NEED AND DEMAND ANALYSIS

FOR THE MALONE TRACE APARTMENTS

IN

PETERSBURG, VIRGINIA

Prepared for
Malone Trace VA LLC
for submission to
Virginia Housing

Virginia Housing Application: 2025-C-47

As of
February 21, 2025

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A. EXECUTIVE SUMMARY

The Malone Trace Apartments are located on Winfield Drive at County Drive (US 460, business), to the south and east of the City of Petersburg. 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 52 units: six units will be targeted to households with incomes up to 30 percent of the median, 22 units will be targeted to households with incomes up to 50 percent of the median, six will be targeted at the 60 percent level, and the remaining 18 units will be targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status.

Employment in 2023 - the most recent annual report - shows employment at 12,302. Employment showed little net change prior to 2020 when 1,143 jobs were lost from 2019 - a consequence of the COVID-19 pandemic. Data from 2021 show that, locally, employment has relatively steady gains, and now marginally exceeds pre-COVID levels.

In Petersburg the most recent annual unemployment rate for the City is 5.4 percent, down from 5.5 percent the previous year, and down from 10.1 percent the year before that.

The market area for the proposed development is defined as the City of Petersburg and the adjacent census tract in Prince Georges County.

The population of the market area is projected to increase from 38,889 in 2025, to 39,414 in 2030. The number of households is projected to increase, from 17,938 in 2025 to 18,920 in 2030. The number of renter households in the market area is projected to increase from 10,566 to 11,144 over the 2025 to 2030 projection period.

There are several apartment complexes located in the Petersburg 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 94.0 percent. Occupancy at tax credit properties is found to be around 94.8 percent.

Total demand is therefore seen to amount to 3,088 units. The net demand is for 3,036 units.

Consideration of the capture rate (1.7 percent) and the (1.1 percent) affordability analysis capture rate and (22.5 percent) penetration rate suggests that the proposed development is marketable, as proposed.

Based on the above, the project could expect to lease-up (reach stabilized occupancy) in six-months.

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: 1.7 percent
Project Wide Capture Rate, market units: n/a
Project Wide Capture Rate, all units: 1.7 percent
Project Wide Absorption Period (Months): 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 Malone 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 on February 21, 2025.

The site was visited by T. Ronald Brown.

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

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

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

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

Submitted, and attested to, by:

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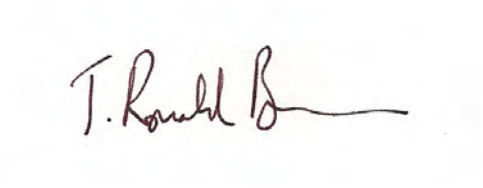


Date: March 8, 2025

C. PROJECT DESCRIPTION

The Malone Trace Apartments will comprise 52 units - 16 two-bedroom units and 36 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	6	950	$587	less than 30 percent
2 bedroom/1 ½ bath	10	950	$1,084	less than 50 percent
3 bedroom/2 bath	12	1,125	$1,249	less than 50 percent
3 bedroom/2 bath	6	1,125	$1,536	less than 60 percent
3 bedroom/2 bath	18	1,125	$1,636	less than 80 percent

** percentage of area median income*

Of the 52-unit total, six units will be targeted to households with incomes up to 30 percent of the median, 22 units will be targeted to households with incomes up to 50 percent of the median, six will be targeted at the 60 percent level, and the remaining 18 units will be targeted at 80 percent of the median, and therefore qualify the apartments for low income housing tax credit status.

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

Utilities (excluding trash collection) will be paid by the tenant - utility allowances are $157 for the two-bedroom units, and $185 for the three–bedroom units. Based on information supplied by the developer, the proposed apartments will meet energy-saving standards, both for construction and for appliances provided.

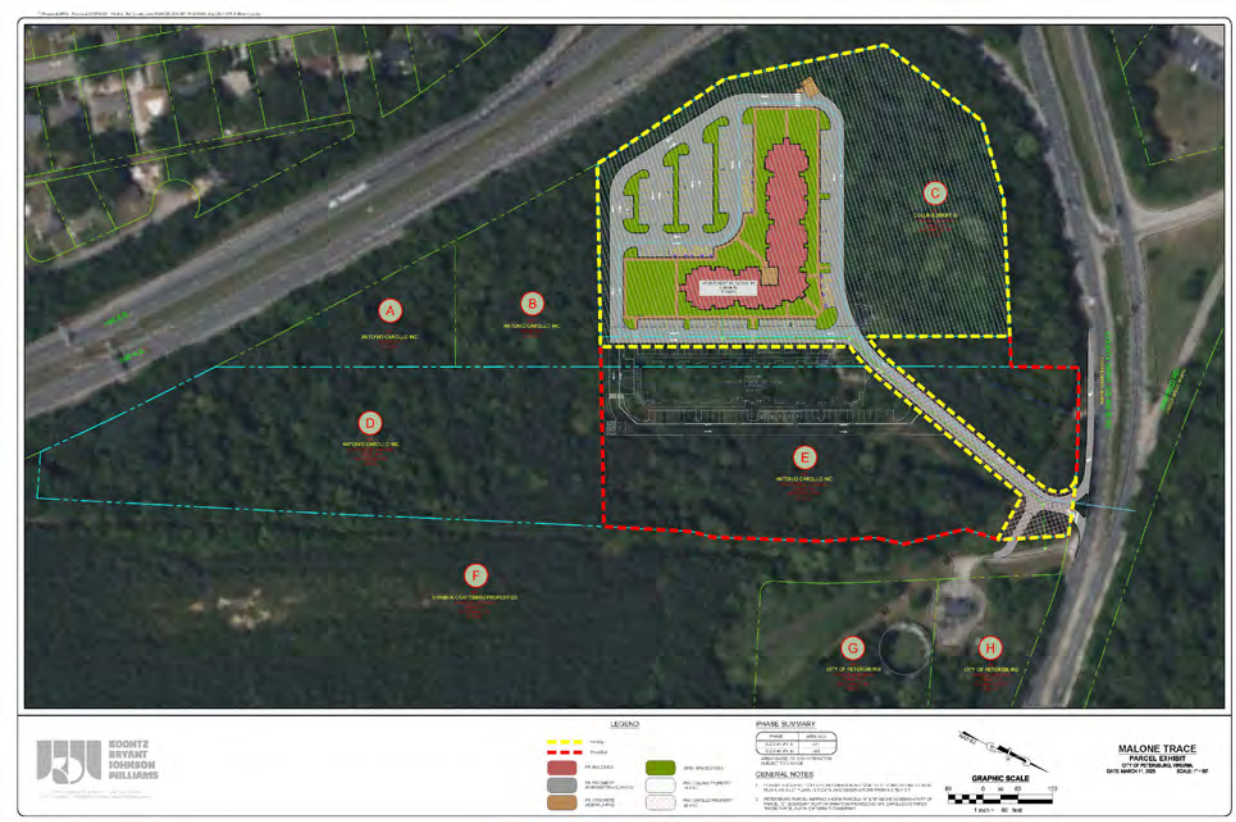
The property will feature a single three- story building, which will have an elevator. The building will have a combination exterior. Common area and site amenities include a multi-purpose room and laundry. The property will offer various enhancements, as per Virginia Housing guidelines.

There will be 141 parking spaces.

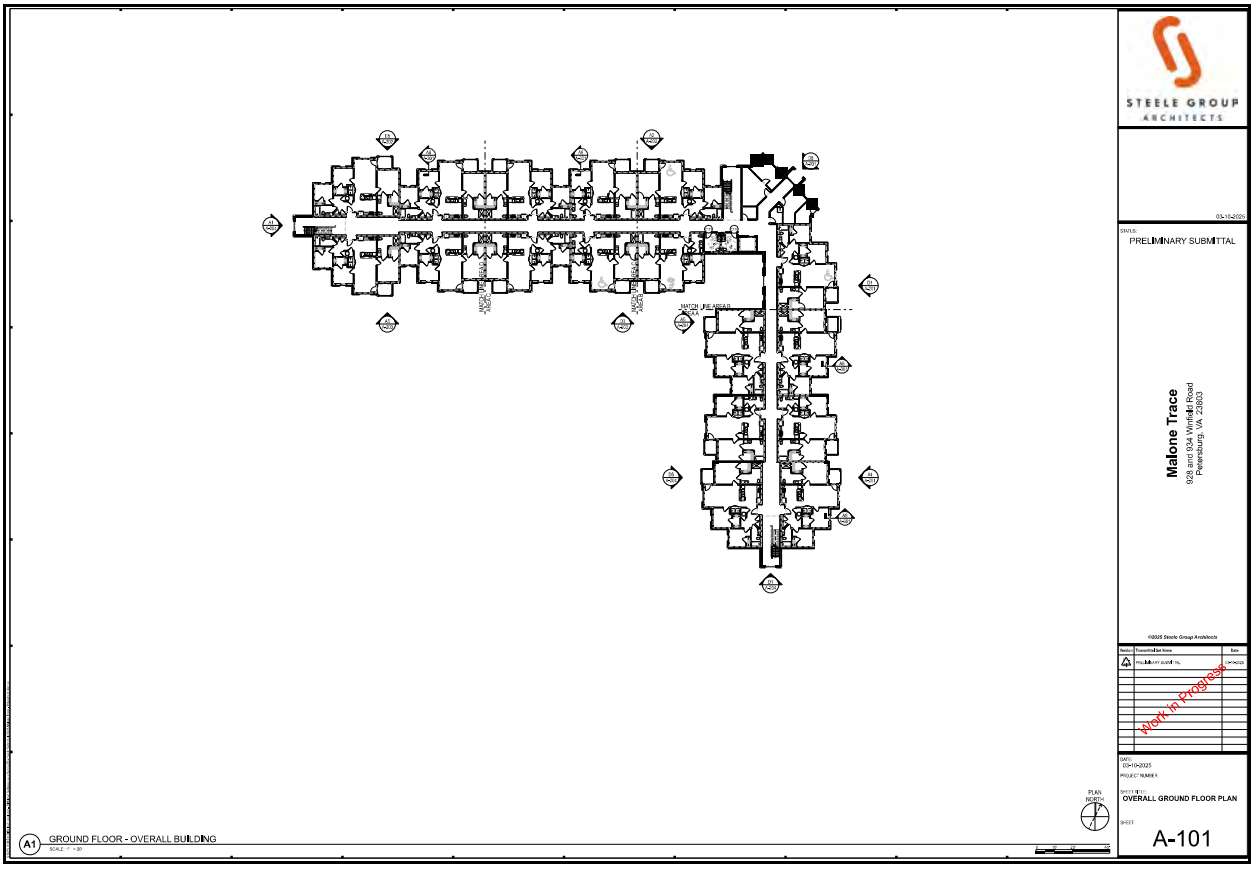
It is understood that the construction program would commence in April, 2026 and would be completed within 12 months, or so.

Representative architectural drawings are set out on the following pages.

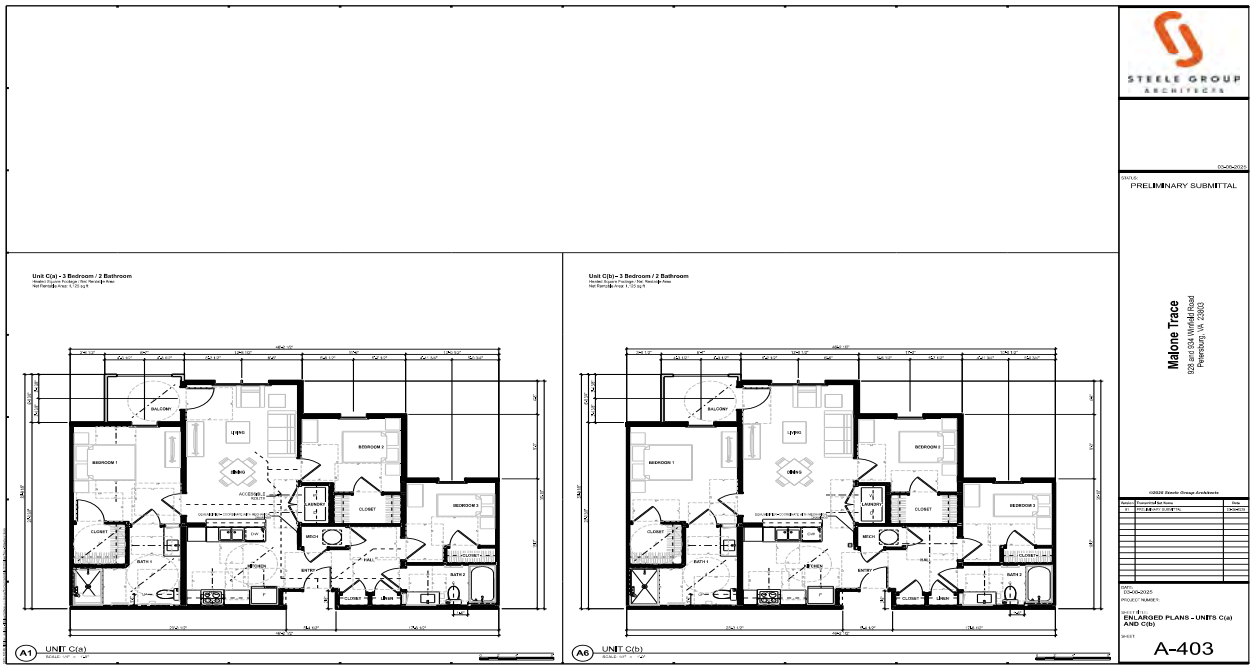
Site plan

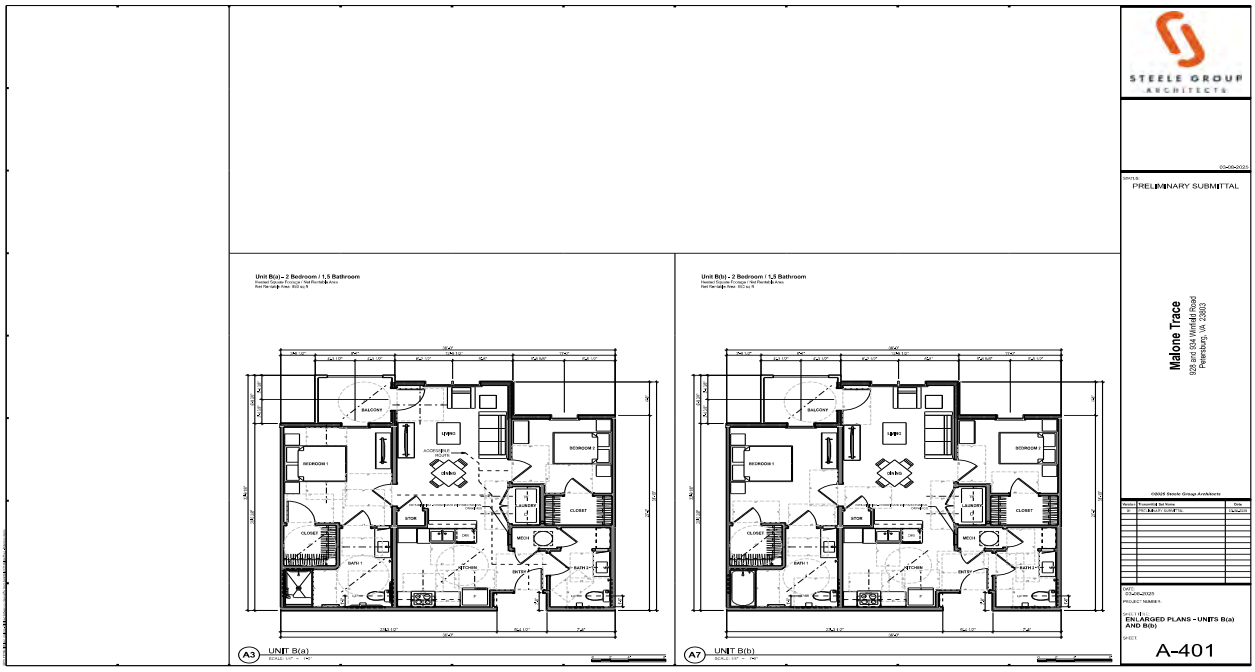

A
B
C
D
E
F
G
H
LEGEND
PHASE SUMMARY
GENERAL NOTES
GRAPHIC SCALE
MALONE TRACE
PARCEL EXHIBIT

Floor plan


STEELE GROUP
ARCHITECTS
PRELIMINARY SUBMITTAL
Malone Trace
928 and 934 Winfield Road
Petersburg, VA 23803
Work in Progress
OVERALL GROUND FLOOR PLAN
A-101
A1
GROUND FLOOR - OVERALL BUILDING

Unit plans


Unit C(a) - 3 Bedroom / 2 Bathroom
Unit C(b) - 3 Bedroom / 2 Bathroom
A1 UNIT C(a)
A6 UNIT C(b)
STEELE GROUP ARCHITECTS
PRELIMINARY SUBMITTAL
Malone Trace
928 and 934 Winfield Road
Petersburg, VA 23803
ENLARGED PLANS - UNITS C(a) AND C(b)
A-403


Unit B(a) - 2 Bedroom / 1.5 Bathroom
Unit B(b) - 2 Bedroom / 1.5 Bathroom
A3 UNIT B(a)
A7 UNIT B(b)
STEELE GROUP ARCHITECTS
PRELIMINARY SUBMITTAL
Malone Trace
928 and 934 Winfield Road
Petersburg, VA 23803
ENLARGED PLANS - UNITS B(a) AND B(b)
A-401

Elevations

ELEVATION KEYNOTES
KEY NOTE
01 BRICK VENEER
02 BRICK ROWLOCK SILL
03 BRICK SOLDIER COURSE
04 BRICK ROWLOCK W/ SOLDIER COURSE
05 FIBER CEMENT LAP SIDING - STAGGERED SHINGLE
06 FIBER CEMENT PANEL
07 FIBER CEMENT LAP SIDING 6"
08 FIBER CEMENT TRIM
09 VINYL SINGLE HUNG WINDOW
10 CRAFTSMAN BRACKET
11 STANDING SEAM METAL ROOF
12 SIMPLE WOOD BRACKET
13 ASPHALT SHINGLE ROOF
14 HOLLOW METAL DOOR
15 VINYL GUARDRAIL
16 FUTURE SOLAR PV SYSTEM
STEELE GROUP
ARCHITECTS
03-08-2025
STATUS:
PRELIMINARY SUBMITTAL
Malone Trace
928 and 934 Winfield Road
Petersburg, VA 23803
D1 EAST ELEVATION BUILDING B
D8 NORTHEAST ELEVATION BUILDING B
A4 EAST ELEVATION BUILDING A
©2025 Steele Group Architects
DATE:
03-08-2025
PROJECT NUMBER:
SHEET TITLE:
EXTERIOR ELEVATIONS
SHEET:
A-201

D. LOCATION

The Malone Trace Apartments are located on Winfield Drive at County Drive (US 460, business), to the south and east of the City of Petersburg. Adjacent properties are typically undeveloped. Interstate 95 is to the west of the property and a railroad track is to the east (not directly adjacent). There are several businesses on Winfield Drive, including a motel. The Petersburg National Battlefield is to the north of Winfield Drive. The site is wooded and sloping - where, for example, it slopes to a creek that roughly parallels County Drive. A single family home is on the property.

View across County Dr/Winfield Dr., to site

View onto property

View onto property

View west on County Drive/Winfield Dr., at site

View east on County Dr./Winfield Dr., at site

View across County Dr./Winfield Dr., at site

The proposed Malone Trace Apartments are located on Winfield Drive at County Drive (US 460, business), to the south and east of the City of Petersburg.

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

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

The site is located on County Drive (US 460) which is a significant east-west route to the east of Petersburg. The site is adjacent to Interstate 95 and is approximately one mile from the Interstate 85/95 junction.

The closest grocery store is a Food Lion on South Crater Road, one and three-fourth miles from the property. Other stores in that area include a CVS pharmacy. Additional stores are located further south on Crater Road - and include a Dollar General, Walgreen's, and a Dollar Tree. A Wal Mart supercenter is also located in this area - around three- and one-half miles from the site.

The Walnut Hill Elementary School is within one and two-thirds miles of the site, and the Vernon Johns Middle School and the Petersburg High School are within three- and two third miles of the site.

The site is within four miles of the Southside Regional Medical Center, and associated services, to the south.

The site is within approximately two- to three- miles of the public library, shopping, and government and other services located in the Petersburg downtown area.

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

Table 1 - Distance to Neighborhood and Community Amenities

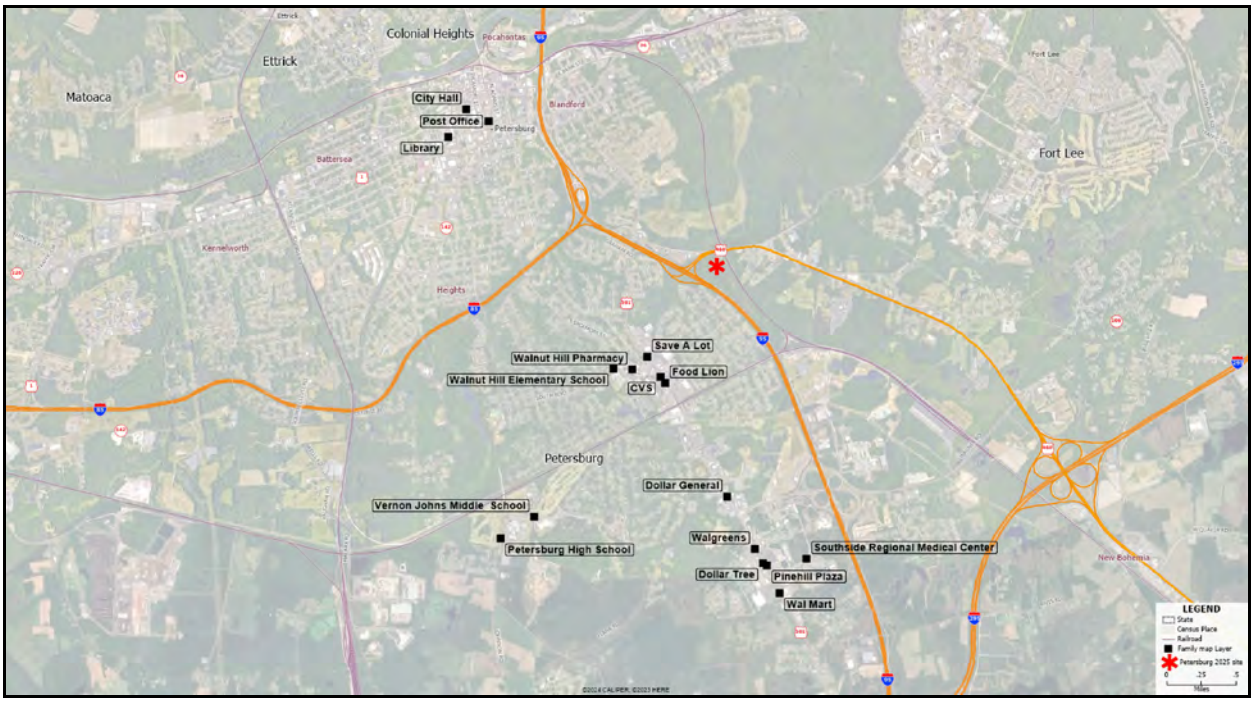
Category	Neighborhood/Community Amenity	Distance (miles)
Highways	County Drive (US 460)	0.1
	Interstate 95	0.2
	Interstate 85	1.0
Retail - Grocery	Food Lion	1.7
Retail - Other	Dolla General	2.6
	Dollar Tree	3.2
	Wal Mart	3.5
Pharmacies	CVS	1.7
	Walnut Hill Pharmacy	1.6
Schools	Walnut Hill Elementary School	1.6
	Vernon Johns Middle School	3.6
	Petersburg High School	3.4
City Hall	City of Petersburg	2.5
Post Office	Petersburg Post Office	2.2
Library	Petersburg Public Library	2.6
Hospital	Southside Regional Medical Center	3.8

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.


Colonial Heights
Ettrick
Matoaca
City Hall
Post Office
Library
Fort Lee
Walnut Hill Pharmacy
Walnut Hill Elementary School
Save A Lot
Food Lion
CVS
Petersburg
Dollar General
Vernon Johns Middle School
Petersburg High School
Walgreens
Dollar Tree
Pinehill Plaza
Wal Mart
Southside Regional Medical Center
LEGEND

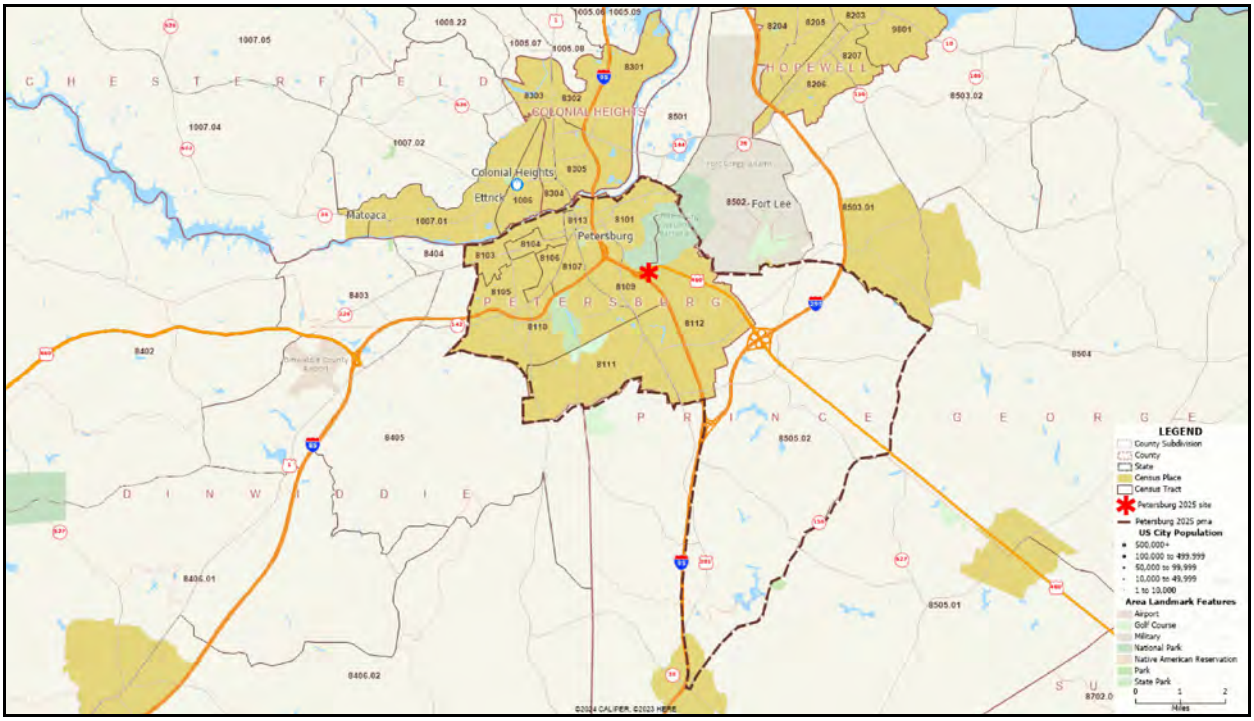
E. MARKET AREA DEFINITION

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

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

The proposed development is located in the City of Petersburg in south-central Virginia. The market area for the proposed development is defined as the City of Petersburg and the adjacent census tract (8502.02) in Prince Georges County. This area is focused on the site of the proposed development and extends to an approximately two- to-four mile hinterland, except to the south and east (in Prince Georges County) where it extends to up to nine miles. This area excludes neighboring and potentially competing communities such as Hopewell. 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.

Market area


CHESTERFIELD
HOPEWELL
COLONIAL HEIGHTS
Colonial Heights
Ettrick
Matoaca
Petersburg
Fort Lee
PETERSBURG
PRINCE GEORGE
DINWIDDIE
SUSSEX
LEGEND
County Subdivision
County
State
Census Place
Census Tract
Petersburg 2025 site
Petersburg 2025 prim
US City Population
500,000+
100,000 to 499,999
50,000 to 99,999
10,000 to 49,999
1 to 10,000
Area Landmark Features
Airport
Golf Course
Military
National Park
Native American Reservation
Park
State Park
Miles

F. EMPLOYMENT AND ECONOMY

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

Employment trends

Employment trends for the City of Petersburg are illustrated in the table, below. Employment in 2023 - the most recent annual report - shows employment at 87,869.

Employment showed little net growth from 2014 to 2020 when 1,143 jobs were lost from 2019 - a consequence of the COVID-19 pandemic. Data from 2021 show that, locally, employment has shown modest growth to achieve close to pre-COVID levels

Table 2 - Total Employment

		Change over previous year	
		number	percent
2014	12,371		
2015	12,320	-51	-0.4
2016	12,194	-126	-1.0
2017	12,308	114	0.9
2018	12,233	-75	-0.6
2019	12,243	10	0.1
2020	11,100	-1,143	-9.3
2021	11,378	278	2.5
2022	11,917	539	4.7
2023	12,302	385	3.2

Source: Bureau of Labor Statistics

Employment trends, by sector

Information on employment, by industry for the City of Petersburg in 2020 and 2021 (the most recent annual data) is set out in Table 2, below. From this it is seen that, with respect to employment, the largest subsector was healthcare - which employed 37.3 percent of the total. The other subsectors to employ at least 10 percent of the total were retail trade, manufacturing, and administrative jobs.

Table 3 - Employment, by sector

	2022		2023		
	number	percent	number	percent	pct change
Agriculture, Forestry, etc					
Mining, etc.					
Utilities					
Construction	511	5.0	459	4.6	-10.2
Manufacturing	942	9.3	997	10.0	5.8
Wholesale trade	298	2.9	324	3.2	8.7
Retail trade	1,377	13.6	1,254	12.6	-8.9
Transp. and Warehousing					
Information			10	0.1	n/a
Finance and Insurance	130	1.3	133	1.3	2.3
Real estate	136	1.3	146	1.5	7.4
Professional and Technical services					
Management					
Administrative and Waste services	894	8.8	996	10.0	11.4
Educational services	88	0.9	89	0.9	1.1
Health Care and Social Assistance	3,891	38.4	3,724	37.3	-4.3
Arts, Entertainment, Recreation			79	0.8	n/a
Accommodation and Food services			823	8.3	n/a
Other Services	577	5.7	608	6.1	5.4
Unclassified			30	0.3	n/a
Total (private)	10,143		9,975		-1.7

Source: Bureau of Labor Statistics

Unemployment trends

Unemployment trends for Petersburg are illustrated in the table, below. Rates for Virginia and for the U.S. as a whole are also shown, for reference. Here it is seen that the most recent annual unemployment rate for the County is 5.4 percent, down from 5.5 percent the previous year, and down from 10.1 percent in 2021. As can be seen, this pattern is effectively repeated at the state and national level over this period.

Table 4 - Unemployment trends

	Petersburg City	Virginia	U.S.
2014	10.5%	5.1%	6.2%
2015	9.1%	4.4%	5.3%
2016	7.7%	4.0%	4.9%
2017	7.2%	3.7%	4.4%
2018	6.2%	3.0%	3.9%
2019	5.6%	2.8%	3.7%
2020	14.7%	6.2%	8.1%
2021	10.1%	3.9%	5.3%
2022	5.5%	2.9%	3.6%
2023	5.4%	2.8%	3.6%

Source: Bureau of Labor Statistics

Major Employers

The major employers in the wider Petersburg area (Peterburg, Colonial Heights, Hopewell and surrounding counties), are listed in Table 5, below. Major employers include hospitals, utility companies, Amazon, Wal Mart as well as public entities such as the military, the local public schools, and local governments.

Table 5 - Major Employers

Employer Name	Product/Service	Employees
Fort Gregg-Adams	Army logististics and culinary training	23,000
Dominion Resources	Electric utility	5,400
Amazon.com	E-commerce fulfillment	1,000+
Bon Secours	Healthcare	1,000+
Wal-mart	Retail, distribution center	1,000+
Virginia State University	Higher education	1,000+
AdvanSix	Chemicals, fibers, R&D center	500-999
Dehaize America	Food Lion distribution center	600-1,250
VHCA Virginia Healthcare	Healthcare	500-999
Food Lion	Grocery store	300-650
Perdue Foods	Poultry products	250-500
Alliance Group Rock	Paperboard	250-500
Evonik Industries	Chemicals, R&D	250-500
Chaparral	Metal manufacturing	250-500
Service Center Metals	Metal manufacturing	250-500
Amsted Rail Company	Ball and roller bearings	250-500
Standards Motor Products	Distribution center	250-500
Humana Insurance Company	Insurance	250-500
ConnectRN	Healthcare	250-500
Sevita (The Mentor Network)	In-home healthcare	250-500

Source: Virginia Gateway

The Virginia Economic Development Partnership reports a total of ten new jobs added at one location in recent years (since 2022).

With respect to closures an layoffs, the Virginia Economic Development Partnership reports no closings or layoffs in Petersburg since 2022.

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

Wages by Industry Sector

Information on wages, by employment sector, for the City of Petersburg 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 8.1 percent between 2022 and 2023.

Table 6 - Average Wages by Industry Sector

	2022	2023	pct change
Agriculture, Forestry, etc			
Mining, etc.			
Utilities			
Construction	$1,291	$1,287	-0.3
Manufacturing	$1,427	$1,423	-0.3
Wholesale trade	$1,827	$1,500	-17.9
Retail trade	$618	$611	-1.1
Transp. and Warehousing			
Information		$2,128	n/a
Finance and Insurance	$1,142	$1,270	11.2
Real estate	$1,081	$1,059	-2.0
Professional and Technical services			
Management			
Administrative and Waste services	$751	$733	-2.4
Educational services	$677	$772	14.0
Health Care and Social Assistance	$887	$1,084	22.2
Arts, Entertainment, Recreation		$239	n/a
Accommodation and Food services		$408	n/a
Other Services	$782	$802	2.6
Unclassified		$701	n/a
Total	$898	$971	8.1

Source: Virginia Labor Market Information

Commuting patterns

Based on data from the American Community Survey, 33.9 percent of workers resident in Petersburg were employed in Petersburg, with 66.1 percent employed elsewhere. The average driving time to work for residents of Petersburg was 26.7 minutes, compared with 27.6 minutes for Virginia as a whole.

Table 7 - Commuting Data

	number	percent
Total Workers	14,210	100.0
Worked in Place of residence	4,817	33.9
Worked in County of residence	4,817	33.9
Worked outside Place of residence	9,393	66.1
Worked outside County of residence	9,393	66.1
Mean travel time to work (minutes)	26.7	

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

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

As is to be seen from the Table, below, 2,480 people working in Petersburg were commuting from Chesterfield County. Similarly, 3,366 residents of Petersburg were commuting to Chesterfield County, and more than 1,300 persons were commuting to Henrico County and to Richmond.

Table 8 - Commuting Patterns

Working in Petersburg	2,025
Where Petersburg residents are commuting to:	
Chesterfield County	3,366
Henrico County	1,502
Richmond City	1,336
Prince George County	823
Dinwiddie County	708
Colonial Heights City	561
Hanover County	409
Hopewell City	375
Fairfax County	331
Elsewhere	3,426
Where Petersburg workers are commuting from:	
Chesterfield County	2,480
Prince George County	918
Dinwiddie County	857
Henrico County	608
Richmond City	522
Hopewell City	507
Colonial Heights City	464
Hanover County	249
Sussex County	182
Elsewhere	3,120

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 Petersburg was 32,420, and in 2020 the population was recorded as 33,458. Population projections for Petersburg are provided by the Virginia State Data Center. Based on these data, the population of the area is projected to be 33,729 by 2025, and to be around 34,002 in 2030.

In 2010, the population of the market area was 34,679, and in 2020 the population was recorded as 38,366. 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 Petersburg and Prince Georges County, corrected for the official State Data Center numbers for those areas. Based on these data, the population of the area is projected to be 33,729 by 2025, and to be around 34,002 by 2030.

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

Table 9- Population Trends

	Petersburg	Market Area
2000	33,740	38,177
2010	32,420	37,679
2020	33,458	38,366
2025	33,729	38,889
2030	34,002	39,414
absolute change		
2000-2010	-1,320	-498
2010-2020	1,038	687
2020-2025	271	523
2025-2030	273	525
annual change		
2000-2010	-132	-50
2010-2020	104	69
2020-2025	54	105
2025-2030	55	105

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 Petersburg are set out in Table 10, below.

In 2010, there were 13,634 households in Petersburg and 15,382 in 2020. Based on the population projections set out, above, there will be around 15,996 households in 2025 and 16,830 in 2030.

There were 15,592 households in the market area in 2010, and 17,234 in 2020. Projections show around 17,938 and 18,920 households in 2025 and 2030, respectively.

Table 10 - Household Trends

	Petersburg	Market Area
2000	13,799	15,408
2010	13,634	15,592
2020	15,382	17,234
2025	15,966	17,938
2030	16,830	18,920
absolute change		
2000-2010	-165	184
2010-2020	1,748	1,642
2020-2025	584	704
2025-2030	864	982
annual change		
2000-2010	-17	18
2010-2020	175	164
2020-2025	117	141
2025-2030	173	196

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 Petersburg is set out in Table 11, below. These data are from the 2020 Census.

Table 11 - Age Distribution

	Petersburg		Market Area	
	number	percent	number	percent
Under 5 years	1,971	5.9	2,216	5.7
5 to 9 years	1,815	5.4	2,075	5.4
10 to 14 years	1,725	5.2	2,060	5.3
15 to 19 years	1,575	4.7	1,931	5.0
20 to 24 years	2,357	7.0	2,635	6.8
25 to 29 years	2,910	8.7	3,177	8.2
30 to 34 years	2,511	7.5	2,795	7.2
35 to 39 years	2,011	6.0	2,313	6.0
40 to 44 years	1,735	5.2	2,048	5.3
45 to 49 years	1,740	5.2	2,067	5.4
50 to 54 years	2,243	6.7	2,602	6.7
55 to 59 years	2,529	7.6	2,978	7.7
60 to 64 years	2,403	7.2	2,802	7.3
65 to 69 years	2,072	6.2	2,396	6.2
70 to 74 years	1,531	4.6	1,803	4.7
75 to 79 years	1,031	3.1	1,204	3.1
80 to 84 years	656	2.0	767	2.0
85 years and over	643	1.9	749	1.9
55 and older	10,865	32.5	12,699	32.9
65 and older	5,933	17.7	6,919	17.9
Total	33,458		38,618	

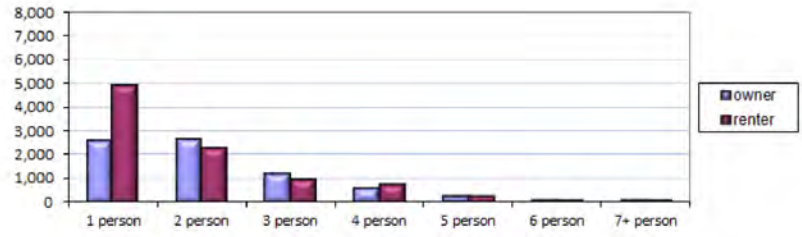
Source: 2020 Census; T.Ronald Brown: Research & Analysis

Household size

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

Table 12 - Household Size

	Petersburg		Market Area	
	owner	renter	owner	renter
1 person	2,413	243	2,559	4,926
2 person	2,043	117	2,615	2,304
3 person	609	104	1,195	953
4 person	340	4,926	612	781
5 person	161	2,304	243	264
6 person	73	953	117	88
7+ person	57	781	104	129



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

Tenure

Table 13, below, sets out the number and proportion of owner and renter households for the market area and the City of Petersburg. In the years beyond 2020, the tenure proportions are based on 2020 tenure. In 2020, 54.9 percent of households in Petersburg were renters, and 58.9 percent of households in the market area were renters.

Table 13 - Tenure

Petersburg	population	households	persons per household	Owner-occupied number	Owner-occupied percent	Renter-occupied number	Renter-occupied percent
2000	33,740	13,799	2.45	7,107	51.5	6,692	48.5
2010	32,420	13,634	2.38	6,155	45.1	7,479	54.9
2020	33,458	15,382	2.18	5,553	36.1	9,829	63.9
2025	33,729	15,966	2.11	5,764	36.1	10,202	63.9
2030	34,002	16,830	2.02	6,076	36.1	10,754	63.9
Market Area	**population**	**households**	**persons per household**	**Owner-occupied number**	**Owner-occupied percent**	**Renter-occupied number**	**Renter-occupied percent**
2000	38,177	15,408	2.48	8,516	55.3	6,892	44.7
2010	37,679	15,592	2.42	7,816	50.1	7,776	49.9
2020	38,366	17,234	2.23	7,083	41.1	10,151	58.9
2025	38,889	17,938	2.17	7,372	41.1	10,566	58.9
2030	39,414	18,920	2.08	7,776	41.1	11,144	58.9

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 Petersburg are set out in Table 14, below. These figures are taken from the 2019 to 2023 American Community Survey, and as such are subject to the limitations imposed by this source.

The median household income for Petersburg is around $50,741. The median income for the market area is estimated at $54,712.

The median income for the census tract in which the site of the proposed development is located is estimated to be around $51,049 - based on the American Community Survey data.

Table 14 - Household Income

	Petersburg		Market area	
	number	percent	number	percent
less than $10,000	1,420	9.6	1,541	9.2
$10,000 to $14,999	1,050	7.1	1,103	6.6
$15,000 to $19,999	783	5.3	795	4.7
$20,000 to $24,999	639	4.3	685	4.1
$25,000 to $29,999	664	4.5	664	3.9
$30,000 to $34,999	653	4.4	676	4.0
$35,000 to $39,999	616	4.1	709	4.2
$40,000 to $44,999	709	4.8	747	4.4
$45,000 to $49,999	720	4.8	783	4.7
$50,000 to $59,999	1,533	10.3	1,627	9.7
$60,000 to $74,999	1,817	12.2	2,103	12.5
$75,000 to $99,999	1,421	9.6	1,678	10.0
$100,000 to $124,999	1,476	9.9	1,768	10.5
$125,000 to $149,999	596	4.0	848	5.0
$150,000 to $199,999	439	3.0	718	4.3
$200,000 or more	318	2.1	384	2.3
median income	$50,741		$54,712 *	

** Estimate*

Source: 2019 to 2023 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 Petersburg are set out in Table 15, below. These figures are also taken from the 2019 to 2023 American Community Survey.

The median renter household income for Petersburg is around $44,661. The median renter income for the market area is estimated at $44,204.

The median renter income for the census tract in which the site of the proposed development is located is estimated to be around $31,882 - based on the American Community Survey data.

Table 15 - Household Income, Renter Households

	Petersburg		Market area	
	number	percent	number	percent
less than $10,000	1,112	12.1	1,159	12.3
$10,000 to $19,999	1,521	16.6	1,542	16.3
$20,000 to $34,999	1,242	13.5	1,252	13.3
$35,000 to $49,999	1,247	13.6	1,253	13.3
$50,000 to $74,999	1,971	21.5	2,093	22.2
$75,000 to $99,999	721	7.9	730	7.7
$100,000 or more	1,358	14.8	1,416	15.0
median income	$44,661		$44,204 *	

** Estimate*

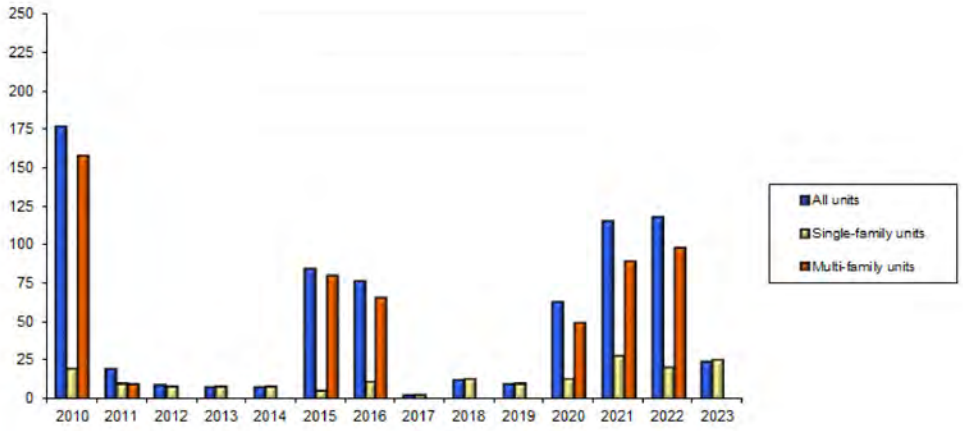
Source: 2019 to 2023 American Community Survey; T.Ronald Brown: Research & Analysis

Building permit trends

Table 16 below gives details of residential construction in the City of Petersburg since 2010. Where the data exist, it can be seen that a total of 730 units were added in the City, of which 551 were multi-family units. No data exist for the market area.

Table 16 - Residential Construction Since 2010

	Petersburg City		
	Total	single-family	multi-family
2010	177	19	158
2011	20	10	10
2012	8	8	0
2013	8	8	0
2014	8	8	0
2015	85	5	80
2016	77	11	66
2017	3	3	0
2018	13	13	0
2019	10	10	0
2020	63	13	50
2021	116	27	89
2022	118	20	98
2023	24	24	0
Total	730	179	551



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

H. COMPETITIVE ENVIRONMENT

There are several apartment complexes located in the Petersburg area. These include conventional/market rate properties, properties financed with low income housing tax credits, and subsidized housing for very low income households. The various unsubsidized and/or potentially comparable complexes were identified and surveyed, as were several subsidized complexes. Where useful information was made available to us, this is presented, below.

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

Cavalier II (66 units)
Henry Williams (42 units)
Jesse Lee (108 units)
Liberty Pointe (48 units)
Walnut Hill (168 units) formerly Lieutenant's Run
Malone Place (76 units)
Pecan Acres Estates I (50 units)
Pecan Acres Estates II (84 units)
Petersburg Artist Space (226 units)
Petersburg East (168 units)
Pin Oaks Estates (98 units)
Pinetree (144 units)

The Malone Place Apartments were funded in 2024. This is a 76-unit development to be located adjacent to the Medical Center. It will offer a mix of one-,two-, and three bedroom units: with units targeted at 30 percent, 50 percent, 70 percent, and 80 percent of the area median income. Construction is yet to commence.

The Petersburg Artspace Lofts was awarded tax credits for 226 units in 2018 and is reported to have opened in 2022.The property offers a mix of studio, one- and two-bedroom units. Rents range from $928 to The property is the adaptive re-use of a tobacco facility that closed in 1985. Given that is an adaptive re-use , its arts focus, bedroom mix, and location this is cot considered directly comparable to the propsed development.

The most recent comparable tax credit property to have reached stabilized occupancy is Cavalier II - a 66 unit project that opened in 2018. There is a mix of one-, two- and three- bedroom units, with rents targeted at 50 and 60 percent of the local area median.

The Pecan Acres and Pin Oak properties are rent-assisted RAD projects of the Petersburg Housing and Redevelopment Authority.

A large proportion of ongoing apartment development in Petersburg is the re-use of historic downtown buildings for new, luxury, market rate apartments. These units are not considered comparable to the proposed development - however, one example of such a property - Mayton Lofts - is included in our survey, for reference.

Based on our survey, there is a market-wide occupancy rate of 94.0 percent.

Occupancy at tax credit properties is found to be around 94.8 percent.

In order to determine market rents, a sample of potentially comparable market area properties were identified. The projects selected were chosen on the basis of age, location, and bedroom mix. Here, the number of useful properties is restricted when focusing on relatively modern properties, with three bedroom units. Information for units at these various properties are summarized below.

Table 17 - Market Rate Properties

Property	Year built	Two-bedroom rents	Three-bedroom rents
1200 Acqua	2009	$1,420-1,595	
Addison Crater Woods	1985	$1,228-1,643	$1,845

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

The location, rent levels, unit size, age, features, and amenities were analyzed in order to try to establish an estimate of market rent levels for the subject property. Following this approach we have determined that, all things being equal, these market properties suggest a rent of around $1,278 for a two-bedroom unit, and $1,792 for a three-bedroom unit. Here it should be noted that two-bedroom units at Pinetree and Walnut Hill tax credit complexes exceed $1,278, and that the highest achieved three bedroom (60 percent) rent at Pinetree is $1,615.

The various complexes surveyed are summarized as follows.

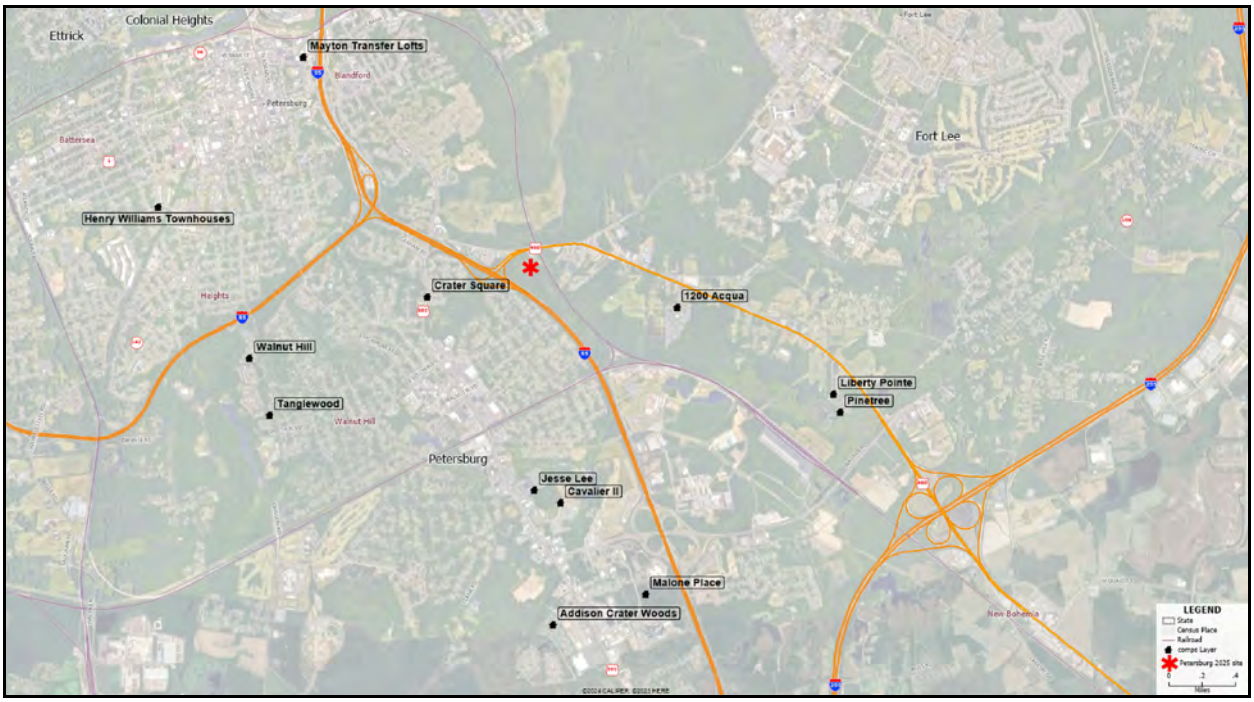
Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
1200 Acqua	Conventional	2009	336	n/a	n/a
Addison Crater Woods	Conventional	1985	636	48	92.5
Cavalier II	LIHTC	2018	66	n/a	n/a
Crater Square Apartments and Townhouses	Conventional	1974	188	10	94.7
Henry Williams Townhouses	LIHTC	2011	42	0	100.0
Jesse Lee	LIHTC	2008	108	8	92.6
Liberty Pointe	LIHTC	2015	48	1	97.9
Malone Place	LIHTC	2026	76	n/a	n/a
Mayton Transfer Lofts	Conventional	2011	229	n/a	n/a
Pinetree	LIHTC	1995	144	11	92.1
Tanglewood	Conventional	1971	408	20	95.0
Walnut Hill	LIHTC	2005	168	6	96.4

	0 br/1ba			1 br/1ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Malone Trace						
1200 Acqua				132	769	$1,305-1,335
Addison Crater Woods				78	638-868	$1,087-1,257
Cavalier II					**700**	
Crater Square Apartments and Townhouses				16	638-868	$949
Henry Williams Townhouses						
Jesse Lee						
Liberty Pointe						
Malone Place				**14**	**706**	**$540-1,225**
Mayton Transfer Lofts		600-734	$1,033		600-833	$1,144
Pinetree				9	780	$1,180
Tanglewood				112	720	$975-1,050
Walnut Hill						

	2 br/1-1½ ba			2 br/2 ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Malone Trace	**16**	**950**	**$587-1,084**			
1200 Acqua				204	962-1,069	$1,420-1,595
Addison Crater Woods				528	881-1,196	$1,228-1,708
Cavalier II					975	
Crater Square Apartments and Townhouses	70	774-855	$1,099-1,149			
Henry Williams Townhouses	**18**	**1,104**	**$1,241**			
Jesse Lee	**78**	**834**	**$1,054**			
Liberty Pointe	**21**	**881**	**$805-1,053**			
Malone Place	**44**	**847-1,013**	**$1,120-1,380**			
Mayton Transfer Lofts		951-1,104	$1,569			
Pinetree				**128**	**1,000-1,080**	**$1,399**
Tanglewood	280	926	$1,050-1,249			
Walnut Hill				**84**	**985**	**$1,300**

	3 br/1-1½ ba			3 br/2+ ba		
	number	size (sq. ft).	rent	number	size (sq. ft).	rent
Malone Trace				**36**	**1,125**	**$1,249-1,636**
1200 Acqua						
Addison Crater Woods				30	1,349	$1,845
Cavalier II					1,100	
Crater Square Apartments and Townhouses	44	942	$1,249			
Henry Williams Townhouses	**24**	**1,341**	**$1,434**			
Jesse Lee	**30**	**1,023**	**$1,181**			
Liberty Pointe	**27**	**1,092**	**$910- 1,203**			
Malone Place				**18**	**1,083**	**$1,419-1,774**
Mayton Transfer Lofts						
Pinetree				**8**	**1,264-1,344**	**$1,615**
Tanglewood	16	1,224	$1,299-1,499			
Walnut Hill				**94**	**1,465**	**$1,330**

Apartment locations



1200 Acqua

Location: 1200 Harrison Creek Boulevard
Petersburg

Financing: Conventional
Year Built: 2009
Total Units: 336
Vacant units: n/a n/a occupied

Telephone: 804.431.1200
Management: Beco Asset Management
[2/3]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	132	769-875	$1,305-1,335	$1.61
2/2	108	962	$1,420-1,455	$1.49
2/2	96	1,069	$1,565-1,595	$1.48

does not participate in surveys
rents are from website

Unit Amenities

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

Community Amenities

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

Utilities in Rent

Water
Sewer
Trash

Addison Crater Woods

Location: 6 Crater Woods Drive
Petersburg

Financing: Conventional
Year Built: 1985
Total Units: 636
Vacant units: 48 92.5% occupied

Telephone: 804.766.8532
Management: Drucker+Falk
[2/3]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	24	638	$1,087	$1.70
1/1	12	806	$1,087	$1.35
1/1	12	827	$1,266	$1.53
1/1	30	868	$1,257	$1.45
2/2	108	881	$1,228	$1.39
2/2	108	924	$1,258	$1.36
2/2	102	1,154	$1,573	$1.36
2/2	102	1,183	$1,708	$1.44
2/2	108	1,196	$1,643	$1.37
3/2	30	1,349	$1,845	$1.37

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

Cavalier II

Location: 100 Cavalier Drive
Petersburg

Financing: LIHTC
Year Built: 2018
Total Units: 66
Vacant units: n/a n/a occupied

Telephone: 804.431.2145
Management: JDC Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1		700	50%			$0.00
1/1		700	60%			$0.00
2/2		975	50%			$0.00
2/2		975	60%			$0.00
3/2		1,100	50%			$0.00
3/2		1,100	60%			$0.00

Utilities in Rent

Water	
Sewer	
Trash	•

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	•

Crater Square Apartments and Townhouses

Location: 1025 South Crater Road
Petersburg

Financing: Conventional
Year Built: 1974
Total Units: 188
Vacant units: 10 94.7% occupied

Telephone: 804.733.6298
Management: Drucker + Falk
[2/3]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	16	648	$949	$1.46
2/1	70	774	$1,099	$1.42
2/1½	58	855	$1,149	$1.34
3/1½	44	942	$1,249	$1.33

Utilities in Rent

Water	•
Sewer	•
Trash	•

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	•

Henry Williams Townhouses

Location: 800 South Street South
Petersburg

Financing: LIHTC
Year Built: 2011
Total Units: 42
Vacant units: 0 100.0% occupied

Telephone: 804.835.9024
Management: TM Associates
[2/3]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/1½	18	1,104	50%	$1,241	$193	$1.12
3/2	24	1,341	50%	$1,434	$236	$1.07

Utilities in Rent

Water	
Sewer	
Trash	•

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	•

Jesse Lee

Location: 401 Roberts Avenue
Petersburg

Financing: LIHTC
Year Built: 2008
Total Units: 108
Vacant units: 8 92.6% occupied

Telephone: 804.733.4331
Management: Greenbriar
[2/6]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/1	78	834	50%	$1,054	$187	$1.26
3/2	30	1,023	50%	$1,181	$253	$1.15

Utilities in Rent

Gas	•
Water	
Sewer	
Trash	•

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	•

Liberty Pointe

Location: 3061 Pinetree Drive
Petersburg

Financing: LIHTC
Year Built: 2015
Total Units: 48
Vacant units: 1 97.9% occupied (waiting list)

Telephone: 804.255.1320
Management: Woda Management
[2/14]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/1½		881	40%	$805	n/a	$0.91
2/1½		881	50%	$1,053	n/a	$1.20
3/2		1,092	40%	$916	n/a	$0.84
3/2		1,092	50%	$1,203	n/a	$1.10

Utilities in Rent

Water	
Sewer	
Trash	•

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	•

Malone Place

Location: 230 Medical Park Boulevard
Petersburg

Financing: LIHTC
Year Built: 2026
Total Units: 76
Vacant units: n/a n/a occupied

Telephone:
Management: Woda Management

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	8	706	30%	$616	$76	$0.87
1/1	2	706	50%	$1,031	$76	$1.46
1/1	3	706	70%	$1,276	$76	$1.81
1/1	1	706	80%	$1,301	$76	$1.84
2/1½	2	1,013	50%	$1,238	$118	$1.22
2/1½	18	847	50%	$1,238	$118	$1.46
2/1½	13	847	70%	$1,458	$118	$1.72
2/1½	11	847	80%	$1,498	$118	$1.77
3/2	8	1,083	50%	$1,419	$174	$1.31
3/2	6	1,083	70%	$1,749	$174	$1.61
3/2	4	1,083	80%	$1,774	$174	$1.64

Utilities in Rent
Water
Sewer
Trash

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

Mayton Transfer Lofts

Financing: Conventional
Location: 280 Madison Street North
Petersburg

Financing: Conventional
Year Built: 2011
Total Units: 229
Vacant units: n/a n/a occupied

Telephone: 844.320.2568
Management: Capital Square Living
[2/4]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
0/1		600-734	$1,033	$1.55
1/1		600-833	$1,144	$1.60
2/1		951-1,104	$1,569	$1.53

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

Pinetree

Location: 3100 Pinetree Drive
Petersburg

Financing: LIHTC
Year Built: 1995
Total Units: 144
Vacant units: 11 92.1% occupied

Telephone: 804.568.8361
Management: RPM
[2/4]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
1/1	9	780	60%	$1,180	$69	$1.51
2/2	128	1,000-1,080	60%	$1,399	$120	$1.35
3/2	8	1,264-1,344	60%	$1,615	$139	$1.24

Utilities in Rent

Water	•
Sewer	•
Trash	•

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	•

Tanglewood

Location: 1700 Johnson Road
Petersburg

Financing: Conventional
Year Built: 1971
Total Units: 408
Vacant units: 20 95.0% occupied

Telephone: 804.207.3552
Management: Carlton Equities
[2/3]

Br/ba	units	sq. ft	Rent	Rent/sq.ft
1/1	112	720	$975-1,050	$1.41
2/1½	280	926	$1,050-1,249	$1.24
3/1½	16	1,224	$1,299-1,499	$1.14

higher rents are for re-modeled units

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

Walnut Hill

Location: 102 Lieutenant's Run Drive
Petersburg

Financing: LIHTC
Year Built: 2005
Total Units: 168
Vacant units: 6 96.4% occupied

Telephone: 804.722.9625
Management: Minowitz Management
[2/3]

Br/ba	Units	Sq. ft	Targeting	Rent	U/A	Rent/sq.ft
2/2	84	985	60%	$1,300	$187	$1.32
3/2	94	1,208	60%	$1,465	$243	$1.21

formerly Lieutenant's Run

Utilities in Rent

Water	
Sewer	
Trash	•

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	•

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

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

Income is a key variable in the analysis of housing markets. Of the 52 units proposed, six will be targeted at 30 percent of the median, 22 will be targeted to households with incomes up to 50 percent of the median, with six targeted at 60 percent of the median, and 18 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 Petersburg are set out below. The median income for Petersburg in 2024 was $110,300 - having been $109,400 in 2023, and $72,900 in 2014. This represents a 0.8 percent increase over the previous year, and a 51.3 percent increase over the last decade (or an average of 4.23 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	$23,190	$38,650	$46,380	$61,840
2 person	$26,490	$44,150	$52,980	$70,640
3 person	$29,790	$49,650	$59,580	$79,440
4 person	$33,090	$55,150	$66,180	$88,240
5 person	$35,760	$59,600	$71,520	$95,360
6 person	$38,400	$64,000	$76,800	$102,400

Maximum Housing Costs	30 percent	50 percent	60 percent	80 percent
1 bedroom	$621	$1,035	$1,242	$1,656
2 bedroom	$745	$1,241	$1,490	$1,986
3 bedroom	$861	$1,434	$1,721	$2,295

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	6	10			16
3 bedroom		12	6	18	36
Total	6	22	6	18	52

proposed rents	30 percent	50 percent	60 percent	80 percent
1 bedroom				
2 bedroom	$587	$1,084		
3 bedroom		$1,249	$1,536	$1,636

proposed rents as a proportion (%) of maximum	30 percent	50 percent	60 percent	80 percent
1 bedroom				
2 bedroom	99.9	100.0		
3 bedroom		100.0	100.0	77.5

Source: Applicant; T Ronald Brown: Research & Analysis

The utility allowances for the proposed development are $157 and $185 for the two– and three-bedroom units, respectively.

From the table above, it can be seen that housing expenses at the proposed apartments effectively fall at the maximum allowable for the units targeted at the 30 percent, 50 percent, and 60 percent levels. The units at the 80 percent level are at 77.5 percent of the maximum allowable.

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

Table 20 - Qualifying Income Ranges

qualifying income ranges		
	30 percent	
	lower	upper
2 bedroom	$25,509	$29,790
3 bedroom	$29,507	$34,425
	50 percent	
	lower	upper
2 bedroom	$42,549	$49,650
3 bedroom	$49,166	$57,375
	60 percent	
	lower	upper
2 bedroom	$51,069	$59,580
3 bedroom	$59,006	$68,850
	80 percent	
	lower	upper
2 bedroom	$53,982	$79,440
3 bedroom	$62,434	$91,800

Source: Applicant; T Ronald Brown: Research & Analysis

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

NEW HOUSEHOLDS

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

Based on the projections set out in Table 13, a total of 578 new rental units are needed between 2025 and 2030. A total of 275 units will be for households eligible for the proposed project.

EXISTING HOUSEHOLDS

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

Our calculations show that there will be a total of 5,298 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, 86.0 percent of renters qualifying for units at 30 percent of the median are rent-overburdened. Likewise, 41.2 percent, 29.7 percent, and 27.2 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 161 units.

Total demand is therefore seen to amount to 3,088 units. These figures are based on a 2025 to 2030 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area over that period. One directly comparable project has been awarded tax credits- Malone Park. This property will offer 76 units: a mix of one-, two-, and three-bedroom units targeted at 30 percent, 50 percent, 70 percent, and 80 percent of the area median income. It is seen that 52 of these units are comparable to what is proposed. The net demand is therefore for 3,036 units.

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

Table 21 - Demand Calculations

	30 percent	50 percent	60 percent	80 percent	total *
(i) income eligible new renter households	87	146	166	154	275
(ii) income eligible existing renter households	1,685	2,814	3,201	2,963	5,298
(iii) existing households, likely to move	1,448	1,158	951	806	2,652
(iv) need from obsolete housing	51	85	97	90	161
Total demand *(i)+(iii)+(iv)*	1,587	1,389	1,215	1,049	3,088
Supply	8	28	0	16	52
Net demand	1,579	1,361	1,215	1,033	3,036

** 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 34 percent of the total, two-bedroom units should account for 40 percent of the total, and three-bedroom units should account for 20 percent of the total with four- or more bedroom units accounting for 6 percent.

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

Table 22 - Capture Rates

	30 percent	50 percent	60 percent	80 percent	total *
Total demand					
1 bedroom	541	473	414	357	1,052
2 bedroom	630	551	482	416	1,226
3 bedroom	319	280	244	211	621
4 bedroom	97	85	74	64	189
Total	1,587	1,389	1,215	1,049	3,088
Supply					
1 bedroom	8	2	0	1	11
2 bedroom	0	18	0	11	29
3 bedroom	0	8	0	4	12
4 bedroom	0	0	0	0	0
Total	8	28	0	16	52
Net demand					
1 bedroom	533	471	414	356	1,041
2 bedroom	630	533	482	405	1,197
3 bedroom	319	272	244	207	609
4 bedroom	97	85	74	64	189
Total	1,579	1,361	1,215	1,033	3,036
Units proposed					
1 bedroom	0	0	0	0	0
2 bedroom	6	10	0	0	16
3 bedroom	0	12	6	18	36
4 bedroom	0	0	0	0	0
Total	6	22	6	18	52
Capture rates					
1 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
2 bedroom	1.0%	1.9%	0.0%	0.0%	1.3%
3 bedroom	0.0%	4.4%	2.5%	8.7%	5.9%
4 bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.4%	1.6%	0.5%	1.7%	1.7%

** excludes gap/overlap*

Source: T. Ronald Brown: Research & Analysis

Given the calculated demand, the proposed 52-unit development amounts to 1.7 percent of the total net demand.

The capture rate, by bedroom, is determined to be 1.3 percent for the 16 two-bedroom units, and 5.9 percent for the 36 three-bedroom units.

The seven units at 30 percent of the median amount to 0.4 percent of the net demand at that level, the 22 units at 50 percent of the median amount to 1.6 percent of demand at that target level, and the six units targeted at the 60 percent level amount to around 0.5 percent of demand at that level. The 18 units targeted at 80 percent represent 1.7 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 six month period.

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, $587 per month. Given a $157 utility allowance and a 35 percent rent-to-income ratio, the lower qualifying income is seen to be $25,509. The upper income is $102,400. Based on the income data set out in Table 21, there are found to be 4,138 renter households in that range. Thus, the proposed 52-unit development corresponds to a 1.1 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 $25,509 to $102,400. Based on our research there are 1,046 potentially comparable tax credit units at nine complexes in the market area. These, plus the proposed 52 units, yields 1,098 units. Consequently, the penetration rate - as defined - amounts to 22.5 percent.

Summary

Consideration of the capture rate (1.7 percent) and the (1.1 percent) affordability analysis capture rate and (22.9 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). Those mangers who were willing to comment, such as at Liberty Pointe, agreed that a new tax credit property would be well-received. Likewise, the manager at Pinetree Woods noted that anew property would rent-up well.

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.

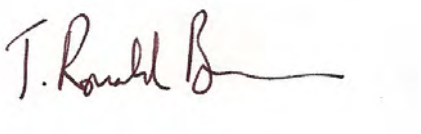
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.

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 8, 2025

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

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

Analyst Qualifications

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

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

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

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

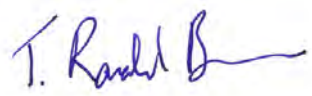
Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.

NCHMA MEMBER CERTIFICATION

This market study has been prepared by T. Ronald Brown: Research & Analysis, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms used in Market Studies*, and *Model Content Standards for the Content of Market Studies.* These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and the by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts .

T.Ronald Brown: Research & Analysis is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principal participates in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. T.Ronald Brown: Research and Analysis is an independent market analyst. No principle or employee of T. Ronald Brown: Research & Analysis has any financial interest whatsoever in the development for which this analysis has been undertaken.

Attested by:



T. Ronald Brown, March 2025

List of sources

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

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

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MARKET STUDY TERMINOLOGY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Effective rents - contract rent less concessions.

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

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

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

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

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

Market area - *See primary market area.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Programmatic rents - See *restricted rents.*

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

Redevelopment - the redesign or rehabilitation of existing properties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tenant - one who rents real property from another.

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

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

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

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