



**A COMPREHENSIVE HOUSING MARKET
STUDY AND NEEDS ANALYSIS FOR:
CITY OF MARTINSVILLE
AND HENRY COUNTY,
VIRGINIA**

**A COMPREHENSIVE HOUSING MARKET STUDY
AND NEEDS ANALYSIS FOR:**

**CITY OF MARTINSVILLE AND
HENRY COUNTY, VIRGINIA**

Effective Date: May 18, 2020

Report Date: July 23, 2020

Prepared for:

Leon Towarnicki

City Manager

City of Martinsville

P. O. Drawer 1112

Martinsville, VA 24114

Prepared by:

Novogradac Consulting LLP

33 Wood Avenue South, Suite 600

Iselin, NJ 08830

732-623-7005





July 23, 2020

Leon Towarnicki
City Manager
City of Martinsville
P. O. Drawer 1112
Martinsville, VA 24114

Re: Housing Market Study and Needs Analysis
City of Martinsville and Henry County, Virginia

Dear Mr. Towarnicki:

Pursuant to your request, Novogradac Consulting LLP has performed a market study of the rental housing market in the City of Martinsville and Henry County, Virginia.

The purpose of this engagement is to conduct and provide a comprehensive housing market study and needs analysis for the City of Martinsville and Henry County, Virginia that will be utilized as part of the strategy to determine the extent of housing need with a focus on rental housing. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. The scope of this report includes the following based upon our conversations with the client and the indicated scope in the engagement.

- Inspecting the location and exterior of multifamily properties and visually inspecting the housing stock.
- Investigating the general economic health and conditions of the multifamily rental market.
- Interviewing appropriate public agencies and stakeholders.
- Analyzing economic conditions in the market area.
- Analyzing demographic trends in the market area.
- Surveying all multifamily properties in the market area.
- Determining housing supply characteristics and needs.
- Analyzing the for-sale market.
- Analyzing the rents of competing multifamily properties.
- Analyzing demand for new construction of multifamily rental housing and determining pricing.
- Estimating the achievable rents for the market area.
- Recommending future housing strategies.

City of Martinsville is the client in this engagement. We understand that they will use this document as part of the strategy to determine the extent of rental housing need. As our client, City of Martinsville owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

MR. LEON TOWARNICKI
CITY OF MARTINSVILLE
JULY 23, 2020
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The COVID-19 corona virus has caused an international pandemic and governments across the globe have taken dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on health care systems. We are seeing these efforts result in extensive impacts to economic activity. However, governments are also implementing or discussing the implementation of significant economic stimulus packages to help with the economic impact. Stimulus packages are expected to help provide stability. As a result, we believe any impact to the community will be short lived. The State of Virginia first issued stay-at-home orders effective March 30, 2020 until June 10, 2020. Phase 1 of Governor Ralph Northam's reopening for Martinsville and Henry County was announced on May 14, 2020, which is around the time of the effective date of this report. This includes the reopening of local government offices and eased restrictions on businesses, including outdoor-dining restaurants and offices, but requires them to maintain social distancing and other safety steps.

The surveyed properties were interviewed between April 7 and May 8, 2020, during the peak of the pandemic. Due to the stay-at-home orders, more employees are working from home and some of the properties we contacted were not responsive to our inquiries. It is not clear if this can be attributed to the stay-at-home orders; however, we believe we have adequate data upon which to base our conclusions. As a result of the COVID-19 pandemic, it was necessary to limit in-person meetings. To supplement our research, we interviewed stakeholders over phone and email and conducted online research. On May 18 and 19, 2020, we inspected the location and exterior of the surveyed multifamily properties and visually inspected the area housing stock. Overall, we believe these supplemental steps are prudent under these unique health and safety conditions.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac Consulting LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac Consulting LLP



H. Blair Kincer, MAI
Partner
Blair.Kincer@novoco.com
240-235-1701



Kelly Gorman
Principal
Kelly.Gorman@novoco.com
732-623-7005



Tara Rial
Manager
Tara.Rial@novoco.com
240-235-1727



Lauren Migliore
Senior Analyst
Lauren.Migliore@novoco.com
732-623-7015

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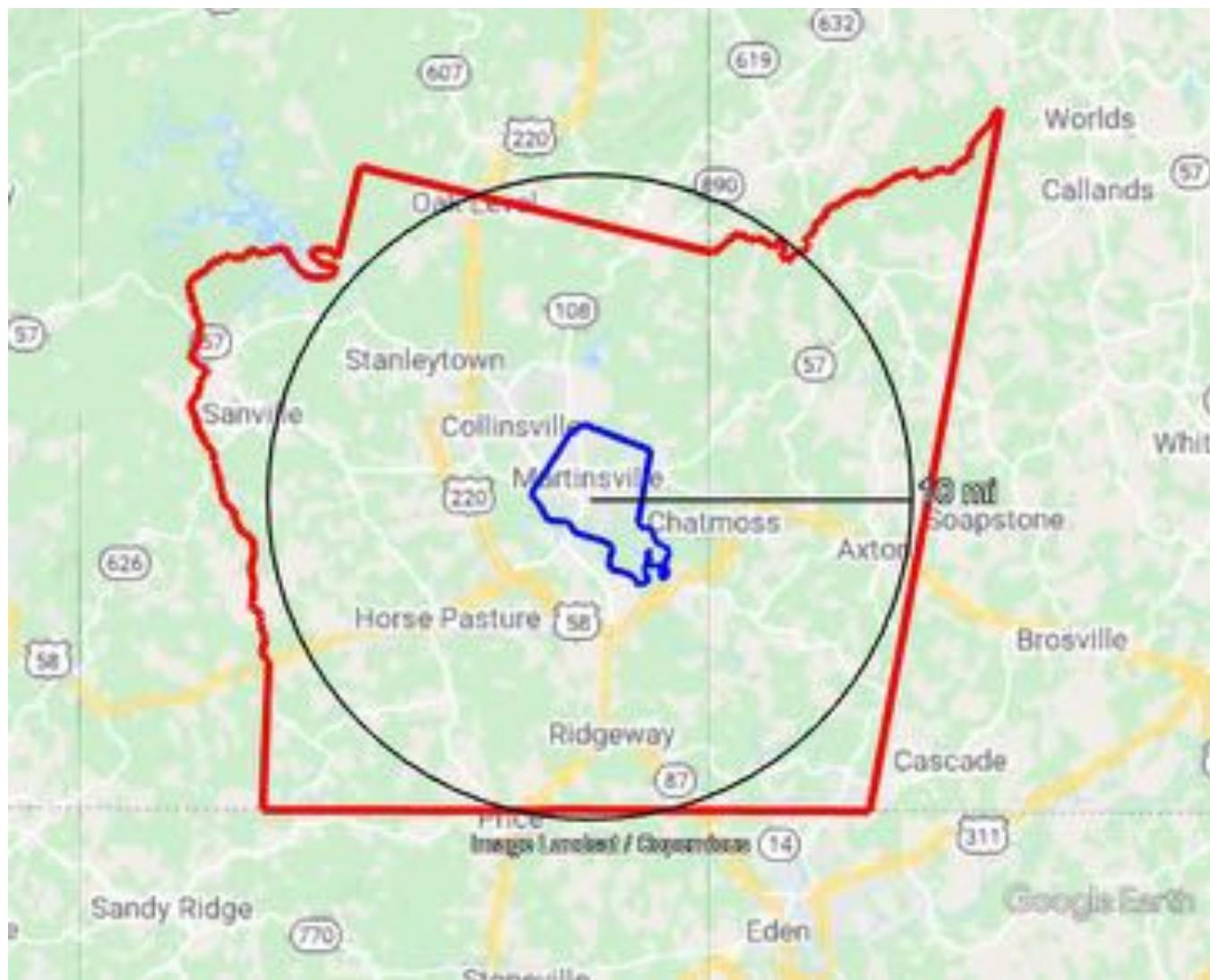
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I. EXECUTIVE SUMMARY

Regional Overview

The areas of study for this report are the City of Martinsville and Henry County, Virginia. The city of Martinsville is an independent city surrounded by Henry County. Henry County is located in the southern portion of Virginia and borders North Carolina. Henry County comprises the Martinsville, VA Micropolitan Statistical Area. On December 10, 2019, the Martinsville City Council voted to begin the process of reversion whereas the City of Martinsville would revert to a town and become part of Henry County. Reversion allows for a city to transfer many of its standard services to the surrounding county. This will be finalized in three to five years.

We focused our analysis on the City of Martinsville and Henry County, Virginia. The following map illustrates the area of analysis with Henry County outlined in red and the City of Martinsville outlined in blue.



Source: Google Earth, April 2020

The following map illustrates the region with Henry County outlined in red and the City of Martinsville outlined in blue.



Source: Google Earth, April 2020

Nearby population and employment centers include the cities of Lynchburg, Roanoke, and Danville in Virginia and the cities of Greensboro, Winston-Salem, and Durham in North Carolina. The City of Martinsville and Henry County are located approximately 83 miles north northwest of the City of Durham, North Carolina, 80 miles southwest of the City of Lynchburg, Virginia, 40 miles north of the City of Greensboro, North Carolina, 45 miles northeast of the City of Winston-Salem, North Carolina, 40 miles south of the City of Roanoke, Virginia, and approximately 25 miles west of the City of Danville, Virginia.

Economic Analysis

Employment in Martinsville and Henry County is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 44.8 percent of local employment. The large share of employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, Martinsville and Henry County also have a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the City of Martinsville and Henry County feature comparatively greater employment in the manufacturing, admin/support/waste management

services, and retail trade industries. Conversely, the City of Martinsville and Henry County is underrepresented in the professional/scientific/technical services, finance/insurance, and real estate/rental/leasing industries. A significant portion of residents in the City of Martinsville and Henry County are currently employed in the manufacturing sector, which experienced significant job decreases between 2010 and 2019. However, there has been several recent employment expansions in the manufacturing sector in Martinsville and Henry County.

Employment in the City of Martinsville and Henry County has yet to surpass pre-recessionary records that occurred in both geographies in 2007. The City of Martinsville and Henry County experienced employment declines and unemployment increases starting 2008 due to the national recession. The unemployment rate in the City of Martinsville reached a peak of 19.3 percent in 2009, compared to a peak of 14.7 percent in Henry County in 2010. The area was hit particularly hard by job losses in the apparel and furniture manufacturing industries. Both the city and county experienced employment increases in 2012 and 2013, yet decreases between 2014 and 2016. The city and county experienced employment increases and unemployment decreases between 2017 and 2019. The City of Martinsville and Henry County experienced significant employment increases in 2017 due to business expansions and the Startup Martinsville-Henry County program, which helps businesses launch or expand an existing operation. Average 2020 employment, as of April 2020, is declining at an annualized rate of 1.7 percent in Henry County and 2.0 percent in the City of Martinsville, due to the COVID-19 pandemic. This is compared to a 5.9 percent decline across the national as a whole over the same time period. As of April 2020, the unemployment rate is currently 12.8 percent in Henry County and 16.9 percent in the City of Martinsville. The national unemployment rate as of April 2020 is 14.4 percent, above Henry County and below the City of Martinsville. The recent employment data demonstrates that the local economy has experienced greater resilience from the economic impacts of COVID-19 as compared to the nation as a whole.

The inflow/outflow data shows that the City of Martinsville and Henry County have a significant concentration of jobs that are attracting workers throughout the region, including a significant portion of individuals who work in the City of Martinsville and Henry County and live to the east, likely in the nearby City of Danville. There also appears to be a significant portion of individuals who work in the City of Martinsville and Henry County and commute greater than 50 miles from the southwest, likely from Winston-Salem, North Carolina. During our interviews, several area stakeholders conveyed a trend of residents working in the City of Martinsville and Henry County and living in Greensboro, North Carolina. However, based on the data presented, there does not appear to be a significant portion of individuals who work in the City of Martinsville and Henry County and live in Greensboro, North Carolina. Based on the data presented as well as conversations with local stakeholders, there is a significant portion of individuals who work in the City of Martinsville and Henry County, yet reside outside of the geographic area. This illustrates demand for additional housing in the City of Martinsville and Henry County if those workers were willing to reside in the area.

Demographic Analysis

While total population and households in the city of Martinsville and Henry County declined between 2000 and 2019, senior population and households increased. These trends are projected to continue through 2024. In the City of Martinsville and Henry County, 45.8 percent of the population was age 50 or older in 2019 and 47.3 percent is projected for 2024. Comparatively, in the nation, 35.8 percent of the population was age 50 and older in 2019. The largest group of renters in all areas of study are one-person households, followed by two-person households. Approximately 58.3 percent of renters in the City of Martinsville and

Henry County earn less than \$30,000, compared to 57.3 percent in the Martinsville and Danville region and 42.1 percent in the nation. Approximately 58.8 percent of senior renters in the City of Martinsville and Henry County earn less than \$30,000, compared to 58.5 percent in the Martinsville and Danville region and 48.0 percent in the nation. This data suggests a relatively robust lower and middle-income class of family and senior-tenancy renters in the City of Martinsville and Henry County.

Supply Characteristics

Approximately 32.2 percent of total households in the City of Martinsville and Henry County are renter-occupied as of 2019. The number and percentage of renter households in the City of Martinsville and Henry County are projected to slightly decrease through 2024.

The majority of housing units in the City of Martinsville and Henry County are single-family detached. There is also a significantly number of mobile homes. Approximately 65.7 percent of the housing stock in the City of Martinsville and Henry County was constructed prior to 1980 and 47.0 percent was constructed prior to 1970. There has been limited new development after 2010. Given the age of the housing stock, there are likely housing units in the market that would lead towards teardowns. However, the market inspection did not identify any obvious pockets of housing units that would suggest this due to condition; instead, teardown opportunities due to condition are likely to be unit specific and/or project-based, with the goal of assembling multiple parcels for a larger new construction project.

According to the 2012-2016 CHAS data published by HUD, approximately 9.2 percent of owner-occupied households and 19.9 percent of renter-occupied households in Henry County have at least one of four severe housing problems. In the City of Martinsville, approximately 9.2 percent of owner-occupied households and 22.6 percent of renter-occupied households have at least one of four severe housing problems. The four severe housing problems are: incomplete kitchen facilities; incomplete plumbing facilities; more than one person per room; and cost burden greater than 50 percent. Cost burden is considered the ratio of housing costs to household income. According to the data, 19.0 percent of owner-occupied households and 35.2 percent of renter-occupied households in Henry County pay more than 30 percent of their income towards rent. In the City of Martinsville, 22.5 percent of owner-occupied households and 44.4 percent of renter-occupied households pay more than 30 percent of their income towards rent. The data illustrates that rents in the City of Martinsville and Henry County are more likely to occupy substandard housing and be cost-burdened.

Owner Housing Market Overview

According to single-family home trends provided by the Kim Mangum, Association Executive for the Martinsville, Henry and Patrick Counties Association of Realtors, the average single-family home sale price in the City of Martinsville and Henry County was \$109,995 in 2019, up from \$100,622 in 2018. The average number of single-family homes sold in the City of Martinsville and Henry County increased each year between 2016 and 2019. Note that we were provided data is based on the City of Martinsville and Henry County combined. According to Zillow, as of January 2020, the median single-family home listing price was \$99,000 in the City of Martinsville and \$109,000 in Henry County.

During our inspection, we observed single-family homes in a range of conditions from fair to good; however, the majority of single-family homes appeared to be in average to good condition. During our site inspection, we observed a significant amount single-family homes that were for sale. According to Zillow, as of June

2020, there are 142 single-family homes currently listed for sale in Henry County and 52 listed in the City of Martinsville.

Rental Housing Overview

The majority of surveyed area stakeholders indicated that rental housing is more needed in the market than owner-occupied housing. Therefore, we focused our analysis on rental housing.

We are aware of six pipeline multifamily developments in the City of Martinsville and Henry County. Of the six pipeline developments, two are market rate, two are LIHTC, one is owner-occupied, and one has a rent structure that is yet to be determined. Note that the two LIHTC properties have yet to receive LIHTC allocations. There are no under construction multifamily properties in the City of Martinsville or Henry County.

We surveyed a total of 1,587 units in 29 multifamily properties in the City of Martinsville, Henry County, and the City of Danville, including four subsidized (Section 8 or Rural Development) properties, eight non-subsidized LIHTC properties, and 17 market rate properties. We are not aware of any workforce housing units with rents restricted above the 60 percent AMI level (i.e. 80, 100, 120 percent AMI, etc.) in City of Martinsville and Henry County or the surrounding area.

The surveyed properties generally reported mixed tenancy with the majority of tenants from the local area. Only one of the surveyed market rate properties is currently offering concessions. The majority of the surveyed affordable properties, maintain waiting lists, which demonstrates demand for affordable housing. Two of the surveyed market rate properties reported waiting lists. Approximately half of the surveyed properties reported rent growth over the past 12 months.

We believe the unit types in strongest demand in the City of Martinsville and Henry County are one and two-bedroom units with some demand for three-bedroom units as well. We believe one, two, and three-bedroom unit sizes of 625 to 750, 900 to 1,025, and 1,125 to 1,250, respectively, would be well accepted in the market.

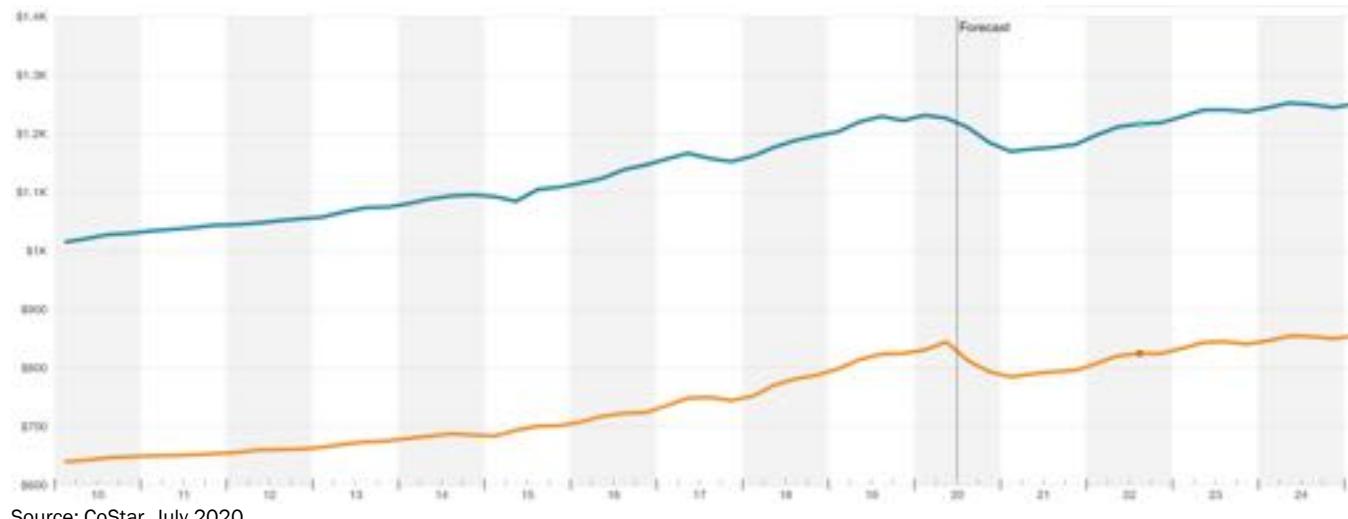
The vacancy rates among the surveyed properties range from zero to 20.0 percent, with an overall average of 1.3 percent. Note that the one property with a vacancy rate of 20.0 percent is a small property with one vacant unit. Excluding that outlier, vacancy among the surveyed properties ranges from zero to 10.0 percent. The affordable properties reported vacancy rates of zero to 6.7 percent with a weighted average of 0.6 percent. The market rate properties reported vacancy rates of zero to 20.0 percent with a weighted average of 2.1 percent. Only one of the affordable properties and five of the market rate properties reported vacancy above 5.0 percent. Martinsville Lofts reported a vacancy rate of 6.7 percent with four vacant units; however, management was unable to comment on the elevated vacancy rate. We spoke with Landmark Partners, the developer of Martinsville Lofts, who reported strong demand. The property reportedly has maintained 95 percent economic occupancy since opening. The Henry reported a vacancy rate of 8.0 percent with two vacant units. At the time of our survey, the property was offering a concession of one month free rent on a 12 month lease to fill its vacant units. The remaining properties with vacancy above 5.0 percent have only vacant unit. For the market rate properties with multiple vacancies, Northview Gardens and Stratford Square Apartments are among the oldest properties and The Henry has the highest price point. Overall, vacancy in the market appears to be low, which indicates demand for additional rental units in the City of Martinsville and Henry County.

The surveyed market rate properties command a wide variety of rents based upon location, size, condition, and amenities. The surveyed one-bedroom rents range from \$300 to \$802, with an average of \$465. None of the properties were recently constructed. The Henry exhibits the most superior condition (built in 1921 and converted into apartments in 2015) and is located in downtown Martinsville. Based on an exterior inspection of the surveyed properties, Wayside Manor exhibited the most inferior condition among the properties and offers the lowest rents. The surveyed two-bedroom rents range from \$458 to \$700, with an average of \$577. None of the properties were recently constructed and could provide a basis for comparison. The surveyed three-bedroom rents range from \$465 to \$1,018, with an average of \$711. Stratford Square Apartments reported the highest three-bedroom rents. This property was built in 1973, has a townhouse design, property amenities that include a swimming pool.

Based on conversations with community stakeholders as well as an analysis of inflow and outflow commuter trends from nearby areas, a significant number of individuals work in Martinsville and Henry County and live in the nearby cities of Danville, Virginia, and Greensboro, North Carolina. We spoke with John Stiltner, Director of Development and Construction Management Services for Landmark Partners, who reported competition with Greensboro, North Carolina for workers and housing as Greensboro has a housing stock in superior condition compared to Martinsville and Henry County. We also spoke with Angeline Godwin, President of Patrick Henry Community College, who indicated that new staff have difficulty finding rental housing in the area and many live in Greensboro and Winston-Salem, North Carolina, to find better quality housing.

Approximately 65.7 percent of the housing stock in the City of Martinsville and Henry County was constructed prior to 1980 and 47.0 percent was constructed prior to 1970. There has been limited new development in the City of Martinsville and Henry County after 2010. However, we believe there is demand for new development given recent employment growth and commuting pattern data that shows individuals commuting from nearby urban areas for employment.

We identified a premium for age/condition, amenities, and location. To determine the premium, we researched the rent differential between properties built before 2005 and properties built after 2015 within 50 miles of Martinsville. The following table illustrates the effective market rent per unit for market rate multifamily properties located within 50 miles of Martinsville, according to CoStar.



The orange line illustrates 594 properties built before 2005 with an average market effective rent of \$844. The blue line illustrates 43 properties built after 2015 with an average market effective rent of \$1,227. Therefore, new construction supply illustrates a \$383 premium, or a 45 percent increase, over that built before 2005. Note that the graph does not account for difference in location, amenities, or design.

The data presented in this report shows that the City of Martinsville and Henry County have a significant concentration of jobs that are attracting workers throughout the region, including a significant portion of individuals who work in the City of Martinsville and Henry County and live to the east, likely in the nearby City of Danville. There also appears to be a significant portion of individuals who work in the City of Martinsville and Henry County and commute greater than 50 miles from the southwest, likely from Winston-Salem, North Carolina. Based on the data presented as well as conversations with local stakeholders, there is a significant portion of individuals who work in the City of Martinsville and Henry County, yet reside outside of the geographic area; therefore, we researched rental rates among new construction properties within 50 miles of Martinsville. The following table illustrates asking rents among new construction elevator-serviced and garden-style market rate properties built after 2015 as well as historic properties that were converted into loft apartments after 2010 located within 50 miles of Martinsville, according to CoStar and supplemented with telephone interviews.

RECENTLY CONSTRUCTED/CONVERSION PROPERTIES WITHIN 50 MILES OF MARTINSVILLE

Property Name	Location	Rent Structure	Tenancy	Design	Year Built	Total Units	Vacancy Rate	Absorption Rate	1BR Asking Rent	2BR Asking Rent	3BR Asking Rent
Chatham Lofts	Chatham, VA	Market	Family	Loft	1925/2013	31	3.2%	-	\$925	\$1,000	-
Continental Lofts	Danville, VA River District	Market	Family	Loft	1900/2015	40	0.0%	-	-	\$1,283	-
Ferrell Historic Lofts	Danville, VA River District	Market	Family	Loft	1870/2011	13	0.0%	-	\$925	\$1,300	-
Pemberton Lofts	Danville, VA River District	Market	Family	Loft	1920/2014	112	0.0%	-	\$975	\$1,350	-
Smith Seed Lofts	Danville, VA River District	Market	Family	Loft	1875/2013	20	0.0%	-	\$975	\$1,275	-
Average						43	0.6%		\$950	\$1,242	-
50 West Fourth Residences	Winston-Salem, NC	Market	Family	Loft	1926/2015	58	6.9%	-	\$1,118	\$1,526	\$1,730
2918 North	Greensboro, NC	Market	Family	Midrise	2016	39	2.6%	-	-	\$1,350	-
Carroll at Bellmeade	Greensboro, NC	Market	Family	Midrise	2019	289	1.7%	12	\$1,473	\$1,613	-
Country Park at Tall Oaks	Greensboro, NC	Market	Family	Garden	2017	216	5.6%	-	\$1,255	\$1,376	\$1,626
Davis Gardens Apartments	Kernersville, NC	Market	Senior	Lowrise	2017	86	1.2%	-	\$1,041	\$1,228	-
District Vue	Roanoke, VA	Market	Family	Garden	2019	216	9.3%	-	\$1,044	\$1,272	\$1,540
Edge Flats	Winston-Salem, NC	Market	Family	Loft	1919/2015	170	2.9%	-	\$1,450	\$1,773	-
Encore North	Greensboro, NC	Market	Family	Garden	2017	237	5.1%	-	\$936	\$1,255	-
Fairway Village at Stoney Creek	Whitsett, NC	Market	Family	Garden	2018	144	2.8%	-	\$929	\$1,130	\$1,381
Gramercy Row	Roanoke, VA	Market	Family	Midrise	2016	86	2.3%	-	\$920	\$1,165	-
Greenway at Stadium Park	Greensboro, NC	Market	Family	Midrise	2015	67	1.5%	-	\$1,201	\$1,425	-
Hawthorne at Friendly	Greensboro, NC	Market	Family	Midrise	2019	188	5.9%	22	\$1,503	\$1,876	\$2,974
Keystone at James Landing	Jamestown, NC	Market	Family	Garden	2018	309	5.2%	-	\$914	\$1,147	\$1,389
Lafayette Landing Apartments & Villas	Jamestown, NC	Market	Family	Townhouse	2016	203	2.5%	-	\$995	\$1,343	\$1,681
Landon Creek	Greensboro, NC	Market	Family	Garden	2019	72	0.0%	-	\$924	\$1,122	-
Link Apartments at Innovation Quarter	Winston-Salem, NC	Market	Family	Midrise	2019	344	0.9%	-	\$1,256	\$1,890	-
Link Apartments at Broostown	Winston-Salem, NC	Market	Family	Midrise	2015	205	5.9%	-	\$1,146	\$1,600	-
Mill 800	Winston-Salem, NC	Market	Family	Loft	1900/2016	170	10.6%	-	\$925	\$1,168	\$1,468
North Point Apartments	Roanoke, VA	Market	Family	Garden	2015	174	2.3%	-	\$925	\$1,050	-
Piedmont Place Apartments	Greensboro, NC	Market	Family	Townhouse	2015	100	6.0%	-	\$1,232	\$1,576	-
The Grove at Kernersville	Kernersville, NC	Market	Family	Garden	2015	216	5.1%	-	\$990	\$1,215	-
The Keystone at Walkertown Landing	Walkertown, NC	Market	Family	Garden	2015	198	4.6%	-	\$835	\$990	\$1,300
The Lofts at New Garden	Greensboro, NC	Market	Family	Loft	2019	189	5.3%	11	\$1,039	\$1,407	\$1,931
The Reserve at Smith Crossing	Kernersville, NC	Market	Family	Garden	2017	376	4.3%	-	\$999	\$1,099	\$1,380
The Residences at The R.J. Reynolds Building	Winston-Salem, NC	Market	Family	Highrise	2016	116	6.9%	-	\$952	\$1,353	-
The Retreat Apartments	Roanoke, VA	Market	Family	Garden	2016	162	6.8%	-	\$1,029	\$1,201	\$1,719
The Southeastern Building Apartments	Greensboro, NC	Market	Family	Loft	1919/2015	51	3.9%	-	\$1,058	\$1,348	-
Thomas Estates	Greensboro, NC	Market	Family	Garden	2017	168	3.0%	-	-	\$1,065	\$1,185
West End Station	Winston-Salem, NC	Market	Family	Midrise	2019	229	3.9%	-	\$1,253	\$1,928	-
Westmont Apartments	Roanoke, VA	Market	Family	Garden	2015	48	0.0%	-	\$900	\$1,000	-
Average						171	4.2%	15	\$1,080	\$1,350	\$1,639

The Subject's location is considered most similar to Danville and Chatham; therefore, we have illustrated the average rents specifically for these properties. The difference in the average asking rent between the comparables located in Danville and Chatham and the comparables located in Greensboro, Winston-Salem, Kernersville, Roanoke, Whitsett, Jamestown, and Walkertown is a \$120 premium for properties located in

Greensboro, Winston-Salem, Kernersville, Roanoke, Whitsett, Jamestown, and Walkertown. Additionally, these locations are more urban than Martinsville and Henry County; therefore, new construction properties in more urban or suburban locations typically offer a more extensive amenities package such as garage parking and rooftop features that may not be found in locations such as Martinsville, Henry County, and Danville.

In terms of design, loft properties are typically priced higher due to larger units, higher ceilings, larger windows that can make units appear larger, exposed brick/beams, and higher end finishes/amenities. As illustrated in the previous chart, the difference in the asking rent between the comparables with a loft design compared to that with an elevator-serviced or garden-style design is a \$25 premium for a loft design. However, that calculation does not control for location. Using only the comparables located in Greensboro, Winston-Salem, Kernersville, Roanoke, Whitsett, Jamestown, and Walkertown, the premium is \$85 for a loft design.

The following table illustrates the achievable market rents calculation when adjusting for location, condition, and design. We utilized a 35 percent adjustment for condition, \$120 adjustment for location, and \$25 adjustment for design.

ACHIEVABLE MARKET RENTS			
	1BR	2BR	3BR
Highest Rent of Surveyed Properties	\$802	\$700	\$1,018
Condition Premium	35%	35%	35%
Highest Surveyed Rent with Condition Premium	\$1,083	\$945	\$1,374
Location Premium	-\$120	-\$121	-\$122
Highest Surveyed Rent with Condition and Location Premium	\$963	\$824	\$1,252
Loft Design Premium	\$25	\$25	\$25
Highest Surveyed Rent with Condition, Location, & Design Premium	\$988	\$849	\$1,277
Novoco Achievable Market Rent Range for well amenitized new construction	\$875-\$1,000	\$1,025-\$1,200	\$1,225-\$1,350

Given the data reported by the surveyed properties as well as the data for newly constructed properties in the region, we estimate achievable one-bedroom rents for a newly constructed market rate development located in the City of Martinsville and Henry County to range from **\$875 to \$1,000**, depending on the unit sizes, location, and amenities offered. We estimate achievable two-bedroom rents for a newly constructed market rate development located in the City of Martinsville and Henry County to range from **\$1,025 to \$1,200**, depending on the unit sizes, location, and amenities offered. We estimate achievable three-bedroom rents for a newly constructed market rate development located in the City of Martinsville and Henry County to range from **\$1,225 to \$1,350**, depending on the unit sizes, location, and amenities offered.

Based on information from the client as well as anecdotal information from area stakeholders, there is a need for housing for those in management positions. As discussed later in the report, we expect tenant incomes at 80 to 200 percent AMI to range from \$30,000 to \$134,600 based on the lowest achievable market rents and assuming that tenants are paying 35 percent of their income towards rent. As shown in the report, a total of 101,410 employees in the Martinsville and Danville region have wages within this range and provide demand for new construction units.

Demand

The ESRI demographic data indicates that there is gross future demand for a total of 420 units at the 50 percent AMI level, 573 units at the 60 percent AMI level, 423 units at the 80 percent AMI level, 532 units at the 100 percent AMI level, 645 units at the 150 percent AMI level, and 707 units at the 200 percent AMI level in the City of Martinsville and Henry County over the next five years. To avoid double counting households since there is some overlap in these income strata, we also estimated that 931 renters in the City of Martinsville and Henry County would income qualify to reside at one of the six AMI levels. It should be noted that the demand figures above do not account for the existing supply in the market. There are currently 114 existing non-subsidized units targeted at the 50 percent AMI level and 191 existing non-subsidized units targeted at the 60 percent AMI in the City of Martinsville and Henry County. When removing these units, there is net demand for a total of 306 units at the 50 percent AMI level and 382 units at the 60 percent AMI level. It should be noted that we are not aware of any 80 to 200 percent AMI units in the market and the renter households within these income ranges are likely housed in older market rate developments with discounted rents due to their age/condition. As such, there appears to be demand in the market for newly constructed units targeting renters earning between the 50 and 200 percent AMI levels.

II. COMMUNITY PROFILE

COMMUNITY PROFILE

REGIONAL AND LOCAL AREA DESCRIPTION

The areas of study for this report are the City of Martinsville and Henry County, Virginia. The city of Martinsville is an independent city surrounded by Henry County. Henry County is located in the southern portion of Virginia and borders North Carolina. Henry County comprises the Martinsville, VA Micropolitan Statistical Area. On December 10, 2019, the Martinsville City Council voted to begin the process of reversion whereas the City of Martinsville would revert to a town and become part of Henry County. Reversion allows for a city to transfer many of its standard services to the surrounding county. City officials say such reversion will repair Martinsville's financial problems. This will be finalized in three to five years.

Henry County is comprised of the town of Ridgeway, the census-designated places of Bassett, Chatmoss, Collinsville, Fieldale, Horsepasture, Laurel Park, Oak Level, Sandy Level, Stanleytown, Villa Heights, and the unincorporated places of Axton, Preston, and Spencer. The county seat is often identified as Martinsville; however, the county administrative buildings are located in Collinsville.

According to the 2019 Esri Demographics, the City of Martinsville and Henry County measure approximately 395 square miles and have a population of 66,209 persons. The City of Martinsville alone measures 11 square miles and has a population of 12,554 persons. The City of Martinsville and Henry County are accessible via U.S. Route 58 and U.S. Route 220. U.S. Route 58 is an east/west traversing four-lane highway that provides access east to the City of Danville, Virginia as well as Interstates 85 and 95 and west to Interstates 77 and 81. U.S. Route 220 is a north/south traversing four-lane highway that provides access north to the City of Roanoke, Virginia and south to the City of Greensboro, North Carolina. The following map illustrates the region with Henry County outlined in red and the City of Martinsville outlined in blue.



Source: Google Earth, April 2020

Nearby population and employment centers include the cities of Lynchburg, Roanoke, and Danville in Virginia and the cities of Greensboro, Winston-Salem, and Durham in North Carolina. The City of Martinsville and Henry County are located approximately 83 miles north northwest of the City of Durham, North Carolina, 80 miles southwest of the City of Lynchburg, Virginia, 40 miles north of the City of Greensboro, North Carolina, 45 miles northeast of the City of Winston-Salem, North Carolina, 40 miles south of the City of Roanoke, Virginia, and approximately 25 miles west of the City of Danville, Virginia. The following map illustrates a one-hour drive time zone from Martinsville.



Source: TravelTime, June 2020

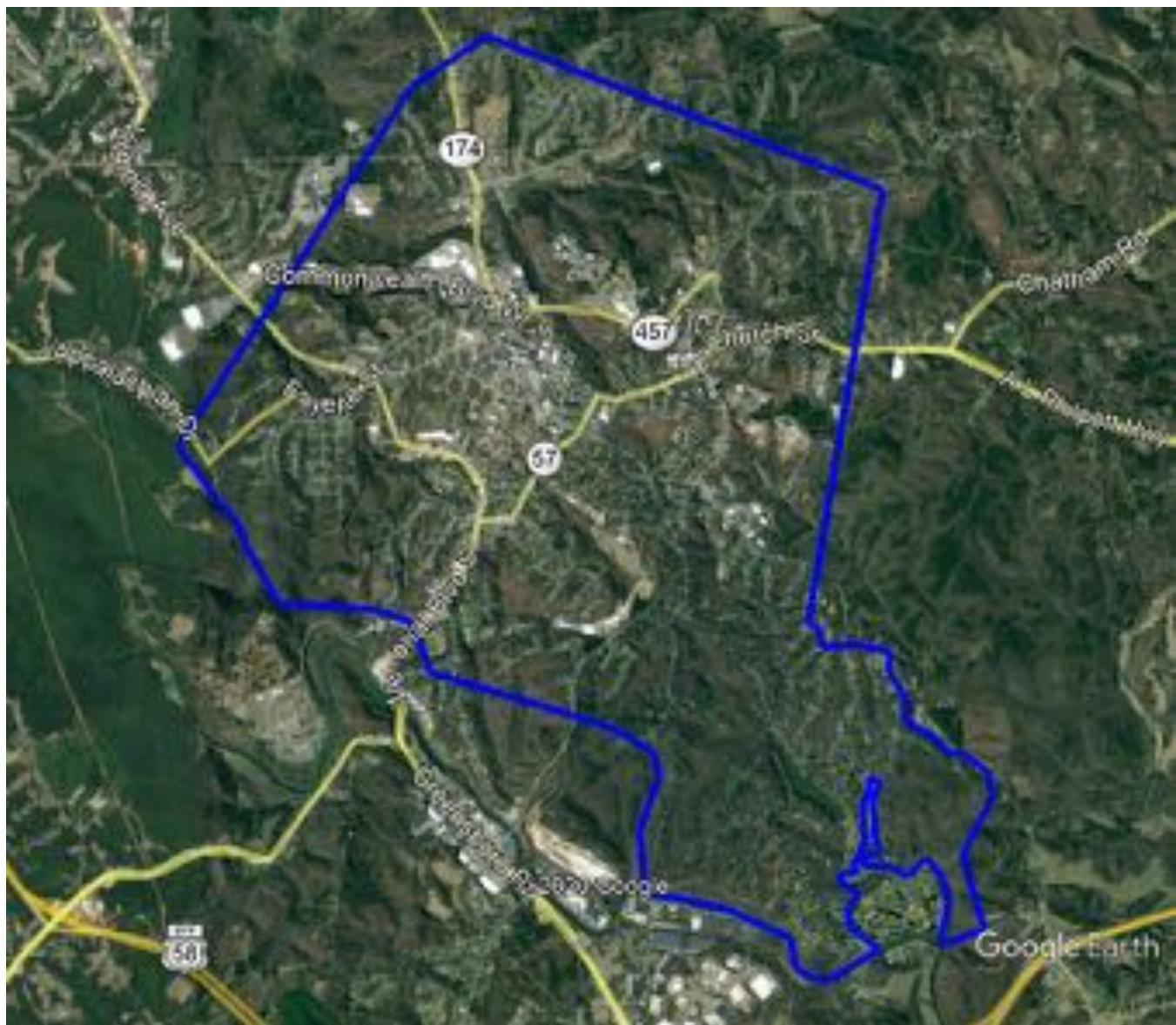
As shown, a one-hour drive time zone from Martinsville includes the city of Danville to the east and the northern portion of the cities of Greensboro to the south.

We focused our analysis on the City of Martinsville and Henry County, Virginia. The following map illustrates the area of analysis with Henry County outlined in red and the City of Martinsville outlined in blue.



Source: Google Earth, April 2020

The following map illustrates land uses within the City of Martinsville, which is outlined in blue.



Source: Google Earth, April 2020

INFRASTRUCTURE

Transportation

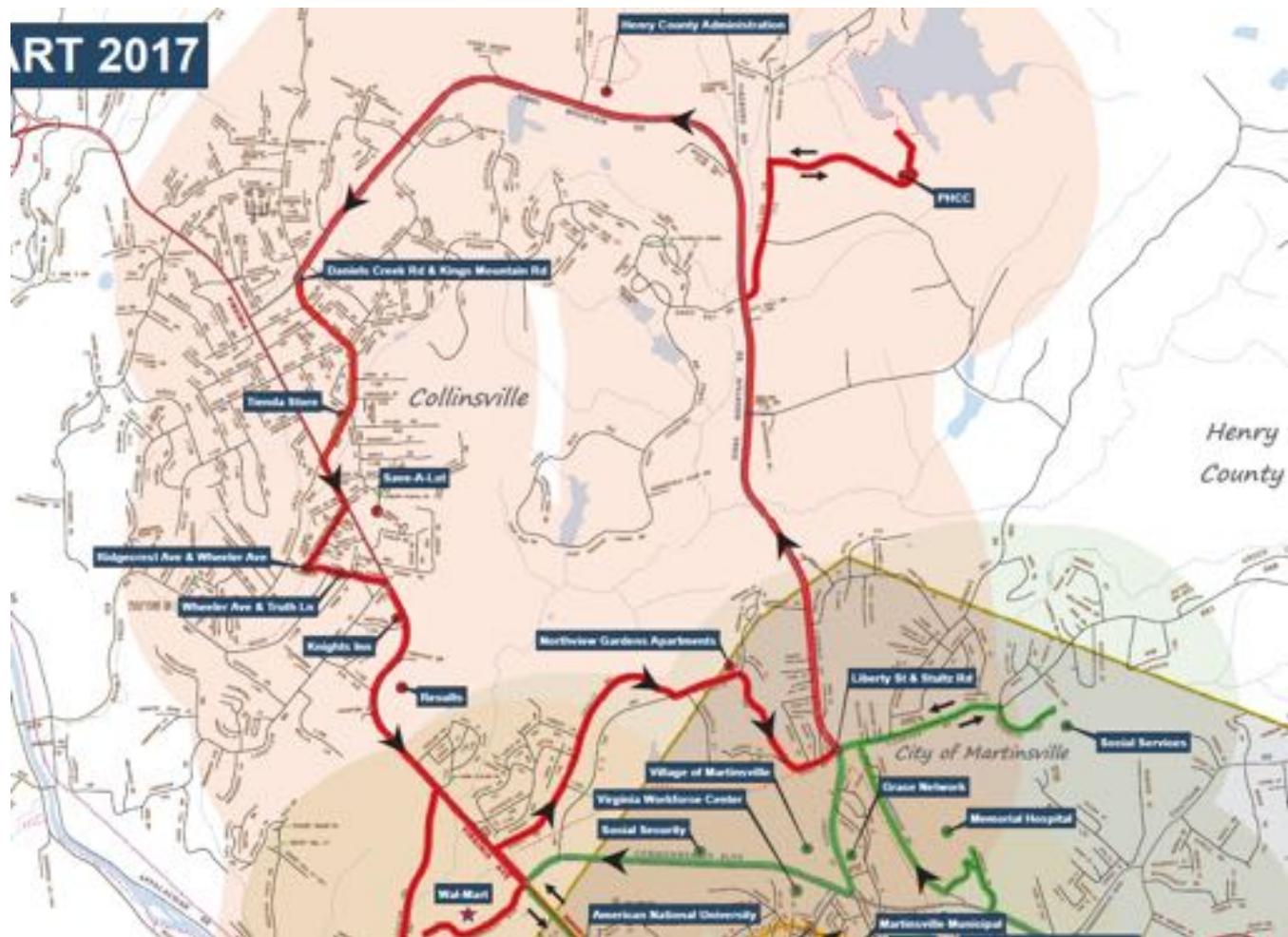
Air: The area is serviced by the Roanoke-Blacksburg Regional Airport in Roanoke, Virginia and the Piedmont Triad International Airport in Greensboro, North Carolina. The Roanoke-Blacksburg Regional Airport is located approximately 40 miles north of the City of Martinsville and Henry County and is serviced by Allegiant Air, American Eagle, Delta, and United Express. The Piedmont Triad International Airport is located approximately 40 miles south of the City of Martinsville and Henry County and is serviced by Allegiant Air, American Airlines, American Eagle, Delta, Spirit Airlines, and United Express. The Piedmont Triad International Airport is currently undergoing an expansion of the interstate highway network adjacent to the airport, which will result in easy access from industrial sites around the airport. Connector highways are currently under construction with expected completion in 2022.

Public Transit: The Piedmont Area Regional Transit (PART) system offers a fixed bus route system in Henry County and the City of Martinsville. There are three routes, which are served by three 14-passenger handicapped accessible buses. Designated stops are located at high traffic retail areas, industrial parks, college campuses, medical facilities, and government offices. The service operates Monday through Friday between the hours of 7:30 a.m. and 5:30 p.m. and fares are fifty cents per trip. Children under the age of six years old, accompanied by an adult, ride at no charge. Individuals who are ADA certified may request the van to deviate off its route to make pick-ups and drop offs, with 24 hour advance notice. The Martinsville route is shown in green in the following map.



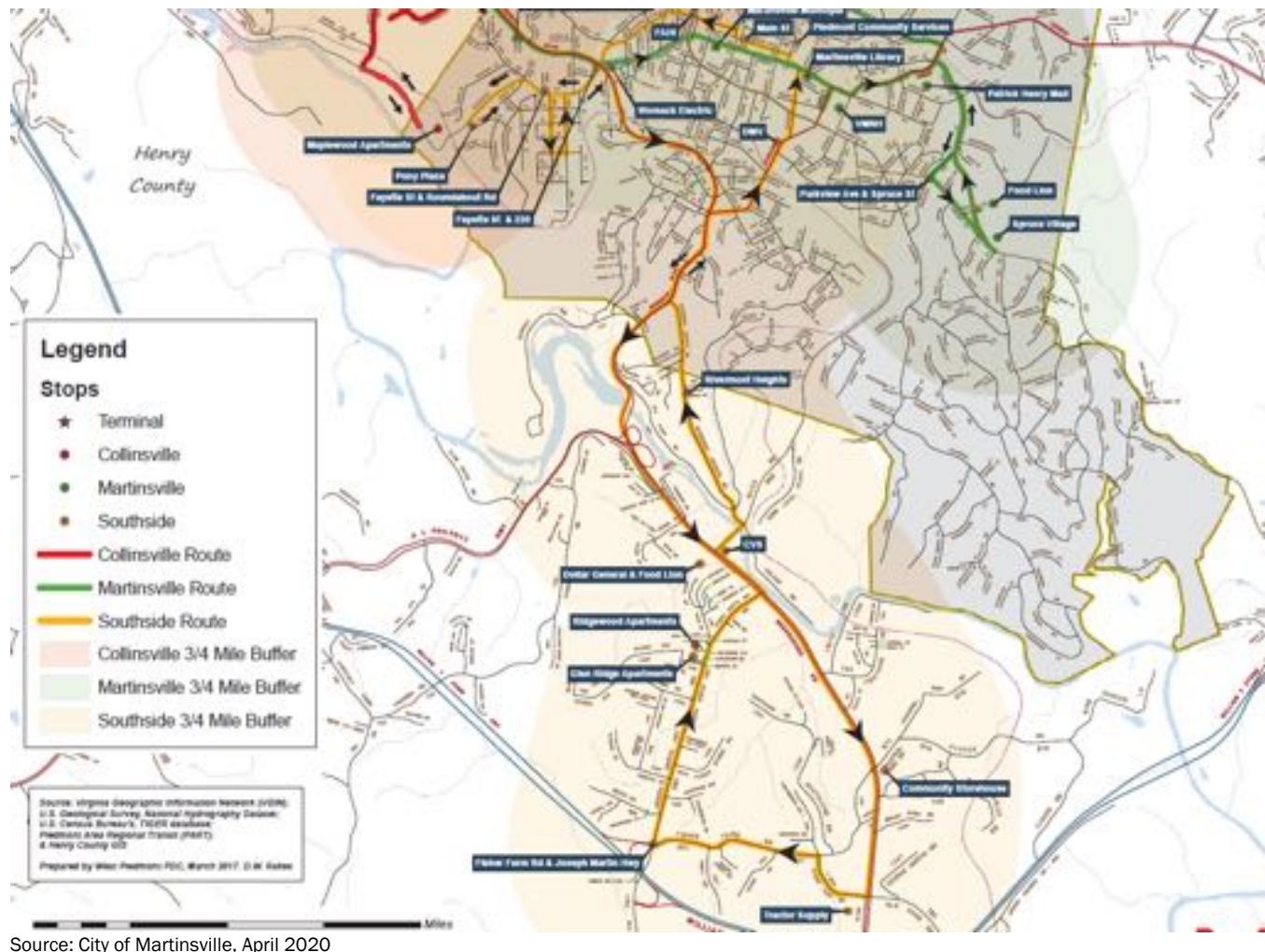
Source: City of Martinsville, April 2020

The Collinsville route is shown in red in the following map.



Source: City of Martinsville, April 2020

The Southside route is shown in orange in the following map.



Source: City of Martinsville, April 2020

Primary and Secondary Education

Henry County Public Schools operates 14 schools throughout Henry County: two high schools, two middle schools, and 10 elementary schools. All of the elementary schools have pre-school programs. High schools include Bassett High School and Magna Vista High School. Middle schools include Fieldale-Collinsville Middle School and Laurel Park Middle School. Elementary schools include Axton Elementary School, Campbell Court Elementary School, G. W. Carver Elementary School, Drewry Mason Elementary School, Mount Olivet Elementary School, Rich Acres Elementary School, Sanville Elementary School, Stanleytown Elementary School, and Meadow View Elementary School. Henry County Public Schools are rated B- by niche.com. The county has 7,479 students and a student-teacher ratio of 16 to one. According to state test scores, 75 percent of students are at least proficient in math and 77 percent in reading.

Martinsville City Public Schools operates Martinsville High School, Martinsville Middle School, Albert Harris Elementary School, Patrick Henry Elementary School, and Clearview Early Childhood Center. Martinsville City Public Schools are rated C- by niche.com. The district has 2,016 students and a student-teacher ratio of 14

to one. According to state test scores, 55 percent of students are at least proficient in math and 66 percent in reading.

Government

Virginia is the only state in which every city is an “independent city,” meaning that the city is not within the jurisdiction of a county. The City of Martinsville is an independent city surrounded by Henry County. The City of Martinsville is run by the City Manager and the City Council. The City Council passes ordinances and resolutions, establishes policies for the city, approves the annual budget, and appoints members of city boards and commissions. On December 10, 2019, the City Council voted to begin the process of reversion whereas the City of Martinsville would revert to a town and become part of Henry County. Reversion allows for a city to transfer many of its standard services to the surrounding county. City officials say such reversion will repair Martinsville’s financial problems. This will be finalized in three to five years, at which point, a new comprehensive plan and zoning code would be drafted. The Town of Martinsville would retain a Town Council to manage the new entity, but it also would have representation on the Henry County Board of Supervisors and the Henry County School Board.

According to an article in the Martinsville Bulletin dated November 18, 2019 and titled “Martinsville's right to revert could feel wrong to Henry County,” reversion will repair Martinsville’s financial problems. The article states, “According to a 2014 report by the Commission on Local Government, Martinsville was the fourth most financially distressed independent city in the commonwealth, trailing only Emporia, Buena Vista, and Petersburg and ahead of Covington, Galax, Lynchburg, Franklin, Hopewell and Radford.” Ultimately, taxes in Martinsville will slightly decrease, taxes in Henry County will slightly increase, and services will remain unchanged.

Child Care

There are nine child care centers located in Henry County that are licensed by the Virginia Department of Social Services:

- Carlisle School - Martinsville
- Collinsville YMCA Before and After School Program
- PCCA Head Start - Moral Hill Baptist Church
- PCCA Head Start - Stanleytown #14
- Sanville Elementary Boys & Girls Clubs of The Blue Ridge
- YMCA After School - Axton Elementary
- YMCA After School Care - Mt. Olivet Elementary
- YMCA After School Program - Drewry Mason
- YMCA Early Learning Center

There are seven child care centers located in Martinsville that are licensed by the Virginia Department of Social Services:

- Albert Harris Elementary Boys & Girls Clubs Afterschool Program
- Clearview Boys & Girls Clubs Afterschool Program
- Happy Feet Early Learning and Child Center
- Little Hearts Daycare

- Patrick Henry Elementary Boys & Girls Clubs Afterschool Program
- PCCA Head Start - Refuge Temple
- PCCA Head Start Refuge Temple #2

Higher Education

Patrick Henry Community College (PHCC) is a public community college in Henry County, approximately three miles north of the City of Martinsville. PHCC offers associate degree programs, certificate programs, and career studies programs, which include a variety of non-traditional programs such as industry-recognized certifications, developmental and transitional programs, and personal enrichment courses. At the college's location in Martinsville, PHCC's Dalton IDEA Center offers students, individuals, and businesses access to the latest prototyping technologies and entrepreneurial training and STEM education. The student-faculty ratio is 17 to one. Patrick Henry Community College serves 2,900 students, similar to 2014 enrollment of 2,853 students. The following images illustrate Patrick Henry Community College facilities.



Patrick Henry Community College



Patrick Henry Community College

New College Institute (NCI) is a state-funded educational entity located in Martinsville that provides access to degree programs (bachelor, master, and doctorate) through partnerships with Virginia colleges and universities. New College Institute was founded in 2006 as a collaborative educational model used by colleges and universities in Virginia. NCI's Center of Advanced Manufacturing provides technology education, manufacturing training, and consulting services that contribute to continuous workforce and technology development and business success. The most recent publicly available enrollment numbers show enrollment of 410 students in the 2010 to 2011 school year. The following images illustrate New College Institute facilities.



New College Institute



New College Institute

Medical Facilities

Sovah Health has two campuses in Danville and Martinsville. Memorial Hospital of Martinsville and Henry County merged with Danville Regional Medical Center in 2017 to form Sovah Health. The Danville campus is a 250-bed academic community hospital with the region's only designated Chest Pain Center and Certified Advanced Primary Stroke Center. The Danville campus employs 1,300 people and has over 175 physicians. The Martinsville campus is a 220-bed full service, acute-care hospital. The Martinsville campus employs over 700 people and has over 100 physicians. The following images illustrate Sovah Health – Martinsville facilities.



Sovah Health – Martinsville



Sovah Health – Martinsville

Points of Interest

The following details a few points of interests found within the City of Martinsville and Henry County.

- Martinsville Speedway is a NASCAR stock car racing short track located in Ridgeway, Virginia, just to the south of Martinsville. At 0.526 miles in length, it is the shortest track in the NASCAR Cup Series. The speedway's track seating was reduced from 55,000 to 44,000 in 2018. In April 2019, NASCAR

announced significant changes to the Martinsville schedule including a return to the track for the NASCAR Xfinity Series in late October 2020. The following images illustrate the Martinsville Speedway.



Martinsville Speedway



Martinsville Speedway

- Virginia Museum of Natural History is located in Martinsville and has award-winning exhibits, groundbreaking scientific research and collections, and transformational educational programs for all ages. The museum has 33 full-time and 19 part-time employees. Over 30,000 people per year visit the museum, including 57 percent from outside the local area.
- The Bassett Historical Center is the repository for all genealogical research and local history for the counties of Henry and Patrick and the City of Martinsville, Virginia. Patrons have come from all over the United States and nine foreign countries to view the files housed at the center.
- The Martinsville-Henry County Heritage Center and Museum is located in the Henry County Circuit Court Clerk's Office. Exhibits on local and regional history change regularly. The former Deed Room is home to a timeline of the history of Martinsville and Henry County featuring artifacts, photographs and articles. The Circuit Court Courtroom is open on the second floor as well as vintage clothing, antique tool and furniture history displays.
- Located in the Martinsville's Arts & Cultural District, Piedmont Arts is an award-winning art museum that curates thought-provoking exhibitions by international, national and regional artists. The museum also offers performing arts—from concerts to plays to children's performances—and a full schedule of art classes for all ages. Piedmont Arts is admission free.

Recreation

The following details a few recreation options found within the City of Martinsville and Henry County.

- The Dick and Willie Passage Rail Trail connects neighborhoods in Martinsville to opportunities for shopping, dining and entertainment along a 4.5 mile long paved path.

- The Smith River Trail System is comprised of 45 miles of 20 miles of shared-use trails along the Smith River. It hosts 11 public canoe ramps available for use by paddlers and fishermen. The river is available for canoeing and kayaking and provides access to Philpott Lake. It is also host to the annual Smith River Fest event, which is currently scheduled for August 22, 2020, and includes vendors, activities, a fun run, and river rides.
- Philpott Lake is a reservoir located that covers 2,880 acres with 100 miles of shoreland in Patrick, Franklin, and Henry Counties. There are numerous recreational opportunities including: boating, swimming, picnicking, hiking, biking, hunting, fishing, and wildlife observation. The lake has eight campgrounds, six beach areas, nine boat launches, and a visitor center.
- The Smith River Sports Complex hosts youth matches, college and high school tournaments, camps and other events. The fields are available by reservation only for field sports such as soccer, lacrosse, football, field hockey, Ultimate Frisbee, T-ball and other outdoor events. The complex is located on 90+ acres and designed to accommodate various sports camps and clinics, league play, exhibition games, tournaments and special events. The Smith River Sports Complex is currently undergoing a \$2.4 million renovation to keep up with the wear and tear from 10 years of operation.
- The Fieldale Recreation Center is located in Fieldale, Virginia. The Fieldale Recreation Center offers a public pool and hosts a variety of community events.
- Martinsville and Henry County offer four golf courses. Forest Park Country Club and Beaver Hills Golf Course in Martinsville, Mini Par Driving Range in Ridgeway, and Heritage Golf Club in Bassett.
- Hooker Field, the home of the Patrick Henry Community College Patriots baseball team, hosts multiple minor and summer league teams. The stadium is located in the City of Martinsville and has a seating capacity of 3,200. An artificial infield turf was installed in 2014.
- There are large two wineries and one brewery located in Martinsville and Henry County. Hamlet Vineyards is located in Bassett. Hamlet Vineyards features 3,500 grapevines and a tasting terrace. Hamlet Vineyards also has a historic home, called Eltham Manor, that is listed among the National Register of Historic Places as well as the Virginia Landmarks Register. Preston Ridge Winery is located in the City of Martinsville and offers a retail store and wine tasting. Mountain Valley Brewing opened Henry County's first craft brewery in the Spring 2017 in Axtion. In September 2018, Mountain Valley Brewing announced that it would invest \$174,000 and create five new jobs to construct a new brew house, doubling production capacity, add an event space, and increase the size of its tasting room.

Retail

Retail uses and restaurants in Martinsville and Henry County are located along main corridors such as Commonwealth Boulevard, U.S. Route 58, and U.S. 220. A Walmart Supercenter is located just outside Martinsville city limits in Villa Heights. Retail uses and restaurants are clustered in downtown Martinsville including banks, grocery stores, pharmacies, and a number of local businesses. During our inspection, shopping centers appeared to have occupancy of 95 percent or more. Retail uses in downtown Martinsville appeared to have lower occupancy of 85 percent or more. However, during our inspection, it will unclear if some of the closures are temporary due to COVID-19 restrictions.

The following images are of various retail uses throughout the City of Martinsville and Henry County.



The Village of Martinsville Shopping Center



Walmart Supercenter



Retail uses in Downtown Martinsville



Retail uses in Downtown Martinsville



Retail uses in Downtown Martinsville



Vacant retail space in Downtown Martinsville

ECONOMIC ANALYSIS

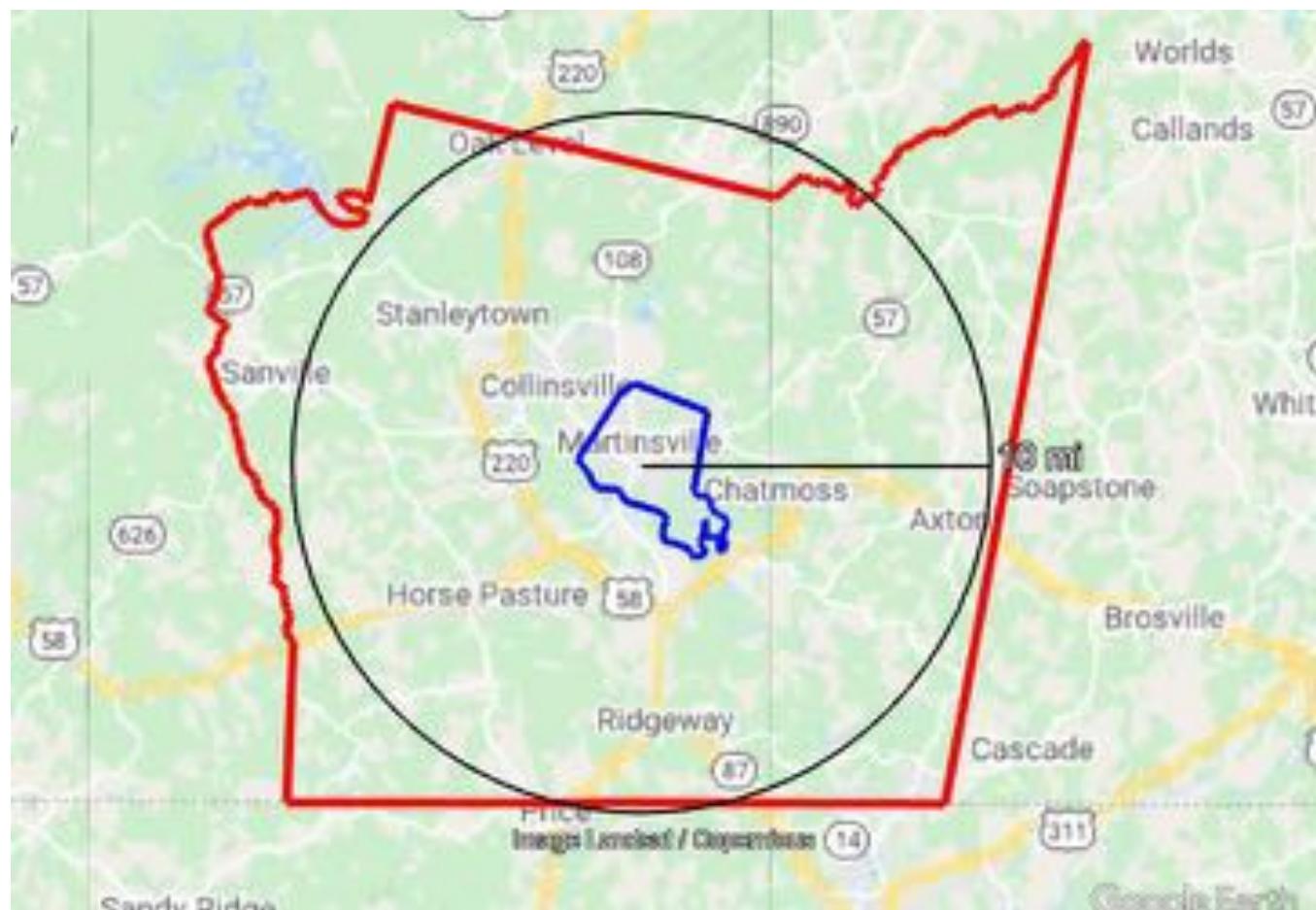
According to an analysis by *Wallethub.com* dated May 28, 2020, the State of Virginia was ranked fifth out of all the states for the largest increases in unemployment due to COVID-19. The State of Virginia first issued stay-at-home orders effective March 30, 2020 until June 10, 2020. Phase 1 of Governor Ralph Northam's reopening for Martinsville and Henry County was announced on May 14, 2020, which is around the time of the effective date of this report. This includes the reopening of local government offices and eased restrictions on businesses, including outdoor-dining restaurants and offices, but requires them to maintain social distancing and other safety steps. The surveyed properties were interviewed between April 7 and May 8, 2020, during the peak of the pandemic. We believe economic conditions will improve when restrictions are lifted and the affects of the pandemic dissipate. Additionally, the City of Martinsville and Henry County are considered rural areas, which have been less economically impacted as compared to urban areas of the state. None of the property managers reported any significant impact on property performance. The economic analysis suggests that the market will be resilient and rebound to pre-COVID-19 performance over the near term. Therefore, this analysis focuses on longer term trends.

Area Analysis

The areas of study for this report are the City of Martinsville and Henry County, which have been previously defined. We also compared this area to the Martinsville Micropolitan Statistical Area and the Danville Micropolitan Statistical Area, which includes Henry County, Pittsylvania County, Danville City, and Martinsville City, Virginia. We referred to this area as the "Martinsville and Danville region" within this report.

The following maps illustrates the areas of analysis with Henry County outlined in red, the City of Martinsville outlined in blue, and the Martinsville and Danville region in black.

City of Martinsville (blue outline) and Henry County (red outline)



Source: Google Earth, April 2020

Martinsville and Danville Region

(Martinsville Micropolitan Statistical Area and Danville Micropolitan Statistical Area)



Source: Google Earth, April 2020

Employment by Industry

The following table identifies employment by industry sector within Martinsville and Henry County compared to the nation as a whole. Note that the data reflects the employment of workers that live in Martinsville and Henry County, not necessarily the jobs available in Martinsville and Henry County.

2019 EMPLOYMENT BY INDUSTRY

Industry	Martinsville & Henry County		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	5,206	18.7%	16,057,876	10.0%
Healthcare/Social Assistance	3,754	13.5%	22,612,482	14.1%
Retail Trade	3,509	12.6%	17,127,172	10.7%
Educational Services	2,145	7.7%	14,565,802	9.1%
Accommodation/Food Services	2,103	7.6%	11,738,765	7.3%
Construction	1,985	7.1%	11,245,975	7.0%
Admin/Support/Waste Mgmt Svcs	1,820	6.5%	6,106,184	3.8%
Other Services	1,688	6.1%	8,141,078	5.1%
Public Administration	1,370	4.9%	7,828,907	4.9%
Transportation/Warehousing	985	3.5%	7,876,848	4.9%
Prof/Scientific/Tech Services	842	3.0%	11,744,228	7.3%
Finance/Insurance	783	2.8%	7,377,311	4.6%
Wholesale Trade	518	1.9%	4,183,931	2.6%
Arts/Entertainment/Recreation	334	1.2%	3,332,132	2.1%
Utilities	229	0.8%	1,276,400	0.8%
Information	206	0.7%	3,157,650	2.0%
Real Estate/Rental/Leasing	161	0.6%	3,204,043	2.0%
Agric/Forestry/Fishing/Hunting	72	0.3%	1,915,709	1.2%
Mgmt of Companies/Enterprises	67	0.2%	237,307	0.1%
Mining	25	0.1%	819,151	0.5%
Total Employment	27,802	100.0%	160,548,951	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

Employment in Martinsville and Henry County is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 44.8 percent of local employment. The large share of employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, Martinsville and Henry County also have a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the City of Martinsville and Henry County feature comparatively greater employment in the manufacturing, admin/support/waste management services, and retail trade industries. Conversely, the City of Martinsville and Henry County is underrepresented in the professional/scientific/technical services, finance/insurance, and real estate/rental/leasing industries.

Change in Employment

The following table identifies the change in employment by industry sector between 2010 and 2019 within Martinsville and Henry County.

2010-2019 CHANGE IN EMPLOYMENT - MARTINSVILLE AND HENRY COUNTY

Industry	2010		2019		2010-2019	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Manufacturing	7,451	29.2%	5,206	18.7%	-2,245	-1.6%
Healthcare/Social Assistance	3,042	11.9%	3,754	13.5%	712	1.2%
Retail Trade	3,142	12.3%	3,509	12.6%	367	0.6%
Educational Services	2,408	9.4%	2,145	7.7%	-263	-0.6%
Accommodation/Food Services	1,225	4.8%	2,103	7.6%	878	3.8%
Construction	1,686	6.6%	1,985	7.1%	299	0.9%
Admin/Support/Waste Mgmt Svcs	800	3.1%	1,820	6.5%	1,020	6.7%
Other Services	1,260	4.9%	1,688	6.1%	428	1.8%
Public Administration	854	3.3%	1,370	4.9%	516	3.2%
Transportation/Warehousing	693	2.7%	985	3.5%	292	2.2%
Prof/Scientific/Tech Services	512	2.0%	842	3.0%	330	3.4%
Finance/Insurance	750	2.9%	783	2.8%	33	0.2%
Wholesale Trade	498	2.0%	518	1.9%	20	0.2%
Arts/Entertainment/Recreation	233	0.9%	334	1.2%	101	2.3%
Utilities	246	1.0%	229	0.8%	-17	-0.4%
Information	237	0.9%	206	0.7%	-31	-0.7%
Real Estate/Rental/Leasing	318	1.2%	161	0.6%	-157	-2.6%
Agric/Forestry/Fishing/Hunting	140	0.5%	72	0.3%	-68	-2.6%
Mgmt of Companies/Enterprises	0	0.0%	67	0.2%	67	0.0%
Mining	19	0.1%	25	0.1%	6	1.7%
Total Employment	25,514	100.0%	27,802	100.0%	2,288	0.5%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

*Industry data current as of 2010. Other projections current as of 2019.

* Change in percentage is calculated as a rate of change by industry.

Total employment in the City of Martinsville and Henry County increased at an annualized rate of 0.5 percent between 2010 and 2019. The industries which expanded most substantially during this period include healthcare/social assistance, admin/support/waste management services, and accommodation/food services. Conversely, the manufacturing sector experienced the greatest employment decline. Given the significant amount of recent business expansions and low amount of businesses that have contracted in the manufacturing sector in the City of Martinsville and Henry County, we expect that most of the employment decline occurred in the first half of the decade.

Major Employers

The following table illustrates the major employers located within the City of Martinsville and Henry County, provided by the Martinsville-Henry County Economic Development Corporation.

MAJOR PRIVATE SECTOR EMPLOYERS
CITY OF MARTINSVILLE & HENRY COUNTY

Map #	Employer Name	Industry	# Of Employees
1	Eastman Chemical Co.	Performance Films	776
2	Monogram Food Solutions	Food Processing	550
3	Keeco (formally Springs Global US, Inc.)	Polyester Fiber Manufacturing	250-500
4	Radial (eBay Enterprise)	Distribution Center	250-500
5	Hanesbrands	Apparel Distribution	250-500
6	Nautica	Apparel Distribution	250-500
7	Faneuil, Inc.	Call Center	250-500
8	The Results Companies	Call Center	250-500
9	Applied Felts	Textile Mfg.	100-250
10	Bassett Furniture Industries	Furniture Mfg.	100-250
11	Bassett Mirror Company Inc	Furniture Mfg.	100-250
12	Drake Extrusion Inc	Polypropylene Fiber Mfg.	100-250
13	Georgia Pacific	Corrugated Box Mfg.	100-250
14	Hooker Furniture Corp	Furniture Mfg.	100-250
15	ICF International	Back Office	100-250
16	Multi-Wall Packaging	Corrugated Box Mfg.	100-250
17	Nationwide Custom Homes	Modular Home Mfg.	100-250
18	Nilit USA	Nylon Mfg.	100-250
19	Press Glass	Glass Manufacturing	100-250
20	Shenandoah Furniture Inc	Furniture Mfg.	100-250
21	Smart Machine	Machinery Mfg.	100-250
22	Southern Finishing Co Inc	Furniture Mfg.	100-250
23	Stanley Furniture Co	Furniture Mfg.	100-250
24	Virginia Mirror Company	Furniture Mfg.	100-250
25	Warren Trucking Company	Transportation/Logistics	100-250
26	Young Williams PC	Call Center	100-250

Source: Martinsville-Henry County Economic Development Corporation, April 2020

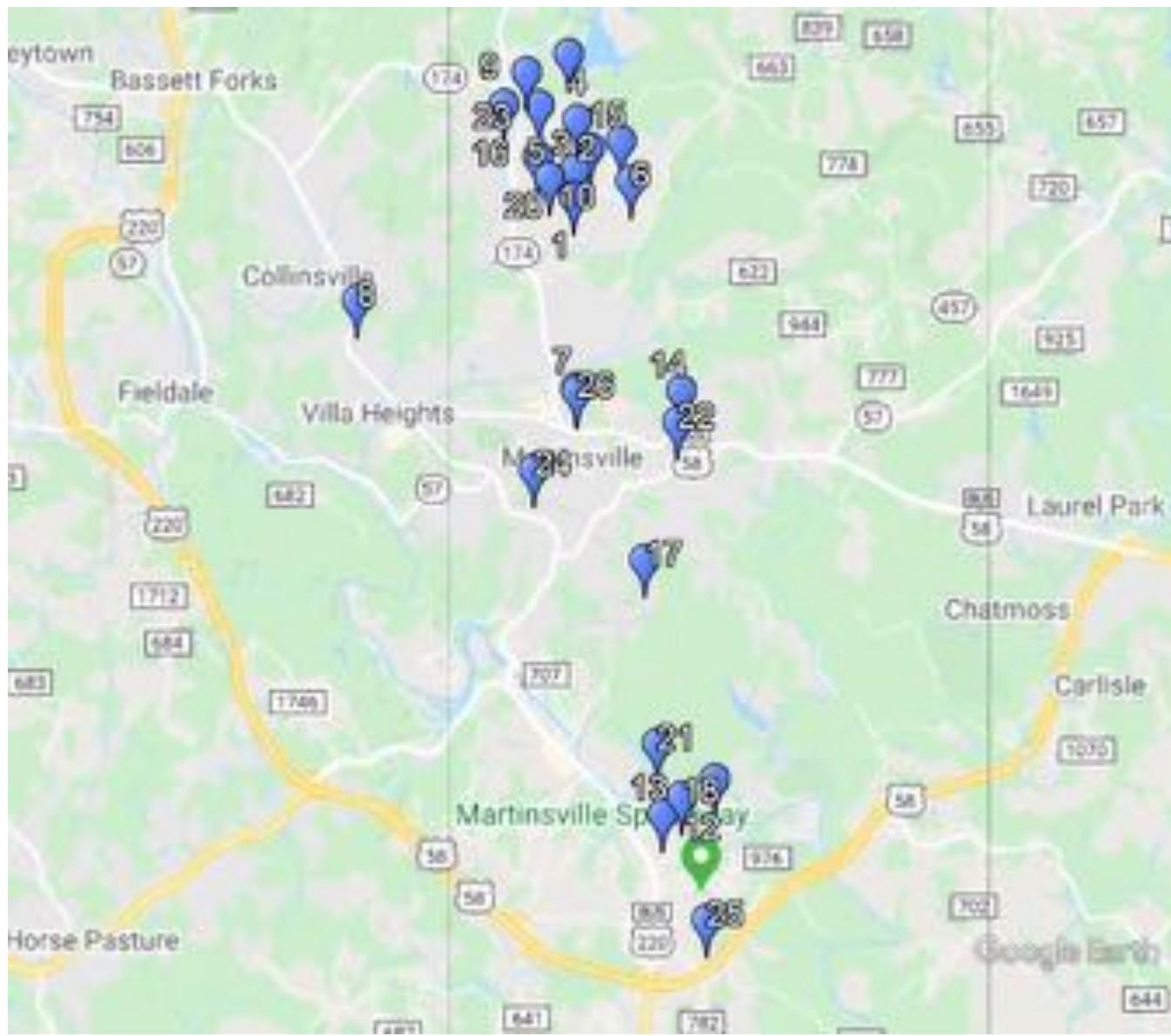
The previous table illustrates the major private sector employers in Martinsville and Henry County. Henry County Public Schools is the largest employer in Martinsville and Henry County with over 1,150 full-time employees and 450 part-time employees.

Eastman Chemical is the largest private-sector employer in the City of Martinsville and Henry County. Eastman Chemical is the leading global manufacturer of performance films for the automotive and architectural markets. The corporation's third largest facility is located in Fieldale, Virginia. Built in 1956, Eastman purchased the facility and business from Solutia Performance Films in 2012. The following year, Eastman announced a \$40 million expansion that was carried out over the next three years and added 25 jobs to the region. This facility is now one of the largest and most integrated window and performance-coated film manufacturing sites in the world. In August 2019, Eastman Chemical announced that it would invest more than \$7.7 million to expand its manufacturing presence in Henry County. Eastman Chemical employs 776 people at its Henry County facilities. While this expansion will not immediately result in additional positions, future job growth is possible.

Monogram Food Solutions, a manufacturer of value-added meats, is the second largest employer in the City of Martinsville and Henry County with 550 employees. Monogram Food Solutions came to Martinsville in 2009 through an acquisition of Knauss of American Food Groups and their respective product lines. With \$8

million in upgrades, Monogram started operations with approximately 135 workers. Business grew even during the recession. In 2013, Monogram continued to invest with another \$1.2 million dollars of capital investment and the addition of 100 new jobs. In December 2014, Monogram announced another \$36 million expansion, and added 150 more workers to increase production. According to the Martinsville-Henry County Economic Development Corporation, when the most recent plant expansion announcement was made, approximately 100 people were already waiting in line before the job fair opened.

The following maps illustrates the locations of the major employers.



The major employers in Martinsville and Henry County are concentrated in Ridgeway and northern Martinsville near Collinsville. Four of the major employers in Ridgeway are located within the Commonwealth Crossing Business Centre, a publicly owned Henry County industrial park located near U.S. 220 South and the Virginia/North Carolina line. The Commonwealth Centre for Advanced Training is located in the

Commonwealth Crossing Business Centre and offers a training facility exclusively for tenants who are located in Commonwealth Crossing, which we believe could incentivized businesses to move to the location and therefore add jobs to the community. Additionally, 12 of the major employers are located in the Patriot Centre Industrial Park near Collinsville.

Employment Expansions and Contractions

The following table illustrates employment expansions within the City of Martinsville and Henry County, provided by the Martinsville-Henry County Economic Development Corporation.

EMPLOYMENT EXPANSIONS

Company Name	Industry	Date Announced	New/Expansion	New Jobs	Capital Inv. (\$Millions)
Advanced Revert LLC	Metal Recycling	Oct-19	New	32	\$4.60
DRP Performance Products	Automotive Products	Oct-19	New	13	\$1.10
Teal Jones Group (Pine Products)	Wood Products	Sep-19	Expansion	67	\$21.00
Eastman Chemical	Performance Films	Aug-19	Expansion	-	\$7.78
Laminate Technologies	Wood Laminate Mfg.	Feb-19	Expansion	20	\$3.00
Hodedah Imports	Distribution	Jan-19	New	35	\$3.65
Monogram Food Solutions	Food Processing	Sep-18	Expansion	300	\$30.00
ActivWall Systems	Window & Door Systems	Sep-18	Expansion	13	\$0.25
Press Glass	Window Mfg.	Jul-18	New	212	\$43.60
GS Industries of Bassett	Injection Molding	Jun-18	Expansion	3	\$1.00
Virginia Mirror Company	Furniture	Mar-18	Expansion	10	\$3.80
Stateline Heart & Vascular Health	Medical Office	Jan-18	New	10	\$1.00
First Piedmont Corporation	Truck Terminal	Oct-17	New	20	\$2.20
Southern Finishing Company	Furniture	Sep-17	Expansion	50	\$2.00
Hopkins Lumber	Lumber Mill	Jun-17	Expansion	25	\$2.50
Eastman	Performance Films	May-17	Expansion	15	\$11.70
Applied Felts	Textile Pipe Liners	Apr-17	Expansion	15	\$3.00
Bassett Furniture Industries	Furniture	Mar-17	Expansion	22	\$1.50
Blue Ridge Aquaculture	Aquaculture	Dec-16	Expansion	5	\$3.20
Novatech	Door Manufacturing	Dec-16	New	50	\$3.00
Solid Stone Fabrics	Textiles	Jul-16	Expansion	22	\$1.50
Performance Livestock & Feed Co.	Feed Mill	Jun-16	New	32	\$4.20
Howmet Aerospace (Arconic)	Titanium Forging	Jun-16	Expansion	15	\$8.60
Nationwide Homes, Inc.	Modular Housing	Apr-16	Expansion	59	\$1.00
Drake Extrusion, Inc.	Polypropylene Fibers	Apr-16	Expansion	30	\$6.00
Starsprings	Mattress Mfg.	Jan-16	New	68	\$3.70
The Results Companies	Call Center	Dec-15	New	300	\$0.30
Faneuil, Inc.	Call Center	Nov-15	Expansion	35	-
Monogram Food Solutions	Food Processing	Jun-15	Expansion	101	\$7.20
Solid Stone Fabrics	Textiles	May-15	Expansion	7	\$0.30
eBay Enterprise	Distribution	Apr-15	Expansion	191	\$5.80
Hardide Coating	Aerospace	Jan-15	New	29	\$7.30
Monogram Food Solutions	Food Processing	Dec-14	Expansion	200	\$36.50
Total				2,006	\$232.28

Source: Martinsville-Henry County Economic Development Corporation, April 2020

The largest investment was announced by Press Glass in July 2018. Press Glass, the largest independent flat glass processing operation in Europe, invested \$43.55 million and is currently recruiting for 212 jobs in the Commonwealth Crossing Business Centre. Press Glass is the first facility to locate to Commonwealth Crossing Business Centre and started operations at the new facility in April 2020. We spoke with Karolina

Styk, HR Project Manager for Press Glass, who reported that this investment was led by its location close to its existing plant in Stoneville and good labor market and incentives from the state and Henry County. Ms. Styk stated that most of their employees own their homes. The average wage at Press Glass is \$15 to \$19 per hour. Ms. Styk reported that five percent of their employees are from the Greensboro, North Carolina area, and the remaining commute from the local area. The following images illustrate uses in the Commonwealth Crossing Business Center, where Press Glass is located.



Commonwealth Center for Advanced Training in the Commonwealth Crossing Business Center



Press Glass facility in the Commonwealth Crossing Business Center

Another recent substantial expansion in Henry County was announced by Teal-Jones Group in September 2019. The company is investing \$21 million to expand sawmill and dry kiln operations in Horsepasture, a census-designated place southwest of Martinsville. The expansion includes new equipment and updates to the facilities and will generate 67 new jobs.

Eastman Chemical is the largest private-sector employer in Martinsville and Henry County. In August 2019, Eastman Chemical announced that it would invest more than \$7.7 million to expand its manufacturing presence in Henry County. The company will add capacity at the Patriot Centre Industrial Park and expand into a former furniture facility in the adjacent Bowles Industrial Park. Eastman Chemical employs 776 people at its Henry County facilities. While this expansion will not immediately result in additional positions, future job growth is possible. A representative from Eastman Chemical reported that they were unwilling to respond to our Housing Needs Assessment questionnaire until after the COVID-19 pandemic. The following images illustrate the Eastman Chemical facility.



Eastman Chemical facility in the Patriot Centre Industrial Park



Eastman Chemical facility in the Patriot Centre Industrial Park

Monogram Food Solutions is the second largest private-sector employer in Martinsville and Henry County. In September 2018, Monogram Food Solutions announced that it would invest \$30 million to expand its manufacturing operations in the Patriot Centre Industrial Park. The expansion is one of five the company has made since launching its Henry County operation in 2009. We spoke with JoAnne Lynch, Senior Human Resources Manager for Monogram Food Solutions. Ms. Lynch reported that their employees live everywhere including Greensboro, Danville, Martinsville, and Roanoke. Most lived where they are now prior to being hired at Monogram Food Solutions. Ms. Lynch stated that the only housing issue she had is related to a lack of short term furnished housing for new hires that were relocated, but that is less of a concern now with Airbnb. The following image illustrates the Monogram Food Solutions facility.



Monogram Food Solutions facility in the Patriot Centre Industrial Park

Additionally, in October 2019, Morgan Olson, LLC announced that it will invest \$57.8 million for a new assembly operation to manufacture walk-in step vans. The company has plans to buy and renovate a 925,000-square-foot IKEA plant in Danville, creating 703 full-time jobs. Danville is located in Pittsylvania County, adjacent to Henry County. According to an article by WSLS News 10 dated October 25, 2019 and

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titled “Gov. Ralph Northam announces 700 new jobs in Danville, Pittsylvania County,” another 4,000 indirect jobs are expected to be created as the IKEA plant is overhauled to meet Morgan Olson’s needs. Morgan Olson has offered to hire the roughly 300 workers losing their jobs as a result of the IKEA plant closure in December 2019. The jobs at the plant will be automotive assembly line jobs including welding.

The following table illustrates Worker Adjustment and Retraining Notification (WARN) listings in the City of Martinsville and Henry County between January 2011 and June 2, 2020. WARN requires most employers with 100 or more employees to provide 60 calendar-day advance notification of plant closings and mass layoffs of employees.

WARN LISTINGS CITY OF MARTINSVILLE & HENRY COUNTY

Company	Location	Industry	Employees Affected	Type	Layoff Date
Kimball Hospitality	Martinsville	Manufacturing	54	Closure	3/31/2020
The Tile Shop	Ridgeway	Distribution Center	12	Closure	3/26/2020
Sovah Health-Martinsville	Martinsville	Healthcare	67	Layoff	11/6/2017
SB Capital Acquisition, LLC (JC Penny)	Martinsville	Retail	31	Closure	12/18/2013
Masterbrand Cabinets, Inc.	Martinsville	Manufacturing	345	Closure	8/10/2012
Kroger Food Stores	Martinsville	Grocery Store	62	Closure	3/23/2012
Rock-Tenn Company	Martinsville	Manufacturing	110	Closure	12/24/2011
StarTek, Inc.	Collinsville	Call Center	628	Closure	7/22/2011
Total			1,309		

Source: Virginia Employment Commission, April 2020

As illustrated, there have been three mass layoffs in Martinsville and Henry County since 2017. The three WARN listings since 2017 total 133 layoffs, which represents 0.5 percent of the workforce in Martinsville and Henry County.

The most recent layoff was in March 2020 for 54 employees at Kimball Hospitality in Martinsville. Kimball Hospitality operates a manufacturing facility in the Patriot Center Industrial Park Area. The company makes upholstered seating products for the hotel, casino, and resort industries. In July 2019, the company announced a transformation plan to reduce excess capacity and gain efficiencies. As part of this plan, the company plans to exit its leased seating manufacturing facility in Martinsville as well as evaluate its production capabilities and capacity across the organization. Note that this WARN notice was issued in July 2019 and is not related to the COVID-19 pandemic.

The Tile Shop, a provider of natural-stone, ceramic and porcelain tiles and tiling materials, operates a \$1.1 million distribution center in Martinsville. According to the Virginia Employment Commission, the company laid off 12 workers effective March 26, 2020. There is limited public information available about the layoffs; however, the Virginia Employment Commission indicates that this WARN listing is not related to the COVID-19 pandemic.

Although not located in Martinsville or Henry County, Danville recently experienced a large employment contraction in with the closure of its IKEA facility, which was the company’s only facility in the country. IKEA announced in July 2019 that it would discontinue production at its Danville manufacturing plant in December. The plant, which opened in 2008, produced wood-based furniture for IKEA retail stores. The company will move to existing IKEA facilities to Europe. Six months notice was given to its 300 employees. As

previously discussed, in October 2019, Morgan Olson, LLC announced that it will buy and renovate the IKEA plant in Danville, creating 703 full-time jobs. Another 4,000 indirect jobs are expected to be created as the IKEA plant is overhauled to meet Morgan Olson's needs. Morgan Olson has offered to hire the roughly 300 workers losing their jobs as a result of the IKEA plant closure in December 2019.

Employment and Unemployment Trends

The table below details the employment and unemployment trends for the Martinsville and Danville region and the nation.

Year	Martinsville & Danville Region					USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change	
2004	77,414	-	8.5%	-	139,252,000	-	5.5%	-	
2005	77,663	0.3%	7.7%	-0.8%	141,730,000	1.8%	5.1%	-0.5%	
2006	77,053	-0.8%	6.2%	-1.5%	144,427,000	1.9%	4.6%	-0.5%	
2007	77,202	0.2%	6.2%	0.0%	146,047,000	1.1%	4.6%	0.0%	
2008	76,486	-0.9%	8.1%	1.8%	145,363,000	-0.5%	5.8%	1.2%	
2009	72,924	-4.7%	12.9%	4.8%	139,878,000	-3.8%	9.3%	3.5%	
2010	70,466	-3.4%	13.2%	0.3%	139,064,000	-0.6%	9.6%	0.3%	
2011	71,200	1.0%	11.2%	-2.0%	139,869,000	0.6%	9.0%	-0.7%	
2012	71,618	0.6%	9.6%	-1.6%	142,469,000	1.9%	8.1%	-0.9%	
2013	72,496	1.2%	8.6%	-0.9%	143,929,000	1.0%	7.4%	-0.7%	
2014	72,326	-0.2%	7.6%	-1.1%	146,305,000	1.7%	6.2%	-1.2%	
2015	72,008	-0.4%	6.4%	-1.2%	148,833,000	1.7%	5.3%	-0.9%	
2016	71,807	-0.3%	5.5%	-0.8%	151,436,000	1.7%	4.9%	-0.4%	
2017	75,954	5.8%	4.9%	-0.7%	153,337,000	1.3%	4.4%	-0.5%	
2018	75,956	0.0%	4.1%	-0.8%	155,761,000	1.6%	3.9%	-0.4%	
2019	75,795	-0.2%	3.8%	-0.3%	157,538,000	1.1%	3.7%	-0.2%	
2020 YTD Average*	74,014	-2.4%	6.8%	3.0%	148,193,000	-5.9%	7.9%	4.3%	
April 2019	75,845	-	3.5%	-	156,710,000	-	3.3%	-	
April 2020	69,239	-8.7%	13.8%	10.3%	133,326,000	-14.9%	14.4%	11.1%	

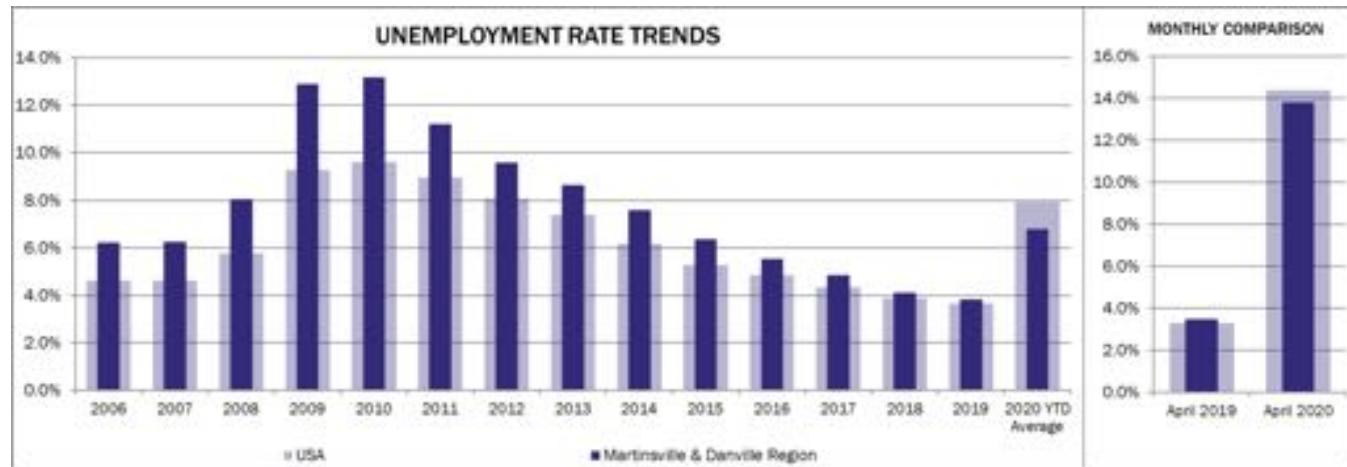
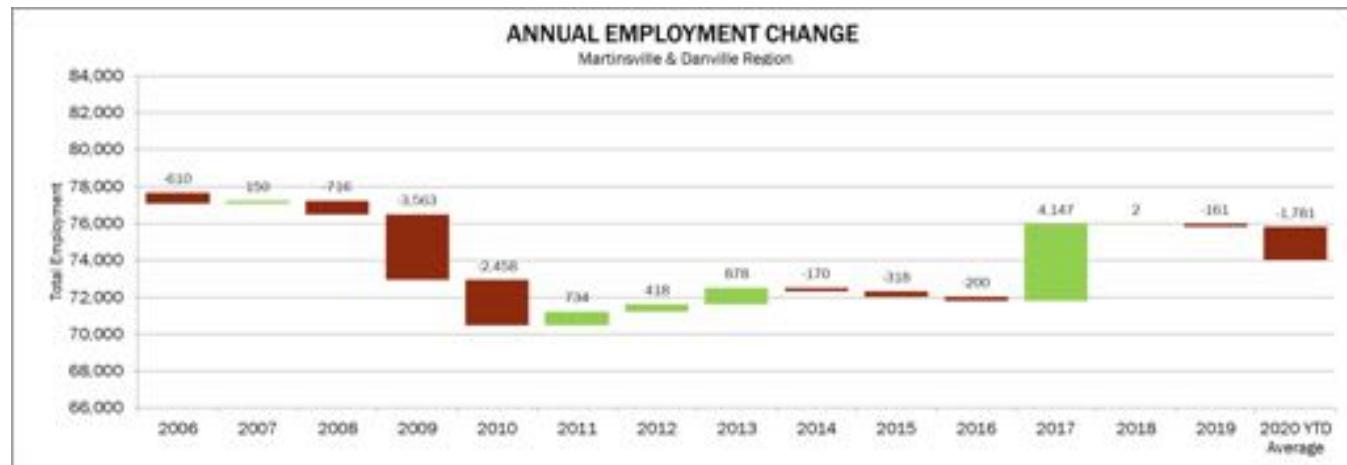
Source: U.S. Bureau of Labor Statistics, June 2020

*2020 data is through April

Total employment in the Martinsville and Danville region contracted in the years preceding the national recession, with annual job growth lagging the overall nation in every year between 2003 and 2007. The effects of the recession were particularly pronounced in the Martinsville and Danville region, which experienced a 9.3 percent contraction in employment growth (2005-2010), well above the 4.8 percent contraction reported by the nation as a whole (2007-2010). Between 2012 and 2019, average employment growth in the Martinsville and Danville region trailed the nation in all but one year. Average 2020 employment, as of April 2020, in the Martinsville and Danville region is declining at an annualized rate of 2.4 percent, compared to a 5.9 percent decline across the overall nation, due to the COVID-19 pandemic.

Between 2012 and 2019, the Martinsville and Danville region generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the Martinsville and Danville region is 13.8 percent, which is lower than the current national unemployment rate of 14.4 percent. The average 2020 unemployment rate, as of April 2020, in the Martinsville and Danville region is 6.9 percent, compared 7.9 percent across the nation. This shows that the local economy has experienced greater resilience from the economic impacts of COVID-19 as compared to the nation as a whole.

The following charts illustrate the employment and unemployment trends in the Martinsville and Danville region.



The following table below details the employment and unemployment trends for the City of Martinsville and Henry County specifically.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	Henry County			City of Martinsville				
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2004	23,659	-	9.5%	-	5,279	-	12.4%	-
2005	23,772	0.5%	6.7%	-2.8%	5,345	1.3%	10.1%	-2.3%
2006	23,903	0.6%	4.8%	-1.9%	5,410	1.2%	7.3%	-2.8%
2007	24,336	1.8%	5.5%	0.7%	5,432	0.4%	8.2%	0.9%
2008	23,358	-4.0%	8.0%	2.5%	5,222	-3.9%	11.9%	3.7%
2009	22,092	-5.4%	13.7%	5.7%	5,011	-4.0%	19.3%	7.4%
2010	20,467	-7.4%	14.7%	1.0%	5,066	1.1%	17.4%	-1.9%
2011	19,949	-2.5%	12.6%	-2.1%	5,005	-1.2%	15.2%	-2.2%
2012	20,351	2.0%	10.6%	-2.0%	5,010	0.1%	12.8%	-2.4%
2013	21,274	4.5%	9.1%	-1.5%	5,059	1.0%	11.2%	-1.6%
2014	21,144	-0.6%	7.7%	-1.4%	4,991	-1.3%	9.9%	-1.3%
2015	20,918	-1.1%	6.4%	-1.3%	4,885	-2.1%	8.8%	-1.1%
2016	20,866	-0.2%	5.6%	-0.8%	4,789	-2.0%	7.1%	-1.7%
2017	22,650	8.5%	4.6%	-1.0%	5,163	7.8%	6.3%	-0.8%
2018	22,781	0.6%	3.8%	-0.8%	5,215	1.0%	4.7%	-1.6%
2019	23,069	1.3%	3.3%	-0.5%	5,274	1.1%	4.1%	-0.6%
2020 YTD Average*	22,671	-1.7%	6.0%	2.7%	5,171	-2.0%	7.9%	3.8%
April 2019	23,222	-	2.9%	-	5,281	-	3.5%	-
April 2020	21,257	-8.5%	12.8%	9.9%	4,854	-8.1%	16.9%	13.4%

Source: U.S. Bureau of Labor Statistics, June 2020

*2020 data is through April

As shown, employment in the City of Martinsville and Henry County has yet to surpass pre-recessionary records that occurred in both geographies in 2007. The City of Martinsville and Henry County experienced employment declines and unemployment increases starting 2008 due to the national recession. The unemployment rate in the City of Martinsville reached a peak of 19.3 percent in 2009, compared to a peak of 14.7 percent in Henry County in 2010. The area was hit particularly hard by job losses in the apparel and furniture manufacturing industries. Both the city and county experienced employment increases in 2012 and 2013, yet decreases between 2014 and 2016. The city and county experienced employment increases and unemployment decreases between 2017 and 2019. The City of Martinsville and Henry County experienced significant employment increases in 2017 due to business expansions and the Startup Martinsville-Henry County program, which helps businesses launch or expand an existing operation. Average 2020 employment, as of April 2020, is declining at an annualized rate of 1.7 percent in Henry County and 2.0 percent in the City of Martinsville, due to the COVID-19 pandemic. This is compared to a 5.9 percent decline across the national as a whole over the same time period. As of April 2020, the unemployment rate is currently 12.8 percent in Henry County and 16.9 percent in the City of Martinsville. The national unemployment rate as of April 2020 is 14.4 percent, above Henry County and below the City of Martinsville.

According to an analysis by WalletHub.com dated May 28, 2020, the State of Virginia was ranked fifth out of all the states for the largest increases in unemployment due to COVID-19. The State of Virginia first issued stay-at-home orders effective March 30, 2020 until June 10, 2020. Phase 1 of Governor Ralph Northam's reopening for Martinsville and Henry County was announced on May 14, 2020, which is around the time of the effective date of this report. This includes the reopening of local government offices and eased restrictions on businesses, including outdoor-dining restaurants and offices, but requires them to maintain social distancing and other safety steps. The surveyed properties were interviewed between April 7 and May 8, 2020, during the peak of the pandemic. We believe economic conditions will improve when restrictions are lifted and the affects of the pandemic dissipate. Additionally, the City of Martinsville and Henry County are considered rural areas, which have been less economically impacted as compared to urban areas of the

state. None of the property managers reported any significant impact on property performance. The economic analysis suggests that the market will be resilient and rebound to pre-COVID-19 performance over the near term. Therefore, this analysis focuses on longer term trends.

Wages by Occupation

The following table details the number of employees, the mean hourly wage and the mean annual wage by occupation in the Martinsville and Danville region. Note that the following data is based on wages of residents who live in the Martinsville and Danville region, not wages of individuals who work in the region and live elsewhere. The most abundant occupations are highlighted.

MARTINSVILLE & DANVILLE REGION - 2ND QTR 2019 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
All Occupations	122,310	\$18.12	\$37,690
Management Occupations	3,570	\$44.62	\$92,810
Architecture and Engineering Occupations	980	\$32.77	\$68,160
Computer and Mathematical Occupations	1,710	\$32.02	\$66,600
Healthcare Practitioners and Technical Occupations	7,630	\$29.94	\$62,270
Life, Physical, and Social Science Occupations	410	\$29.25	\$60,830
Business and Financial Operations Occupations	3,110	\$27.30	\$56,780
Education, Training, and Library Occupations	8,550	\$20.84	\$43,340
Construction and Extraction Occupations	5,740	\$19.93	\$41,460
Installation, Maintenance, and Repair Occupations	5,640	\$19.38	\$40,310
Arts, Design, Entertainment, Sports, and Media Occupations	770	\$19.37	\$40,290
Community and Social Service Occupations	3,000	\$18.59	\$38,670
Protective Service Occupations	4,990	\$18.52	\$38,520
Farming, Fishing, and Forestry Occupations	300	\$17.42	\$36,240
Production Occupations	12,930	\$16.10	\$33,500
Transportation and Material Moving Occupations	9,260	\$15.31	\$31,850
Office and Administrative Support Occupations	18,420	\$14.69	\$30,550
Sales and Related Occupations	14,400	\$14.55	\$30,260
Healthcare Support Occupations	3,600	\$13.81	\$28,730
Building and Grounds Cleaning and Maintenance Occupations	2,800	\$10.83	\$22,530
Personal Care and Service Occupations	4,280	\$10.77	\$22,400
Food Preparation and Serving Related Occupations	9,740	\$10.35	\$21,530
Legal Occupations	490	N/A	N/A

Source: Department Of Labor, Occupational Employment Statistics, 5/2019, retrieved 6/2020

The previous chart illustrates average hourly and annual wages by employment classification. The classification with the lowest average hourly wage is food preparation and serving-related occupations at \$10.35 per hour. The highest hourly wage of \$44.62 is for management occupations. We spoke with Mark McCaskill, Community Development Director for the City of Martinsville, who indicated that families moving to Martinsville, particularly young families, would likely have wages of \$12 to \$18 per hour for an advanced manufacturing position. Additionally, we spoke with Karolina Styk, HR Project Manager for Press Glass, who stated that the average wage at Press Glass is \$15 to \$19 per hour. Based on information from the client as well as anecdotal information from area stakeholders, there is a need for housing for those in management positions. As discussed later in the report, we expect tenant incomes at 80 to 200 percent AMI to range from \$30,000 to \$134,600 based on the lowest achievable market rents and assuming that tenants are paying

35 percent of their income towards rent. A total of 101,410 employees in the Martinsville and Danville region have wages within this range and provide demand for new construction units.

Cost of Living

For comparison purposes, we presented the cost of living in Martinsville compared to the nearby cities of Danville and Roanoke in Virginia and Greensboro in North Carolina as well as the state of Virginia as a whole. The following chart shows the average cost of living for each index including food, housing, utilities, transportation along with the overall cost of living in each area, relative to the national average, which is 100, according to Sperling's BestPlaces.

COST OF LIVING

	Martinsville, VA	Danville, VA	Roanoke, VA	Greensboro, NC	State of Virginia	USA
Overall	71.2	71.5	84.1	83.9	103.7	100
Grocery	92.7	92.5	95.2	95.8	99.6	100
Health	112.3	108	109.3	112.3	102.4	100
Housing	32.1	29.9	68.7	62.2	111.8	100
Utilities	99	102.1	98.2	95.5	99.3	100
Transportation	65.6	72.7	77.0	75.3	99.4	100
Miscellaneous	92.1	90.8	90.1	99.5	100.5	100

Source: bestplaces.net, April 2020

According to Sperling's BestPlaces, Martinsville has an overall cost of living that is 71 percent of the national average cost of living, which is similar to Danville and below Roanoke and Greensboro. In terms of housing, the cost of living in Martinsville is 32 percent of the national average, similar to Danville and significantly below Roanoke and Greensboro. According to the website, the cost of living in terms of housing is calculated based on the median cost of an average home, not including taxes or utility costs. According to Sperling's BestPlaces, the housing cost for the City of Martinsville is \$74,300, which is compared to \$231,200 for the nation. According to the Martinsville, Henry and Patrick Counties Association of Realtors, between January 1, 2020 and April 27, 2020, the City of Martinsville and Henry County combined had an average single-family home sale price of \$129,881, which represents a cost of living in terms of housing of 56.2 percent of the national average. As discussed further in the report, the age of the housing stock in the City of Martinsville and Henry County contribute to the low cost. Local stakeholders indicated that the abundance of low cost housing in the local area dissuades new construction.

Crime Statistics

For the purposes of this report, crime statistics are presented in the form of crime indices and not actual number of crimes. Crime indices do not equal the actual number of crimes committed and are simply provided to show how an area compares to the national average. An index of 100 is considered the national average for crime statistics in all categories. If an index is above 100, the local crime rate for that particular crime is above the national average. If an index is below 100, the local crime rate for that particular crime is below the national average. For example, a crime index of 75 would be 25 percent below the national average of 100. It does not mean 75 crimes were committed. A crime index of 200 would be double the national average of 100. It does not mean 200 crimes were committed.

2019 CRIME INDICES

	City of Martinsville & Henry County	Martinsville & Danville Region
Total Crime*	65	101
Personal Crime*	54	76
Murder	124	166
Rape	74	89
Robbery	41	80
Assault	57	71
Property Crime*	66	105
Burglary	70	106
Larceny	68	110
Motor Vehicle Theft	41	54

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

*Unweighted aggregations

As indicated above, total, personal and property crime indices in Martinsville and Henry County are all below those of the Martinsville and Danville region. The total crime index in in Martinsville and Henry County is below the national average. The total crime index in in Martinsville and Danville region is similar to the national average. According to market participants, crime is not a major issue in Martinsville and Henry County as a whole.

Manufacturing Sector Trends

In recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

U.S. manufacturing output growth is expected to increase modestly through 2021. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their March 2018 publication, U.S. manufacturing is expected to grow at an average of 2.8 percent through 2021.

Although recent employment growth in the U.S. manufacturing sector bodes well for the region, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 10 percent of the U.S. economy and as a major source of employment for the region manufacturing employment should continue to be monitored closely.

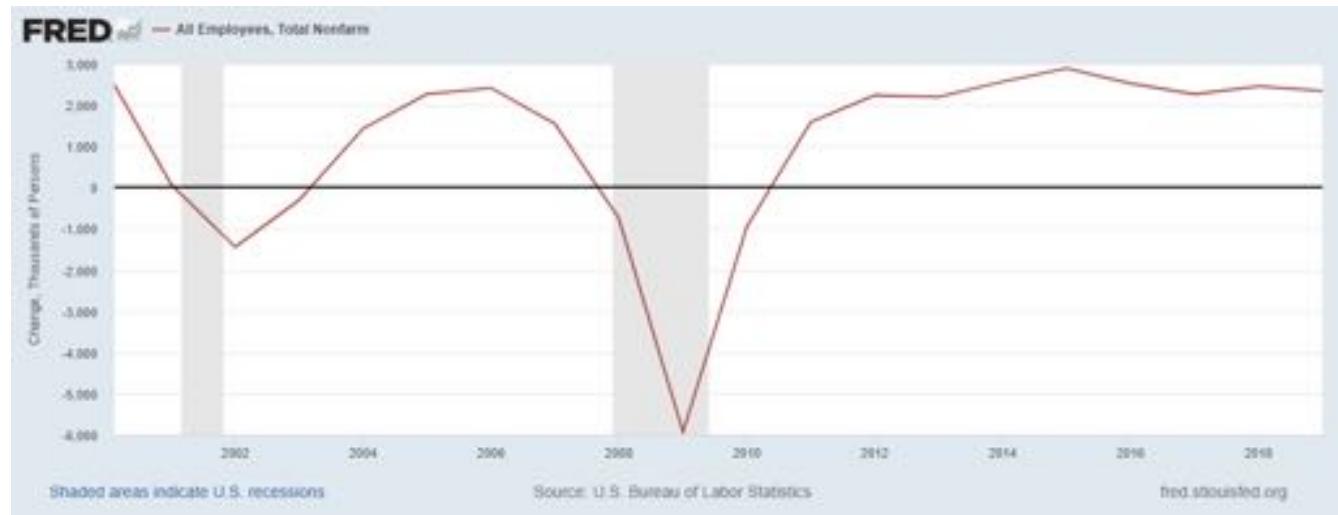
The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2000.

CITY OF MARTINSVILLE AND HENRY COUNTY, VIRGINIA – HOUSING MARKET STUDY AND NEEDS ANALYSIS



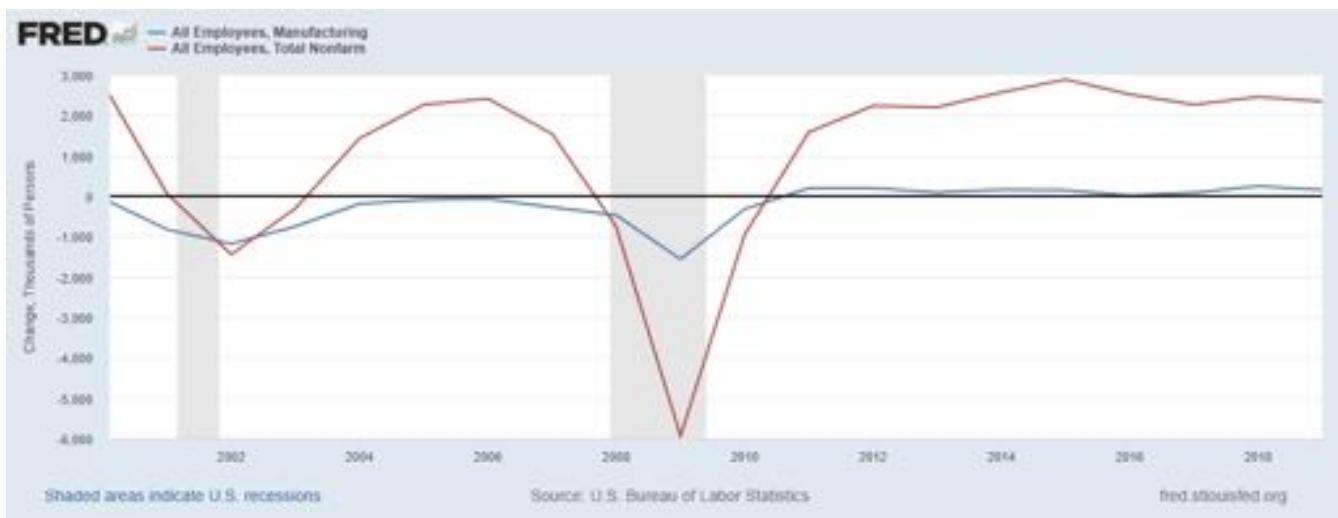
Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

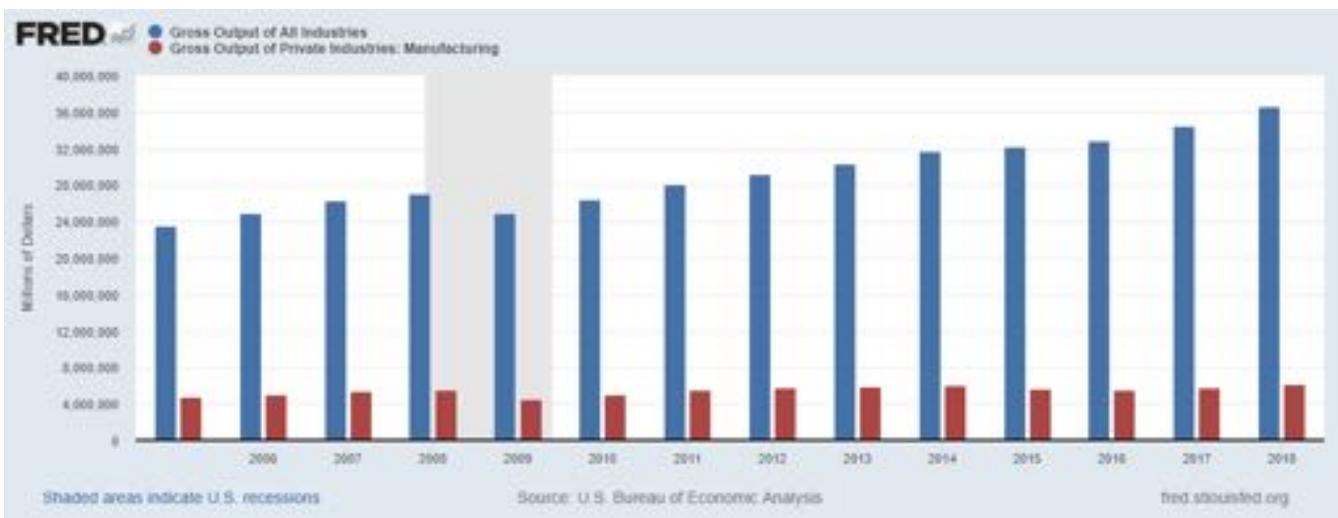


Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

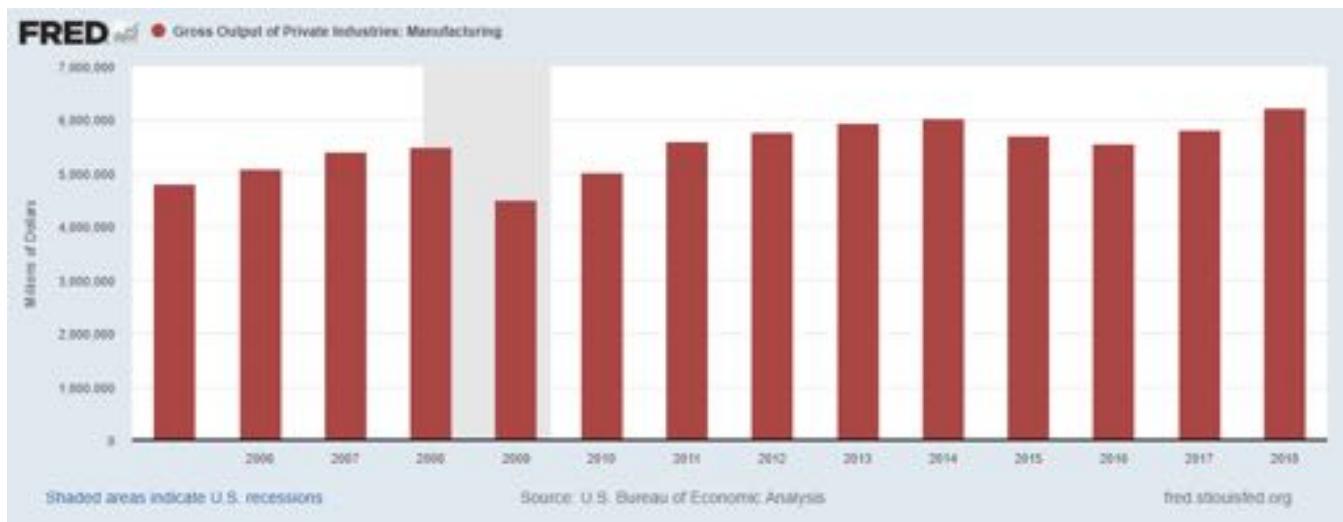
Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the most recent recession, total employment in non-farm industries has steadily increased, though the manufacturing sector has experienced a slower recovery than other non-farm industries.

The following charts illustrate U.S. manufacturing gross output compared to that across all industries since 2005.



Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 17 percent of the gross output of all private industries and experienced five years of consistent growth starting in 2009. Manufacturing output also surpassed pre-recessionary output levels in 2011, three years following the most recent national recession. However, manufacturing output decreased for both 2015 and 2016.

While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the national economy. Since the most recent recession, job creation in the manufacturing sector continues to lag the overall economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. As illustrated in the following graph, national employment in the manufacturing sector has been steadily declining since the 1980s, while production has increased, illustrating the impact of automation in the manufacturing sector.

As previously shown, the City of Martinsville and Henry have 2,245 fewer residents employed in the manufacturing sector in 2019 as compared to 2010. However, a significant portion of residents in the City of Martinsville and Henry County are currently employed in the manufacturing sector. Additionally, there has been several recent employment expansions in the manufacturing sector in Martinsville and Henry County.

Commuting Patterns

The chart below shows the travel time to work for the City of Martinsville and Henry County.

COMMUTING PATTERNS

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	767	3.1%
Travel Time 5-9 min	3,030	12.2%
Travel Time 10-14 min	4,098	16.4%
Travel Time 15-19 min	5,282	21.2%
Travel Time 20-24 min	3,986	16.0%
Travel Time 25-29 min	1,622	6.5%
Travel Time 30-34 min	2,195	8.8%
Travel Time 35-39 min	506	2.0%
Travel Time 40-44 min	487	2.0%
Travel Time 45-59 min	1,275	5.1%
Travel Time 60-89 min	1,157	4.6%
Travel Time 90+ min	528	2.1%
Weighted Average	24 minutes	

Source: US Census 2019, Novogradac Consulting LLP, April 2020

As shown above, the average travel time for individuals in the City of Martinsville and Henry County is 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

Nearby population and employment centers include the cities of Lynchburg, Roanoke, and Danville in Virginia and the cities of Greensboro, Winston-Salem, and Durham in North Carolina. The City of Martinsville and Henry County are located approximately 83 miles north northwest of the City of Durham, North Carolina, 80 miles southwest of the City of Lynchburg, Virginia, 40 miles north of the City of Greensboro, North Carolina, 45 miles northeast of the City of Winston-Salem, North Carolina, 40 miles south of the City of Roanoke, Virginia, and approximately 25 miles west of the City of Danville, Virginia. The following map illustrates a one-hour drive time zone from Martinsville.



Source: TravelTime, June 2020

As shown, a one-hour drive time zone from Martinsville includes the city of Danville to the east and the northern portion of the cities of Greensboro to the south.

Inflow/Outflow Data

The following table illustrates inflow and outflow data according to 2018 U.S. Census Five-Year estimates for the City of Martinsville, Henry County, Guilford County in North Carolina (includes the City of Greensboro), the City of Danville, Pittsylvania County (surrounds the City of Danville), and the nation. Note that the Census only provides the percentages, not the raw data; therefore, we are unable to provide a combined analysis for the City of Martinsville and Henry County. As shown below, the City of Martinsville has a high percentage of residents commuting outside of the city for work. We expect that a significant portion of these residents are commuting to areas within Henry County.

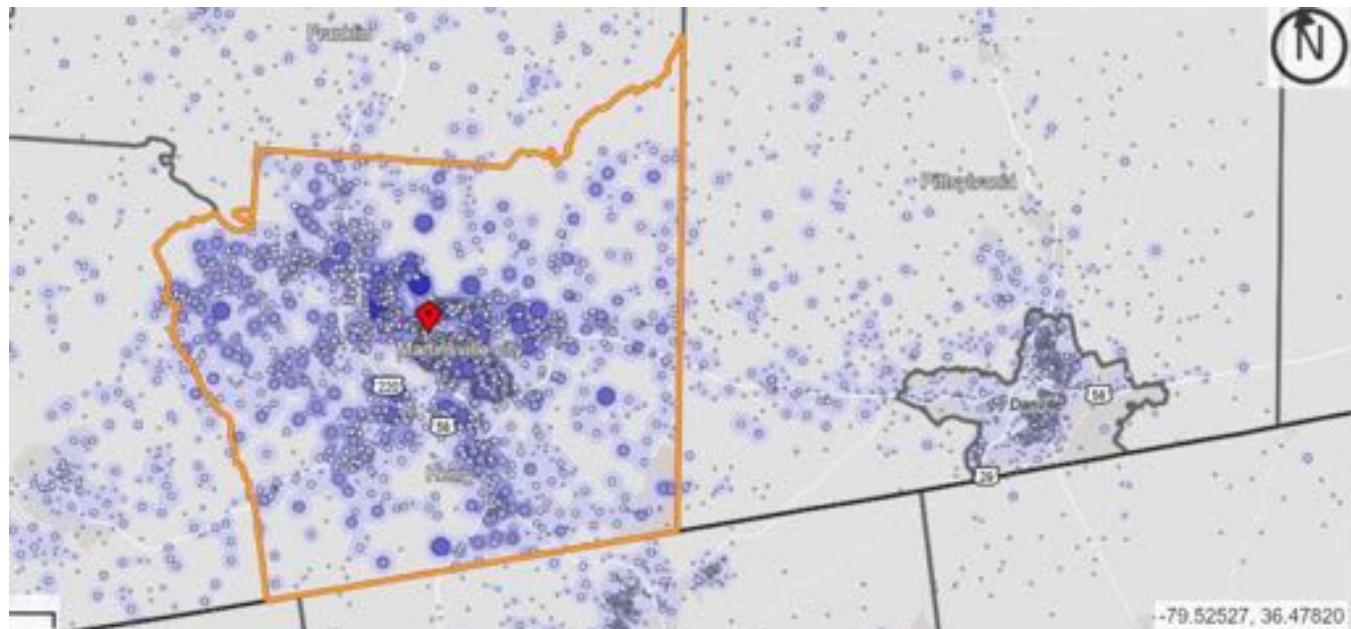
INFLOW/OUTFLOW

	Henry County, VA	City of Martinsville, VA	Guilford County, NC (Greensboro)	City of Danville, VA	Pittsylvania County, VA	USA
Worked in state of residence	91.9%	95.6%	98.9%	91.8%	94.3%	96.3%
Worked outside state of residence	8.1%	4.4%	1.1%	8.2%	5.7%	3.7%
Worked in county/city of residence	61.3%	45.9%	83.8%	78.1%	41.3%	75.1%
Worked outside county/city of residence	38.7%	54.1%	16.2%	21.9%	58.7%	24.9%

Source: 2018 US. Census 5-Year Estimates, accessed April 2020

According to 2018 U.S. Census Five-Year estimates, approximately 8.1 percent of Henry County residents and 4.4 percent of City of Martinsville residents were commuting outside of the state for work, likely to nearby Greensboro and Winston-Salem, North Carolina. Additionally, approximately 38.7 percent of Henry County residents and 54.1 percent of City of Martinsville residents were commuting outside of the city/county for work. Note the 54.1 percent reported by the City of Martinsville includes residents commuting to areas of Henry County.

The following map illustrates an analysis of job count by location. The map shows that there is a concentration of jobs in the City of Martinsville and Henry County.



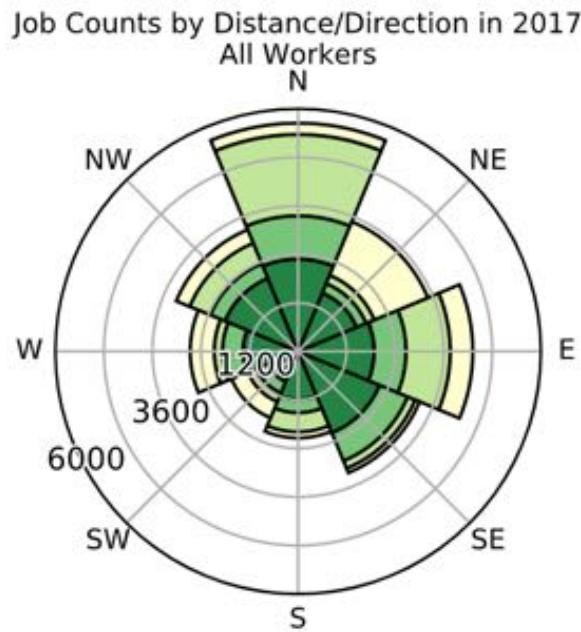
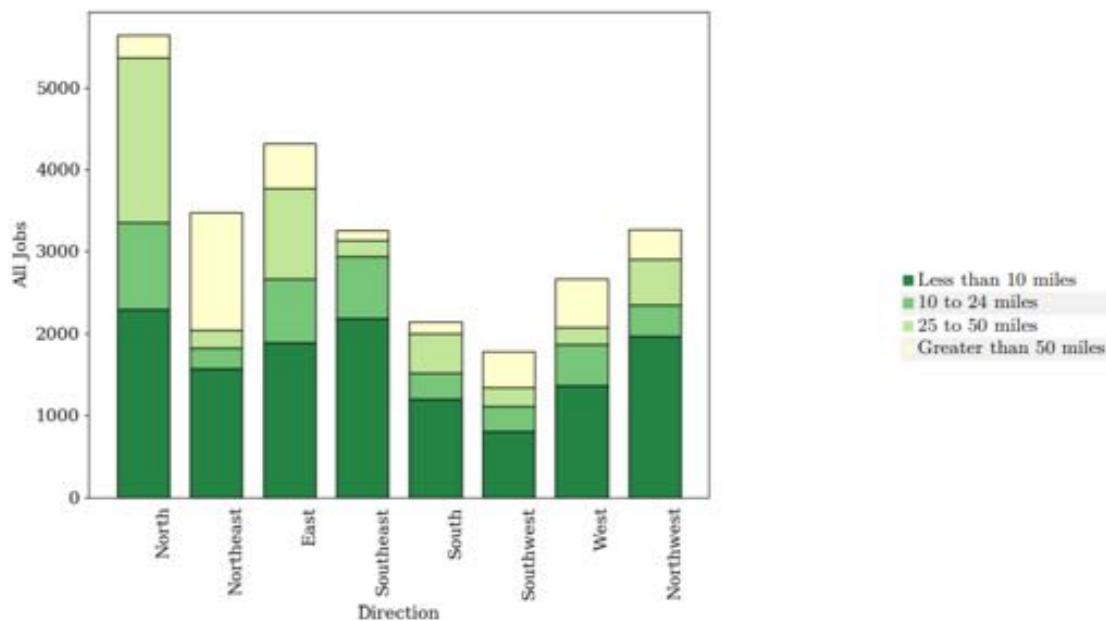
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2002-2017), accessed May 2020

Map Legend

Job Density [Jobs/Sq. Mile]	Job Count [Jobs/Census Block]
5 - 32	1 - 3
33 - 115	4 - 18
116 - 252	19 - 58
253 - 445	59 - 138
446 - 693	139 - 269

Selection Areas
Analysis Selection

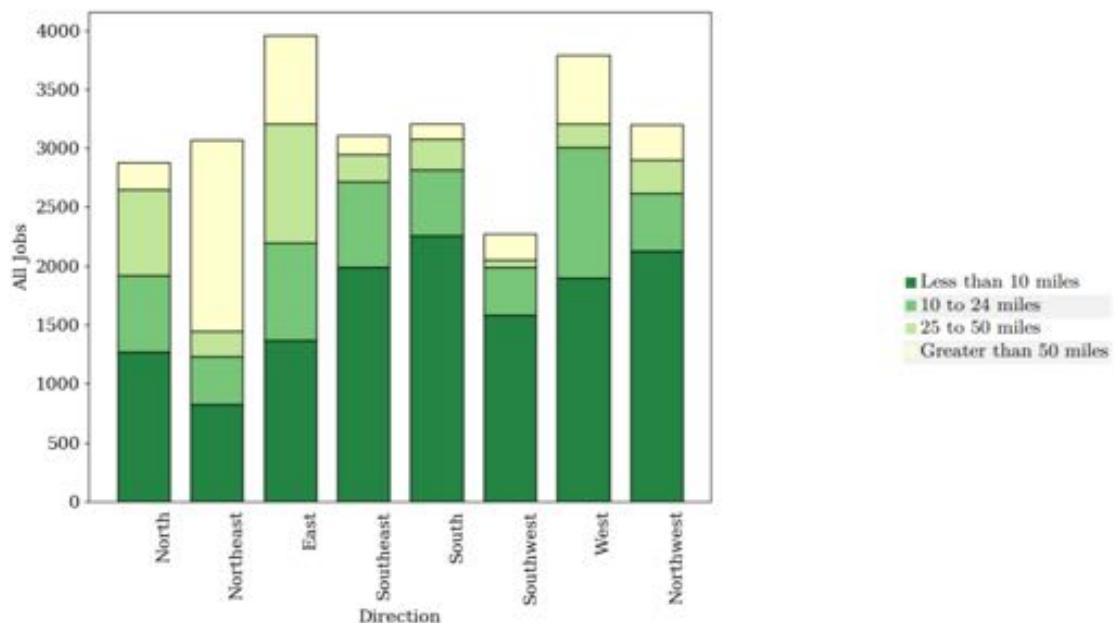
The following charts illustrate the commute length and direction of individuals who live in the City of Martinsville and Henry County.



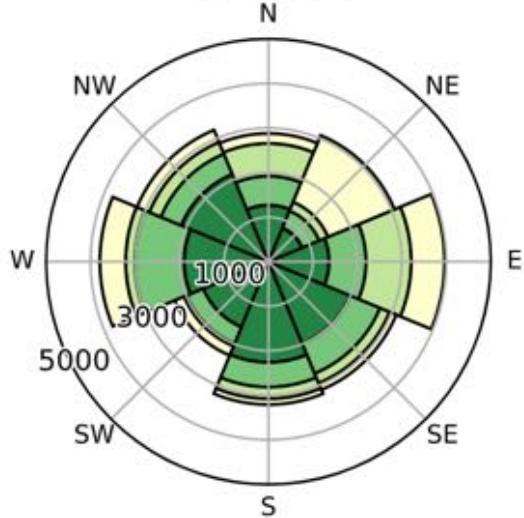
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2002-2017), accessed May 2020

As illustrated, 49.9 percent of workers who live in the City of Martinsville and Henry County travel less than 10 miles to their jobs and 14.8 percent travel more than 50 miles. The graphs show a significant portion of workers who live in the City of Martinsville and Henry County are commuting north for work.

The following charts illustrate the commute length and direction of individuals who work in the City of Martinsville and Henry County.



Job Counts by Distance/Direction in 2017
All Workers



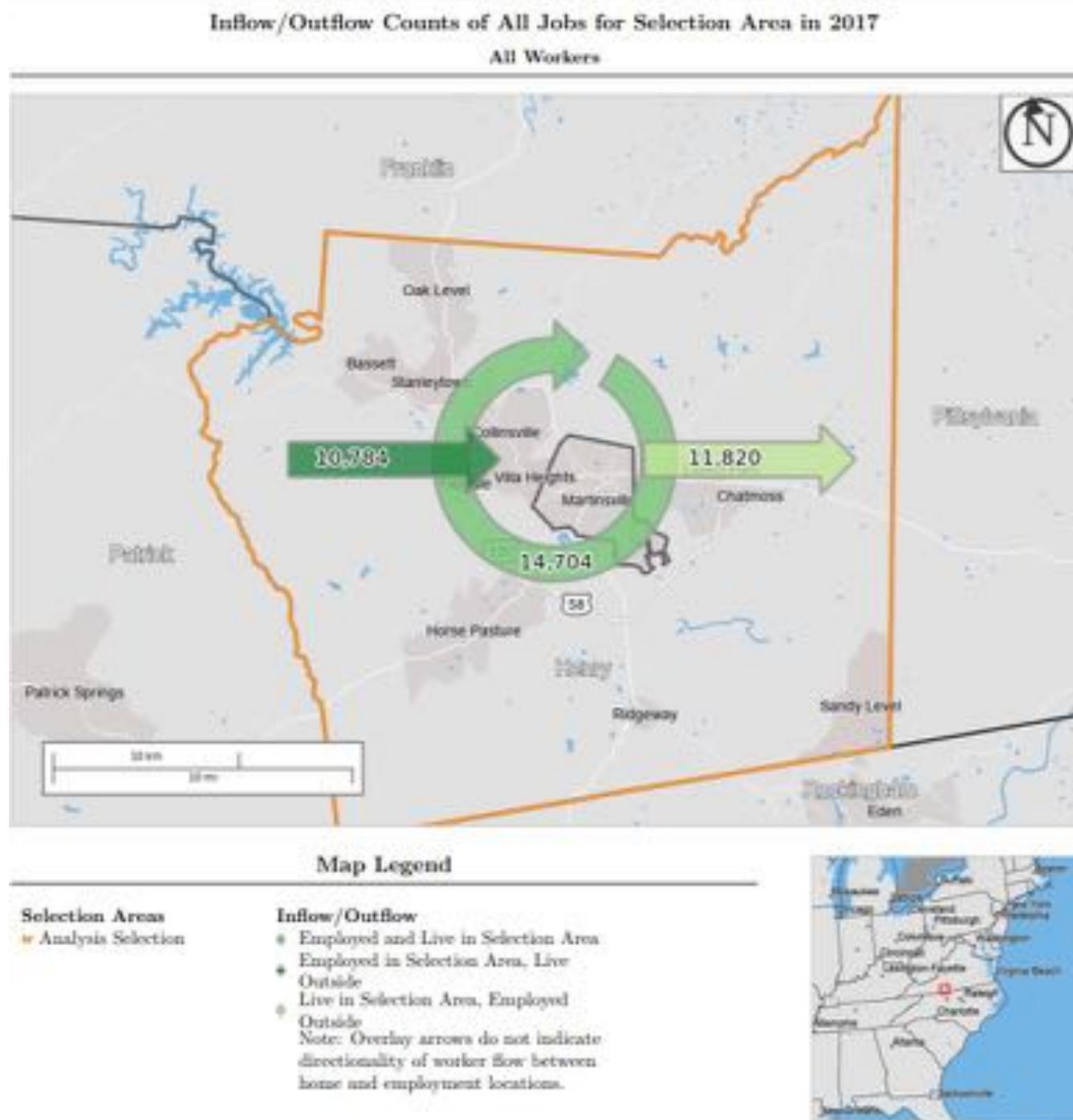
Jobs by Distance - Work Census Block to Home Census Block

	2017	
	Count	Share
Total All Jobs	25,488	100.0%
Less than 10 miles	13,327	52.3%
10 to 24 miles	5,173	20.3%
25 to 50 miles	3,007	11.8%
Greater than 50 miles	3,981	15.6%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2002-2017), accessed May 2020

As illustrated, 52.3 percent of workers travel less than 10 miles to work in the City of Martinsville and Henry County. Conversely, 15.6 percent of workers travel greater than 50 miles to work in the City of Martinsville and Henry County. The graphs show a significant portion of workers who travel greater than 50 miles to work in the City of Martinsville and Henry County are traveling northeast, likely from Winston-Salem, North Carolina. Additionally, individuals commuting east and west to work represent the greatest number of commuters to the City of Martinsville and Henry County.

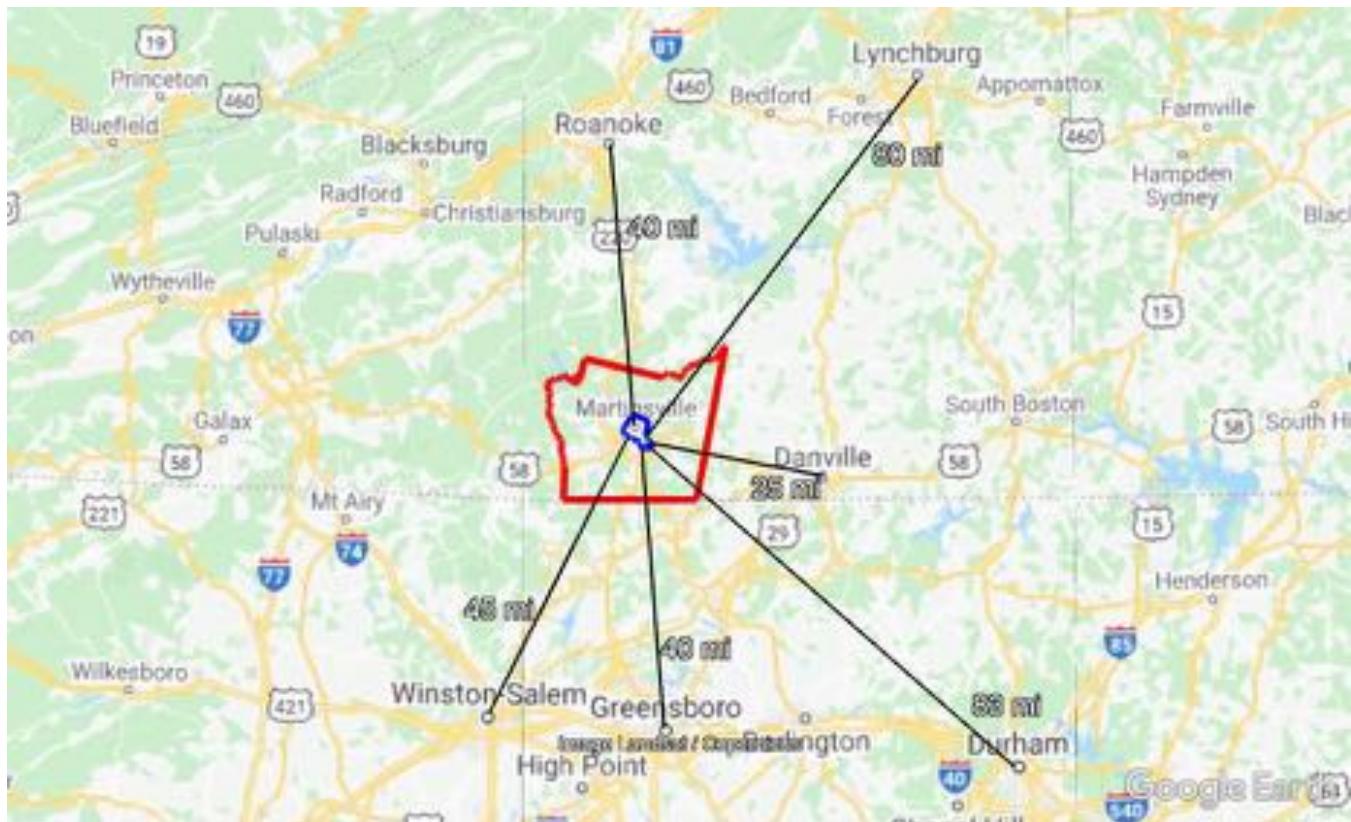
As shown in the following map, there are 10,784 individuals employed in, but living outside Martinsville and Henry County, 11,820 individuals living in, but employed outside Martinsville and Henry County, and 14,704 individuals living in and employment in Martinsville and Henry County.



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2002-2017), accessed May 2020

CITY OF MARTINSVILLE AND HENRY COUNTY, VIRGINIA – HOUSING MARKET STUDY AND NEEDS ANALYSIS

The following map illustrates the distance from the City of Martinsville to the regional employment and population centers. Henry County is outlined in red and the City of Martinsville is outlined in blue.



The City of Martinsville and Henry County are located approximately 83 miles north northwest of the City of Durham, North Carolina, 80 miles southwest of the City of Lynchburg, Virginia, 40 miles north of the City of Greensboro, North Carolina, 45 miles northeast of the City of Winston-Salem, North Carolina, 40 miles south of the City of Roanoke, Virginia, and approximately 25 miles west of the City of Danville, Virginia. During our interviews, several area stakeholders conveyed a trend of residents working in the City of Martinsville and Henry County and living in Greensboro, North Carolina. However, based on the data presented, there does not appear to be a significant portion of individuals who work in the City of Martinsville and Henry County and live in Greensboro, North Carolina. However, there does appear to be a significant amount of workers traveling more than 50 miles from the southwest, likely from Winston-Salem, North Carolina.

Overall, the inflow/outflow data shows that the City of Martinsville and Henry County have a significant concentration of jobs that are attracting workers throughout the region, including a significant portion of individuals who work in the City of Martinsville and Henry County and live to the east, likely in the nearby City of Danville. There also appears to be a significant portion of individuals who work in the City of Martinsville and Henry County and commute greater than 50 miles from the southwest, likely from Winston-Salem, North Carolina. Based on the data presented as well as conversations with local stakeholders, there is a significant portion of individuals who work in the City of Martinsville and Henry County, yet reside outside of the geographic area. This illustrates demand for additional housing in the City of Martinsville and Henry County if those workers were willing to reside in the area.

Conclusion

Employment in Martinsville and Henry County is concentrated in the manufacturing, healthcare/social assistance, and retail trade industries, which collectively comprise 44.8 percent of local employment. The large share of employment in manufacturing and retail trade is notable as both industries are historically volatile, and prone to contraction during recessionary periods. However, Martinsville and Henry County also have a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the City of Martinsville and Henry County feature comparatively greater employment in the manufacturing, admin/support/waste management services, and retail trade industries. Conversely, the City of Martinsville and Henry County is underrepresented in the professional/scientific/technical services, finance/insurance, and real estate/rental/leasing industries. A significant portion of residents in the City of Martinsville and Henry County are currently employed in the manufacturing sector, which experienced significant job decreases between 2010 and 2019. However, there has been several recent employment expansions in the manufacturing sector in Martinsville and Henry County.

Employment in the City of Martinsville and Henry County has yet to surpass pre-recessionary records that occurred in both geographies in 2007. The City of Martinsville and Henry County experienced employment declines and unemployment increases starting 2008 due to the national recession. The unemployment rate in the City of Martinsville reached a peak of 19.3 percent in 2009, compared to a peak of 14.7 percent in Henry County in 2010. The area was hit particularly hard by job losses in the apparel and furniture manufacturing industries. Both the city and county experienced employment increases in 2012 and 2013, yet decreases between 2014 and 2016. The city and county experienced employment increases and unemployment decreases between 2017 and 2019. The City of Martinsville and Henry County experienced significant employment increases in 2017 due to business expansions and the Startup Martinsville-Henry County program, which helps businesses launch or expand an existing operation. Average 2020 employment, as of April 2020, is declining at an annualized rate of 1.7 percent in Henry County and 2.0 percent in the City of Martinsville, due to the COVID-19 pandemic. This is compared to a 5.9 percent decline across the national as a whole over the same time period. As of April 2020, the unemployment rate is currently 12.8 percent in Henry County and 16.9 percent in the City of Martinsville. The national unemployment rate as of April 2020 is 14.4 percent, above Henry County and below the City of Martinsville. The recent employment data demonstrates that the local economy has experienced greater resilience from the economic impacts of COVID-19 as compared to the nation as a whole.

The inflow/outflow data shows that the City of Martinsville and Henry County have a significant concentration of jobs that are attracting workers throughout the region, including a significant portion of individuals who work in the City of Martinsville and Henry County and live to the east, likely in the nearby City of Danville. There also appears to be a significant portion of individuals who work in the City of Martinsville and Henry County and commute greater than 50 miles from the southwest, likely from Winston-Salem, North Carolina. During our interviews, several area stakeholders conveyed a trend of residents working in the City of Martinsville and Henry County and living in Greensboro, North Carolina. However, based on the data presented, there does not appear to be a significant portion of individuals who work in the City of Martinsville and Henry County and live in Greensboro, North Carolina. Based on the data presented as well as conversations with local stakeholders, there is a significant portion of individuals who work in the City of Martinsville and Henry County, yet reside outside of the geographic area. This illustrates demand for additional housing in the City of Martinsville and Henry County if those workers were willing to reside in the area.

DEMOGRAPHIC ANALYSIS

The following section will provide an analysis of the demographic characteristics within the market areas. Data such as population, households and growth patterns will be studied to determine characteristics of the City of Martinsville and Henry County as well as the Martinsville and Danville region, which includes Henry County, Pittsylvania County, Danville City, and Martinsville City, Virginia. The discussion will also describe typical household size and will provide a picture of the health of the community and the economy. Demographic data has been obtained from ESRI Demographics and Ribbon Demographics, national proprietary data providers.

Total Population

The following table illustrates total population in the City of Martinsville and Henry County, the Martinsville and Danville region, and the nation as a whole from 2000 through 2024 (projected).

Year	POPULATION					
	City of Martinsville & Henry County		Martinsville and Danville Region		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	73,541	-	182,099	-	281,250,431	-
2010	67,972	-0.8%	174,533	-0.4%	308,745,538	1.0%
2019	66,209	-0.3%	170,331	-0.3%	332,417,793	0.8%
2024	64,371	-0.6%	166,106	-0.5%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The City of Martinsville and Henry County experienced declining population between 2000 and 2019, similar to the Martinsville and Danville region. The nation experienced strong population growth during this time period. According to ESRI demographic projections, population in the City of Martinsville and Henry County is expected to continue declining through 2024, at a rate similar to the Martinsville and Danville region. Comparatively, the nation is expected to experience strong population growth through 2024.

Senior Population

The following table illustrates senior (55+ and 65+) population in the City of Martinsville and Henry County, the Martinsville and Danville region, and the nation as a whole from 2000 through 2024 (projected).

Year	SENIOR POPULATION, 55+					
	City of Martinsville & Henry		Martinsville and Danville Region		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	18,925	-	45,635	-	59,213,944	-
2010	22,780	2.0%	57,359	2.6%	76,750,713	3.0%
2019	25,598	1.3%	65,117	1.5%	97,974,761	3.0%
2024	26,293	0.5%	66,702	0.5%	106,070,630	1.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

SENIOR POPULATION, 65+

Year	City of Martinsville & Henry County		Martinsville and Danville Region		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	10,658	-	26,173	-	34,959,449	-
2010	13,305	2.5%	32,436	2.4%	40,267,984	1.5%
2019	15,318	1.6%	38,416	2.0%	54,574,009	3.8%
2024	16,560	1.6%	41,972	1.9%	63,655,136	3.3%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The City of Martinsville and Henry County experienced strong senior population growth between 2000 and 2019, similar to the Martinsville and Danville region. Both areas experienced a rate of senior population growth lesser than the overall nation during the same time period. According to ESRI demographic projections, annualized senior population growth in the City of Martinsville and Henry County is expected to remain strong through 2024, although below the rate of growth in the nation.

Population by Age Group

The following tables illustrate population by age group in the City of Martinsville and Henry County, the Martinsville and Danville region, and the nation as a whole in 2019 and 2024 (projected).

POPULATION BY AGE IN 2019

Age Cohort	City of Martinsville & Henry County		Martinsville and Danville Region		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	3,283	5.0%	8,547	5.0%	19,910,625	6.0%
5-9	3,509	5.3%	8,945	5.3%	20,403,851	6.1%
10-14	3,682	5.6%	9,410	5.5%	20,943,945	6.3%
15-19	3,294	5.0%	8,895	5.2%	21,063,657	6.3%
20-24	3,098	4.7%	8,693	5.1%	22,226,943	6.7%
25-29	3,770	5.7%	9,990	5.9%	23,947,414	7.2%
30-34	3,838	5.8%	9,776	5.7%	22,590,667	6.8%
35-39	3,682	5.6%	9,470	5.6%	21,864,602	6.6%
40-44	3,562	5.4%	9,253	5.4%	19,913,297	6.0%
45-49	4,198	6.3%	10,562	6.2%	20,647,083	6.2%
50-54	4,695	7.1%	11,673	6.9%	20,930,948	6.3%
55-59	5,142	7.8%	13,311	7.8%	22,429,066	6.7%
60-64	5,138	7.8%	13,390	7.9%	20,971,686	6.3%
65-69	4,581	6.9%	11,992	7.0%	18,029,377	5.4%
70-74	3,975	6.0%	9,937	5.8%	14,131,085	4.3%
75-79	2,901	4.4%	7,076	4.2%	9,484,194	2.9%
80-84	1,937	2.9%	4,633	2.7%	6,213,244	1.9%
85+	1,924	2.9%	4,778	2.8%	6,716,109	2.0%
Total	66,209	100.0%	170,331	100.0%	332,417,793	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

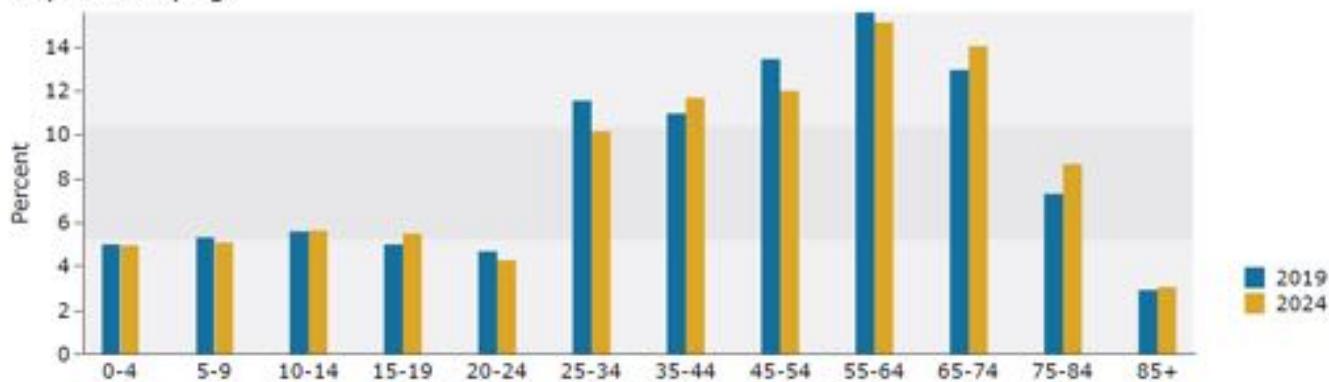
POPULATION BY AGE IN 2024 ESTIMATE

Age Cohort	City of Martinsville & Henry County		Martinsville and Danville Region		USA	
	Number	Percentage	Number	Percentage	Number	Percentage
0-4	3,158	4.9%	8,238	5.0%	20,731,783	6.0%
5-9	3,282	5.1%	8,437	5.1%	20,679,798	6.0%
10-14	3,608	5.6%	9,209	5.5%	21,345,192	6.2%
15-19	3,515	5.5%	9,152	5.5%	21,702,946	6.3%
20-24	2,773	4.3%	7,851	4.7%	21,636,277	6.3%
25-29	2,885	4.5%	7,908	4.8%	22,383,185	6.5%
30-34	3,621	5.6%	9,354	5.6%	24,777,046	7.2%
35-39	3,756	5.8%	9,691	5.8%	23,320,935	6.8%
40-44	3,772	5.9%	9,738	5.9%	22,225,551	6.4%
45-49	3,564	5.5%	9,244	5.6%	20,020,272	5.8%
50-54	4,144	6.4%	10,582	6.4%	20,593,987	6.0%
55-59	4,610	7.2%	11,578	7.0%	20,604,708	6.0%
60-64	5,123	8.0%	13,152	7.9%	21,810,786	6.3%
65-69	4,887	7.6%	12,621	7.6%	20,047,387	5.8%
70-74	4,153	6.5%	10,660	6.4%	16,440,719	4.8%
75-79	3,278	5.1%	8,339	5.0%	12,350,266	3.6%
80-84	2,266	3.5%	5,483	3.3%	7,653,913	2.2%
85+	1,976	3.1%	4,869	2.9%	7,162,851	2.1%
Total	64,371	100.0%	166,106	100.0%	345,487,602	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

As shown in the previous tables, as of 2019, population in the City of Martinsville and Henry County was greatest in the 50 to 64 age cohorts. By 2024, the largest two age cohorts in the City of Martinsville and Henry are projected to be the 60 to 69 age cohorts. In the City of Martinsville and Henry County, 45.8 percent of the population was age 50 or older in 2019 and 47.3 percent is projected for 2024. In the Martinsville and Danville region, 45.1 percent of the population was age 50 or older in 2019 and 46.5 percent is projected for 2024. Comparatively, in the nation, 35.8 percent of the population was age 50 and older in 2019 and 36.7 percent is projected for 2024. This indicates a more senior population in the City of Martinsville and Henry County. This is also reflected in the following bar graph showing population by age for the City of Martinsville and Henry County.

Population by Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024, accessed May 2020

As shown, the 25 to 34 and 45 to 54 age groups show significant decreases between 2019 and 2024 and the 65 to 74 and 75 to 84 age groups shown significant increases.

HOUSEHOLD TRENDS

Total Number of Households

The following table illustrates the total number of households in the City of Martinsville and Henry County, the Martinsville and Danville region, and the nation as a whole from 2000 through 2024 (projected).

Year	HOUSEHOLDS					
	City of Martinsville & Henry County		Martinsville and Danville Region		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	29,264	-	71,403	-	105,409,439	-
2010	29,187	0.0%	74,263	0.4%	116,716,296	1.1%
2019	28,594	-0.2%	72,359	-0.3%	125,168,557	0.8%
2024	27,855	-0.5%	70,515	-0.5%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The City of Martinsville and Henry County experienced a declining number of households between 2000 and 2019. The Martinsville and Danville region experienced positive household growth between 2000 and 2010 and negative growth between 2010 and 2019. Both geographic areas experienced household growth rates beneath the overall nation. According to ESRI demographic projections, the number of households in the City of Martinsville and Henry County as well as the Martinsville and Danville region is projected to decline through 2024, compared to growth in the nation.

Number of Senior Households

The following table illustrates the total number of senior (55+ and 65+) households in the City of Martinsville and Henry County, the Martinsville and Danville region, and the nation as a whole from 2000 through 2024 (projected).

Year	HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 55+					
	City of Martinsville & Henry		Martinsville and Danville Region		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	12,435	-	30,316	-	36,436,106	-
2010	13,429	0.8%	34,001	1.2%	45,892,723	2.6%
2019	15,724	1.8%	39,253	1.7%	56,080,840	2.4%
2024	16,346	0.8%	40,557	0.7%	61,567,688	2.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 65+

Year	HOUSEHOLDS WITH SENIOR HOUSEHOLDER, 65+					
	City of Martinsville & Henry County		Martinsville and Danville Region		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	-	-	-	-	-	-
2010	7,964	-	19,611	-	24,533,100	-
2019	9,749	2.4%	23,786	2.3%	31,854,447	3.2%
2024	10,509	1.6%	25,664	1.6%	36,650,343	3.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The City of Martinsville and Henry County experienced strong senior household growth between 2000 and 2019, similar to the Martinsville and Danville region. Both areas experienced a rate of senior household growth lesser than the overall nation during the same time period. According to ESRI demographic

projections, annualized senior household growth is expected to remain strong in the City of Martinsville and Henry County through 2024, although below the rate of growth in the nation.

Average Household Size

The following table illustrates average household size in the City of Martinsville and Henry County, the Martinsville and Danville region, and the nation as a whole from 2000 through 2024 (projected).

AVERAGE HOUSEHOLD SIZE

Year	City of Martinsville & Henry County		Martinsville and Danville Region		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.47	-	2.47	-	2.59	-
2010	2.29	-0.7%	2.30	-0.7%	2.58	-0.1%
2019	2.28	0.0%	2.31	0.0%	2.59	0.1%
2024	2.28	0.0%	2.31	0.0%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The average household size in the City of Martinsville and Henry County is smaller than that of the Martinsville and Danville region and the nation. According to ESRI demographic projections, household sizes in the City of Martinsville and Henry Count will remain stable along with the Martinsville and Danville region and the nation through 2024. This data supports the demand for a mix of smaller and larger rental housing unit types, especially for one, two, and three-bedroom units.

Households by Number of Persons in the Household

The following tables illustrate household distribution for all households in the City of Martinsville and Henry County and the Martinsville and Danville region from 2000 through 2024 (projected).

MARTINSVILLE & HENRY COUNTY HOUSEHOLD SIZE DISTRIBUTION

	2000		2019		2024	
Household	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	8,208	28.0%	8,906	31.1%	8,773	31.5%
2 persons	10,329	35.3%	10,241	35.8%	9,992	35.9%
3 persons	5,301	18.1%	4,673	16.3%	4,524	16.2%
4 persons	3,572	12.2%	3,080	10.8%	2,942	10.6%
5+ persons	1,854	6.3%	1,694	5.9%	1,624	5.8%
Total	29,264	100.0%	28,594	100.0%	27,855	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

MARTINSVILLE & DANVILLE REGION HOUSEHOLD SIZE DISTRIBUTION

	2000		2019		2024	
Household	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	20,028	28.0%	22,352	30.9%	21,962	31.1%
2 persons	24,886	34.9%	26,018	36.0%	25,482	36.1%
3 persons	13,032	18.3%	11,799	16.3%	11,420	16.2%
4 persons	8,681	12.2%	7,590	10.5%	7,270	10.3%
5+ persons	4,776	6.7%	4,600	6.4%	4,381	6.2%
Total	71,403	100.0%	72,359	100.0%	70,515	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

One and two-person households represent the largest groups of households in all areas of study. These trends are projected to persist through 2024.

Senior Households by Number of Persons in the Household

The following tables illustrate household distribution for senior (55+) households in the City of Martinsville and Henry County and the Martinsville and Danville region from 2000 through 2024 (projected).

MARTINSVILLE & HENRY COUNTY HOUSEHOLD SIZE DISTRIBUTION 55+

Household	2000		2019		2024	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	4,783	38.5%	6,045	38.4%	6,284	38.4%
2 persons	5,558	44.7%	6,783	43.1%	6,985	42.7%
3 persons	1,355	10.9%	1,766	11.2%	1,888	11.6%
4 persons	426	3.4%	752	4.8%	789	4.8%
5+ persons	313	2.5%	378	2.4%	400	2.4%
Total	12,435	100.0%	15,724	100.0%	16,346	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

MARTINSVILLE & DANVILLE REGION HOUSEHOLD SIZE DISTRIBUTION 55+

Household	2000		2019		2024	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	11,882	39.2%	14,860	37.9%	15,268	37.6%
2 persons	13,352	44.0%	17,733	45.2%	18,311	45.1%
3 persons	3,131	10.3%	3,951	10.1%	4,167	10.3%
4 persons	1,091	3.6%	1,660	4.2%	1,729	4.3%
5+ persons	860	2.8%	1,049	2.7%	1,082	2.7%
Total	30,316	100.0%	39,253	100.0%	40,557	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

One and two-person households represent the largest groups of senior households in all areas of study. These trends are projected to persist through 2024.

Renter Households by Number of Persons in the Household

The following tables illustrate household distribution by renter tenure in the City of Martinsville and Henry County and the Martinsville and Danville region from 2000 through 2024 (projected).

MARTINSVILLE & HENRY COUNTY RENTER HOUSEHOLD SIZE DISTRIBUTION

Household	2000		2019		2024	
	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	3,023	38.9%	4,063	44.1%	3,953	45.0%
2 persons	2,122	27.3%	2,427	26.4%	2,274	25.9%
3 persons	1,193	15.3%	1,204	13.1%	1,130	12.9%
4 persons	881	11.3%	879	9.5%	823	9.4%
5+ persons	561	7.2%	637	6.9%	604	6.9%
Total	7,780	100.0%	9,210	100.0%	8,784	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

MARTINSVILLE & DANVILLE REGION RENTER HOUSEHOLD SIZE DISTRIBUTION

	2000		2019		2024	
Household	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	7,896	38.7%	10,965	44.5%	10,638	45.3%
2 persons	5,438	26.7%	6,300	25.6%	5,890	25.1%
3 persons	3,324	16.3%	3,482	14.1%	3,314	14.1%
4 persons	2,210	10.8%	2,167	8.8%	2,038	8.7%
5+ persons	1,522	7.5%	1,708	6.9%	1,606	6.8%
Total	20,390	100.0%	24,622	100.0%	23,486	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The largest group of renters in all areas of study are one-person households, followed by two-person households. These trends are projected to persist through 2024.

Senior Renter Households by Number of Persons in the Household

The following tables illustrate senior household distribution by renter tenure in the City of Martinsville and Henry County and the Martinsville and Danville region from 2000 through 2024 (projected).

MARTINSVILLE & HENRY COUNTY RENTER HOUSEHOLD SIZE DISTRIBUTION 55+

	2000		2019		2024	
Household	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	1,272	62.0%	2,270	65.4%	2,354	65.7%
2 persons	539	26.3%	747	21.5%	766	21.4%
3 persons	120	5.8%	269	7.8%	284	7.9%
4 persons	59	2.9%	110	3.2%	100	2.8%
5+ persons	63	3.1%	74	2.1%	80	2.2%
Total	2,053	100.0%	3,470	100.0%	3,584	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

MARTINSVILLE & DANVILLE REGION RENTER HOUSEHOLD SIZE DISTRIBUTION 55+

	2000		2019		2024	
Household	Total Households	Percent	Total Households	Percent	Total Households	Percent
1 persons	1,272	62.0%	5,918	62.4%	6,087	62.6%
2 persons	539	26.3%	2,180	23.0%	2,246	23.1%
3 persons	120	5.8%	680	7.2%	697	7.2%
4 persons	59	2.9%	419	4.4%	397	4.1%
5+ persons	63	3.1%	288	3.0%	303	3.1%
Total	2,053	100.0%	9,485	100.0%	9,730	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The largest group of senior renters in all areas of study are one-person households, followed by two-person renter households.

INCOME TRENDS

Median Household Income Levels

The following table illustrates the median household income in the City of Martinsville and Henry County, the Martinsville and Danville region, and the nation from 2000 through 2024 (projected).

Year	MEDIAN HOUSEHOLD INCOME		Martinsville and Danville Region		USA		
	City of Martinsville & Henry County	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2000	\$21,939		-	\$24,266	-	\$44,882	-
2019	\$35,327		3.2%	\$37,196	2.8%	\$60,548	1.8%
2024	\$37,323		1.1%	\$39,112	1.0%	\$69,180	2.9%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

As of 2019, the median household income in the City of Martinsville and Henry County is similar to the Martinsville and Danville region and below the nation. Over the next five years, median household incomes in the City of Martinsville and Henry County as well as the Martinsville and Danville region are expected to increase at a rate below that of the nation.

Area Median Income

Area median income (AMI) is calculated by the U.S. Department of Housing and Urban Development annually to determine housing policy. The AMI is the midpoint of a region's income distribution – half of families in a region earn more than the median and half earn less than the median. For housing policy, income thresholds set relative to the area median income—such as 50 percent of the area median income—identify households eligible to live in income-restricted housing units and the affordability of housing units to low-income households. The AMI in the City of Martinsville and Henry County are equivalent. The following chart illustrates the AMI of a four-person household in the City of Martinsville and Henry County between 2010 and 2020.



Source: Novogradac Consulting LLP, April 2020

Overall, the AMI in the City of Martinsville and Henry County has increased by an average of 0.8 percent annually between 2010 and 2020. The AMI peaked in 2020 at \$52,300.

Household Income Distribution

The following tables illustrate household income distribution from 2019 through 2024 (projected) for the City of Martinsville and Henry County and the Martinsville and Danville region.

Income Cohort	HOUSEHOLD INCOME					
	Martinsville & Henry County				Annual Change 2019 to 2024	
	2019		2024		Number	Percentage
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,113	10.9%	2,852	10.2%	-52	-1.7%
\$10,000-19,999	4,195	14.7%	3,790	13.6%	-81	-1.9%
\$20,000-29,999	4,520	15.8%	4,203	15.1%	-63	-1.4%
\$30,000-39,999	3,617	12.6%	3,466	12.4%	-30	-0.8%
\$40,000-49,999	2,790	9.8%	2,746	9.9%	-9	-0.3%
\$50,000-59,999	2,191	7.7%	2,156	7.7%	-7	-0.3%
\$60,000-74,999	2,435	8.5%	2,400	8.6%	-7	-0.3%
\$75,000-99,999	2,719	9.5%	2,744	9.9%	5	0.2%
\$100,000-124,999	1,446	5.1%	1,598	5.7%	30	2.1%
\$125,000-149,999	673	2.4%	831	3.0%	32	4.7%
\$150,000-199,999	412	1.4%	490	1.8%	16	3.8%
\$200,000+	483	1.7%	579	2.1%	19	4.0%
Total	28,594	100.0%	27,855	100.0%		

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, April 2020

Income Cohort	HOUSEHOLD INCOME					
	Martinsville and Danville Region				Annual Change 2019 to 2024	
	2019		2024		Number	Percentage
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	7,410	10.2%	6,779	9.6%	-126	-1.7%
\$10,000-19,999	10,398	14.4%	9,357	13.3%	-208	-2.0%
\$20,000-29,999	10,187	14.1%	9,539	13.5%	-130	-1.3%
\$30,000-39,999	8,571	11.8%	8,147	11.6%	-85	-1.0%
\$40,000-49,999	7,348	10.2%	6,982	9.9%	-73	-1.0%
\$50,000-59,999	5,464	7.6%	5,513	7.8%	10	0.2%
\$60,000-74,999	6,698	9.3%	6,506	9.2%	-38	-0.6%
\$75,000-99,999	7,257	10.0%	7,372	10.5%	23	0.3%
\$100,000-	3,993	5.5%	4,369	6.2%	75	1.9%
\$125,000-	2,052	2.8%	2,373	3.4%	64	3.1%
\$150,000-	1,655	2.3%	1,943	2.8%	58	3.5%
\$200,000+	1,326	1.8%	1,635	2.3%	62	4.7%
Total	72,359	100.0%	70,515	100.0%		

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, June 2020

The two largest income cohorts in the City of Martinsville and Henry County are the \$20,000 to \$29,999 and \$10,000 to \$19,999 cohorts. These are also the two largest income cohorts in the Martinsville and Danville region. Approximately 54.0 percent of households in the City of Martinsville and Henry County have a household income less than \$40,000, compared to 50.5 percent in the Martinsville and Danville region. This data indicates a large number of low-income households in the City of Martinsville and Henry County. However, it should also be noted that a healthy population of middle-income households also appears to exist in the \$75,000 to 99,999 income cohort.

Senior Household Income Distribution

The following tables illustrate senior household income distribution from 2019 through 2024 (projected) for the City of Martinsville and Henry County and the Martinsville and Danville region.

HOUSEHOLD INCOME 55+

Income Cohort	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,400	8.9%	1,363	8.3%	-7	-0.5%
\$10,000-19,999	2,717	17.3%	2,578	15.8%	-28	-1.0%
\$20,000-29,999	2,547	16.2%	2,520	15.4%	-5	-0.2%
\$30,000-39,999	2,085	13.3%	2,125	13.0%	8	0.4%
\$40,000-49,999	1,544	9.8%	1,645	10.1%	20	1.3%
\$50,000-59,999	1,170	7.4%	1,230	7.5%	12	1.0%
\$60,000-74,999	1,230	7.8%	1,307	8.0%	15	1.3%
\$75,000-99,999	1,422	9.0%	1,567	9.6%	29	2.0%
\$100,000-124,999	763	4.9%	914	5.6%	30	4.0%
\$125,000-149,999	342	2.2%	448	2.7%	21	6.2%
\$150,000-199,999	199	1.3%	259	1.6%	12	6.0%
\$200,000+	305	1.9%	390	2.4%	17	5.6%
Total	15,724	100.0%	16,346	100.0%		

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, April 2020

HOUSEHOLD INCOME 55+

Income Cohort	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,461	8.8%	3,336	8.2%	-25	-0.7%
\$10,000-19,999	6,488	16.5%	6,127	15.1%	-72	-1.1%
\$20,000-29,999	5,766	14.7%	5,704	14.1%	-12	-0.2%
\$30,000-39,999	4,962	12.6%	4,997	12.3%	7	0.1%
\$40,000-49,999	3,990	10.2%	4,059	10.0%	14	0.3%
\$50,000-59,999	2,897	7.4%	3,110	7.7%	43	1.5%
\$60,000-74,999	3,289	8.4%	3,422	8.4%	27	0.8%
\$75,000-99,999	3,525	9.0%	3,858	9.5%	67	1.9%
\$100,000-124,999	1,942	4.9%	2,263	5.6%	64	3.3%
\$125,000-149,999	1,143	2.9%	1,394	3.4%	50	4.4%
\$150,000-199,999	957	2.4%	1,193	2.9%	47	4.9%
\$200,000+	833	2.1%	1,094	2.7%	52	6.3%
Total	39,253	100.0%	40,557	100.0%		

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, June 2020

The two largest senior income cohorts in the City of Martinsville and Henry County are the \$20,000 to \$29,999 and \$10,000 to \$19,999 cohorts. These are also the two largest senior income cohorts in the Martinsville and Danville region. Approximately 55.6 percent of senior households in the City of Martinsville and Henry County have a household income less than \$40,000, compared to 52.7 percent in the Martinsville and Danville region. This data indicates a large number of senior low-income households in the City of Martinsville and Henry County. However, it should also be noted that a healthy population of middle-income senior households also appears to exist in the \$75,000 to 99,999 income cohort.

Renter Household Income Distribution

The following tables illustrate the household income distribution for renter households in the City of Martinsville and Henry County and the Martinsville and Danville region from 2019 through 2024 (projected).

Income Cohort	RENTER HOUSEHOLD INCOME						
	Martinsville & Henry County				Annual Change 2019 to 2024		
	2019		2024		Number	Percentage	
	Number	Percentage	Number	Percentage	Number	Percentage	
\$0-9,999	1,964	21.3%	1,779	20.3%	-37	-1.9%	
\$10,000-19,999	1,889	20.5%	1,691	19.3%	-40	-2.1%	
\$20,000-29,999	1,512	16.4%	1,435	16.3%	-15	-1.0%	
\$30,000-39,999	1,045	11.3%	1,005	11.4%	-8	-0.8%	
\$40,000-49,999	747	8.1%	708	8.1%	-8	-1.0%	
\$50,000-59,999	548	6.0%	536	6.1%	-2	-0.4%	
\$60,000-74,999	372	4.0%	385	4.4%	3	0.7%	
\$75,000-99,999	554	6.0%	573	6.5%	4	0.7%	
\$100,000-124,999	259	2.8%	280	3.2%	4	1.6%	
\$125,000-149,999	119	1.3%	153	1.7%	7	5.7%	
\$150,000-199,999	125	1.4%	149	1.7%	5	3.8%	
\$200,000+	76	0.8%	90	1.0%	3	3.7%	
Total	9,210	100.0%	8,784	100.0%			

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, April 2020

Income Cohort	RENTER HOUSEHOLD INCOME						
	Martinsville and Danville Region				Annual Change 2019 to 2024		
	2019		2024		Number	Percentage	
	Number	Percentage	Number	Percentage	Number	Percentage	
\$0-9,999	4,922	20.0%	4,466	19.0%	-91	-1.9%	
\$10,000-19,999	5,319	21.6%	4,722	20.1%	-119	-2.2%	
\$20,000-29,999	3,864	15.7%	3,642	15.5%	-44	-1.1%	
\$30,000-39,999	2,861	11.6%	2,658	11.3%	-41	-1.4%	
\$40,000-49,999	2,099	8.5%	1,990	8.5%	-22	-1.0%	
\$50,000-59,999	1,325	5.4%	1,364	5.8%	8	0.6%	
\$60,000-74,999	1,194	4.8%	1,228	5.2%	7	0.6%	
\$75,000-99,999	1,349	5.5%	1,374	5.9%	5	0.4%	
\$100,000-	649	2.6%	714	3.0%	13	2.0%	
\$125,000-	385	1.6%	494	2.1%	22	5.7%	
\$150,000-	340	1.4%	421	1.8%	16	4.8%	
\$200,000+	315	1.3%	413	1.8%	20	6.2%	
Total	24,622	100.0%	23,486	100.0%			

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, June 2020

As shown, 58.3 percent of renters in the City of Martinsville and Henry County earn less than \$30,000, compared to 57.3 percent in the Martinsville and Danville region and 42.1 percent in the nation. This data suggests a relatively robust lower and middle-income class of renters in the City of Martinsville and Henry County. This data indicates strong demand for low-income and workforce housing in the City of Martinsville and Henry County.

Senior Renter Household Income Distribution

The following tables illustrate the household income distribution for senior renter households in the City of Martinsville and Henry County and the Martinsville and Danville region from 2019 through 2024 (projected).

RENTER HOUSEHOLD INCOME 55+

Income Cohort	Martinsville & Henry County					
	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	557	16.1%	540	15.1%	-3	-0.6%
\$10,000-19,999	871	25.1%	835	23.3%	-7	-0.8%
\$20,000-29,999	613	17.7%	610	17.0%	-1	-0.1%
\$30,000-39,999	355	10.2%	371	10.4%	3	0.9%
\$40,000-49,999	195	5.6%	199	5.6%	1	0.4%
\$50,000-59,999	202	5.8%	212	5.9%	2	1.0%
\$60,000-74,999	162	4.7%	174	4.9%	2	1.5%
\$75,000-99,999	217	6.3%	256	7.1%	8	3.6%
\$100,000-124,999	151	4.4%	173	4.8%	4	2.9%
\$125,000-149,999	58	1.7%	85	2.4%	5	9.3%
\$150,000-199,999	48	1.4%	72	2.0%	5	10.0%
\$200,000+	41	1.2%	57	1.6%	3	7.8%
Total	3,470	100.0%	3,584	100.0%		

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, April 2020

RENTER HOUSEHOLD INCOME 55+

Income Cohort	Martinsville and Danville Region					
	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,644	17.3%	1,586	16.3%	-12	-0.7%
\$10,000-19,999	2,479	26.1%	2,341	24.1%	-28	-1.1%
\$20,000-29,999	1,427	15.0%	1,441	14.8%	3	0.2%
\$30,000-39,999	1,019	10.7%	1,028	10.6%	2	0.2%
\$40,000-49,999	672	7.1%	712	7.3%	8	1.2%
\$50,000-59,999	436	4.6%	473	4.9%	7	1.7%
\$60,000-74,999	481	5.1%	529	5.4%	10	2.0%
\$75,000-99,999	442	4.7%	491	5.0%	10	2.2%
\$100,000-124,999	348	3.7%	396	4.1%	10	2.8%
\$125,000-149,999	204	2.2%	279	2.9%	15	7.4%
\$150,000-199,999	162	1.7%	218	2.2%	11	6.9%
\$200,000+	171	1.8%	236	2.4%	13	7.6%
Total	9,485	100.0%	9,730	100.0%		

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, June 2020

As shown, 58.8 percent of senior renters in the City of Martinsville and Henry County earn less than \$30,000, compared to 58.5 percent in the Martinsville and Danville region and 48.0 percent in the nation. This data suggests a relatively robust lower and middle-income class of senior renters in the City of Martinsville and Henry County. Management at one of the surveyed senior-tenancy properties indicated that they have tenants are from the local area or moved to be closer to adult children who are employed in the area.

Conclusion

While total population and households in the city of Martinsville and Henry County declined between 2000 and 2019, senior population and households increased. These trends are projected to continue through 2024. In the City of Martinsville and Henry County, 45.8 percent of the population was age 50 or older in 2019 and 47.3 percent is projected for 2024. Comparatively, in the nation, 35.8 percent of the population was age 50 and older in 2019. The largest group of renters in all areas of study are one-person households, followed by two-person households. Approximately 58.3 percent of renters in the City of Martinsville and Henry County earn less than \$30,000, compared to 57.3 percent in the Martinsville and Danville region and 42.1 percent in the nation. Approximately 58.8 percent of senior renters in the City of Martinsville and Henry County earn less than \$30,000, compared to 58.5 percent in the Martinsville and Danville region and 48.0 percent in the nation. This data suggests a relatively robust lower and middle-income class of family and senior-tenancy renters in the City of Martinsville and Henry County.

III. HOUSING SUPPLY CHARACTERISTICS

HOUSING SUPPLY CHARACTERISTICS

HOUSING MARKET OVERVIEW

This section of the report provides a broad view of current housing trends within the market area for multifamily housing. The following table outlines the housing units by structure in the City of Martinsville and Henry County.

Housing Units by Structure Count in the City of Martinsville & Henry County	
1-Detached	23,613
1-Attached	398
2	640
3-4	999
5-9	1,042
10-19	953
20-49	391
50+	284
Mobile Homes	5,028
Other	0
Total	33,348

Source: Esri Demographics 2019, accessed June 2020

As shown, the majority of housing units in the City of Martinsville and Henry County are single-family detached. There is also a significant number of mobile homes.

The following table illustrates the age of the area housing stock in the City of Martinsville and Henry County.

AGE OF HOUSING STOCK IN MARTINSVILLE & HENRY COUNTY

Years	Number of Units	Percent of Housing Stock
Built 2005 or later	210	0.6%
Built 2000 to 2004	2,462	7.4%
Built 1990 to 1999	4,511	13.5%
Built 1980 to 1989	4,258	12.8%
Built 1970 to 1979	6,215	18.7%
Built 1960 to 1969	6,037	18.1%
Built 1950 to 1959	4,665	14.0%
Built 1940 to 1949	2,413	7.2%
Built 1939 or earlier	2,553	7.7%
Total	33,324	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

As indicated, approximately 65.7 percent of the housing stock in the City of Martinsville and Henry County was constructed prior to 1980 and 47.0 percent was constructed prior to 1970. The following tables illustrate the age of housing stock in each specific geography.

HOUSING STRUCTURES YEAR BUILT

Year Built	Henry County		City of Martinsville	
	Number	Percent	Number	Percent
Built 2014 or later	77	0.3%	0	0.0%
Built 2010 to 2013	164	0.6%	22	0.3%
Built 2000 to 2009	2,188	8.3%	230	3.2%
Built 1990 to 1999	4,264	16.3%	465	6.6%
Built 1980 to 1989	3,842	14.7%	599	8.4%
Built 1970 to 1979	5,161	19.7%	1,035	14.6%
Built 1960 to 1969	4,383	16.7%	1,513	21.3%
Built 1950 to 1959	3,218	12.3%	1,396	19.7%
Built 1940 to 1949	1,296	4.9%	947	13.4%
Built 1939 or earlier	1,630	6.2%	883	12.5%

Source: US Census 2018 5-Year Estimates, accessed June 2020

As shown, 74.5 percent of housing structures in Henry County and 89.9 percent of housing structures in the City of Martinsville were built prior to 1980. There has been limited new development after 2010. Given the age of the housing stock, there are likely housing units in the market that would lead towards teardowns. However, the market inspection did not identify any obvious pockets of housing units that would suggest this due to condition; instead, tear-down opportunities due to condition are likely to be unit specific and/or project-based, with the goal of assembling multiple parcels for a larger new construction project.

Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard in the City of Martinsville and Henry County, the Martinsville and Danville region, and the nation as of 2019.

Year	SUBSTANDARD HOUSING		
	City of Martinsville & Henry County	Martinsville and Danville Region	USA
		Percentage	Percentage
2019	0.40%	0.56%	1.70%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The percentage of residents living in substandard housing in the City of Martinsville and Henry County is below that of the region and the nation.

Housing Needs

Each year, the U.S. Department of Housing and Urban Development (HUD) receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low income households.

HOUSING NEEDS		Henry County		City of Martinsville	
		Owner-Occupied	Renter-Occupied	Owner-Occupied	Renter-Occupied
Household has at least one of four severe housing problems		9.2%	19.2%	9.2%	22.6%
Cost-burden households (pay more than 30% of income towards rent)		19.0%	35.2%	22.5%	44.4%

Source: HUD 2012-2016 CHAS, accessed June 2020

According to the 2012-2016 CHAS data published by HUD, approximately 9.2 percent of owner-occupied households and 19.9 percent of renter-occupied households in Henry County have at least one of four severe housing problems. In the City of Martinsville, approximately 9.2 percent of owner-occupied households and 22.6 percent of renter-occupied households have at least one of four severe housing problems. The four severe housing problems are: incomplete kitchen facilities; incomplete plumbing facilities; more than one person per room; and cost burden greater than 50 percent. Cost burden is considered the ratio of housing costs to household income. According to the data, 19.0 percent of owner-occupied households and 35.2 percent of renter-occupied households in Henry County pay more than 30 percent of their income towards rent. In the City of Martinsville, 22.5 percent of owner-occupied households and 44.4 percent of renter-occupied households pay more than 30 percent of their income towards rent. The data illustrates that rents in the City of Martinsville and Henry County are more likely to occupy substandard housing and be cost-burdened.

Building Permit History

The following table illustrates building permit information for the City of Martinsville and Henry County, according to HUD State of the Cities Data Systems (SOCDS). Note that permit reporting is voluntary and SOCDS data does not accurately reflect permit issuance in the area. As shown previously, U.S. Census information indicates that there are 2,681 housing structures built after 2000 in the City of Martinsville and Henry County, which we believe provides a more accurate representation of the amount of new supply.

BUILDING PERMITS: CITY OF MARTINSVILLE & HENRY COUNTY 2000 - 2020*

Year	Single-family and Duplex	Three and Four-Family	Five or More Family	Total Units
2000	92	4	16	112
2001	88	11	0	99
2002	85	0	0	85
2003	82	0	6	88
2004	115	0	0	115
2005	0	0	0	0
2006	0	0	0	0
2007	0	0	0	0
2008	0	0	0	0
2009	0	0	0	0
2010	0	0	0	0
2011	0	0	0	0
2012	0	0	0	0
2013	0	0	0	0
2014	0	0	0	0
2015	0	0	0	0
2016	0	0	0	0
2017	0	0	0	0
2018	0	0	0	0
2019	0	0	0	0
2020*	0	0	0	0
Total	462	15	22	499
Average	23	1	1	25

*YTD, preliminary

Source: US Census Bureau Building Permits, June 2020

Tenure Patterns

The tables following illustrate the breakdown by household tenure in the City of Martinsville and Henry County and the Martinsville and Danville region from 2000 through 2024 (projected).

TENURE PATTERNS: CITY OF MARTINSVILLE & HENRY COUNTY

Year	Owner-Occupied		Renter-Occupied	
	Units	Percentage	Units	Percentage
2000	21,484	73.4%	7,780	26.6%
2019	19,384	67.8%	9,210	32.2%
2024	19,071	68.5%	8,784	31.5%

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

TENURE PATTERNS: MARTINSVILLE & DANVILLE REGION

Year	Owner-Occupied		Renter-Occupied	
	Units	Percentage	Units	Percentage
2000	51,013	71.4%	20,390	28.6%
2019	47,737	66.0%	24,622	34.0%
2024	47,029	66.7%	23,486	33.3%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

As illustrated above, approximately 32.2 percent of total households in the City of Martinsville and Henry County are renter-occupied as of 2019. The number and percentage of renter households in the City of Martinsville and Henry County are projected to slightly decrease through 2024. The Martinsville and Danville region illustrates similar tenure trends.

Senior Tenure Patterns

The tables following illustrate the breakdown by senior (55+) household tenure in the City of Martinsville and Henry County and the Martinsville and Danville region from 2000 through 2024 (projected).

TENURE PATTERNS OF SENIORS 55+: CITY OF MARTINSVILLE & HENRY COUNTY

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Units	Owner-Occupied	Units	Renter-Occupied
2000	10,382	83.5%	2,053	16.5%
2019	12,254	77.9%	3,470	22.1%
2024	12,762	78.1%	3,584	21.9%

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

TENURE PATTERNS OF SENIORS 55+: MARTINSVILLE & DANVILLE REGION

Year	Owner-Occupied	Percentage	Renter-Occupied	Percentage
	Occupied Units	Owner-Occupied	Units	Renter-Occupied
2000	24,627	81.2%	5,689	18.8%
2019	29,768	75.8%	9,485	24.2%
2024	30,827	76.0%	9,730	24.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

As illustrated, approximately 22.1 percent of total senior households in the City of Martinsville and Henry County are renter-occupied as of 2019. The number and percentage of senior renter-occupied households is projected to remain stable.

OWNER MARKET OVERVIEW

In this section we provided a brief analysis of homeownership trends in the City of Martinsville and Henry County.

Single-family Home Pricing

The following chart details single-family home listing prices in the City of Martinsville from 2010 through January 2020, per Zillow.com.



Source: Zillow.com, April 2020

As indicated above, single-family home listing prices in the City of Martinsville have generally increased from 2010 to 2020. As of January 2020, the median single-family home listing price in the City of Martinsville was \$99,000, compared to \$94,900 as of January 2019.

The following chart details single-family home listing prices in Henry County from 2010 through January 2020, per Zillow.com.

Jan 2020 — Henry County \$109K



Source: Zillow.com, April 2020

As indicated above, single-family home listing prices in Henry County have generally increased from 2010 to 2020. As of January 2020, the median single-family home listing price in Henry County was \$109,000, compared to \$99,900 as of January 2019.

The following table details single-family home trends provided by the Kim Mangum, Association Executive for the Martinsville, Henry and Patrick Counties Association of Realtors. Note that we were provided data is based on the City of Martinsville and Henry County combined.

SINGLE-FAMILY HOME SALES: MARTINSVILLE & HENRY COUNTY

Year	Number Sold	Median List Price	Median Sale Price	Average List Price	Average Sale Price	Average Days on Market
2020*	134	\$115,400	\$105,000	\$136,431	\$129,881	188
2019	512	\$99,750	\$93,000	\$117,407	\$109,995	212
2018	469	\$91,950	\$87,500	\$107,363	\$100,622	211
2017	464	\$79,900	\$75,000	\$100,753	\$94,720	209
2016	429	\$89,900	\$85,000	\$102,590	\$95,421	232
Average						

Source: Martinsville, Henry and Patrick Counties Association of Realtors, April 2020

*As of April 27, 2020

As indicated above, the average number of single-family homes sold in the City of Martinsville and Henry County increased each year between 2016 and 2019. While the median and average sale and list prices slightly declined between 2016 and 2017, the median and average sale and list prices have increased each

year since 2017. Although a large increase in price is shown for 2020, this data is preliminary and based on slightly less than four months of data.

During our inspection, we observed single-family homes in a range of conditions from fair to good; however, the majority of single-family homes appeared to be in average to good condition. During our site inspection, we observed a significant amount single-family homes that were for sale. According to Zillow, as of June 2020, there are 142 single-family homes currently listed for sale in Henry County and 52 listed in the City of Martinsville.

The following images illustrate current for-sale single-family home listings in the City of Martinsville and Henry County on Trulia.com.



Three-bedroom single-family home listed for sale in Martinsville (\$107,770)



Four-bedroom single-family home listed for sale in Martinsville (\$169,900)



Three-bedroom single-family home listed for sale in Collinsville (\$164,000)



Three-bedroom single-family home listed for sale in Ridgeway (\$79,000)

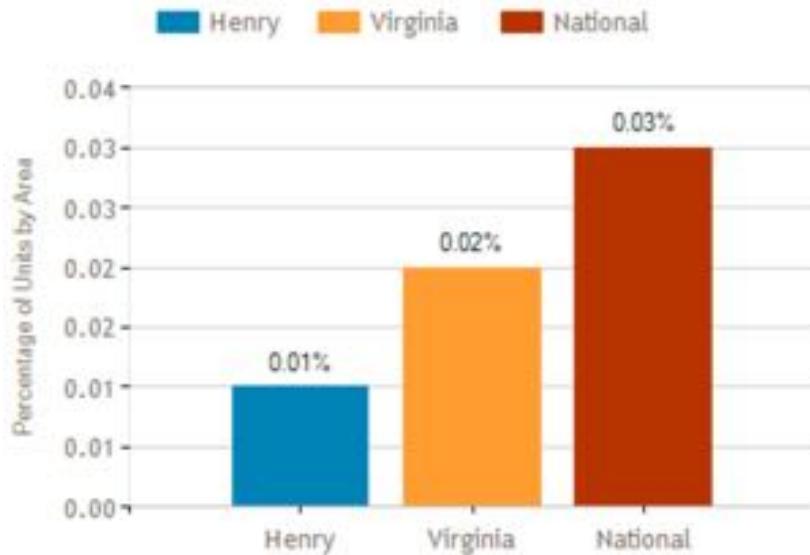
Single-family Foreclosure Trends

According to Realtytrac.com, there are currently six properties in the City of Martinsville that are in some stage of foreclosure (default, auction or bank owned) while the number of homes listed for sale on RealtyTrac is 111. In March 2020, the number of properties that received a foreclosure filing in the City of Martinsville was 33 percent higher than the previous month and the same as March 2019. The foreclosure rate in the City of Martinsville is one in every 4,082. The following chart compares foreclosure trends in the City of Martinsville, the state of Virginia, and the nation as a whole.



Source: Realtytrac.com, April 2020

The number of homes in Henry County listed for sale on RealtyTrac is 105. However, RealtyTrac has limited current foreclosure data for Henry County. The foreclosure rate in Henry County is one in every 3,322. The following chart compares foreclosure trends in Henry County the state of Virginia, and the nation as a whole.



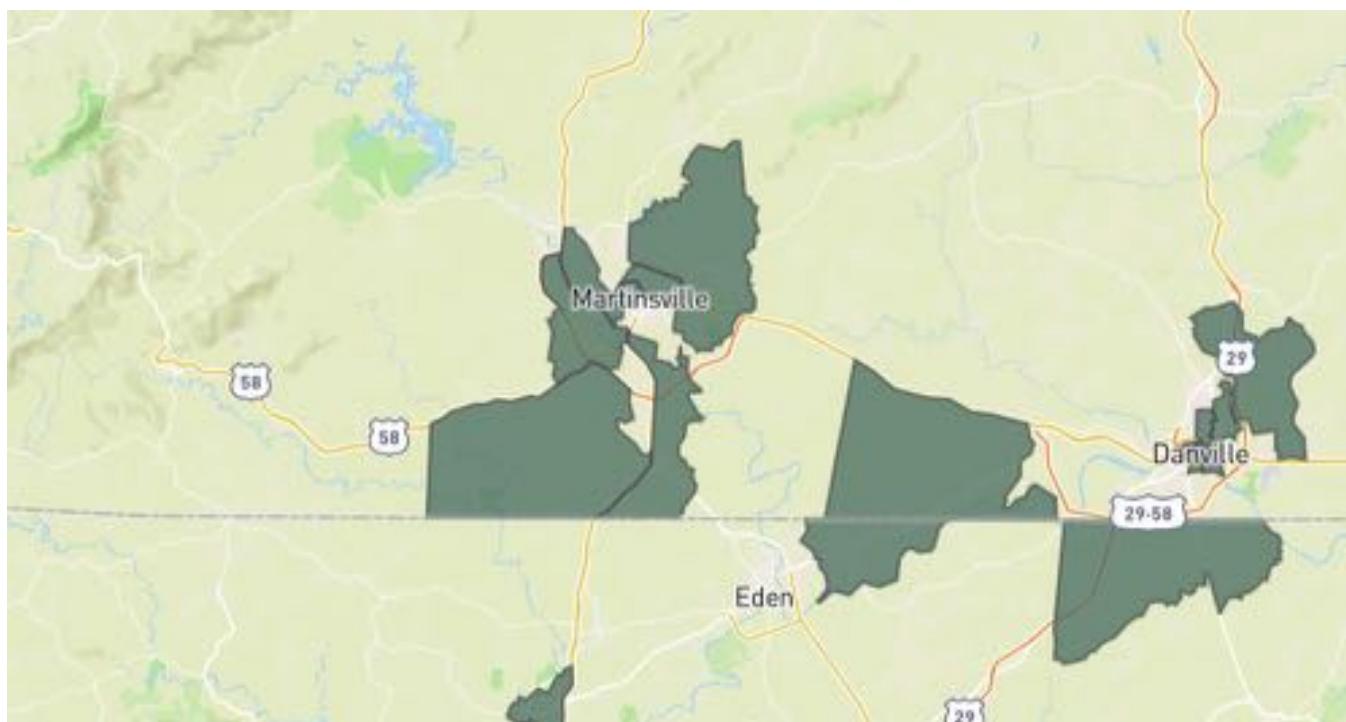
Source: Realtytrac.com, April 2020

Airbnb

According to JoAnne Lynch, Senior Human Resources Manager for Monogram Food Solutions, which is a major employer in the area, the only housing issue she had is related to a lack of short term furnished housing for new hires that were relocated, but that is less of a concern now with Airbnb. As of June 2020, we found two listings on Airbnb for single-family home rentals in the City of Martinsville and Henry County, one of which is located in Martinsville and the other is located in Collinsville. The listing in Martinsville is a four-bedroom single-family home that is renting for \$144 per night. The listing in Collinsville is a one-bedroom guesthouse that is renting for \$59 per night. Overall, we do not expect Airbnb rentals to have an impact on the existing or future housing stock. The use of Airbnb in the market shows a need for more housing in the market.

Opportunity Zones

Portions of the City of Martinsville and Henry County are located within an Opportunity Zone. The following map illustrates qualified Opportunity Zones in green.



Source: Novogradac Consulting, June 2020

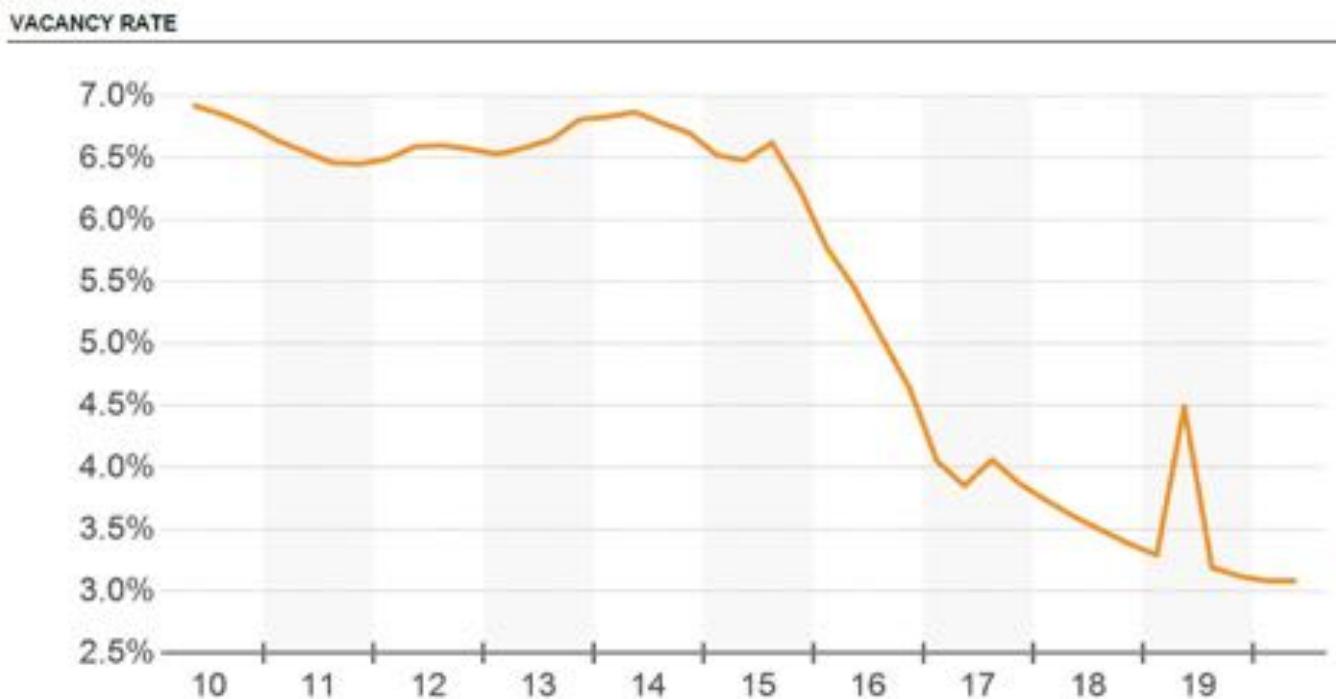
Opportunity Zones in the City of Martinsville and Henry County are census tracts that have an individual poverty rate of at least 20 percent and median family income up to 80 percent of the area median. Opportunity Zones provide tax incentives to help unlock investor capital to fund businesses in underserved communities. The law that created Opportunity Zones allows investors to defer (up to nine years) paying tax on gains if those gains are invested in Qualified Opportunity Funds that in turn invest in economically distressed communities designated by the governor. More information on Opportunity Zones can be found on the Novogradac website at www.novoco.com.

RENTAL MARKET OVERVIEW

The majority of surveyed area stakeholders indicated that rental housing is more needed in the market than owner-occupied housing. Therefore, we focused our analysis on rental housing.

Rental Market Trends

The following graphs illustrate vacancy and rent growth trends in the Martinsville and Danville region according to CoStar. It should be noted that Costar updated the macroeconomic data to reflect forecasts released by Oxford Economics on April 24, 2020 in response to the COVID-19 pandemic. Among other factors, the projections assume job losses of 9.6 million in 2020 followed by 8.7 million jobs gained in 2021, unemployment reverting to the post 2000 average over the five year forecast and interest rates increasing to 4.1 percent by 2020, up from 3.6 percent in 2020. However, given that the Martinsville and Danville region is not located within a CoStar market, five-year projections were unavailable. We utilized a customized market report for the Martinsville and Danville region, which illustrates current and historical vacancy and rent growth trends among the 99 rental properties in Henry County, Pittsylvania County, Danville City, and Martinsville City, Virginia. Vacancy in the submarket is illustrated in the following graph.



Source: CoStar, June 2020

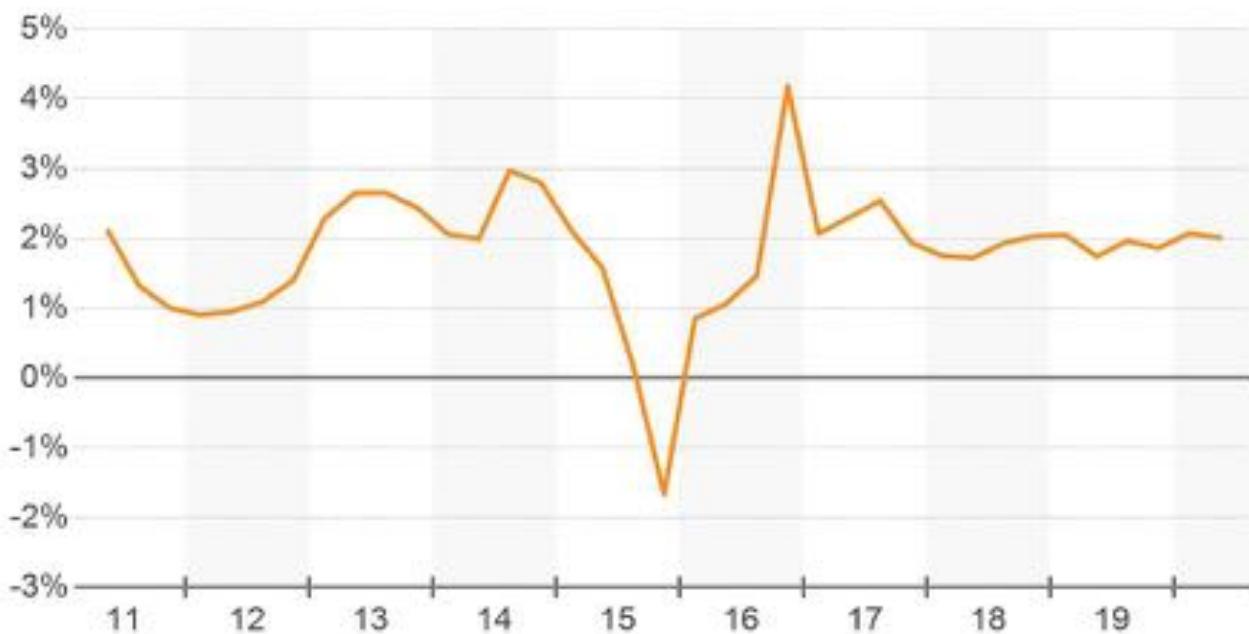
According to CoStar, vacancy in the submarket is currently 3.1 percent. Rent growth in the Martinsville and Danville region is illustrated in the following graphs.

EFFECTIVE RENT PER UNIT



Source: CoStar, June 2020

EFFECTIVE RENT GROWTH



Source: CoStar, June 2020

With the exception of a dip in 2015 and spike in 2016, rent growth in the Martinsville and Danville region has historically been between one and three percent and has averaged approximately two percent annually over the past five years.

The following table illustrates the percent of household income renters are paying towards rents.

GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME

	Henry County		City of Martinsville	
	Number	Percent	Number	Percent
Occupied units paying rent	5,123	-	2120	-
Less than 15.0 percent	829	16.2%	343	16.2%
15.0 to 19.9 percent	683	13.3%	172	8.1%
20.0 to 24.9 percent	509	9.9%	282	13.3%
25.0 to 29.9 percent	763	14.9%	240	11.3%
30.0 to 34.9 percent	582	11.4%	218	10.3%
35.0 percent or more	1,757	34.3%	865	40.8%

As illustrated, approximately 34.3 percent of renters in Henry County and 40.8 percent of renters in the City of Martinsville pay 35 percent or more of household income towards gross rent.

The following chart illustrates the gross rent among occupied units paying rent in the City of Martinsville and Henry County.

GROSS RENT

	Henry County		City of Martinsville	
	Number	Percent	Number	Percent
Occupied units paying rent	5,123	-	2,195	-
Less than \$500	1,484	27.9%	524	23.9%
\$500 to \$999	3,474	65.3%	1,403	63.9%
\$1,000 to \$1,499	275	5.2%	234	10.7%
\$1,500 to \$1,999	88	1.7%	12	0.5%
\$2,000 to \$2,499	0	0.0%	22	1.0%
\$2,500 to \$2,999	0	0.0%	0	0.0%
\$3,000 or more	0	0.0%	0	0.0%

Source: US Census 2018 5-Year Estimates, accessed June 2020

As shown, the majority of renters are paying between \$500 and \$999 per month in the City of Martinsville and Henry County.

Housing Pipeline Supply

We spoke with, Mark McCaskill, Community Development Director for the City of Martinsville, regarding proposed, under construction, and recently constructed housing development within the City of Martinsville. According to Mr. McCaskill, there have been eight new construction single-family homes recently built in Martinsville, all of which were built between 2017 and 2018.

There are no under construction multifamily properties in the City of Martinsville or Henry County. Note that there have been no Low Income Housing Tax Credit (LIHTC) allocations in the City of Martinsville or Henry County since 2016. Brookshire Apartments was allocated tax credits for renovations in 2016. Renovations were completed in 2018. Brookshire Apartments is a surveyed property in this report. The following projects are currently proposed:

1. Landmark Partners is currently developing a 52-unit affordable senior-housing development located at 201 and 209 Aaron Street in Martinsville. The project is known as Aaron Mills Apartments and would be located on the site of the former American of Martinsville furniture manufacturing complex, which was destroyed by a fire in 2014 and is now considered a brownfield site. Landmark Partners estimated that the total economic impact of the new development would be approximately \$9.5 million and the project would support approximately 81 jobs. An application has been submitted to the Virginia Housing Development Authority (VHDA) for Low Income Housing Tax Credit (LIHTC) funding, although it has yet to receive an allocation. According to the market study submitted to VHDA, Aaron Mills Apartments will offer 52 one and two-bedroom units restricted to senior households earning 40 and 60 percent of AMI. A construction timeline has yet to be announced. Landmark Partners successfully developed Martinsville Lofts in 2011. The project converted a former factory into 60 affordable LIHTC one, two, and three-bedroom units for families. Units are restricted at 40 and 60 percent AMI. We surveyed the property in April 2020 and it had a vacancy rate of 6.7 percent with four vacant units.



Proposed Aaron Mills Apartments site



Proposed Aaron Mills Apartments site

2. Landmark Partners has proposed a five-unit market rate rental townhouse development on Fairy Street in Martinsville. The development would be the first of three potential phases for a total of 15 units. The developer is waiting to receive final approval from the City Council for a special use permit.



Proposed townhouse site



Proposed townhouse site

3. A request for proposals (RFP) is currently available to redevelop the iconic, six-story BB&T building located at 1 Ellsworth Street in Martinsville. The property has an open floor plan and the city is looking for developers to respond to the RFP with development options. Financing mechanisms such as Historic Tax Credits could be used to redevelop the property. Proposals are due June 19, 2020.



Proposed BB&T Building site



Proposed BB&T Building site

4. A property known as the Chief Tassel Building, located at 51 E. Church Street in Martinsville, is proposed to be redeveloped. The City of Martinsville is currently negotiating a contract with the project's developer, Waukeshaw Development. The four-story property was built in 1929 and is a contributing building in the Martinsville Historic District. The most recent use has been four commercial units and 12 residential apartments. Mr. McCaskill reported that approximately 20 one and two-bedroom market rate units are current proposed. Some of these units might be furnished to cater to hospital employees. The Chief Tassel Building is located across the street from The Henry, a 25-unit loft complex that was converted into apartments in 2015 from a former hotel that was built in 1921. The property offers 25 market rate one-bedroom units that range from \$799 to \$875 per

month and four commercial spaces. We surveyed the property in April 2020 and it had a vacancy rate of 8.0 percent with two vacant units.



Proposed Chief Tassel Building site



Proposed Chief Tassel Building site

5. A project known as Phase I and II Nationwide Project is proposed for 27 modular single-family homes on West Church Street in Martinsville. The home value is estimated to be \$90,000 to \$120,000. The project is currently waiting for a grant from VHDA to move forward.



Proposed Nationwide Project site



Proposed Nationwide Project site

6. A project is currently proposed that would convert the former John Redd Smith factory located at 40 School Drive in Collinsville, Henry County, into 50 units of affordable LIHTC housing for families. As proposed, the property would offer one, two, and three-bedroom units restricted at 50 and 60 percent AMI.



Proposed John Redd Smith project site



Proposed John Redd Smith project site

The Aaron Street property (#1), Chief Tassel Building (#4), and John Redd Smith property (#5) were identified, along with four additional properties, as potential housing sites at the 2019 Martinsville-Henry County Housing Summit. We spoke with Mark McCaskill, Community Development Director for the City of Martinsville, who indicated that these four potential housing sites are not necessarily expected to go through the RFP process. The four additional sites that do not have proposed developments yet include:

7. Commonwealth Crossing Property includes five acres located at 870 Commonwealth Crossing Parkway in Ridgeway, Henry County. The site is located near the Commonwealth Crossing Industrial Park and is within an Opportunity Zone.



Commonwealth Crossing site



Commonwealth Crossing site

8. Lester Street Property includes a 3.4 acre lot improved with an industrial building built in 1946. The property is located at 51 Lester Street in Martinsville.



Lester Street site



Lester Street site

9. Martin Properties is a 9.6 acre lot located at Ellsworth and Maple Streets in downtown Martinsville. The site is currently vacant.



Martin Properties site



Martin Properties site

10. V.M. Draper Property is a 14.1 acre site located at 100 South Jackson Street in Martinsville. The site is currently improved with a former industrial property and is located within an Opportunity Zone. The property is currently owned by a private owner. According to Lori M. Kroll, Associate Senior Community Resource Specialist for Draper Aden Associates, Phase I and Phase II Environmental Site Assessments (ESAs) were completed on the property in 2017. Overall, the results of this Phase II ESA do not indicate significant impact to surface soil or subsurface soil relative to typical industrial/commercial urban properties. Removal of an underground storage tank and transformers was recommended. Based on the results of the Phase II ESA, no additional site-wide soil and groundwater investigation was recommended; however, it was recommended that future site development for residential use be evaluated prior to redevelopment.

11. Mr. McCaskill, a Phase I Environmental Site Assessment was completed on the property and no issues were found that would hinder the site's redevelopment.



V.M. Draper Property site

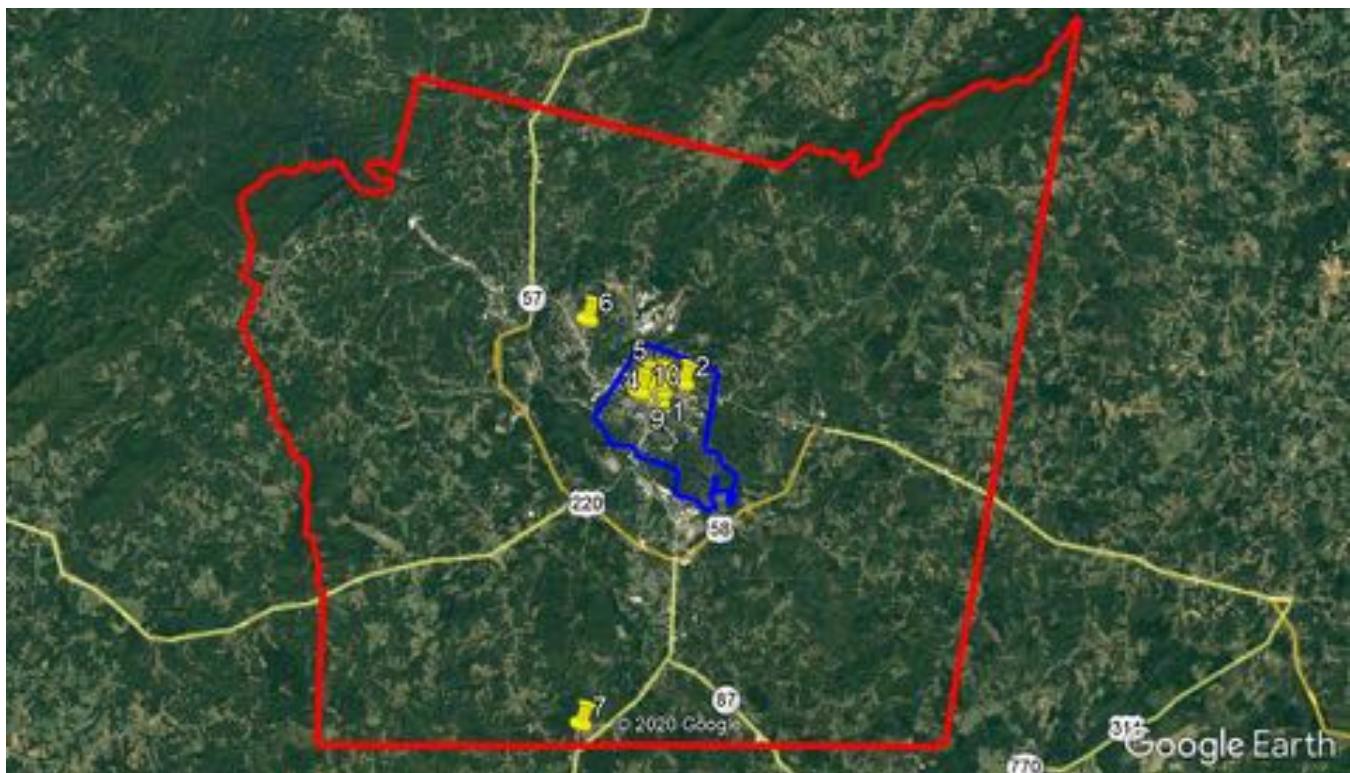


V.M. Draper Property site

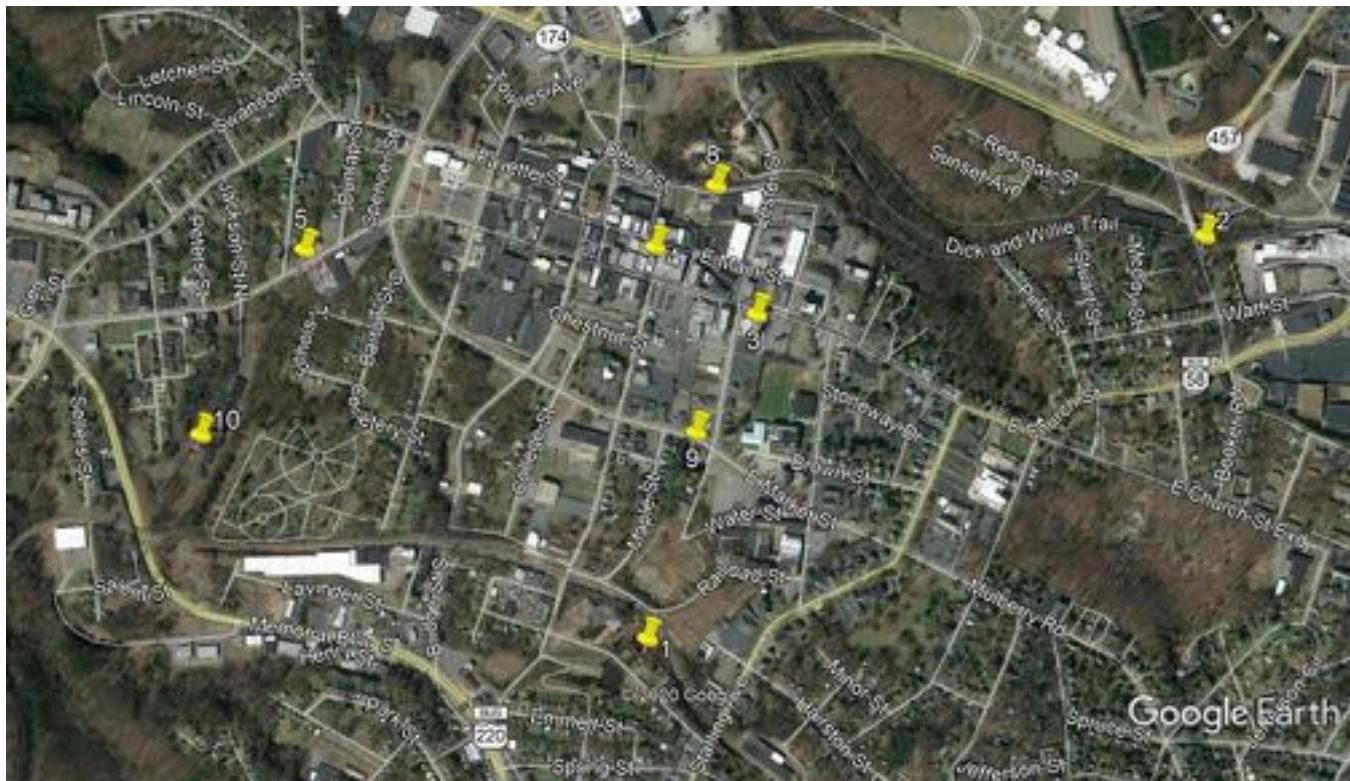
The following table and map outlines the locations of the proposed projects and sites. Henry County is outlined in red and the City of Martinsville is outlined in blue. As shown, eight of the 10 projects and sites are located within the City of Martinsville

PLANNED DEVELOPMENT

Map #	Property Name	Location	Rent Structure	Tenancy	Total Units	Construction Status
1	Aaron Mills Apartments	201 & 209 Aaron Street, Martinsville	LIHTC	Senior	52	Proposed
2	Unnamed Townhomes	Fairy Street, Martinsville	Market Rate	Family	15	Proposed
3	BB&T Building	1 Ellsworth Street, Martinsville	N/A	N/A	N/A	Proposed
4	Chief Tassel Building	51 E. Church Street, Martinsville	Market Rate	Family	20	Proposed
5	Phase I and II Nationwide Project	West Church Street, Martinsville	Owner-Occupied	Family	27	Proposed
6	John Redd Smith Property	40 School Drive, Collinsville	LIHTC	Family	50	Proposed
7	Commonwealth Crossing Property	870 Commonwealth Crossing Pkwy, Ridgeway	N/A	N/A	N/A	Proposed
8	Lester Street Property	51 Lester Street, Martinsville	N/A	N/A	N/A	Proposed
9	Martin Properties	Ellsworth & Maple Streets, Martinsville	N/A	N/A	N/A	Proposed
10	V.M. Draper Property	100 South Jackson Street, Martinsville	N/A	N/A	N/A	Proposed
Totals						164



The following map outlines the locations of the proposed projects in the City of Martinsville only. Therefore, the following map excludes numbers six and seven.



MULTIFAMILY RENTAL CHARACTERISTICS

Following are relevant market characteristics for the multifamily rental properties surveyed. In order to assess the multifamily rental market in the City of Martinsville and Henry County, we surveyed numerous multifamily properties.

Rental properties are examined on the basis of physical characteristics, i.e. building type, age of the property, quality/condition of property, level of common amenities, absorption, as well as similarity in rent. Property managers were interviewed for information on unit mix, sizes, and absorption rates, unit features and project amenities, tenant profiles, and market trends in general. Detailed profiles describing the individual properties are provided in the addenda.

We surveyed a total of 1,587 units in 29 multifamily properties in the City of Martinsville, Henry County, and the City of Danville, including four subsidized (Section 8 or Rural Development) properties, eight non-subsidized LIHTC properties, and 17 market rate properties. We included seven properties located in the nearby City of Danville to gain an understanding of competing supply. Only a handful of properties were excluded and we made numerous attempts to contact every multifamily property in the City of Martinsville and Henry County. There were 27 identified properties within the City of Martinsville and Henry County that we were unable to contact; however, only seven of those properties have more than 20 units. The following table illustrates the properties that have been excluded from our analysis.

EXCLUDED PROPERTIES

Property Name	Rent Structure	Tenancy	Total Units	Reason for Exclusion
Foxtree Apartments	Market	Family	>20	Unable to contact
The Breezes	Market	Family	>20	Unable to contact
Blueberry Hills Apartments	Market	Family	48	Unable to contact
Richwood Apartments	Market	Family	44	Unable to contact
Glen Ridge Apartments	LIHTC	Family	41	Unable to contact
1576-1640 Stultz Road, Collinsville	Market	Family	40	Unable to contact
Park Terrace Apartments	Market	Family	25	Unable to contact
324 Maple Drive, Collinsville	Market	Family	17	Unable to contact
Country Wood Apartments	Market	Family	16	Unable to contact
Forest Manor	Market	Family	12	Unable to contact
247-255 Spring Drive, Collinsville	Market	Family	10	Unable to contact
77 Ford Street, Collinsville	Market	Family	10	Unable to contact
Martinsville Hotel	Market	Family	10	Unable to contact
Fox Trot East Townhomes	Market	Family	8	Unable to contact
Madison Square	Market	Family	8	Unable to contact
Randolph West	Market	Family	8	Unable to contact
638 Melrose Drive	Market	Family	6	Unable to contact
Fox Ridge	Market	Family	6	Unable to contact
1705 Spruce	Market	Family	5	Unable to contact
1159 Yorkshire Road	Section 8	Family	4	Unable to contact
50 Mason Court	Market	Family	4	Unable to contact
Terrace Villas	Market	Family	4	Unable to contact
Crestview Terrace	Market	Family	4	Unable to contact
241 River Road	Market	Family	3	Unable to contact
Jefferson Plaza	Market	Family	3	Unable to contact
The Holt Building	Market	Family	3	Unable to contact
Pebble Creek Group Home	Section 8	Senior	2	Unable to contact

The following images are of properties that were excluded from our analysis.



77 Ford Street, Collinsville



247-255 Spring Drive, Collinsville



324 Maple Drive, Collinsville



Foxtree Apartments



1576-1640 Shultz Road, Collinsville



Forest Manor



Terrace Villas



Foxtree Apartments



Martinsville Hotel



Glen Ridge Apartments



Park Terrace Apartments



The Breezes



Blueberry Hills Apartments



Country Wood Apartments



Crestview Terrace



Madison Square



Randolph West



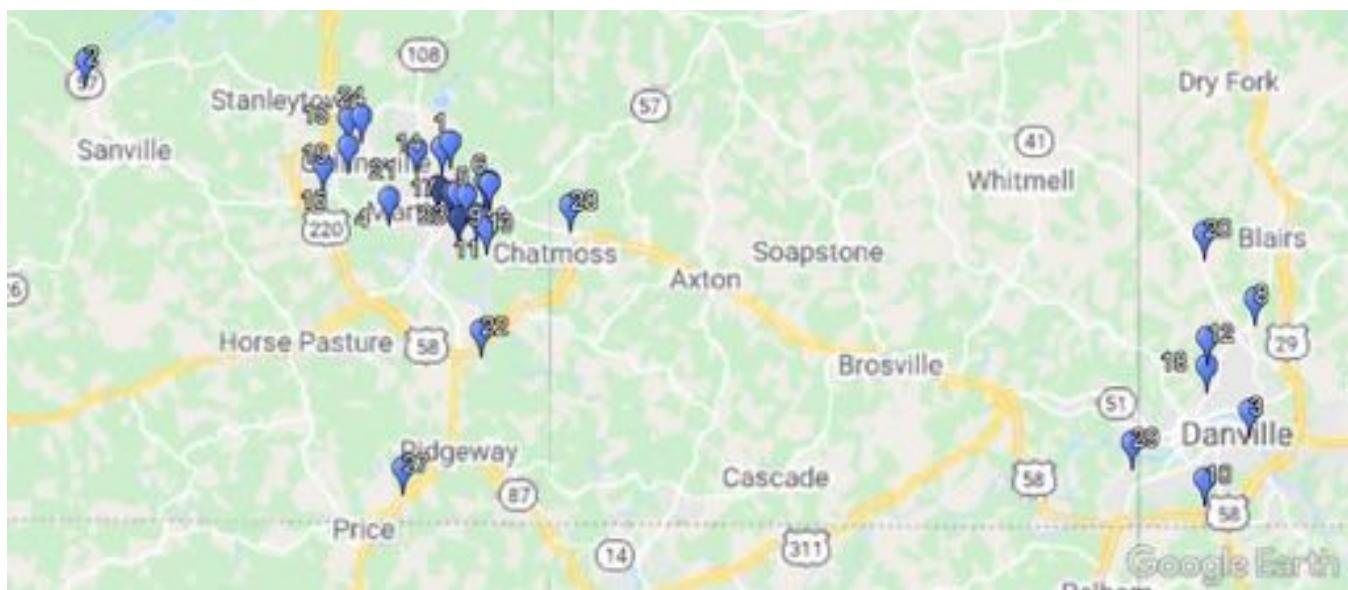
Richwood Apartments

Surveyed Properties

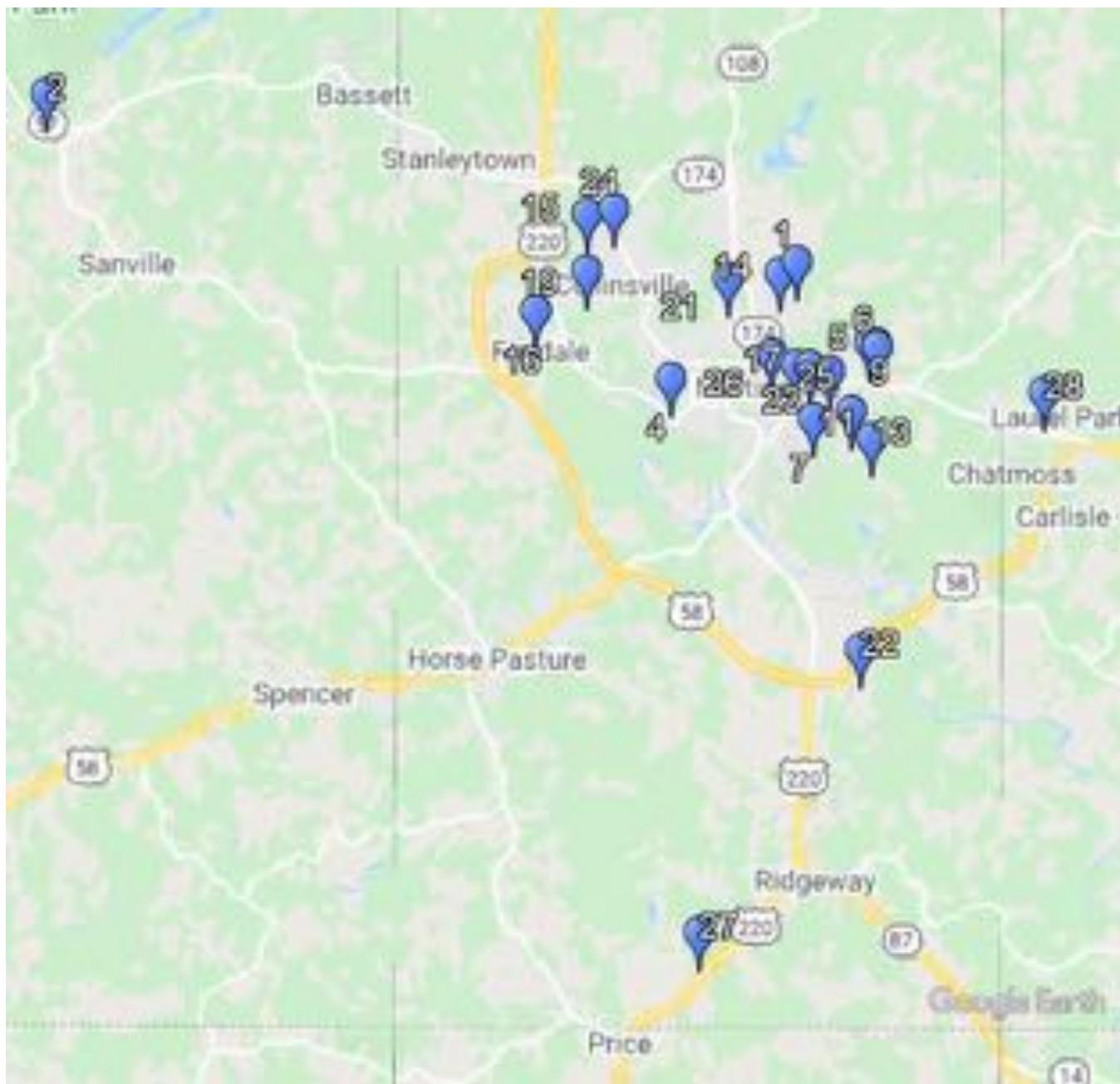
The following map and table illustrate the surveyed multifamily rental properties. Individual property profiles can be found in the addendum of this report.

SURVEYED PROPERTIES

#	Comparable Property	City	Rent Structure	Tenancy
1	Barrows Mill Apartments	Martinsville	Section 8	Senior
2	Brookshire Apartments	Bassett	LIHTC @50%	Family
3	Lynn Street Lofts	Danville	LIHTC @40%, @50%, @60%	Family
4	Maplewood Apartments	Martinsville	LIHTC @50%, @60%	Family
5	Martins Landing I	Martinsville	LIHTC/Section 8	Senior
6	Martins Landing II	Martinsville	LIHTC/Rural Development	Senior
7	Martinsville Lofts	Martinsville	LIHTC @40%, @60%	Family
8	Northpointe Apartments	Danville	LIHTC @60%	Family
9	Ridge View Apartments	Martinsville	LIHTC @60%	Family
10	Southwyck Hills	Danville	LIHTC @60%	Family
11	Spruce Village Apartments	Martinsville	Section 8	Senior
12	Sterling Trace Apartments	Danville	LIHTC @50%, @60%	Family
13	1605 Spruce	Martinsville	Market	Family
14	807 Barrows Mill Road	Martinsville	Market	Family
15	Autumn Crest Apartments	Collinsville	Market	Family
16	Blue Ridge Apartments	Fieldale	Market	Family
17	Chateau Terrace Apartments	Martinsville	Market	Family
18	Greystone Apartments	Danville	Market	Family
19	Longwood Village Apartments	Collinsville	Market	Family
20	Mt. Hermon Village	Danville	Market	Family
21	Northview Gardens	Martinsville	Market	Family
22	Ridgewood Terrace Apartments	Ridgeway	Market	Family
23	Stratford Square Apartments	Martinsville	Market	Family
24	Terrace View Apartments	Collinsville	Market	Family
25	The Corner Stone Apartments	Martinsville	Market	Family
26	The Henry	Martinsville	Market	Family
27	Wayside Manor	Ridgeway	Market	Family
28	Wellington Manor	Martinsville	Market	Family
29	Westchester Square	Danville	Market	Family



The following map illustrates the surveyed properties in the City of Martinsville and Henry County (excludes the properties located in Danville).



The following summary matrix details each of the surveyed properties. Note that the rents have been adjusted rents based on a utility structure where tenants pay air conditioning, electric heating, water heating, and cooking and general electric expenses, and landlords pay cold water, sewer, and trash expenses. We found that this utility structure is the most common one utilized in the marketplace, particularly among the affordable properties. As a result, properties with differing utility structures have been adjusted to this standard convention using the utility allowance schedule most recently published by the Danville Redevelopment and Housing Authority, effective January 1, 2020.

CITY OF MARTINSVILLE AND HENRY COUNTY, VIRGINIA – HOUSING MARKET STUDY AND NEEDS ANALYSIS

SUMMARY MATRIX															
Comp #	Property Name	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate		
1	Barrows Mill Apartments 1026 Barrows Mill Road Martinsville, VA 24112 City of Martinsville	One-story 1-stories 1985 / n/a Senior	@30% (Section 8)	1BR / 1BA	44	100.0%	500	@30% (Section 8)	-	N/A	Yes	0	0.0%		
					44							0	0.0%		
2	Brookshire Apartments 65 Brookshire Lane Bassett, VA 24055 Henry County	Garden 2-stories 1999 / 2018 Family	@50%	1BR / 1BA	16	25.0%	N/A	@50%	\$409	No	Yes	0	0.0%		
				2BR / 1BA	48	75.0%	N/A	@50%	\$432	No	Yes	0	0.0%		
					64							0	0.0%		
3	Lynn Street Lofts 614 Lynn Street Danville, VA 24541 City of Danville	Conversion 3-stories 1930 / 2007 Family	@40%, @50%, @60%	2BR / 2BA	4	10.8%	1,012	@40%	\$415	Yes	Yes	0	0.0%		
				2BR / 2BA	9	24.3%	1,012	@50%	\$540	Yes	Yes	0	0.0%		
				2BR / 2BA	8	21.6%	1,012	@60%	\$660	Yes	Yes	0	0.0%		
				3BR / 2BA	1	2.7%	1,291	@40%	\$450	Yes	Yes	0	0.0%		
				3BR / 2BA	8	21.6%	1,291	@50%	\$619	Yes	Yes	0	0.0%		
				3BR / 2BA	7	18.9%	1,291	@60%	\$727	Yes	Yes	0	0.0%		
					37							0	0.0%		
4	Maplewood Apartments 1446 West Fayette St Martinsville, VA 24112 Henry County	Garden 3-stories 1974 / 2013 Family	@50%, @60%	1BR / 1BA	8	8.1%	540	@50%	\$500	No	Yes	0	0.0%		
				1BR / 1BA	8	8.1%	540	@60%	\$500	No	Yes	0	0.0%		
				2BR / 1BA	30	30.3%	770	@50%	\$500	No	Yes	0	0.0%		
				2BR / 1BA	30	30.3%	770	@60%	\$500	No	Yes	0	0.0%		
				3BR / 1BA	12	12.1%	837	@50%	\$557	No	Yes	0	0.0%		
				3BR / 1BA	11	11.1%	837	@60%	\$557	No	Yes	0	0.0%		
					99							0	0.0%		
5	Martins Landing I 1151 E Church St Martinsville, VA 24112 Henry County	One-story 1-stories 1995 / n/a Senior	@30% (Section 8)	1BR / 1BA	36	94.7%	637	@30% (Section 8)	\$506	N/A	N/A	0	0.0%		
				2BR / 1BA	2	5.3%	802	@30% (Section 8)	\$536	N/A	N/A	0	0.0%		
					38							0	0.0%		
6	Martins Landing II 1151 E. Church Street Martinsville, VA 24112 Henry County	One-story 1-stories 1983 / 2000 Senior	@30% (Rural Dev.)	1BR / 1BA	26	44.8%	625	@30% (Rural Dev.)	\$650	N/A	N/A	0	0.0%		
				2BR / 1BA	26	44.8%	825	@30% (Rural Dev.)	\$500	N/A	N/A	0	0.0%		
				3BR / 1BA	5	8.6%	925	@30% (Rural Dev.)	\$900	N/A	N/A	0	0.0%		
				3BR / 1BA	1	1.7%	925	Non-Rental	\$900	N/A	N/A	0	0.0%		
					58							0	0.0%		
7	Martinsville Lofts 900 Rives Road Martinsville, VA 24122 Henry County	Garden 2-stories 1929 / 2011 Family	@40%, @60%	1BR / 1BA	2	3.3%	766	@40%	\$458	No	Yes	N/A	N/A		
				1BR / 1BA	10	16.7%	766	@60%	\$458	No	Yes	N/A	N/A		
				2BR / 1.5BA	1	1.7%	1,109	@40%	\$532	No	Yes	N/A	N/A		
				2BR / 1.5BA	33	55.0%	1,109	@60%	\$532	No	Yes	N/A	N/A		
				3BR / 2BA	3	5.0%	1,193	@40%	\$601	No	Yes	N/A	N/A		
				3BR / 2BA	11	18.3%	1,193	@60%	\$601	No	Yes	N/A	N/A		
					60							4	6.7%		
8	Northpointe Apartments 100 Northpointe Lane Danville, VA 24540 City of Danville	Garden 3-stories 1996 / n/a Family	@60%	1BR / 1BA	33	19.6%	643	@60%	\$525	No	No	0	0.0%		
				2BR / 1.5BA	48	28.6%	880	@60%	\$599	No	No	0	0.0%		
				3BR / 1.5BA	87	51.8%	1,025	@60%	\$695	No	No	0	0.0%		
					168							0	0.0%		
9	Ridge View Apartments 1130 Ridge Rd Martinsville, VA 24112 Henry County	Garden 2-stories 2001 / 2010 Family	@60%	2BR / 1.5BA	24	50.0%	1,049	@60%	\$530	No	Yes	0	0.0%		
				3BR / 2BA	24	50.0%	1,281	@60%	\$595	No	Yes	0	0.0%		
					48							0	0.0%		
10	Southwyck Hills 114 North Hills Court Danville, VA 24541 City of Danville	Garden 3-stories 1970 / 2008 Family	@60%	1BR / 1BA	18	15.5%	609	@60%	\$456	No	No	0	0.0%		
				2BR / 1BA	48	41.4%	748	@60%	\$543	No	No	1	2.1%		
				3BR / 1BA	42	36.2%	880	@60%	\$692	No	No	0	0.0%		
				4BR / 1BA	8	6.9%	1,083	@60%	\$728	No	No	0	0.0%		
					116							1	0.9%		
11	Spruce Village Apartments 1201 Spruce St Martinsville, VA 24112 Henry County	Midrise 4-stories 1980 / 2000 Senior	@30% (Section 8)	1BR / 1BA	50	50.0%	540	@30% (Section 8)	\$653	N/A	Yes	0	0.0%		
				2BR / 1.5BA	50	50.0%	750	@30% (Section 8)	\$764	N/A	Yes	0	0.0%		
					100							0	0.0%		
12	Sterling Trace Apartments 224 Beavers Mill Road Danville, VA 24540 City of Danville	Garden 2-stories 2002 / 2015 Family	@50%, @60%	2BR / 1.5BA	8	16.7%	1,043	@50%	\$660	Yes	Yes	0	0.0%		
				2BR / 1.5BA	12	25.0%	1,043	@60%	\$775	Yes	Yes	0	0.0%		
				3BR / 2BA	16	33.3%	1,281	@50%	\$690	Yes	Yes	0	0.0%		
				3BR / 2BA	12	25.0%	1,281	@60%	\$895	Yes	Yes	0	0.0%		
					48							0	0.0%		
13	1605 Spruce 1605 Spruce St Ext Martinsville, VA 24112 Henry County	Garden 2-stories 1980 / n/a Family	Market	2BR / 2BA	14	100.0%	1,065	Market	\$658	N/A	No	1	7.1%		
					14							1	7.1%		
14	807 Barrows Mill Road 807 Barrows Mill Road Martinsville, VA 24112 Henry County	Townhouse 2-stories 1985 / n/a Family	Market	2BR / 1.5BA	4	80.0%	1,004	Market	\$558	N/A	No	1	25.0%		
				2BR / 1.5BA	1	20.0%	1,004	Non-Rental	-	N/A	No	0	0.0%		
					5							1	20.0%		

CITY OF MARTINSVILLE AND HENRY COUNTY, VIRGINIA – HOUSING MARKET STUDY AND NEEDS ANALYSIS

Comp #	Property Name	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
15	Autumn Crest Apartments 53 Autumn Crest Drive Collinsville, VA 24078 Henry County	Garden 2-stories 1980 / n/a Family	Market	2BR / 1.5BA 2BR / 2BA	10 10	50.0% 50.0%	700 850	Market Market	\$633 \$648	N/A N/A	No No	1 0	10.0% 0.0%
					20								1 5.0%
16	Blue Ridge Apartments 43 Brook Court Fieldale, VA 24089 Henry County	Conversion 3-stories 1900 / 1965 Family	Market	0BR / 1BA 1BR / 1BA	6 6	50.0% 50.0%	600 600	Market Market	\$375 \$400	N/A N/A	No No	1 0	16.7% 0.0%
					12								1 8.3%
17	Chateau Terrace Apartments 1515 E. Church St. Ext. Martinsville, VA 24112 City of Martinsville	Townhouse 2-stories 1971 / 2000 Family	Market	2BR / 1.5BA	10	100.0%	900	Market	\$495	N/A	No	N/A	N/A
					10								1 10.0%
18	Greystone Apartments 224 Parker Road Danville, VA 24540 City of Danville	Various 2-stories 1984 / n/a Family	Market	1BR / 1BA 2BR / 1BA 3BR / 2.5BA	2 30 2	5.9% 88.2% 5.9%	700 800 1,200	Market Market Market	\$350 \$425 \$650	N/A N/A N/A	Yes Yes Yes	0 0 0	0.0% 0.0% 0.0%
					34								0 0.0%
19	Longwood Village Apartments 471 Crestwood Road Collinsville, VA 24078 Henry County	Garden 2-stories 1987 / n/a Family	Market	1BR / 1BA 2BR / 1BA	20 20	50.0% 50.0%	620 780	Market Market	\$408 \$473	N/A N/A	No No	0 0	0.0% 0.0%
					40								0 0.0%
20	Mt. Hemmon Village 3560 Franklin Turnpike Danville, VA 24540 City of Danville	Various 2-stories 2000 Family	Market	1BR / 1BA 2BR / 1BA 2BR / 1BA 3BR / 2.5BA	10 24 32 11	13.0% 31.2% 41.6% 14.3%	800 900 1,200 1,250	Market Market Market Market	\$450 \$560 \$700 \$750	N/A N/A N/A N/A	No No No No	0 0 0 N/A	0.0% 0.0% 0.0% N/A
					77								0 0.0%
21	Northview Gardens 755 Stultz Rd Martinsville, VA 24112 Henry County	Garden 3-stories 1976 / n/a Family	Market	1BR / 1BA 2BR / 1BA 3BR / 1BA	21 49 30	21.0% 49.0% 30.0%	740 820 850	Market Market Market	\$410 \$458 \$465	N/A N/A N/A	No No No	1 1 1	4.8% 2.0% 3.3%
					100								3 3.0%
22	Ridgewood Terrace Apartments 642 Eggleston Falls Rd Ridgeway, VA 24148 Henry County	Townhouse 2-stories 1992 / n/a Family	Market	2BR / 1.5BA	16	100.0%	1,050	Market	\$553	N/A	No	0	0.0%
					16								0 0.0%
23	Stratford Square Apartments 1807 East Church Street Extension Martinsville, VA 24112 City of Martinsville	Townhouse 2-stories 1973 / N/A Family	Market	1BR / 1BA 2BR / 1.5BA 3BR / 2.5BA	4 70 3	5.2% 90.9% 3.9%	450 900 1,300	Market Market Market	\$473 \$658 \$1,018	N/A N/A N/A	No No Yes	0 2 0	0.0% 2.9% 0.0%
					77								2 2.6%
24	Terrace View Apartments 80 Charles Street Collinsville, VA 24078 Henry County	Garden 3-stories 1980 / 2005 Family	Market	1BR / 1BA 1BR / 1BA 2BR / 1.5BA 2BR / 2BA	34 3 34 3	46.0% 4.1% 46.0% 4.1%	585 950 775 1,065	Market Market Market Market	\$423 \$483 \$518 \$633	N/A N/A N/A N/A	No No No No	0 0 1 0	0.0% 0.0% 2.9% 0.0%
					74								1 1.4%
25	The Corner Stone Apartments 10 Starling Avenue Martinsville, VA 24112 City of Martinsville	Garden 3-stories 1940 / 1973 Family	Market	1BR / 1BA 2BR / 2BA	16 31	34.0% 66.0%	600 800	Market Market	\$450 \$625	N/A N/A	No No	1 0	6.3% 0.0%
					47								1 2.1%
26	The Henry 50 E Church St Martinsville, VA 24112 Henry County	Midrise 4-stories 1921 / 2015 Family	Market	1BR / 1BA 1BR / 1BA	13 12	52.0% 48.0%	610 635	Market Market	\$732 \$802	N/A N/A	\$0 \$0	1 1	7.7% 8.3%
					25								2 8.0%
27	Wayside Manor 10624 Greensboro Rd Ridgeway, VA 24148 Henry County	Townhouse 2-stories 1981 / n/a Family	Market	1BR / 1BA 1BR / 1BA	9 9	50.0% 50.0%	500 580	Market Market	\$300 \$330	N/A N/A	No No	0 0	0.0% 0.0%
					18								0 0.0%
28	Wellington Manor 16 Molly Cir Martinsville, VA 24112 Henry County	Townhouse 2-stories 1990 / n/a Family	Market	1BR / 1BA 2BR / 1BA	31 31	50.0% 50.0%	761 1,040	Market Market	\$500 \$624	N/A N/A	N/A N/A	0 0	0.0% 0.0%
					62								0 0.0%
29	Westchester Square 431 Hermitage Drive Danville, VA 24541 City of Danville	Townhouse 2-stories 1972 / 2000 Family	Market	2BR / 1.5BA 3BR / 2BA	65 11	85.5% 14.5%	990 1,100	Market Market	\$640 \$670	N/A N/A	No No	N/A N/A	N/A N/A
					76								1 1.3%

The following amenity matrix details the amenities offered by the surveyed properties.

AMENITY MATRIX (1 out of 4)

	Recommended Amenities	Barrows Mill Apartments	Brookshire Apartments	Lynn Street Lofts	Maplewood Apartments	Martins Landing I	Martins Landing II	Martinsville Lofts
Rent Structure	N/A	LIHTC/ Section 8 Senior	LIHTC Family	LIHTC Family	LIHTC Family	LIHTC/ Section 8 Senior	LIHTC Senior	LIHTC Family
Tenancy	N/A							
Building								
Property Type	Garden	One-story	Garden	Conversion	Garden	One-story	One-story	Garden
# of Stories	3-stories	1-stories	2-stories	3-stories	3-stories	1-stories	1-stories	2-stories
Year Built	2020	1985	1999	1930	1974	1995	1983	1929
Year Renovated	n/a	n/a	2018	2007	2013	n/a	2000	2011
Elevators	no	no	no	no	no	no	no	no
Utility Structure								
Cooking	no	yes	no	no	no	no	no	no
Water Heat	no	yes	no	no	no	no	no	no
Heat	no	yes	no	no	no	no	no	no
Other Electric	no	yes	no	no	no	no	no	no
Water	yes	yes	yes	yes	yes	yes	yes	yes
Sewer	yes	yes	yes	yes	yes	yes	yes	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes
Accessibility								
Grab Bars	no	yes	no	no	no	yes	yes	no
Pull Cords	no	yes	no	no	no	yes	yes	no
Unit Amenities								
Balcony/Patio	no	no	no	no	no	no	no	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	yes
Carpeting	yes	yes	no	yes	yes	yes	yes	yes
Hardwood	no	no	yes	no	no	no	no	no
Central A/C	yes	yes	yes	yes	no	no	yes	no
Ceiling Fan	no	no	no	yes	no	no	yes	no
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	no	no	no	no	no
Walk-In Closet	no	no	no	no	no	no	no	no
Wall A/C	no	no	no	no	yes	yes	no	no
W/D Hookup	yes	yes	no	no	no	yes	no	yes
Kitchen								
Dishwasher	yes	no	no	yes	yes	yes	no	yes
Disposal	yes	no	no	yes	yes	yes	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Community								
Business Center	no	no	no	yes	no	no	no	yes
Community Room	yes	no	no	yes	no	yes	no	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Mgmt	yes	yes	no	yes	no	no	no	yes
Recreation								
Exercise Facility	no	no	no	yes	no	no	no	yes
Playground	yes	no	yes	yes	yes	yes	yes	yes
Swimming Pool	no	no	no	no	no	no	no	no
Picnic Area	yes	no	yes	no	no	no	no	no
Security								
In-Unit Alarm	no	no	no	no	no	no	no	no
Intercom (Buzzer)	no	no	yes	yes	no	no	no	no
Limited Access	no	yes	yes	yes	no	no	no	no
Perimeter Fencing	no	no	no	no	no	no	no	no
Video Surveillance	no	no	no	no	no	no	no	yes
Parking								
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

AMENITY MATRIX (2 out of 4)

	Recommended Amenities	Northpointe Apartments	Ridge View Apartments	Southwyck Hills	Spruce Village Apartments	Sterling Trace Apartments	1605 Spruce	807 Barrows Mill Road
Rent Structure	N/A	LIHTC Family	LIHTC Family	LIHTC Family	LIHTC/ Section 8 Senior	LIHTC Family	Market Family	Market Family
Tenancy	N/A							
Building								
Property Type	Garden	Garden	Garden	Garden	Midrise	Garden	Garden	Townhouse
# of Stories	3-stories	3-stories	2-stories	3-stories	4-stories	2-stories	2-stories	2-stories
Year Built	2020	1996	2001	1970	1980	2002	1980	1985
Year Renovated	n/a	n/a	2010	2008	2000	2015	n/a	n/a
Elevators	no	no	no	no	yes	no	no	no
Utility Structure								
Cooking	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	yes	no	no	no
Water	yes	yes	yes	no	yes	yes	no	yes
Sewer	yes	yes	yes	no	yes	yes	no	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes
Accessibility								
Grab Bars	no	no	no	no	yes	no	no	no
Pull Cords	no	no	no	no	yes	no	no	no
Unit Amenities								
Balcony/Patio	no	yes	yes	no	yes	yes	yes	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	yes	no	no	no	no	no
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes
Hardwood	no	no	no	no	no	no	no	no
Central A/C	yes	yes	yes	yes	no	yes	yes	yes
Ceiling Fan	no	no	no	no	no	no	yes	no
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	yes	no	no	no	yes	no	no
Walk-In Closet	no	no	yes	no	no	no	no	no
Wall A/C	no	no	no	no	yes	no	no	no
W/D Hookup	yes	yes	yes	no	no	yes	no	no
Kitchen								
Dishwasher	yes	yes	yes	yes	yes	yes	no	yes
Disposal	yes	no	no	yes	yes	yes	no	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Community								
Business Center	no	no	no	no	no	no	no	no
Community Room	yes	yes	yes	yes	no	yes	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Mgmt	yes	yes	yes	yes	yes	yes	no	no
Recreation								
Exercise Facility	no	yes	no	no	no	no	no	no
Playground	yes	yes	yes	yes	no	yes	no	no
Swimming Pool	no	yes	no	no	no	no	no	no
Picnic Area	yes	no	yes	no	yes	yes	no	no
Security								
In-Unit Alarm	no	no	no	no	yes	no	no	no
Intercom (Buzzer)	no	yes	no	no	yes	no	no	no
Limited Access	no	yes	no	no	yes	no	no	no
Perimeter Fencing	no	yes	no	no	no	no	no	no
Video Surveillance	no	no	no	no	no	no	no	no
Parking								
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

AMENITY MATRIX (3 out of 4)									
	Recommended Amenities	Autumn Crest Apartments	Blue Ridge Apartments	Chateau Terrace Apartments	Greystone Apartments	Longwood Village Apartments	Mt. Hermon Village	Northview Gardens	Ridgewood Terrace Apartments
Rent Structure	N/A	Market	Market	Market	Market	Market	Market	Market	Market
Building									
Property Type	Garden	Garden	Conversion	Townhouse	Various	Garden	Various	Garden	Townhouse
# of Stories	3-stories	2-stories	3-stories	2-stories	2-stories	2-stories	2-stories	3-stories	2-stories
Year Built	2020	1980	1900	1971	1984	1987	2000	1976	1992
Year Renovated	n/a	n/a	1965	2000	n/a	n/a	n/a	n/a	n/a
Elevators	no	no	no	no	no	no	no	no	no
Utility Structure									
Cooking	no	no	no	no	no	no	no	yes	no
Water Heat	no	no	no	no	no	no	no	yes	no
Heat	no	no	no	no	no	no	no	yes	no
Other Electric	no	no	no	no	no	no	no	yes	no
Water	yes	no	yes	yes	yes	no	yes	yes	no
Sewer	yes	no	yes	yes	yes	no	yes	yes	no
Trash	yes	yes	yes	yes	yes	yes	yes	yes	yes
Unit Amenities									
Balcony/Patio	no	yes	yes	yes	no	yes	no	no	no
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	no	no	no	no	no
Carpeting	yes	yes	no	yes	yes	yes	yes	yes	yes
Hardwood	no	no	yes	no	no	no	no	no	no
Central A/C	yes	yes	no	yes	yes	yes	yes	no	yes
Ceiling Fan	no	no	no	no	no	no	no	no	yes
Coat Closet	yes	yes	yes	yes	no	yes	no	yes	yes
Walk-In Closet	no	no	no	no	yes	no	no	no	no
Wall A/C	no	no	no	no	no	no	no	no	no
Window A/C	no	no	yes	no	no	no	no	yes	no
Washer/Dryer	no	no	no	yes	yes	no	yes	no	no
W/D Hookup	yes	no	no	yes	yes	no	yes	no	yes
Kitchen									
Dishwasher	yes	no	no	yes	yes	no	yes	no	yes
Disposal	yes	yes	no	yes	no	yes	yes	no	yes
Microwave	no	no	no	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community									
Community Room	yes	no	no	yes	no	no	no	no	no
Central Laundry	yes	yes	no	no	no	yes	no	yes	no
On-Site Mgmt	yes	no	no	no	no	no	no	no	no
Recreation									
Exercise Facility	no	no	no	no	no	no	no	no	no
Playground	yes	no	no	no	no	no	no	no	no
Swimming Pool	no	no	no	no	no	no	no	no	no
Picnic Area	yes	no	no	yes	no	no	no	no	no
Tennis Court	no	no	no	no	no	no	no	no	no
Security									
Intercom (Buzzer)	no	no	no	no	no	no	no	no	no
Limited Access	no	no	no	no	no	no	no	no	no
Video Surveillance	no	no	no	no	no	no	no	no	no
Parking									
Off-Street Parking	yes	yes	no	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	n/a	\$0	\$0	\$0	\$0	\$0	\$0

AMENITY MATRIX (4 out of 4)

	Recommended Amenities	Stratford Square Apartments	Terrace View Apartments	The Corner Stone Apartments	The Henry	Wayside Manor	Wellington Manor	Westchester Square
Rent Structure	N/A	Market	Market	Market	Market	Market	Market	Market
Building								
Property Type	Garden	Townhouse	Garden	Garden	Midrise	Townhouse	Townhouse	Townhouse
# of Stories	3-stories	2-stories	3-stories	3-stories	4-stories	2-stories	2-stories	2-stories
Year Built	2020	1973	1980	1940	1921	1981	1990	1972
Year Renovated	n/a	N/A	2005	1973	2015	n/a	n/a	2000
Elevators	no	no	no	no	yes	no	no	no
Utility Structure								
Cooking	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no
Water	yes	no	no	yes	yes	yes	yes	yes
Sewer	yes	no	no	yes	yes	yes	yes	yes
Trash	yes	yes	yes	yes	yes	yes	yes	yes
Unit Amenities								
Balcony/Patio	no	yes	yes	no	no	no	no	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Cable/Satellite	no	no	no	no	yes	no	no	no
Carpeting	yes	no	yes	no	no	yes	yes	yes
Hardwood	no	yes	no	yes	yes	no	no	no
Central A/C	yes	no	no	yes	no	no	yes	yes
Ceiling Fan	no	no	yes	no	no	yes	no	no
Coat Closet	yes	yes	yes	yes	yes	no	yes	no
Walk-In Closet	no	no	no	no	no	no	no	no
Wall A/C	no	yes	no	no	yes	yes	no	no
Window A/C	no	no	no	no	no	no	no	no
Washer/Dryer	no	yes	no	no	no	no	no	no
W/D Hookup	yes	yes	no	no	no	no	yes	yes
Kitchen								
Dishwasher	yes	yes	no	yes	no	no	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	yes	no	no	yes	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Community								
Community Room	yes	no	no	no	no	no	no	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	yes
On-Site Mgmt	yes	yes	no	no	no	no	no	no
Concierge	yes	no	no	no	no	no	no	no
Recreation								
Exercise Facility	no	no	no	no	no	no	no	yes
Playground	yes	yes	no	no	no	no	no	no
Swimming Pool	no	yes	no	no	no	no	yes	yes
Picnic Area	yes	no	no	no	no	no	no	no
Sport Court	yes	no	no	no	no	no	no	no
Tennis Court	no	yes	no	no	no	no	no	no
Security								
Intercom (Buzzer)	no	no	no	no	yes	no	no	no
Limited Access	no	no	no	no	yes	no	no	no
Video Surveillance	no	no	no	yes	no	no	no	no
Parking								
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

OVERVIEW

We attempted to survey all existing multifamily developments within the City of Martinsville and Henry County in order to provide a picture of the health and available supply in the market. According to our survey, there are currently no designated workforce housing units in the City of Martinsville and Henry County. Following are relevant characteristics of the properties surveyed:

Property Size

The following table illustrates the sizes of the surveyed properties.

PROPERTY SIZE

Property Name	Rent Structure	Tenancy	Total Units
Barrows Mill Apartments	LIHTC/ Section 8	Senior	44
Brookshire Apartments	LIHTC	Family	64
Lynn Street Lofts	LIHTC	Family	37
Maplewood Apartments	LIHTC	Family	99
Martins Landing I	LIHTC/ Section 8	Senior	38
Martins Landing II	LIHTC	Senior	58
Martinsville Lofts	LIHTC	Family	60
Northpointe Apartments	LIHTC	Family	168
Ridge View Apartments	LIHTC	Family	48
Southwyck Hills	LIHTC	Family	116
Spruce Village Apartments	LIHTC/ Section 8	Senior	100
Sterling Trace Apartments	LIHTC	Family	48
1605 Spruce	Market	Family	14
807 Barrows Mill Road	Market	Family	5
Autumn Crest Apartments	Market	Family	20
Blue Ridge Apartments	Market	Family	12
Chateau Terrace Apartments	Market	Family	10
Greystone Apartments	Market	Family	34
Longwood Village Apartments	Market	Family	40
Mt. Hermon Village	Market	Family	77
Northview Gardens	Market	Family	100
Ridgewood Terrace Apartments	Market	Family	16
Stratford Square Apartments	Market	Family	77
Terrace View Apartments	Market	Family	74
The Corner Stone Apartments	Market	Family	47
The Henry	Market	Family	25
Wayside Manor	Market	Family	18
Wellington Manor	Market	Family	62
Westchester Square	Market	Family	76
Average Affordable			73
Average Market Rate			42
Overall Average			55

As shown, the average property size is 55 units. The average property size among the affordable properties is larger than that of the market rate properties. Given the small size of the properties in the market as compared to more urban areas, we expect that demand in the market could be accommodated in smaller developments or have a phased approach with 100 to 200 total units.

Age, Condition, and Design

The following tables illustrate the year built and design of the surveyed properties.

	Barrows Mill Apartments	Brookshire Apartments	Lynn Street Lofts	Maplewood Apartments	Martins Landing I	Martins Landing II	Martinsville Lofts	Northpointe Apartments	Ridge View Apartments	Southwyck Hills	Spruce Village Apartments	Sterling Trace Apartments	1605 Spruce	807 Barrows Mill Road
Rent Structure	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	LIHTC/ Section 8	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/ Section 8	LIHTC	Market	Market
Building														
Property Type	One-story	Garden	Conversion	Garden	One-story	One-story	Garden	Garden	Garden	Garden	Midrise	Garden	Garden	Townhouse
# of Stories	1-stories	2-stories	3-stories	3-stories	1-stories	1-stories	2-stories	3-stories	2-stories	3-stories	4-stories	2-stories	2-stories	2-stories
Year Built	1985	1999	1930	1974	1995	1983	1929	1996	2001	1970	1980	2002	1980	1985
Year Renovated	n/a	2018	2007	2013	n/a	2000	2011	n/a	2010	2008	2000	2015	n/a	n/a
Elevators	no	no	no	no	no	no	no	no	no	no	yes	no	no	no

	Autumn Crest Apartments	Blue Ridge Apartments	Chateau Terrace Apartments	Greystone Apartments	Longwood Village Apartments	Mt. Hermon Village	Northview Gardens	Ridgewood Terrace Apartments	Stratford Square Apartments	Terrace View Apartments	The Corner Stone Apartments	The Henry	Wayside Manor	Wellington Manor	Westchester Square
Rent Structure	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Building															
Property Type	Garden	Conversion	Townhouse	Various	Garden	Various	Garden	Townhouse	Townhouse	Garden	Garden	Midrise	Townhouse	Townhouse	Townhouse
# of Stories	2-stories	3-stories	2-stories	2-stories	2-stories	2-stories	3-stories	2-stories	2-stories	3-stories	4-stories	2-stories	2-stories	2-stories	2-stories
Year Built	1980	1900	1971	1984	1987	2000	1976	1992	1973	1980	1940	1921	1981	1990	1972
Year Renovated	n/a	1965	2000	n/a	n/a	n/a	n/a	n/a	N/A	2005	1973	2015	n/a	n/a	2000
Elevators	no	no	no	no	no	no	no	no	no	no	yes	no	no	no	no

As shown, the surveyed affordable properties were built or renovated between 1995 and 2015 whereas the market rate properties were built or renovated between 1965 and 2015. Based on our exterior inspection, the affordable properties exhibited slightly superior condition compared to the market rate properties.

The majority of the properties offer a garden-style or townhouse designs. Only two of the surveyed properties offer an elevator-serviced design.

Amenities

The amenity matrices on the previous pages compare the surveyed properties amenities. Based on the surveyed properties, the following in-unit amenities are recommended for new construction properties: blinds, carpeting, coat closets, central air conditioning, washer/dryer hookups, dishwashers, garbage disposals, ovens and refrigerators. In terms of property amenities, the following amenities are recommended: a community room, central laundry facilities, on-site management, a picnic area, playground (for family-tenancy properties), and off-street parking. Security amenities are not common in the market; therefore, no security amenities are recommended.

Unit Mix

The following tables illustrate the unit mix of the surveyed properties.

UNIT MIX - ALL COMPARABLES

Unit Type	Total Units	Percent
Studio	6	0.4%
1 BR	441	27.8%
2 BR	835	52.6%
3 BR	297	18.7%
4 BR	8	0.5%
Total	1,587	100%

UNIT MIX - AFFORDABLE COMPARABLES

Unit Type	Total Units	Percent
Studio	0	0.0%
1 BR	251	28.5%
2 BR	381	43.3%
3 BR	240	27.3%
4 BR	8	0.9%
Total	880	100%

UNIT MIX - MARKET RATE COMPARABLES

Unit Type	Total Units	Percent
Studio	6	0.8%
1 BR	190	26.9%
2 BR	454	64.2%
3 BR	57	8.1%
4 BR	0	0.0%
Total	707	100%

As indicated by the unit mixes, the multifamily market in the City of Martinsville and Henry County consists predominantly one and two-bedroom units. Of the total units, one and two-bedroom units comprise 80.4 percent of the housing stock. Of the market rate properties, 91.9 percent of units are one or two-bedroom units and of the affordable properties, 71.8 percent are one or two-bedroom units. The affordable properties have a higher percentage of three-bedroom units as compared to the market rate properties. The following table details the household size distribution among renters in the City of Martinsville and Henry County, per HISTA data and Ribbon Demographics.

MARTINSVILLE & HENRY COUNTY RENTER HOUSEHOLD SIZE DISTRIBUTION

2019

Household Size	Total Households	Percent
1 persons	4,063	44.1%
2 persons	2,427	26.4%
3 persons	1,204	13.1%
4 persons	879	9.5%
5+ persons	637	6.9%
Total	9,210	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, May 2020

As indicated above, 83.6 percent of all renters in the City of Martinsville and Henry County are one to three-person households, which typically reside in one to two-bedroom units, with some residing in three-bedroom units. Based on this distribution, we believe the unit types in strongest demand in the City of Martinsville and Henry County are one and two-bedroom units with some demand for three-bedroom units as well. As such, our focus for the remainder of this study will be on these unit types.

Unit Size

The following table illustrates the unit sizes among the surveyed properties.

UNIT SIZE COMPARISON (SQUARE FEET)

Bedroom Type	1BR	2BR	3BR
Average	635	923	1,132
Min	450	700	837
Max	950	1,200	1,300
Novoco Recommended Unit Size	625-750	900-1,025	1,125-1,250

The surveyed one-bedroom units range from 450 to 950 square feet with an average of 635 square feet. The majority of one-bedroom units range from 625 to 750 square feet and we recommend one-bedroom unit sizes within this range. The surveyed two-bedroom units range from 700 to 1,200 square feet with an average of 923 square feet. The majority of two-bedroom units range from 900 to 1,025 square feet and we recommend two-bedroom unit sizes within this range. The surveyed three-bedroom units range from 837 to 1,300 square feet with an average of 1,132 square feet. The majority of three-bedroom units range from 1,125 to 1,200 square feet and we recommend two-bedroom unit sizes within this range.

Vacancy

The following table illustrates the overall vacancy rates at the properties included in the survey.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Barrows Mill Apartments	LIHTC/ Section 8	Senior	44	0	0.0%
Brookshire Apartments	LIHTC	Family	64	0	0.0%
Lynn Street Lofts	LIHTC	Family	37	0	0.0%
Maplewood Apartments	LIHTC	Family	99	0	0.0%
Martins Landing I	LIHTC/ Section 8	Senior	38	0	0.0%
Martins Landing II	LIHTC	Senior	58	0	0.0%
Martinsville Lofts	LIHTC	Family	60	4	6.7%
Northpointe Apartments	LIHTC	Family	168	0	0.0%
Ridge View Apartments	LIHTC	Family	48	0	0.0%
Southwyck Hills	LIHTC	Family	116	1	0.9%
Spruce Village Apartments	LIHTC/ Section 8	Senior	100	0	0.0%
Sterling Trace Apartments	LIHTC	Family	48	0	0.0%
1605 Spruce	Market	Family	14	1	7.1%
807 Barrows Mill Road	Market	Family	5	1	20.0%
Autumn Crest Apartments	Market	Family	20	1	5.0%
Blue Ridge Apartments	Market	Family	12	1	8.3%
Chateau Terrace Apartments	Market	Family	10	1	10.0%
Greystone Apartments	Market	Family	34	0	0.0%
Longwood Village Apartments	Market	Family	40	0	0.0%
Mt. Hermon Village	Market	Family	77	0	0.0%
Northview Gardens	Market	Family	100	3	3.0%
Ridgewood Terrace Apartments	Market	Family	16	0	0.0%
Stratford Square Apartments	Market	Family	77	2	2.6%
Terrace View Apartments	Market	Family	74	1	1.4%
The Corner Stone Apartments	Market	Family	47	1	2.1%
The Henry	Market	Family	25	2	8.0%
Wayside Manor	Market	Family	18	0	0.0%
Wellington Manor	Market	Family	62	0	0.0%
Westchester Square	Market	Family	76	1	1.3%
Total Affordable			880	5	0.6%
Total Market Rate			707	15	2.1%
Overall Total			1,587	20	1.3%

The vacancy rates among the surveyed properties range from zero to 20.0 percent, with an overall average of 1.3 percent. Note that the one property with a vacancy rate of 20.0 percent is a small property with one vacant unit. Excluding that outlier, vacancy among the surveyed properties ranges from zero to 10.0 percent. The affordable properties reported vacancy rates of zero to 6.7 percent with a weighted average of 0.6 percent. The market rate properties reported vacancy rates of zero to 20.0 percent with a weighted average of 2.1 percent. Only one of the affordable properties and five of the market rate properties reported vacancy above 5.0 percent. Martinsville Lofts reported a vacancy rate of 6.7 percent with four vacant units; however, management was unable to comment on the elevated vacancy rate. We spoke with Landmark Partners, the developer of Martinsville Lofts, who reported strong demand. The property reportedly has maintained 95 percent economic occupancy since opening. The Henry reported a vacancy rate of 8.0 percent with two vacant units. At the time of our survey, the property was offering a concession of one month free rent on a 12 month lease to fill its vacant units. The remaining properties with vacancy above 5.0 percent have only vacant unit. For the market rate properties with multiple vacancies, Northview Gardens and Stratford Square Apartments are among the oldest properties and The Henry has the highest price point. Overall, vacancy in

the market appears to be low, which indicates demand for additional rental units in the City of Martinsville and Henry County. As of the date of our interviews, the COVID-19 pandemic does not appear to have had an impact on property performance.

The following table illustrates historical vacancy rates among the properties that Novogradac has previously surveyed.

HISTORICAL VACANCY					
Property Name	Program	2014 Q4	2017 Q1	2019 Q2	2020 Q2
Barrows Mill Apartments	Section 8	N/A	N/A	N/A	0.0%
Brookshire Apartments	LIHTC	N/A	N/A	0.0%	0.0%
Lynn Street Lofts	LIHTC	N/A	N/A	5.4%	0.0%
Maplewood Apartments	LIHTC	N/A	N/A	N/A	0.0%
Martins Landing I	LIHTC/ Section 8	N/A	N/A	N/A	0.0%
Martins Landing II	LIHTC/ Rural Dev.	N/A	N/A	N/A	0.0%
Martinsville Lofts	LIHTC	N/A	N/A	6.7%	6.7%
Northpointe Apartments	LIHTC	1.8%	4.8%	0.0%	0.0%
Ridge View Apartments	LIHTC	N/A	N/A	N/A	0.0%
Southwyck Hills	LIHTC	5.2%	6.0%	0.9%	0.9%
Spruce Village Apartments	Section 8	N/A	N/A	N/A	0.0%
Sterling Trace Apartments	LIHTC	N/A	0.0%	N/A	0.0%
1605 Spruce	Market	N/A	N/A	N/A	7.1%
807 Barrows Mill Road	Market	N/A	N/A	N/A	20.0%
Autumn Crest Apartments	Market	N/A	N/A	N/A	5.0%
Blue Ridge Apartments	Market	N/A	N/A	N/A	8.3%
Chateau Terrace Apartments	Market	N/A	N/A	N/A	10.0%
Greystone Apartments	Market	5.9%	0.0%	0.0%	0.0%
Longwood Village Apartments	Market	N/A	N/A	N/A	0.0%
Mt. Hermon Village	Market	5.2%	1.3%	0.0%	0.0%
Northview Gardens	Market	N/A	N/A	N/A	3.0%
Ridgewood Terrace Apartments	Market	N/A	N/A	N/A	0.0%
Stratford Square Apartments	Market	N/A	N/A	2.6%	2.6%
Terrace View Apartments	Market	N/A	N/A	N/A	1.4%
The Corner Stone Apartments	Market	N/A	N/A	N/A	2.1%
The Henry	Market	N/A	N/A	N/A	8.0%
Wayside Manor	Market	N/A	N/A	N/A	0.0%
Wellington Manor	Market	N/A	N/A	N/A	0.0%
Westchester Square	Market	N/A	0.0%	1.3%	1.3%

Impact of the COVID-19 Pandemic on Surveyed Rental Properties

Property managers from several of the surveyed properties provided information on how the COVID-19 pandemic was or was not impacting the property. The following table illustrates their responses.

IMPACT OF COVID-19 PANDEMIC ON PROPERTY PERFORMANCE

Property Name	Rent Structure	Tenancy	Property Management Comments on COVID-19 Impact
Brookshire Apartments	LIHTC	Family	Two tenants reported that they lost their jobs and are currently supported by families. The COVID-19 pandemic did not affect the number of leases due to high demand for affordable housing in the region, especially, for three-bedroom units.
Lynn Street Lofts	LIHTC	Family	No impact reported
Maplewood Apartments	LIHTC	Family	Two tenants lost their jobs and their rent payments are on hold for the next three months. The property manager is working from home and all appointments are via phone.
Martinsville Lofts	LIHTC	Family	No impact reported
Northpointe Apartments	LIHTC	Family	No impact reported
Southwyck Hills	LIHTC	Family	No layoffs reported from tenants. No increased vacancy rate.
Sterling Trace Apartments	LIHTC	Family	No impact reported
Chateau Terrace Apartments	Market	Family	No negative effect; all the rents were paid on time.
Mt. Hermon Village	Market	Family	No impact reported
The Henry	Market	Family	No impact reported

The properties were surveyed between April 7 and May 8, 2020, during the peak of the pandemic. Overall, as of the date of our interviews, the COVID-19 pandemic appears to have had limited impact on property performance.

Tenant Characteristics

The following table illustrates tenant characteristics among the properties as reported by property managers. Note that we did not include properties that did not comment on tenant characteristics.

TENANT CHARACTERISTICS

Property Name	Rent Structure	Tenancy	Tenant Characteristics
Barrows Mill Apartments	Section 8	Senior	Seniors mostly from the immediate area
Brookshire Apartments	LIHTC	Family	A few new tenants moved from North Carolina and the rest are from Virginia. All of the current tenants are working at local businesses and organizations.
Maplewood Apartments	LIHTC	Family	All of the tenants are from the local area and most are working at local organizations and businesses
Martins Landing I	LIHTC/ Section 8	Senior	Seniors 62 and older
Martinsville Lofts	LIHTC	Family	Tenants from the Martinsville/Henry County area
Northpointe Apartments	LIHTC	Family	Single mothers and young families from Danville
Ridge View Apartments	LIHTC	Family	Mixed tenancy
Southwyck Hills	LIHTC	Family	Mostly families working at the local businesses; 10 percent seniors; no new tenants from other areas
Sterling Trace Apartments	LIHTC	Family	Mainly families with children from Danville
807 Barrows Mill Road	Market	Family	Most tenants have lived at the property for many years
Chateau Terrace Apartments	Market	Family	Nursing professionals, single parents with children
Greystone Apartments	Market	Family	Mixed tenancy
Stratford Square Apartments	Market	Family	Some teachers
The Henry	Market	Family	Mixed tenancy
Westchester Square	Market	Family	Most tenants are from the Danville area

As the table indicates, the surveyed properties generally reported mixed tenancy with a significant portion of tenants from the local area.

Concessions

Only one of the surveyed properties reported offering a concession when surveyed. The Henry is a market rate property that is currently offering one month free rent on a 12 month lease to fill its two vacant units. Concessions do not appear to be common in the market.

Waiting Lists

The following tables illustrate waiting list information reported by the surveyed properties.

WAITING LIST

Property Name	Rent Structure	Tenancy	Waiting List Length
Barrows Mill Apartments	LIHTC/ Section 8	Senior	Yes, 15 households
Brookshire Apartments	LIHTC	Family	Yes, 16 households
Lynn Street Lofts	LIHTC	Family	Yes, six households
Maplewood Apartments	LIHTC	Family	Yes, 134 households (78 for 1BR, 38 for 2BR, 18 for 3BR)
Martins Landing I	LIHTC/ Section 8	Senior	Yes, four people
Martins Landing II	LIHTC	Senior	None
Martinsville Lofts	LIHTC	Family	Yes, unknown length
Northpointe Apartments	LIHTC	Family	None
Ridge View Apartments	LIHTC	Family	Yes, one household
Southwyck Hills	LIHTC/ Section 8	Family	None
Spruce Village Apartments	Section 8	Senior	Yes, 19 households
Sterling Trace Apartments	LIHTC	Family	Yes, small list
1605 Spruce	Market	Family	None
807 Barrows Mill Road	Market	Family	None
Autumn Crest Apartments	Market	Family	None
Blue Ridge Apartments	Market	Family	None
Chateau Terrace Apartments	Market	Family	None
Greystone Apartments	Market	Family	Yes, approximately 10 households
Longwood Village Apartments	Market	Family	None
Mt. Hermon Village	Market	Family	None
Northview Gardens	Market	Family	None
Ridgewood Terrace Apartments	Market	Family	None
Stratford Square Apartments	Market	Family	None
Terrace View Apartments	Market	Family	Yes, approximately two months wait
The Corner Stone Apartments	Market	Family	None
The Henry	Market	Family	None
Wayside Manor	Market	Family	None
Wellington Manor	Market	Family	None
Westchester Square	Market	Family	None

As indicated in the previous table, the majority of the affordable properties maintain lengthy waiting lists, which demonstrates demand for affordable housing. Two of the market rate properties reported waiting lists.

Absorption

None of the surveyed properties were recently constructed. The following table illustrates recent absorption information for three market rate properties located in Greensboro, North Carolina, one market rate property located in Harrisonburg, and one LIHTC property located in Eden, which is the closest available data. We also included absorption data for a LIHTC property located in Martinsville that was placed in service in 2011.

ABSORPTION

Property Name	Location	Rent	Tenancy	Year Built	Total Units	Absorption (units/month)
Carroll at Bellemeade	Greensboro, NC	Market	Family	2019	289	12
Hawthorne at Friendly	Greensboro, NC	Market	Family	2019	188	22
The Lofts at New Garden	Greensboro, NC	Market	Family	2019	189	11
Altitude At Stone Port	Harrisonburg	Market	Family	2018	140	18
Eden Chase	Eden	LIHTC	Family	2016	60	20
Martinsville Lofts	Martinsville	LIHTC	Family	1929/2011	60	20

As shown, absorption ranged from 11 to 20 units per month with an average of 17 units per month. We expect a new construction market rate property in the City of Martinsville and Henry County to absorb at a rate of 17 units per month and a new construction LIHTC property to absorb at a rate of 20 units per month.

Housing Choice Voucher Usage

The following tables illustrate Housing Choice Voucher usage among the surveyed properties, where available. Note that we did not include properties that did not comment on voucher usage.

TENANTS WITH VOUCHERS

Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Martinsville Lofts	LIHTC	Family	15%
Northpointe Apartments	LIHTC	Family	60%
Southwyck Hills	LIHTC	Family	20%
Sterling Trace Apartments	LIHTC	Family	50%
Chateau Terrace Apartments	Market	Family	0%
Greystone Apartments	Market	Family	0%
Stratford Square Apartments	Market	Family	0%
The Corner Stone Apartments	Market	Family	0%
Westchester Square	Market	Family	0%

As shown, four of the LIHTC properties reported voucher usage of 15 to 60 percent with an overall average of 36 percent. None of the market rate properties reported voucher usage.

The Danville Redevelopment and Housing Authority presides over the City of Martinsville and Henry County. According to Terry Ferguson, Housing Choice Voucher Program Director for the Danville Redevelopment and Housing Authority, the Danville Redevelopment and Housing Authority administers 1,609 Housing Choice Vouchers, 500 of which are administered in Martinsville and Henry County. Of the 500 vouchers authorized for Martinsville and Henry County, 344 are currently in use with an additional 80 letters of notification for possible leasing. There are 602 households currently on the Housing Choice Voucher waiting list for Martinsville and Henry County. The payment standards for Martinsville and Henry County are illustrated in the following table.

PAYMENT STANDARDS

Unit Type	Standard
Studio	\$539
One-Bedroom	\$564
Two-Bedroom	\$714
Three-Bedroom	\$955
Four-Bedroom	\$1,010
Five-Bedroom	\$1,161

Source: Danville Redevelopment and Housing Authority, effective October 1, 2020

The payment standards for Martinsville and Henry County are 100 percent of the fair market rent for all units except the one-bedroom units. The payment standard for one-bedroom units is slightly above the fair market rent.

Rent Growth

The following tables illustrate rent growth over the last year among the surveyed properties, where available.

RENT GROWTH

Property Name	Rent Structure	Tenancy	Rent Growth
Lynn Street Lofts	LIHTC	Family	Increased five percent
Maplewood Apartments	LIHTC	Family	None
Martinsville Lofts	LIHTC	Family	Increased one to two percent
Northpointe Apartments	LIHTC	Family	Increased two percent
Ridge View Apartments	LIHTC	Family	None
Southwyck Hills	LIHTC	Family	None
Sterling Trace Apartments	LIHTC	Family	Increased three percent
807 Barrows Mill Road	Market	Family	None
Autumn Crest Apartments	Market	Family	Increased \$10
Chateau Terrace Apartments	Market	Family	Increased \$5
Greystone Apartments	Market	Family	None
Longwood Village Apartments	Market	Family	None
Mt. Hermon Village	Market	Family	None
Northview Gardens	Market	Family	Increased one percent
Stratford Square Apartments	Market	Family	None
Terrace View Apartments	Market	Family	Increased one percent
The Corner Stone Apartments	Market	Family	Increased four percent
The Henry	Market	Family	Increased one to two percent
Wayside Manor	Market	Family	None
Wellington Manor	Market	Family	Increased two to three percent
Westchester Square	Market	Family	Increased five percent

As illustrated, 12 of the properties reported rent growth of up to five percent over the past year. According to CoStar, With the exception of a dip in 2015 and spike in 2016, rent growth in the Martinsville and Danville region has historically been between one and three percent and has averaged approximately two percent annually over the past five years.

Property Management Demand Insights

The following table illustrates comments from the surveyed property managers regarding demand for multifamily housing in the City of Martinsville and Henry County.

PROPERTY MANAGEMENT DEMAND INSIGHTS

Property Name	Rent Structure	Tenancy	Property Management Comments
Brookshire Apartments	LIHTC	Family	The contact mentioned high demand for affordable housing in the region, especially for three-bedroom units
Maplewood Apartments	LIHTC	Family	The contact reported that high demand for affordable housing in the region and receives a high volume of calls everyday about vacancies
Martins Landing I	LIHTC/ Section 8	Senior	The contact reported high demand for affordable housing for seniors
Ridge View Apartments	LIHTC	Family	The contact mentioned that there is high demand for affordable housing in the region
Spruce Village Apartments	LIHTC/ Section 8	Senior	The contact mentioned that affordable housing is in high demand
Sterling Trace Apartments	LIHTC	Family	The contact reported that there is high demand for affordable housing in the region.
Greystone Apartments	Market	Family	The contact reported strong demand for multifamily housing in the area.
Terrace View Apartments	Market	Family	The contact reported strong demand for rental housing and that units do not stay vacant for very long

As shown, several of the surveyed property managers reported strong demand for multifamily housing in the City of Martinsville and Henry County.

Conclusion

We surveyed a total of 1,587 units in 29 multifamily properties in the City of Martinsville, Henry County, and the City of Danville, including four subsidized (Section 8 or Rural Development) properties, eight non-subsidized LIHTC properties, and 17 market rate properties. We are not aware of any workforce housing units with rents restricted above the 60 percent AMI level (i.e. 80, 100, 120 percent AMI, etc.) in City of Martinsville and Henry County or the surrounding area. The surveyed properties generally reported mixed tenancy with the majority of tenants from the local area. Only one of the market rate properties is currently offering concessions. The majority of the affordable properties, maintain waiting lists, which demonstrates demand for affordable housing. Two of the market rate properties reported waiting lists. Approximately half of the properties reported rent growth over the past 12 months. The average property size among the surveyed properties is 55 units. The average property size among the affordable properties is larger than that of the market rate properties. Given the small size of the properties in the market as compared to more urban areas, we expect that demand in the market could be accommodated in smaller developments or have a phased approach with 100 to 200 total units.

We believe the unit types in strongest demand in the City of Martinsville and Henry County are one and two-bedroom units with some demand for three-bedroom units as well. We believe one, two, and three-bedroom unit sizes of 625 to 750, 900 to 1,025, and 1,125 to 1,250, respectively, would be well accepted in the market. The vacancy rates among the surveyed properties range from zero to 20.0 percent, with an overall average of 1.3 percent. Note that the one property with a vacancy rate of 20.0 percent is a small property with one vacant unit. Excluding that outlier, vacancy among the surveyed properties ranges from zero to 10.0 percent. The affordable properties reported vacancy rates of zero to 6.7 percent with a weighted average of 0.6 percent. The market rate properties reported vacancy rates of zero to 20.0 percent with a weighted

average of 2.1 percent. Only one of the affordable properties and five of the market rate properties reported vacancy above 5.0 percent. Overall, vacancy in the market appears to be low, which indicates demand for additional rental units in the City of Martinsville and Henry County.

IV. RENT LEVEL ANALYSIS

CITY OF MARTINSVILLE AND HENRY COUNTY, VIRGINIA – HOUSING MARKET STUDY AND NEEDS ANALYSIS

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	One Bedroom One Bath		Two Bedrooms One Bath		Three Bedrooms One Bath	
	Property	Average	Property	Average	Property	Average
RENT	The Henry	\$802	Sterling Trace Apartments (1.5BA 60%)	\$775	Stratford Square Apartments (2.5BA)	\$1,018
	The Henry	\$732	Spruce Village Apartments (1.5BA 30%)	\$764	Martins Landing II (30%)	\$900
	Spruce Village Apartments (30%)	\$653	Mt. Hermon Village	\$700	Sterling Trace Apartments (2BA 60%)	\$895
	Martins Landing II (30%)	\$650	Lynn Street Lofts (2BA 60%)	\$660	Mt. Hermon Village (2.5BA)	\$750
	Northpointe Apartments (60%)	\$525	Sterling Trace Apartments (1.5BA 50%)	\$660	Lynn Street Lofts (2BA 60%)	\$727
	Martins Landing I (30%)	\$506	1605 Spruce (2BA)	\$658	Northpointe Apartments (1.5BA 60%)	\$695
	Maplewood Apartments (50%)	\$500	Stratford Square Apartments (1.5BA)	\$658	Southwyck Hills (60%)	\$692
	Maplewood Apartments (60%)	\$500	Westchester Square (1.5BA)	\$640	Sterling Trace Apartments (2BA 50%)	\$690
	Wellington Manor	\$500	Autumn Crest Apartments (1.5BA)	\$633	Westchester Square (2BA)	\$670
	Terrace View Apartments	\$483	The Corner Stone Apartments (2BA)	\$625	Greystone Apartments (2.5BA)	\$650
	Stratford Square Apartments	\$473	Wellington Manor	\$624	Lynn Street Lofts (2BA 50%)	\$619
	Martinsville Lofts (40%)	\$458	Northpointe Apartments (1.5BA 60%)	\$599	Martinsville Lofts (2BA 60%)	\$601
	Martinsville Lofts (60%)	\$458	Mt. Hermon Village	\$560	Martinsville Lofts (2BA 40%)	\$601
	Southwyck Hills (60%)	\$456	807 Barrows Mill Road (1.5BA)	\$558	Ridge View Apartments (2BA 60%)	\$595
	Mt. Hermon Village	\$450	Ridgewood Terrace Apartments (1.5BA)	\$553	Maplewood Apartments (50%)	\$557
	The Corner Stone Apartments	\$450	Southwyck Hills (60%)	\$543	Maplewood Apartments (60%)	\$557
	Terrace View Apartments	\$423	Lynn Street Lofts (2BA 50%)	\$540	Northview Gardens	\$465
	Northview Gardens	\$410	Martins Landing I (30%)	\$536	Lynn Street Lofts (2BA 40%)	\$450
	Brookshire Apartments (50%)	\$409	Martinsville Lofts (1.5BA 40%)	\$532		
	Longwood Village Apartments	\$408	Martinsville Lofts (1.5BA 60%)	\$532		
	Blue Ridge Apartments	\$400	Ridge View Apartments (1.5BA 60%)	\$530		
	Greystone Apartments	\$350	Terrace View Apartments (1.5BA)	\$518		
	Wayside Manor	\$330	Maplewood Apartments (50%)	\$500		
	Wayside Manor	\$300	Maplewood Apartments (60%)	\$500		
			Martins Landing II (30%)	\$500		
			Chateau Terrace Apartments (1.5BA)	\$495		
			Longwood Village Apartments	\$473		
			Northview Gardens	\$458		
			Brookshire Apartments (50%)	\$432		
			Greystone Apartments	\$425		
			Lynn Street Lofts (2BA 40%)	\$415		
RENT PER SQUARE FOOT	The Henry	\$1.26	Spruce Village Apartments (1.5BA 30%)	\$1.02	Martins Landing II (30%)	\$0.97
	Spruce Village Apartments (30%)	\$1.21	Autumn Crest Apartments (1.5BA)	\$0.90	Southwyck Hills (60%)	\$0.79
	The Henry	\$1.20	The Corner Stone Apartments (2BA)	\$0.78	Stratford Square Apartments (2.5BA)	\$0.78
	Stratford Square Apartments	\$1.05	Sterling Trace Apartments (1.5BA 60%)	\$0.74	Sterling Trace Apartments (2BA 60%)	\$0.70
	Martins Landing II (30%)	\$1.04	Southwyck Hills (60%)	\$0.73	Northpointe Apartments (1.5BA 60%)	\$0.68
	Maplewood Apartments (50%)	\$0.93	Stratford Square Apartments (1.5BA)	\$0.73	Maplewood Apartments (50%)	\$0.67
	Maplewood Apartments (60%)	\$0.93	Northpointe Apartments (1.5BA 60%)	\$0.68	Maplewood Apartments (60%)	\$0.67
	Northpointe Apartments (60%)	\$0.82	Martins Landing I (30%)	\$0.67	Westchester Square (2BA)	\$0.61
	Martins Landing I (30%)	\$0.79	Terrace View Apartments (1.5BA)	\$0.67	Mt. Hermon Village (2.5BA)	\$0.60
	Southwyck Hills (60%)	\$0.75	Lynn Street Lofts (2BA 60%)	\$0.65	Lynn Street Lofts (2BA 60%)	\$0.56
	The Corner Stone Apartments	\$0.75	Maplewood Apartments (50%)	\$0.65	Northview Gardens	\$0.55
	Terrace View Apartments	\$0.72	Maplewood Apartments (60%)	\$0.65	Sterling Trace Apartments (2BA 50%)	\$0.54
	Blue Ridge Apartments	\$0.67	Westchester Square (1.5BA)	\$0.65	Greystone Apartments (2.5BA)	\$0.54
	Longwood Village Apartments	\$0.66	Sterling Trace Apartments (1.5BA 50%)	\$0.63	Martinsville Lofts (2BA 60%)	\$0.50
	Wellington Manor	\$0.66	1605 Spruce (2BA)	\$0.62	Martinsville Lofts (2BA 40%)	\$0.50
	Martinsville Lofts (40%)	\$0.60	Mt. Hermon Village	\$0.62	Lynn Street Lofts (2BA 50%)	\$0.48
	Martinsville Lofts (60%)	\$0.60	Martins Landing II (30%)	\$0.61	Ridge View Apartments (2BA 60%)	\$0.46
	Wayside Manor	\$0.60	Longwood Village Apartments	\$0.61	Lynn Street Lofts (2BA 40%)	\$0.35
	Wayside Manor	\$0.57	Wellington Manor	\$0.60		
	Mt. Hermon Village	\$0.56	Mt. Hermon Village	\$0.58		
	Northview Gardens	\$0.55	807 Barrows Mill Road (1.5BA)	\$0.56		
	Terrace View Apartments	\$0.51	Northview Gardens	\$0.56		
	Greystone Apartments	\$0.50	Chateau Terrace Apartments (1.5BA)	\$0.55		
	Brookshire Apartments (50%)	N/A	Lynn Street Lofts (2BA 50%)	\$0.53		
			Greystone Apartments	\$0.53		
			Ridgewood Terrace Apartments (1.5BA)	\$0.53		
			Ridge View Apartments (1.5BA 60%)	\$0.51		
			Martinsville Lofts (1.5BA 40%)	\$0.48		
			Martinsville Lofts (1.5BA 60%)	\$0.48		
			Lynn Street Lofts (2BA 40%)	\$0.41		
			Brookshire Apartments (50%)	N/A		

Market Rent Analysis

In order to create appropriate comparisons between the properties, we established a similar utility basis. We adjusted rents based on a utility structure where tenants pay air conditioning, electric heating, water heating, and cooking and general electric expenses, and landlords pay cold water, sewer, and trash expenses. We found that this utility structure is the most common one utilized in the marketplace, particularly among the affordable properties. As a result, properties with differing utility structures have been adjusted to this standard convention using the utility allowance schedule most recently published by the Danville Redevelopment and Housing Authority, effective January 1, 2020.

The surveyed market rate properties command a wide variety of rents based upon location, size, condition, and amenities. The following table illustrates the rental rates among the surveyed market rate properties. Note that the rents have been adjusted for utilities and concessions.

MARKET RENT COMPARISON

Property Name	Year Built/ Renovated	1BR	2BR	3BR
Autumn Crest Apartments	1980	-	\$633	-
		-	\$648	-
Blue Ridge Apartments	1900/1965	\$400	-	-
Chateau Terrace Apartments	1971/2000	-	\$495	-
Greystone Apartments	1984	\$350	\$425	\$650
Longwood Village Apartments	1987	\$408	\$473	-
Mt. Hermon Village	2000	\$450	\$560	\$750
		-	\$700	-
Northview Gardens	1976	\$410	\$458	\$465
Ridgewood Terrace Apartments	1992	-	\$553	-
Stratford Square Apartments	1973	\$473	\$658	\$1,018
Terrace View Apartments	1980/2005	\$423	\$518	-
		\$483	\$633	-
The Corner Stone Apartments	1940/1973	\$450	\$625	-
The Henry	1921/2015	\$732	-	-
		\$802	-	-
Wayside Manor	1981	\$300	-	-
		\$330	-	-
Wellington Manor	1990	\$500	\$624	-
Westchester Square	1972/2000	-	\$640	\$670
1605 Spruce	1980	-	\$658	-
807 Barrows Mill Road	1985	-	\$558	-
Average		\$465	\$577	\$711
Novoco Achievable Market Rent Range for well amenitized new construction		\$875-\$1,000	\$1,025-\$1,200	\$1,225-\$1,350

The surveyed one-bedroom rents range from \$300 to \$802, with an average of \$465. None of the properties were recently constructed. The Henry exhibits the most superior condition (built in 1921 and converted into apartments in 2015) and is located in downtown Martinsville. Based on an exterior inspection of the surveyed properties, Wayside Manor exhibited the most inferior condition among the properties and offers the lowest rents. The surveyed two-bedroom rents range from \$458 to \$700, with an average of \$577. None of the properties were recently constructed and could provide a basis for comparison. The surveyed three-

bedroom rents range from \$465 to \$1,018, with an average of \$711. Stratford Square Apartments reported the highest three-bedroom rents. This property was built in 1973, has a townhouse design, property amenities that include a swimming pool.

Based on conversations with community stakeholders as well as an analysis of inflow and outflow commuter trends from nearby areas, a significant number of individuals work in Martinsville and Henry County and live in the nearby cities of Danville, Virginia, and Greensboro, North Carolina. We spoke with John Stiltner, Director of Development and Construction Management Services for Landmark Partners, who reported competition with Greensboro, North Carolina for workers and housing as Greensboro has a housing stock in superior condition compared to Martinsville and Henry County. We also spoke with Angeline Godwin, President of Patrick Henry Community College, who indicated that new staff have difficulty finding rental housing in the area and many live in Greensboro and Winston-Salem, North Carolina, to find better quality housing. The following table compares the average rents among market rate properties in the City of Martinsville and Henry County as compared to Danville, Virginia, and Greensboro, North Carolina, according to CoStar.

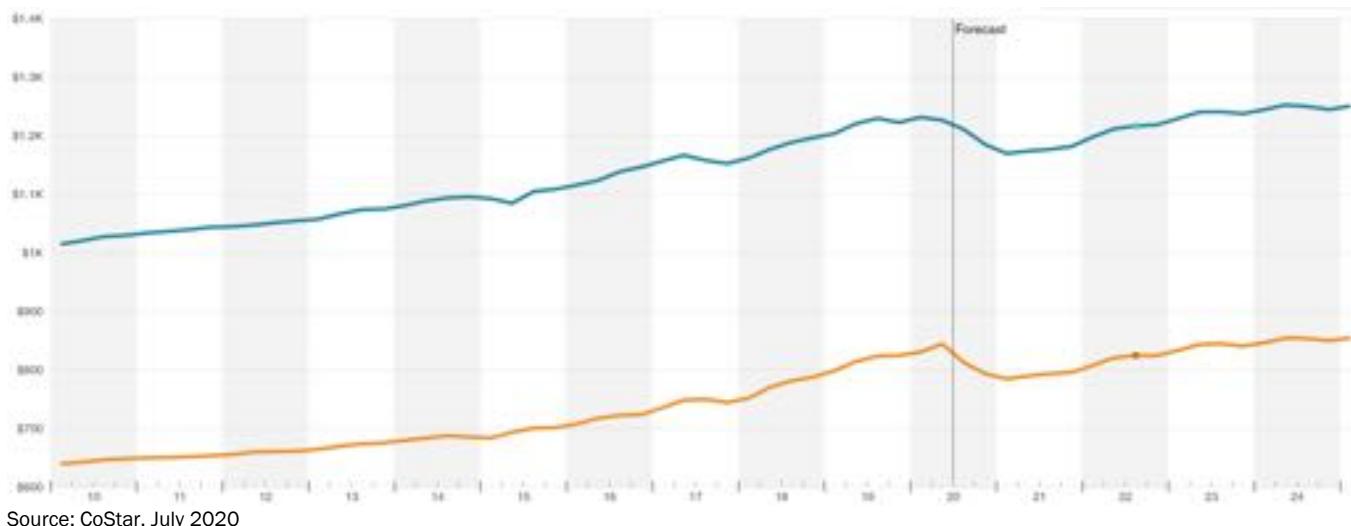
COSTAR MARKET RATE RENT ANALYSIS

	Martinsville & Henry County	Danville, VA	Greensboro, NC
Number of Properties	17	31	369
Number of Units	455	1,354	33,460
Vacancy Rate	3.5%	5.1%	7.5%
Average 1BR Rent	\$495	\$605	\$804
Average 2BR Rent	\$458	\$605	\$898
Average 3BR Rent	\$533	\$666	\$1,067
Weighted Average	\$485	\$608	\$876

Source: CoStar, April 2020

As shown, the rents in Danville and Greensboro are significantly above that of the City of Martinsville and Henry County. However, it should be noted that CoStar offers limited data in Martinsville and Henry County as well as Danville. Additionally, the data is comprised primarily of properties that were built prior to 2000 and are more than 20 years in age. As previously discussed, approximately 65.7 percent of the housing stock in the City of Martinsville and Henry County was constructed prior to 1980 and 47.0 percent was constructed prior to 1970. There has been limited new development in the City of Martinsville and Henry County after 2010. However, we believe there is demand for new development given recent employment growth and commuting pattern data that shows individuals commuting from nearby urban areas for employment.

We identified a premium for age/condition, amenities, and location. To determine the premium, we researched the rent differential between properties built before 2005 and properties built after 2015 within 50 miles of Martinsville. The following table illustrates the effective market rent per unit for market rate multifamily properties located within 50 miles of Martinsville, according to CoStar.



Source: CoStar, July 2020

The orange line illustrates 594 properties built before 2005 with an average market effective rent of \$844. The blue line illustrates 43 properties built after 2015 with an average market effective rent of \$1,227. Therefore, new construction supply illustrates a \$383 premium, or a 45 percent increase, over that built before 2005. Note that the graph does not account for difference in location, amenities, or design.

The data previously presented in this report shows that the City of Martinsville and Henry County have a significant concentration of jobs that are attracting workers throughout the region, including a significant portion of individuals who work in the City of Martinsville and Henry County and live to the east, likely in the nearby City of Danville. There also appears to be a significant portion of individuals who work in the City of Martinsville and Henry County and commute greater than 50 miles from the southwest, likely from Winston-Salem, North Carolina. Based on the data presented as well as conversations with local stakeholders, there is a significant portion of individuals who work in the City of Martinsville and Henry County, yet reside outside of the geographic area; therefore, we researched rental rates among new construction properties within 50 miles of Martinsville. The following table illustrates asking rents among new construction elevator-serviced and garden-style market rate properties built after 2015 as well as historic properties that were converted into loft apartments after 2010 located within 50 miles of Martinsville, according to CoStar and supplemented with telephone interviews. Note that the asking rents shown in the following chart have not been adjusted for utilities.

CITY OF MARTINSVILLE AND HENRY COUNTY, VIRGINIA – HOUSING MARKET STUDY AND NEEDS ANALYSIS

RECENTLY CONSTRUCTED/CONVERSION PROPERTIES WITHIN 50 MILES OF MARTINSVILLE

Property Name	Location	Rent Structure	Tenancy	Design	Year Built	Total Units	Vacancy Rate	Absorption Rate	1BR Asking Rent	2BR Asking Rent	3BR Asking Rent
Chatham Lofts	Chatham, VA	Market	Family	Loft	1925/2013	31	3.2%	-	\$925	\$1,000	-
Continental Lofts	Danville, VA River District	Market	Family	Loft	1900/2015	40	0.0%	-	-	\$1,283	-
Ferrell Historic Lofts	Danville, VA River District	Market	Family	Loft	1870/2011	13	0.0%	-	\$925	\$1,300	-
Pemberton Lofts	Danville, VA River District	Market	Family	Loft	1920/2014	112	0.0%	-	\$975	\$1,350	-
Smith Seed Lofts	Danville, VA River District	Market	Family	Loft	1875/2013	20	0.0%	-	\$975	\$1,275	-
Average						43	0.6%		\$950	\$1,242	-
50 West Fourth Residences	Winston-Salem, NC	Market	Family	Loft	1926/2015	58	6.9%	-	\$1,118	\$1,526	\$1,730
2918 North	Greensboro, NC	Market	Family	Midrise	2016	39	2.6%	-	-	\$1,350	-
Carroll at Bellemeade	Greensboro, NC	Market	Family	Midrise	2019	289	1.7%	12	\$1,473	\$1,613	-
Country Park at Tall Oaks	Greensboro, NC	Market	Family	Garden	2017	216	5.6%	-	\$1,255	\$1,376	\$1,626
Davis Gardens Apartments	Kernersville, NC	Market	Senior	Lowrise	2017	86	1.2%	-	\$1,041	\$1,228	-
District Vue	Roanoke, VA	Market	Family	Garden	2019	216	9.3%	-	\$1,044	\$1,272	\$1,540
Edge Flats	Winston-Salem, NC	Market	Family	Loft	1919/2015	170	2.9%	-	\$1,450	\$1,773	-
Encore North	Greensboro, NC	Market	Family	Garden	2017	237	5.1%	-	\$936	\$1,255	-
Fairway Village at Stoney Creek	Whitsett, NC	Market	Family	Garden	2018	144	2.8%	-	\$929	\$1,130	\$1,381
Gramercy Row	Roanoke, VA	Market	Family	Midrise	2016	86	2.3%	-	\$920	\$1,165	-
Greenway at Stadium Park	Greensboro, NC	Market	Family	Midrise	2015	67	1.5%	-	\$1,201	\$1,425	-
Hawthorne at Friendly	Greensboro, NC	Market	Family	Midrise	2019	188	5.9%	22	\$1,503	\$1,876	\$2,974
Keystone at James Landing	Jamestown, NC	Market	Family	Garden	2018	309	5.2%	-	\$914	\$1,147	\$1,389
Lafayette Landing Apartments & Villas	Jamestown, NC	Market	Family	Townhouse	2016	203	2.5%	-	\$995	\$1,343	\$1,681
Landon Creek	Greensboro, NC	Market	Family	Garden	2019	72	0.0%	-	\$924	\$1,122	-
Link Apartments at Innovation Quarter	Winston-Salem, NC	Market	Family	Midrise	2019	344	0.9%	-	\$1,256	\$1,890	-
Link Apartments at Broostown	Winston-Salem, NC	Market	Family	Midrise	2015	205	5.9%	-	\$1,146	\$1,600	-
Mill 800	Winston-Salem, NC	Market	Family	Loft	1900/2016	170	10.6%	-	\$925	\$1,168	\$1,468
North Point Apartments	Roanoke, VA	Market	Family	Garden	2015	174	2.3%	-	\$925	\$1,050	-
Piedmont Place Apartments	Greensboro, NC	Market	Family	Townhouse	2015	100	6.0%	-	\$1,232	\$1,576	-
The Grove at Kernersville	Kernersville, NC	Market	Family	Garden	2015	216	5.1%	-	\$990	\$1,215	-
The Keystone at Walkertown Landing	Walkertown, NC	Market	Family	Garden	2015	198	4.6%	-	\$835	\$990	\$1,300
The Lofts at New Garden	Greensboro, NC	Market	Family	Loft	2019	189	5.3%	11	\$1,039	\$1,407	\$1,931
The Reserve at Smith Crossing	Kernersville, NC	Market	Family	Garden	2017	376	4.3%	-	\$999	\$1,099	\$1,380
The Residences at The R.J. Reynolds Building	Winston-Salem, NC	Market	Family	Highrise	2016	116	6.9%	-	\$952	\$1,353	-
The Retreat Apartments	Roanoke, VA	Market	Family	Garden	2016	162	6.8%	-	\$1,029	\$1,201	\$1,719
The Southeastern Building Apartments	Greensboro, NC	Market	Family	Loft	1919/2015	51	3.9%	-	\$1,058	\$1,348	-
Thomas Estates	Greensboro, NC	Market	Family	Garden	2017	168	3.0%	-	-	\$1,065	\$1,185
West End Station	Winston-Salem, NC	Market	Family	Midrise	2019	229	3.9%	-	\$1,253	\$1,928	-
Westmont Apartments	Roanoke, VA	Market	Family	Garden	2015	48	0.0%	-	\$900	\$1,000	-
Average						171	4.2%	15	\$1,080	\$1,350	\$1,639

The Subject's location is considered most similar to Danville and Chatham; therefore, we have illustrated the average rents specifically for these properties. The difference in the average asking rent between the comparables located in Danville and Chatham and the comparables located in Greensboro, Winston-Salem, Kernersville, Roanoke, Whitsett, Jamestown, and Walkertown is a \$120 premium for properties located in Greensboro, Winston-Salem, Kernersville, Roanoke, Whitsett, Jamestown, and Walkertown. Additionally, these locations are more urban than Martinsville and Henry County; therefore, new construction properties in more urban or suburban locations typically offer a more extensive amenities package such as garage parking and rooftop features that may not be found in locations such as Martinsville, Henry County, and Danville.

In terms of design, loft properties are typically priced higher due to larger units, higher ceilings, larger windows that can make units appear larger, exposed brick/beams, and higher end finishes/amenities. As illustrated in the previous chart, the difference in the asking rent between the comparables with a loft design compared to that with an elevator-serviced or garden-style design is a \$25 premium for a loft design. However, that calculation does not control for location. Using only the comparables located in Greensboro, Winston-Salem, Kernersville, Roanoke, Whitsett, Jamestown, and Walkertown, the premium is \$85 for a loft design.

The following table illustrates the achievable market rents calculation when adjusting for location, condition, and design.

ACHIEVABLE MARKET RENTS			
	1BR	2BR	3BR
Highest Rent of Surveyed Properties	\$802	\$700	\$1,018
Condition Premium	35%	35%	35%
Highest Surveyed Rent with Condition Premium	\$1,083	\$945	\$1,374
Location Premium	-\$120	-\$121	-\$122
Highest Surveyed Rent with Condition and Location Premium	\$963	\$824	\$1,252
Loft Design Premium	\$25	\$25	\$25
Highest Surveyed Rent with Condition, Location, & Design Premium	\$988	\$849	\$1,277
Novoco Achievable Market Rent Range for well amenitized new construction	\$875-\$1,000	\$1,025-\$1,200	\$1,225-\$1,350

Given the data reported by the surveyed properties as well as the data for newly constructed properties in the region, we estimate achievable one-bedroom rents for a newly constructed market rate development located in the City of Martinsville and Henry County to range from **\$875 to \$1,000**, depending on the unit sizes, location, and amenities offered. We estimate achievable two-bedroom rents for a newly constructed market rate development located in the City of Martinsville and Henry County to range from **\$1,025 to \$1,200**, depending on the unit sizes, location, and amenities offered. We estimate achievable three-bedroom rents for a newly constructed market rate development located in the City of Martinsville and Henry County to range from **\$1,225 to \$1,350**, depending on the unit sizes, location, and amenities offered.

Based on information from the client as well as anecdotal information from area stakeholders, there is a need for housing for those in management positions. As discussed later in the report, we expect tenant incomes at 80 to 200 percent AMI to range from \$30,000 to \$134,600 based on the lowest achievable market rents and assuming that tenants are paying 35 percent of their income towards rent. As shown in the report, a total of 101,410 employees in the Martinsville and Danville region have wages within this range and provide demand for new construction units.

LIHTC/Workforce Rent Analysis

In order to create appropriate comparisons between the properties, we established a similar utility basis. We adjusted rents based on a utility structure where tenants pay air conditioning, electric heating, water heating, and cooking and general electric expenses, while the landlord was responsible for cold water, sewer, and trash expenses. We found that this utility structure is the most common one utilized in the area. As a result, properties with differing utility structures have been adjusted to this standard convention. Note that we adjusted the maximum allowable rents according to the utility allowance of \$78, \$106, and \$133, based on the most recent Danville Redevelopment and Housing Authority utility allowance.

The following charts present the adjusted 50 and 60 percent AMI rents from the surveyed LIHTC properties. The client has also requested an analysis of achievable rents for units at the 80 to 200 percent AMI levels; however, none of the surveyed properties in this market currently offer units at these AMI levels. As such, we concluded to achievable rents for these units based on rents being achieved at the 60 percent AMI levels as well as the rents being achieved at market rate developments in the area, as previously discussed, based on demographic data, and on our interviews with local market participants.

The properties located in the City of Martinsville and Henry County are eligible for USDA non-metropolitan rent limits. The properties located in Danville are subject to slightly lower maximum rents. It should be noted that 2019 maximum allowable rents were released March 30, 2020, and the properties had not yet had

time to increase rents at the time of our interviews. Therefore, we additionally illustrated the 2019 rent limits.

LIHTC RENT COMPARISON @50%

Property Name	City/County	Tenancy	1BR	2BR	3BR	Rents at Max?
2020 LIHTC Maximum Rent (Net) - Non-Metro	Henry County/Martinsville		\$505	\$595	\$677	
2019 LIHTC Maximum Rent (Net) - Non-Metro	Henry County/Martinsville		\$490	\$575	\$654	
2020 LIHTC Maximum Rent (Net)	Danville		\$488	\$574	\$652	
2019 LIHTC Maximum Rent (Net)	Danville		\$460	\$540	\$613	
Brookshire Apartments	Henry County	Family	\$409	\$432	-	No
Lynn Street Lofts	Danville	Family	-	\$540	\$619	Yes
Maplewood Apartments	Martinsville	Family	\$500	\$500	\$557	No
Sterling Trace Apartments	Danville	Family	-	\$660	\$690	Yes
Average			\$455	\$533	\$622	
Achievable LIHTC Rent			\$505	\$595	\$677	

LIHTC RENT COMPARISON @60%

County	Tenancy	1BR	2BR	3BR	Rents at Max?	
2020 LIHTC Maximum Rent (Net) - Non-Metro	Henry County/Martinsville	\$622	\$735	\$839		
2019 LIHTC Maximum Rent (Net) - Non-Metro	Henry County/Martinsville	\$603	\$711	\$812		
2020 LIHTC Maximum Rent (Net)	Danville	\$602	\$710	\$809		
2019 LIHTC Maximum Rent (Net)	Danville	\$568	\$669	\$762		
Lynn Street Lofts	Danville	Family	-	\$660	\$727	Yes
Maplewood Apartments	Henry County	Family	\$500	\$500	\$557	No
Martinsville Lofts	Martinsville	Family	\$458	\$532	\$601	No
Northpointe Apartments	Danville	Family	\$525	\$599	\$695	No
Ridge View Apartments	Martinsville	Family	-	\$530	\$595	No
Southwyck Hills	Danville	Family	\$456	\$543	\$692	No
Sterling Trace Apartments	Danville	Family	-	\$775	\$895	Yes
Average			\$485	\$591	\$680	
Achievable LIHTC Rent			\$550	\$650	\$725	

Two of the LIHTC properties are located in Danville, Lynn Street Lofts and Sterling Trace Apartments, are achieving maximum allowable rents at 50 and 60 percent AMI. Some surveyed rents appear to be above or below maximum allowable rents, which is attributed to a differing utility allowance. Lynn Street Lofts was built as a factory in 1930 and converted into 37 LIHTC apartments in 2007. Sterling Trace Apartments was built in 2002 and renovated in 2015. The property offers 48 garden-style two and three-bedroom units and a significant amenities package. The LIHTC properties reported limited vacancy with a weighted average of 0.6 percent. Additionally, the majority of the LIHTC properties reported waiting lists. Therefore, it appears the LIHTC properties located in the City of Martinsville and Henry County are not testing maximum allowable rents. Maplewood Apartments offers rents below maximum allowable levels for all of its units at 50 and 60 percent AMI. Maplewood Apartments has a zero percent vacancy rate and an extensive waiting list and, therefore, does not appear to be testing the market. The surveyed affordable properties exhibit average to good condition. A new construction properties would exhibit excellent condition, superior to all of the surveyed properties. Therefore, we believe that maximum allowable rents at 50 percent AMI are achievable for a new construction property in the City of Martinsville and Henry County.

Based on this data, we believe rents of **\$550**, **\$650**, and **\$725** are achievable at the 60 percent AMI level for a newly constructed LIHTC property in the City of Martinsville and Henry County. Given that Lynn Street Lofts and Sterling Trace Apartments exhibit a slightly inferior condition compared to a new construction property, are located in Danville, and the significant amenities package offered by Sterling Trace Apartments, we concluded to rents similar to Lynn Street Lofts and below Sterling Trace Apartments at 60 percent AMI.

The following table illustrates the maximum allowable gross rents at 80, 100, 150, and 200 percent AMI.

LIHTC RENT COMPARISON @80% - @200%

2020 LIHTC Maximum Rent (Gross) - Non-Metro	AMI Level	1BR	2BR	3BR
	@80%	\$934	\$1,122	\$1,296
	@100%	\$1,167	\$1,402	\$1,620
	@150%	\$1,751	\$2,103	\$2,430
	@200%	\$2,335	\$2,805	\$3,240

Given that none of the surveyed properties currently offer units restricted at the 80 percent AMI level or above, it is difficult to estimate achievable rents for these units in the market. The gross maximum allowable rents at 80, 100, 150, and 200 percent AMI are above the lowest achievable market rent. Therefore, we placed the achievable rents at 80, 100, 150, and 200 percent AMI for newly constructed properties to be equivalent to the achievable market rents.

The following table details the minimum and maximum income limits for the 80 to 200 percent AMI levels in the City of Martinsville and Henry County based on the achievable rents above. The minimum income estimates assume tenants pay not more than 35 percent of their income towards rent. We utilized the lowest achievable market rents of **\$875**, **\$1,025**, and **\$1,225** for one, two, and three-bedroom units, respectively, to calculate the minimum allowable incomes at 80, 100, 150, and 200 percent AMI.

INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income						
	@80%		@100%		@150%		@200%	
1BR	\$30,000		\$39,840		\$30,000		\$74,700	
2BR	\$35,143		\$44,880		\$35,143		\$84,150	
3BR	\$42,000		\$53,840		\$42,000		\$100,950	

Based on interviews with area stakeholders, workers in the area have an average salary of \$50,000 per year, which falls within the 80 to 200 percent income ranges.

The following table details the renter household income distribution from 2019 to 2024.

RENTER HOUSEHOLD INCOME

Income Cohort	2019		2024		Annual Change 2019 to 2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,964	21.3%	1,779	20.3%	-37	-1.9%
\$10,000-19,999	1,889	20.5%	1,691	19.3%	-40	-2.1%
\$20,000-29,999	1,512	16.4%	1,435	16.3%	-15	-1.0%
\$30,000-39,999	1,045	11.3%	1,005	11.4%	-8	-0.8%
\$40,000-49,999	747	8.1%	708	8.1%	-8	-1.0%
\$50,000-59,999	548	6.0%	536	6.1%	-2	-0.4%
\$60,000-74,999	372	4.0%	385	4.4%	3	0.7%
\$75,000-99,999	554	6.0%	573	6.5%	4	0.7%
\$100,000-124,999	259	2.8%	280	3.2%	4	1.6%
\$125,000-149,999	119	1.3%	153	1.7%	7	5.7%
\$150,000-199,999	125	1.4%	149	1.7%	5	3.8%
\$200,000+	76	0.8%	90	1.0%	3	3.7%
Total	9,210	100.0%	8,784	100.0%		

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, April 2020

The estimated income limits for 80 percent AMI units, assuming previously determined achievable rents, would range from \$30,000 to \$53,840. Assuming an equal distribution of renter households within each income cohort, 2,003 renter households, or 21.7 percent of all renters in the City of Martinsville and Henry County, would income-qualify to reside at 80 percent AMI units, which is a significant percentage.

The estimated income limits for 100 percent AMI units, assuming previously determined achievable rents, would range from \$30,000 to \$67,300. Assuming an equal distribution of renter households within each income cohort, 2,521 renter households, or 27.4 percent of all renters in the City of Martinsville and Henry County, would income-qualify to reside at 100 percent AMI units, which is a significant percentage.

The estimated income limits for 150 percent AMI units, assuming previously determined achievable rents, would range from \$30,000 to \$100,950. Assuming an equal distribution of renter households within each income cohort, 3,054 renter households, or 33.2 percent of all renters in the City of Martinsville and Henry County, would income-qualify to reside at 150 percent AMI units, which is a significant percentage.

The estimated income limits for 200 percent AMI units, assuming previously determined achievable rents, would range from \$30,000 to \$134,600. Assuming an equal distribution of renter households within each income cohort, 3,349 renter households, or 36.4 percent of all renters in the City of Martinsville and Henry County, would income-qualify to reside at 200 percent AMI units, which is a significant percentage.

It is important to note that rents at these AMI levels are not currently tested in the market; however, we do believe that there is significant demand for these types of units given that the current housing stock consists primarily of older market rate multifamily developments. Given the demographic data detailed above, the strongest demand in the market appears to be for 80 and 100 percent AMI units in this market, of which there currently are none.

The following tables illustrates the Subject's achievable LIHTC rents in comparison to the highest achievable market rents.

ACHIEVABLE LIHTC RENTS COMPARISON TO HIGHEST ACHIEVABLE MARKET RENTS

Unit Type	Rent Level	Achievable LIHTC Rent	Market Rate Surveyed Min	Market Rate Surveyed Max	Market Rate Surveyed Average	Achievable Market Rent Max*	LIHTC Rent Advantage
1BR / 1BA	@50%	\$505	\$300	\$802	\$465	\$1,000	50%
1BR / 1BA	@60%	\$550	\$300	\$802	\$465	\$1,000	45%
1BR / 1BA	@80%	\$875	\$300	\$802	\$465	\$1,000	13%
1BR / 1BA	@100%	\$1,000	\$300	\$802	\$465	\$1,000	0%
1BR / 1BA	@150%	\$1,000	\$300	\$802	\$465	\$1,000	0%
1BR / 1BA	@200%	\$1,000	\$300	\$802	\$465	\$1,000	0%
2BR / 1BA	@50%	\$595	\$458	\$700	\$577	\$1,200	50%
2BR / 1BA	@60%	\$650	\$458	\$700	\$577	\$1,200	46%
2BR / 1BA	@80%	\$1,025	\$458	\$700	\$577	\$1,200	40%
2BR / 1BA	@100%	\$1,200	\$458	\$700	\$577	\$1,200	0%
2BR / 1BA	@150%	\$1,200	\$458	\$700	\$577	\$1,200	0%
2BR / 1BA	@200%	\$1,200	\$458	\$700	\$577	\$1,200	0%
3BR / 1BA	@50%	\$677	\$465	\$1,018	\$711	\$1,350	50%
3BR / 1BA	@60%	\$725	\$465	\$1,018	\$711	\$1,350	46%
3BR / 1BA	@80%	\$1,225	\$465	\$1,018	\$711	\$1,350	9%
3BR / 1BA	@100%	\$1,350	\$465	\$1,018	\$711	\$1,350	0%
3BR / 1BA	@150%	\$1,350	\$465	\$1,018	\$711	\$1,350	0%
3BR / 1BA	@200%	\$1,350	\$465	\$1,018	\$711	\$1,350	0%

*For a well amenitized new construction property

The achievable LIHTC rents at 50 and 60 percent AMI illustrate a significant rent advantage of 45 to 50 percent over the highest achievable market rents. The following table shows the Subject's achievable LIHTC rents in comparison to the lowest achievable market rents.

ACHIEVABLE LIHTC RENTS COMPARISON TO LOWEST ACHIEVABLE MARKET RENTS

Unit Type	Rent Level	Achievable LIHTC Rent	Market Rate Surveyed Min	Market Rate Surveyed Max	Market Rate Surveyed Average	Achievable Market Rent Min*	LIHTC Rent Advantage
1BR / 1BA	@50%	\$505	\$300	\$802	\$465	\$875	42%
1BR / 1BA	@60%	\$550	\$300	\$802	\$465	\$875	37%
1BR / 1BA	@80%	\$875	\$300	\$802	\$465	\$875	0%
1BR / 1BA	@100%	\$875	\$300	\$802	\$465	\$875	0%
1BR / 1BA	@150%	\$875	\$300	\$802	\$465	\$875	0%
1BR / 1BA	@200%	\$875	\$300	\$802	\$465	\$875	0%
2BR / 1BA	@50%	\$595	\$458	\$700	\$577	\$1,025	42%
2BR / 1BA	@60%	\$650	\$458	\$700	\$577	\$1,025	37%
2BR / 1BA	@80%	\$1,025	\$458	\$700	\$577	\$1,025	0%
2BR / 1BA	@100%	\$1,025	\$458	\$700	\$577	\$1,025	0%
2BR / 1BA	@150%	\$1,025	\$458	\$700	\$577	\$1,025	0%
2BR / 1BA	@200%	\$1,025	\$458	\$700	\$577	\$1,025	0%
3BR / 1BA	@50%	\$677	\$465	\$1,018	\$711	\$1,225	45%
3BR / 1BA	@60%	\$725	\$465	\$1,018	\$711	\$1,225	41%
3BR / 1BA	@80%	\$1,225	\$465	\$1,018	\$711	\$1,225	0%
3BR / 1BA	@100%	\$1,225	\$465	\$1,018	\$711	\$1,225	0%
3BR / 1BA	@150%	\$1,225	\$465	\$1,018	\$711	\$1,225	0%
3BR / 1BA	@200%	\$1,225	\$465	\$1,018	\$711	\$1,225	0%

*For a well amenitized new construction property

The achievable LIHTC rents at 50 and 60 percent AMI illustrate a rent advantage of 37 to 45 percent over the lowest achievable market rents.

V. HOUSING DEMAND ANALYSIS

DEMAND ESTIMATE AND ANALYSIS

Introduction

For the purposes of this report, we provided a demand analysis for the City of Martinsville and Henry County. We examined the demand for affordable and workforce housing multifamily units at the 50, 60, 80, 100, 150, and 200 percent AMI levels.

To assess the likely number of tenants in the City of Martinsville and Henry County eligible to live in a multifamily development, we used Census information as provided by ESRI Demographics and Ribbon Demographics.

The results provide an indication of the total number of households that are age, income, and size-qualified to reside at the Subject.

Demand Analysis

We included an estimate of future demand for a five year period. This estimate of demand is based on a calculation of incremental demand and addresses the following five factors:

1. Renter household growth during the forecast period.

Overall, between 2019 and 2024 the number of renter households in the City of Martinsville and Henry County is expected to decrease from 9,210 to 8,784 households, which is a decrease of 426 households. We estimate that a portion of demand will come from outside of the City of Martinsville and Henry County; therefore, we included 10 percent leakage.

First, we estimate the minimum and maximum income levels. HUD establishes the maximum income level based on household size. Minimum income levels are calculated based on the assumption that lower-income families should pay no more than 35 percent of their income to rent for family households. The income limits are as follows.

Unit Type	INCOME LIMITS											
	Minimum Allowable Income	Maximum Allowable Income										
	@50%		@60%		@80%		@100%		@150%		@200%	
1BR	\$19,989	\$24,900	\$21,531	\$29,880	\$30,000	\$39,840	\$30,000	\$49,800	\$30,000	\$74,700	\$30,000	\$99,600
2BR	\$24,034	\$28,050	\$25,920	\$33,660	\$35,143	\$44,880	\$35,143	\$56,100	\$35,143	\$84,150	\$35,143	\$112,200
3BR	\$27,771	\$33,650	\$29,417	\$40,380	\$42,000	\$53,840	\$42,000	\$67,300	\$42,000	\$100,950	\$42,000	\$134,600

Second, we illustrate the renter household population segregated by income band in order to determine those who are income appropriate to reside in the Subject property.

Third, we combine the allowable income range with the income distribution analysis in order to determine the number of potential income-qualified households. In some cases the income-eligible band overlaps with more than one census income range. In those cases, the prorated share of more than one census range will be calculated. This provides an estimate of the total number of households that are income appropriate. The following tables illustrate our calculations.

CITY OF MARTINSVILLE AND HENRY COUNTY, VIRGINIA – HOUSING MARKET STUDY AND NEEDS ANALYSIS

Income Cohort	Total Renter Households	INCOME DISTRIBUTION																				
		@50%			@60%			@80%			@100%			@150%			@200%			@50% to 200% AMI		
		cohort	% in overlap	# in cohort	cohort	% in overlap	# in cohort	cohort	% in cohort	# in cohort	cohort	% in overlap	# in cohort	cohort	% in overlap	# in cohort	cohort	% in overlap	# in cohort	cohort	% in cohort	# in cohort
\$0-9,999	1,964	10	0.1%	2	8,468	84.7%	1,280	9,999	100.0%	1,045	9,999	100.0%	1,045	9,999	100.0%	1,045	9,999	100.0%	1,045	10	0.1%	2
\$10,000-19,999	1,889	9,999	100.0%	1,512	3,651	36.5%	382	9,999	100.0%	1,045	381	38.4%	28	9,999	100.0%	747	9,999	100.0%	747	9,999	100.0%	1,512
\$20,000-29,999	1,512																					
\$30,000-39,999	1,045																					
\$40,000-49,999	747																					
\$50,000-59,999	548																					
\$60,000-74,999	372																					
\$75,000-99,999	554																					
\$100,000-124,999	259																					
\$125,000-149,999	119																					
\$150,000-199,999	125																					
\$200,000+	76																					
Total	9,210	20.6%	1,895	25.6%	2,354	21.7%	2,003				27.4%	2,521		33.2%	3,054		36.4%	3,349		52.8%	4,863	

2. Recent trends in tenure broken down by homeownership and rental that may increase/decrease the demand for rental units.

We have not assumed any significant shifting from owner to renter-occupied households. Therefore, this has not been accounted for in this analysis.

3. Replacement of existing rental units lost from the inventory due to demolition, conversion, shifting of owner units into the rental market and by other means.

Demand from the City of Martinsville and Henry County will stem from several sources in addition to new growth, as discussed in Number 1. These sources include demand from renter households that are forced from existing housing due to demolition or conversion of the housing units. Further, demand will stem from existing households that live in the area but move to a new home because people are searching for better housing or housing in a desired location (frictional vacancy). The calculation begins by determining the year 2019 base level demand. This is then adjusted by the percentage of renters in the geographic area.

This figure is then adjusted for losses of inventory via conversion or demolition (which also accounts for frictional vacancy in the market). To determine an appropriate percentage within the market we utilized/analyzed various housing characteristics.

The following table illustrates age of housing stock within the City of Martinsville and Henry County.

AGE OF HOUSING STOCK IN MARTINSVILLE & HENRY COUNTY

Years	Number of Units	Percent of Housing Stock
Built 2005 or later	210	0.6%
Built 2000 to 2004	2,462	7.4%
Built 1990 to 1999	4,511	13.5%
Built 1980 to 1989	4,258	12.8%
Built 1970 to 1979	6,215	18.7%
Built 1960 to 1969	6,037	18.1%
Built 1950 to 1959	4,665	14.0%
Built 1940 to 1949	2,413	7.2%
Built 1939 or earlier	2,553	7.7%
Total	33,324	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, April 2020

As indicated, approximately 65.7 percent of the housing stock in the City of Martinsville and Henry County was constructed prior to 1980 and 47.0 percent was constructed prior to 1970. It is reasonable to assume that a portion of the existing housing units constructed prior to 1970 will leave the market

based upon the loss of functional or physical inadequacies of the units; therefore, we will assume approximately five percent of these units will leave the market, or 2.4 percent of housing units in the market.

It is also important to recognize demand for new rental housing will come from the market from households in inadequate living situations. According to the most recent Census, approximately 0.40 percent of households in the City of Martinsville and Henry County lack complete plumbing facilities in their housing units, which indicates substandard living.

We estimate that approximately 1.5 percent or less of the housing units (mostly single-family) in the City of Martinsville and Henry County are demolished or converted every year.

Further, the demand needs to be adjusted for frictional vacancy within the market. According to The Dictionary of Real Estate Appraisal 6th Edition published in 2015 by the Appraisal Institute, frictional vacancy is the amount of vacant space in the market needed for orderly operation. It allows for tenant relocations as leases roll over and expire, and is considered a typical vacancy rate in a given market operating in equilibrium. We believe frictional vacancy of 5.0 percent is appropriate in this market. The market is currently exhibiting an average vacancy rate of 1.3 percent. Therefore, we will use a frictional vacancy factor of 3.4 percent ($5.0 - 1.3 = 3.4$ percent). The following table illustrates our conclusion:

LOSSES TO INVENTORY VIA CONVERSION OR DEMOLITION	
Reconciled Estimate of Demolition or Conversion	1.5%
Frictional Vacancy	3.4%
Total Percentage	4.9%

In order to account for demand created by the previously described factors, we believe that adjusting the demand by 4.9 percent for losses of inventory via conversion or demolition, as well as frictional vacancy is conservative and reasonable.

4. The effect of any current excess vacant supply, based on an estimate of the balanced market vacancy rate.

As discussed previously in this report, the average weighted vacancy amongst the surveyed properties is 1.3 percent. The low incidence of vacancies at the surveyed properties illustrates a need for additional housing. Overall performance of the market is therefore considered good.

5. We developed a demand estimate taking into consideration current housing market conditions, available vacancy, and forecast additions to the supply (planned and under construction).

As illustrated previously, there are 102 LIHTC units proposed in the City of Martinsville and Henry County. Landmark Partners is currently developing a 52-unit affordable senior-housing development located at 201 and 209 Aaron Street in Martinsville. The project is known as Aaron Mills Apartments and would be located on the site of the former American of Martinsville furniture manufacturing complex, which was destroyed by a fire in 2014 and is now considered a brownfield site. An application has been submitted to the Virginia Housing Development Authority (VHDA) for Low Income Housing Tax Credit (LIHTC) funding, although it has yet to receive an allocation. According to the market study submitted to VHDA,

Aaron Mills Apartments will offer 52 one and two-bedroom units restricted to senior households earning 40 and 60 percent of AMI. Of the total, 46 units will be restricted at 60 percent AMI. A construction timeline has yet to be announced; therefore, for the purposes of the demand analysis, we assumed completion in 2022.

Additionally, a project is currently proposed that would convert the former John Redd Smith factory located at 40 School Drive in Collinsville, Henry County, into 50 units of affordable LIHTC housing for families. As proposed, the property would offer 20 units restricted at 50 percent AMI and 30 units restricted at 60 percent AMI. A construction timeline has yet to be announced; therefore, for the purposes of the demand analysis, we assumed completion in 2023.

We are not aware of any proposed, under construction, or recently completed multifamily developments with workforce housing (80 or 100 percent AMI) units in the City of Martinsville and Henry County. As such, no units are deducted from the workforce housing scenarios.

We believe these units will compete directly with the Subject and have deducted these from year 2019, 2020, 2021, and 2022 demand. The table following summarizes these calculations and estimates the gross demand over the forecast period.

The following tables summarize previously discussed calculations and estimate the gross demand over the forecast period.

FUTURE DEMAND - @50% AMI

	2019	2020	2021	2022	2023	2024	Total
Renter Households	9,210	9,125	9,040	8,954	8,869	8,784	-
Renter Households Including 10% Leakage	10,131	10,037	9,944	9,850	9,756	9,662	-
Percent of Income-Eligible Households	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%
Income-Appropriate Renter Households	2,085	2,066	2,046	2,027	2,008	1,989	-
New Income Qualified Renter Growth	-	-19	-19	-19	-19	-19	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units	-	0	0	0	20	0	-
Plus Estimated Units Removed from Supply	-	101	100	99	98	97	-
Annual Demand	-	82	81	80	99	78	420

FUTURE DEMAND - @60% AMI

	2019	2020	2021	2022	2023	2024	Total
Renter Households	9,210	9,125	9,040	8,954	8,869	8,784	-
Renter Households Including 10% Leakage	10,131	10,037	9,944	9,850	9,756	9,662	-
Percent of Income-Eligible Households	25.6%	25.6%	25.6%	25.6%	25.6%	25.6%	25.6%
Income-Appropriate Renter Households	2,589	2,565	2,541	2,517	2,493	2,470	-
New Income Qualified Renter Growth	-	-24	-24	-24	-24	-24	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units	-	0	0	46	30	0	-
Plus Estimated Units Removed from Supply	-	126	125	123	122	121	-
Annual Demand	-	102	101	145	128	97	573

CITY OF MARTINSVILLE AND HENRY COUNTY, VIRGINIA – HOUSING MARKET STUDY AND NEEDS ANALYSIS

FUTURE DEMAND - @80% AMI

	2019	2020	2021	2022	2023	2024	Total
Renter Households	9,210	9,125	9,040	8,954	8,869	8,784	-
Renter Households Including 10% Leakage	10,131	10,037	9,944	9,850	9,756	9,662	-
Percent of Income-Eligible Households	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%
Income-Appropriate Renter Households	2,203	2,182	2,162	2,142	2,121	2,101	-
New Income Qualified Renter Growth	-	-20	-20	-20	-20	-20	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units	-	0	0	0	0	0	-
Plus Estimated Units Removed from Supply	-	107	106	105	104	103	-
Annual Demand	-	87	86	85	84	83	423

FUTURE DEMAND - @100% AMI

	2019	2020	2021	2022	2023	2024	Total
Renter Households	9,210	9,125	9,040	8,954	8,869	8,784	-
Renter Households Including 10% Leakage	10,131	10,037	9,944	9,850	9,756	9,662	-
Percent of Income-Eligible Households	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%
Income-Appropriate Renter Households	2,773	2,748	2,722	2,696	2,671	2,645	-
New Income Qualified Renter Growth	-	-26	-26	-26	-26	-26	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units	-	0	0	0	0	0	-
Plus Estimated Units Removed from Supply	-	135	133	132	131	130	-
Annual Demand	-	109	108	106	105	104	532

FUTURE DEMAND - @150% AMI

	2019	2020	2021	2022	2023	2024	Total
Renter Households	9,210	9,125	9,040	8,954	8,869	8,784	-
Renter Households Including 10% Leakage	10,131	10,037	9,944	9,850	9,756	9,662	-
Percent of Income-Eligible Households	33.2%	33.2%	33.2%	33.2%	33.2%	33.2%	33.2%
Income-Appropriate Renter Households	3,360	3,329	3,297	3,266	3,235	3,204	-
New Income Qualified Renter Growth	-	-31	-31	-31	-31	-31	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units	-	0	0	0	0	0	-
Plus Estimated Units Removed from Supply	-	163	162	160	159	157	-
Annual Demand	-	132	130	129	127	126	645

FUTURE DEMAND - @200% AMI

	2019	2020	2021	2022	2023	2024	Total
Renter Households	9,210	9,125	9,040	8,954	8,869	8,784	-
Renter Households Including 10% Leakage	10,131	10,037	9,944	9,850	9,756	9,662	-
Percent of Income-Eligible Households	36.4%	36.4%	36.4%	36.4%	36.4%	36.4%	36.4%
Income-Appropriate Renter Households	3,684	3,650	3,616	3,582	3,548	3,514	-
New Income Qualified Renter Growth	-	-34	-34	-34	-34	-34	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units	-	0	0	0	0	0	-
Plus Estimated Units Removed from Supply	-	179	177	176	174	172	-
Annual Demand	-	145	143	141	140	138	707

FUTURE DEMAND: @50 to 200% AMI							
	2019	2020	2021	2022	2023	2024	Total
Renter Households	9,210	9,125	9,040	8,954	8,869	8,784	-
Renter Households Including 10% Leakage	10,131	10,037	9,944	9,850	9,756	9,662	-
Percent of Income-Eligible Households	52.8%	52.8%	52.8%	52.8%	52.8%	52.8%	52.8%
Income-Appropriate Renter Households	5,349	5,300	5,250	5,201	5,151	5,102	-
New Income Qualified Renter Growth	-	-49	-49	-49	-49	-49	-
Less Unstabilized Properties	-	0	0	0	0	0	-
Less Proposed Rental Units	-	0	0	50	46	0	-
Plus Estimated Units Removed from Supply	-	260	257	255	252	250	-
Annual Demand	-	210	208	155	157	201	931

It should be noted that the demand figures above do not account for the existing supply in the market. The following table details all existing LIHTC multifamily developments in the City of Martinsville and Henry County.

EXISTING NON-SUBSIDIZED LIHTC PROPERTIES IN MARTINSVILLE & HENRY COUNTY

Property Name	Rent Structure	Tenancy	Total Units	# Units @50% AMI	# Units @60% AMI
Brookshire Apartments	LIHTC @50%	Family	64	64	0
Maplewood Apartments	LIHTC @50%, @60%	Family	99	50	48
Martinsville Lofts	LIHTC @40%, @60%	Family	60	0	54
Ridge View Apartments	LIHTC @60%	Family	48	0	48
Glen Ridge Apartments*	LIHTC	Family	41	0	41
Total			312	114	191

*We were unable to contact this property; therefore, we assumed all of its units are restricted at 60 percent AMI

There are currently 114 existing non-subsidized units targeted at the 50 percent AMI level in the City of Martinsville and Henry County compared to an estimated 1,895 income-eligible renter households at this AMI level. There are 191 existing non-subsidized units targeted at the 60 percent AMI level in the City of Martinsville and Henry County compared to an estimated 2,354 income-eligible renter households at this AMI level. When removing these units, there is net demand for a total of 306 units at the 50 percent AMI level and 382 units at the 60 percent AMI level. It should be noted that we are not aware of any 80 to 200 percent AMI units in the market and the renter households within these income ranges are likely housed in older market rate developments with discounted rents due to their age/condition. As such, there appears to be demand in the market for newly constructed units targeting renters earning between the 50 and 200 percent AMI levels.

Conclusion

The ESRI demographic data indicates that there is gross future demand for a total of 420 units at the 50 percent AMI level, 573 units at the 60 percent AMI level, 423 units at the 80 percent AMI level, 532 units at the 100 percent AMI level, 645 units at the 150 percent AMI level, and 707 units at the 200 percent AMI level in the City of Martinsville and Henry County over the next five years. To avoid double counting households since there is some overlap in these income strata, we also estimated that 931 renters in the City of Martinsville and Henry County would income qualify to reside at one of the six AMI levels. It should be noted that the demand figures above do not account for the existing supply in the market. There are currently 114 existing non-subsidized units targeted at the 50 percent AMI level and 191 existing non-subsidized units targeted at the 60 percent AMI in the City of Martinsville and Henry County. When removing these units, there is net demand for a total of 306 units at the 50 percent AMI level and 382 units at the 60

percent AMI level. It should be noted that we are not aware of any 80 to 200 percent AMI units in the market and the renter households within these income ranges are likely housed in older market rate developments with discounted rents due to their age/condition. As such, there appears to be demand in the market for newly constructed units targeting renters earning between the 50 and 200 percent AMI levels.

VI. SUMMARY OF INTERVIEWS

INTERVIEWS

In order to gain a better understanding of the challenges and opportunities facing the local housing market, we identified the following stakeholders. Due to the COVID-19 pandemic, we were unable to interview the stakeholders in-person; however, sent out an online survey on April 1, 2020 and completed in-depth telephone interviews with several of the stakeholders. Overall, we believe these supplemental steps are prudent under these unique health and safety conditions.

AREA STAKEHOLDERS		
Organization	Contact Name	Contact Title
City of Martinsville	Mark McCaskill, AICP	Community Development Director
Monogram Food Solutions	JoAnne Lynch	Senior Human Resources Manager
Henry County	Tim Hall	Henry County Administrator
Martinsville, Henry and Patrick Counties Association of Realtors	Kim Mangum	Association Executive
Press Glass	Karolina Styk	Project Manager
Martinsville-Henry County Economic Development Corporation	Mark Heath	President/CEO
Landmark Partners	John Stiltner	Director of Development and Construction Management Services
Martinsville-Henry County Economic Development Corporation	Jeff Sadler	Housing and Revitalization Coordinator
New College Institute	Christina Niblett	HR Coordinator
Henry County Planning Department	Lee H. Clark	Director of Planning, Zoning, and Inspections
Patrick Henry Community College	Angeline Godwin	President
Danville Redevelopment and Housing Authority	Terry Ferguson	Housing Choice Voucher Program Director
Eastman Chemical	Steven DuVal	Site Manager
Sovah Health - Martinsville	Dale Alward	CEO

We interviewed via telephone or received surveyed responses from 12 of the 14 area stakeholders. Steven Duval, Site Manager for Eastman Chemical, did not want to respond until after the COVID-19 pandemic. Additionally, we did not receive a response from Dale Alward, CEO of Sovah Health - Martinsville.

In addition to stakeholder-specific questions, the survey included the following questions for all stakeholders:

1. Do you believe there is demand for housing in the City of Martinsville and Henry County?
 - Demand for market rate rentals?
 - Demand for affordable rentals?
 - Demand for mixed-income rentals?
 - Demand for senior rentals (assisted living or independent living)?
 - Demand for general family-tenancy rentals?
 - Demand for owner-occupied housing?
2. What do you think is driving demand, (population, employer, etc) what kind of product do you think is needed?
3. Do you believe there are any deterrents facing the City of Martinsville and Henry County or your organization in terms of building new supply in the market or for those considering moving here in terms of lack of services, etc. ?
4. What would you recommend to help in terms of housing in the City of Martinsville and Henry County?

Mark McCaskill, AICP – Community Development Director for the City of Martinsville

We spoke with Mark McCaskill via telephone on April 24, 2020. Mr. McCaskill reported housing supply issues in Martinsville. According to Mr. McCaskill, housing supply in the city is primarily older single-family homes built between 1960 and 1980. Families moving to Martinsville, particularly young families, would likely have wages of \$12 to \$18 per hour for an advanced manufacturing position. Demand is strong for newer product; however, Mr. McCaskill reported that the fixed costs of building and the low achievable market rents inhibit new development. Builders have to make a profit and he does not believe that new construction market rate multifamily properties are economically feasible for builders. He also stated that there might not be enough contractors (i.e. plumbers, carpenters, electricians) to build housing in the area given that they could get higher salaries in other parts of the region. Mr. McCaskill indicated that manufactured and modular housing could help mitigate the supply issue. In terms of affordable housing, Mr. McCaskill reported strong demand for subsidized housing via project-based subsidy or vouchers. However, he stated it is a possibility that non-subsidized LIHTC rents do not have enough of a delta over market rate rents to be economically successful.

Mr. McCaskill reported that seniors are a significant part of the housing market in Martinsville. Seniors in Martinsville are looking for housing either to age-in-place or move from other higher cost areas. Mr. McCaskill believes that seniors have more financial security compared to families in the area. There are fewer families moving to Martinsville as compared to seniors. Families that do move to Martinsville are primarily doing so for work. Families that are not moving for work are moving from nearby areas such as Danville to stay close to their families. According to Mr. McCaskill, there is greater demand for owner-occupied housing compared to rental housing; however, many who would like to purchase a home have financing issues. After the 2008 recession, financing tightened to where many cannot get approved for a mortgage due to a low credit score or issues furnishing documentation for lenders. Mr. McCaskill believes this is happening on a national level, yet it is particularly a barrier to low-income individuals.

Overall, Mr. McCaskill reported that there is a spectrum of demand for housing in Martinsville. People want new construction housing, particularly younger individuals, yet cannot afford the rents that would need to be charged to make building it economically feasible. He also reported strong demand for single-family homes. He stated that the lack of new supply is a deterrent for individuals in larger cities such as Greensboro, North Carolina, to relocate to Martinsville. Mr. McCaskill stated that Martinsville has a perception issue, particularly among younger individuals, that the city is small and there is a lack of things to do. He recommends changing the message to convey the city's recreational assets and housing affordability.

Mr. McCaskill stated that the city's new zoning law went into affect on July 11, 2017 and was a multi-year process to redesign the zoning code. In December 2019, the Martinsville City Council voted to begin the reversion process that would convert Martinsville from an independent city to a town within Henry County. This will be finalized within three years, at which point, a new comprehensive plan and zoning code would be drafted. Mr. McCaskill believes that zoning designations and special uses could be expanded and that there are opportunities to open up the code to allow for a wider range of uses.

JoAnne Lynch – Senior Human Resources Manager for Monogram Food Solutions

We spoke with JoAnne Lynch via email on April 2, 2020. Ms. Lynch reported that their employees live everywhere including Greensboro, Danville, Martinsville, and Roanoke. Most lived where they are now prior to being hired at Monogram Food Solutions. Ms. Lynch stated that the only housing issue she had is related

to a lack of short term furnished housing for new hires that were relocated, but that is less of a concern now with Airbnb. Ms. Lynch had no additional comments.

Tim Hall – Henry County Administrator

We received survey responses from Tim Hall on April 27, 2020. His answers are based on discussions with local business and industry Human Resources and CEO personnel, as well as information gathered as part of the Martinsville and Henry County Housing Summit in July 2019. According to Mr. Hall, there is demand for market rate and affordable housing, both renter and owner-occupied. He indicated a slightly greater need for family-tenancy housing over senior-tenancy housing. Demand for housing is being driven by a significant uptick in the local economy and new job creation (prior to COVID-19 impacts). Mr. Hall stated that a deterrent facing the City of Martinsville and Henry County in terms of building new supply is the lack of confidence by local developers in the re-emerging economy. Local developers still may be hesitant from seeing the impacts the decline of the textile and furniture sectors had to the local economy. In terms of housing in the City of Martinsville and Henry County, Mr. Hall stated that assistance in identifying/educating outside investors, research for Opportunity Zones in Henry County, and other outside influences would be helpful.

Kim Mangum – Association Executive for the Martinsville, Henry and Patrick Counties Association of Realtors

We received survey responses from Kim Mangum on April 27, 2020. Ms. Mangum polled the board of directors for the answers. Ms. Mangum indicated that there is a need for more upper scale apartments with amenities such as washer/dryer hookups and exercise facilities as well as a need for more affordable rentals with washer/dryer hookups. There is demand for family-tenancy rental houses or apartments with three or more bedrooms and limited demand for senior rentals. Ms. Mangum indicated that there are two-bedroom units available; however, a three-bedroom unit is needed if a family has three children. Ms. Mangum stated that a deterrent facing the City of Martinsville and Henry County is the age and condition of the multifamily properties. According to Ms. Mangum, “an outsider coming from a larger area where housing is not a problem expect more from what we have to offer. Up until the last 10 years when the housing market declined, rentals were a second thought. Now more people are wanting to rent either because they feel they cannot sell their house quickly if need be or they will lose money if they sell after a few years with no equity in their home or their credit is not good enough to be approved for a loan. A person coming to this area from a larger area may feel like we do not have many restaurants or things to do. The overall area needs to have owners maintain their rentals and personally owned homes and commercial buildings. Also, there is a need for contractor/investors to build these types. Industries have people needing this quality housing for employees and it is not here, which makes it hard on new industries to get qualified people to move here.” Ms. Mangum indicated that her customers are looking for updated and move-in ready condition condominiums or patio homes and that demand is coming from current area residents and people relocating to the area. Lastly, Ms. Mangum indicated that in reference to rentals, there is an issue with applicants being able to qualify for rentals due to past collections from property owners.

Karolina Styk – HR Project Manager for Press Glass

We received survey responses from Karolina Styk on April 28, 2020. Ms. Styk stated, “I think there are a lot of employers who struggle with hiring. If there will be any rentals in the area we could attract candidates from different states.” Ms. Styk reported that demand is driven from employment opportunities, good schools and colleges/universities, low cost living, and attractive neighborhoods (safety and attractions/places to visit/things to do during weekends). She reported that a deterrent in the area is not many attractive employers with good paying jobs as people are moving where there is a career for them. In terms of housing

in the City of Martinsville and Henry County, Ms. Styk recommends a partnership with a community developer to build a small apartment village with a range of rental homes in good condition. Press Glass recently expanded its operations in Henry County adding 212 new jobs. Ms. Styk reported that this investment was led by its location close to its existing plant in Stoneville and good labor market and incentives from the state and Henry County. Ms. Styk stated that most of their employees own their homes. The average wage at Press Glass is \$15 to \$19 per hour. Ms. Styk reported that five percent of their employees are from the Greensboro, North Carolina area, and the remaining commute from the local area.

[Mark Heath – President/CEO of the Martinsville-Henry County Economic Development Corporation](#)

We received survey responses from Mark Heath on April 29, 2020. According to Mr. Heath, there is demand for market rate and affordable rental and owner-occupied homes. He expressed demand for housing that targets families. Mr. Heath stated, “Prior to the COVID-19 situation, unemployment was at its lowest since 1990 and we were struggling to find workers. Efforts are underway to recruit folks to move here but that has led to the realization that we have very little affordable housing, either single family or multi-family, as no new apartments have been built in years.” According to Mr. Heath, reasonable costs of doing business, high quality industrial sites and buildings, and a solid workforce attract businesses to the City of Martinsville and Henry County. However, according to Mr. Heath, a deterrent to building new supply in the market is the “lack of developers willing to take any risk.” In terms of housing in the City of Martinsville and Henry County, Mr. Heath recommends building market rate apartments and single-family homes that range from \$100,000 to \$125,000 in price.

[John Stiltner - Director of Development and Construction Management Services for Landmark Partners](#)

We spoke with John Stiltner via telephone on April 24, 2020. Also on the call were Blair Baas and Sam Sari with Landmark Property Management Company. Landmark Partners is a local adaptive reuse developer that developed Martinsville Lofts, a 60-unit LIHTC property, in 2011. Landmark Partners is also working to develop a LIHTC senior-tenancy property that is currently proposed in Martinsville. Landmark Partners reported that they have invested in Martinsville and Henry County due to their continued presence in the area and potential economies of scale to have property management and maintenance services located in close proximity. The company is a rural developer and wants to keep investing in the community as the area has a need for affordable housing as well as redevelopment opportunities. Landmark Partners reported strong demand for Martinsville Lofts. The property reportedly was fully leased within three months of opening and has maintained 95 percent economic occupancy since opening. The property also maintains a small waiting list. Landmark Partners reported demand for workforce housing targeting households earning 60 to 100 percent AMI. In 2019, Martinsville Lofts had 10 applicants rejected for being over income qualified (earning more than 60 percent AMI).

Landmark Partners reported a significant number of single-family homes for sale in Martinsville and Henry County, possibly due to seniors looking ease homeownership maintenance burdens. The single-family housing stock in the area is reported to be older and in fair to average condition. Landmark Partners indicated demand for rentals for seniors or mixed-tenancy properties that target families and seniors. According to Landmark Partners, the market rent that would be required to make a project economically feasible is too high for the typical wages in the area, making market rate multifamily development unfeasible. According to Landmark Partners, one-third of the tenants at Martinsville Lofts are seniors.

Landmark Partners reported competition with Greensboro, North Carolina for workers and housing as Greensboro has a housing stock in superior condition compared to Martinsville and Henry County. Younger individuals are seeking housing with higher-end appliances and finishes than what is available in Martinsville and Henry County. Landmark Partners reported that a deterrent to building in the area is a declining population and lack of investment. They indicated that the Martinsville Speedway, which hosts Nascar races, has not been recently updated and is competing with other tracks that have been modernized. Another deterrent that was identified is the lack of things to do or economic staples, like a brewery, that would drive retention.

In terms of housing in the City of Martinsville and Henry County, Landmark Partners stated that the ability for to obtain soft financing is crucial for a project. Landmark Partners stated that some larger communities have revolving loan funds. Other ideas discussed include grants for developers, establishing a land bank, tax abatements, and continuing to improve on parks and recreation through mechanisms such as USDA grants. Landmark Partners also reported that the City of Martinsville and Henry County could be more aggressive in applying for grants as projects in this area need as much funding as possible. For example, the Virginia Housing Development Authority (VHDA) offers grants to localities to help with upfront development costs and HUD offers a vital communities grant. Landmark Partners reported that good quality housing will drive industries to the area. However, given the significant expense and rising building costs, financial assistance or land donations are needed to make projects feasible for developers. Landmark Partners also recommended continuation of the Martinsville-Henry County Housing Summit, which occurred in 2019 and was postponed in 2020 due to the COVID-19 pandemic. The Housing Summit allows smaller developers to learn about resources available to them in an efficient way that will spur growth.

[Jeff Sadler - Housing and Revitalization Coordinator for the Martinsville-Henry County Economic Development Corporation](#)

We received survey responses from Mr. Sadler on May 1, 2020. According to Mr. Sadler, there is demand in Martinsville and Henry County for market rate rentals since, with the exception of the current pandemic, Martinsville and Henry County have “more employment than employees. Therefore, employees travel great distances to get to work. With appropriate and modernized apartments and houses, and an increase in attractive amenities, the area would fill market rate rentals.” According to Mr. Sadler, there is demand in Martinsville and Henry County for affordable rentals. “The key here is to improve the quality of the affordable units. Almost everything in the region fits the affordable label, but has not been kept up to good standards.” Mr. Sadler also reported demand for mixed-income rentals, “This is likely the only way to make modernized affordable housing available.” In terms of senior rental housing, Mr. Sadler stated, “As the region continues to age, more and more demand for appropriate senior living options should continue to grow. Making them safe and secure is a priority.” He also reported demand for family-tenancy rentals, “but perhaps as a transition from apartment living to homeownership.” He reported demand for owner-occupied housing, “but at a moderate price and ready to move in.”

According to Mr. Sadler, the main deterrents to driving business to the City of Martinsville and Henry County are “a lack of appropriate/updated space and lack of residential market to which they can sell. Businesses are attracted to low rent and limited competition in Martinsville and Henry County.”

Mr. Sadler stated, “The region has done little over the past few decades to provide new or updated housing at a moderate price. There have been some low-income housing (apartments, mostly) over the years, and high-end housing is always available, but the missing middle is extremely evident in Martinsville and Henry

County. With the recovery of manufacturing and wages rising, the region should be primed for a population growth. However, there is little to no newly constructed or high-quality renovations available either to own or rent. Therefore, many newly hired employees making moderate, but stable incomes (\$24,000 to \$60,000) choose to live in surrounding communities and drive 30 to 60 minutes to and from work. Additionally, because these “everyday customers” reside elsewhere, there is a lack of amenities that these residents require or desire. Building the two sets – housing and amenities – in tandem will be difficult, but necessary.

As stated above, there is a dearth of high quality residential amenities. However, the region seems to suffer from a lack of confidence. This confidence has inhibited local investors from building high-quality, moderately-priced housing, including multifamily. Additionally, after years (decades?) of population loss and higher than average unemployment, locals seem to have a hard time believing in the current and future opportunities. Those outside the region seem to still think of Martinsville and Henry County as a poverty fable. Building the first few market rate (\$850 to \$1,200/month) apartments/houses will be most difficult and there is little to no data that prove demand, as the inventory does not exist to show that it is possible to rent/sell them.” According to Mr. Sadler, rents of \$800 to \$850 is the bare minimum to make a project work assuming the project can get proper financing.

In terms of housing in the City of Martinsville and Henry County, Mr. Sadler recommends providing incentives to developers trying build or rehabilitate existing buildings into updated moderate and low-income housing.

Christina Niblett - HR Coordinator for New College Institute

We received survey responses from Ms. Niblett on May 12, 2020. According to Ms. Niblett, students at New College Institute live in apartments near Patrick Henry Community College and either live with family or, those who are from out of town, rent an apartment with other students. Ms. Niblett reported that most students are from the area, or within driving distance. Ms. Niblett stated that there is no student housing in the area, but Patrick Henry Community College is looking into this option.

Ms. Niblett stated that she does not think there is demand for market rate rentals “simply because folks aren’t willing to dish out a lot of money to rent. They find rental places that are cheap and affordable.” Ms. Niblett stated that she thinks there is demand for affordable rentals “for those who do not already own a home, are the ones earning minimum wage or a little more, and who need to afford decent housing.” Ms. Niblett reported demand for mixed-income rentals since people relocate to Martinsville and Henry County for work and desire housing that is above average. In terms of tenancy, Ms. Niblett stated that she does not think there is demand for senior rentals. “In a rural setting, most seniors are either in nursing home, and utilize home health and stay in their current home.”

Ms. Niblett stated that employment and wages drive demand for housing in Martinsville and Henry County. According to Ms. Niblett, “affordable housing should be geographically located in a decent neighborhood, yet located from subdivisions with substantial expensive housing.” Additionally, Ms. Niblett stated, “This is not a college town, therefore, the need for student housing is null and void. Affordable housing for others depend on wage earnings and where housing is located.”

Lee H. Clark - Director of Planning, Zoning, and Inspections for the Henry County Planning Department

We received survey responses from Mr. Clark on May 19, 2020. According to Mr. Clark, there is demand for market rate, affordable, and mixed-income rentals. Mr. Clark indicated that there is not demand for senior

housing as most seniors want to age-in place where they already reside. He reported that he believes there is demand for family-tenancy rentals, but no demand for owner-occupied housing. Mr. Clark stated that he thinks demand is driven by generational change in living preference. “The generation that we would most like to attract/retain are not looking to buy. Certainly not three-bedroom, two bath, brick ranch style housing, built in the 1970’s. We have more than enough of that type housing!” He also stated, “I believe our services and quality of life are adequate/desirable. The monthly rent in this area is very low and because of this I think developers believe they would have difficulty renting units at market rate. I personally do not believe that.” In terms of housing in the City of Martinsville and Henry County, Mr. Clark stated, “we need to be able to prove to developers that there is a demand for market rate rental units.” He also stated that he does not recommend any changes to residential use zoning laws as there is enough flexibility built in.

Angeline Godwin – President of Patrick Henry Community College

We spoke with Angeline Godwin via telephone on May 19, 2020. According to Dr. Godwin, housing and transportation are the most prevalent issues among the college’s students. Dr. Godwin reported a lack of quality rental housing in the region at any price point. She stated that students typically rent single-family homes together due to the lack of rental housing options and that there is demand for good quality rental housing in close proximity to the college for students and faculty. She indicated that a deterrent to moving to the area is the large amount of sub-standard housing and the general lack of rental housing. Dr. Godwin indicated that new staff have difficulty finding rental housing in the area and many live in Greensboro and Winston-Salem, North Carolina, to find better quality housing. She stated that the quality of housing in Danville is considered the same as Martinsville and Henry County, although the perception of crime in Danville is much worse than in other areas. Dr. Godwin indicated that some students are quasi-homeless and are “couch surfing.”

Dr. Godwin reported that the majority of the college’s students are from the local area. She stated that some students come from outside of the region for their athletic program and specialty educational programs such as motor sports technology. However, she stated that if students are living outside of Martinsville and Henry County in areas such as Winston-Salem and Greensboro, North Carolina, or Roanoke, Virginia, they are likely to find jobs in those communities after they graduate and start their lives in those communities, thereby creating a domino effect that would not lead them back to Martinsville and Henry County.

In terms of housing in the City of Martinsville and Henry County, Dr. Godwin recommends increasing the quality and quantity of housing in the area. She stated that rental housing targeting specific populations is needed such as low-income seniors, disabled persons, entry level workforce, and student housing. She stated that there is no demand in the market for expensive housing; however, there would be strong demand for new construction rental housing that has low and moderate rents.

Terry Ferguson – Housing Choice Voucher Program Director for the Danville Redevelopment and Housing Authority

We received survey responses from Mr. Ferguson on May 27, 2020. According to Mr. Ferguson, the Danville Redevelopment and Housing Authority (DRHA) administers 1,609 Housing Choice Vouchers, 500 of which are administered in Martinsville and Henry County. Of the 500 vouchers authorized for Martinsville and Henry County, 344 are currently in use with an additional 80 letters of notification for possible leasing. There are 602 households currently on the Housing Choice Voucher waiting list for Martinsville and Henry County.

According to Mr. Ferguson, the housing market in Martinsville and Henry County has a shortage of market rate rentals, as indicated by the DRHA's clientele. Additionally, Mr. Ferguson stated that demand for affordable housing is a high priority for this area, with high demand for family-tenancy rentals. Mr. Ferguson indicated a lack of demand for owner-occupied housing as DRHA currently administers a home-ownership program with only three participants. He indicated that population is currently driving the demand for additional housing and that a deterrent is the “lack of employment since the furniture industry closed.” In terms of housing in the City of Martinsville and Henry County, Mr. Ferguson recommends new development or substantial rehabilitation of vacant buildings located in the surrounding areas and stated, “This area would greatly benefit for new/substantial re-hab housing.”

VII. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS AND RECOMMENDATIONS

The City of Martinsville and Henry County economies rely heavily on the manufacturing industry, which is both an advantage and a disadvantage to the local economy given the volatile nature of the industry. We recognize that the manufacturing industry will continue to play a major part in the local economy. As such, we recommend the following:

- The low area wages in the manufacturing industry result in low achievable rents for landlords. Various stakeholders interviewed indicated that achievable rents in the City of Martinsville and Henry County are not high enough to make a new construction market rate development economically feasible given the high cost of building. This has resulted in the City of Martinsville and Henry County being home to several area major employers, yet a significant percentage of employees are living outside of the jurisdiction, likely in properties that exhibit superior condition and amenities compared to what is available in the City of Martinsville and Henry County. We recommend exploring opportunities that could aid developers in making projects financially feasible, including, but not limited to, land banking and applying for grants for mixed-income and LIHTC housing.
- Virginia is the only state in which every city is an “independent city,” meaning that the city is not within the jurisdiction of a county. The City of Martinsville is an independent city surrounded by Henry County. On December 10, 2019, the City Council voted to begin the process of reversion whereas the City of Martinsville would revert to a town and become part of Henry County. Reversion allows for a city to transfer many of its standard services to the surrounding county. This will be finalized in three to five years, at which point, a new comprehensive plan and zoning code would be drafted. We recommend that the zoning code be analyzed during this time period to determine changes that would enable additional multifamily development and incentivize developers.
- The inflow/outflow data shows that the City of Martinsville and Henry County have a significant concentration of jobs that are attracting workers throughout the region, including a significant portion of individuals who work in the City of Martinsville and Henry County and live to the east, likely in the nearby City of Danville. During our interviews, several area stakeholders conveyed a trend of residents working in the City of Martinsville and Henry County and living in Greensboro, North Carolina. However, based on the data presented, there does not appear to be a significant portion of individuals who work in the City of Martinsville and Henry County and live in Greensboro, North Carolina. There does appear to be a significant amount of workers traveling more than 50 miles from the southwest, likely from Winston-Salem, North Carolina. Surveyed properties in the City of Danville are achieving higher rents as compared to properties in the City of Martinsville and Henry County. We expect this is due to the fact that the surveyed properties in Danville have more amenities and exhibit superior condition. This indicates that there would be demand for new construction multifamily development in the City of Martinsville and Henry County.
- Several area stakeholders expressed support for new construction market rate housing. According to John Stiltner, Director of Development and Construction Management Services for Landmark Partners, good quality housing will drive industries to the area. Additionally, Lee H. Clark, Director of Planning, Zoning, and Inspections for the Henry County Planning Department, stated, “The monthly rent in this area is very low and because of this I think developers believe they would have difficulty renting units at market rate. I personally do not believe that.” Terry Ferguson, Housing Choice Voucher Program Director for the Danville Redevelopment and Housing Authority, recommends new

development or substantial rehabilitation of vacant buildings located in the surrounding areas and stated, “This area would greatly benefit for new/substantial re-hab housing.”

- We also recommend adding workforce housing units to the market, which would garner rents above the 60 percent AMI rents. The demand analysis shows that a significant portion of renter households in the City of Martinsville and Henry County would income-qualify at the 80 to 200 percent AMI levels for housing units.
- The ESRI demographic data indicates that there is gross future demand for a total of 420 units at the 50 percent AMI level, 573 units at the 60 percent AMI level, 423 units at the 80 percent AMI level, 532 units at the 100 percent AMI level, 645 units at the 150 percent AMI level, and 707 units at the 200 percent AMI level in the City of Martinsville and Henry County over the next five years. To avoid double counting households since there is some overlap in these income strata, we also estimated that 931 renters in the City of Martinsville and Henry County would income qualify to reside at one of the six AMI levels. It should be noted that the demand figures above do not account for the existing supply in the market. There are currently 114 existing non-subsidized units targeted at the 50 percent AMI level and 191 existing non-subsidized units targeted at the 60 percent AMI in the City of Martinsville and Henry County. When removing these units, there is net demand for a total of 306 units at the 50 percent AMI level and 382 units at the 60 percent AMI level. It should be noted that we are not aware of any 80 to 200 percent AMI units in the market and the renter households within these income ranges are likely housed in older market rate developments with discounted rents due to their age/condition. As such, there appears to be demand in the market for newly constructed units targeting renters earning between the 50 and 200 percent AMI levels.
- We believe that maximum allowable rents at 50 percent AMI are achievable for a new construction property in the City of Martinsville and Henry County. We believe rents of **\$550**, **\$650**, and **\$725** are achievable at the 60 percent AMI level for a newly constructed LIHTC property in the City of Martinsville and Henry County.
- The gross maximum allowable rents at 80, 100, 150, and 200 percent AMI are above the lowest achievable market rent. Therefore, we placed the achievable rents at 80, 100, 150, and 200 percent AMI for newly constructed properties to be equivalent to the achievable market rents. Given the data reported by the surveyed properties as well as the data for newly constructed properties in the region, we estimate achievable rents for a newly constructed market rate development located in the City of Martinsville and Henry County to range from **\$875** to **\$1,000** for one-bedroom units, from **\$1,025** to **\$1,200** for two-bedroom units, and from **\$1,225** to **\$1,350** for three-bedroom units, depending on the unit sizes, location, and amenities offered.
- The majority of the properties offer one, two, and three-bedroom units in garden-style or townhouse designs. We believe one, two, and three-bedroom unit sizes of 625 to 750, 900 to 1,025, and 1,125 to 1,250 square feet, respectively, would be well accepted in the market. Based on the surveyed properties, the following in-unit amenities are recommended for new construction properties: blinds, carpeting, coat closets, central air conditioning, washer/dryer hookups, dishwashers, garbage disposals, ovens and refrigerators. In terms of property amenities, the following amenities are recommended: a community room, central laundry facilities, on-site management, a picnic area, playground (for family-tenancy properties), and off-street parking. Security amenities are not common in the market; therefore, no security amenities are recommended.

ADDENDUM A
Assumptions & Limiting Conditions

ASSUMPTIONS & LIMITING CONDITIONS

1. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
2. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters.
3. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future.
4. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
5. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
6. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
7. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
8. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

ADDENDUM B
Surveyed Multifamily Property Profiles

PROPERTY PROFILE REPORT

Barrows Mill Apartments

Effective Rent Date 5/07/2020

Location 1026 Barrows Mill Road
Martinsville, VA 24112
Martinsville County

Distance N/A
Units 44
Vacant Units 0
Vacancy Rate 0.0%
Type One-story (age-restricted)
Year Built/Renovated 1985 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None identified
Tenant Characteristics Seniors mostly from the local area
Contact Name Property Manager
Phone 276-634-0900



Market Information

Program @30% (Section 8)
Annual Turnover Rate 5%
Units/Month Absorbed N/A
HCV Tenants N/A
Leasing Pace Pre-leased
Annual Chg. in Rent N/A
Concession None
Waiting List 15 households

Utilities

A/C included – central
Cooking included – electric
Water Heat included – electric
Heat included – electric
Other Electric included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	44	500	N/A	\$0	@30% (Section 8)	Yes	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	N/A	\$0	N/A	-\$78	N/A

Amenities

In-Unit

Blinds Carpeting
Central A/C Coat Closet
Grab Bars Oven
Pull Cords Refrigerator
Washer/Dryer hookup

Security

Limited Access

Services

None

Property

Courtyard Central Laundry
Off-Street Parking On-Site Management

Premium

None

Other

None

Comments

The contact was unable to provide the contract rents.

Photos



PROPERTY PROFILE REPORT

Brookshire Apartments

Effective Rent Date	4/07/2020	
Location	65 Brookshire Lane Bassett, VA 24055 Henry County	
Distance	N/A	
Units	64	
Vacant Units	0	
Vacancy Rate	0.0%	
Type	Garden (2 stories)	
Year Built/Renovated	1999 / 2018	
Marketing Began	N/A	
Leasing Began	N/A	
Last Unit Leased	2/07/2020	
Major Competitors	None identified	
Tenant Characteristics	See comments	
Contact Name	Donna Robison	
Phone	(276) 627-1952	

Market Information		Utilities	
Program	@50%	A/C	not included -- central
Annual Turnover Rate	N/A	Cooking	not included -- gas
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Pre-leased	Other Electric	not included
Annual Chg. in Rent	N/A	Water	included
Concession	None	Sewer	included
Waiting List	Yes, 16 households	Trash Collection	included

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	16	N/A	\$409	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	48	N/A	\$432	\$0	@50%	Yes	0	0.0%	no	None

Unit Mix						
@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	
1BR / 1BA	\$409	\$0	\$409	\$0	\$409	
2BR / 1BA	\$432	\$0	\$432	\$0	\$432	

Amenities						
In-Unit				Security		Services
Blinds				Carpet/Hardwood		Intercom (Buzzer)
Central A/C				Coat Closet		Limited Access
Oven				Refrigerator		None
Property				Premium		Other
Central Laundry				None		None
Picnic Area				Off-Street Parking		
				Playground		

Comments

The contact reported that the property was renovated in 2018 and currently operates with rents below the maximum allowable level. According to the contact, there are a total of 16 households in the waiting list; eight households for one-bedroom units and eight households for two-bedroom units. The contact mentioned that there are a few new tenants who moved from North Carolina and the rest of the tenants are from Virginia. All of the current tenants are working at the local businesses and organizations. According to the property manager, two tenants reported that they lost their jobs and are currently being supported by families. The COVID-19 pandemic did not affect the number of leases. The property manager mentioned high demand for affordable housing in the region, especially, for three-bedroom units.

Brookshire Apartments, continued

Trend Report

Vacancy Rates

2Q19	2Q20
0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$398	\$0	\$398	\$398
2020	2	0.0%	\$409	\$0	\$409	\$409

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2019	2	0.0%	\$421	\$0	\$421	\$421
2020	2	0.0%	\$432	\$0	\$432	\$432

Trend: Comments

2Q19 Contact reported that the property was renovated in 2018 and currently operates with rents below the maximum allowable level.

2Q20 The contact reported that the property was renovated in 2018 and currently operates with rents below the maximum allowable level. According to the contact, there are a total of 16 households in the waiting list; eight households for one-bedroom units and eight households for two-bedroom units. The contact mentioned that there are a few new tenants who moved from North Carolina and the rest of the tenants are from Virginia. All of the current tenants are working at the local businesses and organizations. According to the property manager, two tenants reported that they lost their jobs and are currently being supported by families. The COVID-19 pandemic did not affect the number of leases. The property manager mentioned high demand for affordable housing in the region, especially, for three-bedroom units.

Brookshire Apartments, continued

Photos



PROPERTY PROFILE REPORT

Lynn Street Lofts

Effective Rent Date 4/08/2020

Location 614 Lynn Street
Danville, VA 24541
Danville County

Distance N/A

Units 37

Vacant Units 0

Vacancy Rate 0.0%

Type Conversion (3 stories)

Year Built/Renovated 1930 / 2007

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics None Identified

Contact Name Mirandia

Phone (434) 799-5898



Market Information

Market Information		Utilities	
Program	@40%, @50%, @60%	A/C	not included -- central
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Pre-leased	Other Electric	not included
Annual Chg. in Rent	Increased five percent	Water	included
Concession	None	Sewer	included
Waiting List	Yes, six households on the list	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Conversion (3 stories)	4	1,012	\$415	\$0	@40%	Yes	0	0.0%	yes	None
2	2	Conversion (3 stories)	9	1,012	\$540	\$0	@50%	Yes	0	0.0%	yes	None
2	2	Conversion (3 stories)	8	1,012	\$660	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Conversion (3 stories)	1	1,291	\$450	\$0	@40%	Yes	0	0.0%	yes	None
3	2	Conversion (3 stories)	8	1,291	\$619	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Conversion (3 stories)	7	1,291	\$727	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$415	\$0	\$415	\$0	\$415	2BR / 2BA	\$540	\$0	\$540	\$0	\$540
3BR / 2BA	\$450	\$0	\$450	\$0	\$450	3BR / 2BA	\$619	\$0	\$619	\$0	\$619

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$660	\$0	\$660	\$0	\$660
3BR / 2BA	\$727	\$0	\$727	\$0	\$727

Lynn Street Lofts, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	Intercom (Buzzer)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Playground			

Comments

According to the contact, the situation with COVID-19 has not affected the property in general. The property management office is officially closed. There are four households for two-bedroom units and two households for three-bedroom units on the current waiting list.

Lynn Street Lofts, continued

Trend Report

Vacancy Rates

4Q06	2Q07	2Q19	2Q20
N/A	N/A	5.4%	0.0%

Trend: @40%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	N/A	\$340	\$0	\$340	\$340
2007	2	N/A	\$355	\$0	\$355	\$355
2019	2	0.0%	\$402	\$0	\$402	\$402

Trend: @50%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	N/A	\$450	\$0	\$450	\$450
2007	2	N/A	\$450	\$0	\$450	\$450
2019	2	0.0%	\$505	\$0	\$505	\$505

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$415	\$0	\$415	\$415

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$540	\$0	\$540	\$540

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	N/A	\$385	\$0	\$385	\$385
2007	2	N/A	\$397	\$0	\$397	\$397
2019	2	0.0%	\$425	\$0	\$425	\$425
2020	2	0.0%	\$450	\$0	\$450	\$450

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	N/A	\$500	\$0	\$500	\$500
2007	2	N/A	\$500	\$0	\$500	\$500
2019	2	0.0%	\$564	\$0	\$564	\$564
2020	2	0.0%	\$619	\$0	\$619	\$619

Trend: @60%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	N/A	\$500	\$0	\$500	\$500
2007	2	N/A	\$500	\$0	\$500	\$500
2019	2	25.0%	\$625	\$0	\$625	\$625

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$660	\$0	\$660	\$660

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	N/A	\$565	\$0	\$565	\$565
2007	2	N/A	\$565	\$0	\$565	\$565
2019	2	0.0%	\$702	\$0	\$702	\$702
2020	2	0.0%	\$727	\$0	\$727	\$727

Trend: Comments

4Q06	This is a Subject property.
2Q07	N/A
2Q19	Property manager confirmed that the rents are not at the maximum allowable level.
2Q20	According to the contact, the situation with COVID-19 has not affected the property in general. The property management office is officially closed. There are four households for two-bedroom units and two households for three-bedroom units on the current waiting list.

Lynn Street Lofts, continued

Photos



PROPERTY PROFILE REPORT

Maplewood Apartments

Effective Rent Date **4/07/2020**

Location 1446 West Fayette St
Martinsville, VA 24112
Henry County

Distance N/A

Units 99

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (3 stories)

Year Built/Renovated 1974 / 2013

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics See comments

Contact Name Kayla

Phone (276) 638-1421



Market Information

Utilities

Program	@50%, @60%	A/C	not included -- wall
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within one month	Other Electric	not included
Annual Chg. in Rent	None	Water	included
Concession	None	Sewer	included
Waiting List	Yes, 134 households (78 for 1BR, 38 for 2BR, 18 for 3BR)	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	8	540	\$500	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	8	540	\$500	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	30	770	\$500	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (3 stories)	30	770	\$500	\$0	@60%	Yes	0	0.0%	no	None
3	1	Garden (3 stories)	12	837	\$557	\$0	@50%	Yes	0	0.0%	no	None
3	1	Garden (3 stories)	11	837	\$557	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$500	\$0	\$500	\$0	\$500	1BR / 1BA	\$500	\$0	\$500	\$0	\$500
2BR / 1BA	\$500	\$0	\$500	\$0	\$500	2BR / 1BA	\$500	\$0	\$500	\$0	\$500
3BR / 1BA	\$557	\$0	\$557	\$0	\$557	3BR / 1BA	\$557	\$0	\$557	\$0	\$557

Maplewood Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Wall A/C		

Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
Playground	Recreation Areas		

Comments

The contact reported that there is a high demand for affordable housing in the region and receives a high volume of calls every day about vacancies. According to the contact, there are no tenants relocating from other areas and most of the tenants from the property are working at local organizations and businesses. According to the contact, there are two tenants who lost their jobs and their rent payments are currently on hold for the next three months. According to the property manager, the only change in the environment is working from home and all the appointments are based on the advance phone calls policy.

Maplewood Apartments, continued

Photos



PROPERTY PROFILE REPORT

Martins Landing I

Effective Rent Date	4/08/2020	
Location	1151 E Church St Martinsville, VA 24112 Henry County	
Distance	N/A	
Units	38	
Vacant Units	0	
Vacancy Rate	0.0%	
Type	One-story (age-restricted)	
Year Built/Renovated	1995 / N/A	
Marketing Began	N/A	
Leasing Began	N/A	
Last Unit Leased	1/21/2020	
Major Competitors	None identified	
Tenant Characteristics	Seniors over 62 year old	
Contact Name	Gina	
Phone	(276) 638-7444	

Market Information		Utilities	
Program	@30% (Section 8)	A/C	not included -- wall
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	N/A	Other Electric	not included
Annual Chg. in Rent	N/A	Water	included
Concession	None	Sewer	included
Waiting List	Yes, four people	Trash Collection	included

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	36	637	\$506	\$0	@30% (Section 8)	N/A	0	0.0%	N/A	None
2	1	One-story	2	802	\$536	\$0	@30% (Section 8)	N/A	0	0.0%	N/A	None

Unit Mix						
@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	
1BR / 1BA	\$506	\$0	\$506	\$0	\$506	
2BR / 1BA	\$536	\$0	\$536	\$0	\$536	

Amenities			
In-Unit		Services	
Blinds	Carpeting	Security	
Coat Closet	Dishwasher	None	None
Garbage Disposal	Grab Bars		
Oven	Pull Cords		
Refrigerator	Wall A/C		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	Playground		

Comments

The contact reported high demand for affordable housing for seniors. According to the contact, currently there are four people on the waiting list. The contact did not want to comment on the COVID-19 situation.

Martins Landing I, continued

Photos



PROPERTY PROFILE REPORT

Martins Landing II

Effective Rent Date **4/29/2020**

Location 1151 E. Church Street
Martinsville, VA 24112
Henry County

Distance N/A

Units 58

Vacant Units 0

Vacancy Rate 0.0%

Type One-story (age-restricted)

Year Built/Renovated 1983 / 2000

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics None identified

Contact Name Freda

Phone 276-638-1115



Market Information

Utilities

Program	@30% (Rural Dev.), Non-Rental	A/C	not included -- central
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- gas
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	N/A	Other Electric	not included
Annual Chg. in Rent	N/A	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	26	625	\$650	\$0	@30% (Rural Dev.)	N/A	0	0.0%	N/A	None
2	1	One-story	26	825	\$500	\$0	@30% (Rural Dev.)	N/A	0	0.0%	N/A	None
3	1	One-story	5	925	\$900	\$0	@30% (Rural Dev.)	N/A	0	0.0%	N/A	None
3	1	One-story	1	925	\$900	\$0	Non-Rental	N/A	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	\$0	\$650	3BR / 1BA	\$900	\$0	\$900	\$0	\$900
2BR / 1BA	\$500	\$0	\$500	\$0	\$500						
3BR / 1BA	\$900	\$0	\$900	\$0	\$900						

Martins Landing II, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Ceiling Fan	Garbage Disposal		
Grab Bars	Oven		
Pull Cords	Refrigerator		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
Playground			

Comments

The information was updated based on the online resources.

Martins Landing II, continued

Trend Report

Vacancy Rates

4Q12	1Q14	2Q20
N/A	0.0%	0.0%

Trend: @30%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$650	\$0	\$650	\$650

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$500	\$0	\$500	\$500

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	2	0.0%	\$900	\$0	\$900	\$900

Trend: Non-Rental

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	N/A	\$0	N/A	N/A
2020	2	0.0%	\$900	\$0	\$900	\$900

Trend: Comments

4Q12	N/A
1Q14	N/A
2Q20	The information was updated based on the online resources.

Martins Landing II, continued

Photos



PROPERTY PROFILE REPORT

Martinsville Lofts

Effective Rent Date	4/12/2020
Location	900 Rives Road Martinsville, VA 24112 Martinsville County
Distance	N/A
Units	60
Vacant Units	4
Vacancy Rate	6.7%
Type	Garden (2 stories)
Year Built/Renovated	1929 / 2011
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	3/30/2020
Major Competitors	None identified
Tenant Characteristics	Tenants from the Martinsville/Henry County area
Contact Name	Tina
Phone	276-632-2125



Market Information

Utilities

Program	@40%, @60%	A/C	not included -- central
Annual Turnover Rate	5%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	15%	Heat	not included -- electric
Leasing Pace	Three to five days	Other Electric	not included
Annual Chg. in Rent	Increased one to two percent	Water	included
Concession	None	Sewer	included
Waiting List	Yes, unknown length	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	766	\$458	\$0	@40%	Yes	N/A	N/A	no	None
1	1	Garden (2 stories)	10	766	\$458	\$0	@60%	Yes	N/A	N/A	no	None
2	1.5	Garden (2 stories)	1	1,109	\$532	\$0	@40%	Yes	N/A	N/A	no	None
2	1.5	Garden (2 stories)	33	1,109	\$532	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	11	1,193	\$601	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (2 stories)	3	1,193	\$601	\$0	@40%	Yes	N/A	N/A	no	None

Unit Mix

@40%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$458	\$0	\$458	\$0	\$458	1BR / 1BA	\$458	\$0	\$458	\$0	\$458
2BR / 1.5BA	\$532	\$0	\$532	\$0	\$532	2BR / 1.5BA	\$532	\$0	\$532	\$0	\$532
3BR / 2BA	\$601	\$0	\$601	\$0	\$601	3BR / 2BA	\$601	\$0	\$601	\$0	\$601

Martinsville Lofts, continued

Amenities

In-Unit	Security	Services
Blinds	Cable/Satellite/Internet	Video Surveillance
Carpeting	Coat Closet	None
Dishwasher	Oven	
Refrigerator	Washer/Dryer hookup	
Property	Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None
Exercise Facility	Central Laundry	None
Off-Street Parking	On-Site Management	
Playground		

Comments

All of the units are different sizes. The size stated is an average. The range for the two-bedroom units is 971 to 1,248 square feet and the range for the three-bedroom units is 1,050 to 1,336 square feet. Contact reported that the COVID-19 pandemic did not have any affect on the property and tenants.

Martinsville Lofts, continued

Trend Report

Vacancy Rates

4Q12	1Q14	2Q19	2Q20
0.0%	1.7%	6.7%	6.7%

Trend: @40%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	50.0%	\$321	\$0	\$321	\$321
2019	2	N/A	\$458	\$0	\$458	\$458
2020	2	N/A	\$458	\$0	\$458	\$458

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$399	\$0	\$399	\$399
2014	1	0.0%	\$394	\$0	\$394	\$394
2019	2	N/A	\$458	\$0	\$458	\$458
2020	2	N/A	\$458	\$0	\$458	\$458

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$399	\$0	\$399	\$399
2019	2	N/A	\$532	\$0	\$532	\$532
2020	2	N/A	\$532	\$0	\$532	\$532

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$469	\$0	\$469	\$469
2014	1	0.0%	\$465	\$0	\$465	\$465
2019	2	N/A	\$532	\$0	\$532	\$532
2020	2	N/A	\$532	\$0	\$532	\$532

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	0.0%	\$526	\$0	\$526	\$526
2019	2	N/A	\$601	\$0	\$601	\$601
2020	2	N/A	\$601	\$0	\$601	\$601

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$535	\$0	\$535	\$535
2014	1	0.0%	\$527	\$0	\$527	\$527
2019	2	N/A	\$601	\$0	\$601	\$601
2020	2	N/A	\$601	\$0	\$601	\$601

Trend: Comments

4Q12 N/A

1Q14 All of the units are different sizes. The size stated is an average. The range for the two-bedroom units is 971 to 1,248 square feet and the range for the three-bedroom units is 1,050 to 1,336 square feet. The rent roll indicated that the 40% three-bedroom unit is one dollar more than the 60% unit.

2Q19 All of the units are different sizes. The size stated is an average. The range for the two-bedroom units is 971 to 1,248 square feet and the range for the three-bedroom units is 1,050 to 1,336 square feet. Contact reported that the Covid-19 didn't have any effect on the property and tenants.

2Q20 All of the units are different sizes. The size stated is an average. The range for the two-bedroom units is 971 to 1,248 square feet and the range for the three-bedroom units is 1,050 to 1,336 square feet. Contact reported that the COVID-19 pandemic did not have any affect on the property and tenants.

Martinsville Lofts, continued

Photos



PROPERTY PROFILE REPORT

Northpointe Apartments

Effective Rent Date	4/08/2020
Location	100 Northpointe Lane Danville, VA 24540 Danville County
Distance	N/A
Units	168
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1996 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Marshall Rentals
Tenant Characteristics	Single mothers and young families from Danville
Contact Name	Courtney
Phone	434-836-0277



Market Information

Utilities

Program	@60%	A/C	not included -- central
Annual Turnover Rate	36%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	60%	Heat	not included -- electric
Leasing Pace	Within two weeks	Other Electric	not included
Annual Chg. in Rent	Increased two percent	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	33	643	\$525	\$0	@60%	No	0	0.0%	no	None
2	1.5	Garden (3 stories)	48	880	\$599	\$0	@60%	No	0	0.0%	no	None
3	1.5	Garden (3 stories)	87	1,025	\$695	\$0	@60%	No	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$525	\$0	\$525	\$0	\$525
2BR / 1.5BA	\$599	\$0	\$599	\$0	\$599
3BR / 1.5BA	\$695	\$0	\$695	\$0	\$695

Northpointe Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Perimeter Fencing	
Exterior Storage	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Swimming Pool			

Comments

According to the property manager, there has been no major effect from the COVID-19 situation.

Northpointe Apartments, continued

Trend Report

Vacancy Rates

4Q14	1Q17	2Q19	2Q20
1.8%	4.8%	0.0%	0.0%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	0.0%	\$449	\$0	\$449	\$449
2017	1	0.0%	\$495	\$0	\$495	\$495
2019	2	0.0%	\$505	\$0	\$505	\$505
2020	2	0.0%	\$525	\$0	\$525	\$525

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	0.0%	\$519	\$0	\$519	\$519
2017	1	14.6%	\$570	\$0	\$570	\$570
2019	2	0.0%	\$580	\$0	\$580	\$580
2020	2	0.0%	\$599	\$0	\$599	\$599

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	3.4%	\$599	\$17	\$582	\$582
2017	1	1.1%	\$660	\$0	\$660	\$660
2019	2	0.0%	\$670	\$0	\$670	\$670
2020	2	0.0%	\$695	\$0	\$695	\$695

Trend: Comments

4Q14 This well maintained LIHTC property is located in the northern portion of Danville. All units are set-aside at 60 percent of AMI and rents are below the maximum allowable and priced to what the market can bear according to the manager. Rents have not changed in several years as the manager states that the AMI has not increased in recent years. This property has a large proportion of three-bedroom units and the only vacancies are in this unit type. A concession of \$100 off for the first two months of rent is being offered for the three-bedroom units only. The majority of tenants are from the immediate Danville area. Typical tenant occupations include retail, call centers, and lower level health care workers. Average annual household income is generally in the \$15,000 to \$25,000 range.

1Q17 This well maintained LIHTC property is located in the northern portion of Danville. All units are set-aside at 60 percent of AMI and rents are below the maximum allowable and priced to what the market can bear according to the manager. Modest concessions have been offered in the past, but none currently. The property has substantially increased its percentage of tenants with a Housing Choice Voucher from approximately 25 percent several years ago to approximately 60 percent currently. However, the manager stated that the property is not dependent on tenants with vouchers. The majority of tenants are families from the immediate Danville area. Most departing tenants either purchase a home or leave the area. Typical tenant occupations include retail, call centers, and lower level health care workers. Average annual household income is generally in the \$15,000 to \$25,000 range.

2Q19 This well maintained LIHTC property is located in the northern portion of Danville. All units are set-aside at 60 percent of AMI and rents are below the maximum allowable and priced to what the market can bear according to the manager.

2Q20 According to the property manager, there has been no major effect from the COVID-19 situation.

Northpointe Apartments, continued

Photos



PROPERTY PROFILE REPORT

Ridge View Apartments

Effective Rent Date 4/09/2020

Location 1130 Ridge Rd
Martinsville, VA 24112
Henry County

Distance N/A

Units 48

Vacant Units 0

Vacancy Rate 0.0%

Type Garden (2 stories)

Year Built/Renovated 2001 / 2010

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics Mix tenancy

Contact Name Property Manager

Phone 844-895-0775



Market Information

Program	@60%	A/C	not included -- central
Annual Turnover Rate	15%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within one month	Other Electric	not included
Annual Chg. in Rent	None	Water	included
Concession	None	Sewer	included
Waiting List	Yes, one person	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	24	1,049	\$530	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	24	1,281	\$595	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$530	\$0	\$530	\$0	\$530
3BR / 2BA	\$595	\$0	\$595	\$0	\$595

Amenities

In-Unit	Security	Services
Balcony/Patio	Blinds	None
Cable/Satellite/Internet	Carpeting	None
Central A/C	Coat Closet	
Dishwasher	Oven	
Refrigerator	Walk-In Closet	
Washer/Dryer hookup		

Property	Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None
Off-Street Parking	On-Site Management	None
Picnic Area	Playground	

Ridge View Apartments, continued

Comments

The contact mentioned that there is a high demand for the affordable housing in the region. Internet is included in the rent. The property manager did not want to talk comment on the COVID-19 situation.

Ridge View Apartments, continued

Trend Report

Vacancy Rates

4Q12	2Q20
0.0%	0.0%

Trend: @60%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$400	\$0	\$400	\$400
2020	2	0.0%	\$530	\$0	\$530	\$530

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2012	4	0.0%	\$460	\$0	\$460	\$460
2020	2	0.0%	\$595	\$0	\$595	\$595

Trend: Comments

4Q12 N/A

2Q20 The contact mentioned that there is a high demand for the affordable housing in the region. Internet is included in the rent. The property manager did not want to talk comment on the COVID-19 situation.

Ridge View Apartments, continued

Photos



PROPERTY PROFILE REPORT

Southwyck Hills

Effective Rent Date **4/07/2020**

Location 114 North Hills Court
Danville, VA 24541
Danville County

Distance N/A

Units 116

Vacant Units 1

Vacancy Rate 0.9%

Type Garden (3 stories)

Year Built/Renovated 1970 / 2008

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None noted

Tenant Characteristics See comments

Contact Name Andrea

Phone 434-799-6202



Market Information

Utilities

Program	@60%	A/C	not included -- central
Annual Turnover Rate	26%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	20%	Heat	not included -- electric
Leasing Pace	N/A	Other Electric	not included
Annual Chg. in Rent	None	Water	not included
Concession	None	Sewer	not included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	18	609	\$408	\$0	@60%	no	0	0.0%	no	None
2	1	Garden (3 stories)	48	748	\$485	\$0	@60%	no	1	2.1%	no	None
3	1	Garden (3 stories)	42	880	\$624	\$0	@60%	no	0	0.0%	no	None
4	1	Garden (3 stories)	8	1,083	\$651	\$0	@60%	no	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$408	\$0	\$408	\$48	\$456
2BR / 1BA	\$485	\$0	\$485	\$58	\$543
3BR / 1BA	\$624	\$0	\$624	\$68	\$692
4BR / 1BA	\$651	\$0	\$651	\$77	\$728

Southwyck Hills, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Coat Closet		
Dishwasher	Garbage Disposal		
Oven	Refrigerator		

Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground			

Comments

According to the contact, 44 of the 116 units are subsidized, where tenants pay 30 percent of their incomes towards rents. Approximately 20 percent of the tenants in the non-subsidized units have an individual Housing Choice Voucher. The contact mentioned that there are mixed tenants working at local businesses and no layoffs due to COVID-19 reported. There has been no increase in vacancy due to the current COVID-19 situation and no new tenants from other areas.

Southwyck Hills, continued

Trend Report

Vacancy Rates

4Q14	1Q17	2Q19	2Q20
5.2%	6.0%	0.9%	0.9%

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$389	\$0	\$389	\$437
2017	1	N/A	\$389	\$0	\$389	\$437
2019	2	0.0%	\$408	\$0	\$408	\$456
2020	2	0.0%	\$408	\$0	\$408	\$456

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$462	\$0	\$462	\$520
2017	1	N/A	\$462	\$0	\$462	\$520
2019	2	2.1%	\$485	\$0	\$485	\$543
2020	2	2.1%	\$485	\$0	\$485	\$543

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$594	\$0	\$594	\$662
2017	1	N/A	\$594	\$69	\$525	\$593
2019	2	0.0%	\$624	\$0	\$624	\$692
2020	2	0.0%	\$624	\$0	\$624	\$692

4BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	4	N/A	\$620	\$0	\$620	\$697
2017	1	N/A	\$620	\$0	\$620	\$697
2019	2	0.0%	\$651	\$0	\$651	\$728
2020	2	0.0%	\$651	\$0	\$651	\$728

Trend: Comments

4Q14 Southwyck Hills is a LIHTC property located in far south Danville in a relatively undeveloped area. Of the total 116 units, 44 units are operated under project-based subsidy where tenants pay 30 percent of their income as rent. The remaining units are set-aside at 60 percent of AMI and rents are at the maximum allowable. Approximately 20 percent of the tenants in the non-subsidized units have an individual Housing Choice Voucher. The majority of tenants are from the immediate Danville area. All unit types have one bathroom, including the three and four-bedroom units. Unit sizes are small for this market.

1Q17 Southwyck Hills is a LIHTC property located in far south Danville in a relatively undeveloped area. Of the total 116 units, 44 units are operated under project-based subsidy where tenants pay 30 percent of their income as rent. The remaining units are set-aside at 60 percent of AMI and rents are at the maximum allowable before concessions. Rents have not changed in over two years. A rent discount is being offered on the three-bedroom unit as a concession. Approximately 20 percent of the tenants in the non-subsidized units have an individual Housing Choice Voucher. The majority of tenants are from the immediate Danville area and many employed tenants work in the manufacturing sector. All unit types have one bathroom, including the three and four-bedroom units. Unit sizes are small for this market.

2Q19 According to the contact, 44 of the 116 units are subsidized, where tenants pay 30 percent of their incomes towards rents. Approximately 20 percent of the tenants in the non-subsidized units have an individual Housing Choice Voucher.

2Q20 According to the contact, 44 of the 116 units are subsidized, where tenants pay 30 percent of their incomes towards rents. Approximately 20 percent of the tenants in the non-subsidized units have an individual Housing Choice Voucher. The contact mentioned that there are mixed tenants working at local businesses and no layoffs due to COVID -19 reported. There has been no increase in vacancy due to the current COVID-19 situation and no new tenants from other areas.

Southwyck Hills, continued

Photos



PROPERTY PROFILE REPORT

Spruce Village Apartments

Effective Rent Date 4/08/2020

Location 1201 Spruce St
Martinsville, VA 24112
Henry County

Distance N/A

Units 100

Vacant Units 0

Vacancy Rate 0.0%

Type Midrise (age-restricted) (4 stories)

Year Built/Renovated 1980 / 2000

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics Mixed tenancy

Contact Name Deanna

Phone 276-632-5156



Market Information

Program	@30% (Section 8)	A/C	not included -- wall
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within two weeks	Other Electric	included
Annual Chg. in Rent	None	Water	included
Concession	None	Sewer	included
Waiting List	Yes, 19 households	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	50	540	\$680	\$0	@30% (Section 8)	Yes	0	0.0%	N/A	None
2	1.5	Midrise (4 stories)	50	750	\$800	\$0	@30% (Section 8)	Yes	0	0.0%	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$680	\$0	\$680	-\$27	\$653
2BR / 1.5BA	\$800	\$0	\$800	-\$36	\$764

Amenities

In-Unit	Security	Services
Balcony/Patio	Blinds	
Carpeting	Coat Closet	
Dishwasher	Garbage Disposal	
Grab Bars	Oven	
Pull Cords	Refrigerator	
Wall A/C		

Property	Premium	Other
Elevators		
Off-Street Parking		
Picnic Area		
Central Laundry		
On-Site Management		

Spruce Village Apartments, continued

Comments

The property manager mentioned that affordable housing is in high demand and the waiting list is comprised of 19 households for one-bedroom units. The contact was unwilling to answer any questions about the COVID-19 situation.

Spruce Village Apartments, continued

Photos



PROPERTY PROFILE REPORT

Sterling Trace Apartments

Effective Rent Date	4/10/2020
Location	224 Beavers Mill Road Danville, VA 24540 Danville County
Distance	N/A
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2002 / 2015
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Northpointe
Tenant Characteristics	Mainly families with children from Danville.
Contact Name	Rita
Phone	434-836-1020



Market Information

Market Information		Utilities	
Program	@50%, @60%	A/C	not included -- central
Annual Turnover Rate	25%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	50%	Heat	not included -- electric
Leasing Pace	Pre-leased	Other Electric	not included
Annual Chg. in Rent	Increased three percent	Water	included
Concession	None	Sewer	included
Waiting List	Small list	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	8	1,043	\$660	\$0	@50%	Yes	0	0.0%	yes	None
2	1.5	Garden (2 stories)	12	1,043	\$775	\$0	@60%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	16	1,281	\$690	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Garden (2 stories)	12	1,281	\$895	\$0	@60%	Yes	0	0.0%	yes	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$660	\$0	\$660	\$0	\$660	2BR / 1.5BA	\$775	\$0	\$775	\$0	\$775
3BR / 2BA	\$690	\$0	\$690	\$0	\$690	3BR / 2BA	\$895	\$0	\$895	\$0	\$895

Sterling Trace Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			

Property		Premium	Other
Clubhouse/Meeting Room/Community	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		

Comments

The contact reported that there is a high demand for affordable housing in the region. According to the property manager, there has been no major affect from the current COVID-19 situation.

Sterling Trace Apartments, continued

Trend Report

Vacancy Rates

4Q06	2Q07	1Q17	2Q20
0.0%	0.0%	0.0%	0.0%

Trend: @50%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$413	\$0	\$413	\$413
2007	2	0.0%	\$413	\$0	\$413	\$413
2017	1	0.0%	\$525	\$0	\$525	\$525
2020	2	0.0%	\$660	\$0	\$660	\$660

Trend: @60%

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$460	\$0	\$460	\$460
2007	2	0.0%	\$460	\$0	\$460	\$460
2017	1	0.0%	\$562	\$0	\$562	\$562
2020	2	0.0%	\$775	\$0	\$775	\$775

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$465	\$0	\$465	\$465
2007	2	0.0%	\$465	\$0	\$465	\$465
2017	1	0.0%	\$600	\$0	\$600	\$600
2020	2	0.0%	\$690	\$0	\$690	\$690

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2006	4	0.0%	\$540	\$0	\$540	\$540
2007	2	0.0%	\$540	\$0	\$540	\$540
2017	1	0.0%	\$650	\$0	\$650	\$650
2020	2	0.0%	\$895	\$0	\$895	\$895

Trend: Comments

4Q06 Sterling Trace Apartments is a LIHTC property with a total of 48 units and a vacancy rate of zero percent. Additionally, the property maintains a waiting list with 15 households. The rental rates are slightly below the maximum allowable levels. The property manager reported that the local rental market has been slow lately due to Goodyear being on strike as well as Dan Mills, one of the largest employers in the area, closing. The property manager further stated that approximately 60 percent of tenants utilize Section 8 vouchers.

2Q07 The property has remained 100 percent occupied since November 2006. The rental rates have also remained stable and are below the maximum allowable levels in order to keep in line with the local rental market.

1Q17 This LIHTC property reports that 50 and 60 percent rents are at the maximum allowable levels. The manager reports that overall demand for apartment units has been relatively stable over the past two years.

2Q20 The contact reported that there is a high demand for affordable housing in the region. According to the property manager, there has been no major affect from the current COVID-19 situation.

Sterling Trace Apartments, continued

Photos



PROPERTY PROFILE REPORT

1605 Spruce

Effective Rent Date	5/07/2020
Location	1605 Spruce St Ext Martinsville, VA 24112 Henry County
Distance	N/A
Units	14
Vacant Units	1
Vacancy Rate	7.1%
Type	Garden (2 stories)
Year Built/Renovated	1980 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Property Manager
Phone	276-647-7705



Market Information

Market Information		Utilities	
Program	Market	A/C	not included -- central
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within one month	Other Electric	not included
Annual Chg. in Rent	N/A	Water	not included
Concession	None	Sewer	not included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	14	1,065	\$600	\$0	Market	No	1	7.1%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$600	\$0	\$600	\$58	\$658

Amenities

In-Unit	Security	Services
Balcony/Patio	Blinds	None
Carpeting	Central A/C	None
Coat Closet	Ceiling Fan	
Oven	Refrigerator	
Property	Premium	Other
Central Laundry	Off-Street Parking	None

Comments

The year built was estimated.

1605 Spruce, continued

Photos



PROPERTY PROFILE REPORT

807 Barrows Mill Road

Effective Rent Date 4/29/2020

Location 807 Barrows Mill Road
Martinsville, VA 24112
Henry County

Distance N/A

Units 5

Vacant Units 1

Vacancy Rate 20.0%

Type Townhouse (2 stories)

Year Built/Renovated 1985 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics None identified

Contact Name N/A

Phone N/A



Market Information

Utilities

Program	Market, Non-Rental	A/C	not included -- central
Annual Turnover Rate	0%	Cooking	not included -- gas
Units/Month Absorbed	N/A	Water Heat	not included -- gas
HCV Tenants	N/A	Heat	not included -- gas
Leasing Pace	Within one month	Other Electric	not included
Annual Chg. in Rent	None	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	4	1,004	\$558	\$0	Market	No	1	25.0%	N/A	None
2	1.5	Townhouse (2 stories)	1	1,004	N/A	\$0	Non-Rental	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$558	\$0	\$558	\$0	\$558	2BR / 1.5BA	N/A	\$0	N/A	\$0	N/A

Amenities

In-Unit	Security	Services
Blinds	Carpeting	None
Central A/C	Coat Closet	None
Dishwasher	Garbage Disposal	
Oven	Refrigerator	
Property	Premium	Other
Central Laundry	None	None
	Off-Street Parking	

Comments

Windows were replaced in 1995 and the roof was replaced in 2000. All pipes have been replaced by copper. Most tenants have lived at the property for many years. The information was updated via CoStar and online data.

Photos



PROPERTY PROFILE REPORT

Autumn Crest Apartments

Effective Rent Date	5/05/2020
Location	53 Autumn Crest Drive Collinsville, VA 24078 Henry County
Distance	N/A
Units	20
Vacant Units	1
Vacancy Rate	5.0%
Type	Garden (2 stories)
Year Built/Renovated	1980 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Property Manager- Adkins Construction Corp.
Phone	276-647-7366



Market Information

Market Information		Utilities	
Program	Market	A/C	not included -- central
Annual Turnover Rate	10%	Cooking	not included -- gas
Units/Month Absorbed	N/A	Water Heat	not included -- gas
HCV Tenants	N/A	Heat	not included -- gas
Leasing Pace	N/A	Other Electric	not included
Annual Chg. in Rent	Increased \$10	Water	not included
Concession	None	Sewer	not included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Garden (2 stories)	10	700	\$575	\$0	Market	No	1	10.0%	N/A	None
2	2	Garden (2 stories)	10	850	\$590	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$575	\$0	\$575	\$58	\$633
2BR / 2BA	\$590	\$0	\$590	\$58	\$648

Amenities

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

Comments

Units are renovated as needed upon turnover.

Autumn Crest Apartments, continued

Photos



PROPERTY PROFILE REPORT

Blue Ridge Apartments

Effective Rent Date	5/07/2020
Location	43 Brook Court Fieldale, VA 24089 Henry County
Distance	N/A
Units	12
Vacant Units	1
Vacancy Rate	8.3%
Type	Conversion (3 stories)
Year Built/Renovated	1900 / 1965
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Carl- City & County Properties
Phone	540-683-8280



Market Information

Market Information		Utilities	
Program	Market	A/C	not included -- window
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- gas
HCV Tenants	N/A	Heat	not included -- gas
Leasing Pace	N/A	Other Electric	not included
Annual Chg. in Rent	N/A	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Conversion (3 stories)	6	600	\$375	\$0	Market	No	1	16.7%	N/A	None
1	1	Conversion (3 stories)	6	600	\$400	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
Studio / 1BA	\$375	\$0	\$375	\$0	\$375
1BR / 1BA	\$400	\$0	\$400	\$0	\$400

Amenities

In-Unit	Blinds	Security	Services
Balcony/Patio	Coat Closet	None	None
Carpet/Hardwood	Refrigerator		
Oven			
Window A/C			
Property		Premium	Other
None		None	None

Comments

This property was a former hotel. Construction and conversion years are estimated. The total number of units is estimated.

Blue Ridge Apartments, continued

Photos



PROPERTY PROFILE REPORT

Chateau Terrace Apartments

Effective Rent Date	4/29/2020	
Location	1515 E. Church St. Ext. Martinsville, VA 24112 Martinsville County	
Distance	N/A	
Units	10	
Vacant Units	1	
Vacancy Rate	10.0%	
Type	Townhouse (2 stories)	
Year Built/Renovated	1971 / 2000	
Marketing Began	N/A	
Leasing Began	N/A	
Last Unit Leased	N/A	
Major Competitors	None identified	
Tenant Characteristics	Nursing professionals, single parents with children	
Contact Name	Chris Harvey	
Phone	276-666-1527	

Market Information		Utilities	
Program	Market	A/C	not included -- central
Annual Turnover Rate	20%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	0%	Heat	not included -- electric
Leasing Pace	Within two weeks	Other Electric	not included
Annual Chg. in Rent	Increased \$5	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	10	900	\$495	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix						
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	
2BR / 1.5BA	\$495	\$0	\$495	\$0	\$495	

Amenities					
In-Unit		Premium		Services	
Balcony/Patio	Blinds	None		None	
Carpeting	Central A/C				
Coat Closet	Dishwasher				
Garbage Disposal	Oven				
Refrigerator	Washer/Dryer				
Washer/Dryer hookup					
Property				Other	
Clubhouse/Meeting Room/Community	Off-Street Parking			None	
Picnic Area					

Chateau Terrace Apartments, continued

Comments

The contact mentioned some of the units have gas instead of electric for cooking, water heating, and heat. Housing Choice Vouchers are not accepted at the property. The property is replacing the carpeting with hardwood flooring as tenants move out. There is a city park near the property. According to the contact, there is no negative effect of COVID-19 and all the rents were paid on time.

Chateau Terrace Apartments, continued

Trend Report

Vacancy Rates

1Q14	2Q20
10.0%	10.0%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2014	1	10.0%	\$470	\$0	\$470	\$470
2020	2	N/A	\$495	\$0	\$495	\$495

Trend: Comments

1Q14 Contact mentioned some of the units have gas instead of electric for cooking, water heating, and heat. Housing Choice Vouchers are not accepted at the property. The property is replacing the carpeting with hardwood flooring as tenants move out. There is a city park near the property.

2Q20 The contact mentioned some of the units have gas instead of electric for cooking, water heating, and heat. Housing Choice Vouchers are not accepted at the property. The property is replacing the carpeting with hardwood flooring as tenants move out. There is a city park near the property. According to the contact, there is no negative effect of COVID-19 and all the rents were paid on time.

Chateau Terrace Apartments, continued

Photos



PROPERTY PROFILE REPORT

Greystone Apartments

Effective Rent Date 5/05/2020

Location 224 Parker Road
Danville, VA 24540
Danville County

Distance N/A

Units 34

Vacant Units 0

Vacancy Rate 0.0%

Type Various (2 stories)

Year Built/Renovated 1984 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None Identified

Tenant Characteristics Mixed tenancy

Contact Name Dorothy

Phone 434-793-2792



Market Information

Utilities

Program	Market	A/C	not included -- central
Annual Turnover Rate	10%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	0%	Heat	not included -- electric
Leasing Pace	Within a week	Other Electric	not included
Annual Chg. in Rent	None	Water	included
Concession	None	Sewer	included
Waiting List	Approximately 10 households	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	700	\$350	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	30	800	\$425	\$0	Market	Yes	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	2	1,200	\$650	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$350	\$0	\$350	\$0	\$350
2BR / 1BA	\$425	\$0	\$425	\$0	\$425
3BR / 2.5BA	\$650	\$0	\$650	\$0	\$650

Greystone Apartments, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Dishwasher		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Off-Street Parking		None	None

Comments

This property does not accept Housing Choice Vouchers. The contact reported a strong demand for multifamily housing in the area.

Greystone Apartments, continued

Trend Report

Vacancy Rates

1Q17	2Q19	3Q19	2Q20
0.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	\$360	\$0	\$360	\$360
2019	2	0.0%	\$360	\$0	\$360	\$360
2019	3	0.0%	\$360	\$0	\$360	\$360
2020	2	0.0%	\$350	\$0	\$350	\$350

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	\$415	\$0	\$415	\$415
2019	2	0.0%	\$450	\$0	\$450	\$450
2019	3	0.0%	\$450	\$0	\$450	\$450
2020	2	0.0%	\$425	\$0	\$425	\$425

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	1	0.0%	\$650	\$0	\$650	\$650
2019	2	0.0%	\$650	\$0	\$650	\$650
2019	3	0.0%	\$650	\$0	\$650	\$650
2020	2	0.0%	\$650	\$0	\$650	\$650

Trend: Comments

1Q17 This is one of several properties in the Danville area managed by the Marshall Management Company. This property is in average condition. The contact was only able to provide limited information. Details regarding the turnover rate and a tenant profile were not provided. Rents have not changed little over the past eight years.

2Q19 According to the contact, there has been limited rent growth in the past 8 years.

3Q19 This property does not accept Housing Choice Vouchers. The contact reported a strong demand for multifamily housing in the area.

2Q20 N/A

Greystone Apartments, continued

Photos



PROPERTY PROFILE REPORT

Longwood Village Apartments

Effective Rent Date	5/08/2020	
Location	471 Crestwood Road Collinsville, VA 24078 Henry County	
Distance	N/A	
Units	40	
Vacant Units	0	
Vacancy Rate	0.0%	
Type	Garden (2 stories)	
Year Built/Renovated	1987 / N/A	
Marketing Began	N/A	
Leasing Began	N/A	
Last Unit Leased	N/A	
Major Competitors	None identified	
Tenant Characteristics	None identified	
Contact Name	Property Manager	
Phone	276-647-7366	

Market Information		Utilities	
Program	Market	A/C	not included -- central
Annual Turnover Rate	20%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within two weeks	Other Electric	not included
Annual Chg. in Rent	None	Water	not included
Concession	None	Sewer	not included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	20	620	\$360	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	20	780	\$415	\$0	Market	No	0	0.0%	N/A	None

Unit Mix						
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	
1BR / 1BA	\$360	\$0	\$360	\$48	\$408	
2BR / 1BA	\$415	\$0	\$415	\$58	\$473	

Amenities						
In-Unit				Security		Services
Balcony/Patio	Blinds			None		None
Carpeting	Central A/C					
Coat Closet	Garbage Disposal					
Oven	Refrigerator					
Property				Premium		Other
Central Laundry	Off-Street Parking			None		None

Comments						
The contact was unable to provide information on voucher usage.						

Longwood Village Apartments, continued

Photos



PROPERTY PROFILE REPORT

Mt. Hermon Village

Effective Rent Date 4/29/2020

Location 3560 Franklin Turnpike
Danville, VA 24540
Danville County

Distance N/A

Units 77

Vacant Units 0

Vacancy Rate 0.0%

Type Various (2 stories)

Year Built/Renovated 2000 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics Mixed tenancy

Contact Name Dorothy

Phone 434-793-2792



Market Information

Utilities

Program	Market	A/C	not included -- central
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within one month	Other Electric	not included
Annual Chg. in Rent	None	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	10	800	\$450	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	24	900	\$560	\$0	Market	No	0	0.0%	N/A	None
2	1	One-story	32	1,200	\$700	\$0	Market	No	0	0.0%	N/A	None
3	2.5	Townhouse (2 stories)	11	1,250	\$750	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$450	\$0	\$450	\$0	\$450
2BR / 1BA	\$560 - \$700	\$0	\$560 - \$700	\$0	\$560 - \$700
3BR / 2.5BA	\$750	\$0	\$750	\$0	\$750

Mt. Hermon Village, continued

Amenities

In-Unit		Security	Services
Blinds	Carpeting	None	None
Central A/C	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer		
Washer/Dryer hookup			
Property		Premium	Other
Off-Street Parking		None	None

Comments

The contact would not provide annual turnover or tenant characteristics. This property does not accept Housing Choice Vouchers. The COVID-19 situation has not had a major affect on the property.

Mt. Hermon Village, continued

Trend Report

Vacancy Rates

4Q17	2Q19	3Q19	2Q20
1.3%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$560	\$0	\$560	\$560
2019	2	0.0%	\$450	\$0	\$450	\$450
2019	3	0.0%	\$450	\$0	\$450	\$450
2020	2	0.0%	\$450	\$0	\$450	\$450

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	1.8%	\$560 - \$650	\$0	\$560 - \$650	\$560 - \$650
2019	2	0.0%	\$560 - \$650	\$0	\$560 - \$650	\$560 - \$650
2019	3	0.0%	\$560 - \$650	\$0	\$560 - \$650	\$560 - \$650
2020	2	0.0%	\$560 - \$700	\$0	\$560 - \$700	\$560 - \$700

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$650	\$0	\$650	\$650
2019	2	0.0%	\$700	\$0	\$700	\$700
2019	3	0.0%	\$700	\$0	\$700	\$700
2020	2	N/A	\$750	\$0	\$750	\$750

Trend: Comments

4Q17 Management would not provide annual turnover or tenant characteristics.

2Q19 N/A

3Q19 Management would not provide annual turnover or tenant characteristics. This property does not accept Housing Choice Vouchers.

2Q20 The contact would not provide annual turnover or tenant characteristics. This property does not accept Housing Choice Vouchers. The COVID-19 situation has not had a major affect on the property.

Photos



PROPERTY PROFILE REPORT

Northview Gardens

Effective Rent Date **4/29/2020**

Location **755 Stultz Rd
Martinsville, VA 24112
Henry County**

Distance **N/A**

Units **100**

Vacant Units **3**

Vacancy Rate **3.0%**

Type **Garden (3 stories)**

Year Built/Renovated **1976 / N/A**

Marketing Began **N/A**

Leasing Began **N/A**

Last Unit Leased **N/A**

Major Competitors **None identified**

Tenant Characteristics **None identified**

Contact Name **Property Manager**

Phone **(276) 638-7251**



Market Information

Program	Market	A/C	included – window
Annual Turnover Rate	N/A	Cooking	included – electric
Units/Month Absorbed	N/A	Water Heat	included – electric
HCV Tenants	N/A	Heat	included – electric
Leasing Pace	Pre-leased	Other Electric	included
Annual Chg. in Rent	Increased one percent	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	21	740	\$488	\$0	Market	No	1	4.8%	N/A	None
2	1	Garden (3 stories)	49	820	\$564	\$0	Market	No	1	2.0%	N/A	None
3	1	Garden (3 stories)	30	850	\$598	\$0	Market	No	1	3.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$488	\$0	\$488	-\$78	\$410
2BR / 1BA	\$564	\$0	\$564	-\$106	\$458
3BR / 1BA	\$598	\$0	\$598	-\$133	\$465

Amenities

In-Unit	Security	Services
Blinds	Carpeting	None
Coat Closet	Oven	None
Refrigerator	Window A/C	
Property	Premium	Other
Central Laundry	Off-Street Parking	None

Comments

This property was formerly subsidized and became market rate in 2015.

Northview Gardens, continued

Photos



PROPERTY PROFILE REPORT

Ridgewood Terrace Apartments

Effective Rent Date 5/07/2020

Location 642 Eggleston Falls Rd
Ridgeway, VA 24148
Henry County

Distance N/A

Units 16

Vacant Units 0

Vacancy Rate 0.0%

Type Townhouse (2 stories)

Year Built/Renovated 1992 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics None identified

Contact Name Property Manager

Phone (276) 666-1527



Market Information

Utilities

Program	Market	A/C	not included -- central
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within one month	Other Electric	not included
Annual Chg. in Rent	N/A	Water	not included
Concession	None	Sewer	not included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	16	1,050	\$495	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$495	\$0	\$495	\$58	\$553

Amenities

In-Unit	Security	Services
Blinds	Carpeting	None
Central A/C	Coat Closet	None
Dishwasher	Ceiling Fan	
Garbage Disposal	Oven	
Refrigerator	Washer/Dryer hookup	

Property	Premium	Other
Off-Street Parking	None	None

Comments

We were unable to contact property management. This profile was updated based on online information.

Ridgewood Terrace Apartments, continued

Photos



PROPERTY PROFILE REPORT

Stratford Square Apartments

Effective Rent Date **4/29/2020**

Location 1807 East Church Street Extension
Martinsville, VA 24112
City Of Martinsville County

Distance N/A

Units 77

Vacant Units 2

Vacancy Rate 2.6%

Type Townhouse (2 stories)

Year Built/Renovated 1973 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors The Breezes

Tenant Characteristics Some teachers

Contact Name Nancy Joice

Phone 276-666-6413



Market Information

Utilities

Program	Market	A/C	not included -- wall
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	0%	Heat	not included -- electric
Leasing Pace	Within one month	Other Electric	not included
Annual Chg. in Rent	None	Water	not included
Concession	None	Sewer	not included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	4	450	\$425	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Townhouse (2 stories)	70	900	\$600	\$0	Market	No	2	2.9%	N/A	None
3	2.5	Townhouse (2 stories)	3	1,300	\$950	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$425	\$0	\$425	\$48	\$473
2BR / 1.5BA	\$600	\$0	\$600	\$58	\$658
3BR / 2.5BA	\$950	\$0	\$950	\$68	\$1,018

Stratford Square Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpet/Hardwood	Coat Closet		
Dishwasher	Garbage Disposal		
Microwave	Oven		
Refrigerator	Wall A/C		
Washer/Dryer	Washer/Dryer hookup		

Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management	Playground		
Swimming Pool	Tennis Court		

Comments

The property does not accept Housing Choice Vouchers. The rents were updated from Costar.

Stratford Square Apartments, continued

Trend Report

Vacancy Rates

4Q13	2Q19	2Q20
13.0%	2.6%	2.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$400	\$0	\$400	\$448
2019	2	0.0%	\$425	\$0	\$425	\$473
2020	2	0.0%	\$425	\$0	\$425	\$473

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	14.3%	\$575	\$0	\$575	\$633
2019	2	2.9%	\$600	\$0	\$600	\$658
2020	2	2.9%	\$600	\$0	\$600	\$658

3BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2013	4	0.0%	\$850	\$0	\$850	\$918
2019	2	0.0%	\$950	\$0	\$950	\$1,018
2020	2	0.0%	\$950	\$0	\$950	\$1,018

Trend: Comments

4Q13 The property does not accept Housing Choice Vouchers. The property was built in three phases. The property has two entrances. The back entrance is near Madison & Brookdale. The size of the units were estimated using the floor plan on the property's website at stratfordsquareapartments.com.

2Q19 The property does not accept Housing Choice Vouchers.

2Q20 The property does not accept Housing Choice Vouchers. The rents were updated from Costar.

Stratford Square Apartments, continued

Photos



PROPERTY PROFILE REPORT

Terrace View Apartments

Effective Rent Date 5/07/2020

Location 80 Charles Street
Collinsville, VA 24078
Henry County

Distance N/A

Units 74

Vacant Units 1

Vacancy Rate 1.4%

Type Garden (3 stories)

Year Built/Renovated 1980 / 2005

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics None identified

Contact Name Debbie

Phone 276-647-7705



Market Information

Utilities

Program	Market	A/C	not included -- central
Annual Turnover Rate	5%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within one week	Other Electric	not included
Annual Chg. in Rent	Increased one percent	Water	not included
Concession	None	Sewer	not included
Waiting List	Two months	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	34	585	\$375	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	3	950	\$435	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Garden (3 stories)	34	775	\$460	\$0	Market	No	1	2.9%	N/A	None
2	2	Garden (3 stories)	3	1,065	\$575	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$375 - \$435	\$0	\$375 - \$435	\$48	\$423 - \$483
2BR / 1.5BA	\$460	\$0	\$460	\$58	\$518
2BR / 2BA	\$575	\$0	\$575	\$58	\$633

Terrace View Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Coat Closet		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		

Property		Premium	Other
Central Laundry	Off-Street Parking	None	None

Comments

The contact reported that the larger units have in-unit dishwashers and washer/dryers; however, there are only a small number of these units and the tenants in these units have lived there for more than five years. Therefore, we have not included dishwashers and in-unit washer/dryers as an amenity. The year built is estimated. When units turnover, new carpeting is installed and appliances are updated as needed. The contact reported strong demand for rental housing and that units do not stay vacant for very long. The one vacant unit is pre-leased.

Terrace View Apartments, continued

Photos



PROPERTY PROFILE REPORT

The Corner Stone Apartments

Effective Rent Date	4/08/2020	
Location	10 Starling Avenue Martinsville, VA 24112 Martinsville County	
Distance	N/A	
Units	47	
Vacant Units	1	
Vacancy Rate	2.1%	
Type	Garden (3 stories)	
Year Built/Renovated	1940 / 1973	
Marketing Began	N/A	
Leasing Began	N/A	
Last Unit Leased	N/A	
Major Competitors	The Breezes	
Tenant Characteristics	Not disclosed	
Contact Name	Nelson Evans	
Phone	276-252-9991	

Market Information		Utilities	
Program	Market	A/C	not included -- central
Annual Turnover Rate	10%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- gas
HCV Tenants	0%	Heat	not included -- gas
Leasing Pace	Pre-leased	Other Electric	not included
Annual Chg. in Rent	Increased four percent	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	16	600	\$450	\$0	Market	No	1	6.2%	N/A	None
2	2	Garden (3 stories)	31	800	\$625	\$0	Market	No	0	0.0%	N/A	None

Unit Mix						
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	
1BR / 1BA	\$450	\$0	\$450	\$0	\$450	
2BR / 2BA	\$625	\$0	\$625	\$0	\$625	

Amenities						
In-Unit				Security		Services
Blinds				Carpet/Hardwood		Video Surveillance
Central A/C				Coat Closet		None
Dishwasher				Garbage Disposal		
Oven				Refrigerator		
Property				Premium		Other
Central Laundry				None		None
Off-Street Parking						

Comments	
The vacant unit has not been turned over in several years as heavy repairs are needed.	

The Corner Stone Apartments, continued

Trend Report

Vacancy Rates

4Q18	1Q19	1Q20	2Q20
2.1%	0.0%	2.1%	2.1%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	0.0%	\$425	\$0	\$425	\$425
2019	1	0.0%	\$425	\$0	\$425	\$425
2020	1	6.2%	\$450	\$0	\$450	\$450
2020	2	6.2%	\$450	\$0	\$450	\$450

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2018	4	3.2%	\$575	\$0	\$575	\$575
2019	1	0.0%	\$600	\$0	\$600	\$600
2020	1	0.0%	\$625	\$0	\$625	\$625
2020	2	0.0%	\$625	\$0	\$625	\$625

Trend: Comments

4Q18 The property was shopped as a prospective tenant, to insure participation. The contact stated there is one unit available that became vacant in September as was left in bad condition. He noted one-bedroom units do not become available often but provided a rental amount if one was vacant at this time.

1Q19 The property was shopped as a prospective tenant, to insure participation.

1Q20 The property was shopped as a prospective tenant, to ensure participation. The vacant unit had not been turned over in several years and heavy repairs were needed but will be available to view within the week of our survey.

2Q20 The vacant unit has not been turned over in several years as heavy repairs are needed.

The Corner Stone Apartments, continued

Photos



PROPERTY PROFILE REPORT

The Henry

Effective Rent Date 4/08/2020

Location 50 E Church St
Martinsville, VA 24112
Henry County

Distance N/A

Units 25

Vacant Units 2

Vacancy Rate 8.0%

Type Midrise (4 stories)

Year Built/Renovated 1921 / 2015

Marketing Began N/A

Leasing Began N/A

Last Unit Leased 3/11/2020

Major Competitors None identified

Tenant Characteristics Mix tenancy

Contact Name Gina

Phone 276.632.5225



Market Information

Utilities

Program	Market	A/C	not included -- central
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within two weeks	Other Electric	not included
Annual Chg. in Rent	Increased one to two percent	Water	included
Concession	One month rent free	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	13	610	\$799	\$67	Market	0	1	7.7%	N/A	None
1	1	Midrise (4 stories)	12	635	\$875	\$73	Market	0	1	8.3%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$799 - \$875	\$67 - \$73	\$732 - \$802	\$0	\$732 - \$802

Amenities

In-Unit	Security	Services
Blinds	Cable/Satellite/Internet	None
Carpet/Hardwood	Coat Closet	
Garbage Disposal	Microwave	
Oven	Refrigerator	
Wall A/C		
Property	Premium	Other
Elevators	Central Laundry	None
Off-Street Parking	Floor	

Comments

According to the contact, there is no official waiting list. Internet is included in the rent. There is a one-month rent-free offer for new tenants. The property manager reported no affect from the COVID-19 situation.

Photos



PROPERTY PROFILE REPORT

Wayside Manor

Effective Rent Date **4/29/2020**

Location **10624 Greensboro Rd
Ridgeway, VA 24148
Henry County**

Distance **N/A**

Units **18**

Vacant Units **0**

Vacancy Rate **0.0%**

Type **Townhouse (2 stories)**

Year Built/Renovated **1981 / N/A**

Marketing Began **N/A**

Leasing Began **N/A**

Last Unit Leased **N/A**

Major Competitors **None identified**

Tenant Characteristics **None identified**

Contact Name **Property Manager**

Phone **276-656-0362**



Market Information

Utilities

Program	Market	A/C	not included -- wall
Annual Turnover Rate	5%	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within one week	Other Electric	not included
Annual Chg. in Rent	None	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	9	500	\$300	\$0	Market	No	0	0.0%	N/A	None
1	1	Townhouse (2 stories)	9	580	\$330	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$300 - \$330	\$0	\$300 - \$330	\$0	\$300 - \$330

Amenities

In-Unit	Security	Services
Blinds	Carpeting	None
Ceiling Fan	Garbage Disposal	None
Oven	Refrigerator	
Wall A/C		
Property	Premium	Other
Central Laundry	Off-Street Parking	None

Comments

The property is comprised of two buildings.

Wayside Manor, continued

Photos



PROPERTY PROFILE REPORT

Wellington Manor

Effective Rent Date 4/29/2020

Location 16 Molly Cir
Martinsville, VA 24112
Henry County

Distance N/A

Units 62

Vacant Units 0

Vacancy Rate 0.0%

Type Townhouse (2 stories)

Year Built/Renovated 1990 / N/A

Marketing Began N/A

Leasing Began N/A

Last Unit Leased N/A

Major Competitors None identified

Tenant Characteristics None identified

Contact Name Property Manager

Phone (276) 638-4431



Market Information

Utilities

Program	Market	A/C	not included -- central
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	N/A	Heat	not included -- electric
Leasing Pace	Within one month	Other Electric	not included
Annual Chg. in Rent	Increased two to three percent	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	31	761	\$500	\$0	Market	N/A	0	0.0%	N/A	None
2	1	Townhouse (2 stories)	31	1,040	\$624	\$0	Market	N/A	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$500	\$0	\$500	\$0	\$500
2BR / 1BA	\$624	\$0	\$624	\$0	\$624

Amenities

In-Unit	Security	Services
Blinds	Carpeting	None
Central A/C	Coat Closet	None
Dishwasher	Garbage Disposal	
Oven	Refrigerator	
Washer/Dryer hookup		

Property	Premium	Other
Central Laundry	None	None
Swimming Pool		

Comments

The rents were updated from Costar.

Photos



PROPERTY PROFILE REPORT

Westchester Square

Effective Rent Date	4/29/2020	
Location	431 Hermitage Drive Danville, VA 24541 Danville County	
Distance	N/A	
Units	76	
Vacant Units	1	
Vacancy Rate	1.3%	
Type	Townhouse (2 stories)	
Year Built/Renovated	1972 / 2000	
Marketing Began	N/A	
Leasing Began	N/A	
Last Unit Leased	N/A	
Major Competitors	Audobon Apartments	
Tenant Characteristics	Most tenants are from the Danville area	
Contact Name	Wilkins Realtors	
Phone	434-797-4007	

Market Information		Utilities	
Program	Market	A/C	not included -- central
Annual Turnover Rate	N/A	Cooking	not included -- electric
Units/Month Absorbed	N/A	Water Heat	not included -- electric
HCV Tenants	0%	Heat	not included -- electric
Leasing Pace	Within two weeks	Other Electric	not included
Annual Chg. in Rent	Increase five percent	Water	included
Concession	None	Sewer	included
Waiting List	None	Trash Collection	included

Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	65	990	\$640	\$0	Market	No	N/A	N/A	N/A	None
3	2	Townhouse (2 stories)	11	1,100	\$670	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix						
Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	
2BR / 1.5BA	\$640	\$0	\$640	\$0	\$640	
3BR / 2BA	\$670	\$0	\$670	\$0	\$670	

Amenities			
In-Unit		Premium	
Balcony/Patio	Blinds	Security	Services
Carpeting	Central A/C	None	None
Dishwasher	Garbage Disposal		
Oven	Refrigerator		
Washer/Dryer hookup			
Property			Other
Exercise Facility	Central Laundry	None	None
Off-Street Parking	Recreation Areas		
Swimming Pool			

Westchester Square, continued

Comments

The rent shown above reflects the price of units with washer and dryer hookups. This property does not accept Housing Choice Vouchers. The information was updated from online resources since the property management is not reachable.

Westchester Square, continued

Trend Report

Vacancy Rates

4Q17	2Q19	3Q19	2Q20
1.3%	1.3%	1.3%	1.3%

Trend: Market

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	1.5%	\$615	\$0	\$615	\$615
2019	2	0.0%	\$675	\$0	\$675	\$675
2019	3	1.5%	\$675	\$0	\$675	\$675
2020	2	N/A	\$640	\$0	\$640	\$640

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$655	\$0	\$655	\$655
2019	2	9.1%	\$740	\$0	\$740	\$740
2019	3	0.0%	\$740	\$0	\$740	\$740
2020	2	N/A	\$670	\$0	\$670	\$670

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2017	4	0.0%	\$655	\$0	\$655	\$655
2019	2	9.1%	\$740	\$0	\$740	\$740
2019	3	0.0%	\$740	\$0	\$740	\$740
2020	2	N/A	\$670	\$0	\$670	\$670

Trend: Comments

4Q17 Management would not provide the annual turnover rate. The two-bedroom rents increased 3.4 percent and the three-bedroom rents decreased 3.0 percent over the past year. Management could not provide an explanation for the three-bedroom rent decrease.

2Q19 Management would not provide the annual turnover rate.

3Q19 The rent shown above reflects the price of units with washer and dryer hookups. This property does not accept Housing Choice Vouchers.

2Q20 The rent shown above reflects the price of units with washer and dryer hookups. This property does not accept Housing Choice Vouchers. The information was updated from online resources since the property management is not reachable.

Photos



ADDENDUM C
Qualifications of Consultants



Photo: Courtesy of Andrew Abouna Photography
Mercado del Barrio, San Diego, Calif.



GOVAL GROUP

Dedicated industry experts who conduct customized valuation services, market analysis, research and consulting for a unique clientele.

KNOWLEDGE ◆ EXPERIENCE ◆ SERVICE

NOVOGRADAC PROVIDES SPECIALIZED VALUATION AND CONSULTING SERVICES BASED ON A DEPTH OF EXPERTISE

Novogradac is one of the country's top certified public accounting, valuation and consulting firms. Since opening in 1989, the firm has offered a wide variety of accounting and consulting services, guiding clients through tax, valuation and business issues of multiple tax-credit programs, such as the low-income housing tax credit (LIHTC), historic rehabilitation tax credit (HTC), new markets tax credit (NMTC) and renewable energy tax credit (RETC).

Novogradac's Government Consulting and Valuation Advisory (GoVal) Group is focused on the unique needs of clients who want the specialized valuation and market knowledge of industry experts, supported by broad real estate insight and the commitment and personal attention of dedicated professionals.

Whether working in the private sector or with a government agency, Novogradac's GoVal Group provides a single, trusted resource for local and national valuation services. We offer a comprehensive range of real estate advisory services and products, each designed for optimal effectiveness in a specific market segment.

Novogradac's GoVal Group places the highest priority on clients' needs and is ready to provide them with professional services, tailored to their engagement specifications.

NOVOGRADAC'S GOVAL GROUP



REBECCA ARTHUR

rebecca.arthur
@novoco.com



DAVID BOISTURE

david.boisture
@novoco.com



JOHN COLE

john.cole
@novoco.com



RACHEL DENTON

rachel.denton
@novoco.com



BLAIR KINCER

blair.kincer
@novoco.com



BRAD WEINBERG

brad.weinberg
@novoco.com

MULTIPLE SERVICES FOCUSED ON ONE CLIENT AT A TIME

Novogradac's GoVal professionals offer comprehensive resources and core services to meet the unique needs of each client, including:

- Market study and appraisal services for developers, investors and lenders;
- Affordable housing development support, including RAD transactions;
- HUD Section 8 rent comparability studies;
- Market analytics, including reasonableness tests of various components of any transaction;
- Partial interest valuations;
- Business valuations;
- Specialized appraisal knowledge of various agency programs, including Freddie Mac, Fannie Mae, and HUD FHA (MAP);
- City and county-wide housing needs assessments;
- LIHTC 4 percent and 9 percent application valuation support;
- LIHTC Year 15 and qualified contract consulting ;
- Market-value determinations for RETC transactions;
- Expert witness testimony and litigation support;
- Non-federal public private partnerships to enhance projects by such tasks as program development, management support, economic analysis and market research;
- Advanced technology, including IMPLAN economic analysis, GIS services and Rent Reasonableness Estimator.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President/Owner, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered

(LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

STATEMENT OF PROFESSIONAL QUALIFICATIONS
KELLY MCNANY GORMAN

I. Education

Virginia Tech, Blacksburg, VA
Bachelor of Arts in Urban Affairs and Planning

II. Professional Experience

Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Asset Manager, Housing Opportunities Commission of Montgomery County, MD
Senior Real Estate Analyst, Novogradac & Company LLP
Acquisitions Associate, Kaufman & Broad Multi-Housing Group, Inc. (KBMH)

III. Certifications, Professional Training and Continuing Education

Licensed Certified General Appraiser, CT License #RCG.0001437
Licensed Certified General Appraiser, NJ License #42RG00245500
Licensed Certified General Appraiser, NY License #46000051239
Licensed Certified General Appraiser, PA License #GA004390

Attended and presented at tax credit application training sessions and seminars, valuation of GP Interest sessions, numerous conferences and classes in real estate valuation, finance, asset management and affordable housing development using tax credits and tax exempt financing.

IV. Real Estate Assignments – Examples

A representative sample of Asset Management, Market Study, Due Diligence and Valuation Engagements includes the following:

- Managed and conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Managed and conducted market studies and appraisals of various LIHTC, affordable and market rate properties for numerous clients. The subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States. Market analysis included; preliminary property screening, market analysis, comparable rent surveys, operating expense and demand analysis. Appraisals included various value scenarios including hypothetical land value as if vacant, insurable value, value of LIHTC, abatements and PILOTs, below market debt, ground leases, value of historic credits, etc. Work has been national in scope.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.

- Provided appraisals and market studies for a variety of properties types located throughout the United States. The reports provided included a variety of property types including vacant land, multifamily rental properties, retail buildings, etc.
- Managed a portfolio of ten multifamily properties with a total of over 2,000 units. Portfolio a range of property types including an historic property, garden style, luxury high rise, two senior independent living and one assisted living facility. Responsible for the management, oversight, financial analysis and financial reporting. Coordinated the preparation of property operating budgets, capital budgets and long range plans. Monitored compliance with regulations, policies and procedures. Completed special property management projects consisting of research and reporting. Analyzed property management financial statements and multifamily rental markets surveys.
- Managed and assisted in the preparation of Rent Comparability Studies according the HUD Section 8 Renewal Policy in the Chapter 9 guidelines. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations. Recommendations included a workout for one of the 16 assets.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of property condition and deferred maintenance, security issues, signage, marketing strategy and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assess how the property compares to competition. Analyzed operating expense results.

NMTC Consulting Assignments

Performed investment due diligence for a variety of NMTC transactions.

- Performed loan consulting engagements in which GoVal provided opinions regarding whether third party lenders would reasonably lend to NMTC projects based upon deal structure and likelihood of repayment. These engagements involved the analysis of sources of collateral, sources of repayment and reviewing transaction documents, surveying lenders and examining the deal structure.
- Oversaw an analysis of NMTC activity analyzing sizing and recommending strategies for a NMTC investor. Engagement consisted of compilation of NMTC award data from CDFI by location, CDE type, year, award amount and conduct interviews with market participants to better understand investment objectives and competitor activity.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Tara Rial

I. Education

Loyola University Maryland, Baltimore, MD
Bachelors of Business Administration

II. Professional Experience

Manager, Novogradac & Company LLP
Analyst, Novogradac & Company LLP
Senior Research Associate, CoStar Group

III. Research Assignments

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Assisted with a variety of asset management services for a developer including monitoring and reporting property performance on a quarterly basis. Data points monitored include economic vacancy, levels of concessions, income and operating expense levels, NOI and status of capital projects.
- Conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.

- Conducted market studies for projects under the HUD Multifamily Accelerated Processing program.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

LAUREN MIGLIORE

I. Education

Edward J. Bloustein School of Planning and Public Policy at Rutgers University -
New Brunswick, NJ
Master of City and Regional Planning

Rutgers, The State University of New Jersey - New Brunswick, NJ
Bachelor of Arts in Planning and Public Policy

II. Professional Experience

Senior Analyst, *Novogradac & Company LLP* – December 2019 – Present
Analyst, *Novogradac & Company LLP* – December 2017 – December 2019
Junior Analyst, *Novogradac & Company LLP* – June 2016 – December 2017
Director of Outreach and Development, *New Jersey Future* – December 2014 – June 2016
Asset Manager, *Build with Purpose* – August 2009 – March 2014

III. Research Assignments

A representative sample of work on various types of projects:

- Conducted numerous market and feasibility studies for proposed and existing Low-Income Housing Tax Credit (LIHTC), HUD subsidized, and market rate properties for use by real estate developers, governmental entities, and financial institutions. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing LIHTC and market rate multifamily properties. Analysis includes property screenings, expense comparability analysis, demographic and economic analysis.
- Performed all aspects of data collection and data mining for use in market studies, feasibility studies, and appraisals.
- Reviewed appraisals and market studies for various state agencies for LIHTC application. Market studies were reviewed for adherence to NCHMA, state guidelines and overall reasonableness. Appraisals reviewed for adherence to USPAP, state guidelines, reasonableness.
- Conducted valuations of General Partnership or Limited Partnership Interests for LIHTC properties.
- Conducted market studies for retail and commercial properties utilized for underwriting purposes.

ADDENDUM D
Demographics

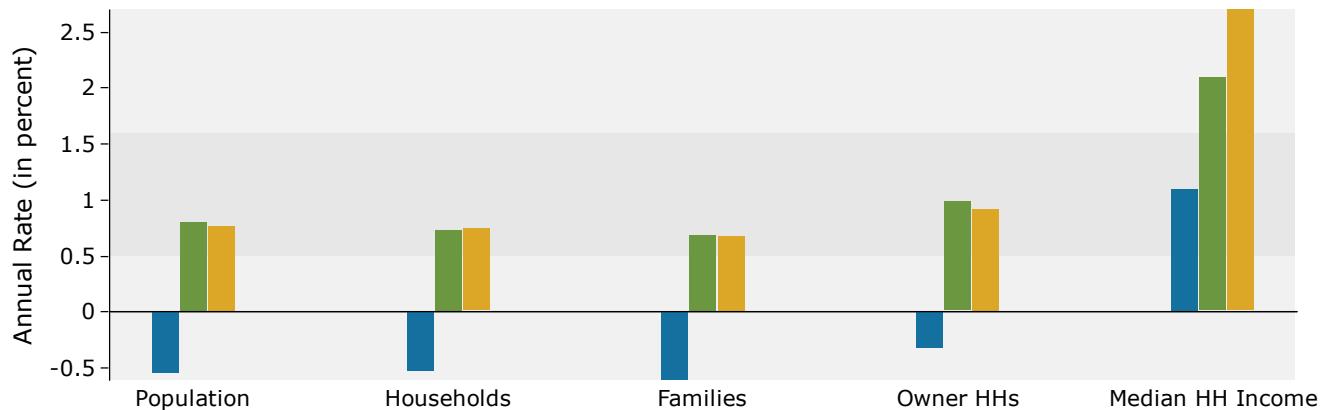
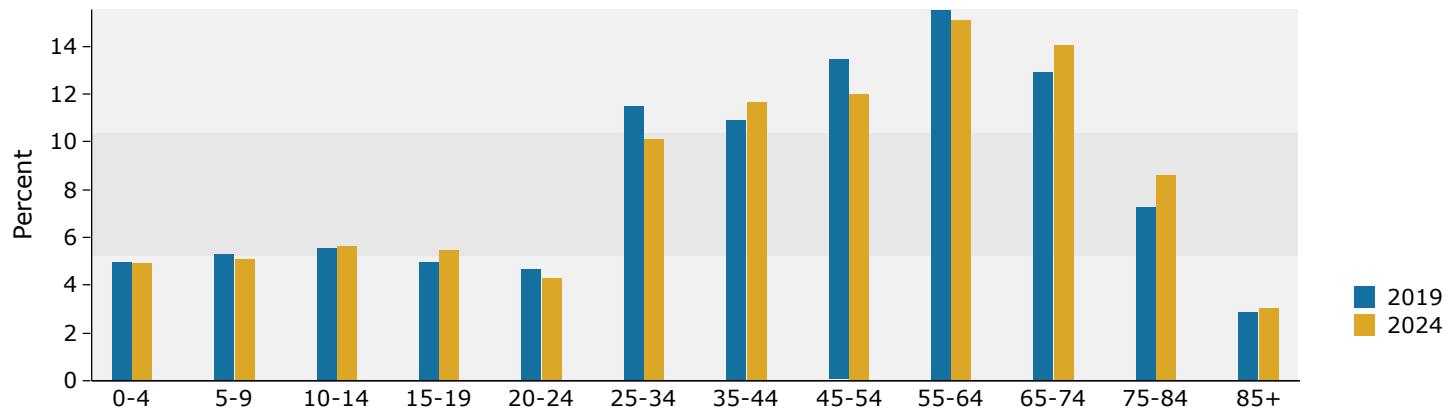
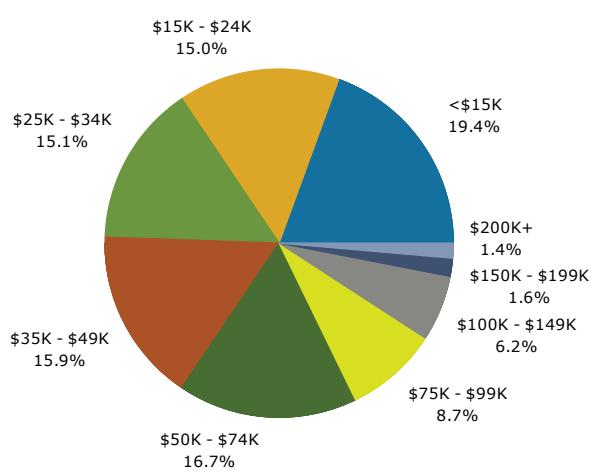
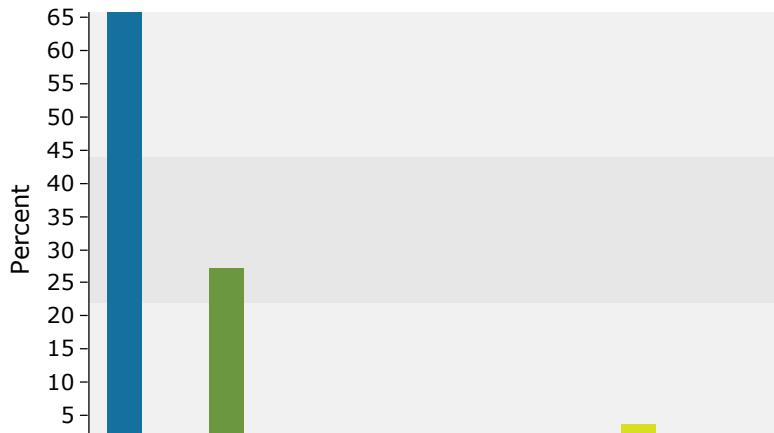
Summary	Census 2010	2019	2024
Population	67,972	66,209	64,371
Households	29,235	28,610	27,853
Families	19,118	18,532	17,970
Average Household Size	2.29	2.28	2.28
Owner Occupied Housing Units	20,569	19,362	19,045
Renter Occupied Housing Units	8,666	9,248	8,808
Median Age	44.5	46.7	47.5
Trends: 2019 - 2024 Annual Rate	Area	State	National
Population	-0.56%	0.80%	0.77%
Households	-0.53%	0.74%	0.75%
Families	-0.61%	0.69%	0.68%
Owner HHs	-0.33%	0.99%	0.92%
Median Household Income	1.11%	2.09%	2.70%
Households by Income	2019	2024	
	Number	Percent	Number
<\$15,000	5,555	19.4%	5,074
\$15,000 - \$24,999	4,301	15.0%	3,926
\$25,000 - \$34,999	4,307	15.1%	3,935
\$35,000 - \$49,999	4,561	15.9%	4,734
\$50,000 - \$74,999	4,765	16.7%	4,943
\$75,000 - \$99,999	2,488	8.7%	2,578
\$100,000 - \$149,999	1,766	6.2%	1,790
\$150,000 - \$199,999	458	1.6%	462
\$200,000+	409	1.4%	411
Median Household Income	\$35,327		\$37,323
Average Household Income	\$49,332		\$52,875
Per Capita Income	\$21,339		\$22,900
Population by Age	Census 2010	2019	2024
	Number	Percent	Number
0 - 4	3,779	5.6%	3,283
5 - 9	3,803	5.6%	3,509
10 - 14	3,938	5.8%	3,682
15 - 19	3,994	5.9%	3,294
20 - 24	3,518	5.2%	3,098
25 - 34	6,803	10.0%	7,608
35 - 44	8,636	12.7%	7,244
45 - 54	10,721	15.8%	8,893
55 - 64	9,475	13.9%	10,280
65 - 74	7,308	10.8%	8,556
75 - 84	4,358	6.4%	4,838
85+	1,639	2.4%	1,924
Race and Ethnicity	Census 2010	2019	2024
	Number	Percent	Number
White Alone	46,390	68.2%	43,576
Black Alone	18,054	26.6%	17,998
American Indian Alone	124	0.2%	165
Asian Alone	366	0.5%	522
Pacific Islander Alone	5	0.0%	5
Some Other Race Alone	1,924	2.8%	2,410
Two or More Races	1,109	1.6%	1,533
Hispanic Origin (Any Race)	3,097	4.6%	3,913

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024.

June 02, 2020

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Trends 2019-2024

Population by Age

2019 Household Income

2019 Population by Race


2019 Percent Hispanic Origin: 5.9%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2019 and 2024.

June 02, 2020

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