



**BOWEN
NATIONAL
RESEARCH**

Market Feasibility Analysis

Spencer Pointe
1700 Graves Mill Road
Lynchburg, Virginia 24502

Prepared For

Ms. Chelsea Arlantino
Woda Cooper Companies, Inc.
500 South Front Street, 10th Floor
Columbus, Ohio 43215

Authorized User

Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220

Effective Date

February 3, 2022

Job Reference Number

22-123 JW

Market Study Certification

NCHMA Certification

This certifies that Jonathan Kabat, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Lynchburg, Virginia. Further, the information contained in this report is true and accurate as of February 3, 2022.

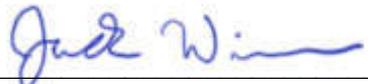
Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

Virginia Housing Certification

I affirm the following:

1. I have made a physical inspection of the site and market area
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low-Income Housing Tax Credit (LIHTC) program in Virginia as administered by Virginia Housing.
4. Neither I nor anyone at my firm has any interest in the proposed development or a relationship with the ownership entity.
5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing Virginia Housing or in any way acting for, at the request, or on behalf of Virginia Housing.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.
7. Evidence of my NCHMA membership is included.

Certified:



Jack Wiseman (Primary Contact)

Market Analyst

jackw@bowennational.com

Date: February 3, 2022

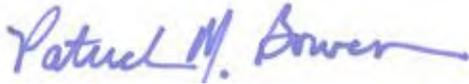


Jonathan Kabat

Market Analyst

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Date: February 3, 2022



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Date: February 3, 2022

Certificate of Professional Designation

This certificate verifies that

Patrick Bowen

Bowen National Research

*Has completed NCHMA's Professional Designation Requirements
and is hence an approved member in good standing of:*



Formerly known as
NCAHMA

National Council of Housing Market Analysts
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Membership Term
1/1/2022 to 12/31/2022



A handwritten signature in black ink, appearing to read 'Thomas Amdur'.

Thomas Amdur
President, NCHMA

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I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Lynchburg, Virginia. This study was initiated by Ms. Chelsea Arlantino of Woda Cooper Companies, Inc. and complies with the guidelines of Virginia Housing. This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

C. SOURCES

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

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

D. REPORT LIMITATIONS

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

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

Any reproduction or duplication of this report without the express approval of Woda Cooper Companies, Inc. or Bowen National Research is strictly prohibited.

II. Executive Summary

Based on the findings contained in this report, it is our opinion that a market exists for the development of the proposed Spencer Pointe rental community in Lynchburg, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program. The following points support this conclusion:

Project Description

Spencer Pointe involves the new construction of 50 apartments at one location at 1700 Graves Mill Road in Lynchburg. The project will target family (general-occupancy) households earning up to 30%, 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the LIHTC program. A total of eight units within the subject development will receive Project-Based Vouchers (PBVs) through the HUD Section 8 program. The proposed project is expected to be complete by June 2024. Additional details of the subject project can be found in Section III - *Project Description* of this report.

Site Evaluation

The subject site consists of wooded land located on the northside of Graves Mill Road/State Route 126/1425 in the southwestern portion of Lynchburg. Surrounding land uses include residential dwellings, medical offices, assisted living facilities, banks, manufacturing facilities, a storage facility, various commercial businesses, grocery stores, restaurants and wooded land. Most of the surrounding buildings range from fair to good condition. Visibility of the site will be obstructed from view of motorists traveling along Graves Mill Road/State Route 126/1425 and permanent signage at the site's entryway is recommended to increase its awareness. Promotional signage utilized throughout the market area is also recommended. Access to and from the site is considered good, as U.S. Highways 221 and 501 are within 1.2 miles of the site and scheduled public transportation services provided by the Greater Lynchburg Transit Company (GLTC) is available within walking distance. Most essential community services, including shopping, dining, education, public safety services and recreation can be accessed within 3.3 miles of the site. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

Primary Market Area (PMA)

The Lynchburg Site PMA includes most of Lynchburg, portions of the Census-Designated Places (CDP) of Forest and Timberlake, and the surrounding unincorporated areas of Bedford and Campbell counties. Specifically, the boundaries of the Site PMA generally include the Lynchburg city boundaries, U.S. Highway 221, Old Forest Road, U.S. Highway 501, Boonsboro Road, Trents Ferry Road, Old Trents Ferry Road to the north; Hydro Street, the James River Subdivision railway,

Winchester Street, Winston Ridge Road and Florida Avenue to the east; Jerry Falwell Parkway and Lynchburg Highway to the south; and State Route 811, Forest Road, State Route 609 and Ivy Creek to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in Section IV, beginning on page IV-9.

Demographic Trends

The Lynchburg Site PMA is projected to experience both population and household growth between 2022 and 2027, a trend which has been ongoing since 2000 and is expected to result in increased demand for housing within the market. Renter households are also projected to experience growth during the same time frame, increasing by 443, or 2.3%. While low-income renters (generally those earning below \$50,000) are projected to decline during the projection period, they will still represent over 52.0% of all renter households within the market by 2027. Based on the preceding analysis, a large base of lower-income renter households will continue to exist in the market during this time period. Detailed demographic trends are included in Section IV, beginning on page IV-11.

Economic Trends

The Lynchburg economy generally experienced growth between 2011 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Lynchburg employment base declined by nearly 2,015 jobs, or 5.7%, and its unemployment rate increased by nearly four percentage points. Specifically, between February and April 2020, the unemployment rate within the city spiked by nine percentage points. On a positive note, the local economy appears to have improved in 2021. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for over 19.0% of the market's labor force and provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable. Detailed economic trends are included in Section IV, beginning on page IV-16.

Overall Rental Housing Market Conditions

We identified and personally surveyed 23 conventional housing projects containing a total of 3,409 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 99.6%, a very strong rate for rental housing. The surveyed rental developments broken out by project type are summarized in the table on the following page.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	12	2,504	11	99.6%
Market-rate/Tax Credit	1	176	3	98.3%
Tax Credit	7	543	0	100.0%
Tax Credit/Government-Subsidized	3	186	0	100.0%
Total	23	3,409	14	99.6%

As the preceding table illustrates, all rental housing segments surveyed within the market are performing at very strong occupancy levels, as none have a combined occupancy rate lower than 98.3%. In fact, all affordable rental units surveyed are fully occupied, illustrating that pent-up demand exists for this type of housing. The subject project will be able to accommodate a portion of this unmet demand.

Competitive Tax Credit Analysis

We identified and surveyed five family (general-occupancy) rental housing communities within the Lynchburg Site PMA that offer non-subsidized LIHTC units. These properties target households with income of up to 40%, 50% and/or 60% of AMHI; therefore, they are considered competitive properties. These five LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Spencer Pointe	2024	50	-	-	-	Families; 30%, 40%, 50%, 60% & 80% AMHI & PBV
12	Jobbers Overall Apts.	2012	44	100.0%	7.1 Miles	15 HH	Families; 40% & 50% AMHI
17	Old Forest Village	2018	28	100.0%	5.0 Miles	600 HH	Families; 40% AMHI
20	Timber Ridge I & II	1998	168	100.0%	2.9 Miles	None	Families; 50% AMHI
21	Victoria Ridge	2011	24	100.0%	9.7 Miles	600 HH	Families; 40% AMHI
22	Vistas at Dreaming Creek	2001	77*	100.0%	2.9 Miles	None	Families; 60% AMHI

OCC. – Occupancy

HH - Households

*Tax Credit units only

The five LIHTC projects have a combined occupancy rate of 100.0%, three of which maintain a waiting list, illustrating that pent-up demand exists for affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The newest LIHTC rental community surveyed, Old Forest Village (Map ID 17), opened in December 2018 with all 28 units leased within the same month. This is a very rapid rate for affordable rental housing, illustrating that this type of housing product has been very well received within the market. This will bode well in the demand of the subject units. When considering preleasing efforts that took place in June 2018, the absorption rate for this project was approximately five units per month.

The gross rents for the competing projects and the proposed/programmatic rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
			\$497/30% (3) \$664*/40% (4) \$827/50% (7) \$967/60% (3) \$992/80% (13)	\$572/30% (2) \$766*/40% (4) \$957/50% (5) \$1,117/60% (1) \$1,142/80% (8)	
Site	Spencer Pointe	-			-
12	Jobbers Overall Apts.	-	\$655/40% (3/0) \$821/50% (17/0)	\$757/40% (2/0) \$949/50% (22/0)	None
17	Old Forest Village	\$671/40% (18/0)	\$781/40% (10/0)	-	None
20	Timber Ridge I & II	\$715/50% (60/0)	\$849/50% (90/0)	\$986/50% (18/0)	None
21	Victoria Ridge	\$692/40% (16/0)	\$836/40% (8/0)	-	None
22	Vistas at Dreaming Creek	\$869/60% (8/0)	\$1,017/60% (63/0)	\$1,199/60% (6/0)	None

*2021 maximum allowable gross LIHTC rent

The proposed/programmatic subject gross rents, ranging from \$497 to \$1,142, will generally be some of the lowest LIHTC rents within the market for similar unit types. This will position the subject project at a competitive advantage.

Additionally, the subject project will be the only LIHTC rental community within the market to offer units set aside at 30% and 80% of AMHI. This will also position the subject at a market advantage, as it will provide an affordable rental housing alternative to very low- and moderate-income renters within the Lynchburg Site PMA that are currently underserved.

Competitive Tax Credit Summary

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties surveyed within the market, it is our opinion that the proposed subject development will be very marketable. In fact, the subject project will be the newest LIHTC rental community within the Lynchburg Site PMA, offering some of the lowest LIHTC rents for similar unit types and a superior amenities package. Additionally, the subject project will be the only LIHTC project within the market to offer units set aside at 30% and 80% of AMHI. These factors will position the subject project at a competitive advantage and have been considered in our absorption projections.

Perception of Value

Based on HUD Rent Comparability Grids in Section VI, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$1,040 for a two-bedroom unit and \$1,215 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed/ Programmatic Collected Rent	% AMHI	Achievable Market Rent	Market Rent Advantage
Two-Br.	\$380	30%	\$1,040	63.5%
	\$547*	40%		47.4%
	\$710	50%		31.7%
	\$850	60%		18.3%
	\$875	80%		15.9%
Three-Br.	\$430	30%	\$1,215	64.6%
	\$624*	40%		48.6%
	\$815	50%		32.9%
	\$975	60%		19.8%
	\$1,000	80%		17.7%

*Maximum allowable gross LIHTC rent less the value of tenant-paid utilities

Typically, Tax Credit units should represent an approximate 10.0% market rent advantage. As such, the proposed subject Tax Credit rents will likely be perceived as excellent values within the market, as they represent market rent advantages ranging from 15.9% to 64.6%, depending upon bedroom type and targeted income level.

Capture Rate Estimates

The following are summaries of our demand calculations:

As Proposed with PBV

Demand Component	30% AMHI (\$17,040-\$23,880)	40% AMHI (\$0-\$31,840)	50% AMHI (\$28,354-\$39,800)	60% AMHI (\$33,154-\$47,760)	80% AMHI (\$34,011-\$63,680)	Overall (\$0-\$63,680)
Net Demand	1,094	4,761	1,137	666	937	6,270
Proposed Units	5	8	12	4	21	50
Proposed Units / Net Demand	5 / 1,094	8 / 4,761	12 / 1,137	4 / 666	21 / 937	50 / 6,270
Capture Rate	= 0.5%	= 0.2%	= 1.1%	= 0.6%	= 2.2%	= 0.8%

LIHTC Only

Demand Component	30% AMHI (\$17,040-\$23,880)	40% AMHI (\$22,766-\$31,840)	50% AMHI (\$28,354-\$39,800)	60% AMHI (\$33,154-\$47,760)	80% AMHI (\$34,011-\$63,680)	Overall (\$17,040-\$63,680)
Net Demand	1,094	1,275	1,137	666	937	3,576
Proposed Units	5	8	12	4	21	50
Proposed Units / Net Demand	5 / 1,094	8 / 1,275	12 / 1,137	4 / 666	21 / 937	50 / 3,576
Capture Rate	= 0.5%	= 0.6%	= 1.1%	= 0.6%	= 2.2%	= 1.4%

Regardless of if the property operates as proposed with a subsidy on select units or exclusively under the LIHTC program, capture rates are low, as none exceed 2.2%. This illustrates that a substantial base of demographic support will exist for the subject development.

Penetration Rate

The 979 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing, planned and subject Tax Credit units is \$16,800 to \$63,680. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 9,902 renter households with eligible incomes in 2024. The 979 existing and planned non-subsidized Tax Credit units, along with the 50 proposed subject units, represent a penetration rate of 10.4% of the 9,902 income-eligible renter households, which is summarized in the following table:

	Market Penetration
Number of LIHTC Units (Planned, Existing & Subject)	1,029
Income-Eligible Renter Households – 2024	/ 9,902
Overall Market Penetration Rate	= 10.4%

It is our opinion that the 10.4% penetration rate for the LIHTC units, existing, planned and proposed subject, is very low and easily achievable.

Absorption Projections

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 50 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in approximately three to four months of opening, with or without a subsidy on select units. This absorption period is based on an average monthly absorption rate of approximately 13 to 14 units per month. These absorption projections are based on the lack of available affordable rental units surveyed within the market, the subject's generally low rents, its competitiveness, its significant rent advantages and its very low capture and penetration rates.

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

III. Project Description

Project Name:	Spencer Pointe
Location:	1700 Graves Mill Road, Lynchburg, Virginia 24502
Census Tract:	18.00
Target Market:	Family
Construction Type:	New Construction
Funding Source:	LIHTC

The subject project involves the new construction of the 50-unit Spencer Pointe rental community at one location at 1700 Graves Mill Road in Lynchburg, Virginia. The project will target family (general-occupancy) households earning up to 30%, 40%, 50%, 60% and 80% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. A total of eight units within the subject development will receive Project-Based Vouchers (PBVs) through the HUD Section 8 program. The proposed project is expected to be complete by June 2024. Additional details of the subject development are summarized as follows:

Proposed Unit Configuration									
Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
3	Two-Br.	1.5	Garden	919	30%	\$380	\$117	\$497	\$498
4	Two-Br.	1.5	Garden	919	40%/PBV	\$691	\$172	\$863	\$664
7	Two-Br.	1.5	Garden	919	50%	\$710	\$117	\$827	\$830
2	Two-Br.	1.5	Garden	919	60%	\$850	\$117	\$967	\$996
1	Two-Br.	1.5	Garden	984	60%	\$850	\$117	\$967	\$996
13	Two-Br.	1.5	Garden	984	80%	\$875	\$117	\$992	\$1,328
2	Three-Br.	2.0	Garden	1,148	30%	\$430	\$142	\$572	\$574
4	Three-Br.	2.0	Garden	1,148	40%/PBV	\$933	\$231	\$1,164	\$766
5	Three-Br.	2.0	Garden	1,148	50%	\$815	\$142	\$957	\$958
1	Three-Br.	2.0	Garden	1,148	60%	\$975	\$142	\$1,117	\$1,149
8	Three-Br.	2.0	Garden	1,148	80%	\$1,000	\$142	\$1,142	\$1,533
50	Total								

Source: Woda Cooper Companies, Inc.

AMHI – Area Median Household Income (Lynchburg, VA MSA; 2021)

PBV – Project-Based Voucher

The maximum allowable LIHTC gross rents of \$664 and \$766 are the programmatic limits for two- and three-bedroom units targeting households earning up to 40% of AMHI for the MSA. However, these limits would only apply in the unlikely scenario that the property did not operate with PBVs on these units. Nonetheless, as the proposed contract rents under the PBV program are above these maximum allowable limits, we have evaluated these unit types assuming the maximum allowable limits throughout the remainder of this report.

Building/Site Information	
Residential Buildings:	One (1) three- and four-story building
Building Style:	Elevator-served
Community Space:	Integrated throughout
Acres:	10.8

Construction Timeline	
Original Year Built:	Not Applicable
Construction Start:	March 2023
Begin Preleasing:	April 2024
Construction End:	June 2024

Unit Amenities		
• Electric Range	• Microwave	• Composite Flooring
• Refrigerator	• Washer/Dryer Hookups	• Window Blinds
• Garbage Disposal	• Central Air Conditioning	• Controlled Access/Key Fob
• Dishwasher		

Community Amenities		
• Bike Racks/Storage	• Business/Computer Center	• Clubhouse/Community Room
• Community Kitchen	• Common Area Wi-Fi	• Laundry Room
• Elevator	• Grilling Area	• Dog Park/Pet Care
• On-Site Management	• Playground	• Fitness Center
• CCTV/Cameras	• Surface Parking Lot (100 Spaces)	

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

FLOOR AND SITE PLAN REVIEW:

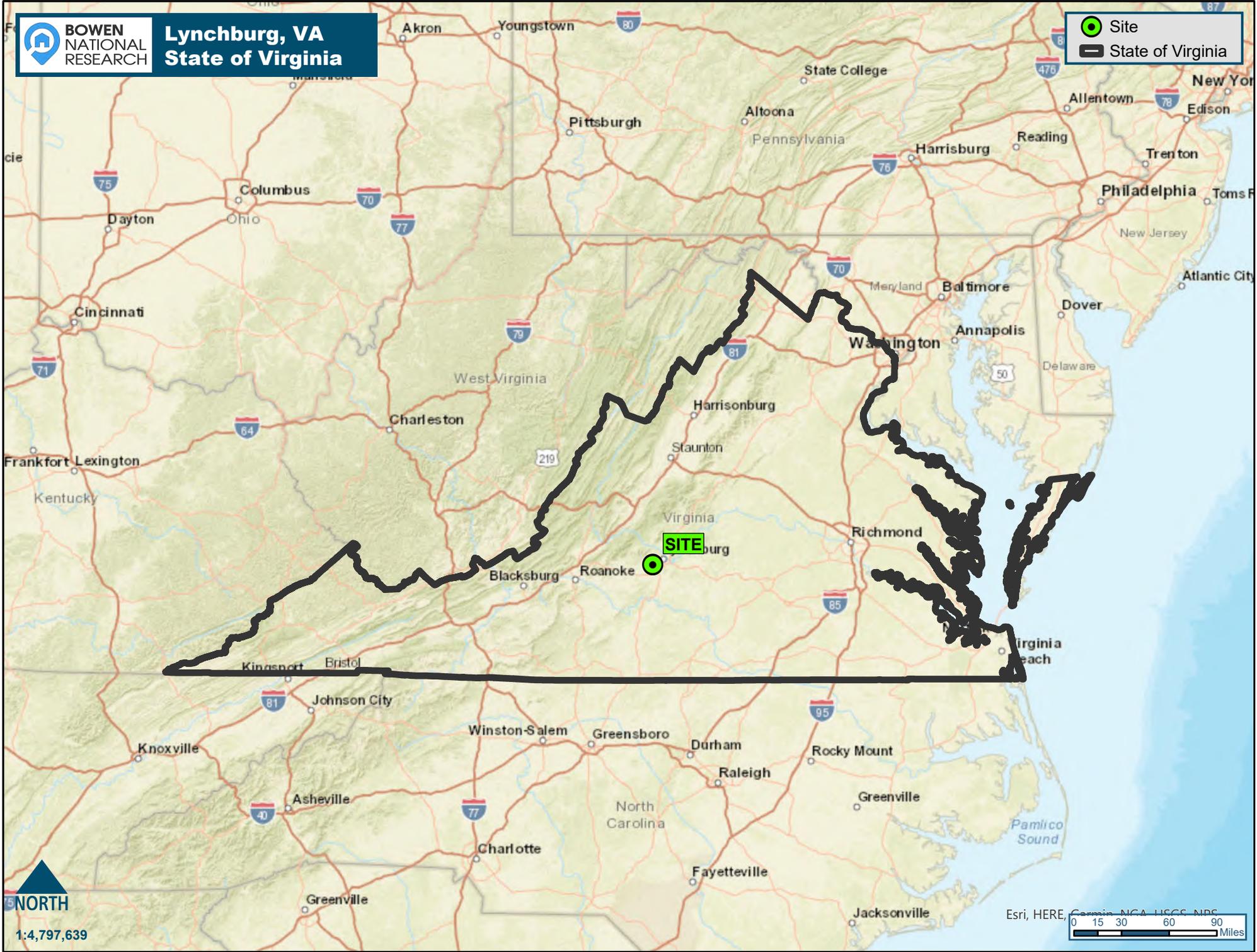
A site plan was provided; however, floor plans were not available for review at the time this report was issued. Nonetheless, based on information provided by the developer, the proposed project involves the new construction of 50 two- and three-bedroom apartments. The two-bedroom units will include 1.5 bathrooms, while the three-bedroom units will include two full bathrooms. Square footages will range from 919 to 1,148 square feet, which are considered appropriate for the targeted population. The inclusion of washer/dryer hookups, dishwasher and microwave within the units will be very appealing to the targeted demographic. Overall, the subject project appears to be well-positioned to be very marketable, assuming that floor plans are appropriately positioned.

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



Lynchburg, VA State of Virginia

 Site
 State of Virginia



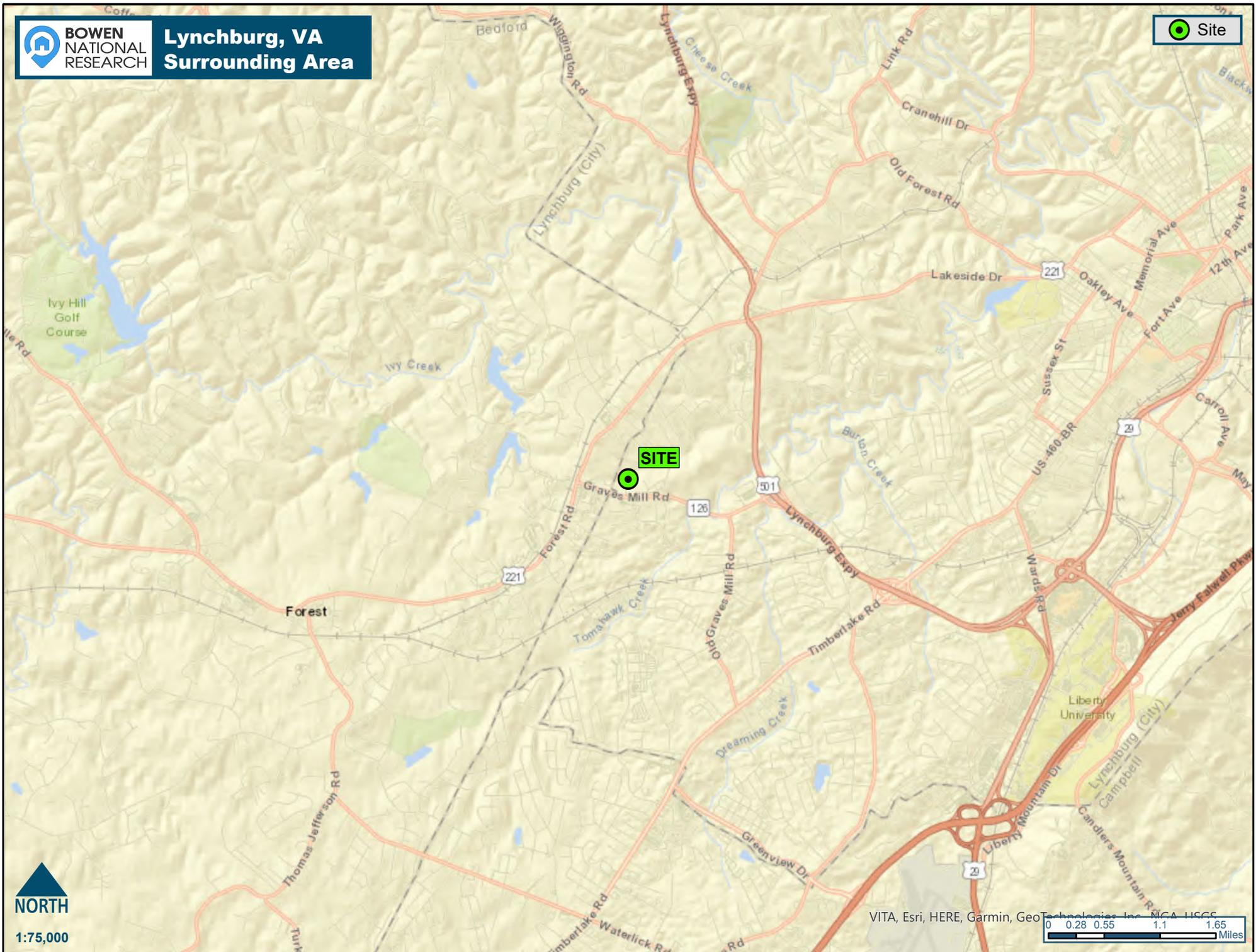

NORTH
1:4,797,639

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



Lynchburg, VA Surrounding Area

Site



1:75,000

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



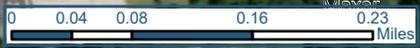
Lynchburg, VA Site Neighborhood

Legend

 Site Area



NORTH
Graves Dr
1:7,833



IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site consists of wooded land located at 1700 Graves Mill Road in the southwestern portion of Lynchburg, Virginia. An independent city bordered by Bedford, Campbell and Amherst counties, Lynchburg is approximately 44.0 miles east of Roanoke, Virginia and approximately 93.0 miles west of Richmond, Virginia. The subject site was visited on February 3, 2022.

2. SURROUNDING LAND USES

The subject site is located in a mixed-use area of Lynchburg. Surrounding land uses include residential dwellings, medical offices, assisted living facilities, banks, manufacturing facilities, a storage facility, various commercial businesses, grocery stores, restaurants and wooded land. Adjacent land uses are detailed as follows:

North -	The northern boundary is defined by single-family homes. Extending out to the north are additional single-family homes, a mobile home park, Jay's Automotive Repair, Electronic Specialists, Carsmart, Pet Cabana, Aryana Auto Sales and CVS. All structures to the north are maintained in fair to good condition.
East -	The eastern boundary is defined by Heritage Green Assisted Living and Memory Care and American National Bank and Trust Company. Extending out to the east are Forest Dental Center, Pinnacle Financial Partners, Orano, Carilion Clinic Pediatric Gastroenterology Pediatric Surgery, a single-family home, Mountainview Oral Surgery and Implants, Bentley Commons at Lynchburg and wooded land. All structures to the east are maintained in fair to good condition.
South -	The southern boundary is defined by a small apartment complex, local businesses and Graves Mill Road/State Route 126/1425, a four-lane roadway with a center turn lane consisting of moderate traffic patterns. Extending out to the south are Master Brand Cabinets, single-family homes, Kitchen & Bath Ideas Virginia, Automated Conveyer Systems, Baush & Lomb, Stamptech, Southern Air and Belvac. All structures to the south are maintained in fair to good condition.

West -	The western boundary is defined by wooded land and Carter Bank & Trust. Extending out to the west are Craft Collision Center, Harman Eye Center, Center for Pediatric Therapies, Lynchburg Pediatrics, Raspberry Healthcare Training, Custom Structures, Forest Family Eye Care, Bulls Steakhouse, Graves Mill Storage, Enterprise Rent-a-Car, Performance Collision Centers, Amy Nails, Tienda Xpress, Terry Clearance Centers, Shiloh United Methodist Church, Western Union, Nature’s Outlet, Crisp, Once Upon a Child, Graves Mill Shopping Center, Food Lion, Encompass Health, Division One Staffing, Great Clips, Pet Craze, Virginia ABC, Wells Fargo, Burger King, Select Bank, Runk & Pratt at Forest, Andy Chang China Grill, M&M Cleaners, BB&T and McDonald’s. All structures to the west are maintained in fair to good condition.
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The site is within a mixed-use neighborhood of Lynchburg, surrounded primarily by single-family homes, offices, stores and industrial land uses in fair to good condition. The surrounding land is heavily developed and the proximity to several community services should positively contribute to the marketability of the site. Overall, the subject property is expected to fit well with the surrounding land uses and they should contribute to its marketability.

Photographs of the site can be found in Section VII of this report.

3. VISIBILITY AND ACCESS

The site is located on the northside of Graves Mill Road/State Route 126/1425, a four-lane roadway with a center turn lane that consists of moderate traffic patterns. The site will be partially visible from this roadway, obstructed by foliage and a small apartment complex. Therefore, it is recommended that entryway signage is placed along Graves Mill Road/State Route 126/1425 at the site’s entrance to increase its awareness. Promotional signage utilized throughout the market area is also recommended.

There will be one point of entry to the site to the south from Graves Mill Road/State Route 126/1425. As previously stated, the traffic patterns on Graves Mill Road/State Route 126/1425 are moderate. With the existence of a turning lane, ingress and egress are anticipated to be convenient. Additionally, the subject site is within 1.2 miles of U.S. Highways 221 and 501. Lastly, public transportation services are provided by the Greater Lynchburg Transit Company (GLTC), which maintains bus stops within walking distance from the site along Graves Mill Road. Overall, access to and from the subject site is considered good.

4. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

Community Services	Name	Driving Distance from Site (miles)
Major Highways	State Route 126/State Route 1425 U.S. Highway 221 U.S. Highway 501	< 0.1 South 0.7 West 1.2 East
Public Bus Stop	GLTC	< 0.1 South
Major Employers/ Employment Centers	J. Crew Distribution Center Walmart Supercenter Centra Health BWX Technologies	1.8 South 3.8 Northeast 6.0 Northeast 7.5 East
Convenience Store	Quik-E Food Store & Deli Express Lane Convenience Store Apple Market	0.4 West 0.6 Southwest 1.9 South
Grocery	Food Lion Walmart Neighborhood Market Aldi Kroger	0.4 West 1.7 Southwest 2.2 Northeast 2.4 Southeast
Discount Department Store	Dollar General Family Dollar Walmart Supercenter	0.4 West 2.9 Southeast 3.8 Northeast
Shopping Center/Mall	Graves Mill Shopping Center Brookville Plaza Timberlake Station	0.4 West 2.4 Southeast 2.4 Southeast
Schools: Elementary Middle/Junior High High	Heritage Elementary School Brookville Middle School Heritage High School	2.7 Southeast 3.5 South 2.7 Southeast
Hospital/Medical Facilities	Centra Urgent Care Centra Health Lynchburg General Hospital	1.7 Southwest 6.1 Northeast
Police	Lynchburg Police Department	8.3 East
Fire	Lynchburg Fire Department Station 7	2.2 Northeast
Post Office	U.S. Post Office	3.2 East
Bank	Carter Bank & Trust American National Bank & Trust Select Bank	0.1 West 0.2 East 0.4 Southwest
Recreational Facilities	Kratos Fitness and Interval Studio Ivy Creek Park Templeton Center	1.6 Southeast 2.6 North 3.3 Northeast
Gas Station	Marathon 76 Shell	0.4 West 0.6 Southwest 0.9 East
Pharmacy	CVS Walmart Pharmacy	0.4 West 1.7 Southwest
Restaurant	Bull's Steakhouse Burger King Andy Chang China Grill	0.3 West 0.4 West 0.5 West
Day Care	Forest KinderCare	1.7 Southwest
Community Center	Templeton Center	3.3 Northeast

Most essential community services, including shopping, dining, employment, education and recreation can be accessed within 3.3 miles of the site. The nearest shopping center is located just 0.4 miles from the site. Discount stores, childcare and pharmacies can also be accessed within 4.8 miles. Major employers, including J. Crew and Centra Health, are within 6.0 miles of the site.

Public safety services are provided by the Lynchburg Police and Fire departments, both within 8.3 miles of the site. A U.S. Post Office is located within 3.2 miles. The nearest full-service hospital with an emergency department, Centra Health Lynchburg General Hospital, is located 6.1 miles from the site. However, there is a Centra Urgent Care within 1.7 miles.

Overall, the site's proximity to community services should positively contribute to its marketability.

5. OVERALL SITE EVALUATION

The subject site consists of wooded land located on the northside of Graves Mill Road/State Route 126/1425 in the southwestern portion of Lynchburg. Surrounding land uses include residential dwellings, medical offices, assisted living facilities, banks, manufacturing facilities, a storage facility, various commercial businesses, grocery stores, restaurants and wooded land. Most of the surrounding buildings range from fair to good condition. Visibility of the site will be obstructed from view of motorists traveling along Graves Mill Road/State Route 126/1425 and permanent signage at the site's entryway is recommended to increase its awareness. Promotional signage utilized throughout the market area is also recommended. Access to and from the site is considered good, as U.S. Highways 221 and 501 are within 1.2 miles of the site and scheduled public transportation services provided by the Greater Lynchburg Transit Company (GLTC) is available within walking distance. Most essential community services, including shopping, dining, education, public safety services and recreation can be accessed within 3.3 miles of the site. Overall, the site's surrounding land uses and proximity to services should positively contribute to its marketability.

6. CRIME ISSUES

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

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

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

Total crime risk for the site’s ZIP Code is 83, with an overall personal crime index of 63 and a property crime index of 86. Total crime risk for Lynchburg City is 89, with indexes for personal and property crime of 89 and 89, respectively.

	Crime Risk Index	
	Site ZIP Code	Lynchburg City
Total Crime	83	89
Personal Crime	63	89
Murder	49	88
Rape	128	88
Robbery	29	62
Assault	65	100
Property Crime	86	89
Burglary	55	70
Larceny	100	98
Motor Vehicle Theft	44	66

Source: Applied Geographic Solutions

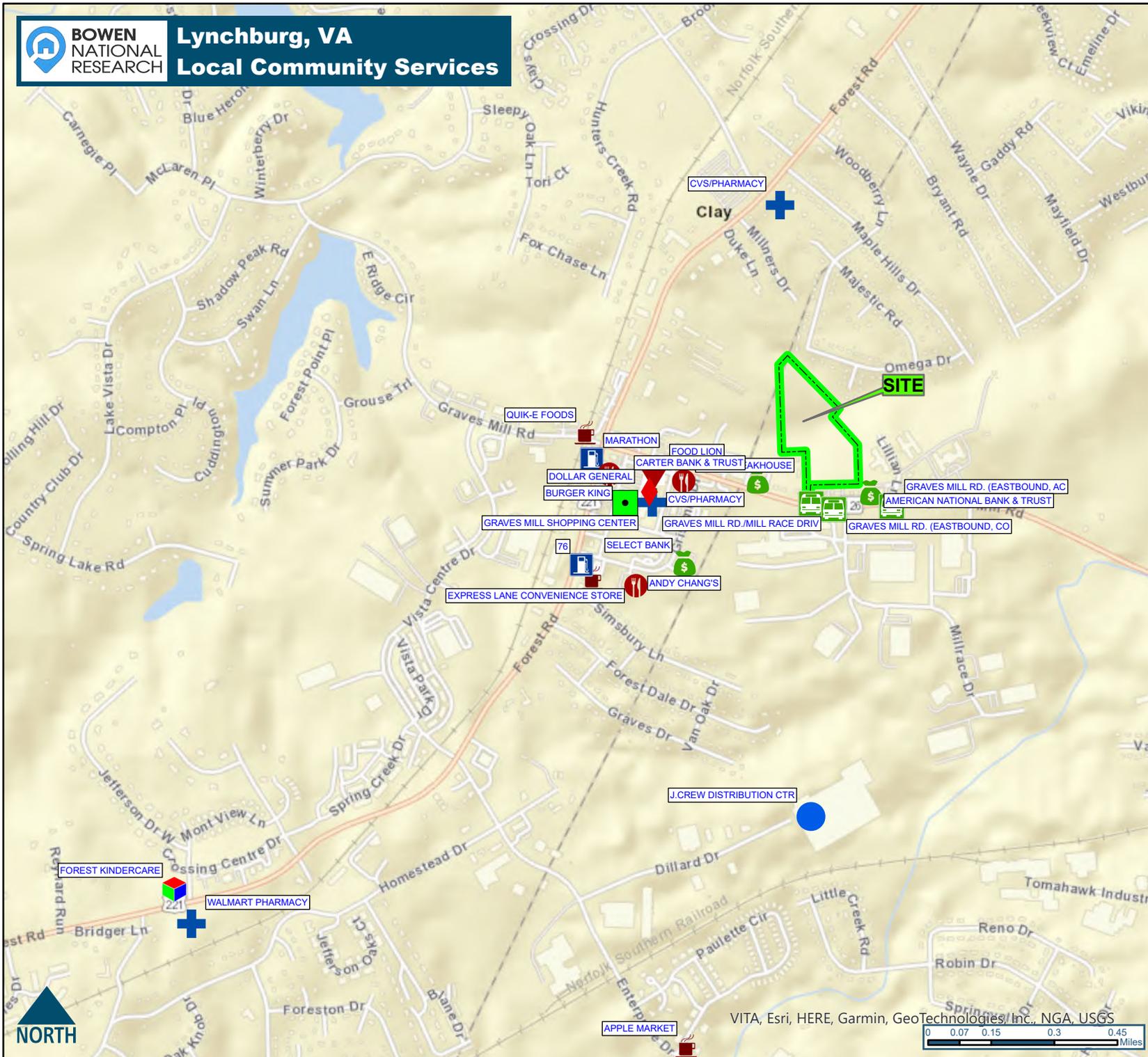
As the preceding table illustrates, the crime risk index within the site’s ZIP Code (83) is generally similar with that of the city of Lynchburg (89), both of which are below the national average (100). As such, it is not anticipated that the perception of crime within the area will have any negative impact on the subject’s marketability.

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



Lynchburg, VA

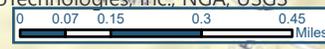
Local Community Services



- Legend**
- Site Area
 - Bank
 - Child Care
 - Convenience Store
 - Gas
 - Grocery
 - Pharmacy
 - Restaurant
 - Shopping
 - Transit
 - Employer 1000-5000
 - Shopping Center



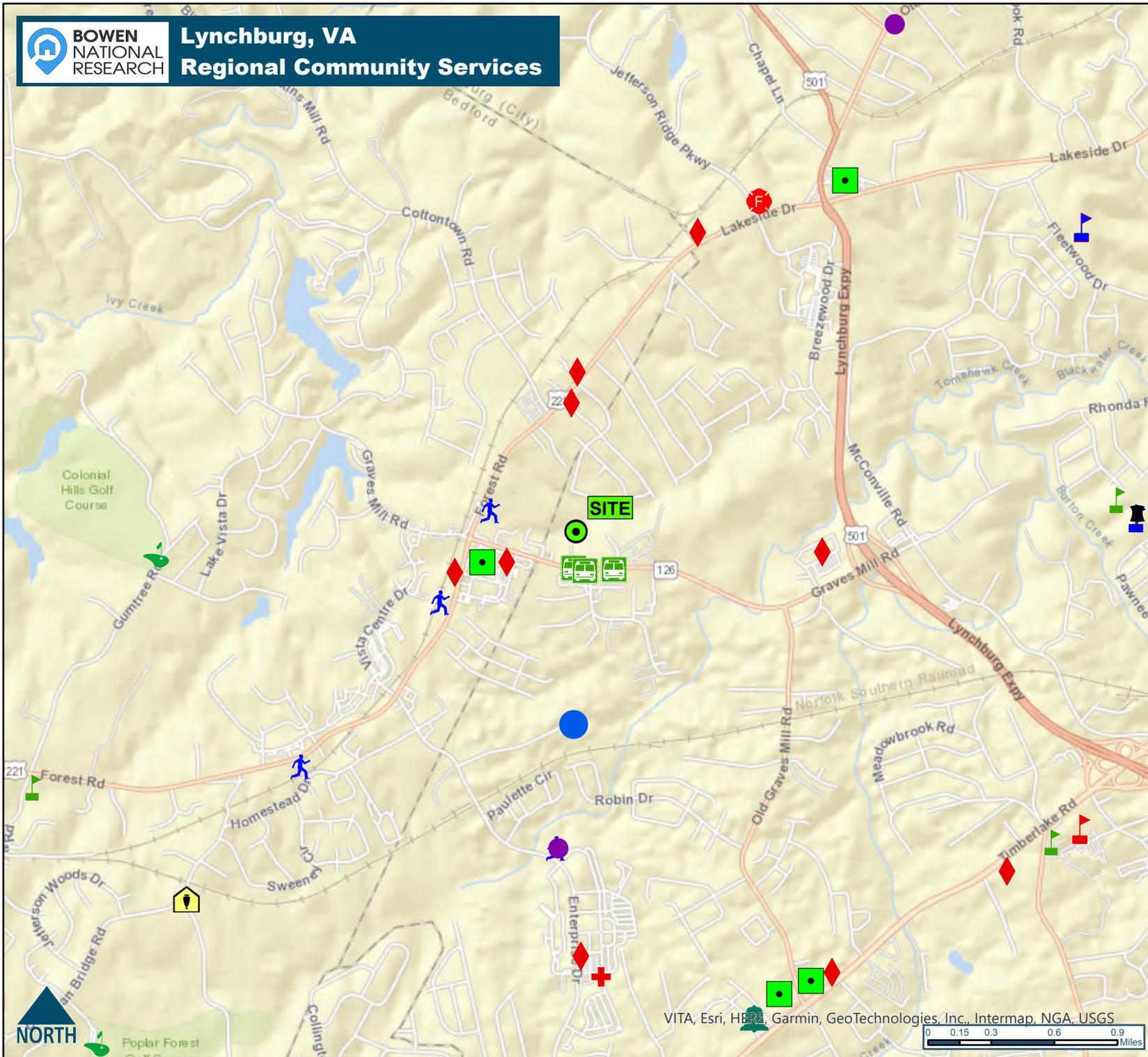
VITA, Esri, HERE, Garmin, GeoTechnologies/ Inc., NGA, USGS



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Lynchburg, VA Regional Community Services

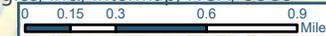


Legend

- Site
- Elementary School
- Fire
- Fitness Center
- Golf
- High School
- Medical Center
- Middle School
- Museum
- Recreation Center
- Shopping
- Stadium
- Transit
- University
- Employer 1000-5000
- Shopping Center



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



1:40,000



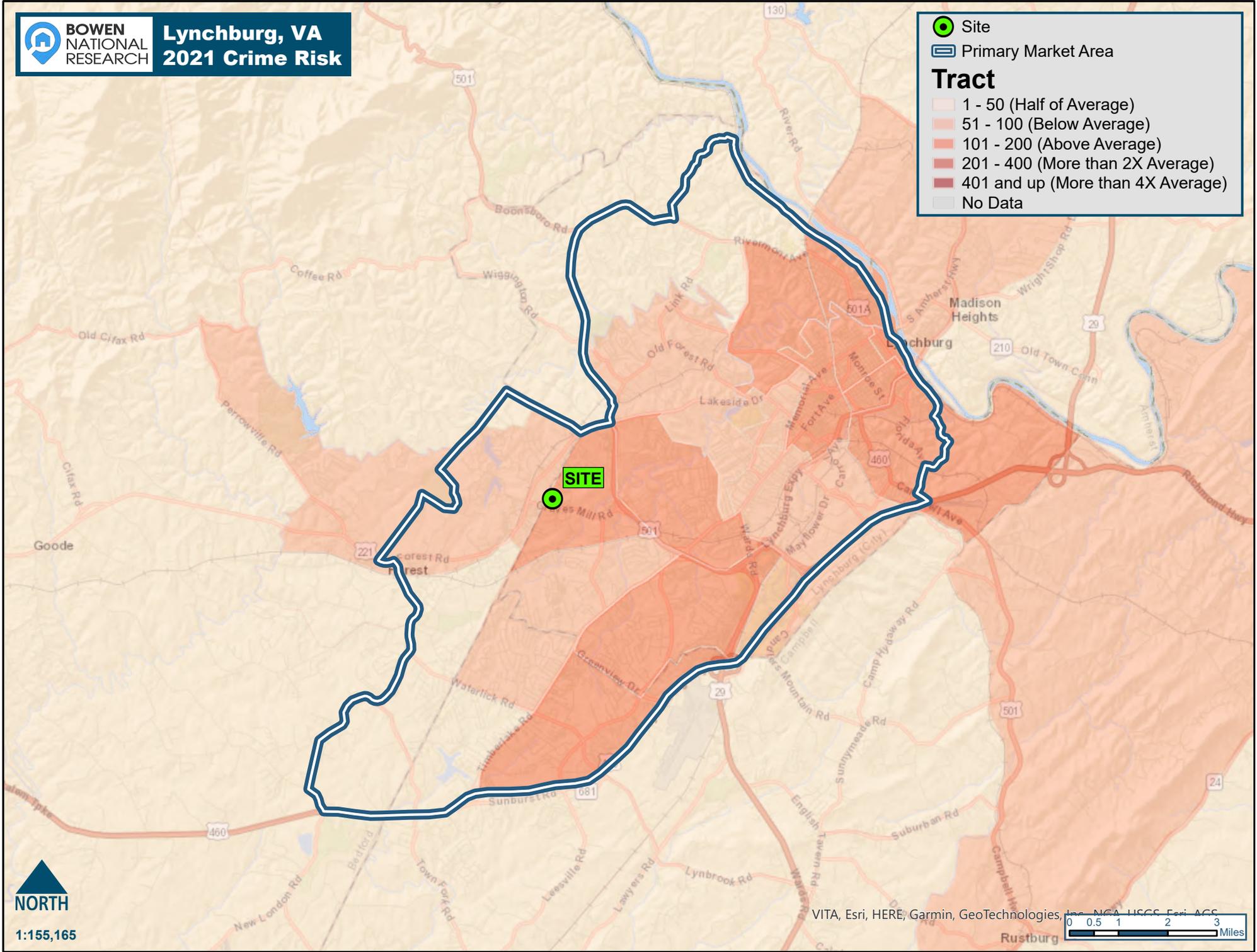
Lynchburg, VA 2021 Crime Risk

Site

Primary Market Area

Tract

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



NORTH

1:155,165

B. PRIMARY MARKET AREA DELINEATION

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

The Lynchburg Site PMA includes most of Lynchburg, portions of the Census-Designated Places (CDP) of Forest and Timberlake, and the surrounding unincorporated areas of Bedford and Campbell counties. Specifically, the boundaries of the Site PMA generally include the Lynchburg city boundaries, U.S. Highway 221, Old Forest Road, U.S. Highway 501, Boonsboro Road, Trents Ferry Road, Old Trents Ferry Road to the north; Hydro Street, the James River Subdivision railway, Winchester Street, Winston Ridge Road and Florida Avenue to the east; Jerry Falwell Parkway and Lynchburg Highway to the south; and State Route 811, Forest Road, State Route 609 and Ivy Creek to the west.

Carla Crawford, Leasing Consultant for Logan's Landing (Map ID 14), a market-rate community in Lynchburg, confirmed the boundaries of the Site PMA, indicating that a majority of support for her property comes from west of the James River.

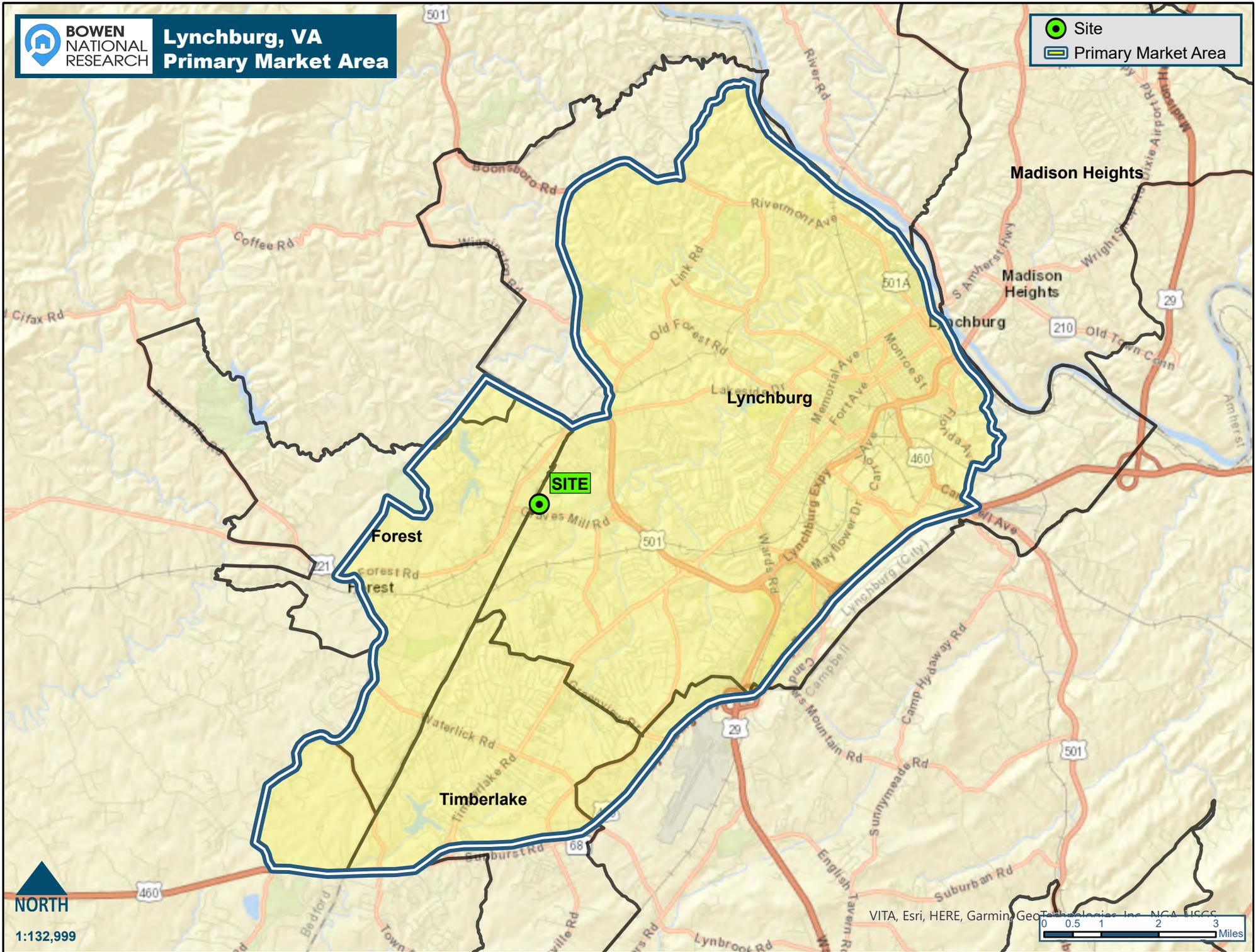
A small portion of support may originate from some of the outlying areas of the Site PMA; we have not, however, considered any secondary market area in this report.

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



Lynchburg, VA Primary Market Area

● Site
▭ Primary Market Area



NORTH

1:132,999

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc, NGA, USGS
0 0.5 1 2 3 Miles

C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2022 (estimated) and 2027 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2022 (Estimated)	2027 (Projected)
Population	79,520	88,824	97,117	100,239
Population Change	-	9,304	8,293	3,122
Percent Change	-	11.7%	9.3%	3.2%

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

The Lynchburg Site PMA population base increased by 9,304 between 2000 and 2010. This represents an 11.7% increase from the 2000 population base, or an annual rate of 1.1%. Between 2010 and 2022, the population increased by 8,293, or 9.3%. It is projected that the population will increase by 3,122, or 3.2%, between 2022 and 2027.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	23,162	26.1%	23,002	23.7%	23,526	23.5%	524	2.3%
20 to 24	11,627	13.1%	9,820	10.1%	9,940	9.9%	120	1.2%
25 to 34	11,183	12.6%	14,877	15.3%	13,496	13.5%	-1,381	-9.3%
35 to 44	9,326	10.5%	10,688	11.0%	12,734	12.7%	2,046	19.1%
45 to 54	10,911	12.3%	9,389	9.7%	9,516	9.5%	127	1.4%
55 to 64	9,520	10.7%	10,947	11.3%	10,257	10.2%	-690	-6.3%
65 to 74	6,298	7.1%	9,649	9.9%	10,532	10.5%	883	9.2%
75 & Over	6,797	7.7%	8,746	9.0%	10,239	10.2%	1,493	17.1%
Total	88,824	100.0%	97,117	100.0%	100,239	100.0%	3,122	3.2%

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

As the preceding table illustrates, over 47% of the population is expected to be between 25 and 64 years old in 2022. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2022 (Estimated)	2027 (Projected)
Households	31,556	35,211	38,626	40,005
Household Change	-	3,655	3,415	1,379
Percent Change	-	11.6%	9.7%	3.6%
Household Size	2.52	2.52	2.29	2.29

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

Within the Lynchburg Site PMA, households increased by 3,655 (11.6%) between 2000 and 2010. Between 2010 and 2022, households increased by 3,415, or 9.7%. By 2027, there will be 40,005 households, an increase of 1,379 households, or 3.6%, from 2022. This is an increase of approximately 276 households annually over the next five years.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	3,310	9.4%	2,486	6.4%	2,550	6.4%	64	2.6%
25 to 34	5,647	16.0%	7,164	18.5%	6,449	16.1%	-715	-10.0%
35 to 44	5,312	15.1%	5,691	14.7%	6,729	16.8%	1,038	18.2%
45 to 54	6,459	18.3%	5,162	13.4%	5,175	12.9%	13	0.3%
55 to 64	5,913	16.8%	6,442	16.7%	5,985	15.0%	-457	-7.1%
65 to 74	4,072	11.6%	5,976	15.5%	6,469	16.2%	493	8.3%
75 to 84	3,052	8.7%	3,758	9.7%	4,380	10.9%	622	16.5%
85 & Over	1,446	4.1%	1,948	5.0%	2,269	5.7%	321	16.5%
Total	35,211	100.0%	38,626	100.0%	40,005	100.0%	1,379	3.6%

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

Between 2022 and 2027, the greatest growth among household age groups is projected to be among those between the ages of 35 and 44. Households ages 65 and older are also projected to experience significant growth during the same timeframe. These trends illustrate that there will likely be an increasing need for housing for both families and seniors within the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	19,886	56.5%	19,727	51.1%	20,663	51.7%
Renter-Occupied	15,325	43.5%	18,899	48.9%	19,342	48.3%
Total	35,211	100.0%	38,626	100.0%	40,005	100.0%

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

As the preceding table illustrates, renter households within the market are projected to increase by 443, or 2.3%, between 2022 and 2027. These trends further illustrate that there will likely be an increasing need for rental housing within the Lynchburg Site PMA.

The household sizes by tenure within the Site PMA, based on the 2022 estimates and 2027 projections, were distributed as follows:

Persons Per Renter Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	6,776	35.9%	6,744	34.9%	-32	-0.5%
2 Persons	5,550	29.4%	5,783	29.9%	232	4.2%
3 Persons	3,609	19.1%	3,692	19.1%	83	2.3%
4 Persons	1,364	7.2%	1,329	6.9%	-35	-2.6%
5 Persons+	1,598	8.5%	1,794	9.3%	195	12.2%
Total	18,899	100.0%	19,342	100.0%	443	2.3%

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

Persons Per Owner Household	2022 (Estimated)		2027 (Projected)		Change 2022-2027	
	Households	Percent	Households	Percent	Households	Percent
1 Person	5,400	27.4%	5,730	27.7%	329	6.1%
2 Persons	7,677	38.9%	7,996	38.7%	319	4.2%
3 Persons	3,093	15.7%	3,251	15.7%	158	5.1%
4 Persons	1,828	9.3%	1,824	8.8%	-4	-0.2%
5 Persons+	1,729	8.8%	1,863	9.0%	135	7.8%
Total	19,727	100.0%	20,664	100.0%	937	4.7%

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

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

3. INCOME TRENDS

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

Household Income	2010 (Census)		2022 (Estimated)		2027 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	3,401	9.7%	2,517	6.5%	2,138	5.3%
\$10,000 to \$19,999	4,562	13.0%	3,331	8.6%	2,942	7.4%
\$20,000 to \$29,999	4,782	13.6%	4,071	10.5%	3,796	9.5%
\$30,000 to \$39,999	4,437	12.6%	4,105	10.6%	3,770	9.4%
\$40,000 to \$49,999	3,491	9.9%	3,699	9.6%	3,449	8.6%
\$50,000 to \$59,999	2,921	8.3%	3,307	8.6%	3,080	7.7%
\$60,000 to \$74,999	3,610	10.3%	4,164	10.8%	4,343	10.9%
\$75,000 to \$99,999	3,526	10.0%	5,930	15.4%	7,207	18.0%
\$100,000 to \$124,999	1,929	5.5%	2,782	7.2%	3,272	8.2%
\$125,000 to \$149,999	1,066	3.0%	1,640	4.2%	2,124	5.3%
\$150,000 to \$199,999	629	1.8%	1,746	4.5%	2,226	5.6%
\$200,000 & Over	857	2.4%	1,334	3.5%	1,659	4.1%
Total	35,211	100.0%	38,626	100.0%	40,006	100.0%
Median Income	\$41,213		\$54,807		\$62,860	

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

In 2010, the median household income was \$41,213. This increased by 33.0% to \$54,807 in 2022. By 2027, it is projected that the median household income will be \$62,860, an increase of 14.7% from 2022.

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

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,004	696	432	235	173	2,540
\$10,000 to \$19,999	1,432	754	468	255	188	3,097
\$20,000 to \$29,999	1,109	730	453	247	182	2,720
\$30,000 to \$39,999	790	605	376	204	151	2,127
\$40,000 to \$49,999	528	396	246	134	99	1,402
\$50,000 to \$59,999	343	268	167	91	67	935
\$60,000 to \$74,999	407	339	211	115	84	1,155
\$75,000 to \$99,999	255	188	117	64	47	670
\$100,000 to \$124,999	120	85	53	29	21	308
\$125,000 to \$149,999	71	46	29	16	11	172
\$150,000 to \$199,999	34	22	14	7	6	83
\$200,000 & Over	47	30	19	10	7	114
Total	6,139	4,161	2,584	1,405	1,036	15,325

Source: ESRI; Urban Decision Group

Renter Households	2022 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	621	554	361	137	159	1,832
\$10,000 to \$19,999	990	616	401	152	177	2,336
\$20,000 to \$29,999	1,089	734	477	181	211	2,691
\$30,000 to \$39,999	905	763	496	188	219	2,572
\$40,000 to \$49,999	735	604	393	149	174	2,054
\$50,000 to \$59,999	524	478	311	118	138	1,568
\$60,000 to \$74,999	682	589	383	145	170	1,969
\$75,000 to \$99,999	639	654	425	160	189	2,067
\$100,000 to \$124,999	215	210	136	51	61	673
\$125,000 to \$149,999	119	127	82	31	37	397
\$150,000 to \$199,999	141	127	83	31	37	419
\$200,000 & Over	116	94	61	23	27	322
Total	6,776	5,550	3,609	1,364	1,598	18,899

Source: ESRI; Urban Decision Group

Renter Households	2027 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	478	429	274	98	134	1,412
\$10,000 to \$19,999	847	514	328	118	160	1,967
\$20,000 to \$29,999	1,056	675	431	155	210	2,527
\$30,000 to \$39,999	828	682	435	156	212	2,314
\$40,000 to \$49,999	686	572	365	131	178	1,933
\$50,000 to \$59,999	541	495	316	114	154	1,619
\$60,000 to \$74,999	797	680	435	157	211	2,280
\$75,000 to \$99,999	792	935	597	216	289	2,828
\$100,000 to \$124,999	229	259	165	60	80	792
\$125,000 to \$149,999	129	177	113	41	55	514
\$150,000 to \$199,999	201	211	135	49	65	662
\$200,000 & Over	160	153	98	35	47	493
Total	6,744	5,783	3,692	1,329	1,794	19,342

Source: ESRI; Urban Decision Group

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

Demographic Summary

The Lynchburg Site PMA is projected to experience both population and household growth between 2022 and 2027, a trend which has been ongoing since 2000 and is expected to result in increased demand for housing within the market. Renter households are also projected to experience growth during the same time frame, increasing by 443, or 2.3%. While low-income renters (generally those earning below \$50,000) are projected to decline during the projection period, they will still represent over 52.0% of all renter households within the market by 2027. Based on the preceding analysis, a large base of lower-income renter households will continue to exist in the market during this time period.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

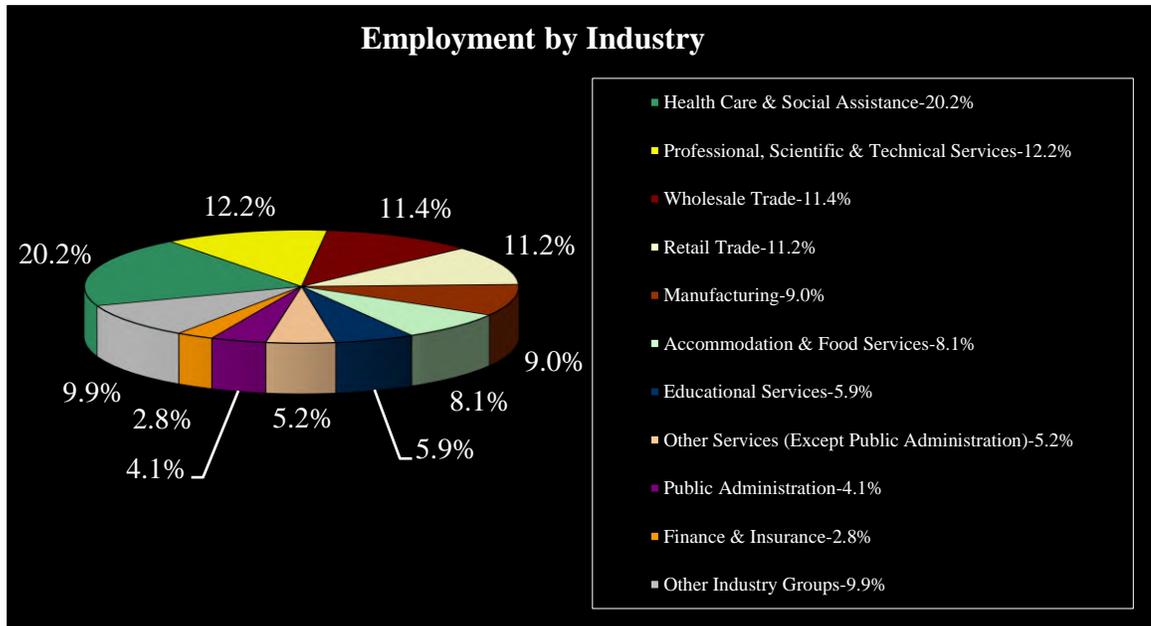
The labor force within the Lynchburg Site PMA is based primarily in four sectors. Health Care & Social Assistance (which comprises 20.2%), Professional, Scientific & Technical Services, Wholesale Trade and Retail Trade comprise approximately 55% of the Site PMA labor force. Employment in the Lynchburg Site PMA, as of 2022, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	5	0.1%	61	0.1%	12.2
Mining	3	0.1%	15	0.0%	5.0
Utilities	2	0.1%	30	0.0%	15.0
Construction	173	4.4%	1,852	2.6%	10.7
Manufacturing	127	3.3%	6,440	9.0%	50.7
Wholesale Trade	108	2.8%	8,133	11.4%	75.3
Retail Trade	622	15.9%	7,981	11.2%	12.8
Transportation & Warehousing	45	1.2%	521	0.7%	11.6
Information	90	2.3%	1,257	1.8%	14.0
Finance & Insurance	242	6.2%	1,979	2.8%	8.2
Real Estate & Rental & Leasing	203	5.2%	1,215	1.7%	6.0
Professional, Scientific & Technical Services	329	8.4%	8,759	12.2%	26.6
Management of Companies & Enterprises	3	0.1%	134	0.2%	44.7
Administrative, Support, Waste Management & Remediation Services	117	3.0%	756	1.1%	6.5
Educational Services	90	2.3%	4,229	5.9%	47.0
Health Care & Social Assistance	435	11.1%	14,453	20.2%	33.2
Arts, Entertainment & Recreation	106	2.7%	982	1.4%	9.3
Accommodation & Food Services	310	7.9%	5,825	8.1%	18.8
Other Services (Except Public Administration)	593	15.2%	3,692	5.2%	6.2
Public Administration	135	3.5%	2,952	4.1%	21.9
Nonclassifiable	165	4.2%	271	0.4%	1.6
Total	3,903	100.0%	71,537	100.0%	18.3

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

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Lynchburg Metropolitan Statistical Area (MSA) are compared with those of Virginia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Lynchburg MSA	Virginia
Management Occupations	\$113,380	\$142,170
Business and Financial Occupations	\$69,830	\$88,480
Computer and Mathematical Occupations	\$94,970	\$107,130
Architecture and Engineering Occupations	\$86,770	\$94,480
Community and Social Service Occupations	\$47,220	\$53,450
Art, Design, Entertainment and Sports Medicine Occupations	\$49,650	\$65,300
Healthcare Practitioners and Technical Occupations	\$79,540	\$84,620
Healthcare Support Occupations	\$28,160	\$30,330
Protective Service Occupations	\$51,740	\$50,600
Food Preparation and Serving Related Occupations	\$22,330	\$25,950
Building and Grounds Cleaning and Maintenance Occupations	\$27,980	\$31,480
Personal Care and Service Occupations	\$27,510	\$31,230
Sales and Related Occupations	\$37,380	\$45,750
Office and Administrative Support Occupations	\$35,640	\$42,870
Construction and Extraction Occupations	\$40,080	\$48,430
Installation, Maintenance and Repair Occupations	\$46,750	\$53,610
Production Occupations	\$41,790	\$41,270
Transportation and Moving Occupations	\$33,440	\$39,160

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

Most annual blue-collar salaries range from \$22,330 to \$51,740 within the Lynchburg MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$88,898. It is important to note that most occupational types within the Lynchburg MSA have lower typical wages than the State of Virginia's typical wages.

The ten largest employers within the Lynchburg area comprise a total of 20,843 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Liberty University Schools	Higher Education	6,401
Centra Hospitals	Healthcare	3,096
BWX Technologies, Inc.	Manufacturers – Nuclear	2,500
Framatome	Nuclear Products & Services	1,875
Lynchburg City Schools	Education	1,605
Shentel	Telecommunications Services	1,500
City of Lynchburg	Government	1,076
Barton Malow	Construction Management	1,000
Genworth Financial	Insurance Agencies	960
Southern Air, Inc.	Contractors – Mechanical, HVAC	830
Total		20,843

Source: Inside Lynchburg Region (2021)

Despite multiple attempts, we were unable to receive a response from area economic development representatives regarding the current status of the local economy at the time this report was issued. The following, however, are summaries of some recent and notable economic development activity within the Lynchburg area based on our research:

- In July 2020, Bausch and Lomb announced it would invest over \$35 million to expand its manufacturing plant in Lynchburg. The expansion will create 79 jobs over a period of five years. In addition to this, BWXT announced its expansion in nearby Campbell County in November 2021. The multi-million-dollar expansion will create 97 jobs, and the company also plans to relocate 150 of its employees from nearby facilities to the new plant. The project is expected to be completed in 2023.

One negative impact to Lynchburg’s local economy has been inflation’s impact on local small businesses. Many businesses have been forced to take out loans and decrease staff just to stay afloat.

There were multiple infrastructure projects ongoing in Lynchburg at the time of this report. The most notable are summarized below:

Infrastructure Projects			
Project Name	Scope of Work	Status	Investment
Berry Hill Connector Road Extension	2.3 miles of road widenings and improvements	Planned; Expected to break ground in 2023 and be in three phases; ECD 2030	\$39 million
Lakeside Drive Bridge Over Blackwater Creek	City of Lynchburg is reconstructing a new section of Lakeside Drive; Realignment of US 221 Lakeside Drive; Will become a four-lane road; Addition of sidewalks	Broke ground in 2020; ECD Spring 2023	\$26 million
US 501 and US 221 Intersection Improvements Project	The City of Lynchburg will improve safety, increase capacity, and reduce delays along US 221 and US 501	Expected to break ground in Fall of 2022; ECD Fall 2024	\$38 million

ECD – Estimated Completion Date

The following table summarizes COVID-19 vaccination rates by age group for Lynchburg, Virginia as of February 14, 2022.

City of Lynchburg Vaccination Rates (as of February 14, 2022)	
Age Group	Vaccination Rate
5 to 11	37.9%
12 to 17	40.9%
18 to 64	41.8%
65+	71%
Fully Vaccinated with Booster (All Eligible Ages)	1.1%

Source: Centers for Disease Control

WARN (layoff notices):

WARN Notices were reviewed in February 2022 and according to the Virginia Employment Commission, there have been no WARN notices reported for Lynchburg over the past 12 months.

2. EMPLOYMENT TRENDS

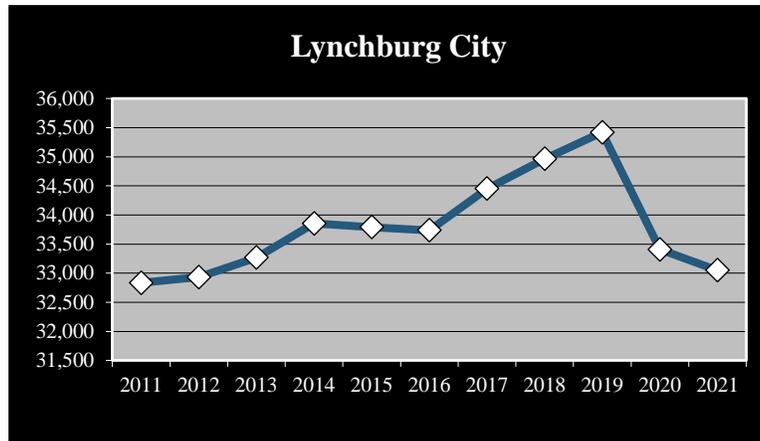
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the city/county in which the site is located.

Excluding 2021, the employment base has declined by 1.0% over the past five years in Lynchburg City, more than the Virginia state decline of 0.2%. Total employment reflects the number of employed persons who live within the city/county.

The following illustrates the total employment base for Lynchburg City, Virginia and the United States.

Year	Total Employment					
	Lynchburg City		Virginia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2011	32,834	-	3,929,008	-	141,714,419	-
2012	32,933	0.3%	3,967,151	1.0%	143,548,588	1.3%
2013	33,266	1.0%	4,002,057	0.9%	144,904,568	0.9%
2014	33,853	1.8%	4,040,908	1.0%	147,293,817	1.6%
2015	33,791	-0.2%	4,048,081	0.2%	149,540,791	1.5%
2016	33,738	-0.2%	4,084,822	0.9%	151,934,228	1.6%
2017	34,450	2.1%	4,174,453	2.2%	154,214,749	1.5%
2018	34,963	1.5%	4,232,972	1.4%	156,134,717	1.2%
2019	35,419	1.3%	4,308,622	1.8%	158,154,548	1.3%
2020	33,405	-5.7%	4,075,237	-5.4%	148,639,745	-6.0%
2021	33,049	-1.1%	4,081,546	0.2%	153,575,957	3.3%

Source: Department of Labor; Bureau of Labor Statistics

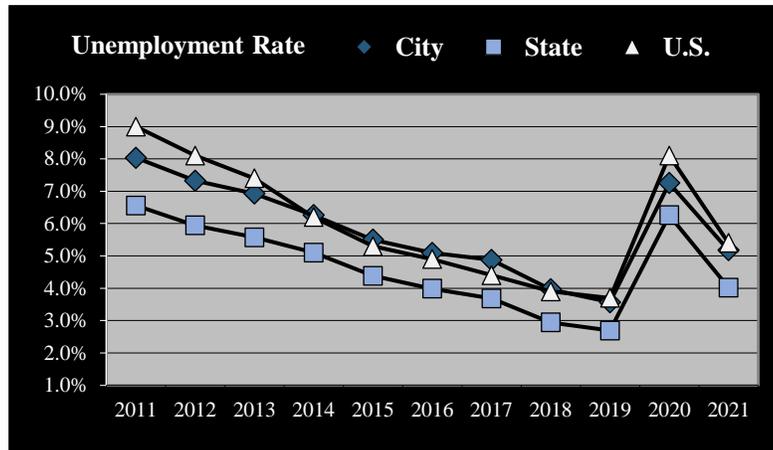


As the preceding illustrates, the Lynchburg City employment base generally experienced growth between 2011 and 2019. Between 2019 and 2020, the city’s employment base declined by 5.7% as the result of the COVID-19 pandemic. While the employment base continued to decline in 2021, it did so at a far less rate than the preceding year, indicating that the local economy is beginning to improve.

Unemployment rates for Lynchburg City, Virginia and the United States are illustrated as follows:

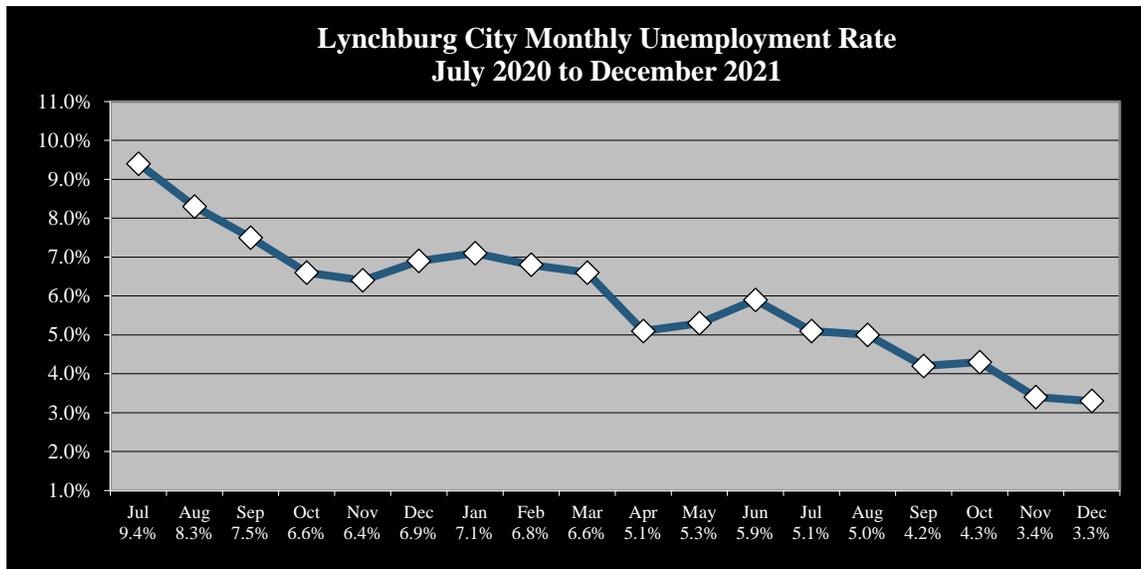
Year	Unemployment Rate		
	Lynchburg City	Virginia	United States
2011	8.0%	6.6%	9.0%
2012	7.3%	5.9%	8.1%
2013	6.9%	5.6%	7.4%
2014	6.3%	5.1%	6.2%
2015	5.5%	4.4%	5.3%
2016	5.1%	4.0%	4.9%
2017	4.9%	3.7%	4.4%
2018	4.0%	2.9%	3.9%
2019	3.6%	2.7%	3.7%
2020	7.3%	6.3%	8.1%
2021	5.2%	4.0%	5.4%

Source: Department of Labor, Bureau of Labor Statistics



Between 2011 and 2019, the unemployment rate within Lynchburg declined by over four percentage points, then increased by nearly four percentage points between 2019 and 2020 as the result of the COVID-19 pandemic. Similar to employment trends, the unemployment rate within the city improved in 2021, which declined by over two percentage points.

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



As the preceding table illustrates, the *monthly* unemployment rate for Lynchburg peaked at 9.4% in July 2020 during the height of the pandemic over the preceding 18-month period. On a positive note, the city's monthly unemployment rate has generally decreased since and is currently at 3.3% as of December, its lowest rate within the past year and a half.

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

Monthly Unemployment Rate	
Month	Lynchburg City
January 2020	3.5%
February 2020	3.1%
March 2020	3.6%
April 2020	12.1%
May 2020	9.5%
June 2020	10.1%
July 2020	9.4%
August 2020	8.3%
September 2020	7.5%
October 2020	6.6%
November 2020	6.4%
December 2020	6.9%
January 2021	7.1%
February 2021	6.8%
March 2021	6.6%
April 2021	5.1%
May 2021	5.3%
June 2021	5.9%
July 2021	5.1%
August 2021	5.0%
September 2021	4.2%
October 2021	4.3%
November 2021	3.4%
December 2021	3.3%

Source: Department of Labor, Bureau of Labor Statistics

Since January 2020 (generally the beginning of the COVID-19 pandemic), the monthly unemployment rate within Lynchburg peaked at 12.1% in April 2020. As noted on the preceding page, the monthly unemployment rate has been generally declining since.

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

Year	In-Place Employment Lynchburg City		
	Employment	Change	Percent Change
2011	50,552	-	-
2012	50,776	224	0.4%
2013	50,745	-31	-0.1%
2014	51,172	427	0.8%
2015	51,380	208	0.4%
2016	51,272	-108	-0.2%
2017	51,809	537	1.0%
2018	52,395	586	1.1%
2019	52,414	19	0.0%
2020	48,666	-3,748	-7.2%
2021*	48,410	-256	-0.5%

Source: Department of Labor, Bureau of Labor Statistics

*Through June

Data for 2020, the most recent year that year-end figures are available, indicates in-place employment in Lynchburg City to be 145.7% of the total Lynchburg City employment. This means that Lynchburg City has more employed persons coming to the city from other cities/counties for work (daytime employment) than those who both live and work there.

3. ECONOMIC FORECAST

The Lynchburg economy generally experienced growth between 2011 and 2019. However, beginning in 2020, the area was negatively impacted by the COVID-19 pandemic, which caused many area businesses to shut down in an attempt to mitigate the spread of the coronavirus. During this time, the Lynchburg employment base declined by nearly 2,015 jobs, or 5.7%, and its unemployment rate increased by nearly four percentage points. Specifically, between February and April 2020, the unemployment rate within the city spiked by nine percentage points. On a positive note, the local economy appears to have improved in 2021. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for over 19.0% of the market’s labor force and provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

4. COMMUTING PATTERNS

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

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	34,593	77.6%
Carpooled	4,549	10.2%
Public Transit	986	2.2%
Walked	1,663	3.7%
Other Means	842	1.9%
Worked at Home	1,925	4.3%
Total	44,558	100.0%

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

Nearly 78% of all workers drove alone, 10.2% carpooled and only 2.2% used public transportation.

Typical travel times to work for the Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	17,944	40.3%
15 to 29 Minutes	18,915	42.4%
30 to 44 Minutes	2,999	6.7%
45 to 59 Minutes	915	2.1%
60 or More Minutes	1,862	4.2%
Worked at Home	1,925	4.3%
Total	44,560	100.0%

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

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 20-minute drive to most of the area's largest employers, which should contribute to its marketability. A drive-time map for the subject site is on the following page.

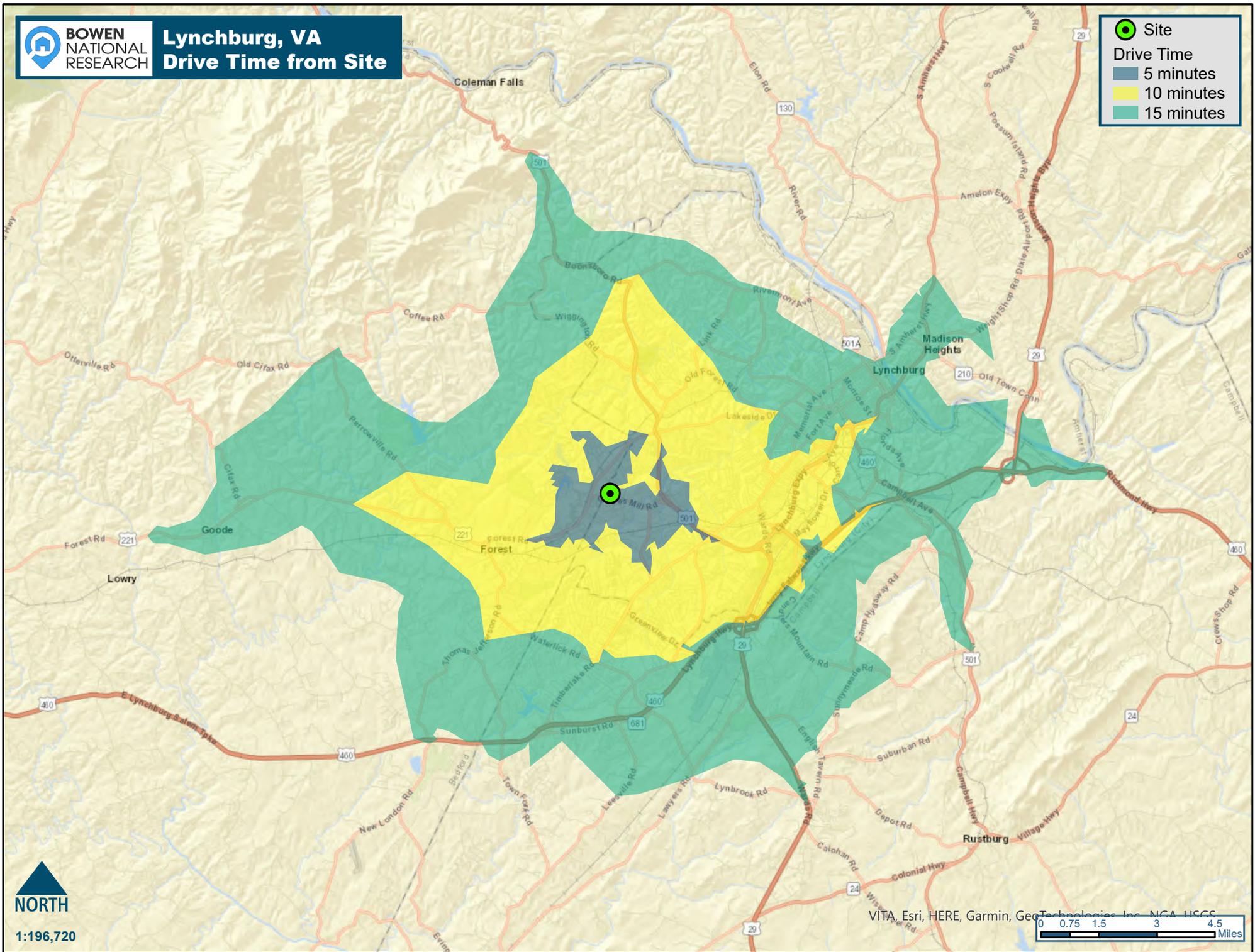


Lynchburg, VA Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



1:196,720

V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

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

Housing Status	2010 (Census)		2022 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	35,211	90.1%	38,626	89.7%
Owner-Occupied	19,886	56.5%	19,727	51.1%
Renter-Occupied	15,325	43.5%	18,899	48.9%
Vacant	3,855	9.9%	4,421	10.3%
Total	39,066	100.0%	43,047	100.0%

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

Based on a 2022 update of the 2010 Census, of the 43,047 total housing units in the market, 10.3% were vacant. In 2022, it was estimated that homeowners occupied 51.1% of all occupied housing units, while the remaining 48.9% were occupied by renters. The share of renters is considered typical for a market of this size and the 18,899 renter households estimated in 2022 represent a deep base of potential support for the subject site.

Conventional Apartments

We identified and personally surveyed 23 conventional housing projects containing a total of 3,409 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 99.6%, a very strong rate for rental housing. The surveyed rental developments broken out by project type are summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	12	2,504	11	99.6%
Market-rate/Tax Credit	1	176	3	98.3%
Tax Credit	7	543	0	100.0%
Tax Credit/Government-Subsidized	3	186	0	100.0%
Total	23	3,409	14	99.6%

As the preceding table illustrates, all rental housing segments surveyed within the market are performing at very strong occupancy levels, as none have a combined occupancy rate lower than 98.3%. In fact, all affordable rental units surveyed are fully occupied, illustrating that pent-up demand exists for this type of housing. The subject project will be able to accommodate a portion of this unmet demand.

In addition to the 11 projects surveyed in the market that offer Tax Credit units, there are six additional family (general-occupancy) Tax Credit developments within the market that we were unable to survey at the time this report was issued. The following table summarizes these projects we were unable to survey:

Project Name	Address	Year Built/Rehab	Total Units
Burton Creek Apts.	679 Leesville Rd.	1982 / 2020	85
Central City Homes	451 Rivermont Ave.	2004	34
College Hill Homes	517 Madison St.	2003	28
Hilltop Homes	1402 Fillmore St.	2011	24
James Crossings Apts.	808 Greenfield Dr.	1968 / 2004	288
Kemper Lofts	1401 Kemper St.	2010	41

Lastly, per the request of the Virginia Housing, the following is a list of Tax Credit projects identified within the Site PMA that were excluded from our survey, as they target a different demographic than the subject site:

Project Name	Address	Year Built/Rehab	Total Units
Gateway	300 12 th St.	1992	24
Serenity Manor	701 Hollins St.	2003	56

The following table summarizes the breakdown of market-rate and Tax Credit units surveyed within the Site PMA.

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	26	1.0%	0	0.0%	\$779
One-Bedroom	1.0	611	23.5%	2	0.3%	\$1,103
Two-Bedroom	1.0	68	2.6%	0	0.0%	\$1,345
Two-Bedroom	2.0	1,256	48.3%	6	0.5%	\$1,345
Three-Bedroom	2.0	575	22.1%	6	1.0%	\$1,526
Three-Bedroom	2.5	36	1.4%	0	0.0%	\$1,894
Four-Bedroom	2.0	31	1.2%	0	0.0%	\$1,923
Total Market-rate		2,603	100.0%	14	0.5%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	36	5.8%	0	0.0%	\$622
One-Bedroom	1.0	299	48.2%	0	0.0%	\$715
Two-Bedroom	1.0	67	10.8%	0	0.0%	\$770
Two-Bedroom	1.5	8	1.3%	0	0.0%	\$836
Two-Bedroom	2.0	162	26.1%	0	0.0%	\$849
Three-Bedroom	2.0	48	7.7%	0	0.0%	\$968
Total Tax Credit		620	100.0%	0	0.0%	-

As the preceding table illustrates, the median gross Tax Credit rents are well below the corresponding median gross market-rate rents. As such, Tax Credit product likely represents an excellent value to low-income renters within the Site PMA. This is further evidenced by the combined vacancy rate of 0.0% among all non-subsidized Tax Credit units surveyed within the market.

The following is a distribution of non-subsidized units surveyed by year built for the Site PMA:

Year Built	Projects	Units	Vacancy Rate
1970 to 1979	2	251	0.0%
1980 to 1989	0	0	0.0%
1990 to 1999	1	168	0.0%
2000 to 2009	4	904	1.3%
2010 to 2014	6	484	0.4%
2015	2	489	0.0%
2016 to 2017	0	0	0.0%
2018	1	28	0.0%
2019	3	727	0.0%
2020	1	172	0.0%
2021 to 2022*	0	0	0.0%

*As of February

Regardless of year built, vacancy levels are no higher than 1.3%. As such, it can be concluded that there is no correlation between age and vacancies within the Lynchburg rental housing market.

The newest rental community surveyed in the market, Logan’s Landing (Map ID 14), offers 172 market-rate units and opened in April 2020. According to management, this property reached a stabilized occupancy rate of approximately 93.0% in June 2020, yielding an absorption rate of approximately 80 units per month, or 53 units per month when considering preleasing efforts that took place in March 2020. This is a very rapid rate for market-rate rental housing and illustrates that newer rental housing product has been very well received within the Lynchburg Site PMA.

We rated each property surveyed on a scale of "A" through "F". All non-subsidized properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies:

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A	12	2,431	0.6%
B+	1	172	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A	4	313	0.0%
B+	1	28	0.0%
B	1	101	0.0%
B-	1	150	0.0%
C	1	28	0.0%

Regardless of quality, vacancy levels are very low, with none exceeding 0.6%. Therefore, it can also be concluded that there is no correlation between appearance and vacancies within the Lynchburg rental housing market.

Government-Subsidized

We identified and surveyed three government-subsidized projects within the Site PMA. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units surveyed, all of which also operate under the Tax Credit program, in the Site PMA are summarized as follows:

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
One-Bedroom	1.0	54	29.0%	0	0.0%
Two-Bedroom	1.0	23	12.4%	0	0.0%
Two-Bedroom	1.5	40	21.5%	0	0.0%
Two-Bedroom	2.0	8	4.3%	0	0.0%
Three-Bedroom	1.0	12	6.5%	0	0.0%
Three-Bedroom	2.0	37	19.9%	0	0.0%
Four-Bedroom	2.0	9	4.8%	0	0.0%
Four-Bedroom	3.0	3	1.6%	0	0.0%
Total Subsidized Tax Credit		186	100.0%	0	0.0%

All subsidized rental units surveyed are occupied, all of which maintain extensive waiting lists, illustrating that pent-up demand exists for very low-income rental housing within the market.

Additional information regarding the Lynchburg Site PMA apartment market is found in Section XII of this report.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

We identified and surveyed five family (general-occupancy) rental housing communities within the Lynchburg Site PMA that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units. These properties target households with income of up to 40%, 50% and/or 60% of Area Median Household Income (AMHI); therefore, they are considered competitive properties. These five LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the Field Survey of Conventional Rentals.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Spencer Pointe	2024	50	-	-	-	Families; 30%, 40%, 50%, 60% & 80% AMHI & PBV
12	Jobbers Overall Apts.	2012	44	100.0%	7.1 Miles	15 HH	Families; 40% & 50% AMHI
17	Old Forest Village	2018	28	100.0%	5.0 Miles	600 HH	Families; 40% AMHI
20	Timber Ridge I & II	1998	168	100.0%	2.9 Miles	None	Families; 50% AMHI
21	Victoria Ridge	2011	24	100.0%	9.7 Miles	600 HH	Families; 40% AMHI
22	Vistas at Dreaming Creek	2001	77*	100.0%	2.9 Miles	None	Families; 60% AMHI

OCC. – Occupancy
 HH - Households
 *Tax Credit units only

The five LIHTC projects have a combined occupancy rate of 100.0%, three of which maintain a waiting list, illustrating that pent-up demand exists for affordable rental housing within the market. The subject project will be able to accommodate a portion of this unmet demand.

The newest LIHTC rental community surveyed, Old Forest Village (Map ID 17), opened in December 2018 with all 28 units leased within the same month. This is a very rapid rate for affordable rental housing, illustrating that this type of housing product has been very well received within the market. This will bode well in the demand of the subject units. When considering preleasing efforts that took place in June 2018, the absorption rate for this project was approximately five units per month.

The gross rents for the competing projects and the proposed/programmatic rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
			\$497/30% (3) \$664*/40% (4) \$827/50% (7) \$967/60% (3) \$992/80% (13)	\$572/30% (2) \$766*/40% (4) \$957/50% (5) \$1,117/60% (1) \$1,142/80% (8)	
Site	Spencer Pointe	-			-
12	Jobbers Overall Apts.	-	\$655/40% (3/0) \$821/50% (17/0)	\$757/40% (2/0) \$949/50% (22/0)	None
17	Old Forest Village	\$671/40% (18/0)	\$781/40% (10/0)	-	None
20	Timber Ridge I & II	\$715/50% (60/0)	\$849/50% (90/0)	\$986/50% (18/0)	None
21	Victoria Ridge	\$692/40% (16/0)	\$836/40% (8/0)	-	None
22	Vistas at Dreaming Creek	\$869/60% (8/0)	\$1,017/60% (63/0)	\$1,199/60% (6/0)	None

*2021 maximum allowable gross LIHTC rent

The proposed/programmatic subject gross rents, ranging from \$497 to \$1,142, will generally be some of the lowest LIHTC rents within the market for similar unit types. This will position the subject project at a competitive advantage.

Additionally, the subject project will be the only LIHTC rental community within the market to offer units set aside at 30% and 80% of AMHI. This will also position the subject at a market advantage, as it will provide an affordable rental housing alternative to very low- and moderate-income renters within the Lynchburg Site PMA that are currently underserved.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
12	Jobbers Overall Apts.	44	10	22.7%
17	Old Forest Village	28	1	3.6%
20	Timber Ridge I & II	168	N/A	-
21	Victoria Ridge	24	N/A	-
22	Vistas at Dreaming Creek	77*	0	0.0%
Total		149	11	7.4%

*Tax Credit units only

N/A – Not Available (units not included in total)

As the preceding table illustrates, there are a total of approximately 11 units that are occupied by Voucher holders among the three comparable LIHTC projects surveyed that provided such information. The 11 units occupied by Voucher holders comprise only 7.4% of these comparable units. This illustrates that nearly 93.0% of these comparable Tax Credit units are occupied by tenants which are not currently receiving rental assistance. Therefore, the gross rents charged at the aforementioned projects in the market are achievable.

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Spencer Pointe	-	919 - 984	1,148
12	Jobbers Overall Apts.	-	923 - 1,257	1,017 - 1,300
17	Old Forest Village	786	1,157	-
20	Timber Ridge I & II	744	1,076	1,283
21	Victoria Ridge	786 - 828	1,157	-
22	Vistas at Dreaming Creek	790	960	1,159

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Spencer Pointe	-	1.5	2.0
12	Jobbers Overall Apts.	-	1.0 - 2.0	2.0
17	Old Forest Village	1.0	1.0	-
20	Timber Ridge I & II	1.0	2.0	2.0
21	Victoria Ridge	1.0	1.5	-
22	Vistas at Dreaming Creek	1.0	2.0	2.0

The subject project will generally offer competitive LIHTC unit sizes in terms of square feet and number of bathrooms offered relative to those offered at the comparable properties surveyed and are considered appropriately positioned.

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

Tax Credit Unit Amenities by Map ID							
	Site*	12	17	20	21	22	
Appliances	Dishwasher	X	X		X	X	X
	Disposal	X		X	X		X
	Microwave	X					X
	Range	X	X	X	X	X	X
	Refrigerator	X	X	X	X	X	X
	W/D Hookup	X	X	X	X	X	X
	W/D			X		X	X
	No Appliances						
Unit Amenities	AC-Central	X	X	X	X	X	X
	AC-Other						
	Balcony/ Patio/ Sunroom				X		X
	Basement						
	Ceiling Fan		X	X		X	
	Controlled Access	X	X	X			X
	E-Call System			X		X	
	Furnished						
	Walk-In Closet						X
	Window Treatments	X	X	X	X	X	X
Flooring	Carpet		X		X		X
	Ceramic Tile						
	Hardwood		X				
	Finished Concrete						
	Composite/Vinyl/Laminate	X		X		X	X
Upgraded	Premium Appliances						
	Premium Countertops						
	Premium Cabinetry						
	Premium Fixtures						
	High/Vaulted Ceilings						
	Oversized Windows						
Parking	Attached Garage						
	Detached Garage				O		O
	Street Parking						
	Surface Lot	X	X	X	X	X	X
	Carport				O		
	Property Parking Garage						
	No Provided Parking						

◆ - Senior Property

* Proposed Site(s): Spencer Pointe

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

	Site*	12	17	20	21	22
	Bike Racks / Storage	X				X
	Computer/Business Center	X	X			
	Car Care **					
	Community Garden					
Community	Multipurpose Room	X	X			
	Chapel					
	Community Kitchen	X				
	Dining Room - Private					
	Dining Room - Public					
	Rooftop Terrace					
	Concierge Service **					
	Convenience Amenities **					
	Covered Outdoor Area **					
	Elevator	X	X			
	Laundry Room	X	X		X	
	On-Site Management	X	X		X	X
	Pet Care **	X				X
Recreation	Basketball					
	Bocce Ball					
	Firepit					
	Fitness Center	X	X			X
	Grilling Area	X				X
	Game Room - Billiards					
	Walking Path					
	Hot Tub					
	Library		X			
	Media Room / Theater					
	Playground	X			X	X
	Putting Green					
	Racquetball					
	Shuffleboard					
	Swimming Pool - Indoor					
	Swimming Pool - Outdoor				X	X
	Tennis					
Volleyball						
Security	CCTV	X	X			
	Courtesy Officer					
	Security Gate					
	Social Services **					
	Storage - Extra				X	O
	Common Space WiFi	X				

◆ - Senior Property

* Proposed Site(s): Spencer Pointe

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

** Details in Comparable Property Profile Report

As the preceding tables illustrate, the amenities package to be included at the site will generally be superior to those offered at the comparable LIHTC projects surveyed within the market. In terms of unit amenities, the subject project will be one of two LIHTC communities to include a microwave. Regarding project amenities, the subject project will be the only LIHTC project to offer bike racks, a community kitchen, dog park and grilling area. The inclusion of the aforementioned amenities will position the site at a competitive advantage.

Competitive Tax Credit Summary

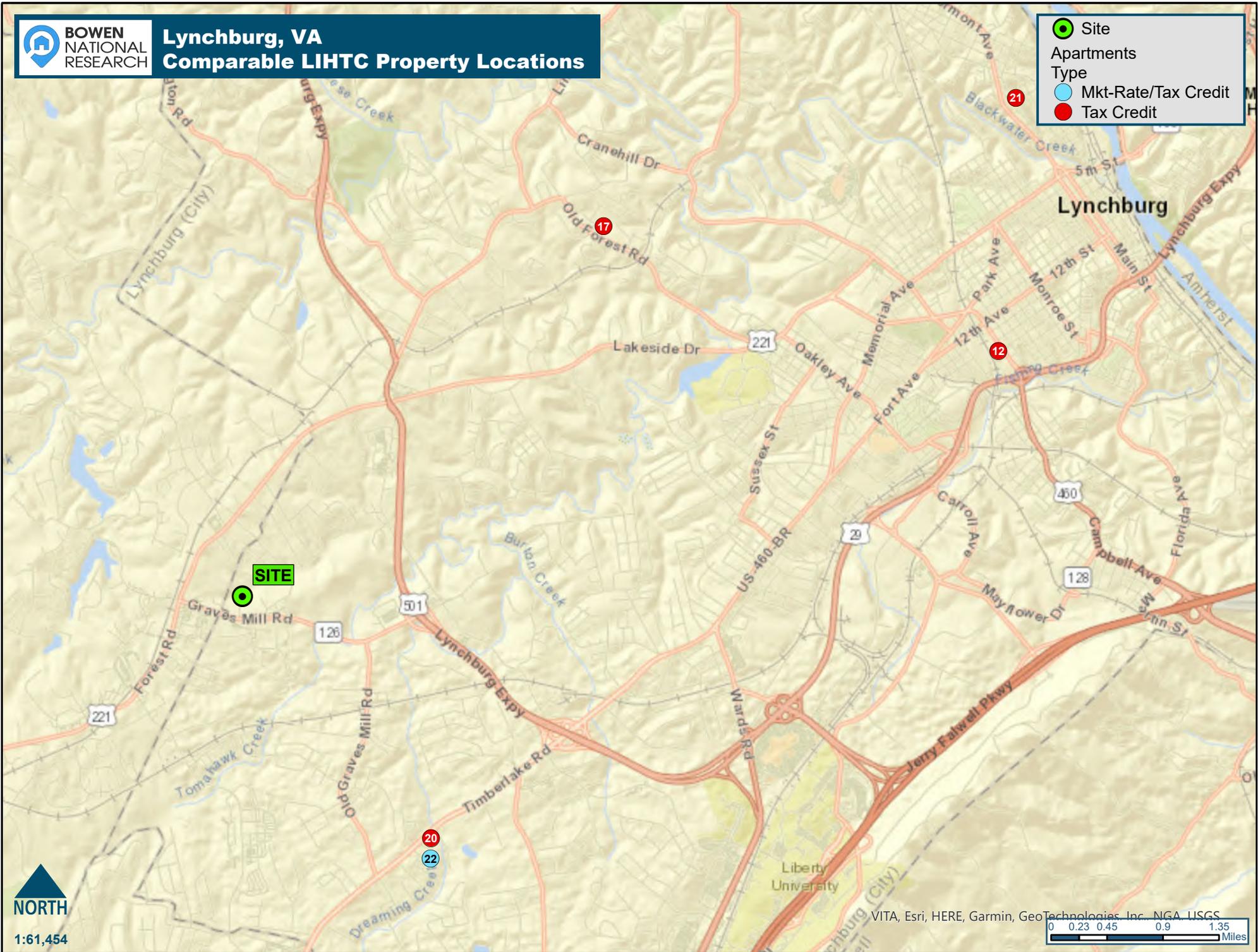
Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties surveyed within the market, it is our opinion that the proposed subject development will be very marketable. In fact, the subject project will be the newest LIHTC rental community within the Lynchburg Site PMA, offering some of the lowest LIHTC rents for similar unit types and a superior amenities package. Additionally, the subject project will be the only LIHTC project within the market to offer units set aside at 30% and 80% of AMHI. These factors will position the subject project at a competitive advantage and have been considered in our absorption projections.

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



Lynchburg, VA Comparable LIHTC Property Locations

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



1:61,454

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



C. PLANNED MULTIFAMILY DEVELOPMENT

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

- 252 apartments have been proposed by Thomas Builders of Virginia at 18442 Leesville Road and are currently being called the Leesville Road Apartments. At the time of this report, the site plan was in review. The project would require rezoning for a portion of the property.
- Florida Terrace is a planned Tax Credit and government-subsidized development to be located at 2117 Florida Avenue in Lynchburg. The 48-unit property will have 24 units set aside for persons with special needs. The property will feature eight units set aside at 40%, 16 units set aside at 50% and 24 units set aside at 60% of AMHI. A total of 15 units will have a project-based Section 8 subsidy and 11 units will include HOME funds. The developer, Rush Homes, was allocated Tax Credit funding for the project in 2021, which is expected to be completed in 2023.
- Miller's Rest I is currently under construction at 6100 Old Mill Road in Lynchburg. The 80-unit multifamily property will be both Tax Credit and government-subsidized, featuring 40%, 50% and 60% of AMHI units. All eight of the 40% of AMHI units will offer a project-based Section 8 subsidy. The developer, Lawson Companies, was allocated Tax Credit funding in 2020. The project is anticipated to be completed sometime in 2022.
- Miller's Rest II is also currently planned at 6100 Old Mill Road. The 40-unit multifamily property is being developed by Lawson Companies, who was awarded Tax Credit funding for the additional phase in 2021. The property will be both Tax Credit and subsidized, featuring one-, two-, and three-bedroom units to be rented at 30%, 40% 50% and 60% of AMHI. A total of five units at both 40% and 50% of AMHI will offer a Section 8 subsidy. The project is expected to break ground in early 2022 and is expected to be completed in August 2023.
- Stud Muffin, LLC's proposal for the adaptive reuse of the historic DeWitt-Wharton Manufacturing Company Building built in 1906 into 24 one-bedroom lofts at 1701 12th Street in Lynchburg were approved in late 2021. Renovations are slated to begin in early 2022.

- Jefferson House (Map ID 11), an existing Tax Credit rental community at 1818 Langhorne Square in Lynchburg, was purchased in March 2020 by JE Properties, LLC. The new owners are currently planning a phase II for the property. The existing property has 101 one-bedroom units designated to seniors 55 and older and is rented to those earning 60% of AMHI. Phase II will fall under the same restrictions and will include the addition of 65 units to the property, as well as 26 additional parking spaces. At the time of this report, the developer was seeking Tax Credit funding.
- West Edge is currently under construction at 7612 Timberlake Road in Timberlake. TPB Enterprises is constructing 270 market-rate units. At the time this report was issued, the estimated completion date of the project was unavailable.

Of the aforementioned rental communities within the development pipeline, three will likely have some competitive overlap with the subject development, as they target a similar age- and income-demographic, Florida Terrace, Miller’s Rest I and Miller’s Rest II. Therefore, these projects have been considered in our demand analysis illustrated later in Section VII – *Capture Rate Analysis* of this report.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

The anticipated occupancy rates of the existing comparable Tax Credit developments surveyed within the market during the first year of occupancy at the subject project are as follows:

Map I.D.	Project	Current Occupancy Rate	Anticipated Occupancy Rate Through 2024
12	Jobbers Overall Apts.	100.0%	95.0%+
17	Old Forest Village	100.0%	95.0%+
20	Timber Ridge I & II	100.0%	95.0%+
21	Victoria Ridge	100.0%	95.0%+
22	Vistas at Dreaming Creek	100.0%	95.0%+

All family projects surveyed that offer non-subsidized LIHTC units are fully occupied, three of which maintain a waiting list. Given these strong occupancy levels and the fact that significant demographic support exists in the market for the subject development, as illustrated later in Section VII of this report, it is not anticipated that the subject project will have any significant impact on the existing comparable LIHTC projects' marketability. It is expected that the comparable LIHTC projects will maintain occupancy levels at or above 95.0% during the subject development's first year of occupancy.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value within the Site PMA was \$185,887. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$185,887 home is \$1,118, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$185,887
Mortgaged Value = 95% of Median Home Price	\$176,593
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$895
Estimated Taxes and Insurance*	\$224
Estimated Monthly Mortgage Payment	\$1,118

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents at the subject property are well below the cost of a monthly mortgage for a typical home in the area. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

We identified five market-rate properties within the Lynchburg Site PMA that we consider comparable to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, midrise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, then we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

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

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

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

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					One-Br.	Two-Br.	Three-Br.	Four-Br.
Site	Spencer Pointe	2024	50	-	-	30 (-)	20 (-)	-
4	Cottontown Manor	2019	276	100.0%	96 (100.0%)	85 (100.0%)	95 (100.0%)	-
6	Gables of Cornerstone	2011	108	100.0%	-	90 (100.0%)	18 (100.0%)	-
7	Gables of Jefferson Commons	2010	232	99.1%	-	140 (100.0%)	92 (97.8%)	-
8	Gables of Spring Creek	2015	257	100.0%	-	129 (100.0%)	97 (100.0%)	31 (100.0%)
14	Logan's Landing	2020	172	100.0%	88 (100.0%)	66 (100.0%)	18 (100.0%)	-

Occ. – Occupancy

The five selected market-rate projects have a combined total of 1,045 units with an overall occupancy rate of 99.8%, a very strong rate for rental housing. This indicates that these projects have been very well received within the market and will serve as accurate benchmarks with which to compare the subject project.

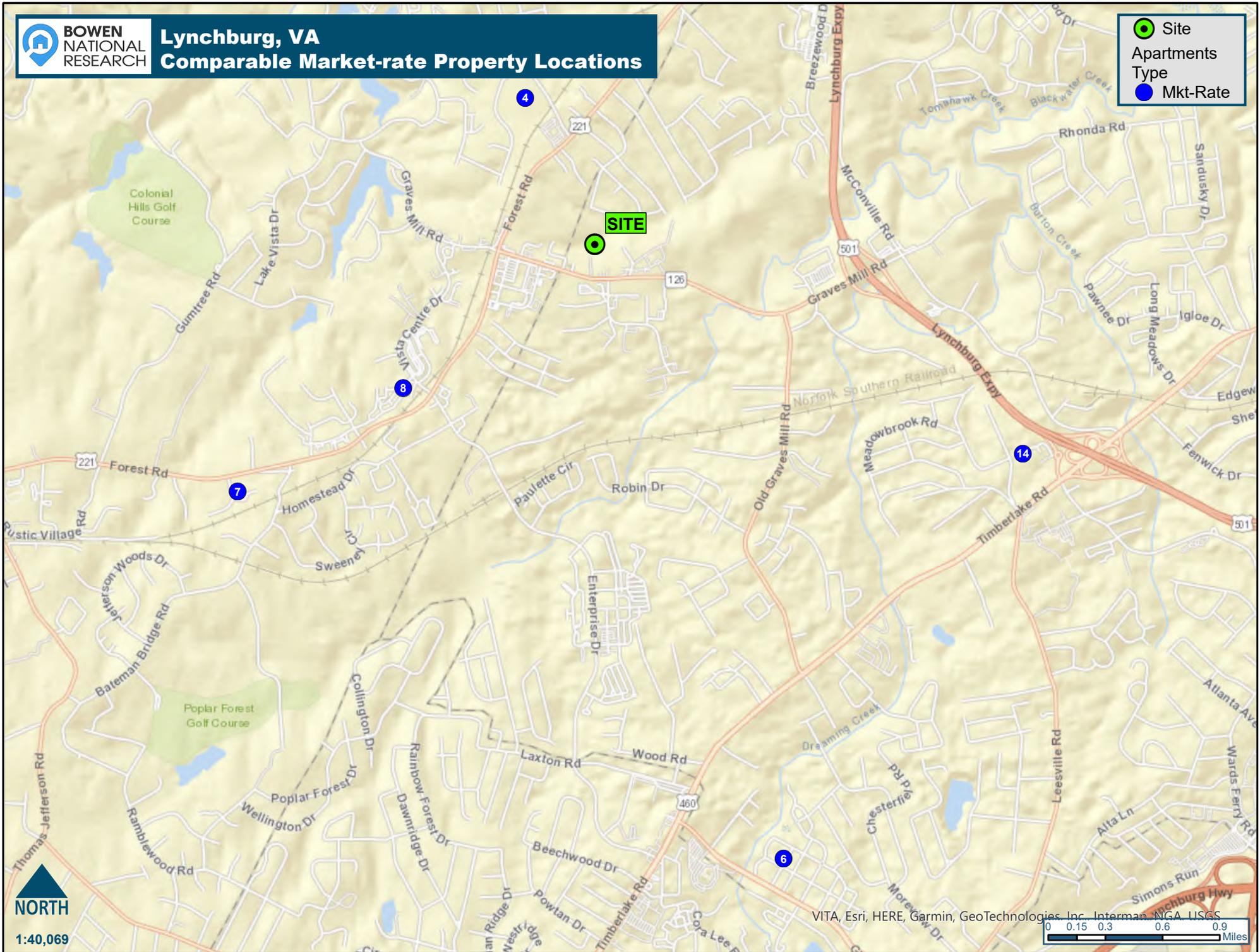
The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and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



Lynchburg, VA

Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



1:40,069

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., Intermap, INGA, USGS
0 0.15 0.3 0.6 0.9 Miles

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Spencer Pointe		Cottontown Manor		Gables of Cornerstone		Gables of Jefferson Commons		Gables of Spring Creek		Logan's Landing	
1700 Graves Mill Road		1230 Cottontown Rd		203 Capital St		1047 East Lawn Dr		1061 Spg Crk Dr		6343 Logans Ln	
Lynchburg, VA		Forest, VA		Lynchburg, VA		Forest, VA		Forest, VA		Lynchburg, VA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,150		\$1,175		\$1,100		\$1,205		\$1,112	
2	Date Surveyed	Jan-22		Jan-22		Jan-22		Jan-22		Feb-22	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,150	1.11	\$1,175	1.11	\$1,100	1.00	\$1,205	1.01	\$1,112	1.08
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	EE/4		WU/3		WU/3		WU/3		EE/4	
7	Yr. Built/Yr. Renovated	2024		2019	\$5	2011	\$13	2010	\$14	2015	\$9
8	Condition/Street Appeal	E		E		E		E		E	
9	Neighborhood	G	(\$10)	E		G		E	(\$10)	E	(\$10)
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1.5	(\$15)	2	(\$15)	2	(\$15)	2	(\$15)	1	\$15
13	Unit Interior Sq. Ft.	919	(\$32)	1040	(\$32)	1062	(\$38)	1102	(\$48)	1194	(\$73)
14	Patio/Balcony/Sunroom	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	V		V		C/V		C/V		C/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y		Y		N	\$3	N	\$3	N	\$3
22	Garbage Disposal	Y		N	\$5	Y		N	\$5	Y	
23	Ceiling Fan/Storage	N/N	(\$5)	Y/N	(\$5)	Y/Y	(\$10)	Y/N	(\$5)	N/N	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		N	\$5	Y		Y		Y	
26	Security Features	Y		N	\$5	N	\$5	N	\$5	N	\$5
27	Community Space	Y		Y		N	\$5	Y		Y	
28	Pool/Recreation Areas	F	(\$10)	P/F	(\$10)	P/S	(\$8)	P/F/S	(\$13)	P/F/S	(\$13)
29	Computer/Business Center	Y		N	\$3	N	\$3	N	\$3	N	\$3
30	Grilling Area	Y		N	\$3	Y		Y		Y	
31	Playground	Y		N	\$3	Y		Y		N	\$3
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N	(\$43)	Y/Y	(\$43)	N/N		Y/Y	(\$43)	Y/Y	(\$43)
39	Trash/Recycling	Y/N		Y/N		N/N	\$15	Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	7	7	5	6	5	7	5	6	6	5
41	Sum Adjustments B to D	\$29	(\$102)	\$29	(\$101)	\$30	(\$121)	\$23	(\$141)	\$45	(\$78)
42	Sum Utility Adjustments		(\$43)		\$15		(\$43)		(\$43)		(\$43)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$116)	\$174	(\$57)	\$145	(\$134)	\$194	(\$161)	\$207	(\$76)	\$166
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,034		\$1,118		\$966		\$1,044		\$1,036	
45	Adj Rent/Last rent		90%		95%		88%		87%		93%
46	Estimated Market Rent	\$1,040	\$1.13 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **THREE-BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Spencer Pointe		Cottontown Manor		Gables of Cornerstone		Gables of Jefferson Commons		Gables of Spring Creek		Logan's Landing	
1700 Graves Mill Road		1230 Cottontown Rd		203 Capital St		1047 East Lawn Dr		1061 Spg Crk Dr		6343 Logans Ln	
Lynchburg, VA		Forest, VA		Lynchburg, VA		Forest, VA		Forest, VA		Lynchburg, VA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$1,425		\$1,235		\$1,290		\$1,290		\$1,414	
2	Date Surveyed	Jan-22		Jan-22		Jan-22		Jan-22		Feb-22	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		98%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$1,425	1.02	\$1,235	1.01	\$1,290	1.02	\$1,290	1.02	\$1,414	1.02
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	EE/4		WU/3		WU/3		WU/3		EE/4	
7	Yr. Built/Yr. Renovated	2024		2019	\$5	2011	\$13	2010	\$14	2015	\$9
8	Condition/Street Appeal	E		E		E		E		E	
9	Neighborhood	G		E	(\$10)	G		E	(\$10)	E	(\$10)
10	Same Market?	Yes		Yes		Yes		Yes		Yes	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3		3		3		3		3	
12	# Baths	2		2		2		2		2	
13	Unit Interior Sq. Ft.	1148		1400	(\$64)	1225	(\$20)	1262	(\$29)	1262	(\$29)
14	Patio/Balcony/Sunroom	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	Y/Y		Y/Y		Y/Y		Y/Y		Y/Y	
18	Washer/Dryer	HU/L		W/D	(\$25)	W/D	(\$25)	W/D	(\$25)	W/D	(\$25)
19	Floor Coverings	V		V		C/V		C/V		C/V	
20	Window Treatments	Y		Y		Y		Y		Y	
21	Secured Entry	Y		Y		N	\$3	N	\$3	N	\$3
22	Garbage Disposal	Y		N	\$5	Y		N	\$5	Y	
23	Ceiling Fan/Storage	N/N		Y/N	(\$5)	Y/Y	(\$10)	Y/N	(\$5)	N/N	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		N	\$5	Y		Y		Y	
26	Security Features	Y		N	\$5	N	\$5	N	\$5	N	\$5
27	Community Space	Y		Y		N	\$5	Y		Y	
28	Pool/Recreation Areas	F		P/F	(\$10)	P/S	(\$8)	P/F/S	(\$13)	P/F/S	(\$13)
29	Computer/Business Center	Y		N	\$3	N	\$3	N	\$3	N	\$3
30	Grilling Area	Y		N	\$3	Y		Y		Y	
31	Playground	Y		N	\$3	Y		Y		N	\$3
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		Y/Y	(\$68)	N/N		Y/Y	(\$68)	Y/Y	(\$68)
39	Trash/Recycling	Y/N		Y/N		N/N	\$15	Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	7	6	5	5	5	6	5	5	5	5
41	Sum Adjustments B to D	\$29	(\$119)	\$29	(\$68)	\$30	(\$87)	\$23	(\$82)	\$30	(\$109)
42	Sum Utility Adjustments		(\$68)		\$15		(\$68)		(\$68)		(\$68)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	(\$158)	\$216	(\$24)	\$112	(\$125)	\$185	(\$127)	\$173	(\$147)	\$207
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,267		\$1,211		\$1,165		\$1,163		\$1,267	
45	Adj Rent/Last rent		89%		98%		90%		90%		90%
46	Estimated Market Rent	\$1,215	\$1.06 ←	Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the proposed subject development are \$1,040 for a two-bedroom unit and \$1,215 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed/ Programmatic Collected Rent	% AMHI	Achievable Market Rent	Market Rent Advantage
Two-Br.	\$380	30%	\$1,040	63.5%
	\$547*	40%		47.4%
	\$710	50%		31.7%
	\$850	60%		18.3%
	\$875	80%		15.9%
Three-Br.	\$430	30%	\$1,215	64.6%
	\$624*	40%		48.6%
	\$815	50%		32.9%
	\$975	60%		19.8%
	\$1,000	80%		17.7%

*Maximum allowable gross LIHTC rent less the value of tenant-paid utilities

Typically, Tax Credit units should represent an approximate 10.0% market rent advantage. As such, the proposed subject Tax Credit rents will likely be perceived as excellent values within the market, as they represent market rent advantages ranging from 15.9% to 64.6%, depending upon bedroom type and targeted income level.

B. Rent Adjustment Explanations (Rent Comparability Grid)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 2010 and 2020. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made an adjustment for the one property that we consider to be of inferior quality compared to the subject development.
9. Four of the selected properties are located in more desirable neighborhoods than the subject project. As such, we have made adjustments to account for differences in neighborhood desirability among these projects and the subject project.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar-for-dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenity package inferior to those offered at the selected properties. We have made adjustments for features lacking at the subject project.
- 24.-32. The proposed project offers a comprehensive project amenity package yet considered generally inferior to those offered at the selected market-rate developments. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

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

Under the Low-Income Housing Tax Credit program (LIHTC), household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Lynchburg, Virginia MSA, which has a median four-person household income of \$73,700 for 2021. The subject property will be restricted to households with incomes of up to 30%, 40%, 50%, 60% and 80% of AMHI. The following table summarizes the maximum allowable income by household size and income level:

Household Size	Targeted AMHI Maximum Allowable Income				
	30%	40%	50%	60%	80%
One-Person	\$15,480	\$20,640	\$25,800	\$30,960	\$41,280
Two-Person	\$17,700	\$23,600	\$29,500	\$35,400	\$47,200
Three-Person	\$19,920	\$26,560	\$33,200	\$39,840	\$53,120
Four-Person	\$22,110	\$29,480	\$36,850	\$44,220	\$58,960
Five-Person	\$23,880	\$31,840	\$39,800	\$47,760	\$63,680

1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to generally house up to five-person households. As such, the maximum allowable income at the subject site is **\$63,680**.

2. Minimum Income Requirements

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

The lowest proposed LIHTC rent at the subject site is \$497. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,964. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$17,040**.

3. Income-Appropriate Range

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

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 30% of AMHI)	\$17,040	\$23,880
Tax Credit w/ PBV (Limited to 40% of AMHI)	\$0	\$31,840
Tax Credit (Limited to 40% of AMHI)	\$22,766	\$31,840
Tax Credit (Limited to 50% of AMHI)	\$28,354	\$39,800
Tax Credit (Limited to 60% of AMHI)	\$33,154	\$47,760
Tax Credit (Limited to 80% of AMHI)	\$34,011	\$63,680
Overall Tax Credit w/ PBV	\$0	\$63,680
Overall Tax Credit	\$17,040	\$63,680

B. CAPTURE RATE CALCULATIONS

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

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

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2022 as the base year and projecting forward to 2024, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*
 - a) **Rent overburdened households, if any, within the age group, income groups and renters targeted for the proposed development.** *“Overburdened” is defined by Virginia Housing as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 13.4% to 66.2% of income-appropriate renter households, depending upon income level, within the market are considered to be rent overburdened.

- b) **Households in substandard housing** (*i.e. overcrowded and/or lack of plumbing: Must be age and income group appropriate. Analysts must use their knowledge of the market area and the proposed development to determine if demand from this source is realistic. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 4.2% of all households within the market are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

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

Not applicable; subject site is general-occupancy.

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

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

C. DEMAND/CAPTURE RATE CALCULATIONS

As discussed earlier in *Section V*, no vacancies exist at the comparable LIHTC properties surveyed. There are, however, three LIHTC rental communities within the development pipeline in the market that have received funding and will offer units considered directly comparable to the subject site. These projects are summarized as follows:

- Florida Terrace was allocated funding in 2021 and will offer 48 units, of which 16 are considered directly comparable to the site in terms of number of bedrooms and targeted income levels: three (3) two-bedroom units at 40% of AMHI, five (5) two-bedroom units at 50% of AMHI and eight (8) two-bedroom units at 60% of AMHI.

- Miller's Rest I is currently under construction and will offer 80 units, of which 58 are considered directly comparable to the site: 18 two-bedroom units at 50% of AMHI and 40 two- and three-bedroom units at 60% of AMHI.
- Miller's Rest II was allocated funding in 2021 and will offer 40 units, of which 28 are considered directly comparable to the site: three (3) two- and three-bedroom units at 30% of AMHI, nine (9) two- and three-bedroom units at 50% of AMHI and 16 two- and three-bedroom units at 60% of AMHI.

The 102 directly comparable two- and three-bedroom units within the development pipeline have been considered in the following demand analyses:

As Proposed with PBV

Demand Component	30% AMHI (\$17,040-\$23,880)	40% AMHI (\$0-\$31,840)	50% AMHI (\$28,354-\$39,800)	60% AMHI (\$33,154-\$47,760)	80% AMHI (\$34,011-\$63,680)	Overall (\$0-\$63,680)
Demand from New Rental Households (Income-Appropriate)	1,666 - 1,735 = -69	6,932 - 7,332 = -400	2,851 - 2,963 = -112	3,246 - 3,354 = -108	5,586 - 5,645 = -59	13,054 - 13,536 = -482
+						
Demand from Existing Households (Rent Overburdened)	1,735 X 63.0% = 1,093	7,332 X 66.2% = 4,855	2,963 X 39.0% = 1,156	3,354 X 20.8% = 696	5,645 X 13.4% = 758	13,536 X 46.4% = 6,283
+						
Demand from Existing Households (Renters in Substandard Housing)	1,735 X 4.2% = 73	7,332 X 4.2% = 309	2,963 X 4.2% = 125	3,354 X 4.2% = 142	5,645 X 4.2% = 238	13,536 X 4.2% = 571
+						
Demand from Existing Households (Elderly Homeowner Conversion)	N/A					
+						
Existing Qualifying Tenants to Remain After Renovation	N/A					
=						
Total Demand	1,097	4,764	1,169	730	937	6,372
-						
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	3	3	32	64	0	102
=						
Net Demand	1,094	4,761	1,137	666	937	6,270
Proposed Units	5	8	12	4	21	50
Proposed Units / Net Demand	5 / 1,094	8 / 4,761	12 / 1,137	4 / 666	21 / 937	50 / 6,270
Capture Rate	= 0.5%	= 0.2%	= 1.1%	= 0.6%	= 2.2%	= 0.8%
Total Absorption Period	< 1 Month	< 1 Month	< 1 Month	< 1 Month	2 Months	3-4 Months

N/A-Not Applicable

LIHTC Only

Demand Component	30% AMHI (\$17,040-\$23,880)	40% AMHI (\$22,766-\$31,840)	50% AMHI (\$28,354-\$39,800)	60% AMHI (\$33,154-\$47,760)	80% AMHI (\$34,011-\$63,680)	Overall (\$17,040-\$63,680)
Demand from New Rental Households (Income-Appropriate)	1,666 - 1,735 = -69	2,353 - 2,419 = -66	2,851 - 2,963 = -112	3,246 - 3,354 = -108	5,586 - 5,645 = -59	9,849 - 10,059 = -210
+						
Demand from Existing Households (Rent Overburdened)	1,735 X 63.0% = 1,093	2,419 X 51.3% = 1,242	2,963 X 39.0% = 1,156	3,354 X 20.8% = 696	5,645 X 13.4% = 758	10,059 X 34.4% = 3,464
+						
Demand from Existing Households (Renters in Substandard Housing)	1,735 X 4.2% = 73	2,419 X 4.2% = 102	2,963 X 4.2% = 125	3,354 X 4.2% = 142	5,645 X 4.2% = 238	10,059 X 4.2% = 424
+						
Demand from Existing Households (Elderly Homeowner Conversion)	N/A					
+						
Existing Qualifying Tenants to Remain After Renovation	N/A					
=						
Total Demand	1,097	1,278	1,169	730	937	3,678
-						
Supply (Directly Comparable Vacant Units Completed or in the Pipeline)	3	3	32	64	0	102
=						
Net Demand	1,094	1,275	1,137	666	937	3,576
Proposed Units	5	8	12	4	21	50
Proposed Units / Net Demand	5 / 1,094	8 / 1,275	12 / 1,137	4 / 666	21 / 937	50 / 3,576
Capture Rate	= 0.5%	= 0.6%	= 1.1%	= 0.6%	= 2.2%	= 1.4%
Total Absorption Period	< 1 Month	< 1 Month	< 1 Month	< 1 Month	2 Months	3-4 Months

N/A-Not Applicable

Regardless of if the property operates as proposed with a subsidy on select units or exclusively under the LIHTC program, capture rates are low, as none exceed 2.2%. This illustrates that a substantial base of demographic support will exist for the subject development.

D. PENETRATION RATE CALCULATIONS

The 979 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing, planned and subject Tax Credit units is \$16,800 to \$63,680. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 9,902 renter households with eligible incomes in 2024. The 979 existing and planned non-subsidized Tax Credit units, along with the 50 proposed subject units, represent a penetration rate of 10.4% of the 9,902 income-eligible renter households, which is summarized in the table on the following page.

	Market Penetration
Number of LIHTC Units (Planned, Existing & Subject)	1,029
Income-Eligible Renter Households – 2024	/ 9,902
Overall Market Penetration Rate	= 10.4%

It is our opinion that the 10.4% penetration rate for the LIHTC units, existing, planned and proposed subject, is very low and easily achievable.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Lynchburg Redevelopment and Housing Authority, there are approximately 980 Housing Choice Voucher holders within the housing authority’s jurisdiction, and approximately 1,200 households currently on the waiting list for additional Vouchers. The waiting list is closed and is expected to reopen in early 2023. Annual turnover is estimated at 60 households. This reflects the continuing need for Housing Choice Voucher assistance.

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

Bedroom Type	Payment Standards	Proposed/Programmatic Tax Credit Gross Rents (AMHI)
Two-Bedroom	\$784	\$497 (30%)
		\$664* (40%)
		\$827 (50%)
		\$967 (60%)
		\$992 (80%)
Three-Bedroom	\$1,053	\$572 (30%)
		\$766* (40%)
		\$957 (50%)
		\$1,117 (60%)
		\$1,142 (80%)

*2021 maximum allowable gross LIHTC rent

As the preceding table illustrates, the proposed LIHTC gross rents set aside at 30%, 40% and 50% of AMHI are below or slightly above (\$43) the local payment standards. As such, the subject project will be able to rely on support from Housing Choice Voucher holders. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections.

F. ABSORPTION PROJECTIONS

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 50 LIHTC units at the subject site will reach a stabilized occupancy of 95.0% in approximately three to four months of opening with or without a subsidy on select units. This absorption period is based on an average monthly absorption rate of approximately 13 to 14 units per month. These absorption projections are based on the lack of available affordable rental units surveyed within the market, the subject's generally low rents, its competitiveness, its significant rent advantages and its very low capture and penetration rates.

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

VIII. Local Perspective (Interviews)

We conducted numerous interviews with local sources familiar with the Lynchburg area and the housing, economic and/or demographic characteristics that impact the need for affordable housing. These include, but are not limited to, interviews with local planning and building department representatives, local chamber of commerce and/or economic development officials, housing authority representatives, local real estate professionals and/or apartment managers.

Summaries of key interviews regarding the need for affordable rental housing within the area follow:

- Janice Payne Hubbard, HCV Specialist with the Lynchburg Redevelopment and Housing Authority, stated that there is a clear need for more affordable housing in Lynchburg. There are over 1,200 families on the housing authority's waitlist, which is in itself a clear indicator. It is nearly impossible for a resident making \$15 to \$16 per hour to find affordable housing in Lynchburg. Any addition to Lynchburg's affordable housing stock would be directly beneficial to the area.
- Eden Eldredge, Bookkeeper for Community Housing Partners of Lynchburg, confirmed the need for affordable housing in the Lynchburg area. Ms. Eldredge indicated that there is always demand for vacancies at Armstrong Place (Map ID 2) and that Armstrong Place and the Community Housing Partners of Lynchburg itself always maintain substantial waitlists.
- Reese Johnston, Property Manager of Lynchburg High Apartments (Map ID 15), a Tax Credit and government-subsidized community in Lynchburg, confirmed the need for affordable housing in the Lynchburg area. Ms. Johnston indicated that the workforce population in Lynchburg, those who do not qualify for subsidized housing but could greatly benefit from Tax Credit housing, is very high. Additionally, Ms. Johnston stated that for all affordable properties she is familiar with, they have significant waiting lists, further emphasizing the need for affordable rental housing within the area.

IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 50 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be very competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the marketplace. Notably, the proposed/programmatic subject rents represent market rent advantages of between 15.9% and 64.6%, illustrating that they will likely represent excellent values to low- and moderate-income renters within the market.

Given that all comparable LIHTC developments surveyed within the Site PMA are 100.0% occupied, most of which maintain waiting lists, the subject project will offer a housing alternative to low-income households that lacks availability in the area. This is especially true, considering that the subject project will be the only LIHTC project in the market to offer units set aside at 30% and 80% of Area Median Household Income (AMHI). The subject project will provide an affordable rental housing alternative to very low- to moderate-income renter households that are currently underserved within the Lynchburg Site PMA. This is expected to bode very well in the demand of the subject units.

As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 0.8% of income-eligible renter households in the market, there is significant support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

SITE PHOTOGRAPHS

Spencer Pointe



View of site from the north



View of site from the northeast



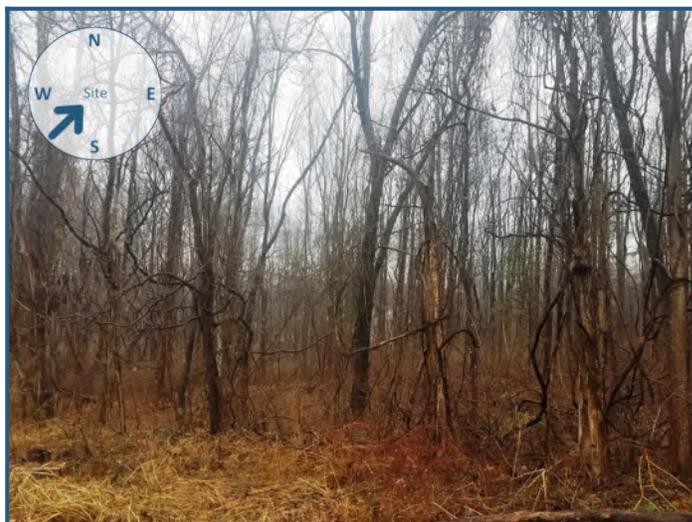
View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest

Spencer Pointe



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



Southeast view from site

Spencer Pointe



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: East view of Graves Mill Road



Streetscape: West view of Graves Mill Road

XI.

COMPARABLE
PROPERTY PROFILES

4 Cottontown Manor 1.6 miles to site



Address: 1230 Cottontown Rd, Forest, VA 24551
 Phone: (434) 363-6185 Contact: Stephanie
 Property Type: Market Rate
 Target Population: Family
 Total Units: 276 Year Built: 2019
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: 150 HH
 Rent Special: None

Ratings
 Quality: A
 Neighborhood: A
 Access/Visibility: A-/A-

Notes:



Features And Utilities

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

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

Property Amenities: Multipurpose Room; Dog Park/Pet Care; Recreation Areas (Fitness Center, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	96	0	900	\$1.02	\$920	Market
2	2	G	85	0	1,040	\$1.11	\$1,150	Market
3	2	G	95	0	1,400	\$1.02	\$1,425	Market

*Adaptive Reuse

*DTS is based on drive time

6 Gables of Cornerstone 3.9 miles to site



Address: 203 Capital St, Lynchburg, VA 24502
 Phone: (434) 534-3003 Contact: Jaiden
 Property Type: Market Rate
 Target Population: Family
 Total Units: 108 Year Built: 2011
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: 5 mos
 Rent Special: None

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

Notes:



Features And Utilities

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

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

Property Amenities: Bike Racks / Storage; On-Site Management; Dog Park/Pet Care; Recreation Areas (Grilling Area, Playground, Outdoor Swimming Pool, Volleyball); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	90	0	1,062	\$1.11	\$1,175	Market
3	2	G	18	0	1,225	\$1.01	\$1,235	Market

*Adaptive Reuse

*DTS is based on drive time

7 Gables of Jefferson Commons 2.4 miles to site



Address: 1047 East Lawn Dr, Forest, VA 24551
 Phone: _____ Contact: **Brittnay**
 Property Type: **Market Rate**
 Target Population: **Family**
 Total Units: **232** Year Built: **2010**
 Vacant Units: **2** *AR Year: _____
 Occupancy: **99.1%** Yr Renovated: _____
 Turnover: _____ Stories: **3**
 Waitlist: **2-br; 3 HH**
 Rent Special: **None**

Ratings
 Quality: **A**
 Neighborhood: **A**
 Access/Visibility: **A/A**

Notes:



Features And Utilities

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

Unit Amenities: **Dishwasher; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Countertops; High/Vaulted Ceilings**

Property Amenities: **Multipurpose Room; Cafe / Coffee Bar; Outdoor Seating Area; On-Site Management; Recreation Areas (Basketball, Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool)**

Parking Type: **Surface Lot**

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	140	0	1,102 - 1,260	\$1.00	\$1,100 - \$1,260	Market
3	2	G	92	2	1,262 - 1,374	\$1.02 - \$1.01	\$1,290 - \$1,390	Market

*Adaptive Reuse

*DTS is based on drive time

8 Gables of Spring Creek 1.6 miles to site



Address: 1061 Spg Crk Dr, Forest, VA 24551
 Phone: (434) 632-7368 Contact: Victoria
 Property Type: Market Rate
 Target Population: Family
 Total Units: 257 Year Built: 2015
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: 6 HH
 Rent Special: None
Ratings
 Quality: A
 Neighborhood: A
 Access/Visibility: A/A

Notes:



Features And Utilities

Utility Schedule Provided by: Lynchburg Redevelopment and Housing Authority

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

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

Property Amenities: Bike Racks / Storage; Multipurpose Room; Cafe / Coffee Bar; On-Site Management; Recreation Areas (Basketball, Fitness Center, Grilling Area, Outdoor Swimming Pool); Extra Storage

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	2	G	129	0	1,194 - 1,240	\$1.01 - \$1.00	\$1,205 - \$1,235	Market
3	2	G	77	0	1,262 - 1,374	\$1.02 - \$0.99	\$1,290 - \$1,365	Market
3	2.5	T	20	0	1,488 - 1,596	\$1.18 - \$1.19	\$1,750 - \$1,899	Market
4	2	G	31	0	1,680	\$1.04	\$1,750	Market

*Adaptive Reuse

*DTS is based on drive time

12 Jobbers Overall Apts. 7.1 miles to site



Address: 1423 & 1503 Kemper St, Lynchburg, VA 24501
 Phone: (434) 847-0800 Contact: Cindy
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 44 Year Built: 2012
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2,4 (w/Elev)
 Waitlist: 15 HH
 Rent Special: None

Ratings
 Quality: A
 Neighborhood:
 Access/Visibility:

Notes: Tax Credit



Features And Utilities

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

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D Hookup; Window Treatments; Flooring (Carpet, Hardwood)

Property Amenities: Multipurpose Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Library); CCTV

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
2	1 - 2	G	3	0	923	\$0.59	\$543	40%
2	1 - 2	G	17	0	1,200 - 1,257	\$0.59 - \$0.56	\$709	50%
3	2	G	2	0	1,017	\$0.61	\$616	40%
3	2	G	22	0	1,300	\$0.62	\$808	50%

*Adaptive Reuse

*DTS is based on drive time

14 Logan's Landing 2.5 miles to site



Address: 6343 Logans Ln, Lynchburg, VA 24502
 Phone: (804) 570-1986 Contact: Carla (In Person)
 Property Type: Market Rate
 Target Population: Family
 Total Units: 172 Year Built: 2020 Ratings
 Vacant Units: 0 *AR Year: Quality: B+
 Occupancy: 100.0% Yr Renovated: Neighborhood: A
 Turnover: Stories: 4 (w/Elev) Access/Visibility: B/B
 Waitlist: None
 Rent Special: None

Notes: Preleasing 3/2020, opened 4/2020, stabilized occupancy 6/2020



Features And Utilities

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

Unit Amenities: Dishwasher; Microwave; Range; Refrigerator; Central AC; Controlled Access; W/D Hookup; W/D; Walk-In Closet; Window Treatments; Flooring (Carpet, Composite/Vinyl/Laminate); Premium Appliances; Premium Countertops; Premium Cabinetry; High/Vaulted Ceilings

Property Amenities: Multipurpose Room, Community Kitchen; Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park/Pet Care; Recreation Areas (Firepit, Fitness Center, Grilling Area, Outdoor Swimming Pool); CCTV; Extra Storage; WiFi

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	88	0	838 - 940	\$1.17 - \$1.08	\$1,011 - \$1,046	Market
2	2	G	60	0	1,099 - 1,316	\$1.01 - \$0.95	\$1,152 - \$1,302	Market
2	1	G	6	0	1,026 - 1,086	\$1.04 - \$0.99	\$1,112 - \$1,122	Market
3	2	G	18	0	1,381 - 1,447	\$0.98 - \$0.94	\$1,414 - \$1,424	Market

*Adaptive Reuse

*DTS is based on drive time

17 Old Forest Village 5.0 miles to site



Address: 2516 Old Forest Rd, Lynchburg, VA 24501
 Phone: (438) 455-2120 Contact: Karen
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 28 Year Built: 2018
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1
 Waitlist: Shared; 600 HH
 Rent Special: None

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

Notes: Tax Credit; Preleasing 6/2018, opened & 100% occupancy 12/2018

Features And Utilities

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

Unit Amenities: Disposal; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; E-Call System; W/D Hookup; W/D; Window Treatments; Flooring (Composite/Vinyl/Laminate)

Property Amenities:

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	18	0	786	\$0.74	\$578	40%
2	1	G	10	0	1,157	\$0.58	\$669	40%

*Adaptive Reuse

*DTS is based on drive time

20 Timber Ridge I & II 2.9 miles to site



Address: 7500 Timberlake Rd., Lynchburg, VA 24502
 Phone: (434) 237-3560 Contact: Phyllis
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 168 Year Built: 1998
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3,4
 Waitlist: None
 Rent Special: None

Ratings
 Quality: A
 Neighborhood: A
 Access/Visibility:

Notes: Tax Credit



Features And Utilities

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

Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; Central AC; W/D Hookup; Window Treatments; Flooring (Carpet)

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

Parking Type: Detached Garage; Surface Lot; Carport

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	60	0	744	\$0.77	\$576	50%
2	2	G	90	0	1,076	\$0.63	\$679	50%
3	2	G	18	0	1,283	\$0.59	\$762	50%

*Adaptive Reuse

*DTS is based on drive time

21 Victoria Ridge 9.7 miles to site



Address: 840 Victoria Ave., Lynchburg, VA 24504
 Phone: (434) 455-2120 Contact: Karen
 Property Type: Tax Credit
 Target Population: Family, Disabled
 Total Units: 24 Year Built: 2011
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1
 Waitlist: Shared; 600 HH
 Rent Special: None

Ratings
 Quality: A
 Neighborhood: C
 Access/Visibility:

Notes: Tax Credit; HOME Funds (11 units)

Features And Utilities

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

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; Ceiling Fan; E-Call System; W/D Hookup; W/D; Window Treatments; Flooring (Composite/Vinyl/Laminate)

Property Amenities:

Parking Type: Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	16	0	786 - 828	\$0.70 - \$0.67	\$553	40%
2	1.5	G	8	0	1,157	\$0.58	\$666	40%

*Adaptive Reuse

*DTS is based on drive time

22 Vistas at Dreaming Creek 2.9 miles to site



Address: 7612 Timberlake Rd, Lynchburg, VA 24502
 Phone: (434) 582-4748 Contact: jjasmine
 Property Type: Market Rate, Tax Credit
 Target Population: Family, Student
 Total Units: 176 Year Built: 2001
 Vacant Units: 3 *AR Year:
 Occupancy: 98.3% Yr Renovated:
 Turnover: Stories: 3,4
 Waitlist: None
 Rent Special: \$200 off 1st months rent

Ratings
 Quality: A
 Neighborhood: A
 Access/Visibility:

Notes: Market-rate (99 units); Tax Credit (77 units)



Features And Utilities

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

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

Property Amenities: Bike Racks / Storage; On-Site Management; Dog Park/Pet Care; Recreation Areas (Fitness Center, Grilling Area, Playground, Outdoor Swimming Pool); Extra Storage

Parking Type: Detached Garage; Surface Lot

Unit Configuration

Beds	Baths	Type	Units	Vacant	Sq Ft	\$ / Sq Ft	Collected Rent	AMHI
1	1	G	8	0	790	\$0.94	\$745	60%
1	1	G	8	0	790	\$1.11	\$875	Market
2	2	G	63	0	960	\$0.90	\$862	60%
2	2	G	81	2	960	\$1.03	\$985	Market
3	2	G	6	0	1,159	\$0.85	\$990	60%
3	2	G	10	1	1,159	\$1.01	\$1,175	Market

*Adaptive Reuse

*DTS is based on drive time

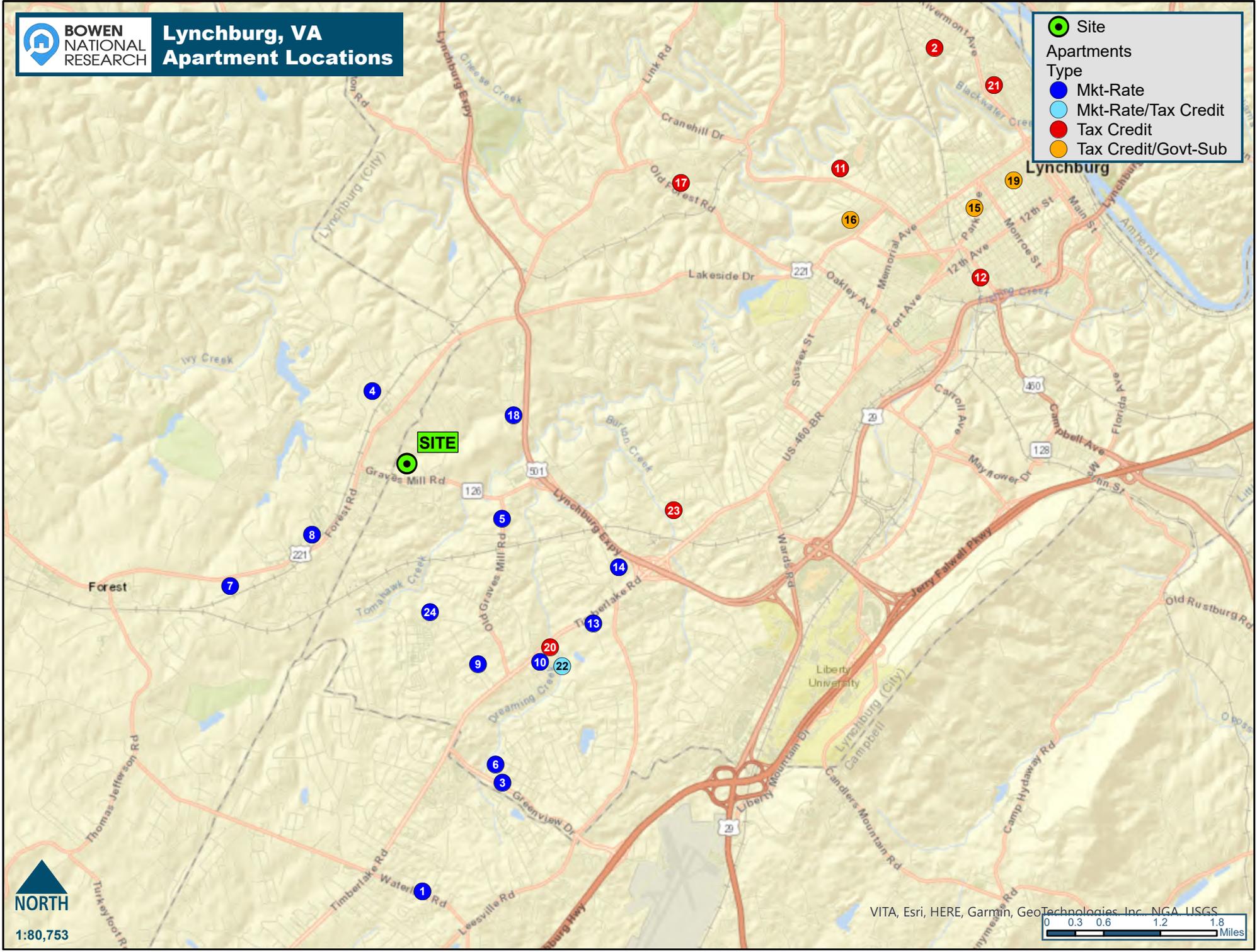
XII.

FIELD SURVEY OF CONVENTIONAL RENTALS



Lynchburg, VA Apartment Locations

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



1:80,753

VITA, Esri, HERE, Garmin, GeoTechnologies, Inc., NGA, USGS
0 0.3 0.6 1.2 1.8 Miles

Map ID	Property	Prop Type	Quality Rating	Year Built	Total Units	Vacant	Occ. Rate	Distance To Site*
1	1 Element	MRR	A	2019	215	0	100.0%	5.4
2	Armstrong Place	TAX	C	2013	28	0	100.0%	8.6
3	Columns at Cornerstone	MRR	A	2014	48	0	100.0%	4.0
✓ 4	Cottontown Manor	MRR	A	2019	276	0	100.0%	1.6
5	Eleven 25	MRR	A	2019	236	0	100.0%	1.0
✓ 6	Gables of Cornerstone	MRR	A	2011	108	0	100.0%	3.9
✓ 7	Gables of Jefferson Commons	MRR	A	2010	232	2	99.1%	2.4
✓ 8	Gables of Spring Creek	MRR	A	2015	257	0	100.0%	1.6
9	Gardens on Timberlake	MRR	A	2015	232	0	100.0%	2.9
10	Grand Vistas at Dreaming Creek	MRR	A	2009	104	0	100.0%	2.8
◆ 11	Jefferson House	TAX	B	1974	101	0	100.0%	6.2
✓ 12	Jobbers Overall Apts.	TAX	A	2012	44	0	100.0%	7.1
13	Legacy at Linden Park	MRR	A	2008	408	8	98.0%	3.3
✓ 14	Logan's Landing	MRR	B+	2020	172	0	100.0%	2.5
◆ 15	Lynchburg High Apts.	TGS	C+	1911	74	0	100.0%	7.8
16	Meadows Apts.	TGS	B	1983	66	0	100.0%	6.4
✓ 17	Old Forest Village	TAX	B+	2018	28	0	100.0%	5.0
18	Overlook at Stonemill	MRR	A	2001	216	1	99.5%	1.1
19	Shalom Apts.	TGS	C	1967	46	0	100.0%	8.2
✓ 20	Timber Ridge I & II	TAX	A	1998	168	0	100.0%	2.9
✓ 21	Victoria Ridge	TAX	A	2011	24	0	100.0%	9.7
✓ 22	Vistas at Dreaming Creek	MRT	A	2001	176	3	98.3%	2.9
◆ 23	Wesley Apts.	TAX	B-	1976	150	0	100.0%	3.5

*Drive distance in miles

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

1	1 Element 22 Apala Cir, Lynchburg, VA 24502	Contact: Maranda Phone: (434) 239-2883
	Total Units: 215 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2019 BR: 0, 1, 2 Vacant Units: 0 Waitlist: 30 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
2	Armstrong Place 1721 Monsview Pl, Lynchburg, VA 24504	Contact: Karen Phone: (434) 455-2120
	Total Units: 28 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2013 BR: 1, 2 Vacant Units: 0 Waitlist: Shared; 600 HH AR Year: Target Population: Disabled Yr Renovated: Rent Special: None Notes: Tax Credit	
3	Columns at Cornerstone 100-120 Portico St, Lynchburg, VA 24502	Contact: Rowan Phone: (434) 237-7800
	Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2014 BR: 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
4	Cottontown Manor 1230 Cottontown Rd, Forest, VA 24551	Contact: Stephanie Phone: (434) 363-6185
	Total Units: 276 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2019 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 150 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	
5	Eleven 25 1125 Old Graves Mill Rd, Lynchburg, VA 24502	Contact: Keifer Phone: (434) 534-3052
	Total Units: 236 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2019 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 1 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes:	



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



6	Gables of Cornerstone		Contact: Jaiden		
	203 Capital St, Lynchburg, VA 24502		Phone: (434) 534-3003		
	Total Units: 108 UC: 0	Occupancy: 100.0%	Stories: 3	Year Built: 2011	
	BR: 2, 3	Vacant Units: 0	Waitlist: 5 mos	AR Year:	
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes:				



7	Gables of Jefferson Commons		Contact: Brittney		
	1047 East Lawn Dr, Forest, VA 24551		Phone:		
	Total Units: 232 UC: 0	Occupancy: 99.1%	Stories: 3	Year Built: 2010	
	BR: 2, 3	Vacant Units: 2	Waitlist: 2-br; 3 HH	AR Year:	
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes:				



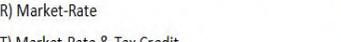
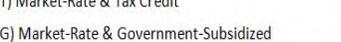
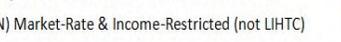
8	Gables of Spring Creek		Contact: Victoria		
	1061 Spg Crk Dr, Forest, VA 24551		Phone: (434) 632-7368		
	Total Units: 257 UC: 0	Occupancy: 100.0%	Stories: 3	Year Built: 2015	
	BR: 2, 3, 4	Vacant Units: 0	Waitlist: 6 HH	AR Year:	
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes:				

9	Gardens on Timberlake		Contact: Pam		
	240 Beverly Hills Cir, Lynchburg, VA 24502		Phone:		
	Total Units: 232 UC: 0	Occupancy: 100.0%	Stories: 3	w/Elevator	Year Built: 2015
	BR: 1, 2, 3	Vacant Units: 0	Waitlist: 3 HH	AR Year:	
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes:				

10	Grand Vistas at Dreaming Creek		Contact: Jasmine		
	7612 Timberlake Rd, Lynchburg, VA 24502		Phone: (434) 582-4748		
	Total Units: 104 UC: 0	Occupancy: 100.0%	Stories: 3	Year Built: 2009	
	BR: 1, 2, 3	Vacant Units: 0	Waitlist: None	AR Year:	
	Target Population: Family				Yr Renovated:
	Rent Special: None				
	Notes:				

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

11	Jefferson House 1818 Langhorne Sq, Lynchburg, VA 24501	Contact: Ashley Phone: (434) 846-1800
	Total Units: 101 UC: 0 Occupancy: 100.0% Stories: 6 w/Elevator Year Built: 1974 BR: 1 Vacant Units: 0 Waitlist: 13 HH AR Year: Target Population: Senior 55+ Yr Renovated: 2021 Rent Special: None Notes:	
12	Jobbers Overall Apts. 1423 & 1503 Kemper St, Lynchburg, VA 24501	Contact: Cindy Phone: (434) 847-0800
	Total Units: 44 UC: 0 Occupancy: 100.0% Stories: 2,4 w/Elevator Year Built: 2012 BR: 2, 3 Vacant Units: 0 Waitlist: 15 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit	
13	Legacy at Linden Park 1000 Misty Mountain Rd, Lynchburg, VA 24502	Contact: Colin Phone: (434) 239-5006
	Total Units: 408 UC: 0 Occupancy: 98.0% Stories: 3 Year Built: 2008 BR: 1, 2, 3 Vacant Units: 8 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: \$500 off Februarys rent on select units Notes: Rents change daily	
14	Logan's Landing 6343 Logans Ln, Lynchburg, VA 24502	Contact: Carla Phone: (804) 570-1986
	Total Units: 172 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2020 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Preleasing 3/2020, opened 4/2020, stabilized occupancy 6/2020	
15	Lynchburg High Apts. 1301 Park Ave., Lynchburg, VA 24504	Contact: Mia Phone: (434) 847-9059
	Total Units: 74 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 1911 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 75 HH AR Year: 1980 Target Population: Family, Senior 62+ Yr Renovated: 2011 Rent Special: None Notes: Tax Credit; HUD Section 8	

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

16	Meadows Apts. 2315 Yorktown Ave., Lynchburg, VA 24501	Contact: Demicka Phone: (434) 845-6666
		
Total Units: 66 UC: 0 Occupancy: 100.0% Stories: 2,3 Year Built: 1983 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 12 mos AR Year: Target Population: Family Yr Renovated: 2013 Rent Special: None Notes: Tax Credit; HUD Section 8		

17	Old Forest Village 2516 Old Forest Rd, Lynchburg, VA 24501	Contact: Karen Phone: (438) 455-2120
		
Total Units: 28 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2018 BR: 1, 2 Vacant Units: 0 Waitlist: Shared; 600 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Preleasing 6/2018, opened & 100% occupancy 12/2018		

18	Overlook at Stonemill 112 Stonemill Dr, Lynchburg, VA 24502	Contact: Carolina Phone: (434) 582-5666
		
Total Units: 216 UC: 0 Occupancy: 99.5% Stories: 3,4 Year Built: 2001 BR: 1, 2, 3 Vacant Units: 1 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: 2-br rent range based on floorplan		

19	Shalom Apts. 702 Federal St., Lynchburg, VA 24504	Contact: Mia Phone: (434) 847-9059
		
Total Units: 46 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 1967 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 76 HH AR Year: Target Population: Family Yr Renovated: 2013 Rent Special: None Notes: Tax Credit; HUD Section 8		

20	Timber Ridge I & II 7500 Timberlake Rd., Lynchburg, VA 24502	Contact: Phyllis Phone: (434) 237-3560
		
Total Units: 168 UC: 0 Occupancy: 100.0% Stories: 3,4 Year Built: 1998 BR: 1, 2, 3 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit		

<ul style="list-style-type: none"> ✔ Comparable Property ◆ Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Government-Subsidized (MIN) Market-Rate & Income-Restricted (not LIHTC) 	<ul style="list-style-type: none"> (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized (TAX) Tax Credit (TGS) Tax Credit & Government-Subsidized (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) (TIN) Tax Credit & Income-Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Government-Subsidized 	<ul style="list-style-type: none"> (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized (INR) Income-Restricted (not LIHTC) (ING) Income-Restricted (not LIHTC) & Government-Subsidized (GSS) Government-Subsidized (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted
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21	Victoria Ridge 840 Victoria Ave., Lynchburg, VA 24504	Contact: Karen Phone: (434) 455-2120
	Total Units: 24 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2011 BR: 1, 2 Vacant Units: 0 Waitlist: Shared; 600 HH AR Year: Target Population: Family, Disabled Yr Renovated: Rent Special: None Notes: Tax Credit; HOME Funds (11 units)	



22	Vistas at Dreaming Creek 7612 Timberlake Rd, Lynchburg, VA 24502	Contact: jjasmine Phone: (434) 582-4748
	Total Units: 176 UC: 0 Occupancy: 98.3% Stories: 3,4 Year Built: 2001 BR: 1, 2, 3 Vacant Units: 3 Waitlist: None AR Year: Target Population: Family, Student Yr Renovated: Rent Special: \$200 off 1st months rent Notes: Market-rate (99 units); Tax Credit (77 units)	



23	Wesley Apts. 1201 Long Meadow Dr, Lynchburg, VA 24502	Contact: Jennifer Phone: (434) 237-5162
	Total Units: 150 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1976 BR: 0, 1, 2 Vacant Units: 0 Waitlist: 10 HH AR Year: Target Population: Senior 55+ Yr Renovated: 2005 Rent Special: None Notes: Tax Credit	

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

Source: Lynchburg Redevelopment and Housing Authority
Effective: 02/2021

Monthly Dollar Allowances

		Garden						Townhome					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	13	16	18	20	23	26	15	17	20	21	24	27
	+Base Charge	18	18	18	18	18	18	18	18	18	18	18	18
	Bottled Gas	35	41	47	54	62	68	39	46	52	57	65	73
	Electric	22	27	32	38	46	51	26	31	37	41	48	55
	Heat Pump							0					
	Oil	25	30	34	39	46	50	28	33	39	42	48	54
Cooking	Natural Gas	5	6	7	7	8	8	5	6	7	7	8	8
	Bottled Gas	15	16	19	20	22	22	15	16	19	20	22	22
	Electric	10	10	12	13	14	15	10	10	12	13	14	15
Other Electric	26	29	32	37	41	49	26	29	32	37	41	49	
+Base Charge	0	0	0	0	0		0						
Air Conditioning	7	10	12	16	20	24	8	10	13	16	20	24	
Water Heating	Natural Gas	8	11	14	19	25	31	8	11	14	19	25	31
	Bottled Gas	22	30	38	53	70	86	22	30	38	53	70	86
	Electric	10	17	24	37	52	66	10	17	24	37	52	66
	Oil	13	17	21	30	40	49	13	17	21	30	40	49
Water	9	13	17	24	28		16	20	24	33	37	41	
Sewer	9	18	26	44	53		10	19	29	48	57	67	
Trash Collection	15	15	15	15	15	15	15	15	15	15	15	15	
Internet*	20	20	20	20	20		20	20	20	20	20	20	
Cable*	20	20	20	20	20		20	20	20	20	20	20	
Alarm Monitoring*							0						

* Estimated- not from source

XIII. Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Craig Rupert, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown State University.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Jonathan Kabat, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Kabat graduated from The Ohio State University with a Bachelor of Art in History and a minor in Geography.

Andrew Lundell, Market Analyst, has an experienced background in customer service and financial analysis. He has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Mr. Lundell has a Bachelor of Arts in Criminal Justice from Ohio University.

Sidney McCrary, Market Analyst, is experienced in the on-site analysis of residential and commercial properties. He has the ability to analyze a site's location in relation to community services, competitive properties and the ease of access and visibility. Mr. McCrary has a Bachelor of Science in Business Administration from Ohio Dominican University.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Ron Pompey, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

Nathan Stelts, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

Chris Wilhoit, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Wilhoit also has a background in architectural photography.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.

Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

Addendum A – Member Certification & Checklist

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.

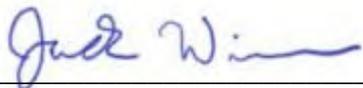


Patrick M. Bowen

President

patrickb@bowennational.com

Date: February 3, 2022



Jack Wiseman (Primary Contact)

Market Analyst

jackw@bowennational.com

Date: February 3, 2022

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary	II
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	III
3.	Utilities (and utility sources) included in rent	III
4.	Project design description	III
5.	Unit and project amenities; parking	III
6.	Public programs included	III
7.	Target population description	III
8.	Date of construction/preliminary completion	III
9.	If rehabilitation, existing unit breakdown and rents	III
10.	Reference to review/status of project plans	III
Location and Market Area		
11.	Market area/secondary market area description	IV
12.	Concise description of the site and adjacent parcels	IV
13.	Description of site characteristics	IV
14.	Site photos/maps	X
15.	Map of community services	IV
16.	Visibility and accessibility evaluation	IV
17.	Crime Information	IV

CHECKLIST (Continued)

		Section (s)
Employment and Economy		
18.	Employment by industry	IV
19.	Historical unemployment rate	IV
20.	Area major employers	IV
21.	Five-year employment growth	IV
22.	Typical wages by occupation	IV
23.	Discussion of commuting patterns of area workers	IV
Demographic Characteristics		
24.	Population and household estimates and projections	IV
25.	Area building permits	V
26.	Distribution of income	IV
27.	Households by tenure	IV
Competitive Environment		
28.	Comparable property profiles	XI
29.	Map of comparable properties	X
30.	Comparable property photographs	XI
31.	Existing rental housing evaluation	V
32.	Comparable property discussion	V
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	V
34.	Comparison of subject property to comparable properties	V
35.	Availability of Housing Choice Vouchers	V
36.	Identification of waiting lists	V & XII
37.	Description of overall rental market including share of market-rate and affordable properties	V
38.	List of existing LIHTC properties	V
39.	Discussion of future changes in housing stock	V
40.	Discussion of availability and cost of other affordable housing options including homeownership	V
41.	Tax Credit and other planned or under construction rental communities in market area	V
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	VII
43.	Calculation and analysis of Penetration Rate	VII
44.	Evaluation of proposed rent levels	V & VI
45.	Derivation of Achievable Market Rent and Market Advantage	VI
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	II
48.	Market strengths and weaknesses impacting project	II
49.	Recommendations and/or modification to project discussion	II
50.	Discussion of subject property's impact on existing housing	V
51.	Absorption projection with issues impacting performance	II
52.	Discussion of risks or other mitigating circumstances impacting project projection	II
53.	Interviews with area housing stakeholders	V

CHECKLIST (Continued)

Other Requirements		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	Certification
56.	Certifications	Certification
57.	Statement of qualifications	XIII
58.	Sources of data not otherwise identified	I
59.	Utility allowance schedule	XII