative | Positive | Negative | Positive | Negative |
| Total Number of Adjustments | | 3 | 4 | 3 | 4 | 7 | 3 |
| Sum of Adjustments B to D | | \$27 | (\$251) | \$71 | (\$126) | \$277 | (\$35) |
| F. Total Summary | | | | | | | |
| Gross Total Adjustment | | \$278 | | \$197 | | \$312 | |
| Net Total Adjustment | | (\$224) | | (\$55) | | \$242 | |
| G. Adjusted And Achievable Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| Adjusted Rent | | \$1,157 | | \$1,320 | | \$1,122 | |
| % of Effective Rent | | 83.8% | | 96.0% | | 127.5% | |
| Estimated Market Rent | \$1,200 | | | | | | |
| Rent Advantage \$ | \$364 | | | | | | |
| Rent Advantage % | 30.3% | | | | | | |

Table 31 Market Rent Analysis, Two-Bedroom Units

| Two Bedroom Units | | | | | | | |
|--|----------------|------------------------|----------|---------------------------|----------|------------------------|----------|
| Subject Property | | Comparable Property #1 | | Comparable Property #2 | | Comparable Property #3 | |
| Alston Court 1030 Alston Ct Waynesboro, VA | | Windigrove | | Apartments at Goose Creek | | Brandon Ladd Apts | |
| | | 357 Windigrove Dr | | 80 Goose Point Ln | | 1750 Rosser Ave | |
| | | Waynesboro | VA | Fishersville | VA | Waynesboro | VA |
| A. Rents Charged (60% Unit) | Subject | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Street Rent | \$1,006 | \$1,492 | \$0 | \$1,555 | \$0 | \$1,050 | \$0 |
| Utilities Included | T | T | \$0 | T | \$0 | W/S, T | (\$20) |
| Rent Concessions | | None | \$0 | None | \$0 | None | \$0 |
| Effective Rent | \$1,006 | \$1,492 | | \$1,555 | | \$1,030 | |
| <i>In parts B thru D, adjustments were made only for differences</i> | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Structure | Gar | Gar | \$0 | Gar | \$0 | Gar | \$0 |
| Year Built/Renovated | 2026 | 2014 | \$12 | 2015 | \$11 | 1965 | \$61 |
| Quality/Street Appeal | Excellent | Excellent | \$0 | Excellent | \$0 | Excellent | \$100 |
| Location | Above Average | Above Average | \$0 | Average | \$50 | Above Average | \$0 |
| C. Unit Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Number of Bedrooms | 2 | 2 | \$0 | 2 | \$0 | 2 | \$0 |
| Number of Bathrooms | 2 | 2 | \$0 | 2 | \$0 | 1 | \$30 |
| Unit Interior Square Feet | 942 | 1,374 | (\$324) | 1,141 | (\$149) | 895 | \$35 |
| Balcony/Patio/Porch/Yard | Yes | No | \$5 | Yes | \$0 | No | \$5 |
| AC Type: | Central | Central | \$0 | Central | \$0 | Central | \$0 |
| Range / Refrigerator | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 |
| Microwave / Dishwasher | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | No / No | \$10 |
| Washer / Dryer: In Unit | No | Yes | (\$25) | Yes | (\$25) | Yes | (\$25) |
| Washer / Dryer: Hook-ups | Yes | No | \$10 | No | \$10 | No | \$10 |
| D. Site Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Parking | Surface/\$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 |
| Clubhouse/Community Rm | Yes | Yes | \$0 | Yes | \$0 | No | \$5 |
| Fitness Center | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| Business/Computer Center | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Swimming Pool | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| E. Adjustments Recap | | Positive | Negative | Positive | Negative | Positive | Negative |
| Total Number of Adjustments | | 3 | 4 | 3 | 4 | 8 | 3 |
| Sum of Adjustments B to D | | \$27 | (\$359) | \$71 | (\$184) | \$256 | (\$35) |
| F. Total Summary | | | | | | | |
| Gross Total Adjustment | | \$386 | | \$255 | | \$291 | |
| Net Total Adjustment | | (\$332) | | (\$113) | | \$221 | |
| G. Adjusted And Achievable Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| Adjusted Rent | | \$1,160 | | \$1,442 | | \$1,251 | |
| % of Effective Rent | | 77.7% | | 92.7% | | 121.5% | |
| Estimated Market Rent | | \$1,284 | | | | | |
| Rent Advantage \$ | | \$278 | | | | | |
| Rent Advantage % | | 21.7% | | | | | |

Table 32 Market Rent Analysis, Three-Bedroom Units

| Three Bedroom Units | | | | | | | |
|--|------------------------|----------------|---------------------------|----------------|------------------------|----------------|----------|
| Subject Property | Comparable Property #1 | | Comparable Property #2 | | Comparable Property #3 | | |
| Alston Court | Windigrove | | Apartments at Goose Creek | | Brandon Ladd Apts | | |
| 1030 Alston Ct | 357 Windigrove Dr | | 80 Goose Point Ln | | 1750 Rosser Ave | | |
| Waynesboro, VA | Waynesboro | VA | Fishersville | VA | Waynesboro | VA | |
| A. Rents Charged (60% Unit) | Subject | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Street Rent | \$1,161 | \$1,620 | \$0 | \$1,721 | \$0 | \$1,250 | \$0 |
| Utilities Included | T | T | \$0 | T | \$0 | W/S, T | (\$25) |
| Rent Concessions | | None | \$0 | None | \$0 | None | \$0 |
| Effective Rent | \$1,161 | \$1,620 | | \$1,721 | | \$1,225 | |
| <i>In parts B thru D, adjustments were made only for differences</i> | | | | | | | |
| B. Design, Location, Condition | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Structure / Stories | Gar | Gar | \$0 | Gar | \$0 | TH | (\$50) |
| Year Built / Condition | 2026 | 2014 | \$12 | 2015 | \$11 | 1965 | \$61 |
| Quality/Street Appeal | Excellent | Excellent | \$0 | Excellent | \$0 | Average | \$100 |
| Location | Above Average | Above Average | \$0 | Average | \$50 | Above Average | \$0 |
| C. Unit Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Number of Bedrooms | 3 | 3 | \$0 | 3 | \$0 | 3 | \$0 |
| Number of Bathrooms | 2 | 2 | \$0 | 2 | \$0 | 1.5 | \$15 |
| Unit Interior Square Feet | 1,248 | 1,533 | (\$214) | 1,383 | (\$101) | 1,044 | \$153 |
| Balcony / Patio / Porch | Yes | No | \$5 | Yes | \$0 | Yes | \$0 |
| AC: (C)entral / (W)all / (N)one | Central | Central | \$0 | Central | \$0 | Central | \$0 |
| Range / Refrigerator | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | Yes / Yes | \$0 |
| Microwave / Dishwasher | Yes / Yes | Yes / Yes | \$0 | Yes / Yes | \$0 | No / No | \$10 |
| Washer / Dryer: In Unit | No | Yes | (\$25) | Yes | (\$25) | Yes | (\$25) |
| Washer / Dryer: Hook-ups | Yes | No | \$10 | No | \$10 | No | \$10 |
| D. Site Equipment / Amenities | | Data | \$ Adj. | Data | \$ Adj. | Data | \$ Adj. |
| Parking | Surface/\$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 | Surface/\$0 | \$0 |
| Clubhouse/Community Rm | Yes | Yes | \$0 | Yes | \$0 | No | \$5 |
| Fitness Center | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| Business/Computer Center | Yes | Yes | \$0 | Yes | \$0 | Yes | \$0 |
| Swimming Pool | No | Yes | (\$5) | Yes | (\$5) | Yes | (\$5) |
| E. Adjustments Recap | | Positive | Negative | Positive | Negative | Positive | Negative |
| Total Number of Adjustments | | 3 | 4 | 3 | 4 | 7 | 4 |
| Sum of Adjustments B to D | | \$27 | (\$249) | \$71 | (\$136) | \$354 | (\$85) |
| F. Total Summary | | | | | | | |
| Gross Total Adjustment | | \$276 | | \$207 | | \$439 | |
| Net Total Adjustment | | (\$222) | | (\$65) | | \$269 | |
| G. Adjusted And Achievable Rents | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| Adjusted Rent | | \$1,398 | | \$1,656 | | \$1,494 | |
| % of Effective Rent | | 86.3% | | 86.3% | | 86.3% | |
| Estimated Market Rent | \$1,516 | | | | | | |
| Rent Advantage \$ | \$355 | | | | | | |
| Rent Advantage % | 23.4% | | | | | | |

Table 33 Market Rent Advantage Summary

| 50% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|-----------------------|----------------|----------------|------------------|
| Subject Rent | \$678 | \$816 | \$942 |
| Estimated Market Rent | \$1,200 | \$1,284 | \$1,516 |
| Rent Advantage (\$) | \$522 | \$468 | \$574 |
| Rent Advantage (%) | 43.5% | 36.5% | 37.9% |
| Proposed Units | 8 | 7 | 10 |

| 60% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|-----------------------|----------------|----------------|------------------|
| Subject Rent | \$836 | \$1,006 | \$1,161 |
| Estimated Market Rent | \$1,200 | \$1,284 | \$1,516 |
| Rent Advantage (\$) | \$364 | \$278 | \$355 |
| Rent Advantage (%) | 30.3% | 21.7% | 23.4% |
| Proposed Units | 14 | 9 | 12 |

| 80% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|-----------------------|----------------|----------------|------------------|
| Subject Rent | \$1,100 | \$1,215 | \$1,404 |
| Estimated Market Rent | \$1,200 | \$1,284 | \$1,516 |
| Rent Advantage (\$) | \$100 | \$69 | \$112 |
| Rent Advantage (%) | 8.3% | 5.4% | 7.4% |
| Proposed Units | 6 | 8 | 9 |

G. Achievable Restricted Rents

The market rent derived above is an estimate of what a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay for a unit at the subject community. However, the maximum rent at a tax credit unit is a gross rent based on bedroom size and the annualized median gross income in the subject area. If these LIHTC maximum gross rents are below the market rent, then the maximum rent also functions as the *achievable rents* for each unit type and income band. Conversely, if the market rent is below the LIHTC maximum rents, then the market rent serves as the *achievable rents*. Additionally, the tax credit rents (up to 60 percent AMI) should have a 10 percent advantage over market rent. Therefore, the achievable rent is the lower of the (reduced) market rent or LIHTC rent.

LIHTC units should not have a rent advantage over derived rents based on other restricted properties in the market area. Rents on other restricted properties are subject to programmatic restrictions and not reflective of market rents. Several non-market related factors can affect the rents of these properties such as when the community received their allocations, programmatic restrictions, or organizational policy objectives. While units restricted to 60 percent AMI or lower designations are typically expected to have a ten percent rent advantage over comparable market rate units, units at higher income limits (such as the subject's 80 percent AMI units) are not necessarily expected to have as large an advantage. As such, we have evaluated the subject's 80 percent AMI units using a five percent rent advantage designation.

As shown in Table 34, the achievable rent for the subject's 50 and 60 percent AMI units is the maximum LIHTC rent for those units as they are below the (reduced) estimated market rents. The achievable rent for the subject's 80 percent AMI units is the reduced estimated market rent for those units as they are below the maximum 80 percent AMI LIHTC maximum rent. All proposed non-subsidized rents for the subject community are at or below the achievable rents.

Table 34 Achievable Tax Credit Rent

| 50% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|------------------------|----------------|----------------|------------------|
| Estimated Market Rent | \$1,200 | \$1,284 | \$1,516 |
| Less 10% | \$1,080 | \$1,156 | \$1,364 |
| Maximum LIHTC Rent * | \$678 | \$816 | \$942 |
| Achievable Rent | \$678 | \$816 | \$942 |
| SUBJECT RENT | \$678 | \$816 | \$942 |

(*) Max LIHTC rents assume the developer's utility allowances: 1BR-\$113; 2BR-\$132; 3BR-\$154

| 60% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|------------------------|----------------|----------------|------------------|
| Estimated Market Rent | \$1,200 | \$1,284 | \$1,516 |
| Less 10% | \$1,080 | \$1,156 | \$1,364 |
| Maximum LIHTC Rent * | \$836 | \$1,006 | \$1,161 |
| Achievable Rent | \$836 | \$1,006 | \$1,161 |
| SUBJECT RENT | \$836 | \$1,006 | \$1,161 |

| 80% AMI Units | One Bedroom | Two Bedroom | Three Bedroom |
|------------------------|----------------|----------------|------------------|
| Estimated Market Rent | \$1,200 | \$1,284 | \$1,516 |
| Less 5% | \$1,140 | \$1,220 | \$1,440 |
| Maximum LIHTC Rent * | \$1,153 | \$1,386 | \$1,600 |
| Achievable Rent | \$1,140 | \$1,220 | \$1,440 |
| SUBJECT RENT | \$1,100 | \$1,215 | \$1,404 |

H. Proposed and Pipeline Rental Communities

We pursued several avenues of research to identify residential rental projects that are actively being planned or that are currently under construction within the Alston Court Market Area. We obtained pipeline information from rental community leasing agents and property managers. We also reviewed pipeline information using various online sources such as local media outlets and local municipality's websites. Additionally, we reached out to planners in the Cities of Waynesboro and Staunton as well as Augusta County, checked listings of recent LIHTC awards, and spoke to developers and lenders as necessary.

The pipeline communities are divided into two categories: near term and long term. Near term projects include those that are under construction, and those that we believe have the greatest likelihood of delivering in the next three years. Near term projects are considered in our derivation of three-year rental demand in the market. Long term projects do not have financing secured, are on hold for the present, and/or have estimated delivery dates beyond the next three years. While it is RPRG's best estimate that such projects are long term, it is entirely possible that such projects could secure financing and deliver in a three-year period. Conversely, it is also possible that near term projects could become stalled, tabled, or abandoned all together. Determinations regarding near term and long-term projects were based on current activity, developers' comments regarding project timing, status of financing, and insights provided by planning officials.

Based on our research, RPRG has identified six rental developments totaling 575 units in the near term pipeline for the Alston Court Market Area, four of which (273 units) are currently under construction (Map 7). Two Near Term developments with 180 combined units will be income restricted LIHTC communities. RPRG also identified eight proposed rental communities that are less likely to be placed in service during the three-year demand period (or possibly stalled) and thus classified as long term. The following is a brief description of all identified projects:

Near Term:

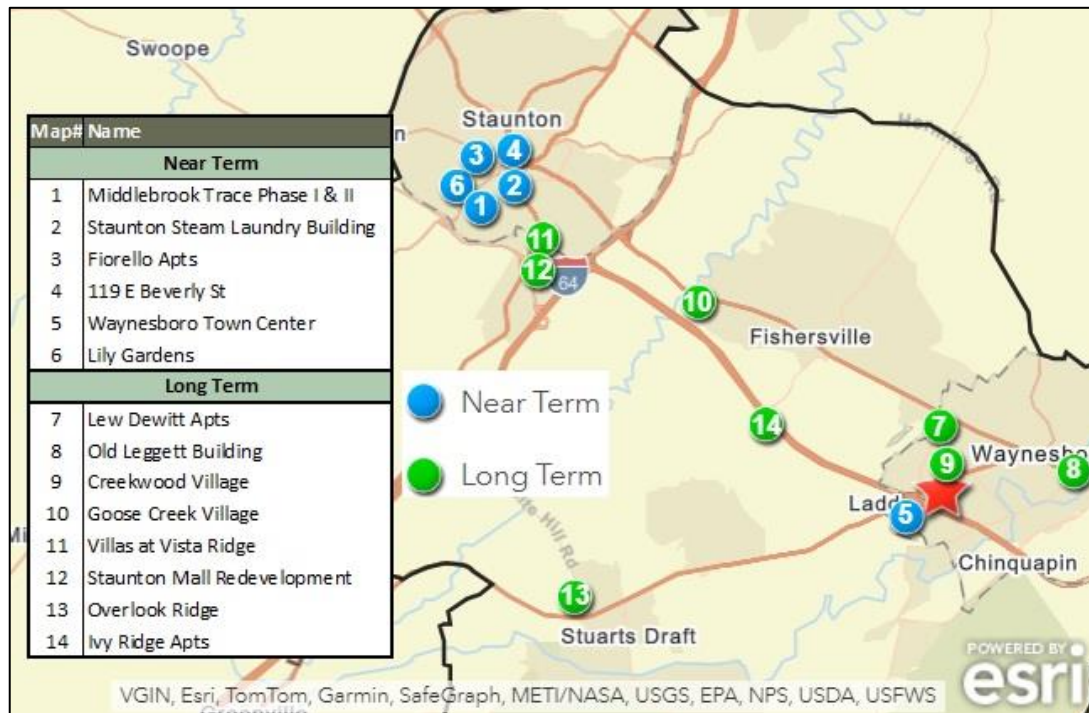
- **Middlebrook Trace:** Phase I of Middlebrook Trace is currently under construction on Moore Street roughly 12 miles northwest of the subject site in Staunton, while the adjacent Phase II currently has sitework underway. Taft-Mills Group received tax credits for the LIHTC community in 2021 and 2022 and units will be restricted to 30, 50, 60, and 80 percent of AMI; 24 units will include project based rental assistance. The first phase will include 82 units and the second phase will include 48 units. The community is anticipated for delivery in 2024.
- **Staunton Steam Laundry Building:** Miller & Associates is currently converting the Staunton Steam Laundry Building on West Hampton Street in Staunton, approximately 11 miles northwest of the subject site, to 48 unrestricted rental apartments. The new community will also include two commercial spaces. Work is well underway for this project, and units are expected to be ready for occupancy in early 2024.
- **Fiorello Apartments:** A 72-unit rental community is currently under construction on Seth Drive in Staunton about 12 miles northwest of the subject site. Units planned within the community will be unrestricted market rate townhomes. According to Staunton planning officials, the buildings within this development are in various states of construction and will have a rolling delivery of units with first tenant occupancies expected in Q1 2024.
- **119 East Beverly Street:** Miller & Associates is currently converting the former International Order of the Odd Fellows Hall in Staunton into a multi-family rental community with 23 unrestricted market rate units. The Beverly Street property is in the heart of downtown Staunton roughly 11.5 miles northwest of the subject site and will also include street-level retail space. The planned units will include one and two-bedroom floor plans. Delivery of this community is expected in 2024.
- **Waynesboro Town Center:** Thomas Builders is planning a development with 252 market rate apartments on Town Center Drive, about 1.3 miles southwest of the subject site, just off US-340. The community's plan includes five buildings with one, two, and three-bedroom units ranging from 1,300 square feet to 1,800 square feet. Amenities proposed include a clubhouse, fitness center, swimming pool, and pedestrian access to adjacent Waynesboro Town Center shopping as well as public transportation; three outparcels within the will include business zoning. This development is currently in site plan review and is estimated to break ground in 2024.
- **Lily Gardens:** Taft-Mills Group has plans for an LIHTC rental apartment community on Montgomery Avenue in Staunton roughly 12.5 miles northwest of the subject site. The proposed community will include 50 rental units in a three-story, elevator-served structure. The development is planned to include a mix of 20 one-bedroom units and 30 two-bedroom units ranging in size from 1,024 to 1,237 square feet. The proposed units will be restricted to 30 percent AMI (five), 50 percent AMI (21), 60 percent AMI (six), and 80 percent AMI (18); 15 units restricted to 50 percent AMI will include project based rental assistance. Though work has yet to begin on this development, the project was awarded tax credits in 2023 and is expected to deliver within the near term.

Long Term:

- **Lew Dewitt Apartments:** A developer is planning a 180-unit luxury, market rate rental community on Lew Dewitt Boulevard roughly 1.5 miles north of the subject site. Plans include one, two, and three-bedroom units in garden and possibly townhome structures with a full slate of upscale unit features and community amenities. This development is in early design stages and, as nothing has yet been submitted to the city, is not expected to deliver in the near term.

- **Old Leggett Building:** Bottom Alley LLC has plans for the construction of a mixed-use building with rental apartments and street-level retail space at the site of the Old Leggett Building at 320 West Main Street in downtown Waynesboro less than three miles northeast of the subject site. Based on insight from planning officials, the existing structure is expected to be demolished to make way for a new construction building. However, as nothing has yet been submitted to the city for this development and the number of units and project details are yet undisclosed, this community is not expected to come to fruition within the near term.
- **Creekwood Village:** Riverbend Development is planning a 180-unit, market rate, rental community within the larger mixed-residential Creekwood Village on Tiffany Drive just north of Walmart and Martin's within one-half mile north of the subject site. Single-family detached home and townhomes are currently under construction within the larger community, though no plans have yet been submitted to the city for the multi-family rental portion of the development. Accordingly, we do not expect these rental units to deliver within the next three years.
- **Goose Creek Crossing:** A 42-unit affordable rental community is proposed by South Creek Development on Jefferson Highway about seven miles northwest of the subject site in Fishersville. The community was awarded tax credits in 2020, but the development fell through at the time and the credits were returned to VH. The community again applied for tax credits in 2023 but was not funded. The proposed community would feature units restricted to 30, 50, 70, and 80 percent AMI including some units with project based rental assistance. As this proposed community will need an allocation of LIHTCs to move forward, we consider this project speculative until those tax credits are awarded.
- **Villas at Vista Ridge:** A mixed-residential master planned community has been proposed on Barterbrook Road near Staunton roughly 11 miles northwest of the subject site. Plans for the development include 85 single-family detached homes, 270 townhomes, and 400 multi-family rental apartments. According to planning officials, final approvals have not yet been granted and this project is currently on hold.
- **Staunton Mall Redevelopment:** Staunton EM 2, LLC is planning to redevelop the former Staunton Mall site near the northeast corner of Woodrow Wilson Highway and US-11 about ten miles northwest of the subject site just outside the city limits of Stanton. The property was rezoned to allow for multi-family development in 2021, though no activity has been made on the property since and no approvals have yet been granted. As details of this development are currently unknown and the site currently contains large piles of rubble from the demolition of the mall, it is not expected to introduce units to the market in the near term.
- **Overlook Ridge:** Plans have been approved by the county for a 50-unit rental development on Montague Court adjacent to Montague Terrace Apartments in Stuarts Draft 7.5 miles southwest of the subject site. However, Surber Development has yet to seek building permits for the project. The community applied for tax credits in 2023 but was not funded. As this proposed community will need an allocation of LIHTCs to move forward, we consider this project speculative until those tax credits are awarded.
- **Ivy Ridge Apartments:** Up to 520 rental apartments are planned for the mixed-residential Ivy Ridge community near Briar Knoll and Ladd Roads in Fishersville approximately four miles northwest of the subject site. The single-family detached and townhome portions of Ivy Ridge have been built and are occupied. No plans for the multi-family portion of the community have yet been submitted to the county. As such, these units are not expected to deliver in the next three years.

Map 7 Multifamily Rental Pipeline, Alston Court Market Area



VIII. FINDINGS AND CONCLUSIONS

A. Key Findings

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

1. Site and Neighborhood Analysis

The subject site is appropriate for the development of a general occupancy, affordable rental community. The area offers good access to public transportation, retail amenities, local and regional thoroughfares, and neighborhood services.

- Nearby convenience stores, big box national brand retailers (including grocers), and other limited retailers/services are within three-quarters of a mile of the subject site. Additional national brand retail opportunities and downtown Waynesboro are within three miles of the subject site.
- A BRITE bus stop is just north of the subject site at Walmart and access to I-64 is roughly three-quarters of a mile west of the subject site.
- Considerable investments are planned or currently underway in Waynesboro, Staunton, and the surrounding area including Waynesboro Southern Corridor (a new roadway providing access to new business parks), a new Northrup Grumman facility (expected to bring 300 jobs to the area), and Staunton Crossing (a planned large mixed-use commercial development).

2. Economic Context

Greater Augusta County has a relatively stable, diverse economy with average annual unemployment rates consistently below the state and national rates and steady job growth prior to the COVID-19 pandemic. Following impacts from the pandemic, the region has steadily recovered, with recent job growth replacing all jobs lost since the pandemic.

- The city's total labor force expanded from 2012 to 2019, adding three percent or 1,850 workers reaching 60,671 in 2019; the number of unemployed workers declined by more than half from 3,534 in 2012 to 1,551 in 2019. In 2020, the labor force remained roughly stable, while the number of unemployed workers more than doubled to 3,284. The number of unemployed workers fell to 2,033 in 2021 followed by further improvement through November 2023 to 1,671 unemployed workers; the region's labor force decreased slightly in 2021, before growing in 2022 and into 2023, reaching 63,669 by November 2023.
- Prior to the COVID-19 pandemic, the region's 2019 unemployment rate was 2.6 percent, lower than the state's 2.8 percent and national rate of 3.7 percent. At the onset of the pandemic in 2020, the local unemployment rate spiked to 5.5 percent, lower than the state (6.5 percent) and nation (8.1 percent). In 2021, the unemployment rate fell to 3.4 percent in the region, followed by further improvement to 2.6 percent through November 2023, below the 2.9 percent state rate and 3.5 percent national rate.
- Between 2011 and 2019, the region added a net of 3,671 jobs or roughly eight percent. In 2019, the city's At-Place Employment level stood at 48,245 before losing 1,604 jobs or 3.3 percent in 2020 due to impacts of the pandemic. Since then, the region lost another 141 jobs in 2021 before adding 1,828 jobs in 2022 and 1,364 jobs through Q2 2023, equal to increases of 3.9 and 2.8 percent, respectively, and replacing all of the jobs lost in 2020 and 2021.

- Greater Augusta County has a relatively diverse economy with four industry sectors comprising at least 16 percent of the region's employment base including Trade-Transportation-Utilities accounting for 21.7 percent of region jobs, Manufacturing accounting for 17.6 percent, Government accounting for 16.7 percent, and Education-Health accounting for 16.1 percent.

3. Population and Household Trends

The Alston Court Market Area had strong household growth over the past 14 years. Household growth is projected to moderate over the next five years.

- The market area gained 7,972 net people (10.6 percent) and 3,885 households (12.3 percent) between 2010 and 2024. This equates to annual growth rates of 0.8 percent and 0.9 percent, respectively.
- Growth in the market area is projected to moderate over the next five years with the net addition of 1,082 people (1.3 percent) and 734 households (2.1 percent) from 2024 to 2029; annual growth over this period is projected at 216 people (0.3 percent) and 147 households (0.4 percent). The Alston Court Market Area will have 84,255 people and 36,168 households by 2029.

4. Demographic and Income Analysis

Households within the market area have a higher propensity to rent and lower median incomes compared to the region as a whole.

- The median age of the Alston Court Market Area population is 43, slightly younger than the Greater Augusta County median of 44. Children and youth aged 19 and under comprise 22.2 percent of the market area population, while young adults aged 20 to 34 make up roughly 16 percent and seniors 62+ comprise 28 percent.
- As of the 2020 Census, approximately 32 percent of households in the Alston Court Market Area were single-person households, compared to 29 percent regionwide. About 46 percent of market area households were multi-person households without children and 23 percent were households which included children.
- More than one-third (37.5 percent) of households in the Alston Court Market Area are renters as of 2024, higher than the regionwide proportion of 31.1 percent. Renter households accounted for 69.3 percent of net household growth in the market area over the past 14 years and RPRG projects this trend to continue with 69.3 percent of net household growth among renters through 2029.
- Approximately 26 percent of renter households in the Alston Court Market Area and Greater Augusta County are young renters under age 35. Meanwhile, roughly 48 percent of renter households in the market area are adults aged 35 to 64, compared to 49 percent in the region. More than 70 percent of market area renter households have one or two persons.
- The Alston Court Market Area's 2024 median income of \$61,115 is six percent lower than the regionwide median household income of \$65,251. About 31 percent of market area households earn less than \$35,000, while 27.7 percent earn from \$35,000 to \$74,999 and 41.0 percent earn \$75,000 or more.
- The median income of renters in the Alston Court Market Area as of 2024 is \$38,721, roughly half the median income of owner households (\$76,594). Approximately 17 percent of market area renter households have incomes of less than \$15,000, while another 29.8 percent of renter households have incomes between \$15,000 and \$35,000 and 28.9 percent have incomes between \$35,000 and \$75,000.

- Forty-five percent of all renter households residing in the Alston Court Market Area have rent burdens of 35 percent or higher, and 30.5 percent of all renter households have rent burdens of 50 percent or higher.

5. Competitive Housing Analysis

The existing rental inventory of the Alston Court Market Area is performing well with very low vacancy rates among all price points.

- The multi-family rental housing stock is moderately aged with the market area average year built of 1993. Upper Tier communities are newer with an average year built of 2012 compared to 1987 among the Lower Tier and 1997 among LIHTC communities.
- As of our survey, just ten of 3,293 units in the market area were reported vacant for a very low rate of 0.3 percent. LIHTC communities had a vacancy rate of 0.1 percent with just one vacancy reported among 783 tax credit units.
- Mountain Laurel Manor (LIHTC) absorbed all 48 units in its first phase in one month in November 2019, while Phase II and III had initial lease-up paces of 15 units per month in January 2021 and March 2022, respectively. Windigrove (Upper Tier market rate) opened all 120 units of its third phase fully leased in December 2021 and April 2022.
- The effective rents for Upper Tier one-bedroom units average \$1,378 (\$1.50 per square foot); the two-bedroom units average \$1,692 (\$1.29 per square foot); and three-bedroom units average \$1,756 (\$1.11 per square foot).
- The effective rents for Lower Tier market rate one-bedroom apartments average \$899 (\$1.43 per square foot); two-bedroom units average \$1,008 (\$1.10 per square foot); and three-bedroom units average \$1,280 (\$1.05 per square foot). On average, Lower Tier communities are priced roughly \$480, \$685, and \$475 below the Upper Tier among one, two, and three-bedroom units, respectively.
- Among the LIHTC communities:
 - **One-bedroom** units are offered at **60 percent AMI** at one community for \$720 for 638 square feet (\$1.13 per square foot).
 - **Two-bedroom** units are offered at **60 percent AMI** at four communities for an average of \$876 for 894 square feet (\$0.98 per square foot); at **50 percent AMI** at five communities for \$747 for 1,002 square feet (\$0.75 per square foot); and at **40 percent AMI** at one community for \$585 for 1,090 square feet (\$0.54 per square foot).
 - **Three-bedroom** units are offered at **60 percent AMI** at three communities for an average of \$1,023 for 1,103 square feet (\$0.93 per square foot); at **50 percent AMI** at four communities for \$859 for 1,204 square feet (\$0.71 per square foot); and at **40 percent AMI** at one community for \$664 for 1,206 square feet (\$0.55 per square foot).
- RPRG identified six near term projects totaling 575 units expected to be placed in service in the next three years and eight long term projects less likely to be placed in service during the three-year demand period. Two Near Term developments with 180 combined units will be income restricted LIHTC communities.

B. Derivation of Demand

1. Net Demand Methodology

RPRG's Derivation of Demand calculation is intended to gauge whether sufficient demand from renter households would be available in the primary market area to absorb the number of units proposed for the subject 1030 Alston Court Apartments plus those units proposed at other pipeline rental communities that are expected to be brought online over a coming typical three-year period. The result of this analysis can be either a positive number (which shows the extent to which available demand for rental units would exceed available supply) or a negative number (which shows the extent to which available supply would exceed the number of units needed/demanded over the period in question). The closer the concluded number is to zero, the closer the rental market would be to an effective balance of supply and demand.

The three-year period in question for this analysis is the period from January 2024 through January 2027. RPRG's Derivation of Demand calculation is a gross analysis, meaning that the calculation balances the demand for new rental housing units of all types (i.e. luxury market-rate, more affordable market-rate, tax credit, rent-subsidized, and age-restricted) versus the upcoming supply of rental housing units of all types. The Derivation of Demand calculation is an incremental or net analysis, in that it focuses on the change in demand over the period in question as opposed to focusing on the market's total demand. Considerations such as household incomes and the floor plan types and proposed rents for the subject and other pipeline projects are not factored into the Derivation of Demand; rather, we address the interplay of these factors within the Affordability Analysis and Penetration Analysis in the next section of this report.

RPRG sums demand generated from three broad sources in order to arrive at 'Total Demand for New Rental Units' over the January 2024 to January 2027 period:

- **Projected Change in the Household Base.** Earlier in this report, RPRG presented projections of household change within the primary market area over the 2024 to 2029 period. For this analysis, we factor in three years' worth of the household change suggested by the annual rate of household growth or decline (2024 to 2025, 2025 to 2026, and 2026 to 2027). Note that net household change incorporates growth or decline stemming from both household migration into and out of the market area and organic changes within existing households (i.e. new household formation as a result of children moving out of their parents' homes, divorces, roommates beginning to rent separately).
- **Need for Housing Stock Upgrades.** Demand for new housing units within a primary market area is generated when the stock of available housing units ceases to meet the housing needs of households that wish to remain residents of that primary market. In such instances, the housing stock needs to be upgraded – either through the renovation of existing units or the construction of new units. That a particular housing unit has ceased to meet the housing needs of a market area's households becomes evident in any number of ways, including:
 - **Physical Removal or Demolition.** Clearly, if a unit is demolished or otherwise physically removed from a market, it is no longer available to serve local households. A number of factors contribute to the removal of housing units. Housing units are occasionally removed from any given market through disasters such as fires and various types of weather phenomenon. While such disasters occur somewhat randomly, the decision whether to repair or demolish a unit is based on the economic value of the property. Thus, a unit being permanently lost in a disaster should be correlated with factors such as its age, structure type, and physical condition. Demolitions can also be instigated

through the loss of economic value or in response to a situation where vacant land has become more valuable than the land plus its existing structure. Based on American Housing Survey data, researchers have analyzed Components of Inventory Change (CINCH) (Table 35). CINCH data indicated that renter-occupied or vacant units were far more likely to be demolished than owner-occupied units; among renter-occupied and vacant units, single-family detached units were more likely to be demolished than multifamily units.

Table 35 Components of Inventory Change in Housing (CINCH)

| A. Characteristics | C. Present in 2011 | D. 2011 units present in 2013 | 2011 Unit change | | | | | | | TOTAL Lost to Stock | Total exclude MH | 2011-13 Annual |
|----------------------------|--------------------|-------------------------------|------------------------------|------------------------------------|-----------------------------------|-----------------------------------|--|-------------------------------|-----------------------|---------------------|------------------|----------------|
| | | | E. Change in characteristics | F. lost due to conversion / merger | G. house or mobile home moved out | H. changed to non residential use | I. lost through demolition or disaster | J. badly damaged or condemned | K. lost in other ways | | | |
| Total Housing Stock | 132,420 | 130,852 | | 98 | 161 | 202 | 470 | 212 | 424 | 1,567 | 1,406 | 703 |
| | | | | 0.07% | 0.12% | 0.15% | 0.35% | 0.16% | 0.32% | 1.18% | 1.06% | 0.53% |
| Occupancy | | | | | | | | | | | | |
| Occupied units | 114,907 | 105,864 | 8,313 | 58 | 99 | 68 | 238 | 59 | 207 | 729 | 630 | 315 |
| | | | | 0.05% | 0.09% | 0.06% | 0.21% | 0.05% | 0.18% | 0.63% | 0.55% | 0.27% |
| Vacant | 13,381 | 5,123 | 7,642 | 38 | 50 | 85 | 175 | 110 | 158 | 616 | 566 | 283 |
| | | | | 0.28% | 0.37% | 0.64% | 1.31% | 0.82% | 1.18% | 4.60% | 4.23% | 2.11% |
| Seasonal | 4,132 | 2,132 | 1,778 | 2 | 11 | 49 | 57 | 43 | 59 | 221 | 210 | 105 |
| | | | | 0.05% | 0.27% | 1.19% | 1.38% | 1.04% | 1.43% | 5.35% | 5.08% | 2.54% |
| Region (All Units) | | | | | | | | | | | | |
| Northeast | 23,978 | 23,718 | | 38 | 0 | 28 | 55 | 40 | 99 | 260 | 260 | 130 |
| | | | | 0.16% | 0.00% | 0.12% | 0.23% | 0.17% | 0.41% | 1.08% | 1.08% | 0.54% |
| Midwest | 29,209 | 28,849 | | 14 | 28 | 49 | 117 | 56 | 95 | 359 | 331 | 166 |
| | | | | 0.05% | 0.10% | 0.17% | 0.40% | 0.19% | 0.33% | 1.23% | 1.13% | 0.57% |
| South | 50,237 | 49,526 | | 29 | 120 | 75 | 235 | 94 | 159 | 712 | 592 | 296 |
| | | | | 0.06% | 0.24% | 0.15% | 0.47% | 0.19% | 0.32% | 1.42% | 1.18% | 0.59% |
| West | 28,996 | 28,759 | | 17 | 13 | 50 | 63 | 23 | 71 | 237 | 224 | 112 |
| | | | | 0.06% | 0.04% | 0.17% | 0.22% | 0.08% | 0.24% | 0.82% | 0.77% | 0.39% |
| Owner occupied | 76,092 | 69,324 | 6,418 | 14 | 83 | 14 | 116 | 26 | 97 | 350 | 267 | 134 |
| | | | | 0.02% | 0.11% | 0.02% | 0.15% | 0.03% | 0.13% | 0.46% | 0.35% | 0.18% |
| Renter occupied | 38,815 | 31,181 | 7,253 | 45 | 16 | 54 | 122 | 33 | 110 | 380 | 364 | 182 |
| | | | | 0.12% | 0.04% | 0.14% | 0.31% | 0.09% | 0.28% | 0.98% | 0.94% | 0.47% |
| Metro Status | | | | | | | | | | | | |
| In Central Cities | 37,400 | 36,974 | | 49 | 3 | 70 | 124 | 67 | 112 | 425 | 422 | 211 |
| | | | | 0.13% | 0.01% | 0.19% | 0.33% | 0.18% | 0.30% | 1.14% | 1.13% | 0.56% |
| In Suburbs | 65,872 | 65,311 | | 26 | 57 | 54 | 169 | 69 | 186 | 561 | 504 | 252 |
| | | | | 0.04% | 0.09% | 0.08% | 0.26% | 0.10% | 0.28% | 0.85% | 0.77% | 0.38% |
| Outside Metro Area | 29,148 | 28,567 | | 23 | 101 | 78 | 177 | 76 | 125 | 580 | 479 | 240 |
| | | | | 0.08% | 0.35% | 0.27% | 0.61% | 0.26% | 0.43% | 1.99% | 1.64% | 0.82% |

Source: American Housing Survey, Components of Inventory Change 2011-2013; Prepared by Ecometrica, Inc. for U.S. Department of Housing & Urban Development Office of Policy Development & Research; April 2016. Note: Data in Thousands

- **Permanent Abandonment.** Housing units can be technically removed from the stock available to serve households without being physically removed. This happens when a housing unit's owner elects to permanently abandon the unit – due to obsolescence, overwhelming repair costs, or other factors – without going through the steps (and costs) of demolishing it. If a dilapidated unit was occupied up until the time of permanent abandonment, the former occupant represents a source of demand for other units in the area.
- **Overcrowding.** As defined by the U.S. Census Bureau, a housing unit is classified as overcrowded if the household occupying the unit has more people than the housing unit has rooms. Particularly in markets with high housing costs, lower-income individuals and families are often driven into an overcrowded housing situation. Overcrowded households constitute pent-up demand for new housing units not typically captured in household growth projections; were two affordable units to become available, an overcrowded household would very likely split into two households and generate an additional net unit of housing demand.

- **Mismatch between Household Incomes and Housing Stock Quality.** While permanent abandonment and overcrowding are two factors likely to lead to net new demand for affordable housing units, limited recent housing construction in a stable, long-established neighborhood can be an indicator of pent-up demand for new housing units serving middle- to upper-income households. Areas that exhibit this phenomenon are often downtown, inner city, or inner ring suburban locations that currently have – and have had for years – limited to no undeveloped land available for new housing construction/growth. When a neighborhood is stable in terms of overall household numbers but near the point of build-out for many years, many resident households develop a desire for a modern housing unit and the wherewithal to rent or purchase one but have no stock of modern units from which to choose. Such households are ‘under-housed’ in that the quality of the housing stock in the area where they live (and wish to remain) does not match the type of housing they demand and could afford. Such pent-up demand is rarely captured in public projections of household growth and is difficult to translate to specific calculations. However, this pent-up demand is a very real factor driving demand for new housing units in stable, established residential neighborhoods.
- **Competitive Multifamily Vacancy Rates.** The final source of demand that factors into RPRG’s calculation of demand for rental units is the observed vacancy rate in the primary market area’s competitive rental market. RPRG assumes that a 5.0 percent vacancy rate is required to keep a rental market relatively elastic. Elasticity in this context means that an adequate number of quality housing units are vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. When the market vacancy rate is below 5.0 percent, additional units are needed to ensure an adequate number of available units from which to choose. When the market vacancy rate is above 5.0 percent, the market has the capacity to absorb some additional demand (whereby that amount of demand would not need to be met through the development of new units).

In considering competitive vacancy rates, we focus on multi-family units for several reasons. One of the primary reasons is that the scattered market in single-family homes, condominiums, and other properties is extremely fluid and cannot be relied upon to consistently serve renter households, since the inventory can convert to homeownership very quickly.

2. Net Demand Calculation

The steps in the derivation of demand for rental housing are detailed below (Table 36):

- Per the household trend information discussed previously, RPRG estimates that 35,434 households reside in the Alston Court Market Area as of January 2024, a number projected to increase to 36,168 by January 2029. Using interpolation, RPRG derived that 35,874 households will reside in the market area in January 2027. The Alston Court Market Area would thus gain 440 net new households during the three-year study period.
- Using national statistical observations from 2011 and 2013 CINCH data, Econometrica determined that the average annual loss of occupied housing units in the United States between 2011 and 2013 (for all reasons other than the moving of homes, particularly mobile homes) was 0.27 percent of the total occupied stock (See Table 35). This blended rate includes an annual loss of 0.47 percent of renter-occupied units and 0.18 percent of owner-occupied units. In the interest of conservatively estimating demand, we assume the lower blended rate of 0.27 percent rather than the higher renter-occupied rate of 0.47 percent. We determined the size of the housing stock in 2024, 2025, and 2026 via interpolation of household projections. Applying the 0.27 percent removal rate over the three years in question, we estimate that 309 units are likely to be lost.

Table 36 Derivation of Net Demand, Alston Court Market Area

| Demand | | | |
|---|---------------|---------------|---------------|
| <i>Projected Change in Household Base</i> | | | <i>Units</i> |
| January 2024 Households | | | 35,434 |
| January 2027 Households | | | 35,874 |
| Net Change in Households | | | 440 |
| | | | |
| Add: Units Removed from Housing Stock | Housing Stock | Removal Rate | Units Removed |
| 2024 Housing Stock | 37,964 | 0.27% | 103 |
| 2025 Housing Stock | 38,097 | 0.27% | 103 |
| 2026 Housing Stock | 38,230 | 0.27% | 103 |
| Total Units Removed from Housing Stock | | | 309 |
| New Housing Demand | | | 749 |
| Average Percent Renter Households over Analysis Period | | | 69.3% |
| New Rental Housing Demand | | | 519 |
| | | | |
| Add: Multifamily Competitive Vacancy | Inventory | Vacant | |
| Stabilized Communities | 3,293 | 10 | |
| Deeply Subsidized | 219 | 0 | |
| Total Competitive Inventory | | 10 | |
| Market Vacancy at 5% | | 176 | |
| Less: Current Vacant Units | | -10 | |
| Vacant Units Required to Reach 5% Market Vacancy | | | 166 |
| Total Demand for New Rental Units | | | 685 |
| | | | |
| Planned Additions to the Supply | | | |
| | Total Units | 95% Occupancy | |
| Middlebrook Trace I and II (LIHTC, U/C) | 130 | 124 | |
| Staunton Steam Laundry Building (U/C) | 48 | 46 | |
| Fiorello Apartments (U/C) | 72 | 68 | |
| 119 E Beverly St (U/C) | 23 | 22 | |
| Waynesboro Town Center | 252 | 239 | |
| Lily Gardens (LIHTC) | 50 | 48 | |
| Alston Court 9 (LIHTC) | 48 | 46 | |
| Subject Property - Alston Court 4 | 48 | 46 | |
| Total New Rental Supply | | 671 | 637 |
| Excess Demand for Rental Housing | | | 48 |

Source: RPRG, Inc.

- Combining this figure with household changes, total demand for 749 new housing units will exist in the market between January 2024 and January 2027.
- As detailed previously, RPRG projects renter households will contribute 69.3 percent of net household growth over the next five years in the market area. Applying this renter percentage to new housing demand results in demand for 519 new rental units over the next three years.
- RPRG's survey of the rental communities in the market area consisted of 3,293 rental units. Of these, ten are currently vacant for a vacancy rate of 0.3 percent. Four communities with deep subsidy units were also identified in the market area inventory totaling 219 units (none were reported vacant). The combined market area rental inventory totals 3,512 units with ten vacancies reported, yielding a vacancy rate of 0.3 percent.

- Typically, it is assumed that a 5.0 percent vacancy rate is required to keep a rental market relatively fluid. There must be some number of quality units vacant and available at any given time so that households seeking rental units can be accommodated and can have some choice among units. Given the total competitive inventory of 3,512 units, 176 vacancies would be required to arrive at a 5.0 percent vacancy rate. Subtracting the ten vacant units in the market from this number reveals a demand for 166 units to reach 5.0 percent vacancy. Thus, we add these 166 units to demand.
- Combining the effects of household trends, necessary unit replacement, and the preferred structural vacancy rate, demand will exist for 685 additional rental units in the market area over the three-year period.
- Total rental demand must be balanced against new rental stock likely to be added between January 2024 and January 2027. In addition to the subject's proposed 96 combined 9 and 4 percent rental units, we include the six near term pipeline projects, combining for a new rental supply of 671 units.
- Subtracting 95 percent of these units (637) from the total demand for 685 units yields demand for 48 additional units in the market area through January 2027.

3. Conclusions on Net Demand

The results of the Net Demand analysis indicate demand for 685 rental units over the next three years. Accounting for anticipated pipeline additions to the market as well as the proposed subject, the market area will have demand for roughly 50 additional rental units between now and 2027. Very low vacancy throughout the market, quick lease-up paces at recently introduced communities, and historically strong renter household growth all support this estimate of demand. Additionally, we note that more than two-thirds of near term pipeline units will be unrestricted market rate units that will not compete with the subject's proposed affordable product.

C. Effective Demand – Affordability/Capture & Penetration Analyses

1. Methodology

Following our estimate of the depth of demand for net new rental units in the market area, we next test whether sufficient income-qualified households would be available to support the specific units at the subject property and properties in the same broad segment of the rental market in terms of pricing. This analysis is conducted independently of the Derivation of Demand as units at the subject property are likely to be filled by a combination of new households (either moving to or created within the market area) and existing households moving within the market area. The total demand—comprised of the net or incremental demand and the demand from existing households—is the relevant frame of reference for the analysis. The affordability analysis tests the percent of income-qualified households in the market area that the subject community must capture to achieve full occupancy. The penetration analysis tests the percent of income-qualified households in the market area that the subject community and comparable competitive communities combined must capture to achieve full occupancy. The combination of the Derivation of Demand, Affordability and Penetration Analyses determines if the primary market area can support additional rental units and if sufficient households exist in the target income range to support the proposed units.

Using 2026 as our target year for this analysis, RPRG calculated the income distribution for both total households and renter households based on the relationship between owner and renter household incomes by income cohort from the 2017-2021 American Community Survey with estimates and projected income growth since the Census (Table 37).

Table 37 2026 Total and Renter Income Distribution

A particular housing unit is typically said to be affordable to households that would be expending a certain percentage of their annual income or less on the expenses related to living in that unit. In the case of rental units, these expenses are generally of two types—monthly contract rents paid to landlords and payment of utility bills for which the tenant is responsible. The sum of the contract rent, and utility bills is referred to as a household's 'gross rent burden'. For the Affordability and Penetration Analyses, RPRG employs a 35 percent gross rent burden. The 35 percent rent burden is the rent burden mandated by Virginia Housing for use in evaluating proposed general occupancy LIHTC communities.

| Alston Court Market Area | | 2026 Total Households | | 2026 Renter Households | |
|--------------------------|-----------|-----------------------|-------------|------------------------|-------------|
| 2026 Income | | # | % | # | % |
| less than \$15,000 | \$15,000 | 3,721 | 10.4% | 2,237 | 16.6% |
| \$15,000 | \$24,999 | 2,917 | 8.2% | 1,448 | 10.7% |
| \$25,000 | \$34,999 | 4,158 | 11.6% | 2,484 | 18.4% |
| \$35,000 | \$49,999 | 3,935 | 11.0% | 1,802 | 13.4% |
| \$50,000 | \$74,999 | 5,670 | 15.9% | 2,039 | 15.1% |
| \$75,000 | \$99,999 | 4,370 | 12.2% | 1,354 | 10.0% |
| \$100,000 | \$149,999 | 6,549 | 18.3% | 1,382 | 10.2% |
| \$150,000 | Over | 4,407 | 12.3% | 750 | 5.6% |
| Total | | 35,727 | 100% | 13,495 | 100% |
| Median Income | | \$63,810 | | \$39,817 | |

Source: American Community Survey 2017-2021 Estimates, Esri, RPRG

2. Affordability Analysis

The affordability analysis for combined 1030 Alston Court is presented in Table 38. The steps of the analysis are demonstrated for one-bedroom units restricted to 60 percent AMI, the most common proposed floor plan. This analysis can be similarly applied to the other units. We assume no minimum income for subsidized units. The steps are as follows:

- The one-bedroom units restricted to 60 percent AMI have a gross rent burden of \$949 (\$836 contract rent plus \$113 utility allowance for tenant-paid utilities). Applying a 35 percent rent burden to this gross rent, we determined that these one-bedroom units would be affordable to households earning at least \$32,537 per year. The projected number of market area renter households earning at least this amount in 2026 is 7,938.
- On the assumption of 1.5 persons per bedroom, the maximum income for households renting a one-bedroom unit restricted to 60 percent AMI at the subject is \$37,980. According to the interpolated income distribution for 2026, a projected 6,969 renter households will reside in the market area with incomes exceeding this upper income limit.
- Subtracting the 6,969 renter households with incomes above the maximum income limit from the 7,938 renter households who have the minimum income necessary to rent this unit, RPRG calculates that 970 renter households in the market area would be income-qualified for the subject's two-bedroom 60 percent AMI units. The subject would have to capture 1.4 percent of these renter households to fill the 14 proposed one-bedroom units restricted to 60 percent AMI.
- Following the same methodology, we tested the affordability of the remaining unit types at each of the income bands as well as the combined project overall. The capture rates among income-qualified renter households for other unit types and income bands range from 0.1 percent for subsidized two and three-bedroom units to 1.5 percent for 60 percent three-bedroom units.
- All 96 tax credit units proposed for the combined 9 and 4 percent portions of 1030 Alston Court would need to capture 1.0 percent of the 9,202 income-qualified renter households.

Additionally, we performed the affordability analysis for the combined subject community in the unlikely scenario where subsidies are to be unavailable for the 13 units restricted to 30 percent AMI. In this scenario, we have assumed the rents for one, two, and three-bedroom units which no

longer include subsidies will match the LIHTC 30 percent AMI maximum allowable rents. Without subsidies, the subject's resulting capture rate is 1.4 percent among 6,709 income-qualified renter households (Table 39).

Table 38 Affordability Analysis including Subsidies, Combined 1030 Alston Court 9 and 4 Percent

| Subsidized 30% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--------------------|-------------------|------|-------------------|------|---------------------|------|
| | | Min. | Max. | Min. | Max. | Min. | Max. |
| Number of Units | | 5 | | 5 | | 3 | |
| Net Rent | | \$973 | | \$1,132 | | \$1,624 | |
| Gross Rent | | \$1,086 | | \$1,264 | | \$1,778 | |
| Income Range (Min, Max) | | no min\$ \$18,990 | | no min\$ \$22,770 | | no min\$ \$26,310 | |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 13,495 10,680 | | 13,495 10,133 | | 13,495 9,485 | |
| # Qualified Hhlds | | 2,815 | | 3,362 | | 4,010 | |
| Renter HH Capture Rate | | 0.2% | | 0.1% | | 0.1% | |

| 50% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--------------------|-------------------|--|-------------------|--|---------------------|--|
| Number of Units | | 8 | | 7 | | 10 | |
| Net Rent | | \$678 | | \$816 | | \$942 | |
| Gross Rent | | \$791 | | \$948 | | \$1,096 | |
| Income Range (Min, Max) | | \$27,120 \$31,650 | | \$32,503 \$37,950 | | \$37,577 \$43,850 | |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 9,284 8,159 | | 7,947 6,972 | | 7,017 6,263 | |
| # Qualified Hhlds | | 1,125 | | 975 | | 754 | |
| Renter HH Capture Rate | | 0.7% | | 0.7% | | 1.3% | |

| 60% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--------------------|-------------------|--|-------------------|--|---------------------|--|
| Number of Units | | 14 | | 9 | | 12 | |
| Net Rent | | \$836 | | \$942 | | \$1,161 | |
| Gross Rent | | \$949 | | \$1,074 | | \$1,315 | |
| Income Range (Min, Max) | | \$32,537 \$37,980 | | \$36,823 \$45,540 | | \$45,086 \$52,620 | |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 7,938 6,969 | | 7,108 6,060 | | 6,115 5,311 | |
| # Qualified Households | | 970 | | 1,047 | | 804 | |
| Renter HH Capture Rate | | 1.4% | | 0.9% | | 1.5% | |

| 80% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|--------------------------|--------------------|-------------------|--|-------------------|--|---------------------|--|
| Number of Units | | 6 | | 8 | | 9 | |
| Net Rent | | \$1,100 | | \$1,215 | | \$1,404 | |
| Gross Rent | | \$1,213 | | \$1,347 | | \$1,558 | |
| Income Range (Min, Max) | | \$41,589 \$50,640 | | \$46,183 \$60,720 | | \$53,413 \$70,160 | |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 6,535 5,472 | | 5,983 4,650 | | 5,246 3,880 | |
| # Qualified Households | | 1,063 | | 1,333 | | 1,366 | |
| Renter HH Capture Rate | | 0.6% | | 0.6% | | 0.7% | |

| | Income Target | # Units | Renter Households = 13,495 | | | |
|-------------|-------------------|-------------------|----------------------------|-------------------|-----------------|--------------|
| | | | Band of Qualified Hhlds | | # Qualified HHs | Capture Rate |
| | | 13 | Income Households | no min\$ \$26,310 | 4,010 | 0.3% |
| | | | Households | 13,495 9,485 | | |
| | | 25 | Income Households | \$27,120 \$43,850 | 2,809 | 0.9% |
| | | | Households | 9,284 6,263 | | |
| 35 | Income Households | \$32,537 \$52,620 | 2,628 | 1.3% | | |
| | Households | 7,938 5,311 | | | | |
| 23 | Income Households | \$41,589 \$70,160 | 2,655 | 0.9% | | |
| | Households | 6,535 3,880 | | | | |
| Total Units | | 96 | Income Households | no min\$ \$70,160 | 9,202 | 1.0% |
| | | | Households | 13,495 3,880 | | |

Source: Income Projections, RPRG, Inc.

Table 39 Affordability Analysis without Subsidies, Combined 1030 Alston Court 9 and 4 Percent

| 30% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|-------------------------------|-----------------|-------------------|----------|-------------------|----------|---------------------|----------|
| | | Min. | Max. | Min. | Max. | Min. | Max. |
| Number of Units | | 5 | | 5 | | 3 | |
| Net Rent | | \$361 | | \$437 | | \$503 | |
| Gross Rent | | \$474 | | \$569 | | \$657 | |
| Income Range (Min, Max) | | \$16,251 | \$18,990 | \$19,509 | \$22,770 | \$22,526 | \$26,310 |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 11,077 | 10,680 | 10,605 | 10,133 | 10,168 | 9,485 |
| # Qualified Hhlds | | | 397 | | 472 | | 684 |
| Renter HH Capture Rate | | | 1.3% | | 1.1% | | 0.4% |

| 50% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|-------------------------------|-----------------|-------------------|----------|-------------------|----------|---------------------|----------|
| | | | | | | | |
| Number of Units | | 8 | | 7 | | 10 | |
| Net Rent | | \$678 | | \$816 | | \$942 | |
| Gross Rent | | \$791 | | \$948 | | \$1,096 | |
| Income Range (Min, Max) | | \$27,120 | \$31,650 | \$32,503 | \$37,950 | \$37,577 | \$43,850 |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 9,284 | 8,159 | 7,947 | 6,972 | 7,017 | 6,263 |
| # Qualified Hhlds | | | 1,125 | | 975 | | 754 |
| Renter HH Capture Rate | | | 0.7% | | 0.7% | | 1.3% |

| 60% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|-------------------------------|-----------------|-------------------|----------|-------------------|----------|---------------------|----------|
| | | | | | | | |
| Number of Units | | 14 | | 9 | | 12 | |
| Net Rent | | \$836 | | \$942 | | \$1,161 | |
| Gross Rent | | \$949 | | \$1,074 | | \$1,315 | |
| Income Range (Min, Max) | | \$32,537 | \$37,980 | \$36,823 | \$45,540 | \$45,086 | \$52,620 |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 7,938 | 6,969 | 7,108 | 6,060 | 6,115 | 5,311 |
| # Qualified Households | | | 970 | | 1,047 | | 804 |
| Renter HH Capture Rate | | | 1.4% | | 0.9% | | 1.5% |

| 80% AMI | 35% Rent Burden | One Bedroom Units | | Two Bedroom Units | | Three Bedroom Units | |
|-------------------------------|-----------------|-------------------|----------|-------------------|----------|---------------------|----------|
| | | | | | | | |
| Number of Units | | 6 | | 8 | | 9 | |
| Net Rent | | \$1,100 | | \$1,215 | | \$1,404 | |
| Gross Rent | | \$1,213 | | \$1,347 | | \$1,558 | |
| Income Range (Min, Max) | | \$41,589 | \$50,640 | \$46,183 | \$60,720 | \$53,413 | \$70,160 |
| Renter Households | | | | | | | |
| Range of Qualified Hhlds | | 6,535 | 5,472 | 5,983 | 4,650 | 5,246 | 3,880 |
| # Qualified Households | | | 1,063 | | 1,333 | | 1,366 |
| Renter HH Capture Rate | | | 0.6% | | 0.6% | | 0.7% |

| Income Target | # Units | Renter Households = 13,495 | | | |
|---------------|---------|----------------------------|-----------------------------------|-----------------|--------------|
| | | Band of Qualified Hhlds | | # Qualified HHs | Capture Rate |
| 30% AMI | 13 | Income Households | \$16,251 \$26,310 11,077 9,485 | 1,517 | 0.9% |
| 50% AMI | 25 | Income Households | \$27,120 \$43,850 9,284 6,263 | 2,809 | 0.9% |
| 60% AMI | 35 | Income Households | \$32,537 \$52,620 7,938 5,311 | 2,628 | 1.3% |
| 80% AMI | 23 | Income Households | \$41,589 \$70,160 6,535 3,880 | 2,655 | 0.9% |
| Total Units | 96 | Income Households | \$16,251 \$70,160 11,077 3,880 | 6,709 | 1.4% |

Source: Income Projections, RPRG, Inc.

3. Penetration Analysis

To provide further insight into the market dynamics, we have also conducted a Penetration Analysis (Table 40). The Penetration Analysis evaluates the capacity of the market area to serve the entire inventory of directly competitive rental units. Our analysis utilizes the same target date of 2026; the same 35 percent rent burden; and income levels as presented in the Affordability Analysis. To test the most competitive and relevant subset of the rental stock, RPRG limited communities to those that offer LIHTC units at 50 and 60 percent AMI, as well as those with deeply subsidized units, and unrestricted market rate communities priced within roughly \$100 of the subject's proposed 80 percent AMI rents. Two general occupancy near term pipeline projects with units in these income targets were included as well.

This analysis indicates that the directly competitive tax credit and deeply subsidized units would need to capture 17.8 percent of income-qualified renters to fill all comparable units in the market area in 2026.

We have also run this analysis in the unlikely event that subsidies are to be unavailable for the subject's 13 Section 8 units restricted to 30 percent AMI and those units would need to be filled with residents who would pay the full posted rent. In this scenario, the penetration rate increases to 21.2 percent (Table 41).

Table 40 Penetration Analysis including Subsidies, Alston Court Market Area

| Subsidized 30% Units | | 50% Units | | 60% Units | | 80% Units | |
|----------------------|-------|-------------------|-------|--------------------|-------|-------------------|-------|
| Competitive Units | Units | Competitive Units | Units | Competitive Units | Units | Competitive Units | Units |
| Elizabeth Miller Gar | 67 | Frontier Ridge | 100 | Springhill Village | 108 | Quadrangle | 100 |
| Farrier Court | 83 | Montague Terrace | 48 | Montague Terrace | 48 | Augusta Farms Apt | 50 |
| King's Way | 18 | Mtn Laurel Manor | 34 | Mtn Laurel Manor | 110 | Beverley Apts | 28 |
| Springhill Village | 51 | Waterford Village | 86 | Mountain View | 129 | Teaberry Greene | 109 |
| | | Willow View TH | 110 | | | Manchester TH | 156 |
| subtotal | 219 | subtotal | 378 | subtotal | 395 | subtotal | 443 |
| Pipeline Units | Units | Pipeline Units | Units | Pipeline Units | Units | Pipeline Units | Units |
| Middlebrook Trace | 33 | Middlebrook Trace | 32 | Middlebrook Trace | 32 | Middlebrook Trace | 33 |
| Lily Gardens | 5 | Lily Gardens | 21 | Lily Gardens | 6 | Lily Gardens | 18 |
| subtotal | 38 | subtotal | 53 | subtotal | 38 | subtotal | 51 |
| Subject Property | Units | Subject Property | Units | Subject Property | Units | Subject Property | Units |
| Alston Court | 14 | Alston Court | 16 | Alston Court | 44 | Alston Court | 22 |
| Total | 271 | Total | 447 | Total | 477 | Total | 516 |

| Income Target | Total Competitive | Renter Households = 13,495 | | | Penetration |
|-------------------------|-------------------|---------------------------------|---------------|-----------------|-------------|
| | | Band of Qualified HHds | | # Qualified HHs | Rate |
| Subsidized 30% Units | 271 | One Bedroom | Three Bedroom | 4,010 | 6.8% |
| | | no min\$ 26,310 13,495 9,485 | | | |
| | | One Bedroom | Three Bedroom | | |
| 50% Units | 447 | \$28,149 | \$43,850 | 2,765 | 16.2% |
| | | 9,028 6,263 | | | |
| | | One Bedroom | Three Bedroom | | |
| 60% Units | 477 | \$33,566 | \$52,620 | 2,372 | 20.1% |
| | | 7,683 5,311 | | | |
| | | One Bedroom | Three Bedroom | | |
| 80% Units | 516 | \$41,589 | \$70,160 | 2,655 | 19.4% |
| | | 6,535 3,880 | | | |
| | | One Bedroom | Three Bedroom | | |
| Total Units | 1,711 | no min\$ | \$70,160 | 9,615 | 17.8% |
| | | 13,495 3,880 | | | |

Table 41 Penetration Analysis without Subsidies, Alston Court Market Area

| 30% Units | | 50% Units | | 60% Units | | 80% Units | |
|-------------------|-------|-------------------|-------|--------------------|-------|-------------------|-------|
| Competitive Units | Units | Competitive Units | Units | Competitive Units | Units | Competitive Units | Units |
| | | Frontier Ridge | 100 | Springhill Village | 108 | Quadrangle | 100 |
| | | Montague Terrace | 48 | Montague Terrace | 48 | Augusta Farms Apt | 50 |
| | | Mtn Laurel Manor | 34 | Mtn Laurel Manor | 110 | Beverley Apts | 28 |
| | | Waterford Village | 86 | Mountain View | 129 | Teaberry Greene | 109 |
| | | Willow View TH | 110 | | | Manchester TH | 156 |
| subtotal | 0 | subtotal | 378 | subtotal | 395 | subtotal | 443 |
| Pipeline Units | Units | Pipeline Units | Units | Pipeline Units | Units | Pipeline Units | Units |
| Middlebrook Trace | 33 | Middlebrook Trace | 32 | Middlebrook Trace | 32 | Middlebrook Trace | 33 |
| Lily Gardens | 5 | Lily Gardens | 21 | Lily Gardens | 6 | Lily Gardens | 18 |
| subtotal | 38 | subtotal | 53 | subtotal | 38 | subtotal | 51 |
| Subject Property | Units | Subject Property | Units | Subject Property | Units | Subject Property | Units |
| Alston Court 9 | 14 | Alston Court 9 | 16 | Alston Court 9 | 44 | Alston Court 9 | 22 |
| Total | 52 | Total | 447 | Total | 477 | Total | 516 |

| Income Target | Total Competitive | Renter Households = 13,495 | | | Penetration Rate |
|---------------|-------------------|----------------------------|-------------------|-----------------|------------------|
| | | Band of Qualified HHlds | | # Qualified HHs | |
| | | One Bedroom | Three Bedroom | | |
| 30% Units | 52 | \$17,280 10,928 | \$26,310 9,485 | 1,443 | 3.6% |
| | | One Bedroom | Three Bedroom | | |
| 50% Units | 447 | \$28,149 9,028 | \$43,850 6,263 | 2,765 | 16.2% |
| | | One Bedroom | Three Bedroom | | |
| 60% Units | 477 | \$33,566 7,683 | \$52,620 5,311 | 2,372 | 20.1% |
| | | One Bedroom | Three Bedroom | | |
| 80% Units | 516 | \$41,589 6,535 | \$70,160 3,880 | 2,655 | 19.4% |
| | | One Bedroom | Three Bedroom | | |
| Total Units | 1,492 | \$17,280 10,928 | \$70,160 3,880 | 7,048 | 21.2% |

4. Conclusions on Affordability and Penetration

The affordability capture rates indicate a significant number of income qualified renter households within the projected target market for the units proposed at the combined 9 and 4 percent 1030 Alston Court. The capture rate for the subject is 1.0 percent among 9,202 income qualified renter households. The penetration rate of 17.8 percent leaves more than 80 percent of income qualified renter households within the market area to lease lower priced or scattered site rentals or pay more than 35 percent of their income towards rent. In the hypothetical situation where the subject property loses PBRA on its 13 units restricted to 30 percent AMI, the overall capture rate increases to 1.4 percent and the penetration rate increases to 21.2 percent. Both the affordability capture and penetration rates are considered low and achievable, with or without subsidies.

D. Virginia Housing Demand Methodology

1. Virginia Housing Demand Analysis

Virginia Housing (VH) mandates a particular demand methodology in evaluating applications for Low-Income Housing Tax Credits. VH opts for a need-driven demand methodology which factors the topics of cost-burdened renters and substandard rental housing into the demand equation. In this section, RPRG calculates demand according to the VH methodology for the combined 9 and 4 percent 1030 Alston Court. VH's demand methodology for general occupancy LIHTC projects such as the subject accounts for the following components of potential need/demand:

- **Household Growth or Decline.** The household trend required by VH is the net increase or decrease in the number of income-qualified renter households in the primary market area between a base year of 2024 and a target year of 2027.
- **Cost Burdened Renters.** VH's second component of demand is cost burdened renters, a designation which is defined as those renter households paying more than 35 percent of household income for housing costs. RPRG uses the 2017-2021 ACS data on cost-burdened renter households presented earlier in Table 20 to estimate the percentage and number of income-qualified renters for the subject property that will be cost-burdened as of 2024. We conservatively use a rent burden of 40 percent, which accounts for 38.2 percent of renter households.
- **Renter Households in Substandard Housing.** VH's third component of demand accounts for income-qualified renter households living in substandard units, defined as overcrowded units (having 1.01 or more persons per room) and/or units lacking complete plumbing facilities. According to the 2017-2021 ACS, the percentage of renter households in the primary market area that lived in substandard conditions was 5.3 percent.
- **Existing Tenants Likely to Remain.** For projects that constitute the renovation of an existing property with current tenants, VH requests that analysts consider the percentage of current tenants that are likely to remain following the proposed renovation. 1030 Alston Court Apartments will be a new construction project and, as such, VH's fourth component of demand is not relevant.

Table 42 outlines the detailed VH demand calculations for the combined 9 and 4 percent 1030 Alston Court. Total demand available for the 96-unit project is expected to include 113 net new renter households, 3,459 cost-burdened households, and 480 households currently residing in substandard housing. The calculation thus yields a total demand for 4,052 units serving the targeted 30, 50, 60, and 80 percent AMI income bands.

Comparable units that are presently available or that likely would be available constitute supply that must be subtracted from total VH demand to arrive at VH net demand. Based on the competitive rental survey, four vacancies were reported among existing comparable LIHTC and unrestricted units. The near-term pipeline projects will have a combined 180 units restricted to 30, 50, 60, and 80 percent AMI. Subtracting the vacant existing and pipeline units, VH net demand totals 3,868 units.

Given the net LIHTC demand of 3,868, the 96-unit subject would need to capture 2.5 percent of income-qualified renter households per VH's demand methodology. We have also run the VH Demand Analysis for the 96-unit combined subject community in the unlikely event that rental assistance subsidies are to be unavailable. In this scenario, VH demand increases to 3.5 percent (Table 43).

Table 42 VH Demand by Overall Income Targeting, Combined 1030 Alston Court with Subsidy

| Income Target | Subsidized | 50% AMI | 60% AMI | 80% AMI | Project Total |
|--|--------------|--------------|--------------|--------------|---------------|
| Minimum Income Limit | no min\$ | \$32,537 | \$41,589 | \$41,589 | no min\$ |
| Maximum Income Limit | \$26,310 | \$52,620 | \$70,160 | \$70,160 | \$70,160 |
| (A) Renter Income Qualification Percentage | 29.7% | 20.8% | 19.5% | 19.7% | 68.2% |
| Demand from New Renter Households - Calculation (C-B)*F*A | 49 | 34 | 32 | 33 | 113 |
| + Demand from Rent Overburdened HHs - Calculation: B*E*F*A | 1,508 | 1,056 | 988 | 998 | 3,459 |
| + Demand from Substandard Housing - Calculation B*D*F*A | 209 | 146 | 137 | 138 | 480 |
| Total Income Qualified Renter Demand | 1,766 | 1,237 | 1,157 | 1,169 | 4,052 |
| Less: Comparable Vacant Units | 0 | 0 | 1 | 3 | 4 |
| Less: Comparable Pipeline Units | 38 | 53 | 38 | 51 | 180 |
| Net Demand | 1,728 | 1,184 | 1,118 | 1,115 | 3,868 |
| Subject Proposed Units | 13 | 25 | 35 | 23 | 96 |
| Capture Rate | 0.8% | 2.1% | 3.1% | 2.1% | 2.5% |

| Demand Calculation Inputs | |
|---|-----------|
| A). % of Renter HHlds with Qualifying Income | see above |
| B). 2024 Households | 35,434 |
| C). 2027 Households | 35,874 |
| D). Substandard Housing (% of Rental Stock) | 5.3% |
| E). Rent Overburdened (% of Renter HHlds at >40%) | 38.2% |
| F). Renter Percentage (% of all 2024 HHlds) | 37.5% |

Project Wide Capture Rate All Units: 2.5%
 Project Wide Absorption Period (Months): 3-4 months

Table 43 VH Demand by Overall Income Targeting, Combined 1030 Alston Court without Subsidy

| Income Target | 30% AMI | 50% AMI | 60% AMI | 80% AMI | Project Total |
|--|--------------|--------------|--------------|--------------|---------------|
| Minimum Income Limit | \$16,251 | \$32,537 | \$41,589 | \$41,589 | \$16,251 |
| Maximum Income Limit | \$26,310 | \$52,620 | \$70,160 | \$70,160 | \$70,160 |
| (A) Renter Income Qualification Percentage | 11.2% | 20.8% | 19.5% | 19.7% | 49.7% |
| Demand from New Renter Households - Calculation (C-B)*F*A | 19 | 34 | 32 | 33 | 82 |
| + Demand from Rent Overburdened HHs - Calculation: B*E*F*A | 570 | 1,056 | 988 | 998 | 2,522 |
| + Demand from Substandard Housing - Calculation B*D*F*A | 79 | 146 | 137 | 138 | 350 |
| Total Income Qualified Renter Demand | 668 | 1,237 | 1,157 | 1,169 | 2,954 |
| Less: Comparable Vacant Units | 0 | 0 | 1 | 3 | 4 |
| Less: Comparable Pipeline Units | 38 | 53 | 38 | 51 | 180 |
| Net Demand | 630 | 1,184 | 1,118 | 1,115 | 2,770 |
| Subject Proposed Units | 13 | 25 | 35 | 23 | 96 |
| Capture Rate | 2.1% | 2.1% | 3.1% | 2.1% | 3.5% |

| Demand Calculation Inputs | |
|---|-----------|
| A). % of Renter HHlds with Qualifying Income | see above |
| B). 2024 Households | 35,434 |
| C). 2027 Households | 35,874 |
| D). Substandard Housing (% of Rental Stock) | 5.3% |
| E). Rent Overburdened (% of Renter HHlds at >40%) | 38.2% |
| F). Renter Percentage (% of all 2024 HHlds) | 37.5% |

Project Wide Capture Rate All Units: 3.5%
 Project Wide Absorption Period (Months): 4-5 months

2. Conclusions on Virginia Housing Demand

RPRG considers the subject's capture rate to be achievable, indicating sufficient demand to absorb all 96 units at the combined 1030 Alston Court 9 and 4 Percent. Market conditions, including nearly full occupancy among tax credit communities, indicate strong demand for quality rental units targeting low-income households. Taking into consideration these factors, we have estimated a project lease-up pace of roughly three to four months for the subject, reflecting an average absorption pace of 20 units per month for the unsubsidized units. Due to the overwhelming demand for units which include rental assistance subsidies, the subject's subsidized units will likely be filled upon availability. The lease-up pace for the combined community without subsidies is four to five months.

E. Target Markets

The location of the subject site will offer future residents convenient access to public transportation, retail, services, and employment centers. Combining these benefits with the subject's affordable rents among one, two, and three-bedroom units, we would expect it to attract singles, couples, those in roommate situations, and small families with children. The subject's proposed 30 percent (subsidized), 50 percent, 60 percent, and 80 percent AMI units will target extremely low to moderate-income households.

F. Product Evaluation

Considered in the context of the competitive environment, the relative position of the proposed 1030 Alston Court is as follows:

- **Location:** The site offers commercial/retail surroundings adjacent to the US-340 corridor within one-half mile of a BRITE bus stop and less than one mile from I-64. Walmart Supercenter, Martin's grocery store, and other nearby select retailers, eateries, and services are within one-half mile of the site with additional national and local retail and downtown Waynesboro within 2.5 miles. The subject's location is appropriate for an affordable rental community and will be well received by the target market.
- **Structure Type:** The community is proposed to include four three-story garden buildings. Garden buildings are the most common structure in this market featured among two-thirds of the rental stock, at some communities in conjunction with townhome units. All seven LIHTC communities include garden units. This design is appropriate for the subject as it matches the bulk of the area's existing tax credit and affordably priced market rate stock.
- **Income Targeting:** The combined 1030 Alston Court 9 and 4 percent, as proposed, will offer 13 units at 30 percent AMI (including subsidies), 25 units at 50 percent AMI, 35 units at 60 percent AMI, and 23 units at 80 percent AMI; supporting a range of incomes from \$0 to \$70,160. This broad range in target income will allow the property to accommodate a relatively large household base. The low capture and penetration rates demonstrate the large number of households which income qualify for a unit at the proposed subject.
- **Unit Distribution:** Overall, the combined 4 and 9 percent community includes 33 one (34 percent), 29 two (30 percent), and 34 three-bedroom (35 percent) units. Among market area LIHTC communities, just three percent are one-bedroom units, while 61 percent are two-bedroom units and 35 percent are three-bedroom units. The subject will include a similar proportion of three-bedroom units when compared to the market's tax credit inventory, though with a heavier weighting of one-bedroom units. Comparatively, the market areas overall rental stock includes 14 percent one-bedroom units, 62 percent two-bedroom units, and 23 percent three-bedroom units. In contrast to the overall market, the subject will include an emphasis away from two-bedroom units and towards one and three-bedroom units. However, we note the subject includes a more equal distribution between two and three-bedroom units compared to the market's majority of two-bedroom units. Such a weighting toward three-bedroom units is appropriate in this market as more than 3,750 renter households include three or more persons and nearly one-quarter of all households include children. The subject includes a higher proportion of one-bedroom units than the tax credit or overall rental inventory, an appropriate distribution as one-person households are the most common renter households in the market, representing more than 5,300 renter households and likely a cohort underserved by the market's current one-bedroom offerings.
- **Unit Size:** The proposed weighted average unit sizes for 1030 Alston Court are 724 square feet for one-bedroom units, 942 square feet for two-bedroom units, and 1,186 square feet for three-bedroom units. The subject's proposed unit sizes are larger than or similar to the LIHTC

and Lower Tier averages of 630 and 638 square feet among one-bedroom units, 916 and 968 square feet among two-bedroom units, and 1,223 and 1,166 square feet among three-bedroom units. As such, the subject's proposed unit sizes will be competitive in the market and well received by the target market.

- **Unit Features:** Units at the subject will be Zero Ready Energy Homes Certified and include a dishwasher and built-in microwave. Other unit features will include vinyl plank flooring, quartz countertops, washer/dryer hook ups, and patio/balconies. These unit features are appropriate for the target market. As only two tax credit communities include microwaves and only two include in-unit washer/dryers, the subject's features are roughly on par with or above all of the tax credit inventory.
- **Common Area Amenities:** The property will have a competitive amenity package including a community room, community kitchen area, business center, small meeting room space, green space, central laundry room, and bike storage. Although somewhat limited, this amenity package is appropriate and comparable to many Lower tier and tax credit competitors.
- **Parking:** The subject will have free surface parking which is the standard offering at all but one community in the market area, including all seven tax credit communities. As such, the proposed parking arrangement is appropriate for the subject's location and key target markets.

G. Price Position

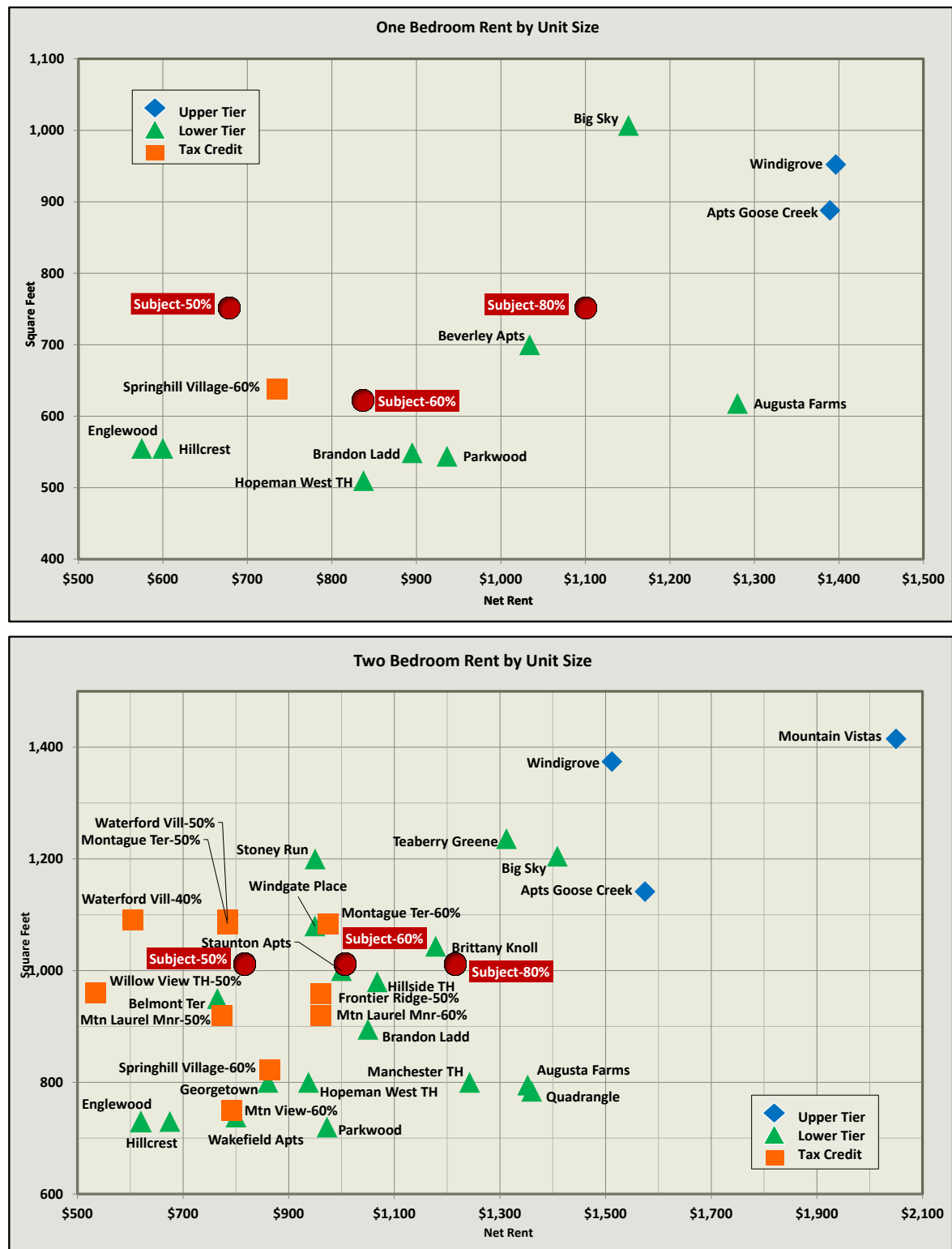
The nonsubsidized tax credit rents proposed by the developer for 1030 Alston Court 9 and 4 Percent are all at or below the allowable maximums for all unit types, given the assumed utility allowances of \$113 for one-bedroom units, \$132 for two-bedroom units, and \$154 for three-bedroom units. Note that we are only documenting the price position for the subject's units which do not include Section 8 project based rental assistance. The 13 proposed 30 percent AMI units which will have project-based rental subsidies include set rents that are not relevant to this analysis as tenants do not pay the posted rent and instead pay 30 percent of their income towards rent. The subsidized units allow households earning as little as \$0 to rent these units, providing an excellent value.

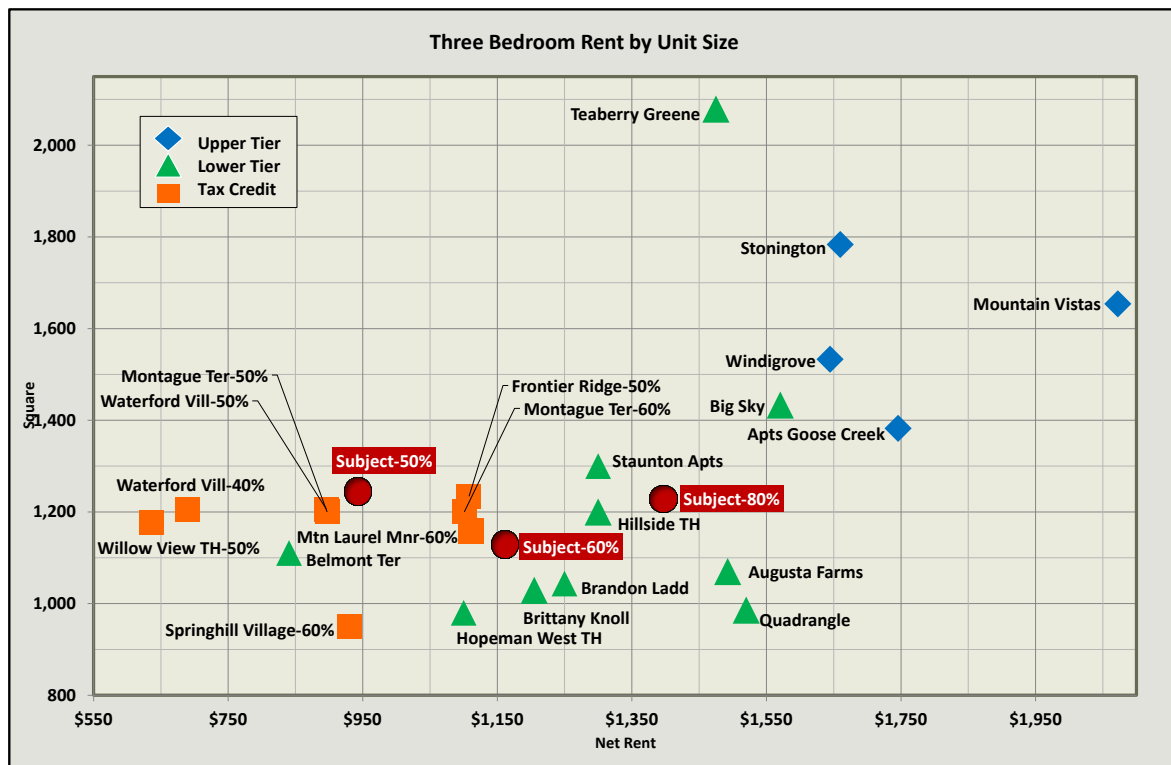
As demonstrated in the previous Derivation of Market Rent section, the proposed LIHTC rents offer a significant market advantage. When viewed within the context of the directly competitive rental supply, the proposed rents are reasonable and competitively positioned. Figure 9 provides a graphic representation of the price and size positions of the subject's proposed unsubsidized one, two, and three-bedroom units restricted to 50, 60, and 80 percent AMI.

The subject's one-bedroom 50 percent AMI rents are positioned lower than the only one-bedroom LIHTC units in the market (60 percent AMI units at Springhill Village), while 60 percent AMI units at the subject property are positioned higher than Springhill. The subject's 80 percent AMI one-bedroom units are positioned among Lower Tier market rate units which have competitive disadvantages compared to the subject property. Two and three-bedroom units restricted to 50 percent AMI at the subject property are positioned among the mid-range of LIHTC rents, above 50 percent AMI units at several communities but below 50 percent AMI units at Frontier Ridge; while the subject's 60 percent AMI units are positioned at the top of LIHTC communities, slightly above Mountain Laurel Manor and Montague Terrace; and 80 percent AMI units at the subject property are positioned among market rate Lower Tier units which have competitive disadvantages compared to the subject property. In terms of size, the subject's units are generally positioned among the larger LIHTC units and among the middle of the unrestricted market rate stock.

Based on our review of the site, product, and competitive environment, the proposed pricing is appropriate, allowing the subject to offer quality, modern housing to lower income residents.

Figure 9 Price Position of 1030 Alston Court





H. Absorption Estimate

Initial absorption information was available for one tax credit community which leased its first 48-unit phase in one month and its second and third phases at 15 units per month; and one unrestricted market rate community which opened 120 units within ten buildings fully leased. Beyond the initial absorption experience of other properties in the market, the projected absorption rate of the subject property is based on a variety of market factors including:

- A very low aggregate vacancy rate of 0.3 percent among market area communities and only one vacancy reported among 783 units at LIHTC communities.
- The market area's renter household base is projected to continue growing with the net addition of 102 renter households per year.
- An affordability capture rate of 1.0 percent for the combined 1030 Alston Court 9 and 4, and 1.4 percent if subsidies were to be unavailable for the subject. A penetration rate of 17.8 percent or 21.2 percent if subsidies were to be unavailable. All of which are considered low and achievable.
- Net Demand over the next three years to support existing communities, the subject property, identified and likely pipeline, and roughly 50 additional units.

Because of the high demand for units with rental assistance reflected by the full occupancy reported among deeply subsidized communities, the subject's Section 8 units are expected to be filled upon availability. Based on our analysis of household projections, employment trends, competitive market conditions, product position, pipeline activity, and proposed rents at 1030 Alston Court, RPRG conservatively projects the 43 LIHTC units restricted to 50, 60, and 80 percent AMI at the subject will lease at an average of **20 units per month**. The resulting absorption period to 95 percent occupancy would be roughly two months. At this pace, the 83 LIHTC units within the



combined 1030 Alston Court 9 and 4 Percent would reach 95 percent occupied in roughly four months.

I. Impact on Existing Market

RPRG does not anticipate that the construction of 1030 Alston Court, an LIHTC community, will have a negative impact on other rental communities in the market area. Only one vacancy was reported among the market's existing LIHTC stock. Under a broader perspective, the rental market as a whole is tight, with a very low aggregate vacancy rate of 0.3 percent.

Demographic data for the market area indicates a broad base across all household incomes, suggesting a need for rental units at a broad range in price points. Given the development environment and the tendency for new communities to focus on luxury units, it is critical that the affordable rental stock continue to expand to meet the needs of extremely low to moderate-income households in the area. The subject property will address this need by offering quality new construction units at affordable rents restricted to households earning from 30 to 80 percent AMI. Furthermore, given the demand for rental housing in this market, whatever turnover may be experienced at competitive properties, will quickly be addressed by the market.

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

Handwritten signature of Timothy Weber in black ink.

Timothy Weber
Senior Analyst

Handwritten signature of Ethan Reed in black ink.

Ethan Reed
Senior Analyst

Handwritten signature of Tad Scepianiak in black ink.

Tad Scepianiak
Managing Principal



IX. APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

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

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject project will be served by adequate transportation, utilities and governmental facilities.
5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.
7. The subject project will be developed, marketed and operated in a highly professional manner.
8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.
9. There are no existing judgments nor any pending or threatened litigation, which could hinder the development, marketing or operation of the subject project.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



X. APPENDIX 2 RENTAL COMMUNITY PROFILES

ADDRESS80 Goose Point Lane, Fishersville, VA, 22939

COMMUNITY TYPEMarket Rate - General

STRUCTURE TYPE4 Story – Mix

UNITS352

VACANCY0.0 % (0 Units) as of 01/11/24

OPENED IN2015



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| One | 8% | \$1,321 | 785 | \$1.68 |
| One/Den | 4% | \$1,451 | 1,095 | \$1.33 |
| Two | 37% | \$1,545 | 1,141 | \$1.35 |
| Three | 9% | \$1,711 | 1,383 | \$1.24 |

Community Amenities

Clubhouse, Fitness Room, Outdoor Pool, Business Center, Dog Park, Firepit, Outdoor Kitchen, Picnic Area, Elevator Served

| Features | |
|--------------------|---|
| Standard | Dishwasher, Disposal, Microwave, IceMaker, Ceiling Fan, Patio Balcony, Cable TV, Broadband Internet |
| Standard - Full | In Unit Laundry |
| Standard - Gas | Fireplace |
| Standard - In Unit | Storage |
| Select Units | High Ceilings |
| Ceramic | Flooring Type 1 |
| Carpet | Flooring Type 2 |
| Granite | Countertops |
| SS | Appliances |

| | |
|------------------------|----------------------------|
| Parking | |
| Parking Description | Free Surface Parking |
| Parking Description #2 | Detached Garage — \$125.00 |

| | |
|---------------|---------------|
| Contacts | |
| Owner / Mgmt. | Denstock Mgmt |
| Phone | 540-712-2459 |

Comments

Game rm. Walk/bike trails. Kitchenette in dbhse. outdr patio w/grills.Private theater, multi-purpose sports field. Mix of tenants from Augusta Health, Murphy Deming. Tenant good mix of roommates, families, factory workers, singles. Ph.I- Garden Bldgs; Ph.II-3 Mid-rise & 1 Garden Bldg. No formal waitlist, however, there is a wait of about 4 months.

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Magellan Garden | | 1 | 1.0 | 14 | \$1,384 | 764 | \$1.81 | Market | - |
| Gosling Garden | | 1 | 1.0 | 14 | \$1,279 | 805 | \$1.59 | Market | - |
| Anser Garden | Den | 1 | 1.5 | 14 | \$1,461 | 1,095 | \$1.33 | Market | - |
| Coscoroba Garden | | 2 | 2.0 | 44 | \$1,579 | 1,092 | \$1.45 | Market | - |
| Goose Garden | | 2 | 2.0 | 44 | \$1,508 | 1,149 | \$1.31 | Market | - |
| Greylag Garden | | 2 | 2.0 | 43 | \$1,579 | 1,184 | \$1.33 | Market | - |
| Gander Garden | | 3 | 2.0 | 16 | \$1,677 | 1,348 | \$1.24 | Market | - |
| Orinoco Garden | | 3 | 2.0 | 15 | \$1,768 | 1,420 | \$1.24 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/07/21 |
| % Vac | 0.0% | 0.0% | 23.9% |
| One | \$888 | \$886 | \$1,206 |
| One/Den | \$1,461 | \$1,461 | \$0 |
| Two | \$1,555 | \$1,553 | \$1,380 |
| Three | \$1,722 | \$1,722 | \$1,544 |

| Adjustments to Rent | |
|---------------------|----------|
| Incentives | None |
| Utilities in Rent | Trash |
| Heat Source | Electric |

Apartments at Goose Creek

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|---------------------|-------|--------------------------------|-----------|
| 22 Farmside Street, Waynesboro, VA, 22980 | Market Rate - General | 2 Story – Garden/TH | 50 | 2.0 % (1 Units) as of 01/11/24 | 1972 |

| Unit Mix & Effective Rent (1) | | | | | Community Amenities |
|-------------------------------|--------|----------|----------|-------------|--|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Playground, Basketball, Central Laundry, Picnic Area |
| One | 32% | \$1,255 | 618 | \$2.03 | |
| Two | 52% | \$1,323 | 795 | \$1.66 | |
| Three | 16% | \$1,458 | 1,070 | \$1.36 | |

| Features | |
|---------------------|-----------------------|
| Standard | Disposal, Ceiling Fan |
| White | Appliances |
| Laminate | Countertops |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| Central / Heat Pump | Air Conditioning |
| Community Security | Monitored Unit Alarms |

| Parking | | Contacts | |
|------------------------|----------------------|---------------|-----------------------------|
| Parking Description | Free Surface Parking | Owner / Mgmt. | Beacon Management |
| Parking Description #2 | | Phone | 540-337-4608 / 540-208-4708 |

| Comments |
|--|
| Sports field, grills, walking path. Free wifi throughout community. Select renovated units have ss appl. |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | | Historic Vacancy & Eff. Rent (1) | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|----------------------------------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% | Date | 01/11/24 |
| Garden | | 1 | 1.0 | 16 | \$1,265 | 618 | \$2.05 | Market | - | % Vac | 2.0% |
| Garden | | 2 | 1.0 | 26 | \$1,333 | 795 | \$1.68 | Market | - | One | \$1,265 |
| Garden | | 3 | 2.0 | 8 | \$1,468 | 1,070 | \$1.37 | Market | - | Two | \$1,333 |
| | | | | | | | | | | Three | \$1,468 |
| Adjustments to Rent | | | | | | | | | | | |
| Incentives | | | | | | | | | | None | |
| Utilities in Rent | | | | | | | | | | Trash | |
| Heat Source | | | | | | | | | | Natural Gas | |

Augusta Farms Apt

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Belmont Terrace



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|--|-----------------------|------------------|-------|--------------------------------|-----------|
| 1500 North Coalter Street, Staunton, VA, 24401 | Market Rate - General | 3 Story – Garden | 59 | 0.0 % (0 Units) as of 01/11/24 | 1971 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Two | 31% | \$700 | 900 | \$0.78 |
| Two/Den | 31% | \$770 | 1,000 | \$0.77 |
| Three | 29% | \$795 | 1,070 | \$0.74 |
| Three/Den | 10% | \$835 | 1,225 | \$0.68 |

| Community Amenities |
|-------------------------------|
| Central Laundry, Outdoor Pool |

| Features | |
|---------------------|----------------------|
| Standard | Dishwasher, Disposal |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| Select Units | Accessibility |
| White | Appliances |
| Laminate | Countertops |

| Parking | | Contacts | |
|------------------------|----------------------|---------------|-----------------------------|
| Parking Description | Free Surface Parking | Owner / Mgmt. | LSK Properties |
| Parking Description #2 | | Phone | 540-887-3310 / 540-885-0049 |

| Comments |
|--------------------|
| 2 accessible units |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|-------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 2 | 2.0 | 18 | \$730 | 900 | \$0.81 | Market | - |
| Garden | Den | 2 | 2.0 | 18 | \$800 | 1,000 | \$0.80 | Market | - |
| Garden | | 3 | 2.0 | 17 | \$830 | 1,070 | \$0.78 | Market | - |
| Garden | Den | 3 | 2.0 | 6 | \$870 | 1,225 | \$0.71 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$365 | \$0 | \$325 |
| Two/Den | \$800 | \$0 | \$705 |
| Three | \$415 | \$0 | \$356 |
| Three/Den | \$870 | \$0 | \$750 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Belmont Terrace

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Beverley Apts



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|----------------------------|-----------------------|--------------------------|-------|--------------------------------|-----------|
| 104 S New St, Staunton, VA | Market Rate - General | 5 Story – Adaptive Reuse | 28 | 3.6 % (1 Units) as of 01/11/24 | 2019 |



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|--|--------|----------|--|---------------|---------------------|--|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Elevator Served | |
| Studio | 50% | \$881 | 500 | \$176 | | |
| One | 50% | \$1,009 | 700 | \$144 | | |
| Features | | | | | | |
| Standard | | | Dishwasher, Disposal, Microwave, Ceiling Fan | | | |
| Standard - Stacked | | | In Unit Laundry | | | |
| Wall Units | | | Air Conditioning | | | |
| Hardwood | | | Flooring Type 1 | | | |
| Carpet | | | Flooring Type 2 | | | |
| White | | | Appliances | | | |
| Granite | | | Countertops | | | |
| Community Security | | | Intercom | | | |
| Parking | | | | | Contacts | |
| Parking Description | | | | Owner / Mgmt. | Monroe Properties | |
| Parking Description #2 | | | | Phone | 540-290-8150 | |
| Comments | | | | | | |
| Former hotel converted to apartment units. | | | | | | |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Mid Rise - Elevator | | 0 | 1.0 | 14 | \$904 | 500 | \$1.81 | - | |
| Mid Rise - Elevator | | 1 | 1.0 | 14 | \$1,034 | 700 | \$1.48 | - | |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|--------------------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/05/21 |
| % Vac | 3.6% | 0.0% | 3.6% |
| Studio | \$904 | \$904 | \$850 |
| One | \$1,034 | \$1,034 | \$980 |
| Adjustments to Rent | | | |
| Incentives | None | | |
| Utilities in Rent | Water/Sewer, Trash | | |
| Heat Source | Electric | | |

Beverley Apts

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

ADDRESS107 Community Way, Staunton, VA, 24401

COMMUNITY TYPEMarket Rate - General

STRUCTURE TYPE3 Story – Garden

UNITS249

VACANCY0.8 % (2 Units) as of 01/11/24

OPENED IN2005



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| One | 22% | \$1,126 | 1,007 | \$112 |
| Two | 60% | \$1,379 | 1,205 | \$114 |
| Three | 17% | \$1,536 | 1,433 | \$107 |

| Community Amenities |
|---|
| Clubhouse, Community Room, Fitness Room, Outdoor Pool, Playground |

| Features | |
|---------------------|---|
| Standard | Dishwasher, Disposal, Microwave, IceMaker, Patio Balcony, High Ceilings |
| Standard - Full | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| Black | Appliances |
| Laminate | Countertops |

| Parking | | Contacts | |
|------------------------|--------------------------|---------------|----------------------------|
| Parking Description | Free Surface Parking | Owner / Mgmt. | Park Properties |
| Parking Description #2 | Covered Spaces — \$50.00 | Phone | 540-213-0234 /540-802-4607 |

| Comments |
|--|
| Phase I, 2005, 135 units. Ph 2, Nov '16, 114 units. Game room w/ air hockey, billiards. Sundeck with cabana around pool. Walk-in closet. breakfast bars in select units. Storage closet on patio. Residents commute to Harrisonburg, Charlottesville and UVA. Garage fees for PH2: \$65-\$85. Convenient location right off 81 and 64. |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| The Shenandoah Garden | | 1 | 1.0 | 18 | \$1,088 | 834 | \$130 | Market | - |
| PH2 Beverley Garden | | 1 | 1.0 | 22 | \$1,120 | 981 | \$114 | Market | - |
| PH2 Addison Garden | Loft | 1 | 1.0 | 16 | \$1,213 | 1,237 | \$0.98 | Market | - |
| The Ridge View Garden | | 2 | 2.0 | 96 | \$1,390 | 1,120 | \$1.24 | Market | - |
| PH2 Blakely Garden | | 2 | 2.0 | 32 | \$1,325 | 1,253 | \$1.06 | Market | - |
| PH2 Fairmont Garden | Loft | 2 | 2.0 | 22 | \$1,475 | 1,509 | \$0.98 | Market | - |
| The Vista Garden | | 3 | 2.0 | 18 | \$1,445 | 1,326 | \$1.09 | Market | - |
| The Bluestone Garden | | 3 | 2.0 | 3 | \$1,475 | 1,408 | \$1.05 | Market | - |
| PH2 Bellcrest Garden | | 3 | 2.0 | 22 | \$1,638 | 1,525 | \$1.07 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/02/21 |
| % Vac | 0.8% | 0.0% | 0.4% |
| One | \$1,140 | \$1,126 | \$1,062 |
| Two | \$1,397 | \$1,362 | \$1,178 |
| Three | \$1,519 | \$1,497 | \$1,309 |

| Adjustments to Rent | |
|---------------------|----------|
| Incentives | None |
| Utilities in Rent | Trash |
| Heat Source | Electric |



ADDRESS1750 Rosser Avenue, Waynesboro, VA, 22980

COMMUNITY TYPEMarket Rate - General

STRUCTURE TYPEGarden/TH

UNITS172

VACANCY0.0 % (0 Units) as of 01/11/24

OPENED IN1965



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Studio | 5% | \$752 | 427 | \$176 |
| One | 47% | \$870 | 549 | \$158 |
| Two | 20% | \$1,020 | 895 | \$114 |
| Three | 28% | \$1,215 | 1,044 | \$116 |

| Community Amenities |
|---|
| Central Laundry, Outdoor Pool, Playground |

| Features | |
|---------------------|------------------------------------|
| Select Units | Dishwasher, Patio Balcony, Storage |
| Standard | Disposal |
| Standard - Stacked | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| White | Appliances |
| Laminate | Countertops |

| Parking | | Contacts | |
|------------------------|----------------------|---------------|-------------------------|
| Parking Description | Free Surface Parking | Owner / Mgmt. | Neighborhood Properties |
| Parking Description #2 | | Phone | 540-949-5000 Greg |

| Comments |
|--|
| per Greg most leases run from spring to fall; some units have gas heat some have electric heat; 2BR units also include gas in utilities Some renovated units (SS app/ granite CT.). Some units metered utilities, others charge flat fee for gas heat (\$15-25).walking paths |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 0 | 1.0 | 9 | \$775 | 427 | \$1.81 | Market | - |
| Garden | | 1 | 1.0 | 80 | \$895 | 549 | \$1.63 | Market | - |
| Garden | | 2 | 1.0 | 35 | \$1,050 | 895 | \$1.17 | Market | - |
| Townhouse | | 3 | 1.5 | 48 | \$1,250 | 1,044 | \$1.20 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 12/20/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Studio | \$775 | \$775 | \$725 |
| One | \$895 | \$895 | \$830 |
| Two | \$1,050 | \$1,050 | \$935 |
| Three | \$1,250 | \$1,250 | \$1,190 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Other |

Brandon Ladd

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|--|-----------------------|----------------|-------|--------------------------------|-----------|
| 108 Chateau Lane, Stuarts Draft, VA, 24477 | Market Rate - General | Garden/TH | 156 | 0.0 % (0 Units) as of 01/11/24 | 2001 |



| Unit Mix & Effective Rent (1) | | | | | Community Amenities |
|-------------------------------|--------|----------|----------|-------------|---------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Playground |
| Two | 73% | \$1,148 | 1,044 | \$1.10 | |
| Three | 27% | \$1,170 | 1,029 | \$1.14 | |

| Features | |
|---------------------|---------------------------|
| Standard | Dishwasher, High Ceilings |
| Standard - Full | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Ceramic | Flooring Type 2 |

| | | | |
|------------------------|----------------------|---------------|----------------------------|
| Parking | | Contacts | |
| Parking Description | Free Surface Parking | Owner / Mgmt. | Professional Property Mgmt |
| Parking Description #2 | | Phone | 540-337-9272 |

| Comments |
|---|
| 2BR/1.5BA Center Works with Mary Baldwin University and houses several students. |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 2 | 1.0 | 42 | \$1,160 | 1,029 | \$1.13 | Market | - |
| Center Townhouse | | 2 | 1.5 | 36 | \$1,165 | 1,052 | \$1.11 | Market | - |
| EOG Townhouse | | 2 | 1.5 | 36 | \$1,213 | 1,052 | \$1.15 | Market | - |
| Garden | | 3 | 1.0 | 42 | \$1,205 | 1,029 | \$1.17 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$1,179 | \$1,165 | \$885 |
| Three | \$1,205 | \$1,190 | \$910 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |

Brittany Knoll

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|----------------|-------|--------------------------------|-----------|
| 1742 Englewood Drive, Staunton, VA, 24401 | Market Rate - General | Garden | 52 | 0.0 % (0 Units) as of 01/11/24 | 1979 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| One | 46% | \$550 | 555 | \$0.99 |
| Two | 54% | \$590 | 730 | \$0.81 |

| Community Amenities |
|---------------------|
| Outdoor Pool |

| Features | | | |
|------------------------|----------------------|---------------|--------------|
| Window Units | Air Conditioning | | |
| Carpet | Flooring Type 1 | | |
| Vinyl/Linoleum | Flooring Type 2 | | |
| White | Appliances | | |
| Laminate | Countertops | | |
| Parking | Contacts | | |
| Parking Description | Free Surface Parking | Owner / Mgmt. | Lakes Edge |
| Parking Description #2 | | Phone | 540-887-3310 |

| Comments |
|---|
| No onsite laundry facilities; at one time had central laundry but it was removed. |
| On same site as Wakefield Apartments (1746 Englewood Drive). Same leasing office as Hillcrest Apts. |
| Renovate as needed. No WL |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|-------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 1 | 1.0 | 24 | \$575 | 555 | \$1.04 | Market | - |
| Garden | | 2 | 1.0 | 28 | \$620 | 730 | \$0.85 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| One | \$575 | \$575 | \$525 |
| Two | \$620 | \$620 | \$570 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Englewood

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Frontier Ridge



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|--|-----------------|------------------|-------|--------------------------------|-----------|
| 20 Frontier Ridge Court, Staunton, VA, 24401 | LIHTC - General | 3 Story - Garden | 100 | 0.0 % (0 Units) as of 01/11/24 | 2006 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Two | 50% | \$931 | 959 | \$0.97 |
| Three | 50% | \$1,073 | 1,234 | \$0.87 |

| Community Amenities |
|---|
| Clubhouse, Fitness Room, Central Laundry, Outdoor Pool, Playground, Business Center |

| Features | | |
|------------------------|----------------------|------------------------|
| Standard | Dishwasher, Disposal | |
| Hook Ups | In Unit Laundry | |
| Central / Heat Pump | Air Conditioning | |
| Carpet | Flooring Type 1 | |
| Vinyl/Linoleum | Flooring Type 2 | |
| Select Units | Accessibility | |
| White | Appliances | |
| Laminate | Countertops | |
| Parking | Contacts | |
| Parking Description | Free Surface Parking | Owner / Mgmt. Capstone |
| Parking Description #2 | | Phone 540-887-3337 |

| Comments |
|--------------|
| WL = 20+ ppl |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 2 | 2.0 | 50 | \$961 | 959 | \$1.00 | LIHTC | 50% |
| Garden | | 3 | 2.0 | 50 | \$1,108 | 1,234 | \$0.90 | LIHTC | 50% |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$961 | \$0 | \$745 |
| Three | \$1,108 | \$0 | \$858 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Frontier Ridge

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|----------------|-------|--------------------------------|-----------|
| 331 Lambert Street, Staunton, VA, 24401 | Market Rate - General | Garden | 48 | 0.0 % (0 Units) as of 01/11/24 | 1963 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Two | 100% | \$831 | 800 | \$104 |

| Community Amenities |
|---------------------|
| Central Laundry |

| Features | |
|---------------------|----------------------|
| Standard | Dishwasher, Disposal |
| Select Units | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Hardwood | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| White | Appliances |
| Laminate | Countertops |

| Parking | |
|------------------------|----------------------|
| Parking Description | Free Surface Parking |
| Parking Description #2 | |

| Contacts | |
|---------------|---------------------|
| Owner / Mgmt. | Matchbox Management |
| Phone | 540-434-5150 |

| Comments |
|--|
| Remodeled units have stainless steel appliances and W/D in unit. 15 units have been renovated. |
| No pets, no students. |
| Office is located at 202 N Liberty, Suite 101. |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|-------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Non-renovated Garden | | 2 | 1.0 | 33 | \$820 | 800 | \$103 | Market | - |
| Renovated Garden | | 2 | 1.0 | 15 | \$950 | 800 | \$119 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$885 | \$878 | \$675 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Natural Gas |

Georgetown

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

ADDRESS1600 N Coalter Street, Staunton, VA, 24401

COMMUNITY TYPEMarket Rate - General

STRUCTURE TYPE2 Story – Garden

UNITS64

VACANCY0.0 % (0 Units) as of 01/11/24

OPENED IN1970



| Unit Mix & Effective Rent (1) | | | | | Community Amenities |
|-------------------------------|--------|----------|----------|-------------|-------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Central Laundry, Outdoor Pool |
| One | 63% | \$575 | 555 | \$104 | |
| Two | 38% | \$645 | 730 | \$0.88 | |

| Features | | |
|------------------------|----------------------|--------------------------|
| Not Available | IceMaker | |
| Central / Heat Pump | Air Conditioning | |
| Carpet | Flooring Type 1 | |
| Vinyl/Linoleum | Flooring Type 2 | |
| White | Appliances | |
| Laminate | Countertops | |
| Parking | Contacts | |
| Parking Description | Free Surface Parking | Owner / Mgmt. Lakes Edge |
| Parking Description #2 | | Phone 540-887-3310 |

| Comments | |
|--|--|
| No accessible units | |
| Same leasing office as Englewood Apts. | |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|-------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 1 | 1.0 | 40 | \$600 | 555 | \$1.08 | Market | - |
| Garden | | 2 | 1.0 | 24 | \$675 | 730 | \$0.92 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| One | \$600 | \$575 | \$525 |
| Two | \$675 | \$620 | \$570 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Hillside TH



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|---------------------|-------|--------------------------------|-----------|
| 11 Townhouse Lane, Stuarts Draft, VA, 22980 | Market Rate - General | 2 Story – Townhouse | 116 | 0.0 % (0 Units) as of 01/11/24 | 1990 |



| Unit Mix & Effective Rent (1) | | | | | Community Amenities |
|-------------------------------|--------|----------|----------|-------------|---------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Playground |
| Two | 92% | \$1,038 | 980 | \$1.06 | |
| Three | 8% | \$1,265 | 1,200 | \$1.05 | |

| Features | |
|------------------------|----------------------|
| Standard | Dishwasher |
| Select Units | Ceiling Fan |
| Hook Ups | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| White | Appliances |
| Laminate | Countertops |
| Parking | Contacts |
| Parking Description | Free Surface Parking |
| Parking Description #2 | Owner / Mgmt. PPM |
| | Phone 540-337-3860 |

| Comments |
|---|
| Original units opened in 1990, and later units opened in 2000 and 2003. |
| Wait list- 11 ppl |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Single story | | 2 | 1.0 | 32 | \$1,050 | 980 | \$1.07 | Market | - |
| Townhouse | | 2 | 1.5 | 75 | \$1,075 | 980 | \$1.10 | Market | - |
| Townhouse | | 3 | 1.5 | 9 | \$1,300 | 1,200 | \$1.08 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$1,063 | \$1,020 | \$795 |
| Three | \$1,300 | \$1,300 | \$900 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Natural Gas |

Hillside TH

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Hopeman West TH



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|--|-----------------------|---------------------|-------|--------------------------------|-----------|
| 100 Guilford Lane, Waynesboro, VA, 22980 | Market Rate - General | 2 Story – Townhouse | 108 | 0.0 % (0 Units) as of 01/11/24 | 1981 |



| Unit Mix & Effective Rent (1) | | | | | Community Amenities |
|-------------------------------|--------|----------|----------|-------------|---------------------------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Central Laundry, Outdoor Pool, Tennis |
| One | 19% | \$813 | 510 | \$1.59 | |
| Two | 72% | \$908 | 800 | \$1.13 | |
| Three | 9% | \$1,065 | 980 | \$1.09 | |

| Features | |
|------------------------|----------------------|
| Standard | Dishwasher |
| Hook Ups | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| White | Appliances |
| Laminate | Countertops |
| Parking | Contacts |
| Parking Description | Free Surface Parking |
| Parking Description #2 | Owner / Mgmt. Jenn |
| | Phone 540-943-0799 |

| Comments |
|----------|
| No WL |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Townhouse | | 1 | 1.0 | 20 | \$838 | 510 | \$1.64 | Market | - |
| Townhouse | | 2 | 1.5 | 78 | \$938 | 800 | \$1.17 | Market | - |
| Townhouse | | 3 | 2.0 | 10 | \$1,100 | 980 | \$1.12 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 12/20/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| One | \$838 | \$823 | \$723 |
| Two | \$938 | \$900 | \$800 |
| Three | \$1,100 | \$1,100 | \$1,000 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Hopeman West TH

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Manchester TH



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|--|-----------------------|---------------------|-------|--------------------------------|-----------|
| 41 Manchester Drive, Staunton, VA, 24401 | Market Rate - General | 2 Story – Townhouse | 156 | 0.6 % (1 Units) as of 01/11/24 | 1980 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Two | 100% | \$1,213 | 800 | \$152 |

| Community Amenities |
|---|
| Central Laundry, Outdoor Pool, Tennis, Playground |

| Features | |
|---------------------|--|
| Standard | Dishwasher, Disposal, Ceiling Fan, Patio Balcony |
| Hook Ups | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| Not Available | Accessibility |
| Black | Appliances |
| Laminate | Countertops |

| Parking | |
|------------------------|----------------------|
| Parking Description | Free Surface Parking |
| Parking Description #2 | |

| Contacts | |
|---------------|-----------------------------|
| Owner / Mgmt. | Thalimer |
| Phone | 540-885-4580 / 844-216-3675 |

| Comments |
|--|
| Same leasing office as Parkwood Apts. No WL |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Townhouse | | 2 | 1.5 | 156 | \$1,223 | 800 | \$153 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/02/21 |
| % Vac | 0.6% | 1.3% | 0.0% |
| Two | \$1,223 | \$1,205 | \$868 |

| Adjustments to Rent | |
|---------------------|-------------|
| Incentives | None |
| Utilities in Rent | Trash |
| Heat Source | Natural Gas |

Manchester TH

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

ADDRESS
Lofty Circle, Stuarts Draft, VA, 24477

COMMUNITY TYPE
LIHTC - General

STRUCTURE TYPE
3 Story – Garden

UNITS
96

VACANCY
0.0 % (0 Units) as of 01/11/24

OPENED IN
2012



| Unit Mix & Effective Rent (1) | | | | | Community Amenities |
|-------------------------------|--------|----------|----------|-------------|---------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | |
| Two | 58% | \$844 | 1,084 | \$0.78 | |
| Three | 42% | \$964 | 1,200 | \$0.80 | |

| Features | |
|------------------------|-------------------------------------|
| Standard | Dishwasher, Disposal, High Ceilings |
| Select Units | IceMaker, Accessibility |
| Hook Ups | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| White | Appliances |
| Laminate | Countertops |
| Community Security | Patrol, Cameras |
| Parking | |
| Parking Description | Free Surface Parking |
| Parking Description #2 | |
| Contacts | |
| Owner / Mgmt. | Humanities Foundation |
| Phone | 540-416-4384 |

| Comments |
|--|
| Onsite management. 56 two bedrooms and 40 three bedrooms. No wait list. Walk-in closets. Grills. |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 2 | 2.0 | 28 | \$784 | 1,084 | \$0.72 | LIHTC | 50% |
| Garden | | 2 | 2.0 | 28 | \$963 | 1,084 | \$0.89 | LIHTC | 60% |
| Garden | | 3 | 2.0 | 20 | \$897 | 1,200 | \$0.75 | LIHTC | 50% |
| Garden | | 3 | 2.0 | 20 | \$1,101 | 1,200 | \$0.92 | LIHTC | 60% |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$874 | \$874 | \$852 |
| Three | \$999 | \$999 | \$937 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

| Initial Absorption | |
|--------------------|------------------|
| Opened: 2012-03-17 | Months: 4.0 |
| Closed: 2012-08-01 | 19.2 units/month |

Montague Terrace

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

ADDRESS85 Bobby's Way, Staunton, VA, 24401

COMMUNITY TYPELIHTC - General

STRUCTURE TYPE3 Story – Garden/TH

UNITS144

VACANCY0.0 % (0 Units) as of 01/11/24

OPENED IN2019



| Unit Mix & Effective Rent (1) | | | | | Community Amenities Clubhouse, Community Room, Central Laundry, Business Center, Elevator Served |
|-------------------------------|--------|----------|----------|-------------|---|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | |
| Two | 53% | \$847 | 919 | \$0.92 | |
| Three | 47% | \$1,076 | 1,159 | \$0.93 | |
| | | | | | |

| Features | |
|---------------------|---|
| Standard | Dishwasher, Disposal, IceMaker, Ceiling Fan |
| Hook Ups | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| Select Units | Accessibility |
| Black | Appliances |
| Laminate | Countertops |

| | | | |
|------------------------|----------------------|---------------|---------------------------|
| Parking | | Contacts | |
| Parking Description | Free Surface Parking | Owner / Mgmt. | GEM Management |
| Parking Description #2 | | Phone | 540-466-5424/704-405-9860 |

| Comments |
|--|
| Ph.I-Opened Nov 2019 (stabilized same month). Ph.II-Opened Oct 2020(stabilized Jan2021), Phase III is 48 units, Opened Dec 2021 (Stabilized March 2022). WL = 6-9 months breakfast bar, WIC, handrails, lounge. Mtn views, breakfast/coffee concierge. No security deposit and priority leasing for veterans. |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program |
| | | 2 | 2.0 | 34 | \$754 | 919 | \$0.82 | LIHTC |
| | | 2 | 2.0 | 42 | \$941 | 919 | \$1.02 | LIHTC |
| | | 3 | 2.0 | 68 | \$1,086 | 1,159 | \$0.94 | LIHTC |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$848 | \$848 | \$743 |
| Three | \$1,086 | \$1,086 | \$975 |

| Adjustments to Rent | |
|---------------------|----------|
| Incentives | None |
| Utilities in Rent | Trash |
| Heat Source | Electric |

Mountain Laurel Manor I, II & III

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Mountain View



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|--|-----------------|------------------|-------|--------------------------------|-----------|
| 1625 Wickham Lane, Waynesboro, VA, 22980 | LIHTC - General | 2 Story - Garden | 129 | 0.0 % (0 Units) as of 01/11/24 | 1973 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Two | 100% | \$763 | 750 | \$1.02 |

| Community Amenities |
|---|
| Central Laundry, Outdoor Pool, Playground |

| Features | |
|---------------------|--|
| Standard | Dishwasher, Disposal, Microwave, Patio Balcony |
| Standard - Stacked | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| Laminate | Countertops |
| Black | Appliances |

| Parking | |
|------------------------|----------------------|
| Parking Description | Free Surface Parking |
| Parking Description #2 | |

| Contacts | |
|---------------|------------------------------|
| Owner / Mgmt. | South River Development Corp |
| Phone | 540-942-5718 |

| Comments |
|--|
| 13 accessible units - 1 Studio unit not included. WL=1st come 1st serve LIHTC allocation in 2010; vinyl wood plank flooring |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|-------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 2 | 1.0 | 129 | \$793 | 750 | \$1.06 | LIHTC | 60% |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 12/20/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$793 | \$793 | \$662 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Mountain View

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Mountain Vistas



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|----------------|-------|--------------------------------|-----------|
| 21 Windgate Circle, Fishersville, VA, 22939 | Market Rate - General | Garden | 55 | 0.0 % (0 Units) as of 01/12/24 | 2009 |



| Unit Mix & Effective Rent (1) | | | | | Community Amenities |
|-------------------------------|--------|----------|----------|-------------|---------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | |
| Two | 51% | \$2,020 | 1,415 | \$1.43 | |
| Three | 49% | \$2,037 | 1,654 | \$1.23 | |

| Features | |
|---------------------|---|
| Standard | Dishwasher, Disposal, Microwave, Patio Balcony, High Ceilings |
| Hook Ups | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Standard - Gas | Fireplace |
| Carpet | Flooring Type 1 |
| Hardwood | Flooring Type 2 |
| SS | Appliances |
| Granite | Countertops |

Parking

| | |
|------------------------|----------------------|
| Parking Description | Attached Garage |
| Parking Description #2 | Free Surface Parking |

Contacts

| | |
|---------------|---------------------------|
| Owner / Mgmt. | Ashley |
| Phone | 540-886-6155/540-480-9184 |

| Comments |
|--|
| Formerly called The Windgate. 18 units built 2009, HUD insured, 18 addl units built in 2017, opened 11/17 Overall, community has 80 units. First 18 units-HUD insured. Formerly Mountain Vistas. SS appl. |

| Floorplans (Published Rents as of 01/12/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Windwood-Lower Garden | | 2 | 2.0 | 14 | \$1,950 | 1,250 | \$1.56 | Market | - |
| Windjammer Garden | | 2 | 2.0 | 14 | \$2,150 | 1,580 | \$1.36 | Market | - |
| Crosswind-Upper Garden | | 3 | 2.0 | 14 | \$2,000 | 1,630 | \$1.23 | Market | - |
| Windchime-Upper Garden | | 3 | 2.0 | 13 | \$2,150 | 1,680 | \$1.28 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/12/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 12.7% |
| Two | \$2,050 | \$2,020 | \$1,508 |
| Three | \$2,075 | \$2,043 | \$1,490 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Natural Gas |

Mountain Vistas

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Parkwood



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|--|-----------------------|------------------|-------|--------------------------------|-----------|
| 401 Prospect Street, Staunton, VA, 24401 | Market Rate - General | 2 Story – Garden | 56 | 0.0 % (0 Units) as of 01/11/24 | 1950 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| One | 50% | \$911 | 544 | \$1.68 |
| Two | 50% | \$943 | 720 | \$1.31 |

| Community Amenities |
|-------------------------------|
| Central Laundry, Outdoor Pool |

| Features | |
|----------------|----------------------------|
| Standard | Ceiling Fan, Patio Balcony |
| Window Units | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| White | Appliances |
| Laminate | Countertops |

| | | | |
|------------------------|----------------------|---------------|--------------|
| Parking | | Contacts | |
| Parking Description | Free Surface Parking | Owner / Mgmt. | Thalhimer |
| Parking Description #2 | | Phone | 540-885-4580 |

| Comments |
|---------------------------------------|
| Same leasing office as Manchester TH. |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Lee Garden | | 1 | 1.0 | 7 | \$975 | 535 | \$1.82 | Market | - |
| Stonewall/Jackson Garden | | 1 | 1.0 | 14 | \$925 | 544 | \$1.70 | Market | - |
| Virginia Garden | | 1 | 1.0 | 7 | \$920 | 553 | \$1.66 | Market | - |
| Statler/Coalter Garden | | 2 | 1.0 | 14 | \$920 | 720 | \$1.28 | Market | - |
| Ivy/Lake Garden | | 2 | 1.0 | 14 | \$1,025 | 720 | \$1.42 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/02/21 |
| % Vac | 0.0% | 1.8% | 0.0% |
| One | \$940 | \$900 | \$735 |
| Two | \$973 | \$948 | \$784 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Parkwood

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---------------------------------------|-----------------------|----------------|-------|--------------------------------|-----------|
| 901 4th Street, Waynesboro, VA, 22980 | Market Rate - General | Townhouse | 100 | 0.0 % (0 Units) as of 01/11/24 | 1975 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Two | 70% | \$1,330 | 784 | \$170 |
| Three | 30% | \$1,485 | 986 | \$151 |

| Community Amenities |
|--|
| Central Laundry, Playground, Picnic Area |

| Features | |
|--------------------|---------------------------------|
| Standard | Dishwasher, Disposal, Microwave |
| Window Units | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| SS | Appliances |
| Laminate | Countertops |
| Community Security | Monitored Unit Alarms |

| Parking | |
|------------------------|----------------------|
| Parking Description | Free Surface Parking |
| Parking Description #2 | |

| Contacts | |
|---------------|----------------------|
| Owner / Mgmt. | Beacon Management |
| Phone | 540-947-8747 Brianne |

| Comments |
|-------------------------------------|
| No WL picnic/grill; WIC, NO PETS |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| TH Townhouse | | 2 | 1.0 | 35 | \$1,280 | 758 | \$1.69 | Market | - |
| Split Level Garden | | 2 | 1.0 | 35 | \$1,380 | 810 | \$1.70 | Market | - |
| Garden | | 3 | 1.5 | 30 | \$1,485 | 986 | \$1.51 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 12/20/21 |
| % Vac | 0.0% | 4.0% | 1.0% |
| Two | \$1,330 | \$1,170 | \$1,085 |
| Three | \$1,485 | \$1,303 | \$1,328 |

| Adjustments to Rent | |
|---------------------|-------------|
| Incentives | None |
| Utilities in Rent | |
| Heat Source | Natural Gas |

Quadrangle

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

ADDRESS1701 Springhill Rd, Staunton, VA, 24401

COMMUNITY TYPELIHTC - General

STRUCTURE TYPE3 Story – Garden

UNITS108

VACANCY0.9 % (1 Units) as of 01/11/24

OPENED IN1971



| Unit Mix & Effective Rent (1) | | | | | Community Amenities Community Room, Fitness Room, Central Laundry, Playground, Dog Park, Picnic Area |
|-------------------------------|--------|----------|----------|-------------|---|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | |
| One | 22% | \$710 | 638 | \$1.11 | |
| Two | 61% | \$835 | 823 | \$1.01 | |
| Three | 17% | \$896 | 950 | \$0.94 | |

| Features | |
|---------------------|---------------------------------|
| Standard | Dishwasher, Disposal, Microwave |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| White | Appliances |
| Laminate | Countertops |

| | | | |
|------------------------|----------------------|---------------|--------------|
| Parking | | Contacts | |
| Parking Description | Free Surface Parking | Owner / Mgmt. | Amurcon |
| Parking Description #2 | | Phone | 540-885-2606 |

| Comments |
|--|
| As of 1/2018 property converted from Mkt to LIHTC, many residents were over income & had to move out. Originally Section 236 property. |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 1 | 1.0 | 24 | \$805 | 638 | \$1.26 | LIHTC | 60% |
| Garden | | 2 | 1.0 | 66 | \$950 | 823 | \$1.15 | LIHTC | 60% |
| Garden | | 3 | 1.5 | 18 | \$1,036 | 950 | \$1.09 | LIHTC | 60% |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/02/21 |
| % Vac | 0.9% | 0.0% | 0.0% |
| One | \$805 | \$780 | \$645 |
| Two | \$950 | \$946 | \$720 |
| Three | \$1,036 | \$1,008 | \$765 |

| Adjustments to Rent | |
|---------------------|--|
| Incentives | None |
| Utilities in Rent | Heat, Hot Water, Cooking, Water/Sewer, Trash |
| Heat Source | Natural Gas |

Multifamily Community Profile

Staunton Apts



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|-------------------------------|-----------------------|---------------------|-------|--------------------------------|-----------|
| 1008 Seth Drive, Staunton, VA | Market Rate - General | 3 Story – Townhouse | 39 | 0.0 % (0 Units) as of 01/11/24 | 2017 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Two | 36% | \$970 | 1,000 | \$0.97 |
| Three | 64% | \$1,265 | 1,300 | \$0.97 |

Community Amenities

Features

| | |
|---------------------|---|
| Standard | Dishwasher, Disposal, Microwave, Ceiling Fan, Patio Balcony |
| Standard - Full | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Hardwood | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| SS | Appliances |
| Laminate | Countertops |

Parking

| | |
|------------------------|----------------------|
| Parking Description | Free Surface Parking |
| Parking Description #2 | |

Contacts

| | |
|-------|--------------|
| Phone | 540 290 8945 |
|-------|--------------|

Comments

1st phase opened 10/1/17, 2nd phase stabilized 2/1/18, 3rd phase stabilized 5/1/2020.
Slate color appliances.
No WL

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Townhouse | | 2 | 1.5 | 14 | \$1,000 | 1,000 | \$1.00 | Market | - |
| Townhouse | | 3 | 2.0 | 25 | \$1,300 | 1,300 | \$1.00 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$1,000 | \$1,000 | \$950 |
| Three | \$1,300 | \$1,300 | \$1,250 |

Adjustments to Rent

| | |
|-------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Initial Absorption

| | |
|--------------------|-----------------|
| Opened: 2017-10-01 | Months: 4.0 |
| Closed: 2018-02-01 | 3.5 units/month |

Staunton Apts

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|--|-----------------------|---------------------|-------|--------------------------------|-----------|
| 18 Julian Lane, Stuarts Draft, VA, 24477 | Market Rate - General | 2 Story – Townhouse | 36 | 0.0 % (0 Units) as of 01/11/24 | 2017 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Two | 100% | \$920 | 1,200 | \$0.77 |

Community Amenities

Features

| | |
|---------------------|----------------------|
| Standard | Dishwasher, Disposal |
| Hook Ups | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Standard - In Unit | Storage |
| Vinyl/Linoleum | Flooring Type 1 |
| White | Appliances |
| Laminate | Countertops |

Parking

| | |
|------------------------|----------------------|
| Parking Description | Free Surface Parking |
| Parking Description #2 | |

Contacts

| | |
|---------------|--------------|
| Owner / Mgmt. | Wood Rentals |
| Phone | 540-949-4995 |

Comments

Newly constructed 2-level. Laminate hardwood floors, walk-up attic storage
Pet fee \$50

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|-------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 2 | 1.5 | 36 | \$950 | 1,200 | \$0.79 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/06/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$950 | \$900 | \$850 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Stoney Run

(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|---------------------|-------|--------------------------------|-----------|
| 8 Bolton Place, Fishersville, VA, 22939 | Market Rate - General | 2 Story – Townhouse | 46 | 0.0 % (0 Units) as of 01/11/24 | 2008 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Three | 100% | \$1,625 | 1,784 | \$0.91 |

Community Amenities

Features

| | |
|---------------------|---|
| Standard | Dishwasher, Disposal, Microwave, Patio Balcony, High Ceilings |
| Standard - Full | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Standard - Gas | Fireplace |
| Hardwood | Flooring Type 1 |
| White | Appliances |
| Laminate | Countertops |

Parking

| | |
|------------------------|----------------------|
| Parking Description | Free Surface Parking |
| Parking Description #2 | |

Contacts

| | |
|---------------|----------------------------|
| Owner / Mgmt. | Professional Property Mgmt |
| Phone | 540-337-9272 |

Comments

Berber carpet, ceramic tile, hwd flooring, front porch
Near a new home subdivision.

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Deluxe Townhouse | | 3 | 2.5 | 30 | \$1,600 | 1,695 | \$0.94 | Market | - |
| Luxury Townhouse | | 3 | 2.5 | 16 | \$1,700 | 1,950 | \$0.87 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Three | \$1,650 | \$1,650 | \$1,325 |

| Adjustments to Rent | |
|---------------------|----------|
| Incentives | None |
| Utilities in Rent | Trash |
| Heat Source | Electric |

Stonington

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Teaberry Greene



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|---------------------|-------|--------------------------------|-----------|
| Teaberry Pl & Warwick Lane, Fishersville, VA, 22939 | Market Rate - General | 2 Story – Townhouse | 109 | 0.0 % (0 Units) as of 01/11/24 | 2004 |



| Unit Mix & Effective Rent (1) | | | | | Community Amenities |
|-------------------------------|--------|----------|----------|-------------|---------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | |
| Two | 50% | \$1,282 | 1,236 | \$104 | |
| Three | 50% | \$1,440 | 2,079 | \$0.69 | |

| Features | |
|---------------------|---|
| Standard | Dishwasher, Disposal, Microwave, Patio Balcony, High Ceilings |
| Standard - Full | In Unit Laundry |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| White | Appliances |
| Laminate | Countertops |

| | | | |
|------------------------|----------------------|---------------|----------------------------|
| Parking | | Contacts | |
| Parking Description | Free Surface Parking | Owner / Mgmt. | Professional Property Mgmt |
| Parking Description #2 | | Phone | 540-337-9272 |

| Comments |
|---|
| Located near several new home developments. |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Deluxe Townhouse | | 2 | 1.5 | 28 | \$1,285 | 1,089 | \$1.18 | Market | - |
| Luxury Townhouse | | 2 | 2.5 | 27 | \$1,300 | 1,389 | \$0.94 | Market | - |
| Luxury Townhouse | | 3 | 2.5 | 27 | \$1,550 | 2,079 | \$0.75 | Market | - |
| Deluxe Townhouse | | 3 | 1.5 | 27 | \$1,350 | 2,079 | \$0.65 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$1,293 | \$1,293 | \$1,093 |
| Three | \$1,450 | \$1,450 | \$1,300 |

| Adjustments to Rent | |
|---------------------|-------------|
| Incentives | None |
| Utilities in Rent | Trash |
| Heat Source | Natural Gas |

Teaberry Greene

© 2024 Real Property Research Group, Inc. (1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent (2) Published Rent is rent as quoted by management.

Multifamily Community Profile

Wakefield Apts



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|------------------|-------|--------------------------------|-----------|
| 1746 Englewood Drive, Staunton, VA, 24401 | Market Rate - General | 1 Story – Garden | 48 | 0.0 % (0 Units) as of 01/11/24 | 1988 |



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|-------------------------------|--------|----------------------|----------|------------------|---------------------|----------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | | |
| Two | 100% | \$770 | 738 | \$104 | | |
| Features | | | | | | |
| Standard | | | | Ceiling Fan | | |
| Hook Ups | | | | In Unit Laundry | | |
| Central / Heat Pump | | | | Air Conditioning | | |
| Carpet | | | | Flooring Type 1 | | |
| Vinyl/Linoleum | | | | Flooring Type 2 | | |
| White | | | | Appliances | | |
| Laminate | | | | Countertops | | |
| Parking | | | | Contacts | | |
| Parking Description | | Free Surface Parking | | Owner / Mgmt. | | Lakes Edge Apt Homes |
| Parking Description #2 | | | | Phone | | 540-887-3310 |
| Comments | | | | | | |
| No WL | | | | | | |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | |
|---|---------|-----|------|---------|-------|------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | IncTarg% |
| Garden | | 2 | 1.0 | 48 | \$800 | 738 | \$1.08 | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$800 | \$650 | \$595 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Wakefield Apts

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

ADDRESS61 Waterford Loop, Staunton, VA, 24401

COMMUNITY TYPELIHTC - General

STRUCTURE TYPEGarden

UNITS96

VACANCY0.0 % (0 Units) as of 01/11/24

OPENED IN2011



| Unit Mix & Effective Rent (1) | | | | | Community Amenities | |
|---|--------|----------------------|----------|----------------------|-------------------------------------|----------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Clubhouse, Fitness Room, Playground | |
| Two | 50% | \$735 | 1,090 | \$0.67 | | |
| Three | 50% | \$839 | 1,206 | \$0.70 | | |
| Features | | | | | | |
| Standard | | | | Dishwasher, Disposal | | |
| Select Units | | | | Ceiling Fan | | |
| Standard - Full | | | | In Unit Laundry | | |
| Central / Heat Pump | | | | Air Conditioning | | |
| Hardwood | | | | Flooring Type 1 | | |
| Vinyl/Linoleum | | | | Flooring Type 2 | | |
| White | | | | Appliances | | |
| Laminate | | | | Countertops | | |
| Parking | | | | Contacts | | |
| Parking Description | | Free Surface Parking | | Owner / Mgmt. | | JDC Management |
| Parking Description #2 | | | | Phone | | 540-416-4178 |
| Comments | | | | | | |
| Location is described as Staunton, but it is actually in unincorporated Augusta County. | | | | | | |
| WL: 15 ppl | | | | | | |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|-------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 2 | 2.0 | 43 | \$784 | 1,090 | \$0.72 | LIHTC | 50% |
| Garden | | 2 | 2.0 | 5 | \$605 | 1,090 | \$0.56 | LIHTC | 40% |
| Garden | | 3 | 2.0 | 43 | \$896 | 1,206 | \$0.74 | LIHTC | 50% |
| Garden | | 3 | 2.0 | 5 | \$689 | 1,206 | \$0.57 | LIHTC | 40% |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$695 | \$695 | \$612 |
| Three | \$793 | \$793 | \$787 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | \$99 Sec Dep |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

| Initial Absorption | |
|--------------------|-----------------|
| Opened: 2011-06-29 | Months: 17.0 |
| Closed: 2012-12-01 | 5.3 units/month |

Waterford Village

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.

ADDRESS102 Baylor St, Staunton, VA, 24401

COMMUNITY TYPELIHTC - General

STRUCTURE TYPEGarden/TH

UNITS110

VACANCY0.0 % (0 Units) as of 01/11/24

OPENED IN1987



| Unit Mix & Effective Rent (1) | | | | | Community Amenities |
|-------------------------------|--------|----------|----------|-------------|---------------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt | Central Laundry |
| Two | 49% | \$604 | 960 | \$0.63 | |
| Three | 44% | \$726 | 1,176 | \$0.62 | |
| Four+ | 7% | \$804 | 1,326 | \$0.61 | |

| Features | | | |
|------------------------|----------------------|----------------------|-----------------------|
| Standard | | Dishwasher, Disposal | |
| Hook Ups | | In Unit Laundry | |
| Central / Heat Pump | | Air Conditioning | |
| Carpet | | Flooring Type 1 | |
| Vinyl/Linoleum | | Flooring Type 2 | |
| Black | | Appliances | |
| Laminate | | Countertops | |
| Parking | | Contacts | |
| Parking Description | Free Surface Parking | | Owner / Mgmt. Envolve |
| Parking Description #2 | | | Phone 540-887-5088 |

| Comments | |
|---|--|
| Few units are Sec 8, mgmt unable to provide specific amount. Mgmt would not disclose WL information. | |

| Floorplans (Published Rents as of 01/11/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|-------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Garden | | 2 | 1.0 | 3 | \$634 | 960 | \$0.66 | LIHTC | 50% |
| Townhouse | | 2 | 1.0 | 51 | \$634 | 960 | \$0.66 | LIHTC | 50% |
| Garden | | 3 | 1.5 | 48 | \$761 | 1,176 | \$0.65 | LIHTC | 50% |
| Garden | | 4 | 2.5 | 8 | \$844 | 1,326 | \$0.64 | LIHTC | 50% |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/11/24 | 03/20/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$634 | \$634 | \$587 |
| Three | \$761 | \$761 | \$696 |
| Four+ | \$844 | \$844 | \$771 |

| Adjustments to Rent | |
|---------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Multifamily Community Profile

Windgate Place



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|--------------------------------------|-----------------------|---------------------|-------|--------------------------------|-----------|
| 1009 Seth Drive, Staunton, VA, 24401 | Market Rate - General | 3 Story - Townhouse | 57 | 0.0 % (0 Units) as of 01/12/24 | 2010 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| Two | 49% | \$945 | 1,080 | \$0.88 |
| Two/Den | 51% | \$895 | 1,080 | \$0.83 |

Community Amenities

Features

| | |
|---------------------|---|
| Standard | Dishwasher, Disposal, Microwave, IceMaker, Ceiling Fan, Patio Balcony |
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| Select Units | Accessibility |
| White | Appliances |
| Laminate | Countertops |

Parking

| | |
|------------------------|----------------------|
| Parking Description | Free Surface Parking |
| Parking Description #2 | |

Contacts

| | |
|---------------|--------------------|
| Owner / Mgmt. | Real Property Mgmt |
| Phone | 540-649-2175 |

Comments

TH +\$50 for W/D; garden W/D included

| Floorplans (Published Rents as of 01/12/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|-------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Townhouse | | 2 | 1.5 | 28 | \$975 | 1,080 | \$0.90 | Market | - |
| Garden | Den | 2 | 1.0 | 29 | \$925 | 1,080 | \$0.86 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/12/24 | 03/21/23 | 04/02/21 |
| % Vac | 0.0% | 0.0% | 0.0% |
| Two | \$488 | \$488 | \$463 |
| Two/Den | \$925 | \$925 | \$875 |

Adjustments to Rent

| | |
|-------------------|--------------------|
| Incentives | None |
| Utilities in Rent | Water/Sewer, Trash |
| Heat Source | Electric |

Windgate Place

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



| ADDRESS | COMMUNITY TYPE | STRUCTURE TYPE | UNITS | VACANCY | OPENED IN |
|---|-----------------------|------------------|-------|--------------------------------|-----------|
| 357 Windigrove Drive, Waynesboro, VA, 22980 | Market Rate - General | 2 Story – Garden | 354 | 1.1 % (4 Units) as of 01/12/24 | 2014 |



| Unit Mix & Effective Rent (1) | | | | |
|-------------------------------|--------|----------|----------|-------------|
| Bedroom | %Total | Avg Rent | Avg SqFt | Avg \$/SqFt |
| One | 25% | \$1,371 | 952 | \$1.44 |
| Two | 57% | \$1,482 | 1,374 | \$1.08 |
| Three | 18% | \$1,610 | 1,533 | \$1.05 |

| Community Amenities |
|--|
| Picnic Area, Dog Park, Clubhouse, Fitness Room, Community Room, Playground, Business Center, Concierge, Outdoor Pool |

| Features | |
|---------------------|---|
| Central / Heat Pump | Air Conditioning |
| Carpet | Flooring Type 1 |
| Vinyl/Linoleum | Flooring Type 2 |
| Standard - Wood | Fireplace |
| Standard | Dishwasher, Disposal, Microwave, IceMaker, Ceiling Fan, High Ceilings |
| SS | Appliances |
| Granite | Countertops |
| Standard - Full | In Unit Laundry |

| Parking | |
|------------------------|--------------------------|
| Parking Description | Detached Garage \$135.00 |
| Parking Description #2 | Attached Garage |

| Contacts | |
|---------------|-----------------------------|
| Owner / Mgmt. | Park Properties |
| Phone | 540-949-7158 / 540-299-1807 |

| Comments |
|---|
| Phase 1 and 2 - 234 units. 1st phase of 117 units opened in Dec 2014 and reached stabilization before end of 2015. 2nd phase of 117 units - stabilization not available. Phase 3 (120 units) - 4 buildings delivered in early Dec 2021 (3 buildings with garages and 1 buildings with no garages = 44 units), another 6 buildings (2 buildings w/garages and 4 buildings w/no garages - 76 units) delivered in April 2022 and was 100% leased before opening. |
| Garage buildings have 10 units/building. Non garage buildings have 14 units/building. |
| BBQ/grills/picnic, sundeck, WIC, lounge w/billiards, yoga room. Detached garages are only available for rent for units in Phases 1 and 2 for \$135. Some Phase 3 units have an attached garage included in rent. |

| Floorplans (Published Rents as of 01/12/2024) (2) | | | | | | | | | |
|---|---------|-----|------|---------|---------|-------|---------|---------|----------|
| Description | Feature | BRs | Bath | # Units | Rent | SqFt | Rent/SF | Program | IncTarg% |
| Ph 3 - Osprey Garden | | 1 | 1.0 | 20 | \$1,388 | 790 | \$1.76 | Market | - |
| Ph 3 - Jetty Garden | | 1 | 1.0 | 30 | \$1,438 | 808 | \$1.78 | Market | - |
| Linden Garden | | 1 | 1.0 | 17 | \$1,235 | 965 | \$1.28 | Market | - |
| Skyline Garden | Loft | 1 | 1.0 | 22 | \$1,413 | 1,287 | \$1.10 | Market | - |
| Ph 3 - Ivy Garden | | 2 | 2.0 | 25 | \$1,663 | 1,071 | \$1.55 | Market | - |
| Ph 3 - Bauer Garden | | 2 | 2.0 | 15 | \$1,613 | 1,205 | \$1.34 | Market | - |
| Aspen Garden | | 2 | 2.0 | 78 | \$1,405 | 1,267 | \$1.11 | Market | - |
| Parkway Garden | Loft | 2 | 2.0 | 65 | \$1,450 | 1,584 | \$0.92 | Market | - |
| Ph 3 - Parkton Garden | | 2 | 2.0 | 20 | \$1,663 | 1,617 | \$1.03 | Market | - |
| Hawthorn Garden | | 3 | 2.0 | 52 | \$1,580 | 1,450 | \$1.09 | Market | - |
| Ph 3 - Delta Garden | Garage | 3 | 2.0 | 10 | \$1,825 | 1,966 | \$0.93 | Market | - |

| Historic Vacancy & Eff. Rent (1) | | | |
|----------------------------------|----------|----------|----------|
| Date | 01/12/24 | 03/20/23 | 12/20/21 |
| % Vac | 1.1% | 0.0% | 0.8% |
| One | \$1,368 | \$1,349 | \$1,542 |
| Two | \$1,559 | \$1,584 | \$1,376 |
| Three | \$1,703 | \$1,689 | \$1,575 |

| Adjustments to Rent | |
|---------------------|----------|
| Incentives | None |
| Utilities in Rent | Trash |
| Heat Source | Electric |

| Initial Absorption | |
|--------------------|-----------------|
| Opened: 2014-12-01 | Months: 88.0 |
| Closed: 2022-04-15 | 4.0 units/month |

Windigrove

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(1) Effective Rent is Published Rent, net of concessions and assumes that no utilities are included in rent
(2) Published Rent is rent as quoted by management.



XI. APPENDIX 3 NCHMA CERTIFICATION

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

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

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

Real Property Research Group, Inc.



Tad Scepianiak

Name

Managing Principal

Title

January 3, 2024

Date

XII. APPENDIX 4 NCHMA CHECKLIST

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

| Component (*First occurring page is noted) | | *Page(s) |
|--|---|----------|
| Executive Summary | | |
| 1. | Executive Summary | VI |
| Project Summary | | |
| 2. | Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents, and utility allowances | 5 |
| 3. | Utilities (and utility sources) included in rent | 5 |
| 4. | Project design description | 4 |
| 5. | Unit and project amenities; parking | 5 |
| 6. | Public programs included | 4 |
| 7. | Target population description | 4 |
| 8. | Date of construction/preliminary completion | 7 |
| 9. | If rehabilitation, existing unit breakdown and rents | N/A |
| 10. | Reference to review/status of project plans | N/A |
| Location and Market Area | | |
| 11. | Market area/secondary market area description | 27 |
| 12. | Concise description of the site and adjacent parcels | 8 |
| 13. | Description of site characteristics | 8 |
| 14. | Site photos/maps | 9 |
| 15. | Map of community services | 17 |
| 16. | Visibility and accessibility evaluation | 12 |
| 17. | Crime information | 14 |
| Employment and Economy | | |
| 18. | Employment by industry | 22 |
| 19. | Historical unemployment rate | 20 |

| | | |
|------------------------------------|--|-----|
| 20. | Area major employers | 21 |
| 21. | Five-year employment growth | 21 |
| 22. | Typical wages by occupation | 24 |
| 23. | Discussion of commuting patterns of area workers | 21 |
| Demographic Characteristics | | |
| 24. | Population and household estimates and projections | 29 |
| 25. | Area building permits | 30 |
| 26. | Distribution of income | 33 |
| 27. | Households by tenure | 30 |
| Competitive Environment | | |
| 28. | Comparable property profiles | 79 |
| 29. | Map of comparable properties | 39 |
| 30. | Comparable property photos | 79 |
| 31. | Existing rental housing evaluation | 37 |
| 32. | Comparable property discussion | 38 |
| 33. | Area vacancy rates, including rates for tax credit and government-subsidized communities | 40 |
| 34. | Comparison of subject property to comparable properties | 72 |
| 35. | Availability of Housing Choice Vouchers | 4 |
| 36. | Identification of waiting lists | 79 |
| 37. | Description of overall rental market including share of market-rate and affordable properties | 38 |
| 38. | List of existing LIHTC properties | 38 |
| 39. | Discussion of future changes in housing stock | 44 |
| 40. | Discussion of availability and cost of other affordable housing options, including homeownership | N/A |
| 41. | Tax credit and other planned or under construction rental communities in market area | 44 |
| Analysis/Conclusions | | |
| 42. | Calculation and analysis of Capture Rate | 64 |
| 43. | Calculation and analysis of Penetration Rate | 65 |
| 44. | Evaluation of proposed rent levels | 73 |
| 45. | Derivation of Achievable Market Rent and Market Advantage | 46 |
| 46. | Derivation of Achievable Restricted Rent | 47 |
| 47. | Precise statement of key conclusions | 57 |



| | | |
|-----------------------|---|-------------------|
| 48. | Market strengths and weaknesses impacting project | 59 |
| 49. | Recommendation and/or modification to project description | 72, if applicable |
| 50. | Discussion of subject property's impact on existing housing | 76 |
| 51. | Absorption projection with issues impacting performance | 75 |
| 52. | Discussion of risks or other mitigating circumstances impacting project | 75, if applicable |
| 53. | Interviews with area housing stakeholders | 2 |
| Certifications | | |
| 54. | Preparation date of report | Cover |
| 55. | Date of field work | Cover |
| 56. | Certifications | 80 |
| 57. | Statement of qualifications | 84 |
| 58. | Sources of data not otherwise identified | N/A |
| 59. | Utility allowance schedule | 6 |



XIII. APPENDIX 5 ANALYST RESUMES

TAD SCEPANIAK **Managing Principal**

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

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

Areas of Concentration:

- Low Income Tax Credit Rental Housing: Mr. Scepianiak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- Senior Housing: Mr. Scepianiak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.
- Market Rate Rental Housing: Mr. Scepianiak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia



ROBERT M. LEFENFELD

Founding Principal

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

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

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

Areas of Concentration:

- Strategic Assessments: Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
- Feasibility Analysis: Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
- Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

Education:

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



ETHAN REED
Senior Analyst

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

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

Areas of Concentration:

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

Education:

Masters of Business Administration; Liberty University
Bachelor of Science – Business Administration; University of Texas at Dallas



TIMOTHY WEBER

Senior Analyst

Timothy Weber joined Real Property Research Group (RPRG) as an analyst in 2017 bringing real estate research experience from the commercial real estate industry. His educational background consists of coursework in statistical analysis, market analysis, and economics. As an analyst with RPRG, Timothy focuses on rental market studies for multifamily development projects.

Prior to joining RPRG, Timothy served as a Senior Research Associate with CoStar Group, leading market research & analysis efforts for the commercial real estate industry. In his previous experience, Timothy has conducted submarket studies, quarterly market reports, and collected competitive real estate market statistical information.

Areas of Concentration:

- **FHA Section 221(d)(4):** Timothy prepares feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multifamily Accelerated Processing (MAP) guidelines for market studies
- **Low Income Housing Tax Credits:** Timothy prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.

Education:

Bachelor of Arts – History; University of Maryland, College Park, MD



XIV. APPENDIX 6 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 proposed rental units.
- 3.) To the best of my knowledge, the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low-Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
- 4.) Neither I nor anyone at my firm has any interest in the proposed development or 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 of, 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.

A handwritten signature in black ink, appearing to read 'Tim Weber', written over a horizontal line.

Timothy Weber
Senior Analyst

January 3, 2024

Date