



**BOWEN  
NATIONAL  
RESEARCH**

# Market Feasibility Analysis

King Street Roanoke  
3339 King Street Northeast  
Roanoke, Virginia 24012

*Prepared For*

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4915 Radford Avenue, Suite 300  
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*Authorized User*

Virginia Housing  
601 South Belvidere Street  
Richmond, Virginia 23220

*Effective Date*

February 2, 2022

*Job Reference Number*

22-128 JP

# Market Study Certification

## NCHMA Certification

This certifies that Ron Pompey, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Roanoke, Virginia. Further, the information contained in this report is true and accurate as of February 2, 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.

Certified:

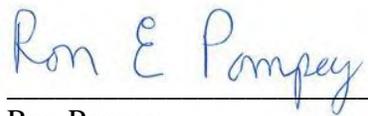


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Date: February 2, 2022

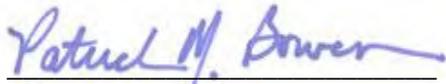


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# I. Introduction

## 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 Roanoke, Virginia. This study was initiated by Ms. Samantha Brown of Community Housing Partners and complies with the guidelines of Virginia Housing. This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

## B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

### **C. SOURCES**

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

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

### **D. REPORT LIMITATIONS**

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

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

Any reproduction or duplication of this report without the express approval of Community Housing Partners 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 King Street Roanoke rental community in Roanoke, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program.*** The following points support this conclusion:

### Project Description

The subject project involves the new construction of the 71-unit King Street Roanoke rental community at 3339 King Street Northeast in Roanoke, Virginia. The project will target general-occupancy (family) households earning up to 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. None of the units within the subject development will receive project-based rental assistance. The entire proposed project is expected to be completed in May of 2024, although some units will be completed and leased in October 2023. Additional details of the subject project can be found in *Section III - Project Description* of this report.

### Site Evaluation

The subject site is a 6.6-acre parcel of undeveloped land located at 3339 King Street Northeast in the eastern portion of Roanoke, Virginia. The site is situated within an established, mixed-use area of Roanoke, with many of the surrounding land uses consisting of residential dwellings. Visibility of the subject site is considered limited as views of the site will be obstructed from motorists traveling on both King Street Northeast (west of site) and U.S. Highway 460 (north of site). However, the three-story design of the subject project is also expected to contribute to the site's overall visibility, as it will be one of the tallest structures in the immediate area. Although a detailed site plan was unavailable at the time of this report, it is anticipated that the subject site's entryway will be located along the western border of the site from the roadway currently used as the entryway for Springtree Rehabilitation & Health Care Center, or from Springtree Drive Northeast, both of which are lightly traveled roadways. The light vehicular traffic experienced on these aforementioned roadways is expected to allow for convenient ingress and egress. Many community services are located within 2.0 miles of the subject site, some of which are also within walking distance of the site. The subject site's proximity to major highways and arterial roadways enhances accessibility to many community services. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in *Section IV - Area Analysis*.

### Primary Market Area (PMA)

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Roanoke Site PMA includes northern and eastern portions of Roanoke, as well as Vinton and southern portions of Hollins, Virginia. The boundaries of the Site PMA generally include State Route 117 (Peters Creek Road Northwest), U.S. Highway 11 and Roanoke County to the north; Roanoke County and Blue Ridge Parkway to the east; Blue Ridge Parkway, Roanoke River and Roanoke limits to the south; and Interstate 581, U.S. Highway 460 (Orange Avenue Northwest), Cove Road Northwest, Hershberger Road Northwest, Aviation Drive Northwest, Municipal Road Northwest, State Route 118 (Airport Road Northwest) and State Route 117 (Peters Creek Road Northwest) 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-10.

### Demographic Trends

Both the population and household bases within the Roanoke Site PMA have been increasing since 2000, a trend that is expected to continue through 2027. Specifically, the population is projected to increase by 643 (0.9%) and households are projected to increase by 227 (0.8%), between 2022 and 2027. In addition, the 25 to 64 age cohort, which is expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise 65.7% of all households in 2022. Although renters are projected to decrease between 2022 and 2027, the more than 11,000 renters projected for 2027 illustrate that a significant base of support will exist for the subject development. Based on the preceding analysis, a large base of renter households will continue to exist in the market during this time period. Detailed demographic trends are included in *Section IV*, beginning on page IV-11.

### Economic Trends

The Roanoke economy generally experienced growth between 2011 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Roanoke employment base declined by 2,515 jobs, or 5.3%, and its unemployment rate increased by nearly five percentage points. Specifically, the *monthly* unemployment rate peaked at 13.0% in April 2020 within the past 18-month period. On a positive note, the local economy appears to be improving in 2021. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable. Detailed economic trends are included in *Section IV*, beginning on page IV-15.

### Overall Rental Housing Market Conditions

We identified and personally surveyed 16 conventional housing projects containing a total of 2,267 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 99.1%, an excellent rate for rental housing. Each rental housing segment surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	8	1,587	17	98.9%
Market-rate/Government-Subsidized	1	108	0	100.0%
Tax Credit	1	192	4	97.9%
Tax Credit/Government-Subsidized	3	162	0	100.0%
Government-Subsidized	3	218	0	100.0%
Total	16	2,267	21	99.1%

All rental housing segments surveyed are performing at a high level as each reports an overall occupancy rate of 97.9% or higher. This is a clear indication of strong demand for rental product of all types in this market.

### Competitive Tax Credit Analysis

We identified and surveyed two properties that operate under the Tax Credit program and offer non-subsidized Tax Credit units targeting general-occupancy (family) households, similar to that proposed at the subject site. Considering these two properties offer similar unit types targeting similar income levels, they are considered comparable to the subject development and have been included in our comparable analysis.

Due to the lack of comparable Tax Credit product surveyed in the Site PMA, we identified and surveyed three additional rental communities that offer non-subsidized Tax Credit units outside the Site PMA in the surrounding Roanoke, Salem and Cave Spring, Virginia areas. These three projects located outside the Site PMA target general-occupancy (family) households earning up to 60% of AMHI and are considered comparable to the proposed project. Note that although Salem Commons and Woodridge Apartments are located in areas that are slightly inferior to that of the Site PMA, we have included these properties in our comparable analysis. These five comparable properties and the subject site are summarized in the following table:

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>King Street Roanoke</b>	<b>2024</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 40%, 50%, 60% &amp; 80% AMHI</b>
2	Afton Gardens	1967 / 2002	108	100.0%	4.0 Miles	8-12 Months	Families; 60% AMHI & Sec 8
13	Peters Creek I, II, III	1994 / 2015	192	97.9%	9.6 Miles	None	Families; 50% & 60% AMHI
903	Everett	1973 / 2006	404*	98.8%	9.5 Miles	None	Families; 60% AMHI
905	Salem Commons	1988 / 1999	88	100.0%	8.1 Miles	6 HH	Families; 60% AMHI
906	Woodridge Apts.	1972 / 1992	48*	100.0%	6.7 Miles	None	Families; 60% AMHI

OCC. – Occupancy

HH - Households

\*Tax Credit units only

900 Map IDs are located outside the Site PMA

The five comparable LIHTC projects have a combined occupancy rate of 98.9% and two of the five properties maintain a waiting list for the next available unit. This is a clear indication of high and pent-up demand within the market and region and the development of the subject project will alleviate a portion of this pent-up 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
		One-Br.	Two-Br.	Three-Br.	
<b>Site</b>	<b>King Street Roanoke</b>	<b>-</b>	<b>\$706/40% (4) \$882/50% (14) \$1,059/60% (12) \$1,237/80% (6)</b>	<b>\$815/40% (4) \$1,019/50% (14) \$1,223/60% (12) \$1,460/80% (5)</b>	<b>-</b>
2	Afton Gardens	-	\$1,057/60% (104/0)* \$1,206/60% (4/0)	-	None
13	Peters Creek I, II, III	-	\$930/50% (66/1) \$1,107/60% (66/1)	\$1,078/50% (30/1) \$1,282/60% (30/1)	None
903	Everett	\$828-\$841/60% (80/0)	\$989/60% (56/0) \$1,006/60% (212/5)	\$1,156/60% (56/0)	None
905	Salem Commons	-	\$847/60% (40/0) \$877/60% (24/0)	\$1,001/60% (24/0)	None
906	Woodridge Apts.	\$803/60% (29/0)	\$887/60% (14/0)	\$966/60% (5/0)	None

900 Map IDs are located outside the Site PMA

\*Subsidized; tenants of these units pay only a portion of their income towards rent and the rent reflected in the table

The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally within the range of the rents being achieved at the comparable LIHTC properties in the market and region targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 30 years newer than the original year built of the comparable properties utilized in this analysis, although all have been renovated since being built. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60%) are considered achievable as proposed.

The subject's proposed gross LIHTC rents at the 80% of AMHI income level are higher than the rents being achieved at the comparable LIHTC properties, which is to be expected when considering the higher income targeting level. Considering they are only slightly higher than the 60% of AMHI rents being achieved at the comparable LIHTC properties, they are considered appropriately positioned. This is especially true when considering the market rent advantages that they represent, as illustrated in *Section VI*.

Additionally, the subject project will be the only LIHTC rental community within the market to offer units set aside at 40% and 80% of AMHI. This will also position the subject at a market advantage, as it will provide an affordable rental housing alternative to low- and moderate-income renters within the Roanoke Site PMA that are currently underserved.

#### Comparable/Competitive Tax Credit Summary

The five comparable LIHTC projects have a combined occupancy rate of 98.9% and two of the five properties maintain a waiting list for the next available unit. This is a clear indication of high and pent-up demand within the market and region and the development of the subject project will alleviate a portion of this pent-up demand.

The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally within the range of the rents being achieved at the comparable LIHTC properties in the market and region targeting similar income levels. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60%) are considered achievable as proposed. The subject's proposed gross LIHTC rents at the 80% of AMHI income level are higher than the rents being achieved at the comparable LIHTC properties, which is to be expected when considering the higher income targeting level. Considering they are only slightly higher than the 60% of AMHI rents being achieved at the comparable LIHTC properties, they are considered appropriately positioned. In terms of overall design, the subject project is expected to be very competitive, regarding unit size (square feet), number of bathrooms, and amenities offered.

Perception of Value

Based on HUD Rent Comparability Grids in *Section VI*, it was determined that the present-day achievable market rents for units similar to the proposed subject development are summarized as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
Two-Br.	40%	\$569	\$1,400	59.4%
Two-Br.	50%	\$745	\$1,400	46.8%
Two-Br.	60%	\$922	\$1,400	34.1%
Two-Br.	80%	\$1,100	\$1,400	21.4%
Three-Br.	40%	\$655	\$1,650	60.3%
Three-Br.	50%	\$859	\$1,650	47.9%
Three-Br.	60%	\$1,063	\$1,650	35.6%
Three-Br.	80%	\$1,300	\$1,650	21.2%

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10.0% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households at higher income levels such as 80% of AMHI often do not need to represent a market rent advantage of 10.0% to be perceived a value, it is often recommended that such units/rents represent around a 5.0% market rent advantage.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 21.2% to 60.3%, depending upon unit type and income level. Thus, the subject rents, even those at the higher 80% AMHI levels, will represent significant values within the Roanoke Site PMA.

Capture Rate Estimates

The following is a summary of our demand calculations:

Demand Component	40% AMHI (\$24,206- \$33,880)	50% AMHI (\$30,240- \$42,350)	60% AMHI (\$36,309- \$50,820)	80% AMHI (\$42,411- \$67,760)	Overall (\$24,206-\$67,760)
Net Demand	855	451	165	136	1,308
Proposed Units	8	28	24	11	71
Proposed Units / Net Demand	8 / 855	28 / 451	24 / 165	11 / 136	71 / 1,308
Capture Rate	= 0.9%	= 6.2%	= 15.0%	= 8.1%	= 5.4%

Overall, the capture rates by targeted income level are considered low and easily achievable, ranging from 0.9% to 15.0%. The overall LIHTC capture rate of 5.4% is also considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development.

### Penetration Rate

The 294 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, planned and subject Tax Credit units is \$24,206 to \$67,760. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 4,581 renter households with eligible incomes in 2024. The 365 existing and planned non-subsidized Tax Credit units (including the subject site), represent a penetration rate of 8.0% of the 4,581 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Planned, Existing & Subject)	365
Income-Eligible Renter Households – 2024	/ 4,581
Overall Market Penetration Rate	= 8.0%

It is our opinion that the 8.0% penetration rate for the LIHTC units, existing, planned and proposed subject, is very low and easily achievable.

### Absorption Projections

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 71 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in approximately five to six months of opening. This absorption period is based on an average monthly absorption rate of approximately 12 units per month.

These absorption projections assume a May 2024 opening date, although some units will be completed October 2023. An earlier/later opening date may have a slowing impact on the initial absorption of the subject project. Further, these absorption projections assume that the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

### III. Project Description

Project Name:	<b>King Street Roanoke</b>
Location:	3339 King Street Northeast, Roanoke, Virginia 24012
Census Tract:	6.02
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 71-unit King Street Roanoke rental community at 3339 King Street Northeast in Roanoke, Virginia. The project will target general-occupancy (family) households earning up to 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. None of the units within the subject development will receive project-based rental assistance. The entire proposed project is expected to be completed in May of 2024, although some units will be completed and leased in October 2023. Additional details of the subject development are summarized as follows:

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
4	Two-Br.	2.0	Garden	956	40%	\$569	\$137	\$706	\$706
14	Two-Br.	2.0	Garden	956	50%	\$745	\$137	\$882	\$882
12	Two-Br.	2.0	Garden	956	60%	\$922	\$137	\$1,059	\$1,059
6	Two-Br.	2.0	Garden	956	80%	\$1,100	\$137	\$1,237	\$1,412
4	Three-Br.	2.0	Garden	1,121	40%	\$655	\$160	\$815	\$815
14	Three-Br.	2.0	Garden	1,121	50%	\$859	\$160	\$1,019	\$1,019
12	Three-Br.	2.0	Garden	1,121	60%	\$1,063	\$160	\$1,223	\$1,223
5	Three-Br.	2.0	Garden	1,121	80%	\$1,300	\$160	\$1,460	\$1,631
71	Total								

Source: Community Housing Partners

AMHI - Area Median Household Income (Roanoke, VA HUD Metro FMR Area; 2021)

Building/Site Information	
Residential Buildings:	Three (3) three-story buildings
Building Style:	Walk-up
Community Space:	Integrated throughout
Acres:	6.6

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	2023
Begin Preleasing:	October 2023
Construction End:	May 2024

Unit Amenities		
• Electric Range	• Washer/Dryer Hookups	• Composite Flooring
• Refrigerator	• Central Air Conditioning	• Window Blinds
• Dishwasher	• Walk-In Closet	• Patio/Balcony/Sunroom

Community Amenities		
• Bike Racks/Storage	• Business/Computer Center	• Clubhouse/Community Room
• Common Area Wi-Fi	• On-Site Management	• Playground
• CCTV/Cameras	• Surface Parking Lot (110 Spaces)	

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

**FLOOR AND SITE PLAN REVIEW:**

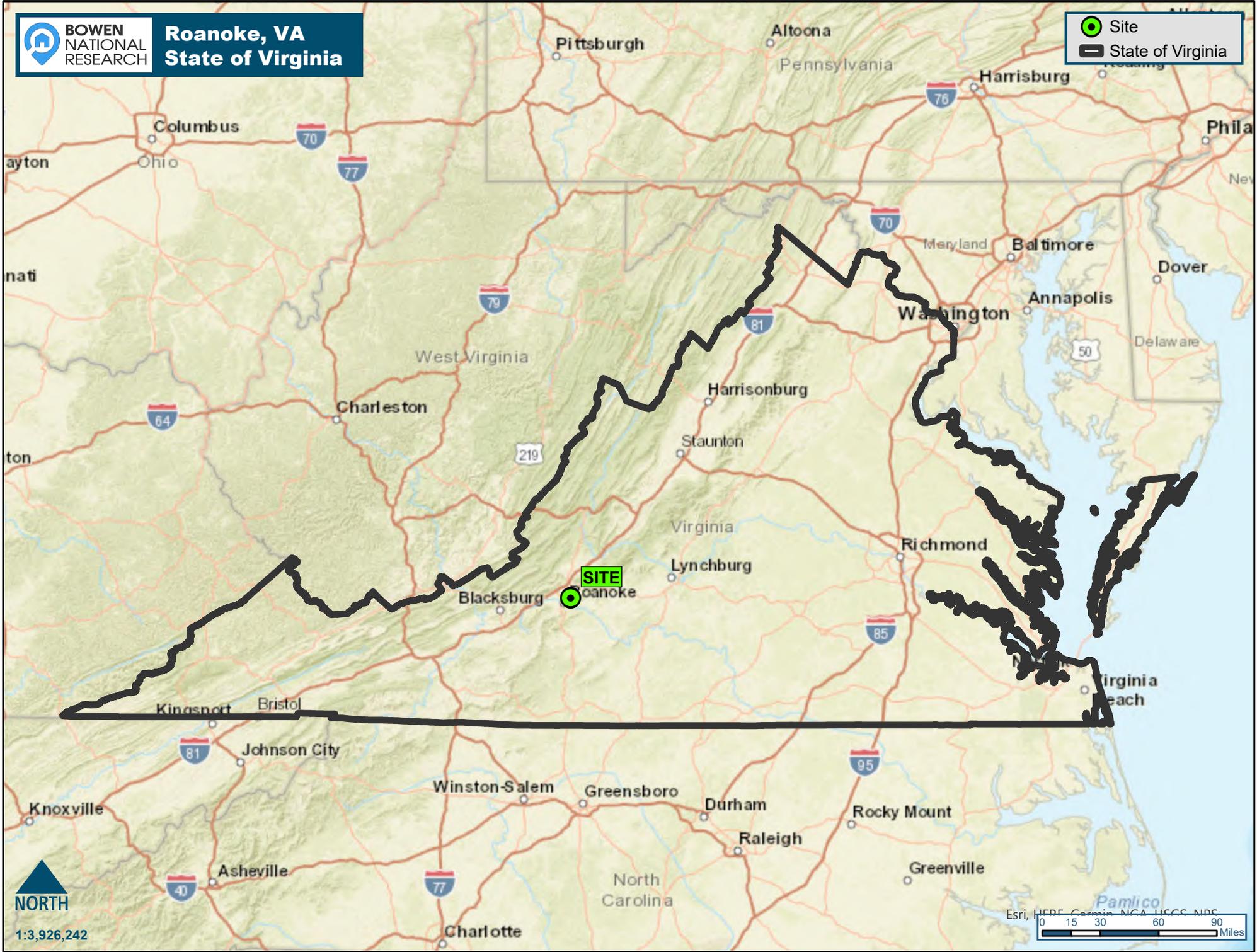
Floor and site plans were not available for review at the time this market study was issued. However, an in-depth analysis of comparable Tax Credit and market-rate housing projects has been completed and the proposed unit designs are considered appropriate for the market. The proposed development will offer marketable unit sizes, based on square footage, as well as in-unit washer/dryer connections, dishwashers, walk-in closets and various community spaces that are considered desirable to the targeted population. Overall, we believe the subject site will be appropriately positioned within the Roanoke market, assuming the floorplans are marketable.

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



# Roanoke, VA State of Virginia

 Site  
 State of Virginia



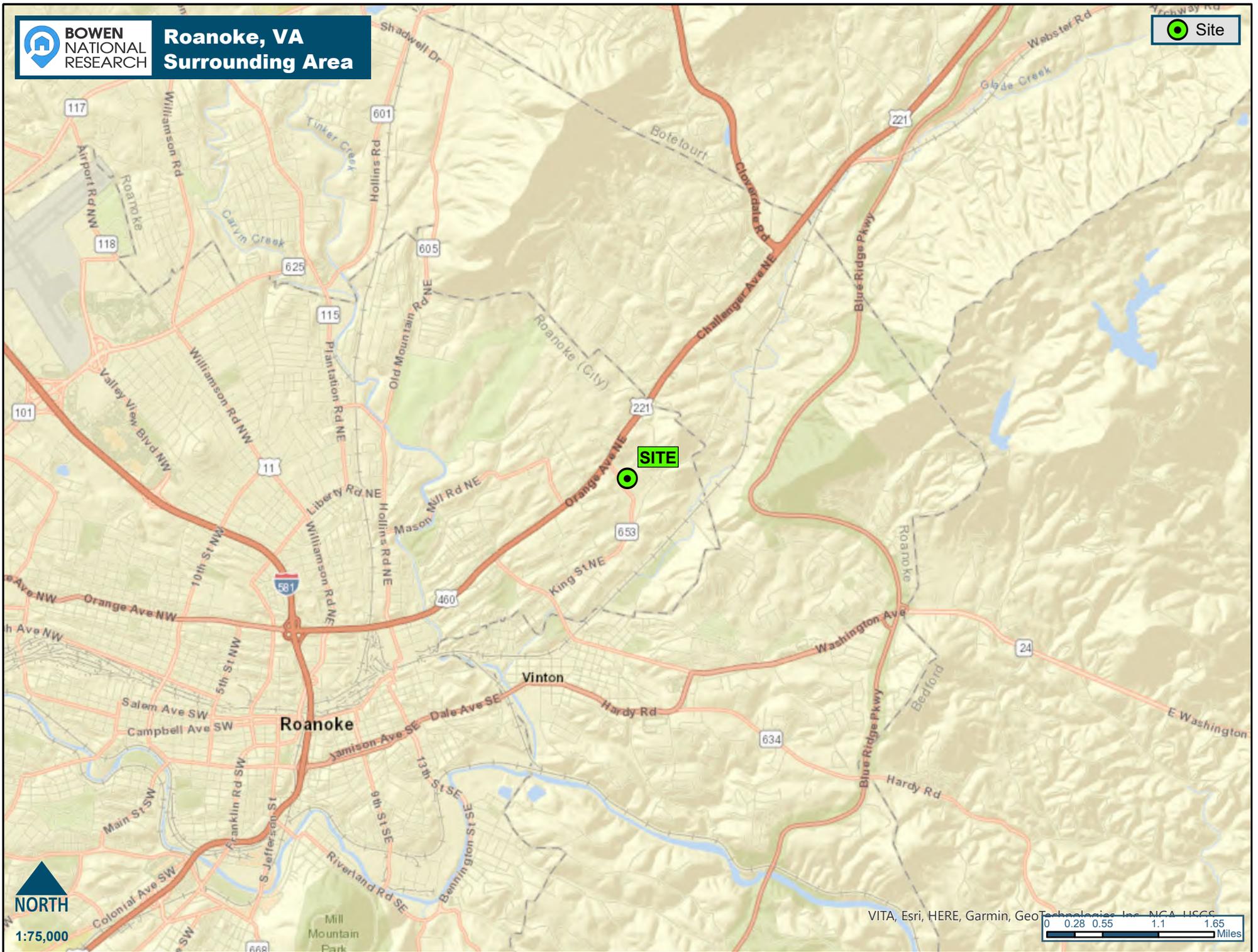
  
NORTH  
1:3,926,242

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



# Roanoke, VA Surrounding Area

Site



1:75,000

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



# Roanoke, VA Site Neighborhood

Legend  
Site Area



1:4,285

Map: Microsoft  
0 0.02 0.04 0.09 0.13  
Miles

## IV. Area Analysis

### A. SITE DESCRIPTION AND EVALUATION

#### 1. LOCATION

The subject site is a 6.6-acre parcel of undeveloped land located at 3339 King Street Northeast in the eastern portion of Roanoke, Virginia. Located within Roanoke, the site is approximately 40.0 miles east of Blacksburg, Virginia and 53.0 miles west of Lynchburg, Virginia. The site was visited during the week of January 31, 2022.

#### 2. SURROUNDING LAND USES

The subject site is situated within an established, mixed-use area in the eastern portion of Roanoke. Surrounding land uses primarily consist of retail land uses and residential dwellings. Adjacent land uses are detailed as follows:

<b>North -</b>	The northern boundary is defined by Springtree Drive Northeast, a residential roadway with light traffic. A shopping center, a single-family home, and retail establishments situated along U.S. Highway 460, a moderately traveled arterial roadway, extend farther north of the site.
<b>East -</b>	The eastern boundary is defined by a tree line and single-family homes in fair to good condition. Single-family homes and wooded land extend east of the site to Parkway Church on the Mountain.
<b>South -</b>	The southern boundary is defined by Springtree Rehabilitation & Health Care Center. Wooded land and residential dwellings in fair to good condition extend farther south of the site.
<b>West -</b>	The western boundary is defined by the entryway for Springtree Rehabilitation & Health Care Center. Wooded land extends west of the site, followed by Glade Creek (Map ID 9) and Hickory Woods Apartments (Map ID 10), market-rate properties in good condition. Undeveloped land extends west of the site along U.S. Highway 460.

The subject site is situated within an established, mixed-use area of eastern Roanoke and is considered conducive to residential housing. Notably, the proximity to community services, dining options, retail shopping, and arterial roadways will likely contribute to the marketability of the subject site. The existing residential and retail structures within the immediate site neighborhood were observed to be in good condition and are not expected to adversely impact the overall marketability of the proposed subject site. Photographs of the site can be found in *Section X* of this report.

### 3. VISIBILITY AND ACCESS

Visibility of the subject site is considered limited as views of the site will be obstructed from motorists traveling on both King Street Northeast (west of site) and U.S. Highway 460 (north of site). However, the three-story design of the subject project is also expected to contribute to the site's overall visibility, as it will be one of the tallest structures in the immediate area. Promotional signage placed along King Street Northeast and/or U.S. Highway 460 would significantly enhance the overall visibility of the subject site. Overall, visibility is considered fair.

Although a detailed site plan was unavailable at the time of this report, it is anticipated that the subject site's entryway will be located along the western border of the site from the roadway currently used as the entryway for Springtree Rehabilitation & Health Care Center, or from Springtree Drive Northeast, both of which are lightly traveled roadways. The light vehicular traffic experienced on these aforementioned roadways is expected to allow for convenient ingress and egress. In addition to being conveniently accessed, the subject site is also within proximity of area arterial roadways, as U.S. Highway 460 and Interstate 581 are both accessed within approximately 3.0 miles of the site. Public transportation is also offered throughout the area via Valley Metro and the nearest bus stop is located 0.3 miles west of the site, along U.S. Highway 460. The availability of affordable public transportation within walking distance of the subject site is considered beneficial to the targeted low-income population at the site. Overall, accessibility of the site is considered good.

### 4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance From Site (miles)
Major Highways	U.S. Highway 460 Interstate 581	0.3 West 3.3 Southwest
Public Bus Stop	Valley Metro	0.3 West
Major Employers/ Employment Centers	Cooper Industries Advance Auto Parts Distribution Center Walmart Supercenter Carilion Roanoke Memorial Hospital	1.2 North 1.5 North 2.4 Northeast 5.3 Southwest
Convenience Store	BP/Apple Market Exxon/Food Mart BP	0.3 Northwest 1.0 Northeast 1.1 Southeast
Grocery	Kroger Walmart Supercenter Food Lion	1.5 Northeast 2.4 Northeast 4.7 Northwest
Discount Department Store	Dollar Tree Dollar General Walmart Supercenter	0.4 Northwest 1.5 Southwest 2.4 Northeast

(Continued)

Community Services	Name	Driving Distance From Site (miles)
Shopping Center/Mall	Shopping Center with Planet Fitness Market Square East Orange Plaza Shopping Center	0.2 West 0.5 Northeast 1.5 Southwest
Schools: Elementary Middle/Junior High High	Fallon Park Elementary John P. Fishwick Middle William Fleming High	3.1 Southwest 3.8 Southwest 7.1 West
Hospital	Carilion Roanoke Memorial Hospital	5.3 Southwest
Police	Vinton Police	2.0 South
Fire	Roanoke Fire Station #14	0.9 Southwest
Post Office	U.S. Post Office	1.9 South
Bank	BB&T Bank Wells Fargo Bank SunTrust Bank	0.5 North 0.5 North 0.7 North
Recreational/Gym Facilities	Planet Fitness Big Lick Crossfit Bonsack Recreation Center	0.3 Northwest 2.2 Northeast 2.7 Northeast
Gas Station	BP/Apple Market Exxon/Food Mart BP	0.3 Northwest 1.0 Northeast 1.1 Southeast
Pharmacy	Kroger Pharmacy Walmart Pharmacy CVS	1.5 Northeast 2.4 Northeast 2.7 South
Restaurant	Waffle House Denny's Pho Saigon	0.3 Northwest 0.3 Northwest 0.5 Northwest
Day Care	Honey Tree Early Learning Center Creative Kids Child Care Center Children Castle Early Learning	0.7 North 1.0 North 1.1 Northeast
Community Center	Keystone Community Center Presbyterian Community Center	2.8 Southwest 3.3 Southwest
Church	Parkway House of Prayer Parkway Church on the Mountain	0.5 South 0.8 Northeast
Library	Vinton Public Library	2.0 South
Park	Vinyard Park West Fallon Park	1.0 South 3.0 Southwest

As the preceding table illustrates, many community services are located within 2.0 miles of the subject site, some of which are also within walking distance of the site. Notably, a BP (gas station), Apple Market (convenience store), BB&T Bank, Kroger (grocery store and pharmacy), Creative Kids Child Care Center, Pho Saigon (restaurant), Dollar Tree, and Vinyard Park West are all located within 2.0 miles of the subject site. The subject site's proximity to major highways and arterial roadways enhances accessibility to many community services. It is also of note that the Valley Metro provides fixed-route public transportation offering affordable transportation services throughout Roanoke, with the nearest bus stop being located 0.3 miles west of the site.

Public safety services are provided by the Vinton Police Department, located 2.0 miles south of the site and Roanoke Fire Station #14, located 0.9 miles southwest of the subject site. The nearest full-service hospital is the Carilion Roanoke Memorial Hospital located 5.3 miles southwest of the site, which offers a full range of services including emergency services. Overall, the subject site's proximity to community services is expected to positively contribute to its overall marketability.

## **5. OVERALL SITE EVALUATION**

The subject site is a 6.6-acre parcel of undeveloped land located at 3339 King Street Northeast in the eastern portion of Roanoke, Virginia. The site is situated within an established, mixed-use area of Roanoke, with many of the surrounding land uses consisting of residential dwellings. Visibility of the subject site is considered limited as views of the site will be obstructed from motorists traveling on both King Street Northeast (west of site) and U.S. Highway 460 (north of site). However, the three-story design of the subject project is also expected to contribute to the site's overall visibility, as it will be one of the tallest structures in the immediate area. Although a detailed site plan was unavailable at the time of this report, it is anticipated that the subject site's entryway will be located along the western border of the site from the roadway currently used as the entryway for Springtree Rehabilitation & Health Care Center, or from Springtree Drive Northeast, both of which are lightly traveled roadways. The light vehicular traffic experienced on these aforementioned roadways is expected to allow for convenient ingress and egress. Many community services are located within 2.0 miles of the subject site, some of which are also within walking distance of the site. The subject site's proximity to major highways and arterial roadways enhances accessibility to many community services. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability.

## **6. CRIME ISSUES**

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

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

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

Total crime risk (153) for the Site ZIP Code is above the national average with an overall personal crime index of 72 and a property crime index of 166. Total crime risk (164) for Roanoke City is above the national average with indexes for personal and property crime of 98 and 175, respectively.

	Crime Risk Index	
	Site ZIP Code	Roanoke
<b>Total Crime</b>	<b>153</b>	<b>164</b>
<b>Personal Crime</b>	<b>72</b>	<b>98</b>
Murder	110	222
Rape	97	98
Robbery	59	97
Assault	73	96
<b>Property Crime</b>	<b>166</b>	<b>175</b>
Burglary	89	111
Larceny	196	199
Motor Vehicle Theft	87	112

Source: Applied Geographic Solutions

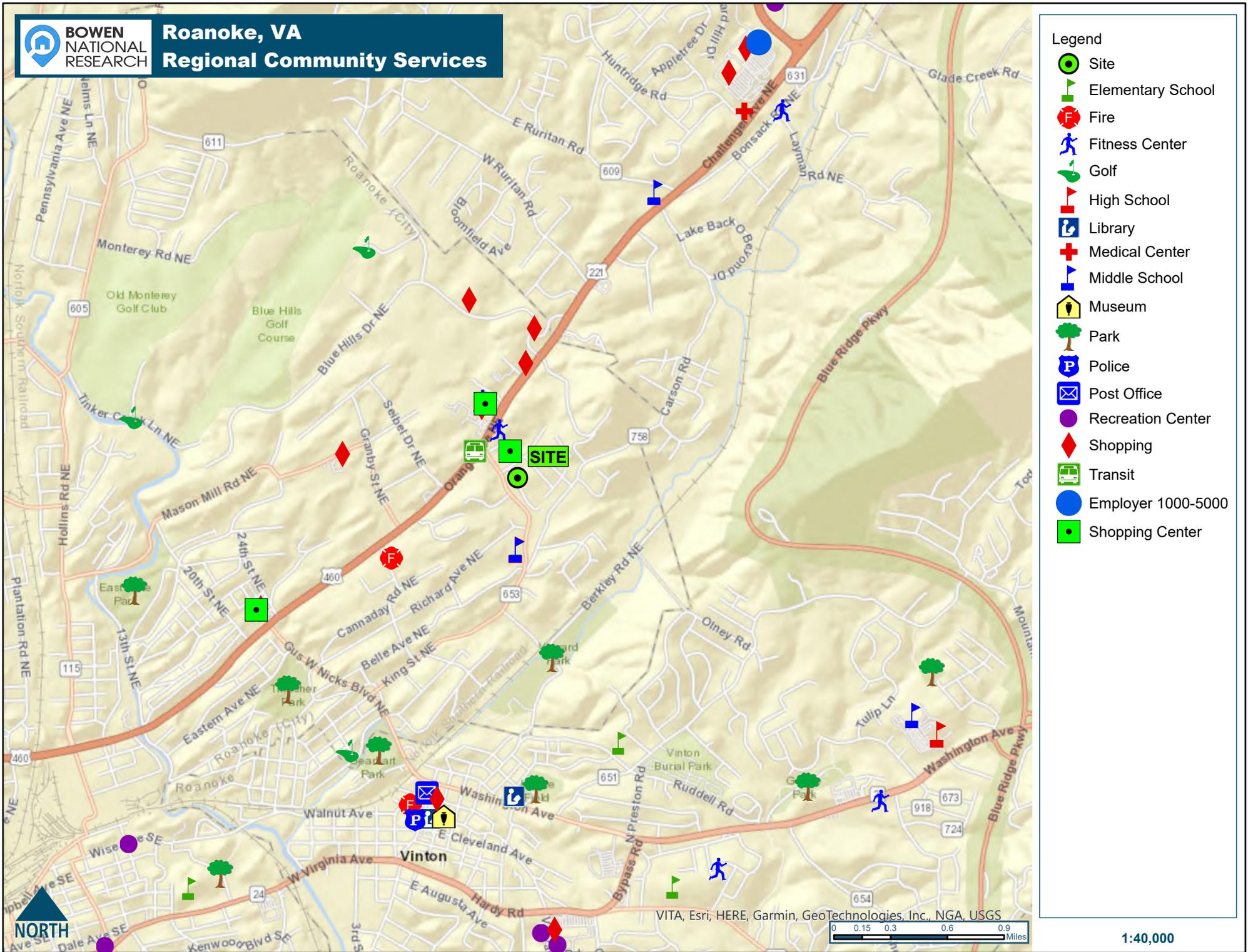
The crime risk index within the site’s ZIP Code (153) is similar to that of Roanoke City (164) and both are above that of the nation (100). However, the perception of crime within the immediate area has not had an adverse impact on marketability, as evidenced by the high occupancy rates reported among the three properties near the subject site (Christian Village of Western Virginia, Glade Creek and Hickory Woods Apartments). In addition, the subject site includes amenities such as on-site management and security cameras, features which likely enhance the perception of safety at the property. Overall, it is not anticipated that the elevated crime rate within the neighborhood will have a significant adverse impact on the site’s marketability.

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



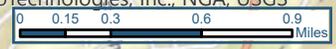


# Roanoke, VA Regional Community Services



- Legend**
- Site
  - Elementary School
  - Fire
  - Fitness Center
  - Golf
  - High School
  - Library
  - Medical Center
  - Middle School
  - Museum
  - Park
  - Police
  - Post Office
  - Recreation Center
  - Shopping
  - Transit
  - Employer 1000-5000
  - Shopping Center

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



1:40,000



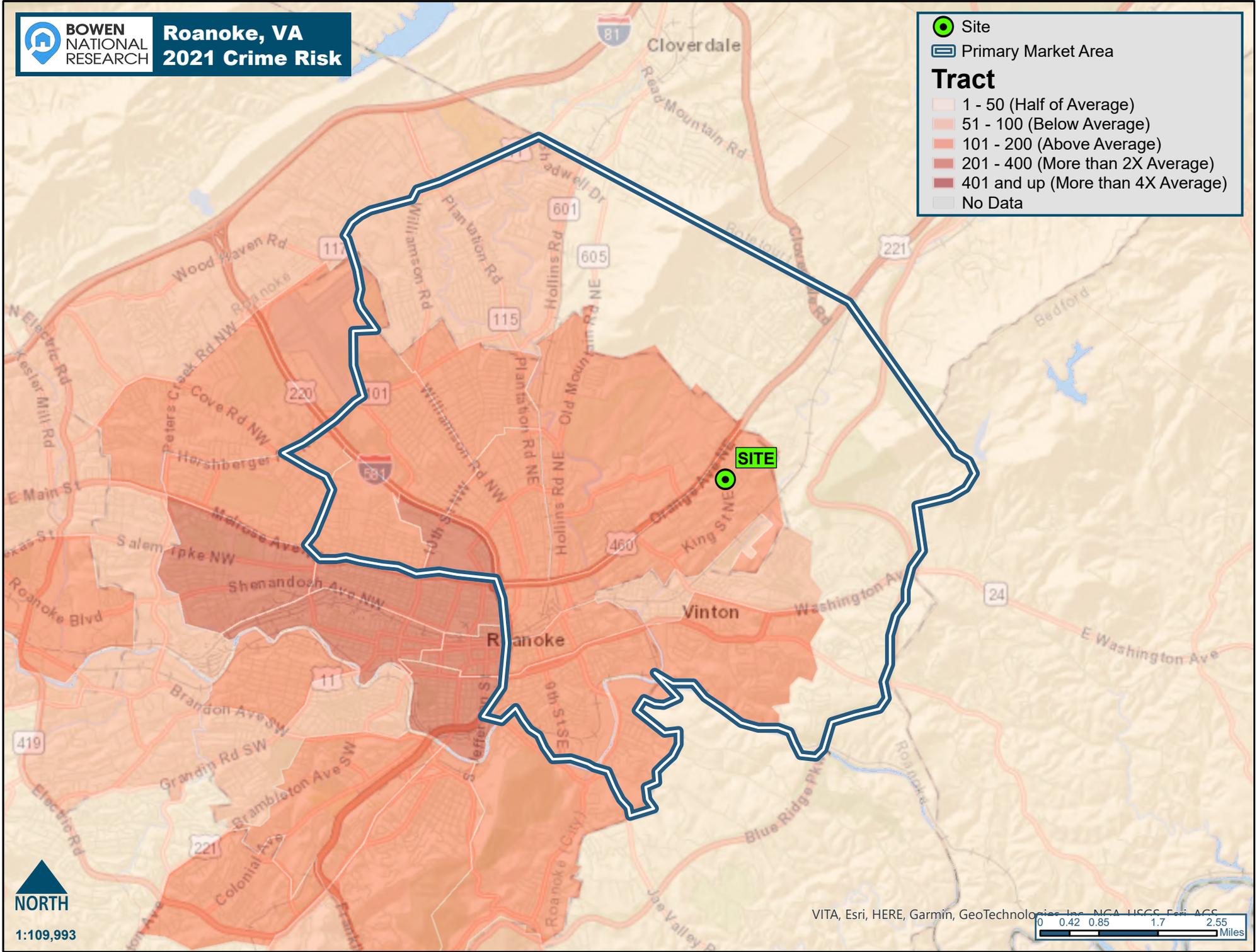
# Roanoke, VA 2021 Crime Risk

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



NORTH  
1:109,993

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., NGA, USGS, FAO, ACS  
0 0.42 0.85 1.7 2.55 Miles

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

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

The Roanoke Site PMA includes northern and eastern portions of Roanoke, as well as Vinton and southern portions of Hollins, Virginia. The boundaries of the Site PMA generally include State Route 117 (Peters Creek Road Northwest), U.S. Highway 11 and Roanoke County to the north; Roanoke County and Blue Ridge Parkway to the east; Blue Ridge Parkway, Roanoke River and Roanoke limits to the south; and Interstate 581, U.S. Highway 460 (Orange Avenue Northwest), Cove Road Northwest, Hershberger Road Northwest, Aviation Drive Northwest, Municipal Road Northwest, State Route 118 (Airport Road Northwest) and State Route 117 (Peters Creek Road Northwest) to the west.

- Sherry Blackwell is the Assistant Property Manager at Afton Garden Apartments (Map ID 2), a Tax Credit and government-subsidized community in the Roanoke Site PMA. Ms. Blackwell agreed with the map showing the boundaries of the PMA as where the majority of support originates for this property. Additionally, she stated that it would be likely that renters would relocate from other areas within the Site PMA to the proposed site location in Roanoke for new construction affordable rental product such as that proposed at the site.
- Dolly White is the Property Manager at Peters Creek I, II and III (Map ID 13), a comparable Tax Credit community in the Roanoke Site PMA. Ms. White confirmed the boundaries of the Roanoke Site PMA, stating that a new Tax Credit property at the site's location would likely receive a large portion of its support from within the boundaries of the Site PMA.

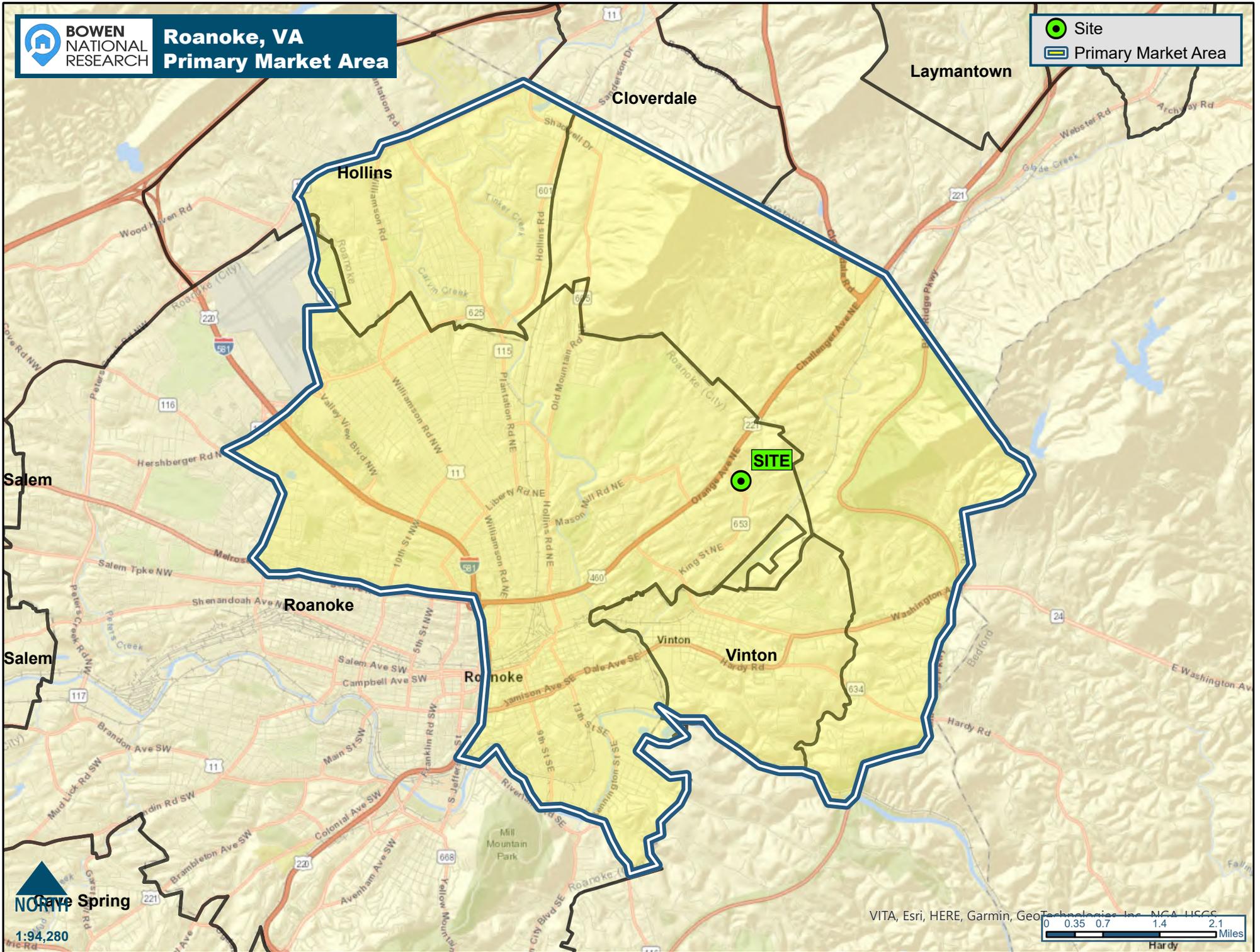
A small portion of support may originate from some of the outlying areas of the Site PMA and suburban communities in the area; we have not, however, considered any secondary market area in this report.

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



# Roanoke, VA Primary Market Area

- Site
- Primary Market Area



NORTH  
1:94,280

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc, NGA, USGS  
 0 0.35 0.7 1.4 2.1 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	64,271	68,302	70,103	70,746
Population Change	-	4,031	1,801	643
Percent Change	-	6.3%	2.6%	0.9%

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

The Roanoke Site PMA population base increased by 4,031 between 2000 and 2010. This represents a 6.3% increase over the 2000 population, or an annual rate of 0.6%. Between 2010 and 2022, the population increased by 1,801, or 2.6%. It is projected that the population will increase by 643, or 0.9%, 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	17,024	24.9%	16,379	23.4%	16,668	23.6%	289	1.8%
20 to 24	4,164	6.1%	3,825	5.5%	3,753	5.3%	-72	-1.9%
25 to 34	9,258	13.6%	9,128	13.0%	8,578	12.1%	-550	-6.0%
35 to 44	9,175	13.4%	9,153	13.1%	9,284	13.1%	131	1.4%
45 to 54	9,791	14.3%	8,758	12.5%	8,659	12.2%	-99	-1.1%
55 to 64	8,555	12.5%	9,009	12.9%	8,619	12.2%	-390	-4.3%
65 to 74	5,180	7.6%	7,689	11.0%	7,938	11.2%	249	3.2%
75 & Over	5,155	7.5%	6,162	8.8%	7,247	10.2%	1,085	17.6%
Total	68,302	100.0%	70,103	100.0%	70,746	100.0%	643	0.9%

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

As the preceding table illustrates, over 51% of the population is expected to be between 25 and 64 years old in 2022. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

## 2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2022 (Estimated)	2027 (Projected)
Households	27,162	28,380	28,922	29,149
Household Change	-	1,218	542	227
Percent Change	-	4.5%	1.9%	0.8%
Household Size	2.37	2.41	2.37	2.37

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

Within the Roanoke Site PMA, households increased by 1,218 (4.5%) between 2000 and 2010. Between 2010 and 2022, households increased by 542 or 1.9%. By 2027, there will be 29,149 households, an increase of 227 households, or 0.8% over 2022 levels. This is an increase of approximately 45 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	1,229	4.3%	1,081	3.7%	1,142	3.9%	61	5.6%
25 to 34	4,364	15.4%	4,175	14.4%	3,899	13.4%	-276	-6.6%
35 to 44	4,936	17.4%	4,773	16.5%	4,798	16.5%	25	0.5%
45 to 54	5,557	19.6%	4,734	16.4%	4,662	16.0%	-72	-1.5%
55 to 64	5,305	18.7%	5,320	18.4%	5,040	17.3%	-280	-5.3%
65 to 74	3,395	12.0%	4,815	16.6%	4,925	16.9%	110	2.3%
75 to 84	2,547	9.0%	2,725	9.4%	3,171	10.9%	446	16.4%
85 & Over	1,047	3.7%	1,300	4.5%	1,513	5.2%	213	16.4%
Total	28,380	100.0%	28,922	100.0%	29,149	100.0%	227	0.8%

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

As previously discussed, the primary age group of potential renter support for the subject project is expected to be the 25 to 64 age group. Notably, this age cohort is estimated to comprise 65.7% of all households in 2022.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	17,838	62.9%	17,587	60.8%	18,065	62.0%
Renter-Occupied	10,542	37.1%	11,335	39.2%	11,084	38.0%
Total	28,380	100.0%	28,921	100.0%	29,148	100.0%

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

In 2022, homeowners occupied 60.8% of all occupied housing units, while the remaining 39.2% were occupied by renters. Although renters are projected to decrease between 2022 and 2027, the more than 11,000 renters projected for 2027 illustrate that a significant base of support will exist for the subject development.

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	4,969	43.8%	4,889	44.1%	-79	-1.6%
2 Persons	3,215	28.4%	3,142	28.4%	-73	-2.3%
3 Persons	1,343	11.8%	1,255	11.3%	-88	-6.6%
4 Persons	910	8.0%	875	7.9%	-35	-3.8%
5 Persons+	899	7.9%	923	8.3%	24	2.7%
Total	11,335	100.0%	11,084	100.0%	-251	-2.2%

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	5,525	31.4%	5,644	31.2%	119	2.2%
2 Persons	6,886	39.2%	7,079	39.2%	193	2.8%
3 Persons	2,375	13.5%	2,385	13.2%	10	0.4%
4 Persons	1,650	9.4%	1,708	9.5%	58	3.5%
5 Persons+	1,150	6.5%	1,253	6.9%	103	8.9%
Total	17,587	100.0%	18,069	100.0%	482	2.7%

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

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

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

Household Income	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	2,842	10.0%	2,223	7.7%	1,919	6.6%
\$10,000 to \$19,999	3,852	13.6%	3,716	12.8%	3,332	11.4%
\$20,000 to \$29,999	4,150	14.6%	3,106	10.7%	2,921	10.0%
\$30,000 to \$39,999	3,848	13.6%	2,354	8.1%	2,110	7.2%
\$40,000 to \$49,999	3,215	11.3%	2,689	9.3%	2,656	9.1%
\$50,000 to \$59,999	2,497	8.8%	2,986	10.3%	2,995	10.3%
\$60,000 to \$74,999	2,903	10.2%	2,961	10.2%	3,025	10.4%
\$75,000 to \$99,999	3,039	10.7%	3,385	11.7%	3,807	13.1%
\$100,000 to \$124,999	1,019	3.6%	2,593	9.0%	3,073	10.5%
\$125,000 to \$149,999	629	2.2%	1,228	4.2%	1,289	4.4%
\$150,000 to \$199,999	233	0.8%	941	3.3%	1,143	3.9%
\$200,000 & Over	153	0.5%	739	2.6%	882	3.0%
Total	28,380	100.0%	28,922	100.0%	29,153	100.0%
Median Income	\$38,695		\$51,246		\$55,468	

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

In 2010, the median household income was \$38,695. This increased by 32.4% to \$51,246 in 2022. By 2027, it is projected that the median household income will be \$55,468, an increase of 8.2% over 2022.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	808	478	228	150	118	1,782
\$10,000 to \$19,999	1,093	553	264	173	136	2,219
\$20,000 to \$29,999	887	520	248	163	128	1,946
\$30,000 to \$39,999	623	427	204	134	105	1,494
\$40,000 to \$49,999	472	321	153	101	79	1,126
\$50,000 to \$59,999	248	173	83	54	43	600
\$60,000 to \$74,999	273	212	101	66	52	704
\$75,000 to \$99,999	178	143	68	45	35	470
\$100,000 to \$124,999	39	33	16	10	8	106
\$125,000 to \$149,999	25	20	9	6	5	65
\$150,000 to \$199,999	6	6	3	2	1	18
\$200,000 & Over	4	3	2	1	1	11
Total	4,657	2,889	1,380	906	711	10,542

Source: ESRI; Urban Decision Group

Renter Households	2022 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	655	373	156	105	104	1,393
\$10,000 to \$19,999	1,107	591	247	167	165	2,278
\$20,000 to \$29,999	843	437	183	124	122	1,709
\$30,000 to \$39,999	483	306	128	87	85	1,088
\$40,000 to \$49,999	480	325	136	92	91	1,123
\$50,000 to \$59,999	358	302	126	85	84	956
\$60,000 to \$74,999	382	286	119	81	80	947
\$75,000 to \$99,999	303	269	112	76	75	836
\$100,000 to \$124,999	165	156	65	44	44	473
\$125,000 to \$149,999	78	73	30	21	20	223
\$150,000 to \$199,999	63	55	23	16	16	173
\$200,000 & Over	50	43	18	12	12	135
Total	4,969	3,215	1,343	910	899	11,335

Source: ESRI; Urban Decision Group

Renter Households	2027 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	531	299	119	83	88	1,120
\$10,000 to \$19,999	953	520	208	145	153	1,979
\$20,000 to \$29,999	826	410	163	114	120	1,633
\$30,000 to \$39,999	457	281	112	78	83	1,012
\$40,000 to \$49,999	514	329	131	91	96	1,162
\$50,000 to \$59,999	332	284	113	79	83	892
\$60,000 to \$74,999	377	266	106	74	78	901
\$75,000 to \$99,999	351	295	118	82	87	933
\$100,000 to \$124,999	248	218	87	61	64	678
\$125,000 to \$149,999	106	91	37	25	27	286
\$150,000 to \$199,999	108	85	34	24	25	275
\$200,000 & Over	85	65	26	18	19	213
Total	4,889	3,142	1,255	875	923	11,084

Source: ESRI; Urban Decision Group

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

Demographic Summary

Both the population and household bases within the Roanoke Site PMA have been increasing since 2000, a trend that is expected to continue through 2027. Specifically, the population is projected to increase by 643 (0.9%) and households are projected to increase by 227 (0.8%), between 2022 and 2027. In addition, the 25 to 64 age cohort, which is expected to be the primary age cohort of potential renters at the general-occupancy subject project, comprise 65.7% of all households in 2022. Although renters are projected to decrease between 2022 and 2027, the more than 11,000 renters projected for 2027 illustrate that a significant base of support will exist for the subject development. Based on the preceding analysis, a large base of renter households will continue to exist in the market during this time period.

**D. LOCAL ECONOMIC PROFILE AND ANALYSIS**

**1. LABOR FORCE PROFILE**

The labor force within the Roanoke Site PMA is based primarily in three sectors. Retail Trade (which comprises 19.1%), Health Care & Social Assistance and Accommodation & Food Services comprise over 40% of the Site PMA labor force. Employment in the Roanoke Site PMA, as of 2022, was distributed as follows:

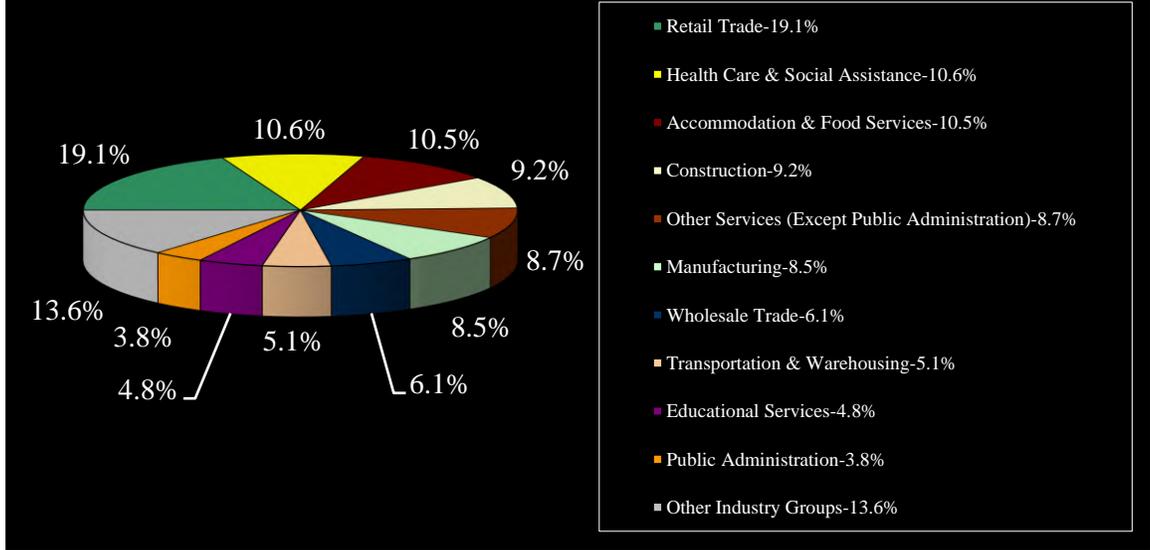
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	2	0.1%	31	0.1%	15.5
Mining	0	0.0%	1	0.0%	0.0
Utilities	2	0.1%	187	0.5%	93.5
Construction	148	6.6%	3,218	9.2%	21.7
Manufacturing	79	3.5%	2,986	8.5%	37.8
Wholesale Trade	91	4.1%	2,147	6.1%	23.6
Retail Trade	442	19.7%	6,726	19.1%	15.2
Transportation & Warehousing	79	3.5%	1,787	5.1%	22.6
Information	49	2.2%	848	2.4%	17.3
Finance & Insurance	126	5.6%	1,015	2.9%	8.1
Real Estate & Rental & Leasing	100	4.5%	454	1.3%	4.5
Professional, Scientific & Technical Services	125	5.6%	942	2.7%	7.5
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	71	3.2%	608	1.7%	8.6
Educational Services	42	1.9%	1,684	4.8%	40.1
Health Care & Social Assistance	144	6.4%	3,726	10.6%	25.9
Arts, Entertainment & Recreation	43	1.9%	647	1.8%	15.0
Accommodation & Food Services	184	8.2%	3,698	10.5%	20.1
Other Services (Except Public Administration)	377	16.8%	3,066	8.7%	8.1
Public Administration	59	2.6%	1,322	3.8%	22.4
Nonclassifiable	76	3.4%	62	0.2%	0.8
Total	2,239	100.0%	35,155	100.0%	15.7

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 Roanoke Metropolitan Statistical Area (MSA) are compared with those of Virginia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Roanoke MSA	Virginia
Management Occupations	\$111,450	\$142,170
Business and Financial Occupations	\$67,760	\$88,480
Computer and Mathematical Occupations	\$78,670	\$107,130
Architecture and Engineering Occupations	\$79,460	\$94,480
Community and Social Service Occupations	\$48,430	\$53,450
Art, Design, Entertainment and Sports Medicine Occupations	\$53,740	\$65,300
Healthcare Practitioners and Technical Occupations	\$85,310	\$84,620
Healthcare Support Occupations	\$28,890	\$30,330
Protective Service Occupations	\$42,540	\$50,600
Food Preparation and Serving Related Occupations	\$23,860	\$25,950
Building and Grounds Cleaning and Maintenance Occupations	\$27,840	\$31,480
Personal Care and Service Occupations	\$29,090	\$31,230
Sales and Related Occupations	\$41,650	\$45,750
Office and Administrative Support Occupations	\$37,920	\$42,870
Construction and Extraction Occupations	\$40,840	\$48,430
Installation, Maintenance and Repair Occupations	\$46,820	\$53,610
Production Occupations	\$39,010	\$41,270
Transportation and Moving Occupations	\$36,140	\$39,160

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

Most annual blue-collar salaries range from \$23,860 to \$53,740 within the Roanoke MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$84,530. It is important to note that most occupational types within the Roanoke MSA have slightly lower typical wages than Virginia's typical wages. The area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw renter support.

The ten largest employers within the city of Roanoke are summarized as follows:

Employer Name	Business Type	Total Employed
Carilion Clinic	Health Care	10,000+
Wells Fargo Bank	Banking	1,000-2,999
HCA Health System	Health Care	1,000-2,999
Kroger	Regional Headquarters and Retail	1,000-2,999
Walmart	Retail	1,000-2,999
Advance Auto	Retail and Office	1,000-2,999
Ply Gem Windows	Manufacturing	1,000-2,999
WestRock	Manufacturing (Paperboard)	1,000-2,999
UPS	Logistics	1,000-2,999
Altec Industries	Manufacturing (Transportation Equipment)	1,000-2,999

Source: Roanoke Economic Development (2019)

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

- Carilion Clinic announced the expansion of Roanoke Memorial Hospital in May 2019. Plans call for the construction of two new buildings for emergency care, cardiovascular care, and behavioral health, as well as the demolition of the former behavioral health building to construct a new parking garage and pedestrian skyway. Construction of the \$300 million project is currently underway and is estimated to be completed by 2025.
- Lowe’s plans to build a 60,000 square-foot warehouse and distribution center in Roanoke County’s Valley TechPark. Cherney Development is overseeing the construction of the facility, which is expected to begin in spring of 2022 and be completed within a year. The \$11 million development is expected to create 70 new jobs.
- In 2016, the Western Virginia Regional Industrial Facility Authority purchased 111 acres on Wood Haven Road near Interstates 581 and 81 in Roanoke to develop into the Wood Haven Technology Park. The industrial park will be municipally owned and developed. Construction of the first phase of the development, a 54-acre pad, was completed in fall of 2021. No further information was available at the time of our research.

- In December 2021, the Virginia Tech Corporate Research Center announced partnerships Johnson & Johnson and with Montgomery County, the City of Roanoke, and Carilion Clinic to construction new shared lab facilities. The \$1.1 million project is partially funded through GO Virginia and will cover the construction of a turnkey facility with 25 wet and dry lab spaces, with later plans to build a larger facility in Roanoke. No construction timeline for either project was available at the time of our research.
- Groundbreaking for the new Vistar Eye Center in Roanoke took place in July of 2021. Located at 6125 Airport Road, the 26,355 square-foot medical facility will offer surgical as well as routine eye care. Construction is expected to be completed in 2022.
- In December 2021, LewisGale Medical Center in Salem announced plans to construct a new neonatal intensive care unit. Construction of the facility is estimated to begin in early 2022 and possibly be completed by the end of 2022.

COVID Vaccination Rates:

The following table summarizes COVID-19 vaccination rates by age group for Roanoke City as of February 4, 2022:

Vaccination Rates (Roanoke City – 02/04/2022)	
Age Group	Vaccination Rate
5 to 11	43.4%
12 to 17	47.7%
18 to 64	49.4%
65+	64.2%
Fully Vaccinated with Booster (All Eligible Ages)	9.2%

Source: Centers for Disease Control

Infrastructure:

Infrastructure Projects			
Project Name	Scope of Work	Status	Investment
Route 419/ 220 DDI	<b>Roanoke:</b> Reconstruction of interchange at Route 220 and Route 419 (Electric Road) to create a Diverging Diamond Interchange (DDI); Sidewalk and bicycle lane construction, and traffic light changes	Preliminary engineering underway; construction ECD 2024	\$17.5 million
Valley Metro Bus Station	<b>Roanoke:</b> Construction of new public transit facility on Salem Avenue	Groundbreaking took place in September 2021; ECD 2023	\$17.3 million
Plantation Road Project	<b>Roanoke:</b> Multi-use path construction along Plantation Road (Route 115) from Williamson Road (Route 11) to Interstate 81, including curb/stormwater infrastructure, signage, landscaping, and utility relocation	Phase I completed October 2018; Lila Drive Intersection completed December 2020; construction of Phase II ECD 2022	Phase I - \$4.2 million; Lila Drive Intersection - \$1.27 million; Phase II – \$1.75 million
Route 311 Roundabout	<b>Roanoke:</b> conversion of intersection at Route 419 (Electric Road), Route 311, Catawba Valley Drive, and Thompson Memorial Drive into a roundabout	Construction estimated to begin early 2022	\$1.9 million
Roanoke River Greenway Highland Rd-Explore Park	<b>Roanoke:</b> Continuation of the Roanoke River Greenway from Highland Road to Explore Park	Preliminary engineering underway; construction estimated to begin fiscal year 2022	\$1.7 million

ECD – Estimated Completion Date

N/A – Not available

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on February 4, 2022, and according to the Virginia Employment Commission there have been no WARN notices reported for Roanoke City over the past 12 months.

**2. EMPLOYMENT TRENDS**

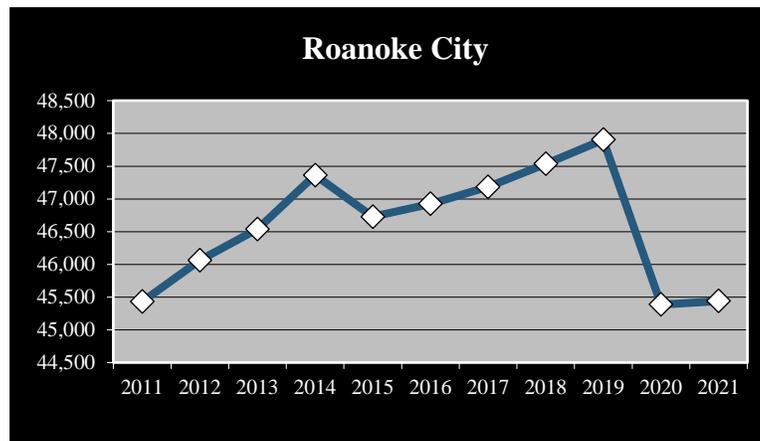
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the city/county in which the site is located.

Excluding 2021, the employment base has declined by 3.3% over the past five years in Roanoke 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 Roanoke City, the state of Virginia and the United States.

Year	Total Employment					
	Roanoke City		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2011	45,430	-	3,929,008	-	141,714,419	-
2012	46,064	1.4%	3,967,151	1.0%	143,548,588	1.3%
2013	46,540	1.0%	4,002,057	0.9%	144,904,568	0.9%
2014	47,364	1.8%	4,040,908	1.0%	147,293,817	1.6%
2015	46,728	-1.3%	4,048,081	0.2%	149,540,791	1.5%
2016	46,924	0.4%	4,084,822	0.9%	151,934,228	1.6%
2017	47,184	0.6%	4,174,453	2.2%	154,214,749	1.5%
2018	47,534	0.7%	4,232,972	1.4%	156,134,717	1.2%
2019	47,903	0.8%	4,308,622	1.8%	158,154,548	1.3%
2020	45,388	-5.3%	4,075,237	-5.4%	148,639,745	-6.0%
2021	45,440	0.1%	4,081,546	0.2%	152,591,388	2.7%

Source: Department of Labor; Bureau of Labor Statistics

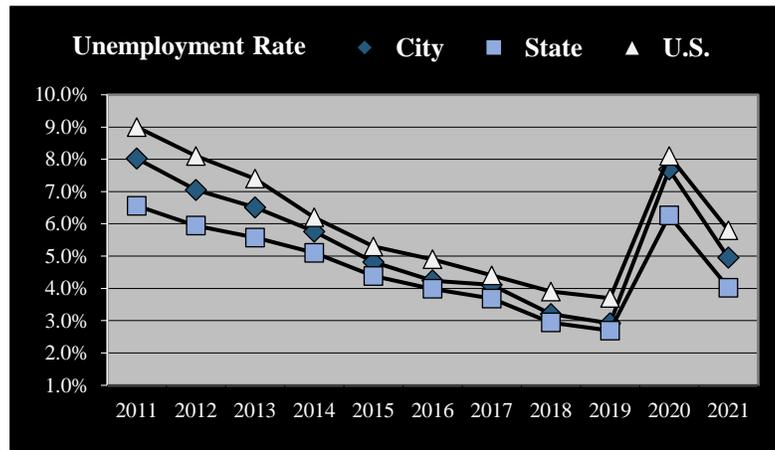


As the preceding illustrates, the Roanoke City employment base generally experienced growth between 2011 and 2019. However, in 2020, the city's employment base declined by 5.3% as the result of the COVID-19 pandemic. Notably, the employment base improved by 0.1% in 2021, a good indication that the economy is showing signs of recovery.

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

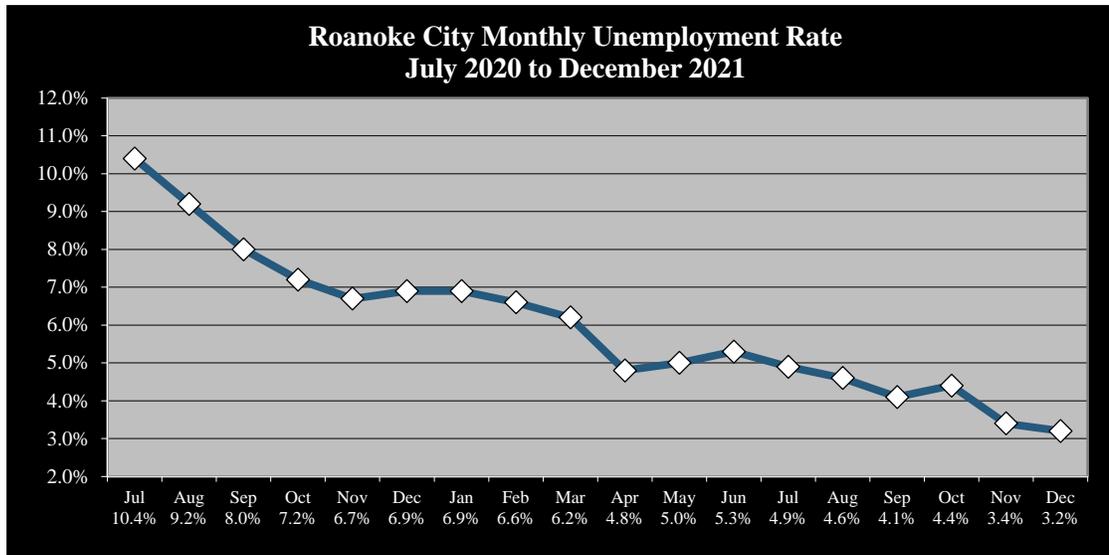
Year	Unemployment Rate		
	Roanoke City	Virginia	United States
2011	8.0%	6.6%	9.0%
2012	7.1%	5.9%	8.1%
2013	6.5%	5.6%	7.4%
2014	5.8%	5.1%	6.2%
2015	4.8%	4.4%	5.3%
2016	4.2%	4.0%	4.9%
2017	4.1%	3.7%	4.4%
2018	3.2%	2.9%	3.9%
2019	2.9%	2.7%	3.7%
2020	7.7%	6.3%	8.1%
2021	5.0%	4.0%	5.8%

Source: Department of Labor, Bureau of Labor Statistics



Between 2011 and 2019, the unemployment rate within Roanoke declined by more than five percentage points, then increased by nearly five percentage points in 2020 as the result of the COVID-19 pandemic. Similar to employment trends, the unemployment rate within the city has improved in 2021, declining to a rate of 5.0%.

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



As the preceding table illustrates, the *monthly* unemployment rate for Roanoke peaked at 10.4% in July 2020 during the height of the pandemic over the preceding 18-month period. On a positive note, the city’s monthly unemployment rate has generally decreased since and is currently at 3.2% as of December, its lowest rate within the past year and a half.

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

Month	Roanoke City
January 2020	3.1%
February 2020	2.8%
March 2020	3.1%
April 2020	13.0%
May 2020	10.9%
June 2020	10.9%
July 2020	10.4%
August 2020	9.2%
September 2020	8.0%
October 2020	7.2%
November 2020	6.7%
December 2020	6.9%
January 2021	6.9%
February 2021	6.6%
March 2021	6.2%
April 2021	4.8%
May 2021	5.0%
June 2021	5.3%
July 2021	4.9%
August 2021	4.6%
September 2021	4.1%
October 2021	4.4%
November 2021	3.4%
December 2021	3.2%

Source: Department of Labor, Bureau of Labor Statistics

The *monthly* unemployment rate has continued to decline since reaching a peak of 13.0% in April 2020.

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

In-Place Employment Roanoke City			
Year	Employment	Change	Percent Change
2011	65,620	-	-
2012	66,193	573	0.9%
2013	66,969	776	1.2%
2014	66,992	23	0.0%
2015	66,795	-197	-0.3%
2016	67,358	563	0.8%
2017	66,383	-975	-1.4%
2018	66,361	-22	0.0%
2019	65,803	-558	-0.8%
2020	61,814	-3,989	-6.1%
2021*	62,280	466	0.8%

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 Roanoke City to be 136.2% of the total Roanoke City employment. This means that Roanoke 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

The Roanoke economy generally experienced growth between 2011 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Roanoke employment base declined by 2,515 jobs, or 5.3%, and its unemployment rate increased by nearly five percentage points. Specifically, the *monthly* unemployment rate peaked at 13.0% in April 2020 within the past 18-month period. On a positive note, the local economy appears to be improving in 2021. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

#### 4. COMMUTING PATTERNS

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

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	27,062	83.2%
Carpooled	2,513	7.7%
Public Transit	500	1.5%
Walked	725	2.2%
Other Means	443	1.4%
Worked at Home	1,291	4.0%
Total	32,534	100.0%

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

Over 83% of all workers drove alone, 7.7% carpooled and only 1.5% used public transportation. Given the subject site serves low-income households and is within walking distance from a public bus stop, we anticipate a higher than normal 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	6,267	19.3%
15 to 29 Minutes	14,546	44.7%
30 to 44 Minutes	8,448	26.0%
45 to 59 Minutes	682	2.1%
60 or More Minutes	1,301	4.0%
Worked at Home	1,291	4.0%
Total	32,535	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 20-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.

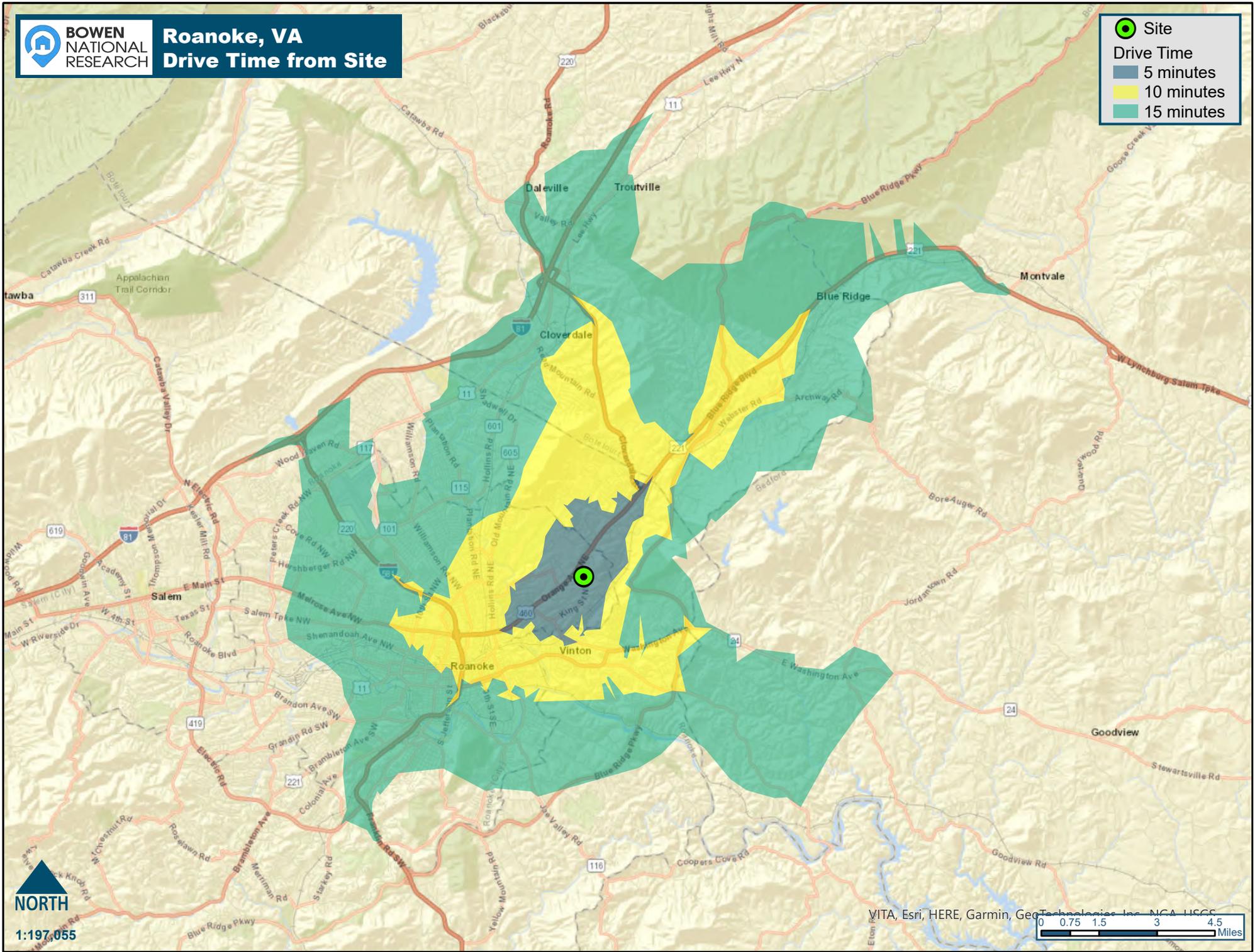


# Roanoke, VA Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



**NORTH**  
1:197,055

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

## V. Rental Housing Analysis (Supply)

### A. OVERVIEW OF RENTAL HOUSING

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

Housing Status	2010 (Census)		2022 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	28,380	92.1%	28,922	91.8%
Owner-Occupied	17,838	62.9%	17,587	60.8%
Renter-Occupied	10,542	37.1%	11,335	39.2%
Vacant	2,446	7.9%	2,574	8.2%
Total	30,826	100.0%	31,496	100.0%

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

Based on a 2022 update of the 2010 Census, of the 31,496 total housing units in the market, 8.2% were vacant. In 2022, it was estimated that homeowners occupied 60.8% of all occupied housing units, while the remaining 39.2% were occupied by renters.

#### Conventional Apartments

We identified and personally surveyed 16 conventional housing projects containing a total of 2,267 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 99.1%, an excellent rate for rental housing. Each rental housing segment surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	8	1,587	17	98.9%
Market-rate/Government-Subsidized	1	108	0	100.0%
Tax Credit	1	192	4	97.9%
Tax Credit/Government-Subsidized	3	162	0	100.0%
Government-Subsidized	3	218	0	100.0%
Total	16	2,267	21	99.1%

All rental housing segments surveyed are performing at a high level as each reports an overall occupancy rate of 97.9% or higher. This is a clear indication of strong demand for rental product of all types in this market.

Tax Credit Property Disclosure:

In addition to the four properties surveyed that operate under the Tax Credit program, there are two additional Tax Credit properties that we were unable to survey and therefore have been excluded from this analysis. These properties, Autumn Ridge and Clarendon Court, are Tax Credit properties that are believed to target general-occupancy (family) households. Regardless, as management at these properties were unable/unwilling to provide detailed property information at the time of this analysis, they have been excluded from this report. However, the 98 units at these properties we were unable to survey have been included in penetration rate calculations in *Section VII*.

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
One-Bedroom	1.0	506	30.7%	4	0.8%	\$1,375
Two-Bedroom	1.0	247	15.0%	2	0.8%	\$1,098
Two-Bedroom	1.5	172	10.4%	3	1.7%	\$1,413
Two-Bedroom	2.0	471	28.6%	4	0.8%	\$1,638
Three-Bedroom	1.5	20	1.2%	0	0.0%	\$810
Three-Bedroom	2.0	231	14.0%	4	1.7%	\$1,830
<b>Total Market-rate</b>		<b>1,647</b>	<b>100.0%</b>	<b>17</b>	<b>1.0%</b>	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	1.0	4	2.0%	0	0.0%	\$1,206
Two-Bedroom	2.0	132	67.3%	2	1.5%	\$1,019
Three-Bedroom	2.0	60	30.6%	2	3.3%	\$1,180
<b>Total Tax Credit</b>		<b>196</b>	<b>100.0%</b>	<b>4</b>	<b>2.0%</b>	-

The market-rate units are 99.0% occupied and the Tax Credit units are 98.0% occupied, indicative of strong demand for each type of non-subsidized rental product in this market. Also note the median gross Tax Credit rents which are generally lower than the median gross rents reported for similar unrestricted market-rate units. These lower gross rents along with the 98.0% occupancy rate are good indications that non-subsidized Tax Credit product represents a significant value within the Roanoke Site PMA.

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	2	35	0.0%
1970 to 1979	4	696	1.3%
1980 to 1989	1	216	1.9%
1990 to 1999	2	440	1.8%
2000 to 2009	1	240	0.0%
2010 to 2014	0	0	0.0%
2015	0	0	0.0%
2016	0	0	0.0%
2017	0	0	0.0%
2018	0	0	0.0%
2019	1	216	0.0%
2020	0	0	0.0%
2021	0	0	0.0%
2022*	0	0	0.0%

\*As of February

Vacancy rates do not exceed 1.9% among all non-subsidized rental product surveyed, broken out by age. As such, there does not appear to be a correlation between age and vacancy rates.

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-	1	216	0.0%
B+	2	488	0.8%
B	5	845	0.9%
B-	1	98	5.1%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	192	2.1%
B-	1	4	0.0%

As illustrated by the quality ratings assigned by our analyst, rental product in the Roanoke area is of generally good quality as the lowest quality rating assigned was "B-". In addition, this lowest quality rating is reporting the highest vacancy rate in the market, although this vacancy rate is only 5.1%. As such, there could be a correlation between quality and vacancy rates in this market. Regardless, the subject project is expected to have an excellent quality finish upon completion which will enhance its marketability.

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
Two-Bedroom	1.0	104	65.8%	0	0.0%
Two-Bedroom	1.5	15	9.5%	0	0.0%
Two-Bedroom	2.0	12	7.6%	0	0.0%
Three-Bedroom	2.0	27	17.1%	0	0.0%
<b>Total Subsidized Tax Credit</b>		<b>158</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	118	44.4%	0	0.0%
Two-Bedroom	1.0	78	29.3%	0	0.0%
Three-Bedroom	1.5	16	6.0%	0	0.0%
Three-Bedroom	2.0	42	15.8%	0	0.0%
Four-Bedroom	2.0	12	4.5%	0	0.0%
<b>Total Subsidized</b>		<b>266</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>

The subsidized units, both with and without Tax Credits, are 100.0% occupied, demonstrating strong and likely pent-up demand for such product in the market. This is further indication of the ongoing demand for affordable rental product within the Roanoke Site PMA.

A complete field survey of all conventional apartments we surveyed, as well as an apartment location map, is included in *Section XII, Field Survey of Conventional Rentals*.

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

We identified and surveyed two properties that operate under the Tax Credit program and offer non-subsidized Tax Credit units targeting general-occupancy (family) households, similar to that proposed at the subject site. Considering these two properties offer similar unit types targeting similar income levels, they are considered comparable to the subject development and have been included in our comparable analysis.

Due to the lack of comparable Tax Credit product surveyed in the Site PMA, we identified and surveyed three additional rental communities that offer non-subsidized Tax Credit units outside the Site PMA in the surrounding Roanoke, Salem and Cave Spring, Virginia areas. These three projects located outside the Site PMA target general-occupancy (family) households earning up to 60% of AMHI and are considered comparable to the proposed project. Note that although Salem Commons and Woodridge Apartments are located in areas that are slightly inferior to that of the Site PMA, we have included these properties in our comparable analysis. These five comparable properties and the subject site are summarized in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
<b>Site</b>	<b>King Street Roanoke</b>	<b>2024</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 40%, 50%, 60% &amp; 80% AMHI</b>
2	Afton Gardens	1967 / 2002	108	100.0%	4.0 Miles	8-12 Months	Families; 60% AMHI & Sec 8
13	Peters Creek I, II, III	1994 / 2015	192	97.9%	9.6 Miles	None	Families; 50% & 60% AMHI
903	Everett	1973 / 2006	404*	98.8%	9.5 Miles	None	Families; 60% AMHI
905	Salem Commons	1988 / 1999	88	100.0%	8.1 Miles	6 HH	Families; 60% AMHI
906	Woodridge Apts.	1972 / 1992	48*	100.0%	6.7 Miles	None	Families; 60% AMHI

OCC. – Occupancy

HH - Households

\*Tax Credit units only

900 Map IDs are located outside the Site PMA

The five comparable LIHTC projects have a combined occupancy rate of 98.9% and two of the five properties maintain a waiting list for the next available unit. This is a clear indication of high and pent-up demand within the market and region and the development of the subject project will alleviate a portion of this pent-up demand.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
2	Afton Gardens	108	4	3.7%
13	Peters Creek I, II, III	192	N/A	-
903	Everett	404*	15	3.7%
905	Salem Commons	88	35	39.8%
906	Woodridge Apts.	48*	8	16.7%
Total		648	62	9.6%

\*Tax Credit units only

900 Map IDs are located outside the Site PMA

N/A – Number not available (units not included in total)

As the preceding table illustrates, there are a total of approximately 62 units that are occupied by Voucher holders among the four comparable LIHTC projects surveyed that provided such information. The 62 units occupied by Voucher holders comprise just 9.6% of these comparable units. This is considered a low share of Voucher support and considering more than 90.0% of these comparable Tax Credit units are occupied by tenants which are not currently receiving rental assistance, the gross rents charged at the aforementioned projects in the market and region are achievable.

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
		One-Br.	Two-Br.	Three-Br.	
Site	King Street Roanoke	-	\$706/40% (4) \$882/50% (14) \$1,059/60% (12) \$1,237/80% (6)	\$815/40% (4) \$1,019/50% (14) \$1,223/60% (12) \$1,460/80% (5)	-
2	Afton Gardens	-	\$1,057/60% (104/0)* \$1,206/60% (4/0)	-	None
13	Peters Creek I, II, III	-	\$930/50% (66/1) \$1,107/60% (66/1)	\$1,078/50% (30/1) \$1,282/60% (30/1)	None
903	Everett	\$828-\$841/60% (80/0)	\$989/60% (56/0) \$1,006/60% (212/5)	\$1,156/60% (56/0)	None
905	Salem Commons	-	\$847/60% (40/0) \$877/60% (24/0)	\$1,001/60% (24/0)	None
906	Woodridge Apts.	\$803/60% (29/0)	\$887/60% (14/0)	\$966/60% (5/0)	None

900 Map IDs are located outside the Site PMA

\*Subsidized; tenants of these units pay only a portion of their income towards rent and the rent reflected in the table

The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally within the range of the rents being achieved at the comparable LIHTC properties in the market and region targeting similar income levels. In addition, given the high occupancy rates reported among the comparable LIHTC properties, these established properties could likely achieve higher rents without adversely impacting their occupancy levels. It is also worth noting that the subject project will be at least 30 years newer than the original year built of the comparable properties utilized in this analysis, although all have been renovated since being built. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60%) are considered achievable as proposed.

The subject's proposed gross LIHTC rents at the 80% of AMHI income level are higher than the rents being achieved at the comparable LIHTC properties, which is to be expected when considering the higher income targeting level. Considering they are only slightly higher than the 60% of AMHI rents being achieved at the comparable LIHTC properties, they are considered appropriately positioned. This is especially true when considering the market rent advantages that they represent, as illustrated in *Section VI*.

Additionally, the subject project will be the only LIHTC rental community within the market to offer units set aside at 40% and 80% of AMHI. This will also position the subject at a market advantage, as it will provide an affordable rental housing alternative to low- and moderate-income renters within the Roanoke Site PMA that are currently underserved.

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>King Street Roanoke</b>	-	<b>956</b>	<b>1,121</b>
2	Afton Gardens	-	750	-
13	Peters Creek I, II, III	-	1,000	1,320
903	Everett	641 - 665	906 - 1,137	1,255
905	Salem Commons	-	872 - 895	1,101
906	Woodridge Apts.	750	830	950

900 Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>King Street Roanoke</b>	-	<b>2.0</b>	<b>2.0</b>
2	Afton Gardens	-	1.0	-
13	Peters Creek I, II, III	-	2.0	2.0
903	Everett	1.0	1.0 - 2.0	2.0
905	Salem Commons	-	1.5 - 2.0	2.0
906	Woodridge Apts.	1.0	1.0	1.0

900 Map IDs are located outside the Site PMA

The proposed development will offer competitive unit sizes, in terms of square footage and number of bathrooms offered, relative to the unit sizes offered at the comparable LIHTC developments within the market and region. Considering that all comparable LIHTC projects are reporting high occupancy rates and the subject's unit sizes will be within the range of the sizes offered, they are considered appropriate for the market. Notably, the additional bathroom to be included in the subject's two-bedroom units will improve the rent potential of this unit type, as only one of the comparable LIHTC properties includes two bathrooms in all two-bedroom units.

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

Tax Credit Unit Amenities by Map ID						
	Site*	2	13	903	905	906
Appliances	Dishwasher	X	X	X	X	X
	Disposal			S	X	X
	Microwave					
	Range	X	X	X	X	X
	Refrigerator	X	X	X	X	X
	W/D Hookup	X		X	X	X
	W/D				S	
	No Appliances					
Unit Amenities	AC-Central	X	X	X	X	X
	AC-Other					
	Balcony/ Patio/ Sunroom	X	X	X	X	S
	Basement					
	Ceiling Fan					S
	Controlled Access					
	E-Call System					
	Furnished					
	Walk-In Closet	X		X	X	X
	Window Treatments	X	X	X	X	X
Flooring	Carpet		X	X	X	X
	Ceramic Tile					
	Hardwood					
	Finished Concrete					
	Composite/Vinyl/Laminate	X	X	X	X	X
Upgraded	Premium Appliances					
	Premium Countertops					
	Premium Cabinetry					
	Premium Fixtures					
	High/Vaulted Ceilings					
	Oversized Windows					
Parking	Attached Garage					
	Detached Garage					
	Street Parking					
	Surface Lot	X	X	X	X	X
	Carport					
	Property Parking Garage					
	No Provided Parking					

◆ - Senior Property

\* Proposed Site(s): King Street Roanoke

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*	2	13	903	905	906
Bike Racks / Storage	X					
Computer/Business Center	X					
Car Care **						
Community Garden						
Community						
Multipurpose Room	X					
Chapel						
Community Kitchen						
Dining Room - Private						
Dining Room - Public						
Rooftop Terrace						
Concierge Service **						
Convenience Amenities **						
Covered Outdoor Area **						
Elevator						
Laundry Room		X	X	X	X	X
On-Site Management	X	X	X	X	X	
Pet Care **						
Recreation						
Basketball						
Bocce Ball						
Firepit						
Fitness Center			X			
Grilling Area		X	X			X
Game Room - Billiards						
Walking Path						
Hot Tub				X		
Library						
Media Room / Theater						
Playground	X	X	X		X	
Putting Green						
Racquetball						
Shuffleboard						
Swimming Pool - Indoor						
Swimming Pool - Outdoor			X	X	X	X
Tennis						
Volleyball						
Security						
CCTV	X	X		X		
Courtesy Officer						
Security Gate						
Social Services **						
Storage - Extra						
Common Space WiFi	X					

◆ - Senior Property

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

\* Proposed Site(s): King Street Roanoke

\*\* Details in Comparable Property Profile Report

As the preceding tables illustrate, the subject project's amenities package is generally considered competitive with the amenities offered at the comparable LIHTC properties. Although it is worth noting that the subject project will be the only property among the comparable LIHTC properties that does not include a laundry room and one of few to not offer a swimming pool, this is not expected to prevent the subject project from being marketable. The subject project does not appear to be lacking any amenity that would hinder its ability to operate as a LIHTC project, however, lacking the previously mentioned amenities will impact the subject's ability to achieve rent premiums.

#### Comparable/Competitive Tax Credit Summary

The five comparable LIHTC projects have a combined occupancy rate of 98.9% and two of the five properties maintain a waiting list for the next available unit. This is a clear indication of high and pent-up demand within the market and region and the development of the subject project will alleviate a portion of this pent-up demand.

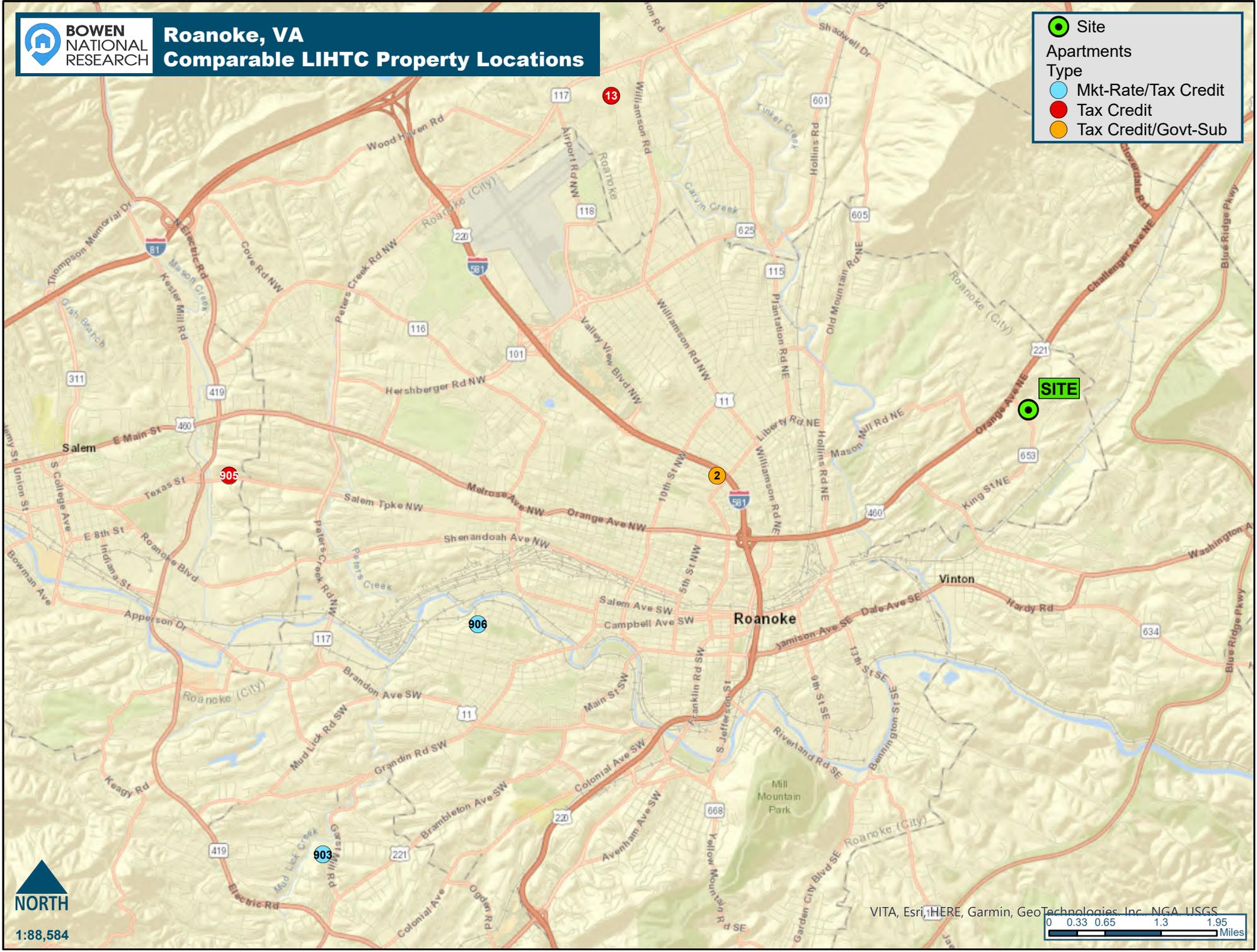
The subject's proposed gross rents targeting households earning up to 40%, 50% and 60% of AMHI are generally within the range of the rents being achieved at the comparable LIHTC properties in the market and region targeting similar income levels. As such, it is expected that the subject's proposed gross LIHTC rents for these income levels (40%, 50% and 60%) are considered achievable as proposed. The subject's proposed gross LIHTC rents at the 80% of AMHI income level are higher than the rents being achieved at the comparable LIHTC properties, which is to be expected when considering the higher income targeting level. Considering they are only slightly higher than the 60% of AMHI rents being achieved at the comparable LIHTC properties, they are considered appropriately positioned. In terms of overall design, the subject project is expected to be very competitive, regarding unit size (square feet), number of bathrooms, and amenities offered.

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



# Roanoke, VA Comparable LIHTC Property Locations

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



1:88,584

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

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

- Lawson Building West is a four-story apartment project planned to be located at 605 Campbell Ave SE in Roanoke. The Roanoke Planning Commission approved Lucas Thornton and his partners' rezoning request in December 2020. Plans for the property call for at least 24 apartments, an outdoor pool, and a rooftop terrace. Infrastructure construction is underway as of February 2022, but no expected completion date was available at the time of our research.
- In January 2019, the Roanoke Planning Commission approved the rezoning of the former Lee Theater at 3162 Williamson Road to be converted into affordable apartments. Alam Design Group is working with the property's owner, Venkat Reddy, to develop the project. Plans call for fifteen apartments on the ground floor and twenty apartments on the second floor, with units ranging from 300 to 400 square feet and rents averaging \$430 a month. The building will also include an on-site laundry facility and lobby area for tenants. As of 2019, the project was awaiting approval from the Roanoke City Council, but no further information about the project's development was available at the time of our research.
- In April 2019, the Roanoke City Council approved the proposed plans for Hershberger Meadows, a 203-unit apartment development on the corner of Hershberger Road and Williamson Road in Roanoke. Seven Hills Investment Properties LLC is developing the project, along with Alam Design Group. Plans call for two- and three-story buildings with amenities including an outdoor pool, clubhouse, picnic areas, and walking paths. The project is estimated to cost \$25-\$30 million. As of 2019, the project was anticipated to be completed two years after groundbreaking, however, no further information about construction was available at the time of our research.

Although one of the rental housing projects in the development pipeline is anticipated to offer some affordable units, this project appears to be in the preliminary stages of development and none of the projects in the development pipeline appear to have been allocated Tax Credits. As such, the development of these projects is not expected to adversely impact the marketability of the site and no additional units have been included in our demand estimates in *Section VII*.

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

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

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2024
2	Afton Gardens	100.0%	95.0%+
13	Peters Creek I, II, III	97.9%	95.0%+

The two comparable LIHTC projects *within the Site PMA* have a combined occupancy rate of 98.7% and one of the comparable properties maintains a waiting list for its next available units, illustrating that pent-up demand exists for additional LIHTC product such as that proposed at the site. Given these strong occupancy levels and the fact that sufficient demographic support exists in the market for the subject development, as illustrated in Section VII - *Capture Rate Analysis*, it is not anticipated that the subject project will have any significant impact on the existing comparable LIHTC projects' marketability. It is expected that the comparable LIHTC projects will maintain occupancy levels at or above 95.0% during the subject development's first year of occupancy.

**E. BUY VERSUS RENT ANALYSIS**

According to ESRI, the median home value within the Site PMA was \$159,785. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$159,785 home is \$961, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$159,785
Mortgaged Value = 95% of Median Home Price	\$151,796
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$769
Estimated Taxes and Insurance*	\$192
Estimated Monthly Mortgage Payment	\$961

\*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents at the subject property are similar to the cost of a monthly mortgage for a typical home in the area. However, it is unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or would be able to afford the down payment on such a home. In addition, the subject project will include a comprehensive amenities package included in the cost of rent, which is not typically offered among for-sale product. 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 Roanoke 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 proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>King Street Roanoke</b>	<b>2024</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>36 (-)</b>	<b>35 (-)</b>
7	District Vue	2019	216 + 108*	100.0%	64 (100.0%)	130 (100.0%)	22 (100.0%)
9	Glade Creek	1998	248	98.4%	48 (100.0%)	138 (98.6%)	62 (96.8%)
10	Hickory Woods Apts.	1988 / 2021	216	98.1%	64 (96.9%)	109 (99.1%)	43 (97.7%)
12	Orchards Apts.	2002	240	100.0%	120 (100.0%)	60 (100.0%)	60 (100.0%)
16	Valley View Village	1972 / 2021	98 + 2*	94.9%	30 (93.3%)	59 (96.6%)	9 (88.9%)

Occ. – Occupancy

\*Units under construction

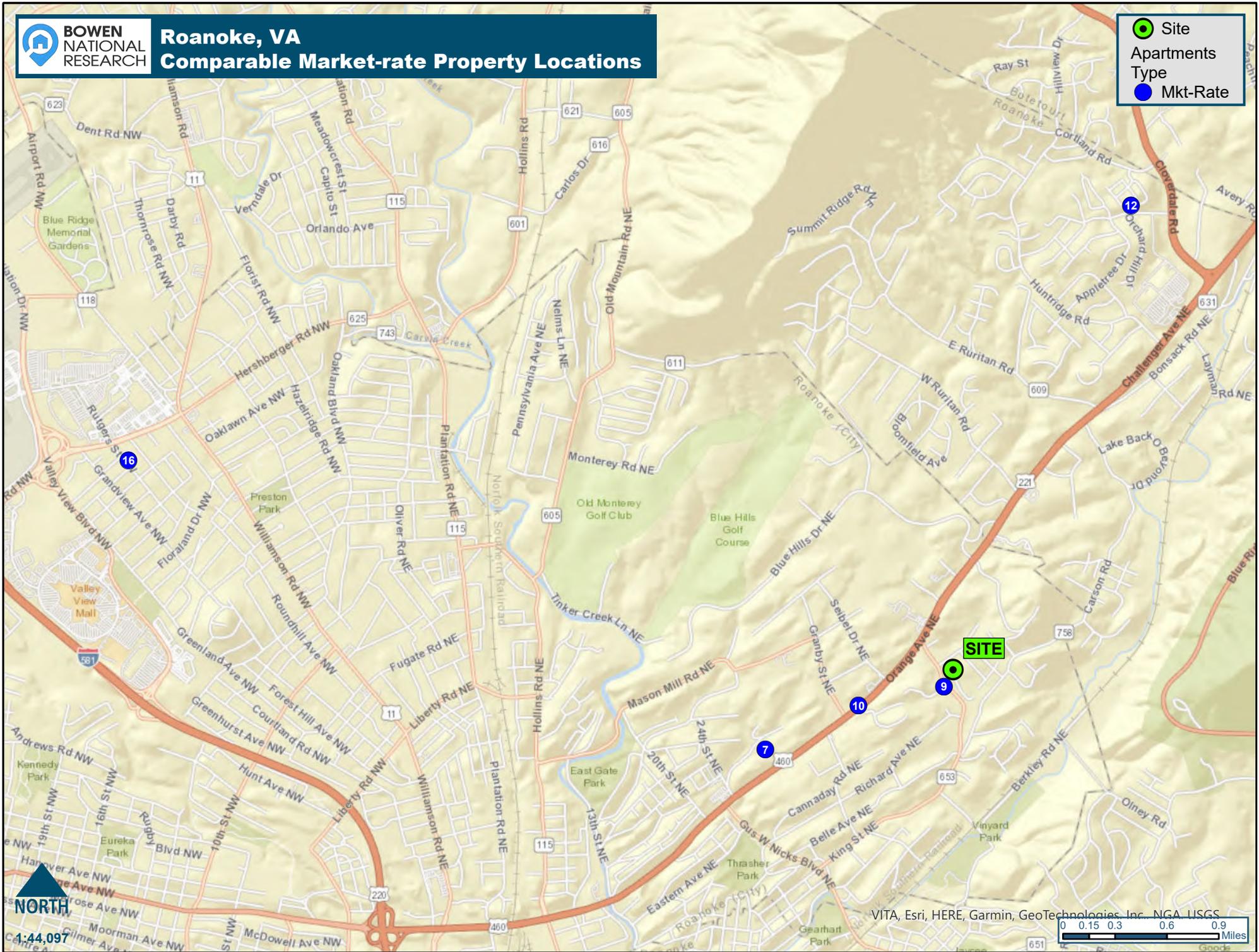
The five selected market-rate projects have a combined total of 1,018 units with an overall occupancy rate of 98.7%, a very strong rate for rental housing. This indicates that these projects have been very well received within the market and will serve as accurate benchmarks with which to compare the subject project.

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



# Roanoke, VA Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



**Rent Comparability Grid**

Unit Type →

**TWO-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
King Street Roanoke		District Vue		Glade Creek		Hickory Woods Apts.		Orchards Apts.		Valley View Village	
3339 King Street Northeast		2550 Orange Ave NE		3343 Glade Creek Blvd NE		3006 Hickory Woods Dr. NE		5360 Orchard Hill Dr.		4823 Rutgers St NW	
Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA	
<b>Data</b>		<b>Data</b>		<b>Data</b>		<b>Data</b>		<b>Data</b>		<b>Data</b>	
<b>on</b>		<b>on</b>		<b>on</b>		<b>on</b>		<b>on</b>		<b>on</b>	
<b>Subject</b>		<b>Subject</b>		<b>Subject</b>		<b>Subject</b>		<b>Subject</b>		<b>Subject</b>	
<b>A.</b>	<b>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?	\$1,400		\$1,410		\$1,315		\$1,499		\$1,179	
2	Date Surveyed	Jan-22		Jan-22		Jan-22		Feb-22		Jan-22	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		99%		99%		100%		97%	
5	Effective Rent & Rent/ sq. ft	\$1,400	1.41	\$1,410	1.22	\$1,315	1.46	\$1,499	1.63	\$1,179	1.46
<b>B.</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/3		WU/2,3		WU/3		WU/3		WU/2.5	
7	Yr. Built/Yr. Renovated	2024	\$5	1998	\$26	1988/2021	\$19	2002	\$22	1972/2021	\$27
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
<b>C.</b>	<b>Unit Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		2		2		2		1	\$30
13	Unit Interior Sq. Ft.	956	(\$12)	1155	(\$71)	901	\$20	918	\$14	806	\$53
14	Patio/Balcony/Sunroom	Y		Y		Y		Y		N	\$5
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y	(\$5)	Y/Y	(\$5)	N/Y		Y/Y	(\$5)	N/Y	
18	Washer/Dryer	HU	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	L	\$5
19	Floor Coverings	V		C/V		C/V		C/V		C/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N	(\$3)	Y		N		N		N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	N		Y	(\$5)	N	
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	N/N	
<b>D.</b>	<b>Site Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	N	\$5	Y		Y		N	\$5
26	Security Features	Y	\$5	N	\$5	Y		Y		N	\$5
27	Community Space	Y		Y		Y		Y		N	\$5
28	Pool/Recreation Areas	N	(\$15)	P/F	(\$15)	P/F/S	(\$18)	P/F/T	(\$18)	F/S/T/WT/M	(\$27)
29	Computer/Business Center	Y	\$3	N	\$3	Y		Y		N	\$3
30	Grilling Area	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	N	
31	Playground	Y	\$3	N		Y		Y		N	\$3
32	Social Services	N		N		N		N		N	
<b>E.</b>	<b>Utilities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		N/N		Y/Y	(\$66)
39	Trash/Recycling	Y/N		Y/N	\$15	N/N	\$15	N/N	\$15	Y/N	
<b>F.</b>	<b>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	5	8	4	7	3	4	3	6	11	1
41	Sum Adjustments B to D	\$21	(\$73)	\$49	(\$132)	\$54	(\$51)	\$51	(\$70)	\$156	(\$10)
42	Sum Utility Adjustments			\$15		\$15		\$15			(\$66)
		<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	(\$52)	\$94	(\$68)	\$196	\$18	\$120	(\$4)	\$136	\$80	\$232
<b>G.</b>	<b>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)	\$1,348		\$1,342		\$1,333		\$1,495		\$1,259	
45	Adj Rent/Last rent		96%		95%		101%		100%		107%
46	Estimated Market Rent	\$1,400		\$1.46 ←		Estimated Market Rent/ Sq. Ft					

**Rent Comparability Grid**

Unit Type → **TWO-BEDROOM**

<b>Subject</b>		<b>Comp #1</b>		<b>Comp #2</b>		<b>Comp #3</b>		<b>Comp #4</b>		<b>Comp #5</b>	
King Street Roanoke		District Vue		Glade Creek		Hickory Woods Apts.		Orchards Apts.		Valley View Village	
3339 King Street Northeast		2550 Orange Ave NE		3343 Glade Creek Blvd NE		3006 Hickory Woods Dr. NE		5360 Orchard Hill Dr.		4823 Rutgers St NW	
Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA		Roanoke, VA	
<b>Data</b>		<b>Data</b>		<b>Data</b>		<b>Data</b>		<b>Data</b>		<b>Data</b>	
<b>on</b>		<b>on</b>		<b>on</b>		<b>on</b>		<b>on</b>		<b>on</b>	
<b>Subject</b>		<b>Subject</b>		<b>Subject</b>		<b>Subject</b>		<b>Subject</b>		<b>Subject</b>	
<b>A.</b>	<b>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?	\$1,910		\$1,690		\$1,660		\$1,555		\$1,349	
2	Date Surveyed	Jan-22		Jan-22		Jan-22		Feb-22		Jan-22	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		97%		98%		100%		89%	
5	Effective Rent & Rent/ sq. ft	\$1,910	1.45	\$1,690	1.28	\$1,660	1.44	\$1,555	1.51	\$1,349	1.51
<b>B.</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/3		WU/2,3		WU/3		WU/3		WU/2.5	
7	Yr. Built/Yr. Renovated	2024	\$5	1998	\$26	1988/2021	\$19	2002	\$22	1972/2021	\$27
8	Condition/Street Appeal	E		G	\$15	G	\$15	G	\$15	G	\$15
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
<b>C.</b>	<b>Unit Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1121	(\$71)	1316	(\$70)	1156	(\$12)	1033	\$31	894	\$81
14	Patio/Balcony/Sunroom	Y		Y		Y		N	\$5	N	\$5
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	N/Y	
18	Washer/Dryer	HU	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	L	\$5
19	Floor Coverings	V		C/V		C/V		C/V		C/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	N	(\$3)	Y		N		N		N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	Y/N	(\$5)	N/N	
<b>D.</b>	<b>Site Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	N	\$5	Y		Y		N	\$5
26	Security Features	Y	\$5	N	\$5	Y		Y		N	\$5
27	Community Space	Y		Y		Y		Y		N	\$5
28	Pool/Recreation Areas	N	(\$15)	P/F	(\$18)	P/F/S	(\$18)	P/F/T	(\$18)	F/S/T/WT/M	(\$27)
29	Computer/Business Center	Y	\$3	N	\$3	Y		Y		N	\$3
30	Grilling Area	N	(\$3)	Y	(\$3)	Y	(\$3)	Y	(\$3)	N	
31	Playground	Y	\$3	N		Y		Y		N	\$3
32	Social Services	N		N		N		N		N	
<b>E.</b>	<b>Utilities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		N/N		N/N		N/N		Y/Y	(\$66)
39	Trash/Recycling	Y/N		Y/N	\$15	N/N	\$15	N/N	\$15	Y/N	
<b>F.</b>	<b>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	5	8	4	7	2	7	4	6	10	1
41	Sum Adjustments B to D	\$21	(\$132)	\$49	(\$131)	\$34	(\$73)	\$73	(\$70)	\$154	(\$10)
42	Sum Utility Adjustments			\$15		\$15		\$15			(\$66)
		<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	(\$111)	\$153	(\$67)	\$195	(\$24)	\$122	\$18	\$158	\$78	\$230
<b>G.</b>	<b>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)	\$1,799		\$1,623		\$1,636		\$1,573		\$1,427	
45	Adj Rent/Last rent		94%		96%		99%		101%		106%
46	Estimated Market Rent	\$1,650	\$1.47 ←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are summarized as follows:

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
Two-Br.	40%	\$569	\$1,400	59.4%
Two-Br.	50%	\$745	\$1,400	46.8%
Two-Br.	60%	\$922	\$1,400	34.1%
Two-Br.	80%	\$1,100	\$1,400	21.4%
Three-Br.	40%	\$655	\$1,650	60.3%
Three-Br.	50%	\$859	\$1,650	47.9%
Three-Br.	60%	\$1,063	\$1,650	35.6%
Three-Br.	80%	\$1,300	\$1,650	21.2%

Typically, Tax Credit rents targeting households earning up to 60% of AMHI are set at least 10.0% below market rent to ensure the property represents a value and has a sufficient flow of prospective tenants within most markets. While units targeting households at higher income levels such as 80% of AMHI often do not need to represent a market rent advantage of 10.0% to be perceived a value, it is often recommended that such units/rents represent around a 5.0% market rent advantage.

As detailed in the preceding table, the subject rents represent market rent advantages ranging from 21.2% to 60.3%, depending upon unit type and income level. Thus, the subject rents, even those at the higher 80% AMHI levels, will represent significant values within the Roanoke Site PMA.

**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 tenant-paid utilities. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.
7. The subject project is expected to be completed in 2024. The selected properties were built between 1972 (renovated in 2021) and 2019. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect their ages.
8. It is anticipated that the proposed subject project will have an excellent overall appearance and quality/condition upon completion. We have made adjustments for those properties that we consider having an inferior quality compared to the subject development.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package slightly inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project and, in some cases, for features the subject project does offer.
- 24.-32. The proposed project will offer a generally inferior project amenities package relative to those offered at the selected market-rate developments. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

## VII. Capture Rate Analysis

### A. DETERMINATION OF INCOME ELIGIBILITY

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

Under the Low-Income Housing Tax Credit (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 Roanoke, VA HUD Metro FMR Area, which has a median four-person household income of \$78,400 for 2021. The subject property will be restricted to households with incomes of up to 40%, 50%, 60% and 80% of AMHI. The following table summarizes the maximum allowable income by household size and income level:

Household Size	Targeted AMHI Maximum Allowable Income			
	40%	50%	60%	80%
One-Person	\$21,960	\$27,450	\$32,940	\$43,920
Two-Person	\$25,120	\$31,400	\$37,680	\$50,240
Three-Person	\$28,240	\$35,300	\$42,360	\$56,480
Four-Person	\$31,360	\$39,200	\$47,040	\$62,720
Five-Person	\$33,880	\$42,350	\$50,820	\$67,760

#### 1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to generally house up to five-person households. As such, the maximum allowable income at the subject site is **\$67,760**.

#### 2. Minimum Income Requirements

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

The lowest proposed LIHTC rent at the subject site is \$706 (maximum allowable two-bedroom 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 \$8,472. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$24,206**.

### 3. Income-Appropriate Range

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 40% of AMHI)	\$24,206	\$33,880
Tax Credit (Limited to 50% of AMHI)	\$30,240	\$42,350
Tax Credit (Limited to 60% of AMHI)	\$36,309	\$50,820
Tax Credit (Limited to 80% of AMHI)	\$42,411	\$67,760
<b>Overall Tax Credit</b>	<b>\$24,206</b>	<b>\$67,760</b>

### B. CAPTURE RATE CALCULATIONS

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

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

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2022 as the base year and projecting forward to 2024, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*
  - a) **Rent overburdened households, if any, within the age group, income groups and renters targeted for the 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), 4.1% to 59.8% of income-appropriate renter households, depending upon income level, within the market are considered to be rent overburdened.

- b) **Households in substandard housing** (*i.e. overcrowded and/or lack of plumbing: Must be age and income group appropriate. Analysts must use their knowledge of the market area and the 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 2.8% of all households within the market are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

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

Not applicable; subject site is general-occupancy.

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

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

**C. DEMAND/CAPTURE RATE CALUCLATIONS**

As discussed earlier in *Section V*, four vacancies exist at the directly competitive LIHTC properties surveyed within the Site PMA. These four vacant units are summarized in the following table. Note that there are no allocated Tax Credit projects in the development pipeline to subtract from our demand estimates.

Map I.D.	Project Name	Year Built/ Renovated	LIHTC Units	Units At Targeted AMHI (Vacant Units)			
				40% AMHI	50% AMHI	60% AMHI	80% AMHI
13	Peters Creek I, II, III	1994 / 2015	192	0	2	2	0

The four vacant directly comparable two- and three-bedroom units have been considered in the following demand analysis:

Demand Component	40% AMHI (\$24,206- \$33,880)	50% AMHI (\$30,240- \$42,350)	60% AMHI (\$36,309- \$50,820)	80% AMHI (\$42,411- \$67,760)	Overall (\$24,206- \$67,760)
Demand from New Rental Households (Income-Appropriate)	1,383 - 1,412 = -29	1,300 - 1,326 = -26	1,605 - 1,603 = 2	2,275 - 2,298 = -23	4,580 - 4,648 = -68
+					
Demand from Existing Households (Rent Overburdened)	1,412 X 59.8% = 844	1,326 X 33.3% = 442	1,603 X 7.5% = 120	2,298 X 4.1% = 94	4,648 X 26.9% = 1,249
+					
Demand from Existing Households (Renters in Substandard Housing)	1,412 X 2.8% = 40	1,326 X 2.8% = 37	1,603 X 2.8% = 45	2,298 X 2.8% = 65	4,648 X 2.8% = 131
+					
Demand from Existing Households (Elderly Homeowner Conversion)	N/A				
=					
Total Demand	855	453	167	136	1,312
-					
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	0	2	2	0	4
=					
Net Demand	855	451	165	136	1,308
Proposed Units	8	28	24	11	71
Proposed Units / Net Demand	8 / 855	28 / 451	24 / 165	11 / 136	71 / 1,308
Capture Rate	= 0.9%	= 6.2%	= 15.0%	= 8.1%	= 5.4%
Total Absorption Period	1 Month	4 Month	4 Months	3 Months	5-6 Months

N/A-Not Applicable

Overall, the capture rates by targeted income level are considered low and easily achievable, ranging from 0.9% to 15.0%. The overall LIHTC capture rate of 5.4% is also considered very low and easily achievable, illustrating that a substantial base of demographic support will exist for the subject development.

#### **D. PENETRATION RATE CALCULATIONS**

The 294 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, planned and subject Tax Credit units is \$24,206 to \$67,760. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 4,581 renter households with eligible incomes in 2024. The 365 existing and planned non-subsidized Tax Credit units (including the subject site), represent a penetration rate of 8.0% of the 4,581 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Planned, Existing & Subject)	365
Income-Eligible Renter Households – 2024	/ 4,581
Overall Market Penetration Rate	= 8.0%

It is our opinion that the 8.0% penetration rate for the LIHTC units, existing, planned and proposed subject, is very low and easily achievable.

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

According to a representative with the Roanoke Redevelopment & Housing Authority, there are approximately 98 Housing Choice Voucher holders within the housing authority’s jurisdiction, and 1,619 people currently on the waiting list for additional Vouchers. The waiting list is closed, and it is unknown when the waiting list will reopen. Annual turnover is estimated at 120 households. This reflects the continuing need for Housing Choice Voucher assistance.

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

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
Two-Bedroom	\$966	\$706 (40%)*
		\$882 (50%)
		\$1,059 (60%)
		\$1,237 (80%)
Three-Bedroom	\$1,305	\$815 (40%)*
		\$1,019 (50%)
		\$1,223 (60%)
		\$1,460 (80%)

\*Maximum allowable gross LIHTC rent (contract rent exceeds maximum allowable)

As the preceding table illustrates, the proposed LIHTC gross rents set aside at 40% and 50% of AMHI, as well as some of the 60% of AMHI rents, are below the local payment standards. As such, the subject project will be able to rely on some support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections.

## **F. ABSORPTION PROJECTIONS**

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 71 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in approximately five to six months of opening. This absorption period is based on an average monthly absorption rate of approximately 12 units per month.

These absorption projections assume a 2024 opening date, although some units will be completed at the end of 2023. An earlier/later opening date may have a slowing impact on the initial absorption of the subject project. Further, these absorption projections assume that the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

## VIII. Local Perspective (Interviews)

We conducted numerous interviews with local sources familiar with the Roanoke 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:

- Sherry Blackwell, Assistant Property Manager at Afton Gardens (Map ID 2), a comparable Tax Credit and government-subsidized property, stated that there is a need for more affordable housing in Roanoke. Ms. Blackwell noted that there are many homeless individuals in Roanoke, as well as a lot of low-income families. Additionally, Ms. Blackwell discussed that she has a long waiting list and that the affordable housing inventory is low; with a need for more and newer units being provided in the area.
- Dolly White, Property Manager at Peters Creek I, II and III, a Tax Credit property in Roanoke, stated that there is a need for affordable housing in Roanoke. Ms. White stated that she believes income restrictions are too stringent, higher AMHI percentages would help and that she gets 30 applications a week and she has to turn away 20 applicants because of the income limits. Ms. White added that most of these low-income households cannot afford market-rate rents and that various income levels would be beneficial to the area's low-income population.
- Lyn Relf, Housing Choice Voucher Manager of the Roanoke Redevelopment & Housing Authority, stated that there is always a need for more affordable housing for families in the Roanoke area. Many properties in Roanoke have rents are not affordable, and properties that are affordable have a limited number of units that do not meet the demand from local residents. Additionally, the end of the eviction moratorium for the COVID-19 pandemic has increased the demand for more affordable housing options as some tenants can no longer afford the rents at the properties where they previously lived.

## IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 71 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be very competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. Notably, the proposed subject rents represent market rent advantages of between 21.2% and 60.3%, illustrating that they will likely represent excellent values to low- and moderate-income renters within the market.

Given that the comparable LIHTC developments surveyed within the market and region have a combined occupancy rate of 98.9%, some of which maintain waiting lists, the subject project will offer a housing alternative to low-income households that is in limited availability in the area. This is especially true, considering that the subject project will be the only LIHTC project in the market to offer units set aside at 40% and 80% of Area Median Household Income (AMHI). The subject project will provide an affordable rental housing alternative to very low- to moderate-income renter households that are currently underserved within the Roanoke Site PMA. This is expected to bode very well in the demand of the subject units.

As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 5.4% of income-eligible renter households in the market, there is significant support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

## SITE PHOTOGRAPHS



View of site from the north



View of site from the northeast



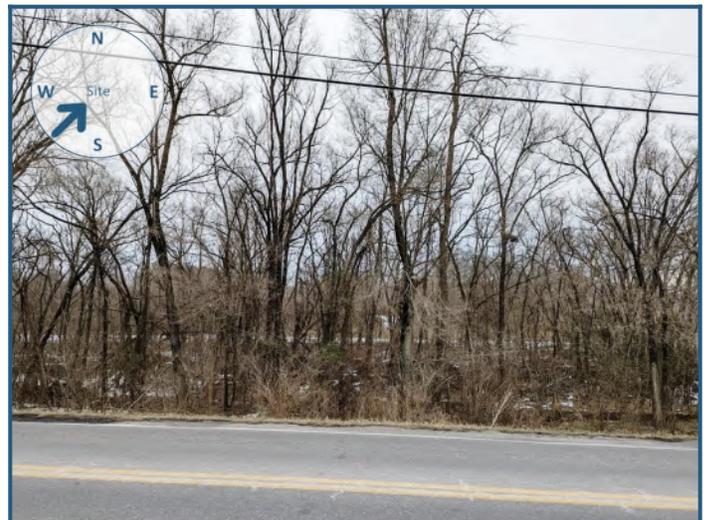
View of site from the east



View of site from the southeast



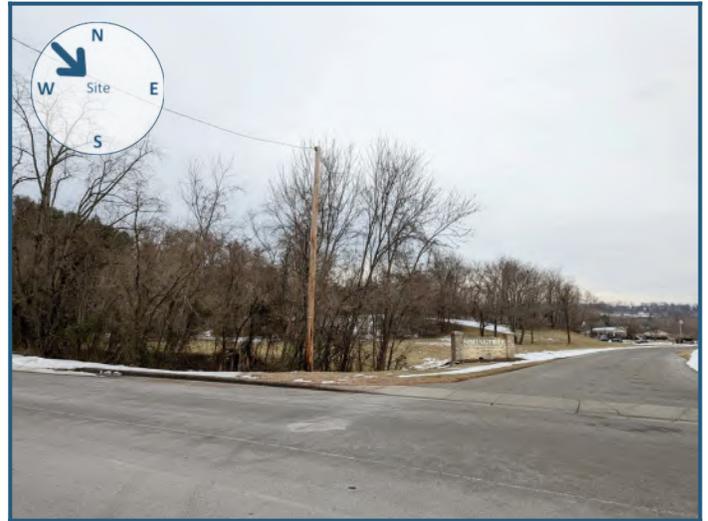
View of site from the south



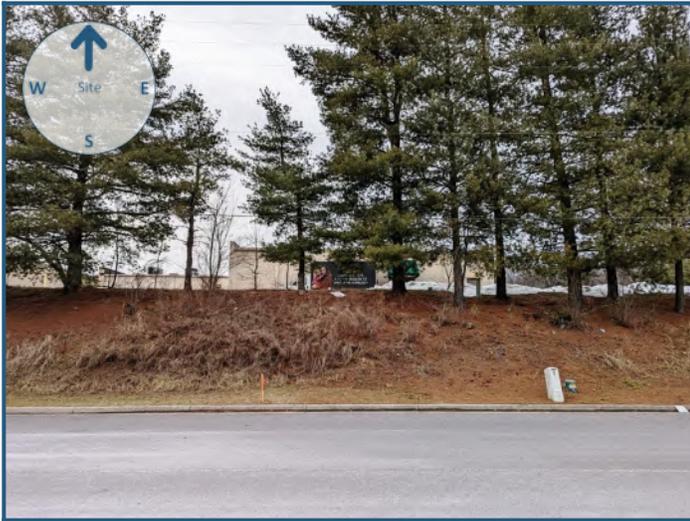
View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



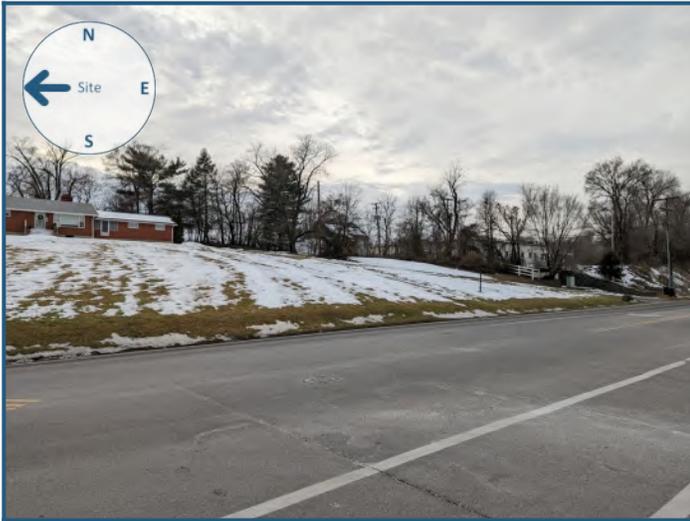
Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: Northwest view of King Street Northeast (State Route 653)



Streetscape: Southeast view of King Street Northeast (State Route 653)



Streetscape: Northeast view of view of Springtree Drive Northeast



Streetscape: Southwest view of Springtree Drive Northeast

XI.

COMPARABLE  
PROPERTY PROFILES

**2** Afton Gardens 4.0 miles to site



Address: 703 Hunt Ave NW, Roanoke, VA 24012  
 Phone: (540) 362-4827      Contact: Teresa (By Phone)  
 Property Type: Tax Credit, Government Subsidized  
 Target Population: Family  
 Total Units: 108      Year Built: 1967  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated: 2002  
 Turnover:      Stories: 2.5  
 Waitlist: 8-12 mos  
 Rent Special: None

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

Notes: Tax Credit (4 units); HUD Section 8 & Tax Credit (104 units)



**Features And Utilities**

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Grilling Area, Playground); CCTV

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1	G	104	0	750	Subsidized	Subsidized	Subsidized
2	1	G	4	0	750	\$1.41	\$1,059	60%

\*Adaptive Reuse

\*DTS is based on drive time

**7 District Vue** 1.4 miles to site



Address: 2550 Orange Ave NE, Roanoke, VA 24012  
 Phone: (540) 507-2947      Contact: Kelsey (By Phone)  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 216      Year Built: 2019      Ratings  
 Vacant Units: 0      \*AR Year:      Quality: A-  
 Occupancy: 100.0%      Yr Renovated:      Neighborhood: B  
 Turnover:      Stories: 3      Access/Visibility: B+/B+  
 Waitlist: None  
 Rent Special: None

Notes: 1st units opened 11/2019; 108 additional units UC, expect completion 6/2022



**Features And Utilities**

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

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

Property Amenities: Car Care (Car Wash Area); Cafe / Coffee Bar; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Outdoor Swimming Pool); WiFi

Parking Type: Detached Garage; Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	64	0	758 - 830	\$1.72 - \$1.57	\$1,310	Market
2	2	G	130	0	991 - 1,003	\$1.41 - \$1.40	\$1,410	Market
3	2	G	22	0	1,319	\$1.44	\$1,910	Market

\*Adaptive Reuse

\*DTS is based on drive time

**9 Glade Creek** 0.2 miles to site



Address: 3343 Glade Creek Blvd NE, Roanoke, VA 24012  
 Phone: (540) 985-4700 Contact: Bridgette (By Phone)  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 248 Year Built: 1998  
 Vacant Units: 4 \*AR Year:  
 Occupancy: 98.4% Yr Renovated:  
 Turnover: Stories: 2,3  
 Waitlist: None  
 Rent Special: None

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

Notes: Higher rent for renovated unit; Rents change daily



**Features And Utilities**

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

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

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

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	48	0	886 - 941	\$1.42 - \$2.56	\$1,255 - \$2,405	Market
2	2	G	138	2	1,155 - 1,178	\$1.22 - \$1.46	\$1,410 - \$1,715	Market
3	2	G	62	2	1,316 - 1,376	\$1.28 - \$1.30	\$1,690 - \$1,790	Market

\*Adaptive Reuse

\*DTS is based on drive time

**10 Hickory Woods Apts.** **0.7 miles to site**



Address: 3006 Hickory Woods Dr. NE, Roanoke, VA 24012  
 Phone: (540) 685-1570      Contact: Kelsey  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 216      Year Built: 1988  
 Vacant Units: 4      \*AR Year:  
 Occupancy: 98.1%      Yr Renovated: 2021  
 Turnover:      Stories: 3  
 Waitlist: None  
 Rent Special: None

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

Notes: Higher rent for renovated units; Rents change daily



**Features And Utilities**

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

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

Property Amenities: Car Care (Car Wash Area); On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool, Tennis); CCTV; WiFi

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	64	2	688 - 788	\$1.53 - \$1.57	\$1,050 - \$1,235	Market
2	2	G	109	1	901 - 1,001	\$1.46 - \$1.61	\$1,315 - \$1,615	Market
3	2	G	43	1	1,156	\$1.20 - \$1.44	\$1,385 - \$1,660	Market

\*Adaptive Reuse

\*DTS is based on drive time

**12 Orchards Apts.** **3.0 miles to site**



Address: 5360 Orchard Hill Dr., Roanoke, VA 24019  
 Phone: (540) 554-6759 Contact: Kelsey  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 240 Year Built: 2002  
 Vacant Units: 0 \*AR Year:  
 Occupancy: 100.0% Yr Renovated:  
 Turnover: Stories: 3  
 Waitlist: None  
 Rent Special: None

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

Notes: Rents change daily



**Features And Utilities**

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

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

Property Amenities: Bike Racks / Storage; Business Center (Computer/Business Center); Car Care (Car Wash Area); Cafe / Coffee Bar; Outdoor Seating Area; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Walking Path, Media Room / Theater, Playground, Outdoor Swimming Pool, Tennis, Volleyball); Courtesy Officer; Social Services (Parties / Picnics); Extra Storage; WiFi

Parking Type: Detached Garage; Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	120	0	852	\$1.41	\$1,199	Market
2	2	G	60	0	918	\$1.63	\$1,499	Market
3	2	G	60	0	1,033	\$1.51	\$1,555	Market

\*Adaptive Reuse

\*DTS is based on drive time

**13** Peters Creek I, II, III 9.6 miles to site



Address: 7266 South Barrens Rd, Roanoke, VA 24019  
 Phone: (540) 362-5851      Contact: Barbara (By Phone)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 192      Year Built: 1994      Ratings  
 Vacant Units: 4      \*AR Year:      Quality: B+  
 Occupancy: 97.9%      Yr Renovated: 2015      Neighborhood: B+  
 Turnover:      Stories: 3      Access/Visibility: B+/B  
 Waitlist: None  
 Rent Special: None

Notes: Tax Credit



**Features And Utilities**

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

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

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	66	1	1,000	\$0.78	\$783	50%
2	2	G	66	1	1,000	\$0.96	\$960	60%
3	2	G	30	1	1,320	\$0.68	\$902	50%
3	2	G	30	1	1,320	\$0.84	\$1,106	60%

\*Adaptive Reuse

\*DTS is based on drive time

**16 Valley View Village** 6.7 miles to site



Address: 4823 Rutgers St NW, Roanoke, VA 24012  
 Phone: (540) 518-4412      Contact: Amy (By Phone)  
 Property Type: Market Rate  
 Target Population: Family  
 Total Units: 98      Year Built: 1972      Ratings  
 Vacant Units: 5      \*AR Year:      Quality: B-  
 Occupancy: 94.9%      Yr Renovated: 2021      Neighborhood: B  
 Turnover:      Stories: 2.5      Access/Visibility: B+/B+  
 Waitlist: None  
 Rent Special: None

Notes: 2 units under renovation



**Features And Utilities**

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

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Cabinetry

Property Amenities: Laundry Room; Recreation Areas (Outdoor Swimming Pool)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	30	2	648	\$1.32 - \$1.63	\$909 - \$1,109	Market
2	1	G	59	2	806	\$1.26 - \$1.51	\$1,079 - \$1,279	Market
3	2	G	9	1	894	\$1.31 - \$1.54	\$1,249 - \$1,449	Market

\*Adaptive Reuse      \*DTS is based on drive time

**903** **Everett** 9.5 miles to site



Address: 4301 Garst Mill Rd, Cave Spring, VA 24018  
 Phone: (540) 774-9546      Contact: Jacob (By Phone)  
 Property Type: Market Rate, Tax Credit  
 Target Population: Family  
 Total Units: 504      Year Built: 1973  
 Vacant Units: 5      \*AR Year:  
 Occupancy: 99.0%      Yr Renovated: 2006  
 Turnover:      Stories: 2  
 Waitlist: None  
 Rent Special: None

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

Notes: Market-rate (100 units); Tax Credit (404 units)



**Features And Utilities**

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

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

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Hot Tub, 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	80	0	641 - 665	\$1.12 - \$1.10	\$716 - \$729	60%
1	1	G	20	0	641 - 665	\$1.23 - \$1.20	\$789 - \$799	Market
2	1 - 2	G	212	5	906 - 1,028	\$0.95 - \$0.84	\$864	60%
2	1 - 2	G	40	0	906 - 1,028	\$1.05 - \$0.96	\$949 - \$989	Market
2	1.5	T	56	0	1,137	\$0.74	\$847	60%
2	1.5	T	20	0	1,137	\$0.93 - \$0.97	\$1,059 - \$1,099	Market
3	2	G	56	0	1,255	\$0.79	\$992	60%
3	2	G	20	0	1,255	\$0.88	\$1,109	Market

\*Adaptive Reuse

\*DTS is based on drive time

**905 Salem Commons** 8.1 miles to site



Address: 1866 Salem Commons Ln, Salem, VA 24153  
 Phone: (540) 344-3737      Contact: Angie (By Phone)  
 Property Type: Tax Credit  
 Target Population: Family  
 Total Units: 88      Year Built: 1988  
 Vacant Units: 0      \*AR Year:  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 2  
 Waitlist: 6 HH  
 Rent Special: None

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

Notes: Tax Credit



**Features And Utilities**

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Laundry Room; On-Site Management; Recreation Areas (Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1.5	G	40	0	872	\$0.80	\$700	60%
2	2	G	24	0	895	\$0.82	\$730	60%
3	2	G	24	0	1,101	\$0.75	\$825	60%

\*Adaptive Reuse

\*DTS is based on drive time

**906 Woodridge Apts.** 6.7 miles to site



Address: 2251 Mountain View Terrace SW, Roanoke, VA 24015  
 Phone: (540) 342-9115      Contact: Faye (By Phone)  
 Property Type: Market Rate, Tax Credit  
 Target Population: Family  
 Total Units: 96      Year Built: 1972  
 Vacant Units: 0      \*AR Year: 1992  
 Occupancy: 100.0%      Yr Renovated:  
 Turnover:      Stories: 2.5  
 Waitlist: None  
 Rent Special: None

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

Notes: Market-rate (48 units); Tax Credit (48 units)



**Features And Utilities**

Utility Schedule Provided by: Roanoke Redevelopment & Housing Authority

Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: Laundry Room; Recreation Areas (Grilling Area, Outdoor Swimming Pool)

Parking Type: Surface Lot

**Unit Configuration**

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	29	0	750	\$0.92	\$690	60%
1	1	G	14	0	750	\$0.92	\$690	Market
2	1	G	14	0	830	\$0.89	\$740	60%
2	1	G	5	0	830	\$0.89	\$740	Market
3	1	G	5	0	950	\$0.83	\$790	60%
3	1	G	29	0	950	\$0.83	\$790	Market

\*Adaptive Reuse

\*DTS is based on drive time

## XII.

# FIELD SURVEY OF CONVENTIONAL RENTALS

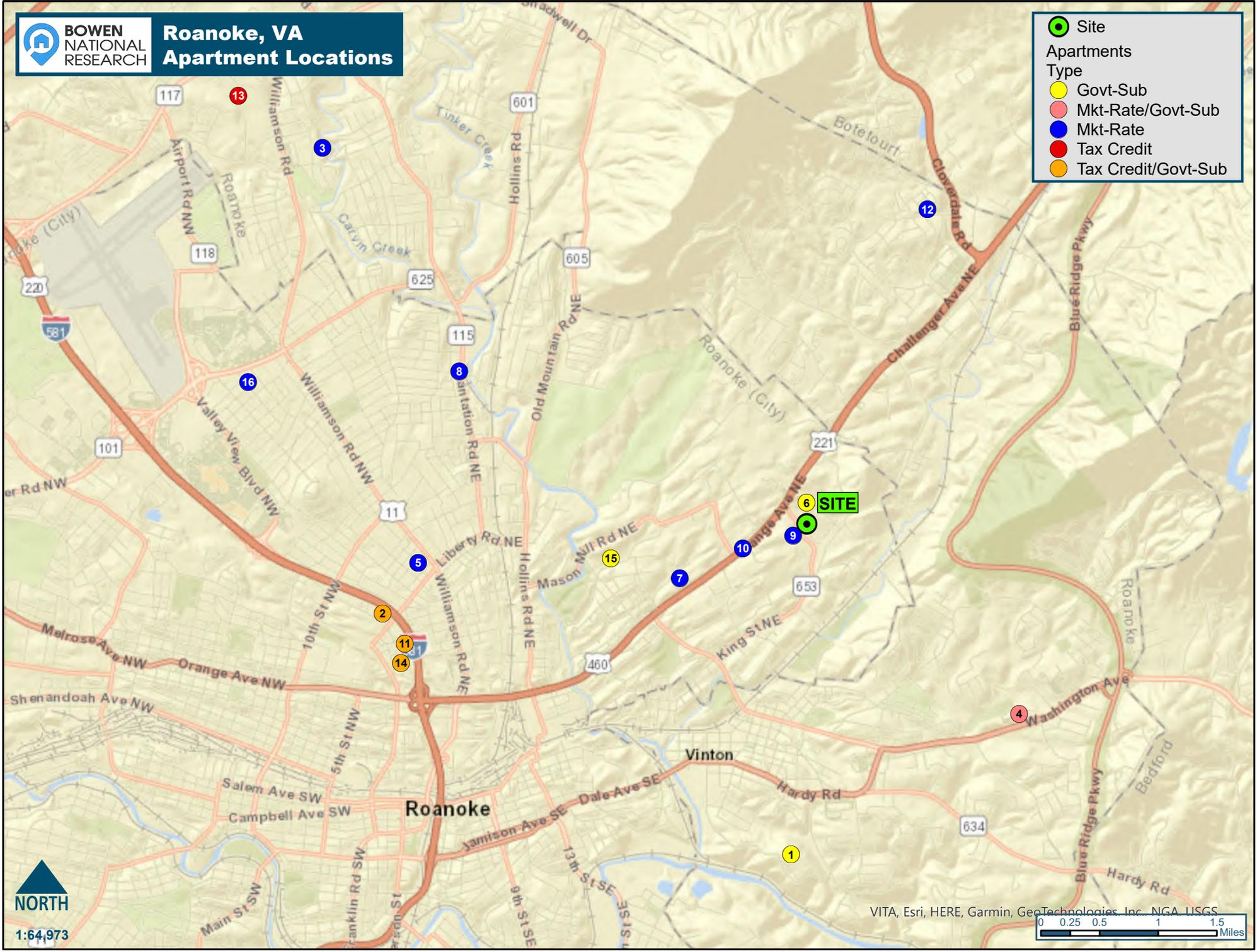


# Roanoke, VA Apartment Locations

● Site

Apartments  
Type

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



1:64,973

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	A. Porter's Haven	GSS	B	2009	73	0	100.0%	3.5
2	Afton Gardens	TGS	B-	1967	108	0	100.0%	4.0
3	Bent Creek Apts. & Townhomes	MRR	B	1974	344	4	98.8%	7.2
4	Blue Ridge Manor	MRG	B	1974	108	0	100.0%	3.6
5	Bowman Park Townhomes	MRR	B	1966	31	0	100.0%	4.0
6	Christian Village of Western Virginia	GSS	B-	1997	45	0	100.0%	0.2
7	District Vue	MRR	A-	2019	216	0	100.0%	1.4
8	Frontier Apts.	MRR	B	1972	194	0	100.0%	4.2
9	Glade Creek	MRR	B+	1998	248	4	98.4%	0.2
10	Hickory Woods Apts.	MRR	B	1988	216	4	98.1%	0.7
11	Hillcrest Heights	TGS	B	2007	24	0	100.0%	3.9
12	Orchards Apts.	MRR	B+	2002	240	0	100.0%	3.0
13	Peters Creek I, II, III	TAX	B+	1994	192	4	97.9%	9.6
14	Stepping Stone	TGS	B	2005	30	0	100.0%	3.7
15	Tinker Creek Manor Apts.	GSS	B	1970	100	0	100.0%	2.2
16	Valley View Village	MRR	B-	1972	98	5	94.9%	6.7
901	733 West Apts.	MRR	B+	1999	124	0	100.0%	5.9
902	Ashton Heights	GSS	B	2004	243	40	83.5%	6.7
903	Everett	MRT	B+	1973	504	5	99.0%	9.5
904	Hurt Park II Townhomes	TAX	B+	2006	40	0	100.0%	5.3
905	Salem Commons	TAX	B	1988	88	0	100.0%	8.1
906	Woodridge Apts.	MRT	B	1972	96	0	100.0%	6.7

\*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> A. Porter's Haven 1702 Saunja Cir, Vinton, VA 24179		Contact: Patricia Phone: (540) 342-0131	
	Total Units: 73 UC: 0 BR: 1 Target Population: Senior 62+ Rent Special: None Notes: HUD Section 202	Occupancy: 100.0% Vacant Units: 0	Stories: 1 Waitlist: 24 mos	Year Built: 2009 AR Year: Yr Renovated:

	<b>2</b> Afton Gardens 703 Hunt Ave NW, Roanoke, VA 24012		Contact: Teresa Phone: (540) 362-4827	
	Total Units: 108 UC: 0 BR: 2 Target Population: Family Rent Special: None Notes: Tax Credit (4 units); HUD Section 8 & Tax Credit (104 units)	Occupancy: 100.0% Vacant Units: 0	Stories: 2.5 Waitlist: 8-12 mos	Year Built: 1967 AR Year: Yr Renovated: 2002

	<b>3</b> Bent Creek Apts. & Townhomes 6525 Greenway Dr, Roanoke, VA 24019		Contact: Ralnesha Phone: (540) 366-8243	
	Total Units: 344 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes:	Occupancy: 98.8% Vacant Units: 4	Stories: 2,3 Waitlist: None	Year Built: 1974 AR Year: Yr Renovated:

	<b>4</b> Blue Ridge Manor 101 Cottonwood Terr, Vinton, VA 24179		Contact: Alicia Phone: (540) 890-1291	
	Total Units: 108 UC: 0 BR: 2, 3 Target Population: Family Rent Special: None Notes: Market-rate (60 unit); HUD Section 8 (48 units)	Occupancy: 100.0% Vacant Units: 0	Stories: 2.5 Waitlist: 6-24 mos	Year Built: 1974 AR Year: Yr Renovated:

	<b>5</b> Bowman Park Townhomes 2801 Meadows St NW, Roanoke, VA 24012		Contact: Crystal Phone: (540) 982-0417	
	Total Units: 31 UC: 0 BR: 2 Target Population: Family Rent Special: None Notes:	Occupancy: 100.0% Vacant Units: 0	Stories: 2 Waitlist: None	Year Built: 1966 AR Year: 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>6</b> Christian Village of Western Virginia 3355 Village Ct NE, Roanoke, VA 24012		Contact: Michelle Phone: (540) 342-5232	
	Total Units: 45 UC: 0 BR: 1 Target Population: Senior 62+ Rent Special: None Notes: HUD Section 236	Occupancy: 100.0% Vacant Units: 0	Stories: 1 Waitlist: 24-36 mos	Year Built: 1997 AR Year: Yr Renovated:

	<b>7</b> District Vue 2550 Orange Ave NE, Roanoke, VA 24012		Contact: Kelsey Phone: (540) 507-2947	
	Total Units: 216 UC: 108 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: 1st units opened 11/2019; 108 additional units UC, expect completion 6/2022	Occupancy: 100.0% Vacant Units: 0	Stories: 3 Waitlist: None	Year Built: 2019 AR Year: Yr Renovated:

	<b>8</b> Frontier Apts. 4302 Plantation Rd NE, Roanoke, VA 24012		Contact: Michelle Phone: (540) 366-4316	
	Total Units: 194 UC: 0 BR: 1, 2 Target Population: Family Rent Special: None Notes: Rent range due to renovations, den & floorplan	Occupancy: 100.0% Vacant Units: 0	Stories: 2.5 Waitlist: None	Year Built: 1972 AR Year: Yr Renovated:

	<b>9</b> Glade Creek 3343 Glade Creek Blvd NE, Roanoke, VA 24012		Contact: Bridgette Phone: (540) 985-4700	
	Total Units: 248 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Higher rent for renovated unit; Rents change daily	Occupancy: 98.4% Vacant Units: 4	Stories: 2,3 Waitlist: None	Year Built: 1998 AR Year: Yr Renovated:

	<b>10</b> Hickory Woods Apts. 3006 Hickory Woods Dr. NE, Roanoke, VA 24012		Contact: Kelsey Phone: (540) 685-1570	
	Total Units: 216 UC: 0 BR: 1, 2, 3 Target Population: Family Rent Special: None Notes: Higher rent for renovated units; Rents change daily	Occupancy: 98.1% Vacant Units: 4	Stories: 3 Waitlist: None	Year Built: 1988 AR Year: Yr Renovated: 2021

✓ 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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11	<b>Hillcrest Heights</b> 1801 Dunbar St NW, Roanoke, VA 24012	Contact: Crystal Phone: (540) 983-9224
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2007 BR: 2, 3 Vacant Units: 0 Waitlist: 5 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; HUD Section 8	
12	<b>Orchards Apts.</b> 5360 Orchard Hill Dr., Roanoke, VA 24019	Contact: Kelsey Phone: (540) 554-6759
	Total Units: 240 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2002 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily	
13	<b>Peters Creek I, II, III</b> 7266 South Barrens Rd, Roanoke, VA 24019	Contact: Barbara Phone: (540) 362-5851
	Total Units: 192 UC: 0 Occupancy: 97.9% Stories: 3 Year Built: 1994 BR: 2, 3 Vacant Units: 4 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2015 Rent Special: None Notes: Tax Credit	
14	<b>Stepping Stone</b> 1710 Dunbar St NW, Roanoke, VA 24012	Contact: Crystal Phone: (540) 983-9224
	Total Units: 30 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2005 BR: 2, 3 Vacant Units: 0 Waitlist: 5 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; HUD Section 8	
15	<b>Tinker Creek Manor Apts.</b> 2050 Tinker Dr NE, Roanoke, VA 24012	Contact: Marisa Phone: (540) 342-2333
	Total Units: 100 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1970 BR: 2, 3, 4 Vacant Units: 0 Waitlist: 6-48 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: HUD Section 8	

✓	Comparable Property	<span style="background-color: #92d050;">■</span> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized	<span style="background-color: #ff00ff;">■</span> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized
◆	Senior Restricted	<span style="background-color: #ff0000;">■</span> (TAX) Tax Credit	<span style="background-color: #00ff00;">■</span> (INR) Income-Restricted (not LIHTC)
■	(MRR) Market-Rate	<span style="background-color: #ffa500;">■</span> (TGS) Tax Credit & Government-Subsidized	<span style="background-color: #90ee90;">■</span> (ING) Income-Restricted (not LIHTC) & Government-Subsidized
■	(MRT) Market-Rate & Tax Credit	<span style="background-color: #008000;">■</span> (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)	<span style="background-color: #ffff00;">■</span> (GSS) Government-Subsidized
■	(MRG) Market-Rate & Government-Subsidized	<span style="background-color: #800000;">■</span> (TIN) Tax Credit & Income-Restricted (not LIHTC)	<span style="background-color: #e0e0ff;">■</span> (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
■	(MIN) Market-Rate & Income-Restricted (not LIHTC)	<span style="background-color: #800080;">■</span> (TMG) Tax Credit, Market-Rate & Government-Subsidized	

**16** Valley View Village  
4823 Rutgers St NW, Roanoke, VA 24012  
Contact: Amy  
Phone: (540) 518-4412



Total Units: 98 UC: 2 Occupancy: 94.9% Stories: 2.5 Year Built: 1972  
BR: 1, 2, 3 Vacant Units: 5 Waitlist: None AR Year:  
Target Population: Family Yr Renovated: 2021  
Rent Special: None  
Notes: 2 units under renovation

**901** 733 West Apts.  
733 29th St. NW, Roanoke, VA 24016  
Contact: Luke  
Phone: (540) 982-0010



Total Units: 124 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1999  
BR: 2, 3, 4 Vacant Units: 0 Waitlist: None AR Year:  
Target Population: Family Yr Renovated:  
Rent Special: None  
Notes:

**902** Ashton Heights  
3530 Dona Dr NW, Roanoke, VA 24017  
Contact: Miozote  
Phone: (540) 345-9325



Total Units: 243 UC: 0 Occupancy: 83.5% Stories: 3 Year Built: 2004  
BR: 1, 2, 3 Vacant Units: 40 Waitlist: None AR Year:  
Target Population: Family Yr Renovated:  
Rent Special: None  
Notes: HUD Section 8

**903** Everett  
4301 Garst Mill Rd, Cave Spring, VA 24018  
Contact: Jacob  
Phone: (540) 774-9546



Total Units: 504 UC: 0 Occupancy: 99.0% Stories: 2 Year Built: 1973  
BR: 1, 2, 3 Vacant Units: 5 Waitlist: None AR Year:  
Target Population: Family Yr Renovated: 2006  
Rent Special: None  
Notes: Market-rate (100 units); Tax Credit (404 units)

**904** Hurt Park II Townhomes  
1641 Salem Ave SW, Roanoke, VA 24016  
Contact: Crystal  
Phone: (540) 983-9224



Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2006  
BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year:  
Target Population: Family Yr Renovated:  
Rent Special: None  
Notes: Tax Credit

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



<b>905</b>	<b>Salem Commons</b>		Contact: Angie			
	1866 Salem Commons Ln, Salem, VA 24153		Phone: (540) 344-3737			
		Total Units: 88	UC: 0	Occupancy: 100.0%	Stories: 2	Year Built: 1988
		BR: 2, 3		Vacant Units: 0	Waitlist: 6 HH	AR Year:
		Target Population: Family				Yr Renovated:
		Rent Special: None				
		Notes: Tax Credit				



<b>906</b>	<b>Woodridge Apts.</b>		Contact: Faye			
	2251 Mountain View Terrace SW, Roanoke, VA 24015		Phone: (540) 342-9115			
		Total Units: 96	UC: 0	Occupancy: 100.0%	Stories: 2.5	Year Built: 1972
		BR: 1, 2, 3		Vacant Units: 0	Waitlist: None	AR Year: 1992
		Target Population: Family				Yr Renovated:
		Rent Special: None				
		Notes: Market-rate (48 units); Tax Credit (48 units)				

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: Roanoke Redevelopment & Housing Authority  
Effective: 10/2021

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	39	47	58	67	78	87	39	47	58	67	78	87
	+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0
	Bottled Gas	68	92	126	155	189	219	68	92	126	155	189	219
	Electric	27	38	52	65	80	93	27	38	52	65	80	93
	Heat Pump	18	24	34	42	52	61	18	24	34	42	52	61
	Oil	44	59	81	100	122	144	44	59	81	100	122	144
Cooking	Natural Gas	4	6	7	9	12	13	4	6	7	9	12	13
	Bottled Gas	14	20	25	31	39	45	14	20	25	31	39	45
	Electric	4	5	7	8	12	16	4	5	7	8	12	16
Other Electric	29	34	44	49	56	61	29	34	44	49	56	61	
+Base Charge	0	0	0	0	0	0	0	0	0	0	0	0	
Air Conditioning	7	10	13	15	20	24	7	10	13	15	20	24	
Water Heating	Natural Gas	11	15	20	24	31	35	11	15	20	24	31	35
	Bottled Gas	35	50	64	78	99	113	35	50	64	78	99	113
	Electric	19	26	31	39	50	56	19	26	31	39	50	56
	Oil	25	35	45	55	70	80	25	35	45	55	70	80
Water	17	22	30	39	49	53	17	22	30	39	49	53	
Sewer	22	26	36	45	54	64	22	26	36	45	54	64	
Trash Collection	15	15	15	15	15	15	15	15	15	15	15	15	
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 2, 2022



Jeff Peters (Primary Contact)  
Market Analyst

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

Date: February 2, 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