



**BOWEN  
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RESEARCH**

# Market Feasibility Analysis

Gosnold Apartments  
2425 Gosnold Avenue  
Norfolk, Virginia 23517

*Prepared For*

Ms. Julie Anderson  
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PO Box 8585  
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*Authorized User*

Virginia Housing  
601 South Belvidere Street  
Richmond, Virginia 23220

*Effective Date*

February 9, 2022

*Job Reference Number*

22-115 JP

# Market Study Certification

## **NCHMA Certification**

This certifies that Andrew Lundell, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Norfolk, Virginia. Further, the information contained in this report is true and accurate as of February 9, 2022.

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

## **Virginia Housing Certification**

I affirm the following:

1. I have made a physical inspection of the site and market area
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low-Income Housing Tax Credit (LIHTC) program in Virginia as administered by Virginia Housing.
4. Neither I nor anyone at my firm has any interest in the proposed development or a relationship with the ownership entity.
5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing Virginia Housing or in any way acting for, at the request, or on behalf of Virginia Housing.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.
7. Evidence of my NCHMA membership is included.

Certified:



Jeff Peters (Primary Contact)

Market Analyst

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

Date: February 9, 2022



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# I. Introduction

## A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Norfolk, Virginia. This study was initiated by Ms. Julie Anderson of Virginia Supportive Housing and complies with the guidelines of Virginia Housing. Market studies for LIHTC developments will model the National Council of Housing Market Analysts' (NCHMA's) Model Content Standards (Version 3.0), as well as its Market Study Terminology, Market Study Index and FAQs (for Model Content Standard).

## B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

### **C. SOURCES**

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

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

### **D. REPORT LIMITATIONS**

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

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

Any reproduction or duplication of this report without the express approval of Virginia Supportive Housing or Bowen National Research is strictly prohibited.

## II. Executive Summary

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

The following is a summary of key findings from our report:

### Project Description

The proposed project involves the renovation of Gosnold Apartments at 2425 Gosnold Avenue in Norfolk, Virginia. Built in 2006, the project currently offers 60 units that operate under the HUD Section 8 program and 59 of these units will be renovated as part of this proposed project. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 93.3% occupied and is not maintaining a waiting list, although there is referral program in place.

The project will be renovated along with a 41-unit new construction component utilizing funding from the Low-Income Housing Tax Credit program, which will involve the extensive rehabilitation of the existing units and the community spaces. Once renovations and construction are completed, the project will offer 100 units targeting homeless households with incomes of up to 40%, 50% and 60% of Area Median Household Income (AMHI). Notably, 80 units will operate under the HUD Section 8 program. Renovations and construction are expected to be completed by August 2025. Additional details of the subject project can be found in Section III - *Project Description* of this report.

### Site Evaluation

The subject site is the existing Gosnold Supportive Housing rental property located at 2425 Gosnold Avenue in the western portion of Norfolk, Virginia, as well as a surface parking lot situated east of the existing building. Surrounding land uses generally include retail uses, commercial uses and residential dwellings. The site is situated along Gosnold Avenue, which generally experiences light traffic. Access to and from the site is convenient due to the light vehicular traffic along the roadways surrounding the subject site. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as U.S. Highway 460 and U.S. Highway 58 are arterial roadways in the area and are accessible within 1.5 miles of the site. The site is situated within an established area in Norfolk and is subsequently located within 1.0 miles of many essential community services. Overall, the site's surrounding land uses and proximity to community services will contribute to its overall marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

### Primary Market Area (PMA)

The traditional Norfolk Site PMA includes Norfolk, Ghent, Poplar Hall, Park Place, Edgewater, Poplar Halls, Broad Creek, Sherwood Forest, West Freemason, and Coronado, as well as some of the immediate surrounding areas. The boundaries of the Site PMA include International Terminal Boulevard and Interstate 64 to the north; Interstate 64 to the east; Interstate 264, South Military Highway, the Elizabeth River and U.S. Highway 58 to the south; and Brambleton Avenue, Redgate Avenue, Redgate Avenue, Elizabeth River Trail, Powhatan Avenue, Swann Road and the Lafayette River to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page *IV-9*.

### Demographic Trends

The Norfolk Site PMA is projected to experience both population and household growth between 2022 and 2027. Specifically, the market's population base is projected to increase by 1,436 (1.1%), while the number of households within the market will increase by 706 (1.4%). Although renter households are projected to remain stable between 2022 and 2027, the 28,192 renters projected for the market in 2027 represent a significant base of potential support for the subject project. These trends emphasize the ongoing need for additional rental housing within the Site PMA. Detailed demographic trends are included in *Section IV*, beginning on page *IV-12*.

### Economic Trends

For much of the past decade, the Norfolk economy had been improving both in terms of total employment and unemployment rate trends. In 2020, however, the city/county experienced an economic downturn due to the impact of the pandemic. Specifically, the employment base declined by 6,295 jobs, or 5.8%, in 2020, while the annual unemployment rate increased to a rate of 8.7%. Further, the *monthly* unemployment rate reached a high of 13.8% during the initial impact of the pandemic in April of 2020. Since the end of 2020, the Norfolk employment base has generally remained stable and the *annual* unemployment rate has declined to a rate of 5.9% through 2021, while the *monthly* unemployment rate has returned to figures similar to those experienced prior to the pandemic. These are good indications that the local economy is beginning to recover from the impact of the pandemic, a trend we expect will continue for the foreseeable future. Detailed economic trends are included in *Section IV*, beginning on page *IV-17*.

### Overall Rental Housing Market Conditions

We identified and personally surveyed 29 conventional housing projects containing a total of 5,007 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 90.7%. However, this includes 442 vacant units among one government-subsidized

property that is scheduled to be demolished and replaced with new construction rental housing. When excluding these units, the overall market has a combined occupancy rate of 99.4%, an excellent rate for rental housing. The surveyed rental developments broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	12	1,858	21	98.9%
Market-rate/Tax Credit	4	744	0	100.0%
Tax Credit	9	1,426	1	99.9%
Tax Credit/Government-Subsidized	3	362	4	98.9%
Government-Subsidized	1	617	442	28.4%
Total	29	5,007	468	90.7%

As the preceding table illustrates, all rental housing segments surveyed within the market are performing at strong occupancy levels, as none has a combined occupancy rate lower than 98.9% (when excluding the previously mentioned vacant government-subsidized units). As such, it does not appear that there are any deficiencies within the Norfolk rental housing market.

#### Competitive/Comparable Tax Credit Analysis

Gosnold Apartments will provide 100 studio units to low-income renters earning up to 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Of the 100 units, 80 will operate with a Section 8 subsidy and all units will target homeless individuals. As such, we have selected the three most comparable LIHTC properties within the Site PMA to serve as a baseline of comparison to the proposed subject project. These properties have been selected based on various features such as their location, units offered, age and targeted population. Notably, one of these properties Church Street Station Studios (Map ID 9), targets homeless individuals and offers studio units, similar to that proposed/offered at the subject site. The three LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	<b>Gosnold Apartments</b>	<b>2006 / 2025</b>	<b>100</b>	<b>93.3%</b>	-	<b>None</b>	<b>Homeless; 40%, 50% &amp; 60% AMHI &amp; Section 8</b>
9	Church Street Station Studios	2017	80	100.0%	1.2 Miles	Yes	Homeless; 50% AMHI
20	Pointe at Pickett Farms	2013	120	100.0%	5.8 Miles	Shared: 30 HH	Families; 50% & 60% AMHI
21	Quill Apts.	2015	180	100.0%	5.4 Miles	Shared: 30 HH	Families; 50% & 60% AMHI

OCC. – Occupancy  
HH - Households

The three comparable LIHTC projects have a combined occupancy rate of 100.0%, a very strong rate for affordable rental housing. In fact, all three of the comparable developments are fully occupied and maintain a waiting list, including the one directly competitive property, Church Street Station Studios (Map ID 9), illustrating that pent-up demand exist for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		Studio	One-Br.	Two-Br.	Three-Br.	
Site	<b>Gosnold Apartments</b>	\$592*/40% (15) \$740*/50% (15) \$740/50% (20) \$888*/60% (50)	-	-	-	-
9	Church Street Station Studios	\$951/50% (80/0)	-	-	-	None
20	Pointe at Pickett Farms	-	\$689/50% (4/0) \$998/60% (14/0)	\$840/50% (4/0) \$1,211/60% (68/0)	\$981/50% (4/0) \$1,410/60% (26/0)	None
21	Quill Apts.	-	\$682/50% (6/0) \$998/60% (24/0)	\$838/50% (6/0) \$1,211/60% (108/0)	\$979/50% (6/0) \$1,410/60% (30/0)	None

\*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable and units operate with subsidy allowing tenants to pay portion of their income towards rent

The proposed non-subsidized gross rent at the subject site of \$740 will be lower than the only studio LIHTC rent within the market. In addition, the subject’s studio rent is similar to the one-bedroom rent at 50% of AMHI being achieved at the comparable LIHTC properties. However, given the strong occupancy levels and waiting lists maintained at the comparable developments, these properties can likely achieve higher rents. Overall, the subject’s non-subsidized LIHTC rent is considered appropriately positioned for the market. Regardless, 80 of the units at the site will operate with a project-based subsidy and the remaining units will likely be occupied by those with vouchers due to the special needs population targeted at the site and the referrals expected to fill the units at the site.

Comparable Tax Credit Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the proposed subject development will be competitive. The presence of the Section 8 subsidy available to nearly all units will ensure the property is affordable to the homeless population targeted at the site and the amenity package is designed to be supportive as well.

Perception of Value

The following table illustrates the market-rent advantage for the proposed subject units:

Bedroom Type	Proposed/Programmatic Collected LIHTC Rent	Achievable Market Rent	Market Rent Advantage
Studio	\$592*	\$1,125	47.4%
Studio	\$740*	\$1,125	34.2%
Studio	\$740	\$1,125	34.2%
Studio	\$888*	\$1,125	21.1%

\*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable rent

Typically, Tax Credit units should represent approximately a 10.0% market rent advantage. As such, the proposed/programmatic Tax Credit rents will likely be perceived as substantial values within the market, as they represent market rent advantages of between 21.1% and 47.4%.

Capture Rate Estimates

The subject project will be developed using financing from the Low-Income Housing Tax Credit (LIHTC) program. It will also offer a Section 8 subsidy with 80 of the 100 units, allowing tenants to pay no more than 30% of their income towards gross rent. Because the project will target the homeless population, the traditional method of calculating the capture rate of income-qualified renter households using U.S. Census data is not necessarily an accurate measure of the depth of support for the proposed development. As a result, we have calculated two sets of demand. First, we calculated the traditional capture rate of the project following Virginia Housing market study requirements. This approach evaluates the number of income-qualified renter households in the market, regardless if they meet the criteria of being designated as “homeless.” We then calculated the capture rate of the project that considers only homeless individuals based on Point-in-Time survey data.

*Virginia Housing Demand*

Subsidized Demand Estimates (As Proposed):

Demand Component	Percent of Median Household Income				
	40% AMHI w/ Section 8 (\$0-\$23,680)	50% AMHI (\$25,371-\$29,600)	50% AMHI w/Section 8 (\$0-\$29,600)	60% AMHI w/ Section 8 (\$0-\$35,520)	Overall w/ Section 8 (\$0-\$35,520)
Net Demand*	2,665	465	3,790	3,889	3,945
Proposed Units	15	20	15	50	100
Proposed Units / Net Demand	15 / 2,665	20 / 465	15 / 3,790	50 / 3,889	100 / 3,945
Capture Rate	= 0.6%	= 4.3%	= 0.4%	= 1.3%	= 2.5%

\*Solely considers one-person households  
N/A-Not Applicable

Non-Subsidized Demand Estimates:

Demand Component	Percent of Median Household Income			
	40% AMHI (\$20,297 -\$23,680)	50% AMHI (\$25,371 -\$29,600)	60% AMHI (\$30,446-\$35,520)	LIHTC Only^ (\$20,297-\$35,520)
Net Demand*	406	465	424	1,294
Proposed Units	15	35	50	100
Proposed Units / Net Demand	15 / 406	35 / 465	50 / 424	100 / 1,294
Capture Rate	= 3.7%	= 7.5%	= 11.8%	= 7.7%

\*Solely considers one-person households

^Accounts for gaps in affordability levels

N/A-Not Applicable

If targeting a general-occupancy population, the 100 studio units would require an overall capture rate of 2.5%, assuming the subsidy is offered on most units as proposed. If the subsidy was lost and the project operated solely under LIHTC program guidelines, it would require a 7.7% capture rate. These capture rates are considered achievable, illustrating that there will be sufficient market depth in the PMA to operate if the subsidy is lost and/or if the project only targeted a general-occupancy population. This is especially true, considering there are no available affordable studio units available within the market.

*Homeless Demand*

Based on the Point-in-Time survey data included in *Section VII*, we have provided a homeless renter household capture rate. This capture rate calculation is summarized as follows:

	Homeless Capture Rate Point-in-Time Homeless Survey
Designated Units	100
Eligible Persons (Age 18+)	/ 307*
Capture Rate	= 32.6%

\*Homeless Adults, collected from 2021 Point-in-Time survey.

Considering the nature of homelessness, capture rates up to and even beyond 100% are considered achievable. Therefore, the capture rate of 32.6% provided above is considered to be low and illustrates the demand for such housing.

Penetration Rate

The 2,598 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$23,623 to \$54,780. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 8,760 renter households with eligible incomes in 2025. The 2,698 existing and planned non-subsidized Tax Credit units, along with the 80 proposed subject units, represent a penetration rate of 30.8% of the 8,760 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Planned and Existing)	2,698
Income-Eligible Renter Households – 2025	/ 8,760
Overall Market Penetration Rate	= 30.8%

It is our opinion that the 30.8% penetration rate for the LIHTC units, both existing and planned, is achievable. Based on the fact that the overall non-subsidized LIHTC market surveyed is operating at a 99.9% occupancy rate, we believe the 30.8% penetration rate is achievable.

### Absorption Projections

The subject project currently operates with a subsidy and will operate with a subsidy upon completion of renovations and all units will likely be rented to those households currently eligible to reside at the site. We also assume that most current tenants will remain at the site once renovations are complete. For the purpose of this analysis, however, we have calculated absorption estimates assuming that all of the units will be vacated and will need to be re-rented under the Tax Credit program with a subsidy and then exclusively under the LIHTC program. This also considers the new construction units that will be added to the existing project.

Assuming the subject project operates with a subsidy on 80 units but all existing units are vacated, we estimate that the 100 subject units can achieve a stabilized occupancy of 93.0% within seven months of re-opening. This is based on a monthly absorption rate of approximately 13 units per month.

In the unlikely event the subject project operates without a subsidy, it would likely experience a slightly extended absorption period of ten months, reflective of nine to ten units per month.

### III. Project Description

Project Name:	<b>Gosnold Apartments</b>
Location:	2425 Gosnold Avenue, Norfolk, Virginia 23517
Census Tract:	27.00
Target Market:	Permanent Supportive Housing for Homeless
Construction Type:	New Construction & Renovation of Existing Development
Funding Source:	LIHTC

The proposed project involves the renovation of Gosnold Apartments at 2425 Gosnold Avenue in Norfolk, Virginia. Built in 2006, the project currently offers 60 units that operate under the HUD Section 8 program and 59 of these units will be renovated as part of this proposed project. The subsidy allows tenants to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 93.3% occupied and is not maintaining a waiting list, although there is referral program in place.

The project will be renovated along with a 41-unit new construction component utilizing funding from the Low-Income Housing Tax Credit program, which will involve the extensive rehabilitation of the existing units and the community spaces. Once renovations and construction are completed, the project will offer 100 units targeting homeless households with incomes of up to 40%, 50% and 60% of Area Median Household Income (AMHI). Notably, 80 units will operate under the HUD Section 8 program. Renovations and construction are expected to be completed by August 2025. Additional details of the subject project are as follows:

**Proposed Unit Configuration**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Contract Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
15	Studio	1.0	Garden	369	40%/S8	-	\$993	\$0	\$993	\$592
15	Studio	1.0	Garden	393	50%/S8	-	\$993	\$0	\$993	\$740
20	Studio	1.0	Garden	369	50%	-	\$740	\$0	\$740	\$740
50	Studio	1.0	Garden	385	60%/S8	\$712	\$993	\$0	\$993	\$888
100	Total									

Source: Virginia Supportive Housing

AMHI – Area Median Household Income (Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area; 2021)

S8 – Section 8

*The maximum allowable LIHTC gross rents of \$592 to \$888 are the programmatic limit for units targeting households earning up to 40% and 60% of AMHI. However, these limits would only apply in the unlikely scenario that the property ceased to operate with a project-based subsidy. Nonetheless, as the proposed contract rents under the Section 8 program are above these maximum allowable limits in some cases, we have evaluated these unit types assuming maximum allowable LIHTC rent limits throughout this report.*

Building/Site Information	
Residential Buildings:	One (1) two-/three-story building
Building Style:	Walk-up & elevator-served
Community Space:	Integrated throughout
Acres:	1.3

Construction Timeline	
Original Year Built:	2006 (60 units)
Construction/Renovation Start:	May 2024
Begin Preleasing:	July 2025
Construction/Renovation End:	August 2025

Unit Amenities		
• Electric Range	• Window/Wall Air Conditioning	• Composite Flooring
• Refrigerator	• Furnished Units	• Window Blinds
• Controlled Access/Key Fob		

Community Amenities		
• Bike Racks/Storage	• Business/Computer Center	• Elevator
• Laundry Room	• On-Site Management	• Common Porch/Patio
• Clubhouse/Community Room	• Community Kitchen	• Social Service Coordinator
• Common Area Wi-Fi	• CCTV/Cameras	• Surface Parking Lot (49 Spaces)

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

Current Occupancy Status			
Total Units	Vacant Units	Occupancy Rate	Waiting List
60 (existing)	4	93.3%	-

**PLANNED RENOVATION:**

A detailed scope of renovations for the existing units was unavailable at the time of this report. The following is a summary of a typical renovation scope of work that is likely similar to that of the subject site:

- Replace all flooring
- Install new kitchen appliances, cabinets and countertops
- Paint the interior of all the units
- New bathroom fixtures, replace/refurbish tubs and tub surrounds as needed
- Install new furnaces
- Install new mini-blinds at all windows
- Update exterior with siding/paint
- Repair all sidewalks to remove any trip hazards
- Repair, seal coat and re-stripe the parking lots
- Replace roofs where necessary

## **FLOOR AND SITE PLAN REVIEW:**

Floor and site plans were provided and reviewed at the time this report was prepared. Based on these plans, as well as on-site visit of the property grounds and unit interiors, the subject property will involve the renovation of 59 existing studio units in a one- and two-story building, and the new construction of 41 studio units located within a three-story elevator-equipped building. The subject units will range in size from 369 to 393 square feet, with all units including one (1.0) bathroom. Each unit will come well-equipped in terms of unit amenities and will feature a full kitchen appliance package, with all units being fully furnished.

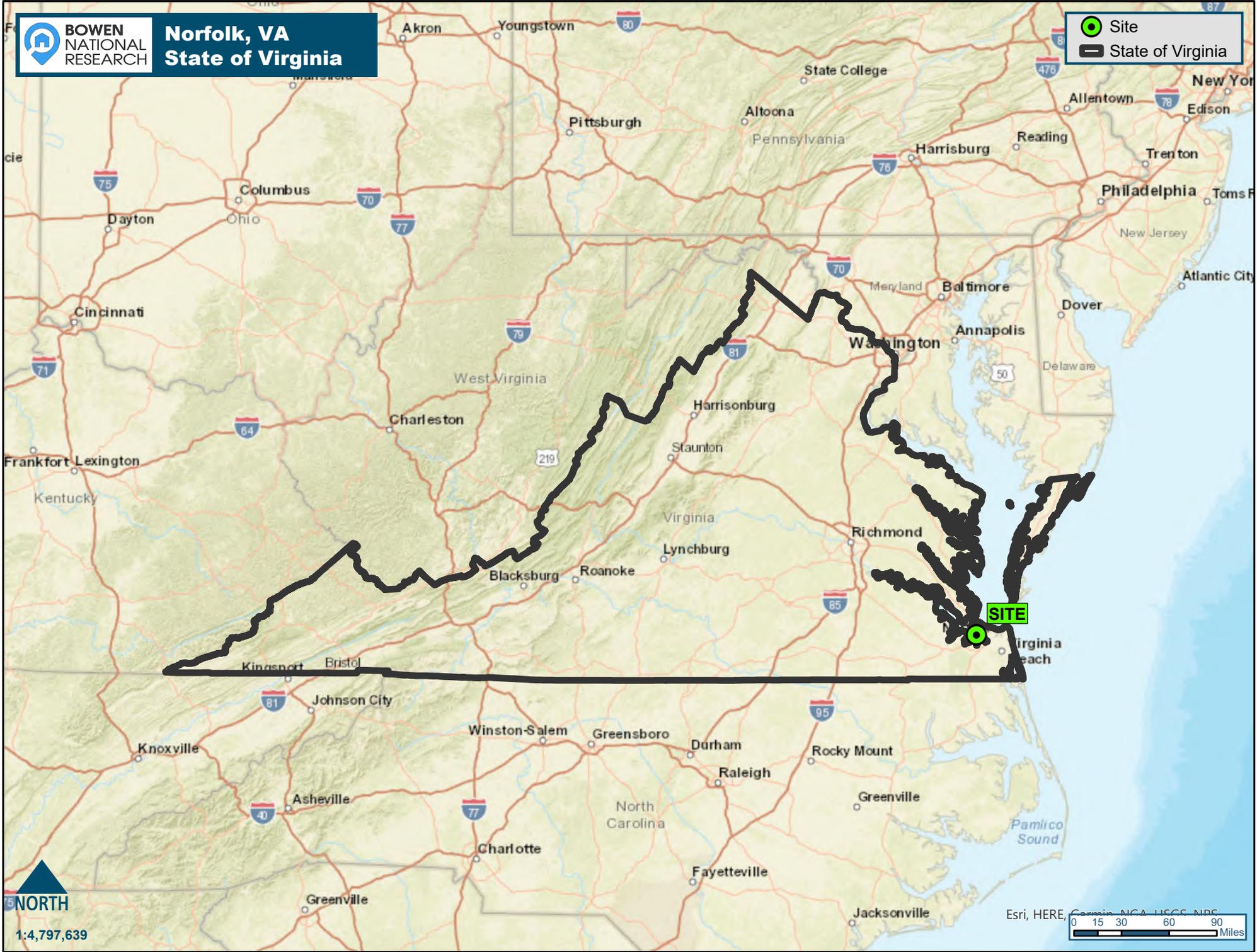
In addition to the subject's residential units, the property will feature an array of community amenities integrated throughout the property. This will further enhance marketability of the subject project. Overall, the subject property appears to be marketable in terms of overall design. Nonetheless, an in-depth comparable/competitive analysis is included in *Section V* to better determine the competitive position and overall marketability of the subject project within the Norfolk market.

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



# Norfolk, VA State of Virginia

 Site  
 State of Virginia



  
NORTH  
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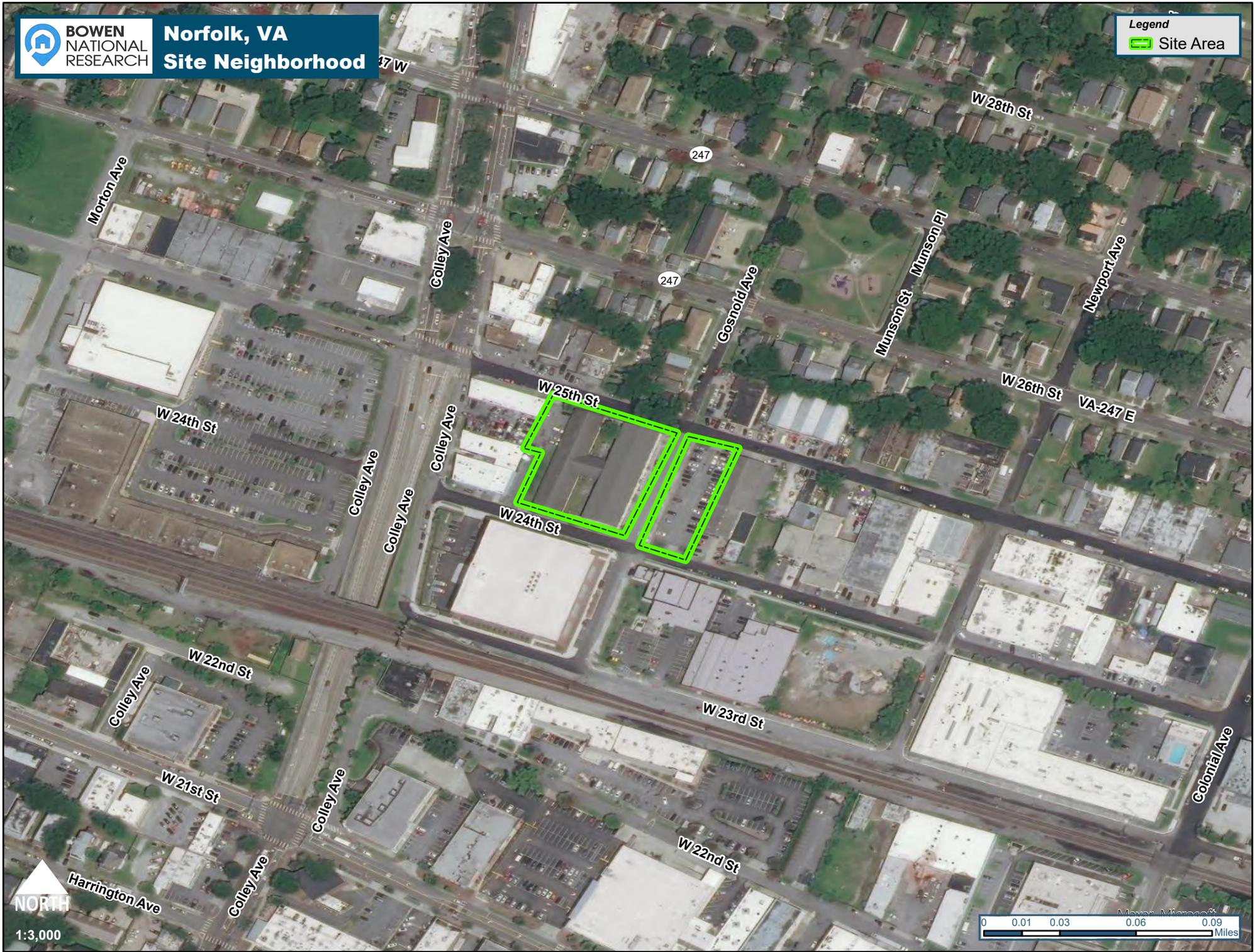
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Miles





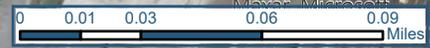
# Norfolk, VA Site Neighborhood

Legend  
Site Area



NORTH

1:3,000



## IV. Area Analysis

### A. SITE DESCRIPTION AND EVALUATION

#### 1. LOCATION

The subject site is the existing Gosnold Supportive Housing rental property located at 2425 Gosnold Avenue in the western portion of Norfolk, Virginia, as well as a surface parking lot situated east of the existing building. The subject site is approximately 2.0 miles north of Norfolk’s Central Business District (CBD). The subject site visit and corresponding fieldwork were completed during the week of February 7, 2022.

#### 2. SURROUNDING LAND USES

The subject site is situated within an established mixed-use area of Norfolk. Surrounding land uses generally include retail uses, commercial uses and residential dwellings. Adjacent land uses are detailed as follows:

<b>North -</b>	The northern boundary of the site is defined by West 25 <sup>th</sup> Street, a lightly traveled two-lane roadway. Single-family homes in fair condition and commercial businesses in fair condition extend north of the site to West 26 <sup>th</sup> Street, which is also a lightly traveled roadway. Additional single-family homes in fair condition, Munson Park, Abyssinia Baptist Church and a branch of the Norfolk Public Library extend farther north of the site. In addition, northeast of the site are two automobile repair facilities.
<b>East -</b>	Gosnold Avenue, a lightly traveled two-lane roadway, separates the existing subject building from a surface parking lot that is the site of the new construction units. East of this surface parking lot is a commercial structure and office for Husted’s Canvas Creations. Retail and commercial structures extend east of the site.
<b>South -</b>	The southern boundary is defined by West 24 <sup>th</sup> Street. A lightly traveled two-lane roadway. Mini Price Storage, a set of railroad tracks, Roger’s Tire Services, Chenman Lofts and the Center Shops shopping area extend farther south of the site.
<b>West -</b>	The western site boundary is defined by a surface parking lot and small area of greenspace, which buffers the site from Zion Auto and Local Bike Shop. Colley Village shopping center and various commercial and retail buildings in fair to good condition extend farther west of the site.

The subject site is situated within an established and generally good condition neighborhood. It is important to note that a set of railroad tracks is positioned south of the site, however, no trains were heard or seen during the site inspection. In addition, the high occupancy of the existing units at the subject site is a good indication that this land use will not adversely impact the marketability of the site. There are also two automobile repair facilities located northeast of the site and noises were from, these land uses were minor. The high occupancy rate reported at the site further illustrates that these land uses are also not expected to adversely impact the site's marketability. Overall, the subject property fits well with the surrounding land uses and they should contribute to the marketability of the site. Photographs of the site can be found in *Section X* of this report.

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

The site is situated along Gosnold Avenue, which generally experiences light traffic. In addition, the remaining surrounding roadways also experience light vehicular traffic. Despite the light traffic in the site area, visibility and awareness of the subject site is considered good, as the placement programs provided by Virginia Supportive Housing, which connect potential residents with available units, are the primary driver of occupancy for this site per the property manager, and as such, visibility for the site is considered good and is expected to continue to contribute to its marketability.

Access to and from the site is convenient due to the light vehicular traffic along the roadways surrounding the subject site. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as U.S. Highway 460 and U.S. Highway 58 are arterial roadways in the area and are accessible within 1.5 miles of the site. In addition, Hampton Road Transit operates a bus stop 0.1 mile north of the site, which provides access to numerous stops and lines around the Norfolk area. Finally, on-demand ridesharing services are also available to tenants via Uber and Lyft. Overall, access for the site is considered good and is expected to continue to contribute to its marketability.

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

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

Community Services	Name	Driving Distance From Site (miles)
Major Highways	U.S. Highway 460	1.0 East
	U.S. Highway 58	1.4 South
Public Bus Stop	Uber/Lyft Ridesharing Services	On Demand
	Hampton Road Transit	0.1 North
Major Employers/ Employment Centers	Norfolk Public Schools	0.5 North
	Sentara Healthcare	1.1 South
	United States Federal Government	1.5 South
Convenience Store	7-Eleven	0.4 South
Grocery	Food Lion	0.2 West
	Aldi	0.4 South
Discount Department Store	Dollar General	0.2 Southwest
	Dollar Tree	0.6 Southeast
Shopping Center/Mall	Colley Village	0.2 West
	Center Shops	0.4 South
	Palace Shops & Station	0.8 Southeast
Schools: Elementary Middle/Junior High High	Walter Herron Taylor Elementary School	1.0 Southwest
	Blair Middle School	0.5 South
	Matthew Fontaine Maury High School	0.8 Northeast
Hospital	Sentara Norfolk General Hospital	1.1 South
Police	Norfolk Police	2.2 South
Fire	Norfolk Fire-Rescue Station 6	1.2 South
Post Office	U.S. Post Office	0.2 West
Bank	Truist	0.3 South
	Atlantic Union Bank	0.5 South
	Wells Fargo	0.6 Southeast
Recreational Facilities	The Adroit Collective	0.1 East
	The Y on Granby	0.9 East
	Jeff Robertson Park	1.0 West
Gas Station	Citgo	0.8 North
	Shell	1.4 Northeast
	Exxon	1.7 South
Pharmacy	Walgreens	0.3 South
	Rite Aid	0.5 South
	CVS	0.8 Northwest
Restaurant	Papa John's	0.3 South
	Panera Bread	0.3 South
	Mr. Schwarma	0.4 South
Day Care	Children's Harbor Ghent	0.8 Southeast
	My Joy Learning Center & Childcare	0.8 East
	New Generation Daycare and Learning Center	1.6 Northeast
Community/Senior Center	Park Place Community Center	0.4 Northeast
	Lambert's Point Community Center	1.0 Northwest
	Young Terrace Community Center	1.9 South

The site is situated within an established area in Norfolk and is subsequently located within 1.0 miles of many essential community services. Notably, the site is within walking distance of numerous services, including public transportation, a convenience store, grocery stores, discount stores, schools, a post office, banks, recreational facilities, pharmacies and restaurants. Of note, most of the services within walking distance are situated within Colley Village and Center Shops, which are anchored by Food Lion and Aldi, respectively.

District schools are all within 1.0 mile of the site. Children's Harbor Ghent, which is 0.8 miles from the site, is the closest day care center. Public safety services are provided by Norfolk Fire and Norfolk Police Departments, which are located 1.2 and 2.2 miles from the site, respectively. The nearest medical facility is Sentara Norfolk General Hospital, which is 1.1 miles from the site. Several pharmacies are within 0.8 miles of the site, with the nearest being Walgreens, which is 0.3 miles away. The closest post office is 0.6 miles from the site. Numerous restaurants are close to the site, with the closest ones being Panera Bread and Papa John's, which are 0.3 miles away. Numerous community and recreational centers are all located within 1.9 miles of the site. Overall, the site's proximity to essential community services is considered good and is expected to continue to help with overall marketability.

## **5. OVERALL SITE EVALUATION**

The subject site is the existing Gosnold Supportive Housing rental property located at 2425 Gosnold Avenue in the western portion of Norfolk, Virginia, as well as a surface parking lot situated east of the existing building. Surrounding land uses generally include retail uses, commercial uses and residential dwellings. The site is situated along Gosnold Avenue, which generally experiences light traffic. Access to and from the site is convenient due to the light vehicular traffic along the roadways surrounding the subject site. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as U.S. Highway 460 and U.S. Highway 58 are arterial roadways in the area and are accessible within 1.5 miles of the site. The site is situated within an established area in Norfolk and is subsequently located within 1.0 miles of many essential community services. Overall, the site's surrounding land uses and proximity to community services will contribute to its overall marketability.

## **6. CRIME ISSUES**

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

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

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

Total crime risk (238) for the Site ZIP Code is above the national average with an overall personal crime index of 155 and a property crime index of 252. Total crime risk (158) for Norfolk City is above the national average with indexes for personal and property crime of 137 and 162, respectively.

	Crime Risk Index	
	Site ZIP Code	Norfolk city
<b>Total Crime</b>	<b>238</b>	<b>158</b>
<b>Personal Crime</b>	<b>155</b>	<b>137</b>
Murder	330	281
Rape	46	121
Robbery	257	159
Assault	129	128
<b>Property Crime</b>	<b>252</b>	<b>162</b>
Burglary	106	98
Larceny	299	184
Motor Vehicle Theft	171	118

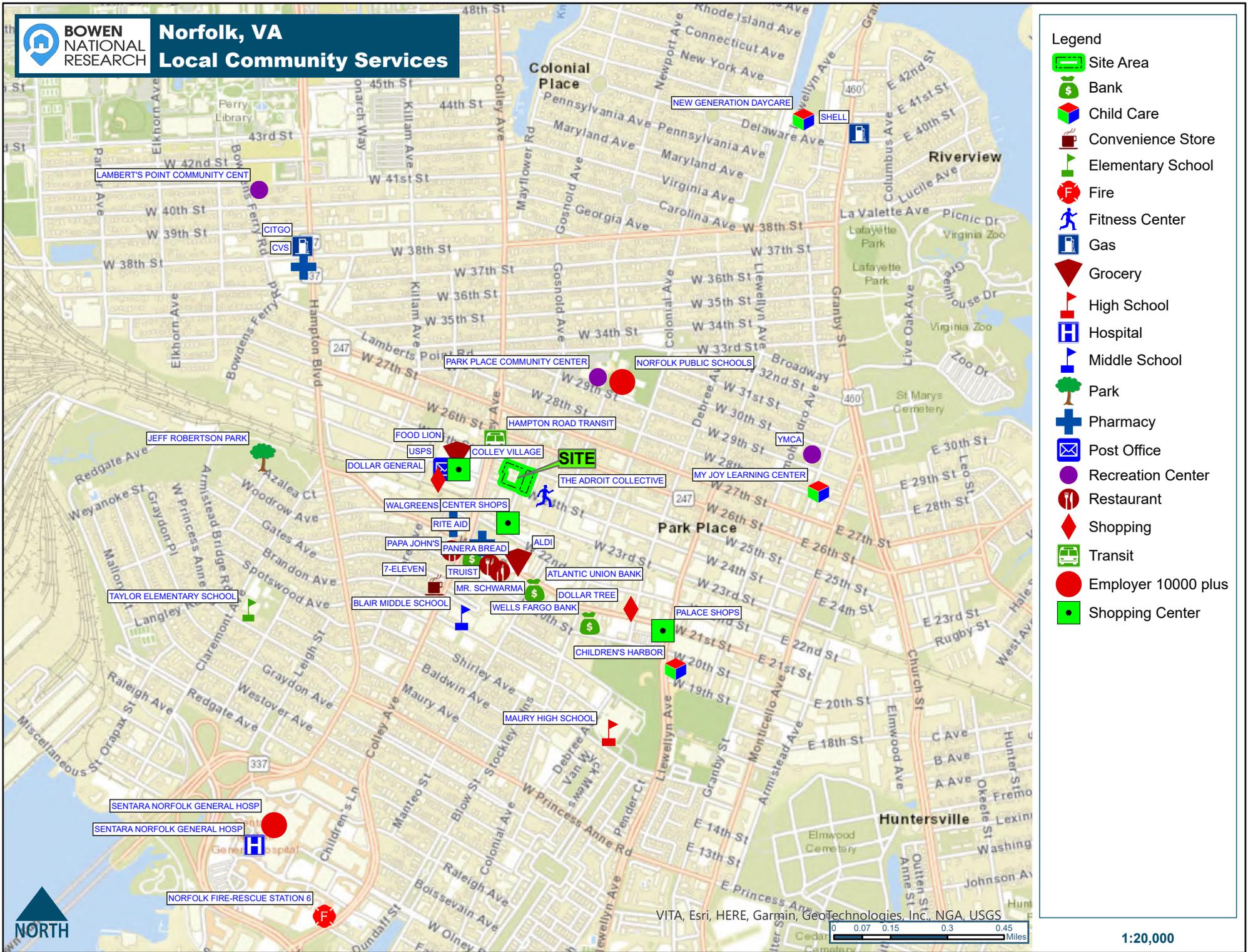
Source: Applied Geographic Solutions

As the preceding table illustrates, the crime risk index for the site's ZIP Code (238) is below that of Norfolk City as a whole (158), both of which are above the national average (100). However, the elevated crime index within the area has not had an adverse impact on the Norfolk rental housing market, which is further evidenced by the strong occupancy levels maintained at the majority of the surveyed rental properties, including the subject site. The subject project also includes security cameras, a feature which typically deters crime. As such, the perception of crime is not expected to be a factor in the continued marketability of the subject project.

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



# Norfolk, VA Local Community Services



- Legend**
- Site Area
  - Bank
  - Child Care
  - Convenience Store
  - Elementary School
  - Fire
  - Fitness Center
  - Gas
  - Grocery
  - High School
  - Hospital
  - Middle School
  - Park
  - Pharmacy
  - Post Office
  - Recreation Center
  - Restaurant
  - Shopping
  - Transit
  - Employer 10000 plus
  - Shopping Center



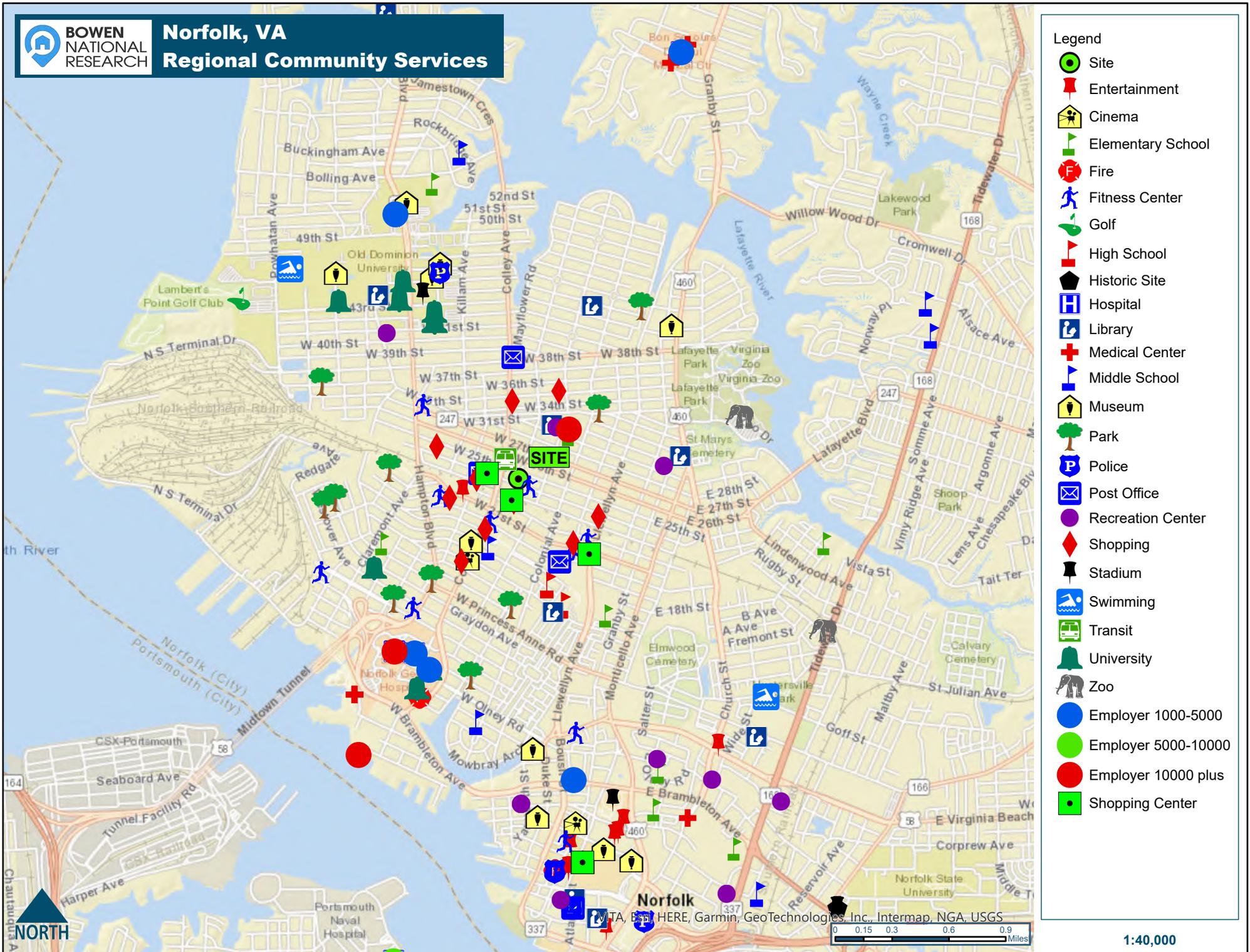
VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., NGA, USGS



1:20,000



# Norfolk, VA Regional Community Services



- Legend**
- Site
  - Entertainment
  - Cinema
  - Elementary School
  - Fire
  - Fitness Center
  - Golf
  - High School
  - Historic Site
  - Hospital
  - Library
  - Medical Center
  - Middle School
  - Museum
  - Park
  - Police
  - Post Office
  - Recreation Center
  - Shopping
  - Stadium
  - Swimming
  - Transit
  - University
  - Zoo
  - Employer 1000-5000
  - Employer 5000-10000
  - Employer 10000 plus
  - Shopping Center

0 0.15 0.3 0.6 0.9 Miles  
1:40,000



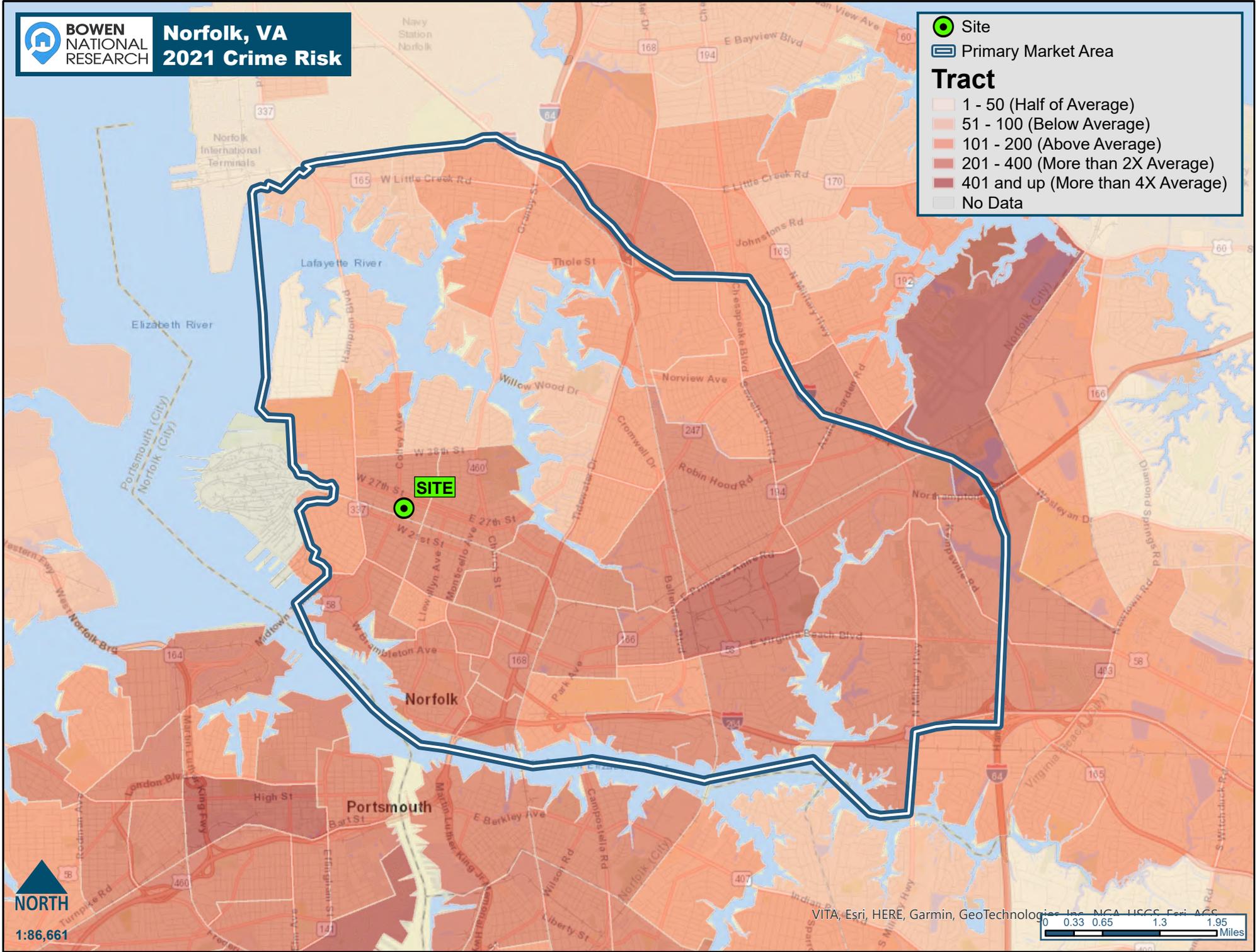
# Norfolk, VA 2021 Crime Risk

Site

Primary Market Area

**Tract**

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



1:86,661

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

*Typically*, the Primary Market Area (PMA) is the smallest geographical area from which most of the support for a proposed development is expected to originate. Typical PMAs are determined through interviews with property managers, area leasing and real estate agents, government officials, economic development representatives and the personal observations of our analysts. In addition, demographic characteristics pertaining to household tenure (owner vs. renter), population density, and household income are analyzed to ensure a market area is relatively homogenous. However, the subject development will target homeless individuals. As such, the need for safe and affordable housing trumps normal barriers that restrict the migration of households (e.g., cost, distance, neighborhood familiarity, schools, etc.). Based on our professional experience and interviews with stakeholders familiar with homelessness, it is generally believed that the homeless population will relocate wherever there is availability of housing. Further, the Continuum of Care (CoC) will naturally channel residents to facilities that are able to accommodate them.

Due to the targeted special needs population, we believe that support for the units that are set-aside for the homeless population will be derived from the entire Southeastern Virginia Homeless Coalition (SVHC) jurisdiction, which includes Chesapeake, Norfolk, Franklin, Suffolk Isle of Wight County and Southampton County. As such, data provided by 2021 Point-in-Time (PIT) survey of homeless households will be utilized to help establish demand for the special needs units at the subject project. Considering the location of the subject project in Norfolk, as well as the transient nature of homeless individuals, it is also believed that the subject project will derive some support from homeless individuals located in Portsmouth and Virginia Beach, which are adjacent to Norfolk. However, it is expected that the majority of support for the subject project will originate from within the immediate Norfolk area and we have included a traditional Site PMA that the majority of support for the subject is expected to originate from.

The traditional Norfolk Site PMA includes Norfolk, Ghent, Poplar Hall, Park Place, Edgewater, Poplar Halls, Broad Creek, Sherwood Forest, West Freemason, and Coronado, as well as some of the immediate surrounding areas. The boundaries of the Site PMA include International Terminal Boulevard and Interstate 64 to the north; Interstate 64 to the east; Interstate 264, South Military Highway, the Elizabeth River and U.S. Highway 58 to the south; and Brambleton Avenue, Redgate Avenue, Redgate Avenue, Elizabeth River Trail, Powhatan Avenue, Swann Road and the Lafayette River to the west.

Areas north of the Site PMA are generally comprised of a Naval base and areas east of the Site PMA are generally comprised of higher-income households and Norfolk International Airport. In addition, Elizabeth River serves as a natural boundary separating areas south and west of the Site PMA boundaries. Due to the preceding factors and considering the densely populated nature of the areas comprised within the Site PMA, areas outside the Site PMA have been excluded and a secondary market area was not considered or included in this report.

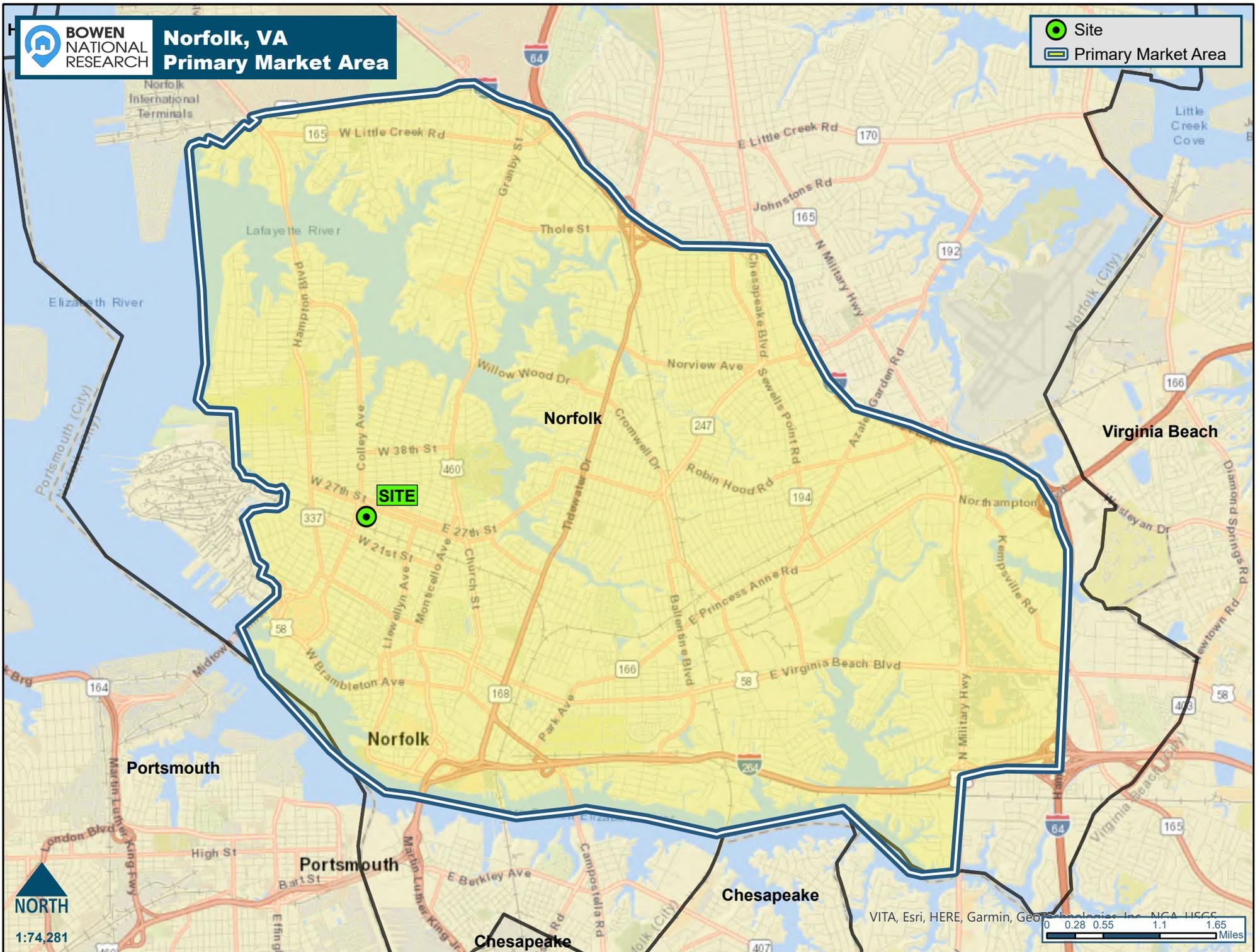
Jamey Poole, Property Manager at Gosnold Supportive Housing (subject site), confirmed the boundaries of the Site PMA. Mr. Poole stated that the majority of his tenants are from the immediate Norfolk area and within the boundaries of the Site PMA. He stated that while a few of his tenants are from other areas served by Virginia Supportive Housing, Norfolk has a rather sizable homeless population, and most tenants at the site are from within the designated market area.

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



# Norfolk, VA Primary Market Area

- Site
- Primary Market Area



NORTH

1:74,281

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

## C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

### 1. POPULATION TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2022 (Estimated)	2027 (Projected)
Population	122,582	125,901	130,282	131,718
Population Change	-	3,319	4,381	1,436
Percent Change	-	2.7%	3.5%	1.1%

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

The Norfolk Site PMA population base increased by 3,319 between 2000 and 2010. This represents a 2.7% increase over the 2000 population, or an annual rate of 0.3%. Between 2010 and 2022, the population increased by 4,381, or 3.5%. It is projected that the population will increase by 1,436, or 1.1%, between 2022 and 2027.

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

Population by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	34,001	27.0%	32,999	25.3%	32,892	25.0%	-107	-0.3%
20 to 24	15,207	12.1%	13,363	10.3%	13,620	10.3%	257	1.9%
25 to 34	19,470	15.5%	20,835	16.0%	19,275	14.6%	-1,560	-7.5%
35 to 44	14,368	11.4%	15,976	12.3%	17,248	13.1%	1,272	8.0%
45 to 54	16,528	13.1%	13,052	10.0%	13,043	9.9%	-9	-0.1%
55 to 64	12,789	10.2%	14,487	11.1%	13,181	10.0%	-1,306	-9.0%
65 to 74	6,769	5.4%	11,182	8.6%	12,414	9.4%	1,232	11.0%
75 & Over	6,769	5.4%	8,387	6.4%	10,044	7.6%	1,657	19.8%
Total	125,901	100.0%	130,282	100.0%	131,718	100.0%	1,436	1.1%

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

As the preceding table illustrates, over 49% of the population is expected to be between 25 and 64 years old in 2022. This age group is the primary group of continued and potential support for the subject site and likely represent a significant number of the tenants.

## 2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2022 (Estimated)	2027 (Projected)
Households	48,116	48,690	50,584	51,290
Household Change	-	574	1,894	706
Percent Change	-	1.2%	3.9%	1.4%
Household Size	2.55	2.59	2.38	2.38

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

Within the Norfolk Site PMA, households increased by 574 (1.2%) between 2000 and 2010. Between 2010 and 2022, households increased by 1,894 or 3.9%. By 2027, there will be 51,290 households, an increase of 706 households, or 1.4% over 2022 levels. This is an increase of approximately 141 households annually over the next five years.

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

Households by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	4,404	9.0%	3,738	7.4%	3,826	7.5%	88	2.4%
25 to 34	9,880	20.3%	10,147	20.1%	9,336	18.2%	-811	-8.0%
35 to 44	7,771	16.0%	8,281	16.4%	8,891	17.3%	610	7.4%
45 to 54	9,325	19.2%	6,989	13.8%	6,899	13.5%	-90	-1.3%
55 to 64	7,850	16.1%	8,436	16.7%	7,560	14.7%	-876	-10.4%
65 to 74	4,528	9.3%	7,102	14.0%	7,765	15.1%	663	9.3%
75 to 84	3,355	6.9%	4,046	8.0%	4,817	9.4%	771	19.1%
85 & Over	1,577	3.2%	1,846	3.6%	2,197	4.3%	351	19.0%
Total	48,690	100.0%	50,584	100.0%	51,290	100.0%	706	1.4%

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

Between 2022 and 2027, the greatest growth among household age groups is projected to be among those ages 65 and over, increasing by 1,785 (13.7%). This projected growth among senior households indicates that there will be an increasing need for housing for seniors in the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	22,372	45.9%	22,392	44.3%	23,099	45.0%
Renter-Occupied	26,318	54.1%	28,191	55.7%	28,192	55.0%
Total	48,690	100.0%	50,584	100.0%	51,292	100.0%

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

In 2022, homeowners occupied 44.3% of all occupied housing units, while the remaining 55.7% were occupied by renters. Renters are projected to remain stable between 2022 and 2027.

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

Persons Per Renter Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	11,731	41.6%	11,776	41.8%	45	0.4%
2 Persons	7,812	27.7%	7,858	27.9%	46	0.6%
3 Persons	4,187	14.9%	4,093	14.5%	-94	-2.2%
4 Persons	2,406	8.5%	2,342	8.3%	-64	-2.6%
5 Persons+	2,055	7.3%	2,122	7.5%	68	3.3%
Total	28,191	100.0%	28,192	100.0%	1	0.0%

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

Persons Per Owner Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	6,151	27.5%	6,425	27.8%	273	4.4%
2 Persons	8,358	37.3%	8,586	37.2%	227	2.7%
3 Persons	3,670	16.4%	3,730	16.1%	60	1.6%
4 Persons	2,645	11.8%	2,765	12.0%	120	4.5%
5 Persons+	1,567	7.0%	1,594	6.9%	26	1.7%
Total	22,392	100.0%	23,099	100.0%	707	3.2%

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

The studio units offered at the subject site will continue to house one-person households, which nearly half of all households in the market, based on size.

### 3. INCOME TRENDS

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

Household Income	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	5,947	12.2%	4,739	9.4%	4,125	8.0%
\$10,000 to \$19,999	6,769	13.9%	4,986	9.9%	4,411	8.6%
\$20,000 to \$29,999	5,454	11.2%	5,139	10.2%	4,722	9.2%
\$30,000 to \$39,999	5,859	12.0%	4,151	8.2%	3,569	7.0%
\$40,000 to \$49,999	5,324	10.9%	4,049	8.0%	3,869	7.5%
\$50,000 to \$59,999	3,538	7.3%	4,082	8.1%	3,869	7.5%
\$60,000 to \$74,999	4,169	8.6%	5,303	10.5%	5,693	11.1%
\$75,000 to \$99,999	4,967	10.2%	6,364	12.6%	7,165	14.0%
\$100,000 to \$124,999	2,260	4.6%	4,000	7.9%	4,640	9.0%
\$125,000 to \$149,999	1,733	3.6%	2,358	4.7%	2,692	5.2%
\$150,000 to \$199,999	1,478	3.0%	3,081	6.1%	3,740	7.3%
\$200,000 & Over	1,192	2.4%	2,332	4.6%	2,797	5.5%
Total	48,690	100.0%	50,584	100.0%	51,292	100.0%
Median Income	\$40,594		\$55,459		\$62,848	

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

In 2010, the median household income was \$40,594. This increased by 36.6% to \$55,459 in 2022. By 2027, it is projected that the median household income will be \$62,848, an increase of 13.3% over 2022.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	2,179	1,279	807	454	316	5,035
\$10,000 to \$19,999	2,373	1,327	837	471	328	5,337
\$20,000 to \$29,999	1,521	949	599	337	235	3,641
\$30,000 to \$39,999	1,330	918	579	326	227	3,380
\$40,000 to \$49,999	1,164	792	499	281	196	2,932
\$50,000 to \$59,999	575	404	255	143	100	1,477
\$60,000 to \$74,999	684	473	299	168	117	1,741
\$75,000 to \$99,999	595	425	268	151	105	1,544
\$100,000 to \$124,999	197	144	91	51	36	519
\$125,000 to \$149,999	149	111	70	39	27	398
\$150,000 to \$199,999	69	47	30	17	12	174
\$200,000 & Over	55	38	24	14	9	140
Total	10,893	6,908	4,358	2,450	1,708	26,318

Source: ESRI; Urban Decision Group

Renter Households	2022 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,764	1,094	587	337	288	4,070
\$10,000 to \$19,999	1,925	979	525	302	257	3,988
\$20,000 to \$29,999	1,638	979	525	302	257	3,701
\$30,000 to \$39,999	1,207	803	431	248	211	2,900
\$40,000 to \$49,999	1,121	766	411	236	201	2,735
\$50,000 to \$59,999	828	619	332	191	163	2,131
\$60,000 to \$74,999	1,070	809	433	249	213	2,773
\$75,000 to \$99,999	989	802	429	247	211	2,678
\$100,000 to \$124,999	488	403	216	124	106	1,337
\$125,000 to \$149,999	296	234	125	72	61	788
\$150,000 to \$199,999	225	188	101	58	49	621
\$200,000 & Over	181	137	73	42	36	470
Total	11,731	7,812	4,187	2,406	2,055	28,191

Source: ESRI; Urban Decision Group

Renter Households	2027 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,536	952	495	283	257	3,523
\$10,000 to \$19,999	1,714	847	440	252	229	3,482
\$20,000 to \$29,999	1,535	889	463	265	240	3,393
\$30,000 to \$39,999	1,102	719	374	214	194	2,603
\$40,000 to \$49,999	1,176	767	399	229	207	2,777
\$50,000 to \$59,999	868	634	330	189	171	2,193
\$60,000 to \$74,999	1,255	940	490	281	254	3,219
\$75,000 to \$99,999	1,159	941	490	281	254	3,125
\$100,000 to \$124,999	587	497	259	148	134	1,625
\$125,000 to \$149,999	356	281	146	84	76	943
\$150,000 to \$199,999	272	228	119	68	62	748
\$200,000 & Over	216	164	86	49	44	559
Total	11,776	7,858	4,093	2,342	2,122	28,192

Source: ESRI; Urban Decision Group

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

### Demographic Summary

The Norfolk Site PMA is projected to experience both population and household growth between 2022 and 2027. Specifically, the market's population base is projected to increase by 1,436 (1.1%), while the number of households within the market will increase by 706 (1.4%). Although renter households are projected to remain stable between 2022 and 2027, the 28,192 renters projected for the market in 2027 represent a significant base of potential support for the subject project. These trends emphasize the ongoing need for additional rental housing within the Site PMA.

Data from the preceding tables is used in our demand estimates. Data regarding the homeless population is included in this report starting on page VII-5.

## D. LOCAL ECONOMIC PROFILE AND ANALYSIS

### 1. LABOR FORCE PROFILE

The labor force within the Norfolk Site PMA is based primarily in two sectors. Health Care & Social Assistance (which comprises 18.8%) and Educational Services comprise nearly 30% of the Site PMA labor force. Employment in the Norfolk Site PMA, as of 2022, was distributed as follows:

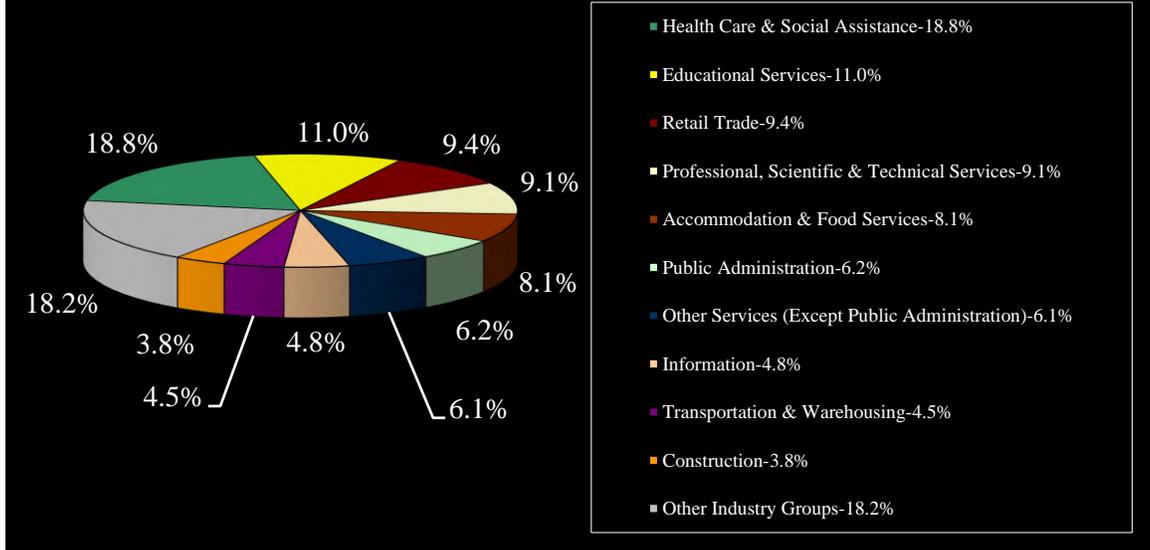
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	2	0.0%	34	0.0%	17.0
Mining	2	0.0%	23	0.0%	11.5
Utilities	2	0.0%	67	0.1%	33.5
Construction	275	5.4%	3,631	3.8%	13.2
Manufacturing	143	2.8%	3,441	3.6%	24.1
Wholesale Trade	135	2.7%	2,879	3.0%	21.3
Retail Trade	643	12.6%	8,849	9.4%	13.8
Transportation & Warehousing	104	2.0%	4,232	4.5%	40.7
Information	144	2.8%	4,569	4.8%	31.7
Finance & Insurance	221	4.3%	3,087	3.3%	14.0
Real Estate & Rental & Leasing	269	5.3%	2,193	2.3%	8.2
Professional, Scientific & Technical Services	513	10.1%	8,547	9.1%	16.7
Management of Companies & Enterprises	7	0.1%	35	0.0%	5.0
Administrative, Support, Waste Management & Remediation Services	145	2.9%	2,355	2.5%	16.2
Educational Services	162	3.2%	10,386	11.0%	64.1
Health Care & Social Assistance	564	11.1%	17,745	18.8%	31.5
Arts, Entertainment & Recreation	118	2.3%	1,816	1.9%	15.4
Accommodation & Food Services	430	8.5%	7,634	8.1%	17.8
Other Services (Except Public Administration)	713	14.0%	5,790	6.1%	8.1
Public Administration	157	3.1%	5,807	6.2%	37.0
Nonclassifiable	338	6.6%	1,291	1.4%	3.8
Total	5,087	100.0%	94,411	100.0%	18.6

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

E.P.E. - Average Employees Per Establishment

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

### Employment by Industry



Typical wages by job category for the Virginia Beach-Norfolk-Newport News Metropolitan Statistical Area (MSA) are compared with those of Virginia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Virginia Beach-Norfolk-Newport News MSA	Virginia
Management Occupations	\$117,870	\$142,170
Business and Financial Occupations	\$78,340	\$88,480
Computer and Mathematical Occupations	\$92,040	\$107,130
Architecture and Engineering Occupations	\$87,630	\$94,480
Community and Social Service Occupations	\$50,810	\$53,450
Art, Design, Entertainment and Sports Medicine Occupations	\$59,280	\$65,300
Healthcare Practitioners and Technical Occupations	\$80,030	\$84,620
Healthcare Support Occupations	\$29,170	\$30,330
Protective Service Occupations	\$48,740	\$50,600
Food Preparation and Serving Related Occupations	\$25,290	\$25,950
Building and Grounds Cleaning and Maintenance Occupations	\$29,120	\$31,480
Personal Care and Service Occupations	\$28,400	\$31,230
Sales and Related Occupations	\$38,010	\$45,750
Office and Administrative Support Occupations	\$39,730	\$42,870
Construction and Extraction Occupations	\$47,640	\$48,430
Installation, Maintenance and Repair Occupations	\$51,660	\$53,610
Production Occupations	\$43,710	\$41,270
Transportation and Moving Occupations	\$37,690	\$39,160

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

Most annual blue-collar salaries range from \$25,290 to \$59,280 within the Virginia Beach-Norfolk-Newport News MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$91,182. It is important to note that most occupational types within the Virginia Beach-Norfolk-Newport News MSA have slightly lower typical wages than Virginia's typical wages.

The ten largest employers within the Norfolk area comprise a total of 115,467 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
United States Federal Government	Government/Military	50,000
Sentara Healthcare	Medical	15,000
Virginia Beach City Public Schools	Government/Military	10,000
Norfolk Naval Shipyard	Government/Military	7,000
Norfolk City Public Schools	Education	6,527
Virginia Beach City	Government	6,000
Dominion Enterprises (Trader Publishing)	Publishing Services	5,700
Walmart Stores (Various localities)	Retail	5,270
Chesapeake City Public Schools	Education	5,200
Portsmouth Naval Medical Center	Government/Military	4,770
Total		115,467

Source: The Virginia Pilot - South Hampton Roads Top 50 Major Employers

The following table summarizes COVID-19 vaccination rates by age group for Norfolk City as of February 14, 2022.

Vaccination Rates (Norfolk – February 2022)	
Age Group	Vaccination Rate
5 to 11	85.4%
12 to 17	90.3%
18 to 64	91.8%
65+	95.0%
Fully Vaccinated with Booster (All Eligible Ages)	26.2%

Source: Centers for Disease Control

Despite multiple attempts, economic development representatives were unable/unwilling to comment regarding the current status of the local economy. The following, however, are summaries of some recent and notable economic development activity within the Norfolk area based on our research at the time of this analysis.

Norfolk rebounded quickly from the initial impacts of the COVID-19 pandemic but similar to the rest of the country, still struggled with hurdles brought on by the pandemic, such as construction delays. Despite this, Norfolk had multiple ongoing and planned economic developments in 2021 and 2022. Below is a summary of the most notable developments made public at the time of this study.

- The City of Norfolk is seeking developers to redevelop the Military Circle Mall. Three developers are being considered for the project. The first, Crossroads Partnership, LLC, has proposed a multi-use development including a 15,000-seat arena, Sentara Healthcare office campus, a 128-room Hyatt House, and indoor sports complex with approximately 1,000 residential units. The \$900 million development would be completed in three phases, and would be completed in 2029. The second proposal was from Norfolk MC Associates, LLC. The project would be called The Well and would include 40 acres of green space, an 8,000-seat amphitheater, a Sentara Wellness Village office campus, 864 residential units, a 200-room hotel, and an expansion of Norfolk State University. The project would cost \$663 million. The third proposal was from Wellness Center, LLC would include green space as well, office space and medical centers, multifamily housing, affordable housing, a 200-room hotel, a 15,000-seat arena, and a school for low-income families. The project would cost \$1.1 billion. The City of Norfolk was planning to select a proposal at the end of 2021, but as of February 2022, the selection had been postponed due to Covid. At the time of this report, it was unknown when developers would be selected.
- In addition to this, The Coastal Virginia Offshore Wind project, a \$7.8 billion project from Dominion Energy announced plans to build a 180-turbine wind farm off the coast of Virginia Beach, which will power 660,000 homes. The project is expected to create 1,100 jobs and is slated for completion in 2026.
- Another ongoing project worth noting is the planned HeadWaters Resort & Casino development from the Pamunkey Indian Tribe in Norfolk. Upon groundbreaking in 2022, the project is expected to create 2,000 construction jobs. The development will cost \$500 million and is expected to be completed in 2023.

Infrastructure:

While there were multiple infrastructure projects going on at the time this report was issued, the most notable are summarized in the table below:

Infrastructure Projects			
Project Name	Scope of Work	Status	Investment
Hampton Roads Bridge Tunnel (HRBT) Expansion Project	VDOT increasing tunnel and interstate capacity along 10 miles of I-64 between Hampton and Norfolk; Considered the largest project in the history of Virginia	Expected to begin in early 2022; ECD late 2025	\$3.8 billion
Norfolk Harbor protection Projects	Deepening and widening of Norfolk Harbor	Expected to begin in 2022	\$1.6 billion

ECD – Estimated Completion Date

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed in February 2021 and according to the Virginia Employment Commission, there has been three WARN notices reported for Norfolk over the past 12 months. Below is a table summarizing these notices.

WARN Notices				
Company	Location	Jobs	Notice Date	Effective Date
PAE Shared Services, LLC	Norfolk	48	4/30/2021	6/30/2021
Perspecta, Inc.	Norfolk	374	4/16/2021	6/4/2021
American Green Building Maintenance, Inc.	Norfolk	150	2/3/2021	3/31/2021

**2. EMPLOYMENT TRENDS**

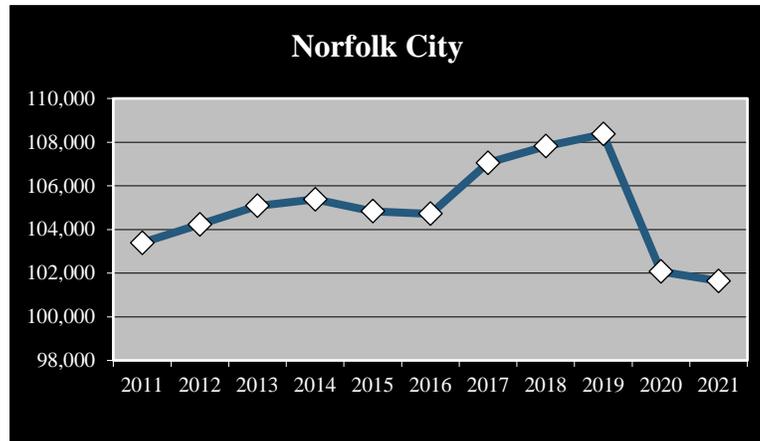
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the city/county in which the site is located.

Excluding 2021, the employment base has declined by 2.5% over the past five years in Norfolk City, more than the Virginia state decline of 0.2%. Total employment reflects the number of employed persons who live within the city/county.

The following illustrates the total employment base for Norfolk City, the state of Virginia and the United States.

Year	Total Employment					
	Norfolk City		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2011	103,387	-	3,929,008	-	141,714,419	-
2012	104,230	0.8%	3,967,151	1.0%	143,548,588	1.3%
2013	105,086	0.8%	4,002,057	0.9%	144,904,568	0.9%
2014	105,379	0.3%	4,040,908	1.0%	147,293,817	1.6%
2015	104,840	-0.5%	4,048,081	0.2%	149,540,791	1.5%
2016	104,722	-0.1%	4,084,822	0.9%	151,934,228	1.6%
2017	107,055	2.2%	4,174,453	2.2%	154,214,749	1.5%
2018	107,819	0.7%	4,232,972	1.4%	156,134,717	1.2%
2019	108,369	0.5%	4,308,622	1.8%	158,154,548	1.3%
2020	102,074	-5.8%	4,075,237	-5.4%	148,639,745	-6.0%
2021	101,646	-0.4%	4,081,546	0.2%	153,575,957	3.3%

Source: Department of Labor; Bureau of Labor Statistics

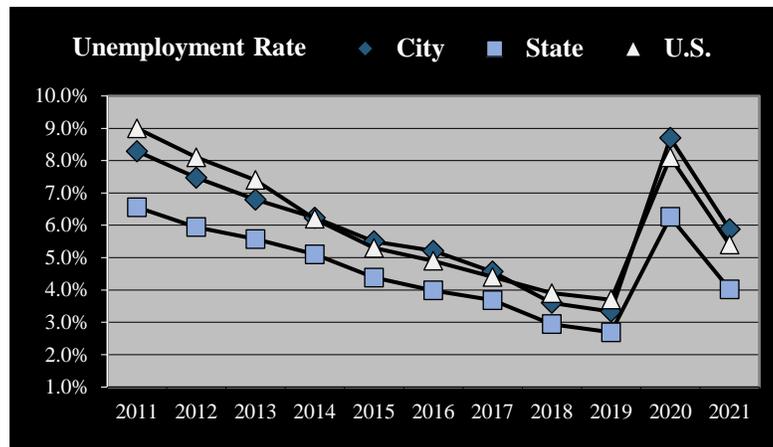


As the preceding illustrates, the Norfolk employment base generally experienced growth between 2010 and 2019, then experienced a decline of 5.8% in 2020 due to the COVID-19 pandemic. The employment base experienced a slight decline in 2021, declining by 0.4%.

Unemployment rates for Norfolk City, the state of Virginia and the United States are illustrated as follows:

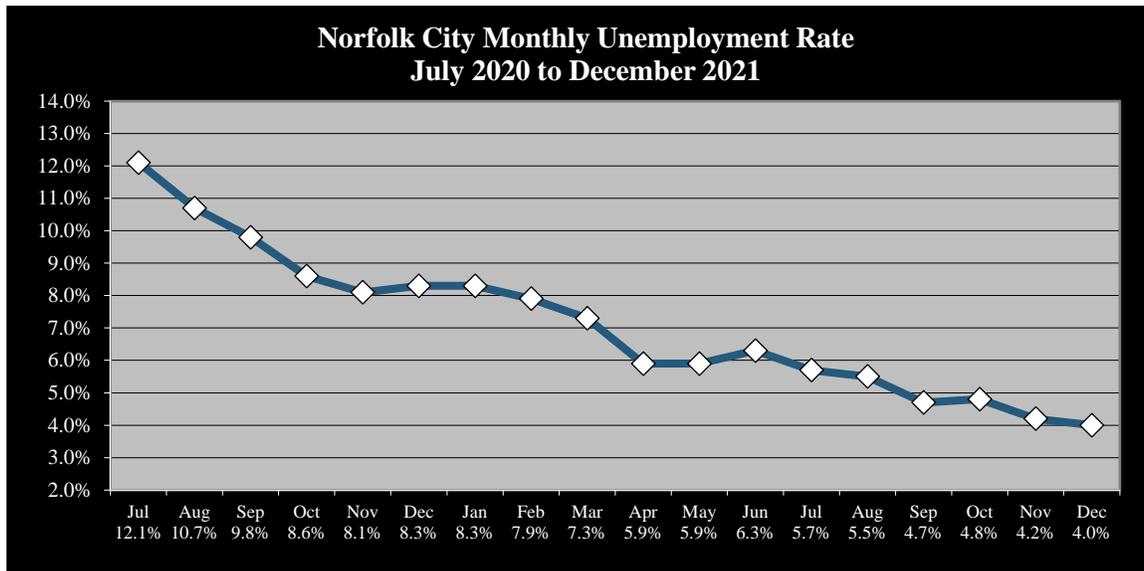
Unemployment Rate			
Year	Norfolk City	Virginia	United States
2011	8.3%	6.6%	9.0%
2012	7.5%	5.9%	8.1%
2013	6.8%	5.6%	7.4%
2014	6.2%	5.1%	6.2%
2015	5.5%	4.4%	5.3%
2016	5.2%	4.0%	4.9%
2017	4.6%	3.7%	4.4%
2018	3.6%	2.9%	3.9%
2019	3.3%	2.7%	3.7%
2020	8.7%	6.3%	8.1%
2021	5.9%	4.0%	5.4%

Source: Department of Labor, Bureau of Labor Statistics



The unemployment rate in Norfolk generally declined between 2010 and 2019; however, it was adversely impacted as the result of the COVID-19 pandemic in 2020 and increased by more than five percentage points. The unemployment rate improved by more than three percentage points through the end of 2021, a good indication that the local economy is recovering from the height of the pandemic.

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



In the preceding 18-months, the *monthly* unemployment rate reached a high of 12.1% in July 2020. However, it has been declining since and is at a low rate of 4.0% (through December 2021).

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

Monthly Unemployment Rate	
Month	Norfolk City
January 2020	3.3%
February 2020	3.0%
March 2020	3.4%
April 2020	13.8%
May 2020	11.3%
June 2020	12.0%
July 2020	12.1%
August 2020	10.7%
September 2020	9.8%
October 2020	8.6%
November 2020	8.1%
December 2020	8.3%
January 2021	8.3%
February 2021	7.9%
March 2021	7.3%
April 2021	5.9%
May 2021	5.9%
June 2021	6.3%
July 2021	5.7%
August 2021	5.5%
September 2021	4.7%
October 2021	4.8%
November 2021	4.2%
December 2021	4.0%

Source: Department of Labor, Bureau of Labor Statistics

As previously stated, the *monthly* unemployment rate significantly increased and reached a high of 13.8% in April 2020, however, it has significantly improved to just 4.0%.

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

Year	In-Place Employment Norfolk City		
	Employment	Change	Percent Change
2011	138,035	-	-
2012	137,771	-264	-0.2%
2013	136,462	-1,309	-1.0%
2014	134,423	-2,039	-1.5%
2015	139,830	5,407	4.0%
2016	140,246	416	0.3%
2017	141,959	1,713	1.2%
2018	142,754	795	0.6%
2019	141,016	-1,738	-1.2%
2020	132,792	-8,224	-5.8%
2021*	132,055	-737	-0.6%

Source: Department of Labor, Bureau of Labor Statistics

\*Through June

Data for 2020, the most recent year that year-end figures are available, indicates in-place employment in Norfolk City to be 130.1% of the total Norfolk City employment. This means that Norfolk City has more employed persons coming to the city/county from other cities/counties for work (daytime employment) than those who both live and work there.

### 3. ECONOMIC FORECAST

For much of the past decade, the Norfolk economy had been improving both in terms of total employment and unemployment rate trends. In 2020, however, the city/county experienced an economic downturn due to the impact of the pandemic. Specifically, the employment base declined by 6,295 jobs, or 5.8%, in 2020, while the annual unemployment rate increased to a rate of 8.7%. Further, the *monthly* unemployment rate reached a high of 13.8% during the initial impact of the pandemic in April of 2020. Since the end of 2020, the Norfolk employment base has generally remained stable and the *annual* unemployment rate has declined to a rate of 5.9% through 2021, while the *monthly* unemployment rate has returned to figures similar to those experienced prior to the pandemic. These are good indications that the local economy is beginning to recover from the impact of the pandemic, a trend we expect will continue for the foreseeable future.

### 4. COMMUTING PATTERNS

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

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	47,880	75.1%
Carpooled	5,124	8.0%
Public Transit	3,100	4.9%
Walked	3,715	5.8%
Other Means	1,552	2.4%
Worked at Home	2,393	3.8%
Total	63,764	100.0%

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

Over 75% of all workers drove alone, 8.0% carpooled and only 4.9% used public transportation. Given the subject site serves very low-income households and is within walking distance from a public bus stop, we anticipate a higher than typical share of site residents' use of public transportation.

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

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	17,938	28.1%
15 to 29 Minutes	27,293	42.8%
30 to 44 Minutes	10,814	17.0%
45 to 59 Minutes	2,286	3.6%
60 or More Minutes	3,040	4.8%
Worked at Home	2,393	3.8%
Total	63,764	100.0%

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

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 15-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.

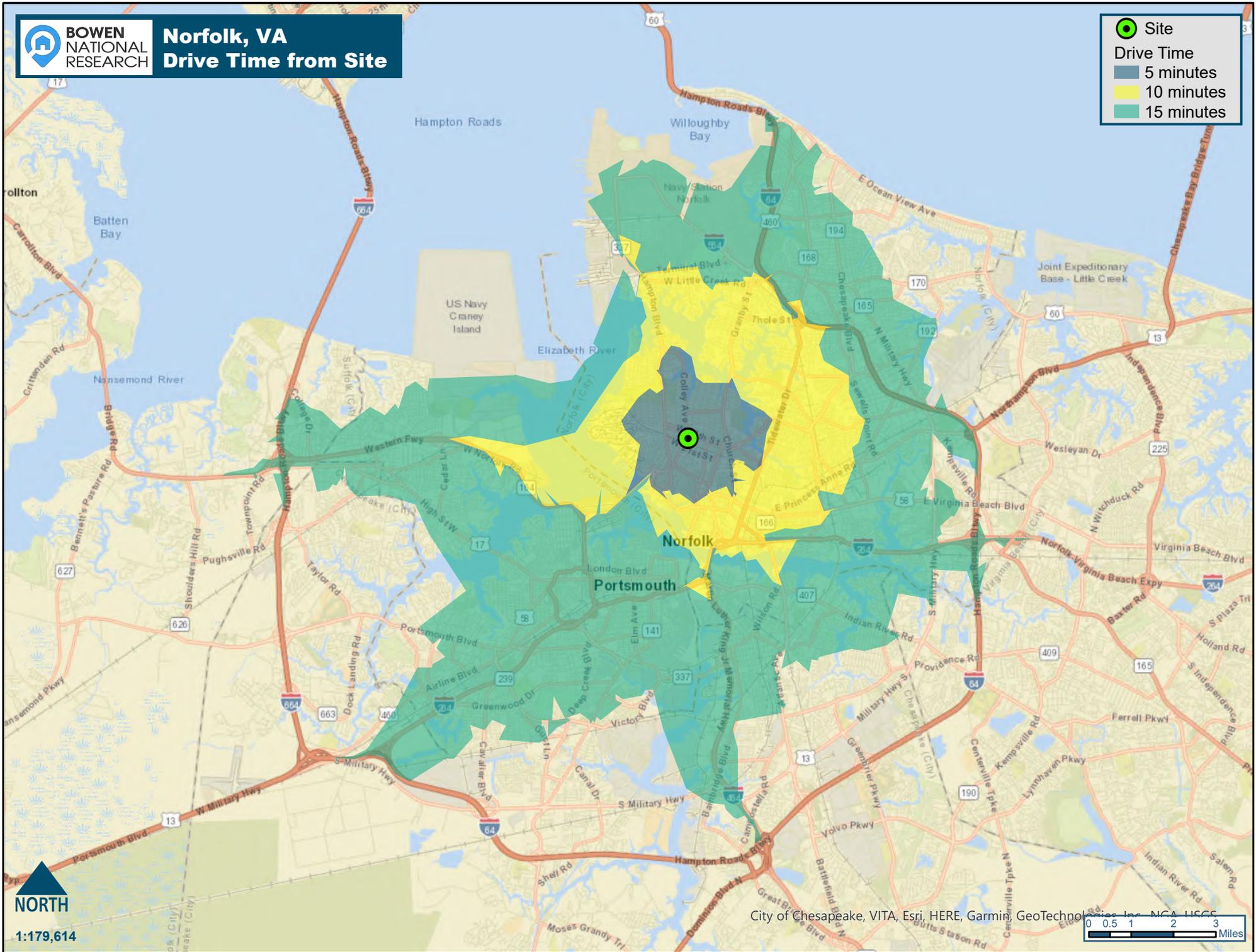


# Norfolk, VA Drive Time from Site

**Site**  
●

**Drive Time**

- 5 minutes
- 10 minutes
- 15 minutes



**NORTH**  
1:179,614

City of Chesapeake, VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., NGA, USGS  
0 0.5 1 2 3 Miles

## V. Rental Housing Analysis (Supply)

### A. OVERVIEW OF RENTAL HOUSING

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

Housing Status	2010 (Census)		2022 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	48,690	91.1%	50,584	90.9%
Owner-Occupied	22,372	45.9%	22,392	44.3%
Renter-Occupied	26,318	54.1%	28,191	55.7%
Vacant	4,757	8.9%	5,057	9.1%
Total	53,447	100.0%	55,641	100.0%

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

Based on a 2022 update of the 2010 Census, of the 55,641 total housing units in the market, 9.1% were vacant. In 2022, it was estimated that homeowners occupied 44.3% of all occupied housing units, while the remaining 55.7% were occupied by renters. The share of renters is considered typical for an urban market, such as the Norfolk Site PMA, and the 28,191 renter households estimated in 2022 represent a deep base of potential support for the subject site.

#### Conventional Apartments

We identified and personally surveyed 29 conventional housing projects containing a total of 5,007 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 90.7%. However, this includes 442 vacant units among one government-subsidized property that is scheduled to be demolished and replaced with new construction rental housing. When excluding these units, the overall market has a combined occupancy rate of 99.4%, an excellent rate for rental housing. The surveyed rental developments broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	12	1,858	21	98.9%
Market-rate/Tax Credit	4	744	0	100.0%
Tax Credit	9	1,426	1	99.9%
Tax Credit/Government-Subsidized	3	362	4	98.9%
Government-Subsidized	1	617	442	28.4%
Total	29	5,007	468	90.7%

As the preceding table illustrates, all rental housing segments surveyed within the market are performing at strong occupancy levels, as none has a combined occupancy rate lower than 98.9% (when excluding the previously mentioned vacant government-subsidized units). As such, it does not appear that there are any deficiencies within the Norfolk rental housing market.

In addition to the 16 projects surveyed in the market that offer Tax Credit units, there are two additional Tax Credit developments within the market that we were unable to survey at the time this report was issued, despite multiple attempts. The following table summarizes these projects we were unable to survey:

Project Name	Address	Year Built/Rehab	Total Units
Broadcreek Renaissance	1420 Merrimac Ave.	2004	360
Lexington Park	1225 Tidewater Dr.	1977 / 2004	180

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

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	234	10.4%	2	0.9%	\$1,334
One-Bedroom	1.0	925	41.3%	8	0.9%	\$1,741
One-Bedroom	1.5	29	1.3%	0	0.0%	\$1,880
Two-Bedroom	1.0	311	13.9%	3	1.0%	\$1,483
Two-Bedroom	1.5	3	0.1%	0	0.0%	\$2,036
Two-Bedroom	2.0	599	26.7%	5	0.8%	\$2,226
Three-Bedroom	2.0	120	5.4%	3	2.5%	\$1,768
Three-Bedroom	3.0	7	0.3%	0	0.0%	\$2,806
Four-Bedroom	2.5	10	0.4%	0	0.0%	\$1,340
Four-Bedroom	3.0	2	0.1%	0	0.0%	\$3,264
<b>Total Market-rate</b>		<b>2,240</b>	<b>100.0%</b>	<b>21</b>	<b>0.9%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	83	4.6%	0	0.0%	\$951
One-Bedroom	1.0	521	29.1%	0	0.0%	\$865
Two-Bedroom	1.0	642	35.9%	1	0.2%	\$1,064
Two-Bedroom	2.0	412	23.0%	0	0.0%	\$1,211
Three-Bedroom	2.0	120	6.7%	0	0.0%	\$1,410
Four-Bedroom	2.5	10	0.6%	0	0.0%	\$1,273
<b>Total Tax Credit</b>		<b>1,788</b>	<b>100.0%</b>	<b>1</b>	<b>0.1%</b>	-

As the preceding table illustrates, the median gross Tax Credit rents are well below the corresponding median gross market-rate rents. As such, Tax Credit product likely represents an excellent value to low-income renters within the Site PMA. This is further evidenced by the combined vacancy rate of 0.1% among all non-subsidized Tax Credit units surveyed within the market.

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

Year Built	Projects	Units	Vacancy Rate
Before 1970	8	1,225	0.0%
1970 to 1979	1	82	1.2%
1980 to 1989	0	0	0.0%
1990 to 1999	2	465	0.0%
2000 to 2009	4	864	0.8%
2010 to 2014	5	670	0.7%
2015	1	180	0.0%
2016	1	180	4.4%
2017	2	236	0.4%
2018	0	0	0.0%
2019	1	126	0.0%
2020	0	0	0.0%
2021	0	0	0.0%
2022*	0	0	0.0%

\*As of February

Vacancies are low among non-subsidized rental product, as vacancy rates do not exceed 4.4%, regardless of year built. As such, it can be concluded that there is no correlation between age and vacancies within the Norfolk rental housing market.

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

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	10	1,652	1.3%
B+	4	320	0.0%
B-	1	138	0.0%
C+	1	130	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	2	147	0.0%
B	4	585	0.0%
B-	3	524	0.0%
C+	4	532	0.2%

As illustrated in the preceding table, vacancies are no higher than 1.3% when broken out by quality. As such, it can also be concluded that there is no correlation between quality and vacancies within the Norfolk rental housing market.

### Government-Subsidized

The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	85	23.5%	4	4.7%
One-Bedroom	1.0	272	75.1%	0	0.0%
Two-Bedroom	1.0	5	1.4%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>362</b>	<b>100.0%</b>	<b>4</b>	<b>1.1%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	98	15.9%	42	42.9%
Two-Bedroom	1.0	281	45.5%	242	86.1%
Three-Bedroom	1.0	174	28.2%	116	66.7%
Four-Bedroom	1.0	64	10.4%	42	65.6%
<b>Total Subsidized</b>		<b>617</b>	<b>100.0%</b>	<b>442</b>	<b>71.6%</b>

As previously stated, nearly all of the vacant units reported among the government-subsidized units surveyed in the market are occupied, with the exception of the units at one property that will be demolished and is reporting 442 vacant units. As such, there is very high demand for affordable rental housing available to very low-income renters such as that proposed at the site.

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

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

Gosnold Apartments will provide 100 studio units to low-income renters earning up to 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Of the 100 units, 80 will operate with a Section 8 subsidy and all units will target homeless individuals. As such, we have selected the three most comparable LIHTC properties within the Site PMA to serve as a baseline of comparison to the proposed subject project. These properties have been selected based on various features such as their location, units offered, age and targeted population. Notably, one of these properties Church Street Station Studios (Map ID 9), targets homeless individuals and offers studio units, similar to that proposed/offered at the subject site. The three LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	<b>Gosnold Apartments</b>	<b>2006 / 2025</b>	<b>100</b>	<b>93.3%</b>	-	<b>None</b>	<b>Homeless; 40%, 50% &amp; 60% AMHI &amp; Section 8</b>
9	Church Street Station Studios	2017	80	100.0%	1.2 Miles	Yes	Homeless; 50% AMHI
20	Pointe at Pickett Farms	2013	120	100.0%	5.8 Miles	Shared: 30 HH	Families; 50% & 60% AMHI
21	Quill Apts.	2015	180	100.0%	5.4 Miles	Shared: 30 HH	Families; 50% & 60% AMHI

OCC. – Occupancy  
HH - Households

The three comparable LIHTC projects have a combined occupancy rate of 100.0%, a very strong rate for affordable rental housing. In fact, all three of the comparable developments are fully occupied and maintain a waiting list, including the one directly competitive property, Church Street Station Studios (Map ID 9), illustrating that pent-up demand exist for additional affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

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

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)				Rent Special
		Studio	One-Br.	Two-Br.	Three-Br.	
Site	<b>Gosnold Apartments</b>	<b>\$592*/40% (15) \$740*/50% (15) \$740/50% (20) \$888*/60% (50)</b>	-	-	-	-
9	Church Street Station Studios	\$951/50% (80/0)	-	-	-	None
20	Pointe at Pickett Farms	-	\$689/50% (4/0) \$998/60% (14/0)	\$840/50% (4/0) \$1,211/60% (68/0)	\$981/50% (4/0) \$1,410/60% (26/0)	None
21	Quill Apts.	-	\$682/50% (6/0) \$998/60% (24/0)	\$838/50% (6/0) \$1,211/60% (108/0)	\$979/50% (6/0) \$1,410/60% (30/0)	None

\*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable and units operate with subsidy allowing tenants to pay portion of their income towards rent

The proposed non-subsidized gross rent at the subject site of \$740 will be lower than the only studio LIHTC rent within the market. In addition, the subject's studio rent is similar to the one-bedroom rent at 50% of AMHI being achieved at the comparable LIHTC properties. However, given the strong occupancy levels and waiting lists maintained at the comparable developments, these properties can likely achieve higher rents. Overall, the subject's non-subsidized LIHTC rent is considered appropriately positioned for the market. Regardless, 80 of the units at the site will operate with a project-based subsidy and the remaining units will likely be occupied by those with vouchers due to the special needs population targeted at the site and the referrals expected to fill the units at the site.

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

Map I.D.	Project Name	Square Footage			
		Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Gosnold Apartments</b>	<b>369-393</b>	-	-	-
9	Church Street Station Studios	350	-	-	-
20	Pointe at Pickett Farms	-	794	1,122	1,318
21	Quill Apts.	-	722	1,034	1,222

Map I.D.	Project Name	Number of Baths			
		Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Gosnold Apartments</b>	<b>1.0</b>	-	-	-
9	Church Street Station Studios	1.0	-	-	-
20	Pointe at Pickett Farms	-	1.0	2.0	2.0
21	Quill Apts.	-	1.0	2.0	2.0

At 369 to 393 square feet, the proposed studio units will be positioned above the only existing studio unit sizes reported at the selected properties. One-bathroom is considered appropriate for a studio unit.

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

Tax Credit Unit Amenities by Map ID				
	Site*	9	20	21
Appliances	Dishwasher		X	X
	Disposal		X	X
	Microwave		X	X
	Range	X	X	X
	Refrigerator	X	X	X
	W/D Hookup			X
	W/D		X	X
	No Appliances			
Unit Amenities	AC-Central		X	X
	AC-Other	X	X	
	Balcony/ Patio/ Sunroom		X	X
	Basement			
	Ceiling Fan		X	
	Controlled Access	X	X	
	E-Call System			
	Furnished	X	X	
	Walk-In Closet			
	Window Treatments	X	X	X
				X
Flooring	Carpet		X	X
	Ceramic Tile			
	Hardwood			
	Finished Concrete			
	Composite/Vinyl/Laminate	X	X	X
Upgraded	Premium Appliances			
	Premium Countertops			
	Premium Cabinetry			
	Premium Fixtures			
	High/Vaulted Ceilings			
	Oversized Windows			
Parking	Attached Garage			
	Detached Garage			
	Street Parking			
	Surface Lot	X	X	X
	Carport			
	Property Parking Garage			
	No Provided Parking			

◆ - Senior Property

\* Proposed Site(s): Gosnold Apartments

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

\*\* Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

	Site*	9	20	21	
Bike Racks / Storage	X	X			
Computer/Business Center	X	X			
Car Care **					
Community Garden					
Community	Multipurpose Room	X	X		
	Chapel				
	Community Kitchen	X	X		
	Dining Room - Private				
	Dining Room - Public				
	Rooftop Terrace				
	Concierge Service **				
	Convenience Amenities **				
	Covered Outdoor Area **				
	Elevator	X	X		
Laundry Room	X	X			
On-Site Management	X	X	X		
Pet Care **					
Recreation	Basketball				
	Bocce Ball				
	Firepit				
	Fitness Center		X	X	X
	Grilling Area		X		
	Game Room - Billiards				
	Walking Path				
	Hot Tub				
	Library				
	Media Room / Theater				
	Playground			X	X
	Putting Green				
	Racquetball				
	Shuffleboard				
	Swimming Pool - Indoor				
	Swimming Pool - Outdoor			X	X
	Tennis				
Volleyball					
Security	CCTV	X	X	X	X
	Courtesy Officer				
	Security Gate			X	
	Social Services **	X	X		
	Storage - Extra				
	Common Space WiFi	X			

◆ - Senior Property

\* Proposed Site(s): Gosnold Apartments

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

\*\* Details in Comparable Property Profile Report

The subject development will offer furnished units with basic kitchen appliances, window/wall air conditioning, and secured/controlled entry. Further, the project amenities to be included at the subject development will include on-site management, laundry facilities, a community room, community porch/patio and a supportive services package, which will cater to the needs of the targeted homeless population. These amenities are considered to be relatively competitive among the comparable LIHTC projects in the market and the subject project does not appear to be lacking any key amenities which would impede it from operating as a Tax Credit development.

#### Comparable Tax Credit Summary

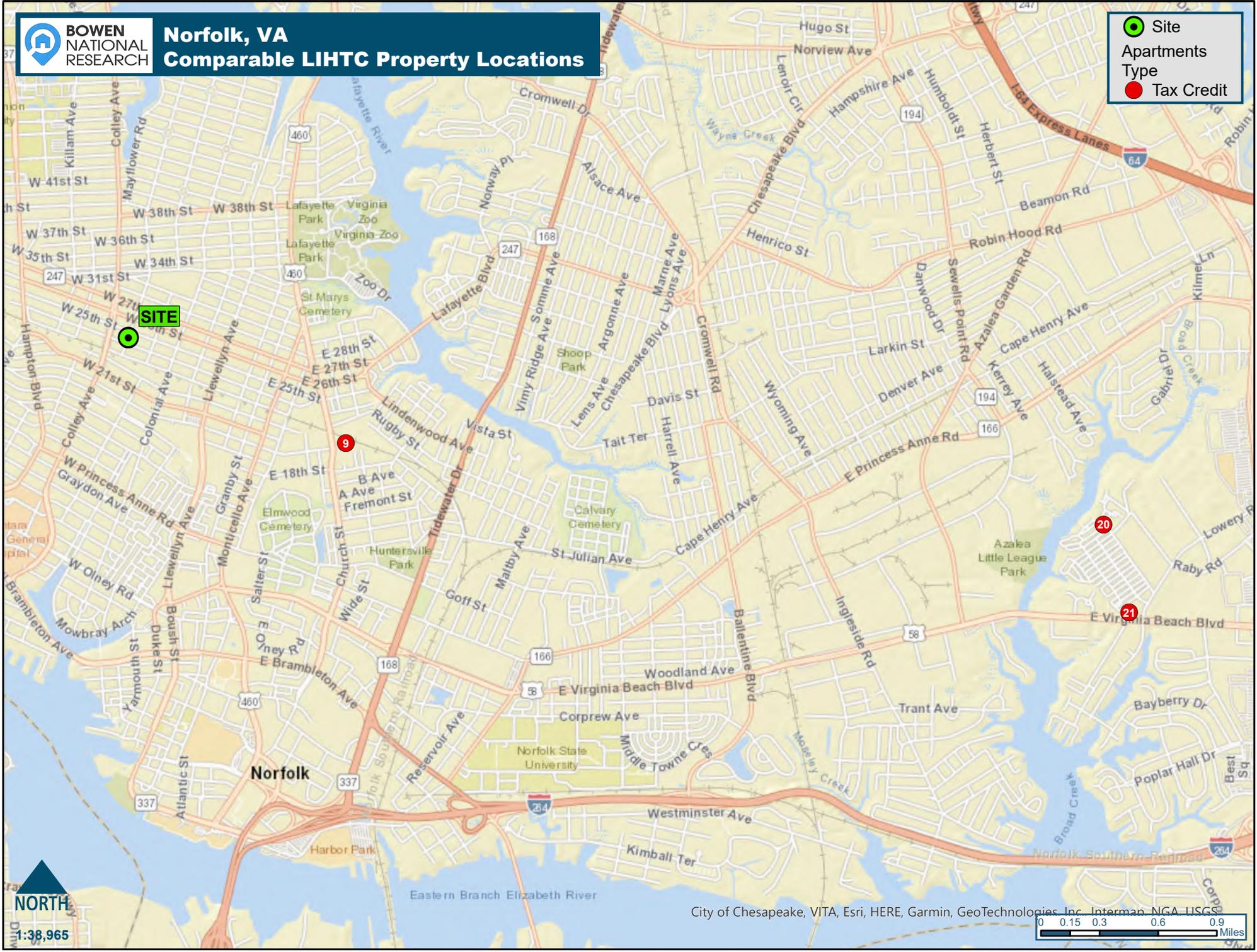
Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the proposed subject development will be competitive. The presence of the Section 8 subsidy available to nearly all units will ensure the property is affordable to the homeless population targeted at the site and the amenity package is designed to be supportive as well.

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



# Norfolk, VA Comparable LIHTC Property Locations

- Site
- Apartments
- Type
- Tax Credit



**NORTH**  
1:38,965

### C. PLANNED MULTIFAMILY DEVELOPMENT

According to planning and building representatives, there are currently several rental housing projects in the development pipeline within the Site PMA, which are summarized as follows:

Project Name & Address	Type	Units	Developer	Status/Details
Lofts at Front Street 533 Front Street	Market-Rate	258	Breeden Co	<b>Under Construction:</b> Broke ground March 2020; ECD March 2022; Will have a parking garage; amenities will include outdoor pool with grills, clubhouse, and fitness center
The Point on 38th Phase II 1055 West 38th Street	Market-Rate	50	N/A	<b>Under Construction:</b> First move-ins scheduled for July 31 <sup>st</sup> , 2022; One- and two-bedroom units; Amenities will include a pool, rooftop lounge, dog wash, fitness center, and bike racks; Will include a parking garage; ECD July 2022
1500 Monticello 1500 Monticello Avenue	N/A	258	Concord Eastridge	<b>Planned:</b> Mixed-use; Multi-family; Approved 2014; Delayed due to financing trouble
Block 17 & Block 18 600 East Freemason Street	Tax Credit and Subsidized	140	Brinstone Development	<b>Planned:</b> Mixed use, mixed-income, multi-family development; Will have additional office, retail, and commercial space, as well as an early learning center; Block 17 was allocated in 2021 and will have 68 units; Block 18 will have 72 units; Will be built together; ECD 2023
Block 19 & Block 20 501 Wood Street	Tax Credit and Subsidized	190	Brinstone Development	<b>Under Construction:</b> Site plans approved July 2021; Broke ground in late 2021; 70 senior apartments in Block 19; 120 multi-family apartments in Block 20; Will be built together
Fusion @ NEON 225 West Olney Road	Market-Rate	233	Marathon Development	<b>Under Construction:</b> Broke ground in 2021; Mixed-use; Will have co-working space on the first floor; ECD 2023
Gravity 400 400 Waterside Drive	Market-Rate	273	Marathon Development	<b>Under Construction:</b> Building permit approved July 2021; Six-story building; Multi-family; Broke ground in 2021; ECD 2023
Assembly 400 Granby Street	Market-Rate	175 (Phase II)	Marathon Development	<b>Under Construction:</b> Adaptive reuse of three historic department stores; Phase I (former Ames & Brownley building - Built in 1920) was completed in May 2021, but it was unclear if it included any residential units; Phase II (Sears & Roebuck buildings) expected to begin in 2023
Tarrant's Bay 151 Riverview Avenue	Market-Rate	482	Tarrant's Bay, LLC	<b>Proposed:</b> 17-story building; five-story mixed use building; 1,000 parking spaces.

(Continued)

Project Name & Address	Type	Units	Developer	Status/Details
Poplar Halls Elementary School Redevelopment 5523 Pebble Lane	Market-Rate	364	Breeden Company	<b>Proposed:</b> Will include both apartments and single-family homes, as well as a community center; Still in early planning stages; Developers were seeking rezoning approval
Market Heights 651 May Avenue	Tax Credit	80	Lawson Companies	<b>Under construction:</b> 12 one-bedroom units, 114 two-bedroom units; 38 three-bedroom units; Allocated Tax Credits in 2019. Started accepting applications in Winter 2021
Tidewater Gardens 450 Walke Street	Mixed-Income	617	Norfolk Redevelopment and Housing Authority	<b>Planned:</b> Demolition and replacement of existing Tidewater Gardens; Demolition is still scheduled to be carried out, however, the timeline was unknown at the time of this study; Cannot demolish until all tenants have vacated and/or been relocated; No new move-ins are being permitted; Original construction schedule called for Phase I to be completed in October 2021, Phase II to be completed in 2022, and Phases III and IV to be completed in 2023, but plans have been behind schedule; As of February 7, 2022, 175 units were still occupied
Grandy Village 3151 Kimball Terrace	Mixed-Income	151	Norfolk Redevelopment and Housing Authority	<b>Under Construction:</b> Master-planned community; Broke ground in 2001; Five phases completed since; Phase VI currently planned; Will include demolition of 44 existing units and construction of 70 townhome-style apartments
Aspire at St. Paul's 645 Church Street	Mixed-Income	85	Richman Group Development Corporation	<b>Planned:</b> City Council approved redevelopment of former Willis Building in late January 2022; 21 units will be reserved for those making below 40% of the area median household income, 6 units will be designated to homeless and formerly homeless, remaining units will be reserved for those earning below 80% of the area median household income
Ashton Apartment Homes 1140 E. Princess Anne Road	Market-Rate	118	S. L. Nusbaum	<b>Under construction:</b> Adaptive reuse of former American Cigar Company; Approved July 2020; Broke ground November 2020; ECD 2022; 21 one-bedroom units, 69 two-bedroom units, and 28 three-bedroom units
Chenman Lofts - Phase II 601-624 W. 24th Street	Market-Rate	100	Commonwealth Preservation Group	<b>Planned:</b> Site plan approved for Phase II of existing Chenman Lofts with 98 units in December 2021; In site plan review; ECD 2023

(Continued)

Project Name & Address	Type	Units	Developer	Status/Details
Duke Grace Building Renovation 740 Duke Stree	N/A	30	N/A	<b>Planned:</b> Building permits were received in January 2022 for the renovation of an existing building into mixed-use; Apartments to be located on floors 2-5
LIV Norfolk Apartments/ Phoenix Flats 443 and 6167-6163 Kempsville Road	Mixed-Income	279	LIV Development, LLC	<b>Planned:</b> City Council approved November 2021; Two, four-story apartment buildings; 142 units are one-bedroom, 109 are two-bedroom, and 28 are three-bedroom units; Will include 28 units designated for those earning up to 80% AMHI
Metropolitan Apartments 5900 Northampton Boulevard	TBD	176	Benna Victor Development	<b>Planned:</b> Approved by City Council in July 2021; Four, four-story multi-family apartment buildings; Development will include a clubhouse and a pool; In early planning stages.
ODU Real Estate Foundation NS W 39th Street and scattered sites	N/A	325	ODU Real Estate Foundation	<b>Planned:</b> City Council approved October 2021; Mixed use project
Park Place Methodist Church 500 W. 34th Street	N/A	66	Monument Companies	<b>Proposed:</b> Adaptive reuse; Church originally built in 1903 to be redeveloped into apartments; City Planning Commission to vote on approval of plans before March 2022; 60 apartments to be built at site of the church; Six townhomes to be built on a vacant lot.
Pilot Place 114 & 150 W. Brambleton Avenue	Market-Rate	181	Monument Companies	<b>Under construction:</b> Approved May 2020; ECD March 2022; Studio-, one-, two-, and three-bedroom units with luxury amenities.
St. Paul's (Block 9, 10, and 16) Address TBD	Mixed-Income	190	Brinstone Development	<b>Planned:</b> City Council approved December 2021; Block 9- 80 units; Block 10- 61 units; Block 16 – 49 units
St. Paul's Place 494 St. Paul's Boulevard	N/A	261	Kimley Horn	<b>Proposed:</b> In site plan review; Plans submitted November 2021; Mixed use development
St. Paul's 555 E. Plume Street	N/A	170	Snyder Lot	<b>Proposed:</b> Planning still underway

TBD-To be determined

N/A-Not Available

ECD- Estimated completion date

AMHI- Area Median Household Income

Only one of the aforementioned developments is expected to target a similar demographic as the site, however, this project is in the preliminary phases of development. As such, the development of the projects in the pipeline will have no tangible impact on the subject's marketability.

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

The anticipated occupancy rates of the existing comparable Tax Credit developments during the first year of occupancy at the subject project are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2025
9	Church Street Station Studios	100.0%	95.0%+
20	Pointe at Pickett Farms	100.0%	95.0%+
21	Quill Apts.	100.0%	95.0%+

The combined LIHTC occupancy rate of the three most comparable LIHTC projects in the market is 100.0% and all three properties maintain a waiting list for their next available units. Additionally, while all of the aforementioned developments were selected as comparable, only one will directly compete with the subject development, Church Street Station Studios (Map ID 9), as it targets a similar income demographic as the site. As such, it is not anticipated that the subject development will have any tangible impact on the marketability of existing LIHTC product within the Norfolk Site PMA.

#### **E. BUY VERSUS RENT ANALYSIS**

According to ESRI, the median home value within the Site PMA was \$249,026. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$249,026 home is \$1,498, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$249,026
Mortgaged Value = 95% of Median Home Price	\$236,575
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$1,199
Estimated Taxes and Insurance*	\$300
Estimated Monthly Mortgage Payment	\$1,498

\*Estimated at 25% of principal and interest

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

## VI. Achievable Market Rent Analysis

### A. INTRODUCTION

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

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

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Gosnold Apartments</b>	<b>2006 / 2025</b>	<b>100</b>	<b>93.3%</b>	<b>100 (93.3%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	201 Twenty One	2009	225	100.0%	22 (100.0%)	138 (100.0%)	65 (100.0%)	-
3	Alexander at Ghent	2006	268	99.6%	58 (100.0%)	78 (100.0%)	120 (100.0%)	12 (91.7%)
6	Aura Downtown	2017	156	99.4%	10 (90.0%)	100 (100.0%)	31 (100.0%)	15 (100.0%)
13	James Apts.	2014	79	100.0%	36 (100.0%)	36 (100.0%)	6 (100.0%)	1 (100.0%)
29	Watermark Apts.	2016	180	95.6%	9 (88.9%)	45 (91.1%)	108 (99.1%)	18 (88.9%)

Occ. – Occupancy

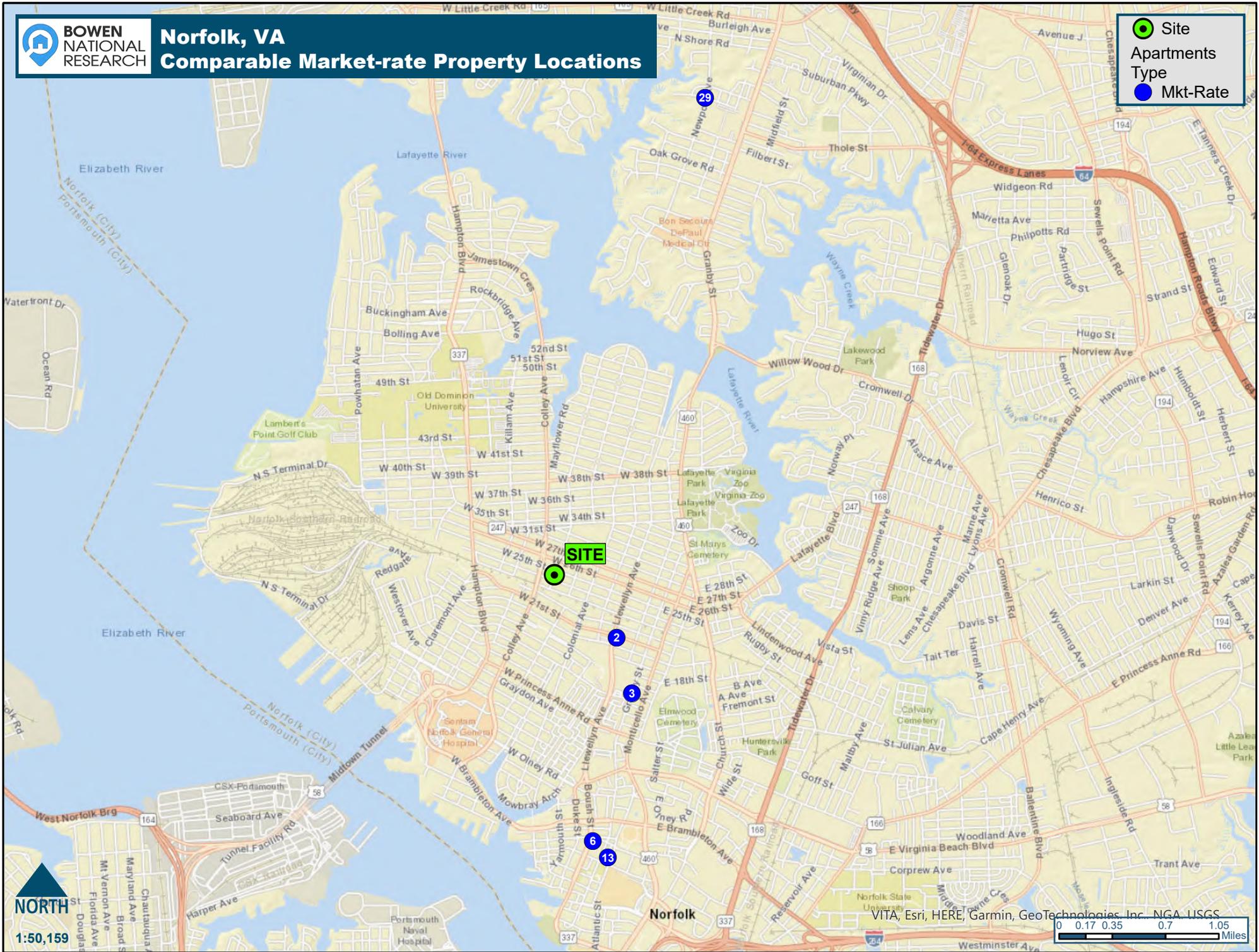
The five selected market-rate projects have a combined total of 908 units with an overall occupancy rate of 98.9%, a good rate for rental housing. This indicates that these projects have been well received within the market and will serve as accurate benchmarks with which to compare the subject project.

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



# Norfolk, VA Comparable Market-rate Property Locations

● Site  
● Apartments  
● Type  
● Mkt-Rate



**NORTH**  
1:50,159

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc. NGA, USGS  
0 0.17 0.35 0.7 1.05 Miles

**Rent Comparability Grid**

Unit Type → **STUDIO**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
Gosnold Apartments		201 Twenty One		Alexander at Ghent		Aura Downtown		James Apts.		Watermark Apts.	
2425 Gosnold Avenue		201 W 21st St		1608 Granby St		450 Boush St		345 Granby St.		7221 Newport Ave.	
Norfolk, VA		Norfolk, VA		Norfolk, VA		Norfolk, VA		Norfolk, VA		Norfolk, VA	
<b>A. Rents Charged</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$1,170		\$1,465		\$1,543		\$1,086		\$1,498	
2	Date Surveyed	Jan-22		Jan-22		Feb-22		Feb-22		Feb-22	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		90%		100%		89%	
5	Effective Rent & Rent/ sq. ft	\$1,170	1.72	\$1,465	2.59	\$1,543	3.15	\$1,086	1.98	\$1,498	2.60
<b>B. Design, Location, Condition</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	WU/EE/2,3	EE/4	EE/4		EE/6		EE/8		EE/4	
7	Yr. Built/Yr. Renovated	2006 / 2025	2009 \$7	2006 \$10		2017 (\$1)		2014 \$2		2016	
8	Condition/Street Appeal	G	E (\$15)	E (\$15)		E (\$15)		E (\$15)		E (\$15)	
9	Neighborhood	G	G	E (\$10)		E (\$10)		E (\$10)		G	
10	Same Market?		Yes	Yes		Yes		Yes		Yes	
<b>C. Unit Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	STUDIO	STUDIO	STUDIO		STUDIO		STUDIO		STUDIO	
12	# Baths	1	1	1		1		1		1	
13	Unit Interior Sq. Ft.	385	680 (\$174)	565 (\$106)		490 (\$62)		549 (\$97)		576 (\$113)	
14	Patio/Balcony/Sunroom	N	N	N		N		N		N	
15	AC: Central/Wall	W	C (\$5)	C (\$5)		C (\$5)		C (\$5)		C (\$5)	
16	Range/Refrigerator	R/F	R/F	R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/N	Y/Y (\$15)	Y/Y (\$15)		Y/Y (\$15)		Y/Y (\$15)		Y/Y (\$15)	
18	Washer/Dryer	L	W/D (\$35)	W/D (\$35)		W/D (\$35)		W/D (\$35)		W/D (\$35)	
19	Floor Coverings	V	C/V	C/V		W/C		W		C	
20	Window Treatments	Y	Y	Y		Y		Y		Y	
21	Secured Entry	Y	Y	Y		Y		Y		Y	
22	Garbage Disposal	N	Y (\$5)	Y (\$5)		Y (\$5)		Y (\$5)		Y (\$5)	
23	Ceiling Fan/Storage	N/N	N/N	Y/N (\$5)		Y/N (\$5)		N/N		N/N	
<b>D. Site Equipment/ Amenities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0	P-GAR (\$30)	P-GAR (\$30)		NONE \$10		P-GAR (\$30)		LOT/\$0	
25	On-Site Management	Y	Y	Y		Y		Y		Y	
26	Security Features	Y	Y	Y		Y		Y		N	\$5
27	Community Space	Y	Y	Y		Y		Y		Y	
28	Pool/Recreation Areas	N	P/F/S/MT (\$21)	P/F/GR (\$18)		P/F/GR/J/TB (\$24)		F/GR (\$8)		P/F (\$15)	
29	Computer/Business Center	Y	Y	Y		Y		Y		Y	
30	Grilling Area	N	Y (\$3)	Y (\$3)		Y (\$3)		N		Y (\$3)	
31	Playground	N	N	N		N		N		N	
32	Social Services	Y	N \$10	N \$10		N \$10		N \$10		N \$10	
<b>E. Utilities</b>		<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	Y/E	N/E \$13	N/E \$13		N/E \$13		N/E \$13		N/E \$13	
34	Cooling (in rent?/ type)	Y/E	N/E	N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	Y/E	N/E \$5	N/E \$5		N/G \$4		N/E \$5		N/E \$5	
36	Hot Water (in rent?/ type)	Y/E	N/E \$11	N/E \$11		N/E \$11		N/E \$11		N/E \$11	
37	Other Electric	Y	N \$31	N \$31		N \$31		N \$31		N \$31	
38	Cold Water/Sewer	Y/Y	N/N \$94	N/N \$94		N/N \$94		N/N \$94		N/N \$94	
39	Trash/Recycling	Y/N	Y/N	N/N \$28		N/N \$28		N/N \$28		N/N \$28	
<b>F. Adjustments Recap</b>		<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	2	9	2	11	2	11	2	9	2	8
41	Sum Adjustments B to D	\$17	(\$303)	\$20	(\$247)	\$20	(\$180)	\$12	(\$220)	\$15	(\$206)
42	Sum Utility Adjustments	\$154		\$182		\$181		\$182		\$182	
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	(\$132)	\$474	(\$45)	\$449	\$21	\$381	(\$26)	\$414	(\$9)	\$403
<b>G. Adjusted &amp; Market Rents</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$1,038		\$1,420		\$1,564		\$1,060		\$1,489	
45	Adj Rent/Last rent		89%		97%		101%		98%		99%
46	Estimated Market Rent	\$1,125	\$2.92	← Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grid, it was determined that the present-day achievable market rent for units similar to the proposed subject development is \$1,125, which is illustrated as follows:

Bedroom Type	Proposed/Programmatic Collected LIHTC Rent (%AMHI)	Achievable Market Rent	Market Rent Advantage
Studio	\$592* (40%)	\$1,125	47.4%
Studio	\$740* (50%)	\$1,125	34.2%
Studio	\$740 (50%)	\$1,125	34.2%
Studio	\$888* (60%)	\$1,125	21.1%

\*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable rent

Typically, Tax Credit units should represent approximately a 10.0% market rent advantage. As such, the proposed/programmatic Tax Credit rents will likely be perceived as substantial values within the market, as they represent market rent advantages of between 21.1% and 47.4%.

**B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)**

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

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.
  
7. Upon completion of construction/renovations, the new construction units will be the newest in the market and the existing units to be renovated will have an effective age of a property built in 2015. The selected properties were built between 2006 and 2017. As such, we have adjusted the rents at the selected properties by \$1 per year of (effective) age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have a good overall appearance, once construction/renovations are complete. We have made adjustments for those properties that we consider to be of superior quality compared to the subject development.
9. Three of the selected properties are located in neighborhoods considered more desirable than that of the subject site. As such, we have applied negative adjustments to the selected properties to reflect the differences in neighborhoods.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar-for-dollar basis, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project.
- 24.-32. The proposed project will offer a comprehensive project amenities package. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

## VII. Capture Rate Analysis

The subject project will be developed using financing from the Low-Income Housing Tax Credit (LIHTC) program. It will also offer a Section 8 subsidy with 80 of the 100 units, allowing tenants to pay no more than 30% of their income towards gross rent. Because the project will target the homeless population, the traditional method of calculating the capture rate of income-qualified renter households using U.S. Census data is not necessarily an accurate measure of the depth of support for the proposed development. As a result, we have calculated two sets of demand. First, we calculated the traditional capture rate of the project following Virginia Housing market study requirements. This approach evaluates the number of income-qualified renter households in the market, regardless if they meet the criteria of being designated as “homeless.” We then calculated the capture rate of the project that considers only homeless individuals based on Point-in-Time survey data.

### A. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area, which has a median four-person household income of \$84,500 for 2021. The subject property will be restricted to households with incomes of up to 40%, 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and AMHI level:

Household Size	Targeted AMHI Maximum Allowable Income		
	40%	50%	60%
One-Person	\$23,680	\$29,600	\$35,520
Two-Person	\$27,040	\$33,800	\$40,560
Three-Person	\$30,440	\$38,050	\$45,660
Four-Person	\$33,800	\$42,250	\$50,700
Five-Person	\$36,520	\$45,650	\$54,780
Six-Person	\$39,240	\$49,050	\$58,860

**1. Maximum Income Limits**

The studio units at the subject site are expected to house only one-person households. As such, the maximum allowable income at the subject site is **\$35,520**.

**2. Minimum Income Requirements**

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

The proposed LIHTC units will have a gross rent of \$592 (maximum allowable studio LIHTC rent at 40% of AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$7,104. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$20,297**.

However, the subject project will also partially operate with a Section 8 subsidy. Therefore, some tenants will only be required to pay up to 30% of their adjusted gross income towards housing costs. As such, the project will effectively target households with as little as no income (\$0).

**3. Income-Appropriate Range**

Based on the preceding analyses, the income-appropriate ranges required to live at the proposed project with units built to serve households at 40%, 50% and 60% of AMHI are as follows:

Unit Type	Income Range	
	Minimum	Maximum
Overall Tax Credit/Section 8 (Limited to 60% of AMHI)	\$0	\$35,520
Tax Credit (Limited to 40% of AMHI)	\$20,297	\$23,680
Tax Credit (Limited to 50% of AMHI)	\$25,371	\$29,600
Tax Credit (Limited to 60% of AMHI)	\$30,446	\$35,520
Overall Tax Credit Only	\$20,297	\$35,520

**B. CAPTURE RATE CALCULATIONS**

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

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

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2022 as the base year and projecting forward to 2025, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. In instances where a significant number of proposed units (more than 20%) are comprised of three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*

- a) **Rent overburdened households, if any, within the age group, income groups and renters targeted for the subject development.** *“Overburdened” is defined by Virginia Housing as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 67.5% to 73.7% of households, depending upon targeted income within the market are considered to be rent overburdened.

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

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 3.4% of all households within the market are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

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

The subject project will not be restricted to seniors; therefore, we have not included this number in our demand calculations.

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

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

### **C. DEMAND/CAPTURE RATE CALCULATIONS**

As illustrated in *Section V* of this report, there were no available studio units at the comparable LIHTC developments within the market. Therefore, no existing units have been accounted for in the following demand analysis. In addition, there were no general-occupancy LIHTC projects that have received financing within the pipeline that will offer studio units.

The following is a summary of our demand calculations:

Subsidized Demand Estimates (As Proposed):

Demand Component	Percent of Median Household Income				
	40% AMHI w/ Section 8 (\$0-23,680)	50% AMHI (\$25,371 -\$29,600)	50% AMHI w/Section 8 (\$0-\$29,600)	60% AMHI w/ Section 8 (\$0-\$35,520)	Overall w/ Section 8 (\$0 -\$35,520)
Demand from New Rental Households (Size*- And Income-Appropriate)	3,959 - 4,243 = -284	666 - 693 = -27	4,939 - 5,261 = -322	5,582 - 5,939 = -357	5,582 - 5,939 = -357
+					
Demand from Existing Households (Rent Overburdened)	4,243 X 66.1% = 2,805	693 X 67.5% = 468	5,261 X 73.7% = 3,877	5,939 X 68.1% = 4,044	5,939 X 68.1% = 4,044
+					
Demand from Existing Households (Renters in Substandard Housing)	4,243 X 3.4% = 144	693 X 3.4% = 24	5,261 X 3.4% = 179	5,939 X 3.4% = 202	5,939 X 3.4% = 202
+					
Demand from Existing Households (Elderly Homeowner Conversion)	N/A				
+					
Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations)	0	0	56	0	56
=					
Total Demand	2,665	465	3,790	3,889	3,945
-					
Supply (Directly Comparable Vacant Units Completed or in The Pipeline)	0	0	0	0	0
=					
Net Demand	2,665	465	3,790	3,889	3,945
Proposed Units	15	20	15	50	100
Proposed Units / Net Demand	15 / 2,665	20 / 465	15 / 3,790	50 / 3,889	100 / 3,945
Capture Rate	= 0.6%	= 4.3%	= 0.4%	= 1.3%	= 2.5%
Total Absorption Period	2 Months	3 Months	2 Months	5 Months	7 Months

\*Solely considers one-person households

N/A-Not Applicable

Non-Subsidized Demand Estimates:

Demand Component	Percent of Median Household Income			
	40% AMHI (\$20,297 - \$23,680)	50% AMHI (\$25,371 - \$29,600)	60% AMHI (\$30,446 - \$35,520)	LIHTC Only^ (\$20,297 - \$35,520)
Demand from New Rental Households (Size*- And Income-Appropriate)	533 - 554 = -21	666 - 693 = -27	580 - 612 = -32	1,779 - 1,859 = -80
+				
Demand from Existing Households (Rent Overburdened)	554 X 73.7% = 408	693 X 67.5% = 468	612 X 71.0% = 435	1,859 X 70.5% = 1,311
+				
Demand from Existing Households (Renters in Substandard Housing)	554 X 3.4% = 19	693 X 3.4% = 24	612 X 3.4% = 21	1,859 X 3.4% = 63
+				
Demand from Existing Households (Elderly Homeowner Conversion)	N/A			
+				
Demand from Existing Households (Existing Qualifying Tenants Likely to Remain After Renovations)	0	0	0	0
=				
Total Demand	406	465	424	1,294
-				
Supply (Directly Comparable Vacant Units Completed or in The Pipeline)	0	0	0	0
=				
Net Demand	406	465	424	1,294
Proposed Units	15	35	50	100
Proposed Units / Net Demand	15 / 406	35 / 465	50 / 424	100 / 1,294
Capture Rate	= 3.7%	= 7.5%	= 11.8%	= 7.7%
Total Absorption Period	2 Months	3 Months	7 Months	10 Months

\*Solely considers one-person households

^Accounts for gaps in affordability levels

N/A-Not Applicable

If targeting a general-occupancy population, the 100 studio units would require an overall capture rate of 2.5%, assuming the subsidy is offered on most units as proposed. If the subsidy was lost and the project operated solely under LIHTC program guidelines, it would require a 7.7% capture rate. These capture rates are considered achievable, illustrating that there will be sufficient market depth in the PMA to operate if the subsidy is lost and/or if the project only targeted a general-occupancy population. This is especially true, considering there are no available affordable studio units available within the market.

## Homeless Capture Rate

All 100 units at the subject site will target homeless individuals.

Traditional demand calculations, including those required by Virginia Housing, essentially consider demand components such as renter household growth, renters living in substandard housing (i.e. overcrowded housing or housing lacking complete plumbing facilities) and rent overburdened households. These demand components are to be calculated based on income eligibility. Since specific data of homeless households by income level is not available through the U.S. Census, we have used state and local Point-in-Time homeless surveys and other data collection processes to attempt to quantify the number of homeless individuals who may respond to the proposed subject development. The following summarizes data that has been considered in our homeless renter household demand estimates:

- The Southeastern Virginia Homeless Coalition (SVHC) conducted a Point-in-Time survey of homeless individuals in the Norfolk jurisdiction. The most recent Point-in-Time survey, completed in late January 2021, identified 381 persons as homeless. It is important to note that this is a conservative count, as not all homeless individuals are identified within the 24-hour survey period.
- Of the 381 total homeless persons identified within the Norfolk jurisdiction, 307 (80.6%) were identified as homeless adults (not children). As the subject development will provide studio units which will primarily house one-person households, these 307 homeless adults likely represent the primary group of potential tenants at the subject development.

Based on the preceding analysis, we have provided a homeless renter household capture rate considering Point-in-Time survey data. This capture rate calculation is summarized as follows:

	Homeless Capture Rate Point-in-Time Homeless Survey
Designated Units	100
Eligible Persons (Age 18+)	/ 307*
Capture Rate	= 32.6%

\*Homeless Adults, collected from 2021 Point-in-Time survey.

Considering the nature of homelessness, capture rates up to and even beyond 100% are considered achievable. Therefore, the capture rate of 32.6% provided above is considered to be low and illustrates the demand for such housing.

**D. PENETRATION RATE CALCULATIONS**

The 2,598 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$23,623 to \$54,780. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 8,760 renter households with eligible incomes in 2025. The 2,698 existing and planned non-subsidized Tax Credit units, along with the 100 proposed subject units, represent a penetration rate of 30.8% of the 8,760 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Planned and Existing)	2,698
Income-Eligible Renter Households – 2025	/ 8,760
Overall Market Penetration Rate	= 30.8%

It is our opinion that the 30.8% penetration rate for the LIHTC units, both existing and planned, is achievable. Based on the fact that the overall non-subsidized LIHTC market surveyed is operating at a 99.9% occupancy rate, we believe the 30.8% penetration rate is achievable.

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

Despite multiple attempts, Norfolk Redevelopment and Housing Authority representatives were unable/unwilling to provide a statement regarding the current status of the Housing Choice Voucher program.

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

Bedroom Type	Payment Standard	Proposed Tax Credit Gross Rent (% AMHI)
Studio	\$1,092	\$592 (40%)*
Studio	\$1,092	\$740 (50%)*
Studio	\$1,092	\$740 (50%)
Studio	\$1,092	\$888 (60%)*

\*Maximum allowable LIHTC rent; contract rent exceeds maximum allowable

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

**F. ABSORPTION PROJECTIONS**

The subject project currently operates with a subsidy and will operate with a subsidy upon completion of renovations and all units will likely be rented to those households currently eligible to reside at the site. We also assume that most current tenants will remain at the site once renovations are complete. For the purpose of this analysis, however, we have calculated absorption estimates assuming that all of the units will be vacated and will need to be re-rented under the Tax Credit program with a subsidy and then exclusively under the LIHTC program. This also considers the new construction units that will be added to the existing project.

Assuming the subject project operates with a subsidy on 80 units but all existing units are vacated, we estimate that the 100 subject units can achieve a stabilized occupancy of 93.0% within seven months of re-opening. This is based on a monthly absorption rate of approximately 13 units per month.

In the unlikely event the subject project operates without a subsidy, it would likely experience a slightly extended absorption period of ten months, reflective of nine to ten units per month.

## VIII. Local Perspective (Interviews)

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

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

- Jamey Poole is the Property Manager at Gosnold Supportive Housing (subject site), an existing government-subsidized rental community targeting homeless individuals/households. Mr. Poole stated that there is a need for more homeless housing in the area, indicating that while Virginia Supportive Housing provides tenants from various locations, Norfolk itself has enough of a homeless population that additional housing is needed.
- Karen Gorum, Property Manager of the Church Street Station Apartments (Map ID 9), an affordable rental property that targets homeless individuals, stated there is absolutely a need for more affordable housing in Norfolk. Norfolk has a large low-income population that is not fully supported by the affordable housing currently available. Ms. Gorum believes affordable housing of any kind would be beneficial to the area, but believes it is incredibly important that Section 8 Vouchers be accepted in any new developments, given that most of the rents charged by affordable housing complexes in Norfolk are still too expensive for most individuals seeking affordable housing.

## IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 100 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's location, rents, amenities or opening date may alter these findings.

The project will be very competitive within the market area in terms of unit amenities and unit sizes, and the proposed Tax Credit rent will be perceived as a significant value in the marketplace. Notably, the proposed/programmatic Tax Credit rents will likely be perceived as substantial values within the market, as they represent market rent advantages of between 21.1% and 47.4%.

Given that all comparable LIHTC developments surveyed within the Site PMA are 100.0% occupied with waiting lists, the subject project will continue to offer a housing alternative to low-income households that has limited availability in the area.

As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 2.5% of size- and income-appropriate renter households in the market as proposed with the subsidy, there is substantial demographic support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

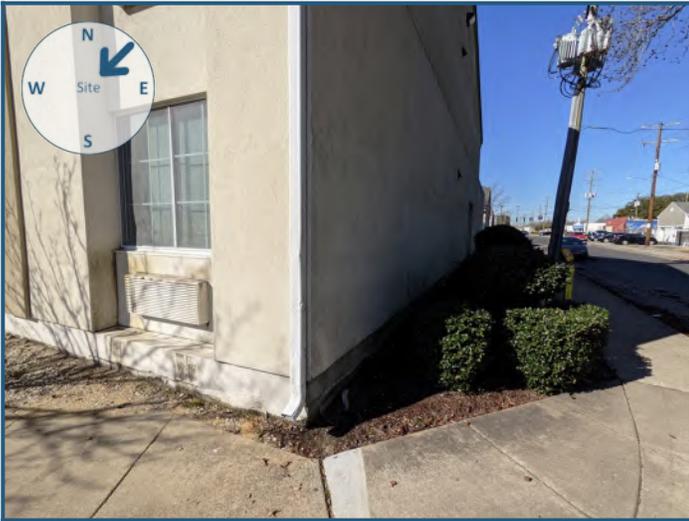
## SITE PHOTOGRAPHS



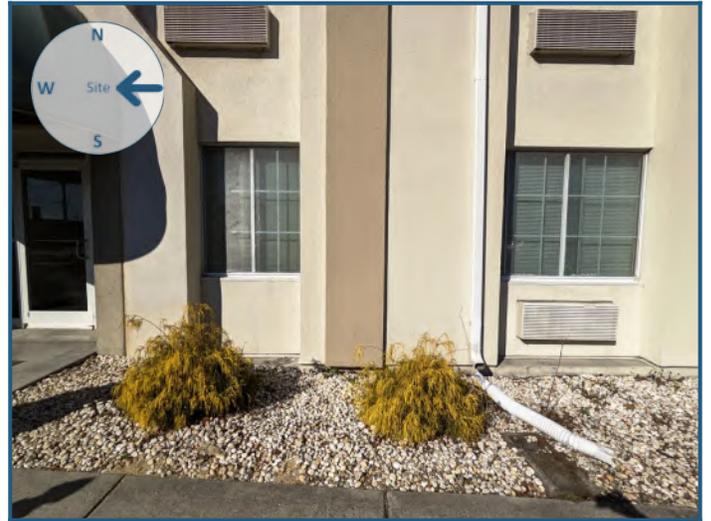
Site Entryway



View of site from the north



View of site from the northeast



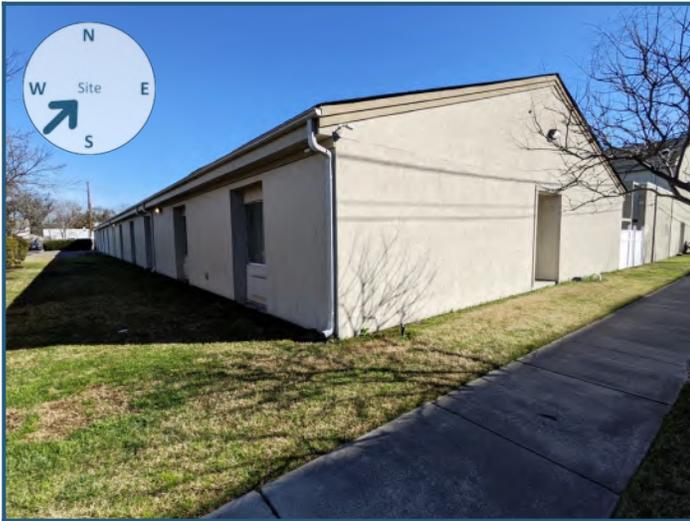
View of site from the east



View of site from the southeast



View of site from the south



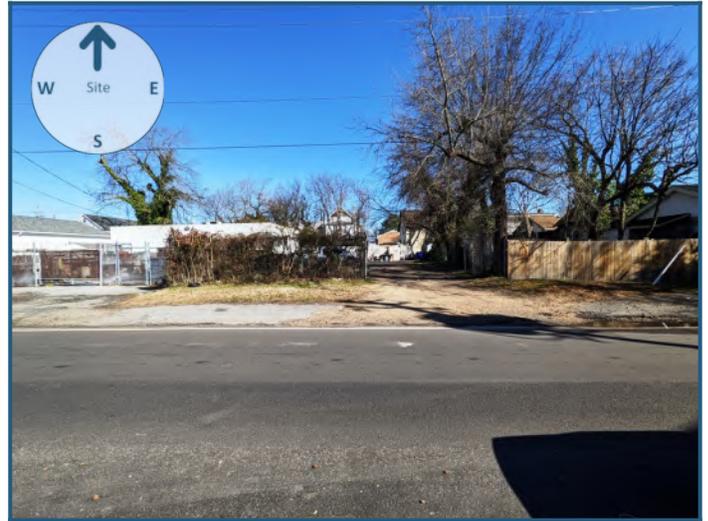
View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



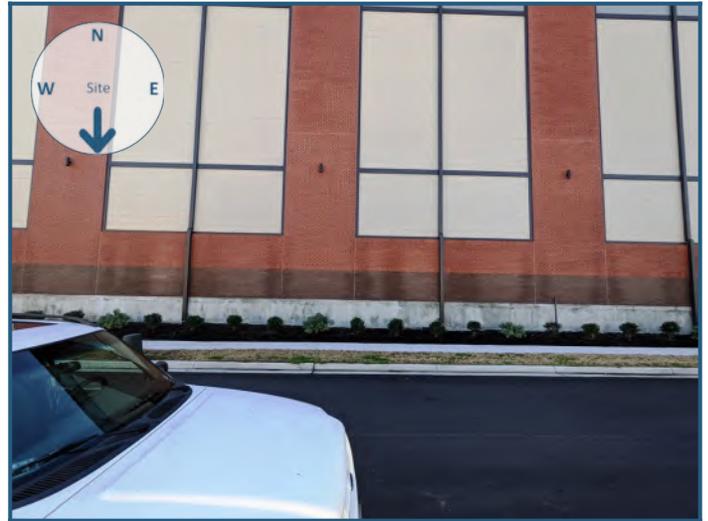
Northeast view from site



East view from site



Southeast view from site



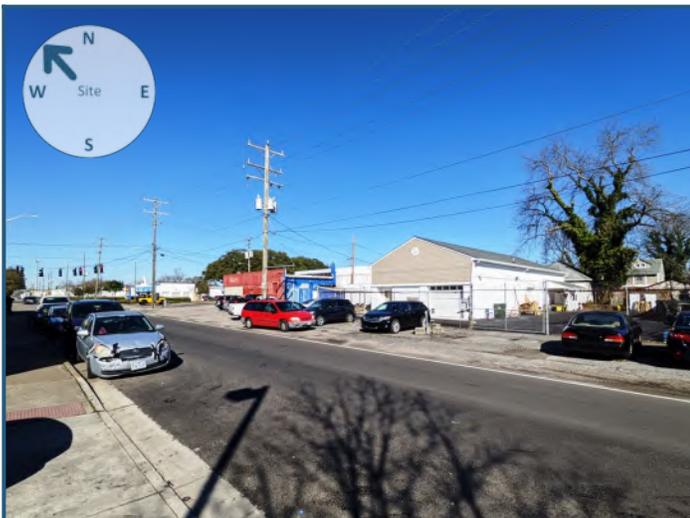
South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: North view of Gosnold Avenue



Streetscape: South view of Gosnold Avenue



Streetscape: East view of 24th Street



Streetscape: West view of 24th Street



Streetscape: West view of West 25th Avenue



Streetscape: East view of West 25th Avenue



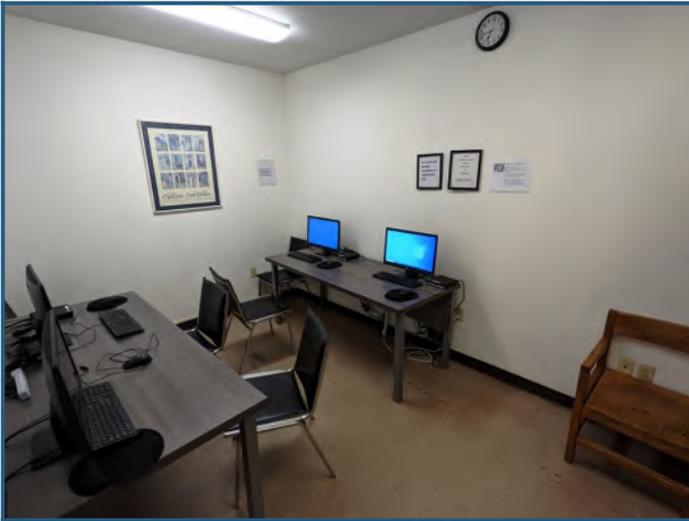
Community Garden



Conference Room



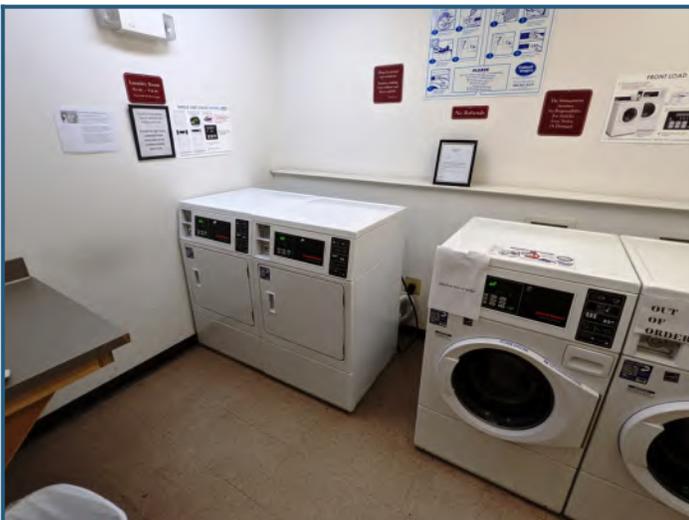
Community Room



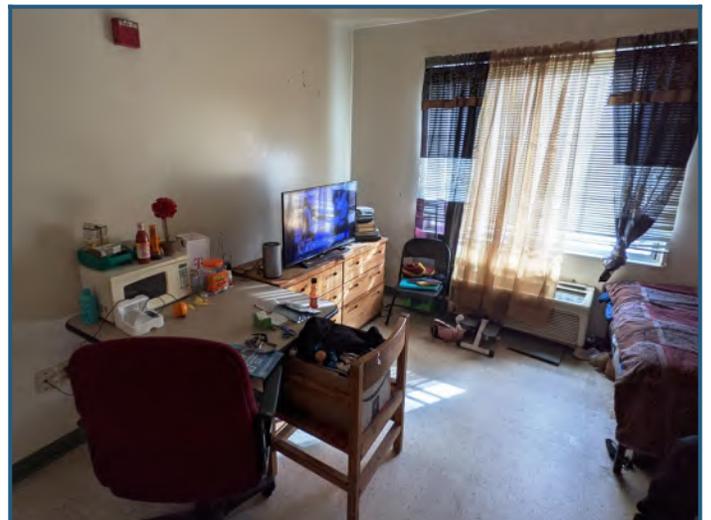
Business Center



Fitness Center



Laundry Facility



Studio (Living Room)



Studio (Kitchen)



Studio (Bathroom)



Studio (Attached Storage Unit)



Studio (Living Room)



Studio (Kitchen)



Studio (Bathroom)



Studio (Attached Storage Unit)

XI.

COMPARABLE  
PROPERTY PROFILES

**2** 201 Twenty One 0.7 miles to site



Address: 201 W 21st St, Norfolk, VA 23517  
 Phone: (757) 321-6411      Contact: Lauren (By Phone)  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 225      Year Built: 2009      Ratings  
 Vacant Units: 0      \*AR Year:      Quality: A  
 Occupancy: 100.0%      Yr Renovated:      Neighborhood: B+  
 Turnover:      Stories: 4 (w/Elev)      Access/Visibility: B+/A  
 Waitlist: 5 HH  
 Rent Special: None

Notes:



**Features And Utilities**

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority

Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Controlled Access; Security System; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops

Property Amenities: Bike Racks / Storage; Community Kitchen; Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Basketball, Fitness Center, Grilling Area, Media Room / Theater, Putting Green, Outdoor Swimming Pool); CCTV, Security Gate; Extra Storage; WiFi

Parking Type: Street Parking; Parking Garage

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	22	0	680 - 853	\$1.72 - \$1.73	\$1,170 - \$1,474	Market
1	1	G	138	0	728 - 1,067	\$1.76 - \$1.60	\$1,280 - \$1,705	Market
2	2	G	65	0	1,018 - 1,487	\$1.57 - \$1.37	\$1,595 - \$2,037	Market

\*Adaptive Reuse

\*DTS is based on drive time

**3 Alexander at Ghent** 1.1 miles to site



Address: 1608 Granby St, Norfolk, VA 23510  
 Phone: (757) 962-8058      Contact: Chantel (By Phone)  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 268      Year Built: 2006      Ratings  
 Vacant Units: 1      \*AR Year:      Quality: A  
 Occupancy: 99.6%      Yr Renovated:      Neighborhood: A  
 Turnover:      Stories: 4 (w/Elev)      Access/Visibility: A/A  
 Waitlist: 10 HH  
 Rent Special: None

Notes: Rent range based on floorplan, floor level & view; Rents change daily



**Features And Utilities**

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Bike Racks / Storage; Multipurpose Room, Community Kitchen; Cafe / Coffee Bar; Courtyard; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Game Room-Billiards, Outdoor Swimming Pool); Courtesy Officer, Security Gate; WiFi

Parking Type: Street Parking; Parking Garage

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	58	0	565 - 695	\$2.59 - \$2.11	\$1,465	Market
1	1	G	78	0	748 - 825	\$2.07 - \$1.87	\$1,545	Market
2	2	G	120	0	1,036 - 1,192	\$1.83 - \$1.77	\$1,900 - \$2,115	Market
3	2	G	12	1	1,324	\$1.59	\$2,099	Market

\*Adaptive Reuse

\*DTS is based on drive time

**6** Aura Downtown 2.0 miles to site



Address: 450 Boush St, Norfolk, VA 23510  
 Phone: (757) 351-3555      Contact: Sophie  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 156      Year Built: 2017  
 Vacant Units: 1      \*AR Year:  
 Occupancy: 99.4%      Yr Renovated:  
 Turnover:      Stories: 6 (w/Elev)  
 Waitlist: None  
 Rent Special: None

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

Notes: Rent range due to floorplan & location



**Features And Utilities**

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority  
 Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Car Care (Charging Stations); Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Game Room-Billiards, Hot Tub, Outdoor Swimming Pool, Tanning Bed); CCTV; Extra Storage; WiFi

Parking Type: Parking Garage

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	10	1	490 - 556	\$3.15 - \$2.80	\$1,543 - \$1,558	Market
1	1	G	100	0	490 - 770	\$3.27 - \$2.28	\$1,604 - \$1,756	Market
2	2	L	31	0	880 - 1,100	\$1.94 - \$1.74	\$1,710 - \$1,910	Market
3	2	G	15	0	1,200	\$2.17 - \$2.33	\$2,598 - \$2,798	Market

\*Adaptive Reuse

\*DTS is based on drive time

**9 Church Street Station Studios** 1.2 miles to site



Address: 2000 Church Street, Norfolk, VA 23504  
 Phone: (757) 544-9907 Contact: Karen  
 Property Type: Tax Credit  
 Target Population: Family, Homeless  
 Total Units: 80 Year Built: 2017  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 4,5 (w/Elev)  
 Waitlist: Yes  
 Rent Special: None

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

Notes: Tax Credit

**Features And Utilities**

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority  
 Utility Type & Responsibility: Landlord pays Electric, Heat (Natural Gas), Hot Water (Natural Gas), Cooking (Electric), Water, Sewer, Trash  
 Unit Amenities: Range; Refrigerator; AC Other; Controlled Access; Furnished; Window Treatments; Flooring (Composite/Vinyl/Laminate)  
 Property Amenities: Bike Racks / Storage; Multipurpose Room, Community Kitchen; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grilling Area); CCTV; Social Services (Social Services Coordinator)  
 Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	80	0	350	\$2.72	\$951	50%

\*Adaptive Reuse

\*DTS is based on drive time

13 James Apts.

2.2 miles to site



Address: 345 Granby St., Norfolk, VA 23510  
 Phone: (757) 644-1927 Contact: Ashley  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 79 Year Built: 2014  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 8 (w/Elev)  
 Waitlist: Yes  
 Rent Special: None

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

Notes:



Features And Utilities

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority  
 Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Business Center (Computer/Business Center); Car Care (Charging Stations); Multipurpose Room; Elevator; On-Site Management; Recreation Areas (Fitness Center, Game Room-Billiards); CCTV; Social Services (Parties / Picnics); WiFi

Parking Type: Street Parking; Parking Garage

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	36	0	330 - 549	\$3.05 - \$1.98	\$1,007 - \$1,086	Market
1	1 - 1.5	G	36	0	501 - 942	\$2.38 - \$1.79	\$1,190 - \$1,684	Market
2	1.5 - 2	G	6	0	951 - 1,050	\$1.88 - \$1.79	\$1,785 - \$1,878	Market
3	3	G	1	0	1,695	\$1.80	\$3,046	Market

\*Adaptive Reuse

\*DTS is based on drive time

**20** **Pointe at Pickett Farms** 5.8 miles to site



Address: 5424 Greenplain Rd, Norfolk, VA 23502  
 Phone: (757) 962-3159      Contact: Charlai  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 120      Year Built: 2013  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 3  
 Waitlist: Shared; 30 HH  
 Rent Special: None

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

Notes: Tax Credit



**Features And Utilities**

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

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

Property Amenities: On-Site Management; Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool); CCTV, Security Gate

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	4	0	794	\$0.66	\$521	50%
1	1	G	14	0	794	\$1.05	\$830	60%
2	2	G	4	0	1,122	\$0.55	\$617	50%
2	2	G	68	0	1,122	\$0.88	\$988	60%
3	2	G	4	0	1,318	\$0.53	\$703	50%
3	2	G	26	0	1,318	\$0.86	\$1,132	60%

\*Adaptive Reuse

\*DTS is based on drive time

**21** Quill Apts. 5.4 miles to site



Address: 5354 E Virginia Beach Blvd, Norfolk, VA 23502  
 Phone: (757) 962-3159 Contact: Charlai  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 180 Year Built: 2015  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 3  
 Waitlist: Shared; 30 HH  
 Rent Special: None

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

Notes: Tax Credit



**Features And Utilities**

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority

Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Recreation Areas (Fitness Center, Playground, Outdoor Swimming Pool); CCTV

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	6	0	722	\$0.71	\$514	50%
1	1	G	24	0	722	\$1.15	\$830	60%
2	2	G	6	0	1,034	\$0.59	\$615	50%
2	2	G	108	0	1,034	\$0.96	\$988	60%
3	2	G	6	0	1,222	\$0.57	\$701	50%
3	2	G	30	0	1,222	\$0.93	\$1,132	60%

\*Adaptive Reuse

\*DTS is based on drive time

**29** Watermark Apts. 3.5 miles to site



Address: 7221 Newport Ave., Norfolk, VA 23505  
 Phone: (757) 441-9395      Contact: Ashley (In Person)  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 180      Year Built: 2016      Ratings  
 Vacant Units: 8      \*AR Year:      Quality: A  
 Occupancy: 95.6%      Yr Renovated:      Neighborhood: B  
 Turnover:      Stories: 4 (w/Elev)      Access/Visibility: B/A  
 Waitlist: None  
 Rent Special: Select units: One month's rent free or \$500 off 1st month's rent



Notes:

**Features And Utilities**

Utility Schedule Provided by: Norfolk and Redevelopment Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Controlled Access; Security System; W/D Hookup; W/D; Window Treatments; Flooring (Carpet)

Property Amenities: Elevator; On-Site Management; Recreation Areas (Fitness Center, Grilling Area, Outdoor Swimming Pool)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
0	1	G	9	1	576	\$2.60	\$1,498	Market
1	1	G	30	2	707 - 928	\$2.31 - \$1.87	\$1,635 - \$1,733	Market
1	1	L	15	2	851 - 1,044	\$2.03 - \$1.82	\$1,729 - \$1,896	Market
2	2	G	108	1	987 - 1,587	\$1.89 - \$1.25	\$1,865 - \$1,977	Market
3	2	G	18	2	1,294 - 1,353	\$1.71 - \$1.69	\$2,214 - \$2,288	Market

\*Adaptive Reuse

\*DTS is based on drive time

## XII.

# FIELD SURVEY OF CONVENTIONAL RENTALS

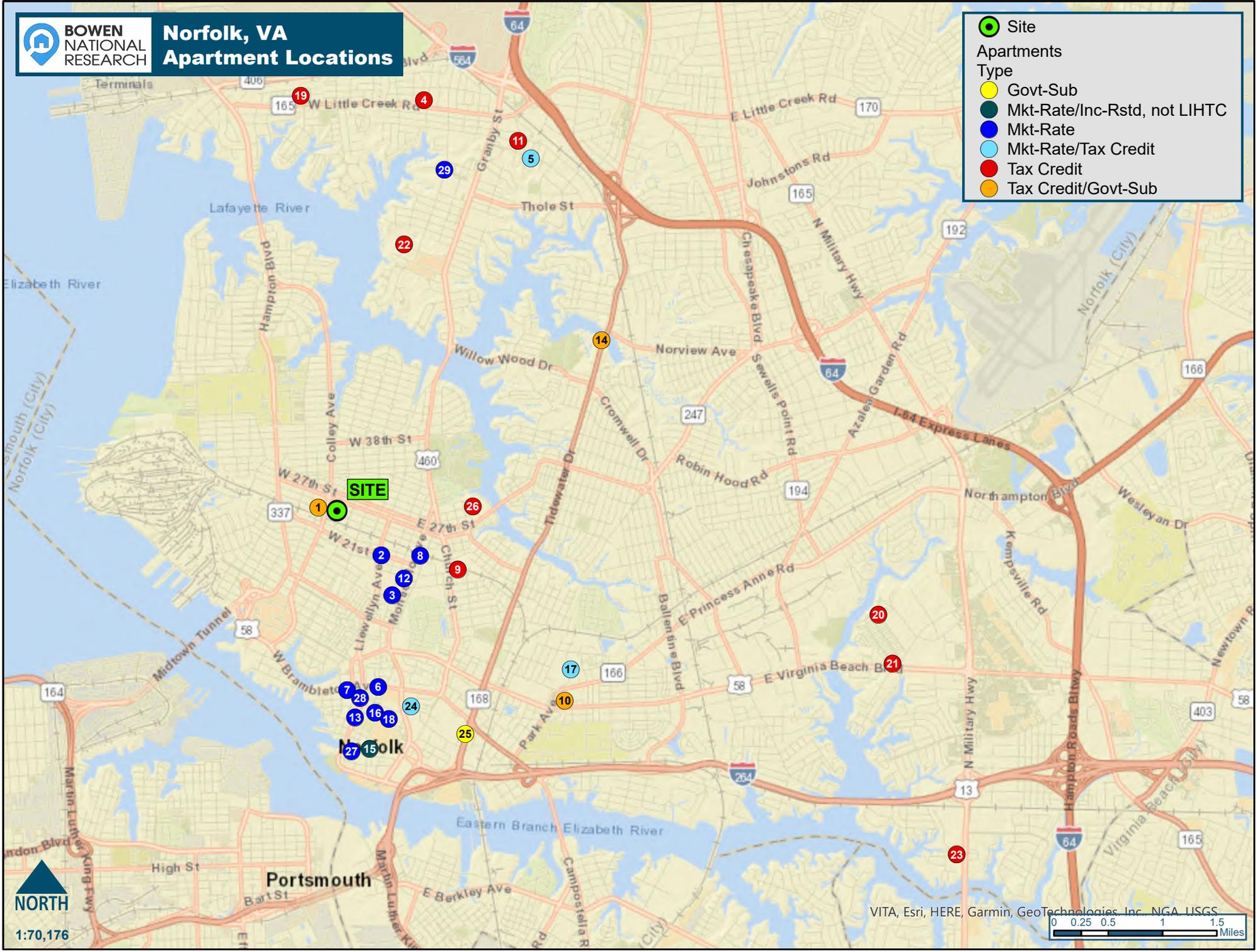


# Norfolk, VA Apartment Locations

**Site**  
● Site

**Apartments Type**

- Govt-Sub
- Mkt-Rate/Inc-Rstd, not LIHTC
- Mkt-Rate
- Mkt-Rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-Sub



1:70,176

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
✓ 1	Gosnold Supportive Housing	TGS	B-	2006	60	4	93.3%	-
✓ 2	201 Twenty One	MRR	A	2009	225	0	100.0%	0.7
✓ 3	Alexander at Ghent	MRR	A	2006	268	1	99.6%	1.1
4	Arbor Pointe	TAX	B-	1948	307	0	100.0%	4.2
5	Archers Green	MRT	B-	1943	223	0	100.0%	3.9
✓ 6	Aura Downtown	MRR	A	2017	156	1	99.4%	2.0
7	Belmont at Freemason	MRR	A	2009	239	6	97.5%	1.8
8	Brightleaf Building	MRR	B+	1917	81	0	100.0%	1.1
✓ 9	Church Street Station Studios	TAX	B	2017	80	0	100.0%	1.2
◆ 10	Cogic High Rise	TGS	C	1974	120	0	100.0%	3.0
◆ 11	Cromwell House	TAX	B	1996	205	0	100.0%	3.8
12	Element at Ghent	MRR	A	2014	164	0	100.0%	1.1
✓ 13	James Apts.	MRR	A	2014	79	0	100.0%	2.2
◆ 14	Lakewood Plaza	TGS	B-	1974	182	0	100.0%	3.2
15	Law Building	MIN	B+	1905	135	0	100.0%	2.3
16	Metro on Granby	MRR	A	2014	186	2	98.9%	2.1
17	Mission College	MRT	C+	1990	260	0	100.0%	2.8
18	Monticello Station	MRR	A	2011	121	3	97.5%	2.2
19	Parkwood Manor	TAX	C+	1942	100	0	100.0%	3.8
✓ 20	Pointe at Pickett Farms	TAX	B	2013	120	0	100.0%	5.8
✓ 21	Quill Apts.	TAX	B	2015	180	0	100.0%	5.4
22	Riverpoint Apts.	TAX	C+	1947	220	0	100.0%	2.9
◆ 23	Shorewood Cove	TAX	B-	2002	132	0	100.0%	7.0
24	St. Paul's Apts.	MRT	B+	2019	126	0	100.0%	2.4
25	Tidewater Gardens	GSS	C-	1955	617	442	28.4%	2.8
26	Villa Terrace	TAX	C+	1970	82	1	98.8%	1.4
27	Virginia Building	MRR	A	1900	34	0	100.0%	2.2
28	Wainwright Apts.	MRR	B+	1926	125	0	100.0%	1.8
✓ 29	Watermark Apts.	MRR	A	2016	180	8	95.6%	3.5

\*Drive distance in miles

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

	<b>1</b> Gosnold Supportive Housing 2425 Gosnold Ave, Norfolk, VA 23517	Contact: Jamey Poole Phone: (757) 622-1162
		Total Units: 60    UC: 0    Occupancy: 93.3%    Stories: 2    Year Built: 2006 BR: 0    Vacant Units: 4    Waitlist: None    AR Year: Target Population: Homeless, Permanent Supportive Housing    Yr Renovated: Rent Special: None Notes: Tax Credit; HUD Section 8; Supportive housing for the homeless

	<b>2</b> 201 Twenty One 201 W 21st St, Norfolk, VA 23517	Contact: Lauren Phone: (757) 321-6411
		Total Units: 225    UC: 0    Occupancy: 100.0%    Stories: 4    w/Elevator    Year Built: 2009 BR: 0, 1, 2    Vacant Units: 0    Waitlist: 5 HH    AR Year: Target Population: Family    Yr Renovated: Rent Special: None Notes:

	<b>3</b> Alexander at Ghent 1608 Granby St, Norfolk, VA 23510	Contact: Chantel Phone: (757) 962-8058
		Total Units: 268    UC: 0    Occupancy: 99.6%    Stories: 4    w/Elevator    Year Built: 2006 BR: 0, 1, 2, 3    Vacant Units: 1    Waitlist: 10 HH    AR Year: Target Population: Family    Yr Renovated: Rent Special: None Notes: Rent range based on floorplan, floor level & view; Rents change daily

	<b>4</b> Arbor Pointe 502 Grantham Rd, Norfolk, VA 23505	Contact: Alesandra Phone: (757) 423-0811
		Total Units: 307    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 1948 BR: 1, 2    Vacant Units: 0    Waitlist: Yes    AR Year: Target Population: Family    Yr Renovated: 1998 Rent Special: None Notes: Tax Credit

	<b>5</b> Archers Green 261 Suburban Pkwy, Norfolk, VA 23505	Contact: Sam Phone: (757) 480-0839
		Total Units: 223    UC: 0    Occupancy: 100.0%    Stories: 2    Year Built: 1943 BR: 2, 3    Vacant Units: 0    Waitlist: None    AR Year: Target Population: Family    Yr Renovated: 1991 Rent Special: None Notes: Market-rate (138 units); Tax Credit (85 units)

 Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC)	 (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized	 (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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**6** **Aura Downtown** Contact: Sophie  
 450 Boush St, Norfolk, VA 23510 Phone: (757) 351-3555



Total Units: 156 UC: 0 Occupancy: 99.4% Stories: 6 w/Elevator Year Built: 2017  
 BR: 0, 1, 2, 3 Vacant Units: 1 Waitlist: None AR Year:  
 Target Population: Family Yr Renovated:  
 Rent Special: None  
 Notes: Rent range due to floorplan & location

**7** **Belmont at Freemason** Contact: Kayla  
 260 W York St, Norfolk, VA 23510 Phone: (757) 275-7340



Total Units: 403 UC: 0 Occupancy: 97.5% Stories: 7 w/Elevator Year Built: 2009  
 BR: 1, 2 Vacant Units: 6 Waitlist: None AR Year:  
 Target Population: Family Yr Renovated:  
 Rent Special: Select units \$75-325 off depending on unit  
 Notes: Rent range due to floor level & view

**8** **Brightleaf Building** Contact: Tiffany  
 200 E. 22nd St., Norfolk, VA 23517 Phone: (757) 389-8348



Total Units: 81 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 1917  
 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: 2017  
 Target Population: Family Yr Renovated:  
 Rent Special: None  
 Notes: Rent range due to unit location & floorplan

**9** **Church Street Station Studios** Contact: Karen  
 2000 Church Street, Norfolk, VA 23504 Phone: (757) 544-9907



Total Units: 80 UC: 0 Occupancy: 100.0% Stories: 4,5 w/Elevator Year Built: 2017  
 BR: 0 Vacant Units: 0 Waitlist: Yes AR Year:  
 Target Population: Family, Homeless Yr Renovated:  
 Rent Special: None  
 Notes: Tax Credit

**10** **Cogic High Rise** Contact: Connie  
 2412 E Virginia Beach Blvd, Norfolk, VA 23504 Phone: (757) 622-2513



Total Units: 120 UC: 30 Occupancy: 100.0% Stories: 11 w/Elevator Year Built: 1974  
 BR: 0, 1, 2 Vacant Units: 0 Waitlist: 24 mos AR Year:  
 Target Population: Senior 62+ Yr Renovated:  
 Rent Special: None  
 Notes: Tax Credit: HUD Section 8 & 236, no RA

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

	<b>11 Cromwell House</b> 114 Cromwell Pkwy, Norfolk, VA 23505		Contact: Lawanda Phone: (757) 480-4444			
	Total Units: 205 UC: 0 BR: 1, 2 Target Population: Senior 55+ Rent Special: None Notes: Tax Credit	Occupancy: 100.0% Vacant Units: 0	Stories: 4 Waitlist: None	w/Elevator	Year Built: 1996 AR Year: Yr Renovated:	

	<b>12 Element at Ghent</b> 111 E. 18th St., Norfolk, VA 23517		Contact: Harley Phone: (757) 663-7545			
	Total Units: 164 UC: 0 BR: 1, 2 Target Population: Family Rent Special: None Notes:	Occupancy: 100.0% Vacant Units: 0	Stories: 5 Waitlist: 1 HH	w/Elevator	Year Built: 2014 AR Year: Yr Renovated:	

	<b>13 James Apts.</b> 345 Granby St., Norfolk, VA 23510		Contact: Ashley Phone: (757) 644-1927			
	Total Units: 79 UC: 0 BR: 0, 1, 2, 3 Target Population: Family Rent Special: None Notes:	Occupancy: 100.0% Vacant Units: 0	Stories: 8 Waitlist: Yes	w/Elevator	Year Built: 2014 AR Year: Yr Renovated:	

	<b>14 Lakewood Plaza</b> 5631 Tidewater Dr, Norfolk, VA 23509		Contact: Lindsey Phone: (757) 857-5445			
	Total Units: 182 UC: 16 BR: 1 Target Population: Senior 62+ Rent Special: None Notes: Tax Credit & HUD Section 8 (178 units); HUD Section 236 & Tax Credit (4 units)	Occupancy: 100.0% Vacant Units: 0	Stories: 13 Waitlist: 12 mos	w/Elevator	Year Built: 1974 AR Year: Yr Renovated: 2022	

	<b>15 Law Building</b> 145 Granby St, Norfolk, VA 23510		Contact: Jordan Phone: (757) 214-6954			
	Total Units: 135 UC: 0 BR: 0, 1, 2 Target Population: Family Rent Special: None Notes: Market-rate (108 units); Income-restricted, not LIHTC (27 units)	Occupancy: 100.0% Vacant Units: 0	Stories: 7 Waitlist: Yes	w/Elevator	Year Built: 1905 AR Year: 2015 Yr Renovated:	

✓ Comparable Property ◆ Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC)	(MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized	(TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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<b>16</b>	<b>Metro on Granby</b> 411, 416 & 420 Granby St., Norfolk, VA 23510	Contact: Ashley Phone: (757) 962-8060
	 <p>Total Units: 186 UC: 0 Occupancy: 98.9% Stories: 5 w/Elevator Year Built: 2014                  BR: 0, 1, 2 Vacant Units: 2 Waitlist: None AR Year:                  Target Population: Family Yr Renovated:                  Rent Special: None                  Notes: Rent range due to unit location &amp; floorplan</p>	

<b>17</b>	<b>Mission College</b> 1300 Lead St, Norfolk, VA 23504	Contact: Esterelita Phone: (866) 556-1793
	 <p>Total Units: 260 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 1990                  BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: None AR Year:                  Target Population: Family Yr Renovated: 2009                  Rent Special: None                  Notes: Market-rate (130 units); Tax Credit (130 units)</p>	

<b>18</b>	<b>Monticello Station</b> 328 E. Freemason St., Norfolk, VA 23510	Contact: Olivia Phone: (757) 321-7282
	 <p>Total Units: 121 UC: 0 Occupancy: 97.5% Stories: 4 w/Elevator Year Built: 2011                  BR: 1, 2, 3, 4 Vacant Units: 3 Waitlist: 3-br; 5 HH AR Year:                  Target Population: Family Yr Renovated:                  Rent Special: None                  Notes: Rent range based on floor level &amp; view; Rents change daily</p>	

<b>19</b>	<b>Parkwood Manor</b> 7703 Major Ave, Norfolk, VA 23505	Contact: Timika Phone: (757) 423-4165
	 <p>Total Units: 100 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 1942                  BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year:                  Target Population: Family Yr Renovated: 1996                  Rent Special: None                  Notes: Tax Credit</p>	



<b>20</b>	<b>Pointe at Pickett Farms</b> 5424 Greenplain Rd, Norfolk, VA 23502	Contact: Charlai Phone: (757) 962-3159
	 <p>Total Units: 120 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2013                  BR: 1, 2, 3 Vacant Units: 0 Waitlist: Shared; 30 HH AR Year:                  Target Population: Family Yr Renovated:                  Rent Special: None                  Notes: Tax Credit</p>	

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



21	<b>Quill Apts.</b> 5354 E Virginia Beach Blvd, Norfolk, VA 23502	Contact: Charlai Phone: (757) 962-3159
	 <p>Total Units: 180 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2015                  BR: 1, 2, 3 Vacant Units: 0 Waitlist: Shared; 30 HH AR Year:                  Target Population: Family Yr Renovated:                  Rent Special: None                  Notes: Tax Credit</p>	

22	<b>Riverpoint Apts.</b> 6415 Newport Ave, Norfolk, VA 23505	Contact: Tracy Phone: (757) 423-2102
	 <p>Total Units: 220 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1947                  BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year:                  Target Population: Family Yr Renovated: 2009                  Rent Special: None                  Notes: Tax Credit</p>	



23	<b>Shorewood Cove</b> 293 Corporate Blvd, Norfolk, VA 23502	Contact: Shante Phone: (757) 461-4080
	 <p>Total Units: 132 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2002                  BR: 1, 2 Vacant Units: 0 Waitlist: 20 HH AR Year:                  Target Population: Senior 62+ Yr Renovated:                  Rent Special: None                  Notes: Tax Credit</p>	

24	<b>St. Paul's Apts.</b> 494 St Pauls Blvd, Norfolk, VA 23510	Contact: Chasity Phone: (757) 226-7596
	 <p>Total Units: 126 UC: 0 Occupancy: 100.0% Stories: 2,3 w/Elevator Year Built: 2019                  BR: 1, 2, 3 Vacant Units: 0 Waitlist: 80 HH AR Year:                  Target Population: Family Yr Renovated:                  Rent Special: None                  Notes: Market-rate (6 units); Tax Credit (120 units); Preleasing 11/2018, opened 2/2019, stabilized occupancy 7/2019</p>	

25	<b>Tidewater Gardens</b> 450 Walke St., Norfolk, VA 23504	Contact: Ms. Bonnie Phone: (757) 624-8602
	 <p>Total Units: 617 UC: 0 Occupancy: 28.4% Stories: 2 Year Built: 1955                  BR: 1, 2, 3, 4 Vacant Units: 442 Waitlist: None AR Year:                  Target Population: Family Yr Renovated:                  Rent Special: None                  Notes: Public Housing</p>	

<ul style="list-style-type: none"> <li> Comparable Property</li> <li> Senior Restricted</li> <li> (MRR) Market-Rate</li> <li> (MRT) Market-Rate &amp; Tax Credit</li> <li> (MRG) Market-Rate &amp; Government-Subsidized</li> <li> (MIN) Market-Rate &amp; Income-Restricted (not LIHTC)</li> </ul>	<ul style="list-style-type: none"> <li> (MIG) Market-Rate, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</li> <li> (TAX) Tax Credit</li> <li> (TGS) Tax Credit &amp; Government-Subsidized</li> <li> (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)</li> <li> (TIN) Tax Credit &amp; Income-Restricted (not LIHTC)</li> <li> (TMG) Tax Credit, Market-Rate &amp; Government-Subsidized</li> </ul>	<ul style="list-style-type: none"> <li> (TIG) Tax Credit, Income-Restricted (not LIHTC) &amp; Govt-Subsidized</li> <li> (INR) Income-Restricted (not LIHTC)</li> <li> (ING) Income-Restricted (not LIHTC) &amp; Government-Subsidized</li> <li> (GSS) Government-Subsidized</li> <li> (ALL) Tax Credit, Market-Rate, Govt-Subsidized &amp; Income-Restricted</li> </ul>
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26	<b>Villa Terrace</b> 2804 Waverly Way, Norfolk, VA 23504	Contact: Brianna Phone: (757) 627-8600
	Total Units: 82    UC: 0    Occupancy: 98.8%    Stories: 2    Year Built: 1970 BR: 2    Vacant Units: 1    Waitlist: None    AR Year: Target Population: Family    Yr Renovated: 2002 Rent Special: None Notes: Tax Credit	
27	<b>Virginia Building</b> 101 W Plume St, Norfolk, VA 23510	Contact: Kim Phone: (757) 244-9590
	Total Units: 34    UC: 0    Occupancy: 100.0%    Stories: 7    w/Elevator    Year Built: 1900 BR: 0, 1, 2    Vacant Units: 0    Waitlist: Yes    AR Year: Target Population: Family    Yr Renovated: 2015 Rent Special: None Notes: Rent range due to floorplan & location	
28	<b>Wainwright Apts.</b> 229 W. Bute St., Norfolk, VA 23510	Contact: Brittany Phone: (757) 961-4633
	Total Units: 125    UC: 0    Occupancy: 100.0%    Stories: 9    w/Elevator    Year Built: 1926 BR: 0, 1, 2    Vacant Units: 0    Waitlist: 5 HH    AR Year: Target Population: Family    Yr Renovated: 2013 Rent Special: None Notes: Rent range based on floorplan, floor level & unit location	
29	<b>Watermark Apts.</b> 7221 Newport Ave., Norfolk, VA 23505	Contact: Ashley Phone: (757) 441-9395
	Total Units: 180    UC: 0    Occupancy: 95.6%    Stories: 4    w/Elevator    Year Built: 2016 BR: 0, 1, 2, 3    Vacant Units: 8    Waitlist: None    AR Year: Target Population: Family    Yr Renovated: Rent Special: Select units: One month's rent free or \$500 off 1st month's rent Notes:	



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

Source: Norfolk and Redevelopment Housing Authority  
Effective: 02/2022

## Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	22	26	30	34	37	41	30	36	40	44	48	52
	+Base Charge	11	11	11	11	11	11	11	11	11	11	11	11
	Bottled Gas	44	54	62	70	75	85	62	73	83	91	98	107
	Electric	13	15	19	23	28	32	18	21	27	32	38	43
	Heat Pump	11	13	15	17	19	21	13	16	19	21	23	25
	Oil	45	55	62	68	75	85	62	72	81	88	98	107
Cooking	Natural Gas	4	4	7	8	11	12	4	4	7	8	11	12
	Bottled Gas	8	8	13	18	23	16	8	8	13	18	23	26
	Electric	5	5	8	10	13	15	5	5	8	10	13	15
Other Electric		17	21	29	37	45	53	22	26	36	46	56	66
	+Base Charge	7	7	7	7	7	7	7	7	7	7	7	7
Air Conditioning		7	9	12	16	19	22	7	9	15	21	27	33
Water Heating	Natural Gas	8	10	15	19	23	28	11	12	18	23	29	43
	Bottled Gas	18	21	31	39	49	57	23	26	36	49	60	70
	Electric	11	13	16	20	24	27	14	16	21	25	30	34
	Oil	16	20	29	39	49	55	23	26	36	49	59	72
Water		40	42	53	64	76	87	40	42	53	64	76	87
Sewer		54	56	79	101	124	146	54	56	79	101	124	146
Trash Collection		28	28	28	28	28	28	28	28	28	28	28	28
Internet*		20	20	20	20	20	20	20	20	20	20	20	20
Cable*		20	20	20	20	20	20	20	20	20	20	20	20
Alarm Monitoring*		0	0	0	0	0	0	0	0	0	0	0	0

\* Estimated- not from source

## XIII. Qualifications

### The Company

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

### Company Leadership

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

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

### Market Analysts

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

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

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

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

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

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

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

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

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

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

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

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

### **Research Staff**

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

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

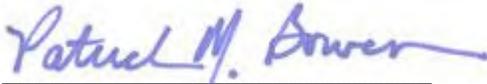
**Stephanie Viren** is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise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

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

## Addendum A – Member Certification & Checklist

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

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



Patrick M. Bowen

President

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

Date: February 9, 2022



Jeff Peters (Primary Contact)

Market Analyst

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

Date: February 9, 2022

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

## ADDENDUM-MARKET STUDY INDEX

### A. INTRODUCTION

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

### B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

### C. CHECKLIST

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

**CHECKLIST (Continued)**

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

**CHECKLIST (Continued)**

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