NEED AND DEMAND ANALYSIS

FOR THE CLINE MANOR APARTMENTS

IN

WINCHESTER, VIRGINIA

Prepared for
Cline Manor VA LLC
for submission to
Virginia Housing

Virginia Housing Application: 2025-C-43

As of February 19, 2025

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Asheville, NC 28814-0534

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A. EXECUTIVE SUMMARY

The site of the Cline Manor Apartments is on the west side of Valley Pike (US 11), in the Kernstown area of Frederick County, south of the City of Winchester. There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.

The proposed project will comprise the construction of 48 units: five units will be targeted to households with incomes up to 30 percent of the median, 19 units will be targeted to households with incomes up to 50 percent of the median, seven will be targeted at the 60 percent level, and the remaining 17 units will be targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status.

Employment in 2023 - the most recent annual report - shows employment at 52,005. Employment showed modest growth prior to 2020 when 978 jobs were lost from 2019 - a consequence of the COVID-19 pandemic. Data from 2021 show that, locally, employment has shown significant gains.

In Frederick County most recent annual unemployment rate for the County is 2.5 percent, up from 2.3 percent the previous year, and down from 2.9 percent the year before that.

The market area for the proposed development is Frederick County and the City of Winchester.

The population of the market area is projected to increase from 125,606 in 2025, to 132,441 in 2030. The number of households is projected to increase, from 49,648 in 2025 to 50,429 in 2030. The number of renter households in the market area is projected to increase from 14,894 to 15,129 over the 2025 to 2030 projection period.

There are several apartment complexes located in the Winchester area. These include conventional/market rate properties, properties financed with low income housing tax credits, and subsidized housing for very low income households.

Based on our survey, there is a market-wide occupancy rate of 95.4 percent. Occupancy at tax credit properties is found to be around 99.7 percent.

Total demand is therefore seen to amount to 5,472 units. The net demand is for 5,472 units.

Consideration of the capture rate (0.9 percent) and the (0.7 percent) affordability analysis capture rate and (5.5 percent) penetration rate suggests that the proposed development is marketable, as proposed.

Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated five- to six month period, or less.

The proposed development will not have an impact on existing housing in the area.

The proposed development is considered marketable and can be developed as proposed.

Astoria data:

Project Wide Capture Rate, LIHTC units: 0.9 percent
Project Wide Capture Rate, market units: n/a
Project Wide Capture Rate, all units: 0.9 percent
Project Wide Absorption Period (Months): five- to six- months

B. INTRODUCTION AND SCOPE OF WORK

This report is a professional market analysis of the need and demand for the proposed development.

The report is prepared for Cline Manor VA LLC for submission to Virginia Housing.

The report is designed to satisfy the underwriting criteria of the reviewing agency for which it was performed, and the conclusions, based on the results of our research, experience, and expertise reflect the predicted ability of the project, as presented to us, to meet or exceed that reviewing agency's guidelines. Thus, a positive conclusion does not necessarily imply that the project would be found to be feasible or successful under different underwriting standards, and this study does not necessarily incorporate generally accepted professional market study standards and elements pre-empted by the guidelines set out by the reviewing agency.

The report was completed using professional market techniques. The findings of this study are predicated upon the assumption that the proposed development, as presented to us, will be located at the site described in the report, that it will be funded through the program under which it was prepared, and within the stated projection period.

Further, the findings are based on the assumption that once funded, the complex will be well-designed, well-marketed, and professionally managed.

The site of the proposed apartments was visited on February 19, 2025.

The site was visited by T. Ronald Brown.

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis. The President of the firm is T. Ronald Brown. Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland. He has 35 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last three decades or so, Mr. Brown has produced more than 3,000 studies in at least 20 states, predominantly in the Southeast.

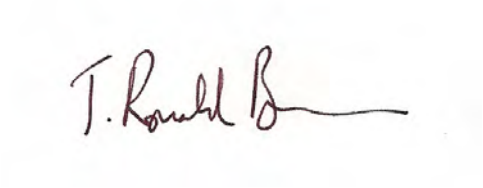
Mr. Brown is responsible for the analysis and write-up of this report – performing the role of both analyst and author.

To the best of our knowledge, this report is an accurate representation of market conditions. While due care and professional housing market study techniques were used, no guarantee is made of the findings.

It is stated that we do not have, nor will have in the future, any material interest in the proposed development, and that there is no identity of interest between us and the party for whom the project was prepared. Further, we state that the payment of the fee is not contingent upon a favorable conclusion, nor approval of the project by any agency before or after the fact. The payment of the fee does not include payment for testimony nor further consultation.

Submitted, and attested to, by:

T. Ronald Brown, President
T. Ronald Brown: Research & Analysis
P.O. Box 18534
Asheville, North Carolina 28814-0534
919.612.5328



Date: March 11, 2025

C. PROJECT DESCRIPTION

The Cline Manor Apartments will comprise 48 units - 20 two-bedroom units and 28 three-bedroom units. The project is new construction.

The project is to be configured as follows:

	Units	sq. ft	Rent	Targeting*
2 bedroom/1 ½ bath	5	1,000	$562	less than 30 percent
2 bedroom/1 ½ bath	15	1,000	$1,039	less than 50 percent
3 bedroom/2 bath	4	1,200	$1,196	less than 50 percent
3 bedroom/2 bath	7	1,200	$1,472	less than 60 percent
3 bedroom/2 bath	17	1,200	$1,572	less than 80 percent

** percentage of area median income*

Of the 48-unit total, five units will be targeted to households with incomes up to 30 percent of the median, 19 units will be targeted to households with incomes up to 50 percent of the median, seven will be targeted at the 60 percent level, and the remaining 17 units will be targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status.

Given that the project will include units targeted to households with incomes in excess of 60 percent of the local area median income, income averaging is applied. Thus, the average target income, overall, cannot exceed 60 percent of the median.

Utilities (excluding trash collection) will be paid by the tenant - utility allowances are $152 for the two-bedroom units, and $180 for the three–bedroom units. Based on information supplied by the developer, the proposed apartments will meet energy-saving standards, both for construction and for appliances provided.

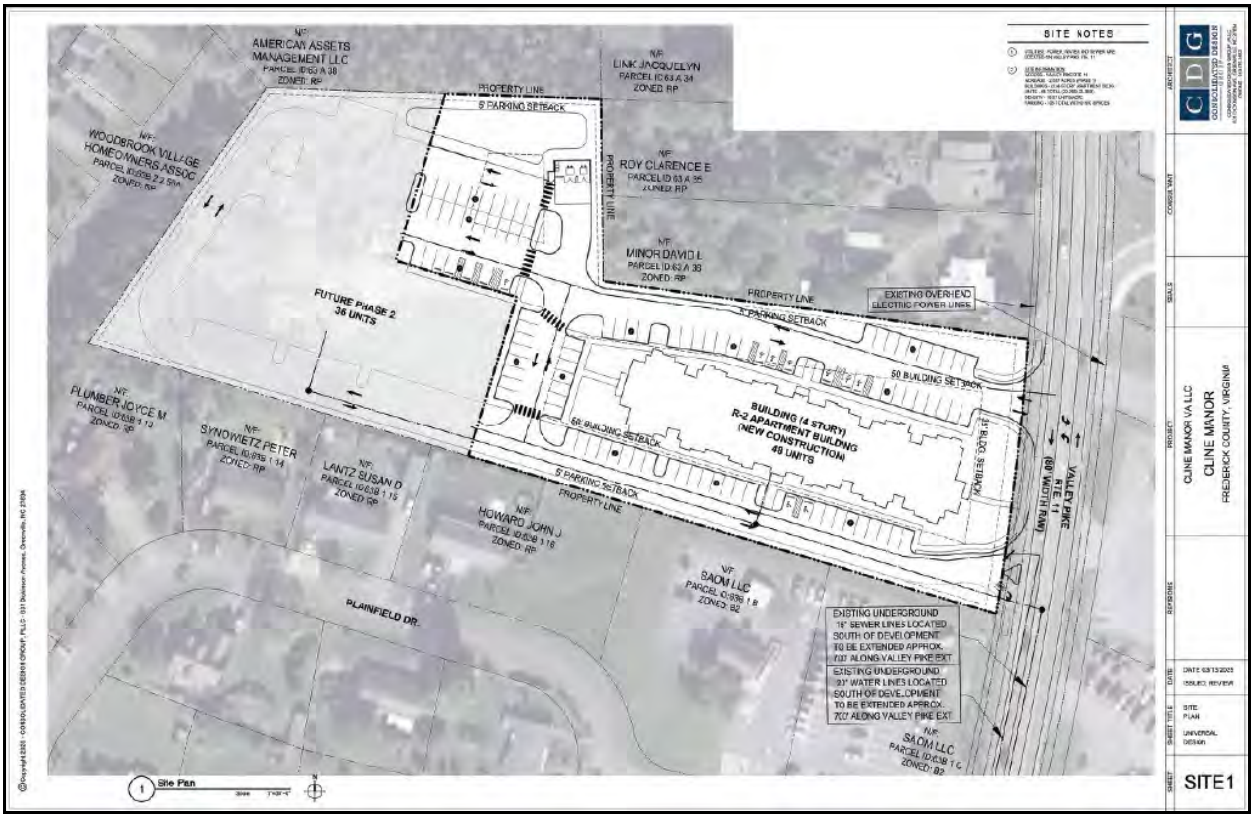
The property will feature a single four- story building, which will have an elevator. The building will have a combination exterior. Common area and site amenities include a multi-purpose room and laundry. The property will offer various enhancements, as per Virginia Housing guidelines.

There will be 96 parking spaces.

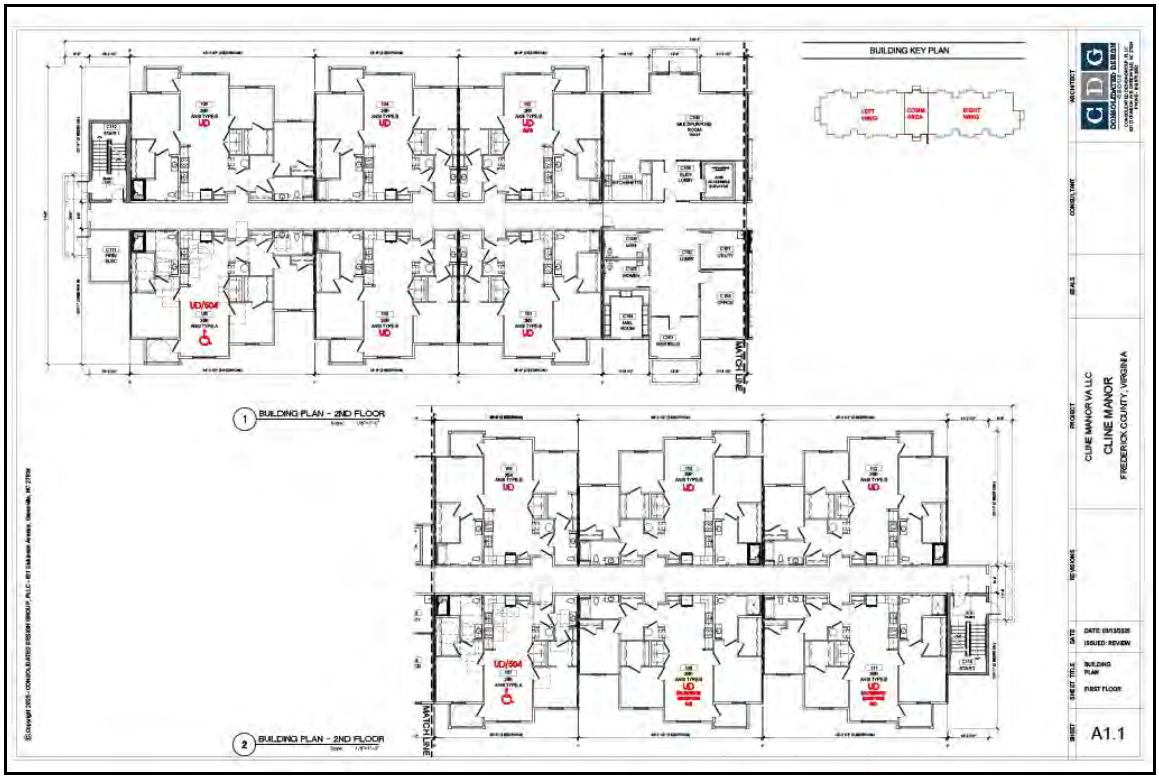
It is understood that the construction program would commence in April, 2026 and would be completed within 12 months, or so.

Representative architectural drawings are set out on the following pages.

Site plan

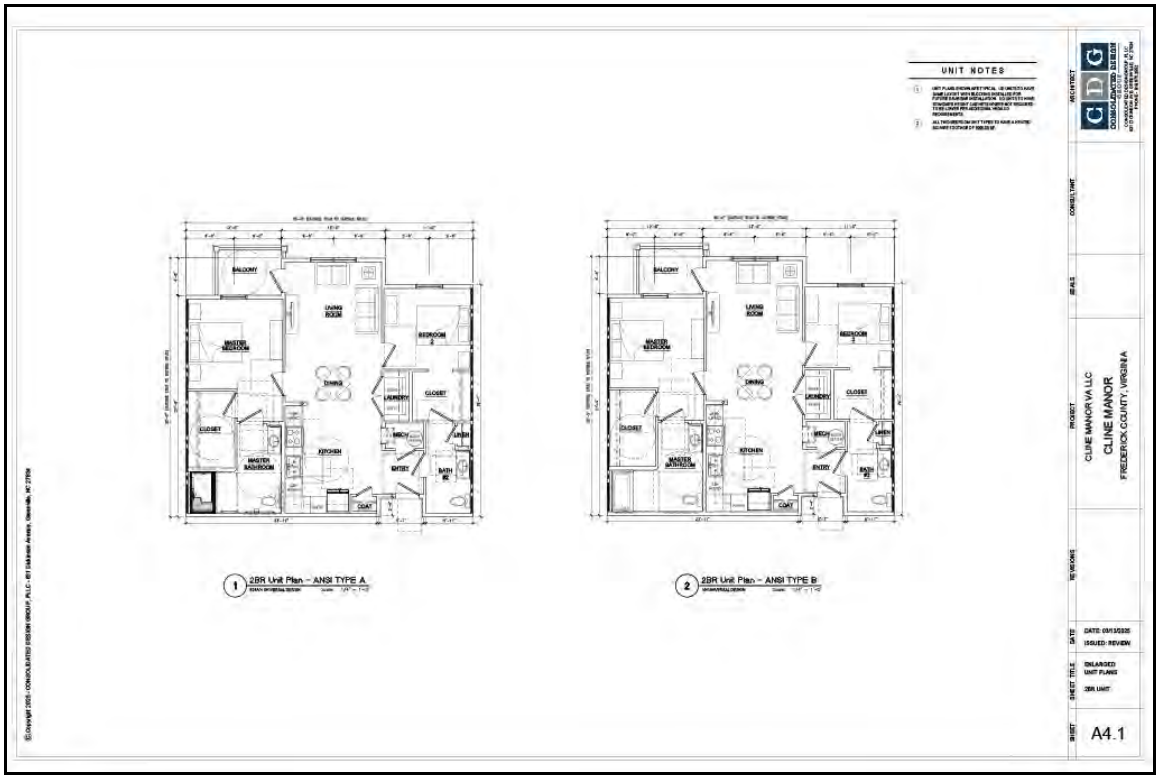

SITE NOTES
N/F AMERICAN ASSETS MANAGEMENT LLC
N/F LINK JACQUELYN
N/F WOODBROOK VILLAGE HOMEOWNERS ASSOC
N/F ROY CLARENCE E
N/F MINOR DAVID L
PROPERTY LINE
5' PARKING SETBACK
FUTURE PHASE 2 36 UNITS
EXISTING OVERHEAD ELECTRIC POWER LINES
50' BUILDING SETBACK
BUILDING (4 STORY) R-2 APARTMENT BUILDING (NEW CONSTRUCTION) 48 UNITS
N/F PLUMBER JOYCE M
N/F SYNOWIETZ PETER
N/F LANTZ SUSAN D
N/F HOWARD JOHN J
N/F BAOM LLC
PLAINFIELD DR.
VALLEY PIKE (60' WIDTH R/W)
EXISTING UNDERGROUND 15" SEWER LINES LOCATED SOUTH OF DEVELOPMENT TO BE EXTENDED APPROX. 700' ALONG VALLEY PIKE EXT
EXISTING UNDERGROUND 10" WATER LINES LOCATED SOUTH OF DEVELOPMENT TO BE EXTENDED APPROX. 700' ALONG VALLEY PIKE EXT
N/F SAOM LLC
CLINE MANOR VA LLC
CLINE MANOR
FREDERICK COUNTY, VIRGINIA
SITE PLAN
UNIVERSAL DESIGN
SITE1
1 Site Plan

Floor plans


BUILDING KEY PLAN
1 BUILDING PLAN - 2ND FLOOR
2 BUILDING PLAN - 2ND FLOOR
MATCH LINE
CLINE MANOR VA LLC
CLINE MANOR
FREDERICK COUNTY, VIRGINIA
A1.1

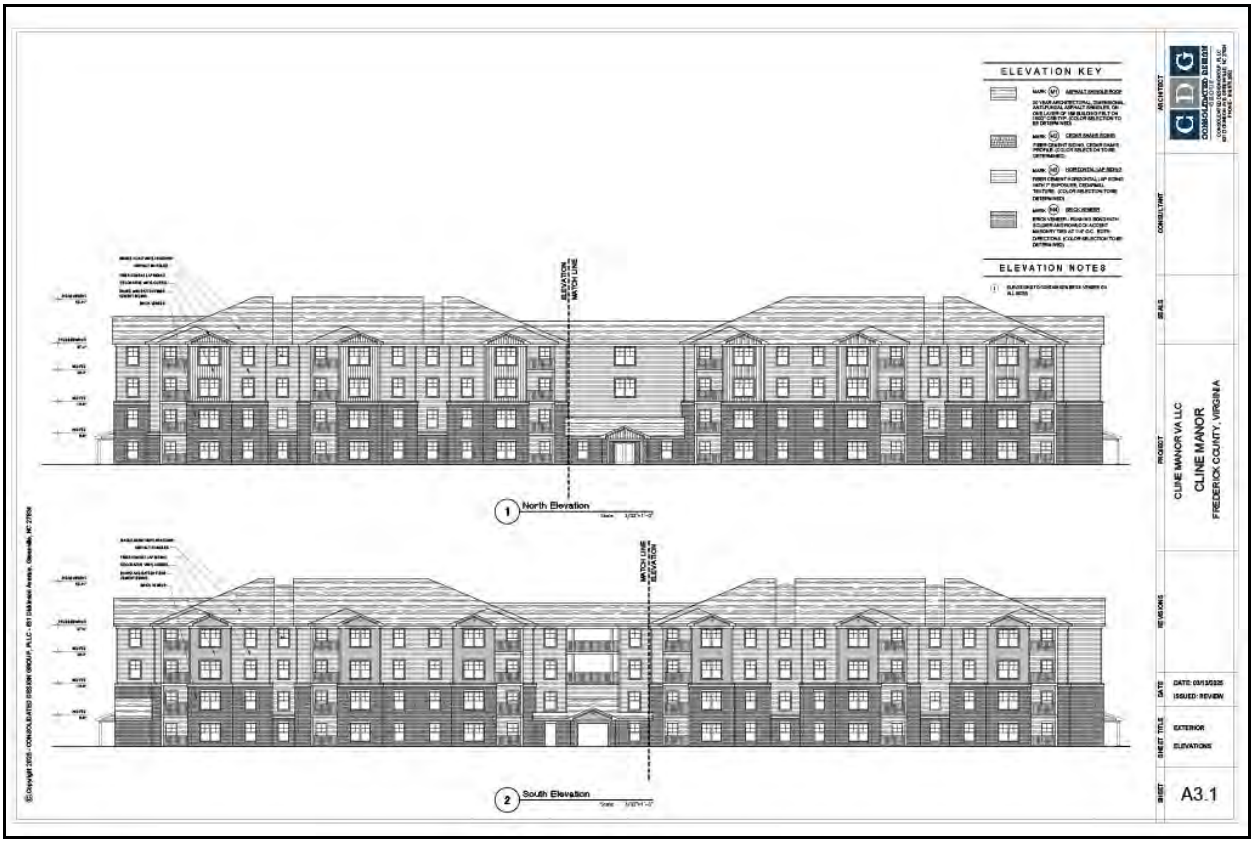
BUILDING KEY PLAN
1 BUILDING PLAN - 2ND FLOOR
2 BUILDING PLAN - 2ND FLOOR
MATCH LINE
CLINE MANOR VA LLC
CLINE MANOR
FREDERICK COUNTY, VIRGINIA
A1.2

Unit plans


UNIT NOTES
1 2BR Unit Plan - ANSI TYPE A
2 2BR Unit Plan - ANSI TYPE B
CLINE MANOR VA LLC
CLINE MANOR
FREDERICK COUNTY, VIRGINIA
A4.1

UNIT NOTES
1 3BR Unit Plan - ANSI TYPE A
2 3BR Unit Plan - ANSI TYPE B
3 3BR Unit Plan - ANSI TYPE B
CLINE MANOR VA LLC
CLINE MANOR
FREDERICK COUNTY, VIRGINIA
A4.2

Elevations


ELEVATION KEY
ELEVATION NOTES
1 North Elevation
2 South Elevation
CLINE MANOR
FREDERICK COUNTY, VIRGINIA
A3.1

D. LOCATION

The site of the Cline Manor Apartments is on the west side of Valley Pike (US 11), in the Kernstown area of Frederick County, south of the City of Winchester. Adjacent properties include single family homes and various businesses located on Valley Pike, and a church. The site is relatively flat and is mostly cleared. A single family home fronts on Valley Pike and another house is located to the rear of the property.

View across Valley Pike, onto site

View on property

View on property

View on property

View north on Valley Pike, at site

View south on Valley Pike, at site

View across Valley Pike, from site

The site is located on the west side of Valley Pike (US 11), in the Kernstown area . Access to the site is good.

Given the site location and its situation, the site is very visible.

Access from the site to major thoroughfares, shopping, schools, and other local services is quite good.

A bus stop is within one-fourth mile of the site.

The site is located on Valley Pike (US 11) - a major north-south business route serving Winchester. It is within one mile of VA Route 37, and is within one and one-third miles of Interstate 81.

The closest grocery store is an ALDI supermarket one and one-half miles from the site, to the south. A CVS pharmacy and a Dollar General store are approximately one mile to the north of the property. The site is within three miles of the Winchester Station shopping center and Apple Blossom Mall - which include a Martin's supermarket, a Wal Mart Supercenter, and a Target store.

The site is within three- and one-half miles to six miles of the Orchard View Elementary School, the James Wood Middle School, and the Shenando High School. The Shenandoah University is within four miles.

The site is within four and one-half miles of the Valley Regional Medical Center, and associated medical services.

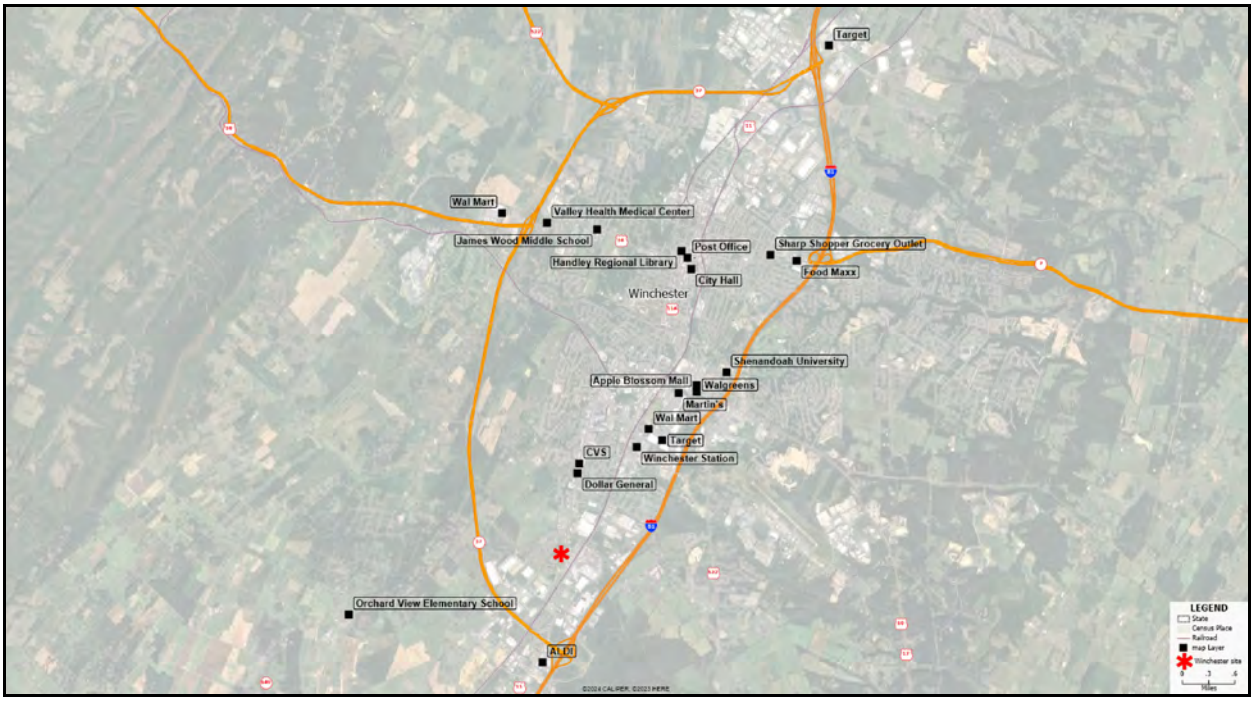
The site is within four miles or so of the shopping, government and other services located in the downtown Winchester area.

The following table illustrates the noteworthy community amenities serving the site and the (driving) distance to the site.

Table 1 - Distance to Neighborhood and Community Amenities

Category	Neighborhood/Community Amenity	Distance (miles)
Highways	US 11 Valley Pike	0.1
	VA 37	1.0
	I 81	1.3
Bus stop	Winchester	0.2
Retail - Grocery	ALDI	1.4
	Martins	2.9
Retail - Other	Dollar General	1.0
	CVS	1.1
	Target	2.8
	Wal-mart	2.3
Medical	Valley Health Regional Medical Center	4.5
Schools	Orchard View Elementary School	3.5
	James Wood Middle School	4.7
	Shanando High School	5.8
	Shenandoah University	3.7
Post Office	Winchester	4.0
Government	Winchester	3.8
Library	Handley Regional	3.8

Source: T.Ronald Brown: Research & Analysis


Target
Wal Mart
Valley Health Medical Center
James Wood Middle School
Post Office
Sharp Shopper Grocery Outlet
Handley Regional Library
Food Maxx
City Hall
Winchester
Shenandoah University
Apple Blossom Mall
Walgreens
Martin's
Wal Mart
Target
CVS
Winchester Station
Dollar General
Orchard View Elementary School
ALDI
LEGEND

Based on our observations during our site visit, there is no reason to expect that the risk of crime in this neighborhood would be greater or less than that for other parts of the market area.

There are no apparent physical, environmental, or other constraints upon the construction and marketing of the proposed project at this location.

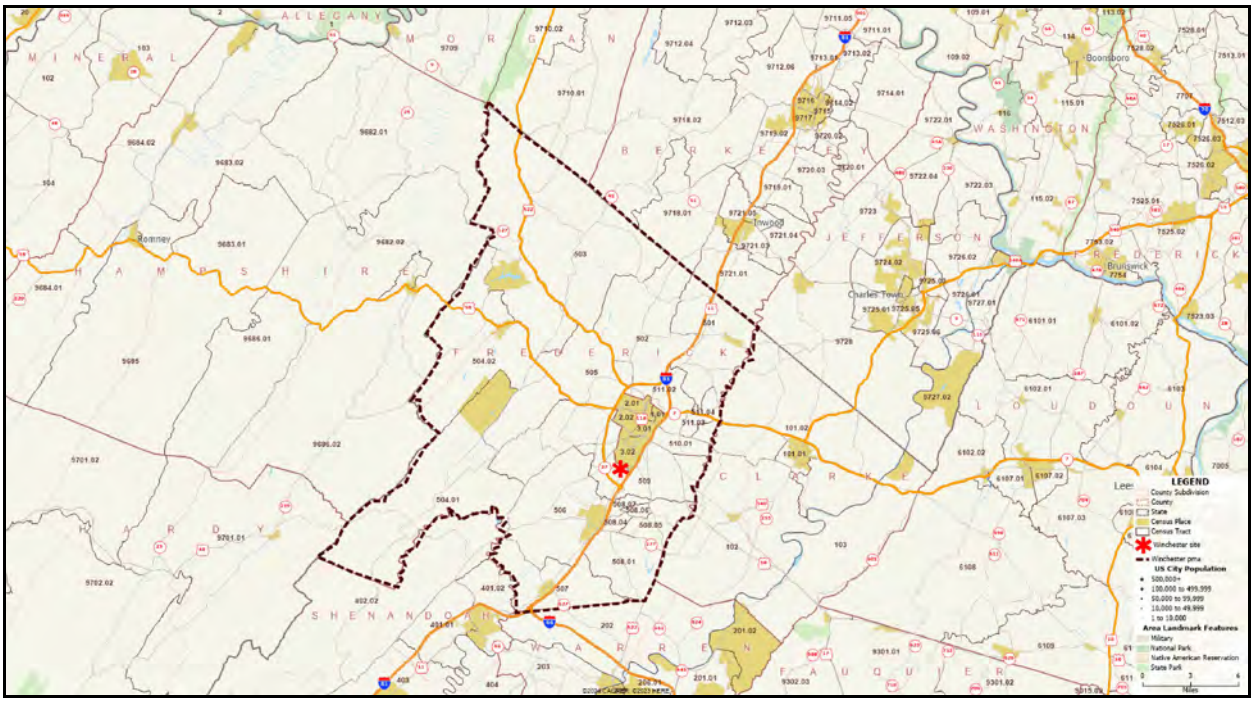
The site is considered marketable.

E. MARKET AREA DEFINITION

Market areas are defined on the basis of the consideration of many inter-related factors. These include consideration of the site location, consideration of socio-demographic characteristics of the area (tenure, income, rent-levels, etc.), local commuting patterns, physical (or other) boundaries, census geographies, and especially the location of comparable and/or potentially competing communities.

In communities such as county seats where that community is the county's largest community and is centrally located and can draw from the entire county, the county may be the market area. In circumstances where there are potentially competing communities in one county, the market area will be that part of the county (and, potentially, portions of adjacent counties) which the proposed development is most likely to draw from. In urban or suburban markets, the market area will be areas adjacent to the site and will extend to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project. Here combinations of census tracts, may be used to define the market area.

The proposed development is located in the Kernstown area in south central Frederick County, south of the City of Winchester, in the western part of northern Virginia. The market area for the proposed development is Frederick County and the City of Winchester. This area is focused on the site of the proposed development and extends to an approximately five to 23-mile hinterland. This area includes the smaller community of Stephens City. The market area, as defined, therefore is that which constitutes the area adjacent to the site of the proposed development and extends to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project.


ALLEGANY
MINERAL
MORGAN
BERKELEY
WASHINGTON
JEFFERSON
FREDERICK
HAMPSHIRE
LOUDOUN
CLARKE
HARDY
SHENANDOAH
WARREN
FAUQUIER
Romney
Inwood
Charles Town
Boonsboro
Brunswick
LEGEND
County Subdivision
County
State
Census Place
Census Tract
Winchester site
Winchester pma
US City Population
500,000+
100,000 to 499,999
50,000 to 99,999
10,000 to 49,999
1 to 10,000
Area Landmark Features
Military
National Park
Native American Reservation
State Park
Miles

F. EMPLOYMENT AND ECONOMY

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general.

Employment trends

Employment trends for Frederick County are illustrated in the table, below. Employment in 2023 - the most recent annual report shows employment at 52,005.

Employment showed modest growth from 2014 to 2020 when 978 jobs were lost from 2019 - a consequence of the COVID-19 pandemic. Data from 2021 show that, locally, employment has shown significant gains.

Table 2 - Total Employment

		Change over previous year	
		number	percent
2014	42,578		
2015	43,043	465	1.1
2016	43,842	799	1.9
2017	45,346	1,504	3.4
2018	46,301	955	2.1
2019	47,656	1,355	2.9
2020	46,678	-978	-2.1
2021	48,193	1,515	3.2
2022	50,228	2,035	4.2
2023	52,005	1,777	3.5

Source: Bureau of Labor Statistics

Employment trends, by sector

Information on employment, by industry for Frederick County in 2022 and 2023 (the most recent annual data) is set out in Table 2, below. From this it is seen that, with respect to employment, the largest subsector is manufacturing - employing 18.8 percent in the most recent year. Other significant subsectors are retail trade, and transportation - each employing more than 10 percent of the total.

Table 3 - Employment, by sector

	2022		2023		
	number	percent	number	percent	pct change
Agriculture, Forestry, etc					
Mining, etc.					
Utilities					
Construction	2,338	7.4	2,235	6.8	-4.4
Manufacturing	6,420	20.4	6,218	18.8	-3.1
Wholesale trade					
Retail trade	3,982	12.6	4,174	12.6	4.8
Transp. and Warehousing	4,947	15.7	5,603	16.9	13.3
Information	316	1.0	311	0.9	-1.6
Finance and Insurance	2,608	8.3	2,858	8.6	9.6
Real estate	311	1.0	315	1.0	1.3
Professional and Technical services	959	3.0	1,013	3.1	5.6
Management	787	2.5	867	2.6	10.2
Administrative and Waste services	1,816	5.8	1,975	6.0	8.8
Educational services	137	0.4	190	0.6	38.7
Health Care and Social Assistance	1,629	5.2	1,766	5.3	8.4
Arts, Entertainment, Recreation	267	0.8	325	1.0	21.7
Accommodation and Food services	2,296	7.3	2,478	7.5	7.9
Other Services	864	2.7	870	2.6	0.7
Unclassified	98	0.3	80	0.2	-18.4
Total (private)	31,515		33,065		4.9

Source: Bureau of Labor Statistics

Unemployment trends

Unemployment trends for Frederick County are illustrated in the table, below. Rates for Virginia and for the U.S. as a whole are also shown, for reference. Here it is seen that the most recent annual unemployment rate for the County is 2.5 percent, up from 2.3 percent the previous year, and down from 4.8 percent in 2020.

Table 4 - Unemployment trends

	Frederick County	Virginia	U.S.
2014	4.6%	5.1%	6.2%
2015	3.9%	4.4%	5.3%
2016	3.4%	4.0%	4.9%
2017	3.2%	3.7%	4.4%
2018	2.6%	3.0%	3.9%
2019	2.4%	2.8%	3.7%
2020	4.8%	6.2%	8.1%
2021	2.9%	3.9%	5.3%
2022	2.3%	2.9%	3.6%
2023	2.5%	2.8%	3.6%

Source: Bureau of Labor Statistics

Major Employers

The major private employers in Frederick County are listed in Table 5, below. Here it is seen that the largest employers include the local hospital, public schools, and local government. The largest manufacturer ios the Trex Company, which is located not far from the site of the proposed development.

Table 5 - Major Employers

Employer Name	Product/Service	Employees
Valley Health System	Hospitals	1,000+
Frederick County Public Schools	Education	1,000+
Navy Federal Credit Union	Bank	1,000+
Amazon Fulfillment Services	Retail	1,000+
Trex Company	Plastics and rubber manufacturing	1,000+
FEMA	Government	1,000+
Walmart	Retail	1,000+
County of Frederick	Government	1,000+
Shenandoah University	Education	500-999
Winchester Public Schools	Education	500-999
Home Depot	Retail	500-999
City of Winchester	Government	500-999
Newell Brands	Plastics and rubber manufacturing	500-999
H P Hood	Food manufacturing	500-999
FBI	Government	500-999
Martins Food Market	Retail	500-999

Source: Frederick County Economic Development Authority

The Virginia Economic Development Partnership reports a total of 199 new jobs added at six locations in Winchester and Frederick County in recent years (since 2022). With respect to closures an layoffs, the Virginia Economic Development Partnership reports no losses or closures since 2022.

The proposed development is not located in a market - such as a resort area - that would need housing for employees in such a specific market, although, as noted, the tourism industry is significant.

Wages by Industry Sector

Information on wages, by employment sector, for Frederick County is set out in Table 6, below. Here, average wages show some variation - both between sectors and also over time - with average wages increasing by 2.3 percent between 2022 and 2023.

Table 6 - Average Wages by Industry Sector

	2022	2023	pct change
Agriculture, Forestry, etc			
Mining, etc.			
Utilities			
Construction	$1,125	$1,195	6.2
Manufacturing	$1,374	$1,394	1.5
Wholesale trade			
Retail trade	$739	$790	6.9
Transp. and Warehousing	$1,127	$1,149	2.0
Information	$854	$897	5.0
Finance and Insurance	$1,407	$1,457	3.6
Real estate	$1,062	$1,081	1.8
Professional and Technical services	$1,395	$1,400	0.4
Management	$1,905	$1,825	-4.2
Administrative and Waste services	$687	$717	4.4
Educational services	$313	$317	1.3
Health Care and Social Assistance	$1,075	$1,132	5.3
Arts, Entertainment, Recreation	$559	$557	-0.4
Accommodation and Food services	$471	$479	1.7
Other Services	$876	$917	4.7
Unclassified	$746	$805	7.9
Total	$1,090	$1,115	2.3

Source: Virginia Labor Market Information

Commuting patterns

Based on data from the American Community Survey, 49.3 percent of workers resident in Winchester were employed in Winchester. The average driving time to work for residents of Winchester was 20.7 minutes, compared with 27.6 minutes for Virginia as a whole.

Table 7 - Commuting Data

	number	percent
Total Workers	13,717	100.0
Worked in Place of residence	6,762	49.3
Worked in County of residence	6,762	49.3
Worked outside Place of residence	6,955	50.7
Worked outside County of residence	6,955	50.7
Mean travel time to work (minutes)	20.7	

Source: 2019 to 2023 American Community Survey; T.Ronald Brown: Research & Analysis

Commuting patterns data are no longer provided in the Decennial Census. Here, data are obtained from the LEHD Origin-Destination Statistics program available from the Census Bureau's OnTheMap application. These data, on commuting patterns for persons who live and/or work in the Williamsburg area are set out, below.

Here it is seen that, asa one would expect, very many persons who work in Frederick County commute into the County from the City of Winchester. Many residents of Frederick County commute to work in, for example, Berkeley County West Virginia and Winchester.

Table 8 - Commuting Patterns

Working in Frederick County	10,407
Where Frederick County workers are commuting from:	
Winchester City	9,988
Loudon County	4,354
Fairfax County	3,505
Warren County	1,572
Prince William County	1,197
Berkeley County, WV	1,139
Clarke County	904
Shenandoah County	648
Harrisonburg City	583
Elsewhere	9,145
Where Frederick County residents are commuting to:	
Berkeley County, WV	3,291
Winchester City	2,553
Shenandoah County	1,686
Hampshire County, WV	1,357
Warren County	1,334
Loudon County	1,270
Fairfax County	880
Prince William County	661
Clarke County	601
Elsewhere	8,777

Source: LEHD Origin-Destination Statistics program/OnTheMap; T.Ronald Brown: Research & Analysis

It is expected that the local economic conditions will not likely have a direct positive or negative impact on the subject property, to any significant extent.

G. DEMOGRAPHIC CHARACTERISTICS

Population and Household Trends

In 2010, the population of Frederick County was 78,305, and in 2020 the population was recorded as 91,419. Population projections for Frederick County are provided by the Virginia State Data Center. Based on these data, the population of the area is projected to be 97,053 by 2025, and to be around 103,035 in 2030.

In 2010, the population of the market area was 104,508, and in 2020 the population was recorded as 119,539. Population projections for the market area are based the average of several small area population projection techniques using census tract trends for 2010 to 2020, corrected for the official State Data Center projections for Frederick County and the City of Winchester. Based on these data, the population of the area is projected to be 125,606 by 2025, and to be around 132,641 by 2030.

Information on population trends and changes between 2000 and 2030 are set out in Table 9, below.

Table 9- Population Trends

	Winchester	Market Area	Frederick County
2000	23,585	82,794	59,209
2010	26,203	104,508	78,305
2020	28,120	119,539	91,419
2025	28,553	125,606	97,053
2030	29,606	132,641	103,035
absolute change			
2000-2010	2,618	21,714	19,096
2010-2020	1,917	15,031	13,114
2020-2025	433	6,067	5,634
2025-2030	1,053	7,035	5,982
annual change			
2000-2010	262	2,171	1,910
2010-2020	192	1,503	1,311
2020-2025	87	1,213	1,127
2025-2030	211	1,407	1,196

Source: 2000, 2010 and 2020 Census; Virginia State Data Center; T.Ronald Brown: Research & Analysis

Projections of the number of households for Winchester, the market area, and for Frederick County are set out in Table 10, below.

In 2010, there were 28,864 households in Frederick County and 34,073 in 2020. Based on the population projections, there to be around 38,383 households in the area in 2025, and 38,848 in 2030.

There were 39,471 households in the market area in 2010, and 45,477 in 2020. Projections show around 49,648 and 50,429 households in 2025 and 2030, respectively.

Table 10 - Household Trends

	Winchester	Market Area	Frederick County
2000	10,001	32,098	22,097
2010	10,607	39,471	28,864
2020	11,404	45,477	34,073
2025	11,265	49,648	38,383
2030	11,581	50,429	38,848
absolute change			
2000-2010	606	7,373	6,767
2010-2020	797	6,006	5,209
2020-2025	-139	4,171	4,310
2025-2030	316	781	465
annual change			
2000-2010	61	737	677
2010-2020	80	601	521
2020-2025	-28	834	862
2025-2030	63	156	93

Source: 2000, 2010 and 2020 Census; Virginia State Data Center; T.Ronald Brown: Research & Analysis

Population and household characteristics

Age distribution

The distribution of the population, by age, for Winchester, the market area, and Frederick County is set out in Table 11, below. These data are from the 2020 Census.

Table 11 - Age Distribution

	Winchester		Market Area		Frederick County	
	number	percent	number	percent	number	percent
Under 5 years	1,560	5.5	6,739	5.6	5,179	5.7
5 to 9 years	1,639	5.8	7,326	6.1	5,687	6.2
10 to 14 years	1,669	5.9	7,984	6.7	6,315	6.9
15 to 19 years	2,192	7.8	8,129	6.8	5,937	6.5
20 to 24 years	2,267	8.1	7,140	6.0	4,873	5.3
25 to 29 years	2,067	7.4	7,160	6.0	5,093	5.6
30 to 34 years	1,997	7.1	7,643	6.4	5,646	6.2
35 to 39 years	1,861	6.6	7,768	6.5	5,907	6.5
40 to 44 years	1,645	5.8	7,265	6.1	5,620	6.1
45 to 49 years	1,522	5.4	7,203	6.0	5,681	6.2
50 to 54 years	1,641	5.8	7,977	6.7	6,336	6.9
55 to 59 years	1,747	6.2	8,296	6.9	6,549	7.2
60 to 64 years	1,617	5.8	7,773	6.5	6,156	6.7
65 to 69 years	1,436	5.1	6,582	5.5	5,146	5.6
70 to 74 years	1,245	4.4	5,757	4.8	4,512	4.9
75 to 79 years	849	3.0	3,946	3.3	3,097	3.4
80 to 84 years	551	2.0	2,519	2.1	1,968	2.2
85 years and over	615	2.2	2,332	2.0	1,717	1.9
55 and older	8,060	28.7	37,205	31.1	29,145	31.9
65 and older	4,696	16.7	21,136	17.7	16,440	18.0
Total	28,120		119,539		91,419	

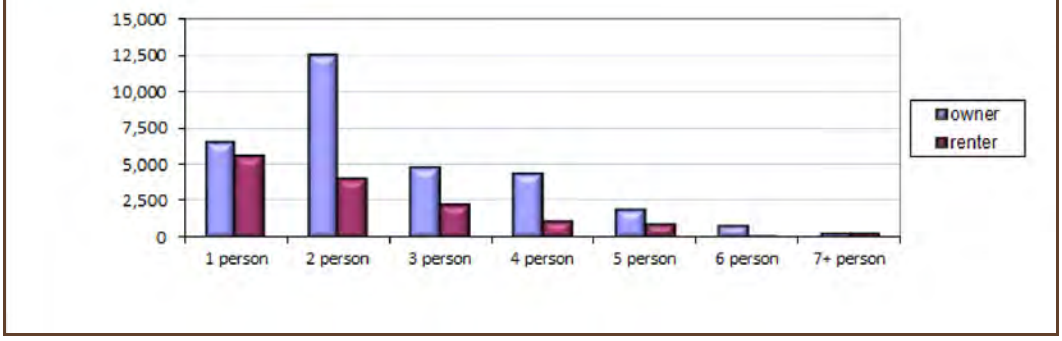
Source: 2020 Census; T.Ronald Brown: Research & Analysis

Household size

Table 12 below, sets out household size, by tenure, for households in Winchester, the market area, and Frederick County.

Table 12 - Household Size

	Winchester		Market Area		Frederick County	
	owner	renter	owner	renter	owner	renter
1 person	1,219	1,968	6,515	5,472	5,296	2,734
2 person	1,744	856	12,410	3,994	10,666	2,410
3 person	717	321	4,781	2,258	4,064	1,071
4 person	615	5,472	4,337	1,090	3,722	655
5 person	163	3,994	1,968	938	1,805	534
6 person	114	2,258	856	73	742	22
7+ person	84	1,090	321	266	237	121



Source: 2019 to 2023 American Community Survey; T.Ronald Brown: Research & Analysis

Tenure

Table 13, below, sets out the number and proportion of owner and renter households for Winchester, the market area, and Frederick County. In the years beyond 2020, the tenure proportions are based on the 2020 proportions. In 2020, 56.4 percent of households in Winchester were renters, 30.0 percent of households in the market area were renters, and 21.2 percent in Frederick County were renters.

Table 13 - Tenure

Winchester	population	households	persons per household	Owner-occupied number	Owner-occupied percent	Renter-occupied number	Renter-occupied percent
2000	23,585	10,001	2.36	4,567	45.7	5,434	54.3
2010	26,203	10,607	2.47	4,861	45.8	5,746	54.2
2020	28,120	11,404	2.47	4,972	43.6	6,432	56.4
2025	28,553	11,265	2.53	4,912	43.6	6,353	56.4
2030	29,606	11,581	2.56	5,049	43.6	6,532	56.4
Market Area	population	households	persons per household	Owner-occupied number	Owner-occupied percent	Renter-occupied number	Renter-occupied percent
2000	82,794	32,098	2.58	22,319	69.5	9,779	30.5
2010	104,508	39,471	2.65	27,534	69.8	11,937	30.2
2020	119,539	45,477	2.63	31,822	70.0	13,655	30.0
2025	125,606	49,648	2.53	34,754	70.0	14,894	30.0
2030	132,641	50,429	2.63	35,300	70.0	15,129	30.0
Frederick County	population	households	persons per household	Owner-occupied number	Owner-occupied percent	Renter-occupied number	Renter-occupied percent
2000	59,209	22,097	2.68	17,752	80.3	4,345	19.7
2010	78,305	28,864	2.71	22,673	78.6	6,191	21.4
2020	91,419	34,073	2.68	26,850	78.8	7,223	21.2
2025	97,053	38,383	2.53	30,246	78.8	8,137	21.2
2030	103,035	38,848	2.65	30,612	78.8	8,236	21.2

Source: 2000, 2010 and 2020 Census; Virginia State Data Center; T.Ronald Brown: Research & Analysis

Income Distribution

The distribution of household incomes for Winchester, the market area, and Frederick County are set out in Table 14, below. These figures are taken from the 2019 to 2023 American Community Survey, and as such are subject to the limitations imposed by this source.

The median household income for Winchester is around $64,648, and that for Frederick County as a whole is seen to be $95,603. The median income for the market area is estimated at $87,226.

The median income for the census tract in which the site of the proposed development is located is estimated to be around $67,525 - based on the American Community Survey data.

Table 14 - Household Income

	Winchester		Market area		Frederick County	
	number	percent	number	percent	number	percent
less than $10,000	700	6.2	1,766	3.9	1,066	3.1
$10,000 to $14,999	295	2.6	730	1.6	435	1.3
$15,000 to $19,999	596	5.3	1,415	3.1	819	2.4
$20,000 to $24,999	571	5.1	1,385	3.0	814	2.4
$25,000 to $29,999	389	3.5	1,032	2.3	643	1.9
$30,000 to $34,999	348	3.1	1,034	2.3	686	2.0
$35,000 to $39,999	507	4.5	1,518	3.3	1,011	2.9
$40,000 to $44,999	412	3.7	1,654	3.6	1,242	3.6
$45,000 to $49,999	260	2.3	1,489	3.3	1,229	3.6
$50,000 to $59,999	937	8.3	2,999	6.6	2,062	6.0
$60,000 to $74,999	1,444	12.8	4,716	10.3	3,272	9.5
$75,000 to $99,999	1,592	14.1	6,270	13.8	4,678	13.6
$100,000 to $124,999	999	8.9	5,294	11.6	4,295	12.5
$125,000 to $149,999	649	5.8	4,022	8.8	3,373	9.8
$150,000 to $199,999	560	5.0	5,024	11.0	4,464	13.0
$200,000 or more	996	8.8	5,245	11.5	4,249	12.4
median income	$64,648		$87,226 *		$95,603	

** Estimate*

Source: 2019 to 2023 American Community Survey; T.Ronald Brown: Research & Analysis

Renter Income

The distribution of household incomes for renter households for Winchester, the market area, and Frederick County are set out in Table 15, below. These figures are also taken from the 2017 to 2021 American Community Survey.

The median renter household income for Winchester is around $55,582, and that for Frederick County as a whole is seen to be $59,728. The median renter income for the market area is estimated at $58,410.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around $36,875 - based on the American Community Survey data.

Table 15 - Household Income, Renter Households

	Winchester		Market area		Frederick County	
	number	percent	number	percent	number	percent
less than $10,000	606	9.3	1,035	7.3	429	5.7
$10,000 to $19,999	703	10.7	1,315	9.3	612	8.1
$20,000 to $34,999	820	12.5	1,764	12.5	944	12.5
$35,000 to $49,999	809	12.4	1,901	13.5	1,092	14.5
$50,000 to $74,999	1,576	24.1	3,065	21.8	1,489	19.7
$75,000 to $99,999	1,116	17.1	2,070	14.7	954	12.6
$100,000 or more	914	14.0	2,941	20.9	2,027	26.9
median income	$55,582		$58,410 *		$59,728	

** Estimate*

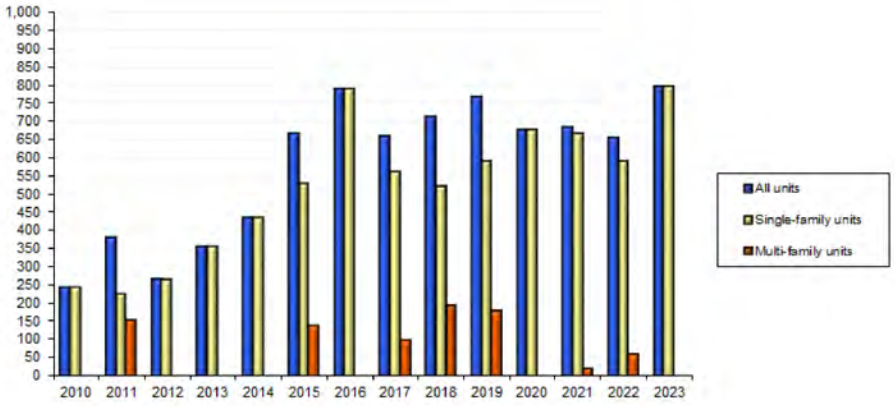
Source: 2019 to 2023 American Community Survey; T.Ronald Brown: Research & Analysis

Building permit trends

Table 16 below gives details of residential construction in Frederick County and the City of Winchester since 2010. Where the data exist, it can be seen that a total of 8,116 units were added in the County, and 1,119 added in Winchester.

Table 16 - Residential Construction Since 2010

	Frederick County			Winchester City		
	Total	single-family	multi-family	Total	single-family	multi-family
2010	247	247	0	37	37	0
2011	382	229	153	32	26	6
2012	266	266	0	58	7	51
2013	357	357	0	9	9	0
2014	436	436	0	23	21	2
2015	669	532	137	13	13	0
2016	791	791	0	30	25	5
2017	661	562	99	170	18	152
2018	716	525	191	158	20	138
2019	771	594	177	37	37	0
2020	678	678	0	18	6	12
2021	687	667	20	209	20	189
2022	657	594	63	259	22	237
2023	798	798	0	66	66	0
Total	8,116	7,276	840	1,119	327	792



Source: Current Construction Reports, Bureau of the Census; T. Ronald Brown: Research & Analysis

H. COMPETITIVE ENVIRONMENT

There are several few several apartment complexes located in the Winchester area. These include properties financed with low income housing tax credits, and subsidized housing for very low income households and also market rate properties. These complexes were identified and surveyed, and where useful information was made available to us, this is presented, below.

Based on information from Virginia Housing, the following are the significant (non-elderly) properties that have been financed with tax credits in the market area for the proposed development.

Autumn Wind (104 units)
Preston Place (236 units)

Both these tax credit properties are relatively old, and are quite large - Preston Place offers 236 units, dating from 1993 and Autumn Wind has 104 units, dating from 1999. Preston Place offers a mix of two- and three-bedroom units targeted at 50 and 60 percent of the median: rents range from $1,099 to $1,539. Rents st Autumn Wind (all targeted at 60 percent) are from $1,399 to $1,623. The Autumn Wind property is fully occupied, with a waiting, and Preston Place has one vacancy (99.6 percent occupied).

Based on our survey, there is a market-wide occupancy rate of 95.4 percent - with the occupancy at the tax credit properties being 99.7 percent.

Information for two- and three-bedroom units at these various properties is summarized below.

Table 17 - Market Rate Properties

Property	Year built	Two-bedroom rents	Three-bedroom rents
Fort Coillier Terrace	1989	$1,663	$1,780
Pemberton Village	1997	$1,355-1,500	$1,600
Peppertree	1987	$1,583-$1,623	$1,775
Stuart Hill	2003	$1,740-2,525	$1,935-2,590

Source: Apartment Managers; T.Ronald Brown: Research & Analysis

The location, rent levels, unit size, age, features, and amenities were analyzed in order to try to establish an estimate of market rent levels for the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around $1,589 for a two-bedroom unit, and $1,794 for a three-bedroom unit.

These rents are seen to be significantly above the proposed rents at the proposed development.

The various complexes surveyed are summarized as follows (with tax credit properties in bold face):

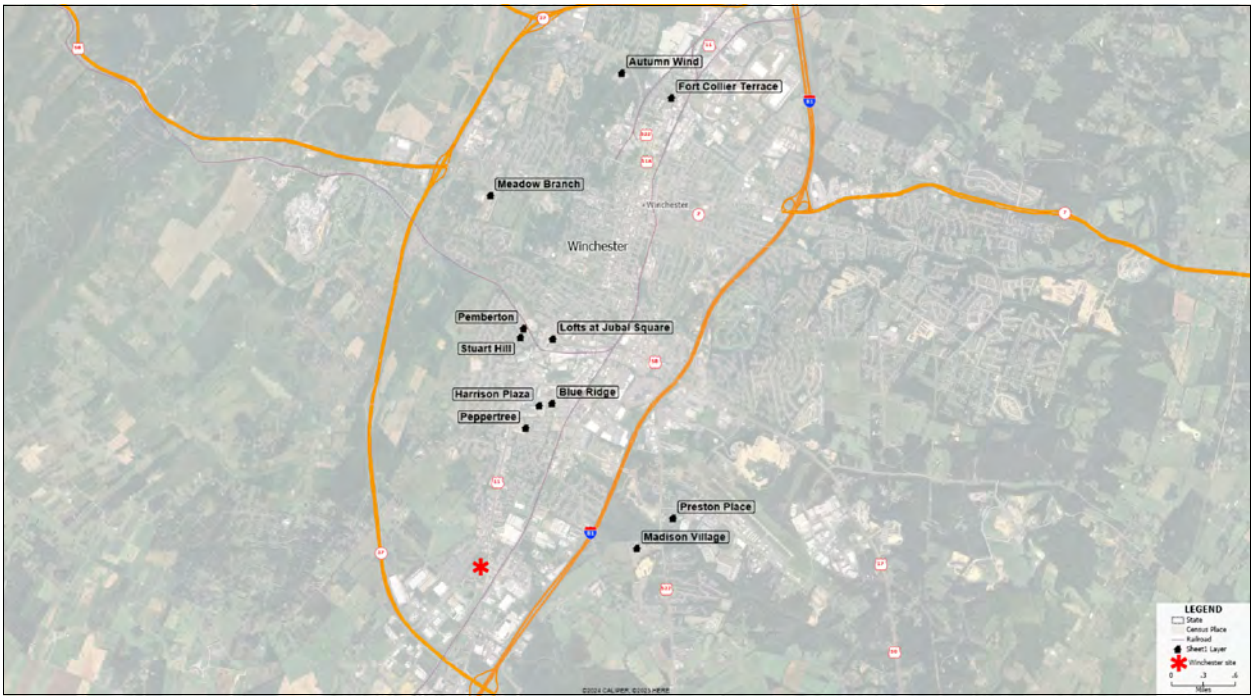
Complex name	Location	Financing	Year built	Total units	Vacant units	Occupancy (%)
Autumn Wind	**Winchester**	**LIHTC**	**1999**	**104**	**0**	**100.0**
Blue Ridge	Winchester	Conventional	**1989**	**194**	**14**	**92.8**
Fort Collier Terrace	Winchester	Conventional	1989	72	4	94.4
Harrison Plaza	Winchester	Conventional	2022	70	n/a	n/a
Lofts at Jubal Square	Winchester	Conventional	2018	140	n/a	n/a
Madison Village	Winchester	Conventional	2020	240	n/a	n/a
Meadow Branch	Winchester	Conventional	2023	305	25	n/a
Pemberton	Winchester	Conventional	1997	120	6	95.0
Peppertree	Winchester	Conventional	1987	194	7	96.4
Preston Place	**Winchester**	**LIHTC**	**1993**	**236**	**1**	**99.6**
Stuart Hill	Winchester	Conventional	2003	180	8	95.6

	0 br/1ba			1 br/1ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Cline Manor						
Autumn Wind						
Blue Ridge						
Fort Collier Terrace				32	800	$1,090
Harrison Plaza				27	864	$1,535-1,650
Lofts at Jubal Square				n/a	965-1,287	$1,885-1,988
Madison Village				70	825	$1,400-1,550
Meadow Branch				n/a	762-877	$1,815-1,839
Pemberton						
Peppertree				48	735-755	$1,440-1,477
Preston Place						
Stuart Hill				36	845-958	$1,542-2,200

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Cline Manor	**20**	**1,000**	**$562-1,039**			
Autumn Wind				**68**	**928**	**$1,399**
Blue Ridge	n/a	780-1,050	$1,410-1,810			
Fort Collier Terrace	37	900	$1,663			
Harrison Plaza				43	1,241-1,270	$1,660-1,750
Lofts at Jubal Square				n/a	1,267-1,584	$2,024-2,100
Madison Village				170	1,050	$1,750-1,800
Meadow Branch				n/a	1,215-1,960	$1,897-2,325
Pemberton	42	900	$1,355	60	990	$1,500
Peppertree	24	857-933	$1,583-1,623	94	933-960	$1,533-1,547
Preston Place				**164**	**1,000-1,080**	**$1,099-1,337**
Stuart Hill				**120**	**1,099-1,215**	**$1,740-2,525**

	3 br/1-1½ ba			3 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Cline Manor				**28**	**1,200**	**$1,196-1,572**
Autumn Wind				**36**	**1,128**	**$1,623**
Blue Ridge	n/a	1,100-1,200	$1,660-1,960			
Fort Collier Terrace				3	1,000	$1,780
Harrison Plaza						
Lofts at Jubal Square						
Madison Village						
Meadow Branch				n/a	1,937	$2,489
Pemberton				18	1,200	$1,600
Peppertree						
Preston Place				72	1,320-1,380	$1,263-1,539
Stuart Hill				24	1,296	$1,935-2,590

Apartment Locations



Autumn Wind

Location: 140 Scarlet Maple Drive
Winchester

Financing: LIHTC
Year Built: 1999
Total Units: 104
Vacant units: 0 100.0% occupied (waiting list)

Telephone: 540.299.2586
Management: Highmark Residential
[2/3]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	68	928	60%	$1,399	$113	$1.51
3/2	36	1,128	60%	$1,623	$124	$1.44

Unit Amenities	
Microwave	
Dishwasher	•
Washer/dryer	•
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	•
Fireplaces	
Patios/balconies	•

Community Amenities	
Clubhouse/community room	•
Fitness center	•
Business center	
Pool	•
Playground	•
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	•

Utilities in Rent	
Water	•
Sewer	•
Trash	•

Blue Ridge

Location: 2260 Wilson Boulevard
Winchester

Financing: Conventional
Year Built: 1989
Total Units: 194
Vacant units: 14 92.8% occupied

Telephone: 540.450.8128
Management: Gates Hudson
[2/4]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
2/1	n/a	780-1,050	$1,410-1,687	$1.69
2/1½	n/a	1,100	$1,585-1,810	$1.54
3/1	n/a	1,200	$1,710-1,960	$1.53
3/1½	n/a	1,100	$1,660-1,885	$1.52
4/1	n/a	1,200	$1,750-2,040	$1.58

Unit Amenities	
Microwave	
Dishwasher	•
Washer/dryer	
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	•
Fireplaces	
Patios/balconies	•

Community Amenities	
Clubhouse/community room	
Fitness center	
Business center	
Pool	•
Playground	•
Controlled access/gated	
Elevator	
Garages	
Storage	•
Laundry	

Utilities in Rent
Water
Sewer
Trash

Fort Collier Terrace

Location: 900 Braddock Street
Winchester

Financing: Conventional
Year Built: 1989
Total Units: 72
Vacant units: 4 94.4% occupied

Telephone: 844.394.9793
Management: Red Tail Properties
[2/4]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	32	800	$1,090	$1.91
2/1½	37	900	$1,663	$1.63
3/1½	3	1,000	$1,780	$1.78

Unit Amenities	
Microwave	
Dishwasher	•
Washer/dryer	•
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	•
Fireplaces	
Patios/balconies	•

Community Amenities	
Clubhouse/community room	
Fitness center	
Business center	
Pool	
Playground	
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	•

Utilities in Rent
Water
Sewer
Trash

Harrison Plaza

Location: 2310 Valor Drive
Winchester

Financing: Conventional
Year Built: 2022
Total Units: 70
Vacant units: 2 97.1% occupied

Telephone: 540.502.3969
Management: Aikens Group
[2/3]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	27	864	$1,535-1,650	$1.84
2/2	43	1,241-1,270	$1,660-1,750	$1.36

Unit Amenities

Microwave	•
Dishwasher	•
Washer/dryer	•
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	•

Community Amenities

Clubhouse/community room	
Fitness center	•
Business center	
Pool	
Playground	
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	

Utilities in Rent

Water	
Sewer	
Trash	

Lofts at Jubal Square

Location: 1864 Old Jube Square
Winchester

Financing: Conventional
Year Built: 2018
Total Units: 140
Vacant units: 8 94.3% occupied

Telephone: 540.501.6307
Management: Park Properties
[2/4]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	n/a	965	$1,885	$1.95
1/1	n/a	1,287	$1,988	$1.54
2/2	n/a	1,267	$2,024	$1.60
2/2	n/a	1,450	n/a	n/a
2/2	n/a	1,584	$2,100	$1.33

Management did not wish to provide information
Information is from website

Unit Amenities	
Microwave	•
Dishwasher	•
Washer/dryer	•
Washer/dryer hook-up	
9' Ceilings	•
High-end kitchen	•
Wood/style floors	•
Fireplaces	•
Patios/balconies	•

Community Amenities	
Clubhouse/community room	•
Fitness center	•
Business center	
Pool	•
Playground	
Controlled access/gated	
Elevator	
Garages	•
Storage	
Laundry	

Utilities in Rent	
Water	
Sewer	
Trash	•

Madison Village

Location: 110 Bulmer Loop
Winchester

Financing: Conventional
Year Built: 2020
Total Units: 240
Vacant units: 5 98.0% occupied

Telephone: 540.306.5683
Management: Owner-managed
[2/4]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	70	825	$1,400-1,550	$1.79
2/2	170	1,050	$1,750-1,800	$1.69

Unit Amenities

Microwave	•
Dishwasher	•
Washer/dryer	•
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	•
Wood/style floors	•
Fireplaces	•
Patios/balconies	•

Community Amenities

Clubhouse/community room	•
Fitness center	•
Business center	
Pool	•
Playground	•
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	

Utilities in Rent

Water
Sewer
Trash

Meadow Branch

Location: 424 Ridgewood lane
Winchester

Financing: Conventional
Year Built: 2023
Total Units: 305
Vacant units: 25 91.8% occupied

Telephone: 540.535.5262
Management: Denstock
[2/3]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	n/a	762-814	$1,815	$2.30
1/1	n/a	860-877	$1,839	$2.12
2/2	n/a	1,215-1,249	$1,897	$1.54
2/2	n/a	1,146-1,244	$2,052	$1.72
2/2½	n/a	1,292-1,960	$2,134	$1.31
2/2½	n/a	1,937	$2,325	$1.20
3/2	n/a	1,436-1,508	$2,489	$1.69

Unit Amenities	
Microwave	•
Dishwasher	•
Washer/dryer	•
Washer/dryer hook-up	
9' Ceilings	•
High-end kitchen	•
Wood/style floors	
Fireplaces	
Patios/balconies	•

Community Amenities	
Clubhouse/community room	•
Fitness center	•
Business center	
Pool	•
Playground	
Controlled access/gated	
Elevator	
Garages	•
Storage	
Laundry	

Utilities in Rent
Water
Sewer
Trash

Pemberton

Location: 660 Pemberton Drive
Winchester

Financing: Conventional
Year Built: 1997
Total Units: 120
Vacant units: 6 95.0% occupied

Telephone: 540.502.3969
Management: Aikens Group
[2/3]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
2/1	42	900	$1,355	$1.51
2/2	60	990	$1,500	$1.52
3/2	18	1,200	$1,600	$1.33

Unit Amenities	
Microwave	•
Dishwasher	•
Washer/dryer	
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	•
Fireplaces	•
Patios/balconies	•

Community Amenities	
Clubhouse/community room	
Fitness center	
Business center	
Pool	
Playground	•
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	•

Utilities in Rent	
Water	•
Sewer	•
Trash	•

Peppertree

Location: 221 Peppertree Lane
Winchester

Financing: Conventional
Year Built: 1987
Total Units: 194
Vacant units: 7 96.4% occupied

Telephone: 540.401.5692
Management: RPM
[2/4]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	48	735-755	$1,440-1,477	$2.44
2/1½	24	857-933	$1,583-1,623	$1.79
2/2	94	933-960	$1,533-1,547	$1.63
3/2	28	1,126-1,146	$1,775	$1.56

Unit Amenities	
Microwave	
Dishwasher	•
Washer/dryer	
Washer/dryer hook-up	•
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	•
Patios/balconies	•

Community Amenities	
Clubhouse/community room	
Fitness center	•
Business center	
Pool	•
Playground	
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	•

Utilities in Rent
Water
Sewer
Trash

Preston Place

Location: 124 Castlebridge Street
Winchester

Financing: LIHTC
Year Built: 1993
Total Units: 236
Vacant units: 1 99.6% occupied

Telephone: 540.662.2292
Management: Grady Management
[2/3]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	132	1,000	50%	$1,099	$92	$1.10
2/2	32	1,000	60%	$1,337	$92	$1.34
3/2	60	1,320	50%	$1,262	$113	$0.96
3/2	12	1,380	60%	$1,539	$113	$1.12

Unit Amenities	
Microwave	
Dishwasher	
Washer/dryer	
Washer/dryer hook-up	•
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	
Patios/balconies	•

Community Amenities	
Clubhouse/community room	•
Fitness center	•
Business center	
Pool	•
Playground	•
Controlled access/gated	
Elevator	
Garages	
Storage	•
Laundry	•

Utilities in Rent	
Water	•
Sewer	•
Trash	•

Stuart Hill

Location: 1981 Randolph Place
Winchester

Financing: Conventional
Year Built: 2003
Total Units: 180
Vacant units: 8 95.6% occupied

Telephone: 540.542.1940
Management: Gates Hudson
[2/3]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	36	845-958	$1,542-2,200	$2.17
2/2	120	1,099-1,215	$1,740-2,525	$1.84
3/2	24	1,296	$1,935-2,590	$1.75

Unit Amenities	
Microwave	•
Dishwasher	•
Washer/dryer	•
Washer/dryer hook-up	
9' Ceilings	
High-end kitchen	
Wood/style floors	
Fireplaces	•
Patios/balconies	•

Community Amenities	
Clubhouse/community room	•
Fitness center	•
Business center	
Pool	•
Playground	
Controlled access/gated	
Elevator	
Garages	
Storage	
Laundry	

Utilities in Rent
Water
Sewer
Trash

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

The market for the proposed apartments is derived from two principal sources: the population and household growth market, and from existing households currently living in the area who could move to the project were it to be made available.

Income is a key variable in the analysis of housing markets. Of the 48 units proposed, five will be targeted at 30 percent of the median, 19 will be targeted to households with incomes up to 50 percent of the median, with seven targeted at 60 percent of the median, and 17 units targeted at 80 percent of the median (and therefore applying income averaging). Thus, the apartments qualify for low income housing tax credit status.

The HUD income limits for Frederick County/Winchester are set out below. The median income for Frederick County in 2024 was $110,000 - having been $99,900 in 2023, and $67,600 in 2014. This represents a 10.1 percent increase over the previous year, and a 62.7 percent increase over the last decade (or an average of 4.99 percent per year).

The maximum housing expenses for the proposed units are based on these income limits and assume an average 1.5 persons per household and that renters will pay no more than 30 percent of their incomes on housing expenses (rent plus utilities).

Table 18 - Income Limits and Maximum Housing Costs

Income Limits	30 percent	50 percent	60 percent	80 percent
1 person	$22,260	$37,100	$44,520	$59,360
2 person	$25,440	$42,400	$50,880	$67,840
3 person	$28,590	$47,650	$57,180	$76,240
4 person	$31,770	$52,950	$63,540	$84,720
5 person	$34,320	$57,200	$68,640	$91,520
6 person	$36,870	$61,450	$73,740	$98,320

Maximum Housing Costs	30 percent	50 percent	60 percent	80 percent
1 bedroom	$596	$994	$1,193	$1,590
2 bedroom	$715	$1,191	$1,430	$1,906
3 bedroom	$826	$1,377	$1,652	$2,203

Source: HUD

Information as to rents and income targeting are set out in Table 19, below

Table 19 - Rents and Income Targeting

income targeting

	30 percent	50 percent	60 percent	80 percent	Total
1 bedroom					
2 bedroom	5	15			20
3 bedroom		4	7	17	28
Total	5	19	7	17	48

proposed rents

	30 percent	50 percent	60 percent	80 percent
1 bedroom				
2 bedroom	$562	$1,039		
3 bedroom		$1,196	$1,472	$1,572

proposed rents as a proportion (%) of maximum

	30 percent	50 percent	60 percent	80 percent
1 bedroom				
2 bedroom	99.9	100.0		
3 bedroom		99.9	100.0	77.7

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are $152 and $180 for the two– and three-bedroom units, respectively.

From the table above, it can be seen that housing expenses at the proposed apartments effectively fall at the maximum allowable for the units targeted at the 30 percent, 50 percent, and 60 percent levels. The units at the 80 percent level are at 78 percent of the maximum allowable.

Qualifying income ranges are a function of the income needed to afford the proposed units and the mandated upper income limits. There is no official lower income limit for the proposed apartments. However, for the purposes of this report it is assumed that tenants will pay no more than 35 percent of their income on housing costs (rent and utilities). The upper limits are a function of household size - based on a standard of one and one-half persons per bedroom. The qualifying income limits for one- and four bedroom units are based on the proposed rents level relative to the maximum allowable.

Table 20 - Qualifying Income Ranges

qualifying income ranges		
	30 percent	
	lower	upper
2 bedroom	$24,480	$28,590
3 bedroom	$28,324	$33,045
	50 percent	
	lower	upper
2 bedroom	$40,834	$47,650
3 bedroom	$47,177	$55,075
	60 percent	
	lower	upper
2 bedroom	$49,011	$57,180
3 bedroom	$56,640	$66,090
	80 percent	
	lower	upper
2 bedroom	$51,938	$76,240
3 bedroom	$60,069	$88,120

Source: Applicant; T Ronald Brown: Research & Analysis

Any gaps and/or overlaps between these target income ranges will necessarily be taken into consideration in our calculations.

NEW HOUSEHOLDS

Projections of need and demand are based upon a 2025 to 2030 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Based on the projections set out in Table 13, a total of 234 new rental units are needed between 2025 and 2030. A total of 160 units will be for households eligible for the proposed project.

EXISTING HOUSEHOLDS

Again, the market for the proposed apartments comprises not only demand from population and household growth, but also from existing renter households who would move to the new apartments were they made available. The extent to which any new development is able to attract a certain share of this market is largely a factor of several interrelated factors. These include the location of the development, the amenities it offers, the quality of design and the effectiveness of the development's marketing and management. That is, the perceived value of the community in terms of price, convenience, and life-stye.

Our calculations show that there will be a total of 10,332 renter households in the qualifying income range in the project market area. These figures have to be adjusted to reflect the proportion that are likely to move to a new complex. With respect to existing households in the project market area it is found that, based on the most recent American Community Survey data, 78.4 percent of renters qualifying for units at 30 percent of the median are rent-overburdened. Likewise, 52.1 percent, 42.6 percent, and 37.9 percent of those qualifying for units at the 50 percent, 60 percent, and 80 percent levels, respectively, are rent-overburdened. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of rental units due to demolition, abandonment, obsolescence and the like. The proportion is based on a two-year loss of 1.2 percent of rental units detailed in the 2016 Edition of "Components of Inventory Change" published by HUD. Based on the number of rental units in the project market area this translates to a need for an additional 314 units.

Total demand is therefore seen to amount to 5,472 units. These figures are based on a 2025 to 2030 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area over that period. No directly comparable projects have been awarded tax credits. The net need is therefore for 5,472 units.

The preceding calculations are summarized in the table on the following page.

Table 21 - Demand Calculations

	30 percent	50 percent	60 percent	80 percent	total *
(i) income eligible new renter households	33	57	68	114	160
(ii) income eligible existing renter households	2,111	3,699	4,405	7,337	10,332
(iii) existing households, likely to move	1,655	1,927	1,875	2,780	4,998
(iv) need from obsolete housing	64	112	134	223	314
Total demand *(i)+(iii)+(iv)*	1,752	2,097	2,077	3,116	5,472
Supply	0	0	0	0	0
Net demand	1,752	2,097	2,077	3,116	5,472

** excludes gap/overlap*

Source: T. Ronald Brown: Research & Analysis

Demand has to be segmented to determine demand by number of bedrooms per unit. Based on the distribution of household size in the market area and given data from the American Housing Survey correlating typical household size and number of bedrooms, we have determined that one-bedroom units should account for 28 percent of the total, two-bedroom units should account for 40 percent of the total, and three-bedroom units should account for 24 percent of the total with four- or more bedroom units accounting for 8 percent.

Capture rates are illustrated in the table on the following page.

Table 22 - Capture Rates

	30 percent	50 percent	60 percent	80 percent	total *
Total demand					
1 bedroom	488	583	578	867	1,523
2 bedroom	707	846	838	1,257	2,208
3 bedroom	411	492	487	731	1,283
4 bedroom	147	175	174	261	458
Total	1,752	2,097	2,077	3,116	5,472
Supply					
1 bedroom	0	0	0	0	0
2 bedroom	0	0	0	0	0
3 bedroom	0	0	0	0	0
4 bedroom	0	0	0	0	0
Total	0	0	0	0	0
Net demand					
1 bedroom	488	583	578	867	1,523
2 bedroom	707	846	838	1,257	2,208
3 bedroom	411	492	487	731	1,283
4 bedroom	147	175	174	261	458
Total	1,752	2,097	2,077	3,116	5,472
Units proposed					
1 bedroom	0	0	0	0	0
2 bedroom	5	15	0	0	20
3 bedroom	0	4	7	17	28
4 bedroom	0	0	0	0	0
Total	5	19	7	17	48
Capture rates					
1 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
2 bedroom	0.7%	1.8%	0.0%	0.0%	0.9%
3 bedroom	0.0%	0.8%	1.4%	2.3%	2.2%
4 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.3%	0.9%	0.3%	0.5%	0.9%

** excludes gap/overlap*

Source: T. Ronald Brown: Research & Analysis

Given the calculated demand, the proposed 48-unit development amounts to 0.9 percent of the total net demand.

The capture rate, by bedroom, is determined to be 0.9 percent for the 20 two-bedroom units, and 2.2 percent for the 28 three-bedroom units.

The five units at 30 percent of the median amount to 0.3 percent of the net demand at that level, the 19 units at 50 percent of the median amount to 0.9 percent of demand at that target level, and the seven units targeted at the 60 percent level amount to around 0.3 percent of demand at that level. The 17 units targeted at 80 percent represent 0.5 percent of demand at that level..

The capture rates presented above are considered very reasonable for this property.

ABSORPTION RATES

As noted, the capture rates presented above are considered realistic. Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated five- to six month period, or less.

Affordability Analysis

Here, an affordability analysis addresses the total number of income eligible renter households in the market are relative to the size of the proposed development.

The minimum income is that associated with the rent for the least expensive unit offered, and the upper limit is based on the 80 percent limit (the highest target income range) for the largest unit size, by number of bedrooms. Here, the lower income is seen to be that for the proposed two-bedroom units that will be targeted to households at the 30 percent level. That is, $562 per month. Given a $152 utility allowance and a 35 percent rent-to-income ratio, the lower qualifying income is seen to be $24,480. The upper income is $98,320. Based on the income data set out in Table 21, there are found to be 6,203 renter households in that range. Thus, the proposed 48-unit development corresponds to a 0.7 percent affordability analysis capture rate.

Penetration rate.

A penetration rate is defined, for the purposes of this analysis, as the proportion of income-eligible households needed to fill the proposed development, plus those in existing competitive units, plus any in competitive units that are approved and funded for future development.

The lower income limit for this analysis is the income needed to afford the least expensive competitive unit in the market (or the rent for the least-expensive proposed unit, if lower), and the upper income limit is the upper income limit for the competitive units (or the proposed units, if higher). Our survey of the existing, competitive inventory, shows that the two bedroom rents are those for the more deeply targeted units at the proposed development. Thus, given that rent, the target income range for this market is that for the proposed development. That is, from $24,480 to $98,320. Based on our research there are 320 potentially comparable tax credit units at two complexes in the market area. These, plus the proposed 48 units, yields 368 units. Consequently, the penetration rate - as defined - amounts to 5.5 percent.

Summary

Consideration of the capture rate (0.9 percent) and the (0.7 percent) affordability analysis capture rate and (5.5 percent) penetration rate suggests that the proposed development is marketable, as proposed.

J. LOCAL PERSPECTIVE OF RENTAL HOUSING MARKET

As part of the research for this market study, interviews were held with property managers, local government officials, and others with particular knowledge of the local housing market. The proposed development will offer and attractive, new, apartment complex - to be leased subject to the provisions of the Low Income Housing Tax Credit program. Property managers of existing complexes and/or other representatives of management companies were a potential source of information.

As noted, property managers are a major source of information for a project such as that proposed (their contact details are provided as part of the rental survey set out in the previous pages). The managers at the two tax credit properties in the market area agreed that a new tax credit property would be well-received.

K. ANALYSIS/CONCLUSIONS

Based on the above, the project could expect to lease-up (reach stabilized occupancy) over an estimated five - to six month period, or so.

Based on the proposed development's size, bedroom mix, amenities and features, utility provision and costs, and the several target income ranges in particular, the proposed development is considered marketable and should be well–accepted in this market, particularly as it will be a new, affordable, property.

The site location will offer a significant advantage as will the proposed rents, particularly those set to be affordable to households at 30 and 50 percent of the median.

The proposed development should not have a negative impact on existing housing.

It is our recommendation that, based upon our analysis, the proposed apartments should be developed as proposed, and that the project should be awarded low income housing tax credits. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined and on our project specific demand analysis and survey of the supply of rental housing in the market--as set out in the foregoing report and summarized in the Executive Summary.

L. OTHER REQUIREMENTS

Statement and signature

I affirm the following:

1. that I have made a physical inspection of the site and market area.

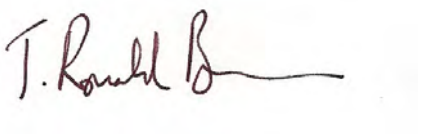
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.

3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by Virginia Housing.

4. Neither I nor anyone at my firm has any interest in the proposed development or relationship with the ownership entity.

5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing.

6. Compensation for my services is not contingent upon this development receiving a reservation or allocation of tax credits.



Market Analyst

March 11,2025

As affirmed in the Scope of Work, there is no identity of interest between the analyst and the entity for which the report has been prepared.

Similarly, the recommendations and conclusions are based solely on the analyst's experience, opinion, and best efforts.

Analyst Qualifications

T. Ronald Brown: Research & Analysis is a planning and economics consulting firm which provides real estate market analysis.

The President of the firm is T. Ronald Brown. He has 35 years experience in the provision of market studies for subsidized and unsubsidized apartment developments and for-sale housing. Over the last two decades or so, Mr. Brown has produced around 3,000 studies in at least 20 states, predominantly in the Southeast.

Mr. Brown has a Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland.

The firm has primary experience in market analysis for residential projects including both single-family homes and multi-family units (for sale and for rent). A significant proportion of the firm's business focuses on apartment market studies–for family renters and for elderly persons. These reports include conventionally financed projects (including HUD 221 (d) (4) projects), affordable housing (including low income tax credit financed projects) and subsidized housing.

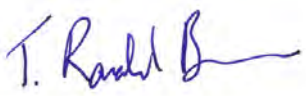
Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.

NCHMA MEMBER CERTIFICATION

This market study has been prepared by T. Ronald Brown: Research & Analysis, 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 the 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 .

T.Ronald Brown: Research & Analysis is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principal participates 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. T.Ronald Brown: Research and Analysis is an independent market analyst. No principle or employee of T. Ronald Brown: Research & Analysis has any financial interest whatsoever in the development for which this analysis has been undertaken.

Attested by:



T. Ronald Brown, March 2025

List of sources

The foregoing report contains information from a variety of sources - those sources (such as contact numbers for property interviews) are cited at the appropriate place in the report itself. The major sources of data include:

The U.S. Census - 2000, 2010 and 2020, and the American Community Survey (2019-2023)
Virginia Housing
U.S. Department of HUD
U.S. Department of Agriculture
Virginia State Data Center/Weldon Cooper Center for Public Service
Virginia Employment Commission
Virginia Economic Development Partnership
City of Winchester and Frederick County
U.S. Bureau of Labor Statistics
HUDUSER (e.g., SOCDS building permits database)

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MARKET STUDY TERMINOLOGY

The following presents the accepted definitions of various terms typically found in real estate market studies. These definitions are typically followed unless reviewing agency requirements differ.

Absorption period - the period of time necessary for a newly constructed or renovated property to achieve the *stabilized level of occupancy*. The absorption period begins when the first certificate of occupancy is issued and ends when the last unit to reach the *stabilized level of occupancy* has a signed lease. Assumes a typical premarketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is assumed to begin should accompany all absorption estimates.

Absorption rate - the average number of unites rented each month during the *absorption period*.

Acceptable rent burden - the rent-to-income ratio used to qualify tenants for both income-restricted and non-income restricted units. The acceptable rent burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

Achievable rents - *See Market Rent, Achievable Restricted Rent.*

Affordable housing - housing affordable to low or very low-income tenants.

Amenity - tangible or intangible benefits offered to a tenant. Typical amenities include on-site recreational facilities, planned programs, services and activities.

Annual demand - the total estimated demand present to the market in any one year for the type of units proposed.

Assisted housing - housing where federal, state or other programs *subsidize* the monthly costs to the tenants.

Bias - a proclivity or preference, particularly one that inhibits or entirely prevents an impartial judgment.

Capture rate - the percentage of age, size, and income qualified renter households in the *primary market area* that the property must capture to fill the units. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. 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.* See also: penetration rate.

Comparable property - a property that is representative of the rental housing choices of the subject's *primary market area* and that is similar in construction, size, amenities, location, and/or age. Comparable and *competitive* properties are generally used to derive market rent and to evaluate the subject's position in the market.

Competitive property - a property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

Comprehensive market study - NCHMA (the National Council of Housing Market Anlysts) defines a comprehensive market study for the purposes of IRC Section 42 as a market study compliant with its Model Content Standards for Market Studies for Rental Housing. Additionally, use of the suggested wording in the NCHMA certification without limitations regarding the comprehensive nature of the study, shows compliance with the IRC Section 42 request for completion of a market study by a 'disinterested party.'

Concession - discount given to a prospective tenant to induce the tenant to sign a least. Concessions typically are in the form of reduced rent or free rent for a specific lease term, or for free amenities, which are normally charged separately (i.e. washer/dryer, parking).

Demand - the total number of households in a defined market area that would potentially move into the proposed new or renovated housing units. These households must be the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.

Effective rents - contract rent less concessions.

Household trends - changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.e. at marriage or separation), changes in average household size, and net *migration*.

Income band - the range of incomes of households that can afford to pay a specific rent but do not have below any applicable program-specific maximum income limits. The minimum household income typically is based on a defined *acceptable rent burden* percentage and the maximum typically7 is pre-defined by specific program requirements or by general market parameters.

Infrastructure - services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Market advantage - the difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property. (*market rent - proposed rent*) / *market rent * 100*

Market analysis - a study of real estate market conditions for a specific type of property.

Market area - *See primary market area.*

Market demand - the total number of households in a defined market area that would potentially move into any new or renovated housing units. Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining project-specific demand. A common example of market demand used by HUD's MAP program, which is based on three years of renter household growth, loss of existing units due to demolition, and market conditions.

Market rent - the rent that an apartment, without rent or income restrictions or rent subsidies, would command in the *primary market area* considering its location, features and amenities. Market rent should be adjusted for *concessions* and owner paid utilities included in the rent.

Market study - a comprehensive study of a specific proposal including a review of the housing market in a defined market area. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography.

Marketability - the manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

Market vacancy rate, economic - percentage of rent loss due to concessions, vacancies, and non-payment of rent on occupied units.

Market vacancy rate, physical - average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same market, excluding units in properties which are in the lease-up stage.

Migration - the movement of households into or out of an area, especially a *primary market area*.

Mixed income property - an apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more income limits (i.e. low income tax credit property with income limits of 30%, 50%, and 60%).

Mobility - the ease with which people move from one location to another.

Move-up demand - an estimate of how many consumers are able and willing to relocate to more expensive or desirable units. Examples: tenants who move from class-C properties to class-B properties, or tenants who move from older tax credit properties to new tax credit properties.

Multi-family - structures that contain more than two housing units.

Neighborhood - an area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net rent (also referred to as contract rent or lease rent) - Gross rent less *tenant paid utilities.*

Penetration rate - The percentage of age and income qualified renter households in the *primary market area* that all existing and proposed properties, to be completed with six months of the subject, and which are competitively priced to the subject that must be captured to achieve the *stabilized level of occupancy*. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. Units in all proposals / households in market * 100, see also: capture rate.

Pent-up demand - a market in which there is a scarcity of supply and vacancy rates are very low.

Population trends - changes in population levels for a particular area over a specific period of time – which is a function of the level of births, deaths, and net *migration*.

Primary market area - a geographic area from which a property is expected to draw the majority of its residents.

Programmatic rents - See *restricted rents.*

Project based rent assistance - rental assistance from any source that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Redevelopment - the redesign or rehabilitation of existing properties.

Rent burden - gross rent divided by adjusted monthly household income.

Rent burdened households - households with *rent burden* above the level determined by the lender, investor, or public program to be an acceptable rent-to-income.

Restricted rent - the rent charged under the restrictions of a specific housing program or subsidy.

Restricted rent, achievable - the rents that the project can attain taking into account both market conditions and rent in the *primary market area* and income restrictions.

Saturation - the point at which there is no longer demand to support additional unit. Saturation usually refers to a particular segment of a specific market.

Secondary market area - the portion of a market that supplies additional support to an apartment property beyond that provided by the primary market area.

Special needs population - specific market niche that is typically not catered to in a conventional apartment property. Examples of special needs population include: substance abusers, visually impaired person or persons with mobility limitations.

Stabilized level of occupancy - the underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units.

Subsidy - monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's *contract rent* and the amount paid by the tenant toward rent.

Substandard conditions - housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Target income band - the *income band* from which the subject property will draw tenants.

Target population - the market segment or segments a development will appeal or cater to. State agencies often use target population to refer to various income set asides, elderly v. family, etc.

Tenant paid utilities - the cost of utilities (not including cable, telephone, or internet) necessary for the habitation of a dwelling unit, which are paid by the tenant.

Turnover period - 1. An estimate of the number of housing units in a market area as a percentage of total housing units in the market area that will likely change occupants in any one year. See also: vacancy period. Housing units with new occupants / housing units * 100 2. The percent of occupants in a given apartment complex that move in one year.

Unmet housing need - new units required in the market area to accommodate household growth, homeless people, and housing in substandard conditions.

Unrestricted rents - rents that are not subject to *restriction*.

Unrestricted units - units that are not subject to any income or rent restrictions.

Vacancy period - the amount of time that an apartment remains vacant and available for rent.

Vacancy rate-economic vacancy rate - physical - maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The number of total habitable units that are vacant divided by the total number of units in the property.

Other Terms

The following terms are also to be found in professional market studies - here, this information is drawn from various sources including HUD, the Census Bureau, and the Urban Land Institute.

Area Median Income (AMI) - 1005 of the gross median household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.

Attached housing - two or more dwelling units connected with party walls (e.g. townhouses or flats).

Basic rent - the maximum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated as the amount of rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Below Market Interest Rate program (BMIR) - Program targeted to renters with income not exceeding 80% or area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

Census tract - a small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Central Business District (CBD) - the center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC) - entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Condominium - a form of join ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract rent - 1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease. (HUD & RD) 2. The monthly rent agreed to between a tenant and a landlord (Census).

Difficult Development Area (DDA) - an area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130% of eligible basis for the purpose of calculating the Tax Credit allocation.

Detached housing - a freestanding dwelling unit, typically single-family, situated on its own lot.

Elder or senior housing - housing where (1) all units in the property are restricted for occupancy by persons 62 years of age order or (2) at least 805 of the units in each building are restricted for occupancy by households where al lease on household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely low income - person or household with income below 30% of the Area Median Income adjusted for household size.

Fair Market Rent (FMR) - the estimates established by HUD of the Gross rents (Contract rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally set FMR so that 40% of the rental units have rents below FMR. In rental markets with a shortage of lower priced rental units HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Garden apartments - apartments in low-rise buildings (typically two or four stories) that feature low density, ample open-space around buildings, and on-site parking.

Gross rent - the monthly housing cost to a tenant which equals the Contract rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

High-rise - a residential building having more than ten stories.

Household - one or more people who occupy a housing unit as their usual place of residence.

Housing unit - house, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program) - federal rent subsidy program under Section 8 of the U.S. Housing Act, which issues rent vouchers to eligible households in the use of the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and tenant's contribution of 30% of adjusted income, (or 10% of gross income, whichever is greater). In cases where 30% of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (FHA) - state or local agencies responsible for financing housing and administering assisted housing programs.

HUD Section 8 Program - federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the contract rent and a specified percentage of tenants' adjusted income.

HUD Section 202 Program - federal program which provides direct capital assistance (i.e. grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30% of tenant income.

HUD Section 811 Program - federal program which provides direct capital assistance and operating of rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50% of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 510(c)(3) nonprofit organization.

HUD Section 236 Program - federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80% of area median income who pay rent equal to the greater of Basic Rent or 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income limits - maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income limits for federal, state and local rental housing programs typically are established at 30%, 50%, 60% or 80% of AMI. HUD publishes income limits each year for 30% median. Very low income (50%), and low income (80%), for households with 1 through 8 people.

Low income - person or household with gross household income below 80% of Area Median Income adjusted for household size.

Low income housing tax credit - a program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60% or less of Area Median Income, and that the rents on those units be restricted accordingly.

Low rise building - a building with one to three stories.

Metropolitan Statistical Area (MSA) - a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities have a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at lease 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise - a building with four to ten stories.

Moderate income - person or household with gross household income between 80 and 120 percent of area median income adjusted for household size.

Public Housing or Low Income Conventional Public Housing - HUD program administered by local (or regional) Housing Authorities which serves low- and very-low income households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT) - any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60% of the area median income or where the poverty rate is at lease 25%. A project located in a QCT and receiving Low Income Housing Tax Credit may qualify for up to 130% of the eligible basis for the purpose of calculating the Tax Credit allocation.

Rural Development (RD) market rent - a monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an unsubsidized mortgage and provide an adequate return to the property owner. The rent is the maximum rent that a tenant can pay at an RD Property.

Rural Development (RD) Program (Formerly the Farmers Home Administration Section 515 Rural Rental Housing Program) - federal program which provides the low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, which is the higher (but not exceeding the market rent). The program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Single-family housing - a dwelling unit, either attached or detached, designed for use by one household and with the direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

State Data Center (SDC) - a state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of the census data.

Tenant - one who rents real property from another.

Tenure - the distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House) - single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called row house.

Very low income - person or household whose gross household income does not exceed 50% of Area Median Income adjusted for household size.

Zoning - classification and regulation of land by local governments according to use categories (zones); often also includes density designations.