

A MARKET FEASIBILITY STUDY OF:

SMITH RIDGE COMMONS

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SMITH RIDGE COMMONS

0 Candlelight Circle
Roanoke, Virginia 24019

Effective Date: January 20, 2022
Report Date: February 25, 2022

Prepared for:
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Development Manager
The Lawson Companies
373 Edwin Drive
Virginia Beach, VA 23462

Prepared by:
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February 25, 2022

Austin Pittman
Development Manager
The Lawson Companies
373 Edwin Drive
Virginia Beach, VA 23462

Re: Market Study - Application for Proposed LIHTC Property in Roanoke, Virginia

Dear Austin Pittman:

At your request, Novogradac Consulting LLP has performed a market study of the multifamily rental market in the Roanoke, Virginia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We previously completed a preliminary rent and demand analysis of the Subject in November 2021.

The Subject will offer 72 units, of which all units will be LIHTC rent restricted to 30, 40, 50, and 60 percent of AMI. Additionally, all of the units rent restricted at 40 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject will offer 12 one-bedroom units, 45 two-bedroom units, and 15 three-bedroom units. All of the Subject's units will target the general population. The Subject will be new construction with an anticipated 15-month construction timeframe starting December 2022. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

The scope of this report meets the requirements of Virginia Housing, including the following:

- Inspecting the site of the proposed Subject, and its general location.
- Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.
- Estimating the market rents, absorption rates and stabilized occupancy levels for the market area.
- Investigating the general economic health and conditions of the multifamily rental market.
- Calculating income bands, given the proposed Subject rents.
- Estimating the number of income-eligible households.
- Reviewing relevant public records and contacting appropriate public agencies.
- Analyzing the economic and social conditions in the market area, in relation to the proposed project.
- Establishing the Subject's Primary and Secondary Market Area(s), if applicable.
- Surveying competing projects, both LIHTC and market-rate.

The depth of discussion contained in the report is compliant with both the requirements of Virginia Housing Market Study Guidelines and the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA). NCHMA is a professional organization chartered to promote the development of high-quality market analysis for the affordable housing industry. Novogradac is a charter member of this organization. NCHMA has compiled model content standards for market studies. This report, which Novogradac certifies as a NCHMA-compliant comprehensive market analysis full narrative report, conforms to those standards; any slight modifications or departures from those standards are considered incidental. The report and the conclusions are subject to the Assumptions and Limiting Conditions attached.

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client.

The Lawson Companies is the client in this engagement and intended user of this report. Furthermore, Virginia Housing is an authorized user of this market study and Virginia Housing may rely on representations made herein. As our client, the Lawson Companies owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential uses under a separate agreement.

The Stated Purpose of this assignment is for application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

Pursuant to Virginia Housing Requirements, we certify:

1. We 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 our knowledge the market can support the demand shown in this study. We understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
4. No one at this firm has any interest in the proposed development or a relationship with the ownership entity.
5. No one at this firm, nor anyone acting on behalf of the firm in connection with the preparation of this report, has communicated to others that the firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for our services is not contingent on this development receiving a LIHTC reservation or allocation.
7. Evidence of our NCHMA membership is included.

AUSTIN PITTMAN
THE LAWSON COMPANIES
FEBRUARY 25, 2022
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Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac Consulting LLP



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A. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- Subject Site Description:** The Subject will be located at O Candlelight Circle in Roanoke County, Virginia 24019.
- Surrounding Land Uses:** The Subject is located in a mixed-use neighborhood northwest of Downtown Roanoke. The Subject site is rated as “Car-Dependent” by Walk Score with a score of two, indicating that almost all errands require a car. Land use to the north consists of single-family homes in average condition and vacant land. Further north are additional single-family homes in average condition. Land use to the east consists of undeveloped land and commercial and retail uses, followed further east by additional vacant land, commercial and retail uses in average condition, single-family homes in average condition, and recreational uses. Uses south consist of commercial and retail uses in average condition, followed further south by a cemetery and additional commercial and retail uses. Land uses adjacent west of the Subject consists of undeveloped land that will be utilized for future development. Specific details regarding the unit mix for the development have not been determined. Further west of the Subject consists of undeveloped land and single-family homes in average condition. Overall, the majority of surrounding land uses are in average to good condition.
- Subject Property Description:** Novogradac Consulting LLP has performed a comprehensive market study of the multifamily rental market in the Roanoke County, Virginia area relative to the Subject, a proposed new construction development. Construction of the Subject will begin in December 2022 and is expected to last for 15 months. Following construction, the Subject’s units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, all of the units rent restricted at 40 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject’s proposed LIHTC rents are set at the 2021 maximum allowable levels. The Subject will consist of three three-story, garden-style buildings with 72 one, two, and three-bedroom units.

Proposed Rents:

The following table details proposed rents for the Subject’s units.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	2022 HUD Fair Market Rents
@30%							
1BR / 1BA	705	1	\$336	\$105	\$441	\$441	\$700
2BR / 2BA	956	5	\$397	\$132	\$529	\$529	\$879
3BR / 2BA	1,113	2	\$460	\$151	\$611	\$611	\$1,187
@40% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	1	\$483	\$105	\$588	\$588	\$700
2BR / 2BA	956	5	\$574	\$132	\$706	\$706	\$879
3BR / 2BA	1,113	2	\$664	\$151	\$815	\$815	\$1,187
@50%							
1BR / 1BA	705	4	\$630	\$105	\$735	\$735	\$700
2BR / 2BA	956	12	\$750	\$132	\$882	\$882	\$879
3BR / 2BA	1,113	4	\$868	\$151	\$1,019	\$1,019	\$1,187
@60%							
1BR / 1BA	705	6	\$777	\$105	\$882	\$882	\$700
2BR / 2BA	956	23	\$927	\$132	\$1,059	\$1,059	\$879
3BR / 2BA	1,113	7	\$1,072	\$151	\$1,223	\$1,223	\$1,187
72							

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject’s proposed LIHTC rents are set at the 2021 maximum allowable levels.

Target Household Income Levels:

Based on the proposed restrictions, the range of annual household income levels is depicted below.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40% (Project Based Rental Assistance - PBRA)		@50%		@60%	
1BR	\$15,291	\$18,840	\$0	\$25,120	\$25,371	\$31,400	\$30,240	\$37,680
2BR	\$18,720	\$21,180	\$0	\$28,240	\$30,823	\$35,300	\$36,309	\$42,360
3BR	\$21,669	\$25,410	\$0	\$33,880	\$35,657	\$42,350	\$41,931	\$50,820

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income						
	@30%		@40%		@50%		@60%	
1BR	\$15,291	\$18,840	\$20,160	\$25,120	\$25,371	\$31,400	\$30,240	\$37,680
2BR	\$18,720	\$21,180	\$24,206	\$28,240	\$30,823	\$35,300	\$36,309	\$42,360
3BR	\$21,669	\$25,410	\$27,943	\$33,880	\$35,657	\$42,350	\$41,931	\$50,820

Economic Conditions

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 38.9 percent of local employment. The large share of PMA employment in the retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which historically exhibits greater stability during economic downturns. Employment in the MSA declined sharply by 5.2 percent in 2020 amid the pandemic, below the overall nation. From November 2020 to November 2021, employment in the MSA is increasing at an annualized rate of 1.6 percent, compared to 3.7 percent growth across the nation. The MSA unemployment rate increased modestly by 3.3 percentage points in 2020 amid the pandemic, compared to a 4.4 percentage point increase for the overall nation. According to the latest labor statistics, the current MSA unemployment rate is 2.6 percent, lower than the current national unemployment rate of 3.9 percent. Overall, the local economy appears to be stabilizing from the pandemic.

Primary Market Area

The PMA is generally defined as Roanoke and Salem. The PMA boundaries are: Interstate 81, State Route 654, and State Route 220 to the north; State Route 460, the Roanoke River, and Garden City Boulevard Southeast to the east; Blue Ridge Parkway, State Route 220, and State Road 419 to the south; and State Route 640, the Roanoke River, and Interstate 81 to the west. The PMA encompasses 42.1 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent.

The Roanoke, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA), which includes the cities of Roanoke and Salem, as well as the counties of Botetourt, Craig, Franklin, and Roanoke.

Demographic Data

Since 2000, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2026. As of 2021, approximately 66.4 percent of renter households within the PMA have annual incomes below \$50,000, compared to 65.0 percent of renter households in the MSA. As proposed, the incomes for the Subject will range from zero to \$50,820. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units.

Vacancy

The following table illustrates vacancy rates at the comparable properties.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Autumn Ridge	LIHTC/ Market	Family	72	0	0.0%
Peter's Creek	LIHTC	Family	192	2	1.0%
The Everett	LIHTC/ Market	Family	504	6	1.2%
Woodridge Apartments	LIHTC/ Market	Family	96	1	1.0%
733 West Apartments	Market	Family	124	2	1.6%
Northridge Village Apartments	Market	Family	174	4	2.3%
Sterlingwood Apartments	Market	Family	162	0	0.0%
The Retreat Apartments	Market	Family	252	1	0.4%
Westside Apartments	Market	Family	74	0	0.0%
Total LIHTC			864	9	1.0%
Total Market Rate			786	7	0.9%
Overall Total			1,650	16	1.0%

The comparables reported vacancy rates ranging from zero to 2.3 percent, with an average of 1.0 percent. The average vacancy rate reported by the affordable comparables was 1.0 percent, while the average vacancy rate reported by the market rate comparables was 0.9 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate at a vacancy rate of 3.0 percent or less.

Absorption

None of the comparables were able to report recent absorption data. Further, we were unable to retrieve any recent absorption data within the city of Roanoke. Therefore, we have included absorption data for recently constructed multifamily properties within 100 miles of the Subject. This absorption information is presented in the following table.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Avondale Trace	LIHTC	Family	High Point	2021	72	11	88.6 miles
Amberly Trace	LIHTC	Family	Burlington	2020	80	20	91.9 miles
198 Milltown	Market	Family	Burlington	2020	288	30	91.0 miles
Comet Bermuda Run Apartments	Market	Family	Bermuda Run	2020	224	16	93.4 miles
Brookdale Apartments	LIHTC	Family	Charlottesville	2019	96	8	94.0 miles
Timberland Park	LIHTC	Family	Charlottesville	2019	80	20	94.4 miles
Altitude At Stone Port	Market	Family	Harrisonburg	2019	140	18	97.6 miles
Overall Average					140	18	

The properties have reported absorption rates ranging from eight to 30 units per month. We believe the Subject would experience an absorption rate 20 units per month, indicating an absorption period of three to four months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

Demand

The Novoco demand analysis illustrates demand for the Subject based on capture rates of income-eligible renter households. When viewing total income-eligible renter households the calculation illustrates an overall capture rate of 0.4 percent “As Proposed” and 0.6 “Absent Subsidy.”

To provide another level of analysis, we removed the households from the income-eligible renter demand pool that are currently suitably housed elsewhere in the PMA. We conducted an *annual demand analysis*, which is

based on new income-eligible renter households moving into the area (in the Subject’s first year of operation only) and those income-eligible renter households that are rent-overburdened (paying over 35 percent of income to living costs). This annual Novoco capture rate is 0.8 percent for the first year of operation as a LIHTC property “As Proposed” and 1.3 “Absent Subsidy.” This suggests that the Subject will need to capture only a fraction of the available demand in its first year of operation in order to stabilize. This implies that no demand will be accommodated that is currently suitably housed elsewhere.

This calculation illustrates that there are approximately 8,310 units of demand in the first year of the Subject’s operation after completion “As Proposed” and 5,430 “Absent Subsidy.” The Subject’s units will need to accommodate 205 total units of demand in order to stabilize at 95 percent occupancy. The demand analysis illustrates adequate demand for the Subject’s units. Additionally, both penetration rates are moderate and indicative of demand for additional affordable housing supply such as the Subject.

The Virginia Housing net demand and capture rate table illustrates demand for the Subject based on capture rates of income-eligible renter households. The following table illustrates the conclusions from this table.

Project Wide Capture Rate - All Units*	1.4%
Project Wide Absorption Period (Months)	3-4 months

This capture rate is above the overall Novoco capture rate As Proposed. The capture rate is considered low and indicative of adequate demand for the Subject.

Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to superior to the comparable properties in terms of condition.
- Vacancy rates among the LIHTC properties range from zero to 1.2 percent, with an average of 1.0 percent. Further, one LIHTC comparable reported no vacancies, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

Weaknesses

- We have identified no weaknesses with the proposed Subject that would impact its marketability.

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend no changes for the Subject property.

B. INTRODUCTION AND SCOPE OF WORK

INTRODUCTION AND SCOPE OF WORK

Report Description:	Novogradac Consulting LLP has performed a comprehensive market study of the multifamily rental market in the Roanoke County, Virginia area relative to the Subject, a proposed new construction development. Construction of the Subject will begin in December 2022 and is expected to last for 15 months. Following construction, the Subject's units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, all of the units rent restricted at 40 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject's proposed LIHTC rents are set at the maximum allowable levels. The Subject will consist of three three-story, garden-style buildings with 72 one, two, and three-bedroom units. We previously completed a preliminary rent analysis in November 2021 for the Subject. We have not performed any other services in the past three years for the Subject property.
Developer/Client Information:	The Lawson Companies.
Intended Use and Users of the Report:	The report will be submitted to Virginia Housing for application purposes. The intended users of the report are The Lawson Companies and Virginia Housing.
Scope of the Report:	<ul style="list-style-type: none">▪ Inspecting the site of the to-be-developed Subject and its general location.▪ Analyzing the appropriateness of the proposed unit mix, rent levels, unit and complex amenities, and site.▪ Estimating the market rents, absorption rates and stabilized vacancy levels for the market area.▪ Investigating the general economic health and conditions of the rental market.▪ Complete a by-bedroom capture rate analysis that analyzes the level of potential income eligible tenants in the primary market area.▪ Reviewing relevant public records and contacting appropriate public agencies.▪ Brief analysis of the economic and social conditions in the market area, in relation to the proposed project.▪ Establishing the Subject's Primary Market Area, if applicable.▪ Surveying competing projects, both LIHTC and market-rate.
Effective Date:	The Subject site was most recently inspected by Madeline Beyer on January 20, 2022, which shall be the effective date of this report.
Primary Contact for the Report:	David Boisture, ASA, CRE (David.Boisture@novoco.com) and K. David Adamescu (David.Adamescu@novoco.com).

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

The project description will discuss the physical features of the Subject property, as well as its proposed unit mix and rents.

Subject Property Description:

Novogradac Consulting LLP has performed a comprehensive market study of the multifamily rental market in the Roanoke County, Virginia area relative to the Subject, a proposed new construction development. Construction of the Subject will begin in December 2022 and is expected to last for 15 months. Following construction, the Subject's units will be LIHTC restricted at 30, 40, 50, and 60 percent of AMI. Additionally, all of the units rent restricted at 40 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent. The Subject's proposed LIHTC rents are set at the maximum allowable levels. The Subject will consist of three three-story, garden-style buildings with 72 one, two, and three-bedroom units. We previously completed a preliminary rent analysis in November 2021 for the Subject. We have not performed any other services in the past three years for the Subject property.

Construction Type:

The Subject is a proposed three-building three-story, garden-style new construction LIHTC development to be constructed with funding under the LIHTC program.

Occupancy Type:

The Subject targets family households.

Proposed Rents:

The following table details the proposed rents for the Subject's units.

PROPOSED RENTS

Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	2022 HUD Fair Market Rents
@30%							
1BR / 1BA	705	1	\$336	\$105	\$441	\$441	\$700
2BR / 2BA	956	5	\$397	\$132	\$529	\$529	\$879
3BR / 2BA	1,113	2	\$460	\$151	\$611	\$611	\$1,187
@40% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	1	\$483	\$105	\$588	\$588	\$700
2BR / 2BA	956	5	\$574	\$132	\$706	\$706	\$879
3BR / 2BA	1,113	2	\$664	\$151	\$815	\$815	\$1,187
@50%							
1BR / 1BA	705	4	\$630	\$105	\$735	\$735	\$700
2BR / 2BA	956	12	\$750	\$132	\$882	\$882	\$879
3BR / 2BA	1,113	4	\$868	\$151	\$1,019	\$1,019	\$1,187
@60%							
1BR / 1BA	705	6	\$777	\$105	\$882	\$882	\$700
2BR / 2BA	956	23	\$927	\$132	\$1,059	\$1,059	\$879
3BR / 2BA	1,113	7	\$1,072	\$151	\$1,223	\$1,223	\$1,187
72							

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject's proposed LIHTC rents are set at the maximum allowable levels.

Assisted Housing Program:

All of the units rent restricted at 40 percent of AMI will benefit from a Project-based Voucher (PBV) subsidy. Tenants in these units will pay 30 percent of their income toward rent.

Construction Date:

Construction of the Subject will begin in December 2022 and is expected to last for 15 months.

Target Household Income Levels:

Based on the proposed restrictions, the range of annual household income levels is depicted below.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40% (Project Based Rental Assistance - PBRA)		@50%		@60%	
1BR	\$15,120	\$18,840	\$0	\$25,120	\$25,200	\$31,400	\$29,657	\$37,680
2BR	\$18,137	\$21,180	\$0	\$28,240	\$30,240	\$35,300	\$35,657	\$42,360
3BR	\$20,949	\$25,410	\$0	\$33,880	\$34,937	\$42,350	\$41,143	\$50,820

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income						
	@30%		@40%		@50%		@60%	
1BR	\$15,120	\$18,840	\$20,160	\$25,120	\$25,200	\$31,400	\$29,657	\$37,680
2BR	\$18,137	\$21,180	\$24,206	\$28,240	\$30,240	\$35,300	\$35,657	\$42,360
3BR	\$20,949	\$25,410	\$27,943	\$33,880	\$34,937	\$42,350	\$41,143	\$50,820

Utility Structure:

The tenant will be responsible for electric cooking, heating, hot water, and other electric expenses, as well as water and sewer expenses. The landlord will be responsible for trash expenses and common area amenities. The landlord will be responsible for trash expenses and common area amenities. The Subject will utilize project-specific utility allowances of \$100, \$115, and \$130 for its one-bedroom (705 square feet), two-bedroom (956 square feet), and three-bedroom (1,113 square feet) LIHTC units, respectively. The utility structure varies among the comparable properties; we have adjusted the comparables' rents in accordance with the utility schedule obtained from the City of Roanoke Redevelopment and Housing Authority, effective October 1, 2019, the most recent schedule available. It should be noted that the developer's project-specific utility allowance differs from the total tenant-paid utilities listed below.

HOUSING AUTHORITY UTILITY ALLOWANCE

UTILITY AND SOURCE	Paid By	1BR	2BR	3BR
Heating - Electric	Tenant	\$39	\$54	\$67
Cooking - Electric	Tenant	\$5	\$5	\$9
Other Electric	Tenant	\$34	\$46	\$50
Air Conditioning	Tenant	\$10	\$13	\$16
Water Heating - Electric	Tenant	\$28	\$33	\$41
Water	Tenant	\$21	\$30	\$39
Sewer	Tenant	\$25	\$34	\$43
Trash	Landlord	\$0	\$0	\$0
TOTAL - Paid By Landlord		\$0	\$0	\$0
TOTAL - Paid By Tenant		\$162	\$215	\$265
TOTAL - Paid By Tenant Provided by Developer		\$105	\$132	\$151
DIFFERENCE		65%	61%	57%

Source: City of Roanoke Redevelopment & Housing Authority, effective 10/2021

Unit Mix:

The following table illustrates the Subject’s unit mix and size:

UNIT MIX AND SQUARE FOOTAGE

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
1BR / 1BA	12	705	8,460
2BR / 2BA	45	956	43,020
3BR / 2BA	15	1,113	16,695
TOTAL	72		68,175

Net Leasable Area:

Approximately 68,175 square feet as outlined in the table above.

Unit Amenities:

The Subject’s units will offer a balcony/patio, blinds, central air conditioning, carpeting, ceiling fans, walk-in closets, and washer/dryer hookups. Appliances will include a dishwasher, range/oven, and refrigerator. Washers and dryers will be available for rent for \$50 per month. Note that none of the comparables offer washer/dryer rentals. We researched pricing for washer/dryer rentals in the Roanoke area. Rent-A-Center offers rent to own programs for washers and dryers at \$40 per week. This equates to approximately \$173 per month (assuming 31 days in the month). The Subject does not offer rent-to-own options. However, the monthly price represents a significant discount over area rental rates. Furthermore, the Subject offers the convenience of renting from the property, as opposed to paying the cost of having washer/dryer units delivered. We believe that washer/dryer rentals for \$50 per month is appropriate.

Common Area Amenities:

The Subject will feature a clubhouse/community room, central laundry, off-street parking, on-site management, an exercise facility, a playground, a picnic area, and recreation areas.

Parking:

The Subject will offer a total of 158 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 2.2 spaces per unit. Overall, the parking offered at the Subject is reasonable.

Number of Stories and Buildings:

The Subject will offer nine three-story, garden-style buildings.

Americans with Disabilities Act of 1990:

We assume the property will not have any violations of the Americans with Disabilities Act of 1990.

Quality of Construction Condition and Deferred Maintenance:

We expect the Subject to be constructed using good-quality materials. As new construction, the Subject will not suffer

from deferred maintenance and will be in excellent condition.

Functional Utility:

We have reviewed the Subject's floor plans and determined them to be reasonable.

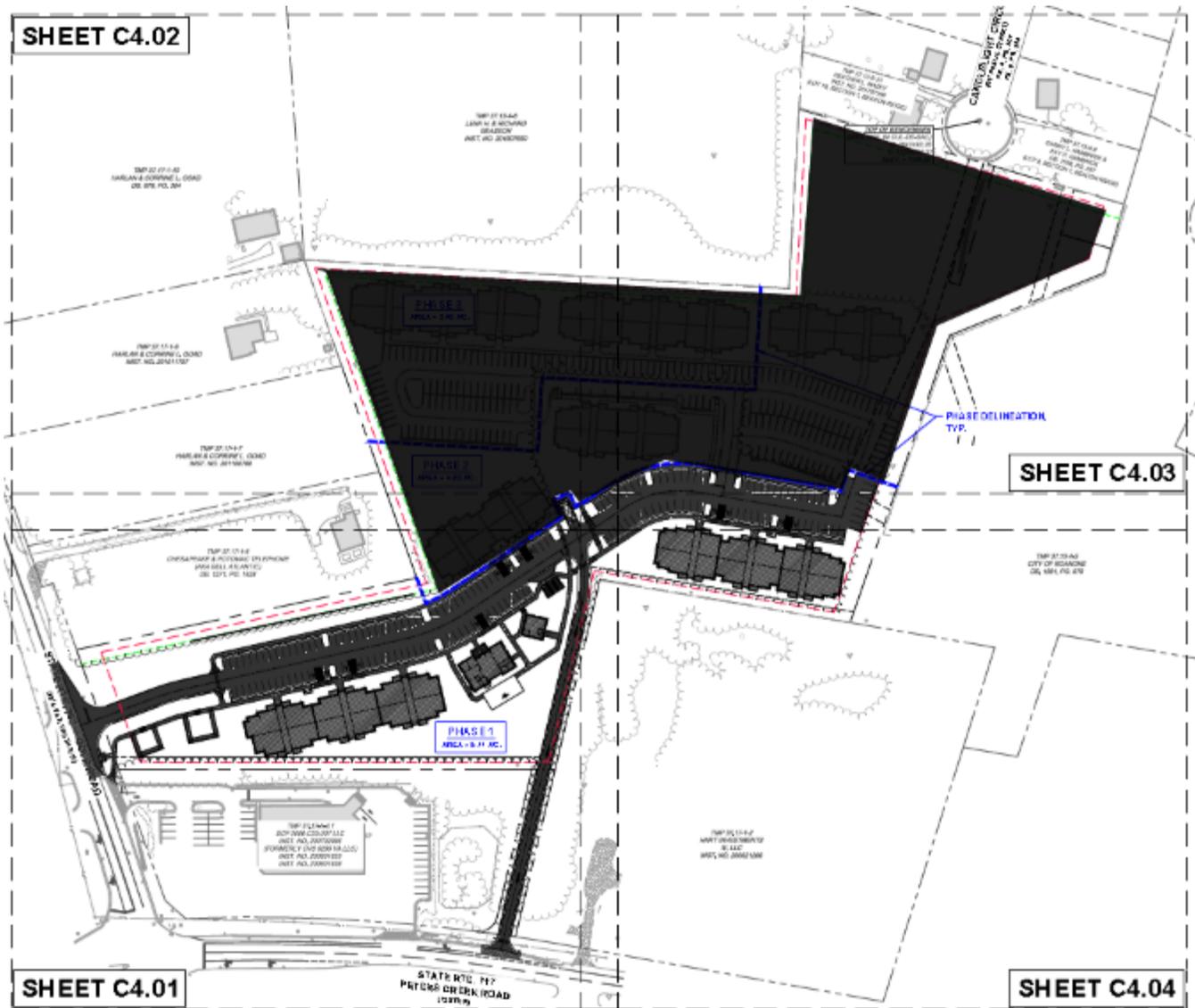
Conclusion:

The Subject property is a proposed 72-unit LIHTC development and will be in excellent condition following construction. As new construction with market-oriented floor plans, the Subject will not suffer from functional obsolescence and will provide good utility for its intended use. Additionally, the Subject will be amongst the newest supply in the market and will be generally similar to superior to the existing supply.

Site Plans:

We have reviewed the Subject's floor plans and the overall site plan and determined them to be market-oriented.

Subject Site Plan



Source: Sponsor, January 2022

SMITH RIDGE COMMONS – ROANOKE, VIRGINIA – MARKET STUDY

Smith Ridge Commons

Location	0 Candlelight Circle Roanoke, VA 24019 Roanoke County
Units	72
Type	Garden (3 stories)

Utilities

A/C	not included – central	Other Electric	not included
Cooking	not included – electric	Water	not included
Water Heat	not included – electric	Sewer	not included
Heat	not included – electric	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size	Rent	Concessio	Restriction	Waiting	Vacant	Vacanc	Max
1	1	Lowrise (3 stories)	1	705	\$336	\$0	@30%	n/a	N/A	N/A	Yes
1	1	Lowrise (3 stories)	1	705	\$483	\$0	@40% (PBRA)	n/a	N/A	N/A	N/A
1	1	Lowrise (3 stories)	4	705	\$630	\$0	@50%	n/a	N/A	N/A	Yes
1	1	Lowrise (3 stories)	6	705	\$777	\$0	@60%	n/a	N/A	N/A	Yes
2	2	Lowrise (3 stories)	5	956	\$397	\$0	@30%	n/a	N/A	N/A	Yes
2	2	Lowrise (3 stories)	5	956	\$574	\$0	@40% (PBRA)	n/a	N/A	N/A	N/A
2	2	Lowrise (3 stories)	12	956	\$750	\$0	@50%	n/a	N/A	N/A	Yes
2	2	Lowrise (3 stories)	23	956	\$927	\$0	@60%	n/a	N/A	N/A	Yes
3	2	Lowrise (3 stories)	2	1113	\$460	\$0	@30%	n/a	N/A	N/A	Yes
3	2	Lowrise (3 stories)	2	1113	\$664	\$0	@40% (PBRA)	n/a	N/A	N/A	N/A
3	2	Lowrise (3 stories)	4	1113	\$868	\$0	@50%	n/a	N/A	N/A	Yes
3	2	Lowrise (3 stories)	7	1113	\$1,072	\$0	@60%	n/a	N/A	N/A	Yes

Amenities

In-Unit	Balcony/Patio Blinds Carpet/Hardwood Carpeting Central A/C Dishwasher Ceiling Fan Oven Refrigerator Walk-In Closet Washer/Dryer hookup	Security	Intercom (Buzzer) Limited Access
Property	Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground Recreation Areas Swimming Pool	Premium	none
Services	none	Other	none

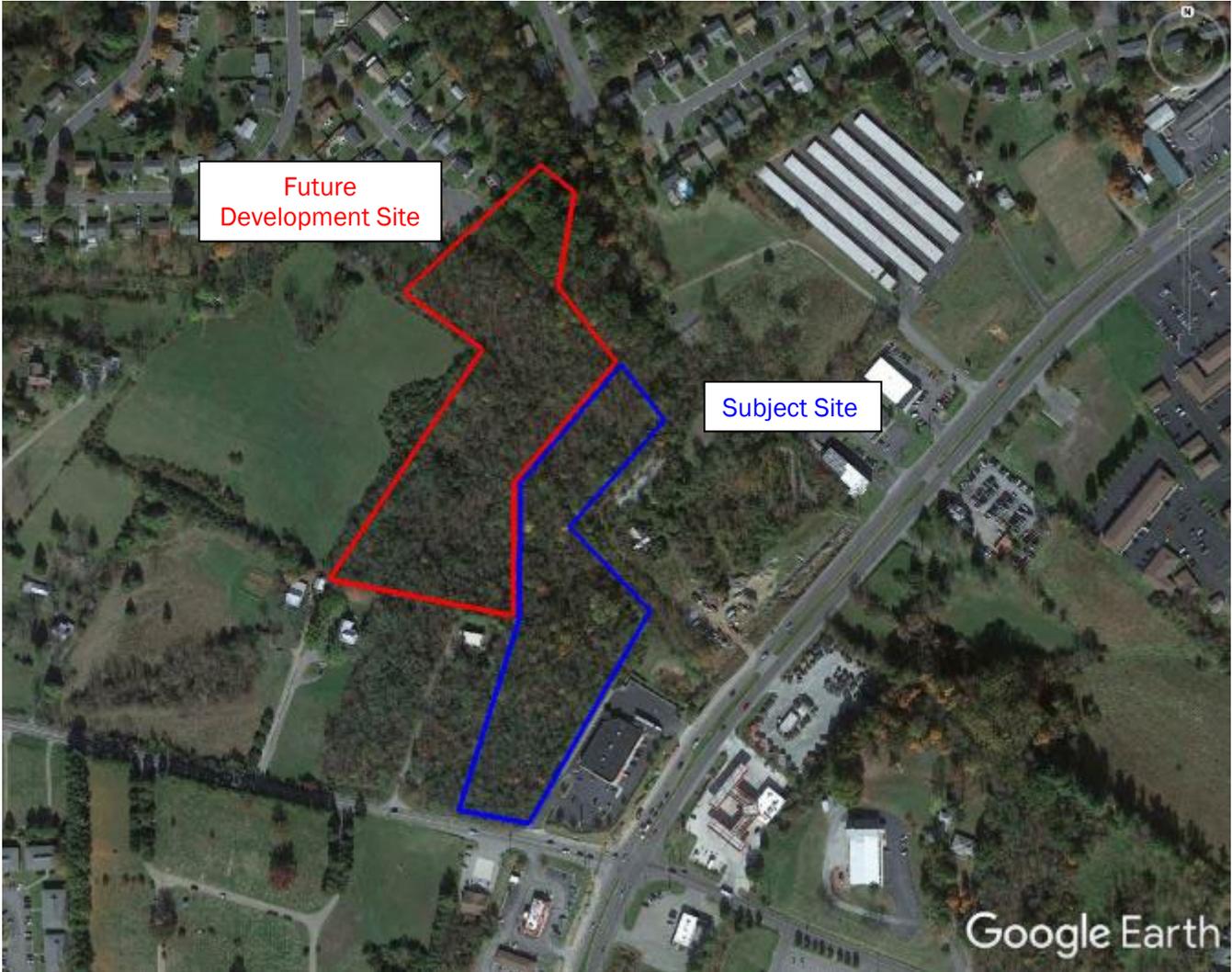
Comments

The Subject will offer 72 units, all of which will be LIHTC rent restricted at 30, 40, 50, and 60 percent AMI. Additionally, all units that are rent restricted at 40 percent AMI will benefit from a project-based voucher subsidy, so that tenants will pay 30 percent of their income towards rent. The Subject will offer 12 one-bedroom units, 45 two-bedroom units, and 15 three bedroom units. All of the Subject's units will target the general population.

D. LOCATION

LOCATION

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow.



Source: Google Earth, January 2022

Subject Site Description:

The Subject will be located at 0 Candlelight Circle in Roanoke County, Virginia 24019.

Size:

The Subject site is located on a 12.15 acre, or 529,254 square feet, parcel. Note that the remaining land on the parcel will be utilized for future development.

Shape:

The overall site is irregular in shape.

Frontage:

The Subject will be accessible via Cove Road.

Topography: The Subject site exhibits generally flat topography.

Utilities: All utilities are provided to the site.

Visibility/Views: The Subject site has average visibility from Cove Road. Views to the north consist of single-family homes in average condition. Views to the east consist of commercial/retail uses in average condition. Views to the south consist of a commercial/retail uses in average condition and a cemetery. View to the west consist of land that will be utilized for future development. Overall, visibility and views are considered average.

Surrounding Uses: The Subject is located in a mixed-use neighborhood northwest of downtown Roanoke. The Subject site is rated as “Car-Dependent” by Walk Score with a score of two, indicating that almost all errands require a car. The following depicts the surrounding uses of the Subject.



Single-family home north of Subject site



Commercial property north of Subject site

North: Land use to the north consists of single-family homes in average condition and vacant land. Further north are additional single-family homes in average condition.



Commercial property southeast of Subject site



Commercial property east of Subject site

East: Land use to the east consists of undeveloped land and commercial and retail uses, followed further east by additional vacant land, commercial and retail uses in average condition, single-family homes in average condition, and recreational uses.



Northridge Village Apartments (comparable) south of Subject site



Commercial property south of Subject site

South: Uses south consist of commercial and retail uses in average condition, followed further south by a cemetery and additional commercial and retail uses.



Single-family home west of Subject site



Single-family home west of Subject site

West: Land uses adjacent west of the Subject consists of land that will be utilized for future development. Further west of the Subject consists of undeveloped land and single-family homes in average condition.

Access and Traffic Flow:

The Subject will have frontage along Cove Road. Cove Road is a two-lane road that traverses northwest/southeast throughout the Subject's neighborhood. Cove Road provides access to U.S. Route 460, which traverses east/west and provides access into Downtown Roanoke, Lynchburg, and Norfolk to the east and Lexington, KY to the west. The Subject is located 1.2 miles south of Interstate 81, which traverses northeast/southwest throughout the eastern United States. Overall, traffic in the Subject's immediate area is considered light to moderate, and access is considered good.

Layout and Curb Appeal:

Based on our review of the site plans provided by the developer, the Subject will have a functional layout and good curb appeal.

Drainage:

Appears adequate, however, no specific tests were performed. Further, Novogradac is not an expert in this field and cannot opine on this issue.

Soil and Subsoil Conditions:

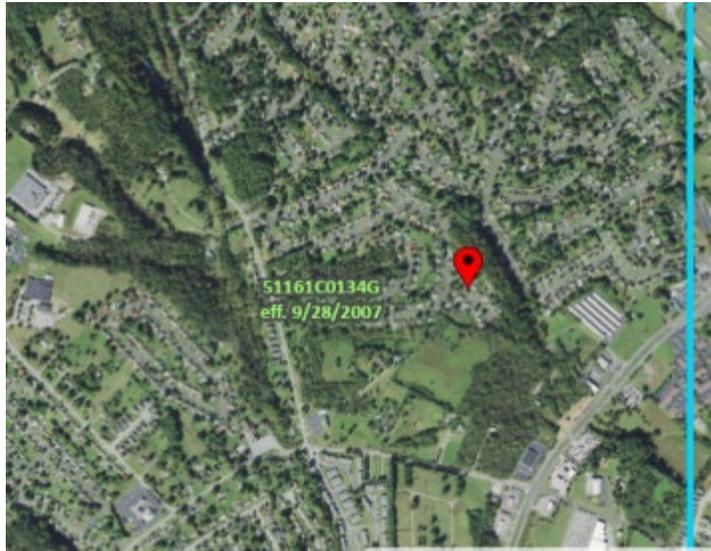
Novogradac did not perform any soil and subsoil tests upon inspection of the site, as this is beyond the scope of work. We have not been provided with a soil and subsoil report. We are not experts in this field and assume the soil is adequate for development.

Detrimental Influences:

No potential detrimental influences were identified.

Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 51161C0134G, dated September 2007, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the .02 percent annual chance floodplains. Novogradac Consulting LLP does not offer expertise in this field and cannot opine on this issue. Further analysis by Novogradac is beyond the scope of the report.

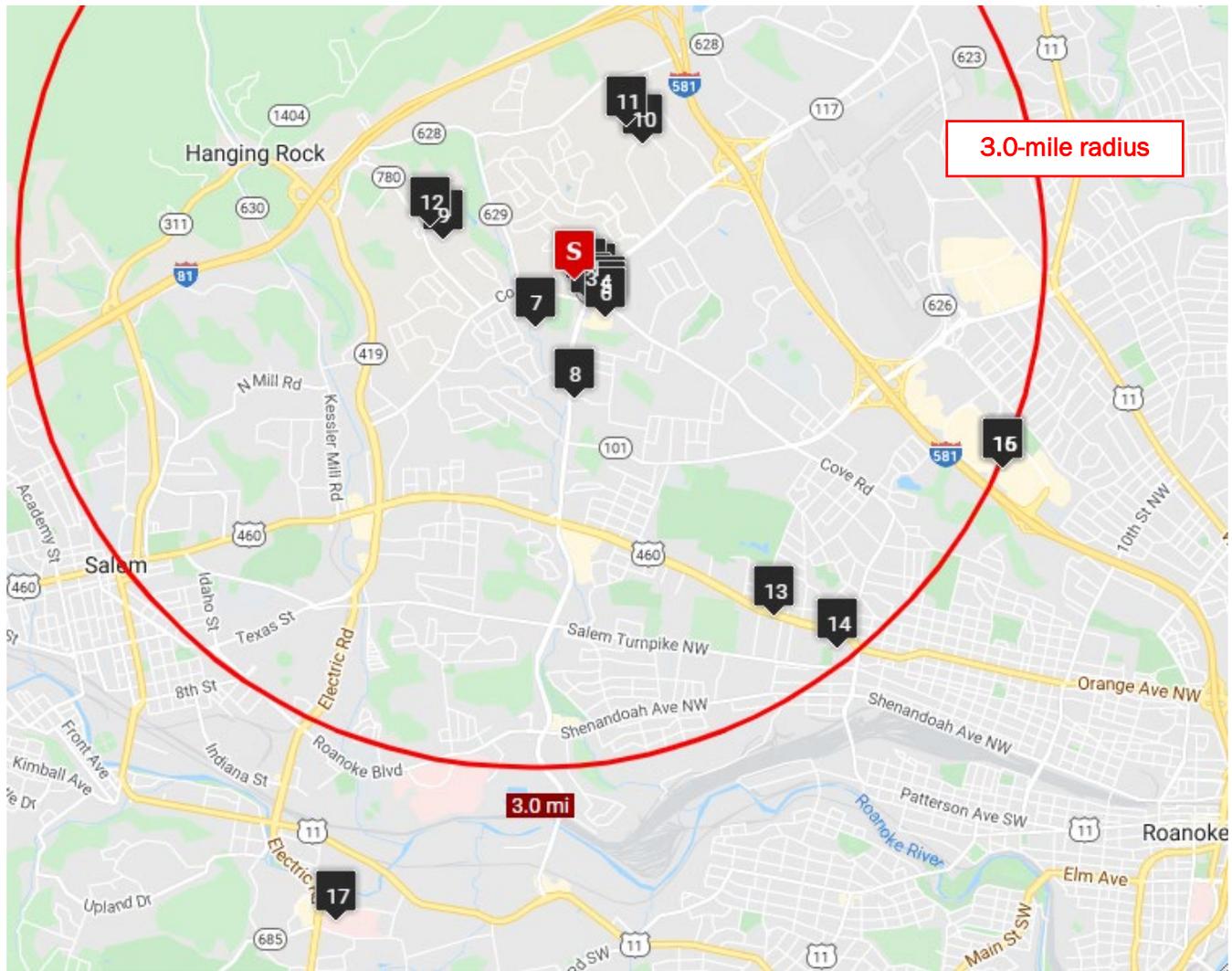


Source: FEMA Flood Map Service Center

Locational Amenities:

The following table and map illustrate the Subject’s proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below. Note that distances are calculated to the nearest tenth of a mile.

LOCALATIONAL AMENITIES					
#	Service or Amenity	Distance Subject	#	Service or Amenity	Distance Subject
1	Sheetz	0.1 miles	10	Northside High School	0.9 miles
2	CVS Pharmacy	0.1 miles	11	Northside Middle School	0.9 miles
3	Carter Bank & Trust	0.2 miles	12	Roanoke County Police Department	0.9 miles
4	Cove SB at Food Lion Entrance Bus Stop	0.2 miles	13	United States Postal Service	2.3 miles
5	Family Dollar	0.3 miles	14	Melrose Branch Library	2.6 miles
6	Food Lion	0.3 miles	15	Walmart Supercenter	2.7 miles
7	Northridge Park	0.4 miles	16	Walmart Supercenter	2.7 miles
8	Roanoke Fire-EMS Station #13	0.7 miles	17	LewisGale Medical Center	4.0 miles
9	Glen Cove Elementary School	0.8 miles	-	-	-



Source: Google Earth, January 2022

Public Transportation:

The Valley Metro provides public transportation for the greater Roanoke, VA area. The nearest bus stop is located 0.18 miles southeast of the Subject site. The Valley Metro runs Monday through Saturday. Typical fares are \$1.75 for one-way local routes. Discounted fares are \$0.85 for middle and high school students, Medicare cardholders, persons 65 and older, and persons with disabilities. Children under the age of 10 ride free.

Crime Statistics:

The following table show crime statistics from 2021 for the PMA.

2021 CRIME INDICES

	PMA	Roanoke, VA Metropolitan Statistical Area
Total Crime*	105	70
Personal Crime*	81	53
Murder	109	85
Rape	85	64
Robbery	83	49
Assault	79	53
Property Crime*	109	72
Burglary	77	57
Larceny	125	81
Motor Vehicle Theft	57	38

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

*Unweighted aggregations

The table above illustrates the crime risk as an index where 100 represents the national average. Indices above 100 are above the national average, and indices below 100 are below the national average. Total crime and property crime indices in the PMA are above that of the MSA and the nation, while personal crime indices in the PMA and the MSA are below the nation. The Subject will offer intercoms (buzzers), limited access, and courtesy patrol. All of the comparables offer fewer security features than the Subject. We believe that the Subject's security features will be competitive and market oriented.

Conclusion:

The Subject's neighborhood appears to be a good location for a multifamily development. The majority of the local amenities are located within approximately 4.2 miles of the Subject. The Subject is located in a mixed-use neighborhood with commercial and retail uses and single-family homes. The Subject is a compatible use within the existing neighborhood.

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



View of Subject site facing north



View of Subject site facing northeast



View of Subject site facing northwest



View of Subject site facing southeast



View of Subject site facing west



View of Subject site facing west



View northwest along Candlelight Circle



View southeast along Candlelight Circle



View east along Cove Road



View west along Cove Road



Northridge Village Apartments (comparable) south of Subject



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

E. MARKET AREA DEFINITION

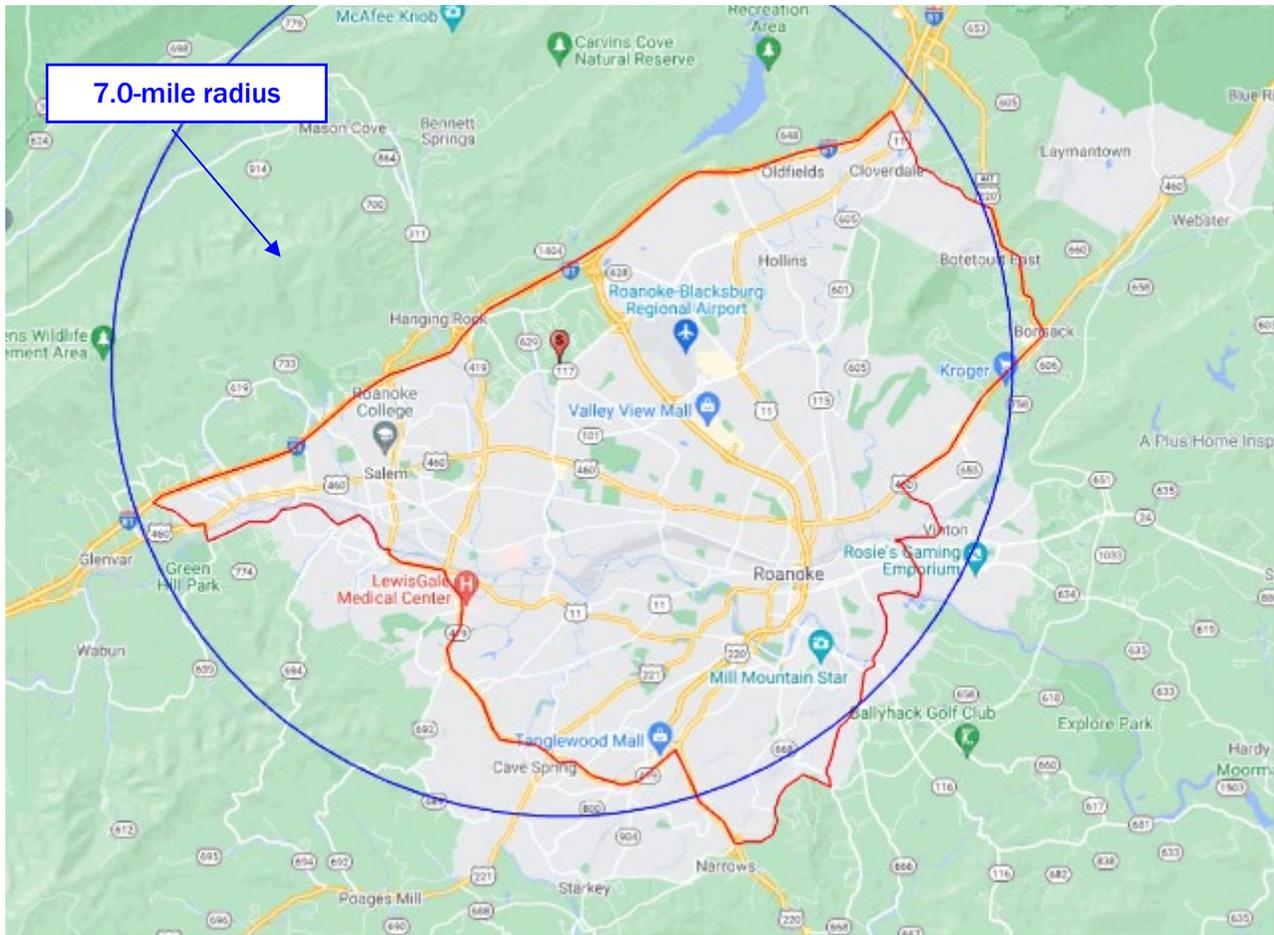
MARKET AREA

For the purpose of this study, it is necessary to define the competitive primary market area (PMA), or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood oriented” and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents.

We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as Roanoke and Salem. The PMA boundaries are: Interstate 81, State Route 654, and State Route 220 to the north; State Route 460, the Roanoke River, and Garden City Boulevard Southeast to the east; Blue Ridge Parkway, State Route 220, and State Road 419 to the south; and State Route 640, the Roanoke River, and Interstate 81 to the west. The PMA encompasses 42.1 square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent.

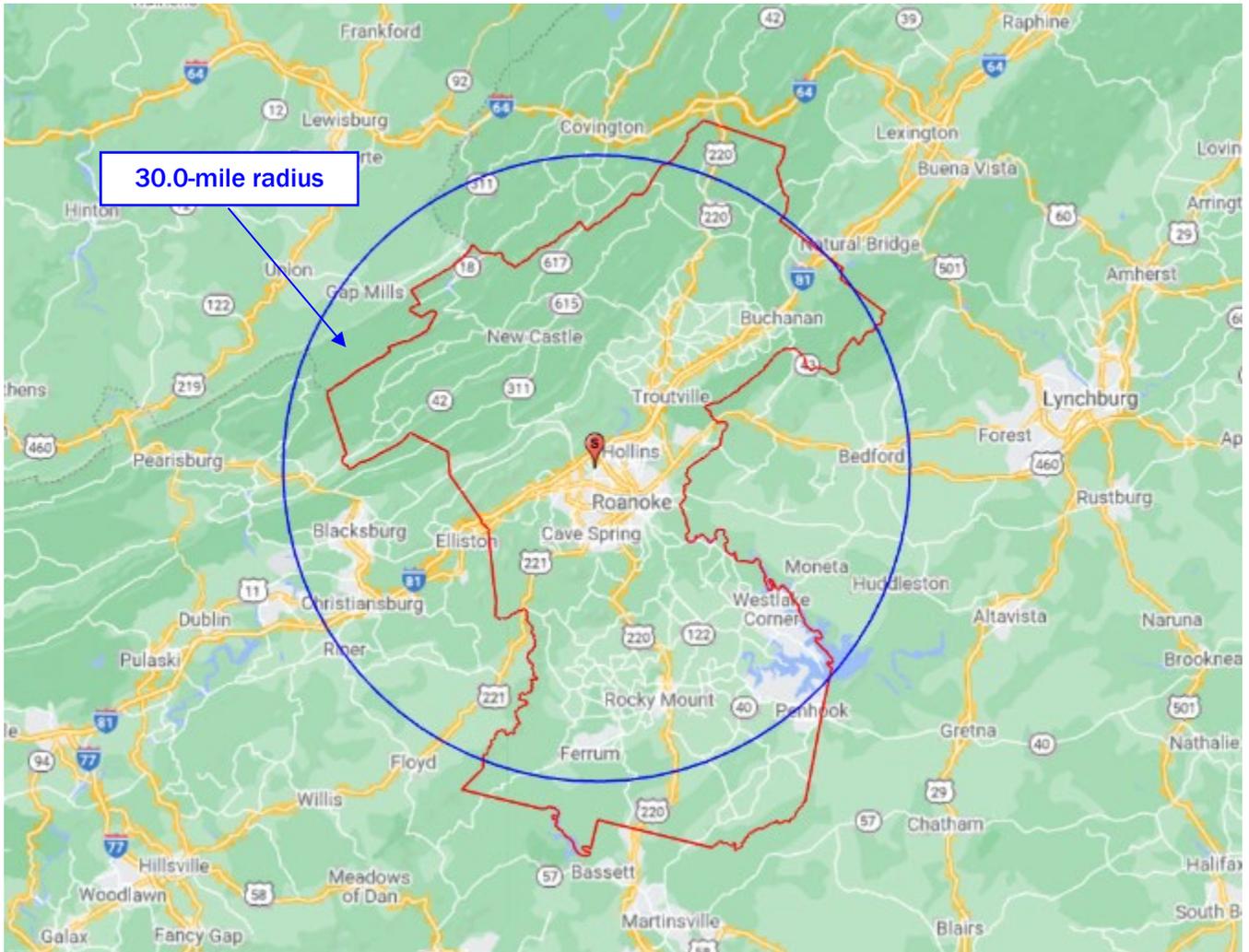
The Roanoke, VA Metropolitan Statistical Area (MSA) will serve as the Secondary Market Area (SMA), which includes the cities of Roanoke and Salem, as well as the counties of Botetourt, Craig, Franklin, and Roanoke.

Primary Market Area Map



Source: Google Earth, January 2022

Metropolitan Statistical Area (MSA) Map



Source: Google Earth, January 2022

F. EMPLOYMENT AND ECONOMY

ECONOMIC ANALYSIS

The Richmond area has a diverse economy that has employment concentrated in the healthcare/social assistance, educational services, and professional/scientific/technology services sectors.

Employment by Industry

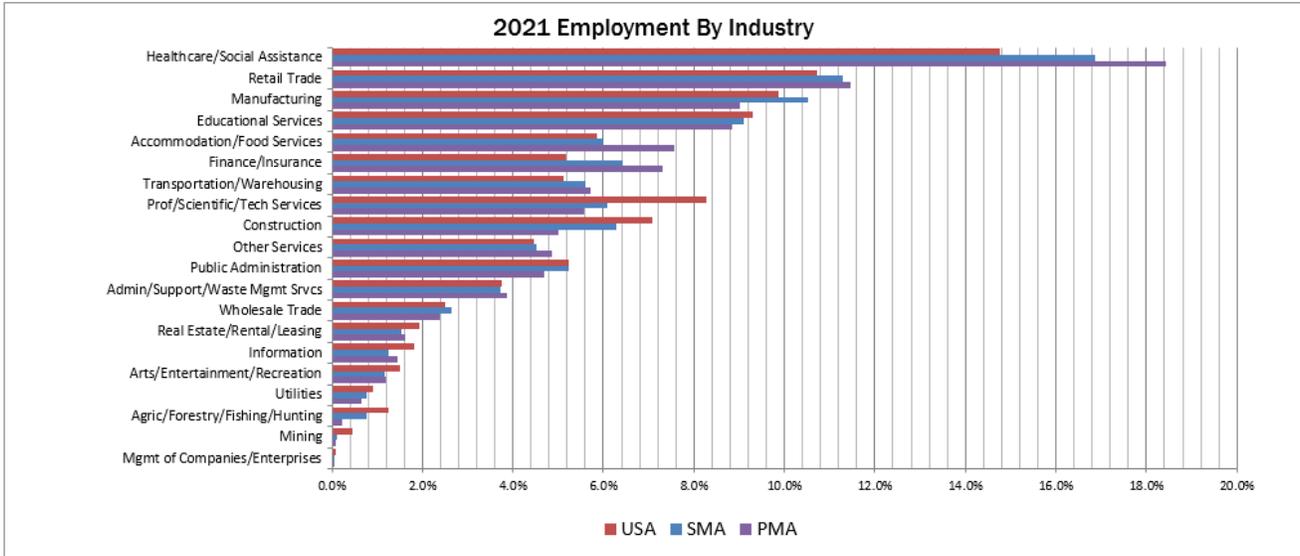
The following chart illustrates employment by industry as of 2021.

2021 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Healthcare/Social Assistance	13,653	18.4%	23,217,292	14.8%
Retail Trade	8,502	11.5%	16,864,485	10.7%
Manufacturing	6,688	9.0%	15,526,471	9.9%
Educational Services	6,562	8.9%	14,629,096	9.3%
Accommodation/Food Services	5,613	7.6%	9,207,610	5.9%
Finance/Insurance	5,426	7.3%	8,123,688	5.2%
Transportation/Warehousing	4,228	5.7%	8,044,029	5.1%
Prof/Scientific/Tech Services	4,121	5.6%	13,005,287	8.3%
Construction	3,708	5.0%	11,127,591	7.1%
Other Services	3,594	4.8%	7,014,785	4.5%
Public Administration	3,469	4.7%	8,215,705	5.2%
Admin/Support/Waste Mgmt Svcs	2,859	3.9%	5,887,329	3.7%
Wholesale Trade	1,774	2.4%	3,934,179	2.5%
Real Estate/Rental/Leasing	1,193	1.6%	3,044,245	1.9%
Information	1,072	1.4%	2,846,142	1.8%
Arts/Entertainment/Recreation	885	1.2%	2,388,480	1.5%
Utilities	493	0.7%	1,412,381	0.9%
Agric/Forestry/Fishing/Hunting	159	0.2%	1,973,200	1.3%
Mining	64	0.1%	705,964	0.4%
Mgmt of Companies/Enterprises	50	0.1%	116,402	0.1%
Total Employment	74,113	100.0%	157,284,361	100.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 38.9 percent of local employment. The large share of PMA employment in the retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which historically exhibits greater stability during economic downturns. Relative to the overall nation, the PMA features comparatively greater employment in the healthcare/social assistance, accommodation/food services, and finance/insurance industries. Conversely, the PMA is underrepresented in the professional/scientific/technology services, construction, and public administration industries.



Growth by Industry

The following table illustrates the change in total employment by sector from 2010 to 2021 in the PMA.

2010-2021 CHANGE IN EMPLOYMENT - PMA

Industry	2010		2021		2010-2021	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Healthcare/Social Assistance	11,454	17.5%	13,653	18.4%	2,199	1.7%
Retail Trade	9,233	14.1%	8,502	11.5%	-731	-0.7%
Manufacturing	5,902	9.0%	6,688	9.0%	786	1.2%
Educational Services	6,052	9.3%	6,562	8.9%	510	0.8%
Accommodation/Food Services	4,669	7.1%	5,613	7.6%	944	1.8%
Finance/Insurance	4,154	6.4%	5,426	7.3%	1,272	2.8%
Transportation/Warehousing	2,523	3.9%	4,228	5.7%	1,705	6.1%
Prof/Scientific/Tech Services	3,192	4.9%	4,121	5.6%	929	2.6%
Construction	4,190	6.4%	3,708	5.0%	-482	-1.0%
Other Services	3,425	5.2%	3,594	4.8%	169	0.4%
Public Administration	2,437	3.7%	3,469	4.7%	1,032	3.8%
Admin/Support/Waste Mgmt Svcs	2,456	3.8%	2,859	3.9%	403	1.5%
Wholesale Trade	2,077	3.2%	1,774	2.4%	-303	-1.3%
Real Estate/Rental/Leasing	1,003	1.5%	1,193	1.6%	190	1.7%
Information	965	1.5%	1,072	1.4%	107	1.0%
Arts/Entertainment/Recreation	752	1.2%	885	1.2%	133	1.6%
Utilities	521	0.8%	493	0.7%	-28	-0.5%
Agric/Forestry/Fishing/Hunting	304	0.5%	159	0.2%	-145	-4.3%
Mining	38	0.1%	64	0.1%	26	6.2%
Mgmt of Companies/Enterprises	39	0.1%	50	0.1%	11	2.6%
Total Employment	65,386	100.0%	74,113	100.0%	8,727	1.2%

Source: Esri Demographics 2021, Novogradac Consulting LLP, February 2022

Total employment in the PMA increased at an annualized rate of 1.2 percent between 2010 and 2021. The industries which expanded most substantially during this period include healthcare/social assistance,

transportation/warehousing, and finance/insurance. Conversely, the retail trade, construction, and wholesale trade sectors experienced the least growth. Overall, we view the lessening reliance on the volatile retail trade sector, and concurrent rise in healthcare-related employment as a positive aspect of the local economy.

Major Employers

The following table details the major private employers within the Roanoke, VA area. It is the most recent data available from the Roanoke Regional Partnership.

**MAJOR EMPLOYERS
ROANOKE, VA**

Employer Name	Industry	# Of Employees
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
Ply Gem Windows	Manufacturing (Windows)	1,000-2,999
UPS	Logistics	1,000-2,999
WestRock	Manufacturing (Paper/Packaging)	1,000-2,999
Altec Industries	Manufacturing (Transportation Equipment)	1,000-2,999
Advance Auto	Retail and Office	500-999
Food Lion	Retail	500-999
Lowe's Home Centers	Retail	500-999
Yokohama Tire Corp	Manufacturing(Tires)	500-999
Friendship Retirement Community	Retirement Community	500-999
Elbit Systems	Manufacturing(Night Vision/Optical)	500-999
Anthem	Insurance/Customer Service	500-999
Roanoke College	Higher Education	500-999
Allstate Insurance	Insurance/Customer Service	500-999
Carter Machinery	Heavy Equipment Sales/Service	250-499
Trinity Packaging Corporation	Manufacturing (Plastics/Packaging)	250-499
Integrity Windows	Manufacturing (Windows)	250-499
Steel Dynamics	Manufacturing (Steel)	250-499

Source: Roanoke Regional Partnership, Retrieved 1/2022

As seen in the previous table, the largest employers within Roanoke are concentrated in the retail, healthcare, and manufacturing sectors. Additional employers in the region include a mix of retail financial services, logistics, and a retirement community.

Employment Expansion/Contractions

The following table illustrates layoffs and closures in Richmond from January 2020 through year-to-date 2021. These are provided from the Worker Adjustment and Retraining Notification (WARN) filings, according to the Virginia Employment Commission.

WARN LISTINGS WESTERN VIRGINIA			
Company	Industry	Employees Affected	Layoff Date
Joy Global Underground Mining, LLC. (Komatsu Mining Corp. Group)	Mining	128	3/15/2021
TitleMax of Virginia, Inc. and TMX Finance of Virginia, Inc.	Title Lending	17	1/16/2021
Wellmore Coal Company, LLC	Mining	61	12/22/2020
Advance Auto Parts	Retail	94	8/14/2020
Utility Trailer Manufacturing Company	Manufacturing	326	6/9/2020
Joy Global Underground Mining (Komatsu Mining Corp. Group)	Mining	71	6/5/2020
Norfolk Southern	Transportation	104	4/18/2020
Scholle IPN Packaging, Inc.	Manufacturing	128	4/5/2020
Universal Companies	Hospitality	61	4/1/2020
Cinemark USA, Inc.	Entertainment	26	3/26/2020
Super Shoes	Retail	18	3/20/2020
Alsco	Retail	47	3/18/2020
Three Notch'd Brewing Company	Brewing/Distribution	14	3/17/2020
Bloomin' Brands (Outback Steakhouse)	Resturaunt	177	3/15/2020
Bloomin' Brands (Carrabba's Italian Grill)	Resturaunt	59	3/15/2020
Earth Fare	Retail/Grocery	94	2/17/2020
Total		1,425	

Source: Virginia Employment Commission, Retrieved 1/2022

According to the Virginia Employment Commission, there have been 1,425 job losses in Western Virginia since January 2020. Of note, only 589 of these job losses occurred in Roanoke. This represents less than one percent of the workforce in the MSA. Further, note that the majority of WARN notices are a result of the COVID-19 pandemic.

We attempted to contact the Richmond Economic Development Authority (EDA) for recent business expansion information. However, despite numerous messages our calls have not been returned. We conducted internet research regarding recent business expansions and contractions in the area, and identified the following expansion announcements.

- Construction is underway for Carilion Roanoke Memorial Hospital’s new tower for emergency and heart patients, new behavioral health hospital, a parking garage, and a pedestrian skyway. This hospital expansion will be an investment of \$300 million and the new Crystal Spring Tower will be 10-stories and 500,000 square feet. The addition is expected to be completed in 2025.
- In October 2021, the Branch Group, a construction company, announced plans to relocate and expand its corporate headquarters to Roanoke. The company purchases a 58,000 square foot facility, though the investment and the number of jobs that are expected to be added are unknown.
- In May 2021, Munters Group AB, an air treatment and cooling systems manufacturer, broke ground on a 365,000 square foot manufacturing facility in Botetourt County. The company plans to invest \$36 million in the project. The facility is expected to be complete in summer 2022. The number of jobs that this expansion will create is currently unknown.

Employment and Unemployment Trends

The table below illustrates the total workforce, total employed, and unemployment rate for the Roanoke, VA MSA from 2005 to 2021 (year to date) with comparisons between November 2020 to November 2021.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

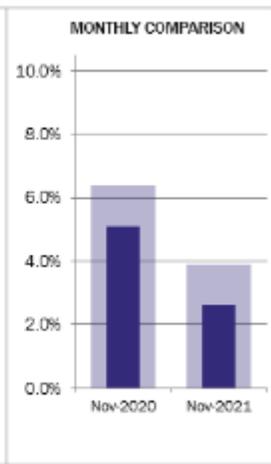
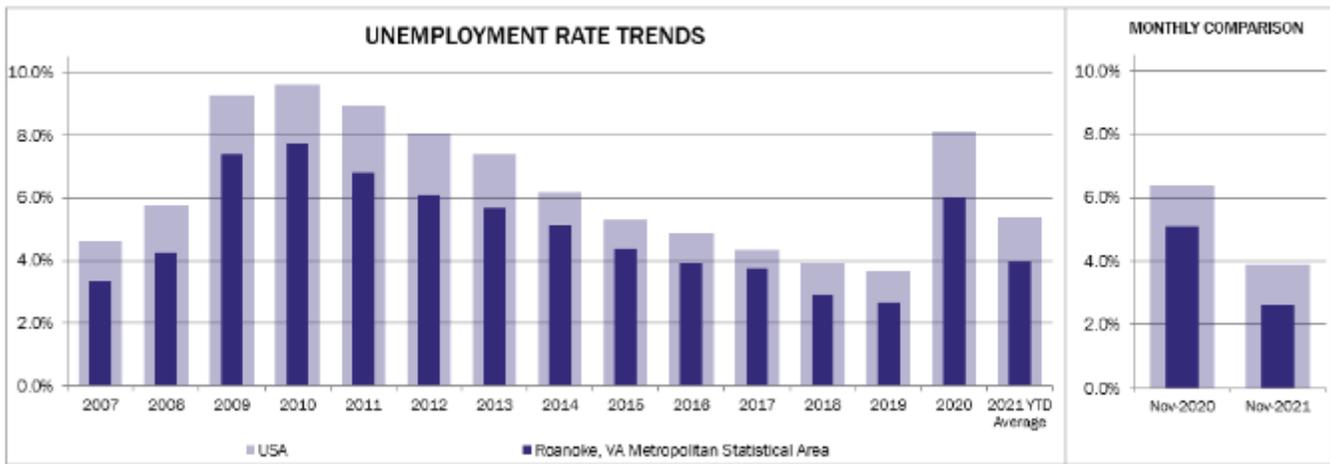
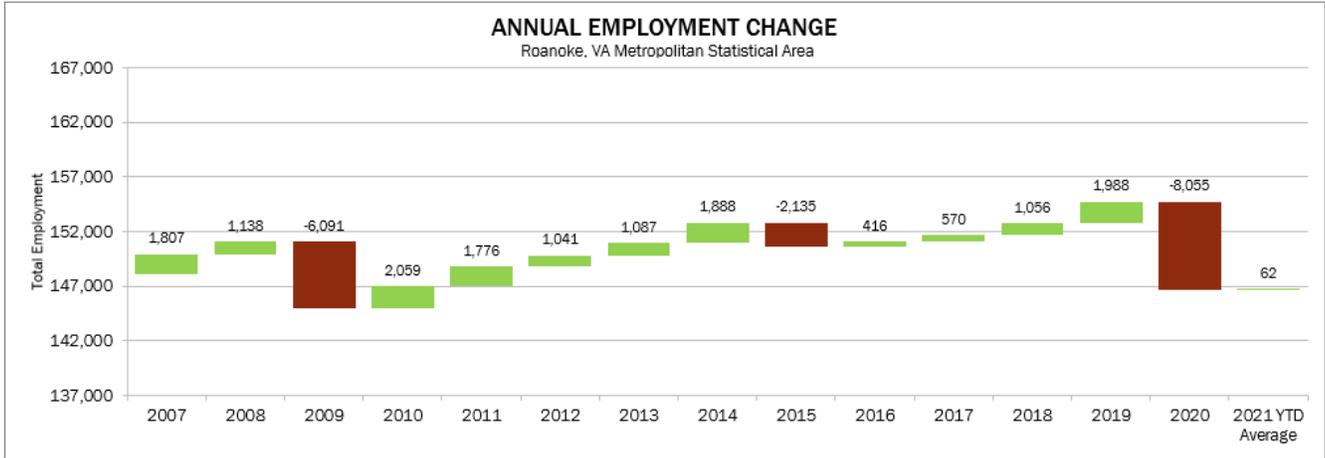
Year	Roanoke, VA Metropolitan Statistical Area				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2005	144,129	-	3.8%	-	141,730,000	-	5.1%	-
2006	148,106	2.8%	3.3%	-0.4%	144,427,000	1.9%	4.6%	-0.5%
2007	149,913	1.2%	3.4%	0.0%	146,047,000	1.1%	4.6%	0.0%
2008	151,051	0.8%	4.2%	0.9%	145,363,000	-0.5%	5.8%	1.2%
2009	144,960	-4.0%	7.4%	3.1%	139,878,000	-3.8%	9.3%	3.5%
2010	147,019	1.4%	7.7%	0.3%	139,064,000	-0.6%	9.6%	0.3%
2011	148,794	1.2%	6.8%	-0.9%	139,869,000	0.6%	9.0%	-0.7%
2012	149,836	0.7%	6.1%	-0.7%	142,469,000	1.9%	8.1%	-0.9%
2013	150,923	0.7%	5.7%	-0.4%	143,929,000	1.0%	7.4%	-0.7%
2014	152,811	1.3%	5.1%	-0.5%	146,305,000	1.7%	6.2%	-1.2%
2015	150,676	-1.4%	4.4%	-0.8%	148,833,000	1.7%	5.3%	-0.9%
2016	151,092	0.3%	3.9%	-0.4%	151,436,000	1.7%	4.9%	-0.4%
2017	151,662	0.4%	3.7%	-0.2%	153,337,000	1.3%	4.4%	-0.5%
2018	152,719	0.7%	2.9%	-0.8%	155,761,000	1.6%	3.9%	-0.4%
2019	154,707	1.3%	2.7%	-0.3%	157,538,000	1.1%	3.7%	-0.2%
2020	146,652	-5.2%	6.0%	3.3%	147,795,000	-6.2%	8.1%	4.4%
2021 YTD Average*	146,714	0.0%	4.0%	-2.0%	152,580,667	3.2%	5.4%	-2.7%
Nov-2020	145,298	-	5.1%	-	150,203,000	-	6.4%	-
Nov-2021	147,640	1.6%	2.6%	-2.5%	155,797,000	3.7%	3.9%	-2.5%

Source: U.S. Bureau of Labor Statistics, January 2022

*2021 data is through October

Employment in the MSA recovered and surpassed pre-Great Recession levels in 2014, the same year as the nation. During the period preceding the onset of COVID-19 (2012 - 2019), job growth in the MSA generally trailed the nation. Employment in the MSA declined sharply by 5.2 percent in 2020 amid the pandemic, below the overall nation. From November 2020 to November 2021, employment in the MSA is increasing at an annualized rate of 1.6 percent, compared to 3.7 percent growth across the nation.

During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a lower unemployment rate relative to the nation. The MSA unemployment rate increased modestly by 3.3 percentage points in 2020 amid the pandemic, compared to a 4.4 percentage point increase for the overall nation. According to the latest labor statistics, the current MSA unemployment rate is 2.6 percent, lower than the current national unemployment rate of 3.9 percent. Overall, the local economy appears to be stabilizing from the pandemic.



Wages by Occupation

The following table illustrates the wages by occupation for the Roanoke, VA MSA.

ROANOKE, VA METROPOLITAN STATISTICAL AREA - 2ND QTR 2020 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	144,420	\$23.32	\$48,500
Management Occupations	5,500	\$53.58	\$111,450
Business and Financial Operations Occupations	7,850	\$32.58	\$67,760
Computer and Mathematical Occupations	2,540	\$37.82	\$78,670
Architecture and Engineering Occupations	1,980	\$38.20	\$79,460
Life, Physical, and Social Science Occupations	880	\$35.24	\$73,300
Community and Social Service Occupations	2,460	\$23.28	\$48,430
Legal Occupations	1,070	\$33.05	\$68,750
Educational Instruction and Library Occupations	7,670	\$29.08	\$60,480
Arts, Design, Entertainment, Sports, and Media Occupations	1,370	\$25.84	\$53,740
Healthcare Practitioners and Technical Occupations	12,330	\$41.02	\$85,310
Healthcare Support Occupations	6,690	\$13.89	\$28,890
Protective Service Occupations	3,900	\$20.45	\$42,540
Food Preparation and Serving Related Occupations	11,440	\$11.47	\$23,860
Building and Grounds Cleaning and Maintenance Occupations	4,300	\$13.38	\$27,840
Personal Care and Service Occupations	3,050	\$13.98	\$29,090
Sales and Related Occupations	12,970	\$20.02	\$41,650
Office and Administrative Support Occupations	19,240	\$18.23	\$37,920
Farming, Fishing, and Forestry Occupations	120	\$17.49	\$36,390
Construction and Extraction Occupations	6,670	\$19.63	\$40,840
Installation, Maintenance, and Repair Occupations	6,720	\$22.51	\$46,820
Production Occupations	10,830	\$18.76	\$39,010
Transportation and Material Moving Occupations	14,840	\$17.37	\$36,140

Source: Department Of Labor, Occupational Employment Statistics, 5/2020, retrieved 1/2022

The table above shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$11.47 per hour. The highest average hourly wage, of \$53.58, is for those in management occupations. Qualifying income for the Subject's affordable units will range between zero and \$50,820. This encompasses a significant amount of the employment based on wages in the area. An element not reflected in the data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. We expect that part-time employment and entry-level positions will be common amongst the Subject's tenant base.

Commuting Patterns

The chart below shows the travel time to work for commuters in the PMA according to ESRI data.

COMMUTING PATTERNS		
ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	1,067	1.5%
Travel Time 5-9 min	6,559	9.4%
Travel Time 10-14 min	9,920	14.2%
Travel Time 15-19 min	16,827	24.0%
Travel Time 20-24 min	10,718	15.3%
Travel Time 25-29 min	2,729	3.9%
Travel Time 30-34 min	15,848	22.6%
Travel Time 35-39 min	786	1.1%
Travel Time 40-44 min	628	0.9%
Travel Time 45-59 min	2,386	3.4%
Travel Time 60-89 min	1,596	2.3%
Travel Time 90+ min	977	1.4%
Weighted Average	33 minutes	

Source: US Census 2021, Novogradac Consulting LLP, January 2022

As shown in the preceding table, the weighted average commute time in the PMA is approximately 33 minutes. More than 64.4 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Conclusion

Employment in the PMA is concentrated in the healthcare/social assistance, retail trade, and manufacturing industries, which collectively comprise 38.9 percent of local employment. The large share of PMA employment in the retail trade and manufacturing is notable as both industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which historically exhibits greater stability during economic downturns. Employment in the MSA declined sharply by 5.2 percent in 2020 amid the pandemic, below the overall nation. From November 2020 to November 2021, employment in the MSA is increasing at an annualized rate of 1.6 percent, compared to 3.7 percent growth across the nation. The MSA unemployment rate increased modestly by 3.3 percentage points in 2020 amid the pandemic, compared to a 4.4 percentage point increase for the overall nation. According to the latest labor statistics, the current MSA unemployment rate is 2.6 percent, lower than the current national unemployment rate of 3.9 percent. Overall, the local economy appears to be stabilizing from the pandemic.

G. DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS

The following tables illustrate general population and households in the PMA, the MSA and the nation from 2000 through 2026.

POPULATION

Year	PMA		Roanoke, VA Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
2000	137,914	-	287,641	-	280,304,282	-
2010	147,756	0.7%	308,707	0.7%	308,745,538	1.0%
2021	152,317	0.3%	317,635	0.3%	333,934,112	0.7%
2026	153,922	0.2%	322,047	0.3%	345,887,495	0.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

HOUSEHOLDS

Year	PMA		Roanoke, VA Metropolitan Statistical Area		USA	
	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>	<i>Number</i>	<i>Annual</i>
2000	57,607	-	117,126	-	105,081,032	-
2010	63,353	1.0%	128,538	1.0%	116,716,293	1.1%
2021	65,132	0.2%	132,022	0.2%	126,470,651	0.7%
2026	65,797	0.2%	133,786	0.3%	131,047,367	0.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

Historical population growth in the PMA was similar to the MSA between 2000 and 2010. Both geographic areas experienced population growth that was slightly lower than the nation during the same time period. Growth in the PMA slowed between 2010 and 2021, and grew at a similar rate as the MSA. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.2 percent through 2026, which is below growth expectations for the MSA and the nation.

Historical household growth in the PMA was similar to the MSA and the nation between 2000 and 2010. Growth in the PMA slowed between 2010 and 2021, and grew at a similar rate as the MSA. According to ESRI demographic projections, annualized PMA growth is expected to slow to 0.2 percent through 2026, which is below the MSA and nation.

Population by Age

POPULATION BY AGE IN 2021

Age Cohort	PMA		Roanoke, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	8,452	5.5%	15,854	5.0%	19,583,554	5.9%
5-9	8,680	5.7%	17,123	5.4%	20,285,004	6.1%
10-14	8,610	5.7%	17,991	5.7%	20,830,354	6.2%
15-19	8,668	5.7%	17,837	5.6%	20,895,063	6.3%
20-24	9,445	6.2%	17,018	5.4%	21,774,858	6.5%
25-29	10,089	6.6%	18,782	5.9%	23,635,805	7.1%
30-34	10,038	6.6%	18,694	5.9%	23,075,663	6.9%
35-39	9,989	6.6%	19,153	6.0%	22,214,979	6.7%
40-44	9,132	6.0%	18,196	5.7%	20,473,604	6.1%
45-49	9,077	6.0%	19,392	6.1%	19,884,128	6.0%
50-54	9,342	6.1%	20,715	6.5%	20,369,768	6.1%
55-59	9,867	6.5%	22,981	7.2%	21,854,615	6.5%
60-64	10,250	6.7%	23,799	7.5%	21,404,227	6.4%
65-69	9,466	6.2%	22,116	7.0%	18,643,582	5.6%
70-74	7,920	5.2%	18,985	6.0%	15,357,989	4.6%
75-79	5,233	3.4%	12,507	3.9%	10,256,260	3.1%
80-84	3,619	2.4%	8,046	2.5%	6,567,201	2.0%
85+	4,440	2.9%	8,449	2.7%	6,827,458	2.0%
Total	152,317	100.0%	317,638	100.0%	333,934,112	100.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

POPULATION BY AGE IN 2026 ESTIMATE

Age Cohort	PMA		Roanoke, VA Metropolitan Statistical Area		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	8,541	5.5%	15,984	5.0%	20,376,508	5.9%
5-9	8,509	5.5%	16,851	5.2%	20,557,178	5.9%
10-14	8,686	5.6%	18,040	5.6%	21,175,516	6.1%
15-19	9,103	5.9%	18,543	5.8%	21,464,554	6.2%
20-24	9,289	6.0%	16,318	5.1%	21,430,752	6.2%
25-29	9,499	6.2%	16,623	5.2%	22,134,213	6.4%
30-34	9,796	6.4%	18,894	5.9%	24,254,848	7.0%
35-39	9,820	6.4%	19,590	6.1%	23,948,559	6.9%
40-44	9,851	6.4%	19,728	6.1%	22,461,154	6.5%
45-49	9,219	6.0%	18,859	5.9%	20,643,364	6.0%
50-54	8,950	5.8%	19,516	6.1%	19,678,616	5.7%
55-59	9,177	6.0%	21,102	6.6%	20,246,000	5.9%
60-64	9,528	6.2%	22,645	7.0%	21,095,848	6.1%
65-69	9,480	6.2%	23,032	7.2%	20,376,914	5.9%
70-74	8,625	5.6%	20,437	6.3%	17,021,089	4.9%
75-79	7,016	4.6%	16,758	5.2%	13,402,050	3.9%
80-84	4,278	2.8%	10,011	3.1%	8,180,378	2.4%
85+	4,555	3.0%	9,119	2.8%	7,439,954	2.2%
Total	153,922	100.0%	322,050	100.0%	345,887,495	100.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

General Household Income Distribution

The following tables illustrate the household income distribution for the PMA and MSA for 2021 and 2026.

HOUSEHOLD INCOME PMA

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	5,442	8.4%	5,036	7.7%	-81	-1.5%
\$10,000-19,999	7,878	12.1%	7,218	11.0%	-132	-1.7%
\$20,000-29,999	6,574	10.1%	6,226	9.5%	-70	-1.1%
\$30,000-39,999	6,152	9.4%	5,919	9.0%	-47	-0.8%
\$40,000-49,999	6,444	9.9%	5,719	8.7%	-145	-2.3%
\$50,000-59,999	5,782	8.9%	5,870	8.9%	18	0.3%
\$60,000-74,999	6,845	10.5%	6,967	10.6%	24	0.4%
\$75,000-99,999	8,032	12.3%	8,320	12.6%	58	0.7%
\$100,000-124,999	4,880	7.5%	5,535	8.4%	131	2.7%
\$125,000-149,999	2,393	3.7%	3,158	4.8%	153	6.4%
\$150,000-199,999	2,209	3.4%	2,646	4.0%	87	4.0%
\$200,000+	2,501	3.8%	3,183	4.8%	136	5.5%
Total	65,132	100.0%	65,797	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2022

HOUSEHOLD INCOME SMA

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	8,686	6.6%	8,039	6.0%	-129	-1.5%
\$10,000-19,999	13,654	10.3%	12,367	9.2%	-257	-1.9%
\$20,000-29,999	11,574	8.8%	10,973	8.2%	-120	-1.0%
\$30,000-39,999	11,812	8.9%	11,135	8.3%	-135	-1.1%
\$40,000-49,999	11,912	9.0%	10,666	8.0%	-249	-2.1%
\$50,000-59,999	11,273	8.5%	11,180	8.4%	-19	-0.2%
\$60,000-74,999	14,209	10.8%	14,194	10.6%	-3	0.0%
\$75,000-99,999	17,574	13.3%	17,972	13.4%	80	0.5%
\$100,000-124,999	11,813	8.9%	12,926	9.7%	223	1.9%
\$125,000-149,999	6,694	5.1%	8,247	6.2%	311	4.6%
\$150,000-199,999	5,997	4.5%	7,325	5.5%	266	4.4%
\$200,000+	6,824	5.2%	8,762	6.5%	388	5.7%
Total	132,022	100.0%	133,786	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2022

As of 2021, approximately 49.9 percent of households within the PMA have annual incomes below \$50,000, compared to 43.7 percent for the MSA.

General Household Size Distribution

The following table is a summary of the average household size in the PMA, the MSA and the nation from 2000 through 2026.

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Roanoke, VA Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual	Number	Annual Change
2000	2.30	-	2.37	-	2.59	-
2010	2.25	-0.2%	2.32	-0.2%	2.57	-0.1%
2021	2.26	0.1%	2.35	0.1%	2.58	0.0%
2026	2.26	0.0%	2.35	0.0%	2.58	0.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

As shown in the previous table, the average household size in the PMA decreased from 2000 to 2021, and is projected to remain stable through 2026. The average household size in the MSA has decreased slightly from 2000 to 2021, though it is projected to remain the same through 2026. Overall, the average household size in the PMA is below that of the MSA and the nation, a trend that will continue through 2026.

General Household Tenure

The following table illustrates the breakdown of households by tenure within the Subject’s PMA.

TENURE PATTERNS PMA				
Year	Owner-Occupied	Percentage	Renter-Occupied Units	Percentage
		Owner-Occupied		Renter-Occupied
2000	36,919	64.1%	20,688	35.9%
2010	37,849	59.7%	25,504	40.3%
2021	37,029	56.9%	28,103	43.1%
2026	38,127	57.9%	27,670	42.1%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

As of 2021, approximately 43.1 percent of households in the PMA reside in renter-occupied housing units. Through 2026, the percentage and number of renter-occupied housing units is projected to decrease.

General Renter Household Income Distribution

The following tables illustrate the renter household income distribution for the PMA and MSA for 2021 and 2026.

RENTER HOUSEHOLD INCOME

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,794	13.5%	3,504	12.7%	-58	-1.5%
\$10,000-19,999	5,360	19.1%	4,878	17.6%	-96	-1.8%
\$20,000-29,999	3,887	13.8%	3,680	13.3%	-41	-1.1%
\$30,000-39,999	2,956	10.5%	2,813	10.2%	-29	-1.0%
\$40,000-49,999	2,653	9.4%	2,377	8.6%	-55	-2.1%
\$50,000-59,999	2,646	9.4%	2,700	9.8%	11	0.4%
\$60,000-74,999	2,255	8.0%	2,328	8.4%	15	0.6%
\$75,000-99,999	1,928	6.9%	2,054	7.4%	25	1.3%
\$100,000-124,999	1,171	4.2%	1,409	5.1%	48	4.1%
\$125,000-149,999	366	1.3%	524	1.9%	32	8.6%
\$150,000-199,999	446	1.6%	573	2.1%	25	5.7%
\$200,000+	641	2.3%	830	3.0%	38	5.9%
Total	28,103	100.0%	27,670	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2022

RENTER HOUSEHOLD INCOME

Income Cohort	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	4,978	12.3%	4,578	11.5%	-80	-1.6%
\$10,000-19,999	7,370	18.2%	6,679	16.8%	-138	-1.9%
\$20,000-29,999	5,652	13.9%	5,328	13.4%	-65	-1.1%
\$30,000-39,999	4,436	10.9%	4,162	10.4%	-55	-1.2%
\$40,000-49,999	3,931	9.7%	3,558	8.9%	-75	-1.9%
\$50,000-59,999	3,674	9.1%	3,659	9.2%	-3	-0.1%
\$60,000-74,999	3,392	8.4%	3,413	8.6%	4	0.1%
\$75,000-99,999	2,860	7.0%	3,041	7.6%	36	1.3%
\$100,000-124,999	1,639	4.0%	1,984	5.0%	69	4.2%
\$125,000-149,999	816	2.0%	1,072	2.7%	51	6.3%
\$150,000-199,999	867	2.1%	1,086	2.7%	44	5.1%
\$200,000+	973	2.4%	1,297	3.3%	65	6.7%
Total	40,588	100.0%	39,857	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2022

As of 2021, approximately 66.4 percent of renter households within the PMA have annual incomes below \$50,000, compared to 65.0 percent of renter households in the MSA.

Household Size Distribution

The table below shows the breakdown of households by number of persons in the household within the Subject’s PMA.

PMA HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2021		2026	
	Total	Percent	Total	Percent	Total	Percent
1 persons	18,035	31.3%	23,155	35.6%	23,281	35.4%
2 persons	20,012	34.7%	21,056	32.3%	21,302	32.4%
3 persons	9,170	15.9%	9,849	15.1%	9,974	15.2%
4 persons	6,686	11.6%	6,503	10.0%	6,589	10.0%
5+ persons	3,704	6.4%	4,569	7.0%	4,651	7.1%
Total	57,607	100.0%	65,132	100.0%	65,797	100.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

As of 2021, the majority of households in the PMA consist of one and two persons.

Renter Household Size Distribution

The table below shows the breakdown of renter households by number of persons in the household within the Subject’s PMA.

PMA RENTER HOUSEHOLD SIZE DISTRIBUTION						
Household Size	2000		2021		2026	
	Total	Percent	Total	Percent	Total	Percent
1 persons	8,878	42.9%	13,185	46.9%	13,043	47.1%
2 persons	5,769	27.9%	7,193	25.6%	6,981	25.2%
3 persons	2,940	14.2%	3,916	13.9%	3,849	13.9%
4 persons	1,950	9.4%	2,167	7.7%	2,137	7.7%
5+ persons	1,151	5.6%	1,642	5.8%	1,660	6.0%
Total	20,688	100.0%	28,103	100.0%	27,670	100.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

Historically, the majority of renter households in the PMA have consisted of one and two-person households. In 2021, approximately 72.5 percent of renter-households were one or two-persons. The number of three-person and larger renter households has increased since 2000 but is projected to decrease slightly through 2026.

Median Household Income Levels

The following table illustrates the median household income for all households in the PMA, the MSA, and the nation from 2000 through 2026.

Year	MEDIAN HOUSEHOLD INCOME					
	PMA		Roanoke, VA Metropolitan Statistical Area		USA	
	Amount	Annual	Amount	Annual	Amount	Annual Change
2000	\$35,228	-	\$37,869	-	\$44,333	-
2021	\$52,584	2.3%	\$58,018	2.5%	\$64,730	2.2%
2026	\$55,658	1.2%	\$62,085	1.4%	\$72,932	2.5%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

As of 2021, the median household income of the PMA is below the MSA and the nation. Through 2026, the PMA median household income is projected to increase at a lower rate than the MSA and the nation.

Rent Overburdened Households

The following table illustrates the percentage of households paying greater than 35 percent of their income towards housing in the PMA, the MSA, and the nation.

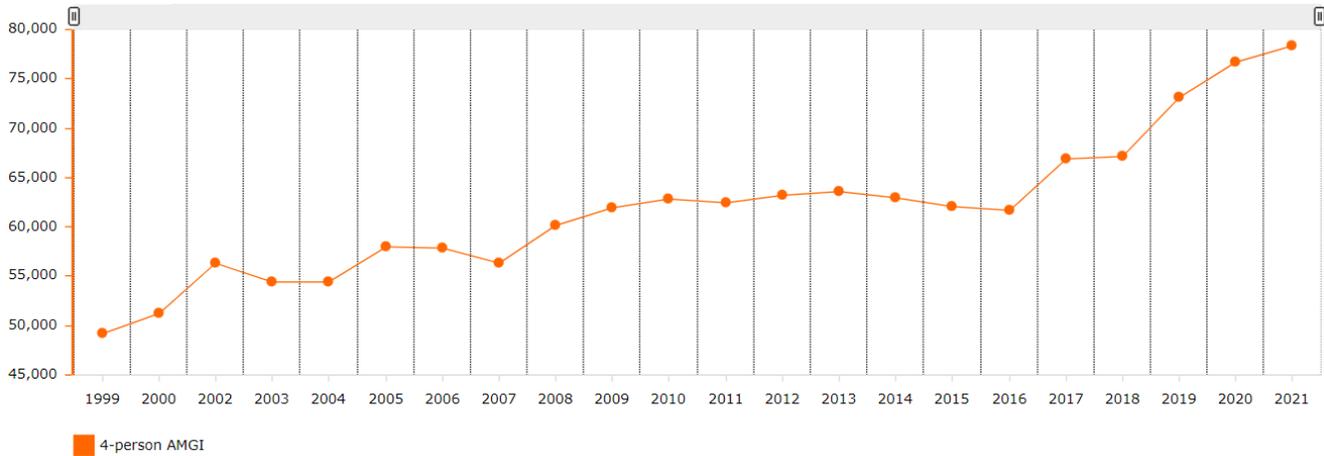
RENT OVERBURDENED						
Year	PMA		Roanoke, VA Metropolitan Statistical Area		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2021	8,630	39.9%	14,633	39.3%	16,610,566	42.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

As illustrated, the percentage of rent overburdened households in the PMA is slightly larger than the MSA though below the nation.

Area Median Income

The following chart illustrates the area median gross income (AMGI) of a four-person household in Roanoke City, VA between 1999 and 2021.



Source: Novogradac Consulting LLP, January 2022

The AMI increased at an annual rate of 2.2 percent between 1999 and 2021. Over 84 percent of counties in the nation experienced an increase in AMI in 2017. This was also true in Roanoke City, which also increased each year through 2021 and is at peak level. Rising AMI levels bode well for future rent growth at affordable developments, such as the proposed Subject. However, future growth in AMI levels is uncertain given the impact of the COVID-19 pandemic. The following table details the change in AMI over the past five years.

ROANOKE COUNTY AMI GROWTH (2013-2021)									
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
AMI	\$63,600	\$62,900	\$62,000	\$61,700	\$66,900	\$67,200	\$73,100	\$76,700	\$78,400
Percentage	0.6%	-1.1%	-1.4%	-0.5%	8.4%	0.4%	8.8%	4.9%	2.2%

The Subject’s proposed LIHTC rents are set at the maximum allowable levels. Thus, the Subject’s rent increases will be directly dependent on future increases in AMI.

Conclusion

Since 2000, PMA population and households have grown overall. Furthermore, both population and households are expected to grow through 2026. As of 2021, approximately 66.4 percent of renter households within the PMA have annual incomes below \$50,000, compared to 65.0 percent of renter households in the MSA. As proposed, the incomes for the Subject will range from zero to \$50,820. With a large percentage of renters with low income, we project that there will be substantial demand for new construction affordable housing units.

H. COMPETITIVE ENVIRONMENT

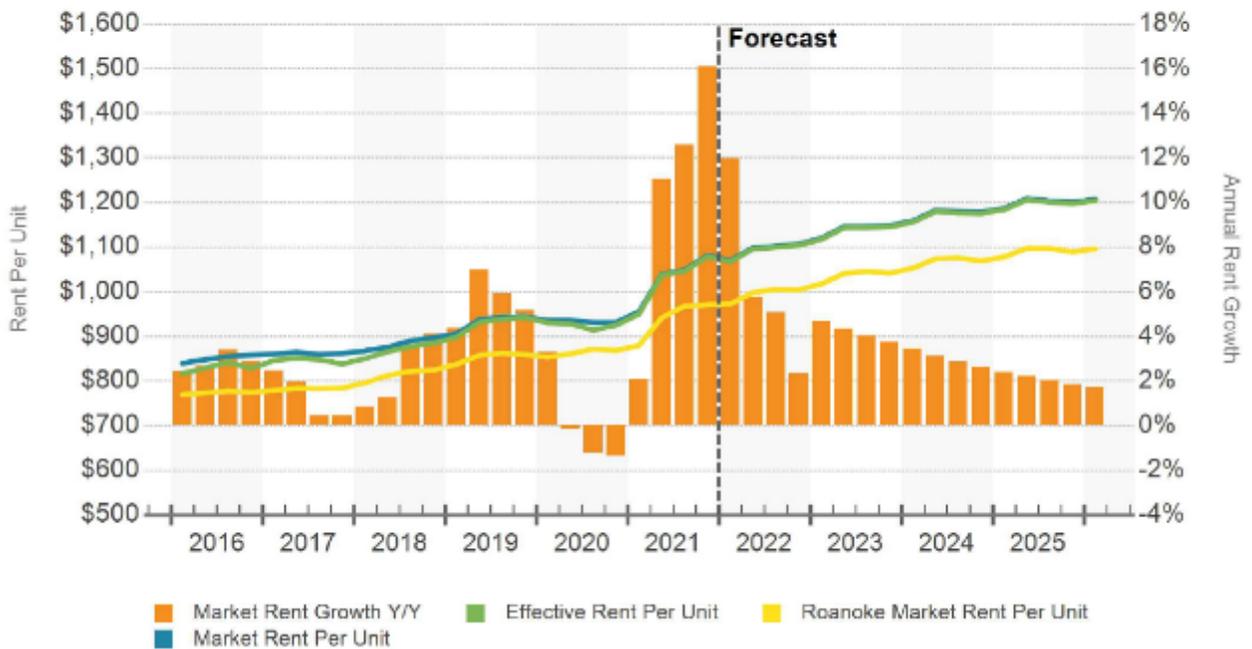
HOUSING SUMMARY

Based on the January 2022 report from CoStar, the Roanoke County Multi-Family submarket experienced a 2.4 percent decrease in vacancy rates over the past year.

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	738	2.0%	\$1,347	\$1,344	(2)	0	0
3 Star	2,302	3.3%	\$1,032	\$1,030	(5)	0	0
1 & 2 Star	1,120	2.8%	\$953	\$948	0	0	0
Submarket	4,160	2.9%	\$1,069	\$1,067	(7)	0	0

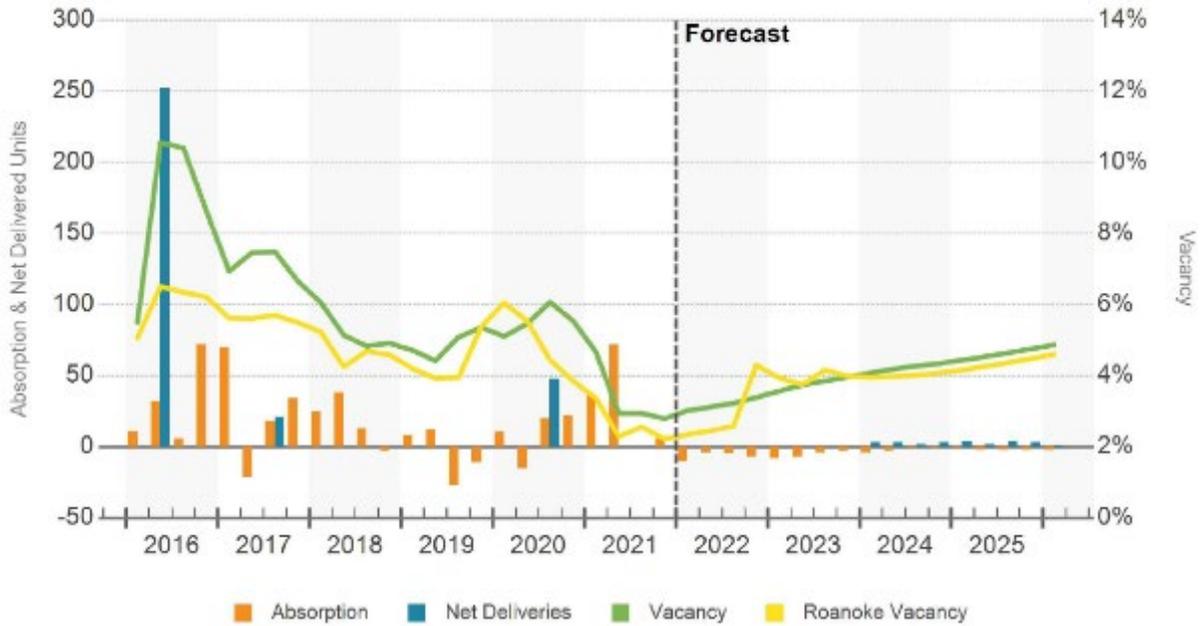
Source: CoStar, January 2022

MARKET RENT PER UNIT & RENT GROWTH



Source: CoStar, January 2022

ABSORPTION, NET DELIVERIES & VACANCY



Source: CoStar, January 2022

As illustrated in the tables and charts above, the vacancy rate for the Roanoke County Multi-Family submarket is currently 2.9 percent and is projected to increase steadily through 2026 to approximately 5.5 percent. Average asking rents increased 14.2 percent over the last year, and are expected to continue to increase through 2025.

Age of Housing Stock

The following table illustrate the age of the existing housing stock in the PMA.

HOUSING STOCK BY YEAR BUILT

	PMA		Roanoke, VA Metropolitan Statistical Area		USA	
Built 2010 or later	932	1.3%	2,518	1.7%	3,690,038	2.8%
Built 2000 to 2009	4,515	6.5%	16,610	11.5%	19,186,932	14.3%
Built 1990 to 1999	5,949	8.6%	18,620	12.9%	19,072,607	14.2%
Built 1980 to 1989	6,114	8.8%	18,006	12.4%	18,455,307	13.8%
Built 1970 to 1979	10,306	14.9%	24,663	17.0%	20,877,555	15.6%
Built 1960 to 1969	10,840	15.6%	18,817	13.0%	14,526,829	10.8%
Built 1950 to 1959	11,869	17.1%	17,839	12.3%	14,142,147	10.6%
Built 1940 to 1949	5,557	8.0%	8,658	6.0%	6,748,599	5.0%
Built 1939 or earlier	13,263	19.1%	18,941	13.1%	17,329,130	12.9%
Total Housing Units	69,345	100.0%	144,672	100.0%	134,029,144	100.0%

Source: US Census American Community Estimates, January 2022

Of the housing stock in the PMA, 83.6 percent was constructed prior to 1990. The data does not reflect condition, as many properties can be well-maintained through ongoing maintenance. The field inspection of the area reflects a varied housing stock, generally in average condition.

Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard.

SUBSTANDARD HOUSING			
Year	PMA	Roanoke, VA Metropolitan Statistical Area	USA
	<i>Percentage</i>	<i>Percentage</i>	<i>Percentage</i>
2021	0.96%	1.62%	1.70%

Source: Esri Demographics 2021, Novogradac Consulting LLP, January 2022

The percentage of residents living in substandard housing in the PMA is below that of the MSA and the nation.

Building Permits

Historical building permit information for Roanoke County, obtained from the U.S. Census Bureau, is presented in the following chart.

BUILDING PERMITS: ROANOKE COUNTY 2000 - 2020				
Year	Single-family and Duplex	Three and Four- Family	Five or More Family	Total Units
2000	484	0	96	580
2001	442	0	162	604
2002	453	0	0	453
2003	546	0	18	564
2004	592	0	0	592
2005	383	0	24	407
2006	400	0	10	410
2007	351	12	0	363
2008	221	20	53	294
2009	138	0	0	138
2010	137	0	0	137
2011	176	0	32	208
2012	149	0	0	149
2013	203	0	48	251
2014	147	0	72	219
2015	127	0	210	337
2016	136	0	18	154
2017	156	0	12	168
2018	159	0	0	159
2019	162	0	0	162
2020	145	0	18	163
Total	5,707	32	773	6,512
Average	272	2	37	310

Source: US Census Bureau Building Permits, January 2022

As illustrated in the previous table, since 2000, approximately 87.6 percent of the residential units permitted in the city of Richmond have been single-family and duplex homes while 11.9 percent of the residential units permitted have been for five or more families.

Rent/Buy Analysis

We performed a rent/buy analysis for three-bedroom units at the Subject. Our inputs assume a three-bedroom home on www.zillow.com in the Subject’s neighborhood with a purchase price of \$215,000 and an interest rate of 3.74 percent with a 10 percent down payment. This was compared to the cost to rent the Subject’s three-bedroom proposed LIHTC units at 60 percent. This analysis indicates that with a monthly differential of \$282, it is more affordable to rent from the Subject than to purchase a three-bedroom home in the Subject’s neighborhood. As illustrated, the “cost of occupancy” category adds \$27,950 for the down payment and closing costs. The cash necessary for homeownership is still a barrier for many families. In general, first-time homebuyers have difficulty saving for a down payment. Furthermore, since the recession, higher standards for credit has made it more difficult than ever for buyers with less than perfect credit to obtain financing. For these reasons, we believe the Subject will face limited competition from homeownership.

The following table illustrates our findings.

RENT BUY ANALYSIS			
Property Type:	Three-Bedroom Single Family Home		
Sale Price			\$215,000
Down Payment at 10%			\$21,500
Mortgage Amount			\$193,500
Current Interest Rate			3.74%
	<i>Homeownership Costs</i>	<i>Monthly</i>	<i>% of Home Value</i>
			<i>Annual</i>
Mortgage Payment		\$895	\$10,738
Property Taxes		\$224	\$2,688
Private Mortgage Insurance ¹		\$81	\$968
Maintenance		\$358	\$4,300
Utility Costs ²		\$0	\$0
Tax Savings		-\$205	-\$2,465
Cost Comparison			
		<i>Monthly</i>	<i>Annual</i>
Costs of Homeownership		\$1,352	\$16,228
Cost of Renting At Subject	-	\$1,070	\$12,840
Differential		\$282	\$3,388
Cost of Occupancy			
	<i>Homeownership</i>		
Closing Costs		3.0%	\$6,450
Down Payment at 10%		10.0%	\$21,500
Total			\$27,950
	<i>Subject Rental</i>		
First Month's Rent		\$1,070	
Security Deposit		\$1,070	
Total		\$2,140	

(1) Based upon 0.50 percent of mortgage amount.

(2) Utility Costs Included in Rent at Subject

Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a January 2022 CoStar report, conducted an internet search and attempted to contact the Planning, Building, and Development Commission for Roanoke. However, our calls have not been returned to date. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
District Vue Phase II	Market	Family	108	0	Under Construction	5.8 miles
Lawson Building West	Market	Family	24	0	Proposed	5.2 miles
Randolph Street	Market	Family	105	0	Proposed	4.9 miles
The View at Blue Ridge Commons	Market	Family	338	0	Under Construction	1.8 miles
Totals			575	0		

Source: CoStar, January 2022

All five properties that are currently planned, proposed, under construction, or recently completed will be market rate, and thus will not directly compete with the Subject. Additionally, we reviewed the Virginia Housing LIHTC award lists from 2018 through 2021. No properties in Roanoke County received funding during that time frame. Overall, we have deducted zero units from our penetration rate in the demand analysis section of this report.

SURVEY OF COMPARABLE PROPERTIES

Comparable properties are examined on the basis of physical characteristics; i.e., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

Description of Property Types Surveyed/Determination of Number of Tax Credit Units

To evaluate the competitive position of the Subject, we surveyed several market rate and LIHTC properties in depth. We have utilized one general tenancy LIHTC property, three mixed-income property, and five family market rate properties, all of which are located within the PMA. We also visited and surveyed other properties that were excluded from the market survey because they are not considered comparable to the Subject or would not participate in the survey.

Property managers were interviewed for information on unit mix, size, absorption, unit features and project amenities; tenant profiles; and market trends in general. The table following details affordable properties in the PMA.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units- As Proposed	Competitive Units- Absent Subsidy
Hurt Park	LIHTC	Family	40	40	40
Park Street Square	LIHTC	Family	25	25	25
Terrace South Apartments	LIHTC	Family	109	109	109
Clarendon Court	LIHTC	Family	26	26	26
Salem Commons	LIHTC	Family	98	98	98
Blue Ridge Village	LIHTC	Seniors	48	0	0
Ferncliff South	LIHTC	Seniors	84	0	0
Ferncliff Apartments	LIHTC	Seniors	144	0	0
Mount Regis Village	LIHTC	Family	168	168	168
Oak Park	LIHTC	Family	144	144	144
Mccray Court Senior Living	LIHTC	Seniors	68	0	0
502 Church Avenue SW	LIHTC	Family	13	13	13
Stepping Stone	LIHTC	Family	30	30	30
Peter's Creek*	LIHTC	Family	192	192	192
Gilmer Housing	LIHTC/ Market	Family	20	19	19
Woodridge Apartments*	LIHTC/ Market	Family	96	48	48
Villages at Garst Creek*	LIHTC/ Market	Family	504	453	453
Autumn Ridge*	LIHTC/ Market	Family	72	36	36
Tinker Creek Manor	LIHTC/Section 8	Family	100	100	0
Afton Gardens	LIHTC/Section 8	Family	108	108	4
Totals			2,089	1,609	1,405

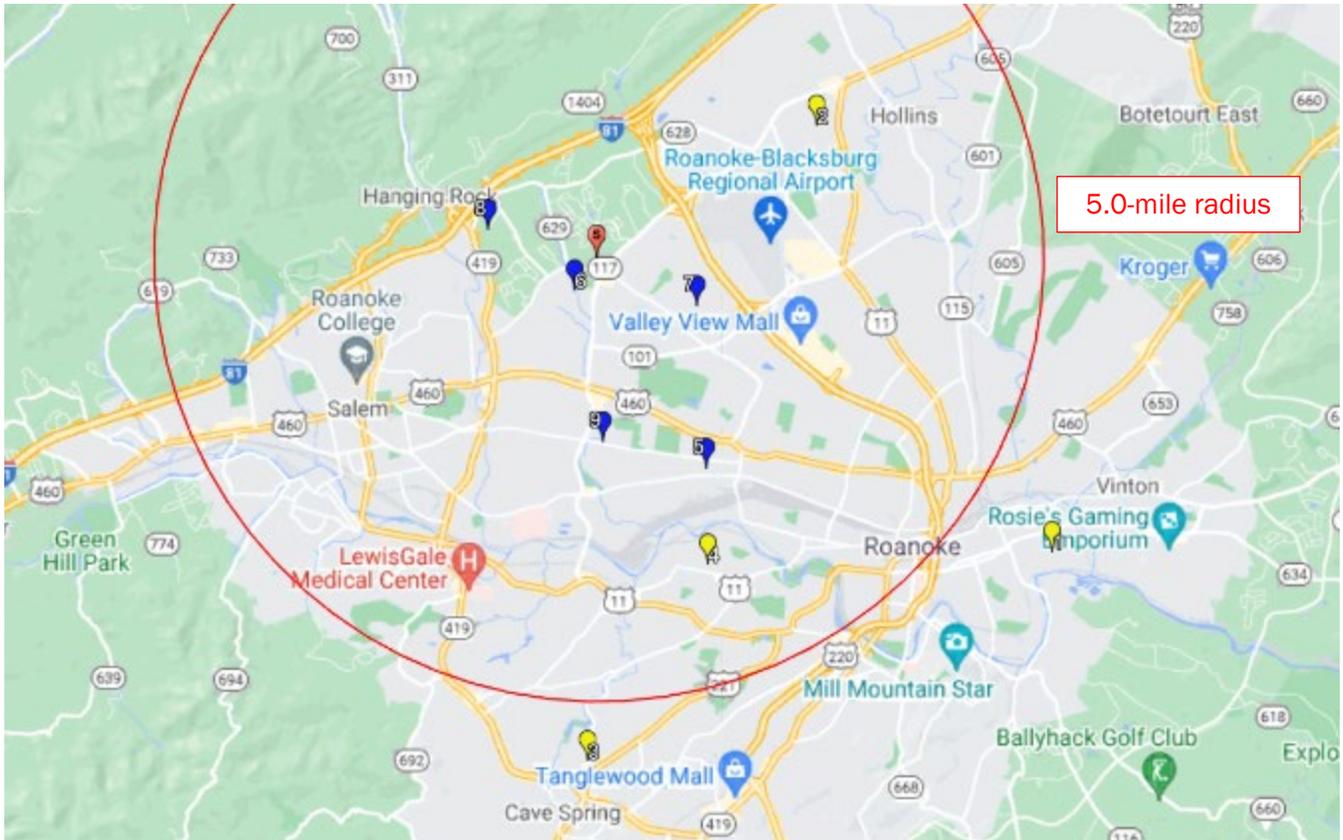
*Utilized as a comparable

The comparable properties were chosen primarily based on location, age, condition, design, and amenities. Several properties were excluded for various reasons. The following table illustrates the properties that have been excluded from the supply analysis of this report.

EXCLUDED PROPERTIES			
Property Name	Rent Structure	Tenancy	Reason for Exclusion
Hurt Park	LIHTC	Family	Could not contact for rental survey
Park Street Square	LIHTC	Family	Could not contact for rental survey
Terrace South Apartments	LIHTC	Family	Could not contact for rental survey
Clarendon Court	LIHTC	Family	Inferior condition
Salem Commons	LIHTC	Family	Inferior condition
Blue Ridge Village	LIHTC	Family	More proximate properties
Tinker Creek Manor	LIHTC	Family	More proximate properties
Ferncliff South	LIHTC	Seniors	Dissimilar tenancy
Ferncliff Apartments	LIHTC	Seniors	Dissimilar tenancy
13th Street	LIHTC	Family	More proximate properties
Mount Regis Village	LIHTC	Family	More proximate properties
West Wind Apartments	Market	Family	Could not contact for rental survey
North Point	Market	Family	Could not contact for rental survey
Countryside Estates	Market	Family	Inferior condition
The Cove at Peter's Creek	Market	Family	Inferior condition
Bowers Holiday Village	Market	Family	Inferior condition
Hawthorne Towers	Section 8	Family	Subsidized
Hackley Avenue Apartments	Section 8	Family	Subsidized
Hazelridge Road	Section 8	Family	Subsidized
Edinburgh Greens	Section 8	Family	Subsidized

Comparable Rental Property Map

A map illustrating the location of the Subject in relation to the comparable properties is located below. A summary table comparing the individual comparable properties with the proposed Subject and individual property profiles are also provided on the following page. We have also included an amenity comparison matrix and a rent and square footage ranking table.



Source: Google Earth, January 2022

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy	Distance to
1	Autumn Ridge	Roanoke	LIHTC/Market	Family	6.2 miles
2	Peter's Creek	Roanoke	LIHTC	Family	2.9 miles
3	The Everett	Roanoke	LIHTC/Market	Family	5.7 miles
4	Woodridge Apartments	Roanoke	LIHTC/Market	Family	3.7 miles
5	733 West Apartments	Roanoke	Market	Family	2.7 miles
6	Northridge Village Apartments	Roanoke	Market	Family	0.4 miles
7	Sterlingwood Apartments	Roanoke	Market	Family	1.3 miles
8	The Retreat Apartments	Roanoke	Market	Family	1.2 miles
9	Westside Apartments	Roanoke	Market	Family	2.1 miles

SMITH RIDGE COMMONS – ROANOKE, VIRGINIA – MARKET STUDY

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Smith Ridge Commons 0 Candlelight Circle Roanoke, VA 24019 Roanoke County	-	Garden 3-stories 2024 / n/a Family	@30%, @40% (Project Based Rental Assistance - PBRA), @50%, @60%	1BR / 1BA	1	1.4%	705		\$336	Yes	N/A	N/A	N/A
					1BR / 1BA	1	1.4%	705	@40% (Project Based Rental Assistance - PBRA)	\$483	N/A	N/A	N/A	N/A
					1BR / 1BA	4	5.6%	705	@50%	\$630	Yes	N/A	N/A	N/A
					1BR / 1BA	6	8.3%	705	@60%	\$777	No	N/A	N/A	N/A
					2BR / 2BA	5	6.9%	956	@30%	\$397	Yes	N/A	N/A	N/A
					2BR / 2BA	5	6.9%	956	@40% (Project Based Rental Assistance - PBRA)	\$574	N/A	N/A	N/A	N/A
					2BR / 2BA	12	16.7%	956	@50%	\$750	Yes	N/A	N/A	N/A
					2BR / 2BA	23	31.9%	956	@60%	\$927	No	N/A	N/A	N/A
					3BR / 2BA	2	2.8%	1,113	@30%	\$460	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.8%	1,113	@40% (Project Based Rental Assistance - PBRA)	\$664	N/A	N/A	N/A	N/A
					3BR / 2BA	4	5.6%	1,113	@50%	\$868	Yes	N/A	N/A	N/A
					3BR / 2BA	7	9.7%	1,113	@60%	\$1,072	No	N/A	N/A	N/A
					72									
1	Autumn Ridge 2127 Fallon Ave SE Roanoke, VA 24013 Roanoke City County	6.2 miles	Garden 3-stories 1994 / n/a Family	@60%, Market	1BR / 1BA	N/A	N/A	620	@60%	\$644	No	No	0	N/A
					1BR / 1BA	N/A	N/A	620	Market	\$644	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	800	@60%	\$676	No	No	0	N/A
					2BR / 1BA	N/A	N/A	800	Market	\$676	N/A	No	0	N/A
72														
2	Peter's Creek 7266 Barrens Road Roanoke, VA 24019 Roanoke County	2.9 miles	Garden 3-stories 1994 / n/a Family	@50%, @60%	2BR / 1BA	66	34.4%	1,000	@50%	\$719	No	No	0	0.0%
					2BR / 1BA	66	34.4%	1,000	@60%	\$896	No	No	1	1.5%
					3BR / 1BA	30	15.6%	1,320	@50%	\$820	No	No	0	0.0%
					3BR / 1BA	30	15.6%	1,320	@60%	\$1,024	No	No	1	3.3%
					192									
3	The Everett 4356 Garst Mill Road Roanoke, VA 24018 Roanoke County	5.7 miles	Various 2-stories 1973 / 2007 Family	@60%, Market	1BR / 1BA	61	12.1%	641	@60%	\$598	No	No	0	0.0%
					1BR / 1BA	46	9.1%	652	@60%	\$598	No	No	0	0.0%
					1BR / 1BA	45	8.9%	665	@60%	\$611	No	No	0	0.0%
					1BR / 1BA	3	0.6%	641	Market	\$671	N/A	No	0	0.0%
					1BR / 1BA	4	0.8%	652	Market	\$671	N/A	No	0	0.0%
					1BR / 1BA	5	1.0%	665	Market	\$681	N/A	No	1	20.0%
					2BR / 1BA	166	32.9%	906	@60%	\$708	No	No	2	1.2%
					2BR / 1BA	10	2.0%	906	Market	\$793	N/A	No	0	0.0%
					2BR / 1.5BA	76	15.1%	1,137	@60%	\$691	No	No	2	2.6%
					2BR / 1.5BA	24	4.8%	1,137	Market	\$903	N/A	No	0	0.0%
					2BR / 2BA	53	10.5%	1,028	@60%	\$708	No	No	0	0.0%
					2BR / 2BA	4	0.8%	1,028	Market	\$833	N/A	No	1	25.0%
					3BR / 2BA	6	1.2%	1,255	@60%	\$793	No	No	0	0.0%
3BR / 2BA	1	0.2%	1,255	Market	\$910	No	No	0	0.0%					
504														
4	Woodridge Apartments 2251 Mountain View Terrace Roanoke, VA 24015 Roanoke City County	3.7 miles	Garden 3-stories 1970 / 1992 Family	@60%, Market	1BR / 1BA	4	4.2%	750	@60%	\$644	No	No	0	0.0%
					1BR / 1BA	N/A	N/A	750	Market	\$644	N/A	No	0	N/A
					2BR / 1BA	74	77.1%	830	@60%	\$676	No	No	0	0.0%
					2BR / 1BA	N/A	N/A	830	Market	\$676	N/A	No	1	N/A
					3BR / 1BA	18	18.8%	950	@60%	\$718	No	No	0	0.0%
					3BR / 1BA	N/A	N/A	950	Market	\$718	N/A	No	0	N/A
96														
5	733 West Apartments 733 29th Street NW Roanoke, VA 24017 Roanoke City County	2.7 miles	Various 2-stories 2000 / 2021 Family	Market	2BR / 2BA	24	19.4%	869	Market	\$986	N/A	Yes	0	0.0%
					2BR / 2BA	16	12.9%	936	Market	\$986	N/A	Yes	0	0.0%
					3BR / 2BA	72	58.1%	1,175	Market	\$1,118	N/A	Yes	2	2.8%
					4BR / 2BA	6	4.8%	1,362	Market	\$1,449	N/A	Yes	0	0.0%
					4BR / 2BA	6	4.8%	1,568	Market	\$1,449	N/A	Yes	0	0.0%
					124									
6	Northridge Village Apartments 5204 Lancelot Ln NW Roanoke, VA 24019 Roanoke County	0.4 miles	Garden 2-stories 1970 / n/a Family	Market	2BR / 1BA	N/A	N/A	940	Market	\$985	N/A	No	2	N/A
					2BR / 1.5BA	N/A	N/A	1,045	Market	\$1,115	N/A	No	2	N/A
					3BR / 1.5BA	N/A	N/A	1,312	Market	\$1,475	N/A	No	0	N/A
					3BR / 2.5BA	N/A	N/A	1,312	Market	\$1,405	N/A	No	0	N/A
					174									
7	Sterlingwood Apartments 2215 Montauk Road NW Roanoke, VA 24017 Roanoke City County	1.3 miles	Garden 3-stories 1973 / n/a Family	Market	1BR / 1BA	59	36.4%	583	Market	\$818	N/A	No	0	0.0%
					1.5BR / 1BA	57	35.2%	639	Market	\$848	N/A	No	0	0.0%
					2BR / 2BA	28	17.3%	720	Market	\$958	N/A	No	0	0.0%
					2.5BR / 2BA	18	11.1%	863	Market	\$968	N/A	No	0	0.0%
162														
8	The Retreat Apartments 6500 Grand Retreat Drive Roanoke, VA 24019 Roanoke County	1.2 miles	Garden 3-stories 2016 / n/a Family	Market	1BR / 1BA	N/A	N/A	790	Market	\$1,315	N/A	No	0	N/A
					1BR / 1BA	N/A	N/A	790	Market	\$1,235	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	974	Market	\$1,568	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	974	Market	\$1,473	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	999	Market	\$1,675	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	999	Market	\$1,473	N/A	Yes	0	N/A
3BR / 2BA	N/A	N/A	1,323	Market	\$1,906	N/A	Yes	1	N/A					
252														
9	Westside Apartments 832 Westside Boulevard Roanoke, VA 24017 Roanoke City County	2.1 miles	Garden 2-stories 1969 / 2010 Family	Market	1BR / 1BA	40	54.1%	600	Market	\$414	N/A	Yes	0	0.0%
					2BR / 1BA	34	46.0%	800	Market	\$496	N/A	Yes	0	0.0%
74														
													0	0.0%

Location

LOCATION COMPARISON SUMMARY

#	Property Name	City	Tenancy	Rent Structure	Distance to Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	Smith Ridge Commons	Roanoke	Family	LIHTC/PBRA	-	\$71,327	\$181,100	\$943	102	2	5.5%	10.4%
1	Autumn Ridge	Roanoke	Family	LIHTC/Market	6.2 miles	\$24,205	\$84,800	\$774	134	23	13.1%	49.2%
2	Peter's Creek	Roanoke	Family	LIHTC	2.9 miles	\$59,728	\$181,100	\$943	83	43	8.9%	33.9%
3	The Everett	Roanoke	Family	LIHTC/Market	5.7 miles	\$56,074	\$217,000	\$929	65	54	11.7%	38.1%
4	Woodridge Apartments	Roanoke	Family	LIHTC/Market	3.7 miles	\$46,528	\$172,000	\$757	179	49	8.4%	51.6%
5	733 West Apartments	Roanoke	Family	Market	2.7 miles	\$19,497	\$109,400	\$801	170	48	17.0%	57.2%
6	Northridge Village Apartments	Roanoke	Family	Market	0.4 miles	\$55,632	\$181,100	\$943	102	28	7.1%	20.3%
7	Sterlingwood Apartments	Roanoke	Family	Market	1.3 miles	\$41,572	\$109,400	\$801	134	12	3.6%	62.8%
8	The Retreat Apartments	Roanoke	Family	Market	1.2 miles	\$82,883	\$181,100	\$943	58	2	7.9%	24.8%
9	Westside Apartments	Roanoke	Family	Market	2.1 miles	\$28,553	\$109,400	\$801	123	28	10.6%	47.7%

The Subject’s location has a higher median household income than all but one of the comparables. Additionally, the Subject location offers slightly inferior to superior median home values and similar to superior median rents. Crime indices in the neighborhood around the Subject are higher than three of the comparables, and similar to lower than the remaining comparables. Finally, the Subject location has an inferior to similar Walk Score compared to the comparables’ locations. Based on the locational data, all of the comparables are located in generally similar to slightly inferior areas to the Subject.

Age, Condition, and Design

The Subject will represent new construction and will be in excellent condition. The Retreat Apartments was built in 2016 and exhibits excellent condition, similar to the Subject upon completion. The remaining nine comparables were built or renovated between 1970 and 2021 and represent average to good condition, slightly inferior to inferior to the Subject upon completion.

The LIHTC and mixed-income properties range in size from 72 to 504 units, with an average development size of 216 units; note that excluding the high outlier of 504 units, the LIHTC comparables range from 72 to 192 units, with an average size of 120 units. Additionally, the market rate developments range from 74 to 252 units, with an average development size of 157 units. The Subject is at the low end, but within the range of, the development sizes for the comparable properties.

The Subject will offer a three-story, garden-style design. The four-bedroom units at 733 West Apartments offer a townhouse-style design which is considered slightly superior to the Subject’s design, while their two and three-bedroom units offer a garden-style design. The remaining comparables offer a garden-style design, which is considered similar to the Subject’s design

Unit Size

The following table illustrates the unit sizes of the Subject and the comparable properties.

UNIT SIZE COMPARISON

Bedroom Type	1BR	2BR	3BR
Subject	705	956	1,113
Average	671	936	1,217
Min	583	720	950
Max	790	1,137	1,323
Advantage/Disadvantage	6%	2%	-8%

The Subject’s proposed one and two-bedroom unit sizes are above the average, and within the range, of the comparable properties. The Subject’s three-bedroom unit size is below the average, but within the range, of the comparable properties. We believe that the Subject’s unit sizes are reasonable and will be accepted in the market. We have considered the Subject’s unit sizes in our achievable rent determination. The following table ranks the Subject’s unit sizes to the unit sizes at the comparable properties.

SQUARE FOOTAGE	Property	Size	Property	Size	Property	Size
	Woodridge Apartments (@60%)	750	The Everett (@60%)(1.5BA)	1,137	The Retreat Apartments (Market)	1,323
	Woodridge Apartments (Market)	750	The Everett (Market)(1.5BA)	1,137	Peter's Creek (@50%)(1BA)	1,320
	Smith Ridge Commons (@60%)	705	Northridge Village Apartments (Market)(1.5BA)	1,045	Peter's Creek (@60%)(1BA)	1,320
	Smith Ridge Commons (@40%)	705	The Everett (Market)	1,028	The Everett (Market)	1,255
	Smith Ridge Commons (@60%)	705	The Everett (@60%)	1,028	The Everett (@60%)	1,255
	Smith Ridge Commons (@30%)	705	Peter's Creek (@50%)(1BA)	1,000	733 West Apartments (Market)	1,175
	The Everett (Market)	665	Peter's Creek (@60%)(1BA)	1,000	Smith Ridge Commons (@60%)	1,113
	The Everett (@60%)	665	Smith Ridge Commons (@60%)	956	Smith Ridge Commons (@50%)	1,113
	The Everett (Market)	652	Smith Ridge Commons (@40%)	956	Smith Ridge Commons (@40%)	1,113
	The Everett (@60%)	652	Smith Ridge Commons (@50%)	956	Smith Ridge Commons (@30%)	1,113
	The Everett (@60%)	641	Smith Ridge Commons (@30%)	956	Woodridge Apartments (Market)(1BA)	950
	The Everett (Market)	641	Northridge Village Apartments (Market)(1BA)	940	Woodridge Apartments (@60%)(1BA)	950
	Autumn Ridge (Market)	620	733 West Apartments (Market)	936		
	Autumn Ridge (@60%)	620	The Everett (@60%)(1BA)	906		
	Westside Apartments (Market)	600	The Everett (Market)(1BA)	906		
	Sterlingwood Apartments (Market)	583	733 West Apartments (Market)	869		
			Woodridge Apartments (Market)(1BA)	830		
			Woodridge Apartments (@60%)(1BA)	830		
			Autumn Ridge (Market)(1BA)	800		
			Autumn Ridge (@60%)(1BA)	800		
			Westside Apartments (Market)(1BA)	800		
			Sterlingwood Apartments (Market)	720		

In-Unit Amenities

	Subject	Autumn Ridge	Peter's Creek	The Everett	Woodridge Apartments	733 West Apartments	Northridge Village	Sterlingwood Apartments	The Retreat Apartments	Westside Apartments
Rent Structure	LIHTC/PBRA	LIHTC/Market	LIHTC	LIHTC/Market	LIHTC/Market	Market	Market	Market	Market	Market
Unit Amenities										
Balcony/Patio	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	yes	no	no	no	no	no	no	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	no	yes	no
Ceiling Fan	yes	no	no	yes	no	no	no	yes	no	no
Coat Closet	no	no	yes	yes	no	yes	no	no	yes	no
Exterior Storage	no	no	no	yes	no	no	no	no	no	no
Walk-In Closet	yes	no	yes	no	no	yes	no	no	yes	no
Wall A/C	no	no	no	no	no	no	no	no	no	yes
W/D Hookup	yes	no	yes	no	no	yes	yes	no	yes	no
Kitchen										
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Disposal	no	yes	yes	yes	yes	yes	no	yes	no	no
Microwave	no	no	no	no	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject’s units will offer balconies/patios, blinds, central A/C, walk-in closets, ceiling fans, and washer/dryer hookups. Appliances will include dishwashers, range/oven, and refrigerator. The Subject will not offer garbage disposals, which six of the comparables include, or coat closets, which four of the comparables include. Overall, the Subject’s unit-amenities are considered generally similar to superior to the LIHTC and market rate comparables. We believe that the unit amenities will be competitive.

Property Amenities

Subject	Alexander At 1090	Belle Summit	Linden At Forest Hill	Morningside Apartments	Port City Apartments	Village South Townhomes	404 Rivertowne	Ashton Square	Communities At Southwood	The Mill At Manchester	The Park At Forest Hill	The Village At Westlake
Rent Structure	LIHTC/PBRA	LIHTC/PBRA	LIHTC	LIHTC	LIHTC/	LIHTC	LIHTC	Market	Market	Market	Market	Market
Community												
Business Center	no	no	yes	no	no	no	no	no	no	no	no	no
Community Room	yes	yes	yes	no	no	yes	no	no	no	yes	no	yes
Central Laundry	yes	yes	yes	yes	yes	no	yes	yes	yes	no	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Recreation												
Exercise Facility	yes	yes	yes	no	no	yes	no	no	yes	no	yes	no
Playground	yes	yes	no	no	yes	no	no	no	no	no	no	yes
Swimming Pool	no	no	no	no	yes	yes	no	yes	yes	yes	no	yes
Picnic Area	yes	no	no	no	yes	no	yes	no	no	yes	no	yes
Tennis Court	no	no	no	no	no	no	no	no	yes	no	no	no
Recreational Area	yes	no	no	no	no	no	no	no	no	no	no	no
Volleyball Court	no	no	no	no	no	no	no	yes	no	no	no	no
WiFi	no	no	no	no	no	yes	no	no	no	no	no	no

The Subject will feature a clubhouse/community room, central laundry, off-street parking, on-site management, an exercise facility, a playground, a picnic area, and recreation areas. Regarding community amenities, the Subject is considered slightly superior to superior to the LIHTC comparables, as well as the market rate comparables. We believe that the common area amenities will be competitive.

Security Features

SECURITY AMENITIES

Subject	Autumn Ridge	Peter’s Creek	The Everett	Woodridge Apartments	733 West Apartments	Northridge Village	Sterlingwood Apartments	The Retreat Apartments	Westside Apartments	
Rent Structure	LIHTC/PBRA	LIHTC/	LIHTC	LIHTC/	LIHTC/	Market	Market	Market	Market	
Crime Risk Index	102	134	83	65	179	170	102	134	58	123
Security										
Intercom (Buzzer)	yes	no	no	no	no	no	no	no	no	no
Limited Access	yes	no	no	no	no	no	no	no	yes	no
Patrol	Yes	no	no	no	no	no	no	no	no	no

The Subject will offer intercom (buzzers), limited access, and courtesy patrol. All of the comparables offer fewer security features than the Subject. We believe that the Subject’s security features will be competitive and market oriented.

Utility Structure

UTILITIES

Subject	Autumn Ridge	Peter’s Creek	The Everett	Woodridge Apartments	733 West Apartments	Northridge Village	Sterlingwood Apartments	The Retreat Apartments	Westside Apartments
Rent Structure	LIHTC/PBRA	LIHTC/	LIHTC	LIHTC/	LIHTC/	Market	Market	Market	Market
Utility Structure									
Cooking	no	no	no	yes	no	no	no	no	no
Water Heat	no	no	no	yes	no	no	no	no	no
Heat	no	no	no	yes	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no
Water	no	yes	yes	yes	yes	yes	no	no	yes
Sewer	no	yes	yes	yes	yes	yes	no	no	yes
Trash	yes	yes	yes	yes	yes	yes	no	no	yes

The tenant will be responsible for electric cooking, heating, hot water, and other electric expenses, as well as water and sewer expenses. The landlord is responsible for trash expenses and common area amenities. The utility structure varies among the comparable properties; we have adjusted the comparables’ rents in accordance with the utility schedule obtained from the City of Roanoke Redevelopment and Housing Authority, effective October 1, 2019, the most recent schedule available.

Parking

PARKING AMENITIES

	Subject	Autumn Ridge	Peter's Creek	The Everett	Woodridge Apartments	733 West Apartments	Northridge Village	Sterlingwood Apartments	The Retreat Apartments	Westside Apartments
Rent Structure	LIHTC/PBRA	LIHTC/	LIHTC	LIHTC/	LIHTC/	Market	Market	Market	Market	Market
Walk Score	2	23	43	54	49	48	28	12	2	28
Parking										
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject will offer a total of 158 off-street parking spaces (all offered on a first-come, first-served basis), which will equate to a parking ratio of 2.2 spaces per unit. The comparables could not provide exact parking ratios, but noted that the properties offer between 1.0 and 2.0 parking spaces per unit. Overall, the parking offered at the Subject is competitive, particularly given the proximity to public transportation. All of the comparable properties offer off-street parking included with rent. The Subject will be considered similar to all of the comparables in terms of parking.

MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

Turnover

The following table details turnover rates at comparable properties.

Property Name	TURNOVER		
	Rent Structure	Tenancy	Annual Turnover
Autumn Ridge	LIHTC/ Market	Family	25%
Peter's Creek	LIHTC	Family	25%
The Everett	LIHTC/ Market	Family	N/A
Woodridge Apartments	LIHTC/ Market	Family	7%
733 West Apartments	Market	Family	19%
Northridge Village Apartments	Market	Family	6%
Sterlingwood Apartments	Market	Family	29%
The Retreat Apartments	Market	Family	41%
Westside Apartments	Market	Family	2%
Average Turnover			19%

Turnover rates in the market range from two to 41 percent, with an average of 19 percent. The LIHTC properties averaged 19 percent turnover and the market rate properties averaged 19 percent turnover annually. Overall, we expect that the Subject will experience a turnover rate of 25 percent or less.

Vacancy Levels

The following table illustrates vacancy rates at the comparable properties.

OVERALL VACANCY						
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate	
Autumn Ridge	LIHTC/ Market	Family	72	0	0.0%	
Peter's Creek	LIHTC	Family	192	2	1.0%	
The Everett	LIHTC/ Market	Family	504	6	1.2%	
Woodridge Apartments	LIHTC/ Market	Family	96	1	1.0%	
733 West Apartments	Market	Family	124	2	1.6%	
Northridge Village Apartments	Market	Family	174	4	2.3%	
Sterlingwood Apartments	Market	Family	162	0	0.0%	
The Retreat Apartments	Market	Family	252	1	0.4%	
Westside Apartments	Market	Family	74	0	0.0%	
Total LIHTC			864	9	1.0%	
Total Market Rate			786	7	0.9%	
Overall Total			1,650	16	1.0%	

The comparables reported vacancy rates ranging from zero to 2.3 percent, with an average of 1.0 percent. The average vacancy rate reported by the affordable comparables was 1.0 percent, while the average vacancy rate reported by the market rate comparables was 0.9 percent. Based on the performance of the LIHTC comparables, we expect the Subject will operate at a vacancy rate of 3.0 percent or less.

Most of the comparable properties reporting adverse impact from COVID-19 do not expect an increase in tenants experiencing difficulties paying rents. However, all properties are handling issues on a month-to-month basis.

VACANCY BY BEDROOM TYPE						
Property Name	Rent Structure	Tenancy	1BR	2BR	3BR	Overall
Autumn Ridge	LIHTC/ Market	Family	-	-	-	0.0%
Peter's Creek	LIHTC	Family	-	0.8%	1.7%	1.0%
The Everett	LIHTC/ Market	Family	0.6%	1.5%	0.0%	1.2%
Woodridge Apartments	LIHTC/ Market	Family	0.0%	0.0%	0.0%	1.0%
733 West Apartments	Market	Family	-	0.0%	2.8%	1.6%
Northridge Village Apartments	Market	Family	-	-	-	2.3%
Sterlingwood Apartments	Market	Family	0.0%	0.0%	-	0.0%
The Retreat Apartments	Market	Family	-	-	-	0.4%
Westside Apartments	Market	Family	0.0%	0.0%	-	0.0%

The Subject will consist of one, two, and three-bedroom units. Three comparables were unable to provide vacancy by bedroom type. Among the remaining comparables, vacancy rates in the market for one-bedroom units range from zero to 0.6 percent, from zero to 1.5 percent for two-bedroom units, and from zero to 2.8 percent for three-bedroom units. Further, the average vacancy by bedroom type was 0.2, 0.4, 1.1 percent for the one, two, and three-bedroom comparable units, respectively. Overall, the vacancy rates in the market are stable. Given the projected household growth rates, we believe the Subject will not negatively impact the existing properties in the market.

Concessions

None of the comparable are currently offering concessions. We do not anticipate that the Subject will need to offer concessions to maintain a stabilized occupancy rate.

Waiting Lists

The following table illustrates the waiting lists reported at the comparable properties.

WAITING LIST			
Property Name	Rent Structure	Tenancy	Waiting List Length
Autumn Ridge	LIHTC/ Market	Family	None
Peter's Creek	LIHTC	Family	None
The Everett	LIHTC/ Market	Family	None
Woodridge Apartments	LIHTC/ Market	Family	None
733 West Apartments	Market	Family	Yes; two to three months
Northridge Village Apartments	Market	Family	None
Sterlingwood Apartments	Market	Family	None
The Retreat Apartments	Market	Family	Yes; five to ten households
Westside Apartments	Market	Family	Yes; unknown length

None of the LIHTC properties maintain waiting lists, while three of the market rate comparables maintain waiting lists. Based on the low vacancy rates at the comparable properties, we anticipate that the Subject could maintain a short waiting list to facilitate leasing upon turnover.

Absorption

None of the comparables were able to report recent absorption data. Further, we were unable to retrieve any recent absorption data within the city of Roanoke. Therefore, we have included absorption data for recently constructed multifamily properties within 100 miles of the Subject. This absorption information is presented in the following table.

ABSORPTION							
Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Avondale Trace	LIHTC	Family	High Point	2021	72	11	88.6 miles
Amberly Trace	LIHTC	Family	Burlington	2020	80	20	91.9 miles
198 Milltown	Market	Family	Burlington	2020	288	30	91.0 miles
Comet Bermuda Run Apartments	Market	Family	Bermuda Run	2020	224	16	93.4 miles
Brookdale Apartments	LIHTC	Family	Charlottesville	2019	96	8	94.0 miles
Timberland Park	LIHTC	Family	Charlottesville	2019	80	20	94.4 miles
Altitude At Stone Port	Market	Family	Harrisonburg	2019	140	18	97.6 miles
Overall Average					140	18	

The properties have reported absorption rates ranging from eight to 30 units per month. We believe the Subject would experience an absorption rate 20 units per month, indicating an absorption period of three to four months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

Rental Rate Increases

The following table illustrates the rent increases at the comparable properties.

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Autumn Ridge	LIHTC/ Market	Family	No change since Q4 2021
Peter's Creek	LIHTC	Family	Increased one to two percent
The Everett	LIHTC/ Market	Family	Increased 2.4 to 7.0 percent
Woodridge Apartments	LIHTC/ Market	Family	Increased 6.7 to 7.8 percent
733 West Apartments	Market	Family	Increased 11.1 -15.0 percent on average per year
Northridge Village Apartments	Market	Family	Changes daily
Sterlingwood Apartments	Market	Family	Increased 1.5 to 4.3 percent since Q42021
The Retreat Apartments	Market	Family	Changes daily
Westside Apartments	Market	Family	Decreased 6.7 to 8.0 percent

None of the LIHTC properties reported rents at the maximum levels. Three of the LIHTC comparables reported rent growth ranging from one to 7.8 percent. Autumn Ridge reported no rent growth. Three of the market rate comparables reported rents that varied annually, ranging from a decline of 8.0 percent to an increase of 15.0 percent. The remaining two market rate comparables reported that they utilize daily pricing systems and as such rents fluctuate on a daily basis. The Subject's proposed LIHTC rents are set at the maximum allowable levels. As such, future rent increases will be directly dependent upon AMI growth. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

Reasonability of Rents

The table below illustrates the Subject’s rents and unit mix.

PROPOSED RENTS							
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2021 LIHTC Maximum Allowable Gross Rent	2022 HUD Fair Market Rents
@30%							
1BR / 1BA	705	1	\$336	\$105	\$441	\$441	\$700
2BR / 2BA	956	5	\$397	\$132	\$529	\$529	\$879
3BR / 2BA	1,113	2	\$460	\$151	\$611	\$611	\$1,187
@40% (Project Based Rental Assistance - PBRA)							
1BR / 1BA	705	1	\$483	\$105	\$588	\$588	\$700
2BR / 2BA	956	5	\$574	\$132	\$706	\$706	\$879
3BR / 2BA	1,113	2	\$664	\$151	\$815	\$815	\$1,187
@50%							
1BR / 1BA	705	4	\$630	\$105	\$735	\$735	\$700
2BR / 2BA	956	12	\$750	\$132	\$882	\$882	\$879
3BR / 2BA	1,113	4	\$868	\$151	\$1,019	\$1,019	\$1,187
@60%							
1BR / 1BA	705	6	\$777	\$105	\$882	\$882	\$700
2BR / 2BA	956	23	\$927	\$132	\$1,059	\$1,059	\$879
3BR / 2BA	1,113	7	\$1,072	\$151	\$1,223	\$1,223	\$1,187
72							

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject’s proposed LIHTC rents at are set at the maximum allowable levels.

Comparable LIHTC Rents

The following tables compare the Subject’s and the comparable properties’ rents. For the purposes of this market study, “Base Rents” are the actual rents quoted to the tenant, and are most frequently those rents that potential renters consider when making a housing decision. “Net rents” are rents adjusted for the cost of utilities (adjusted to the Subject’s convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an “apples-to-apples” comparison of rents. Additionally, it is important to note that we compared to concessured rent levels at the comparable properties.

30% AMI

LIHTC RENT COMPARISON @30%

Property Name	County	1BR	2BR	3BR	Rents at Max?
Smith Ridge Commons	Roanoke	\$336	\$397	\$460	Yes
LIHTC Maximum Rent (Net)	Roanoke	\$336	\$397	\$460	
Achievable LIHTC Rent	-	\$336	\$397	\$460	

40% AMI

LIHTC RENT COMPARISON @40%

	County	1BR	2BR	3BR	Rents at Max?
Smith Ridge Commons	Roanoke	\$483	\$574	\$664	Yes
LIHTC Maximum Rent (Net)	Roanoke	\$483	\$574	\$664	
Achievable LIHTC Rent	-	\$483	\$574	\$664	

50% AMI

LIHTC RENT COMPARISON @50%

Property Name	County	1BR	2BR	3BR	Rents at Max?
Smith Ridge Commons	Roanoke	\$630	\$750	\$868	Yes
LIHTC Maximum Rent (Net)	Roanoke	\$630	\$750	\$868	
Peter's Creek	Roanoke		\$719	\$820	No
Average	-	-	\$719	\$820	
Achievable LIHTC Rent		\$630	\$750	\$868	

60% AMI

LIHTC RENT COMPARISON @60%

Property Name	County	1BR	2BR	3BR	Rents at Max?
Smith Ridge Commons	Roanoke	\$777	\$927	\$1,072	No
LIHTC Maximum Rent (Net)	Roanoke	\$777	\$927	\$1,072	
Autumn Ridge	Roanoke City	\$644	\$676	-	No
Peter's Creek	Roanoke	-	\$896	\$1,024	No
The Everett	Roanoke	\$611	\$708	\$793	No
Woodridge Apartments	Roanoke City	\$644	\$676	\$718	No
Average		\$633	\$739	\$845	
Achievable LIHTC Rent		\$777	\$927	\$1,072	

None of the four LIHTC comparables reported rents at the 2021 maximum allowable levels. The contacts for Woodridge Apartments and Autumn Ridge reported that the properties do not charge the maximum allowable rents, as the properties are owned and managed by non-profits that intentionally hold rents below the maximum levels in order to maintain affordability for tenants. The contacts at the other properties could not comment on whether higher rents are achievable in the market. None of the comparables maintain waiting lists. Autumn Ridge is fully occupied, and the remaining three LIHTC comparables reported occupancy levels above 98.8 percent. We maintain that these properties are not testing their upper rental limits. The LIHTC comparables reported an overall vacancy rate of 1.0 percent.

The Subject will offer balconies/patios, ceiling fans, walk-in closets, and washer/dryer hookups, which a number of the LIHTC comparables lack. However, the Subject will lack coat closets and garbage disposals, while a number of the LIHTC comparables include these amenities. Overall, the in-unit amenity package at the Subject will be considered generally similar to superior to the LIHTC comparable properties. Further, the Subject will feature slightly superior to superior community amenities to the LIHTC comparables. The Subject will be superior in condition to the LIHTC comparables, which were built or renovated between 1992 and 2007. The Subject will be most similar to Peter's Creek.

Peter’s Creek is a 192-unit development located 2.9 miles from the Subject site, within a neighborhood considered similar relative to the Subject’s location. The property was built in 1994, and currently exhibits inferior condition relative to the Subject upon completion. The manager at Peter’s Creek reported a vacancy rate of 1.0, indicating the current rents are well accepted in the market. We believe the in-unit amenities at the comparable will be similar to the Subject, while the property amenity package offered will be slightly inferior relative to the Subject. Overall, we believe the Subject will be a superior product relative to the Peter’s Creek. Our concluded achievable LIHTC rents for the Subject’s units are slightly above the rents reported by Peter’s Creek.

The Subject represents the newest LIHTC development, is the only newly constructed LIHTC development in the market, and will be in notably superior condition than the LIHTC comparables. Overall, given the demand for affordable housing the market, and significant rent advantage relative to estimated market rates, we believe the Subject would be able to achieve rents at the 2021 maximum allowable levels for all AMI levels.

Achievable Market Rents

The following tables illustrates the minimum, maximum, and average market rent for the units at the comparable properties that offer unrestricted units compared to the Subject’s achievable LIHTC rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Rent Level	Subject Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR / 1BA	@30%	\$336	\$414	\$1,315	\$788	\$1,200	72%
1BR / 1BA	@40% PBRA	\$483	\$414	\$1,315	\$788	\$1,200	60%
1BR / 1BA	@50%	\$630	\$414	\$1,315	\$788	\$1,200	48%
1BR / 1BA	@60%	\$777	\$414	\$1,315	\$788	\$1,200	35%
2BR / 2BA	@30%	\$397	\$496	\$1,675	\$1,040	\$1,400	72%
2BR / 2BA	@40% PBRA	\$574	\$496	\$1,675	\$1,040	\$1,400	59%
2BR / 2BA	@50%	\$750	\$496	\$1,675	\$1,040	\$1,400	46%
2BR / 2BA	@60%	\$927	\$496	\$1,675	\$1,040	\$1,400	34%
3BR / 2BA	@30%	\$460	\$718	\$1,906	\$1,255	\$1,600	71%
3BR / 2BA	@40% PBRA	\$664	\$718	\$1,906	\$1,255	\$1,600	59%
3BR / 2BA	@50%	\$868	\$718	\$1,906	\$1,255	\$1,600	46%
3BR / 2BA	@60%	\$1,072	\$718	\$1,906	\$1,255	\$1,600	33%

The comparable market properties will exhibit similar to inferior condition to the proposed Subject upon completion. Further, the location of the Subject will be generally similar to superior to the market rate comparable properties, which are located between 0.4 and 2.7 miles of the Subject. The Subject will offer similar to superior in-unit amenities. Additionally, the Subject will offer a superior community amenity package, including recreational areas, picnic areas, and exercise facilities, which are lacking at the majority of the market rate comparables. The Subject will offer slightly superior security features, including intercom and limited access. Additionally, the Subject’s unit sizes will be larger than the average unit sizes of the market rate comparables for one and two-bedroom units. The Subject’s three-bedroom unit sizes will only be slightly smaller than the average unit sizes of the market rate comparables. Overall, the Subject will be most similar to the Retreat Apartments and Northridge Village Apartments.

The Retreat Apartments offers one, two, and three-bedroom market rate units. Management reported that the property is 99.6 percent occupied. The comparable, which was constructed in 2016, exhibits excellent condition, which will be similar to the Subject’s anticipated condition. The Retreat Apartments is located

approximately 1.2 miles from the Subject in a generally similar location. The unit amenities at the Subject are considered similar to the amenity package offered at the Retreat Apartments. Additionally, the community amenities at the Subject are superior compared to the Retreat Apartments. The development offers a three-story, garden-style design, similar to the Subject’s proposed design. Additionally, the Subject’s one, two, and three-bedroom unit sizes will be slightly inferior to inferior to the unit sizes at the Retreat Apartments. Overall, relative to the Subject, the Retreat Apartments will be similar to the Subject and, therefore, we believe the Subject could achieve market rents similar to slightly lower than this comparable as an unrestricted property.

Northridge Village Apartments offers two and three-bedroom market rate units. Management reported that the property is 97.7 percent occupied. The comparable was constructed in 1970 and exhibits average condition, which will be inferior to the Subject’s anticipated condition following construction. Northridge Village Apartments is located approximately 0.4 miles from the Subject in a generally similar location. In terms of amenities, the comparable will offer inferior unit amenities and inferior community amenities. Northridge Village Apartments’ two-story, garden-style design will be similar to the Subject’s. The comparable’s unit sizes will be similar to superior to those of the Subject. Overall, we believe the Subject could achieve rents above this comparable as an unrestricted property.

The following tables compare the Subject’s rents (Novoco achievable LIHTC rents) with the rents achieved at the Retreat Apartments and Northridge Village Apartments.

SUBJECT COMPARISON TO THE RETREAT APARTMENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet	Subject RPSF	The Retreat Apartments Rent	Square Feet	The Retreat Apartments RPSF	Subject Rent Advantage
1BR / 1BA	@30%	\$336	705	\$0.48	\$1,235	790	\$1.56	72.4%
1BR / 1BA	@40% PBRA	\$483	705	\$0.69	\$1,235	790	\$1.56	60.5%
1BR / 1BA	@50%	\$630	705	\$0.89	\$1,235	790	\$1.56	48.6%
1BR / 1BA	@60%	\$777	705	\$1.10	\$1,235	790	\$1.56	36.7%
2BR / 2BA	@30%	\$397	956	\$0.42	\$1,473	974	\$1.51	71.9%
2BR / 2BA	@40% PBRA	\$574	956	\$0.60	\$1,473	974	\$1.51	59.9%
2BR / 2BA	@50%	\$750	956	\$0.78	\$1,473	974	\$1.51	47.9%
2BR / 2BA	@60%	\$927	956	\$0.97	\$1,473	974	\$1.51	35.9%
3BR / 2BA	@30%	\$460	1,113	\$0.41	\$1,906	1,323	\$1.44	74.8%
3BR / 2BA	@40% PBRA	\$664	1,113	\$0.60	\$1,906	1,323	\$1.44	64.1%
3BR / 2BA	@50%	\$868	1,113	\$0.78	\$1,906	1,323	\$1.44	53.4%
3BR / 2BA	@60%	\$1,072	1,113	\$0.96	\$1,906	1,323	\$1.44	42.7%

SUBJECT COMPARISON TO NORTHRIDGE VILLAGE APARTMENTS

Unit Type	Rent Level	Subject Achievable LIHTC Rent	Square Feet	Subject RPSF	Northridge Village Apartments Rent	Square Feet	Northridge Village Apartments RPSF	Subject Rent Advantage
2BR / 2BA	@30%	\$397	956	\$0.42	\$1,115	1,045	\$1.07	62.9%
2BR / 2BA	@40% PBRA	\$574	956	\$0.60	\$1,115	1,045	\$1.07	47.0%
2BR / 2BA	@50%	\$750	956	\$0.78	\$1,115	1,045	\$1.07	31.2%
2BR / 2BA	@60%	\$927	956	\$0.97	\$1,115	1,045	\$1.07	15.3%
3BR / 2BA	@30%	\$460	1,113	\$0.41	\$1,405	1,312	\$1.07	65.8%
3BR / 2BA	@40% PBRA	\$664	1,113	\$0.60	\$1,405	1,312	\$1.07	51.2%
3BR / 2BA	@50%	\$868	1,113	\$0.78	\$1,405	1,312	\$1.07	36.7%
3BR / 2BA	@60%	\$1,072	1,113	\$0.96	\$1,405	1,312	\$1.07	22.2%

We have placed the Subject’s achievable market rents above the surveyed average rents in the market, due to the Subject’s condition and competitive amenity package. The Subject’s achievable market rate rents per square foot are within the upper range of the comparables. The Subject’s achievable LIHTC rents represent advantages of 33 to 72 percent over the achievable market rents for the Subject’s one, two, and three-bedroom units. The following table displays the concluded achievable market rents at the Subject.

SUBJECT ACHIEVABLE MARKET RENTS

Unit Type	Achievable Market Rent	Square Feet	Subject RPSF
1BR / 1BA	\$1,200	705	\$1.70
2BR / 2BA	\$1,400	956	\$1.46
3BR / 2BA	\$1,600	1,113	\$1.44

Summary Evaluation

The Subject will be well-positioned in the market. As a newly constructed property, the Subject will be in generally similar to superior condition to the comparable properties. Vacancy rates among the LIHTC properties range from zero to 1.2 percent, with an average of 1.0 percent. Additionally, one of the LIHTC comparables reported no vacancies. Vacancy at the Subject is expected to be no more than 3.5 percent over the long term. Based on the comparable data, rental rates at the maximum allowable levels are achievable. Overall, the Subject will be well-accepted in the market as a LIHTC property.

Impact on Existing Housing Stock

All the data combined with interviews of real estate professionals demonstrate a continuing need for affordable housing over the foreseeable term. The comparables surveyed include a total of 1,650 units at nine properties. The affordable properties in the area reported occupancy rates of 98.8 percent or higher, with one of properties reporting no vacancies. Further, the strong occupancy rates at the majority of the market rate projects in the PMA are evidence of a stable rental market and strong demand.

Our demand calculations illustrate a need for affordable housing in the area when we consider the Subject’s achievable LIHTC rents. The existing and planned apartment developments will not hinder each other’s ability to maintain high occupancy. Additionally, the construction of the property through the LIHTC program will have a positive impact on the surrounding neighborhood, and will not adversely affect the existing housing located in the PMA.

I. AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES AND PENETRATION RATES

AFFORDABILITY ANALYSIS, DEMAND ANALYSIS, CAPTURE RATES, AND PENETRATION RATES

Introduction

When evaluating demand for a particular proposed development we rely primarily on two methods. These are a supply analysis and a demand analysis. The supply analysis focuses on satisfied demand and anecdotal reports from property managers and market participants regarding demand. We believe this evidence of demand is the most clear and reliable when measuring housing need in a market area. We explored that indication in the previous sections of this report.

This section focuses on analyzing demographic data to determine housing need. According to NCHMA model content standards there are two measurements used to evaluate demand based on the demographic data. The first measurement is termed the capture rate. NCHMA define Capture Rate as: “The percentage of age, size, and income qualified renter households in the primary market area that the property must capture to fill the units. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the primary market area.”

The second measurement is the Penetration Rate, which has similarities to the capture rate. NCHMA defines Penetration Rate as “The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed within six months of the Subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*.”

Capture Rate Determination

The following analysis will take the reader through a multi-step process in determining an appropriate capture rate for the Subject. Our analysis takes the entire population and distributes it by the following characteristics:

- 1) PMA Demography
- 2) Income Qualified
- 3) Renter Households
- 4) Unit Size Appropriate

The following text will examine each step through the process.

Step One – PMA Demography

Primary Market Area Defined

For the purposes of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much “neighborhood-oriented” and are generally very reluctant to move from the area in which they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below-market rents. A certain percent of the Subject’s tenants are expected to hail from the PMA; demand estimates will be adjusted to reflect the potential for “leakage.”

The PMA boundaries are: Interstate 81, State Route 654, and State Route 220 to the north; State Route 460, the Roanoke River, and Garden City Boulevard Southeast to the east; Blue Ridge Parkway, State Route 220, and State Road 419 to the south; and State Route 640, the Roanoke River, and Interstate 81 to the west. The PMA encompasses 42.1 square miles. The PMA was determined based on input from area property managers.

Demographic Information

The basic demographic information is based upon the definition of a primary market area (“PMA”) and an estimate of the characteristics of the people living within that geographic definition.

Demographic data originates from the Census and is compiled by a third-party data provider. Novogradac Consulting LLP uses data provided by the ESRI Business Analyst. Business Analyst brings in data as produced by ESRI’s team of demographers. Sources include the US Census, American Community Survey, and other reputable sources. Housing characteristics are derived from several data sources, including construction data from Hanley Wood Market Intelligence, building permits from counties, the USPS, HUD, BLS, and the Census bureau. Owner and renter occupied units come from the Current Population Survey (BLS) and the Housing Vacancy Survey (Census). Data has been ground-truthed by ESRI staff and proven effective.

ESRI’s products have been used by almost all US federal agencies (including HUD and USDA), top state level agencies, over 24,000 state and local governments worldwide, as well as many industry leading technology users—AT&T, Citrix, SAP, Oracle, Microsoft. ESRI produces timely updates based on new releases of data.

Step one is to identify demographic data such as number of households, renter households, income distribution and AMI levels. The appropriate demographic is used based on the tenancy for the proposed development. When analyzing a property designated for families the demographics for the entire population within the PMA is used. However, senior properties are restricted to tenants who have reached the age of at least 55 or 62 years based upon the specifics of the applicable program. A property designated for seniors is analyzed using demographic data that includes only those households that are 65 years old and above. Even if a project has the lower restriction of 55 years of age, we still use the 65 plus as our research indicates that those younger than 65 are unlikely to seek age restrictive housing. The demographic information was detailed in the demographic section of this report.

Step Two – Income Qualified

Assumptions and Data necessary for this calculation are:

Appropriate Municipality:	Roanoke, VA
AMI for four-person household:	\$78,400
Tenancy (Family vs Senior):	Family
Affordability percentage:	35 percent
Leakage:	10 percent

To establish the number of income-eligible potential tenants for the Subject, the calculations are as follows:

First, we estimate the Subject’s minimum and maximum income levels (income bands) for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties, based on the AMI. This provides the upper end of the income band as illustrated below. However, the minimum income is not established by HUD and must be estimated. Often, lower-income families pay a higher percentage of gross income toward housing costs. The industry standard is 35 percent for LIHTC-only calculations for family-oriented properties. For senior properties this number increases to 40 percent based upon the nature of senior household economics. The lower end of the income band is calculated by taking the proposed rent by bedroom type multiplying by 12 and dividing by the application percentage to determine an income level. For example, if a property has a one-bedroom unit with proposed gross rents of \$500, the estimated low end of the income range would be \$17,143 based on the family 35 percent or \$15,000 based on the senior 40 percent.

FAMILY INCOME LIMITS - AS PROPOSED

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@40% (Project Based Rental Assistance - PBRA)		@50%		@60%	
1BR	\$15,291	\$18,840	\$0	\$25,120	\$25,371	\$31,400	\$30,240	\$37,680
2BR	\$18,720	\$21,180	\$0	\$28,240	\$30,823	\$35,300	\$36,309	\$42,360
3BR	\$21,669	\$25,410	\$0	\$33,880	\$35,657	\$42,350	\$41,931	\$50,820

FAMILY INCOME LIMITS - ABSENT SUBSIDY

Unit Type	Minimum Allowable Income	Maximum Allowable Income						
	@30%		@40%		@50%		@60%	
1BR	\$15,291	\$18,840	\$20,160	\$25,120	\$25,371	\$31,400	\$30,240	\$37,680
2BR	\$18,720	\$21,180	\$24,206	\$28,240	\$30,823	\$35,300	\$36,309	\$42,360
3BR	\$21,669	\$25,410	\$27,943	\$33,880	\$35,657	\$42,350	\$41,931	\$50,820

Second, we illustrate the household population segregated by income band in order to determine those who are income-qualified to reside in the Subject property. This income distribution was illustrated previously in the demographic analysis section of this report.

RENTER HOUSEHOLD INCOME

Income Cohort	PMA					
	2021		2026		Annual Change 2021 to 2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,794	13.5%	3,504	12.7%	-58	-1.5%
\$10,000-19,999	5,360	19.1%	4,878	17.6%	-96	-1.8%
\$20,000-29,999	3,887	13.8%	3,680	13.3%	-41	-1.1%
\$30,000-39,999	2,956	10.5%	2,813	10.2%	-29	-1.0%
\$40,000-49,999	2,653	9.4%	2,377	8.6%	-55	-2.1%
\$50,000-59,999	2,646	9.4%	2,700	9.8%	11	0.4%
\$60,000-74,999	2,255	8.0%	2,328	8.4%	15	0.6%
\$75,000-99,999	1,928	6.9%	2,054	7.4%	25	1.3%
\$100,000-124,999	1,171	4.2%	1,409	5.1%	48	4.1%
\$125,000-149,999	366	1.3%	524	1.9%	32	8.6%
\$150,000-199,999	446	1.6%	573	2.1%	25	5.7%
\$200,000+	641	2.3%	830	3.0%	38	5.9%
Total	28,103	100.0%	27,670	100.0%		

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, January 2022

Step Three – Income Distribution

Third, we combine the allowable income bands with the income distribution analysis in order to determine the number of potential income-qualified households. The Cohort Overlap is defined as the income amount within income bands defined above that falls within the ESRI provided Income Cohort. The % in Cohort is simply the cohort overlap divided by the income cohort range (generally \$10,000). The # in Cohort is determined by multiplying total renter households by the % in Cohort determination. In some cases, the income-eligible band overlaps with more than one income cohort. In those cases, the cohort overlap for more than one income cohort will be calculated. The sum of these calculations provides an estimate of the total number of households that are income-eligible, both by AMI level and in total.

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FAMILY INCOME DISTRIBUTION 2021 - AS PROPOSED

Income Cohort	Total Renter Households	@30%			@40% (Project Based Rental Assistance - PBRA)			@50%			@60%			All Units			
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	
\$0-9,999	3,794				9,999	100.0%	3,794										
\$10,000-19,999	5,360	4,878	48.8%	2,615	9,999	100.0%	5,360								9,999	100.0%	5,360
\$20,000-29,999	3,887	5,411	54.1%	2,103	9,999	100.0%	3,887	4,799	48.0%	1,866					9,999	100.0%	3,887
\$30,000-39,999	2,956				3,881	38.8%	1,147	9,999	100.0%	2,956	9,759	97.6%	2,885		9,999	100.0%	2,956
\$40,000-49,999	2,653							2,351	23.5%	624	9,999	100.0%	2,653	9,999	100.0%	2,653	
\$50,000-59,999	2,646										821	8.2%	217	821	8.2%	217	
\$60,000-74,999	2,255																
\$75,000-99,999	1,928																
\$100,000-124,999	1,171																
\$125,000-149,999	366																
\$150,000-199,999	446																
\$200,000+	641																
Total	28,103		16.8%	4,718		50.5%	14,188		19.4%	5,445		20.5%	5,755		67.1%	18,867	

FAMILY INCOME DISTRIBUTION 2021 - ABSENT SUBSIDY

Income Cohort	Total Renter Households	@30%			@40%			@50%			@60%			All Units			
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	
\$0-9,999	3,794																
\$10,000-19,999	5,360	4,878	48.8%	2,615											4,878	48.8%	2,615
\$20,000-29,999	3,887	5,411	54.1%	2,103	9,839	98.4%	3,825	4,799	48.0%	1,866					9,999	100.0%	3,887
\$30,000-39,999	2,956				3,881	38.8%	1,147	9,999	100.0%	2,956	9,759	97.6%	2,885		9,999	100.0%	2,956
\$40,000-49,999	2,653							2,351	23.5%	624	9,999	100.0%	2,653	9,999	100.0%	2,653	
\$50,000-59,999	2,646										821	8.2%	217	821	8.2%	217	
\$60,000-74,999	2,255																
\$75,000-99,999	1,928																
\$100,000-124,999	1,171																
\$125,000-149,999	366																
\$150,000-199,999	446																
\$200,000+	641																
Total	28,103		16.8%	4,718		17.7%	4,972		19.4%	5,445		20.5%	5,755		43.9%	12,328	

Step Four – Income Eligible - Renter Households by Number of People in Household

At this point we know how many income eligible renter households there are within the PMA by AMI level. Using that household figure, we have also calculated percentage of income eligible households to total households by AMI level (AMI percentage eligible). However, in order to provide a demand analysis by bedroom type the number of households must now be allocated to a bedroom mix. The first step in that process is to determine the number of income qualified renter households by the number of persons per household. This can be completed by applying the total number of rental households by person by the AMI percentage eligible. The total number of renter households by person is information provided by ESRI and illustrated in the demographic discussion.

Step Five – Unit Size Appropriate

Household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. Additionally, HUD assumes that one-person households are accommodated in one-bedroom units. For LIHTC income purposes, the actual size of the household is used.

The distribution of households by unit type is dependent on the following assumptions. This table has been developed by Novogradac as a result of market research.

HOUSEHOLD DISTRIBUTION		
1 BR	90%	Of one-person households in 1BR units
	20%	Of two-person households in 1BR units
2 BR	10%	Of one-person households in 2BR units
	80%	Of two-person households in 2BR units
	60%	Of three-person households in 2BR units
	30%	Of four-person households in 2BR units
3 BR	40%	Of three-person households in 3BR units
	40%	Of four-person households in 3BR units
	50%	Of five-person households in 3BR units

The projected renter household demand by bedroom size can then be determined by applying these weightings to the number of income qualified renter households determined in Step Four.

Step Six – Capture Rate by Bedroom Mix

The capture rate is simply determined by dividing the number of units by unit type for the subject by the total number of qualified renter households for that unit type. This calculation is then adjusted for leakage to arrive at a final determination of capture rate by bedroom type and AMI level.

CAPTURE RATE ANALYSIS BY UNIT TYPE

In order to determine demand for the proposed market mix, we also analyzed the demand capture rates expected at the Subject by bedroom type. This analysis illustrates demand for all AMI levels.

30% AMI Demand - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	46.9%	13,185
2 persons	25.6%	7,193
3 persons	13.9%	3,916
4 persons	7.7%	2,167
5+ persons	5.8%	1,642
Total	100.0%	28,103

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	13,185	x	2,214
2 persons	7,193	x	1,208
3 persons	3,916	x	657
4 persons	2,167	x	364
5+ persons	1,642	x	276
Total	28,103		4,718

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,234
2BR	1,691
3BR	546
Total	4,471

Capture Rate Analysis - @30% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	1	0.04%
2BR	5	0.30%
3BR	2	0.37%
Total/Overall	8	0.18%

Adjusted for Leakage from Outside of the PMA

10%

1BR	1	0.04%
2BR	5	0.27%
3BR	2	0.33%
Total/Overall	8	0.16%

40% AMI Demand - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	46.9%	13,185
2 persons	25.6%	7,193
3 persons	13.9%	3,916
4 persons	7.7%	2,167
5+ persons	5.8%	1,642
Total	100.0%	28,103

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	13,185	x 50.5%	6,657
2 persons	7,193	x 50.5%	3,632
3 persons	3,916	x 50.5%	1,977
4 persons	2,167	x 50.5%	1,094
5+ persons	1,642	x 50.5%	829
Total	28,103		14,188

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	6,717
2BR	5,085
3BR	1,643
Total	13,446

Capture Rate Analysis - @40% (Project Based Rental Assistance - PBRA) - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	1	0.01%
2BR	5	0.10%
3BR	2	0.12%
Total/Overall	8	0.06%

Adjusted for Leakage from Outside of the PMA

10%

1BR	1	0.01%
2BR	5	0.09%
3BR	2	0.11%
Total/Overall	8	0.05%

50% AMI Demand - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	46.9%	13,185
2 persons	25.6%	7,193
3 persons	13.9%	3,916
4 persons	7.7%	2,167
5+ persons	5.8%	1,642
Total	100.0%	28,103

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	13,185	x 19.4%	2,555
2 persons	7,193	x 19.4%	1,394
3 persons	3,916	x 19.4%	759
4 persons	2,167	x 19.4%	420
5+ persons	1,642	x 19.4%	318
Total	28,103		5,445

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,578
2BR	1,952
3BR	631
Total	5,160

Capture Rate Analysis - @50% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	4	0.16%
2BR	12	0.61%
3BR	4	0.63%
Total/Overall	20	0.39%

Adjusted for Leakage from Outside of the PMA

10%

1BR	4	0.14%
2BR	12	0.55%
3BR	4	0.57%
Total/Overall	20	0.35%

60% AMI Demand As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	46.9%	13,185
2 persons	25.6%	7,193
3 persons	13.9%	3,916
4 persons	7.7%	2,167
5+ persons	5.8%	1,642
Total	100.0%	28,103

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	13,185	x 20.5%	2,700
2 persons	7,193	x 20.5%	1,473
3 persons	3,916	x 20.5%	802
4 persons	2,167	x 20.5%	444
5+ persons	1,642	x 20.5%	336
Total	28,103		5,755

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,725
2BR	2,063
3BR	666
Total	5,454

Capture Rate Analysis - @60% - As Proposed

	Developer's Unit Mix	Capture Rate
1BR	6	0.22%
2BR	23	1.11%
3BR	7	1.05%
Total/Overall	36	0.66%

Adjusted for Leakage from Outside of the PMA

10%

1BR	6	0.20%
2BR	23	1.00%
3BR	7	0.95%
Total/Overall	36	0.59%

All AMI Demand - As Proposed

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	46.9%	13,185
2 persons	25.6%	7,193
3 persons	13.9%	3,916
4 persons	7.7%	2,167
5+ persons	5.8%	1,642
Total	100.0%	28,103

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	13,185	x 67.1%	8,852
2 persons	7,193	x 67.1%	4,829
3 persons	3,916	x 67.1%	2,629
4 persons	2,167	x 67.1%	1,455
5+ persons	1,642	x 67.1%	1,102
Total	28,103		18,867

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	8,933
2BR	6,762
3BR	2,185
Total	17,880

Capture Rate Analysis - All Units As Proposed

	Developer's Unit Mix	Capture Rate
1BR	12	0.13%
2BR	45	0.67%
3BR	15	0.69%
Total/Overall	72	0.40%

Adjusted for Leakage from Outside of the PMA

10%

1BR	12	0.12%
2BR	45	0.60%
3BR	15	0.62%
Total/Overall	72	0.36%

40% AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	46.9%	13,185
2 persons	25.6%	7,193
3 persons	13.9%	3,916
4 persons	7.7%	2,167
5+ persons	5.8%	1,642
Total	100.0%	28,103

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	13,185	x 17.7%	2,333
2 persons	7,193	x 17.7%	1,273
3 persons	3,916	x 17.7%	693
4 persons	2,167	x 17.7%	383
5+ persons	1,642	x 17.7%	291
Total	28,103		4,972

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	2,354
2BR	1,782
3BR	576
Total	4,712

Capture Rate Analysis - @40% Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	1	0.04%
2BR	5	0.28%
3BR	2	0.35%
Total/Overall	8	0.17%

Adjusted for Leakage from Outside of the PMA

10%

1BR	1	0.04%
2BR	5	0.25%
3BR	2	0.31%
Total/Overall	8	0.15%

All AMI Demand – Absent Subsidy

PROJECTED RENTER HOUSEHOLD DEMAND BY BEDROOM TYPE

Renter Household Distribution 2021

	Renter Household Size Distribution	Total Number of Renter Households
1 person	46.9%	13,185
2 persons	25.6%	7,193
3 persons	13.9%	3,916
4 persons	7.7%	2,167
5+ persons	5.8%	1,642
Total	100.0%	28,103

Income-Qualified Renter Demand

	Total Number of Renter Households	% Income-Qualified Renter Households	Number Qualified Renter Households
1 person	13,185	x 43.9%	5,784
2 persons	7,193	x 43.9%	3,155
3 persons	3,916	x 43.9%	1,718
4 persons	2,167	x 43.9%	951
5+ persons	1,642	x 43.9%	720
Total	28,103		12,328

Projected Renter Household Demand by Bedroom Size

	Number of Qualified Renter Households
1BR	5,837
2BR	4,419
3BR	1,428
Total	11,683

Capture Rate Analysis - All Units Absent Subsidy

	Developer's Unit Mix	Capture Rate
1BR	12	0.21%
2BR	45	1.02%
3BR	15	1.05%
Total/Overall	72	0.62%

Adjusted for Leakage from Outside of the PMA

10%

1BR	12	0.19%
2BR	45	0.92%
3BR	15	0.95%
Total/Overall	72	0.55%

ANNUAL CAPTURE RATE ANALYSIS

The following calculation derives an estimated market penetration rate based on per annum demand. This is an indication of the percentage of net demand penetration that the Subject must attract in order to reach stabilized occupancy. This measure essentially takes the available household demand searching for apartments in the market area and deducts competition in order to determine net demand available to the Subject. The table below outlines the analysis of this methodology.

The annual demand for rental housing depends upon the following factors:

Population/Household Change

Population change as a result of new households moving in or out of the area: This was previously calculated, in the estimated population increase from 2021 to 2026. Since the newly derived population will all be eligible, they are included directly into the annual demand estimate.

Additions to Supply

To determine the amount of competitive new supply entering the market, we consulted a January 2022 CoStar report, conducted an internet search and attempted to contact the Planning, Building, and Development Commission for Roanoke. However, out calls have not been returned to date. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

PLANNED DEVELOPMENT						
Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
District Vue Phase II	Market	Family	108	0	Under Construction	5.8 miles
Lawson Building West	Market	Family	24	0	Proposed	5.2 miles
Randolph Street	Market	Family	105	0	Proposed	4.9 miles
The View at Blue Ridge Commons	Market	Family	338	0	Under Construction	1.8 miles
Totals			575	0		

Source: CoStar, January 2022

All five properties that are currently planned, proposed, under construction, or recently completed will be market rate, and thus will not directly compete with the Subject. Additionally, we reviewed the Virginia Housing LIHTC award lists from 2018 through 2021. No properties in Roanoke County received funding during that time frame. Overall, we have deducted zero units from our penetration rate in the demand analysis section of this report.

Annual Demand Table – As Proposed

ANNUAL DEMAND - AS PROPOSED		
Calculation		PMA
Number of Renter Households in 2021		28,103
Increase in Number of Renter Households		(433)
Number of Renter Households in 2026		27,670
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		43.1%
Percentage of Income-Qualified Renter Households		67.1%
Number of Income-Qualified Renter Households		18,867
Percentage of Rent-Overburdened		39.9%
Existing Income-Qualified Renter Household Turnover		7,537
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		(87)
Percentage of Income-Qualified Renter Households		67.1%
New Rental Income Qualified Households		(58)
<i>Capture Rate Analysis</i>		
Number of Units in Subject		72
Occupied Units at Subject With Vacancy of:	5%	68
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		7,479
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		8,310
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		8,310
Yielded Annual Capture Rate of Available Demand in 2022		0.8%

The yielded capture rate is approximately 0.8 percent of available demand per annum, for the Subject’s units as proposed, which is considered indicative of demand.

Annual Demand Table – Absent Subsidy

ANNUAL DEMAND - ABSENT SUBSIDY		
Calculation		PMA
Number of Renter Households in 2021		28,103
Increase in Number of Renter Households		(433)
Number of Renter Households in 2026		27,670
<i>Existing Demand</i>		
Percentage of Total Households that are Renter		43.1%
Percentage of Income-Qualified Renter Households		43.9%
Number of Income-Qualified Renter Households		12,328
Percentage of Rent-Overburdened		39.9%
Existing Income-Qualified Renter Household Turnover		4,925
<i>New Income-Qualified Demand, Stated Annually</i>		
Increase in Renter Households per Annum		(87)
Percentage of Income-Qualified Renter Households		43.9%
New Rental Income Qualified Households		(38)
<i>Capture Rate Analysis</i>		
Number of Units in Subject		72
Occupied Units at Subject With Vacancy of:	5%	68
Units Pre-Leased		0
Total Demand (Turnover and Growth) from within PMA		4,887
Portion Originating within PMA		90%
Total Demand (Turnover and Growth) from within PMA		5,430
Less: Existing LIHTC Projects in Absorption Process (Number of Units)	0	
Total Demand after Competition (Turnover and Growth)		5,430
Yielded Annual Capture Rate of Available Demand in 2022		1.3%

Absent subsidy, the annual capture rate is 1.3 percent for all of the Subject’s units, which is considered indicative of demand.

VIRGINIA HOUSING DEMAND ANALYSIS

We have also included the required demand table from the Virginia Housing market study guidelines. The following table illustrates the total demand, the net demand, and the absorption period for the Subject site. The supply illustrates all proposed or under construction units in the PMA.

For the following Virginia Housing demand analysis, we have considered all of the Subject’s 72 proposed units. We have determined that there are no proposed competitive LIHTC units in the PMA, along with six vacant units (all at 60 percent of AMI) at the comparable LIHTC properties considered directly competitive with the Subject’s LIHTC units.

The table below illustrates the resulting capture rates for demand currently proposed in PMA.

VIRGINIA DEMAND ANALYSIS					
Income Restrictions	Up to 30% (min. income to max. income)	Up to 40% (min. income to max. income)	Up to 50% (min. income to max. income)	Up to 60% (min. income to max. income)	Project Total (min. income to max. income)
New Rental Households	-15	-15	-17	-18	-64
+					
Existing Households - Overburdened	1,885	1,986	2,175	2,299	4,925
+					
Existing Households - Substandard Housing	45	48	52	55	118
+					
Senior Households - Likely to Convert to Rental Housing	0	0	0	0	0
+					
Existing Qualifying Tenants - to Remain After Renovation	0	0	0	0	0
Total Demand	1,916	2,019	2,211	2,337	4,979
-					
Supply (includes directly comparable vacant units completed or in pipeline in PMA)	0	0	0	6	6
Net Demand	1,916	2,019	2,211	2,331	4,973
Proposed Units	8	8	20	36	72
Capture Rate	0.4%	0.4%	0.9%	1.5%	1.4%
Absorption Period	1 month	1 month	2-3 months	3-4 months	3-4 months

We believe there is ample demand for the Subject as proposed, especially given the high occupancy rates among comparable affordable properties, as well as the prevalence of waiting lists at the majority of LIHTC properties. Our concluded capture rate and absorption period are shown in the table below.

Project Wide Capture Rate - All Units*	1.4%
Project Wide Absorption Period (Months)	3-4 months

PENETRATION RATE ANALYSIS

Penetration Rate – As Proposed

Per Virginia Housing guidelines, we also performed a penetration rate analysis for the Subject’s units as proposed and absent subsidy, as illustrated in the following tables. The table below illustrates the Subject’s penetration rate for Methodology One, as proposed.

PENETRATION RATE - Methodology One (Subject Focus)	
Income Eligible Households - All AMI Levels	18,867
Number of Existing Competitive Family Affordable Units in the PMA	1,609
Number of Proposed Competitive Affordable Units in the PMA	0
Remaining Income Eligible Renter Households	17,258
Number of Proposed Affordable Units at the Subject	72
Overall Penetration Rate - Subject Focus	0.4%

As illustrated above, the penetration rate for the Subject as proposed, after deductions for existing and proposed LIHTC units in the PMA, is 0.4 percent. The following table illustrates the market focus penetration rate analysis for the Subject as proposed.

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive Affordable Units in the PMA	0
	+
Number of Existing Competitive Family Affordable Units in the PMA	1,609
	+
Number of Proposed Affordable Units at the Subject	72
	=
Total	1,681
	/
Income Eligible Households - All AMI Levels	18,867
	=
Overall Penetration Rate - Market Focus (NCHMA)	8.9%

The overall penetration rate is derived by taking the number of LIHTC units proposed or under construction within the PMA, combined with the number of existing LIHTC units, and the number of the Subject’s units divided by the number of income eligible households. For Methodology Two, the penetration rate for the Subject as proposed is 8.9 percent, which is considered moderate, but indicates adequate demand for the Subject’s units. The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels, and are family oriented.

Penetration Rate – Absent Subsidy

The table below illustrates the Subject’s penetration rate for Methodology One, absent subsidy.

PENETRATION RATE - Methodology One (Subject Focus)	
Income Eligible Households - All AMI Levels	12,328
Number of Existing Competitive Family LIHTC Units in the PMA	1,405
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	0
Remaining Income Eligible Renter Households	10,923
Number of Proposed <i>LIHTC</i> Units at the Subject	72
Overall Penetration Rate - Subject Focus	0.7%

As illustrated above, the penetration rate for the Subject absent subsidy, after deductions for existing and proposed LIHTC units in the PMA, is 0.7 percent. The following table illustrates the market focus penetration rate analysis for the Subject absent subsidy.

PENETRATION RATE - Methodology Two (Market Focus - NCHMA)	
Number of Proposed Competitive <i>LIHTC</i> Units in the PMA	0
	+
Number of Existing Competitive Family LIHTC Units in the PMA	1,405
	+
Number of Proposed <i>LIHTC</i> Units at the Subject	72
	=
Total	1,477
	/
Income Eligible Households - All AMI Levels	12,328
	=
Overall Penetration Rate - Market Focus (NCHMA)	12.0%

For Methodology Two, the penetration rate for the Subject absent subsidy is 12.0 percent, which is considered moderate and indicates adequate demand for the Subject’s units. The following table illustrates the LIHTC properties within the PMA that offer similar unit types and AMI levels, and are family oriented.

Existing affordable housing projects in the PMA will not be adversely affected by the proposed construction of the Subject property. A survey of comparable affordable LIHTC rental housing developments in the area demonstrates significant demand for quality rental units.

EXISTING AFFORDABLE PROPERTIES IN PMA

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units- As Proposed	Competitive Units- Absent Subsidy
Hurt Park	LIHTC	Family	40	40	40
Park Street Square	LIHTC	Family	25	25	25
Terrace South Apartments	LIHTC	Family	109	109	109
Clarendon Court	LIHTC	Family	26	26	26
Salem Commons	LIHTC	Family	98	98	98
Blue Ridge Village	LIHTC	Seniors	48	0	0
Fernclyff South	LIHTC	Seniors	84	0	0
Fernclyff Apartments	LIHTC	Seniors	144	0	0
Mount Regis Village	LIHTC	Family	168	168	168
Oak Park	LIHTC	Family	144	144	144
Mccray Court Senior Living	LIHTC	Seniors	68	0	0
502 Church Avenue SW	LIHTC	Family	13	13	13
Stepping Stone	LIHTC	Family	30	30	30
Peter's Creek*	LIHTC	Family	192	192	192
Gilmer Housing	LIHTC/ Market	Family	20	19	19
Woodridge Apartments*	LIHTC/ Market	Family	96	48	48
Villages at Garst Creek*	LIHTC/ Market	Family	504	453	453
Autumn Ridge*	LIHTC/ Market	Family	72	36	36
Tinker Creek Manor	LIHTC/Section 8	Family	100	100	0
Afton Gardens	LIHTC/Section 8	Family	108	108	4
Totals			2,089	1,609	1,405

*Utilized as a comparable

None of the comparables were able to report recent absorption data. Further, we were unable to retrieve any recent absorption data within the city of Roanoke. Therefore, we have included absorption data for recently constructed multifamily properties within 100 miles of the Subject. This absorption information is presented in the following table.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Avondale Trace	LIHTC	Family	High Point	2021	72	11	88.6 miles
Amberly Trace	LIHTC	Family	Burlington	2020	80	20	91.9 miles
198 Milltown	Market	Family	Burlington	2020	288	30	91.0 miles
Comet Bermuda Run Apartments	Market	Family	Bermuda Run	2020	224	16	93.4 miles
Brookdale Apartments	LIHTC	Family	Charlottesville	2019	96	8	94.0 miles
Timberland Park	LIHTC	Family	Charlottesville	2019	80	20	94.4 miles
Altitude At Stone Port	Market	Family	Harrisonburg	2019	140	18	97.6 miles
Overall Average					140	18	

The properties have reported absorption rates ranging from eight to 30 units per month. We believe the Subject would experience an absorption rate 20 units per month, indicating an absorption period of three to four months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

Rent conclusions were provided in *Section H*.

We do not anticipate any future changes in the housing stock or risks in the market area that would adversely affect the Subject. The proposed rents appear to be achievable and we do not believe the Subject will need to rely on voucher support or a project-based subsidy in the future.

**J. LOCAL PERSPECTIVES OF
RENTAL HOUSING MARKET
AND HOUSING
ALTERNATIVES**

INTERVIEWS

In order to ascertain the need for housing and affordable housing in the Subject’s area, interviews were conducted with various local officials.

Local Housing Authority Discussion

We attempted to contact the City of Roanoke Redevelopment & Housing Authority, which administers the Section 8 Housing Choice Voucher program in Roanoke. As of the date of this report, our calls have not been returned. However, according to the City of Roanoke Redevelopment & Housing Authority website, the waiting list for Housing Choice Vouchers is currently closed. According to the City of Roanoke Redevelopment & Housing Authority website, the payment standards for Roanoke are as follows.

PAYMENT STANDARDS

Unit Type	Payment Standard
One-Bedroom	\$770
Two-Bedroom	\$966
Three-Bedroom	\$1,305

Source: City of Roanoke Redevelopment & Housing Authority, effective October 2021

The payment standards are above the Subject’s proposed gross LIHTC rents at 30 and 50 percent of AMI, but below the proposed 60 percent AMI gross rents. Therefore, tenants utilizing HCV in the Subject’s 60 percent AMI units may have to pay additional rent out of pocket.

Planning Discussion

To determine the amount of competitive new supply entering the market, we consulted a January 2022 CoStar report, conducted an internet search and attempted to contact the Planning, Building, and Development Commission for Roanoke. However, our calls have not been returned to date. The following table illustrates proposed, planned, under construction, and recently completed developments in the Subject’s PMA.

PLANNED DEVELOPMENT

Property Name	Rent Structure	Tenancy	Total Units	Competitive Units	Construction Status	Distance to Subject
District Vue Phase II	Market	Family	108	0	Under Construction	5.8 miles
Lawson Building West	Market	Family	24	0	Proposed	5.2 miles
Randolph Street	Market	Family	105	0	Proposed	4.9 miles
The View at Blue Ridge Commons	Market	Family	338	0	Under Construction	1.8 miles
Totals			575	0		

Source: CoStar, January 2022

All five properties that are currently planned, proposed, under construction, or recently completed will be market rate, and thus will not directly compete with the Subject. Additionally, we reviewed the Virginia Housing LIHTC award lists from 2018 through 2021. No properties in Roanoke County received funding during that time frame. Overall, we have deducted zero units from our penetration rate in the demand analysis section of this report.

K. ANALYSIS/CONCLUSIONS

Recommendations

In general, we believe there is demand in the marketplace for the Subject. We recommend no changes for the Subject property.

Demand Summary

We believe there is ample demand for the Subject. Our concluded capture rates and absorption are shown in the table below.

Project Wide Capture Rate - All Units*	1.5%
Project Wide Absorption Period (Months)	3-4 months

Additionally, the overall penetration rate for the Subject is 1.5 percent. It should be noted that the penetration rate analysis we have derived is conservative because it does not account for leakage (i.e. tenants originating outside of the PMA). Overall, the derived penetration rate for the Subject is considered reasonable.

Strengths and Weaknesses of the Subject

Strengths

- The Subject will be new construction and will be among the newest multifamily developments in the market. Upon completion, the property will be similar to superior to the comparable properties in terms of condition.
- Vacancy rates among the LIHTC properties range from zero to 1.2 percent, with an average of 1.0 percent. Further, one LIHTC comparables reported no vacancies, indicating strong demand for affordable housing in the market.
- The Subject site is located in close proximity to many services, public transportation, and retailers.

Weaknesses

- We have identified no weaknesses with the proposed Subject that would impact its marketability.

Absorption Estimate

None of the comparables were able to report recent absorption data. Further, we were unable to retrieve any recent absorption data within the city of Roanoke. Therefore, we have included absorption data for recently constructed multifamily properties within 100 miles of the Subject. This absorption information is presented in the following table.

ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Avondale Trace	LIHTC	Family	High Point	2021	72	11	88.6 miles
Amberly Trace	LIHTC	Family	Burlington	2020	80	20	91.9 miles
198 Milltown	Market	Family	Burlington	2020	288	30	91.0 miles
Comet Bermuda Run Apartments	Market	Family	Bermuda Run	2020	224	16	93.4 miles
Brookdale Apartments	LIHTC	Family	Charlottesville	2019	96	8	94.0 miles
Timberland Park	LIHTC	Family	Charlottesville	2019	80	20	94.4 miles
Altitude At Stone Port	Market	Family	Harrisonburg	2019	140	18	97.6 miles
Overall Average					140	18	

The properties have reported absorption rates ranging from eight to 30 units per month. We believe the Subject would experience an absorption rate 20 units per month, indicating an absorption period of three to

four months. It should be noted that we do not expect that this absorption will adversely impact other LIHTC properties, which are generally performing well.

L. OTHER REQUIREMENTS

Pursuant to Virginia Housing Requirements, we certify:

1. We 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 our knowledge the market can support the demand shown in this study. We understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.
4. No one at this firm has any interest in the proposed development or a relationship with the ownership entity.
5. No one at this firm, nor anyone acting on behalf of the firm in connection with the preparation of this report, has communicated to others that the firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.
6. Compensation for our services is not contingent on this development receiving a LIHTC reservation or allocation.
7. Evidence of our NCHMA membership is included.



K. David Adamescu
Manager

February 25, 2022
Date

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the market analyst has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the market analyst did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other study or market study and are invalid if so used.
11. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the market analyst. Nor shall the market analyst, firm, or professional organizations of which the market analyst is a member be identified without written consent of the market analyst.

12. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the market analyst is affiliated.
13. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
14. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
15. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
16. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the market study report.
17. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
18. On all studies, Subject to satisfactory completion, repairs, or alterations, the report and conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time.
19. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the market analyst and contained in this report.
20. The party for whom this report is prepared has reported to the market analyst there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
21. Unless stated otherwise, no percolation tests have been performed on this property. In making the market study, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use.
22. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The market analyst does not warrant the condition or adequacy of such systems.
23. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the property. The market analyst reserves the right to review and/or modify this market study if said insulation exists on the Subject property.
24. Estimates presented in this report are assignable to parties to the development's financial structure.

ADDENDUM B
Subject Property and Neighborhood Photographs

PHOTOGRAPHS OF SUBJECT AND NEIGHBORHOOD



View of Subject site facing north



View of Subject site facing northeast



View of Subject site facing northwest



View of Subject site facing southeast



View of Subject site facing west



View of Subject site facing west



View northwest along Candlelight Circle



View southeast along Candlelight Circle



View east along Cove Road



View west along Cove Road



Northridge Village Apartments (comparable) south of Subject



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Commercial property in Subject neighborhood



Commercial Property in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood



Single-family home in Subject neighborhood

ADDENDUM C
Subject Matrices and Property Profiles

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	Smith Ridge Commons 0 Candlelight Circle Roanoke, VA 24019 Roanoke County	-	Garden 3-stories 2024 / n/a Family	@30%, @40% (Project Based Rental Assistance - PBRA), @50%, @60%	1BR / 1BA	1	1.4%	705	@30%	\$336	Yes	N/A	N/A	N/A
					1BR / 1BA	1	1.4%	705	@40% (Project Based Rental Assistance - PBRA)	\$483	N/A	N/A	N/A	N/A
					1BR / 1BA	4	5.6%	705	@50%	\$630	Yes	N/A	N/A	N/A
					1BR / 1BA	6	8.3%	705	@60%	\$777	No	N/A	N/A	N/A
					2BR / 2BA	5	6.9%	956	@30%	\$397	Yes	N/A	N/A	N/A
					2BR / 2BA	5	6.9%	956	@40% (Project Based Rental Assistance - PBRA)	\$574	N/A	N/A	N/A	N/A
					2BR / 2BA	12	16.7%	956	@50%	\$750	Yes	N/A	N/A	N/A
					2BR / 2BA	23	31.9%	956	@60%	\$927	No	N/A	N/A	N/A
					3BR / 2BA	2	2.8%	1,113	@30%	\$460	Yes	N/A	N/A	N/A
					3BR / 2BA	2	2.8%	1,113	@40% (Project Based Rental Assistance - PBRA)	\$664	N/A	N/A	N/A	N/A
					3BR / 2BA	4	5.6%	1,113	@50%	\$868	Yes	N/A	N/A	N/A
3BR / 2BA	7	9.7%	1,113	@60%	\$1,072	No	N/A	N/A	N/A					
					72							N/A	N/A	
1	Autumn Ridge 2127 Fallon Ave SE Roanoke, VA 24013 Roanoke City County	6.2 miles	Garden 3-stories 1994 / n/a Family	@60%, Market	1BR / 1BA	N/A	N/A	620	@60%	\$644	No	No	0	N/A
					1BR / 1BA	N/A	N/A	620	Market	\$644	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	800	@60%	\$676	No	No	0	N/A
					2BR / 1BA	N/A	N/A	800	Market	\$676	N/A	No	0	N/A
					72							0	0.0%	
2	Peter's Creek 7266 Barrens Road Roanoke, VA 24019 Roanoke County	2.9 miles	Garden 3-stories 1994 / n/a Family	@50%, @60%	2BR / 1BA	66	34.4%	1,000	@50%	\$719	No	No	0	0.0%
					2BR / 1BA	66	34.4%	1,000	@60%	\$896	No	No	1	1.5%
					3BR / 1BA	30	15.6%	1,320	@50%	\$820	No	No	0	0.0%
					3BR / 1BA	30	15.6%	1,320	@60%	\$1,024	No	No	1	3.3%
										192				
3	The Everett 4356 Garst Mill Road Roanoke, VA 24018 Roanoke County	5.7 miles	Various 2-stories 1973 / 2007 Family	@60%, Market	1BR / 1BA	61	12.1%	641	@60%	\$598	No	No	0	0.0%
					1BR / 1BA	46	9.1%	652	@60%	\$598	No	No	0	0.0%
					1BR / 1BA	45	8.9%	665	@60%	\$611	No	No	0	0.0%
					1BR / 1BA	3	0.6%	641	Market	\$671	N/A	No	0	0.0%
					1BR / 1BA	4	0.8%	652	Market	\$671	N/A	No	0	0.0%
					1BR / 1BA	5	1.0%	665	Market	\$681	N/A	No	1	20.0%
					2BR / 1BA	166	32.9%	906	@60%	\$708	No	No	2	1.2%
					2BR / 1BA	10	2.0%	906	Market	\$793	N/A	No	0	0.0%
					2BR / 1.5BA	76	15.1%	1,137	@60%	\$691	No	No	2	2.6%
					2BR / 1.5BA	24	4.8%	1,137	Market	\$903	N/A	No	0	0.0%
					2BR / 2BA	53	10.5%	1,028	@60%	\$708	No	No	0	0.0%
2BR / 2BA	4	0.8%	1,028	Market	\$833	N/A	No	1	25.0%					
3BR / 2BA	6	1.2%	1,255	@60%	\$793	No	No	0	0.0%					
3BR / 2BA	1	0.2%	1,255	Market	\$910	No	No	0	0.0%					
					504						6	1.2%		
4	Woodridge Apartments 2251 Mountain View Terrace Roanoke, VA 24015 Roanoke City County	3.7 miles	Garden 3-stories 1970 / 1992 Family	@60%, Market	1BR / 1BA	4	4.2%	750	@60%	\$644	No	No	0	0.0%
					1BR / 1BA	N/A	N/A	750	Market	\$644	N/A	No	0	N/A
					2BR / 1BA	74	77.1%	830	@60%	\$676	No	No	0	0.0%
					2BR / 1BA	N/A	N/A	830	Market	\$676	N/A	No	1	N/A
					3BR / 1BA	18	18.8%	950	@60%	\$718	No	No	0	0.0%
					3BR / 1BA	N/A	N/A	950	Market	\$718	N/A	No	0	N/A
					96						1	1.0%		
5	733 West Apartments 733 29th Street NW Roanoke, VA 24017 Roanoke City County	2.7 miles	Various 2-stories 2000 / 2021 Family	Market	2BR / 2BA	24	19.4%	869	Market	\$986	N/A	Yes	0	0.0%
					2BR / 2BA	16	12.9%	936	Market	\$986	N/A	Yes	0	0.0%
					3BR / 2BA	72	58.1%	1,175	Market	\$1,118	N/A	Yes	2	2.8%
					4BR / 2BA	6	4.8%	1,362	Market	\$1,449	N/A	Yes	0	0.0%
					4BR / 2BA	6	4.8%	1,568	Market	\$1,449	N/A	Yes	0	0.0%
					124						2	1.6%		
6	Northridge Village Apartments 5204 Lancelot Ln NW Roanoke, VA 24019 Roanoke County	0.4 miles	Garden 2-stories 1970 / n/a Family	Market	2BR / 1BA	N/A	N/A	940	Market	\$985	N/A	No	2	N/A
					2BR / 1.5BA	N/A	N/A	1,045	Market	\$1,115	N/A	No	2	N/A
					3BR / 1.5BA	N/A	N/A	1,312	Market	\$1,475	N/A	No	0	N/A
					3BR / 2.5BA	N/A	N/A	1,312	Market	\$1,405	N/A	No	0	N/A
										174				
7	Sterlingwood Apartments 2215 Montauk Road NW Roanoke, VA 24017 Roanoke City County	1.3 miles	Garden 3-stories 1973 / n/a Family	Market	1BR / 1BA	59	36.4%	583	Market	\$818	N/A	No	0	0.0%
					1.5BR / 1BA	57	35.2%	639	Market	\$848	N/A	No	0	0.0%
					2BR / 2BA	28	17.3%	720	Market	\$958	N/A	No	0	0.0%
					2.5BR / 2BA	18	11.1%	863	Market	\$968	N/A	No	0	0.0%
					162						0	0.0%		
8	The Retreat Apartments 6500 Grand Retreat Drive Roanoke, VA 24019 Roanoke County	1.2 miles	Garden 3-stories 2016 / n/a Family	Market	1BR / 1BA	N/A	N/A	790	Market	\$1,315	N/A	No	0	N/A
					1BR / 1BA	N/A	N/A	790	Market	\$1,235	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	974	Market	\$1,568	N/A	No	0	N/A
					2BR / 1BA	N/A	N/A	974	Market	\$1,473	N/A	No	0	N/A
					2BR / 2BA	N/A	N/A	999	Market	\$1,675	N/A	Yes	0	N/A
					2BR / 2BA	N/A	N/A	999	Market	\$1,473	N/A	Yes	0	N/A
3BR / 2BA	N/A	N/A	1,323	Market	\$1,906	N/A	Yes	1	N/A					
					252						1	0.4%		
9	Westside Apartments 832 Westside Boulevard Roanoke, VA 24017 Roanoke City County	2.1 miles	Garden 2-stories 1969 / 2010 Family	Market	1BR / 1BA	40	54.1%	600	Market	\$414	N/A	Yes	0	0.0%
					2BR / 1BA	34	46.0%	800	Market	\$496	N/A	Yes	0	0.0%
					74							0	0.0%	

AMENITY MATRIX

	Subject	Autumn Ridge	Peter's Creek	The Everett	Woodridge Apartments	733 West Apartments	Northridge Village	Sterlingwood Apartments	The Retreat Apartments	Westside Apartments
Rent Structure	LIHTC/PBRA	LIHTC/	LIHTC	LIHTC/	LIHTC/	Market	Market	Market	Market	Market
Building										
Property Type	Lowrise	Garden	Garden	Garden	Garden	Various	Garden	Garden	Garden	Garden
# of Stories	3-stories	3-stories	3-stories	2-stories	3-stories	2-stories	2-stories	3-stories	3-stories	2-stories
Year Built	2024	1994	1994	1973	1970	2000	1970	1973	2016	1969
Year Renovated	n/a	n/a	n/a	2007	1992	2021	n/a	n/a	n/a	2010
Utility Structure										
Cooking	no	no	no	yes	no	no	no	no	no	no
Water Heat	no	no	no	yes	no	no	no	no	no	no
Heat	no	no	no	yes	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Water	no	yes	yes	yes	yes	yes	no	no	no	yes
Sewer	no	yes	yes	yes	yes	yes	no	no	no	yes
Trash	yes	yes	yes	yes	yes	yes	no	no	no	yes
Unit Amenities										
Balcony/Patio	yes	yes	yes	yes	yes	no	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	yes	no	no	no	no	no	no	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	no	yes	no
Ceiling Fan	yes	no	no	yes	no	no	no	yes	no	no
Coat Closet	no	no	yes	yes	no	yes	no	no	yes	no
Exterior Storage	no	no	no	yes	no	no	no	no	no	no
Walk-In Closet	yes	no	yes	no	no	yes	no	no	yes	no
Wall A/C	no	no	no	no	no	no	no	no	no	yes
W/D Hookup	yes	no	yes	no	no	yes	yes	no	yes	no
Kitchen										
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	no
Disposal	no	yes	yes	yes	yes	yes	no	yes	no	no
Microwave	no	no	no	no	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community										
Community Room	yes	no	yes	no	no	no	no	no	yes	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Recreation										
Basketball Court	no	no	no	no	no	no	yes	no	no	no
Exercise Facility	yes	no	yes	no	no	no	no	no	yes	no
Playground	yes	no	yes	no	no	no	yes	no	no	no
Swimming Pool	yes	no	yes	yes	yes	no	yes	yes	yes	no
Picnic Area	yes	no	no	no	no	no	no	no	no	no
Recreational Area	yes	no	no	no	no	no	no	no	yes	no
Security										
Intercom (Buzzer)	yes	no	no	no	no	no	no	no	no	no
Limited Access	yes	no	no	no	no	no	no	no	yes	no
Patrol	Yes	no	no	no	no	no	no	no	no	no
Parking										
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	n/a	\$0	\$0	\$0	\$0	\$0	n/a	\$0	n/a	\$0

PROPERTY PROFILE REPORT

Autumn Ridge

Effective Rent Date	1/20/2022
Location	2127 Fallon Ave SE Roanoke, VA 24013 Roanoke City County
Distance	6.2 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1994 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Other LIHTC in Roanoke
Tenant Characteristics	N/A
Contact Name	Kathy
Phone	(540) 344-7052



Market Information

Program	@60%, Market
Annual Turnover Rate	25%
Units/Month Absorbed	N/A
HCV Tenants	5%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	620	\$690	\$0	@60%	No	0	N/A	no	None
1	1	Garden (3 stories)	N/A	620	\$690	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (3 stories)	N/A	800	\$740	\$0	@60%	No	0	N/A	no	None
2	1	Garden (3 stories)	N/A	800	\$740	\$0	Market	No	0	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$690	\$0	\$690	-\$46	\$644	1BR / 1BA	\$690	\$0	\$690	-\$46	\$644
2BR / 1BA	\$740	\$0	\$740	-\$64	\$676	2BR / 1BA	\$740	\$0	\$740	-\$64	\$676

Autumn Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management			

Comments

The property manager was only able to confirm vacancy and rent information. Management reported that the property does not charge the maximum allowable rents, as the property is owned and managed by a non-profit that intentionally holds rents below the maximum levels in order to maintain affordability for tenants.

Photos



PROPERTY PROFILE REPORT

Peter's Creek

Effective Rent Date	1/21/2022
Location	7266 Barrens Road Roanoke, VA 24019 Roanoke County
Distance	2.9 miles
Units	192
Vacant Units	2
Vacancy Rate	1.0%
Type	Garden (3 stories)
Year Built/Renovated	1994 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Villages at Garst Creek, Villages of Roanoke
Tenant Characteristics	Mixed tenancy
Contact Name	Barbara
Phone	540-362-5851



Market Information

Program	@50%, @60%
Annual Turnover Rate	25%
Units/Month Absorbed	12
HCV Tenants	N/A
Leasing Pace	Within two week
Annual Chg. in Rent	Increased one to two percent
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (3 stories)	66	1,000	\$783	\$0	@50%	No	0	0.0%	no	None
2	1	Garden (3 stories)	66	1,000	\$960	\$0	@60%	No	1	1.5%	no	None
3	1	Garden (3 stories)	30	1,320	\$902	\$0	@50%	No	0	0.0%	no	None
3	1	Garden (3 stories)	30	1,320	\$1,106	\$0	@60%	No	1	3.3%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$783	\$0	\$783	-\$64	\$719	2BR / 1BA	\$960	\$0	\$960	-\$64	\$896
3BR / 1BA	\$902	\$0	\$902	-\$82	\$820	3BR / 1BA	\$1,106	\$0	\$1,106	-\$82	\$1,024

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

Comments

The contact did not report any negative impacts from the COVID-19 pandemic.

Photos



PROPERTY PROFILE REPORT

The Everett

Effective Rent Date 1/21/2022
Location 4356 Garst Mill Road
Roanoke, VA 24018
Roanoke County
Distance 5.7 miles
Units 504
Vacant Units 6
Vacancy Rate 1.2%
Type Garden (2 stories)
Year Built/Renovated 1973 / 2007
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors N/A
Tenant Characteristics Mixed tenancy from Roanoke.
Contact Name Kelly
Phone 540-774-9546



Market Information

Program @60%, Market
Annual Turnover Rate N/A
Units/Month Absorbed N/A
HCV Tenants 21%
Leasing Pace Within one month
Annual Chg. in Rent Increased 2.4 to 7.0 percent
Concession None
Waiting List None

Utilities

A/C not included -- central
Cooking included -- gas
Water Heat included -- gas
Heat included -- gas
Other Electric not included
Water included
Sewer included
Trash Collection included

PROPERTY PROFILE REPORT

Woodridge Apartments

Effective Rent Date	1/20/2022
Location	2251 Mountain View Terrace Roanoke, VA 24015 Roanoke City County
Distance	3.7 miles
Units	96
Vacant Units	1
Vacancy Rate	1.0%
Type	Garden (3 stories)
Year Built/Renovated	1970 / 1992
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	The Terrace Apartments
Tenant Characteristics	Mixed tenancy primarily from Roanoke
Contact Name	Faye
Phone	(540) 342-9115



Market Information

Program	@60%, Market
Annual Turnover Rate	7%
Units/Month Absorbed	N/A
HCV Tenants	10%
Leasing Pace	Preleased
Annual Chg. in Rent	Increased 6.7 to 7.8 percent
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	4	750	\$690	\$0	@60%	No	0	0.0%	no	None
1	1	Garden (3 stories)	N/A	750	\$690	\$0	Market	No	0	N/A	N/A	None
2	1	Garden (3 stories)	74	830	\$740	\$0	@60%	No	0	0.0%	no	None
2	1	Garden (3 stories)	N/A	830	\$740	\$0	Market	No	1	N/A	N/A	None
3	1	Garden (3 stories)	18	950	\$800	\$0	@60%	No	0	0.0%	no	None
3	1	Garden (3 stories)	N/A	950	\$800	\$0	Market	No	0	N/A	N/A	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$690	\$0	\$690	-\$46	\$644	1BR / 1BA	\$690	\$0	\$690	-\$46	\$644
2BR / 1BA	\$740	\$0	\$740	-\$64	\$676	2BR / 1BA	\$740	\$0	\$740	-\$64	\$676
3BR / 1BA	\$800	\$0	\$800	-\$82	\$718	3BR / 1BA	\$800	\$0	\$800	-\$82	\$718

Woodridge Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Swimming Pool		

Comments

The contact noted that the current turnover rate is about half of typical turnover at the property; this is largely attributed to uncertainty in the market for renters. The contact also reported there has been a slight increase in delinquencies at the property due to the pandemic, and payment plans are being offered to struggling tenants. The property does not charge the maximum allowable rents, and the contact reported that this is due to their non-profit ownership.

Photos



PROPERTY PROFILE REPORT

733 West Apartments

Effective Rent Date	1/19/2022
Location	733 29th Street NW Roanoke, VA 24017 Roanoke City County
Distance	2.7 miles
Units	124
Vacant Units	2
Vacancy Rate	1.6%
Type	Various (2 stories)
Year Built/Renovated	2000 / 2021
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Westwood Village
Tenant Characteristics	Mainly families with children from Roanoke.
Contact Name	Debbie
Phone	(540) 982-0010



Market Information

Program	Market
Annual Turnover Rate	19%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 11 to 15 percent
Concession	None
Waiting List	Yes; two to three months

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden	24	869	\$1,050	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	16	936	\$1,050	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	72	1,175	\$1,200	\$0	Market	Yes	2	2.8%	N/A	None
4	2	Townhouse	6	1,362	\$1,550	\$0	Market	Yes	0	0.0%	N/A	None
4	2	Townhouse	6	1,568	\$1,550	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$1,050	\$0	\$1,050	-\$64	\$986
3BR / 2BA	\$1,200	\$0	\$1,200	-\$82	\$1,118
4BR / 2BA	\$1,550	\$0	\$1,550	-\$101	\$1,449

733 West Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management			

Comments

This property used to be known as Shenandoah Village Apartments. The property came under the management of Greenbriar in January 2021. Since then, as apartments become vacant, units have undergone complete renovations including new flooring, new cabinets, and new appliances. The contact reported only rents for renovated units, but mentioned that unrenovated units are approximately \$100 less expensive. The rents for renovated units are reported in the unit mix. The contact did not report any negative impacts from the COVID-19 pandemic on the property.

Photos



PROPERTY PROFILE REPORT

Northridge Village Apartments

Effective Rent Date	1/19/2022
Location	5204 Lancelot Ln NW Roanoke, VA 24019 Roanoke County
Distance	0.4 miles
Units	174
Vacant Units	4
Vacancy Rate	2.3%
Type	Garden (2 stories)
Year Built/Renovated	1970 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Angela
Phone	(540) 917-5284



Market Information

Program	Market
Annual Turnover Rate	6%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	N/A	940	\$985	\$0	Market	No	2	N/A	N/A	None
2	1.5	Garden (2 stories)	N/A	1,045	\$1,115	\$0	Market	No	2	N/A	N/A	None
3	1.5	Garden (2 stories)	N/A	1,312	\$1,475	\$0	Market	No	0	N/A	N/A	HIGH
3	2.5	Garden (2 stories)	N/A	1,312	\$1,405	\$0	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1BA	\$985	\$0	\$985	\$0	\$985
2BR / 1.5BA	\$1,115	\$0	\$1,115	\$0	\$1,115
3BR / 1.5BA	\$1,475	\$0	\$1,475	\$0	\$1,475
3BR / 2.5BA	\$1,405	\$0	\$1,405	\$0	\$1,405

Northridge Village Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Dishwasher	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

The contact reported that the property is currently operating as normal, with no negative impacts resulting from COVID-19.

PROPERTY PROFILE REPORT

Sterlingwood Apartments

Effective Rent Date	1/19/2022
Location	2215 Montauk Road NW Roanoke, VA 24017 Roanoke City County
Distance	1.3 miles
Units	162
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1973 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Frontier Apartments, Countryside Apartments
Tenant Characteristics	Mixed tenancy primarily from surrounding areas
Contact Name	Ralnesha
Phone	540-362-4970



Market Information

Program	Market
Annual Turnover Rate	29%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 1.5 to 4.3 percent since Q42021
Concession	None
Waiting List	None

Utilities

A/C	not included -- central
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	59	583	\$818	\$0	Market	No	0	0.0%	N/A	None
1.5	1	Garden (3 stories)	57	639	\$848	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (3 stories)	28	720	\$958	\$0	Market	No	0	0.0%	N/A	None
2.5	2	Garden (3 stories)	18	863	\$968	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$818	\$0	\$818	\$0	\$818
1.5BR / 1BA	\$848	\$0	\$848	\$0	\$848
2BR / 2BA	\$958	\$0	\$958	\$0	\$958
2.5BR / 2BA	\$968	\$0	\$968	\$0	\$968

Sterlingwood Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Swimming Pool		

Comments

The contact reported that the property has experienced increased delinquency, and the management is helping to sign affected tenants up for the rent relief program. The contact could not report a typical turnover rate for the property.

Photos



PROPERTY PROFILE REPORT

The Retreat Apartments

Effective Rent Date	1/19/2022
Location	6500 Grand Retreat Drive Roanoke, VA 24019 Roanoke County
Distance	1.2 miles
Units	252
Vacant Units	1
Vacancy Rate	0.4%
Type	Garden (3 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	N/A
Tenant Characteristics	N/A
Contact Name	Leasing Agent
Phone	844.304.6512



Market Information

Program	Market
Annual Turnover Rate	41%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one month
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	Yes; five to ten households

Utilities

A/C	not included
Cooking	not included
Water Heat	not included
Heat	not included
Other Electric	not included
Water	not included
Sewer	not included
Trash Collection	not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	790	\$1,315	\$0	Market	No	0	N/A	N/A	HIGH
1	1	Garden (3 stories)	N/A	790	\$1,235	\$0	Market	No	0	N/A	N/A	LOW
2	1	Garden (3 stories)	N/A	974	\$1,568	\$0	Market	No	0	N/A	N/A	HIGH
2	1	Garden (3 stories)	N/A	974	\$1,473	\$0	Market	No	0	N/A	N/A	LOW
2	2	Garden (3 stories)	N/A	999	\$1,675	\$0	Market	Yes	0	N/A	N/A	HIGH
2	2	Garden (3 stories)	N/A	999	\$1,473	\$0	Market	Yes	0	N/A	N/A	LOW
3	2	Garden (3 stories)	N/A	1,323	\$1,906	\$0	Market	Yes	1	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$1,235 - \$1,315	\$0	\$1,235 - \$1,315	\$0	\$1,235 - \$1,315
2BR / 1BA	\$1,473 - \$1,568	\$0	\$1,473 - \$1,568	\$0	\$1,473 - \$1,568
2BR / 2BA	\$1,473 - \$1,675	\$0	\$1,473 - \$1,675	\$0	\$1,473 - \$1,675
3BR / 2BA	\$1,906	\$0	\$1,906	\$0	\$1,906

The Retreat Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Carpeting		
Central A/C	Coat Closet		
Dishwasher	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Off-Street Parking	Recreation Areas		
Swimming Pool			

Comments

The contact reported that the property is operating as normal, with no adverse effects from COVID-19. The contact could not provide a breakdown of quantity of units by unit types. Units carry rent premiums based on floor and location within the building. The contact reported that the property maintains a waiting list for the unit types that do not have any available units.

PROPERTY PROFILE REPORT

Westside Apartments

Effective Rent Date	1/21/2022
Location	832 Westside Boulevard Roanoke, VA 24017 Roanoke City County
Distance	2.1 miles
Units	74
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1969 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Did not disclose
Contact Name	Sherry
Phone	540-343-4979



Market Information

Program	Market
Annual Turnover Rate	2%
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Within one week
Annual Chg. in Rent	Decreased 6.7 to 8.0 percent
Concession	None
Waiting List	Yes; unknown length

Utilities

A/C	not included -- wall
Cooking	not included -- electric
Water Heat	not included -- electric
Heat	not included -- electric
Other Electric	not included
Water	included
Sewer	included
Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	40	600	\$460	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	34	800	\$560	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$460	\$0	\$460	-\$46	\$414
2BR / 1BA	\$560	\$0	\$560	-\$64	\$496

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Oven		
Refrigerator	Wall A/C		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management			

Comments

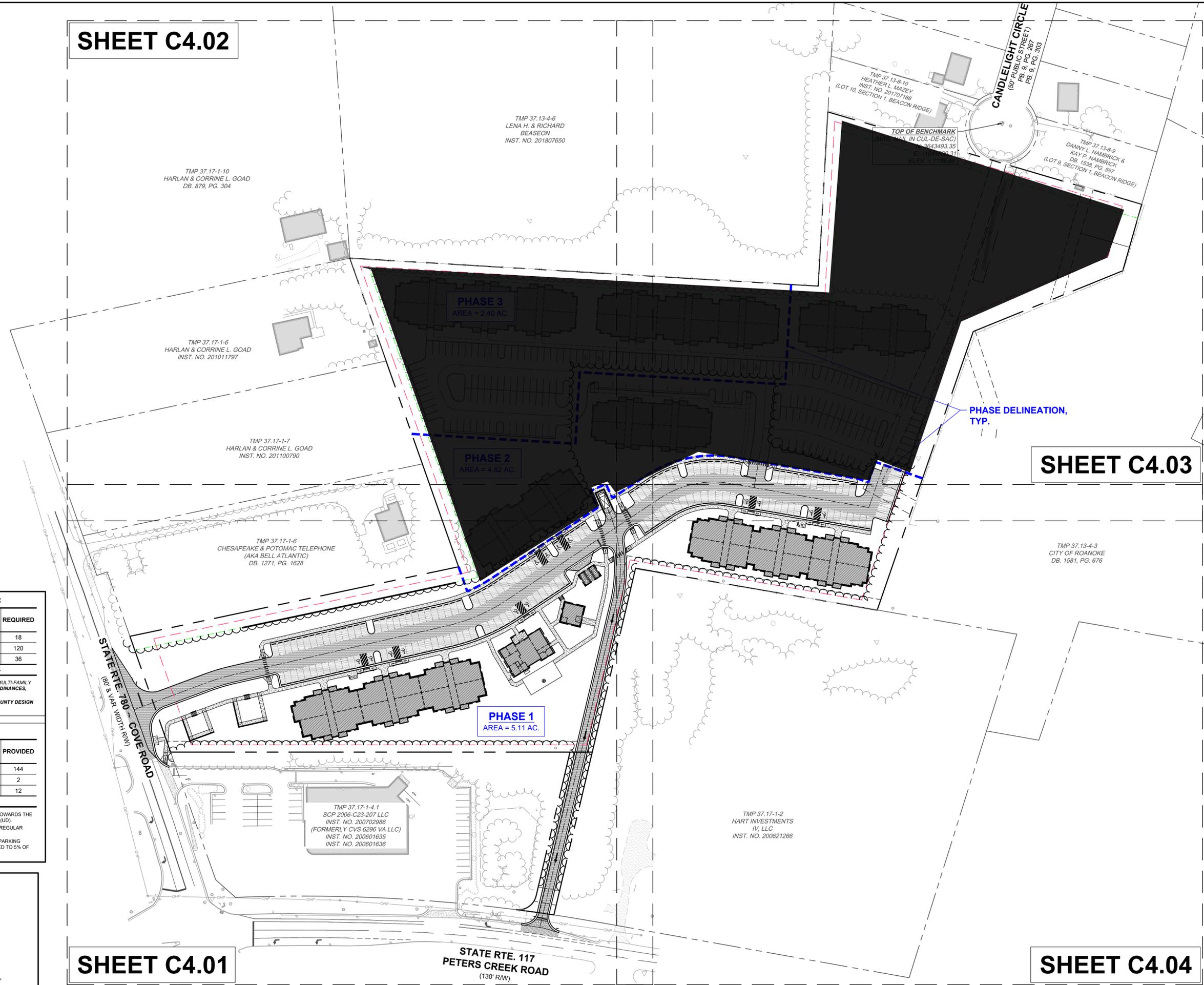
The contact provided no additional comments.

Photos



ADDENDUM D
Site and Floor Plans

SHEET C4.02



SHEET C4.01

SHEET C4.03

SHEET C4.04

PARKING REQUIREMENTS:

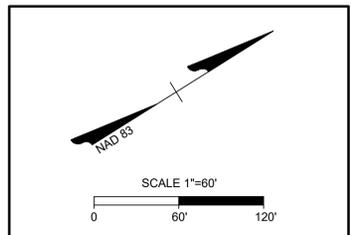
DWELLING UNIT TYPE	# OF UNITS	MULTIPLIER	REQUIRED
1-BR	12	*(x 1.5)	18
2-BR & 3-BR	60	*(x 2.0)	120
Σ ALL UNITS	72	** (x 0.5)	36
TOTAL SPACES REQUIRED = 174			

* BASED ON THE MINIMUM PARKING REQUIRED FOR "MULTI-FAMILY DWELLINGS" PER ROANOKE COUNTY'S CODE OF ORDINANCES, Sec. 30-91-3.3(B).
 ** BASED ON "GUEST PARKING" PER THE ROANOKE COUNTY DESIGN HANDBOOK, Sec. 3.8(C)3.c.

PARKING SUMMARY:

DEVELOPMENT PHASE	TYPE	PROVIDED
PHASE 1	REGULAR SPACES	144
	ADA _{VAN} * SPACES	2
	ADA _{CAR} ** / UD*** SPACES	12
TOTAL SPACES = 158		

* VAN ACCESSIBLE SPACES (ADA_{VAN}) DO NOT COUNT TOWARDS THE NUMBER OF REQUIRED UNIVERSAL DESIGN SPACES (UD).
 ** UNIVERSAL DESIGN (UD) SPACES COUNT TOWARDS REGULAR ACCESSIBLE SPACES (ADA_{CAR}).
 *** EXCEPTION 1: THE TOTAL NUMBER OF ACCESSIBLE PARKING SPACES FOR UD QUALIFYING UNITS MAY BE REDUCED TO 5% OF THE TOTAL NUMBER OF PARKING SPACES.



INITIAL CONCEPT LAYOUT PLAN

NOT FOR CONSTRUCTION

PLAN DATE: 12/17/2021

THIS DRAWING PREPARED AT THE
CORPORATE OFFICE
 1001 Builders Parkway, Suite 300 | Richmond, VA 23225
 TEL: 804.200.0500 FAX: 804.580.1016 www.timmons.com

YOUR VISION ACHIEVED THROUGH OURS.

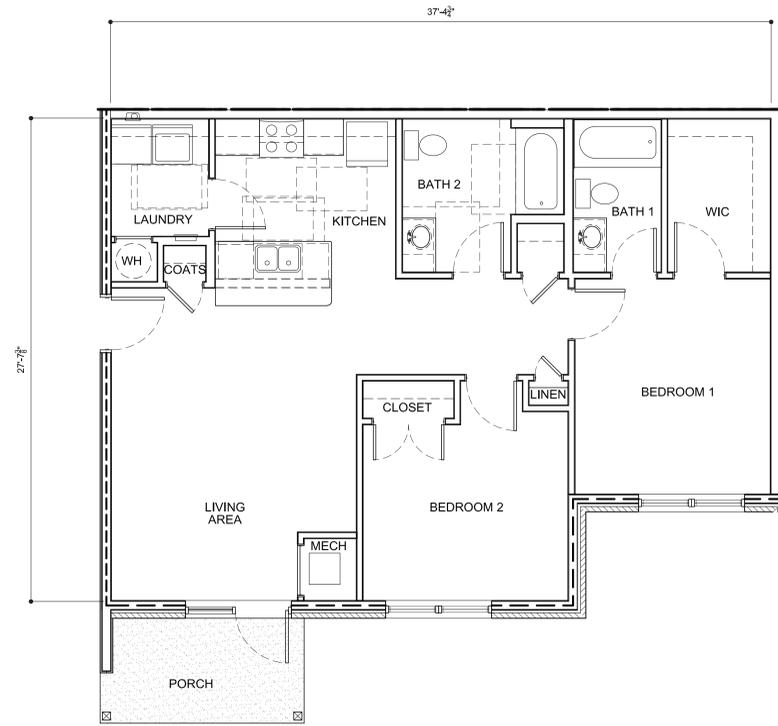
DATE	REVISION DESCRIPTION
12/17/2021	

DRAWN BY: M. McCANN
 DESIGNED BY: C. NELSON
 CHECKED BY: A. WEHUNT
 SCALE: 1" = 60'

TIMMONS GROUP
SMITH RIDGE COMMONS - PHASE 1
 ROANOKE COUNTY - VIRGINIA
 SITE LAYOUT KEY PLAN

JOB NO. 49585
 SHEET NO. C4.00

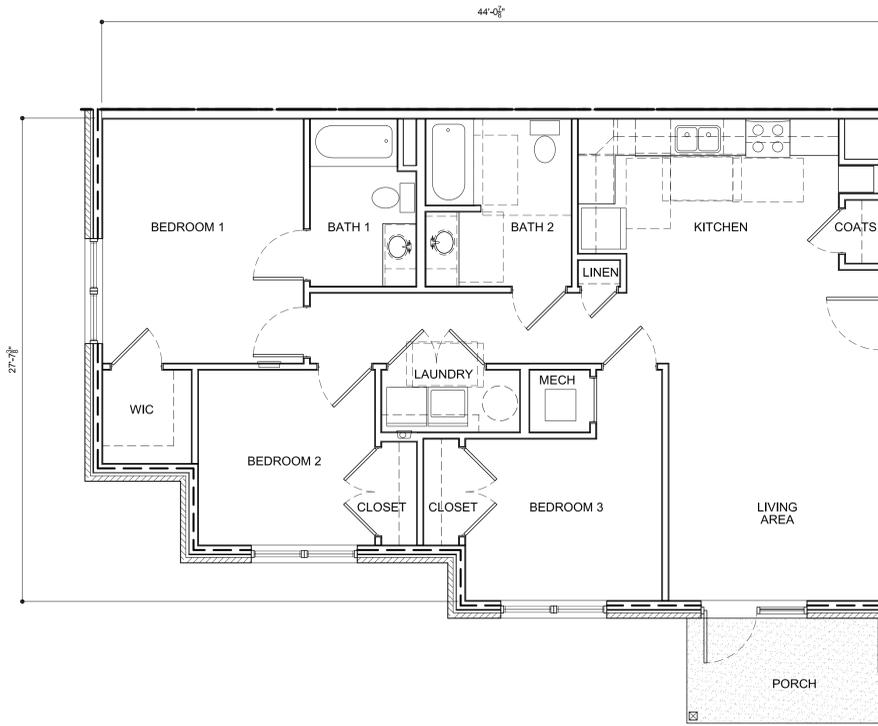
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E1 ENLARGED PLAN - UNIT 2.1

A412 SCALE: 1/4" = 1'-0"

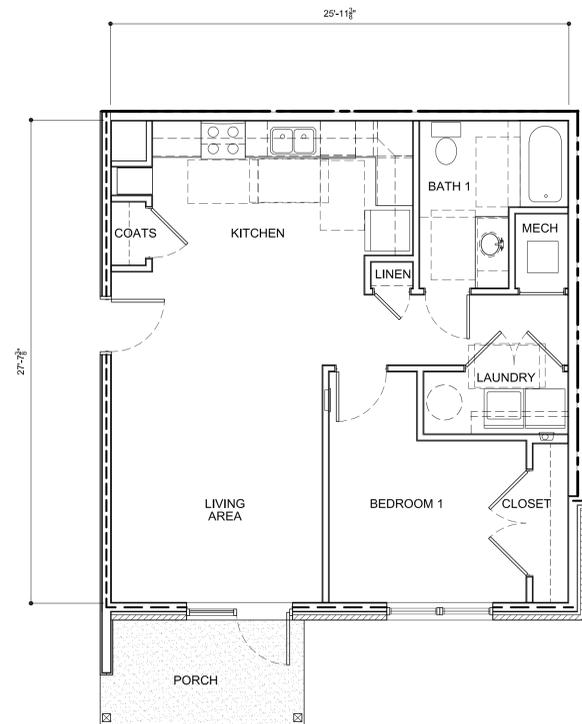
FIRST FLOOR UNIT SHOWN
TYPE B UNIT PER ICC/ANSI A117.1-2009, LOCATED ON 1ST FLOOR ONLY



E5 ENLARGED PLAN - UNIT 3.1

A412 SCALE: 1/4" = 1'-0"

FIRST FLOOR UNIT SHOWN
TYPE B UNIT PER ICC/ANSI A117.1-2009, LOCATED ON 1ST FLOOR ONLY



A1 ENLARGED PLAN - UNIT 1.1

A412 SCALE: 1/4" = 1'-0"

FIRST FLOOR UNIT SHOWN
TYPE B UNIT PER ICC/ANSI A117.1-2009, LOCATED ON 1ST FLOOR ONLY

		1228 PERIMETER PARKWAY SUITE 101 VIRGINIA BEACH, VIRGINIA 23454 www.ts3architects.com 757.689.2899	PROJECT TITLE COVE ROAD APARTMENTS CANDLELIGHT CIRCLE ROANOKE, VIRGINIA 24019
	100 WEST 10TH STREET, SUITE 300 VIRGINIA CORPORATION NO. 405901837		PROJECT NUMBER TS321066.00
CONSULTANTS	REVISIONS / SUBMISSIONS	DRAWING TITLE UNIT PLANS	

ADDENDUM E
Utility Allowance

The following allowances are used to determine the total cost of tenant-furnished utilities and appliances.

Locality/PHA		Unit Type					Date (mm/dd/yyyy)	
Roanoke, Virginia		Garden, Walk-Up & Townhouse					10/01/2019	
Utility or Service	Fuel Type	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Heating	Natural Gas	45	51	60	67	76	83	
	Bottled Gas	54	73	100	123	150	175	
	Electric	29	39	54	67	82	96	
	Electric – Heat Pump							
	Fuel Oil	41	55	75	92	112	131	
	Other							
Cooking	Natural Gas	3	5	6	7	9	11	
	Bottled Gas	10	14	18	22	28	32	
	Electric	4	5	5	9	13	17	
	Other							
Other Electric		30	34	46	50	58	63	
Air Conditioning		7	10	13	16	20	24	
Water Heating	Natural Gas	9	12	16	19	25	28	
	Bottled Gas	23	32	42	51	65	74	
	Electric	20	28	33	41	53	60	
	Fuel Oil	23	32	42	51	65	74	
Water		17	21	30	39	49	53	
Sewer		21	25	34	43	52	61	
Trash Collection								
Other – specify	Natural Gas Customer Charge	24	24	24	24	24	24	
Range/Microwave		3	3	3	3	3	3	
Refrigerator		3	3	3	4	4	4	
Actual Family Allowances – May be used by the family to compute allowance while searching for a unit.					Utility/Service/Appliance		Allowance	
Head of Household Name					Heating			
					Cooking			
Unit Address					Other Electric			
					Air Conditioning			
					Water Heating			
Number of Bedrooms					Water			
					Sewer			
					Trash Collection			
					Other			
					Range/Microwave			
					Refrigerator			
					Total			

ADDENDUM F
Qualifications of Consultants

STATEMENT OF PROFESSIONAL QUALIFICATIONS

DAVID BOISTURE, ASA, CRE

I. Education

Ohio University, Athens, Ohio
Masters of Public Administration

Frostburg State University, Frostburg, Maryland
Bachelor of Science in Political Science and Justice Studies

II. Professional Experience

Partner, Novogradac & Company LLP
Graduate Assistant, Institute for Local Government and Rural Development

III. Professional Affiliation

Accredited Senior Appraiser of the American Society of Appraisers (ASA)
Member, The Counselors of Real Estate (CRE)
Designated Member of the National Council of Housing Market Analysts (NCHMA)
LEED Green Associate

IV. Professional Training

2020-2021 7-Hour National USPAP Update Course – February 2021
Fundamentals of Economic Life Development – December 2020
Renewable Energy Appraisals and Cost Segregation – Subject Matter Expert- November 2020
Purchase Price Allocation and Cost Segregation Studies – October 2020
Renewable Energy PPAs Risk and Valuation – April 2020
Introduction to Cost Segregation – August 2019
Aspects of Valuing Solar Installations – June 2019
Machinery and Equipment Valuation – Advanced Topics and Report Writing, January 2017
Machinery and Equipment Advanced Topics and Case Studies, November 2016
Machinery and Equipment Valuation Methodology, September 2016
Introduction to Machinery and Equipment Valuation, May 2016
IRS Valuation Summit, October 2014
Basic Appraisal Procedures, March 2014
15-hour National USPAP Equivalent, March 2014
Valuation of Solar Photovoltaic, February 2014
Residential Solar Photovoltaic Leases: Market Value Dilemma, February 2014
Basic Appraisal Principles, February 2014
Wind Projects and Land Value, October 2012

V. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, owners, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009. The valuations have been completed assuming completion of the assets, as is, and at various stages of development. Valuations also include various operating renewable energy development businesses.
- Completed analyses of overall reasonableness with regard to Revenue Procedure 2014-12. Transactions analyzed include renewable energy projects involving the use of Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, asset management fees, various leasing-related payments, and overall master lease terms.
- Have managed and prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Have managed and assisted in appraisals of proposed new construction, rehabilitation, and existing Low- Income Housing Tax Credit properties, USDA Rural Development, HUD subsidized properties, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in preparing a comprehensive senior housing study in Seattle, Washington for the Seattle Housing Authority. This study evaluated the Seattle Housing Authority's affordable senior housing project for their position within the entire city's senior housing market. The research involved analysis of the senior population by neighborhood, income, household size, racial composition, and tenure.
- Have managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines.
- Assisted in the review of Rent Comparability Studies for HUD Contract Administrators.
- Assisted in the HUD MAP Quality Control market study and appraisal reviews.

- Managed and assisted in the preparation of market studies for projects under the HUD Multifamily Accelerated Processing program. The market studies meet the requirements outlined in Chapter 7 of the HUD MAP Guide.
- Managed and assisted in appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. The appraisals meet the requirements outlined in Chapter 7 of the HUD MAP Guide.
- Assisted in preparing an approved HUD Consolidated Plan for the City of Gainesville, GA; which included a housing and homeless needs assessment, market analysis, non-housing needs analysis, and a strategic plan, which conformed to 24CFR Part 91, Consolidated Plan Regulations for the ensuing five-year period (2004-2009).
- Assisted in various appraisals for the US Army Corps of Engineers including Walter Reed Army Medical Center, proposed office site on the Enhanced Use Lease sites Y and Z at Fort Meade, proposed automobile testing facility at the Yuma Proving Grounds, proposed industrial park at Camp Navajo, and the National Geospatial-Intelligence Agency.
- Managed the preparation of Site Inspection Reports and Appraisals as the subcontractor to the Transaction Team Specialist hired by the Department of Housing and Urban Development to facilitate the design and sale of HUD's nonperforming Multifamily and Healthcare notes.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

K. DAVID ADAMESCU

I. Education

The Ohio State University, Columbus, OH
Masters of City and Regional Planning (MCRP)
Bachelors of Arts, Economics

II. Professional Experience

Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Project Director, VWB Research
Field Analyst, The Danter Company

III. Real Estate Assignments

A summary of assignments relating to market feasibility studies and appraisals includes:

- Written and supervised the production of over 1,000 rental housing market studies for projects located throughout 47 states as well as Puerto Rico and Virgin Islands. The preponderance of experience is with affordable housing developments, particularly those that operate with Section 42 Low-income Housing Tax Credit, HUD Section 8/202, and/or USDA Rural Development financing. Scope of analysis typically has included physical inspection of the property and market (have conducted over 400 property inspections throughout the United States and Puerto Rico), concept analysis, demographic and economic analysis, demand and absorption projections, comparable surveying, supply analysis and rent determination.
- Assisted in over 200 appraisals of multifamily rental housing, commercial office, and commercial retail properties. Analysis has included assisting with supply analysis and rent determination, operating expense analysis, capitalization rate determination, valuation utilizing the three approaches to value, insurable value estimation, and LIHTC equity valuation.
- Additional experience authoring market feasibility analyses for condominium housing, single-family housing, senior-oriented housing, seasonal housing, retail, office, golf course/marina resorts, and mixed-use developments.
- Conducted special research for highest and best use evaluations, the impact of “green” development principals on marketability, and seasonal housing dynamics.
- Reviewed third-party market studies and appraisals for investors in the secondary market.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Robert McCarthy

I. Education

The Ohio State University, Columbus, Ohio
Bachelor of Science in Economics, Bachelor of Arts in Public Affairs

II. Professional Experience

Analyst, Novogradac & Company LLP, January 2020 – Present
Junior Analyst, Novogradac & Company LLP, August 2017 – December 2019
Regional Field Organizer, AARP Take a Stand Campaign, June 2016 – December 2016

III. Real Estate Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, rental rate analysis, competitive property surveying, and overall market analysis.
- Assisted with appraisals of new construction and existing LIHTC and market-rate properties, as well as solar farm developments.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Madeline Beyer

I. Education

American University, Washington, District of Columbia
Bachelor of Science in Economics, Bachelor of Arts in International Studies

II. Professional Experience

Junior Analyst, Novogradac & Company LLP, July 2021 – Present

III. Research Assignments

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assisted with market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis.
- Assisted with appraisals of new construction and existing LIHTC properties and appraisals of prospective solar energy systems.

ADDENDUM G
NCHMA Certification and Checklist



Formerly known as
National Council of Affordable
Housing Market Analysts

NCHMA MEMBER CERTIFICATION

This market study has been prepared by **Novogradac Consulting LLP**, 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*, and *Model Content Standards for the Content of Market Studies*. 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.

Novogradac Consulting LLP is duly qualified and experienced in providing market analysis for Affordable 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. **Novogradac Consulting LLP** is an independent market analyst. No principal or employee of **Novogradac Consulting LLP** has any financial interest whatsoever in the development for which this analysis has been undertaken.

David Boisture, ASA, CRE
LEED Green Associate
David.Boisture@novoco.com

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

		Page Number(s)
Executive Summary		
1	Executive Summary	I
Project Description		
2	Proposed number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	I
3	Utilities (and utility sources) included in rent.	III
4	Project design description	II
5	Unit and project amenities; parking	V
6	Public programs included	I
7	Target population description	II
8	Date of construction/preliminary completion	II
9	If rehabilitation, existing unit breakdown and rents.	II
10	Reference to review/status of project plans	III
Location and Market Area		
11	Market area/secondary market area description	III
12	Concise description of the site and adjacent parcels	III
13	Description of site characteristics	III
14	Site photos/maps	III
15	Map of community services	III
16	Visibility and accessibility evaluation	III
17	Crime information	III
Employment and Economy		
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
Demographic Characteristics		
24	Population and household estimates and projections	IV
25	Area building permits	IV
26	Distribution of income	IV
27	Households by tenure	IV
Competitive Environment		
28	Comparable property profiles	V
29	Map of comparable properties	V
30	Comparable property photos	Add. B
31	Existing rental housing evaluation	V
32	Comparable property discussion	V

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing built with low income housing tax credits. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. Components reported in the market study are indicated by a page number.

		Page Number(s)
33	Area vacancy rates, including rates for Tax Credit and government-subsidized	VI
34	Comparison of subject property to comparable properties	VI
35	Availability of Housing Choice Vouchers	VI
36	Identification of waiting lists	VI
37	Description of overall rental market including share of market-rate and affordable properties	VI
38	List of existing a LIHTC properties	VI
39	Discussion of future changes in housing stock	VI
40	including homeownership	VI
41	Tax credit and other planned or under construction rental communities in market area	VI
Analysis/Conclusions		
42	Calculation and analysis of Capture Rate	VII
43	Calculation and analysis of Penetration Rate	VII
44	Evaluation of proposed rent levels	VII
45	Derivation of Achievable Market Rent and Market Advantage	VII
46	Derivation of Achievable Restricted Rent	VII
47	Precise statement of key conclusions	VII
48	Market strengths and weaknesses impacting project	VII
49	Recommendations and/or modification to project discussion	N/A
50	Discussion of subject property's impact on existing housing	VII
51	Absorption projection with issues impacting performance	VII
52	Discussion of risks or other mitigating circumstances impacting project	VII
53	Interviews with area housing stakeholders	V
Other Requirements		
54	Preparation date of report	Cover
55	Date of field work	Cover
56	Certifications	Add. F
57	Statement of qualifications	Add. E
58	Sources of data not otherwise identified	N/A
59	Utility allowance schedule	Add. D