T Ronald Brown: Research & Analysis
P.O. Box 18534
Asheville, NC 28814-0534

Date: March 11,2025

For: Mr. C.J. Tyree, Partner
Taft-Mills Group
631 Dickenson Avenue
Greenville, NC 27834

From: T.Ronald Brown

Subject: Eagle Landing Trace Apartments, Newport News, Virginia

Thank you for contacting us with respect to the proposed rents for your Eagle Landing Trace Apartments. It is understood that the property will offer 90 units - 39 two-bedroom units, and 51 three-bedroom units. There will be nine units targeted at 30 percent of the local area median income, 37 units targeted at 50 percent, 12 units targeted at the 60 percent level, and 32 units at the 80 percent level. The proposed two-bedroom units will be targeted at the 30 percent and 50 percent levels. The three-bedroom units will include units targeted at the 50 percent, 60 percent, and 80 percent levels. Given the nature of the program, rents below the 60 percent level are considered achievable. Thus, any analysis such as this will focus on rents at the 60 percent level and the 80 percent level - which, for this property, only focuses on the proposed three-bedroom units.

The proposed 60 percent rent for a three-bedroom units is seen to be $1,381 net, and $1,571, gross. The proposed 80 percent rent for a three-bedroom unit is seen to be $1,560 net and $1,750 gross.

The property will be designated for families. There are several comparable tax credit properties that are located in northern Newport News. Summary information on those properties - which offer units at the 60 percent and/or 80 percent level - are set out in a table following this report.

In order to assess your (60 and 80 percent) rents it is instructive to examine current rents at comparable tax credit family properties in that market. We have identified ten such projects that can be considered potentially comparable in that area that we were able to obtain information for. These projects provide a total of as many as 1,724 units in properties that were built between 1974 and 2021 (where several older properties have been rehabilitated with tax credit financing).

Comparison of rents at the various tax credit properties surveyed is set out in a table following this report.

The net rents for three-bedroom units at the 60 percent level at the existing complexes in our survey range from $1,369 to $1,471. Gross rents range from $1,511 to $1,571 (where we were able to obtain information on utility allowances).

Focusing on units at the 60 percent level it is seen that gross rents for three-bedroom units are $3 less to $60 less than your proposed three-bedroom rents.

Given when the existing properties in our survey sample were developed, and given how median incomes (and consequently income limits) have escalated in recent years (and in the last three years in particular) it is to be expected that proposed rents for a new property would be relatively higher than those exhibited by the existing tax credit housing stock. However, here it is seen that the difference is not that significant, with most properties being at or near the maximum allowable. It should be noted that seven properties have net rents in excess of what you are proposing.

There are seen to be no comparable properties where units are designated for households with incomes up to 80 percent of the local area median.

Based on your proposed new rents, the qualifying income for the project (that is, three-bedroom units at the 60 percent level) is from $47,190 to $70,140. Based on the distribution of renter household incomes for the City of Newport News as a whole, it is seen that around 21.8 percent of renters qualify for your project - which is reasonable. The corresponding proportion at the current rents is seen to be 22.8 percent. This difference - reflecting the impact of the newer, higher, rents is not considered significant, and the new rents are seen to be realistic. With respect to the units at the 80 percent level, around 28.6 percent of renters would qualify for the proposed rents (compared with 30.6 percent for current rents). Again, this is considered reasonable.

In addition to surveying comparable tax credit properties in the project market area, we have identified market rate properties in that area in order to compare your proposed rents with an estimate of market rent. We identified and surveyed five such properties.* These complexes were built between 1985 and 2014.

Our survey shows that rents for three-bedroom units are seen to range from $1,849 to $2,003. Thus, market rate three-bedroom units are offered at $468 to $622 more than the (60 percent) three-bedroom units you are proposing.** The corresponding range for units in comparison with your proposed 80 percent rents is $289 to $443 more.

The location, rent levels, unit size, age, features, and amenities of those market rate complexes 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 $1,948 for a three-bedroom unit. At the 60 percent level, this suggests a 29.1 percent market advantage for three-bedroom units. The advantage for the proposed 80 percent units is seen to be 19.9 percent.

Based on our review of existing potentially comparable tax credit properties, and also consideration of local market rate complexes, your proposed rents appear to be marketable, and your project can be introduced as proposed.

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*Denbigh Village, MAA Radius, Point at Tech Center, Reserves at Arboretum, and Waterman's Crossing.

** Conservatively based on the lowest rent for any particular floor-plan.

	year built	Two bedroom baths	size	net rent	UA	gross rent	baths	Three bedroom size	net rent	UA	gross rent
Eagle Landing Trace I											
30%	2026	1.5	1,170	$525	$155	$680					
50%	2026	1.5	1,170	$978	$155	$1,133	1	1,294	$1,119	$190	$1,309
60%	**2026**						**2**	**1,294**	**$1,381**	**$190**	**$1,571**
80%	2026						2	1,294	$1,560	$190	$1,750
Auburn Pointe	1974	1.5	1,200	$1,179	$90	$1,269	2	1,500	$1,452	$116	$1,568
Forest Landing	2010	2	1,056	$1,243	$126	$1,369	2	1,232	$1,408	$163	$1,571
Grove	1974	1	975	$1,220			1.5	1,200	$1,395		
Huntington Village	2021	1.5	817	$1,234	$138	$1,372	2	1,010	$1,347	$164	$1,511
King's Ridge	1996	2	949	$1,270			2	1,156	$1,471		
Pilot House	1992	2	1,000	$1,269			2	1,320	$1,457		
Sharps landing	1972	1.5	853	$1,215	$135	$1,350					
Waverly at Oyster Point	1978	1	750	$1,190			1	800	$1,369		
Waverton Ashton Green	2001	2	932	$1,185	$142	$1,327	2	1,204	$1,410	$161	$1,571
Wellesley Woods	1996	2	1,000	$1,266	$94	$1,360	2	1,320	$1,457	$114	$1,571

	year built	Two bedroom baths	size	rent	Three bedroom baths	size	rent
Eagle Landing Trace I							
60%	2026				2	1,294	$1,381
80%	2026				2	1,294	$1,560
Denbigh Village	2014	2	1,077	$1,492-1,635	2	1,224	$1,851
MAA Radius	2102	2	1,052-1,053	$1,723-1,828	2	1,313	$2,003
Point at Tech Center	1985	2	1,011-1,027	$1,625-1,650			
Reserves at Arboretum	2009	2	1,063-1,114	$1,879	2	1,322	$1,885
Waterman's Crossing	1987	2	996-1,000	$1,509-1,4	2	1,306	$1,849

NEED AND DEMAND ANALYSIS

FOR THE EAGLE LANDING TRACE APARTMENTS

IN

NEWPORT NEWS, VIRGINIA

Prepared for
Eagle Landing Trace VA LLC
for submission to
Virginia Housing

Virginia Housing Application: 2024-C-67

As of February 26, 2024

T Ronald Brown: Research & Analysis
P.O. Box 18534
Asheville, NC 28814-0534

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A. EXECUTIVE SUMMARY

The site of the Eagle Landing Trace Apartments is to the south of Young's Mill Lane, off Warwick Boulevard, in northern Newport News. 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 90 units - 39 two-bedroom units and 51 three-bedroom units. Of the 90-unit total, nine units will be targeted to households with incomes up to 30 percent of the median, 37 units will be targeted to households with incomes up to 50 percent of the median, with twelve units targeted at 60 percent of the median, and 32 units targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status.

Employment in 2022 - the most recent annual report - shows employment at 85,437. Employment showed net growth prior to 2020 when 5,531 jobs were lost from 2019 - a consequence of the COVID-19 pandemic. Data for 2022 show that, locally, employment has yet to return to 2019 levels.

In Newport News, it is seen that the most recent annual unemployment rate for the City is 3.6 percent, down from 5.5 percent the previous year, and from 9.0 percent the year before that.

The market area for the proposed development is northern Newport News, as defined by several census tracts.

The population of the market area is projected to increase from 119,226 in 2024, to 121,206 in 20298. The number of households is projected to increase, from 49,613 in 2024 to 51,553 in 2029. The number of renter households in the market area is projected to increase from 26,115 to 28,657 over the 2024 to 2029 projection period.

There are several apartment complexes located in the Newport News 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 94.5 percent. Occupancy at tax credit properties is found to be around 94.3 percent.

The total need for tax credit units such as is proposed in the Newport News area by 2029 is calculated to be for 8,695 units. The net need is for 8,695 units. Given the calculated net need, the proposed 90-unit development amounts to 1.0 percent of the need.

Consideration of the capture rate (1.0 percent) and the (0.6 percent) affordability analysis capture rate, and (15.4 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.

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: 1.0 percent
Project Wide Capture Rate, market units: n/a
Project Wide Capture Rate, all units: 1.0 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 Eagle Landing Trace 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 (February 26, 2024).

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.

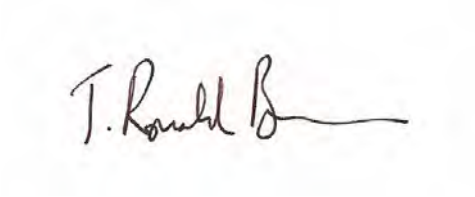
Mr. Brown is responsible for the analysis and write-up of this report – performing the role of both analyst and author.

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 14, 2024

C. PROJECT DESCRIPTION

The Eagle Landing Trace Apartments will comprise 90 units - 39 two-bedroom units and 51 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	9	1,170	$514	less than 30 percent	
2 bedroom/1 ½ bath	4	1,170	$1,366	less than 50 percent	**
2 bedroom/1 ½ bath	12	1,170	$959	less than 50 percent	**
2 bedroom/1 ½ bath	14	1,170	$959	less than 50 percent	
3 bedroom/2 bath	6	1,294	$1,940	less than 50 percent	**
3 bedroom/2 bath	1	1,294	$1,100	less than 50 percent	
3 bedroom/2 bath	12	1,294	$1,368	less than 60 percent	
3 bedroom/2 bath	32	1,294	$1,485	less than 80 percent	

** percentage of area median income*
*** rent-assisted*

Of the 90-unit total, nine units will be targeted to households with incomes up to 30 percent of the median, 37 units will be targeted to households with incomes up to 50 percent of the median, twelve units will be targeted at the 60 percent level, and the remaining 32 units will be targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status.

There are to be ten project-based rent- assisted units, provided by the Newport News Redevelopment and Housing Authority, and twelve units provided by the Hampton Newport News Community Services Board.

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 $151 for the two-bedroom units, and $174 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.

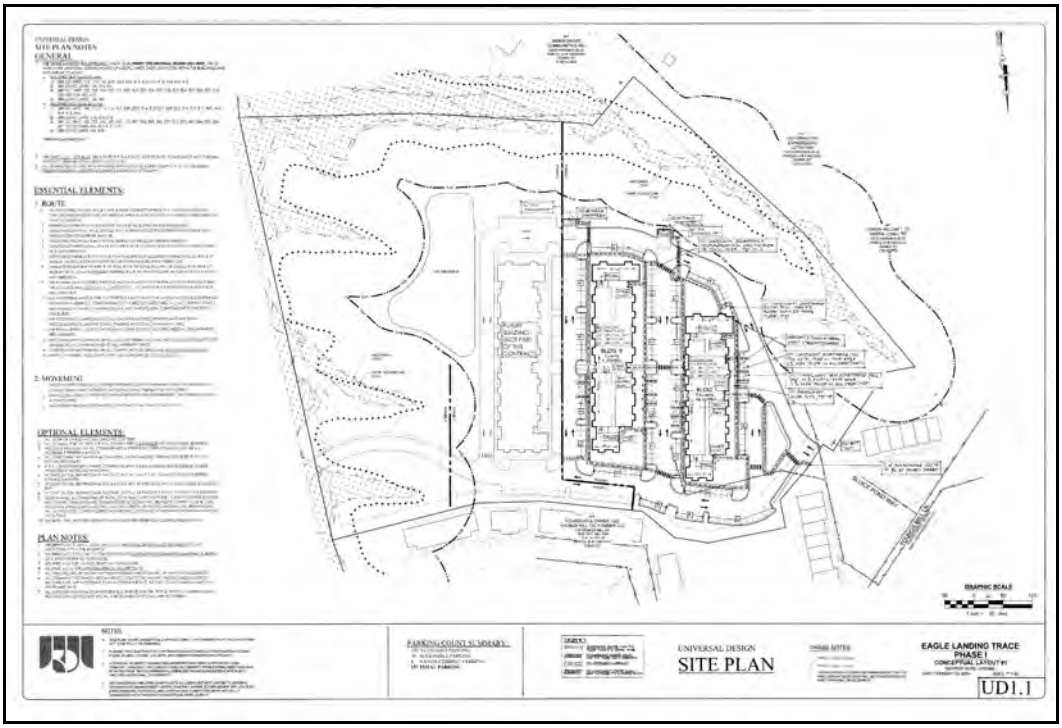
The property will feature two single four-story buildings, each of which will have an elevator. The building will have a combination exterior. Common area and site amenities include a multi-purpose room and laundry. The property will offer various enhancements, as per Virginia Housing guidelines.

There will be 157 parking spaces.

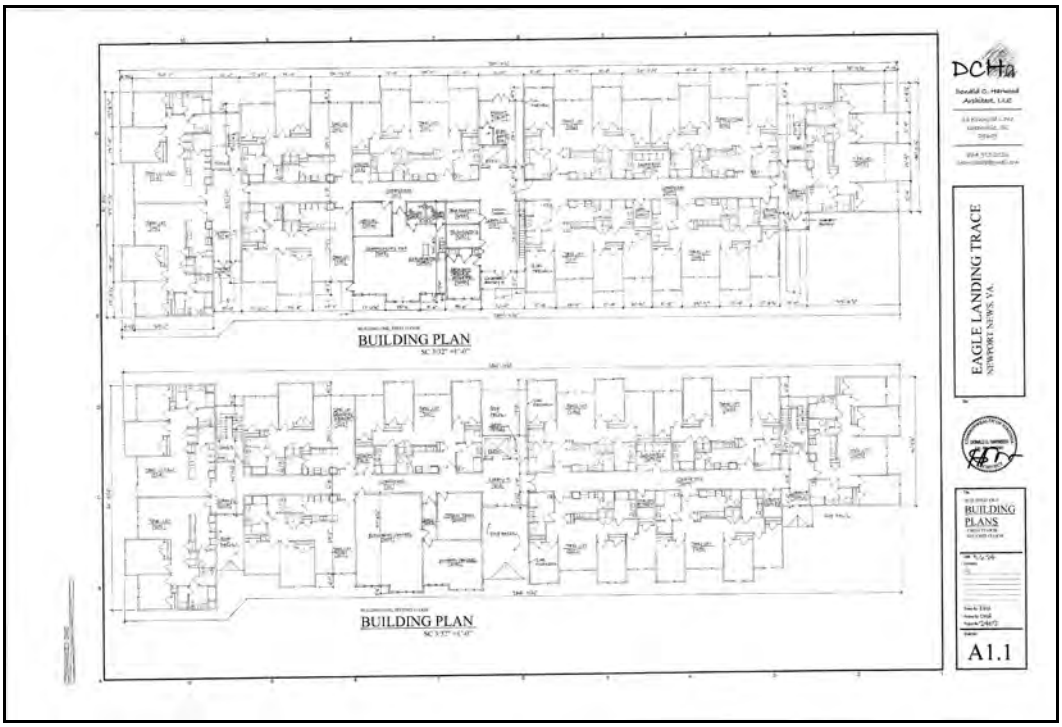
It is understood that the construction program would commence in April, 2025 and would be completed within 12 months, or so.

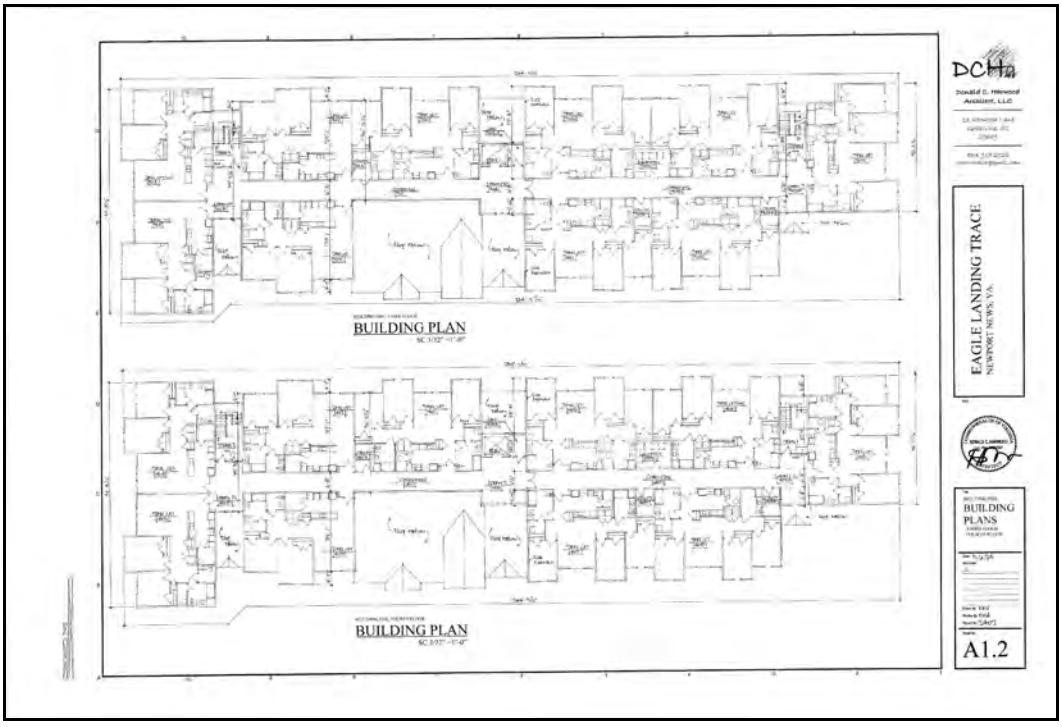
Representative architectural drawings are set out below:

Site plan



Floor plans


BUILDING PLAN
BUILDING PLAN
EAGLE LANDING TRACE
BUILDING PLANS
A1.1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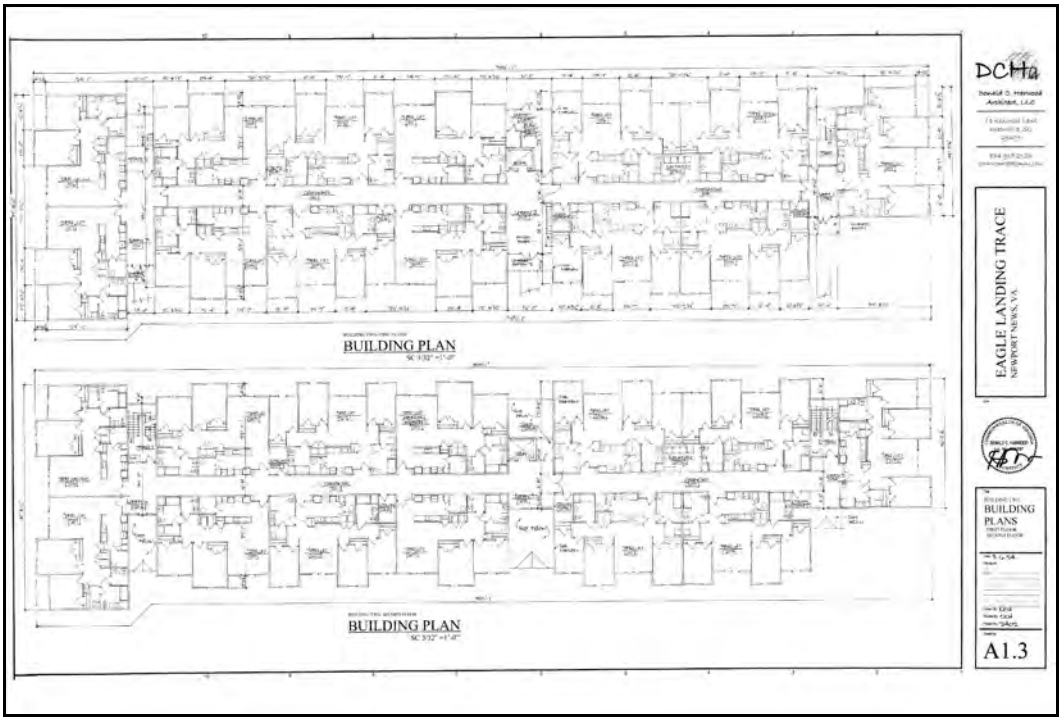
BUILDING PLANS
A1.2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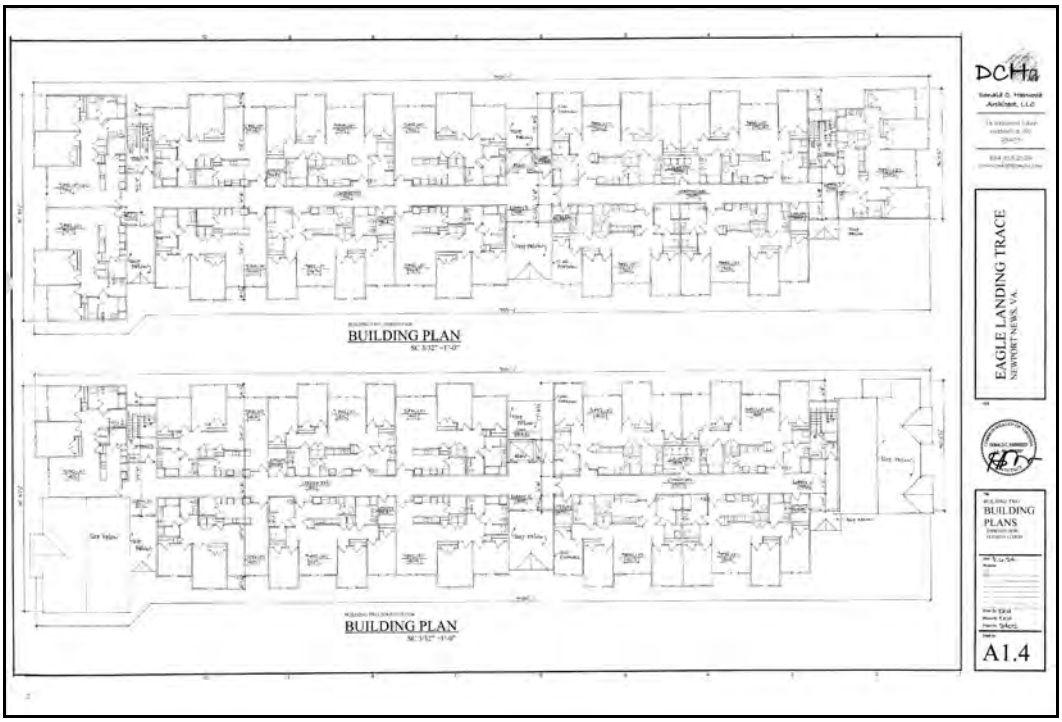
NEWPORT NEWS, VA
BUILDING PLANS
A1.3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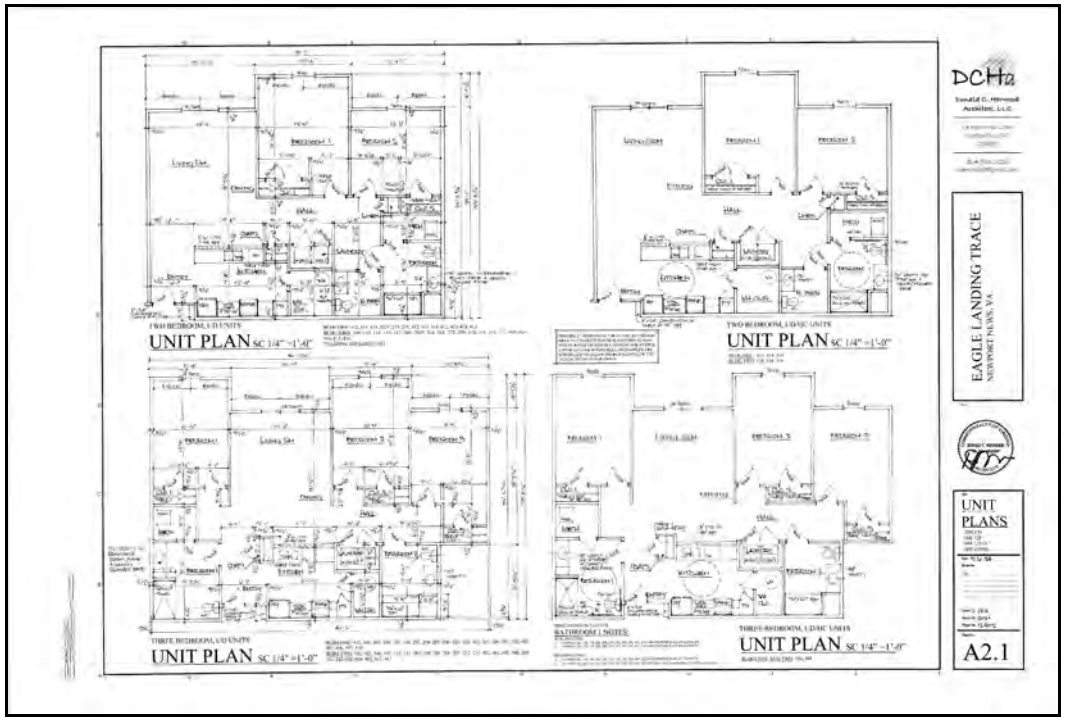
NEWPORT NEWS, VA
BUILDING PLANS
A1.4

Unit plans


UNIT PLAN
UNIT PLAN
UNIT PLAN
UNIT PLAN
EAGLE LANDING TRACE
UNIT PLANS
A2.1

Elevations

REAR ELEVATION
LEFT SIDE ELEVATION
RIGHT SIDE ELEVATION
FRONT ELEVATION
EAGLE LANDING TRACE
NEWPORT NEWS, VA
BUILDING ELEVATIONS
A3.1

REAR ELEVATION
LEFT SIDE ELEVATION
RIGHT SIDE ELEVATION
FRONT ELEVATION
EAGLE LANDING TRACE
NEWPORT NEWS, VA
BUILDING ELEVATIONS
A3.2

D. LOCATION

The site of the Eagle Landing Trace Apartments is to the south of Young's Mill Lane, off Warwick Boulevard, in northern Newport News. Adjacent properties include the Young's Mill Apartments and undeveloped land. The Sluice Millpond is to the south of the property. The site is relatively flat and is wooded.

View onto property at entrance

View on property

View on property

View from property

View east on Young's Mill Lane

View west on Young's Mill LAne

Young's Mill Apartments

The site is located off Young's Mill Lane, off Warwick Boulevard in northern Newport News. Access to the site is good.

Given the site location and its situation, the site is may not be visible as it will likely be somewhat screened Young's Mill Lane given the existing attached units along that street.

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

The site is located one tenth of a mile from Warwick Boulevard - US 60 - a major north south thoroughfare serving Newport News. It is within two and one-half miles of Interstate 64, a major east-west route serving the Newport News area, and beyond.

The closest shopping is the small E-Mart store. A Food Lion supermarket is within one mile of the site. A CVS drugstore and a Walgreens drug store are each within three-fourths of a mile of the site . A Target store and a Wal mart Supercenter are within two and one-fourth and two and three-fourth miles, respectively. The Patrick Henry Mall is just over two miles from the site.

Public bus service is available from Hampton Roads Transit, on Warwick Boulevard , one-tenth of a mile from the site.

The site is approximately two miles from the Riverview Farm Park.

The site is within one half-mile of the Jenkins Elementary School and within three and one-half miles of the Gildersleeve Middle School. The Menchville High School is just under two miles from the site.

The Grissom Public Library and the Denbigh Post Office are within two and one fourth miles of the site approximately two miles from the site. The site is within eleven miles of the Newport City Hall and other services and amenities in downtown Newport News, to the south.

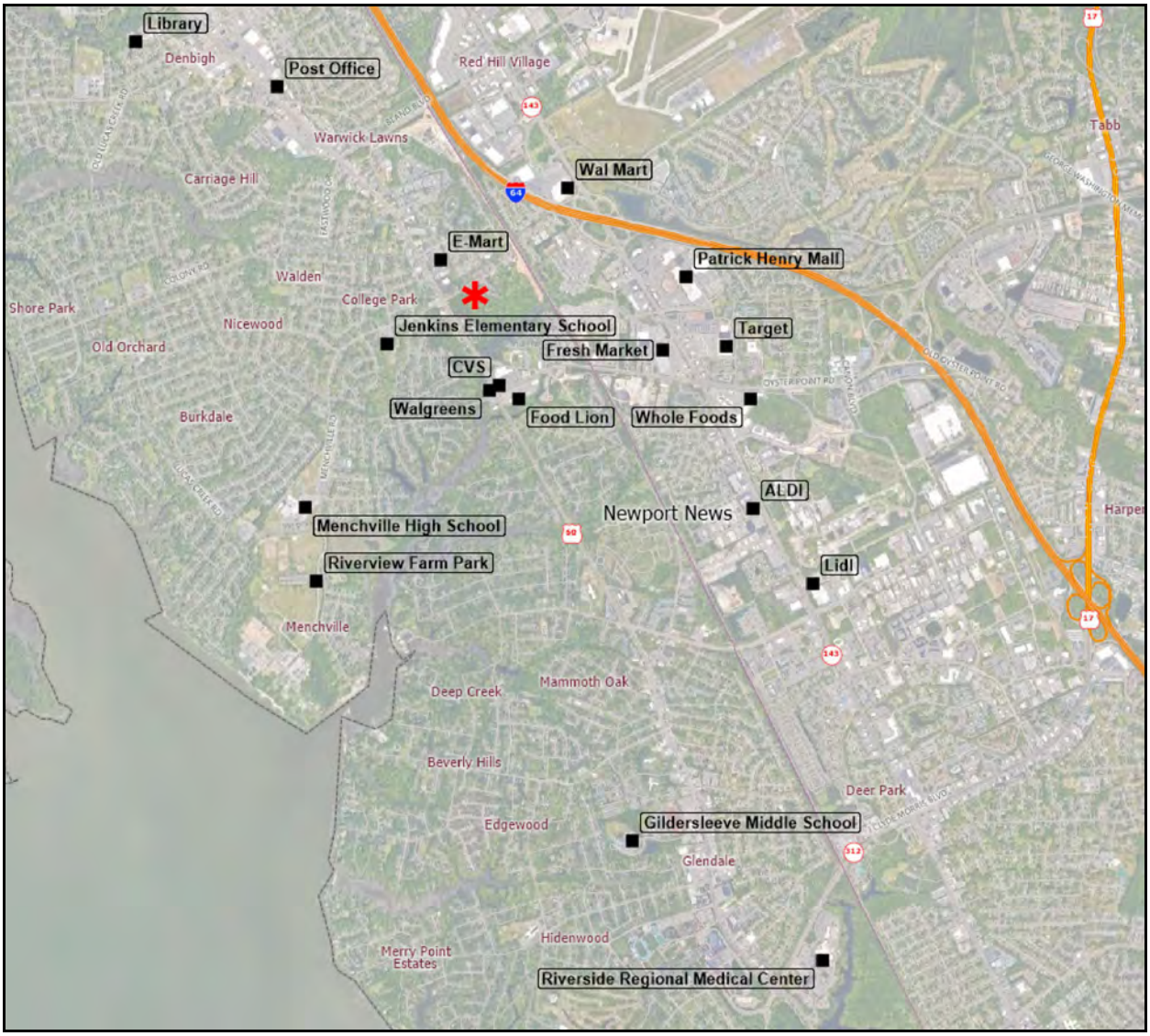
The site is within four and one-third miles of the Riverside Regional Medical Center, and associated medical services.

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 60/ Warwick Boulevard	0.1
	Interstate 64	2.3
Public Transportation	Hampton Roads Transit	0.1
Retail - Grocery	E-Mart	0.4
	Food Lion	0.9
Retail - Other	Target	2.2
	Wal Mart	2.6
	Patrick Henry Mall	2.1
Pharmacies	CVS	0.7
	Walgreens	0.7
Schools	Jenkins Elementary School	0.5
	Gildersleeve Middle School	3.4
	Menchville High School	1.9
Recreation	Riverview Farm Park	2.1
Library	Grissom	2.3
Post Office	Denbigh	1.8
Hospital	Riverside Regional Medical Center	4.3

Source: T.Ronald Brown: Research & Analysis



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 northern Newport News in Tidewater Virginia. The market area for the proposed development is northern Newport News, as defined by several census tracts. This area is focused on the site of the proposed development and extends to approximately two- to three miles to the east and west, and four- and one-half to five miles to the north and south - north of Waters Creek. 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.

Yorktown
JAMES CITY
YORK
NEWPORT NEWS
SURRY
Rushmere
POQUOSON
Poquoson
HAMPTON
Hampton
Newport News
Smithfield
ISLE OF WIGHT
LEGEND
US City Population
Area Landmark Features

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 the City of Newport News are illustrated in the table, below. Employment in 2022 - the most recent annual report - shows employment at 85,437.

Employment showed net growth prior to 2020 when 5,531 jobs were lost from 2019 - a consequence of the COVID-19 pandemic. Data for 2022 show that, locally, employment has yet to return to 2019 levels.

Table 2 - Total Employment

		Change over previous year	
		number	percent
2013	84,482		
2014	85,403	921	1.1
2015	84,369	-1,034	-1.2
2016	84,452	83	0.1
2017	85,701	1,249	1.5
2018	85,683	-18	0.0
2019	86,656	973	1.1
2020	81,125	-5,531	-6.4
2021	83,045	1,920	2.4
2022	85,347	2,302	2.8

Source: Bureau of Labor Statistics

Employment trends, by sector

Information on employment, by industry for the City of Newport News in 2021 and 2022 (the most recent annual data) is set out in Table 3, below. From this it is seen that, with respect to employment, the largest subsector was manufacturing - employing as much as 32.7 percent of the total in the most recent year.

Table 3 - Employment, by sector

	2021		2022		
	number	percent	number	percent	pct change
Agriculture, Forestry, etc					
Mining, etc.					
Utilities					
Construction	3,453	4.1	3,656	4.3	5.9
Manufacturing	28,284	33.5	27,622	32.7	-2.3
Wholesale trade	1,759	2.1	1,882	2.2	7.0
Retail trade	8,757	10.4	8,611	10.2	-1.7
Transp. and Warehousing					
Information	995	1.2	907	1.1	-8.8
Finance and Insurance	1,357	1.6	1,285	1.5	-5.3
Real estate	1,740	2.1	1,882	2.2	8.2
Professional and Technical services	5,221	6.2	4,925	5.8	-5.7
Management	2,220	2.6	2,603	3.1	17.3
Administrative and Waste services	5,534	6.5	5,162	6.1	-6.7
Educational services	849	1.0	919	1.1	8.2
Health Care and Social Assistance	12,912	15.3	13,211	15.7	2.3
Arts, Entertainment, Recreation	907	1.1	958	1.1	5.6
Accommodation and Food services	6,646	7.9	6,830	8.1	2.8
Other Services	2,093	2.5	2,091	2.5	-0.1
Unclassified	175	0.2	246	0.3	40.6
Total (private)	84,527		84,352		-0.2

Source: Bureau of Labor Statistics

Unemployment trends

Unemployment trends for the City of Newport News 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 City is 3.6 percent, down from 5.5 percent the previous year, and from 9.0 percent the year before that. As can be seen, this pattern is repeated at the state and national level over this period.

Table 4 - Unemployment trends

	Newport News City	Virginia	U.S.
2013	6.6%	5.6%	7.4%
2014	6.1%	5.1%	6.2%
2015	5.4%	4.4%	5.3%
2016	5.0%	4.0%	4.9%
2017	4.6%	3.7%	4.4%
2018	3.7%	3.0%	3.9%
2019	3.4%	2.8%	3.7%
2020	9.0%	6.2%	8.1%
2021	5.5%	3.9%	5.3%
2022	3.6%	2.9%	3.6%

Source: Bureau of Labor Statistics

Major Employers

The major private employers in the Tidewater region are listed in Table 5, below. Those firms located in Newport News are highlighted - Huntington Ingalls, Canon, and Ferguson Enterprises. Public entities that provide significant employment include the local public schools, and local government.

Table 5 - Major Employers

Employer Name	Product/Service
Huntington Ingalls*	Transportation Equipment
Smithfield Fresh Meats	Food
Maryview Hospital	Health care
Science Applications	Prodessional services
Children's Hospital	Health care
MAC Technologies	Administration
Stihl	Machinery manufacture
Sentara Health Management	Insurance, etc.
Cox Communications	Broadcasting
Canon*	Chemicals
Eastern Virginia Medical School	Education
PRA Group	Financial services
Towne Bank	Fincancial services
Anthem	Insurance, etc.
Norshipco	Transporation Equipment
Riverside Regional Medical Center	Health care
Port Of Virginia	Transportation
Ferguson Enterprises*	Wholesaler
Sentara Healthcare	Health care
Dominion Virginia Power	Utilities

Source: Hampton Roads Alliance

The Virginia Economic Development Partnership reports a total of 853 new jobs added at eight locations in recent years (since 2020). The most significant of these was a 211 person expansion at Aery Aviation.

With respect to closures an layoffs, the Virginia Economic Development Partnership reports three layoffs at the Logistics Company in Newport News since 2020. These amounted to 133 persons.

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 the City of Newport News 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 6.6 percent between 2021 and 2022.

Table 6 - Average Wages by Industry Sector

	2021	2022	pct change
Agriculture, Forestry, etc			
Mining, etc.			
Utilities			
Construction	$1,278	$1,399	9.5
Manufacturing	$1,441	$1,525	5.8
Wholesale trade	$1,311	$1,401	6.9
Retail trade	$631	$656	4.0
Transp. and Warehousing			
Information	$1,468	$1,558	6.1
Finance and Insurance	$1,370	$1,366	-0.3
Real estate	$995	$1,065	7.0
Professional and Technical services	$1,508	$1,605	6.4
Management	$2,809	$2,880	2.5
Administrative and Waste services	$649	$712	9.7
Educational services	$878	$907	3.3
Health Care and Social Assistance	$1,149	$1,244	8.3
Arts, Entertainment, Recreation	$533	$568	6.6
Accommodation and Food services	$393	$419	6.6
Other Services	$646	$700	8.4
Unclassified	$507	$505	-0.4
Total	$1,155	$1,231	6.6

Source: Virginia Labor Market Information

Commuting patterns

Based on data from the American Community Survey, 61.9 percent of workers resident in Newport News were employed in Newport News, with 38.1 percent employed elsewhere. The average driving time to work for residents of Newport News was 23.4 minutes, compared with 27.9 minutes for Virginia as a whole.

Table 7 - Commuting Data

	number	percent
Total Workers	92,115	100.0
Worked in Place of residence	57,019	61.9
Worked in County of residence	57,019	61.9
Worked outside Place of residence	35,096	38.1
Worked outside County of residence	35,096	38.1
Mean travel time to work (minutes)	23.4	

Source: 2017 to 2021 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 Newport News area are set out, below.

Here it is seen that many persons who work in the City of Newport News commute into the City from, as one would expect, the neighboring cities and/or counties - such as Hampton City and York Counrk County, in particular.. Likewise, many residents of Newport News commute to work in those adjacent counties.

Table 8 - Commuting Patterns

Working in Newport News	28,910
Where Newport News workers are commuting from:	
Hampton City	14,514
York County	7,549
Virginia Beach City	4,229
Suffolk City	3,811
Chesapeake City	3,798
James City County	3,727
Isle of Wight County	3,270
Gloucester County	3,128
Norfolk City	3,028
Elsewhere	19,892
Where Newport News residents are commuting to:	
Hampton City	8,354
York County	3,802
Norfolk City	3,551
James City Countyy	3,397
Virginia Beach City	2,801
Chesapeke City	2,426
Henrico County	1,657
Fairfax County	1,618
Suffolk City	1,303
Elsewhere	13,655

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 the City of Newport News was 180,719, and in 2020 the population was recorded as 186,247. Population projections for Newport News are provided by the Virginia State Data Center. Based on these data, the population of the area is projected to be 187,354 by 2024, and to be around 188,746 in 2029.

In 2010, the population of the market area was 111,795, and in 2020 the population was recorded as 117,669. Population projections for the market area are based on the average of several small area population projection techniques using census tract trends for 2010 to 2020 in the City of Newport News, corrected for the official State Data Center numbers for those areas. Based on these data, the population of the area is projected to be 119,226 by 2024, and to be around 121,206 by 2029.

Information on population trends and changes between 2000 and 2029 are set out in Table 9, below.

Table 9- Population Trends

	Market Area	Newport News City
2000	108,754	180,150
2010	111,795	180,719
2020	117,659	186,247
2024	119,226	187,354
2029	121,206	188,746
absolute change		
2000-2010	3,041	569
2010-2020	5,864	5,528
2020-2024	1,567	1,107
2024-2029	1,980	1,392
annual change		
2000-2010	304	57
2010-2020	586	553
2020-2024	392	277
2024-2029	396	278

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

Projections of the number of households for the market area and the City of Newport News are set out in Table 10, below.

In 2010, there were 70,664 households in Newport News and 75,630 in 2020. Based on the population projections set out, above, there will be around 77,348 households in 2024 and 79,551 in 2029.

There were 44,039 households in the market area in 2010, and 48,109 in 2020. Projections show around 49,613 and 51,553 households in 2024 and 2029, respectively.

Table 10 - Household Trends

	Market Area	Newport News City
2000	42,363	69,686
2010	44,039	70,664
2020	48,109	75,630
2024	49,613	77,348
2029	51,553	79,551
absolute change		
2000-2010	1,676	978
2010-2020	4,070	4,966
2020-2024	1,504	1,718
2024-2029	1,940	2,203
annual change		
2000-2010	168	98
2010-2020	407	497
2020-2024	376	430
2024-2029	388	441

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 the market area and the City of Newport News is set out in Table 11, below. These data are from the 2020 Census.

Table 11 - Age Distribution

	Market Area		Newport News City	
	number	percent	number	percent
Under 5 years	7,456	6.3	12,011	6.4
5 to 9 years	7,099	6.0	11,686	6.3
10 to 14 years	7,108	6.0	11,434	6.1
15 to 19 years	8,996	7.6	13,586	7.3
20 to 24 years	9,826	8.4	15,915	8.5
25 to 29 years	9,803	8.3	15,497	8.3
30 to 34 years	9,322	7.9	14,618	7.8
35 to 39 years	7,833	6.7	12,320	6.6
40 to 44 years	6,707	5.7	10,405	5.6
45 to 49 years	6,042	5.1	9,471	5.1
50 to 54 years	6,455	5.5	10,104	5.4
55 to 59 years	7,546	6.4	12,103	6.5
60 to 64 years	7,023	6.0	11,296	6.1
65 to 69 years	5,487	4.7	8,697	4.7
70 to 74 years	4,323	3.7	6,578	3.5
75 to 79 years	2,867	2.4	4,457	2.4
80 to 84 years	1,822	1.5	2,956	1.6
85 years and over	1,944	1.7	3,113	1.7
55 and older	31,012	26.4	49,200	26.4
65 and older	16,443	14.0	25,801	13.9
Total	117,659		186,247	

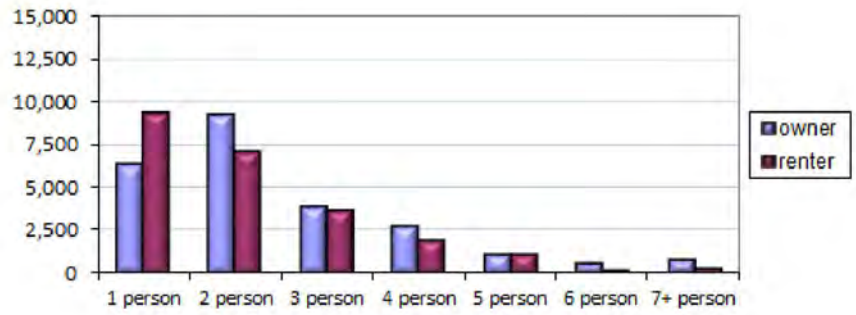
Source: 2020 Census; T.Ronald Brown: Research & Analysis

Household size

Table 12 below, sets out household size, by tenure, for households in the market area and the City of Newport News.

Table 12 - Household Size

	Market Area		Newport News City	
	owner	renter	owner	renter
1 person	6,330	9,270	10,249	16,312
2 person	9,202	7,029	13,029	10,777
3 person	3,840	3,658	5,866	6,275
4 person	2,781	1,897	3,876	3,425
5 person	1,145	1,088	1,722	1,837
6 person	582	218	996	515
7+ person	857	258	299	393



Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis

Tenure

Table 13, below, sets out the number and proportion of owner and renter households for the market area and the City of Newport News. In the years beyond 2020, the tenure proportions are based on 2010 to 2020 tenure trends. In 2020, 53.0 percent of households in Newport News were renters, and 50.4 percent of households in the market area were renters.

Table 13 - Tenure

Market Area	population	households	persons per household	Owner-occupied number	Owner-occupied percent	Renter-occupied number	Renter-occupied percent
2000	108,754	42,363	2.57	23,778	56.1	18,585	43.9
2010	111,795	44,039	2.54	24,141	54.8	19,898	45.2
2020	117,659	48,109	2.45	23,867	49.6	24,242	50.4
2024	119,226	49,613	2.40	23,498	47.4	26,115	52.6
2029	121,206	51,553	2.35	22,896	44.4	28,657	55.6
Newport News City	**population**	**households**	**persons per household**	**Owner-occupied number**	**Owner-occupied percent**	**Renter-occupied number**	**Renter-occupied percent**
2000	180,150	69,686	2.59	36,513	52.4	33,173	47.6
2010	180,719	70,664	2.56	36,076	51.1	34,588	48.9
2020	186,247	75,630	2.46	35,546	47.0	40,084	53.0
2024	187,354	77,348	2.42	35,028	45.3	42,320	54.7
2029	188,746	79,551	2.37	34,260	43.1	45,291	56.9

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

Income Distribution

The distribution of household incomes for the market area and the City of Newport News are set out in Table 14, below. These figures are taken from the 2017 to 2021 American Community Survey, and as such are subject to the limitations imposed by this source.

The median household income for Newport News is around $63,355. The median income for the market area is estimated at $67,075.

The median income for the census tract in which the site of the proposed development is located is estimated to be around $45,659 - based on the American Community Survey data.

Table 14 - Household Income

	Market area		Newport News City	
	number	percent	number	percent
less than $10,000	2,342	10.1	4,480	15.1
$10,000 to $14,999	621	2.7	499	1.7
$15,000 to $19,999	736	3.2	2,776	9.4
$20,000 to $24,999	698	3.0	442	1.5
$25,000 to $29,999	962	4.1	3,019	10.2
$30,000 to $34,999	606	2.6	460	1.6
$35,000 to $39,999	1,164	5.0	2,952	10.0
$40,000 to $44,999	604	2.6	445	1.5
$45,000 to $49,999	987	4.2	3,548	12.0
$50,000 to $59,999	1,757	7.5	531	1.8
$60,000 to $74,999	2,468	10.6	2,587	8.7
$75,000 to $99,999	2,882	12.4	373	1.3
$100,000 to $124,999	2,158	9.3	3,190	10.8
$125,000 to $149,999	1,877	8.1	503	1.7
$150,000 to $199,999	1,911	8.2	3,221	10.9
$200,000 or more	1,514	6.5	566	1.9
median income	$67,075 *		$63,355	

** Estimate*

Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis

Renter Income

The distribution of household incomes for renter households for the market area and the City of Newport News 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 Newport News is around $47,392. The median renter income for the market area is estimated at $54,303.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around $39,447 - based on the American Community Survey data.

Table 15 - Household Income, Renter Households

	Market area		Newport News City	
	number	percent	number	percent
less than $10,000	1,676	7.2	3,355	8.5
$10,000 to $19,999	1,669	7.1	4,307	10.9
$20,000 to $34,999	3,329	14.2	6,241	15.8
$35,000 to $49,999	4,040	17.3	6,724	17.0
$50,000 to $74,999	5,733	24.5	8,896	22.5
$75,000 to $99,999	2,751	11.7	4,178	10.6
$100,000 or more	4,220	18.0	5,833	14.8
median income	$54,303 *		$47,392	

** Estimate*

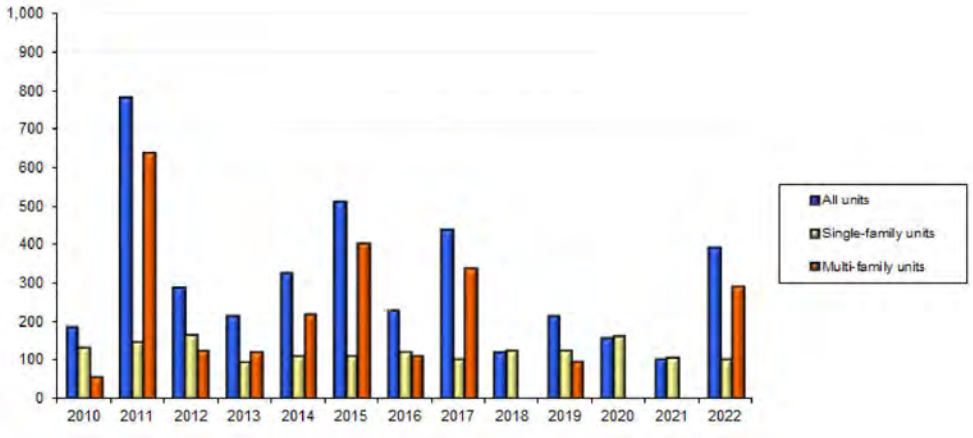
Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis

Building permit trends

Table 16 below gives details of residential construction in the City of Newport News since 2010. Where the data exist, it can be seen that a total of 3,991 units were added in the City, of which 2,413 were multi-family units. No data exist for the market area.

Table 16 - Residential Construction Since 2010

Newport News City			
	Total	single-family	multi-family
2010	188	129	59
2011	785	146	639
2012	287	161	126
2013	215	92	123
2014	330	109	221
2015	512	107	405
2016	232	120	112
2017	441	100	341
2018	124	124	0
2019	218	122	96
2020	160	160	0
2021	106	106	0
2022	393	102	291
Total	3,991	1,578	2,413



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

H. COMPETITIVE ENVIRONMENT

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

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

Arboretum Place (74 lihtc units)
Auburn Pointe (274 units) [a/r]
Autumn Lakes (296 units) [a/r]
Forrest Landing (120 units)
The Grove (Patriot's Crossing) (240 units)[a/r]
Huntington Village (96 units)
Kate's Trace (108 units)
King's Ridge (182 units)
Pilot House (132 units) [a/r]
River Trace (56 units) [a/r]
Sharps Landing (180 units) [a/r]
Waverly at Oyster Point (152 units) [a/r]
Waverton Ashton Green (228 units)
Wellesley Woods (120 units)

It is significant to note that a significant proportion of tax credit financed properties in the area are the acquisition and rehabilitation [a/r] of older properties. Many of these are relatively large and are typically lacking in amenities, reflecting their age. As such these are considered less comparable to newly constructed properties. Nonetheless, given their preponderance in the market we have surveyed a representative proportion of them.

The closest potentially comparable apartments to the proposed development are the Reserves at Arboretum and Arboretum Place complexes. These are located on adjacent properties at the Arboretum development located of Oyster Point Road - south of the Sluice Millpond. Arboretum Place is 184-unit tax credit financed project that opened in 1996. Of the 184-unit total, 74 units are targeted at the 60 percent level, and the remaining 110 units are market rate. The Reserves at Arboretum comprise 144 market rate units, where two-bedroom units rent for $1,600 to $1,800, with three bedroom units reported at $2,000. Arboretum Place is reported to be 97.8 percent occupied and the Reserves are 97.2 percent occupied.

The newest tax credit finance project is Huntington Village. This complex opened in 2021 and has 96 units which are reported to be 97.8 percent occupied. Units are targeted at the 50 percent and 60 percent levels - with the 60 percent rents being $1,196 and $1,360 for two- and three-bedroom units, respectively.

There are many market rate properties in the area - again, some of these are old-established developments that are lacking modern amenities. The Young's Mill Apartments are one such property that is located adjacent to the site of the proposed development. It opened in 1984, and offers two-bedroom units from $1,200 to $1,575, and three-bedroom units that rent from $1,375 to $1,675.

Our survey includes a sample of market rate properties in the market area.

Based on our survey, there is a market-wide occupancy rate of 94.5 percent.

Occupancy at tax credit properties is found to be 94.3 percent.

Occupancy at the various market rate properties in the market area is seen to be 94.8 percent.

In order to determine market rents, a sample of comparable market area properties were identified. The projects selected were chosen on the basis of age, location, and bedroom mix. Information for units at these various properties are summarized below.

Table 17 - Market Rate Properties

Property	Year built	Two-bedroom rents	Three-bedroom rents
Denbigh Village	2014	$1,619-1,651	$1,820
Radius	2012	$1,818-2,203	$2,263
Point at Tech Center	1985	$1,775-1,795	
Reserves at Arboretum	2009	$1,600-1,800	$2,000
Waverton Place Impressions	1989	$1,208-1,705	$1,708-2,162

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, around $1,641 for a two-bedroom unit, and $1,951 for a three-bedroom unit.

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

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Arboretum Place	LIHTC/market	1996	184	4	97.8
Auburn Pointe	**LIHTC**	**1974**	**274**	**6**	**97.8**
Autumn Lakes	**LIHTC**	**1969**	**296**	**20**	**93.2**
Denbigh Village	Conventional	2014	244	9	96.3
Forrest Landing	**LIHTC**	**2010**	**120**	**5**	**95.8**
The Grove	**LIHTC**	**1974**	**240**	**32**	**86.7**
Huntington Village	**LIHTC**	**2021**	**96**	**2**	**97.9**
Kate's Trace	**LIHTC**	**2005**	**108**	**0**	**100.0**
King's Ridge	**LIHTC**	**1996**	**182**	**5**	**97.3**
Pilot House	**LIHTC**	**1992/2015**	**132**	**11**	**91.7**
Point at Tech Center	Conventional	1985	208	19	90.9
Radius	Conventional	2012	252	14	94.4
Reserves at Arboretum	Conventional	2009	144	4	97.2
River Trace	**LIHTC**	**1973**	**56**	**3**	**94.6**
Sharps Landing	**LIHTC**	**1972/2014**	**180**	**9**	**95.0**
Waterman's Crossing	Conventional	1987	260	14	94.6
Waverly at Oyster Point	**LIHTC**	**1978/2023**	**152**	**14**	**90.8**
Waverton Ashton Green	**LIHTC**	**2001**	**228**	**18**	**92.1**
Waverton Place Impressions	Conventional	1989	414	25	94.0
Wellesley Woods	**LIHTC**	**1996**	**120**	**0**	**100.0**

	0 br/1ba			1 br/1ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Arboretum Place				36	700	$974-1,034
Auburn Pointe				65	850	$853
Autumn Lakes				52	750	$1,113
Denbigh Village				92	718-915	$1,150-1,250
Forrest Landing				18	800	$1,024
The Grove				74	850	$1,010
Huntington Village						
Kate's Trace						
King's Ridge				32	749	$1,041
Pilot House						
Point at Tech Center				108	532-736	$1,425-1,595
Radius	14	818	$1,608	81	704-706	$1,593
Reserves at Arboretum				32	755-821	$1,300-1,500
River Trace				16	598	$749-782
Sharps Landing				16	853	$1,004
Waterman's Crossing				60	699	$1,384
Waverly at Oyster Point				4	700	$995
Waverton Ashton Green						
Waverton Place Impressions				102	860	$1,307
Wellesley Woods						

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Eagle Landing Trace	39	1,170	$514-959			
Arboretum Place	36	850	$1,173-1,244	96	1,000-1,100	$1,237-1,342
Auburn Pointe	177	1,200	$1,149			
Autumn Lakes	216	900-950	$1,250-1,336			
Denbigh Village				136	1,077	$1,150-1,250
Forrest Landing				72	1,056	$1,211
The Grove		950-1,000	$1,150-1,200			
Huntington Village	72	817	$973-1,196			
Kate's Trace				60	1,024	$960
King's Ridge				94	949	$1,156
Pilot House				102	1,000	$1,237
Point at Tech Center	35	908	$1,725	52	1,011-1,027	$1,755-1,795
Radius				145	1,052-1,053	$1,818-2,203
Reserves at Arboretum				87	1,063-1,114	$1,600-1,800
River Trace				40	759	$780-950
Sharps Landing	164	853	$1,193			
Waterman's Crossing				176	862-1,000	$1,424-1,509
Waverly at Oyster Point	146	750	$1,190			
Waverton Ashton Green				120	932	$1,196
Waverton Place Impressions				204	910-1,086	$1,208-1,705
Wellesley Woods				36	1,320	$1,430

	3 br/1-1½ ba			3 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Eagle Landing Trace				**51**	**1,294**	**$1,100-1,485**
Arboretum Place				16	1,200-1,250	$1,487
Auburn Pointe				**32**	**1,500**	**$1,399**
Autumn Lakes	**28**	**1,180**	**$1,545**			
Denbigh Village				16	1,224	$1,820
Forrest Landing				**30**	**1,232**	**$1,383**
The Grove	**56**	**1,200**	**$1,370**			
Huntington Village				**24**	**1,010**	**$1,102-1,360**
Kate's Trace				**48**	**1,257**	**$1,100**
King's Ridge				**56**	**1,156**	**$1,443**
Pilot House				**30**	**1,320**	**$1,424**
Point at Tech Center						
Radius				12	1,313	$2,263
Reserves at Arboretum				24	1,322	$2,000
River Trace						
Sharps Landing						
Waterman's Crossing				24	1,306	$1,819
Waverly at Oyster Point	**2**	**800**				
Waverton Ashton Green				**108**	**1,204**	**$1,386**
Waverton Place Impressions				108	1,184-1,280	$1,708-2,162
Wellesley Woods				**36**	**1,320**	**$1,430**

Apartment locations

Arboretum Place

Location: 201 Arboretum Way

Financing: LIHTC/market
Year Built: 1996
Total Units: 184
Vacant units: 4 97.8% occupied (waiting list)

Telephone: 757.703.3065
Management: Highmark Residential
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1		700	60%	$974		$1.39
1/1		700		$1,034		$1.48
2/1		850	60%	$1,173		$1.38
2/1		850		$1,244		$1.46
2/2	24	1,000		$1,237		$1.24
2/2	36	1,025		$1,271		$1.24
2/2	36	1,100		$1,342		$1.22
3/2	8	1,200		$1,487		$1.24
3/2	8	1,250		$1,487		$1.19

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	•

Auburn Pointe

Location: 496 Catina Way

Financing: LIHTC
Year Built: 1974
Total Units: 274
Vacant units: occupied

Telephone: 757.877.8880
Management: Franklin Johnston Group

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	10	850	50%			$0.00
1/1	55	850	60%			$0.00
2/1½	127	1,200	50%			$0.00
2/1½	50	1,200	60%			$0.00
3/2	32	1,500	60%			$0.00

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	•

Autumn Lakes

Location: 360 Roseman Court

Financing: LIHTC
Year Built: 1969
Total Units: 296
Vacant units: 20 93.2% occupied

Telephone: 757.877.4920
Management: KEV Property Management
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	52	750	60%	$1,113	$73	$1.48
2/1	108	900	60%	$1,250	$103	$1.39
2/1	108	950	60%	$1,336	$103	$1.41
3/1	28	1,180	60%	$1,545	$133	$1.31

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	•

Denbigh Village

Location: 14353 Deloice Crescent

Financing: Conventional
Year Built: 2014
Total Units: 244
Vacant units: 9 96.3% occupied

Telephone: 757.979.2077
Management: Capreit
[2/20]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	92	718-915	$1,150-1,250	$1.52
2/2	136	1,077	$1,619-1,651	$1.52
3/2	16	1,224	$1,820	$1.49

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	•

Forrest Landing

Location: 22 Forrest Drive

Financing: LIHTC
Year Built: 2010
Total Units: 120
Vacant units: 5 95.8% occupied

Telephone: 757.327.0230
Management: Franklin Johnston Group
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	18	800	60%	$1,024	$89	$1.28
2/2	72	1,056	60%	$1,211	$125	$1.15
3/2	30	1,232	60%	$1,383	$162	$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	•

The Grove

Location: 432 Manor Road

Financing: LIHTC
Year Built: 1974/
Total Units: 240
Vacant units: 32 86.7% occupied

Telephone: 717.255.7161
Management: Franklin Johnston Group
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	74	850	60%	$1,010	$99	$1.19
2/1		950	60%	$1,150	$133	$1.21
2/1½		1,000	60%	$1,200	$133	$1.20
3/1½	56	1,200	60%	$1,370	$175	$1.14

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	•

Huntington Village

Location: 501 Sophia Way

Financing: LIHTC
Year Built: 2021
Total Units: 96
Vacant units: 2 97.9% occupied

Telephone: 833.657.2050
Management: Lawson Companies
[2/21]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/1½	7	817	50%	boi		n/a
2/1½	29	817	50%	$973		$1.19
2/1½	36	817	60%	$1,196		$1.46
3/2	3	1,010	50%	boi		n/a
3/2	9	1,010	50%	$1,102		$1.09
3/2	12	1,010	60%	$1,360		$1.35

boi - based on income/rent-assisted

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	•

Kate's Trace

Location: 600 Kate's Trace Circle

Financing: LIHTC
Year Built: 2005
Total Units: 108
Vacant units: 0 100.0% occupied (waiting list)

Telephone: 804.607.8541
Management: Drucker + Falk
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	60	1,024	50%	$960	$112	$0.94
3/2	48	1,257	50%	$1,100	$89	$0.88

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	•

King's Ridge

Location: 401 Jester Court

Financing: LIHTC
Year Built: 1996
Total Units: 182
Vacant units: 5 97.3% occupied

Telephone: 757.997.1796
Management: Highmark Residential
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	32	749	60%	$1,041	$130	$1.39
2/2	94	949	60%	$1,245	$161	$1.31
3/2	56	1,156	60%	$1,443	$195	$1.25

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	•

Pilot House

Location: 701 Bridlestock Circle

Financing: LIHTC
Year Built: 1992/2015
Total Units: 132
Vacant units: 11 91.7% occupied (waiting list)

Telephone: 757.873.9780
Management: Grady Management
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	102	1,000	60%	$1,237	n/a	$1.24
3/2	30	1,320	60%	$1,424	n/a	$1.08

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	•

Point at Tech Center

Location: 128 Jefferson Point Lane

Financing: Conventional
Year Built: 1985
Total Units: 208
Vacant units: 19 90.9% occupied

Telephone: 757.249.1850
Management: Thalhimer
[2/20]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	108	532-736	$1,425-1,595	$2.38
2/1	35	908	$1,725	$1.40
2/2	52	1,011-1,027	$1,775-1,795	$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	•

Radius

Location: 900 Radius Way

Financing: Conventional
Year Built: 2012
Total Units: 252
Vacant units: 14 94.4% occupied

Telephone: 717.875.5555
Management: MAA
[2/20]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
0/1	14	618	$1,608	$2.60
1/1	81	704-706	$1,593	$2.26
2/2	145	1,052-1,053	1,818-2,203	$1.91
3/2	12	1,313	$2,263	$1.72

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	•

Reserves at Arboretum

Location: 5000 Reserve Way

Financing: Conventional
Year Built: 2009
Total Units: 144
Vacant units: 4 97.2% occupied

Telephone: 757.249.0641
Management: Highmark Residential
[2/22]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	32	755-821	$1,300-1,500	$1.78
2/2	87	1,063-1,114	$1,600-1,800	$1.56
3/2	24	1,322	$2,000	$1.51

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	•

River Trace

Location: 100 River Trace Way

Financing: LIHTC
Year Built: 1973
Total Units: 56
Vacant units: 3 94.6% occupied

Telephone: 757.989.0710
Management: Community Housing Partners
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	6	598	40%	$749	n/a	$1.25
1/1	10	598	50%	$782	n/a	$1.31
2/2	16	759	40%	$780	n/a	$1.03
2/2	24	759	50%	$950	n/a	$1.25

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	•

Sharps Landing

Location: 550 Pavilion Place

Financing: LIHTC
Year Built: 1972/2014
Total Units: 180
Vacant units: 9 95.0% occupied

Telephone: 757.595.7759
Management: Franklin johnston Group
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	16	653	60%	$1,004	$99	$1.77
2/1½	164	853	60%	$1,193	$133	$1.40

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	•

Waterman's Crossing

Location: 638 River Bend Court

Financing: Conventional
Year Built: 1987
Total Units: 260
Vacant units: 14 94.6% occupied

Telephone: 757.881.9196
Management: Drucker + Falk
[2/20]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	60	699	$1,384	$1.98
2/1	24	862	$1,424	$1.65
2/2	60	996	$1,509	$1.52
2/2	92	1,000	$1,469	$1.47
3/2	24	1,306	$1,819	$1.39

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

Waverly at Oyster Point

Location: 819 Forrest Drive

Financing: LIHTC
Year Built: 1978/2023
Total Units: 152
Vacant units: 14 90.8% occupied

Telephone: 757.930.5036
Management: ROSS Companies Management
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	4	700	60%	$995	n/a	$1.42
2/1	146	750	60%	$1,190	n/a	$1.59
3/1	2	800	60%	n/a	n/a	n/a

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	•

Waverton Ashton Green

Location: 100 Marshview Drive

Financing: LIHTC
Year Built: 2001
Total Units: 228
Vacant units: 18 92.1% occupied

Telephone: 757.246.6666
Management: Capstone
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	120	932	60%	$1,196	$140	$1.28
3/2	108	1,204	60%	$1,386	$159	$1.15

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	•

Waverton Place Impressions

Location: 501 Coral Key Place

Financing: Conventional
Year Built: 1989
Total Units: 414
Vacant units: 25 94.0% occupied

Telephone: 757.881.9700
Management: Capreit
[2/20]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	102	860	$1,307	$1.52
2/2	204	910-1,086	$1,208-1,705	$1.46
3/2	108	1,184-1,280	$1,708-2,162	$1.57

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

Wellesley Woods

Location: 600 Huntgate Circle

Financing: LIHTC
Year Built: 1996
Total Units: 120
Vacant units: 0 100.0% occupied

Telephone: 757.249.5553
Management: Grady Management
[2/20]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	84	1,000	60%	$1,241	$95	$1.24
3/2	36	1,320	60%	$1,430	$115	$1.08

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

Demand Analysis

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 90 units proposed, nine will be targeted at 30 percent of the median, 37 will be targeted to households with incomes up to 50 percent of the median, with twelve targeted at 60 percent of the median, and 32 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 the City of Newport News are set out below. The median income for Newport News in 2023 was $100,500 - having been $93,500 in 2022, and $73,300 in 2013. This represents a 7.5 percent increase over the previous year, and a 37.1 percent increase over the last decade (or an average of 3.21 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	$20,790	$34,650	$41,580	$55,440
2 person	$23,760	$39,600	$47,520	$63,360
3 person	$26,730	$44,550	$53,460	$71,280
4 person	$29,700	$49,500	$59,400	$79,200
5 person	$32,100	$53,500	$64,200	$85,600
6 person	$34,470	$57,450	$68,940	$91,920

Maximum Housing Costs	30 percent	50 percent	60 percent	80 percent
1 bedroom	$557	$928	$1,114	$1,485
2 bedroom	$668	$1,114	$1,337	$1,782
3 bedroom	$773	$1,288	$1,545	$2,060

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	9	30			39
3 bedroom		7	12	32	51
Total	9	37	12	32	90

proposed rents

	30 percent	50 percent	60 percent	80 percent
1 bedroom				
2 bedroom	$514	$959		
3 bedroom		$1,110	$1,368	$1,485

proposed rents as a proportion (%) of maximum

	30 percent	50 percent	60 percent	80 percent
1 bedroom				
2 bedroom	99.4	99.6		
3 bedroom		99.7	99.8	78.7

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are $151 and $174 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 and 50 percent levels (for unassisted units). The units at the 60 percent level are at 86 percent of the maximum allowable, and those at the 80 percent level are at 79 percent of the maximum.

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	$22,937	$26,730
3 bedroom	$26,486	$30,900
	50 percent	
	lower	upper
2 bedroom	$38,194	$44,550
3 bedroom	$44,143	$51,500
	60 percent	
	lower	upper
2 bedroom	$40,314	$53,460
3 bedroom	$52,971	$61,800
	80 percent	
	lower	upper
2 bedroom	$49,327	$71,280
3 bedroom	$56,983	$82,400

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.

The major variables to be examined are tenure and income. These data are no longer available from the Decennial Census. Nonetheless, data can be extrapolated from the most recent American Community Survey - again, subject the limitations of those data. These data, for the market area for the proposed complex, are set out below.

Table 21 - Household Income, Renter Households

Income	All Renters		Overburdened Renters	
	Number	Percent	Number	Percent
Up to $10,000	1,676	7.2	1,185	14.6
$10,000 - $19,999	1,669	7.1	1,367	16.8
$20,000 - $34,999	3,329	14.2	2,777	34.2
$35,000 - $50,000	4,040	17.3	1,962	24.1
$50,000 - $75,000	5,733	24.5	783	9.6
$75,000 - $100,000	2,734	11.7	47	0.6
$100,000 and over	4,220	18.0	9	0.1
Total	23,401		8,130	

Source: 2017 to 2021 American Community Survey; T.Ronald Brown: Research & Analysis

As noted, these data are necessarily from the American Community Survey and are based on the 5-year average for the period from 2017 to 2021 - and not for a specific year.

From this table it can be seen that 7.2 percent of the market area renter households have incomes less than $10,000, and a further 7.1 percent have incomes between $10,000 and $20,000. Around 14.2 percent of renters are seen to be in the $25,000 to $35,000 income range.

Around 34.7 percent of all renters are rent-overburdened. This table also illustrates how rent-overburdened households are somewhat concentrated in the lower income groups - however, as many as 35 percent of overburdened renters have incomes more than $35,000.

Based on the income ranges set out in Table 20 and the income distribution set out in Table 21, it is found that around 14.4 percent of market area renter households qualify for units at 30 percent of the median, and the corresponding figures for units at the 50 percent, 60 percent, and 80 percent levels are 27.6 percent, 37.4 percent, and 34.7 percent, respectively.

Projections of need and demand are based upon a 2024 to 2029 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 2,542 new rental units are needed between 2024 and 2029. A total of 1,440 units will be for households eligible for the proposed project.

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 16,320 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, 83.4 percent of renters qualifying for units at 30 percent of the median are rent-overburdened. Likewise, 43.1 percent, 31.3 percent, and 23.9 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 493 units.

Total demand is therefore seen to amount to 8,695 units. These figures are based on a 2024 to 2029 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 8,695 units.

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

Table 22 - Demand Calculations

	30 percent	50 percent	60 percent	80 percent	total *
(i) income eligible new renter households	365	701	952	883	1,440
(ii) income eligible existing renter households	4,118	7,903	10,727	9,950	16,230
(iii) existing households, likely to move	3,435	3,409	3,353	2,381	6,762
(iv) need from obsolete housing	125	240	326	302	493
Total demand *(i)+(iii)+(iv)*	3,926	4,350	4,630	3,566	8,695
Supply	0	0	0	0	0
Net demand	3,926	4,350	4,630	3,566	8,695

** 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 29 percent of the total, two-bedroom units should account for 41 percent of the total, and three-bedroom units should account for 23 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 23 - Capture Rates

	30 percent	50 percent	60 percent	80 percent	total *
Total demand					
1 bedroom	1,121	1,242	1,322	1,018	2,483
2 bedroom	1,608	1,782	1,896	1,461	3,561
3 bedroom	897	994	1,058	815	1,987
4 bedroom	300	332	353	272	664
Total	3,926	4,350	4,630	3,566	8,695
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	1,121	1,242	1,322	1,018	2,483
2 bedroom	1,608	1,782	1,896	1,461	3,561
3 bedroom	897	994	1,058	815	1,987
4 bedroom	300	332	353	272	664
Total	3,926	4,350	4,630	3,566	8,695
Units proposed					
1 bedroom	0	0	0	0	0
2 bedroom	9	30	0	0	39
3 bedroom	0	7	12	32	51
4 bedroom	0	0	0	0	0
Total	9	37	12	32	90
Capture rates					
1 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
2 bedroom	0.6%	1.7%	0.0%	0.0%	1.1%
3 bedroom	0.0%	0.7%	1.1%	3.9%	2.6%
4 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.2%	0.9%	0.3%	0.9%	1.0%

** excludes gap/overlap*

Source: T. Ronald Brown: Research & Analysis

Given the calculated need, the proposed 90-unit development amounts to 1.0 percent of the total net need.

The capture rate, by bedroom, is determined to be 1.1 percent for the 39 two-bedroom units, and 2.6 percent for the 51 three-bedroom units.

The nine units at 30 percent of the median amount to 0.2 percent of the net demand at that level, the 37 units at 50 percent of the median amount to 0.9 percent of demand at that target level, and the twelve units targeted at the 60 percent level amount to around 0.3 percent of demand at that level. The 32 units targeted at 80 percent represent 0.9 percent of demand at that level.

The capture rates presented above are considered 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 so.

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, $514 per month. Given a $151 utility allowance and a 35 percent rent-to-income ratio, the lower qualifying income is seen to be $22,800. The upper income is $91,920. Based on the income data set out in Table 21, there are found to be 15,256 renter households in that range. Thus, the proposed 90-unit development corresponds to a 0.6 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 $22,800 to $91,920. Based on our research there are 2,258 potentially comparable tax credit units at 14 complexes in the market area. These, plus the proposed 96 units, yields 2,348 units. Consequently, the penetration rate - as defined - amounts to 15.4 percent.

Summary

Consideration of the capture rate (1.0 percent) and the (0.6 percent) affordability analysis capture rate and (15.4 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 manager at Forrest Landing, for example, notes that the area could use more tax credit-financed housing. The manager at the area's newest comparable property - Huntington Village - pointed-out that that property rented-up quickly, and that the area could use more affordable units. Likewise, the manager at King's Ridge believes that a new project would be successful. The manager at the Pilot House Apartments also believes that a new project would lease-up successfully.

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.

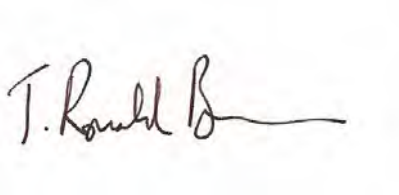
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.

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 14

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.

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

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.

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 (2017-2021)
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 Newport News
U.S. Bureau of Labor Statistics
HUDUSER (e.g., SOCDS building permits database)

Market study checklist

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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.